

Legislative Oversight Committee

Staff Study of the
South Carolina Department of Transportation
September 1, 2015



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Key Dates and Actions of the Study Process

House Legislative Oversight Committee's Actions

- January 7 - Approves seven-year study recommendations for the Speaker
- January 13 - Speaker approves seven-year study recommendations, and recommendations are published in the House Journal
- February 5 - Approves the priority of the study of the agency
- February 10 - Provides agency with notification about the start of its oversight study
 - Others notified at various times during the process include: the Speaker of the House, Committee Chairs in the House, Members of the House, Clerk of the Senate, and Governor
- March 10 - Requests Legislative Audit Council perform a comprehensive audit of the agency, which is accepted at the Legislative Audit Council's meeting on March 17

Economic Development, Transportation, Natural Resources and Regulatory Subcommittee's Actions

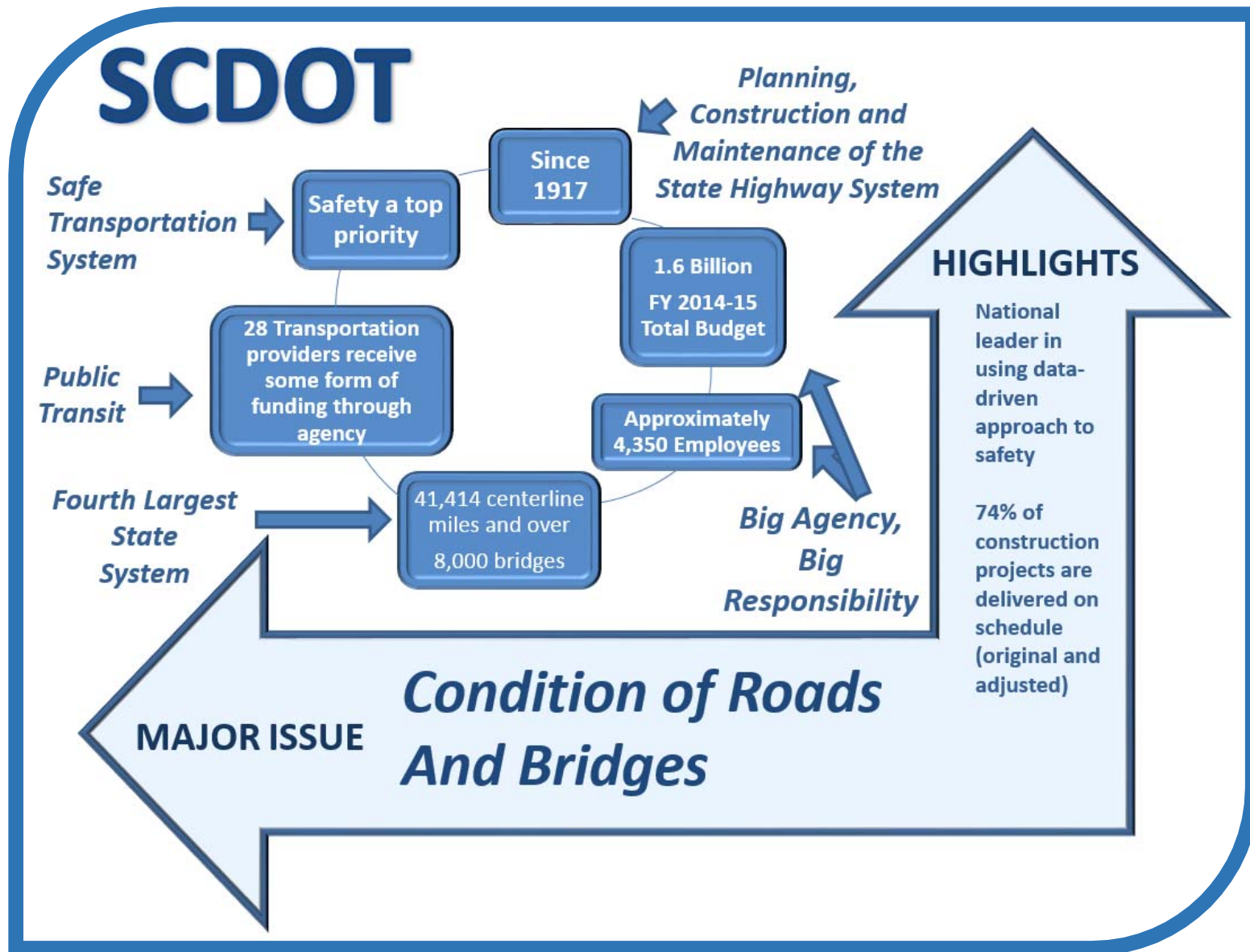
- February 17 - Holds introductory meeting with the agency and receives overview of the agency from the agency head
- April 28 - Holds meeting with the agency head to discuss the scope of the oversight study
- June 2 - Holds meeting with the agency to discuss its budget process
- June 30 - Holds meeting with the agency to discuss the C Fund Program, county transportation committees, and agency employee information
- August 11 - Holds meeting with the agency to discuss the Office of the Chief Internal Auditor, Act 114 of 2007 criteria, and the Statewide Transportation Improvement Program (STIP)

