THE FUTURE OF FEDERAL TRANSPORTATION FUNDING
Highway Trust Fund Condition and what it means to transportation projects in Wisconsin

Other risks to funding including sequestration

MAP-21 implementation – funding levels, trends and possible issues for next authorization

Highway 41 oversize/overweight issues
STATE FUNDS – 55.8 %
(Primarily Motor Fuel Tax and Registration Fees)
$3,658.5 Million

FEDERAL FUNDS – 25.9 %
$1,695.7 Million

OTHER FUNDS
$433.2 Million

BOND FUNDS
$764.6 Million
FEDERAL FUND SUPPORT
BY MODE

- Transit: 25%
- Alternative (Bike/Ped/CMAQ/SRTS): 81%
- Freight and Passenger Rail and Harbors: 18%
- Aeronautics: 57%
- State Highways: 40%
- Local Road and Bridge: 53%
The Highway Trust Fund (FFY 2010)

- **Fuel Taxes** $28.5 Billion
- **Tire Tax** $0.3 Billion
- **Truck & Trailer Sales Tax** $1.5 Billion
- **Heavy Vehicle Use Tax** $0.9 Billion
- **General Fund Transfer** $19.5 Billion

**HIGHWAY TRUST FUND**

- **Highway Account** $44.9 Billion*
- **Mass Transit Account** $9.6 Billion*

**GENERAL FUND (20%)**

*The amounts shown for the Highway Account and Mass Transit Account are not receipts in FFY 2010 and, therefore, total more than the sum of the major categories shown. The amounts do not include intra-fund transfers.
Vehicle Miles Traveled - Nov 2002 to Nov 2012
(Moving 12 Month Total)
IMPACT OF INFLATION

PURCHASING POWER LOSS OF GAS TAX DUE TO INFLATION

- Historical CPI-U
- Estimated CPI-U Based on 18-year Average from 1993-2011

51% Purchasing Power Loss by 2022
THE GAP CONTINUES TO GROW

Highway Trust Fund Receipts and Outlays Discrepancy

Excludes General Fund liquidity transfers of $8.017 billion in September 2008; $7 billion in August 2009; $19.5 billion in March 2010; $2.4 billion in June 2012 (from LUST); $6.2 billion in FY 2013; and $12.6 billion in FY 2014.

Does not include Transit General Fund outlays.
September 2008: $8.017 billion General Fund transfer to HTF
August 2009: $7 billion General Fund transfer to HTF
March 2010: $19.5 billion General Fund transfer to the Highway Trust Fund
July 2012: $2.4 billion Leaking Underground Storage Tank Trust Fund transfer to HTF
FY 2013: $6.2 billion General Fund transfer to HTF scheduled
FY 2014: $12.6 billion General Fund transfer to HTF scheduled

Total transfers to HTF: $55.7 billion since 2008
Projected Outlays and Receipts of the Highway Trust Fund, by Account, 2012 to 2022

(Billions of dollars)

- Outlays
- Baseline Receipts
- Receipts if Gasoline Tax Revenues Fell by 21 percent

Total Trust Fund
Highway Account
Mass Transit Account
HTF CLIFF CHART

Federal Highway and Transit Obligations Through 2022
Assumes a minimum balance of $2 billion for the Highway Account and $.25 billion for the Mass Transit Account

- Highway Safety
- Federal-aid Highway
- Transit

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IMPACT OF CLIFF ON WISCONSIN TRANSPORTATION FUNDING
WHY THE DEEP DROP IN THE FIRST YEAR OF THE CLIFF?
Short-term

- HTF will remain solvent through the MAP-21 authorization period (9/30/14)
- However, sequestration and appropriations acts could change this expectation

Long-term

- If not authorized by 10/1/14, GF bailouts or cuts to spending will be required
- The longer the revenue issue is ignored, the larger the revenue fix will need to be.
- Risk associated with assumptions on federal funding
The independent Wisconsin Transportation Finance and Policy Commission

- The Commission finds that the department should continue monitoring federal regulations that define the use of tolling and other restrictions that have inhibited Wisconsin’s pursuit of this highway financing option.

- Commissioners encourage the Wisconsin Congressional Delegation to support legislation that allows states more flexibility to toll on the National Highway System.
Known impacts

- Highway Account approximately $10 million
- Transit Account – fewer impacts, HTF programs exempt.

Unknown impacts

- Aviation – Several aviation accounts are general-funded but unknown due to FAA’s decisions on how to implement
- Rail – could be less federal funds to support Hiawatha service operating costs
Other unknown impacts

- Will federal agencies have discretion to implement cuts?
- Will US DOT use staff furloughs as an effort to cut costs where possible?
- Will project approvals and/or reimbursements be affected?
Highway funding is down but share remains relatively constant

Transit funding is down and capital funding is limited

Formula programs and eligibility changes in highway and transit funding

Impact of National Freight Initiative as yet unclear

Some environmental streamlining

Performance measures – but not implemented, waiting for rulemaking
MAP-21
NEW AND CONSOLIDATED HIGHWAY FORMULA CATEGORIES

