Highway Boom, Budget Bust:

Are Misplaced Transportation Priorities Wasting Taxpayer Money and Squandering Wisconsin's Precious Transportation Resources?

By Bruce Speight, WISPIRG Director

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Executive Summary

Wisconsin's demographic and transportation trends are changing. But, state transportation plans are not. Wisconsin continues to spend heavily on new road capacity and highway expansions, reflecting a decades-old assumption that we are continuing to drive more every year.

This report questions whether the state of Wisconsin might be wasting huge sums of taxpayer money on unnecessary projects by planning to invest heavily in new roads and highway expansions that are out of sync with population and travel behavior trends in the state. On the one hand, Wisconsin's population and its volume of driving grow at a relatively slow pace that has slowed over time. On the other hand, the state plans to focus its limited transportation funds on building new and wider highways, while neglecting repairs and other travel modes that have grown over recent years.

The main finding of this report is that Wisconsin stands out like a sore thumb, compared to most other states, with regard to how much the state plans to spend on new road capacity and highway development when you consider our relatively slow population and driving growth. The trends hardly justify diverting limited transportation resources from other uses and modes.

Consider:

- Wisconsin ranks 11th among the 50 states on the percentage of funds it is committing to new road capacity, with 30% of its State Transportation Improvement Plan (STIP) designated for new capacity, compared to a national average of 19%.
- Wisconsin ranks 28th among the fifty states in projected population growth from 2000-2030.
- Wisconsin's population is projected to increase only 14.7 percent from 2000-2030, approximately half the national average of 29.2 percent[1].
- Of the 21 states that have committed 20 percent or more of their STIP to new road capacity, 13 are in the top 20 states for projected population growth from 2000-2030.

Compared to most other states, Wisconsin's transportation spending plans seem completely out of touch. By comparison, Minnesota's population is projected to increase by 28%, but is planning to spend only 6% of its limited transportation funds on highway expansion. Michigan's population is projected to increase by 7.6 percent, but is planning to spend 9 percent on new road capacity.

At the same time, transportation trends are changing and urgent transportation needs are unmet:

- The average Wisconsinite was driving nearly 500 fewer miles in 2010 than in 2004, when vehicles miles traveled (VMTs) and VMTs per capita peaked.
- This trend away from driving is even more pronounced among young people. The average young person (age 16-34) drove 23 percent fewer miles in 2009 than the average young person in 2001.
- Meanwhile, the travel by young people on public transportation nationally increased exponentially. From 2001 to 2009, the number of passenger-miles on public transit by people ages 16 to 34 increased by 40% nationwide.
- According to a 2008 report, 43 percent of Wisconsin's roads were rated as being in "less than good" condition.[2]

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[1] U.S. Census Bureau, Population Projections, http://www.census.gov/population/projections/data/state/projectionsagesex.html.

- 1,142 structurally deficient bridges in Wisconsin stood in need of repair in 2010.

WISPIRG recommends that state leader reevaluate our state transportation planning process in order to reflect population, demographic and transportation trends. In addition, state leaders should get our transportation priorities straight by cutting wasteful spending on unnecessary and costly highway projects and prioritizing the repair and maintenance of local roads and bridges and the transit infrastructure that Wisconsinites, especially young and elderly residents, are using in record numbers.

Introduction

Recent research by the Tri-State Transportation Campaign comparing Wisconsin's planned spending on transportation projects to other states' transportation spending finds a relatively large and significant percentage of its transportation dollars committed to building new and wider roads and highways. This strong emphasis might make more sense if Wisconsin is experiencing and expects especially large increases in the volume of driving in the coming years. But, a review of population growth and travel trends in Wisconsin suggests otherwise.

The miles driven annually by Wisconsinites is decreasing, especially among young people, and compared to other states, Wisconsin is experiencing relatively slow population growth. Its population is projected by the U.S. Census to grow at about half the national growth rate between 2000 and 2030. Without rapid population growth or a significant increase in vehicle miles travelled by Wisconsin drivers, the need for significant investments in new and expanded highways would be questionable even if the state did not face budget shortfalls and a backlog of other transportation needs.

