



KEITH RIPP

STATE REPRESENTATIVE ★ 42ND ASSEMBLY DISTRICT

Assembly Joint Resolution 2 **The Transportation Fund Protection Amendment** January 29, 2013

Good Afternoon Mr. Chairman and honorable members of the committee. I am pleased to bring forward the second consideration of this important constitutional amendment today.

Last session, this constitutional amendment received strong bipartisan votes in both the Assembly and the Senate. It also received strong public support in referenda, passing in 54 of our 72 counties. Also, last week the Transportation Policy and Finance Commission released their final recommendations. This amendment to the constitution was one of them. The public seems to be making one thing clear: when we levy taxes for a specific purpose, the money people pay in should fund exactly what we told them it was going to fund.

What the amendment specifically requires is that there be a transportation fund, and requires that revenues directly related to transportation functions be deposited in the fund. It then requires that revenues deposited in the fund only be spent for transportation services. There is an exception to the expenditure clause to allow taxes and fees already in existence that would otherwise be restricted to continue to be expended for other purposes. It is essentially a grandfather clause, and was included to allow continuation of current non-abusive cash flow practices within the Department of Transportation.

Ex: Currently, we collect a fee for specialized license plates and those funds are distributed to support specific causes (i.e. Veterans). Under the proposed amendment, this distribution would be prohibited because it is for non-transportation purposes. But because it was allowed at the end of 2010, it will continue to be allowed under this amendment.

The longer we allow for this money to be moved from one account to another, the harder it will be to maintain the impressive transportation system we have here in Wisconsin. Our great state's infrastructure is vital to Wisconsin's industries and economy. We need to protect the integrity of this fund for improvements and projects that will be necessary twenty, thirty, forty years down the road.

Why are we focusing on the Transportation Fund? It is the largest of the segregated funds and has been the most abused, by volume and repetition. Since 2003, over \$1.3 billion have been taken out of the fund to use for other items. While some of these dollars were replaced in the short term with bonding, we need to ensure a long term solution for sustainable fiscal policy. This

amendment will make the constitutional language more specific, and in that, more easily enforceable.

Proposed Assembly Amendment of the Question

I am going to have Legislative Council review this amendment during the Executive Session, but I wanted to mention it briefly. As you know, the language of a constitutional amendment cannot be amended on second consideration.

However, the amendment we have distributed for your consideration would revise the ballot question that would go before the voters if placed on the November 2014 ballot. This question change will not make any changes to the amendment itself. We are offering this amendment because the original question, while legally accurate, could be confusing for voters. I think the amended language more clearly describes the effect the amendment will have on our constitution.

Thank you again for your time and consideration. I would be happy to answer any questions.



It's how we get there

MEMORANDUM

TO: Honorable Members of the Assembly Committee on Transportation
FROM: Craig Thompson, Executive Director
DATE: January 29, 2013
SUBJECT: Support for AJR 2

The Transportation Development Association of Wisconsin (TDA) strongly supports Assembly Joint Resolution 2 (AJR 2).

Restoring the integrity of Wisconsin's transportation fund has been a cornerstone issue for TDA. Our diverse membership which includes local government, chambers of commerce, organized labor, regional planning associations, airports, transit systems, road builders, port authorities and railroads have made this issue a top priority.

It is our belief that until the public has confidence that transportation user fees will be utilized for the maintenance and improvement of our transportation system there is little chance of making the appropriate investments our aging transportation network so badly needs.

For this reason, the TDA worked with groups across the state to form the Finding Forward Coalition. Over forty different associations or groups are part of the Finding Forward Coalition. The coalition's stated goal is to amend the Wisconsin Constitution to protect the segregated transportation fund. The reason for the name of the coalition is stated on the homepage of the website: "This coalition is not interested in revisiting past battles or assessing blame for how Wisconsin fell into the pattern of structural deficits and onetime budget fixes. Instead, the goal of the coalition is to engage the public in a positive initiative that will ensure we don't fall into this unhealthy cycle again. In other words, every group in the coalition simply wants Wisconsin to **"find forward."** The members of Finding forward are listed at the bottom of this memo.

The impact of past transfers has been felt far beyond the transportation sector in Wisconsin. Wisconsin's constitution currently prohibits bonding for ongoing operations. Bonding is, of course, allowed for capital projects such as transportation projects. The practice of taking money out of the segregated transportation fund and then "bonding" from the general fund for "transportation purposes" has simply been an end run around the spirit of that current constitutional prohibition.

