

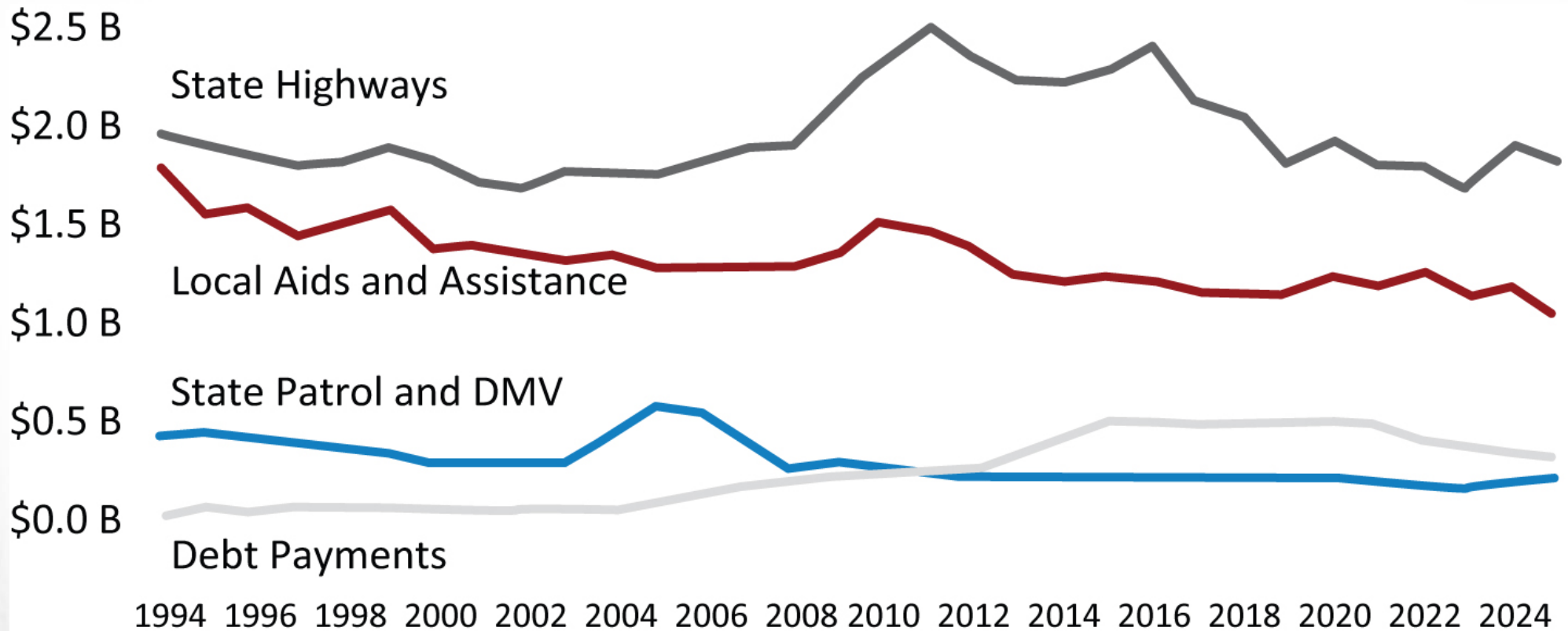
# **The State of Wisconsin Transportation Funding**



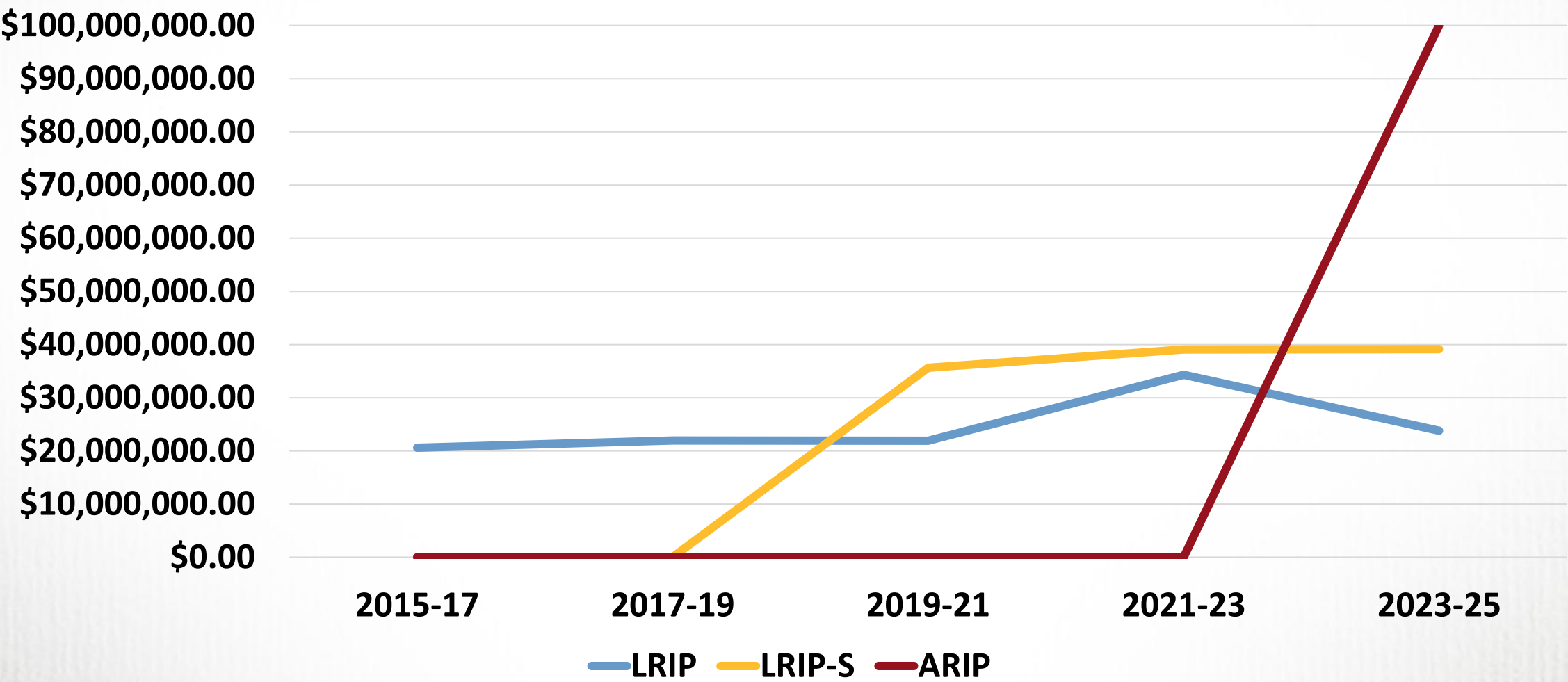
Joe Ruth, WTA Government Affairs  
Director/Legal Counsel  
2025 Town Road School

# Current Highway and Local Spending Below 1994 Levels in Real Dollars

Spending by area, three-year rolling average, 1994 to 2025, inflation adjusted to 2023 dollars using CPI

