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# 2003-2005 Transportation Budget Summary

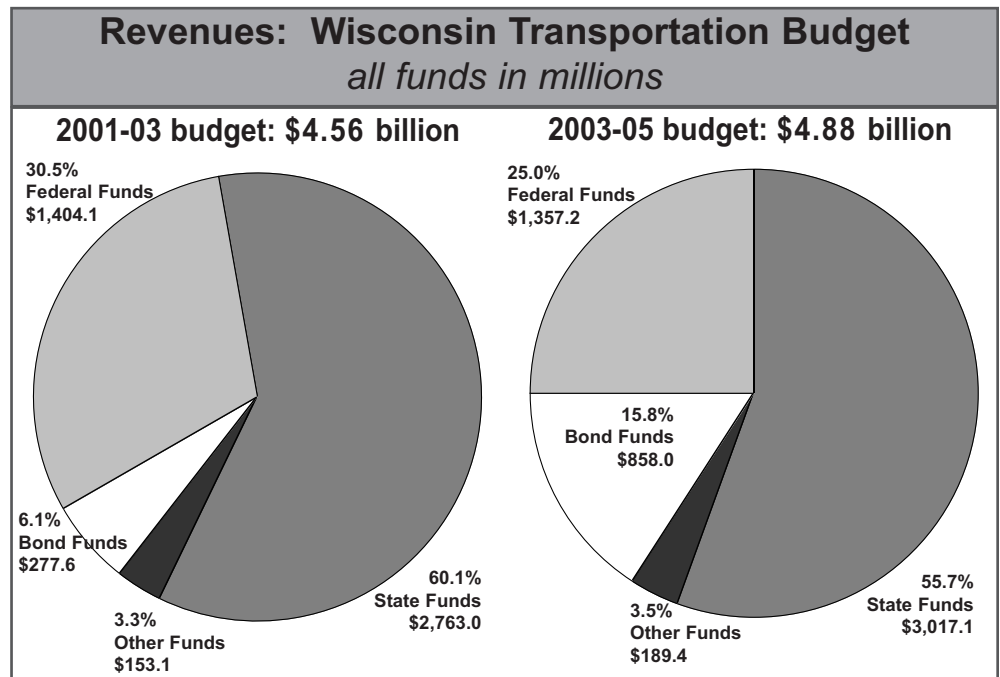
**Editor's Note:** the information in this Budget Summary has been compiled from WisDOT and Legislative Fiscal Bureau data.

The 2003-2005 biennial transportation budget bill (Wisconsin Act 33), maintains overall funding levels at approximately 2003 base levels. However, the budget includes a transfer of \$675 million from the Transportation Fund to the General Fund. This segregated transportation revenue is replaced with \$565 million of general obligation bonding, with the principal and interest in the current biennium to be repaid with transportation revenues. Act 64, passed October 29, 2003, transferred the debt service to the General Fund beginning July 1, 2005.

## Revenues

In the 2003-05 biennial budget, transportation revenue allocated to WisDOT programs is \$4.88 billion after transfers to other state agencies. The substantial increase in bond funds was necessitated by the large transfer of transportation funds to cover shortfalls in general fund programs.

WisDOT has decreased its expectation of federal funding over this biennium by \$75 million from the 2003 base. This reduction is based on an assessment of the proposals being discussed for reauthorization of TEA-21.



While congressional leaders in both houses are pushing for increased transportation investment, the Bush administration and many in Congress are opposed to increasing transportation user fees to raise needed revenue.

State transportation funds are comprised of state motor fuel taxes, vehicle registration, driver's license, and other miscellaneous fees. Effective October 1, 2003, fees for automobile registration and vehicle titling will increase. The automobile registration fee will increase from \$45 to \$55 and will provide an additional \$60.5 million in the biennium. The title

transfer fee will increase from \$25 to \$35 and will provide an estimated \$26.3 million for the biennium.

## Transportation Revenues to Other Agencies

*(In Millions)*

	2003-2005 Budget
General Fund Transfers	
Shared Revenue	-400
Misc. General Funds	-175
School Aids (1)	-100
	-675

(1) School Aids transfer of \$60 million a year will continue in the next biennium, \$120 million in 2005-2007.

