
2015-17 Biennial Budget Highlights Department Budget Request



Wisconsin Department of Transportation
Office of Policy, Finance and Improvement

December 9, 2014

2015-17 Biennial Budget Highlights

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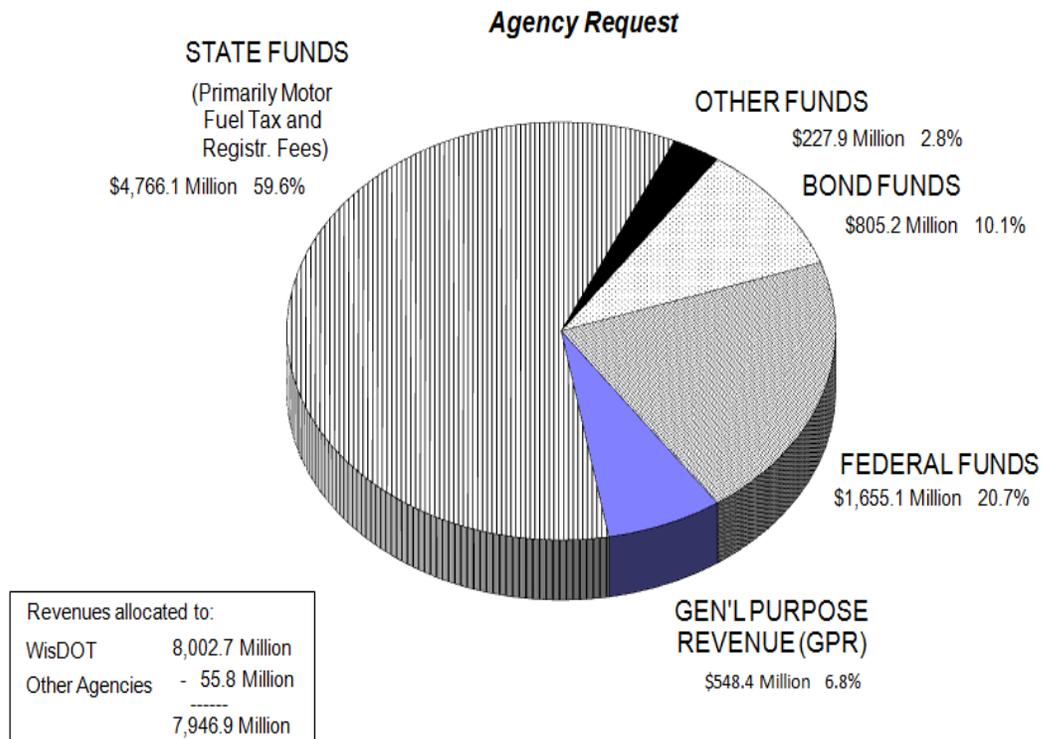
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REVENUE SOURCES

The chart below illustrates the Wisconsin Department of Transportation’s requested revenue sources the following categories: State Funds, Federal Funds, Bond Funds, General Purpose Revenue, and Other Funds. State motor vehicle fuel taxes, vehicle registration and driver license fees comprise the majority of state transportation revenues. Other funds include program and local revenues. Total transportation revenues will be \$7.95 billion over the biennium. This is an increase from \$7.02 billion in the current biennium.

2015-17 TRANSPORTATION REVENUE SOURCES TOTAL BUDGET \$7.95 BILLION



Revenue Initiatives

The budget request assumes some modest natural growth from existing motor fuel taxes and vehicle registration fees compared to the 2013-2015 biennium. However, without transfers from other state funds provided in 2013 Wisconsin Act 20, the Department can neither fund base program budget levels nor new transportation initiatives. Under current law transportation revenue streams, the Department would have to cut \$318 million from existing programs to balance the Transportation Fund. The Department’s request includes new revenue mechanisms that generate \$751.4 million over the biennium. These initiatives, when combined with transfers from other funds, total \$1.37 billion over the biennium.

Specifically, to address the structural deficit and to fund critical priorities, the budget request:

- Creates a Highway Use Fee (HUF) for new passenger vehicles that provides \$380 million in revenue over the biennium. The proposed fee will provide \$160 million in FY 16 and \$220 million in FY 17. The fee will be calculated at 2.5 percent of the manufacturer’s suggested retail price (MSRP) and

collected at the time of initial registration. Collection of the highway use fee will begin October 1, 2015. For a new vehicle with a MSRP of \$32,000, the HUF would total \$800.

