

TRANSPORTATION

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$175,119,800	\$228,285,900	\$398,753,000	\$170,467,100	74.7%	\$223,633,200	127.7%
FED	1,845,077,600	2,286,016,000	2,173,149,800	- 112,866,200	- 4.9	328,072,200	17.8
PR	22,456,800	22,814,600	22,814,600	0	0.0	357,800	1.6
SEG	4,107,440,800	4,463,048,500	4,707,020,600	243,972,100	5.5	599,579,800	14.6
SEG-L	230,651,200	304,719,000	247,413,200	- 57,305,800	- 18.8	16,762,000	7.3
SEG-S	<u>225,556,400</u>	<u>231,141,000</u>	<u>84,117,800</u>	<u>- 147,023,200</u>	<u>- 63.6</u>	<u>- 141,438,600</u>	<u>- 62.7</u>
TOTAL	\$6,606,302,600	\$7,536,025,000	\$7,633,269,000	\$97,244,000	1.3%	\$1,026,966,400	15.5%
BR		\$441,787,300	\$352,800,000	- \$88,987,300	- 20.1%		

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
FED	874.32	874.32	877.32	3.00	3.00
PR	18.00	18.00	18.00	0.00	0.00
SEG	2,390.09	2,444.09	2,393.59	- 50.50	3.50
SEG-S	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	3,287.41	3,341.41	3,293.91	- 47.50	6.50

Budget Change Items

Transportation Finance

1. FUND CONDITION STATEMENT

The following table shows the estimated 2023-25 transportation fund condition statement under the Joint Finance version of the bill. Revenues reflect reestimates of collections under existing taxes, fees, and transfers, including increases to projected investment earnings of \$20,000,000 in 2023-24 and \$10,000,000 in 2024-25, as well as revenue changes under the Joint Committee on Finance.

The "General Fund Transfer" amounts reflect the annual statutory transfers made from the general fund to the transportation fund. These amounts include the estimate of the current law transfer of 0.25% of general fund taxes as well as the estimate of the increased general fund transfers under Joint Finance (see later item). These amounts are also based on estimated tax revenues under Joint Finance actions on general fund taxes. 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
Revenues		
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	30,401,600	30,584,200
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	\$2,651,207,400	\$2,133,424,700
Total Available	\$2,743,697,000	\$2,149,594,500
Appropriations and Reserves		
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	\$16,169,800	\$66,630,500

2. ONGOING GENERAL FUND TRANSFER TO TRANSPORTATION FUND FOR ESTIMATED SALES TAX ON AUTOMOTIVE PARTS, ACCESSORIES, REPAIR, MAINTENANCE, AND TIRES [LFB Paper 761]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR Transfer	\$96,521,200	- \$96,521,200	\$0
SEG-REV	<u>96,521,200</u>	<u>- 96,521,200</u>	<u>0</u>
Total	\$0	\$0	\$0

Governor: Transfer \$43,625,700 in 2023-24 and \$52,895,500 in 2024-25 from the general fund to the transportation fund associated with the estimated annual sales tax revenue from the sale of automotive parts, accessories, repair and maintenance services, and tires. Beginning on June 30, 2024, and in each fiscal year thereafter, require the Department of Administration (DOA) Secretary to transfer an amount calculated by DOA approximating the difference between the sales tax generated in 2020-21 from the sales of these items, and the amounts generated on the items in the fiscal year of each transfer (See also "General Fund Taxes -- General Fund Tax Transfers"). [A technical amendment would be needed to clarify the Administration's intent that 2019-20 would be the base year for this calculation.]

Joint Finance: Provision not included.

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

Governor: Transfer \$39,300,000 in 2023-24 and \$55,100,000 in 2024-25 from the general fund to the transportation fund associated with estimated annual sales tax revenue from the sale of electric vehicles. Beginning on June 30, 2024, and in each fiscal year thereafter, require the DOA Secretary to transfer an amount calculated by the Department of Administration approximating the amount of sales tax generated by the sale of electric vehicles in the state. In addition, specify that beginning in 2025-26, the transfer not exceed 120% of the amount transferred in the previous year or \$75,000,000, whichever is less.

Joint Finance: 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 in the state. Specify that, beginning on June 30, 2024, the Secretary of Administration shall transfer 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 as an estimated amount of sales tax generated by the sale of electric vehicles in the state. (See also "General Fund Taxes -- General Fund Tax Transfers.")

4. GENERAL FUND TRANSFER TO TRANSPORTATION FUND FOR REDUCED PERSONAL PROPERTY TAX REVENUE FROM RAILROAD PROPERTY TAX

Governor: Decrease revenues by \$9,000,000 in 2024-25 associated with the Governor's recommended provision to repeal the personal property tax. Make a corresponding increase in revenues associated with the transfer of \$9,000,000 in 2024-25 from the general fund to the transportation fund equal to an amount to compensate the transportation fund for reduced railroad property tax revenues (see "Shared Revenue and Tax Relief -- Property Taxation"). Specify that on December 30, 2025, and each December 30 thereafter, transfer an amount equal to the amount transferred in the previous fiscal year, increased by 1.25%.

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. Under a separate provision, the Governor's recommends the repeal of the personal property tax for local tax purposes. Under federal statute and case law, railroad companies would likely no longer be taxed on their personal property. Railroad companies' real property would continue to be taxed.

Joint Finance: Decrease revenues by \$8,000,000 in 2024-25 associated with the provision to repeal the personal property tax included in 2023 Act 12, and make a corresponding increase in revenues associated with the transfer of \$8,000,000 in 2024-25 from the local government fund to the transportation fund equal to an amount to compensate the transportation fund for reduced railroad property tax revenues (see "Shared Revenue and Tax Relief -- Property Taxation").

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 Joint Finance, 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.

The Joint Finance version of the bill would create two new transfers from the general fund to the transportation fund in the 2023-25 biennium: (a) an ongoing transfer 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; and (b) a one-time GPR transfer of \$555.5 million in 2023-24. The following table compares the estimated current law amounts to be transferred from the general fund and PIF 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 the Joint Finance version of the bill. Use of other funds under the Joint Finance version of the bill are

estimated to total \$805.5 million, compared to an estimated \$357.4 million under the Governor's recommendations.

Use of Other Funds for Transportation Purposes -- Joint Finance Comparison

	<u>2021-23</u>	Joint Finance <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	\$108,858,300	\$15,496,200	16.6%
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	\$758,782,200	\$482,623,300	174.8%
<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%
Total	\$322,755,600	\$805,549,500	\$482,793,900	149.6%

* New transfers from the general fund to the transportation fund under the Joint Finance version of the bill.

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. ALLOCATION OF FEDERAL HIGHWAY AID

Governor: Estimate federal highway formula aid at \$1,016,252,500 in 2023-24 and \$1,034,808,400 in 2024-25, which represents increases of \$192,311,200 in 2023-24 and \$210,867,100 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 requested by the Department and the resulting distribution of federal highway formula aid. As shown in the table, the Governor's recommendation would provide the largest increases in federal highway formula aid for the local transportation facility improvement assistance appropriation, which primarily provides funding for the surface transportation program, the local bridge improvement assistance program, and the southeast Wisconsin freeway megaprojects program.

<u>Appropriation</u>	<u>Base</u>	<u>Change to Base</u>		<u>Governor</u>	
		<u>2023-24</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2024-25</u>
State Highway Rehabilitation	\$485,856,300	\$27,767,400	\$25,236,700	\$513,623,700	\$511,093,000
Major Highway Development	184,848,900	4,983,900	6,768,600	189,832,800	191,617,500
Local Transportation Facility Improvement Assistance	72,331,300	66,458,600	77,674,200	138,789,900	150,005,500
Local Bridge Improvement	24,523,900	40,095,100	30,095,100	64,619,000	54,619,000
Departmental Mgmt. and Ops.	15,659,200	-3,464,000	-3,429,300	12,195,200	12,229,900
Southeast Freeway Megaprojects	14,366,000	25,254,300	42,940,700	39,620,300	57,306,700
Congestion Mitigation/Air Quality Improvement	10,719,000	4,461,200	4,550,500	15,180,200	15,269,500
Transportation Alternatives	7,049,300	10,969,600	11,189,000	18,018,900	18,238,300
Administration and Planning	3,982,400	293,300	293,300	4,275,700	4,275,700
Railroad Crossing Improvements	3,291,800	2,823,800	2,880,300	6,115,600	6,172,100
Highway System Mgmt. and Ops.	1,313,200	12,668,000	12,668,000	13,981,200	13,981,200
Total	\$823,941,300	\$192,311,200	\$210,867,100	\$1,016,252,500	\$1,034,808,400

Note: Includes adjustments to the base and standard budget adjustment amounts.

Joint Finance: Modify the Governor's recommendations for the allocation of federal highway formula aid as follows: (a) delete the recommended federal funding adjustments for the local transportation facility improvement assistance, congestion mitigation and air quality improvement, transportation alternatives, administration and planning, and railroad crossing improvement appropriations; (b) modify the recommended funding for the state highway rehabilitation, local bridge improvement, southeast Wisconsin freeway megaprojects, and highway system management and operations appropriations to reallocate federal funds among these appropriations; (c) provide additional federal funding to applicable appropriations for a 10% pay increase for DOT engineers; and (d) increase the turnover reduction standard budget adjustment from 3% to 5% for all appropriations subject to a 3% turnover rate. These changes are discussed in separate items.

As a result of these changes, estimate the amounts of federal highway formula aid received by the state in the 2023-25 biennium to be \$936.3 million in 2023-24, and \$955.2 million in 2024-25. These amounts are less than the Governor's version of the bill by \$80.0 million in 2023-24 and \$81.6 million in 2024-25.

