

Accountability Report Transmittal Form

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**South Carolina Department of Transportation
Annual Accountability Report
Fiscal Year 2009-2010**

Section I- EXECUTIVE SUMMARY

Description of the Department of Transportation

The South Carolina Department of Transportation (SCDOT) is charged with the responsibility of systematic planning, design, construction, maintenance, and operation of the state highway system and coordinating mass transit services for the state of South Carolina. SCDOT operates and maintains 41,460 miles of roads and bridges, which ranks as one of the largest state-owned highway systems in the nation according to the Federal Highway Administration (FHWA). The agency emphasizes the importance of system maintenance and preservation, safety, and environmental stewardship.

Major Achievements from the Past Year

The highlights of some of the major SCDOT achievements and awards during FY 2010 include:

- Completed the rehabilitation of Interstate 385 ahead of schedule and under budget
- Completed Phase II of the Palmetto Parkway two weeks early and \$600,000 under budget
- Completed the Fantasy Harbour Bridge project on budget and on schedule
- Completed the Robert Edge Parkway on schedule and on budget
- Replaced the Ben Sawyer Bridge
- Established the South Carolina Interagency Transportation Coordination Council (SCITCC)
- Received the Certificate of Achievement for Excellence in Financial Reporting Program from the Government Officers Association for fifth straight year

Key Strategic Goals for Present and Future Years

SCDOT's key strategic goals are outlined in the agency's Strategic Plan. Below are some of its keys components:

- Increase Safety both on South Carolina's highway system and within SCDOT
- Make transportation Mobility options more accessible, convenient, efficient, and easily integrated
- Continue a proactive approach in System Preservation
- Advance SCDOT's Customer Service
- Conserve Resources throughout the agency
- Maintain a quality Workforce of existing and future employees

Detailed information about SCDOT's Strategic Plan can be found in Category 2: Strategic Planning.

Key Strategic Challenges

Funding continues to be the department's biggest challenge. Based on projected funding, the annualized shortfall for the next 20 years is \$2.4 billion in 2007 dollars. This is being further complicated by increased construction and fuel costs. The SCDOT construction cost index rose by more than 60% in the last ten years. SCDOT has responded with internal reductions in operational costs, but these savings do not offset the huge cost increases combined with lower than expected revenues.

SCDOT's state funding comes primarily from the 16 cents per gallon motor fuel user fee, which was last adjusted in 1987. According to the American Petroleum Institute, it is now the fourth lowest in the nation. Each penny in SC generates about \$32 million, but SCDOT does not receive all the revenues. \$78 million goes to the County Transportation Committees (CTCs), \$1 million goes to the Department of Motor Vehicles for IFTA administration, \$3 million to Department of Natural Resources and about \$25 million to the SC Transportation Infrastructure Bank. Nearly one third of the remaining state funds received by SCDOT are needed to make the match for the federal funds. The amount left is insufficient for routine maintenance on the 41,460-mile system, and to resurface and make safety improvements to the 21,000 miles of roads ineligible for federal funds.

The federal Highway Trust Fund is also experiencing revenue shortfalls of roughly \$9 billion per year. This represents a funding level 20% below the authorized levels.

How the Accountability Report is used to improve organizational performance

The Accountability Report is used as a vehicle for short and long range planning and as an indicator for various performance measures. The report is made available to all employees and its preparation is a shared project with all divisions and sub-divisions in the Department. It is posted on the agency's website.

Section II- ORGANIZATIONAL PROFILE

SCDOT is one of the largest state agencies in South Carolina and has a staff of 4,935 men and women who work in the state's 46 counties and at the central headquarters located in Columbia. SCDOT also employs 17 temporary grant employees and 60 temporary employees (on an as-needed basis).

SCDOT is a cabinet agency. The Governor appoints the Secretary of Transportation who serves as the Chief Administrative Officer. The Secretary of Transportation is assisted by three Deputy Secretaries who manage the three divisions of the agency - Engineering, Finance and Administration, and Intermodal and Freight Programs.

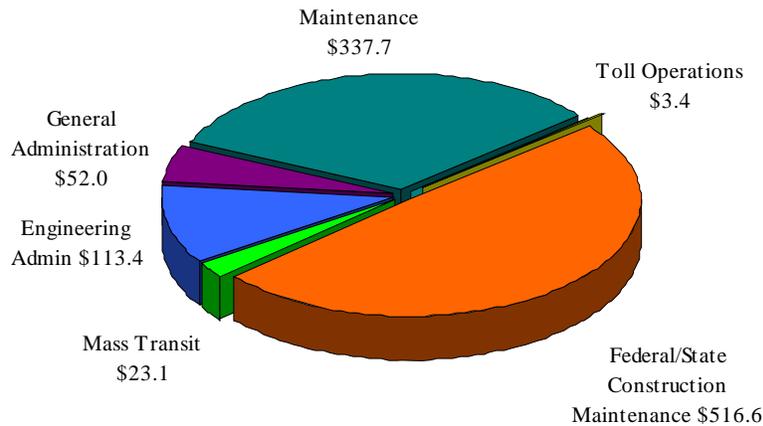
There is also a Commission consisting of seven commissioners. The function of the Commission is to set policy for the agency. One Commissioner is an at-large member appointed by the Governor, and the six other members are elected by the legislative delegations from the six congressional districts across the state. The Commission body elects its own Chairman.

State Funding

The primary source of funding for SCDOT is the state motor fuel user fee. The state motor fuel user fee accounts for approximately 80 percent of the state's funding sources available to SCDOT. The motor fuel user fee is primarily used to fund maintenance, general administration, mass transit, and to match federal-aid highway funds.

The figure below represents the FY 2009/2010 budget for SCDOT.

FY 09/10 Appropriation Budget - \$1,046.2B **



**In addition, SCDOT also received funds from the American Recovery and Reinvestment Act (ARRA) which are not reflected on the pie chart above. For FY 09/10, SCDOT budgeted \$275M in ARRA dollars for highways and bridges, and \$10M for transit. This source of funding is not recurring and can only be used on federal aid-eligible roads which comprise only half of our state system.

Statewide Multimodal Transportation Plan

The agency maintains a comprehensive 20-year long-range plan that defines the goals and objectives for providing a safe and efficient multimodal transportation system. The plan defines transportation trends, deficiencies, and funding needs through the year 2030. The plan is comprised of several elements, including the Interstate Plan, Strategic Highway Safety Plan, State Public Transit and Coordination Plans, Strategic Corridors Plan, Rail Right-of-Way Inventory, Metropolitan Planning Organization (MPO) and Council of Government (COG) long-range plans, and an overall executive summary. The Statewide Multimodal Plan is updated every five years to reflect the latest conditions affecting transportation in South Carolina.

Key Customers

SCDOT collaborates with a number of key private sector partners to maximize efficiency and effectiveness. The Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) are also considered as partners and as customers. Other key customers of SCDOT are the motoring public traveling in South Carolina and those citizens who use public transportation. SCDOT maintains contact with its customers by frequent interactions in public meetings, timely responses to correspondence, and personal interaction by the Commission and SCDOT employees.

Key Suppliers

When viewed from an economic perspective, SCDOT is among the largest businesses in South Carolina. There are approximately 17,000 suppliers in SCDOT's Automated Procurement System that provide goods and services to the agency, and approximately 77 key suppliers.

Major Products and Services

The major products and services of SCDOT are building and maintaining roads and bridges and administering mass transit services for the citizens of South Carolina. Others include:

- Statewide Intermodal Planning
- Beautification of roadsides
- Operating and maintaining rest areas on the interstates
- Work Zone Safety Program
- Outdoor Advertising Permits Program
- Pedestrian and bicycle accommodations
- Providing staff and managing design and construction of South Carolina Transportation Infrastructure Bank projects
- Research and development of construction methods and materials
- Incident Response Teams (Blue Trucks)
- Assisting counties which have local option sales for tax for highway programs
- Providing toll-free “hotline” to take citizens’ calls during widespread weather-related emergencies
- Assisting Governor’s Safety Council and Emergency Management Division with emergency situations and planning
- Encroachment Permits
- Safe Routes to School
- Scenic Byways
- Strategic Highway Safety Plan in partnership with Department of Public Safety
- SCDOT response to citizens on individual transportation concerns
- Management of C-funds for 27 counties
- Environmental Stewardship as a Municipal Separate Storm Sewer System Permit Participant
- Oversize Overweight Permits
- Virtual Transit Enterprise
- Vehicle Acquisition Program (Mass Transit)

Section III – ELEMENTS OF MALCOLM BALDRIGE

CATEGORY 1: SENIOR LEADERSHIP, GOVERNANCE AND SOCIAL RESPONSIBILITY

1.1 How do senior leaders set, deploy, and ensure two-way communication for: a) short and long term direction and organizational priorities, b) performance expectations, c) organizational values, d) empowerment and innovation, e) organizational and employee learning, and f) ethical behavior?

Short and Long-Term Direction

The Deputy Secretaries, under direction of the Secretary of Transportation, communicate with senior staff to review and renew the goals and objectives in the agency’s Strategic Plan. Both short and long-term goals are identified in the Plan.

Performance Expectations

The Deputy Secretaries review data that contain essential information related to SCDOT's priorities and performance as outlined in the SCDOT Strategic Plan. Each objective that supports a goal in SCDOT's Strategic Plan has a performance measure. Employee performance is tied to a business plan based on SCDOT's vision, values, and goals as outlined in the Strategic Plan. Examples of measures include:

- Reducing lost workdays
- Managing secondary road system
- Reversing the upward trend in deficient bridge decks
- Developing and implementing a Strategic Highway Safety Plan
- Reducing crashes in congested areas
- Success of the Incident Response Program
- Upgrading traffic control devices
- Improved use of human resources

Organizational Employment and Learning

SCDOT is committed to developing competent leaders within the agency. SCDOT has developed and pursued continuous developmental programs for those presently charged with leading and managing. See "Category 5: Workforce Focus" for more information on SCDOT's employment practices and programs.

Checks and Balances

SCDOT is accountable to the taxpayers of South Carolina and many other entities including:

- The Governor
- SCDOT Commission
- The General Assembly
- The Comptroller General and Treasurer
- The Federal Highway Administration (FHWA)
- The Federal Transit Administration (FTA)
- The Federal Rail Administration (FRA)
- The United States Department of Transportation Inspector General and General Accounting Office

Public accountability is achieved through the above-referenced oversight and through the publication of various reports, including:

- SCDOT Annual Accountability Report
- Annual Financial Audit
- Internal Audit
- Materials Management Office Procurement Audit
- Reports to the State Comptroller General's Transparency Task Force

Recognition, Empowerment and Innovation

During May 2010, Governor Mark Sanford proclaimed South Carolina State Employee Recognition Day and, in conjunction with this proclamation, an Employee Recognition Celebration was conducted by individual offices to celebrate the contributions of SCDOT employees.

Ethical Behavior

Act 114 of 2007 requires SCDOT Commissioners, along with the Secretary of Transportation, the Chief Auditor and senior staff to take two hours of training every two years concerning ethics and the Administrative Procedures Act. This requirement was completed within one year of the law being enacted. All other employees received two hours of ethics training during FY 2009 and 2010 as required by Act 114. Additionally, focus groups were conducted by the Office of Chief Internal Auditor to identify potential risks resulting in fraud, waste, and abuse. A Fraud Reporting Hotline was developed and a post office box has been set up for the anonymous reporting of alleged fraudulent behavior.

1.2 How do senior leaders establish and promote a focus on customers and other stakeholders?

Senior leaders of SCDOT focus on the customer by including public input in the majority of SCDOT services. The public has many opportunities to actively participate in the planning and developing of highway projects. In addition, SCDOT leadership tracks correspondence and inquiries by using a Correspondence Tracking System, which allows management to track timeliness of responses.

A key business requirement is quality customer service. The actions in this business requirement are discussed in depth in “Category 3: Customer Focus” of this report. SCDOT has incorporated customer service as a strategic goal. Customer service is a key to operations and is woven into agency business plans.

1.3 How does the organization address the current and potential impact on the public of its products, programs, services, facilities and operations, including associated risks?

SCDOT uses a multitude of forums to determine and address highway and public transit issues that affect the public in South Carolina. The SCDOT Commission holds monthly meetings that are open to the public. SCDOT updates the State Transportation Improvement Plan (STIP) as needed with input from the Councils of Government (COG) and the Metropolitan Planning Organizations (MPO).

