

TDA / UWW Report Press Recap

Cost of delaying road projects pegged at \$160 million

Milwaukee Journal Sentinel (Patrick Marley)

October 5, 2015

Patrick Marley spoke about this on WPR's *Central Time* October 6

Scott Walker asks Senate Republicans for more road borrowing

Milwaukee Journal Sentinel (Patrick Marley and Jason Stein)

October 6, 2015

DOT delays work on dozens of projects; Scott Walker wants more funding

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October 8, 2015

More borrowing for roads isn't the answer

Milwaukee Journal Sentinel Editorial

October 10, 2015

State slows roads, prolongs headaches

Wisconsin State Journal editorial

October 7, 2015

Scott Walker urges Republican lawmakers to borrow \$350 million more for road projects

Wisconsin State Journal (Matthew DeFour)

Oct 6, 2015

State highway delays could cost motorists \$160 million

Pierce County Herald

October 6, 2015

Road project delays could be costly for Wisconsin

Wisconsin Radio Network (Craig Thompson Interview with Andrew Beckett)

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1150 WHBY Appleton, Green Bay

1100AM and 97.3FM WAUH-FM Wautoma

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Study: State highway delays could cost drivers extra \$160 million

Rock 94.7 Wausau

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Five highway projects facing delays, Gov. Walker asks that \$350M be set aside for transportation

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Dozens of state road projects delayed by DOT after budget shortfall

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State Highway Delays Could Cost Motorists \$160 Million

WWIS, Black River Falls

WSAU, Stevens Point

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Cost of delaying road projects pegged at \$160 million

Newspindle

October 5, 2015

Cost of Doing Nothing Adding Up

In Business Magazine – blog by Craig Thompson

October 5, 2015

Also appeared in:

Milwaukee Journal Sentinel (October 8)

La Crosse Tribune (October 8)

Chippewa Herald (October 8)

Eau Claire Leader Telegram (October 8)

Superior Telegram (October 20)

New report suggests delaying WI road construction will cost an additional \$80 million a year

WKOW TV Madison – interview with Craig Thompson

October 18, 2015

Cost of delaying road projects pegged at \$160 million

Milwaukee Journal Sentinel (Patrick Marley)

October 5, 2015

A plan by Gov. Scott Walker's administration to delay major road projects will cost drivers \$160 million or more over two years, according to a projection released Monday by the University of Wisconsin-Whitewater.

The report, paid for by a transportation group, found that inflation will cause \$80 million for each year of delay for four major projects. The Department of Transportation announced last week it was delaying those four projects — and one other one — for two years.

The report came as the DOT disclosed Monday it was preparing a second list of projects that would face delays. Those rehabilitation projects are generally lower profile than the costly projects already facing delays.

UW-Whitewater conducted the study for the Transportation Development Association of Wisconsin, which consists of contractors, engineering firms, labor unions, economic development organizations, county highway departments and others.

The department announced last week it was pushing off work for two years for five projects: I-39/90 from the Illinois state line to Madison, Highway 151/Verona Road in Madison, Highway 10/441 in the Fox Valley, Highway 23 between Fond du Lac and Plymouth, and Highway 15 near New London in Outagamie County.

Work on the projects in many cases is underway. The work will continue, but at a slower pace that will delay completion for two years.

UW-Whitewater's Fiscal and Economic Research Center studied the cost of delays for four of the projects, but not Highway 15. It estimated the delays would add 5% per year to the cost of the projects.

Inflation for the construction industry since 2000 has averaged 5% a year, according to the report. That's about double the inflation rate over the same period for other products as measured by the Consumer Price Index.

DOT spokeswoman Peg Schmitt said the department plans to release its own estimates on the cost of the delays in February.

Walker and the Legislature's budget-writing Joint Finance Committee have the ability to tap into an additional \$350 million that could mitigate the delays but haven't done so.

Walker wanted to borrow a record \$1.3 billion over two years for transportation, but GOP lawmakers said that was too much. In a compromise, they agreed to borrow \$500 million initially as part of the state budget they adopted in July. The department was given the ability to

ask for an additional \$350 million, which would be released with the approval of the budget committee.

Schmitt said the agency would request \$200 million in bonds for the fiscal year that runs through June 30.

The additional bonding would be covered by the state's general fund, which is made up primarily of income and sales tax receipts and pays for school funding, health care for the poor and an array of programs. Usually, borrowing for highways is covered by the transportation fund, which is made up mostly of collections from the gas tax and vehicle registration fees.

