

February 9, 2017



***Title:*** Transportation Funding in the U.S.:

**An Overview of AASHTO's "Transportation Governance and Finance" Report**

**SPEAKERS:** Jen Brickett, AASHTO BATIC; and Jaime Rall, J.R. Rall Consulting.

<http://ntl.bts.gov/networking/roundtable.html>

**Audio call-in number: 877-336-1274; Access code: 5759713**

# Transportation Funding in the United States

## **An Overview of AASHTO's *Transportation Governance and Finance Report***



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The BATIC  
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AASHTO Center  
for Excellence



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Transportation Librarians Roundtable  
Feb. 9, 2017



# About The BATIC Institute

## Mission

- To promote *public sector capacity building* in the analysis, understanding, and use of *transportation finance* techniques through a program of training, education, and outreach to all State Departments of Transportation and their local partner agencies

## Focus Areas

- Public-Private Partnerships
- Revenue Initiatives
- Financing Tools
- Legislative & Policy Areas

# BATIC Institute Partners

- USDOT's Build America Bureau
- AASHTO Team
  - National Conference of State Legislatures
  - American Public Transportation Association (APTA)
  - WSP | Parsons Brinckerhoff
  - Mercator Advisors

## Strategic Working Group

- James Bass, TxDOT
- Sam Beydoun, P3 Virginia
- Jeff Ensor, MTA
- Ron Epstein, NYSDOT
- Senator Farley, AZ State Legislature
- Burt Tasaico, NCDOT
- Lorie Tudor, Arkansas Highways

# BATIC Institute

- In-person Services
  - Peer Exchanges
  - Trainings & workshops
  - Expert Panel Sessions
- Online Services
  - Customized website
  - Webinars
  - Video Interviews

The screenshot displays the BATIC Institute website. On the left is a dark navigation menu with links for Home, About, Capacity Building, Transportation Funding & Financing, Resources & Links, Glossary, FAQs, Meetings & Events, and Contact Us/Subscribe. The main content area features a blue header with the BATIC INSTITUTE logo and a tagline: "Investment Center (BATIC) Institute: An AASHTO Center for Excellence in investment by promoting public sector capacity building in the best finance techniques through a program of training, sharing of best state Departments of Transportation and their local partner agencies." Below the header, there's a section for "PROJECT FINANCE Capacity Building" with sub-sections for "IN-PERSON" (Dynamic exchanges of ideas and information) and "ONLINE" (Self-paced learning at your convenience). A "FEATURED BATIC INSTITUTE EVENTS" section lists three events: "Public-Private Partnerships (P3) Basics Overview" (Jan 13, 2017), "Chief Financial Officers (CFO)" (Nov 3, 2016), and another "Public-Private Partnerships (P3) Basics Overview" (Nov 2, 2016). A "FEATURED RESOURCES" section includes "Comprehensive Transportation Funding & Financing information", "Transportation Finance State by State", and "Categorization & Analysis of State P3 Enabling Statutes". The footer contains the AASHTO logo and the U.S. Department of Transportation logo.

Visit our website at:

<http://www.financingtransportation.org/>



# What is the Value of this Report?

“As Oregon is developing a transportation funding package, it’s very valuable to have a resource that provides information on how other states approach transportation funding and governance.

~Travis Brouwer, Oregon DOT

“There is an orientation at the start of our two year legislative session where staff prepares concise briefings for Legislative Transportation Committee Members. The report saved an enormous amount of research time comparing transportation revenue sources...in other states. In addition, the report served as a reference to new legislative staff not familiar with transportation funding.

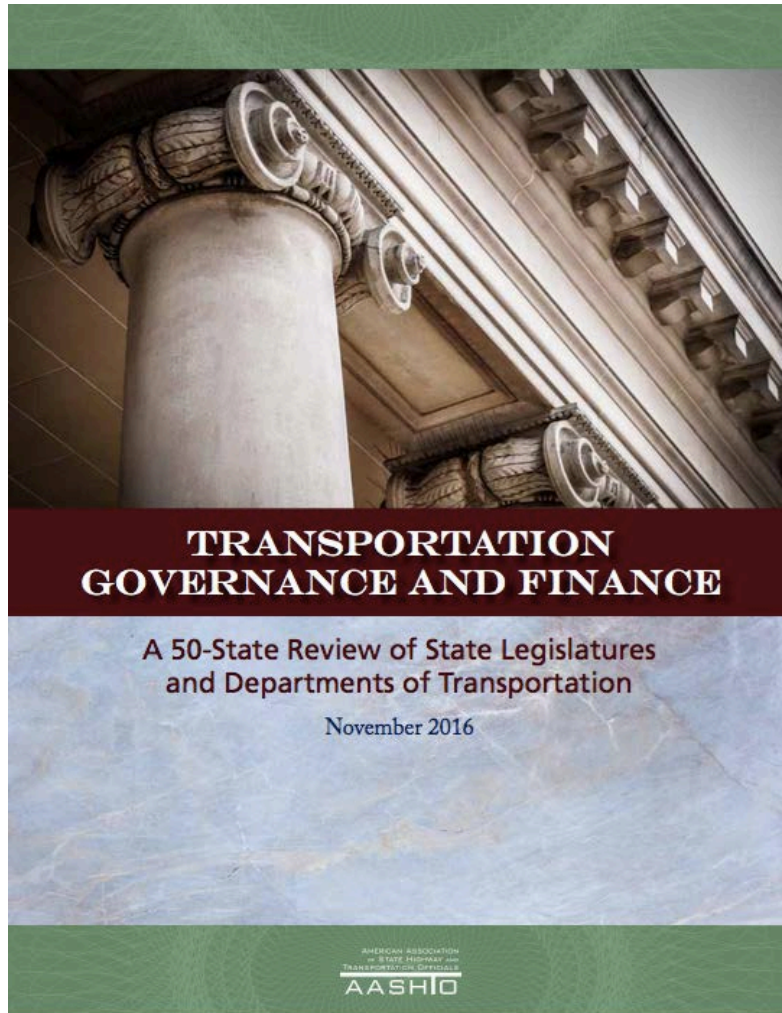
~Burt Tasaico, North Carolina DOT

# What is this report?

- ◆ To follow along as we explore this report, you can download it at [http://www.financingtransportation.org/pdf/50\\_state\\_review\\_nov16.pdf](http://www.financingtransportation.org/pdf/50_state_review_nov16.pdf)
- ◆ I've also put the link in the chat box!



# What is this report?



- ◆ Updated from the original 2011 AASHTO-NCSL publication
- ◆ Funded by NCHRP Project 20-24
- ◆ 50-state reference tool for DOTs, legislatures, and other stakeholders

