

**Long-term Highway Needs &
Department Of Transportation
Agency Review**
June 23, 2009

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**Four Priorities from Governors
Budget Address**

- Match all federal funds
- Meet immediate maintenance and preservation needs
- Fund roads where they can create economic development opportunities
- Ongoing road reconstruction

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Challenges

- State Highway funds have declined in recent years
- Future Federal funding is uncertain both short-term and long-term
- Costs have inflated at an unprecedented rate
- Highway needs greatly exceed existing funding availability

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Strategic Plan 2009 - 2010

- Maintain fiscal responsibility.
- Preserve and maintain our current assets in the best condition possible with the available resources.
- Develop a long-term strategy for maintaining, preserving and improving South Dakota's transportation systems.
- Promote a workplace that allows each individual the opportunity to grow and develop in their careers.

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DOT Organizational Chart



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Office of the Secretary

- Legal Office
- Aviation Services
- Public Information Office
- Federal Funding Specialist

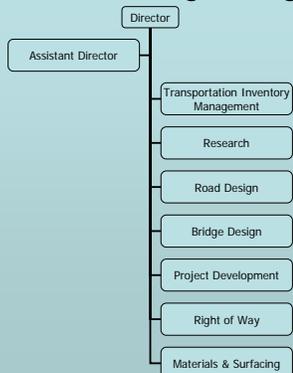
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Division of Finance & Management

- Accounting
- Aeronautics
- Rail
- Transit
- Local Government Assistance

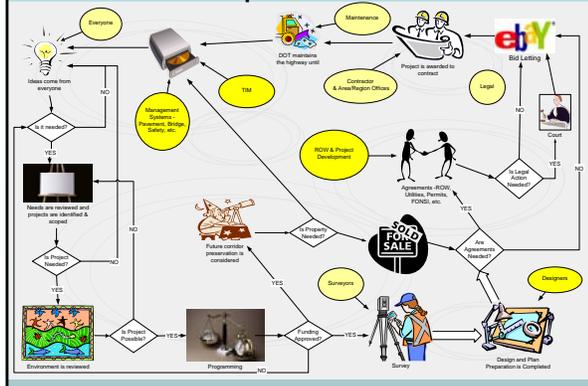
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Division of Planning & Engineering



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Concept to Contract



Project Development

- Planning
- Develop Projects & Program
- Monitor Project Delivery
- Pavement Management System
- Bid Letting
- Safe Routes to Schools

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Road Design

- Project Design
 - Grading
 - Erosion and sediment control
 - Traffic
 - Guardrails

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Preliminary & Construction Engineering

As Percent of Total Project Cost



Source: 2005 Highway Statistics FHWA

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Bridge Design

- Bridge Design
- Hydraulics
- Bridge Maintenance
- Bridge Construction

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Materials & Surfacing

- Surfacing Plans
- Pavement Designs
- Materials Lab
- Certification & Accreditation
- Geotechnical

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Right of Way

- Right of Way Appraisal
- Right of Way Negotiation
- Right of Way Acquisition
- Utility Relocation

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Transportation Inventory Management

- Mapping/GIS
- Public Road Inventory
- Traffic Monitoring
- Pavement Condition Monitoring

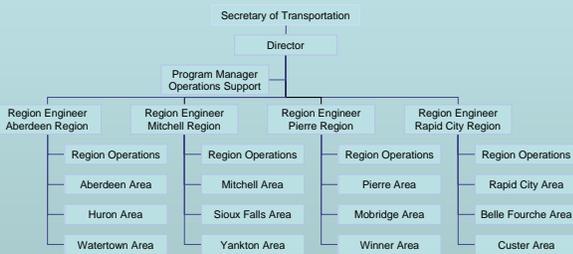
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Research

- Explore new and emerging technologies
- Nationwide leader of research innovations
- Local Transportation Assistance Program (LTAP)

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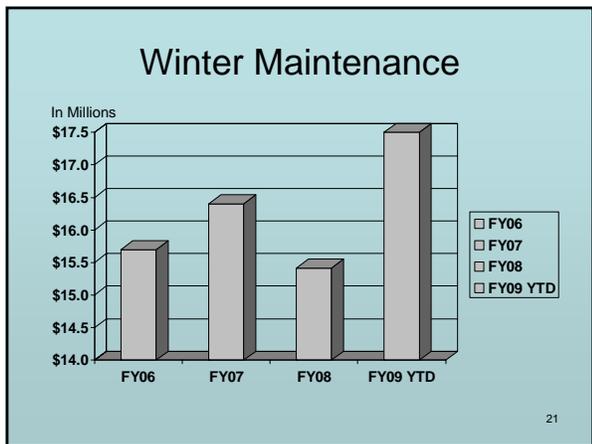
Division of Operations