Public involvement is a key in our planning and development of projects. Major projects usually begin with a local partnership established. Public involvement is encouraged at all levels of a project, through public hearings, newspaper editorials or announcements. After the enactment of Act 114 of 2007, a Public Hearing Officer was designated to ensure feedback from the public.

1.4 How do senior leaders maintain fiscal, legal, and regulatory accountability?

State law governs SCDOT’s operations, and Title 23 of the United States Code of Laws governs the use of federal funds. SCDOT has incorporated in its culture a strong value system emphasizing transparency and accountability in all of its actions. There are periodic budget reviews and a strong internal and external audit process. The Office of State Auditor conducts an annual financial audit of the agency. The Office of Chief Internal Auditor has been established that reports directly to the SCDOT Commission. Additionally, SCDOT places all expenditures on the South Carolina Government Transparency Website in accordance with Executive Order 2007-14.

1.5 What key performance measures are regularly reviewed by your senior leaders?

There are key performance measures assigned to each goal in the Strategic Plan. Senior leadership reviews them on a quarterly basis. The measures and results are contained in “Category 7: Business

Results” of this report. Also, key engineering dashboard measures are posted on the SCDOT web site at <http://www.scdot.org/inside/dashboard.shtml>.

1.6 How do senior leaders use organizational performance review findings and employee feedback to improve their own leadership effectiveness and the effectiveness of management throughout the organization? How do their personal actions reflect a commitment to the organizational values?

Frequent meetings are held with employees and there is an open door policy throughout the agency to gain feedback.

1.7 How do senior leaders promote and personally participate in succession planning and the development of future organizational leaders?

SCDOT has developed and implemented continuous developmental programs for those presently charged with leading and managing. SCDOT offers a dynamic two-day course – “Essence of Leadership” to take the place of previous leadership training. All managers and supervisors are required to take leadership training. Professional certification is encouraged in all fields.

1.8 How do senior leaders create an environment for performance improvement, accomplishment of strategic objectives, and innovation?

Addressed in Section 1.10

1.9 How does senior leadership actively support and strengthen communities in which your organization operates? Include how senior leaders and employees contribute to improving these communities?

SCDOT is actively involved in strengthening the communities in which the agency’s people work and live, and the agency is committed to being a good corporate citizen. Governor Mark Sanford proclaimed May 11-17, 2010 as Transportation Week in South Carolina. This provides an opportunity for transportation communities across the nation to join together for greater awareness about the importance of transportation and to focus on making youth aware of transportation-related careers.

To be good corporate citizens, SCDOT employees participate in numerous volunteer programs and activities throughout the year such as:

- “Adopt-a-DOT Family”
- American Heart Walk
- United Way
- Community Health Charities
- Engineering in Schools
- Limited English Proficiency Program – A program developed to identify fluent bilingual employees (26) who assist customers doing business with the agency
- Lunch Buddies Program – A voluntary mentoring program for underprivileged children conducted by SCDOT employees
- March of Dimes – Walk America Fundraiser
- Construction Career Day (partnering with area high schools)
- Harvest Hope Food Bank
- Partnership with Felton Laboratory School to expose youth to transportation opportunities
- Career Fairs

- Encouraging employees to volunteer their time in conjunction with the compressed workweek
- Walk to School Day

1.10 How do senior leaders take an active role in reward and recognition processes to reinforce high performance throughout the organization?

SCDOT employees are rewarded for their creativity and innovative ideas. SCDOT rewards innovation with two types of recognition: the Thank-You Card and the R.I.G.H.T. Award. The Thank-You Card is given by employees to fellow employees as a means of showing appreciation for helping one another. The R.I.G.H.T. Award enables employees in leadership positions to recognize employees by showing appreciation for an employee who performs above and beyond his/her normal duties and responsibilities. Recipients are able to choose rewards from a list of merchandise. In FY 2009-2010, 332 employees received the R.I.G.H.T. Award.

In May 2010, in honor of National Public Employees Recognition Week, the Secretary of Transportation and the Commission sent letters to all employees thanking them for their efforts and contributions throughout the year.

CATEGORY 2: STRATEGIC PLANNING

2.1 What is your strategic planning process, including key participants, key process steps and how does it address: your organization's strengths, weaknesses, opportunities and threats; financial, regulatory, societal and other potential risks; shifts in technology or the regulatory environment; human resource capabilities and needs; the opportunities and barriers you described in the Executive Summary, business continuity in emergencies; your ability to exercise the strategic plan?

SCDOT Commissioners and the Secretary of Transportation recognize the importance of planning and have accepted the responsibility to support and drive the Strategic Plan. Senior staff is charged with the development and deployment of the Strategic Plan, which is the foundational document that guides daily and long-term operations. SCDOT has six areas of focus: (1) Safety; (2) System Preservation; (3) Customer Service; (4) Resources; (5) Workforce, and (6) Mobility. The Strategic Plan is a statewide plan and involves all of SCDOT's employees. The goals of the Strategic Plan are accomplished through the business plans for each functional area.

2.2 How do you develop and track action plans that address your key strategic objectives, and how do you allocate resources to ensure the accomplishment of these plans?

All strategic objectives are championed by a member of senior staff and their appropriate staff and reviewed quarterly by senior staff.

2.3 How do you communicate and deploy your strategic objectives, action plans and related performance objectives?

A meeting is conducted for the primary purpose of updating the Strategic Plan, including its supporting objectives and performance measures. This information is communicated to all levels of the agency. Appropriate business plans to support the Strategic Plan are developed by each major organizational unit.

2.4. How do you measure progress on your plans?

Quarterly updates regarding progress on performance measures are made available to all managers. Progress is tracked using the Employee Performance Management System.

2.5. How do your strategic objectives address the strategic challenges you identified in your Organizational Profile?

Strategic objectives identified in the Strategic Plan focus on the agency's challenges.

2.6. How do you evaluate and improve your strategic planning process?

The agency holds periodic meetings to evaluate progress and its relationship to evolving issues. We use feedback from SCDOT customers, stakeholders, and employees to improve the process.

2.7 If the agency's strategic plan is available to the public through the agency's internet homepage, please provide an address for that plan on the website.

http://www.scdot.org/inside/strategic_plan10.shtml

CATEGORY 3: CUSTOMER FOCUS

3.1. How do you determine who your key customers are and what their key requirements are?

SCDOT determines its customers and their requirements by interacting with elected representatives and governmental agencies at the state, county, and municipal levels. SCDOT holds public forums and performs specific surveys of different stakeholders. SCDOT also meets with chambers of commerce and civic organizations when invited.

3.2. How do you keep your listening and learning methods current with changing customer/business needs and expectations?

SCDOT is actively involved in a myriad of professional associations and is active in the university community. Some of the organizations include the American Association of State Highway and Transportation Officials, the Transportation Research Board, the Transportation Association of South Carolina, Transportation Curriculum Coordination Council, Community Transportation Association of America, American Public Transportation Association, and the American Society for Civil Engineers.

SCDOT is involved in the local community and its employees are members of community and support organizations. SCDOT has made presentations to the Associated General Contractors of America, the American Planning Association, and the South Carolina Alliance to Fix Our Roads. Regular meetings are held with the assistance of the Associated General Contractors, American Council of Engineering Companies, the Asphalt Association, the Concrete Association, and the Trucking Association to discuss issues regarding their respective industries. Public (customer) input is received during the planning and development stages of highway projects, and is considered when making design changes.

3.3. How do you use information from customers/stakeholders to keep services or programs relevant and provide for continuous improvement?

SCDOT surveys customers of the Cross Island Parkway Toll Facility, Incident Response Teams, Rest Areas, citizens requesting road maintenance, and property owners during right-of-way acquisitions. The Director of Maintenance Office tracks the time it takes to process work requests.

Based on the data collected, SCDOT is able to evaluate resourcing and process management. SCDOT's Incident Response Teams provide assistance to thousands of motorists annually. All motorists receiving assistance are surveyed and suggestions are incorporated to improve services. The district engineering staff reviews the data in order to make improvements as necessary to the program. SCDOT tracks all correspondence received to ensure a timely response and resolution to issues of concern.

The Oversize/Overweight Permit Office surveyed its primary customers regarding the permitting process and is revamping an automated routing of permits. The Rights of Way Office distributes surveys to landowners when property is acquired as to their experience with SCDOT. Additionally, the Director of Maintenance Office surveys its customers by mail after the work is completed. SCDOT conducted a Landowner Opinion Survey that had a response rate of return of thirty percent.

3.4. How do you measure customer/stakeholder satisfaction and dissatisfaction, and use this information to improve?

SCDOT measures customer and stakeholder satisfaction from the surveys obtained from selected programs as outlined above. SCDOT also receives numerous comments from the public via its website comment line.

Customer Service Training

Upon joining SCDOT, all new employees are required to take Quality Customer Service training. This program was initiated in January 2000 in conjunction with Midlands Technical College, but is currently offered internally within the Agency. In FY 2010, 348 employees received the training, for a total of 8,473 since the program's inception. An additional 179 employees were trained in the customer service refresher course this fiscal year.



Establishment of Benchmarks

Benchmarks have been established for completing work identified through maintenance work requests. The measure is to complete 99 percent of routine work orders within 60 days. Requests of a critical nature are normally handled within 24 hours of their receipt. In FY 2010, there were 63,708 work orders across the state.

Tracking System for Customer Inquiries/Complaints

Tracking systems have been established at the state and district levels to track customer requests, with more than 70,000 requests being tracked annually.

3.5 How do you build positive relationships with customers and stakeholders to meet or exceed their expectations? Indicate any key distinctions between customer groups.

SCDOT invites the public to information meetings on all major highway projects. Program managers are present to answer questions regarding the project. SCDOT also works with community stakeholders to preserve and enhance the human and natural environment. The agency's new public hearing process has been instrumental in ensuring public input from both a formal and informal standpoint. The Secretary of Transportation has encouraged strong communication with communities in project areas to ensure that environmental, sociological, and aesthetic values are taken into consideration in planning, while at the same time improving road quality and safety. The Secretary of Transportation has met personally with elected officials and environmental advocates when necessary to understand their concerns conveyed on behalf of their constituencies as they relate to transportation projects.

SCDOT Incident Response Program

One of the more visible customer-focused programs of SCDOT has been the Incident Response Program, which operates in nine heavily congested areas of the state to combat non-recurring congestion. This program uses specially equipped blue trucks with SCDOT's logo. Incident Response vehicles are equipped with arrow-boards, cones, tow ropes, and fire extinguishers. The responders are trained to utilize this equipment to provide initial first response activities at incident scenes, including hazardous material identification, and provide traffic control at the scene for the protection of the emergency responders as well as provide direction to the motorists negotiating the scene. Also, the vehicles are equipped with fuel, water, and tools to enable quick repairs for disabled motor vehicles. These incident response activities were established to remove incident or disabled motor vehicles off the roadway as quickly as possible to reduce the impact of these incidents on traffic flow. The Incident Responders have contact with the Highway Patrol and other emergency responders across the state.

Integrated Transportation Management System

In 2003, SCDOT began developing a work plan for an Integrated Transportation Management System (ITMS) and continues to add new features based upon user needs. These enhancements include the ability to correspond Global Positioning System coordinates to a county, route, and mile point. SCDOT continues to deploy Intelligent Transportation Systems (ITS) across the state. These systems include the latest transportation technologies, such as closed circuit television cameras, highway advisory radios, changeable message signs, local Traffic Control Centers and a central Traffic Management Center. There are now 350 cameras in operation. SCDOT also provides live camera feeds to the Governor's Office, the South Carolina Emergency Management Division, the Department of Public Safety and Horry County Emergency Operation Center. Along with the cameras, SCDOT utilizes over 288 side-fire microwave speed detectors, 149 automatic traffic recorders, 57 overhead changeable message signs and 26 highway advisory radios. These devices are used to aid daily traffic operations, as well as coastal evacuations. Also, many of these tools support the State Law Enforcement Division for AMBER (America's Missing: Broadcast Emergency Response) Alerts, fugitive alerts, and SCDPS safety campaigns. During FY 2010, SCDOT participated in two AMBER Alerts and seven safety campaigns.

