

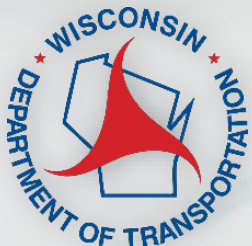
Transportation Budget Overview

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Key Points

- All states are facing challenges with transportation funding and needs
- 2017-19 Wisconsin biennial budget is \$6.8 billion and funds all modes of transportation, Motor Vehicles licensing and regulation, and State Patrol
- The state is experiencing lower revenue growth in both motor fuel tax and vehicle registration fees
- Department relies increasingly on bonding and general fund transfers
- Over time inflation has eroded purchasing power
- Department continues to identify cost savings and efficiencies, but this isn't enough to address future needs

Department Budget Overview

- The WisDOT budget is comprised of funding from state, federal, bonding, and other revenue sources
- The Department's major responsibilities involve roadways, motor vehicle regulation, traffic law enforcement, railroads, waterways, mass transit, and aeronautics
- For the period July 1, 2017 through June 30, 2019 WisDOT's budget is \$6.8 billion across all programs
- There are four major categories that receive funding:
 1. State Highway Programs
 2. Local Aids and Local Transportation Assistance
 3. State Operations (includes Motor Vehicles and State Patrol)
 4. Debt Service

Wisconsin Transportation Fund

- Fund created by the 1977-79 biennial budget act
- Used to pay for all modes of transportation
- Annual revenue of approximately \$2 billion in FY18
- Transportation fund is a segregated fund since it puts transportation revenues into a separate account apart from other revenues the state collects
- In general, the transportation fund is a “unified fund” in that state revenue sources are not directed to specific programs
- A constitutional amendment passed in 2014 requires that state revenue generated by users of the state transportation system shall only be expended for transportation related services

Transportation Revenue Sources

Wisconsin funds transportation through a combination of state funds, federal funds, bonding, and other sources

- State funds account for 60%
- 91% of state funds are motor fuel taxes and vehicle registration fees

2017-19 TRANSPORTATION REVENUE SOURCES

TOTAL BUDGET \$6.80 BILLION

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STATE FUNDS

(Primarily Motor Fuel Tax and Registr. Fees)

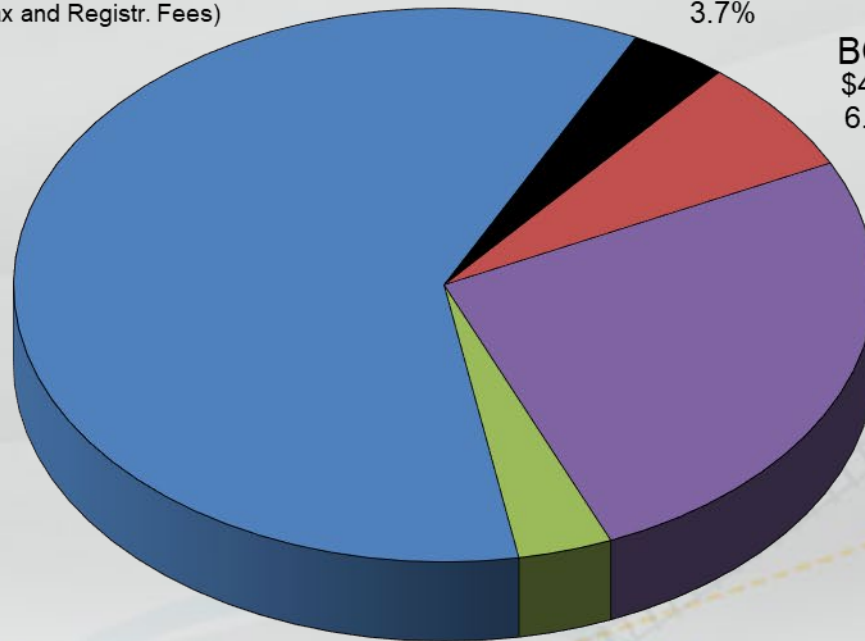
\$4120.4 Million
60.1%

OTHER FUNDS

\$251.9 Million
3.7%

BOND FUNDS

\$458.7 Million
6.7%



FEDERAL FUNDS

\$1776.9 Million
25.9%

GEN'L PURPOSE REVENUE (GPR)

