

## TRANSPORTATION

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Act 19		2023-25 Change Over Base Year Doubled		2022-23	Act 19		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
GPR	\$87,559,900	\$205,573,100	\$193,179,900	\$223,633,200	127.7%	0.00	0.00	0.00	0.00	N.A.
FED	922,538,800	1,078,104,700	1,095,045,100	328,072,200	17.8	874.32	877.32	877.32	3.00	0.3%
PR	11,228,400	11,407,300	11,407,300	357,800	1.6	18.00	18.00	18.00	0.00	0.0
SEG	2,053,720,400	2,672,737,900	2,034,282,700	599,579,800	14.6	2,390.09	2,393.59	2,393.59	3.50	0.1
SEG-L	115,325,600	123,706,600	123,706,600	16,762,000	7.3	0.00	0.00	0.00	0.00	N.A.
SEG-S	<u>112,778,200</u>	<u>42,058,900</u>	<u>42,058,900</u>	<u>- 141,438,600</u>	<u>- 62.7</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>0.00</u>	<u>0.0</u>
TOTAL	\$3,303,151,300	\$4,133,588,500	\$3,499,680,500	\$1,026,966,400	15.5%	3,287.41	3,293.91	3,293.91	6.50	0.2%
BR		\$352,800,000								

### Budget Change Items

## Transportation Finance

### 1. FUND CONDITION STATEMENT

The following table shows the estimated 2023-25 transportation fund condition statement under Act 19. Revenues reflect reestimates of collections under existing taxes, fees, and transfers as well as changes under the Act.

The "Current Law General Fund Transfer" amount reflects the annual statutory transfer made from the general fund to the transportation fund. The amount is an estimate of the current law transfer of 0.25% of general fund taxes based on estimated tax revenues under as shown in the general fund summary schedule of the Act, which includes actions on general fund taxes under the Act. Additional transfers from the general fund created under Act 19 are also shown as transfers to the fund (see next two items). 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.

	<u>2023-24</u>	<u>2024-25</u>
Unappropriated Balance, July 1	\$92,489,600	\$16,169,800
<b>Revenues</b>		
Motor Fuel Tax	\$1,075,974,300	\$1,077,175,800
Registration and Title Fee Revenues		
Registration Revenues	715,224,300	717,364,400
Title Revenues	208,676,100	223,176,800
Miscellaneous Motor Vehicle Fees	30,390,600	30,576,200
Less Revenue Bond Debt Service	-200,858,400	-194,894,700
Petroleum Inspection Fee One-Cent Deposit	38,690,200	38,733,400
Driver's License Fees	38,601,500	38,536,400
Aeronautical Fees and Taxes	6,616,200	7,377,100
Railroad Property Taxes	34,347,200	30,307,300
Miscellaneous Departmental Revenues	14,236,200	13,859,000
Investment Earnings	23,000,000	13,000,000
Transfers to the Fund		
Current Law General Fund Transfer	48,112,000	51,700,000
One-Time General Fund Transfer	555,523,900	0
Electric Vehicle Sales Tax Transfer	39,300,000	55,100,000
Petroleum Inspection Fund Unencumbered Balance	17,103,800	17,146,500
Petroleum Inspection Fund Ongoing Transfer	6,258,500	6,258,500
Railroad Personal Property Tax Transfer	<u>0</u>	<u>8,000,000</u>
 Total Annual Revenues	 \$2,651,196,400	 \$2,133,416,700
 Total Available	 \$2,743,686,000	 \$2,149,575,500
<b>Appropriations and Reserves</b>		
DOT Appropriations	\$2,672,292,900	\$2,033,837,700
Less Estimated Lapses	-3,000,000	-3,000,000
Compensation and Other Reserves	17,934,800	17,934,800
Joint Finance Supplemental Appropriation	12,500,000	6,000,000
Other Agency Appropriations	<u>27,799,500</u>	<u>28,191,500</u>
 Net Appropriations and Reserves	 \$2,727,527,200	 \$2,082,964,000
 Unappropriated Balance, June 30	 \$16,158,800	 \$66,611,500

**2. ONE-TIME TRANSFER FROM GENERAL FUND TO TRANSPORTATION FUND**

GPR Transfer	\$555,523,900
SEG-REV	555,523,900

Provide a one-time transfer from the general fund to the transportation fund of \$555,523,900 in 2023-24.

[Act 19 Section: 9244(1)]

**3. ONGOING GENERAL FUND TRANSFER TO TRANSPORTATION FUND FOR ESTIMATED SALES TAX ON ELECTRIC VEHICLES [LFB Paper 761]**

GPR Transfer	\$94,400,000
SEG-REV	94,400,000

Transfer \$39,300,000 in 2023-24 and \$55,100,000 in 2024-25 from the general fund to the transportation fund associated with the sales taxes on the sales of electric vehicles (EVs) in the state. Specify that, beginning on June 30, 2024, in each year there is transferred from the general fund to the transportation fund the amount shown for the transfer in the general fund summary schedule of the biennial budget act for EV sales tax.

[Act 19 Section: 38]

**4. TRANSFER TO TRANSPORTATION FUND ASSOCIATED WITH THE REPEAL OF RAILROAD PERSONAL PROPERTY TAX**

Decrease transportation fund revenues by \$8,000,000 in 2024-25 associated with the provision contained in 2023 Act 12 to repeal the state personal property tax on railroad property. Make a corresponding increase in revenues associated with the transfer of \$8,000,000 in 2024-25 from the newly-created local government fund to the transportation fund to compensate the transportation fund for estimated reduced railroad property tax revenues. Specify that on December 30, 2024, and each December 30 thereafter, the Secretary of Administration shall transfer \$8,000,000 from the local government fund to the transportation fund. [See "Shared Revenue and Tax Relief -- Property Taxation."]

Under current law, railroad companies are taxed on their personal and real property as public utilities under Chapter 76 of the statutes. Revenue from these taxes are deposited to the transportation fund. However, 2023 Act 12 included a provision that repealed the personal property tax for local tax purposes as well as state taxes on railroad personal property. The real property of railroad companies would continue to be taxed for state tax purposes with revenues from those taxes to be deposited to the transportation fund.

[Act 19 Section: 37]

**5. 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 current law general fund transfer is equal to 0.25% of projected general fund tax collections for each year, as included in the general fund summary condition statement under each enacted biennial budget. Two annual transfers are also made from the petroleum inspection fund: (a) an ongoing transfer of \$6,258,500; and (b) 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 19, 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 \$17,103,800 in 2023-24 and \$17,146,500 in 2024-25.

In addition, Act 19 creates three new transfers to the transportation fund in the 2023-25 biennium: (a) an ongoing transfer from the general fund of the estimated annual sales tax revenue from the sale of electric vehicles in the state, which would equal \$39.3 million in 2023-24 and \$55.1 million in 2024-25; (b) a one-time GPR transfer of \$555.5 million from the general fund in 2023-24; and (c) an ongoing transfer of \$8,000,000 annually from the newly-created local government fund to compensate the transportation fund for lost railroad personal property tax revenue. The following table compares the estimated current law amounts to be transferred from the general fund, PIF, and local government fund to the transportation fund in the 2021-23 and 2023-25 biennia, as well as the estimated amounts that would be transferred under the new general fund transfers under Act 19. Use of other funds under Act 19 are estimated to total \$804.5 million, compared to an amount of \$322.8 million in the 2021-23 biennium.

### Use of Other Funds for Transportation Purposes

	<u>2021-23</u>	<u>2023-25</u>	<u>Biennial Change</u>	<u>% Change</u>
<i>General Fund</i>				
0.25% Transfer of General Fund Taxes	\$93,362,100	\$99,812,000	\$6,449,900	6.9%
Transfer of Est. Sales Tax from EVs	0	94,400,000*	94,400,000	N.A.
One-Time Transfers	<u>182,796,800</u>	<u>555,523,900*</u>	<u>372,727,100</u>	<u>203.9</u>
Subtotal	\$276,158,900	\$749,735,900	\$473,577,000	171.5%
<i>Petroleum Inspection Fund</i>				
Annual Transfer Unencumbered Balance	\$34,079,700	\$34,250,300	\$170,600	0.5%
Ongoing Appropriation Transfer	<u>12,517,000</u>	<u>12,517,000</u>	<u>0</u>	<u>0.0</u>
Subtotal	\$46,596,700	\$46,767,300	\$170,600	0.4%
<i>Local Government Fund</i>				
Railroad Personal Property Tax	\$0	\$8,000,000*	\$8,000,000	N.A.
Total	\$322,755,600	\$804,503,200	\$481,747,600	149.3%

\* New transfers to the transportation fund enacted under Act 19.