Hurricane Evacuation Preparations

South Carolina's coast is quite vulnerable to a strike by a significant hurricane. Provisions must be made to evacuate residents and visitors on the coast in a safe and expedient manner when a hurricane threatens. SCDOT, in partnership with the South Carolina Emergency Management Division and the South Carolina Department of Public Safety, plays an important role in the safe evacuation of citizens from the coast. The use and integration of Intelligent Transportation Systems (ITS), for support of the emergency traffic functions during a hurricane evacuation, has helped affected agencies more strategically plan for a evacuation event. Detailed functional and table top exercises are conducted throughout the year, with SCDOT as a major participant to train personnel for duty in an actual evacuation.

CATEGORY 4: MEASUREMENT ANALYSIS AND KNOWLEDGE MANAGEMENT

4.1. How do you decide which operations, processes and systems to measure for tracking financial and operational performance, including progress relative to strategic objectives and action plans?

During SCDOT's strategic planning development process, the agency developed a set of key measures as indicators of how well it is achieving the agreed upon objectives. Each objective has a measure and progress is reported quarterly to the Strategic Planning Coordinator, the Secretary of Transportation, and the Deputy Secretaries.

4.2. How do you use data/information analysis to provide effective support for decision making throughout your organization?

The Secretary of Transportation identifies issues of concern and requests periodic briefings and updates.

4.3. What are your key measures, how do you review them, and how do you keep them current with organization needs and direction?

The key measures are located in Category 7 of this report. They are reviewed quarterly and are modified and updated as needed.

4.4. How do you select and use key comparative data and information to support operational and strategic decision making and innovation?

SCDOT uses comparative data from other transportation agencies across the nation, as well as information provided by professional organizations such as American Association of State Highway and Transportation Officials (AASHTO) and the Transportation Research Board. Providing the public, business partners, and employees with access to timely information is an essential part of providing first-class service. SCDOT continues to implement information technology solutions "just in time" to match the demands of a technology driven workforce. SCDOT has a number of automated systems that allow it to select data to review for timely decision-making.

4.5 How do you select comparative data and information?

See 4.4

4.6 How do you translate organizational performance review findings into priorities for continuous improvement?

Performance review findings indicate strengths and opportunities for improvement. These opportunities may require a shifting of resources or a need for training and corrective action. One

example is the Office of Contract Assurance (OCA) which performs independent pre-award, final, and interim audits and reviews of entities receiving state and federal funds from the SCDOT via contract or grant award. Such third party recipients include consultants, municipalities, railroads, utilities, and public transit providers. OCA also performs audits of engineering consultants' proposed indirect cost (overhead) rates. OCA audits are designed to ensure funds expended through third party agreements are used efficiently, effectively, and in compliance with the contract as well as applicable state and federal laws and regulations. Audits are performed in accordance with Generally Accepted Government Auditing Standards.

4.7. How do you collect, transfer, and maintain organizational and employee knowledge? How do you identify and share and implement best practices?

A workforce development project continues to ensure that people are prepared to accomplish their respective duties and be compensated based on their assigned tasks. SCDOT compares processes used by other transportation departments to develop a "best practices" model.

Video Conferencing

SCDOT has developed an in-house video conferencing network with equipment located at headquarters and each of the district engineering offices. The use of this media has resulted in reduced travel time and costs.

The Connector

An employee newspaper, "*The Connector*," is published quarterly and distributed to all employees, retirees, and others upon request with items of interest about SCDOT events.

CATEGORY 5: WORKFORCE FOCUS

5.1 How does management organize and measure work to enable your workforce to: 1) develop to their full potential, aligned with the organization's objectives, strategies, and action plans; and 2) promote cooperation, initiative, empowerment, teamwork, innovation, and your organizational culture?

SCDOT is committed to developing and maintaining programs that foster individual growth for employees, target internal staff for advancement, and aid in creating a diverse workforce. Currently, SCDOT has reached 93.4% of its EEO/Affirmative Action goal attainment, which reflects an increase from the prior fiscal year. The agency is ranked #3 in percentage of goal attainment for large state agencies (with more than 1000 employees) and our overall ranking is #13 out of 91 state agencies. Our overall ranking has markedly improved by 11 spots since last fiscal year.

Maintaining a quality workforce of existing and future employees has been identified as a key component of the agency's Strategic Plan. Consequently, our workforce planning activities have focused on the development and implementation of occupational career paths. Through this initiative, the agency will be able to significantly enhance the workforce's ability to successfully achieve SCDOT's mission, goals and objectives. Employees will acquire an increased understanding of their potential for professional development and upward mobility, with the end result being a more stable and customer-focused workforce.

5.2 How do you achieve effective communication and knowledge/skill/best practice sharing across departments, jobs and locations? Give examples.

Frequent meetings are held with the District Engineering Administrators and the Engineering Division Directors to discuss relevant issues and concerns. Monthly safety meetings are also held with employees in the seven engineering districts within the agency. In addition, the Human Resources Director meets with District HR Coordinators and Headquarters HR Liaisons to discuss relevant topics such as changes in policy and processes, new HR legislation, and other pertinent human resources issues. SCDOT also has informal mentoring and cross-training programs to ensure the transfer of employee knowledge.

5.3 How does management recruit, hire, place and retain new employees? Describe any barriers that you may encounter.

SCDOT management recognizes the need to recruit, develop, and maintain a capable and talented labor force. In an effort to enhance our ability to compete within the marketplace, a Career Path Program was implemented in May 2006, with career path advancement opportunities beginning in July 2007. This initiative, viewed as one of the most comprehensive of its kind among state agencies, established career paths and identified professional development needs for 99% of the agency's classifications. This will facilitate the agency's ability to recruit and retain a qualified workforce to meet its mission. The agency further believes that employees will take increased ownership of their professional development and ultimately their upward career progression. In FY 2009-2010, 330 employees were advanced within their respective career paths, and since inception of the program, there have been a total of 1,648 such advancements. Due to budgetary concerns, SCDOT has temporarily frozen career path advancements.

The Career Path Program remains a work-in-progress. Two major areas of focus are communication and infrastructure. To improve communication, the agency's New Employee Orientation Program has been retooled to include expanded coverage of the Career Path Program. We have also developed a new career path informational brochure for use in recruitment activities and have distributed it to all current employees. With respect to infrastructure, we have implemented a systematic approach to reevaluating occupational career paths to ensure they effectively address the functional mission, goals and objectives of the organization.

The agency also developed a recruitment video and companion brochure that will showcase us as an employer of choice and assist with our recruitment efforts. All of these initiatives support the agency's Strategic Plan goal of maintaining a quality workforce of existing and future employees.

5.4 How do you assess your workforce capability and capacity needs, including skills, competencies and staffing levels?

In conjunction with the Employee Performance Management System review, SCDOT supervisors meet with their employees annually to identify at least three (3) professional development activities to be successfully completed during the upcoming year. This assists the employee in strengthening competencies and obtaining relevant skills in preparation for advancement within his/her respective career path.

5.5 How does your workforce performance management system, including feedback to and from individual members of the workforce, support high performance work and contribute to the achievement of your action plans?

The Employee Performance Management System (EPMS) helps bring focus to the agency's mission, strategic goals and values. Performance evaluations and ongoing input and feedback between staff and supervisors allow SCDOT to continuously focus on meeting the needs of customers and fulfilling the agency's mission.

The Human Resources Office has collaborated with the Information Technology office to continue improvements to the computerized program, HR Suite, which houses electronic versions of all position descriptions within the agency. These improvements to HR Suite have positively affected EPMS preparation since the job description serves as a foundation for EPMS.

We continue to receive positive feedback on the agency's Universal Review policy from our employees and supervisors. We also have maintained our timely processing of evaluations. In FY 2009-2010, the agency's "Successful By Default" rate was only 0.55%.

5.6 How does your development and learning system for leaders address the following:

- **Development of personal leadership attributes;**
- **Development of organizational knowledge;**
- **Ethical practices;**
- **Your core competencies, strategic challenges, and accomplishment of action plans?**

SCDOT offers a dynamic two-day course – "Essence of Leadership." All managers and supervisors are required to take leadership training, and in FY 2009-2010, 186 were trained. SCDOT also requires all employees to receive two hours of ethics training. More information on this requirement can be found in Section 1.1.

5.7 How do you identify and address key developmental training needs for your workforce, including job skills training, performance excellence training, diversity training, management/leadership development, new employee orientation, and safety training?

The leadership of SCDOT is committed to furnishing employees with the resources they need to do their jobs and to accomplish the mission of the agency. Personal and professional growth for SCDOT employees helps build skilled workers and directly supports employees as they advance.

The agency has implemented cost-savings measures in the area of training, including on-the-job training, on-line training, and decreasing training consulting costs by enhancing professional development opportunities within the agency.

As part of workforce planning for SCDOT's future staffing requirements, opportunities are available for selected staff to participate in the following programs:

- Essence of Leadership
- Resident Engineer Academy
- Associate Public Manager Program (APM)
- Certified Public Manager Program (CPM)
- Public Professional Development Program (PPD)
- Human Resources Professional Development Program (HRPD)
- Fundamentals of HR Management

During this fiscal year, 131 supervisors and managers were trained in Fundamentals of HR Management.

In addition, SCDOT requires its employees to attend Prevention of Workplace Violence training and Prevention of Sexual Harassment training. In FY 2009-2010, 200 employees were trained in Prevention of Workplace Violence, with 5,725 trained since inception. 295 employees were trained in Prevention of Sexual Harassment this fiscal year, 5,555 since inception.

New employees at SCDOT begin their employment with a one-day orientation program. During this orientation, they meet the leadership of the agency and learn about the agency's mission and values. Safety is a module within new employee orientations conducted in each of the agency's districts.

5.8 How do you encourage on-the-job use of new knowledge and skills?

All of the agency's positions require specific knowledge, skills, and abilities to perform the essential and marginal functions of the job. Prior to advancing to the next level of one's career path, the employee must demonstrate proficiency in the knowledge, skills, and abilities of the next level to which he/she is progressing.

5.9 How does employee training contribute to the achievement of your action plans?

The agency's Strategic Plan requires that the agency have a qualified, well-trained workforce. The agency also requires completion of three (3) professional development activities during the review period for each employee.

5.10 How do you evaluate the effectiveness of your workforce and leader training and development systems?

The agency maintains a database of training opportunities for all employees. Each position is evaluated to determine the training necessary to perform each function. An ongoing review of these requirements ensures employees are appropriately trained to meet the needs of the agency. The HR Development unit continuously reviews training programs for cost-effectiveness and content. Training is an important component of the agency's career paths, and career path advancements are reviewed to ensure training needs are met and that employees receive appropriate developmental opportunities. SCDOT has implemented training delivery methods such as videoconferencing in order to reduce travel time and expense, and has also purchased e-learning authoring tools which have enabled us to provide over thirty-five (35) e-learning modules. In addition, training evaluations are distributed at the end of training classes for participants to evaluate the training they received.

5.11 How do you motivate your workforce to develop and utilize their full potential?

SCDOT motivates its workforce by offering numerous courses and programs geared towards developing the career goals of its employees. In April 2010, SCDOT began offering an Engineering Orientation Program (EOP) for new engineers. The program will take twelve (12) to twenty-four (24) months to complete, and fifteen (15) engineers will begin the program each quarter. The EOP gives engineering trainees an understanding of the department's overall operations and organizational structure, provides opportunities to develop working relationships with engineers from other functional areas of the department, and provides training in basic management and SCDOT-specific engineering skills. The agency also offers financial assistance through the Adult Education Program. This program is designed to assist employees in meeting personal and

professional educational goals. The Adult Education Program provides instruction in basic literacy, primary and secondary academic skills, preparation for the General Educational Development (GED) test, and English as a second language. High school completion may be achieved through obtaining the appropriate credits for a high school diploma or successfully completing the five GED subject area tests.

5.12 What formal and/or informal assessment methods and measures do you use to obtain information on workforce well-being, satisfaction, and motivation? How do you use other measures such as employee retention and grievances? How do you use this information?

