



# Budget Update

March, 2001

## Governor's 2001-2003 transportation budget beginning to recognize some of the needs

This TDA Budget Update is meant to highlight the major changes in the Governor's budget from the WisDOT submittal. For a more complete description of the transportation budget as a whole, please refer to the January 2001 TDA Budget Update. That document can be found on our website, [tdawisconsin.org](http://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 from WisDOT and the Legislative Fiscal Bureau.

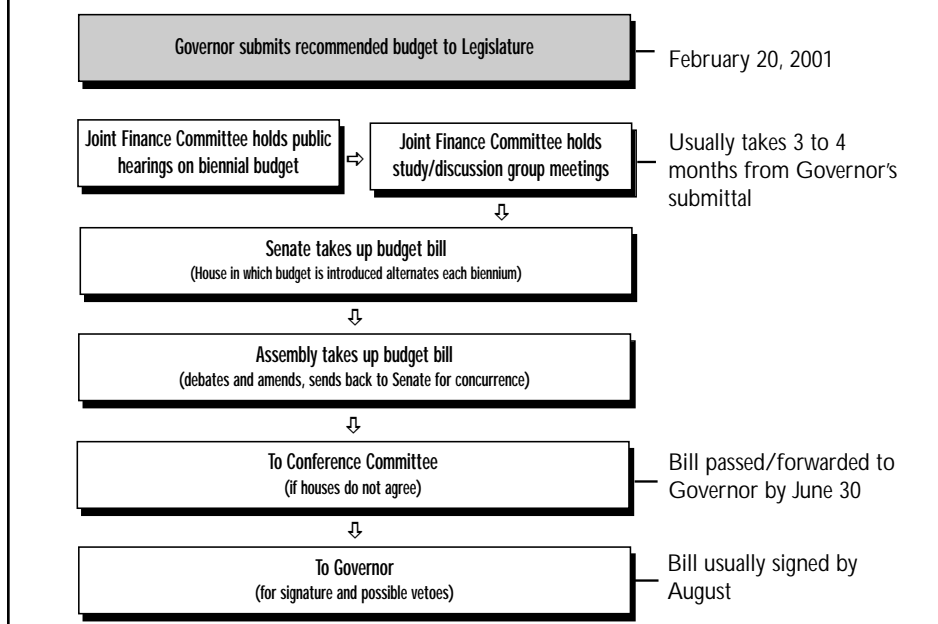
The Governor's budget, submitted to the legislature on February 20, contains some significant developments in the area of transportation. In all, the Governor's budget reflects an increase in expenditures of \$85.1 million from WisDOT's recommended budget.

On the revenue side, transportation funds are projected to grow by steady but moderate amounts, slightly higher than the inflation rate. This growth results from the following factors:

- increased federal funding,
- modest increases from motor fuel tax indexing, and volume growth in vehicle registration fees and motor fuel tax revenues,
- some new revenues from aircraft sales, and
- a small amount of new monies from Indian gaming revenues.

Following is an overview of key components and changes in the Governor's 2001-2003 budget (for specific funding comparisons, see two table inserts):

### Remaining steps of 2001-2003 Wisconsin Transportation Budget



### State Highway Program

#### Major Highways

WisDOT's Request		
	2001 Base:	Annual Change
2002 Budgeted:	\$220,155,000	
2003 Budgeted:	\$225,974,400	2.7%
	\$232,714,700	3.0%

Governor's Recommendation		
	2001 Base:	Annual Change
2002 Budgeted:	\$220,155,000	
2003 Budgeted:	\$226,427,400	2.8%
	\$241,145,700	6.5%

**Inflationary adjustments recommended.** The Governor recommends increases to the major highway program of 2.8% in FY02 and 6.5% in

FY03. His budget also recommends reducing the share of program funding from revenue bond proceeds from 54.5% to 53.0% beginning in FY03.

**Three new projects for enumeration.** The Governor recommends enumerating the following new major highway projects, all of which were recommended by the Transportation Projects Commission:

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

**Statutory language change.** The administration's proposal also recommends an increase of \$296 million in the authorized level of revenue bonds.



# Budget Update

## Governor's 2001-2003 Biennial Budget

The Governor proposes a revised level of \$1.74 billion in order to reflect upcoming bonding needs consistent with the level of funding for major projects included in the overall budget request.

