



**June 10, 2005**

### **2005-2007 Budget Update #3, JFC Budget**

Early today, the Legislature's Joint Finance Committee adopted a budget bill that included significant changes to the Governor's transportation funding proposal. While most funding levels were maintained, the JFC proposal restored the integrity of the Transportation Fund by eliminating ongoing transfers of transportation user fees to general fund programs. The highlights are:

#### **Transfers**

- Removed \$217 million in recurring transfers of transportation user fees to fund programs administered by agencies other than WisDoT. Included in this amount is the transfer of the \$7.50 supplemental title fee to the environmental fund and the \$60 million per year K-12 education aids appropriation enacted in the previous biennium.
- Approved the transfer of \$268 million in transportation revenue to the General Fund in the 2005-2007 budget. However, this is a one-time transfer, which will be offset by general fund bonding.

#### **Revenue**

- Reduced the gas tax 1 cent with the revenue decrease to come from the petroleum cleanup fund. This will not impact transportation revenue.
- Eliminated auto and truck registration fee increases.
- Maintained titling fee and replacement title fee increases as proposed by the Governor.

#### **Major Policy Provisions**

- Eliminated the use of long-term bonds to fund the Marquette Interchange and restored funding in the Southeast Wisconsin Freeway appropriation.
- Reduced bonding in the Major Highway program to 45%. Bonding in the Major Highway program reached a high of 57% in the last budget. The Governor proposed a bonding level of 53%.
- Provided funding for the I-94 south study and the Zoo Interchange study.
- Establish a new LRIP discretionary grant program .
- Significantly reduced proposed funding for Hiawatha train service. The Governor had requested a 45% increase over base funding. WisDoT will be required to request additional funding through the legislature's 13:10 supplemental appropriations process.
- Established a Metra Commuter rail extension - regional transit authority including Kenosha, Milwaukee and Racine counties.