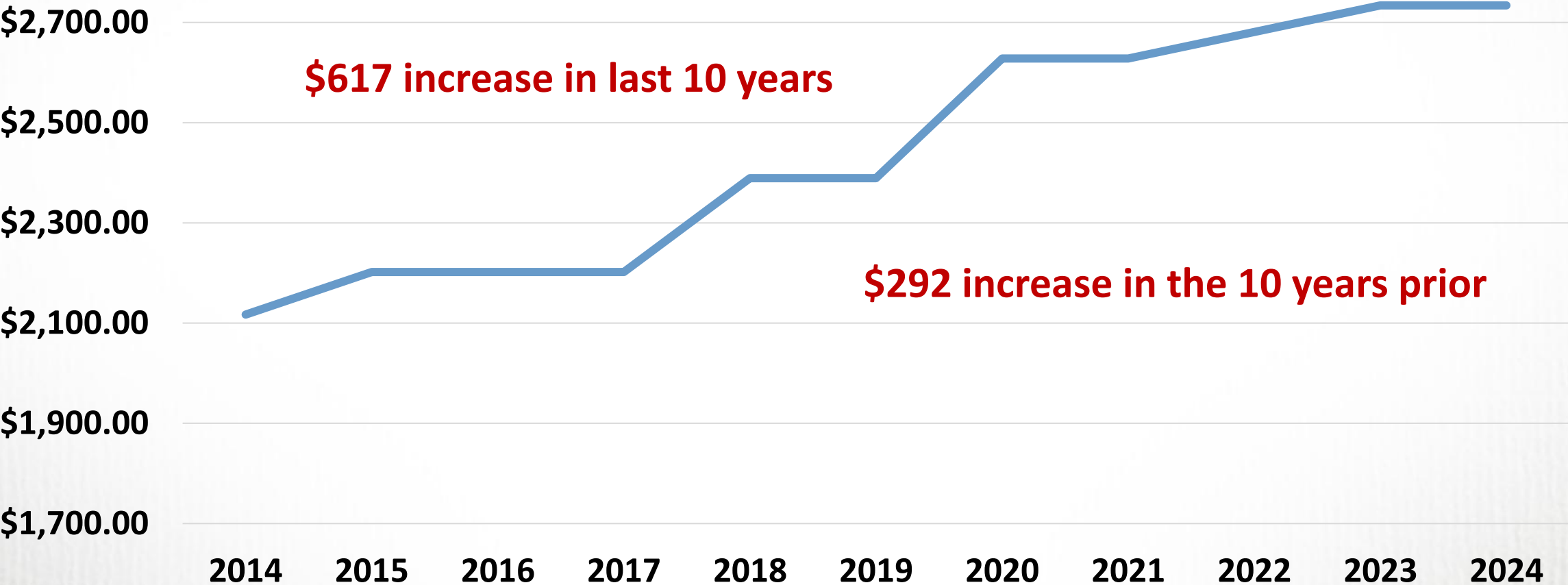


# Recent Investment in Town Roads

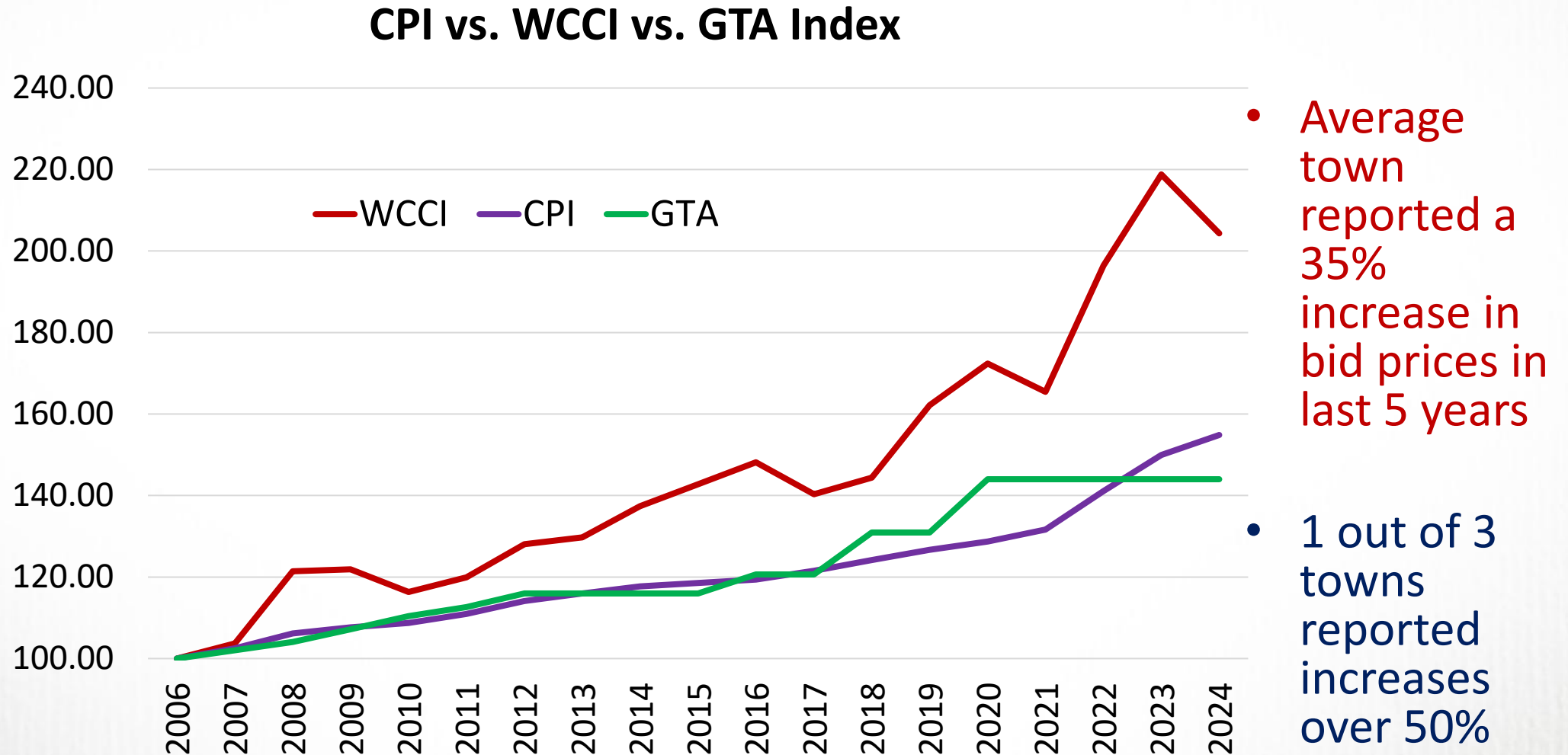


# Recent Investment in Town Roads

GTA Rate/Mile



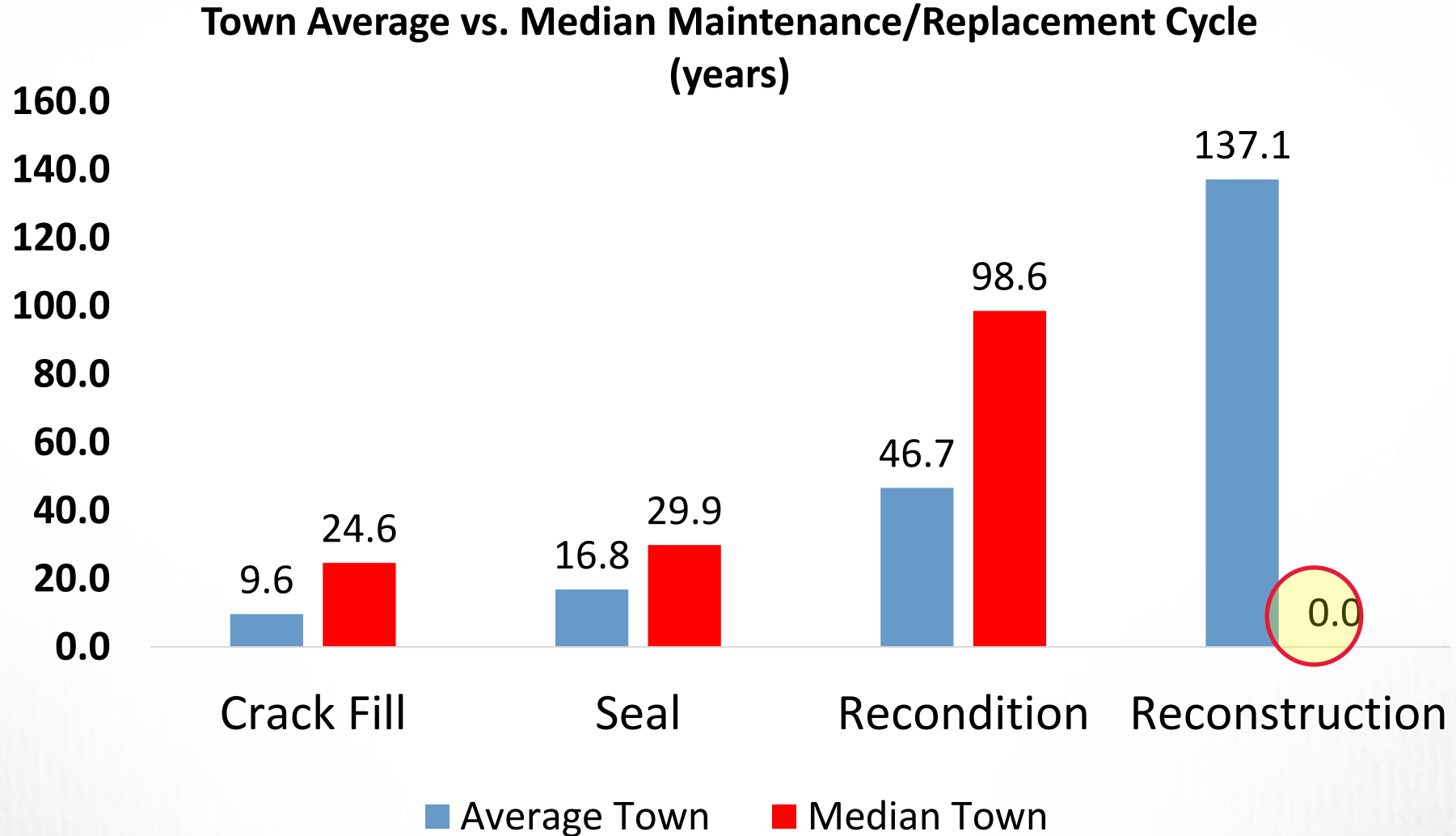
# Town Road Progress



# Town Road Progress

	Most Efficient & Productive	2016 Average	2022 Average
Crack Filling	3 years	16.1 Years	9.2 Years
Sealing	5 – 7 Years	31.4 Years	16.8 Years
Recondition	20 – 35 Years	62.9 Years	46.6 Years
Reconstruction	40 – 70 Years	370.8 Years	137.1 Years

# Town Road Progress

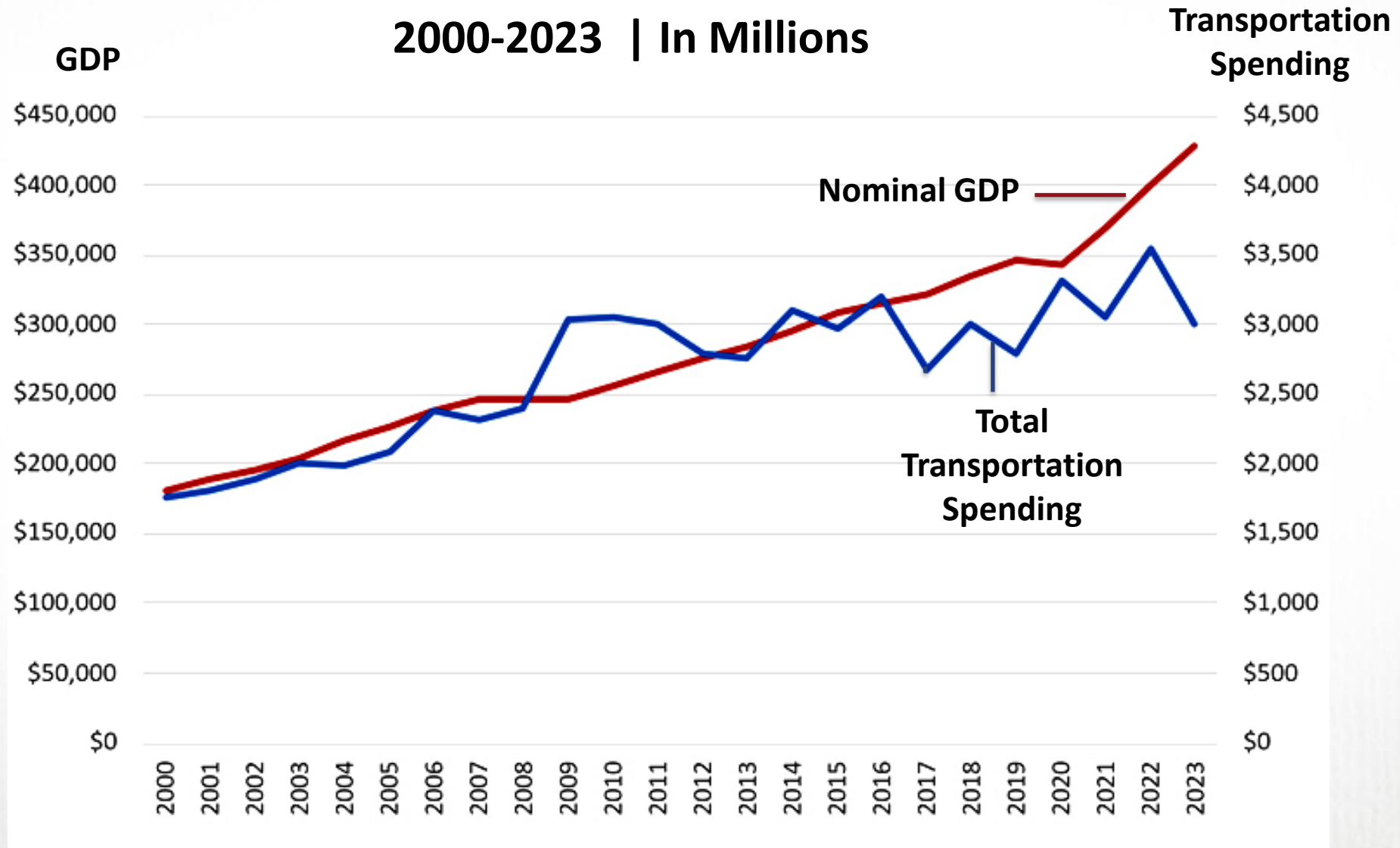


# **How Wisconsin Funds Transportation**

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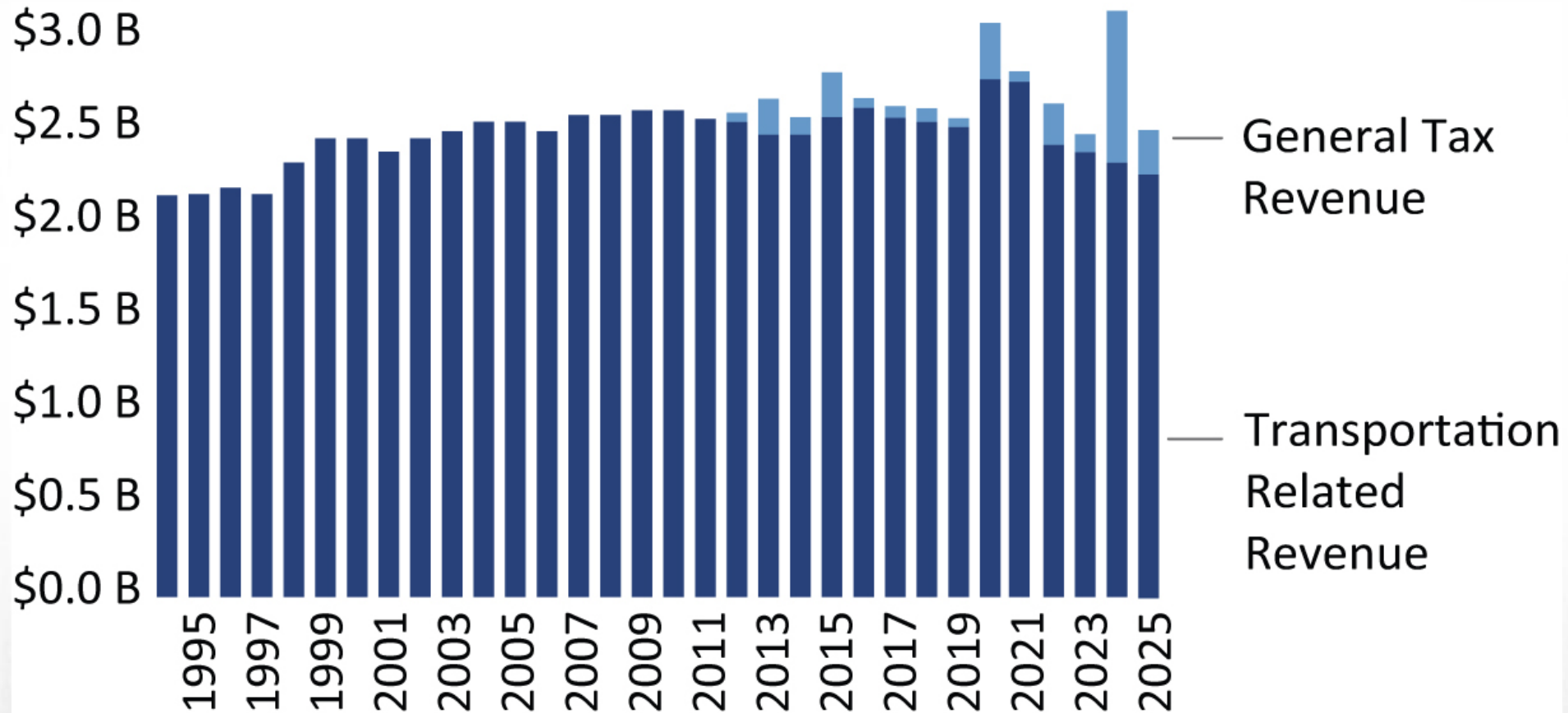


