

A BOLDER Five-Year Direction

Frequently Asked Questions

Why does MoDOT need to do this now?

We have had a good run with transportation for the past few years, but our funding has fallen off a cliff. Our funding for road and bridge construction will go from averaging \$1.2 billion per year to \$600 million per year in the future. This dramatic decrease in available funding means we have to get smaller, be more efficient and make the best possible use of every dollar. If we don't, we risk losing millions of dollars in federal funding, which would put the safety of our citizens and the economic health of our state at risk.

It's uncertain when Congress will move on a new surface transportation act. And it's even more uncertain what the funding levels will be. It's a realistic assumption that we have all the money we're going to get. Without new money coming into the agency, a bolder approach is needed to free up more money internally to focus on the state's transportation needs and provide long-term stability. A Bolder Five-Year Direction will redirect \$100 million per year to shore up our construction program to \$600 million. This isn't the size of construction program we need, but it is what MoDOT needs to survive the next five years and avoid sending back federal funds we can't match. A Bolder Five-Year Direction is an opportunity to continue delivering the best value for every dollar spent. While this will not solve our long-term funding problems, it will put us in a place to funnel any new funds straight to transportation improvements.

How do you know this will succeed?

The Five-Year Direction put in place in 2010 has already shown we can reduce our workforce, focus on priority services and continue to provide outstanding customer service. In just the first year, we've been able to redirect more than \$64 million back into improving roads and bridges. This past winter we spent less on snow removal despite the fact it was one of our worst winters ever, and this year we restriped all of our major routes before Memorial Day – ahead of schedule. This is great news for Missourians, but it's not enough to address the long-term deficits in our construction program.

You knew this drop in funding was coming. Why didn't you do something about it sooner?

We have worked very hard to make wise use of the resources we're given. Last year, we put in place our new Five-Year Direction to address the funding crisis and reduce costs in an effort to put more funding toward road and bridge projects. We have been talking about the decline in funding for transportation for many years, but there is very little public interest at this time for increasing funding for transportation. And it is not up to us to determine how transportation in Missouri is funded and at what level. That responsibility lies with our elected officials and Missourians.

Will I notice a difference in services from MoDOT?

The Bolder Five-Year Direction does not change our commitment to be the same responsive and responsible organization. We will continue to provide outstanding customer service and focus

on priorities. Our mission remains the same but with a stronger focus on maintaining the system. Actually, without this bolder approach - which enables us to direct more resources toward roads and bridges - Missourians would notice an even bigger drop in construction projects.

Whose idea was it to get smaller – MoDOT’s Director or MHTC?

The Missouri Highways and Transportation Commission requested that MoDOT Director Kevin Keith develop a plan to get smaller due to the impending funding crisis. Declining transportation revenues and increasing costs have forced us to question every aspect of how we do business to discover new efficiencies and take advantage of the technology and talent within our agency. We got the ball rolling with the Five-Year Direction, but a bolder approach is needed to ensure short-term gains will become an integral part of MoDOT. A Bolder Five-Year Direction will leverage our resources and focus them on delivering priority services in the most efficient way possible.

I see orange barrels all over. It looks like you have plenty of money. Why the cuts?

Our funding for road and bridge construction has been averaging \$1.2 billion per year for the last five years due to an influx from bonding programs and from federal stimulus funds. Now these temporary funding sources are gone and our funding level will be less than half that amount in the future. The amount of construction work is declining.

How will funding to our community be impacted?

The current, five-year construction plan called the State Transportation Improvement Program (STIP) is not impacted by this bolder approach. MoDOT and the Commission remain committed to deliver projects identified in the STIP. However, as we move past the current construction program, your community will be seeing fewer projects that make your roads safer, create jobs, reduce congestion and help your community grow.

What will MoDOT do with its cost savings – where will the money be spent?

The savings from the Bolder Five-Year Direction will be spent on maintaining the state’s roads and bridges.

What’s in it for me? What do I get from this change?

In addition to an extra \$100 million in transportation improvements each year, Missourians will benefit from a more efficient transportation department.

How will this impact future projects in my area?

MoDOT stands committed to any future projects already identified in the Statewide Transportation Improvement Plan. The additional \$100 million in annual savings from this plan will help, but funding for new projects will still be insufficient to deliver the projects needed to save lives, create jobs and promote economic development.

What about the rest of the bridges in the Safe & Sound program? Will they still be replaced?

