

A Response to the MacIver Institute Analysis of Transportation Spending

August, 2017

The John J. MacIver Institute recently released an analysis of transportation spending which purports to find “nearly \$2 billion in wasteful Wisconsin projects and practices” which it blames on a “troubled” Department of Transportation that has wasted billions of dollars.

This report should be examined in the context of the current transportation funding debate. Despite several well-respected studies to the contrary, the argument continues to be made that if we could only reduce the rampant waste of an out-of-control Department of Transportation, our needs could be met without raising a penny of additional revenue.

If the MacIver report is intended to bolster that argument, it is a colossal failure. It is riddled with errors and misrepresentations. It reflects a substantial misunderstanding of how transportation projects are approved and financed. It includes as waste the cost of projects which have not been built. It accuses the Department of Transportation of not pursuing potential project management reforms when in fact the Legislature specifically has rejected Department proposals to evaluate those reforms. It ignores the benefits of data-driven engineering innovations that promote safety, mobility and efficient system operation. It also seriously misrepresents and misinterprets findings from the Legislative Audit Bureau report issued earlier this year.

I served six years as Secretary of the Department of Transportation under Governor Scott Walker. While I disagree with the Governor’s decision not to raise transportation revenue, and to continue to rely on unsustainable levels of borrowing, I respect his and the legislature’s right to make that determination. As a lifelong citizen of Wisconsin, it frightens me to think that their decisions might be based on the type of faulty analysis and false conclusions that characterize this report. For that reason, I have decided to speak up.

What follows is a point-by-point response to each of the report’s 45 supposed examples of waste in the DOT. Careful analysis shows that almost none of the supposed \$2 billion can fairly be classified as waste originating from within the Wisconsin Department of Transportation.

Mark Gottlieb

1) BublR Stations in West Allis, Shorewood and Wauwatosa - \$2 million TOTAL \$400,000 LOCAL SHARE

Given the supposed shortfall in the transportation fund for road projects, is it a good idea to spend this transportation money on a bike project?

Milwaukee is expanding its bike rack program, at a cost of \$680k. Local taxpayers would pay \$130k. Nothing says fixing bad roads like bike racks.

Response:

Like many other bicycle and pedestrian facility projects on this list, this project was funded through the federal Transportation Alternatives Program (TAP). Under TAP, and similar programs, federal funds are allocated to the states for non-highway projects. These projects are selected competitively from local applications. There is no state funding for bike and pedestrian facilities, and the federal funds can only be used for non-highway projects. Awarding federal dollars under a competitive program that can only be used for that specific purpose is not waste. These projects were applied for by local governments and federal funds were awarded on a competitive basis. The money could not legally be used for highway purposes.

2) Milwaukee Bike Rack Program - \$680,000 TOTAL \$130,000 LOCAL SHARE

Milwaukee is expanding its bike rack program, at a cost of \$680k. Local taxpayers would pay \$130k. Nothing says fixing bad roads like bike racks.

Response:

This is another TAP grant. The federal money can't be used to "fix bad roads." From the city of Milwaukee's project description, this is not just a "bike rack" project:

Implement a medium-scale project to install bicycle parking racks and rack corrals; new bicycle lockers; and/or retrofit of existing lockers with demand responsive locks. The project will leverage partnerships with interested institutions, businesses and districts by sharing purchase and freight costs with those that apply to participate in the program. The City would manage installations to ensure appropriate siting and quality installation. Project includes program management, outreach, and facility mapping; purchase and installation costs; and development of siting/selection guide and requirements for businesses/employers, developers, building managers.

3) Failed Goals - \$191.9 million TOTAL WASTE

Anyone who's ever been on a diet knows you have to set goals - and follow them - if you want to shed pounds or maintain a healthy weight. If the DOT's performance measurement goals were a

diet plan, that plan would be built on Chocodiles and saturated fat sandwiches. A [legislative audit](#) earlier this year showed DOT staff routinely disregarded established procedures designed to manage and improve operations. From fiscal year 2009-10 to 2014-15, the agency could have saved \$191.9 million, or an average of \$32 million per year, if its total costs during the construction phase of the state highway projects had not exceeded annual performance measurement goals.

Response:

This item refers to contract change orders, discussed on pages 88-90 of the audit report¹. This so-called waste is the difference between actual change orders and the department's extremely aggressive goals, which were 0 percent before FY2013 and 3 percent after. The goal of 0 percent was unrealistic and unobtainable, which is why it was changed to 3 percent. Failure to meet an unattainable goal is not "waste".

Wisconsin's performance related to contract change orders is actually consistent with national averages. As the audit noted, Wisconsin's change order percentage of 4% is below Minnesota's reported 6%. According to one national report, the average change order percentage for all states is 4%, the same as Wisconsin's².

4) Design-Build Savings

Wisconsin is missing out on untold hundreds of millions of dollars in savings by sticking with the old design-bid-build approach to transportation projects - like Chicago Bears fans stick to their failing team. Like Bears fans, the DOT has grown accustomed to losing, but it's the taxpayer on the hook for the agency's failure to recognize the huge cost savings to be had in the design-build approach. The practice integrates the standard activities involved in transportation projects under a single contract. The Texas Department of Transportation, for instance, reported its best-value [design-build](#) proposals usually come in 15 to 20 percent below the engineer's estimates, according to a [Texas A&M Transportation Institute Study](#). And design-build projects in the study typically were completed from three to 10 months early, another big cost savings. Twenty percent on a \$1 billion project is a Packers-over-the-Bears-style win for Wisconsin taxpayers.