<u>Appropriation</u>	<u>Governor</u>		<u>Change to Bill</u>		<u>Joint Finance</u>	
	<u>2023-24</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2024-25</u>
State Highway Rehabilitation	\$513,623,700	\$511,093,000	\$25,520,800	\$25,520,800	\$539,144,500	\$536,613,800
Major Highway Development	189,832,800	191,617,500	194,700	194,700	190,027,500	191,812,200
Local Transportation Facility Improvement Assistance	138,789,900	150,005,500	-66,236,300	-77,451,900	72,553,600	72,553,600
Local Bridge Improvement	64,619,000	54,619,000	-4,975,200	5,024,800	59,643,800	59,643,800
Departmental Mgmt. and Ops.	12,195,200	12,229,900	-2,234,600	-2,269,300	9,960,600	9,960,600
Southeast Freeway Megaprojects	39,620,300	57,306,700	-8,047,000	-8,047,000	31,573,300	49,259,700
Congestion Mitigation/Air Quality Improvement	15,180,200	15,269,500	-4,461,200	-4,550,500	10,719,000	10,719,000
Transportation Alternatives	18,018,900	18,238,300	-10,969,600	-11,189,000	7,049,300	7,049,300
Administration and Planning	4,275,700	4,275,700	108,200	108,200	4,383,900	4,383,900
Railroad Crossing Improvement	6,115,600	6,172,100	-2,823,800	-2,880,300	3,291,800	3,291,800
Highway System Mgmt. and Ops.	13,981,200	13,981,200	-6,039,600	-6,039,600	7,941,600	7,941,600
Total	\$1,016,252,500	\$1,034,808,400	-\$79,963,600	-\$81,579,100	\$936,288,900	\$953,229,300

7. TRANSPORTATION-RELATED BOND SUMMARY

The following table summarizes the biennial usage of bonds for transportation projects in the 2021-23 biennium, under the Governor's recommendations for the 2023-25 biennium, and the Joint Finance version of the bill, by type of bond and program. The only authorization of new bonding under the Joint Finance version of the bill would be \$352.8 million in transportation revenue-supported, general obligation bonds for the major interstate bridge program, to be used for construction of the John A. Blatnik Bridge in Superior. For the remaining programs under which the Governor recommended bonding, as shown in the table, the bill would provide one-time SEG funding in 2023-24 in lieu of the bonding recommended by the Governor.

The amounts shown for the use of transportation revenue bonds reflect both the amount authorized and the SEG-S appropriations for the two programs using these bonds, the major highway development program and the administrative facilities program. These projects may be initially financed through a temporary use of cash balances from the respective funds. Eventually, bonds are sold to replenish those balances and this becomes the ultimate financing source for these projects.

	<u>2021-23</u>	<u>Governor 2023-25</u>	<u>Joint Finance 2023-25</u>
Transportation Fund-Supported, General Obligation Bonds			
Southeast Wisconsin Freeway Megaprojects	\$40,000,000	\$140,873,000	\$0
Southern Bridge	0	50,000,000	0
Major Interstate Bridge Program	0	47,200,000	\$352,800,000
Freight Rail Preservation	20,000,000	20,000,000	0
Harbor Assistance	15,300,000	16,000,000	0
Design-Build Projects	<u>20,000,000</u>	<u>-</u>	<u>0</u>
Subtotal	\$95,300,000	\$274,073,000	\$352,800,000
 Transportation Revenue Bonds			
Major Highway Development	\$128,258,200*	\$149,214,300	\$0
Administrative Facilities	<u>0</u>	<u>18,500,000</u>	<u>0</u> **
Subtotal	\$128,258,200	\$167,714,300	\$0
 Total	 \$223,558,200	 \$441,787,300	 \$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 administrative facilities in 2021-23.

**Allocate \$18.5 million in existing transportation revenue bond proceeds.

8. TRANSPORTATION REVENUE BOND AUTHORIZATION [LFB Papers 786 and 805]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	\$167,714,300	- \$167,714,300	\$0

Governor: Provide transportation revenue bond authority of \$167,714,300, reflecting the planned use of revenue bonds for major highway development projects (see "State Highway Program") and administrative facility construction projects (see "Departmentwide") in the 2023-25 biennium. The Department indicated that a balance of \$80,571,100 in unused transportation revenue bond authority will remain available at the end of the 2021-23 biennium. This balance along with the Governor's recommendations would result in the availability of \$248,285,400 in ongoing revenue bond authority. Of this total, \$165,523,200 SEG-S would be appropriated in the 2023-25 biennium, as follows: (a) \$73,511,600 annually for the major highway development program; and (b) \$9,250,000 annually for administrative facility construction projects. Estimated reductions to transportation fund revenue would be \$1,034,600 in 2023-24 and \$7,675,600 in 2024-25 associated with the debt service due from the partial issuance of these bonds in the biennium (shown in a separate item). Under the Governor's recommendation, \$82,761,800 in existing unused revenue bond authority would remain available for projects in the 2023-25 biennium that would be initiated, but not completed, in the 2023-25 biennium.

Joint Finance: Provision not included. The Joint Finance version of the bill would provide one-time SEG funding in 2023-24 to the major highway development program and DOT administrative facilities in lieu of transportation revenue bonds, as shown in separate items.

9. TRANSPORTATION REVENUE BOND DEBT SERVICE REESTIMATE [LFB Paper 760]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG-REV	-\$6,375,400	\$12,947,700	\$6,572,300

Governor: Decrease estimated transportation fund revenue by \$4,749,700 in 2023-24 and by \$1,625,700 in 2024-25 to reflect changes in the amount of vehicle registration and other pledged revenue needed to pay principal and interest on transportation revenue bonds. Of these amounts, \$918,900 in 2023-24 and \$6,817,700 in 2024-25 relate to the revenue bonds that would be authorized under the bill for the major highway development program and \$115,700 in 2023-24 and \$857,900 in 2024-25 relate to the revenue bonds that would be authorized under the bill for DOT administrative facilities purposes.

Annual revenue bond debt service is primarily paid from vehicle registration and title fee revenue paid to the registration fee trust, with any annual residual revenues being deposited in the transportation fund. Consequently, these debt service payments are considered a negative adjustment to revenue rather than a transportation fund expenditure. Total transportation revenue bond debt service in 2022-23 is estimated at \$201,162,700, an amount that is projected to increase under the bill to an estimated \$205,912,400 in 2023-24 and \$202,788,400 in 2024-25.

Joint Finance: Increase estimated transportation fund revenue by \$5,054,000 in 2023-24 and \$7,893,700 in 2024-25 compared to the Governor's bill 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. The Joint Finance version of the bill would 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 REVENUE BOND DEFEASANCE *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR Transfer	\$379,369,800	-\$379,369,800	\$0

11. TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE -- SOUTHEAST WISCONSIN FREEWAY MEGAPROJECTS AND HIGH-COST BRIDGE PROJECTS [LFB Papers 106 and 787]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	- \$6,403,200	- \$1,861,700	- \$8,264,900

Governor: Decrease funding by \$6,159,700 in 2023-24 and \$243,500 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. Base funding for these appropriations is \$90,814,900, and would decrease to \$84,655,200 in 2023-24 and \$95,229,800 in 2024-25 under this reestimate.

This debt service reestimate would be associated with the following: (a) a decrease in debt service due on existing bonds by \$6,159,700 in 2023-24 and \$1,731,500 in 2023-24; (b) an increase in debt service for bonds authorized in the bill for southeast Wisconsin freeway megaprojects by \$1,488,000 in 2024-25.

Joint Finance: Decrease funding by an additional \$242,700 SEG in 2023-24 and \$1,619,000 in 2024-25 associated with lower debt service costs on transportation fund-supported, general obligation bonds for the southeast Wisconsin freeway and high-cost bridge programs. The Joint Finance version of the bill would 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.

This debt service reestimate would be associated with the following: (a) an additional decrease in debt service due on existing bonds by \$242,700 in 2023-24 and \$131,000 in 2023-24; (b) a decrease in debt service of \$1,488,000 in 2024-25 associated with the deletion of the southeast Wisconsin freeway megaprojects bonding recommended by the Governor.

12. EXISTING TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE -- CONTINGENT HIGHWAY BONDS [LFB Paper 106]

SEG	- \$918,300
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Governor/Joint Finance: 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. No new bonds would be authorized associated with this bonding purpose under the bill. 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.

13. TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE -- OTHER PROJECTS [LFB Papers 106, 772 and 773]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$3,581,000	- \$566,600	\$3,014,400

Governor: Decrease funding by \$592,700 in 2023-24 and increase funding by \$4,173,700 in 2024-25 to fund the estimated transportation fund-supported, general obligation bond debt service for state highway rehabilitation, major highway development, freight rail preservation, harbor improvement projects, and department facilities and with those bonds that would be authorized under the bill. Combined base funding for these appropriations is \$56,898,200, and would decrease to \$56,305,500 in 2023-24 and increase to \$61,071,900 in 2024-25 under this reestimate.

This debt service reestimate would be associated with the following: (a) a decrease in debt service by \$592,700 in 2023-24 and increase by \$3,799,500 in 2024-25 due on existing bonds; and (b) an increase in debt service funding by \$166,300 in 2024-25 for harbor assistance and \$207,900 in 2024-25 for freight rail preservation to reflect the bonding authorizations included in the Governor's recommendations for these purposes.

Joint Finance: Decrease funding by an additional \$128,300 SEG in 2023-24 and \$438,300 SEG in 2024-25 associated with lower debt service costs on transportation fund-supported, general obligation bonds for the state highway rehabilitation, major highway development, freight rail preservation, harbor improvement projects, and department facilities. The Joint Finance version of the bill would not authorize additional bonds for these programs in the 2023-25 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.

This debt service reestimate would be associated with the following: (a) an additional decrease in debt service due on existing bonds by \$128,300 in 2023-24 and \$64,100 in 2024-25; and (b) decreases in debt service of \$166,300 for harbor assistance and \$207,900 for freight rail preservation in 2024-25, associated with the deletion of the bonding for these programs recommended by the Governor, which would not be authorized under the Joint Finance version of the bill.

14. EXISTING GENERAL FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- \$6,833,900	- \$610,100	- \$7,444,000

Governor: Increase funding by \$2,717,300 in 2023-24 and decrease funding by \$9,551,200

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 under the Governor's recommendations. Base funding for this appropriation is \$87,559,900 and would increase to \$90,277,200 in 2023-24 and decrease to \$78,008,700 in 2024-25.

Joint Finance: Decrease funding by an additional \$569,900 GPR in 2023-24 and \$40,200 GPR 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 under the bill. Base funding for these appropriations is \$87,559,900 and would increase to \$89,707,300 in 2023-24 and decrease to \$77,968,500 in 2024-25.

15. 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 the Governor's 2023-25 budget recommendations.

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 the provisions of the bill. Gross transportation fund revenue includes revenues from changes under the Joint Finance version of the bill.

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 the Joint Finance version of the bill.

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 the Department in May, 2023. Amounts for 2023-24 and 2024-25 are estimated and reflect existing debt service and debt service on bonds authorized under Joint Finance.