Department of Transportation's Actions

- March 31 - Submits its Restructuring and Seven-Year Plan Report to the Committee; reports having spent 100 hours to complete the process and 70 hours to complete the report
- May 22 - Submits its Program Evaluation Report to the Committee

Public's Actions

- May 1 - May 31 - Survey about agency available online for the public to provide input
- Ongoing - Public may submit written comments on the Oversight Committee's webpage on the General Assembly's website (www.scstatehouse.gov)



Visual Summary Figure 1. Snapshot of the agency's history, responsibilities, highlights, and major issue¹

Visual Summary Table 2. Summary of agency's mission, vision, goals, and spending²

How Agency Uses Taxpayer Money

The agency's goals, which should be in line with the agency's mission and assist it in accomplishing its vision, are presented below. The goals are in order from largest to smallest, based on the percentage of total money the agency spent toward accomplishment of each. The data in this table **highlight how the agency is investing the money it receives from the people of the state and nation**. Further details about the amounts spent on the individual objectives within each goal as well as the **performance measures, which should show the return the state is receiving on its investment**, are provided on pages 33-37.

Mission: The goal of the Department is "to provide adequate, safe and efficient transportation services for the movement of people and goods."³

Vision: The agency states its vision "is to deliver, operate and maintain a world-class, 21st century, multimodal transportation system that enables the Palmetto State to continue to grow our economy, enhance our communities, and improve our environment."⁴

Goal	Description	\$ Spent on Goal			
		2013-14		2014-15 (as of 3/30/15)	
		% of total ⁵	Amount Spent	% of total	Amount Spent
Goal 2	Preserve our transportation infrastructure	49.36%	\$637,530,612	50.44%	\$421,870,548
Goal 3	Optimize mobility	21.67%	\$279,929,637	19.68%	\$164,600,278
Goal 6	Engineering and support services	13.40%	\$173,042,208	15.03%	\$125,718,489
Goal 5	Debt Service (Metropolitan Planning Organizations /Council of Governments/Interstate/SC Transportation Infrastructure Bank/County Transportation Committees)	8.54%	\$110,288,041	7.07%	\$59,142,242
Goal 4	Enhance a strengthening economy (Expenditures related to freight network upgrades are shown under Goal 3 with the exception of the Act 98 SC Transportation Infrastructure Bank transfer funds & Port Access Road)	4.44%	\$57,338,389	6.52%	\$54,520,952
Goal 1	Improve safety	2.58%	\$33,370,399	1.25%	\$10,479,922

Summary of Recommendations: Opportunities to Continuously Improve

The agency states its mission is “to provide adequate, safe, and efficient transportation services for the movement of people and goods.”⁶

Agency’s Recommendations*

General

- Reports no restructuring recommendations at this time
- Notes it “is acquiring an external expert to conduct a top to bottom review of the agency’s management and administration”
- Notes it “is currently reviewing opportunities, including utilizing outside experts, to assess and recommend opportunities for increased privatization, outsourcing, integrated information systems, best procurement practices and organizational restructuring all of which may lead to cost savings and efficiencies”
- Recommends modifying 19 laws, which would have various results, including reduced difficulty in implementing highway plans, reduced delays in projects, increased flexibility and revenue for the Department

Committee Staff’s Recommendations

Agency

- Continue analysis of agency’s strategic spending
- Discuss how the agency currently uses performance measures and regional benchmarks to efficiently use its resources
- Discuss the levels at which the agency should notify the General Assembly about potential negative impacts
- Determine why the agency has submitted information for the State’s Comprehensive Annual Financial Report more than two weeks late, on average, for the last three years and discuss with the agency its efforts to ensure timely submission of this information

Pending Audit and Laws

- Receive and review the comprehensive audit of the agency being conducted by the General Assembly’s Legislative Audit Council
- Consider agency’s recommendations for revisions to laws pertaining to it

Commission

- Examine the relationship and interaction between the Commission, Chief Internal Auditor, and agency to determine its impact on the agency’s effectiveness and efficiency
- Examine how the Commission is addressing the laws applicable to it, including the Statewide Transportation Improvement Plan, and continue the examination of how projects are prioritized through the use of weights and rankings

*Note: The Restructuring and Seven-Year Plan Report provided the agency an opportunity to provide recommendations to the Committee. (Source: SC Department of Transportation, *Restructuring and Seven-Year Plan Report*)