- Restructures state motor vehicle fuel tax rates for gasoline and diesel fuel consumed for highway use to provide an additional \$358.5 million in revenue over the biennium. This modification will provide an additional \$152.2 million in FY 16 and \$206.3 million in FY 17. The restructured tax will include a fixed-rate per gallon tax and a variable tax based on a percentage applied to the annual average wholesale price of gasoline and diesel fuel. The rate will be recalculated annually using the previous year's average wholesale price. The total motor fuel tax on gasoline will increase from \$0.309 to \$0.359 per gallon. Beginning September 1, 2015, the total motor fuel tax on diesel intended for highway use will increase from \$0.309 to \$0.409 per gallon. For the owner of a typical late model mid-size sedan, the annual impact of the fee increase would be around \$28.
- Increases the current law transfer from the General Fund to the Transportation Fund from an amount equal to 0.25 percent of all tax monies deposited in the General Fund, to an amount equal to 1.0 percent. The increase will provide an additional \$224.3 million in revenue over the biennium; \$110.2 million in FY 16 and \$114.1 million in FY 17.
- Imposes an annual \$50 fee on registered passenger vehicles powered by hybrid-electric engines and all-electric passenger vehicles designed for highway use. The proposed fee will provide \$5.7 million over the biennium; \$1.7 million in FY 16 and \$4 million in FY 17. Collection of the hybrid/electric fee will begin January 1, 2016.
- Funds most transit programs totaling \$275.8 million from General Purpose Revenue in recognition that not all users of the transportation system pay user fees.
- Provides for \$42 million in revenue over the biennium from transferring the administrative responsibility for the Petroleum Inspection Fund (PIF) to the Department. PIF revenues are collected from a two cents per gallon tax on motor fuel. The Petroleum Environmental Cleanup Fund Award Program, including all administrative support, will continue to be funded by the PIF and will continue to be managed by the Department of Natural Resources (DNR). As the number of contaminated sites being remediated is reduced over time, any positive PIF balance will be transferred to the Transportation Fund. In the 2015-17 biennium, this initiative would provide \$21 million per year.

The budget also includes several minor revenue initiatives from miscellaneous sources:

- Creates a \$10 per carload user fee for railroads operating on state-owned rail lines. This will provide an additional \$962,500 in revenue over the biennium; \$412,500 in FY 16 and \$550,000 in FY 17.
- Permits the Department to charge market-based prices for bulk data and record sales, resulting in an additional \$1,750,000 in revenue over the biennium; \$750,000 in FY 16 and \$1 million in FY 17.
- Increases fees for oversize and overweight permits, providing an additional \$8.7 million in revenue over the biennium; \$3.7 million in FY 16 and \$5 million in FY 17.
- Increases the biennial registration fee from \$23 to \$24 for each motorcycle, moped, and low-speed vehicle providing \$305,200 in revenue over the biennium; \$274,700 in FY 16 and \$30,500 in FY 17. The biennial registration fee will increase on October 1, 2015.
- Creates a \$25 vehicle registration credit annually for owners of passenger vehicles powered by diesel fuel intended for highway use, including light trucks not over 8,000 lbs on the gross weight schedule. The revenue loss to the Transportation Fund is estimated at \$3.4 million over the

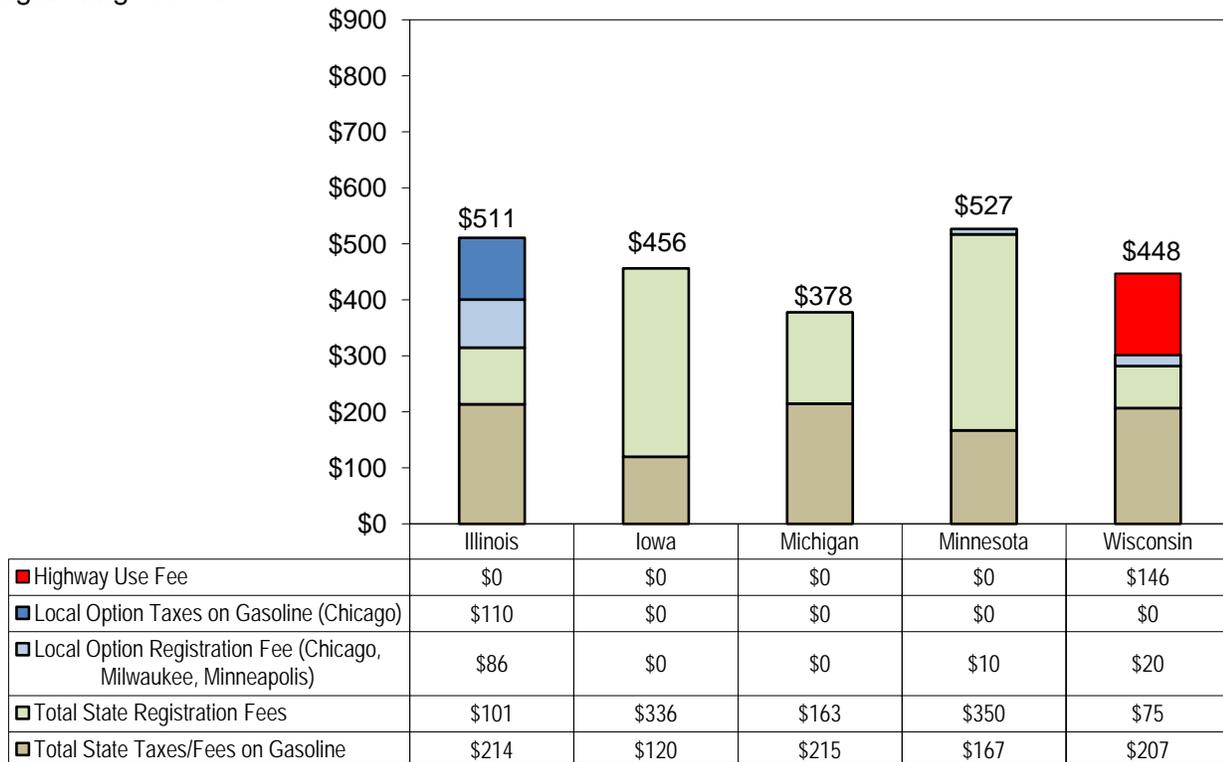
biennium; \$1.1 million in FY 16 and \$2.3 million in FY 17. The credit will apply to vehicle registrations beginning January 1, 2016.

