

TRANSPORTATION

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Governor		2023-25 Change Over Base Year Doubled		2022-23	Governor		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
GPR	\$87,559,900	\$150,277,200	\$78,008,700	\$53,166,100	30.4%	0.00	0.00	0.00	0.00	N.A.
FED	922,538,800	1,133,502,800	1,152,513,200	440,938,400	23.9	874.32	874.32	874.32	0.00	0.0%
PR	11,228,400	11,407,300	11,407,300	357,800	1.6	18.00	18.00	18.00	0.00	0.0
SEG	2,053,720,400	2,192,664,700	2,270,383,800	355,607,700	8.7	2,390.09	2,444.09	2,444.09	54.00	2.3
SEG-L	115,325,600	152,100,700	152,618,300	74,067,800	32.1	0.00	0.00	0.00	0.00	N.A.
SEG-S	<u>112,778,200</u>	<u>115,570,500</u>	<u>115,570,500</u>	<u>5,584,600</u>	2.5	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>0.00</u>	0.0
TOTAL	\$3,303,151,300	\$3,755,523,200	\$3,780,501,800	\$929,722,400	14.1%	3,287.41	3,341.41	3,341.41	54.00	1.6%
BR			\$441,787,300							

Budget Change Items

Transportation Finance

1. FUND CONDITION STATEMENT

Governor: The following table shows the estimated 2023-25 transportation fund condition statement under the Governor's budget recommendations. Revenues reflect the Department of Administration's (DOA's) re-estimates of collections under existing taxes and fee rates.

	<u>2023-24</u>	<u>2024-25</u>
Unappropriated Balance, July 1	\$83,404,100	\$23,408,500
Revenues		
Motor Fuel Tax	\$1,104,792,400	\$1,139,127,800
Registration and Title Fee Revenues		
Registration Revenues	719,931,500	725,678,500
Title Revenues	222,137,600	232,800,200
Miscellaneous Motor Vehicle Fees	29,889,200	30,097,600
Less Revenue Bond Debt Service	-205,912,300	-126,500,700
Petroleum Inspection Fee One-Cent Deposit	36,726,400	40,961,100
Driver's License Fees	39,111,100	39,060,900
Aeronautical Fees and Taxes	6,659,700	7,035,600
Railroad Property Taxes	32,675,200	25,883,200
Miscellaneous Departmental Revenues	14,553,100	14,167,400
Investment Earnings	3,000,000	3,000,000
Transfers to the Fund		
General Fund Transfer	54,326,400	56,363,000
Petroleum Inspection Fund Unencumbered Balance	17,103,800	17,146,500
Petroleum Inspection Fund Ongoing Transfer	6,258,500	6,258,500
APART Sales Tax Transfer	43,625,700	52,895,500
Electric Vehicle Sales Tax Transfer	39,300,000	55,100,000
Railroad Personal Property Tax Transfer	<u>0</u>	<u>9,000,000</u>
Total Annual Revenues	\$2,167,178,300	\$2,328,075,100
Total Available	\$2,250,582,400	\$2,351,483,600
Appropriations and Reserves		
DOT Appropriations	\$2,192,219,700	\$2,269,938,800
Less Estimated Lapses	-3,000,000	-3,000,000
Compensation and Other Reserves	10,000,000	10,000,000
Other Agency Appropriations	<u>27,954,200</u>	<u>27,936,500</u>
Net Appropriations and Reserves	\$2,227,173,900	\$2,304,902,300
Unappropriated Balance, June 30	\$23,408,500	\$46,581,300

The "General Fund Transfer" amounts are the annual statutory transfers made from the general fund to the transportation fund of 0.25% of general fund taxes, based on estimated general fund tax revenues under the bill. The amounts shown for "APART Sales Tax Transfer" (automotive parts, accessories, repair and maintenance services, and tires), "Electric Vehicle Sales Tax Transfer", and "Railroad Personal Property Tax Transfer" are new, ongoing transfers from the general fund to the transportation fund recommended under the Governor's bill, which are summarized in separate items. The "Railroad Personal Property Tax Transfer" would transfer \$9,000,000 to the transportation fund in 2024-25, which would compensate the transportation fund for an anticipated reduction in railroad property tax revenues being deposited to the fund associated with the Governor's recommendation to repeal the personal property tax beginning in 2024-25. Under current law, DOT categorizes railroad personal property tax revenues under the "Railroad Property Taxes" category. Accordingly, the figure shown under "Railroad Property Taxes" in the table for 2024-25 reflects a reduction of the estimated \$9,000,000 in railroad personal property tax

collections under the Governor's bill.

An annual transfer is also made from the petroleum inspection fund (PIF) to the transportation fund of the PIF unencumbered balance. Under current law, on June 30 of each year, a transfer is made from the PIF to the transportation fund of the unencumbered balance of the PIF, except for an amount of not less than 5% of the gross annual revenues to the fund during the fiscal year in which the transfer is made.

Revenue bond debt service amounts are shown as a reduction to registration and title revenue, as they are held in a registration fee trust to pay annual debt service on transportation revenue bonds before the residual amount is deposited to the transportation fund. The 2024-25 amount of revenue reduction is lower due to the Governor's recommendation to use GPR to defease a portion of the revenue obligation debt service in that year.

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.

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

GPR Transfer	\$96,521,200
SEG-REV	96,521,200

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.]

