



To: Wisconsin Legislators
From: Wisconsin Public Transportation Association (WIPTA)
Date: March 22, 2017
Re: Opposition to LRB-1383/1, "Farebox Fairness"

The Wisconsin Public Transportation Association, WIPTA, appreciates the funding the State of Wisconsin provides that enables transit systems throughout the state to provide vital transportation services. For many Wisconsinites, public transportation is their only means to work, school, medical appointments and shopping. LRB-1383/1 "Farebox Fairness" threatens our ability to provide these services to many of the rural and medium sized communities across Wisconsin.

Wisconsin Transit Systems provide 70 million trips a year with over 70% traveling for work or educational purposes. Several million of these trips are provided in the Tier B (medium) sized systems connecting employees to jobs, students to educational opportunities, and providing mobility to seniors and disabled citizens. Requiring a 25% farebox revenue recovery rate would jeopardize services to these medium sized systems as the vast majority of Tier B bus systems do not meet the 25% fare recovery threshold. In fact, only one Tier C bus system currently meets this requirement.

The argument cited in support of LRB-1383/1 is that other states such as Illinois and Colorado have farebox recovery requirements. These farebox recovery requirements are very limited in scope. Neither Illinois nor Colorado has a statewide requirement nor do they include Tier B or even Tier C sized systems. In Illinois, only three systems have a farebox recovery requirement and all are in the Chicago region. Two of those systems, Chicago Transit Authority (CTA) and Metra, have large rail systems recovering revenue at higher rates than bus only systems. The third system, PACE, has a service area population of over 8 million which is 1.5 times the population of the entire State of Wisconsin. In Colorado, only a select few services fall under such a farebox recovery requirement.

In addition, current Wisconsin state law already requires the Wisconsin Department of Transportation (WisDOT) to monitor performance indicators of transit systems throughout the State. Per Wisconsin Statute 85.20 and Administrative Rule TRANS 4, WisDOT is required to have and monitor cost efficiency standards for the state's transit systems. Six performance indicators are used to compare the relative efficiency of transit systems with peer systems around the nation: expenses per revenue hour, operating ratio (revenue/expense ratio or "farebox recovery"), expenses per passenger, passengers per revenue hour, passengers per capita, and revenue hours per capita. Systems out of compliance risk losing state transit funding. In over a decade of analysis, WisDOT has found transit systems in Wisconsin to perform within these efficiency standards and farebox recovery rates in Wisconsin's transit systems are consistent with our peers across the nation.

Furthermore, federal regulations limit fixed route bus systems to only charge seniors and disabled riders half the standard fare. Paratransit service operations are limited by federal law to charging only twice the standard fare of a fixed route trip when a paratransit trip can cost

several times as much of a fixed route trip. These regulations greatly reduce the ability to recover a higher percentage of the operating costs. If a community has a higher percentage of senior and disabled riders, its farebox recovery will be lower than other systems.

WIPTA agrees that transit funding is scarce as state funding for Transit has been reduced by \$7.6 million from its 2011 level. Transit systems around Wisconsin have been doing more with less yet continue to provide quality transit services to the communities we service. The WIPTA budget priorities for the 2017-19 biennial budget also reflect this philosophy as our total request for new state operating funds is a 0.25% increase to “hold harmless” existing Tier C systems to current equalized levels due to expanded shared ride taxi services that were created but not funded in the last budget.

For many rural, small and medium sized communities throughout Wisconsin, passage of LRB-1383/1 would force them to cease or greatly alter transit services. This would leave many Wisconsinites without a means to work, school and medical appointments. **We strongly urge opposition to LRB-1383/1 due to the negative impact it would have on our fellow citizens and economy.**