



MoDOT'S FIVE-YEAR DIRECTION

Tangible Result Driver – Don Hillis, Director of System Management

Transportation is more than roads and bridges and projects. It's personal! It is your connection to safety, work, business, family and better government. Your connections have been improving, but now they are in jeopardy and could get worse.

Funding for transportation in Missouri has been cut in half from a construction program that averaged \$1.2 billion to about \$600 million a year. Now we will only be able to take care of the roads and bridges we have. There won't be enough money for the major transportation projects we need to do to keep motorists safe, support jobs, provide additional transportation options and compete economically.

MoDOT is doing what we can. We are tightening our belt. We are getting smaller, cutting costs, reducing services and squeezing every penny out of every dollar we have to maintain your connections.

Cumulative dollars saved for five-year direction priorities – 18a

Result Driver: Don Hillis, Director of System Management

Measurement Driver: Ben Reeser, Financial Resource Administrator

Purpose of the Measure:

In March 2010, the Missouri Highways and Transportation Commission (MHTC) approved a five-year direction to make the best use of available resources that would enable MoDOT to:

- Honor our commitments
- Keep major roads in good condition
- Improve minor roads
- Hold our own on bridges, and
- Provide outstanding customer service

The five-year direction identifies savings from the following areas: employee salaries and fringe benefits, fleet investments, capital improvements, information technology, administrative expenditures, materials inventories, contingency funds, mowing, litter pickup, signing and striping.

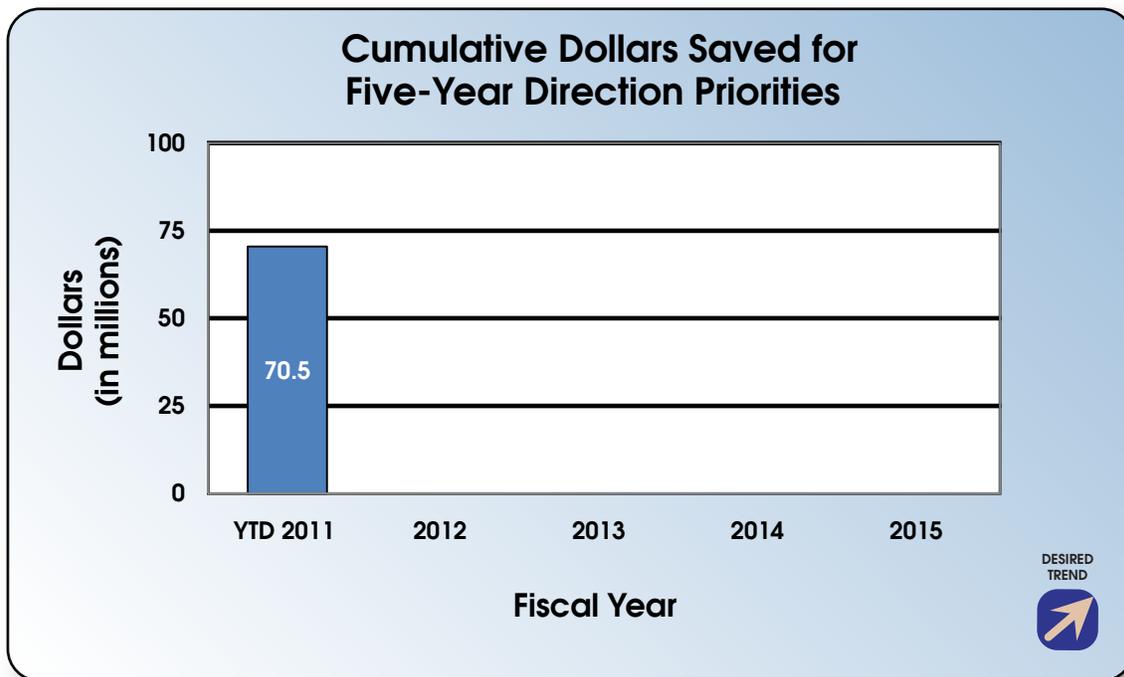
This measure tracks the department's progress in identifying cost savings to be redirected to critical roadway improvements while maximizing MoDOT's ability to provide state match for available federal funds.

