

FY10 Budget Briefing

Department of Transportation



Key Responsibilities

- To provide a safe, efficient, and effective transportation system.

Key Personnel

- Darin Bergquist, Department Secretary
- Kevin Tveidt, Deputy Secretary
- Kellie Beck, Director, Finance and Management
- Joel Jundt, Director, Planning and Engineering
- Greg Fuller, Director, Operations

Department of Transportation (DOT)

For FY10, the Governor recommends an increase of \$4,483,940 from all funds from FY09. The FY10 recommended budget consists of \$525,811 from general funds, \$310,359,872 in federal fund expenditure authority, and \$183,542,285 in other fund expenditure authority; for a total budget of \$494,427,968 and 1,040.3 FTEs.

| | Actual FY08 | Budgeted FY09 | Agency Req. FY10 | Gov Rec. FY10 | Inc/Dec FY10 | % Change From FY09 |
|----------------------|--------------------|--------------------|---------------------|--------------------|------------------|-----------------------|
| Personal Services | 52,779,542 | 57,306,208 | 57,306,208 | 58,454,645 | 1,148,437 | 2.0% |
| Travel | 1,675,628 | 2,051,577 | 2,150,837 | 2,150,837 | 99,260 | 4.8% |
| Contractual Services | 295,516,093 | 374,678,936 | 365,837,534 | 365,931,499 | (8,747,437) | (2.3%) |
| Supplies & Materials | 21,197,466 | 20,107,273 | 26,668,826 | 26,562,888 | 6,455,615 | 32.1% |
| Grants And Subsidies | 11,824,013 | 16,175,520 | 20,103,334 | 20,103,334 | 3,927,814 | 24.3% |
| Capital Outlay | 17,809,115 | 19,484,514 | 21,218,765 | 21,084,765 | 1,600,251 | 8.2% |
| Other | 158,788 | 140,000 | 140,000 | 140,000 | - | 0.0% |
| Total | 400,960,645 | 489,944,028 | 493,425,504 | 494,427,968 | 4,483,940 | 0.9% |
| Funding Types | | | | | | |
| General | 510,798 | 519,825 | 519,825 | 525,811 | 5,986 | 1.2% |
| Federal | 222,879,675 | 305,623,896 | 310,154,202 | 310,359,872 | 4,735,976 | 1.5% |
| Other | 177,570,172 | 183,800,307 | 182,751,477 | 183,542,285 | (258,022) | (0.1%) |
| Total | 400,960,645 | 489,944,028 | 493,425,504 | 494,427,968 | 4,483,940 | 0.9% |
| FTE | 1,014.8 | 1,040.3 | 1,040.3 | 1,040.3 | - | 0.0% |

The Governor's recommendation throughout this analysis also includes funding for Performance And Compensation Equity (PACE) movement of 2.5% for those employees who are paid under the job-worth of their pay range, a 1.5% across-the-board increase for all permanent employees, and an increase in the employer paid portion of the state health insurance plan.

| | General Funds | Federal Funds | Other Funds | Total |
|-----------------------|---------------|----------------|----------------|------------------|
| 2.5% PACE Movement | 1,787 | 61,565 | 231,185 | 294,537 |
| 1.5% Across-the-Board | 4,143 | 141,506 | 623,991 | 769,640 |
| Health Insurance | 56 | 2,599 | 81,605 | 84,260 |
| | 5,986 | 205,670 | 936,781 | 1,148,437 |

Major Expansions and Reductions

| Governor's Recommendation | | | |
|-----------------------------------|-------------------------------|------------------|------------|
| Budget Item | State General Fund | All Funds | FTE |
| Secretariat | | | |
| Travel | - | 31,933 | 0.0 |
| Contractual Services | - | 48,491 | 0.0 |
| Supplies and Materials | - | 168,810 | 0.0 |
| Finance and Management | | | |
| Contractual Services | - | 158,635 | 0.0 |
| Grants and Subsidies | - | 3,927,814 | 0.0 |
| Planning & Engineering | | | |
| Contractual Services | - | 140,794 | 0.0 |
| Capital Outlay | - | (460,007) | 0.0 |
| Operations | | | |
| Travel | - | 63,690 | 0.0 |
| Contractual Services | - | 904,643 | 0.0 |
| Supplies and Materials | - | 6,276,352 | 0.0 |
| Capital Outlay | - | 2,044,208 | 0.0 |
| Construction Contracts | - | (10,000,000) | 0.0 |
| Miscellaneous Expenses | - | 30,140 | |
| Governor's Salary Policy | 5,986 | 1,148,437 | 0.0 |
| Total | 5,986 | 4,483,940 | 0.0 |

