



Legislative Fiscal Bureau

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November 30, 2016

TO: Members
Assembly Committee on Transportation

FROM: Bob Lang, Director

SUBJECT: 2017-19 Budget Request of the Department of Transportation

On December 6, 2016, the Assembly Committee on Transportation has scheduled a public hearing on the Department of Transportation's 2017-19 budget request. The meeting is scheduled to begin at 10:00 a.m. in Room 412 East, State Capitol.

In order to assist the Committee for its public hearing, the Legislative Fiscal Bureau has prepared the attached summary of each of the provisions of the Department's budget request.

The document contains a funding and position table as well as a brief narrative description and fiscal effect, if any, of each requested item. In addition to the budget request, 2015 Act 201 requires executive branch agencies to submit proposals to: (1) maintain state operations appropriations at the base level; and (2) reduce state operations appropriations by 5%. A listing of the Department's response to Act 201 is displayed at the end of the attached document.

Staff of the Legislative Fiscal Bureau (Al Runde, Ryan Horton, and John Wilson-Tepeli) will attend the Committee's public hearing to respond to questions regarding the document.

BL/sas
Attachment

DEPARTMENT OF TRANSPORTATION

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%		2017-18	2018-19	Number	%
GPR	\$109,442,200	\$109,442,200	\$109,442,200	\$0	0.0%	0.00	0.00	0.00	0.00	N.A.
FED	828,444,000	872,512,300	890,873,800	106,498,100	6.4	828.12	827.12	827.12	- 1.00	- 0.1%
PR	6,047,400	10,811,800	10,516,300	9,233,300	76.3	19.00	19.00	19.00	0.00	0.0
SEG	1,645,390,300	1,662,331,000	1,693,209,200	64,759,600	2.0	2,645.67	2,645.67	2,645.67	0.00	0.0
SEG-L	107,950,600	114,517,800	114,517,800	13,134,400	6.1	0.00	0.00	0.00	0.00	N.A.
SEG-S	105,487,800	273,555,600	265,833,600	328,413,600	155.7	5.00	5.00	5.00	0.00	0.0
TOTAL	\$2,802,762,300	\$3,043,170,700	\$3,084,392,900	\$522,039,000	9.3%	3,497.79	3,496.79	3,496.79	- 1.00	0.0%
BR		\$695,007,400								

Major Request Items

Transportation Finance

1. FUND CONDITION STATEMENT

The following table shows the 2017-19 transportation fund condition statement reflecting the Department of Transportation's (DOT) budget request. The "General Fund Transfer" amounts are an estimate of the annual statutory transfers that will be made from the general fund to the transportation fund. Appropriations to the Department of Transportation represent the bulk of the appropriations from the transportation fund. The "Other Agency Appropriations" amounts reflect the Department's estimate of other agencies' transportation fund appropriations in the biennium.

	<u>2017-18</u>	<u>2018-19</u>
Unappropriated Balance, July 1	\$57,733,800	\$55,387,300
Revenues		
Motor Fuel Tax	\$1,031,376,600	\$1,027,576,600
Vehicle Registration	705,229,900	706,476,900
Less Revenue Bond Debt Service	-249,354,500	-258,810,000
General Fund Transfer	39,720,300	40,925,300
Petroleum Inspection Fund Transfers	25,258,500	25,258,500
Driver's License Fees	37,636,400	37,853,300
Miscellaneous Motor Vehicle Fees	27,873,700	28,110,400
Aeronautical Taxes and Fees	6,844,100	7,062,600
Railroad Taxes and Fees	41,664,700	44,330,200
Miscellaneous Departmental Revenues	21,352,700	20,912,000
Investment Earnings	<u>376,000</u>	<u>376,000</u>
Total Annual Revenues	\$1,687,978,400	\$1,680,071,800
 Total Available	 \$1,745,712,200	 \$1,735,459,100
Appropriations and Reserves		
DOT Appropriations	\$1,661,932,800	\$1,692,811,000
Other Agency Appropriations	26,746,400	26,795,700
Less Estimated Lapses	-3,500,000	-3,500,000
Compensation and Other Reserves	<u>5,145,700</u>	<u>10,137,000</u>
Net Appropriations and Reserves	\$1,690,324,900	\$1,726,243,700
 Unappropriated Balance, June 30	 \$55,387,300	 \$9,215,400

2. USE OF REVENUES FROM OTHER FUNDS TO SUPPORT TRANSPORTATION PROGRAMS

Under the Department's request, revenue from the general fund and the petroleum inspection fund would be used to support transportation programs. To reflect estimated changes in general fund tax collections included in the Department of Administration's November 21, 2016 report, current law general fund transfers have been adjusted by \$262,000 (0.7%) in 2017-18 and by \$1,467,000 (3.7%) in 2018-19 compared to the base year transfer of \$39,458,300. The table below shows these provisions, separated by ongoing, current law transfers and proposed changes.

	<u>2017-18</u>	<u>2018-19</u>	<u>Biennial Total</u>
Current Law*			
<i>General Fund</i>			
0.25% Transfer of General Fund Taxes	\$39,720,300	\$40,925,300	\$80,645,600
<i>Petroleum Inspection Fund</i>			
Ongoing Appropriation Transfer	<u>6,258,500</u>	<u>6,258,500</u>	<u>12,517,000</u>
Subtotal, Current Law Transfers	\$45,978,800	\$47,183,800	\$93,162,600
Budget Request			
<i>Petroleum Inspection Fund</i>			
One-time Transfers	\$19,000,000	\$19,000,000	\$38,000,000
Total			
General Fund	\$39,720,300	\$40,925,300	\$80,645,600
Petroleum Inspection Fund	<u>25,258,500</u>	<u>25,258,500</u>	<u>50,517,000</u>
Both Funds	\$64,978,800	\$66,183,800	\$131,162,600

*Excludes debt service amounts on general fund-supported bonds issued for transportation purposes.

3. TRANSFER OF PETROLEUM INSPECTION FUND REVENUE

SEG-Transfer	\$38,000,000
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Request the transfer of \$19,000,000 annually during the 2017-19 biennium from petroleum inspection fund (PIF) to the transportation fund. This transfer would be in addition to the existing ongoing transfer of \$6,258,500 annually from the petroleum inspection fund to the transportation fund. As a result, the total estimated PIF revenues provided to the transportation fund would be \$25,258,500 annually compared to a total of \$27,258,500 annually in the 2015-17 biennium in ongoing (\$6,258,500) and one-time (\$21,000,000) transfers.

The petroleum inspection fund was originally established to fund the petroleum environmental cleanup fund award (PECFA) program, which was created in response to federal legislation requiring the cleanup of underground storage tanks. The fund receives revenue from a 2.0 cents per gallon petroleum inspection fee on petroleum products (primarily home heating fuel and motor fuel) distributed in the state. Under the Department's request, DNR would continue to oversee the management of the PECFA program. Revenues to the petroleum inspection fund are first used by a trustee to pay for annual debt service on outstanding revenue bond obligations and interest on outstanding commercial paper obligations, both of which were issued to fund cleanup and remediation actions at PECFA sites. Remaining funds after annual debt service obligations are met are currently deposited to the petroleum inspection and used to cover: (a) PECFA program costs and administration; (b) petroleum inspection and tank regulation; (c) transfers to the transportation fund; (d) environmental and other programs in several state agencies; and (e) to make any payments on the program's outstanding commercial paper obligation principal.

4. ALLOCATION OF FEDERAL HIGHWAY AID

Estimate federal highway formula aid at \$773,037,600 in 2017-18 and \$790,558,700 in 2018-19, which represents an increase of \$59,317,200 in 2017-18 and \$76,838,300 in 2018-19, relative to the 2016-17 appropriation base.

The increased, 2017-19 aid amounts reflect the relatively higher, anticipated level of federal highway aid under the most recent federal surface transportation authorization act (the Fixing America's Surface Transportation (FAST) Act). The actual amount of the state's federal highway aid in 2017-19 will be determined on an annual basis under federal transportation appropriations acts of Congress.

The following table shows the change to the appropriation base requested by the Department and the resulting distribution of federal highway formula aid. As shown in the table, the Department's request would transfer federal highway aid from the state highway rehabilitation program, department management and operations, administration and planning, and two local assistance programs to support the southeast Wisconsin freeway megaprojects and major highway development programs, as well as a new appropriation for intelligent transportation systems and traffic control signals in the state highway maintenance program.

	Appropriation Base	Change to Base		Budget Request Totals	
		2017-18	2018-19	2017-18	2018-19
State Highway Rehabilitation	\$468,758,000	-\$51,795,700	-\$52,534,000	\$416,962,300	\$416,224,000
Southeast Freeway Megaprojects	101,100	59,643,900	34,887,000	59,745,000	34,988,100
Major Highway Development	107,537,000	49,772,900	92,789,200	157,309,900	200,326,200
Highway System Mgmt. and Ops.	1,102,500	0	0	1,102,500	1,102,500
Departmental Mgmt. and Ops.	14,931,200	-1,169,900	-1,169,900	13,761,300	13,761,300
Administration and Planning	3,573,900	-52,400	-52,400	3,521,500	3,521,500
Local Transportation Facility					
Improvement Assistance	72,243,300	-32,000	-32,000	72,211,300	72,211,300
Local Bridge Improvement	24,413,300	-49,600	-49,600	24,363,700	24,363,700
Railroad Crossing Improvements	3,291,800	0	0	3,291,800	3,291,800
Transportation Alternatives	7,049,300	0	0	7,049,300	7,049,300
Congestion Mitigation/Air					
Quality Improvement	10,719,000	0	0	10,719,000	10,719,000
Intelligent Transportation Systems And Traffic Control Signals	<u>0</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>
Total	\$713,720,400	\$59,317,200	\$76,838,300	\$773,037,600	\$790,558,700

5. TRANSPORTATION-RELATED BOND SUMMARY

The following table summarizes the biennial usage of bonds for transportation projects in the 2015-17 biennium and under the Department's request for the 2017-19 biennium, by type of bond and program or project. The Department did not request the authorization of any general fund-supported, general obligation bonding for the 2017-19 biennium. The amounts shown for the use transportation revenue bonds reflect the SEG-S appropriations for the various programs using these bonds. These projects are initially financed through a temporary use of cash balances in the transportation fund. Eventually, bonds are sold to replenish those balances and this

becomes the ultimate financing source for these projects. Due to this distinction, the SEG-S appropriation amounts in a budget do not always coincide with the amount of revenue bonds authorized.