# 2003-2005 Transportation Budget

## Program Funding: Transportation Aids and Local Capital Assistance

### Local Aids

**General Transportation Aid** payments to local governments remain at 2003 levels. Funding for 2004 and 2005 will be approximately \$90 million for counties and \$283 million for municipalities. In addition, the rate per mile remains at the 2003 level of \$1,825.

**Local Road Improvement Program** funding is reduced by \$2.5 million over the biennium. This reduction was tied to an unfunded earmark for the West Canal Street in Milwaukee.

### Transit

**Elderly and Disabled Transit program** funding is increased by \$221,000 in 2004 and \$447,000 in 2005 to provide inflationary increases of 2.5%.

**Transit Operating Assistance program** funding remains at 2003 levels for the biennium. Funding for 2004 and 2005 is \$56.8 million for Tier A-1, \$15.1 million for Tier A-2, \$21.7 million for Tier B, and \$4.9 million for Tier C.

### Aviation/Harbors

**Aviation program** funding will be \$69.5 million in both 2004 and 2005.

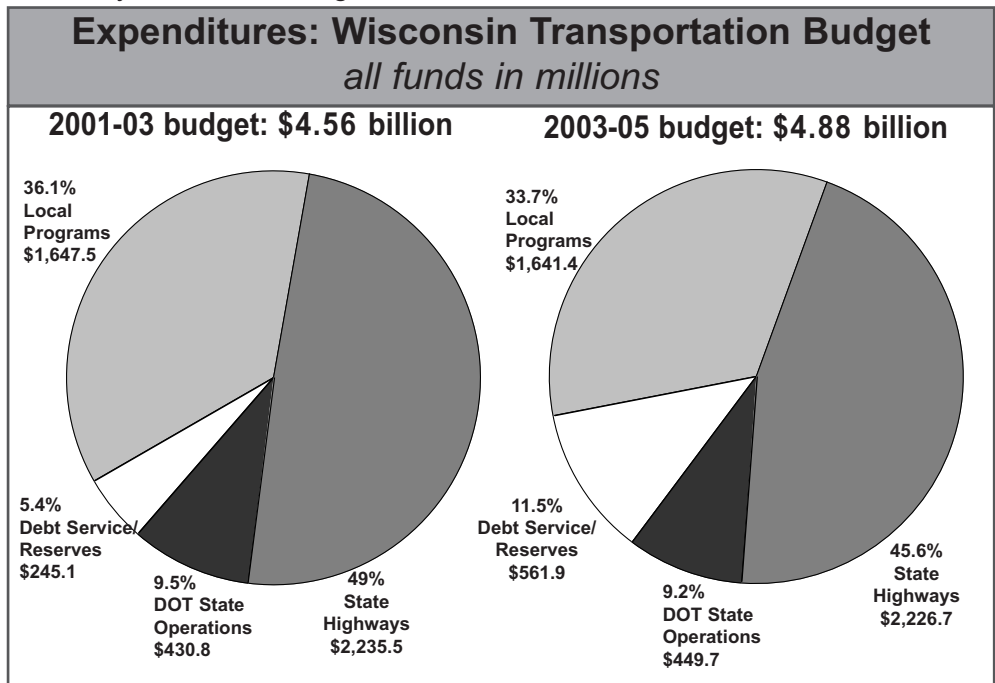
**Harbor Assistance program** is provided \$3 million in additional bonding authority and \$1 million in state funds to continue funding at the levels approved for the last two budget cycles.

### Rail

**Commuter Rail Transit System Development program** retains \$400,000 in state funds to provide one-half of the non-federal share for preliminary engineering for the Kenosha-Racine-Milwaukee (KRM) system. This budget allows

additional bonding authority for acquisition and rehabilitation of rail lines.

**Freight Rail Infrastructure Loans** receive no SEG funds, resulting in program funding from the revolving loan pool. Bonding authority is increased by \$500,000.



federal funds to flow directly to local governments for project development and also permits utilization of the funds for light rail projects.

**Passenger Rail (Amtrak Hiawatha Service) program** receives increased funding to reflect the estimated costs of a new contract with Amtrak for the Hiawatha service from Milwaukee to Chicago – \$1.1 million in state and federal funds in 2004 and \$1.7 million in 2005.

