



STATE OF WISCONSIN

Legislative Audit Bureau

22 East Mifflin Street, Suite 500 ■ Madison, WI 53703 ■ (608) 266-2818 ■ Hotline: 1-877-FRAUD-17 ■ www.legis.wisconsin.gov/lab

Celebrating
50 Years of
Service

1966-2016

Joe Chrisman
State Auditor

December 18, 2015

Senator Robert Cowles and
Representative Samantha Kerkman, Co-chairpersons
Joint Legislative Audit Committee
State Capitol
Madison, Wisconsin 53702

Dear Senator Cowles and Representative Kerkman:

On October 15, 2015, the Joint Legislative Audit Committee directed the Legislative Audit Bureau to conduct an audit of the Department of Transportation's (DOT's) State Highway Program. You asked me to compare the scope of the approved audit to the proposed audit of the State Highway Program that was included in 2015 Senate Bill 21, the 2015-2017 Biennial Budget Bill, and that was vetoed by the Governor.

The scope of the audit approved by the Joint Legislative Audit Committee is as follows:

- examine changes and trends in revenue, expenditures, staffing, and state highway conditions over time;
- analyze and consider potential improvements to DOT's planning, design, construction, and maintenance processes for the State Highway Program, including the traffic forecasting, construction bidding, and engineering selection processes;
- compare the estimated cost of state highway projects, as determined by DOT before project work began, with the actual cost of completed projects;
- analyze DOT's performance measures, including those related to highway safety, and evaluate DOT's use of such measures to inform its management of the State Highway Program; and
- determine the extent to which DOT has implemented relevant recommendations made in our prior audit reports.

In addition, the Committee directed us to examine aspects of the local road program.

Although the audit proposed in Senate Bill 21 contained more detailed requirements, these concepts are reflected in the scope of the audit approved by the Committee. In the sections that follow, I describe these five concepts.

Traffic Forecasting

The audit proposed in Senate Bill 21 would have required us to evaluate DOT's traffic forecasting methodologies, assess the accuracy of its forecasts as compared to those produced by other states, assess the conformity of DOT's traffic forecasting methodologies with relevant professional standards, and consider any other factor relevant to the assessment of DOT's traffic forecasting methodologies. Senate Bill 21 would have required us to include a comparison of traffic forecasts provided by DOT from 1990 to 2014 during federal environmental project reviews with post-construction traffic counts in corresponding completed project locations. Senate Bill 21 would have required us to include a comparison of the accuracy of DOT's traffic forecasts for projects in the State Highway Rehabilitation Program, the Major Highway Development Program, the Southeast Wisconsin Freeway Rehabilitation Program, and the Southeast Wisconsin Freeway Megaprojects Program.

The audit approved by the Committee will analyze and consider potential improvements to DOT's planning process for the State Highway Program, including the traffic forecasting process.

Highway Improvements

The audit proposed in Senate Bill 21 would have required us to evaluate the processes and factors that DOT uses to select the timing, type, and scope of highway improvements. Senate Bill 21 specified that the types of improvements evaluated would have included lane additions, increasing highway shoulder width, purchase of additional right-of-way, construction of bicycle and pedestrian facilities, changes to roadway geometric alignments, use of dynamic and static messaging signs, and inclusion of ramp gates, barriers, roundabouts, diverging diamond intersections, or aesthetic design elements in projects. Senate Bill 21 would have required us to include the total amount expended for each highway improvements type from fiscal year (FY) 2005-06 to FY 2014-15 by fiscal year.

The audit approved by the Committee will analyze and consider potential improvements to DOT's planning and design processes for the State Highway Program, and examine changes and trends in expenditures over time.

Safety

The audit proposed in Senate Bill 21 would have required assessment of whether DOT could reduce State Highway Program expenditures on safety-related improvements without significantly reducing public safety.

The audit approved by the Committee will assess DOT's performance measures, including those related to public safety, and evaluate DOT's use of such measures to inform its management of the State Highway Program. As noted, the audit will also analyze and consider potential improvements

Senator Robert Cowles and
Representative Samantha Kerkman, Co-chairpersons
Page 3
December 18, 2015

to DOT's planning and design processes for the State Highway Program, and examine changes and trends in expenditures over time.

Federal and State Requirements

The audit proposed in Senate Bill 21 would have required us to evaluate the extent to which DOT has met, failed to meet, or exceeded federal and state requirements for highway design and construction for FY 2005-06 to FY 2014-15 and the costs or savings associated with DOT's practices related to compliance with highway design and construction requirements.

Similar to any performance evaluation we conduct, the audit approved by the Committee will assess DOT's compliance with relevant federal and state laws. In addition, the audit will examine changes and trends in expenditures over time.

Bidding Practices

The audit proposed in Senate Bill 21 would have required an audit of DOT's bidding practices related to the State Highway Program for FY 2005-06 to FY 2014-15 and assessment of the extent to which these practices have complied with state statutes.

The audit approved by the Committee will analyze and consider potential improvements to DOT's planning process for the State Highway Program, including the construction bidding process, and will include an assessment of compliance with relevant state statutes.

I hope you find this information helpful. Please contact me with any questions.

Sincerely,



Joe Chrisman
State Auditor

JC/bm

cc: Senator Mary Lazich
Senator Alberta Darling
Senator Kathleen Vinehout
Senator Janet Bewley

Representative John Macco
Representative John Nygren
Representative Melissa Sargent
Representative Terese Berceau