According to the Tri-State Transportation Campaign's report, *Tracking State Transportation Dollars*, and their data on Wisconsin, which was released in August 2012, Wisconsin's Department of Transportation plans to spend 30 percent, or $1.6 billion, of its State Transportation Improvement Plan (STIP) dollars on *new* road capacity, making new capacity second only to the category of road maintenance and minor widening projects, which total $2.4 billion or 46 percent of STIP dollars. Only ten other state governments are planning to spend a larger portion of their transportation improvement funds on new roads – and many of those states' populations are some of the fastest growing in the nation, such as Nevada, Arizona, Texas, North Carolina and Utah.

Many state leaders have called for more restrained and responsible state spending, with a focus on rooting out wasteful and unnecessary expenditures. New highways and highway expansions are costly, often costing hundreds of millions of taxpayer dollars on a single project. Given Wisconsin's relatively

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1 A mile of road in good condition has an International Roughness Index (IRI) of less than 95, meaning that over that mile, a standardized meter travels up and down less than 95 inches. A mile of Interstate in fair condition has an IRI of 95 to 120, and a mile of Interstate in mediocre condition has an IRI of 120 to 170, and a mile of Interstate in poor condition has an IRI of 170 or more. For roadways that are not part of the Interstate Highway System, fair = IRI of 95 to 144, mediocre = 171-220, and poor = greater than 220. Data: Federal Highway Administration, Highway Statistics 2008, Table HM-64, October 2009; Definitions: Federal Highway Administration, 1999 Status of the Nation's Highways, Bridges and Transit: Conditions and Performance, May 2000. The entire Interstate Highway System approved by the Federal-Aid Highway Act of 1956 was 41,000 miles. See Federal Highway Administration, Dwight D. Eisenhower National System of Interstate and Defense Highways, 10 May 2009, available at www.fhwa.dot.gov.

modest population growth, its decreasing per-capita vehicle miles traveled, and serious repair needs for existing infrastructure, Wisconsin would be prudent to spend more modestly on shiny new roads.

Major Findings

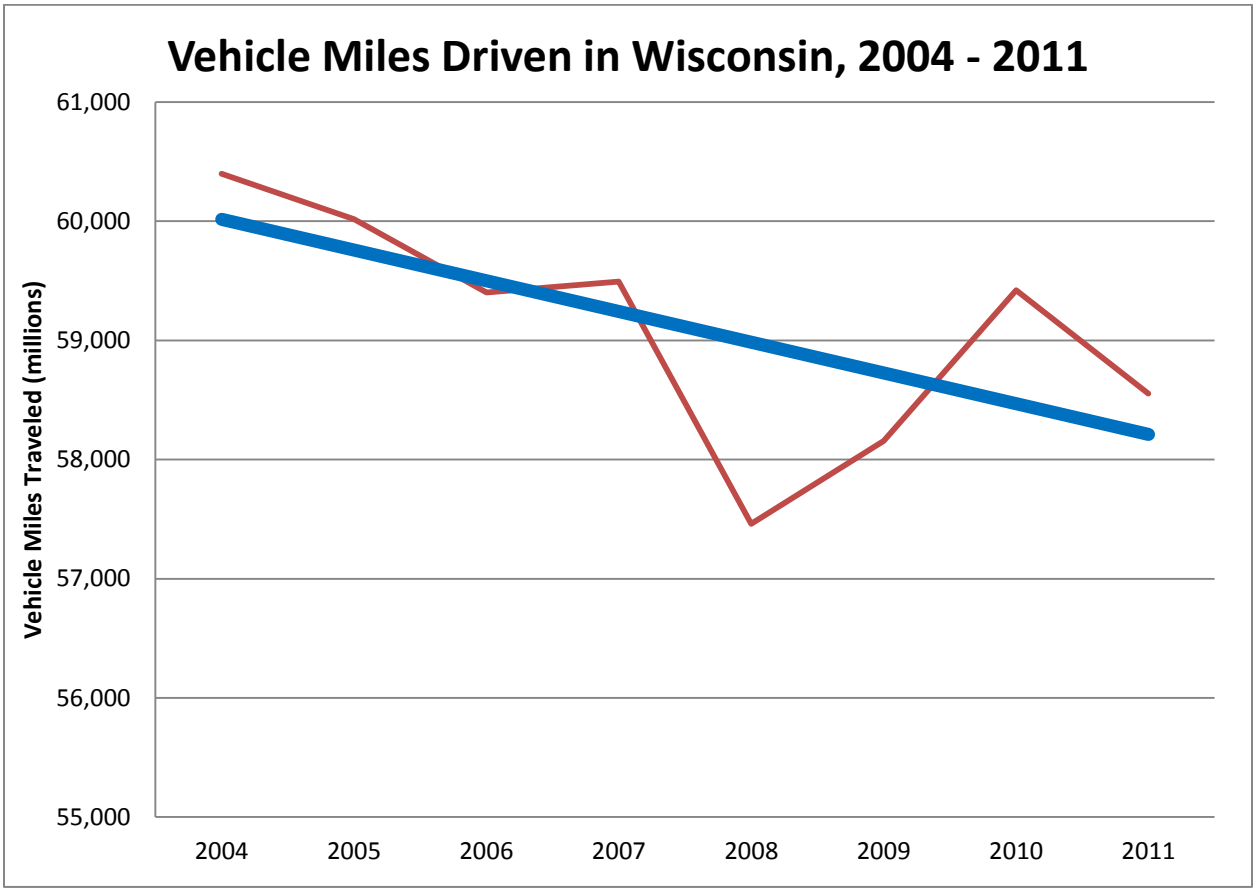
Our analysis of Tri-State's report findings, U.S. Census Bureau reports on population growth, and Wisconsin travel trends found that:

- Wisconsin ranks 11th among the 50 states on the percentage of funds it is committing to new road capacity, with 30% of its State Transportation Improvement Plan (STIP) designated for new capacity, compared to a national average of 19% committed to new capacity.
- Wisconsin ranks 28th among the fifty states in projected population growth from 2000-2030.
- Wisconsin's population is projected to increase only 14.7 percent from 2000-2030, approximately half the national average of 29.2 percent[3].
- Of the 21 states that have committed 20 percent or more of their STIP to new road capacity, 13 are in the top 20 states for projected population growth from 2000-2030.
- While the number of vehicle miles travelled (VMT) within Wisconsin almost doubled between 1980 and 2004, the volume of VMT has remained stagnant since. The number of vehicle miles travelled in Wisconsin began falling four years before the current economic slowdown, from 60,398 million miles in 2004 to 58,554 million in 2011.[4]
- According to recent statistics for Wisconsin which end in October 2012, vehicle miles traveled continue to stagnate, increasing by less than 1% over the past 12 months. As of July 2012 vehicle miles traveled were down 0.6 percent over the previous 12 months, despite the slight improvement in the economy.[5]

[3] U.S. Census Bureau, Population Projections, http://www.census.gov/population/projections/data/state/projectionsagesex.html.

[4] Wisconsin Department of Transportation Travel Volume Trends, available at http://www.dot.wisconsin.gov/travel/counts/docs/vmt2004.pdf and http://www.dot.wisconsin.gov/travel/counts/docs/vmt2011.pdf

[5] Federal Highway Administration, "Traffic Volume Trends," July 2012, XLS download, tab 6, accessed October 10, 2012 at http://www.fhwa.dot.gov/policyinformation/travel_monitoring/tvt.cfm



Wisconsin is one of a few states that stand out like a sore thumb with regard to how much the state plans to spend on new road capacity and highway development when you consider our relatively slow population and driving growth. The trends hardly justify diverting transportation resources from other uses and modes.

