



WISCONSIN LEGISLATURE

P.O. Box 7882 • Madison, WI 53707-7882

January 27, 2017

Secretary Dave Ross
Wisconsin Department of Transportation
4802 Sheboygan Avenue, Room 120B
PO Box 7910
Madison, WI 53707

Dear Secretary Ross:

The Wisconsin State Legislature will be receiving Governor Walker's budget proposal in early February. We will spend the following months soliciting input and working to ensure that the final budget we pass is in the best interest of the citizens of Wisconsin. To do that accurately, we need to be assured that legislators can make their decisions based on the best, most up-to-date information possible. We are formally requesting the following from the Wisconsin Department of Transportation:

- A full review of the cost estimates for all ongoing mega and major highway projects that are planned or budgeted for the 2017-19 and 2019-21 biennia
- A review of all project proposals not yet enumerated
- A comprehensive report on all projects since 2010 documenting the estimated costs and the total actual costs.

This will hopefully give us a clearer picture of how the underestimation of costs has hindered the ability to fully understand the health of the transportation fund.

On Thursday, the Legislative Audit Bureau released the review of the State Highway Program. Chief among the findings is that the estimates of project costs before their enumeration have been wildly inaccurate. To quote the report, "[the Department of Transportation] budgeted to complete more major highway work than could be completed with its available funding. It did so because it did not sufficiently take into account the effects of inflation and unexpected cost increases on project expenditures."

The effect of these miscalculations should not be understated. The audit details how for 19 completed projects between January 2006 and December 2015 the actual costs were \$1.5 billion, which is just under double the estimated cost at enumeration. Additionally, for 16 major highway projects ongoing in August 2016, the cost had ballooned by \$3.1 billion dollars, from \$2.7 billion to \$5.8 billion. We would like to have in detail how and why these underestimates continued to occur in order to prevent issues like these from happening again.

We are asking that the department reports back to the Legislature with the new estimates or a confirmation of the original estimates, prior to legislative action on the budget in the Joint Committee on Finance, which is expected to be at the beginning of April. In order to meet this deadline, we would request that the information is delivered to legislators by March 15. Lawmakers need to account for these new estimates in the overall budget plan as the nearly \$1 billion projected deficit in the transportation fund could potentially be far worse than initially reported.

Thank you for your attention to this request. If you have any questions, please don't hesitate to contact our offices.

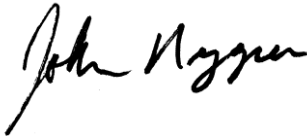
Sincerely,

A handwritten signature in black ink, appearing to read "Jim Steineke". The signature is fluid and cursive, with a large initial "J" and "S".

Representative Jim Steineke

A handwritten signature in black ink, appearing to read "Robin Vos". The signature is cursive and somewhat stylized, with a large initial "R".

Speaker Robin Vos

A handwritten signature in black ink, appearing to read "John Nygren". The signature is cursive and somewhat stylized, with a large initial "J".

Representative John Nygren