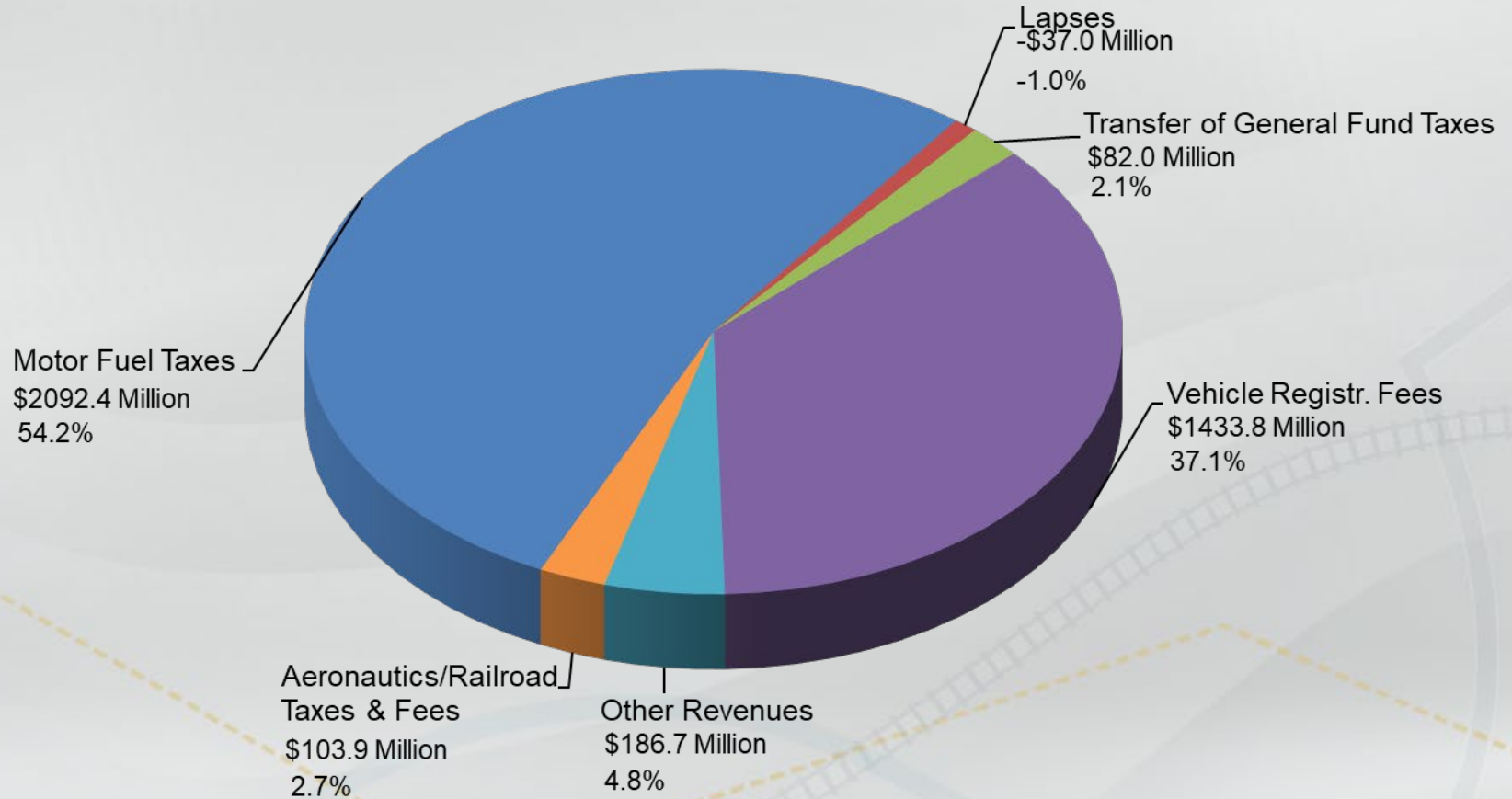
\$243.2 Million
3.5%

Note: Numbers rounded to nearest tenth of a percent

2017-19 STATE TRANSPORTATION REVENUES

\$3.86 BILLION

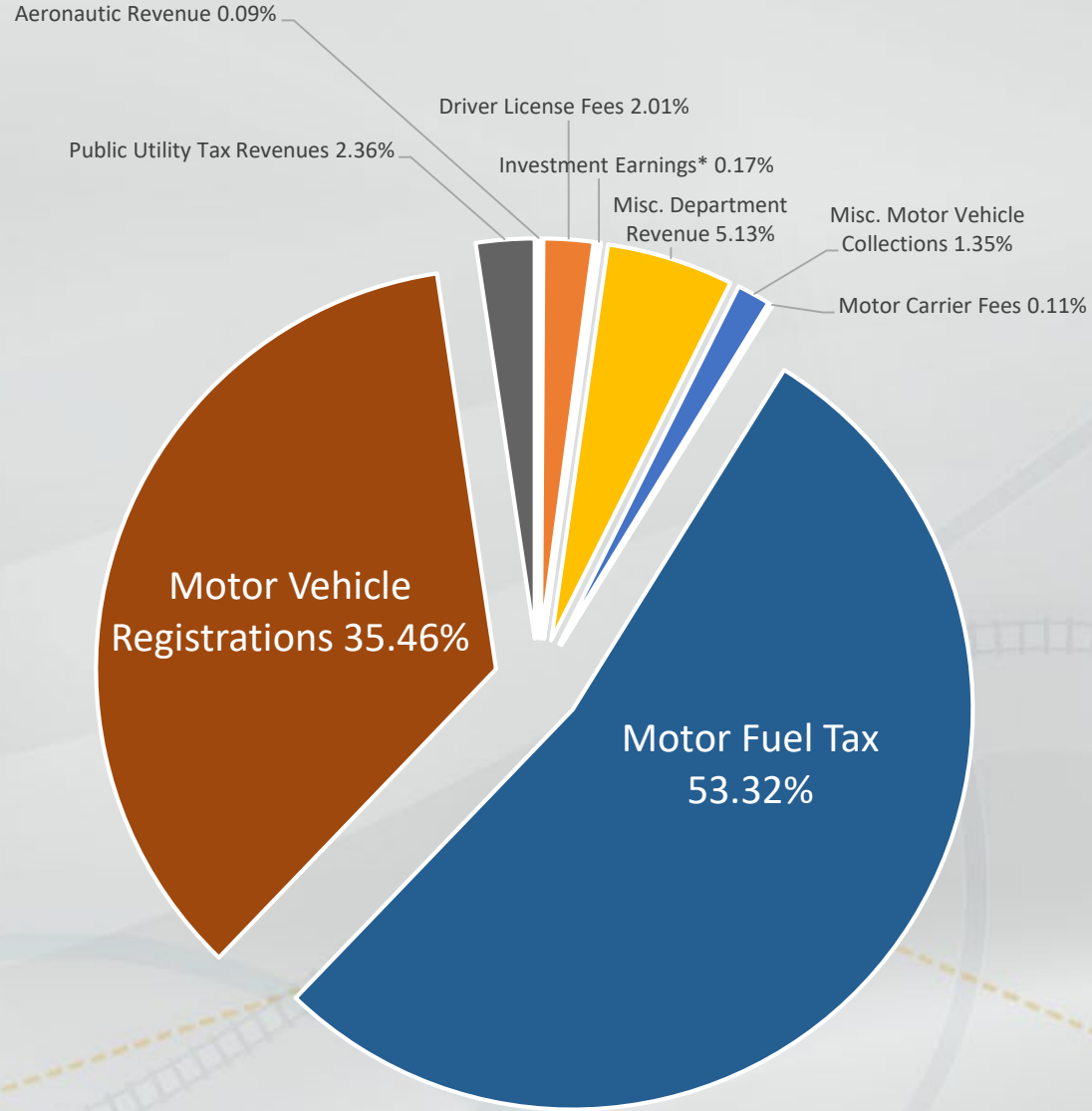
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Fiscal Year 18 State Gross Revenues by Type

