Much of the transportation debate these days is on Foxconn—the latest perfect example of infrastructure investment driving job creation, development and quite possibly the transformation of Wisconsin's economy. Foxconn would not be happening without the significant investment state and local governments have made in the region's roads.

However, far too little attention has been paid to this budget's (2017–2019) gutting of the state highway program responsible for delivering Foxconn-like infrastructure improvements to businesses elsewhere in Wisconsin. The Major Highway Program, part of the state highway program, is receiving renewed attention after Gov. Walker called on the Wisconsin Department of Transportation (WisDOT) to study the expansion of Interstate 41 between Appleton and DePere.

Introduction

Major Projects—which created the Corridors 2020 system in the 1980s and '90s, and the resulting economic growth, and now funds a variety of projects from the Verona Road interchange in Madison to a street reconstruction project in Kenosha—are about to dwindle rapidly around the state. And the pipeline of future Major Projects has been virtually turned off, with the state suspending or canceling several project studies that are an important step in the federal approval process.

“Serious concerns about Wisconsin's future ability to modernize highways …”

Future of Major Highway Program

What are Major Highway Projects?

The Major Highway Program is the state's primary means of modernizing highway corridors to meet emerging economic development, congestion and safety concerns. These projects are generally the most complex, costly and potentially controversial projects initiated by the state on highly traveled segments of the highway system.

State law defines a Major Highway Project as meeting the following requirements:

- It has an estimated cost of more than $35.4 million (subject to annual inflationary adjustment) and involves any of the following:
  - Constructing a new highway for 2.5 miles or more;
  - Reconstructing or reconditioning an existing highway by either relocating 2.5 miles or more of the existing highway or adding one or more lanes for 5 or more miles to the existing highway;
  - Improving to freeway standards 10 or more miles of an existing divided highway having 2 or more lanes in either direction.

OR

- It has an estimated cost of more than $88.5 million (subject to annual inflationary adjustment) and does not meet any of the above criteria. This expanded eligibility was included in the 2011–13 state budget to address expensive projects under the separate State Highway Rehabilitation Program.

These projects are generally the most complex, costly and potentially controversial...
Over time, the scope of the Major Highway Program has changed to reflect the state’s highway modernization needs. For example, three decades ago it was used to transform USH 151 in southwestern Wisconsin from a 2-lane farm-to-market route to a multi-lane corridor that accommodates farm equipment, long-haul trucks and tourists. Today, Major Projects can be in rural areas, such as the Hortonville bypass, or large urban reconstruction, such as the USH 18/151 Verona Road project in Madison or the STH 50 project in Kenosha.

How are Major Highway Projects **chosen**?

**Because of their complexity and impact on travelers, businesses and communities, Major Highway Projects are subject to approval by the Transportation Projects Commission (TPC)—a 15-member panel of elected officials and citizen members.**

The TPC was created in 1983 to review Major Highway Project candidates and make recommendations to the Governor and Legislature regarding projects to be “enumerated”—or approved for construction—in the next state budget.

WisDOT must get TPC approval before beginning two important steps in the Major Highway Project development process:

1. **The TPC must approve projects to advance to the environmental study stage**, which examines the impacts of a project as well as alternatives for improvement; and
2. Once the environmental study is complete, **the TPC must recommend enumeration for the project** to be considered by the Governor and Legislature.

State law prohibits the TPC from recommending projects unless funding is available to begin work within six years. Despite requirements in section 13.489 of Wisconsin state statutes for annual TPC consideration of WisDOT recommendations for Major Project studies and candidates for enumeration, the commission has not met since December of 2014.

How are Major Highway Projects **funded**?

There are specific appropriations within the state budget that allocate state, federal and bond funds for Major Highway Projects. State funds are fees paid into the Transportation Fund by motorists, primarily in the form of gas taxes (30.9 cents/gallon) and registration fees ($75 for passenger vehicles). Federal funds are allocated through the annual appropriations process and return revenues to Wisconsin from the federal gas tax (18.4 cents/gallon gas; 24.4 cents/gallon diesel). Bond funds represent borrowing, with the Transportation Fund or General Fund paying debt service.

Following is Major Highway Program funding for the past decade, with FYs 18 and 19 representing the two years of the 2017-19 biennium:

<table>
<thead>
<tr>
<th>Year</th>
<th>Funding (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2010</td>
<td>$352.5</td>
</tr>
<tr>
<td>FY 2011</td>
<td>$367.7</td>
</tr>
<tr>
<td>FY 2012</td>
<td>$372.0</td>
</tr>
<tr>
<td>FY 2013</td>
<td>$371.7</td>
</tr>
<tr>
<td>FY 2014</td>
<td>$360.5</td>
</tr>
<tr>
<td>FY 2015</td>
<td>$367.8</td>
</tr>
<tr>
<td>FY 2016</td>
<td>$368.4</td>
</tr>
<tr>
<td>FY 2017</td>
<td>$372.7</td>
</tr>
<tr>
<td>FY 2018</td>
<td>$265.1</td>
</tr>
<tr>
<td>FY 2019</td>
<td>$298.6</td>
</tr>
</tbody>
</table>
To put these numbers into perspective, the Transportation Finance & Policy Commission (TFPC) made funding recommendations in January 2013 to maintain conditions such as congestion and accident rates over the next 10 years. The TFPC was created in the 2011-13 state budget and met throughout 2012 to examine transportation funding and needs for the 10-year period. For Major Highway Projects, the commission recommended an annual funding level of $471.7 million (adjusted annually for inflation) to complete scheduled projects and maintain levels of service until FY 2023.

