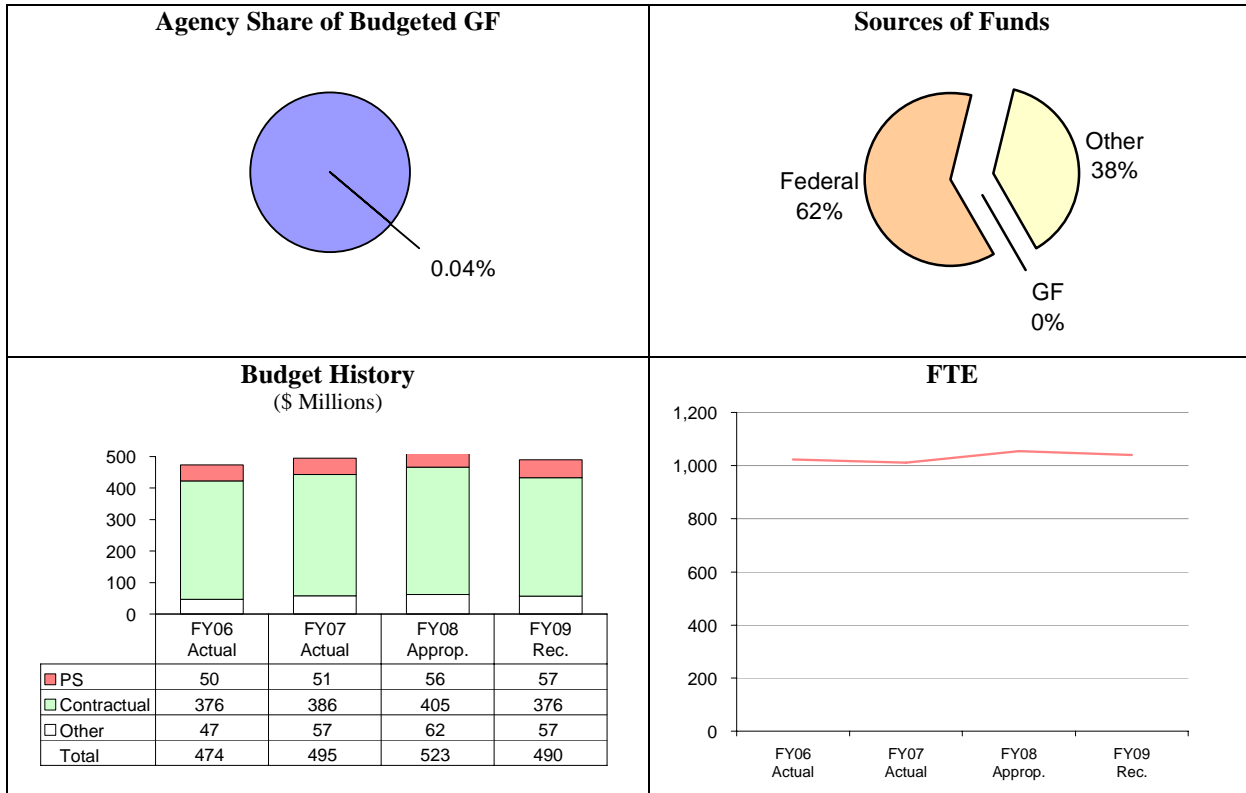


FY09 Budget Briefing

Department of Transportation



Key Responsibilities

- To provide a transportation system to satisfy diverse mobility needs, while retaining concern for safety and the environment.

Key Personnel

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

Department of Transportation (DOT)

For FY09, the Governor recommends a decrease of \$32,907,000 from all funds and a decrease of 14.0 FTEs from FY08. The FY09 recommended budget consists of \$518,660 from general funds, \$304,022,015 in federal fund expenditure authority, and \$185,155,615 in other fund expenditure authority; for a total budget of \$489,696,290 and 1,040.3 FTEs.

