

The Road Ahead:

2009-2011 Biennial Budget Request

Transportation Development Association Policy Forum
November 13, 2008



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Office of Policy, Budget and
Finance

A look back and forward

- Accomplishments to celebrate
- Current challenges
- Biennial budget proposal
- Looking past 2011

Celebrate!

**the record levels
of transportation funding
during the current biennium.**

Celebrate!



Marquette Interchange

- more than 2.3 million work hours for 4,637 workers.
- the increase in DBE participation and labor opportunities for minorities and women.
- Milwaukee – open for business.

Celebrate!



Milwaukee Intermodal Station

- the reopening of the Milwaukee Intermodal Station on the 26th of November, 2007.
- successful city, state, federal and private sector partnerships.
- the over 500,000 passengers we serve who make connections to Hiawatha and Empire Builder trains, local and regional buses, county transit, taxis and cars.

Celebrate!



- a trend toward increased safety on Wisconsin highways.
- October as the third safest Halloween month since World War II.
- our motorists! 2008 is on pace to be one of the safest in decades.

Challenges

- **Record state deficit for the next biennium**
- **Fuel consumption, vehicle registrations are down – no natural revenue growth.**
- **Annual average construction inflation at 6%**
 - Rising fuel, labor, and materials costs
- **Project costs are substantial for all modes**

What are the needs?

- **There are enormous funding needs at the national and state levels**
 - At least \$225 billion annually from all sources for the next 50 years to upgrade our existing system to a state of good repair and create a more advanced surface transportation system.
 - Wisconsin has several mega-projects on the immediate horizon.

Secretary's Budget Goals

- **Economic development**
- **Safety**
- **Mobility options**
- **Climate change opportunities**

2009-2011 Transportation Budget

All Funds – Total Budget \$6.7 Billion

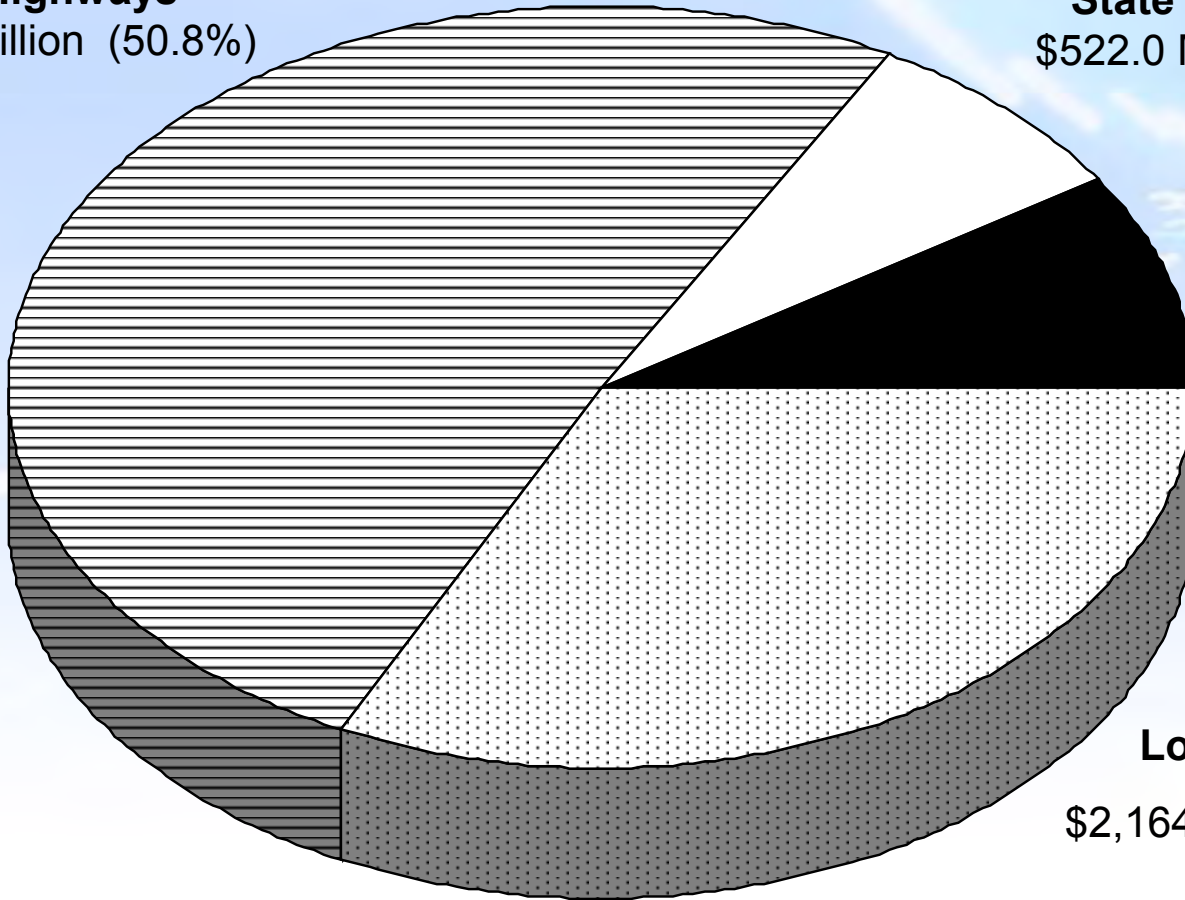
Agency Request

State Highways
\$3,409.3 Million (50.8%)

