

2003 DRAFTING REQUEST

Senate Amendment (SA-SB44)

Received: **05/19/2003**

Received By: **phurley**

Wanted: **As time permits**

Identical to LRB:

For: **Legislative Fiscal Bureau**

By/Representing: **Dyck**

This file may be shown to any legislator: **NO**

Drafter: **phurley**

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Subject: **Transportation - miscellaneous
Transportation - highways**

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Pre Topic:

LFB:.....Dyck -

Topic:

Transfer funds to SEG appropriation

Instructions:

See Attached

Drafting History:

| <u>Vers.</u> | <u>Drafted</u> | <u>Reviewed</u> | <u>Typed</u> | <u>Proofed</u> | <u>Submitted</u> | <u>Jacketed</u> | <u>Required</u> |
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| | phurley 05/22/2003 | kgilfoy 05/23/2003 | | _____ | | | |
| /2 | phurley 05/27/2003 | kgilfoy 05/27/2003 | pgreensl 05/23/2003 | _____ | lemery 05/23/2003 | | |
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| /4 | phurley 05/29/2003 | kgilfoy 05/29/2003 | jfrantze 05/28/2003 | _____ | sbasford 05/28/2003 | | |
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| /1 | phurley | 1-5/22 dmg | 5/22 PS | 5/22 PS/K | | | |

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<END>

Senator Darling
Representative Kaufert
Senator Welch
Representative Stone

TRANSPORTATION

Transportation Program Provisions

Motion:

Move to adopt the following changes to transportation provisions of the bill:

AR 6
1. *Reduce Transportation Revenue Bonding Provided for the Highway Program.* Delete a total of \$184,836,000 SEG-S in 2003-04 and \$235,052,500 SEG-S in 2004-05 in revenue bond budget authority, which is the sum of the following: (a) reductions of \$147,708,000 SEG-S in 2003-04 and \$128,135,700 SEG-S in 2004-05 for state highway rehabilitation to eliminate transportation revenue bonding provided for the program in the bill; (b) reductions of \$37,128,000 SEG-S in 2003-04 and \$21,416,800 SEG-S in 2004-05 for major highway development to partially eliminate above-base increases in bonding for the program, leaving increases of \$6,028,300 SEG-S in 2003-04 and \$6,665,300 SEG-S in 2004-05; and (c) a reduction of \$85,500,000 SEG-S in 2004-05 for the Marquette Interchange reconstruction project. Reduce the amount of revenue bonding authority by \$820,819,100, to delete bonding authorization provided by the bill for state highway rehabilitation, the Marquette Interchange reconstruction project (including \$394,719,000 that was authorized for use in the 2005-07 biennium), part of the above-base increase in the major highway development program, and amounts provided for the cost of issuance of these bonds. Increase estimated transportation fund revenue by \$7,884,200 in 2003-04 and \$32,961,700 in 2004-05 to reflect a reduction in revenue bond debt service on these bonds.

PH-AR 6
2. *Pledge of Revenues for the Payment of Revenue Bond Debt Service.* Adopt Alternative #1 of LFB Issue Paper #739, which would make technical modifications to the provision in the bill that would expand the types of revenue that are pledged for the payment of debt service on transportation revenue bonds to include all vehicle registration-related and vehicle title transfer fees.

AR 6
3. *Provide General Fund-Supported, General Obligation Bonds.* Authorize a total of \$377,082,100 in general obligation bonds, as follows: (a) \$275,843,700 for state highway rehabilitation to replace the transportation revenue bonds provided by the bill with equal amounts of general obligation bonds; and (b) \$101,238,400 for major highway development to replace the above-base increases in transportation revenue bonds provided by the bill with equal amounts of general obligation bonds, plus an additional \$30,000,000, an amount equal to the biennial transfer in the bill from the transportation fund to the general fund. Modify the current GPR

appropriation in DOT for the payment of debt service on bonds issued under the local roads for job preservation program to also pay the debt service on the bonds issued under this item. Increase estimated GPR debt service by \$8,135,300 GPR in 2003-04 and \$29,415,200 GPR in 2004-05 to reflect debt service payments on these bonds.

AG 148 **Sales Tax on New Vehicle Sales.** Require DOR, beginning on July 1, 2005, and on each July 1 thereafter, to determine the amount of revenue generated by the tax on the sale and use of new motor vehicles in the preceding calendar year and specify that an amount equal to 20% of the sales tax amount be deposited in the transportation fund (estimated at \$48.2 million in 2005-06).

AG 6 Require DOT, in submitting its agency budget request for the 2005-07 biennium, to include statutory language that would create a transportation fund appropriation for the payment of debt service on the general fund-supported, general obligation bonds that would be authorized for state highway projects under this motion (estimated at about \$44.5 million on an annual basis once all of the bonds have been issued.)

Wm 5. P **Sunset K-12 School Aid Appropriation.** Specify that the transportation fund appropriation for K-12 school aids created by the bill (\$40,000,000 SEG in 2003-04 and \$60,000,000 SEG in 2004-05) would be deleted on June 30, 2005.

6. **Restore Project Funding for the State Highway Rehabilitation and Major Highway Development Programs.** Increase funding by \$12,767,600 SEG and \$84,287,100 FED in 2003-04 and \$4,516,200 SEG and \$55,520,700 FED in 2004-05 for the state highway rehabilitation program (a total of \$97,054,700 in 2003-04 and \$60,036,900 in 2004-05) to restore base funding for projects in the program. Increase funding for the major highway development program by a total of \$5,707,300 in 2003-04 and \$1,740,400 in 2004-05, which is the net effect of a reduction of \$321,000 SEG and an increase of \$6,028,300 SEG-S in 2003-04 and a reduction of \$4,924,900 SEG and an increase of \$6,665,300 SEG-S in 2004-05, which, in combination with the additional \$30,000,000 in general fund-supported, general obligation bonds, would restore base funding for projects in the program.

P 7. ~~State Highway Program Cost Review~~. Adopt Alternative #D1 of LFB Issue Paper #760, which would transfer \$11,120,500 SEG in 2004-05 from the appropriation for state highway rehabilitation and \$4,833,000 SEG in 2004-05 from the appropriation for major highway development (equal to 2% of the total base funding for each program) to the Joint Committee on Finance's supplemental SEG appropriation.

The alternative would also require DOT to submit a report to the Joint Committee on Finance by January 1, 2004, that includes the following: (a) the Department's response to any recommendations included in the Legislative Audit Bureau's performance audit of the state highway program; (b) the Department's recommendations of steps that may be taken or legislation that could be considered that could reduce costs in the state highway program; (c) information on current environmental requirements, highway improvement standards, and the



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

May 15, 2003

Joint Committee on Finance

Paper #760

State Highway Rehabilitation, Major Highway Development, and Highway Program Delivery Budget (DOT -- State Highway Program)

[LFB 2003-05 Budget Summary: Page 423, #1; Page 425, #3; and Page 427, #6]

CURRENT LAW

The state highway program can be divided into four principal components: (a) state highway rehabilitation; (b) major highway development; (c) southeast Wisconsin freeway rehabilitation; and (d) state highway maintenance and traffic operations. This paper discusses the state highway rehabilitation and major highway development programs. The state highway rehabilitation program is responsible for the reconstruction, reconditioning, and resurfacing of state highways and bridges, except for the highways and bridges on southeast Wisconsin freeways, which are the responsibility of the southeast Wisconsin freeway rehabilitation program. The major highway development program is responsible for the construction of new highways or the expansion of existing highways, except for those on the southeast Wisconsin freeway system. Major highway development projects, which must be enumerated in statutes prior to construction, are defined as projects that have an estimated cost exceeding \$5,000,000 in current dollars and consist of at least one of the following: (a) construction of a new highway of 2.5 miles or more in length; (b) relocation of 2.5 miles or more of existing roadway; (c) the addition of one or more lanes at least five miles in length; or (d) the improvement of 10 miles or more of an existing divided highway to freeway standards.

The base budget for the state highway rehabilitation program is \$556,025,100 (\$251,979,800 SEG and \$304,045,300 FED). The base budget for the major highway development program is \$241,651,000 (\$53,563,400 SEG, \$57,948,500 FED, and \$130,139,100 in revenue bond proceeds, which is designated as SEG-S).

GOVERNOR

Major Highway Development Funding. Reduce funding for the major highway development program by a total of \$20,707,300 in 2003-04 and \$16,740,400 in 2004-05, which is the net effect of the following funding changes: (a) a reduction of \$34,648,100 SEG in 2003-04 and \$18,072,400 SEG in 2004-05; (b) a reduction of \$29,215,500 FED in 2003-04 and \$26,750,100 FED in 2004-05; and (c) an increase in the use of revenue bond proceeds of \$43,156,300 SEG-S in 2003-04 and \$28,082,100 SEG-S in 2004-05.