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

16. ONE-TIME TRANSFER FROM GENERAL FUND TO TRANSPORTATION FUND

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

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

17. ELECTRIC VEHICLE REGISTRATION FEE

SEG-REV	\$3,289,300
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Joint Finance: 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.

Local Transportation Aid

1. GENERAL TRANSPORTATION AIDS [LFB Paper 765]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$51,481,200	- \$20,051,800	\$31,429,400

Governor: Provide the following related to the general transportation aids program:

a. *County Aid.* Increase funding by \$3,141,100 in 2023-24 and \$8,277,600 in 2024-25 to fund a 4.0% increase each year to the calendar year general transportation aid distribution for counties. The calendar year distribution for counties is currently equal to \$127,140,200. This would provide a calendar year distribution amount for counties equal to \$132,225,800 for 2024 and \$137,514,800 for 2025 and thereafter.

b. *Municipal Aid.* Increase funding by \$11,891,700 in 2023-24 and \$28,170,800 in 2024-25 to fund a 4.0% increase each year to the calendar year general transportation aid distribution for municipalities. The calendar year distribution level for municipalities is currently equal to \$398,996,800. This would provide a calendar year distribution amount for municipalities

equal to \$414,956,700 for 2024 and \$431,555,000 for 2025 and thereafter. Increase the mileage aid rate by 4.0% each year (from its current level of \$2,734 per mile) to \$2,843 per mile for calendar year 2024 and \$2,957 per mile for calendar year 2025 and thereafter.

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

Joint Finance: Reduce funding by \$4,625,700 SEG in 2023-24 and \$15,426,100 SEG in 2024-25 compared to the bill, to provide the following:

County Aid. Provide \$2,505,400 SEG in 2023-24 and \$5,060,900 SEG 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. Provide \$7,901,700 SEG in 2023-24 and \$15,961,400 SEG 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. Increase the mileage aid rate by 2.0% annually, from its current level of \$2,734 per mile, to \$2,789 per mile for calendar year 2024, and to \$2,845 per mile for 2025, and thereafter. Delete the statutory references to prior calendar year funding amounts for counties and municipalities, as well as the prior year mileage aid rate amounts for municipalities.

2. MASS TRANSIT OPERATING ASSISTANCE [LFB Paper 766]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$0	\$228,728,500	\$228,728,500
SEG	<u>6,822,600</u>	<u>- 232,727,200</u>	<u>- 225,904,600</u>
Total	\$6,822,600	- \$3,998,700	\$2,823,900

Governor: Provide \$1,129,600 in 2023-24 and \$5,693,000 in 2024-25 to provide a 4.0% increase in mass transit operating assistance to each tier of mass transit systems for both calendar year 2024 and calendar year 2025. Specify that the increase in funding would be distributed as follows: (a) \$654,800 in 2023-24 and \$3,300,100 in 2024-25 for Tier A-1 (Milwaukee County); (b) \$172,100 in 2023-24 and \$867,200 in 2024-25 for Tier A-2 (Madison); (c) \$249,800 in 2023-24 and \$1,258,900 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) \$52,900 in 2023-24 and \$266,800 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) \$68,096,900 for 2024 and \$70,820,800 for 2025 for Tier A-1; (b) \$17,893,600 for 2024 and \$18,609,400 for 2025 for Tier A-2.

It should be noted that while the funding provided in the bill for 2023-24 and 2024-25 would fully fund a 4.0% increase for calendar year 2024 and 2025, no increase in the statutory calendar year amounts for Tier B or Tier C were specified in the bill. A 4.0% funding increase, as provided under the bill, would require the statutory calendar year distribution amounts to be specified as follows: (a) \$25,975,500 for 2024 and \$27,014,500 for 2025 for Tier B; and (b) \$5,504,400 in 2024 and \$5,724,600 for 2025 for Tier C.

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

Joint Finance: Provision not included. Instead, 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) would be 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 would be required to make each transfer from the appropriation account that corresponds to the applicable transit tier for which DOT made payments.

3. TRANSIT CAPITAL ASSISTANCE GRANTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

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

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$453,200	-\$230,200	\$223,000

Governor: Provide \$143,900 in 2023-24 and \$309,300 in 2024-25 for a 15% increase to funding for the seniors and individuals with disabilities specialized assistance program in each year of the 2023-25 biennium. This would increase funding from \$959,000 in base funding to \$1,102,900 in 2023-24 and \$1,268,300 in 2024-25. 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.

Joint Finance: Reduce funding by \$32,400 in 2023-24 and \$197,800 in 2024-25, to 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.

5. PARATRANSIT AIDS

SEG	\$386,700
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Governor/Joint Finance: 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.

6. NONDRIVER ADVISORY COMMITTEE - MOBILITY MANAGEMENT FUNDING *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$853,200	-\$853,200	\$0

7. TRANSPORTATION EMPLOYMENT AND MOBILITY *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$126,900	-\$126,900	\$0

8. CONNECTING HIGHWAY AIDS

SEG	\$7,457,600
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Joint Finance: Provide \$2,485,900 SEG in 2023-24 and \$4,971,700 SEG 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.

Local Transportation Assistance

1. LOCAL ROADS IMPROVEMENT PROGRAM [LFB Paper 770]

SEG	\$4,016,800
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Governor: 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.

Beginning in 2023-24, and each year thereafter, modify the statutes specifying how funds under the discretionary grants component are divided among local units of government. Under this provision, 35.6% of funds would be used for county trunk highway improvements, 39.0% for town road improvements, and 25.4% for municipal street improvement projects. LRIP discretionary component funds were distributed in these same proportions in previous program cycles, however the statutes had previously specified amounts, rather than percentages, to be allocated to each local government category. The table below compares funding for LRIP in 2021-23 with the

recommended 2023-25 funding level for both program components.

Current Law and Governor's Recommended Biennial LRIP Funding

	<u>2021-23</u>	<u>2023-25</u>	<u>Difference</u>	<u>% Change</u>
Formula-Based Allocation*				
Counties (43%)	\$15,106,400	\$16,040,600	\$934,200	6.2%
Municipalities (28.5%)	10,012,400	10,631,500	619,100	6.2
Towns (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%
Discretionary Allocation				
Counties (35.6%)	\$10,786,800	\$11,455,800	\$669,000	6.2%
Municipalities (39.0%)	11,847,200	12,549,900	702,700	5.9
Towns (25.4%)	<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%
Biennial Program Total	\$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.

Joint Finance: Specify the annual amounts, rather than percentages, 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.

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

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$100,000,000	\$0	\$100,000,000

Governor: Provide \$50,000,000 annually for the discretionary supplemental grants

component of LRIP (LRIP-S). In each of the last two biennia, one-time funding was provided from a separate LRIP-S appropriation, with no ongoing funding. This recommendation would establish ongoing funding for this program, which is administered in the same fashion as the discretionary grants component of LRIP that 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.

Similar to 2021-22 funding for LRIP-S, the intent of this provision was to distribute these LRIP-S funds among local units of government in the same proportion as the LRIP discretionary program component beginning in 2023-24: 35.6% for county trunk highway improvements (\$17,800,000 annually in the 2023-25 biennium), 39.0% for town road improvements (\$19,500,000 annually), and 25.4% for municipal street improvement projects (\$12,700,000 annually). However, modifications would need to be made to the bill to specifically reference the LRIP-S appropriation to the LRIP discretionary component distribution percentages in order to subject this funding to those required percentages.

Joint Finance: Provide one-time funding of \$100,000,000 to LRIP-S in 2023-24. 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 municipalities, and 25.4% for towns in the 2023-25 biennium).

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

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	\$50,000,000	- \$50,000,000	\$0
SEG	<u>0</u>	<u>50,000,000</u>	<u>50,000,000</u>
Total	\$50,000,000	\$0	\$50,000,000

Governor: Authorize \$50,000,000 in general obligation bonding authority for the accelerated local bridge improvement assistance program to support the construction of the "Southern Bridge" in Brown County. The debt service estimates included in the bill do not anticipate the issuance of these bonds in the 2023-25 biennium.

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.

Joint Finance: Delete the recommended bonding and provide \$50,000,000 SEG in 2023-24 to the accelerated local bridge improvement assistance program for the Southern Bridge.

4. LOCAL TRAFFIC CALMING GRANTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$60,000,000	- \$60,000,000	\$0

5. FREIGHT RAIL PRESERVATION PROGRAM [LFB Paper 772]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	\$20,000,000	- \$20,000,000	\$0
SEG	<u>0</u>	<u>13,000,000</u>	<u>13,000,000</u>
BR	\$20,000,000	- \$7,000,000	\$13,000,000

Governor: Authorize \$20,000,000 in transportation fund-supported, general obligation bonds for the freight rail preservation program in the 2023-25 biennium. The bonds authorized for this program may be used to acquire abandoned railroad lines or make improvements on lines already owned by the state to upgrade them to modern freight rail standards. The amount of bonds authorized would be identical to the bond authority provided under the 2021-23 biennial budget. Estimated transportation fund-supported debt service of \$207,900 SEG in 2024-25, associated with the partial issuance of these bonds, is shown under a separate item (see "Transportation Finance").

Joint Finance: Delete the recommended bonding and provide \$13,000,000 SEG in 2023-24 for the freight rail preservation program. Require DOT to conduct a cost-benefit analysis of the freight rail preservation program during the 2023-25 biennium, and provide a report of its findings to the Joint Committee on Finance no later than June 30, 2025.

6. HARBOR ASSISTANCE PROGRAM [LFB Paper 773]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$4,000,000	\$16,000,000	\$20,000,000
BR	<u>16,000,000</u>	<u>- 16,000,000</u>	<u>0</u>
Total	\$20,000,000	\$0	\$20,000,000

Governor: Provide \$2,000,000 SEG annually and authorize \$16,000,000 BR in transportation fund-supported, general obligation bonds for the harbor assistance program in the 2023-25 biennium. 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). Estimated transportation fund-supported debt service of \$166,300 in 2024-25, associated with the partial issuance of these bonds, is shown under a separate item [see "Transportation Finance"].

Joint Finance: Delete the recommended bonding and provide \$20,000,000 SEG in 2023-24 to the harbor assistance program.