The following data shows the number of grievances filed in SCDOT for FY 2009-2010:

<u>Total # of Grievances Filed:</u>	21
Denied Based Upon Internal Timeframes:	1
Denied Based Upon Non-covered Employee:	1
Denied Based Upon Non-Grievable Action:	2
<u>Total # of Grievances Heard Internally:</u>	17
Upheld:	13
Modified:	2
Pending:	2
<u>Total # of Grievances Pursued to State Level:</u>	7
Denied Based Upon Timeframes:	1
Denied Based Upon Non-covered Employee:	1
Mediated:	5

Another gauge of employee well-being and satisfaction is captured through department-specific employee satisfaction surveys that are facilitated by the Headquarters Human Resources Office. During the fiscal year, three such surveys were conducted.

5.13 How do you manage effective career progression and effective succession planning for your entire workforce throughout the organization?

With Teacher and Employee Retention Incentive (TERI) and potential early and full retirements, 1,566 employees are eligible to retire within the next five years. This represents 31.7% of the total workforce. SCDOT is making positive strides in the area of workforce planning to address the gaps resulting from these potential retirements.

Upon request, workforce planning reports are provided to management to use as a planning tool in anticipation of pending retirements. While these reports highlight positions held by TERI participants and those eligible for early and full retirement, special interest is given to positions filled by TERI employees, since their date of termination from the agency is established. Currently, there are 152 employees participating in the TERI program.

SCDOT places great emphasis on the responsibility of developing competent leaders within the agency. SCDOT has developed and pursued continuous developmental programs for those presently charged with leading and managing.

5.14 How do you maintain a safe, secure, and healthy work environment? (Include your workplace preparedness for emergencies and disasters.)

The health, security, and safety of employees are very important to the agency. SCDOT has a Health and Wellness Program that is co-managed by the agency's nurse and the benefits coordinators. Most work locations also have a volunteer wellness coordinator. SCDOT held four blood drives, collecting 147 units of blood, in FY 2009-2010. SCDOT participates in the South Carolina Budget and Control Board-sponsored Prevention Partners Wellness Walk, and accounted for 21% of the total participation this year.

SCDOT requires all new employees to take Prevention of Workplace Violence training, and has a Workplace Violence Policy that all employees must follow.

Additional information on SCDOT's work environment, including information about workplace preparedness for emergencies and disasters is detailed in "Category 6: Process Management."

CATEGORY 6: PROCESS MANAGEMENT

6.1. How do you determine, and what are your key processes that produce, create, or add value for your customers and your organization? How do ensure these processes are used?

SCDOT is bound by the rules and standards of the Occupational Safety and Health Administration (OSHA) to prevent work-related injuries, illnesses and deaths by issuing and enforcing rules for workplace safety and health. SCDOT's goal is to reduce work related injuries, accidents, and illnesses and associated lost workdays by five percent per year.

Highway Safety

SCDOT's strategic plan identifies safety as a top priority. Goals within the plan include reducing South Carolina's highway fatalities by a total of 25 people per year and reducing total crashes within the state by 3% per year. SCDOT continues to lead the state's development and implementation of the South Carolina's Strategic Highway Safety Plan (SHSP). The SHSP, as required by federal law, strategically establishes statewide goals, objectives, and key emphasis areas developed in consultation with federal, state, local, and private sector safety stakeholders.

SCDOT has installed 476 miles of cable barrier on interstate and controlled access corridors since the inception of the program in 2001. The use of cable barriers has resulted in a very significant reduction of crossover collisions on South Carolina's Interstate Corridors. Repair costs recovered from drivers who strike the cables have increased each year since installation. This benefit to the state is a result of aggressive claims management by SCDOT, in cooperation with law enforcement.

Occupational Safety

The Department's Occupational Safety and Health Office promotes safe and healthy work operations, reviews accident causations, develops countermeasures, and briefs management on recommended strategies for improvement. Team members work with the Department's Occupational Nurse to sponsor an annual preventative health risk screening for all employees. Team members also review each organizational unit's loss control records to identify deficiencies and to promote outstanding safety achievement.

Pre-Construction

During FY2010, SCDOT continued to utilize funding provided under the American Recovery Reinvestment Act (ARRA). SCDOT Planners, Pre-Construction engineers and finance staff developed recommendations for “shovel ready” projects for review and approval by the Commission and the Secretary of Transportation. SCDOT is responsible for administering all federal transportation funds.

In accordance with the Code of Federal Regulations, 23CFR 1.11 and 635.105, SCDOT may delegate administration and management of certain federal-aid projects to a Local Public Agency (LPA); however, this delegation does not relieve SCDOT of its responsibility of administering those funds.

To improve the oversight of all LPA managed projects, SCDOT has set up an independent office dedicated to reviewing and approving the administration and management of these projects. The responsibilities of the Local Public Agency Administrator include qualified determination of an LPA’s ability to manage a project, recommending contract provisions for the LPA participation agreement, organizing appropriate SCDOT staff during various phases of an LPA managed project, maintaining official SCDOT project files of all project documents, verifying qualified invoices, recommendations for payment, and monitoring the project closure process of a project or phase of project. An external website on the internet is activated as a part of doing business with SCDOT with similar information. New procedures for local public agency project administration have been approved and are being implemented throughout the state. Before a town, city, or county can administer and manage a project using state or federal funds, they must be deemed to be “adequately staffed and suitably equipped” to undertake and satisfactorily complete the work. Otherwise, SCDOT will manage the project for these governmental entities.

Construction

During the fiscal year 2009-2010, 256 road and bridge projects totaling \$563.59 million were completed by the Department. This included 18 federal/state bridge projects for 7.68 miles totaling \$95.12 million; 19 state secondary projects (“C” projects) for 85.3 miles totaling \$11.86 million; 18 special-match projects for 49.5 miles totaling \$9.17 million; 7 interstate projects for 51.1 miles totaling \$180.11 million; 51 primary/urban projects for 318.2 miles totaling \$150.31 million; 92 maintenance projects (chip seal, crack seal, full depth patching, resurfacing, shoulder paving, concrete repair, etc.) for 7,822.2 miles totaling \$84.87 million; and 51 other projects (pavement marking, guardrail, intersection improvements, CRISOS projects, landscaping, resigning, etc.) for 7,066.4 miles totaling \$32.15 million.

Notable Projects Completed

- I-520 and US 25: 6.5 miles of new interstate and interchange improvements in Aiken County in the amount of \$152.5 M by United Infrastructure Group
- North Myrtle Beach Connector: 4.9 miles and a bridge over the Intercoastal Waterway in Horry County in the amount of \$34.8 M by Cape Romain Contractors, Inc.
- SC 703: Ben Sawyer Bridge: 0.35 miles of road and bridge work in Charleston County in the amount of \$31.47 M by PCL Civil Constructors
- Fantasy Harbor Bridge: 0.34 miles of bridge work in Horry County in the amount of \$25.5 M by R.R. Dawson Bridge Co, LLC.

Other Accomplishments

During the past state fiscal year, the SCDOT has let and awarded 410 construction contracts totaling approximately \$845.3 million. This includes \$359 million in American Recovery and Reinvestment Act contracts, \$76 million in Design Build contracts, and the remainder in traditional contracts.

Value Engineering

Value Engineering is used both in the pre-construction and construction phases of projects. It is a prescribed methodology to analyze a project to identify its purpose and function and to determine whether the goals of the project are being accomplished in the most cost efficient manner. The value engineering study strives to achieve design excellence by improving quality, minimizing total ownership costs, reducing construction time, making the project easier to construct, ensuring safe operations, and ensuring environmental and ecological goals.

Road and Highway Maintenance and Preservation

SCDOT has the responsibility for maintaining one of the largest state maintained highway systems in the nation, and does so at the lowest funding per mile in the nation. SCDOT expends an average of \$8,281 per mile on maintenance, which is well below the national average of \$20,953 per mile. The maintenance budget for 2010 was \$337,700,000, a decrease of \$11,300,000 over the 2009 budget.

South Carolina's Highway System As Compared to Other States

**State Highway Systems by Mileage
2008**

STATE	Miles Maintained	Lane Miles	% of total state miles
Texas	80,067	193,188	26.1
North Carolina	79,466	170,084	75.6
Virginia	57,918	125,281	78.4
South Carolina	41,429	89,976	62.5
Pennsylvania	39,862	88,475	32.7
West Virginia	34,369	70,792	89.4
Missouri	33,677	75,656	26.0
Kentucky	27,574	61,499	35.0
Ohio	19,258	49,034	15.7
Georgia	17,997	47,498	14.8
Louisiana	16,685	38,501	27.3
Arkansas	16,430	37,119	16.5
Illinois	16,040	42,150	11.5
California	15,205	50,541	8.8
New York	14,969	38,142	13.1
Tennessee	13,881	36,521	15.1
Oklahoma	12,280	30,114	10.8
Florida	12,084	42,439	10.0
New Mexico	11,951	29,237	17.5
Minnesota	11,893	29,266	8.6
Wisconsin	11,770	29,481	10.2
Indiana 6/	11,215	28,458	11.7
Mississippi	10,973	27,743	14.7
Alabama	10,938	28,121	11.2
Montana	10,796	24,490	14.6
Kansas	10,369	23,988	7.4
Nebraska	9,959	22,487	10.6
Michigan	9,652	27,459	7.9
Colorado	9,101	22,948	10.3
Iowa	8,895	23,036	7.8
Maine	8,510	18,115	37.3
South Dakota	7,836	18,071	9.5
Oregon	7,538	18,264	12.7
North Dakota	7,384	16,986	8.5
Washington	7,042	18,443	8.4
Arizona	6,755	18,819	11.2
Wyoming	6,742	15,594	24.0
Utah	5,841	15,699	13.1
Alaska	5,650	11,699	36.9
Nevada	5,379	13,055	15.9
Delaware	5,329	11,693	84.8
Maryland	5,148	14,671	16.4
Idaho	4,958	12,137	10.4
New Hampshire	3,972	8,825	24.8
Connecticut	3,717	9,800	17.4
Massachusetts	2,834	8,659	7.8
Vermont	2,630	6,038	18.2
New Jersey	2,324	8,480	6.0
Dist. of Columbia	1,390	3,274	92.4
Rhode Island	1,108	2,923	17.3
Hawaii	945	2,477	21.7

Data Compiled
Through Dec. 2008

Source: Federal Highway Administration

Pavement Condition

The Office of Pavement Management collects pavement condition, Global Positioning System and digital image data on all three major road systems: interstates, primary routes (US and SC routes), and secondary routes. There are two very specific responsibilities: 1) to collect data only on travel lanes (excluding bridges); and 2) to provide a network view of the roads and highways in South Carolina.

Bridge Maintenance

SCDOT uses a Commission-adopted formula to prioritize bridge replacement projects. Other projects such as rehabilitations are prioritized using Bridge Management System processes combined with engineering judgment and due diligence. The Bridge Management System employed can also predict current and future bridge needs such as replacements, rehabilitations and repairs. Statewide bridge inspection continues to be a critical component of highway safety and the eligibility for federal-aid bridge program funds. SCDOT inspects approximately 5,600 bridges every year and contracts for underwater bridge inspections of approximately 50 to 60 bridges per year. Data collected from inspection, maintenance, and construction activities are an integral part of the Bridge Program. Detailed analyses of South Carolina's bridge needs are also very important as a measuring tool for progress. During FY 2010, the following activities related to bridge maintenance were conducted:

- Completed one steel bridge painting project
- Completed five major repair projects
- Completed four contract maintenance bridge replacements
- Completed two emergency projects
- Initiated two on-call fender system projects
- Initiated seven on-call bridge deck repair projects
- Completed a first-of-its-kind in South Carolina "asset management" project with the Ravenel Bridge and six bridges in Beaufort, Berkeley, and Charleston Counties (soon to be renewed)
- Continued a first-of-its-kind in South Carolina "bridge health monitoring" project on two bridges using the latest in sensor technology and will be expanding to other bridges
- Continued a project using state of the art technology to determine the foundation depths for bridges with unknown data
- Completed one underwater bridge inspection contract
- Initiated another underwater bridge inspection project

One of SCDOT's strategic planning goals is to reverse the upward trend in the deck area of structurally deficient bridges. SCDOT is attempting to reverse the trend by seeking additional funding. 31 structurally deficient bridges were replaced this fiscal year. The current funding level is \$119M and should begin to reverse the upward trend in the deck area of structurally deficient bridges. However, significant improvement will require both increased and sustained funding.