State Highway Rehabilitation Funding. Reduce funding for the state highway rehabilitation program by a total of \$97,054,700 in 2003-04 and \$60,036,900 in 2004-05, which is the net effect of the following funding changes: (a) a reduction of \$206,056,800 SEG in 2003-04 and \$163,366,200 SEG in 2004-05; (b) a reduction of \$38,705,900 FED in 2003-04 and \$24,806,400 FED in 2004-05; and (c) the provision of transportation revenue bond proceeds in a newly-created bond appropriation for state highway rehabilitation of \$147,708,000 SEG-S in 2003-04 and \$128,135,700 SEG-S in 2004-05.

Create a continuing appropriation for the expenditure of revenue bond proceeds for state highway rehabilitation projects. Specify that revenue bond proceeds may be used for state highway rehabilitation projects and include such projects in a list of purposes for which the Building Commission may issue revenue obligations. Modify appropriations for the temporary financing (prior to reimbursement with bond proceeds) and revenue obligation funding of major highway development projects and transportation administrative facilities to specify that these appropriations also apply to the management of revenue bond financing for state highway rehabilitation projects. Include the appropriation for revenue obligation funding in a list of appropriations from which the reconditioning, reconstruction, and resurfacing of highways shall be funded.

Highway Program Project Delivery Base Budget Reductions. Reduce funding in the state highway rehabilitation and major highway development programs by a total of \$5,993,100 SEG in 2003-04 and \$6,624,900 SEG in 2004-05 to reflect reductions in the budgets for hiring consultants, for services such as design engineering and project management, and for limited-term employee (LTE) staff.

DISCUSSION POINTS

1. This paper addresses several issues related to the funding of the state highway rehabilitation and major highway development programs, as well as the budget for administrative functions ("delivery") of these programs. The purpose of treating these issues together is to allow for a more comprehensive consideration of the funding issues. Some legislators have expressed an interest in restoring part or all of the funding for these programs. The information provided here may help facilitate those decisions. Any decision to restore funding for the programs, however, would need to be made in the context of an overall consideration of available transportation

revenues.

2. The Governor's bill would make several changes to the SEG, FED, and SEG-S (bonding) funding for the state highway rehabilitation and major highway development programs. The following table shows the proposed funding changes to these programs. The funding changes are the net effect of several decision items, including the decision to reduce funding for highway construction projects, the decision to reduce funding and positions for administrative functions in both programs, and other, smaller changes, such as standard budget adjustments.

| | <u>2002-03 Base</u> | <u>Proposed Funding Change</u> | | <u>Total Proposed Funding</u> | |
|-------------------------------------|---------------------|--------------------------------|--------------------|-------------------------------|--------------------|
| | | <u>2003-04</u> | <u>2004-05</u> | <u>2003-04</u> | <u>2004-05</u> |
| State Highway Rehabilitation | | | | | |
| SEG | \$251,979,800 | -\$211,170,200 | -\$169,095,600 | \$40,809,600 | \$82,884,200 |
| FED | 304,045,300 | -38,705,900 | -24,806,400 | 265,339,400 | 279,238,900 |
| Bonding | <u>0</u> | <u>147,708,000</u> | <u>128,135,700</u> | <u>147,708,000</u> | <u>128,135,700</u> |
| Total | \$556,025,100 | -\$102,168,100 | -\$65,766,300 | \$453,857,000 | \$490,258,800 |
| Major Highway Development | | | | | |
| SEG | \$53,563,400 | -\$36,891,800 | -\$20,612,500 | \$16,671,600 | \$32,950,900 |
| FED | 57,948,500 | -29,215,500 | -26,750,100 | 28,733,000 | 31,198,400 |
| Bonding | <u>130,139,100</u> | <u>43,156,300</u> | <u>28,082,100</u> | <u>173,295,400</u> | <u>158,221,200</u> |
| Total | \$241,651,000 | -\$22,951,000 | -\$19,280,500 | \$218,700,000 | \$222,370,500 |
| Total of Both Programs | | | | | |
| SEG | \$305,543,200 | -\$248,062,000 | -\$189,708,100 | \$57,481,200 | \$115,835,100 |
| FED | 361,993,800 | -67,921,400 | -51,556,500 | 294,072,400 | 310,437,300 |
| Bonding | <u>130,139,100</u> | <u>190,864,300</u> | <u>156,217,800</u> | <u>321,003,400</u> | <u>286,356,900</u> |
| Total | \$797,676,100 | -\$125,119,100 | -\$85,046,800 | \$672,557,000 | \$712,629,300 |

3. The SEG funding for these programs would be reduced as part of an initiative to appropriate transportation fund moneys for the shared revenue program and K-12 equalization aids. In addition, SEG funding for the administrative functions of these programs would be reduced as part of an initiative to generate savings of \$15,000,000 annually from transportation fund appropriations in order to allow this amount to be transferred to the general fund. The following table shows the total use of transportation funds under the bill to support the general fund.

| | <u>2003-04</u> | <u>2004-05</u> | <u>Biennial Total</u> |
|--------------------------------|----------------|----------------|-----------------------|
| Transfer to General Fund | \$15,000,000 | \$15,000,000 | \$30,000,000 |
| Shared Revenue Payments | 230,000,000 | 170,000,000 | 400,000,000 |
| K-12 Equalization Aid Payments | 40,000,000 | 60,000,000 | 100,000,000 |
| Car-Kill Deer (DNR) | <u>402,100</u> | <u>414,600</u> | <u>816,700</u> |
| Total | \$285,402,100 | \$245,414,600 | \$530,816,700 |

4. Although the total amount of the fund transfers and new transportation fund

appropriations would be \$285,402,100 in 2003-04 and \$245,414,600 in 2004-05, the bill would reduce SEG funding for the two state highway programs by less than these amounts. Total SEG reductions for the state highway rehabilitation and major highway development programs would be \$248,062,000 in 2003-04 and \$189,708,100 in 2004-05, which is less than the total use of transportation funds to support the general fund by \$37,340,100 in 2003-04 and \$55,706,500 in 2004-05. Consequently, although the SEG reductions to the state highway rehabilitation and major highway development program can account for a large portion of the reductions that allow the use of transportation fund dollars on non-DOT programs, other transportation program decisions also have a bearing on the fund transfers and new SEG appropriations. For instance, SEG funding for the southeast Wisconsin freeway rehabilitation program would be reduced by \$32,283,700 in 2003-04 and \$40,207,900 in 2004-05 and estimated transportation fund revenue would be increased by \$24,558,100 in 2003-04 and \$49,924,500 in 2004-05 due to \$10 increases in the automobile registration fee and the vehicle title fee. The \$15,000,000 annual fund transfer is accomplished by making program and administrative funding reductions across several DOT programs, including the highway program.

5. In addition to the reductions in SEG funding for the two highway construction programs, FED funding would also be reduced by a total of \$67,921,400 in 2003-04 and \$51,556,500 in 2004-05. The bill estimates that total federal highway aid will decline, relative to the amount appropriated in the base year, by \$65,199,900 in 2003-04 and \$39,899,900 in 2004-05. While the total amount of federal highway aid received by the state is estimated to decrease, under the bill, relative to the base, by 11.5% and 7.0%, respectively, federal funding in the two highway programs would decrease, relative to the combined base, by 18.8% in 2003-04 and 14.2% in 2004-05. In contrast, federal funding provided for the southeast Wisconsin freeway rehabilitation program (for the Marquette Interchange reconstruction project) would be increased under the bill by \$16,249,800 in 2003-04 and \$24,174,000 in 2004-05. The combined impact of the FED decreases to the state highway rehabilitation and major highway development programs and the FED increases to the southeast Wisconsin freeway rehabilitation program would result in a net decrease in federal funding for the three programs of 12.4% in 2003-04 and 6.6% in 2004-05.

6. Transportation revenue bond proceeds would be used to partially offset reductions in SEG and FED funds for the two programs. As shown in the table under Point #2, the amount of bonds used in the state highway rehabilitation program would be \$147,708,000 in 2003-04 and \$128,135,700 in 2004-05 and the increase provided for the major highway development program would be \$43,156,300 in 2003-04 and \$28,082,100 in 2004-05. DOT indicates that the bonds issued for the state highway rehabilitation program would be 10-year bonds, while the bonds issued for the major highway development program would be 20-year bonds, as has been the case in the past. Bonding has not previously been used for state highway rehabilitation projects. An analysis of the debt service associated with this bonding, as well as the debt service associated with different levels of bonding, is presented in LFB Issue Paper #738.