	<u>Department Request</u>	
	<u>2015-17</u>	<u>2017-19</u>
Transportation Fund-Supported, General Obligation Bonds		
Freight Rail Preservation	\$29,800,000	\$12,000,000
Harbor Assistance	13,200,000	14,100,000
High-Cost Bridge/Major Interstate Bridges	36,800,000	0
Southeast Wisconsin Freeway Megaprojects	300,000,000	0
Major Highway Development*	100,000,000	0
State Highway Rehabilitation	<u>75,000,000</u>	<u>0</u>
Subtotal	\$554,800,000	\$26,100,000
Transportation Revenue Bonds		
Major Highway Development	\$169,012,200	\$153,281,700
State Highway Rehabilitation	0	308,738,300
2019-21 State Highway Program Bonding Authority	0	233,089,000
Administrative Facilities	<u>11,880,000</u>	<u>11,880,000</u>
Subtotal	\$180,892,200	\$706,989,000
Less Carryover Balance	<u>-17,478,600</u>	<u>-38,081,600</u>
New Authorization	\$163,413,600	\$668,907,400
General Fund-Supported, General Obligation Bonds		
Major Highway Development	\$100,000,000	\$0
State Highway Rehabilitation	75,000,000	0
Passenger Rail Development	<u>-43,000,000</u>	<u>0</u>
Subtotal	\$132,000,000	\$0
Total	\$850,213,600	\$695,007,400

*Under Section 9145(1v) of 2015 Act 55, as affected by the Joint Committee on Finance's action in November, 2015, a \$44.8 million reduction in transportation fund-supported, general obligation bonding provided to the major highway development program is required due to actual 2015-16 transportation fund revenues exceeding Act 55 estimates. DOT may submit a request in 2016-17 to replace the bonding reduction with the available transportation fund revenue. This table shows 2015-17 bonding levels for that program prior to any such adjustment.

6. TRANSPORTATION-RELATED DEBT SERVICE SUMMARY

This item summarizes the transportation fund-supported and general fund-supported debt service on transportation-related bonds under the Department's 2017-19 budget request.

Transportation Fund-Supported. Transportation fund-supported debt service on previously authorized bonds and the bonds requested in the biennium would total \$407,947,200 in 2017-18 and \$429,213,000 in 2018-19. The following table provides information on transportation fund-supported debt service levels for each year of the 2015-17 biennium, as well as debt service, as estimated by DOT, under the Department's request for each year of the 2017-19 biennium.

Gross Transportation Fund Revenue*
(Excluding Federal Aid, Bond Revenue, and Transfers from Other Funds)
and Transportation Fund-Supported Debt Service
(\$ in Millions)

<u>Fiscal Year</u>	<u>Transportation Fund Debt Service</u>	<u>Gross Transportation Fund Revenue</u>	<u>Debt Service as % of Revenue</u>
2015-16	\$340.8	\$1,867.4	18.2%
2016-17	372.2	1,849.9	20.1
2017-18	407.9	1,872.4	21.8
2018-19	429.2	1,872.7	22.9

*Revenue is shown before the payment of revenue bond debt service.

Note: Debt service and revenue values shown for 2015-16 are actual, while those values for other years are estimated.

General Fund-Supported. Per the Department of Administration's (DOA) 2017-19 biennial budget instructions, DOT did not submit a reestimate of debt service for general fund-supported, general obligation bonds issued for transportation purposes as a part of its 2017-19 budget request. Total, 2016-17 base funding for these general fund-supported debt service appropriations is equal to \$109,442,200 annually. DOA will include a reestimate of general fund-supported debt service as a part of the Governor's 2017-19 budget recommendations.

7. TRANSPORTATION REVENUE BOND AUTHORIZATION

BR	\$668,907,400
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Request the expanded use of the transportation revenue bond program to allow state highway rehabilitation projects as an eligible use of these bond proceeds. Request increased revenue bond authority of \$668,907,400, reflecting the Department's proposed use of revenue bonds for state highway rehabilitation projects, major highway development projects, and administrative facility construction projects. This total includes \$435,818,400 million in new authority that would be used in 2017-19, plus an additional \$233,089,000 in new authority that DOT indicates it would use for these programs in 2019-21 for projects begun, but not fully funded in the prior biennium. The Department's request proposes the total appropriation of \$473,900,000 in revenue bond proceeds during 2017-19 (\$38,081,600 from carryover authority plus \$435,818,400 in new transportation revenue bond authority), allocated as follows: (a) \$152,238,300 in 2017-18 and \$156,500,000 in 2018-19 for the state highway rehabilitation program; (b) \$82,632,700 in 2017-18 and \$70,649,000 in 2018-19 for the major highway development program; and (c) \$5,940,000 annually for administrative facility construction projects. Not all of this appropriation authority will result in bond sales in the 2017-19 biennium, due to the timing of projects. Similarly, some bond sales in the 2017-19 biennium will be associated with bond appropriation authority provided in the 2015-17 biennium. The Department's request is based on the level of remaining authorization, anticipated bond sales in the biennium for past appropriation authority plus a portion of the new appropriation authority, and \$233,089,000 in bond authorization to fund bond sales in the 2019-21 biennium related to projects started in the 2017-19 biennium.

8. TRANSPORTATION REVENUE BOND DEBT SERVICE REESTIMATE

SEG-REV	- \$48,409,100
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Request a decrease in estimated transportation fund revenue of \$19,476,800 in 2017-18 and \$28,932,300 in 2018-19 to reflect increases in the amount of vehicle registration revenue needed to pay principal and interest on transportation revenue bonds. Revenue bond debt service is paid from vehicle registration revenue prior to that revenue being deposited in the transportation fund. Consequently, debt service payments are considered negative revenue rather than a transportation fund expenditure. Total transportation revenue bond debt service in 2016-17 is estimated at \$229,877,700 an amount that is projected to increase under the Department's request to \$249,354,500 in 2017-18 and \$258,810,000 in 2018-19.

9. EXISTING TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE -- OTHER PROJECTS

SEG	\$15,848,900
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Request an increase in funding of \$6,881,700 in 2017-18 and \$8,967,200 in 2018-19 to reflect a reestimate of debt service payments on existing transportation fund-supported, general obligation bonds authorized for state highway rehabilitation, major highway development, freight rail preservation, harbor improvement projects, and department facilities. With this reestimate, total debt service on these existing bonds would equal \$60,658,900 in 2017-18 and \$62,744,400 in 2018-19. The Department's request would authorize additional bonds for the freight rail preservation (\$12,000,000) and harbor assistance (\$14,100,000) programs. The debt service associated with the additional bonds for freight rail preservation and harbor improvement projects is reflected under the entries for those programs.

10. EXISTING TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE -- CONTINGENT HIGHWAY BONDS

SEG	\$11,490,700
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Request an increase in funding of \$2,968,100 in 2017-18 and \$8,522,600 in 2018-19 to reflect a reestimate of debt service payments on existing transportation fund-supported, general obligation bonds authorized for state highway rehabilitation and major highway development projects. With this reestimate, total debt service on these previously-authorized bonds would be \$4,759,100 in 2017-18 and \$10,313,600 in 2018-19.

11. EXISTING TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE -- SOUTHEAST WISCONSIN FREEWAY AND HIGH-COST BRIDGE PROJECTS

SEG	\$1,314,100
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Request a decrease of \$904,500 in 2017-18 and an increase in \$2,218,600 in 2018-19 to reflect reestimated debt service payments on existing transportation fund-supported, general obligation bonds authorized for southeast Wisconsin freeway reconstruction and high-cost bridge

projects. With this reestimate, total debt service on these previously-authorized bonds would be \$92,848,400 in 2017-18 and \$95,971,500 in 2018-19.

12. AUTHORITY TO COLLECT ODOMETER DATA AT VEHICLE REGISTRATION

Request statutory authority to collect, at the Department's discretion, odometer data as part of vehicle registration and re-registration. The Department indicates this authority would improve its ability to study the feasibility of implementing a mileage-based user fee in the future. Currently, odometer reading information is only collected as part of the titling process or the vehicle emissions testing process.

Local Transportation Aid

1. GENERAL TRANSPORTATION AIDS

SEG	\$45,985,200
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Request the following related to the general transportation aids program:

a. *County Aid.* Provide \$3,173,400 in 2017-18 and \$12,693,600 in 2018-19 to fund a 12.9% increase to the calendar year 2018 general transportation aid distribution for counties. The statutory, calendar year distribution for counties is currently equal to \$98,400,200 for 2017 and thereafter. This would provide a calendar year distribution amount for counties equal to \$111,093,800 for 2018 and thereafter.

b. *Municipal Aid.* Provide \$10,039,400 in 2017-18 and \$20,078,800 in 2018-19 to fund a 6.3% increase to the calendar year 2018 general transportation aid distribution for municipalities. The statutory, calendar year distribution level for municipalities is currently equal to \$321,260,500 for 2017 and thereafter. This would provide a calendar year distribution amount for municipalities equal to \$341,339,300 for 2018 and thereafter. The mileage aid rate would increase by 4% (from its current level of \$2,202 per mile) to \$2,290 per mile for calendar year 2018 and thereafter.