Bonding

By broadening the base of transportation funding, the budget request decreases the Department’s use of debt by \$186 million compared to the current biennium.

Other State Comparison

With the proposed changes to the motor vehicle fuel tax on gasoline and the Highway Use Fee, the annual operating taxes and fees for a late-model sedan in Wisconsin remain comparable with neighboring states:



Assumptions:

- Includes all known state excise, sales, and environmental taxes and fees levied on gasoline, plus first renewal vehicle registration fees as of July 1, 2014. State registration amounts in Iowa, Michigan, and Minnesota based on vehicle age and value.
- Does not include revenue initiatives currently under consideration in other states.
- Local option taxes and fees in state’s largest city shown where applicable.
- Based on costs for a vehicle with a fuel efficiency rating of 22 miles per gallon driven 12,000 miles.
- Sales taxes levied on gasoline in Michigan and Illinois assumes FY 15 annual average retail price of \$3.433 per gallon.
- Includes Wisconsin’s proposed Highway Use Fee calculated on a \$32,000 purchase financed over 6 years a 3 percent, and \$0.05 increase to State taxes/fees on gasoline.
- Does not include federal fuel taxes (totaling \$100 in each state) or tolls imposed on certain highways and bridges.
- Amounts are rounded.

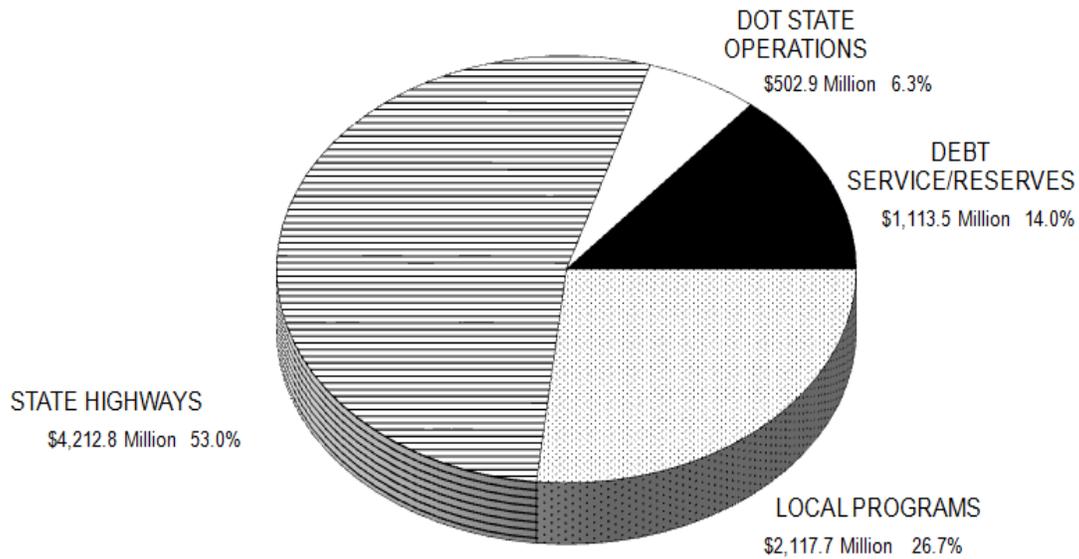
EXPENDITURES

The chart below illustrates the Department’s proposed expenditure authority in four categories: State Highways, Local Programs, Debt Service and Reserves and DOT Operations. Detailed descriptions of program changes are explained in other sections.

2015-17 TRANSPORTATION BUDGET ALL FUNDS

TOTAL BUDGET \$7.95 BILLION

Agency Request



STATE HIGHWAY PROGRAMS

State Highway Rehabilitation (SHR)

This program provides for the rehabilitation and reconstruction of existing state highways and bridges.

