

February 21, 2017

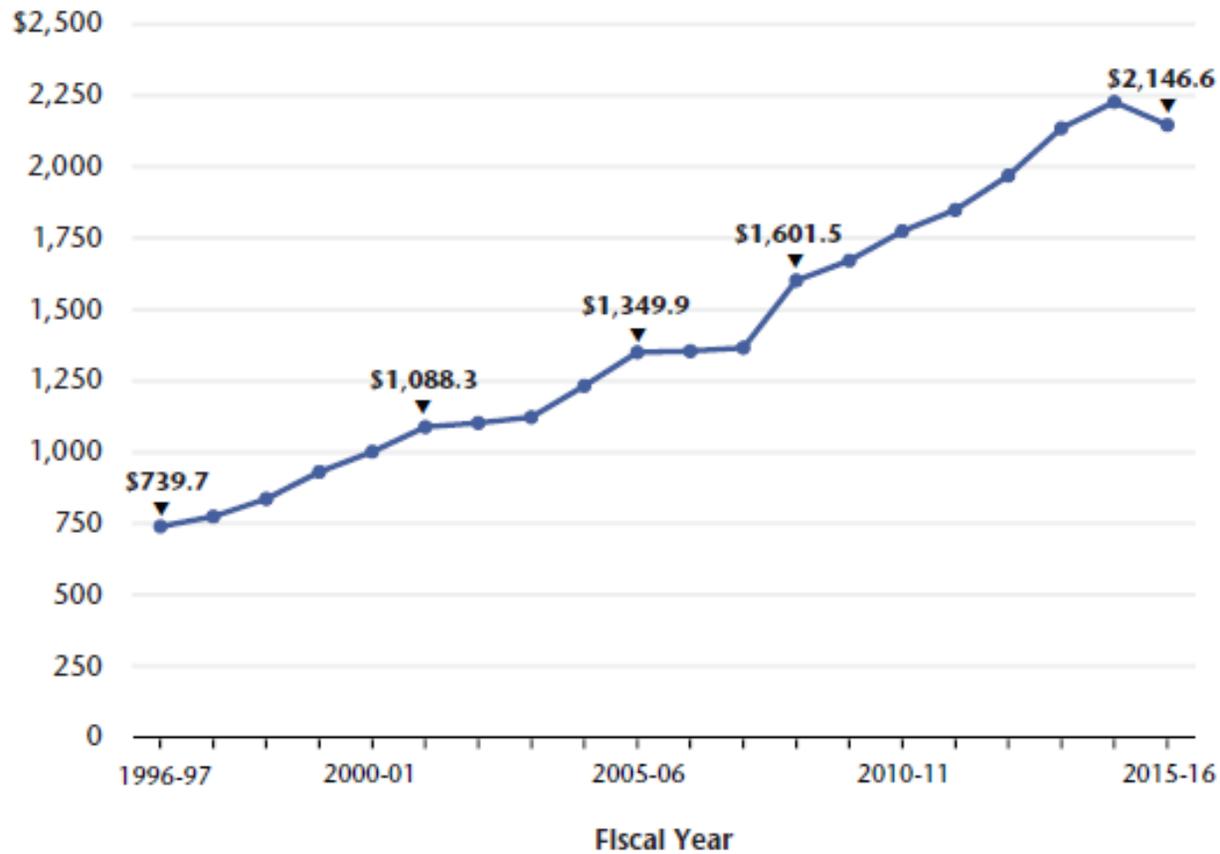


State Highway Program