There are two basic formulas by which general transportation aid is distributed: (a) share of costs aid; and (b) mileage aid. Counties receive only share of costs aid, while municipalities (including towns) receive payments based on either share of costs aid or mileage aid, whichever is greater. Share of costs aid amounts are computed by multiplying each community's six-year average highway-related costs (2009 through 2014 for 2016 payments) by a statewide average cost-sharing percentage. Mileage aid is computed by multiplying the number of miles of road or street under the jurisdiction of each municipality by a specified mileage rate.

Under the Department's request, because calendar year aid is increased by 6.3% in total for municipalities, while the mileage aid rate is only increased by 4%, the percentage increases in

aid to municipalities on the share of costs formula would likely exceed the percentage increases for those on mileage aid (typically towns).

Delete the statutory references to calendar year funding amounts from 2013 and 2014 for counties and municipalities.

2. MASS TRANSIT OPERATING ASSISTANCE

Request no change to base level funding for DOT's mass transit operating assistance program. Total state funding from the transportation fund for mass transit operating assistance would equal \$110,737,500 SEG annually. The distribution of mass transit aid payments consists of the following four tiers: (a) \$64,193,900 annually for Milwaukee County/Transit Plus in Tier A-1 (b) \$16,868,000 annually for Madison in Tier A-2; (c) \$24,486,700 annually for the larger bus and shared ride taxi systems in Tier B; and (d) \$5,188,900 for smaller bus and shared-ride taxi systems in Tier C. No funding is provided for Tier A-3, which includes any commuter or light rail mass transit system enumerated as a major capital improvement in the statutes.

3. SENIORS AND INDIVIDUALS WITH DISABILITIES AIDS

SEG	\$840,500
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Request \$278,300 in 2017-18 and \$562,200 in 2018-19 for county assistance in the provision of seniors and individuals with disabilities specialized transportation services. Total state funding for county assistance would equal \$14,193,900 in 2017-18 and \$14,477,800 in 2018-19. This would provide a 2% annual increase in the county assistance appropriation.

4. TRIBAL ELDERLY TRANSPORTATION GRANT PROGRAM

GPR-Tribal	- \$297,000
PR	297,000

Request \$148,500 PR annually to provide the 11 federally recognized Wisconsin tribes with additional financial assistance to provide transportation service to tribal elders on and off tribal reservations. Funding for the program is transferred from the DOA's Indian gaming appropriation, to which gaming revenues are deposited, to DOT's grant appropriation. Any increase in Indian gaming receipts not otherwise credited to agency appropriation accounts are deposited in the general fund as general purpose revenue-earned (GPR-Tribal). Therefore, an increase in funding for DOT's tribal elderly transportation grant program will result in a decrease in monies deposited in the state's general fund.

5. LIFT BRIDGE AIDS PROGRAM

SEG	\$550,000
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Request \$275,000 annually for the lift bridge aids program, to reimburse communities for the estimated costs associated with the operation and maintenance of lift bridges on connecting highways. As a result, total funding for the program would be \$2,934,200 annually. The following four cities (operating nine lift bridges) receive aid through this program: (a) Green Bay; (b) Manitowoc; (c) Milwaukee; and (d) Racine. Request a statutory modification that would

change the program's appropriation from biennial to continuing, such that any remaining biennial program funding would accrue for ongoing use in that program rather than lapsing to the transportation fund balance.

6. CONVERT TRANSIT-RELATED ANNUAL APPROPRIATIONS TO CONTINUING

Request the conversion of six annual transit aid appropriations to continuing appropriations. This request would convert the paratransit aids appropriation as well as the five mass transit operating assistance appropriations, which distribute aid to tiers of systems based on the population served by the system. According to the Department, the continuing appropriations would provide DOT with the flexibility to ensure all program funds are distributed to eligible transit systems after their actual costs are determined. Under current law, all unused transit aid is lapsed to the transportation fund at the end of each fiscal year.

Local Transportation Assistance

1. TRAFFIC SIGNAL AND MARKING ENHANCEMENT GRANT PROGRAM TRANSFER

SEG-Transfer	\$1,025,700
SEG	1,025,700

Request the transfer of \$1,025,700 in 2017-18 from the balance in the local bridge improvement assistance program, local funds appropriation to the transportation fund. The Department requests a corresponding increase of \$1,025,700 SEG in 2017-18 to the highway and local bridge improvement assistance, state funds appropriation. The Department indicates that this local funding amount reflects unused, SEG grant funding from a traffic signal and marking enhancement program that was repealed under 2013 Act 20.

2. LOCAL ROAD IMPROVEMENT PROGRAM

SEG	\$14,000,000
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Request \$7,000,000 annually for the local road improvement program (LRIP) to be allocated as follows: (a) \$2,336,000 annually for the formula-based component of the program; and (b) \$4,664,000 annually for the discretionary grant component of the program. Of the \$4,664,000 annual funding increase for the discretionary component of the program, \$373,000 would be provided to counties, \$4,023,500 would be provided to municipalities, and \$267,500 would be provided to towns.

The Department's request would increase the annual statutory distribution of discretionary LRIP funding in 2017-18, and thereafter as follows: (a) the amount provided to counties from \$5,127,000 to \$5,500,000; (b) the amount provided to municipalities from \$976,500 to \$5,000,000; and (c) the amount provided to towns from \$5,732,500 to \$6,000,000. The table

below reflects biennial funding for LRIP under 2015-17 and the Department's requested 2017-19 level of funding for these program components.

Current Law and Requested Biennial LRIP Funding

	<u>2015-17</u>	2017-19 Department <u>Request</u>	<u>Difference</u>	<u>% Change</u>
Formula-Based Allocation*				
Counties (43%)	\$13,756,732	\$15,765,692	\$2,008,960	14.6%
Municipalities (28.5%)	9,117,834	10,449,354	1,331,520	14.6
Towns (28.5%)	<u>9,117,834</u>	<u>10,449,354</u>	<u>1,331,520</u>	14.6
Total Formula Funds	\$31,992,400	\$36,664,400	\$4,672,000	
Discretionary Allocation				
Counties	\$10,254,000	\$11,000,000	\$746,000	7.3%
Municipalities	1,953,000	10,000,000	8,047,000	412.0
Towns	<u>11,465,000</u>	<u>12,000,000</u>	<u>535,000</u>	4.7
Total Discretionary Funds	\$23,672,000	\$33,000,000	\$9,328,000	
 Biennial Program Total	 \$55,664,400	 \$69,664,400	 \$14,000,000	 25.2%

*Total, biennial local road improvement program funding is equal to \$56,066,000. Of this amount, \$401,600 from the formula-based allocation supports 3.0 positions in DNR for the environmental review of local road projects under current law and the Department's request. This amount is deducted from the total prior to calculating the percentage-based formula allocations shown in the top section of the table.

LRIP provides grants of state funds on a biennial basis for capital improvements on existing county, town, and municipal (city or village) roads and for feasibility studies for such improvements. For the purposes of the program, a capital improvement is defined as a project with a projected design life of at least 10 years. Grants may cover up to 50% of the total project cost, with the balance being provided, generally, by the local recipient.

Increase the allowable reimbursement amount for program applicants under the discretionary portion of the program by specifying that applicants would instead be eligible for reimbursement of not more than 60% of eligible costs (compared to 50% under current law). Applicants under the entitlement portion of the program would continue to be reimbursed for not more than 50% of eligible project costs.

3. LOCAL BRIDGE IMPROVEMENT ASSISTANCE PROGRAM SEG \$5,000,000

Request \$2,500,000 annually for the local bridge improvement assistance program to partially fund anticipated, unmet program demand. The local bridge improvement assistance program makes grants using both state and federal funds for bridges not on state trunk highways or connecting highways (urban streets marked with a state highway or U.S. highway number). Local governments are responsible for providing a funding match equal to at least 20% of eligible project costs.

4. FREIGHT RAIL PRESERVATION PROGRAM

BR	\$12,000,000
SEG	<u>781,500</u>
Total	\$12,781,500

Request \$12,000,000 in transportation fund-supported, general obligation bond authorization for the freight rail preservation program. Request an increase in funding of \$150,000 SEG in 2017-18 and \$631,500 SEG in 2018-19 to reflect estimated debt service on these bonds. The bonds authorized for this program may be used to acquire abandoned railroad lines or make improvements on lines already owned by the state to upgrade them to modern freight rail standards. The amount of bonds requested would be \$23,000,000 lower than the \$35,000,000 of total program resources provided in the 2015-17 biennium (\$29,800,000 in bonds, plus \$5,200,000 SEG).

5. HARBOR ASSISTANCE PROGRAM

BR	\$14,100,000
SEG	<u>918,300</u>
Total	\$15,018,300

Request \$14,100,000 in transportation fund-supported, general obligation bond authorization for the harbor assistance program, which provides grants for making capital improvements to harbors on the Great Lakes or the Mississippi River system. The requested amount would be \$900,000 more than the total bond authority provided to the program in the 2015-17 biennium (\$13,200,000). However, a provision of the 2015-17 biennial budget act earmarked up to \$4,220,000 for a harbor-related project in the City of Kewaunee, resulting in only \$8,980,000 generally available for projects in the biennium. Request an increase of \$176,300 SEG in 2017-18 and \$742,000 SEG in 2018-19 to reflect estimated debt service on these bonds.

6. TRANSPORTATION FACILITIES ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAM MODIFICATIONS

Request a statutory modification to the current law definition of "rail property," used in the transportation facilities economic assistance and development (TEA) program, to include facilities where freight is being transferred between rail and another mode of transportation. In addition, specify that such freight may be "containerized, bulk, or packaged." The TEA program provides grants to local governments for making infrastructure improvements designed to retain or attract businesses in the state by facilitating access to an economic development project. The transportation improvements may involve the construction or reconstruction of a highway or road, an airport runway, taxiway, or apron, a harbor facility, or a rail property. Under current law, "rail property," for the purposes of the TEA program, is defined as "an industrial lead, spur, team track property or trackside intermodal transfer facility." This requested modification expands the types of transportation facilities that would be eligible to receive TEA funds. Base funding for the program is \$3,402,600 SEG annually.

