

Key Points
2007-09 Biennial
(10/29/07)

Note: This document summarizes major funding and policy items affecting DOT contained within Act 20, the 2007-09 Biennial Budget.

Revenues

- The budget requires a \$20 increase in automobile registration fees from \$55 to \$75 beginning on January 1, 2008. This change will generate new revenue of \$35.3 million in FY 08 and \$71.9 million in FY 09.
- Registration fees on light trucks will increase beginning on January 1, 2008:
 - ✓ “A” trucks to increase from \$48.50 to \$75
 - ✓ “B” trucks to increase from \$61.50 to \$84
 - ✓ “C” trucks to increase from \$77.50 to \$106This change will generate \$12.0 million in FY08 and \$24.7 million in FY09.
- Registration fees for heavy trucks increase by 30%, effective January 1, 2008. For example, the annual fee paid for an 80,000 pound truck would increase from \$1,969.50 to \$2,560. This change will generate \$7.6 million in FY08 and \$49.2 million in FY 09.
- The budget requires a standard title fee increase of \$24.50 from \$28.50 to \$53.00, effective January 1, 2008, which generates \$17.5 million in FY 08 and \$35.1 million in FY 09. This increase, combined with existing title-related fees, increases the total cost of obtaining a title to \$69.50.
- The budget requires a \$10 federal security verification fee effective January 1, 2008, for most driver license, commercial driver license, and identification card transactions. The proposed fee generates \$6.9 million in FY 08 and \$13.8 million in FY 09. The fee is necessary because of the significant cost associated with implementing the federally mandated REAL ID Act of 2005.
- The budget increases the valid period of a state-issued identification card from four to eight years and increases the current fee from \$9 to \$18, effective January 1, 2008.
- The budget extend the \$9 environmental impact fee sunset from December 31, 2007 to December 31, 2009.
- The budget increases the transfer from the Petroleum Inspection Fund to the transportation fund by \$14 million in FY 08. The total transfer in FY 08 will be \$20.3 million and \$6.3 million in FY 09.

Fiscal Policy

- The budget requires that whenever the Department determines that a projected biennium-ending budgetary deficit in the transportation fund exceeds \$30 million, the Department must develop a plan to eliminate the deficit. The plan must be submitted to JFC for approval under a 14-day passive review process.

Highway Improvement Program

Southeast Freeways

- The budget provides \$182.0 million for the reconstruction of I-94 between the Mitchell Interchange and the Illinois state line including \$90.2 million in transportation fund supported general obligation (GO) bonds. In total, DOT will spend \$245 million on the project in the biennium.
- The budget provides \$16.0 million in FY 08 and \$11.0 million in FY 09 for Marquette project costs. No new resources are provided for the project; and its estimated total cost remains at \$810 million.
- The budget provides \$17.0 million in FY 08 and \$7.0 million in FY 09 for the required environmental studies and preliminary engineering related to the reconstruction of the Zoo Interchange in Milwaukee County. No new state positions are provided.
- The budget provides statutory language to enumerate the I-94 North-South Project and the Zoo Interchange project.
- The budget establishes a prohibition of additional lanes on I-94 near Wood National Cemetery in Milwaukee County.

Maintenance

- The budget provides a total of \$18.0 million in FY 08 and \$26.3 million in FY 09. These increases provide for routine maintenance base funding, a 2.5 percent annual inflationary increase, and system growth.

Summary of Maintenance and Operations funding

	<u>FY 08</u>	<u>FY 09</u>
Routine Maintenance	\$10,510,000	\$10,510,000
Inflation	3,960,400	8,019,800
System Growth	<u>3,493,600</u>	<u>7,800,500</u>
Total	\$17,964,000	\$26,330,300

- The budget requires that the DOT be required to contract for a study of Wisconsin's truck size and weight limit laws, to identify changes in those laws that would have a net benefit to Wisconsin's economy. The consultant must review the June 2006 study completed for the state of Minnesota. In addition, require DOT to appoint an advisory committee for the study and submit its report to the Legislature no later than January 1, 2009.
- The budget prohibits DOT from constructing or locating a truck weight enforcement facility in or adjacent to the Village of Rockland in La Crosse County.

