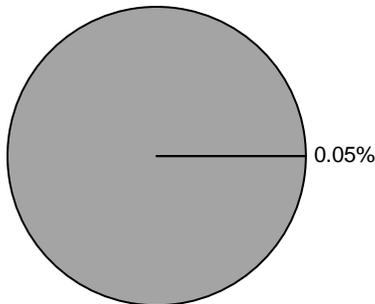


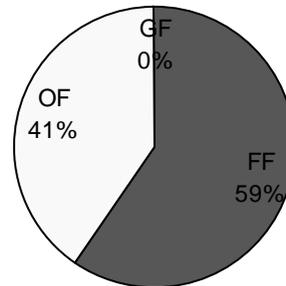
# FY2007 Budget Briefing

## Department of Transportation

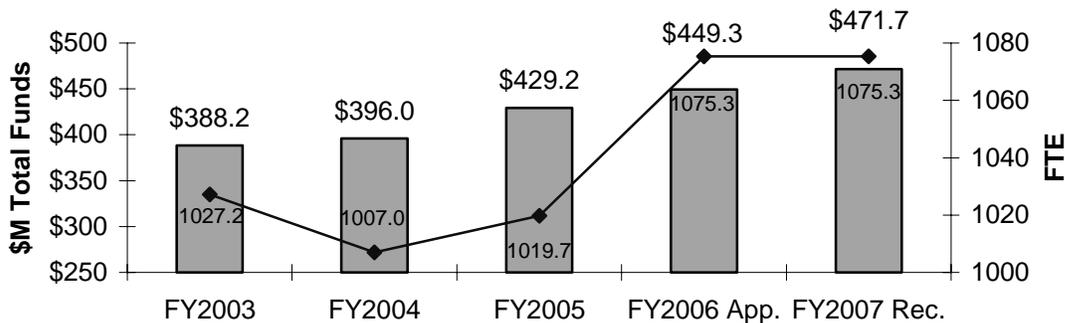
Agency's Share of Total Budgeted  
State General Fund FY2007



Agency's Funding Source Split  
FY2007 Recommended



Budget History



### Key Responsibilities

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

### Key Personnel

- Department Secretary, Judith Payne
- Fiscal, Roxanne Rice

## Department of Transportation

For FY2007, the Governor recommends an increase of \$22,382,635 from all funds and 0.0 FTEs from FY2006. The FY2007 recommended budget consists of \$501,366 from the State General Fund, \$280,098,341 from federal funds, and \$191,123,481 from other funds; for a total budget of \$471,723,188 and 1,075.3 FTEs.

Item	Actual FY2005	Approved FY2006	Agency Req. FY2007	Gov. Rec. FY2007	Change from FY2006	% Change from FY2006
Personal Services	48,218,636	54,424,168	54,439,446	56,452,793	2,028,625	3.7%
Travel	1,371,618	1,639,441	2,530,368	2,530,368	890,927	54.3%
Contractual Services	343,244,822	347,542,915	387,210,105	357,210,105	9,667,190	2.8%
Supplies and Materials	14,421,803	16,377,660	16,952,220	17,399,734	1,022,074	6.2%
Grants and Subsidies	6,706,958	11,847,328	14,191,346	14,191,346	2,344,018	19.8%
Capital Outlay	15,020,269	17,369,041	22,798,842	23,798,842	6,429,801	37.0%
Other	180,536	140,000	140,000	140,000	-	0.0%
<b>TOTAL</b>	<b>429,164,642</b>	<b>449,340,553</b>	<b>498,262,327</b>	<b>471,723,188</b>	<b>22,382,635</b>	<b>5.0%</b>

### Funding Sources:

General Funds	487,946	493,639	493,639	501,366	7,727	1.6%
Federal Funds	238,572,452	269,026,724	309,847,526	280,098,341	11,071,617	4.1%
Other Funds	190,104,244	179,820,190	187,921,162	191,123,481	11,303,291	6.3%
<b>TOTAL</b>	<b>429,164,642</b>	<b>449,340,553</b>	<b>498,262,327</b>	<b>471,723,188</b>	<b>22,382,635</b>	<b>5.0%</b>
FTE	1,019.7	1,075.3	1,075.3	1,075.3	-	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 3% 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	1,309	43,351	199,802	244,462
3% Across-the-Board	6,216	202,060	1,277,552	1,485,828
Health Insurance	202	6,330	295,880	302,412
<b>Total</b>	<b>7,727</b>	<b>251,741</b>	<b>1,773,234</b>	<b>2,032,702</b>

