



October 23, 2007

## Budget Update: Legislature Passes Budget

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%

<b>Program</b>	<b>Governor/JFC Funding Increases (08/09)</b>	<b>Senate Funding Increases (08/09)</b>	<b>Assembly Funding Increases (08/09)</b>	<b>Conference Committee Increases (08/09)</b>
Southeast Freeway – I94 North/South	\$181.6 million over the biennium <b>including</b> \$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 <b>including</b> \$90.2 million in bonds
Southeast Freeway – Zoo Interchange	\$24 million over the biennium <b>plus</b> 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% <b>plus:</b> \$3.2 million /year for Tier A-1 and \$1.6 million /year for all other	2%/ 2%	2.5% /2.5% <b>plus:</b> \$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

<b>Program</b>	<b>Governor/JFC Funding Increases (08/09)</b>	<b>Senate Funding Increases (08/09)</b>	<b>Assembly Funding Increases (08/09)</b>	<b>Conference Committee Increases (08/09)</b>
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 employ value engineering for any highway improvement project in excess of an established threshold. The threshold will be established at \$5 million initially to be adjusted annually.
- Requires the DOT to contract for a study of Wisconsin's truck size and weight limit laws.

The Governor is expected to issue few if any vetoes as most of this bill was agreed to as part of the compromise agreement. TDA staff will publish a comprehensive summary of the budget once it is final.