**Freight Rail Preservation program** receives \$4.5 million in

### Program Delivery

WisDOT operations budget is permanently reduced by \$30 million:

- elimination of 302.5 FTE positions
- reduction in state highway program budgets for hiring consultants (\$8.6 million) for services such as design engineering and project management and for limited-term employees (\$4 million).

# 2003-2005 Transportation Budget

## Program Funding: State Highways

Excluding the Marquette Interchange, Highway program funding is slightly lower than 2003 base levels. However, to accommodate the transfer of \$675 million from the Transportation Fund, SEG revenue was dramatically reduced and replaced with bonding.

Funding for the Majors program was reduced by \$4 million over the biennium and bonded at 57%, up from 55%. Highway Rehabilitation program funding was reduced by \$16 million over the biennium. Bonding for Rehabilitation is being used for or the first time at a rate of 44%.

Funding for Southeast Freeways (excluding the Marquette project) was reduced by \$80 million over the biennium from the legislature's budget. The budget firewall between the Marquette and the rest of the Southeast Freeway was removed. The estimated \$5

Highway Programs (In Millions)				
Program	FY 2003 (Base)	FY 2004	FY 2005	Variance to Base
Rehabilitation	\$558.0	\$542.7	\$556.7	-\$16.6
Majors	241.7	239.7	239.0	-4.7
SE WI Fwy.*	<u>95.3</u>	<u>87.2</u>	<u>173.7</u>	<u>70.3</u>
<b>Total</b>	<b>\$895.0</b>	<b>\$869.6</b>	<b>\$969.4</b>	<b>\$49.0</b>

\* Only \$17 million is for Southeast Freeway Rehabilitation, an \$80 million reduction from the legislature's budget.

billion reconstruction project has almost no funding base going into future bienniums and the source of future funding is uncertain.

The Marquette project is funded with \$244 million in 2003-2005, and bonding for the

project will be 18% in the first year and 38% in the second.

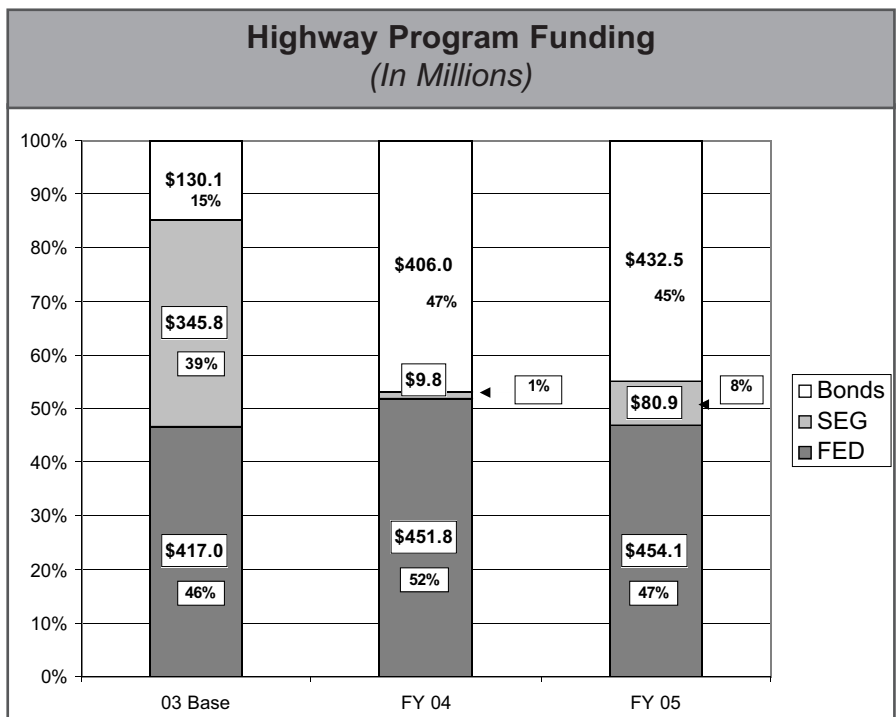
Funding for Highway Maintenance was reduced to base 2003 levels and \$7.4 million of a \$10 million adjustment to 2003 base was reversed.

