



Budget Update

June, 2001

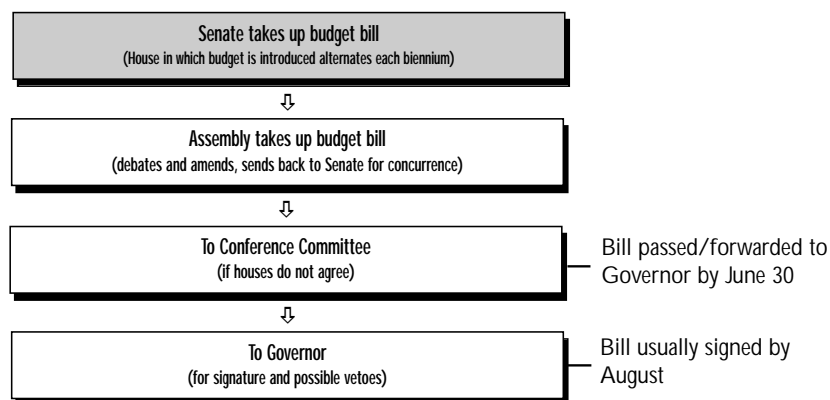
Joint Finance Committee action on 2001-2003 biennial transportation budget

Editor's note: The information in this document has been compiled from materials issued by the Legislative Fiscal Bureau. The numbers for the table inserts on pages 3 and 4 were provided by WisDOT, and they reflect internal departmental adjustments. Therefore, the specific program allocations reflected in the tables may not correspond precisely with the allocations mentioned in the text of this document.

This TDA Budget Update highlights the major changes that were made by the Joint Finance Committee (JFC) to the transportation portion of the Governor's state budget submittal. For a more complete description of the transportation budget as a whole, please refer to the January and March 2001 TDA Budget Updates. These documents can be found on our website, tdawisconsin.org, or call the TDA office at (608) 256-7044 to request a copy. All data included in this Budget Update is based on information provided by WisDOT and the Legislative Fiscal Bureau.

The Joint Finance Committee completed its action on the state transportation budget on Wednesday, May 30, 2001. The budget bill now heads to the Senate and Assembly caucuses for debate and discussion. By legislative mandate, the budget bill is to be forwarded to the Governor by June 30; however, the previous biennial budget fell far short of this schedule, and the 2001-2003 biennial budget is also generally presumed to be late. TDA will continue to provide updates on developments in the transportation portion of the

Remaining steps of 2001-2003 Wisconsin Transportation Budget



budget.

Following is an overview of key components and changes to the transportation budget as made by the JFC. For specific funding comparisons, see the two table inserts.

State Highway Program

Major Highways

Revenue Bonding Policy

The JFC agreed to increase the amount of revenue bond proceeds that can be used in a given period from 53%, as proposed by the Governor, to 55% of total annual funds expended for major highway projects. In addition, the new limit applies to any three consecutive years, thus allowing WisDOT the flexibility to go to the bond market when rates are most advantageous.

Major Highway Program

Funding for the major highway program was increased by 5.4% in FY 02 and 4.2% in FY 03. Total funding for this program will increase to \$241,616,600 for FY 03. This represents an increase of nearly \$6 million over the Governor's proposal.

The JFC approved without change the recommendation from the Transportation Projects Commission (TPC) to enumerate three new major projects:

- STH 26 from Watertown to Janesville
- I 39/USH 51 Wausau Beltline
- STH 17 relocation near Rhinelander

Also, the Committee issued a requirement for WisDOT to build a 5-lane USH 12 in the Baraboo area, without requiring cost sharing. An additional measure prohibits WisDOT from widening USH 12 in the village

of Cambridge.

Rehabilitation

The Governor had proposed increases of 2.7% in FY 02 and 3.0% in FY 03. The Committee increased this proposal to 3.5% annual increases, resulting in \$58.2 million in new funds (\$11.3 million more than the Governor's proposal).

Park East Freeway

The above increases do not include the funding for the Park East Freeway demolition project, and a replacement bridge. The JFC approved a change whereby, of the \$17 million local share for the project, \$14.45 million (instead of \$14.5 million proposed by the Governor) shall be federal Interstate Cost Estimate (ICE) funds received by the City or County.

