

TRANSPORTATION

Budget Summary							
Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	2021-23 Legislature	2021-23 Act 58	Act 58 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$232,191,000	\$204,502,600	\$192,915,000	\$192,915,000	\$192,915,000	-\$39,276,000	- 16.9%
FED	1,778,685,000	1,819,809,700	1,819,687,100	1,819,687,100	1,819,687,100	41,002,100	2.3
PR	21,747,000	21,435,400	22,306,600	22,306,600	22,306,600	559,600	2.6
SEG	4,089,817,200	3,850,011,800	4,123,508,900	4,123,508,900	4,123,508,900	33,691,700	0.8
SEG-L	230,651,200	230,894,700	230,651,200	230,651,200	230,651,200	0	0.0
SEG-S	<u>247,718,800</u>	<u>227,529,200</u>	<u>227,529,200</u>	<u>227,529,200</u>	<u>227,529,200</u>	<u>- 20,189,600</u>	<u>- 8.2</u>
TOTAL	\$6,600,810,200	\$6,354,183,400	\$6,616,598,000	\$6,616,598,000	\$6,616,598,000	\$15,787,800	0.2%
BR		\$555,823,200	\$223,558,200	\$223,558,200	\$223,558,200		

FTE Position Summary						
Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	2022-23 Legislature	2022-23 Act 58	Act 58 Change Over 2020-21 Base
FED	825.82	825.82	825.82	825.82	825.82	0.00
PR	18.00	18.00	18.00	18.00	18.00	0.00
SEG	2,395.29	2,396.29	2,390.09	2,390.09	2,390.09	- 5.20
SEG-S	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>0.00</u>
TOTAL	3,244.11	3,245.11	3,238.91	3,238.91	3,238.91	- 5.20

Budget Change Items

Transportation Finance

1. FUND CONDITION STATEMENT [LFB Paper 585]

The following table shows the estimated 2021-23 transportation fund condition statement under Act 58. Revenues reflect reestimates of collections under existing tax, fee, and transfer rates as well as changes that would occur under the Act.

The "General Fund Transfer" amounts reflect the annual statutory transfers made from the general fund to the transportation fund. These amounts include the estimate of the current law

transfer of 0.25% of general fund taxes as well as the estimate of the increased general fund transfers under Act 58 (see later item). These amounts are also based on estimated tax revenues as published in figure 20.005(1) of Act 58. Department of Transportation (DOT) appropriations represent the bulk of the appropriations from the transportation fund. However, appropriations are also made for the following purposes, which are shown in the table, in total, as "Other Agency Appropriations": (a) to the Department of Revenue for the administration of the motor fuel tax, the air carrier and railroad property taxes, and the rental vehicle fee; (b) to the conservation fund to reflect estimated motor fuel taxes paid by users of motorboats, snowmobiles, all-terrain vehicles, and utility-terrain vehicles; (c) railroad terminal tax distributions, which are payments made to local governments where railroad terminal property is located; and (d) payment of reissued checks related to DOT.

Revenues	<u>2021-22</u>	<u>2022-23</u>
Unappropriated Balance, July 1	\$35,554,300	\$2,266,900
Revenues		
Motor Fuel Tax	\$1,025,431,900	\$1,046,468,800
Registration and Title Fees		
Registration Revenues	693,856,100	697,884,300
Title Revenues	219,189,900	226,227,300
Miscellaneous Motor Vehicle Fees	25,887,700	25,970,500
Less Revenue Bond Debt Service	-220,762,600	-215,893,800
General Fund Transfer	178,869,600	97,289,300
Petroleum Inspection Fee One-Cent Deposit	38,500,000	39,350,000
Petroleum Inspection Fund Unencumbered Balance	15,088,900	15,985,800
Petroleum Inspection Fund Ongoing Transfer	6,258,500	6,258,500
Driver's License Fees	40,743,100	41,511,000
Railroad Property Taxes	44,124,200	44,675,700
Aeronautical Fees and Taxes	9,828,100	10,685,100
Miscellaneous Departmental Revenues	29,347,000	31,203,700
Investment Earnings	<u>3,000,000</u>	<u>3,000,000</u>
Total Annual Revenues	\$2,109,362,400	\$2,070,616,200
Total Available	\$2,144,916,700	\$2,072,883,100
Appropriations and Reserves		
DOT Appropriations	\$2,108,395,200	\$2,014,260,500
Compensation and Other Fund Reserves	10,000,000	12,000,000
Less Estimated Lapses	-3,000,000	-3,000,000
Other Agency Appropriations	<u>27,254,600</u>	<u>27,816,400</u>
Net Appropriations and Reserves	\$2,142,649,800	\$2,051,076,900
Unappropriated Balance, June 30	\$2,266,900	\$21,806,200

2. GENERAL FUND TRANSFERS TO TRANSPORTATION FUND

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-Transfer	\$7,782,900	\$180,185,900	\$187,968,800
SEG-REV	7,782,900	180,185,900	187,968,800

Governor: Increase the estimated current law 0.25% transfer of general fund taxes to the transportation fund compared to 2020-21 to reflect estimates of annual general fund tax revenues in the biennium by \$2,655,300 in 2021-22 and \$5,127,600 in 2022-23.

Joint Finance: Decrease the estimated current law transfer to reflect estimates of general fund tax revenues under Joint Finance Committee action by \$2,032,900 in 2021-22 and \$578,000 in 2021-23. Increase the current law, annual transfer to the transportation fund of 0.25% of general fund taxes for each year in the general fund condition statement as enacted in the biennial budget, to 1.0% on a one-time basis in 2021-22 and to 0.5% in 2022-23 and thereafter. Compared to current law, these increased transfer percentages would increase general fund transfers to the transportation fund by \$134,152,200 in 2021-22 and \$48,644,600 in 2022-23. In total, these changes would result in an increase to the estimated transfer of general fund taxes to the transportation fund of \$180,185,900 in the biennium compared to the Governor.

Assembly/Legislature: Modify the Joint Finance provision to create a non-statutory provision that would transfer from the general fund to the transportation fund \$134,152,200 in 2021-22. Delete the corresponding Joint Finance statutory provision what would increase the transfer from 0.25% to 1.0% of general fund taxes to the transportation fund in 2021-22 and a one-time basis. As a result, there would be no change in the total estimated 2021-22 transfer amount between the Legislature and Joint Finance versions of the bill, as the \$134,152,200 amount specified in the non-statutory provision plus the current law 0.25% transfer would continue to equal 1.0% of estimated general fund taxes.

Veto by Governor [E-38]: Delete the provision that would permanently increase the current law, annual transfer to the transportation to 0.5% after 2022-23. As a result, the transfer would equal 1.0% of general fund taxes in 2021-22, 0.5% in 2022-23, and 0.25% thereafter.

[Act 58 Sections: 16 and 9201(3m)]

[Act 58 Vetoed Section: 16]

3. USE OF REVENUES FROM OTHER FUNDS TO SUPPORT TRANSPORTATION PROGRAMS

Under current law, the transportation fund annually receives revenue from the general fund and the petroleum inspection fund (PIF) to support transportation programs. The following table indicates the estimated amounts to be transferred from the general fund and the petroleum inspection fund in the 2021-23 biennium, as well as the amounts to be transferred in the current biennium. Use of other funds under Act 58 are estimated to total \$319.8 million compared to an

estimated \$131.0 million under the Governor's recommendations.

The current law general fund transfer is equal to 0.25% of general fund tax collections for each year in the fund condition statement for the general fund as enacted in each biennial budget. In 2021-22, on a one-time basis, an additional \$134,152,200 would be transferred. For 2022-23 the transfer percentage would equal 0.5%. Under Act 58, annual transfers of 0.25% of general fund taxes to the transportation fund would continue after the 2021-23 biennium.

Two annual transfers are also made from the petroleum inspection fund: (a) an ongoing transfer of \$6,258,500; and (b) beginning on June 30, 2020, the transfer of the unencumbered balance of the petroleum inspection fund to the transportation fund, except for an amount equal to not less than 5% of the gross revenues of the petroleum inspection fund during the fiscal year in which the transfer is made. Under Act 58, there would be no change in law related to these two transfers from the petroleum inspection fund. The annual PIF unencumbered balance transfer is estimated at \$15,088,900 in 2021-22 and \$15,985,800 in 2022-23. The larger estimated transfer amount in 2019-21 reflects the large unencumbered balance available in the initial year of the transfer. In 2019-20, the initial transfer of the unencumbered PIF balance resulted in a \$61.3 million transfer to the transportation fund. These transfers are in addition to the ongoing statutory transfer from the petroleum inspection fund to the transportation fund of \$6,258,500 annually.

**Use of Other Funds for Transportation Purposes -- Act 58
Biennial Comparison**

	<u>2019-21</u>	<u>2021-23</u>	Biennial <u>Change</u>	% <u>Change</u>
<i>General Fund</i>				
Current Law Transfer	\$87,396,100	\$93,362,100	\$5,966,000	6.8%
One-Time Transfer in 2021-22	0	134,152,200	134,152,200	N/A
One-Time Transfer in 2022-23	<u>0</u>	<u>48,644,600</u>	<u>48,644,600</u>	<u>N/A</u>
Subtotal	\$87,396,100	\$276,158,900	\$188,762,800	216.0%
<i>Petroleum Inspection Fund</i>				
Annual Transfer Unencumbered Balance	\$74,068,100	\$31,074,700	-\$42,993,400	-58.0%
Ongoing Appropriation Transfer	<u>12,517,000</u>	<u>12,517,000</u>	<u>0</u>	<u>0.0</u>
Subtotal	\$86,585,100	\$43,591,700	-\$42,993,400	-49.7%
Total	\$173,981,200	\$319,750,600	\$145,769,400	83.8%

Note: Excludes debt service amounts on general fund-supported bonds issued for transportation purposes, other GPR appropriations provided for specific transportation purposes, and the direct deposit to the transportation fund of one cent of the two-cent petroleum inspection fee.

4. ALLOCATION OF FEDERAL HIGHWAY AID

Governor: Estimate federal highway formula aid at \$803,497,300 in 2021-22 and \$819,556,000 in 2022-23, which represents increases of \$12,524,000 in 2021-22 and \$28,582,700 in 2022-23, relative to the 2020-21 appropriation adjusted base. The actual amount of the state's federal highway aid in 2021-23 will be determined on an annual basis under federal transportation

appropriations acts of Congress. The estimate reflects uncertainty regarding the amount of federal transportation aid that will be appropriated by the federal government and made available to the state in the biennium. In addition, the federal surface transportation authorization act (the FAST Act) was set to expire on September 30, 2020 (state fiscal year 2020-21), but was extended for one additional year, through September 30, 2021, as part of a federal continuing resolution.

The following table shows the change to the appropriation base recommended by the Governor and the resulting distribution of federal highway formula aid. As shown in the table, the Governor's recommendation would primarily increase federal highway aid to the state highway rehabilitation program and major highway development program, while decreasing the amount of federal funds allocated to the southeast Wisconsin freeway megaprojects program, with minor adjustments to other appropriation allocations.

<u>Appropriation</u>	<u>Base</u>	<u>Change to Base</u>		<u>Governor</u>	
		<u>2021-22</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2022-23</u>
State Highway Rehabilitation	\$453,626,100	\$13,371,300	\$29,430,000	\$466,997,400	\$483,056,100
Major Highway Development	171,671,600	10,505,200	12,505,200	182,176,800	184,176,800
Local Transportation Facility Improvement Assistance	72,279,800	8,600	8,600	72,288,400	72,288,400
Southeast Freeway Megaprojects	27,386,300	-11,386,300	-13,386,300	16,000,000	14,000,000
Local Bridge Improvement	24,460,900	20,100	20,100	24,481,000	24,481,000
Departmental Mgmt. and Ops.	15,461,800	63,300	63,300	15,525,100	15,525,100
Congestion Mitigation/Air Quality Improvement	10,719,000	0	0	10,719,000	10,719,000
Transportation Alternatives	7,049,300	0	0	7,049,300	7,049,300
Administration and Planning	3,803,300	-23,100	-23,100	3,779,900	3,779,900
Railroad Crossing Improvements	3,291,800	0	0	3,291,800	3,291,800
Highway System Mgmt. and Ops.	<u>1,223,700</u>	<u>-35,100</u>	<u>-35,100</u>	<u>1,188,600</u>	<u>1,188,600</u>
Total	\$790,973,300	\$12,524,000	\$28,582,700	\$803,497,300	\$819,556,000

Joint Finance/Legislature: Incorporate modifications to standard budget adjustments to reflect changes in turnover calculation. Provide an equal amount of federal aid for program funding for the state highway rehabilitation (\$325,300 annually), major highway development (\$78,200 annually), and southeast Wisconsin freeway megaprojects (\$42,600 annually) programs associated with modifying position turnover calculations in order to maintain the same level of federal funding recommended by the Governor for those programs.

Appropriation	Governor		Change to Governor*		Joint Finance/Act 58	
	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23
State Highway Rehabilitation	\$466,997,400	\$483,056,100	\$0	\$0	\$466,997,400	\$483,056,100
Major Highway Development	182,176,800	184,176,800	0	0	182,176,800	184,176,800
Southeast Freeway Megaprojects	16,000,000	14,000,000	0	0	16,000,000	14,000,000
Local Transportation Facility Improvement Assistance	72,288,400	72,288,400	-5,600	-5,600	72,282,800	72,282,800
Local Bridge Improvement	24,481,000	24,481,000	-5,600	-5,600	24,475,400	24,475,400
Departmental Mgmt. and Ops.	15,525,100	15,525,100	0	0	15,525,100	15,525,100
Congestion Mitigation/Air Quality Improvement	10,719,000	10,719,000	0	0	10,719,000	10,719,000
Transportation Alternatives	7,049,300	7,049,300	0	0	7,049,300	7,049,300
Administration and Planning	3,779,900	3,779,900	-26,600	-26,600	3,753,300	3,753,300
Railroad Crossing Improvements	3,291,800	3,291,800	0	0	3,291,800	3,291,800
Highway System Mgmt. and Ops.	<u>1,188,600</u>	<u>1,188,600</u>	<u>-16,400</u>	<u>-16,400</u>	<u>1,172,200</u>	<u>1,172,200</u>
Total	\$803,497,300	\$819,556,000	-\$54,200	-\$54,200	\$803,443,100	\$819,501,800

* A modification to standard budget adjustments adopted by Joint Finance associated with position turnover resulted in minor decreases to some federal appropriations. All decreases shown are a result of this change.

5. MOTOR VEHICLE FUEL SUPPLIER ADMINISTRATIVE ALLOWANCE SEG-REV - \$9,200,000

Joint Finance/Legislature: Increase from 0.675% to 1.35% the administrative allowance that a licensed motor vehicle fuel supplier may deduct when remitting the fuel tax on gasoline to the Department of Revenue. Under current law, licensed motor vehicle fuel suppliers may deduct an allowance of 0.675% when remitting the fuel tax on gasoline to DOT. Of the 0.675% allowance, 0.625% must be passed on to the wholesale distributor by the supplier when the distributor pays the gasoline tax to the supplier. The allowance does not pertain to diesel fuel or the petroleum inspection fee. Specify that a licensed motor vehicle fuel supplier may deduct an allowance of 1.35% when remitting the fuel tax on gasoline to the Department and, of the 1.35% allowance, 1.25% would be required to be passed on to the wholesale distributor by the supplier when the distributor pays the gasoline tax to the supplier. Specify that the provision would become effective on the first day of the third month beginning after publication of the bill. Assuming an October 1, 2021, effective date, decrease estimated transportation fund revenue by \$3,800,000 SEG-REV in 2021-22 and by \$5,400,000 SEG-REV in 2022-23.

[Act 58 Sections: 279 and 9437(1)]

6. TRANSPORTATION-RELATED BOND SUMMARY

The following table summarizes the biennial usage of bonds for transportation projects in the 2019-21 biennium, under the Governor's 2021-23 recommendations, and Act 58, by type of bond and program or project. Act 58 does not authorize any general fund-supported, general obligation bonding for transportation purposes in the 2021-23 biennium. Although Act 58 authorizes a lesser amount of transportation revenue bond authority than the Governor's recommendations, it would still fund the major highway development program and administrative

facilities programs at the same level by utilizing existing transportation revenue bond authority of \$20,765,000 in the major highway development program and \$13,000,000 in the administrative facilities program rather than authorizing new bonds. Projects may be initially financed through a temporary use of cash balances from the respective funds. Eventually, bonds are sold to replenish those balances and bond proceeds become the ultimate financing source for these projects.