[Bill Section: 125]

3. ONGOING GENERAL FUND TRANSFER TO TRANSPORTATION FUND FOR ESTIMATED SALES TAX ON ELECTRIC VEHICLES

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 (See also "General Fund Taxes -- General Fund Tax Transfers").

[Bill Section: 124]

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.

[Bill Section: 123]

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. The Governor's recommendation would also create three additional general fund transfers (see earlier items). Two annual transfers are also made from the PIF: (a) an ongoing annual transfer of \$6,258,000; and (b) the annual transfer of the unencumbered balance of the PIF to the transportation fund on June 30, except for 5% of the gross revenues of the PIF during the fiscal year in which the transfer is made. The following table compares the estimated current law amounts to be transferred from the general fund and PIF in the 2023-25 biennium and 2021-23 biennium, as well as the estimated amounts to be transferred under the new general fund transfers proposed by the Governor.

Use of Other Funds for Transportation Purposes -- Biennial Comparison

	<u>2021-23</u>	<u>2023-25</u>	<u>Biennial Change</u>	<u>% Change</u>
Current Law				
<i>General Fund</i>				
0.25% Transfer of General Fund Taxes	\$93,362,100	\$110,689,400	\$17,327,300	18.6%
One-Time Transfers	<u>182,796,800</u>	<u>0</u>	<u>-182,796,800</u>	<u>-100.0</u>
Subtotal	\$276,158,900	\$110,689,400	-\$165,469,500	-59.9%
<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%
Current Law Total	\$322,755,600	\$157,456,700	-\$165,298,900	-51.2%
Governor's Recommendation				
<i>General Fund</i>				
Automotive Parts and Repair Sales Tax	\$0	\$96,521,200	\$96,521,200	N.A.
Electric Vehicle Sales Tax	0	94,400,000	94,400,000	N.A.
Railroad Personal Property Tax	<u>0</u>	<u>9,000,000</u>	<u>9,000,000</u>	<u>N.A.</u>
Governor's Recommendation Total	\$0	\$199,921,200	\$199,921,200	N.A.
Total	\$322,755,600	\$357,377,900	\$34,622,300	10.7%

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

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.	<u>1,313,200</u>	<u>12,668,000</u>	<u>12,668,000</u>	<u>13,981,200</u>	<u>13,981,200</u>
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.

7. TRANSPORTATION-RELATED BOND SUMMARY

The following table summarizes the biennial usage of bonds for transportation projects in 2021-23 and under the Governor's recommendations for 2023-25, by type of bond and program. 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>2023-25</u>
Transportation Fund-Supported, General Obligation Bonds		
Southeast Wisconsin Freeway Megaprojects	\$40,000,000	\$140,873,000
Southern Bridge	0	50,000,000
Major Interstate Bridge Program	0	47,200,000
Freight Rail Preservation	20,000,000	20,000,000
Harbor Assistance	15,300,000	16,000,000
Design-Build Projects	<u>20,000,000</u>	<u>0</u>
Subtotal	\$95,300,000	\$274,073,700
Transportation Revenue Bonds		
Major Highway Development	\$128,258,200*	\$149,214,300
Administrative Facilities	<u>0*</u>	<u>18,500,000</u>
Subtotal	\$128,258,200	\$167,714,300
Total	\$223,558,200	\$441,787,300

*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.

8. TRANSPORTATION REVENUE BOND AUTHORIZATION

BR	\$167,714,300
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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.

[Bill Section: 1687]

9. TRANSPORTATION REVENUE BOND DEBT SERVICE REESTIMATE

SEG-REV	\$6,375,400
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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.

[Bill Section: 1687]

10. TRANSPORTATION REVENUE BOND DEFEASANCE

GPR Transfer	\$379,369,800
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Governor: Transfer \$379,369,800 from the general fund to a newly-created transportation revenue bond defeasance trust fund to pay principal and interest on outstanding transportation revenue bonds. Require the Department to deposit the \$379.4 million in a separate and distinct fund outside the state treasury, in an account maintained by a trustee, and require the state and trustee to create an agreement or resolution pledging trust fund revenues to the repayment of transportation revenue bond debt service obligations. The Administration indicates that, each year over an eight-year period from 2024-25 to 2031-32, a portion of the \$379.4 million would be used to pay off outstanding transportation revenue bonds. The Administration anticipates using \$76,287,700 of these funds in 2024-25 to pay debt service costs on outstanding transportation revenue bonds.

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 2024-25 paid from the transportation fund under this provision would decrease from \$202,788,400 to \$126,500,800.

[Bill Sections: 1686 and 9244(1)]

11. TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE -- SOUTHEAST WISCONSIN FREEWAY MEGAPROJECTS AND HIGH-COST BRIDGE PROJECTS

SEG	-\$6,403,200
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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.

12. EXISTING TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE -- CONTINGENT HIGHWAY BONDS SEG - \$918,300

Governor: 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 SEG \$3,581,000

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.

14. EXISTING GENERAL FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE GPR - \$6,833,900

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.

15. TRANSPORTATION-RELATED DEBT SERVICE SUMMARY

Governor: 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 and the bonds authorized in the biennium would total \$358,555,900 in 2023-24 and \$289,801,400 in 2024-25. The DOA's 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 estimated under the Governor's recommended budget for 2023-25 excluding transfers.

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	359.1	2,141.6	16.8
2023-24	358.6	2,212.5	16.2
2024-25	289.8	2,257.8	12.8

*Revenue is shown before the payment of debt service on transportation revenue bonds, and does not contain transfers from other funds, including the three new transfers from the general fund to the transportation fund that are included in the bill.