Measurement and Data Collection:

The data collection is performed by Resource Management staff based on analysis of division and district budgets and expenditures. This measure will be updated quarterly.

Improvement Status:

Through March 31, 2011, \$70.5 million has been saved for five-year direction priorities. The savings have been committed to roadway improvements throughout the state.



Salaried employment levels-18b

Result Driver: Don Hillis, Director of System Management

Measurement Driver: Becky Baltz, District Engineer

Purpose of the Measure:

This measure tracks the change in the number of salaried employees compared to current and targeted salaried headcount levels necessary to achieve the cost savings identified as part of MoDOT's workforce reduction plan announced on March 10, 2010. MoDOT plans to continue reducing its salaried staffing level through attrition, with dedicated efforts towards workforce planning and performance management.

Measurement and Data Collection:

Salaried employees include full-time (including those on leave without pay or not working due to workers' compensation injury), permanent part-time, and Co-op employees. Targeted headcount levels are set by the department. The data related to this measure is collected and reported each quarter of the fiscal year.

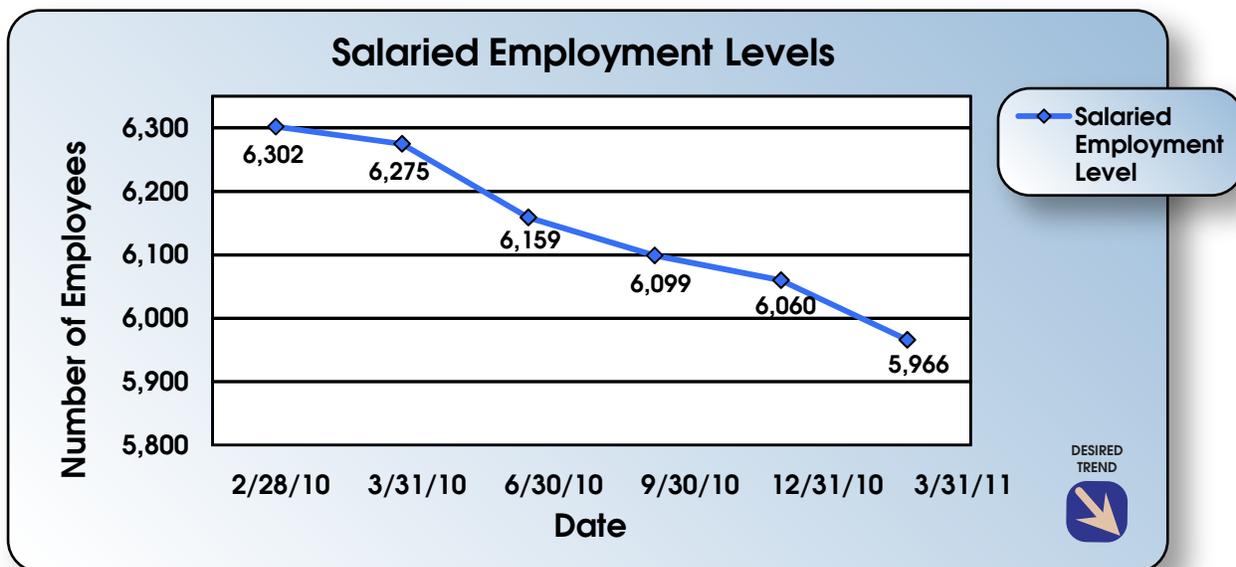
Improvement Status:

Since February 28, 2010, there have been 451 total salaried separations (excluding 23 separating credit union employees whose positions were funded independently by credit unions) and 138 salaried new

hires, yielding a total reduction of 313 salaried employees at a backfill rate of 30.6 percent.

Of the 138 salaried new hires since February 28, 2010, 128 (92.8 percent) were individuals hired into field maintenance and traffic positions. In addition, 97.8 percent of all new hires since February 28, 2010, have occurred in the districts. All three salaried new hires at the Central Office since February 28, 2010 (2.2 percent of total new hires during this period), were the result of the department honoring employment offers made prior to the five-year direction announcement.

