



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #728

Lift Bridge Aids (Transportation -- Local Transportation Aids)

[LFB 2005-07 Budget Summary: Page 475, #4]

CURRENT LAW

Municipalities are reimbursed, from a biennial appropriation, for 100% of actual costs incurred in operating and maintaining swing or lift bridges on connecting highways. If the biennial appropriation is insufficient to provide full reimbursement, payments are prorated in the manner deemed desirable by DOT.

GOVERNOR

Provide \$221,800 SEG in 2005-06 and \$265,200 SEG in 2006-07 for lift bridge aids to reimburse communities for the costs associated with the operation and maintenance of lift bridges on connecting highways. Total state funding would equal \$1,736,800 in 2005-06 and \$1,780,200 in 2006-07.

DISCUSSION POINTS

1. Lift bridge aid is paid on the first Monday in July for costs incurred during the previous calendar year. For example, the lift bridge aid payment made in July, 2004, was in reimbursement for actual costs incurred by the cities during calendar year 2003 (the cities must submit documentation of their costs by January 31). There are currently 10 lift bridges on connecting highways operating in the state, which are located in the cities of Green Bay, Manitowoc, Milwaukee, Racine, and Two Rivers

2. If state funding is not sufficient to cover the annual costs of operation of the lift bridges, the available funds are prorated to pay a percentage of actual costs. The last funding increase for lift bridge aids was made in 2002-03, when the appropriation was increased from \$1,502,500 to the current level of \$1,515,000.

3. In compiling its 2005-07 agency budget request, the Department estimated that the requested funding would fully fund the costs of operating the lift bridges in 2004 (paid in 2005-06) and in 2005 (paid in 2006-07). The proposed funding would represent a 14.6% increase in 2005-06 with an additional 2.5% increase in 2006-07. The increase would be sufficient to establish a funding level equal to the 2003 cost level, plus an assumed 2.5% annual growth in costs in 2004 and 2005.

4. From 1984-85 (1983 costs) through 2002-03 (2001 costs), the state appropriated funds sufficient to reimburse 100% of the local calendar year costs for operating and maintaining swing or lift bridges on connecting highways. Prorated payments have occurred for 2003-04 (93.8% of 2002 costs) and 2004-05 (89.4% of 2003 costs).

5. The following table indicates the 2004 actual costs and the 2005-06 prorated lift bridge aid payments for each bridge, if only base level funding is provided and DOT makes the full proration (87.1%) in July, 2005.

2005-06 Lift Bridge Aid Under Full Funding and Prorated Payment

<u>Bridge</u>	<u>2004 Actual Costs</u>	<u>Prorated Aid Under Base Funding</u>	<u>Difference</u>
Green Bay -- Main Street	\$281,105	\$244,781	-\$36,324
Manitowoc -- 8th Street	169,098	147,247	-21,851
Manitowoc -- 10th Street	19,534	17,010	-2,524
Milwaukee -- Broadway Street	331,329	288,515	-42,814
Milwaukee -- Kinnickinnic and 1st	288,749	251,437	-37,312
Milwaukee -- State Street	22,865	19,910	-2,955
Milwaukee -- Wells Street	20,366	17,734	-2,632
Racine -- Main Street	310,530	270,404	-40,126
Racine -- State Street	295,801	257,578	-38,223
Two Rivers -- Madison Street	<u>441</u>	<u>384</u>	<u>-57</u>
TOTAL	\$1,739,818	\$1,515,000	-\$224,818

6. Since the Governor's budget submission, actual 2004 lift bridge costs have been reported to DOT. These costs are slightly higher than the 2005-06 funding level provided under the bill. Therefore, in order to fully fund these costs, the Committee would have to provide an additional \$3,100 in 2005-06 over the Governor's funding increase of \$221,800. If this funding is provided, the total increase to base level funding would be \$224,900 in 2005-06 and the appropriation would total \$1,739,900.

7. Since the Governor's budget was submitted, the eligible municipalities have also submitted projected lift bridge costs for the 2005 calendar year, which will be reimbursed through the 2006-07 lift bridge appropriation. These estimated costs total \$1,918,900, which exceeds the

2005 lift bridge cost estimate used to formulate the Governor's budget request by \$138,700. In order to fully fund these 2005 estimated costs, the Committee would have to provide an additional \$138,700 over the Governor's proposed increase of \$265,200. If this funding is provided, the total increase to base level funding would be \$403,900 in 2006-07 and the appropriation would total \$1,918,900.

8. If no increase in funding is provided in the biennium, 2006-07 lift bridge payments would be prorated to equal approximately 79% of the 2005 estimated costs. Alternatively, if the Governor's proposed funding increase is provided, lift bridge payments may be prorated for each year of the biennium. At this funding level, the prorated payments would cover 99.8% of actual 2004 lift bridge costs in 2005-06 and 92.8% of the municipalities' projected 2005 lift bridge costs in 2006-07.

ALTERNATIVES

1. Approve the Governor's recommendation to provide \$221,800 SEG in 2005-06 and \$265,200 SEG in 2006-07 for lift bridge aids to reimburse communities for the costs associated with the operation and maintenance of lift bridges on connecting highways.

2. Modify the Governor's recommendation by providing an additional \$3,100 SEG in 2005-06 and \$138,700 SEG in 2006-07 to reflect the 2004 actual lift bridge costs to be reimbursed in July, 2005, and the eligible municipalities' estimates of 2005 lift bridge costs to be reimbursed in July, 2006.

<u>Alternative 2</u>	<u>SEG</u>
2005-07 FUNDING (Change to Bill)	\$141,800

3. Delete provision. Base level funding of \$1,515,000 SEG annually would be provided and payments would be prorated during the biennium.

<u>Alternative 3</u>	<u>SEG</u>
2005-07 FUNDING (Change to Bill)	- \$487,000

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