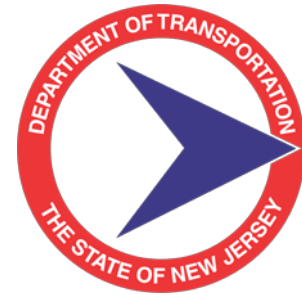


# What is this report?

- ◆ Under the guidance of an NCHRP project advisory panel



**MaineDOT**



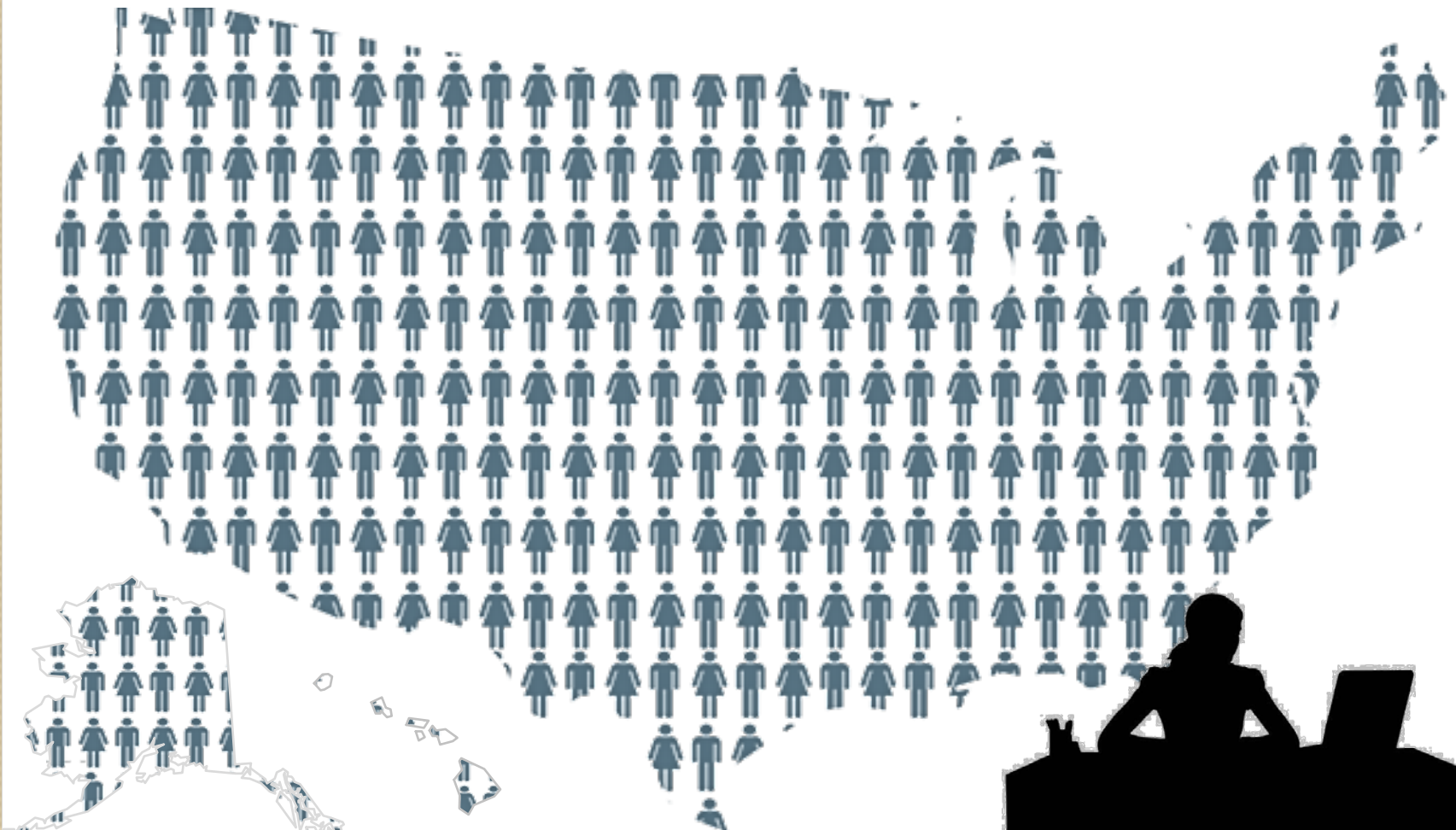
U.S. Department of Transportation  
**Federal Highway  
Administration**



NATIONAL CONFERENCE  
of STATE LEGISLATURES  
*The Forum for America's Ideas*

# What is this report?

- ◆ Based on surveys and feedback from more than 200 stakeholders across the states



# What topics does it cover?

## Participants in State Transportation Governance and Finance

- ◆ State legislatures and DOTs
- ◆ Other state and quasi-state entities
- ◆ Other stakeholders

## Communication and Collaboration Between State Legislatures and DOTs

- ◆ Overall approaches
- ◆ DOT legislative liaisons
- ◆ Lessons learned and advice

## State Transportation Governance

- ◆ Laws and legislation
- ◆ Legislative oversight

## State Transportation Funding and Finance

- ◆ Budgeting and appropriations
- ◆ Planning and projects
- ◆ State revenue sources
- ◆ State finance mechanisms
- ◆ Other funding and finance issues
- ◆ State involvement in local transportation funding
- ◆ Lessons learned and advice

# What does it contain?

- ◆ A nationwide synthesis illustrating current trends and notable exceptions ...

## 2 | PARTICIPANTS IN STATE TRANSPORTATION GOVERNANCE AND FINANCE

How each state governs and pays for its transportation system is influenced by the distinctive balance of roles and responsibilities between its legislature and its department of transportation—the institutions that are the focus of this report—as well as the involvement of other Federal, state, local, tribal, and private stakeholders.

### State Legislatures

Every state has a legislative body that is made up of elected representatives that represent legislative districts. Typically, these bodies are responsible for lawmaking, establishing and overseeing state programs, and appropriating funds. The legislative role also includes the often forgotten but vital function of convening stakeholders to develop ideas and aid the decision-making process. Legislatures vary by structure, size, session length and frequency, the volume of proposed legislative measures they consider each session, and even what they are called (Table 2), as well as many other factors. In terms of structure, all state legislatures are bicameral and partisan except for Nebraska's, which is a unicameral, nonpartisan legislature that calls all of its members senators. The Council of the District of Columbia is a unicameral, partisan body.

Table 2. Names and Characteristics of State Legislatures

State Legislature	Characteristics			
	Chambers (with Number of Members )		Annual or Biennial Session	Legislative Measures Introduced in 2016
Alabama Legislature	Senate (35)	House of Representatives (105)	Annual	1,005
Alaska Legislature	Senate (20)	House of Representatives (40)	Annual	268 (see state profile)

# What does it contain?

## **Tables**

Table 1. Responding Organizations for the 2016 Survey Research .....

Table 2. Names and Characteristics of State Legislatures .....

Table 3. Categorization of States by Levels of Legislative Professionalization .....

Table 4. Names and Characteristics of State DOTs .....

Table 5. Sizes of State DOTs in Full-Time Equivalents (FTEs) .....

Table 6. Major Stakeholders in Transportation Governance and Finance .....

Table 7. State Transportation Officials that Serve on the Governor's Cabinet .....

Table 8. State Transportation Boards, Councils, and Commissions .....

Table 9. Names and Types of Other State-Level Transportation Entities .....

Table 10. Other State-Level Transportation Entities for Which a Secretary, Director, or  
Commissioner of Transportation Serves as a Member or on the Board Ex Officio .....

Table 11. State Agencies that Perform DMV and Highway Patrol Functions .....

Table 12. Selection of Respondents' Views Concerning Communication and Collaboration between  
State Legislatures and DOTs .....

Table 13. State Legislative Standing Committees with Jurisdiction over Transportation-Related Issues

Table 14. Appointment of DOT Leaders .....

Table 15. Appointments to State Transportation Boards, Councils, and Commissions .....

Table 16. Legislative Review of Administrative Rules

# What does it contain?

**Table 23. Revenue Sources Currently Used by States for Roads and Bridges**

State	Revenue Sources							
	Fuel Taxes	Passenger Vehicle Fees	Truck Registration Fees	Tolls	General Sales Taxes	General Funds	Interest Income	Other
<b>Alabama</b>	F	R	•					Alternative fuel vehicle fees Oversize/overweight truck permit fees Outdoor advertising revenues
<b>Alaska*</b>	F	R, T		•		•	•	Taxes on alternative fuels Industrial use highway permit fees Sales taxes on rental vehicles Property leases or sales Legislative appropriations (budget reserve fund)
<b>Arizona</b>	F	R, T	•			•	•	Oversize/overweight truck permit fees Other truck permit fees Vehicle license taxes Sales taxes on rental vehicles Driver's license fees
<b>Arkansas</b>	F	R, T	•		•	•	•	Taxes on alternative fuels Oversize/overweight truck permit fees Other truck- and commercial driver-related fees Severance taxes on natural gas Rail regulation fees Pine timber sales Rainy Day Fund (one-time transfer in 2016)
<b>California</b>	F, V		•	•			•	Taxes on alternative fuels Cap-and-Trade Program revenues Property leases or sales
<b>Colorado</b>	F	R	•			•	•	Taxes on alternative fuels Special fees on electric vehicles

# What does it contain?

**Table 24. State Fuel Tax Models**

State	State Fuel Tax Model			
	Has a Fixed-Rate Tax	Has a Variable-Rate Tax		
		Indexed to Inflation	Percentage of Price	Other
Alabama	•			
Alaska	•			
Arizona	•			
Arkansas	•			
California	•		•	
Colorado	•			
Connecticut	•		•	
Delaware	•			
Florida	•	•		
Georgia		Until July 1, 2018 (see note)		Based on average vehicle fuel economy (see note)
Hawaii	•			
Idaho	•			
Illinois	•			
Indiana	•			
Iowa				Until July 1, 2020; based on fuel distribution percentage formulas; intended to be revenue-neutral (see note)
Kansas	•			
Kentucky	•		•	
Louisiana	•			
Maine	•			

# What does it contain?

- ◆ ... and state-specific profiles for all 50 states and the District of Columbia

The screenshot displays a website interface for state-specific transportation statistics. It features a navigation menu on the left with categories like 'Statewide', 'Roads and Bridges', 'Public Transit', 'Rail', 'Aviation', 'Ports and Waterways', and 'Organizational Facts'. The main content area shows profiles for ALABAMA, ALASKA, and ARIZONA. Each profile includes a 'Statewide Transportation System Statistics' table and 'Organizational Facts'.