Rather than a tool to manage through difficult times, this practice proved to be a trap that only prolonged the difficult situation and made it worse.

Executive Director Craig Thompson

In fact, Susan Urahn, of the Pew Center on the States, wrote in a 2009 study entitled *"Beyond California: States in Fiscal Peril"*: "Our report states that California's budget problems are in a league of their own. But Wisconsin has had persistent budget shortfalls -- the state has had a negative general fund balance from fiscal years 2002 to 2008, according to its own Comprehensive Annual Financial Reports. Additionally, Wisconsin has used short-term fixes to meet budget challenges, such as relying on its transportation funds to cover day-to-day operating expenses."

This practice has also been specifically cited by rating agencies when it came to downgrading Wisconsin's bond rating.

While the intentions behind these maneuvers were undoubtedly to try and protect important programs funded by the general fund, the result after a decade of transfers was quite the opposite.

The impact on Wisconsin's transportation network has also been felt far beyond the dollars lost. Lost confidence in the integrity of the fund has contributed toward cynicism in funding what the public recognizes as a transportation system in need of improvement.

In order to change this trend the Finding Forward Coalition worked with counties across the state in 2010 to engage the public and give them a voice on this critical public policy issue. Despite the myriad of difficult issues that county government had on its plate, fifty four of Wisconsin's seventy-two counties found this issue important enough to place an advisory referendum question on their fall election ballots. The question read, "Should the Wisconsin Constitution be amended to prohibit any further transfers or lapses from the segregated transportation fund?"

Wisconsinites could not have been any clearer. The answer is "YES". In fact, the referendum passed in all 54 counties by an average margin in excess of 70 percent.

Passing second consideration of this constitutional amendment will provide voters in Wisconsin the opportunity to join the majority of states in this country, including our neighbors in Minnesota, Michigan, Iowa and Ohio which have language in their constitutions protecting transportation funds.

In states that do not have constitutional protection, there have been stories similar to Wisconsin in which republicans and democrats alike have dipped into their transportation funds in futile efforts to patch ongoing holes in their general funds.

Wisconsin has had a strong history of bipartisan consensus that transportation investment is a key component to business attraction and retention. Such investment increases the tax base thereby increasing state revenues which fund high quality government services such as education, social services and health care.

TDA strongly urges you to vote in favor of AJR 2. Passing second consideration of this constitutional amendment will move us one step closer to improving the integrity of our transportation user fees. With confidence restored in the process Wisconsin can once again find forward.

Thank you for considering our comments.

Finding Forward Members

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AAA - Wisconsin

Aggregate Producers of Wisconsin (APW)

American Council of Engineering Companies of Wisconsin (ACEC)

American Petroleum Institute (API)

Centergy, Inc.

Construction Business Group (CBG)

Dairy Business Association

Discover Mediaworks

East Central Wisconsin Regional Planning Commission

Forward Janesville, Inc.

Great Lakes Timber Professionals Association

Greater Brookfield Chamber of Commerce

Green Bay Area Chamber of Commerce

International Union of Operating Engineers, Local 139

Metropolitan Milwaukee Association of Commerce (MMAC)

Midwest Food Processors Association (MWFPA)

National Federation of Independent Business (NFIB)

Oshkosh Chamber of Commerce

Transportation Development Association of Wisconsin (TDA)

Wisconsin Asphalt Pavement Association (WAPA)

Wisconsin Automobile & Truck Dealers Association (WATDA)

Wisconsin Automotive Aftermarket Association (WAAA)

Wisconsin Commercial Ports Association

Wisconsin Concrete Pavement Association

Wisconsin County Highway Association (WCHA)

Wisconsin Earth Movers Association (WEMA)

Wisconsin Economic Development Association (WEDA)

Wisconsin Grocers Association (WGA)

Wisconsin Housing Alliance

Wisconsin Laborers' District Council

Wisconsin Manufacturers & Commerce (WMC)

Wisconsin Motor Carriers Association (WMCA)

Wisconsin Petroleum Council

Wisconsin Petroleum Marketers & Convenience Store Association (WPMCA)

Wisconsin Restaurant Association (WRA)

Wisconsin Retail Council (WRC)

Wisconsin Towns Association (WTA)

Wisconsin Transportation Builders Association (WTBA)

Wisconsin Troopers' Association

Wisconsin Urban & Rural Transit Association (WURTA)



Wisconsin Motor Carriers Association

Good stuff.