Quality Management of Maintenance Activities

The Maintenance Assessment Program (MAP) has been developed to help determine the level of service being provided on seven key elements of highway maintenance across the state. These elements are pavement condition, shoulders and ditches, roadside condition, drainage structures, pavement markings, signs, and guardrail. Objective criteria have been identified for each element. The quality maintenance team randomly selects two tenth-mile segments of roadway throughout the

state and measures the maintenance performance of the seven elements. Performance thresholds have been defined to identify levels of service for each element. The quality maintenance team is also collecting data on a statistically significant sample of segments throughout the state and is using this data on county inspections.

Mass Transit

The SCDOT Division of Mass Transit is the primary entity responsible for the coordination of public transportation services in the state, including the distribution of state and federal funds statewide and regional transit plans, developing and implementing transit programs to meet statewide objectives and local needs, and providing ongoing oversight and monitoring of local transit providers and grant programs. In addition, SCDOT provides funding for coordination of transit services and technical assistance to local transportation providers. In this role, it works closely with local transit providers to develop and fund demonstration projects and special services to enhance transit services in rural areas of the State.

Public transit services are provided by a variety of public providers across the state including urban transit systems, cities, councils on aging, and counties. Under the umbrella of public transit services, providers deliver transportation services that support general public needs, employment, tourism, and economic development. The types of services offered by local transit providers depend on size and population density of the area served, as well as geography. Some agencies provide fixed-route services that operate on a regular timed route, while others offer demand-response services that provide door-to-door transportation.

Major Accomplishments of the SCDOT Division of Mass Transit

During the state fiscal year reporting period, the Division of Mass Transit (now the Office of Public Transit) implemented numerous programs, projects and activities toward accomplishing its mission of developing and coordinating a general mass transit program and policy for the State. Activities implemented targeted SCDOT's Strategic Plan goal of ensuring South Carolina's future by making transportation mobility options more accessible, convenient, efficient and easily integrated with existing infrastructures that allow the timely delivery of goods and services.

Federal and State Transit Funding Programs

To meet public transit needs of the state, SCDOT distributes a combination of state and federal funds to local transit providers and planning agencies. In most cases, SCDOT provides state funds that are utilized to match federal funds, thereby maximizing the use of its federal funds allocation. SCDOT also provides state funding (on a discretionary basis) for special projects that are undertaken by public providers. These projects must be designed and implemented in a manner that brings innovation to the State and may be replicated by other providers statewide. Each large and small urban transit provider receives grant funding directly from the Federal Transit Administration (FTA) annually. Currently, SCDOT manages a range of programs as outlined below:

- Metropolitan Planning
- Capital Assistance
- Elderly and Disabled Transit Services
- Rural Transit Services
- Statewide Planning and Research
- Rural Transportation Assistance Program
- Job Access Reverse Commute Program

- New Freedom Program
- State Mass Transit Funds

Rail Development

During the fiscal year, planning efforts have continued to develop rail services in South Carolina. SCDOT's vision is to have a seamless transportation system that integrates high-speed, intercity, commuter and light rail, with a successful bus transportation system to provide rapid modes of transportation. These systems, working in unison, will provide mobility that will promote the growth of industry and tourism, making the State of South Carolina a more appealing place to live, work and visit.

On May 26, 2010, Act 206 of the General Assembly established SCDOT's Office of Railroads. The legislation now provides the mechanisms to address passenger and freight rail service and rail infrastructure needs. In accordance with the Act, the following actions are underway and/or were initiated during the reporting period:

1. Preserving railroad right-of-way for future use and coordinating the preparation of a state railroad corridor preservation and revitalization plan.
2. Coordinating high-speed and intercity passenger rail planning and development.
3. Planning, developing, maintaining and coordinating a comprehensive state rail plan for passenger and freight railroads and infrastructure services with other modes of transportation to help facilitate effective and efficient interstate and intrastate movement of people and freight.
4. Applying for and receiving state, federal, or other funds for passenger and freight rail service and infrastructure needs, high-speed and intercity passenger rail planning and development, and rail corridor preservation and revitalization programs.

Adopt-A-Highway

Litter abatement is an important facet of the Department's community outreach efforts. For 22 years the Adopt-A-Highway Program has provided an effective channel for cultivating public commitment to keeping our highways clean. SCDOT county maintenance units and county coordinators oversee the Adopt-A-Highway Program on a local level, and all 46 counties in the state participate in the program. The Adopt-A-Highway volunteers, who clean up roadside litter at least four times a year, are one of our state's most valuable resources. Adopt-A-Highway volunteers continue to produce impressive results in their fight against litter. There were 25,909 volunteers who collected 1,181,689 pounds of trash in FY 2010.

6.2 How do you incorporate organizational knowledge, new technology, changing customer and mission related requirements, cost controls, and other efficiency and effectiveness factors such as cycle time into process design and delivery?

Organizational knowledge is enhanced by using training resources provided by the National Highway Institute, AASHTO, American Public Transportation Association, and other professional organizations. SCDOT's Materials and Research program currently has 18 research projects in progress. The Department has state-of-the-art technology and uses current versions of AASHTO Shareware™ and an Integrated Transportation Management System. The Department has active quality teams for both construction and maintenance. The Office of Materials and Research operates an accredited laboratory that tests material samples used in road construction projects.

6.3. How does your day-to-day operation of these processes ensure meeting key performance requirements?

SCDOT ensures that key performance requirements are met by the development of performance measures that are incorporated in SCDOT's Strategic Plan. Accountability for the measures resides with the appropriate senior leader.

6.4. How do you systematically evaluate and improve your key product and service related processes?

The Office of Materials and Research (OMR) is a support element of the Director of Construction Office. Code of Federal Regulations (CFR) 23 CFR 637 requires that SCDOT maintain a fully accredited testing laboratory and adequate, qualified staff. OMR continues to remain fully accredited through the AASHTO Materials Reference Laboratory Accreditation Program that was established at the National Institute of Standards. The Accreditation Program is certified to ISO 9001-2000 standards and requires participants to maintain a high level of quality in personnel certification, equipment calibration, record keeping, and test result reporting. On-site assessments occur every 24 months and blind testing is conducted on proficiency samples for all areas of accreditation such as soils, asphalt, concrete, paint and more are performed routinely throughout a given year.

To ensure that SCDOT projects are constructed using proper techniques and appropriate materials, all technicians (department, contractor, and consultant personnel) involved with quality control on projects must have SCDOT certification in the areas they are testing or inspecting. These certifications may include earthwork, base course, nuclear density gauge, concrete, foundations, aggregates, and four levels of asphalt.

OMR continues to provide for the placement of verification testing facilities at strategic locations around the state. The primary purpose of these mobile laboratories is to independently verify contractors' acceptance test results for hot mix asphalt used on SCDOT's interstate projects. This process is necessary to provide a means to statistically verify asphalt acceptance test results used for payment and to meet all requirements outlined in 23 CFR 637.

Research

SCDOT's research program is administered by the OMR. Federal funds are provided for research through the State Planning and Research Program. In FY 2010, there were 23 active research projects in a wide range of subject areas. One of the studies completed during the year was SPR No. 664, "Techniques for Estimating Magnitude and Frequency of Floods for Rural Basins in South Carolina." The results of the study have been implemented and will allow SCDOT hydraulic engineers as well as consultants to estimate the magnitude of floods in rural basins of South Carolina with greater accuracy. The equations resulting from the study to estimate discharge are used in approximately 90% of the bridge replacement projects in South Carolina. All hydraulic design studies for bridge and culvert replacement projects in rural basins are required to use the equations. The report has been distributed to all SCDOT hydraulic design engineers and a link added to the SCDOT internet for use by consultants.

Energy Conservation

SCDOT is an active participant in the State Energy Conservation Program. SCDOT has explored the use of an Energy Performance Contract and made a decision not to proceed because of the changing economic climate; however, recommendations made by Energy audits are being

implemented in the three largest facilities to reduce energy consumption. Energy Conservation workshops were conducted in all of the Engineering Districts. The Department's Energy Plan has been approved by the State Energy Office. In FY10, SCDOT was awarded \$288,655 from the State Energy Program, American Recovery and Reinvestment Act. The funds allowed implementation of four energy measures which included the replacement of 11 various HVAC units with more energy efficient equipment, retrofitting 2,042 light fixtures at nine locations across the state, installation of 132 occupancy sensors in a District Office Building, and windows replaced in a District Office Building.

All new and renovated facilities use standards cited in the International Energy Conservation Code, 2000 Edition, including the 2001 Modifications that relate to the energy efficient design of new buildings, except low-rise residential buildings. The Department is nearing completion of retrofitting all traffic signals with Light-Emitting Diode Technology. Additionally, SCDOT is one of the top state agencies in recycling paper and other materials. A certain percentage of new vehicles are configured to use alternative fuels. SCDOT now has 566 Alternative Fuel Vehicles in its fleet. There has been a slight decline in the use of fuel although the costs of fuel have increased in the past fiscal year.

6.5. What are your key support processes, and how do you improve and update these processes to achieve better performance?

The key support processes of SCDOT include those activities that provide administrative and logistical support. These processes include:

- Administration
- Information Technology Services
- Supply and Equipment
- Capital Improvements
- Finance and Accounting
- Legal
- Human Resources
- Employee Development
- Office of Materials and Research
- Communications

Procurement

SCDOT procures highway-related contracts and services through a procurement system that is consistent with federal highway rules and regulations. All other procurements are made in compliance with the SC Consolidated Procurement Code, which is administered by the SCDOT Procurement Office. To achieve efficient use of its resources, the Department uses "just in time" supply chain management, which reduces the need for costly warehousing. SCDOT also uses the South Carolina Purchasing Card for qualifying purchases. This method of payment provides a streamlined purchasing process, improves turnaround time, reduces costs to the Department, provides management and security controls and provides detailed accountability and tracking of purchases.

Information Technology

The Information Technology Services staff supports 101 software applications. Among the mission-critical applications are the Integrated Transportation Management System, the Highway Maintenance Management System, Site Manager (AASHTO product), and the Intelligent Transportation System. This year, the Equipment Management module was added to the Highway Maintenance Management System. It is a fully functional equipment management and control system that manages the active and retired equipment fleet, repair work on equipment, upgrades to equipment, location of equipment, utilization of equipment, operational cost of equipment, and keeps a full history of all facets of the equipment life cycle. It also includes fuel card management and equipment service management.

A major upgrade to the South Carolina Automated Routing and Permit System was implemented. This system allows the Oversize and Overweight Permit Office staff to accept requests for permits and issue said permits when approved. The web portion of the South Carolina Automated Routing and Permit System allows the trucking industry to enter permit requests and self-issue pre-approved permits twenty four hours a day.

The IT Services staff completed system engineering and implementation of the optical circuit between the central data center and the new Traffic Management Center at Shop Road. The SCDOT “main site,” www.scdot.org, receives an average of 12,500 visits per day. The top pages are the Traffic Cameras, Road Conditions, Materials and Research Lab Procedure Manual, and the Employment Pages.

The public may obtain information about the funding that SCDOT receives under the American Recovery and Reinvestment Act of 2009 (ARRA) authorized by Congress for rebuilding infrastructure like roads and bridges. The site includes preliminary plans on how the funds are being used as well as detailed reporting.

Other web sites have also been developed to provide information about the proposed I-73 (www.i73insc.com), the extension of the Mark Clark Expressway in Charleston (www.scdot.org/I526/), US Route 17 ACE Basin Parkway (www.usroute17.org), and the Road Map To Safety (www.roadmaptosafety.us).

Business Development

The SCDOT Business Development Center continues to thrive as a part of a federal initiative called “Business Opportunity and Workforce Development,” a program designed to enhance skills and create opportunities for Disadvantaged Business Enterprises (DBEs) certified under the South Carolina Unified Certification Program. In FY 2010, there were 158 applications received for DBE certification, resulting in 104 firms certified in the Unified Certification Program.

Capital Improvements

SCDOT owns and manages 800 structures across the state comprised of headquarters, district offices, county maintenance complexes, construction offices, rest areas, welcome centers, section sheds, warehouses, picnic shelters, and small storage buildings. Many of these structures are old and outdated. Through a rehabilitation program, SCDOT has enhanced many of the older structures.

