

Fiscal Estimate Narratives

DOT 7/29/2005

LRB Number	05-3230/1	Introduction Number	AB-559	Estimate Type	Original
Subject					
Ronald Reagan Highway and Harriet Tubman Highway					

Assumptions Used in Arriving at Fiscal Estimate

The obligation to mark the route would be accomplished consistent with traffic sign standards adopted under Wisconsin law. One sign for each highway designation will be placed on the right-of-way in each direction of travel directing travelers to an off-road marker along the route. The two signs for each designated highway on the right-of-way are type II (4'x6' plywood on a wood post). Each Type II sign, post, installation, and fleet/auxiliary equipment charges are \$350 per installed sign. The off-road marker is \$1500 installed. Assume an acceptable public location for the marker could be found at no cost to the department (with adequate parking and no new maintenance obligation). Therefore:

84.1024: Two signs on the right-of-way with installation are \$700 and the marker (including installation) in an existing public space (wayside, public park, or other public area) is \$1500.

84.1034: Two signs on the right-of-way with installation are \$700 and the marker (including installation) in an existing public space (wayside, public park, or other public area) is \$1500.

Total initial cost is therefore \$4400. Typically, there is a 10% overhead cost per year to deal with signs on the right-of-way that are knocked down, vandalized, or damaged by weather. This would also include administrative costs to deal with the signs. Assuming a 3% inflation rate for construction/maintenance, these costs for the four signs on the right-of-way would be \$120 by the end of the first year to \$284 in the tenth year. The total overhead cost summed for all ten years would be \$1912. The marker in the rest area is more durable and does not have annual maintenance costs associated with it. This then is an estimate of the maintenance contributions needed for the signs. The signs and markers would be removed at the end of their useful life unless contributed funds are available to replace them. Costs could be significantly higher, requiring greater contributions, if an adequate location is not available.

Long-Range Fiscal Implications

With normal wear, signs must be replaced every 10 years. If it is assumed that the inflation rate for construction/maintenance averages 3% per year, the cost to replace the four signs on the right-of-way at that time will be \$1881.48. The marker in the rest area is more durable and is unlikely to need to be replaced after 10 years. The assumption is that contributions would be required in order for signs to be maintained.

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
The legislation specifies that all costs for the required signs and markers and their installation are to come from private funding.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$0	
(FTE Position Changes)			
State Operations - Other Costs		192	
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$192	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S		192	
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S		192	
TOTAL State Revenues		\$192	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$192	\$0
NET CHANGE IN REVENUE		\$192	\$0
Agency/Prepared By		Authorized Signature	Date
DOT/ Richard Moss (608) 267-7830		Julie Johnson (608) 267-3703	7/28/2005