



Budget Update

January, 2001

WisDOT submits 2001-2003 biennial budget

The Wisconsin Department of Transportation (WisDOT) has submitted the remaining portions of its 2001-2003 Biennial Budget to the Governor and Department of Administration. Nearly three months after the complete budget is typically submitted, the time crunch is on for transportation stakeholders to review this information.

On the statutorily designated September 15 budget submittal date, federal transportation funding figures were not yet known. Therefore, WisDOT submitted only a partial budget including the Divisions of Motor Vehicles, State Patrol, Business Management and administrative budgets for the Division of Transportation Investment Management and the Executive Offices.

As the chart on the right shows, to have a meaningful impact on the Governor's budget, comments should be made in the next few weeks. The Governor's budget is expected to be released to the Legislature anywhere from late January to late February.

JFC approves WisDOT plan to spend additional 2001 federal revenues

At its December 19 meeting, the state's Joint Finance Committee (JFC) approved the federal expenditure plan submitted by WisDOT for 2001. The federal plan outlines how WisDOT proposes to spend the \$41 million increase in federal funds over

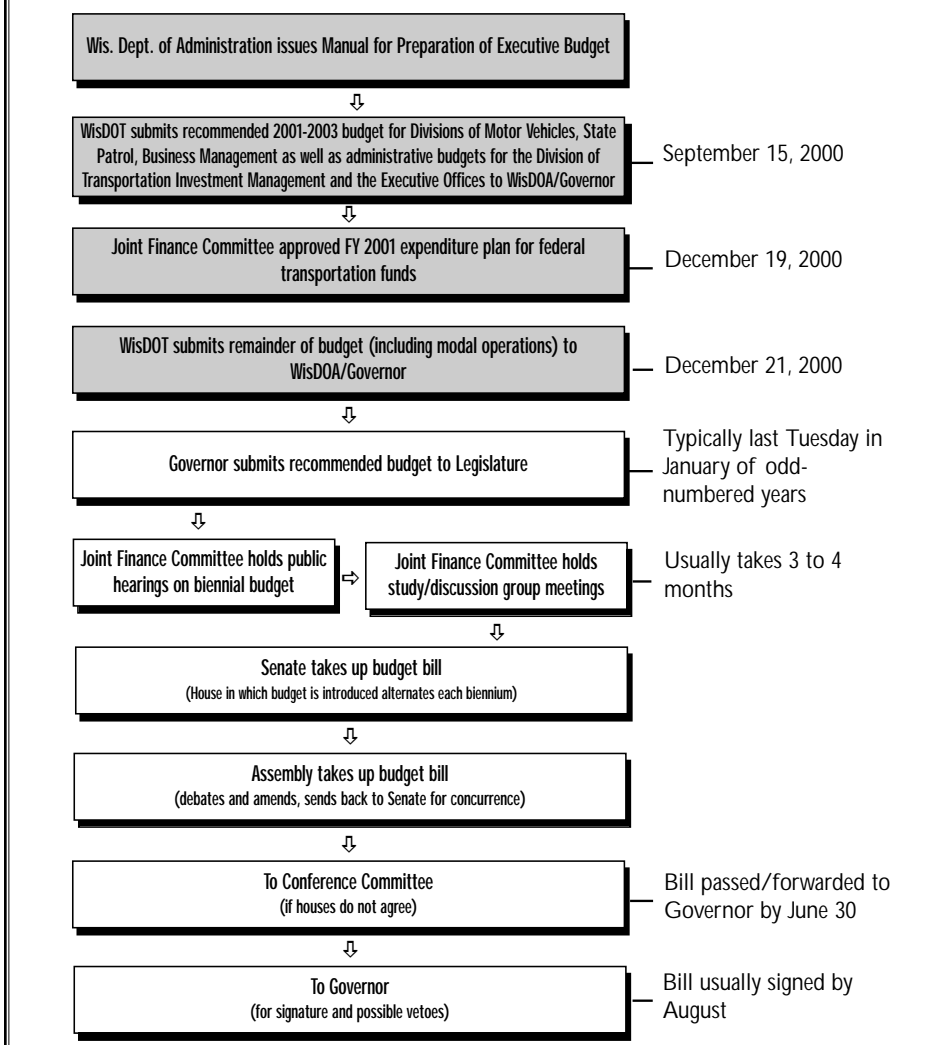
budgetary assumptions (\$28.3 million in formula funding; \$1.4 million in discretionary funds; and \$12 million in earmarks).

This extra step in the budget process is required because federal fiscal year (FFY) 2001 funding levels exceed the

JFC's designated reporting threshold. This happens when the actual federal amount exceeds the previous appropriation by five percent or more.

JFC approval of the federal plan made it possible for WisDOT to submit the modal portion of its budget

Process for 2001-2003 Wisconsin Transportation Budget





as 2001 base figures became final.

A review of the figures in the table on page 4 shows the impact of federal funding level changes by program. The table compares what was approved for SFY 2001 in the last biennial budget and the current SFY 2001 base year funding levels.

The state will split about \$20.3 million of available highway formula

funds between state and local eligible programs based on a 75/25 split. The plan also includes federal funding increases for transit (up \$15.4 million) and aeronautics (up \$28.9 million). The following amendments were attached to the federal expenditure plan:

- direct WisDOT to hold \$9.1 million in reserve in the transportation fund for Lambeau Field-related

infrastructure improvements.

- shift \$136,600 to fund lift bridge aids.
- use \$900,000 in federal funds for grants to local governments for additional OWI prosecutors, safe rider programs, and alternatives to OWI incarceration.