**ALABAMA Statewide Transportation System Statistics**

<b>Roads and Bridges</b>	Total lane miles	213,075 (155,300 rural, 57,775 urban)
	Bridges	16,095
	Toll facilities	Yes (roads: 3.1 miles; bridges: 3)
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, vanpool, demand response
	Urban transit trips in 2013	7.5 million
<b>Rail</b>	Freight rail route miles	3,194
<b>Aviation</b>	Total airports	184
	Public-use airports	89
	Passengers boarded in 2013	2.3 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2014	81.7 million

**ALASKA Statewide Transportation System Statistics**

<b>Roads and Bridges</b>	Total lane miles	
	Bridges	
	Toll facilities	
	High-occupancy toll (HOT) lanes	
<b>Public Transit</b>	Transit modes	
	Urban transit trips in 2014	
<b>Rail</b>	Freight rail route miles	
<b>Aviation</b>	Total airports	
	Public-use airports	
	Passengers boarded in 2015	
<b>Ports and Waterways</b>	Waterborne cargo tonnage in	

**ARIZONA Statewide Transportation System Statistics**

<b>Roads and Bridges</b>	Total lane miles	
	Bridges	
	Toll facilities	
	High-occupancy toll (HOT) lanes	
<b>Public Transit</b>	Transit modes	
	Urban transit trips in 2014	
<b>Rail</b>	Freight rail route miles	
<b>Aviation</b>	Total airports	
	Public-use airports	
	Passengers boarded in 2015	
<b>Ports and Waterways</b>	Waterborne cargo tonnage in	

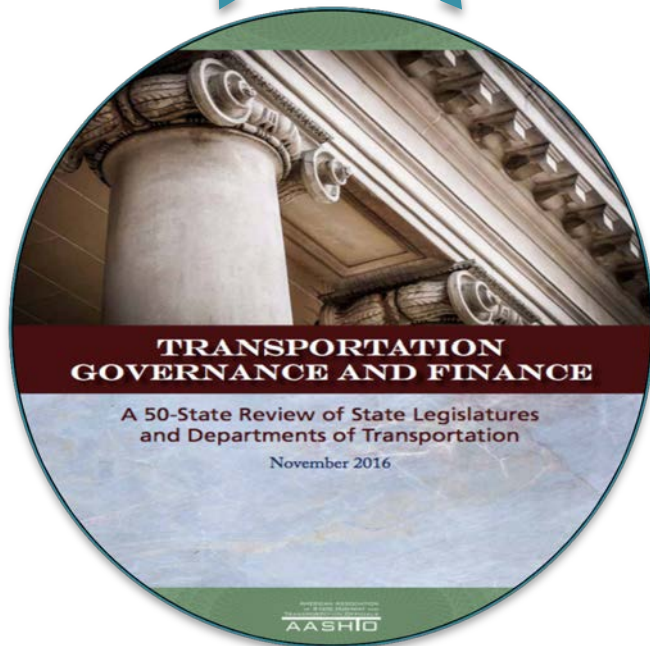
**Organizational Facts**

<b>Name</b>	Alaska Legislature
<b>Structure</b>	Bicameral, partisan

Note: These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources



# How has the report changed since the 2011 edition?



- ◆ All existing information updated and vetted
- ◆ Expanded to include new topics of interest
- ◆ Legal citations added to facilitate further research
- ◆ Funding sources and finance mechanisms further clarified

# How has the report changed since the 2011 edition?

An example of state-specific funding and finance information in 2011 ...

<b>Traditional State Funding and Finance for Highways</b>	Fuel taxes; general funds; interest income; master equipment lease/short-term borrowing; rights-of-way revenue; public space revenue; parking meter revenues; general obligation bonds.
<b>State Funding and Finance for Other Modes</b>	Transit: General funds; general obligation bonds; parking meter revenues.
<b>Innovative Transportation Funding and Finance</b>	GARVEE bonds; PPPs (used for at least one street maintenance project); design-build (used as a component of at least one transit project). As of late 2010, the District was planning to issue \$100 million in GARVEE bonds for a transportation project.

And in 2016 ...

# How has the report changed since the 2011 edition?

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details	
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other		
Fuel taxes: gasoline and diesel (variable rate—percentage of price)	•	•	•	•	• Freight only				•	•	Adjusted twice per year based on average wholesale price, with a price floor of \$2.94/gallon. The price cannot vary more than 10 percent per adjustment. Allocated to the local Highway Trust Fund (D.C. Code Ann. §47-2301)
Fuel taxes: alternative fuels (variable rate—percentage of price)	•	•	•	•	• Freight only				•	•	Includes taxes on liquefied petroleum gas and other gaseous and liquid alternative fuels; assessed and allocated the same way as gasoline and diesel taxes (D.C. Code Ann. §47-2301, §47-2302)
Rights-of-way user fees	•	•	•	•	• Freight only				•	•	Allocated to the Local Transportation Fund (D.C. Code Ann. §§10-1141.01 et seq., §9-111.01a)
Public space rental and use fees	•	•	•	•	• Freight only				•	•	Allocated to the Local Transportation Fund (D.C. Code Ann. §§10-1101.01 et seq., §9-111.01a)
Public incon-		•	•	•	• Freight				•	•	Allocated, but not otherwise autho-

# How has the report changed since the 2011 edition?

## State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
General obligation bonds	•	•	•	•				•		Generally authorized in statute (D.C. Code Ann. §§1-204.61 et seq.); require further legislative approval
GARVEE bonds	•	•	•							Authorized in statute for up to \$430 million (D.C. Code Ann. §§9-107.51 et seq.); most recently issued in 2012
Advance construction		•	•							
Design-build	•	•	•	•						Broadly authorized in statute for District agencies (D.C. Code Ann. §§2-356.01 et seq.); used for road and transit projects
Public-private partnerships	•	•	•	•		•				Authorized in statute for uses that include roads, transit, and airports (D.C. Code Ann. §§2-271.01 et seq., §§2-356.01 et seq.); used for a local streets project (see notes)

# What is in a state profile?

- ◆ We will now take a closer look at an individual state's profile
- ◆ You can watch [here](#) or follow along in the PDF starting on p. 512



# WISCONSIN

## Statewide Transportation System Statistics

<b>Roads and Bridges</b>	Total lane miles	238,608 (186,362 rural, 52,246 urban)
	Bridges	14,116
	Toll facilities	No
	High-occupancy toll (HOT) lanes	No
<b>Public Transit</b>	Transit modes	Bus, light rail, streetcar, vanpool, demand response
	Urban transit trips in 2014	72.8 million
<b>Rail</b>	Freight rail route miles	3,319
<b>Aviation</b>	Total airports	429
	Public-use airports	126
	Passengers boarded in 2015	4.9 million
<b>Ports and Waterways</b>	Waterborne cargo tonnage in 2015	30.0 million

**Note:** These statistics refer to all transportation facilities and services in the state, not just those under state jurisdiction. Airport statistics only include airports, not heliports or other types of landing facilities. Bridges include all public bridges, but not tunnels or culverts, that are over 20 feet long and carry vehicular traffic. All statistics were first drawn from Federal or other sources (see references), and then presented to survey respondents to verify or amend.

