

Committee Name:
Joint Committee on Finance – Budget Hearings (JCF_BH)

Appointments

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Clearinghouse Rules

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Committee Hearings

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Executive Sessions

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Record of Committee Proceedings

99hr_JCF_BH_RCP_pt00

Transportation



TO: Members of the Joint Finance Committee
FROM: Bicycle Federation of Wisconsin
RE: Joint Finance Public Hearing - Enhancements Program
DATE: April 15, 1999

608/251-4456
608/251-4594(fax)

bfw@mailbag.com

Jeanne Hoffman
Executive Director

Board of Directors:

Michael Barrett
Madison

Peter Flucke
Green Bay

Joyce Harms
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Milwaukee

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Butch Seigel
Waupaca

Jay Townley
Lyndon Station

James Van Deurzen
Mazomanie

Becky Yakes
Milwaukee

My name is Jeanne Hoffman and I am the Executive Director of the Bicycle Federation of Wisconsin. Thank you for this opportunity to submit written comment.

There are two points I would like to make regarding a small part of the Transportation Budget, known to you as the Enhancements Program.

- 1) How Enhancements will change under TEA 21.
- 2) The remaining balance from the years of ISTEA.

1) How Enhancements will change under TEA 21.

Under TEA 21, the Highway Trust Fund is directly tied to transportation funding. This is different than ISTEA where funding was diverted to reduce the deficit. This is a significant change for now WisDOT has a far clearer understanding of the funding levels coming into the state, including enhancements funding. Wisconsin will receive approximately \$12 million per year for the Enhancements Program. Currently, Wisconsin has a Local-Sponsored Enhancements Program, which is funded at \$6 million per year. The other \$6 million will be used on the state trunk highway system. To date, it is unclear what procedures or processes WisDOT plans on using to deal with this \$6 million State-Sponsored Enhancements Program. Joint Finance needs to ask for clarification on this program.

2) The remaining balance from the years of ISTEA.

The Enhancements Program is a federal mandate. Ten percent of the Surface Transportation Program is set-aside for the Enhancements Program. Under ISTEA, states, like Wisconsin, were allowed to flex funding out of the Enhancements Program to be spent on other "higher priority" projects. However, this balance remains and there will be a point in time when this balance could lapse back to the federal government. If that happens, WisDOT's may be jeopardizing future funding levels. Programs need to be put in place that would spend down this balance. WisDOT should establish incentive programs that provide extra funding to district offices that incorporate bicycle and pedestrian accommodations into highway improvement projects. These accommodations could include bicycle and pedestrian overpasses and underpasses, bicycle paths along a state highway, bridges with sidewalks on both sides and bike lanes.

The Bicycle Federation of Wisconsin and the New Transportation Alliance has been working with Senator Burke and Senator Cowles on these subjects. I have enclosed letters that were sent to WisDOT and FWHA for your information.

If you have any questions, please call my office at 608/251-4456.



WISCONSIN LEGISLATURE

P.O. Box 7882 • Madison, WI 53707-7882

April 7, 1999

Thomas Fudaly
Program Operations Engineer
Federal Highway Administration
567 D'Onofrio Drive
Madison, WI 53719

Dear Mr. Fudaly:

We are writing to obtain information about past federal funding apportionments for transportation enhancements granted to the state of Wisconsin.

Specifically, we would like to know the cumulative amount of unspent Wisconsin apportionments for enhancements. We believe it is around \$55 million, but would like an accounting from you if possible.

Since the enactment of ISTEA a number of years ago, the Wisconsin Department of Transportation and the legislature have approved levels of funding for state highway improvements that caused the 10% enhancements set-aside from the Surface Transportation Program to be underutilized. We would like to know if any of our unspent ISTEA apportionments have lapsed, or if any will in the near future.

In other words, is Wisconsin in danger of losing unspent federal enhancement apportionments. Further, we want to know if the state is expected or required to max out its state highway apportionments before applying federal funding to other categories.

Thank you for your attention to our inquiry. Please let us know if you need additional information or clarification.

Sincerely,

SEN. BRIAN BURKE
3rd Senate District

SEN. ROBERT GOWLES
2nd Senate District

SEN. BRIAN RUDE
32nd Senate District



WISCONSIN LEGISLATURE

P.O. Box 7882 • Madison, WI 53707-7882

March 25, 1999

Charles H. Thompson, Secretary
Wisconsin Department of Transportation
4802 Sheboygan Avenue
P.O. Box 7913
Madison, WI 53707-7913

Dear Secretary Thompson:

We are writing in regards to the administration of the state sponsored portion of the Wisconsin Enhancements Program.

