



Budget Update

January, 1999

WisDOT submits 1999-2001 biennial budget

The Wisconsin Department of Transportation (WisDOT) has submitted the remaining portions of its 1999-2001 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 the transportation community to review this information.

On the September 15 budget submittal date, WisDOT submitted a partial budget including the Divisions of Motor Vehicles, State Patrol, Business Management and executive office budgets.

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 (at this time it appears it will be closer to the latter).

Following are some of the key budget-related events which have taken place to-date:

WisDOT Operating Budget 5% Reduction Plan

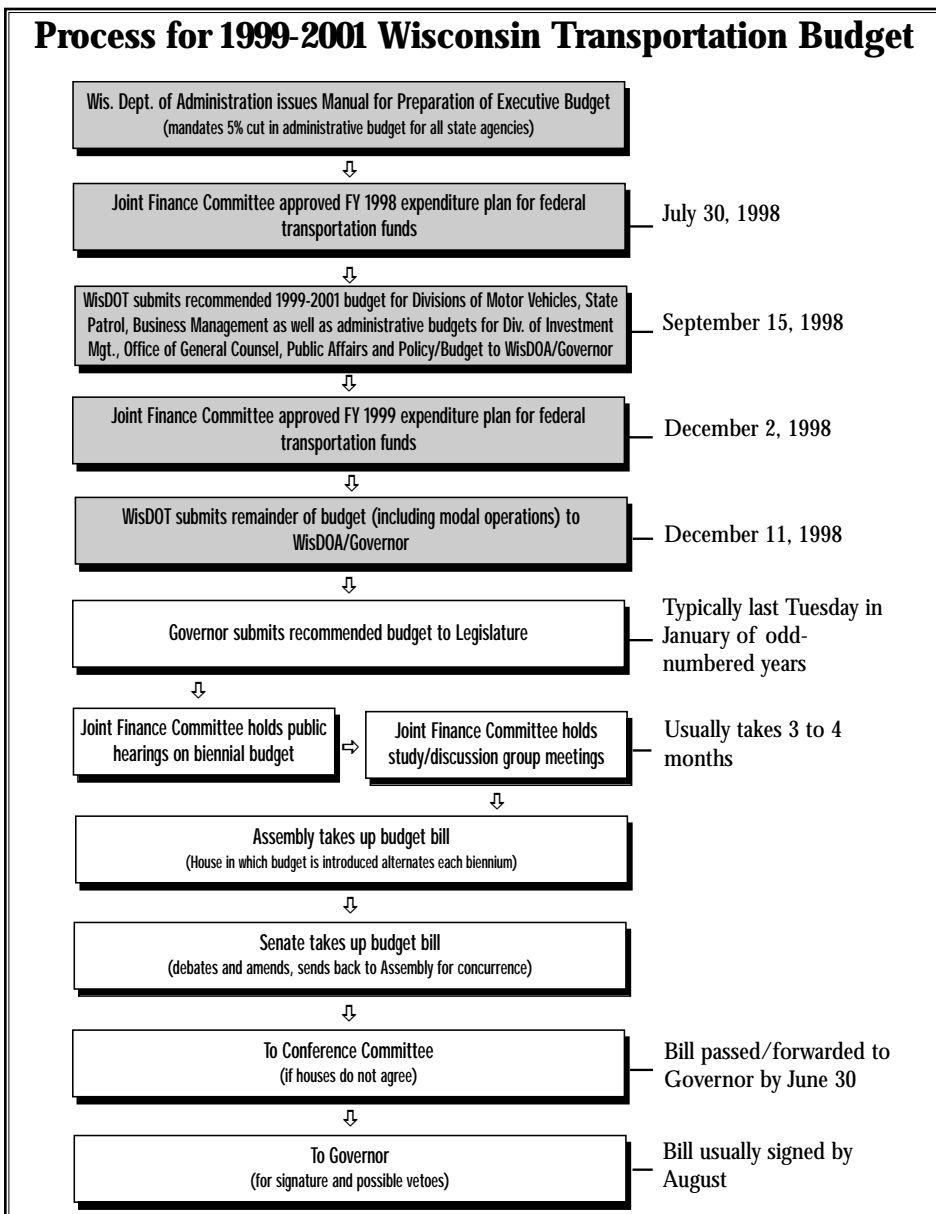
The Wisconsin Department of Administration, in its outline describing budget preparation, mandated a 5% operating budget reduction plan for all state agencies, including WisDOT. WisDOT submitted its 5% reduction plan to WisDOA on November 16, 1998. The plan includes cuts in 23 areas spanning much of the

department. According to Secretary Thompson, "Including these reductions in the Governor's budget would have a significant impact on our ability to deliver programs and meet

customer expectations."

