

How to Fund Roads: A Balancing Act

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Gov. Walker and Secretary Gottlieb introduced their transportation budget proposal last week and funding it will be the biggest issue facing our state in the upcoming budget. Sen Kathleen Vinehout offers some new twists on the Governor's plan for saving money and providing better support for local governments.

MADISON - Funding roads is an important job for state leaders. Nine cents of every state budget dollar goes towards transportation. In the vagaries of Wisconsin state budgeting, this includes dollars the feds send Wisconsin (about forty cents of every road dollar comes from Uncle Sam).

A prudent fiscal manager must balance several factors to make wise transportation decisions. He or she must maintain our current investments, plan for future growth, pay scrupulous attention to efficiency and quality construction, and reconcile spending with revenue.

In short, a prudent transportation budget is a balancing act.

Recently Governor Walker and Secretary of Transportation Mark Gottlieb released a 2017-19 transportation budget proposal. In this proposal, major interstate construction projects are delayed, causing some to claim harm to Southeast Wisconsin.

This new proposal is a departure from record borrowing levels seen in the last budget. An increase for local government road funding is a welcomed sight too.

For many years, big interstate construction projects in Southeast Wisconsin took a larger slice of the road budget. Past budgets froze funding for local roads while maintenance costs increased.

To make matters worse for local governments, majority lawmakers passed a law forbidding cooperation between counties. Lost efficiencies and rising costs meant locals were left with two choices: borrow or cut back on maintenance. Some did both.

Over the years, prior governors pushed to eliminate state transportation workers. Fewer employees resulted in private firms replacing state workers, often at higher cost.

In budget year 1987-88, spending on private construction engineers was only 8% of all construction-engineering costs. Ten years later, spending jumped to a third of all dollars spent on private construction engineers. By fiscal year 2009-10, three quarters of all spending on construction engineers went to private firms.

Data I analyzed from a 2009 limited-scope review by the nonpartisan Legislative Audit Bureau (LAB) showed a 68% cost increase per project over five years for projects that involved private engineering consultants.

Further, a 2009 report to the State Engineering Association found outside consultants didn't save the state money; in some cases, private engineering firms cost up to 19% more than in-house state engineers.

I strongly support the move to fund our local roads along with smarter transportation spending. Let's look for efficiency in-house. An easy first step is passing my bill to repeal the 2011 law forbidding local governments from collaborating on transportation projects.

No one can deny the money funneling into our Transportation Fund, largely gas tax and motor vehicle registration fees, has not kept up with the cost of maintaining our roads and bridges.

Governor Walker is ideologically opposed to raising taxes or fees, yet knows our transportation budget lacks the revenue needed. The prudent executive should not let ideology cloud important financial decisions. Some road delays may be in order, but cutting back on construction already in progress comes with a price tag.

User fees acknowledge the cost to maintain and improve services. For example, the state owns, or is a substantial owner of, over 700 miles of freight rail. In a previous budget, Secretary Gottlieb proposed charging a \$10-a-rail-car fee for use of taxpayer-funded rail lines. The Governor failed to take up this modest charge. Taxpayers – you and me – continue to subsidize railroads use of our state-owned lines.

The release of the transportation budget is only the beginning of a long process. Budget debates in Madison will begin in earnest next spring and likely culminate with the passage of the 2017-19 budget by July.

Earlier this year the Joint Committee on Audit (of which I am ranking minority member) took the important step of directing the resources of the LAB toward a comprehensive audit of the Department of Transportation. I expect the release of this audit to coincide with the spring budget debate. The audit will add important nonpartisan information to our decision making process.

The transportation budget will be the biggest decision we face next year. Take some time to engage in this critical debate. We all have a stake in transportation – and we all must work together to find solutions.

Here's to safe traveling!

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