

WisDOT 2017-19 Biennial Budget Proposal Summary

September 15, 2016

- Meets the Governor's directive to address pavement preservation, maintenance and critical safety needs, and provides additional funding for local aids, while not requesting a general fee increase
- \$1,707 million in funding for the State Highway Rehabilitation program the largest budget ever approved for this program and slightly above 2015-17 funding levels.
- Local Aids

The largest year-to-year change in local aids since the year 2000 (see attached table increases by unit of government).

- \$65M total in additional funding will be provided over the 2015-17 biennium
- 7% increase over 2009-11 budget levels
- 1. General Transportation Aid (GTA) Program: \$46M increase
 - County GTA increase of 8% over 2015-17 budget
 - Municipal GTA (includes towns, villages, cities) increases 4.7% over 2015-17 budget and 5.2% over 2009-11 budget
 - Rate per mile increases 4% to \$2,290 (currently \$2,202)
- 2. Local Roads Improvement Program (LRIP): \$14M increase
 - 25% increase over 2015-17 budget (from \$56M to \$70M) and a 52% increase over the 2009-11 budget
 - Increases state cost share for discretionary projects from 50% to 60%; entitlement projects remain at 50/50 state/local split
- 3. Local Bridge Improvement Program: \$5M increase (30% increase in SEG) or a 7.6% increase to the entire program over 2015-17 budget (that is also funded with FED).
- Maintenance and Safety

13% increase over 2015-17 budget (\$69.7M) or 39% increase over the 2009-11 biennium includes:

- Pavement preservation funds for crack filling, route and seal and chip seal, heading off more expensive treatments
- Safety improvements such as pavement marking, sign replacement, lighting, and shoulder dropoff corrections
- \$33.7M in additional funds to counties for Routine Maintenance Agreement (RMA) work on state highways
- A total of \$500 million in bonding for Department of Transportation programs.
 - Lowest level of bonding since the 2001-03 biennium
 - Maintains manageable long-term debt service level and coverage ratio
- No fee or fuel tax increase.
- \$562M for the Majors Program to continue work on reconstruction and capacity projects throughout the state. Priority to I-39/90 (Madison Beloit) and WIS 10/441 (Menasha/Fox Valley).
- \$122M for the South East Megas program that will fund completion of the Zoo Interchange Core and enumerate and provide funding to begin preliminary work on the I-94 EW corridor project.

	2009-11 Biennium	2015-17 Biennium	2017-19 Biennium	2017-19 vs 2015- 17	2017-19 vs 2009- 11
LRIP - Entitlement	32,394,000	32,394,000	37,066,000	14.4%	14.4%
LRIP - Discretionary	13,672,000	23,672,000	33,000,000	39.4%	141.4%
LRIP TOTAL PROGRAM	46,066,000	56,066,000	70,066,000	25.0%	52.1%
GTA Counties	202,020,500	196,800,400	212,667,400	8.1%	5.3%
GTA Municipalities	639,535,500	642,521,000	672,639,500	4.7%	5.2%
GTA TOTAL PROGRAM	841,556,000	839,321,400	885,306,600	5.5%	5.2%
Local Bridge Program (SEG)	16,918,400	16,935,400	21,935,400	29.5%	29.7%

Current 2015-17 and Proposed 2017-19 Program Levels

Local Program

Local Roads Improvement Program (LRIP)	2009-11 Biennium	2015-17 Biennium	2017-19 Biennium	2015-17 vs 2017- 19	2009-11 vs 2017- 19
Entitlement Program	32,394,000	32,394,000	37,066,000	14.4%	14.4%
County	13,29,420	13,929,420	15,938,380	14.4%	
City/Village	9,232,290	9,232,290	10,563,810	14.4%	
Town	9,232,290	9,232,290	10,563,810	14.4%	
Discretionary Program	13,672,000	23,672,000	33,000,000	39.4%	141.4%
County	10,254,000	10,254,000	11,000,000	7.3%	
City/Village	1,953,000	1,953,000	10,000,000	412.0%	
Town	1,465,000	11,465,000	12,000,000	4.7%	
Total Program	46,066,000	56,066,000	70,066,000	25.0%	52.1%

1. Local Road Improvement Program (LRIP)

- Provides an additional \$14M to the program in 2017-19 biennium.
- Increases state cost share for discretionary LRIP projects from 50% to 60%; entitlement cost share remains at 50%.
- Increased funding in Discretionary Program is primarily used to reduce local cost share on discretionary projects, encouraging greater participation.
- Towns received a \$10M increase to discretionary program in 2011-13 biennium.

