

Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873 Email: fiscal.bureau@legis.wisconsin.gov • Website: http://legis.wisconsin.gov/lfb

May 23, 2013

Joint Committee on Finance

Paper #657

State Highway Maintenance -- Routine Maintenance Funding and Program Restructuring and Traffic Signal and Intelligent Transportation System Installation, Replacement, and Rehabilitation (DOT -- State Highway Program)

[LFB 2013-15 Budget Summary: Page 466, #12 & Page 467, #13]

CURRENT LAW

The state highway maintenance and traffic operations program is responsible for a variety of activities related to the upkeep of state highways and highway rights-of-way, including the minor repair of pavements and bridges, snow plowing and ice removal, mowing and other vegetation management, and the maintenance of highway rest areas and waysides. Most of this work is performed by counties under contract with the state. The state is required to reimburse counties for the actual costs of such work. In addition, the program is responsible for the installation, repair, and maintenance of signs, highway lighting, pavement marking, traffic signals, and intelligent transportation systems (ITS), unless the installation or replacement of these items is incidental to a larger highway improvement project, in which case they may be funded from the state highway improvement program appropriations. An intelligent transportation system is defined as a specialized computer system or other electronic, information processing, communication, or technical system, including roadway detector loops, closed circuit television, permanent variable message signs, or ramp meters, that is used to improve the efficiency or safety of a surface transportation system. Base funding for the maintenance and traffic operations program is \$203,106,500 SEG and \$1,125,900 FED.

GOVERNOR

Routine Maintenance Funding and Program Restructuring

Transfer \$120,000,000 annually from the SEG appropriation for state highway maintenance and traffic operations to a newly-created, continuing SEG appropriation for routine

maintenance done under contract with the Department of Transportation (DOT). Create FED and SEG-L routine maintenance appropriations, for the expenditure of any funds received from federal or local sources for routine maintenance (no funding would be provided in these appropriations, but their creation would allow for expenditure of these funds, if received). Provide an additional \$5,000,000 SEG in 2013-14 and \$50,000,000 SEG in 2014-15 for the new, routine maintenance appropriation to provide total funding of \$125,000,000 SEG in 2013-14 and \$170,000,000 SEG in 2014-15.

Change the title of the existing SEG, FED, and SEG-L appropriations for state highway maintenance, repair, and traffic operations to "highway system management and operations" and modify the purpose to exclude routine maintenance done by contract with counties or municipalities. Delete a prohibition in these appropriations against using appropriation funds for special maintenance on roadside improvements.

Traffic Signal and Intelligent Transportation System Installation, Replacement, and Rehabilitation

Modify statutory provisions for the SEG appropriations for state highway rehabilitation, southeast Wisconsin freeway rehabilitation, and southeast Wisconsin freeway megaprojects and the FED appropriations for southeast Wisconsin freeway rehabilitation and southeast Wisconsin freeway megaprojects to eliminate a prohibition against using those appropriations to fund the stand-alone installation, replacement, or rehabilitation of traffic signals and intelligent transportation systems. Prohibit DOT from encumbering or expending more than a total of \$20,000,000 in any fiscal year from the SEG appropriations for state highway rehabilitation, southeast Wisconsin freeway rehabilitation, and southeast Wisconsin freeway megaprojects for stand-alone projects involving the installation, replacement, or rehabilitation of traffic signals and intelligent transportation systems. Modify the SEG, FED, and SEG-L appropriations for highway maintenance, repair, and traffic operations (renamed "highway system management and operations" under the item summarized above) to remove the installation, replacement, and rehabilitation of traffic signals and intelligent transportation systems as an explicit purpose for which those appropriations may be used, but retain the maintenance of traffic signals and intelligent transportation systems as an explicit purpose. Modify a statutory provision that describes maintenance activities to remove the installation, replacement, and rehabilitation of traffic signals and intelligent transportation systems from the list of activities, but retain the maintenance of traffic signals and intelligent transportation systems in this list.

DISCUSSION POINTS

1. The bill would split the maintenance and traffic operations program's principal SEG, FED, and SEG-L appropriations into two separate groupings. One set of appropriations would be for the Department's routine maintenance contracts with counties (or other entities, if applicable), and one set would be for other program costs, including emergency repairs, traffic operations, salt purchases, bridge inspection, and the administrative costs of the Department's Bureau of Highway Maintenance, Bureau of Traffic Operations, and Bureau of Structures. In addition to the proposed change to the program structure, the bill would increase funding for the routine maintenance portion

of the program. The following table compares the base SEG funding for the state highway rehabilitation and traffic operations appropriation and the proposed SEG funding and appropriation structure for the program under the bill.