7. LOCAL TRANSPORTATION FACILITY IMPROVEMENT ASSISTANCE PROGRAM FEDERAL FUNDING ALLOCATION [LFB Paper 774]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$143,806,800	- \$143,806,800	\$0
SEG-L	<u>40,884,900</u>	<u>- 40,884,900</u>	<u>0</u>
Total	\$184,691,700	- \$184,691,700	\$0

Governor: Provide \$66,295,600 FED in 2023-24 and \$77,511,200 FED in 2024-25, and \$19,014,800 SEG-L in 2023-24 and \$21,870,100 SEG-L in 2024-25 to DOT's local transportation facility improvement assistance FED and SEG-L appropriations. The FED appropriation receives funding through the federal surface transportation block grant program, local highway safety improvement program, and carbon reduction program. The federal funding increase is associated with the additional annual federal funding expected to be provided under federal highway formula aid amounts authorized under the IIJA, while the additional SEG-L reflects the requirement that grant recipients provide a 20% match on the total cost of the awarded project. The requested funding would increase base level funding for the appropriations from \$72,331,300 FED to \$138,626,900 in 2023-24 and \$149,842,500 in 2024-25, and from \$43,898,600 SEG-L to \$62,913,400 in 2023-24 and \$65,768,700 in 2024-25.

Joint Finance: Provision not included.

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

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$70,000,000	\$0	\$70,000,000
SEG	0	20,000,000	20,000,000
SEG-L	<u>17,500,000</u>	<u>0</u>	<u>17,500,000</u>
Total	\$87,500,000	\$20,000,000	\$107,500,000

Governor: Provide \$40,000,000 FED in 2023-24 and \$30,000,000 FED in 2024-25, and \$10,000,000 SEG-L in 2023-24 and \$7,500,000 SEG-L 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). 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. The requested funding would increase the adjusted base funding levels from \$24,523,900 FED to \$64,523,900 in 2023-24 and \$54,523,900 in 2024-25, and from \$11,157,600 SEG-L to \$21,157,600 in 2023-24 and \$18,657,600 in 2024-25. The program is also annually provided with \$18,470,600 SEG.

Joint Finance: Provide \$35,000,000 FED, \$10,000,000 SEG, and \$8,750,000 SEG-L annually to the local bridge improvement assistance program. 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.

9. NATIONAL ELECTRIC VEHICLE INFRASTRUCTURE FORMULA PROGRAM [LFB Paper 776]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$34,511,700	-\$34,511,700	\$0
SEG	<u>8,628,300</u>	<u>-8,628,300</u>	<u>0</u>
Total	\$43,140,000	-\$43,140,000	\$0

Governor: Provide \$17,085,000 FED in 2023-24 and \$17,426,700 FED in 2024-25, and provide \$4,271,600 SEG-L in 2023-24 and \$4,356,700 SEG-L 2024-25. The expenditure authority would be provided to the following newly-created appropriations: (a) a FED continuing appropriation for all monies received from the federal government from the newly-created National Electric Vehicle Infrastructure (NEVI) formula program; and (b) a SEG-L continuing appropriation to receive and expend monies from local units of government and other sources for the construction of electric vehicle charging infrastructure. In addition, create a SEG appropriation to support the implementation of the state's federally-approved NEVI plan, but no SEG funding would be provided.

Provide authority to allow DOT to establish and administer an electric vehicle infrastructure program that would provide funding for eligible electric vehicle infrastructure projects under the NEVI formula program. Specify that all funding under this provision would be provided from the three newly-created appropriations under the bill.

Provide a statutory exemption from regulation as a public utility, to a person who supplies electricity through the person's electric vehicle charging station to users' electric vehicles. This exemption would only apply if the person does not otherwise directly or indirectly provide electricity to the public. Under current law, with certain exceptions, a person who directly or indirectly provides electricity to the public is regulated as a public utility by the Public Service Commission.

The IJA includes the five-year authorization of the NEVI program to provide funding to states to deploy electric vehicle charging infrastructure. The NEVI program includes both a formula and discretionary component. Wisconsin is eligible to receive an estimated \$78.7 million in formula funds through federal fiscal year 2026. To qualify for NEVI formula funding, all states were required to submit an EV infrastructure deployment plan to FHWA describing how the state intends to use its apportioned NEVI formula program funds. On September 14, 2022, DOT was notified by FHWA that the state plan was approved for implementation.

Joint Finance: Provision not included.

10. TRANSPORTATION ALTERNATIVES PROGRAM FEDERAL FUNDING ALLOCATION [LFB Paper 774]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$22,158,600	- \$22,158,600	\$0
SEG-L	<u>5,539,700</u>	<u>- 5,539,700</u>	<u>0</u>
FED	\$27,698,300	- \$27,698,300	\$0

Governor: Provide \$10,969,600 FED in 2023-24 and \$11,189,000 FED in 2024-25, and \$2,742,400 SEG-L in 2023-24 and \$2,797,300 SEG-L in 2024-25 to the Transportation Alternatives Program (TAP). TAP provides grants to local governments for a variety of non-motorized vehicle transportation projects. Eligible activities include construction and planning of on-road and off-road bicycle, pedestrian, and other non-motorized vehicle facilities, viewing areas such as overlooks and turnouts, and historical preservation, environmental mitigation, and safe routes to school projects. The federal funding increase is associated with the additional annual federal funding expected to be provided under federal highway formula aid amounts authorized under the IJA for this purpose, while the additional SEG-L reflects the requirement that grant recipients provide a 20% match on the total cost of the awarded project. The requested funding would increase base level funding for the program from \$7,049,300 FED to \$18,018,900 in 2023-24 and \$18,238,300 in 2024-25, and from \$2,012,300 SEG-L to \$4,754,700 in 2023-24 and \$4,809,600 in 2024-25. In addition, the Administration indicates that it intended to provide \$1,200,000 SEG annually to TAP to assist small communities with meeting federal matching

requirements for TAP grants. However, this funding is not included in the bill.

Joint Finance: Provision not included.

**11. CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM
FEDERAL FUNDING ALLOCATION [LFB Paper 774]**

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$9,011,700	- \$9,011,700	\$0
SEG-L	<u>2,252,900</u>	<u>- 2,252,900</u>	<u>0</u>
Total	\$11,264,600	- \$11,264,600	\$0

Governor: Provide \$4,461,200 FED in 2023-24 and \$4,550,500 FED in 2024-25, and \$1,115,300 SEG-L in 2023-24 and \$1,137,600 SEG-L in 2024-25 to the congestion mitigation and air quality improvement (CMAQ) program. CMAQ provides grants using federal funds for projects designed to reduce transportation-related air pollution or reduce traffic congestion. Under federal law, CMAQ funds may only be used in counties that are classified as non-attainment or maintenance areas for ozone, carbon monoxide, or particulate matter pollution. In Wisconsin these counties are Door, Kenosha, Kewaunee, Manitowoc, Milwaukee, Ozaukee, Racine, Sheboygan, Walworth, Washington, and Waukesha. The federal funding increase is associated with the additional annual federal funding expected to be provided under federal highway formula aid amounts authorized under the IJA for this purpose, while the additional SEG-L reflects the requirement that grant recipients provide a 20% match on the total cost of the awarded project. The requested funding would increase the adjusted base funding levels from \$10,719,000 FED to \$15,180,200 in 2023-24 and \$15,269,500 in 2024-25, and from \$3,124,700 SEG-L to \$4,240,000 in 2023-24 and \$4,262,300 in 2024-25.

Joint Finance: Provision not included.

12. LOCAL GOVERNMENT PROJECT DEVELOPMENT AND TECHNICAL ASSISTANCE [LFB Paper 777]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$8,000,000	- \$8,000,000	\$0

Governor: Provide \$4,000,000 annually from a newly-created SEG continuing appropriation that would contribute state funds for local transportation facility improvement projects. The Department has existing FED & SEG-L appropriations for local transportation facility improvements funded through the federal surface transportation block grant program, local highway safety improvement program, and carbon reduction program. The SEG-L appropriation is used to receive and expend local matching funds for these federal aid programs. In 2022-23, these programs are appropriated \$161,551,500 FED and \$64,660,600 SEG-L. The new SEG

appropriation would match the current law statutory language for these existing appropriations. The Administration indicates that the SEG funding would be used to provide local governments with technical assistance in project development, so all local governments can benefit from federal funding available for projects to improve local transportation facilities.

Joint Finance: Provision not included.

13. RAILROAD CROSSING IMPROVEMENT PROGRAM FEDERAL FUNDING ALLOCATION [LFB Paper 774]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$5,704,100	-\$5,704,100	\$0

Governor: Provide \$2,823,800 in 2023-24 and \$2,880,300 in 2024-25 for the railroad crossing improvement program, which improves the safety of railroad crossings with projects such as the installation of railroad gates and signal lights. This funding increase is associated with the additional amount of estimated annual federal funding expected from the federal highway formula aid amounts authorized under the IIJA. The requested funding would increase base level federal funding for the program from \$3,291,800 to \$6,115,600 in 2023-24 and \$6,172,100 in 2024-25. The program is also annually provided with \$1,595,700 SEG.

Joint Finance: Provision not included

14. PASSENGER RAIL OPERATIONS ASSISTANCE [LFB Paper 778]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$3,550,000	-\$2,578,800	\$971,200

Governor: Provide \$1,700,000 in 2023-24 and \$1,850,000 in 2024-25 to the Department's passenger rail service appropriation. This would increase funding from \$6,800,000 in base funding to \$8,500,000 in 2023-24 and \$8,650,000 in 2024-25.

The Administration indicates that the additional funding would be used to support the implementation of a second daily round-trip passenger train between the Twin Cities, Milwaukee and Chicago (TCMC). The TCMC project which would add service between Chicago and the Twin Cities to augment Amtrak's current Empire Builder service. The proposed TCMC project would provide one additional daily round-trip run between the Twin Cities and Chicago with stops in St. Paul, Red Wing, Winona, La Crosse, Tomah, Wisconsin Dells, Portage, Columbus, Milwaukee, General Mitchell International Airport, Sturtevant, Glenview, and Chicago's Union Station. Amtrak's long-distance Empire Builder service which operates between Chicago and Seattle and Portland, and provides one trip per day in each direction, currently uses the proposed TCMC corridor. Amtrak's Hiawatha Service also operates on this corridor between Milwaukee

and Chicago.

Joint Finance: Reduce funding by \$1,246,900 in 2023-24 and \$1,331,900 in 2024-25, to 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.

