



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873  
Email: [fiscal.bureau@legis.wisconsin.gov](mailto:fiscal.bureau@legis.wisconsin.gov) • Website: <http://legis.wisconsin.gov/lfb>

SEP 28 2016

September 26, 2016

TO: Representative Robin Vos  
Room 211 West, State Capitol

FROM: John Wilson-Tepeli, Fiscal Analyst

SUBJECT: Transportation Bonding Under Department of Transportation's 2017-19 Budget Request

As you requested, the attachments to this memorandum provide information on the Department of Transportation's (DOT) 2017-19 budget request for the authorization and use of bonds.

The state issues two types of long-term debt obligations for transportation-related capital improvement projects: transportation revenue bonds, supported primarily by registration fees; and general obligation bonds, supported by either general purpose revenues (GPR) or segregated (SEG) transportation fund revenues. Under the Department's budget request, transportation revenue bonds would be approved for use in the state highway rehabilitation program. Transportation revenue bonds have been provided primarily for the major highway development program, but also for administrative facility capital projects. General obligation bonds have been used to finance various projects in the state highway program, including, from time to time, state highway rehabilitation projects. The use of transportation revenue bonds for state highway rehabilitation would expand the use of these bonds to a third transportation purpose.

Attachment 1 provides a summary of the transportation bonds authorized in 2015-17 and the new transportation bonding authority that DOT requested in its 2017-19 budget request. As shown in Attachment 1, a total of \$850,213,600 of bonds for transportation purposes were authorized in 2015-17. This amount includes a net \$132,000,000 in GPR-supported bonds. The Department's request for 2017-19 is for \$695,007,400 of new bonding authority, which would all be supported by the transportation fund. However, the requested, 2017-19 authorization includes \$233,089,000 of transportation revenue bond authority that DOT indicates would not be used to fund state highway projects until 2019-21.

Attachment 2 reflects the Department's anticipated use of bonds in the 2017-19 biennium. As described in its budget request, DOT anticipates using \$500,000,000 of bonds to fund transportation projects in that biennium (\$461,918,400 of the requested 2017-19 bond authorization and \$38,081,600 of previously authorized, unissued transportation revenue bonds).

I hope this information is helpful. Please let me know if you have any further questions.

Attachments

## ATTACHMENT 1

### Transportation Bond Summary 2015-17 Authorization and 2017-19 Department of Transportation Request

	2015-17 <u>Actual</u>	2017-19 <u>Request</u>
<b>Transportation Fund-Supported, General Obligation Bonds</b>		
Freight Rail Preservation	\$29,800,000	\$12,000,000
Harbor Assistance	13,200,000	14,100,000
High-Cost Bridge/Major Interstate Bridges	36,800,000	0
Southeast Wisconsin Freeway Megaprojects	300,000,000	0
Major Highway Development	100,000,000	0
State Highway Rehabilitation	<u>75,000,000</u>	<u>0</u>
Subtotal	\$554,800,000	\$26,100,000
<b>Transportation Revenue Bonds</b>		
Major Highway Development	\$169,012,200	\$153,281,700
State Highway Rehabilitation	0	308,738,300
2019-21 State Highway Program Bonding Authority	0	233,089,000
Administrative Facilities	<u>11,880,000</u>	<u>11,880,000</u>
Subtotal	\$180,892,200	\$706,989,000
Less Carryover Balance	<u>-17,478,600</u>	<u>-38,081,600</u>
New Authorization	\$163,413,600	\$668,907,400
<b>General Fund-Supported, General Obligation Bonds</b>		
Major Highway Development	\$100,000,000	\$0
State Highway Rehabilitation	75,000,000	0
Passenger Rail Development	<u>-43,000,000</u>	<u>0</u>
Subtotal	\$132,000,000	\$0
Total	\$850,213,600	\$695,007,400

Note: Under Section 9145(1v) of 2015 Act 55, as affected by the Joint Committee on Finance's action in November, 2015, an estimated \$44.8 million reduction in transportation fund-supported, general obligation bonding provided to the major highway development bonding will be required. DOT may submit a request in 2016-17 to replace the bonding reduction with transportation fund revenue. This table shows 2015-17 bonding levels for that program prior to any such adjustment.

## ATTACHMENT 2

### Use of Transportation Bonds in 2017-19 Under Department of Transportation's Budget Request\*

	<u>2017-19</u>
<b>Transportation Fund-Supported, General Obligation Bonds</b>	
Freight Rail Preservation	\$12,000,000
Harbor Assistance	<u>14,100,000</u>
Subtotal	\$26,100,000
<b>Transportation Revenue Bonds (SEG-S Appropriations)</b>	
Major Highway Development	\$153,281,700
State Highway Rehabilitation	308,738,300
Administrative Facilities	<u>11,880,000</u>
Subtotal	\$473,900,000
Total	\$500,000,000

\* Includes the use of \$38,081,600 in previously authorized, unissued transportation revenue bonds.