Motor Fuel Tax	\$1,059,365,647
Motor Vehicle Registrations	\$704,484,818
Misc. Department Revenue	\$101,896,560
Public Utility Tax Revenues	\$46,940,610
Driver License Fees	\$39,884,094
Misc. Motor Vehicle Collections	\$26,878,031
Investment Earnings*	\$3,408,244
Motor Carrier Fees	\$2,205,667
Aeronautic Revenue	\$1,844,866

Total Gross Revenue \$1,986,908,541

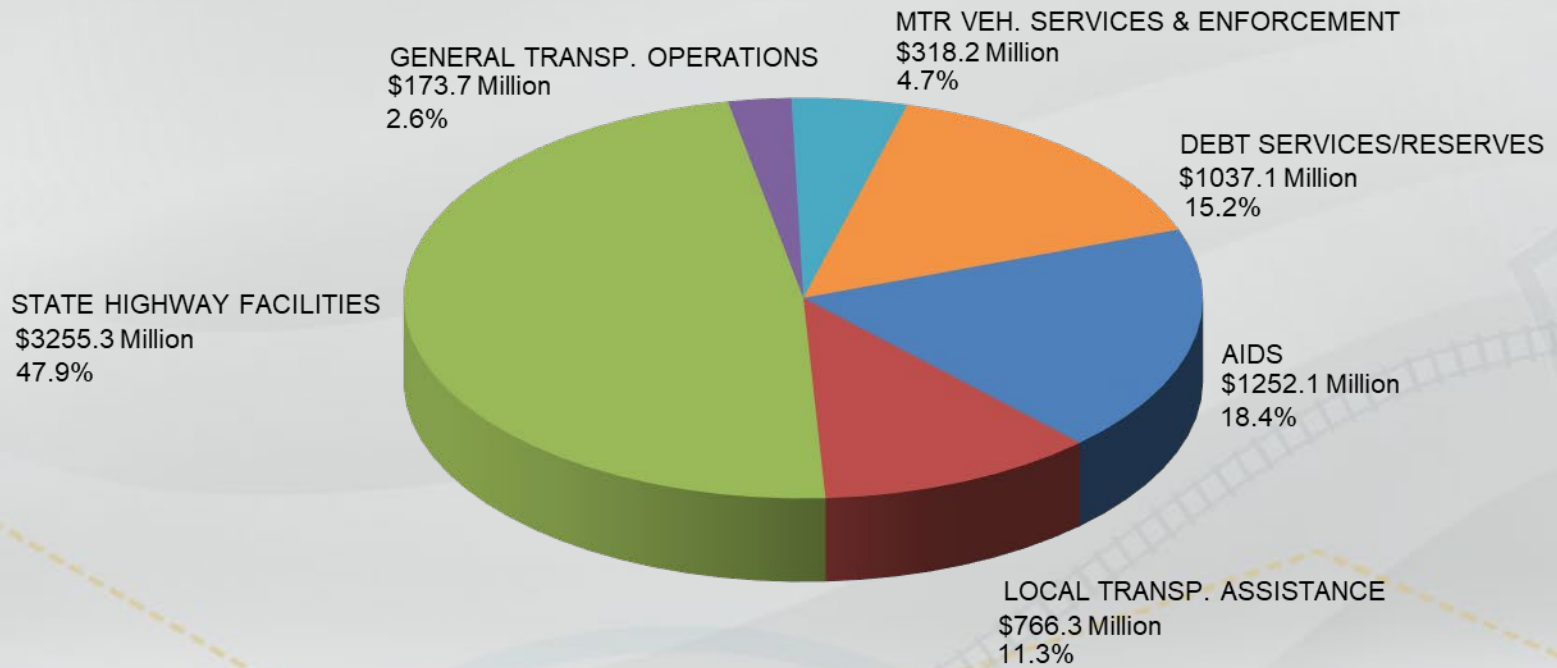


- Aeronautic Revenue
- Driver License Fees
- Investment Earnings*
- Misc. Department Revenue