15. RAIL CROSSING SAFETY INITIATIVES [LFB Paper 779]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$800,000	- \$800,000	\$0

Governor: Provide \$400,000 annually to establish a program to plan and install interconnected traffic signal and railroad signal systems. Create a new, continuing SEG appropriation and a new all monies received FED appropriation for the program. Under current law, in addition to the railroad crossing improvement program (see previous item entitled "Railroad Crossing Improvement Program Federal Funding Allocation"), state funding is also provided under two other existing SEG appropriations for safety improvements at railroad crossings: (a) railroad crossing improvement and protection maintenance, provided \$2,112,000 annually; and (b) railroad crossing repair assistance, provided \$467,300 annually.

Joint Finance: Provision not included.

16. SUPPORT FOR METROPOLITAN PLANNING ORGANIZATIONS AND REGIONAL PLANNING COMMISSIONS TRANSPORTATION PROGRAMS [LFB Papers 774 and 780]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$3,503,900	- \$3,503,900	\$0
SEG	<u>1,314,500</u>	<u>- 1,314,500</u>	<u>0</u>
Total	\$4,818,400	- \$4,818,40	\$0

Governor: Provide funding increases for DOT's department management and operations appropriations of \$646,600 SEG in 2023-24 and \$667,900 SEG in 2024-25, and \$1,734,600 FED in 2023-24 and \$1,769,300 FED in 2024-25. The Administration indicates that the requested funds would be used to provide state support to metropolitan planning organizations (MPOs) and regional planning commissions (RPCs), including fully funding the Department's informal policy of providing half (10%) of the federal match level for MPOs and RPCs on the expected federal funding they will receive related to their transportation programs. The amount of SEG budgeted for this purpose has not been changed since 2012. Under current law, MPOs and RPCs plan, coordinate, and support development, including development of the transportation system, in designated areas of the state, which encompass multiple units of local government (counties,

towns, villages, and cities). MPOs and RPCs can receive certain funding directly from the Federal Highway Administration, for which these entitlements are required to provide matching funds, typically of at least 20% of the funds received.

Joint Finance: Provision not included.

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

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$0	\$1,200,000	\$1,200,000

Governor: Require the Department to set aside \$1,200,000 SEG in 2023-24 for repairs to the Ray Nitschke Memorial Bridge located on USH 141 (City of Green Bay) in Brown County from funding provided to the local bridge improvement assistance program in the 2023-25 biennium. Provide that the grant would be an allowable expenditure from the program's SEG appropriation, which has base level funding of \$18,470,600. Specify that DOT provide the funding notwithstanding the eligibility criteria of the program.

Joint Finance: Provide an increase of \$1,200,000 SEG in 2023-24 to the local bridge improvement assistance program for the Nitschke Bridge, rather than funding the project from existing funding.

18. REPEAL PROHIBITION ON USE OF CONDEMNATION AUTHORITY FOR RECREATIONAL AND PEDESTRIAN TRAILS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

19. REPEAL 2017 ACT 368 LOCAL TRANSPORTATION PROJECT PROVISIONS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

20. LOCAL ROADS IMPROVEMENT PROGRAM -- AGRICULTURAL ROADS --

SEG	\$150,000,000
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Joint Finance: Create a continuing SEG appropriation for a new LRIP component for agricultural roads, and provide \$150,000,000 SEG to the program component in 2023-24. 2023 Act 13, enacted on June 21, created 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 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.

21. LOCAL ROADS IMPROVEMENT PROGRAM -- COUNTY HIGHWAY O IN RICHLAND COUNTY

SEG	\$4,180,000
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Joint Finance: Provide \$4,180,000 SEG 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.

22. ASSESSMENT OF LOCAL BRIDGES AND CULVERTS

Joint Finance: Provide \$12,500,000 SEG to the Joint Committee on Finance supplemental 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").

23. HARBOR ASSISTANCE PROGRAM -- FUEL PIPELINE IN MILWAUKEE COUNTY

SEG	\$10,000,000
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Joint Finance: Provide \$10,000,000 SEG 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.

24. LOCAL BRIDGE IMPROVEMENT ASSISTANCE PROGRAM -- MAIN STREET BRIDGE IN WATERTOWN

SEG	\$2,000,000
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Joint Finance: Provide \$2,000,000 SEG to the local bridge improvement assistance program in 2023-24, and specify that DOT shall award a grant of \$2,000,000 from the amounts provided to the local bridge improvement assistance 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.

25. AIRPORT IMPROVEMENT PROGRAM [LFB Paper 781]

FED	\$78,000,000
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Joint Finance: Provide \$39,000,000 FED annually to the DOT aeronautics assistance appropriation to reflect a reestimate of available federal funding in the biennium. Beginning in 2021-22, the federal IIIA created a new airport infrastructure grants program, which provided the state with airport funding of \$39.8 million FED in 2021-22, and \$39.0 million FED 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.

26. AIRPORT IMPROVEMENT PROGRAM -- APPLETON INTERNATIONAL AIRPORT

SEG	\$7,000,000
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Joint Finance: Provide \$7,000,000 SEG 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.

State Highway Program

1. STATE HIGHWAY IMPROVEMENT PROGRAM SUMMARY

The following tables compare total funding for state highway improvement programs under 2022-23 adjusted base with the recommendations of the Governor and Joint Finance 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 during 2022-23. The first pair of tables display the total funding for the state highway improvement programs by fund source, and shows the change compared to the base year funding doubled for each version of the bill.

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

Fund Source	2022-23 Base Plus Bonds	Governor*		Change to Base Plus Bonds Doubled	
		2023-24	2024-25	Amount	% Change
SEG	\$592,438,700	\$605,543,900	\$647,211,200	\$67,877,700	5.7%
FED	685,071,200	743,076,800	760,017,200	132,951,600	9.7
Bonds	103,511,600**	167,548,100	167,548,100	128,073,000	61.9
Total	\$1,381,021,500	\$1,516,168,800	\$1,574,776,500	\$328,902,300	11.9%

**State Highway Improvement Program Summary --
Base Year to Joint Finance Comparison**

<u>Fund Source</u>	<u>2022-23 Base Plus Bonds</u>	<u>Joint Finance*</u>		<u>Change to Base Plus Bonds Doubled</u>	
		<u>2023-24</u>	<u>2024-25</u>	<u>Amount</u>	<u>% Change</u>
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	<u>103,511,600**</u>	<u>176,400,000</u>	<u>176,400,000</u>	<u>145,776,800</u>	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 recommendation items, including base funding, adjustments to the base, and standard budget adjustments.

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

The next tables show a breakdown of funding for the individual state highway improvement programs, and compare the recommendations of the Governor and Joint Finance for those programs in the 2023-25 biennium with the 2022-23 SEG and FED appropriation adjusted base, plus the amount of bonding that was allocated during 2022-23.

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

<u>Fund Source</u>	2022-23 <u>Base Plus Bonds</u>	<u>Governor*</u>	
		<u>2023-24</u>	<u>2024-25</u>
State Highway Rehabilitation			
SEG	\$559,006,800	\$580,432,300	\$609,489,800
FED	<u>485,856,300</u>	<u>513,623,700</u>	<u>511,093,000</u>
Total	\$1,044,863,100	\$1,094,056,000	\$1,120,582,800
Major Highway Development			
SEG	\$25,319,400	\$25,111,600	\$37,721,400
FED	184,848,900	189,832,800	191,617,500
Trans. Revenue Bond Proceeds	<u>73,511,600**</u>	<u>73,511,600</u>	<u>73,511,600</u>
Total	\$283,679,900	\$288,456,000	\$302,850,500
SE Wis. Freeway Megaprojects			
SEG	\$8,112,500	\$0	\$0
FED	14,366,000	39,620,300	57,306,700
Gen. Ob. Bonds (SEG)	<u>20,000,000</u>	<u>70,436,500</u>	<u>70,436,500</u>
Total	\$42,478,500	\$110,056,800	\$127,743,200
Major Interstate Bridge			
Gen. Ob. Bonds (SEG)	\$0	\$23,600,000	\$23,600,000
Design-Build Projects			
Gen. Ob. Bonds (SEG)	<u>\$10,000,000</u>	<u>\$0</u>	<u>\$0</u>
Total	\$1,381,021,500	\$1,516,168,800	\$1,574,776,500

**State Highway Improvement Program Component Summary --
Base Year to Joint Finance Comparison**

<u>Fund Source</u>	<u>2022-23 Base Plus Bonds</u>	<u>Joint Finance*</u>	
		<u>2023-24</u>	<u>2024-25</u>
State Highway Rehabilitation			
SEG	\$559,006,800	\$572,071,100	\$584,540,200
FED	<u>485,856,300</u>	<u>539,144,500</u>	<u>536,613,800</u>
Total	\$1,044,863,100	\$1,111,215,600	\$1,121,154,000
Major Highway Development			
SEG	\$25,319,400	\$172,241,000	\$37,827,600
FED	184,848,900	190,027,500	191,812,200
Trans. Revenue Bond Proceeds	<u>73,511,600**</u>	<u>0</u>	<u>0</u>
Total	\$283,679,900	\$362,268,500	\$229,639,800
SE Wis. Freeway Megaprojects			
SEG	\$8,112,500	\$149,100,400	\$8,227,400
FED	14,366,000	31,573,300	49,259,700
Gen. Ob. Bonds (SEG)	<u>20,000,000</u>	<u>0</u>	<u>0</u>
Total	\$42,478,500	\$180,673,700	\$57,487,100
Major Interstate Bridge			
SEG	\$0	\$47,200,000	\$0
Gen. Ob. Bonds (SEG)	<u>0</u>	<u>176,400,000</u>	<u>176,400,000</u>
Total	\$0	\$223,600,000	\$176,400,000
Design-Build Projects			
Gen. Ob. Bonds (SEG)	<u>\$10,000,000</u>	<u>\$0</u>	<u>\$0</u>
Total	\$1,381,021,500	\$1,877,757,800	\$1,584,680,900

* Amounts shown comprise all highway improvement program recommendation items, 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.

2. STATE HIGHWAY REHABILITATION PROGRAM [LFB Paper 785]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$45,911,500	\$48,677,400	\$94,588,900
SEG	<u>69,514,900</u>	<u>- 39,089,000</u>	<u>30,425,900</u>
Total	\$115,426,400	\$9,588,400	\$125,014,800

Governor: Make the following changes to the state highway rehabilitation program's funding in order to provide a 2023-25 funding level of \$2,214,638,800: (a) increases of \$20,228,700 SEG in 2023-24 and \$49,286,200 SEG in 2024-25; and (b) \$24,221,100 FED in 2023-24 and \$21,690,400 FED in 2024-25. Standard budget adjustment increases of \$1,196,800 SEG and \$3,546,300 FED annually are reflected in a separate item.