Senate Republicans have expressed reluctance to issue the additional funding.

"I don't care if they're building a highway to heaven. I don't support using (general obligation) bonds to do it," said Sen. Luther Olsen (R-Ripon), who sits on the budget committee. But other Republicans, such as Reps. Mike Rohrkaste of Neenah and Dave Murphy of Greenville, are urging the DOT and the committee to issue the bonds so projects such as Highway 10/441 can stay on track.

"We are very disappointed this key project has been delayed after being assured throughout the budget process that this project is a top priority," Rohrkaste said in a statement.

While the DOT has said the delays will be for two years, they may end up being longer. The DOT's projection assumes lawmakers will inject new revenue into the transportation system in the years ahead. But legislators for years have struggled with finding ways to put more money toward roads, with Walker and some Republicans who control the Legislature ruling out raising gas taxes or registration fees.

The delays on the five projects will likely have a cascading effect that will push off work on future projects, but the department hasn't said what those could be.

Scott Walker asks Senate Republicans for more road borrowing

Milwaukee Journal Sentinel (Patrick Marley and Jason Stein)

October 6, 2015

Gov. Scott Walker on Tuesday urged Senate Republicans to approve additional borrowing to help put back on track at least some of the five major highway projects that are facing delays.

Walker's administration announced last week it was delaying the five projects and disclosed Monday it would be pushing back work on other, smaller ones. The Department of Transportation has not yet revealed which additional projects would be delayed.

Walker and a panel of lawmakers have the ability to issue an additional \$350 million in debt for roadwork. Of that, \$200 million could be issued now and \$150 million in the fiscal year that begins July 1.

"We think there are ways that we can squeeze out some savings and find some ways to work with you on that, but I would be hopeful that at some point in the future at least some portion of that could be freed up," the GOP governor told Republican senators.

Walker did not take questions from reporters afterward. It's unclear how much the additional borrowing would mitigate the delays.

Myranda Tanck, a spokeswoman for Senate Majority Leader Scott Fitzgerald (R-Juneau), said after the meeting it would be a "tough sell" to persuade Senate Republicans to approve more bonds for road projects, particularly if they would have to be paid back from the state's main account instead of the transportation fund.

The department announced last week it was delaying work on I-39/90 from the Illinois state line to Madison; Highway 151/Verona Road in Madison; Highway 10/441 in the Fox Valley; Highway 23 between Fond du Lac and Plymouth; and Highway 15 near New London in Outagamie County.

Work on the projects in many cases is underway. The work will continue, but at a slower pace that will delay completion for two years, unless additional bonding is approved.

Delaying four of those major projects would cost drivers \$160 million or more in inflation over two years, according to a projection released Monday by the University of Wisconsin-Whitewater and the Transportation Development Association of Wisconsin. The study was paid for by the trade group.

The department will release its own estimate on the cost of delays in February.

Walker wanted to borrow a record \$1.3 billion over two years for transportation, but his fellow Republicans who control the Legislature said that was too much. In a compromise, they agreed to borrow \$500 million initially as part of the state budget they adopted in July.

The department was given the ability to ask for an extra \$350 million, which would be released with the approval of the Legislature's Joint Finance Committee. The department has yet to ask for the additional sum.

Senate Republicans have expressed reluctance to issue the additional funding, in part because much of it would be paid back from the state's general fund, which is made up primarily of income and sales tax receipts and pays for school funding, health care for the poor and an array of programs. Usually, borrowing for highways is covered by the transportation fund, which is made up mostly of collections from the gas tax and vehicle registration fees.

Republicans in the Assembly and Democrats from both houses have called for issuing the additional bonds.

"Kicking the can down the road is ineffective and expensive," said Sen. Janis Ringhand (D-Evansville).

Senate Minority Leader Jennifer Shilling (D-La Crosse) said Democrats in her house support finding more money for roads and were willing to discuss raising gas taxes or raising vehicle registration fees, but did not endorse any specific idea.

"Those things are all on the table," she said. "We need to have a two-way conversation with the majority party to make any of this real."

Also Tuesday, Rep. Robb Kahl (D-Monona) announced he would introduce legislation to allow for annual, automatic inflationary increases in the gas tax. Under Kahl's plan, the Joint Finance Committee would have the power to halt the increases.

For decades, inflationary hikes to the gas tax went into effect every year. Legislators from both parties approved ending the practice in 2005, saying there should be votes for any increases. Since then, they haven't approved any increases to the tax.