General Transportation Aids (GTA)	2009-11 Biennium	2015-17 Biennium	2017-19 Biennium	\$ Increase over 2015-17	2015-17 vs 2017-19	2009-11 vs 2017-19
Counties	202,020,500	196,800,400	212,667,400	15,867,000	8.1%	5.3%
Municipalities	639,535,500	642,521,000	672,639,200	30,118,200	4.7%	5.2%
City/Village	378,042,532	365,659,344	388,740,170	23,080,826	6.3%	2.8%
Town	261,492,918	276,861,656	283,899,030	7,037,374	2.5%	8.6%

2. General Transportation Aids (GTA)

- Provides an additional \$46M to the program in the 2017-19 biennium.
- GTA funds distributed to municipalities are allocated based on average of the last six years of reported cost or mileage.
- Rate per mile (RPM) increase of 4% from \$2,202 to \$2,290 per mile.
- Due to differences in the rate-per-mile and share of costs formulas for municipalities, analysis provided is general estimate of distribution.
- Due to aid distribution formula, most towns receive aid based on rate per mile, and most cities and villages receive aid based on average cost.

Local Bridge Program	2009-11 Biennium	2015-17 Biennium	2017-19 Biennium	2017-19 vs 2015-17	2017-19 vs 2009-11
State Funds	16,918,400	16,935,400	21,935,400	29.5%	29.7%
Federal Funds	48,862,200	48,819,200	48,819,200	0%	-0.1%
Total Program	65,780,600	65,754,600	70,754,600	7.6%	7.6%

3. Local Bridge Improvement Assistance Program

• Provides \$5M increase to program in 2017-19 biennium.

Highway Program Comparison

Program	2015-17 Biennium (all funds plus bonding)	Proposed 2017-19 Biennium (all funds plus bonding)	Difference (all funds plus bonding)
Majors	685,873,800	562,784,100	(123,089,700)
SHR	1,702,025,400	1,707,200,000	5,174,600
SE Mega	414,600,000	122,000,000	(292,600,000)
Major Interstate Bridge	20,000,000	0	(20,000,000)
High Cost State Bridge	<u>16,800,000</u>	<u>0</u>	<u>(16,800,000)</u>
Highway Improvement Program Total	\$2,839,299,200	\$2,391,984,100	\$(447,315,100)
Maintenance (all programs)	\$535,773,800	\$605,513,800	\$69,740,000

Current 2015-17 and Proposed 2017-19 Program Levels

- Amounts in table include SEG, FED, TRB, GO and Contingency Bonding

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<u>Maintenance</u>: The 2017-19 budget would add \$30M highway system maintenance and operations; \$33.7M routine maintenance, \$6M Intelligent Transportation System (ITS) and Signals. The proposed 2017-19 level is a 39% increase over the 2009-11 biennial level, all funds.

Highway Program

1. State Highway Rehabilitation (SHR)

2015-17 Biennium	2017-19 Biennium	Difference
1,702,025,400	1,707,200,000	5,174,600

Under this proposal, SHR would be funded above the level of the 2015-17 biennium. This would enable the Department to continue the preservation-focused program that is currently underway.

2. Major Highway Development Program (Majors)

2015-17 Biennium	2017-19 Biennium	Difference
685,873,800	562,784,100	-123,089,700

<u>Project delays / expenditure levels</u>: The table below provides a summary of estimated delay to enumerated projects as well as estimated expenditures in each project in the biennium.