Majors and State Highway Rehabilitation Programs

- The budget provides total funding for SHR of \$670.6 million in FY 08 and \$691.6 million in FY 09, for an increase of 9.2% in FY 08 and 12.6% when compared to FY 07 funding for the program.
- The budget provides total funding for the Majors program of \$314.4 million in FY 08 and \$322.7 million in FY 09, for an increase of 5.2% in FY 08 and 8.0% in FY 09 when compared to FY 07 funding for the program. The bonding percentage over the biennium is 52.3%.

Summary of Highway Improvement Programs

	<u>FY 08</u>	<u>FY 09</u>
SHR Program	\$670,586,200	\$691,607,200
Change from FY 07	9.2%	12.6%
SE Freeways	\$ 167,350,000	\$227,350,000
Change from FY 07	78.1%	141.9%
Majors Program	\$314,413,300	\$322,739,300
Majors Bonding Percentage	52.7%	51.9%
Change from FY 07	5.2%	8.0%

- The budget requires that DOT be required to submit by February 1, of each year, to include with its semi-annual report on the cost of enumerated major highway projects an updated project schedule for all projects, showing the annual funding required until completion of each project.

Rail/Local Aids/Grant Programs

- The budget provides an inflationary increase of 3.0% each calendar year for GTA.

- The budget provides an inflationary increase of 2.5% each calendar year for Mass Transit Operating Assistance plus an additional \$3.2 million per year for Milwaukee and an additional \$1.6 million per year to be spread across the remaining transit tiers.
- The budget provides inflationary increases of 2.0% each year for Elderly & Disabled Transportation Aids, the Local Road Improvement Program, both entitlement and discretionary, and the Aeronautics Assistance Program.
- The budget fully funds lift bridge aids for 2008 and 2009 based on actual and estimated costs, respectively, so as to avoid pro-rating lift bridge reimbursements.
- The budget provides \$22.0 million in GO bonding authority for the Freight Rail Preservation Program in the biennium, a \$17.5 million increase over traditional biennial funding levels.
- The budget provides an additional \$32 million in GO bond authority for a total of \$80 million to match federal funds provided for the expansion of passenger rail service in Wisconsin. It also establishes statutory language to expand the eligible use of passenger rail bonding for facilities between Madison and La Crosse, Milwaukee and Chicago, and Madison to Minnesota via Eau Claire.
- The budget provides \$12.7 million in GO bonding authority for the Harbor Assistance program, a level consistent with the amount approved for the 2005-07 biennium.
- The budget provides an increase in funding of \$639,100 SEG and \$36,600 FED in FY 08 and \$674,600 SEG and \$178,600 FED in FY 09 for the Hiawatha service provided by Amtrak between Milwaukee and Chicago. This provides continuation of the Hiawatha at current levels of service and adds one additional passenger car to each train to address capacity issues.
- The budget provides \$4.6 million in FY 08 and \$3.2 million in FY 09 and statutory language to implement the federally funded Safe Routes to Schools program.
- The budget creates a bicycle facilities program by using funding that would have restored the STP-D program. Funding for the new program begins in FY 09 with funding of \$2,720,000 FED and \$680,000 Local.
- The budget provides funding of \$800,000 for the Kenosha-Racine-Milwaukee commuter rail system development. The funding has been placed in the Joint Committee on Finance's reserve appropriation. Release of these funds for work on the project will require Committee approval.
- The budget provides three regional environmental analysis and review specialist positions at DNR to review local government transportation projects. The positions

will provide a single source of contact with DNR on local transportation projects. Funding for the positions will come from the entitlement portion of the Local Road Improvement Program.

Service Divisions

State Patrol

- The budget provides \$550,000 in FY 08 and \$528,200 in FY 09 to fund costs associated with fleet operations for the Division of State Patrol.
- The budget provides \$371,400 in FY 09 to purchase 600 digital narrow-band mobile radios to replace obsolete analog wide-band radios in DSP vehicles.
- The budget requires DOT to include a proposal in the highway safety performance plan to spend and award a \$75,000 grant annually in 2007-2009 to fund a “rider-to-rider” campaign to reduce impaired motorcycle riding. The grant shall be given to a motorcycle organization with certain criteria. Require DOT to award the grant from the federal highway safety appropriation.