7. The net effect of the decreases in SEG and FED funding and the increases in bonding for the state highway rehabilitation and major highway development programs is a decrease in total funding for projects in both programs. Funding for projects under the state

highway rehabilitation program (not including reductions in the delivery budget and other modifications) would be reduced by \$97,054,700 in 2003-04 and \$60,036,900 in 2004-05. Funding for major highway development program projects (not including the same items) would be reduced by \$20,707,300 in 2003-04 and \$16,740,400 in 2004-05.

8. In testimony before the Joint Committee on Finance on the budget bill, the DOT Secretary indicated that the Department would produce a list of highway construction projects that may be delayed to outside the 2003-05 biennium as a result of the funding reductions in the two programs. Prior to completing the list, however, the Department conducted a reestimate of the state's federal highway aid for federal fiscal year (FFY) 2004 and FFY 2005, and a reestimate of state transportation fund revenues. It was estimated that the level of federal highway aid that the state will receive in the biennium may be higher than previously expected, but that this increase will be somewhat offset by a decrease in available transportation fund revenue. In combination, these reestimates produced a net increase in available funds of \$62,073,900 in 2003-04 and \$36,358,700 in 2004-05, for a biennial total of \$98,432,600.

9. The Department recommended that the additional funding be allocated as follows: (a) \$54.6 million for the state highway rehabilitation program; (b) \$37.6 million for the major highway development program; and (c) \$6.5 million for activities related to the planning and research associated with the highway program. [These amounts total to \$98.7 million, which is slightly more than the amount of available funds, requiring that some minor adjustments be made. The Department has identified precise amounts, by year, for highway planning and research (\$3,775,000 in 2003-04 and \$2,731,000 in 2004-05, for a total of \$6,506,000 over the biennium) in order to reach a specific, targeted funding level. The recommended increases for the highway programs, by contrast, were not expressed in precise amounts by year. For the purposes of this paper, the Department's recommended increases for the state highway rehabilitation and major highway development programs will be adjusted proportionately to match the amount of funding that is available if the identified increases are provided for highway planning and research.] The Department's list of delayed projects was based on an assumption that the increases recommended by the Department would be provided. The recommended funding level for state highway administration planning and research is discussed in LFB Issue Paper #764.

Major Highway Development

10. If the available funds were provided as DOT has recommended (with slight adjustments to account for the actual amount of available funds and in proportion to the year in which the additional funding is available), the funding for the major highway development program would be increased, relative to the bill, by \$23,774,800 in 2003-04 and \$13,713,700 in 2004-05. The provision of these amounts would result in a net increase in funding for projects of \$3,067,500 in 2003-04 and a net decrease of \$3,026,700 in 2004-05. (Since the program is affected by other decisions, including a decision to reduce the highway delivery budget, as well as standard budget adjustments, these changes are not the same as the change to the base.) However, with a slight shift of funds in this alternative from the first year to the second year, the base level of funding for projects could be restored. In this case, an increase of \$20,707,300 would be provided in 2003-04

and \$16,740,400 would be provided in 2004-05. Relative to the Department's recommendation, this alternative would reduce the amount of the additional funding devoted to the program by \$40,800 over the biennium. This amount could, in turn, be provided for other programs.

11. The Department indicates that no major highway development projects would be delayed in the biennium if the recommended increases are provided. However, since no inflationary adjustments would be provided, the overall purchasing power for the program would decline slightly. As a result of this decrease, some studies and preliminary work related to projects that are not enumerated in the statutes (a requirement for construction under the program) would be delayed. The following table shows the projects that would be affected by this delay in studies.

| <u>Highway</u> | <u>Segment</u> |
|----------------|-----------------------|
| USH 8 | STH 35 North - USH 53 |
| USH 10 | USH 41 - STH 441 |
| USH 12 | Fort Atkinson Bypass |
| USH 14/STH 11 | Janesville - I-43 |
| STH 38 | Oakwood Road - CTH K |
| I-39/I-90 | USH 12 - Illinois |
| USH 45/ STH 15 | STH 76 - New London |
| USH 51 | Stoughton - McFarland |

12. Although the Department's recommended funding increase for the program would allow construction delays to be avoided during the biennium, the fact that advance work on other projects would be delayed may mean that the eventual construction on these projects may also be ultimately delayed. It should be noted, however, that a delay in the study of a project may not necessarily result in a delay in the construction of the project. These projects, even if the studies were not delayed, would likely not be considered for enumeration until 2004, 2006, or 2008, and construction would likely not start until about six years following enumeration. Given the amount of time before these projects would be ready for construction, the overall level of funding for the program over the next 10 years to 15 years would likely have a greater effect on the timing of their construction than a delay in the completion of the studies.

13. Candidate projects for statutory enumeration in the major highway program are evaluated by the Transportation Projects Commission (TPC), which is composed of the Governor, legislators, public members, and the Department of Transportation Secretary. The TPC is prohibited from recommending projects for enumeration unless construction on all of the projects that are already enumerated, but not yet under construction, as well as all of the projects that would be recommended for enumeration, can be started within six years of the time of enumeration. In December, 2002, the TPC met to consider four candidate projects, but voted to not recommend these projects for enumeration because it was determined that the 2002-03 funding level for the program was not sufficient to start the projects within the six-year period. The following table shows the projects that were considered, but not recommended for enumeration. The estimated costs for these projects exclude design costs.

| <u>Highway</u> | <u>County</u> | <u>Segment</u> | <u>Project Length (In Miles)</u> | <u>Estimated Cost (In Millions)</u> |
|----------------|---------------|----------------------------|----------------------------------|-------------------------------------|
| USH 14/USH 61 | Vernon | Westby to Viroqua Bypass | 13 | \$41.0 |
| USH 18 | Crawford | Prairie du Chien to STH 60 | 7 | 29.2 |
| USH 41 | Brown | CTH F to CTH M | 14 | 205.0 |
| USH 41 | Winnebago | STH 26 to Breezewood Lane | 17 | <u>225.0</u> |
| TOTAL | | | | \$500.2 |

14. Since the time of the TPC's December meeting, some legislators have expressed an interest in proceeding with the statutory enumeration of these projects, even though the Commission did not vote to recommend them. The requirement that projects can only be recommended for enumeration if they can be started within six years applies to the TPC, but would not prohibit the Legislature from enumerating the projects. If one or more of these projects were enumerated in the bill, the funding level that would be provided for the program in the bill, even as modified by DOT's recommendation, would not be sufficient to start the projects within six years. In addition, even if an inflationary increase were provided to the 2002-03 funding level, the projects may not be started within six years. The Department indicates that, relative to the bill, an increase of \$46,138,900 in 2003-04 and \$48,633,900 in 2004-05 would be needed to begin construction on these four projects within six years.

15. Another alternative would be to enumerate the projects without providing additional funding. In this case, the projects would likely not be started within six years unless additional funding is provided in the 2005-07 biennium to accelerate the construction of all enumerated projects. However, future Legislatures would not be bound to provide additional funding to ensure that enumerated projects are started within six years.

16. Some may argue that, under circumstances in which funding for the highway programs is being reduced, it would be appropriate to place a higher priority on the preservation of the highway system, rather than on building new highway lanes. In this case, any additional available funding would be provided for the state highway rehabilitation program, rather than the major highway development program.

17. The Department's recommended funding increases, using the additional funds identified as a result of the reestimate of federal highway aid and state transportation fund revenues, would essentially restore the base level of funding for the major highway development program, while the total reduction in funding for the state highway rehabilitation program would remain over \$100 million over the biennium. If the \$37.4 million that would be allocated to the major highway development program under the Department's recommendation was, instead, provided for the state highway rehabilitation program, the difference between the base level of funding and the budgeted level in that program could be reduced by over one-third.

18. The Department indicates that the additional funds were recommended for allocation among the two programs based upon the principle of minimizing, as much as possible, the impact on the traveling public. Since a reduction in the funding for the major highway development program could possibly delay projects in this program, and since these projects tend to have significant safety and traffic mobility benefits, it was decided that allowing more delays to state highway rehabilitation projects on relatively low-volume highways was preferable.

State Highway Rehabilitation

19. While providing increases to the major highway development program, as recommended by the Department with the anticipated, additional federal highway aid, would allow the Department to avoid construction delays in that program during the biennium, the recommended increase for the state highway rehabilitation program would not be sufficient to avoid construction delays. If the increases that the Department recommended for the program were provided using the estimated, additional federal funds (with slight adjustments to account for the actual amount of available funds), the funding for the state highway rehabilitation program would be increased, relative to the bill, by \$34,524,100 in 2003-04 and \$19,914,000 in 2004-05. The provision of these amounts would reduce the total decrease for highway projects to \$62,530,600 in 2003-04 and \$40,122,900 in 2004-05.

