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*SMART INVESTMENTS
MEASURABLE RESULTS*



*Report of the Wisconsin Transportation
Finance and Policy Commission*

January 2013

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Executive summary

Wisconsin faces a daunting challenge when it comes to meeting the growing needs of its multimodal transportation network. The state's roads, bridges, railways, harbors, airports and transit facilities are getting older and more congested. A growing segment of the population is aging and increasingly dependent on public transit services. Wisconsin's economic future and the safety of all of its residents and visitors depend on a quality transportation network that can efficiently move people to jobs, raw materials to factories, finished products to markets, and tourists to their destinations.

At the same time, the state's decades-old transportation funding model is not keeping pace with current or future needs. The state has chosen to address its transportation funding shortfall with increased debt through bond issuance—a path that is unsustainable over the long term.

To address this challenge, the Legislature, as part of the 2011–13 state biennial budget, created the 10-member Wisconsin Transportation Finance and Policy Commission. The Commission is comprised of a cross-section of citizen members from across the state, chaired by the non-voting Secretary of the Department of Transportation. The Commission held over a dozen public meetings and several public listening sessions and focus group meetings to examine issues related to the future of transportation finance and policy in Wisconsin, among them:

- ▶ state highway programs;
- ▶ local road, bridge and aid programs, including bicycle-pedestrian facilities and transit;
- ▶ freight and multimodal programs, including airports, harbors, and railroads;
- ▶ Transportation Fund revenue projections and debt service; and
- ▶ revenue and finance alternatives.

The Commission's overall goal was to develop policy changes and financing options to balance projected transportation needs with revenues over the next 10 years.



WIS 42, Door County

Current revenue and travel trends

Over the past year, the Commission has developed an understanding of the state's transportation programs and services and how Wisconsin funds its entire multimodal transportation network. A narrow funding base—primarily, motor fuel taxes and vehicle registration fees—funds the transportation network and its maintenance needs, as well as the operations of the Divisions of Motor Vehicles and State Patrol.

Improvements in motor vehicle fuel economy and the increasing popularity of hybrid and electric vehicles are decreasing state and federal motor fuel tax collections. Additionally, since 2002, the number of vehicle miles traveled (VMT) has been essentially flat on a statewide basis. Statewide VMT has declined over three percent from its peak in 2004, yet many urban areas of the state are experiencing congestion. The result is increasing transportation needs and decreasing revenues to address them.

The federal motor fuel tax (unchanged since 1993) is 18.4 cents per gallon, and the state motor fuel tax is 30.9 cents per gallon.¹ The last time the Legislature voted to increase the state motor fuel tax was in 1997. Since 2006 when motor fuel tax indexing was repealed, inflation has reduced the buying power of the state motor fuel tax by nearly 13 percent.

The state's decision to issue bonds to address the loss of revenues led to debt service payments of \$762 million in the 2011-13 biennium. Assuming a similar level of bonding over the next 10 years, debt service will consume one-quarter of all state transportation revenues by FY 2023.

¹ An additional 2.0 cents per gallon goes to the Petroleum Inspection Fund.

Review of transportation needs—four scenarios

The Commission scrutinized current state transportation investments to gain a better understanding of how transportation assets and projects are currently managed and how overall performance is measured. To better understand potential needs of the transportation network in the future, the Commission considered four scenarios that define how the network would function at different investment levels.

The four needs analyses—from system disinvestment to multimodal enhancements—allowed commissioners to consider the funding levels needed to address specific condition goals for the transportation network over the next 10 years. The four scenarios gave the Commission a common perspective from which to develop recommendations. All scenarios assumed a total of about \$25 billion in state and federal transportation revenues over the decade.