2001-2003 WisDOT Budgeted Revenues

There is nothing remarkable to report on the revenue side of the 2001-2003 budget. Revenues in the WisDOT recommended biennial budget total \$4.47 billion. Growth in the program is based primarily on inflation, travel growth and increased federal funding as a result of TEA 21 (see graph below). Transportation fund revenues are projected to grow by steady but moderate amounts, slightly higher than the inflation rate.

Transportation Fund status

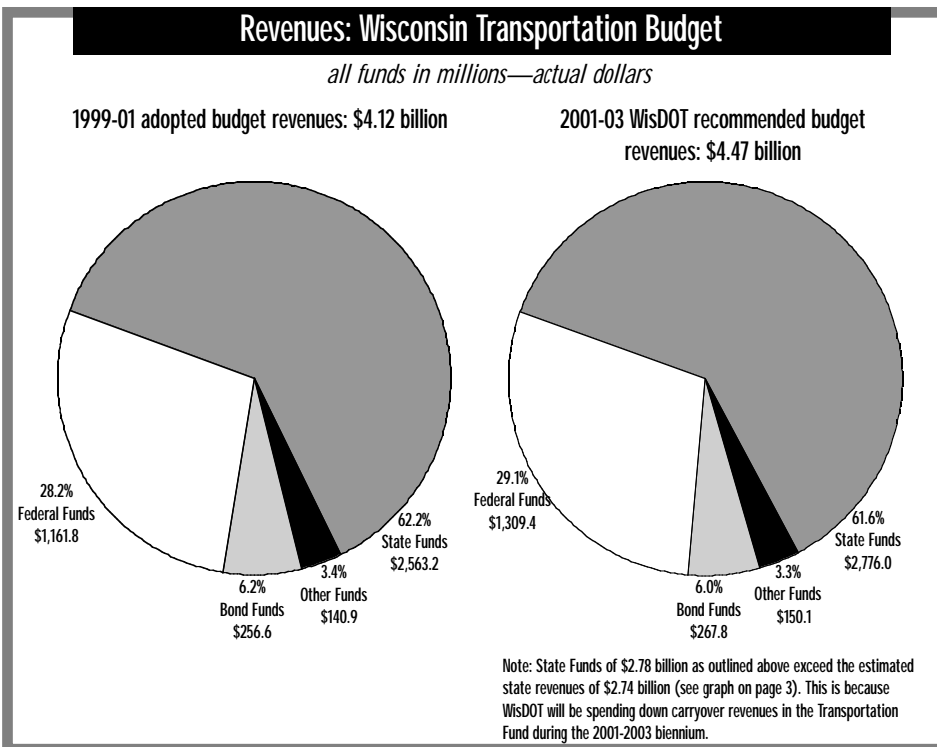
WisDOT anticipates spending down the \$22 million balance currently in the Transportation Fund. By the end of the 2001-2003 biennium, it is anticipated this balance will be reduced to less than \$250,000.

State funds: \$2,776.0 million

Revenues generated by the state are by far the largest portion of funding at 61.6%. The state's Transportation Fund

includes state motor fuel taxes, vehicle registration fees, driver license fees, and other taxes and fees (see graph on page 3). In the 2001-2003 budget, WisDOT does not request any increases in registration fees or motor fuel taxes beyond those associated with indexing (inflation). Minor adjustments in the fees relating to the sale of license abstract and special license plates would generate \$7 million in new revenue over the biennium.

The 2001-2003 budget predicts a growth in state-generated revenues of \$212.8 million for the biennium. After "first draws" (funding 2001 carryover spending and increased debt service), roughly \$114 million remains for



WisDOT Revenues to Other Agencies	
1999-2001 Biennial Budget (final)	
Total Budget	4,122.5 million
Other Agencies	-34.3 million
WisDOT Allocation	\$4,088.2 million
2001-2003 Biennial Budget (WisDOT)	
Total Budget	4,504.3 million
Other Agencies	-38.1 million
WisDOT Allocation	\$4,466.2 million

Editor's note: the information in this Update has been compiled from the WisDOT full budget submittal and summary document

distribution to the modal programs and service divisions.

The two main revenue sources for Wisconsin's Transportation Fund are state motor fuel taxes which comprise 64.1% (\$1,755.3 million) and vehicle registration fees at 28.1% (\$769.6 million).

The 2001-2003 budget does not add any major new revenue sources for the biennium, keeping Wisconsin's funding base relatively narrow.

Federal funds: \$1,309.4 million

The federal component of the funding equation increased in the 2001-2003 proposed budget by 12.9%

over the 1999-2001 adopted budget. This is due, in large part, to the funding level increases in both the Transportation Equity Act for the 21st Century (TEA 21) and the Aviation Investment and Reform Act for the 21st Century (AIR 21).

TEA 21 provides funding for surface transportation modes (highways and transit) as well as programs like Congestion Mitigation and Air Quality (CMAQ) and Transportation Enhancements. Federal funding for airport improvements is provided through the Airport Improvement Program, which is a part of AIR 21.