Response:

WisDOT has not failed to recognize the potential savings from design-build. WisDOT has requested authority to use alternatives to design-bid-build in its last two budget submittals. In 2015, the request was included in the Executive Budget, and removed in the Joint Finance Committee.

5) Root River Parkway/Greendale Bike Trail - \$1 million TOTAL \$200,000 LOCAL SHARE

¹ "Audit of State Highway Program", Wisconsin Legislative Audit Bureau, 2017

² "Comparing State DOT's Construction Cost and Schedule Performance", Transportation Research Board, 2007

New bike trail for \$1 million with locals on the hook for \$200k. Root River parkway is a secluded place with minimal traffic where cyclists happily bike on the roads. Why spend an extra million from taxpayers when cyclists already have a safe route?

Response:

Like many other bicycle and pedestrian facility projects on this list, this project was funded through the federal Transportation Alternatives Program (TAP). Under TAP, and similar programs, federal funds are allocated to the states for non-highway projects. These projects are selected competitively from local applications. There is no state funding for bike and pedestrian facilities, and the federal funds can only be used for non-highway projects. Awarding federal dollars under a competitive program that can only be used for that specific purpose, is not waste. Local government is not "on the hook". They applied for the project and were willing to assume the local share.

6) West Allis Cross-Town Connector - \$3 million TOTAL \$600,000 LOCAL SHARE

The City of West Allis' latest [boondoggle](#) is a \$3 million dollar bike plan to build a Cross-Town Connector. It will include bike roundabouts, a bike bridge, new paths, and on-street lanes. The path is being built because the Department of Natural Resources believes the route will reduce congestion and pollution in the city of Milwaukee caused by more West Allis residents commuting to work. In the DNR's world, it's Bike to Work Day every day.

Response:

Same response as #5, except this is from the Federal Congestion Mitigation Air Quality (CMAQ) program, which is also a competitive program from local applications. Money from this program cannot be used for a traditional highway project.

7) Roundabout Driving Training Videos - \$30,000

The DOT spent \$30,000 on [videos](#) explaining to drivers how to guide their cars through roundabouts. Wisconsinites hate roundabouts like injustice, so an instructional video on roundabouts is like a handbook on headaches. Nobody wants one, so why would they want to read about it? Here's a video for the DOT: "Dude, Where's My Tax Money?"

Response:

From Federal Highway Administration:

"Like any new technology or idea, it is necessary that people understand how roundabouts work and why they are needed. This conversation begins by communicating the magnitude and importance of the intersection safety challenge. With roughly 1/4 of all traffic fatalities in the United States associated with intersections, it is critical that safer designs are implemented as widely and routinely as possible. But safer designs must also keep people and goods moving. Roundabouts have proven to be a safer and more efficient type of intersection. Still,

because they may be unfamiliar to most people, successful implementation of a roundabout requires extra outreach and education.”

8) DOT Bid Failures - \$44,700,000

The DOT lost \$44.7 million by failing to solicit more than one bid for 363 of its construction contracts between January 2006 and December 2015. Had each of those projects received just one more bid, DOT would have saved \$4.5 million per year from '06-'15, according to an audit of the agency. So much for competition. So much for taxpayer savings.

Response:

The DOT did not “fail to solicit more than one bid”. That statement shows a fundamental misunderstanding of the bidding process. Bid solicitations are public, and every qualified contractor is free to submit a bid for any project. Sometimes, for various reasons, only one contractor submits a bid. When that happens, the department makes an evaluation to decide whether to award or reject the bid. A project with only one bid may be awarded for various reasons, including a need to complete the project by a certain date. The department does not have the legal option to continue to rebid the same identical project until it receives a price that it likes.

As the audit stated, the department has also undertaken several initiatives designed to increase competition, but at the end of the day, it is up to individual contractors to decide whether to bid on a particular project.

9) A Bridge Too Near - \$3.6 Million

A [\\$3.6 million](#) pedestrian bridge was constructed in West Allis even though there is a bridge with pedestrian access just two minutes away. Is it too much to ask citizens to walk an extra block and a half? Isn't Big Government trying to make us exercise more? Is two minutes worth \$3.6 million?

Response:

This refers to the Dakota Street pedestrian overpass, which is part of the Zoo Interchange project. It is not a new bridge, but rather the replacement of an existing pedestrian bridge. Decision to replace the bridge (rather than remove it) was made after extensive public outreach. The bridge is used by students of Mitchell Elementary and Frank Lloyd Wright Intermediate School.

10) Otter Exhibit - \$12.4 million

The DOT offered the Milwaukee County Zoo \$8 million when it took 700 parking spaces away for the zoo-interchange project. Of the \$8 million, only \$2 million would be needed to build a new lot. The Zoo instead sued the DOT and got [\\$12.7 million](#). It used the extra \$10 million taken

from the transportation fund for a welcome center and otter exhibit. Really Zoo? You otter be kidding us.