	Actual FY07	Budgeted FY08	Agency Req. FY09	Gov Rec. FY09	Inc/Dec FY09	% Change From FY08
Personal Services	51,368,707	55,756,922	55,756,922	57,075,470	1,318,548	2.4%
Travel	1,824,355	2,103,609	2,103,609	2,092,786	(10,823)	(0.5%)
Contractual Services	386,039,496	404,779,790	403,426,794	375,815,065	(28,964,725)	(7.2%)
Supplies & Materials	19,352,550	20,123,607	20,123,607	20,123,607	-	0.0%
Grants And Subsidies	12,585,946	15,900,520	15,900,520	15,900,520	-	0.0%
Capital Outlay	23,545,092	23,798,842	23,798,842	18,548,842	(5,250,000)	(22.1%)
Other	164,422	140,000	140,000	140,000	-	0.0%
Total	494,880,568	522,603,290	521,250,294	489,696,290	(32,907,000)	(6.3%)
Funding Types						
General	501,360	510,798	677,114	518,660	7,862	1.5%
Federal	282,762,334	305,043,353	303,714,990	304,022,015	(1,021,338)	(0.3%)
Other	211,616,874	217,049,139	216,858,190	185,155,615	(31,893,524)	(14.7%)
Total	494,880,568	522,603,290	521,250,294	489,696,290	(32,907,000)	(6.3%)
FTE	1,011.6	1,054.3	1,054.3	1,040.3	(14.0)	(1.3%)

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 2.5% 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	1,880	74,680	279,069	355,629
2.5% Across-the-Board	5,821	227,293	1,006,033	1,239,147
Health Insurance	161	5,052	233,496	238,709
	7,862	307,025	1,518,598	1,833,485

Major Expansions and Reductions

Budget Item	Agency Request			Governor's Recommendation		
	State General Fund	All Funds	FTE	State General Fund	All Funds	FTE
Secretariat OE	3,055	3,055	0.0	-	-	0.0
Planning & Engineering						
Personal Services	-	-	0.0	-	(92,165)	(2.0)
Travel	-	-	0.0	-	(10,823)	0.0
Operations						
Personal Services	-	-	0.0	-	(422,772)	(12.0)
Contractual Services	-	-	0.0	-	(2,400,000)	0.0
Capital Outlay	-	-	0.0	-	(5,250,000)	0.0
Construction Contracts	-	(1,356,051)	0.0	-	(26,564,725)	0.0
Governor's Salary Policy	-	-	0.0	7,862	1,833,485	0.0
Total	3,055	(1,352,996)	0.0	7,862	(32,907,000)	(14.0)

Secretariat:

- Contractual Services- The agency requests an increase of \$3,055 from general funds to help subsidize aviation services. The Governor did not recommend the request.

Planning and Engineering:

- Personal Services- The agency requests no change in personal services for FY09. The Governor recommends a decrease of \$56,934 in other fund expenditure authority and 1.0 FTE to support higher level accounting within the Bureau of Finance and Management and \$35,231 in other fund expenditure authority and 1.0 FTE to better align the division's FY09 FTE usage with the previous years FTE usage.
- Travel- The agency requests no change in travel for FY09. The Governor recommends a decrease of \$10,823 in other fund expenditure authority to support centralized accounting within the Bureau of Finance and Management.

Operations:

- Personal Services- The agency requests no change in personal services for FY08. The Governor recommends a decrease of \$422,772 and 12.0 FTEs to better align the division's FY09 FTE usage with the previous years FTE usage.
- Contractual Services- The agency requests no change in contractual services for FY09. The Governor recommends a decrease of \$2,400,000 in other fund expenditure authority for maintenance projects due to the flat revenue stream in the Highway Fund.
- Capital Outlay- The agency requests no change in capital outlay for FY09. The Governor recommends a decrease of \$5,250,000 in other fund expenditure authority for highway maintenance and buildings due to the flat revenue stream in the Highway Fund.

Construction Contracts:

- Contractual Services- The agency requests a decrease of \$1,356,051 in federal fund expenditure authority for discretionary grants within the airport construction budget. The Governor recommends the request plus a decrease of \$25,208,674 in other fund expenditure authority due to the flat revenue stream in the Highway Fund. The recommended decreases are as follows:
 - \$2,500,000 for economic development projects;
 - \$1,500,000 for Game, Fish, and Parks road projects;
 - \$3,000,000 for 90/10 local government projects; and
 - \$18,208,674 for miscellaneous projects (break down further).

