

**A Description of the CY 2012
Calculation Process and Data
Definitions for General
Transportation Aids**

December 2011

**Wisconsin Department of Transportation
Bureau of Transit, Local Roads, Railroads & Harbors
Local Transportation Programs & Finance Section**

Description of the CY 2012 Calculation Process and Data Definitions for General Transportation Aids (GTA)

Introduction

The General Transportation Aids (GTA) program helps local units of government offset part of their costs to construct, maintain, and operate the state's 100,000-mile local road network. GTA funds are paid quarterly through an annual distribution of State Transportation Fund revenues.

This document offers background information to help local governments identify how their annual GTA payment level is calculated. It supplements information presented in GTA letters, and provides an expanded description of the calculation process and definitions of data inputs used in the GTA calculation. The information below is consistent with terms and verbiage commonly used in GTA letters to local governments.

For general information regarding the GTA program, refer to **WisDOT's Programs for Local Governments** site at <http://www.dot.wisconsin.gov/localgov/highways/gta.htm>. If you need additional guidance or have any questions regarding this document, please contact Lori Richter, GTA Program Manager at (608) 266-0254 or by email at lori.richter@dot.wi.gov. There is also a **Resources** page at the end of this document.

Overview

WisDOT goes through six major steps to calculate GTA payment levels for municipalities. These procedures are based upon requirements set forth in [section \(s.\) 86.30 of Wisconsin Statutes \(Wis. Stats.\)](#), which governs the GTA program. The calculation process is also derived from the related requirements provided in [s. 86.302 Wis. Stats.](#), pertaining to the local road inventory and [s. 86.303 Wis. Stats.](#), outlining cost determinations. The major calculation steps for municipalities include:

- **Step 1 – Input GTA Figures** from official data sources and then enter them into a database;
- **Step 2 – Calculate Share of Cost (SOC) and Rate per Mile (RPM)** levels for each municipality;
- **Step 3 – Determine the Method of Calculation (Greater of SOC or RPM)** for municipalities by selecting the larger of the share-of-costs (SOC) payment method and the rate-per-mile (RPM) payment method;
- **Step 4 – Apply the Appropriate Minimum and Maximum Cushions (SOC or RPM)** to each preliminary payment level to ensure GTA payments are within the statutory floors and ceilings;
- **Step 5 – Apply Cost Cap (RPM)** to ensure GTA payments are not more than 85% of each RPM community's three-year average costs; and
- **Step 6 – Calculate Final Payment**, after accounting for the cushions, cost cap and cost-filing penalty, if applicable.

The county report is slightly different, since counties are only eligible for SOC payments. The major calculation steps for counties include:

- **Step 1 – Input GTA Figures** from official data sources and then enter them into a database;
- **Step 2 – Calculate Share of Cost (SOC)** levels for each county;
- **Step 3 – Apply the Appropriate Minimum and Maximum Cushions** to each preliminary payment level to ensure GTA payments are within the statutory floors and ceilings; and
- **Step 4 – Calculate Final Payment**, after accounting for the cushions, cost cap and cost-filing penalty, if applicable.

Step 1 – Input GTA Figures

Once GTA program staff obtains input figures used to run GTA calculations from official data sources, they enter them into a database. Official data sources for the program are specifically identified in [s. 86.30 Wis. Stats.](#), which governs the GTA program, [s. 86.302 Wis. Stats.](#), which pertains to the local road inventory, and [s. 86.303 Wis. Stats.](#), which outlines cost determinations.

CVT Code: This is a unique, five-digit identifier for each local government in the state. The State of Wisconsin Department of Administration (DOA) assigns the official County-City-Village-Town (CVT) Codes for existing communities and newly incorporated communities. For cities and villages located within more than one county, a main county has been designated for GTA reporting purposes. Local government representatives should have this CVT Code available when contacting WisDOT program staff, to facilitate quick and accurate identification of their county or municipality. A complete listing of CVT Codes is available on [WisDOT's Programs for Local Governments](#) site, located at: <http://www.dot.wisconsin.gov/localgov/highways/docs/cvtindex.pdf>.