The following table compares the adjusted base year (2022-23) state highway rehabilitation program funding with the 2023-25 biennial funding level recommended by the Governor.

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

Fund	2022-23 Adjusted Base*	Governor**		Change to Base Plus Bonds Doubled	
		2023-24	2024-25	Amount	% Change
SEG	\$559,006,800	\$580,432,300	\$609,489,800	\$71,908,500	6.4%
FED	<u>485,856,300</u>	<u>513,623,700</u>	<u>511,093,000</u>	<u>53,004,100</u>	5.5
Total	\$1,044,863,100	\$1,094,056,000	\$1,120,582,800	\$124,912,600	6.0%

* Includes \$2,823,000 SEG and \$2,800,200 FED associated with adjustments to the 2022-23 base funding amount.

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

Joint Finance: Make the following changes to state highway rehabilitation program funding in order to provide a 2023-25 funding level of \$2,221,715,800: (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. Standard budget adjustment increases of \$585,900 SEG and \$2,901,500 FED annually are reflected in a separate item (See "Departmentwide").

The following tables compare state highway rehabilitation program funding under the program's 2022-23 adjusted base funding level, the Governor's recommendations, and actions by the Joint Committee on Finance, including the following provisions discussed in separate items: (a) a \$7.0 million increase in 2023-24 to the program to construct sound barriers along I-894 in Milwaukee County; and (b) provide a pay increase to DOT engineers.

**2023-25 State Highway Rehabilitation Program Funding --
Base Funding to Joint Finance Comparison**

Fund	2022-23 Adjusted Base	Joint Finance*		Change to Base Plus Bonds Doubled	
		2023-24	2024-25	Amount	% Change
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 --
Governor's Recommendation to Joint Finance Comparison**

<u>Fund Source</u>	<u>Governor*</u>		
	<u>2023-24</u>	<u>2023-24</u>	<u>Biennial Total</u>
SEG	\$580,432,300	\$609,489,800	\$1,189,922,100
FED	<u>513,623,700</u>	<u>511,093,000</u>	<u>1,024,716,700</u>
Total	\$1,094,056,000	\$1,120,582,800	\$2,214,638,800

<u>Fund Source</u>	<u>Joint Finance*</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

Change to Governor	\$17,159,600	\$571,200	\$17,730,800
% Change	1.6%	0.1%	0.8%

* Amounts shown include base funding, adjustments to the base, and standard budget adjustments.

3. MAJOR HIGHWAY DEVELOPMENT PROGRAM [LFB Paper 786]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$10,587,900	\$0	\$10,587,900
SEG	11,786,000	147,274,200	159,060,200
SEG-S	<u>0</u>	<u>- 147,023,200</u>	<u>- 147,023,200</u>
Total	\$22,373,900	\$251,000	\$22,624,900

Governor: Make the following changes to the major highway development program's funding in order to provide a 2023-25 funding level of \$591,306,500: (a) a decrease of \$411,900 SEG in 2023-24 and an increase of \$12,197,900 SEG in 2024-25; (b) increases of \$4,401,600 FED in 2023-24 and \$6,186,300 FED in 2024-25; and (c) authorization of additional transportation revenue bond authority of \$147,023,200, which is included in a separate item (see "Transportation Finance").

In addition, base level funding of \$73,511,600 SEG-S for the expenditure of transportation revenue bond proceeds would be provided in the biennium for the major highway development program. A recommendation to increase the statutory transportation revenue bond authority associated with this funding level, and its corresponding estimated reductions to transportation fund revenue associated with the debt service of \$918,900 in 2023-24 and \$6,817,700 in 2024-25 for the partial issuance of these bonds, are shown in separate items. Standard budget adjustment increases of \$204,100 SEG and \$582,300 FED annually are also reflected in a separate item.

The following table compares the base year (2022-23) major highway development program funding with the 2023-25 biennial funding level recommended by the Governor.

**Major Highway Development Program --
Base Funding to 2023-25 Governor's Recommendation Comparison**

<u>Fund</u>	<u>2022-23 Adjusted Base Plus Bonds*</u>	<u>Governor**</u>		<u>Change to Base Plus Bonds Doubled</u>	
		<u>2023-24</u>	<u>2024-25</u>	<u>Amount</u>	<u>% Change</u>
SEG	\$25,319,400	\$25,111,600	\$37,721,400	\$12,194,200	24.1%
FED	184,848,900	189,832,800	191,617,500	11,752,500	3.2
Trans. Revenue					
Bond Proceeds	<u>73,511,600***</u>	<u>73,511,600</u>	<u>73,511,600</u>	<u>0</u>	0.00
Total	\$283,679,900	\$288,456,000	\$302,850,500	\$23,946,700	4.2%

* Includes \$207,800 SEG and \$672,100 FED associated with adjustments to the 2022-23 base funding amount.

** Amounts shown comprise all major highway development recommendation items, 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.

Estimated project completion schedules for major highway development projects receiving funding under the Governor's recommended 2023-25 program funding level 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. The bill recommends a funding level of \$591.3 million for major highway development projects in 2023-25, while the February, 2023 TPC report provides an estimate of \$659.0 million in project expenditures during the 2023-25 biennium, a difference of \$67.7 million. However, the Department anticipates that it will receive an \$80.0 million grant in the biennium from the federal INFRA program for the I-39/90/94 Wisconsin River Bridges project, which was announced on September 19, 2022.

**Anticipated Major Highway Development Project Completion Dates
Under Governor's Recommendation (\$591.3 Million in 2023-25)**

<u>Highway</u>	<u>Project Segment</u>	<u>Counties</u>	<u>Completion Year</u>	<u>2023-25 Costs (\$, 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.

Joint Finance: Provide additional SEG to the major highway development program in 2023-24, rather than the additional transportation revenue bond authority recommended by the Governor. Make the following changes to major highway development program funding in order to provide a 2023-25 funding level of \$591,306,500: (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. Standard budget adjustment increases of \$184,800 SEG and \$476,100 FED annually are reflected in a separate item (See "Departmentwide").

The following tables compare major highway development program funding under the program's 2022-23 adjusted base funding level, the Governor's recommendations, and actions by the Joint Committee on Finance, including a provision for pay increase to DOT engineers, which is discussed in a separate item. The \$591.3 million in funding that would be provided under the Joint Finance version of the bill, 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.

**2023-25 Major Highway Development Program Funding --
Base Funding to Joint Finance Comparison**

<u>Fund</u>	<u>2022-23 Adjusted Base Plus Bonds</u>	<u>Joint Finance*</u>		<u>Change to Base Plus Bonds Doubled</u>	
		<u>2023-24</u>	<u>2024-25</u>	<u>Amount</u>	<u>% Change</u>
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%

**2023-25 Major Highway Development Program Funding --
Governor's Recommendation to Joint Finance Comparison**

<u>Fund Source</u>	<u>Governor*</u>		
	<u>2023-24</u>	<u>2023-24</u>	<u>Biennial Total</u>
SEG	\$25,111,600	\$37,721,400	\$62,833,000
FED	189,832,800	191,617,500	381,450,300
Rev. Bond Proceeds	<u>73,511,600</u>	<u>73,511,600</u>	<u>147,023,200</u>
Total	\$288,456,000	\$302,850,500	\$591,306,500

<u>Fund Source</u>	<u>Joint Finance*</u>		
	<u>2023-24</u>	<u>2024-25</u>	<u>Biennial Total</u>
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
Change to Governor	\$73,812,500	-\$73,210,700	\$601,800
% Change	25.6%	-24.2%	0.1%

** Amounts shown include 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.

4. SOUTHEAST WISCONSIN FREEWAY MEGAPROJECTS [LFB Paper 787]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$67,646,600	-\$16,327,400	\$51,319,200
SEG	- 16,327,400	157,361,000	141,033,600
BR	<u>140,873,000</u>	<u>- 140,873,000</u>	<u>0</u>
Total	\$192,192,200	\$160,600	\$192,352,800

Governor: Make the following changes to the southeast Wisconsin freeway megaprojects

program's funding in order to provide a 2023-25 funding level of \$237,800,000: (a) reductions of \$8,163,700 SEG annually; (b) increases of \$24,980,100 FED in 2023-24 and \$42,666,500 FED in 2024-25; and (c) authorization of \$140,873,000 in transportation fund-supported, general obligation bonds.

Estimated transportation fund-supported debt service associated with the partial issuance of these general obligation bonds in the biennium would be \$1,488,000 SEG in 2024-25. This debt service amount along with standard budget adjustment increases of \$51,200 SEG annually and \$274,200 FED annually are reflected in separate items.

The following table compares the base year (2022-23) southeast Wisconsin freeway megaprojects program funding with the 2023-25 biennial funding level recommended by the Governor.

**Southeast Wisconsin Freeway Megaproject Program --
Base Funding to Governor's Recommendation Comparison**

<u>Fund</u>	<u>2022-23 Adjusted Base Plus Bonds</u>	<u>Governor*</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	\$0	\$0	-\$16,225,000	-100.0%
FED	14,366,000	39,620,300	57,306,700	68,195,000	237.3
Gen. Ob.					
Bonds (SEG)	<u>20,000,000</u>	<u>70,436,500</u>	<u>70,436,500</u>	<u>100,873,000</u>	252.3
Total	<u>\$42,478,500</u>	<u>\$110,056,800</u>	<u>\$127,743,200</u>	<u>\$152,843,000</u>	179.9%

* Includes \$112,500 SEG and \$366,000 FED associated with adjustments to the 2022-23 base funding amount.

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

Joint Finance: Provide additional SEG to the southeast Wisconsin freeway megaprojects program in 2023-24, rather than the additional transportation fund-supported general obligation bond authority recommended by the Governor. Make the following changes to 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. Standard budget adjustment increases of \$34,600 SEG and \$210,500 FED annually are reflected in a separate item (See "Departmentwide").

The following tables compare major highway development program funding under the program's 2022-23 adjusted base funding level, the Governor's recommendations, and actions by the Joint Committee on Finance, including a provision to provide a pay increase to DOT engineers, which is discussed in a separate item.