WisDOT is concerned that past reductions have already reduced the department's flexibility and TEA 21 demands more, not less, resources to

Process for 1999-2001 Wisconsin Transportation Budget



manage the increased program. A 5% operating reduction would mean a \$26.2 million cut in funding over the biennium. Some of the key proposed reduction areas include:

- Reduction in highway plan development
- Real estate program reduction
- Decreased local program technical assistance
- Eliminate state match to MPO & RPC federal aid

JFC approves FY 1999 spending plan incorporating revised federal funding levels

When the Legislature was developing its 1997-99 biennial budget it had no idea what the exact figures would be for federal transportation funding over the next two years. They made a "best guess" estimate and included a provision in the budget mandating that WisDOT return to the Joint Finance Committee with a recommended spending plan for any additional federal funding, if it exceeded the Legislature's estimate by more than 5%. TEA 21 funds exceeded that threshold, therefore a FY 1998 federal expenditure plan was submitted to JFC in July, 1998 and approved with little modification. A FY 1999 plan was approved by JFC on December 2, 1998.

The FY 1999 plan allocated \$127.1 million in highway federal-aid and \$11.3 million in non-highway federal aid. The FY 1999 plan established a new base which WisDOT then used as the starting point for the entire 1999-2001 Biennial Budget.



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

1999-2000 WisDOT Budgeted Revenues

There are few surprises in looking at the revenue side of the 1999-2001 budget. With significant state revenue increases having just occurred in the 1997-99 biennial budget, early forecasts predicted no revenue increases for the upcoming biennium.

Revenues in the WisDOT recommended biennial budget total \$3.98 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).

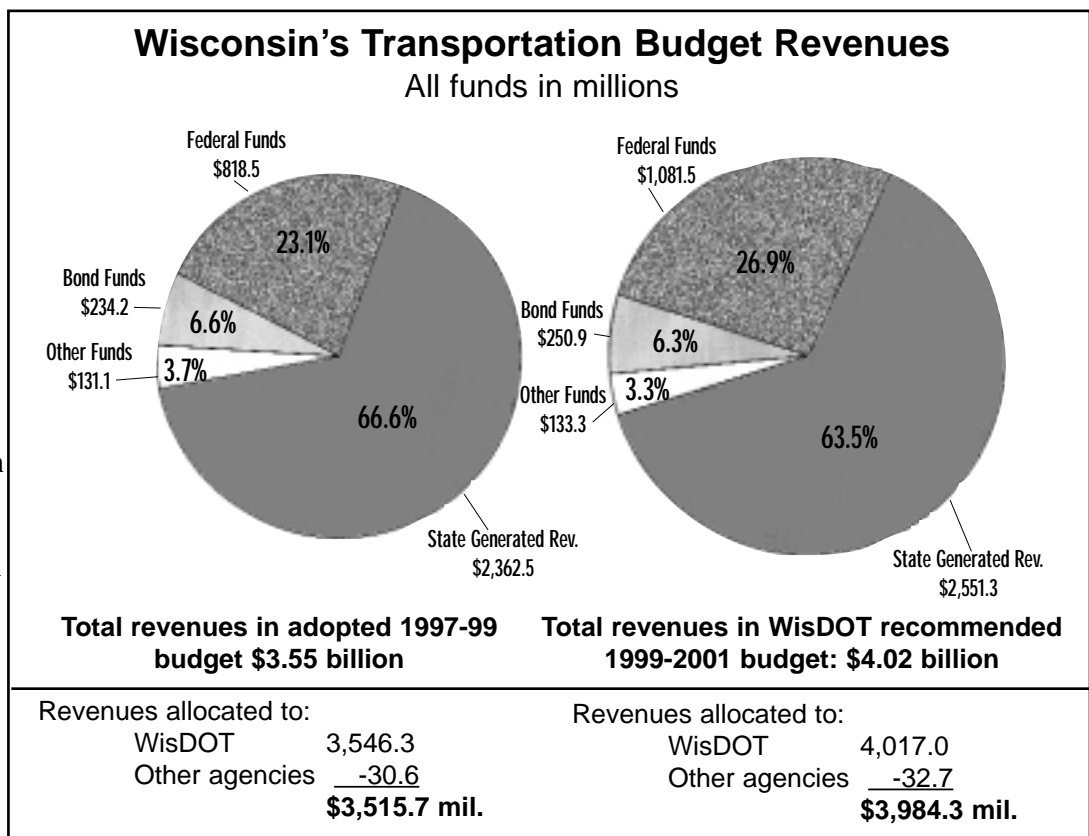
State funds: \$2,551.3 million

Revenues generated by the state are by far the largest portion of funding at 63.5%. The state's Transportation Fund includes state motor fuel taxes, vehicle registration fees, driver license fees, and