Transportation Expenditures

The 2017-19 biennial budget allocates \$6.8 billion across all programs

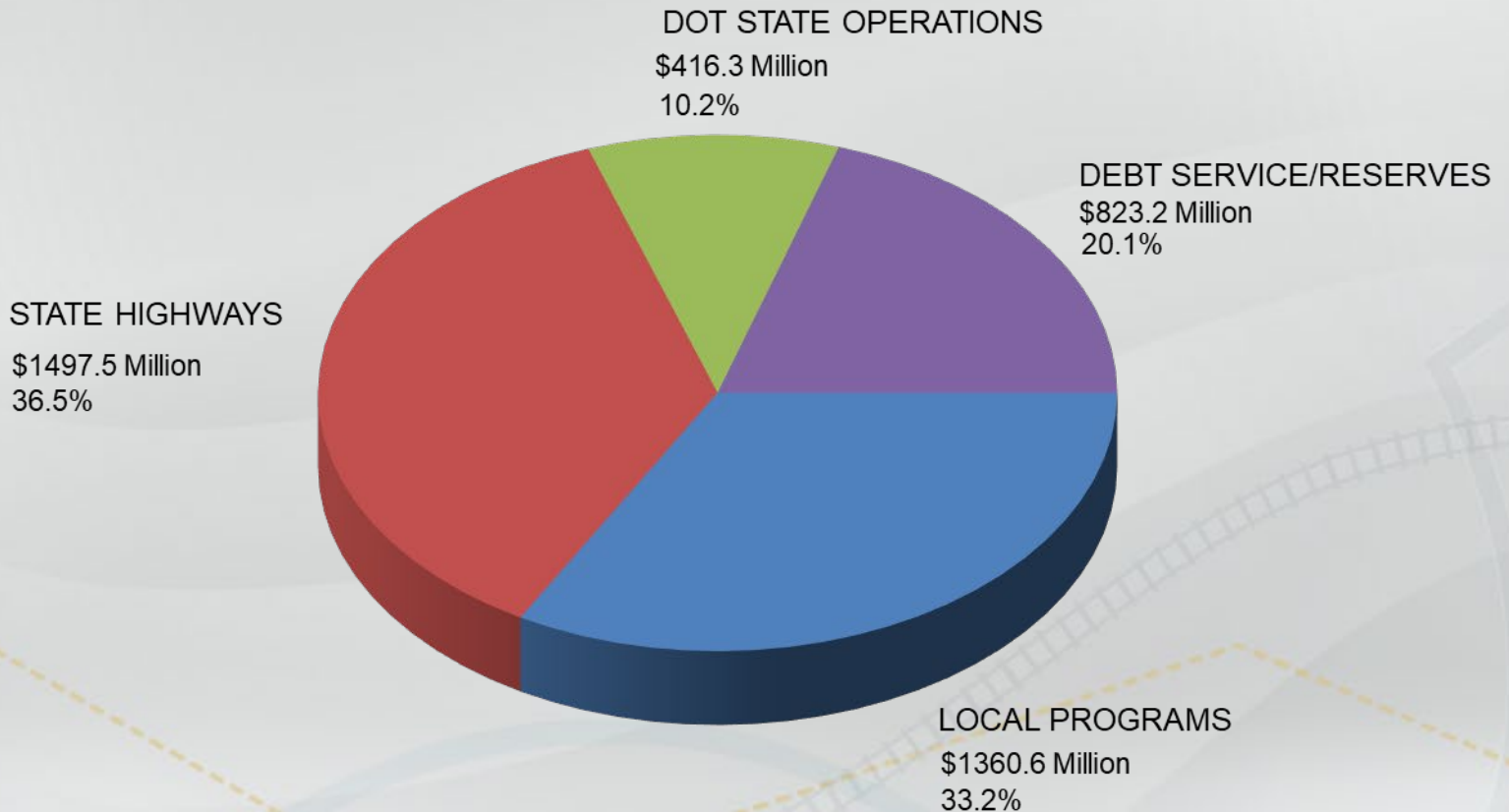
2017-19 TRANSPORTATION BUDGET
ALL FUNDS BY PROGRAM
TOTAL BUDGET \$6.80 BILLION
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2017-19 TRANSPORTATION BUDGET - STATE FUNDS

