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Joint Committee on Finance

Paper #605

State Highway Rehabilitation Program (Transportation – State Highway Program)

[LFB 2021-23 Budget Summary: Page 581, #2, Page 582, #3, and Page 601, #5]

CURRENT LAW

The state highway rehabilitation program is responsible for the reconstruction, reconditioning, and resurfacing of the highways and bridges of the state highway system, except for highway projects that exceed the capacity expansion thresholds established for the major highway development, southeast Wisconsin freeway megaprojects, high-cost bridge, and major interstate bridge programs. In 2019-21, a total of \$1,937.8 million (\$1,040.8 million in state funds and \$897.0 million in federal funds) was provided for the state highway rehabilitation program.

DISCUSSION POINTS

Background

1. There are three main components of the state highway improvement program: (a) the state highway rehabilitation program (SHR); (b) the major highway development program; and (c) the southeast Wisconsin freeway megaprojects program. As shown in Attachment 1, the SHR program is the largest of these programs, with a proportionate share of program funding over the past decade generally in the range of 55% to 75% of the total funding for these three programs.

2. The Department of Transportation's (DOT) central office, in consultation with its five administrative regions, creates and follows a comprehensive, six-year program (or schedule) for state highway rehabilitation. The six-year program is updated periodically based on changes in funding and in the plans for individual projects. The proportionate, regional distribution of state highway rehabilitation funding is shown in Attachment 2.

3. The primary method that DOT uses to assess the impact of a given funding level within the state highway rehabilitation program over time is estimating the percentage of "backbone" and "non-backbone" state highways that would be in "fair and above" condition at the end of a 10-year period at that funding level. The backbone system includes multilane interstate, the U.S. highway system, and significant segments of the state highways that connect the major regions and economic centers of the state, as well as to the national highway system outside of Wisconsin. The remainder of this system is classified as "non-backbone" and is generally comprised of lower order or lower traffic volume state highways. Generally, a highway in "fair or above" condition can be treated to extend pavement life without a more costly, full-depth reconstruction.

4. In May, 2021, DOT estimated that backbone and non-backbone state highways would be, respectively, in 98.3% and 74.7% fair and above condition at the start of 2021-22. DOT notes that these projections require several assumptions and are subject to variation. DOT conducted these estimates using a biennial funding level of \$1,985.3 million, which equals the amount provided the program in 2020-21 doubled. Using these amounts, as well as the annual funding increases needed to make inflationary adjustments so as to maintain purchasing power, DOT estimates road conditions would increase to 100.0% fair and above for the backbone system and 77.2% for the non-backbone system by 2031-32. Without the funding increases needed to maintain purchasing power, the Department estimates that these conditions would decline respectively to 95.8% and 71.2% fair and above by 2031-32. Each of the alternatives in this paper, aside from the base funding level that would occur if the Committee takes no further action regarding SHR funding, would provide a funding level in each year greater than the amount needed for the program to maintain purchasing power.

5. In past budget discussions, the Department noted that the SHR program funding level has the most significant, direct impact on highway conditions. However, DOT has also stressed that major highway development and southeast Wisconsin freeway megaprojects must also be funded at sufficient levels in order to avoid spillover effects to the SHR program that would negatively affect these highway conditions over time. Although both of these programs typically deal with capacity expansion issues, these reconstruction projects eliminate the highway rehabilitation needs on those redeveloped highways as well. Absent sufficient funding for the majors and megaprojects programs, additional pressure would be placed on state highway rehabilitation program funding, primarily due to significant age-related infrastructure issues in the southeast region of the state, as well as other parts of the state.

Transportation Fund Concerns, Bonding and Debt Service

6. While the 2019-21 budget increased revenues to the transportation fund, the coronavirus pandemic has dampened the impact of those revenue increases to the fund, as well as to ongoing base level revenues. Thus, in compiling the 2021-23 budget, the Governor recommends a significant reduction to the base level SEG funding for the SHR program and the southeast Wisconsin freeway megaprojects program, which would free up SEG funding to fund other recommendations, including a \$75 million local supplement program, as well as providing other SEG funding increases to general transportation aid, transit programs, state highway maintenance, and to the State Patrol. The Governor recommends replacing the base SEG funding for the highway program with \$318.5 million in SEG-supported general obligation bonds for the SHR program (\$278.5 million) and the megaprojects

program (\$40.0 million).