7. RAILROAD CROSSING IMPROVEMENT APPROPRIATION MODIFICATION

Request that the railroad crossing protection installation and maintenance appropriation, which is currently a SEG appropriation, be converted to a PR appropriation. In addition, request that any unencumbered balance in the SEG appropriation be transferred to the new PR

appropriation account for the purpose of providing railroad crossing protection installation and maintenance. Under current law, all moneys received from various railroad crossing improvement surcharges are deposited as segregated fund revenue into the transportation fund for the purpose of railroad crossing protection installation and maintenance. Under a separate budget request item (see item entitled, "Program Revenue Continuing Appropriation Reestimates"), DOT reestimates the revenue for this appropriation at \$34,500 annually.

8. RAIL PASSENGER SERVICE ASSISTANCE PROGRAM

SEG	\$200,000
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Request \$200,000 in 2017-18 for one-time start-up costs related to the implementation of two new locomotives on the Amtrak Hiawatha rail service line. Total state funding for rail passenger service assistance would equal \$7,000,000 in 2017-18 and \$6,800,000 in 2018-19 to fund Wisconsin's share of the cost to maintain existing service for the Hiawatha service under the state's contract with Amtrak.

9. APPROPRIATION TO EXPEND SPONSORSHIP FEE REVENUE

Request a statutory modification to deposit revenue collected from advertising at the Milwaukee intermodal station into a new PR continuing appropriation. Provide DOT the authority to expend funds from the appropriation to update and maintain the station. While no revenues are currently collected, under current law, any sponsorship fee revenue that would be collected from advertising at the Milwaukee intermodal station would be deposited into the transportation fund. According to DOT, this modification would allow the Department to use the advertising revenue to directly offset operations and maintenance costs at the Milwaukee intermodal station passenger concourse.

State Highway Program

1. STATE HIGHWAY IMPROVEMENT PROGRAM SUMMARY

The following tables compare total funding for state highway improvement programs in 2016-17 with proposed funding for those programs in the 2017-19 biennium. Since the highway improvement program relies on both current revenues (SEG and FED) and bond proceeds to fund program activity, both tables show the 2016-17 SEG and FED appropriation base, plus the amount of bonding that was allocated during 2016-17. The tables include two types of transportation fund-supported bonding: (a) general obligation bonds; and (b) transportation revenue bonds. The first table breaks down the total funding for the improvement programs by current revenues (SEG/FED) and bonding, and shows the proposed change compared to the base year funding doubled, while the second table shows funding for the five individual programs.

Highway Improvement Program Summary*

	2016-17 Base Plus Bonding	Department Request		Change to Base Plus Bonds Doubled	
		2017-18	2018-19	Amount	%
SEG/FED	\$950,257,200	\$952,938,900	\$971,010,000	\$23,434,500	1.2%
Bonds	<u>220,783,300</u>	<u>234,871,000</u>	<u>227,149,000</u>	<u>20,453,400</u>	4.6
Total	\$1,171,040,500	\$1,187,809,900	\$1,198,159,000	\$43,887,900	1.9%

Highway Improvement Funding Under the Department's 2017-19 Budget Request*

	2016-17 Base, Plus Bonding	Department Request	
		2017-18	2018-19
State Highway Rehabilitation			
SEG	\$290,385,600	\$279,158,200	\$279,008,200
FED	468,758,000	417,883,100	417,144,800
SEG-S (Revenue Bonds)	0	152,238,300	156,500,000
Gen. Ob. Bonds (SEG)	<u>75,000,000</u>	<u>0</u>	<u>0</u>
Total	\$834,143,600	\$849,279,600	\$852,653,000
Major Highway Development			
SEG	\$68,411,900	\$27,354,400	\$23,820,900
FED	107,537,000	157,309,900	200,326,200
SEG-S (Revenue Bonds)	66,783,300	82,632,700	70,649,000
Gen. Ob. Bonds (SEG)**	<u>75,000,000</u>	<u>0</u>	<u>0</u>
Total	\$317,732,200	\$267,297,000	\$294,796,100
SE Wis. Freeway Megaprojects			
SEG	\$15,063,600	\$11,488,300	\$15,721,800
FED	<u>101,100</u>	<u>59,745,000</u>	<u>34,988,100</u>
Total	\$15,164,700	\$71,233,300	\$50,709,900
High-Cost Bridge			
Gen. Ob. Bonds (SEG)	\$1,000,000	\$0	\$0
Major Interstate Bridge Construction			
Gen. Ob. Bonds (SEG)	<u>\$3,000,000</u>	<u>\$0</u>	<u>\$0</u>
Improvement Program Total	\$1,171,040,500	\$1,187,809,900	\$1,198,159,000

*Amounts shown comprise all highway improvement program request items including federal aid reestimates and standard budget adjustments.

**Under Section 9145(1v) of 2015 Act 55, as affected by the Joint Committee on Finance's action in November, 2015, a \$44.8 million reduction in transportation fund-supported, general obligation bonding provided to the major highway development program is required due to actual 2015-16 transportation fund revenues exceeding Act 55 estimates (which reduces the amount shown to \$30.2 million). DOT may submit a request in 2016-17 to replace the bonding reduction with the available transportation fund revenue. This table shows 2015-17 bonding levels for that program prior to any such adjustment.

2. STATE HIGHWAY REHABILITATION

SEG	- \$21,513,400
FED	- 102,312,100
SEG-S	<u>308,738,300</u>
Total	\$184,912,800

Request a decrease of \$10,756,700 SEG annually and decreases of \$50,786,900 FED in 2017-18 and \$51,525,200 FED in 2018-19 for the state highway rehabilitation program. In addition, request transportation revenue bond expenditure authority of \$152,238,300 SEG-S in 2017-18 and \$156,500,000 SEG-S in 2018-19 in a newly created appropriation. Specify that proceeds from transportation revenue bonds may be used to fund state highway rehabilitation program activities. [In the past, transportation revenue bonds have only been authorized for major highway development and administrative facilities projects.] The purpose of the state highway rehabilitation program is to preserve and make limited improvements to the state highway system (including most state bridges), such as resurfacing, reconstruction, and reconditioning.

The table below shows the total 2017-19 funding for the program under the Department's request, including the following amounts shown separately under other request items: (a) standard budget adjustments (-\$695,700 SEG and -\$1,008,800 FED annually); (b) a reestimate of federal aid amounts to be used for state highway rehabilitation (\$920,800 FED annually); and (c) funding for a construction manager/general contractor pilot program (\$225,000 SEG in 2017-18 and \$75,000 SEG in 2018-19). Relative to the 2016-17 appropriation base year funding plus bonding, the amounts shown represent an increase of 1.8% in 2017-18, followed by an increase of 2.2% in 2018-19.

<u>Fund</u>	<u>2016-17 Base, Plus Bonding</u>	<u>Request</u>	
		<u>2017-18</u>	<u>2018-19</u>
SEG	\$290,385,600	\$279,158,200	\$279,008,200
FED	468,758,000	417,883,100	417,144,800
SEG-S (Revenue Bonds)	0	152,238,300	156,500,000
Gen. Ob. Bonds (SEG)	<u>75,000,000</u>	<u>0</u>	<u>0</u>
Total	\$834,143,600	\$849,279,600	\$852,653,000

3. MAJOR HIGHWAY DEVELOPMENT PROGRAM

SEG	- \$85,293,100
FED	142,897,700
SEG-S	<u>19,715,100</u>
Total	\$77,319,700

Request a decrease of \$40,879,800 SEG and an increase of \$49,940,700 FED in 2017-18 and a decrease of \$44,413,300 SEG and an increase of \$92,957,000 FED in 2018-19. In addition, request transportation revenue bond expenditure authority of \$15,849,400 SEG-S in 2017-18 and \$3,865,700 SEG-S in 2018-19.

Relative to the base year funding plus bonding, the requested amounts shown in the following table, which include standard budget adjustments of -\$177,700 SEG and -\$167,800 FED annually (shown in a separate item), represent a decrease of 15.9% in 2017-18, with an additional decrease of 7.2% for 2018-19.

Fund	2016-17 Base, Plus Bonding	Request	
		2017-18	2018-19
SEG	\$68,411,900	\$27,354,400	\$23,820,900
FED	107,537,000	157,309,900	200,326,200
SEG-S (Revenue Bonds)	66,783,300	82,632,700	70,649,000
Gen. Ob. Bonds (SEG)*	<u>75,000,000</u>	<u>0</u>	<u>0</u>
Total	\$317,732,200	\$267,297,000	\$294,796,100

*Under Section 9145(1v) of 2015 Act 55, as affected by the Joint Committee on Finance's action in November, 2015, a \$44.8 million reduction in transportation fund-supported, general obligation bonding provided to the major highway development program is required due to actual 2015-16 transportation fund revenues exceeding Act 55 estimates (which reduces the amount shown to \$30.2 million). DOT may submit a request in 2016-17 to replace the bonding reduction with the available transportation fund revenue. This table shows 2015-17 bonding levels for that program prior to any such adjustment.

At the requested 2017-19 level of program funding shown above, the Department indicates that three major highway development projects would have delayed completion dates. Relative to DOT's August, 2016, completion schedules, the five major projects (which were previously delayed under 2015-17 funding levels) are shown in the table below, as affected by the Department's request.

