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The Transportation Development Association of Wisconsin is a statewide, nonprofit educational organization working for an efficient and environmentally responsible transportation system that addresses safe mobility and economic growth.

If you would like to receive this publication by email please contact the TDA office at (608) 256-7044 or general@tdawisconsin.org.

2007-09 Budget Repair Bills

The debate over Wisconsin’s budget repair bill is in full swing. The Governor, Assembly and Senate have each offered a different plan for filling the current budget deficit. Negotiations are now taking place behind the scenes.

On February 13th, the Legislative Fiscal Bureau alerted the governor and legislature that without action the state would end the 2007-09 biennium with a general fund deficit of \$652.3 million.

As a result, the Doyle Administration took action authorized under chapter 16.50 of the statutes and required state agencies to lapse an additional \$111 million (in addition to the \$200 million to be lapsed under the recently passed biennial budget (Act 20)). The Administration also delayed \$125.4 million in debt service payments until the next biennium.

On March 12th the Governor submitted Special Session Assembly Bill 1 (SS AB 1) to the Wisconsin State Assembly. That same day the Assembly met and adopted Assembly Amendment 1 (ASA 1) to the Governor’s proposed budget and passed SS AB 1 as amended. On March 25th the Senate met and

amended the Assembly’s version and passed the bill as amended. Below is a chart which outlines the major differences between each of the proposals.

	<i>(In Millions \$)</i>		
	Governor	Assembly	Senate
Delete Lapses under 16.50	-111.0	-	-111.0
Additional Lapses	330.4	250	40
Hospital Assessment	125	-	125
Transfer from Budget Stabilization Fund	21.7	55	55
Remove DOT from required lapses under last budget (Act 20)	-	-50	-
School Aid Payment Delay	-	125	125
Reduce Statutory Balance	-	45	10
Combined Reporting	-		130.5

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Executive Perspective by Craig Thompson, TDA Executive Director

Budget Drama Still Running

The Time Has Come to Cancel This Particular Show

This spring lawmakers find themselves in an all too familiar situation - returning to Madison to try and salvage a budget that is swimming in red ink.

There are, of course, national and even global factors that have played in to Wisconsin's budget shortfall. High oil prices and a slowing economy are wreaking havoc on budgets from east to west.

Our problems, however, go much deeper than the current economic slowdown/recession. These budget dramas have become such common theatre in Wisconsin because it is the same act over and over again. We delay payments, switch money among accounts and borrow more to get through the "short-term" budgetary shortfalls.

The hope has been that in the meantime the economy will pick up and increased tax receipts will pull us out of the hole. Guess what? It hasn't worked. In fact it has had the opposite effect.

The least painful option politically may be to kick the can down the street but it has only worsened our situation. Our bond rating is a shadow of what it was two decades ago. Citizens have lost confidence that their gas tax and registration fees will be used to fund transportation improvements and have, therefore, rebelled against paying any more. We are now paying more for interest on our past debts and our infrastructure is in dire shape.

Many have predicted that nothing will change until things begin to fall apart. Well, unfortunately, that time is here. Our streets are crumbling around us. The one factor that we have complete control over in terms of attracting businesses is our infrastructure and we have neglected it to a point that has become apparent for all to see and feel. The potholes of '08 have jarred everyone's attention.

Albert Einstein famously stated that the definition of insanity is doing the same thing over and over and

expecting different results. This is not to say that our policy makers suffer from insanity. The results have been that by-and-large we reward this behavior at the polls and conversely punish more courageous behavior. It is the electorate that, consciously or not, is promoting this course of action.

As a society, we need to come to grips with the fact that real choices have to be made. We may not like taking our medicine but in the end it is almost always better than the alternative. We need to let our fellow Wisconsinites that we send to Madison to represent us know that we will no longer demand fantasy solutions. In fact we won't tolerate them.

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The differences between the plans are significant. The Governor raised a great deal of the money from the Hospital Assessment (\$125 million) and by transferring from the transportation fund (up to \$293 million) and replacing the user fees with general obligation bonds (\$190 million). The governor's proposal offsets the \$103 million shortfall with an additional \$67 million in transportation revenue bonds and increased federal transportation funding.

The Assembly modified the \$200 million transfer that was included in the previous budget by exempting transportation. As a result they reduced the amount of that transfer by \$50 million. The Assembly then gave the Administration the authority to lapse an additional \$250 million from any general purpose fund revenues (GPR) except for school aids or sum sufficient appropriations. In addition they delayed \$125 million of school aid payments into the next biennium.