## Major Expansions and Reductions

Budget Item	Agency Request			Governor's Recommendation		
	State General Fund	All Funds	FTE	State General Fund	All Funds	FTE
Fiscal and Public Assistance	-	6,405,298	0.0	-	7,405,298	0.0
Planning & Engineering		1,101,039	0.0		1,101,039	0.0
Operations	-	1,402,813	0.0	-	1,850,327	0.0
Construction Contracts	-	40,139,624	0.0	-	10,139,624	0.0
Total	-	49,048,774	0.0	-	20,496,288	0.0

### **Fiscal and Public Assistance:**

- Grants and Subsidies- The agency requests an increase of \$1,686,012 for grants to non-profit organizations. The Governor recommends this request.
- Capital Outlay- The agency requests an increase of \$4,719,286 in capital outlay for FY2007. The major increases and decreases are:
  - Building & Structure- \$336,783 increase for inflation due to an increase in cost of construction materials which is based on 10% of the FY2006 total, and \$317,317 for replacement or addition of buildings.
  - Motor Vehicles- \$310,000 decrease for motor vehicles based on data from the equipment management system.
  - Aircraft- \$90,800 increase for equipment and parts for the King Air 200, Navajo, and King Air 90.
  - Highway Maintenance Equipment- \$708,700 increase for inflation due to an increase in steel prices which is based on 10% of the FY2006 total, and \$3,293,350 increase to purchase additional highway maintenance equipment.
  - Computer Hardware- \$241,100 increase in computer hardware primarily for wireless equipment for DOT shops and hardware for automatic vehicle locators.

The Governor recommends an increase of \$5,719,286 for FY2007.

### **Planning and Engineering:**

- Travel- The agency requests a decrease of \$31,482 in travel for FY2007 which reflects the department's increased usage of technology, as well as evaluating travel carefully and taking fewer trips. The Governor recommends this request.
- Contractual Services- The agency requests a decrease of \$105,485 in contractual services for FY2007. The major increases and decreases are:
  - \$49,750 increase for inflation due to an increase in central services (Risk Mgmt/PEPL Fund), janitorial and maintenance services, and water at the materials lab.
  - \$240,000 increase in contract payments to state agencies to accommodate expanded involvement of South Dakota State University and the South Dakota School of Mines and Technology in the University Transportation Centers Program. This will be possible due to federal funding availability.

- \$400,000 decrease for consultant research to reflect the research program's current slate of projects.

The Governor recommends this request.

- Supplies and Materials- The agency requests a decrease of \$76,730 in supplies and materials for FY2007. The major increases and decreases are:

- \$16,900 increase for operating and maintenance supplies due to the cost of classification piezos, traffic counters, roadtubes, cabinets, clamps, weigh in motion bending plates and system boards, etc.
- \$68,983 decrease in state printing due to the use of more online documents and a reduction in printing plans due to the new on-line bidding process.
- \$14,635 decrease in postage due to a change in the STIP with a paperless version on-line as well as the new on-line bidding process.

The Governor recommends this request.

- Grants and Subsidies- The agency requests an increase of \$475,306 for federal grants to municipalities (\$136,951) and planning districts (\$338,355) in FY2007. The Governor recommends this request.

- Capital Outlay- The agency requests an increase of \$839,430 in capital outlay for FY2007. The major increases are:

- \$750,000 increase for replacement of the department's multifunctional integrated road and pavement management data collection vehicle. This vehicle is equipped with highly sophisticated sensors, computers, and digital video cameras. Two of these cameras face forward and capture road and right-of-way images; other cameras point down to capture pavement images. Five sensors mounted to the front bumper are used for collecting information about pavement ride, including data about the degree of rutting in the wheel paths. The sensors also measure faulting in the roadway.
- \$81,840 increase in lab equipment to meet the growing demands of materials testing by providing equipment that meets new certification requirements.