Marquette Interchange

The JFC passed a separate motion to address initial funding issues relative to reconstruction of the southeast Wisconsin freeway system. First, the Governor's proposal to create a special appropriation for the Marquette Interchange was modified to that of an appropriation for the entire seven-county SE Wisconsin Freeway system. In addition, the JFC increased funding for this appropriation to \$160.6 million — \$27.7 million more than the Governor had proposed. The additional funding comes from a transfer of state highway rehabilitation program dollars which have already been committed for work on freeways in the seven-county SE Wisconsin region. The motion also establishes a base level of future funding for the appropriation at \$45.9 million annually.

Maintenance

The Governor's proposed funding level for this program was a 5.4% increase in FY 02 and 5.7% in FY 03. The JFC reduced these increases to 2.7% for FY 02 and 1.8% for FY 03,

resulting in a funding level \$13.1 million below the Governor's recommendation. WisDOT had requested and received an \$8.5 million supplement in May 2001, in response to higher-than-average winter maintenance costs incurred in 2000-01. In effect, the reduction in funding to this program requires WisDOT to partially absorb those additional costs into the 2001-03 biennium.

In addition, \$3.5 million in SEG was provided for FY 02, for the purchase of a salt reserve.

Local Transportation Capital Assistance

Local Transportation Facility Improvement Assistance

Local Road Improvement Program (LRIP)- Basic Allocation

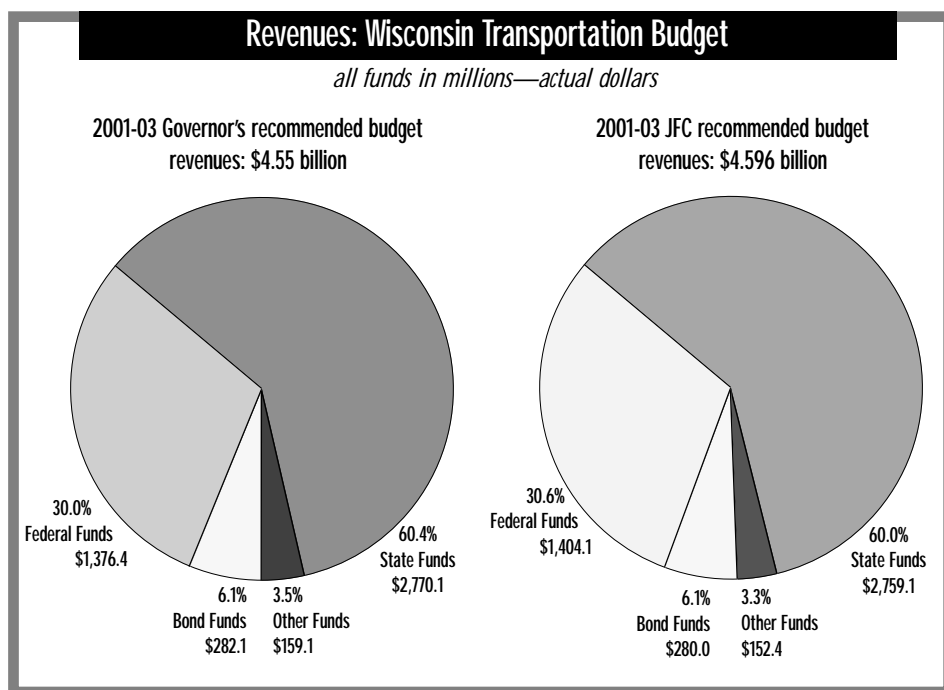
Inflationary increases for the LRIP program of 2.7% in FY 02 and 3.0% in FY 03 were proposed by the Governor. The JFC provided 6% increases for each year of the biennium,

adding \$960,000 to the Governor's recommendation for the basic LRIP program.

Local Road Improvement Program, Discretionary

The Governor had recommended one-time increases in the combined town road and municipal street discretionary programs of \$529,000 in FY 02 and \$1,954,200 in FY 03. This proposal was revised by the Committee to a \$750,000 annual provision, to be divided evenly between town road, municipal street, and county highway discretionary programs. In addition, the JFC revised the amounts WisDOT is required to set aside for discretionary projects as follows: (a) \$1 million annually for the municipal street improvement program (was \$750,000), (b) \$750,000 annually for the town road discretionary improvement program (was \$500,000), and (c) \$5.25 million annually for the county highway discretionary improvement program (was \$5 million).