We believe that the state sponsored portion of the Enhancements program should further enhance and build upon the success of the overall program to date. The strategies and methods used to generate local project applications and evaluate them provide a sound foundation from which to model the state sponsored portion of the program. We would encourage Wisconsin DOT to develop similar guidelines to those used by the Statewide Multi-Modal Improvement Program Review Committee (SMIP).

We feel that a review process is critical to ensuring successful project development. There should be some kind of review of state sponsored Enhancement projects that are submitted to Wisconsin DOT by the district offices. We would suggest that the projects submitted under the state sponsored Enhancements program be reviewed by the SMIP Committee at the same time the committee recommends projects to be funded under the local sponsored program. Thus a review could be accomplished with a minimum of extra procedures.

We are somewhat concerned that the state sponsored Enhancements program will only be used on the state trunk highway system. While we understand that there are many potential Enhancement projects that could be associated with our state trunk highway system, we feel that this may be too restrictive. District offices may have a potential Enhancement project that is not tied to the state trunk highway system but yet would satisfy the criteria for an Enhancement project. Restricting the state sponsored Enhancements program to the state trunk highway system, or limiting these types of projects to the locally sponsored portion of the program would hamper district offices Enhancement opportunities, and give an unfair advantage to communities able to levy more funds for local sponsorship.

Thank you for your consideration of this matter.

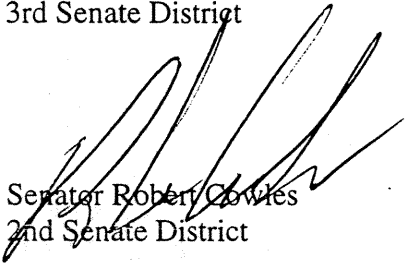
Sincerely



Senator Brian Rude
3rd Senate District



Senator Brian Burke
32nd Senate District



Senator Robert Cowles
2nd Senate District

MEMO
TO: Joint Committee on Finance
FROM: New Transportation Alliance
RE: Testimony on Transportation Issues

Madison Hearing
April, 1999

Support Oversight of State
Highway Plan

WisDOT creates long range plans which propose major investments in the state's transportation infrastructure. These investments exceed the revenues available. The Legislature must be responsible for generating extra revenues through taxes, fees, and bonding. In the case of the draft State Highway Plan, that would amount to \$4.2 billion. The current process of enumerating projects as they are pulled from the Plan, one at a time, does not give the legislature the opportunity to evaluate the impact of the long range plans. The Legislature must be responsible for paying for the plans, therefore it must have the opportunity to consider the financial commitment they present, and consider how to balance transportation resources between highways, local roads, mass and specialized transit, railroads, airports, harbors, and bicycle and pedestrian facilities. This Committee should review DOT long range plans before they are adopted.

Object State Highway Program
Inflated Funding Base

The 1999 base funding level in the Governor's budget includes over \$200 million in federal TEA-21 funds, a 13% increase over previous biennial levels, as a result of this Committee's decision in December of 1998. The 3% inflationary increase in the Governor's budget is above and beyond this inflated base. These multi-modal funds should be used to implement WisDOT's other modal plans, such as Translinks 21. This Committee must ensure a balance of spending.

Support Sen. Burke's Proposal

Funding for local roads is causing more local maintenance costs to be shifted onto local property taxpayers. General Transportation Aids for local roads will not even keep up with inflation in the Governor's proposal. Sen. Burke's proposal for an annual 6% increase is progress toward spending equal shares of the overall state transportation budget for state and local needs.

Object Enhancements

The Governor has included \$12 million per year for the federally funded Enhancements program, half for locally sponsored projects, half for state sponsored projects. This does not begin to address the unspent balance of \$55 million in federal apportionments to the Enhancements program. **If WisDOT allows these funds to lapse, future federal apportionments for all categories may be jeopardized.** In addition, there is no clear process for development of state projects. WisDOT intends to use the funds only on the state trunk highway system, while the demand for the locally sponsored program far exceeds \$6 million.