	<u>2019-21</u>	<u>Governor 2021-23</u>	<u>Jt. Finance/Act 58 2021-23</u>
Transportation Fund-Supported, General Obligation Bonds			
State Highway Rehabilitation	\$0	\$278,500,000	\$0
Southeast Wisconsin Freeway Megaprojects	95,000,000	40,000,000	40,000,000
Freight Rail Preservation	30,000,000	20,000,000	20,000,000
Harbor Assistance	32,000,000	15,300,000	15,300,000
Design-Build Projects	0	20,000,000	20,000,000
Local Infrastructure Grants	0	15,000,000	0
Electric Vehicle Infrastructure	0	5,000,000	0
Major Interstate Bridges	27,000,000	0	0
High-Cost Bridge	<u>-10,000,000</u>	<u>0</u>	<u>0</u>
Subtotal	\$174,000,000	\$393,800,000	\$95,300,000
Transportation Revenue Bonds			
Major Highway Development*	\$142,254,600	\$149,023,200	\$128,258,200
Administrative Facilities**	<u>0</u>	<u>13,000,000</u>	<u>0</u>
Subtotal	\$142,254,600	\$162,023,200	\$128,258,200
GPR-Supported, General Obligation Bonds			
Passenger Rail Development	<u>\$10,000,000</u>	<u>\$0</u>	<u>\$0</u>
Total	\$326,254,600	\$555,823,200	\$223,558,200

* Act 58 allocates \$20,765,000 in existing revenue bond proceeds for the major highway development program.

** The 2019-21 budget allocated \$9.1 million in existing revenue bond proceeds for the administrative facilities program. Act 58 allocates \$13.0 million in existing revenue bond proceeds for the administrative facilities program.

7. TRANSPORTATION REVENUE BOND AUTHORIZATION

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
BR	\$162,023,200	- \$33,765,000	\$128,258,200

Governor: Provide transportation revenue bond authority of \$162,023,200, reflecting the planned use of revenue bonds for major highway development projects (for fiscal effect, see "State Highway Program") and administrative facilities construction projects (for fiscal effect, see "Departmentwide") in the 2021-23 biennium.

The Department estimates that a balance of \$33,765,000 in unused transportation revenue bond authority will remain available at the end of the 2019-21 biennium. This balance, along with the Governor's recommended increase in revenue bond authority, would result in the availability

of \$195,788,200 in ongoing authority. Of this total, \$162,023,200 SEG-S would be appropriated in the 2021-23 biennium, as follows: (a) \$75,511,600 in 2021-22 and \$73,511,600 in 2022-23 for the major highway development program; and (b) \$6,500,000 annually for administrative facility construction projects. Estimated reductions to transportation fund revenue would be \$1,025,200 in 2021-22 and \$7,580,900 in 2022-23, associated with the debt service due from the partial issuance of these bonds in the biennium (shown in a separate item). Under the Governor's recommendation, \$33,765,000 in existing unused revenue bond funding would remain available for the 2023-25 biennium to fund projects initiated in the 2021-23 biennium.

Joint Finance/Legislature: Authorize \$128,258,200 in transportation revenue bonds for major highway development projects. Require DOT to use up to \$20,765,000 of existing revenue bond authority for major highway development projects, and up to \$13,000,000 of existing revenue bond authority to fund administrative facility projects.

[Act 58 Sections: 323 and 9144(2) and (3)]

8. TRANSPORTATION-RELATED DEBT SERVICE SUMMARY

This item summarizes the transportation fund-supported and general fund-supported debt service on transportation-related bonds under current law and Act 58.

Transportation Fund-Supported. Estimated transportation fund-supported debt service on previously authorized bonds and the bonds authorized in the biennium would total \$367,996,900 in 2021-22 and \$381,284,000 in 2022-23. Reestimates of existing transportation fund-supported debt service on bonds issued for transportation purposes are shown in separate entries. The following table provides information on the estimates of transportation fund-supported debt service levels for each year of the 2019-21 biennium, as well as for each year of 2021-23 under Act 58.

Gross Transportation Fund Revenue*
(Excluding Federal Aid, Bond Revenue, and Transfers from Other Funds)
and Transportation Fund-Supported Debt Service
(\$ in Millions)

<u>Fiscal Year</u>	<u>Transportation Fund Debt Service</u>	<u>Gross Transportation Fund Revenue</u>	<u>Debt Service as % of Revenue</u>
2019-20	\$371.1	\$2,006.2	18.5%
2020-21	361.8	2,099.4	17.2
2021-22	368.0	2,129.9	17.3
2022-23	381.3	2,167.0	17.6

*Revenue is shown before the payment of revenue bond debt service.

Note: Debt service and revenue amounts shown for 2019-20 are actual. Amounts for 2020-21 reflect a May, 2021, re-estimate. Amounts for 2021-22 and 2022-23 are estimated and reflect existing debt service and debt service on bonds authorized under Act 58.

General Fund-Supported. General fund-supported debt is not included in the above

calculation of transportation fund-supported debt service as a percentage of transportation revenue. The reestimate of existing general fund-supported debt service on bonds issued for transportation purposes (\$102.1 million in 2021-22 and \$90.8 million in 2022-23) is shown in a separate entry.

9. TRANSPORTATION REVENUE BOND DEBT SERVICE REESTIMATE [LFB Papers 606 and 630]

Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG-REV - \$47,911,800	\$2,133,000	- \$45,778,800

Governor: Decrease estimated transportation fund revenue by \$30,700,900 in 2021-22 and by \$17,210,900 in 2022-23 to reflect changes in the amount of vehicle registration and other pledged revenue needed to pay principal and interest on transportation revenue bonds. Of these amounts, \$943,900 in 2021-22 and \$6,978,100 in 2022-23 relate to the revenue bonds that would be authorized under the bill for the major highway development program and \$81,300 in 2021-22 and \$602,800 in 2022-23 relate to the revenue bonds that would be authorized under the bill for DOT administrative facilities purposes.

Revenue bond debt service is primarily paid from vehicle registration revenue prior to that revenue being deposited in the transportation fund. Consequently, these debt service payments are considered a negative adjustment to revenue rather than a transportation fund expenditure. Total transportation revenue bond debt service in 2020-21 is estimated at \$195,438,800, an amount that is projected to increase under the bill to an estimated \$226,139,700 in 2021-22 and \$212,649,700 in 2022-23.

Joint Finance/Legislature: Increase estimated transportation fund revenue by an additional \$5,377,000 in 2021-22 and decrease estimated transportation fund revenue by an additional \$3,244,000 in 2022-23 to reflect changes in the amount of vehicle registration and other pledged revenue needed to pay principal and interest on transportation revenue bonds. Of these amounts, revenue reductions of \$943,900 in 2021-22 and \$6,978,100 in 2022-23 relate to the revenue bonds that would be authorized or issued under the bill for the major highway development program and revenue reductions of \$81,300 in 2021-22 and \$602,800 in 2022-23 relate to the revenue bonds that would be authorized and issued in the biennium for DOT administrative facilities purposes. Total transportation revenue bond debt service in 2020-21 is estimated at \$195,438,800, an amount that is projected to increase to an estimated \$220,762,700 in 2021-22 and \$215,893,700 in 2022-23.

10. TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE -- SOUTHEAST WISCONSIN FREEWAY AND HIGH-COST BRIDGE PROJECTS [LFB Papers 102, 607, and 608]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	- \$5,752,500	- \$4,089,700	- \$9,842,200

Governor: Decrease funding by \$5,571,000 in 2021-22 and \$181,500 in 2022-23 to fund the estimated transportation fund-supported, general obligation bond debt service associated with bonds authorized for southeast Wisconsin freeway reconstruction and high-cost bridge projects. Base funding for these appropriations is \$95,411,300, and would decrease to \$89,840,300 in 2021-22 and \$95,229,800 in 2022-23 under this reestimate.

Joint Finance/Legislature: Decrease estimated debt service by an additional \$3,472,800 in 2021-22 and an additional \$616,900 in 2022-23. The decrease is associated with a reestimate of existing debt service but also includes the following: (a) an increase of \$1,052,500 in 2022-23 associated with the partial issuance of \$40.0 million in bonds in the southeast Wisconsin freeway megaprojects program for the I-94 East-West project; and (b) an increase of \$1,052,500 in 2022-23 associated with the partial issuance of \$20.0 million in bonds for design-build projects (see "State Highway Program"). Base funding for these appropriations is \$95,411,300, and would decrease to \$86,367,500 in 2021-22 and \$94,612,900 in 2022-23 under this reestimate.

11. EXISTING TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE -- CONTINGENT HIGHWAY BONDS [LFB Paper 102]

SEG	- \$3,998,200
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Governor/Legislature: Decrease funding by \$1,933,400 in 2021-22 and \$2,064,800 in 2022-23 to fund the estimated transportation fund-supported, general obligation bond debt service associated with existing bonds authorized for state highway rehabilitation and major highway development projects. No new bonds would be authorized associated with this bonding purpose under the bill. Base funding for this appropriation is \$14,310,000, and would decrease to \$12,376,600 in 2021-22 and \$12,245,200 in 2022-23 under this reestimate.

12. TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE -- OTHER PROJECTS [LFB Papers 102, 596, and 597]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	- \$9,725,100	- \$3,607,100	- \$13,332,200

Governor: Decrease funding by \$10,210,700 in 2021-22 and increase funding by \$485,600 in 2022-23 to fund the estimated transportation fund-supported, general obligation bond debt

service for state highway rehabilitation, major highway development, freight rail preservation, harbor improvement projects, and department facilities and with those bonds that would be authorized under the bill. Combined base funding for these appropriations is \$60,177,000, and would decrease to \$49,966,300 in 2021-22 and increase to \$60,662,600 in 2022-23 under this reestimate.

Joint Finance/Legislature: Decrease estimated debt service by an additional \$1,476,500 in 2021-22 and an additional \$2,130,600 in 2022-23. The decrease is associated with a reestimate of existing debt service but also includes the following: (a) an increase of \$526,300 in 2022-23 associated with the partial issuance of \$20.0 million in bonds in the freight rail preservation program; and (b) an increase of \$402,600 in 2022-23 associated with the partial issuance of \$15.3 million in bonds for the harbor assistance program (see "Local Transportation Assistance"). Combined base funding for these appropriations is \$60,177,000, and would decrease to \$48,489,800 in 2021-22 and \$58,532,000 in 2022-23 under this reestimate.

13. EXISTING GENERAL FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE [LFB Paper 102]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	- \$28,188,400	- \$11,087,600	- \$39,276,000

Governor: Decrease funding by \$7,690,300 in 2021-22 and by \$20,498,100 in 2022-23 to fund the reestimated debt service associated with existing general fund-supported, general obligation bonds authorized for state highway projects in previous biennia. No new general fund-supported, general obligation bonds would be authorized under the bill. Base funding for these appropriations are \$116,095,500 and would decrease to \$108,405,200 in 2021-22 and \$95,597,400 in 2022-23.

Joint Finance/Legislature: Decrease funding by an additional \$6,296,500 in 2021-22 and by an additional \$4,791,100 in 2022-23 to fund the reestimated debt service associated with existing general fund-supported, general obligation bonds authorized for state highway projects in previous biennia. No new general fund-supported, general obligation bonds would be authorized under the bill. Base funding for these appropriations are \$116,095,500 and would decrease to \$102,108,700 in 2021-22 and \$90,806,300 in 2022-23.

Local Transportation Aid

1. GENERAL TRANSPORTATION AIDS [LFB Paper 590]

SEG	\$19,095,300
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Governor/Legislature: Provide the following related to the general transportation aids program:

a. *County Aid.* Increase funding by \$611,000 in 2021-22 and \$3,067,300 in 2022-23 to fund a 2.0% increase each year to the calendar year general transportation aid distribution for counties. The calendar year distribution for counties is currently equal to \$122,203,200. This would provide a calendar year distribution amount for counties equal to \$124,647,300 for 2022 and \$127,140,200 for 2023 and thereafter.

b. *Municipal Aid.* Increase funding by \$3,835,100 in 2021-22 and \$11,581,900 in 2022-23 to fund a 2.0% increase each year to the calendar year general transportation aid distribution for municipalities. The calendar year distribution level for municipalities is currently equal to \$383,503,200. This would provide a calendar year distribution amount for municipalities equal to \$391,173,300 for 2022 and \$398,996,800 for 2023 and thereafter. Increase the mileage aid rate by 2.0% each year (from its current level of \$2,628 per mile) to \$2,681 per mile for calendar year 2022 and \$2,734 per mile for calendar year 2023 and thereafter.

There are two basic formulas by which general transportation aid is distributed: (a) share of costs aid; and (b) mileage aid. Counties receive only share of costs aid, while municipalities (including towns) receive payments based on either share of costs aid or mileage aid, whichever is greater. Share of costs aid amounts are computed by multiplying each community's six-year average highway-related costs (2014 through 2019 for 2021 payments) by a statewide average cost-sharing percentage. Mileage aid (mostly received by towns) is computed by multiplying the number of miles of road or street under the jurisdiction of each municipality by a specified mileage rate.

Delete the statutory references to prior calendar year funding amounts for counties and municipalities, as well as the prior year mileage aid rate amounts for municipalities.

[Act 58 Sections: 327, 331, and 332]

2. GENERAL TRANSPORTATION AID FORMULA ADJUSTMENT FOR TOWNS WITH LOW EQUALIZED VALUES

Joint Finance/Legislature: For a town with an equalized value in the previous year in the bottom quartile of equalized values of towns in the state for that year, increase the current law 85% cost cap under the general transportation aid (GTA) formula to 98%, so that no such town in the bottom quartile may receive a GTA distribution greater than 98% of its 3-year average costs. Specify that equalized values would be those determined by the Department of Revenue under current law. Given that this adjustment to the cost threshold would occur within the aid formula, any funds needed to cover up to 98% of cost for affected towns would be drawn from municipalities on the share of cost component of the formula. The proposal would reduce funding otherwise available to those municipalities on the share-of-cost component of the GTA formula (primarily villages and cities). Had this provision been in effect in 2021, it would have made \$550,000 less available for these municipalities.

[Act 58 Sections: 328 and 329]

3. GENERAL TRANSPORTATION AID LIMITATION ADJUSTMENT APPROPRIATION

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$0	\$2,000,000	\$2,000,000

Joint Finance/Legislature: Provide \$1,000,000 SEG annually to a new, annual appropriation to make general transportation aid (GTA) adjustment payments to towns receiving mileage aid whose costs are affected by the timing of when reimbursement payments are reported as revenue. Specify that if the amount of GTA paid to a town is limited by either the 85% cost cap or 98% cost cap (as provided in the prior item), to an amount less than the amount calculated under the mileage aid formula, and DOT determines that the limitation was caused by the timing of a reimbursement (typically a disaster damage aid payment or a local road improvement project payment) for an expenditure made by the town, the Department would be required to make an additional aid payment to the town from the appropriation in an amount that DOT determines will compensate the town for the diminished payments. Provide that if the moneys appropriated are not sufficient to fully compensate towns qualifying for adjustment payments, the Department may prorate the payments among qualifying towns.

[Act 58 Sections: 57 and 330]

4. LIMIT PENALTY FOR LATE REPORTING OF GENERAL TRANSPORTATION AID DATA FOR CERTAIN COUNTIES AND MUNICIPALITIES [LFB Paper 590]

Governor: Limit the penalty that the Department may assess a county or municipality that exceeds 25,000 in population for filing late the required reports used in the general transportation aid formula calculations to an amount not to exceed \$100 for each working day after July 31 that the reports are submitted. Under current law, all local governments must report their highway-related expenditures for each calendar year and are subject to a penalty for reporting the data late. This information is submitted on financial report forms required by the Department of Revenue (DOR), which provides this information to DOT. For municipalities and counties with populations over 25,000, an audited financial statement with supporting schedules must accompany the standard financial report and must be submitted by July 31 of the following year. If a local government with a population over 25,000 files a late report, its total aid for the following year is reduced by 1% for each working day that the report is late, to a maximum reduction of 10% (the resulting payment cannot be less than 90% of the previous year's payment). If the report is not received within 30 days of the filing date, the payment will equal 90% of the previous year's payment. This provision would limit the amount of this reduction to no more than \$100 for each working day after July 31 that the financial reports are submitted. Penalty amounts calculated for an aid year are redistributed to other counties or municipalities on the aid formula in that year.