- ▶ **SCENARIO ONE—DISINVESTMENT:** Scenario One holds transportation expenditures at current levels over the next 10 years, resulting in a 15.7 percent reduction in purchasing power. This scenario envisions significant deterioration of the state transportation network. The condition of state and local highway pavements and bridges deteriorate. Planned major highway projects are delayed several years. Funding for transit, rail, harbors and airports is inadequate to maintain current conditions and service levels.
 - » Projected 10-year cost: \$27 billion
 - » Funding gap: \$2 billion

- ▶ **SCENARIO TWO—PRESERVATION:** Scenario Two preserves existing transportation services and the physical condition of the network at current levels over the next decade. This scenario does not address traffic congestion issues, resulting in a 50 percent increase in congested roadway miles.
 - » Projected 10-year cost: \$30.8 billion
 - » Funding gap: \$5.8 billion

- ▶ **SCENARIO THREE—CAPACITY MANAGEMENT:** Scenario Three keeps transportation services, conditions, and traffic congestion at current levels and allows highway maintenance and operations services to keep pace with needs. Funding for other transportation modes keeps pace with inflation.
 - » Projected 10-year cost: \$40.3 billion
 - » Funding gap: \$15.3 billion

- ▶ **SCENARIO FOUR—MULTIMODAL ENHANCEMENTS:** In addition to meeting the goals noted in Scenario Three, this scenario addresses basic needs of the state's public transit, airport, freight rail and commercial port systems.
 - » Projected 10-year cost: \$42.1 billion
 - » Funding gap: \$17.1 billion

The consequences of no action

The four scenarios provide a sobering assessment of transportation conditions under various investment levels. In light of our uncertain economic climate, commissioners carefully considered the impact of a “no funding increase” approach as described in Scenario One. While they found the consequences of failing to address the state’s transportation needs to be substantial, they also realize the Legislature, the Governor, and the people of Wisconsin will ultimately determine the investment priorities for the state.

Over the next 10 years, the State Highway Rehabilitation Program will need to fund major rehabilitation projects on a large portion of the state trunk highway system. The Major Highway Development Program will fund other high-cost rehabilitation and large capacity projects to address safety concerns and meet economic goals. Twelve major highway projects are scheduled for construction in future years. The current estimated cost to complete these projects is \$3.1 billion.

Southeast Wisconsin has some of the busiest highways and most complex infrastructure in the state. While progress has been made through improvements to the Marquette Interchange and the I-94 corridor between Milwaukee and Chicago, funding projects under the Southeast Wisconsin Freeway Megaprojects Program will require an estimated \$300 million annually for the next 20 years.

Without additional highway funding:

- The percentage of the state highway system in poor or worse condition will increase from 20 percent in 2014 to 42 percent in 2023.
- Planned major highway projects, which have already been identified as necessary to enhance safety and support economic growth, will be delayed six years, resulting in a 22 percent increase in congested state highway miles.

Through a unique and valuable partnership, the Wisconsin Department of Transportation contracts with counties to handle routine maintenance of the state trunk highway system, including mowing and snow and ice removal. The costs associated with maintenance and traffic operations continue to grow.

Without additional maintenance and traffic operations funding:

- Investments in traveler warning and road weather management systems will be reduced, routine maintenance will be deferred, and roads will remain snow-covered and slippery for longer time periods after major storms, creating additional safety problems.
- Deferred routine maintenance will lead to higher repair costs in the future.

Mobility takes many forms. For increasing numbers of Wisconsinites who cannot, should not, or choose not to drive, transit is their link to jobs, medical appointments, family and friends, shopping and culture.

Without additional transit funding, unless local governments can increase their funding share:

- Routes will be cut and fares will increase; aging buses and bus facilities will become unsafe or go out of service; and the state's transit-dependent population will be isolated in their homes, with people unable to get to jobs or school.

Without local revenue options for transit services:

- Local governments will continue to rely on the property tax to fund their local transit share.

The Federal Aviation Administration is implementing the Next Generation Air Transportation System, NextGen, a 10-year federal initiative to move the nation's air traffic control system from ground-based radar to a modern satellite-based system. This vital safety improvement will require a state and federal funding partnership.

Without additional aeronautics funding:

- The state will be unable to match federal funding for safety upgrades necessary to comply with NextGen.

Wisconsin's 29 commercial ports and harbors are the state's most direct link to world markets. Water transportation is a fuel-efficient way to move bulk commodities.

