



Budget Update

March, 1999

Governor's 1999-2001 transportation budget closely resembles WisDOT's earlier version

This TDA Budget Update is meant to highlight the major changes in the Governor's budget from the WisDOT submittal. For a more complete description of the transportation budget as a whole, please refer to the January 1999 TDA Budget Update. To request a copy of that publication, call the TDA office at (608)256-7044. All data included in this Budget Update is based on information from WisDOT and the Legislative Fiscal Bureau.

The Governor's budget, submitted to the legislature on February 16, holds few surprises in the area of transportation. In all, the Governor's transportation budget reflects a reduction in expenditures of \$12.6M from WisDOT's recommended budget. On the revenue side, the Governor predicts an increase in federal funds of

\$2.6M (note: this amount will probably be higher than even the Governor's prediction, yet the exact amount is unknown at this time) and budgets for decreases in state generated revenues, bond funds and other funds. Following is an overview of the key components and changes in the Governor's 1999-2001 budget (for specific funding comparisons see two table inserts):

State Highway Program

Funding level changes

The Governor's biennial budget proposes a \$1.1M decrease to the Rehabilitation program and a \$5M increase to the Administration & Planning from WisDOT recommended levels.

One new major project enumeration

The Governor's budget includes enumerating USH 41 between Oconto and Peshtigo as a major project. This is the only major project enumeration included in the budget to date.

JFC's biennial budget public hearings schedule

The Joint Finance Committee schedule for statewide public hearings on the entire 1999-2001 biennial budget is as follows:

March 26, Friday (Green Bay):
Brown County Public Library Auditorium

April 8, Thursday (Racine): J. I. Case High School Auditorium

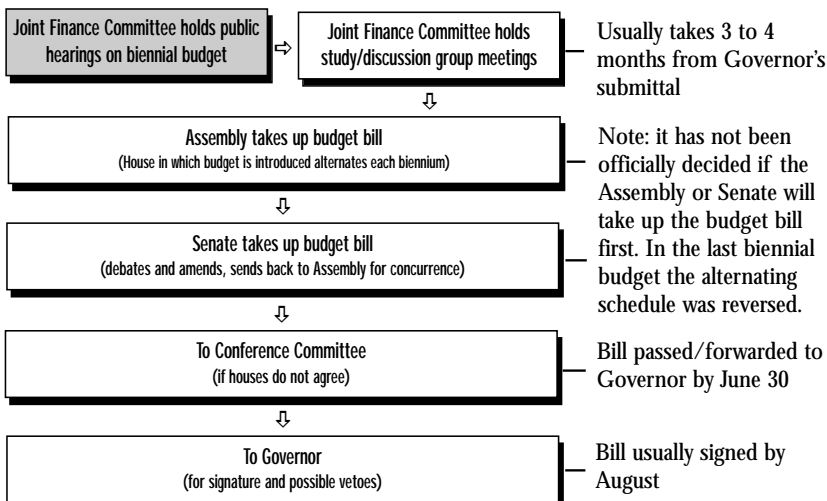
April 13, Tuesday (Stevens Point):
University of Wisconsin-Stevens Point, University Center Alumni Room

April 14, Wednesday (Osceola):
Osceola High School Gymnasium

April 15, Thursday (Madison):
State Capitol

Note: all hearings will be held from 10:30 a.m.-5:00 p.m.

Remaining steps of 1999-2001 Wisconsin Transportation Budget



Transportation Development Association of Wisconsin

22 N. Carroll St. #102, Madison, WI 53703

(608)256-7044

fax (608)256-7079

tda@itits.com



Bonding level altered

The administration's proposal also reduces the share of revenue bond proceeds in Major Highway Program funding from 53.3% to 52% in 2001.

New initiatives

The Governor's budget includes a proposal to provide \$1M annually from federal transportation planning monies to the Department of Administration to support local land use planning efforts.

Statutory changes removed

The following three WisDOT proposed statutory modifications were not included in the Governor's budget:

- *TPC*: would have allowed for earlier involvement by the Transportation Projects Commission (TPC) in the Major Projects selection process.
- *Offsite contamination source liability exemption*: would have allowed WisDOT to be exempt from remediating contamination originating from outside WisDOT property boundaries.
- *Transportation Impact Analysis*: would have allowed WisDOT to require transportation impact analyses for large-scale development proposals with potential impact on STH system travel.

funding level the same for Freight Rail Infrastructure Loans, the Governor included language requiring WisDOT to establish a low-level interest rate for these loans.

The Governor included a recommendation to allocate federal Congestion Mitigation and Air Quality (CMAQ) funds to continue rail passenger service from Chicago to Milwaukee (Hiawatha route).