20. The attachment to this paper lists the projects that the Department indicates were previously scheduled to be let for bidding during the 2003-05 biennium, but, as the result of the bill's funding reductions, may be delayed until after the biennium. These tables do not include southeast Wisconsin freeway rehabilitation projects that would be delayed as the result of the decision to reallocate funding that would be used on those projects to the Marquette Interchange reconstruction project. This issue is discussed in LFB Issue Paper #761, on the Marquette Interchange reconstruction project.

21. In selecting projects to delay, the Department indicates that projects that were likely to be delayed for non-financial reasons (delays in the design process, for instance) were chosen first. The remaining projects on the list were generally chosen on the basis of their impact on the traveling public. Resurfacing projects on low-volume roads, for instance, were chosen for potential delay rather than projects that may have a larger safety benefit.

22. The total, estimated construction cost of the delayed projects is \$172.9 million. Of this amount, all but \$5.2 million is associated with projects that were scheduled to be let in 2004-05, the second year of the biennium. The list does not include many projects that had a 2003-04 letting date because these projects, while they might be delayed, would not be delayed to outside the 2003-05 biennium. The effect of reducing funding is generally to push back the schedule for a set of projects by one year. The delayed projects in the second year are either displaced in the schedule by projects that were delayed from the first year or are delayed as the result of the lower funding level in the second year. In other words, the lower funding level would have a compounding effect as long as the funding level remains below the level upon which the original schedule was based.

23. The Department schedules highway construction projects through the development of a six-year program. Although the Department's list of delayed projects includes projects that would be delayed to outside the 2003-05 biennium, it does not include information on other projects in the current six-year program that would be delayed as the result of the lower funding level. Eventually, the Department's six-year program would be readjusted to reflect the delays caused by the lower 2003-05 funding level, but the delays will continue to have an effect on the timing of projects, relative to when the projects would have otherwise been constructed if funding had not be reduced.

24. To fully restore the base level of funding for state highway rehabilitation program projects (not counting other reductions in the project delivery budget), increases of \$97,054,700 in 2003-04 and \$60,036,900 in 2004-05 would have to be provided.

25. In response to a reduction in the funding for the state highway rehabilitation program, the Department has generally taken the approach of delaying individual projects, rather than reducing the cost of individual projects to avoid or reduce delays for other projects. Some legislators have raised questions about whether it would be possible to reduce the overall cost of highway construction projects, either in the state highway rehabilitation or major highway development programs. In particular, questions have been raised about whether the cost of projects could be reduced by simplifying the complex process that the Department must go through to prepare a project for construction, reducing the environmental requirements with respect to highway construction, or by reassessing the standards that are used to design projects or the standards that are used to determine when a project is constructed.

26. Some of the factors that contribute to project costs, such as federal environmental requirements, remain beyond the control of the Department or the Legislature. There may be other factors, however, that could be affected by departmental or legislative decisions. In these cases, there may be policy trade-offs that would have to be considered. For instance, eliminating or reducing state environmental requirements could be done to save costs, but this could have negative environmental consequences that should be considered in light of the potential cost savings. In these cases, the Legislature may benefit from additional information on the factors that contribute to project costs. The Legislative Audit Bureau (LAB) is currently conducting a performance audit, due to be completed in the fall, that will address some of these issues, particularly as they relate to the major highway development program.

27. One alternative that may help the Legislature in its consideration of any recommendations that are contained in the LAB report would be to require DOT to submit a report to the Joint Committee on Finance that responds to the Audit Bureau's recommendations, including any recommendations as to what legislative steps may be taken to implement cost-reduction strategies. The report could include information on current environmental requirements, highway improvement standards, and the degree of competitiveness in the construction industry. In order that this report is produced in time for consideration by the full Legislature of any potential legislative changes in the 2004 spring floor period, the report could be made by January 1, 2004. In anticipation of potential cost savings that the report may identify, a percentage of 2004-05 funding

for the highway programs (2% of the base, for instance) could be placed in the Committee's supplemental SEG appropriation, pending a review of the report and its recommendations by the Committee under a passive review process. If the report's recommendations produce savings, the report could include an additional recommendation on how to allocate the savings back to DOT's appropriations.

28. In the context of a state budget in which funding for many state programs across most state agencies will be reduced, it may be determined that restoring the base level of funding for the major highway development and state highway rehabilitation programs is impractical. If it is felt that additional funding should be provided for the programs, but not enough funding is available to fully restore the base level of funding, an amount could be provided such that the reduction in funding for projects equals 5% of the base funding level for each program. In this case, funding for projects would be reduced, relative to the base, by \$12,082,600 annually in the major highway development program and by \$27,801,300 annually in the state highway rehabilitation program. Achieving these funding levels would require increases, relative to the bill, of: (a) \$8,624,700 in 2003-04 and \$4,657,800 in 2004-05 for the major highway development program; and (b) \$69,253,400 in 2003-04 and \$32,235,600 in 2004-05 for the state highway rehabilitation program.

Highway Program Delivery Budget

29. If a decision is made to restore some or all of the base funding for projects in the state highway rehabilitation and major highway development programs, the decision could also be made to restore funding for some activities that are related to the support of the highway program. The bill would make the following reductions to the delivery budgets of the two programs: (a) \$2,662,100 SEG in 2003-04 and \$3,083,300 SEG in 2004-05 from the appropriation for state highway rehabilitation and \$1,331,000 SEG in 2003-04 and \$1,541,600 SEG in 2004-05 from the appropriation for major highway development for engineering consultants in those programs; and (b) \$1,333,300 SEG annually from the appropriation for state highway rehabilitation and \$666,700 SEG annually from the appropriation for major highway development for LTE staff in those programs.

30. In addition to these delivery budget reductions, the bill would eliminate positions and associated funding in all of DOT's divisions. Within the Division of Transportation Districts, which is the primary division responsible for the delivery of highway projects, the bill would eliminate 54.0 SEG positions and \$1,006,200 SEG in 2003-04 and 108.0 SEG positions and \$1,334,400 SEG in 2004-05 (allocated among the appropriations for state highway rehabilitation, major highway development, and highway administration and planning). The Committee, in acting on the position reductions item at an April 24 executive session, adopted an alternative that would allow the Department to shift the total amount of position reductions between appropriations, which could allow the Department to restructure the total impact of the position reductions to reflect other budget decisions.

31. The positions that would be eliminated in the Division of Transportation Districts would primarily be engineers involved in the design, preparation, or construction of highway

projects. In many cases, the Department currently hires consultants to do the work that would otherwise be done by DOT staff, so the restoration of the budget for engineering consultants may allow the Department to absorb the reduction in district staff. However, the impact of a reduction in DOT district engineers may force the Department to use consultants on projects where the use of DOT staff would be more cost-effective.

32. The Department recently conducted a comparison of the percentage of total project costs that are attributable to design, contrasting projects where the design was done by consultants with projects where the design was done by DOT staff. Generally, the design percentage on projects where the design was done by DOT staff was lower than the percentage for projects done by consultants, suggesting that the cost of using state employees is lower than the cost of hiring consultants. However, the Department cautioned against using these data to draw firm conclusions since consultants are typically used for different types of projects, which may be, on average, more complex than the projects for which DOT staff do the design.

33. Further examination of the cost of using DOT staff to design projects versus the cost of hiring consultant engineers to do this work may be needed. It is possible that restoring some of the positions that the bill would eliminate in the Division of Transportation Districts would produce some savings. One alternative would be to require the Department, in submitting a report on potential cost savings associated with potential changes in the highway development process, to identify savings that could be realized from restoring positions in the Division of Transportation Districts to replace the work done by consultants. After evaluating this information, the Committee could decide to authorize additional positions in the Department for this purpose.

ALTERNATIVES

The alternatives in the sections related to project funding for the major highway development and state highway rehabilitation programs modify the bill by changing the total funding for the programs, without specifying the funding source (FED, SEG, or SEG-S). The actual funding source used for the adjustments will depend upon the relative availability of funds of each type, which, in turn, will depend upon the Committee's decisions on other budget items. Since projects in both programs can and usually do use both state or federal funding sources, these adjustments can be made without having an adverse impact on the programs.

A. Major Highway Development Project Funding Level

1. Approve the Governor's recommendation to reduce funding for the major highway development program by a total of \$20,707,300 in 2003-04 and \$16,740,400 in 2004-05, which is the net effect of the following funding changes: (a) a reduction of \$34,648,100 SEG in 2003-04 and \$18,072,400 SEG in 2004-05; (b) a reduction of \$29,215,500 FED in 2003-04 and \$26,750,100 FED in 2004-05; and (c) an increase in the use of revenue bond proceeds of \$43,156,300 SEG-S in 2003-04 and \$28,082,100 SEG-S in 2004-05.