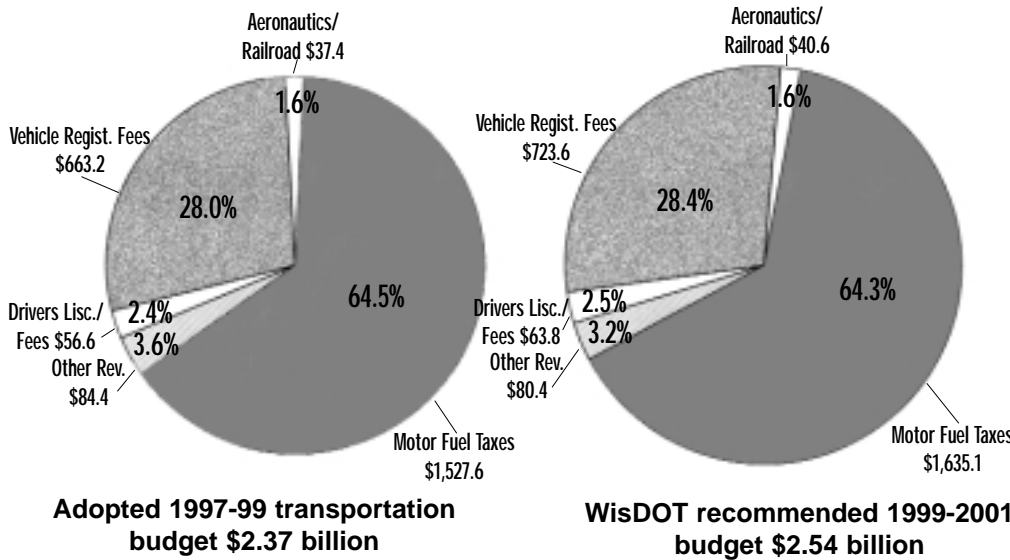
other taxes and fees (see graph on page 3). In the 1999-2001 budget, WisDOT does not request any increases in registration fees or motor fuel taxes beyond those associated with indexing (inflation).

The 1999-2001 budget predicts a growth in state-generated revenues of \$101.5 million for the biennium. After "first draws" (salaries, fringe benefit reserves, debt service, etc.) of \$52.3 million, only \$49.2 million is available for 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 64.3% (\$1,635.1 million) and vehicle registration fees at 28.4% (\$723.6 million). With state revenues relying so heavily upon the motor fuel tax,



State generated transportation revenues
In millions



through the Airport Improvement Program, currently going through the reauthorization process.

Bond funds: \$250.9 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 55% of major highway project costs, with the balance cash financed. While acceptable bonding levels have always been an issue, bond experts have

continued lower inflation rates (the factor the state's motor fuel tax rate is based upon) will limit 1999-2001 actual revenue levels.

The 1999-2001 budget does not add any major new revenue sources for the biennium, keeping Wisconsin's funding base relatively narrow.

Federal funds: \$1,081.5 million

The federal component of the funding equation increased in the

1999-2001 proposed budget by 3.8% over the 1997-99 adopted budget. This is due, in large part, to the enactment of the Transportation Equity Act for the 21st Century (TEA 21). The actual federal figures for 1997-99 biennium came in at \$932.9 million.

TEA 21 only provides for surface transportation funding and programs like CMAQ and Transportation Enhancements. Federal funding for airport improvements is provided

analyzed Wisconsin's financial composition and stated that a 55% bonding level is reasonable and prudent.

Other funds: \$133.3 million

This category includes revenues from local governments, which pay a portion (usually 10-25%) of the costs for most 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 1999-2001 budget contains over 50 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

- Transportation Impact Analysis (see page 5)
- Corridor Land Use Planning (see page 5)
- Transportation Projects Commission (see page 4)
- Wisconsin Scenic Byways Program: Proposed to create a Scenic Byways Program which would grant the WisDOT Secretary discretion to designate Wisconsin roads as scenic byways.
- Offsite Contamination Source Liability Exemption: Allows WisDOT to be exempt from remediating contamination originating from outside WisDOT property boundaries. Could reduce WisDOT's project-related remediation costs significantly.
- DOT/DNR Cooperative Agreement for Environmental Approval: This would bring a single, uniform

approach for all WisDOT projects in meeting storm water quality related environmental requirements. The uniform approach would help eliminate confusion and streamline WisDOT and WisDNR review processes.