Secretariat:

- Travel- The Governor recommends an increase of \$31,933 in other fund expenditure authority due to more planned travel by the Secretary and staff due to reauthorization of the federal highway act; legal staff to attend landowner meetings, court appearances, attorney meetings, depositions, bar meetings, compliance inspections, public meetings, and continuing education seminars; and Civil Rights/ADA Coordinator to negotiate Tribal Employment Rights Ordinance (TERO) agreements with the tribes for memorandums of understanding for crash reporting data.
- Contractual Services- The Governor recommends an increase of \$48,491 in other fund expenditure authority for increases in dues for American Association of State Highway and Transportation Officials (AASHTO) and Western Association of State Highway and Transportation Officials (WASHTO), education and training, legal consultation, management training contract with USD, janitorial and maintenance services, and other various contractual services.

- Supplies and Materials- The Governor recommends an increase of \$168,810 in other fund expenditure authority primarily due to anticipated costs for repair parts and maintenance for the King Air 90 II (\$36,000) and to bring the budget in line with anticipated fuel expenditures for the King Air 90 II (\$118,600).

Finance and Management:

- Contractual Services- The Governor recommends an increase of \$200,000 in federal fund expenditure authority and a decrease of \$41,365 in other fund expenditure authority primarily due to increases in engineering fees to update the USGS velocity regression equations and begin work on scour analysis required by the Federal Highway Administration (FHWA) and increased costs for BIT programmers (\$50/hour- FY10).
- Grants and Subsidies- The Governor recommends an increase of \$3,924,814 in federal fund expenditure authority due to additional federal authority being passed through the state for transit and metropolitan planning organizations and \$3,000 in other fund expenditure authority for support of the Civil Air Patrol. The department anticipates the following grants in FY10 totaling \$14,225,000:
 - Public Transit Operating Funds- \$4,820,000;
 - Busses and Bus Facilities- \$7,000,000;
 - Elderly and Disabled Capital Funds- \$525,000;
 - Job Access Reserve Commute (JARC)- \$325,000;
 - New Freedom Operating Funds- \$250,000;
 - United We Ride (UWR)- \$100,000;
 - 5303 Planning- \$ 400,000; and
 - State Funds & Title IIIB- \$1,050,000.

Planning and Engineering:

- Contractual Services- The Governor recommends an increase of \$132,160 in federal fund expenditure authority and \$8,634 in other fund expenditure authority primarily due to **increases** in computer consultant fees for operation of the 511 Traveler Information Service and fees associated with USERTrust -Digital Analog Tech (\$215,000) and maintenance of dynamic message signs and radio communications to the signs (\$143,500); and **decreases** due to state planning and research federal funds used for reimbursement of corridor studies now being funded within the construction program (\$50,000) and janitorial and maintenance services (\$161,282).
- Capital Outlay- The Governor recommends a net decrease of \$460,007 (\$773,097 decrease in other funds and a \$313,090 increase in federal funds) primarily due to decreases in lab equipment (\$108,325), highway maintenance equipment (\$170,000), and computer hardware (\$187,032) budgets to reflect the actual expenditures on capital outlay in FY10.

Operations:

- Travel- The Governor recommends an increase of \$63,690 in other fund expenditure authority to get the budget in line with anticipated travel expenditures in FY10.
- Contractual Services- The Governor recommends an increase of \$58,866 in federal fund expenditure authority and \$845,777 in other fund expenditure authority due to increases in consultant fees, an advertising contract with the Department of Tourism, workshop registration fees, janitorial and maintenance services, and electricity (energy CAP), in addition to other smaller increases in contractual services.
- Supplies and Materials- The Governor recommends an increase of \$6,276,352 in other fund expenditure authority primarily due to the risings costs of motor fuels, road oil, asphalt, road salt, utilities, cutting edges, and paint.
- Capital Outlay- The Governor recommends an increase of \$2,044,208 in other fund expenditure authority due to repair and replace statewide building infrastructure (\$969,103), heavy fleet equipment (\$1,049,100), and other miscellaneous items (\$26,005).

Construction Contracts:

- Contractual Services- The Governor recommends a decrease of \$10,000,000 in other fund expenditure authority due to the department no longer participating in the 90/10 swap program with local governments.

General Operations

To provide and continually improve technical advice and plan, design, and develop safe, efficient, and environmentally-sensitive alternatives that promote a cost-effective transportation system; to enhance the economy of the state of the traveling public through timely letting to contract of construction projects; to provide financial and technical services and oversight to the public, contractors, local government, and the department to facilitate the expenditure of state and federal money in the most cost-effective way in accordance with laws and regulations; to ensure and promote public safety; to provide aviation services to agencies of state government; and, to economically and effectively utilize personnel and other resources to accomplish maintenance activities and manage construction projects on roads, bridges, and airports across South Dakota in a manner that is considerate of the safety and convenience of the traveling public.