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Deteriorated Roads Cost Big Money

In March, TRIP, a national transportation research group released a report on the condition of America's urban roads and the news wasn't good.

The study found that nearly a quarter of the nation's major metropolitan roads – interstates, freeways and other critical local routes – have pavements in poor condition. These crumbling roads are costing the average urban motorist \$413 a year in vehicle operating costs due to accelerated vehicle deterioration, additional maintenance needs and increased fuel consumption.

In Wisconsin, the study determined that Milwaukee motorists lose \$447 a year and Madison motorists lose \$431 a year. The information for this report was gathered in 2006 and most likely, the situation is even more costly today. The following chart shows pavement conditions and extra vehicle operating costs in Milwaukee and Madison:

	<u>Poor</u>	<u>Mediocre</u>	<u>Fair</u>	<u>Good</u>	<u>Cost</u>
Milwaukee	25%	31%	18%	26%	\$447
Madison	20%	35%	26%	18%	\$431

According to the report, continued increase in urban traffic is putting significant wear on tear on urban roads. Vehicle travel in Wisconsin increased by 36 percent from 1990 to 2005 and is anticipated to increase by another 30 percent by 2020.

The study also found that eighteen states expect to face budget shortfalls totaling \$14 billion during the current 2008 fiscal year. Twenty-five states expect to face budget shortfalls of at least \$36 billion during fiscal year 2009. The report warns that potential deficits in state budgets and the federal transportation program, along with significant increases in the cost of highway repair materials, may lead to worsening urban pavement conditions.

To view the full study, visit www.tripnet.org.

Crashes Cost More than Congestion

A recent study conducted by Cambridge Systematics Inc. on behalf of AAA found that the cost of traffic crashes far exceeds the cost of congestion. The report found that crashes cost U.S. motorists \$164.2 billion a year, or about \$1,051 per person. That amount is more than double the \$67.6 billion – or approximately \$430 a person – in annual costs from congestion.

To calculate the cost of crashes researchers factored in things such as property damage, lost earnings, medical costs, emergency services, legal costs and travel delays.

While the cost of crashes is naturally much higher in large cities, the study actually found that the per-person cost was higher for residents of small cities. In Milwaukee, the only city in Wisconsin studied, crashes cost \$964 per person per year.

Visits www.aaanewsroom.net to view the entire report.

House & Senate Pass Budget Resolution Bills

The House and Senate have approved similar \$3 trillion fiscal year 2009 budget resolutions (H. Con. Res. 312 and S. Con. Res. 70) that would increase spending for health care and other domestic programs and eliminate tax cuts won by President Bush.

The House budget resolution would provide \$41.2 billion for highway programs – restoring the cuts proposed by President Bush, \$10.3 billion for transit, and \$3.9 billion for grants to improve airports.

According to Senate Budget Committee documents, the Senate resolution would fully fund the highway, transit and safety programs authorized by SAFETEA-LU. In addition, the resolution would

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Work Zone Awareness Week April 7-11

National Work Zone Awareness Week, which this year is April 7-11, draws attention to the hazards construction crews face from motorists who do not follow work zone safety precautions. Across the United States, more than 1,000 people died in work zones in 2006, the last year for which data is available. Construction workers are not the only ones at risk when motorists do not heed safety warnings. In 2006, 614 motorists died in work zone crashes.

In Wisconsin, the State Capitol dome will be illuminated with orange light during nighttime hours as part of National Work Zone Awareness Week. There will also be a display in the first floor Capitol rotunda. An April 8th noon event will honor those who have lost their lives in roadway work zones and serve as a reminder to motorists to drive safely in work zones.

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provide for a \$7 billion infrastructure investment package to be enacted within the next seven months if a second stimulus bill is necessary.

The American Association of State Highway and Transportation Officials (AASHTO) has been a strong supporter of “ready-to-go” infrastructure investment as an economic stimulus. State transportation agencies have identified more than 3,000 highway and bridge projects valued at \$18 billion for which contracts could be awarded in the next 90 days. Unfortunately, Wisconsin only has 20 projects with an estimated cost of \$35 million “ready-to-go”. Visit the AASHTO news room at www.transportation.org to view the press release.

Budget resolutions are nonbinding but serve as a record of Congress’s priorities and perhaps a blueprint for future appropriations and authorizations. House and Senate conferees will now need to resolve the differences between the two bills.

