

THE FUTURE OF FEDERAL TRANSPORTATION FUNDING

Congressional Delegation Staff Briefing
February 28, 2013

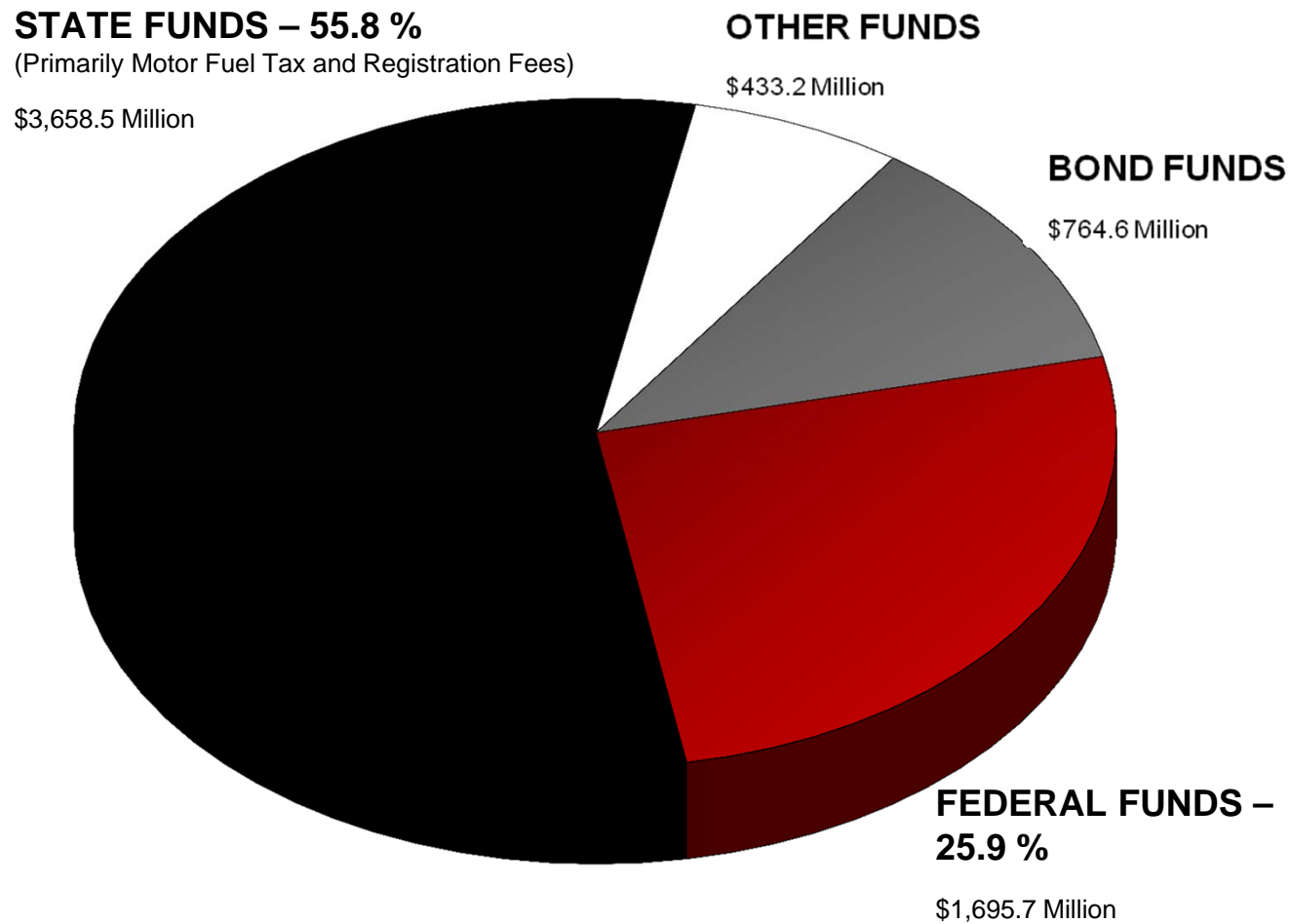
Presenters: Beth Nachreiner and Monique Currie
Wisconsin Department of Transportation
Office of Policy, Budget and Finance



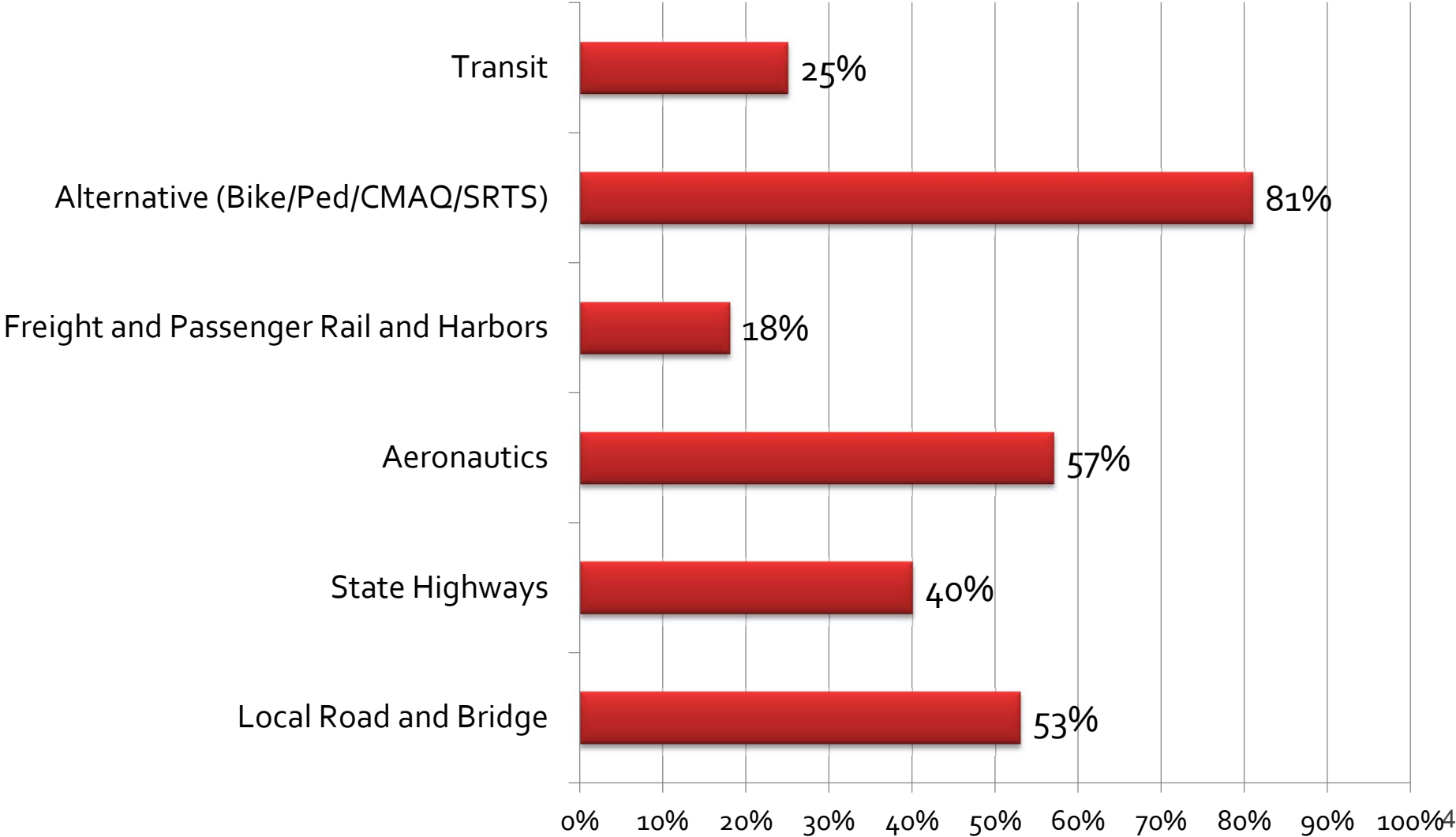
TODAY'S FOCUS

- Highway Trust Fund Condition and what it means to transportation projects in Wisconsin
- Other risks to funding including sequestration
- MAP-21 implementation – funding levels, trends and possible issues for next authorization
- Highway 41 oversize/overweight issues

