

2021 UW-Milwaukee IPIT Research Symposium

Wisconsin DOT Transportation Funding

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October 8, 2021



Division of Budget and Strategic Initiatives

- Budget - Biennial and Operating Budget
- Performance Management/Continuous Improvement
- Stakeholder Outreach and Coordination
 - Advisory Committees
 - Business Relations
 - Federal Relations
- Emerging and strategic initiatives
- Policy development
- State and National Research & Library Services



WisDOT 2019-2021 Biennial Budget

State fiscal years 2020 and 2021:

- Global Pandemic impacted transportation revenues
 - Primarily lower fuel taxes and registration fees than expected in 2019 Wisconsin Act 9
- In response, WisDOT implemented expenditure reduction plans to bring spending in line with anticipated revenues
- Federal funding received during this time:
 - Formula and supplement funds,
 - Coronavirus Response and Relief formula funding, and
 - FFY 2020 redistribution funds

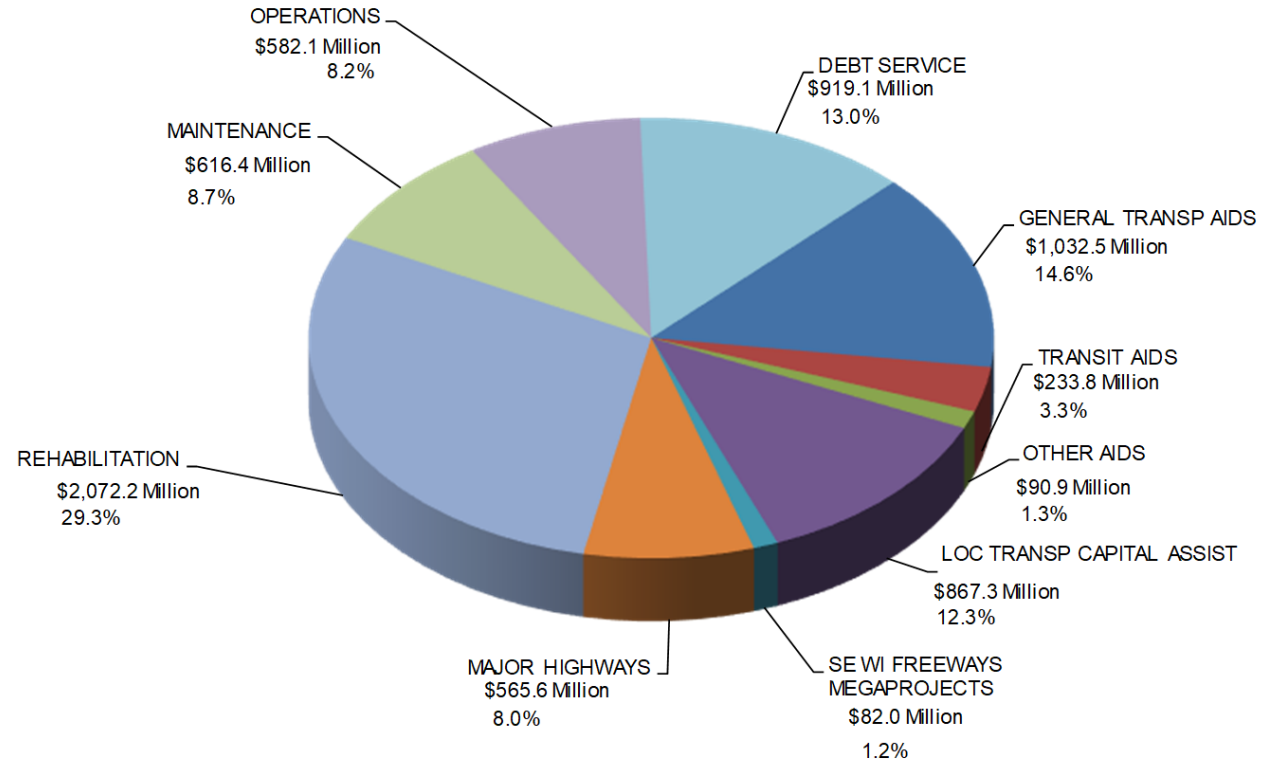


WisDOT Biennial Budget 2021-2023

- 2021 Wisconsin Act 58
 - Enacted July 8, 2021 covering fiscal years 2022 and 2023 (July 1, 2021 through June 30, 2023)