The Governor recommends this request.

### **Operations:**

- Travel- The agency requests an increase of \$930,968 in travel for FY2007. The major increases and decreases are:

- \$949,151 increase for inflation due to the in-state meal allowance rate increase from \$23.00 to \$26.00 per day (\$66,737) and a change in the department's meal policy, allowing the same reimbursement as the rest of state government (\$882,414).
- \$42,594 decrease due to a shift in the auto-state owned/in state budget to fleet services.

The Governor recommends this request.

- Contractual Services- The agency requests a decrease of \$252,798 in contractual services for FY2007. The major increases and decreases are:

- Fleet Services- \$119,894 increase due to a budget shift from travel. The remainder of the increase is due to more usage of vehicles.

- Maintenance Contracts- \$371,150 decrease to reflect the FY2007 maintenance plan.

The Governor recommends this request.

- Supplies and Materials- The agency requests an increase of \$670,858 primarily for inflation costs due to high prices of steel (\$316,524) and diesel fuel (\$360,466). There are various other increases and decreases in expenses in this budget and the net result is a decrease of \$20,735. The Governor recommends an increase of \$1,118,372 for FY2007.
- Grants and Subsidies- The agency requests an increase of \$182,700 for construction trade training negotiated with the tribal council as part of the 2005 Tribal Employment Rights Ordinance (TERO) agreements. The Governor recommends this request.
- Capital Outlay- The agency requests a decrease of \$128,915 in capital outlay for FY2007. The major increases and decreases are:
  - Highway Maintenance Equipment- \$24,600
  - Computer Hardware- \$41,375
  - Lab Equipment- (-\$180,000)

The Governor recommends this request.

#### **Construction Contracts:**

- Contractual Services- The agency requests an increase of \$40,139,624 in contractual services for the construction of roads, airports, and bridges. The Governor recommends an increase of \$10,139,624 for FY2007.

## 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 \$501,366 from the State General Fund, \$23,655,654 from federal funds, and \$126,945,168 from other funds; for a total budget of \$151,102,188 and 1,075.3 FTEs.

Item	Actual FY2005	Approved FY2006	Agency Req. FY2007	Gov. Rec. FY2007	Change from FY2006	% Change from FY2006
Personal Services	48,218,636	54,424,168	54,439,446	56,452,793	2,028,625	3.7%
Travel	1,371,618	1,639,441	2,530,368	2,530,368	890,927	54.3%
Contractual Services	33,371,986	37,061,539	36,589,105	36,589,105	(472,434)	-1.3%
Supplies and Materials	14,421,803	16,377,660	16,952,220	17,399,734	1,022,074	6.2%
Grants and Subsidies	6,706,958	11,847,328	14,191,346	14,191,346	2,344,018	19.8%
Capital Outlay	14,587,925	17,369,041	22,798,842	23,798,842	6,429,801	37.0%
Other	120,586	140,000	140,000	140,000	-	0.0%
<b>TOTAL</b>	<b>118,799,512</b>	<b>138,859,177</b>	<b>147,641,327</b>	<b>151,102,188</b>	<b>12,243,011</b>	<b>8.8%</b>
<b>Funding Sources:</b>						
General Funds	487,946	493,639	493,639	501,366	7,727	1.6%
Federal Funds	14,558,639	20,723,506	23,404,839	23,655,654	2,932,148	14.1%
Other Funds	103,752,927	117,642,032	123,742,849	126,945,168	9,303,136	7.9%
<b>TOTAL</b>	<b>118,799,512</b>	<b>138,859,177</b>	<b>147,641,327</b>	<b>151,102,188</b>	<b>12,243,011</b>	<b>8.8%</b>
FTE	1,019.7	1,075.3	1,075.3	1,075.3	-	0.0%

