



## Legislative Fiscal Bureau

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TO: Members  
Joint Committee on Finance

FROM: Bob Lang, Director  
Legislative Fiscal Bureau

SUBJECT: Senate Bill 222 and Senate Bill 223: Claims by the City of West Allis

Senate Bill 222 and Senate Bill 223 were introduced on May 31, 2005, and referred to the Committee on Natural Resources and Transportation. On June 9, 2005, the bills were withdrawn from that Committee and referred to the Joint Committee on Finance.

### **BACKGROUND**

In 1992, the City of West Allis entered into project agreements with the Wisconsin Department of Transportation (DOT) and the Federal Highway Administration (FHWA) for two local road improvement projects constructed in the 1993-95 biennium. Under the agreements, as with all federally-funded local highway projects, the City was to pay for the costs of the project and then later be reimbursed for 80% of those costs with federal funds. In order for local governments to receive reimbursement, DOT, which oversees all federally-funded projects, must submit authorization forms to FHWA prior to the commencement of the project. While the necessary documentation to allow for the reimbursement of construction and preliminary engineering costs was filed in these cases, the documentation that is required for reimbursement of real estate acquisition costs related to the two projects was not filed due to the serious illness of a DOT employee. The City was not, therefore, able to receive federal reimbursement for 80% of the real estate expenditures and has asked DOT to reimburse the City for these expenses.

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

## **SUMMARY OF BILLS**

The bills would direct DOT to pay the City of West Allis from the state highway rehabilitation, state funds appropriation, as follows: (a) \$13,785.25 for real estate costs incurred for an improvement project on South 76<sup>th</sup> Street in 1993-94 (SB 222); and (b) \$56,300 for real estate costs incurred for an improvement project on South 84<sup>th</sup> Street in 1994-95 (SB 223). The bills specify that acceptance of the payments by the City releases the state from any further liability resulting from expenses incurred for these construction projects.

## **FISCAL EFFECT**

The bills require DOT to make payments totaling \$70,085.25 from the state highway rehabilitation appropriation. The bills would not appropriate additional funds to make these payments, so they would have to be paid from the SEG amounts appropriated for state highway rehabilitation by Act 25 (\$46,581,600 in 2005-06).

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