Note: Debt service and revenue amounts shown for 2021-22 are actual. The amounts for 2022-23 reflect February, 2023, estimates by the Administration. Amounts for 2023-24 and 2024-25 are estimates that reflect the provisions of the Governor's 2023-25 recommendations.

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 (\$90.3 million in 2023-24 and \$78.0 million in 2024-25) is shown in the previous item.

Local Transportation Aid

1. GENERAL TRANSPORTATION AIDS

SEG	\$51,481,200
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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.

There are two basic formulas by which general transportation aid is distributed: (a) share of costs aid; and (b) mileage aid. Counties receive only share of costs aid, while municipalities (including towns) receive payments based on either share of costs aid or mileage aid, whichever is greater. Share of costs aid amounts are computed by multiplying each community's six-year average highway-related costs (2016 through 2021 for 2023 payments) by a statewide average cost-sharing percentage. Mileage aid (mostly received by towns) is computed by multiplying the number of miles of road or street under the jurisdiction of each municipality by a specified mileage rate.

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

[Bill Sections: 1703 thru 1705]

2. MASS TRANSIT OPERATING ASSISTANCE

SEG	\$6,822,600
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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.

[Bill Sections: 1691 and 1692]

3. TRANSIT CAPITAL ASSISTANCE GRANTS

SEG	\$20,000,000
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Governor: Provide \$10,000,000 annually to a new, continuing SEG appropriation under DOT for transit capital assistance grants. Require DOT to administer a transit capital assistance grant program and award grants to eligible applicants for the replacement of public transit vehicles. Specify that DOT would be required to establish criteria for awarding grants under the transit capital assistance grant program.

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

[Bill Sections: 386 and 1693]

4. SENIORS AND INDIVIDUALS WITH DISABILITIES SPECIALIZED ASSISTANCE PROGRAM

SEG	\$453,200
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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.

5. PARATRANSIT AIDS

SEG	\$386,700
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Governor: 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

SEG	\$853,200
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Governor: Provide \$543,900 in 2023-24 and \$309,300 in 2024-25 to implement the recommendation of the Department's Nondriver Advisory Committee. The funding would be provided for the following: (a) \$400,000 in 2023-24 to fund the coordination of nondriver services in Wisconsin; and (b) a \$143,900 in 2023-24 and \$309,300 in 2024-25 to provide a 15% increase to funding for the seniors and individuals with disabilities specialized assistance program in each year of the 2023-25 biennium.

The Administration indicates that, the funding would be used to fund mobility management projects, coordinate services for nondrivers, and support the implementation of recommendations from DOT's Nondriver Advisory Committee. 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.. Mobility management activities are eligible for federal section 5310 transit funding as a capital expense. Examples of mobility management activities include travel training, transit itinerary planning, transportation needs studies, one-stop traveler call centers, and transportation brokerages to coordinate providers.

7. TRANSPORTATION EMPLOYMENT AND MOBILITY

SEG	\$126,900
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Governor: Provide \$41,600 in 2023-24 and \$85,300 in 2024-25 for a 5.0% increase to the Department's transportation employment and mobility continuing appropriation funding in each year of the 2023-25 biennium. This would increase funding from \$832,600 in base funding to \$874,200 in 2023-24 and \$917,900 in 2024-25. Under current law, DOT may award grants from this appropriation to public and private organizations for the development and implementation of demand management, ridesharing, and job access and employment transportation assistance programs. Currently, the Wisconsin employment transportation assistance program (WETAP) is funded from this appropriation. WETAP is an annual competitive grant program that combines both state and federal funding for transit systems and organizations that assist low-income individuals in getting to work.

Under current law, the Department of Workforce Development (DWD) is appropriated \$464,800 GPR annually for employment transit assistance grants. Although not statutorily

required, DWD typically transfers all funding appropriated for the employment transit grants program to DOT to jointly fund WETAP. The additional funding provided to DOT under the bill would increase funding to the WETAP program to \$1,339,000 in 2023-24 and \$1,382,700 in 2024-25, if combined with the funding provided to DWD.

Local Transportation Assistance

1. LOCAL ROADS IMPROVEMENT PROGRAM

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.

[Bill Sections: 1706 thru 1708]

2. LOCAL ROADS IMPROVEMENT PROGRAM -- DISCRETIONARY SUPPLEMENTAL GRANTS SEG \$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.

3. SOUTHERN BRIDGE PROJECT IN BROWN COUNTY BR \$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.

[Bill Section: 551]

4. LOCAL TRAFFIC CALMING GRANTS

GPR	\$60,000,000
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Governor: Provide \$60,000,000 GPR in 2023-24 for a newly-created local traffic calming grants program. Require the Department to award grants from a new, continuing appropriation to local governments for infrastructure projects that are designed to reduce the speed of vehicular traffic, and are eligible for federal transportation alternatives program funding, such as construction of on-road and off-road trail facilities for pedestrians, bicyclists, and other nonmotorized forms of transportation. Specific federally-eligible projects include sidewalks, bicycle infrastructure, traffic calming techniques, and lighting and other safety-related infrastructure. Require that the Department determine form, nature, intent, and the extent of information that shall be contained in grant applications, as well as establish criteria for evaluating applications and awarding grants.

[Bill Sections: 391 and 1688]

5. FREIGHT RAIL PRESERVATION PROGRAM

BR	\$20,000,000
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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").