## Revenues

### Revenue Sources

	<u>Actual</u> <u>FY2004</u>	<u>Actual</u> <u>FY2005</u>	<u>FY2006</u> <u>Estm.</u>	<u>FY2007</u> <u>Estm.</u>	<u>% Change from</u> <u>FY2004</u>
State Highway Funds	\$197,713,438	\$197,994,169	\$195,297,876	\$202,252,899	2.3%
Federal Funds- Highway	220,123,140	213,551,045	218,890,110	229,133,000	4.1%
Federal Funds- Air	14,452,831	21,953,780	29,413,108	21,552,577	49.1%
Aeronautics Funds	1,400,000	1,965,876	1,409,139	1,600,907	14.4%
Aircraft Clearing Funds	644,857	884,525	1,020,982	1,096,659	70.1%
RR- Operations	330,000	458,326	399,626	426,728	29.3%
<b>Total Identified Fund Revenues</b>	<b>\$434,664,266</b>	<b>\$436,807,721</b>	<b>\$446,430,841</b>	<b>\$456,062,770</b>	<b>4.9%</b>

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

## **Selected Performance Indicators**

	<b>Actual</b>	<b>Actual</b>	<b>Estimated</b>	<b>Estimated</b>
	<b><u>FY 2004</u></b>	<b><u>FY 2005</u></b>	<b><u>FY 2006</u></b>	<b><u>FY 2007</u></b>
Percent of Deficient Bridges on State System	6.6	7.0	6.8	6.4
Index	74.9	76.6	81.6	80.5
Percent of Interstate Pavement in Excellent				
Condition Based on Condition Index	33.8	24.1	31.3	21.5

## Secretariat

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

The total recommended budget for the Secretariat Division consists of \$1,254,939 from other funds and 10.0 FTEs.

Item	Actual FY2005	Approved FY2006	Agency Req. FY2007	Gov. Rec. FY2007	Change from FY2006	% Change from FY2006
Personal Services	438,075	789,302	789,192	819,737	30,435	3.9%
Travel	57,298	55,689	58,226	58,226	2,537	4.6%
Contractual Services	268,996	316,976	329,892	329,892	12,916	4.1%
Supplies and Materials	41,209	52,673	40,584	40,584	(12,089)	-23.0%
Grants and Subsidies	-	-	-	-	-	0.0%
Capital Outlay	7,828	6,500	6,500	6,500	-	0.0%
Other	-	-	-	-	-	0.0%
<b>TOTAL</b>	<b>813,406</b>	<b>1,221,140</b>	<b>1,224,394</b>	<b>1,254,939</b>	<b>33,799</b>	<b>2.8%</b>
<b>Funding Sources:</b>						
General Funds	-	-	-	-	-	0.0%
Federal Funds	-	-	-	-	-	0.0%
Other Funds	813,406	1,221,140	1,224,394	1,254,939	33,799	2.8%
<b>TOTAL</b>	<b>813,406</b>	<b>1,221,140</b>	<b>1,224,394</b>	<b>1,254,939</b>	<b>33,799</b>	<b>2.8%</b>
FTE	6.2	10.0	10.0	10.0	-	0.0%

➤ The Transportation Commission is made up of nine members. The members include:

### Current Transportation Commission Members

First Name	Last Name	Position	Political Party	City	Appointment Date	Expiration Date
Rodney	Fouberg	Area 1	R	Aberdeen	04/18/1997	04/18/2009
James	Spies	Area 1		Watertown	04/13/2005	04/18/2009
Richard	Gregerson	Area 2	R	Sioux Falls	06/07/2004	04/18/2008
John	Kranz	Area 2	R	Mitchell	04/07/2005	04/18/2006
Ralph	Marquarett	Area 2		Yankton	09/10/2003	04/18/2007
Robert	Benson	Area 3		Clearfield	03/21/2003	04/18/2007
Sam	Tidball	Area 3	R	Ft. Pierre	08/02/1994	04/18/1998
Jerry	Shoener	Area 4	R	Rapid City	04/04/2003	04/18/2007
Michael	Trucano	Area 4	R	Sturgis	06/07/2004	04/18/2008

## Fiscal and Public Assistance

The Division of Fiscal and Public Assistance includes the Aeronautics Office, Internal Services Office, Internal Audit, Office of Local Government Assistance, Public Transit, and Office of Railroads.

The total recommended budget for general operations consists of \$501,366 from the State General Fund, \$11,539,012 from federal funds, and \$33,090,273 from other funds; for a total budget of \$45,130,651 and 59.5 FTEs.