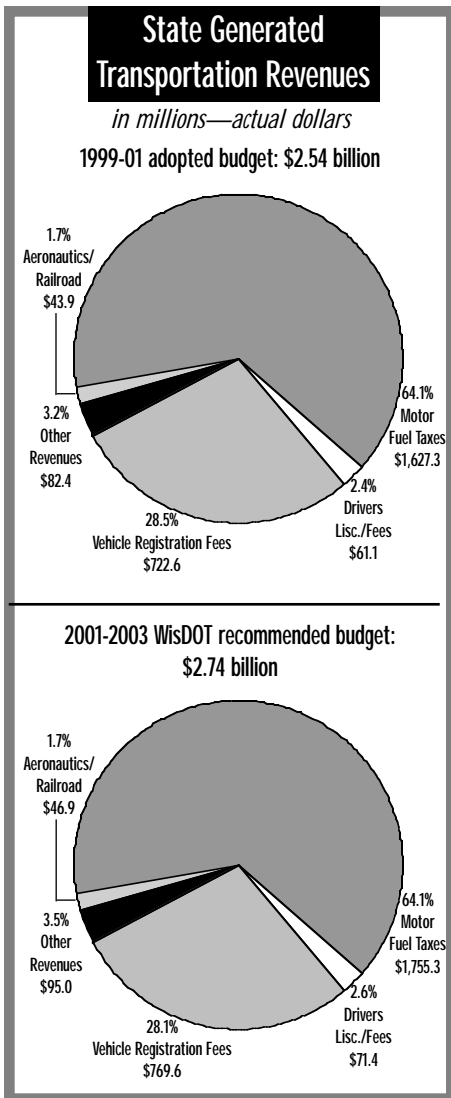
Bond funds: \$267.8 million

WisDOT issues transportation

revenue bonds to support the Major Highway Program and construction of administrative facilities. In this budget, WisDOT maintains its policy to use bonding for 54.5% of major highway project costs, with the balance cash financed.

Other funds: \$150.1 million

This category includes revenues from local governments, which pay a portion (usually 10-25%) of the costs for most state-local transportation projects. Local governments also help fund locally important features on state projects.



Proposed Statutory Modifications

In addition to the fiscal elements, WisDOT's recommended 2001-2003 budget contains 30 statutory provisions, some of which are included in the expenditures portion of this summary. Many of these recommended modifications would have little, if any, impact on TDA members and the transportation community. Following is a list of those that might be of interest. For a complete list, or specific information, contact the TDA office.

State Highways

- **Major Highway Project Enumerations:** see page 4
- **Increase Authorized Transportation Revenue Bonding level for upcoming biennium:** an increase of \$294 million in the authorized level of revenue bonds is requested to reflect upcoming bonding needs.
- **Funding of the Scenic Byways Program:** see page 5
- **Transportation Planning Grants:** see page 6

Local Transportation Assistance

- **New Intercity Bus Assistance Program:** see page 7
- **Merge Local Bridge Improvement Assistance Subprogram into the Transportation Facility Improvement Assistance Subprogram:** see page 6
- **Creation of a Corridor Land Use Planning Program:** see page 7

Aids

- **Funding amounts for General Transportation Aids:** see page 7
- **Purpose statement for General Transportation Aids:** see pages 7-8
- **Demand Management and Ride-Sharing Program:** see page 8
- **Grants to Local Professional Football Stadium Districts:** see page 8
- **Urban Mass Transit Operating Assistance-Funding and Formula Change:** see page 8
- **Update the purpose statement for the Urban Mass Transit Operating Assistance Program:** see page 8



2001-2003 WisDOT Budgeted Expenditures

State Highway Program

Major Highways

2001 Base:	\$220,155,000	Annual Change
2002 Budgeted:	\$225,974,400	2.6%
2003 Budgeted:	\$232,714,700	3.0%

Major Highways

A major highway project is statutorily defined as a project that involves reconstructing or reconditioning a new highway when total project costs exceed \$5 million and other criteria are met. The program has three sources of funding: state, federal and revenue bond (see page 3).

Inflationary adjustments recommended. The 2001-2003 biennial budget recommends adjustments of 2.6% and 3.0% to keep the program approximately even with inflation. If the 2001-2003 budget did not provide for these inflationary increases, it would lead to delays in the completion dates for already enumerated projects as well as any newly enumerated projects.

Three new projects for enumeration. Major highway projects are recommended to the Governor and Legislature for enumeration after they are evaluated and ranked by the Transportation Projects Commission (TPC). The TPC may recommend projects only if construction on them can begin within six years. The WisDOT budget submittal does not contain language directly pertaining to the three projects recommended by the TPC in December 2000 to the Governor and Legislature for enumeration. This is because the Transportation Projects Commission recommendation is forwarded directly to the Governor, not WisDOT; expect to see recommendations for the following projects in the Governor's budget submittal:

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

This is the first budget cycle where the TPC will review and recommend projects for both study and enumeration. Under these new guidelines, the TPC also took action to recommend that the Legislature authorize WisDOT to proceed with a full Environmental Impact Statement on USH 8 from Cameron to St. Croix Falls.

Enumerated Major Highway Projects statutory clean-up.

WisDOT is requesting a statutory language modification to remove 47 enumerated projects which are specifically listed in s. 84.013(3). This

housekeeping measure will remove projects which are already complete or have been combined into a more inclusive corridor enumeration.

State Highway Rehabilitation

2001 Base:	\$567,948,900	Annual Change
2002 Budgeted:	\$622,259,700	9.6%
2003 Budgeted:	\$644,288,300	3.5%

State Highway Rehabilitation

The STH Rehabilitation Program consists of three subprograms:

- Existing Highways (3-R)
- State Bridges
- Interstate System

The STH Rehabilitation process is detailed in the state's six-year Highway Improvement Program, which is re-examined and updated every two years to reflect funding and priorities established in the state biennial budget.