**Anticipated Major Highway Development Project Delays
Under Department Request (\$562.1 Million in 2017-19)**

<u>Highway</u>	<u>Project Segment</u>	<u>Counties</u>	<u>Completion Delay</u>	<u>Completion Year</u>
USH 10/441	Winnebago CTH CB to Oneida Street	Outagamie, Calumet & Winnebago	No Delay	2020
STH 15	STH 76 to New London	Outagamie	One Year	2022
USH 18/151	Verona Road/Madison Beltline	Dane	Two Years	2021
STH 23	STH 67 to USH 41	Sheboygan & Fond Du Lac	Ongoing Litigation	2023*
I-39/90	Illinois State Line to USH 12/18	Dane & Rock	See Note**	See Note**

* DOT anticipates a three-year delay to the STH 23 project (completion in 2023) under its request. However, this project is also the subject of ongoing litigation in federal court, which may affect this estimate, irrespective of the level of funding provided.

** DOT indicates that it is not yet known when the beltline highway interchange (BIC) component of the I-39/90 project, which was part of this project's scope at the time of enumeration and is within the project's statutory boundaries, will be completed. The BIC component is no longer included in the current estimate of the total project cost provided to the Transportation Finance Commission (TPC). A separate environmental impact statement is being completed for this project component. Under the Department's request, all other portions of the project would be completed by 2021, according to schedule.

Note: Delay estimates relate to the anticipated completion dates provided by DOT in the August, 2016, report to the TPC.

4. DELETE ENUMERATION OF COMPLETED MAJOR HIGHWAY DEVELOPMENT PROJECTS

Request the deletion of the following four projects from the list of enumerated major highway development projects for which construction has been completed: (a) the USH 53 project in Eau Claire and Chippewa counties; (b) the Rock County transportation plan (the "Janesville bypass project") in Rock County; (c) the STH 64 project from Houlton to New Richmond in St. Croix County; and (d) the USH 12 project (the "Whitewater bypass") in Jefferson and Walworth counties.

5. SOUTHEAST WISCONSIN FREEWAY MEGAPROJECTS

SEG	- \$2,860,300
FED	94,530,900
Total	\$91,670,600

Request a decrease of \$3,546,900 SEG and an increase of \$59,643,900 FED in 2017-18 and increases of \$686,600 SEG and \$34,887,000 FED in 2018-19 for the southeast Wisconsin freeway megaprojects program. A southeast Wisconsin freeway megaproject is generally defined as an improvement project in the southeast region of the state with an estimated cost exceeding \$625,400,000 (this cost threshold is adjusted annually for inflation). These megaprojects must be enumerated in the statutes prior to construction. Presently, the Zoo Interchange and I-94 North-South freeway projects are the only such projects enumerated. The I-94 East-West project (from 16th Street to 70th Street in Milwaukee County) would be enumerated under DOT's request as a southeast Wisconsin freeway megaproject. The Department's request would result in a delay in the completion of the north leg of the Zoo Interchange from 2020 to 2022 and would not fund continued work on the I-94 North-South project. While the request would provide funding for the newly enumerated I-94 East-West project (approximately \$30.9 million in the biennium), no other planned, but not enumerated southeast Wisconsin freeway megaprojects would receive funding under the request.

Of the total \$121,943,200 that would be provided for this program under the request, DOT indicates that: (a) \$30,943,200 would be used for initial design and some utility work and real estate acquisitions on the I-94 East-West project; and (b) \$91,000,000 would be used for various highway infrastructure projects in the southeast Wisconsin region, including (1) \$40,600,000 for work on the core of the Zoo Interchange project, (2) an additional \$4,200,000 for real estate acquisition and utility work on the north leg component of that project (the completion of which would be delayed until 2022 under this request), and (3) the remaining \$46,200,000 of the amount requested would be used to fund project work outside of the statutory definition of the Zoo Interchange project's boundaries.

Under current law, the Zoo Interchange project is defined as "all freeways, including related interchange ramps, roadways, and shoulders, and all adjacent frontage roads and collector road systems, encompassing I-94, I-894, and USH 45 in Milwaukee County within the area bordered by I-894/USH 45 at Lincoln Avenue to the south, I-94 at 70th Street to the east, I-94 at 124th Street to the west, and USH 45 at Burleigh Street to the north." The \$46,200,000 requested for work outside of these boundaries would be used as follows: (a) \$22,600,000 to fund a portion of a state highway rehabilitation project scheduled to occur on I-894 from Lincoln Avenue south to 84th Street; and (b) \$23,600,000 associated with the Sunnyslope Road bridge project and an auxiliary lane project to the west of 124th Street on I-94. A modification of the southeast

Wisconsin freeway megaprojects program and/or of the Zoo Interchange project's statutory project boundary may be required in order for the Department to use the \$46,200,000 as requested.

6. ENUMERATION OF I-94 EAST-WEST PROJECT

Request the enumeration of the I-94 East-West project (from 16th Street to 70th Street in Milwaukee County) as a southeast Wisconsin freeway megaproject. In the project's September, 2016, federal record of decision, the total, inflation-adjusted cost is estimated at \$1.1 billion. This 3.5 mile project would reconstruct I-94 between the project boundaries (identified above), expanding the existing roadway from six to eight lanes (four in each direction). In addition, related interchange and local road construction would be completed as a part of the project.

Of the Department's 2017-19 request for the southeast Wisconsin freeway megaprojects program, about \$30.9 million would be used to fund initial project design and some utility work and real estate acquisitions.

7. CONSTRUCTION MANAGER/GENERAL CONTRACTOR PILOT PROGRAM

SEG	\$300,000
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Request \$225,000 in 2017-18 and \$75,000 in 2018-19 in the state highway rehabilitation appropriation to fund a pilot program for an alternative state highway project delivery and construction model [construction manager/general contractor (CMGC)].

The Department indicates that the requested funding would be used to hire a consultant with expertise in highway improvement project contracting to work with a Department and construction industry team to facilitate development of the pilot program proposal. The Department is requesting statutory authority to enter into up to three CMGC pilot projects. This authority would extend through the 2019-21 biennia.

Under current law, the Department must award bids to the lowest qualified bidder [often referred to as the design-bid-build (DBB) model]. During the DBB process, the Department may contract with several different design consultants in addition to working with its own staff to develop a design for the bidding process. Instead, through the CMGC model, the Department envisions the following contracting process: (a) the Department would enter into initial contracts with a designer and a contractor; (b) the contractor would act on behalf of the state with the designer during the design process; (c) at a certain point in the design process, the contractor would provide the Department with a proposal that would include a guaranteed maximum price for project delivery; and (d) the Department could choose to accept the contractor's proposal or could instead opt to revert to the DBB process. The Department indicates that the CMGC model may allow for more efficient and/or cost-effective delivery of projects that require specialized equipment or expertise.

8. ROUTINE MAINTENANCE PROGRAM

SEG	\$33,733,000
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Request \$15,366,500 in 2017-18 and \$18,366,500 in 2018-19 for routine highway maintenance, which is generally performed by counties under contract with the state. The requested amounts, when added to the 2016-17 adjusted base funding (\$170,000,000), would provide total funding equal to \$185,366,500 in 2017-18 and \$188,366,500 in 2018-19 for this appropriation. Routine maintenance is frequent, of limited scope, carried out on a day-to-day basis, and includes a wide variety of highway-related maintenance activities, such as winter road maintenance and minor road and bridge treatments and repair (grading, crack sealing, and waterborne pavement marking).

The Department indicates that the funding would be used as follows: (a) \$7,791,500 annually to fund a backlog of work as well as maintain a certain level of pavement treatments, such as crack routing and sealing intended to extend the usable life of road surfaces; (b) \$2,000,000 in 2017-18 and \$5,000,000 in 2018-19 for reducing shoulder drop-offs and improving other roadway grade and drainage features; (c) \$5,000,000 annually for waterborne pavement marking (which would fund an additional 87 million feet of waterborne pavement marking per year on state highways); and (d) \$575,000 annually in onetime funding for the replacement of an estimated 23,000 ground and overhead mounted highway signs, which would begin to reduce a backlog of signs needing to be replaced.

9. HIGHWAY SYSTEMS MANAGEMENT AND OPERATIONS FUNDING

SEG	\$29,977,000
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Request \$16,000,000 in 2017-18 and \$13,977,000 in 2018-19 for the highway systems management and operations program, which is responsible for a variety of activities related to the upkeep of state highways, highway rights-of-way, and rest areas. The requested amounts, when added to the 2016-17 adjusted base funding (\$84,666,300) and standard budget adjustments (-\$48,900 annually), would provide total funding equal to \$100,617,400 in 2017-18 and \$98,594,400 in 2018-19 for this appropriation. The program is distinct from the state highway maintenance program funding provided for the upkeep of state highways performed by counties under contract with the state.

The request indicates that the funding would be used as follows: (a) \$6,419,000 annually for epoxy paint pavement marking; (b) \$2,946,000 in 2017-18 and \$923,000 in 2018-19 for maintenance and repair of state rest areas and waysides; (c) \$2,500,000 annually to fund half of a system-wide replacement of high pressure sodium lights with light emitting diode (commonly known as "LED" lights); (d) \$2,135,000 annually to replace deteriorated and/obsolete state highway signs; and (e) \$2,000,000 annually to replace the Department's oversize/overweight permitting software system.

Highway systems management and operations program activities include the minor repair of pavements and bridges, winter maintenance (such as snow plowing and ice removal), mowing and vegetation management, and the maintenance of highway rest areas and waysides. A separate component of the program is also responsible for the installation, repair, and maintenance of signs, highway lighting, pavement marking, and traffic signals, as well as for

some limited emergency or corrective maintenance activities (generally performed by private contractors).

In addition, request a statutory modification that would repeal a prohibition on the use of the state, federal, and local highway system management and operations appropriations to fund routine maintenance activities performed by counties or municipalities under contract with the state. This prohibition was created under the 2013-15 biennial budget (Act 20), which also modified the appropriation structure for the state highway maintenance program and created two, separate programs and appropriations structures to replace the single program that had funded the principal activities of the highway maintenance, repair, and traffic operations program. Under this modified structure, the appropriations for the highway system management and operations program fund the more limited set of activities described above, while the routine maintenance program funds a larger scope of maintenance work done by counties on state highways under contract with the state. The request indicates that this modification would again allow the Department the flexibility to fund the routine maintenance activities performed by counties on state highways from the highway system management and operations program appropriations.

