

Fiscal Estimate - 2019 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 19-2381/1	Introduction Number SB-278
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Description
 a fixed-price variable-scope contract for local bridge construction and maintenance

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs		
<input checked="" type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By DOT/ Kaleb Vander Wiele (608) 266-6479	Authorized Signature Joan Meier (608) 267-6978	Date 8/9/2019
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Fiscal Estimate Narratives

DOT 8/9/2019

LRB Number	19-2381/1	Introduction Number	SB-278	Estimate Type	Original
Description a fixed-price variable-scope contract for local bridge construction and maintenance					

Assumptions Used in Arriving at Fiscal Estimate

The bill does not provide sufficient information to determine the full administrative impact of the proposal. The bill does not specify a funding source for the contract, which is equivalent to approximately 3.5 times the annual funding allocated to the Local Bridge Improvement Assistance Program. It is not clear if the bill is intended to replace the contracting methods for projects already approved in existing programs or additional projects that are not currently funded by the department. If the bill is intended to capture existing projects, no maintenance projects would be included. If the bill is intended to fund new projects, the department must collect and develop projects in coordination with local governments prior to the initial solicitation. It is unclear whether this process can be completed prior to the deadline specified in the bill. If the bill encompasses existing projects using federal funding in the Local Bridge Improvement Assistance Program, the department may need to seek FHWA approval to utilize the proposed contracting method.

The fiscal effect of the bill is indeterminate. The department will incur indeterminate administrative costs to develop the proposal, complete the process of awarding the contract and report the results as required by the bill. If the bill is intended to replace the contracting method for existing projects, the administrative costs could be partially offset as they would be replacing other planned project administrative activities. If the proposal is intended to fund additional projects that would require department oversight, it is likely that the cost of this oversight would be millions of dollars. To illustrate this point, the current Local Bridge Improvement Assistance Program administers \$42.8 million in state and federal funds per year, and SFY 2019 WisDOT project oversight and administration is currently estimated at \$1.0 million. The bill does not provide any funding for department oversight of the projects, and the department would not be able to charge oversight to the awarded contract.

Long-Range Fiscal Implications