2. Modify the Governor's recommendation by increasing funding for projects by

\$20,707,300 in 2003-04 and \$16,740,400 in 2004-05, to restore the base level of funding for projects. This alternative is a slight modification of the Department's recommendation to provide an additional \$37.6 million over the biennium using funds that are available as a result of a reestimate of available federal highway aid and state transportation fund revenues.

| <u>Alternative A2</u> | <u>All Funds</u> |
|----------------------------------|------------------|
| 2003-05 FUNDING (Change to Bill) | \$37,447,700 |

3. Modify the Governor's recommendation by increasing funding for projects by \$8,624,700 in 2003-04 and \$4,657,800 in 2004-05. This level of funding would result in a net reduction in funding for projects equal to 5% of the total program base.

| <u>Alternative A3</u> | <u>All Funds</u> |
|----------------------------------|------------------|
| 2003-05 FUNDING (Change to Bill) | \$13,282,500 |

4. Modify the Governor's recommendation by doing one or both of the following:

a. Enumerate in the statutes as major highway projects the four projects that the Transportation Projects Commission voted to not recommend at its December, 2002, meeting, as follows: (a) USH 14/USH 61 from Westby to Viroqua in Vernon County; (b) USH 18 from Prairie du Chien to STH 60 in Crawford County; (c) USH 41 from one mile south of CTH F to CTH M in Brown County; and (d) USH 41 from STH 26 to Breezewood Lane in Winnebago County.

b. Provide increases of \$46,138,900 in 2003-04 and \$48,633,900 in 2004-05 in order to provide enough additional funding to start construction on the four projects within six years.

| <u>Alternative A4b</u> | <u>All Funds</u> |
|----------------------------------|------------------|
| 2003-05 FUNDING (Change to Bill) | \$94,772,800 |

B. State Highway Rehabilitation Project Funding Level

1. Approve the Governor's recommendation to reduce funding for the state highway rehabilitation program by a total of \$97,054,700 in 2003-04 and \$60,036,900 in 2004-05, which is the net effect of the following funding changes: (a) a reduction of \$206,056,800 SEG in 2003-04 and \$163,366,200 SEG in 2004-05; (b) a reduction of \$38,705,900 FED in 2003-04 and \$24,806,400 FED in 2004-05; and (c) the provision of transportation revenue bond proceeds in a newly-created bond appropriation for state highway rehabilitation of \$147,708,000 SEG-S in 2003-04 and \$128,135,700 SEG-S in 2004-05.

2. Modify the Governor's recommendation by increasing funding for projects by \$34,524,100 in 2003-04 and \$19,914,000 in 2004-05. The provision of these amounts would reduce the total decrease for highway projects in the program to \$62,530,600 in 2003-04 and \$40,122,900 in 2004-05. This alternative is a slight modification of the Department's recommendation to provide an additional \$54.6 million over the biennium using funds that are available as a result of a reestimate of available federal highway aid and state transportation fund revenues.

| <u>Alternative B2</u> | <u>All Funds</u> |
|----------------------------------|------------------|
| 2003-05 FUNDING (Change to Bill) | \$54,438,100 |

3. Modify the Governor's recommendation by providing increases of \$69,253,400 in 2003-04 and \$32,235,600 in 2004-05. This level of funding would result in a net reduction in funding for projects equal to 5% of the total program base.

| <u>Alternative B3</u> | <u>All Funds</u> |
|----------------------------------|------------------|
| 2003-05 FUNDING (Change to Bill) | \$101,489,000 |

4. Modify the Governor's recommendation by providing increases of \$97,054,700 in 2003-04 and \$60,036,900 in 2004-05, to restore the base level of funding for projects.

| <u>Alternative B4</u> | <u>All Funds</u> |
|----------------------------------|------------------|
| 2003-05 FUNDING (Change to Bill) | \$157,091,600 |

C. Highway Program Delivery Budget

1. Approve the Governor's recommendation to reduce funding in the state highway rehabilitation and major highway development programs by a total of \$5,993,100 SEG in 2003-04 and \$6,624,900 SEG in 2004-05 to reflect reductions in the budgets for hiring consultants, for services such as design engineering and project management, and for limited-term employee (LTE) staff.

2. Delete provision. This would restore funding for engineering consultants and LTE staff in the two highway programs.

| <u>Alternative C2</u> | <u>SEG</u> |
|----------------------------------|--------------|
| 2003-05 FUNDING (Change to Bill) | \$12,618,000 |

D. Highway Program Cost Review

1. Transfer \$11,120,500 SEG in 2004-05 from the appropriation for state highway rehabilitation and \$4,833,000 SEG in 2004-05 from the appropriation for major highway development (equal to 2% of the total base funding for each program) to the Joint Committee on Finance's supplemental SEG appropriation.

Require DOT to submit a report to the Joint Committee on Finance by January 1, 2004, that includes the following: (a) the Department's response to any recommendations included in the Legislative Audit Bureau's performance audit of the state highway program; (b) the Department's recommendations of steps that may be taken or legislation that could be considered that could reduce costs in the state highway program; (c) information on current environmental requirements, highway improvement standards, and the degree of competitiveness in the construction industry, and how these factors contribute to the cost of highway projects; (d) the Department's recommendation on whether additional positions should be provided in the Division of Transportation Districts to replace the work done by engineering consultants to reduce project design costs; and (e) the Department's recommendation on how to allocate any cost savings produced by either process modifications or the addition of DOT staff back to the Department's appropriations. Specify that if the Co-Chairs do not notify DOT within 14 working days after the date of the submittal that the Committee has scheduled a meeting to review the report, the funding placed in the Committee's appropriation by this alternative would be transferred back to the corresponding appropriations for state highway rehabilitation and major highway development, with any modifications the Department recommends under "(e)". Specify that if, within 14 working days after the submittal, the Co-Chairs notify DOT that the Committee has scheduled a meeting to review the report, the funding shall remain in the Committee's supplemental appropriation until the Committee takes action to release the funding. Specify that the Committee may take action with respect to the report that it deems necessary, including releasing a portion of the funds and asking the Department to submit additional information to the Committee before additional funding for the state highway rehabilitation and major highway development programs is restored.

2. Maintain current law.

11,120,500 to state hwy rehab (cg)
4,833,000 to major hwy devlop (cg)

Prepared by: Jon Dyck
Attachment

ATTACHMENT

Reconstruction Projects

| <u>County</u> | <u>Highway</u> | <u>Project Description</u> | <u>Estimated Cost</u> |
|-----------------------------|----------------|---------------------------------------------------------------------|-----------------------|
| Brown | STH 29 | Military Avenue-Ridge Road/Shawano Avenue | \$2,075,634 |
| Buffalo | STH 121 | Gilmanton - CTH V | 265,000 |
| Clark | STH 73 | Main Street, City of Greenwood | 1,977,274 |
| Dane | USH 51 | Bartillion Drive, City of Madison | 403,043 |
| Dane | USH 151 | American Parkway - Main Street, City of Sun Prairie | 13,118,515 |
| Dodge | STH 115 | STH 60 - Juneau Road | 3,959,948 |
| Door | Various | Frontage Road East of STH 42/57 | 895,652 |
| Fond du Lac | USH 41 | USH 151 Interchange | 5,611,328 |
| Grant | STH 133 | Prairie Street, City of Boscobel | 862,513 |
| Grant | STH 133 | Front Street, Village of Muscoda | 652,174 |
| La Crosse | STH 16 | STH 16, Holiday Heights Access Road | 3,043,650 |
| La Crosse | STH 35 | 2 nd Avenue, City of Onalaska, at Oak Forest Drive | 1,139,027 |
| Marathon | USH 51 | Merrill Avenue, Wausau, Union Avenue-CTH U | 3,153,056 |
| Marathon | STH 97 | Mueller and Alfred Streets | 1,909,294 |
| Milwaukee | STH 181 | North 76 th Street, Florist Avenue-North of Bradley Road | 16,017,670 |
| Rock | STH 59 | Fulton Street, City of Edgerton | 2,194,128 |
| Sheboygan | STH 23 | Coary Lane - STH 67 | 5,876,926 |
| Washburn | STH 77 | West County Line - CTH I | 6,675,149 |
| Waukesha | STH 59 | Greenfield Avenue, STH 64-CTH Y | 16,349,346 |
| Waushara | STH 49 | Town of Poysippi, CTH H Segment | 995,041 |
| Reconstruction Total | | | \$87,174,368 |