# Investment is Not Keeping Up with the Economy

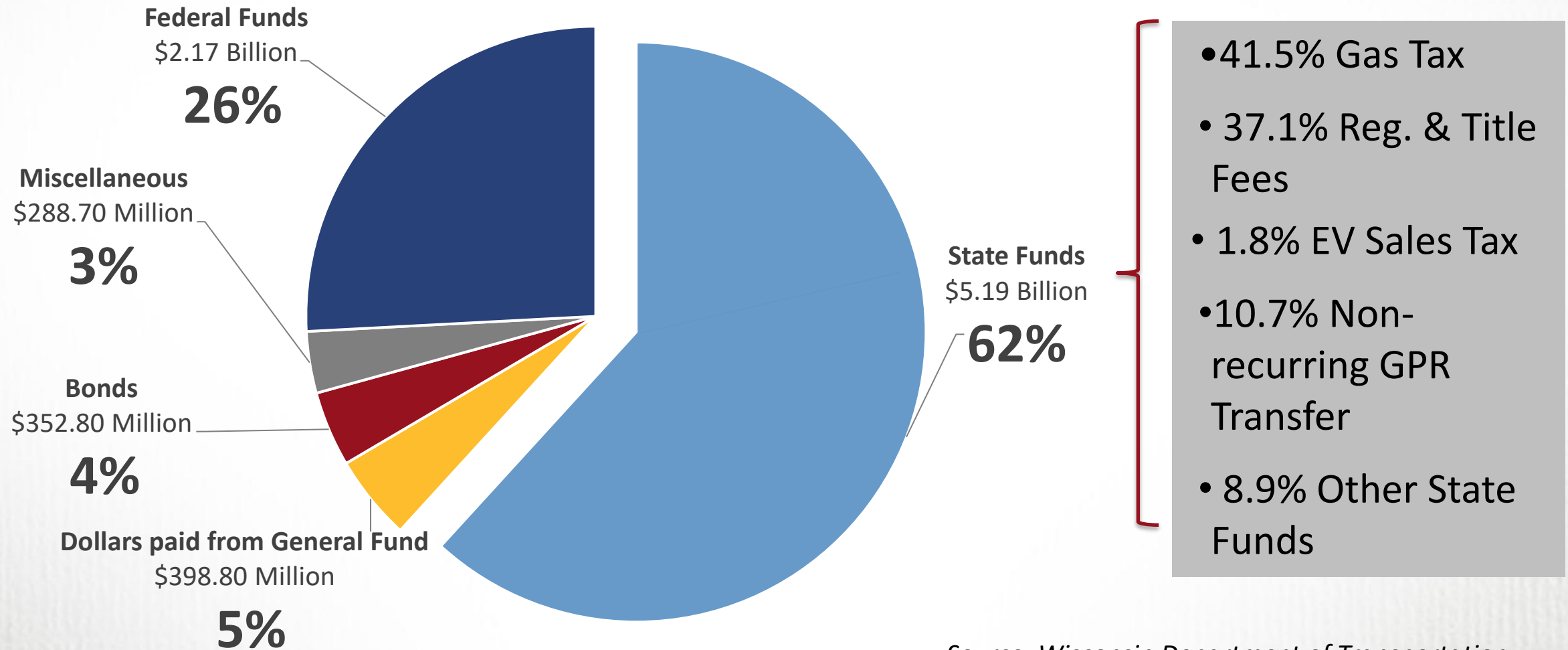


# Inflation Adjusted Transportation Revenue Lowest Since 1998

Total transportation revenue by fiscal year 1994 to 2025, adjusted to 2023 dollars (CPI)

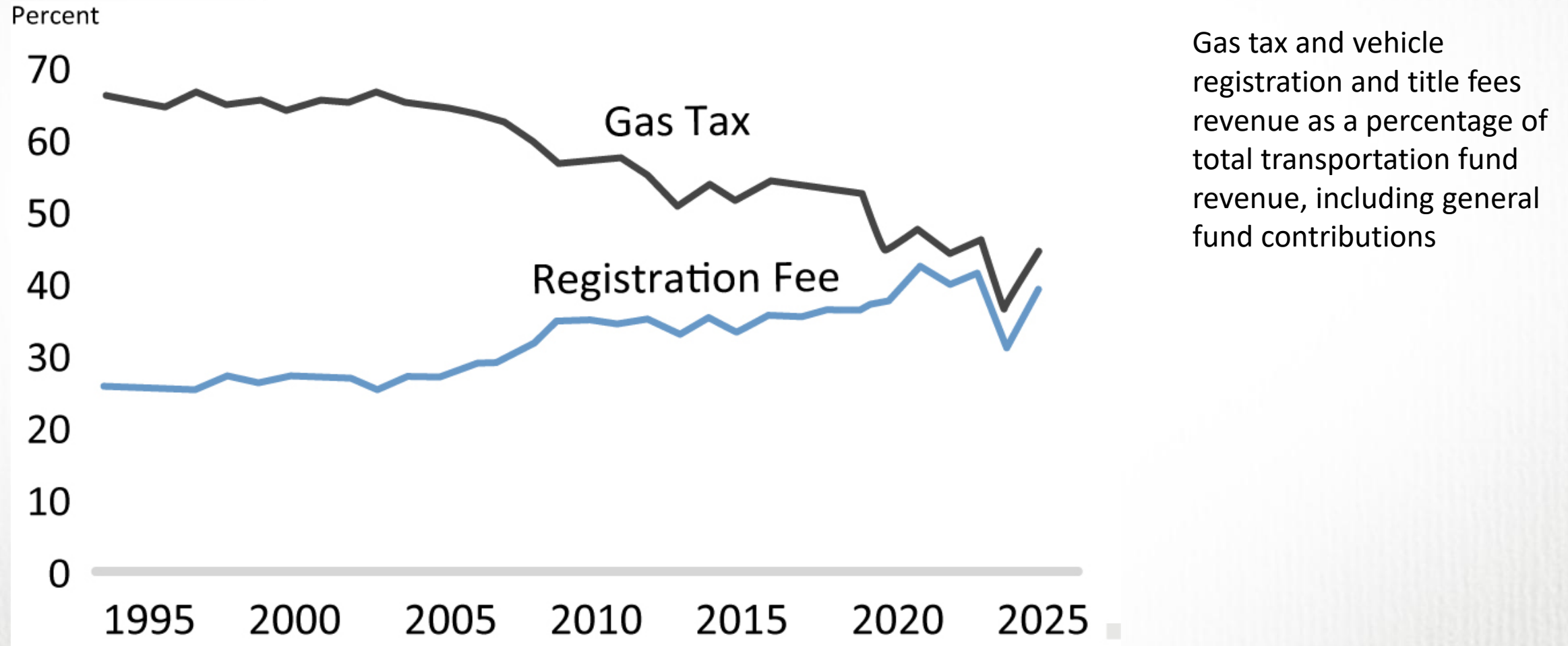


# Federal Funds and State Gas Tax Now Vie for Single Largest Source



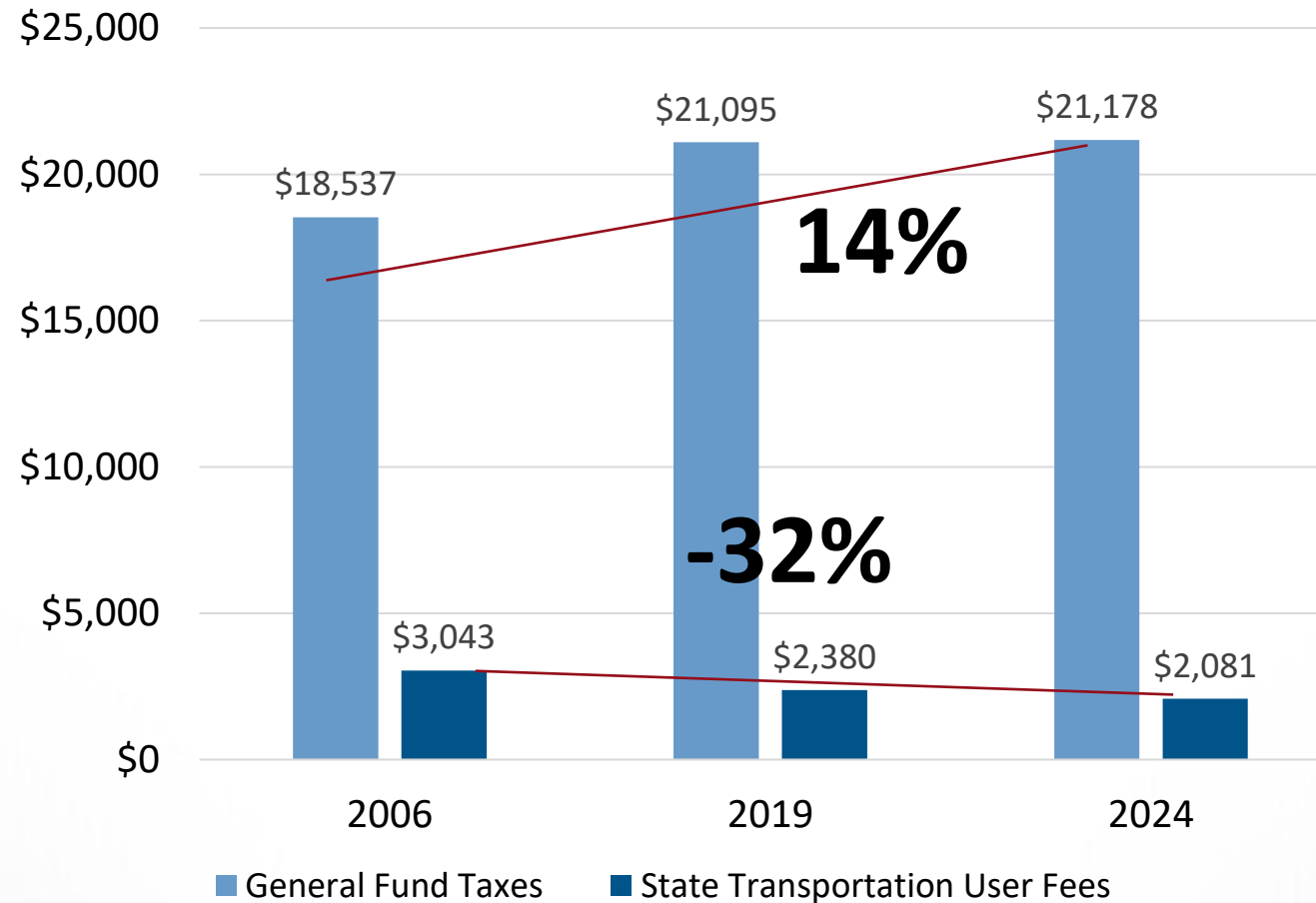
Source: Wisconsin Department of Transportation