### State Highway Rehabilitation

WisDOT's Request		
Year	Amount	Annual Change
2001 Base:	\$567,948,900	
2002 Budgeted:	\$622,259,700	9.6%
2003 Budgeted:	\$644,288,300	3.5%

Governor's Recommendation		
Year	Amount	Annual Change
2001 Base:	\$567,948,900	
2002 Budgeted:	\$611,259,700	7.6%
2003 Budgeted:	\$601,288,300	-1.6%

The State Highway Rehabilitation Program (SHR) consists of three sub-programs:

- Existing Highways (3-R: Resurfacing, Reconditioning, and Reconstruction)
  - State Bridges
  - Interstate System
- In the Governor's 2001-03 biennial

budget recommendation, the SHR receives significantly less than WisDOT's requested amount. This is a result of the proposal to establish a separate allocation for the Marquette Interchange project (see below).

**Funding for SHR Inflation.** The Governor's recommendation approves WisDOT's requested inflationary increases of 2.7% and 3.0% in FY02 and FY03, respectively, for the State Highway Rehabilitation Program.

**Marquette Interchange preliminary work.** The administration's proposal establishes a separate appropriation to fund the reconstruction of the Marquette Interchange. To begin preliminary work associated with the reconstruction, the Governor provides \$132.9 million total spending. The following actions are recommended:

- providing Interstate Cost Estimate (ICE) funds of \$12.75 million in FY02 and \$38.25 million in FY03,
- providing state funds in the amounts of \$1.75 million in FY02 and \$6.25 million in FY03 for the match of federal ICE funds,
- allocating re-estimated federal high-

- way aids in the amounts of \$14.1 million in FY02 and \$28.6 million in FY03,
- setting aside bond proceeds of \$2.26 million in FY02 and \$4.73 million in FY03 for the reconstruction project, and
- allowing up to \$5 million in federal ICE funds to be used for the reconstruction of West Canal Street.

**West Canal Street Reconstruction:** As a new initiative, the Governor recommends allocating Indian gaming revenues to support the reconstruction of West Canal Street. Upgrading this street will help address traffic mitigation needs during the reconstruction of the Marquette Interchange, and will serve as a catalyst for redevelopment of the area.

**Park East Freeway funding.** The Governor approved WisDOT's recommendation for funding to remove the Park East Freeway spur. The estimated cost of the project is \$25 million; the State's share is limited to \$8 million, including any bridge costs.

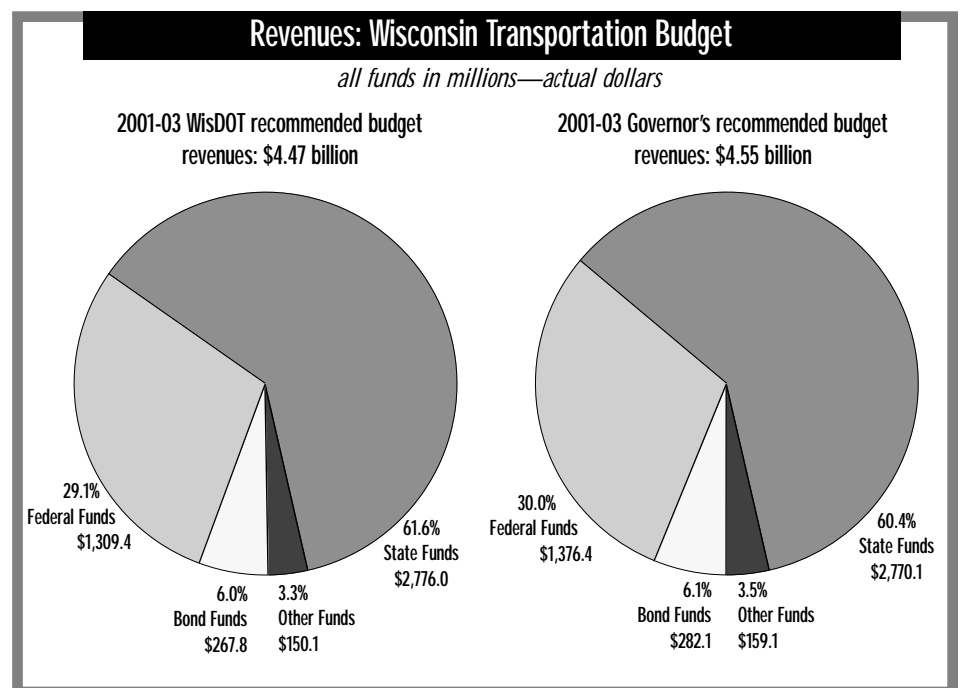
*continued on page 5*

## JFC's biennial budget public hearings to be scheduled soon

The Joint Finance Committee schedule for statewide public hearings on the entire 2001-2003 biennial budget will be announced soon. The hearings will begin at the end of March, and will continue through the first few weeks of April.