# Organizational Facts

## Legislature

<b>Name</b>	Wisconsin Legislature
<b>Structure</b>	Bicameral, partisan
<b>Chambers</b>	Senate (33 members), Assembly (99 members)
<b>Type</b>	Professional/full-time
<b>Session</b>	Annual, year-round
<b>Legislative Measures Introduced in 2016</b>	1,830 (estimated)
<b>Committees with Jurisdiction Over Transportation-Related Issues</b>	Senate Committee on Transportation and Veterans Affairs Assembly Committee on Transportation [Commission] Transportation Projects Commission The Legislative Council regularly creates special study committees, but none are currently studying transportation topics.

**Note:** “Type” refers to categories that were developed at the National Conference of State Legislatures to illustrate degrees of legislative professionalization, based on legislators’ time on the job, legislator compensation, and legislative staff sizes (Kurtz and Erickson, 2013). “Legislative measures introduced in 2016” includes all bills, resolutions, memorials, and other legislative initiatives introduced in 2016, but not measures that were carried over from 2015 in states with 2015–16 biennial sessions.

## Department of Transportation

<b>Name</b>	Wisconsin Department of Transportation (WisDOT)
<b>Structure</b>	Organized mainly by functional activity
<b>Leadership</b>	Secretary of Transportation (serves on governor's cabinet)
<b>Staff Size in Full-Time Equivalent (FTEs)</b>	3,499
<b>Modes Over Which the DOT Has Jurisdiction</b>	Roads/bridges, public transit, freight and passenger rail, aviation, ports/waterways, pedestrian/bicycle
<b>Includes DMV?</b>	Yes. The Division of Motor Vehicles is a division of WisDOT. It is funded by the Transportation Fund, specific user fee revenues, and Federal funds as part of WisDOT's budget.
<b>Includes Highway Patrol?</b>	Yes. The Wisconsin State Patrol is a division of WisDOT. It is funded by the Transportation Fund, specific user fee revenues, and Federal funds as part of WisDOT's budget.
<b>Jurisdiction Over Toll Facilities?</b>	No. Wisconsin has no toll facilities.

## Other

<b>Other State-Level Transportation Entities</b>	Office of the Commissioner of Railroads (state agency)	The Office of the Commissioner of Railroads is the state agency with primary responsibility for making determinations of the adequacy of warning devices at railroad crossings, along with other regulations related to railroads and water carriers. It is administratively attached to the Public Service Commission, except that WisDOT processes its budget requests, and its administrative costs are covered by railroad assessments (Wis. Stat. Ann. §§189.01 et seq., §15.03, §15.795, and §195.60). WisDOT coordinates with the office on railroad crossings and highway projects.
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# Communication and Collaboration

<b>Overall Communication and Collaboration</b>	Formal and informal, mainly through dedicated liaisons. WisDOT’s assistant deputy secretary and legislative advisor in the Office of the Secretary oversee and manage the department’s legislative activities and relationships. The role includes providing testimony at legislative hearings, interacting regularly with legislators, and reviewing pending legislation. Other WisDOT staff members, especially in the regional offices, often meet with local legislators over the course of the year.
<b>DOT Legislative Liaison</b>	The assistant deputy secretary and legislative advisor in WisDOT’s Office of the Secretary are the main points of contact between the department and the Legislature.

# Transportation Governance

## Laws and Legislation

<b>Transportation Laws</b>	Wis. Stat. Ann. §§15.46 et seq.; Wis. Stat. Ann. §13.489; Wis. Stat. Ann. ch. 80 to 86, 110, 114, 189 to 195, 237, and 340 to 351; Wis. Stat. Ann. §§25.40 et seq. (funds); Wis. Const. art. VIII, §11 (revenue restrictions); Wis. Stat. Ann. ch. 78 and portions of ch. 76 and 77 (revenues)	
<b>DOT Role in the Legislative Process</b>	Legislative Proposals	Occasional role. State agencies including WisDOT may request legislative bill drafts, but all bills must be formally sponsored and introduced by a legislator or legislative committee.
	Advocacy and Lobbying	WisDOT staff regularly testify at hearings and committee meetings on legislation affecting the department, and can influence transportation-related legislation through the biennial budget process.
	Fiscal Notes or Policy Impact Statements for Legislative Use	WisDOT typically develops both policy and fiscal notes on relevant pending legislation.

## Legislative Oversight

<b>Appointment of DOT Leadership</b>	The secretary of transportation is appointed by the governor with the advice and consent of the Senate (Wis. Stat. Ann. §15.05).
<b>Legislature Able to Remove DOT Leaders?</b>	No. The secretary of transportation serves at the pleasure of the governor.
<b>Legislative Review of Administrative Rules</b>	Yes. All proposed rules are reviewed first by the Legislative Council. After a process that includes a public hearing, drafting of the final rule, and approval of the final rule by the governor, the agency then delivers the final rule to the Legislature for review by the relevant standing committees. If a standing committee objects to a rule, it sends it to the Joint Committee for Review of Administrative Rules which, if it agrees, introduces a bill to veto the rule. Otherwise, if no committee action is taken, the agency certifies the final rule and submits it to the Legislative Reference Bureau for publication in the Wisconsin Administrative Register. A final rule is effective on the first day of the month commencing after the date of publication. The joint committee may also review and suspend existing rules (Wis. Stat. Ann. §§227.10 et seq.; see also Wis. Exec. Order No. 2011-50).
<b>Legislative Audits or Sunset Reviews</b>	Legislative audits only. WisDOT is subject to annual financial audits and periodic programmatic audits conducted by the Legislative Audit Bureau. Wisconsin does not conduct sunset reviews of state agencies or programs.
<b>Required DOT Reports to the Legislature</b>	Each secretary of a state agency (including WisDOT) is required to submit to the Legislature a biennial report on the agency's performance and operations during the previous biennium, and its goals and objectives as developed for the program budget report (Wis. Stat. Ann. §15.04). The secretary of transportation must also submit biennial reports concerning the comprehensive highway safety program (Wis. Stat. Ann. §85.07). WisDOT must submit a report every six months on major highway projects (Wis. Stat. Ann. §13.489), annual reports concerning economic development programs (Wis. Stat. Ann. §84.01) and, until 2019, traffic signals and intelligent transportation programs (Wis. Stat. Ann. §84.06), and biennial inventories of surplus land (Wis. Stat. Ann. §84.09). WisDOT must submit a joint annual report with the Department of Justice concerning access to driver's license and ID photos (Wis. Stat. Ann. §343.237). The legislative Joint Committee on Finance has also directed WisDOT to report on the status of the Highway Maintenance Program (Wis. Stat. Ann. §84.07) twice per year.

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**Legislative Role in DOT Performance Management**

In addition to the reporting requirements and legislative audits listed above, WisDOT reports on its performance goals, objectives, measures, and progress to the Department of Administration, for consideration by the Office of the Governor, [as part of its biennial budget request](#). This information is then passed on to the General Assembly for consideration in the budget process.

**Other Legislative Oversight Mechanisms**

WisDOT is required to prepare reports to accompany bills that would create exceptions to vehicle weight limits (Wis. Stat. Ann. §13.096) or revoke a person's driving privileges upon conviction for an offense (Wis. Stat. Ann. §13.0965). These reports are distributed in the same way as bill amendments. In addition, the Joint Committee on Finance, which takes up all budget items in the Wisconsin Legislature, has its own budget staff that regularly asks questions of WisDOT throughout the year. Other oversight mechanisms include other legislative requests for information from WisDOT.

**Resources Provided to DOT to Support Compliance with Oversight Requirements?**

Yes. Funds have been allocated to WisDOT to support its compliance with legislative oversight requirements. For example, the 2015-17 biennial budget (2015 Wis. Laws, Act 55) provided \$1 million over the biennium to study methods of improving the solvency of the state's Transportation Fund, and required WisDOT to submit a report to the Legislature by Jan. 1, 2017.