# Registration Fee Revenue Now Rivals Gas Tax



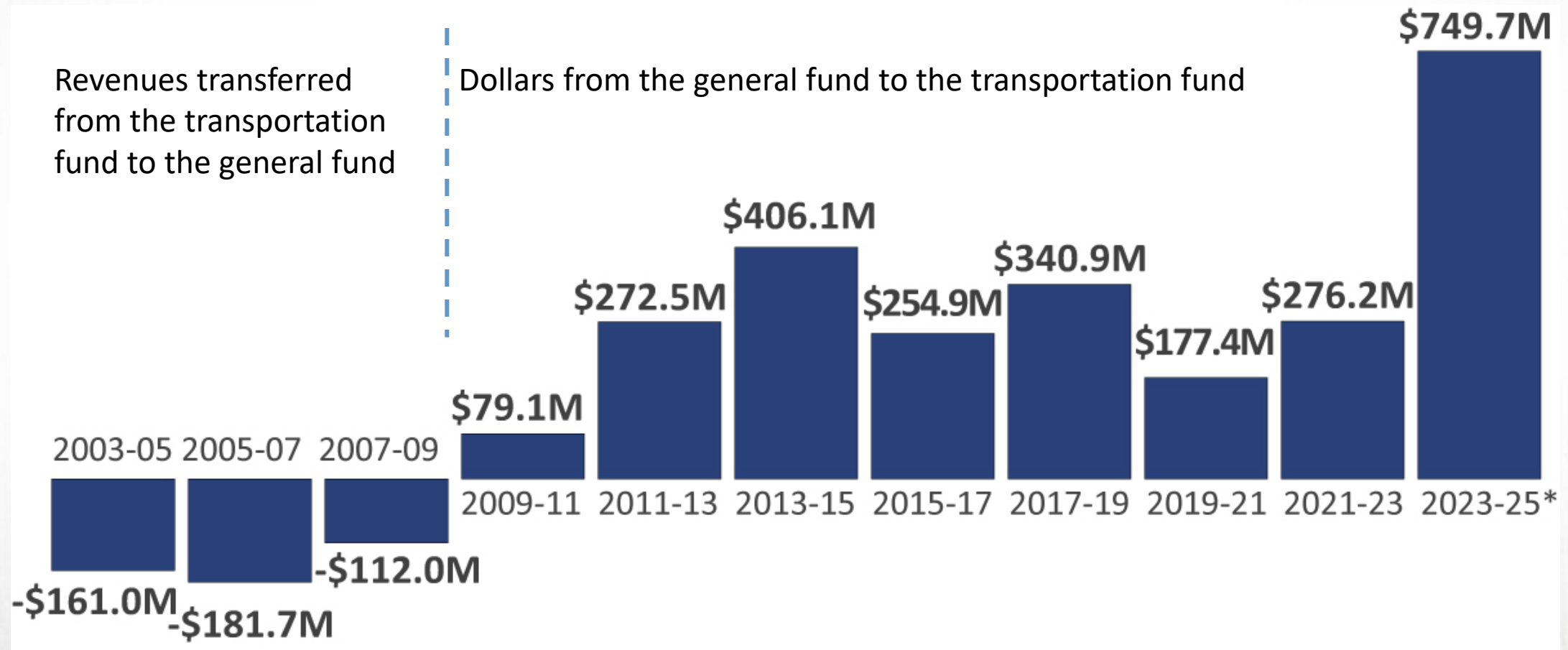
# Transportation User Fees Don't Grow with the Economy Like General Fund Taxes (2024 constant dollars)

IN MILLIONS



Graph Sources: Comprehensive Annual Financial Reports, WisDOT (excludes transfers, PECFA, misc. revenue, and investment income).  
Adjusted for inflation General Fund taxes using CPI and Transportation Fund User fees with Wisconsin Construction Cost Index.

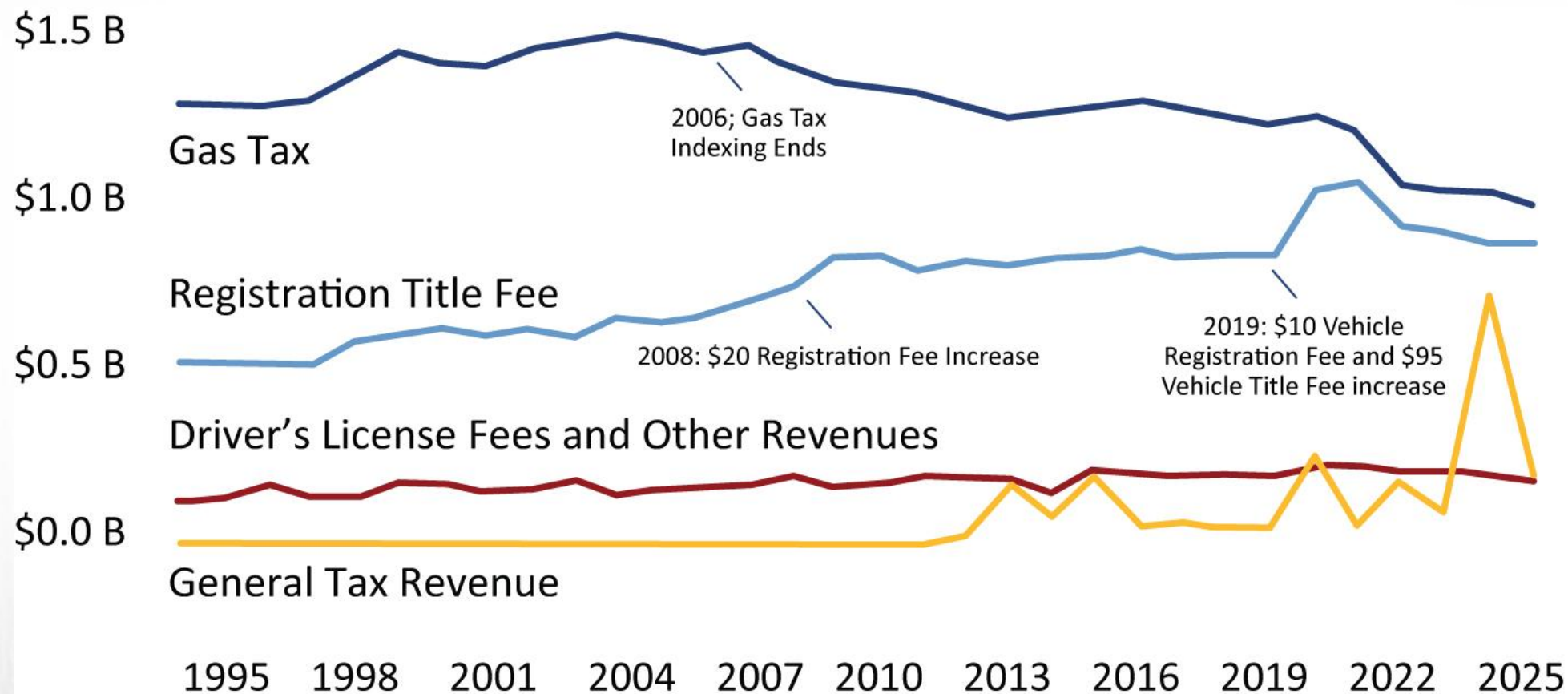
# Wisconsin Increasingly Relies on General Fund Revenue for Transportation



*Wisconsin Policy Forum Report – Road Map: Assessing and funding Wisconsin's transportation needs, Dec. 2024. 2023-25 transfers don't include \$228.7 transit funding paid directly from the General Fund.*

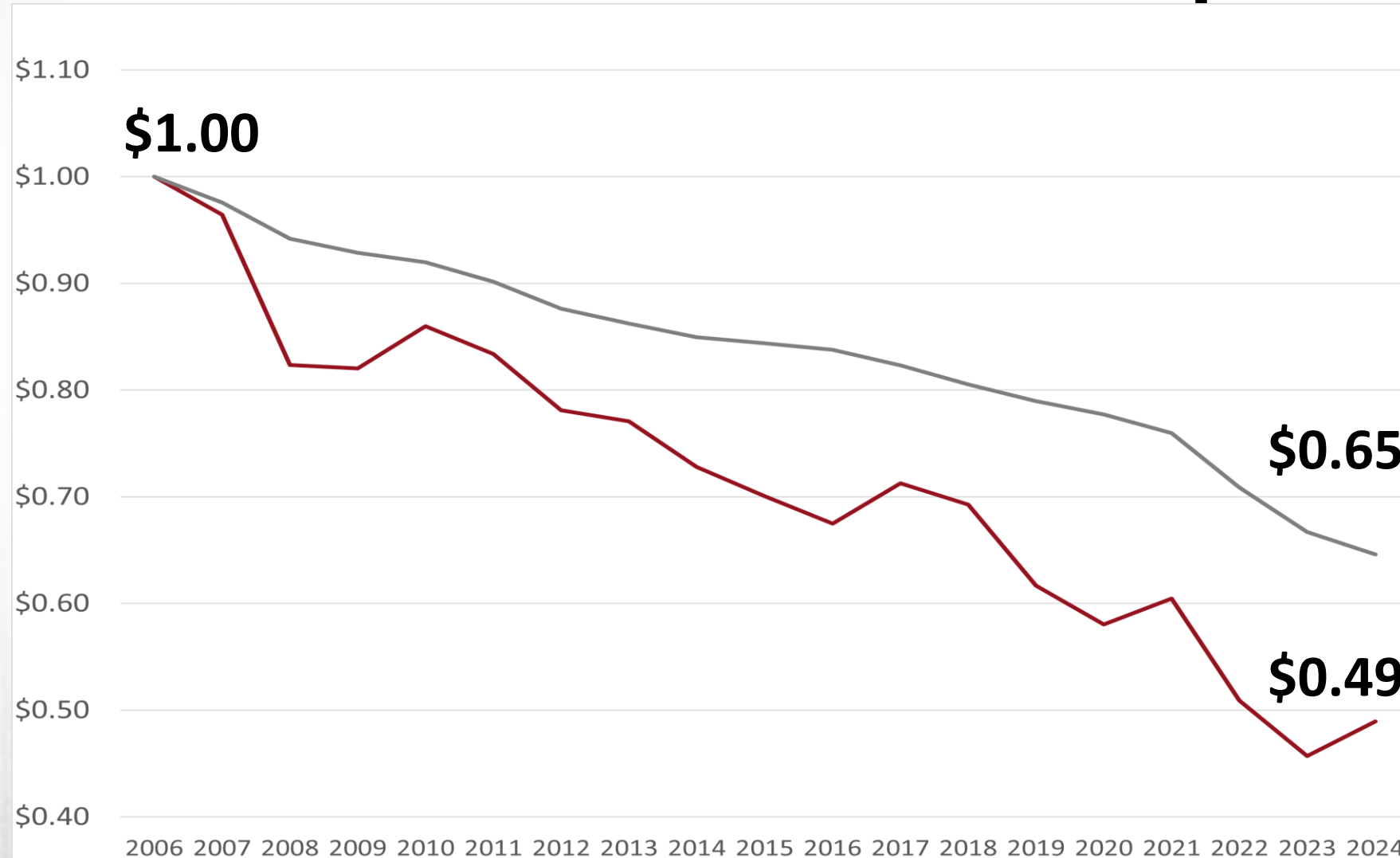
# State Gas Tax has Not Kept Pace with Inflation Since 2006

Major state transportation fund revenue sources, state fiscal years, adjusted for inflation to 2023 dollars (CPI)