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2001-2003 Transportation Budget: All Funds

Comparison of WisDOT, Governor's, and JFC budget proposal for biennium

source: WisDOT

	WisDOT Biennial Budget		Governor's Biennial Budget		JFC Biennial Budget		Difference between WisDOT & Governor's Budget	Difference between Governor's & JFC Budget
	Dollars	% Change from BYD	Dollars	% Change from BYD	Dollars	% Change from BYD		
Transportation Aids								
Base Year Doubled (FY 2001)								
General Transportation Aids	697,042,000	4.2%	724,117,000	3.9%	716,315,200	2.8%	-2,483,200	-7,801,800
Transit Aids	239,905,000	3.3%	248,213,400	3.5%	245,459,900	2.3%	420,700	-2,753,500
Elderly and Disabled Aids	20,938,000	3.4%	21,647,300	3.4%	21,647,300	3.4%	0	0
Special Highway Aids	35,842,000	26.1%	44,942,000	25.4%	45,204,100	26.1%	-272,000	262,100
Total Transportation Aids	993,727,000	4.8%	1,038,919,700	4.5%	1,028,626,500	3.5%	-2,334,500	-10,293,200
Local Transportation Capital Assistance								
Local Trans. Fac. Impr. Assist.	265,478,200	34.2%	361,152,800	36.0%	361,106,400	36.0%	4,966,400	-46,400
Local Bridge Assistance	87,105,800	-100.0%	0	-100.0%	0	-100.0%	0	0
Rail Assistance	31,639,800	3.1%	34,617,200	9.4%	33,117,200	4.7%	2,000,000	-1,500,000
Harbor/Rail Passenger/Bus	12,351,200	18.4%	12,014,500	-2.7%	12,014,500	-2.7%	-2,604,000	0
Aeronautics Assistance	138,786,200	-0.1%	138,671,800	-0.1%	138,721,800	0.0%	0	50,000
Multimodal Transp. Studies	1,500,000	13.3%	1,500,000	0.0%	1,500,000	0.0%	-200,000	0
Transp. Fac. Econ. Asst. & Dev.	14,000,000	0.0%	24,500,000	75.0%	14,000,000	0.0%	10,500,000	-10,500,000
Surface Transportation Grants	6,800,000	0.0%	6,800,000	0.0%	6,800,000	0.0%	0	0
Congestion Mitig. & Air Qual.	31,246,400	0.0%	31,246,400	0.0%	30,825,700	-1.3%	0	-420,700
Transp. Enhancements Grants	18,825,600	-10.6%	16,825,600	-10.6%	16,825,600	-10.6%	0	0
Total Loc. Trans. Cap. Asst.	607,733,200	0.8%	627,328,300	3.2%	614,911,200	1.2%	14,662,400	-12,417,100
State Highways								
Major Highways	440,310,000	4.2%	467,573,100	6.2%	473,544,000	7.5%	8,884,000	5,970,900
Rehabilitation	1,135,897,800	11.5%	1,212,548,000	6.7%	1,223,896,800	7.7%	-54,000,000	11,348,800
SE WI Freeway Reconstruction	0	0.0%	132,931,800	100.0%	160,643,900	100.0%	132,931,800	27,712,100
Maintenance	315,023,600	8.1%	340,600,400	8.1%	330,961,900	5.1%	0	-9,638,500
Admin. & Planning, Hwys.	52,430,800	-6.6%	48,969,200	-6.6%	48,969,200	-6.6%	0	0
Total State Highways	1,943,662,200	8.8%	2,202,622,500	13.3%	2,238,015,800	15.1%	87,815,800	35,393,300
Other WisDOT Areas								
Total WisDOT Operations	406,355,600	7.4%	430,217,400	5.9%	430,661,800	6.0%	-6,161,900	444,400
Total Debt Service/Reserves	256,827,200	1.3%	251,175,700	-2.2%	244,578,400	-4.8%	-8,894,200	-6,597,300
Total Transportation Budget	4,208,305,200	6.1%	4,550,263,600	8.1%	4,556,793,700	8.3%	85,087,600	6,530,100