In the last quarter, the department hired a total of eight new employees, resulting in a reduction of the department's overall salaried backfill rate from 37.2 to 30.6 percent since February 28, 2010 (138 new hires to 451 separations).



Specific targeted expenditures-18c

Result Driver: Don Hillis, Director of System Management
Measurement Driver: Debbie Rickard, Controller

Purpose of the Measure:

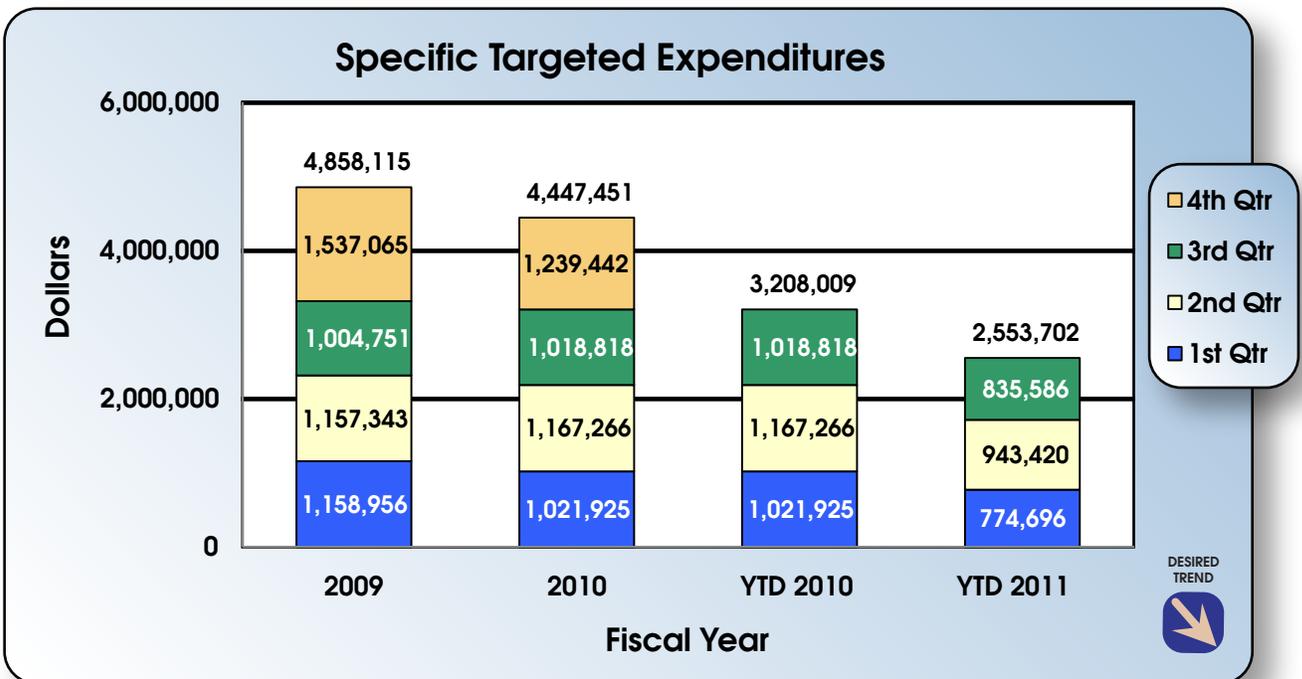
The purpose of the measure is to demonstrate a responsible use of taxpayers' money, with a reduction in specific expenditures. Included in the specific expenditures are: cell phones & pager costs; department provided food; employee recognition; promotional costs; relation costs; and travel – both in-state and out-state.

Improvement Status:

MoDOT's focus on reducing these expenditures shows a favorable trend. A team was formed including a district engineer representative and director representatives from the Project Delivery, System Management, and Facilitation teams, to identify best practices and provide guidance to the Senior Management Team.

Measurement and Data Collection:

The data collection is based on cash expenditures coded to object codes categorized in the specific targeted expenditures.