The Department's budget request provides \$1.845 billion for SHR, a \$243.7 million (15%) increase from the 2013-15 biennium. The request provides \$1.101 billion in SEG funds and \$739.7 million in FED funds. Bond proceeds will not be used during the 2015-17 biennium for SHR projects. With this request, an additional 1,500 miles of pavement will be improved compared to what could be accomplished under base funding.

The Department also requests \$300,000 SEG over the biennium (\$225,000 in FY 16 and \$75,000 in FY 17) and authority during the 2015-17 and 2017-19 biennia to enter into up to three pilot projects that utilize the Construction Manager/General Contractor (CMGC) alternative project delivery and construction model. The pilot projects will be selected from the pool of highway improvement projects already identified for advancement. Requested funding would be used to hire a consultant who would work with the department-industry team to facilitate the development of the pilot project proposal. Wisconsin is a Design-Bid-Build (DBB) state and the Department typically contracts with separate entities for both the design and construction aspects of a project (assuming in-house design is not used). With CMGC, the owner (in this case, the Department) enters into two contracts, one with a designer and one with a contractor. The contractor acts as the owner's agent and works with the designer. The contractor then provides the owner an estimate on the project, often in the form of a guaranteed maximum price. If the owner is satisfied with the contractor's estimate, a contract is executed for the construction work. If the bid is unacceptable, the owner may convert to a DBB process.

Major Highways

This program provides for the development and construction of new or significantly improved state highways.

The program includes two categories of major highway projects:

- Projects with a total cost threshold of \$33.4 million and any of the following:
 - Constructing a new highway 2.5 miles or more in length;
 - Reconstructing or reconditioning an existing highway by relocating 2.5 miles or adding five or more miles in length;
 - Improving to freeway standards 10 or more miles of an existing divided highway having two or more lanes in either direction.
- State Trunk Highway Rehabilitation (SHR) projects with a cost of at least \$83.5 million that does not meet the other statutory requirements defining a major highway project.

For both categories of major highway projects, the total cost threshold is adjusted annually using the Wisconsin DOT Transportation Price Index, Yearly Moving Average.

The Department's budget request includes \$836.1 million over the biennium for Major Highways Program, which is a \$107.7 million (15%) increase from the 2013-15 biennium. SEG funds over the

biennium would total \$154.9 million. FED funds over the biennium would total \$276.5 million. Transportation Revenue Bond (TRB) proceeds would total \$404.6 million over the biennium.

The budget request will:

- Keep 12 enumerated Majors projects on current schedule.
- Allow the Department to more adequately address a backlog of projects.
- Allow identification and enumeration of future projects.

Southeast Wisconsin Freeway Megaproject Program

The budget request provides \$791.7 million over the biennium in total funding for the megaprojects program. This total includes \$280 million in TRB proceeds. This program provides funding for all projects on the southeast Wisconsin freeway system expected to cost more than \$500 million, including the reconstruction of the I-94 North-South freeway, the Zoo Interchange, and the I-94 East-West freeway. Under this program:

- The Megaproject cost threshold is indexed to construction inflation.
- Megaprojects must be enumerated in state law.

This request establishes a program base of \$350 million per year, which will allow the Department to better plan for and stage future projects. To establish a program base, this request expands the use of TRB's to the megaprojects program and will allow for a complete reconstruction of the southeast Wisconsin freeway system in the next 15 years. Previously, the program received funding only on specific project needs in two year increments.

In addition, the Department requests enumeration of the I-894 Bypass and I-94 East-West in Waukesha County in order to begin National Environmental Policy Agency studies.

High Cost Bridge Construction

The Department's budget request includes \$16.8 million over the biennium to complete painting on the Hoan Bridge. This program funds construction and rehabilitation of bridges and approaches on a state highway that has an estimated cost exceeding \$150 million. The only project in the High Cost State Bridge program is the reconstruction of the Hoan Bridge and approaches in Milwaukee County. Painting the bridge will adequately protect the steel components from erosion over time and ensure the bridge meets its anticipated service life.

Major Interstate Bridge Construction

The Department's request includes \$20 million over the biennium to complete the St. Croix Crossing project (Stillwater Bridge). The request will fund final paving of the Wisconsin approach, monitor both archeological and environmental issues associated with the loop trail (old bridge and associated bicycle and pedestrian trail in Wisconsin and Minnesota), fund construction of the loop trail, and finalize construction engineering and inspections on all structures.

State Highway Maintenance

The Department's request includes \$511.6 million in total funding for the state highway maintenance program, which includes \$57.7 million in new funding over the biennium for maintenance activities.

This program includes a wide range of activities to support maintenance and operational functioning of the state's highway system. Most routine maintenance activities are performed by the state's 72 counties under contract to the Department. This includes activities such as repairing potholes, removing snow, applying salt and controlling vegetation. Much of the inspection and non-routine maintenance of state highways and bridges are carried out by state staff or private contractors, including: bridge inspection and maintenance; maintenance of roadside facilities; culvert inspection and repair; emergency repairs for road washouts, bridge hits, pavement blowouts and buckling; and centralized purchase and provision of winter salt to county highway departments.