Increases in State Hwy Rehab and Local Programs to be used to fix what we have

**2021-23 TRANSPORTATION BUDGET
MAJOR CATEGORIES - ALL FUNDS
TOTAL BUDGET \$7.06 Billion
2021 ACT 58 FINAL**



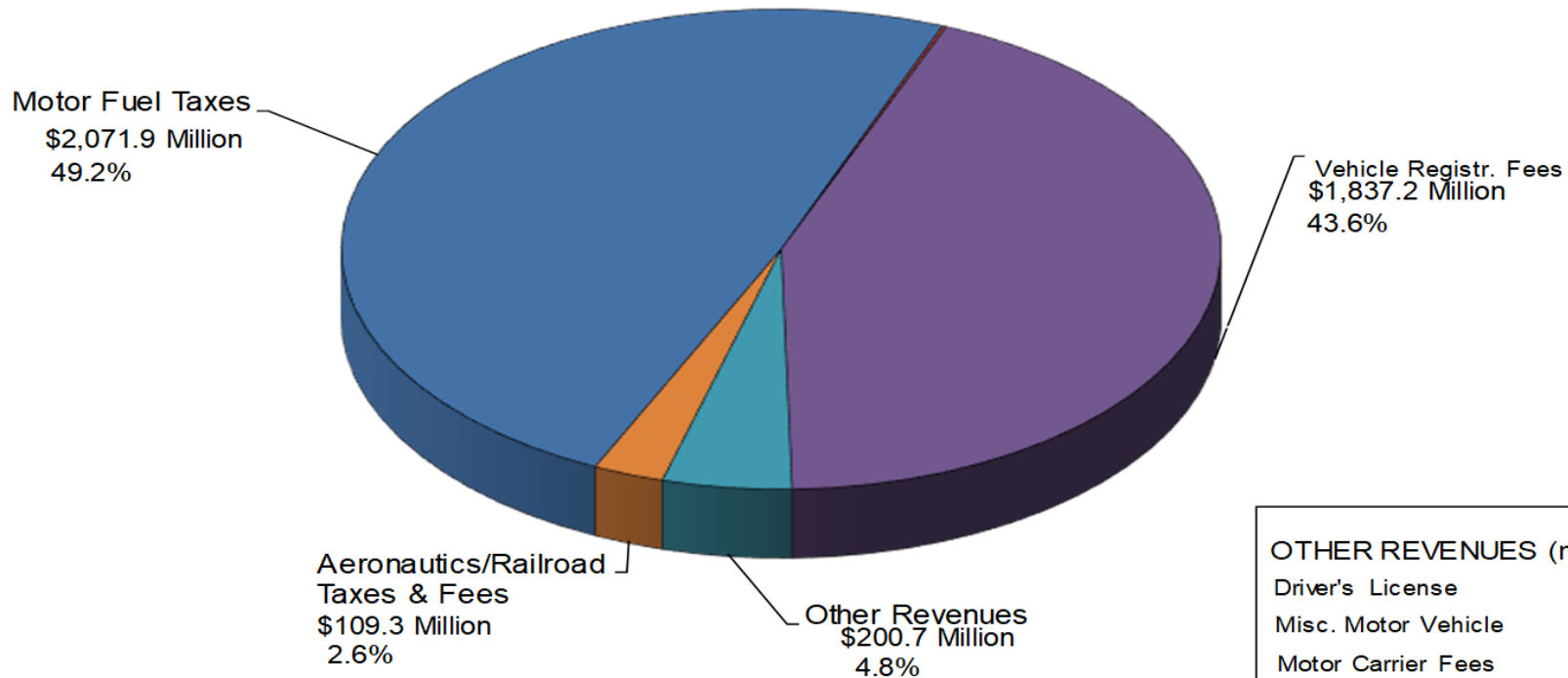
Federal Infrastructure Package

- Infrastructure Investment Jobs Act (IIJA)
 - Draft federal reauthorization bill
 - Congressional negotiations ongoing
 - Future is uncertain
- Congress passed a continuing resolution through December 3rd
- No matter what is passed, flexibility is key



2021-2023 State Transportation Revenues

2021-23 STATE TRANSPORTATION REVENUES TOTAL BUDGET \$4.21 Billion 2021 ACT 58 FINAL



OTHER REVENUES (millions)	
Driver's License	82.3
Misc. Motor Vehicle	51.9
Motor Carrier Fees	5.1
Investment Earnings	6.0
Misc. Dept. Revenues	60.6



Midwest Driver Fee Calculator

- Published in 2021
- Helps users calculate fees WI drivers pay annually compared to drivers in other Midwest states
 - The online calculator provides total estimated annual fees and taxes based on vehicle type, make, model, and model year
 - This total represents the various taxes and fees used to build and maintain Wisconsin's roads
 - Demonstrates the cost of driving a vehicle in WI – which typically is less costly than other states
 - Revenue base is narrower than others in the region



Transportation Funding and Alternative Options

- As a country, we are faced with critical decisions point on how we fund transportation needs in the future
 - The rapid evolution of vehicle technologies, and fuel efficiencies mean that motor fuel taxes – WI's largest revenue source used to fund transportation infrastructure is less reliable and unsustainable
 - This is not a new issue for WI or the nation...
 - But recent emphasis at the state and national level have prompted the need to prepare...