Report 17-2

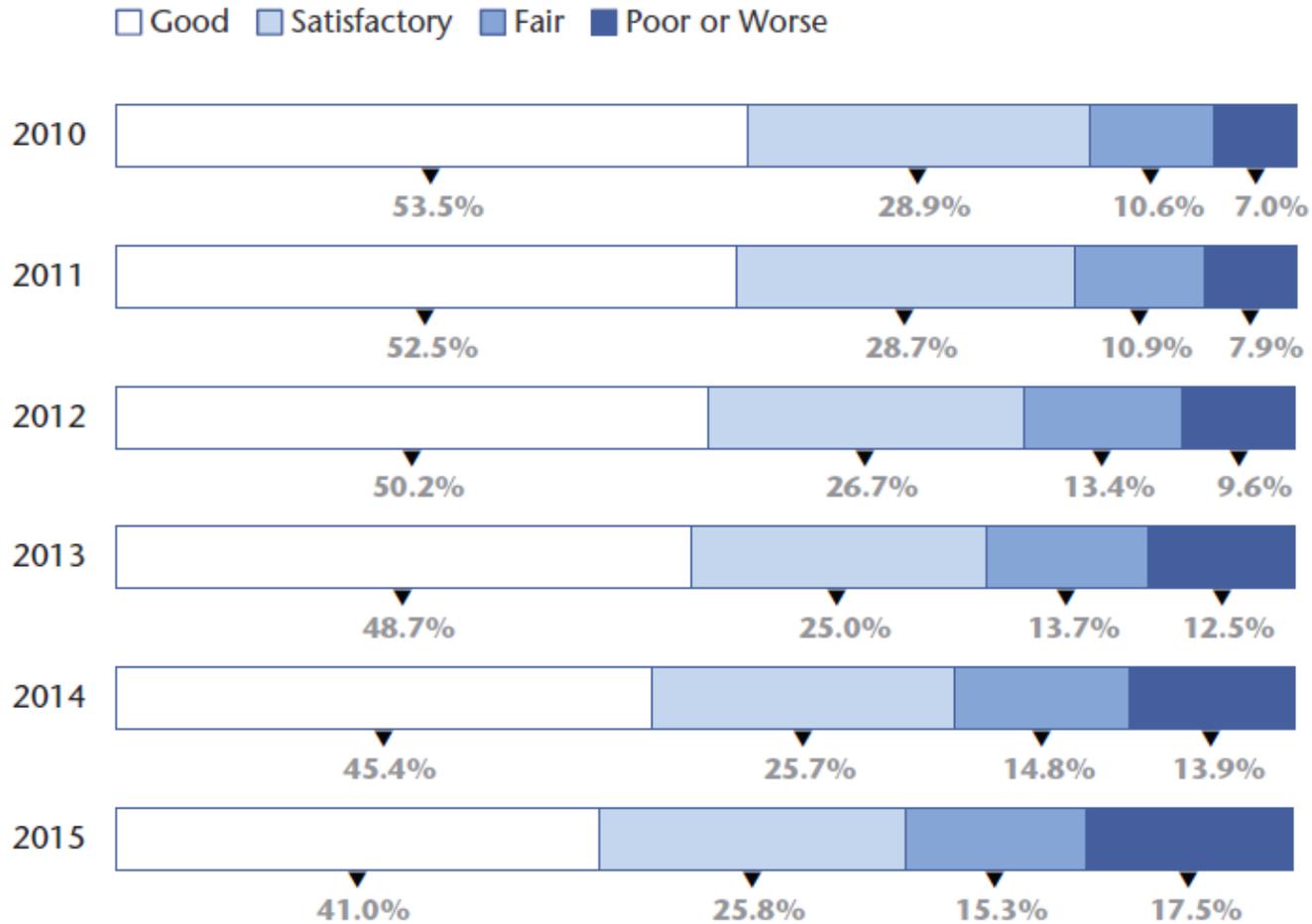


State Highway Expenditures (in millions)