- Supplemental Information from DOT- The construction budget is continuously appropriated due to the nature of the construction business. Because of the revenue shortfall on the state side, the department has made changes to the way those construction dollars are used. For example, DOT has started using federal dollars to purchase Right-of-Way (ROW), which has historically been done utilizing state funds. DOT has eliminated 100% state funded projects, as the revenue is not available to further support this and has been in preservation mode for a while. This means that DOT is maintaining/preserving the existing system. DOT is also using federal funds to do chip seal and crack seal work, and in the past these things have been done utilizing 100% state funds.

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 \$518,660 from general funds, \$15,984,912 in federal fund expenditure authority, and \$126,728,167 in other fund expenditure authority; for a total budget of \$143,231,739 and 1,040.3 FTEs.

	Actual FY07	Budgeted FY08	Agency Req. FY09	Gov Rec. FY09	Inc/Dec FY09	% Change From FY08
Personal Services	51,368,707	55,756,922	55,756,922	57,075,470	1,318,548	2.4%
Travel	1,824,355	2,103,609	2,103,609	2,092,786	(10,823)	(0.5%)
Contractual Services	33,675,718	41,750,514	41,753,569	39,350,514	(2,400,000)	(5.7%)
Supplies & Materials	19,352,550	20,123,607	20,123,607	20,123,607	-	0.0%
Grants And Subsidies	12,585,946	15,900,520	15,900,520	15,900,520	-	0.0%
Capital Outlay	23,545,092	23,798,842	23,798,842	18,548,842	(5,250,000)	(22.1%)
Other	159,004	140,000	140,000	140,000	-	0.0%
Total	142,511,372	159,574,014	159,577,069	153,231,739	(6,342,275)	(4.0%)
Funding Types						
General	501,360	510,798	677,114	518,660	7,862	1.5%
Federal	22,047,707	25,677,887	25,677,887	25,984,912	307,025	1.2%
Other	119,962,307	133,385,329	133,222,068	126,728,167	(6,657,162)	(5.0%)
Total	142,511,374	159,574,014	159,577,069	153,231,739	(6,342,275)	(4.0%)
FTE	1,011.3	1,054.3	1,054.3	1,040.3	(14.0)	(1.3%)

Revenues

	FY07		Difference Over (Under) Estm.	FY08			FY09 Estimate
	Original Estimate	Actual		Original Estimate	Current Estimate	Change in Estimate	
State Highway Funds	202,252,899	199,266,779	(2,986,120)	198,333,981	202,575,340	4,241,359	198,860,371
Federal Funds--Highway	229,133,000	253,492,850	24,359,850	251,006,752	284,373,368	33,366,616	284,483,183
Federal Funds--Air	21,552,577	23,761,869	2,209,292	30,266,673	30,266,673	0	28,938,310
Public & Special Transport. Assist.							
Aeronautics Funds	1,600,907	2,445,850	844,943	1,644,301	3,071,103	1,426,802	2,758,476
Aircraft Clearing Funds	1,096,659	945,077	(151,582)	1,036,530	970,783	(65,747)	1,073,919
RR - Operations	426,728	754,225	327,497	347,433	469,135	121,702	611,680
Total	456,062,770	480,666,650	24,603,880	482,635,670	521,726,402	39,090,732	516,725,939

- 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 Performance Indicators

	FY07			FY08			FY09
	Original Estimate	Actual	Difference Over (Under) Estm.	Original Estimate	Current Estimate	Change in Estimate	Estimate
% of Deficient Bridges- State System	5.7	5.2	(0.5)	5.5	5.5	0.0	5.0
% of Noninterstate State Highway System Mainlane Pavement Mileage Rated Good or Better Based on Condition Index	82.5	83.3	0.8	80.1	85.1	5.0	82.1
% of Interstate Pavement in Excellent Condition Based on Condition Index	39.1	40.6	1.5	35.7	39.7	4.0	34.6

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 \$518,660 from general funds, \$432,700 in federal fund expenditure authority, and \$3,355,073 in other fund expenditure authority and 19.0 FTEs.