Response:

Real estate acquisition for highway projects is a highly regulated activity and property owners have the right to just compensation. The department always seeks to acquire needed lands for the lowest price possible consistent with just compensation. Property owners have the right to contest awards administratively and in circuit court. In this instance, a court determined the just compensation. That was not a DOT decision, and should not be classified as waste.

11) Poynette & Portage Rest Stops - \$22 million TOTAL, \$2.2 million STATE PORTION

In 2010, two of the nicest rest stops in the country were constructed in Poynette and Portage. The old rest stops were torn down and replaced due to overcrowding. Not only did DOT expand the rest stops to be the largest in the state, the agency designed the buildings with ornate Frank Lloyd Wright architecture. The place has the aura of an architectural shrine, but in reality aren't these rest stops really just restrooms? Does \$22 million to pee (excuse our language) seem a bit much?

Response:

These two rest areas are by far the busiest in the state. Particularly in the summer months, long lines developed at the toilet facilities. The main feature of this project was a near tripling of the amount of truck parking at each site, and an almost doubling of the number of toilet facilities.

The increase in truck parking is very significant. Due to new federal rest-time requirements, adequate truck parking has become a major national safety issue. These rest areas complement the department's recently installed "Truck Parking Information System", which provides truckers with advance highway notice of the availability of truck parking spaces.

Whether an architecturally pleasing building is a waste or not is a matter of opinion. The majority of the cost of these facilities went to providing a safe and adequate rest/parking area for motorists and commercial vehicle operators.

12) Starkweather Creek Bike Path - \$312,000 LAWSUIT

The City of Madison put a bike/pedestrian bridge in front of McDonald's. The bridge crippled business and forced the restaurant to move down the street. McDonald's sued the city and won [\\$312,000](#).

The bridge was built for safety reasons because there have been a few instances of people getting killed trying to cross the street. A couple years after the bridge was built a person was crossing at street level and was struck and killed by a car, [yet again](#). Local residents and businesses were interviewed and most said nobody uses the bridge because it is out of their way. You will find a number of Madison/Dane County bike transportation projects on this list. The DOT and Dane

County are literally committing highway robbery, pilfering taxpayer cash from highway priorities to pay for bicycle routes and bridges.

Response:

This bridge carries the Starkweather Creek bike trail over East Washington Avenue, a busy arterial street. It was built as part of a local project to reconstruct the street.

The DOT is not “pilfering taxpayer cash from highway priorities to pay for bicycle routes and bridges.” As stated elsewhere, almost all the bicycle and pedestrian trail projects on this list were funded through non-highway sources. Including bicycle and pedestrian accommodations on highway and street projects reduces crashes and injuries and promotes safety for all users.

13) Cannonball Bike Path, Bridge, and Roundabout - \$3.6 million TOTAL, \$720,000 LOCAL SHARE

The Cannonball Path features the state's first [bike roundabout](#). The path also includes 4.5 miles of trail, a bike tunnel, and a bike bridge. It will cost \$3.6 million to feed Madison's bike addiction when roads around the state are said to be strapped for cash.

Response:

Another project funded by federal grants that cannot be used for highway construction.

14) Use Public Feedback - \$2.3 million

Public feedback is generally a good thing, unless you are a super-sensitive college student who cannot function outside a safe space. The DOT has its own safe space; it simply ignores criticism. Sometimes the public asks the DOT not to do projects because those projects would have adverse effects on nearby communities. The DOT often goes ahead with projects anyway, according to the legislative audit.

Response:

This refers to the WIS 38 Major Highway project, which was enumerated in the 2011 budget. In the 2015 budget, the department recommended cancelling and de-enumerating the project, after having spent \$2.3 million on more detailed preliminary engineering. The decision to recommend cancellation was made in response to, not despite, public input that was obtained during that process. The audit did not say that the department went ahead with the project anyway. In fact, the exact opposite is true. It was the department itself that recommended cancellation.

15) U.S. 41 Build Out - \$6 million

For the U.S. 41 freeway project in Brown County, there are 24 roundabouts being constructed in just a [14-mile stretch](#). The project also includes the planting of 30,400 plants and shrubs as well

as 4,100 trees. A cost estimate puts the roundabouts at about \$6 million. That's got to have taxpayers feel like they're going in circles.

Response:

The roundabouts at the nine interchanges and overpasses in Green Bay actually saved an estimated \$1.7 million. This was because they avoided the cost of building longer bridges on I-41 to accommodate turning lanes under the interstate that would have been needed with standard intersections, but are not needed with roundabouts.

16) Siren, WI Roundabout - \$3.5 million

The DOT ripped up a perfectly serviceable intersection north of Siren, and replaced it with a roundabout. Why the DOT would waste \$3.5 million to put a roundabout in a village of 806 people is hard to understand.

Response:

This “perfectly serviceable” intersection had 16 crashes between 2008-2012, of which four involved serious injuries, putting it in the top 5% of intersections for crash rate and severity.

The roundabout is not “in a village of 806 people”. It is actually located north of the village at the intersection of two state highways (WIS 35 and WIS 70), with a total entering traffic volume of 8,560 vehicles per day.