TOTAL BUDGET \$4.15 BILLION

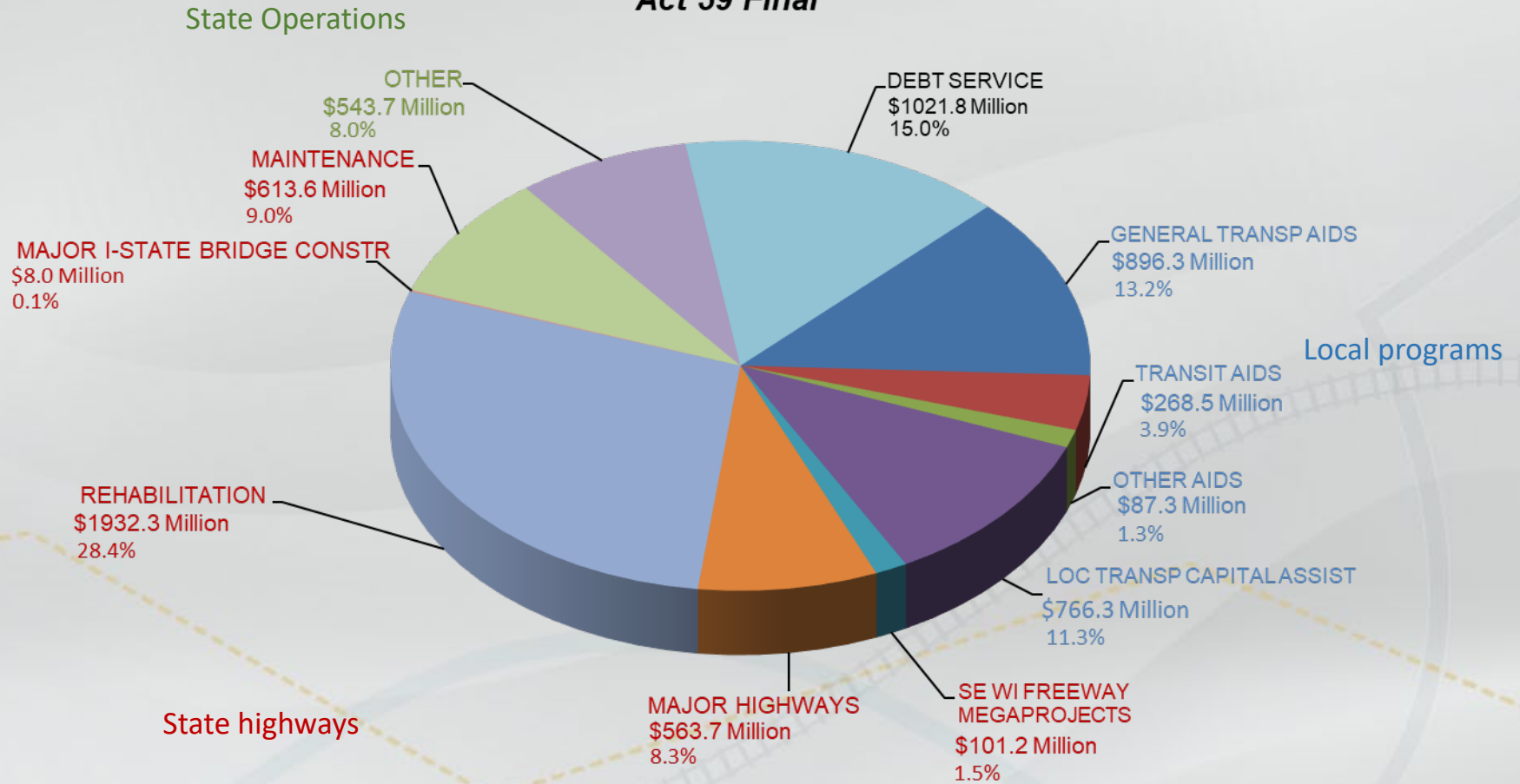
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2017-19 TRANSPORTATION BUDGET MAJOR CATEGORIES - ALL FUNDS

TOTAL BUDGET \$6.80 BILLION

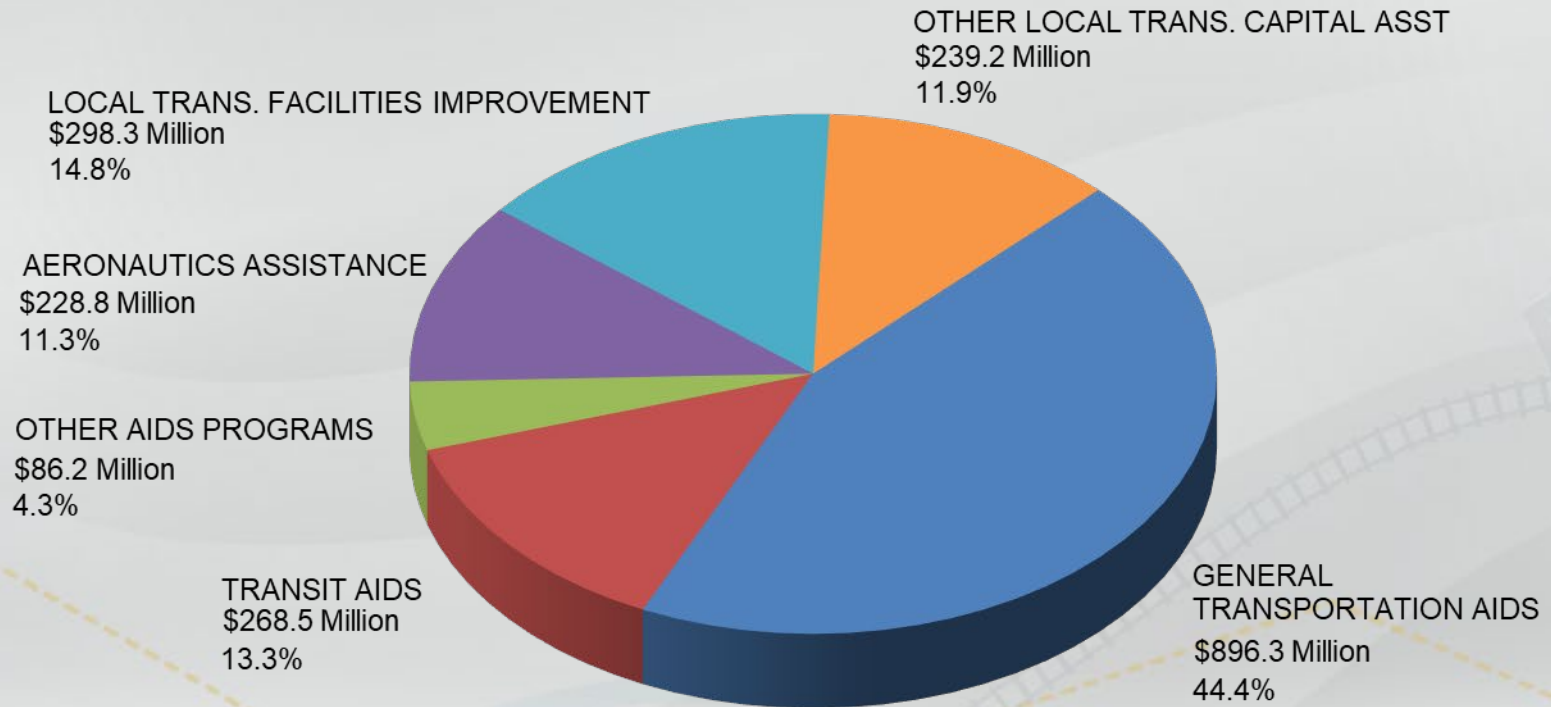
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**2017-19 TRANSPORTATION BUDGET
LOCAL TRANSPORTATION ASSISTANCE - ALL FUNDS**