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# Transportation Funding and Finance

## Budgeting and Appropriations

<b>Budgeting and Appropriations Overview</b>	Biennial enactment of two 12-month budgets; fiscal year begins July 1. WisDOT submits biennial budget requests for approval by the Legislature.	
<b>Allocation of Transportation Revenues to the DOT</b>	Federal Revenues	Legislative appropriation. Federal airport, transit, and traffic safety funds are allocated to WisDOT as state legislative appropriations to departmental programs. Federal highway funds are allocated among several WisDOT programs by legislative appropriation, based on an estimate of the total amount that will be received. If receipts differ from estimates by more than 5 percent, WisDOT must submit a plan to the legislative Joint Committee on Finance to adjust the appropriations. The committee may approve or modify the plan. WisDOT makes administrative adjustments for any difference under the 5 percent threshold.
	State Revenues	Partial legislative appropriations. State transportation funds are allocated to WisDOT through legislative appropriations at the program or category level. WisDOT generally has spending discretion within broad categories (state highway rehabilitation, major highway development, airport improvement, etc.), each of which has its own appropriation. With a few minor exceptions, there are no automatic or formula-based appropriations of state funds to transportation programs.

# State Transportation Budget

<b>Most Recently Enacted Transportation Budget</b>	Biennial budget, FY 2016 and FY 2017 ( <b>enacted</b> )	
<b>Authorized Expenditures (FY 2016 and FY 2017, total)</b>	State highways	\$3,387,900,000
	Local programs	\$1,959,800,000
	Debt service and reserves	\$992,600,000
	DOT operations	\$482,500,000
	<b>Total</b>	<b>\$6,822,800,000</b>
<b>Revenue Sources (FY 2016 and FY 2017, total)</b>	State funds	\$3,852,600,000
	Federal funds	\$1,655,000,000
	Bond funds (total bonding allocated to programs)	\$910,700,000
	General purpose revenue	\$229,900,000
	Other funds	\$227,900,000
	Revenues allocated to non-WisDOT agencies	(\$53,300,000)
	<b>Total</b>	<b>\$6,822,800,000</b>

## Planning and Projects

### **Transportation Planning and Capital Project Selection Process**

WisDOT is responsible for both short- and long-term multimodal planning. Project identification is an iterative process that begins with a needs analysis conducted by the central WisDOT office. WisDOT regional planning sections review the analysis and develop a range of alternatives. “Backbone” projects (multi-lane highways connecting all major population and economic regions of the state) are ranked using a comprehensive prioritization process focused on safety and life-cycle cost estimates. These projects are approved by a statewide peer review process. In this process, WisDOT works closely with MPOs to coordinate transportation planning in metropolitan areas. By law, major highway projects have an added layer of analysis and require legislative approval. These planning activities result in a long-term multimodal plan, the annually updated four-year Statewide Transportation Improvement Program (STIP), and a list of major highway projects that is typically approved by the Legislature in the biennial budget process.

### **Legislative Role in the Planning Process**

Substantial legislative role. The main role of the Legislature is to review and approve major highway projects and project studies for projects that require significant capacity expansion. The review is performed largely by the Transportation Projects Commission, using recommendations from WisDOT, as part of the biennial budget process. The Transportation Projects Commission is a legislative body, chaired by the governor, that is made up of 10 legislators, three citizen members, and the secretary of transportation, who is a nonvoting member. After projects are approved by the commission, they then must be approved by the full Legislature and identified in statute (Wis. Stat. Ann. §13.489 and §84.013). The Legislature also approves overall funding levels in the biennial budget bill.

## State Revenue Sources

State-Level Revenue Source	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
Fuel taxes: gasoline and diesel (fixed rate)	•	•	•	•	• Pas-senger and freight	•	•	•		Wis. Stat. Ann. §78.01
Fuel taxes: alternative fuels	•	•	•	•	• Pas-senger and freight	•	•	•		Includes taxes on gaseous and liquid alternative fuels (Wis. Stat. Ann. §25.40, §78.39, §78.40)
Fuel taxes: aviation fuels	•	•	•	•	• Pas-senger and freight	•	•	•		Includes taxes on aviation gasoline, jet fuel, and other fuels (Wis. Stat. Ann. §78.555)
Vehicle registration and title fees	•	•	•	•	• Pas-senger and freight	•	•	•		Includes additional registration fees for some vehicle types (Wis. Stat. Ann. §§341.25 et seq., §342.14)
Truck registration fees (based on gross vehicle weight)	•	•	•	•	• Pas-senger and freight	•	•	•		Wis. Stat. Ann. §341.25
Oversize/overweight truck permit fees	•	•	•	•	• Pas-senger and freight	•	•	•		Wis. Stat. Ann. §§348.25 et seq.

General funds	•	•	•	•	•	•	•	•	Annual transfer of 0.25 percent of general fund revenues to Transportation Fund (Wis. Stat. Ann. §16.5185); also includes transfers from the general fund that are enacted into law each biennium ( <a href="#">Wis. Stat. Ann. §20.395</a> ) and one-time appropriations from the general fund to pay debt service on general obligation bonds used for transportation projects
Interest income	•	•	•	•	•	•	•	•	Transportation Fund (Wis. Stat. Ann. §25.40)
					Pas-senger and freight				
					Pas-senger and freight				

**Notes:**

- In general, throughout this report, this chart includes revenue sources authorized for or used by state government agencies or departments (including but not limited to DOTs), but not those used solely by quasi-public entities such as public benefit corporations or instrumentalities. “Authorized by state constitution or statute” signifies that the item is specifically authorized in law, not just permitted under more general authorizations or powers. “Eligible transportation activities” include the state-level development and operation of transportation facilities and services. They do not include administrative costs, DMV or highway patrol functions, enforcement or regulatory activities, education programs, or distributions to local governments. The “rail” column refers to heavy rail only. Commuter rail and light rail are included under “public transit.”
- State statute directs that Transportation Fund revenues may be used for administrative costs, safety programs, and traffic enforcement, in addition to the kinds of transportation activities described in this chart (Wis. Stat. Ann. §25.40).
- Under the Tribal Elderly Transportation Grant Program, WisDOT awards grants to Federally recognized American Indian tribes or bands to assist in providing transportation services for older adults. The program, although state-administered, is funded from tribal gaming revenues (Wis. Stat. Ann. §85.215; 2009 Wis. Laws, Act 28).



<b>State Fuel Tax Model</b>	Fixed rate (cents per gallon)
<b>Restrictions on State Fuel Taxes</b>	Constitutional, multimodal transportation. The state constitution dedicates fuel taxes to WisDOT for transportation purposes or to the holders of transportation-related revenue bonds, via the comprehensive, multimodal Transportation Fund or a trustee (Wis. Const. art. VIII, §11). State statute provides further authority for designating fuel taxes to the Transportation Fund (Wis. Stat. Ann. §25.40).
<b>Restrictions on Other Transportation Revenues</b>	As with fuel taxes, other transportation-related revenues are also deposited into the comprehensive, multimodal Transportation Fund (Wis. Const. art. VIII, §11).
<b>Dedicated or Restricted Transportation Funds</b>	Wisconsin has a comprehensive, multimodal trust fund called the Transportation Fund, which receives fuel taxes and other transportation-related revenues. The state constitution prohibits transfers or appropriations from the Transportation Fund to any program that is not directly administered by WisDOT in relation to the state's transportation systems (Wis. Const. art. VIII, §11). State statute further provides that the fund may be used for transportation purposes that include highways, airports, harbors, ferries, railroads, and bicycle or pedestrian facilities, as well as administrative costs, safety programs, and traffic enforcement (Wis. Stat. Ann. §25.40).
<b>Revenue Sources Prohibited in State Law</b>	None.