# Gas Tax Purchasing Power Declines, Construction Cost Inflation Outpaces CPI



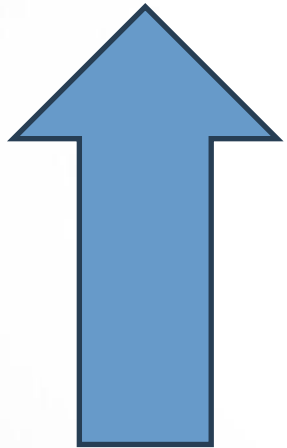
**CPI:>30%**  
decrease in  
purchasing power

**Wis. Construction  
Cost Index: 50+%**

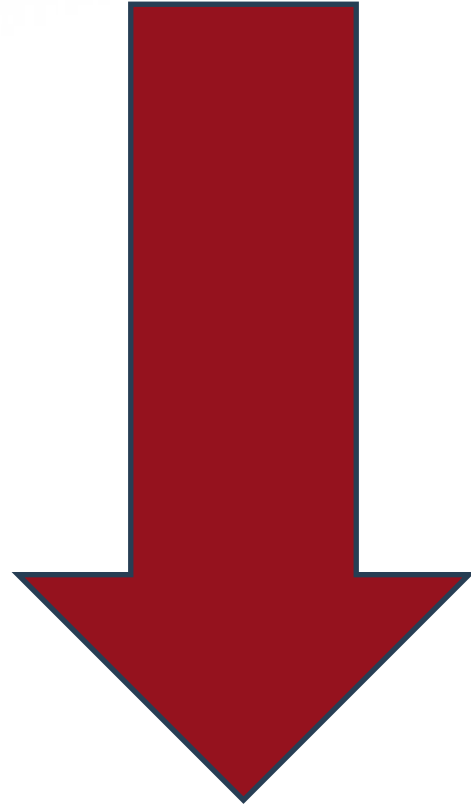


# Motorist Are Paying Less in Gas Tax

2025 25.4 MPG



2006 20.3 MPG



**\$36.68**

**Less Gas Tax Paid**

- Average fuel efficiency increased from 20.3 MPG in 2006 to 25.4 MPG.
- Motorists driving 12,000 miles/year buys 118.7 fewer gallons than in 2006.
- And pays **\$36.68 less in today's dollars**, about \$90 in constant 2006 dollars.

*Source: Legislative Fiscal Bureau Paper, Jan. 2025*

# Fuel-Efficient Vehicles Equal Gas Tax Break

## Fuel Efficiency's Gas Tax Cut

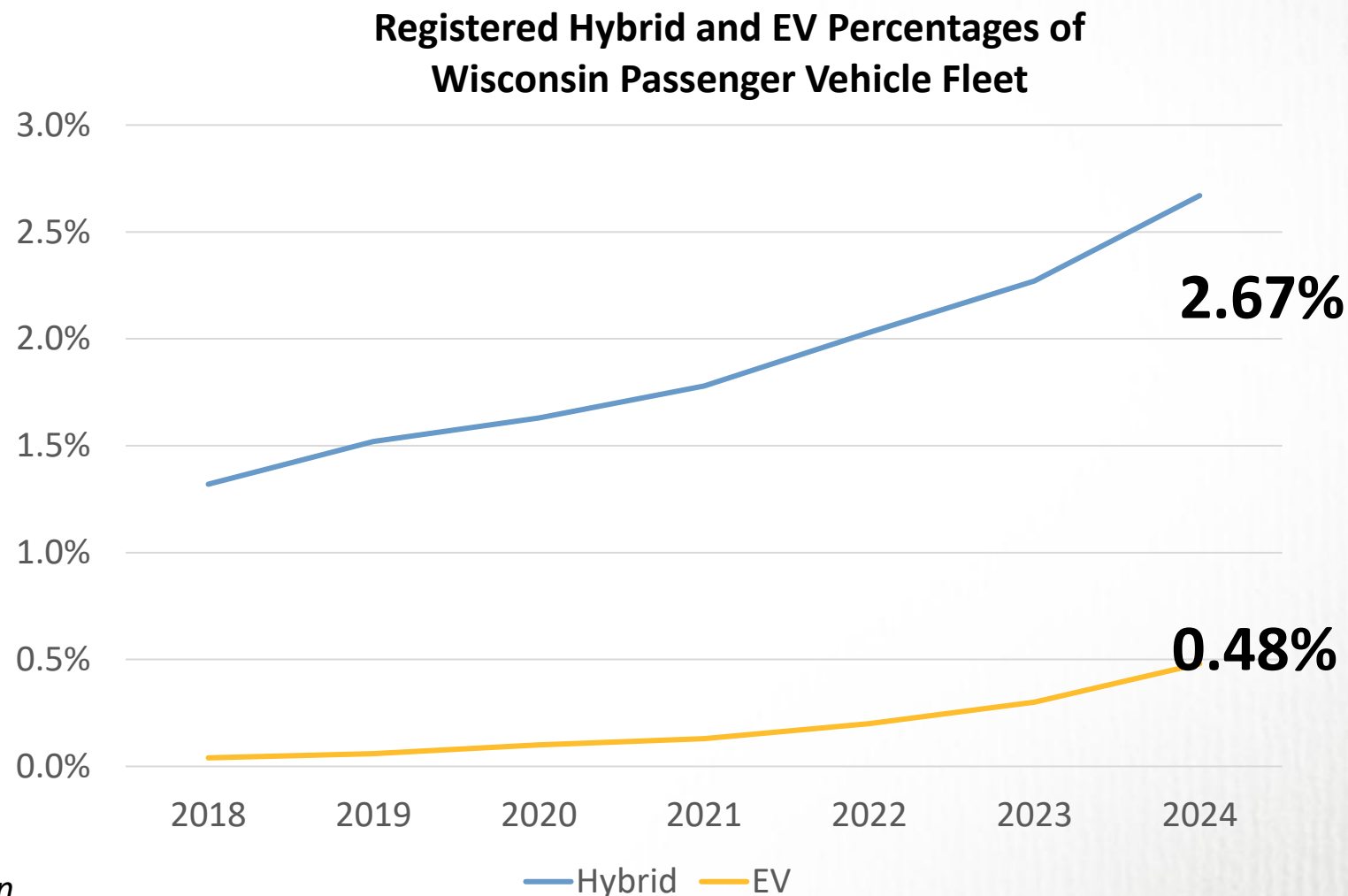
7.8¢

per gallon

- The **25% increase in fuel economy** since 2006 results in reduction for the average motorist equal to about 7.8 cents per gallon.
- Or an estimated **\$267 million in gas tax revenue annually**.

# Gas-Powered Vehicles Are Not Going Away Soon

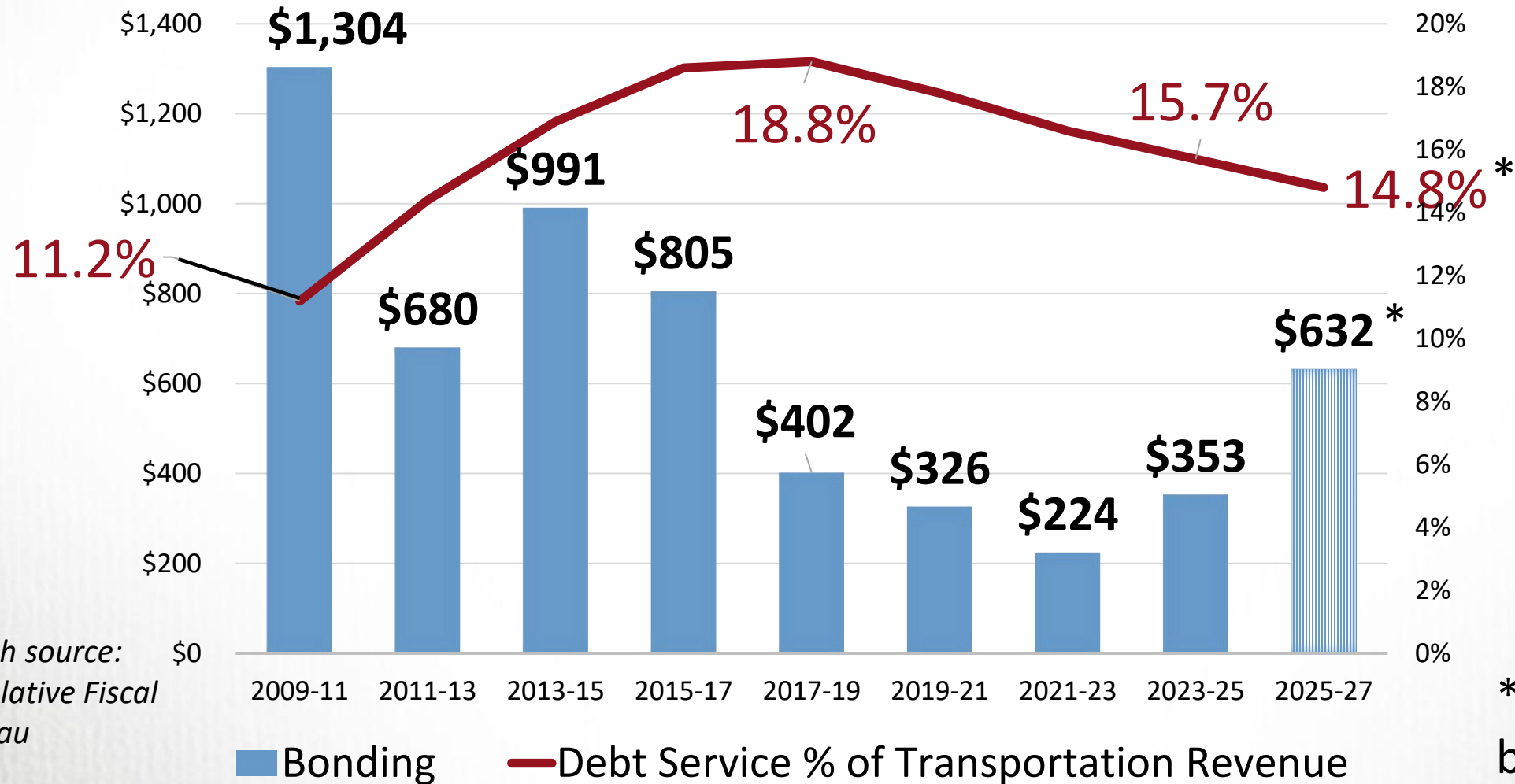
**Nearly 97%**  
of Wisconsin's 4.8M  
passenger vehicle fleet  
are non-hybrid, gas-  
powered vehicles.