LEGISLATIVE OVERSIGHT - OVERVIEW

Foundation

The **South Carolina State Constitution** requires the General Assembly to provide for appropriate agencies in the areas of health, welfare, and safety and to determine their activities, powers, and duties.⁷ Stated **public policy** provides that this “continuing and ongoing obligation of the General Assembly is best addressed by periodic review of the programs of the agencies and their responsiveness to the needs of the state's citizens. . . .”⁸ The periodic reviews are accomplished through the legislative oversight process.⁹ Specific statutes relating to legislative oversight are included in South Carolina Code of Laws Section 2-2-5 *et seq.*¹⁰

Purpose and Schedule

The stated **purpose of legislative oversight** is to determine if agency laws and programs are being implemented and carried out in accordance with the intent of the South Carolina General Assembly and whether or not they should be continued, curtailed, or even eliminated.¹¹ The South Carolina House of Representatives’ Legislative Oversight Committee (“House Oversight Committee” or “Committee”) recognizes that a legislative oversight study informs the public about an agency.¹² To accomplish legislative oversight, the specific task of the Committee is to conduct a study on each agency at least once every seven years.¹³ To guide the work of the Committee in completing its task, a **seven-year study schedule** is published in the House Journal the first day of each legislative session.¹⁴

Information Considered

Oversight **studies must consider**: (1) the application, administration, execution, and effectiveness of **laws and programs**; (2) the **organization and operation of agencies**; and (3) any conditions or circumstances that may indicate the **necessity or desirability of enacting new or additional legislation**.¹⁵ **Evidence or information relating to a study may be acquired by any lawful means**, including: serving a request for information on an agency; deposing witnesses; issuing subpoenas that require the production of documents; and, with certain exceptions, requiring the agency to prepare and submit a program evaluation report by a specified date.¹⁶ Testimony given to the investigating committee must be under oath.¹⁷ All witnesses are entitled to counsel, and they shall be given the benefit of any privilege which they may claim in court as a party to a civil action.¹⁸ Certain criminal provisions are applicable during the legislative oversight process, including contempt of the General Assembly.¹⁹ Joint investigations with the South Carolina Senate (“Senate”) or with other committees in the South Carolina House of Representatives (“House”) are authorized.²⁰

AGENCY STUDY - ACTIONS

House Oversight Committee's Actions

On January 7, 2015, the House Oversight Committee approved a seven-year study schedule for the Speaker of the House.²¹ The Speaker approved the Committee's recommendations, which were published in the House Journal on January 13, 2015.²² The Department of Transportation is an agency subject to legislative oversight.²³ The **Committee approved the Department of Transportation ("agency") as the second state agency to be studied** on February 5, 2015.²⁴

The **Committee notified the agency** about the study on February 10, 2015. As the Committee encourages **collaboration in its legislative oversight process**, the Speaker, standing committee chairs in the House, members of the House, Clerk of the Senate, and Governor were also notified about the agency study.

Subcommittee Studying the Agency

The **Economic Development, Transportation, Natural Resources and Regulatory Subcommittee ("Subcommittee") of the House Oversight Committee is studying the agency.** The Chair of the Subcommittee is the Honorable Phyllis J. Henderson; other members include: the Honorable Ralph W. Norman, the Honorable Robert L. Ridgeway III, and the Honorable Samuel Rivers Jr.²⁵

On March 10, 2015, Committee Chairman Wm. Weston J. Newton concurred with Subcommittee Chair Henderson's **request that the South Carolina Legislative Audit Council ("LAC") comprehensively audit the agency.**²⁶ LAC accepted the request on March 17 and began its audit in April.²⁷

Meetings with the Agency

At this point in the process, the **Subcommittee has met with the agency on five occasions.** Former Secretary Janet Oakley provided the Subcommittee with a brief overview of the agency during an introductory meeting on February 17, 2015.²⁸ The Subcommittee met with the agency to discuss the scope of the study on April 28, 2015.²⁹ The Subcommittee met with the agency to discuss its budget process on June 2, 2015.³⁰ The Subcommittee met with the agency on June 30, 2015, to discuss the C Fund program, local transportation committees, and agency employee information.³¹ The Subcommittee met with the agency on August 11, 2015, to discuss the Office of the Chief Internal Auditor, Act 114 of 2007 criteria, and the Statewide Transportation, Improvement Program (STIP).³²

Information from the Public

From May 1, 2015, until May 31, 2015, the Committee posted an **online survey to solicit comments from the public about the Department** and other agencies. There were 1,788 responses to the survey, with at least one response coming from each of the 46 South Carolina counties.³³ These comments are not considered testimony.³⁴ As noted in the survey, "input and observations from those citizens who [chose] to provide responses are very important . . . because they may help direct the Committee to potential areas for improvement with these agencies."³⁵ The **public may continue to submit written comments about agencies online.**³⁶

Information from the Agency

The **Committee asked the agency to conduct a self-analysis** by requiring it to complete and submit a Restructuring Report, Seven-Year Plan for cost savings and increased efficiencies, and Program Evaluation Report. The agency submitted its Restructuring Report and Seven-Year Plan, which were combined into a single report this year, on March 31, 2015.³⁷ The agency reported spending 100 hours to complete the process and 70 hours to complete the combined report.³⁸ The agency first submitted its Program Evaluation Report on May 22, 2015, and has amended the report pursuant to Committee Standard Practice 10.2.1.³⁹ These reports are available online.⁴⁰

Committee Staff's Actions

Committee staff obtain, review, and provide highlights of relevant information in the staff study.⁴¹ Relevant information may include: an agency restructuring report; an agency seven-year plan for cost savings and increased efficiencies; an agency program evaluation report; another submission to a legislative or executive entity, such as an agency accountability report; comments from the public concerning the agency; any information submitted by a legislative standing committee in the House of Representatives; and any information submitted by individual Members of the House.

