



## State Highway Program

### Background

The Department of Transportation (DOT) is responsible for planning, designing, constructing, and maintaining the 11,758 miles of Wisconsin's state highways. DOT's expenditures for state highways increased from \$739.7 million in fiscal year (FY) 1996-97 to \$2.1 billion in FY 2015-16. The state highway program includes major highway projects and Southeast Wisconsin freeway megaprojects that must be enumerated in statutes before DOT can begin to construct them, rehabilitation projects that range from resurfacing to reconstructing existing highways, and maintenance work that includes removing snow and filling potholes.

### Key Findings

We found:

- The proportion of state highways rated in good condition decreased steadily from 53.5 percent in 2010 to 41.0 percent in 2015.
- When a major highway project is considered for enumeration, DOT provides the Governor and the Legislature with an estimate of total project costs, but such estimates were incomplete, in part, because they did not take into account that inflation would increase project expenditures over time.
- From enumeration to August 2016, the cost estimates DOT reported for 16 ongoing major highway projects increased by an estimated \$3.1 billion.
- DOT budgeted to complete more major highway project work than could be completed with its available funding because it did not sufficiently take into account the extent to which project expenditures increased over time as a result of inflation and unexpected cost increases.
- DOT has not changed the proportion of funds allocated among its five regions to complete certain rehabilitation projects since 2006, did not fully comply with administrative rules for selecting projects, and did not document why it selected particular projects to construct over other potential projects.
- From FY 2006-07 through FY 2014-15, work completed by DOT staff declined from 46.4 percent to 33.4 percent of total design engineering expenditures and from 37.6 percent to 32.4 percent of total construction engineering expenditures.
- DOT generally had effective oversight of the processes for soliciting bids and awarding construction contracts and took steps to control construction costs, but it could take additional steps.
- DOT potentially could achieve considerable additional savings if it met its performance measure goals.
- DOT has established performance measure goals to improve its management of the state highway program. However, DOT is not consistently using them to manage and improve its operations.

### Recommendations

We make recommendations that will help DOT use its funds more effectively and improve how it manages the planning, engineering, and construction phases of state highway projects, as well as its maintenance of state highways. In addition, we identify modifications the Legislature could consider making to statutes.