The 2013-15 biennial budget created separate routine maintenance funding for activities performed under contract by county highway departments. This request addresses other highway maintenance needs delivered by state staff or under private contract.

The \$57.7 million increase includes funding for:

- \$2.2 million over the biennium (\$1.8 million in FY 16 and \$323,000 in FY 17) for the rest area management program which provides day-to-day maintenance and repairs for the State's rest areas and waysides. This includes a one-time allocation of \$1.5 million in FY 16 to correct a long-term backlog of unmet facility repair needs, and ongoing funding of \$323,000 to meet day-to-day maintenance and repair needs.
- \$340,000 over the biennium to fund increased bridge inspection and maintenance costs.
- \$3.9 million over the biennium (\$2.1 million in FY 16 and \$1.8 million in FY 17) to create an inspection and maintenance program for ancillary structures, which includes retaining walls, noise barriers, ramp gates, high mast light poles, sign bridges and other related highway system structures that require regular inspection and maintenance for the safety of the traveling public.
- \$1.4 million over the biennium to fund a statewide culvert inventory and inspection program.
- \$35.2 million over the biennium (\$15.9 million in FY 16 and \$19.3 million in FY 17) to adequately fund the purchase of winter salt for the state highway system. Insufficient funding has necessitated the Department's request for budget supplements through the s.13.10 process three of the past four years.
- \$4.3 million starting in FY 17 to build salt sheds for additional state storage capacity and to replace facilities that have exceeded their useful life.
- \$8.9 million over the biennium in one-time funding (\$3.5 million in FY 16 and \$5.4 million in FY 17) to build five large regional strategic salt storage facilities and purchase salt to create a strategic reserve.
- \$100,000 over the biennium for increased funding for winter maintenance activities that are carried out by state staff or private contract.
- \$1.4 million over the biennium for increased costs related to freight route management and mitigation.

To improve freight operations, the Department requests transferring the oversize/overweight permit function from the Division of Motor Vehicles (DMV) to the Bureau of Highway Maintenance which has other related functions.

Traffic System Management and Operations

The Department's budget request includes \$149 million in total funding for traffic system management and operations, including new initiatives totaling \$57.2 million SEG and \$6 million FED.

The program supports the operations, maintenance and safety of the state's highway system through activities that include: traffic system planning and design for highway improvement projects; deployment and maintenance of traffic control equipment, such as Intelligent Transportation Systems, signals and lighting; roadway signing and pavement marking; operation of the State Traffic Operations Center (STOC), which provides real-time traffic data to law enforcement and the public; and programs that ensure coordinated operation of the transportation system during emergencies and traffic incidents.

The \$57.2 million increase provides funding for:

- \$7 million over the biennium (\$6.5 million in FY 16 and \$500,000 in FY 17) to replace the STOC's Advanced Traffic Management System (ATMS) software. The ATMS is the primary STOC computer system; the existing system is outdated and at risk of failure.
- \$2.7 million over the biennium for traffic data acquisition, development, analysis and maintenance, including \$800,000 for purchase and analysis of traffic data, \$450,000 for no-passing zone data and \$100,000 for safety engineering data analyses.
- \$5 million over the biennium for light emitting diode highway system light replacements to save on energy and maintenance costs.
- \$5.6 million over the biennium (\$3.3 million in FY 16 and \$2.3 million in FY 17) for traffic control device maintenance including: \$900,000 in each year for ITS, signal and lighting maintenance, \$1.4 million in each year for utilities costs and \$1.0 million in one-time funding for an Asset Management System.
- \$13.7 million over the biennium (\$6.0 million in FY 16 and \$7.7 million in FY 17) for pavement marking needs.
- \$6.6 million over the biennium for signing needs to meet federal Manual on Uniform Traffic Control Devices requirements and to replace aging, deteriorating signage.
- \$21 million over the biennium (\$15 million SEG and \$6 million FED in FY 16 and FY 17) for the replacement, rehabilitation and installation of ITS devices and traffic signals.
- \$1.6 million over the biennium for state staff oversight and review related to deployment of ITS and signals infrastructure.

The Department's request also separates funding for traffic-related activities from other highway and bridge maintenance and operations by modifying ITS and signals appropriations to fund all traffic operations capital and operating costs, and removing the June 30, 2019 sunset date.

A funding summary for the Highway Program can be found in Attachment 1.

LOCAL AID PROGRAMS

Transit Aid Programs

The Department's request provides for a \$60.7 million increase in transit funding over the biennium.

These funds are distributed to public transit and shared ride taxi operators serving a wide range of areas across the state, including large urban, county-wide, multi-county, tribal, small and medium urban, and rural areas.

The Department requests transferring responsibility for funding the Transit Operating Aids program from the Transportation Fund to the General Fund. The Department's request fully funds CY 15 aid levels established in the 2013-15 biennial budget, provides additional funding to accommodate new Tier C systems, and includes a 2% increase in each tier. The total increase provided is \$3.8 million in FY 16 and \$6.4 million in FY 17.