Transportation stakeholders are encouraged to participate in this process. TDA will publish the entire hearings schedule on its website as soon as announced.

**Watch for the schedule at [www.tdawisconsin.org](http://www.tdawisconsin.org)**



The information in this Update has been compiled from the WisDOT document "2001-03 Biennial Budget Summary Through Governor's Request."

**2001-2003 Transportation Budget: All Funds**

**Comparison of WisDOT and Governor's budget proposal for biennium**

	Base Year Doubled (FY 2001)	WisDOT's Biennial Budget		Governor's Biennial Budget		Difference between WisDOT & Governor's Budget
		Dollars	% Change from BYD	Dollars	% Change from BYD	
<b>Transportation Aids</b>						
General Transportation Aids	697,042,000	726,600,200	4.2%	724,117,000	3.9%	-2,483,200
Transit Aids	239,905,000	247,792,700	3.3%	248,213,400	3.5%	420,700
Elderly and Disabled Aids	20,938,000	21,647,300	3.4%	21,647,300	3.4%	0
Special Highway Aids	35,842,000	45,214,000	26.1%	44,942,000	25.4%	-272,000
<b>Total Transportation Aids</b>	<b>993,727,000</b>	<b>1,041,254,200</b>	<b>4.8%</b>	<b>1,038,919,700</b>	<b>4.5%</b>	<b>-2,334,500</b>
<b>Local Transportation Capital Assistance</b>						
Local Trans. Fac. Impr. Assist.	265,478,200	356,186,400	34.2%	361,152,800	36.0%	4,966,400
Local Bridge Assistance	87,105,800	0	-100.0%	0	-100.0%	0
Rail Assistance	31,639,800	32,617,200	3.1%	34,617,200	9.4%	2,000,000
Harbor/Rail Passenger/Bus	12,351,200	14,618,500	18.4%	12,014,500	-2.7%	-2,604,000
Aeronautics Assistance	138,786,200	138,671,800	-0.1%	138,671,800	-0.1%	0
Multimodal Transp. Studies	1,500,000	1,700,000	13.3%	1,500,000	0.0%	-200,000
Transp. Fac. Econ. Asst. & Dev.	14,000,000	14,000,000	0.0%	24,500,000	75.0%	10,500,000
Surface Transportation Grants	6,800,000	6,800,000	0.0%	6,800,000	0.0%	0
Congestion Mitig. & Air Qual.	31,246,400	31,246,400	0.0%	31,246,400	0.0%	0
Transp. Enhancements Grants	18,825,600	16,825,600	-10.6%	16,825,600	-10.6%	0
<b>Total Loc. Trans. Cap. Asst.</b>	<b>607,733,200</b>	<b>612,665,900</b>	<b>0.8%</b>	<b>627,328,300</b>	<b>3.2%</b>	<b>14,662,400</b>
<b>State Highways</b>						
Major Highways	440,310,000	458,689,100	4.2%	467,573,100	6.2%	8,884,000
Rehabilitation	1,135,897,800	1,266,548,000	11.5%	1,212,548,000	6.7%	-54,000,000
Marquette Interchange	0	0	0.0%	132,931,800	100.0%	132,931,800
Maintenance	315,023,600	340,600,400	8.1%	340,600,400	8.1%	0
Admin. & Planning, Hwys.	52,430,800	48,969,200	-6.6%	48,969,200	-6.6%	0
<b>Total State Highways</b>	<b>1,943,662,200</b>	<b>2,114,806,700</b>	<b>8.8%</b>	<b>2,202,622,500</b>	<b>13.3%</b>	<b>87,815,800</b>
<b>Other WisDOT Areas</b>						
Total WisDOT Operations	406,355,600	436,379,300	7.4%	430,217,400	5.9%	-6,161,900
Total Debt Service/Reserves	256,827,200	260,069,900	1.3%	251,175,700	-2.2%	-8,894,200
<b>Total Transportation Budget</b>	<b>4,208,305,200</b>	<b>4,465,176,000</b>	<b>6.1%</b>	<b>4,550,263,600</b>	<b>8.1%</b>	<b>85,087,600</b>