SFY 2001 Expenditure Levels Compared: Approved budget vs. base year figures

	Approved budget for	Current levels for	\$ change	% change
	FY 2001	Base Year 2001		
Transportation Aids				
General Transportation Aids	348,521,000	348,521,000	0	0.00%
Transit Aids	113,452,500	119,952,500	6,500,000	5.73%
Elderly and Disabled Aids	10,469,000	10,469,000	0	0.00%
Special Highway Aids	17,921,000	17,921,000	0	0.00%
Local Transportation Capital Assistance				
Local Trans. Fac. Impr. Assist.	127,314,100	132,739,100	5,425,000	4.26%
Local Bridge Assistance	43,540,900	43,552,900	12,000	0.03%
Rail Assistance	15,795,900	15,819,900	24,000	0.15%
Harbor/Rail Passenger/Bus	8,170,600	6,175,600	(1,995,000)	-24.42%
Aeronautics Assistance	38,955,700	69,393,100	30,437,400	78.13%
Multimodal Transp. Studies	750,000	750,000	0	0.00%
Transp. Fac. Econ. Asst. & Dev.	7,000,000	7,000,000	0	0.00%
Surface Transportation Grants	3,400,000	3,400,000	0	0.00%
Congestion Mitig. & Air Qual.	15,623,200	15,623,200	0	0.00%
Transp. Enhancements Grants	8,810,000	9,412,800	602,800	6.84%
State Highways				
Major Highways	220,013,900	220,155,000	141,100	0.06%
Rehabilitation	551,651,700	567,948,900	16,297,200	2.95%
Maintenance	156,182,300	157,511,800	1,329,500	0.85%
Admin. & Planning, Hwys.	25,231,000	26,215,400	984,400	3.90%

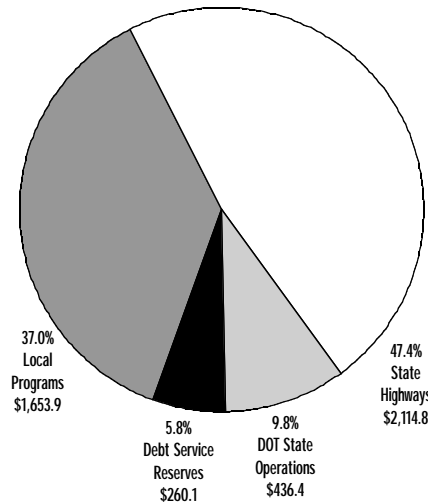
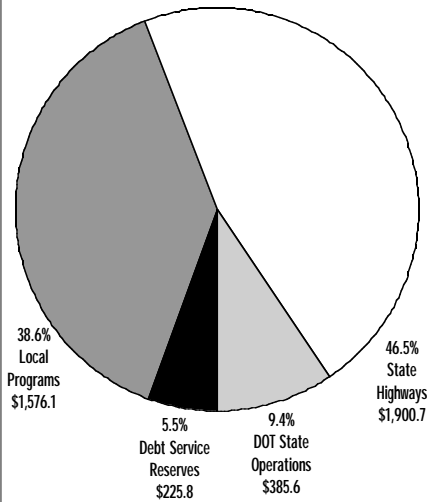
Note: the above figures include increases in federal appropriations as well as additional local funds (local match often required for federal funds)

Expenditures: Wisconsin Transportation Budget

all funds in millions—actual dollars

1999-01 adopted budget expenditures: \$4.09 billion

2001-03 WisDOT recommended budget expenditures: \$4.47 billion



STH Rehabilitation funding request. The 1999-2001 budget recommends an 11.5% increase over the biennium. WisDOT cites the project backlog on the Corridors 2020 system as a major reason for this increase. Projects proposed for construction exceed available funding by over \$45 million per year.

The Rehabilitation Program has not received adequate inflationary adjustments in the past to maintain the program's purchasing power. Increases of three percent in SFY 2000 and SFY 2001 would have been needed to offset a reduction in purchasing power due to inflation. However, the Rehabilitation Program received inflationary increases of only 2.1 percent per year in the 1999-2001 biennial budget. The difference between the 2.1 percent per year inflationary increases and a three percent per year increase totals \$24.8 million.

Another factor in this increase is that design and construction costs have increased by over \$5 million per year due to increased stormwater management costs. Administrative rule NR 216 now requires enhanced

stormwater management on highway construction sites.

Additional funding needed for the Marquette Interchange and Park East Freeway (as detailed below) also appears under this category.

Marquette Interchange preliminary work. Funding levels of \$15 million in SFY 2002 and \$45 million in SFY 2003 are needed to begin preliminary work on the Marquette Interchange. A majority of the funding for this preliminary work will be provided from federal Interstate Cost Estimate Substitute Project (ICE) funds. Based on an April 1999 agreement between the Governor, City of Milwaukee and Milwaukee County, a total of \$75.2 million in ICE dollars will be allocated to the rebuilding of the Marquette Interchange. Under federal guidelines, use of ICE funds requires a 15% match; WisDOT agreed to pay this match for the Marquette Interchange project as part of the April 1999 agreement.

In preparation for interchange reconstruction, a number of activities such as: preliminary and final design engineering work; real estate acquisition; and traffic control and

mitigation activities will take place in the 2001-2003 biennium.

An alternatives development and assessment process for the project is underway, but will not be completed until August, 2001. Until the preferred alternative is identified at the end of this process, it is difficult to estimate the final project costs; early estimates fall between \$550 and \$950 million. The remaining ICE funding dedicated to the Marquette Interchange (\$24.2 million) would be used for improvements in the next biennium.

