

# State of Wisconsin

SENATE CHAIR  
**Alberta Darling**

317 East, State Capitol  
P.O. Box 7882  
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ASSEMBLY CHAIR  
**John Nygren**

308 East, State Capitol  
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Phone: (608) 266-2343

## Joint Committee on Finance

### MEMORANDUM

To: Members  
Joint Committee on Finance

From: Senator Alberta Darling  
Representative John Nygren

Date: April 26, 2019

Re: 14-Day Passive Review Approval – DOT

Pursuant to s. 84.03(2)(b), Stats., attached is a 14-calendar day passive review request from the Department of Transportation, received on April 26, 2019.

Please review the material and notify **Senator Darling** or **Representative Nygren** no later than **Thursday, May 9, 2019**, if you have any concerns about the request or if you would like the Committee to meet formally to consider it.

Also, please contact us if you need further information.

Attachments

AD:JN:jm



**Wisconsin Department of Transportation**  
Office of the Secretary  
4822 Madison Yards Way, S903  
Madison, WI 53705

Governor Tony Evers  
Secretary-Designee Craig Thompson  
[wisconsin.gov](http://wisconsin.gov)  
Telephone: (608) 266-1114  
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April 17, 2019

The Honorable Alberta Darling  
Senate Chair, Joint Committee on Finance  
317 East, State Capitol  
PO Box 7882  
Madison, WI 53707-7882

The Honorable John Nygren  
Assembly Chair, Joint Committee on Finance  
309 East, State Capitol  
PO Box 8953  
Madison, WI 53708-8953

Dear Senator Darling and Representative Nygren:

Section 84.03(2)(b), Wisconsin Statutes, requires the Department to submit a Federal Expenditure Plan to the Joint Committee on Finance (the Committee) if the amount of federal funds provided by federal transportation authorization and appropriations bills for the current State Fiscal Year (SFY) is less than 95 percent or greater than 105 percent of the amounts appropriated under s. 20.395, Wis. Stats.

#### **Federal Highway Funding in SFY 2019**

Federal highway funding requires a two-stage legislative process. Both an authorization act and an appropriations act must be in place. Typically, authorization acts cover multiple years while appropriations acts cover a single, individual federal fiscal year (FFY). The current federal surface transportation authorization – Fixing America's Surface Transportation (FAST) Act (Public Law 114-94) – was enacted on December 4, 2015 and authorizes the federal surface transportation program for FFYs 2016 through 2020.

Federal highway funding for FFY 2019 became available with enactment of the Department of Transportation Appropriations Act, 2019 (Title I of Division G of Public Law 116-6) on February 15, 2019. Federal highway funding notices for FFY 2019 were issued by the Federal Highway Administration (FHWA) dated March 11 and March 15, 2019 and FHWA fully allocated all funding on March 19, 2019.

Based on the funding information received from FHWA, the FFY 2019 Transportation Appropriations Act provided \$731,008,067 in formula funding for Wisconsin. In addition, the Appropriations Act provided supplemental highway funding from the federal General Fund. Wisconsin's allocation of the supplemental highway funding is \$52,350,521. Finally, Wisconsin received \$90,791,521 of FFY 2018 federal highway redistribution funds in SFY 2019.

Combined, the state received \$874,150,109 of federal highway funds in SFY 2019 related to the requirements under s. 84.03(2)(b), Wis. Stats. That amount is approximately 109.6% of the

\$797,458,700 federal highway funding appropriated under s. 20.395, Wis. Stats., for SFY 2019 by 2017 Wisconsin Act 59. Consequently, a Federal Expenditure Plan is required to allocate \$76,691,409 in federal highway funds to appropriations in s. 20.395, Wis. Stats.

