

TRANSPORTATION

Transportation Program Provisions

Motion:

Move to adopt the following changes to transportation provisions of the bill:

1. Reduce Transportation Revenue Bonding Provided for the Highway Program. Delete a total of \$184,836,000 SEG-S in 2003-04 and \$235,052,500 SEG-S in 2004-05 in revenue bond budget authority, which is the sum of the following: (a) reductions of \$147,708,000 SEG-S in 2003-04 and \$128,135,700 SEG-S in 2004-05 for state highway rehabilitation to eliminate transportation revenue bonding provided for the program in the bill; (b) reductions of \$37,128,000 SEG-S in 2003-04 and \$21,416,800 SEG-S in 2004-05 for major highway development to partially eliminate above-base increases in bonding for the program, leaving increases of \$6,028,300 SEG-S in 2003-04 and \$6,665,300 SEG-S in 2004-05; and (c) a reduction of \$85,500,000 SEG-S in 2004-05 for the Marquette Interchange reconstruction project. Reduce the amount of revenue bonding authority by \$820,819,100, to delete bonding authorization provided by the bill for state highway rehabilitation, the Marquette Interchange reconstruction project (including \$394,719,000 that was authorized for use in the 2005-07 biennium), part of the above-base increase in the major highway development program, and amounts provided for the cost of issuance of these bonds. Increase estimated transportation fund revenue by \$7,884,200 in 2003-04 and \$32,961,700 in 2004-05 to reflect a reduction in revenue bond debt service on these bonds.
2. Pledge of Revenues for the Payment of Revenue Bond Debt Service. Adopt Alternative #1 of LFB Issue Paper #739, which would make technical modifications to the provision in the bill that would expand the types of revenue that are pledged for the payment of debt service on transportation revenue bonds to include all vehicle registration-related and vehicle title transfer fees.
3. Provide General Fund-Supported, General Obligation Bonds. Authorize a total of \$377,082,100 in general obligation bonds, as follows: (a) \$275,843,700 for state highway rehabilitation to replace the transportation revenue bonds provided by the bill with equal amounts of general obligation bonds; and (b) \$101,238,400 for major highway development to replace the above-base increases in transportation revenue bonds provided by the bill with equal amounts of general obligation bonds, plus an additional \$30,000,000, an amount equal to the biennial transfer in the bill from the transportation fund to the general fund. Modify the current GPR

appropriation in DOT for the payment of debt service on bonds issued under the local roads for job preservation program to also pay the debt service on the bonds issued under this item. ^
Increase estimated GPR debt service by \$8,135,300 GPR in 2003-04 and \$29,415,200 GPR in 2004-05 to reflect debt service payments on these bonds.

4. Sales Tax on New Vehicle Sales. Require DOR, beginning on July 1, 2005, and on each July 1 thereafter, to determine the amount of revenue generated by the tax on the sale and use of new motor vehicles in the preceding calendar year and specify that an amount equal to 20 of the sales tax amount be deposited in the transportation fund (estimated at \$48.2 million in 2005-06).

Require DOT, in submitting its agency budget request for the 2005-07 biennium, to include statutory language that would create a transportation fund appropriation for the payment of debt service on the general fund-supported, general obligation bonds that would be authorized for state highway projects under this motion (estimated at about \$44.5 million on an annual basis once all of the bonds have been issued.)

5. Sunset K-12 School Aid Appropriation. Specify that the transportation fund appropriation for K-12 school aids created by the bill (\$40,000,000 SEG in 2003-04 and \$60,000,000 SEG in 2004-05) would be deleted on June 30, 2005.

6. Restore Project Funding/or the State Highway Rehabilitation and Major Highway Development Programs. Increase funding by \$12,767,600 SEG and \$84,287,100 FED in 2003-04 and \$4,516,200 SEG and \$55,520,700 FED in 2004-05 for the state highway rehabilitation program (a total of \$97,054,700 in 2003-04 and \$60,036,900 in 2004-05) to restore base funding for projects in the program. Increase funding for the major highway development program by a total of \$5,707,300 in 2003-04 and \$1,740,400 in 2004-05, which is the net effect of a reduction of \$321,000 SEG and an increase of \$6,028,300 SEG-S in 2003-04 and a reduction of \$4,924,900 SEG and an increase of \$6,665,300 SEG-S in 2004-05, which, in combination with the additional \$30,000,000 in general fund-supported, general obligation bonds, would restore base funding for projects in the program.

