

March 2, 2000

Assembly Bill 651 (Albers/Burke)

Assembly Bill 652 (Albers/Burke)

Assembly Bill 653 (Albers/Burke)

Claims made by the City of West Allis and Walworth County.

Summary of Bill -

All three bills would provide 80% reimbursement of the real estate acquisition costs related to local road improvement projects in West Allis and Walworth County. Due to the serious illness of a DOT employee, the proper forms for reimbursement were not filed with the federal government.

Staff Comments -

DOT supports payment of these claims from the state highway rehabilitation appropriation. This certainly seems appropriate, given that the lack of federal reimbursement is due to a DOT employee error. You should support all three bills.

Recommended JFC Action -

Passage of AB 651, AB 652 and AB 653.

Prepared by: Julie



Legislative Fiscal Bureau

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TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director
Legislative Fiscal Bureau

SUBJECT: Assembly Bill 651: Claim by the City of West Allis
Assembly Bill 652: Claim by the City of West Allis
Assembly Bill 653: Claim by Walworth County

BACKGROUND

In 1992, the claimants entered into project agreements with the Wisconsin Department of Transportation (DOT) and the Federal Highway Administration (FHWA) for local road improvement projects constructed between 1993 and 1995. Under the agreements, as with all federally-funded local highway projects, the local governments were to pay for the costs of the project and then later be reimbursed for 80% of those costs with federal funds. In order for local governments to receive reimbursement, DOT, which oversees all federally-funded projects, must submit authorization forms to FHWA prior to the commencement of the project. While the necessary documentation to allow for the reimbursement of construction and preliminary engineering costs was filed in these cases, the documentation that is required for reimbursement of real estate acquisition costs related to the projects was not filed due to the serious illness of a DOT employe. The claimants were not, therefore, able to receive federal reimbursement for 80% of the real estate expenditures and have asked DOT to reimburse them for these expenses.

The Department of Transportation has recommended that these claims be paid and the Claims Board recommended payment of these claims on October 19, 1999.

SUMMARY OF BILLS

The bills would direct DOT to pay the claimants from the state highway rehabilitation, state funds appropriation, as follows: (a) \$13,785.25 to the City of West Allis (AB 651); (b) \$56,300 to the City of West Allis (AB 652); and (c) \$76,150 to Walworth County (AB 653). The bills specify that acceptance of the payments by the claimants releases the state from any further liability resulting from expenses incurred for these construction projects.

FISCAL EFFECT

The bills require DOT to make payments totaling \$146,235.25 from the state highway rehabilitation appropriation. The bills would not appropriate additional funds to make these payments, so they would have to be paid from the SEG amounts appropriated for state highway rehabilitation by Act 9 (\$249,412,700 in 1999-00).

Prepared by: Jon Dyck