Source: Wisconsin Department of Transportation

# Wisconsin Bends the Debt Service Trend with Historically Low Bonding Levels

IN MILLIONS



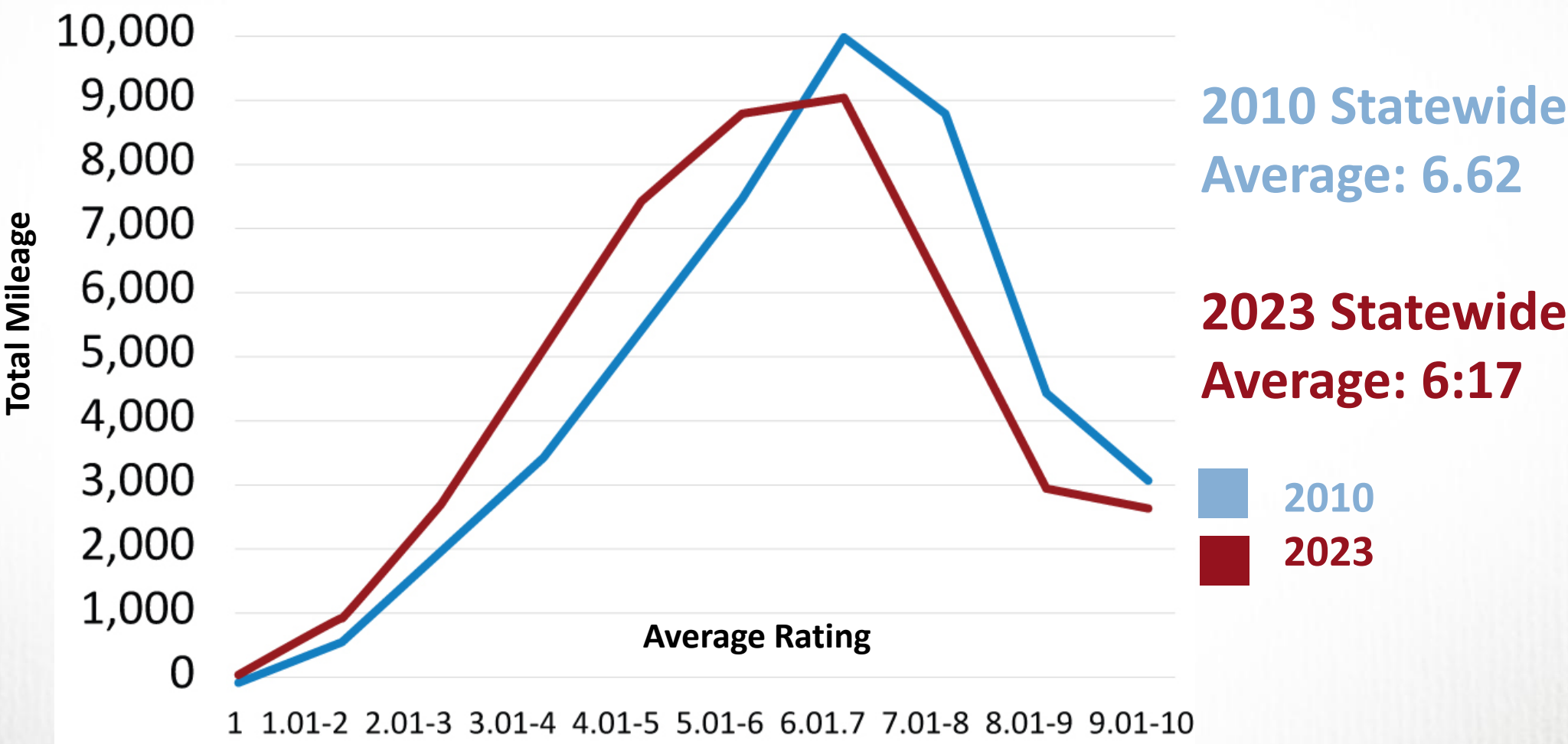
Graph source:  
Legislative Fiscal  
Bureau

\* Governor's  
budget proposal.

# **System Conditions - Needs**

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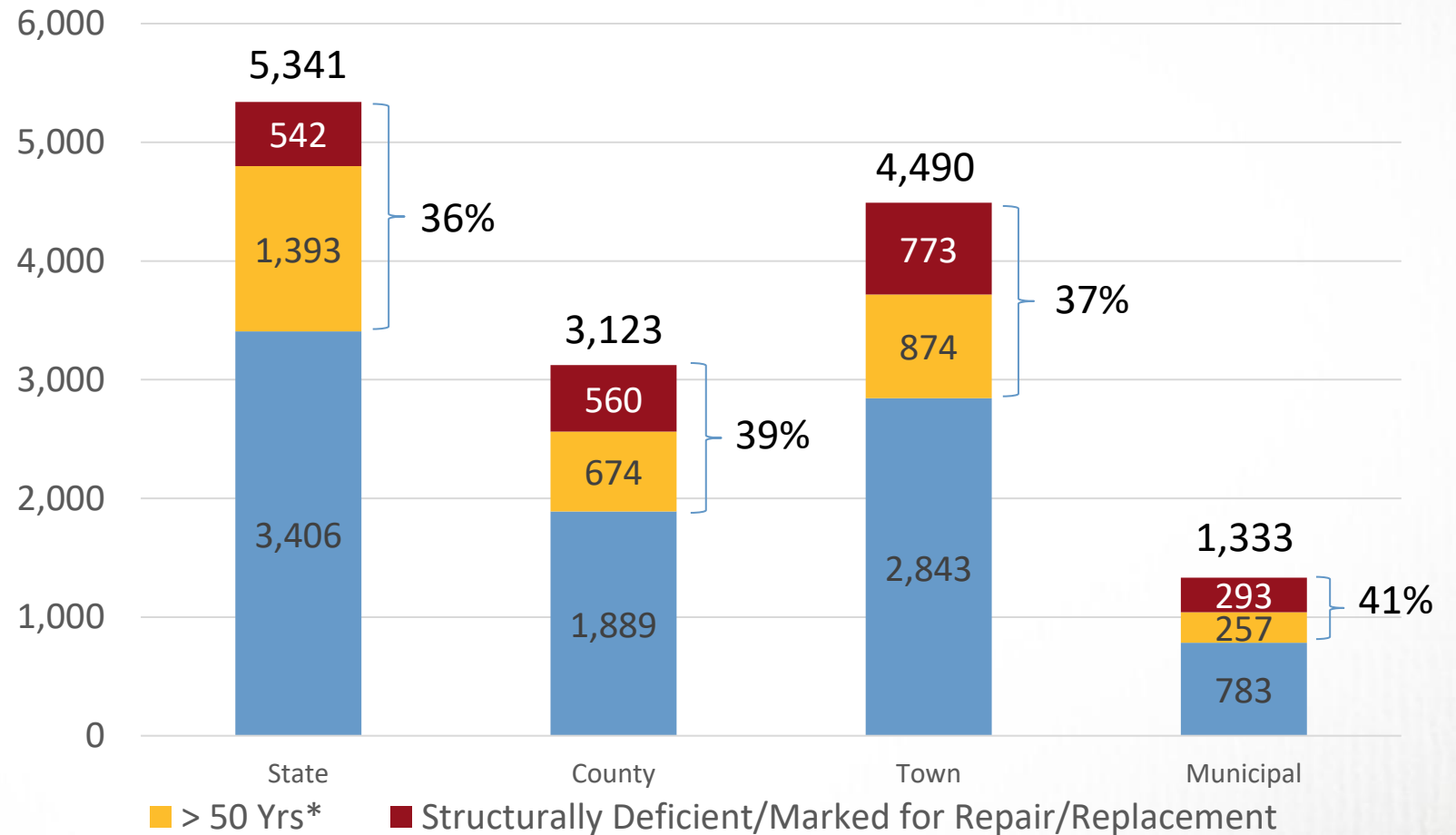
# Local Road Conditions Reflect Decades of Disinvestment



Source: Wisconsin Policy Forum Report – Eyes on the Road: Assessing the quality of Wisconsin’s local roads, Dec. 2024

# More than One in Three Wisconsin Bridges Deficient, Marked for Replacement, > 50 Years Old

- WI has identified 2,216 bridge replacements/repairs (includes structurally deficient), **estimated cost of \$2 billion.**
- Many other bridges are over 50 years old.
- 462 weight-posted bridges, about 90% on local systems.



Graph Source: Federal Highway Administration (FHWA) National Bridge Inventory (NBI), downloaded on Jan. 5, 2025. Structures with spans > 20 ft. \*= No reconstruction in the last 10 years.



# First Inventory for Small Bridges Finds Aging Structures



- 2023-25 budget includes \$12.5 million for inventorying and assessing structures between 6'-20'.
- More than 17.5k structures identified.
- Assessments have begun.



# Shortfall Over \$1 Billion & Growing

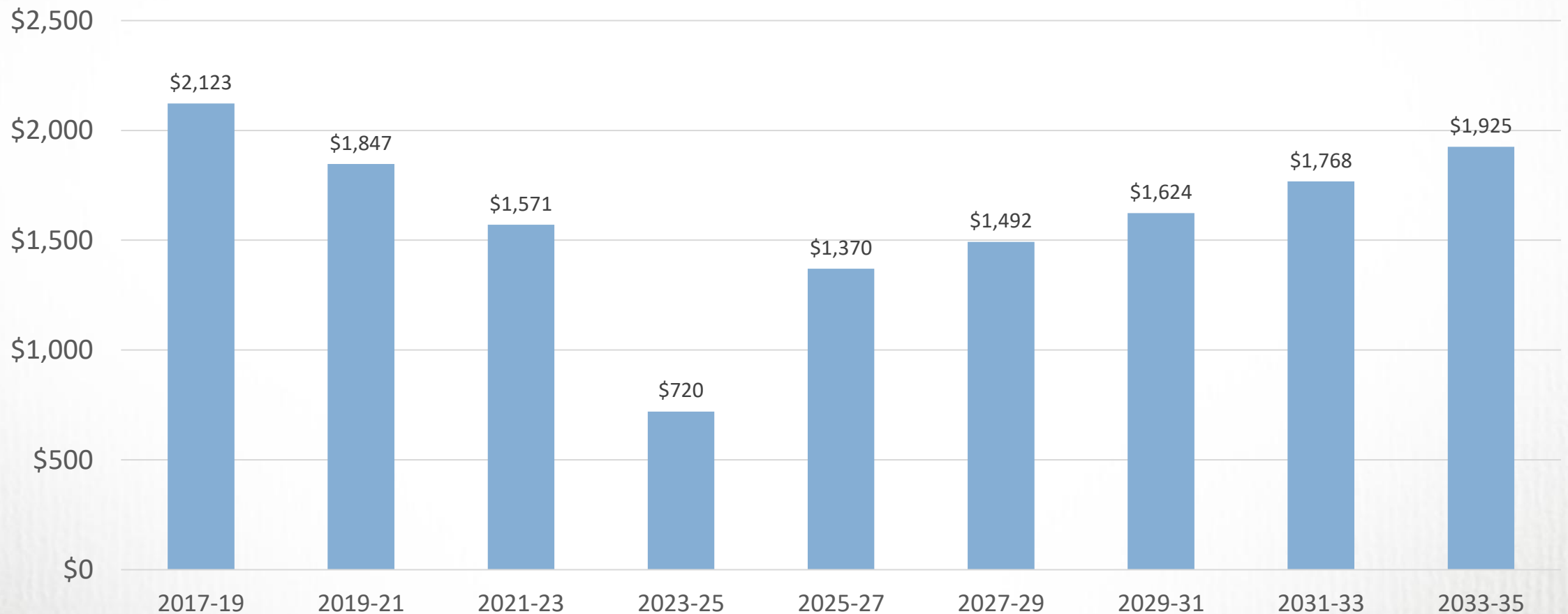
## 2025-27 Needs Over Base Funding

- Majors/SE Megas \$625 Million
- Local Capital Assistance (LRIP-S & ARIP) \$250 Million
- Maintain SHR & Other Program Purchasing Power \$350 Million+

**Estimated Shortfall: \$1.2 Billion +**

# Without Long-Term Fixes, Structural Shortfalls Return and Grow

Estimated Funding Gap (1)  
In Millions \$



# Funding Trends

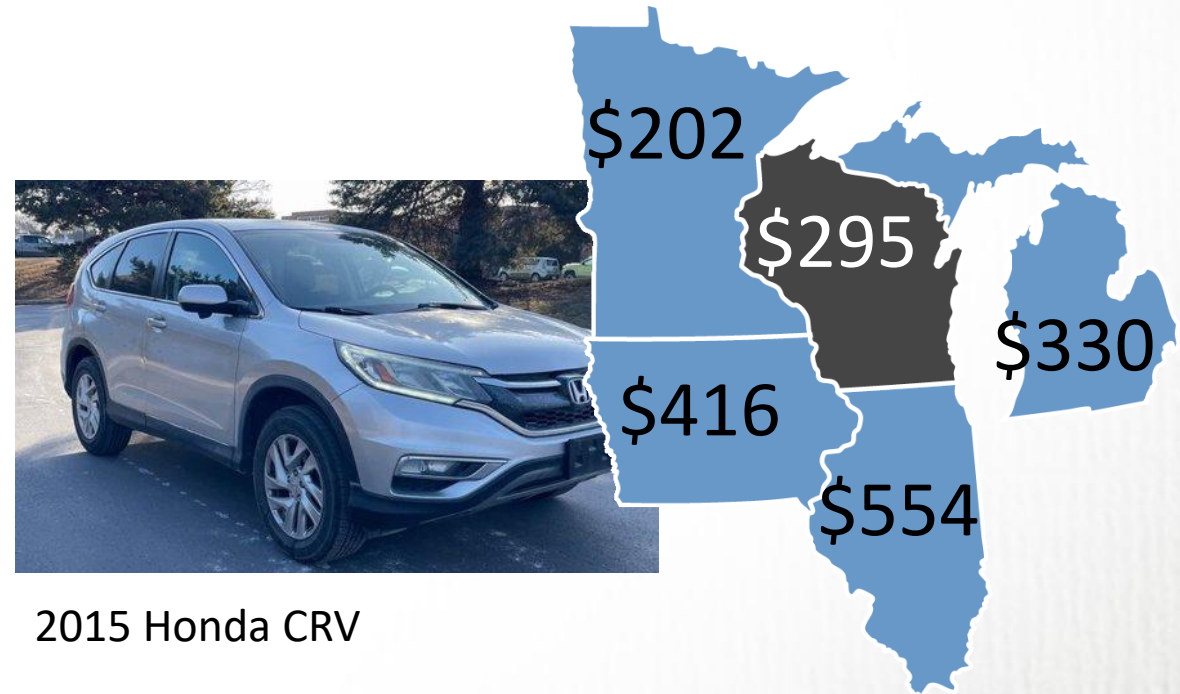
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# It's Cheaper to Drive in Wisconsin, Even in Madison

The cost for Wisconsin motorists to own and drive vehicles is the lowest in the Midwest in most cases. The exception is older vehicles, as MN's value-based tab fees drop 5-15% yearly for the first 10 years of ownership.