Joint Finance/Legislature: Provision not included.

5. MASS TRANSIT OPERATING ASSISTANCE [LFB Paper 591]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$3,547,300	- \$44,888,900	- \$41,341,600

Governor: Provide \$705,900 in 2021-22 and \$2,841,400 in 2022-23 to provide a 2.5% increase in mass transit operating assistance to each tier of mass transit systems for both calendar year 2022 and calendar year 2023. Specify that the increase in funding would be distributed as follows: (a) \$409,200 in 2021-22 and \$1,647,200 in 2022-23 for Tier A-1 (Milwaukee County); (b) \$107,500 in 2021-22 and \$432,800 in 2022-23 for Tier A-2 (Madison); (c) \$156,100 in 2021-22 and \$628,300 in 2022-23 for Tier B transit systems (systems serving a population of 50,000 or more that are not in Tiers A-1 or A-2); and (d) \$33,100 in 2021-22 and \$133,100 in 2022-23 for Tier C transit systems (systems serving areas with population between 2,500 and 50,000).

Set the statutory calendar year distribution amounts as follows; (a) \$67,114,700 for 2022 and \$68,792,600 for 2023 for Tier A-1; (b) \$17,635,500 for 2022 and \$18,076,400 for 2023 for Tier A-2; (c) \$25,600,800 for 2022 and \$26,240,800 for 2023 for Tier B; and (d) \$5,425,000 in 2022 and \$5,560,600 for 2023 for Tier C.

It should be noted that while the calendar year statutory distribution amounts for each year would represent a 2.5% annual increase in transit funding, as recommended, the funding provided in the bill for 2022-23 would not fully fund the 2.5% increase for calendar year 2023. An additional \$705,900 in funding would be needed in 2022-23 to provide the 2.5% increase in 2023 (\$409,200 for Tier A-1, \$107,500 for Tier A-2, \$156,100 for Tier B, and \$33,100 for Tier C).

Delete the statutory references to prior calendar year funding amounts for each tier of transit systems.

Joint Finance/Legislature: Delete \$705,900 in 2021-22 and \$2,841,400 in 2022-23 associated with the proposed increase in mass transit operating assistance to each Tier of systems and reduce funding by \$10,335,400 in 2021-22 and \$31,006,200 in 2022-23 to reflect a one-time 50% funding reduction in calendar year 2022 aid for Tier A-1 (Milwaukee) and Tier A-2 (Madison) systems. Funding would be reduced by \$8,184,700 in 2021-22 and \$24,554,200 in 2022-23 for Tier A-1; and (b) \$2,150,700 in 2021-22 and \$6,452,000 in 2022-23 for Tier A-2.

Specify that base funding for mass transit operating assistance would remain at \$112,952,300 annually (the 2020-21 funding amount) to begin the 2023-25 biennium. Delete the statutory references to prior calendar year funding amounts for Tier A-1 and Tier A-2 of mass transit systems. Set the statutory calendar year distribution amounts at \$32,738,900 in 2022 and \$65,477,800 in 2023 and thereafter for Tier A-1, \$8,602,700 in 2022 and \$17,205,400 in 2023 and thereafter for Tier A-2.

[Act 58 Sections: 324, 325, and 9144(1)]

6. TRANSIT CAPITAL ASSISTANCE GRANTS [LFB Paper 592]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$20,000,000	- \$20,000,000	\$0

Governor: Provide \$10,000,000 annually to a new continuing SEG appropriation under DOT for transit capital assistance grants. Require DOT to administer a transit capital assistance grant program and award grants to eligible applicants for the replacement of public transit vehicles. Specify that DOT would be required to establish criteria for awarding grants under the transit capital assistance grant program.

Define "eligible applicant" to mean a local public body in an urban area that is served by an urban mass transit system incurring an operating deficit. Specify that "public transit vehicle" would mean any vehicle used for providing transportation service to the general public that is eligible for replacement as an eligible mitigation action established under the Volkswagen settlement.

Joint Finance/Legislature: Provision not included.

7. TRANSPORTATION EMPLOYMENT AND MOBILITY [LFB Paper 593]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$8,000,000	- \$7,500,000	\$500,000

Governor: Provide \$4,000,000 annually to the Department's transportation employment and mobility continuing appropriation. This would increase funding from \$582,600 in base funding to \$4,582,600 annually. Under current law, DOT may award grants from this appropriation to public and private organizations for the development and implementation of demand management, ridesharing, and job access and employment transportation assistance programs. Currently, the Wisconsin employment transportation assistance program (WETAP) is funded from this appropriation. WETAP is an annual competitive grant program that combines both state and federal funding for transit systems and organizations that assist low-income individuals in getting to work.

Under current law, the Department of Workforce Development (DWD) is appropriated \$464,800 GPR annually for employment transit assistance grants. Although not statutorily required, DWD typically transfers all funding appropriated for the employment transit grants program to DOT to jointly fund WETAP. The additional funding provided to DOT under the bill would increase funding to the WETAP program to \$5,047,400, if combined with the funding provided to DWD.

Joint Finance/Legislature: Reduce funding by \$7,500,000 SEG to provide \$250,000 SEG annually to the Department's transportation employment and mobility continuing appropriation. This would increase funding from \$582,600 in base funding to \$832,600 annually. The additional

funding provide to DOT would increase funding available to the WETAP program to \$1,297,400, when combined with \$464,800 GPR provided annually to the Department of Workforce Development (DWD).

8. PARATRANSIT AIDS

SEG	\$228,700
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Governor/Legislature: Provide \$75,600 in 2021-22 and \$153,100 in 2022-23 for a 2.5% increase to funding for paratransit aid in each year of the 2021-23 biennium. This would increase funding from \$3,025,000 in base funding to \$3,100,600 in 2021-22 and \$3,178,100 in 2022-23.

Under current law, DOT is required to provide paratransit aid to assist eligible urban mass transit operating assistance recipients with the provision of paratransit service required under the Americans with Disabilities Act. In awarding the paratransit grants to eligible urban mass transit systems, the Department must: (a) maximize the level of paratransit service provided by those systems; and (b) give priority to eligible applicants for the maintenance of paratransit service provided on July 1, 2011.

9. SENIORS AND INDIVIDUALS WITH DISABILITIES SPECIALIZED ASSISTANCE PROGRAM

SEG	\$69,200
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Governor/Legislature: Provide \$22,900 in 2021-22 and \$46,300 in 2022-23 for a 2.5% increase to funding for the seniors and individuals with disabilities specialized assistance program in each year of the 2021-23 biennium. This would increase funding from \$912,700 in base funding to \$935,600 in 2021-22 and \$959,000 in 2022-23. State specialized assistance funding supplements federal section 5310 funding (enhanced mobility of seniors and individuals with disabilities program) to aid eligible applicants in Wisconsin's rural and small urban areas with transit capital and operating projects that serve seniors and individuals with disabilities.

10. TRIBAL ELDERLY TRANSPORTATION GRANTS [LFB Paper 594]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	- \$871,200	\$871,200	\$0
SEG	<u>937,700</u>	<u>-937,700</u>	<u>0</u>
Total	\$66,500	- \$66,500	\$0

Governor: Provide \$457,400 SEG in 2021-22 and \$480,300 in 2022-23 and decrease funding by \$435,600 PR annually for the tribal elderly grant program. The bill would convert base level funding of \$435,600 for the tribal elderly grant program, which is currently funded from tribal gaming revenues (PR), to a newly-created SEG appropriation funded from the transportation fund. In addition, the SEG funding provided would fund an increase of \$21,800 SEG in 2021-22 and \$44,700 SEG in 2022-23 to fund a 5.0% annual increase in funding for tribal elderly transportation grants in each year of the 2021-23 biennium. Under the bill, base funding for tribal elderly transportation grants would increase from \$435,600 to \$457,400 SEG in 2021-22 and \$480,300 SEG in 2022-23.

Modify DOT's existing tribal elderly transportation grants PR appropriation to a SEG appropriation to reflect the change in the program's funding source. This conversion in the program's funding source from tribal gaming to the transportation fund is part of the Governor's larger recommendation to reallocate uses of tribal gaming revenues among state agencies (see "Administration -- Division of Gaming").

Joint Finance/Legislature: Provision not included.

Local Transportation Assistance

1. LOCAL SUPPLEMENTAL GRANT PROGRAM [LFB Paper 595]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$75,000,000	\$25,000,000	\$100,000,000

Governor: Provide \$75,000,000 in 2021-22 for a newly-created local multimodal supplemental grant program to provide grants to reimburse local governments for eligible projects. Specify that eligible projects include projects eligible for funding under the local roads improvement program entitlement and environmental review components, local bridge program, interstate bridge program, costs related to jurisdictional transfers of bridges, or the federal transportation alternatives set-aside, which includes a variety of smaller-scale projects such as pedestrian and bicycle facilities, recreational trails, historic preservation, and environmental mitigation.

Define eligible applicant to be city, village, town, county, a combination of those entities, or an eligible applicant for the federal transportation alternatives set-aside, including: (a) regional transportation authority; (b) a transit agency; (c) a natural resource or public land agency; (d) a school district, local education agency, or school; (e) a tribal government; (f) a nonprofit entity responsible for the administration of local transportation safety programs; and (g) any other local or regional governmental entity with responsibility for or oversight of transportation or recreational trails (other than a metropolitan planning organization or a state agency) that the State determines is consistent with the federal transportation alternatives set-aside program goals.

Modify and renumber an existing continuing GPR appropriation created in 2019 Act 9 that provided a one-time supplement of \$90.0 million to the local roads improvement program in 2019-20 to instead provide SEG funding for the newly-created local supplemental grant program. Require the Department to solicit and provide grants until all appropriated funds have been expended.

Repeal the provisions related to the one-time, GPR-funded, local road improvement discretionary supplemental grant program created for the 2019-21 biennium.

Joint Finance/Legislature: Increase funding by \$25,000,000 in 2021-22 to provide \$100,000,000 on a one-time basis to fund local government project costs that would be eligible for program funding under the current law local roads improvement discretionary component. Maintain existing program provisions from the 2019-20 GPR-funded program, including matching requirements and the percentage of total allocation that is awarded for county trunk highway improvements, town road improvements, and municipal street improvements. Allocation would be as follows: (a) \$35,559,100 for county projects; (b) \$25,386,000 for municipal projects; and (c) \$39,054,900 for town projects. A required local project cost match of 10% of total project cost would apply to projects submitted for funding. DOT would be required to solicit project applications for this funding until the funds appropriated have been expended.

[Act 58 Sections: 58, 333, and 334]

2. LOCAL ROADS IMPROVEMENT PROGRAM - CLEAR LAKE ROAD IN TOWN OF MILTON IN ROCK COUNTY

Governor: Require the Department to award grant of up to \$75,000 SEG in the 2021-23 biennium from the local roads improvement discretionary grant program for flooding mitigation improvements to Clear Lake Road in the Town of Milton in Rock County, notwithstanding the program's eligibility requirements or limitations on the amount and use of aids. Specify that the Department award the grant for this project from the local roads improvement discretionary grant program. List this project as an allowable use funds from the local roads improvement discretionary grants SEG appropriation. Under current law, the discretionary grant program appropriation is provided \$15,167,400 annually, of which \$5,923,600 annually is allocated by statute for grants to town road projects with a projected cost of \$100,000 or more.

Joint Finance/Legislature: Provision not included.

3. LOCAL BRIDGE IMPROVEMENT ASSISTANCE PROGRAM - RAY NITSCHKE MEMORIAL BRIDGE

Governor: Require the Department to set aside \$1,200,000 SEG in 2021-22 for repairs to the Ray Nitschke Memorial Bridge located on USH 141 (City of Green Bay) in Brown County from funding provided to the local bridge improvement assistance program in the 2021-23 biennium. Specify that the grant would be an allowable expenditure from the program's SEG appropriation. Specify that DOT provide the funding notwithstanding the eligibility criteria of the program. The Governor recommended the program be provided \$18,470,600 annually in SEG funding for the local bridge improvement assistance program in the 2021-23 biennium. The program would also be provided \$24,481,000 FED annually under the Governor's recommendations.

Joint Finance/Legislature: Provision not included.

4. HIGH-COST LOCAL BRIDGE IMPROVEMENT ASSISTANCE PROGRAM -- SOUTHERN BRIDGE PROJECT IN BROWN COUNTY

Joint Finance/Legislature: Require DOT to construct an interchange with I-41 and local roads, near the intersection of Southbridge Road (which becomes French Road) and Creamery Road in Brown County as a component of the I-41 major highway development project in Brown County that was enumerated as a major highway development project in 2019 Act 9. Require DOT to include a request in their 2023-25 agency budget request to fund the "Southern Bridge" project crossing the Fox River in Brown County. Define the "Southern Bridge" to be the segment of County Highway GV from County Highway D to State Highway 57 in Brown County.

Veto by Governor [E-39]: Delete the interchange construction requirement, but retain the requirement that DOT must include a request for funding the "Southern Bridge" in their 2023-25 agency budget request as well as the "Southern Bridge" definition in the bill.

[Act 58 Sections: 281 and 9144(4)]

[Act 58 Vetoed Section: 281]

5. HARBOR ASSISTANCE PROGRAM [LFB Paper 596]

BR	\$15,300,000
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Governor/Legislature: Authorize \$15,300,000 in transportation fund-supported, general obligation bonds for the harbor assistance program in the 2021-23 biennium, which provides grants for capital improvements to harbors on the Great Lakes or the Mississippi River system. The amount authorized would be \$16,700,000 less than the \$32,000,000 in bonding authority provided in the 2019-21 biennium (which also included a \$13,200,000 SEG increase), although a provision of the 2019-21 biennial budget earmarked up to \$29.0 million of that program funding for Marinette Marine. As a result, \$16,200,000 in the program funding was generally available for projects in the 2019-21 biennium. Base program funding of \$651,000 SEG annually also exists to help fund project costs (\$493,800 annually) and administrative costs (\$157,200 annually).

Estimated transportation fund-supported, general obligation bond debt service associated with the partial issuance of these bonds, which would increase by \$402,600 SEG in 2022-23, is shown under a separate item (see "Transportation Finance").

[Act 58 Section: 106]

6. FREIGHT RAIL PRESERVATION PROGRAM [LFB Paper 597]

BR	\$20,000,000
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Governor/Legislature: Authorize \$20,000,000 in transportation fund-supported, general obligation bonds for the freight rail preservation program in the 2021-23 biennium. The bonds authorized for this program may be used to acquire abandoned railroad lines or make improvements on lines already owned by the state to upgrade them to modern freight rail standards. The amount of bonds authorized would be \$10,000,000 less than the \$30,000,000 in bond authority provided under the 2019-21 biennial budget. Estimated transportation fund-supported, general

obligation bond debt service associated with the partial issuance of these bonds, which would increase by \$526,300 SEG in 2022-23, is shown under a separate item (see "Transportation Finance").

[Act 58 Section: 107]

7. LOCAL INFRASTRUCTURE GRANT PROGRAM -- STORM WATER PREVENTION [LFB Paper 598]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
BR	\$15,000,000	-\$15,000,000	\$0

Governor: Establish a grant program administered by DOT to provide local road aids for critical infrastructure, and authorize \$15,000,000 in transportation fund-supported, general obligation bonds for the program. Create a bonding appropriation for this program, and modify an existing SEG debt service appropriation to allow principal and interest payments on bonds issued for the program's purposes to be eligible expenditures from the appropriation.

Require the Department to award grants from the program to reimburse eligible applicants for up to 50% of the cost of an eligible project. Specify that an "eligible applicant" would mean a city, village, town, or county. Define an "eligible project" to be a project that meets all of the following criteria: (a) the project is for the reconstruction of a culvert or bridge to a higher durability standard; (b) the culvert or bridge is owned by the eligible applicant that is applying for the grant; and (c) the culvert or bridge is at risk of being damaged by future extreme storm water events. The Department would be required to promulgate rules that detail the form, nature, and extent of information contained in applications as well as the criteria for evaluating applications and awarding grants. Require that the criteria for awarding grants prioritize projects most at risk from future extreme storm water events.