Note: Excludes debt service amounts on general fund-supported bonds issued for transportation purposes, other GPR appropriations provided for specific transportation purposes, the direct deposit of one cent of the two cent petroleum inspection fee to the transportation fund, and the transfer from the local government fund associated with exempt railroad property.

## 6. ELECTRIC VEHICLE REGISTRATION FEE

SEG-REV	\$3,289,300
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Increase the current law annual registration fee for electric vehicles from \$100 to \$175, effective with application for registrations on October 1, 2023. Estimate additional registration fee revenues to the transportation fund from of \$1,180,600 SEG-REV in 2023-24 and \$2,108,700 SEG-REV in 2024-25. The \$175 is in addition to the \$85 registration fee currently required for all vehicles.

[Act 19 Sections: 459 and 9344(1)]

## 7. ALLOCATION OF FEDERAL HIGHWAY AID

Estimate federal highway formula aid at \$936,288,900 in 2023-24 and \$953,229,300 in 2024-25, which represents increases of \$112,347,600 in 2023-24 and \$129,228,000 in 2024-25 relative to the 2022-23 appropriation adjusted base. The increased federal highway formula aid in the 2023-25 biennium is due to passage of the Infrastructure Investment and Jobs Act (IIJA) in November, 2021, which authorized higher baseline funding levels for federal highway formula aid than the prior federal reauthorization act. The actual amount of the state's federal highway aid in 2023-25 will be determined on an annual basis under federal transportation appropriation acts of Congress. The estimate reflects uncertainty regarding the amount of federal transportation aid that will be appropriated by the federal government and available to the state in the biennium.

The following table shows the change to the appropriation base under Act 19 and the resulting distribution of federal highway formula aid. As shown in the table, Act 19 would provide the largest increases in federal highway formula aid for the state highway rehabilitation program, the local bridge improvement assistance program, and the southeast Wisconsin freeway megaprojects programs, while decreasing the amount of federal funds allocated for departmental management and operations.

<u>Appropriation</u>	<u>Base</u>	<u>Change to Base</u>		<u>Act 19</u>	
		<u>2023-24</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2024-25</u>
State Highway Rehabilitation	\$485,856,300	\$53,288,200	\$50,757,500	\$539,144,500	\$536,613,800
Major Highway Development	184,848,900	5,178,600	6,963,300	190,027,500	191,812,200
Local Transportation Facility					
Improvement Assistance	72,331,300	222,300	222,300	72,553,600	72,553,600
Local Bridge Improvement	24,523,900	35,119,900	35,119,900	59,643,800	59,643,800
Departmental Mgmt. and Ops.	15,659,200	-5,698,600	-5,698,600	9,960,600	9,960,600
Southeast Freeway Megaprojects	14,366,000	17,207,300	34,893,700	31,573,300	49,259,700
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	3,982,400	401,500	401,500	4,383,900	4,383,900
Railroad Crossing Improvements	3,291,800	0	0	3,291,800	3,291,800
Highway System Mgmt. and Ops.	<u>1,313,200</u>	<u>6,628,400</u>	<u>6,628,400</u>	<u>7,941,600</u>	<u>7,941,600</u>
Total	\$823,941,300	\$112,347,600	\$129,288,000	\$936,288,900	\$953,229,300

## 8. TRANSPORTATION-RELATED BOND SUMMARY

The following table summarizes the biennial usage of bonds for transportation projects in the 2021-23 biennium, and in 2023-25 under Act 19, by type of bond and program. The only authorization of new bonding under Act 19 is \$352.8 million in transportation fund-supported, general obligation bonds for the major interstate bridge program, to be used for construction of the John A. Blatnik Bridge in Superior. While Act 19 would not authorize additional bonds for DOT administrative facilities, it allows DOT to utilize \$18.5 million in existing transportation revenue bond premium proceeds for these projects, as enumerated in the 2023-25 State Building Program (see also "Departmentwide").

	<u>2021-23</u>	<u>Act 19 2023-25</u>
<b>Transportation Fund-Supported, General Obligation Bonds</b>		
Southeast Wisconsin Freeway Megaprojects	\$40,000,000	\$0
Southern Bridge	0	0
Major Interstate Bridge Program	0	\$352,800,000
Freight Rail Preservation	20,000,000	0
Harbor Assistance	15,300,000	0
Design-Build Projects	<u>20,000,000</u>	<u>0</u>
Subtotal	\$95,300,000	\$352,800,000
<b>Transportation Revenue Bonds</b>		
Major Highway Development	\$128,258,200*	\$0
Administrative Facilities	<u>0*</u>	<u>0**</u>
Subtotal	\$128,258,200	\$0
 Total	 \$223,558,200	 \$352,800,000

\*2021 Act 58 allocated \$20,765,000 in existing revenue bond proceeds for the major highway development program and \$13,000,000 in existing revenue bond proceeds for DOT administrative facilities in 2021-23.

\*\*Act 19 allocates \$18.5 million in existing transportation revenue bond proceeds for DOT administrative facilities in 2023-25.

[Act 19 Sections: 181 and 9144(9)]

**9. TRANSPORTATION REVENUE BOND DEBT SERVICE REESTIMATE [LFB Paper 760]** SEG-REV    \$6,572,300

Increase estimated transportation fund revenue by \$304,300 in 2023-24 and \$6,268,000 in 2024-25 to reflect changes in the amount of vehicle registration and other pledged revenue needed to pay principal and interest on existing transportation revenue bonds for the major highway development program and DOT administrative facilities. Act 19 does not authorize additional bonds for these programs in the 2023-25 biennium. Total transportation revenue bond debt service in 2022-23 is estimated at \$201,162,700, an amount that is projected to decrease to an estimated \$200,858,400 in 2023-24 and \$194,894,700 in 2024-25.

**10. TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE -- SOUTHEAST WISCONSIN FREEWAY MEGAPROJECTS AND HIGH-COST BRIDGE PROJECTS [LFB Papers 106 and 787]** SEG            - \$8,264,900

Decrease funding by \$6,402,400 in 2023-24 and \$1,862,500 in 2024-25 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. Act 19 did not authorize additional bonds for these programs in the 2023-25 biennium. Base funding for these appropriations is \$90,814,900, and would decrease to \$84,412,500 in 2023-24 and \$88,952,400 in 2024-25 under this reestimate.

**11. EXISTING TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE -- CONTINGENT HIGHWAY BONDS [LFB Paper 106]** SEG - \$918,300

Decrease funding by \$446,400 in 2023-24 and \$471,900 in 2024-25 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. Act 19 did not authorize additional bonds for these programs in the 2023-25 biennium. Base funding for this appropriation is \$12,129,200, and would decrease to \$11,682,800 in 2023-24 and \$11,657,300 in 2024-25 under this reestimate.

**12. TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE -- OTHER PROJECTS [LFB Papers 106, 772 and 773]** SEG \$3,014,400

Decrease funding by \$721,000 in 2023-24 and increase funding by \$3,735,400 in 2024-25 to fund the estimated transportation fund-supported, general obligation bond debt service on existing bonds issued for state highway rehabilitation, major highway development, major interstate bridge, freight rail preservation, harbor improvement projects, and Department facilities. While Act 19 authorized \$352.8 million in bonding authority for the major interstate bridge program, the Act does not anticipate the issuance of any new bonds in the biennium. Combined base funding for these appropriations is \$56,898,200, and would decrease to \$56,177,200 in 2023-24 and increase to \$60,633,600 in 2024-25 under this reestimate.

**13. EXISTING GENERAL FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE [LFB Paper 106]** GPR - \$7,444,000

Increase funding by \$2,147,400 in 2023-24 and decrease funding by \$9,591,400 in 2024-25 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 in the 2023-25 biennium under Act 19. Base funding for this appropriation is \$87,559,900 and would increase to \$89,707,300 in 2023-24 and decrease to \$77,968,500 in 2024-25.

**14. 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 19.

*Transportation Fund-Supported.* Estimated transportation fund-supported debt service on previously authorized bonds would total \$353,130,900 in 2023-24 and \$356,138,000 in 2024-25. 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 2021-23 biennium, as well for each year of the 2023-25 biennium under Act 19.