The numbering convention for 5-digit CVT Codes is as follows:

- **Counties:** the first two digits identify the county, and the last three digits are zeros. For example, the CVT code for Adams County is 01000.
- **Cities:** the first two digits identify the county within which the city is located, the third digit is 2, and DOA assigns the last two digits. For example, the CVT code for the City of Adams in Adams County is 01201.
- **Villages:** the first two digits identify the county within which the village is located, the third digit is 1, and DOA assigns the last two digits. For example, the CVT code for the Village of Friendship in Adams County is 01126.
- **Towns:** the first two digits identify the county within which the town is located, the third digit is 0, and DOA assigns the last two digits. For example, the CVT code

for the Town of Adams in Adams County is 01002.

6-Year Average Costs: Average costs for the most recent six-year reporting period (2005-2010) used to calculate GTA payment levels. *6-year Average Costs* are used to calculate GTA for communities on the SOC payment method.

GTA staff obtains these figures from the [Financial Report Form](#) each local community files annually with the State of Wisconsin Department of Revenue (DOR). Annual costs used to calculate GTA payments are *net local expenditures*, and do not include costs funded by state or federal grants or aids programs. Some costs – most notably those for law enforcement, street lighting and storm sewers – are factored in or prorated based upon community type and population. The [Cost Report Manual](#) identifies eligible revenues and expenses, as well as factoring levels for each expenditure type.

3-Year Average Costs: Average annual costs for the most recent three-year period (2008-2010). The 3-year average ensures GTA payments to RPM communities are no more than 85% of a community's 3-year average. See **Step 5** below for more information regarding *3-Year Average Costs*.

2010 Costs: Net transportation costs for the most recent reporting period.

Name: The official name of a community and the county in which it is located.

Mileage as of 1/1/2010: The total mileage under local jurisdiction previously used to calculate Calendar Year (CY) 2011 GTA for municipalities. The local community, the WisDOT District Local Road Coordinator, and the WisDOT Statewide Local Road Coordinator have certified this mileage. Mileage data is stored in the Wisconsin Information System for Local Roads (WISLR). Per [s. 86.302\(3\) Wis. Stats.](#), there is a lag between the date mileage is certified and when the data is used to calculate GTA payments (i.e. "...beginning in the 2nd year following the year in which the certified plat is filed...").

Mileage as of 1/1/2011: The total mileage under local jurisdiction used to calculate CY 2012 GTA for municipalities. The local community, the WisDOT District Local Road Coordinator, and the WisDOT Statewide Local Road Coordinator have certified this mileage. Mileage data is stored in the Wisconsin Information System for Local Roads (WISLR). Per [s. 86.302\(3\) Wis. Stats.](#), there is a lag between the date mileage is certified and when the data is used to calculate GTA payments (i.e. "...beginning in the 2nd year following the year in which the certified plat is filed...").

2011 Aids: The total amount of GTA provided to a community in CY 2011.

Step 2 – Calculate Share of Cost (SOC) and Rate per Mile (RPM)

Note: counties are only eligible for SOC payments.

Share of Costs (SOC) Calculation

6-Year Average Costs: Average annual costs for the most recent six-year period (2005-2010).

SOC Percentage: The State biennial budget provides two GTA appropriations, one for counties and the other for municipalities, including towns, villages and cities. For counties, the SOC percentage is based upon: 1) the GTA county appropriation level; and 2) the statewide total *6-Year Average Costs* for counties. For any given calculation year, there is one SOC percentage for counties (other than those with penalties). For municipalities, the SOC percentage is based upon: 1) the balance of the GTA municipal appropriation level after meeting the statutory RPM payment obligations; and 2) the statewide total *6-Year Average Costs* for municipalities on the SOC payment method. For any given calculation year, there is one SOC percentage for municipalities (other than those with penalties).

SOC Amount: The *6-Year Average Costs* for a community multiplied by the *SOC Percentage*.

Rate Per Mile (RPM) Calculation

Mileage as of 1/1/2011: The total mileage under local jurisdiction used to calculate the CY 2012 GTA for municipalities. See **Step 1** above for more information regarding *Mileage as of 1/1/2011*.

Rate Per Mile: The statutorily defined RPM for municipalities identified in the State biennial budget.

RPM Amount: The *Mileage as of 1/1/2011* for a municipality multiplied by the *Rate Per Mile*.

Step 3 – Determine Payment Method (Greater of SOC or RPM)

Note: this step only applies to municipalities. Counties payments are calculated using the SOC payment method.