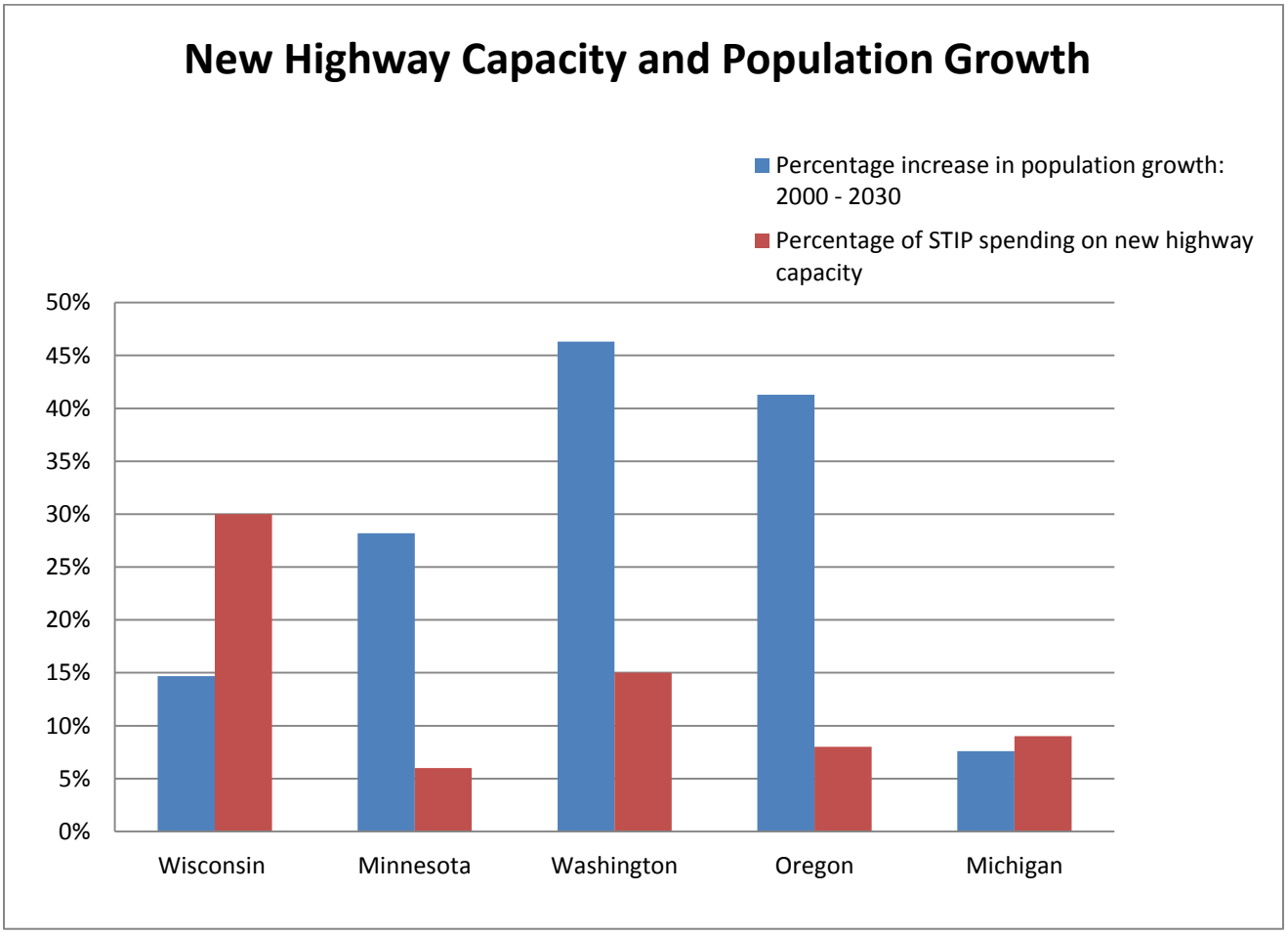
Are Wisconsin's transportation dollars being spent wisely to address our most urgent needs, or are we wasting precious transportation dollars on highway expansions that aren't needed?

Other States

All states are required to designate a State Transportation Improvement Plan (STIP), listing the projects they plan to advance in coming years.[6] By examining other states' STIPs and their projected population growth, we might glean some perspective on how skewed Wisconsin's planned appropriations appear to be. For example, Arizona is expected to see the fastest population growth of any state. The population of Arizona is projected to grow by 5.5 million people from 2000 to 2030, a 108 percent increase. It is not surprising, therefore, that Arizona plans to spend a whopping 52 percent of their STIP on highway expansion. While prudent transportation planning would invest in a multi-modal system that does not lead to greater dependence on oil and potentially gridlocked traffic congestion, it makes a little more sense that Arizona is second among the 50 states in their percentage of STIP

[6] States take seriously the task of which projects they list on their STIP because eligibility for federal funds sometimes depends on a project being included on the STIP.

planned to be spent on new road capacity. Conversely, North Dakota, with negative population growth projected during these decades, is not planning to spend hardly any money on new roads (2 percent).