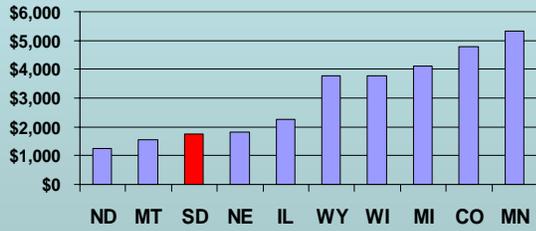
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- ### Division of Operations Field Operations
- Winter Maintenance
 - Roadway/Right of Way Maintenance
 - Construction Engineering & Contract Administration



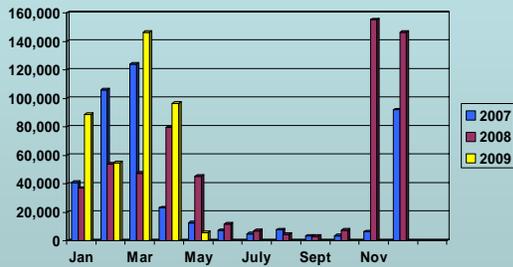
Winter Maintenance Cost/Mile



Source: 2006 Highway Statistics FHWA

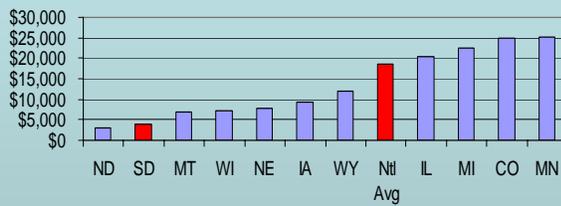
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511 hits



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Roadway Maintenance Cost Per Mile



Source: 2006 Highway Statistics FHWA

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Operations Support

- Operations Support
- Equipment Management System
- Building Management System
- Traffic Engineering
- Audits

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Organizations DOT belongs to

- American Association of State Highway & Transportation Officials (AASHTO)
- Western Association of State Highway & Transportation Officials (WASHTO)
- Transportation Research Board (TRB)

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Transportation Commission

- 9 member Board
- Appointed by Governor to a four year term
- Members
 - Ralph Marquardt (chairman), James Spies (co-chairman), Robert Benson, Michael Trucano, Richard Gregerson, Rodney Fouberg, Sam Tidball, John Kranz, Jerry Shoener

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Aeronautics Commission

- 7 member Board
- Appointed by Governor to a five year term
- Members
 - Larry Nelson (chairman), Buron Lindbloom (vice chairman), Mike Ball, Skip VanDerhule, Jack Mitchell, Richard Peterson, Larry Vetterman

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Railroad Board

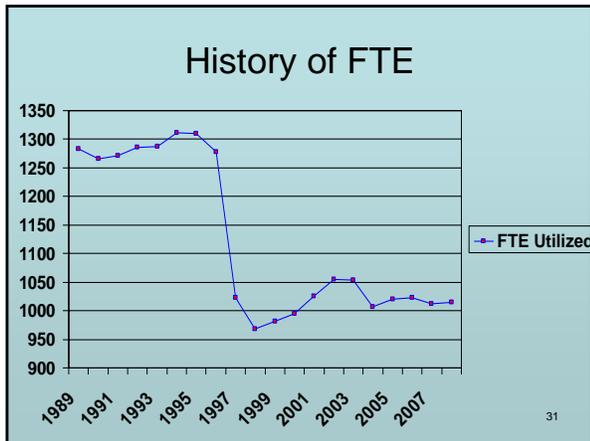
- 7 member Board
- Appointed by Governor to a four year term
- Members
 - Todd Yeaton (chairman), Carl Anderson (vice chairman), Dan Baker, Chester Groseclose, Ron Mitzel, Jack Parliament, Gary Doering