The reduction of funding of approximately \$500,000 in the category of Local Transportation Facility Assistance and the increase of the same amount in the Highway Administration & Planning is due to the Governor's lack of support for a proposed WisDOT budget shift. WisDOT had sought to transfer \$250,000 annually from Administration & Planning to reflect base federal funding provided by WisDOT for the UW-Extension's Transportation Information Center. It was felt by WisDOT that the TIC is more of a

"local assistance appropriation."

The remaining funding shifts can virtually all be explained by looking at new initiatives or rejected statutory modifications.

Added budget items

The Governor's budget contains three new budget initiatives:

Richard Bong Air Museum (\$1M): The Governor recommends providing federal Transportation Enhancement Funds, from within the existing funding level, to support construction of the Richard I. Bong Air Museum in Superior.

Milwaukee Lakeshore Walkway (\$2M): The Governor recommends providing federal funding to support the construction of the Milwaukee Lakeshore Walkway. This funding would be allocated from the \$241M of Interstate Cost Estimate (ICE) monies.

MWRRI grade crossing warning improvements (\$.5M): This money is

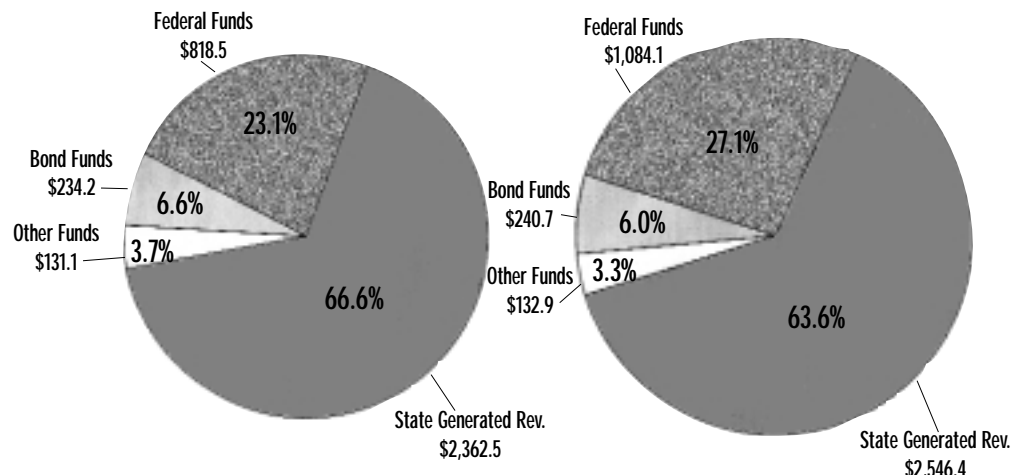
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Local Transportation Capital Assistance

The Governor's total expenditures in the category of Local Transportation Capital Assistance is approximately \$4.2M less than WisDOT's proposal. While keeping the

Wisconsin's Transportation Budget Revenues

All funds in millions



Total revenues in adopted 1997-99 budget \$3.55 billion

Total revenues in Governor's 1999-2001 budget: \$4.0 billion

Revenues allocated to:

WisDOT	3,546.3
Other agencies	<u>-30.6</u>
Total	\$3,515.7 mil.

Revenues allocated to:

WisDOT	4,004.1
Other agencies	<u>-32.4</u>
Total	\$3,971.7 mil.

1999-2001 Transportation Budget: All Funds
Comparison of WisDOT and Governor's budget proposal for biennium

	Base Year Doubled (FY 1999)	WisDOT's Biennial Budget		Governor's Biennial Budget		Difference
		Dollars	% Change	Dollars	% Change	
Transportation Aids						
General Transportation Aids	652,966,800	667,079,000	2.2%	667,079,000	2.2%	0
Transit Aids	209,539,200	217,270,600	3.7%	217,270,600	3.7%	0
Elderly and Disabled Aids	18,373,800	19,209,200	4.5%	19,209,200	4.5%	0
Special Highway Aids	35,412,000	35,412,000	0.0%	35,412,000	0.0%	0
Total Transportation Aids	916,291,800	938,970,800	2.5%	938,970,800	2.5%	0
Local Transportation Capital Assistance						
Local Trans. Fac. Impr. Assist.	251,928,200	252,428,200	0.2%	251,928,200	0.0%	-500,000
Local Bridge Assistance	87,094,800	87,081,800	0.0%	87,081,800	0.0%	0
Rail Assistance	31,184,000	31,091,800	-0.3%	31,091,800	-0.3%	0
Harbor/Rail Passenger/Bus	11,683,800	13,319,400	14.0%	12,469,900	6.7%	-849,500
Aeronautics Assistance	77,997,600	80,178,400	2.8%	77,778,400	-0.3%	-2,400,000
Multimodal Transp. Studies	1,500,000	3,900,000	160.0%	1,500,000	0.0%	-2,400,000
Transp. Fac. Econ. Asst. & Dev.	14,000,000	14,000,000	0.0%	14,000,000	0.0%	0
Surface Transportation Grants	6,800,000	6,800,000	0.0%	6,800,000	0.0%	0
Congestion Mitig. & Air Qual.	31,246,400	31,246,400	0.0%	31,246,400	0.0%	0
Transp. Enhancements Grants	15,620,000	15,620,000	0.0%	17,620,000	12.8%	2,000,000
Total Loc. Trans. Cap. Asst.	529,054,800	535,666,000	1.2%	531,516,500	0.5%	-4,149,500
State Highways						
Major Highways	415,010,800	433,618,300	4.5%	433,618,300	4.5%	0
Rehabilitation	1,070,852,600	1,093,063,600	2.1%	1,091,965,100	2.0%	-1,098,500
Maintenance	297,449,200	311,854,600	4.8%	311,854,600	4.8%	0
Admin. & Planning, Hwys.	49,813,800	49,817,800	0.0%	50,317,800	1.0%	500,000
Total State Highways	1,833,126,400	1,888,354,300	3.0%	1,887,755,800	3.0%	-598,500
Other WisDOT areas						
Total WisDOT Operations	369,579,600	389,692,100	5.4%	387,664,300	4.9%	-2,027,800
Total Debt Service/Reserves	180,199,800	231,639,800	28.5%	225,767,000	25.3%	-5,872,800
Total Transportation Budget	3,828,252,400	3,984,323,000	4.1%	3,971,674,400	3.7%	-12,648,600