The project was 90 percent federally funded under the Highway Safety Improvement Program (HSIP), which is specifically designated for safety improvements.

See No. 36.

17) Polk County Roundabout - \$1.5 million

The DOT replaced a faultless intersection with a roundabout north of Amery, a sparsely populated area. Yet again we see the DOT ripping up intersections in small towns and replacing them with roundabouts, at nearly no one's insistence.

Response:

This “faultless” intersection had 13 crashes in a four-year period, including 4 with serious injuries. It had the 5th highest rate of fatal/serious injury crashes for its classification. Over half the crashes were of the right-angle type that is eliminated by a roundabout.

Project was 90 percent federally funded under the Highway Safety Improvement Program (HSIP), which is specifically designated for safety improvements.

See No. 36.

18) Wrightstown Bridge - \$632,000

Citizens of Wrightstown (population 2,827) are getting a new bridge to replace an old, deficient one across the Fox River. The bridge may have been necessary, but what about the pedestrian, bicycle, and snowmobile accommodations? The bike path alone is an extra \$500,000 to \$632,000.

Response:

This bridge carries WIS 96 over the Fox River. The local high school, middle school, and elementary school are all located near the highway within one mile of the bridge. It is not a waste to include safe accommodation for bicycles and pedestrians.

19) Eau Claire Water Street Bridge - \$316,000

The new Water Street Bridge in Eau Claire includes bike lanes, pedestrian accommodations, decorative lighting, decorative concrete on the piers and abutments, decorative railings, designs etched into the columns, pedestals at the light locations, arched mask walls at pier locations, antiqued concrete, outside concrete beam painting, and scenic overlooks. This bridge gives new meaning to the expression "bells and whistles."

Response:

Yes, the new bridge does have aesthetic amenities, in response to public input and to make it an attractive feature in the community. It is located in downtown Eau Claire, adjacent to the university campus and has a state trail running beneath it along the Chippewa River.

20) Baraboo Bypass - \$200 million

A new bypass was constructed around Baraboo just east of Mirror Lake State Park. But U.S. 12 already is a perfectly serviceable highway, covering the same route as the bypass. Oh, and Baraboo is the only town along the bypass. MacIver went out during rush hour traffic and found that barely anyone uses it. Bypasses are proving to be the most costly and the most wasteful projects that the DOT has been approving in recent years.

Response:

This comment shows a fundamental misunderstanding of the process for approving and constructing major highway projects. This project was not "approved" by WisDOT. Major highway projects can only be built after they are enumerated by the State Legislature and Governor. This project was enumerated in the 1997 state budget. If the Legislature or Governor wanted to stop it, they have had 10 budgets in which to do so. The DOT does not have the authority to cancel a legislatively approved project.

Converting a two-lane highway to a multi-lane divided expressway or freeway improves safety and reduces crashes and injuries by improving alignment and reducing or eliminating at-grade intersections.

21) West Waukesha Bypass - \$50 million

A four-lane thoroughfare spanning Waukesha between Interstate-94 and Highway 59 is being constructed for \$50 million. Some 550 locals signed a petition opposing the bypass in 2011 and 2012. And yet the transportation money train rolls on.

Response:

This project is a good example of intergovernmental cooperation.

A petition signed by 550 people in a county with a population of 400,000 does not demonstrate lack of local support. The best expression of local support is the decision by the governing bodies of local communities, who represent all citizens. This project was begun by Waukesha County is being built and cooperatively funded by the city of Waukesha, Waukesha County and the state.

22) Lower Yahara River Trail - \$10.5 million TOTAL, \$2.1 million LOCAL SHARE

The [largest bike bridge](#) in all of Wisconsin is being constructed in Dane County. The 2.5-mile trail will include more than a mile of bridges and boardwalk. The trail itself will include an innovative "floating boardwalk", rest stops, observation areas, and a fishing pier. Again, the bicycle capital of Wisconsin is costing taxpayers big money.

Response:

Another TAP project. See #5.

23) Capital City Trail Extension - \$1.8 million TOTAL \$360,000 LOCAL SHARE

This bike path will become the state's largest once completed. However, one mile of this proposed bike path will cost \$1.8 million, which is significantly higher than the usual \$200,000. That's \$341 per foot.

Response:

Another TAP project. See #5.

24) West Towne Path: High Point Road to Junction Road - \$3.6 million TOTAL \$720,000 LOCAL SHARE

A half-mile bike path in the City of Madison is set to be completed in 2018, at a cost of \$3.6 million. Part of the expense is a \$1 million bike underpass that is much costlier than DOT's

averages for similar projects. How much money could we save if we stop giving Dane County bike funding?

Response:

How much money could we save if we stop giving Dane County bike funding? None. Again, the funds in TAP and related programs must be used for alternative transportation projects, which are almost always bike or pedestrian projects. The projects are selected competitively. If Dane County didn't get the federal funds, another community would.

25) Ice Age Junction Path - \$2.5 million TOTAL \$500,000 LOCAL SHARE

Two miles of bike path are set to be completed in the city of Madison in 2018-19, costing \$2.5 million. This project includes up to nine bridges and underpasses, which seems excessive considering the amount of bike routes already existing in the city.