7. State Highway Program Cost Review. Adopt Alternative #D1 of LFB Issue Paper #760, which would transfer \$11,120,500 SEG in 2004-05 from the appropriation for state highway rehabilitation and \$4,833,000 SEG in 2004-05 from the appropriation for major highway development (equal to 2 of the total base funding for each program) to the Joint Committee on Finance's supplemental SEG appropriation.

The alternative would also require DOT to submit a report to the Joint Committee on Finance by January 1, 2004, that includes the following: (a) the Department's response to any recommendations included in the Legislative Audit Bureau's performance audit of the state highway program; (b) the Department's recommendations of steps that may be taken or legislation that could be considered that could reduce costs in the state highway program; (c) information on current environmental requirements, highway improvement standards, and the

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degree of competitiveness in the construction industry, and how these factors contribute to the cost of highway projects; (d) the Department's recommendation on whether additional positions should be provided in the Division of Transportation Districts to replace the work done by engineering consultants to reduce project design costs; and (e) the Department's recommendation on how to allocate any cost savings produced by either process modifications or the addition of DOT staff back to the Department's appropriations. Specify that if the Co-Chairs do not notify DOT within 14 working days after the date of the submittal that the Committee has scheduled a meeting to review the report, the funding placed in the Committee's appropriation by this alternative would be transferred back to the corresponding appropriations for state highway rehabilitation and major highway development, with any modifications the Department recommends under "(e)". Specify that if, within 14 working days after the submittal, the Co-Chairs notify DOT that the Committee has scheduled a meeting to review the report, the funding shall remain in the Committee's supplemental appropriation until the Committee takes action to release the funding. Specify that the Committee may take action with respect to the report that it deems necessary, including releasing a portion of the funds and asking the Department to submit additional information to the Committee before additional funding for the state highway rehabilitation and major highway development programs is restored.

8. Southeast Wisconsin Freeway Rehabilitation and Marquette Interchange Funding Modifications. Increase funding by a total of \$16,052,600 SEG annually to restore funding for projects in the southeast Wisconsin freeway rehabilitation appropriations. Provide an additional \$41,156,200 SEG and \$8,843,800 FED in 2004-05 for the Marquette Interchange reconstruction project. Replace \$6,000,000 in federal highway formula aid funds provided in 2003-04 for the Marquette Interchange project with \$6,000,000 in federal funds received through a congressional earmark for the project in the federal fiscal year 2003 appropriations act. Replace \$8,000,000 in formula funds annually with additional, estimated congressional earmarks of \$8,000,000 annually from subsequent appropriations acts.

Modify provisions related to \$140,000,000 in currently-authorized bonding that was provided by 2001 Act 109 to compensate for unanticipated reductions in federal aid, as follows: (a) delete \$40,000,000 of the bonding authorization amount; (b) add the Marquette Interchange reconstruction project as an eligible use of the bonding and eliminate the requirement that federal aid must be at least 5 below estimated amounts to use the bonding, if the bonds are used on the Marquette Interchange project; (c) require DOT, to the maximum extent possible, to minimize the issuance of bonds for the project, including by disencumbering bond funds that were encumbered for project contracts if SEG or FED amounts in the southeast Wisconsin freeway rehabilitation appropriations could be used to meet the expenditure obligations in lieu of bond proceeds; (d) specify that these bonds may only be issued for the Marquette Interchange project in a fiscal year if SEG or FED funds provided for the Marquette Interchange project in the southeast Wisconsin freeway rehabilitation appropriation are insufficient to pay the full amount of expenditures on the project in that year and that, in this event, the minimum amount necessary to meet expenditure obligations in that year may be issued; (e) specify that the issuance of any amount of this bonding that is used for the Marquette Interchange project must be structured so that no debt service payments would extend beyond 2008-09; (f) modify the SEG appropriation

for southeast Wisconsin freeway rehabilitation to allow funds that are allocated for the Marquette Interchange project to be transferred to the appropriation for the payment of the debt service on these bonds and require DOT to make such transfers to the maximum extent possible, while minimizing the overall bond issuance for the project; and (g) allow DOT to submit a request to the Co-Chairs of the Joint Committee on Finance for review under a 14-day passive review process to transfer FED in the appropriation for southeast Wisconsin freeway rehabilitation (other than federal funds that are received under a congressional earmark for the Marquette Interchange project) that are not allocated to non-Marquette Interchange freeway projects to either the state highway rehabilitation or major highway development programs and to transfer an equal amount of SEG from those programs to the appropriation for the payment of debt service on the bonds issued for the project. Estimate debt service payments of \$82,300 SEG in 2004-05 for bonds issued to meet expenditure obligations for the project in that year. (These funding changes would increase total funding for southeast Wisconsin freeway rehabilitation projects, including the Marquette Interchange, to \$95,294,400 in 2003-04 and \$245,294,400 in 2004-05.)