1999-2001 Transportation Budget: All Funds
Governor Tommy Thompson's proposal: February 16, 1999

	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 Trans. Fac. Impr. Assist.	125,964,100	125,964,100	0.0%	125,964,100	0.0%
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	6,299,300	7.8%	6,170,600	-2.0%
Aeronautics Assistance	38,998,800	38,889,200	-0.3%	38,889,200	0.0%
Multimodal Transp. Studies	750,000	750,000	0.0%	750,000	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	7,810,000	8,810,000	12.8%	8,810,000	0.0%
Total Loc. Trans. Cap. Asst.	264,527,400	265,822,600	0.5%	265,693,900	0.0%
State Highways					
Major Highways	207,505,400	213,604,400	2.9%	220,013,900	3.0%
Rehabilitation	535,426,300	541,213,400	1.1%	550,751,700	1.8%
Maintenance	148,724,600	151,593,000	1.9%	160,261,600	5.7%
Admin. & Planning, Hwys.	24,906,900	25,186,400	1.1%	25,131,400	-0.2%
Total State Highways	916,563,200	931,597,200	1.6%	956,158,600	2.6%
Other WisDOT areas					
Total WisDOT Operations	184,789,800	192,224,800	4.0%	195,439,500	1.7%
Total Debt Service/Reserves	90,099,900	103,111,100	14.4%	122,655,900	19.0%
Total WisDOT Budget	1,914,126,200	1,958,865,600	2.3%	2,012,808,800	2.8%

Note: shaded areas indicate variations from WisDOT's proposal

continued from page 2
 recommended for SFY 2000 to improve grade crossing warning devices in conjunction with the Midwest Regional Rail Initiative. This funding will support development of a high-speed rail corridor from Chicago to Minneapolis. The state will also utilize existing funds, along with Amtrak funding, for preliminary engineering associated with developing this rail corridor (including the investigation of station locations on Madison's east side.)

Installation of railroad grade crossings to be decided by committee

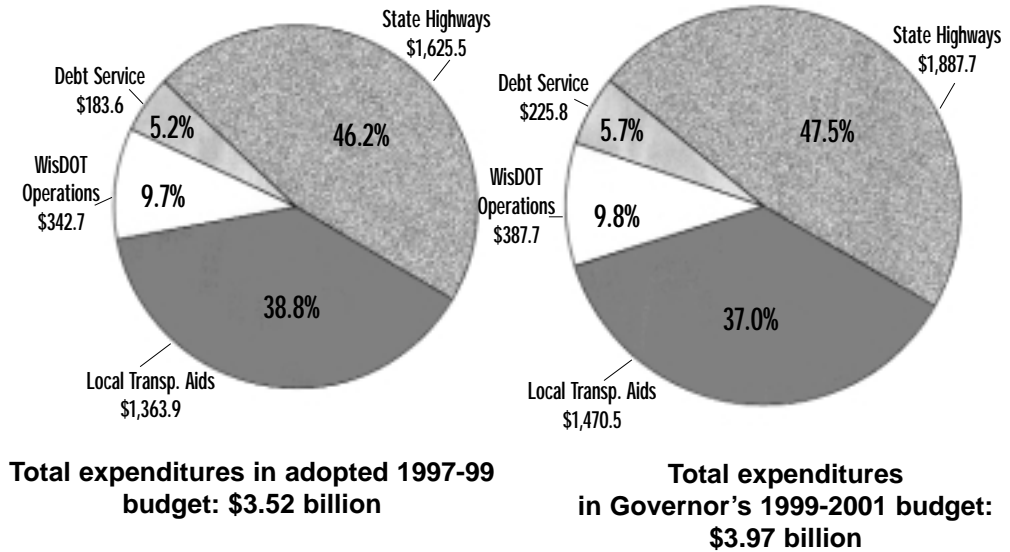
Under current law, petitions may be made to the Office of the Commissioner of Railroads (OCR) concerning the safety of warning devices at public highway-railroad grade crossings. Petitions may be made by WisDOT, local governments, railroads or individuals. If the OCR determines that the warning devices are not adequate, it may order safety improvements at the crossing. The cost of these improvements is paid from the transportation fund.