7. In an earlier action, the Committee adopted the adjusted base level funding amounts as the starting point for its 2021-23 transportation budget actions under Assembly Substitute Amendment 1 (ASA 1) to AB 68/Senate Substitute Amendment 1 (SSA 1) to SB 111. This action provides base level SEG funding for the state highway improvement programs, and all other DOT programs. As a result, expenditures from the transportation fund are significantly higher than under the Governor's recommendations. Subsequently, under Motion #24, the Committee adopted standard budget adjustments and reestimates of sum sufficient debt service appropriations that reduced SEG appropriations by \$46.5 million in 2021-22 and \$31.4 million in 2022-23. However, despite these earlier actions and slightly higher estimated revenues, the estimated 2022-23 ending balance for the transportation fund is estimated at -\$32.3 million under the ASA 1/SSA 1. This projected negative balance is prior to funding any of the Governor's 2021-23 biennial budget recommendations or the authorizing of any bonding for the highway program. Thus, under current estimates, the availability of transportation fund revenues to fund above-base transportation programming is limited. Additional reductions to base level funding, and/or the authorization of bonding in lieu of SEG funding for the state highway improvement program would be needed to balance the fund in the 2021-23 biennium under the substitute amendments.

8. The state transportation fund provides funding for a variety of state operations, like Division of Motor Vehicles services and State Patrol, as well maintenance of the state's highway infrastructure. In addition, the fund provides SEG monies for the local transportation operations primarily through general transportation aids and mass transit operating assistance as well as for a variety of local infrastructure improvement programs. Several of these programs have received SEG funding increases in recent biennia. Such SEG funding from the transportation fund that is allocated or committed to local programs, especially on an ongoing basis, reduces the amount of SEG funding available to fund DOT operations and the state highway improvement program. The question then arises as to whether the state's transportation fund has the financial ability to support both local highway infrastructure and the state highway infrastructure. On the other hand, since the 2005(06) property tax year, the Department of Revenue (DOR) has administered a levy limit program that restricts the year-to-year increases in county and municipal property tax levies, which some contend inhibits the ability of some local governments to raise the revenue needed to maintain and rehabilitate their transportation infrastructure. As a result, state assistance for local transportation facilities and services may be warranted.

9. While revenues are expected to be higher in the biennium compared to last biennium, primarily due to the fully implemented title and registration fee increases enacted under 2019 Act 9, the pandemic has dampened the anticipated amount of revenue growth to the fund in the biennium relative to the revenues projected during 2019 Act 9 deliberations. If SEG funding is provided for local transportation purpose, as the Governor recommends, some level of bonding would likely be needed to replace SEG "cash" that would have to be removed from the state highway improvement program in order to maintain the needed level of investment in the state highway system. While some level of SEG-supported bonding is necessary to fund long-term highway infrastructure improvements, any heavy reliance on bonding for the state highway improvement program due to limited SEG funds being available, whether as a result of limited revenue growth to the fund, or the

significant use of SEG funding for other purposes such as the increases to local transportation programs, will continue to be a concern.

10. From 2009-10 through 2016-17, the transportation fund-supported debt service as a percentage of gross transportation fund revenue (excluding federal aid, bond revenue, and transfers from other funds) increased from 10.9% to 19.0% due to the heavy reliance on borrowing prior to, and during, that period. Since that time, due to less reliance on SEG-supported bonding in recent biennia, along with the 2019 Act 9 revenue increases, debt service as a percentage of revenue has decreased to 18.5% and is expected to decrease to 17.2% by the end of 2020-21. Under the Governor's recommendations, this percentage would increase to 17.3% in 2021-22 and 18.1% in 2022-23, primarily as a result of the large amount of SHR SEG-supported bonding being recommended. Reductions in SEG "cash" for SHR, with a heavy reliance on bonding, as recommended by the Governor, will inevitably lead to the dilemma that the SEG funds needed to repay those bonds will again diminish the SEG funds available for state and local transportation programming going forward. In the 2021-23 biennium, the Department is scheduled to retire an estimated \$464.6 million in transportation fund-supported bonds (\$283.3 million in transportation revenue bonds and \$181.3 million in transportation fund-supported, general obligation bonds). Maintaining a transportation fund-supported borrowing level less than this amount would have the effect of improving the ratio of debt service to gross revenues in the transportation fund until the ratio is at a more reasonable level over time.