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Vehicle Efficiencies

- EVs, CAVs, clean fuels...
- State and regional support of:
 - accelerated integration of electric vehicles (EVs) and electric vehicle charging stations (EVCS)
 - Clean energy provisions support electrification of the transportation system and exploration of clean fuels standards
- IJA proposed provisions promote the accelerated conversion to EVs, and the potential for federal funding to support EV integration (vehicles and infrastructure)



Vehicle Technologies

Electric Vehicles for consideration

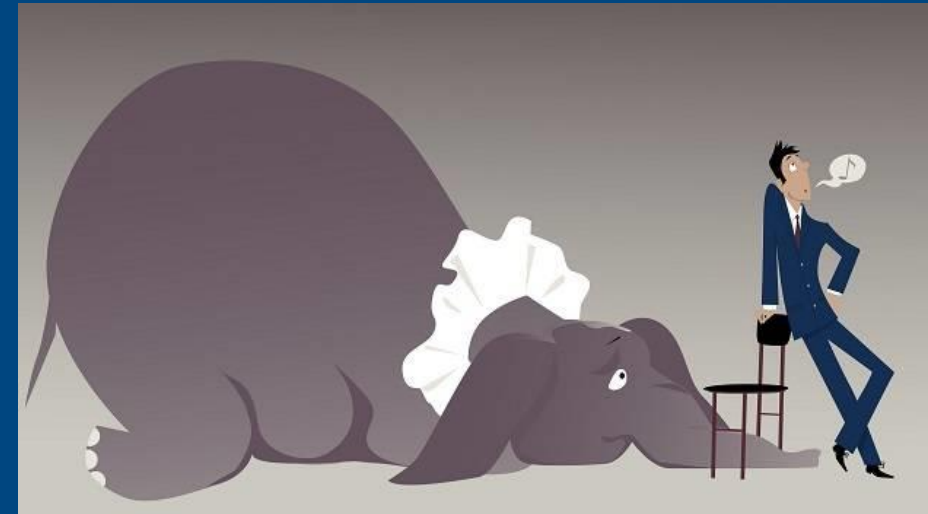
Areas of Focus/Consideration for WI

- Transportation infrastructure
- Fleet integration
- Role of Government
- Revenue
- Supply chain and production needs
- Business retention and attraction – marketing



Transportation Infrastructure Needs Remain

- Even with vehicle efficiencies they still need/use roads and ancillary infrastructure (signals, curb and gutter, pavement markings)
- Roadway use means routine maintenance, preservation and eventually replacement – all require funding
- A continuous sustainable funding stream is essential



WisDOT's Stewardship

Ongoing efforts – Holistic Approach

- DBSI –work across department to grapple with these financial and policy rocks
- Asset management – a decades long department approach to apply rigorous safety, pavement and funding data to assess – scheduling and funding projects at the right time, right scope and right location to preserve the system within available funding
- Partnerships – working across sectors and modes to listen, learn and act
- Research, and build expertise in alternative funding options...



Alternative Funding Opportunities

• Tolling Study – Phase I

- Published in 2016
 - Analyzed tolling of existing Interstates through the Interstate System Reconstruction and Rehabilitation Pilot Program.
 - Study goal was to determine revenue potential, estimate implementation and maintenance costs, and consider legal, policy, and operational issues
 - What we learned then
 - it is possible, upfront costs are high, revenue generation provides the state with an additional funding source, it takes time
 - But...



Alternative Funding Opportunities

.....Tolling Study – Phase I

- Tolling is technically and operationally feasible in WI
 - Requires upfront investment and time to generate revenue
- Tolling performs best in corridors with higher traffic volumes and less frequent interchange spacing
- Positive net revenue forecasts provides tolling options for further evaluation on all interstate corridors
 - Head start with 940k I-PASS vehicles registered in WI
 - Traffic diversion would need to be addressed



Alternative Funding Opportunities

Tolling Study Phase II (2021)

- Built on Phase I
- Primary focus
 - Illustrative to evaluate feasibility and revenue potential, estimate implementation and maintenance costs, and consider legal, policy, and operational issues and requirements
 - Explored feasibility of bridge tolling - modelled 10 bridges as examples of potential revenue generation opportunities
 - Also modelled three interstate corridors (I-94: Tomah to Wis 67, I-41, and I-43)
 - The bridges and corridors modeled were selected because they are identified system needs scheduled in our program out through 2030



Alternative Funding Options

Tolling steps – multiple phases

STEP 1

Pass enabling legislation and initiate program within WisDOT including public outreach

STEP 2

Obtain environmental clearance - critical path

STEP 3

Funds can become available from toll-backed bonds within 2 years

STEP 4

Begin collecting toll revenue within 5 years, depending on construction duration

Public/stakeholder outreach to facilitate transparency and feedback

It takes time...