2012-13 Appropriation Base

State Highway Maintenance, Repair, and Traffic Operations

\$203,106,500

Proposed Funding and Appropriation Structure

Appropriation Name	<u>2013-14</u>	<u>2014-15</u>
Routine Maintenance Highway System Management and Operations	\$125,000,000 <u>82,881,000</u>	\$170,000,000 <u>82,881,000</u>
Total	\$207,881,000	\$252,881,000

- 2. In 2012-13, the Department budgeted \$120,000,000 for contracts with counties for routine maintenance on state highways. The bill would transfer this base funding to the newly-created routine maintenance appropriation and would provide SEG increases of \$5,000,000 in 2013-14 and \$50,000,000 in 2014-15. The existing appropriation would be renamed, but funding for non-routine maintenance activities would not be changed under this item (standard budget adjustments would reduce its funding by \$225,500 annually). [Although the Department budgeted \$120 million for routine maintenance, the amount allocated for county contracts in calendar year 2013, as well as previous years, the county contracts include \$1.5 million from a separate SEG appropriation for the operation of state-owned lift bridges, bringing the total to \$121.5 million. This does not include funds that are sometimes shifted between years to account for minor cost overruns.]
- 3. The Department enters into contracts with counties on a calendar year basis, using a portion of the funding from two consecutive state fiscal years. If the funding increase under this item is approved, the Department intends to fund the calendar year 2014 contracts (exclusive of lift bridge operation funds) at \$150 million (\$65 million from 2013-14 and \$85 million from 2014-15) and the 2015 contracts at \$170 million (\$85 million each from 2014-15 and 2015-16, provided that funding level is maintained). Relative to the \$120 million budgeted in 2013, this would be an increase of 25% in 2014 and 42% in 2015.
- 4. The following table shows the funding allocated for routine maintenance contracts over the past 10 years, including amounts allocated from the lift bridge operations appropriation. As shown in the table, the amount allocated for maintenance contracts has not increased for four years, and is less than was provided from 2007 through 2009.

	Maintenance	
Calendar Year	Contract Total	
2004	\$99.8	
2005	100.2	
2006	120.2	
2007	125.8	
2008	131.7	
2009	135.9	
2010	121.5	
2011	121.5	
2012	121.5	
2013	121.5	

5. On several occasions over the past decade, the Department has requested additional funding for highway maintenance outside the biennial budget process, either as a transfer from the state highway rehabilitation program or as an allocation of federal aid, in years when federal aid exceeded budget estimates. This supplemental funding was requested to compensate for high winter costs, for pavement marking and highway sign replacements, or for emergency repairs. The following table summarizes the supplemental funding provided during that period, the reason for the supplement, and source of funding. Two different supplements were provided in 2010-11.

Budget Supplements for Highway Maintenance and Traffic Operations(\$ in Millions)

Fiscal Year	<u>Amount</u>	Reason	Source
2004-05	\$15.1	Winter costs	SEG appropriation transfer
2006-07	16.0	Pavement repair and winter costs	Federal aid allocation
2008-09	24.8	Winter costs	Budget adjustment bill, SEG appropriation
2009-10	7.5	Pavement marking and sign repair	Federal aid allocation
2010-11	15.0	Pavement marking and pavement repair	SEG appropriation transfer transfer & federal aid allocation
2010-11	33.0	Winter costs and emergency Hoan Bridge repair	SEG appropriation transfer

6. The frequency with which the Department has sought funding supplements for highway maintenance may be indicative of the adequacy or inadequacy of funding for the program over that time. If the additional funding provided by the bill is approved, the Department may have enhanced capacity to absorb contingencies, such as emergency repairs and high winter costs, reducing the need for such supplements.

