



Legislative Fiscal Bureau

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December 5, 2023

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Transportation: Section 13.10 Funding Request for Assessment of Local Bridges and Culverts -- Agenda Item III

REQUEST

The Department of Transportation (DOT) requests \$12,500,000 in segregated (SEG) funding set aside in the Joint Committee on Finance supplemental appropriation in 2023-24 to begin administering a new program for counties to inventory and assess local bridges and culverts that are less than 20 feet in length, but are greater than six feet in length. The Department also requests a corresponding increase in the Department's biennial appropriation created under 2023 Act 19 to carry out the local bridge and culvert assessment program.

BACKGROUND

DOT Plan

2023 Act 19 (the 2023-25 biennial budget act) specified that DOT shall administer a new program for counties to inventory and assess the condition of local bridges and culverts (structures or pipes that convey water or utilities under a road) that are 20 feet or less in length, but are greater than six feet in length. The Act created a new DOT biennial SEG appropriation that can receive and expend funding for the program. The Act also reserved \$12,500,000 in 2023-24 under the Joint Committee on Finance supplemental SEG appropriation to be released to the program in the 2023-25 biennium upon approval by the Committee. DOT is requesting approval of the full amount of this SEG funding and the corresponding expenditure authority in the DOT appropriation to begin administering the new program.

DOT indicates that the requested funding would be used to implement the program in three phases. First, an inventory phase would locate and determine the exact number of applicable structures in the state and input this information into DOT's Highway Structures Information System

(HSIS) database, which the Department already uses for storing data on larger bridges. Subsequently, an inspection phase would employ certified bridge inspectors to inspect each structure and assign it a "condition rating" between zero and nine based on the physical condition of the structure. This ratings system is based on the federal National Bridge Inspection Standards, which the Department also uses to assess bridges in the state that are over 20 feet in length. The inspectors will also note any deterioration that is present on the structure, and input this information into the HSIS database. Finally, an assessment phase would require "load ratings," which determine the maximum amount of weight that the structure can support, to be completed for each structure that is determined to be "bridge-like." The Department's request includes the following estimated completion dates for each phase of the program: (a) December 31, 2024, for the inventory phase; (b) December 31, 2026, for the inspection phase; and (c) July 1, 2027, for the assessment phase.

Act 19 specifies that counties shall conduct the inventory and inspection of bridges and culverts under the program. However, many of these structures are located within the jurisdictions of other local units of government (towns, cities, and villages). Thus, the Department indicates that it may enter into agreements with county governments to allow other entities, such as DOT, private contractors, or other units of local government to also perform program activities. The Department also states that county highway commissioners will coordinate efforts amongst the towns, cities, and villages in their respective counties. For the inspection and assessment phases, counties will be required to deploy certified bridge inspectors to collect the required information. Some local governments may already employ certified bridge inspectors who can complete these activities. In many other cases, however, counties may be required to hire consultants to complete inspections and assessments. In contrast, certified inspectors are not required for the program's inventory phase. Local governments are expected to deploy existing staff to gather inventory data, although some may still hire consultants.

The Department estimates that there are approximately 25,000 applicable structures in Wisconsin, and that the inspection phase will cost approximately \$100 to \$500 per location depending on the complexity of the structure being inspected, with more complex structures requiring a higher inspection cost. However, the Department may be able to produce a more accurate estimate of the program's total cost once the inventory phase is completed. The Department states that it is in the process of working with local government stakeholders to determine the most appropriate distribution of program funds to local units of government. In its request, the Department proposes a payment structure for the program that would provide a reimbursement of \$100 per structure during the inventory phase, and \$350 per structure for the inspection and assessment phases. These payments could be made to counties, who could then distribute funds among any other stakeholders that completed or contacted for the work.