Committee staff may also make recommendations to the Subcommittee based on the staff study.⁴² The **Subcommittee may follow some, all, or none of the staff's recommendations and conduct any further study it desires.** The staff study is intended for the internal use and benefit of Members of the House, and it does not reflect the views of the House, House Oversight Committee, or any subcommittees.⁴³

Next Steps

The staff study **will be shared with the agency.**⁴⁴ The agency has the option to provide a written response within ten business days for inclusion in the study.⁴⁵ This **staff study, and any agency response, will be shared with the Subcommittee** and legislative standing committees in the House of Representatives that share subject matter jurisdiction.⁴⁶

The **Subcommittee may review the staff study and, if one has been submitted, the agency's written response in order to determine what other tools of legislative oversight should be used** to evaluate (1) the application, administration, execution, and effectiveness of the agency's laws and programs, (2) the organization and operation of the agency, and (3) any conditions or circumstances that may indicate the necessity or desirability of enacting new or additional legislation pertaining to the agency.⁴⁷

AGENCY STUDY - INFORMATION HIGHLIGHTS

Agency Organization and Operation

History

The 1916 Federal Aid Road Act required the creation of a state agency to supervise the construction of road projects financed in whole or in part with federal funds.⁴⁸ Against the backdrop of World War I, a **State Highway Department was established in South Carolina in 1917**, consisting of a State Highway Commission and State Highway Engineer.⁴⁹

In 1920, the South Carolina General Assembly approved legislation, which among other things, **directed the Commission to lay out a state system of public highways.**⁵⁰ When originally created, the state highway system consisted of only 26 paved miles and approximately 3,000 unpaved miles.⁵¹ Almost a century after its creation, the agency is responsible for the fourth largest state highway system in the nation.⁵²

In 1922, five years after the creation of the State Highway Department, the first gasoline tax was enacted; it was two cents per gallon.⁵³ The original policy for financing roads was a “pay-as-you go” model.⁵⁴ In 1929, the State Highway Bond Act **enabled the state to borrow for immediate highway construction needs.**⁵⁵

In 1977, the agency’s name changed to the **Department of Highways and Public Transportation.**⁵⁶ The department’s responsibilities remained unchanged except for additional responsibilities in the field of public transportation utilizing highways for movement. As a part of restructuring of state government by the General Assembly in 1993, the **Department of Transportation was established,** consisting of the former Highway Department less the Motor Vehicle Division and Highway Patrol.⁵⁷

The General Assembly again restructured the agency in 2007 with **Act 114,** which provided, among other things, for **qualifications and screenings for agency Commissioners, a Secretary of Transportation appointed by the Governor, mandatory ethics training for employees, a Chief Internal Auditor reporting directly to the Commission, and the prioritization of projects using objective criteria.**⁵⁸ The objective criteria that must be taken into consideration when prioritizing agency projects include: “(1) financial viability including a life cycle analysis of estimated maintenance and repair costs over the expected life of the project; (2) public safety; (3) potential for economic development; (4) traffic volume and congestion; (5) truck traffic; (6) the pavement quality index; (7) environmental impact; (8) alternative transportation solutions; and (9) consistency with local land use plans.”⁵⁹

In 2013, the General Assembly approved **Act 98,** which authorized several sources of funding for infrastructure needs. Among other things, it redirected half of the tax revenue collected on the sales of motor vehicles each year to the State Non-Federal Highway Fund to be used exclusively for highway, road, and bridge maintenance, construction, and repair.⁶⁰

In 2014, Speaker James H. Lucas appointed the Honorable J. Gary Simrill to serve as Chair of the fifteen-member **House Transportation Infrastructure and Management Ad Hoc Committee** to review issues surrounding the Department of Transportation. Three House Oversight Committee Members served on this ad hoc committee: Committee Chair Wm. Weston J. Newton, Subcommittee Chair Phyllis J. Henderson, and the Honorable Joseph H. Jefferson, Jr. Information about the work of the ad hoc committee is available on the General Assembly’s website.⁶¹

The **Fiscal Year 2015-16 budget** devotes \$336 million to the state’s infrastructure needs.⁶² This includes, among other things, “\$216 million in nonrecurring funds distributed among the county transportation committees to use for resurfacing, reconstructing, and repairing roads and bridges in the state-owned secondary road system.”⁶³

The agency reports that there have been various internal restructuring initiatives during the past decade. A summary of the internal restructuring initiatives is presented on the next page in Figure 1.