**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>
2021-22	\$358.4	\$2,159.2	16.6%
2022-23	351.8	2,150.7	16.4
2023-24	353.1	2,185.8	16.2
2024-25	356.1	2,198.1	16.2

\*Revenue is shown before the payment of debt service on transportation revenue bonds, and does not contain transfers from other funds, including the new transfers from the general fund to the transportation fund that would be introduced under Act 19.

Note: Debt service and revenue amounts shown for 2021-22 are actual. The amounts for 2022-23 reflect estimates by the Administration in March, 2023, for transportation revenue bonds, and May, 2023, for general obligation bonds, and revenues estimated by DOT in May, 2023. Amounts for 2023-24 and 2024-25 are estimated and reflect existing debt service and debt service on bonds authorized under Act 19.

*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 estimate of general fund-supported debt service on existing bonds issued for transportation purposes (\$89.7 million in 2023-24 and \$78.0 million in 2024-25) is shown in a separate item.

**Local Transportation Aid**

**1. GENERAL TRANSPORTATION AIDS [LFB Paper 765]**

SEG	\$31,429,400
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Provide the following related to the general transportation aids program:

*County Aid.* Increase funding by \$2,505,400 in 2023-24 and \$5,060,900 in 2024-25 to fund a 2.0% increase each year to the calendar year general transportation aid distribution for counties, and to fully fund the 2.0% calendar year 2023 increase provided in 2021 Act 58. Increase the calendar year distribution for counties to \$129,683,000 for 2024, and to \$132,276,700 for 2025, and thereafter.

*Municipal Aid.* Increase funding by \$7,901,700 in 2023-24 and \$15,961,400 in 2024-25 to fund a 2.0% increase each year to the calendar year general transportation aid distribution for municipalities, and to fully fund the 2.0% calendar year 2023 increase provided in 2021 Act 58. Increase the calendar year distribution for municipalities to \$406,976,700 for 2024, and to



\$415,116,200 for 2025, and thereafter. Retain the mileage aid rate at its current level of \$2,734 per mile.

Delete the statutory references to prior calendar year funding amounts for counties and municipalities.

[Act 19 Section: 377m]

**2. MASS TRANSIT OPERATING ASSISTANCE [LFB Paper 766]**

GPR	\$228,728,500
SEG	<u>- 225,904,600</u>
Total	\$2,823,900

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

Reduce funding by \$112,952,300 SEG in each fiscal year of the 2023-25 biennium, to provide \$0 for each existing SEG appropriation in the Chapter 20 schedule of appropriations that is associated with each mass transit operating aid funding tier. Create five GPR annual appropriations for the purpose of funding each tier of mass transit operating aid, and provide total base funding of \$112,952,300 GPR in each fiscal year of the 2023-25 biennium, to reflect the base funding amounts previously provide to each tier of mass transit operating aid from the transportation fund. Modify current mass transit operating assistance program statutes to refer to the newly created GPR appropriations, instead of the existing SEG appropriations.

In addition, provide \$564,800 GPR in 2023-24 and \$2,259,100 GPR in 2024-25, to fund a 2.0% increase in mass transit operating aid to each tier of mass transit systems for calendar year 2024, and thereafter. Specify that the increase in funding would be distributed as follows: (a) \$327,400 in 2023-24 and \$1,309,600 in 2024-25 for Tier A-1 (Milwaukee County); (b) \$86,000 in 2023-24 and \$344,100 in 2024-25 for Tier A-2 (Madison); (c) \$124,900 in 2023-24 and \$499,500 in 2024-25 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) \$26,500 in 2023-24 and \$105,900 in 2024-25 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) \$66,787,400 for 2024, and thereafter, for Tier A-1; (b) \$17,549,500 for 2024, and thereafter, for Tier A-2; (c) \$25,475,900 for 2024, and thereafter, for Tier B; (d) \$5,398,600 for 2024, and thereafter, for Tier C.

Specify that if DOT makes transit aid payments in fiscal year 2023-24 from the Department's existing SEG appropriations prior to the effective date of the bill, the Department of Administration (DOA) is required to make transfers in fiscal year 2023-24 from the newly created GPR appropriation accounts to the transportation fund, in an amount equal to the amounts paid by DOT in fiscal year 2023-24 prior to the effective date of the bill. DOA is required to make each transfer from the appropriation account that corresponds to the applicable transit tier for which DOT made payments.

[Act 19 Sections: 85 thru 89, 368 thru 375 and 9144(10)]

**3. SENIORS AND INDIVIDUALS WITH DISABILITIES SPECIALIZED ASSISTANCE PROGRAM [LFB Paper 767]**

SEG	\$223,000
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Provide \$111,500 annually for an 11.6% increase to funding for the seniors and individuals with disabilities specialized assistance program in the first year of the 2023-25 biennium. This would increase funding from \$959,000 in base funding to \$1,102,900 in 2023-24 and thereafter. 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.

**4. PARATRANSIT AIDS**

SEG	\$386,700
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Provide \$127,200 in 2023-24 and \$259,500 in 2024-25 for a 4.0% increase to funding for paratransit aid in each year of the 2023-25 biennium. This would increase funding from \$3,178,100 in base funding to \$3,305,300 in 2023-24 and \$3,437,600 in 2024-25.

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.

**5. CONNECTING HIGHWAY AIDS**

SEG	\$7,457,600
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Provide \$2,485,900 in 2023-24 and \$4,971,700 in 2024-25 to fund a 25.0% increase in the connecting highway aid distribution for municipalities for calendar year 2024 and thereafter. Increase the calendar year aid mileage distribution rates by 25.0% for each category of municipality.

[Act 19 Section: 384]

## Local Transportation Assistance

**1. LOCAL ROADS IMPROVEMENT PROGRAM [LFB Paper 770]**

SEG	\$4,016,800
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Provide the following increases to the local roads improvement program (LRIP): (a) \$714,600 in 2023-24 and \$1,457,800 in 2024-25 for the formula allocation component of the program; and (b) \$606,700 in 2023-24 and \$1,237,700 in 2024-25 for the discretionary grants

component of the program. This would represent a 4% increase each year in the base level of funding currently provided for the program.

Specify the annual amounts to be allocated to each category of local units of government under the discretionary grants component in the 2023-25 biennium as follows: (a) \$5,615,600 in 2023-24 and \$5,840,200 in 2024-25 for counties; (b) \$6,151,900 in 2023-24 and \$6,398,000 in 2024-25 for towns; and (c) \$4,006,600 in 2023-24 and \$4,166,900 in 2024-25 for municipalities. The table below compares funding for LRIP in 2021-23 with the recommended 2023-25 funding level for both program components.

### Biennial LRIP Funding -- 2021-23 to 2023-25 Act 19 Comparison

	<u>2021-23</u>	<u>Act 19 2023-25</u>	<u>Difference</u>	<u>% Change</u>
<b>Formula-Based Allocation*</b>				
Counties (43%)	\$15,106,400	\$16,040,600	\$934,200	6.2%
Towns (28.5%)	10,012,400	10,631,500	619,100	6.2
Municipalities (28.5%)	<u>10,012,400</u>	<u>10,631,500</u>	<u>619,100</u>	6.2
Total Formula Funds	\$35,131,200	\$37,303,600	\$2,172,400	6.2%
<b>Discretionary Allocation</b>				
Counties	\$10,786,800	\$11,455,800	\$669,000	6.2%
Towns	11,847,200	12,549,900	702,700	5.9
Municipalities	<u>7,700,800</u>	<u>8,173,500</u>	<u>472,700</u>	6.1
Total Discretionary Funds	\$30,334,800	\$32,179,200	\$1,844,400	6.1%
<b>Biennial Program Total</b>	\$65,466,000	\$69,482,800	\$4,016,800	6.1%

\*Does not include \$600,000 from the formula-based allocation, which supports 3.0 positions in DNR for the environmental review of local road projects under current law and under the bill. This amount is deducted from the total prior to calculating the percentage-based formula allocations shown in the top section of the table.