Inspection of Local Roads and Bridges Under Current Law

Roadways and bridges over 20 feet in length in the state that are part of the state trunk highway system, consisting of roads classified as interstate highways, U.S. highways, and state highways, are under the jurisdiction of the state. Such roadways and bridges that are not part of the state trunk highway system, however, fall under the jurisdiction of the local government in which they are located. Under current law, local governments are responsible for inspecting the roads and bridges under their jurisdiction. State law contains specific requirements for local governments to: (a) assess

the physical condition of highways under their jurisdiction using a pavement rating system approved by the Department, and report the results to the Department; and (b) inspect the highway bridges under their jurisdiction every two years and report the results to the Department. The Department uses the bridge inspection data to classify each bridge according to its safety, serviceability, and necessity for public use, and also determine the cost of rehabilitating or replacing the bridge with a comparable facility. Further, administrative code requires that the Department to assign a "sufficiency rating" for each bridge, defined as the relative rating of the condition of the bridge based on inventory and inspection data.

DOT uses this information to compile a statewide inventory of local bridges and roads, which can help to identify a jurisdiction's total roadway mileage, and determine which roads and bridges are in poor condition or must be subjected to a posted weight limit. This information can also be used to track changes in local road and bridge conditions over time. For example, the Department reports that in 2021, there were 8,906 local bridges inspected in the state, of which 50.8% were in good condition, 40.5% were in fair condition, and 8.7% were in poor condition. These outcomes represented an improvement from 2016, when 10.6% of local bridges statewide were determined to be in poor condition.

For the purpose of the local bridge inspection process, a bridge is defined as a structure having an opening measured along the center of the roadway of more than 20 feet. This definition is derived directly from the code of federal regulations (CFR), which also require state transportation departments to perform, or cause to be performed, the proper inspection and evaluation of all highway bridges that are fully or partially located within the state's boundaries. Thus, DOT's bridge inspection program directly corresponds to federal requirements. However, also in line with federal regulations, state law does not require local units of government to conduct regular inspections of local bridges and culverts that are less than 20 feet in length, and therefore DOT does not possess a statewide inventory of these structures.

The Department indicates that local governments' existing efforts to take inventory of and inspect bridges and culverts under 20 feet in length vary by locality. This may be due in part to the lack of statewide guidance for inspecting these structures. Another contributing factor is the variation in existing inspection resources among local governments. For instance, some local government entities directly employ bridge inspectors, others hire state staff or consultants to complete inspections, while others do not inspect these facilities. While some local governments have borne the cost of conducting inspections, such activities can also produce benefits for local governments, as the resulting information can identify which roadways and bridges require improvement, encourage long-term transportation planning, and assist in demonstrating the need for external aid from DOT or the federal government.

Local Road and Bridge Funding Under Current Law

DOT operates a local bridge improvement assistance program, which was provided total funding of \$91.3 million (\$59.6 million in federal funds and \$31.7 million in state funds) annually for the 2023-25 biennium. The program awards grants to local government entities for projects to improve deteriorating local bridges, with recipients required to provide a local match equal to at least 20% of the total cost of the awarded project. As with the Department's bridge inspection process,

only stand-alone bridges 20 feet or over in length are eligible for program funding. DOT selects projects based on the sufficiency rating and replacement cost of local bridges, while also using an entitlement formula to balance program funding among counties.

While stand-alone local bridges and culverts under 20 feet in length are not eligible for funding under the local bridge improvement assistance program, local governments can utilize funding from other sources to improve these structures. DOT operates two other programs that provide grants to assist local governments in funding highway improvement projects: the SEG-funded local roads improvement program (LRIP), and the federally-funded surface transportation program (STP). Funding from each of these programs can be used to improve smaller local bridges and culverts when such structures are part of a project that encompasses a broader stretch of roadway that is eligible for such grants. Beyond these programs, local units of government also fund activities to inspect or improve these structures using local revenue sources, such as property tax revenues, as well as funding from other unrestricted state aid programs such as the county and municipal aid (shared revenue) program.

In recent years, additional funding has been provided to both the STP and LRIP programs, which could supply local governments with supplementary revenue to improve smaller local bridges and culverts without requiring additional funding if the structure is part of a larger eligible project. Recent funding increases for these programs include: (a) biennial appropriations of \$100.0 million for LRIP in both 2021-23 and 2023-25, compared to base program funding of \$33.0 million annually; and (b) increased STP funding of \$80.7 million in 2021-22 and \$62.6 million in 2022-23 compared to base level program funding of \$67.2 million, an increased funding level that is expected to continue in future years.