While the DOT has said the delays will be for two years, they may end up being longer. The DOT's projection assumes lawmakers will inject new revenue into the transportation system in the years ahead. But legislators for years have struggled with finding ways to put more money toward roads, with Walker and some Republicans who control the Legislature ruling out raising gas taxes or registration fees.

The delays on the five projects will likely have a cascading effect that will push off work on future projects, but the department hasn't said what those could be.

DOT delays work on dozens of projects; Scott Walker wants more funding

Milwaukee Journal Sentinel (Patrick Marley and Jason Stein)

October 8, 2015

The DOT rewrites its six-year plan regularly, with a particular eye toward updating it after lawmakers approve the state budget every two years. With cuts to the road budget, the DOT needed to delay projects, Gottlieb told lawmakers.

The additional projects being put off cover everything from simple resurfacing jobs to top-to-bottom reconstructions. They include bridge rehabilitation work on I-43 in Milwaukee County and the resurfacing of a segment of Highway 18 in Waukesha County.

Work has not yet begun on the many of the projects. Their start dates are being delayed for a year or two under DOT plans.

For others, work is underway. That work will continue, but at a slower pace that will delay completion for two years — unless additional bonding is approved.

Last spring, Walker sought to borrow a record \$1.3 billion over two years for transportation to avoid raising gas taxes, but his fellow Republicans reduced that to borrowing \$500 million initially as part of the state budget approved in July. Lawmakers gave the administration the

ability to ask for an extra \$350 million in borrowing, which would be released with the approval of the Joint Finance Committee.

Of that, up to \$200 million could be released now and \$150 million for the fiscal year that begins July 1. Walker's comments indicate he will seek most but not all of the bonding that would be available in this fiscal year.

Much of the additional borrowing would be paid back from the state's general fund, which is made up primarily of income and sales tax receipts. That's a departure from the usual practice of paying back bonds for highways from the transportation fund, which is made up mostly of collections from the gas tax and vehicle registration fees.

Senate Majority Leader Scott Fitzgerald (R-Juneau) said his caucus opposes paying back bonds for roads using the general fund.

Republicans in recent years have struggled for years with how to fund roads. The Legislative Audit Committee plans to vote next week to authorize a review of the highway-building program.

Meanwhile, Walker and transportation officials hope to capture savings on the Zoo Interchange. "We do this by using new techniques, materials and innovations, value engineering studies, reducing the scope of projects and other things," department spokeswoman Peg Schmitt said by email.

The five major projects that are being delayed are I-39/90 from the Illinois state line to Madison; Highway 151/Verona Road in Madison; Highway 10/441 in the Fox Valley; Highway 23 between Fond du Lac and Plymouth; and Highway 15 near New London in Outagamie County.

Delaying four of those major projects would cost the state \$160 million or more in inflation over two years, according to a projection released Monday by the University of Wisconsin-Whitewater and paid for by the Transportation Development Association of Wisconsin, a trade group.

Senate Minority Leader Jennifer Shilling (D-La Crosse) had said Democrats in her house support finding more money for roads and were willing to discuss raising gas taxes or raising vehicle registration fees but have not endorsed any specific idea.

More borrowing for roads isn't the answer

Milwaukee Journal Sentinel Editorial

Oct. 10, 2015

Gov. Scott Walker wants lawmakers to authorize the state to borrow \$150 million this year because — surprise, surprise — there's not enough money to pay for all the road projects and maintenance needed in Wisconsin. So borrowing is OK but it's not OK to raise more money from taxpayers or find more sustainable revenue sources for transportation. And this is fiscally responsible how?

The Department of Transportation has said it is delaying work on dozens of road projects over the next six years, including five major projects that are important to the state's infrastructure and economy, as Craig Thompson of the Transportation Development Association noted in an op-ed on this page on Friday. Thompson also warned that, "What is somewhat misleading about that is the two-year delay is a best-case scenario. If the next budget follows the precedence of recent state budgets, those delays will be indefinite. In other words, it will take additional funding in the next budget just to limit those delays to two years."

The reason the state doesn't have that money is because of funding cuts that Walker and GOP lawmakers made this summer, Transportation Secretary Mark Gottlieb told legislators in a letter last week.

Some of the 225 projects outlined by the department are segments of larger projects, the Journal Sentinel reported last week. For instance, widening I-39/90 from the Illinois state line to Madison is listed as 32 separate projects. Nonetheless, the new DOT list means dozens of projects will be delayed in the coming years.