- 7. The state's county contract model for state highway maintenance is unique among states. The Department believes that this model benefits both the state and counties since it allows both levels of government to jointly utilize facilities, equipment, and labor. The Wisconsin Transportation Finance and Policy Commission recommended that the state retain the current, county-based maintenance system, although the Commission did recommend that the Department explore some modifications on a pilot basis to determine whether delivery of maintenance services could be improved. For instance, it was recommended that the Department explore opportunities for regionalization of certain services, so that counties can share specialized equipment and personnel in order to reduce duplication. Also, the Commission recommended that the Department explore using other payment models, other than actual cost reimbursement. The Department indicates that the Commission's recommendations are being explored. A separate provision of the bill would allow the Department to use alternative payment mechanisms.
- 8. In order to estimate the costs of highway maintenance activities, for each county and in total, the Department uses a "level of service" model (LOS), developed originally in the early 1990s. For the purposes of the model, the highway system is divided into several classes, depending upon such factors as the type of surface (concrete or asphalt), the number of lanes, and the traffic level. For each highway class, the model specifies the maintenance activities that must be performed and the expected frequency of those activities. For instance, for each class of highway, the model makes assumptions on the number of potholes per mile that will require repairs each year, as well as the amount of time, number of workers, and equipment cost for this operation. Similar assumptions are made for other activities related to pavements and shoulders, bridges, roadside maintenance, drainage maintenance, and others. The cost of performing these maintenance tasks is estimated using actual rates for machinery, labor, and materials. This calculation is prepared for each county and also summed for a statewide total.
- 9. The Department believes that routine maintenance has been consistently underfunded for many years. Actual funding budgeted for routine maintenance costs generally fell 5% to 10% below the LOS model output between 2002 and 2009, but that gap has increased in recent years. In 2013, the full cost of funding the LOS model output was calculated at \$177 million, or \$57 million over the amount allocated for routine maintenance for that year. [Although this gap is more than the amount the Department requested for calendar year 2015, the request was based on preliminary calculations available at the time of the Department's budget request submittal, which estimated the LOS model output at \$170 million.]
- 10. The LOS output increases annually based on several factors, including the growth in the number of lane miles in the state highway system, and the cost rates for machinery (including fuel), materials, and labor. The model output grew by 13% in 2009, largely because the Department replaced static material cost rates developed in the early 2000s with actual material costs, updated annually. Since that time, the model output has grown at an average, annual rate of slightly less than 3%, but the 2009 materials cost update accounts for a significant share of the current gap between the model output and the amount available for routine maintenance contracts.
- 11. When the funding available for routine maintenance services falls below the LOS model output, the Department adjusts the budget for each county on a proportionate basis. With each calendar year contract, the Department establishes maintenance performance targets that are

based on an assessment of the amount of work that can be accomplished with the funding available.

- 12. The Department asserts that because the maintenance targets are constrained due to budget shortages, the condition and operation of the state highway system is compromised. The Department places the highest priority on deficiencies that have a high potential to impact safety, but efforts in other areas must be curtailed because of insufficient funds. For instance, pavement deficiencies, such as cracking and rutting, may not be addressed in a timely fashion. In some cases, these deficiencies may result in the premature deterioration of highways. As an example, the Department's system condition data indicate that there is a backlog of substandard roadside drainage systems. The failure to repair or clean drainage systems may lead to water pooling that, in turn, softens the roadway base and leads to premature pavement failure.
- The Department uses a numerical system, known as Compass, for rating the condition and performance of the highway system, with a particular focus on elements that are the responsibility of the highway maintenance program. The measures are reported in terms of the percentages of particular features that are untreated or inadequate at the end of the maintenance season. For instance, the backlog in longitudinal cracks in asphalt pavement is the percentage of all asphalt pavements in the highway system that have unsealed cracks. The overall percentages are estimated by evaluating a random sample of highway segments in each county, and giving each a grade of A through D, or F for failing. The Compass grading system is the most stringent for those features that have a direct impact on safety, slightly less stringent for features that have an indirect impact on safety, that relate to ride comfort, or that relate to system preservation, and least demanding for highway aesthetics. For instance, since shoulder drop-offs (for highways with unpaved shoulders) can lead to serious accidents, no more than 2% of unpaved shoulders can have a substandard drop-off for that element to receive an "A" grade, and more than 15% leads to a failing grade. In comparison, since blocked culverts may cause drainage problems, but do not directly impact safety, up to 7% can be substandard (partially obstructed), and still receive an "A" grade, while more than 60% substandard would lead to a failing grade. Each year, the Compass report compiles all grades for 28 features and assigns a composite "grade point average" for the system.
- 14. The Compass report for 2012 has not been completed, but the preliminary data indicate a grade point average of 2.54, which would be an improvement over the 2.36 score in 2011. The Department indicates that scores likely increased in 2012 because the mild winter of 2011-12 allowed more resources to be used to address substandard elements in the rest of the year. Although the preliminary 2012 score would be an increase over the previous year, it remains below the Department's goal of 3.0.
- 15. As noted above, the funding in the bill would increase the routine maintenance budget to \$170 million for calendar year 2015, which approximates the current LOS model output. With increased funding, the Department indicates that counties would be able to address system deficiencies and backlogs that have accumulated because of lack of funding in past years. The Department indicates, in particular, that counties would be able to increase efforts on basic functions such as crack filling, shoulder grading and repair, and bridge and culvert repairs. Other maintenance services that would be increased, if funding is still available, would be pavement marking and vegetation control (mowing and invasive weeds).