[Bill Section: 555]

6. HARBOR ASSISTANCE PROGRAM

SEG	\$4,000,000
BR	<u>16,000,000</u>
Total	\$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").

[Bill Section: 554]

7. LOCAL TRANSPORTATION FACILITY IMPROVEMENT ASSISTANCE PROGRAM FEDERAL FUNDING ALLOCATION

FED	\$143,806,800
SEG-L	<u>40,884,900</u>
Total	\$184,691,700

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.

8. LOCAL BRIDGE IMPROVEMENT ASSISTANCE PROGRAM FEDERAL FUNDING ALLOCATION

FED	\$70,000,000
SEG-L	<u>17,500,000</u>
Total	\$87,500,000

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 IIJA'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.

9. NATIONAL ELECTRIC VEHICLE INFRASTRUCTURE FORMULA PROGRAM

FED	\$34,511,700
SEG-L	<u>8,628,300</u>
Total	\$43,140,000

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.

[Bill Sections: 392 thru 394, 1697, and 2405]

10. TRANSPORTATION ALTERNATIVES PROGRAM FEDERAL FUNDING ALLOCATION

FED	\$22,158,600
SEG-L	<u>5,539,700</u>
Total	\$27,698,300

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 indented 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.

11. CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM FEDERAL FUNDING ALLOCATION

FED	\$9,011,700
SEG-L	<u>2,252,900</u>
Total	\$11,264,600

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.

12. LOCAL GOVERNMENT PROJECT DEVELOPMENT AND TECHNICAL ASSISTANCE

SEG	\$8,000,000
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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.

[Bill Section: 388]

13. RAILROAD CROSSING IMPROVEMENT PROGRAM

FED	\$5,704,100
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FEDERAL FUNDING ALLOCATION

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.

14. PASSENGER RAIL OPERATIONS ASSISTANCE

SEG	\$3,550,000
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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.

15. RAIL CROSSING SAFETY INITIATIVES

SEG	\$800,000
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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.

[Bill Sections: 389 and 390]

16. SUPPORT FOR METROPOLITAN PLANNING ORGANIZATIONS AND REGIONAL PLANNING COMMISSIONS TRANSPORTATION PROGRAMS

FED	\$3,503,900
SEG	<u>1,314,500</u>
Total	\$4,818,400

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.

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

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.

[Bill Sections: 387 and 9144(2)]

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

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

[Bill Sections: 571, 606, 609 thru 613, 637, 641, 1155, 1159, 1165, 1166, 1169 thru 1172, 1690, 3387, and 9351(5)]

19. REPEAL 2017 ACT 368 LOCAL TRANSPORTATION PROJECT PROVISIONS

Governor: Repeal the following 2017 Act 368 local transportation program requirements:

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

[Bill Section: 1709]

State Highway Program

1. STATE HIGHWAY IMPROVEMENT PROGRAM SUMMARY

Governor: The following tables compare funding for state highway improvement programs in 2022-23 with the Governor's recommended funding for those programs in the 2023-25 biennium. Since the state highway improvement program relies on both current revenues (SEG and FED) and bond proceeds to fund program activity, both tables show the 2022-23 SEG and FED appropriation base, plus the amount of bonding that was allocated during 2022-23. The first table breaks down the total funding for the state highway improvement programs by current appropriations (SEG and FED) and bond proceeds, and shows the proposed change compared to the base year funding doubled, while the second table shows funding for the four individual programs by fund type.

State Highway Improvement Program -- Base Year Doubled to 2023-25 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 Component Summary --
Base Year Doubled to 2023-25 Governor's Recommendation Comparison**

<u>Fund Source</u>	2022-23	<u>Governor*</u>	
	<u>Base Plus Bonds</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

* 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.

The following tables compare total funding for state highway improvement programs in the 2021-23 biennium with the Governor's 2023-25 budget recommendation. The first table shows total biennial program resources by funding type and the percentage change to the composition of program funding. The second table shows the funding for the individual programs by fund type.

**State Highway Improvement Program Summary --
2021-23 to 2023-25 Governor's Recommendation Comparison**

<u>Fund Source</u>	<u>2021-23</u>	<u>2023-25 (Governor)*</u>	<u>Biennial Change in Resources</u>	<u>% Change</u>
SEG	\$1,180,234,900	\$1,252,755,100	\$72,520,200	6.1%
FED	1,485,562,200**	1,503,094,000	17,531,800	-1.2
Bond Proceeds	<u>209,023,200***</u>	<u>335,096,200</u>	<u>78,873,000</u>	60.3
Total	\$2,874,820,300	\$3,090,945,300	\$168,925,000	7.5%