**2023-25 Southeast Wisconsin Freeway Megaprojects Program Funding --
Base Funding to Joint Finance Comparison**

<u>Fund</u>	<u>2022-23 Adjusted Base Plus Bonds</u>	<u>Joint Finance*</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%

**2023-25 Southeast Wisconsin Freeway Megaprojects Program Funding --
Governor's Recommendation to Joint Finance Comparison**

<u>Fund Source</u>	<u>Governor*</u>		<u>Biennial Total</u>
	<u>2023-24</u>	<u>2023-24</u>	
SEG	\$0	\$0	\$0
FED	36,620,300	57,306,700	96,927,000
Gen. Ob. Bonds (SEG)	<u>70,436,500</u>	<u>70,436,500</u>	<u>140,873,000</u>
Total	\$110,056,800	\$127,743,200	\$237,800,000

<u>Fund Source</u>	<u>Joint Finance*</u>		<u>Biennial Total</u>
	<u>2023-24</u>	<u>2024-25</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

Change to Governor	\$70,616,900	-\$70,256,100	\$360,800
% Change	64.2%	-55.0%	0.2%

* Amounts shown include base funding, adjustments to the base, and standard budget adjustments.

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

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$0	\$47,200,000	\$47,200,000
BR	<u>47,200,000</u>	<u>305,600,000</u>	<u>352,800,000</u>
Total	\$47,200,000	\$352,800,000	\$400,000,000

Governor: Authorize \$47,200,000 in transportation fund-supported, general obligation bonding authority for the major interstate bridge program 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 bill 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.

Joint Finance: 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 for reconstruction of the Blatnik Bridge.

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

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$24,700,000	- \$12,350,000	\$12,350,000
SEG	<u>4,744,400</u>	<u>- 1,372,200</u>	<u>3,372,200</u>
Total	\$29,444,400	- \$13,722,200	\$15,722,200

Governor: Provide \$2,372,200 SEG and \$12,350,000 FED annually to the highway system management and operations program. These funds would be provided in addition to adjusted base level funding of \$101,194,400 SEG and \$1,313,200 FED annually. 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.

Joint Finance: 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 base level funding for the appropriations in future years

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

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$11,394,400	-\$5,697,200	\$5,697,200

Governor: Provide \$3,497,200 in 2023-24 and \$7,897,200 in 2024-25 for routine maintenance activities on the state trunk highway system. These funds would be provided in addition to base level funding of \$188,366,500 annually for routine maintenance. 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.

Joint Finance: Provide \$1,748,600 SEG in 2023-24 and \$3,948,600 SEG 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 SEG annually to base level funding for the appropriation for future years.

8. TRIBAL NATION WELCOME SIGNS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

9. REINSTATE DOT'S AUTHORITY RELATED TO BICYCLE AND PEDESTRIAN FACILITIES ON NEW HIGHWAY CONSTRUCTION PROJECTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

10. REPEAL 2017 ACT 368 FEDERAL FUNDING LIMITATIONS ON STATE HIGHWAY PROJECTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

SEG	\$7,000,000
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Joint Finance: Provide \$7,000,000 SEG 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.

Division of Motor Vehicles

1. PRODUCTION OF LICENSE PLATES REQUIRED UNDER 2021 ACTS 163 AND 178 SEG \$6,506,000

Governor/Joint Finance: 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 ten 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 "Corrections -- Adult Institutions").

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

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$5,000,000	-\$2,000,000	\$3,000,000

Governor: Provide \$5,000,000 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.

Joint Finance: 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.

3. EXPANDED HOURS OF OPERATION AT DMV LOCATIONS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$2,400,000	- \$2,400,000	\$0

4. DMV OPERATIONS INCREASE [LFB Paper 792]

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

Governor: Provide \$500,000 annually to the Division of Motor Vehicles general operations appropriation to cover increased postage, data processing, and REAL ID compliance costs. The Department indicates that since it last received additional funding for postage in 2012-13, its postage costs have increased by \$2.9 million annually due to higher postage rates, and growth in the volume of postage sent, as the numbers of customers and transactions increase over time. The Department also indicates that data processing costs have grown in recent years with the expansion of online services, new information technology (IT) initiatives, and rising prices for servers, storage, networking, and IT support. Specifically, the Department notes that annual assessments associated with data processing and IT infrastructure, as well as services provided by the Department of Administration, have grown by over \$1.0 million since 2011-12. In addition, the Administration indicates that the Division could incur additional costs to ensure compliance with the federal REAL ID Act of 2005, which established minimum security standards for state issued-driver licenses.

Joint Finance: Provision not included.

5. REAL ID EQUIPMENT [LFB Paper 792]

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

Governor: Provide one-time funding of \$400,000 in 2023-24 to the Division of Motor Vehicles general operations appropriation to purchase equipment needed to comply with the

federal REAL ID Act of 2005. The REAL ID Act established minimum security standards for state-issued driver licenses and identification cards and prohibits federal agencies from accepting for official purposes licenses and identification cards from states that do not meet these standards, including accessing federal facilities and boarding federally regulated aircraft. REAL ID was scheduled to be enforced on October 1, 2020, but was extended to October 1, 2021, as part of the federal CARES Act in response to the COVID-19 pandemic, and then to May 7, 2025 by the Department of Homeland Security. To obtain a REAL ID compliant license or card, applicants must provide their social security number and present an original document or certified copy of proof of: (a) name and date of birth; (b) legal presence in the United States; (c) identity; (d) name changes if applicable; and (e) address, which requires two forms. The Administration indicates that the additional funds would be utilized to purchase equipment needed to comply with the REAL ID Act, while funds to cover ongoing costs associated with REAL ID Act are included in the previous item.

Joint Finance: Provision not included.

6. IDENTIFICATION STICKER FOR ELECTRIC VEHICLES

SEG	\$16,000
SEG-REV	19,000

Governor/Joint Finance: 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 that DOT issue a decal for each electric and hybrid-electric vehicle in the state that identifies the vehicle as electric. Require that the decals must be displayed on the front and rear registration plates of the vehicle, and establish a one-time registration fee of \$1 for issuance of the decals. Estimate revenues to the transportation fund from the decal fee of \$11,000 SEG-Rev in 2023-24 and \$8,000 SEG-Rev in 2024-25.

7. DRIVING SKILLS TEST WAIVER *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

8. ONLINE DRIVER LICENSE RENEWAL *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

9. ELECTRONIC NOTIFICATION AUTHORITY *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

10. DATA TRANSMISSION TO FEDERAL COURTS FOR JURY SELECTION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

- 11. **IGNITION INTERLOCK DEVICE REQUIREMENT FOR OPERATING WHILE INTOXICATED OFFENSES** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
- 12. **INCREASED FORFEITURE FOR SAFETY BELT VIOLATIONS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
- 13. **SEASONAL PERIOD FOR FARM SERVICE LICENSE ENDORSEMENT** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
- 14. **AUTOMATIC VOTER REGISTRATION** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

- 15. **REAL ID NON-COMPLIANT DRIVER LICENSES AND IDENTIFICATION CARDS FOR UNDOCUMENTED PERSONS [FOR PURPOSES OTHER THAN VOTING]** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
- 16. **IDENTIFICATION CARD RECEIPTS FOR VOTING PURPOSES -- VALID PERIOD** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
- 17. **DRIVER EDUCATION GRANTS**

Joint Finance: 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.")

State Patrol

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

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
	Funding Positions	Funding Positions	Funding Positions
SEG	\$12,094,800 35.00	-\$12,094,800 - 35.00	\$0 0.00

Governor: Provide \$8,507,600 in 2023-24 and \$3,587,200 in 2024-25, and 35.00 positions annually to the Division of State Patrol general operations appropriation to expand the size of the traffic officer force. Modify the statutes to increase the upper limit on the number of traffic officers that can be employed by the Division from 399 to 434. Under current law, the statutes establish a force of traffic officers under the Division of State Patrol, and outline their powers and duties, including enforcing and assisting in the administration of state laws pertaining motor vehicles, driver licensing, and rules of the road, and assisting local enforcement officers wherever possible in the regulation of traffic and the prevention of accidents upon public highways. The Administration indicates that the higher recommended funding level in 2023-24 would be associated with initial costs of onboarding the new officers, including recruitment, provision of equipment such as vehicles and personal protective equipment, and training at the State Patrol Academy.

Joint Finance: Delete the recommended funding and traffic officer positions. 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. [See "Budget Management and Compensation Reserves."]

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

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$4,356,000	-\$4,356,000	\$0
GPR	<u>0</u>	<u>2,178,000</u>	<u>2,178,000</u>
Total	\$4,356,000	-\$2,178,000	\$2,178,000

Governor: Provide \$2,178,000 SEG annually to the Division of State Patrol general operations appropriation to purchase 500 in-vehicle video cameras each year. 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.

Joint Finance: Provide \$2,178,000 GPR annually in 2023-24 to fund the one-time replacement of State Patrol's 500 in-vehicle video cameras.

3. INSTALLATION AND MAINTENANCE OF COMMUNICATIONS EQUIPMENT[LFB Paper 797]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding Positions		Funding	Positions	Funding	Positions
SEG	\$4,199,100	5.00	-\$2,899,100	- 5.00	\$1,300,000	0.00

Governor: Provide \$1,168,800 in 2023-24, \$430,300 in 2024-25, and 5.00 positions annually to the Division of State Patrol general operations appropriation, and \$1,300,000 annually to the DOT departmental management and operations appropriation for the maintenance and installation of communication equipment across the state. 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 Administration indicates that the requested funding would be used to install and update communications equipment located on DSP towers, and contained in State Patrol and DOT fleet vehicles.

Joint Finance: 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.

4. STATE TROOPER OVERTIME [LFB Paper 795]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$3,450,000	-\$3,450,000	\$0

Governor: Provide \$1,725,000 annually to the Division of State Patrol general operations appropriation to fund overtime pay for Wisconsin State Troopers. Troopers earn overtime wages of 1.5 times their regular hourly pay when they work more than 40 hours a week, including for nonstandard occurrences such as civil disturbance, natural disasters, and other special events.

Certain types of scheduled overtime activities are reimbursed, but all unscheduled overtime is not reimbursed. DOT indicates that State Patrol's overtime budget is \$1.0 million annually. The Division has exceeded that allocation in recent years by between \$1.4 million and \$2.0 million each year.

Joint Finance: Provision not included.