Response:

"Seems excessive" is not a meaningful statement. Projects are selected competitively based on cost and benefit.

26) St. Croix Crossing - \$650 million TOTAL \$285 million STATE PORTION

The Minnesota Department of Transportation and Wisconsin DOT collaborated to build a new bridge crossing the St. Croix river between Houlton and Stillwater, Minn. A new bridge seems necessary but over-engineering puts the project into question.

The new bridge is a state-of-the-art "extradosed" bridge, only the second of its kind built in the nation, despite low traffic counts and an existing bridge 15 minutes south. Also, the old bridge was not torn down, but remodeled and designed to be a bike/pedestrian crossing with rest areas and viewing platforms. The old bridge is now part of a 4.5 mile bike-loop which also connects around the new bridge.

Another part of the cost was a \$1.7 million [communication contract](#) to hire a PR manager with the sole task of drumming up support for the bridge. Selling the taxpayer on a massively expensive bridge doesn't come cheap. What's more, the \$650 million bridge costs more than it would to fix all of the 1,149 structurally deficient bridges in Minnesota. Priorities.

Response:

The comment acknowledges the need for the bridge, but questions the design. The bridge is on a nationally designated scenic river and literally required an Act of Congress to be built. Getting the necessary environmental approvals for the bridge required an agreement between 28 federal, state, local and private stakeholders to make sure all concerns were addressed. That is how the unique design was selected. The bridge simply could not have been built otherwise. The existing 90+ year old lift bridge is no longer serviceable as a vehicular structure.

27) Wisconsin Highway 67 - \$28 million

In Oconomowoc there was a large build-out of roads, a highway overpass, civilian paths, bike lanes, and much more as a result of Pabst Farms plans to build a regional outdoor shopping mall. The original plans for the mall failed, meaning there wouldn't be any major increases in traffic, making the highway build wasteful.

Response:

One component of this project was reconstruction of two bridges over I-94, which were 43 and 53 years old, respectively. Considering the age and condition of the bridges, and the possibility that they may need to be lengthened in the future, it was determined that they should be reconstructed. The Pabst Farms site is not the only development affecting traffic in this area. Others include the new Aurora Summit Hospital and Roundy's Distribution Center. Although the original Pabst Farms regional mall development has not taken place, development is continuing on the 1,500 acre site³, and the transportation infrastructure to support that development will be in place as a result of this project.

28) St. Croix County Bike Path Plan - \$33.2 million

First of all, Wow! \$33.2 million for a bike path. Think about that for a moment. [The plan](#) includes 69 projects in this rural county. Supporters claim a head-scratching return on investment of \$9 for every public dollar spent. That claim is based on a North Carolina Outer Banks case study. Makes sense. St. Croix County is, of course, exactly like North Carolina's Outer Banks. The thinking by project promoters: Well, if it could happen there, it could happen here. Hey, it worked for Sinatra in New York, New York. The bike path plan is just that, a plan. So we didn't add the price tag to our list of wasteful projects. But we've all seen this movie before. St. Croix County isn't going to come up with the full \$33.2 million. Local government officials will have their hands out, expecting state and federal taxpayers to pick up much of the tab for the bike path.

Response:

The actual amount of the TAP grant to prepare the St. Croix County Bicycle and Pedestrian Plan was \$120,000. Any further projects are completely speculative and would require funding and approval.

29) Hidden Valley Bridge - \$360,000

The Hidden Valley Bridge was built in Sylvan, a hamlet with a population of 543 people. Over one-third of construction costs went toward design and supervision.

Response:

³ "Pabst Farms Activity Ramping Up Again", Milwaukee Business Journal, April 20, 2017.

The department has been a leader in adopting new technologies in a variety of areas, including bridge construction. Under a program called ABC, or “accelerated bridge construction”, several innovations have been adopted to drive down the cost of design and construction of bridges. These include the use of prefabricated bridge elements, slide-in bridges and the use of geosynthetic reinforced soils in abutments. These new technologies reduce both construction and non-construction costs.

30) Lake Butte Des Morts - \$54 million

This bridge boasts an extravagant design, including nine bridge structures and aesthetic earth, fire, and water murals on the columns. The build also includes pedestrian, bike, and fishing accommodations. Why spend money on murals that only the fish can see? Sound fishy?

Response:

This bridge was part of the I-41 project in Brown and Winnebago Counties. A process sometimes called Community Sensitive Solutions (CSS) was used to involve the local community and other stakeholders in the design of the project. This led to the inclusion of aesthetic features that helped obtain public consensus for the project.

The \$54 million figure shown above as waste is false. The total cost of the entire I-41 project in Brown and Winnebago counties was \$1.4 billion. The budget for all CSS on the entire project was \$21.4 million, or 1.5 percent of the project cost.⁴ The only other project identified with CSS expenditures greater than 1.0 percent was US 151/Verona Road. All others were below one percent of project cost.

CSS can generate savings by improving local support for large and controversial projects that otherwise may take longer to approve. It is also an example of the department listening to the concerns of local communities, which the authors accuse it of not doing. Nonetheless, all future state funded CSS has been eliminated by legislative action.