FEDERAL FUNDING CONTRIBUTION

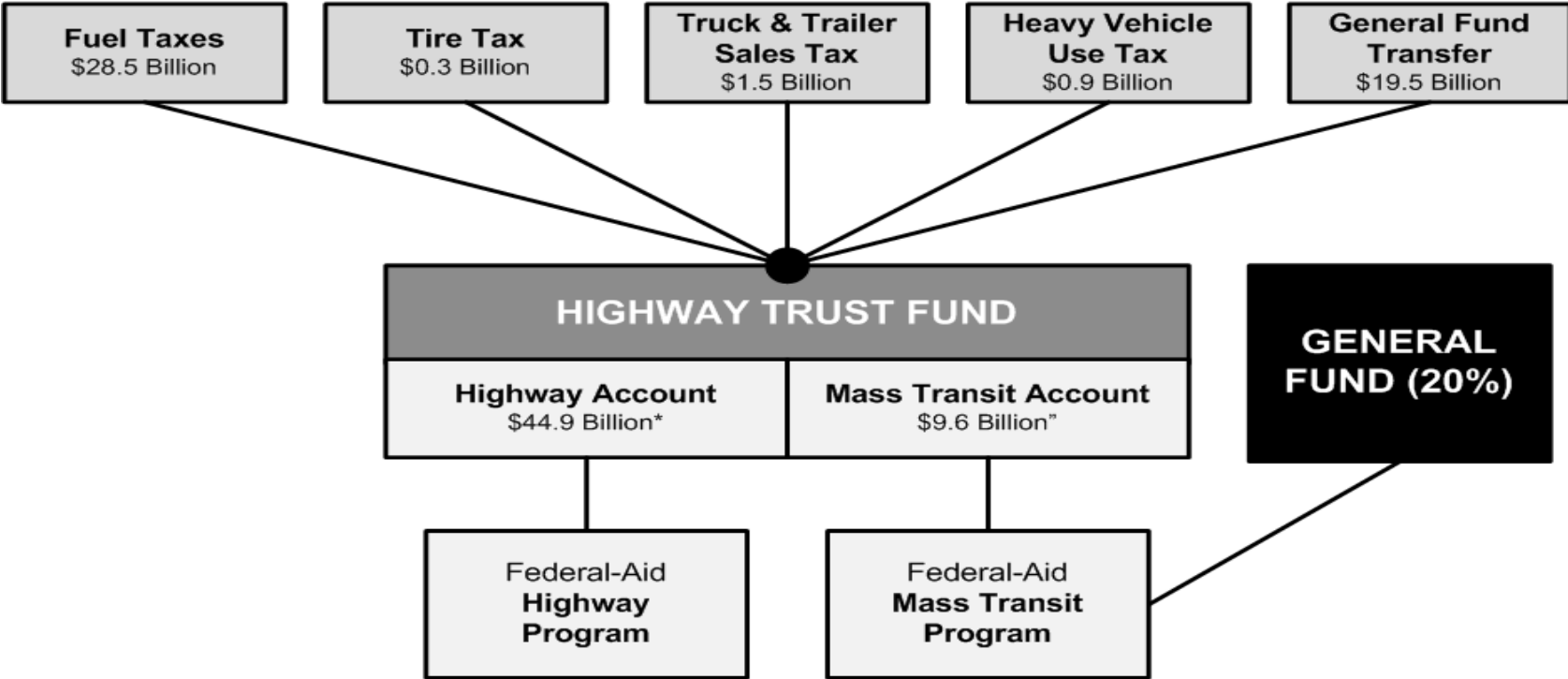


FEDERAL FUND SUPPORT BY MODE



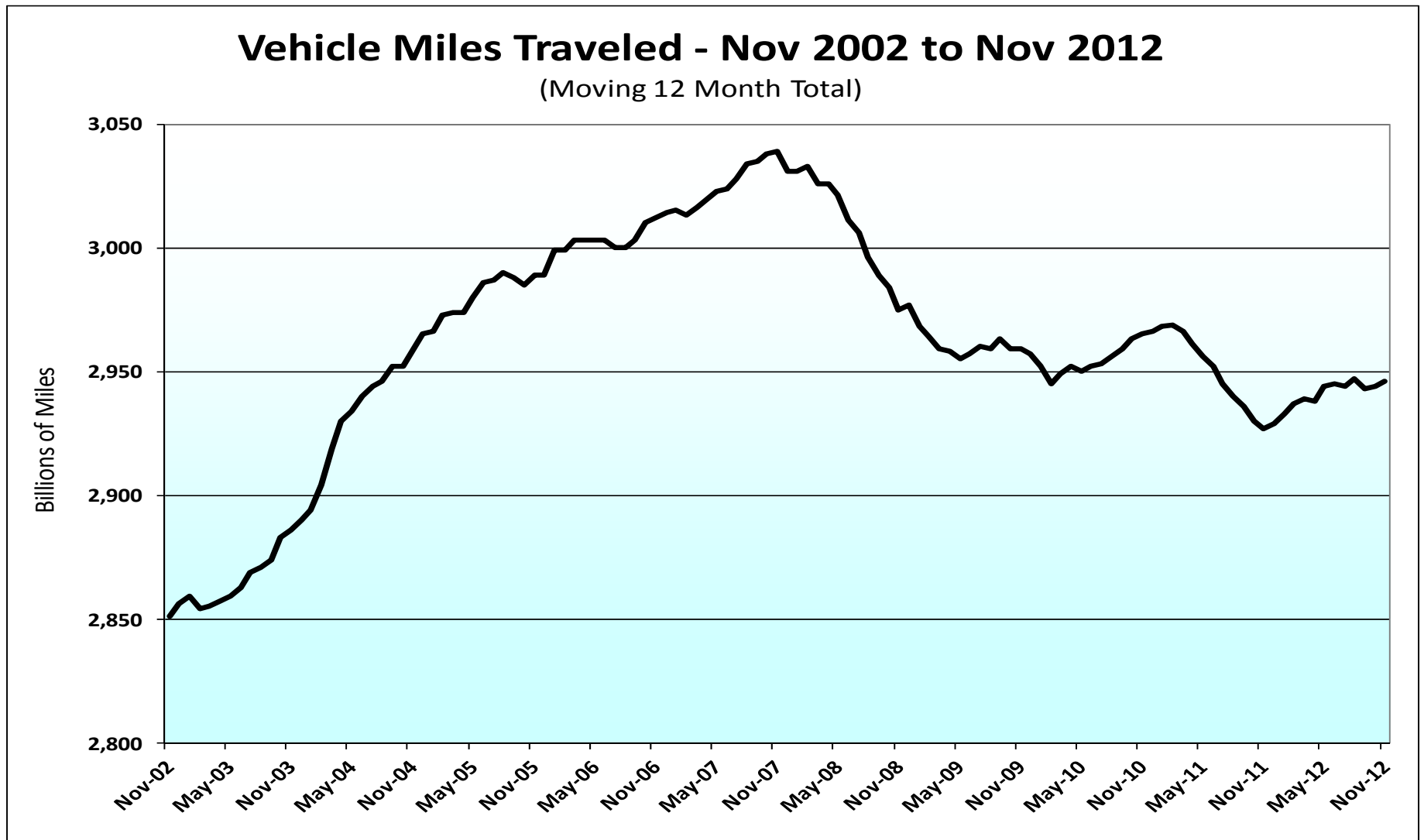
FEDERAL TRUST FUND CONDITION

The Highway Trust Fund (FFY 2010)