TOTAL BUDGET \$1,995.7 MILLION

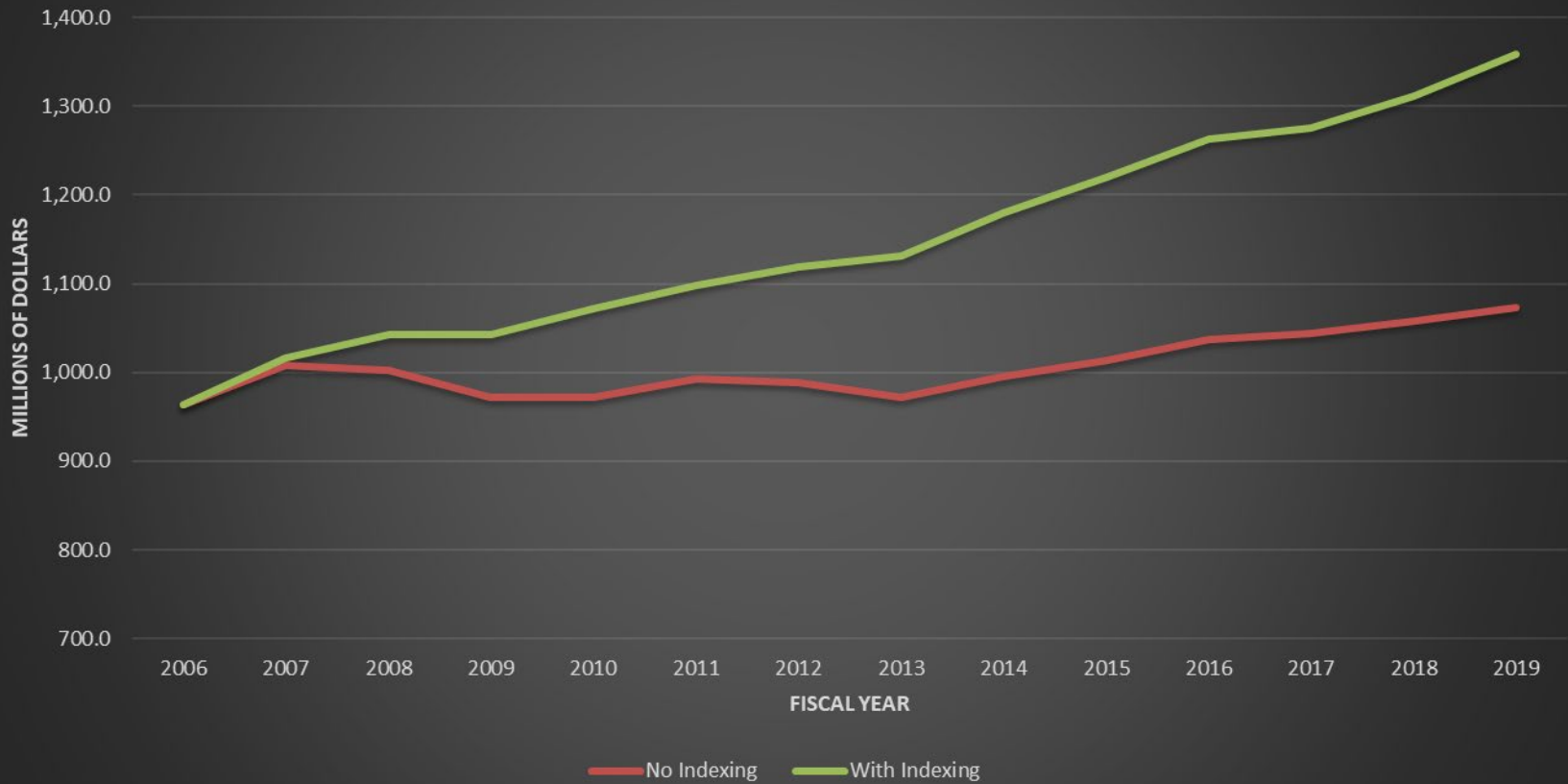
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Motor Fuel Tax Revenues