### 4 Projects Enumerated

The following projects previously not enumerated by the TPC were enumerated as major highway projects in this budget:

- 1) USH 14 from Viroqua to Westby, Vernon County
- 2) USH 18 from STH 60 to Prairie du Chien, Crawford County
- 3) USH 41 from STH 26 to Breezewood Lane, Winnebago County
- 4) USH 41 from CTH F to CTH M, Brown County

However, no additional dollars were included in the Majors budget to ensure funding for these projects.



# 2003-2005 Transportation Budget

## Act 64 and Long-term Implications

Total Bonding (In Millions)				
Program	FY 2003 (Base)	FY 2004	FY 2005	% of Program
Rehabilitation- GO bonds*	\$0	\$253.9	\$230.0	44%
Majors- TR bonds	130.1	136.2	136.8	57%
SE WI Fwy.- GO bonds*	0	15.9	65.7	31%
<b>Total</b>	<b>\$130.1</b>	<b>\$406.0</b>	<b>\$432.5</b>	<b>46%</b>

\*Debt Service paid out of the Transportation Fund in 2003-2005 budget.

potential delay of more than 50 transportation improvement projects across the state and appropriately transferred the debt service necessitated by the large transfer of segregated transportation funds to the General Fund. However, it did not address the long-term funding needs of Wisconsin's transportation system.

The remaining \$400 million cost of the Marquette Interchange will need to be funded in the next biennium and over the next 20 years \$5 billion will be needed for the Southeast Freeway Reconstruction. Without new sources of funding for all transportation programs, Wisconsin will be forced to rely heavily on debt to finance these large projects and existing programs.

### Bonding increased \$578 million over '03 base levels.

In this budget, bonding increased \$578 million over 2003 levels. The increase partially offset the transfer of transportation funds to the General Fund. \$565 million of \$1 billion in general obligation bonding authority established in Act 33 was allocated in the current biennium. The debt service on all this bonding was to be paid with transportation funds and would have adversely impacted the Transportation Fund for many years.

On October 20, 2003, Governor Doyle, Assembly Speaker Gard and Senate Majority Leader Panzer announced a compromise funding plan for transportation. The agreement reduced the general obligation bonding limit for transportation from \$1 billion to \$565 million over the next two years and transferred debt service on the bonds to the

General Fund beginning in 2005, returning to the Transportation Fund \$69 million per year. This agreement (Act 64, enacted October 29, 2003) avoided the

### Transportation Fund Impacts 2003-2005 Budget

#### Impact in 2003-2005

\$675 million transferred to the General Fund  
 \$565 million of replacement bonding  
 \$110 million net loss to the Transportation Fund  
 \$ 41 million 03-05 debt service

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\$151 total loss to the Transportation Fund

#### Impact in future budgets

\$120 million ongoing transfer for schools

# 2003-2005 Transportation Budget

Source: WisDOT

## 2003-2005 Transportation Budget: Total Biennium Comparison All Funds (State and Federal)

	Base Doubled (FY 2003)	2003-2005 Budget	
		Dollars	% Change from BYD
<b>Transportation Aids:</b>			
General Transportation Aids	732,312,400	746,671,400	2.0%
Transit Aids	248,313,000	251,214,800	1.2%
Elderly And Disabled Aids	21,905,000	22,574,100	3.1%
Special Highway Aids	36,022,000	36,022,000	0.0%
<b>Total Transportation Aids</b>	<b>1,038,552,400</b>	<b>1,056,482,300</b>	<b>1.7%</b>
<b>Local Transportation Capital Assistance:</b>			
Local Bridge Assistance	87,099,400	84,450,200	-3.0%
Rail Assistance	33,643,000	29,391,200	-12.6%
Harbor/Rail Passenger Asst.	12,135,400	15,388,200	26.8%
Aeronautics Assistance	138,766,000	139,005,200	0.2%
Local Trans. Fac. Impr. Asst.	275,934,600	257,530,400	-6.7%
Multimodal Trans. Studies	1,500,000	0	-100.0%
Trans. Fac. Econ. Asst. & Dev.	14,500,000	14,500,000	0.0%
Surface Trans. Grants	6,800,000	0	-100.0%
Congestion Mitig. & Air Qual.	31,246,400	28,929,700	-7.4%
Trans. Enhancements Grants	16,825,600	15,578,100	-7.4%
Trans. Infrastructure Loans	0	181,000	100.0%
<b>Total Loc. Trans. Capital Asst.</b>	<b>618,450,400</b>	<b>584,954,000</b>	<b>-5.4%</b>
<b>State Highways:</b>			
Major Highways	483,302,000	478,670,500	-1.0%
Rehabilitation	1,217,250,200	1,099,370,000	-9.7%
Se Wisc Freeway Rehabilitation	216,651,400	260,983,600	20.5%
Maintenance	330,850,000	337,903,900	2.1%
Admin. & Planning, Hwys	49,694,200	49,740,700	0.1%
<b>Total State Highways</b>	<b>2,297,747,800</b>	<b>2,226,668,700</b>	<b>-3.1%</b>
Total Dot State Operations	441,429,200	449,680,200	1.9%
Total Debt Service/Reserves	248,412,600	561,917,300	126.2%
<b>Total Transportation Budget</b>	<b>4,644,592,400</b>	<b>4,879,702,500</b>	<b>5.1%</b>