source: WisDOT

**2001-2003 Transportation Budget: All Funds****Comparison of WisDOT and Governor's budget proposal year by year**

	FY 2001 (Base Year)	WisDOT's FY 2002 Budget		Governor's FY 2002 Budget		WisDOT's FY 2003 Budget		Governor's FY 2003 Budget	
		Dollars	% Change from BY	Dollars	% Change from BY	Dollars	% Change from FY02	Dollars	% Change from FY02
<b>Transportation Aids</b>									
General Transportation Aids	348,521,000	357,931,100	2.7%	357,402,100	2.5%	368,669,100	3.0%	366,714,900	2.6%
Transit Aids	119,952,500	122,463,600	2.1%	122,698,300	2.3%	125,329,100	2.3%	125,515,100	2.3%
Elderly and Disabled Aids	10,469,000	10,694,800	2.2%	10,694,800	2.2%	10,952,500	2.4%	10,952,500	2.4%
Special Highway Aids	17,921,000	27,157,000	51.5%	27,021,000	50.8%	18,057,000	-33.5%	17,921,000	-33.7%
<b>Total Transportation Aids</b>	<b>496,863,500</b>	<b>518,246,500</b>	<b>4.3%</b>	<b>517,816,200</b>	<b>4.2%</b>	<b>523,007,700</b>	<b>0.9%</b>	<b>521,103,500</b>	<b>0.6%</b>
<b>Local Transportation Capital Assistance</b>									
Local Trans. Fac. Impr. Assist.	132,739,100	177,436,000	33.7%	178,494,000	34.5%	178,750,400	0.7%	182,658,800	2.3%
Local Bridge Assistance	43,552,900	0	-100.0%	0	-100.0%	0	0.0%	0	0.0%
Rail Assistance	15,819,900	15,808,600	-0.1%	16,808,600	6.2%	16,808,600	6.3%	17,808,600	5.9%
Harbor/Rail Passenger/Bus	6,175,600	6,495,300	5.2%	5,949,300	-3.7%	8,123,200	25.1%	6,065,200	1.9%
Aeronautics Assistance	69,393,100	69,335,900	-0.1%	69,335,900	-0.1%	69,335,900	0.0%	69,335,900	0.0%
Multimodal Transp. Studies	750,000	850,000	13.3%	750,000	0.0%	850,000	0.0%	750,000	0.0%
Transp. Fac. Econ. Asst. & Dev.	7,000,000	7,000,000	0.0%	10,500,000	50.0%	7,000,000	0.0%	14,000,000	33.3%
Surface Transportation Grants	3,400,000	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	15,623,200	0.0%	15,623,200	0.0%	15,623,200	0.0%	15,623,200	0.0%
Transp. Enhancements Grants	9,412,800	8,412,800	-10.6%	8,412,800	-10.6%	8,412,800	0.0%	8,412,800	0.0%
<b>Total Loc. Trans. Cap. Asst.</b>	<b>303,866,600</b>	<b>304,361,800</b>	<b>0.2%</b>	<b>309,273,800</b>	<b>1.8%</b>	<b>308,304,100</b>	<b>1.3%</b>	<b>318,054,500</b>	<b>2.8%</b>
<b>State Highways</b>									
Major Highways	220,155,000	225,974,400	2.6%	226,427,400	2.8%	232,714,700	3.0%	241,145,700	6.5%
Rehabilitation	567,948,900	622,259,700	9.6%	611,259,700	7.6%	644,288,300	3.5%	601,288,300	-1.6%
Marquette Interchange	0	0	0.0%	30,882,300	100.0%	0	0.0%	102,049,500	230.4%
Maintenance	157,511,800	166,194,400	5.5%	166,194,400	5.5%	174,406,000	4.9%	174,406,000	4.9%
Admin. & Planning, Hwys.	26,215,400	24,484,600	-6.6%	24,484,600	-6.6%	24,484,600	0.0%	24,484,600	0.0%
<b>Total State Highways</b>	<b>971,831,100</b>	<b>1,038,913,100</b>	<b>6.9%</b>	<b>1,059,248,400</b>	<b>9.0%</b>	<b>1,075,893,600</b>	<b>3.6%</b>	<b>1,143,374,100</b>	<b>7.9%</b>
<b>Other WisDOT Areas</b>									
Total WisDOT Operations	203,177,800	216,600,500	6.6%	215,452,400	6.0%	219,778,800	1.5%	214,765,000	-0.3%
Total Debt Service/Reserves	128,413,600	120,169,100	-6.4%	117,146,000	-8.8%	139,900,800	16.4%	134,029,700	14.4%
<b>Total Transportation Budget</b>	<b>2,104,152,600</b>	<b>2,198,291,000</b>	<b>4.5%</b>	<b>2,218,936,800</b>	<b>5.5%</b>	<b>2,266,885,000</b>	<b>3.1%</b>	<b>2,331,326,800</b>	<b>5.1%</b>