11. The level of borrowing coupled with the lack of SEG funds for the state highway program is of particular concern when SEG-supported bonding is used to fund SHR projects as the Governor recommends. The use of bonds, which are a long-term capital financing option, often does not align well with the shorter expected useful life of improvements to rehabilitated highway facilities. Accordingly, bonds issued for SHR projects have historically been issued for shorter terms. As a result, the principal amount borrowed is typically repaid more quickly, which raises near-term annual debt service payments, but overall interest costs are less than the longer term, 20-year bond terms typically issued for transportation infrastructure projects.

12. Under Motion #24, the Committee earlier approved standard budget adjustment (SBA) reductions to the SHR program of \$13,471,600 SEG annually and \$353,300 FED annually. The table below shows the effect of Motion #24 on the SHR funding level prior to further Committee action. The table also includes reductions of \$5,300 SEG annually and \$118,000 FED annually due to a minor reorganization of Department funding requested by the Department and recommended by the Governor, but yet to be adopted by the Committee.

TABLE 1**2021-23 State Highway Rehabilitation Program
Committee Base Budget Changes**

	<u>SEG</u>	<u>FED</u>	<u>Total</u>
Adjusted Base Funding Level	\$1,088,161,800	\$907,252,200	\$1,995,414,000
Motion #24*	<u>-26,953,800</u>	<u>-942,600</u>	<u>-27,896,400</u>
SHR Prior to Further JFC Action	\$1,061,208,000	\$906,309,600	\$1,967,517,600

*Amounts shown include a minor departmental funding reorganization, yet to be adopted by the Committee.

13. The availability of transportation fund revenue to fund any of the alternatives described in this paper would depend on other actions taken by the Committee relative to the use of available SEG funds. This would include actions relating to above base SEG funding increases for local transportation programs, state highway maintenance, and State Patrol, and the level of SEG funding needed in the biennium to support transportation-related debt authorized for the 2021-23 biennium.

Alternative Funding Levels

14. The table below displays the funding composition in each of the alternatives discussed in this paper. The program's base budget as modified by the Committee would provide about 1.5% more funding as the 2019-21 funding level (\$1,968 million compared to \$1,938 million).

TABLE 2**Potential 2021-23 State Highway Rehabilitation Program
Funding Levels**

<u>Potential Funding Levels*</u>	<u>SEG</u>	<u>FED</u>	<u>Gen. Ob. Bonds (SEG)</u>	<u>Total</u>
Base Budget (Alt. A4)*	\$1,061,208,000	\$906,309,600	\$0	\$1,967,517,600
Governor (Alt. A1)	775,949,900	950,053,500	278,500,000	2,004,503,400
\$100 Million Bonding (Alt. A2)	954,449,900	950,053,500	100,000,000	2,004,503,400
No Bonding (Alt. A3)	1,054,449,900	950,053,500	0	2,004,503,400

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

15. In April, 2021, the Department of Administration issued an errata to achieve the intended level of SEG funding for the SHR program. This correction would provide an additional \$9,230,000 SEG in SHR funding each year compared to the Governor's initial recommendations. Accounting for this errata, the Governor recommends a total 2021-23 SHR funding level of \$2,004,503,400,

including authorization of \$278,500,000 BR in transportation fund-supported, general obligation bonds. The Governor's recommendation did not include any transportation fund-supported debt service associated with the recommended general obligation bonds in the biennium. Nonetheless, estimated debt service associated with the partial issuance of these bonds in the biennium would be \$1,160,500 in 2021-22 and \$11,658,400 in 2022-23. Once fully issued, annualized debt service associated with the issuance of these bonds would be estimated at \$31,493,900 annually. [Alternative A1]

16. The Governor's intended recommendation would provide the SHR program with a modest increase in the level of funding for SHR in the biennium compared to an adjusted base funding level, as adjusted by earlier Committee action (an increase of \$36,985,800 or 1.9%). This SHR funding level would slightly exceed the ongoing SHR program funding level that DOT estimates is necessary to maintain state highway investment purchasing power and would lead to modest increases in the total number of state highway miles in fair and above condition from 79.9% to 82.2% by the end of 2030-31, including 100% of the system's backbone miles. The Governor's modified recommendations for the SHR program for the 2021-23 biennium are shown in the table below. In considering the Governor's SHR program funding recommendations it should be noted that the program is a statewide infrastructure program that provides some benefit to all regions of the state.