And Walker's solution? Borrowing. With all the good work and the studies being done around the country on finding other ways of paying for roads, Walker's best solution is to borrow more. But that's just a short-term stopgap that doesn't address the real and long-term problem, that GOP lawmakers in Madison and Washington seem unable or unwilling to grasp.

As we, Thompson and many others have said time and again, traditional sources of funding aren't providing the necessary revenue. As vehicles have become more fuel-efficient and as some people decide to drive less, there is less in gas tax revenue. At the same time, many of the nation's — and the state's — roads are reaching the end of their serviceable life.

Other options are needed. Transit needs to be looked at much more seriously, as do other revenue options, such as vehicle miles traveled and registration fees based on vehicle size and even toll roads, as state Rep. Robin Vos (who does seem to understand the problem), has suggested.

Walker proposed a significant amount of borrowing for roads in his initial budget, which the Legislature wisely rejected. Charging the future for today's needs is not always the best route to take, as the GOP is notoriously fond of telling Democrats in Washington.

The infrastructure is crumbling and the current model simply is no longer able to pay for new projects or the maintenance to keep commerce and families moving. Legislators and the governor need to put aside their blinders and come up with some real solutions.

State slows roads, prolongs headaches

Wisconsin State Journal editorial

October 7, 2015

Snarled traffic at higher cost.

That's what state leaders just delivered to Madison, Janesville, Beloit, Fond du Lac, Plymouth and the Fox Valley by delaying major road projects already under way.

The state Department of Transportation just applied the brakes to five major road projects, including the massive reconstruction of Verona Road on Madison's Southwest Side, which leads to Epic Systems, the booming health care software giant in Verona.

Workers will keep the orange barrels out and continue rebuilding and expanding Verona Road and the adjacent Beltline, from Seminole Highway to Whitney Way. But the expansion of Verona Road from Raymond Road to McKee Road will be slowed, with completion pushed back two years to 2021.

That means two additional years of congestion and headaches for commuters, as well as more dangerous traffic for everyone who travels the busy corridor. Hundreds of crashes — more than twice the state average for similar stretches of road — have occurred there, according to the DOT. And that was years *before* work began.

Another project being slowed is the widening of Interstate 39-90, from Madison south to Janesville and Beloit. The expansion from four to six lanes, which began this year, will now last two years long, until 2023.

The lack of money to finish projects on time corresponds with a lack of leadership on state transportation needs. Gov. Scott Walker has repeatedly rejected reasonable increases in user fees, such as a small increase in the state gas tax to keep up with inflation, as well as more innovative solutions, including regional transit authorities.

Instead, the Republican governor has steered the state on a borrowing binge to try to keep road projects going, something the GOP-run Legislature has mostly — and wisely — resisted. Lawmakers reduced Walker's proposed borrowing for roads in the state budget from \$1.3 billion to \$500 million, with an additional \$350 million possible.

If not for the borrowing, even more projects would run out of fuel. But borrowing to get by is unsustainable. More lawmakers need to pressure the governor for additional revenue from motorists, including big trucks and Illinois tourists.

The longer major road projects — including the widening of Highway 41 and other work in the Fox Valley, and completion of Highway 23 from Fond du Lac to Plymouth — are delayed, the more expensive they become because of inflation.

The slowdowns also hurt the economy. The Transportation Development Association, a coalition of business, labor and local government groups, released a report Tuesday quantifying the lost economic impact from stalled highway construction. The Madison-area projects alone, including the wider interstate to Beloit, would provide a short-term economic impact of \$2.1 billion, as well as ongoing benefits to business, the report estimated. More people and products would be able to get where they need to go, quicker and safer.

Those benefits will now be delayed. Wisconsin can and should do better.

Scott Walker urges Republican lawmakers to borrow \$350 million more for road projects

Wisconsin State Journal (Matthew DeFour)

Oct 6, 2015

Gov. Scott Walker urged Republican lawmakers Tuesday to authorize an additional \$350 million in borrowing to help pay for road projects that are delayed for lack of funding.

The delays affect two Madison-area projects — expansion of Verona Road south of the Beltline and the widening of Interstate 39-90 from Madison to the Illinois border.

In the 2015-17 budget, lawmakers approved the state borrowing the money but only after additional review by the Joint Finance Committee. The budget also included \$500 million in borrowing that was not contingent on additional JFC approval. Walker had originally proposed \$1.3 billion in borrowing for road project.