**State Fiscal Year 2019 Federal Expenditure Plan**

The Department requests that the Committee make the following adjustments to Chapter 20 appropriations for SFY 2019:

Appropriation	Program	Fund Type	Requested Change
s. 20.395(3)(cx)	State Highway Rehabilitation	Federal	\$43,000,000
s. 20.395(3)(ex)	Highway System Management and Operations	Federal	\$5,000,000
s. 20.395(3)(ey)	Routine Maintenance Activities	Federal	\$4,000,400
s. 20.395(2)(fx)	Local Transportation Facility Improvement Assistance	Federal	\$24,691,009

**State Highway Rehabilitation** – The Department requests an increase of \$43,000,000 to the program’s federal appropriation. On August 30, 2018, the Federal Highway Administration notified states of the FFY 2018 federal redistribution funding. Wisconsin received \$90.8 million. The administration at that time advanced \$54 million of State Highway Rehabilitation projects as a result. The federal share of those advanced projects is approximately \$43 million, which is roughly the difference between the \$90.8 million in redistribution funding actually received and the amount assumed in 2017 Wisconsin Act 59 for SFY 2019. FFY 2018 federal redistribution funding was required to be obligated on projects by September 25, 2018 or would have been lost. Therefore, the majority of the projects advanced last Fall have already been let. Given the required timelines related to letting federal-aid highway construction projects and the point in the SFY, it would be very difficult to delay any projects to meet available budget authority should this request be denied.

**Highway System Management and Operations** – The Department requests an increase of \$5,000,000 to the program’s federal appropriation. The funds will be used for federally eligible activities in the program, including six projects for replacement of traffic signs, sign bridges, and pavement marking. The allotment of federal funds to the program will allow an equal amount of state SEG funding in the program to be used to assist in replenishing road salt supplies. This request is reflected in the Department’s Biannual Report on the Fiscal Status of Highway Maintenance Appropriations submitted to the Committee on April 12, 2019.

**Routine Maintenance Activities** – The Department requests an increase of \$4,000,400 to the program’s federal appropriation. The funds will be used for federally eligible activities in the program, including pavement marking projects in 25 counties. This allotment of federal funds to the program will provide an equal amount of state SEG funding to be used to address flooding and winter maintenance related costs in the program. This request is reflected in the Department’s Biannual Report on the Fiscal Status of Highway Maintenance Appropriations submitted to the Committee on April 12, 2019.

**Local Transportation Facility Improvement Assistance** – The Department requests an increase of \$24,691,009 to the program’s federal appropriation. This program provides funding for federal-aid eligible local roads and is also known as the Surface Transportation Program (STP). The additional funding would allow the Department to approve additional local road improvement projects.

Thank you for your consideration of the Department's SFY 2019 Federal Expenditure Plan. I look forward to your deliberations and decisions on our plan. Please contact Dana Burmaster, Director of the Department's Office of Management and Budget at (608) 267-9618 if the Committee requires additional information.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Thompson', written over a white background.

Craig Thompson  
Secretary-Designee

cc: Governor Tony Evers  
Members of the Joint Committee on Finance  
Secretary Joel Brennan, DOA  
Dana Burmaster, DOT OMB Director

# STATE OF WISCONSIN

SENATE CHAIR  
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## Joint Committee on Finance

April 26, 2019

Secretary-Designee Craig Thompson  
Department of Transportation  
4822 Madison Yards Way, S903  
Madison, WI 53705

Dear Secretary-Designee Thompson:

This is to inform you that we have reviewed your plan to adjust the Department of Transportation's appropriation for additional federal funds.

Under the provisions of s. 84.03(2) of the statutes, we have determined that the plan is complete. Accordingly, the Joint Committee on Finance has 14 days (until May 10<sup>th</sup>) to meet to approve or modify and approve the Department's plan. If the Committee meets, the plan is to be implemented as approved by the Committee. If the Committee does not meet within 14 days, the plan is to be implemented as proposed.

Sincerely,

  
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Alberta Darling  
Senate Chair

  
\_\_\_\_\_  
John Nygren  
Assembly Chair

AD:JN;jm

cc: Members, Joint Committee on Finance