



October 7, 2014

To: Fox Cities Transit Commission

From: Deborah Wetter, General Manager

Subject: Legislative Update

MAP-21 Reauthorization:

- MAP-21 was extended until May 31, 2015
- Extension has no substantive changes; the authorized funding levels were maintained
- 115th Congress will likely be the ones to deal with reauthorization
- Elections in November will be a factor
- Neither the House nor Senate ever released any real transit legislative language
- The two houses of Congress cannot agree on a long-term, sustainable funding mechanism for surface transportation
- With May 31 being right at the beginning of next year's construction season, many expect additional extensions rather than full legislation
- The transit industry needs to convince more members of Congress to be supportive of long-term, sustainable legislation.

Continuing Resolution:

Both the House and the Senate passed a short-term continuing resolution in September to extend the funding (appropriations) of federal operations until December 11, 2014. All public transportation programs are funded at FY 2014 levels.

Ballot Initiative:

This November, all Wisconsin ballots will have a referendum on the state Transportation fund. If the vote is affirmed, it doesn't necessarily keep public transit funding in the state Transportation Fund. Our goal and that of the other transit systems in Wisconsin is to keep public transit funded from the segregated Transportation Fund as opposed to being funded from the general fund. The language on the ballot will be:

"Creation of a Transportation Fund

Shall section 9 (2) of article IV and section 11 of article VIII of the constitution be created to require that revenues generated by use of the state transportation system be deposited into a transportation fund administered by a department of transportation **for the exclusive purpose of funding Wisconsin's transportation systems** and to prohibit any transfers or lapses from this fund?"

Explanation (from Government Accountability Board for State of Wisconsin)

In general, funds collected in fees and taxes may be appropriated for any public purpose determined by the Legislature. Wisconsin's transportation fund, which currently exists under

statute, is designed to be the source of funding for all modes of transportation in the state. Wisconsin law requires that specific revenue streams such as taxes or fees related to motor vehicles, aircraft, and railroads be deposited into the transportation fund.

At times, the Legislature has transferred moneys initially deposited into the transportation fund to programs with non-transportation-related purposes. Such transfers have typically been to general revenue funds, which are used for state programs such as education, health care, and shared revenue. The Wisconsin Supreme Court has suggested that these transfers are permissible under current law.

In essence, the proposed amendment would change the Wisconsin Constitution to require that revenues generated by specified uses of the state transportation system be deposited into a transportation fund and expended only for transportation-related purposes.

A “yes” vote on this question would establish a department of transportation and a transportation fund in the state constitution. The current Department of Transportation and transportation fund exist only under statute. A “yes” vote would mean that all funds collected from taxes or fees in existence after December 31, 2010 for the licensing of motor vehicle operators, for the titling, licensing, or registration of motor vehicles, for motor vehicle fuel, or for the use of roadways, highways, or bridges, and from taxes and fees levied or imposed for aircraft, airline property, or aviation fuel or for railroads or railroad property would be deposited in the transportation fund or with certain authorized parties, such as a trustee for the benefit of the department of transportation. Funds in the transportation fund may not be lapsed, further transferred, or used for any program that is not directly administered by the department of transportation in furtherance of the department’s responsibility for the planning, promotion, and protection of all transportation systems in the state (except for programs with an appropriation from the statutory transportation fund as of December 31, 2010). The proposed amendment does not define “transportation systems.”

A “no” vote would mean that the Department of Transportation continues to be a statutory agency. It also would mean that monies collected from motor vehicle, aircraft, and railroad fees and taxes could be appropriated by the Legislature for transportation systems or for other programs as determined by the Legislature.

Non-Emergency Medical Transportation (NEMT) Audit

The State Legislative Audit Bureau is conducting an audit of the Non-Emergency Medicaid Transportation Brokerage. A team of 7 auditors/analysts have been assigned. Their goal is to make specific recommendations to the State Joint Legislative Audit Committee early next year in time for the budget process. This is not an audit of the contractor, MTM, Inc., but an audit of the systemic issues with the program, service complaints, and comparative costs from before the brokerage was implemented.