TABLE 3

**State Highway Rehabilitation Program Funding --
2021-23 Governor's Recommendations**

<u>Fund</u>	<u>Funding (Alternative A1)</u>		
	<u>2021-22</u>	<u>2022-23</u>	<u>Biennial Total</u>
SEG	\$334,016,100	\$441,933,800	\$775,949,900
FED	466,997,400	483,056,100	950,053,500
G.O. Bonds (SEG)	<u>139,250,000</u>	<u>139,250,000</u>	<u>278,500,000</u>
Total	\$940,263,500	\$1,064,239,900	\$2,004,503,400

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

<u>Debt Service (Alternative A1)</u>			
<u>2021-22</u>	<u>2022-23</u>	<u>Biennial Total</u>	<u>Annualized Once Fully Issued</u>
\$1,160,500	\$11,658,400	\$12,818,900	\$31,493,900

17. Attachments 3 and 4 reflect SHR program projects that DOT has identified as "added" or "advanced" to the program's six-year schedule under the Governor's budget recommendation for this program. Attachment 3 provides the list of state highway rehabilitation projects that would likely be added or advanced into the 2021-23 biennium under the Governor's intended recommendations,

while Attachment 4 is a DOT-produced map that reflects the existing state highway rehabilitation schedule and the accelerated project work listed in the prior attachment. The Department would have to reexamine the program's schedule and regional funding levels in the context of any lower funding level.

18. As mentioned, the coronavirus pandemic is expected to have the lingering effect of somewhat dampening transportation fund revenues in the biennium. Further, ongoing concerns remain regarding the level of new bonding authority the fund should support, especially the shorter-term borrowing required for SHR projects. Given these concerns, one possible alternative would be to provide the same level of SHR funding recommended by the Governor, but instead provide the program with more SEG funding than the Governor is recommending, which, in turn, would reduce the amount of bonding needed. This alternative could provide \$100,000,000 in SHR bonding rather than the \$278,500,000 recommended by the Governor. Consequently, in order to meet the same level of SHR program funding as the Governor recommends, \$178,500,000 in SEG funding would have to be provided, as shown in the table below. This SEG funding level would still be a decrease compared to the base level SEG funding amount, as adjusted by earlier action of the Committee. Estimated debt service associated with the partial issuance of the \$100.0 million in bonds in the biennium would be \$416,700 in 2021-22 and \$4,186,200 in 2022-23. Once fully issued, annualized debt service associated with the issuance of these bonds would be estimated at \$11,308,400 annually. Funding under this alternative is shown in the table below. [Alternative A2]

TABLE 4

**State Highway Rehabilitation Program Funding --
2021-23 \$100.0 Million Bonding Alternative**

<u>Fund</u>	<u>Funding (Alternative A2)*</u>		
	<u>2021-22</u>	<u>2022-23</u>	<u>Biennial Total</u>
SEG	\$423,266,100	\$531,183,800	\$954,449,900
FED	466,997,400	483,056,100	950,053,500
G.O. Bonds (SEG)	<u>50,000,000</u>	<u>50,000,000</u>	<u>100,000,000</u>
Total	\$940,263,500	\$1,064,239,900	\$2,004,503,400

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

<u>Debt Service (Alt. A2)</u>			
<u>2021-22</u>	<u>2022-23</u>	<u>Biennial Total</u>	<u>Annualized Once Fully Issued</u>
\$416,700	\$4,186,200	\$4,602,900	\$11,308,400

19. Some may have concerns about issuing any amount of new bond authorizations for the SHR program given the shorter expected useful life of SHR project improvements and higher upfront debt service costs associated with the shorter maturity on bonds issued for SHR projects. Maintaining

the same level of funding for the SHR program as the Governor intended, while authorizing no new bonding for the program, would require providing \$278,500,000 in additional SEG funding in the biennium relative to the Governor's recommendations. However, in order to provide the amount of SEG funding for the SHR program under this alternative, the Committee would be limited in their ability to provide other SEG funding increases to local transportation programs, state highway maintenance, and State Patrol. Funding under this alternative is shown in the table below. [Alternative A3]