Reconditioning and Pavement Replacement Projects

| <u>County</u> | <u>Highway</u> | <u>Project Description</u> | <u>Estimated Cost</u> |
|------------------------------------------------------|----------------|---------------------------------------|-----------------------|
| Brown | I-43 | Southbound I-43 - Westbound STH 172 | \$476,097 |
| Chippewa | STH 29 | Seymour Cray Boulevard - CTH J | 3,172,894 |
| Dodge | STH 16 | Crawfish River - STH 26 Road | 7,902,121 |
| Dunn | STH 25 | South County Line - Red Cedar River | 1,452,874 |
| Forest | STH 139 | USH 8 - Florence County Line | 2,189,814 |
| Grant | STH 133 | Boscobel - Blue River Road | 3,343,998 |
| Grant | STH 133 | Blue River - Muscoda Road | 3,226,118 |
| Iron | STH 77 | Ashland County Line - Upson Lake Road | 1,544,652 |
| La Crosse | USH 14 | CTH YY - Coon Valley | 6,656,000 |
| Lincoln | USH 51 | CTH S - USH 8, Southbound | 5,150,000 |
| Oconto | STH 32 | Sagebrush Lane - Waupee River Road | 1,949,240 |
| Oneida | USH 51 | CTH D Intersection | 412,000 |
| Richland | STH 60 | CTH T - STH 80 | 4,269,000 |
| Wood | STH 54 | Swanson Road - Seneca Road | 3,095,649 |
| Reconditioning and Pavement Replacement Total | | | \$44,840,457 |

Bridge Replacement, Rehabilitation, or Maintenance Projects

| <u>County</u> | <u>Highway</u> | <u>Project Description</u> | <u>Estimated Cost</u> |
|-----------------------------|----------------|-------------------------------------------------------|-----------------------|
| Barron | STH 25 | Engle Creek Bridge, Painting | \$18,028 |
| Brown | USH 41 | Ashwaubenon Town of Little Suamico | 314,722 |
| Columbia | STH 16 | James Street, City of Columbus | 469,565 |
| Columbia | IH 39 | STH 33 Overpass | 116,434 |
| Columbia | IH 90 | Cascade Mt Road Overpass, Painting | 210,597 |
| Dane | USH 14 | Black Earth Creek Bridge | 64,619 |
| Dane | STH 30 | Fair Oaks Avenue Underpass | 130,135 |
| Dane | IH 90 | USH 151 Interchange and Soo Line RR Bridges, Painting | 943,180 |
| Douglas | STH 13 | STH 13 Bridge Painting, Multiple Locations | 163,889 |
| Jefferson | IH 94 | Union Pacific RR Overpasses | 284,503 |
| Juneau | STH 80 | Webster Creek Bridge and Approaches | 119,792 |
| La Crosse | IH 90 | I-90/STH 162 Interchange at Bangor | 312,325 |
| Langlade | STH 52 | Wolf River Bridge | 166,299 |
| Lincoln | USH 8 | Tomahawk River Bridge Painting | 185,400 |
| Lincoln | STH 64 | Pine River Bridge | 169,676 |
| Sauk | STH 136 | Baraboo River Bridge | 130,135 |
| Sawyer | STH 70 | Flambeau River Bridge | 97,514 |
| Winnebago | STH 116 | Wolf River Bridge, Painting | <u>195,453</u> |
| Bridge Project Total | | | \$4,092,267 |

Resurfacing and Road Maintenance Projects

| <u>County</u> | <u>Highway</u> | <u>Project Description</u> | <u>Estimated Cost</u> |
|-----------------------------------------------|----------------|---------------------------------------------------|-----------------------|
| Barron | STH 53 | CTH B - Zimmerman Road | \$1,404,974 |
| Bayfield | USH 63 | Grandview - STH 118 | 987,804 |
| Brown | STH 29 | Shawano Avenue, Oneida Street - Oakland Avenue, G | 869,565 |
| Chippewa | STH 53 | STH 124 - STH 29 | 664,569 |
| Clark | STH 73 | Hunt Street - STH 29 | 2,411,433 |
| Dane | USH 18 | West County Line - CTH ID, Westbound | 2,025,405 |
| Dodge | STH 19 | STH 89 - CTH G | 937,189 |
| Fond du Lac | USH 41 | Milwaukee to Green Bay Road | 7,428,595 |
| Forest | STH 32 | CTH S - Fire Tower Road | 245,833 |
| Forest | STH 52 | South County Line - Wabeno | 506,048 |
| Juneau | STH 80 | Webster and Sherman Creek Culvert Repair | 848,889 |
| Kewaunee | STH 42 | Duvall Street - CTH K | 1,839,285 |
| Lincoln | STH 86 | Price County Line - West Kraft Road | 1,432,388 |
| Lincoln | STH 107 | Mathews Road - CTH S | 474,696 |
| Marinette | USH 141 | CTH Z - CTH R | 678,997 |
| Pierce | STH 29 | USH 63 - CTH CC | 1,811,000 |
| Racine | STH 32 | 5 Mile Road - North County Line | 895,570 |
| Racine | STH 38 | CTH K to North County Line | 3,913,043 |
| Sheboygan | STH 23 | West County Line - CTH P | 1,713,043 |
| Taylor | STH 13 | Allman Street - CTH M | <u>1,907,560</u> |
| Resurfacing and Road Maintenance Total | | | \$32,995,886 |

**Miscellaneous Projects Associated with Other Rehabilitation Projects
(Signals, Lighting, Wetland Mitigation, etc.)**

| <u>County</u> | <u>Highway</u> | <u>Project Description</u> | <u>Estimated Cost</u> |
|------------------------------------|----------------|---------------------------------|-----------------------|
| Chippewa | STH 53 | North County Line - STH 29 | \$712,916 |
| Marathon | Various | STH 34 - STH 153 | 367,111 |
| Rock | STH 59 | Newville Park and Ride Lot | 315,652 |
| Various Southeast | Various | Bridge Level of Effort, FY 2005 | <u>2,400,000</u> |
| Miscellaneous Project Total | | | \$3,795,679 |
| Grand Total | | | \$172,898,658 |



State of Wisconsin
2003 - 2004 LEGISLATURE

LRBb0224/1

PJH: King

LFB:.....Dyck - Transfer funds to SEG appropriation

FOR 2003-05 BUDGET - NOT READY FOR INTRODUCTION

SENATE AMENDMENT,

TO 2003 SENATE BILL 44

D-NOTE

1 At the locations indicated, amend the bill as follows:

2 ~~1. Page 235, line 3: decrease the dollar amount for fiscal year 2004-05 by~~
3 ~~\$4,833,000 for the purpose of transferring the funds to s. 20.865 (4) (u).~~
4 ~~2. Page 235, line 13: decrease the dollar amount for fiscal year 2004-05 by~~
5 ~~\$11,120,500 for the purpose of transferring these funds to s. 20.865 (4) (u).~~
6 ~~3. Page 329, line 14: increase the dollar amount for fiscal year 2004-05 by~~
7 ~~\$15,953,500 for the purpose of state highway rehabilitation and major highway~~
8 ~~development.~~

9 ✓ 4. Page 1096, line 17: after that line insert:

10 (10) STATE HIGHWAY REHABILITATION AND MAJOR HIGHWAY DEVELOPMENT
11 SUPPLEMENT. (a) Not later than January 1, 2004, ✓ the department of transportation

1 shall submit a report to the joint committee on finance that includes the following
2 information:

3 1. The department's response to any recommendations included in the
4 legislative audit bureau's performance audit of the state highway program.

5 2. The department's recommendations of steps that may be taken or
6 legislation that could be considered that could reduce costs in the state highway
7 program.

8 3. Information on current environmental requirements, highway
9 improvements standards, and the degree of competitiveness in the construction
10 industry, and how these factors contribute to the cost of highway projects.

11 4. The department's recommendation on whether additional positions
12 should be provided in the division of transportation districts to replace the work done
13 by engineering consultants and to reduce project design costs.

14 5. The department's recommendation on how to allocate any cost savings
15 produced by either process modifications or the addition of department of
16 transportation staff back to the department's appropriations.

17 (b) *If the* The co-chairs of the joint committee on finance *shall* notify the department
18 of transportation not more than 14 working days after the date *on which* the report is
19 submitted under *that* (a) that the committee has scheduled a meeting to review the
20 report. *paragraph* The joint committee on finance may take action on the report as it *deems* considers
21 necessary, including but not limited to releasing a portion of funds in *the* § 20.865 (4) (u)
22 and asking the department to submit additional information before the joint
23 committee on finance releases additional funds. *section of the statutes*

24 (c) If the co-chairs of the joint committee on finance do not notify, within 14
25 working days *on which* of the date a report is submitted under *that* (a), the department of

the appropriation under

the funds in section 20.865(4)(u) of the statutes will remain in that appropriation after

paragraph

1 transportation that the committee has scheduled a meeting to review the report, the
2 funds in ~~§~~ 20.865 (4) (u) shall be transferred to the appropriations ~~in~~ ~~§~~ 20.395 (3) (bq)
3 and (cq). ~~§~~

4

(END)

section
».