## State Finance Mechanisms

State-Level Finance Mechanism	Authorization and Use		Eligible Transportation Activities							Citations and Additional Details
	Authorized by state constitution or statute	In current use	Roads and bridges	Public transit	Rail	Airports and aviation	Ports and waterways	Pedestrian and bicycle projects	Other	
General obligation bonds	•	•	•		• Pas- senger and freight		•			Generally authorized in statute for highway rehabilitation projects (Wis. Stat. Ann. §84.95); specifically authorized by session law (budget bills); currently in use for highway, rail, and harbor projects
Revenue bonds	•	•	•							Transportation revenue bonds; authorized in statute for highway projects and administrative facilities (see notes); capped at \$3.93 billion total (Wis. Stat. Ann. §84.51, §84.53, §84.59)
Build America Bonds		•	•		• Freight only		•			Includes transportation revenue bonds issued as Build America Bonds in 2010; used for highways, ports, and freight rail
Advance construction		•	•							
Partial conversion of advance construction		•	•							Used once or twice per year at most
Design-build	•		•							Limited authorization in statute for bridge projects (Wis. Stat. Ann. §84.11[5n]); not currently in use

<b>Transportation-Related Bonding</b>	Yes.
<b>Restrictions on Finance Mechanisms</b>	General obligation bonds must be used for major highway projects and for the purposes for which they were authorized by the Legislature. State statute currently limits transportation revenue bonds, which may be used for highway projects and administrative facilities, to a total of \$3.93 billion (Wis. Stat. Ann. §84.59).
<b>Finance Mechanisms Prohibited in State Law</b>	None.

**Other State Funding and Finance Issues**

<b>DOT Able to Retain and Spend Excess Funds</b>	Yes, for some funds. For most capital improvement and maintenance programs, WisDOT retains appropriated but unobligated funds from year to year. Excess fund revenues are not available for expenditure, however, unless appropriated by the Legislature. For administrative functions, unspent funds lapse to the transportation fund at the end of the fiscal year.
<b>Legislative Approval Required for DOT to Move Funds Between Projects</b>	Yes and no. Legislative approval is required to move funds between legislative appropriations. No legislative approval is required, however, to move funds within those appropriations.
<b>Legislative Actions to Control DOT Costs</b>	State statute contains many examples of cost controls, which include but are not limited to low-bid requirements for highway construction contracts and railroad projects (Wis. Stat. Ann. §84.06 and §85.077), required cost-benefit analyses for engineering services contracts over \$300,000 (Wis. Stat. Ann. §84.01), and limits on expenditures for aesthetic elements of highway improvement projects (Wis. Stat. Ann. §85.0205).

## State Involvement in Local Transportation Funding

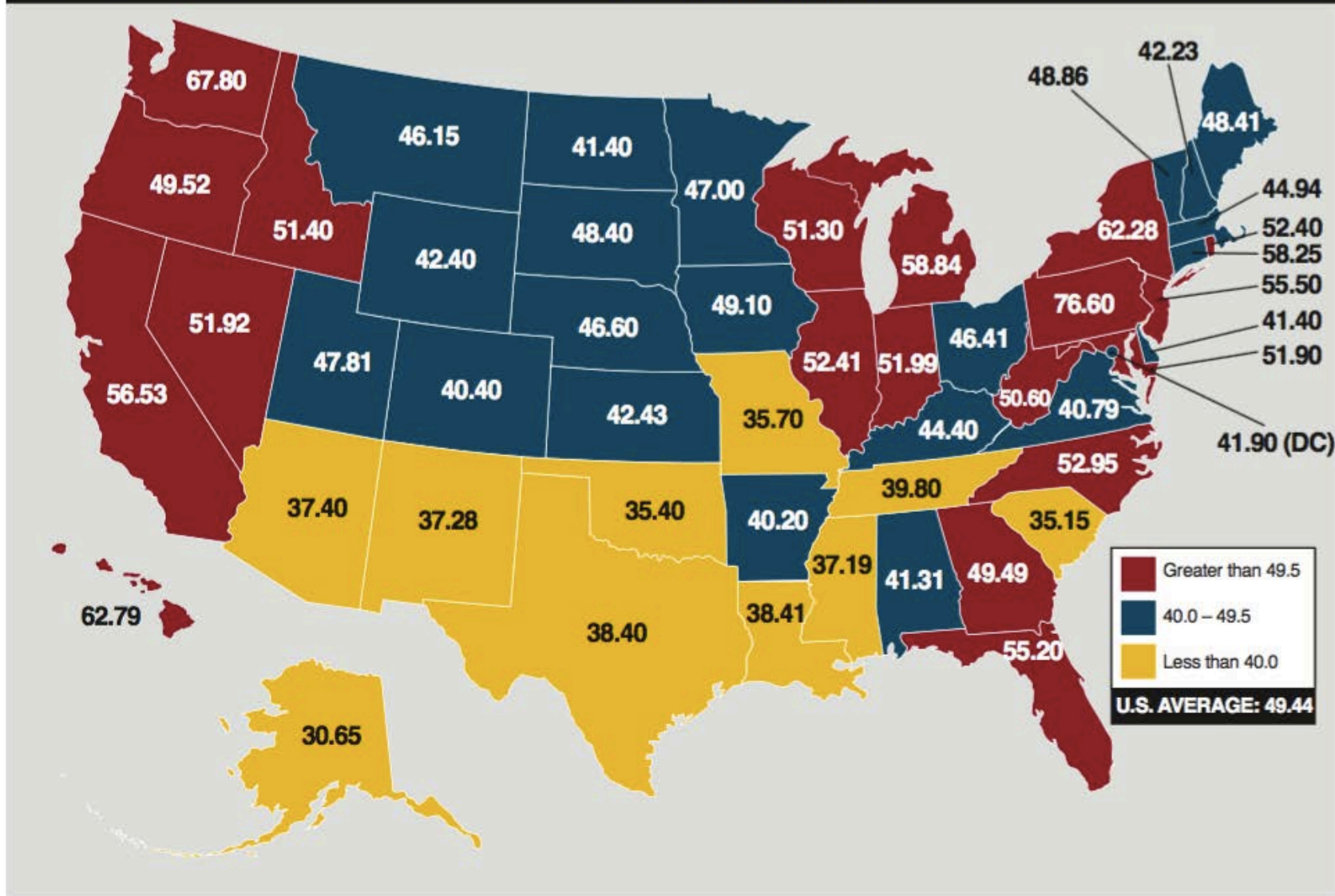
<b>Allocation of State Transportation Revenues to Local Entities</b>	<p>Statutory and DOT formulas, legislative appropriations, and grants. Each local aid program in Wisconsin has its overall funding levels set by the Legislature. The General Transportation Aids program allocates more than 20 percent of all state transportation revenues, including fuel taxes and vehicle registration fees, to counties and municipalities for road projects and other transportation costs. Funds are distributed to counties by a statutory formula based on “share of costs,” which is how much a county has spent on its road miles in previous years. Each municipality’s share is calculated based either on share of costs or road miles, whichever yields a larger amount (Wis. Stat. Ann. §86.30). The Local Roads Improvement Program distributes some funding to counties, cities, and towns based on statutory percentages and WisDOT formulas, and other amounts through WisDOT discretionary grants (Wis. Stat. Ann. §86.31). The State Urban Mass Transit Operating Assistance program allocates funds to eligible local entities, divided so that all transit systems have an equal percentage of their total operating costs covered by combined state and Federal aid. This program requires a 20 percent local match (Wis. Stat. Ann. §85.20). WisDOT also distributes smaller amounts to airports, transportation enhancements, and other projects on a discretionary basis. Significant general aid is also provided to local governments from the general fund and likely has the effect of supporting local transportation expenditures.</p>
<b>Local Revenue Sources Authorized in State Law</b>	<p>State statute authorizes counties and municipalities to levy vehicle registration fees for transportation projects (Wis. Stat. Ann. §341.35) and property taxes for roads and bridges (Wis. Stat. Ann. §83.065 and §83.14). Municipalities may charge developers impact fees to pay for development-related capital improvements (Wis. Stat. Ann. §66.0617).</p>

What are some key findings from the updated research?