**State Highway Improvement Program Component Summary --
2021-23 to 2023-25 Governor's Recommendation Comparison**

<u>Fund Source</u>	<u>2021-23</u>	<u>2023-25 (Governor)*</u>	<u>Biennial Change in Resources</u>	<u>% Change</u>
State Highway Rehabilitation				
SEG	\$1,118,011,700	\$1,189,922,100	\$71,910,400	6.4%
FED	<u>1,089,208,600**</u>	<u>1,024,716,700</u>	<u>-64,491,900</u>	-5.9
Subtotal	\$2,207,220,300	\$2,214,638,800	\$7,418,500	0.3%
Major Highway Development				
SEG	\$50,223,200	\$62,833,000	\$12,609,800	25.1%
FED	366,353,600	381,450,300	15,096,700	4.1
Bond Proceeds	<u>149,023,200***</u>	<u>147,023,200</u>	<u>-2,000,000</u>	-1.3
Subtotal	\$565,600,000	\$591,306,500	\$25,706,500	4.5%
SE Wis. Freeway Megaprojects				
SEG	\$12,000,000	\$0	-\$12,000,000	-100.0%
FED	30,000,000	96,927,000	66,927,000	223.1
Gen. Ob. Bonds (SEG)	<u>40,000,000</u>	<u>140,873,000</u>	<u>100,873,000</u>	252.2
Subtotal	\$82,000,000	\$237,800,000	\$155,800,000	190.0%
Design Build Projects				
Gen Ob. Bonds (SEG)	\$0	\$47,200,000	\$47,200,000	N.A.
Design Build Projects				
Gen Ob. Bonds (SEG)	\$20,000,000	\$0	-\$20,000,000	-100.0%.
Total	\$2,874,820,300	\$3,090,945,300	\$216,125,000	7.5%

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

** Includes \$123.6 million FED in 2021-22 federal plan and \$15.6 million FED in 2022-23 federal plan, approved by the Joint Committee on Finance.

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

2. STATE HIGHWAY REHABILITATION PROGRAM

Governor: Make the following changes to the state highway

FED	\$45,911,500
SEG	<u>69,514,900</u>
Total	\$115,426,400

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 tables compare the adjusted base year (2022-23) and 2021-23 biennium's 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**	
		2023-24	2024-25
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

* 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.

**State Highway Rehabilitation Program Funding --
2021-23 to 2023-25 Governor's Recommendation Comparison**

Fund Source	2021-23 Biennium		
	2021-22	2022-23	Biennial Total
SEG	\$561,827,900	\$556,183,800	\$1,118,011,700
FED	<u>590,564,200*</u>	<u>498,644,400*</u>	<u>1,089,208,600</u>
Total	\$1,152,392,100	\$1,054,828,200	\$2,207,220,300

Fund Source	Governor - 2023-25*		
	2023-24	2024-25	Biennial Total
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

% Change in Resources 0.3%

* Includes \$123.6 million FED in 2021-22 federal plan and \$15.6 million FED in 2022-23 federal plan, approved by the Joint Committee on Finance.

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

3. MAJOR HIGHWAY DEVELOPMENT PROGRAM

FED	\$10,587,900
SEG	<u>11,786,000</u>
Total	\$22,373,900

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 tables compare the base year (2022-23) and 2021-23 biennium's 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

Fund	2022-23 Adjusted Base Plus Bonds*	Governor**	
		<u>2023-24</u>	<u>2024-25</u>
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

* 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.

**Major Highway Development Program Funding --
2021-23 to 2023-25 Governor's Recommendation Comparison**

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

<u>Fund Source</u>	<u>Governor - 2023-25**</u>		<u>Biennial Total</u>
	<u>2023-24</u>	<u>2024-25</u>	
SEG	\$25,111,600	\$37,721,400	\$62,833,000
FED	189,832,800	191,617,500	381,450,300
Trans. Revenue 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

% Change in Resources 4.5%

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

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

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.

[Bill Section: 1687]

4. SOUTHEAST WISCONSIN FREEWAY MEGAPROJECTS

FED	\$67,646,600
SEG	- 16,327,400
BR	<u>140,873,000</u>
Total	\$192,192,200

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 tables compare the base year (2022-23) and 2021-31 biennium's 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>2023-24</u>	<u>2024-25</u>
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

* 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.

**Southeast Wisconsin Freeway Megaprojects Program Funding --
2021-23 to 2023-25 Governor's Recommendation Comparison**

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

<u>Fund Source</u>	<u>Governor - 2023-25*</u>		
	<u>2023-24</u>	<u>2024-25</u>	<u>Biennial Total</u>
SEG	\$0	\$0	\$0
FED	39,620,300	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

% Change in Resources 190.0%

*Includes \$112,500 SEG and \$366,000 FED annually associated with adjustment to the 2020-21 base funding amount, and standard budget adjustments.

[Bill Section: 553]

5. MAJOR INTERSTATE BRIDGE IMPROVEMENT PROGRAM -- BLATNIK BRIDGE RECONSTRUCTION BR \$47,200,000

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.

[Bill Section: 552]

6. STATE HIGHWAY MAINTENANCE -- HIGHWAY SYSTEM MANAGEMENT AND OPERATIONS

FED	\$24,700,000
SEG	<u>4,744,400</u>
Total	\$29,444,400

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.

7. STATE HIGHWAY MAINTENANCE -- ROUTINE MAINTENANCE

SEG	\$11,394,400
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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.

8. TRIBAL NATION WELCOME SIGNS

Governor: Authorize a federally-recognized American Indian tribe or band to erect and maintain a tribal nation welcome sign within the right of way of any highway within the boundaries of an Indian reservation or other land held in trust for the tribe or band. Define a tribal nation welcome sign as an official sign erected and maintained by a federally-recognized American Indian tribe or band that the tribe or band determines is necessary to inform motorists of the territorial boundaries of the Indian reservation or other land held in trust for the tribe or band. Prohibit any such sign from being erected within the right of way of a highway designated as part of the national system of interstate and defense highways. Specify that a tribal nation welcome sign would not be considered a traffic control device and would not be subject to the provisions of the Wisconsin manual on traffic control devices.