Because the two-year budget only authorized a half-billion dollars in borrowing, the Department of Transportation announced last month it would delay the completion of five major projects:

- Widening Interstate 39-90 in Dane and Rock counties (completion moved from 2021 to 2023).
- Widening of Verona Road south of the Beltline and some Beltline work in Dane County (from 2019 to 2021).
- Highway 10-441 in Outagamie, Calumet and Winnebago counties (from 2019 to 2021).
- Highway 23 in Sheboygan and Fond du Lac counties (on hold pending court action).
- Highway 15 in Outagamie County (from 2019 to 2021).

“If we have funding there, those projects go forward,” Walker said. “If they don’t, depending on how much or how little we have depends on how far those projects go going forward.”

Walker spoke to Senate Republicans at their caucus meeting in the Capitol on Tuesday but did not take questions from reporters.

DOT spokeswoman Peg Schmitt said the department is still assessing potential impacts for additional regional state highway rehabilitation projects.

Under the state budget, the first half of the \$350 million borrowed would be repaid with general taxes and the other half could be repaid with transportation-related funds such as the gas tax and vehicle registration fees or general fund taxes, according to the nonpartisan Legislative Fiscal Bureau.

Sen. Luther Olsen, R-Ripon, a JFC member, said he's "dead against" any borrowing that would be repaid with general fund taxes, which pay for K-12 schools, the University of Wisconsin System, technical colleges and other state services.

"I'm not interested in using (general fund tax dollars) when we came up short this last budget," Olsen said, referring to cuts to UW, state parks and public radio and television, as well as an increase in K-12 school funding that relied on an accounting gimmick to pull funding from a future budget.

A bipartisan study committee recommended in early 2013 a combination of increasing the gas tax by five cents per gallon, changing to a mileage-based vehicle registration fee and other fee increases to address the state's long-term transportation funding woes, but Republicans haven't adopted any of those recommendations in two budgets since.

Democrats have called for a special session to address transportation funding issues. Rep. Robb Kahl, D-Monona, announced Tuesday a proposal to reinstate indexing the gas tax to inflation, which the state discontinued in 2006. He said if indexing hadn't been eliminated, the gas tax would be 6 cents per gallon higher today.

"We need to stop burdening our children with debt to pay for roads they will personally never drive on," Kahl said in a statement. "This is a fiscally responsible course of action to help support the long-term funding of our transportation infrastructure, which will in turn help grow Wisconsin's economy."

A UW-Whitewater study released Tuesday that was commissioned by the Transportation Development Association of Wisconsin found the two-year delay on four of the five major projects would cost the state \$160 million based on inflationary construction cost trends. An updated DOT estimate isn't due out until February, agency spokeswoman Schmitt said.

The study also estimated the I-39-90 project will have a \$1.8 billion economic development impact and create more than 2,000 construction jobs and 1,000 permanent jobs. The Verona Road project will have a \$250 million economic development impact and create nearly 500 construction jobs and 150 permanent jobs, the study said.

Walker mentioned the possibility of finding unspecified cost reductions as one alternative to borrowing \$350 million.

“We’re willing to work with you in terms of what kind of alternatives there might be,” Walker said. “The long term between now and the next budget we can talk about how to deal with those issues on a long-term basis.”

Walker blamed the state’s transportation funding problems on his predecessor, Gov. Jim Doyle, a Democrat, who transferred money from the transportation fund to shore up the state’s general fund.

According to the fiscal bureau, Doyle took \$1.4 billion from the transportation fund to help balance the general fund over four budgets. But he also paid back the transportation fund with general fund-backed bonds, for a net loss to the transportation fund of \$375.6 million.

In his three budgets, Walker transferred \$450 million from the general fund to the transportation fund, and also borrowed \$315 million with money repaid by general taxes, for a net gain to the transportation fund of \$390 million since 2003, plus whatever amount is authorized by the JFC. Walker emphasized that even with the additional \$350 million in borrowing, the amount of total borrowing in the two-year budget that began July 1 would still be at the lowest level in more than 20 years.

“We’re in a pretty strong position,” Walker said. “I’m hopeful we can work together on it.” Joint Finance Committee co-chairpersons Sen. Alberta Darling, R-River Hills, and Rep. John Nygren, R-Marinette, did not respond to a request for comment.

State highway delays could cost motorists \$160 million

Pierce County Herald

October 6, 2015

Motorists could end up paying an extra \$160 million to slow down five major Wisconsin highway projects so their costs can be spread out.

The figure comes from a study done by UW-Whitewater for the Transportation Development Association. It found that inflation would bump up the costs of the projects by \$80 million for each year of the two-year delays.