- 16. In submitting its agency budget request, the Department identified two principal priorities: the Hoan Bridge rehabilitation project and the \$55 million increase for the state highway maintenance program. To fund these two priorities within current transportation fund revenues and at 2012-13 bonding levels (and without increasing transfers from the general fund, as under the bill) the Department proposed funding reductions for several other programs. Among others, the request would have reduced funding for the state highway rehabilitation program by 8%, the major highway development program by 36%, and various local transportation assistance programs by between 2% and 6%. In addition, the request included a financing plan for the construction of the Zoo Interchange that would result in a two-year delay in the project's completion. The fact that the Department requested a substantial increase for highway maintenance, even though this required significant decreases for other programs, can be seen as indicative of the importance the Department places on highway system maintenance. The Governor's budget included the Department's requested increase for highway maintenance, but relied on additional bonding and fund transfers to avoid the other program decreases the Department had proposed.
- 17. Based on revenue reestimates, the transportation fund is now projected to end the biennium with a deficit of \$54.3 million under the bill (as affected by the Committee's earlier actions). Unless the Committee acts to increase transportation fund revenues, funding reductions will be necessary to restore a fund balance. The Committee could decide to take the approach that the Department did in its budget request, which would involve reducing funding for one or more other transportation programs in order to maintain the proposed increase for state highway maintenance. Alternatively, the Committee may decide to reduce or eliminate the proposed funding for the maintenance program. The following points describe two reduction alternatives.
- 18. In response to the projected transportation fund deficit, the administration recommended a series of funding reductions to achieve a positive balance in the transportation fund. Consistent with the priorities established in the Department's budget request, most of these reductions would be made in the 2013-14 SEG appropriations for the highway improvement programs, or, in the case of the southeast Wisconsin freeway megaprojects program, by delaying specific projects or elements of those projects to the 2015-17 biennium. With respect to the routine highway maintenance program, the proposal would reduce funding by \$2,500,000 SEG in 2013-14, but would retain the \$50,000,000 SEG increase in 2014-15 (Alternative B2).
- 19. If the Committee decides that additional decreases from the proposed funding level are necessary, one alternative would be to decrease funding by \$17,000,000 in 2014-15, which would result in a net increase of \$33,000,000 in that year. In information presented to the Wisconsin Transportation Finance and Policy Commission, the Department estimated that an increase of \$33 million in routine maintenance funding, relative to current levels, would be required to maintain current conditions, as measured using the Compass rating system (Alternative B3). Under this alternative, a total of \$38 million would be provided over the biennium (including the \$5,000,000 provided under the bill in 2013-14). The Department would make a determination of how to divide that increase between the two calendar years, but if the 2014-15 increase was split evenly between 2014 and 2015, the routine maintenance contracts would be \$141.5 million in 2014 and \$153 million in 2015.
 - 20. The proposal to split the maintenance program appropriation structure between

routine maintenance and highway system management and operations would provide a more clear expression of legislative intent as to the funding for different components of the program. However, doing so would reduce the Department's flexibility to move funding between program components to address changing circumstances. Under the current appropriation structure, for instance, the Department may decide to take actions to reduce operations costs (or other costs not included in the county contracts) in response to high winter costs incurred by counties. With a split appropriation structure, this would not be possible, which may increase the likelihood that the Department needs to seek an appropriation supplement or appropriation transfer in response to high winter costs or other unanticipated costs. With the proposed increase for routine maintenance, the Department would have more flexibility to manage costs within the routine maintenance budget, but if the increase is not approved, the reduction in the Department's flexibility may make these adjustments more difficult. In the event that the Committee reduces or eliminates the funding increase for routine maintenance, the Committee could decide to retain the current appropriation structure in order to provide the Department with greater flexibility to manage unexpected costs (Alternative A2).