Object Transit Caps

The state's cap on local transit spending, in addition to 50% and 65% caps on federal assistance make it impossible for transit systems to expand service. State transit assistance should be expanded, (as in Sen. Burke's proposal), and unrelated to federal assistance, so it does not function as a penalty against hard-won federal assistance.

Support Land Use Planning

The Governor's budget includes \$1 million in federal transportation planning funds to local communities for planning. This amount, while a good start, should increase in future years, as it will be spread thin over 72 counties. Planning funds should be included in major highway project costs, to mitigate the sprawl impact of highways. We also support WisDOT's request to create a new Section 85 program category for corridor land use planning, and to require transportation impact analyses for large developments.

Object Elderly/Disabled
Transit Assistance

The Governor's budget includes only a \$200,000 increase for specialized transit. The 85.21 program currently only meets an estimated 10-20% of the need. This program should be doubled from \$8 million.

Support Passenger Rail

The Governor has included \$500,000 for grade crossings, and federal CMAQ funds for continuing Milwaukee-Chicago service. We also encourage the Committee to support matching federal funds for preliminary engineering for service on the Madison-Milwaukee corridor.

Object Commuter Rail

The Governor has eliminated WisDOT's proposal for \$1 million per year of multi-modal planning money for analysis of commuter rail alternatives.

Budget Amendment for Oversight of DOT Spending

To be offered by Sen. Brian Burke, supported by Sen. Rob Cowles

"The Joint Finance Committee and Transportation Committees of the legislature must review the final draft of the Wisconsin Department of Transportation's long range planning documents before they are adopted."

Problem:

WisDOT creates long range plans which propose major investments in the state's transportation infrastructure. These investments exceed the revenues available. The Legislature must be responsible for generating extra revenues through taxes, fees, and bonding. In the case of the draft State Highway Plan, that would amount to \$4.2 billion.

The current process of enumerating projects as they are pulled from the Plan, one at a time, does not give the legislature the opportunity to evaluate the impact of the long range plans. The Legislature must be responsible for paying for the plans, therefore it must have the opportunity to consider the financial commitment they present, and consider how to balance transportation resources between highways, local roads, mass and specialized transit, railroads, airports, harbors, and bicycle and pedestrian facilities.

In December of 1996, the Legislative Audit Bureau concluded in its review of state transportation revenues and expenditures that legislature must analyze the long-term implications of long range plans and funding proposals. In report's words, "...it will be critical for the legislature to analyze the long-term implications of each funding proposal to a much greater extent than has traditionally been done, because its decisions will commit the State to a certain level of expenditures for more than a decade."

According to the Legislative Audit Bureau Report, in 1996:

- Transportation expenditures increased 21.7% above the rate of inflation between FY 1987 and FY 1997.
- Debt service on revenue bonds will exceed bond proceeds by FY 2001.
- Since FY 1987, expenditures for the Major Highway Program increased by 98% above inflation, 68% of which was funded by revenue bonding.
- Wisconsin's gas tax ranked 9th highest nationally, and registration fees ranked 10th highest nationally.

According the Legislative Fiscal Bureau in 1998, if transportation revenue bonding continues at \$110.5 million per year, the registration fee would have to increase by nearly \$12 to maintain the usual 3:1 revenue to debt service ratio. The gas tax would need to increase by 7 cents to meet the annual \$200 million funding shortfall in the draft State Highway Plan.

The current process has allowed DOT to become a state agency that will account for nearly 10% of state spending in the 1999 budget. The need for the legislature to be involved earlier in the transportation project and revenue planning process is best illustrated by revenue bonding practices. In the past 12 years, debt service on revenue bonds has increased 388%. The draft State Highway Plan proposes to nearly double revenue bonding from current levels over the next 20 years.

Solution:

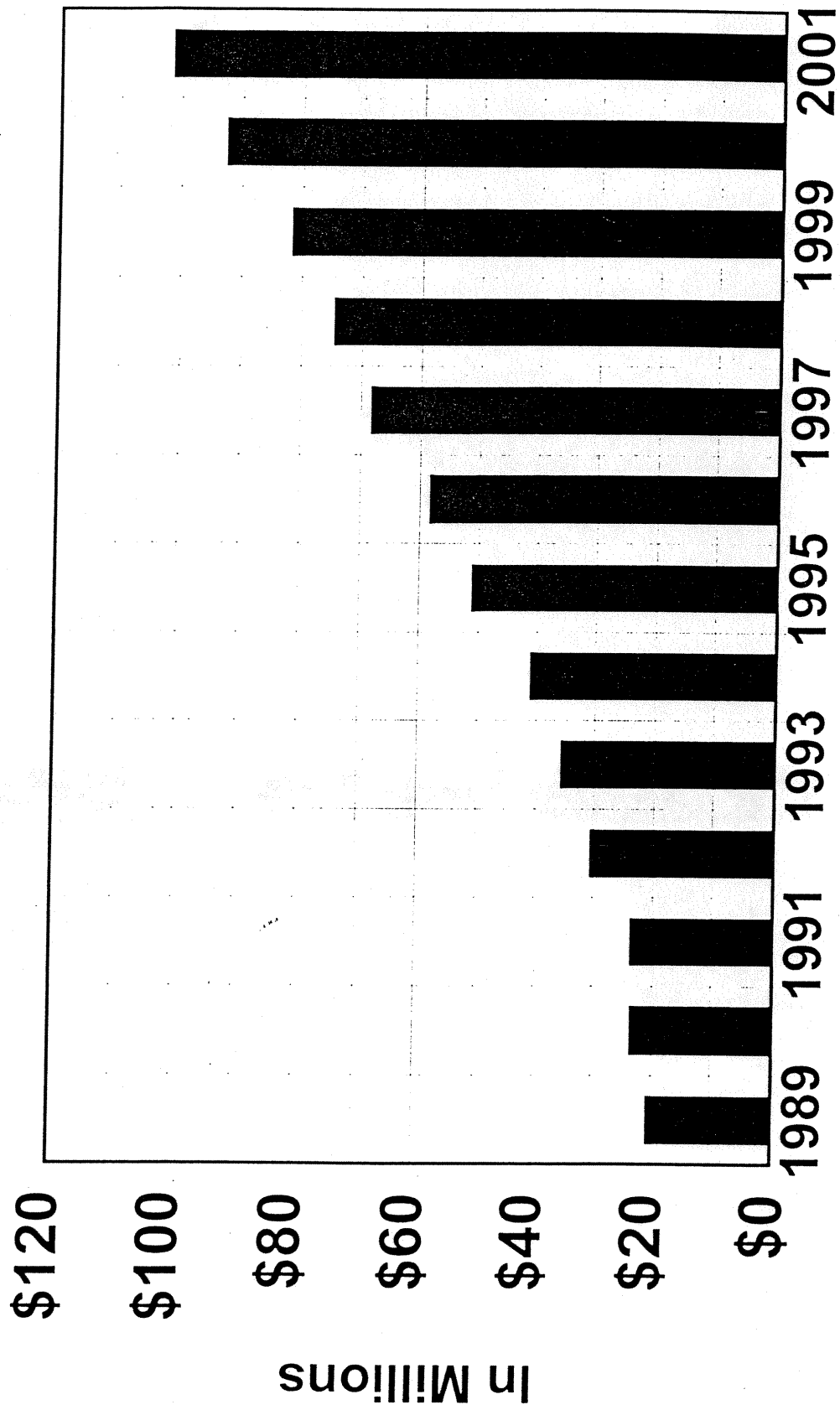
The Finance and Transportation committees of the legislature should review long range transportation plans in final draft form. This will allow the legislature to help ensure that long range plans are fiscally responsible and balanced with respect to local and other transportation needs, the concerns of future legislators, and taxpayers.

Action:

Encourage members of the Joint Finance Committee to vote in support of the Burke amendment giving the committee oversight of WisDOT's long range plans.

WISDOT Debt Service

12-Year Growth: 388%



Data Sources: Annual DOT Fiscal Reports, DOT Budgets, LFB Summaries, Governor's Proposed State Budget

FAIR SHARE COALITION

C/O POST OFFICE BOX 336, MADISON, WIS. 53701

April 6, 1999

Sen. Brian Burke
Co-chair
Joint Committee on Finance
Room 316 South, Capitol

Rep. John Gard
Co-chair
Joint Committee on Finance
Room 315 North, Capitol

Dear Sen. Burke and Rep. Gard:

Members of the Fair Share Coalition, representing local government, labor, senior citizens disability and environmental groups, are concerned that the Draft State Highway Plan, issued by the Department of Transportation in February, might find its way into final form without legislative review or meaningful public input.

The plan is DOT's blueprint for rehabilitation and expansion of the state highway system through the year 2020. If carried through, it would spend \$20.2 billion, based on current project cost estimates.