LRIP provides discretionary and formula-based grants through separate appropriations of state funds. These grants are provided on a biennial basis for capital improvements on existing county, town, and municipal roads and for feasibility studies for such improvements. For the purposes of the program, a capital improvement is defined as a project with a projected design life of at least 10 years. Grants may cover up to 50% of the total project cost, with the balance being provided, generally, by the local recipient. All costs of improvements are initially the responsibility of the local government. County and municipal projects must have eligible costs exceeding \$250,000 and town projects must have eligible costs exceeding \$100,000. Upon completion of a project, a local government can apply to DOT for reimbursement of up to 50% of the project costs.

[Act 19 Section: 380m]

**2. LOCAL ROADS IMPROVEMENT PROGRAM -- DISCRETIONARY SUPPLEMENTAL GRANTS [LFB Paper 770]**

SEG	\$100,000,000
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Provide one-time funding of \$100,000,000 in 2023-24 for the discretionary supplemental grants component of LRIP (LRIP-S). LRIP-S is administered in the same fashion as the discretionary grants component of LRIP, which distributes grants to local units of government for capital improvements on existing roads under their jurisdiction. Grant recipients are required to provide matching funds of a minimum 10% of the total cost of a selected project. LRIP-S was also provided with one-time funding of \$100.0 million SEG in the 2021-23 biennium.

Specify that the funding be allocated for county trunk highway improvements, town road improvements, and municipal street improvements so that total LRIP-S funding is distributed among these groups at the same percentage that each group is allocated under the LRIP discretionary grants component (35.6% for counties, 39.0% for towns, and 25.4% for municipalities in the 2023-25 biennium).

[Act 19 Section: 383]

**3. LOCAL ROADS IMPROVEMENT PROGRAM -- AGRICULTURAL ROADS**

SEG	\$150,000,000
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Create a continuing appropriation for a new LRIP component for agricultural roads, and provide \$150,000,000 to the program component in 2023-24. 2023 Act 13 creates an agricultural roads component within LRIP to reimburse political subdivisions for agricultural road projects. Eligible projects would be located on highways functionally classified as local roads or minor collectors that provide access to agricultural lands or facilities used for the production of agricultural goods that are used by at least one agricultural producer, which have been subject to a posted weight limitation either for at least one month during the previous year, or due to structural deficiencies. The Department is required to select projects that provide the greatest benefit to agricultural producers in the state. The program would make grants of up to 90% of reimbursable costs, and the Department could not award a program grant after five years after the effective date of the Act. The program would require DOT to develop a simple and clear application process that would be reasonably accessible to political subdivisions with limited staffing resources, including an application that does not exceed two pages in length.

[Act 19 Section: 96]

**4. LOCAL ROADS IMPROVEMENT PROGRAM -- COUNTY HIGHWAY O IN RICHLAND COUNTY**

SEG	\$4,180,000
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Provide \$4,180,000 in 2023-24 to the local roads improvement program discretionary grants component, and specify that DOT shall award a grant under the local roads improvement program in the amount of \$4,180,000 to Richland County for the County Highway O construction project

in the 2023-25 fiscal biennium, notwithstanding the program's current law statutory requirements and limitations.

[Act 19 Sections: 95 and 9144(4)]

**5. SOUTHERN BRIDGE PROJECT IN BROWN COUNTY** [LFB Paper 771] 

SEG	\$50,000,000
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Provide \$50,000,000 in 2023-24 for the accelerated local bridge improvement assistance program to support the construction of the "Southern Bridge" in Brown County. The 2021-23 budget required DOT to submit a request for funding for the Southern Bridge project as part of its 2023-25 biennial budget request. The scope of the project is defined as the segment of County Highway GV in Brown County from County Highway D to State Highway 57, a stretch of the highway crossing over the Fox River and connecting to I-41 west of the River, which does not currently exist. Additional local road construction would be needed as County Highway GV currently ends 2.8 miles east of the Fox River and no local highway currently connects the west bank of the River to I-41. DOT also indicates that the bridge would remain under the jurisdiction of Brown County after construction. DOT has identified a preferred alternative, and has published a notice of intent to prepare a Tier 1 environmental impact statement associated with the project. In March, 2022, the project also received \$5,000,000 in congressionally-directed, federal funding under the federal Consolidated Appropriations Act, 2022.

As part of the I-41 major highway development expansion project, DOT is constructing a new diamond interchange that will allow for the future connection of County Highway GV, to be constructed west of the Fox River, to the interstate. The Department has indicated that the state funding for the Southern Bridge would only be used for the bridge portion of the project and that the participating local governments would be responsible for the local highway connections to the proposed bridge and the I-41 interchange.

[Act 19 Sections: 90 and 9144(5)]

**6. FREIGHT RAIL PRESERVATION PROGRAM** [LFB Paper 772] 

SEG	\$13,000,000
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Provide \$13,000,000 in 2023-24 to the freight rail preservation program. Program funding is used to acquire abandoned railroad lines or make improvements on lines already owned by the state to upgrade them to modern freight rail standards.

**7. HARBOR ASSISTANCE PROGRAM** [LFB Paper 773] 

SEG	\$20,000,000
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Provide \$20,000,000 in 2023-24 to the harbor assistance program. The program provides grants for making capital improvements to harbors on the Great Lakes or the Mississippi River system. The amount authorized would be \$700,000 more than the \$15,300,000 in bonding authority provided in the 2021-23 biennium. Base program funding of \$651,000 annually also

exists to help fund project costs (\$493,000 annually) and administrative costs (\$157,200 annually).

**8. HARBOR ASSISTANCE PROGRAM -- FUEL PIPELINE IN MILWAUKEE COUNTY**

SEG	\$10,000,000
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Provide \$10,000,000 to the harbor assistance program continuing appropriation in 2023-24. Specify that notwithstanding eligibility requirements for the harbor assistance program, DOT shall award a grant of \$10,000,000 in the 2023-25 fiscal biennium to entities for the purpose of assisting in the construction of a fuel pipeline extension from the Mitchell International Airport to the Port of Milwaukee. Specify that this provision does not apply unless DOT is awarded a grant under the federal Port Infrastructure Development Program for the construction of a pipeline extension from the Mitchell International Airport to the Port of Milwaukee.

[Act 19 Sections: 92 and 9144(2)]

**9. LOCAL BRIDGE IMPROVEMENT ASSISTANCE PROGRAM FEDERAL FUNDING ALLOCATION [LFB Paper 775]**

FED	\$70,000,000
SEG	20,000,000
SEG-L	<u>17,500,000</u>
Total	\$107,500,000

Provide \$35,000,000 FED, \$10,000,000 SEG, and \$8,750,000 SEG-L annually to the local bridge improvement assistance program, which makes grants using both state and federal funds for projects to rehabilitate and replace bridges that are under local jurisdiction (not on state trunk highways or connecting highways). This would increase the program's overall annual funding level to \$59,605,500 FED, \$28,470,600 SEG, and \$19,907,600 SEG-L. The federal funding increase is associated with the federal Bridge Formula Program, which is expected to provide the state with \$45,000,000 annually over each year of the IJA's five-year federal authorization (2022-26) for state and local bridge projects that reduce the overall number of bridges in poor condition. The recommended SEG-L funding reflects the requirement that grant recipients provide a 20% match on the total cost of the awarded project.

**10. LOCAL BRIDGE IMPROVEMENT ASSISTANCE PROGRAM - RAY NITSCHKE MEMORIAL BRIDGE**

SEG	\$1,200,000
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Provide \$1,200,000 in 2023-24 to the local bridge improvement assistance program, and require the Department to set aside \$1,200,000 SEG in 2023-24 from funding provided to the local bridge improvement assistance program in the 2023-25 biennium for repairs to the Ray Nitschke Memorial Bridge located on USH 141 (City of Green Bay) in Brown County. Specify that DOT provide the funding notwithstanding the eligibility requirements of the program.

[Act 19 Sections: 94 and 9144(7)]

**11. LOCAL BRIDGE IMPROVEMENT ASSISTANCE PROGRAM -- MAIN STREET BRIDGE IN WATERTOWN**

SEG	\$2,000,000
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Provide \$2,000,000 to the local bridge improvement assistance program in 2023-24, and specify that DOT shall award a grant of \$2,000,000 from the program in the 2023-25 biennium to the City of Watertown for a project to reconstruct the Main Street bridge, notwithstanding the program's current law statutory requirements and limitations.