"Promoting Safe and Reliable Truck Transportation"

www.witruck.org

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HNI Risk Services

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Roehl Transport

TREASURER
Pat McConnell
FLASH Inc.

PRESIDENT
Tom Howells
thowells@witruck.org

To: Members,
Assembly Transportation Committee

January 29, 2013

Subject: Support for AJR 2 – Prohibiting Raids from the Transportation Fund

The Wisconsin Motor Carriers Association (WMCA) supports AJR 2, the second consideration of a constitutional amendment that would place restrictions on the lapse, transfer, or appropriation of transportation fund revenues.

The WMCA is a non-profit trade association representing the interests of commercial motor vehicle operators within the state of Wisconsin. The association has 1,100 members, ranging from independent contractors with one truck to companies with thousands of trucks.

WMCA members have watched with dismay as over \$1.3 billion have been transferred from the Transportation Fund for non-transportation programs. Wisconsin currently ranks in the top ten in the country for both fuel tax and registration fees paid by commercial motor vehicle operators. Unfortunately, some of that money has been spent for non-transportation purposes.

It should be kept in mind that Wisconsin is one of the few states that have paid for non-transportation programs with highway user fees. Most other states provide GPR assistance for transportation because a good transportation system is good for tourism, manufacturing, agriculture and for the general economic condition of the state.

The trucking industry wants and needs good highways and bridges and it is willing to pay for them. However, the industry questions the wisdom of pouring more money into the "transportation bucket" as long as that bucket has serious leaks in it and the existing funds are being drained off for other purposes.

Our members are convinced that maintaining the integrity of the Transportation Fund is the key to a solid transportation system in this state. They believe that strong measures should be in place to prohibit the use of transportation funds for non-transportation purposes. The constitutional amendment is a good first step.

Sincerely,

Thomas A. Howells,
President



8401 Excelsior Drive
P.O. Box 33
Madison, WI 53701-0033
608/828-2487
800/236-1300

January 29, 2013

To: Chairman Keith Ripp and Members of the Assembly Committee on Transportation

From: Tom Frymark, AAA Wisconsin Regional President

Re: AAA Wisconsin Support for Assembly Joint Resolution 2 -- Constitutional Amendment to Protect the Transportation Fund

On behalf of AAA Wisconsin's 622,000 members, I am writing to urge your support for Assembly Joint Resolution 2 to amend the Wisconsin Constitution to require the deposit of certain revenues in the segregated transportation fund and to restrict the uses of those funds.

Your constituents who are AAA members overwhelming support this action. Ninety-two (92) percent of AAA Wisconsin members who responded to a recent survey said they believe that transportation-derived revenues (mainly motor-fuel taxes and vehicle registration fees) should be used solely for transportation purposes, and not diverted for non-transportation uses.

Our members are not happy that previous Wisconsin budgets have diverted more than \$1 billion in transportation revenue to be mis-used to support General Fund spending. It is a breach of trust between taxpayers and their government when taxes are imposed and collected for a specified purpose, but then are intentionally directed elsewhere to pay for other unrelated programs.

Thank you for your consideration of AAA Wisconsin's support for a Constitutional Amendment to protect the Transportation Fund as described in Assembly Joint Resolution 2. Please contact me if you would like to further discuss our position on this issue.

CC: Wisconsin Governor Scott Walker
Anthony Driessen, AAA Wisconsin Lobbyist, DeWitt Ross & Stevens
Pam Moen, Assistant Vice President of Public Affairs, The Auto Club Group
Roy Hinz, AAA Wisconsin Public Affairs Director



American Council of Engineering Companies of Wisconsin

3 South Pinckney Street, Suite 800 Madison, WI 53703
608-257-9223 : acecwi@acecwi.org www.acecwi.org

January 29, 2013

Representative Keith Ripp, Chairperson
Assembly Committee on Transportation
Wisconsin State Assembly
Madison, WI

RE: Assembly Joint Resolution 2 – Creation of Transportation Fund.

Dear Representative Ripp and Members of the Committee on Transportation:

The American Council of Engineering Companies of Wisconsin (ACEC WI) supports Assembly Joint Resolution 2, which creates a constitutional amendment to segregate the Transportation Fund.

ACEC WI represents engineering firms that are designing and protecting Wisconsin's future with professional engineering solutions. It is the *only* organization in the state that represents the business side of the professional engineering industry. ACEC WI represents 82 premier engineering firms, with more than 160 offices across Wisconsin.

