

**A Description of the CY 2010
Calculation Process and Data
Definitions for General
Transportation Aids**

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

Description of the CY 2010 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](http://www.dot.wisconsin.gov/localgov/highways/gta.htm) 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.state.wi.us. There is also a **Resources** page at the end of this document.

Overview

WisDOT goes through five major steps to calculate GTA payment levels for local units of government. 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 include:

- **Step 1 – Identify GTA Input Figures** from official data sources and then enter them into a database;
- **Step 2 – 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. Counties are only eligible for the SOC payment method, so this step only applies to municipalities;
- **Step 3 – Apply the Appropriate Minimum Cushions and Maximum Caps (SOC or RPM)** to each preliminary payment level to ensure GTA payments are within the statutory floors and ceilings;
- **Step 4 – Apply Aids Cap to Municipalities** to ensure GTA payments are not more than 85% of each municipality's three-year average costs; and
- **Step 5 – Calculate the Final Payment**, after accounting for the cushions, aids cap and cost-filing penalty, if applicable.

Step 1 – Identify GTA Input 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 *01-000*.
- 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 *01-201*.
- 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 *01-126*.
- 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 *01-002*.

Name: The official name of a community (excluding *County of*, *City of*, *Village of*, or *Town of*).

Mileage as of 1/1/2009: The total mileage under local jurisdiction used to calculate Calendar Year (CY) 2010 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 1/1/2008: The total mileage under local jurisdiction previously used to calculate CY 2009 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...").

2009 Aids: The total amount of GTA provided to a community in CY 2009.

6-Year Costs: Annual costs for the most recent six-year reporting period used to calculate GTA payment levels. 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.

6-Year Average Costs: Average annual costs for the most recent six-year period (2003-2008). 6-year Average Costs are used to calculate GTA for communities on the SOC payment method.

3-Year Average Costs: Average annual costs for the most recent three-year period (2006-2008). The 3-year average ensures GTA payments to municipalities based on the RPM payment method are no more than 85% of a community's 3-year average. See **Step 4** below for more information regarding 3-Year Average Costs.

Step 2 – Determine Method of Calculation (Greater of SOC or RPM)

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

Counties are only eligible for the SOC payment method. Therefore, zeros appear in county information of the RPM calculation section, with the exception of the current Rate per Mile.

Share of Costs (SOC) Calculation

6-Year Average Costs: Average annual costs for the most recent six-year period (2003-2008).

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 1/1/2009: The total mileage under local jurisdiction used to calculate the CY 2009 GTA for municipalities. See **Step 1** above for more information regarding Mileage as of 1/1/2009.

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

RPM Amount: The Mileage as of 1/1/2009 for a municipality multiplied by the Rate Per Mile.

Step 3 – Apply Appropriate Minimum Cushions and Maximum Caps (SOC or RPM)

Once the preliminary GTA amount has been determined based upon the appropriate payment method detailed in **Step 2**, GTA staff next applies Minimum and Maximum Cushions and Rate Per Mile Cushions. The statutory floors and ceilings adjust the preliminary GTA payment upward to the minimum level or downward to within the maximum level of change.

Zeros appear in county information of the RPM calculation section, since counties are only subject to SOC funding. 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

2009 Aids: The total GTA funds provided to a community in CY 2009.

Minimum 2010 Aids: 2009 Aids multiplied by the Minimum Cushion, which is 0.98 for counties and 0.95 for municipalities. This means that counties and municipalities can experience no more than a two-percent or five-percent reduction from their previous year's aid levels, respectively.

Maximum 2010 Aids: 2009 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.

Cushion Adjustment: The difference between the *SOC Amount* and the *Minimum 2010 Aids* figure or the *Maximum 2010 Aids* figure. This represents the amount of the cushion added to or subtracted from the preliminary payment amount identified in **Step 2**.

Rate Per Mile Cushions

Mileage as of 1/1/2009: The total mileage under local jurisdiction used to calculate CY 2010 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 1/1/2008: The total mileage under local jurisdiction previously used to calculate CY 2009 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 Change: *Mileage as of 1/1/2009* less *Mileage as of 1/1/2008*.

% Change: *Mileage as of 1/1/2009* less *Mileage as of 1/1/2008* divided by *Mileage as of 1/1/2008*.

2009 Aids: The total amount of GTA provided to a community in CY 2009.

2010 Adjusted Base: If a municipality on the RPM payment method has *Mileage as of 1/1/2009* that does not equal the *Mileage as of 1/1/2008* – in other words, the community added or lost roadways under their local jurisdiction – then the *2010 Adjusted Base* equals (1+ their *% Change*), multiplied by their *2009 Aids*. The adjusted base provides a supplemental figure to recognize the new size of their local roadway network in the CY 2010 payment calculation.

