

Just FIX IT

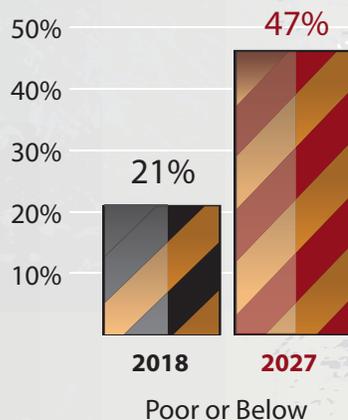


Spending Problem or Revenue Problem?

Much of the transportation debate in the Capitol over the past two years has focused on whether Wisconsin has a “spending problem” or a “revenue problem.” But, for average Wisconsin commuters, they have a car repair bill problem or a stuck in traffic problem.

So, it is time to move beyond the rhetoric and acknowledge some basic truths about Wisconsin’s current level of transportation funding.

WisDOT Projects Declining Conditions STATE HIGHWAYS



Source: WisDOT 2016 Fund Solvency Report, constrained budget.

1 The condition of the roads Wisconsinites drive every day will get significantly worse.

In its 2016 Fund Solvency Report, WisDOT examined the 10-year effect of three levels of funding:

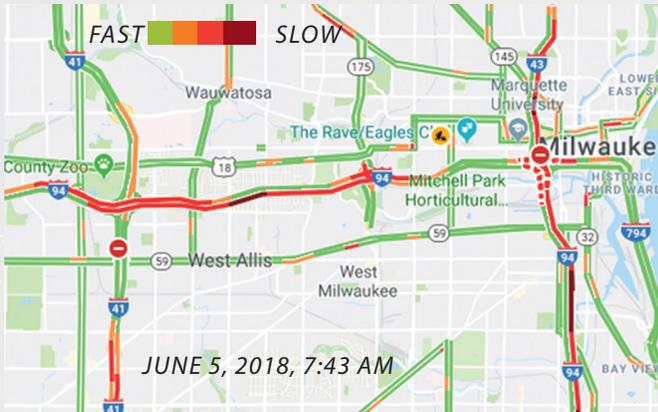
1. constrained funding,
2. continuing the 2015-17 funding levels, and
3. additional funding.

In all three cases, even the additional funding scenario which assumed \$177 million more than the 2015–17 State Highway Rehabilitation budget (and \$226 million over the 2017–19 SHR budget), the number of miles rated poor or below increase notably: 124% (constrained), or 108% (2015–17 budget continued) or 72% (additional funding).

The 2017–19 State Highway Rehabilitation budget (\$1.619 billion) falls between the constrained scenario (\$1.544 billion) and the continuing 2015–17 budget scenario (\$1.688 billion). WisDOT estimates that funding in excess of \$2.4 billion a biennium would be needed over the next 10 years to maintain current highway conditions.



2 People will spend more time gazing at brake lights.



Plan a trip during drive time—morning or evening commute, summer weekend getaway or a trip to Summerfest—and don't be surprised to see red.

And there will be more red in the future. Both the Major Highway Development Program and the Southeast Wisconsin Freeway Megaprojects Program were cut significantly in the 2017-19 budget. The Majors program is now at the lowest funding level in almost fifteen years while SE Mega funding is at the lowest level since the program's inception, excluding the one-time federal grant for I-94 North-South.

3 Safety improvements will be delayed.



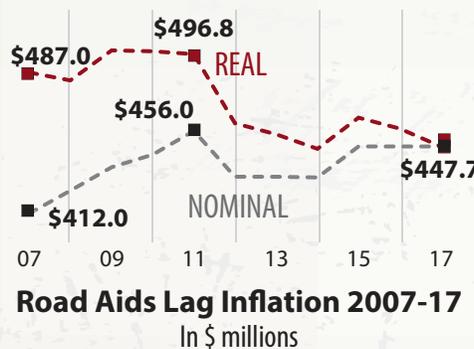
EXAMPLE: After the Marquette Interchange was rebuilt, total accidents dropped 45 percent and injury accidents fell 55 percent.

Many of Wisconsin's highways and interstates were built 30-60 years ago and need to be reconstructed. They have higher than average crash rates due to outdated design and growing congestion.

Large projects—and their related safety benefits—around the state are on hold or moving slowly, including: I-94 East-West, the North Leg of the Zoo Interchange and I-43 in Milwaukee, US-51 Stoughton to McFarland in Dane County, the Beltline in Madison, Highway 15 in Outagamie County and I-94 in St. Croix County.

4 Local governments will continue to struggle to maintain roadways and transportation services.

State funding for two main local road transportation aid programs—General Transportation Aids (GTA) and the Local Road Improvement Program (LRIP)—rose 8.7% between 2007-2017, from \$412.0 million to \$447.7 million. **However, real spending declined \$39.4 million or 8.1%** when amounts were adjusted for inflation using the Consumer Price Index (CPI).



Source: Wisconsin Policy Forum's May 2018 FOCUS: Local governments turn to "wheel taxes" as other revenues lag

(Note: State highway costs have historically increased at a rate faster than CPI.)

With the property tax tightly controlled, local governments have few options to invest in their transportation systems. Stagnant state transportation aid has contributed to more communities turning toward bonding or wheel taxes.



5 Efficiencies will only go so far.

The department has documented many efficiencies over the last several years. But, this is obviously not a bottomless well. When legislation arose at the end of last year, which required WisDOT to come up with \$25 million in efficiencies to keep the vital I-94 East-West corridor project moving, no money could be found.

Excerpt from WisDOT Fiscal Estimate - AB 919

“WisDOT has already initiated numerous cost saving initiatives, which have been reallocated to the continued delivery of administered programs. Lapsing this \$25 million from other programs will result in reduced funding availability for other projects already funded (Backbone and 3R), which could result in project delays or terminations elsewhere in the state.”

Problem Defined, Time and Again

There have been several transportation study commissions conducted over the past two decades by leaders of both political parties. Each has documented large gaps between available revenues and growing transportation needs.

The most recent study was the Transportation Finance and Policy Commission (TFPC) created by the 2011-13 state budget. The bipartisan 10-member commission spent most of 2012 examining transportation revenue trends and emerging system needs. In its January 2013 report, the commission recommended investment levels necessary to preserve the 2012 system conditions over a 10-year period.

Wisconsin has never heeded the recommendations of any of these commissions. As an example, here is a comparison of the state highway program recommendations to the funding levels provided in the 2017-19 state budget:

TFPC Recommendation vs. Actual Funding			
Highway Program	TFPC Biennial	2017-19 Actual	Difference
State Highway Rehabilitation	\$2,005,600,000	\$1,619,432,400	\$(386,167,600)
Major Highway Program	\$943,200,000	\$563,700,000	\$(379,500,000)
Southeast Wisconsin Megaprojects	\$526,200,000	\$353,581,500*	\$(172,618,500)
*This includes \$252.4 million in one-time General Obligation bonding for improvements to the I-94 North South Corridor as required by the Foxconn manufacturing facility in Racine County.			\$(938,286,100)

It’s important to note that the numbers above have not been adjusted for inflation since FY 2013.

For those proclaiming Wisconsin has a transportation spending problem, it is time to come clean about the transportation system residents of Wisconsin are experiencing now and should expect in the future.