[Act 19 Sections: 94 and 9144(6)]

**12. ASSESSMENT OF LOCAL BRIDGES AND CULVERTS**

Provide \$12,500,000 to the Joint Committee on Finance SEG supplemental biennial appropriation in 2023-24 for assessment of local bridges and culverts that are less than 20 feet in length, and create a biennial DOT SEG appropriation that could receive the funds. Direct DOT to develop a program for counties to assess local bridges and culverts that are 20 feet or under in length, but greater than six feet in length (funding is shown under "Program Supplements").

[Act 19 Sections: 91 and 376]

**13. AIRPORT IMPROVEMENT PROGRAM [LFB Paper 781]**

FED	\$78,000,000
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Provide \$39,000,000 annually to the DOT aeronautics assistance appropriation to reflect a reestimate of available federal funding in the biennium. Beginning in 2021-22, the federal IJA created a new airport infrastructure grants program, which provided the state with airport funding of \$39.8 million in 2021-22, and \$39.0 million in 2022-23. The state is expected to continue receiving similar amounts of formula funds from this program in each year of the 2023-25 biennium.

**14. AIRPORT IMPROVEMENT PROGRAM -- APPLETON INTERNATIONAL AIRPORT**

SEG	\$7,000,000
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Provide \$7,000,000 to the airport improvement program in 2023-24, and specify that DOT award a grant of \$7,000,000 to the Appleton International Airport in 2023-24 for improvements as part of the airport's terminal expansion project, notwithstanding statutory requirements on cost sharing for airport improvement projects.

[Act 19 Sections: 93 and 9144(3)]

**15. PASSENGER RAIL OPERATIONS ASSISTANCE [LFB Paper 778]**

SEG	\$971,200
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Provide \$453,100 in 2023-24 and \$518,100 in 2024-25 to the Department's passenger rail service appropriation. This would increase funding from \$6,800,000 in base funding to \$7,253,100 in 2023-24 and \$7,318,100 in 2024-25.

## State Highway Program

### 1. STATE HIGHWAY IMPROVEMENT PROGRAM SUMMARY

The following table compares total funding for state highway improvement programs under 2022-23 adjusted base with Act 19 for those programs in the 2023-25 biennium. Since the highway improvement program relies on both current revenues (SEG and FED) and bond proceeds to fund program activity, the tables show the 2022-23 SEG and FED appropriation adjusted base, plus the amount of bonding that was allocated in 2022-23.

#### State Highway Improvement Program Summary -- Base Funding to Act 19 Comparison

Fund Source	2022-23 Base Plus Bonds	Act 19*		Change to Base Plus Bonds Doubled	
		2023-24	2024-25	Amount	% Change
SEG	\$592,438,700	\$940,612,500	\$630,595,200	\$386,330,300	32.6%
FED	685,071,200	760,745,300	777,685,700	168,288,600	12.3
Bonds	103,511,600**	176,400,000	176,400,000	145,776,800	70.4
Total	\$1,381,021,500	\$1,877,757,800	\$1,584,680,900	\$700,395,700	25.4%

\* Amounts shown comprise all highway improvement program provisions, including base funding, adjustments to the base, and standard budget adjustments.

\*\* Amount shown includes \$10.4 million in existing revenue bond proceeds associated with premiums from previously issued bonds.

The following tables compare total funding for state highway improvement programs in the 2021-23 biennium with the amounts provided in the 2023-25 biennium under Act 19, including standard budget adjustments and a provision to provide an increase in pay for DOT engineers (see "Departmentwide"). 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 -- 2021-23 to 2023-25 Act 19 Comparison

Fund Source	2021-23	Act 19 2023-25*	Biennial Change in Resources	% Change
SEG	\$1,180,234,900	\$1,571,207,700	\$390,972,800	33.1%
FED	1,485,562,200	1,538,431,000	52,868,800	3.6
Bonds	209,023,200	352,800,000	143,776,800	68.8
Total	\$2,874,820,300	\$3,462,438,700	\$587,618,400	20.4%

\* Amounts shown comprise all highway improvement program provisions, including base funding, adjustments to the base, and standard budget adjustments.



**State Highway Improvement Program Component Summary --  
2021-23 to 2023-25 Act 19 Comparison**

<u>Fund Source</u>	<u>2021-23</u>	<u>Act 19 2023-25*</u>	<u>Biennial Change in Resources</u>	<u>% Change</u>
<b>State Highway Rehabilitation</b>				
SEG	\$1,118,011,700	\$1,156,611,300	\$38,599,600	3.5%
FED	<u>1,089,208,600</u>	<u>1,075,758,300</u>	<u>-13,450,300</u>	-1.2
Subtotal	\$2,207,220,300	\$2,232,369,600	\$25,149,300	1.1%
<b>Major Highway Development</b>				
SEG	\$50,223,200	\$210,068,600	\$159,845,400	318.3%
FED	366,353,600	381,839,700	15,486,100	4.2
Trans. Revenue Bond Proceeds	<u>149,023,200**</u>	<u>0</u>	<u>-149,023,200</u>	-100.0
Subtotal	\$565,600,000	\$591,908,300	\$26,308,300	4.7%
<b>SE Wis. Freeway Megaprojects</b>				
SEG	\$12,000,000	\$157,327,800	\$145,327,800	1,211.1%
FED	30,000,000	80,833,000	50,833,000	169.4
Gen. Ob. Bonds (SEG)	<u>40,000,000</u>	<u>0</u>	<u>-40,000,000</u>	-100.0
Subtotal	\$82,000,000	\$238,160,800	\$156,160,800	190.4%
<b>Major Interstate Bridge Construction</b>				
SEG	\$0	\$47,200,000	\$47,200,000	N.A.
Gen. Ob. Bonds (SEG)	<u>0</u>	<u>352,800,000</u>	<u>352,800,000</u>	N.A.
Subtotal	\$0	\$400,000,000	\$400,000,000	N.A.
<b>Design-Build Projects</b>				
Gen. Ob. Bonds (SEG)	\$20,000,000	\$0	-\$20,000,000	-100.0%
<b>Total</b>	<b>\$2,874,820,300</b>	<b>\$3,462,438,700</b>	<b>\$587,618,400</b>	<b>20.4%</b>

\*Amounts shown comprise all highway improvement program provisions, including base funding, adjustments to the base, and standard budget adjustments.

\*\*Amount shown includes \$20.8 million in existing revenue bond proceeds associated with premiums from previously issued bonds.

**2. STATE HIGHWAY REHABILITATION PROGRAM [LFB Paper 785]**

FED	\$94,588,900
SEG	<u>30,425,900</u>
Total	\$125,014,800

Make the following changes to base level state highway rehabilitation program funding in order to provide a 2023-25 funding level of \$2,221.7 million: (a) increases of \$5,478,400 SEG in 2023-24 and \$24,947,500 SEG in 2024-25; and (b) increases of \$48,559,800 FED in 2023-24 and \$46,029,100 FED in 2024-25.

Along with these increases to base program funding, the following Act 19 provisions impact state highway rehabilitation program funding in the biennium, and are summarized in separate items: (a) standard budget adjustment increases of \$585,900 SEG and \$2,901,500 FED annually; (b) \$1,826,900 FED annually for a pay increase for DOT engineers (See "Departmentwide"); and (c) \$7,000,000 SEG in 2023-24 to construct sound barriers along I-894 in Milwaukee County.

Including these changes, the following tables compare state highway rehabilitation program funding in the 2023-25 biennium under Act 19 with the program's 2022-23 adjusted base funding level, as well as program funding in the 2021-23 biennium.

**State Highway Rehabilitation Program Funding --  
Base Funding to Act 19 Comparison**

<u>Fund</u>	<u>2022-23 Adjusted Base</u>	<u>Act 19*</u>		<u>Change to Base Doubled</u>	
		<u>2023-24</u>	<u>2024-25</u>	<u>Amount</u>	<u>% Change</u>
SEG	\$559,006,800	\$572,071,100	\$584,540,200	\$38,597,700	3.5%
FED	<u>485,856,300</u>	<u>539,144,500</u>	<u>536,613,800</u>	<u>104,045,700</u>	10.7
Total	\$1,044,863,100	\$1,111,215,600	\$1,121,154,000	\$142,643,400	6.8%

**2023-25 State Highway Rehabilitation Program Funding --  
2021-23 to 2023-25 Act 19 Comparison**

<u>Fund Source</u>	<u>2021-23 Biennium</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	<u>590,564,200</u>	<u>498,644,400</u>	<u>1,089,208,600</u>
Total	\$1,152,392,100	\$1,054,828,200	\$2,207,220,300

<u>Fund Source</u>	<u>Act 19*</u>		
	<u>2023-24</u>	<u>2024-25</u>	<u>Biennial Total</u>
SEG	\$572,071,100	\$584,540,200	\$1,156,611,300
FED	<u>539,144,500</u>	<u>536,613,800</u>	<u>1,075,758,300</u>
Total	\$1,111,215,600	\$1,121,154,000	\$2,232,369,600

Biennial Change in Resources	\$25,149,300
% Change in Resources	1.1%

\* Amounts shown comprise all highway improvement program provisions, including base funding, adjustments to the base, standard budget adjustments, and items shown separately.