Require DOT, in submitting its agency budget request for the 2005-07 biennium, to include a request for any bonding authorization and adjustments to the southeast Wisconsin freeway rehabilitation appropriation levels necessary to implement a funding policy for the remainder of the Marquette Interchange reconstruction project that does the following: (a) minimizes the overall use of bonds, by using SEG or FED funds whenever possible to make expenditures on the project; and (b) utilizes short-term bonds, when the use of bonds is required, structured so that debt service payments do not extend beyond 2008-09.

9. Require Allocation of Funds for Southeast Wisconsin Freeway Rehabilitation Projects Other than the Marquette Interchange. Require DOT to allocate at least \$49,350,000 annually in the 2003-05 biennium and annually thereafter for southeast Wisconsin freeway rehabilitation projects other than the Marquette Interchange project from the appropriations for southeast Wisconsin freeway rehabilitation. Specify that any amounts that are not encumbered out of the annual allocation in one fiscal year for these projects would carry over to the next year and have the effect of increasing the allocation for projects in that year by the amount that is carried over. Specify that the Department could encumber funds that are allocated to the non-Marquette Interchange freeway projects on the Marquette Interchange project in a fiscal year as long as all of the following apply: (a) the annual allocation to non-Marquette Interchange projects in the following year, as specified above, is increased by an amount equal to the amount reallocated to the Marquette Interchange project, from funds in the appropriation that are available for the Marquette Interchange project in that year; (b) the non-Marquette Interchange allocation was not reduced for the purposes of encumbering funds on the Marquette Interchange project in the previous year; and (c) the reallocation is approved by the Joint Committee on Finance under a 14-day passive review process. (With this allocation of funds for non-Marquette Interchange southeast Wisconsin freeway projects, the amount of funding available for the Marquette Interchange would be \$45,944,400 in 2003-04 and \$195,944,400 in 2004-05.)

10. Restore Limited Term Employee and Consultant Funding. Increase funding by \$3,995,400 SEG in 2003-04 and \$4,416,600 SEG in 2004-05 for state highway rehabilitation and

\$1,997,700 SEG in 2003-04 and \$2,208,300 SEG in 2004-05 to restore funding for the engineering consultant and limited term employee (LTE) budgets in both programs.

11. Establish 2004-05 Base for State Highway Programs. Direct DOT, in establishing the 2004-05 appropriation base for the state, highway programs for the purposes of the Department's 2005-07 budget request to include the following amounts for those programs to reallocate \$230,000,000 in SEG funding provided in 2004-05 for shared revenue and K-12 school aids plus the \$15,000,000 transfer in that year from the transportation fund to the general fund: (a) \$128,135,700 for the state highway rehabilitation program (to replace the amount of general obligation bonding that would be used for the program in 2004-05); (b) \$64,210,200 for the major highway development program (to replace the amount of general obligation bonding that would be used for the program in 2004-05 plus an additional \$21,128,100); and (c) \$52,654,100 for the Marquette Interchange project (to allocate the remaining amount of uncommitted SEG funds for the project). In addition, direct DOT to include an additional \$28,871,900 SEG-S in the 2004-05 base for the major highway development program (in conjunction with the SEG increase, the total 2004-05 base would be increased by \$50,000,000 and would be funded with 56 bonds).

12. Enumerate Major Highway Development Projects. Enumerate in the statutes, as major highway development projects, the following projects: (a) USH 14 from Viroqua to Westby in Vernon County; (b) USH 18 from STH 60 to Prairie du Chien in Crawford County; (c) USH 41 from STH 26 to Breezewood Lane in Winnebago County; and (d) USH 41 from one mile south of CTH F to CTH M in Brown County.

13. Funding Modifications for State Highway Maintenance; Funding of Traffic Control Items. Reduce funding by \$3,327,100 SEG in 2003-04 and \$15,434,700 SEG in 2004-05 for the state highway maintenance and traffic operations program, to maintain funding for the program at the base level, net of standard budget adjustments. Reduce funding by an additional \$7,400,000 SEG annually to eliminate funding that was included in the base of the program for the installation of traffic signals, highway lighting, highway signs, pavement marking, and intelligent transportation systems. Delete the provisions in the bill related to allowing these activities to be funded from the state highway rehabilitation appropriations. Convert the state highway maintenance and traffic operations SEG appropriation from a biennial appropriation to a continuing appropriation.

