



State of Wisconsin
2025 - 2026 LEGISLATURE

LRB-1557/P3
ZDW:emw&amn

DOA:.....Aslesen, BB0347 - Local road improvement discretionary and supplemental funding

FOR 2025-2027 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TRANSPORTATION

HIGHWAYS AND LOCAL ASSISTANCE

Local road improvement program funding

Under current law, DOT administers the local roads improvement program (LRIP) to assist political subdivisions in improving seriously deteriorating local roads by reimbursing political subdivisions for certain improvements. LRIP has several components, including discretionary grants. Current law specifies dollar amounts that DOT must allocate in each fiscal year to each of three project types that exceed specified cost thresholds: 1) county trunk highway improvements that exceed \$250,000; 2) town road improvements that exceed \$100,000; and 3) municipal street improvements that exceed \$250,000.

This bill increases the amounts that DOT is required to allocate for discretionary grants for the three project types, as follows:

1. Allocations for county trunk highway improvements are increased from \$5,840,200 to \$6,015,400 in fiscal year 2025–26 and \$6,195,900 in fiscal year 2026–27 and each fiscal year thereafter.

2. Allocations for town road improvements are increased from \$6,398,000 to \$6,590,000 in fiscal year 2025–26 and \$6,787,600 in fiscal year 2026–27 and each fiscal year thereafter.

3. Allocations for municipal street improvements are increased from \$4,166,900 to \$4,291,900 in fiscal year 2025–26 and \$4,420,700 in fiscal year 2026–27 and each fiscal year thereafter.

In addition to the ongoing LRIP, onetime funding has previously been appropriated to provide supplemental grants to local governments for projects that are eligible for discretionary grants. This funding was provided for fiscal year 2019–20, with specified amounts required to be allocated between improvement projects on county trunk highways, town roads, and municipal streets. The bill provides that supplemental grants in fiscal year 2025–26 be allocated so that the total funding is distributed among the three project types at the same percentage that each group was allocated funding in fiscal year 2019–20. The bill changes the funding source for these grants from the transportation fund to the general fund.

BILL

For further information see the state and local fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 86.31 (3g) of the statutes is amended to read:

86.31 **(3g)** COUNTY TRUNK HIGHWAY IMPROVEMENTS — DISCRETIONARY GRANTS. From the appropriation under s. 20.395 (2) (ft), the department shall allocate \$5,127,000 in fiscal years 2014-15 to 2016-17 and \$5,393,400 in fiscal year 2017-2018 to fund county trunk highway improvements with eligible costs totaling more than \$250,000. In fiscal year 2023-24 the department shall allocate \$5,615,600 to fund county trunk highway improvements with such eligible costs. In fiscal year 2024-25 ~~and each fiscal year thereafter~~, the department shall allocate \$5,840,200 to fund county trunk highway improvements with such eligible costs. In fiscal year 2025-26, the department shall allocate \$6,015,400 to fund county trunk highway improvements with such eligible costs. In fiscal year 2026-27 and each fiscal year thereafter, the department shall allocate \$6,195,900 to fund county trunk highway improvements with such eligible costs. The funding of improvements under this subsection is in addition to the allocation of funds for entitlements under sub. (3).

SECTION 2. 86.31 (3m) of the statutes is amended to read:

86.31 **(3m)** TOWN ROAD IMPROVEMENTS — DISCRETIONARY GRANTS. From the appropriation under s. 20.395 (2) (ft), the department shall allocate \$5,732,500 in fiscal years 2011-12 to 2016-17 and \$5,923,600 in fiscal year 2017-18 to fund town road improvements with eligible costs totaling \$100,000 or more. In fiscal year

BILL**SECTION 2**

2023-24, the department shall allocate \$6,151,900 to fund town road improvements with such eligible costs. In fiscal year 2024-25 ~~and each fiscal year thereafter~~, the department shall allocate \$6,398,000 to fund town road improvements with such eligible costs. In fiscal year 2025-26, the department shall allocate \$6,590,000 to fund town road improvements with such eligible costs. In fiscal year 2026-27 and each fiscal year thereafter, the department shall allocate \$6,787,600 to fund town road improvements with such eligible costs. The funding of improvements under this subsection is in addition to the allocation of funds for entitlements under sub. (3).

SECTION 3. 86.31 (3r) of the statutes is amended to read:

86.31 (3r) MUNICIPAL STREET IMPROVEMENTS — DISCRETIONARY GRANTS. From the appropriation under s. 20.395 (2) (ft), the department shall allocate \$976,500 in fiscal years 2009-10 to 2016-17 and \$3,850,400 in fiscal year 2017-18 to fund municipal street improvement projects having total estimated costs of \$250,000 or more. In fiscal year 2023-24, the department shall allocate \$4,006,600 to fund municipal street improvement projects having such total estimated costs. In fiscal year 2024-25 ~~and each fiscal year thereafter~~, the department shall allocate \$4,166,900 to fund municipal street improvement projects having such total estimated costs. In fiscal year 2025-26, the department shall allocate \$4,291,900 to fund municipal street improvement projects having such total estimated costs. In fiscal year 2026-27 and each fiscal year thereafter, the department shall allocate \$4,420,700 to fund municipal street improvement projects having such total estimated costs. The funding of improvements under this subsection is in addition to the allocation of funds for entitlements under sub. (3).

BILL**SECTION 4**

SECTION 4. 86.31 (3s) (a) of the statutes is amended to read:

86.31 **(3s)** (a) Funds provided under s. 20.395 (2) ~~(fq)~~ (fd) shall be distributed under this subsection as discretionary grants to reimburse political subdivisions for improvements. The department shall solicit and provide discretionary grants under this subsection until all funds appropriated under s. 20.395 (2) ~~(fq)~~ (fd) have been expended.

SECTION 5. 86.31 (3s) (bm) of the statutes is renumbered 86.31 (3s) (bm) 1. and amended to read:

86.31 **(3s)** (bm) 1. From the appropriation under s. 20.395 (2) (fq), 2023 stats., the department shall allocate in 2023-24 amounts for county trunk highway improvements, town road improvements, and municipal street improvements so that the total funding under s. 20.395 (2) (fq), 2023 stats., in 2023-24 is distributed among these groups at the same percentage that each group is allocated from the total funding allocated under par. (b).

SECTION 6. 86.31 (3s) (bm) 2. of the statutes is created to read:

86.31 **(3s)** (bm) 2. From the appropriation under s. 20.395 (2) (fd), the department shall allocate in fiscal year 2025-26 amounts for county trunk highway improvements, town road improvements, and municipal street improvements so that the total funding under s. 20.395 (2) (fd) in fiscal year 2025-26 is distributed among these groups at the same percentage that each group is allocated from the total funding allocated under par. (b).

(END)