No estimates of the annual debt service amounts associated with the recommended general obligation bonds for the local infrastructure grant program were included in the bill.

Joint Finance/Legislature: Provision not included.

8. ELECTRIC VEHICLE INFRASTRUCTURE PROGRAM [LFB Paper 599]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
BR	\$5,000,000	-\$5,000,000	\$0

Governor: Establish a program within DOT to provide funding for electric vehicle infrastructure projects for the purpose of improving the accessibility of the state for electric vehicles, and authorize \$5,000,000 in transportation fund-supported, general obligation bonds for

this purpose. Create a new bonding appropriation for this program, and modify an existing SEG debt service appropriation to allow principal and interest payments on bonds issued for the program's purposes to be eligible expenditures from the appropriation.

Require DOT to work in consultation with the Department of Administration to determine appropriate locations for eligible projects. Specify that the Legislature finds and determines that: (a) the use of electric vehicles benefits all residents of the state; (b) current electric vehicle infrastructure is insufficient; (c) funding of projects under this program is a valid government function and serves a public purpose; and (d) private capital and local government financial and technical resources are unable to fully meet the transportation and infrastructure needs of the state. The statutory provisions establishing a legislative finding and public purpose associated with the types of facilities receiving bond proceeds are similar to current law provisions relating to the use of state general obligation bond proceeds for grants that may be made to private entities that serve a public purpose.

No estimates of the transportation fund-supported debt service amounts associated with the recommended general obligation bonds in the biennium for the electric vehicle infrastructure program were included in the budget bill.

Joint Finance/Legislature: Provision not included.

9. TRANSPORTATION ALTERNATIVES PROGRAM [LFB Paper 600]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$2,000,000	-\$2,000,000	\$0

Governor: Provide \$1,000,000 SEG annually for the transportation alternatives program. This program funds a broad range of transportation-related activities, including bicycle and pedestrian projects, historic preservation, and environmental mitigation. Grant recipients must provide a 20% match for the use of grant funds. The transportation alternatives program is not currently provided SEG funding, but is provided base level funding of \$7,049,300 FED annually.

Joint Finance/Legislature: Provision not included.

10. AIRPORT SOUND MITIGATION GRANT PROGRAM [LFB Paper 601]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$500,000	-\$500,000	\$0

Governor: Provide \$250,000 GPR annually to a newly-created GPR continuing appropriation that would be used to award grants to projects that mitigate the impact of airport sound on structures located near airports that include a military base or installation. Require the

Department to develop and administer an airport sound mitigation grant program to be funded from the newly-created GPR appropriation.

Require DOT to prescribe the form, nature, and extent of information required to be contained in grant applications for this program. Require the Department to give highest priority in awarding grants under this program to projects involving schools and child care centers, and second priority to projects involving private residences. Specify that projects are not eligible if they are eligible for participation in a federal airport sound mitigation grant program.

Specify that the program would be terminated if DOT does not receive an application for a grant under this program for two consecutive fiscal years.

Joint Finance/Legislature: Provision not included.

11. INTERMODAL FREIGHT ASSISTANCE GRANT PROGRAM MODIFICATIONS

Governor: Modify the intermodal freight assistance program to specify that DOT may not award a grant under the intermodal freight assistance program unless the grantee agrees to provide adequate intermodal freight services at the facility funded by the grant, subject to remedial transfer of the facility to the Department. Require ownership and control of the facility receiving financial assistance to transfer to the Department if service at the facility is discontinued or inadequate, or the grantee disposes of any portion of the facility. Permit the Department to accept from the grantee full repayment of all grants received from the Department for the facility in lieu of transfer of facility ownership.

Delete the current law provision that allows the Department to make the determination as to whether a public or private intermodal freight facilities has a public purpose. Instead, establish a legislative finding of public purpose that would state that supporting the development of intermodal freight facilities through grants in this program is in the public interest and is public policy of the state. Further specify that intermodal freight facilities provide a vital connection for industries to provide efficient commerce within the state, and supporting these facilities is the responsibility of the state because private capital and local government resources are unable to fully meet the state's transportation and infrastructure needs. These modifications would be similar to current law provisions relating to the use of state general obligation bond proceeds for grants to private entities that serve a public purpose, including: (a) a legislative finding and public purpose delineated in statute relating to the types of facilities receiving bonding proceeds; and (b) a remedial action that would allow ownership of the facility to revert back to the state, or the state receiving repayment, if the use of the facility no longer meets the statutory public purpose.

Under 2019 Act 9, grants for this program in the 2019-21 biennium were funded from the freight rail infrastructure improvement and intermodal freight facilities SEG appropriation. Effective on July 1, 2021, and thereafter, grants for this program are funded from the freight rail preservation bond appropriation.

Joint Finance/Legislature: Provision not included.

12. REPEAL PROHIBITION ON USE OF CONDEMNATION AUTHORITY FOR RECREATIONAL AND PEDESTRIAN TRAILS

Governor: Repeal the provisions enacted under 2017 Act 59 that prohibit the use of condemnation authority for recreational trails, state trails, bicycle lanes and ways, and pedestrian ways by certain entities, including county boards, city councils, village or town boards, or DOT. Current law prohibits the use of general eminent domain authority by these entities for these purposes.

Joint Finance/Legislature: Provision not included.

13. REPEAL 2017 ACT 368 LOCAL TRANSPORTATION PROJECT PROVISIONS

Governor: Repeal the following 2017 Act 368 local transportation program requirements: (a) the requirement that DOT notify a political subdivision of whether the aid provided to each subdivision includes federal moneys and which project components must be paid for with federal moneys, if any; (b) the requirement that any local project funded in whole or in part with state funds under the surface transportation urban and rural programs, or under the local bridge program, be let through competitive bidding and by contract to the lowest responsible bidder; and (c) the requirement that for any local project meeting both of the following criteria, DOT may not require a local government to comply with any portion of the Department's facilities development manual other than design standards: (1) the project proposal is reviewed and approved by a professional engineer or by the highway commissioner for the county in which the project will be located; and (2) the project is conducted by a political subdivision with no expenditure of federal money. Repeal the definitions of a local bridge, local roads, political subdivision, and a project created under Act 368 associated with the above provisions.

Joint Finance/Legislature: Provision not included.

State Highway Program

1. STATE HIGHWAY PROGRAM SUMMARY

The following tables compare total funding for state highway improvement programs in 2020-21 with the recommendations of the Governor and the amounts provided under Act 58 for those programs in the 2021-23 biennium. Since the highway improvement program relies on both current revenues (SEG and FED) and bond proceeds to fund program activity, both tables show the 2020-21 SEG and FED appropriation base, plus the amount of bonding that was allocated during 2020-21.

**State Highway Improvement Program --
Base Year to Governor's Recommendation Comparison**

Fund Source	2020-21 Base Plus Bonds	Governor*		Change to Base Plus Bonds Doubled	
		<u>2021-22</u>	<u>2022-23</u>	<u>Amount</u>	<u>% Change</u>
SEG	\$596,156,600	\$353,897,700	\$465,815,400	-\$372,600,100	-31.3%
FED	652,684,000	665,174,200	681,232,900	41,039,100	3.1
Bonds	147,127,300	244,761,600	242,761,600	193,268,600	65.7
Existing					
Rev. Bonds	<u>15,460,000</u>	<u>0</u>	<u>0</u>	<u>-30,920,000</u>	-100.0
Total	\$1,411,427,900	\$1,263,833,500	\$1,389,809,900	-\$169,212,400	-6.0%

*Amounts shown comprise all highway improvement program recommendation items, including adjustments to the base, standard budget adjustments, and a minor departmental reorganization.

**State Highway Improvement Program --
Base Year to Joint Finance/Act 58 Comparison**

Fund Source	2020-21 Base Plus Bonds	Joint Finance/Act 58*		Change to Base Plus Bonds Doubled	
		<u>2021-22</u>	<u>2022-23</u>	<u>Amount</u>	<u>% Change</u>
SEG	\$596,156,600	\$590,939,500	\$589,295,400	-\$12,078,300	-1.0%
FED	652,684,000	665,174,200	681,232,900	41,039,100	3.1
Bonds	147,127,300	95,129,100	93,129,100	-105,996,600	-36.0
Existing					
Rev. Bonds	<u>15,460,000</u>	<u>10,382,500</u>	<u>10,382,500</u>	<u>-10,155,000</u>	-32.8
Total	\$1,411,427,900	\$1,361,625,300	\$1,374,039,900	-\$87,190,600	-3.1%

*Amounts shown comprise all highway improvement program recommendation items, including adjustments to the base, standard budget adjustments, and a minor departmental reorganization.

The following tables compare total funding for state highway improvement programs in the 2019-21 biennium with the Governor's 2021-23 budget recommendations and the amounts provided under Act 58, including standard budget adjustments. The tables show total biennial program resources by funding type and the percentage change to the composition of program funding.

**State Highway Improvement Program Summary --
2019-21 to 2021-23 Governor's Recommendation Comparison**

<u>Fund Source</u>	<u>2019-21</u>	<u>2021-23 Governor*</u>	<u>Biennial Change in Resources</u>	<u>% Change</u>
SEG	\$1,156,378,400	\$819,713,100	-\$336,665,300	-29.1%
FED	1,303,860,600	1,346,407,100	42,546,500	3.3
Bonds	254,254,600	487,523,200	233,268,600	91.7
Existing Rev. Bonds	<u>30,920,000</u>	<u>0</u>	<u>-30,920,000</u>	-100.0
Total	\$2,745,413,600	\$2,653,643,400	-\$91,770,200	-3.3%

*Amounts shown comprise all highway improvement program recommendation items, including adjustments to the base, standard budget adjustments, and a minor departmental reorganization.

**State Highway Improvement Program Summary --
2019-21 to 2021-23 Joint Finance/Act 58 Comparison**

<u>Fund Source</u>	<u>2019-21</u>	<u>2021-23 Jt. Finance/Act 58*</u>	<u>Biennial Change in Resources</u>	<u>% Change</u>
SEG	\$1,156,378,400	\$1,180,234,900	\$23,856,500	2.1%
FED	1,303,860,600	1,346,407,100	42,546,500	3.3
Bonds	254,254,600	188,258,200	-65,996,400	-26.0
Existing Rev. Bonds	<u>30,920,000</u>	<u>20,765,000</u>	<u>-10,155,000</u>	-32.8
Total	\$2,745,413,600	\$2,735,665,200	-\$9,748,400	-0.4%

*Amounts shown comprise all highway improvement program recommendation items, including adjustments to the base, standard budget adjustments, and a minor departmental reorganization.

**State Highway Improvement Program Component Summary --
2019-21 to 2021-23 Governor's Recommendation Comparison**

<u>Fund Source</u>	<u>2019-21</u>	<u>2021-23 Governor*</u>	<u>Biennial Change in Resources</u>	<u>% Change</u>
State Highway Rehabilitation				
SEG	\$1,040,836,000	\$757,489,900	-\$283,346,100	-27.2%
FED	896,977,600	950,053,500	53,075,900	5.9
Gen Ob. Bonds (SEG)	<u>0</u>	<u>278,500,000</u>	<u>278,500,000</u>	N.A
Subtotal	\$1,937,813,600	\$1,986,043,400	\$48,229,800	2.5%
Major Highway Development				
SEG	\$52,223,200	\$50,223,200	-\$2,000,000	-3.8%
FED	338,802,200	366,353,600	27,551,400	8.1
Trans. Revenue Bonds	142,254,600	149,023,200	6,768,600	4.8
Existing Bond Proceeds	<u>30,920,000</u>	<u>0</u>	<u>-30,920,000</u>	-100.0
Subtotal	\$564,200,000	\$565,600,000	\$1,400,000	0.2%
SE Wis. Freeway Megaprojects				
SEG	\$63,319,200	\$12,000,000	-\$51,319,200	-81.0%
FED	68,080,800	30,000,000	-38,080,800	-55.9
Gen. Ob. Bonds (SEG)	<u>95,000,000</u>	<u>40,000,000</u>	<u>-55,000,000</u>	-57.9
Subtotal	\$226,400,000	\$82,000,000	-\$144,400,000	-63.8%
Design-Build Projects				
Gen Ob. Bonds (SEG)	\$0	\$20,000,000	\$20,000,000	N.A
Major Interstate Bridge Construction				
Gen Ob. Bonds (SEG)	\$27,000,000	\$0	-\$27,000,000	-100.0%
High-Cost Bridge				
Gen Ob. Bonds (SEG)	-\$10,000,000	\$0	\$10,000,000	N.A
Total	\$2,745,413,600	\$2,653,643,400	-\$91,770,200	-3.3%

*Amounts shown comprise all highway improvement program recommendation items, including adjustments to the base, standard budget adjustments, and a minor departmental reorganization.

**State Highway Improvement Program Component Summary --
2019-21 to 2021-23 Joint Finance/Act 58 Comparison**

<u>Fund Source</u>	<u>2019-21</u>	<u>2021-23 Jt. Finance/Act 58*</u>	<u>Biennial Change in Resources</u>	<u>% Change</u>
State Highway Rehabilitation				
SEG	\$1,040,836,000	\$1,118,011,700	\$77,175,700	7.4%
FED	896,977,600	950,053,500	53,075,900	5.9
Gen Ob. Bonds (SEG)	<u>0</u>	<u>0</u>	<u>0</u>	0.0
Subtotal	\$1,937,813,600	\$2,068,065,200	\$130,251,600	6.7%
Major Highway Development				
SEG	\$52,223,200	\$50,223,200	-\$2,000,000	-3.8%
FED	338,802,200	366,353,600	27,551,400	8.1
Trans. Revenue Bonds	142,254,600	128,258,200	-13,996,400	-9.8
Existing Bond Proceeds	<u>30,920,000</u>	<u>20,765,000</u>	<u>-10,155,000</u>	-32.8
Subtotal	\$564,200,000	\$565,600,000	\$1,400,000	0.2%
SE Wis. Freeway Megaprojects				
SEG	\$63,319,200	\$12,000,000	-\$51,319,200	-81.0%
FED	68,080,800	30,000,000	-38,080,800	-55.9
Gen. Ob. Bonds (SEG)	<u>95,000,000</u>	<u>40,000,000</u>	<u>-55,000,000</u>	-57.9
Subtotal	\$226,400,000	\$82,000,000	-\$144,400,000	-63.8%
Design-Build Projects				
Gen Ob. Bonds (SEG)	\$0	\$20,000,000	\$20,000,000	N.A
Major Interstate Bridge Construction				
Gen Ob. Bonds (SEG)	\$27,000,000	\$0	-\$27,000,000	-100.0%
High-Cost Bridge				
Gen Ob. Bonds (SEG)	-\$10,000,000	\$0	\$10,000,000	N.A
Total	\$2,745,413,600	\$2,735,665,200	-\$9,748,400	-0.4%

*Amounts shown comprise all highway improvement program recommendation items, including adjustments to the base, standard budget adjustments, and a minor departmental reorganization.

2. STATE HIGHWAY REHABILITATION PROGRAM [LFB Paper 605]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	-\$304,842,100	\$361,645,800	\$56,803,700
FED	43,093,300	650,600	43,743,900
BR	<u>278,500,000</u>	<u>-278,500,000</u>	<u>0</u>
Total	\$16,751,200	\$83,796,400	\$100,547,600

Governor: Make the following changes to the state highway rehabilitation program's funding in order to provide a 2021-23 funding level of \$1,986,043,400: (a) a decrease of \$206,379,900 SEG and an increase of \$13,517,300 FED in 2021-22; (b) a decrease of \$98,462,200 SEG and an increase of \$29,576,000 FED in 2022-23; and (c) authorization of \$278,500,000 BR in transportation fund-supported, general obligation bonds.

No estimate of the transportation fund-supported debt service associated with the recommended general obligation bonds in the biennium was included in the budget bill. Standard budget adjustment reductions of \$12,909,600 SEG annually and \$28,000 FED annually are reflected in a separate item. In addition, the state highway rehabilitation program would have reductions of \$5,300 SEG annually and \$118,000 FED annually due to a recommended minor departmental reorganization.

The following tables compare the adjusted base year (2020-21) and 2019-21 biennium's state highway rehabilitation program funding with the 2021-23 biennial funding level recommended by the Governor.