14. Freeze General Transportation Aid and Mass Transit Operating Assistance at the 2003 Level. Reduce funding by \$4,666,800 SEG in 2003-04 and \$14,116,800 SEG in 2004-05 in the general transportation aid program and \$616,700 SEG in 2003-04 and \$3,098,600 SEG in 2004-05 in the mass transit operating assistance program to delete the funding provided by the bill to increase the calendar year distributions in both programs by 2.5 annually. Maintain the 2003 distribution levels for both programs in 2004 and 2005.

15. Mass Transit Operating Assistance - Change to Tier Distributions. Adopt Alternative #B5 of LFB Issue Paper #745, which would increase the statutory distribution level for

Tier B by \$749,300 in calendar year 2004 and thereafter and decrease the statutory distribution level for Tier C by \$749,300 in calendar year 2004 and thereafter to reflect the change in the composition of transit systems within these tiers due to the 2000 federal decennial census. In addition, increase the Tier B appropriation by \$187,300 SEG in 2003-04 and \$749,300 SEG in 2004-05 and make corresponding annual decreases in the Tier C appropriation to reflect the transfer of base level funding among the two tiers. ^

16. Local Roads Improvement Program Funding Reduction. Reduce funding by \$1,874,100 SEG and \$1,874,100 SEG-L in 2003-04 and \$2,487,700 SEG and \$2,487,700 SEG-L in 2004-05 for the local roads improvement program to set program funding in each year of the 2003-05 biennium at the level actually available in the 2002-03 base year (after deduction for the West Canal Street reconstruction project).

17. Delete Funding for Transportation Programs. Reduce funding by a total of \$750,000 SEG annually and \$3,407,200 FED in 2003-04 and \$3,528,600 FED in 2004-05 to reflect the deletion of funding for the following transportation programs: (a) the surface transportation discretionary grant program, which provides grants of federal funds for projects designed to promote alternatives to single-occupancy vehicle travel, such as the purchase of buses for new transit service or the construction of commuter bicycle facilities (reductions of \$2,407,200 FED in 2003-04 and \$2,528,600 FED in 2004-05); (b) the multimodal transportation studies program, which funds various studies related to the development of new transportation facilities and transportation planning, including traffic modeling studies and transit system studies (reductions of \$750,000 SEG annually); and (c) the transfer of federal highway aid from DOT to DOA for providing comprehensive planning grants to local governments (reductions of \$1,000,000 FED annually). ^^^

18. Car-Killed Deer. Delete the transportation fund appropriation, which would be created by the bill, for the removal and disposal of car-killed deer (\$402,100 SEG in 2003-04 and \$414,600 SEG in 2004-05) and restore the current GPR appropriation for this purpose, funded at the same level.

19. Surplus Land Sales. Require DOT to sell enough surplus land each year of the biennium to generate \$4,000,000 in annual transportation fund revenues, which represents a \$2,000,000 annual increase over the amounts assumed under the bill.

20. Department Administrative Appropriation Lapse. Require the DOT Secretary to lapse a total of \$175,000 SEG annually from the Department's appropriations for departmental management and operations, the Division of Motor Vehicles, and the Division of State Patrol. Reflect these amounts as an increase to transportation fund appropriation lapses.

21. Effective Date for Automobile Registration and Vehicle Title Fee Increases. Establish an October 1, 2003, effective date for the \$10 increases in the bill to the automobile registration and vehicle title fees. Increase estimated transportation fund revenue by \$12,279,100 in 2003-04 to reflect this change. (The bill did not contain a delayed effective date for these fee ^

increases, although the revenue associated with them was based upon a January 1, 2004, effective date.)

22. Commuter Rail Transit System Development Grant Program. Adopt Alternatives #2 and #3 of LFB Issue Paper #746, which would: (a) modify the Governor's recommendation for the program by providing the \$400,000 SEG in 2003-04 (instead of 2004-05) and converting the appropriation to a biennial appropriation; and (b) delete the acquisition of property and equipment and the construction of commuter rail capital projects as eligible costs under the program (grant funding would be limited to preliminary engineering).

23. Outdoor Advertising Signs on Designated Scenic Byways. Adopt Alternative #3 of LFB Issue Paper #763, which would delete the provision in the bill that would make changes to outdoor advertising control provisions as they relate to the erection of signs along designated scenic byways.

24. Traffic Signals in Rock County. Require DOT to install traffic control signals at the intersection of Inman Parkway and USH 51 in the Town of Beloit in Rock County by June 30, 2004.