To determine the GTA amount for municipalities, WisDOT selects the larger of the SOC payment and the RPM payment.

Preliminary SOC Amount: Amount determined in **Step 2**, if *SOC Amount* is greater than *RPM Amount*.

Preliminary RPM Amount: Amount determined in **Step 2**, if *RPM Amount* is greater than *SOC Amount*.

Step 4 – Apply Appropriate Minimum and Maximum Cushions (SOC or RPM)

Note: this is Step 3 on the county report.

Once the preliminary GTA amount has been determined based upon the appropriate

payment method detailed in **Step 2**, GTA staff next applies *Share of Costs Cushions* and *Rate per Mile Cushions*. The statutory floors and ceilings adjust the preliminary GTA payment upward to the minimum level or downward to the maximum level of change.

Since counties are only subject to SOC funding, only *Share of Costs Cushions* appear in the county expanded download. Municipal information is shown in the appropriate calculation section (see below, the *Share of Costs (SOC) Cushions* section and the *Rate per Mile (RPM) Cushions* section), with zeros indicating the non-applicable calculation section.

Share of Costs (SOC) Cushions

Preliminary SOC Amount: Amount determined in **Step 2** and displayed in **Step 3**, if *SOC Amount* is greater than *RPM Amount*.

2011 Aids: The total amount of GTA provided to a community in CY 2011.

Minimum 2012 Aids: *2011 Aids* multiplied by the *Minimum Cushion*, which is 0.90 for counties and municipalities. This means that counties and municipalities can experience no more than a ten-percent reduction from their previous year's aid levels.

Maximum 2012 Aids: *2011 Aids* multiplied by the *Maximum Cushion*, which is 1.15 for counties and municipalities on the SOC payment method. There is no *Maximum Cushion* for municipalities on the RPM payment method.

Rate per Mile (RPM) Cushions

Preliminary RPM Amount: Amount determined in **Step 2** and displayed in **Step 3**, if *RPM Amount* is greater than *SOC Amount*.

2011 Aids: The total amount of GTA provided to a community in CY 2011.

% Change in Certified Mileage: *Mileage as of 1/1/2011* less *Mileage as of 1/1/2010* divided by *Mileage as of 1/1/2010*.

2012 Adjusted Base: If a municipality on the RPM payment method has *Mileage as of 1/1/2011* that does not equal the *Mileage as of 1/1/2010* – in other words, the community added or lost roadways under their local jurisdiction – then the *2012 Adjusted Base* equals (1+ their % *Change*), multiplied by their *2011 Aids*. The adjusted base provides a supplemental figure to recognize the new size of their local roadway network in the CY 2012 payment calculation. This will be the same as 2011 aids if the municipality's mileage has not changed.

Minimum 2012 Aids: *2012 Adjusted Base* multiplied by the *Minimum Cushion*, which for municipalities is 0.90. There is no *Maximum Cushion* for municipalities on the RPM payment method; therefore, RPM communities have no *Maximum 2012 Aids*.

Step 5 – Apply Aids Cap (RPM Only)

Note: this step only applies to RPM Municipalities.

Once the preliminary GTA amount has been determined for each municipality and the *Minimum Cushion* and *Maximum Cushion* have been applied, the preliminary GTA amount is then reduced, if applicable, to ensure the final GTA is not more than 85% of a community's *3-Year Average Costs*. This 85% cap is statutorily defined in [s. 86.30\(2\)\(d\) Wis. Stats.](#), and ensures municipalities fund at least 15% of eligible costs.

3-Year Average Costs appear for SOC and RPM communities. Zeros appear in the *After Cost Cap* section for SOC communities to indicate that the cost cap does not apply to them.

3-Year Average Costs: Average annual costs for the most recent three-year period (2008-2010). The 3-year average ensures GTA payments to municipalities are no more than 85% of their 3-year average.

After Cost Cap (RPM only): The maximum allowable payment based on the cap, which is defined as the *3-Year Average Costs* multiplied by 0.85. Based on an RPM of \$2,117 for CY 2012, municipalities need a minimum *3-Year Average Costs* of \$2,490.59 per mile to avoid a GTA reduction due to the 85% cap (that is, 85% of \$2,490.59 equals \$2,117).

Step 6 – Calculate Final Payment

Note: this is Step 4 on the county report.