**State Highway Rehabilitation Program --
Base Funding to Governor's Recommendation Comparison**

<u>Fund</u>	<u>2020-21 Adjusted Base Plus Bonds*</u>	<u>Governor**</u>	
		<u>2021-22</u>	<u>2022-23</u>
SEG	\$544,080,900	\$324,786,100	\$432,703,800
FED	453,626,100	466,997,400	483,056,100
Gen. Ob. Bonds (SEG)	<u>0</u>	<u>139,250,000</u>	<u>139,250,000</u>
Total	\$997,707,000	\$931,033,500	\$1,055,009,900

* Includes \$2,684,900 SEG and \$2,372,600 FED associated with adjustments to the 2020-21 base funding amount.

** Amounts shown comprise all state highway rehabilitation recommendation items, including adjustments to the base, standard budget adjustments, and a minor departmental reorganization.

**State Highway Rehabilitation Program Funding --
2019-21 to 2021-23 Governor's Recommendation Comparison**

<u>Fund Source</u>	<u>2019-21 Biennium</u>		
	<u>2019-20</u>	<u>2020-21</u>	<u>Biennial Total</u>
SEG	\$499,440,000	\$541,396,000	\$1,040,836,000
FED	<u>445,724,100</u>	<u>451,253,500</u>	<u>896,977,600</u>
Total	\$945,164,100	\$992,649,500	\$1,937,813,600

<u>Fund Source</u>	<u>Governor - 2021-23*</u>		
	<u>2021-22</u>	<u>2022-23</u>	<u>Biennial Total</u>
SEG	\$324,786,100	\$432,703,800	\$757,489,900
FED	466,997,400	483,056,100	950,053,500
Gen. Ob. Bonds (SEG)	<u>139,250,000</u>	<u>139,250,000</u>	<u>278,500,000</u>
Total	\$931,033,500	\$1,055,009,900	\$1,986,043,400

% Change in Resources 2.5%

*Includes \$2,684,900 SEG and \$2,372,600 FED associated with adjustments to the 2020-21 base funding amount, standard budget adjustments, and a minor departmental reorganization.

Joint Finance/Legislature: Delete \$278,500,000 in transportation fund-supported general obligation bonding and provide \$237,603,800 SEG in 2021-22 and \$124,042,000 SEG in 2022-23, and \$325,300 FED annually in order to provide a funding level of \$2,068,065,200 in the biennium (as shown in the tables below). This would provide increases in base level funding of: (a) \$31,223,900 SEG in 2021-22 and \$25,579,800 SEG in 2022-23; and (b) \$13,842,600 FED in 2021-22 and \$29,901,300 FED in 2022-23. [Standard budget adjustment reductions of \$13,471,600 SEG annually and \$353,300 FED annually were made in a separate action of the Committee. In addition, the state highway rehabilitation program would have reductions of \$5,300 SEG annually and \$118,000 FED annually due to a minor departmental reorganization approved by the Committee. These items are reflected in separate provisions.]

**State Highway Rehabilitation Program --
Base Funding to Joint Finance/Act 58 Comparison**

<u>Fund</u>	<u>2020-21 Adjusted Base Plus Bonds*</u>	<u>Joint Finance/Act 58**</u>	
		<u>2021-22</u>	<u>2022-23</u>
SEG	\$544,080,900	\$561,827,900	\$556,183,800
FED	453,626,100	466,997,400	483,056,100
Gen. Ob. Bonds (SEG)	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$997,707,000	\$1,028,825,300	\$1,039,239,900

* Includes \$2,684,900 SEG and \$2,372,600 FED associated with adjustments to the 2020-21 base funding amount.

** Amounts shown comprise all state highway rehabilitation recommendation items, including adjustments to the base, standard budget adjustments, and a minor departmental reorganization.

**State Highway Rehabilitation Program Funding --
2019-21 to 2021-23 Joint Finance/Act 58 Comparison**

<u>Fund Source</u>	<u>2019-21 Biennium</u>		
	<u>2019-20</u>	<u>2020-21</u>	<u>Biennial Total</u>
SEG	\$499,440,000	\$541,396,000	\$1,040,836,000
FED	<u>445,724,100</u>	<u>451,253,500</u>	<u>896,977,600</u>
Total	\$945,164,100	\$992,649,500	\$1,937,813,600

<u>Fund Source</u>	<u>Joint Finance/Act 58 - 2021-23*</u>		
	<u>2021-22</u>	<u>2022-23</u>	<u>Biennial Total</u>
SEG	\$561,827,900	\$556,183,800	\$1,118,011,700
FED	466,997,400	483,056,100	950,053,500
Gen. Ob. Bonds (SEG)	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$1,028,825,300	\$1,039,239,900	\$2,068,065,200

% Change in Resources 6.7%

*Includes \$2,684,900 SEG and \$2,372,600 FED associated with adjustments to the 2020-21 base funding amount, standard budget adjustments, and a minor departmental reorganization.

3. STATE HIGHWAY REHABILITATION PROGRAM -- I-94 AND MOORLAND ROAD INTERCHANGE IN WAUKESHA COUNTY

Governor/Legislature: Require the Department to allocate \$1,750,000 SEG for the construction of geometric improvements to improve the safety of the interchange of I-94 and Moorland Road in Waukesha County in the 2021-23 biennium. List this allocation as allowable use funds from the state highway rehabilitation SEG appropriation. The Governor recommends a total of \$757,489,900 in SEG funding for the state highway rehabilitation program in the 2021-23 biennium.

[Act 58 Sections: 59 and 9144(5)]

4. MAJOR HIGHWAY DEVELOPMENT PROGRAM [LFB Paper 606]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$1,259,600	\$82,800	\$1,342,400
FED	23,127,800	156,400	23,284,200
SEG-S	<u>- 24,151,400</u>	<u>0</u>	<u>- 24,151,400</u>
Total	\$236,000	\$239,200	\$475,200

Governor: Make the following changes to the major highway development program's funding in order to provide a 2021-23 funding level of \$565,600,000: (a) an increase of \$629,800 SEG annually; (b) increases of \$10,563,900 FED in 2021-22 and \$12,563,900 FED in 2022-23; and (c) decreases of \$11,075,700 SEG-S (revenue bond proceeds) in 2021-22 and \$13,075,700 SEG-S in 2022-23

A recommendation to increase the statutory transportation revenue bond authority associated with this funding level, and its corresponding estimated reductions to transportation fund revenue associated with the debt service of \$943,900 in 2021-22 and \$6,978,100 in 2022-23 for the partial issuance of these bonds, are shown in separate items. Standard budget adjustment reductions of \$827,300 SEG annually and \$58,700 FED annually are also reflected in a separate item.

The following tables compare the base year (2020-21) and 2019-21 biennium's major highway development program funding with the 2021-23 biennial funding level recommended by the Governor.

**Major Highway Development Program --
Base Funding to 2021-23 Governor's Recommendation Comparison**

<u>Fund</u>	<u>2020-21 Adjusted Base Plus Bonds*</u>	<u>Governor**</u>	
		<u>2021-22</u>	<u>2022-23</u>
SEG	\$25,309,100	\$25,111,600	\$25,111,600
FED	171,671,600	182,176,800	184,176,800
Revenue Bonds (SEG-S)	71,127,300	75,511,600	73,511,600
Existing Bond Proceeds (SEG-S)	<u>15,460,000</u>	<u>0</u>	<u>0</u>
Total	\$283,568,000	\$282,800,000	\$282,800,000

* Includes \$197,500 SEG and \$570,500 FED associated with adjustments to the 2020-21 base funding amount.

** Amounts shown comprise all major highway development recommendation items, including adjustments to the base and standard budget adjustments.

**Major Highway Development Program Funding --
2019-21 to 2021-23 Governor's Recommendation Comparison**

<u>Fund Source</u>	<u>2019-21 Biennium</u>		
	<u>2019-20</u>	<u>2020-21</u>	<u>Biennial Total</u>
SEG	\$27,111,600	\$25,111,600	\$52,223,200
FED	167,701,100	171,101,100	338,802,200
Revenue Bonds (SEG-S)	71,127,300	71,127,300	142,254,600
Existing Bond Proceeds (SEG-S)	<u>15,460,000</u>	<u>15,460,000</u>	<u>30,920,000</u>
Total	\$281,400,000	\$282,800,000	\$564,200,000

<u>Fund Source</u>	<u>Governor - 2021-23*</u>		
	<u>2021-22</u>	<u>2022-23</u>	<u>Biennial Total</u>
SEG	\$25,111,600	\$25,111,600	\$50,223,200
FED	182,176,800	184,176,800	366,353,600
Revenue Bonds (SEG-S)	<u>75,511,600</u>	<u>73,511,600</u>	<u>149,023,200</u>
Total	\$282,800,000	\$282,800,000	\$565,600,000

% Change in Resources 0.2%

*Includes \$197,500 SEG and \$570,500 FED associated with adjustments to the 2020-21 base funding amount, and standard budget adjustments.

Joint Finance/Legislature: Increase funding by \$41,400 SEG annually and \$78,200 FED annually to provide a 2021-23 program funding level of \$282,800,000 annually. This funding would offset decreased funding to the program resulting from separate action of the Committee that modified how turnover reduction under standard budget adjustments would be calculated in the biennium (see "Departmentwide") to total the same amount of funding recommended by the Governor. In addition, require the Department to utilize \$20,765,000 in existing transportation revenue bond authority for these purposes, and decrease the amount of new transportation revenue bond authority to be provided compared to the Governor by an equal amount. [Change in

transportation revenue bond authority is shown in "Transportation Finance".] Estimated reductions to transportation fund revenue of \$943,900 SEG-REV in 2021-22 and \$6,978,200 SEG-REV in 2022-23 associated with the partial issuance of the revenue bonds under this provision are included in a separate item (see "Transportation Finance"). [Standard budget adjustment reductions of \$868,700 SEG annually and \$136,900 FED annually are reflected in a separate item (see "Departmentwide").]

**Major Highway Development Program --
Base Funding to 2021-23 Joint Finance/Act 58 Comparison**

<u>Fund</u>	2020-21 Adjusted <u>Base Plus Bonds*</u>	<u>Joint Finance/Act 58**</u>	
		<u>2021-22</u>	<u>2022-23</u>
SEG	\$25,309,100	\$25,111,600	\$25,111,600
FED	171,671,600	182,176,800	184,176,800
Revenue Bonds (SEG-S)	71,127,300	65,129,100	63,129,200
Existing Bond Proceeds (SEG-S)	<u>15,460,000</u>	<u>10,382,500</u>	<u>10,382,500</u>
Total	\$283,568,000	\$282,800,000	\$282,800,000

* Includes \$197,500 SEG and \$570,500 FED associated with adjustments to the 2020-21 base funding amount.

** Amounts shown comprise all major highway development recommendation items, including adjustments to the base and standard budget adjustments.

**Major Highway Development Program Funding --
2019-21 to 2021-23 Joint Finance/Act 58 Comparison**

<u>Fund Source</u>	<u>2019-21 Biennium</u>		
	<u>2019-20</u>	<u>2020-21</u>	<u>Biennial Total</u>
SEG	\$27,111,600	\$25,111,600	\$52,223,200
FED	167,701,100	171,101,100	338,802,200
Revenue Bonds (SEG-S)	71,127,300	71,127,300	142,254,600
Existing Bond Proceeds (SEG-S)	<u>15,460,000</u>	<u>15,460,000</u>	<u>30,920,000</u>
Total	\$281,400,000	\$282,800,000	\$564,200,000

<u>Fund Source</u>	<u>Joint Finance/Act 58 - 2021-23*</u>		
	<u>2021-22</u>	<u>2022-23</u>	<u>Biennial Total</u>
SEG	\$25,111,600	\$25,111,600	\$50,223,200
FED	182,176,800	184,176,800	366,353,600
Revenue Bonds (SEG-S)	65,129,100	63,129,100	128,258,200
Existing Bond Proceeds (SEG-S)	<u>10,382,500</u>	<u>10,382,500</u>	<u>20,765,000</u>
Total	\$282,800,000	\$282,800,000	\$565,600,000

% Change in Resources 0.2%

*Includes \$197,500 SEG and \$570,500 FED associated with adjustments to the 2020-21 base funding amount, and standard budget adjustments.

Estimated project completion schedules for major highway development projects receiving funding under the Governor's recommended 2021-23 program funding level, and under Act 58, are shown in the following table. Anticipated completion dates indicate when the mainline is open to traffic provided by DOT in the February, 2021, report to the Transportation Projects Commission (TPC), which may be different than the final year of expenditure.

**Anticipated Major Highway Development Project Completion Dates
Under Funding Included in Act 58 (\$565.6 Million in 2021-23)**

<u>Highway</u>	<u>Project Segment</u>	<u>Counties</u>	<u>Completion Year</u>	<u>Completion Delay</u>
STH 23	STH 67 to USH 41	Sheboygan & Fond du Lac	2022	No Delay
STH 15	STH 76 to New London	Outagamie	2024	No Delay
I-39/90	Illinois State Line to USH 12/18	Dane & Rock	2021	No Delay
STH 50	I-41/94 to 43 rd Avenue	Kenosha	2023	No Delay
I-43*	Silver Spring Drive to STH 60	Milwaukee & Ozaukee	2025	No Delay
I-41*	STH 96 to Brown CTH F	Outagamie & Brown	**	**
I-39/90/94***	Bridges over Wisconsin River	Columbia	2026	No Delay
USH 51***	I-39/90 to USH 12/18	Dane	**	**

* Enumerated in the 2019-21 biennial budget act.

** The final design, cost, and completion date has yet to be determined. DOT indicated the project cost estimate and schedule will be identified in the August, 2021, TPC report.

*** Approved by the TPC in their December, 2020, meeting, and do not require enumeration to begin construction because they were approved as high-cost projects that do not meet the statutory capacity expansion thresholds.

[Act 58 Sections: 323 and 9144(3)]

5. SOUTHEAST WISCONSIN FREEWAY MEGAPROJECTS [LFB Paper 607]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	-\$40,524,200	\$44,800	-\$40,479,400
FED	- 24,590,600	85,200	- 24,505,400
BR	<u>40,000,000</u>	<u>0</u>	<u>40,000,000</u>
Total	-\$25,114,800	\$130,000	-\$24,984,800

Governor: Make the following changes to the southeast Wisconsin freeway megaprojects program's funding in order to provide a 2021-23 funding level of \$82,000,000: (a) reductions of \$22,262,100 SEG and \$11,295,300 FED in 2021-22; (b) reductions of \$18,262,100 SEG and

\$13,295,300 FED in 2022-23; and (c) authorization of \$40,000,000 in transportation fund-supported, general obligation bonds for the I-94 East-West corridor reconstruction project, which the Governor recommends for enumeration as a southeast Wisconsin freeway megaproject (shown in a separate item).

Specify that the I-94 East-West corridor reconstruction project would be an allowable use of bond proceeds from the existing transportation fund-supported southeast Wisconsin megaprojects general obligation bonding authorization. Estimate transportation fund-supported debt service associated with the partial issuance of these general obligation bonds in the biennium would be \$1,052,500 in 2022-23. This debt service amount along with standard budget adjustment reductions of \$504,500 SEG annually and \$91,000 FED annually are reflected in separate items.

Joint Finance/Legislature: Increase funding by \$22,400 SEG annually and \$42,600 FED annually to provide a 2021-23 program funding level of \$82,000,000 (\$12,000,000 SEG, \$30,000,000 FED, and \$40,000,000 transportation fund-supported general obligation bonds). This funding would offset decreased funding to the program resulting from separate action of the Committee that modified how turnover reduction under standard budget adjustments would be calculated in the biennium (see "Departmentwide") to total the same amount of funding recommended by the Governor. Estimated debt service associated with the partial issuance of these bonds in the biennium of \$1,052,500 SEG in 2022-23 under this provision is included in a separate item (see "Transportation Finance"). [Standard budget adjustment reductions of \$526,900 SEG annually and \$133,600 FED annually are reflected in a separate item (see "Departmentwide").]

The following tables compare the base year (2020-21) and 2019-21 biennium's southeast Wisconsin freeway megaprojects program funding with the 2021-23 biennial funding level under the Governor and Act 58.

