

Coalition Message: Thank you to Governor Walker for acknowledging that transportation issues are important for Wisconsin's economy and for addressing local road repair in the budget proposal. The Coalition supports an adequate and permanent increase in funding for transportation infrastructure projects to maintain existing and provide new highways, roads, airports, railroads, public transit, bike paths and bridges that support our state's economic development and quality of life. Although we don't have a position on the specific funding source, we look forward to working with lawmakers and other stakeholders on finding an appropriate solution. In addition, the coalition supports the enumeration of the E/W I-94 Corridor.

Status: The transportation solution in the proposed budget supports the allocation of existing transportation dollars to local decision makers for repairs and infrastructure spending. No new funding for increased costs and needs are explored. In addition, the E/W I-94 Corridor was excluded from the 2017-19 budget.

Background: Transportation infrastructure is critical to Wisconsin's economy, tourism, and the real estate industry. Wisconsin's economic future and the safety of its residents and visitors depends upon a high-quality transportation network that can efficiently move people to jobs, raw materials to factories, finished products to markets, and tourists to their destinations. It is particularly important for Southeastern Wisconsin and the East-West I-94 Corridor. Consider the following:

- One of every 5 jobs in Wisconsin is located within 2 miles of the metro Milwaukee highway megaprojects corridor.
- According to national transportation research group TRIP, Deficient roads cost Wisconsin motorists \$6 billion annually - \$3.2 billion in extra vehicle operating costs; \$1.7 in congestion costs; and \$1.1 billion in safety costs.
- Poor roads cost the average Milwaukee area driver \$2060 a year. (TRIP)
- 56% of Milwaukee area roads are rated in mediocre to poor (TRIP)
- \$264 billion a year in product is shipped from Wisconsin with 82% shipped by truck (TRIP)
- Annual cost to drive (fuel taxes and registration fees) in Wisconsin is low compared to our neighbors:
 - WI - \$274 | MI - \$335 (will be \$404 next year due to a funding package they passed last year) | IL - \$470 | IA - \$488 | MN - \$501
- Nearly 1 in every 5 dollars in the Transportation Fund is currently going to debt service not to road construction or maintenance.
- In the last 10 years, Gas Tax revenue has increased by 4% compared to a 20% increase in sales tax and income tax revenues.
- The current DOT budget request is \$449.3 million short of the level it would need to fully fund existing southeast WI freeway megaprojects. (Note: this does not include new funding (\$30.9 million) for the enumeration and initial design work on I-94 EW.)

Our transportation infrastructure, however, is getting older and more congested in many areas of the state. Moreover, a critical part of our workforce and our aging population is becoming more dependent upon public transportation. The need for a greater investment in transportation infrastructure is clear. However, Wisconsin's heavy reliance on the gas tax and vehicle registration fees to fund our transportation infrastructure is an outdated model that does not address existing or future demands. Moreover, the revenues generated by the gas tax have been decreasing due to (a) elimination of gas tax indexing in 2006, and (b) an increase in vehicle fuel efficiency and the growing popularity of electric and hybrid vehicles. As a result, additional revenue is necessary for the state to maintain adequate funding for transportation infrastructure.

Talking Points

- Transportation infrastructure is critical to Wisconsin's economy, tourism and the real estate industry.
- Our highways, roads, bridges and other infrastructure are in decline and are congested in many areas.
- Wisconsin's current funding mechanism for transportation infrastructure is outdated and inadequate to address current and future needs.
- We need to come up with a new way to provide adequate funding for our transportation infrastructure to ensure that we can support and grow the state's economy, especially the major highway corridors including I-94
- While the Coalition does not have a position on any particular funding source, the recommendations provided by the Wisconsin Transportation Finance and Policy Commission deserve careful consideration.

We applaud the efforts by lawmakers to keep our taxes, fees and overall spending low, but Wisconsin must make an adequate and permanent increase in our transportation funding to maintain existing and provide new roads, highways and other infrastructure.