10. INTELLIGENT TRAFFIC SYSTEMS AND TRAFFIC CONTROL SIGNALS

FED	\$6,000,000
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Request \$3,000,000 annually to fund the installation, replacement, or rehabilitation of traffic control signals and intelligent transportation systems (a broad set of technologies and equipment related to traffic management). The requested amounts, when added to the 2016-17 adjusted base funding for this purpose (\$10,000,000 SEG), would provide total resources equal to \$13,000,000 annually. In addition, request the following statutory modifications to the existing SEG, FED, and local appropriations language: (a) repeal the statutory requirement that no moneys may be encumbered from the state and federal appropriation accounts for intelligent traffic systems and traffic control signals after June 30, 2019; and (b) expand the eligible uses of the funds in these accounts to include the installation, replacement, and rehabilitation of highway lighting.

11. WEIGHT ALLOWANCES FOR THE TRANSPORTATION OF MILK PRODUCTS

Request the following statutory modifications in order to conform with federal law changes relating to the transportation of milk products: (a) increase the existing weight exemption for vehicles combinations transporting milk and dairy products without a permit from 21,000 pounds to 21,500 pounds for an one axle, and, for groups of three or more consecutive axes more than nine feet apart, from 2,000 pounds to 4,000 pounds; and (b) create an overweight, multiple trip permit for the bulk transportation of "fluid milk products," which the FAST Act reclassified as a "non-divisible load" (which is defined as a load that cannot be easily dismantled or divided).

12. OVERSIZE/OVERWEIGHT PERMITS RELATED TO GARBAGE, REFUSE, AND SCRAP

Request modification of the authorizing statutes relating to the issuance of an oversize/overweight vehicle permit for the transportation of garbage, refuse, and scrap, so as to group the definitions and requirements related to scrap and refuse together, and separate from those that relate to garbage. Modify the statutory reference to scrap to instead refer to recyclable scrap and define recyclable scrap to be waste material from a manufacturing or commercial processing facility being transported to a second user, where the waste material will have a beneficial use or application. In addition, request the establishment of a maximum gross vehicle weight for transportation of recyclable scrap or refuse of 120,000 pounds. Under current law, the authorizing statute for issuing an oversize/overweight garbage or refuse transportation permits requires that both of these material types be transported in self-compactor equipped vehicles, whereas vehicles transporting scrap for recycling or processing do not have to be equipped in this manner. DOT indicates that this change would allow vehicles transporting refuse (which includes materials such as paper, wood, metal, and glass) to be hauled without the use of a self-compactor.

13. WEIGHT CHANGES INVOLVING IDLE REDUCTION TECHNOLOGY AND NATURAL GAS POWERED VEHICLES

Request the following statutory modifications to certain vehicle weight allowances to reflect federal law changes: (a) increase the truck weight exemption for idle reduction technology from 400 pounds per axle to 550 pounds per axle; and (b) create an allowance of up to 2,000 pounds for natural gas powered vehicles for the portion of that allowance that is attributable to the natural gas tank and fueling system carried by that vehicle.

14. SPECIFIC INFORMATION SIGN PROGRAM UPDATE

Request the following modifications of statutes related to the specific sign program, which is the Department's program for providing blue and white traveler services signs on interstate highways and expressways: (a) make a number of corrections, additions, and deletions from the designated list of highways on which such signs may be erected; (b) eliminate the requirement that businesses listed on such signs must be open at least five days a week and be open for service no later than 10 am and close no earlier than 7 pm on those days; (c) eliminate the requirement that such signs be lighted as a result of advances in retroreflective material used on signs; and (d) modify the statutory provisions that specify the total number of such signs that are allowable at intersections and interchanges, by changing the total from four signs per category of motorist service to four signs in total (which would conform with federal highway administration standards). DOT indicates that the modification described under (d) would correct an inadvertent statutory change made under 2015 Act 360.

Motor Vehicles

1. LICENSE PLATE REISSUANCE CYCLE

SEG	\$2,236,300
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Request \$961,100 in 2017-18 and \$1,275,200 in 2018-19 to establish a base funding level to fund an ongoing reissuance cycle to replace aging vehicle license plates. Currently, the Division of Motor Vehicles (DMV) reissues plates only as customers request them, with other replacements done as the availability of funding allows. DOT estimates that about 1.6 million plates issued between 2000 and 2006 are still in use. The request indicates that the industry standard for license plate replacement is a 10-year cycle. Badger State Industries produces license plates for the Department at a per-unit cost of \$5.82 (including related postal costs). Based on this average cost, the requested funding would allow for the replacement of about 384,200 license plates in the biennium.

2. POSTAGE INCREASE

SEG	\$1,935,400
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Request \$1,021,900 in 2017-18 and \$913,500 in 2018-19 to fund increased postage costs in DMV. The amounts requested reflect the Department's estimated budget shortfall for postage in the next biennium resulting from increased mail volume, changes to United States Postal Service products and pricing, and inflation since the Division's last budget increase for postage in 2002-03. Increased funding for this purpose was requested but not provided in 2015-17.

3. IDENTIFICATION CARD FOR VOTING PURPOSES

SEG-REV	\$969,800
SEG	164,200

Request \$164,200 in 2017-18 to fund the information technology changes that would be required to produce an identification card marked as for "Voting Purposes Only." Estimate transportation fund revenue equal to \$194,000 in 2017-18 and \$775,800 in 2018-19 to reflect the Department's estimate of the number of individuals who, under this proposed policy change, would likely request a for-fee identification card that could be used for purposes other than, or in addition to, voting.

Under current law, DOT is required to issue an identification card at no charge to an applicant who is a U.S. citizen and who will be at least 18 years of age on the date of the next election, when the applicant requests that the identification card be provided without charge for the purpose of voting. By statute, the Department also issues a small number of identification card at no cost in certain instances if a driver surrenders their license for health-related reasons.

In all other instances, the cost for an original, renewal, or reinstatement identification card issued by DMV is \$28 (\$18 for the card itself and \$10 for issuance of the card). The fee for identification card duplication is \$16 (\$6 for the card itself and \$10 for issuance of the card).

The request indicates that slightly less than 83% of all identification cards issued by DOT in 2014-15 were issued at no charge for the purposes of voting. If identification cards issued for

voting purposes would be marked as described in the Department's request, DOT assumes that 30% of these identification card applicants would pay for an identification card in order to use it for purposes other than, or in addition to, voting. Estimated revenue is lower in the first year because DOT indicates that the proposed modification would require nine months to implement.

4. IT EQUIPMENT REPLACEMENT

SEG	\$892,600
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Request \$446,300 annually to fund an ongoing replacement of various DMV information technology (IT) equipment, including credit card pin pads, testing equipment, scanners, and personal computers that have exceeded their useful life. The Division currently estimates that it needs to replace about 3,000 such items at an estimated cost of \$2.2 million. DOT indicates that the replacement of this equipment occurs due to several factors, including the Department's administrative practice of replacing certain IT equipment on regular cycles, as well as federal requirements related to equipment replacement.

5. VERIFICATION SYSTEM FEES

SEG	\$780,900
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Request \$386,700 in 2017-18 and \$394,200 in 2018-19 for the fees paid by the Department for access to electronic verification systems used in the processing of driver license and identification card applications by DMV. These systems are used to verify immigration status, passport information, and vital records in other states, as a part of the state's compliance with the REAL ID Act of 2005, which generally requires states to standardize and enhance certain driver license and identification card application practices and products. Federal grants that had been used to cover the cost of accessing these systems have or will expire. As a result, DOT will be required to pay the costs associated with the use of these systems in 2017-19. The amount requested reflects DOT's estimate of these costs.

6. ELIMINATE IN-PERSON ADMINISTRATIVE SUSPENSION HEARING

Request the elimination of the optional, in-person administrative review of suspension of operating privileges, which occurs when a person is arrested for operating a motor vehicle with a prohibited blood alcohol concentration, submits to chemical testing, and fails the test. If conducted in person, such hearings occur at the DMV service center in the county in which the offense allegedly occurred. The scope of an administrative review hearing is limited to: (a) correcting the identity of the person charged (if necessary); (b) establishing whether the person was informed of options regarding testing and whether the tests were conducted in accordance with state law; (c) establishing whether the person had a prohibited blood alcohol concentration or a detectable amount of a restricted controlled substance in their blood at the time of the alleged offense; (d) establishing if the person was operating a commercial motor vehicle at the time of the alleged offense; and (e) establishing whether the person had a valid prescription for the substances found in their blood in accordance with state law. DOT indicates that DMV would continue to conduct these administrative suspension review hearings through review of written documentation or telephone conferences. In calendar year 2015, DMV conducted 3,966 such

hearings, with 3,188 conducted via telephone or record reviews (80.4%) and 778 conducted through in-person hearings (19.6%).

7. THIRD-PARTY SKILLS TEST WAIVER PILOT PROGRAM

Request the creation of a pilot program to evaluate waiving the skills test for a regular driver license for graduates of a licensed driver training school. In addition, request an audit requirement for drivers who receive a license through a waiver of the skills test under this pilot program. DOT indicates it would use the results of the pilot program and audit to evaluate the viability of waiving the skills test requirement for regular driver license applicants who are graduates of a licensed driver training school.

8. ALTERNATE REGISTRATION PROGRAM FOR CERTAIN PUBLIC VEHICLES

Request authority that clarifies that DOT, on certain publically-owned vehicles, would be allowed to issue license plates and register these vehicles to fictitious names and addresses on all departmental records subject to public disclosure if the vehicles are engaged in confidential, investigative, or undercover law enforcement work. This modification would clarify DOT's authority to carry out these actions. DMV has issued approximately 2,000 plates for these purposes since the program's inception.