The Department is also requesting \$30 million over the biennium for a new capital assistance program to provide up to 80% of the cost for a capital purchase. To promote the purchase and use of alternative fuel or hybrid propulsion system vehicles, the Department is proposing to fund up to 100% of the cost difference between the purchase cost of an alternative fuel or hybrid vehicle and a diesel powered vehicle. In addition, the Department is requesting one-time Transportation Fund supported GO bonding authority of \$30 million from the capital improvement fund for the Department to grant no more than \$3.5 million per station to transit providers in Tiers A1, A2, or B that construct compressed natural gas (CNG) fueling stations for buses.

The budget requests \$20.2 million of state operating assistance over the biennium to increase transit availability and ridership statewide; establish additional transit service with a meaningful connection to employment; and encourage economic development through enhanced transit services within a community. This will provide \$16.1 million per calendar year once fully implemented.

The budget requests creation of a new Transit Safety Oversight program to meet federal MAP-21 requirements for states that have a fixed guide way public transportation system in operation and/or in the engineering or construction stage.

Elderly and Disabled Transportation Aids

The Department' request includes a \$437,600 increase for the County Elderly and Disabled Transportation Assistance Program, which is a 1% increase in state funding.

These funds provide operating and capital assistance for specialized transportation services for elderly and disabled residents. Funds are distributed to non-profit service providers and each of Wisconsin's counties to support the continued mobility of elderly and disabled populations. The Department's request provides \$38.4 million in total funding, for FY 16 and FY 17.

Local Program Facility Improvement Program

The Department's request includes a \$40 million increase over the biennium in local transportation assistance program funding. The request also includes the creation of the new Local Transportation Facility Improvement Program (LTFIP) through consolidation of the existing Surface Transportation

Program and the Local Roads Improvement Program, beginning in FY 17. The new program will provide for more efficient oversight and consistency, increasing local flexibility in delivering approved projects.

The LTFIP will be a two tiered program that recognizes the differences in projects based on the functional classification of the roadway and improvement type. Projects on high functioning roads or with complex improvement types will be placed in the upper tier, while less complex projects or those on lower functioning roadways will be in the lower tier. Upper tier projects will be state let, while lower tier projects will be locally let with county oversight.

The LTFIP provides flexibility by eliminating the use of federal funding, except for Highway Safety Improvement Program (HSIP) proceeds and establishes a uniform 40% local cost share for most county, city/village, and town local roadway projects. Local cost share in urbanized areas with a population over 200,000 and local bridge projects will continue at 20% to 50% set by project.

The Department's request includes funding of \$125.4 million SEG, \$5 million FED, and \$38.9 million LOCAL in FY 17, an overall increase of \$30.1 million to local roads. The Department's request also includes an additional \$9.9 million for the Local Bridge Improvement Assistance Program in FY 17 while eliminating all federal funding.

The Department's LTFIP request also includes \$690,000 in FY 16 and \$310,000 in FY 17 for implementation costs, including updates to IT systems, consultant staffing, and development of project approval criteria, program tracking and financial reporting.

Transportation Facilities, Economic Assistance and Development (TEA)

The Department's request includes an additional \$4 million over the biennium and a statutory modification to increase from 50% to 80% the state funded portion of program grants. The TEA Program provides state grants to governing bodies, private businesses, and consortiums for road, rail, harbor and airport projects which will encourage business or industry to remain or expand within the state. The increased state share will increase the ability of local governments to undertake projects and is in-line with similar programs in surrounding states.

General Transportation Aids (GTA)

The Department's request provides \$839.3 million over the biennium in total GTA funding, which includes an additional \$18 million to fully fund GTA payments at calendar year 2015 amounts. These funds provide reimbursements to each of Wisconsin's local governments to partially offset the cost of construction, maintenance and operation of the local road and street system.

Special Highway Aids

The Department's budget request provides \$32 million in funding over the biennium for Special Highway Aids. Special Highway Aids includes the following programs: Connecting Highway Aids, Lift Bridge Aids, Flood Damage Aids, County Forest Roads and Expressway Policing Aids.

Aeronautics Assistance

The Department's budget request provides \$254.1 million in total biennial funding for aeronautics assistance. The aeronautics program promotes and assists in the development of a statewide airport system, as well as promoting aviation safety and education for Wisconsin pilots.

Rail

The budget request provides \$39.7 million in total biennial funding for rail, including \$11.6 million for rail service assistance, \$14.5 million for railroad crossing assistance, and \$13.6 million for the Passenger Rail Assistance Program. In addition, the budget provides \$60 million in GO bonding authority for the Freight Railroad Preservation Program. The Department also requests the creation of a new continuing state appropriation for the program with funding set at \$0 for FY 16 and FY 17, to create the framework for broadening the funding base of the program in the future.