Agency Restructuring Initiatives

2007	2009	2010	2011	2012
Establishment of the Regional Program Groups (RPGs) in order to improve delivery of programs	Realignment of four engineering districts by shifting Aiken to Dist. 7 and Anderson to Dist. 2. Completed to distribute district workloads more evenly and enhance the service these two counties receive	Office of Public Transit and the Office of Railroads were established within the Division of Intermodal and Freight Programs	Moved functions of Office of Administration to the newly created Department of Support Services. Support Services gained: Customer relations, Communications, Information Technology, Facilities Management, Business Development, and Special Programs	Restructured HR to add the Director of Human Capital Investment Reporting to the Director of HR
2013	2014			
<p>Planning Office realigned under the Division of Intermodal and Freight Programs; Environmental Management Office realigned from Planning to report to Chief Engineer for Planning, Location and Design (PLD); the Right of Way Office realigned from Preconstruction to report to Chief Engineer for PLD; Preconstruction Resource Management Office dissolved; Local Program Administration reports to the Chief Engineer PLD, Obligation Mgt., Program Controls and Program Applications consolidated under Program Controls Division and reports to Chief Engineer PLD; Chief Engineer for Field Operations position created and reports to Deputy Secretary for Engineering; all District Engineers realigned to report to Chief Engineer for Field Operations as well as Director, Emergency Operations; Office of Occupational Health and Safety realigned to report to Director Support Services; Establishment of Director Strategic Management Planning (SMPC) position created and reports to Chief of Staff and realigned to the Director, Communications reporting to Director, SMPC; Office of Occupational Health and Safety realigned to report to Director, Support Services</p> <p>Asset Management Division established to meet the requirements of Moving Ahead for Progress 21 (MAP 21)</p> <p>Intermodal Planning is established by consolidating highway planning with freight and transit</p>			<p>Realigned Business Development and Special Programs from Support Services to report to the Secretary</p> <p>Design Build Unit established in Preconstruction</p>	

Figure 1. Restructuring initiatives during 2007-2014, as reported by the agency⁶⁴

Organization Structure

Commission

The agency is governed by the **Commission of the Department of Transportation** (“Commission”).⁶⁵ The Commission is the “general policy-making body” of the agency.⁶⁶ It consists of one member from each of the seven transportation districts—which statute provides are coextensive with the State’s congressional districts—whom is elected by the legislative delegation of the transportation district, and one at-large member appointed by the Governor.⁶⁷ Candidates for the Commission are screened by the Joint Transportation Review Committee.⁶⁸ The current Commissioners are: Chairman Jim Rozier; Vice-Chairman Mike Wooten ; W.B. Cook ; Ben H. Davis, Jr. ; Samuel B. Glover ; John N. Hardee ; Clifton Parker (Governor’s At-Large Appointee); and Woodrow “Woody” W. Williard, Jr.⁶⁹ Commissioners serve a four-year term and may serve for no more than one consecutive term.⁷⁰ Figure 3 provides additional information about the Commissioners.⁷¹