Outdoor Advertising

SCDOT administers the Outdoor Advertising (ODA) Program for the state. The mission of the ODA office is to administer the Highway Advertising Control Act, Junkyard Control Act, and Vegetation Maintenance Program along federal-aid primary highways and National Highway System routes through review and inventory. Permits are required for the erection of ODA signs under the Highway Beautification Act of 1965. ODA customers are the billboard industry, property owners, and the business community. These customers may reside within or be located outside the state. The office manages 6,117 active billboard permits, and 1,436 active vegetation maintenance permits.

SCDOT continues to offer the opportunity for participation in its ODA “pilot” project, the first of its kind approved by the SC General Assembly and the Federal Highway Administration. The “pilot” project will allow the upgrading of certain nonconforming billboards along Interstates 26 and 95 in exchange for the permanent removal of others (on a ratio of 2 to 4 removals per 1 upgrade). Current federal and state laws limit the amount of maintenance that can occur on a nonconforming billboard. This pilot project has three clear benefits to the State: (1) protects public investment and preserves natural beauty; (2) facilitates partnership efforts with local governments and scenic groups regarding appearance of State roadways; and (3) reduces the number of nonconforming signs on our roadways.

Oversize/Overweight Permit Office

The SC Oversize/Overweight (OSOW) Permit Office is an office within SCDOT that issues route-specific permits to allow the safe transportation of commodities that exceed the legal weight and dimensions set by federal and state law. Movers of cargo across or through the state of South Carolina are required by state law to obtain a permit to move such goods. There are approximately 290 permits issued daily. With a staff of seven, the average turn-around for a single trip permit is two hours. The Permit Office’s updated phone system provides a toll-free number for customer’s use, additional phones lines, and affords the capability to monitor customer efficiency and update informative messages. In FY 2010, there were 67,511 permits issued.

Safe Routes to School (SRTS) Program

The Safe Routes to School (SRTS) Program is a federally funded program administered by SCDOT, with guidelines set forth by the Safe, Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for Users (also referred to as SAFETEA-LU). SRTS enables and encourages children, including those with disabilities, to safely walk and bicycle to and from school. SCDOT’s Safe Routes to School Program assists schools and communities in the planning, development, and implementation of projects and activities that will improve safety and reduce traffic, fuel consumption, and air pollution in the vicinity of schools while promoting a healthy lifestyle for children and their parents. SRTS funds may be used to improve the pedestrian and cycling conditions around schools and communities and for education, encouragement, and enforcement programs.

Since 2007, over 25 schools have been granted up to \$200,000 each to implement a comprehensive SRTS program. In October of each year, SRTS sponsors Walk to School Day statewide with over 58,000 students and 140 schools participating each year.

6.6 How does your organization determine the resources needed to meet current budget and financial obligations?

The Statewide Transportation Improvement Program (STIP) is a comprehensive document report approved by the Commission detailing planned federal obligations covering a six-year period, as well as the prior year project information for reference purposes. The STIP is updated every three years and normal program amendments and corrections occur as necessary to keep the document current. The STIP reflects the collaborative efforts of MPOs, COGs, and Regional Transportation Authorities. The STIP was updated in 2009 to reflect the latest allocation plan and project programming information for federal fiscal years 2010-2015.

CATEGORY 7 : BUSINESS RESULTS

7.1 Key Measures of Mission Accomplishments and Organizational Effectiveness

The key measures depicted in this section include the Incident Response Program, the Highway Mileage Death Rate, Run-off-the-Road Crashes, Intersection Crash Fatalities, Condemnation Rate, and Maintenance Work Requests completed after 60 days.

SCDOT Incident Response Program

This program uses specially equipped blue trucks with SCDOT’s logo that are equipped with arrow-boards, cones, tow ropes, fire extinguishers, fuel, water, and tools to enable quick clearance of incidents including traffic crash and disabled motor vehicles. The Incident Responders have contact with the Highway Patrol and other emergency responders. **Figure 7.1-1** depicts the number of motorists SCDOT’s Incident Response Program has assisted in the past three fiscal years.

AREAS	FY 2008	FY 2009	FY 2010
Columbia	5,488	4,587	5,315
Upstate (Greenville and Spartanburg)	5,994	4,876	4,985
Rock Hill	2,636	2,641	3,428
Charleston	11,415	9,464	10,269
Anderson	2,177	2,230	1,829
Myrtle Beach	5,162	4,121	3,710
Beaufort	1,990	1,476	1,600
Florence	4,598	3,942	3,784
Cherokee	1,208	848	668
Total Responses	40,628	34,185	35,588

Figure 7.1-1

Condemnation Rate

The objective is to improve customer satisfaction in right-of-way transactions. The chart below (as **Figure 7.1-2**) depicts the condemnation rate.

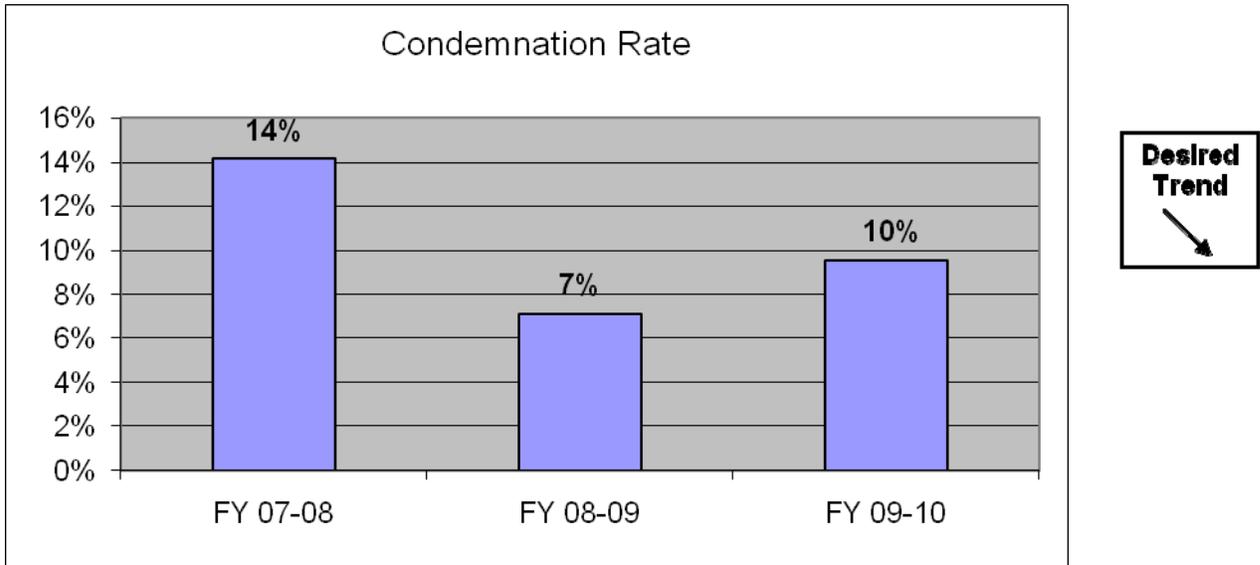


Figure 7.1-2

Work Request Completion

The improvement of our customer service has been a major part of the business plan; therefore, SCDOT monitors its response to citizen work requests with a goal to complete all work requests within 60 days. SCDOT completed 91 percent of work requests within 60 days. **Figure 7.1-3** below shows this percentage.

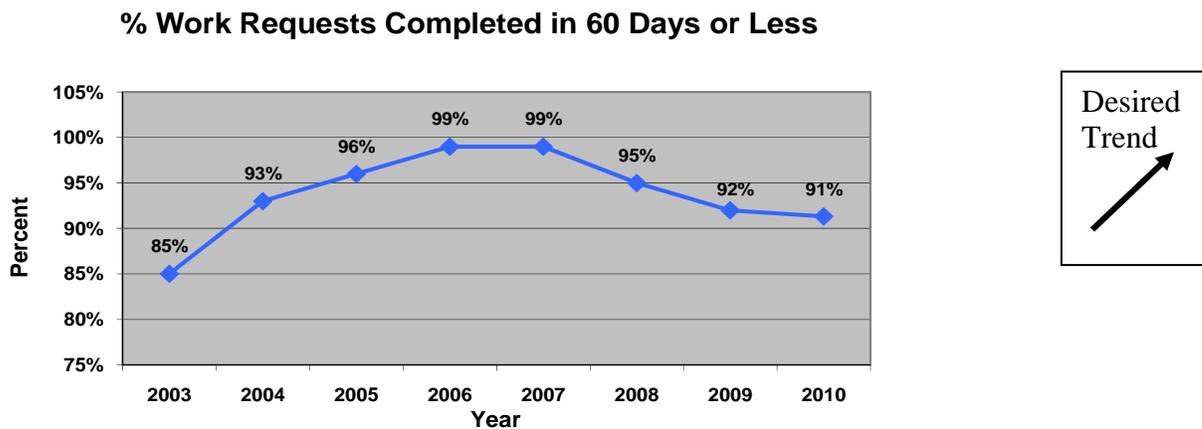


Figure 7.1-3

7.2 Performance Levels and Trends for Key Measures of Mission Accomplishment

Work Zone Fatalities

Figure 7.2-1 below shows the trend of work zone fatalities by calendar year.

Work Zone Fatalities

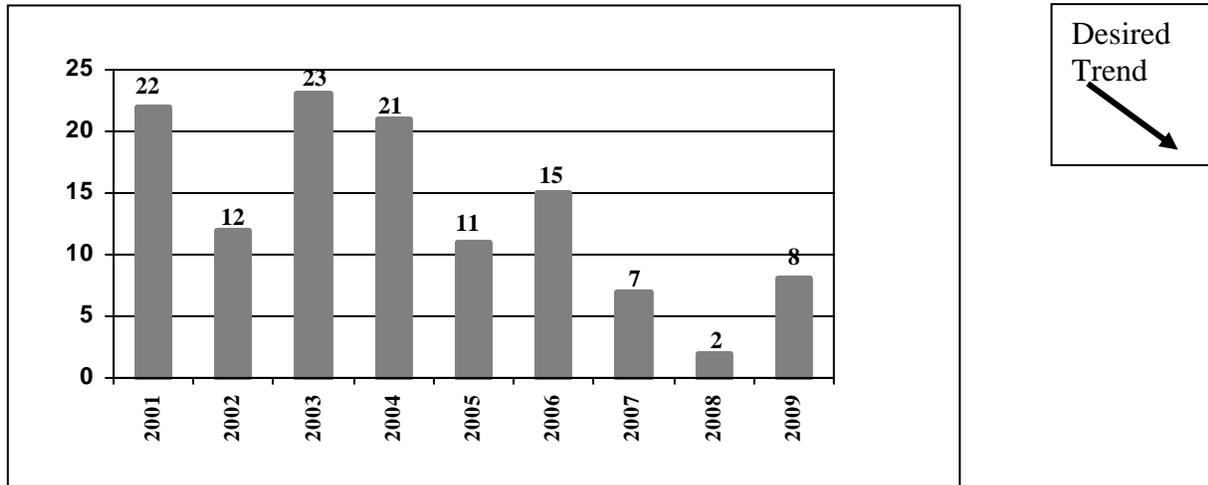


Figure 7.2-1

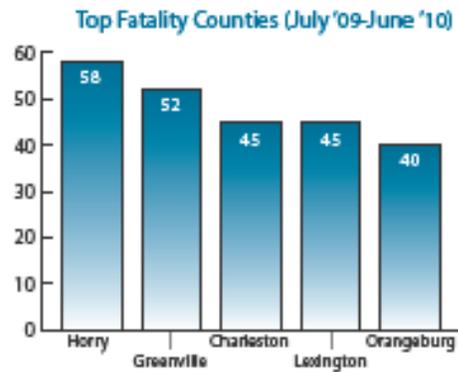
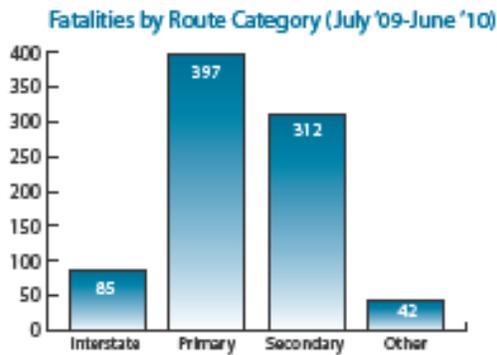
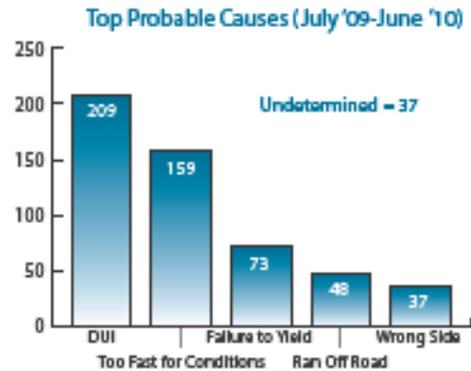
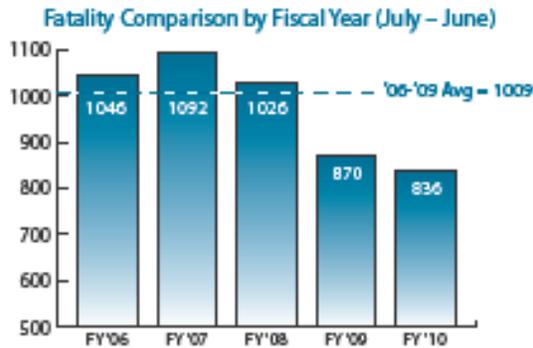
South Carolina Fiscal Year Fatality Report

Below in **Figure 7.2-2** is a safety report that is updated monthly by the Traffic Engineering Department. This dashboard information is used to bring awareness and track areas of concern in South Carolina.