The Department's rail programs fund freight and passenger rail assistance, including the preservation of rail service that might otherwise be abandoned, preserving selected abandoned rail corridors for future public purposes, expanding passenger rail service, and aids to railroads for the maintenance of rail crossing devices.

Harbors

The budget request provides \$1.3 million in state funding over the biennium for harbor assistance. The budget also provides \$15.9 million in GO bonding authority for the Harbor Assistance Program. The harbor program provides grants to private and publically-owned harbors for dock wall repair, dredging and other harbor improvement activities, and also for cruise ship and ferry boat facilities.

Transportation Alternatives Program

The budget request provides \$20.1 million in total biennial funding (\$10 million annually) for TAP purposes. The Transportation Alternatives Program (TAP) was authorized in 2012 by the federal Moving Ahead for Progress in the 21st Century Act (MAP-21). With certain exceptions, projects that met eligibility criteria for the Safe Routes to School Program, Transportation Enhancements, and/or the Bicycle & Pedestrian Facilities Program are eligible TAP projects.

Congestion Mitigation and Air Quality Improvement

The budget request provides \$27.7 million in total biennial funding for activities that employ strategies to eliminate single rider trips within air quality non-attainment areas across the state.

SERVICE DIVISIONS

Division of State Patrol (DSP)

The budget request provides \$175.4 million in total biennial funding. These amounts include law enforcement, support and highway safety programs. The budget request includes:

- \$2.3 million over the biennium to fund an annual recruit class. This request will fund costs associated with preparing for and running a class of up to 30 recruit cadets. No positions or post-recruit training salary and fringe costs are included in the request.
- \$2.3 million over the biennium to fund overtime worked by DSP troopers and inspectors. Funding for such overtime was last increased in FY 02; since then, demands for DSP services have increased while inflation has reduced the number of overtime hours funded. In FY 02, DSP received funding sufficient for 34,100 overtime hours; that figure is now 27,700. This request will increase funding to cover 50,000 overtime hours for State Patrol which is less than has been worked in recent years.
- \$1.3 million over the biennium to fund increased costs associated with DSP fleet costs. Annual funding for fleet mileage is \$992,300 less than it was in FY 08. Since then, increased demand for DSP services and increased fleet costs have caused shortfalls in the division's budget.
- \$444,600 over the biennium to replace in-squad communication radios which were last replaced in FY 07 and are now older than the industry standard. Since then, police communication radios have increased in cost due especially to enhanced capabilities and requirements. All in-squad communication radios will be replaced with modern equipment that can take advantage of recent development and improvement in DSP's communication systems as well as meet federal transmission requirements.
- Transferring the crash database management function from DMV to DSP's Bureau of Transportation Safety (BOTS). This change aligns the crash database function with BOT's mission of providing department-wide focus for safety programs and safety policy analysis.

The Department also requests various statutory modifications related to DSP, including:

- Increasing from \$10 to \$25 the penalty for not wearing seatbelts.
- Treating intrastate motor carriers the same as interstate motor carriers in terms of inspections and operational rules.
- Amending the statutory definition of a "private motor carrier" to apply safety rules that are currently applied to for-hire motor carriers to private fleets providing passenger transportation in vehicles carrying more than 16 persons.
- Requiring a stop at railroad crossing by every cargo tank motor vehicle, whether loaded or empty, transporting any commodity requiring a hazardous materials placard.

Division of Motor Vehicles (DMV)

The Department requests \$164.4 million in total biennial funding. The request includes:

- \$1.7 million over the biennium (\$680,000 in FY 16 and \$1.02 million in FY 17) to fund increased costs associated with issuing Wisconsin driver licenses and identification cards.
- \$3.2 million over the biennium to create a predictable replacement cycle for license plates, which will stabilize the current license plate program by allowing the reissuance of new plates for the oldest plates.
- \$2.1 million over the biennium to fund increased postage costs.
- \$5.5 million over the biennium to replace an existing patchwork of IT systems with a unified system that will provide greater stability, data warehousing functions and lower costs for system maintenance.
- \$850,300 over the biennium (\$660,300 in FY 16 and \$190,000 in FY 17) for implementation costs related to several revenue initiatives.

The Department also requests various statutory modifications related to DMV, including:

- Providing a non-expiring ID card to persons over 65 years of age.
- Allowing individuals moving from another state to receive an 8-year operator or commercial license if they are over 21 years of age.
- Allowing applicants to waive the requirement for an eye examination once every 16 years when renewing an operating license on-line if they are under 65 years of age.
- Simplifying the application process for new drivers by allowing persons moving from an instructional permit to a probationary permit or from a probationary permit to a regular license, to do so on-line.
- Providing the Department with the authority to collect odometer data during annual vehicle registration.
- Allowing the Department to issue simulated credentials for law enforcement officers engaged in undercover work.