5. MOTOR CARRIER INSPECTOR POSITIONS [LFB Paper 795]

	Governor		Jt. Finance		Net Change	
	(Chg. to Base)		(Chg. to Gov)			
	Funding	Positions	Funding	Positions	Funding	Positions
FED	\$789,200	0.00	\$5,136,000	3.00	\$5,925,200	3.00
SEG	<u>1,610,500</u>	<u>10.00</u>	<u>-1,502,400</u>	<u>-10.00</u>	<u>108,100</u>	<u>0.00</u>
Total	\$2,399,700	10.00	\$3,633,600	-7.00	\$6,033,300	3.00

Governor: Provide \$1,036,500 SEG in 2023-24 and \$574,000 SEG in 2024-25, 10.00 SEG positions annually, and \$338,200 FED in 2023-24 and \$451,000 FED in 2024-25 for the Division of State Patrol to supply additional State Patrol inspectors and offer increased funding for safety and weight enforcement facilities in the state. The statutes authorize the Secretary of Transportation to employ State Patrol inspectors, whose duties include the inspection of motor vehicles to determine compliance with equipment provisions in state law. Inspectors perform enforcement duties either at fixed weight and inspection stations, or on mobile patrol. The Division currently has authority for 88 inspector positions. The Administration indicates that the higher funding level in 2023-24 would be associated with initial costs of onboarding the new officers, including recruitment, provision of new equipment, and training at the State Patrol Academy.

Joint Finance: 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. [See "Budget Management and Compensation Reserves."]

6. STATEWIDE MICROWAVE RADIO NETWORK [LFB Paper 797]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$1,172,000	-\$1,172,000	\$0

Governor: Provide \$586,000 annually to the Division of State Patrol general operations appropriation to upgrade the statewide microwave radio network. The Division owns and maintains a statewide network of communications infrastructure. DOT indicates that the requested funding would be used to initiate a new seven-year master lease for the network after the two existing master leases expire. The recommended funds would be combined with \$529,500 in expenditure authority that has already been authorized for the existing master leases. The Department indicates that the new master lease would upgrade 59 microwave radio network link locations at a total estimated cost of \$6.5 million over the seven-year lease period.

Joint Finance: Provision not included.

7. STAFFING FOR OPEN RECORDS REQUESTS ON BODY CAMERA FOOTAGE [LFB Paper 796]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$179,800	2.00	-\$179,800	- 2.00	\$0	0.00

Governor: Provide \$77,100 in 2023-24 and \$102,700 in 2024-25, and 2.00 positions annually to the Division of State Patrol general operations appropriation to fulfill open records requests relating to body camera footage. 2021 Act 58 (the 2021-23 biennial budget act) provided \$700,000 in 2021-22 to fund the purchase of body-worn cameras and storage of camera data for State Patrol. Under current law, law enforcement agencies utilizing body-worn cameras must retain recordings for a minimum of 120 days, with some exceptions requiring longer retention, such as data used in an investigation, case, or complaint and the encounter resulted in the death or physical injury to an individual, or an encounter that included the use of force by an officer.

Joint Finance: Provision not included.

8. TACTICAL HELMETS FOR STATE TROOPERS [LFB Paper 796]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$170,700	-\$170,700	\$0
GPR	<u>0</u>	<u>170,700</u>	<u>170,700</u>
Total	\$170,700	\$0	\$170,700

Governor: Provide \$170,700 SEG in 2024-25 to the Division of State Patrol general

operations appropriation to purchase tactical helmets for state troopers. This would be an ongoing increase to base funding for the Division of State Patrol's operations appropriation to fund the continued purchase of this tactical equipment. 2017 Act 59 (the 2017-19 budget) created a new 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.

Joint Finance: Provide \$170,700 GPR in 2023-24 to fund a one-time purchase of 510 tactical helmets for State Patrol troopers.

9. STATE PATROL DIGNITARY PROTECTION UNIT

Joint Finance: Specify that the Department shall maintain a dignitary protection unit and may assign state traffic officers to safeguard Justices of the Supreme Court.

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$14,346,600	-\$2,015,400	\$12,331,200
PR	357,800	0	357,800
SEG	10,732,000	- 6,229,400	4,502,600
SEG-S	<u>84,600</u>	<u>0</u>	<u>84,600</u>
Total	\$25,521,000	\$8,244,800	\$17,276,200

Governor: Make adjustments to the agency base budget for: (a) turnover reduction (-\$4,672,000 SEG and -\$1,511,600 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 full funding of lease and directed moves costs (-\$794,000 SEG annually).

Joint Finance: Increase the rate used to calculate turnover reduction from 3% to 5% for all appropriations subject to a 3% turnover rate. Reduce funding under the turnover reduction standard budget adjustment by -\$3,114,700 SEG annually and -\$1,007,700 FED annually.

2. DOT ADMINISTRATIVE FACILITIES -- CAPITAL BUILDING PROJECTS [LFB Paper 805] SEG-S \$5,500,000

Governor: Provide \$2,750,000 SEG-S annually in transportation revenue bond proceeds to fund DOT administrative facility projects to be included in the Department's capital building budget. This would increase base level funding of \$6,500,000 SEG-S to \$9,250,000 SEG-S annually for DOT facility capital projects, which equals the additional bonding authorization amount associated with this recommendation as shown in a separate item (see "Transportation Finance").

The Department has provided an inventory of scheduled capital projects to begin in 2023-25, totaling \$18,500,000: (a) a new shared multi-division facility in Spooner (\$11,000,000); (b) bathroom upgrades and window replacement at the State Patrol Academy at Fort McCoy (\$425,000); and (c) other miscellaneous agency facility projects (\$7,075,000). Estimated reductions to transportation fund revenue, associated with the debt service for the partial issuance of these bonds, of \$115,700 in 2023-24 and \$857,900 in 2024-25, are shown in a separate item (see "Transportation Finance").

Joint Finance: Require the Department to utilize \$18,500,000 in existing transportation revenue bond premium proceeds to fund DOT administrative facility projects. Include the \$2,750,000 SEG-S increase to allow the Department to fully-expend the \$18.5 million in bond premium proceeds. Separate items would delete the recommendation to authorize additional transportation revenue bonds and related debt service for DOT administrative facilities (See "Transportation Finance"). 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 Requests</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>
Total	\$18,500,000

3. DOT ADMINISTRATIVE FACILITIES -- MINOR CONSTRUCTION PROJECTS [LFB Paper 805]

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

Governor: Provide \$5,000,000 in 2023-24 to cash fund minor construction projects on DOT administrative facilities. Under current law, the Department has a SEG appropriation that can provide funding for projects on DOT administrative facilities, but the total construction cost of any project receiving funding from the appropriation may not exceed \$1,000,000. The Administration indicates that these funds would be used alongside the transportation revenue bonds provided for DOT administrative facility projects, contained in the previous item, to increase funding for administrative facilities.

Joint Finance: Provision not included.

4. OPERATIONS AND ONLINE APPLICATION SECURITY AND MODERNIZATION FUNDING [LFB Papers 791 and 806]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$3,504,200	- \$3,504,200	\$0

Governor: Provide \$1,752,100 annually to DOT's department management and operations appropriation as follows: (a) \$1,418,100 annually for increased supplies and services costs associated with Department program efforts; and (b) \$334,000 annually to hire consultants or contractors to improve the security of the Department's online and electronic application systems, including those used by the Division of Motor Vehicles.

Joint Finance: Provision not included.

5. DEPARTMENT MANAGEMENT AND OPERATIONS FEDERAL FUNDING ALLOCATION [LFB Paper 774]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$1,000,000	- \$1,000,000	\$0

Governor: Provide \$500,000 annually for DOT's department management and operations FED appropriation. This funding increase is associated with the additional annual federal administrative funding expected to be provided under federal highway formula aid amounts authorized under the IIJA.

Joint Finance: Provision not included.

6. **EQUITY OFFICER POSITION** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$172,900	1.00	-\$172,900	- 1.00	\$0	0.00

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

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$140,000	1.00	-\$140,000	- 0.50	\$0	0.50

Governor: Provide \$60,000 in 2023-24 and \$80,000 in 2024-25, and create 1.00 SEG position to support the Mississippi River Parkway Commission. Specify that the authorized positions for the Mississippi River Parkway Commission would be increased by 1.00 FTE, 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.

Joint Finance: Provide 0.5 SEG position, and assign the equivalent 0.1 of a SEG position from the duties of the DOT bicycle and pedestrian coordinator position to the Mississippi River Parkway Commission in DOT's departmental management and operations appropriation in 2023-24 for the purpose of providing administrative support to the Mississippi River Parkway Commission.

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

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	-\$12,740,200	\$0	-\$12,740,200
SEG	\$13,977,800	- 13,977,800	0
SEG-L	<u>-\$738,000</u>	<u>0</u>	<u>- 738,000</u>
Total	\$499,600	-\$13,977,800	-\$13,478,200

Governor: Provide \$6,988,900 SEG annually to DOT's department management and operations appropriations and make corresponding annual decreases of \$6,370,100 FED and \$369,000 SEG-L to the FED and SEG-L department management and operations appropriations. The Administration indicates that these funding modifications would correct for a mismatch in funding and expenditures among these appropriations. This provision would result in a net funding increase of \$249,800 annually.

Joint Finance: Approve the recommended annual decreases of \$6,370,100 FED and \$369,000 SEG-L to DOT's department management and operations appropriations. Delete the 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. This would result in no net effect to base level funding for the SEG appropriation.

9. INTERNAL REORGANIZATION OF POSITION AND FUNDING [LFB Paper 662]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$0	0.00	-\$263,000	- 1.00	-\$263,000	- 1.00

Governor: Reallocate \$131,500 SEG and 1.00 position annually from the Division of Motor Vehicles general operations appropriation to DOT's department management and operations appropriation. The Administration indicates that this would reallocate funding and position authority for an agency equity and inclusion policy advisor to an appropriation that is a better fit for the position's agency-wide responsibilities.

Joint Finance: Decrease funding by \$131,500 SEG annually and 1.00 SEG position from the Division of Motor Vehicles general operations appropriation.

10. TRANSFER AMBULANCE INSPECTION PROGRAM TO THE DEPARTMENT OF HEALTH SERVICES (Removed from budget consideration pursuant to Joint Finance Motion #10)

11. PAY INCREASE FOR DOT ENGINEERS

FED	\$5,710,000
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Joint Finance: 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 Finance 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

12. UTILITY RELOCATION DELAY POSITIONS

	Funding	Positions
SEG	\$829,700	4.00

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