Item	Actual FY2005	Approved FY2006	Agency Req. FY2007	Gov. Rec. FY2007	Change from FY2006	% Change from FY2006
Personal Services	2,986,549	3,234,855	3,234,318	3,359,399	124,544	3.9%
Travel	152,509	195,482	184,386	184,386	(11,096)	-5.7%
Contractual Services	7,556,621	6,538,909	6,411,842	6,411,842	(127,067)	-1.9%
Supplies and Materials	816,878	1,239,204	1,231,725	1,231,725	(7,479)	-0.6%
Grants and Subsidies	5,594,214	10,600,000	12,286,012	12,286,012	1,686,012	15.9%
Capital Outlay	12,782,059	15,798,001	20,517,287	21,517,287	5,719,286	36.2%
Other	120,318	140,000	140,000	140,000	-	0.0%
<b>TOTAL</b>	<b>30,009,148</b>	<b>37,746,451</b>	<b>44,005,570</b>	<b>45,130,651</b>	<b>7,384,200</b>	<b>19.6%</b>
<b>Funding Sources:</b>						
General Funds	487,946	493,639	493,639	501,366	7,727	1.6%
Federal Funds	3,939,409	9,603,000	11,539,012	11,539,012	1,936,012	20.2%
Other Funds	25,581,793	27,649,812	31,972,919	33,090,273	5,440,461	19.7%
<b>TOTAL</b>	<b>30,009,148</b>	<b>37,746,451</b>	<b>44,005,570</b>	<b>45,130,651</b>	<b>7,384,200</b>	<b>19.6%</b>
FTE	56.4	59.5	59.5	59.5	-	0.0%

- 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).
- Grants and Subsidies- The agency requests an increase of \$1,686,012 for grants to non-profit organizations. The Governor recommends this request.
- Capital Outlay- The agency requests an increase of \$4,719,286 in capital outlay for FY2007. The major increases and decreases are:
  - Building & Structure- \$336,783 increase for inflation due to an increase in cost of construction materials which is based on 10% of the FY2006 total and \$317,317 for replacement or addition of buildings.
  - Motor Vehicles- \$310,000 decrease for motor vehicles based on data from the equipment management system.
  - Aircraft- \$90,800 increase for equipment and parts for the King Air 200, Navajo, and King Air 90.
  - Highway Maintenance Equipment- \$708,700 increase for inflation due to an increase in steel prices which is based on 10% of the FY2006 total and \$3,293,350 increase to purchase additional highway maintenance equipment.
  - Computer Hardware- \$241,100 increase in computer hardware primarily for wireless equipment for DOT shops and hardware for automatic vehicle locators.

The Governor recommends an increase of \$5,719,286 for FY2007.

## Planning and Engineering

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

The total recommended budget for the Planning and Engineering Division consists of \$5,244,771 from federal funds and \$16,979,561 from other funds for a total budget of \$22,224,332 and 236.1 FTEs.

Item	Actual FY2005	Approved FY2006	Agency Req. FY2007	Gov. Rec. FY2007	Change from FY2006	% Change from FY2006
Personal Services	12,159,347	13,581,068	13,587,080	14,109,237	528,169	3.9%
Travel	466,616	567,619	536,137	536,137	(31,482)	-5.5%
Contractual Services	3,393,860	4,171,408	4,065,923	4,065,923	(105,485)	-2.5%
Supplies and Materials	643,930	810,811	734,081	734,081	(76,730)	-9.5%
Grants and Subsidies	890,655	997,328	1,472,634	1,472,634	475,306	47.7%
Capital Outlay	574,254	466,890	1,306,320	1,306,320	839,430	179.8%
Other	-	-	-	-	-	0.0%
<b>TOTAL</b>	<b>18,128,662</b>	<b>20,595,124</b>	<b>21,702,175</b>	<b>22,224,332</b>	<b>1,629,208</b>	<b>7.9%</b>
<b>Funding Sources:</b>						
General Funds	-	-	-	-	-	0.0%
Federal Funds	4,303,674	4,613,195	5,179,246	5,244,771	631,576	13.7%
Other Funds	13,824,988	15,981,929	16,522,929	16,979,561	997,632	6.2%
<b>TOTAL</b>	<b>18,128,662</b>	<b>20,595,124</b>	<b>21,702,175</b>	<b>22,224,332</b>	<b>1,629,208</b>	<b>7.9%</b>
FTE	227.3	236.1	236.1	236.1	-	0.0%