31) Janesville Road - \$1,913,739

Two identical segments of Janesville Road in Muskego were recently reconstructed, one using federal dollars and the other using solely local transportation dollars. The mile-long segment completed with local dollars cost \$6,280,000, while the mile-long segment completed with federal dollars cost \$8,193,739. There's a wrong turn in here somewhere. This \$1,913,739 difference shows how federal regulation of road projects [drives up costs](#). A bill originally proposed by Sen. Duey Stroebel and Rep. Rob Brooks, both Republicans from Saukville, would "swap" a portion of federal funds within transportation programs with existing state transportation dollars, removing "burdensome, expensive and ineffectual federal regulations.

Response:

⁴ LFB budget paper #659, May 2013.

The extra cost of compliance with federal requirements is somewhat debatable and will vary from project to project. It has been the department's policy to always have federally-compliant projects available in order to accept additional federal funds when they become available. For that reason, Wisconsin has a good track record of obtaining extra federal funding.

Building a project without federal funding does not mean there are no environmental requirements. Wisconsin's main environmental protection law (Wisconsin Environmental Policy Act, or WEPA) has many of the same requirements as the federal law (National Environmental Policy Act, or NEPA). Also, certain federal environmental requirements under the national Clean Water Act must be met regardless of funding source.

Nonetheless, reducing the number of federally funded projects could save money, particularly on some local road projects currently being funded with federal dollars. However, in order to accomplish that "swap", enough state tax dollars need to be available to backfill the federal dollars being taken off the project. In a time when state transportation revenues are stagnant, that has been, and will continue to be, a problem.

32) Buffalo-Winona Great River State Trail Connector - \$3-4 Million TOTAL, \$1,320,000 LOCAL

A bike trail in a rural, sparsely populated area between Winona, Minn., and the outskirts of La Crosse was constructed. The project cost between \$3 million and \$4 million with the master plan connecting Winona to Madison. Again, if the priority is roads, why is \$4 million for a bike trail part of the budget?

Response:

This is a TAP project sponsored by Buffalo County. The federal funds are allocated for TAP and cannot be used for highway projects.

33) Lake County Trail Underpass - \$227,000

A pedestrian tunnel is being constructed under WIS 67 at Oconomowoc parkway as a result of expected increased traffic from a proposed regional outdoor shopping mall. The original Pabst Farms shopping mall plans failed and there will no be significant increases in traffic, making the tunnel a waste. Another bad transportation bet. More so, there are plenty of bicycle trails in Waukesha County. Is it the government's job to tie together an elaborate bike trail system or is it to maintain roads and public safety? If budgets are about priorities, it looks like the pushers of this project took a wrong turn.

Response:

69 pedestrians and bicyclists were killed on Wisconsin roads in 2015. That is 12 percent of all traffic fatalities recorded in that year. Safe accommodations for bicycles and pedestrians to use our transportation system is "public safety".

34) Wolf River Bridge - \$14 million

In the little town of Winneconne, a bridge will be constructed next to a 75-year-old draw bridge. The draw bridge has been determined to be safe for travel by the DOT, but the national bridge inventory has identified it as deficient based on its own ratings. The new project calls for two fishing piers on each side of the river and a trail for snowmobiles on one side of the bridge that will serve just 2,400 citizens. DOT's motto: While building the unnecessary, why not add a few perks.

Response:

Unclear what is being argued here. Replacing a deficient 75-year old bridge is not "unnecessary". This is a bridge that opens frequently, causing traffic delays and potential problems with emergency response. Fixed bridge will allow boats to pass without opening the bridge. Fixed bridges are also less costly to be maintained.

35) Vilas County ATV Trail - \$330,000

Vilas County could have constructed an ATV trail with an original bid total of \$180,000, but prevailing wage artificially pushed the cost up to \$330,000 for the same exact [project](#). The county went on with the project despite the inflated cost. That's Exhibit A on why prevailing wage reform has been so critical to taxpayers.

Response:

It is simply not possible that an 83 percent difference in project cost is due to prevailing wage, since labor costs only represent 20-25 percent of total costs of a typical project. See further comments on number 40.

36) State Roundabouts - \$10 million

Forty roundabouts are planned to be constructed in the state within the next four years. These roundabouts will total over \$10 million. That bears repeating: \$10 million in roundabouts. That's a dizzying figure for something so despised.

Response:

The department's goal has been intersection safety and efficiency. A 2015 study produced by University of Wisconsin Traffic Operations and Safety Laboratory showed that fatal and severe injury crashes decreased by 40 percent at Wisconsin roundabouts. This is consistent with the results of other national studies.

The construction cost of roundabouts and signalized intersections are generally comparable. In some instances, roundabouts provide cost savings. For example, at nine interchanges and overpasses on the I-41 project in Green Bay, an estimated \$1.7 million was saved, largely because the roundabouts enabled the use of narrower bridges.

37) La Crosse North/South Corridor - \$143 million

The DOT has been obsessed with building a road through the La Crosse River marsh for [decades](#). The initial proposal was dubbed the "North/South Corridor" and would have paved a four-lane highway through the marsh from near Interstate-90 to the city's downtown. The price tag recently jumped to \$143 million after the DOT audit found the department had low-balled cost estimates.

