



Just

FIX IT

or Just Ignore it?

The Consequences of Doing Nothing

Federal funds, on average, provide 51% of annual State DOT capital outlays for highway and bridge projects.

Source: American Road & Transportation Builders Association

FACT

Limiting the state's investment in highway improvement projects to the amount necessary for federal match would result in cascading project delays.

Federal-aid highway funds can generally be allocated to cover at most 80% of an eligible project's cost. Recognizing the inadequacy of federal funds to maintain the condition of a state's highways and the importance of these highways to local communities and economies as well as interstate commerce, most states contribute significantly more than the required 20 percent.

From 2005 to 2014, federal funds comprised 51% – the national average – of Wisconsin's capital expenditures for highway and bridge projects as reported by ARTBA.

If Wisconsin were to only proceed with larger improvement projects in South East Wisconsin based on the ability to fund them with 80% federal funds, this would result in a backup of projects to rival I-39/90 northbound on a Friday summer afternoon.

The Governor's budget proposal for South East Wisconsin Megaprojects gave a glimpse of what this might look like providing little more state funding than necessary to match allocated federal funds. The result was a budget of \$122 million over the biennium. Under this scenario and assuming no future increase to the program, the I-94 North-South project couldn't start in any meaningful way until the Core of the Zoo is completed in 2019 or perhaps the North Leg of the Zoo Interchange around 2022. And I-94 East-West could be delayed until after the completion of I-94 North-South in 2032 or so.

And with every year of delay, the cost of these projects increases, creating a vicious cycle of increasing costs and project delays.