The total recommended budget for general operations consists of \$525,811 from general funds, \$32,322,769 in federal fund expenditure authority, and \$135,114,837 in other fund expenditure authority; for a total budget of \$167,963,417 and 1040.3 FTEs.

| | Actual FY08 | Budgeted FY09 | Agency Req. FY10 | Gov Rec. FY10 | Inc/Dec FY10 | % Change From FY09 |
|----------------------|------------------------|--------------------------|-----------------------------|--------------------------|-------------------------|-------------------------------|
| Personal Services | 52,779,542 | 57,306,208 | 57,306,208 | 58,454,645 | 1,148,437 | 2.0% |
| Travel | 1,675,427 | 2,051,577 | 2,150,837 | 2,150,837 | 99,260 | 4.8% |
| Contractual Services | 35,314,795 | 38,214,385 | 39,372,983 | 39,466,948 | 1,252,563 | 3.3% |
| Supplies & Materials | 21,197,447 | 20,107,273 | 26,668,826 | 26,562,888 | 6,455,615 | 32.1% |
| Grants And Subsidies | 11,824,013 | 16,175,520 | 20,103,334 | 20,103,334 | 3,927,814 | 24.3% |
| Capital Outlay | 17,809,115 | 19,484,514 | 21,218,765 | 21,084,765 | 1,600,251 | 8.2% |
| Other | 153,606 | 140,000 | 140,000 | 140,000 | - | 0.0% |
| Total | 140,753,945 | 153,479,477 | 166,960,953 | 167,963,417 | 14,483,940 | 9.4% |
| Funding Types | | | | | | |
| General | 510,798 | 519,825 | 519,825 | 525,811 | 5,986 | 1.2% |
| Federal | 20,964,445 | 27,586,793 | 32,117,099 | 32,322,769 | 4,735,976 | 17.2% |
| Other | 119,278,702 | 125,372,859 | 134,324,029 | 135,114,837 | 9,741,978 | 7.8% |
| Total | 140,753,945 | 153,479,477 | 166,960,953 | 167,963,417 | 14,483,940 | 9.4% |
| FTE | 1,014.8 | 1,040.3 | 1,040.3 | 1,040.3 | - | 0.0% |

Revenues

| | Actual FY07 | Actual FY08 | Estimated FY09 | Estimated FY10 |
|-------------------------|------------------------|------------------------|---------------------------|---------------------------|
| State Highway Funds | 199,266,779 | 203,566,188 | 198,923,484 | 198,670,625 |
| Federal Funds--Highway | 253,492,850 | 201,616,926 | 276,475,000 | 276,475,000 |
| Federal Funds--Air | 23,761,869 | 27,495,830 | 28,938,310 | 28,938,310 |
| Aeronautics Funds | 2,445,850 | 4,789,589 | 2,412,009 | 2,429,018 |
| Aircraft Clearing Funds | 945,077 | 1,204,456 | 1,204,144 | 1,225,003 |
| RR - Operations | 754,225 | 331,938 | 476,311 | 337,354 |
| Total | 480,666,650 | 439,004,927 | 508,429,258 | 508,075,310 |

- The General Operations budget includes four divisions: Secretariat, Finance and Management, Planning and Engineering, and Operations. Budget detail for these divisions can be found on the subsequent pages.

Selected Statistical Data

| | Actual FY07 | Actual FY08 | Estimated FY09 | Estimated FY10 |
|--|----------------|----------------|-------------------|-------------------|
| Percent of Deficient Bridges on State System | 5.0 | 4.8 | 5.0 | 4.5 |
| Percent of Noninterstate State Highway System Mainlane Pavement Mileage Rated Good or Better Based on Condition Index | 83.3 | 82.6 | 82.9 | 80.8 |
| Percent of Interstate Pavement in Excellent Condition Based on Condition Index | 40.6 | 39.6 | 38.4 | 37.1 |

Secretariat

The Secretariat Division includes the Administration Office, Aviation Services, the Transportation Commission, and the Office of Legal Counsel.