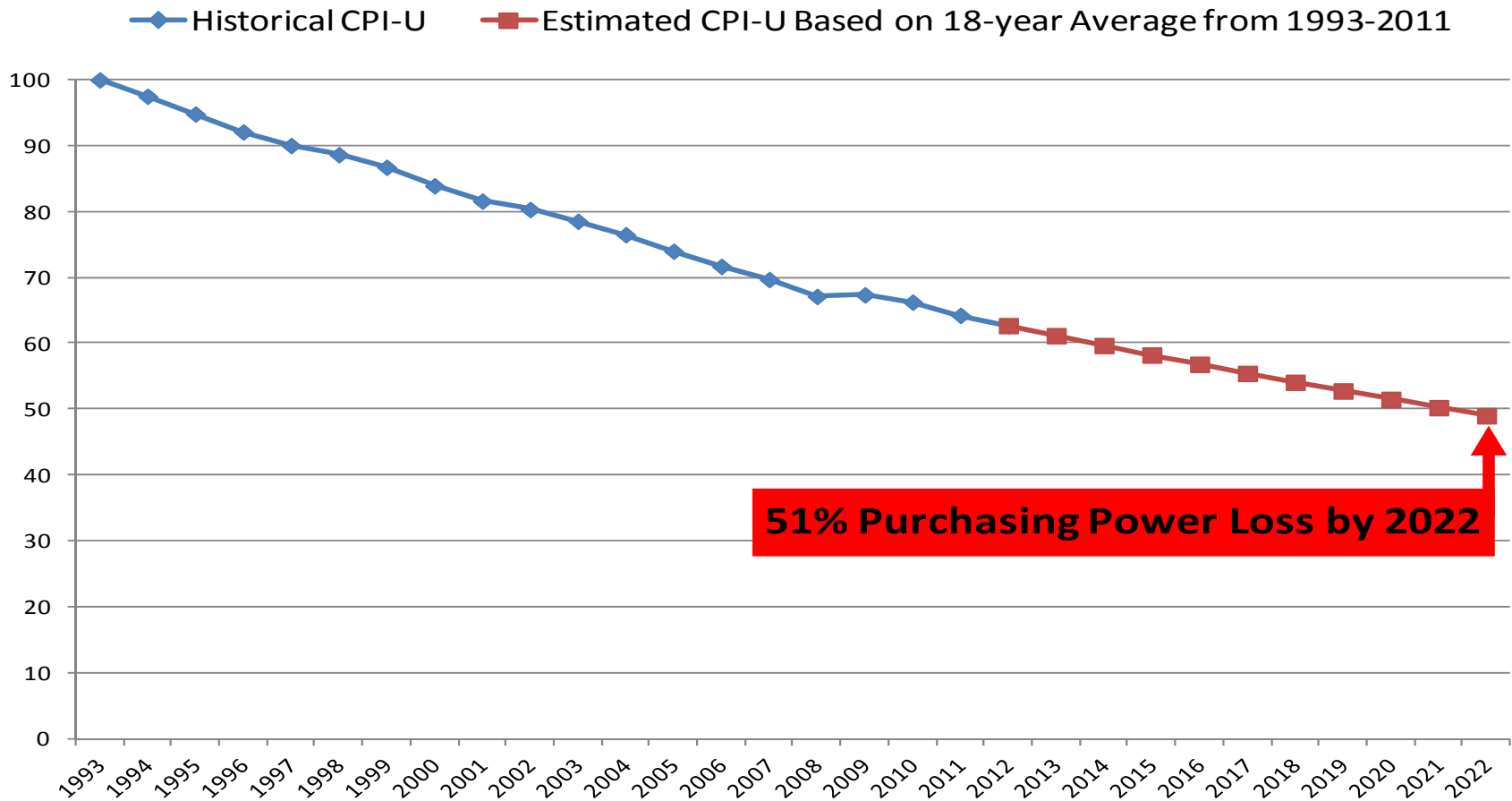
*The amounts shown for the Highway Account and Mass Transit Account are net receipts in FFY 2010 and, therefore, total more than the sum of the major categories shown. The amounts do not include intra-fund transfers.

VEHICLE MILES TRAVELED - DOWN



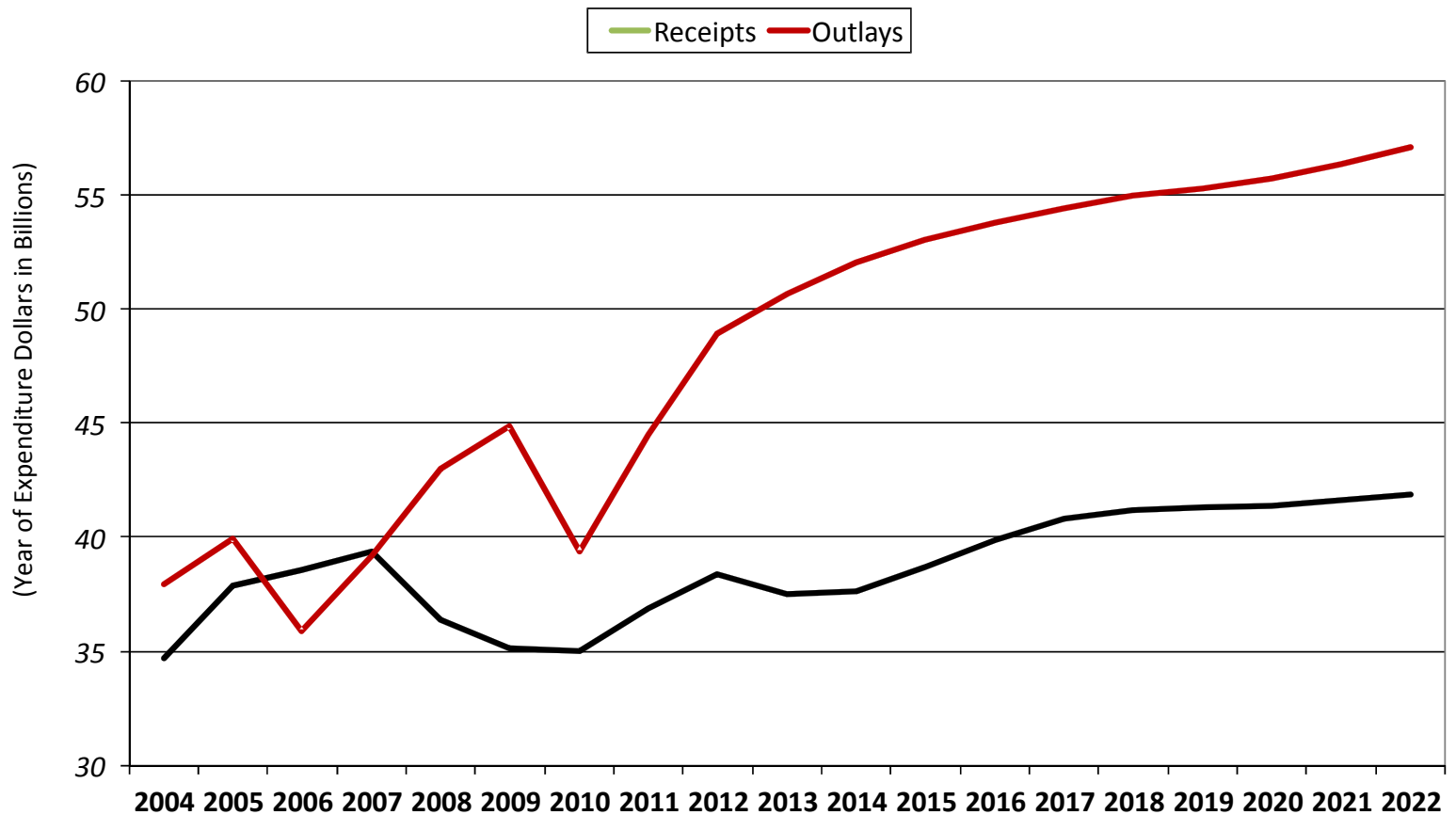
IMPACT OF INFLATION

PURCHASING POWER LOSS OF GAS TAX DUE TO INFLATION



THE GAP CONTINUES TO GROW

Highway Trust Fund Receipts and Outlays Discrepancy



Excludes General Fund liquidity transfers of \$8.017 billion in September 2008; \$7 billion in August 2009; \$19.5 billion in May 2010; \$2.4 billion in June 2012 (from LUST); \$6.2 billion in FY 2013; and \$12.6 billion in FY 2014.
Does not include Transit General Fund outlays.