Without increased harbor investment:

- Conditions at Wisconsin's commercial ports will continue to deteriorate. The state's ability to attract and retain industries that rely on efficient bulk freight movement will be negatively impacted by decaying and inefficient harbor infrastructure and a lack of coordinated harbor plans.
- The potential of the state's commercial ports as a source of economic development will remain underutilized as the pace of needed investment slows.

Commissioners view freight rail as having two components—preservation and acquisition. While the overwhelming majority of freight rail in Wisconsin occurs on tracks owned and cars operated by one of the private Class I railroads, the state owns and operates a small but important segment of the freight rail network. Commissioners support an emphasis on upgrading existing state-owned lines, and they also recognize the need to acquire lines that would otherwise be abandoned in order to preserve a mobility option for those lines in the future.

Without increased freight rail investment:

- The state's rail system will continue to operate at speeds of less than 20 miles per hour and be unable to support current and future car load weights.
- Line abandonments could cut off access to the national rail network for many carload rail shippers and dozens of communities.

Bicycle and pedestrian facilities help create an integrated, balanced transportation network. Investing in these facilities supports efficient land use, improves commuting options for Wisconsin residents, and improves roadway safety for all users.

Without increased funding for bicycle and pedestrian facilities:

- People will not feel safe while biking and walking, and commuters will not experience the modal choice that these facilities offer.

Recommendations and impacts on motorists

After careful consideration of the impact of a “do nothing” approach, the Commission developed its program and funding recommendations to assure an acceptable condition level for the transportation network. These recommendations are not a wish list—they essentially fund programs to maintain condition and congestion levels that exist today through 2023. The Commission believes the economic and safety impacts of this investment will justify the underlying tax and fee increases needed to improve the state’s multimodal transportation network over the next 10 years.

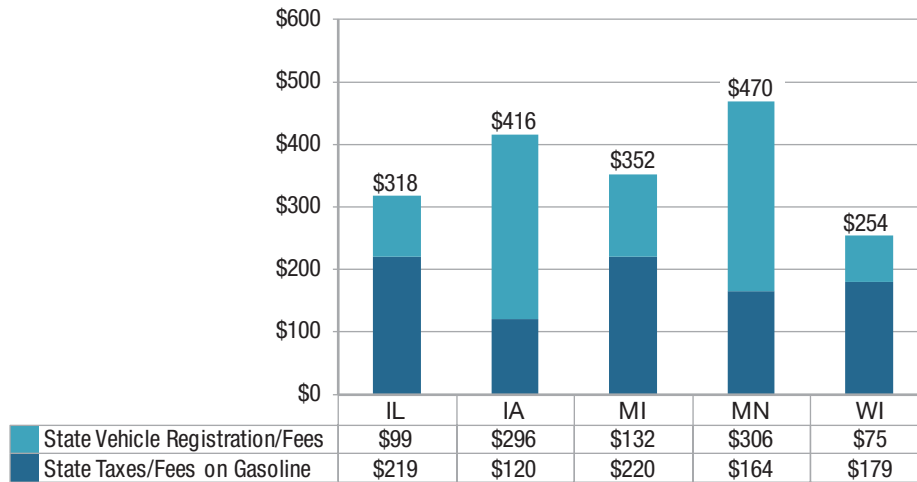
III ➔ To maintain a safe and efficient system, the Commission recommends the following increased investments on an annual basis:

- **State highway rehabilitation, maintenance and modernization** **\$387.1 million**
 - **Local highways and bridges** **\$40.0 million**
 - **Public transit** **\$36.3 million**
 - **Airports, rails, harbors, bicycle and pedestrian facilities** **\$16.1 million**
-

Commissioners were committed to developing a plan that balanced expenditures and revenues. They began with evaluating the impact of existing motor fuel taxes and registration fees on vehicle owners. In Wisconsin, the owner of a 2010 mid-size sedan with a fuel efficiency of 22 miles per gallon who drives 12,000 miles a year currently pays about \$254 annually in state motor fuel taxes and vehicle registration fees.