The Safe & Sound Bridge Improvement Program will continue through to completion, repairing or replacing 802 of the state’s poorest bridges. It recently passed the halfway point, and is on target to be completed a year early – by the end of 2012.

How does MoDOT plan to discuss the Bolder Five-Year Direction with the public?

We will use all available communications tools and avenues to inform the public as we move forward with the Bolder Five-Year Direction. This includes public appearances, news releases, website posts, Facebook mentions, etc. Internally, supervisors will be meeting with their employees face-to-face to explain how the plan will unfold and how it will affect them.

Did you look at everything before making this decision?

Over the past four months, we have been working with MoDOT staff to see how much we can do with our existing resources. Nothing was off the table and staff was encouraged to be bold with their approach.

Will the additional savings be redirected in accordance with the current planning formula?

Yes. MoDOT will redistribute the extensive cost savings generated by this plan through the Missouri Highways and Transportation Commission's existing formula.

Why is MoDOT the only state agency doing this?

Many state agencies have been reducing their staffing levels due to funding concerns. Over the course of the past three years, the Department of Conservation has reduced its number of employees by 11 percent. In addition, they have consolidated facilities from 105 to 94. The Division of State Parks laid off 100 of its 700 workers because of reduced sales tax. Just in this year alone, the governor eliminated 860 state jobs.

What strategies will you put in place to help ensure that MoDOT is an equal opportunity employer? How will MoDOT maintain diversity and inclusion through this process?

MoDOT remains committed to diversity both internally and with its consultants and contractors. With no external hiring, our focus will shift from recruiting to retention. The department has selected an advisory council of external experts to identify specific strategies to implement.

Will there be increased outsourcing? How much more work will contractors/suppliers get? Will you outsource maintenance activities?

We will use outsourcing as a means of supplementing our workforce as the workload dictates. There are some cases where outsourcing is the right choice. Design and construction are two areas where we've used consultants for years because it makes sense.

Does this change MoDOT's balance of projects that go to consultants?

MoDOT's Bolder Five-Year Direction is conservatively based on a \$500 million annual construction program. Our internal program delivery staff will be reduced to handle a program of this size with any additional funding in the future going to consultant contracts.

What will happen if a tax increase is passed before the department reaches its employee reduction levels?

This plan is about making MoDOT the right size and structure for delivering transportation services to the people of Missouri – regardless of funding levels. If more dollars are directed to transportation, we will be ready to deliver transportation improvements quickly and efficiently using our transportation industry partners.

How will MoDOT reduce the number of employees?

As MoDOT gets smaller, we will reduce the number of employees through attrition, transfers, and, as a last step, layoffs. The reductions will impact Program Delivery and Administration/Support employees the most and Operations the least, but all employees must have good performance to remain employed. The continued staffing of positions will be based on the need for that position and then consideration of the employee's performance. Where we can we'll move employees to where they are needed most, primarily roadway and bridge maintenance positions. We are committed to not reducing our "boots on the ground" employees. These are the employees who maintain our roads and bridges and take care of the system (like snow removal). But, we will still have to lay off some employees.

How many employees does MoDOT typically lose in one year?

MoDOT loses approximately 450 employees each year.

Hasn't MoDOT already reduced the number of employees with the Five-Year Direction? How many more do you need to reduce?

Since March 2010, we have reduced by 403 positions as of May 31, 2011. We have to reduce 793 more employees by March 31, 2013, to reach our new staffing level of 5,106.

The department appears to be eliminating jobs at a time of high unemployment, why?

We are doing what families and businesses have been doing across the state in recent years – tightening our belt. It is what we must do, and it is what the people of Missouri are demanding of all government entities. The savings will be redirected to more projects that will create 3,300 jobs in the transportation industry. We have received a good deal of support for us becoming a smaller agency. People have acknowledged the difficulty of our decision, but have thanked us for taking this bold action and tightening our belt like everyone else has had to do.

The department had the same number of jobs before Amendment 3 so why is the reduction in employees needed now?

Missouri's transportation funding situation continues to get worse. Our construction program is half the size it was previously and our available funding will continue to decrease. We won't even be able to match some federal funds, meaning we could lose millions of dollars for transportation improvements. This plan is about making the best possible use of every dollar we receive so that we can put that money back into roads and bridges. It is also about becoming the right size to deliver a quality transportation system to the people of Missouri.

Has the department taken into account the affect this action will have on employee morale?

