

Financial Plan

The Statewide Transportation Improvement Program (STIP) financial plan addresses fiscal constraint requirements of the current federal-aid surface transportation act.

If needed, WisDOT reserves the ability to refinance projects from federal to state or local, and to move projects within the four years of the STIP to maintain fiscal constraint. All four years of the STIP are fiscally constrained within Wisconsin's state fiscal years (July 1-June 30).

Revenue Assumptions

The Wisconsin Department of Transportation annual budget is set biennially through the State of Wisconsin's budget process. State fiscal years 2012 and 2013 are from 2011 Wisconsin Act 32, the State of Wisconsin 2011-2013 Biennial Budget authorizing federal, state, and local funding for this year. Since Wisconsin's budget is approved for only two years at a time, this analysis assumes the budget approved for SFY13 will be held constant for SFY14 and SFY15.

The federal fund revenue approved in 2011 Wisconsin Act 32 and included in this plan is \$715 million for SFY12. Since SFY13-SFY15 budget amounts are held constant, future budgets are not increased; however, for planning purposes, the project schedule is set using an inflated rate.

WisDOT does not assume that a future state legislature will commit higher project revenues than exists in the approved biennial budget. Therefore, when doing an all funds (federal, state, and local) analysis, WisDOT uses only resources approved in the most recent biennial budget.

The federal funds analysis Obligation Plan, in the next section, does assume an increase in federal funds with inflated project schedules for the entire four year STIP period.

Wisconsin's legislative subprograms often receive additional federal earmark and local revenue funding that are scheduled on the projects, however, are not reflected in the SFY budget. Wisconsin law allows the Department to allot additional local revenue authority on an as needed basis depending on the summation of local municipal agreement revenue received within the fiscal year. Similarly, it is the department's policy to allot additional federal authority to programs in which federally funded earmarks are programmed.

Program Cost and Schedule Assumptions

WisDOT's Financial Integrated Improvement Programming System (FIIPS) estimates transportation improvement project costs in current year dollars.

To change these values to federally mandated year of expenditure amounts for this publication, FY13-FY15 cost estimates in the Financial Summary table have been manually inflated by 2.8%. This inflationary rate is based on the current 10 year average change in the Consumer Price Index and matches the rate assumed by Wisconsin MPOs in their TIPs and long-range plans. Project estimates in FY12 reflect current cost expectations, so they have not been inflated in the table.

The Federal Highway Administration requires state Departments of Transportation STIPs and Metropolitan Planning Organizations TIPs to document revenues and expenditures annually. In Wisconsin, these publications report estimates by calendar year, (January 1 – December 31) based on letting or delivery dates. Since the State of Wisconsin approves budgets by state fiscal year (July 1– June 30) the 2012-2015 STIP Financial Summary table shows revenue according to state fiscal year (SFY). Perceived over programming is common due to the six month offset between budget and programmed periods. If needed, WisDOT reserves the ability to refinance projects from federal to state or local, and to move projects within the four years of the STIP to maintain fiscal constraint. All four years of the STIP are fiscally constrained within Wisconsin’s state fiscal years (July 1 – June 30).

Operations and Maintenance

Wisconsin’s 2011-2013 Biennial Budget authorizes WisDOT’s Highway Maintenance, Repair and Traffic Operations Program 305 to spend \$200 million per year. Of that amount, \$3,000,000 to \$6,000,000 is set aside for related improvements, with the balance dedicated to operation and maintenance of the state system. Some maintenance projects are let through the improvement program and may be eligible for federal funding. Those projects are reflected in the 2012-2015 Financial Summary.

Wisconsin allocates state funding under several programs to assist local governments with the operation, maintenance and improvement of highways and bridges on the local system.

Program	FY2012	FY2013	FY2014	FY2015
GTA (Total)	\$420,672,300	\$403,519,900	\$403,519,900	\$403,519,900
Connecting Highway Aids	\$ 12,063,500	\$ 12,063,500	\$ 12,063,500	\$ 12,063,500
Lift Bridge Aids	\$ 2,659,200	\$ 2,659,200	\$ 2,659,200	\$ 2,659,200
County Forest Road Aids	\$ 284,700	\$ 284,700	\$ 284,700	\$ 284,700
	\$435,679,700	\$418,527,300	\$418,527,300	\$418,527,300

State statute requires that local agencies submit pavement condition ratings to WisDOT every two years as a means to monitor responsible use of state funding assistance provided for local transportation needs. Information on these programs, including allocation formulas can be found at:

<http://www.dot.wisconsin.gov/localgov/highways/htm>