Division of Business Management (DBM)

The Department's request includes:

- \$1.3 million over the biennium (\$432,100 in FY 16 and \$864,300 in FY 17) to fund operations and maintenance costs at the soon-to-be reconstructed passenger concourse (often called the "train shed") at the Milwaukee Intermodal Station. First year costs are estimated to be lower than subsequent years as a result of warranties and condition of new equipment.
- \$1.2 million over the biennium to fund increased operational costs related to capital building projects. Staff, equipment and supplies must be "surged" to temporary locations when department buildings are significantly refurbished. Improvements at the temporary sites are often required for staff to do

their work. Bond revenue used to build a new facility or to significantly refurbish an existing building cannot be used for these operational costs and must be paid for by the Department through DBM. With many projects looming in the next few years, DBM does not have sufficient resources to cover these costs.

- \$1.1 million over the biennium to fund increased department-wide costs associated with fleet travel. The Department's fleet size has grown recently and will continue to grow. The purchase cost as well as the cost associated with using the vehicles will result in funding requirements that the Department presently does not have.

The Department also requests a statutory modification to create a new appropriation to receive and expend revenue collected from private or public sponsorship and partnership agreements for advertising at passenger rail stations. This revenue will be used to fund passenger rail station maintenance and improvements.

Executive Offices

The Department's request includes \$1 million over the biennium (\$345,000 in FY 16 and \$710,000 in FY 17) to fund a statewide tolling feasibility study. The purpose of the study would be to identify possible toll opportunities, evaluate public perceptions toward tolling in Wisconsin, identify implementation issues (including required statutory changes), and recommend a tolling governance structure.

Links:

2015-17 Department Budget Request

<http://www.doa.state.wi.us/Documents/DEBF/Budget/Biennial%20Budget/2015-17%20Agency%20Request/395%20WisDOT%20Budget%20Request%202015-17.pdf>

Wisconsin Department of Transportation MAPSS Performance Improvement Program:

<http://www.dot.wisconsin.gov/about/performance/index.htm>

Attachment 1

Highway Program Funding - Historical Comparison, Department Request

		2011-13 Biennium	2013-15 Biennium	2015-17 Biennium
SHR	State	639,712,400	801,947,200	1,101,378,600
	Federal	796,553,000	795,364,400	739,674,000
	Local	4,000,000	4,000,000	4,000,000
	GO Bonds - Trans Fund	81,000,000	0	-
	GO Bonds - Gen Fund	<u>115,351,500</u>	<u>0</u>	<u>-</u>
		1,636,616,900	1,601,311,600	1,845,052,600
	Percent Change 13/15 to 15/17			15%
Majors	State	222,616,800	167,235,400	154,899,800
	Federal	156,527,000	156,527,000	276,527,000
	TRB Bonding	314,443,200	404,632,000	404,632,000
	GO Bonds - Trans Fund	50,000,000	0	-
	GO Bonds - Gen Fund	<u>0</u>	<u>0</u>	<u>-</u>
		743,587,000	728,394,400	836,058,800
	Percent Change 13/15 to 15/17			15%
SE Freeways Megaprojects	State	78,693,900	36,893,800	291,355,800
	Federal	190,106,200	173,106,200	220,344,200
	TRB Bonding	0	0	280,000,000
	GO Bonds - Trans Fund	151,200,000	107,000,000	-
	GO Bonds - Gen Fund	<u>0</u>	<u>200,000,000</u>	<u>-</u>
		420,000,100	517,000,000	791,700,000
	Percent Change 13/15 to 15/17			53%
Maintenance	State (App.365, 366, 368)	420,214,800	462,682,200	508,704,600
	Federal	2,205,800	2,205,000	-
	Local	<u>3,800,000</u>	<u>3,800,000</u>	<u>2,850,000</u>
		426,220,600	468,687,200	511,554,600
	Percent Change 13/15 to 15/17			9%
Traffic System Management & Operations*	State	0	20,000,000	139,832,800
	Federal	0	0	8,205,000
	Local	<u>0</u>	<u>0</u>	<u>950,000</u>
		0	20,000,000	148,987,800
	Percent Change 13/15 to 15/17			645%
High-Cost STH Bridge	State	0	1,000,000	16,800,000
	Federal	0	25,000,000	-
	Bonding	<u>0</u>	<u>200,000,000</u>	<u>-</u>
		0	226,000,000	16,800,000
	Percent Change 13/15 to 15/17			-93%
Major Interstate Bridge	State	0	0	20,000,000
	Federal	0	0	0
	Bonding	<u>0</u>	<u>0</u>	<u>0</u>
		0	0	20,000,000
	Percent Change 13/15 to 15/17			n/a
Total			3,561,393,200	4,170,153,800
	Percent Change 13/15 to 15/17			17.1%
Total Improvement Program (No Maintenance or Traffic Operations)			3,072,706,000	3,509,611,400
	Percent Change 13/15 to 15/17			14.2%
Total Bonding			911,632,000	684,632,000
	Percent Change 13/15 to 15/17			-24.9%

*Other than the \$20 million provided in the 2013-15 biennium for ITS and Traffic Signals, Traffic Systems Management and Operations activities were funded under Maintenance.