Fleet inventory reduction: Heavy Duty Trucks, Tractors and Stripers- 18d

Result Driver: Don Hillis, Director of Systems Management

Measurement Driver: Don Wichern, District Engineer

Purpose of the Measure:

This measure tracks the progress toward the reduction of heavy duty trucks, tractors, and stripers. More than half of the total fleet asset value is within these categories. In order to achieve the goals of the 5-Year Direction, funds must be redirected and applied to the department's established priorities.

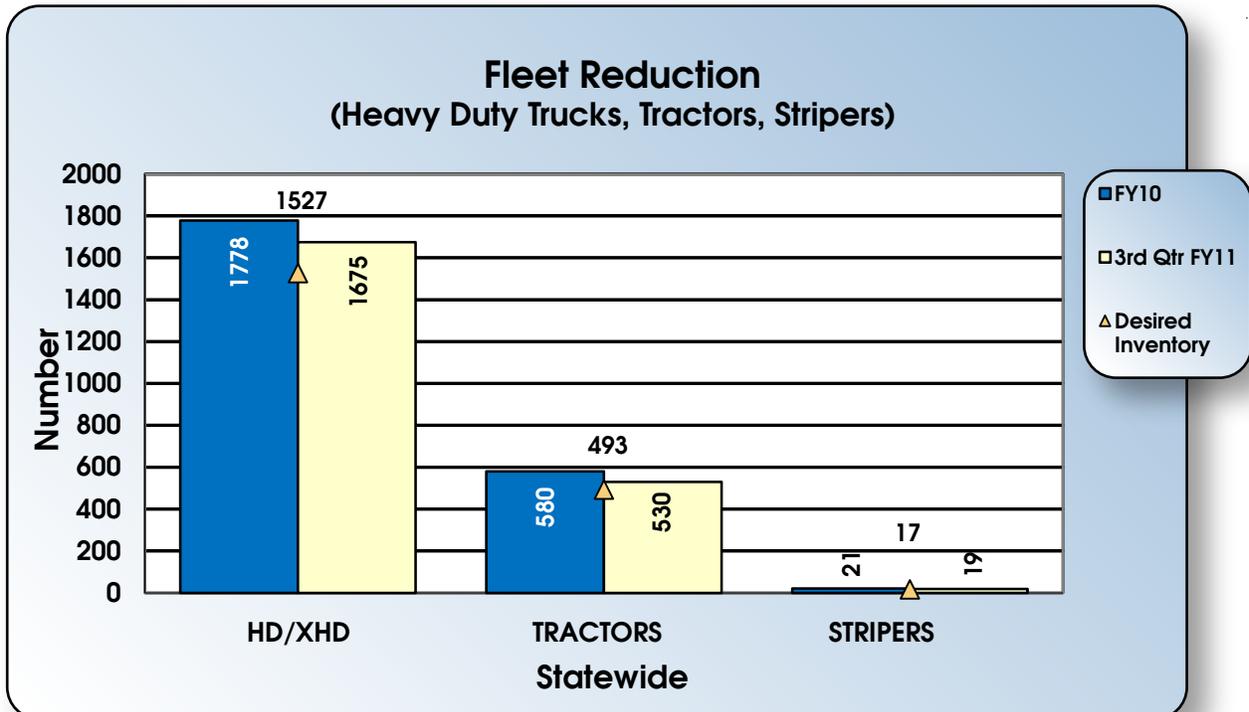
Measurement and Data Collection:

All active fleet units in the single and tandem truck, tractor (owned and leased) and stripers classifications are included in this report.

Reports are generated from the FASTER fleet management system. This measure is updated quarterly.

Improvement Status:

Each area is showing a reduction. Districts are working with each other to identify equipment that can be shared regionally. A meeting was held in February 2011 to review the heavy duty trucks and tractor inventories to ensure existing statewide resources are fully utilized before additional assets are acquired.