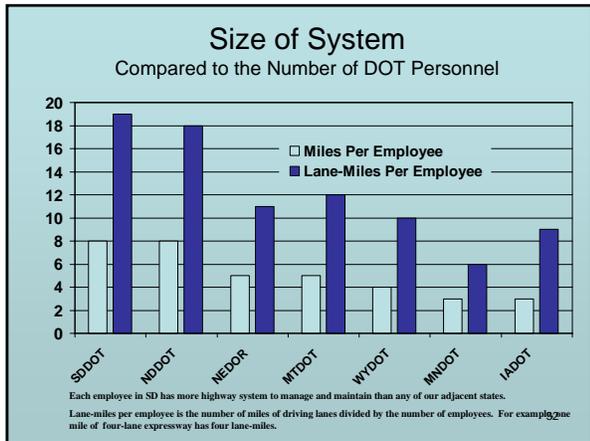
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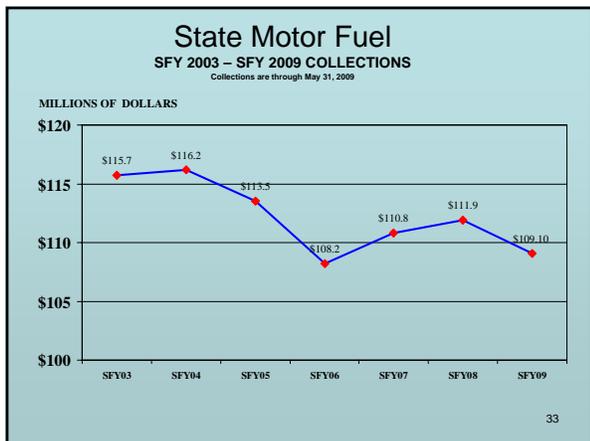
Railroad Authority

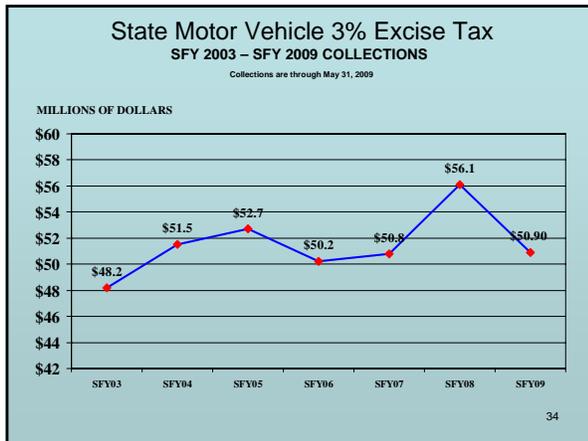
- 7 member Board
- Appointed by Governor to a four year term
- Members
 - Jerry Prostrollo (chairman), Scott Stern, George Nikolas, Warren Lotsberg, Daniel Cotton, Dennis Yeaton, Vacant

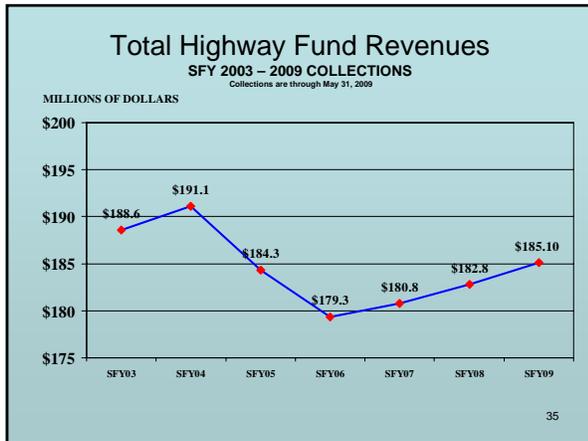
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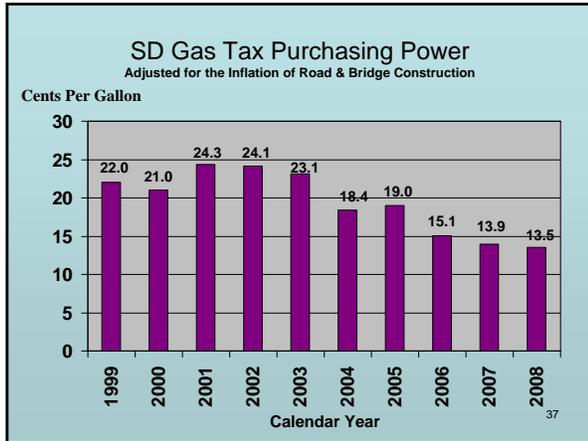