- Travel- The agency requests a decrease of \$31,482 in travel for FY2007 which reflects the department's increased usage of technology, as well as evaluating travel carefully and taking fewer trips. The Governor recommends this request.
- Contractual Services- The agency requests a decrease of \$105,485 in contractual services for FY2007. The major increases and decreases are:
  - \$49,750 increase for inflation due to an increase in central services (Risk Mgmt/PEPL Fund), janitorial and maintenance services, and water at the materials lab.
  - \$240,000 increase in contract payments to state agencies to accommodate expanded involvement of South Dakota State University and the South Dakota School of Mines and Technology in the University Transportation Centers Program. This will be possible due to federal funding availability.
  - \$400,000 decrease for consultant research to reflect the research program's current slate of projects.

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  - \$16,900 increase for operating and maintenance supplies due to the cost of classification piezos, traffic counters, roadtubes, cabinets, clamps, weigh in motion bending plates and system boards, etc.

- \$68,983 decrease in state printing due to the use of more online documents and a reduction in printing plans due to the new on-line bidding process.
- \$14,635 decrease in postage due to a change in the STIP with a paperless version on-line as well as the new on-line bidding process.

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- Capital Outlay- The agency requests an increase of \$839,430 in capital outlay for FY2007. The major increases are:
  - \$750,000 increase for replacement of the department's multifunctional integrated road and pavement management data collection vehicle. This vehicle is equipped with highly sophisticated sensors, computers, and digital video cameras. Two of these cameras face forward and capture road and right-of-way images; other cameras point down to capture pavement images. Five sensors mounted to the front bumper are used for collecting information about pavement ride, including data about the degree of rutting in the wheel paths. The sensors also measure faulting in the roadway.
  - \$81,840 increase in lab equipment to meet the growing demands of materials testing by providing equipment that meets new certification requirements.

The Governor recommends this request.

## Operations

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

The total recommended budget for general operations consists of \$6,871,871 from federal funds and \$75,620,395 from other funds for a total budget of \$82,492,266 and 769.7 FTEs.

Item	Actual FY2005	Approved FY2006	Agency Req. FY2007	Gov. Rec. FY2007	Change from FY2006	% Change from FY2006
Personal Services	32,634,666	36,818,943	36,828,856	38,164,420	1,345,477	3.7%
Travel	695,194	820,651	1,751,619	1,751,619	930,968	113.4%
Contractual Services	22,152,510	26,034,246	25,781,448	25,781,448	(252,798)	-1.0%
Supplies and Materials	12,919,786	14,274,972	14,945,830	15,393,344	1,118,372	7.8%
Grants and Subsidies	222,090	250,000	432,700	432,700	182,700	73.1%
Capital Outlay	23,782	1,097,650	968,735	968,735	(128,915)	-11.7%
Other	269	-	-	-	-	0.0%
<b>TOTAL</b>	<b>68,648,297</b>	<b>79,296,462</b>	<b>80,709,188</b>	<b>82,492,266</b>	<b>3,195,804</b>	<b>4.0%</b>
<b>Funding Sources:</b>						
General Funds	-	-	-	-	-	0.0%
Federal Funds	6,315,557	6,507,311	6,686,581	6,871,871	364,560	5.6%
Other Funds	63,532,740	72,789,151	74,022,607	75,620,395	2,831,244	3.9%
<b>TOTAL</b>	<b>69,848,297</b>	<b>79,296,462</b>	<b>80,709,188</b>	<b>82,492,266</b>	<b>3,195,804</b>	<b>4.0%</b>
FTE	729.8	769.7	769.7	769.7	-	0.0%

➤ Travel- The agency requests an increase of \$930,968 in travel for FY2007. The major increases and decreases are:

- \$949,151 increase for inflation due to the in-state meal allowance rate increase from \$23.00 to \$26.00 per day (\$66,737) and a change in the department's meal policy, allowing the same reimbursement as the rest of state government (\$882,414).
- \$42,594 decrease due to a shift in the auto-state owned/in state budget to fleet services.