2001-2003 Transportation Budget: All Funds

Comparison of WisDOT, Governor's, and JFC budget proposals year by year

source: WisDOT

	WisDOT FY 2002 Budget		Governor's FY 2002 Budget		JFC's FY 2002 Budget		WisDOT FY 2003 Budget		Governor's FY 2003 Budget		JFC's FY 2003 Budget	
	Dollars	% Change from BY	Dollars	% Change from BY	Dollars	% Change from BY	Dollars	% Change from FY02	Dollars	% Change from FY02	Dollars	% Change from FY02
Transportation Aids												
General Transportation Aids	348,521,000	2.7%	357,402,100	2.5%	353,748,800	1.5%	368,669,100	3.0%	366,714,900	2.6%	362,566,400	2.5%
Transit Aids	119,952,500	2.1%	122,698,300	2.3%	121,303,400	1.1%	125,329,100	2.3%	125,515,100	2.3%	124,156,500	2.4%
Elderly and Disabled Aids	10,469,000	2.2%	10,694,800	2.2%	10,694,800	2.2%	10,952,500	2.4%	10,952,500	2.4%	10,952,500	2.4%
Special Highway Aids	17,921,000	51.5%	27,021,000	50.8%	27,129,700	51.4%	18,057,000	-33.5%	17,921,000	-33.7%	18,074,400	-33.4%
Total Transportation Aids	496,863,500	4.3%	518,246,500	4.2%	512,876,700	3.2%	523,007,700	0.9%	521,103,500	0.6%	515,749,800	0.6%
Local Transportation Capital Assistance												
Local Trans. Fac. Impr. Assist.	132,739,100	33.7%	178,494,000	34.5%	179,594,000	35.3%	178,750,400	0.7%	182,658,800	2.3%	181,512,400	1.1%
Local Bridge Assistance	43,552,900	-100.0%	0	-100.0%	0	-100.0%	0	0.0%	0	0.0%	0	0.0%
Rail Assistance	15,819,900	-0.1%	16,808,600	6.2%	16,308,600	3.1%	16,808,600	6.3%	17,803,600	5.9%	16,808,600	3.1%
Harbor/Rail Passenger/Bus	6,175,600	5.2%	5,949,300	-3.7%	5,949,300	-3.7%	8,123,200	25.1%	6,065,200	1.9%	6,065,200	1.9%
Aeronautics Assistance	69,393,100	-0.1%	69,335,900	-0.1%	69,360,900	0.0%	69,335,900	0.0%	69,335,900	0.0%	69,360,900	0.0%
Multimodal Transp. Studies	750,000	13.3%	750,000	0.0%	750,000	0.0%	850,000	0.0%	750,000	0.0%	750,000	0.0%
Transp. Fac. Econ. Asst. & Dev.	7,000,000	0.0%	10,500,000	50.0%	7,000,000	0.0%	7,000,000	0.0%	14,000,000	33.3%	7,000,000	0.0%
Surface Transportation Grants	3,400,000	0.0%	3,400,000	0.0%	3,400,000	0.0%	3,400,000	0.0%	3,400,000	0.0%	3,400,000	0.0%
Congestion Mitig. & Air Qual.	15,623,200	0.0%	15,623,200	0.0%	15,202,500	-2.7%	15,623,200	0.0%	15,623,200	0.0%	15,623,200	2.8%
Transp. Enhancements Grants	9,412,800	-10.6%	8,412,800	-10.6%	8,412,800	-10.6%	8,412,800	0.0%	8,412,800	0.0%	8,412,800	0.0%
Total Loc. Trans. Cap. Asst.	303,866,600	0.2%	309,273,800	1.8%	305,978,100	0.7%	308,304,100	1.3%	318,054,500	2.8%	308,933,100	1.0%
State Highways												
Major Highways	220,155,000	2.6%	226,427,400	2.8%	231,927,400	5.3%	232,714,700	3.0%	241,145,700	6.5%	241,616,600	4.2%
Rehabilitation	567,948,900	9.6%	611,259,700	7.6%	615,522,100	8.4%	644,288,300	3.5%	601,288,300	-1.6%	608,374,700	-1.2%
SE WI Freeway Reconstruction	0	0.0%	30,882,300	100.0%	52,325,400	100.0%	0	0.0%	102,049,500	230.4%	108,318,500	107.0%
Maintenance	157,511,800	5.5%	166,194,400	5.5%	165,954,900	5.4%	174,406,000	4.9%	174,406,000	4.9%	165,007,000	-0.6%
Admin. & Planning, Hwys.	26,215,400	-6.6%	24,484,600	-6.6%	24,484,600	-6.6%	24,484,600	0.0%	24,484,600	0.0%	24,484,600	0.0%
Total State Highways	971,831,100	6.9%	1,059,248,400	9.0%	1,090,214,400	12.2%	1,075,893,600	3.6%	1,143,374,100	7.9%	1,147,801,400	5.3%
Other WisDOT Areas												
Total WisDOT Operations	203,177,800	6.6%	215,452,400	6.0%	213,487,100	5.1%	219,778,800	1.5%	214,765,000	-0.3%	217,174,700	1.7%
Total Debt Service/Reserves	128,413,600	-6.4%	117,146,000	-8.8%	113,895,900	-11.3%	139,900,800	16.4%	134,029,700	14.4%	130,682,500	14.7%
Total Transportation Budget	2,104,152,600	4.5%	2,218,936,800	5.5%	2,236,452,200	6.3%	2,266,885,000	3.1%	2,331,326,800	5.1%	2,320,341,500	3.8%