**3. MAJOR HIGHWAY DEVELOPMENT PROGRAM [LFB Paper 786]**

FED	\$10,587,900
SEG	159,060,200
SEG-S	<u>- 147,023,200</u>
Total	\$22,624,900

Make the following changes to base level major highway development program funding in order to provide a 2023-25 funding level of \$591.3 million: (a) increases of \$146,736,800 SEG in 2023-24 and \$12,323,400 SEG in 2024-25; and (b) increases of \$4,401,600 FED in 2023-24 and \$6,186,300 FED in 2024-25. In addition, provide a decrease of \$73,511,600 SEG-S annually for the major highway development program to reflect that no transportation revenue bonds would be authorized for the program in the 2023-25 biennium.

Along with these increases to base program funding, other Act 19 provisions impact major highway development program funding in the biennium, including standard budget adjustment increases of \$184,800 SEG and \$476,100 FED annually, and \$300,900 FED annually for a pay increase for DOT engineers, and are reflected in a separate items (See "Departmentwide"). Including these changes, the following tables compare major highway development program funding in the 2023-25 biennium under Act 19 with the program's 2022-23 adjusted base funding level, as well as program funding in the 2021-23 biennium.

**Major Highway Development Program Funding --  
Base Funding to Act 19 Comparison**

Fund	2022-23 Adjusted Base Plus Bonds	Act 19*		Change to Base Plus Bonds Doubled	
		2023-24	2024-25	Amount	% Change
SEG	\$25,319,400	\$172,241,000	\$37,827,600	\$159,429,800	314.8%
FED	184,848,900	190,027,500	191,812,200	12,141,900	3.3
Rev. Bond Proceeds	<u>73,511,600**</u>	<u>0</u>	<u>0</u>	<u>-147,023,200</u>	-100.0
Total	\$283,679,900	\$362,268,500	\$229,639,800	\$24,548,500	4.3%

**Major Highway Development Program Funding --  
2021-23 to 2023-25 Act 19 Comparison**

Fund Source	2021-23 Biennium		
	2021-22	2022-23	Biennial Total
SEG	\$25,111,600	\$25,111,600	\$50,223,200
FED	182,176,800	184,176,800	366,353,600
Rev. Bond Proceeds	<u>75,511,600</u>	<u>73,511,600**</u>	<u>149,023,200**</u>
Total	\$282,800,000	\$302,850,500	\$565,600,000

  

Fund Source	Act 19*		
	2023-24	2024-25	Biennial Total
SEG	\$172,241,000	\$37,827,600	\$210,068,600
FED	<u>190,027,500</u>	<u>191,812,200</u>	<u>381,839,700</u>
Total	\$362,268,500	\$229,639,800	\$591,908,300

  

Biennial Change in Resources	\$26,308,300
% Change in Resources	4.7%

\* Amounts shown comprise all highway improvement program provisions, including base funding, adjustments to the base, and standard budget adjustments, and items shown separately.  
 \*\* Amounts shown include \$10.4 million annually in existing revenue bond proceeds associated with premiums from previously issued bonds.

Estimated project completion schedules for major highway development projects receiving funding under Act 19 are shown in the following table. Anticipated completion dates indicate when the mainline is open to traffic provided by DOT in the February, 2023, report to the Transportation

Projects Commission (TPC), which may be different than the final year of expenditure. Act 19 provides \$591.9 million for major highway development projects in 2023-25, while the February, 2023 TPC report estimates \$659.0 million in project expenditures during the 2023-25 biennium, a difference of \$67.1 million. However, the Department anticipates that it will receive funding from an \$80.0 million grant in the biennium for the I-39/90/94 Wisconsin River Bridges project, which was awarded from the federal INFRA program on September 19, 2022. The \$591.3 million in funding that would be provided Act 19, plus the \$80.0 million federal INFRA grant for the Wisconsin River bridges project, would be sufficient to fund the \$659.0 million in anticipated major highway development project expenditures in the biennium.

### **Anticipated Major Highway Development Project Schedule Under Act 19**

<u>Highway</u>	<u>Project Segment</u>	<u>Counties</u>	<u>Completion Year</u>	<u>2023-25 Cost (\$ in millions)*</u>
STH 15	STH 76 to New London	Outagamie	2024	35.5
I-43	Silver Spring Drive to STH 60	Milwaukee & Ozaukee	2024	91.4
I-41	STH 96 to Scheuring Rd	Outagamie & Brown	2029	323.4
I-39/90/94	Bridges over Wisconsin River	Columbia	2028	150.5
USH 51	I-39/90 to USH 12/18	Dane	2029	58.2
USH 53	La Crosse Corridor	La Crosse	**	**
Total				\$659.0

\* Estimated 2023-25 costs, inflated to year of expenditure, were included in DOT's February, 2023 report to the TPC.  
 \*\* The La Crosse Corridor project was enumerated in 1997, but a preferred alternative was not selected and the project study process was restarted in 2021. The project's scope and estimated costs will be known once the preferred alternative is selected.

#### **4. SOUTHEAST WISCONSIN FREEWAY MEGAPROJECTS** [LFB Paper 787]

FED	\$51,319,200
SEG	<u>141,033,600</u>
Total	\$192,352,800

Make the following changes to base level southeast Wisconsin freeway megaprojects program funding in order to provide a 2023-25 funding level of \$237.8 million: (a) increases of \$140,953,300 SEG in 2023-24 and \$80,300 SEG in 2024-25; and (b) increases of \$16,816,400 FED in 2023-24 and \$34,502,800 FED in 2024-25.

Along with these increases to base level program funding, other Act 19 provisions impact southeast Wisconsin freeway megaprojects funding in the biennium, including standard budget adjustment increases of \$34,600 SEG and \$210,500 FED annually, and \$180,400 FED annually for a pay increase for DOT engineers, and are reflected in separate items (See "Departmentwide"). With these changes, the following tables compare major highway development program funding in the 2023-25 biennium under Act 19 with the program's 2022-23 adjusted base funding level, as well as program funding in the 2021-23 biennium.

**Southeast Wisconsin Freeway Megaprojects Program Funding --  
Base Funding to Act 19 Comparison**

<u>Fund</u>	<u>2022-23 Adjusted Base Plus Bonds</u>	<u>Act 19*</u>		<u>Change to Base Plus Bonds Doubled</u>	
		<u>2023-24</u>	<u>2024-25</u>	<u>Amount</u>	<u>% Change</u>
SEG	\$8,112,500	\$149,100,400	\$8,227,400	141,102,800	869.7%
FED	14,366,000	31,573,300	49,259,700	52,101,000	181.3
Gen. Ob. Bonds (SEG)	<u>20,000,000</u>	<u>0</u>	<u>0</u>	<u>-40,000,000</u>	-100.0
Total	\$42,478,500	\$180,673,700	\$57,487,100	\$153,203,800	180.3%

**Southeast Wisconsin Freeway Megaprojects Program Funding --  
2021-23 to 2023-25 Act 19 Comparison**

<u>Fund Source</u>	<u>2021-23 Biennium</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

  

<u>Fund Source</u>	<u>Act 19*</u>		
	<u>2023-24</u>	<u>2024-25</u>	<u>Biennial Total</u>
SEG	\$149,100,400	\$8,227,400	\$157,327,800
FED	<u>31,573,300</u>	<u>49,259,700</u>	<u>80,833,000</u>
Total	\$180,673,700	\$57,487,100	\$238,160,800

  

Biennial Change in Resources	\$156,160,800
% Change in Resources	190.4%

\* Amounts shown comprise all highway improvement program provisions, including base funding, adjustments to the base, and standard budget adjustments.