A spending plan of this magnitude deserves the critical review and approval or disapproval of the Legislature, or at a minimum, the Joint Committee on Finance.

If it is adopted and implemented in its current form, the Fair Share Coalition is concerned that the State Highway Plan would

- Use the lion's share of Wisconsin's federal multimodal funds for state highway trunk system projects;
- Increase the share of local road maintenance paid for by local property taxpayers;
- Force local governments to spread their resources over more local road miles;
- Increase highway revenue bonding and debt service to dangerous levels, leaving even less of the overall transportation budget for transportation projects (including concrete and asphalt).

In addition, the Coalition feels strongly that there should be a parallel Local Transportation Plan developed to address local needs. This plan should address funding issues, including the balance between state highways and local streets and roads.

continued

At present, only 29% of segregated transportation fund revenues goes to general transportation aid, and only 7.5% goes to mass transit operation assistance.

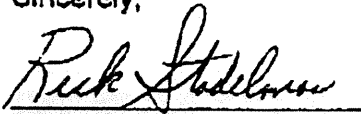
The state-federal funding mix that is returned to local communities is even less equitable. While more than 90% all route miles are the responsibility of local governments, and travel on local roads accounts for nearly half of all vehicle miles traveled in Wisconsin, at present only 17% of total DOT expenditures are general transportation aids to local governments for maintenance of these roads.

We suggest increasing the share of aids to local governments over the next decade to 50% of overall DOT expenditures. This would include general transportation aids, mass transit operating assistance, elderly and disabled county and capital aids, and all local portions of the state segregated fund. A Local Transportation Plan would provide the ideal vehicle for establishing this priority.

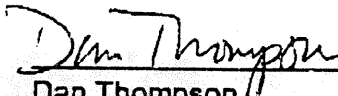
All evidence indicates that if we neglect to plan for local transportation, the State Highway Plan will squeeze local needs out of the state transportation budget.

We appreciate your attention to our concerns and look forward to working with you to alleviate these problems.

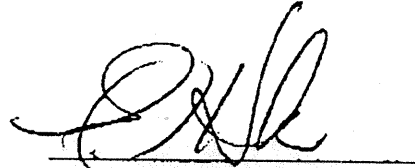
Sincerely,



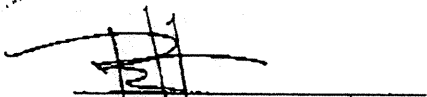
Rick Stadelman
executive director
Wis. Towns Association



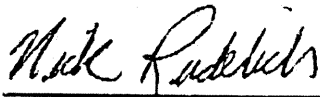
Dan Thompson
executive director
League of Wisconsin
Municipalities



Ed Huck
executive director
Wis. Alliance of Cities



Brett Hulsey
chair, Fair Share Committee
Board of Supervisors
Dane County



Nick Rudelich
Local 998
Amalgamated Transit
Union



Gar Stock
Capital City Task Force
American Association of
Retired Persons



Gary Goyke
Wis. Urban Transit Association



Valerie Brown
Access to Independence



Rob Kennedy
New Transportation Alliance

JOINT COMMITTEE ON FINANCE:
TESTIMONY ON TRANSPORTATION ISSUES
SUBMITTED BY
CITIZENS FOR A BETTER ENVIRONMENT
AND
WISCONSIN'S ENVIRONMENTAL DECADE
APRIL 15, 1999

Commuter Rail Study Funds: We object to the Governor's elimination of WisDOT's proposal for \$1 million per year in additional multimodal planning money for commuter rail alternatives analyses, including for Metra extension through Racine to Milwaukee. Important, long-considered local planning requests should be honored. Wisconsin now receives more than \$100 million in additional, mostly multi-modal federal funding and certainly \$1 million of that new money can be spent on a locally requested alternative.

Passenger Rail: We strongly support and applaud the Governor's initiative on rail passenger service, especially high speed rail. In particular we endorse use of Congestion Mitigation/Air Quality funds to continue Hiawatha service and \$500,000 in federal money to improve grade crossings. This will increase safety for motorists and others and allow for faster speeds on the Hiawatha as well as other trains. In fact it would be better to spend more money on this goal. Railroad grade crossing improvements are currently eligible for hundreds of millions of dollars in federal Safety and Surface Transportation program funding, which today Wisconsin spends almost entirely on highway construction, not the practice in many other states. We also support the Governor's pledge of state funding to match federal Railroad Administration planning funds to develop final engineering design specifications for Amtrak service between Milwaukee and Madison as a key step towards a high speed rail corridor that will serve everyone in the state, including residents of Racine.