Alternative Funding Options

Tolling Governance – Considerations/Recommendations

- Enabling legislation focused on:
 - WisDOT tolling governance
 - WisDOT would have rate-setting and project selection (recommended approach)
 - Revenue use: pay for bonding first, then immediate and surrounding infrastructure needs
 - Enforcement
 - Collection and reciprocal agreements with other states
 - Example: camera enforcement currently not allowed in Wisconsin
 - Administrative rule-making requirements
 - For quickly evolving privacy and data retention standards



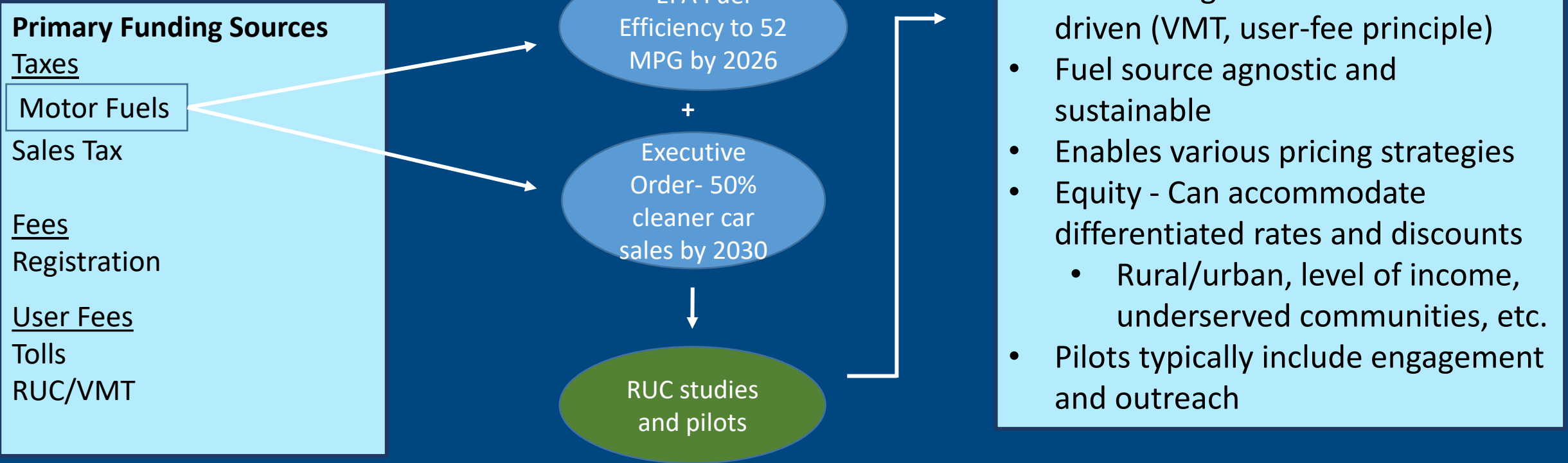
Alternative Funding Options

Other Key Considerations That Must Be Addressed

- Additional studies are required to establish bond rating for bond financing
- Requires new legislation – enabling legislation
- Requires Environmental Justice process
- Outreach and education essential
- Concerns from key transportation sectors
- Traffic diversion to arterial routes
- Focus on ways to minimize toll collection costs



Alternative Funding Opportunities - RUC



Alternative Funding Opportunities - RUC

- Road User Charge Pilots
 - Over 20 states have conducted a formal study or pilot program
 - Federal STSFA grant program has supported state-level pilots and new draft infrastructure bill expands pilot support and creates a multi-state grant program
 - Efforts are focused on building a better understanding of options and potential in WI
- Two national organizations are collaborating across multiple states
 - Mileage Based User Fee Alliance (MBUFA) is composed of eastern states
 - RUC West is composed of 17 western states
- KDOT Regional Study
 - WisDOT is a non-monetary partner participant who is providing data and potentially staff time as needed during later stages of the Pilot





...Questions?