Park East Freeway funding:

Removal of the Park East Freeway spur will cost a total of \$25 million in SFY 2001. The previously discussed April 1999 ICE funds agreement also contained language pertaining to this project. Based on the agreement, the state's share of the project will not exceed \$8 million and the funding will be used for reconnecting 4th Street with the reconfigured roadway. The balance of the project costs will be local. In addition, WisDOT will transfer jurisdiction of the Park East Freeway to the City of Milwaukee.

State Highway Maintenance/Traffic Operations

	2001 Base:	\$157,511,800	Annual Change
2002 Budgeted:	\$166,194,400		5.5%
2003 Budgeted:	\$174,406,000		4.9%

State Highway Maintenance and Traffic Operations

Maintenance on the STH system -- primarily snowplowing and routine preventative work -- is performed by contract with Wisconsin's 72 counties.

Funding attempts to meet needs.

This program is recommended to receive a higher-than-inflation funding level in the 2001-2003 budget. WisDOT states that, even with the higher increase, this level does not fully fund all level-of-service needs suggested by projected growth in travel (3.5% VMT growth per year).

Scenic Byways Program. In the



Budget Update

WisDOT's 2001-2003 Biennial Budget

1999-2001 biennial budget, funding for the newly created State Scenic Byways Program was specified to come entirely from the State Highway Maintenance and Traffic Operations category. It is suggested by WisDOT that this funding category is not appropriate for all Scenic Byways-related activities such as corridor planning. A proposed statutory modification would allow the Department to choose the most appropriate source of funding for the various activities associated with the Scenic Byways Program.

State Highway Administration & Planning

2001 Base:	\$26,215,400	Annual Change
2002 Budgeted:	\$24,484,600	-6.6%
2003 Budgeted:	\$24,484,600	0.0%

State Highway Administration and Planning

This funding proposal accommodates the personnel and associated costs necessary to administer the state's biennial \$2.1 billion STH Program. A combination of state and federal funding comprises this category.

Transportation Planning Grants.

One million dollars is to be transferred from this category to the Wisconsin Department of Administration. This transfer provides grants to local governments for planning activities related to the transportation element of comprehensive land-use plans.

Local Transportation Capital Assistance

Local Road & Bridge Program

2001 Base:	\$176,292,000	Annual Change
2002 Budgeted:	\$177,436,000	0.6%
2003 Budgeted:	\$178,750,400	0.7%

(includes Local Bridge Assistance, Local Trans. Fac. Impr. and LRIP)

Local Road and Bridge Program

The Local Road and Bridge Program comprises the largest share of

transportation capital assistance programs. It currently contains two separate funding components, 1) Local Bridge Assistance and 2) Local Transportation Facilities Improvement Assistance. WisDOT is seeking a statutory modification which would merge these two programs into a new Local Transportation Facilities Improvement Program. By merging the two programs, WisDOT would have the flexibility to shift resources to where where it feels they are most needed and will be able to use all of the funds available.

Local Road Improvement Program (LRIP).

The LRIP program, a component of the Local Road and Bridge Program, addresses long-lasting infrastructure improvements to local roads and streets (county, town, and municipal). Inflationary increases of 2.7% in SFY 2002 and 3.0% in SFY 2003 have been requested for the LRIP program.

Rail Assistance

2001 Base:	\$15,819,900	Annual Change
2002 Budgeted:	\$15,808,600	-0.1%
2003 Budgeted:	\$16,808,600	6.3%

Rail Assistance

Since the 1977-79 biennium, rail programs have been directed toward assisting localities which have recently lost rail service. In addition, WisDOT is continuing programs aimed at preserving rail service which might otherwise be abandoned, providing financial assistance to freight rail service providers, and preserving selected abandoned rail corridors for future public purposes.

Freight rail infrastructure loans.

This program offers low or no-interest loans to improve freight rail infrastructure. The proceeds from repaid loans are available for reinvestment in the program as a revolving fund. WisDOT's long-term goal is to make this program self-

sustaining with a constant funding level, through revolving loans. The current size of the program's revolving loan is \$5.6 million per year. Applications for 2001 total \$23.5 million, exceeding available funding. However, WisDOT is waiting to see the outcome of the State Rail Plan before making any modifications to this program.

Freight Rail Service Preservation Program. This program helps continue freight rail service by assisting in the public acquisition and rehabilitation of rail lines and by acquiring abandoned railroad corridors that have the potential for future transportation or recreational uses. The budget requests \$4.5 million in new bonding authority for this program, the same level as the 2001-2003 budget.

Railroad crossing protection.

WisDOT is seeking a \$1 million increase in SFY 2003 for the improvement and installation of railroad crossing protection. Significant increases in rail traffic volumes, increased train speeds, increased highway traffic and increased commercial and residential construction in rural areas have resulted in additional exposures at highway/rail grade crossings.

Harbor/Rail Passenger/Bus

2001 Base:	\$6,175,600	Annual Change
2002 Budgeted:	\$6,495,300	5.2%
2003 Budgeted:	\$8,123,200	25.1%

Harbor/Rail Passenger/Bus

The big increase in the second year of this budget category is due to the creation of a new Intercity Bus Service Program.

Harbor Assistance. The budget includes \$3 million in additional general obligation bonding and \$1.2 million in state funds to maintain the program at the 1999-2001 funding level. The Harbor Assistance Program provides financial assistance to harbor communities for dock surfacing and

reinforcing, repairing or replacing mooring structures, and other improvements that maintain or improve waterborne commerce.

Rail Passenger Assistance.