- Annual motor fuel tax indexing was abolished in 2006
- Had indexing continued motor fuel tax revenues would have increased by approximately 36% for that same period
- Estimated cumulative revenues, from FY2006 through FY2019, would be approximately \$2 billion higher than current levels if indexing had continued
- The gap between revenues using the current system and estimated revenues with indexing continues to grow in FY2019 and beyond

Motor Fuel Tax Revenues



Budget Challenges

- Reliance on bonding
- Debt service increasing
- Investment declining
- Increased needs

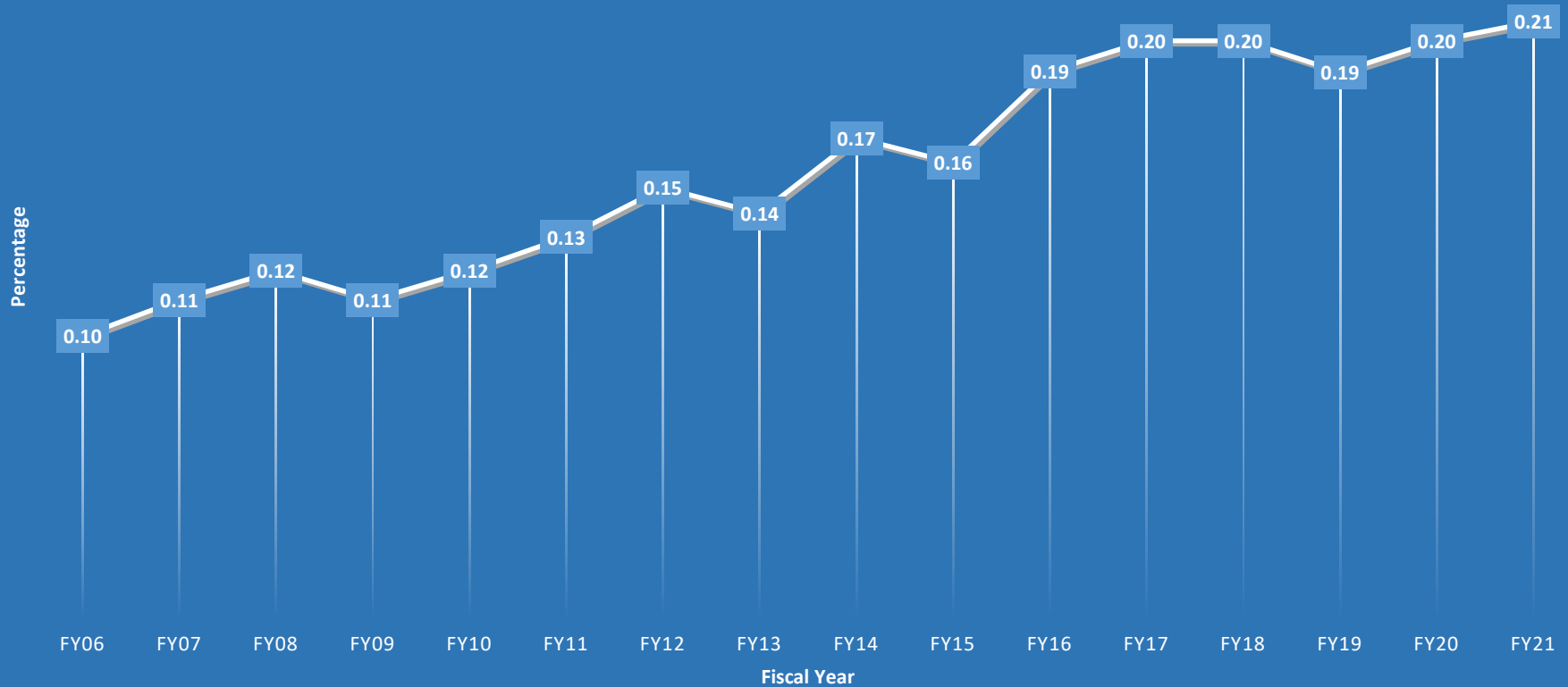
Transportation Bonding

- All current bonding will be paid off in 2043, assuming no new bonding
- Estimated total of \$5.6 billion, \$3.95 billion principal and \$1.66 billion interest
- Transportation Revenue Bonds paid off in 2040
 - Estimated total of \$2.8 billion, \$1.98 billion principle and \$818 million interest
- SEG Debt Service paid off in 2043
 - Estimated total of \$2.8 billion, \$1.97 billion principle and \$843 million interest

Debt Service Increasing

- Increasing percentage of state revenue stream
- Debt service is currently 19% of transportation fund revenue
- Projected to be 21% by FY21

