

Official: Stimulus won't remedy state's funding problem

By Don Huebscher

Leader-Telegram staff

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Any money in President Barack Obama's anticipated stimulus package to fix bridges and roads won't solve a chronic funding shortage for such projects, an industry official says.

"There's a convergence of a lot of different factors ... in Wisconsin, which if we don't do something to change is going to spell some real serious problems," said Craig Thompson, executive director of the Transportation Development Association, a nonprofit trade group with some 400 members representing transportation interests.

Those factors, Thompson said, include:

- The deteriorating Interstate system in Wisconsin and around the country. The state Department of Transportation in 2002 identified \$4 billion in projects needed to bring the Interstate system up to date in Wisconsin. The Marquette Interchange project completed last year in Milwaukee cost \$800 million, Thompson said, an indication of how much still needs to be done.
- Inflation for construction costs has risen about 21 percent in the past two years, according to state figures. That in turn has pushed the annual shortfall in transportation funding in Wisconsin to more than \$900 million. That's up from an estimated \$700 million annual shortfall identified just two years ago by a joint legislative committee.
- The Legislature in 2005 repealed indexing of the state's gasoline tax, a method that automatically adjusted the gasoline tax annually based on inflation. Wisconsin's gasoline tax remains one of the highest in the nation at 32.9 cents a gallon. But the loss of indexing coupled with a roughly 3 percent decline in driving caused by last summer's spike in gas prices has eroded the state's main source of transportation funding.

Although the state last year increased the vehicle registration fee from \$55 to \$75, Wisconsin ranked 32nd nationally in overall transportation vehicle-related costs at \$276 in 2007, lower than each of our four neighboring states, state figures show.

- Gov. Jim Doyle and the Legislature have shifted more than \$1.2 billion in state transportation money to the general fund to help balance recent state budgets. Thompson believes this has eroded public support for higher taxes for transportation because motorists don't believe the money will be used to improve roads.

Thompson said lawmakers need to stop shifting transportation money to the general fund, resume indexing of the gas tax - Doyle spokeswoman Carla Vigue said the governor has supported gas tax indexing - and develop funding strategies that may include GPS technology to charge drivers by miles traveled. This will become more important as motorists buy more hybrids or battery-operated cars, further reducing gas tax revenues, Thompson said.

State Sen. Jim Holperin, D-Eagle River, chairman of the Senate Transportation, Tourism, Forestry and Natural Resources Committee, said before gas tax indexing would return, "the Legislature would need to be convinced that the public is convinced that we need to augment" transportation funds.

"I think for the Legislature to just ... say we want to increase our taxes, it's not the time for it," Holperin said. "It's not the climate for it given the fiscal circumstances we are in."

Huebscher, editor of the Leader-Telegram, can be reached at 833-9216, 800-236-7077, ext. 3216 or don.huebscher@ecpc.com.