General Fund temporarily filling the gap

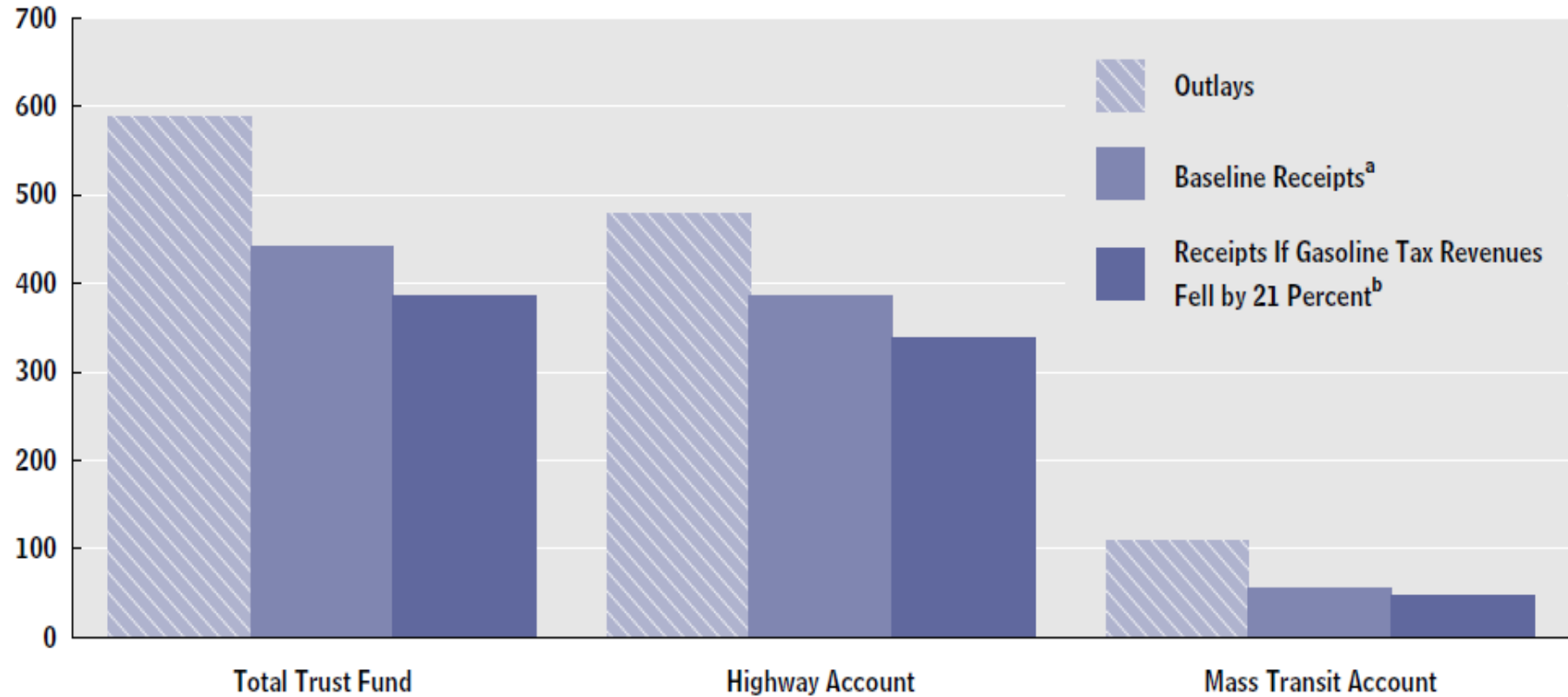
- September 2008: \$8.017 billion General Fund transfer to HTF
- August 2009: \$7 billion General Fund transfer to HTF
- March 2010: \$19.5 billion General Fund transfer to the Highway Trust Fund
- July 2012: \$2.4 billion Leaking Underground Storage Tank Trust Fund transfer to HTF
- FY 2013: \$6.2 billion General Fund transfer to HTF scheduled
- FY 2014: \$12.6 billion General Fund transfer to HTF scheduled

Total transfers to HTF: \$55.7 billion since 2008

CAFÉ STANDARDS IMPLEMENTATION

Projected Outlays and Receipts of the Highway Trust Fund, by Account, 2012 to 2022

(Billions of dollars)