Intelligent Transportation Systems and Traffic Signals Installation, Replacement, and Rehabilitation Funding Source

- 21. The Department indicates that because of current law restrictions and because of insufficient funds in the state highway maintenance and traffic operations SEG appropriation, there have been no stand-alone ITS or traffic signal installation or replacement projects on the state highway system funded from this appropriation in at least the past five years. [The Department used to receive federal grants earmarked for specific ITS projects, but the federal government no longer provides such grants.] The only ITS and signal projects that the Department has done in that time using state funds were part of a larger highway improvement project and were, therefore, funded from the highway improvement programs (the state highway rehabilitation, major highway development, or southeast Wisconsin freeway rehabilitation programs).
- 22. The Department notes that ITS and signal replacement or installation projects are sometimes delayed beyond when they are needed so as to occur at the same time as a highway improvement project. Since the normal expected life of ITS systems (five to 10 years) and signals (20 years) are not typically the same as the life cycle for highways (which can be from five years to 50 years, depending upon the type of improvement), it is not always feasible to coordinate the installation or replacement projects with highway improvement projects. As a result, the Department has a backlog of installation and replacement projects.
- 23. The bill would allow the Department to fund the installation and rehabilitation of ITS systems and traffic signals from the highway improvement programs as stand-alone projects, up to an annual limit of \$20 million (maintenance of these systems would remain a responsibility of the highway system management and operations appropriation). This would give the Department more flexibility to manage total highway system and traffic operations costs. Since the bill would not increase funding for the highway improvement programs to account for this potential, this provision would have the effect, if exercised, of reducing funding available for highway and bridge construction projects. If the Committee is concerned about the impact of this provision on highway construction, this provision could be deleted (Alternative C5). The effect of this decision would be

that there would continue to be no dedicated source of funding for the installation and replacement of stand-alone traffic signal and ITS projects.

- 24. Although the bill would have the potential of redirecting funding from highway rehabilitation projects to ITS and signal projects, the Department argues that these projects are an integral part of the highway system and so should be programmed within the overall highway improvement program. The following points outline the benefits of these systems as identified by the Department.
- 25. The Department has over 900 ITS devices utilized on the state highway system, including electronic message signs, speed sensors (to measure average traffic speeds and to identify areas experiencing congestion), ramp meters, traffic cameras (for DOT website and internal use), and the communication network to support the devices. These systems are used, particularly in urban areas, to monitor traffic flow and provide the public with information on traffic congestion and incidents, as well as weather conditions. The Department contends that the use of such systems improves the ability of the Department to detect and respond to traffic and congestion problems. This may involve, for instance, the dispatch of emergency services and maintenance crews, if necessary, in response to traffic accidents in order to more quickly restore free-flowing traffic conditions. Similarly, information gathered from ITS systems is provided to the public, allowing motorists to modify their travel plans in response to congestion or traffic incidents.
- 26. There are 940 signalized intersections on the state highway system. The Department replaces signals, as necessary, in conjunction with highway construction projects. However, the Department asserts that replacing old signals with more technically advanced signals could, in some cases, delay the need for more extensive highway improvements. If, for instance, the Department had the ability to replace a series of signals along a corridor, the timing of the signal cycles could be coordinated to improve traffic flow and reduce congestion. This kind of traffic operations improvement is not currently done unless the highway itself is undergoing rehabilitation.
- 27. The Department indicates that if the ITS and signal funding provision is approved approximately \$4 million to \$5 million may be spent for the replacement and installation of ITS items. Additional funding would be used primarily for the replacement of traffic signals in most years. The Department considers those signals over 20 years old to be "backlogged" since these are beyond the normal life span of a signal. Currently, 138 intersections (about 15% of the total) have signals older than 20 years. The Department indicates that other signals may also be replaced as they reach the end of their life cycle. At the funding level allowed under the bill, the Department anticipates it would take slightly more than 10 years to eliminate the backlog of signals and ITS items in need of replacement.
- 28. Although it would take over 10 years to eliminate the current backlog of replacement projects, it is also the case that many transportation programs, including the state highway rehabilitation program, have identified backlogs. If the Committee decides that some level of flexibility to fund stand-alone traffic signal and ITS projects is desirable, but wishes to reduce the impact on state highway rehabilitation projects, one alternative would be to lower the cap from \$20 million to \$15 million (Alternative C3) or \$10 million (Alternative C4). With reduced funding, the Department would have to make adjustments to the amounts allocated to the replacement of signals

and the installation and replacement of ITS items, increasing the time needed to eliminate the current project backlogs.