Misplaced Priorities

In addition to relatively slow population growth, Wisconsin's transportation trends and infrastructure needs seem to indicate that Wisconsin's STIP priorities are misplaced. Consider:

- According to a 2008 report, 43 percent of Wisconsin's roads were rated as being in "less than good" condition.[7]
- 1,142 structurally deficient bridges in Wisconsin stood in need of repair in 2010.
- Vehicles miles traveled are decreasing per capita. The average Wisconsinite was driving nearly 500 fewer miles in 2010 than in 2004, when vehicles miles traveled (VMTs) and VMTs per capita peaked.

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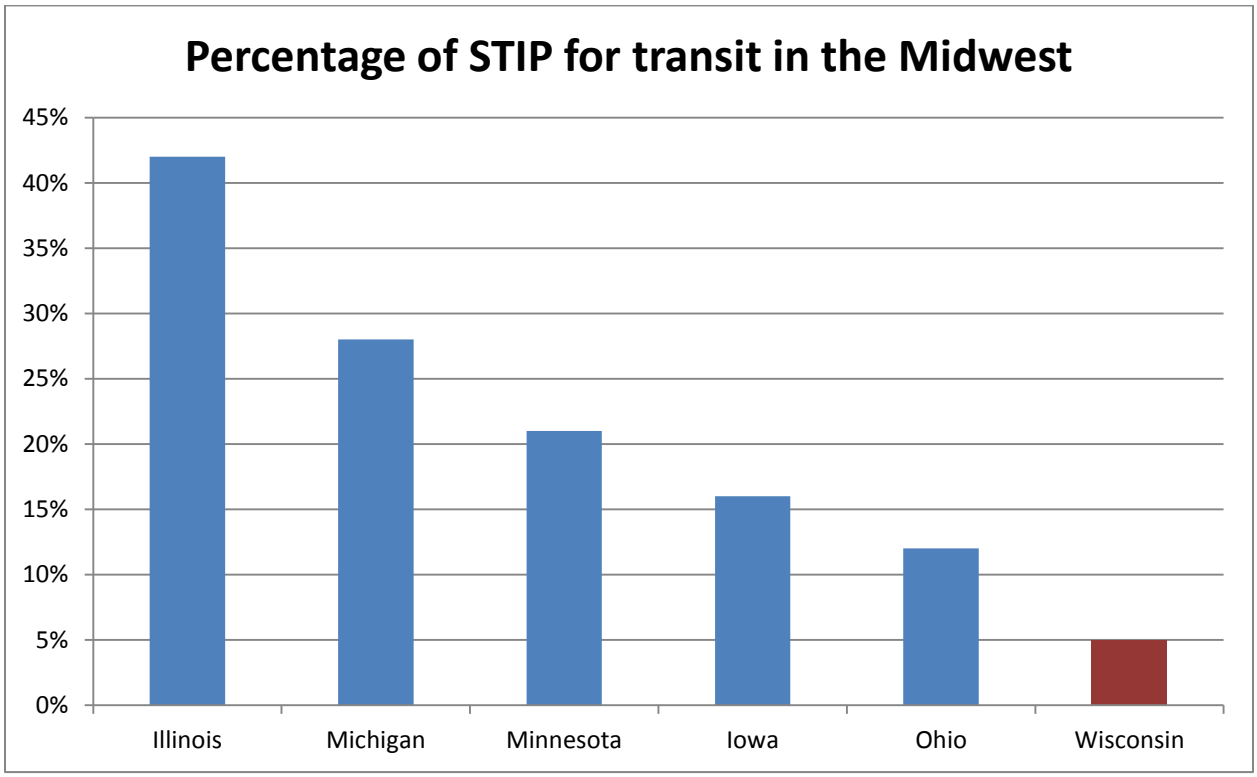
1 A mile of road in good condition has an International Roughness Index (IRI) of less than 95, meaning that over that mile, a standardized meter travels up and down less than 95 inches. A mile of Interstate in fair condition has an IRI of 95 to 120, and a mile of Interstate in mediocre condition has an IRI of 120 to 170, and a mile of Interstate in poor condition has an IRI of 170 or more. For roadways that are not part of the Interstate Highway System, fair = IRI of 95 to 144, mediocre = 171-220, and poor = greater than 220. Data: Federal Highway Administration, Highway Statistics 2008, Table HM-64, October 2009; Definitions: Federal Highway Administration, 1999 Status of the Nation's Highways, Bridges and Transit: Conditions and Performance, May 2000. The entire Interstate Highway System approved by the Federal-Aid Highway Act of 1956 was 41,000 miles. See Federal Highway Administration, Dwight D. Eisenhower National System of Interstate and Defense Highways, 10 May 2009, available at www.fhwa.dot.gov.