Local Transportation Assistance

- New Intercity Bus Assistance Program (see page 6)
- Airport Perimeter Deer Fencing (see page 6)
- Commuter Rail Studies (see page 6)

Aids

- Eligibility of Police Costs in GTA Formula (see page 7)
- GTA: Municipal minimum cushion (see page 7)
- Local Road Data Collection (see page 7)
- State's Role in Public Transit (see page 7)
- Urban Transit Aid: Funding, Tier, Formula (see page 7)



1999-2001 WisDOT Budgeted Expenditures

State Highway Program

Major Highways

	1999 Base:	\$192,820,400	Annual Change
Federal Plan		\$14,685,000	
2000 Budgeted:	\$213,604,400		2.9%
2001 Budgeted:	\$220,013,900		3.0%

Major Highways

The Major Highway component of the program provides for the improvement of a highway within an existing transportation corridor. The program has three sources of funding: state, federal and revenue bond (see page 3).

Inflationary adjustments recommended. The 1997-99 biennial budget provided an inflationary increase and additional above-base funding to accelerate the implementation of the then-current majors schedule. Additionally, the \$17.5 million in bonding for the acceleration of STH 29 remains a part of the Majors program base budget until that project is completed in 2002. Additional inflationary adjustments were recommended in the 1999-2001 biennium to keep the program whole and avoid further project delays due to a lack of funding.

No new projects for enumeration. Major highway projects are recommended to the 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 TPC did not meet in 1998, and therefore did not advance any recommended new enumerations. Similarly, the

WisDOT budget contains no additions to the Majors list.

TPC statutory language change recommended. WisDOT has requested a statutory language change to grant the TPC authority to review and select projects for feasibility studies and/or draft environmental impact statements before WisDOT's formal recommendations for project enumeration. This change would give the TPC earlier involvement in the Major Projects selection process.

State Highway Rehabilitation

	1999 Base:	\$461,716,000	Annual Change
Federal Plan		\$73,710,300	
2000 Budgeted:	\$542,921,400		1.4%
2001 Budgeted:	\$550,142,200		1.3%

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 (currently under development), which is re-examined and updated every two years to reflect funding and priorities established in the state biennial budget.

STH Rehabilitation funding request. The 1999-2001 budget recommends a 2.2% increase over the biennium. This amount is lower than inflation due to TEA 21's providing \$10 million in new funds each year of the biennium. The 1997-99 Biennial Budget provided an inflationary increase and additional funding to reduce the backlog of existing rehabilitation projects.

State Highway Maintenance/Traffic Operations

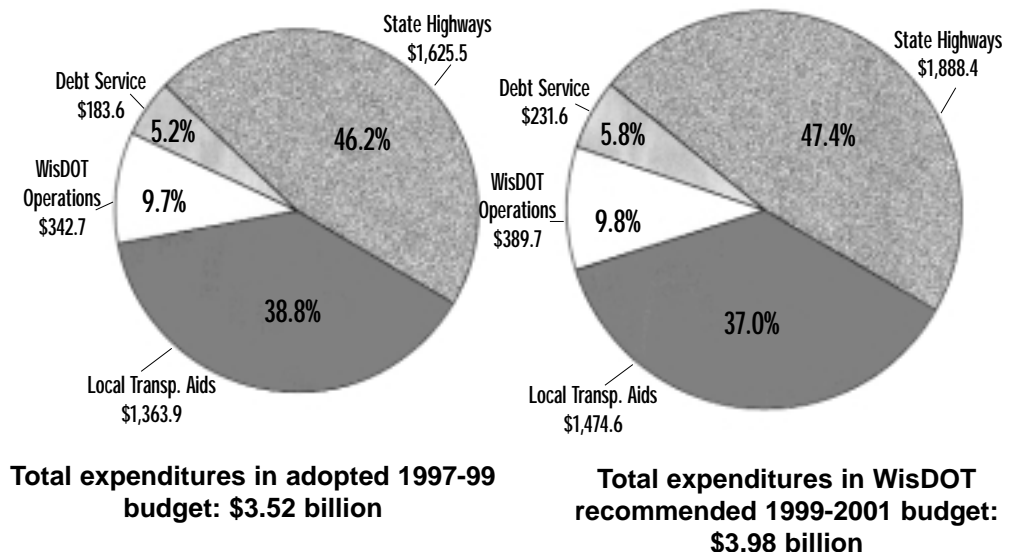
	1999 Base:	\$148,724,600	Annual Change
2000 Budgeted:	\$151,593,000		1.9%
2001 Budgeted:	\$160,261,600		5.7%

State Highway Maintenance and Traffic Operations

Maintenance on the STH system --

Wisconsin's Transportation Budget Expenditures

All funds in millions



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 2001, for the first time since FY 94. 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 and lane miles.