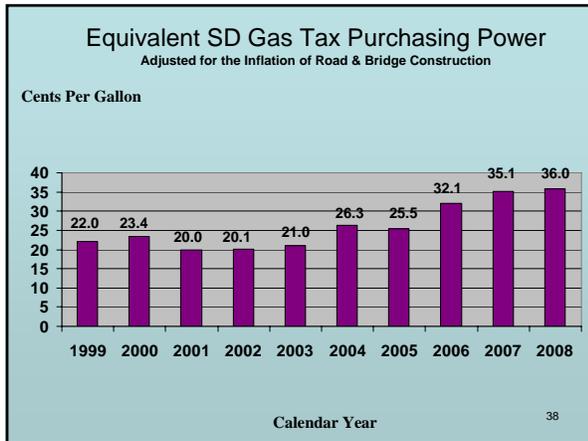
State Highway Funds Going Elsewhere in FY08

Match for Counties / Cities	\$ 4,494,990
Highway Patrol/State Radio	\$ 19,166,737
Tribal Fuel & Excise Exemption	\$ 4,512,340
Motor Fuel Refunds	\$ 1,092,096
Industrial and Economic Roads	\$ 1,502,840
County Striping	\$ 1,299,498
Park Roads	\$ 1,768,873
Agricultural Roads	\$ 616,650
Community Access Roads	\$ 602,044
Conservation Commission	\$ 382,233
Boats & Snowmobile Trails	\$ 1,830,337
GF&P 10% replacement fees to Counties	\$ 1,033,269
Aeronautics Fund	\$ 743,775
Rental 4.5% Sales Tax Loss	\$ 871,771
Distributor Allowances	\$ 2,901,521
TOTAL Payments Going Out of Fund for other Purposes--	\$ 42,818,974

* FY09 Amounts will be available in August 2009

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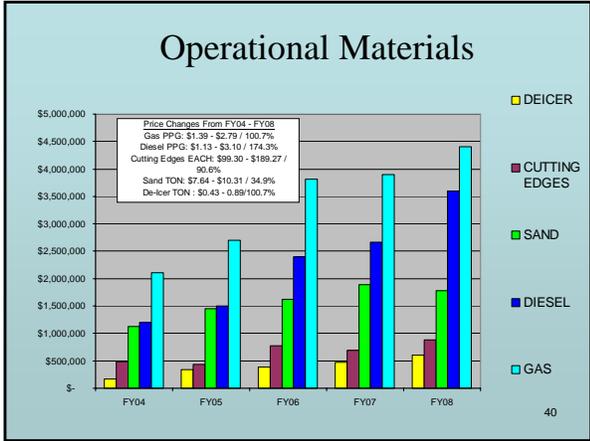


Construction Cost Comparison

2005 - 2007 - 2009

QUANTITY	DESCRIPTION	2005	2007	2009	2005 to 2009 Percentage Change	2007 to 2009 Percentage Change
Ton	Asphalt Binder	\$292.90	\$448.95	\$525.00	79.24%	16.94%
Ton	Asphalt Concrete	\$22.38	\$26.72	\$27.00	20.64%	1.05%
Sq. Yd.	9" Non-Reinforced PCC Pavement	\$26.98	\$30.19	\$33.00	22.31%	9.31%
CU. YD.	Unclassified Excavation	\$1.36	\$1.72	\$1.90	39.71%	10.47%
Ton	Base Course	\$9.06	\$10.24	\$12.00	32.45%	17.19%
Ton	Gravel Cushion	\$8.46	\$12.06	\$11.00	30.02%	-8.79%
Cu. Yd.	Concrete Bridge Deck	\$531.65	\$629.75	\$800.00	50.47%	27.03%
Lb.	Reinforcing Steel	\$0.90	\$0.94	\$1.15	27.78%	22.34%
Sq. Yd.	Cold Milling Asphalt Concrete	\$0.56	\$0.69	\$0.70	25.00%	1.45%

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- ### Spending Reductions
- Highway Construction Program Changes
 - Reduction/Suspension of Programs
 - Reductions in Internal Spending
 - Service Reductions

- ### Reduction/Suspension of Programs
- Suspension of 90/10 SWAP program
 - Approximately \$15M of expenditures per year
 - GFP Park Roads
 - Reduced from \$2M per year to \$500,000
 - Economic Development Grants
 - Reduced program from \$3.5M to \$1.0M

Reductions in Internal Spending

- Equipment
 - Reduced expenses by \$4M
- Buildings/Improvements
 - Reduced expenses by \$1.25M
- 10% across the board cuts
- Limitations on travel
- Scrutinize each vacant FTE

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