A similar comparison shows vehicle owners in surrounding states currently pay higher motor fuel tax and vehicle registration fees on an annual basis: \$318 in Illinois, \$416 in Iowa, \$352 in Michigan, and \$470 in Minnesota. Comparatively speaking, Wisconsinites enjoy a relative bargain with access to the state’s 114,800 miles of federal, state and local roadways for under a dollar a day.

Five-State Comparison of Vehicle Registration Fees and Motor Fuel Taxes



Mindful of the factors creating a growing imbalance between transportation needs and revenues, commissioners considered a full range of revenue options, noting the advantages and disadvantages of each. For example, while tolls raise significant transportation revenues in some states, commissioners deemed tolls unworkable in Wisconsin at this time due primarily to federal tolling restrictions.

The Commission's preferred transportation revenue plan puts the state on course to support economic growth and public safety over the next 10 years. It accounts for needed investments in the multimodal transportation network and addresses the declining revenue generation of the current transportation funding model.

➡ The Commission offers the following recommendations to raise the revenues required to preserve and improve the transportation network:

- **Raise the state motor fuel tax by five cents per gallon.**
- **Adopt a new mileage-based registration fee for passenger cars and light trucks of approximately one cent per mile travelled.**
- **Increase annual registration fees for commercial vehicles by 73 percent.**
- **Increase the fee for an eight-year driver license by \$20.**
- **Eliminate the sales tax exemption on the trade-in value of a vehicle.**

Under the Commission's recommendations, fuel taxes and registration fees for the owner of a typical passenger vehicle will increase by approximately \$120 annually—just 33 cents per day.

➔ In addition, the Commission offers the following recommendations and finding to address policy issues related to transportation funding and finance in Wisconsin:

- The Commission supports legislation to allow regional transportation authorities to raise funds through a one-half-cent maximum sales tax, with voter approval, for transportation purposes.
- The Commission supports legislation to authorize a maximum one-half-percent local option sales tax, for transportation purposes, in counties with populations less than 100,000.
- The Commission supports capping debt service payments for transportation projects at a manageable level compared with annual transportation revenues.
- The Commission supports indexing the state motor fuel tax and/or vehicle registration fees to provide inflationary adjustments over time.
- The Commission supports the proposed state constitutional amendment to protect the integrity of Wisconsin's Transportation Fund.
- The Commission found that current federal regulations on tolling create an obstacle to its implementation in Wisconsin. The Commission encourages the Wisconsin Congressional Delegation to support federal legislation that allows states more flexibility to toll on the National Highway System.

The Commission's report highlights the importance of a safe, efficient multimodal transportation system to address the basic mobility needs of Wisconsin residents, young and old. It represents the minimal level of investment needed to keep Wisconsin moving. The challenges before us are clear—as are the consequences of failing to address this major public policy issue. Wisconsin's economic future, personal mobility and the safety of its residents are all at stake.

Transit programs

Public officials, transit agencies and associations, and transit riders reported that the cuts made to public transit funding in the 2011–13 biennium led to reduced transit service in their communities. In combination with reduced shared revenue payments, tax levy limits, repeal of the statutory authority to create Regional Transit Authorities (RTAs), and the lack of a dedicated source of local funding for public transit, some transit systems cut services and increased fares, eliminating services to some populations entirely.

In public listening sessions held in Madison, Milwaukee, Appleton and Eau Claire and in a focus group held in Stevens Point, participants shared their stories related to the need for expanded transit and paratransit services. For example, effective January 1, 2012, in the Wausau area, transit service to three neighboring municipalities was eliminated.¹⁵ By November 2012, negotiations were underway to develop a compromise for restoring service to some of these routes.

“...That bus stops right in front of my door and picks me up... that’s what I love about it. In the winter time, I’m very leery because I have problems with my legs...”

Focus group participant

“I usually take the [paratransit] bus to work, to college, I take it to doctors and dentist appointments, wherever I have to go.”