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Local Roads for Job Preservation Debt Service

This new program, created in the last biennium, authorized WisDOT to make a total of \$10 million in grants for the development, construction, repair or improvement of any local road which meets certain criteria determining that it is necessary to support business and retain jobs. Only one grant of \$8 million was made, to the city of Janesville, using non-bond funds. The JFC eliminated \$8 million in unused bonding authorization, reestimated the debt service payments, and accordingly reduced the Governor's funding recommendations by \$329,800 GPR in FY 02 and \$702,900 GPR in FY 03.

Rail Assistance

Freight Rail Infrastructure Improvement Program

The Governor had recommended a \$1.5 million increase for this program, which provides low- or no-interest loans to improve freight rail infrastructure. The Committee rejected this request, and the program is maintained at its current size.

Harbor/Rail Passenger/Bus

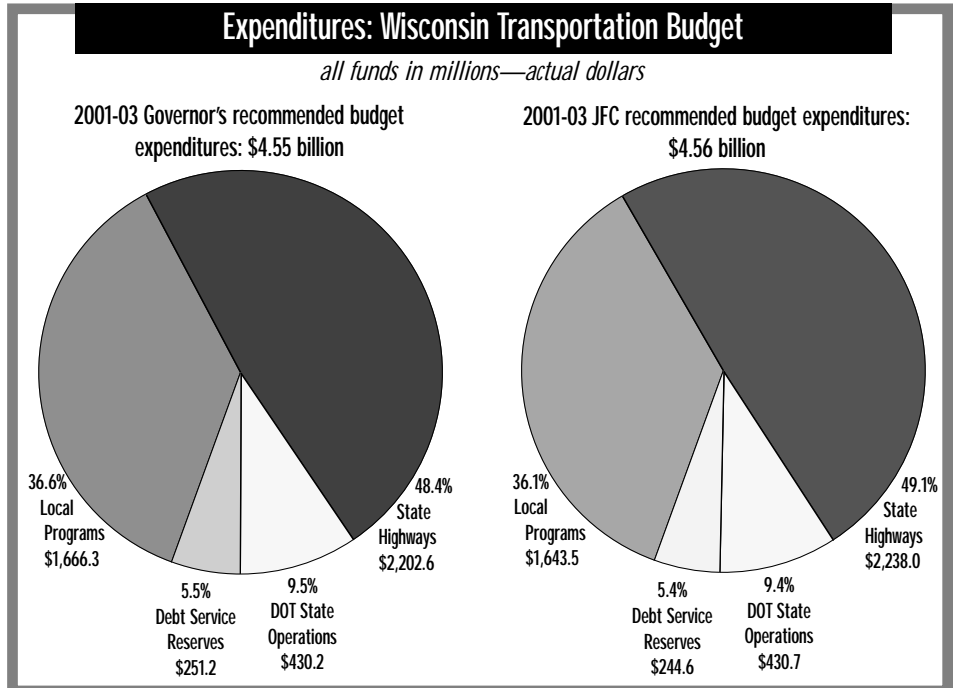
Harbor Assistance Program Eligibility

The Committee's proposal requires WisDOT to make a change to its administrative rules for the harbor assistance program in order to include ferries and cruise ships in its definition of commercial use, thus making them eligible for assistance under this \$4.5 million annual program.

