



MoDOT News Release

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MoDOT Implements Further Cost Saving Measures Workforce to be Reduced by Approximately 400; No Lay-offs Planned

Editor's Note: A video of Director Pete Rahn's full presentation to the Missouri Highways and Transportation Commission is available at <http://www.modot.org/>.

JEFFERSON CITY - Missouri Department of Transportation Director Pete Rahn today announced dramatic cost savings measures and a plan to keep major highways in good condition and to improve smaller highways as less funding is available for new construction. The department will save \$203 million over the next five years by cutting costs and eliminating 400 salaried positions without lay-offs by June 30, 2013.

MoDOT's construction program is on a steep decline due to stagnant state revenues, uncertain federal funding, rising employee benefit costs and no more money coming from Amendment 3 mandated bonds. The situation has caused MoDOT to set a new direction for the next five years, which was outlined by Rahn at the Missouri Highways and Transportation Commission meeting today.

The plan calls for a focus on keeping the existing transportation system in good condition and for meeting all commitments made in the five-year Statewide Transportation Improvement Program.

"MoDOT has made great strides in improving Missouri's transportation system and rebuilding trust with the people we serve, but financial uncertainties are threatening the progress we've made over the past five years," said Rahn. "Despite this challenge, we are committed to providing a smooth and safe ride on our highways and delivering improvements on time and under budget."

Currently, highway fatalities are at their lowest level since 1950. Eighty-six percent of major roads are in good condition. Eighty-nine percent of Missourians say they trust MoDOT to meet its commitments and overall customer satisfaction is at 85 percent.

To maintain the quality and safety of the transportation system and continue to build trust and confidence with the public, MoDOT will implement several strategies.

"I have been saying for quite some time that transportation funding is headed over a cliff," Rahn said. "Now we are forced to make tough decisions that will make MoDOT smaller and change the way we do business."

MoDOT will save \$81 million over the next five years by reducing the size of its workforce and work space. By June 30, 2013, there will be 400 fewer positions. This reduction will not be achieved through lay-offs, but rather by immediately instituting a hiring freeze on 75 percent of positions that become vacant and by making sure the right people are in the right jobs. The department will also reduce the number of offices and buildings it owns.

MoDOT will save another \$122 million over the next five years by cutting costs. The department will reduce spending on vehicles, buildings and other capital improvements, information technologies and materials inventory. Other reductions will be more visible to the public, such as less mowing, litter pickup and sign replacement. MoDOT will also find a less expensive way to do striping, reduce the use of consultants and use shorter-term pavement treatments.

"These actions are not taken lightly, but they are necessary," Rahn said. "MoDOT will rise to the challenge."

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