Focus Group participant

COMMISSIONERS CREATED a policy purpose for transit to assist them in their evaluation:

- **Mobility takes many forms. For increasing numbers of Wisconsinites who cannot, should not, or choose not to drive, transit is their link to jobs, family and friends, shopping and culture.**
- **Transit is important to our state’s employers and workers to get members of the community to and from their jobs.**
- **People choose transit for different reasons. Some are choice riders; they prefer transit to using a personal automobile. Other riders are transit-dependent. These riders range from those who cannot afford a car to the truly transit-dependent—the elderly and disabled.**
- **Transit is important to our aging population. Nationally, 77 million baby boomers are approaching their retirement years. We need to keep this generation active, engaged and healthy. Our elderly population needs mobility through transportation choice so that they can age in place.**
- **Regional mobility authorities work through municipal boundaries to connect people and jobs and to keep the cost of transit affordable.**

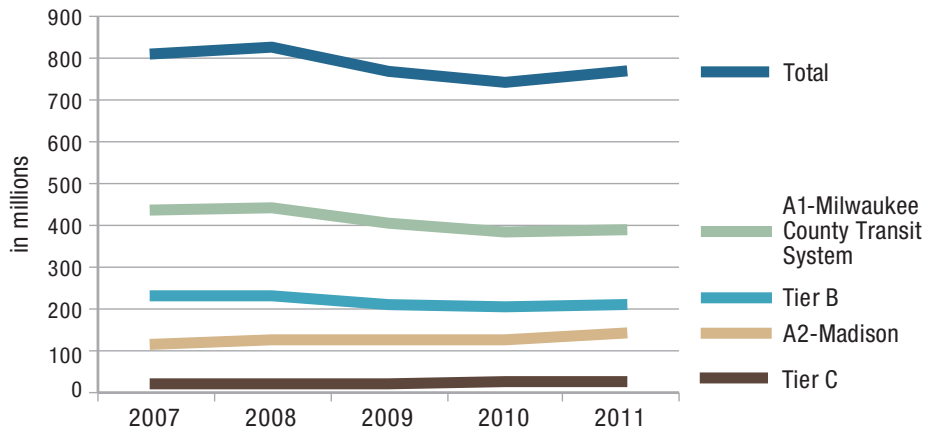
¹⁵ <http://www.dot.wisconsin.gov/about/TFP/docs/mtg3-seubert.pdf>

Commissioners agree that transit occupies an important role in the state's transportation network. They asked for information on ridership and how funds are allocated among transit agencies today. Since 2002, the level of state funding for transit has varied. Some years saw no funding increase; in one year, transit funding increased by three percent. Overall, most funding increases—when they occur—do not keep pace with inflation, which averages about three percent for transit systems.

Seventy-seven percent of residents surveyed believe it's important to expand transit for seniors and people with disabilities.

Chart II-D shows ridership levels for Wisconsin transit systems from 2007–2011. Total ridership has gone down somewhat since 2007 due to service cuts and fare increases.

Chart II-D: Transit Ridership Levels



Commissioners asked:

- ▶ Is the state's tiered funding structure the best way to support transit in Wisconsin? At what level should the state support transit operating costs?

State law requires a uniform percentage distribution of state and federal operating assistance for transit systems serving communities between 50,000 and 200,000 people (known as Tier B) and those serving from 2,500 to 50,000 people (known as Tier C). With the exception of public transit systems serving over 200,000 people, the day-to-day operations of public transit systems in Wisconsin are funded by passenger fares, state, federal and local funds.



Menominee Regional Public Transit

An advantage of the tiered system is equity among all stakeholders within each tier. La Crosse, for example, gets the same share of state and federal aid as Wausau or another medium-sized urban counterpart. This level of equity limits competition among communities and regions of the state. It engenders cooperation and support for the tier

system among transit providers. Transit funding levels may be increased or decreased, but those changes are shared equitably as the benefit or loss is spread among the transit systems.