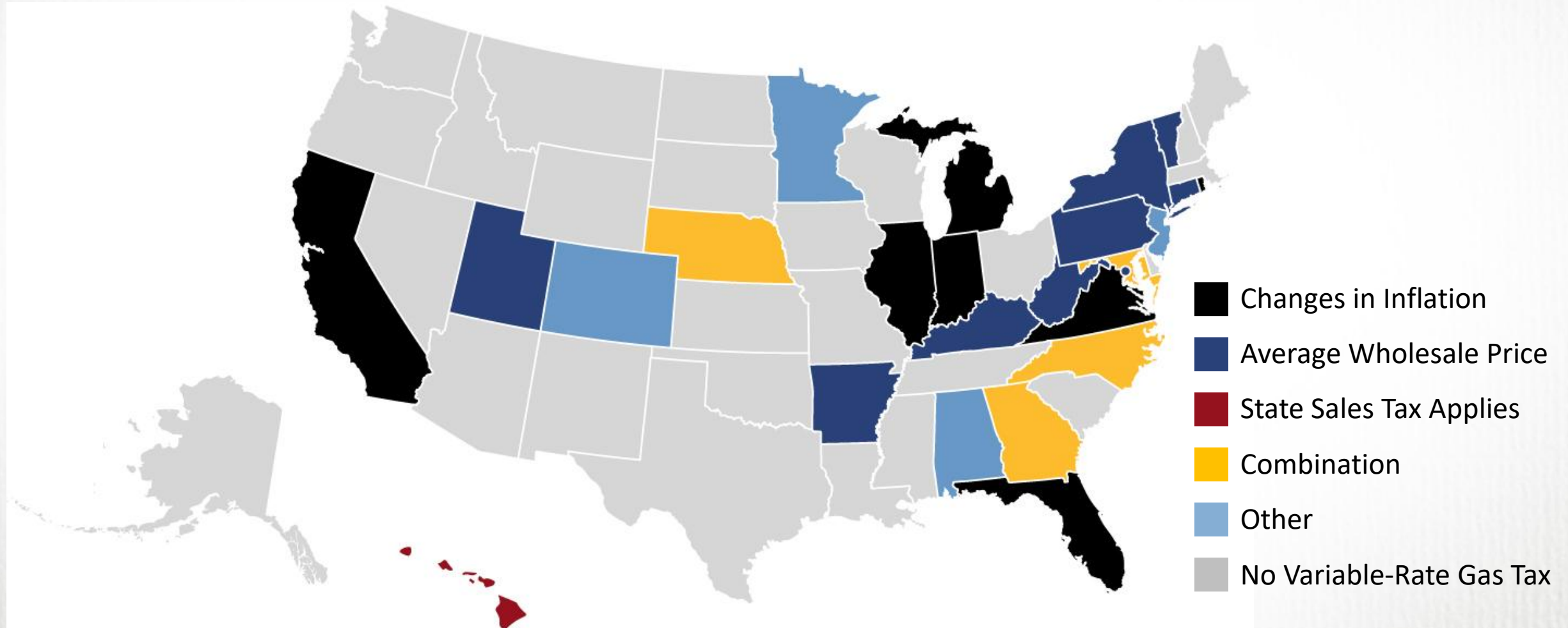
2024 Chevy Silverado



2015 Honda CRV

Source: WisDOT Midwest Driver Fee Calculator, 12k miles, Dane County, Madison

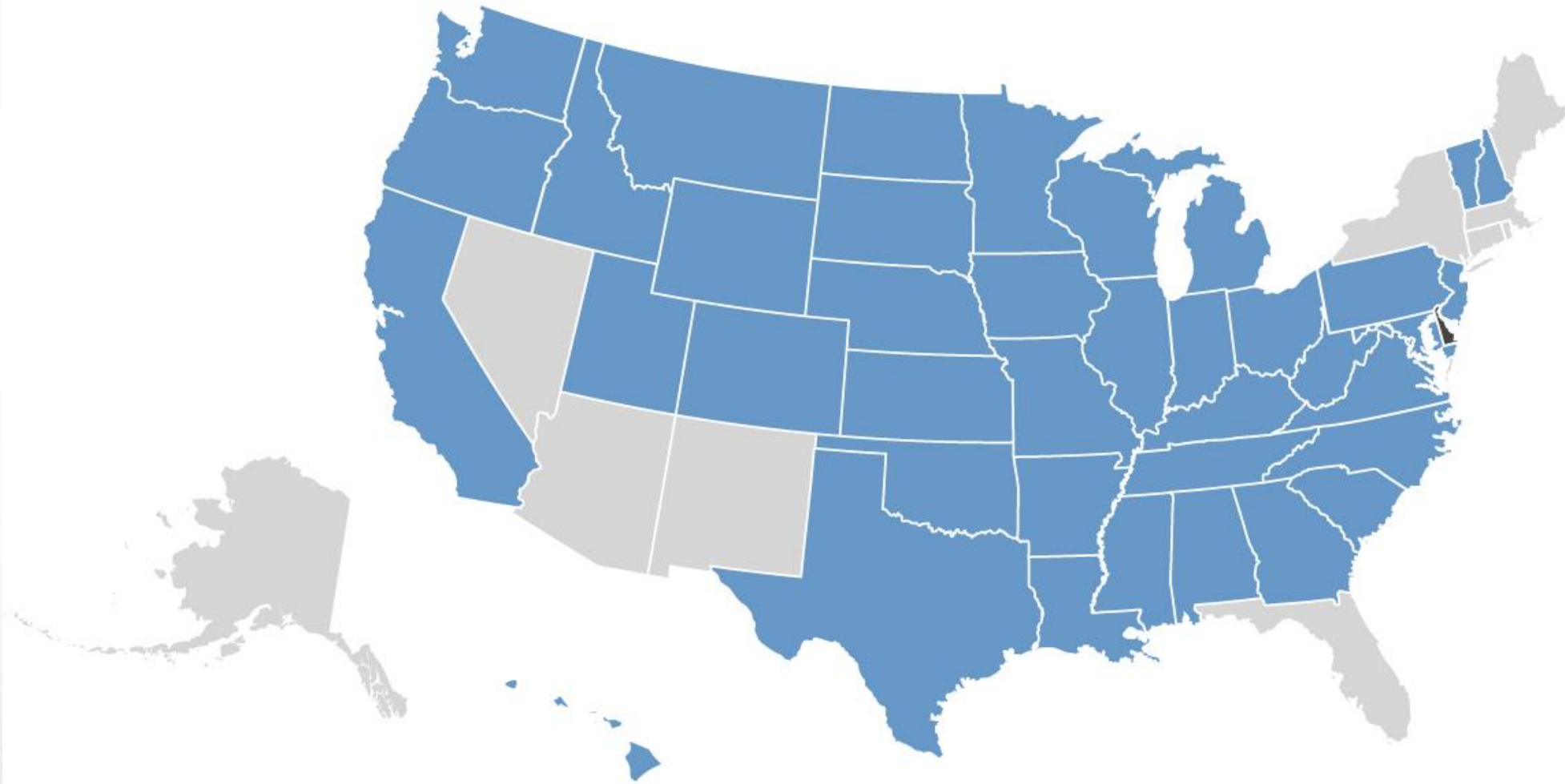
# 24 States & DC Use Variable-Rate State Gas Taxes



Source: American Road & Transportation Builders, Transportation Investment Advocacy Center, July 2023

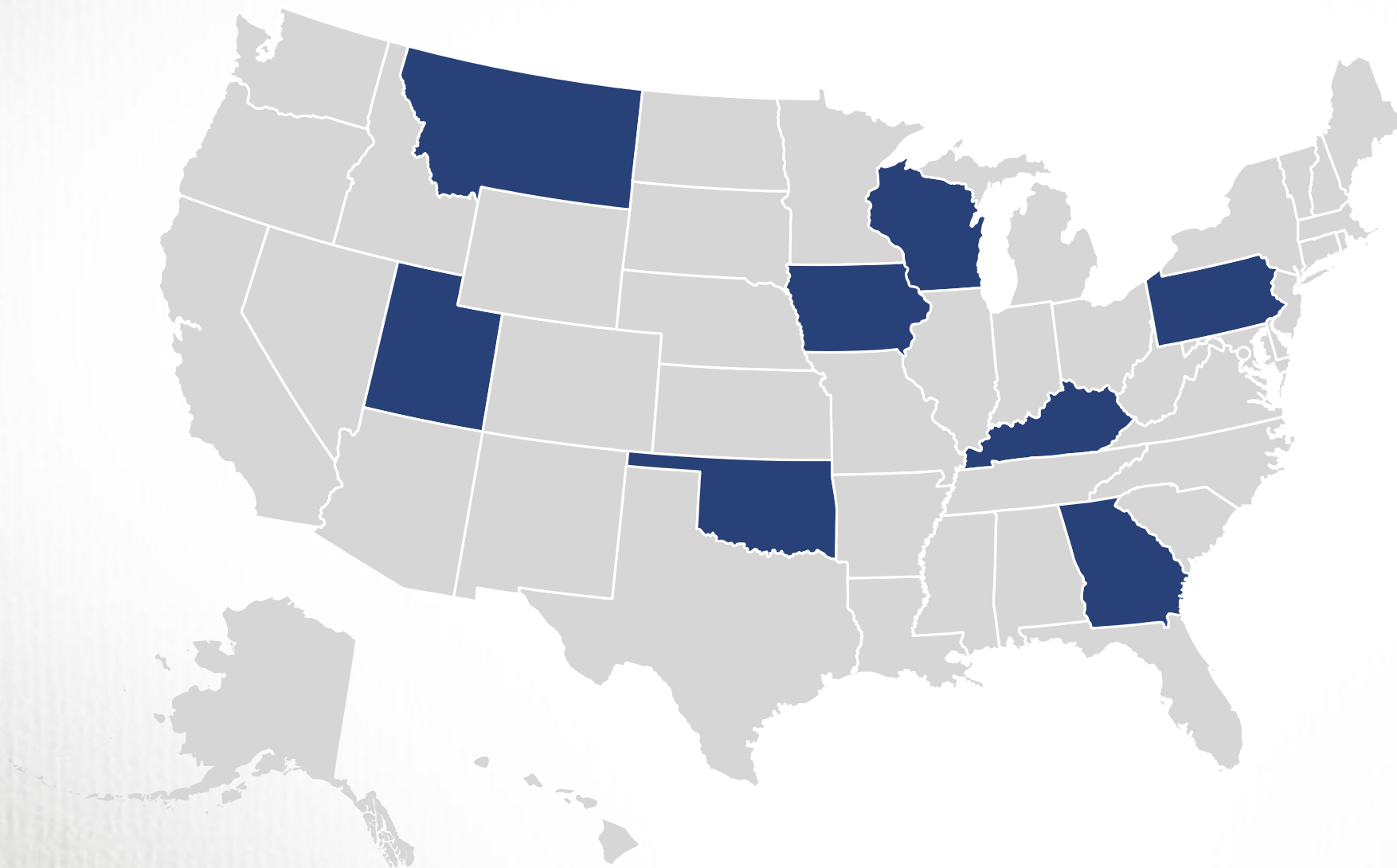
# 39 States Have an Electric Vehicle Registration Fee

EV fees run from \$50 in Colorado to a high of \$290 in New Jersey in 2028.