ANALYSIS

The new program would require counties to inventory, inspect, and assess bridges and culverts in local jurisdictions across the state. The table below displays the number of local roadway miles that fall under the jurisdiction of counties, towns, cities, and villages. As shown in the table, the majority of this roadway mileage is located in towns, while lesser amounts are located in counties, cities, and villages. The location of the bridges and culverts that would be inspected under the program may roughly correlate with the location of overall roadway miles shown in the table, as longer roadways are generally more likely to contain a greater number of these structures.

Centerline Local Road Miles by Jurisdiction

<u>Jurisdiction</u>	<u>Miles</u>	<u>% of Total</u>
Counties	19,717	19.3%
Towns	61,471	60.2
Cities and Villages	<u>20,973</u>	<u>20.5</u>
Total	102,161	100.0%

Note: Excludes connecting highways, park roads, forest roads, and county roads not on the county trunk highway system.

DOT estimates that there are approximately 25,000 applicable bridges and culverts in the state. Under this assumption, the \$12,500,000 in requested funding would provide \$500 per structure, which aligns with DOT's estimate for inspection costs of between \$100 to \$500 per structure depending on the structure's complexity. However, the Department has not provided an estimate for the total cost to implement the program, and notes that actual program costs will vary based on several factors including the actual number of structures to be inspected and staff labor rates.

Also, as mentioned previously, the Department's estimated timeline for the program includes a projected completion date of July 1, 2027. The Department states that it will attempt to obligate all program funds before June 30, 2025, (the end of the 2023-25 biennium). However, the appropriation created for the program under Act 19 is a biennial appropriation. If the Department is unable to obligate all program funding for the roughly 25,000 applicable structures in the state before June 30, 2025, any remaining funds would lapse to the transportation fund.

Given that some uncertainty exists regarding the timeline of the program expenditures and total program costs, actual obligations and expenditures may be less in the biennium than the amount of funding being requested. If these amounts are less than what is provided, any funding that remains unspent at the end of the 2023-25 biennium would lapse back to the transportation fund from the biennial appropriation created for the program under Act 19. Consequently, DOT would have to request additional funding for the program at a later time if program costs exceed \$12.5 million, or if the Department is unable to obligate or expend all program funds before the end of the 2023-25 biennium.

Approval of DOT's request would allow counties to begin to inspect culverts and small bridges for local governments across the state that are not currently subject to regular inspections. Many uninspected bridges and culverts may be located on lower-grade local roads, some of which play an important role in providing last-mile transportation for businesses that operate heavy machinery, such as agricultural producers. Conversely, for local units of government that already inspect these structures, the program could offer some fiscal relief by providing state funds for inspections, reducing the need for these localities to use their own resources for this purpose. Completing a statewide inventory of these structures would allow local governments and the state to realize many of the same benefits that have been observed under the state's existing local road and bridge inspection processes, such as identifying and prioritizing improvement projects, and allowing the state to document and track the condition of these structures across the state. Prompt approval of program funding could allow counties to complete the required inspections before the end of the 2023-25 biennium, which would reduce the amount of program funding that may lapse at the end of the biennium. It would also make this information available for the Committee and the Legislature to consider in determining whether any additional program efforts may be needed during deliberations on the 2025-27 budget. [Alternative 1]

Beyond requiring DOT to administer a new program whereby county governments would inventory and assess the condition of local bridges and culverts, Act 19 did not provide guidelines for how the program is to be administered. For example, the Act did not establish any guidance on the type of data to be collected when inspecting these structures. While DOT states that it plans to complete condition assessments for each structure, as well as load ratings for "bridge-like" structures, the Committee could ensure that these ratings occur by approving the funding contingent on an

assessment being completed for each structure inspected under the program. In addition, to further clarify which of these structures should be prioritized for future improvement, the Committee could also approve the funding contingent on DOT making a determination on which structures are deficient and a designation whether each deficient structure should be rehabilitated, replaced in kind, or upgraded, as well as providing an estimate of the cost to improve each deficient structure. These requirements would be somewhat similar to rules that already exist for DOT's inspection program for local bridges over 20 feet in length.