9. ELIMINATION OF SAFETY RESPONSIBILITY LAW

Request the elimination of the "safety responsibility law," which was intended to create an incentive for motor vehicle operators to carry liability insurance. Because of the subsequent statutory requirement, effective June 1, 2010, that motor vehicle operators carry liability insurance, DOT indicates that the safety responsibility law is no longer necessary. Under the safety responsibility law, a person's operating privilege and vehicle registration may be suspended for one year for failure to pay accident damages. DMV initiates the safety responsibility law process upon receipt of an accident report (for accidents over \$1,000 in damages) and an evaluation of motor vehicle, property, or injury damage. Persons who receive such a notice must do one of the following to avoid suspension: (a) file proof that liability insurance was in effect at the time of the accident; (b) deposit security in the amount necessary to cover possible judgements arising out of the accident; (c) submit evidence that the parties involved have settled the damage claims directly; or (d) request an administrative hearing if they believe they are not at fault or if the damage amount claimed is believed to be incorrect.

However, 2009 Act 28 established the requirement that operators of motor vehicles in Wisconsin carry liability insurance or a certificate of self-insurance while operating a motor vehicle, with minimum liability coverage equal to the following: (a) \$25,000 for injury or death of one person; (b) \$50,000 for injury or death of two or more people; and (c) \$10,000 for property damage. Persons involved an accident may also file a civil suit through formal court proceedings, which may also result in suspension of operating privileges or vehicle registrations. If a court's civil damage judgement arising out of a motor vehicle accident is \$500 or more, state

law requires the suspension of operating and registration privileges for five years from the court date or until one of the following documents is filed with DMV: (a) a private installment agreement between the plaintiff or their attorney and the defendant to pay the damages; (b) a court-ordered installment agreement which is signed by a judge and certified to DMV; (c) a satisfaction of judgement, which is a court stamped or certified document that notes the damage judgement has been paid in-full; or (d) a certified copy of the bankruptcy petition, which has the date filed and court case number included.

In 2009, there were 109,991 reportable accidents, of which 7,442 involved suspensions under the safety responsibility law. Subsequently, the number of such suspensions has declined in each year and by an average of -17.5% per year. In 2014, of the total 119,736 reportable accidents, only 2,840 involved suspensions under the safety responsibility law.

10. TRANSFER OF INTRASTATE MOTOR CARRIER OPERATING AUTHORITY TO HEIRS

Request a statutory modification that would allow the Department, upon the death of a holder of a motor carrier operating certificate, to permanently transfer to their personal representative, heirs, or surviving spouse, the deceased's for-hire motor carrier operating authority. A motor carrier operating certificate is required of any person who undertakes for hire transport of passengers or property on public highways. Current law allows for a temporary transfer of this authority for a period of up to two years. A one-time fee of \$500 is required to obtain a new certificate of operating authority, but would not be required for permanent transfers that would occur under the request. However, if enacted, DOT indicates that the request would have a limited effect on transportation fund revenues.

11. INCREASE THRESHOLD FOR REPORTING PROPERTY DAMAGE CLAIMS

Request an increase of \$500 to the statutory thresholds for reporting property damage motor vehicle crashes, the deposit of security for past crashes, and the suspension for failure to deposit security, from \$1,000 to \$1,500. DOT indicates that these new thresholds, which would equal those currently in place in the states of Iowa and Illinois, and would equate approximately to the inflationary change since the thresholds were last increased by the State of Wisconsin in 1996.

12. DMV METHOD OF CORRESPONDENCE

Request permissive authority that would allow DMV to notify and correspond with citizens electronically rather than by mail. DOT indicates that DMV does not intend to substitute electronic communication for all of the various notices that are currently mailed.

State Patrol

1. IN-VEHICLE VIDEO CAMERA REPLACEMENT

SEG	\$2,777,200
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Request \$1,388,600 annually for the replacement of approximately 500 in-vehicle video cameras and to fund costs associated with the wireless, remote storage of data produced by these cameras. The Department indicates that the existing cameras, which were purchased between 2006 and 2008, are technologically outdated and in need of frequent repair. The cameras would be purchased through a three-year master lease. The current in-vehicle camera system uses flash memory cards that must be removed by officers and downloaded for evidentiary purposes. The cameras that would be purchased under the request use a wireless connection to store captured data remotely. In addition, DOT indicates the new cameras would provide improved video and audio quality, as well as an additional, rear-facing view (current cameras only provide front-facing and in-cabin views).

2. TACTICAL VESTS AND HELMETS

SEG	\$446,400
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Request \$223,200 annually for the purchase of 500 Level IV tactical vests and helmets, which are used to protect against certain high-caliber, high-velocity bullets (those used in common sporting rifles, such as the 30-06), as well as some armor-piercing rounds. The estimated, per-unit purchase price is \$400 per helmet and \$1,200 per vest. The units would be purchased with a four-year master lease, which, with interest, would cost \$892,800 over the period of the lease. The Department currently provides officers with lower level protection body armor that protects against common handgun rounds, such as 9mm and .357 rounds. Officers may purchase their own body armor, if a higher level of protection is desired. DOT's request indicates a concern that officers may encounter an increasing number of incidents in which rifles, rather than handguns, are being used by shooters, and that the current body armor offered by the Department may not provide adequate protection in these situations.

3. PRIVATE SALVAGE VEHICLE INSPECTIONS

SEG-REV	-\$282,600
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Request a statutory modification that would allow a private sector inspector to charge a fee for their inspection of a salvage vehicle as a part of the titling and registration process. DOT currently preforms these inspections and assesses a fee to do so. The fee for the private inspection service would be determined by the inspectors offering this service, while the fee for departmental inspection would remain at its current \$80 amount. DOT indicates that if this modification would be enacted, the Department would amend its administrative rules to define a criteria and process for certifying private inspectors to perform this function. The Department indicates that its estimated annual expenditures associated with these inspections are currently \$301,500, while the related, annual revenue is only \$235,500. DOT estimates that if this authority is provided, 60% of salvage vehicle owners will opt to use private inspections during

the titling and registration process. Therefore, the Department estimates a reduction of \$141,300 in transportation fund revenue annually associated with this statutory modification.

4. INCREASING FORFEITURE FOR FAILURE TO USE SEAT BELTS

Request an increase in the forfeiture for not wearing a seat belt from \$10 to \$25. Eliminate the range of forfeitures, currently from \$10 to \$25, for failure to properly secure a child who is at least four years old, but younger than eight years old. Instead, request that the forfeiture for failure to properly secure such a child be equal to \$25.

Unlike other forfeitures, a violation for failure to wear a seat belt, except for violations related to child safety, is not subject to payment of court costs and other assessments that apply to most traffic violations. The Department's request would also modify the statutes such that all court costs and fees that apply to most traffic violations would also apply to the violation for failure to wear a seat belt. Any additional revenue resulting from the increase of these forfeiture amounts would be deposited to the common school fund.

5. INCREASING FORFEITURE FOR INATTENTIVE DRIVING AND TEXTING AND DRIVING

Request an increase in the minimum forfeiture for inattentive driving, and for composing or sending an electronic text or mail message while driving, from \$20 to \$100. The request indicates that inattentive driving results in an estimated 21,900 crashes annually and that enforcement of laws prohibiting inattentive and distracted driving is becoming a greater priority for the Department and law enforcement agencies in the state. Any additional revenue resulting from the increase of these forfeiture amounts would be deposited to the common school fund.

6. RADIOLOGICAL MATERIAL SHIPMENT PERMITS

Request statutory modifications that would do the following: (a) redirect the deposit of the permit fees for the transportation of radiological materials from the program revenue appropriation for escort, security and traffic enforcement to the transportation fund and delete the related statutory references; and (b) modify the general provisions relating to permits for vehicles and loads of excessive size and weight to include a specific reference to shipments of radiological material as covered by vehicle escort permitting requirements. Under current law, transportation of radiological materials in Wisconsin requires a state patrol escort and a fee of \$1,800, which is intended to cover the state's cost of providing escort services. Currently, any surplus revenue from this fee remains in the program revenue appropriation account. Under the proposed modification, all revenues from the fee would be available in the transportation fund and it appears that the costs of escorting vehicles transporting radiological materials would be paid from other vehicle escort revenue sources deposited to the existing PR appropriation.

7. COMMERCIAL DRIVER LICENSE UNIFORMITY/ELIMINATION OF "REGISTERED WEIGHT" PROVISION

Eliminate the term "registered weight" from certain sections of the statutes in order to conform with federal code relating to the regulation of commercial motor vehicles, which only uses the terms "gross vehicle weight rating" or "gross vehicle weight" determining the applicability of commercial driver license (CDL) requirements to motor vehicle operators. Under current law, in order to determine the applicability of CDL statutes, State Patrol must use a vehicle's "registered weight," if it is greater than the gross vehicle weight rating or the gross vehicle weight. DOT indicates that the intent of this modification is to create consistency between the definitions used by the Federal Motor Carrier Safety Administration and State Patrol in determining the applicability of CDL requirements to vehicle operators. The Department notes that this would provide uniformity for interstate and intrastate motor carriers in determining whether a motor vehicle is subject to these CDL requirements.

8. STATE PATROL IT SUPPORT REIMBURSEMENT

Request the statutory authority to collect funds from local agencies to cover the technical support costs associated with these agencies' use of State Patrol's Mobile Architecture and Communications Handling (MACH) program. This law enforcement software provides users with instant messaging, group chat, file sharing, and allows remote access to certain law enforcement systems, the use of electronic forms (such as citations), and in some cases, computer-aided dispatch. Currently, 157 public agencies and 3,137 employees outside of State Patrol use MACH, with an additional 28 law enforcement agencies awaiting implementation. The Department has the authority to charge local governments for use of its radio systems. This request would provide the Department with a similar authority relative to local governments' use of its MACH program.