The total recommended budget for the Secretariat Division consists of \$525,811 from general funds, \$433,010 in federal fund expenditure authority, and \$3,701,889 in other fund expenditure authority and 19.0 FTEs.

| | Actual FY08 | Budgeted FY09 | Agency Req. FY10 | Gov Rec. FY10 | Inc/Dec FY10 | % Change From FY09 |
|----------------------|------------------|------------------|---------------------|------------------|-----------------|-----------------------|
| Personal Services | 1,470,304 | 1,651,751 | 1,651,751 | 1,685,328 | 33,577 | 2.0% |
| Travel | 87,087 | 98,536 | 130,469 | 130,469 | 31,933 | 32.4% |
| Contractual Services | 542,311 | 598,292 | 646,783 | 646,783 | 48,491 | 8.1% |
| Supplies & Materials | 631,402 | 825,520 | 994,330 | 994,330 | 168,810 | 20.4% |
| Grants And Subsidies | 327,357 | 402,700 | 402,700 | 402,700 | - | 0.0% |
| Capital Outlay | 666,325 | 646,750 | 795,100 | 661,100 | 14,350 | 2.2% |
| Other | 152,966 | 140,000 | 140,000 | 140,000 | - | 0.0% |
| Total | 3,877,752 | 4,363,549 | 4,761,133 | 4,660,710 | 297,161 | 6.8% |
| Funding Types | | | | | | |
| General | 510,798 | 519,825 | 519,825 | 525,811 | 5,986 | 1.2% |
| Federal | 327,357 | 432,700 | 432,700 | 433,010 | 310 | 0.1% |
| Other | 3,039,597 | 3,411,024 | 3,808,608 | 3,701,889 | 290,865 | 8.5% |
| Total | 3,877,752 | 4,363,549 | 4,761,133 | 4,660,710 | 297,161 | 6.8% |
| FTE | 19.2 | 19.0 | 19.0 | 19.0 | - | 0.0% |

- Personal Services- The Governor's recommended appropriation includes an increase of \$33,577 (\$5,986 general, \$310 federal, \$27,281 other) for FY10 salary policy.
- Travel- The Governor recommends an increase of \$31,933 in other fund expenditure authority due to more planned travel by the Secretary and staff due to reauthorization of the federal highway act; legal staff to attend landowner meetings, court appearances, attorney meetings, depositions, bar meetings, compliance inspections, public meetings, and continuing education seminars; and Civil Rights/ADA Coordinator to negotiate Tribal Employment Rights Ordinance (TERO) agreements with the tribes for memorandums of understanding for crash reporting data.
- Contractual Services- The Governor recommends an increase of \$48,491 in other fund expenditure authority for increases in dues for American Association of State Highway and Transportation Officials (AASHTO) and Western Association of State Highway and Transportation Officials (WASHTO), education and training, legal consultation, management training contract with USD, janitorial and maintenance services, and other various contractual services.
- Supplies and Materials- The Governor recommends an increase of \$168,810 in other fund expenditure authority primarily due to anticipated costs for repair parts and maintenance for the King Air 90 II (\$36,000) and to bring the budget in line with anticipated fuel expenditures for the King Air 90 II (\$118,600).

- Capital Outlay- The Governor recommends an increase of \$14,350 in other fund expenditure authority for aircraft maintenance (\$11,000) and computer hardware (\$3,350).
- The general funds in this budget are used for state aviation services (i.e., pilot training, physicals, and down time that is not billed to federal or other funds, hanger utilities and lease payments, and loan payments to the Aeronautics Fund for the “King Air” airplane).
- The Transportation Commission is made up of nine members. The members include:

Current Transportation Commission Members

| Name | Position | City | Appointment Date | Expiration Date |
|---------------------------|----------|-------------|---------------------|--------------------|
| Ralph Marquardt- Chairman | Area 2 | Yankton | 09/10/03 | 04/18/11 |
| James Spies- Co-Chairman | Area 1 | Watertown | 04/13/05 | 04/18/09 |
| Robert Benson | Area 3 | Winner | 03/21/03 | 04/18/11 |
| Rodney Fouberg | Area 1 | Aberdeen | 04/18/97 | 04/18/09 |
| Richard Gregerson | Area 2 | Sioux Falls | 04/18/96 | 04/18/08 |
| John Kranz | Area 2 | Mitchell | 04/07/05 | 04/18/10 |
| Jerry Shoener | Area 4 | Rapid City | 04/04/03 | 04/18/11 |
| Sam Tidball | Area 3 | Ft. Pierre | 08/02/94 | 04/18/10 |
| Michael Trucano | Area 4 | Deadwood | 05/01/97 | 04/18/08 |

Finance and Management

The Division of Finance and Management includes Finance Administration, Data Services, Accounting, Aeronautics Office, Office of Local Government Assistance, Public Transit, and Office of Railroads.