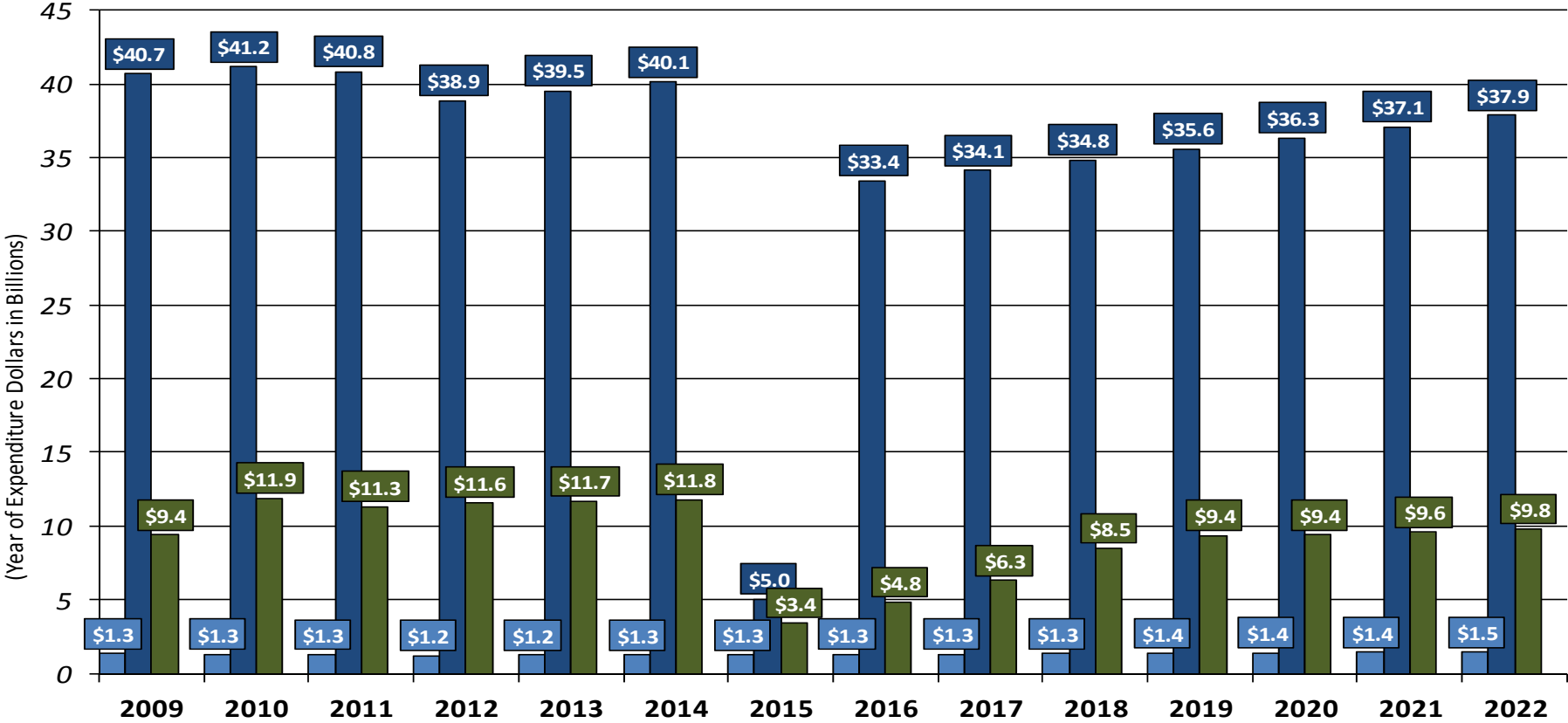


HTF CLIFF CHART

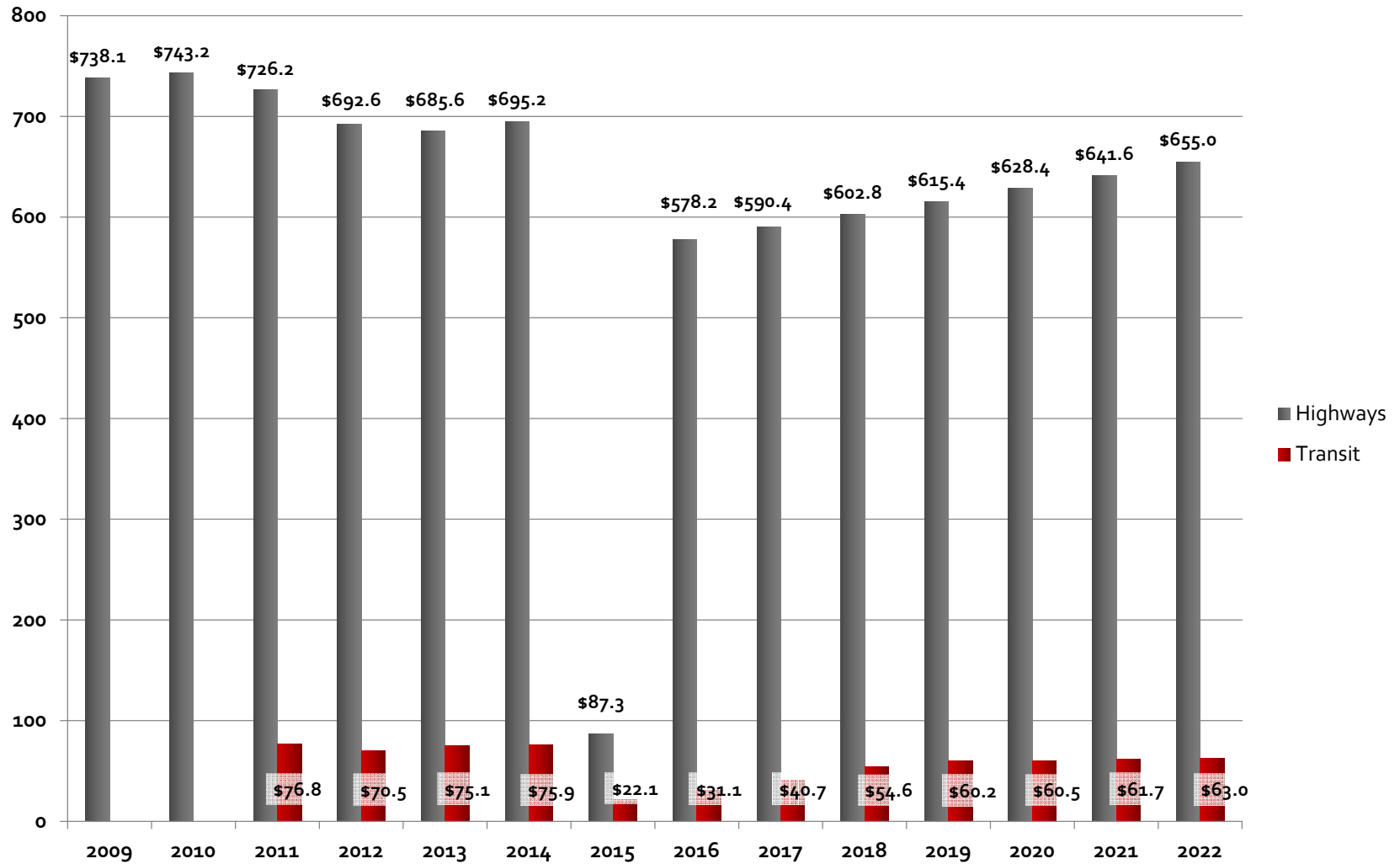
Federal Highway and Transit Obligations Through 2022

Assumes a minimum balance of \$2 billion for the Highway Account and \$.25 billion for the Mass Transit Account

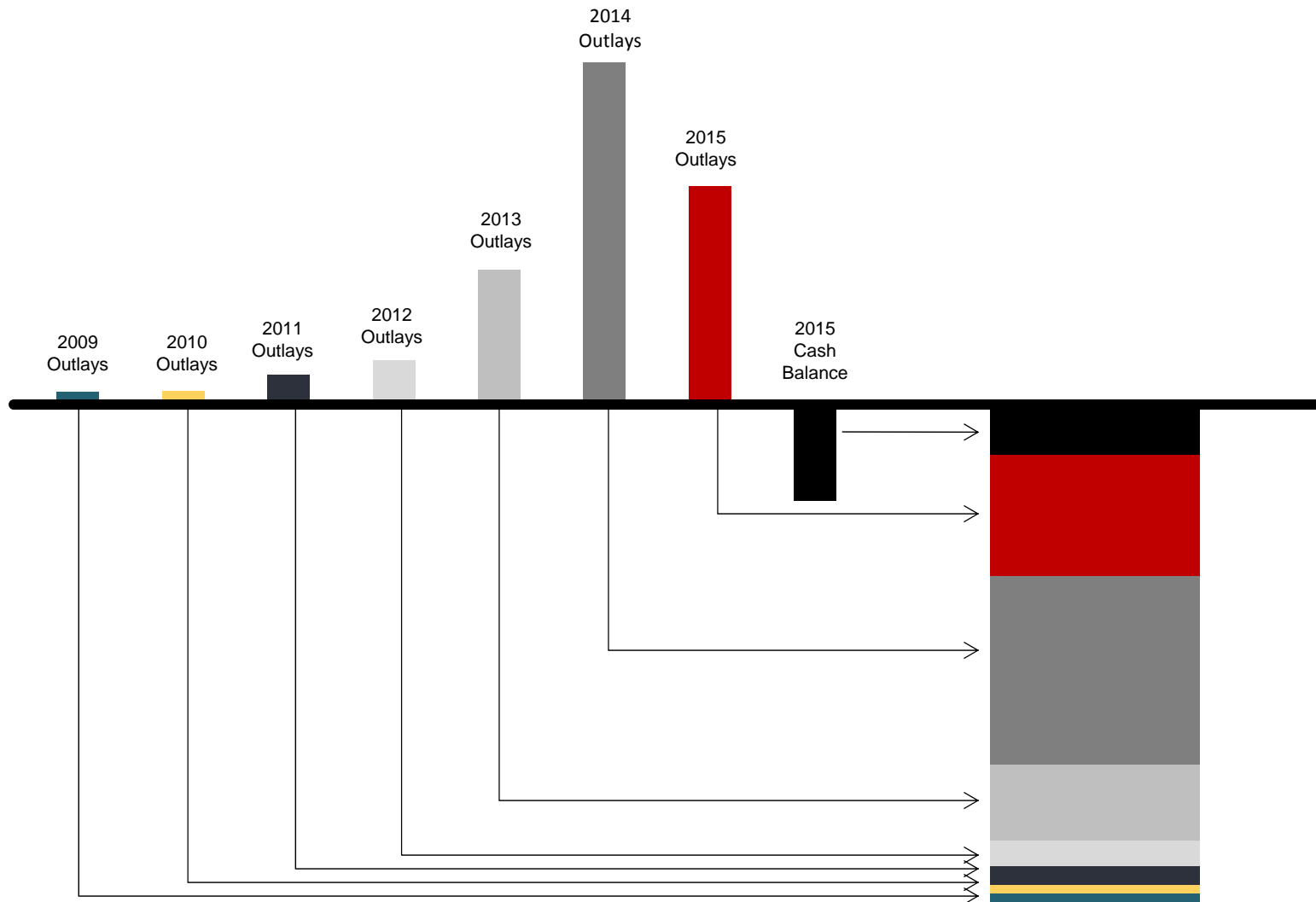
Highway Safety Federal-aid Highway Transit



IMPACT OF CLIFF ON WISCONSIN TRANSPORTATION FUNDING



WHY THE DEEP DROP IN THE FIRST YEAR OF THE CLIFF?



SHORT AND LONG-TERM IMPLICATIONS

Short-term

- HTF will remain solvent through the MAP-21 authorization period (9/30/14)
- However, sequestration and appropriations acts could change this expectation

Long-term

- If not authorized by 10/1/14, GF bailouts or cuts to spending will be required
- The longer the revenue issue is ignored, the larger the revenue fix will need to be.
- Risk associated with assumptions on federal funding

WHAT ABOUT TOLLING?