Minimum 2010 Aids: *2009 Aids* multiplied by the *Minimum Cushion*, which for municipalities is 0.95. Counties are not eligible for the RPM payment method and thus do not have a *Minimum 2010 Aids* level. There is no *Maximum Cushion* for municipalities on the RPM payment method; therefore, there is no *Maximum 2010 Aids* for RPM communities.

Cushion Adjustment: The difference between *Rate per Mile Amount*, or the *2010 Adjusted Base*, if it is greater than *2009 Aids*, and the *Minimum 2010 Aids*. The *Cushion Adjustment* represents the dollar amount the cushion added to the preliminary payment identified in **Step 2**.

Step 4 – Apply Aids Cap to Municipalities

Once the preliminary GTA amount has been determined for each municipality and the *Minimum Cushions* and *Maximum Cushions* 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 *Three-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.

The 85% cap does not apply to counties. Zeros appear in county information of the RPM calculation section, other than *3-Year Average Costs*.

85% Restriction

3-Year Average Costs: Average annual costs for the most recent three-year period (2006-2008). The 3-year average ensures GTA payments to municipalities are no more than 85% of their 3-year average.

Cap for Munis: An eighty-five percent (0.85) threshold, which is statutorily defined in [s. 86.30\(2\)\(d\) Wis. Stats.](#) for municipalities (munis). Based on an RPM of \$2,055 for CY 2010, municipalities need a minimum *3-Year Average Costs* of \$2,417.65 per mile to avoid a GTA reduction due to the 85% cap (that is, 85% of \$2,417.65 equals \$2,055). Municipalities on the SOC payment method spend much more than the \$2,417.65 per mile average and do not have GTA payments reduced based on the cap.

Max Payment Due to Cap: The maximum allowable payment based on the cap, which is defined as the *3-Year Average Costs* multiplied by 0.85. For more information, please see *Cap for Munis*.

Reduction Due to Cap: If the *Max Payment Due to Cap* is less than the *RPM Amount* calculated in **Step 2**, then the *Reduction Due to Cap* is the difference between the *RPM Amount* and the *Max Payment Due to Cap*. This equals the amount by which the preliminary GTA figure was reduced to be within the 85% cap.

Step 5 – Calculate the Final Payment

The final GTA payment level for CY 2010 is determined by making the additions to and/or subtractions from the preliminary GTA figure (from **Step 2**) called for from the cushions (from **Step 3**) and/or the aids cap (from **Step 4**). This preliminary GTA figure may then be reduced by the *Cost Filing Penalty*, if applicable, to obtain the final GTA payment level for CY 2009, also referred to as the *Total GTA Amount*.

County data for the *Rate per Mile Amount* and *Reduction Due to Muni Cap* in **Step 5** is indicated with zeros, since these calculations are not applicable for counties.

Components of Payment

Share of Costs (SOC) Amount: The *6-Year Average Costs* for a community multiplied by their *SOC percentage* identified in **Step 2**.

Rate Per Mile (RPM) Amount: The Mileage as of 1/1/2009 for a municipality multiplied by the Rate per Mile identified in **Step 2**.

SOC/RPM Cushion Adjustment: The difference between SOC/RPM Amount and the Minimum 2010 Aids or Maximum 2010 Aids, identified in **Step 3**. Negative figures, which represent payment reductions, are identified by parentheses.

Reduction Due to Muni Cap: (also known as Reduction Due to Cap). If the 3-Year Average w/Cap is less than the 3-Year Average Costs, then the Reduction Due to Cap is the difference between the 3-Year Average Costs and the 3-Year Average w/Cap (as described in **Step 4**). Negative figures, which represent payment reductions, are identified by parentheses.

Cost Filing Penalty: 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.](#) A Cost Filing Penalty is identified on this line and is assessed against GTA payments in cases where a community files their financial report after the due date.

Total GTA Amount: The final GTA payment for CY 2010 after adjustments to the preliminary GTA figure have been made by SOC/RPM Cushion Adjustment, Reduction Due to Muni Cap and/or Cost Filing Penalty.

Resources

Additional information on the GTA program is located on the [GTA Web page on the WisDOT Internet site](http://www.dot.wisconsin.gov/localgov/highways/gta.htm) 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:

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Please contact Carol Doran or Caroline Marsh at the Wisconsin Department of Revenue if you are a **town** with questions or comments on the DOR *Financial Report Form*. Carol can be contacted at:

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Please contact Dave Hruby with the Wisconsin Department of Revenue if you are a **village, city or county** with questions or comments on the DOR *Financial Report Form*. Dave can be contacted at:

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