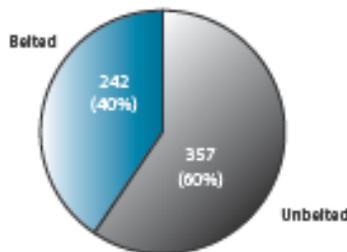
SOUTH CAROLINA FISCAL YEAR FATALITY REPORT

Fiscal Year July 2009 – June 2010

(All Data is Preliminary)



Fatalities by Restraint Usage (July '09-June '10)



This graphic does not include 237 people killed who did not have access to restraints (pedestrians, motorcyclists and others).

Top Crash Events (July '09-June '10)

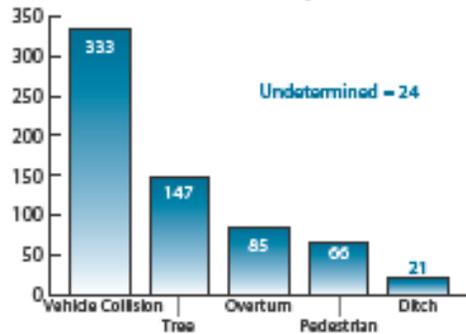


Figure 7.2-2

Mass Transit Results

The Division of Mass Transit's key measures are total passenger boardings (ridership) and total operational expenses. The annual passenger boarding data in **Figure 7.2-3** provides information showing the number of people who actually used the transit service.

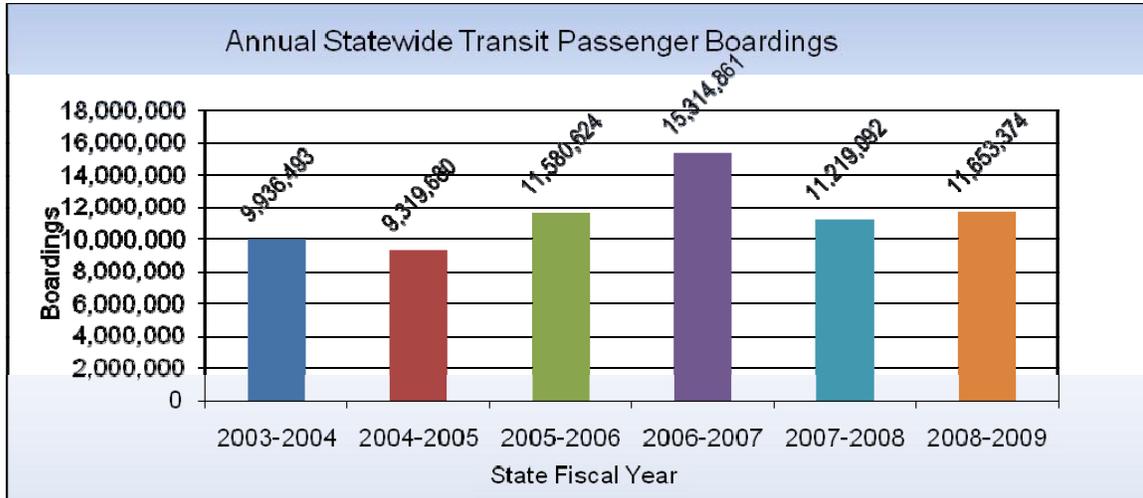


Figure 7.2-3

Maintenance Customer Service Surveys

To evaluate customer service performance, the Director of Maintenance Office has implemented a customer survey program. Feedback from this survey program helps gauge our performance and identify areas of opportunity for improvement. All negative responses are sent to the appropriate district with a request that the unsatisfied customer be contacted and additional effort made to improve service. Several districts and counties have also developed programs to improve their customer service performance. The results of this follow-up contact are then reported back to the Director of Maintenance Office. Results are ranked on a scale of 1-5, and are seen in **Figure 7.2-4** below.

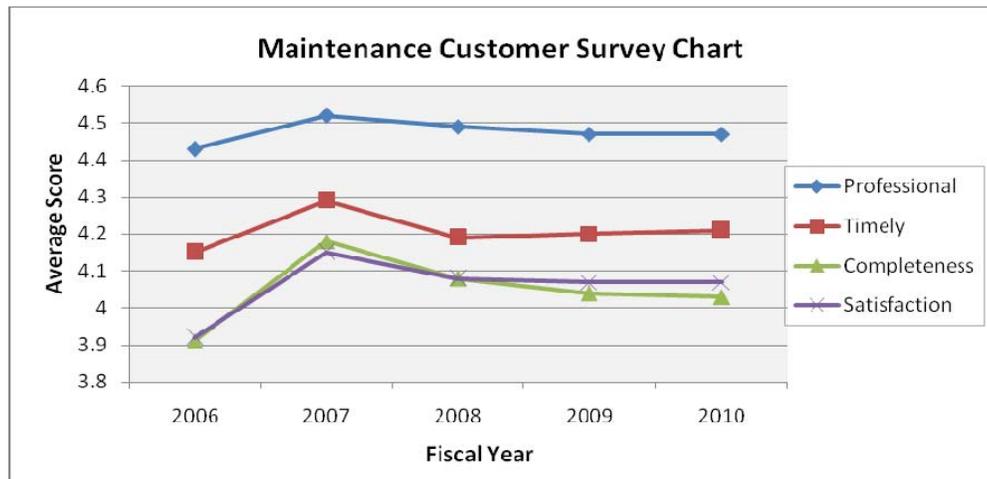


Figure 7.2-4

Landowner Survey

Figure 7.2-5 shows the results of a landowner opinion survey that was initiated in July 2009 and continued through June 2010 by the Right-of-Way Office. This information ensures SCDOT considers the emotional factors of land acquisition. This has the potential to reduce the overall condemnation rate, whether through SCDOT or the Construction Resource Manager team. This data measures the degree of satisfaction landowners experience with their interactions with SCDOT personnel and the land acquisition process.

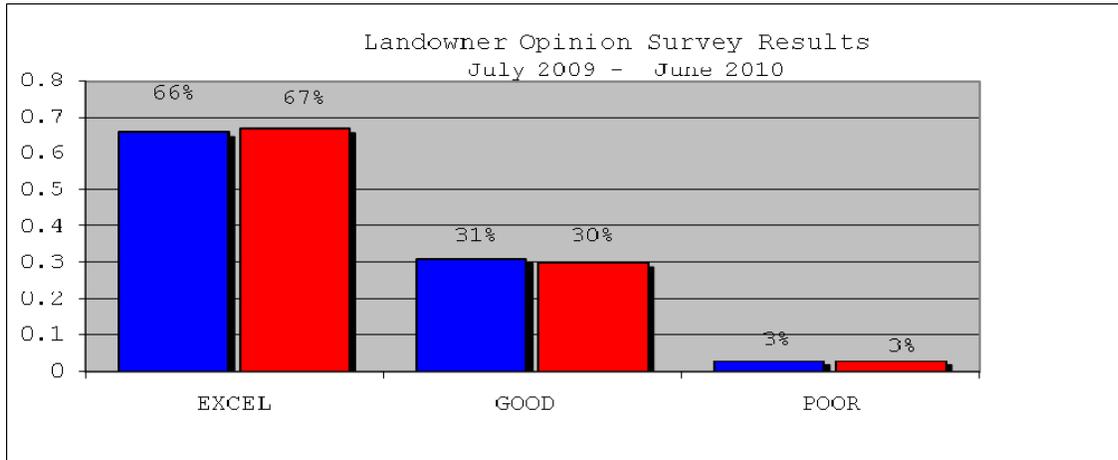


Figure 7.2-5

7.3 Key Measures of Financial Performance

The key measures of financial performance depicted in this section include Vehicles Purchased for Transportation Providers, Budget expenditures by Major Program Area, Value of SCDOT Assets, Travel/Training Expenditures, Equipment Utilization, and Fuel usage and costs. SCDOT has made concerted efforts to contain costs with vehicle replacements, fleet management, and SCDOT assets.

SCDOT is one of the largest agencies of state government and includes transportation and transit. The Mass Transit office works with transportation providers to determine vehicle needs respective of their area. **Figure 7.3-1** shows the types of vehicles purchased under the vehicle acquisition program over a five-year period. As seen in **Figure 7.3-2** 79 percent of transit vehicles have been replaced over the last five years. These vehicles were purchased using federal funds.

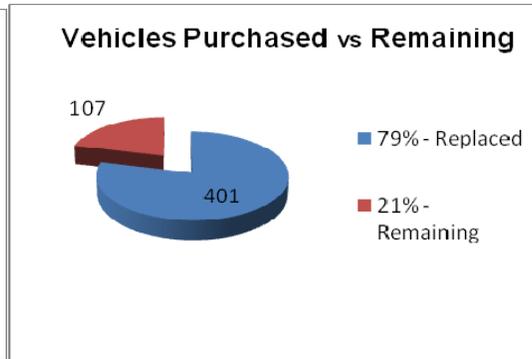
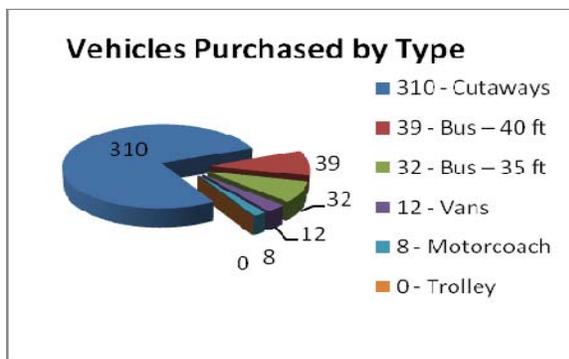


Figure 7.3-1

Figure 7.3-2

Major Program Areas

Figure 7.3-3 depicts budget expenditures by major program area.

Major Program Areas

Program Number and Title	Major Program Area Purpose (Brief)	FY 08-09 Budget Expenditures	FY 09-10 Budget Expenditures
05010000 - General Administration	General Administration is the agency-wide executive management and support service function.	State: Federal: Other: 43,634,303.44 Total: 43,634,303.44 % of Total Budget: 4%	State: Federal: Other: 43,958,780.68 Total: 43,958,780.68 % of Total Budget: 4%
200100000 - Engineering Administration	Program funds the core management to support the delivery of the highway construction program.	State: Federal: Other: 83,308,424.25 Total: 84,308,424.25 % of Total Budget: 8%	State: Federal: Other: 87,301,024.22 Total: 87,301,024.22 % of Total Budget: 7%
20030000 - Engineering Construction	Program funds the construction of roads, bridges, and rest areas.	State: Federal: Other: 486,320,668.89 Total: 486,320,668.89 % of Total Budget: 48%	State: Federal: Other: 691,391,389.48 Total: 691,391,389.48 % of Total Budget: 57%
20050000 - Highway Maintenance	Program funds the maintenance of roads, bridges, buildings, rest areas, and welcome centers.	State: Federal: Other: 247,665,526.80 Total: 247,665,526.80 % of Total Budget: 25%	State: Federal: Other: 260,417,534.20 Total: 260,417,534.20 % of Total Budget: 21%
35000000 - Non-Federal Aid Highway Fund	Program funds maintenance projects on state primary and secondary roads.	State: Federal: Other: 50,290,297.02 Total: 50,290,297.02 % of Total Budget: 5%	State: Federal: Other: 38,807,924.37 Total: 38,807,924.37 % of Total Budget: 3%

Below: List any programs not included above and show the remainder of expenditures by source of funds.