	Actual FY07	Budgeted FY08	Agency Req. FY09	Gov Rec. FY09	Inc/Dec FY09	% Change From FY08
Personal Services	1,330,330	1,530,326	1,530,326	1,579,935	49,609	3.2%
Travel	89,660	108,536	108,536	108,536	-	0.0%
Contractual Services	578,178	571,485	574,540	571,485	-	0.0%
Supplies & Materials	471,505	827,027	827,027	827,027	-	0.0%
Grants And Subsidies	73,976	432,700	432,700	432,700	-	0.0%
Capital Outlay	69,059	646,750	646,750	646,750	-	0.0%
Other	158,722	140,000	140,000	140,000	-	0.0%
Total	2,771,430	4,256,824	4,259,879	4,306,433	49,609	1.2%
Funding Types						
General	501,360	510,798	677,114	518,660	7,862	1.5%
Federal	73,976	432,700	432,700	432,700	-	0.0%
Other	2,196,094	3,313,326	3,150,065	3,355,073	41,747	1.3%
Total	2,771,430	4,256,824	4,259,879	4,306,433	49,609	1.2%
FTE	18.5	19.0	19.0	19.0	-	0.0%

- Personal Services- The Governor's recommended appropriation includes an increase of \$49,609 (\$7,862 general, \$41,747 other) for FY09 salary policy.
- Contractual Services- The agency requests an increase of \$3,055 from general funds to help subsidize aviation services. The Governor did not recommend the request.
- 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	Political		Appointment	Expiration
		Party	City	Date	Date
Rodney Fouberg	Area 1	R	Aberdeen	04/18/77	04/18/09
James Spies	Area 1		Watertown	04/13/05	04/18/09
Richard Gregerson	Area 2	R	Sioux Falls	06/07/04	04/18/08
John Kranz	Area 2	R	Mitchell	04/07/05	04/18/10
Ralph Marquardt	Area 2		Yankton	09/10/03	04/18/11
Robert Benson	Area 3		Winner	03/21/03	04/18/11
Sam Tidball	Area 3	R	Ft. Pierre	08/02/94	04/18/10
Jerry Shoener	Area 4	R	Rapid City	04/04/03	04/18/11
Michael Trucano	Area 4	R	Deadwood	06/07/04	04/18/08

Finance and Management

The Division of Finance and Management includes Finance Administration, 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 \$13,248,186 in federal fund expenditure authority, and \$8,129,751 in other fund expenditure authority; for a total budget of \$21,377,937 and 38.5 FTEs.

	Actual FY07	Budgeted FY08	Agency Req. FY09	Gov Rec. FY09	Inc/Dec FY09	% Change From FY08
Personal Services	1,931,924	2,146,649	2,146,649	2,218,800	72,151	3.4%
Travel	55,892	81,036	81,036	81,036	-	0.0%
Contractual Services	4,379,207	4,947,760	4,947,760	4,947,760	-	0.0%
Supplies & Materials	61,244	75,005	75,005	75,005	-	0.0%
Grants And Subsidies	11,604,250	13,995,186	13,995,186	13,995,186	-	0.0%
Capital Outlay	59,198	60,150	60,150	60,150	-	0.0%
Other	-	-	-	-	-	0.0%
Total	18,091,715	21,305,786	21,305,786	21,377,937	72,151	0.3%
Funding Types						
General	-	-	-	-	-	0.0%
Federal	11,097,664	13,248,186	13,248,186	13,248,186	-	0.0%
Other	6,994,051	8,057,600	8,057,600	8,129,751	72,151	0.9%
Total	18,091,715	21,305,786	21,305,786	21,377,937	72,151	0.3%
FTE	36.8	38.5	38.5	38.5	-	0.0%

- Personal Services- The Governor's recommended appropriation includes an increase of \$72,151 in other fund expenditure authority for FY09 salary policy.

Planning and Engineering

The Division of Planning and Engineering includes 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 \$5,406,870 in federal fund expenditure authority and \$16,704,502 in other fund expenditure authority for a total budget of \$22,111,372 and 225.1 FTEs.