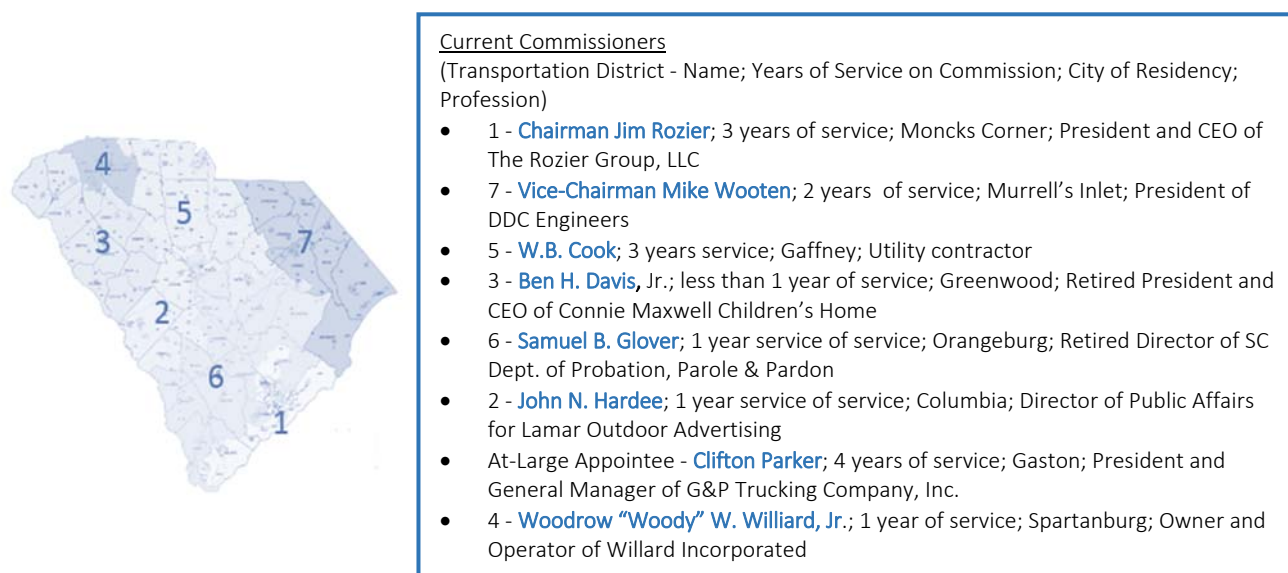


Figure 2. Map of transportation districts and information about current Commissioners

The Commission generally meets 11 times during the year; its varied responsibilities are set forth in statute.⁷² Some of the Commission’s responsibilities include:

- Develop and revise the Long-Range State Transportation plan for inclusion in the Statewide Transportation Improvement Program (STIP) for each nonmetropolitan planning area, in consultation with local officials who have responsibility for transportation;
- Approve the Statewide Transportation Improvement Program, which allocates appropriated federal funding to various state categories and specific projects, in consultation and coordination with entities like metropolitan planning organizations, councils of government, transportation interest groups, and other affected local jurisdictions;
- Develop a comprehensive plan that specifies objectives and performance measures for the preservation and improvement of the existing system to the extent that state funds are available to address the needs of the state highway system;
- Review the “routine maintenance” and “emergency repair” project report of the Secretary of Transportation at each Commission meeting and make findings as to whether the project

requests approved by the Secretary meet the needs of the public based upon objective and quantifiable factors (routine operation and maintenance as well as emergency repairs are terms defined in statute);

- Approve routine operations, such as requests made for resurfacing, or the installation of new signals, curb cuts on primary roads, bike lanes, or construction projects costing fewer than \$10 million;
- Award federal enhancement grants to the extent permitted by federal laws or regulations;⁷³ and
- Appoint and manage the Chief Internal Auditor of the agency.

Office of the Chief Internal Auditor

The **Commission appoints and has “exclusive management and control of the Chief Internal Auditor,”** who must be a Certified Public Accountant.⁷⁴ The Chief Internal Auditor must “establish, implement, and maintain the exclusive internal audit function of all departmental activities,” and his audits, “must comply with recognized governmental auditing standards.”⁷⁵ The Commission has an Audit Committee, which provides direct oversight to the Chief Internal Auditor. Commissioner Mike Wooten is the current Chair of the Commission’s Audit Committee.

The Chief Internal Auditor serves a four-year term and may only be removed by the Commission for “malfeasance, misfeasance, incompetency, absenteeism, conflicts of interest, persistent neglect of duty in office, or incapacity.”⁷⁶ The Commission provides support staff for the Chief Internal Auditor, and the agency provides office space and supplies.⁷⁷

The Office of the Chief Internal Auditor consists of the Chief Internal Auditor, four audit managers, one auditor, and one administrator.⁷⁸ Paul B. Townes, CPA, CFE, serves as the Chief Internal Auditor.⁷⁹ The Office of the Chief Internal Auditor performed 20 audits in the past five years, averaging between 9 to 12 months per audit; typically, only one employee works on a given audit.⁸⁰