The Governor recommends this request.

➤ Contractual Services- The agency requests a decrease of \$252,798 in contractual services for FY2007. The major increases and decreases are:

- Fleet Services- \$119,894 increase due to a budget shift from travel. The remainder of the increase is due to more usage of vehicles.
- Maintenance Contracts- \$371,150 decrease to reflect the FY2007 maintenance plan.

The Governor recommends this request.

➤ Supplies and Materials- The agency requests an increase of \$670,858 primarily for inflation costs due to high prices of steel (\$316,524) and diesel fuel (\$360,466). There are various other increases and decreases in expenses in this budget and the net result is a decrease of \$20,735. The Governor recommends an increase of \$1,118,372 for FY2007.

➤ Grants and Subsidies- The agency requests an increase of \$182,700 for construction trade training negotiated with the tribal council as part of the 2005 Tribal Employment Rights Ordinance (TERO) agreements. The Governor recommends this request.

➤ Capital Outlay- The agency requests a decrease of \$128,915 in capital outlay for FY2007. The major increases and decreases are:

- Highway Maintenance Equipment- \$24,600
- Computer Hardware- \$41,375
- Lab Equipment- (-\$180,000)

The Governor recommends this request.

## 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 \$256,442,687 from federal funds and \$64,178,313 from other funds for a total budget of \$320,621,000 and 0.0 FTEs.

Item	Actual FY2005	Approved FY2006	Agency Req. FY2007	Gov. Rec. FY2007	Change from FY2006	% Change from FY2006
Personal Services	-	-	-	-	-	0.0%
Travel	-	-	-	-	-	0.0%
Contractual Services	309,872,836	310,481,376	350,621,000	320,621,000	10,139,624	3.3%
Supplies and Materials	-	-	-	-	-	0.0%
Grants and Subsidies	-	-	-	-	-	0.0%
Capital Outlay	432,344	-	-	-	-	0.0%
Other	59,950	-	-	-	-	0.0%
<b>TOTAL</b>	<b>310,365,130</b>	<b>310,481,376</b>	<b>350,621,000</b>	<b>320,621,000</b>	<b>10,139,624</b>	<b>3.3%</b>
<b>Funding Sources:</b>						
General Funds	-	-	-	-	-	0.0%
Federal Funds	224,013,813	248,303,218	286,442,687	256,442,687	8,139,469	3.3%
Other Funds	86,351,317	62,178,158	64,178,313	64,178,313	2,000,155	3.2%
<b>TOTAL</b>	<b>310,365,130</b>	<b>310,481,376</b>	<b>350,621,000</b>	<b>320,621,000</b>	<b>10,139,624</b>	<b>3.3%</b>
FTE	-	-	-	-	-	0.0%

- Contractual Services- The agency requests an increase of \$40,139,624 in contractual services for the construction of roads, airports, and bridges. The Governor recommends an increase of \$10,139,624 for FY2007.
- The increase in contractual services reflects the projected expenditures for the state transportation improvement program.
- 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

	Actual <u>FY 2004</u>	Actual <u>FY 2005</u>	Estimated <u>FY 2006</u>	Estimated <u>FY 2007</u>
Dollars Obligated (Millions)	\$329.7	\$332.7	\$340.0	\$350.0
Projects Let	257	215	250	250
Dollar Value Low Bid Price (Millions)	\$251.2	\$250.8	\$270.0	\$280.0

## **Other Departmental Issues**

### **A. Interim Appropriation Actions**

No interim appropriation actions were taken.

### **B. Agency Specific Questions:**

1) Provide an update on the sale of the Core Line and the Railroad Trust Fund.

2) What is the status, including the costs, of the four special projects:

- (a) Groton to I-29;
- (b) Pierre to Vivian;
- (c) Huron to Mitchell; and
- (d) Heartland Expressway?

### **C. Department of Transportation**

General Fund Reversions FY2001-FY2005

FY2001- \$0

FY2002- \$0

FY2003- \$36

FY2004- \$1

FY2005- \$0