	Actual FY07	Budgeted FY08	Agency Req. FY09	Gov Rec. FY09	Inc/Dec FY09	% Change From FY08
Personal Services	12,023,336	14,195,258	14,195,258	14,584,967	389,709	2.7%
Travel	433,740	536,137	536,137	525,314	(10,823)	(2.0%)
Contractual Services	3,394,341	4,082,609	4,082,609	4,082,609	-	0.0%
Supplies & Materials	611,131	728,081	728,081	728,081	-	0.0%
Grants And Subsidies	907,720	1,472,634	1,472,634	1,472,634	-	0.0%
Capital Outlay	1,366,572	717,767	717,767	717,767	-	0.0%
Other	-	-	-	-	-	0.0%
Total	18,736,840	21,732,486	21,732,486	22,111,372	378,886	1.7%
Funding Types						
General	-	-	-	-	-	0.0%
Federal	4,443,322	5,326,786	5,326,786	5,406,870	80,084	1.5%
Other	14,293,518	16,405,700	16,405,700	16,704,502	298,802	1.8%
Total	18,736,840	21,732,486	21,732,486	22,111,372	378,886	1.7%
FTE	208.6	227.1	227.1	225.1	(2.0)	(0.9%)

- Personal Services- The agency requests no change in personal services for FY09. The Governor recommends a decrease of \$56,934 in other fund expenditure authority and 1.0 FTE to support higher level accounting within the Bureau of Finance and Management and \$35,231 in other fund expenditure authority and 1.0 FTE to better align the division's FY09 FTE usage with the previous years FTE usage.

The Governor's recommended appropriation includes an increase of \$481,874 (\$80,084 federal, \$401,790 other) for FY09 salary policy.

- Travel- The agency requests no change in travel for FY09. The Governor recommends a decrease of \$10,823 in other fund expenditure authority to support centralized accounting within the Bureau of Finance and Management.

Operations

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

The total recommended budget for general operations consists of \$6,897,156 in federal fund expenditure authority and \$98,538,841 in other fund expenditure authority for a total budget of \$105,435,997 and 757.7 FTEs.

	Actual FY07	Budgeted FY08	Agency Req. FY09	Gov Rec. FY09	Inc/Dec FY09	% Change From FY08
Personal Services	36,083,117	37,884,689	37,884,689	38,691,768	807,079	2.1%
Travel	1,245,063	1,377,900	1,377,900	1,377,900	-	0.0%
Contractual Services	25,353,992	32,148,660	32,148,660	29,748,660	(2,400,000)	(7.5%)
Supplies & Materials	18,208,670	18,493,494	18,493,494	18,493,494	-	0.0%
Grants And Subsidies	-	-	-	-	-	0.0%
Capital Outlay	22,050,263	22,374,175	22,374,175	17,124,175	(5,250,000)	(23.5%)
Other	283	-	-	-	-	0.0%
Total	102,941,388	112,278,918	112,278,918	105,435,997	(6,842,921)	(6.1%)
Funding Types						
General	-	-	-	-	-	0.0%
Federal	6,432,745	6,670,215	6,670,215	6,897,156	226,941	3.4%
Other	96,478,643	105,608,703	105,608,703	98,538,841	(7,069,862)	(6.7%)
Total	102,911,388	112,278,918	112,278,918	105,435,997	(6,842,921)	(6.1%)
FTE	747.7	769.7	769.7	757.7	(12.0)	(1.6%)

- **Personal Services-** The agency requests no change in personal services for FY09. The Governor recommends a decrease of \$422,772 and 12.0 FTEs to better align the division's FY09 FTE usage with the previous years FTE usage.

The Governor also recommends an increase of \$1,229,851 (\$226,941 federal, \$1,002,910 other) for FY09 salary policy.

- **Contractual Services-** The agency requests no change in contractual services for FY09. The Governor recommends a decrease of \$2,400,000 in other fund expenditure authority for maintenance projects due to the flat revenue stream in the Highway Fund.
- **Capital Outlay-** The agency requests no change in capital outlay for FY09. The Governor recommends a decrease of \$5,250,000 in other fund expenditure authority for highway maintenance and buildings due to the flat revenue stream in the Highway Fund.

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 \$58,427,448 of other fund expenditure authority for a total budget of \$336,464,551 and 0.0 FTEs.

