



October 26, 2007

Budget Update: Governor Signs Budget Bill

Over three months late, a budget compromise has been reached. The compromise transportation budget is a step in the right direction with what it includes – a \$471 million increase in the overall transportation budget – and what it doesn't include – transportation fund diversions. However, this transportation package does not include a long-term, sustainable funding source to address the \$700 million annual shortfall in transportation funding as identified by the Road to the Future Committee or the on-going high rate of construction inflation.

Revenue Increases

Sources of additional revenue in the current budget include federal funds, bonding, Petroleum Inspection Funds (\$20 million transfer in 08), and state transportation revenue from the following fee increases:

- Vehicle Registration Fee – increase \$20 from \$55 to \$75.
- Light Truck Registration Fee – increase from \$48.50, \$61.50 and \$77.50 to \$75, \$84 and \$106, respectively.
- Heavy Truck Registration Fee – increase vehicle registration fees for trucks over 8,000 pounds by 30%.
- Security Verification Fee – increase the fee for driver's license and identification products \$10. The revenue generated by this addition to the base fee is intended to cover the cost of implementing REAL ID.
- Vehicle Title Fee – increase the standard title fee by \$24.50 from 28.50 to \$53.00.
- Identification Cards – extend the expiration period from 4 to 8 years and increase the fee from \$9 to \$18.

If enacted, all fee increases would be effective January 1, 2008.

Program Funding Recap

Program	Governor/JFC Funding Increases (08/09)	Senate Funding Increases (08/09)	Assembly Funding Increases (08/09)	Conference Committee Increases (08/09)
State Highway Rehabilitation Program	3%/ 4%	9.6%/ 7.0%	4.9%/ 2.2%	9.6%/ 3.1%

Budget Update: 2007-2009 Transportation Budget Signed by Governor

Program	Governor/JFC Funding Increases (08/09)	Senate Funding Increases (08/09)	Assembly Funding Increases (08/09)	Conference Committee Increases (08/09)
Southeast Freeway – 194 North/South	\$181.6 million over the biennium including \$90.2 million in bonds	One change to Governor's/JFC version: \$23.3 million in additional SEG funding to reduce bonding	No change to Governor's/JFC version.	\$181.6 million over the biennium including \$90.2 million in bonds
Southeast Freeway – Zoo Interchange	\$24 million over the biennium plus 25 positions	One change to Governor's/JFC version: delete the provision in JFC enumerating the Zoo Interchange	One change to Governor's/JFC version: transfer additional position dollars to consulting	\$24 million over the biennium
Major Highway Program	1.5%/ 1.5% 55% bonding	5.2%/ 6.1% 45% bonding	1.5%/ 1.5% 48% bonding	5.2/ 2.7% 52% bonding
Maintenance	\$66 million increase over the biennium. <i>Includes increases for inflation and mileage plus \$21 million/year</i>	No change to Governor's/JFC version.	No change to Governor's/JFC version.	\$44 million increase over the biennium. <i>Includes increases for inflation and mileage plus \$10.5 million/year</i>
General Transportation Aids	2%/ 2%	3%/ 3%	2%/ 2%	3%/ 3%
Mass Transit Aids	2%/ 2%	2.5% /2.5% plus: \$3.2 million /year for Tier A-1 and \$1.6 million /year for all other	2%/ 2%	2.5% /2.5% plus: \$3.2 million /year for Tier A-1 and \$1.6 million /year for all other
Elderly & Disabled Aids	2.0%/ 2.0%	2.5%/ 2.5%	2.0%/ 2.0%	2.0%/ 2.0%
Local Road Improvement Program	2.0%/ 2.0%	2.5%/ 2.5%	2.0%/ 2.0%	2.0%/ 2.0%
Aeronautics Assistance Program	2.0%/ 2.0%	2.5%/ 2.5%	2.0%/ 2.0%	2.0%/ 2.0%
Harbor Assistance Program	\$12.7 million new bonding authority	No change to Governor's/JFC version.	No change to Governor's/JFC version.	\$12.7 million new bonding authority

Program	Governor/JFC Funding Increases (08/09)	Senate Funding Increases (08/09)	Assembly Funding Increases (08/09)	Conference Committee Increases (08/09)
Amtrak	\$2.8 million increase over the biennium to fully fund Amtrak	Reduces funding increase by \$1.2 million over the biennium to reflect new estimate.	Reduce funding increase by \$1.2 million over the biennium to reflect new estimate.	\$1.5 million increase over the biennium.
Freight Rail Preservation Program	\$22 million new bonding authority	No change to Governor's/JFC version.	No change to Governor's/JFC version.	\$22 million new bonding authority

Select Policy Provisions

- Does not provide a funding source for KRM, authority for the Southeastern Wisconsin Regional Transit Authority (RTA) to operate KRM, or bonding authority for the RTA. It does provide \$800 million for engineering.
- \$32 million in additional bonding authority for passenger rail service development. The bonds could be used to cover the 20% state share for high-speed rail between Milwaukee and Madison.
- Requires the DOT to contract for a study of Wisconsin's truck size and weight limit laws.

Governor's Vetoes

- The Governor vetoed a number of policy provisions that he felt infringed on the executive branch's authority to manage programs including:
 - Statutory language prohibiting the appropriation of any transportation revenue for any purpose other than the allowable uses of the transportation fund set forth in Chapter 25 of the statutes.
 - A requirement that the Wisconsin Department of Transportation (WisDOT) submit to the Department of Administration and the Legislative Fiscal Bureau, with each biennial budget request, a bonding strategy for the upcoming ten years.
 - A section prohibiting the Department of Administration from approving adjustments to federal appropriations without approval from the Joint Committee on Finance.
- The Governor reduced the amount of a new appropriation for the State Bicycle and Pedestrian Facilities Program in order to maintain WisDOT's flexibility to use federal congestion mitigation and air quality improvement program funds.

- The Governor vetoed a requirement that WisDOT employ value engineering for any highway improvement project in excess of an established threshold. The threshold would have been established at \$5 million initially and adjusted annually.
- The Governor removed a construction schedule for STH 23 which included a start date of July 1, 2009 and a completion date of July 1, 2011.