Motor Vehicles

- The budget provides \$9,805,300 in FY 08 and \$12,184,000 in FY 09 and 25.9 FTE positions for implementing the REAL ID Act of 2005. Funds will be held in the JFC supplemental appropriation and DOT may submit one or more requests to release the funds. The federal law, effective May 2008, requires proof of identity, electronic identity verification, and data sharing among states before the state can issue a driver license or state ID.
- The budget increases funding by \$50,000 in FY 08 to continue the vehicle emission inspection program. Statutory language changes allow for the use of on board diagnostic testing only beginning in FY 09 – which will result in program savings. Place the net FY 09 spending authority of \$12,144,200 into JFC’s supplemental appropriation and allow DOT to request the funds during the last quarter of FY 08 for the contractual obligation. Allow for alternative I/M testing program alternatives. Require DOT to conduct a study of alternative testing models and to submit the report to the Legislature by May 1, 2008.
- The budget provides \$214,000 in FY 08 and \$14,000 in FY 09 to implement the federally required Unified Carrier Registration program effective January 1, 2007. DOT may, consistent with federal law, establish by permanent or emergency rule the annual fee.
- The budget provides \$60,300 in FY 08 and \$80,400 in FY 09 to cover the increased cost associated with the National Motor Vehicle Title Information System which provides up-to-date vehicle title information during ownership changes.

- The budget specifies that in cases where a driver license (DL) is cancelled prior to the expiration date due to an eye test failure, the DL shall remain valid as an identification card until the expiration of the DL, and no additional ID fee shall be charged. The physical DL card shall be marked in such a manner by DOT staff.
- The budget defines vehicles authorized as an emergency vehicle for purposes of organ transplant movements; the speeds to be utilized, the types of lights to display, required driver training, and other criteria.
- The budget modifies provisions that prohibit the operation of an aircraft to also include prohibition for operating when exceeding a specified alcohol concentration. Impose the same penalties (fines, forfeitures, assessments, terms of imprisonment, counting of priors) as operating a motor vehicle.
- The budget requires that heavy-duty vehicles equipped with idle reduction technology, as defined under federal law, may exceed highway weight limits. The weight limits may be exceeded by no more than 400 pounds. In addition, Act 20 modified the diesel truck idling reduction grant program administered by the Department of Commerce.
- The budget modifies a penalty provision for truck weight limit violations for combination trucks carrying raw forest products to specify that the forfeitures apply to all truck combinations, and not just those with six or more axles.
- The budget requires the Department of Corrections to provide a DMV-issued state identification card to individuals released from prison if they do not already possess a valid driver license or ID. If the individual cannot pay for a card, the Department of Corrections shall cover the cost.
- The budget directs that DNR, in consultation with DOT, administer a pilot program for the use of ATV's within specified counties to investigate the effects of the use of these vehicles on trails and roadways. The pilot program would sunset on September 30, 2009.

Business Management

- The budget provides \$484,100 in both years of the biennium for increasing utility costs including the maintenance and utility costs associated with Size and Weight Enforcement Facilities on the highway system.
- The budget provides \$203,000 in FY 08 and \$152,000 in FY 09 to cover increased rent costs associated with the relocation of the Waukesha and Madison West DMV service centers.

Other Issues

Lapse

- Major state agencies will be required to lapse \$200,000,000 biennially in the 2007-09 and the 2009-11 biennia. DOT's portion is yet to be determined.

IBIS and Server Consolidation

- The budget provides the Department of Administration with authority to charge state agencies for costs associated with the development of an Integrated Business Information System. In addition, state agencies will be charged for costs associated with the Server Consolidation program. At this time, DOT's share of costs for these initiatives is unknown.

Building Program

- The budget authorizes revenue bond proceeds and other funds for these major building program projects: DSP's statewide gap filler communication towers, DMV's service center office renovation in Wausau, DMV's remodeling of Eau Claire service center, DSP's remodeling of the Fond du Lac post.
- The budget authorizes \$50 million in GO bond authority for the replacement of the DOT building.

State Map

- The budget deletes \$232,000 in FY 08 for the printing of the state highway maps and specifies that DOT may only print maps in one year of each fiscal biennium.

