

## Transit Should Stay in Wisconsin's Transportation Fund Wisconsin Transit Riders Alliance

This statement focuses on the idea, expressed in Wisconsin Department of Transportation's (WisDOT's) recent 2015-2017 Budget Proposal, that state level funds for transit that have traditionally come out of the Transportation Fund instead should come out of the General Fund.<sup>1</sup> Consistent with the first item of our platform,<sup>2</sup> we believe that transit should stay an integral and non-revocable component of the state's Transportation Fund.

The reason WisDOT gives for proposing the transfer is that "... it would seem that funding for state aids serving the general public good should come from general public revenues" (p. 118 of budget proposal<sup>3</sup>), while "not all users of our system pay transportation user fees..." (proposed budget submittal letter from WisDOT Secretary Mark Gottlieb to DOA Secretary Michael Huebsch dated November 14, 2014). That reasoning is wrong for a number of reasons, that:

1. Over a fifth of Wisconsin's transportation funds come from the federal government;
2. People using cars save money and time by also using public transit;
3. Public transit reduces the "chauffeur burden" shouldered by many car drivers;
4. Use of public transit reduces congestion, leads to fewer accidents, and lowers air pollution;
5. Most users of state highways also use local roads maintained with property tax; and
6. Protecting the transportation fund includes keeping transit in that fund.

### **Over A Fifth of Wisconsin's Transportation Funds Come from the Federal Government**

According to a brief report on the Wisconsin Department of Transportation's Expected 2015-2017 biennial budget based on its budget request submitted to the Department of Administration on November 14, 2014<sup>4</sup> 20.7% of the department's revenue or \$1,655.1 Million are federal funds. To restrict the use of those funds to non-transit costs was not the federal government's intention when providing the funds nor can it be justified with the rationale that "not all users of our system pay transportation user fees." Those funds do not come from Wisconsin's "transportation user fees."

### **People Using Cars Save Money and Time by Also Using Public Transit**

Perhaps the biggest reason it is wrong to limit the use of state transportation funds to non-transit related items is that plenty of people who drive their own private vehicle also use or would use public transportation. Revenue from the gas tax and registration fees should be used to maximize people's ability to use public transportation instead of being forced to spend their money and time operating their own private motor vehicle. Even with the fall in the price of gasoline, the best estimate of the savings from using one less car in a household for January 2015 is \$9,069 annually or more than \$756 per month<sup>5</sup>. In addition, someone can use time during a transit ride that would be spent watching the road behind a steering wheel to instead read, check e-mail, or attend to myriad other non-driving tasks.

### **Public Transit Reduces the “Chauffeuring Burden” Shouldered by Many Car Drivers**

Many of the trips taken on public transit directly alleviate the need for someone who pays “transportation user fees” to provide someone else a ride in their private vehicle. A recent study suggests that 9-15% of U.S. peak-period vehicle travel consists of parents chauffeuring young children to school, while driving children and adolescents to non-school destinations, seniors to shopping and medical services, adult non-drivers to work and other destinations, and drivers who had drunk alcohol, etc. can be significant as well. If the trip is only in one direction, there is an additional “backhaul” factor to consider as well. Attempts have been made to monetize the various costs involved but the research is still in its infancy and we know of no study that has estimated the factor in Wisconsin. It is sobering to note however, that while the topic of congestion management in Wisconsin *has* received attention, as noted in the following paragraph, the chauffeuring burden may well have greater monetary importance.<sup>6</sup>

### **Use of Public Transit Reduces Congestion, Leads to Fewer Accidents, and Lowers Air Pollution**

The most commonly mentioned benefit of public transit to people who never ride transit themselves is congestion management: “Because transit riders choose not to travel via personal vehicles, the remaining roadway users enjoy faster travel times with the added benefits of fewer accidents and lower tailgate emissions as fewer miles are traveled on the roadways each day.”<sup>7</sup>

The savings from congestion management was assessed in two Wisconsin cities in 2004, Milwaukee and Madison. They accounted for 80 percent of the state’s ridership at the time. Reporting in 2004 dollars, a Wisconsin Department of Transportation study found that congestion management benefits were \$111.69 million in Milwaukee and 25.76 million in Madison or \$137.45 million combined in 2004 dollars<sup>8</sup>, equivalent to \$176.42 in 2014 dollars.<sup>9</sup> Extrapolated to the entire state, that would be \$220.52 million in current dollars. The study estimated that 45.1% of the total was due to vehicle ownership and operating cost savings, 2.9% to emission cost savings, 5.9% to safety cost savings and 45.2% to travel time value.