**WisDOT
State Operations**
\$522.0 Million (7.8%)

**Debt
Service/Reserves**
\$616.6 Million (9.2%)

Local Programs
\$2,164.3 Million (32.2%)



WisDOT's Budget Highlights

- **Highway programs**
 - Annual inflationary increases (1%) for Southeast freeways, Majors, SHR, and Maintenance
- **Southeast Wisconsin freeway mobility/safety improvements**
 - Interstate 94 from Milwaukee to the Illinois state line – Total for biennium -- \$571 million
 - Zoo interchange – total for biennium -- \$195 million

WisDOT's Budget Highlights

- **Expanded capacity for Hiawatha passenger service to Chicago**
 - Preserving our 20% state match for federal funds
 - Adding one car for each train and an additional train (8th daily) in FY 11
 - \$24 million total over the biennium
- **Additional bonding authority for passenger rail route development, rehab and acquisition -- \$40 million (GO)**

WisDOT's Budget Highlights

- **Annual inflationary increases (3%) for transit programs.**
 - Tiered transit aids -- \$9 million
 - Elderly and disabled transportation aids -- \$1.3 million
- **Southeast Wisconsin Transit Capital Assistance Program -- \$100 million (GO)**
 - Incentives to reach consensus on regional governance and local revenue options for operating costs
 - Transit capital needs
 - Sunset provision included

WisDOT's Budget Highlights

- **Additional bonding authority for freight rail improvements -- \$60 million (GO)**
- **Bonding authority for harbor assistance -- \$12.7 million (GO)**
- **1% inflationary increase for remaining local programs, including GTA and LRIP**

WisDOT's Budget Highlights

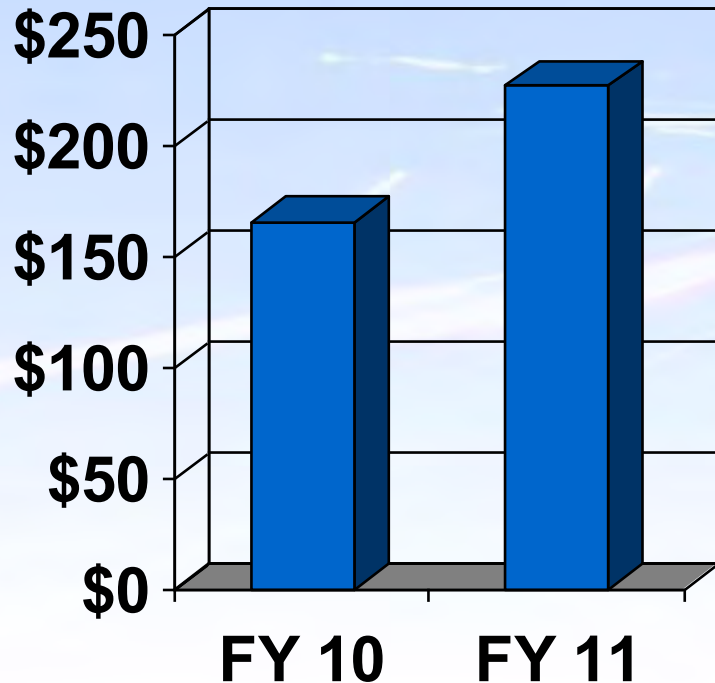
- **Increases for DSP fleet costs, overtime -- \$4.1 million**
- **Funding for WisDOT facilities -- \$0.9 million**

WisDOT's Budget Highlights

- **Technology improvements**
 - Imaging systems for DMV -- \$1 million
 - Upgrade to digital base stations for DSP -- \$0.6 million
- **Implementing federal REAL ID mandate -- \$17 million**
 - Accommodates early enrollment requirement for state residents under 50