The independent Wisconsin Transportation Finance and Policy Commission

- *The Commission finds that the department should continue monitoring federal regulations that define the use of tolling and other restrictions that have inhibited Wisconsin's pursuit of this highway financing option.*
- **Commissioners encourage the Wisconsin Congressional Delegation to support legislation that allows states more flexibility to toll on the National Highway System.**

SEQUESTRATION – IMPACT ON WISCONSIN

Known impacts

- Highway Account approximately \$10 million
- Transit Account – fewer impacts, HTF programs exempt.

Unknown impacts

- Aviation – Several aviation accounts are general-funded but unknown due to FAA's decisions on how to implement
- Rail – could be less federal funds to support Hiawatha service operating costs

SEQUESTRATION – IMPACT ON WISCONSIN

Continued from slide 16

Other unknown impacts

- Will federal agencies have discretion to implement cuts?
- Will US DOT use staff furloughs as an effort to cut costs where possible?
- Will project approvals and/or reimbursements be affected?

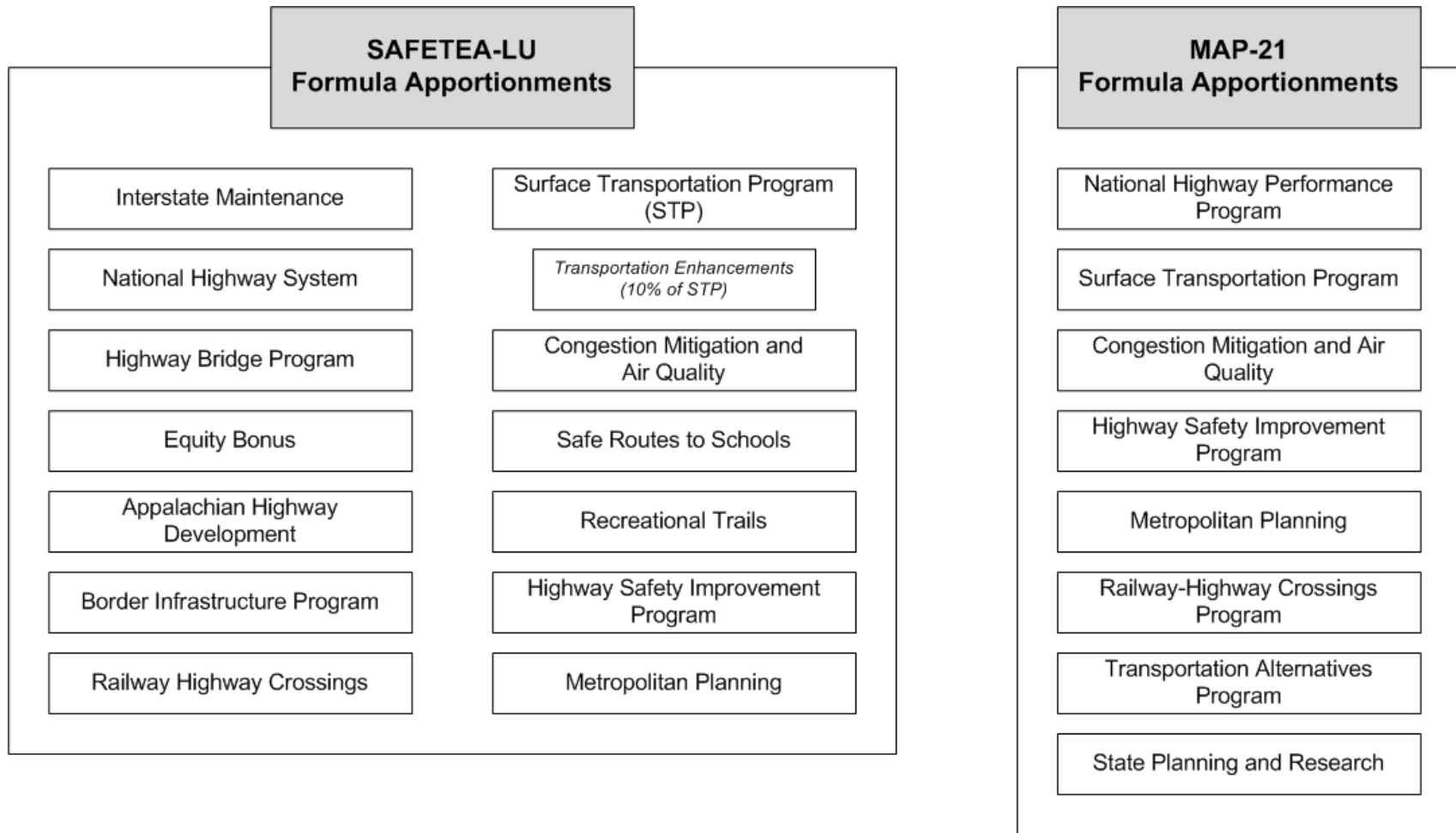
MAP-21

KEY IMPACTS IN WISCONSIN

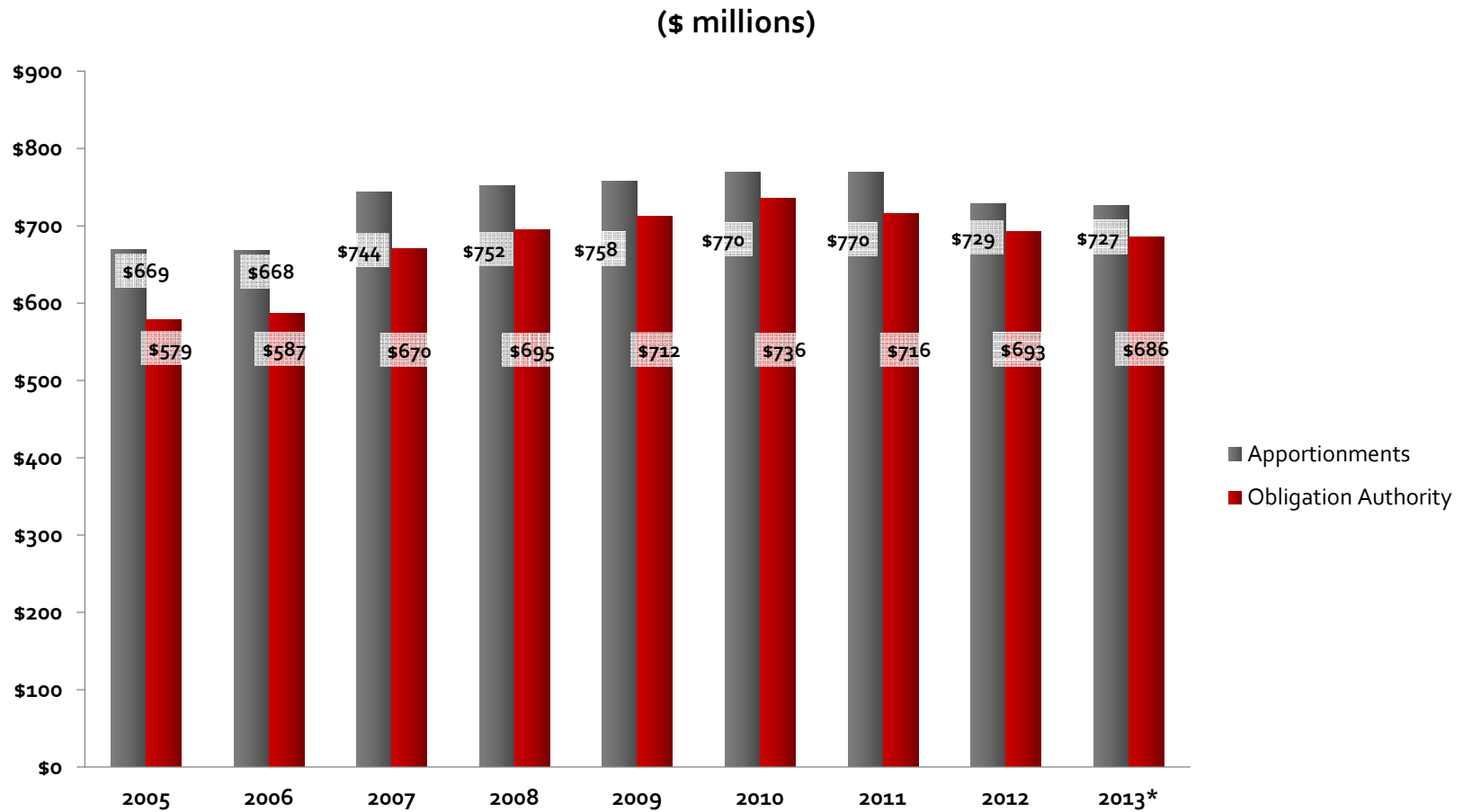
- Highway funding is down but share remains relatively constant
- Transit funding is down and capital funding is limited
- Formula programs and eligibility changes in highway and transit funding
- Impact of National Freight Initiative as yet unclear
- Some environmental streamlining
- Performance measures – but not implemented, waiting for rulemaking