After La Crosse voters overwhelmingly rejected the DOT's North/South Corridor plan in a referendum in [1998](#), by a two-thirds vote, the DOT has returned to the idea. In recent years the department has identified a number of alternatives to the rejected plan. While DOT struggles to fund other projects that are underway throughout the state, it seems insistent on spending \$143 million it doesn't have on a project in La Crosse that nobody seems to want.

Response:

This is actually an example of the DOT proactively reaching out to a local community to determine if, and how, a controversial project should be continued.

The DOT is not "insistent on spending \$143 million". As stated, this project was originally enumerated by the legislature in 1998, but never built. In an effort to determine whether, and in what form, the project should continue, the DOT notified the local community in 2014 that it would recommend the project be cancelled unless some locally acceptable option could be identified. This led to a response from local government and business interests that the state should not abandon the project, but continue to look for a solution. That study is ongoing.

It can be said that many stakeholders in the community recognize the need for some transportation improvement in this corridor. Several locations are currently experiencing moderate or extreme congestion, and crash rates in several areas of the corridor are double or even triple statewide averages for those types of roadways.⁵

Again, this project was ordered by the legislature, and can only be cancelled by them. The department's role is to identify the best alternative that meets local needs. If such an alternative is not found, the DOT has shown its willingness (indeed, its intention) to recommend cancellation.

38) 17th Street Lift Bridge - \$14 million TOTAL, \$3 million-plus LOCAL SHARE

Yes, this 60-year-old bridge in Two Rivers was found to be suffering from structural deterioration. But the city administrator acknowledges that a relatively new, four-lane Wisconsin Highway 42 bridge, just five blocks to the north "could handle all vehicular traffic crossing the East Twin River." Still, the council "and many local residents" got behind the "lift bridge or no bridge at all" project "in order to maintain a vital vehicular, bike and pedestrian link from our downtown to the City's east side and Lake Michigan beach." The rest of the taxpayers in every

⁵ Coulee Region Transportation Study, Existing Conditions Report, September 2015

other part of the state - and the federal taxpayers around the country who chipped in \$8 million - might not have felt the same passion to build this bridge too near. But, then again, they didn't have a choice in the matter.

Response:

Transportation projects often play an important role in economic development. This bridge replacement was completed in 2013. It is adjacent to an unused 12.5 acre industrial parcel (formerly Hamilton Manufacturing) that the city hopes to redevelop. According to the city's economic development website, the new bridge will enhance the ability of the city to redevelop the parcel.

39) Enforce Engineering Delivery Cost Index Prices - \$6.6 million TOTAL

For the past 20 years, the DOT has spent considerable effort determining what engineering work should cost for state projects. It recalculates this every year. This should improve engineering efficiency - that is when staff doesn't ignore the report.

Response:

This is highly misleading. What the audit actually states is that the department SAVED \$26.9 million over ten years by holding design costs below department targets in most instances, and that an additional \$6.6 million would have been saved if the department had achieved 100 percent success in holding design costs below the target. It further states that the department is taking various actions to improve this performance measure.

40) Prevailing Wage Savings

This one's on the Legislature. Ending Wisconsin's antiquated and costly prevailing wage law should have been done a long time ago. Case in point, Vilas County, which could have constructed an ATV trail with an original bid total of \$180,000, but prevailing wage artificially pushed the cost up to \$330,000 for the same project. The county went on with the project despite the inflated cost. That's Exhibit A on why prevailing wage reform has been so critical to taxpayers. Here's Exhibit B: As [MacIver News Service reported in 2015](#), a flagger - someone who stands on the side of the road and turns signs - makes \$23.55 an hour and collects \$20.03 in benefits per hour. That's equivalent to \$90,000 per year, although flaggers typically don't work a full year. For comparison, median annual household income in Wisconsin was \$55,638 in 2015, according to the latest data available.

Response:

According to the Legislative Fiscal Bureau⁶, the preponderance of available studies has shown that prevailing wage laws do not have a statistically significant impact on the total cost of public construction contracts. The following is an excerpt from that LFB analysis:

...the evidence on prevailing wage effects generally range from relatively small effects to no statistically significant effects (cross sectional and time series). These findings echo a 2007 report prepared by the nonpartisan Minnesota Office of the Legislative Auditor which, in a review of the literature that measured the relationship between prevailing wage laws and the cost of construction, concluded that while some studies found a small impact on costs, more comprehensive studies have found that the impact is not statistically significant. These findings are further corroborated in a comprehensive review of research related to prevailing wages and government contracting costs by Mahalia (2008). The report concluded that a growing body of economic studies finds that prevailing wage regulations do not inflate the cost of government construction contracts. The report indicates that a basic premise is that prevailing wage laws raise costs for contractors, and contractors pass the costs on to the government. Possible explanations for the breakdown in the seemingly intuitive relationship between wage rates and projects costs may include: (a) contractors might already be paying wages that are required under prevailing wage laws; (b) labor costs are not the predominant costs in government contracts; (c) prevailing wage rates can attract higher-skilled workers, and more efficient management, so that increased productivity would offset higher wages; and (d) higher wages may be offset by factor substitution, such as more efficient materials.