## 2003-2005 Transportation Budget

Source: WisDOT

### 2003-2005 Transportation Budget: Totals by Fiscal Year All Funds (State and Federal)

	Base Year (FY 2003)	FY 2004 Budget		FY 2005 Budget	
		Dollars	% Change from BY	Dollars	% Change from FY04
<b>Transportation Aids:</b>					
General Transportation Aids	366,156,200	373,335,700	2.0%	373,335,700	0.0%
Transit Aids	124,156,500	125,607,400	1.2%	125,607,400	0.0%
Elderly And Disabled Aids	10,952,500	11,173,700	2.0%	11,400,400	2.0%
Special Highway Aids	18,011,000	18,011,000	0.0%	18,011,000	0.0%
<b>Total Transportation Aids</b>	<b>519,276,200</b>	<b>528,127,800</b>	<b>1.7%</b>	<b>528,354,500</b>	<b>0.0%</b>
<b>Local Transportation Capital Assistance:</b>					
Local Bridge Assistance	43,549,700	42,738,600	-1.9%	41,711,600	-2.4%
Rail Assistance	16,821,500	14,366,400	-14.6%	15,024,800	4.6%
Harbor/Rail Passenger Asst.	6,067,700	7,574,100	24.8%	7,814,100	3.2%
Aeronautics Assistance	69,383,000	69,502,600	0.2%	69,502,600	0.0%
Local Trans. Fac. Impr. Asst.	137,967,300	127,442,500	-7.6%	130,087,900	2.1%
Multimodal Trans. Studies	750,000	0	-100.0%	0	0.0%
Trans. Fac. Econ. Asst. & Dev.	7,250,000	7,250,000	0.0%	7,250,000	0.0%
Surface Trans. Grants	3,400,000	0	-100.0%	0	0.0%
Congestion Mitig. & Air Qual.	15,623,200	14,186,000	-9.2%	14,743,700	3.9%
Trans. Enhancements Grants	8,412,800	7,638,900	-9.2%	7,939,200	3.9%
Trans. Infrastructure Loans	0	176,000	100.0%	5,000	-97.2%
<b>Total Loc. Trans. Capital Asst.</b>	<b>309,225,200</b>	<b>290,875,100</b>	<b>-5.9%</b>	<b>294,078,900</b>	<b>1.1%</b>
<b>State Highways:</b>					
Major Highways	241,651,000	239,700,000	-0.8%	238,970,500	-0.3%
Rehabilitation	608,625,100	542,708,700	-10.8%	556,661,300	2.6%
Se Wisc Freeway Rehabilitation	108,325,700	87,241,800	-19.5%	173,741,800	99.1%
Maintenance	165,425,000	168,908,400	2.1%	168,995,500	0.1%
Admin. & Planning, Hwys	24,847,100	24,783,500	-0.3%	24,957,200	0.7%
<b>Total State Highways</b>	<b>1,148,873,900</b>	<b>1,063,342,400</b>	<b>-7.4%</b>	<b>1,163,326,300</b>	<b>9.4%</b>
Total Dot State Operations	220,714,600	224,062,100	1.5%	225,618,100	0.7%
Total Debt Service/Reserves	124,206,300	253,678,500	104.2%	308,238,800	21.5%
<b>Total Transportation Budget</b>	<b>2,322,296,200</b>	<b>2,360,085,900</b>	<b>1.6%</b>	<b>2,519,616,600</b>	<b>6.8%</b>