**5. MAJOR INTERSTATE BRIDGE IMPROVEMENT PROGRAM -- BLATNIK BRIDGE RECONSTRUCTION**  
[LFB Paper 788]

SEG	\$47,200,000
BR	<u>352,800,000</u>
Total	\$400,000,000

Authorize \$352,800,000 in transportation fund-supported, general obligation bonding authority, and provide \$47,200,000 SEG to the major interstate bridge program in 2023-24 to reconstruct the Blatnik Bridge between the cities of Superior and Duluth, Minnesota. The Department is working with the Minnesota Department of Transportation to advance a project to replace the bridge, which is nearing the end of its useful life. Preparatory planning and design would be completed before construction can occur, which could begin in 2026 at the earliest according to the Department. The debt service estimates included in the Act do not anticipate the issuance of any of these bonds in the biennium.

The Blatnik Bridge was constructed in 1958 and is currently experiencing significant truss deterioration, resulting in the need for weight restrictions and regular structural repairs. The Department estimates that the project to reconstruct the bridge would cost approximately \$1.8 billion. Costs to replace the bridge would be split between Wisconsin and Minnesota, with Minnesota leading the project. The Department has also indicated that it may complete improvements to related roadways and interchanges on the Wisconsin side of the bridge in conjunction with the project. The states have jointly submitted an \$889 million federal grant application for the project. However, the Department indicates that the federal government may not approve a grant until further design and planning work is completed. The project has also received \$7,500,000 in congressionally-directed funding from the federal Consolidated Appropriations Act, 2023.

[Act 19 Section: 181]

**6. STATE HIGHWAY MAINTENANCE -- HIGHWAY SYSTEM MANAGEMENT AND OPERATIONS [LFB Paper 789]**

FED	\$12,350,000
SEG	<u>3,372,200</u>
Total	\$15,722,200

Provide \$6,175,000 FED and \$1,686,100 SEG annually to DOT's highway system management and operations appropriations. Approximately \$1,000,000 SEG annually would be used for spot painting steel bridges located on state highways, while the federal funds and \$686,100 SEG annually would be used for pavement marking activities. This would establish ongoing increases of \$6,175,000 FED and \$1,686,100 SEG annually to the program's adjusted base level funding of \$1.3 million FED and \$101.2 million SEG.

This component of the Department's state highway system maintenance program funds non-routine traffic operations and system management activities on the state trunk highway system, including pavement parking activities, installation, replacement, or maintenance of highway signs, traffic control signals, and highway lighting. It also provides funding for state traffic operations center support, bridge maintenance and operation, and purchasing deicing salt for winter maintenance.

**7. STATE HIGHWAY MAINTENANCE -- ROUTINE MAINTENANCE [LFB Paper 789]**

SEG	\$5,697,200
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Provide \$1,748,600 in 2023-24 and \$3,948,600 in 2024-25 to DOT's routine maintenance activities appropriation to cover inflationary costs in the program. This would establish an ongoing increase of \$3,948,600 annually to the program's base funding level of \$188.4 million.

This component of the Department's state highway maintenance program provides funding for a wide variety of activities related to the upkeep of state highways and highway right-of-way through contracts with counties and private contractors, as well as DOT staff. Specific activities include preventative maintenance of highways and bridges, corrective maintenance to fix urgent problems such as road washouts, and routine maintenance activities such as plowing, salting, mowing, and minor pavement repairs.

**8. STATE HIGHWAY REHABILITATION PROGRAM -- SOUND BARRIERS ON INTERSTATE 894 IN MILWAUKEE COUNTY**

SEG	\$7,000,000
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Provide \$7,000,000 to the state highway rehabilitation program in 2023-24, and specify that the funding be used to install noise attenuation barriers along the interstate 894 corridor between Loomis Road and 76th Street in Milwaukee County.

[Act 19 Sections: 97 and 9144(8)]

**Division of Motor Vehicles**

**1. PRODUCTION OF LICENSE PLATES REQUIRED UNDER 2021 ACTS 163 AND 178 [LFB Paper 790]**

SEG	\$6,506,000
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Provide \$3,253,000 annually to the Division of Motor Vehicles general operations appropriation to fund the replacement of primary vehicle license plates 10 years old or older as required under 2021 Act 163, and to fund the 2021 Act 178 creation of fleet plates for the vehicle owners with registered fleets of 10 or more vehicles. To offset the additional costs of producing and distributing these license plates, Act 163 increased the fee for new or replacement license plates from \$4 to \$8 per set, and Act 178 created an initial \$8.50 fee for each set of fleet plates. The additional revenues associated with these fees would fund the increased expenditure authority needed to carry out the administration of these replacement and fleet plate requirements. In August, 2022, the Joint Committee on Finance approved \$3,253,000 SEG in 2022-23 for this purpose, but the funding is not included in base level funding for the 2023-25 biennium. This recommendation would provide the necessary funding on an ongoing basis.

The Department of Corrections' (DOC) Bureau of Correctional Enterprises is responsible for the production of state vehicle registration plates. Once the plates are produced, DOT purchases them from DOC. Under Act 163, DOC would incur additional costs related to both manufacturing registration plates with new materials, and producing an increased volume of plates, which would be reimbursed by DOT. [See also "Corrections -- Adult Institutions."]

**2. MODERNIZATION OF DMV SOFTWARE SYSTEM [LFB Paper 791]**

SEG	\$3,000,000
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Provide \$3,000,000 in 2024-25 to the Division of Motor Vehicles general operations appropriation to fund the modernization of the Division's software systems. This would provide ongoing supplies and services funding for this purpose. DMV utilizes several software programs to perform tasks including serving customers, processing revenue, sharing information with external agencies, and storing data and files including customer personal identifiers and

documents. The Department indicates that DMV's current software systems are dated, inefficient, and subject to cybersecurity risks. In addition, the Department indicates that the American Association of Motor Vehicle Administrators, which provides support for DMV's systems to interface with federal databases, will discontinue such support for older, outdated software systems in 2025. The Department estimates the total cost of the 10-year master lease at \$30.0 million.

**3. IDENTIFICATION STICKER FOR ELECTRIC VEHICLES**

SEG	\$16,000
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[LFB Paper 793]

Provide \$10,000 in 2023-24 and \$6,000 in 2024-25 to the Division of Motor Vehicles general operations appropriation to issue identification stickers for electric and hybrid-electric vehicles. Require DOT to issue at no cost a decal for each hybrid and hybrid-electric vehicle in the state that identifies the vehicle as electric, and require that the decals must be displayed on the front and rear registration plates of the vehicle.

[Act 19 Sections: 456 thru 458]

**4. DRIVER EDUCATION GRANTS**

Provide \$6,000,000 SEG to the Joint Committee on Finance supplemental appropriation in 2024-25 for a driver education grant program, and create a continuing DOT SEG appropriation that could receive the funds. [Funding is shown under "Program Supplements."]

[Act 19 Section: 98]

## State Patrol

**1. STATE PATROL TROOPERS -- TRAFFIC OFFICER POSITIONS** [LFB Paper 795]

Place \$4,775,100 SEG annually in compensation reserves in the transportation fund to fund a potential increase in pay for traffic offices of up to \$5 per hour. Pay rates for traffic officers are established through a collective bargaining process that occurs between DOA's Division of Personnel Management and union representatives. Negotiations occur separately from the budget process. If \$5 per hour pay increases were provided to all authorized traffic officer positions, it would establish an increase of \$4,775,100 to base level SEG funding in DOT's State Patrol general operations appropriation.

**2. IN-VEHICLE VIDEO CAMERAS** [LFB Paper 796] 

GPR	\$2,178,000
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Provide \$2,178,000 in 2023-24 to the Division of State Patrol general operations



appropriation to fund the one-time replacement of State Patrol's 500 in-vehicle video cameras. All State Patrol squad cars are equipped with in-vehicle camera systems, and the Division is required to store video records from the cameras. In the 2017-19 budget, the Division was provided with a one-time allocation of \$2.75 million GPR to purchase 500 cameras. DOT indicates that these devices have reached the end of their useful life and have begun to experience equipment failures. The recommended funding would be used to purchase 500 cameras annually at the estimated price of \$4,356 each, a figure that includes costs for licensing, software, security, and data storage.