Investing in transportation infrastructure is essential to a prospering economy in Wisconsin. Without proper funding, congestion and declining road conditions will increase delays affecting every aspect of our economy. ACEC WI sees maintaining and providing a dedicated revenue source to support Wisconsin's transportation infrastructure as a catalyst for economic growth and should be a priority for this legislature.

This amendment is a vital first step in ensuring the funds collected by system users are preserved for use on the system. In previous budgets, traditional dedicated revenue streams for the transportation budget have been siphoned off and utilized for one-time needs and budget fixes unrelated to transportation. If we continue to delay or reduce funding levels, we put our aging infrastructure at risk of unsafe deterioration. To effectively manage the system, the Wisconsin Department of Transportation needs confidence that a revenue stream is available to provide for expansions, safety improvements and maintenance needs.

By passing second consideration of this amendment, you will be giving your constituents the opportunity to vote on amending the state Constitution on the November 2014 ballot. Your support is a promise to create jobs, increase mobility and efficiency, and maintain a quality of life and well-being we have come to expect in Wisconsin.

Thank you for considering this important piece of legislation.



Wisconsin Independent Businesses Inc.
The voice of independent business in state government

**Testimony submitted on Tuesday, January 29, 2013 before the
Assembly Transportation Committee
in support of 2013 Assembly Joint Resolution 2**

Chairman Ripp, committee members, my name is Brian Dake, Legislative Director for Wisconsin Independent Businesses. On behalf of WIB and its small business and farmer members, I am here to testify in support of 2013 Assembly Joint Resolution (AJR) 2.

To be successful, our members need access to a well-maintained, safe network of roads. They support ongoing construction, maintenance and repair of Wisconsin roadways every time they put gas in their vehicles and every year when they register their cars and trucks with the State of Wisconsin. This linkage between the taxes and fees they pay and the corresponding benefits they receive is important to our members. It justifies why such taxes and fees are necessary.

In the recent past, Transportation Fund dollars were used to help close state budget deficits and with that action, this critical link between pay and benefit was broken. AJR 2 seeks to permanently restore this vital link through an amendment to the Wisconsin Constitution.

If AJR 2 is approved by the Wisconsin State Legislature this session and ratified by the voters in the November 2014 general election, revenues generated through our state's gas tax and vehicle registration fees will be used exclusively to support our state's transportation infrastructure needs.

Maintain a modern transportation infrastructure is costly. Nearly \$2.2 billion was spent on highway programs and local road aids in fiscal year 2011-2012. Last week, the Wisconsin Transportation Finance and Policy Commission recommended additional annual investments of nearly \$480 million through 2023 to maintain Wisconsin's transportation infrastructure.

To pay for these investments, the Commission is recommending state lawmakers increase the state's gas tax and impose additional vehicle registration fees on Wisconsin motorists. Before that legislative discussion and debate begins in earnest, we believe it is important to restore integrity to the state's Transportation Fund. That is why we respectfully ask for your support of AJR 2.

Thank you in advance for your consideration of our request.



WISCONSIN'S BUSINESS VOICE SINCE 1911

TO: Members of the Assembly Transportation Committee

FROM: Jason Culotta
Director, Tax and Transportation Policy
Wisconsin Manufacturers & Commerce

DATE: January 29, 2013

RE: Support for AJR 2

A safe and reliable transportation system is necessary for the ability of Wisconsin businesses to remain competitive. Businesses rely on good roads to receive raw materials and ship finished products to the market. Unfortunately, Wisconsin has not been able to make necessary transportation improvements because of funding shortfalls.

Between 2003 and 2010 more than \$1.3 billion was diverted from the transportation fund. The loss of this funding has prevented or delayed additional investment in needed upgrades to the Zoo Interchange, I-94, I-90 and Highway 41. There are additional engineering needs for 10 projects identified as vital infrastructure improvements by the Wisconsin Department of Transportation.

By passing AJR 2, we believe resources in the transportation fund will be better protected and used for their original purpose. In a series of advisory referenda, the voters in most counties spoke loud and clear in endorsing the preservation of the Transportation Fund's integrity. WMC joins the voters in this call and urges your approval of AJR 2.

Transcript of my comments on 29 Jan 2013 before the Wisconsin Assembly Committee on Transportation regarding a constitutional amendment to protect the transportation fund from raids.

Good afternoon!

Question: during the past week...have any of you gotten yourself to the grocery store by:

(1) walking...(2) rolling a wheelchair...(3) pushing a baby stroller...(4) pedaling a bicycle...or (5) riding a bus?

How about the past month? The past year?

Wow.