# GASOLINE TAXES

COMBINED LOCAL, STATE AND FEDERAL (CENTS PER GALLON)  
RATES EFFECTIVE 01/01/2017



Source: American Petroleum Institute, <http://www.api.org/oil-and-natural-gas/consumer-information/motor-fuel-taxes>

# What are some key findings from the updated research?

- ◆ A widely agreed-upon problem, and a rich diversity in states' responses to it



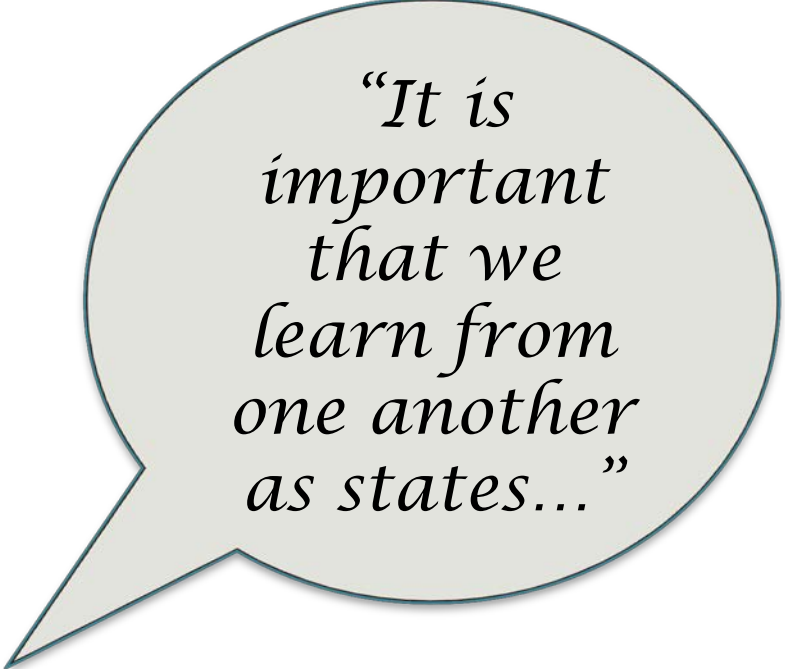
# How have states changed since the 2011 edition?

- ◆ In many ways, large and small
  - Intergovernmental context
  - Revenue sources
  - Transportation “lockboxes”
  - Alternative project delivery
  - Performance management and planning
- ◆ And more!



# How might your patrons use this report?

- ◆ Understand current state roles, trends, and exceptions
- ◆ Explore ideas and approaches from other states
- ◆ Identify key counterparts in relevant jurisdictions

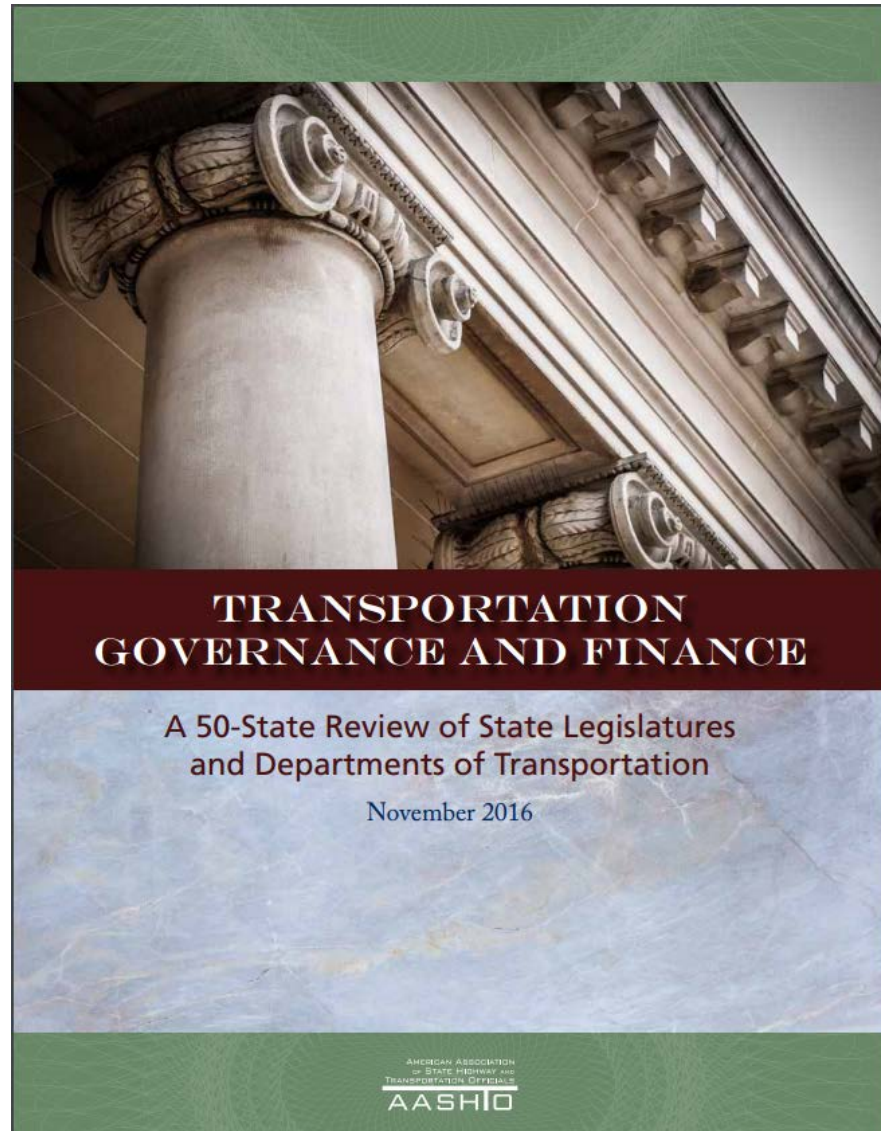


*“It is important that we learn from one another as states...”*



# Project Finance State by State Map

- Based on *Transportation Governance and Finance: A 50-State Review of State Legislatures and Departments of Transportation*
- Two formats
  - Mapped data
  - Tabular data



## Project Finance State by State: Benchmarking Data

Mapped Data

Tabular Data

About This Tool

Transportation Funding & Finance

Leadership & Organization

Legislative Interaction

This interactive map provides a 2011 snapshot of Transportation Funding & Finance, Organization & Leadership, and Legislative Interaction for all 50 states. Select a parameter to begin. [View the data dictionary \(pdf\)](#)

### State Budgeting and Appropriations ▲

#### Highway Funding Sources ▲

- Fuel Tax
- Gas Tax
- Vehicle Sales Tax
- Registration
- Vehicle or Truck Weight Fees
- Tolls
- General Funds
- Interest Income
- Sales Tax
- Bonding
- General Obligation Bonds
- Revenue Bonds
- Other Sources

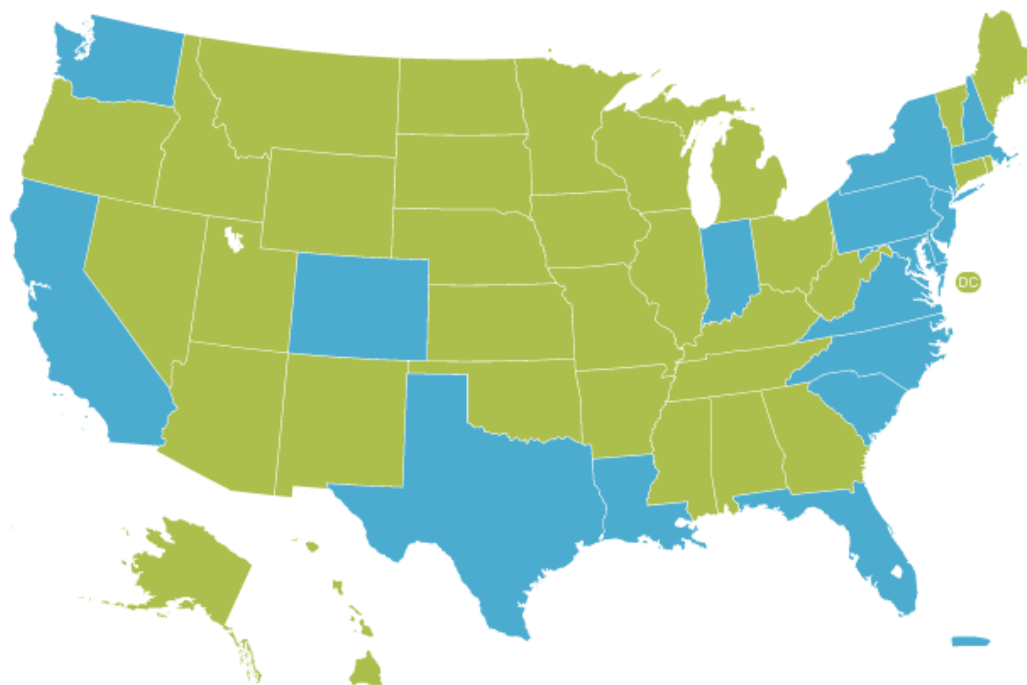
#### Transit Funding Sources ▲

#### Passenger / Freight Rail Funding Sources ▼

#### Other Funding Sources ▼

#### Debt Financing Tools ▼

#### Grant Management Tools ▼



This resource was produced in partnership with the National Conference of State Legislatures.