*Source: American Road & Transportation Builders, Transportation Investment Advocacy Center, Jan. 2025*

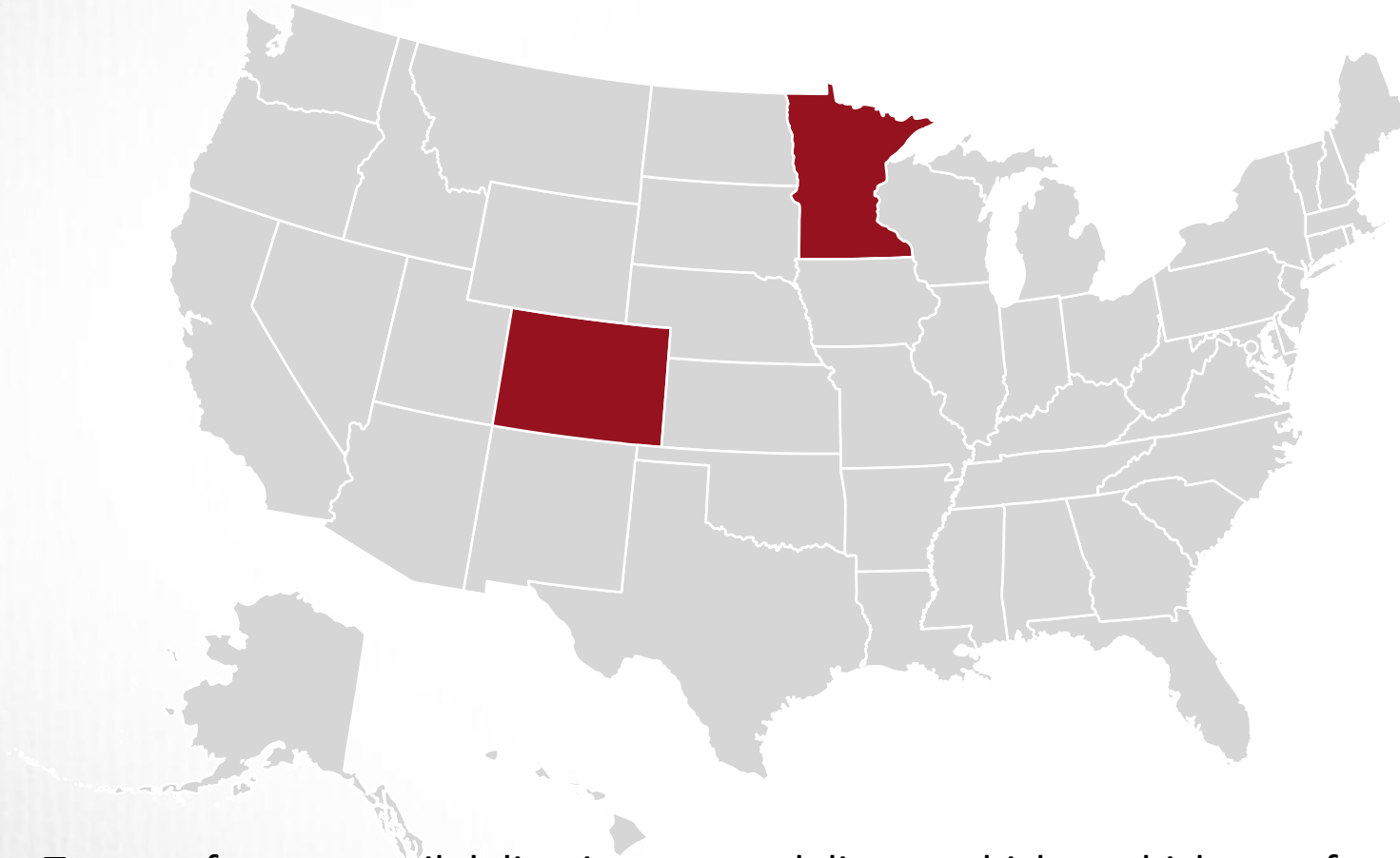
# 8 State Have Electric Vehicle Charging Station Fees



Kilowatt-hour (kWh) fees on public charging stations is a way to make sure visitors driving electric vehicle pay to use Wisconsin's roads.



# Two States Have Enacted a Retail Delivery Fee



Taxes or fees on retail deliveries ensure delivery vehicles, which are often heavier, make frequent trips, and put additional wear and tear on roads and bridges, contribute to infrastructure maintenance and improvements

## **Colorado: 2021**

A flat \$0.29 (current rate) on certain deliveries with at least one item of tangible personal property subject to state sales or use tax, adjusts annually based on inflation.

Collected Revenue: \$84.9 million in FY 2023-2024.

## **Minnesota: 2023**

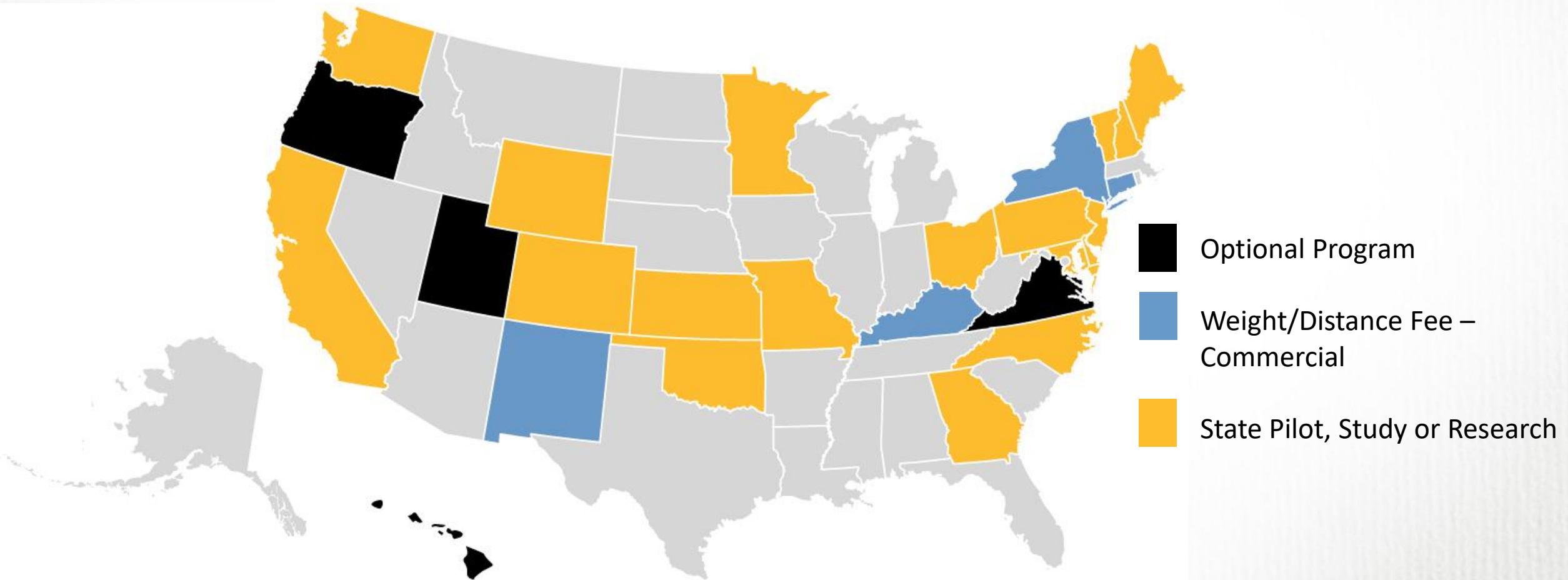
A flat \$0.50 fee on select retail sales transactions over \$100, collected by the retailer.

Expected Revenue: \$65.3 million in Fiscal Year 2027



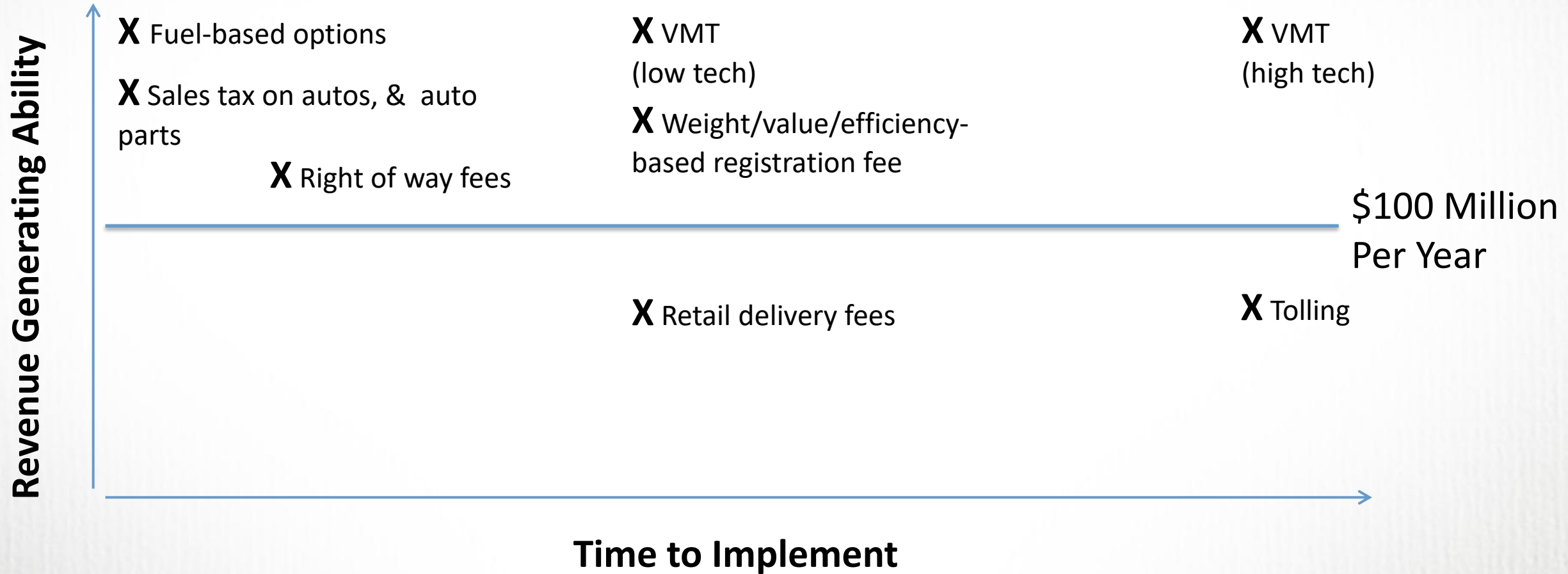
# Four State Have Active Road User Charge Programs

Other states have studied charging by vehicle miles traveled.



Source: American Road & Transportation Builders, Transportation Investment Advocacy Center, 2024

# It's Time to Evaluate the Options



**Questions?**