GAO on Surface Reauthorization

At the request of Congress, the Government Accountability Office (GAO) examined the federal approach to surface transportation programs – particularly those funded by the Highway Trust Fund. The recently released report, *Restructured Federal Approach Needed for More Focused, Performance-Based, and Sustainable Programs*: 1) provides a historical look at the role of the federal government in surface transportation, 2) summarizes conclusions from previous GAO work on the structure and performance of these programs, 3) and identifies principles for reexamining and refocusing the surface transportation program and the role of the federal government.

The GAO identified the following principles that could help with the reexamination of the federal surface transportation programs:

- Create well defined goals based on identified areas of federal interest
- Establish and clearly define the federal role in achieving each goal
- Incorporate performance and accountability for results into funding decisions
- Employ best tools and approaches to emphasize return on investment
- Ensure fiscal sustainability

According to the GAO, surface transportation programs need to be reevaluated now as “the Highway Trust Fund faces a fiscal imbalance at a time when both congestion and travel demand are growing”.

Visit <http://www.gao.gov/new.items/d08400.pdf> to download the entire report.

Wonders of Wisconsin Engineering

The American Council of Engineering Companies of Wisconsin (ACEC WI), as part of its 50th anniversary celebration, created the Wonders of Wisconsin Engineering competition, a special award program to highlight achievements in Wisconsin engineering over the past 50 years. An impressive 43 projects were submitted by member firms.

“This competition really showcased the amazing and significant things engineers and the engineering industry have accomplished in Wisconsin during the past five decades,” said Philip Budde, PE, 2007 ACEC WI President and President and President/Chief Operating Officer of Strand Associates, Inc.

The entries were judged by an 11-person panel of ACEC WI Past Presidents and journalists. The judges were tasked with selecting eight “Best in Category” and five “Best in Region” winners. Judging focused on how these projects have made Wisconsin a better place to live and work over the past 50 years.

TDA congratulates ACEC WI for 50 years and the following Wonders of Wisconsin Engineering Award winners:

Award	Project Name	Project Location	Entering Firms
Structural Systems (Bridges) Category and Northwest Region	Richard I Bong Memorial Bridge	Superior	Ayres Associates
Water Resources Category	Floating, Hinged Bulkhead	Chippewa Falls	Ayres Associates
North Central Region	Wisconsin Highway 29	Interstate 94 and Green Bay	Ayres Associates, Strand Associates, CH2M HILL and Earth Tech
Northeast Region	New Wastewater Treatment Plant – Green Bay Metropolitan Sewerage District	Green Bay	Earth Tech and Black & Veatch
Environmental Category	Cleaning Up Under City Hall – A New Approach to Groundwater Remediation	Sun Prairie	RMT, Inc.
Southwest Region	Dane County Regional Airport	Madison	Mead & Hunt, Inc.
Structural Systems (Buildings) Category	Bringing the World to Wisconsin: The Milwaukee Art Museum Addition	Milwaukee	Graef, Anhalt, Schloemer & Associates
Surveying & Mapping Technology	Southeastern Wisconsin Regional Planning Commission Control Survey and Mapping Project	Southeastern Wisconsin	Ayres Associates
Water & Wastewater Category	City of Hartford Wastewater Treatments 1972	City of Hartford	Ruekert/Mielke, Inc.
Transportation Category & Southeast Region	Marquette Interchange	Milwaukee	HNTB Corporation
Special Projects Category	Milwaukee Water Pollution Abatement Program	Milwaukee	CH2M HILL

Transportation in the News

Michigan – Shrinking budgets and ubiquitous potholes are leading a growing number of county road agencies in Michigan to choose to grind deteriorating asphalt back to gravel until the roads can be resurfaced this summer. With the rising cost of petroleum based asphalt and the need for repeated patching, these counties say it is just easier to maintain a gravel road.

While John Niemela, director of the county road association of Michigan, says the gravel roads will be temporary in most instances, he does expect a handful of counties to eventually have some roads revert to gravel. “This is the 21st century, and we shouldn’t be talking about expanding the miles of gravel road we have. We should talk about reducing them,” Niemela stated.

Pennsylvania – The Pennsylvania Department of Transportation (PennDOT) recently closed a two-mile section of Interstate 95 after a large crack was found in a support pillar in the viaduct carrying the interstate. Approximately 180,000 vehicles cross this section of I-95 each day.

The American Association of State Highway and Transportation Officials (AASHTO) commended PennDOT for its quick response which allowed the bridge to be repaired and reopened within days, but also noted that this event illustrates the enormous need for transportation investment nationwide. The backlog for bridge repair is estimated to be at least \$32 billion (in 2004 dollars) according to the National Bridge Investment Analysis System (NBIAS).