The Governor is recommending amending this procedure by giving the WisDOT Secretary or the Railroad Crossing Committee oversight of the funding for these improvements. The OCR would retain funding authority in cases where immediate improvements to a crossing are necessary to protect public safety.

The Railroad Crossing Committee would consist of two individuals appointed by the WisDOT Secretary and two appointed by the Commissioner of Railroads. This committee would be charged with the following duties:

Wisconsin's Transportation Budget Expenditures

All funds in millions



- establish threshold requirements for grade crossing improvements
- maintain railroad grade crossing database
- review every grade crossing in state
- recommend to WisDOT Secretary, desirable funding levels for railroad grade crossing improvements

This committee would cease to exist after it has reviewed every grade crossing in the state, or on July 1, 2002, whichever occurs first.

Rejected statutory modifications

The following three WisDOT proposed statutory modifications were not included in the Governor's budget:

- *Intercity Bus Assistance Program*: would have restored bus service on approximately four routes where it was abandoned in recent years.
- *Airport Perimeter Deer Fencing*: would have allocated \$1.2 million per year from the Conservation Fund for the state share of constructing adequate deer safety fencing at Wisconsin airports.

- *Commuter Rail Studies*: The Governor did not support spending \$2.4M over the biennium for two comprehensive commuter rail studies. The studies would have looked at the feasibility of commuter rail in Dane County and in Milwaukee-Kenosha.

Transportation Aids

The Governor maintained WisDOT recommended levels for all four areas of Transportation Aids (GTA, transit, elderly & disabled, and special highway).

Modification of GTA statutory change

The Governor approved all proposed statutory changes to the GTA program with the exception of one. Removed was the proposed limitation on the maximum amount that can be distributed under the mileage-aid component of the formula.



TDA perspective on 1999-2001 Governor's budget

by Philip J. Scherer, TDA Executive Director

As implied throughout this budget summary, the Governor proposed a limited number of modifications from the budget proposed for the biennium by WisDOT. Most of these are very focused in scope and some could improve the budget if adopted. However, a few of the changes should cause some concern (*note: some of these are found in areas of the budget other than modal-transportation so were not covered in the preceding budget summary*). Although not all-inclusive, here are some modifications that would tend to fall into these two categories:

Causes for concern

- Potential for **increasing motor fuel taxes dedicated to the Petroleum Environmental Clean-up Fund Account (PECFA)**. Any increase here would create pressure to establish offsetting reductions in that portion of state motor fuel tax going to transportation.
- Transferring \$64,000 for a statewide trauma system** in 2001 from the Transportation Fund to the Department of Health and Family

services and **transferring \$200,000 for soil surveys and mapping** over the biennium to the WisDOA. Those inter-agency transfers represent a return to the fund diversions addressed in the 1997-99 budget.

- Reducing percent of funding for STH Majors program covered by bonding to 52% of costs.** Although that change is an effort to ensure fiscal responsibility in the program and is not significant, it raises questions on how the state will be able to fund replacements to the Marquette and Zoo Interchanges in a few years.
- Removing the WisDOT recommendation establishing a transportation impact analysis for large-scale developments.** This is a very positive step in addressing land use issues and should be retained.
- Dropping WisDOT's proposal to submit candidate Major Highway Projects to the Transportation Projects Commission for early review.** This review would be prior to conducting extensive planning, design and environmental studies and could improve the process while providing increased opportunity for public input.

Positive additions

- A provision **allowing WisDOT to set fees on outdoor advertising to cover the cost of maintaining an inventory of signs.**
- Eliminating the demand management program.** This provision was a federal mandate in the Clean Air Act and was a dismal failure. The federal government quickly repealed it and the State of Wisconsin should do the same.
- Switching the source of revenue for Harbor Assistance Bonds from the Transportation Fund to the General Fund.** This is a positive step toward broadening the base of funding for transportation in Wisconsin.
- Extending the WisDOT/DNR Cooperative Agreement to rail, transit and harbor projects.** The agreement currently exists for highways and has been a success story.

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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