

Schroeder, Ann

From: Rep.Loudenbeck [Rep.Loudenbeck@legis.wisconsin.gov]
Sent: Friday, April 15, 2011 5:56 PM
To: Gavin, Michelle
Subject: RE: City of Beloit- Beloit Transit System Testimony to the Joint Finance

Michelle – I am also going to send this to the transportation committee chair, the speaker of the assembly and the governor's office. I have been working with all of them in addition to the chair of the joint finance committee.

Thank you so much for your thoughtful, detailed and professional input.

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From: Gavin, Michelle [mailto:GavinM@ci.beloit.wi.us]
Sent: Friday, April 15, 2011 5:46 PM
To: Budget Comments
Cc: Rep.Loudenbeck; Sen.Cullen; Arft, Larry; Botts, David M.; Forbeck, Helen
Subject: City of Beloit- Beloit Transit System Testimony to the Joint Finance

Senator Alberta Darling, Co-Chair
Representative Robin Vos, Co-Chair
Members of the Joint Committee on Finance

Dear Members of the Joint Finance Committee:

The City of Beloit is greatly concerned that the current Budget Proposal currently being considered (AB 40/SB 27), particularly if added to the effects of AB 10 will devastate the transit service we provide for our citizens.

Please see attached ("Beloit Transit Testimony to JFC April 2011 re: Budget") for the funding implications as proposed by the proposed Budget and also SB/AB 10. Please note the assumptions, and there are admittedly several, not the least of which is that I'm having to base this on this year's budget. Please also note that these scenarios are in fact optimistic, and do not factor in many important variables such as a loss in local levy contribution, which is essentially guaranteed, or increases in the cost of fuel and other commodities. I have also attached some additional information regarding public transit in Wisconsin, including an analysis of the "13c" issue, the economic benefits derived from public transit, and other issues facing this portion of our infrastructure.

Fuel prices are the second largest component of the costs of operating a transit system, behind only personnel. These costs have increased about one third since the beginning of 2011, with no end in sight. And, as these costs go up, so does demand for our service, putting more financial demands on a municipality that has reduced its expenditures on transit over the past few years because it was already feeling the effects of the economic downturn.

The increase in fuel costs, however, is not as threatening to the health of the Beloit Transit System as the likely loss of federal transit aid over the next few years. While the amount allocated to our system for the this year and next is being determined in Washington, those figures may be meaningless because SB/AB 10 appears to violate Section 13(c) of the Federal Transit Act and could make all Wisconsin transit properties ineligible for

Federal aid. Right now, Federal Support covers about 32% of our operating costs, and a reduction in service to cover this loss would mean our service would be unable to provide the peak hour service required by our work riders and students.

On top of these problems, the proposed budget cuts state aid to Wisconsin Transit Systems by 10 percent in 2012 and an additional 10% in 2013. Our state aid, similar to the federal assistance, covered about 28 percent of our operating costs in 2010. So, the reductions called for in the budget bill will require us to cut service at a time when the demand for transit is growing and individuals are looking to us to provide a cost-effective alternative to rising gasoline prices.

Just when things couldn't look any worse for transit in Wisconsin, after the 10% reduction in state aid, the remaining transit funding is then raided out of the transportation fund and then transferred to the already overburdened general fund. The transportation fund in Wisconsin has historically been used to fund a variety of modes of transportation—roads, airports, transit, rail, harbors—to give all modes of transportation in the state funding from a dedicated source.

The removal of transit from this fund basically is a decision by the Administration to say that the buses and shared-ride taxi programs that transport millions of people annually are not transportation programs and instead should be regarded as a general obligation such as police, fire, corrections, human services and local government aids.

This move comes at a time when the Governor proposes increasing funding to the transportation fund then limiting the amount of revenues available to the general fund. We cannot understand why, at a time when we need to keep our existing roads and bridges safe, and, find ways to help Wisconsin citizens maintain their mobility (while dealing with increasing fuel costs), this budget devastates transit and local road funding.

We need to invest in our existing transportation network, including transit, not only to preserve our existing infrastructure, but also because this makes sound fiscal sense. Every dollar invested in public transit in Wisconsin provides three to four dollars in economic return to the State, far surpassing that of even new highway construction. Transit also creates jobs: I can assure you that not having adequate public transit is a significant consideration for employers considering relocation. To illustrate, please refer to the attached handout called "WURTAhandoutfinal". You'll see support for public transit from business leaders such as Tim Sheehy, President of the Greater Milwaukee Area Chamber of Commerce:

"Public transportation is 'table stakes'. Businesses simply expect that it will be there in communities where they are considering locating."

Ironically, when I was chaperoning my son's class on a tour of the Capitol recently, it was pointed out that when the Capitol was built nearly a century ago, ten years after public transit began operating in Beloit, transportation was considered one of the four critical elements in the history of the State. To that end, a mural commemorating various elements of transportation is displayed on the ceiling of the North Hearing Room. It's incomprehensible to think that we'd move the State so far backwards regarding this economic force that shaped Wisconsin into what it is today. I've attached my own picture of that mural to this email.

Finally, all areas of Wisconsin are served by transit, with properties in over two-thirds of our State's counties. The current proposal will make it impossible for us to meet the needs of the over **300,000** passengers who use Beloit Transit System's service annually.

Respectfully,

Michelle Gavin
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