The Wisconsin Department of Transportation announced the slow-downs last week on Interstate 39-90 south of Madison, the Hwy. 151-Verona Road project at Madison, Hwy. 10-441 in the Appleton area, Hwy. 23 from Fond du Lac to Plymouth, and Hwy. 15 near New London.

Most of the projects are underway but they're being slowed down so they don't get finished for another two years.

The DOT blames it on an \$800 million cut in highway borrowing from what Gov. Scott Walker originally sought in the new state budget.

Walker said the Joint Finance Committee can help solve the problem by tapping \$350 million in additional bonding authority as part of the new budget.

Road project delays could be costly for Wisconsin

Wisconsin Radio Network (Craig Thompson Interview with Andrew Beckett)

October 6, 2015

A new report suggests delaying several major highway projects in Wisconsin could end up costing taxpayers an extra \$160 million, while delaying other economic benefits to residents and businesses that would benefit from the improved roads.

The study, released by the Transportation Development Association, was conducted by researchers at the UW-Whitewater. It analyzed the impact of four major projects in the state – an expansion of I-39/90 from Madison to the Wisconsin-Illinois state line, U.S. Highway 10/State Highway 441 in the Fox River Valley, U.S. Highway 151/Verona Road on Madison’s west side, and State Highway 23 between Fond du Lac and Plymouth. The Department of Transportation recently announced it was delaying those projects, along with a fifth not examined in the study, for at least two years.

The report found projects would have short-term impact on Wisconsin’s economy of almost \$3 billion, create 4,100 construction jobs, and, when completed, bring \$185 million in annual benefits to businesses in the affected area. It also found that inflation would increase the costs of the projects by \$80 million over each of the next two years.

TDA Executive Director Craig Thompson said the report “reaffirms what I think we all instinctively know: improving the quality of our roads puts businesses and people in the road construction industry to work, but after completion, additional benefits accrue to businesses in the region from the more efficient access to markets.”

The study comes as Governor Scott Walker has been pushing lawmakers to release additional transportation bonding that was included in the state budget, which requires authorization from the Joint Finance Committee. Thompson says it’s unclear if the \$350 million would be enough for all of the projects to get back on schedule or allow just some of the work to move forward.

Road project delays could be costly for Wisconsin

1150 WHBY Appleton, Green Bay

1100AM and 97.3FM WAUH-FM Wautoma

1420 AM WJUB Sheboygan

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Study: State highway delays could cost drivers extra \$160 million

Rock 94.7 Wausau

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Walker says the Joint Finance Committee can help solve the problem by tapping \$350 million in additional bonding authority as part of the new budget.

Five highway projects facing delays, Gov. Walker asks that \$350M be set aside for transportation

Fox 6 Milwaukee

October 6, 2015

Governor Scott Walker says he wants to work with Republican senators to find a solution to funding for road projects in Wisconsin that has led to a delay in some work.

Walker spoke to Republican state senators in the Capitol on Tuesday, October 6th.

He also voiced his support for replacing the nonpartisan Government Accountability Board with a bipartisan panel, banning the sale of aborted fetal tissue and overhauling the state's 110-year-old civil service system.

Walker says he hopes at least “some portion” of \$350 million set aside in the state budget for transportation projects can be tapped to continue road projects.

This, after a report by researchers at UW-Whitewater for the Transportation Development Association that suggests delaying several major highway projects in Wisconsin could end up costing taxpayers an extra \$160 million, while delaying other economic benefits to residents and businesses that would benefit from the improved roads.

Walker’s Department of Transportation last week announced it was delaying work on five major projects for two years.

Walker told senators at the Capitol Tuesday he’s willing to work with them on alternatives.

The budget passed this summer authorized \$500 million in borrowing, with lawmakers reversing the option to authorize up to \$350 million more over the next year.

Here is a list of the five major highway projects facing two-year delays, according to the Wisconsin Department of Transportation:

- US 10/WIS 441 near Appleton
- I-39/90 (Madison to Illinois)
- US 18/151 (Verona Road, Dane County)
- WIS 15 (New London/Outagamie County)
- WIS 23 (Fond du Lac and Sheboygan counties)

DOT officials tell FOX6 News the department prepares an updated financial report on the cost estimates for major highway projects twice each year. The next financial report will be available by February 2016.

Additionally, DOT officials say information is being pulled together on local project delays.

Dozens of state road projects delayed by DOT after budget shortfall

FOX 11 News Green Bay
Tuesday, October 6, 2015

It might sound cliché, but you don't realize what you have - until it's gone. Or, at least, you don't know how rough the road is until you feel it.