**Southeast Wisconsin Freeway Megaproject Program --
Base Funding to Governor/Act 58 Comparison**

Fund	2020-21 Adjusted Base Plus Bonds*	Governor/Act 58**	
		2021-22	2022-23
SEG	\$26,766,600	\$4,000,000	\$8,000,000
FED	27,386,300	16,000,000	14,000,000
Gen. Ob. Bonds (SEG)	<u>62,500,000</u>	<u>20,000,000</u>	<u>20,000,000</u>
Total	\$116,652,900	\$40,000,000	\$42,000,000

* Includes \$107,000 SEG and \$310,600 FED associated with adjustments to the 2020-21 base funding amount and standard budget adjustments.

** Amounts shown comprise all highway improvement program recommendation items, including adjustments to the base and standard budget adjustments.

**Southeast Wisconsin Freeway Megaprojects Program Funding --
2019-21 to 2021-23 Governor/Act 58 Comparison**

<u>Fund Source</u>	<u>2019-21 Biennium</u>		
	<u>2019-20</u>	<u>2020-21</u>	<u>Biennial Total</u>
SEG	\$36,659,600	\$26,659,600	\$63,319,200
FED	41,005,100	27,075,700	68,080,800
Gen. Ob. Bonds (SEG)	<u>32,500,000</u>	<u>62,500,000</u>	<u>95,000,000</u>
Total	\$110,164,700	\$116,235,300	\$226,400,000

<u>Fund Source</u>	<u>Governor/Act 58 - 2021-23*</u>		
	<u>2021-22</u>	<u>2022-23</u>	<u>Biennial Total</u>
SEG	\$4,000,000	\$8,000,000	\$12,000,000
FED	16,000,000	14,000,000	30,000,000
Gen. Ob. Bonds (SEG)	<u>20,000,000</u>	<u>20,000,000</u>	<u>40,000,000</u>
Total	\$40,000,000	\$42,000,000	\$82,000,000

% Change in Resources -63.8%

*Includes \$107,000 SEG and \$310,600 FED annually associated with adjustment to the 2020-21 base funding amount, and standard budget adjustments.

[Act 58 Sections: 104 and 320]

6. ENUMERATION OF I-94 EAST-WEST CORRIDOR PROJECT IN MILWAUKEE COUNTY AS A SOUTHEAST WISCONSIN FREEWAY MEGAPROJECT [LFB Paper 607]

Governor/Legislature: Enumerate the I-94 East-West corridor reconstruction project from 70th Street to 16th Street in Milwaukee County as a southeast Wisconsin freeway megaproject. Define the project as "all freeways, including related interchange ramps, roadways, and shoulders, encompassing I-94 in Milwaukee County from 70th Street to 16th Street, and all adjacent frontage roads and collector road systems." Statutory enumeration is required before southeast Wisconsin freeway megaprojects may begin construction.

The 3.5-mile project would reconstruct I-94 in Milwaukee County between the project boundaries, expand the existing roadway from six to eight lanes (four in each direction), reconstruct or redevelop affected interchanges, and complete related local road construction as a part of the project. The project's September, 2016, federal record of decision indicated that the total, inflation-adjusted cost was estimated at \$1.1 billion. That record of decision was rescinded by the Federal Highway Administration at DOT's request. Subsequently, as part of the 2019-21 biennial budget, \$20.0 million was provided to DOT to reinstate work on the project, including work necessary to receive a new federal record of decision.

Authorize \$40.0 million in transportation fund-supported, general obligation bonds in the 2021-23 biennium under the southeast Wisconsin freeway megaprojects program to be used on the

I-94 East-West project (see separate recommended item). If enumerated and funded, DOT indicates that construction could begin in the 2023-25 biennium.

[Act 58 Sections: 104, 282 thru 285, 287, and 320]

7. **STATE HIGHWAY DESIGN-BUILD PROJECTS** [LFB Paper 608]

BR	\$20,000,000
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Governor: Authorize \$20,000,000 in transportation fund-supported, general obligation bonds for state highway improvement program projects utilizing the design-build method in the state highway rehabilitation, major highway development, and southeast Wisconsin freeway megaprojects programs. Create a new bonding authorization for this purpose and modify an existing SEG debt service appropriation to include the debt service on these bonds as an allowable expenditure. Specify that the state highway rehabilitation and major highway development projects could be funded from this bonding authority.

The Governor's recommendations and proposed language, in part, would indicate that projects in the southeast Wisconsin freeway megaprojects program are intended to be able to utilize the bond proceeds from the recommended bonding. However, the bill does not modify the existing program statute that lists eligible appropriations and bonding authorizations to be used for projects in the southeast Wisconsin freeway megaprojects program to include the recommended newly-created bonding authorization. The bill would have to be amended to include this purpose under the southeast Wisconsin freeway megaprojects program statutes.

Joint Finance/Legislature: Include statutory modifications to permit bond proceeds from the recommended bonding to be used to fund projects in the southeast Wisconsin freeway megaprojects program. Estimated debt service associated with the partial issuance of these bonds in the biennium of \$1,052,500 SEG in 2022-23 is included under a separate item (see "Transportation Finance").

[Act 58 Sections: 60, 105, 286, 321, and 322]

8. **ALTERNATIVE HIGHWAY PROJECT DELIVERY METHODS AND PROGRAM**

Joint Finance/Legislature: Incorporate the provisions of the 2019-21 budget as passed by the Legislature, prior to gubernatorial vetoes, related to alternative highway delivery methods and programs. This would restore the following provisions:

Office of Innovative Program Delivery. Create an office of innovative program delivery in DOT to facilitate alternative project delivery. Specify requirements for the director of the office, including their appointment, required experience, and duties. Require the DOT Secretary to assign from DOT's existing position authority at least 1.0 FTE position to the office of innovative program delivery.

Design-Build Projects. Require the Department to administer a pilot program under which not more than six contracts are awarded for design-build projects to be completed no later than December 31, 2025. Specify that the director may not designate a project as a design-build project

unless the Department is able to clearly define the scope of work. Specify that DOT may not expend more than \$250,000,000 for six design-build contracts designated as follows: (a) one low bid design-build contract for a project with an estimated value of not less than \$5,000,000 and not more than \$25,000,000; (b) one best value design-build contract for a project with an estimated value of not less than \$25,000,000 and not more than \$75,000,000; (c) one fixed price variable scope design-build contract with an estimated value of not less than \$25,000,000 and not more than \$75,000,000; and (d) three contracts designated by the director with a total estimated value of not more than \$125,000,000. The Department may enter into a low bid design-build contract, best value design-build contract or a fixed price variable scope design-build contract under this subdivision.

Specify that for each project designated as a design-build project the Department would prepare a written analysis supporting the determination that it is the best interests of the state to make the designation, and prescribe requirements to be included in the written analysis.

Technical Review Committee. Specify that the DOT Secretary appoint five individuals to a technical review committee to evaluate design-build proposals, and specify procedures and requirements related to the committee. Provide that the committee consist of the following: (a) an employee of the Department representing a regional office of the Department who has at least five years of experience in the transportation construction industry; (b) two employees of the Department representing the division of the Department responsible for transportation project development, each of whom have at least five years of experience in the transportation construction industry; (c) one person representing a state association of architectural, engineering, or design companies; and (d) one person representing a state association of transportation construction companies.

Request for Qualifications and Request for Proposals. Restore provisions related to request for qualifications including prohibiting DOT from including a level of experience requirement in requests for qualifications that unreasonably restricts competition and restoring requirements relating to contractors' duration and extent of contracting activities in the state, related standards for professional standing, and stipulations regarding the advertisement of qualifications. Restore the requirements related to request for proposals that specify the percentage of design-build work that would be required to be performed directly by the prime, design-build contractor.

Additional Provisions. Restore provisions related to: (a) the submission of cost proposals by contractors; (b) awarding contracts; (c) requirements that responsive design-build bidders be paid a stipulated fee; (d) an appeals process; (e) requirements of DOT including producing reports and developing a design-build procurement manual to be created by a committee; (f) limiting the Department's emergency rulemaking authority to certain components of the design-build process; and (g) various program definitions.

Veto by Governor [E-41 to E-49]: Delete provisions of the bill related to the following:

Office of Innovative Program Delivery. Delete provisions that: (a) establish an office of innovative program delivery; (b) specify requirements for the office; (c) appoint a director and assign duties to the director to administer the program in the office; and (d) assign a position to the office.

Design-Build Projects. Delete provisions related to: (a) the minimum estimated value thresholds required for the Department to undertake low bid, best-value, and fixed price variable scope projects; (b) a December 31, 2025 deadline for the completion of projects using the design-build method; (c) prohibiting the Department from designating a project as design-build unless the project has a clearly defined scope of work; (d) requiring DOT to prepare a written analysis of each project using the design-build method.

Technical Review Committee. Retain the creation of a technical review committee and certain criteria related to individuals who serve on the committee, but delete the requirement that the DOT employees serving on the committee have at least five years of experience in the transportation construction industry.

Delete the role of the committee related to: (a) making a determination as to whether a design-builder or member, who have previously contracted with DOT, have met the current law requirement of having a record of satisfactorily completing those projects; and (b) the current law process of reviewing design-build request for proposals and accepting alternative technical concepts and value engineering change proposals.

Qualifications of Bidders. Delete modifications to current law minimum requirements for design-builders to be considered a qualified bidder that relates to contractors who have worked on at least five projects administered by DOT, by deleting the requirements that the bidder must have served as the prime contractor on those projects and that the projects must have been completed in the last five calendar years.

Request for Qualifications Noticing Requirement. Delete provisions related to requirements for the advertisements of request for qualifications.

Department Requirements. Delete provisions related to requiring the Department to: (a) prepare a report that establishes a program structure for delivering design-build projects, specifies the types of projects to be considered, and specifies procedures and timelines for the bid process, as well as prohibits DOT from designating a project as a design-build project prior to completion of the report; and (b) prepare a design-build procurement manual to be created by a committee, which would be comprised of members specified in the bill.

[Act 58 Sections: 10, 288 thru 319, 326, and 9144(6) and (7)]

[Act 58 Vetoed Sections: 10, 290, 293, 297, 298, 301, 303, 306, 308, 319, 326, and 9144(7)]

9. STATE HIGHWAY SYSTEM - SALT FUNDING [LFB Paper 609]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$25,629,000	-\$16,862,700	\$8,766,300

Governor: Increase funding by \$12,510,900 in 2021-22 and \$13,118,100 in 2022-23 to fund the increased costs of salt needed to maintain state highways. The funding would be provided

to the state highway system management and operations SEG appropriation to allow DOT to make large-scale purchases of deicing salt and provide the salt to counties for use on state highways. Routine maintenance on the state trunk highway system is typically contracted for with counties under a separate appropriation, with counties being reimbursed by DOT.

Joint Finance/Legislature: Decrease funding by \$9,148,000 SEG in 2021-22 and \$7,714,700 SEG in 2022-23 to fund the costs of road salt needed to maintain state highways. This would provide increases to base level funding of \$3,362,900 SEG in 2021-22 and \$5,403,400 SEG in 2022-23.

10. HOAN BRIDGE FENCING [LFB Paper 610]

SEG	\$1,022,300
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Governor/Legislature: Provide \$1,022,300 in 2021-22 to install fencing improvements on the Hoan Bridge in Milwaukee County to provide additional safety on the bridge. The Hoan Bridge is a nearly two-mile bridge that connects I-794 in downtown Milwaukee with the lake freeway. This funding would be provided from the state highway system management and operations appropriation.

11. REINSTATE DOT'S AUTHORITY RELATED TO BICYCLE AND PEDESTRIAN FACILITIES ON NEW HIGHWAY CONSTRUCTION PROJECTS

Governor: Require the Department to ensure, rather than give due consideration as allowed under current law, that bikeways and pedestrian ways are established in all new highway construction and reconstruction projects funded from state or federal funds. DOT would be required to promulgate rules identifying certain exceptions to the requirement. Specify that exceptions may only be provided if any of the following apply: (a) the cost of establishing bikeways or pedestrian ways would be excessively disproportionate (exceeding 20% of total project cost) to the need or probable use of the bikeways or pedestrian ways as determined by the DOT Secretary or their designee; (b) establishing bikeways or pedestrian ways would have excessive negative impacts in a constrained environment; (c) there is an absence of need for the bikeways or pedestrian ways, as indicated by sparsity of population, traffic volume, or other factors; or (d) the community where pedestrian ways are to be located refuses to accept an agreement to maintain them. Under current law, the Department may not establish a bikeway or pedestrian way as a part of a new highway construction or reconstruction project if bicyclists or pedestrians are prohibited by law from using the highway that is the subject of the project.

Repeal the current law provision that only allows DOT to establish a bikeway or pedestrian way as part of a new highway construction or reconstruction project funded from state or federal funds if either of the following occurs: (a) the governing body of each municipality in which a portion of the project will occur has adopted a resolution authorizing DOT to establish the bikeway or pedestrian way; or (b) the federal government provides written notice that the establishment of a bikeway or pedestrian way is a condition for the use of federal funds for that project.

These provisions would reinstate several changes made as part of 2015 Act 55, the 2015-17 biennial budget bill.

Joint Finance/Legislature: Provision not included.

12. REPEAL 2017 ACT 368 FEDERAL FUNDING LIMITATIONS ON STATE HIGHWAY PROJECTS

Governor: Repeal the provisions of 2017 Act 368 that require that for certain state highway projects on which the Department expends federal moneys, it must expend federal moneys on not less than 70% of the aggregate project components eligible for federal funding each fiscal year. Under current law, this requirement applies to the following project types: (a) southeast Wisconsin freeway megaprojects; (b) major highway development projects; and (c) state highway rehabilitation projects with a total cost of less than \$10 million. Repeal related provisions that allow DOT to submit a passive review request for waiver of these requirements.

Joint Finance/Legislature: Provision not included.

13. SPECIFIC INFORMATION SIGNS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG-L	\$243,500	-\$243,500	\$0

Governor: Provide \$113,200 in 2021-22 and \$130,300 in 2022-23 to reflect increased costs for the specific information sign program, under which DOT erects and maintains signs to direct motorists to services located near certain highways. Increase the annual permit fee from \$40 to \$80, beginning July 1, 2022. This funding would be provided to a SEG-L appropriation that receives monies from local units of government and other sources for operation and maintenance of state highways, local bridges not on state highways, and other related activities including signage. However, this appropriation does not fund the routine maintenance of state highways contracted for with counties. Under the Governor's recommendation, base level funding would increase from \$1,900,000 to \$2,013,200 in 2021-22 and to \$2,030,300 in 2022-23.

Update highways eligible in statute for this program to reflect construction and designation changes and enumerate the following two new highway segments: State Highway (STH) 35 from County Highway (CTH) M at River Falls to I-94 east of Hudson; and U.S. Highway 51 from STH 19 north of Madison to CTH V at DeForest. Delete the requirement that "FOOD" business hours of service must be open for business no later than 10:00 AM and remain open until at least 7:00 PM. Delete the allowance that sign panels may be illuminated. Replace the current statute that restricts the number of signs per interchange allowed to no more than four signs with a provision that restricts DOT from authorizing a number of signs that would exceed the number authorized under the Department's manual on uniform traffic control devices adopted in conformance with federal guidelines.

A specific information sign is a sign that contains one or more of the words "GAS", "FOOD", "LODGING", "CAMPING", or "ATTRACTION", directional information, or includes a business sign (brand, name, symbol, or trademark) mounted on the sign. Persons requesting

specific information signs are required to pay an annual permit fee to cover the administrative costs and the cost of inspection of signs erected or installed. No estimate of the additional revenue generated from the annual permit fee increase was included in the bill. In addition, persons requesting the sign are also required to pay a fee for the manufacture, installation, and maintenance of a specific information sign.

Joint Finance/Legislature: Provision not included.

Motor Vehicles

1. ESTABLISH 10-YEAR REPLACEMENT OF MOTOR VEHICLE REGISTRATION PLATES AND RELATED FEE [LFB Paper 615]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$4,200,000	- \$4,200,000	\$0

Governor: Increase funding by \$2,100,000 SEG annually associated with the requirement that DOT issue and deliver prepaid two new registration plates to individuals renewing their registration for which a registration plate has not been issued during the previous 10 years. Specify that this requirement would begin for registrations initially effective July 1, 2021. This provision would modify the current law system for replacing registration plates, which can only occur after the Department redesigns the registration plate. Specify that the new plates would be issued upon receipt of: (a) a completed application to renew the registration of a vehicle for which a registration plate has not been issued during the previous ten years; and (b) payment of a newly created \$6.25 fee associated with the issuance of the plates. No estimate of the gross revenues generated from this fee were included in the Governor's budget bill, although the Department indicates the fee amount would provide revenues to equally offset the estimated expenses associated with the manufacturing and issuance of new plates. Under current law, the Department may replace registration plates with plates with new designs at a time determined to be appropriate by the Department.