**3. INSTALLATION AND MAINTENANCE OF COMMUNICATIONS EQUIPMENT [LFB Paper 797]** SEG \$1,300,000

Provide \$650,000 annually to the DOT departmental management and operations appropriation for the maintenance of DOT communications towers. Specify that the additional \$650,000 would not be included in base level funding for the appropriation in the 2025-27 budget. The Division of State Patrol owns, operates, and maintains 67 communications towers and 92 network locations across the state that provide communications and internet protocol networks for State Patrol, as well as a wide variety of other federal, state, and local agencies, including other law enforcement departments. The funding will be used to address a current backlog of maintenance work at communications tower sites, including replacing backup generators, and HVAC systems, and improving the general accessibility and security of tower sites.

**4. MOTOR CARRIER INSPECTOR POSITIONS [LFB Paper 795]**

	Funding	Positions
FED	\$5,925,200	3.00
SEG	<u>108,100</u>	<u>0.00</u>
Total	\$6,033,300	3.00

Provide the following to DOT's State Patrol general operations appropriation for State Patrol motor carrier inspectors:

(a) 3.0 FED positions, \$350,600 FED in 2023-24 and \$261,400 FED in 2024-25, and \$61,900 SEG in 2023-24 and \$46,200 SEG in 2024-25 to hire three additional State Patrol motor carrier inspectors at a rate of 85% FED and 15% SEG, reflecting matching requirements under the federal motor carrier safety administration program (MCSAP); (b) an additional \$2,612,000 FED in 2023-24 and \$2,701,200 FED in 2024-25, reflecting the total MCSAP funding that is expected to be provided to the state in the biennium; and (c) place \$624,200 SEG annually in compensation reserves in the transportation fund to fund a potential increase in pay for motor carrier inspectors of up to \$5 per hour.

The compensation reserves funding would be available to fund a pay increase for State Patrol inspectors, which would be established through a collective bargaining process that occurs between DOA's Division of Personnel Management and union representatives. Negotiations occur separately from the budget process. If \$5 per hour pay increases were provided to all authorized inspector positions, it would establish an increase of \$624,200 to base level SEG funding in DOT's State Patrol general operations appropriation.

**5. TACTICAL HELMETS FOR STATE TROOPERS [LFB Paper 796]**

GPR	\$170,700
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Provide \$170,700 in 2023-24 to the Division of State Patrol general operations appropriation to fund the one-time purchase of 510 tactical helmets for state troopers. 2017 Act 59 (the 2017-19 budget) created a GPR appropriation for purchasing protective gear for State Patrol officers, and provided a one-time funding amount of \$800,000 in 2017-18 to purchase equipment, including 500 tactical helmets at an estimated price of \$365 each. The Department indicates that the seven-year warranty on this stock of existing tactical helmets will expire in April, 2025. In addition, 2021 Act 28 (the 2021-23 budget act) provided a one-time amount of \$387,500 in 2021-22 to replace personal protective gear for State Patrol officers. This funding was used to purchase tactical vest ballistic plates, while the need for tactical helmets remains.

**Departmentwide**

**1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]**

FED	\$12,331,200
PR	357,800
SEG	4,502,600
SEG-S	<u>84,600</u>
Total	\$17,276,200

Make adjustments to the agency base budget for: (a) turnover reduction (-\$7,786,700 SEG and -\$2,519,300 FED annually); (b) full funding of continuing position salaries and fringe benefits (\$6,654,800 SEG, \$42,300 SEG-S, \$7,636,400 FED, and -\$42,900 PR annually); (c) overtime (\$3,832,300 SEG, \$1,030,400 FED, and \$221,800 PR annually); (d) night and weekend differential pay (\$344,900 SEG and \$18,100 FED annually); and (e) full funding of lease and directed moves costs (-\$794,000 SEG annually).

**2. DOT ADMINISTRATIVE FACILITIES -- CAPITAL BUILDING PROJECTS [LFB Paper 805]**

SEG-S	\$5,500,000
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Require the Department to utilize \$18,500,000 in existing transportation revenue bond premium proceeds to fund DOT administrative facility projects. Provide an increase of \$2,750,000 SEG-S annually from base level funding of \$6,500,000 SEG-S to allow the Department to fully-expend the \$18.5 million in bond premium proceeds. The table below shows the DOT administrative facility projects that would be completed with these funds, as enumerated in the 2023-25 state building program (See "Building Program").

**2023-25 State Building Program -- DOT Projects**

<u>Capital Project</u>	<u>Amount</u>
Spooner Shared Multi-Division Facility	\$11,490,000
Tomah State Patrol Post HVAC Replacement	475,000
Waukesha State Patrol Post HVAC Replacement	475,000
State Patrol Academy Bathroom and Window Upgrades	425,000
Fond du Lac DMV Service Center HVAC Replacement	350,000
Facility Projects Under \$350,000	<u>5,285,000</u>
<b>Total</b>	<b>\$18,500,000</b>

[Act 19 Section: 9144(9)]

**3. MISSISSIPPI RIVER PARKWAY COMMISSION POSITION [LFB Paper 807]**

	<b>Positions</b>
SEG	0.50

Provide 0.5 position funded from existing funding to the Mississippi River Parkway Commission for the purpose of providing administrative support to the Commission. Under current law, the Commission assists in coordinating the development and preservation of the Great River Road in Wisconsin. The Great River Road is a designated collection of roads that follow the course of the Mississippi River through 10 states. The Wisconsin portion consists of a network of state and local highways spanning between Kieler (Grant County) and Prescott (Pierce County). The Commission is comprised of designated civilian and public sector stakeholders, as well as two senators and two representatives. The members are appointed to four-year terms by the Governor and serve without compensation, but may be reimbursed for actual expenses of performing their duties from DOT's departmental management and operations SEG appropriation.

**4. MODIFICATIONS TO DEPARTMENT MANAGEMENT AND OPERATIONS APPROPRIATIONS [LFB Paper 808]**

FED	-\$12,740,200
SEG-L	<u>- 738,000</u>
<b>Total</b>	<b>-\$13,478,200</b>

Provide annual decreases of \$6,370,100 FED and \$369,000 SEG-L to the FED and SEG-L department management and operations appropriations. In addition, delete existing negative adjustment allotment lines within the DOT SEG departmental management and operations appropriation and reduce the position salaries allotment line of the SEG appropriation by \$6,988,900 annually. These funding modifications would correct for a mismatch in funding and expenditures among these appropriations.

**5. INTERNAL REORGANIZATION OF POSITION AND FUNDING [LFB Paper 808]**

	<b>Funding</b>	<b>Positions</b>
SEG	-\$263,000	- 1.00

Decrease funding by \$131,500 SEG annually and 1.00 SEG position from the Division of Motor Vehicles general operations appropriation associated with an agency equity and inclusion policy officer.

**6. PAY INCREASE FOR DOT ENGINEERS**

FED	\$5,710,000
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Provide \$2,855,000 FED annually, and place \$2,535,500 SEG annually in compensation reserves in the transportation fund to fund a 10% increase in pay for DOT engineers. Pay rates for DOT engineers are established separately through the state compensation plan, changes to which are subject to review and approval by the Joint Committee on Employment Relations. [See "Budget Management and Compensation Reserves"]

The impacted job classifications would include civil engineers, structural engineers, and transportation specialists, as well as the DOT engineering and technical services chiefs. Most of these positions are located in DOT clearing appropriations, and receive funding from several departmental appropriations. The table below shows how the \$2.9 million annually in additional FED would be allocated among DOT appropriations in each year of the 2023-25 biennium, reflecting the proportion of funding that these positions currently receive from these appropriations. If the SEG funding is fully-allocated from compensation reserves, it would establish an increase of \$2,535,500 to base level SEG funding for DOT, which would be distributed among various DOT SEG appropriations in a fashion similar to the FED appropriations shown in the table.

<u>Federal Appropriation</u>	<u>Annual Increase</u>
Aeronautics Assistance	\$40,300
Local Bridge Improvement	38,300
Local Transportation Facility Improvement Assistance	91,600
Southeast Freeway Megaprojects	180,400
Major Highway Development	300,900
State Highway Rehabilitation	1,826,900
Highway System Mgmt. and Ops.	209,300
Administration and Planning	<u>167,300</u>
Total	\$2,855,000

**7. UTILITY RELOCATION DELAY POSITIONS**

	<b>Funding</b>	<b>Positions</b>
SEG	\$829,700	4.00

Provide \$355,600 in 2023-24, \$474,100 in 2024-25, and 4.00 positions to the DOT administration and planning appropriation to resolve utility relocation delay claims between contractors and utility owners.