



December 8, 2006 **Budget Update #1: WisDOT 2007-2009 Budget**

WisDOT's 07-09 budget caused quite a buzz – proposing to increase the vehicle registration fee \$25, from \$55 to \$80. Below are some highlights that did not hit your local newspaper:

Revenue

- \$208 million in additional revenue generated by raising the registration fee on passenger vehicles and light trucks effective October 1, 2007.
- \$10 federal security verification fee for driver license and identification products effective January 2008. The revenue generated by this addition to the base fee will mostly be offset by the cost of implementing REAL ID. REAL ID was passed by Congress and signed into law by President Bush on May 11, 2005, creating national standards for the issuance of state driver license and identification cards. States must be REAL-ID compliant by May of 2008.

Program Increases

- Most programs including county and municipal aids, transit and elderly and disabled aids, aeronautical assistance, state highway rehabilitation, and the major highway program received a recommendation for a 1.5% annual inflationary increase.
- \$91 million was included to begin reconstruction of I-94 north south. WisDOT requested \$90 million in general obligation bond authority for this project.
- \$24 million was included to begin engineering on the Zoo Interchange. The department also requested 25 FTE to oversee the reconstruction of the Zoo Interchange and subsequent reconstruction of other segments on the Southeast Wisconsin freeway system.
- \$66 million for maintenance. This increase included a 2.5% annual inflationary increase, a 2% annual lane mile increase, and \$21.5 million each year to cover some activities transferred to maintenance from the rehabilitation program without corresponding funding in the 01-03 budget.
- \$3 million for Amtrak including a request for increased federal funding. The amounts included estimates for the cost of continuing rail passenger service between Milwaukee and Chicago and adding an additional passenger car to each trainset.

Policy Changes

- The department requested authority to modify the current 10-year license plate reissuance period to reissue license plates through an administrative process rather than a statutorily established cycle.
- The department requested that language created in 2001 Wisconsin Act 16 related to program definition for the installation, replacement, rehabilitation, or maintenance of highway signs, traffic control signals, highway lighting, pavement markings, and intelligent transportation systems be deleted to allow flexibility in funding these maintenance activities. The current language identifies that these contract let activities are part of the Maintenance and Traffic Operations Program and not the State Highway Rehabilitation Program.

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- The department requested creation of a continuing federal indirect cost appropriation to partially fund the cost of certain administrative functions that indirectly support federal programs. Establishing a federal indirect cost reimbursement program will not increase the amount of federal funds available to DOT programs. Rather, the program would allow for the transfer of funding from other federal appropriations.