Specify that special group plates issued to the following persons would be exempt from the requirement that new plates be issued: (a) persons who have had an immediate family member die while serving in the United States Armed Forces if the immediate family member meets the federal eligibility criteria for a gold star; (b) fire fighters and surviving spouses of fire fighters who die in the line of duty; and (c) emergency medical services practitioners and responders. The same exemptions for specific categories of special group plates apply under current law.

Joint Finance/Legislature: Provision not included.

2. MAILED REGISTRATION NOTICE FEE [LFB Paper 616]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$1,600,000	- \$1,600,000	\$0

Governor: Provide an increase of \$1,600,000 SEG funding in 2022-23 and establish a special transaction fee of \$0.33 for each vehicle registration renewal notice that is provided by mail, effective July 1, 2022. Specify that all fees received would be deposited to the transportation fund. No estimate of the gross revenues generated from this fee were included in the Governor's budget bill, although the Department indicates the fee would provide revenues to equally offset the estimated expenses associated with mailing registration notices. The Department is required to mail a notice of the date upon which a vehicle's registration will expire, at least 30 days prior to that expiration. In addition, DOT is authorized to test and evaluate the effectiveness of alternative methods of processing and distributing vehicle registration renewals.

Joint Finance/Legislature: Provision not included.

3. NEW CUSTOMER SERVICE CENTERS - MADISON AND GREEN BAY[LFB Paper 617]

	Governor (Chg. to Base) Funding Positions		Jt. Finance/Leg. (Chg. to Gov) Funding Positions		Net Change Funding Positions	
SEG	\$2,109,800	10.00	- \$2,109,800	- 10.00	\$0	0.00

Governor: Provide \$994,000 in 2021-22 and \$1,115,800 in 2022-23 and 10.0 positions annually to establish a third customer service center in Madison and a second customer service center in Green Bay. The Department indicates new customer service centers in Madison and Green Bay are necessary because of increased needs to provide identification cards for voting purposes and to comply with federal REAL ID requirements.

To establish a new customer service center in Madison, the Department indicates it would provide \$586,600 in 2021-22 and \$663,400 in 2022-23, and 6.0 of the requested positions. DOT indicates that the proposed new center would be located on the city's south side near major city bus routes. The existing centers in Madison are located on the far west side and the far northeast side of the city.

To establish a new customer service center in Green Bay, the Department indicates it would provide \$407,400 in 2021-22 and \$452,400 in 2022-23, and 4.0 of the requested positions. DOT indicates that the location of the proposed new center would be chosen based on the location of the current office, population density, rent costs, and transit options.

DOT indicates that new service centers are warranted based on the high number of residents currently served by each center in these two counties. DOT indicates that Milwaukee County is

serviced by six customer service centers, or approximately one center per 158,000 residents, while Dane County has a ratio of approximately one center per 277,000 residents and Brown County has a ratio of approximately one center per 266,000 residents.

Joint Finance/Legislature: Provision not included.

4. DRIVING SKILLS TEST WAIVER [LFB Paper 618]

	Governor (Chg. to Base) Funding Positions		Jt. Finance/Leg. (Chg. to Gov) Funding Positions		Net Change Funding Positions	
SEG	-\$842,600	- 6.20	\$210,700	0.00	-\$631,900	- 6.20

Governor: Decrease funding by \$421,300 annually and delete 6.20 FTE positions associated the reduced workload related to providing DOT the authority to waive certain individuals from taking the driving skills test currently required to attain a Wisconsin driver license.

Specify that the Department may waive the driving skills test of an individual applying for an operator's license if all of the following apply: (a) the applicant is under the age of 18 (drivers over age 18 rarely take driver education courses because they are only required to have an instructional permit for seven days prior to testing); (b) the application is for authorization for a Class D (non-commercial driver license) license; (c) the applicant has satisfactorily completed driver education or a substantially equivalent course approved by the Department or another state; (d) the applicant has held an instruction permit for at least six months; (e) the applicant has not had a moving violation resulting in a conviction within the six month period immediately preceding the application; and (f) an adult sponsor (typically parent or guardian) who has signed for the applicant as part of their application (as required by statute for persons under the age of 18) consents to a waiver of the driving skills test. Modify existing statutory requirements for a driving examination skills test to include a reference to the newly allowed skills test waiver.

In response to the COVID-19 pandemic, the Department instituted a pilot program to grant waivers to the driving skills test. The Department indicates that from May 11, 2020, through October 10, 2020, a total of 28,570 drivers received such a waiver. This recommendation would make that pilot program permanent. The Department notes that more than 98% of Wisconsin's driver education students passed the skills test on their first or second attempt in 2019, and that several states, including Illinois, Iowa, and Nebraska, utilize a similar waiver option for new drivers.

Joint Finance: Include the provisions allowing DOT the authority to waive certain individuals from taking the driving skills test currently required to attain a Wisconsin driver license. Include among the provisions that must be met in order for the Department to allow a waiver that a driving instructor who provided training to an applicant for an operator's license must consent to the waiver. Require any applicant who applies for a driving skills test waiver to pay the fee for a driving skills test for a "Class D" (regular) license (currently \$15). Specify that these

changes would first be effective January 1, 2022, and increase funding by \$210,700 to reflect the changes would be for only half of fiscal year 2021-22.

Assembly/Legislature: Delete the provision creating a permanent driving skills test waiver. Retain the deletion of \$210,600 SEG and 6.20 positions in 2021-22 and \$421,300 SEG in 2022-23 associated with the creation of the skills test waiver.

5. ONLINE DRIVER LICENSE AND WISCONSIN IDENTIFICATION CARD RENEWAL [LFB Paper 619]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	-\$481,000	- 3.80	\$481,000	3.80	\$0	0.00

Governor: Decrease funding by \$240,500 annually and eliminate 3.80 FTE positions associated with modifying the Department's authority relating to testing upon driver license renewal in order to allow driver licenses and Wisconsin identification cards to be renewed by electronic means (online) every other time the renewal is due. Modify current law, to provide an exception for online applicants, that requires the Department to test the eyesight and take digital photographs of applicants when applying to renew their licenses or identification cards every eight years. These provisions would not apply to an applicant for a commercial driver license. Specify that the Department may renew a license without a photograph being taken if the Department is able to produce a photograph of the applicant from its records.

Specify that to be eligible to renew their license or identification card electronically, applicants must meet all of the following conditions: (a) not be subject to license restrictions based on medical conditions, other than a requirement that the applicant use corrective lenses; (b) not be more than 65 years of age; (c) must verify they are aware their license will be marked REAL ID non-compliant and is not intended to be accepted by any federal agency for federal identification or any other official purpose; (d) must verify their eyesight is sufficient to meet the current standards; and (e) satisfy any additional eligibility criteria established by DOT. Permit the Department to specify eligibility criteria for online license or identification card renewal.

In response to the COVID-19 pandemic, the Department instituted a pilot program to allow for the online renewal of licenses and identification cards. Currently, individuals must renew their driver licenses and identification cards at a Department customer service center every eight years. Under these provisions, the Department's pilot program would be made permanent, allowing most individuals to renew their licenses and identification cards online every other time, which would reduce visits to customer service centers to once every 16 years. Federal REAL ID requirements mandate identification photos to not be more than 16 years old, thus requiring in-person renewals once every 16 years.

Joint Finance/Legislature: Provision not included.

6. AUTOMATIC VOTER REGISTRATION

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$349,000	-\$349,000	\$0

Governor: Provide \$349,000 in 2021-22 to the Division of Motor Vehicles general operations appropriation to assist in the initial implementation of automatic voter registration. Modify current law relating to the voter record matching program between the Elections Commission and DOT, to include a requirement that DOT electronically transfer Department records related to the verification of voter eligibility for regular driver license and identification card holders, including: (a) the full name of each individual who holds a current driver license or identification card; (b) such persons' name history, current address and address history, date of birth, and driver license or identification card number; (c) a copy of each proof of citizenship document that such persons used to obtain a driver license or identification card; and (d) a statement from the Department indicating that it verified such persons' citizenship. Specify that DOT's agreement with the Elections Commission related to its voter record matching program include a provision to electronically provide these voter eligibility-related records on a continuous basis, not less than weekly, notwithstanding various current law restrictions related to the disclosure of personally identifiable information maintained by the Department. Require DOT, for each of these items of information, to provide the most recent date that the item of information was provided or obtained. Under the bill, the Elections Commission would be required to facilitate the registration of all eligible voters in the state. This information sharing provision would assist the Elections Commission in fulfilling this requirement. [See "Elections Commission."]

Require that DOT's application and renewal forms used by applicants for obtaining driver licenses and identification cards inform the applicant of the Department's duty to make the relevant personally identifiable information contained in the application available to the Elections Commission for voter eligibility verification and registration purposes. Specify that these applications and renewal forms would be required to provide the applicant an opportunity to elect not to have this information made available to the Elections Commission for these purposes. Provide that if an applicant elects not to make available the information required for the purposes of voter registration and eligibility verification, the Department would be prohibited from making this information available to the Elections Commission for these purposes. Specify that this provision would not preclude the Department from sharing this information with the Elections Commission for the current law purposes of proving residency or for any other purpose other than automatic voter registration.

Notwithstanding current law requirements related to the existing voter record matching program and restrictions on the disclosure of personally identifiable information, require DOT to enter into and begin transferring information under a revised voter record matching agreement with the Elections Commission administrator no later than the first day of the ninth month after the effective date of this provision.

Joint Finance/Legislature: Provision not included.

7. IDENTIFICATION CARD RECEIPTS FOR VOTING PURPOSES -- VALID PERIOD

Governor: Extend the period for which identification card receipts issued by DOT for the purposes of voting remain valid as a temporary identification card, from 60 days to 180 days.

Under current law, the Department may not charge a fee to an applicant for the initial issuance, renewal, or reinstatement of an identification card (or temporary receipt) if the applicant is a U.S. citizen who will be at least 18 years of age on the date of the next election and the applicant requests that the identification card be provided without charge for voting purposes. Because identification cards may be used for voting and are mailed to applicants, DOT provides those card applicants who are also eligible voters with a temporary receipt that may be used for voting purposes. The fee for identification cards issued for purposes other than voting is \$28 (\$18 for the card itself, plus a \$10 issuance fee).

Joint Finance/Legislature: Provision not included.

8. REAL ID FUNDING [LFB Paper 620]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$400,000	-\$400,000	\$0

Governor: Provide \$400,000 in 2022-23 in ongoing supplies and services funding to the Division of Motor Vehicles general operations appropriation to support REAL ID compliance. Because this funding is ongoing, base level supplies and services funding for the 2023-25 biennium under this appropriation would increase by \$400,000.

The federal REAL ID Act of 2005 established minimum security standards for state-issued driver licenses and identification cards and prohibits federal agencies from accepting for official purposes licenses and identification cards from states that do not meet these standards, including accessing federal facilities and boarding federally regulated aircraft. REAL ID was scheduled to be enforced on October 1, 2020, but was extended to October 1, 2021, as part of the federal CARES Act in response to the COVID-19 pandemic. To obtain a REAL ID compliant license or card, applicants must provide their social security number and present an original document or certified copy of proof of: (a) name and date of birth; (b) legal presence in the United States; (c) identity; (d) name changes if applicable; and (e) address, which requires two forms.

Joint Finance/Legislature: Provision not included.

9. REAL ID NON-COMPLIANT DRIVER LICENSES AND IDENTIFICATION CARDS FOR UNDOCUMENTED PERSONS [FOR PURPOSES OTHER THAN VOTING]

Governor: Extend eligibility to receive REAL ID non-compliant driver licenses and

identification cards to undocumented persons. Under current law, in processing driver license or identification card applications or renewals that are REAL ID non-compliant, DOT is required to verify the following: (a) an identification document that includes the applicant's photograph or both the applicant's full legal name and date of birth; (b) documentation showing the applicant's date of birth if not provided in (a); (c) documentation showing the applicant's name and address of principal residence; and (d) proof of the applicant's social security number or verification that the applicant is not eligible for a social security number. Make the following related changes to the current law driver license and identification card application, issuance, and renewal processes for REAL ID non-compliant credentials:

a. *Proof of Citizenship or Legal Presence.* Provide that current law driver license and identification card valid documentary proof requirements and requirements related to the person's legal presence in the United States would not apply to REAL ID non-compliant licenses and identification cards. Specify that when processing, issuing, or renewing a REAL ID non-compliant driver license or identification card, the Department may not include any question, or require any proof or documentation, as to whether the applicant is a citizen or national of the United States or lawfully present in the United States, despite existing requirements that DOT examine personally identifiable information and other biometric data in order to determine if an applicant is entitled by law to obtain these credentials. Exempt REAL ID non-compliant licenses and identification cards from being required to expire on the date that the license holder's legal presence in the United States expires. Specify that in lieu of required documentation showing the applicant's date of birth, name, and principal address, an applicant for a REAL ID non-compliant driver license or identification card may provide any documentation deemed acceptable to the Department.

b. *Applicants without a Social Security Number.* Specify that if a driver license or identification card applicant does not have a social security number and the application is for a REAL ID non-compliant license or card, the application must include a statement made or subscribed under oath, or affirmation that they do not have a social security number, in a manner prescribed by DOT with the assistance of the Department of Children and Families. Provide that any license that is issued or renewed in reliance on such a statement would be invalid if the statement is false. Specify that in lieu of current documentation requirements, the applicant could provide an individual taxpayer identification number, a foreign passport, or any other documentation deemed acceptable by DOT. Specify that the Department would not need to verify that an applicant is not eligible for a social security number. Under current law, a similar requirement exists for applicants for, or renewals of, a driver license or identification card that requires the applicant to state under oath the reason why they do not have a social security number.

Specify that the following current law requirements would not apply to an application for, or renewal of, a REAL ID non-compliant driver license or identification card: (a) the requirement that DOT verify driver license and identification card application information and that the Department direct applicants to investigate and resolve social security number discrepancies prior to issuance; (b) the requirement that DOT cancel a driver license or identification card regardless of expiration date, if the Department receives information from a local, state, or federal government agency that the holder no longer satisfies the requirements (including those related to legal presence) for issuance; and (c) the requirement that DOT may not accept any foreign document other than an official passport to satisfy personal identification documentation. Prohibit

DOT from disclosing to any person the fact that an applicant has provided verification of not having a social security number in applying for a REAL ID non-compliant driver license or identification card, except to the Elections Commission for administering its voter records matching program.

Require that any applicant issued a REAL ID non-compliant driver license or identification card who does not provide a verified social security number during the license application process receive a license marked, "Not valid for voting purposes. Not evidence of citizenship or immigration status." Specify that such a driver license would expire four years after the date of issuance and that DOT would have the discretion, at the time of renewal, as to whether to take an applicant's photograph and administer an eyesight exam, so long as both actions occur at least once every eight years. Provide that such identification cards would expire every two years and that a renewed or reinstated card would be valid for a period of two years from the card's last expiration date.

c. *Discrimination.* Prohibit discrimination on the basis of a person's status as a holder or a non-holder of a REAL ID non-compliant license and add this license status as prohibited basis for discrimination in public or private employment, transportation with a motor carrier, automobile insurance, housing, acquiring a mortgage, real estate practices, and businesses that provide motorist services that are identified on DOT's specific signage program. Include nondiscrimination on the basis of being a holder or non-holder of a noncitizen limited-term license on the list of written assurances that businesses must provide to DOT in order to be identified as a motorist service on DOT specific information signs. Permit the real estate examining board to revoke, suspend, or limit the broker's license of any licensee, or reprimand the licensee, if it finds the licensee has discriminated on the basis of a person's status as a holder or non-holder of a REAL ID non-compliant license.

d. *Insurance.* Specify that no person may operate a motor vehicle with a REAL ID non-compliant license, unless the owner or operator of the vehicle has in effect a motor vehicle liability policy with respect to the vehicle being operated.

e. *Effective Date, Initial Applicability, and Statutory References.* These provisions would first take effect on the first day of the fourth month beginning after publication of the bill and would first apply to driver license and identification card applications received by the Department on this date. Renumber various statutory sections and amend statutory cross references as necessary to accomplish the recommended modifications.