The Committee could also provide guidance on how DOT should prioritize the assessment and inspection funding. As mentioned previously, some local governments already inspect applicable structures, while others do not. The local governments that do not regularly inspect these structures may not possess the capacity to inspect the structures themselves due to staffing or financial constraints. Given the possibility that either the \$12.5 million in funding provided, or the June 30, 2025, deadline to expend these funds could constrain the Department's ability to inspect all structures in the state during the 2023-25 biennium, the Committee could direct the Department to first prioritize funding the assessment and inspection of structures in localities that do not regularly carry out such work. This requirement would ensure that program activities are prioritized for structures that are not currently being inspected.

In addition, the Committee could require the Department to submit a report upon completion of the program's inventory phase that summarizes the information that was gathered during this stage of the process, and also provide an updated estimate of the cost and timeline to implement the program's outstanding inspection phase. The report could supply the Committee with information that could inform any future decisions to provide additional resources for local culverts and bridges.

To address these concerns, the Committee could approve the \$12.5 million in requested funding, contingent upon requiring the Department to complete one or more of the following for the program: (a) the completion of a condition assessment for each structure inspected under the program as determined by the Department from inventory and inspection data, as defined by the National Bridge Inspection Standards under the applicable federal CFR; (b) the determination of which existing structures are deficient, and whether each deficient structure should be rehabilitated, replaced in kind, or upgraded; (c) an estimation of the cost of rehabilitating or replacing each deficient structure; (d) the prioritization of inspections in jurisdictions that do not employ bridge inspectors; or (e) the submission of a report upon completing the inventory of all required structures on or before January 1, 2025, that contains a list of inventoried structures, the county and municipality where the structure is located, the owner of the structure, and an updated estimate of the total cost and timeline to administer the program. [Alternative 2]

While DOT's proposed program would conduct a one-time inventory of small bridges and culverts in the state, the program could also establish a long-term funding need to carryout improvements to these local facilities. One concern relates to how the improvement or replacement of structures that are assessed as in need of repair or redevelopment would be funded, which could lead to pressure for the state to provide aid for improving these structures once the program's inspection phase is completed. As mentioned previously, in recent years the state and federal government have significantly increased their funding commitments to improve highways under local jurisdiction. Any commitment of state funding to address deficiencies in these smaller local

highway structures could inhibit the state's ability to meet the ongoing demands of the state highway system. Despite this concern, the Committee has limited authority relative to the Department's request given that Act 19 set-aside the funds for the purposes for which the funds are being requested.

ALTERNATIVES

1. Approve DOT's request to provide \$12,500,000 SEG in 2023-24 to inventory and assess local bridges and culverts that are less than 20 feet in length but greater than six feet in length and make a corresponding increase in DOT's biennial appropriation for this program purpose.

2. Approve DOT's request to provide \$12,500,000 SEG in 2023-24 to inventory and assess local bridges and culverts that are less than 20 feet in length but greater than six feet in length and make a corresponding increase in DOT's biennial appropriation for this program purpose, contingent upon requiring the Department completing one or more of the following for the program:

a. the completion of a condition assessment for each structure inspected under the program, as determined by the Department from inventory and inspection data, as determined by the Department from inventory and inspection data, as defined by the National Bridge Inspection Standards under the applicable federal CFR;

b. the determination of which existing structures are deficient, and whether each deficient structure should be rehabilitated, replaced in kind, or upgraded;

c. the estimation of the cost to rehabilitate or replace each deficient structure

d. the prioritization of inspections in jurisdictions that do not employ bridge inspectors; or

e. the submission of a report upon completing the inventory of all required structures on or before January 1, 2025, that contains a list of inventoried structures, the county and municipality where the structure is located, the owner of the structure, and an updated estimate of the total cost and timeline to administer the program.

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