The total recommended budget for the Finance and Management Division consists of \$17,764,736 in federal fund expenditure authority, and \$7,708,792 in other fund expenditure authority; for a total budget of \$25,473,528 and 36.5 FTEs.

| | Actual FY08 | Budgeted FY09 | Agency Req. FY10 | Gov Rec. FY10 | Inc/Dec FY10 | % Change From FY09 |
|----------------------|-------------------|-------------------|---------------------|-------------------|------------------|-----------------------|
| Personal Services | 1,891,798 | 2,145,963 | 2,145,963 | 2,188,697 | 42,734 | 2.0% |
| Travel | 45,915 | 88,036 | 94,036 | 94,036 | 6,000 | 6.8% |
| Contractual Services | 3,453,256 | 4,660,055 | 4,818,690 | 4,818,690 | 158,635 | 3.4% |
| Supplies & Materials | 39,883 | 67,905 | 68,905 | 68,905 | 1,000 | 1.5% |
| Grants And Subsidies | 10,583,308 | 14,300,186 | 18,228,000 | 18,228,000 | 3,927,814 | 27.5% |
| Capital Outlay | 2,356,770 | 73,500 | 75,200 | 75,200 | 1,700 | 2.3% |
| Other | - | - | - | - | - | 0.0% |
| Total | 18,370,930 | 21,335,645 | 25,430,794 | 25,473,528 | 4,137,883 | 19.4% |
| Funding Types | | | | | | |
| General | - | - | - | - | - | 0.0% |
| Federal | 9,430,978 | 13,638,186 | 17,763,700 | 17,764,736 | 4,126,550 | 30.3% |
| Other | 8,939,952 | 7,697,459 | 7,667,094 | 7,708,792 | 11,333 | 0.1% |
| Total | 18,370,930 | 21,335,645 | 25,430,794 | 25,473,528 | 4,137,883 | 19.4% |
| FTE | 35.7 | 36.5 | 36.5 | 36.5 | - | 0.0% |

- Personal Services- The Governor's recommended appropriation includes an increase of \$42,734 (\$1,036 federal, \$41,698 other) for FY10 salary policy.
- Travel- The Governor recommends an increase of \$700 in federal fund expenditure authority and \$5,300 in other fund expenditure authority for travel expenses for Aeronautics Commissioners for meetings outside of Pierre.
- Contractual Services- The Governor recommends an increase of \$200,000 in federal fund expenditure authority and a decrease of \$41,365 in other fund expenditure authority primarily due to increases in engineering fees to update the USGS velocity regression equations and begin work on scour analysis required by the Federal Highway Administration (FHWA) and increased costs for BIT programmers (\$50/hour- FY10).

➤ Grants and Subsidies- The Governor recommends an increase of \$3,924,814 in federal fund expenditure authority due to additional federal authority being passed through the state for transit and metropolitan planning organizations and \$3,000 in other fund expenditure authority for support of the Civil Air Patrol. The department anticipates the following grants in FY10 totaling \$14,225,000:

- Public Transit Operating Funds- \$4,820,000;
- Busses and Bus Facilities- \$7,000,000;
- Elderly and Disabled Capital Funds- \$525,000;
- Job Access Reserve Commute (JARC)- \$325,000;
- New Freedom Operating Funds- \$250,000;
- United We Ride (UWR)- \$100,000;
- 5303 Planning- \$ 400,000; and
- State Funds & Title IIIB- \$1,050,000.

Planning and Engineering

The Division of Planning and Engineering includes Planning and Engineering Administration, the Office of Bridge Design, Office of Transportation Inventory Management, Materials and Surfacing Program, Project Development, Research, Right of Way Program, and Road Design Office.

The total recommended budget for the Planning and Engineering Division consists of \$6,989,600 in federal fund expenditure authority and \$16,617,614 in other fund expenditure authority for a total budget of \$23,607,214 and 221.1 FTEs.