A couple dozen future road projects in the area are among those in the state being delayed. And the delays will stay in place, unless legislators can come up with ways to find more revenue down the road.

There are more than 20 projects in Northeast Wisconsin - with five in Brown and Fond du Lac Counties; three in Sheboygan County; two each in Winnebago, Manitowoc and Door and one in Outagamie and Marinette. Many more were also pushed back in the north central region, as well.

"What we have to do is look at what is most important, the priority of our projects are," said Colleen Harris, the Wisconsin Department of Transportation deputy director for the northeast region.

Prioritizing them by safety, pavement and bridge conditions and when the best time is to do the needed work.

"It takes a number of years for projects to get in our program," said Harris. "We usually start looking at starting a project anywhere from eight to ten years out."

Most projects are being set out by one to two years. Instead of the nearly 10-mile Highway 42 Door County resurfacing project between Fish Creek and Sister Bay starting in 2018, it will begin in 2019. The 9.5 mile Highway 23 project in Fond du Lac County will move from 2019 to 2020, just to name a few.

"We are going to keep an eye on all those projects that we moved out. Most projects moved one to two years in the program, further out, as a delay, so we will keep a good eye on those and do any minor repairs that we can."

That includes the long-awaited Highway 57 reconstruction project in the village of Allouez. The \$12.5 million project is now pushed back to 2021. It was originally slated to start in 2019. However Harris says - in the meantime - a band-aid of sorts of resurfacing the road will be done in 2017.

"I think a lot of people were looking forward to the resurfacing, the replacement of Riverside Drive, to hear that that's going to be delayed another two years, causing the taxpayers to come up with an additional \$1.5-2 million is pretty frustrating," said State Rep. Eric Genrich, D-Green Bay.

A budget issue that legislators from both sides looking for answers.

"I think we need to continue to look at the way that roads are funded here in Wisconsin," said State Rep. Andre Jacque. "I would certainly support moving some vehicle-related sales tax, income, over to the transportation fund."

Tuesday, Governor Walker said again he wants to work with Republican state senators to find a funding solution.

State Highway Delays Could Cost Motorists \$160 Million

WWIS, Black River Falls

WSAU, Stevens Point

October 6, 2015

Motorists could end up paying an extra 160-million dollars to slow down five major Wisconsin highway projects so their costs can be spread out.

The figure comes from a study done by U-W Whitewater for the Transportation Development Association. It found that inflation would bump up the costs of the projects by 80-million dollars

for each year of the two-year delays. The D-O-T announced the slow-downs last week on Interstate 39-90 south of Madison, the Highway 151-Verona Road project at Madison, Highway 10-441 in the Appleton area, Highway 23 from Fond du Lac to Plymouth, and Highway 15 near New London. Most of the projects are underway -- but they're being slowed down so they don't get finished for another two years. The D-O-T blames it on an 800-million cut in highway borrowing from what Governor Scott Walker originally sought in the new state budget. Walker says the Joint Finance Committee can help solve the problem by tapping 350-million dollars in additional bonding authority as part of the new budget.

WLDY-WJBL news, Ladysmith

October 6, 2015

Motorists could end up paying an extra 160-million dollars to slow down five major Wisconsin highway projects so their costs can be spread out. The figure comes from a study done by U-W Whitewater for the Transportation Development Association. It found that inflation would bump up the costs of the projects by 80-million dollars for each year of the two-year delays. The D-O-T announced the slow-downs last week on Interstate 39-90 south of Madison, the Highway 151-Verona Road project at Madison, Highway 10-441 in the Appleton area, Highway 23 from Fond du Lac to Plymouth, and Highway 15 near New London. Most of the projects are underway — but they're being slowed down so they don't get finished for another two years. The D-O-T blames it on an 800-million cut in highway borrowing from what Governor Scott Walker originally sought in the new state budget. Walker says the Joint Finance Committee can help solve the problem by tapping 350-million dollars in additional bonding authority as part of the new budget.

Cost of delaying road projects pegged at \$160 million

Newspindle

October 5, 2015

Cost of delaying road projects pegged at \$160 million

A plan by Gov. Scott Walker's administration to delay major road projects will cost drivers \$160 million or more over two years, according to a projection released Monday by the UW-Whitewater.