Reallocating personnel to Districts 1, 2 and 3. To increase the local planning capabilities in Districts 1, 2 and 3, a total of 12 positions will be transferred from the Maintenance and Traffic Program to the Planning and Local Assistance Section of the Division of Transportation Districts.

Land use-related statutory modification. WisDOT is recommending two statutory modifications which would enable the department to improve efforts to coordinate land use and transportation planning. The first would add "transportation land use issues" as an eligible use of WisDOT's federal multimodal planning funds. The other would create statutory language allowing the department to require transportation impact analyses for large-scale development proposals with potential impact on STH system travel.

State Highway Administration & Planning		
1999 Base:	\$22,510,200	Annual Change
Federal Plan	\$2,396,700	
2000 Budgeted:	\$24,936,400	0.1%
2001 Budgeted:	\$24,881,400	-0.2%

State Highway Administration and Planning

This funding proposal accommodates the personnel and associated costs necessary to administer the state's biennial \$1.9 billion STH Program. A combination of state and federal funding comprises this category. The federal component was increased by \$2.4 million for FY

1999 as a result of TEA 21 providing increased funding for the State Planning and Research Program (SPR) and the Metropolitan Planning Program.

Local Transportation Capital Assistance

Local Road & Bridge Program		
1999 Base:	\$146,169,800	Annual Change
Federal Plan	\$23,341,700	
2000 Budgeted:	\$169,755,000	0.1%
2001 Budgeted:	\$169,755,000	0.0%
(includes Local Bridge Assistance and Local Trans. Fac. Impr.)		

Local Road and Bridge Program

The Local Road and Bridge Program comprises the largest share of transportation capital assistance programs. It contains two primary components: 1.) State and federal funding for bridge replacement; 2.) Federal aid for rehabilitation of local roads and streets.

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). No increases are proposed for the 1999-2001 budget, keeping annual funding levels at \$20.7 million. However, significant increases were made to this program in the 1997-99 budget, such as creation of a \$5 million annual set-aside for high-cost county road projects.

Rail Assistance		
1999 Base:	\$14,392,000	Annual Change
Federal Plan	\$1,200,000	
2000 Budgeted:	\$15,545,900	-0.3%
2001 Budgeted:	\$15,545,900	0.0%

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.

The rail assistance funding level assumes general obligation bond authorizations are divided evenly between fiscal years.

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.

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 1997-99 budget.

Harbor/Rail Passenger/Bus		
1999 Base:	\$5,500,600	Annual Change
Federal Plan	\$341,300	
2000 Budgeted:	\$5,799,300	-0.7%
2001 Budgeted:	\$7,520,100	29.7%

Harbor/Rail Passenger/Bus

The big jump 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



Budget Update

WisDOT's 1999-2001 Biennial Budget

program at the 1997-99 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 second year of a three-year contract with Amtrak to provide rail passenger service. Federal guidelines now allow the state to use 90% federal funding rather than the previous 80% in this category. The increase in federal funding results in lowering the dollar amount the state needs to match.

Intercity Bus Initiative. The \$1.3 million in requested funds is designed to restore bus service on approximately four routes where it was abandoned in recent years. The \$526,000 in state funds are being requested for the first time to pilot resurrecting abandoned routes. Previously only federal funds were used, which at 50% were typically insufficient to preserve service.

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		
1999 Base:	\$38,998,800	Annual Change
2000 Budgeted:	\$40,089,200	2.8%
2001 Budgeted:	\$40,089,200	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.

Deer fencing. WisDOT is requesting \$1.2 million per year from the Conservation Fund for the state share of constructing adequate deer safety fencing at Wisconsin airports. Faced with an increasing deer population, 32 of 38 Wisconsin airports handling commercial and corporate jet aircraft do not have adequate deer fencing. This investment would need to be made annually to ensure adequate fencing is installed at all airports within 13-15 years.

Multimodal Transportation Studies		
1999 Base:	\$750,000	Annual Change
2000 Budgeted:	\$1,950,000	160.0%
2001 Budgeted:	\$1,950,000	0.0%

Multimodal Transportation Studies

This new budget item is requesting the funding of at least two comprehensive commuter rail studies within the 1999-2001 biennium. The nearly \$2 million/year in state funds are proposed to look at alternatives and analyze Dane County or Milwaukee-Kenosha routes. In order for these projects to qualify for future federal funds, in-depth study of this type is needed. WisDOT is looking for this new appropriation to exclusively fund commuter rail studies.

Transp. Facilities Economic Assist. & Dev.		
1999 Base:	\$7,000,000	Annual Change
2000 Budgeted:	\$7,000,000	0.0%
2001 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		
1999 Base:	\$17,416,200	Annual Change
Federal Plan	\$9,417,000	
2000 Budgeted:	\$26,833,200	0.0%
2001 Budgeted:	\$26,833,200	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 1999-2001 biennium. Significant increases were incorporated into the 1999 base with jumps in federal funds for both the Enhancements (\$2.5 million) and Congestion Mitigation & Air Quality (CMAQ) (\$6.9 million) programs.