TABLE 5
State Highway Rehabilitation Program Funding --
2021-23 No Bonding Alternative

<u>Fund</u>	<u>Funding (Alternative A3)*</u>		<u>Biennial Total</u>
	<u>2021-22</u>	<u>2022-23</u>	
SEG	\$508,266,100	\$546,183,800	\$1,054,449,900
FED	<u>466,997,400</u>	<u>483,056,100</u>	<u>950,053,500</u>
Total	\$975,263,500	\$1,029,239,900	\$2,004,503,400

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

20. If the Committee took no action, the SHR program would be funded at \$1,967,517,600 in the 2021-23 biennium, after accounting for the Committee's earlier actions (and including minor funding reorganizations). This base funding level, as modified by the Committee, would provide about 1.5% more in SHR program funding compared to the 2019-21 funding level of \$1,937.8 million. However, this funding alternative would provide less SHR funding than what the Department estimates is needed to provide modest improvements to the system's road conditions over a 10-year period, if inflationary adjustments are provided. Further, this alternative would provide less overall funding for the SHR program compared to the other alternatives in this paper. However, more SEG "cash" funding would be retained in the program. Again, as noted, in order to provide the amount of SEG funding for the SHR program under this alternative, the Committee would be limited their ability to provide other SEG funding increases to local transportation programs, state highway maintenance, and State Patrol. [Alternative A4]

TABLE 6

**State Highway Rehabilitation Program Funding --
Base Budget Alternative**

<u>Fund</u>	<u>Funding (Alternative A4)*</u>		
	<u>2021-22</u>	<u>2022-23</u>	<u>Biennium</u>
SEG	\$530,604,000	\$530,604,000	\$1,061,218,000
FED	<u>453,154,800</u>	<u>453,154,800</u>	<u>906,309,600</u>
Total	\$983,758,800	\$983,758,800	\$1,967,517,600

*As modified by earlier actions of the Committee in May, 2021, and includes a minor reorganization of Department funding.

I-94 and Moorland Road Interchange in Waukesha County

21. There are concerns regarding the safety of the Moorland Road off-ramp from west-bound I-94 in Waukesha County. Moorland Road (County Highway O) is a six-lane divided highway in Brookfield. The road serves an urban area, including the Brookfield Mall and surrounding developments, and has average daily traffic volumes between 31,600 and 41,200 vehicles per day. Because of its location and use, this section of Moorland Road experiences significant congestion and experiences crash rates more than twice the statewide average and injury rates almost six times the statewide average, according to DOT. As a result, Waukesha County is in the planning stages of a project to address safety, pavement condition, and congestion on Moorland Road. However, the interchange with I-94 is a DOT responsibility.

22. The Department notes that a long-term solution is a complete reconstruction of the interchange as part of larger project, although that project is several years away from being ready. In the short-term the Department indicates it can provide improvements through signalization and geometric developments, including (a) creating a triple right turn lane on the west-bound off-ramp; (b) installing a signal at the west-bound off-ramp and north-bound Moorland Road intersection; (c) extending the north-bound left turn lane at the west-bound on-ramp intersection and adding an island to separate the turn lane from the through lane; and (d) installing a north-bound right turn lane at the east-bound on-ramp intersection.

23. The Governor recommends that DOT 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, and listing this allocation as an allowable use of funds from the state highway rehabilitation SEG appropriation. Doing so would prioritize the project over other SHR projects in the biennium. [Alternative B1]

24. As DOT notes, a complete reconstruction of this interchange is currently years away. If the Moorland Road interchange is not explicitly earmarked, the project would remain eligible for funding from the SHR program, but would not have statutory priority over other SHR projects. If the project should be a priority, as the Governor recommends, it may be possible it could be completed

in the biennium under the SHR program's standard prioritization process. [Alternative B2]