050500000 - Land and Buildings, 300000000 - Toll Operations, 950500000 - State Employer's Contributions, 400000000 - Mass Transit, 990000000 - Capital Projects.

Remainder of Expenditures:	State: Federal: Other: 65,626,822.36 Total: 95,626,822.36 % of Total Budget: 10%	State: Federal: Other: 99,826,562.72 Total: 99,826,562.72 % of Total Budget: 8%
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* Key Cross-References are a link to the Category 7 - Business Results. These References provide a Chart number that is included in the 7th section of this document.

Figure 7.3-3

Annual Statewide Transit Operating Expenses

Figure 7.3-4 depicts annual operating expenses data showing the cost associated with the actual transit service delivery.

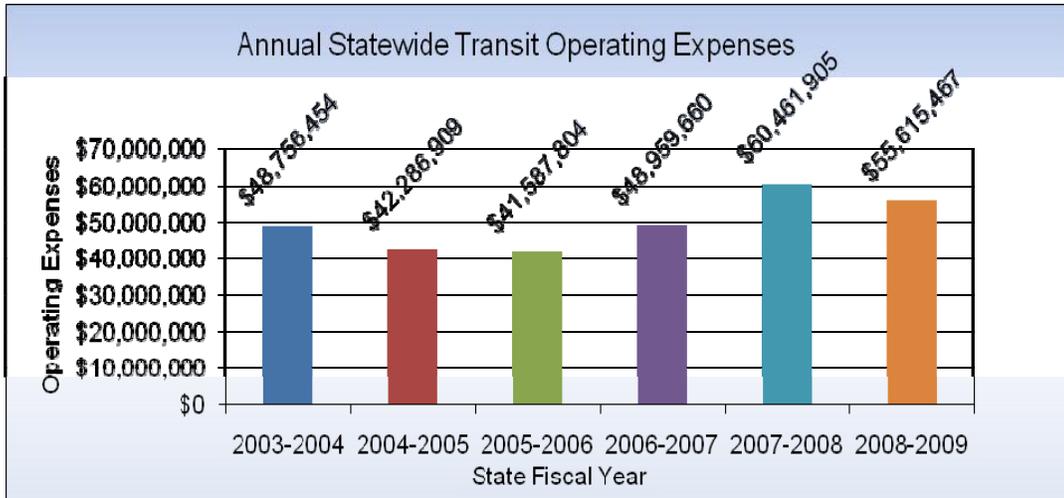


Figure 7.3-4

Assets

The largest portion of SCDOT’s assets reflects its investment in infrastructure and other capital assets such as land, buildings, equipment, roads and bridges. SCDOT uses these capital assets to fulfill its primary mission to provide a safe and efficient transportation system for the State of South Carolina. These assets are not available for future spending. Although the Department’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. See Figure 7.3-5 below.

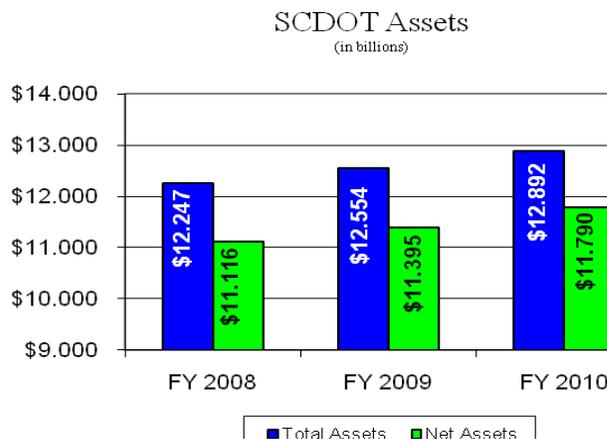


Figure 7.3-5

Fleet Management

SCDOT has reduced its fleet (sedans, sports utility vehicles, and pick-up trucks) from 1,760 vehicles to 1,716 vehicles. Although fuel consumption has increased, overall fuel costs decreased because of decreased energy costs.

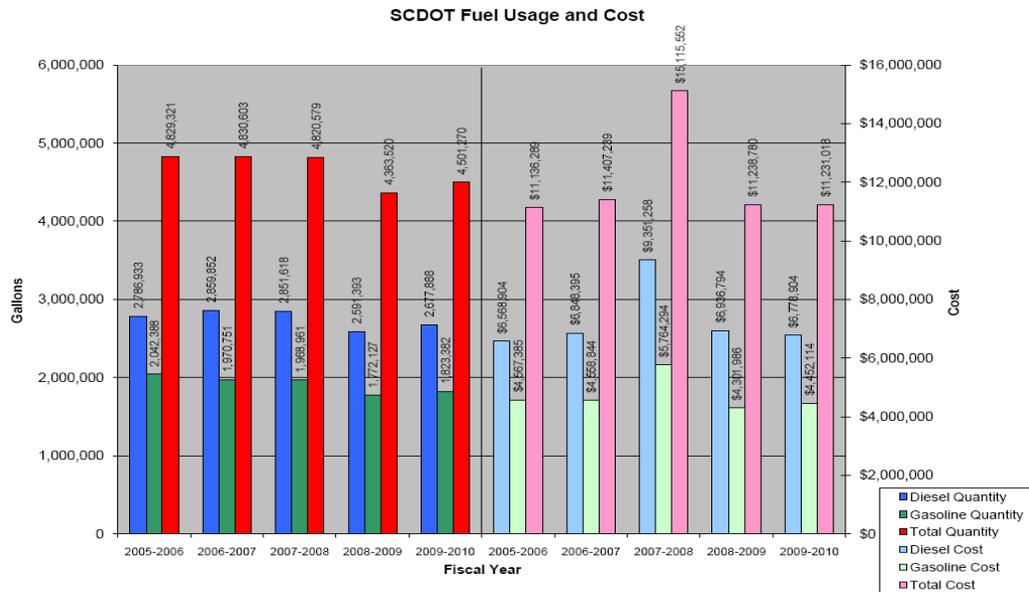


Figure 7.3-6

7.4 Key Measures of Human Resources

The following measures are depicted:

- Composition of the Total Workforce
- Employee Turnover Rate

The Human Resources Office supports employee development and the agency’s mission by focusing on programs, measurements, processes, and systems that recruit, retain, and professionally develop employees to obtain the necessary skills and competencies to meet future workforce needs and challenges. Figure 7.4-1 reflects the Department’s efforts to maintain a diverse workforce.

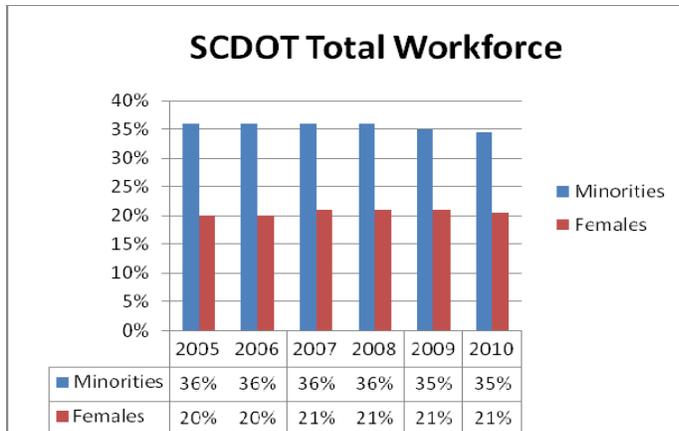


Figure 7.4-1

SCDOT analyzes turnover in a variety of ways in order to develop strategies to retain its most valuable asset, its employees. Turnover is analyzed by separation reason code, job classification, geographic location, and by probationary status. Analysis of the FY 2009-2010 data reveals that the primary reasons for separation of employment continue to be retirement (34.1%), resignation (25.7%), discipline (16.1%), and acceptance of a job either with another government entity or in the private sector (9.1%). Turnover by job classification shows that the majority of the agency's turnover exists in the Trades Specialist II classification. Figure 7.4-2 provides information of trend data for SCDOT employee turnover for the past four years.

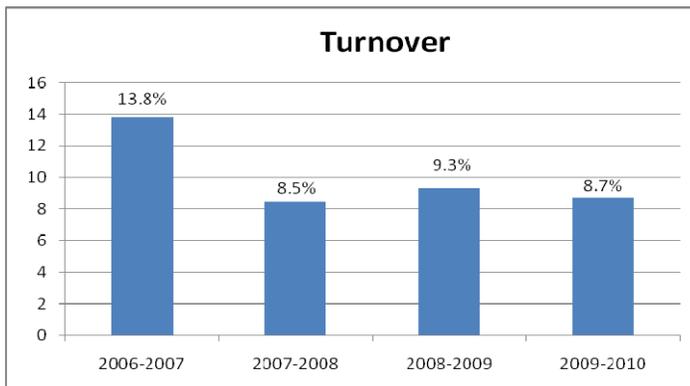


Figure 7.4-2

The agency's turnover rate has declined, and we attribute this, in part, to the implementation of career paths.

7.5 Key Measures of Regulatory/Legal Compliance and Community Support

The key measures in this section include Ethics Training, External Audit, Agency Certification Limits, Risk Management, Claims and Lawsuits; and Total Premium, Workers Compensation, General Liability, and All Other Insurance.

Ethics Training

All employees received ethics training during FY 2009, and are required to attend ethics training every other year as a condition of employment. A fraud hotline was established as well as a post office box where employees can send allegations of fraud, waste, and abuse.

External Audit

SCDOT is audited yearly by an external Certified Public Accountant firm engaged by the Office of the State Auditor. The Department’s yearly financial statements are deemed to fairly present the financial position of the accounting activities. Also a Comprehensive Annual Financial Report was prepared for the fiscal years ending June 30, 2005, June 30, 2006, June 30, 2007, June 30, 2008 and June 30, 2009. All of these reports received the Certificate of Achievement for Excellence in Financial Reporting. SCDOT is one of a few state Departments of Transportation to receive the achievement award.

SCDOT has fostered communications, implemented procedures, and changed finance policy to deal with areas that need strengthening. One area that the agency will continue to develop is the fraud and risk management area. This will be a major undertaking of the agency and will require an extensive, comprehensive review of the agency’s policies, standard operating procedures, and internal controls to evaluate the potential for fraud or misappropriation of the agency’s resources.

Risk Management

During FY 2007, SCDOT completed development of and implemented a Risk Management Information System that integrates functionality from several subsystems into one automated model. This is a joint project of the Risk Management, Claims, Safety, Legal Services, and Information Technology Services units. This web-based system tracks claims against the agency, claims against the public, first report of on-the-job injury, OSHA reporting, freedom of information requests, and accident scene analysis.

Figure 7.5-1 depicts the number of claims and lawsuits received over the past five fiscal years. There should be a note, though, that the numbers for years 2008, 2009 and 2010 could increase due to the fact that you can file a damage claim up to one year after an incident and a lawsuit up to three years after an incident.

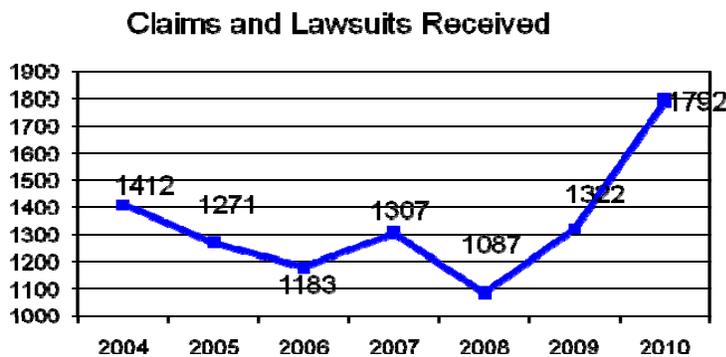


Figure 7.5-1