| | Actual FY08 | Budgeted FY09 | Agency Req. FY10 | Gov Rec. FY10 | Inc/Dec FY10 | % Change From FY09 |
|----------------------|-------------------|-------------------|---------------------|-------------------|-----------------|-----------------------|
| Personal Services | 12,323,772 | 14,645,907 | 14,645,907 | 14,942,932 | 297,025 | 2.0% |
| Travel | 412,517 | 532,014 | 529,651 | 529,651 | (2,363) | (0.4%) |
| Contractual Services | 3,319,011 | 4,614,559 | 4,755,353 | 4,755,353 | 140,794 | 3.1% |
| Supplies & Materials | 416,587 | 717,356 | 726,809 | 726,809 | 9,453 | 1.3% |
| Grants And Subsidies | 913,348 | 1,472,634 | 1,472,634 | 1,472,634 | - | 0.0% |
| Capital Outlay | 448,263 | 1,639,842 | 1,179,835 | 1,179,835 | (460,007) | (28.1%) |
| Other | - | - | - | - | - | 0.0% |
| Total | 17,833,498 | 23,622,312 | 23,310,189 | 23,607,214 | (15,098) | (0.1%) |
| Funding Types | | | | | | |
| General | - | - | - | - | - | 0.0% |
| Federal | 4,539,849 | 6,585,260 | 6,931,186 | 6,989,600 | 404,340 | 6.1% |
| Other | 13,293,649 | 17,037,052 | 16,379,003 | 16,617,614 | (419,438) | (2.5%) |
| Total | 17,833,498 | 23,622,312 | 23,310,189 | 23,607,214 | (15,098) | (0.1%) |
| FTE | 208.8 | 221.1 | 221.1 | 221.1 | - | 0.0% |

- Personal Services- The Governor's recommended appropriation includes an increase of \$297,025 (\$58,414 federal, \$238,611 other) for FY10 salary policy.
- Contractual Services- The Governor recommends an increase of \$132,160 in federal fund expenditure authority and \$8,634 in other fund expenditure authority primarily due to **increases** in computer consultant fees for operation of the 511 Traveler Information Service and fees associated with USERTrust -Digital Analog Tech (\$215,000) and maintenance of dynamic message signs and radio communications to the signs (\$143,500); and **decreases** due to state planning and research federal funds used for reimbursement of corridor studies now being funded within the construction program (\$50,000) and janitorial and maintenance services (\$161,282).
- Capital Outlay- The Governor recommends a net decrease of \$460,007 (\$773,097 decrease in other funds and a \$313,090 increase in federal funds) primarily due to decreases in lab equipment (\$108,325), highway maintenance equipment (\$170,000), and computer hardware (\$187,032) budgets to reflect the actual expenditures on capital outlay in FY10.

Operations

The Division of Operations includes the Operations Administration, Operations Support Office, Compliance Office, Internal Services, Internal Audits, Maintenance and Construction, Depreciable Equipment, and the Aberdeen, Mitchell, Pierre, and Rapid City Regions.

The total recommended budget for general operations consists of \$7,135,423 in federal fund expenditure authority and \$107,086,542 in other fund expenditure authority for a total budget of \$114,221,965 and 763.7 FTEs.

| | Actual FY08 | Budgeted FY09 | Agency Req. FY10 | Gov Rec. FY10 | Inc/Dec FY10 | % Change From FY09 |
|----------------------|--------------------|--------------------|---------------------|--------------------|-------------------|-----------------------|
| Personal Services | 37,093,667 | 38,862,587 | 38,862,587 | 39,637,688 | 775,101 | 2.0% |
| Travel | 1,129,908 | 1,332,991 | 1,396,681 | 1,396,681 | 63,690 | 4.8% |
| Contractual Services | 28,000,217 | 28,341,479 | 29,152,157 | 29,246,122 | 904,643 | 3.2% |
| Supplies & Materials | 20,109,576 | 18,496,492 | 24,878,782 | 24,772,844 | 6,276,352 | 33.9% |
| Grants And Subsidies | - | - | - | - | - | 0.0% |
| Capital Outlay | 14,337,758 | 17,124,422 | 19,168,630 | 19,168,630 | 2,044,208 | 11.9% |
| Other | 639 | - | - | - | - | 0.0% |
| Total | 100,671,765 | 104,157,971 | 113,458,837 | 114,221,965 | 10,063,994 | 9.7% |
| Funding Types | | | | | | |
| General | - | - | - | - | - | 0.0% |
| Federal | 666,261 | 6,930,647 | 6,989,513 | 7,135,423 | 204,776 | 3.0% |
| Other | 94,005,504 | 97,227,324 | 106,469,324 | 107,086,542 | 9,859,218 | 10.1% |
| Total | 94,671,765 | 104,157,971 | 113,458,837 | 114,221,965 | 10,063,994 | 9.7% |
| FTE | 751.1 | 763.7 | 763.7 | 763.7 | - | 0.0% |

- Personal Services- The Governor's recommended appropriation includes an increase of \$775,101 (\$145,910 federal, \$629,191 other) for FY10 salary policy.
- Travel- The Governor recommends an increase of \$63,690 in other fund expenditure authority to get the budget in line with anticipated travel expenditures in FY10.
- Contractual Services- The Governor recommends an increase of \$58,866 in federal fund expenditure authority and \$845,777 in other fund expenditure authority due to increases in consultant fees, an advertising contract with the Department of Tourism, workshop registration fees, janitorial and maintenance services, and electricity (energy CAP), in addition to other smaller increases in contractual services.
- Supplies and Materials- The Governor recommends an increase of \$6,276,352 in other fund expenditure authority primarily due to the risings costs of motor fuels, road oil, asphalt, road salt, utilities, cutting edges, and paint.
- Capital Outlay- The Governor recommends an increase of \$2,044,208 in other fund expenditure authority due to repair and replace statewide building infrastructure (\$969,103), heavy fleet equipment (\$1,049,100), and other miscellaneous items (\$26,005).