MAP-21

NEW AND CONSOLIDATED **HIGHWAY** FORMULA CATEGORIES

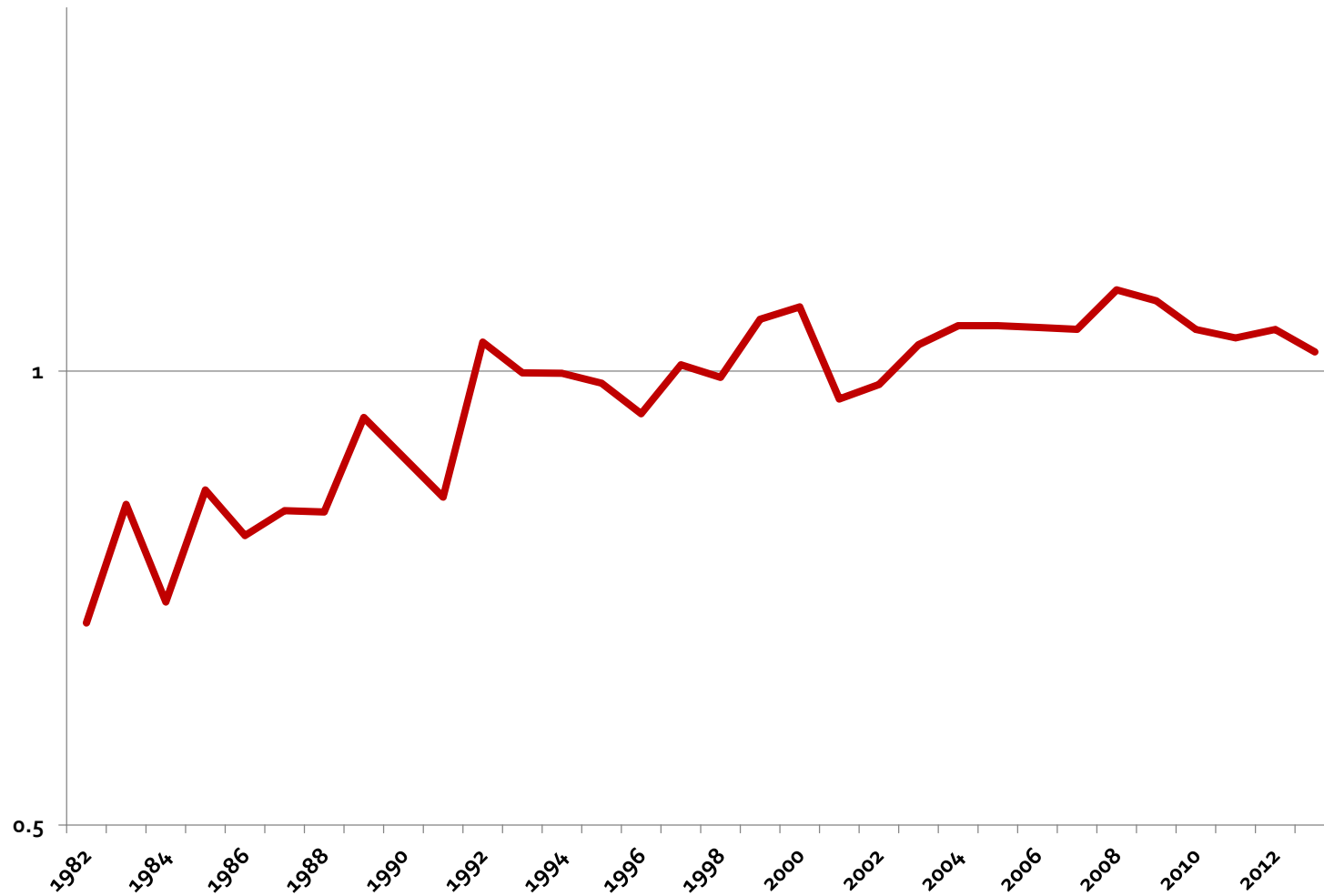


APPORTIONMENT LEVELS AND OBLIGATION AUTHORITY



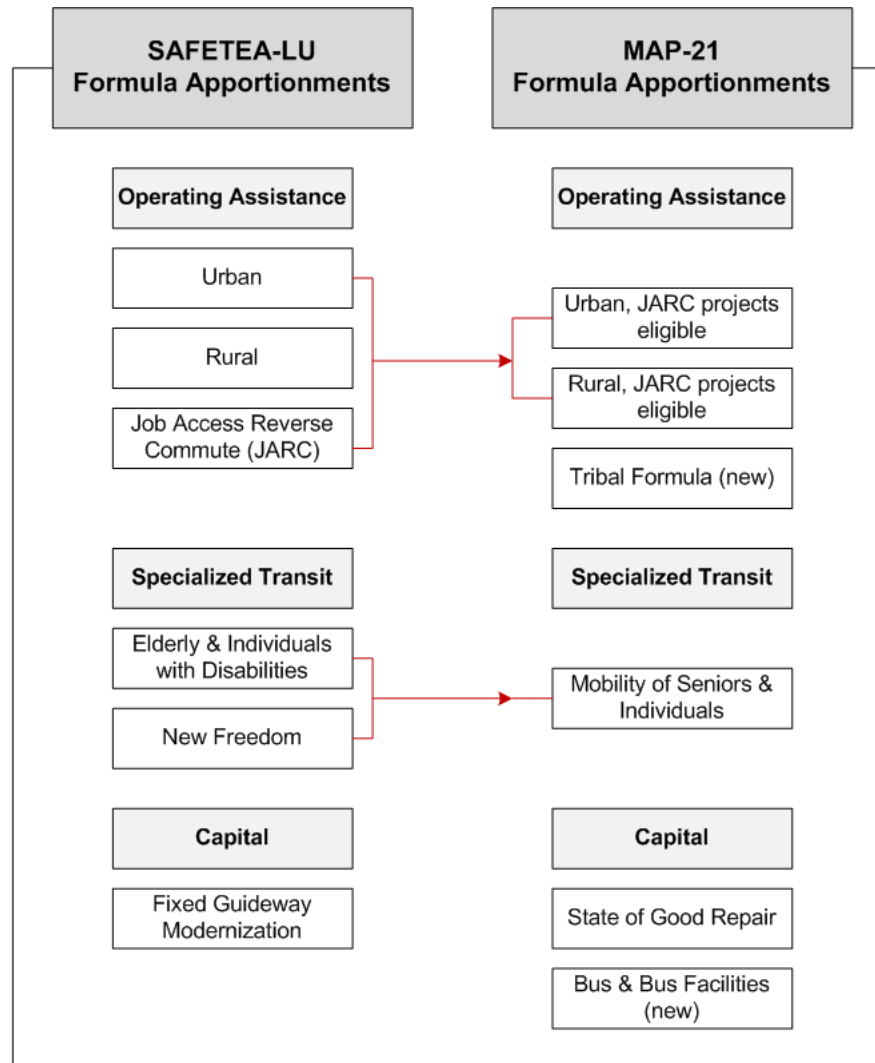
* 2013 Obligation Authority is an estimate based on the current Continuing Resolution through March 27, 2013 and other available information.