We understand this will affect employee morale. We are committed to making employee reductions through attrition and transfers, with layoffs being the last step. Employees will be provided with opportunities for training, counseling, career planning and other services to ease the transition into new jobs. We are also committed to being open with employees and communicating with them extensively so they know what is happening every step of the way.

Will you have layoffs?

Yes. We are committed to reducing our number of employees through attrition and transfers, but layoffs will be necessary. However, layoffs will be the last step and extending the

implementation deadline to March 31, 2013 may minimize the number of layoffs that might be required.

Is the department still hiring new employees?

No. The department has implemented a freeze on all external hiring.

If you do this, how will this rank us nationally?

Currently we are ranked 28th among DOTs in terms of employees per lane mile. By reducing our staff by 1,200, we move up four places to 24th. Currently, we have one employee per 11.9 lane miles and after March 31, 2013, we will have one employee per 14.2 lane miles.

Since the District boundaries are so large – where’s the savings in making your employees (and their equipment) travel further?

Yes, we will be traveling somewhat further to deliver our services in some cases. However, we will still have a presence in every county of the state. We will also utilize computer and phone technology to manage these areas. The additional mileage is easily offset by the savings we will create by consolidating buildings and eliminating equipment. This is very similar to how private sector companies organize and plan their work. In the big picture, the average Missourian will not experience a significant decrease in the level of service they’re receiving.

Why can’t MoDOT use furloughs or part-time work to avoid layoffs?

We believe it is our responsibility and opportunity to get the right people in the right positions. We need our best performers and results-oriented staff to help us achieve our new direction. We don’t think furloughs or part-time work are the answer – they are not long-term solutions and would only postpone the inevitable.

How much money are you saving by reducing MoDOT’s number of employees?

We will save approximately \$212 million by reducing our number of employees. That money will be put back into roads and bridges.

Can you implement this plan without it affecting my district?

Unfortunately, this bolder approach requires changes in all areas of the state. We will consolidate our current 10 districts into seven. MoDOT’s current district boundaries have been virtually unchanged since its beginning in the 1920s when many state roads were still gravel. Since that time, our ability to manage larger areas has grown exponentially. We have changed from mules and wagons to state of the art trucks and other equipment. Thanks to computer and phone technology, employees can remotely manage resources and multiple work teams at the same time. We remain committed to keeping a significant presence in all communities. In addition, there will be no “boots on the ground” reductions in staff.

What are you going to do with the district office facilities?

We made a commitment to have all of the physical plant strategies fully implemented by December 31, 2012. We will stagger the closing of the district offices in Joplin, Macon and Willow Springs but it is our intention to put these facilities on the market and sell them.

How will the economic impact of closing a district office be addressed?

We will still have a very significant presence in Macon, Joplin and Willow Springs. We'll have 70-80 people in those locations in leadership and management, engineering, maintenance and administrative support. Plus, we'll be saving \$512 million that we will be able to direct to road and bridge projects.

Does closing buildings make fiscal sense?

Yes. MoDOT will save almost \$41 million by closing 131 facilities. In addition, we will be saving more than \$43 million dollars by selling the fleet and equipment that we no longer need to have at those locations. Fewer buildings means the need for less equipment and fleet. Furthermore, this will enable us to have on-going savings for years to come because we will no longer have as many physical assets to maintain.

Will the new districts have enough money to take care of roads and bridges?

Actually, this bolder approach will help us stretch limited funds to take care of our roads and bridges. Unfortunately, this will not be enough to make any enhancements to our state system given the current level of funding. Additional funding for transportation is needed for our roads and bridges as they will begin to deteriorate and become unsafe.

I live in rural Missouri. Why are you cutting more here than in urban areas?

We are closing 131 facilities around the state. In reality, we are closing a larger percentage of facilities in urban areas than we are in rural areas. New equipment and technologies will enable MoDOT staff to serve larger geographical areas.

Is MoDOT cutting staff as a way to pass an initiative petition?

No. We are reducing staff, consolidating buildings and becoming more efficient in our operations to direct more money toward roads and bridges. We are also taking this action to keep from losing millions in federal transportation dollars.

How was the decision made to reduce the number of districts? Why were the Macon, Joplin and Willow Springs district offices chosen to be closed?

When we looked at how we could be a smaller MoDOT, many ideas were suggested such as centralization of functions, regionalization of activities, etc. However, it was important to us to maintain the culture of our department, meaning that we want to be able to have a full service district office that can complete all activities and be responsive to local needs. MoDOT's current district boundaries have been virtually unchanged since the early 1920s when many state roads were still gravel. Since the time those boundaries were drawn, dividing the state highway mileage into 10 equal parts, our ability to manage larger areas has grown exponentially.