Surface Transportation Discretionary Grant Program (STP-D) (\$3.4 million annually): The federally funded STP-D program funds only capital projects. To date, this program has mainly covered transit capital purchases (buses and bus shelters) and bicycle/pedestrian facilities.

Transportation Enhancement Grants (\$7.8 million annually): 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

1999 Base:	\$326,483,400	Annual Change
2000 Budgeted:	\$331,187,500	1.4%
2001 Budgeted:	\$335,891,500	1.4%

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 requests that the rate per mile be set at \$1,644 for CY 2000 and after.

WisDOT is proposing the following four changes to the GTA program:

Setting a maximum amount to be distributed under the mileage-based aid formula and specifying how mileage aid payments will be prorated if the amount is not sufficient. GTA to counties and the mileage-aid rate reflect 3% increases over that for CY 1998 and thereafter (no increase was provided in CY 1999). Aid to municipalities for CY 2000 and thereafter reflects the combination of: 1.) a 3% increase over the amount estimated to be distributed as cost-based aid in CY 1999, and 2.) an amount estimated to fully fund mileage-based payments in CY 2000 and CY 2001 assuming the \$1,644 rate per mile. The total increase for municipalities is less than 3% because some do not qualify for the full rate per mile.

Clarifying the basis for determining the eligibility of police costs. The Local Roads and Streets Council recently made two major recommendations regarding police costs. The first was that a portion of police costs should continue to be counted in calculating local government payments under the GTA formula. However, the second recommendation was that the eligible

portion of police costs should undergo an across-the-board reduction. This is based on a decline in the highway-related proportion of overall police costs. WisDOT has included these recommendations in its biennial budget.

GTA payments to municipalities may not be reduced more than 2% in a single year. In the past the limit was 5%. This brings the percentage for municipalities in line with that already enacted for counties. In addition, this will help cushion the transition of reduction in eligibility of police costs.

Requiring annual mileage certification beginning December 15, 2001. This will reflect mileage changes in calculating GTA payments each year beginning in CY 2002. Once every two years, local governments will be required to perform an assessment of the physical condition of the roads and streets under their jurisdiction. These figures will be placed in the redesigned WisDOT Local Road Database. By having this data centrally located and consistently rated, a statewide local roads and streets assessment will be possible.

Transit Aids

1999 Base:	\$97,169,600	Annual Change
Federal Plan	\$7,600,000	
2000 Budgeted:	\$107,711,300	2.8%
2001 Budgeted:	\$109,559,300	1.7%

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.

Formula and statutory modifications are proposed which are designed to enhance the stability and predictability of overall funding for transit operating costs.

Restructuring tiers. It is proposed that Milwaukee and Madison remain a separate tier and that the rest of the

state will be combined into a second tier. The federal-state formula would be replaced with caps on the maximum share of costs: 50% for Milwaukee and Madison; 60% for urbanized area service; and 65% for nonurbanized area service.

Modify minimum local-match requirement. The local share will be changed from 20% of state aid to 10% of operating costs, which will be more predictable in advance. WisDOT also proposes that shared-ride taxi systems be ineligible for increased state aid unless they voluntarily provide an equivalent local match (10% of operating costs), phased-in initially at 5% of operating costs.

Elderly and Disabled Aids

1999 Base:	\$8,886,900	Annual Change
Federal Plan	\$300,000	
2000 Budgeted:	\$9,505,100	3.5%
2001 Budgeted:	\$9,704,100	2.1%

Elderly and Disabled Aids

WisDOT administers two programs to assist elderly and disabled residents 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

1999 Base:	\$17,706,000	Annual Change
2000 Budgeted:	\$17,706,000	0.0%
2001 Budgeted:	\$17,706,000	0.0%

Special Highway Aids

This budget item continues funding at the base level for a variety of local road aids. Covered areas are broken out as follows (in millions):

- Connecting Highway Aids: \$12.9
- Lift Bridge Aids: \$1.4
- County Forest Road Aids: \$0.3
- Flood Damage Aids: \$0.6
- Expressway Policing Aids: \$0.9
- Highway Safety, Local Assistance and Federal Funds: \$1.7