Cost of Doing Nothing Adding Up

In Business Magazine – blog by Craig Thompson

October 5, 2015

Also appeared in:

Milwaukee Journal Sentinel (October 8)

La Crosse Tribune (October 8)

Chippewa Herald (October 8)

Eau Claire Leader Telegram (October 8)

Here we go. The real life impacts of kicking the can down the road on transportation funding are now being felt. The Wisconsin Department of Transportation recently announced the several

year delay of the five most significant improvement projects in Wisconsin other than the Zoo Interchange. Judging from the reaction, people do not seem happy.

The projects are: I39/90 from Beloit to Madison; Hwy 10/441 in Appleton; Hwy 23 between Fond du Lac and Sheboygan; the Verona Road in the Madison area and; Hwy 15 near New London. The announcement indicates that each of these projects will be delayed two years.

What is somewhat misleading about that is the two year delay is a best case scenario. If the next budget follows the precedence of recent state budgets, those delays will be indefinite. In other words it will take additional funding in the next budget just to limit those delays to two years.

TDA commissioned the Fiscal and Economic Research Center (FERC) at the University of Whitewater to conduct an economic impact study on four of these affected projects (Hwy 15 was not included in the study). The research quantifies what many of us know intuitively – these projects will create jobs in the short-term and have a significant positive impact on the economy as a whole in the long-term.

Key findings of the report include:

- The projects under study are expected to have a combined, short-term impact on Wisconsin's economy of close to \$3 billion from the construction of the projects.
- The construction activity will lead to over 4,100 jobs in the state from the road construction industry and their suppliers.
- After completion of the projects, businesses will benefit by almost \$185 million annually, as a result of increased accessibility, reliability and road quality.
- The increased business will support in excess of 1,700 jobs moving forward.

The delay of these projects will obviously delay the benefits listed above. Delaying these projects will also cause them to be significantly more expensive. Construction inflation in Wisconsin has averaged around 5% a year since 2000, while general inflation has increased on average at a rate less than half of that. This is driven largely by commodity prices such as asphalt and steel.

If you think that delaying these improvement projects will free up money to put into basic maintenance of our roadways think again. The vast majority of the state's transportation budget is spent on maintenance and rehabilitation, and that is also taking a hit. I can say with certainty that we will hear in the near future of rehabilitation projects all across the state that are being pushed back as well.

As far as funding for our city, county and town roads: if the state can't keep their projects on schedule it is unlikely that aids to local governments are going to increase. Municipal road and public works officials across Wisconsin will tell you they have roads engineered to last 30 years that are on a replacement schedule well over 100 years as of today.

No matter where you live in Wisconsin, you will be affected. The UW Whitewater Study demonstrates just how impactful these corridors are to commerce in our state. The delay of these four projects, however, is simply the symptom of a much larger problem.

Anyone who thinks we are saving taxpayer money by ignoring, deferring and delaying is sadly mistaken.

New report suggests delaying WI road construction will cost an additional \$80 million a year

WKOW TV Madison – interview with Craig Thompson
October 18, 2015

Orange construction cones have been the norm on Verona Road since 2013. The ongoing project has been difficult for many business owners, but a new report suggests the hardship will be worth it in the long run.

"For the Verona Road project it looked at about \$16 million a year to the economy and over 150 jobs it would help to add after all the construction is completed," Transportation Development Association of Wisconsin Executive Director Craig Thompson says.

The Verona Road project was one of four construction projects a team of researchers from UW-Whitewater included in their study. The other projects include I-39/90 from Madison to the Wisconsin-Illinois state line, U.S. Highway 10/State Highway 441 in the Fox River Valley and State highway 23 between Fond du Lac and Plymouth.

"Together these projects will account for a \$3 billion economic impact with new jobs," Thompson says.

That seems like a lot of money, but researchers believe the stronger infrastructure will inspire more businesses to transport their goods and services across the state. When it comes to the Verona Road project, researchers believe the faster commute between Madison, Fitchburg and Verona will help major employers grow their businesses and stimulate the local economy.

However, not all of the numbers in this new report were positive. Researchers believe that due to inflation and the rising costs of construction, delaying these four projects will cost \$80 million each year they're delayed.

"Because of the cost of steel and asphalt and other commodities, construction inflation runs quite a bit higher than general inflation," Thompson explains.

WisDOT recently announced that all four of these projects will be delayed about two years due to a lack of funding in the state budget. Thompson says the construction will likely continue, but at a much slower pace, because there aren't enough funds to pay all of the construction companies.

"Delaying these projects is really not saving us any money in the end," Thompson explains.

The Verona Road project is slated to be completed by the year 2021, which is two years later than the original completion date of 2019.