source: WisDOT

continued from page 2

**State Highway Maintenance and Traffic Operations**

**New initiative.** The Governor's budget includes a recommendation for a new initiative: provide a definition for Intelligent Transportation Systems (ITS) and allow WisDOT to fund the installation, maintenance, and replacement of these systems. Although the state has undertaken a considerable number of ITS activities, in the past they have been funded by the State Highway Rehabilitation program. Establishing a separate highway ITS program and identifying those costs is a very positive step.

**Local Transportation Capital Assistance**

**Local Road & Bridge Program**

**Local Road Improvement Program (LRIP)**

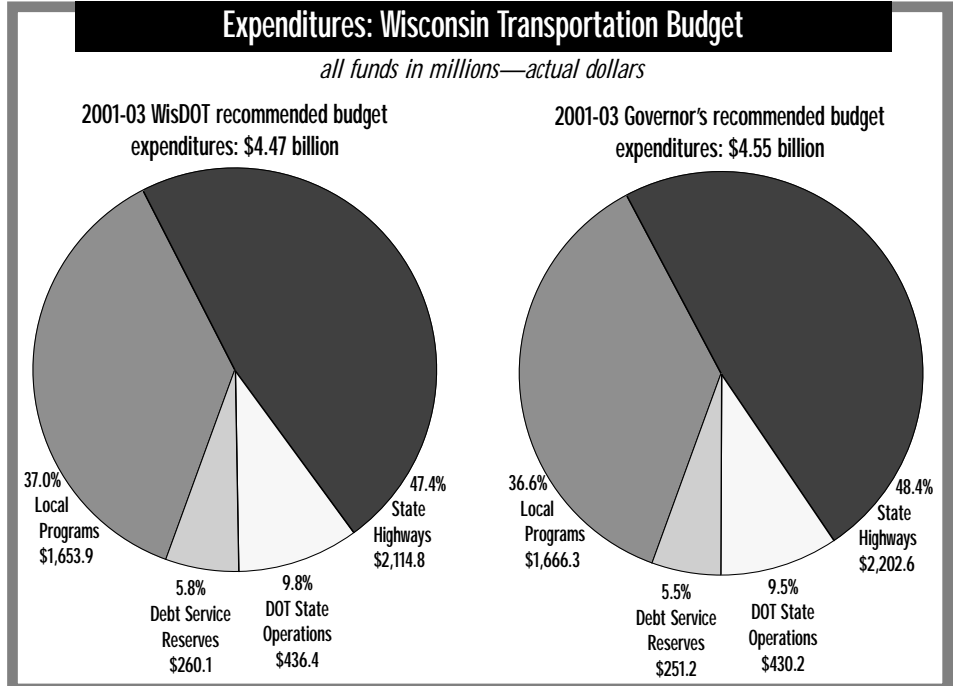
WisDOT's Request		
2001 Base:	\$21,331,200	Annual Change
2002 Budgeted:	\$21,907,100	2.7%
2003 Budgeted:	\$22,564,300	3.0%

Governor's Recommendation		
2001 Base:	\$21,331,200	Annual Change
2002 Budgeted:	\$22,436,100	5.2%
2003 Budgeted:	\$24,518,500	9.3%

WisDOT's requested inflationary increases for the LRIP program of 2.7% in SFY 2002 and 3.0% in FY03 were approved. In addition, to support town road (TRIP-D) and municipal street (MSIP-D) improvement projects under LRIP, the Governor recommends additional increases for those programs. The administration's budget recommends total increases of \$1.1 million SEG and SEG-L in FY02 and \$3.2 million SEG and SEG-L in FY03 for L-RIP.

**Rail Assistance**

**Railroad crossing protection.** The Governor approved WisDOT's



request for a \$1 million increase in FY03 for the improvement and installation of railroad crossing protection; in addition, he added a \$0.5 million increase in FY02 to the plan.