	Actual FY07	Budgeted FY08	Agency Req. FY09	Gov Rec. FY09	Inc/Dec FY09	% Change From FY08
Personal Services	-	-	-	-	-	0.0%
Travel	-	-	-	-	-	0.0%
Contractual Services	352,363,777	363,029,276	361,673,225	336,464,551	(26,564,725)	(7.3%)
Supplies & Materials	-	-	-	-	-	0.0%
Grants And Subsidies	-	-	-	-	-	0.0%
Capital Outlay	-	-	-	-	-	0.0%
Other	5,418	-	-	-	-	0.0%
Total	352,369,195	363,029,276	361,673,225	336,464,551	(26,564,725)	(7.3%)
Funding Types						
General	-	-	-	-	-	0.0%
Federal	260,714,627	279,365,466	278,037,103	278,037,103	(1,328,363)	(0.5%)
Other	91,654,568	83,663,810	83,636,122	58,427,448	(25,236,362)	(30.2%)
Total	352,369,195	363,029,276	361,673,225	336,464,551	(26,564,725)	(7.3%)
FTE	-	-	-	-	-	0.0%

- Contractual Services- The agency requests a decrease of \$1,356,051 for discretionary grants within the airport construction budget. The Governor recommends the request plus a decrease of \$25,208,674 in other fund expenditure authority due to the flat revenue stream in the Highway Fund. The recommended decreases are as follows:
 - \$2,500,000 for economic development projects;
 - \$1,500,000 for Game, Fish, and Parks road projects;
 - \$3,000,000 for 90/10 local government projects; and
 - \$18,208,674 for miscellaneous projects

- Supplemental Information from DOT- The construction budget is continuously appropriated due to the nature of the construction business. Because of the revenue shortfall on the state side, the department has made changes to the way those construction dollars are used. For example, DOT has started using federal dollars to purchase Right-of-Way (ROW), which has historically been done utilizing state funds. DOT has eliminated 100% state funded projects, as the revenue is not available to further support this and has been in preservation mode for a while. This means that DOT is maintaining/preserving the existing system. DOT is also using federal funds to do chip seal and crack seal work, and in the past these things have been done utilizing 100% state funds.

- 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 Performance Indicators

	FY07			FY08			FY09
	Original Estimate	Actual	Difference Over (Under) Estm.	Original Estimate	Current Estimate	Change in Estimate	Estimate
Dollars Obligated (Millions)	\$373.0	\$373.0	\$0.0	\$387.9	\$395.8	\$7.9	\$344.4
Projects Let	235	235	0	250	300	50	290
Dollar Value Low Bid Price (Millions)	\$298.4	\$298.4	\$0.0	\$310.3	\$359.7	\$49.4	\$314.1

Highway Fund Condition Statement (Governor's FY09 Budget Book)