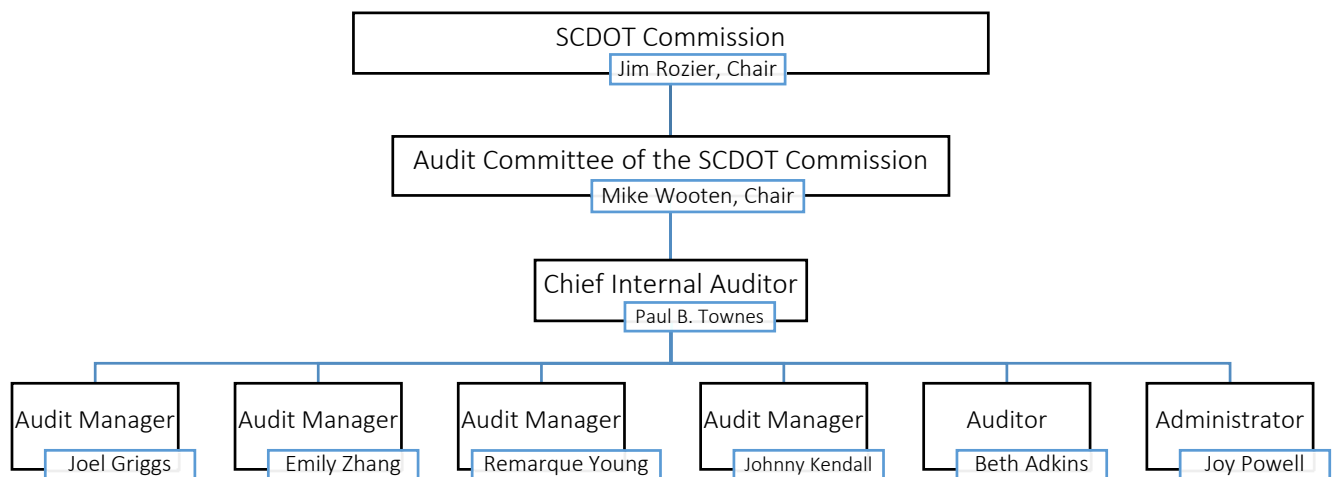


Figure 3. Organizational structure of the Chief Internal Auditor’s Office

Agency

The **Secretary of Transportation is charged with carrying out the policies of the Commission.**⁸¹ The Secretary of Transportation is appointed by the Governor with the advice and consent of the Senate.⁸² Christy A. Hall, P.E., serves as the Acting Secretary of Transportation (“agency head”), a position she held in an interim capacity February until May in 2014.⁸³ The following have served as Secretaries of Transportation since the position was created in 2007: H.B. “Buck” Limehouse, Jr. (May 2007 - February 2011); Robert J. St. Onge, Jr. (February 2011 - January 31, 2014); Janet P. Oakley (May 2014 - June 2015).⁸⁴

State statute divides the agency into three principle divisions: (1) finance and administration; (2) construction, engineering and planning; and (3) intermodal and freight programs. State law also authorizes the agency head to establish other divisions.⁸⁵ The agency’s management structure is provided in Figure 4. Agency headquarters are located in Columbia, and the agency has offices in every county in each of its seven engineering districts. The counties that lie in each of the agency’s seven engineering districts are listed Figure 5.⁸⁶

