

WISCONSIN SENATE REPUBLICANS ISSUE BRIEFS FOR THE 2015-16 LEGISLATIVE SESSION TRANSPORTATION

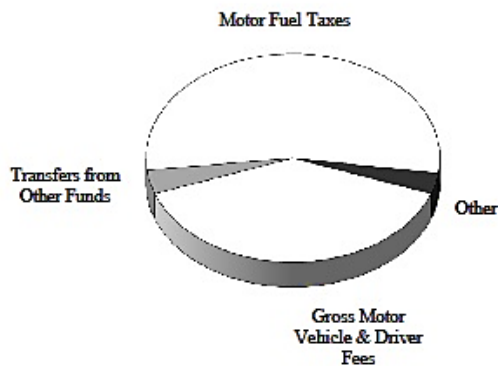
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INTRO

The Segregated Transportation Fund was created in the 1977-79 **BUDGET**. Over time, different revenue streams were added or subtracted to the fund. Most transportation related functions were paid for out of this fund, including highway construction and rehabilitation, aids to local government for transportation functions and railroad, airport and harbor improvements. After a series of transfers from the Transportation Fund to the General Fund, a constitutional amendment was adopted in 2014 to restrict the Transportation Fund to transportation related expenditures only.

FIGURE 10

Estimated 2015-17 Transportation Fund Revenues



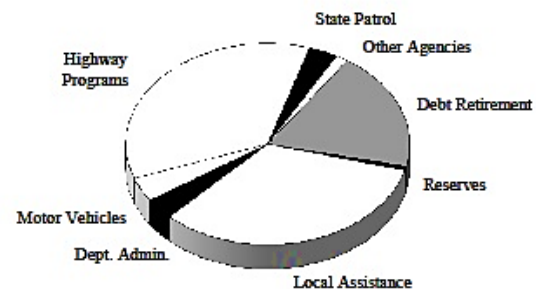
Source	Amount	Percent of Total
Motor Fuel Taxes	\$2,057,640,600	54.2%
Gross Motor Vehicle and Driver Fees*	1,476,973,400	38.9
Transfers from Other Funds	138,484,900	3.7
Railroad Taxes	65,365,400	1.7
Aeronautics Taxes and Fees	15,591,800	0.4
Miscellaneous Revenues	43,030,100	1.1
Total	\$3,797,086,200	100.0%

*The amount shown is the total motor vehicle fee revenue before deductions for the payment of revenue bond debt service.

Note: The biennium-opening balance in the transportation fund is estimated at \$63,757,700, so the total amount of revenues available in the 2015-17 biennium is estimated at \$3,860,843,900.

FIGURE 11

2015-17 Transportation Fund Appropriations By Category



Category	Amount	Percent of Total
Highway Programs	\$1,358,091,600	35.3%
Local Assistance	1,267,927,300	32.9
Debt Retirement*	736,266,800	19.1
Division of Motor Vehicles	151,498,800	3.9
Department Administration	133,049,400	3.4
Division of State Patrol	125,385,400	3.3
Other Agencies	53,268,500	1.4
Reserves	26,368,400	0.7
Total	\$3,851,856,200	100.0%

*Includes debt service on revenue bonds, which is subtracted from vehicle registration revenues prior to deposit in the transportation fund, and debt service on transportation-fund supported, general obligation bonds, which is paid from sum-sufficient appropriations.

NOTE: Lapses to the transportation fund from the appropriations above are estimated to be \$12,200,000 in 2015-17. Therefore, expenditures in the 2015-17 biennium are estimated to be \$3,839,656,200.

TRANSPORTATION FUND

The Segregated Transportation Fund is funded primarily from motor vehicle fuel taxes and vehicle registration fees. Together these two sources account for approximately 90 percent of the nearly \$2 billion fund. The remainder of the fund consists largely of various fees, including fees from driver's licenses, railroads and aeronautics. There is also a transfer of 0.25 percent of General Fund taxes which amounts to about \$77.5 million in the 2015-17 biennium. Federal aid provides roughly another \$700 million per year.

Due largely to increases in fuel efficiency, fuel consumption and fuel tax revenues have been mostly flat for the last decade. Total fuel consumption is projected to exceed 2003-04 levels for the first time in 2015-16.

BONDING

The state **BUDGET** provided \$850 million in new bonding for transportation, which was a \$450 million reduction from the amount recommended by the Governor. \$500 million of the \$850 million was available immediately while the other \$350 million in contingency bonding was released by the Joint Committee on Finance in November of 2015. The debt service on transportation bonding is mostly paid for with transportation fund revenues, although some of the debt is paid for with general fund revenues. The amount of transportation fund revenue required to pay debt service is 18.7 percent of the fund in 2015-16 and 20.1 percent in 2016-17.

HIGHWAY FUNDING

Highway funding consists of segregated transportation dollars, federal dollars and bonding. The majority of highway funding is divided between three major programs: State Highway Rehabilitation, Major Highway Development, and SE Wisconsin Freeway Megaprojects. State Highway Rehabilitation covers most reconstruction, reconditioning and resurfacing of the state highway system. Major Highway Development covers expansion of existing highways, construction of new highways and certain high-cost rehabilitation projects. SE Wisconsin Freeway Megaprojects covers very high cost freeway projects (greater than \$558 million in 2014 dollars) in the seven county region of southeast Wisconsin (Kenosha, Racine, Milwaukee, Ozaukee, Walworth, Washington or Waukesha). For the 2015-17 biennium, State Highway Rehabilitation is funded at approximately \$1.6 billion, Major Highway Development at approximately \$685 million and SE Wisconsin Freeway Megaprojects at just over \$400 million.

TRANSPORTATION AIDS

General transportation aids are paid to local governments. Counties receive approximately 98 million per year and municipalities receive approximately \$321 million per year. Counties receive share of cost aids. Municipalities receive either share of cost aids or mileage aid, whichever is greater. Mileage aid is set at \$2,202 per mile for calendar years 2016 and 2017 and thereafter. General transportation aids are the second largest DOT appropriation at almost 25 percent of all transportation fund appropriations. That covers about 18.4 percent of counties costs and 15.9 percent of municipal costs.

AUDIT

The Legislature requested an audit of the State Highway program to look at ways to increase efficiencies in the Department and look for opportunities to save money in the highway design process. This audit is expected to be completed by the end of the year.

For More:

- http://docs.legis.wisconsin.gov/misc/lfb/budget/2015_17_biennial_budget/100_act_55/100_comparative_summary_of_provisions_act_55_by_agency/130_figure_11_transportation_fund_appropriations_by_category.pdf
- http://docs.legis.wisconsin.gov/misc/lfb/budget/2015_17_biennial_budget/100_act_55/100_comparative_summary_of_provisions_act_55_by_agency/129_figure_10_estimated_transportation_fund_revenues.pdf