Each fall, public transit systems submit detailed budgets projecting their operational costs for the coming calendar year. State and federal funding is provided based on estimated costs. The department oversees distribution of state and federal funds for specialized transit projects.¹⁶ Its role is to solicit applications and select and oversee projects to ensure compliance with federal regulations. State programs for specialized transit are formula-based, and state and local funds are often combined to provide the requisite match for federal programs.

Over the last eight years, the percentage of operating costs covered by state and federal funding has declined within each tier. State funding declined from 38 percent in 2008 to 36.6 percent in 2010. In 2012, with the state funding cut to operating assistance, the percentage will fall to an estimated 32.9 percent.

➡ THE COMMISSION RECOMMENDS restoration of the annual \$9.3 million cut to public transit implemented as part of the 2011–13 biennial budget and restoration of an additional \$9.5 million annually to bring transit tier funding back to historic levels.¹⁷

The Commission further recommends the department be provided the administrative flexibility to adjust the transit tiers in accordance with changes in federal law that would alter the allocation of funds to transit systems.

The Commission asked department staff for information on the impact of their recommendation to increase operating assistance. The 2011–13 biennial budget decreased funding for public transit by 10 percent or \$11.8 million. The decrease was partially mitigated by the addition of \$2.5 million for paratransit fixed route bus systems, resulting in an overall decrease of \$9.3 million (an 8 percent cut).

¹⁶ Specialized transit is provided to the elderly and disabled through a number of coordinated programs.

¹⁷ As far back as 2002, Tier A systems were funded at 50 percent, Tier B systems at 60 percent, and Tier C systems at 65 percent of their operating expenses.

Table II-A shows the impact of restoring the \$9.3 million 2011–13 public transit cut and adding \$9.5 million to return tier percentages to the 2002 historic goals.

Table II-A: Percent of State and Federal Funds to Transit Tiers After Restoration of Funds in CY 2014

Tier	Description	Restore \$9.3 million cut in 2011–13 biennial budget	Restore an additional \$9.5 million to meet historical goals
A1	Milwaukee	48.8%	50%
A2	Madison	46.4%	50%
B	Other urban systems	55.3%	60%
C	Rural systems	59.8%	65%

Table II-B shows the dollar amounts needed to restore these funds.

Table II-B: Dollar Amounts of State and Federal Funds to Transit Tiers After Restoration of Funds in CY 2014 (\$ in millions)

Tier	System	2014 estimated costs	Estimated federal assistance under MAP-21	State operating assistance including paratransit assistance	Additional state operating assistance to restore cuts	Resulting funding percentage	Additional state operating assistance to restore funding to historic goals	Resulting funding percentage
A1	MCTS	\$178.4	\$18.5	\$63.2	\$5.4	48.8%	\$2.1	50%
A2	Madison	\$54.7	\$7.4	\$16.6	\$1.4	46.4%	\$1.9	50%
B	Other Urbans	\$86.5	\$21.9	\$23.9	\$2.0	55.3%	\$4.1	60%
C	Rurals	\$25.7	\$9.5	\$5.3	\$0.5	59.8%	\$1.3	65%
Totals					\$9.3		\$9.4	
Grand Total							\$18.8	

Table II-B assumptions:

- » A three percent annual increase in operating costs from 2012
- » 2010 Census changes are in place:
 - Hartford and West Bend are now Tier B systems.
 - Appleton and Green Bay remain in Tier B and Tier B is held harmless.
- » Elimination of one-time federal funding¹⁸
- » Elimination of the Job Access Reverse Commute (JARC) program and its separate funding under MAP-21. The scenarios assume that Milwaukee and Appleton’s transit systems will continue to fund their 2012 JARC-funded bus routes using state Urban Mass Transit Operating Assistance and federal Urbanized Area formula funding in 2014.
- » Federal Transit Administration funding estimates under MAP-21.

¹⁸ Federal funding remaining from dissolution of Kenosha–Milwaukee–Racine project is currently being used to support two bus routes in Milwaukee.

The Commission asked:

- At what level should the state support capital costs?

Wisconsin has no capital assistance program for public transit systems. Since funding for capital items is comprised of federal funding and local match, the department has no opportunity to address the composition of the statewide bus fleet. Decisions regarding capital spending are made on an individual system level and depend on the amount of local and federal funding available. The current reported capital need is approximately \$35 million annually.