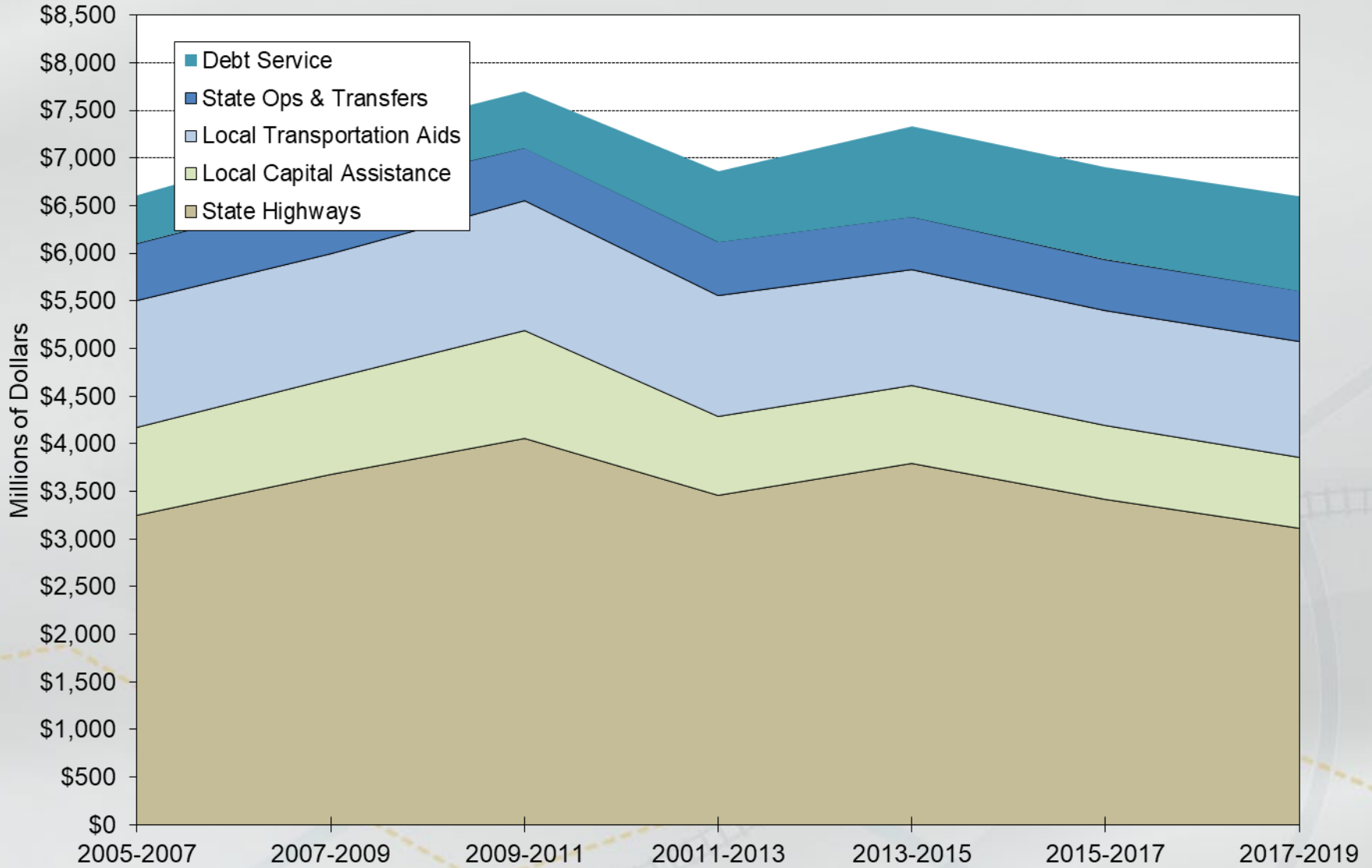
SEGREGATED DEBT SERVICE AS A PERCENTAGE OF SEGREGATED TRANSPORTATION FUND REVENUE (BIENNIAL BUDGET DATA)



Investment Declining

- Total overall budget allocations have remained relatively stable from 2005-2007 though 2018-2019
- The budget allocation for debt service has increased 95% over that time period
- This increase has reduced the budget allocation to other program areas

Constant Dollars in Millions



*Constant 2017 Dollars

Biennial Budget

*Data found in 2018-2019 Budget Trends

Budget Allocations per Biennium

Constant Dollars in Millions

Biennium	State Highways	Local Capital Assistance	Local Transportation Aids	State Ops & Transfers	Debt Service	TOTAL
2005-2007	3251.58	917.05	1329.95	606.67	509.36	6614.61
2007-2009	3679.87	1003.92	1307.20	636.28	561.67	7188.94
2009-2011	4056.12	1132.19	1360.96	556.74	595.32	7701.34
2011-2013	3457.92	827.77	1269.89	562.36	745.02	6862.96
2013-2015	3798.59	817.83	1216.91	549.78	951.11	7334.21
2015-2017	3417.23	771.85	1206.16	539.81	969.88	6904.93
2017-2019	3113.18	745.25	1217.37	527.68	993.55	6597.03
2006-2007 Budget Allocations	49.2%	13.9%	20.1%	9.2%	7.7%	100.0%
2018-2019 Budget Allocations	47.2%	11.3%	18.5%	8.0%	15.1%	100.0%
Change From 2006-2007 to 2018-19	-4.3%	-18.7%	-8.5%	-13.0%	95.1%	-0.3%