**1999-2001 TRANSPORTATION BUDGET: ALL FUNDS
 AGENCY REQUEST, December 14, 1998**

	Base Year (FY 1999) <u>Doubled</u>	<u>1999-2001</u>	Change From BYD (%)	% of Total Budget
TRANSPORTATION AIDS:				
GENERAL TRANSPORTATION AIDS	652,966,800	667,079,000	2.2%	16.7%
TRANSIT AIDS	209,539,200	217,270,600	3.7%	5.5%
ELDERLY AND DISABLED AIDS	18,373,800	19,209,200	4.5%	0.5%
SPECIAL HIGHWAY AIDS	35,412,000	35,412,000	0.0%	0.9%
Total TRANSPORTATION AIDS	916,291,800	938,970,800	2.5%	23.6%
LOCAL TRANSPORTATION CAPITAL ASSISTANCE:				
LOCAL BRIDGE ASSISTANCE	87,094,800	87,081,800	0.0%	2.2%
RAILASSISTANCE	31,184,000	31,091,800	-0.3%	0.8%
HARBOR/RAIL PASSENGER/BUS	11,683,800	13,319,400	14.0%	0.3%
AERONAUTICS ASSISTANCE	77,997,600	80,178,400	2.8%	2.0%
LOCAL TRANS. FAC. IMPR. ASSIST.	251,928,200	252,428,200	0.2%	6.3%
MULTIMODAL TRANSPORTATION STUDIES	1,500,000	3,900,000	160.0%	0.1%
TRANSP. FAC. ECON. ASST & DEVELOP.	14,000,000	14,000,000	0.0%	0.4%
SURFACE TRANSPORTATION GRANTS	6,800,000	6,800,000	0.0%	0.2%
CONGESTION MITIGATION & AIR QUALITY	31,246,400	31,246,400	0.0%	0.8%
TRANSP. ENHANCEMENTS GRANTS	15,620,000	15,620,000	0.0%	0.4%
Total LOCAL TRANSP. CAPITAL ASSIST.	529,054,800	535,666,000	1.2%	13.4%
TOTAL TRANSPORTATION AIDS and LOCAL TRANSPORTATION CAPITAL ASSISTANCE	1,445,346,600	1,474,636,800	2.0%	37.0%
STATE HIGHWAYS:				
MAJOR HIGHWAYS	415,010,800	433,618,300	4.5%	10.9%
REHABILITATION	1,070,852,600	1,093,063,600	2.1%	27.4%
MAINTENANCE	297,449,200	311,854,600	4.8%	7.8%
ADMIN. & PLANNING, HWYS	49,813,800	49,817,800	0.0%	1.3%
Total STATE HIGHWAYS	1,833,126,400	1,888,354,300	3.0%	47.4%
DOT STATE OPERATIONS:				
MOTOR VEHICLES	151,239,600	158,490,100	4.8%	4.0%
STATE PATROL	91,216,200	94,420,100	3.5%	2.4%
DEPARTMENTAL OPERATIONS	127,123,800	136,781,900	7.6%	3.4%
Total DOT STATE OPERATIONS	369,579,600	389,692,100	5.4%	9.8%
DEBT SERVICE/RESERVES:				
G.O./REVENUE BOND DEBT SERVICE	180,199,800	210,102,400	16.6%	5.3%
PAY/OTHER RESERVES	0	21,537,400	N/A	0.5%
Total DEBT SERVICE/RESERVES	180,199,800	231,639,800	28.5%	5.8%
TOTAL WisDOT BUDGET	3,828,252,400	3,984,323,000	4.1%	100.0%
The following amounts are appropriated in addition to the WisDOT budget:				
OTHER AGENCIES	32,158,800	32,747,500	1.8%	
SERVICE CENTER OPERATIONS	55,692,000	56,620,400	1.7%	

