



Excerpt from
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Newsletter

Last month the Wisconsin Department of Transportation (WisDOT) submitted its 2009-11 budget recommendations to Department of Administration (DOA) Secretary Michael Morgan. The WisDOT submission is the first step in the process. The Governor will be submitting his budget to the legislature in mid-February. The following are some of the highlights of the DOT proposal:

Revenue

- Approximately \$166 million in new revenues in Fiscal Year 2010 and \$227 million in Fiscal Year 2011 from the creation of an oil company assessment. The assessment would be applied to the gross receipts of motor fuel suppliers for the privilege of doing business in Wisconsin. The assessment would be collected quarterly and would apply to the receipts that are the first sale of motor vehicle fuel received by the supplier for sale in this state.
- The assessment rate would increase based on annual gross receipts with the highest rate being 2.5%.

Total Gross Receipts	Assessment Rate
\$0-\$15,000,000	Exempt
\$15,000,001-\$75,000,000	.05%
\$75,000,001-\$120,000,000	1.5%
Over \$120,000,000	2.5%

- Statutory language would be included to prohibit any supplier from passing the costs of the assessment on to the customer. The language indicates that any person who takes such action would be subject to a penalty equal to the amount of the gain the supplier received by increasing the selling price.
- The assessment will be applied to first sales on October 1, 2009 or the effective date of the bill if it is after October 1, 2009.

Program Increases

- Most programs including general transportation aids, local roads improvement program, regional planning commissions, state highway rehabilitation, maintenance, the major highway program, rehabilitation for the southeast Wisconsin freeway system and aeronautics assistance receive a 1% annual increase.
- Transit assistance and elderly and disabled aids receive a 3% annual increase.
- Creation of a Southeast Wisconsin Transit Capital Assistance Program and authorization for \$100 million in general obligation (GO) bonding to fund the program. The program proposed by the Department would provide a share of funding for transit capital and also provide an incentive to local governments in Southeast Wisconsin to come to consensus on regional governance and local revenue options for support of transit operations.
- \$40 million in general obligation bonding authority for the Rail Passenger Route Development Program. Debt service for this GO bonding is paid from the state's general fund.
- \$113 million in Fiscal Year 2010 and \$68 million in Fiscal Year 2011 for work related to the construction of the Zoo interchange.
- \$63 million in state funds and \$285 million in general obligation bonding authority to continue work on Interstate 94 from Milwaukee to the Illinois state line to meet the scheduled completion date of 2016 (a total of \$571 million is proposed for the project this biennium).
- \$1.8 million in Fiscal Year 2010 and \$10 million in Fiscal Year 2011 to add capacity for the Amtrak Hiawatha passenger rail service between Chicago and Milwaukee.
- Increase bonding authority for the Freight Railroad Preservation Program (FRPP) - \$60 million in transportation fund supported general obligation bonds.
- \$12.7 million new transportation fund supported general obligation bonding authority for the Harbor Assistance Program (HAP). This is the same amount as the previous biennium.
- \$17 million to continue implementation of the federal REAL ID Act of 2005.

Policy Changes

- The Department is requesting a modification to the statutory definition of a major highway project which sets new thresholds to more accurately distinguish these projects from more typical rehabilitation projects. Under the department's proposal, a major highway project would be a project, other than an approach to a bridge over a river that forms a boundary of the state or a southeast Wisconsin freeway rehabilitation project, which has a total cost of more than \$25 million and involves any of the following: construction of a new route of 2.5 miles or more; adds capacity to five or more miles of existing highway; converts an existing multi-lane divided highway of ten or more miles to freeway standards; or is a project not included above that has a total cost of at least \$75 million.
- 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.
- 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.
- 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.