**Freight rail infrastructure loans.** WisDOT had recommended that segregated transportation funding for this program be reduced by \$0.5 million in FY02 and \$1 million in FY03. The Governor took out those reductions, thereby increasing the program by \$1.5 million over the biennium as loan funds are returned to the program.

**Tax Exemption for Hub Facility Air Carriers**

**New initiative in Governor's budget.** The Governor recommends providing an ad valorem tax exemption for air carriers that operate a hub facility in the State. Two airlines, Air Wisconsin and Midwest Express, would qualify for the exemption, effective January 1, 2002. Transportation fund revenues would be decreased by \$2.5 million each year, due to the exemption.

To replace the lost revenue, the Governor's proposal also creates a new appropriation to fund aeronautics

activities based on aviation revenues, which will include aircraft registration fees, general aviation fuel tax receipts, and sales and use tax receipts on non-commercial aircraft. The provision sets a funding threshold for this appropriation and provides support should aviation revenues fall below this threshold. (Such support monies would come from matching general and transportation fund dollars.) These appropriation changes are effective July 1, 2004.

The provision also creates an Airport Financing Committee to study the financing of airport improvements in the State. The committee is required to report their findings and make recommendations to the Governor and Legislature by December 31, 2002.

**Multimodal Transportation Studies**

The \$100,000 increase requested by WisDOT to implement a needed transportation corridor planning program addressing multi-jurisdictional land use issues related to improvement projects was not included in the Governor's budget.



### Transportation Facilities Economic Assistance & Development

**New initiative.** The Governor recommends additional funding to this program, which provides for time-sensitive transportation improvement projects and those that increase jobs in Wisconsin. Over the biennium, the Governor budgets \$10.5 million in state and local funds to target economic development in rural areas of the state. In addition, the Governor proposes renaming the program the *Tommy G. Thompson Transportation Economic Assistance Program*.

### Transportation Aids

#### General Transportation Aids

WisDOT's Request		
		Annual Change
2001 Base:	\$348,521,000	
2002 Budgeted:	\$357,931,100	2.7%
2003 Budgeted:	\$368,669,100	3.0%

Governor's Recommendation		
		Annual Change
2001 Base:	\$348,521,000	
2002 Budgeted:	\$357,402,100	2.5%
2003 Budgeted:	\$366,714,900	2.6%

The Governor recommends the following funding structure for the General Transportation Aid (GTA)

program:

- inflationary increases of 2.7% in FY02 and 3.0% in FY03 provided to counties,
- inflationary increases of 2.5% each year provided to towns, and
- increases in rate-per-mile based aids payments from \$1,704 per mile to \$1,747 in FY02 and \$1,790 in FY03, as compared to WisDOT's recommendations of \$1,750 and \$1,802.

#### Transit Aids

**Urban Mass Transit Operating Assistance Program:** WisDOT's request to return to the 1997-1999 biennial budget formula for distributing urban mass transit operating assistance was approved by the Governor. In addition, the administration proposes an increase in mass transit operating assistance of 2.5% in FY02 with no additional increase in FY03. Also recommended is the creation of a new program to supplement mass transit operating assistance beginning in FY03 (CY02). Transit systems which maintain cost per passenger increases within the range of the increase in the consumer's price index will be eligible for supplemental operating assistance. Total funding for the supplemental program is \$3.2 million in FY03, and administrative rules to determine the

criteria for distributing funds will be developed.

**Intercity Bus Initiative.** The Governor's budget does not include the \$2.6 million requested by WisDOT to restore intercity bus service on four Wisconsin routes.

**New initiative.** The Governor endorses WisDOT's proposal to rename the Demand Management and Ride-Sharing Program the *Transportation Employment and Mobility Program (TEAM)*. In addition, the Governor recommends providing funding to Kenosha County to secure federal congestion mitigation and air quality funds in the amount of \$420,700 for a transit parking facility in the City of Kenosha. Release of the funding is contingent upon an equal amount of local monies being provided.

#### Special Highway Aids

**Lift Bridge Aids.** The WisDOT recommendation for a \$136,000 increase each year of the biennium (a permanent base increase) for the Lift Bridge Aids program was not included in the Governor's budget. This increase was designed, in essence, to hold local governments harmless for their costs in operating these bridges.

RESORTED  
FIRST CLASS  
U.S. POSTAGE  
PAID  
MADISON WI  
PERMIT #1