The Commission believes an adequate and consistent funding source is needed to allow transit systems to regularly replace buses and bus facilities and allow for some expansion. Federal funding is extremely limited. MAP-21 provides capital funding by formula and eliminates competitive grant programs. Dedicated federal funding for urban buses and bus facilities for the 2013 federal fiscal year is estimated at \$6 million—far less than the \$11.8 million Wisconsin received in 2012 from the last round of competitive grants.

MAP-21 requires individual transit systems to report on the condition of their capital assets and set investment priorities. The federal government will define the term “state of good repair” through rulemaking. Over the next few years, Wisconsin policy makers will have an opportunity to set priorities for the average age of the state’s transit vehicle fleet and the overall condition of transit facilities.

III ➔ THE COMMISSION RECOMMENDS a state transit capital program of \$15 million annually or \$150 million over 10 years.

Without funding for transit capital needs, Wisconsin’s transit systems will be faced with increased annual maintenance and operating costs, and they may be unable to replace their aging buses and facilities.



Janesville, Rock County

Retaining Transportation Fund support for transit

In comments from public officials, transit agencies and riders, the Commission heard opposition to moving transit funding to the General Fund where transit programs would risk losing funds in competition with other statewide needs. Even within the Transportation Fund, however, transit programs will compete with other transportation needs; there is no guarantee of stability.

THE COMMISSION RECOMMENDS that transit assistance continue to be funded from the Transportation Fund.

“Removing transit funding from the Transportation Fund and moving it to the General Fund makes our transit system funding vulnerable. We need certainty to plan thoughtfully and spending on transit is not something that should be discretionary.”

Chris Abele, Milwaukee County Executive

The transit community has repeatedly asked the Commission not to recommend removing transit funding from the Transportation Fund to the General Fund where it would compete with other general fund programs for funding.

The Commission asked:

- ▶ Would policy changes better support the unique needs of urban and rural systems?

Shared-ride taxi service



Westby Cab, Vernon County

It is the Commission’s philosophy that all modes of transportation that serve local communities should contribute a local share to the transportation program or service, including shared-ride taxi service. They support this policy for two reasons. First, a small contribution of local funds would further encourage local governments to take responsibility for the oversight of shared-ride taxi systems. Second, it would help provide an additional source of local funding.

THE COMMISSION RECOMMENDS a 20 percent local match for shared-ride taxi systems.

Without a local share for shared-ride taxi service, the Commission believes local governments do not make an adequate contribution to service outcomes.

Mobility managers



Badger Bus, Dane County

Two key population groups for whom transit is especially important are the elderly and people with disabilities. The low-income segment of this population is often limited to using transit options available through government programs in state departments of Health Services (DHS), Veterans Affairs (DVA), Workforce Development (DWD) and Transportation (the department). The department's elderly and disabled transit program supports county service providers. The DHS program combines federal and state funds to provide \$60 million annually, with Medicaid as its largest funding source.¹⁹ In total, more than \$73 million was spent for specialized transportation in 2010, yet there were no assurances that everyone who wanted a ride could get one.

Commissioners support a statewide, comprehensive approach to mobility management. Each program has different eligibility criteria, routes, program goals, and funding sources. Mobility managers coordinate services to reach the largest population and make the best use of each program dollar. Through a statewide network of mobility managers, services can be coordinated on a larger scale, avoiding duplication and gaps in coverage. The Commission supports development of a decentralized, one call-one click system for coordination of services. Ideally, mobility managers would be physically located in the region of the state they serve, with each being responsible for providing regional services.

➡ THE COMMISSION RECOMMENDS \$2.5 million annually to support a network of statewide mobility managers and the operation of a statewide one call-one click information system.

Without the recommended funding, mobility managers will not have the support to put in place a comprehensive system to provide information and rides.

¹⁹ Disability and Aging Transportation Group, *How Mobility Management and Coordination Increase Access for Elderly, People with Disabilities and Others*, August 2012.