ALTERNATIVES

A. Funding Level

1. Make the following changes to the SHR program funding in order to provide a 2021-23 funding level of \$2,004,503,400: (a) a decrease of \$196,587,900 SEG and an increase of \$13,842,600 FED in 2021-22; (b) a decrease of \$88,670,200 SEG and an increase of \$29,901,300 FED in 2022-23; and (c) authorization of \$278,500,000 BR in transportation fund-supported, general obligation bonds. Estimate debt service associated with the partial issuance of these bonds in the biennium at \$1,160,500 SEG in 2021-22 and \$11,658,400 SEG in 2022-23. Once fully issued, annualized debt service associated with the issuance of these bonds would be estimated at \$31,493,900 annually. This funding reflects the change to base level funding as modified by standard budget adjustments made under earlier actions of the Committee and include the minor reorganization of Department funding requested by the Department and recommended by the Governor.

ALT A1	Change to Base
SEG	-\$272,439,200
FED	43,743,900
BR-SEG	<u>278,500,000</u>
Total	\$49,804,700

2. Make the following changes to the SHR program funding in order to provide a 2021-23 funding level of \$2,004,503,400: (a) a decrease of \$107,337,900 SEG and an increase of \$13,842,600 FED in 2021-22; (b) increases of \$579,800 SEG and \$29,901,300 FED in 2022-23; and (c) authorization of \$100,000,000 BR in transportation fund-supported, general obligation bonds. Estimated debt service associated with the partial issuance of these bonds in the biennium would be \$416,700 SEG in 2021-22 and \$4,186,200 SEG in 2022-23. Once fully issued, annualized debt service associated with the issuance of these bonds would be estimated at \$11,308,400 annually. The funding reflects the change to base level funding as modified by standard budget adjustments made under earlier actions of the Committee and include a minor reorganization of Department funding requested by the Department and recommended by the Governor.

ALT A2	Change to Base
SEG	-\$102,155,200
FED	43,743,900
BR-SEG	<u>100,000,000</u>
Total	\$41,588,700

3. Make the following changes to the SHR program funding in order to provide a 2021-23 funding level of \$2,004,503,400: (a) a decrease of \$22,337,900 SEG and an increase of \$13,842,600 FED in 2021-22; and (b) increases of \$15,579,800 SEG and \$29,901,300 FED in 2022-23. The

amounts shown reflect standard budget adjustments made under earlier actions of the Committee and include a minor reorganization of the Department funding requested by the Department and recommended by the Governor.

ALT A3	Change to Base
SEG	- \$6,758,100
FED	<u>43,743,900</u>
Total	\$36,985,800

4. Take no action, which would provide a 2021-23 funding level for the SHR program of \$1,967,517,600. This funding reflects the change to base level funding, as modified by the standard budget adjustments made under earlier actions of the Committee and includes a minor departmental reorganization requested by the Department and recommended by the Governor.

B. I-94 and Moorland Road Interchange in Waukesha County

1. 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, and list this allocation as an allowable use of funds from the state highway rehabilitation SEG appropriation.

2. Take no action.

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Attachments

ATTACHMENT 1

Recent Biennial Funding Levels for Three Main Components of State Highway Improvement Program (\$ in Millions)

<u>Biennium</u>	<u>State Highway Rehabilitation</u>	<u>Major Highway Development</u>	<u>Southeast Wisconsin Freeways</u>	<u>Total</u>
2011-13	\$1,607.6	\$743.6	\$420.0	\$2,771.2
2013-15	1,640.4	728.4	517.0	2,885.8
2015-17	1,698.0	641.1	414.6	2,753.7
2017-19	1,626.2	563.7	535.6	2,725.7
2019-21	1,937.8	564.2	226.4	2,728.4
2021-23*	\$2,004.5	\$565.6	\$82.0	\$2,652.1

<u>Biennium</u>	<u>State Highway Rehabilitation</u>	<u>Major Highway Development</u>	<u>Southeast Wisconsin Freeways</u>	<u>Total</u>
2011-13	58.0%	26.8%	15.2%	100.0%
2013-15	56.8	25.2	17.9	100.0
2015-17	61.7	23.3	15.1	100.0
2017-19	59.7	20.7	19.6	100.0
2019-21	71.0	20.7	8.3	100.0
2021-23*	75.6%	21.3	3.1%	100%

*Governor's budget recommendation after correcting for technical errata, excluding the design build bonding recommendation, which could be used for any of the components of the state highway improvement program.