Even if you've done it a few times, I want you to look into your heart and consider this: you don't have any clue what life is like for people who don't drive everywhere.

People who don't qualify for the...privilege...of driving. People who don't have family or friends to chauffeur them. People who can't afford a car. People who don't want to drive everywhere, for whatever reason.

Maybe you think the same way a voting majority of your constituents do: "Hey, when I want to go somewhere, I get in my car. Doesn't everybody?"

That would explain why you would think the top priority here is to keep pumping enough money into the Highway Fund to fill potholes...and pave our way out of congestion.

But ladies and gentlemen, your duty is to serve ALL of the people – not just the motoring majority who raise hell when they get stuck in traffic. Nor the road builders and construction workers' unions who spend big on your campaigns.

So how SHOULD you think about transportation? {Tap head with fingers} Think about ACCESS instead!

Take a look at the sketch I gave you. And then consider how we've gotten into such...trouble.

For the past 60 years, our government – that's you, now! Our government has spent tens of trillions to create, maintain, and police the largest network of public thoroughfares in history.

And what has been the primary focus? To make life as convenient as possible...for people who want to take fifteen or twenty feet of motor vehicle with themselves every time they go from..."a"...to..."b". And to make highways "affordable" ...for freight haulers who don't begin to pay for the pavement they pound into dust.

No surprise, we now have an enormously costly system of public thoroughfares which is optimized for the most extravagant users – the very ones who cause the most congestion, wear, and tear. And remember: these users don't begin to pay the full costs – especially at the county and municipal levels.

No wonder our highway funding system is broke!

But it gets worse.

Consider citizens with very modest “transportation” demands – those who need and want to access our communities – note that word “access” – by walking, rolling wheelchairs, pushing baby strollers, pedaling bicycles, and sharing transit.

The least swift, least powerful among us – the users who demand pavement at the rate of square yards of sidewalk per minute rather than a football field's worth of highway while driving at 60 MPH – these users have gotten a system which is more dangerous. Much less practical for day-to-day errands. Often alienating and scary.

Ladies and gentlemen, you have far more urgent things to worry about than raids on a bloated and unsustainable Highway Fund. The transportation network we have today isn't just a waste of money – it is a waste of lives.

I will end by challenging you to put your own skin in the game. Commit in public to regularly completing some of your errands without a car. Example: “I promise to get my groceries on the second and fourth Saturday of every month...using leg-power.”

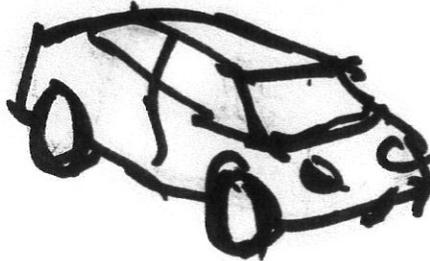
Then do it. No excuses. People who can't drive don't have that luxury.

When you walk in the other fellow's shoes – Literally walk! You will see this thing we call “transportation” in a whole new light. God knows it has opened my eyes.

Thank you.

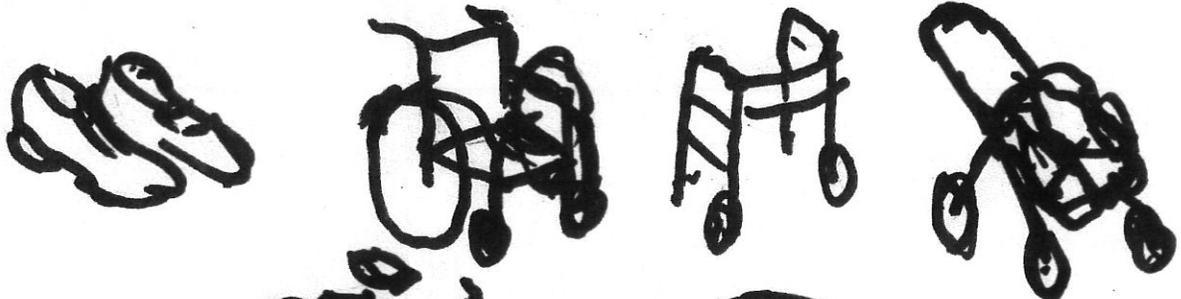
21 JAN 2013 / HUMAN ACCESS

WHEN MOST OF US
CHOOSE MOST OF THE TIME
TO MAKE THIS



THE KEY TO ACCESS
IN OUR COMMUNITY...

THESE KEYS WILL FIT POORLY



OR THEY WON'T FIT AT ALL