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base budget for: (a) turnover reduction (-\$4,491,300 SEG and -\$1,389,200 FED annually); (b) removal of noncontinuing elements from the base (-1.0 FED position annually); (c) full funding of continuing position salaries and fringe benefits (\$957,400 SEG, -\$138,300 FED, -\$19,900 SEG-S and -\$77,400 PR annually); (d) overtime (\$2,870,400 SEG, \$773,000 FED, and \$166,500 PR annually); (e) night and weekend salary differential (\$258,400 SEG and \$13,500 FED annually); (f) reclassifications and semiautomatic pay progression (\$4,600 PR in 2017-18 and \$13,900 PR in 2018-19); and (g)

	Funding	Positions
SEG	\$1,628,500	0.00
FED	- 1,482,000	- 1.00
SEG-S	- 39,800	0.00
PR	<u>196,700</u>	<u>0.00</u>
Total	\$303,400	- 1.00

full funding of lease costs and directed moves (\$1,782,300 SEG in 2017-18 and \$656,400 SEG in 2018-19).

2. FEDERAL AID REESTIMATES

FED	- \$33,136,400
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Request a decrease of \$16,988,400 in 2017-18 and \$16,148,000 in 2018-19 to reflect a reestimate of federal transportation aid in the biennium, excluding federal highway aid. Adjust the federal appropriations for the following purposes to reflect the reestimated federal aid amounts: (a) -\$15,563,200 annually for aeronautics assistance; (b) -\$1,719,500 in 2017-18 and -\$1,634,500 in 2018-19 for vehicle inspection and traffic enforcement; (c) -\$917,700 in 2017-18 and -\$858,900 in 2018-19 for seniors and individuals with disabilities aids; (d) -\$383,400 in 2017-18 and -\$248,700 for highway safety, local assistance; (e) -\$94,100 in 2017-18 and \$308,600 in 2018-19 for transit and other transportation-related aids; (f) -\$40,000 annually for rail service assistance; (g) -\$237,100 in 2017-18 and -\$136,500 in 2018-19 for transportation safety; (h) \$8,100 in 2017-18 and \$14,100 in 2018-19 for transit safety oversight; (i) \$104,400 in 2017-18 and \$133,100 in 2018-19 for departmental management and operations; (j) \$920,800 annually for state highway rehabilitation; and (k) \$933,300 in 2017-18 and \$957,200 in 2018-19 for vehicle registration and driver licensing.

3. PROGRAM REVENUE CONTINUING APPROPRIATION REESTIMATES

PR	\$8,739,600
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Request \$4,522,200 in 2017-18 and \$4,217,400 in 2018-19 to reflect reestimates of revenues to the following the PR continuing appropriations: (a) license plate revenue distributions for professional football stadium maintenance and operating costs (\$450,000 annually); (b) child abuse and neglect prevention (\$125,000 annually); (c) railroad crossing protection installation and maintenance (\$34,500 annually); (d) surveying reference station system (\$120,000 in 2018-19); (e) supplement from sponsorship (\$10,500 annually); (f) damage claims (\$1,574,700 in 2017-18 and \$1,533,800 in 2018-19); (g) utility facilities within highway rights-of-way (\$279,700 annually); (h) repaired salvage vehicle examinations (\$145,900 annually); (i) public safety radio management, service funds (\$535,000 annually); (j) convenience fees (\$218,400 in 2017-18 and \$118,400 in 2018-19); (k) escort, security and traffic enforcement services (\$50,900 in 2017-18 and \$29,000 in 2018-19); (l) chemical testing training and services (\$269,400 annually); (m) public safety radio management, state funds (\$160,900 in 2017-18 and \$138,900 in 2018-19); (n) safe-ride grant program (\$401,400 in 2017-18 and \$161,400 in 2018-19); (o) license plate revenue distributions to the Wisconsin Lions Foundation (\$7,000 annually); (p) motorcycle safety program supplement (\$38,300 annually); (q) license plate revenue distributions for baseball plate licensing fees (\$5,000 annually); (r) license plate revenue distributions for certain special plates (\$5,000 annually); (s) license plate revenue distributions to Boy Scouts of America National Foundation (\$5,000 annually); (t) license plate revenue distributions to Whitetails Unlimited (\$5,000 annually); (u) license plate revenue distributions to Wisconsin Rocky Mountain Elk Foundation (\$5,000 annually); (v) license plate revenue distributions to Wisconsin Organization of Nurse Executives (\$5,000 annually); (w) license plate revenue distributions to the Milwaukee Bucks Foundation (\$5,000 annually); (x)

license plate revenue distributions to Midwest Athletes Against Childhood Cancer (\$5,000 annually); and (y) traffic academy tuition payments (\$180,600 annually).

4. FACILITIES MAINTENANCE FUNDING

SEG	\$1,600,000
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Request \$800,000 annually to provide additional facilities operations and maintenance funding for the 257 facilities owned, leased, and managed by the Department (such as DMV service centers, regional office buildings, and highway maintenance buildings). DOT indicates that half of the amount requested would be used for functions such as carpet cleaning, pest control, janitorial services, and snow removal, while the remaining half would be used for maintenance and repair of water heaters, boilers, air conditioning and ventilation equipment, flooring, and lighting.

5. FEDERAL AND STATE RELOCATION PROGRAM COMPLIANCE

Request modifications of state eminent domain law such that state law would conform to the federal Uniform Relocation and Real Property Acquisition Act of 1970, as amended, and the related federal administrative code. The request would retain certain Wisconsin-specific provisions in state law. DOT indicates that federal relocation requirements and state law requirements have become increasingly divergent. In particular, a recent federal transportation reauthorization act allows the U.S. DOT to revise federal rules and benefits for inflation of costs associated with relocations without federal legislative approval. The proposed changes to state laws will allow the state to remain consistent with these federal rules while retaining the portions of state law that are more specific to Wisconsin.

6. INTERNAL REORGANIZATION POSITION REALIGNMENT

Request the following transfer of 1.23 positions from DMV to reflect internal departmental reorganizations: (a) 1.00 DOT supervisor position to the Office of Public Affairs; and (b) 0.23 position to the Division of Business Management.

2015 Act 201 Plans

		<u>Amount</u>	
	<u>Fund</u>	<u>2017-18</u>	<u>2018-19</u>
Base Level Plan			
<i>State Highway Improvement Program</i>			
1. State highway rehabilitation	SEG	\$536,900	\$536,900
2. Major highway development	SEG	97,000	97,000
3. Administration and planning	SEG	89,000	89,000
4. Major highway development	SEG-S	34,400	34,400
5. Southeast WI freeway megaprojects	SEG	18,100	18,100
<i>State Highway Maintenance Program</i>			
6. Highway system management and operations	SEG	-6,300	-6,300
<i>Division of Motor Vehicles</i>			
7. Vehicle registration, inspection. & maintenance, driver licensing & aircraft registration	SEG	868,700	868,700
<i>State Patrol</i>			
8. Chemical testing training and services	PR	40,500	40,500
9. Public safety radio management	PR	4,800	4,800
10. Transportation safety	SEG	-45,000	-45,000
11. Escort, security and traffic enforcement services	PR	-139,000	-139,000
12. Vehicle inspection, traffic enforcement and radio management	SEG	-2,494,700	-2,494,700
<i>Departmentwide</i>			
13. Departmental management and operations	SEG	998,800	998,800
14. Fleet operations	SEG	15,400	15,400
15. Data processing services	SEG-S	4,500	4,500
16. Demand management	SEG	<u>-23,100</u>	<u>-23,100</u>
Total		\$0	\$0
	PR	(-\$93,700)	(-\$93,700)
	SEG	(\$54,800)	(\$54,800)
	SEG-S	(\$38,900)	(\$38,900)

	<u>Fund</u>	<u>Amount</u>	
		<u>2017-18</u>	<u>2018-19</u>
5% Budget Reduction Plan			
<i>State Highway Improvement Program</i>			
1. State highway rehabilitation project delays	SEG	-\$20,744,900	-\$20,049,300
2. Major highway development project delays	SEG	-4,864,500	-4,864,500
3. Major highway development project delays	SEG-S	-3,332,500	-3,332,500
4. Southeast Wisconsin freeway megaproject delays	SEG	-1,067,600	-1,067,600
<i>State Highway Maintenance Program</i>			
5. Reduce funding for routine state highway maintenance performed by counties	SEG	-8,500,000	-8,500,000
6. Constrain salt purchases, reduce funding for pavement marking, rest areas, waysides, and the state traffic operations center.	SEG	-4,220,500	-4,220,500
7. Reduce maintenance, repair, and replacement of intelligent traffic signals, devices, and ramp meters	SEG	-500,000	-500,000
8. Eliminate tribal transportation safety program, reduce state highway map printing and distribution, defer facilities costs.	SEG	-367,900	-367,900
9. Prorate funding for state-owned lift bridge operations by counties and local governments	SEG	-119,000	-119,000
<i>Division of Motor Vehicles</i>			
10. Modify statutes to require one license plate instead of two, eliminate registration renewal notices, reduce IT contract work, and eliminate travel location services	SEG	-1,819,800	-2,515,300
<i>State Patrol</i>			
11. Eliminate 2018 recruitment class and hold 22 positions vacant	SEG	-1,417,300	-1,417,300
12. Reduce motorcycle education enrollments	SEG	-150,000	-150,000
<i>Departmentwide</i>			
13. Reduce LTE salaries, travel, training, contractual services, and data processing	SEG	-1,684,300	-1,684,300
14. Reduce facilities projects	SEG-S	<u>-297,000</u>	<u>-297,000</u>
Total		-\$49,085,300	-\$49,085,200
	SEG	(-\$45,455,800)	(-\$45,455,700)
	SEG-S	(-\$3,629,500)	(-\$3,629,500)