[Bill Sections: 1700 and 1701]

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

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

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

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

[Bill Sections: 1670 thru 1673]

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

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

[Bill Section: 1685]

Division of Motor Vehicles

1. PRODUCTION OF LICENSE PLATES REQUIRED UNDER 2021 ACTS 163 AND 178

SEG	\$6,506,000
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Governor: 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

SEG	\$5,000,000
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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 ten-year master lease at \$30.0 million.

3. EXPANDED HOURS OF OPERATION AT DMV LOCATIONS

SEG	\$2,400,000
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Governor: Provide \$1,200,000 annually in ongoing funding to the Division of Motor Vehicles general operations appropriation for costs associated with expanding hours of operation at Division of Motor Vehicles service centers.

4. DMV OPERATIONS INCREASE

SEG	\$1,000,000
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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.

5. REAL ID EQUIPMENT

SEG	\$400,000
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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.

6. IDENTIFICATION STICKER FOR ELECTRIC VEHICLES

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

Governor: 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 hybrid 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.

[Bill Sections: 2731 and 2734 thru 2736]

7. DRIVING SKILLS TEST WAIVER

Governor: Specify that the Department may waive the driving skills test of an individual applying for an operator's license if all of the following apply: (a) the applicant is under the age of 18 (drivers over age 18 rarely take driver education courses because they are only required to have an instructional permit for seven days prior to testing); (b) the application is for authorization for a Class D (non-commercial driver license) license; (c) the applicant has satisfactorily completed a currently allowed driver education course, or a substantially equivalent course approved by the Department or another state; and (d) an adult sponsor (typically parent or guardian) who has signed for the applicant as part of their application (as required by statute for persons under the age of 18) consents to a waiver of the driving skills test. Modify existing statutory requirements for a driving examination skills test to include a reference to the newly allowed skills test waiver.

Under current law, the Department, or a third party tester, is required to conduct a driving skills test for an applicant for an operator's license, and every applicant for authorization to operate a vehicle class or type for which the applicant does not currently hold valid authorization, other than an instruction permit.

In response to the COVID-19 pandemic, the Department instituted a pilot program to grant waivers to the driving skills test. The Department indicates that the program was instituted to decrease the number of DMV customers during the pandemic as a matter of public safety, reduce workload for DMV staff, and streamline the driver's license application process. Under the 2021-23 budget, the Governor recommended that the skills test waiver pilot program be made permanent, and requested that the Division's budget be reduced by \$631,900 in the biennium and that 6.2 positions be deleted associated with the decreased workload needed to administer driving skills tests. 2021 Act 58 (the 2021-23 budget act) did not include the statutory provisions that would have made the pilot program permanent, but retained associated funding and position

reductions.

[Bill Sections: 2739 and 2748 thru 2750]

8. ONLINE DRIVER LICENSE RENEWAL

Governor: Modify the Department's authority relating to requirements for driver license renewals to allow applicants to apply for renewal of a license, and the Department to issue the license, by any electronic means offered by the Department. Allow the Department to establish additional criteria for any license renewal by electronic means. Prohibit the Department from making consecutive renewals of an operator's license by electronic means.

Provide an exception from current law, which requires the Department to test the eyesight and take digital photographs of applicants, when applicants renew their licenses electronically. Specify that the Department may renew a license electronically without a photograph being taken if the Department is able to produce a photograph of the applicant from its records. Specify that to be eligible to renew their license or identification card electronically, applicants must verify their eyesight is sufficient to meet the current standards and satisfy any additional eligibility criteria established by DOT.

Under current law, Wisconsin drivers must renew their driver licenses at a customer service center once every eight years. These provisions would allow drivers to renew their license online every other time a renewal is due, thus reducing required visits to customer service center to once every 16 years. The Department initiated a pilot alternating license renewal program in the 2019-21 biennium in response to the COVID-19 pandemic. Under these provisions, the Department's pilot program would be made permanent. Federal REAL ID requirements mandate identification photos to not be more than 16 years old, thus requiring in-person renewals once every 16 years.

[Bill Sections: 2747, 2751, and 2752]

9. ELECTRONIC NOTIFICATION AUTHORITY

Governor: Allow the Department to provide certain notifications to individuals by electronic means, rather than by mail, if an individual has requested electronic notifications from the Department. These electronic notifications would include: (a) notices of extensions of probationary license restrictions; (b) notices related to amount of security required under certain financial responsibility requirements; and (c) certain notices related to operator's license revocations, suspensions, or disqualifications. Under current law, these specific notifications are required to be provided by mail.

For these notifications, allow the Department to prescribe the manner by which individuals can request electronic notification. In addition, specify that if an individual is subject to an order of driver license revocation, suspension, or disqualification and has changed the electronic contact information provided to the Department without informing the Department, failure to receive the Department's notification is not a defense to the driver license charge.

Under current law, DOT has authority to provide certain applications and renewals by electronic means in a manner prescribed by the Department.

[Bill Sections: 2740, 2768 thru 2770, 2781, 2782, 2790, and 2791]

10. DATA TRANSMISSION TO FEDERAL COURTS FOR JURY SELECTION

Governor: Require the Department to annually transmit lists of residents' personal data without charge to the clerks of courts for the federal district courts located within the state to be used for identification of jurors. Under current law, the Department is required to compile a list including the name, address, county, date of birth, race, gender, identification number and renewal date of each person residing in the state who is licensed as a motor vehicle operator, or who has received an identification card number and social security number. The Department is required to transmit the list and information without charge to the Office of the Director of State Courts each year on a date agreed upon with the office. Specify that if the Department does not secure a record sharing agreement with the clerk of court for a district court that requires the clerk of court to keep prospective jurors' identification numbers, renewal dates, and social security numbers confidential and secure from unauthorized access, the Department must redact that information from the list transmitted to the clerk of that district court.