- This trend away from driving is even more pronounced among young people around the country. The average young person (age 16-34) drove 23 percent fewer miles in 2009 than the average young person in 2001.
- A growing number of young Americans do not have driver's licenses; from 2000 to 2010, the share of 14 to 34-year-olds without a license increased from 21 percent to 26 percent. The percentage of 14-34 year-olds in Wisconsin without a driver's license increased by 2 percent in this same time frame.
- Meanwhile, the travel by young people on public transportation nationally increased exponentially. From 2001 to 2009, the number of passenger-miles on public transit by people ages 16 to 34 increased by 40% nationwide.
- Additionally, in 2009, young Americans also walked up to 16% more and biked up to 24% than they did in 2001, when driving was still at its peak.



Significant repair needs confront state leaders and particularly many local leaders across the state who are struggling to fill potholes on local roads and maintain infrastructure. While local governments clamor for dwindling state aid to assist with the repair of local roads and bridges that are too often in poor condition, state leaders cut funding for local road repair in the 2011-2013 biennial budget. Meanwhile funding for state highway projects increased.

In a stunning move, state leaders approved in the 2011-2013 biennial budget the enumeration of four new major highway projects whose need and justification were questionable at best. These four projects total at least $1.2 billion and will consume a significant percentage of Wisconsin's future state transportation spending. Worse yet, a May 2011 WISPIRG Foundation report, *Building Boondoggles: Is Governor Walker Spending Billion on Four Roads to Nowhere?*, examined official documents and found unanswered questions, outdated justifying data, and insufficient review for these four new major

highway projects. Taxpayers could be footing the bill for wasteful projects while road and bridge repair needs are neglected as a result of funding cuts.

Recommendations

Given Wisconsin's backlog of repair needs and new transportation trends, it is not clear why Wisconsin is so focused on building new and wider highways rather than repairing what we already have or providing and improving other transportation options like enhanced transit or bike and pedestrian improvements. What is clear is that policymakers need to be aware that our current transportation policy-making and financing is out-of-step with both Wisconsin's current needs and the expressed preferences of growing numbers of Wisconsinites. At the very least, our state transportation planning system needs to be reevaluated. We simply cannot afford to divert precious transportation resources to wasteful, new projects when urgent needs remain neglected. Wisconsin should do the following to reform and improve future transportation planning and financing decisions:

- **Require that proposals for new roads and highway expansions include recent population growth and transportation trend data, and factor it into their justification.** Given population growth and transportation trends in Wisconsin, highway expansion projects should be the exception rather than the rule. As such, any new capacity project must be justified, including evidence to suggest that demand (through either an increase in the number of drivers or an increase in miles driven per driver) requires this investment,.
- **Reduce funding for new capacity and reprioritize funding for repair and maintenance and modes which are seeing increased use and demand.** Wisconsin simply cannot afford extravagant new highway capacity projects when people are driving less and when urgent repair needs are being neglected. Wisconsin needs a true Fix-It-First policy that makes sure urgent repair needs are addressed first and that costly new capacity projects are invested in only when there is both adequate justification and adequate resources after repair and maintenance needs are met.
- **Increase funding for the Local Road Improvement Program (LRIP) and for General Transportation Aids (GTAs).** Our local repair needs are significant and strapped local governments are already struggling to maintain and repair local roads and bridges. With the imposition of property levy limits, local leaders will have fewer tools and resources to repair roads and bridges. State leaders should restore the roughly 10% cut imposed on local communities in the 2011-2013 biennial budget and increase this budget by at least 10% in the next biennium.
- **Increase funding for transit, bike and pedestrian infrastructure.** People are biking, walking and taking transit more, despite the fact that poor and under-funded infrastructure is woefully inadequate to make these viable modal options for many Wisconsinites. Given emerging transportation trends and the economic and values-based factors driving these modal shifts, increased investment in transit, bike and pedestrian infrastructure is likely to accommodate those trends, increase usage and demand, and benefit all Wisconsinites through improved energy security, reduced pollution and reduced traffic congestion. After all, investments in these modes might be more cost-efficient ways to alleviate congestion for taxpayers since many bike, pedestrian and transit improvements can cost a fraction of the budget of many new road capacity projects.