41) Freeway Service Teams - \$2.1 million TOTAL

Why join AAA when the state offers the same great services at taxpayer expense? The [DOT's Freeway Service Teams](#) can change your flat tire, fuel you up when you run out of gas, open your door when you lock your keys inside, and even tow you to the dealer. What's next, discounts on motels and Disney travel packages?

Response:

Many states have freeway service teams. The goal of a transportation agency is safety and mobility for the traveling public. When a vehicle runs out of fuel or gets a flat tire on a busy interstate, thousands of other vehicles are delayed and inconvenienced. It is very cost effective to have services available to clear disabled vehicles in the shortest time possible. This is one component of an integrated traffic incident management program that reduces congestion and delay, and increases safety.

42) New Stop Light Designs - \$57.5 million TOTAL

Given the choice between two equally effective options to solve a problem, the least expensive option is usually the road most traveled. That's not how Wisconsin's DOT rolls. New traffic signal poles, called "monotubes," cost between \$250,000 and \$275,000 per intersection. The old "trombone style" intersections cost between \$200,000 and \$225,000. So naturally, the DOT goes for the more expensive "monotube" style. So far it has installed over 1,100 of them.

⁶ Legislative Fiscal Bureau memorandum to Representative Robb Kahl, March 27, 2015.

Response:

Monotubes are used on multi-lane intersections so that each lane will have its own signal head. This has proven safety benefits. By increasing the visibility of the signal, crashes are reduced. A before and after study⁷ showed a 29 percent reduction in right angle crashes, and a 22 percent reduction in crashes with fatalities or injuries.

43) Rebar Usage in Road Construction - \$30 million TOTAL

For many of its road and bridge projects, DOT used a stainless steel rebar instead of an epoxy coated rebar. Using the stainless steel rebar cost far more and does not offer the same high life expectancy as the epoxy coated rebar. Just what every taxpayer and consumer wants: A product that costs more and does less.

Response:

Stainless steel is only used on bridge decks where a detailed life-cycle cost benefit analysis shows that the additional upfront cost will be exceeded by long term savings. Rather than being a wasteful expenditure, this is an example of sound analysis being used to reduce total costs. The authors state that stainless steel “does not offer the same high life expectancy as epoxy coated rebar.” Stainless steel rebar has much better corrosion resistance than other types of rebar, and studies have shown it to have twice the life of epoxy-coated.

For example, on the Zoo Interchange Core II project, stainless steel was used for 37 percent of the bridge decks. The present value of the savings over the life of the project, taking account for user delay costs incurred by earlier deck replacement with epoxy rebar, is \$12.5 million.

44) DOT Added Staff - \$10 million TOTAL

DOT added 180 engineering positions in the 2015-2017 state budget. These new positions cost nearly \$10 million per year in salaries. The figure jumps when considering health and retirement benefits. Great! More engineers to forget to include inflation in the cost of road projects while never forgetting the DOT's great love affair with roundabouts. You've heard the old joke? How many engineers does it take to waste hundreds of millions of dollars in taxpayer money? A: Apparently 180 more.

Response:

The DOT did not “forget to include inflation” in project estimates. Department policy is to report costs of major projects in current dollars and make annual inflation adjustments, except on certain federal megaprojects, which require “year of expenditure” estimates. This policy was known and clearly stated in the semiannual major project status reports to the legislature and TPC. With some major projects taking 15-20 years to build, meaningful estimates of inflation adjusted costs are almost impossible to make.

⁷ “Safety Effectiveness of Signal Head Per Lane in Wisconsin”. Presentation at Institute of Transportation Engineers Transportation Engineering Workshop and Transportation Planning Forum, April 2017.

The positions were actually added in the 2013 budget, not 2015 as stated. The issues associated with deciding how much of the highway program's engineering should be outsourced centers around three topics: (1) comparative cost, (2) the skills and staffing needed for adequate oversight and management of a largely consultant delivered program, and (3) federal requirements that state employees must maintain "responsible charge" of the highway program. All of these issues were analyzed extensively during the 2013 budget process, and that analysis is summarized in the Legislative Fiscal Bureau paper on the subject.⁸ As a result of that analysis, the additional positions were approved.

45) Resurface with oil and stone mix - \$??? TOTAL

The public works director in Montello told the MacIver News Service he uses oil and stone instead of asphalt whenever possible to resurface the city's roads. It makes for a bumpy ride for bicyclists and skateboarders, but it makes for a serviceable road at a fraction of the cost. He can do a mile for \$9,000 compared to \$80,000 for asphalt.

Response:

WisDOT does use chip sealing when it is appropriate to do so. Chip sealing is a preventive maintenance treatment that protects a pavement, but does not strengthen it. It can add 5 to 8 years of life to an existing pavement, when used correctly. However, it is not asphalt paving, and is not a substitute for it.

Total Cost to Wisconsin: \$1,671,320,239

Total Local Cost: \$294,262,000

Total Overall Cost: \$1,965,882,239

⁸ Legislative Fiscal Bureau, 2013 Budget Paper No. 655, "Highway Program Engineering Positions"