[Bill Section: 3149]

11. IGNITION INTERLOCK DEVICE REQUIREMENT FOR OPERATING WHILE INTOXICATED OFFENSES

Governor: Expand the following operating privilege restrictions to include all first time operating while intoxicated (OWI) violations regardless of the offender's blood alcohol concentration (BAC): (a) that the offender's operating privilege be restricted to vehicles that are equipped with an ignition interlock device; or (b) that the offender participate in 24-7 sobriety program or frequent sobriety testing program. Under current law, a court can order one or both of these restrictions if the person had a BAC of 0.15 or more at the time of their first offense, or if the person has one or more prior OWI convictions, suspensions, or revocations. Applicable offenses include operating of a vehicle under the influence of an intoxicant or other drug, injuring another person while operating a vehicle under the influence of an intoxicant, and homicide by intoxicated use of a vehicle or firearm. Specify that this provision first apply to violations committed on the effective date of the bill.

[Bill Sections: 2767 and 9344(2)]

12. INCREASED FORFEITURE FOR SAFETY BELT VIOLATIONS

Governor: Increase the forfeiture for violating state vehicle safety belt laws from \$10 to \$25 per violation. Under current law, any person operating a vehicle, and any person who is at least eight years old and is a passenger in a vehicle, must be properly restrained if the vehicle and

seat are required by law to have a safety belt installed. The vehicle operator is required to forfeit \$10 if either they or a passenger is not wearing a safety belt, and any passenger 16 years of age or older not wearing a required safety belt must also forfeit \$10. This provision would increase these penalties to \$25. Revenues from penalties for these violations, regardless of the law enforcement agency issuing the citation, are distributed equally between the county where the citation was issued and the state common school fund.

[Bill Section: 2785]

13. SEASONAL PERIOD FOR FARM SERVICE LICENSE ENDORSEMENT

Governor: Increase the minimum period that a seasonal farm service industry employee is eligible for a restricted commercial driver license from 180 to 210 days in any calendar year. Under current law, no person may operate a motor vehicle upon a highway in the state unless the person possesses a valid operator's license. Specific license endorsements are also required for the operation of certain vehicles, such as commercial vehicles with weights above certain statutory thresholds. Current law allows a seasonal employee of a farm service industry employer to receive an "F" endorsement, which authorizes the employee to receive a restricted commercial driver license to operate "Class B" or "Class C" vehicles under applicable federal laws or regulations. This license endorsement permits the transporting of liquid fertilizers in vehicles or implements of husbandry with total capacities of 3,000 gallons or less, solid fertilizers that are not transported with any organic substance, or 1,000 gallons or less of diesel fuel, but no combination of these materials. The endorsement does not permit operation of a commercial motor vehicle beyond 150 miles of the farm service industry employer's place of business or, in the case of custom harvesters, the farm currently being served.

[Bill Section: 2763]

14. AUTOMATIC VOTER REGISTRATION

SEG	\$349,000
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Governor: Provide \$349,000 in 2023-24 to the Division of Motor Vehicles general operations appropriation to assist in the initial implementation of automatic voter registration. Modify current law relating to the voter record matching program between the Elections Commission and DOT, to include a requirement that DOT electronically transfer Department records related to the verification of voter eligibility for regular driver license and identification card holders, including: (a) the full name of each individual who holds a current driver license or identification card; (b) such persons' name history, current address and address history, date of birth, and driver license or identification card number; (c) a copy of each proof of citizenship document that such persons used to obtain a driver license or identification card; and (d) a statement from the Department indicating that it verified such persons' citizenship. Specify that DOT's agreement with the Elections Commission related to its voter record matching program include a provision to electronically provide these voter eligibility-related records on a continuous basis, not less than weekly, notwithstanding various current law restrictions related to the disclosure of personally identifiable information maintained by the Department. Require DOT, for each of these items of information, to provide the most recent date that the item of information

was provided or obtained. Under the bill, the Elections Commission would be required to facilitate the registration of all eligible voters in the state. This information sharing provision would assist the Elections Commission in fulfilling this requirement. [See "Elections Commission."]

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

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

[Bill Sections: 7, 20, 1698, 2746, and 9112(1)]

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

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

a. *Proof of Citizenship or Legal Presence.* Provide that current law driver license and identification card valid documentary proof requirements and requirements related to the person's legal presence in the United States would not apply to REAL ID non-compliant licenses and identification cards. Specify that when processing, issuing, or renewing a REAL ID non-compliant driver license or identification card, the Department may not include any question, or require any proof or documentation, as to whether the applicant is a citizen or national of the United States or

lawfully present in the United States, despite existing requirements that DOT examine personally identifiable information and other biometric data in order to determine if an applicant is entitled by law to obtain these credentials. Exempt REAL ID non-compliant licenses and identification cards from being required to expire on the date that the license holder's legal presence in the United States expires. Specify that in lieu of required documentation showing the applicant's date of birth, name, and principal address, an applicant for a REAL ID non-compliant driver license or identification card may provide any documentation deemed acceptable to the Department.