- **Require that all projects be evaluated for their impact on transportation-induced problems.** State planning and funding decision should evaluate each project for its impact on oil consumption, water and air quality, congestion, safety, and global warming pollution. This evaluation should also assess alternative options for meeting the transportation needs and ultimately weight projects based on the net benefits to reducing oil dependency, improving air and water quality, reducing congestion, improving safety, reducing global warming emissions, and supporting healthy, sustainable communities. Precious transportation resources should be spent with an eye towards efficiently meeting needs while also solving our state's biggest problems.

State	New Road Capacity	Rank of % Increase in Population Growth 2000-2030	State	Projected Population Growth	% Increase in Population 2000-2030	% Increase in Population Growth Rank
North Carolina	58%	7	Nevada	2,283,845	114.3	1
Arizona	52%	2	Arizona	5,581,765	108.8	2
Indiana	45%	31	Florida	12,703,391	79.5	3
Mississippi	45%	37	Texas	12,465,924	59.8	4
Kentucky	43%	30	Utah	1,252,198	56.1	5
Utah	38%	5	Idaho	675,671	52.2	6
Texas	36%	4	North Carolina	4,178,426	51.9	7
Alabama	34%	35	Georgia	3,831,385	46.8	8
Nevada	33%	1	Washington	2,730,680	46.3	9
New Hampshire	33%	15	Oregon	1,412,519	41.3	10
Wisconsin	30%	28	Virginia	2,746,504	38.8	11
Tennessee	29%	17	Alaska	240,742	38.4	12
Georgia	28%	8	California	12,573,213	37.1	13
New Mexico	26%	26	Colorado	1,491,096	34.7	14
California	24%	13	New Hampshire	410,685	33.2	15
Kansas	24%	36	Maryland	1,725,765	32.6	16
Delaware	24%	18	Tennessee	1,691,351	29.7	17
Maryland	23%	16	Delaware	229,058	29.2	18
Iowa	23%	48	South Carolina	1,136,557	28.3	19
South Carolina	22%	19	Minnesota	1,386,651	28.2	20
Idaho	20%	6	Arkansas	566,808	21.2	21
Florida	19%	3	Hawaii	254,509	21.0	22
Illinois	18%	39	Vermont	103,040	16.9	23
West Virginia	18%	49	New Jersey	1,388,090	16.5	24
New Jersey	17%	24	Montana	142,703	15.8	25
Washington	15%	9	New Mexico	280,662	15.4	26
Alaska	15%	12	Missouri	834,962	14.9	27
Louisiana	13%	41	Wisconsin	787,089	14.7	28
Virginia	12%	11	Oklahoma	462,597	13.4	29
Missouri	12%	27	Kentucky	513,229	12.7	30
Oklahoma	12%	29	Indiana	729,623	12.0	31
Arkansas	12%	21	Maine	136,174	10.7	32
Vermont	12%	23	Massachusetts	662,912	10.4	33

Ohio	11%	47	Rhode Island	104,622	10.0	34
Michigan	9%	40	Alabama	427,143	9.6	35
Massachusetts	9%	33	Kansas	251,666	9.4	36
Oregon	8%	10	Mississippi	247,752	8.7	37
South Dakota	8%	43	Connecticut	283,065	8.3	38
Wyoming	8%	44	Illinois	1,013,599	8.2	39
Pennsylvania	6%	45	Michigan	755,728	7.6	40
Minnesota	6%	20	Louisiana	333,657	7.5	41
Colorado	6%	14	Nebraska	108,984	6.4	42
Nebraska	6%	42	South Dakota	45,618	6.0	43
Hawaii	6%	22	Wyoming	29,197	5.9	44
Rhode Island	5%	34	Pennsylvania	487,130	4.0	45
Maine	3%	32	New York	500,972	2.6	46
New York	2%	46	Ohio	197,388	1.7	47
North Dakota	2%	50	Iowa	28,848	1.0	48
Montana	1%	25	West Virginia	-88,385	-4.9	49
Connecticut			North Dakota	-35,634	-5.5	50
District of Columbia			District of Columbia	-138,645	-24.2	51