ATTACHMENT 2

Six-Year Plan Regional State Highway Funding Allocations

<u>Allocations</u>	<u>% of Total Funding</u>
Regions (Non-Backbone)*	
Southwest Region	19.7%
Southeast Region	14.8
Northeast Region	7.5
North Central Region	8.5
Northwest Region	<u>11.9</u>
Subtotal	62.4%
Centrally-Scheduled (Backbone)	37.6%
Total	100.0%

Note: Percentage total does not add due to rounding. The regional allocation of state highway rehabilitation program funding is for non-backbone highways, which are typically lower-order or relatively less travelled highways in the state. The centrally-scheduled funding is provided for projects on the state's backbone highway system, which is a 1,590 mile system of highways connecting major economic areas of the state.

*The five regions and the counties in each region are:

- North Central Region: Adams, Florence, Forest, Green Lake, Iron, Langlade, Lincoln, Marathon, Marquette, Menominee, Oneida, Portage, Price, Shawano, Vilas, Waupaca, Waushara, and Wood counties.
- Northeast Region: Brown, Calumet, Door, Fond du Lac, Kewaunee, Manitowoc, Marinette, Oconto, Outagamie, Sheboygan, and Winnebago counties.
- Northwest Region: Ashland, Barron, Bayfield, Buffalo, Burnett, Chippewa, Clark, Douglas, Dunn, Eau Claire, Jackson, Pepin, Pierce, Polk, Rusk, St. Croix, Sawyer, Taylor, Trempealeau, and Washburn counties.
- Southeast Region: Kenosha, Milwaukee, Ozaukee, Racine, Walworth, Washington, and Waukesha counties.
- Southwest Region: Columbia, Crawford, Dane, Dodge, Grant, Green, Iowa, Jefferson, Juneau, La Crosse, Lafayette, Monroe, Richland, Rock, Sauk, and Vernon counties.

ATTACHMENT 3


Projects Added and Advanced -- 2021-23 Governor's Budget Recommendation for SHR (as Intended)

<u>Primary County</u>	<u>Project ID</u>	<u>Primary Highway</u>	<u>Limits</u>	<u>Mileage</u>	<u>Old Year</u>	<u>New Year</u>	<u>Concept</u>	<u>Low</u>	<u>High</u>
Vernon	5160-06-70	STH 35	V Stodard N Limit to N County Line	4.09	2022	2022*	Resurface	\$1,000,000	\$1,999,999
Monroe	5130-05-63	STH 131	STH 71 to CTH A / B-41-21,-136,-137	4.69	2023	2023*	Resurface	1,000,000	1,999,999
Washington	3360-17-70	VAR HWY	STH 175 and STH 167	0.01	2022	2022*	Misc.	750,000	999,999
Ozaukee	1040-00-70	STH 57	IH-43 to CTH W	1.09	2022	2022*	Pavement Preservation	1,000,000	1,999,999
Dane	1011-01-75	IH 39	.55 Mi S CTH V to N County Line	1.01	2022	2026	Pavement Replacement	2,000,000	2,999,999
Marathon	1166-00-83	IH 39	Portage Co. Line to Maple Ridge Rd. NB	9.4	2023	2024	Resurface	3,000,000	3,999,999
Waupaca	1510-02-74	USH 10	STH 49 / STH 110 Interchange	0.43	2023	2027	Resurface	500,000	749,999
Waupaca	6210-01-74	STH 49	Arndt Road to USH 10	1.34	2023	2027	Resurface	750,000	999,999
Fond du Lac	6100-08-60	STH 44	WCL-STH 49	3.59	2023	2024	Resurface	1,000,000	1,999,999
Rusk	1580-00-70	USH 8	Little Soft Maple CR BRG B-54-0131	0.01	2023	2025	Bridge Replacement	1,000,000	1,999,999

*Project would likely be deferred if purchasing power were not maintained.

ATTACHMENT 4

Project Impacts if Inflationary Increase Occurs

 Project locations advanced into FY-22 and FY-23 if purchasing power is maintained

For FY-24 through FY-31, maintaining purchasing power is estimated to add approximately 150 projects having construction cost valued at \$1.4 billion.

These are not mapped because the nature of this long-term analysis incorporated planned and modeled projects that are preliminary and subject to change.