SAFETEA-LU
Formula Apportionments

- Interstate Maintenance
- National Highway System
- Highway Bridge Program
- Equity Bonus
- Appalachian Highway Development
- Border Infrastructure Program
- Railway Highway Crossings
- Surface Transportation Program (STP)
- Transportation Enhancements (10% of STP)
- Congestion Mitigation and Air Quality
- Safe Routes to Schools
- Recreational Trails
- Highway Safety Improvement Program
- Metropolitan Planning

MAP-21
Formula Apportionments

- National Highway Performance Program
- Surface Transportation Program
- Congestion Mitigation and Air Quality
- Highway Safety Improvement Program
- Metropolitan Planning
- Railway-Highway Crossings Program
- Transportation Alternatives Program
- State Planning and Research
APPORPTIONMENT LEVELS AND OBLIGATION AUTHORITY

* 2013 Obligation Authority is an estimate based on the current Continuing Resolution through March 27, 2013 and other available information.
MAP-21
NEW AND CONSOLIDATED TRANSIT FORMULA CATEGORIES

SAFETEA-LU Formula Apportionments

- Operating Assistance
  - Urban
  - Rural
  - Job Access Reverse Commute (JARC)

- Specialized Transit
  - Elderly & Individuals with Disabilities
  - New Freedom

- Capital
  - Fixed Guideway Modernization

MAP-21 Formula Apportionments

- Operating Assistance
  - Urban, JARC projects eligible
  - Rural, JARC projects eligible
  - Tribal Formula (new)

- Specialized Transit
  - Mobility of Seniors & Individuals

- Capital
  - State of Good Repair
  - Bus & Bus Facilities (new)
<table>
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<tr>
<th>Title 49 USC Section</th>
<th>Primary Transit Formula Program</th>
<th>Percentage of Funding Under TEA-21 + Extensions (1998-05)</th>
<th>Percentage of Funding Under SAFETEA-LU + Extensions (2006-12)</th>
<th>Percentage of Funding Under MAP-21 (2013-14)</th>
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<td>5307</td>
<td>Urbanized Areas</td>
<td>91.2%</td>
<td>87.5%</td>
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<td>Rural Areas</td>
<td>6.4%</td>
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<td>5310</td>
<td>Elderly &amp; Disabled</td>
<td>2.4%</td>
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## Wisconsin’s Share of Transit Funding

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<th>Percentage of National Population</th>
<th>Percentage Share of Traditional Formula Programs* (with tribal formula)**</th>
<th>Traditional Formula Funding (with tribal formula)</th>
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<td><strong>FY12 Actual SAFETEA-LU</strong></td>
<td>1.87%</td>
<td>1.22%</td>
<td>$66.7 million</td>
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<td><strong>FY13 Estimated MAP-21</strong></td>
<td>1.82%</td>
<td>1.13%</td>
<td>$65.0 million ($66.8 million)</td>
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<tr>
<td><strong>FY14 Estimated MAP-21</strong></td>
<td>1.82%</td>
<td>1.13%</td>
<td>$65.9 million ($67.7 million)</td>
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* Urban, rural and elderly & disabled

** 11 WI tribes, only 3 eligible: Menominee, Oneida & Lac Courte Oreilles
### WISCONSIN’S TRANSIT FORMULA FUNDING 2006-2014

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<th>Under</th>
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# MAP-21 Distribution of National Capital Funding

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<th>Capital Investment Programs</th>
<th>Percentage of Funding under TEA-21 + Extensions 1998-05</th>
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<th>Percentage of Funding Under MAP-21 (2013-14)</th>
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<td>New Starts &amp; Small Starts</td>
<td>40%</td>
<td>41%</td>
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<td>Fixed Guideway Modernization</td>
<td>40%</td>
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<td>Bus and Bus Facilities</td>
<td>20%</td>
<td>22%</td>
<td>12%</td>
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<td>SAFETEA-LU Section</td>
<td>MAP-21 Section</td>
<td>Program Name</td>
<td>Trust Fund or General Fund</td>
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Wisconsin’s Total $13.3 $6.7

WISCONSIN’S FUNDING DECLINED UNDER MAP-21

### Millions of Dollars

- **2006**: $67.4
- **2007**: $66.7
- **2008**: $77.0
- **2009**: $81.1
- **2010**: $82.6
- **2011**: $88.0
- **2012**: $79.7
- **2013**: $73.6
- **2014**: $74.5

**Legend**
- Capital
- New Freedom
- JARC
- Rural
- E & D
- Urban
HIGHWAY 41 INTERSTATE CONVERSION
FREIGHT ISSUES

- Grandfather provision needed to allow trucks currently operating on highway 41 to continue to operate after the highway is converted to an interstate.
- Some vehicles exceed 80,000 pound limit under special permits or state statutory exceptions provided under state law.
- Provision had been included in 2012 transportation authorization and appropriation bills.
- Does not expand truck weight requirements.
- USH 41 will not be converted to an interstate until the grandfather provision is secured.
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THE FUTURE OF FEDERAL TRANSPORTATION FUNDING

Congressional Delegation Staff Briefing
February 28, 2013

Presenters: Beth Nachreiner and Monique Currie
Wisconsin Department of Transportation
Office of Policy, Budget and Finance