State Highways: It is crucial the Committee understands that the 1999 base year funding level used in the Governor's budget is misleading. It assumes a 13% increase in funding above levels approved in the previous biennium as a result of a Committee decision in December 1998 to approve WisDOT's proposal for spending most of the new TEA-21 money on state highways. In short, the actual increase over two years ago is not the inflationary increase supposedly proposed in the Governor's proposal. Moreover, added to the 98% increase in funding for the major highway projects between 1976 and 1997 revealed by the Audit Bureau, this committee's 13% increase for state highways in December is enough. Since transportation needs now dependent on property taxes are being ignored in the Governor's budget, the state highway program has little claim on further increases in 1999-2001. Furthermore, this committee's approval of increased federal funds for major highways in 1998 and 1999 should not be presumed by WisDOT for 2000-2001 and beyond. When are we going to begin to fulfill Translinks 21 and start seeing WisDOT budgets that balance spending more equally among different transportation modes?

Local Roads: Although it is good that the Committee in December of 1998 increased funding for one small local roads program—i.e., the Local Transportation Facility Improvement program—overall funding for local roads is not keeping up with costs and continues to burden local property taxpayers. In contrast with the State Highway Program, funding for General Transportation Aids (known as local road aids) truly does start out at the same level as two years ago and even under the Governor's latest proposal, will only keep up with inflation at best. In fact, it will allow the share of the state's transportation budget going to local needs to slip lower than it was last biennium. Meanwhile, the burden of transportation costs, mainly local roads, for local municipalities and property taxpayers is larger than the cost of the state highway program. For these reasons, we support Sen. Burke's proposal for 6% increases in each of the biennial years since it will improve the share of the overall budget going to local needs by 1.2% and help us gradually evolve towards the goal of an equal, 50% share of the transportation budget to property tax relief.

Transit: While the Governor's budget continues to accelerate expensive projects to expand state highway capacity, funding for expansions of state transit systems is still missing from the Governor's budget. We object to the state's continued cap on local transit spending as well as its 50% and 65% caps on total state and federal assistance. This last cap makes it impossible for transit systems to expand service

even when they succeed in obtaining additional federal funds. State transit assistance should be expanded as in Sen. Burke's proposal and "de-coupled" from federal assistance so that it cannot be used as a penalty against hard-won gains in federal funding.

Elderly/Disabled Specialized Transportation (85.21 Program): Wisconsin's paltry \$8 million program for 72 counties across the state for this quickly growing need is shameful. At best, WisDOT planning documents indicate that we are transporting half of the eligible riders half of the time they need. Independent service agencies estimate that current service supplies 10-20% of the need. Thus, the Governor's proposal to increase this fund by less than \$200,000 is ludicrous. We need a major increase, on the order of a doubling of current funding, to reach even WisDOT's proposed level of adequate spending. Although Sen. Burke's proposal is far better than the Governor's, it frankly doesn't go far enough.

Land Use Planning: We strongly support and applaud the Governor's initiative in providing \$1 million in federal transportation planning funds to local communities for planning. It's not enough for the tens of thousands of local units of government now impacted by major highway projects but it's a good start. We believe that, above all, this money should be used to help local communities plan for and mitigate the secondary land use (sprawl) impacts of major state highway projects. We also support WisDOT's request for statutory modifications to: 1) create a new program category in Section 85 that would allow corridor land use planning to be funded with transportation planning dollars; and, 2) require transportation impact analyses to be done for large developments.

State Highway Plan: The engine that generates roughly six new major highway project enumerations every year except this one is the state highway plan. WisDOT's new state highway plan calls for funding increases of \$4.2 billion or \$200 million annually, equivalent to a gas tax increase of 7 cents. If any plan deserves to be reviewed by this committee, this plan should. Otherwise, the committee can only look forward to dozens of expensive project recommendations over which it can exercise no real control. Moreover, we point out that, once again, there are no parallel plans for increased investments in local roads or transit. Plans for these needs are still sitting on the shelf in the form of an aging long-range WisDOT

planning document called Translinks 21. Amend this budget to require that the State Highway Plan is debated and reviewed by your committee.