As part of the commission’s needs analysis, WisDOT developed a “Disinvestment Scenario” that assumed maintaining transportation program expenditures at FY 2013 levels, or $371.7 million for the Major Highway Program. Here are some of the impacts WisDOT projected would result from this scenario:

- The number of congested miles on the state highway system would increase by 22% to 776 miles.
- Miles of pavement in good or better condition decrease by 35% and miles in poor or worse condition double and encompass 42% of the state highway system by FY 2023.
- Needed safety improvements are delayed as fewer projects are completed.

Major Highway Program funding in the current fiscal year (FY 2019) is 20% below the disinvestment scenario and 37% below the TFPC’s recommended funding level to maintain congestion and safety conditions.

What are current Major Highway Projects?

The table below shows Major Highway Projects currently under construction and their expenditure schedules (in millions of dollars) for the next 6 years, as detailed in the most recent (Aug. 1, 2018) status report prepared for the TPC:

<table>
<thead>
<tr>
<th>Project</th>
<th>FY 19</th>
<th>FY 20</th>
<th>FY 21</th>
<th>FY 22</th>
<th>FY 23</th>
<th>FY 24</th>
</tr>
</thead>
<tbody>
<tr>
<td>USH 10 – USH 10/STH 441</td>
<td>$13.5</td>
<td>$3.8</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>STH 15 – STH 76-New London</td>
<td>--</td>
<td>$5.1</td>
<td>$49.8</td>
<td>$33.7</td>
<td>$29.2</td>
<td>--</td>
</tr>
<tr>
<td>USH 18/STH 151 Verona Road</td>
<td>$35.7</td>
<td>$2.3</td>
<td>$0.6</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>STH 23 – STH 67-USH 41</td>
<td>$16.0</td>
<td>$46.6</td>
<td>$44.3</td>
<td>$3.2</td>
<td>$2.1</td>
<td>--</td>
</tr>
<tr>
<td>I-39/90 – USH 12-Illinois</td>
<td>$171.3</td>
<td>$221.6</td>
<td>$112.8</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>STH 50 – I-94-43rd Avenue</td>
<td>$8.6</td>
<td>$2.2</td>
<td>$41.0</td>
<td>$41.3</td>
<td>$7.4</td>
<td>--</td>
</tr>
<tr>
<td>TOTALS</td>
<td>$245.1</td>
<td>$281.6</td>
<td>$248.5</td>
<td>$78.2</td>
<td>$38.7</td>
<td>--</td>
</tr>
</tbody>
</table>

The expenditure schedule shows that new Major Highway Projects could be enumerated since there would be sufficient funding to begin construction within 6 years.
What are future Major Highway Projects?

The most likely immediate candidates are Interstate 43 from Silver Spring Drive to STH 60 in Milwaukee and Ozaukee counties and Interstate 94 from USH 12 to STH 65 in St. Croix County.

These projects were recommended by the TPC for enumeration in December 2014 but were not included in the 2015-17 or 2017-19 state budgets due to disagreements over transportation funding. The 7.5-mile I-94 project in St. Croix County was included in the Legislature’s version of the 2017-19 budget, but was vetoed. In 2014, the I-43 project had an estimated cost of $448 million and the I-94 project was estimated to cost $129 million.

Other future Major Projects would emerge from those candidates currently in the environmental study stage. However, WisDOT has suspended, canceled or postponed at least five of those studies—raising serious questions about the ability to meet emerging congestion, safety and economic development needs throughout Wisconsin. Because these environmental studies can take several years to complete, stopping work on them now risks projects not being ready to proceed as those currently under construction are completed.

Below are the five study projects for which work has been canceled or deferred:

I-39/90 Madison to Wisconsin Dells
Concept was to increase capacity and improve interchanges to improve safety and reduce congestion. “If no improvements are made, the majority of the corridor will have significant problems from reductions in travel speeds and recurring breakdowns in traffic flow,” WisDOT reports in its Aug. 1, 2018, status report to the TPC. “Need to find ways to ensure the corridor remains safe and effective as it has national, state and regional importance.” As of March 2017, this study has been cancelled. **Study cost to date: $7.9 million.**

USH 51 Stoughton to McFarland
Concept was to expand the highway from 2 lanes to 4 lanes to meet future traffic demand and reduce crash rates. WisDOT reports that “due to statewide priorities and funding limitations” the study has been on hold since March 2016 and there is no announced completion date. **Cost to date: $7.3 million.**

STH 11/USH 14 from Janesville to I-43
Concept is to expand the corridor from 2 lanes to 4 lanes for 15 miles in Rock and Walworth counties to accommodate increasing traffic volumes. The study is “suspended indefinitely” with final disposition to be determined at a future TPC meeting. **Study cost to date: $2.2 million.**

USH 12 Fort Atkinson Bypass
Study was exploring ways to keep USH 12 a safe and effective regional corridor for travelers and shippers while meeting future needs of communities. This study is “suspended indefinitely” and is to be discussed at a future TPC meeting. **Study cost to date: $3.5 million.**

USH 12 Elkhorn to Whitewater
Study was exploring possible alignment adjustments and expanded capacity to meet safety concerns and future traffic demands. This study is “suspended indefinitely” and is to be discussed at a future TPC meeting. **Study cost to date: $200,000.**

Conclusion

The Major Highway Program is Wisconsin’s primary means of modernizing highway corridors to provide businesses throughout the state with the reliable and efficient transportation options they need to compete in today’s economy. It also provides citizens and tourists with safe and efficient travel options.

However, recent funding reductions and cancellation of work on potential future Major Projects raises serious questions about Wisconsin’s ability to meet emerging safety, congestion and economic development issues.