

Fiscal Estimate Narratives

DOT 6/16/2005

LRB Number	05-3045/1	Introduction Number	SB-208	Estimate Type	Original
Subject					
Labor Highway					

Assumptions Used in Arriving at Fiscal Estimate

The obligation to mark the route would be accomplished consistent with traffic sign standards adopted under Wisconsin law. One sign will be placed on the right-of-way in each direction of travel directing travelers to an off-road marker along the route. The two signs on the right-of-way are Type II (plywood on 4x6 wood post). A sign, post, installation, and fleet/auxiliary equipment charges are \$350 per installed sign. The two signs will be placed on the right-of-way (one in each direction) directing travelers to an off-road marker along the route. The off-road marker would designate highway 45 as the Wisconsin Labor Highway in recognition and appreciation of the contributions and achievements of organized labor. The off-road marker is \$1500 installed. Therefore:

84.1024: 2 signs on the right-of-way with installation are \$700 and the marker (including installation) in an existing public place is \$1500. The proposed legislation proscribes that only contributions from interested parties may be used for erection and maintenance of the signs and marker.

Total initial cost is therefore \$2200. For the two signs on the right-of-way(\$700), there is a 10% overhead cost per year to deal with signs that are knocked down, vandalized, or damaged by weather. This would also include administrative costs to deal with the signs. Assuming a 3% inflation rate for construction/maintenance, these costs would be \$60 by the end of the first year to \$142 in the tenth year. The total overhead cost for the two right-of-way signs summed for all ten years would be \$956. The marker in the public area is more durable and does not have annual maintenance costs associated with it. This then is an estimate of the maintenance contributions needed for the signs. The signs and marker would be removed at the end of their useful life unless contributed funds are available to replace them. Costs could be significantly higher, requiring greater contributions, if an adequate location is not available.

Long-Range Fiscal Implications

With normal wear, signs must be replaced every 10 years. If it is assumed that the inflation rate for construction/maintenance averages 3% per year, the cost to replace the two signs on the right-of-way at that time will be \$940.74. The marker in the rest area is more durable and is unlikely to need to be replaced after 10 years. The assumption is that contributions would be required in order for the signs to be maintained. In addition, if the naming of highways and bridges encourages further similar legislation without private funding, the cost implications would go far beyond this long-range fiscal estimate.

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
Labor Highway			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
<p>The legislation specifies that the entire route of USH 45 in Wisconsin be designated and marked as the "Wisconsin Labor Highway." Sign sponsors would need to select a site for the marker. WisDOT staff would need to visit the site to assure the location is reasonable, notify the diggers, etc. The initial cost for the 2 signs on the right-of-way and their installation would be \$700. The cost for the off-road marker and installation is \$1500. The legislation specifies that the cost for the signs, their installation and maintenance is to come from private funding.</p>			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$0	
	(FTE Position Changes)		
	State Operations - Other Costs	96	
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$96	\$
B. State Costs by Source of Funds			
	GPR		
	FED		
	PRO/PRS		
	SEG/SEG-S	96	
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S	96	
	TOTAL State Revenues	\$96	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$96	\$0
NET CHANGE IN REVENUE		\$96	\$0
Agency/Prepared By		Authorized Signature	Date

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