29. The statutory changes in the bill related to this provision would allow stand-alone ITS and signal projects to be funded from the state highway rehabilitation, major highway development, and southeast Wisconsin freeway megaprojects programs. Both the major highway development program and the southeast Wisconsin freeway megaprojects programs have a cost threshold for projects funded under those programs. Specifically, a major highway development project that does not meet highway capacity expansion thresholds must be at least \$80 million and a southeast Wisconsin freeway megaproject must be at least \$530 million to be funded under those programs, respectively. Since these programs are targeted exclusively at large-scale projects, the Committee could modify the bill to specify that this flexibility only applies to the state highway rehabilitation program (Alternative C2), an alternative that could be adopted in addition to Alternative C1, Alternative C3, or Alternative C4.

ALTERNATIVES

A. Program Structure

- 1. Approve the Governor's recommendation to transfer \$120,000,000 annually from the SEG appropriation for state highway maintenance and traffic operations to a newly-created, continuing SEG appropriation for routine maintenance done under contract with DOT, to create FED and SEG-L appropriations for the program, and to modify and rename the existing appropriations for state highway maintenance to fund non-routine maintenance functions.
 - 2. Delete provision.

B. Routine Maintenance Funding

If the Committee adopts Alternative A2, the funding under these alternatives would be provided for the current law state highway maintenance program.

- 1. Approve the Governor's recommendation to provide \$5,000,000 SEG in 2013-14 and \$50,000,000 SEG in 2014-15 for the new, routine maintenance appropriation to provide total funding for routine maintenance of \$125,000,000 SEG in 2013-14 and \$170,000,000 SEG in 2014-15.
- 2. Reduce funding by \$2,500,000 SEG in 2013-14 for routine maintenance to adopt the administration's recommendation, with respect to this program, for eliminating a projected transportation fund deficit.

ALT B2	Change to Bill Funding
SEG	- \$2,500,000

3. Reduce funding by \$17,000,000 SEG in 2014-15 for routine maintenance to provide

a total increase in that year of \$33,000,000, which was the funding increase for the program recommended by the Transportation Finance and Policy Commission.

ALT B3	Change to Bill Funding
SEG	- \$17,000,000

4. Delete provision.

ALT B4	Change to Bill Funding
SEG	- \$55,000,000

C. Intelligent Transportation Systems and Traffic Signals Installation, Replacement, and Rehabilitation Funding Source

- 1. Approve the Governor's recommendation to modify statutory provisions for the SEG appropriations for state highway rehabilitation, southeast Wisconsin freeway rehabilitation, and southeast Wisconsin freeway megaprojects and the FED appropriations for southeast Wisconsin freeway rehabilitation and southeast Wisconsin freeway megaprojects to eliminate a prohibition against using those appropriations to fund the stand-alone installation, replacement, or rehabilitation of traffic signals and intelligent transportation systems and prohibit DOT from encumbering or expending more than a total of \$20,000,000 in any fiscal year from the SEG appropriations for state highway rehabilitation, southeast Wisconsin freeway rehabilitation, and southeast Wisconsin freeway megaprojects for stand-alone projects involving the installation, replacement, or rehabilitation of traffic signals and intelligent transportation systems.
- 2. Modify the Governor's recommendation by specifying that the ability to fund standalone projects and the limit on such projects apply only to the SEG appropriation for the state highway rehabilitation program.
- 3. Modify the Governor's recommendation by reducing the annual funding limit on stand-alone projects funded from the highway improvement program from \$20,000,000 to \$15,000,000.
- 4. Modify the Governor's recommendation by reducing the annual funding limit on stand-alone projects funded from the highway improvement program from \$20,000,000 to \$10,000,000.
 - 5. Delete provision.

Prepared by: Jon Dyck