In response to the closure on I-95, Governor Rendell sent a letter to all state legislators urging quick passage of a \$240 supplemental debt authorization. According to the governor, this would allow state officials to fast-track repairs on some of the state’s 6,000 structurally deficient bridges, ailing highways and other infrastructure.

Virginia – On February 29th, the Virginia Supreme Court ruled that the transportation package – the largest increase in 21 years – approved by the lawmakers last year illegally shifted responsibility for raising taxes and fees to the Northern Virginia

Transportation Authority (NVTA). Now officials are figuring out how to refund the \$8.3 million in taxes collected by the NVTA.

“We went from a situation where we were increasing investment in transportation to a net negative,” said Fairfax County Board of Supervisors Chairman Gerald Connolly and member of the now defunct NVTA.

In 2007, the Virginia General Assembly gave authority for more than \$1 billion in new transportation funding a year, assuming Northern Virginia and Hampton Roads passed regional transportation funding programs.

Governor Kaine is expected to introduce another plan to increase Virginia’s transportation budget this spring. However, House Republican leaders continue to oppose any statewide tax increases.

Benefits of Moving Freight on Inland Waterways – A new joint study conducted by Texas A&M University’s Texas Transportation Institute and sponsored by the U.S. Department of Transportation Maritime Administration and the National Waterways Foundation confirms the efficiency, cost-savings and environmental benefits of moving freight on America’s inland waterways. The report, *A Modal Comparison of Freight and Transportation Effects on the General Public*, compared capacity, fuel efficiency, safety and environmental impact of moving freight by inland waterways, rail and trucks. Visit http://www.marad.dot.gov/Publications/2008/Executive%20Summary_Final_121907.pdf download the executive summary of the report.

Transit Ridership Up – A report from the American Public Transportation Association (APTA) shows that use of public transportation is up 32% since 1995 – more than double the population growth rate (15%) and also more than the 24% growth in vehicle miles traveled. The largest increases in ridership were in light, commuter, and heavy (subways) rail. Visit <http://www.apta.com/research/stats/ridership> to view recent statistics.

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Association News

Calendar of Events

TDA Fly-in to Washington, D.C. – April 9th - 10th.

TDA Drive-in – Wednesday, May 14th in Madison.



Visit the TDA website, www.tdawisconsin.org, for event information and a registration form.

If you know of an upcoming event that would be of interest to TDA members, please forward information to the TDA office, general@tdawisconsin.org.

Save these Dates

- TDA Golf Outing – Thursday, August 21st
- TDA Transportation Symposium – Wednesday & Thursday, November 12th & 13th

Visit the events page on the TDA website, www.tdawisconsin.org, for event details and any future changes in the schedule.

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Intergovernmental Forum on Transportation Finance – Six groups representing state and local government have prepared a report on transportation finance. The report describes the roles and responsibilities of the various levels of government and other organizations that support the nation's highways and transit systems and highlights transportation finance issues along with recommendations.

Groups involved in the Intergovernmental Forum on Transportation Finance include: the National Academy of Public Administration, the Council of State Governments, the International City/County Managers Association, the National Association of Counties, the National Governors Association and the National League of Cities.

Visit <http://www.ncsl.org/standcomm/sctran/NAPAreport0108.htm> to view the report.

U.N. to Focus on Global Road Safety – On March 31st, Lord Robertson, chairman of the Commission for Global Road Safety, addressed the United Nations General Assembly regarding the global road safety crisis. Road deaths are now the number one killer of young people aged 20-24 worldwide. Each year, more than \$1.2 million people are killed in roadway crashes and 50 million injured.

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The Senate concurred with the Governor's Hospital Assessment (\$125 million) and the Assembly's proposal to delay school aid payments (\$125 million). The Senate proposed implementing combined reporting for corporations in Wisconsin (\$130 million). In addition, the Senate would replace the \$50 million that was planned to be transferred from transportation under the previous budget act with general obligation bonds and authorize local matching funds – increasing the car rental free from \$2 to \$15 – for the Kenosha-Racine-Milwaukee commuter rail system.

The outstanding issues center around: the Hospital Assessment, on which the Governor and Senate agree; delaying school aid payments, on which the Assembly and Senate agree; transfers from the Transportation Fund, on which the Assembly and Senate basically agree; and Combined Reporting on which the Governor and Assembly agree.

The Assembly and Senate have shown that the budget can be repaired without the diversion of transportation user fees.