New Revenue Oil Company Assessment

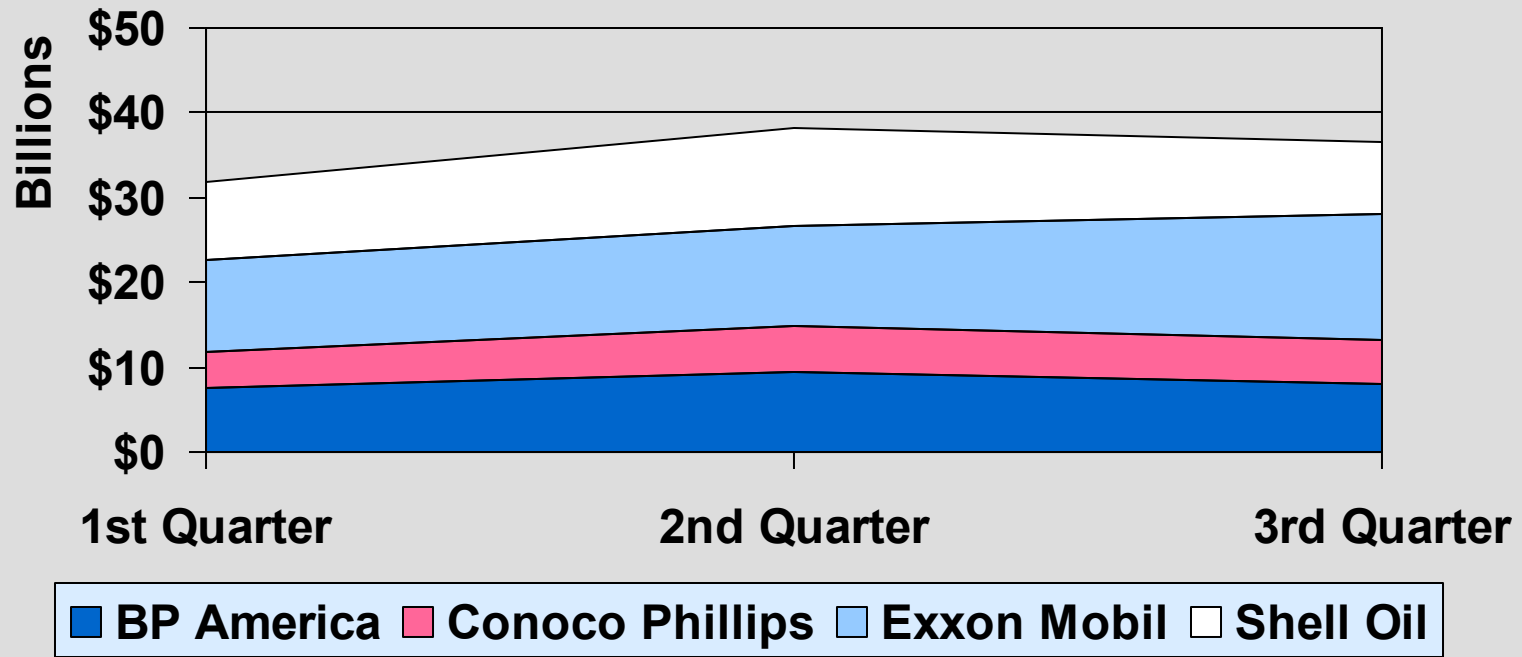
Millions



- is applied to motor fuel suppliers gross receipts.
- excludes receipts from petroleum alternatives, E-85, bio-diesel, CNG, LPG.
- includes a no-pass through provision protects Wisconsin consumers.
- is administered by the Department of Revenue.
- goes into effect October 1, 2009.

Oil Company Assessment

CY 2008 Profits



Connections 2030

- creates a flexible framework for decision-making.
- addresses all transportation modes including highways, passenger and freight rail, transit, ports, air travel, bicycle and pedestrian facilities...etc. even though it is not organized around these modes.
- is organized around themes that provide the structure for comprehensive perspective and investments.
- includes strategies related to finance and investment as well as plan themes.



Our Vision for 2030...

is to create an **integrated multimodal** transportation system that maximizes the **safe** and **efficient** movement of people and products throughout the state, **enhancing economic Productivity** and the **quality of Wisconsin's communities** while **minimizing impacts** to the natural environment.



Connections 2030 – Next Steps

The Wisconsin Department of Transportation plans to conduct public meetings across the state. Once the public comment period ends WisDOT will:

- review the comments received and amend the plan as needed.
- conduct another public comment period and hold public hearings on the revised draft plan.
- adopt the final plan upon approval of the WisDOT Secretary.
- transition into plan implementation activities.

www.wiconnections2030.gov



WisDOT is part of the solution

- **Creating good-paying jobs for our citizens**
- **Sustaining our high quality of life by improving and maintaining highway access to state resources**
- **Expanding Wisconsin business opportunities through interconnectivity with new and emerging markets throughout the nation and the world**

Looking Forward

- In our budget cover letter Secretary Busalacchi stated:

“For the past two years, I served as a member of the 12-person National Surface Transportation Revenue Study Commission. From that experience I recognize the importance of rebuilding the nation’s infrastructure and that we must recreate a vision for the national transportation system. Among the issues addressed by the Commission was the need in the long-term to move from our dependence on motor fuels tax to another, more reliable revenue source to support the nation’s transportation investments. I look forward to working with you to develop that long-term solution for Wisconsin as we move forward.”
- Action on a long-term solution needs to begin.
- **It will not be addressed in a two year budget request.**

Questions?