A driver license issued under these provisions would continue to be subject to current law driver knowledge and skills requirements applicable for licensing. A REAL ID non-compliant credential is not valid for certain federal purposes, such as air travel.

Joint Finance/Legislature: Provision not included.

10. WISCONSIN IDENTIFICATION CARD INFORMATION RELEASE STANDARDIZATION

Governor: Modify current law to allow the release of information for identification card applicants or holders to be standardized with that of driver license applicants or holders. The Department indicates that prohibiting the release of certain information for identification card applicants or holders inhibits these individuals from conducting government business that requires verification of identity, such as: (a) receiving duplicate Social Security Administration cards; (b) receiving hunting licenses; and (c) verifying one's identity for federal security purposes, including travelling via airplane.

Repeal current law provisions that: (a) prohibit DOT from disclosing any record or other information relating to an applicant or identification card holder to any person other than a court, district attorney, county corporation counsel, city, village, or town attorney, law enforcement agency, driver licensing agency of another jurisdiction, a procurement organization for organ donation, or the applicant or identification card holder or their parent or guardian if the applicant or cardholder is under 18; (b) prohibit persons entitled to receive any record or other information related to identification card applicants or holders from disclosing that record or information to other persons or agencies, except for photographs for law enforcement purposes; and (c) specifies that the prohibition on the information that could be disclosed would not apply to requests for information from the Department of Children and Families or a county child support agency, including a person's name or address, the name or address of a person's employer, or financial information that relates to the person. The repeal of these provisions would essentially allow the Department to release any record or other information relating to an applicant or identification card holder to any person or entity requesting such information, except for social security numbers.

In addition, as provided under current law, the Department would continue to be required by statute to provide this information to driver licensing agencies of other jurisdictions. In addition, the statutes would continue to allow DOT to provide this information to the following entities upon request: (a) the Department of Health Services for the sole purpose of verifying birth record information; (b) the Elections Commission for the sole purpose of allowing the chief election officer to comply with statutes related to maintaining a voter registration list; and (c) the Department of Revenue, that is subject to statutory confidentiality provisions.

Joint Finance/Legislature: Provision not included.

11. EXEMPTION FROM PROBATIONARY LICENSE REQUIREMENTS -- UNITED STATES ARMED FORCES

Governor: Include persons providing proof of enlistment in the United States Armed Forces to DOT to the list of persons exempt from probationary driver licenses requirements.

Under current law, DOT is generally required to issue probationary driver licenses to persons applying for an original license. Probationary licenses expire two years from the applicant's next birthday and are subject to a number of restrictions, depending on the age of the license holder and the driving-related activity. However, under current law, the following persons

are exempt from these probationary requirements: (a) any person moving to the state who has been licensed in another jurisdiction for at least three years, who presently holds a license (other than an instruction permit) from another jurisdiction which has not expired for more than six months and who is 21 or older; (b) any person entitled to a regular license under a driver license reciprocity agreement with a foreign government; and (c) any person issued a commercial driver license. Under the bill, enlisted members of the United States Armed Forces, would be exempt from probationary license requirements if proof of enlistment is provided to DOT.

Leadership of the United States Army's Wisconsin Recruiting Command notified the Department regarding changes in application requirements for specialized military training programs that now require an individual to possess a valid driver license at the time of application that will not expire between the date of application and the anticipated completion of the training program. Current law requires the Department to issue a probationary license to most new drivers that expires two years after the driver's next birthday. As a result, the earliest a probationary license can expire is on a driver's 19th birthday, which may occur during basic training or during longer-duration, specialized training programs for individuals enlisting shortly after graduation from high school.

Joint Finance/Legislature: Provision not included.

12. PROHIBIT ARREST AND LICENSE SUSPENSION FOR NONMOVING VIOLATIONS

Governor: Prohibit the arrest of individuals or suspension of their driver license for not paying the forfeiture or appearing in court related to a nonmoving violation (parking ticket). Delete current law that permits the arrest of a person and amend current law that permits the suspension of the person's operating privilege for failing to pay the required forfeiture or appear in court related to nonmoving violations. Modify the current law provisions relating to not guilty pleas for persons failing to appear in court by requiring the following: (a) that such persons be deemed to have entered a plea of no contest; and (b) the court accepts the plea, find the defendant guilty, and proceed under the current law process related to the judgment of forfeitures. Require the court to give notice of the entry of judgment to the defendant by mailing to their last known address a copy of the judgment and a statement describing the actions the court may take if the judgment is not paid. Amend statutory cross references to reflect these changes.

Under current law, if a person does not pay the forfeiture or appear in court in response to a nonmoving violation, the court may issue a summons for the person, order DOT to suspend their operating privilege, or issue a warrant for their arrest. Current law permits the court to order the person to be imprisoned until the judgment is paid, but for a time period not to exceed 90 days, or suspend the person's operating privilege in lieu of imprisonment.

Joint Finance/Legislature: Provision not included.

13. SYSTEM MODERNIZATION SURVEY [LFB Paper 620]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$400,000	-\$400,000	\$0

Governor: Provide \$400,000 in 2021-22 for a survey of Division of Motor Vehicles information technology systems and processes to prioritize upgrades and identify liabilities. This recommendation would provide a one-time increase to the Division's general operations appropriation for supplies and services funding to cover the costs of the survey.

Joint Finance/Legislature: Provision not included.

State Patrol

1. BODY-WORN CAMERAS [LFB Paper 625]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$1,400,000	-\$700,000	\$700,000

Governor: Provide \$700,000 SEG annually to fund the purchase of body-worn cameras and store camera data for the State Patrol. This would establish a \$700,000 increase in base level SEG funding in State Patrol's operations appropriation.

Currently, State Patrol officers use only dashboard cameras and are not equipped with body-worn cameras. In a 2020 survey on the use of body-worn and in-vehicle cameras conducted by the Department of Justice (DOJ), State Patrol indicated that costs associated with purchasing the devices and recording and preserving data has prevented the agency from fully implementing body-worn cameras. Under 2019 Act 108, law enforcement agencies utilizing body-worn cameras must retain recordings for a minimum of 120 days, with some exceptions requiring longer retention, such as data used in an investigation, case, or complaint and the encounter resulted in the death or physical injury to an individual, or an encounter that included the use of force by an officer. In the 2020 DOJ survey, it was reported that 63.1% of Wisconsin law enforcement agencies indicate they utilize body-worn cameras.

Joint Finance/Legislature: Provide \$700,000 SEG in 2021-22 to fund the purchase of body-worn cameras and store camera data for State Patrol. Because funding would be provided in 2021-22, there would be no increase to base level funding for the State Patrol's operations appropriation.

2. IN-VEHICLE VIDEO CAMERAS [LFB Paper 625]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$1,057,400	-\$1,057,400	\$0

Governor: Provide \$1,057,400 in 2022-23 for the replacement of in-vehicle video cameras, which are used for evidentiary, debriefing, and training purposes by the State Patrol. This would establish ongoing funding of \$1,057,400 SEG to the State Patrol's operations appropriation.

In the 2017-19 biennial budget, a GPR annual appropriation was created for the purchasing of state traffic patrol equipment, including in-vehicle camera equipment, tactical vests, and helmets. At that time, this appropriation was provided one-time funding of \$3,550,000 GPR in 2017-18, of which \$2,750,000 was for the purchase of approximately 500 in-vehicle video cameras to replace existing cameras. Since 2017-18, State Patrol has not received additional in-vehicle camera funding from this appropriation. The Department has indicated that in-vehicle video cameras have a useful life of about three years due to technological changes and relatively heavy use.

Joint Finance/Legislature: Provision not included.

3. REPLACEMENT OF PERSONAL PROTECTIVE EQUIPMENT [LFB Paper 625]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$203,400	\$184,100	\$387,500

Governor: Provide \$203,400 SEG in 2022-23 to replace personal protective gear for State Patrol officers. This could include bulletproof garment, tactical vests, and helmets used to provide a level of body armor protection for officers. This would establish ongoing funding of \$203,400 SEG to the State Patrol's operations appropriation.

In the 2017-19 biennial budget, a GPR annual appropriation was created for the purchasing state traffic patrol equipment, including tactical vests, helmets, and in-vehicle video camera equipment. At that time, this appropriation was provided one-time funding of \$3,550,000 GPR in 2017-18, of which \$800,000 was for the purchase of 500 tactical vests and helmets to protect against high-caliber, high-velocity bullets as well as some armor-piercing rounds. Since 2017-18, no additional funding has been provided for these purposes in that appropriation.

Joint Finance/Legislature: Provide \$387,500 SEG in 2021-22 to replace personal protective gear for State Patrol officers. This amount is equal to half of the total amount DOT indicated would be necessary to purchase the intended replacement equipment on a one-time basis rather than financing the purchases through a master lease. Because funding would be provided in 2021-22, there would be no increase to base level funding for the State Patrol's operations appropriation.

4. MICROWAVE RADIO EMERGENCY NETWORK UPGRADE [LFB Paper 626]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$822,800	-\$822,800	\$0

Governor: Provide \$411,400 annually to fund improvements to the statewide microwave radio emergency network. This would establish an ongoing \$411,400 increase in base level SEG funding in State Patrol's operations appropriation.

This independent backbone network carries data of various types and supports the statewide communication systems utilized by State Patrol, including routine voice communications, as well as driver license, license plate, criminal history, and road sensor information. This network is also utilized by most law enforcement agencies in the state.

Joint Finance/Legislature: Provision not included.

5. COMMUNICATION TOWER SITES [LFB Paper 626]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$500,000	-\$500,000	\$0

Governor: Provide \$500,000 in 2022-23 to increase funding for maintenance of communication towers owned by the Department. The State Patrol utilizes communication towers to operate a voice radio communications network, including mobile radios in squad vehicles, and for dispatch and command operations. This would establish an ongoing \$500,000 increase in base level SEG funding in State Patrol's operations appropriation.

Joint Finance/Legislature: Provision not included.

6. LIEUTENANT GOVERNOR SECURITY

Joint Finance/Legislature: Prohibit DOT from spending from the State Patrol general operations appropriations more in the 2021-23 biennium for the security and safety of the Lieutenant Governor than was expended in the 2017-19 biennium. This amount is equal to \$131,254.

Veto by Governor [E-40]: Delete provision.

[Act 58 Vetoed Section: 9144(8)]

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	-\$43,650,000	-\$3,927,000	-\$47,577,000
SEG-S	41,800	0	41,800
FED	- 505,800	- 1,014,800	- 1,520,600
PR	<u>559,600</u>	<u>0</u>	<u>559,600</u>
Total	-\$43,554,400	-\$4,941,800	-\$48,496,200

Governor: Make adjustments to the agency base budget for: turnover reduction (-\$4,468,500 SEG annually and -\$1,496,900 FED annually); (b) removal of non-continuing elements from the base (-\$2,500,000 SEG annually) associated with the one-time funding for supplemental transportation aid to towns; (c) full funding of continuing position salaries and fringe benefits (-\$18,744,000 SEG, \$20,900 SEG-S, \$334,900 FED, and \$87,600 PR annually), primarily in the state highway program; (d) overtime (\$3,322,500 SEG, \$893,500 FED, and \$192,200 PR annually); (e) night and weekend differential pay (\$298,800 SEG and \$15,600 FED annually); and (f) full funding of lease and directed moves costs (\$266,200 SEG annually).

Joint Finance/Legislature: Increase the rate used to calculate turnover reduction from 3% to 4% for all appropriations subject to a 3% turnover rate under the Governor's recommended budget. Reduce funding under the turnover reduction standard budget adjustment by \$1,963,500 SEG annually and \$507,400 FED annually.

2. DOT ADMINISTRATIVE FACILITIES [LFB Paper 630]

SEG-S	\$3,920,000
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Governor: Provide \$1,960,000 annually to fund DOT administrative facility projects. This request would increase base level funding of \$4,540,000 to \$6,500,000 annually for DOT facility capital projects, which equals the additional bonding authorization amount associated with this recommendation as shown in a separate item (See "Transportation Finance").

The Department indicates that nine capital projects totaling \$13,000,000 are scheduled to start in 2021-22: (a) miscellaneous small projects (\$5,023,000); (b) four Division of State Patrol towers in locations to be determined (\$3,956,000); (c) three projects at Truax Field, including HVAC upgrades (\$1,500,000) and parking lot (\$600,000) and roof replacements (\$500,000); and (d) bathroom upgrades at a Division of State Patrol academy dorm (\$1,421,000). Estimated reductions to transportation fund revenue, associated with the debt service for the partial issuance of these bonds, of \$81,300 in 2021-22 and \$602,800 in 2022-23, is shown in a separate item (See "Transportation Finance").

Joint Finance/Legislature: Require the Department to utilize \$13,000,000 in existing transportation revenue bond authority to fund DOT administrative facilities, and decrease the

amount of new transportation revenue bond authority to be provided by an equal amount. [Change in transportation revenue bond authority is shown in "Transportation Finance".] Estimated reductions to transportation fund revenue of \$81,300 SEG-REV in 2021-22 and \$602,800 SEG-REV in 2022-23 associated with the partial issuance of the revenue bonds under this provision are included in a separate item (see "Transportation Finance").

[Act 58 Section: 9144(2)]

3. MAINTENANCE OF DEPARTMENT FACILITIES

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$200,000	-\$200,000	\$0

Governor: Provide \$100,000 annually to fund ongoing cost increases associated with maintaining department facilities, such as Division of Motor Vehicle service centers, regional office buildings, and highway maintenance buildings. Funding provided for this purpose is generally used for functions such as carpet cleaning, pest control, janitorial services, snow removal, as well as maintenance and repair of water heaters, boilers, air condition and ventilation equipment, flooring, and lighting.

Joint Finance/Legislature: Provision not included.

4. DOT CONTRACTING AUTHORITY

Governor: Increase current law thresholds for contracts requiring approval from the Governor as follows: (a) from \$3,000 to \$100,000 for engineering services (engineering, consulting, surveying, and specialized service) contracts; (b) from \$1,000 to \$250,000 for highway construction contracts; (c) from \$5,000 to \$100,000 for construction labor and material contracts with a county or municipality; (d) from \$5,000 to \$100,000 for special contracts with railroads or utilities; and (e) from \$10,000 to \$100,000 for contracts involving emergency repair and protection of state trunk highways. DOT indicates that current thresholds were established in 1941, 1957, and 1975, and nearly all applicable contracts under these statutes exceed the statutory threshold requiring approval from the Governor. The DOT Secretary has the authority to approve contracts that do not require the Governor's approval.

Joint Finance/Legislature: Provision not included.

5. INTERNAL REORGANIZATION OF POSITIONS AND FUNDS

SEG	-\$21,200
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Governor/Legislature: Decrease funding by \$10,600 SEG annually due to a minor departmental reorganization in order to align agency resources with the Department's needs. DOT completed an internal reorganization in 2019 to focus on strategic and long-range policy planning.

As part of that reorganization, four positions and funding were transferred to various divisions within the department. The bill would align appropriations with the corresponding position changes under the reorganization.

6. HUMAN RESOURCES POSITION ADJUSTMENTS [LFB Paper 130]

Positions	
SEG	1.00

Governor: Provide 1.00 FTE, to be transferred from the Department of Administration (DOA). The existing position at DOA is not performing personnel management functions. This transfer is part of a statewide human resources position realignment that affects DOA, Department of Health Services, and Department of Workforce Development in addition to DOT. For additional information, see "Administration -- Personnel Management".

Joint Finance/Legislature: Specify that the incumbent employee occupying the position also be transferred. In addition, specify that an incumbent employee transferred under the provision would retain the same rights and status that the employee held immediately before the transfer, and an employee who has attained permanent status would not be required to serve a probationary period.

7. EQUITY OFFICER POSITION

Governor: Reallocate a vacant position from within the Department to create an agency equity officer position. The agency equity officer would be responsible for coordinating with other agency equity officers and identifying opportunities to advance equity in government operations. The bill does not identify a specific funding source or position to be reallocated. According to the Department, 1.00 SEG position would be reallocated from the Division of Motor Vehicles for this purpose. DOT indicates that, as with other assessments for other Departmentwide functions, the Department would annually charge back each Division for a portion of the costs of the position. For additional information, see "Administration -- General Agency Provisions."

Joint Finance/Legislature: Provision not included.