WISCONSIN'S HISTORIC HIGHWAY FUNDING RATE OF RETURN 1982-2013



MAP-21

NEW AND CONSOLIDATED **TRANSIT** FORMULA CATEGORIES



MAP-21

DISTRIBUTION OF NATIONAL TRADITIONAL TRANSIT FORMULA FUNDING

Title 49 USC Section	Primary Transit Formula Program	Percentage of Funding Under TEA-21 + Extensions (1998-05)	Percentage of Funding Under SAFETEA-LU + Extensions (2006-12)	Percentage of Funding Under MAP-21 (2013-14)
5307	Urbanized Areas	91.2%	87.5%	83.4%
5311	Rural Areas	6.4%	9.9%	11.4%
5310	Elderly & Disabled	2.4%	2.6%	4.6%

WISCONSIN'S SHARE OF TRADITIONAL TRANSIT FUNDING

Wisconsin's Share of Transit Funding					
	Percentage of National Population	Percentage Share of Traditional Formula Programs* (with tribal formula)**		Traditional Formula Funding (with tribal formula)	
FY12 Actual SAFETEA-LU	1.87%	1.22%		\$66.7 million	
FY13 Estimated MAP-21	1.82%	1.13%	(1.15%)	\$65.0 million	(\$66.8 million)
FY14 Estimated MAP-21	1.82%	1.13%	(1.15%)	\$65.9 million	(\$67.7 million)

* Urban, rural and elderly & disabled

** 11 WI tribes, only 3 eligible: Menominee, Oneida & Lac Courte Oreilles

WISCONSIN'S TRANSIT FORMULA FUNDING 2006-2014

Under	Year	Transit Formula Funds
		(including tribal formula)
SAFETEA-LU	2006	\$57.5 million
"	2007	\$59.5 million
"	2008	\$64.2 million
"	2009	\$68.1 million
"	2010	\$67.4 million
"	2011	\$66.3 million
"	2012	\$66.6 million
MAP-21	2013	\$65.7 million (\$67.5 million)
"	2014	\$66.2 million (\$68.0 million)

MAP-21

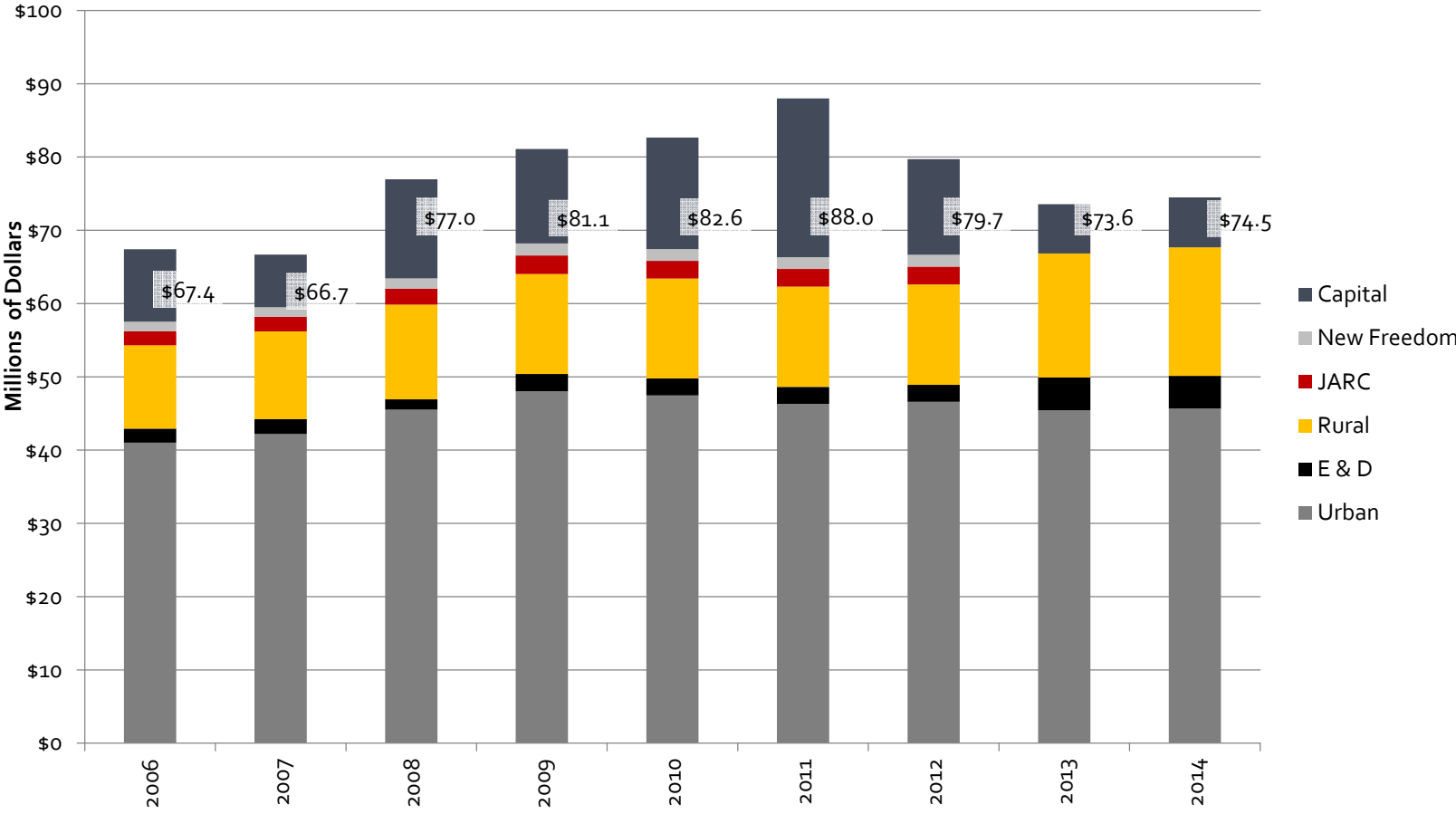
DISTRIBUTION OF NATIONAL CAPITAL FUNDING

Capital Investment Programs	Percentage of Funding under TEA-21 + Extensions 1998-05	Percentage of Funding under SAFETEA-LU + Extensions (2006-12)	Percentage of Funding Under MAP-21 (2013-14)
New Starts & Small Starts	40%	41%	56%
Fixed Guideway Modernization	40%	38%	32%
Bus and Bus Facilities	20%	22%	12%

WISCONSIN'S SHARE OF CAPITAL FUNDING

SAFETEA-LU Section	MAP-21 Section	Program Name	Trust Fund or General Fund	Discretionary or Formula	SAFETEA-LU (2006-2012)		MAP-21 (2013-2014)	
					Average Annual Amount (Millions)	Wisconsin's % Share of National Program	Average Annual Amount (Millions)	Wisconsin's % Share of National Program
5309(m)(2)(A)		New Starts & Small Starts	GF	D	\$0	0%	--	--
		<i>renamed...</i>						
	5309	Fixed Guideway Capital Investments in MAP-21	GF	D	--	--	not awarded; no WI projects within 2 years; WI projects less likely to score well	
5309(m)(2)(B)		Fixed Guideway Modernization	TF	F	\$1.3	0.08%	--	--
		<i>replaced by ...</i>						
	5337	State of Good Repair	TF	F	--	--	\$0.7	0.03%
5309(m)(2)(C)		Bus and Bus Facilities	TF	D	\$12.0	1.50%	--	--
		<i>replaced by ...</i>						
	5339	Bus and Bus Facilities	TF	F	--	--	\$6.0	1.42%
Wisconsin's Total					\$13.3		\$6.7	

WISCONSIN'S FUNDING DECLINED UNDER MAP-21



HIGHWAY 41 INTERSTATE CONVERSION FREIGHT ISSUES

- Grandfather provision needed to allow trucks currently operating on highway 41 to continue to operate after the highway is converted to an interstate
- Some vehicles exceed 80,000 pound limit under special permits or state statutory exceptions provided under state law
- Provision had been included in 2012 transportation authorization and appropriation bills
- Does not expand truck weight requirements
- USH 41 will not be converted to an interstate until the grandfather provision is secured

FOR ADDITIONAL INFORMATION CONTACT

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