Construction Contracts- Informational

To provide for construction and reconstruction of highways and related structures, airports, railroads, and enhancement projects.

The total recommended budget for Construction Contracts consists of \$278,037,103 of federal fund expenditure authority and \$48,427,448 of other fund expenditure authority for a total budget of \$326,464,551 and 0.0 FTEs.

| | Actual FY08 | Budgeted FY09 | Agency Req. FY10 | Gov Rec. FY10 | Inc/Dec FY10 | % Change From FY09 |
|----------------------|--------------------|--------------------|---------------------|--------------------|---------------------|-----------------------|
| Personal Services | - | - | - | - | - | 0.0% |
| Travel | 201 | - | - | - | - | 0.0% |
| Contractual Services | 260,201,299 | 336,464,551 | 326,464,551 | 326,464,551 | (10,000,000) | (3.0%) |
| Supplies & Materials | 19 | - | - | - | - | 0.0% |
| Grants And Subsidies | - | - | - | - | - | 0.0% |
| Capital Outlay | - | - | - | - | - | 0.0% |
| Other | 5,181 | - | - | - | - | 0.0% |
| Total | 260,206,700 | 336,464,551 | 326,464,551 | 326,464,551 | (10,000,000) | (3.0%) |
| Funding Types | | | | | | |
| General | - | - | - | - | - | 0.0% |
| Federal | 201,915,230 | 278,037,103 | 278,037,103 | 278,037,103 | - | 0.0% |
| Other | 58,291,470 | 58,427,448 | 48,427,448 | 48,427,448 | (10,000,000) | (17.1%) |
| Total | 260,206,700 | 336,464,551 | 326,464,551 | 326,464,551 | (10,000,000) | (3.0%) |
| FTE | - | - | - | - | - | 0.0% |

- Contractual Services- The Governor recommends a decrease of \$10,000,000 in other fund expenditure authority due to the department no longer participating in the 90/10 swap program with local governments.
- The money in this budget is continuously appropriated in statute (SDCL 31-2-14) and the Transportation Commission has authority over the expenditures of this budget.

Selected Statistical Data

| | Actual FY07 | Actual FY08 | Estimated FY09 | Estimated FY10 |
|---------------------------------------|----------------|----------------|-------------------|-------------------|
| Dollars Obligated (Millions) | \$373.00 | \$265.30 | \$397.00 | \$294.00 |
| Projects Let | 235 | 324 | 275 | 198 |
| Dollar Value Low Bid Price (Millions) | \$298.40 | \$291.30 | \$330.00 | \$230.00 |

Highway Fund Condition Statement (Governor's FY10 Budget Book)