The final GTA payment level for CY 2012 is determined by making the additions to and/or subtractions from the preliminary GTA figure (from **Step 3**) called for from the adjustments in **Steps 4** and **5**. This preliminary GTA figure may then be reduced by the *Filing Penalty Amount*, if applicable, to obtain the final GTA payment level for CY 2012, also referred to as the *Total GTA Amount*.

Preliminary SOC Amount: The *6-Year Average Costs* for a community multiplied by their *SOC percentage* identified in **Step 3**, if *SOC Amount* is greater than *RPM Amount*.

Preliminary RPM Amount: The *Mileage as of 1/1/2011* for a municipality multiplied by the *Rate per Mile* identified in **Step 3**, if *RPM Amount* is greater than *SOC Amount*.

Adjustments

Adjustment Amount: The dollar amount (either positive or negative) of the adjustment, as calculated in **Steps 4** and **5**.

Adjustment Type: The report includes a description of all adjustments, including:

- **Maximum Cushion:** If *Maximum 2012 Aids* are greater than *Preliminary SOC Amount* (SOC only), the community has a maximum cushion adjustment equal to the difference between *Preliminary SOC Amount* and the *Maximum 2012 Aids*, identified in **Step 4**. Negative figures, which represent payment reductions, are identified by parentheses.

- **Minimum Cushion:** If *Minimum 2012 Aids* are greater than *Preliminary SOC/RPM Amount*, the community has a minimum cushion adjustment equal to the difference between *Preliminary SOC/RPM Amount* and the *Minimum 2012 Aids*, identified in **Step 4**, expressed as a positive dollar amount.
- **Cost Cap:** If *After Cost Cap* amount is lower than *Preliminary RPM Amount* (RPM only), the community has a cost cap adjustment equal to the difference between *RPM Amount* and *After Cost Cap*, identified in **Step 5**. Negative figures, which represent payment reductions, are identified by parentheses.

Filing Penalty Amount: All local units of government are required to submit an annual [Financial Report Form](#) to the DOR. This form identifies revenues and expenses WisDOT uses to calculate GTA payment levels. There is a description of submittal deadlines and penalties for non-compliance in [s. 86.303, Wis. Stats.](#) The *Filing Penalty Amount* identified on this line is assessed against GTA payments in cases where a community files their financial report after the due date.

Filing Penalty Description: Reason for cost-filing penalty assessed in *Final Penalty Amount*.

Total GTA Amount: The final GTA payment for CY 2012 after adjustments to the preliminary GTA figure have been made by *Minimum Cushion and Maximum Cushion*, reductions due to the *Cost Cap* and/or *Filing Penalty Amount*.

Resources

Additional information on the GTA program is located on the GTA homepage on the WisDOT Internet site at <http://www.dot.wisconsin.gov/localgov/highways/gta.htm>. The eligible and ineligible revenues and expenses used to calculate GTA payment levels are identified in the [Cost Reporting Manual](#) that is also located on this site.

The various versions of the *Financial Report Form* (A, B, C, CT, and D) and related reporting instructions are located on the Wisconsin Department of Revenue (DOR) Internet site, located at the following: <http://www.dor.state.wi.us/forms/govmfr/index.html>.

Please contact Lori Richter, GTA Program Manager, if you have questions or comments on the GTA program or this document. Lori can be contacted at:

Lori Richter
 GTA Program Manager, State Unit Leader
 Wisconsin Department of Transportation
 P.O. Box 7913
 Madison, WI 53707-7913
 Phone: 608-266-0254
 Fax: 608-266-0658
 E-Mail: lori.richter@dot.wi.gov

Please contact Carol Doran or David Hruby at the Wisconsin Department of Revenue with questions or comments on the DOR *Financial Report Form*. They may be contacted at:

Carol Doran

Bureau of Local Government Services
Wisconsin Department of Revenue
P.O. Box 8971
Madison, WI 53708-8971
Phone: 608-266-2569
Fax: 608-264-6887
E-Mail: Carol.Doran@revenue.wi.gov

Dave Hruby

Bureau of Local Government Services
Wisconsin Department of Revenue
P.O. Box 8971
Madison, WI 53708-8971
Phone: 608-266-8207
Fax: 608-264-6887
E-Mail: David.Hruby@revenue.wi.gov