Aeronautics Assistance

Tax Exemption for Air Carriers with Hub Terminal Facilities

The JFC approved the proposed ad valorem property tax exemptions for airlines with Wisconsin hubs, and voted to make the exemption retroactive to January 1, 2001. However, the Committee deleted the proposed



mechanism to make up lost aeronautics program funding, which was to be a dedication of aviation revenues (including aircraft registration fees, general aviation fuel tax receipts, and sales and use taxes on non-commercial aircraft). Instead, the transportation fund will be tapped to keep the airport program whole, and starting in FY 05, the transportation fund's loss is required to be made up through a transfer from the general fund, up to the amount paid in fees by the hub airlines in the last year in which the ad valorem tax was collected. This is a major change from the transportation community's perspective.

Local Transportation Economic Assistance Program

The Governor had proposed a \$10.5 million increase to this program, which provides grants for transportation infrastructure projects needed to attract business or to maintain jobs. The JFC deleted that proposed increase and added a requirement for WisDOT to use 20% of the funds for loans, thus beginning a shift to program self-sufficiency.

Transportation Aids

General Transportation Aids (GTA)

This program assists local governments with maintenance, improvement, and construction of local roads. The Committee provided the following funding structure:

- inflationary increases of 3% in FY 02 and 2% in FY 03, and
- increases in rate-per-mile based aids payments from \$1704 per mile to \$1755 in FY 02 and \$1,790 in FY 03.

The JFC's proposal reduces GTA funding by \$7.8 million over the biennium, as compared to the Governor's proposal.

Transit Aids

Mass Transit Operating Assistance

The Committee provided a 4% increase in FY 02 and 2% in FY 03 for this program, yielding roughly 1% more than the proposal from the Governor. In addition, the JFC deleted the Governor's proposal for a supplemental operating assistance program



which was to be linked to the consumer price index.

Special Highway Aids

Grants to Local Professional Football Stadium Districts

The Committee approved the Governor's request for a \$9.1 million grant, but narrowed the eligibility to projects directly related to the stadium's transportation infrastructure.

Lift Bridge Aid

The Committee increased funding for lift bridge aid by \$77,500 SEG in FY 02 and \$90,000 SEG in FY 03, in order to pay the actual projected cost of reimbursing cities to operate these bridges.

Named Projects

The JFC earmarked funds from existing programs for an unusually large number of specific projects.

These include:

- Kenosha Transit Parking Facility
- Interchange on USH 141 and CTH B in Marinette County

- Interchange on STH 57 and CTH P in Brown County
- Wausau City Square Park Pedestrian Pathway
- Pedestrian Crossing of USH 45 in Winnebago County
- Leo Frigo Memorial Bridge in the City of Green Bay
- Port Arthur Road extension in the City of Ladysmith
- USH 12 Improvements
- Reconstruction of USH 12 in the Village of Cambridge
- Highway signs identifying Wayland Academy
- "Gateway to the North" Bridge in the Village of Tigerton
- Agricultural Tourism Signs
- Sidewalk reconstruction in Wisconsin Rapids
- Halfway Creek Bike Trail in the Village of Holmen

Other JFC Actions

Payment of Damages to Local Gravel Road Caused by Unofficial Detours

The JFC approved a new cost, requiring WisDOT to pay approved claims to local governments for damages to local gravel roads caused by unofficial detours from highway projects.

Highway Planning Studies

The Committee approved statutory

mandates requiring WisDOT to provide three regular reports to the Legislature, as follows:

- Annual report on projected schedules and funding levels for enumerated projects.* This report will allow the TPC to track progress, to discover delays, and to ensure that full approved funding levels are spent.
- Biennial status and condition of the state's highways.* This report, modeled on the similar U.S. DOT report to Congress, will track and measure state highway system performance against fixed standards on a continuing basis.
- Biennial report tracking actual and constant dollar spending in all programs.* Produced intermittently in the past, this report will go back at least 15 years, enabling comparison of spending trends over time. The information in these reports will be extremely valuable to TDA members and other transportation stakeholders.