Regional Transit Authorities (RTAs)

Regional Transit Authorities (RTAs) are public bodies authorized to provide public transportation services, such as bus transit, in a specific region. Legislation is needed to authorize the creation of an RTA, to establish the conditions under which it can be created, and to define or limit its taxing authority.

“That [RTAs] scares me... we might end up without a system here...they might vote it in or vote it out.”

Focus group participant

Transit-dependent focus group participants were leery of an RTA as the primary support for transit, as they feared that voters might eliminate their current service.

“Without the flexibility afforded by an RTA, public transportation in the Fox Cities is likely to cease to exist by 2013.”

Appleton Mayor Tim Hanna

On the other hand, public officials felt their service could be compromised without an RTA.

The property tax is the only source of local funding for the Milwaukee County Transit System. Unlike most communities of similar size, it has no dedicated source of local funding, and its transit needs compete with the needs of other county-run services each budget cycle.

Public officials, transit and paratransit providers, and riders in Milwaukee County all expressed support for an RTA with taxing authority.

Table II-C shows the availability of dedicated local funding for transit in cities similar in size to Milwaukee.

Table II-C: Dedicated Local Funding for Transit

Metropolitan Area	2000 Population (in millions)	Source of Local Dedicated Funding
St. Louis, MO	2.08	0.25 percent sales tax
Denver, CO	1.98	1.0 percent sales tax
Cleveland, OH	1.79	1.0 percent sales tax
Pittsburgh, PA	1.75	sales tax
Portland, OR	1.58	0.6618 percent payroll tax
Cincinnati, OH	1.50	0.3 percent payroll tax
Sacramento, CA	1.39	0.5 percent sales tax
Kansas City, MO	1.36	0.375 percent sales tax
San Antonio, TX	1.33	0.5 percent sales tax
Las Vegas, NV	1.31	0.25 percent sales tax
Milwaukee, WI	1.31	--
Indianapolis, IN	1.22	--
Providence, RI	1.18	6.25 cents per gallon gas tax
Columbus, OH	1.13	0.25 percent sales tax
New Orleans, LA	1.01	1.0 percent sales tax
Buffalo, NY	0.98	0.125 percent sales tax
Memphis, TN	0.97	--
Austin, TX	0.90	1.0 percent sales tax

Commissioners agree that local governments need predictable and stable revenues to fund transportation and that regional systems could help resolve funding and access issues across boundaries. Based on what they heard from Wisconsinites and on past attempts to create RTAs in the state, they believe that by authorizing the creation of “Regional Transportation Authorities” and allowing 25 percent of revenues raised to be used for non-transit-related transportation purposes, more support would be forthcoming in a public referendum.

III → THE COMMISSION RECOMMENDS the authorization of Regional Transportation Authorities, to help raise local revenues for transportation, including:

- an elected RTA board;
- voter approval;
- flexibility for 25 percent of RTA-collected revenues to be used for transportation modes other than transit; and
- the authority to impose a maximum one-half percent sales tax.

In conjunction with its RTA recommendation, **THE COMMISSION RECOMMENDS** a local option sales tax for counties of less than 100,000 in population. The sales tax should be limited to one-half-percent and be used for transportation purposes only.

The Commission heard countless requests in support of providing local governments with options for funding their own transportation needs. Without implementation of the Commission’s recommendations for local revenue options, these local governments will be unable to meet the increasing demand for transit services in their jurisdictions.

Bicycle and pedestrian programs



Bicyclist in traffic, Dane County

“I have ridden my bike to work, but it’s scary because there’s very little shoulder...I don’t trust the drivers.”

Focus Group participant

The Commission developed a vision for transportation programs supporting bicycle and pedestrian projects with the intent of making people feel safer while bicycling and walking. The ultimate goal is to encourage projects that increase modal choice and increase the number of people who choose to bike or walk. Meeting this goal would improve the overall transportation system by reducing cars on the road, reducing wear and tear and congestion on roads, reducing the need for parking, and providing health benefits.