1999-2001 TRANSPORTATION BUDGET: ALL FUNDS
AGENCY REQUEST, December 14, 1998

	Base Year (FY 1999)	FY 2000 Budget		FY 2001 Budget	
		Dollars	% Change	Dollars	% Change
TRANSPORTATION AIDS:					
GENERAL TRANSPORTATION AIDS	326,483,400	331,187,500	1.4%	335,891,500	1.4%
TRANSIT AIDS	104,769,600	107,711,300	2.8%	109,559,300	1.7%
ELDERLY AND DISABLED AIDS	9,186,900	9,505,100	3.5%	9,704,100	2.1%
SPECIAL HIGHWAY AIDS	17,706,000	17,706,000	0.0%	17,706,000	0.0%
Total TRANSPORTATION AIDS	458,145,900	466,109,900	1.7%	472,860,900	1.4%
LOCAL TRANSPORTATION CAPITAL ASSISTANCE:					
LOCAL BRIDGE ASSISTANCE	43,547,400	43,540,900	0.0%	43,540,900	0.0%
RAIL ASSISTANCE	15,592,000	15,545,900	-0.3%	15,545,900	0.0%
HARBOR/RAIL PASSENGER/BUS	5,841,900	5,799,300	-0.7%	7,520,100	29.7%
AERONAUTICS ASSISTANCE	38,998,800	40,089,200	2.8%	40,089,200	0.0%
LOCAL TRANS. FAC. IMPR. ASSIST.	125,964,100	126,214,100	0.2%	126,214,100	0.0%
MULTIMODAL TRANSP. STUDIES	750,000	1,950,000	160.0%	1,950,000	0.0%
TRANSP. FAC. ECON. ASST & DEV.	7,000,000	7,000,000	0.0%	7,000,000	0.0%
SURFACE TRANSP. 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	7,810,000	7,810,000	0.0%	7,810,000	0.0%
Total LOC. TRANS. CAPITAL ASST.	264,527,400	266,972,600	0.9%	268,693,400	0.6%
TOTAL TRANSP. AIDS and LOCAL TRANSP. CAPITAL ASSISTANCE	722,673,300	733,082,500	1.4%	741,554,300	1.2%
STATE HIGHWAYS:					
MAJOR HIGHWAYS	207,505,400	213,604,400	2.9%	220,013,900	3.0%
REHABILITATION	535,426,300	542,921,400	1.4%	550,142,200	1.3%
MAINTENANCE	148,724,600	151,593,000	1.9%	160,261,600	5.7%
ADMIN. & PLANNING, HWYS	24,906,900	24,936,400	0.1%	24,881,400	-0.2%
Total STATE HIGHWAYS	916,563,200	933,055,200	1.8%	955,299,100	2.4%
DOT STATE OPERATIONS:					
MOTOR VEHICLES	75,619,800	78,351,400	3.6%	80,138,700	2.3%
STATE PATROL	45,608,100	47,108,900	3.3%	47,311,200	0.4%
DEPARTMENTAL OPERATIONS	63,561,900	67,474,600	6.2%	69,307,300	2.7%
Total DOT STATE OPERATIONS	184,789,800	192,934,900	4.4%	196,757,200	2.0%
DEBT SERVICE/RESERVES:					
G.O./REVENUE BOND DEBT SERVICE	90,099,900	100,557,200	11.6%	109,545,200	8.9%
PAY/OTHER RESERVES	0	5,284,300	N/A	16,253,100	207.6%
Total DEBT SERVICE/RESERVES	90,099,900	105,841,500	17.5%	125,798,300	18.9%
TOTAL WisDOT BUDGET	1,914,126,200	1,964,914,100	2.7%	2,019,408,900	2.8%
The following amounts are appropriated in addition to the WisDOT budget:					
OTHER AGENCIES	16,079,400	16,212,800	0.8%	16,534,700	2.0%
SERVICE CENTER OPERATIONS	27,846,000	28,246,500	1.4%	28,373,900	0.5%

source: WisDOT



TDA's perspective on 1999-2001 WisDOT budget

by Philip J. Scherer, TDA Executive Director

For the most part, WisDOT's recommended 1999-2001 budget is a status-quo proposal. It recognizes that, at this point in time, there is little appetite in either the Governor's office or the Legislature to initiate any new state-generated revenues or to increase traditional funding sources such as the motor fuel tax or vehicle registration fees. That realization, combined with the fact that the increases in federal funding as a result of TEA 21 occurred in FY 1998 and 1999, leaves little new or discretionary funding to work with. For most programs, increases are recommended at or near the expected rate of inflation and generally well below those experienced in the 1997-99 transportation budget.

In total, state generated revenues are expected to increase by just over \$100 million during the next

biennium, with approximately 50% of that amount being consumed by "first draws" such as debt service, salaries and other miscellaneous reserves. The approximately \$50 million increase in state-generated revenues, available for new or expanded programs was used to establish a limited number of new initiatives. These new programs include an intercity bus program and \$2 million for commuter rail studies in the Milwaukee and Madison areas. Other programs that would receive increases above inflation in state funds include the State Highway Maintenance Program, Transit Aids, Elderly & Disabled Transportation Program, Aeronautics Assistance and Debt Service.

The Department's recommended budget contains over 50 statutory provisions. Many of these are designed to advance recommendations of the Local Road and Streets Council, to improve program delivery processes, to improve the Major

Highway Projects/Transportation Projects Commission process, and to free up dollars currently being spent on the myriad of state and federal mandates related to transportation. Much still needs to be done in this area however.

Finally, WisDOT does not address funding challenges on the horizon such as: those related to the Milwaukee area freeway system; those outlined in the Draft State Highway Plan Update; those outlined in the recently completed State Airport System Plan; those almost certain to surface as better numbers become available on local road conditions; and the needs associated with the growing list of inter-city and commuter rail proposals.

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



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