State Highway Program Project Earmarks

- The budget requires that DOT begin preliminary engineering on the reconstruction of USH 51 in and near the village of DeForest. Reconstruction must begin no later than December 31, 2012.
- The budget requires that the Mar Cheese Castle in Kenosha County be allowed to relocate its on-premise advertising signs near I-94 and STH 142 notwithstanding any local, county, or state restriction.
- The budget requires DOT to install and maintain two signs over the overpass carrying CTH CP/Business 141 over USH 141 in Marinette County, visible to traffic traveling on USH 141 in both directions, indicating that the bridge is for CTH CP/Business 141.
- The budget requires DOT to install and maintain tourist-oriented directional signs on I-94 in Milwaukee County that highlight Milwaukee lakefront attractions and be located on the north-bound side between Rawson Ave. and College Ave. and the east-bound side at the Waukesha/Milwaukee County line.

- The budget requires DOT to study the rerouting of state highways through the City of Ripon and submit a report to JFC by June 30, 2008.
- The budget requires DOT to award in the 2007-09 biennium, a TEA grant of \$200,000 to the Village of Rothschild for the widening of Business Highway 51. In addition, provide \$238,300 in SEG funding from the SHR program in the biennium for the project.
- The budget requires DOT to complete a pavement-resurfacing project on USH 14 in Rock and Walworth counties during the 2007-09 biennium at an estimated cost between \$2.5 and \$3.0 million.
- The budget requires DOT to complete a pavement rehabilitation project on I-43 between I-39/I-90 and STH 140 in Rock County during the 2007-09 biennium at an estimated cost of \$6.8 million.
- The budget requires DOT to conduct a study that examines potential transportation options to improve access along CTH T north of STH 312 in the city of Eau Claire. Require the Department to submit its report to the Governor and Legislature by June 30, 2008.
- The budget requires DOT to study whether Tolles Road in Rock County should be added to the STH system as an extension of STH 138. Require the Department to submit its report to the Governor and Legislature by June 30, 2008.
- The budget requires DOT to pay 75% of the cost of the relocation of water and sewer utilities lying under STH 78 in the Village of Merrimac if the Department reconstructs the segment of the highway within the Village and requires the utilities to be relocated to a lower depth. The cost of the utility work is estimated at \$894,000 so the Department's share would be \$670,500.
- The budget requires DOT to, during the 2007-09 biennium, reimburse the City of Crandon from SEG in SHR for a portion of the costs of installing water and sewer utilities across USH 8 associated with the development of a Best Western hotel. Specify that the portion of costs to be paid shall be equal to the difference between the actual costs of the utility construction and the estimate cost of the construction if traffic had been detoured off of USH 8 during construction, up to a maximum of \$150,000.
- The budget requires DOT to install traffic signals in the 2007-09 biennium at the intersection of USH 51 and Albion Road/Haugen Road in Dane County.
- The budget requires DOT to enter into a financial consultant contract during the 2007-09 biennium to identify financing mechanisms for construction of the Stillwater

Bridge. DOT is required to utilize federal funds provided to the state for this purpose.

- The budget requires DOT to begin work on the enumerated major highway project on STH 23 between STH 67 and USH 41 in Fond du Lac and Sheboygan counties by July 1, 2009.
- The budget requires DOT to start a reconstruction project on STH 13 within the City of Colby in Marathon County in FY 2009.
- The budget requires DOT to complete during the 2007-09 biennium, a reconstruction project in the Village of Oregon in Dane County on USH 14 between CTH MM and STH 138 involving pavement replacement and the construction of an additional lane in each direction.

Local Program Project Earmarks

- The budget establishes the following Local Program Earmarks in the 2007-09 biennium:
 - Local Road Improvement Program
 - Washburn County Veterans Cemetery Road \$ 60,000
 - Village of Pleasant Prairie \$1,200,000
 - Village of Rib Lake \$ 5,750
 - TEA
 - Town of Pound, Marinette County \$ 500,000
 - Village of Rothschild \$ 200,000
 - Local Transportation Facilities
 - Ashland County – CTH H Madeline Island \$2,100,000
 - City of Kenosha \$ 950,000
 - Transportation Enhancements Program
 - Milwaukee County \$ 100,000
 - City of Whitewater \$ 150,000
 - City of Racine \$ 400,000
 - Town of Armstrong, Forest County \$ 50,000
 - Village of Footville \$ 15,000
 - CMAQ
 - City of West Allis \$ 800,000
 - Safe Routes to School
 - City of Janesville \$ 235,000