*under
section*

of the statutes

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBb0224/1dn

PJH: King

Jon 

Please note that this draft does not decrease the appropriations under s. 20.395 (3) (bq) and (cq) and does not increase the appropriation under s. 20.865 (4) (u). My understanding is that these transfers will be reflected in the new schedule created in the substitute ~~621~~.

*amendment to
SB-44*

ch. 20

Peggy Hurley
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**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBb0224/1dn
PJH:kmg:pg

May 22, 2003

Jon:

Please note that this draft does not decrease the appropriations under s. 20.395 (3) (bq) and (cq) and does not increase the appropriation under s. 20.865 (4) (u). My understanding is that these transfers will be reflected in the new ch. 20 schedule created in the substitute amendment to SB-44.

Peggy Hurley
Legislative Attorney
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E-mail: peggy.hurley@legis.state.wi.us



State of Wisconsin
2003 - 2004 LEGISLATURE

LRBb0224/1
PJH:kmg:pg

LFB:.....Dyck - Transfer funds to SEG appropriation

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

SENATE AMENDMENT ,

TO 2003 SENATE BILL 44

1 At the locations indicated, amend the bill as follows:

2 1. Page 1096, line 17: after that line insert:

3 “(2x) STATE HIGHWAY REHABILITATION AND MAJOR HIGHWAY DEVELOPMENT
4 SUPPLEMENT.

5 (a) No later than January 1, 2004, the department of transportation shall
6 submit a report to the joint committee on finance that includes the following
7 information:

8 1. The department’s response to any recommendations included in the
9 legislative audit bureau’s performance audit of the state highway program.

10 2. The department’s recommendations of steps that may be taken or legislation
11 that could be considered that could reduce costs in the state highway program.

1 3. Information on current environmental requirements, highway
2 improvements standards, and the degree of competitiveness in the construction
3 industry, and how these factors contribute to the cost of highway projects.

4 4. The department's recommendation on whether additional positions should
5 be provided in the division of transportation districts to replace the work done by
6 engineering consultants ~~and~~ to reduce project design costs.

7 5. The department's recommendation on how to allocate any cost savings
8 produced by either process modifications or the addition of department of
9 transportation staff back to the department's appropriations.

10 ~~(b) If the cochairs of the joint committee on finance notify the department of
11 transportation not more than 14 working days after the date on which the report is
12 submitted under paragraph (a) that the committee has scheduled a meeting to
13 review the report, the funds in the appropriation under section 20.865 (4) (u) of the
14 statutes will remain in that appropriation. The joint committee on finance may take
15 action on the report as it considers necessary, including but not limited to releasing
16 a portion of the funds in section 20.865 (4) (u) of the statutes and asking the
17 department to submit additional information before the joint committee on finance
18 releases additional funds.~~

19 (L) (M) If the cochairs of the joint committee on finance do not notify, within 14
20 working days after the date on which a report is submitted under paragraph (a), the
21 department of transportation that the committee has scheduled a meeting to review

22 the report, the funds in section 20.865 (4) (u) of the statutes shall be transferred to
23 the appropriations under section 20.395 (3) (bq) and (cq) of the statutes.

24 (END)

Insert A

2003-2004 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb0224/1ins
PJH:kmg:pg

1 INSERT A: ✓

2 ^{No 9} the appropriation under section 20.395 (3) (bq) of the statutes is supplemented ✓
3 by \$4,833,000 for fiscal year 2004-05 from the appropriation account under section
4 20.865 (4) (u) of the statutes and the appropriation under section 20.395 (3) (cq) ✓
5 of the statutes is supplemented by \$11,120,500 for fiscal year 2004-05 from the
6 appropriation account under section 20.865 (4) (u) of the statutes. ✓

7 (c) If the cochairs of the joint committee on finance notify the department of
8 transportation not more than 14 working days after the date on which a report is
9 submitted under paragraph (a) that the committee has scheduled a meeting to
10 review the report, the committee may supplement the appropriation under section
11 20.395 (3) (bq) ^{of the statutes} by an amount not to exceed \$4,833,000 for fiscal year 2004-05 from
12 the appropriation account under section 20.865 (4) (u) of the statutes and the
13 committee may supplement the appropriation under section 20.395 (3) (cq) of the
14 statutes by an amount not to exceed \$11,120,500 for fiscal year 2004-05 from the
15 appropriation account under section 20.865 (4) (u) of the statutes. The committee
16 may take action on the report as it considers necessary, including ~~but not limited to~~
17 releasing a portion of the appropriation account under section 20.865 (4) (u) of the
18 statutes and asking the department of transportation to submit additional
19 information before the committee releases additional funds.”.



State of Wisconsin
2003 - 2004 LEGISLATURE

LRBb0224/2³
PJH:kmg:pg

LFB:.....Dyck – Transfer funds to SEG appropriation

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

SENATE AMENDMENT ,

TO 2003 SENATE BILL 44

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 1096, line 17: after that line insert:

3 “(2x) STATE HIGHWAY REHABILITATION AND MAJOR HIGHWAY DEVELOPMENT
4 SUPPLEMENT.

5 (a) No later than January 1, 2004, the department of transportation shall
6 submit a report to the joint committee on finance that includes the following
7 information:

8 1. The department’s response to any recommendations included in the
9 legislative audit bureau’s performance audit of the state highway program.

10 2. The department’s recommendations of steps that may be taken or legislation
11 that could be considered that could reduce costs in the state highway program.

1 3. Information on current environmental requirements, highway
2 improvements standards, and the degree of competitiveness in the construction
3 industry, and how these factors contribute to the cost of highway projects.

4 4. The department's recommendation on whether additional positions should
5 be provided in the division of transportation districts to replace the work done by
6 engineering consultants to reduce project design costs.

7 5. The department's recommendation on how to allocate any cost savings
8 produced by either process modifications or the addition of department of
9 transportation staff back to the department's appropriations.

10 (b) If the cochairs of the joint committee on finance do not notify, within 14
11 working days after the date on which a report is submitted under paragraph (a), the
12 department of transportation that the committee has scheduled a meeting to review

13 the report, the appropriation under section 20.395 (3) (bq) of the statutes is
14 supplemented by \$4,833,000 for fiscal year 2004–05 from the appropriation account
15 under section 20.865 (4) (u) of the statutes, and the appropriation under section
16 20.395 (3) (cq) of the statutes is supplemented by \$11,120,500 for fiscal year 2004–05
17 from the appropriation account under section 20.865 (4) (u) of the statutes.

18 (c) If the cochairs of the joint committee on finance notify the department of
19 transportation not more than 14 working days after the date on which a report is
20 submitted under paragraph (a) that the committee has scheduled a meeting to
21 review the report, the committee may supplement the appropriation under section
22 20.395 (3) (bq) of the statutes by an amount not to exceed \$4,833,000 for fiscal year
23 2004–05 from the appropriation account under section 20.865 (4) (u) of the statutes
24 and the committee may supplement the appropriation under section 20.395 (3) (cq)
25 of the statutes by an amount not to exceed \$11,120,500 for fiscal year 2004–05 from

the amount recommended by the department
in its report, not to exceed

account

account

1 the appropriation account under section 20.865 (4) (u) of the statutes. The committee
2 may take action on the report as it considers necessary, including releasing a portion
3 of the appropriation account under section 20.865 (4) (u) of the statutes and asking
4 the department of transportation to submit additional information before the
5 committee releases additional funds.”

6 (END)



State of Wisconsin
2003 - 2004 LEGISLATURE

4
LRBb0224/8
PJH:kmg:jf

LFB:.....Dyck – Transfer funds to SEG appropriation

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

SENATE AMENDMENT ,

TO 2003 SENATE BILL 44

1 At the locations indicated, amend the bill as follows:

2 1. Page 1096, line 17: after that line insert:

3 “(2x) STATE HIGHWAY REHABILITATION AND MAJOR HIGHWAY DEVELOPMENT
4 SUPPLEMENT.

5 (a) No later than January 1, 2004, the department of transportation shall
6 submit a report to the joint committee on finance that includes the following
7 information:

8 1. The department’s response to any recommendations included in the
9 legislative audit bureau’s performance audit of the state highway program.

10 2. The department’s recommendations of steps that may be taken or legislation
11 that could be considered that could reduce costs in the state highway program.

1 3. Information on current environmental requirements, highway
2 improvements standards, and the degree of competitiveness in the construction
3 industry, and how these factors contribute to the cost of highway projects.

4 4. The department's recommendation on whether additional positions should
5 be provided in the division of transportation districts to replace the work done by
6 engineering consultants to reduce project design costs.

