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STATE OF WISCONSIN

P.O. Box 7863
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June 27, 2016

Mark Gottlieb, Secretary
Department of Transportation
4802 Sheboygan Avenue
Madison, WI 53707-7910

Re: September 15 Agency Budget Request

Secretary Gottlieb:

Maintaining a safe and efficient transportation system is a priority for our administration. Since taking office, we have invested more than \$18 billion into our transportation system, and we increased the amount sent to local governments to help maintain their infrastructure in 2015. As you are aware, we invested \$2 billion more into Wisconsin's transportation infrastructure compared to the six years before we took office.

According to data provided by your department's performance measurement program, more than 90 percent of our most heavily traveled highways are rated fair or better in condition. These are the roads carrying roughly half of all traffic and 70 percent of our freight. This summer, a Wisconsin resident would be hard pressed to travel the state and not see road construction taking place with more than 300 projects set to be completed this year. Thank you to you and your team for your dedication to maintaining a safe and efficient transportation system.

As you know, state agencies are required to submit their budgets by September 15 of each even-numbered year. Typically, the Department of Transportation (DOT) submits a partial budget prior to the deadline and its full budget in November. This year, I am instructing you to submit a complete transportation budget request by September 15 in order to allow for a full public discussion.

Develop a budget request with specific priorities in mind. Identify efficiency savings within DOT, including the implementation of less costly design practices, and examine federal mandates that increase costs and other mechanisms that can save taxpayer dollars. Savings need to be given to local road aids and highway maintenance.

Ensuring safety on our local roads and state highways is a priority for our administration. Therefore, your budget request must include an increase in local road aids and state highway maintenance.

Proposed spending on mega projects in Southeastern Wisconsin should be minimized. Any such projects should be prioritized based on our needs, not our wants. Large needs-based projects should have their designs reviewed to save taxpayer dollars while maximizing maintenance and safety. To put this into perspective, \$580 million was saved on the Zoo Interchange through design changes alone. This is significant when you consider a one cent increase to the gas tax would provide roughly \$32 million annually.

As you know, our last budget contained the lowest levels of new borrowing in at least 20 years. A recent Pew Charitable Trusts study ranked Wisconsin fourth lowest in the nation for total long-term obligations. To maintain our good financial standing, hold bonding to a reasonable level in your budget. Roads built to last for decades can reasonably be paid for by the users of those roads over the roads' lifetimes. Overall, we want to keep new bonding levels low.

On the question of additional revenues, we have taken action to provide more than \$4.7 billion in tax relief since taking office, yet Wisconsin residents remain overtaxed. For decades, the state's gas tax has been among the highest in the nation. Raising the gas tax or vehicle registration fees without an equal or greater reduction in taxes elsewhere is not an option, and it would throw a wet blanket on our growing economy.

According to the latest data from the Federal Highway Administration, Wisconsin spends more on state highways per capita than almost any other neighboring state. We can spend what revenues we have more efficiently and effectively by setting these priorities and living within our means.

Thank you. I look forward to reviewing your proposed transportation budget that will focus on safety and maintenance of the existing system, as well as additional assistance for local governments to do the same.

Sincerely,

A handwritten signature in black ink, appearing to be 'S. Walker', written in a cursive style.

Scott Walker
Governor