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

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

Require that any applicant issued a REAL ID non-compliant driver license or identification card who does not provide a verified social security number during the license application process receive a license marked, "Not valid for voting purposes. Not evidence of citizenship or immigration status." Specify that DOT would have the discretion, at the time of renewal, as to whether to take an applicant's photograph and administer an eyesight exam, so long as both actions occur at least once every eight years. Provide that any identification cards without a verified social security number would expire every two years and that an original or reinstated card would be valid for a period of two years from the applicant's next birthday occurring after issuance. Specify that a renewed card would be valid for a period of two years from the card's last expiration date.

c. *Discrimination.* Prohibit discrimination on the basis of a person's status as a holder or

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

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

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

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

[Bill Sections: 1230, 1255 thru 1258, 1702, 1886 thru 1894, 1920 thru 1922, 1928, 2403, 2449, 2519, 2529, 2555, 2737, 2738, 2741 thru 2745, 2754 thru 2762, 2764 thru 2766, 2772 thru 2778, 2999, 3067, 9344(1), and 9444(1)]

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

Governor: Extend the period for which identification card receipts issued by DOT for the purposes of voting remain valid as a temporary identification card, from 60 days to 180 days. Under current law, the Department may not charge a fee to an applicant for the initial issuance, renewal, or reinstatement of an identification card (or temporary receipt) if the applicant is a U.S. citizen who will be at least 18 years of age on the date of the next election and the applicant requests that the identification card be provided without charge for voting purposes. Because identification cards may be used for voting and are mailed to applicants, DOT provides those card applicants who are also eligible voters with a temporary receipt that may be used for voting purposes. The fee for identification cards issued for purposes other than voting is \$28 (\$18 for the card itself, plus a \$10 issuance fee).

[Bill Section: 2771]

State Patrol

1. STATE PATROL TROOPERS -- TRAFFIC OFFICER POSITIONS

	Funding	Positions
SEG	\$12,094,800	35.00

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.

[Bill Section: 1913]

2. IN-VEHICLE VIDEO CAMERAS

SEG	\$4,356,000
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Governor: Provide \$2,178,000 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.

3. INSTALLATION AND MAINTENANCE OF COMMUNICATIONS EQUIPMENT

	Funding	Positions
SEG	\$4,199,100	5.00

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.

4. STATE TROOPER OVERTIME

SEG	\$3,450,000
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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.

5. MOTOR CARRIER INSPECTOR POSITIONS

	Funding	Positions
FED	\$789,200	0.00
SEG	<u>1,610,500</u>	<u>10.00</u>
Total	\$2,399,700	10.00

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.

6. STATEWIDE MICROWAVE RADIO NETWORK

SEG	\$1,172,000
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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.

7. STAFFING FOR OPEN RECORDS REQUESTS ON BODY CAMERA FOOTAGE

	Funding	Positions
SEG	\$179,800	2.00

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.

8. TACTICAL HELMETS FOR STATE TROOPERS

SEG	\$170,700
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Governor: Provide \$170,700 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.

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

FED	\$14,346,600
PR	357,800
SEG	10,732,000
SEG-S	<u>84,600</u>
Total	\$25,521,000

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).

2. DOT ADMINISTRATIVE FACILITIES -- CAPITAL BUILDING PROJECTS

SEG-S	\$5,500,000
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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").

3. DOT ADMINISTRATIVE FACILITIES -- MINOR CONSTRUCTION PROJECTS

SEG	\$5,000,000
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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.

4. OPERATIONS AND ONLINE APPLICATION SECURITY AND MODERNIZATION FUNDING

SEG	\$3,504,200
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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.

5. DEPARTMENT MANAGEMENT AND OPERATIONS FEDERAL FUNDING ALLOCATION

FED	\$1,000,000
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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.

6. EQUITY OFFICER POSITION

	Funding	Positions
SEG	\$172,900	1.00

Governor: Provide \$75,700 in 2023-24 and \$97,200 in 2024-25 and 1.00 position annually under DOT's department management and operations appropriation to create an agency equity officer position within the Office of the Secretary of Transportation. The agency equity officer would be responsible for collaborating with the chief equity officer in the Department of Administration and other agency equity officers to identify opportunities to advance equity in government operations [see "Administration -- General Agency Provisions"].

7. MISSISSIPPI RIVER PARKWAY COMMISSION POSITION

	Funding	Positions
SEG	\$140,000	1.00

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.

[Bill Section: 9144(1)]

8. MODIFICATIONS TO DEPARTMENT MANAGEMENT AND OPERATIONS APPROPRIATIONS

FED	- \$12,740,200
SEG	13,977,800
SEG-L	- 738,000
Total	\$499,600

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.

9. INTERNAL REORGANIZATION OF POSITION AND FUNDING

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.

10. TRANSFER AMBULANCE INSPECTION PROGRAM TO THE DEPARTMENT OF HEALTH SERVICES

Governor: Delete the current law requirement that DOT inspect ambulance medical equipment and require DHS to do so prior to DOT issuing or renewing an ambulance's registration. Currently, the Department conducts vehicle safety inspections of ambulances as well as inspections of medical equipment such as stretchers, suction aspirators, and oxygen equipment. However, under recent modifications to DOT administrative rules, DOT will cease inspections of medical equipment on July 15, 2023, with the intent to transfer this responsibility to DHS. DHS currently provides other oversight of emergency medical services (EMS) programs, including approving operational plans and licensing EMS professionals (see "DHS -- Public Health").

[Bill Sections: 2728 thru 2730]