

Fiscal Estimate - 2019 Session

Original
 Updated
 Corrected
 Supplemental

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| LRB Number 19-2380/1 | Introduction Number SB-274 |
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Description
 highway project design inventory for design-build projects

Fiscal Effect

State:

| | | |
|---|---|--|
| <input type="checkbox"/> No State Fiscal Effect | <input type="checkbox"/> Increase Existing Revenues | <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <input type="checkbox"/> Indeterminate | <input type="checkbox"/> Decrease Existing Revenues | |
| <input type="checkbox"/> Increase Existing Appropriations | | <input type="checkbox"/> Decrease Costs |
| <input type="checkbox"/> Decrease Existing Appropriations | | |
| <input type="checkbox"/> Create New Appropriations | | |

Local:

| | | |
|--|--|---|
| <input type="checkbox"/> No Local Government Costs | | |
| <input type="checkbox"/> Indeterminate | | |
| 1. <input type="checkbox"/> Increase Costs | 3. <input type="checkbox"/> Increase Revenue | 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts |
| <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | |
| 2. <input type="checkbox"/> Decrease Costs | 4. <input type="checkbox"/> Decrease Revenue | |
| <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | |

| | |
|---|---------------------------------------|
| Fund Sources Affected | Affected Ch. 20 Appropriations |
| <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.395 (3) (cq) | |

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| Agency/Prepared By DOT/ Shawn Smith (608) 261-6120 | Authorized Signature Joan Meier (608) 267-6978 | Date 6/20/2019 |
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Fiscal Estimate Narratives

DOT 6/20/2019

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| LRB Number | 19-2380/1 | Introduction Number | SB-274 | Estimate Type | Original |
| Description highway project design inventory for design-build projects | | | | | |

Assumptions Used in Arriving at Fiscal Estimate

STATE FISCAL EFFECT: The bill increases costs to the department by creating a design-build (DB) shelf requirement. WisDOT has determined that it will take \$18,000,000.00 the first year and \$1,800,000.00 every year thereafter.

In general, the Department estimates that design costs account for 15% of the total cost of a project. To complete 30% of that design work, the Department estimates it will spend approximately 5% of total project costs preparing each design-build plan. The Department considered 4 tiers of hypothetical project costs and the percentage of projects ordinarily completed in each tier. To complete 50 plans for a design-build shelf:

10 projects with a project cost of \$20 million each x 15% design cost at 30% = \$10 million cost
20 projects with a project cost of \$15 million each x 15% design cost at 30% = \$15 million cost
10 projects with a project cost of \$5 million each x 15% design cost at 30% = \$2 million cost
10 projects with a project cost of \$1 million each x 15% design cost at 30% = \$0.5 million cost

The initial design cost for 50 projects will be approximately \$28 million.

Long-Range Fiscal Implications

To replace 10% of those plans annually, the ongoing cost will be \$2.8 million annually.