

What's in it for County Transportation Funding

WCHA Summer Road School

2023-2025 Biennial Budget

June 6th, 2023

Budget Highlights

- **Highlights of the Governor's Executive Budget Proposal include:**
 - Proposing an operating budget of \$52.1 billion in FY 24 and \$51.7 billion in FY 25
 - Provide \$2.6 billion in funding for public schools.
 - Reforming local government funding by devoting 1 penny of the state's 5 penny sales tax to local governments. In addition, allow an additional 0.5% sales tax for counties and large municipalities, via referendum.
 - Provide approximately \$1.2 billion over the biennium for tax relief to low- and moderate-income Wisconsinites.
 - The GOP dominated Joint Committee on Finance (JCF) is likely not to duplicate many of the Governor's proposals as they go through their version of the budget.

The JCF has deleted most of the Governor's proposals and begun establishing its own priorities.

Budget Highlights & Updates

- Gov: Invest \$750 million in the Broadband Expansion Grant Program, **JCF included no state dollars due to an infusion of federal dollars**
- Provide \$190 million in transportation funding by devoting sales tax generated from the sale of electric vehicles and a portion of the sales tax on auto parts, tire, and repair services to the transportation fund. **Will be taken up on Thursday by JCF.**
- Provide \$290 million to the professional baseball park district to extend the lease of the Milwaukee Brewers until at least 2043. **JCF outcome unclear.**
- Legalize the sale of medical marijuana. **Deleted by JCF.**
- Provide \$100 million over the biennium for a grant program for the testing of PFAS. **JCF outcome unclear**
- Accept federal Medicaid expansion. **Deleted by JCF**

Transportation Issues-Revenue Sources

Electric Vehicles Sales Tax Fund Transfer: The Governor recommends transferring annually from the general fund to the transportation fund an amount estimated by the Department of Administration that approximates the amount of sales tax generated from the sale of electric vehicles. The Governor further recommends that starting in FY26, the amount transferred is limited to 120 percent of the prior year's transfer or \$75 million, whichever is less. The Department of Administration estimates that \$39,300,000 in FY24 and \$55,100,000 in FY25 of sales tax will be generated by the sale of electric vehicles.

- RECOMMENDATION: Support

Automotive Parts and Repair Transfer: The Governor recommends transferring annually from the general fund to the transportation fund an amount calculated by the Department of Administration that approximates the marginal change between FY21 and the fiscal year of the transfer sales tax generated from the sale of automotive parts, accessories, tires, and automotive repair and maintenance services. This action will diversify transportation fund revenue sources and reduce reliance on the gas tax. The Department of Administration estimates that \$43,625,700 in FY24 and \$52,895,500 in FY25 will be generated from the marginal difference in sales tax revenue compared to FY21 sales of automotive parts, accessories, tires, and automotive repair and maintenance services.

- RECOMMENDATION: Support

Transportation Issues

Routine Maintenance Agreements: The Governor recommends increasing routine maintenance funding. The Governor's budget increases funding for additional \$6,497,200 is provided in FY22 and 15,794,400 in FY23.

- RECOMMENDATION: Support

General Transit Aids: The Governor recommends increasing general transportation aids to \$132,225,800 for counties and \$414,956,700 for municipalities in calendar year 2024 and then providing a further increase to \$137,514,800 for counties and \$431,555,000 for municipalities in calendar year 2025. The Governor also recommends increasing the mileage aid payment to \$2,843 in calendar year 2024 and to \$2,957 in calendar year 2025. This will provide 4 percent increases in both 2024 and 2025 to assist local governments in maintaining Wisconsin's roads.

- RECOMMENDATION: Support

Transportation Issues

Local Road Improvement Program (LRIP) Discretionary and Non-Discretionary: The Governor recommends providing a 4 percent increase in FY24 and a further 4 percent increase in FY25 for the Local Road Improvement Program.

- RECOMMENDATION: Support

COUNTY GENERAL TRANSPORTATION AIDS (GTA)

- General Transportation Aids (GTA) are distributed to all counties and municipalities to assist in the maintenance, improvement, and construction of the county trunk highway system.
- Payments are divided among all local governments based on either a percentage of eligible highway-related expenditures or a per-mile payment, whichever is greater.
- GTA is often used to offset the cost of constructing roads, filling potholes, plowing snow, grading shoulders, marking pavement, and repairing curbs and other transportation services.
- There is a GTA budget motion from Assembly members to JCF calling for an 8% overall funding increase for the program in the 2023-25' biennium.

GTA-Current Status

- Counties get approximately \$127.1 million on an annual basis statewide.
- In the past 3 biennial budgets, counties have received increases in GTA of 13.1% (2017), 10% (2019) and 4% (2021).

GTA: Goals

- WCA request additional funding be allocated to the county GTA appropriation to reflect the backlog of maintenance on the county trunk highway system. WCA has a current request before the Committee on Joint Finance for a 10% GTA Increase.
- **Several Assembly members are supporting a budget motion for an 8 percent increase in GTA in the 2023-25 biennium.**

Local Road Improvement Program- Supplemental (LRIP-S)

- In the 2019-21 biennial budget, the Joint Committee on Finance (JCF) established the Local Supplemental Transportation Program with a surplus in dollars available to the committee in the state budget.
- The initial idea behind this concept was for this program to be a one-time infusion of state surplus revenue dollars to be used to support local “shovel ready projects” as requested by counties, municipalities, and towns.
- Following the establishment of the Local Supplemental Transportation Program, the popularity of this program exploded, and Governor Tony Evers appropriated \$100 million dollars for this program in his 2021-23 biennial budget proposal.
- After two successful budget cycles, LRIP-S continues to be very popular. The program has supported local projects all around the state and can be seen as a prime example of the positive relationship that still exists between the state and local governments.

LRIP-S Current Status

- The 2021-21 biennial budget included \$100 million dollars in the Local Road Improvement Program Discretionary Supplemental.
- The Governor's budget proposal makes LRIP-S an ongoing rather than a one-time program.

LRIP-S: GOALS

- With a 7-billion-dollar surplus at the state's disposal, the Wisconsin Counties Association requests that \$200 million be appropriated for the Local Road Improvement Program Discretionary Supplemental Program on an annual basis.
- We are also lobbying to move the program from one-time to permanent base funding.

Wisconsin State Budget Status

- The Joint Committee on Finance is expected to take up the Department of Transportation (WisDOT) Budget on **Thursday, June 8th.**

Questions/Discussion

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