7 5. The department's recommendation on how to allocate any cost savings
8 produced by either process modifications or the addition of department of
9 transportation staff back to the department's appropriations.

10 (b) If the cochairs of the joint committee on finance do not notify, within 14
11 working days after the date on which a report is submitted under paragraph (a), the
12 department of transportation that the committee has scheduled a meeting to review
13 the report, the appropriation account under section 20.395 (3) (bq) of the statutes is
14 supplemented by the amount recommended by the department in its report, not to
15 exceed \$4,833,000 for fiscal year 2004-05 from the appropriation account under
16 section 20.865 (4) (u) of the statutes, ~~and~~ the appropriation account under section
17 20.395 (3) (cq) of the statutes is supplemented by the amount recommended by the
18 department in its report, not to exceed \$11,120,500 for fiscal year 2004-05 from the
19 appropriation account under section 20.865 (4) (u) of the statutes.

20 (c) If the cochairs of the joint committee on finance notify the department of
21 transportation not more than 14 working days after the date on which a report is
22 submitted under paragraph (a) that the committee has scheduled a meeting to
23 review the report, the committee may supplement the appropriation account under
24 section 20.395 (3) (bq) of the statutes by an amount not to exceed \$4,833,000 for fiscal
25 year 2004-05 from the appropriation account under section 20.865 (4) (u) of the

paragraph
and subject to par (d),
the department may
allocate saved moneys
identified
in par
(a). So as
it
considers
necessary

1 statutes ²⁾ and the committee may supplement the appropriation account under
 2 section 20.395 (3) (cq) of the statutes by an amount not to exceed \$11,120,500 for
 3 fiscal year 2004-05 from the appropriation account under section 20.865 (4) (u) of the
 4 statutes. The committee may take action on the report as it considers necessary,
 5 including releasing a portion of the appropriation account under section 20.865 (4)
 6 (u) of the statutes and asking the department of transportation to submit additional
 7 information before the committee releases additional funds.

8 and, subject to ~~par~~ (d),
 the committee may allocate
 saved moneys identified in
~~par~~ (a) 5. as it considers
 necessary.

(END)

→ paragraph

subsection

¶ (d) The supplement for fiscal year 2004-05 under this ~~section~~
 may not exceed \$15,953,500."

paragraph

LFB:.....Dyck - Transfer funds to SEG appropriation

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

SENATE AMENDMENT ,

TO 2003 SENATE BILL 44

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 1096, line 17: after that line insert:

3 “(2x) STATE HIGHWAY REHABILITATION AND MAJOR HIGHWAY DEVELOPMENT
4 SUPPLEMENT.

5 (a) No later than January 1, 2004, the department of transportation shall
6 submit a report to the joint committee on finance that includes the following
7 information:

8 1. The department’s response to any recommendations included in the
9 legislative audit bureau’s performance audit of the state highway program.

10 2. The department’s recommendations of steps that may be taken or legislation
11 that could be considered that could reduce costs in the state highway program.

1 3. Information on current environmental requirements, highway
2 improvements standards, and the degree of competitiveness in the construction
3 industry, and how these factors contribute to the cost of highway projects.

4 4. The department's recommendation on whether additional positions should
5 be provided in the division of transportation districts to replace the work done by
6 engineering consultants to reduce project design costs.

7 5. The department's recommendation on how to allocate any cost savings
8 produced by either process modifications or the addition of department of
9 transportation staff back to the department's appropriations.

10 (b) If the cochairs of the joint committee on finance do not notify, within 14
11 working days after the date on which a report is submitted under paragraph (a), the
12 department of transportation that the committee has scheduled a meeting to review
13 the report, the appropriation account under section 20.395 (3) (bq) of the statutes is
14 supplemented by the amount recommended by the department in its report, not to
15 exceed \$4,833,000 for fiscal year 2004-05 from the appropriation account under
16 section 20.865 (4) (u) of the statutes, the appropriation account under section 20.395
17 (3) (cq) of the statutes is supplemented by the amount recommended by the
18 department in its report, not to exceed \$11,120,500 for fiscal year 2004-05 from the
19 appropriation account under section 20.865 (4) (u) of the statutes, and, subject to

20 paragraph (d), the department may allocate saved moneys identified in paragraph

21 (a) 5 as it considers necessary. *other appropriation accounts under section 20.395 are
22 supplemented as recommended by the department in its*

23 (c) If the cochairs of the joint committee on finance notify the department of
24 transportation not more than 14 working days after the date on which a report is
25 submitted under paragraph (a) that the committee has scheduled a meeting to
review the report, the committee may supplement the appropriation account under

of the statutes
report under paragraph (a) 5

1 section 20.395 (3) (bq) of the statutes by an amount not to exceed \$4,833,000 for fiscal
2 year 2004–05 from the appropriation account under section 20.865 (4) (u) of the
3 statutes, the committee may supplement the appropriation account under section
4 20.395 (3) (cq) of the statutes by an amount not to exceed \$11,120,500 for fiscal year
5 2004–05 from the appropriation account under section 20.865 (4) (u) of the statutes,
6 and, subject to paragraph (d), the committee may allocate saved moneys identified
7 in paragraph (a) 5. as it considers necessary. The committee may take action on the
8 report as it considers necessary, including releasing a portion of the appropriation
9 account under section 20.865 (4) (u) of the statutes and asking the department of
10 transportation to submit additional information before the committee releases
11 additional funds.

12 (d) The ~~supplement~~ for fiscal year 2004–05 under this subsection may not
13 exceed \$15,953,500.”

14 sum of the supplements (END)



State of Wisconsin
2003 - 2004 LEGISLATURE

LRBb0224/5
PJH:kmg:jf

LFB:.....Dyck – Transfer funds to SEG appropriation

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

SENATE AMENDMENT ,

TO 2003 SENATE BILL 44

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 1096, line 17: after that line insert:

3 “(2x) STATE HIGHWAY REHABILITATION AND MAJOR HIGHWAY DEVELOPMENT
4 SUPPLEMENT.

5 (a) No later than January 1, 2004, the department of transportation shall
6 submit a report to the joint committee on finance that includes the following
7 information:

8 1. The department’s response to any recommendations included in the
9 legislative audit bureau’s performance audit of the state highway program.

10 2. The department’s recommendations of steps that may be taken or legislation
11 that could be considered that could reduce costs in the state highway program.

1 3. Information on current environmental requirements, highway
2 improvements standards, and the degree of competitiveness in the construction
3 industry, and how these factors contribute to the cost of highway projects.

4 4. The department's recommendation on whether additional positions should
5 be provided in the division of transportation districts to replace the work done by
6 engineering consultants to reduce project design costs.

7 5. The department's recommendation on how to allocate any cost savings
8 produced by either process modifications or the addition of department of
9 transportation staff back to the department's appropriations.

10 (b) If the cochairs of the joint committee on finance do not notify, within 14
11 working days after the date on which a report is submitted under paragraph (a), the
12 department of transportation that the committee has scheduled a meeting to review
13 the report, the appropriation account under section 20.395 (3) (bq) of the statutes is
14 supplemented by the amount recommended by the department in its report, not to
15 exceed \$4,833,000 for fiscal year 2004–05 from the appropriation account under
16 section 20.865 (4) (u) of the statutes, the appropriation account under section 20.395
17 (3) (cq) of the statutes is supplemented by the amount recommended by the
18 department in its report, not to exceed \$11,120,500 for fiscal year 2004–05 from the
19 appropriation account under section 20.865 (4) (u) of the statutes, and, subject to
20 paragraph (d), other appropriation accounts under section 20.395 of the statutes are
21 supplemented as recommended by the department in its report under paragraph (a)

22 5.

23 (c) If the cochairs of the joint committee on finance notify the department of
24 transportation not more than 14 working days after the date on which a report is
25 submitted under paragraph (a) that the committee has scheduled a meeting to

1 review the report, the committee may supplement the appropriation account under
2 section 20.395 (3) (bq) of the statutes by an amount not to exceed \$4,833,000 for fiscal
3 year 2004–05 from the appropriation account under section 20.865 (4) (u) of the
4 statutes, the committee may supplement the appropriation account under section
5 20.395 (3) (cq) of the statutes by an amount not to exceed \$11,120,500 for fiscal year
6 2004–05 from the appropriation account under section 20.865 (4) (u) of the statutes,
7 and, subject to paragraph (d), the committee may allocate saved moneys identified
8 in paragraph (a) 5. as it considers necessary. The committee may take action on the
9 report as it considers necessary, including releasing a portion of the appropriation
10 account under section 20.865 (4) (u) of the statutes and asking the department of
11 transportation to submit additional information before the committee releases
12 additional funds.

13 (d) The sum of the supplements for fiscal year 2004–05 under this subsection
14 may not exceed \$15,953,500.”.

15 (END)