	ACTUAL FY2006	ACTUAL FY2007	PROJECTED FY2008	PROJECTED FY2009
REVENUE:				
Taxes	173,369,986	172,355,772	174,773,585	175,206,221
Motor Fuel Tax	118,265,129	116,177,453	117,408,844	117,426,433
3% Vehicle Excise Tax	55,104,857	56,178,319	57,364,741	57,779,788
Licenses, Permits & Fees	3,377,677	3,542,706	3,424,460	3,436,149
Logo Sign Fees	270,251	264,996	280,500	286,110
Tourist Oriented Directional Signs	39,096	42,516	40,000	40,000
Billboard Permits	51,755	50,881	56,100	57,222
Commercial Proration License Fees	238,931	247,350	247,860	252,817
Special Highway Permits	2,675,182	2,812,184	2,700,000	2,700,000
Miscellaneous Prorate Fees	102,462	124,778	100,000	100,000
Rev/Use of Money/Property	2,347,999	2,482,552	1,854,983	1,859,053
Dividends & Interest	1,608,718	1,638,140	1,000,000	1,000,000
Rent	57,888	67,211	60,000	60,000
Interest Collected by Dept. of Rev.	394,418	439,401	400,000	350,000
Federal	286,975	337,799	394,983	449,053
Charges for Sales & Services	909,378	2,085,046	1,500,000	1,500,000
Sales & Service	909,378	2,085,046	1,500,000	1,500,000
Administered Program Revenues	231,858,173	256,512,991	292,446,000	291,217,000
Project Reimbursements	5,133,092	3,760,919	8,919,000	7,690,000
Federal	226,725,081	252,752,072	283,527,000	283,527,000
Other Revenues	9,098,376	1,261,674	5,548,191	5,665,219
Misc. Collections	10,259	1,169	15,000	20,000
Sale of Assets	7,035,469	0	2,525,000	2,550,250
Sales of Salvage Materials	26,404	0	27,540	28,091
Depreciation Recovery	1,047,878	1,038,488	1,250,000	1,250,000
Damage Collections	978,319	221,619	1,720,451	1,806,474
Other Revenue	47	398	10,200	10,404
Nonoperating Revenues	6,011,422	14,430,922	7,251,385	4,307,130
Highway Patrol	197,232	63,813	188,190	192,895
Accident Records	22,921	24,154	23,000	23,000
TOTAL REVENUE	\$427,193,163	\$452,759,629	\$487,009,794	\$483,406,667
EXPENDITURES:				
Salaries	39,250,069	39,775,546	42,666,526	43,606,554
Benefits	10,322,804	10,785,286	12,235,047	12,534,138
Travel	1,872,131	1,776,403	2,024,193	2,024,193
Contractual Services	19,460,550	17,678,560	24,588,879	26,563,879
Supplies	16,234,885	18,627,731	19,308,186	19,308,186
Grants	4,322,819	12,397,254	15,900,520	15,900,520
Capital Outlay	19,416,548	21,393,885	23,164,442	17,914,442
Other	93,259	5,700	0	0
Transfers Out	551,352	4,302,607	0	0
Public Safety	16,574,889	17,468,916	18,295,988	16,844,868
Radio Communications	2,072,139	1,983,791	2,018,808	2,079,372
Governors Office	86,109	88,692	91,353	94,094
Highway Construction Contracts	322,737,398	325,613,920	308,081,081	306,923,051
Maintenance Contracts	15,527,037	15,829,300	12,572,785	10,172,785
TOTAL EXPENDITURES	\$468,521,989	\$487,727,593	\$480,947,808	\$473,966,082
NET CHANGE (Pay/Rec)	(\$6,182,735)	\$8,393,018	\$0	\$0
NET (Receipts less Disbursements)	(\$41,328,825)	(\$34,967,964)	\$6,061,986	\$9,440,585
BEGINNING CASH BALANCE	\$94,441,256	\$46,929,696	\$20,354,750	\$26,416,736
NET CHANGE IN FUND BALANCE	(\$47,511,560)	(\$26,574,946)	\$6,061,986	\$9,440,585
ENDING CASH BALANCE	\$46,929,696	\$20,354,750	\$26,416,736	\$35,857,321

Other Departmental Issues

A. Budget Transfers

\$12,336 no FTE	One-time transfer	07/07/2006 approved by BFM
DOT transferred \$12,336 in general funds within General Operations. This is a one-time transfer both operating expenses and personal services. The funds transferred will be used to cover shortfalls in personal services due to higher than expected down town for pilots. The funding was available due to expenditures coming in lower than expected.		
\$2,000,00 no FTE	Base transfer	07/24/2006 approved by BFM
DOT transferred \$2,000,000 in other fund expenditure authority within General Operations. This is a base transfer involving personal services and operating expenses. The funds transferred will be used to cover costs of inflation in road oil, asphalt and diesel. The funds are available due to excess authority in personal services.		
\$9,768 no FTE	One-time transfer	06/25/2007 approved by BFM
DOT transferred \$9,768 in general funds within State Airplane Administration. This is a one-time transfer involving operating expenses and personal services. The funds are available due to lower than anticipated expenditures in contractual services. The funds will be used to cover shortfalls in personal services that pertain to pilot down time.		
Total of all Transfers: \$2,022,104		

B. Audit Findings:

Finding No. 11000200601:

A consulting contract awarded by the Department of Transportation exposed the state to excessive costs and potential liabilities for employment taxes and employee benefits.

Auditee's Corrective Action Plan:

The Department is in the process of evaluating the contract and will be taking steps to eliminate it in the future.

C. Department of Transportation

General Fund Reversions FY03-FY07

FY2003- \$36

FY2004- \$1

FY2005- \$0

FY2006- \$0

FY2007- \$6

D. Committee Requests

- Explain the department's snow plow policy for running snow plows during the week and on weekends.
- What is the Highway Fund shortfall for FY08 and the projected shortfall for FY09?
- Explain the department's updated five-year plan to address the funding issue due to a flat revenue stream in the Highway Fund and include the items in the budget that need to be cut and other strategies the department is considering.