

A BOLDER Five-Year Direction

We are in a Transportation Funding Crisis!

For the last five years, our construction program has averaged \$1.2 billion a year. Moving forward, we have less than half that amount. That decline in funding for transportation means more than a decrease in needed projects – it means reduced jobs for Missourians. It could also mean the loss of federal funds.

Like everyone else, MoDOT has been tightening its belt so we can put every dollar possible toward roads and bridges. Last year, we put in place the Five-Year Direction to become more efficient in our operations, reduce costs, cut services and become the right size to serve our customers. That has enabled us to reduce our workforce by 340 employees (as of April 15, 2011) and save \$64 million to put back on roads and bridges. The Five-Year Direction has helped – but unfortunately it's not enough. We have to take a bolder approach if we are to continue our purpose of serving the transportation needs of Missourians.

A Bolder Plan

- It is clear a bolder continuation of the Five-Year Direction unveiled in 2010 is needed.
- We must leverage all possible resources to focus on delivering priority services to Missourians.
- The plan will reduce 1,200 employees, 135 facilities and more than 740 pieces of equipment.
- This bolder action will save more than \$500 million, drive us to increase innovation and push us to develop new ways to work better, faster and cheaper. It will position MoDOT for the long term to focus on continuing our mission to provide a quality, safe transportation experience that delights our customers and promotes a prosperous Missouri.

Fewer Staff, Facilities and Equipment

- A key strategy to the bolder direction is reducing the number of staff, facilities, and equipment across the state to create the most lean, efficient agency.
- We will continue to be decentralized, nimble and responsive to public needs.
- We will continue to have a strong, visible presence in all corners of the state.
- With reduced funding, we will be focused on maintaining existing roads and their condition with fewer new construction projects. This change in focus will redirect our staff away from design, construction, and property acquisition and more toward boots on the ground workers on the road.
- We will also reduce middle managers and supervisors.
- A total of 135 buildings will be closed across the state including three district offices in Macon, Joplin and Willow Springs. These three communities will retain a smaller MoDOT area office to ensure direct contact with local customers and businesses.
- The seven new districts have been redrawn to cover larger geographic areas of the state. The existing MoDOT district office locations have not changed since the 1920s when

many of our roads were gravel. It is time to use modern technologies and equipment to maintain our community service levels across the state.

- MoDOT's Central Office is also being reorganized with consolidations in the number of divisions.
- With fewer employees and offices to oversee, we will also have reductions in administrative positions across the state. Overall, through attrition, transfers and layoffs we will reduce our employees by about 1,200 by the end of 2012.

Results

- By the end of the Five-Year Direction in 2015, these steps will save \$512 million. Savings will come from reduced salaries and benefits, facility and equipment costs. We will also recoup savings from the sale of facilities and equipment.
- Our internal efficiencies this past year are already seeing a savings with our better approaches to mowing, striping, litter pickup and snow and ice removal. An average of \$117 million a year will be redirected to taking care of the road and bridge conditions across the state.

Implementation

- We know this is a huge undertaking to achieve but it must be done and done as fast as possible. It is vitally important to the long-term quality and safety of Missouri's roads and bridges.
- Following approval of the plan we will realign the senior management team and change how we operate as quickly as possible.
- Between now and December 2012, the remaining implementation and the realigning of employees to focus on maintaining the system will occur.
- Through these steps, MoDOT is moving forward as a leader in transportation and in government efficiency. These bolder steps are needed for our success and for the success of all Missourians.