| |
|---|
| SOUTH DAKOTA DEPARTMENT OF TRANSPORTATION HIGHWAY FUND CONDITION STATEMENT |
|---|

| | ACTUAL FY2007 | ACTUAL FY2008 | PROJECTED FY2009 | PROJECTED FY2010 |
|---|----------------------|----------------------|----------------------|----------------------|
| Taxes | 172,355,772 | 182,667,749 | 175,206,221 | 178,037,270 |
| Motor Fuel Tax | 116,177,453 | 120,992,515 | 117,426,433 | 119,494,314 |
| 3% Vehicle Excise Tax | 56,178,319 | 61,675,234 | 57,779,788 | 58,542,956 |
| Licenses, Permits & Fees | 3,542,706 | 4,064,827 | 3,436,149 | 3,594,063 |
| Logo Sign Fees | 264,996 | 280,234 | 286,110 | 275,000 |
| Tourist Oriented Directional Signs | 42,516 | 43,751 | 40,000 | 40,000 |
| Billboard Permits | 50,881 | 50,076 | 57,222 | 50,000 |
| Commercial Proration License Fees | 247,350 | 278,565 | 252,817 | 250,000 |
| Special Highway Permits | 2,812,184 | 3,306,019 | 2,700,000 | 2,869,063 |
| Miscellaneous Prorate Fees | 124,778 | 106,182 | 100,000 | 110,000 |
| Rev/Use of Money/Property | 2,484,358 | 1,601,455 | 1,859,053 | 2,363,345 |
| Dividends & Interest | 1,638,146 | 555,313 | 1,000,000 | 1,202,292 |
| Rent | 69,011 | 63,624 | 60,000 | 62,000 |
| Interest Collected by Dept. of Rev. | 439,401 | 576,033 | 350,000 | 650,000 |
| Federal | 337,799 | 406,484 | 449,053 | 449,053 |
| Charges for Sales & Services | 2,127,143 | 2,056,803 | 1,523,000 | 1,775,000 |
| Sales & Service | 2,085,046 | 2,056,803 | 1,523,000 | 1,775,000 |
| Administered Program Revenues | 256,512,991 | 204,499,752 | 284,165,000 | 280,475,000 |
| Project Reimbursements | 3,760,919 | 3,289,310 | 7,690,000 | 4,000,000 |
| Federal | 252,752,072 | 201,210,442 | 276,475,000 | 276,475,000 |
| Other Revenues | 1,305,418 | 1,334,527 | 1,751,390 | 1,300,000 |
| Misc. Collections | 36,999 | 47,920 | 20,000 | 40,000 |
| Sales of Salvage Materials | 0 | 0 | 28,091 | 0 |
| Depreciation Recovery | 1,038,488 | 1,060,420 | 1,250,000 | 1,000,000 |
| Damage Collections | 229,533 | 226,050 | 442,895 | 250,000 |
| Other Revenue | 398 | 136 | 10,404 | 10,000 |
| Nonoperating Revenues | 14,431,242 | 8,958,001 | 8,413,854 | 8,307,130 |
| Highway Patrol | 63,813 | 301,029 | 192,895 | 225,000 |
| Accident Records | 24,154 | 23,550 | 23,000 | 25,000 |
| TOTAL REVENUE | \$452,759,629 | \$405,183,114 | \$476,354,667 | \$476,101,808 |
| | | | | |
| Salaries | 39,775,546 | 40,532,238 | 43,575,151 | 45,575,693 |
| Benefits | 10,785,286 | 11,390,203 | 12,475,648 | 13,101,404 |
| Travel | 1,776,403 | 1,614,881 | 1,908,610 | 2,065,421 |
| Contractual Services | 17,678,560 | 16,124,582 | 18,804,158 | 20,917,870 |
| Supplies | 18,627,731 | 20,326,346 | 19,019,250 | 25,591,867 |
| Grants | 12,397,254 | 11,951,303 | 16,190,520 | 20,100,334 |
| Capital Outlay | 21,393,885 | 16,713,496 | 18,732,954 | 20,435,365 |
| Other | 5,700 | 981 | 0 | 0 |
| Transfers Out | 4,302,607 | 1,125,987 | 1,033,269 | 1,033,269 |
| Public Safety | 17,468,916 | 17,056,576 | 16,911,341 | 18,452,422 |
| Radio Communications | 1,983,791 | 2,018,808 | 2,079,972 | 2,359,883 |
| Governors Office | 88,692 | 91,353 | 93,637 | 96,446 |
| Highway Construction Contracts | 325,613,920 | 228,250,085 | 306,923,051 | 296,923,051 |
| Maintenance Contracts | 15,829,300 | 16,472,682 | 18,022,785 | 18,025,063 |
| TOTAL EXPENDITURES | \$487,727,593 | \$383,669,521 | \$475,770,346 | \$484,678,088 |
| | | | | |
| NET CHANGE (Pay/Rec) | \$8,393,018 | (\$302,992) | \$0 | \$0 |
| | | | | |
| PRIOR PERIOD ADJUSTMENT | \$0 | (\$200,699) | \$0 | \$0 |
| | | | | |
| NET (Receipts less Disbursements) | (\$34,967,964) | \$21,513,593 | \$584,321 | (\$8,576,281) |
| | | | | |
| BEGINNING CASH BALANCE | \$46,929,696 | \$20,354,750 | \$41,766,051 | \$42,350,372 |
| | | | | |
| NET CHANGE IN FUND BALANCE | (\$26,574,946) | \$21,411,301 | \$584,321 | (\$8,576,281) |
| | | | | |
| ENDING CASH BALANCE | \$20,354,750 | \$41,766,051 | \$42,350,372 | \$33,774,091 |

Other Departmental Issues

A. Department of Transportation

General Fund Reversions FY04-FY08

FY04- \$1

FY05- \$0

FY06- \$0

FY07- \$6

FY08- \$0

B. Letters of Intent – FY09

No Letters of Intent items for FY09.