## Project Finance State by State: Benchmarking Data

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[View the data dictionary \(pdf\)](#)

**DOT Leadership Appointments and Requirements. Secretary, Commissioner, or Director**

Selection Method

**Board or Commission Overseeing / Advising DOT**

Present

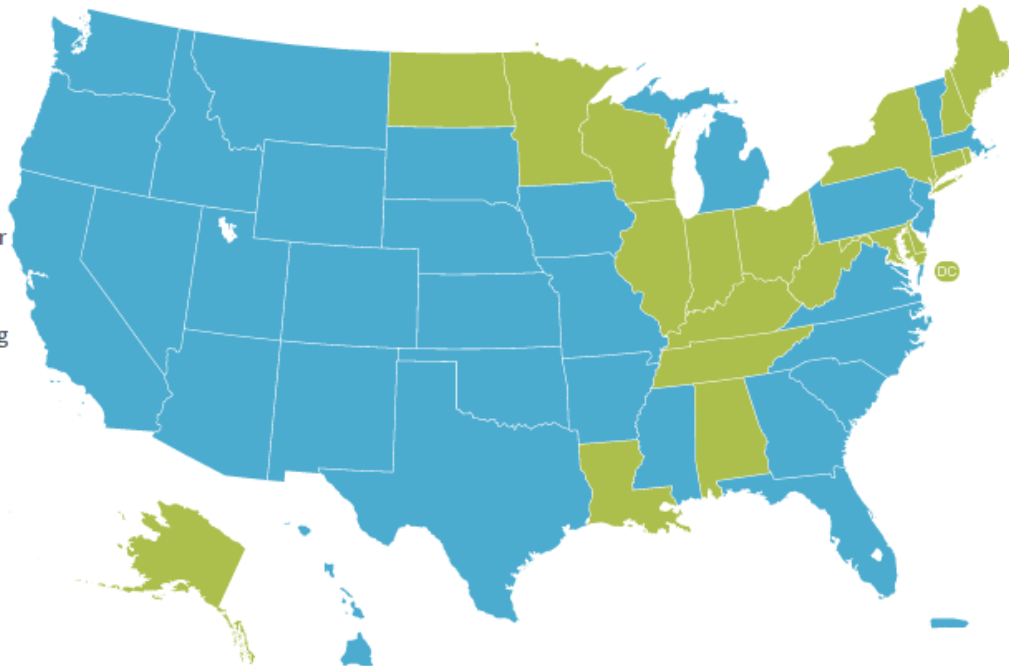
Size

**State DOT and Legislature Characteristics**

# Legislative Bills Introduced

Full-time Employees

Organization Mode



■ No, state does not have such a board/commission

■ Yes, state has such a board or commission

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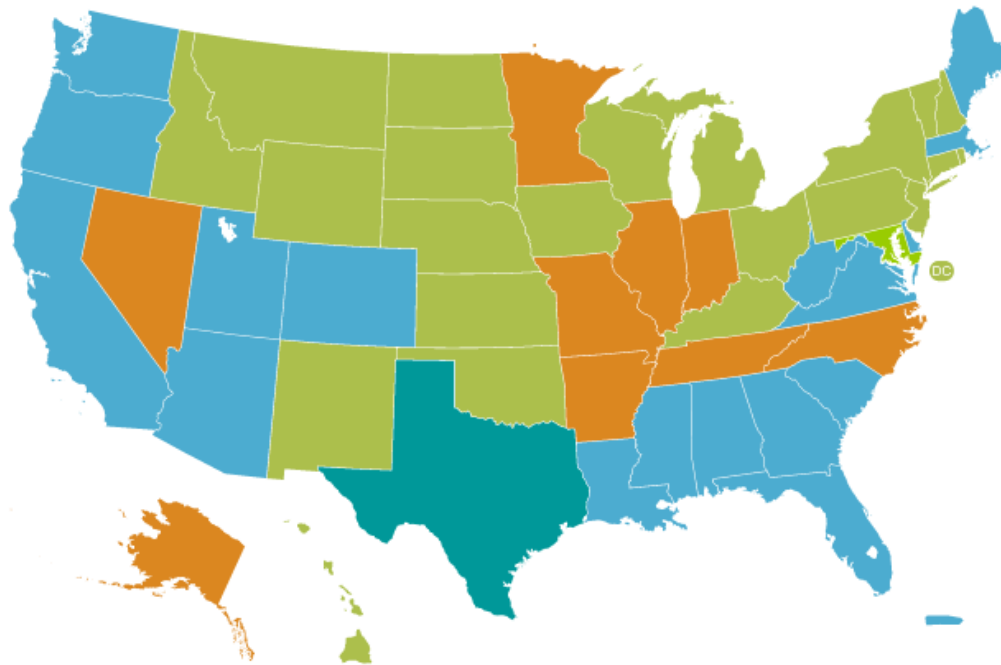
[View the data dictionary \(pdf\)](#)

### Oversight Mechanisms over DOT

- Oversight Committee
- Performance Audit
- Non Legislative Review
- Reporting Requirements
- Requests for Information
- Review Interim Charges
- Subject to Sunset Review

### Review Authority over DOT Rules by Different Parties

- Rules Review Type
- Retains Auto Surplus
- Requires Approval to Move Funds
- Enabling PPP Legislation Types
- Legislative Approval Requirements for PPPs
- Design-Build Legislation



- No legislation
- Broad enabling legislation
- Limited or project-specific legislation
- Legislation largely expired in 2009
- Legislation by regulation

This resource was produced in partnership with the National Conference of State Legislatures.

## Project Finance State by State: Benchmarking Data

[Mapped Data](#)[Tabular Data](#)[About This Tool](#)[Select State »](#)[Tabular Data Map » Wisconsin](#)

### BENCHMARKING DATA

#### 2011 Snapshot

[Transportation Funding & Finance](#)[Leadership & Organization](#)[Legislative Interaction](#)

#### 1992-2013

[Demographics](#)[State Roadway System](#)[Toll Facilities](#)[Revenue Sources](#)[State DOT Disbursements](#)[Motor Fuel Taxes](#)

## Wisconsin

### 2013 ▾ Demographics

Area (sq. mi.)	54,158	
Population	5,742,953	
Population Density (per sq. mile)	106.04	
Annual Growth Rate (%)	0.32	
Percentage Urban	n/a	
Per Capita Income	\$42,737	
Gross Domestic Product	\$284,728,000,000	

[View state benchmarking data for 1992 to 2013 in graphical \(histogram\) format.](#)

# How can I find out more?



About the report or the research process:

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Download your free copy of the full report at

[http://www.financingtransportation.org/pdf/50\\_state\\_review\\_nov16.pdf](http://www.financingtransportation.org/pdf/50_state_review_nov16.pdf)

**Thank you for attending!**

**Join us next month:**



***Title: To be Announced [But it will be exciting!!!]***

**SPEAKERS: To be Announced**

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**<https://ntl.bts.gov/networking/tlrchive/index.html>**