Project	Delay w/\$281.4M/Year (years)	Current completion per August TPC Report	Completion date w/\$281.4M /year	Planned Project Funding 2017-19 (Millions \$)
10/441	0	2020	2020	136.0
I-39/90	0	2021	2021	*380.3
18/151 Verona Road	2	2019	2021	24.0
STH 15	1	2021	2022	19.3
STH 23	3	2020	2023	0

Note: There are no expected delays on other Majors projects included in the August TPC report. *I-39/90 funding includes the \$40M federal FASTLANE grant, which is in addition to biennial budget funding.

3. Southeast Mega Projects

2015-17 Biennium	2017-19 Biennium	Difference
414,600,000	122,000,000	-292,600,000

Impacts of \$122M 2017-19 biennial program level:

- Zoo Interchange (\$91M): delays completion of the overall project to 2022, two years beyond the current 2020 date.
 - Zoo Core Phase II completion is still projected in FY19.
 - \$4.2M allocated to the North Leg for prep work and real estate purchases. Total costs to complete the North Leg are \$200.2M.
- I-94 East-West (\$31M): Continues design and initial real estate acquisition or utilities work to be prepared for future biennia.
- I-94 North-South: No additional funding for this project.

Other WisDOT Budget Proposal Highlights

The following section includes a several proposed budget initiatives. This does not include all items planned for the September 15 submission.

Bonding

Summary

(all supported by Transportation Fund debt service)

TRBs-Majors	153,281,700
TRBs-Admin Facilities	11,880,000
TRBs-SHR	308,738,300
GO-Harbors	14,100,000
GO-Freight Rail	12,000,000
Total Bonding	\$500,000,000
Total TRB	\$473,900,000
Total GO	\$26,100,000

Note: TRB: Transportation Revenue Bonds GO: General Obligation Bonds

Division of Transportation System Development

- Maintenance/Asset Management: Request \$16,000,000 in FY18 and \$13,997,000 in FY19 for pavement marking, rest area asset management needs, replacement of high pressure sodium lights with LED, meeting federal signing requirements and creating a new oversize/overweight (OSOW) online permitting system.
- **Routine Maintenance:** Request \$15,366,500 in FY 18 and \$18,366,500 in FY19 for routine maintenance activities performed by the counties under contract with the Department, including pavement preservation, signing backlog, improving unpaved shoulder drop-off, pavement marking and maintaining Routine Maintenance Agreement service levels.
- Intelligent Transportation System (ITS) and Signals Appropriation Continuation: Request the elimination of the June 30, 2019 sunset of the ITS and Signals appropriations. The program is funded at \$10M in segregated funding annually through FY19. Long-term funding is needed for lifecycle replacement of stand-alone ITS and signals devices (those not included in a highway improvement project). In addition to the \$10M segregated funding, request \$3M federal funds in FY18 and FY19.

Division of Motor Vehicles/State Patrol

- License Plate Replacement: Request \$961,100 in FY18 and \$1,275,200 in FY19 to establish a reissuance cycle to replace aging license plates. The initiative would allow for the replacement of the oldest license plates currently in use and helps limits the growth of the number of plates in use which are ten or more years old.
- *In-squad Cameras:* Request \$1,180,100 in FY18 and in FY19 to fund in-squad video cameras. Existing cameras are 8 to 10 years old and outdated.

Division of Transportation Investment Management

- *Harbor Assistance Program (HAP):* Request \$14.1M in General Obligation (GO) bonding authority for the Harbor Assistance Program, maintaining the same level as the 2015-17 biennium. The HAP provides financial assistance to the state's harbor communities and private entities along the Great Lakes and Mississippi River for projects that maintain or improve waterborne commerce.
- Freight Railroad Preservation Program (FRPP): Request \$12M in General Obligation (GO) bonding authority. This request is below the 2015-17 program level (\$29M). The FRPP program preserves and improves freight railroad service on abandoned lines, on publicly owned lines, and on abandoned railroad corridors when service is not immediately continued.