WisDOT, in cooperation with the Illinois DOT, is in the first year of a three-year contract with Amtrak to provide rail passenger service (Hiawatha between Milwaukee and Chicago). The new contract was negotiated at a more favorable rate for Wisconsin, reducing the overall cost for the state to provide the service. However, the state will be eligible for less federal funding in SFY 2003 (80% federal, 20% state) than in SFY 2002 (90% federal, 10% state).

Intercity Bus Initiative.

\$2.6 million in requested funds is designed to restore intercity bus service on four Wisconsin routes. The state funds are being requested to pilot resurrecting abandoned routes. The routes connect cities with college campuses, a prime intercity bus market, and will serve the elderly and disabled, college students, those with limited incomes, those without access to an automobile, and those unable to drive long distances.

Aeronautics Assistance		
2001 Base:	\$69,393,100	Annual Change
2002 Budgeted:	\$69,335,900	-0.1%
2003 Budgeted:	\$69,335,900	0.0%

Aeronautics Assistance

Aeronautics Program funding comes primarily in the form of federal aid. This assistance is used for runway construction, extensive pavement rehabilitation, land acquisition and the construction of navigational aids and lighting systems. This program received an increase of approximately \$30 million in SFY 2001 due to the enactment of the federal AIR 21 bill.

Multimodal Transportation Studies		
2001 Base:	\$750,000	Annual Change
2002 Budgeted:	\$850,000	13.3%
2003 Budgeted:	\$850,000	0.0%

Multimodal Transportation Studies

The \$100,000 increase in this category is designed to implement a transportation corridor planning program to address multi-jurisdictional land use issues related to improvement projects. This statutory modification recognizes that transportation corridor-based planning is needed in addition to local comprehensive planning. These plans would be used by WisDOT, local units of government, Regional Planning Commissions and the general public to better evaluate the relationship between land use and transportation across jurisdictional boundaries.

Transp. Facilities Economic Assist. & Dev.		
2001 Base:	\$7,000,000	Annual Change
2002 Budgeted:	\$7,000,000	0.0%
2003 Budgeted:	\$7,000,000	0.0%

Transportation Facilities Economic Assistance & Development

This program provides funding for time-sensitive transportation improvement projects and those that increase jobs in Wisconsin. Local governments apply for the grants in cooperation with private businesses. There is no increase in this program over the biennium. The state share of this matching grant program is \$3.5 million annually.

Surface Trans./Enhancements Grants & CMAQ		
2001 Base:	\$28,436,000	Annual Change
2002 Budgeted:	\$27,436,000	-3.5%
2003 Budgeted:	\$27,436,000	0.0%
(includes all three categories)		

Surface Transportation Grants, Transportation Enhancements, and Congestion Mitigation & Air Quality

WisDOT does not suggest increases for these three programs during the

2001-2003 biennium.

Surface Transportation Discretionary Grant Program (STP-D) (\$3.4 million annually): The federally funded STP-D program funds only capital projects. This program typically covers transit capital purchases (buses and bus shelters) and bicycle/pedestrian facilities.

Transportation Enhancement Grants (\$8.4 million annually): This program saw a \$608,000 increase in SFY 2001 over what was originally budgeted, due to an increase in federal funds. Enhancement grants are a major funding source for "stand-alone" bicycle and pedestrian facilities (as opposed to paved shoulders called for in standard highway plans). This program can also provide funding for historical and archeological projects related to transportation, or for landscaping and other projects that enhance a transportation facility.

CMAQ (\$15.6 million annually): Eligibility for CMAQ grants is limited to areas that are not in compliance with federal air quality standards. Funds can be used for operating costs of expanded transit service or capital projects.

Transportation Aids		
General Transportation Aids		
2001 Base:	\$348,521,000	Annual Change
2002 Budgeted:	\$357,931,100	2.7%
2003 Budgeted:	\$368,669,100	3.0%

General Transportation Aids

General Transportation Aids (GTA) pay a portion of local governments' costs for activities such as road and street reconstruction, filling potholes, snow removal, grading shoulders, marking pavement, and repair of curbs and gutters. WisDOT recommends this program receive inflationary increases of 2.7% in SFY 2002 and 3.0% in SFY 2003. The rate-per-mile for mileage based aids payments would increase



from \$1,704 per mile to \$1,750 in SFY 2002 and \$1,802 in SFY 2003.

GTA Purpose Statement: WisDOT has recommended a new GTA purpose statement at the request of the Local Roads and Streets Council. *"It is appropriate that each municipality and county share in state-collected highway user revenues, as determined each biennium by the Legislature, to help support the operation and improvement of local road and street systems. The purpose of the General Transportation Aids program is to provide for the annual distribution of those legislatively-determined state revenues which, in combination with local funds, will provide a stable financing base for a portion of continuing local costs, including the maintenance, operation and construction of safe local roads, streets and highways. The level of state assistance to individual units of government should reflect differences in both the magnitude of local needs and local spending decisions. Each municipality and county shall account for and report the uses of the funding it receives under this section as prescribed by the Department."*

Transit Aids		
2001 Base:	\$119,952,500	Annual Change
2002 Budgeted:	\$122,463,600	2.1%
2003 Budgeted:	\$125,329,100	2.3%

Transit Aids

State transit aid is the largest source of funding for the operating costs of Wisconsin's public transit systems. State aid recipients include approximately 25 local bus systems and 40 shared-ride taxi systems.