More than 365 days of consumable inventory on hand-18e

Result Driver: Don Hillis, Director of System Management

Measurement Driver: Dan Niec, District Engineer

Purpose of the Measure:

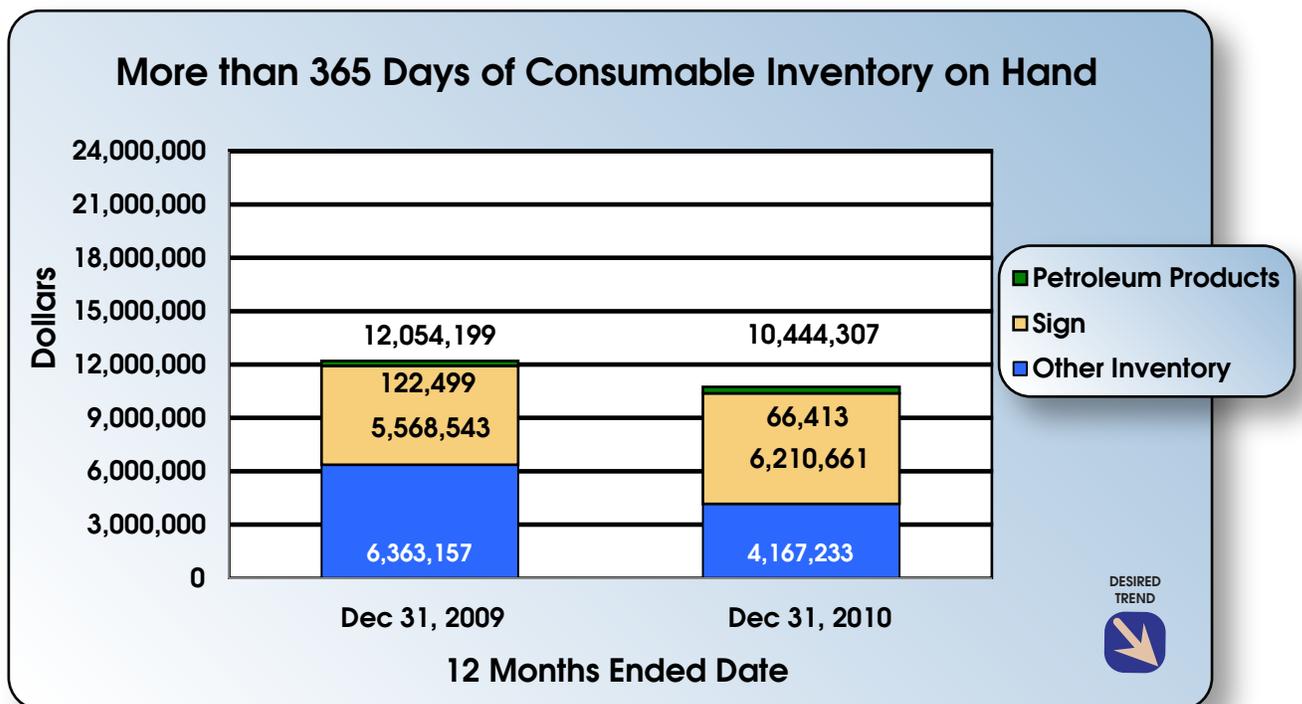
The purpose of the measure is to demonstrate a responsible use of taxpayers' money by effectively managing consumable inventory.

Measurement and Data Collection:

The data collection is based on consumable inventory recorded in the SAM II financial system, grouped by similar items.

Improvement Status:

The Department is showing a favorable trend in managing consumable inventory. District expense and equipment (e&e) budgets were reduced in fiscal year 2010 providing fewer dollars for excess inventory purchases. Effective management of inventory ensures dollars are available for the Department to carry-out its plans.



Days of consumable inventory on hand-18f

Result Driver: Don Hillis, Director of System Management

Measurement Driver: Dan Niec, District Engineer

Purpose of the Measure:

The purpose of the measure is to demonstrate a responsible use of taxpayers' money by effectively managing consumable inventory.

Measurement and Data Collection:

The data collection is based on consumable inventory recorded in the SAM II financial system, grouped by similar items.

Improvement Status:

District expense and equipment (e&e) budgets were reduced in fiscal year 2010 providing fewer dollars for excess inventory purchases. Effective management of inventories ensures dollars are available for the Department to carry-out its plans.