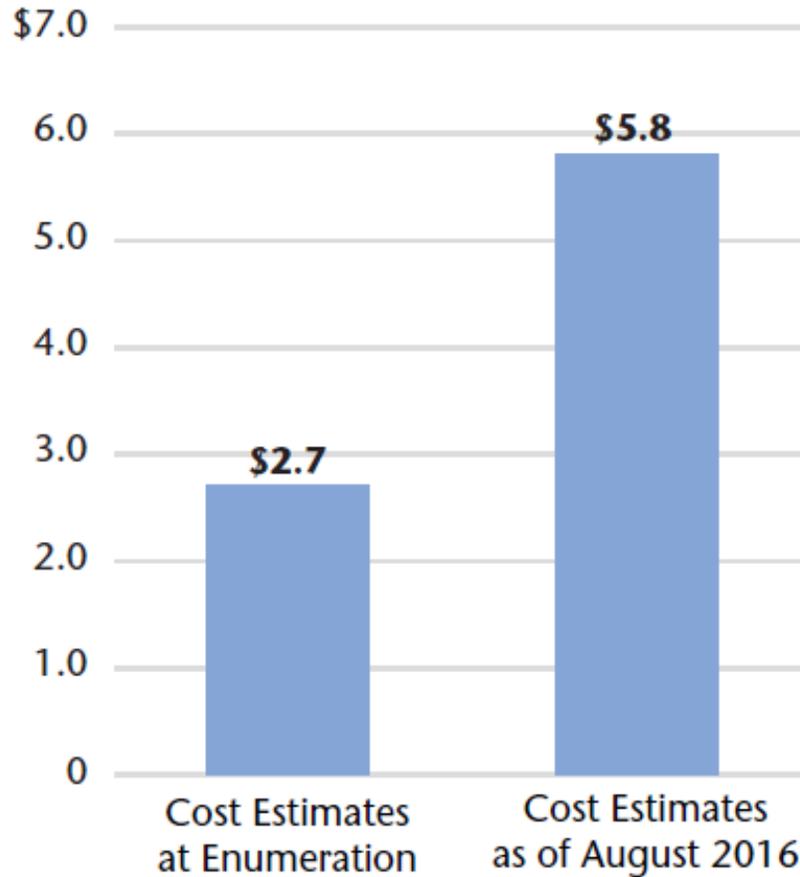


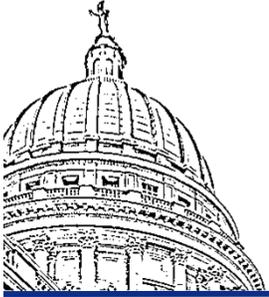
Condition of Wisconsin State Highways





Change in the Cost Estimates of Major Highway Projects (in billions)

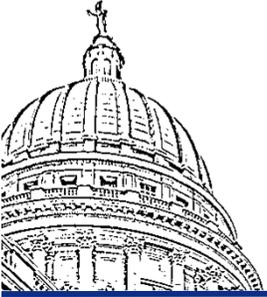




Improving Program Budgeting

DOT did not sufficiently take into account the extent to which major highway project expenditures increased over time because of inflation and unexpected cost increases.

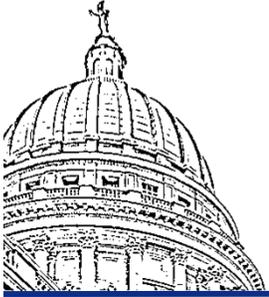
As a result, DOT anticipated completing more major highway project work than could be completed with available funding.



DOT Performance Measures

DOT has established performance measure goals to help manage and improve its operations.

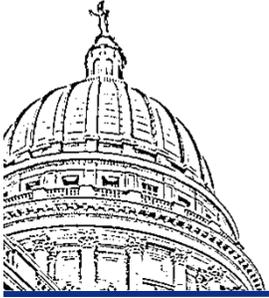
DOT is not consistently using its performance measures to manage and improve its operations.



Controlling Engineering Costs

From FY 2005-06 through FY 2014-15:

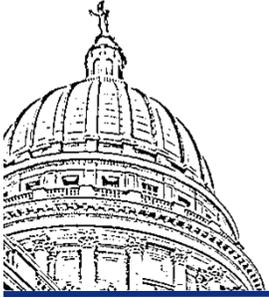
- DOT saved \$26.9 million by controlling its engineering costs; but
- DOT potentially could have saved an additional \$6.6 million if each of its five regions had consistently kept its engineering costs at no more than two thresholds indicated by a DOT performance measure.



Controlling Construction Costs

DOT potentially could have saved:

- \$5.9 million annually if it had met its quarterly goals for soliciting bids on construction contracts;
- \$4.5 million annually if it had received two bids, instead of one bid, for 363 contracts; and
- \$32.0 million annually if it had met its “on-budget” performance measure goals.



Issues for Legislative Consideration

The Legislature could consider modifying statutes to require DOT to:

- include in the semiannual reports the cost estimates DOT provided at enumeration;
- provide it with cost estimates that include all costs associated with potential major highway projects; and
- regularly report information to it about the ongoing costs of each major highway project.



Issues for Legislative Consideration

The Legislature could consider modifying statutes to require DOT to:

- report information about each enumerated major highway project as it is defined in statutes;
- take into account the results of cost-benefit analyses; and
- use the construction manager-general contractor method to complete a limited number of projects.

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