State transit aid is currently provided in four separate appropriations (Tiers A-1, A-2, B and C) as a result of changes made in the 1999-2001 budget. Funding levels for the four tiers are as follows:

- *Tier A-1 (Milwaukee):* \$55.0 million in SFY 2002; \$56.7 million in SFY 2003.
- *Tier A-2 (Madison):* \$14.7 million in SFY 2002; \$15.1 million in SFY 2003.
- *Tier B:* \$20.3 million in SFY 2002; \$20.9 million in SFY 2003.
- *Tier C:* \$5.5 million in SFY 2002 and \$5.7 million in SFY 2003.

Operating assistance formula change. WisDOT requests a change in the formula for distributing urban mass transit operating assistance that would base the formula on projected operating expenses of an urban mass transit system. This represents a return to the method of formula distribution used in the 1997-1999 biennial budget.

The 1999-2001 biennial budget made substantial changes to the state aid formula which created a funding problem for many of the state's mass transit systems. This new method caused funding to be less stable and predictable than the method used in the 1997-1999 biennium.

Updated purpose statement for the Urban Mass Transit Operating Assistance Program: WisDOT recommends modifying the mass transit operating assistance purpose to reflect recommendations of the Transit Advisory Council as follows: *"The goals of transit in Wisconsin are to effectively and efficiently provide service that meets community mobility needs, provide mobility for the transit dependent, develop services linking people and jobs, and provide mobility/congestion relief in specific corridors and at peak periods. The State's role in meeting these goals is to provide financial assistance to meet the above transit service goals, promote service delivery methods and innovations that best meet community needs, promote and foster local accountability for the efficient provision of transit services, provide technical assistance to improve transit system performance, periodically measure and report on transit system performance, and promote planning and coordination between local transit systems, other transportation providers, the private sector, and transit users."*

Demand Management and Ride-sharing Program. WisDOT is seeking several statutory modifications to this program:

- rename program to Transportation Employment and Mobility Program (TEAM).
- expand the purpose of the program to include the language *"to enhance the success of welfare reform by providing efficient and effective transportation services that link low*

income workers with jobs, training centers and child care facilities."

- change the appropriation from an annual appropriation to a continuing appropriation.

Elderly and Disabled Aids		
2001 Base:	\$10,469,000	Annual Change
2002 Budgeted:	\$10,694,800	2.2%
2003 Budgeted:	\$10,952,500	2.4%

Elderly and Disabled Aids

WisDOT administers two programs to assist elderly and disabled residents to meet their mobility needs: an aid program that provides assistance to counties based on eligible population and a capital grant program that helps non-profit organizations and local governments purchase vehicles.

Special Highway Aids		
2001 Base:	\$17,921,000	Annual Change
2002 Budgeted:	\$27,157,000	51.5%
2003 Budgeted:	\$18,057,000	-33.5%

Special Highway Aids

This budget item continues funding at the base level for a variety of local road aids. This category also includes a one-time grant for infrastructure costs related to the renovation of Lambeau Field. WisDOT is also seeking a statutory modification to support providing grants to Local Professional Football Stadium Districts. In addition, the Lift Bridge Aids category will receive a \$136,000 increase each year of the biennium (a permanent base increase). Covered areas are broken out as follows (in millions):

- Connecting Highway Aids: \$12.9
- Lift Bridge Aids: \$1.6
- County Forest Road Aids: \$0.3
- Flood Damage Aids: \$0.6
- Expressway Policing Aids: \$1.0
- Highway Safety, Local Assistance and Federal Funds: \$1.7
- Local Professional Football Stadium Districts: \$9.1

TDA's perspective on 2001-2003 WisDOT budget

by **Philip J. Scherer, TDA Executive Director**

To the credit of TDA members and other transportation stakeholders, the understanding of Wisconsin's transportation needs, both within our congressional delegation and within the state capitol is increasing. Improvement needs on the Southeast Wisconsin freeway system, including the Marquette Interchange and now the Hoan Bridge, are almost daily fodder in area newspapers. As immediate as those needs are, however, they represent only part of Wisconsin's challenge. Similar needs exist in virtually every corner of the state and within every mode of our transportation system.

To those of us within the transportation community, those needs are nothing new. We have been talking about them for a number years and advising decision-makers of the upcoming dilemma. Until now, however, they have generally been referred to as pending or evolving needs.

In that light, the legislature sidestepped the need to find additional state revenues in the 1999-2001 biennial budget. Luckily, increases in federal funding along with indexing adjustments to the state motor fuel tax have kept most elements of the transportation budget at inflationary levels.

The budget submitted by WisDOT for 2001-2003 also does not tackle the issue of finding additional revenues. Secretary Mulcahy was right in the cover letter of the budget in stating "That our agency has prepared a workable plan within the constraints of the revenue available." Indeed, the WisDOT budget does a reasonably good job of stretching the limited dollars available in a manner that will address our mobility needs...at the same time it clearly falls short of what is actually needed to do the job.

This begs the question, if not in the 2001-2003 biennium, when? By the 2003-2005 biennial budget, construction will need to begin on the Marquette Interchange. At an estimated cost of \$550 to \$950

million for that project, not to mention the funding shortfalls identified in the State Highway System Plan and the other plans currently in process there is no question that serious dollars need to be found.

Whatever funding options are chosen, it is clear that the best way to implement such a major change would be a phase-in approach. By the 2003-2005 biennium, it is too late to start phasing in, the dollars need to be in hand.