### **Most Users of State Highways Also Use Local Roads Maintained With Property Tax**

The idea that “users of our system pay transportation user fees...” is misleading because Wisconsin “... motor fuel taxes are paying for major freeway expansion but only a small portion of the local roads leading to the gas station.” That same document avers that 90% of the roads in the state are local roads, and that 80% of the costs of maintaining local roads are paid for by non-user fees such as local property taxes<sup>10</sup>. This is consistent with a document on budget highlights issued by the Wisconsin Department of Transportation itself (p.4 of the document alluded to in note #4), disclosing that only 26.7% of the department’s budget would go to assisting in local programs whereas 53.8% would go toward state highways and 14.0% would go toward debt service (from past borrowing for highway construction).

Without going into detail, it should be noted that property tax assessments do not vary by whether or how someone uses a road. The same logic should apply to the use of the state’s transportation funds.

## Protecting the Transportation Fund Includes Keeping Transit in That Fund

In November 2014 voters overwhelmingly approved an amendment to the state constitution to protect the integrity of the transportation fund. That amendment did not single out any mode of transportation as being more or less worthy of inclusion. So why, after this clear show of support, does the Wisconsin Department of Transportation recommend that most transit funding be transferred to the general fund to compete with such items as education, health care, and corrections? Our constitution mandates a special, separate fund for all modes of transportation and the voters of Wisconsin agreed.

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### ENDNOTES

1. A brief list of proposals directly related to public transit includes: "

- 2% increase in 85.20 funding each year, all tiers
- Proposal to make 85.20 a continuing appropriation (non-lapsing), meaning unspent money will go back into the 85.20 program
- \$15 million Capital Grant program, 80/20 split, 100% of Clean Fuel Upgrade
- \$30 million 1 time program for CNG Capital Grant Funding
- 1% increase in 85.21
- Supplemental Transit Expansion Program (STEP) - \$4 million in FY 16, \$16 Million in FY 17, operating assistance at 80% of net expense
- **85.20 to be funded from the general fund**

85.20 funds refer to general transportation aids; 85.21 funds to funds specially oriented toward elderly and handicapped populations. The main non-emergency transportation program is housed in the Department of Health and Human Services.

The entire WisOT budget request is posted at: <http://www.doa.state.wi.us/Documents/DEBF/Budget/Biennial%20Budget/2015-17%20Agency%20Request/395%20WisDOT%20Budget%20Request%2015-17.pdf>

2. <http://www.witransitriders.org/about/platform> (As of Feb. 2, 2015)

3. Retrieved from

<http://www.doa.state.wi.us/Documents/DEBF/Budget/Biennial%20Budget/2015-17%20Agency%20Request/395%20WisDOT%20Budget%20Request%2015-17.pdf> January 29, 2015

4. "2015-17 Biennial Budget Highlights," Paul M. Hammer, Director retrieved from

<http://www.dot.wisconsin.gov/about/docs/2015-17budget.pdf> on January 27, 2015.

5. Based on an estimate from the January Transit Savings Report of the American Public Transportation Association (retrieved January 31, 2015 from [http://www.apta.com/mediacenter/pressreleases/2015/Pages/150129\\_Transit-Savings.aspx](http://www.apta.com/mediacenter/pressreleases/2015/Pages/150129_Transit-Savings.aspx). The same source also estimates that "Individuals who ride public transportation instead of driving can also save, on average, more than \$756 per month."

6. "Evaluating Household Chauffeuring Burdens" by Todd Litman paper 15-4458 of the Victoria Transport Policy Institute (retrieved December 20, 2014 from <http://www.vtpi.org/chauffeuring.pdf>).

7. This is from page 15 of the Executive Summary of Wisconsin Department of Transportation Study Final Report No. 0092-03-07, December 2003.

8. P.25-26 in "The Socio-Economic Benefits of Transit in Wisconsin Phase II: Benefit Cost Analysis" Wisconsin Department of Transportation Final Report No. 0092-05-14, HDR | HLB Decision Economics Inc., May 2006

9. Using the calculator at <http://data.bls.gov/cgi-bin/cpicalc.pl>.

10. From text on web page <http://www.1kfriends.org/3-of-10-reasons-wisdot-budget-needs-to-change> retrieved Feb. 2, 2015