We looked at a lot of options for consolidating districts. We looked at having six, seven and eight districts. We believe having seven districts makes the most sense and is the best fit. Reducing to seven districts allows us to reduce the most number of employees in management and supervisory positions and still provide a high level of service across the state. By going to seven districts, we can make significant reductions in management without affecting day-to-day operations.

The decision was made to reduce one district in the northern half of the state and two in the south. The locations were chosen based on the following: geography; age, condition and deed restrictions of the offices; and the overall balancing of the state looking at it as a whole.

We also looked at where we already had facilities in place and could locate employees so we could maintain a significant presence in the area. Macon, Willow Springs and Joplin all have facilities that are fairly new and large enough to accommodate the 70-80 people we need to maintain a significant presence there.

But it is not just about facilities or buildings. Our biggest cost savings come from reducing the size of our workforce. By closing the three district offices in Joplin, Macon and Willow Springs, we eliminate 214 leadership, managerial, supervisory, technical and support positions, which will save \$44 million over the course of the five-year direction and \$12 million a year thereafter.

Why did you change the district boundaries again? Some districts got even bigger, and St. Louis returned to its previous shape.

We had a lot of feedback about the new seven-district MoDOT configuration. Some counties wanted to remain together because of previous relationships as part of a particular regional planning commission, and in the originally proposed configuration they were split up. When we looked at some of the suggested realigned districts, we found that we were better able to balance our work load with this newer configuration. Now, none of the state's RPCs are bisected by one of our districts. That will help us better coordinate our efforts with the RPCs.

How was the decision made to reduce the number of maintenance sheds? How were the ones chosen to be closed?

MoDOT has been reducing maintenance buildings for several years. Over the past eight years, 85 buildings have been closed and consolidated with other buildings. When we developed the proposed list of closures, we asked ourselves two questions: which ones are strategically located to provide the best customer service and, if we had to maintain only one facility per county, which one would it be? Then we looked at other things like the size and age of the facility, the number of employees and the proximity to other buildings. Many of the facilities that are being closed have four or fewer employees located at them and have to combine daily with other facilities to be able to get work done. That's just not efficient – you can't do a lot of work with just four people. The district engineers and their staff helped determine this list. The 174 facilities that will remain are strategically located to be able to provide good service to all parts of the state with a presence in every county. Local district managers were consulted to help determine the final locations of these facilities.

Since the original list of closures was proposed on May 4, we have taken a second look at the list based on the feedback we received from the public and others. We ultimately decided to keep four open that previously were on the list for closure.

Will each newly established district continue to operate in the same manner?

Yes. Each district will be set up to operate in the same manner as they have previously. Most will have expanded geographic areas of responsibility.

It appears that there are four rural districts and three urban. How do the districts compare?

District	Population	Lane Miles	Vehicle Miles Traveled	Square Feet Bridge Deck	Average Annual STIP Funding	Number of Employees
Northwest	280,638	11,381	7,878,369	8,819,906	\$33,000,000	480
Northeast	292,863	9,674	8,335,741	5,869,936	\$28,300,000	437
Kansas City	1,259,938	7,740	24,038,847	17,235,772	\$103,400,000	636
Central	652,456	11,358	17,093,946	7,760,236	\$54,200,000	595
St. Louis	1,998,958	5,671	36,264,784	20,377,760	\$158,500,000	726
Southwest	926,656	14,483	21,813,633	11,234,342	\$72,100,000	754
Southeast	577,418	15,950	15,202,262	10,327,062	\$53,500,000	706
Central Office						772
Statewide Interstate/Major Bridge Projects					\$99,000,000	

Is there a list of all of the maintenance sheds that are being eliminated with the name of the area? And is there a list of all of the maintenance buildings that will remain open?

Yes. The list is available at www.modot.org or you may call 1-888-ASK-MoDOT (888-275-6636) toll-free.

Wouldn't it be better to have the district offices more centrally located in the state?

It would be irresponsible of us to not utilize our existing facilities. Therefore, our district offices will be located in existing facilities.

If MoDOT can sell 740 pieces of equipment, why haven't you done it sooner?

Reducing staff and facilities allows us to reduce the fleet. The plan works as a whole and cannot be implemented individually.

How will this impact MoDOT vendors?

MoDOT will be ordering fewer supplies and materials as the construction program decreases and the organization gets smaller.