Note:

This motion makes numerous changes to transportation provisions of the bill. The proposed changes, in general terms, do the following:

- Replace transportation revenue bonds that the bill would provide for the state highway rehabilitation program (\$147,708,000 in 2003-04 and \$128,135,700 in 2004-05) and the above-base portion of the bonding provided for the major highway development program (\$43,156,300 in 2003-04 and \$28,082,100 in 2004-05), with general fund-supported, general obligation bonds. The motion would also provide an additional \$30,000,000 in general fund-supported, general obligation bonds for the major highway development program, an amount equal to the transfer of funds from transportation fund to the general fund in the bill, plus transportation revenue bonds of \$6,028,300 in 2003-04 and \$6,665,300 in 2004-05. The motion would begin the transfer of 20 of the sales tax on new vehicles to the transportation fund in 2005-06 (estimated at \$48.2 million) and would require the Department to submit proposed statutory language to convert the GPR debt service on the bonds to the transportation fund, beginning in 2005-06 (estimated at \$44.5 million on an annual basis, once the bonds have been issued).

- Restore base-level funding for projects and the LTE and consultant funding in the state highway rehabilitation and major highway development programs and for the SEG- and FED-funded portion of the southeast Wisconsin freeway rehabilitation program. In addition, the motion would require the Department to allocate at least \$49,350,000 on an annual basis for freeway projects in southeast Wisconsin other than the Marquette Interchange from the southeast Wisconsin freeway rehabilitation appropriations. The motion would also allow \$100,000,000 in currently-

authorized, transportation fund-supported, general obligation bonding to be used on the Marquette Interchange project. This bonding was part of a \$140,000,000 authorization provided by 2001 Act 109 to compensate for unexpected reductions in federal highway aid. Under the motion, any bonding used for the Marquette Interchange project would have to be structured such that no debt service would be paid beyond 2008-09. The motion would also reduce the \$140,000,000 authorization to \$100,000,000. The allocation of funding for non-Marquette Interchange projects, in combination with the restoration of project funding in the southeast Wisconsin freeway rehabilitation appropriation and the provision of \$100,000,000 in currently-authorized bonding would provide a total \$241,888,800 for the Marquette Interchange project in the biennium. --~

- Require DOT to prepare a state highway program cost review report and submit it to the Joint Committee on Finance.

- Reduce funding for the maintenance and traffic operations program to eliminate the increase provided in the bill and to eliminate \$7,400,000 from the base for traffic control items, such as signals, lights, and pavement markings.

- Reduce funding for the local transportation aid and mass transit assistance programs to freeze the distribution levels for those programs at the 2003 levels in 2004 and 2005. Funds would be moved from Tier C to Tier B to reflect the move of three transit systems between those tiers. Funding would also be reduced for the local roads improvement program to provide the same level of funding in both years of the biennium that was actually provided in 2002-03.

- Delete funding for the following three transportation programs: (a) the surface transportation discretionary grant program; (b) the multimodal transportation studies program; and (c) the use of DOT FED funds for comprehensive planning grants. In addition, the transportation fund appropriation for paying a portion of the cost of DNR's car-killed deer program would be converted to GPR.

- Increase the 2004-05 base level, used to prepare the 2005-07 budget, for the major highway development program by \$50 million and enumerate four additional major highway development projects.

- Increase the 2004-05 base level of SEG funds, used to prepare the 2005-07 budget, for the highway program to replace above-base bond funds used in 2004-05.

- Require the Department to sell enough surplus property annually to generate \$4,000,000 in sales, which is an increase of \$2,000,000 annually over the level assumed under the transportation fund revenue estimates upon which the bill was based.

- Require DOT to lapse, from its administrative appropriations, \$175,000 SEG annually.

- Establish an October 1, 2003, effective date for the \$10 automobile registration and vehicle title fee increases under the bill.

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- Limit commuter rail transit system development grants to preliminary engineering.
 - Delete the bill provisions related to outdoor advertising signs on designated scenic byways.
 - Require the installation of traffic signs in the Town of Beloit in Rock County.

Under the motion, the transportation fund would have an estimated balance of \$44,500 at the end of the 2003-05 biennium.

[Change to Bill: \$35,260,400 SEG, \$57,125,000 SEG-REV, -\$419,888,500 SEG-S, -\$4,361,800 SEG-L, \$350,000 SEG-Lapse, \$141,715,800 FED, -\$483,737,000 BR, and \$38,367,200 GPR]