Just speaking of the Marquette Interchange, unless significant improvements are made within construction timelines suggested by WisDOT, it is likely that some of the bridges that make up the facility will have posted weight limits or may need to be closed altogether. Milwaukee's recent experience with the Hoan Bridge gives just a glimpse at the congestion and increased travel times users would face. In addition, truck and other traffic would be diverted to other roadways including local streets. Clearly, current funding levels and those in WisDOT's recommended budget will not meet those needs and needs elsewhere in the state. The State of Wisconsin's economy will not have the time to wait in traffic while decision-makers ponder funding options.

The groundwork for broadening our transportation revenue base should start in this biennium. Unfortunately, it does not appear that will be the 2001-2003 biennial budget unless the political climate warms to the idea. Although our state's decision-makers are becoming more and more cognizant of the funding dilemma facing Wisconsin's transportation system, they tend to believe that remedial action can be put off. It is the responsibility of transportation stakeholders to educate them of the immediacy of our problems and to assure them of the grassroots support for finding responsive solutions.

As always, please call the TDA office (608)256-7044 for more detailed background on any of the information contained in this *Budget Update*.



2001-2003 Transportation Budget: Totals for Biennium

All funds (state, federal, local and bond)

	Base Year Doubled (FY 2001)	2001-2003 Budget	
		Dollars	% Change
Transportation Aids			
General Transportation Aids	697,042,000	726,600,200	4.2%
Transit Aids	239,905,000	247,792,700	3.3%
Elderly and Disabled Aids	20,938,000	21,647,300	3.4%
Special Highway Aids	35,842,000	45,214,000	26.1%
Total Transportation Aids	993,727,000	1,041,254,200	4.8%
Local Transportation Capital Assistance			
Local Trans. Fac. Impr. Assist.	265,478,200	356,186,400	34.2%
Local Bridge Assistance	87,105,800	0	-100.0%
Rail Assistance	31,639,800	32,617,200	3.1%
Harbor/Rail Passenger/Bus	12,351,200	14,618,500	18.4%
Aeronautics Assistance	138,786,200	138,671,800	-0.1%
Multimodal Transp. Studies	1,500,000	1,700,000	13.3%
Transp. Fac. Econ. Asst. & Dev.	14,000,000	14,000,000	0.0%
Surface Transportation Grants	6,800,000	6,800,000	0.0%
Congestion Mitig. & Air Qual.	31,246,400	31,246,400	0.0%
Transp. Enhancements Grants	18,825,600	16,825,600	-10.6%
Total Loc. Trans. Cap. Asst.	607,733,200	612,665,900	0.8%
State Highways			
Major Highways	440,310,000	458,689,100	4.2%
Rehabilitation	1,135,897,800	1,266,548,000	11.5%
Maintenance	315,023,600	340,600,400	8.1%
Admin. & Planning, Hwys.	52,430,800	48,969,200	-6.6%
Total State Highways	1,943,662,200	2,114,806,700	8.8%
Other WisDOT areas			
Total WisDOT Operations	406,355,600	436,379,300	7.4%
Total Debt Service/Reserves	256,827,200	260,069,900	1.3%
Total Transportation Budget	4,208,305,200	4,465,176,000	6.1%

source: WisDOT

2001-2003 Transportation Budget: Totals by Fiscal Year

All funds (state, federal, local and bond)					
	Base Year (FY 2001)	FY 2002		FY 2003	
		Dollars	% Change	Dollars	% Change
Transportation Aids					
General Transportation Aids	348,521,000	357,931,100	2.7%	368,669,100	3.0%
Transit Aids	119,952,500	122,463,600	2.1%	125,329,100	2.3%
Elderly and Disabled Aids	10,469,000	10,694,800	2.2%	10,952,500	2.4%
Special Highway Aids	17,921,000	27,157,000	51.5%	18,057,000	-33.5%
Total Transportation Aids	496,863,500	518,246,500	4.3%	523,007,700	0.9%
Local Transportation Capital Assistance					
Local Trans. Fac. Impr. Assist.	132,739,100	177,436,000	33.7%	178,750,400	0.7%
Local Bridge Assistance	43,552,900	0	-100.0%	0	0.0%
Rail Assistance	15,819,900	15,808,600	-0.1%	16,808,600	6.3%
Harbor/Rail Passenger/Bus	6,175,600	6,495,300	5.2%	8,123,200	25.1%
Aeronautics Assistance	69,393,100	69,335,900	-0.1%	69,335,900	0.0%
Multimodal Transp. Studies	750,000	850,000	13.3%	850,000	0.0%
Transp. Fac. Econ. Asst. & Dev.	7,000,000	7,000,000	0.0%	7,000,000	0.0%
Surface Transportation Grants	3,400,000	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%
Transp. Enhancements Grants	9,412,800	8,412,800	-10.6%	8,412,800	0.0%
Total Loc. Trans. Cap. Asst.	303,866,600	304,361,800	0.2%	308,304,100	1.3%
State Highways					
Major Highways	220,155,000	225,974,400	2.6%	232,714,700	3.0%
Rehabilitation	567,948,900	622,259,700	9.6%	644,288,300	3.5%
Maintenance	157,511,800	166,194,400	5.5%	174,406,000	4.9%
Admin. & Planning, Hwys.	26,215,400	24,484,600	-6.6%	24,484,600	0.0%
Total State Highways	971,831,100	1,038,913,100	6.9%	1,075,893,600	3.6%
Other WisDOT areas					
Total WisDOT Operations	203,177,800	216,600,500	6.6%	219,778,800	1.5%
Total Debt Service/Reserves	128,413,600	120,169,100	-6.4%	139,900,800	16.4%
Total WisDOT Budget	2,104,152,600	2,198,291,000	4.5%	2,266,885,000	3.1%