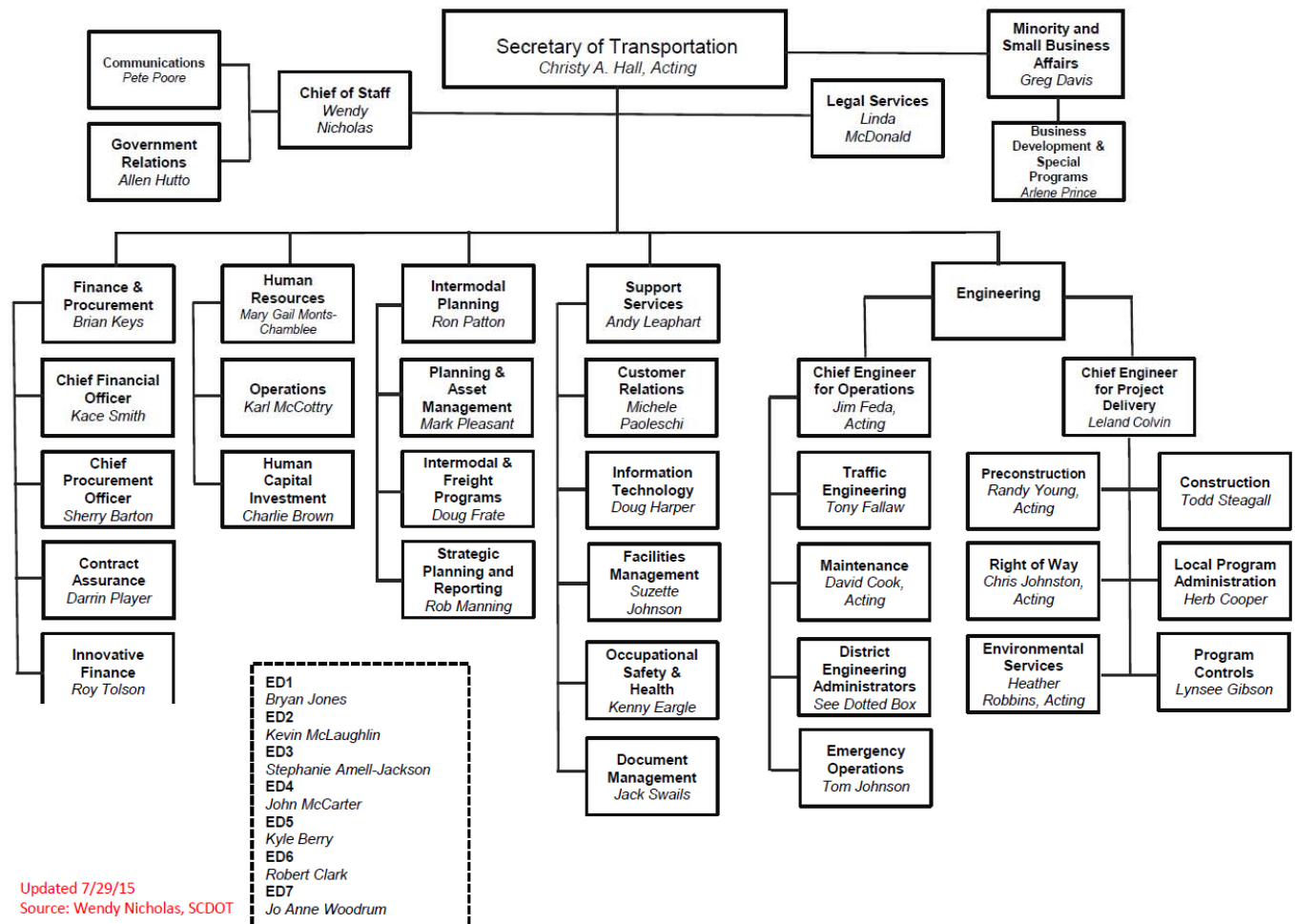
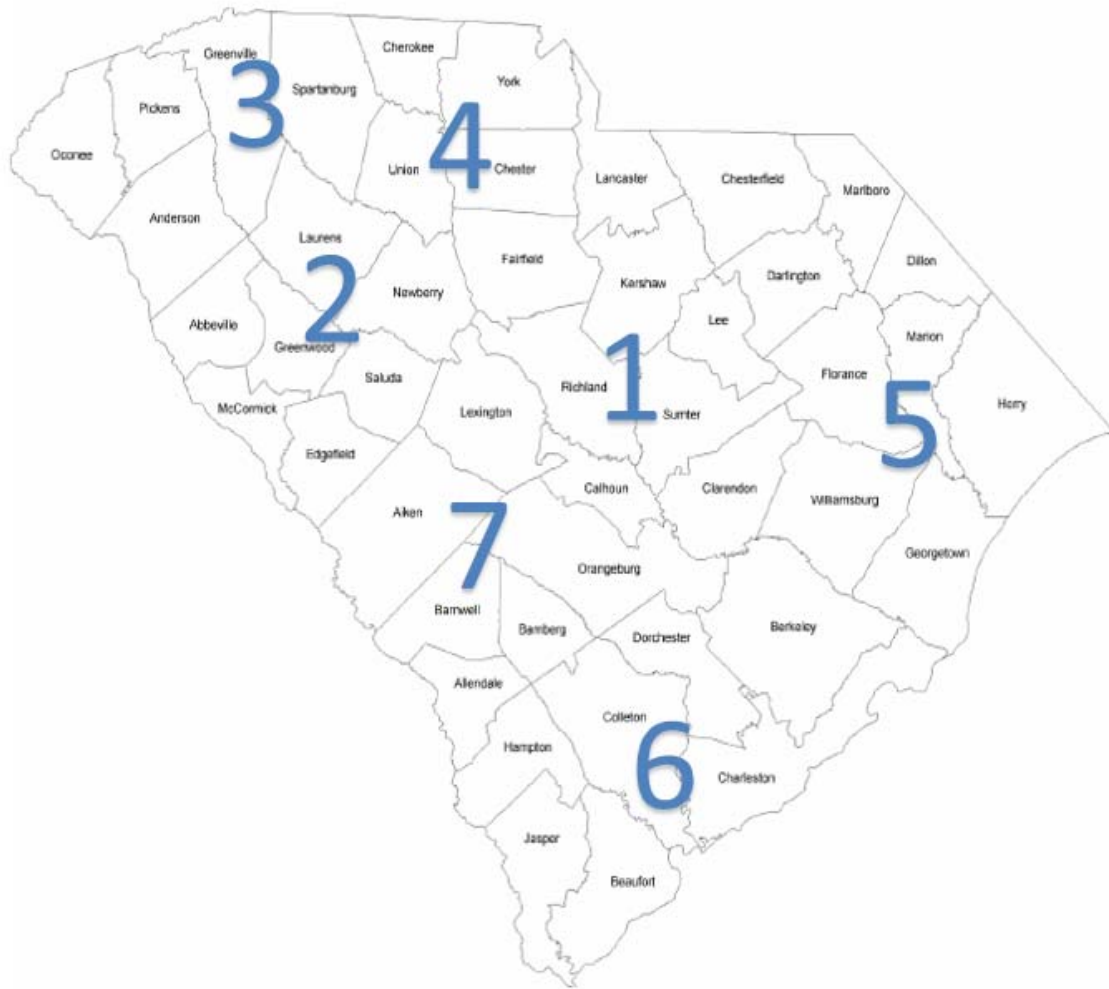


Figure 4. Management structure, as provided by the agency⁸⁷



Engineering District 1	Administrator: Bryan Jones, P.E.
•Kershaw; Lee; Lexington; Richland; and Sumter	
Engineering District 2	Administrator: Kevin McLaughlin, P.E.
•Abbeville; Anderson; Edgefield; Greenwood; Laurens; McCormick; Newberry; and Saluda	
Engineering District 3	Administrator: Stephanie Amell-Jackson, P.E.
•Greenville; Oconee; Pickens; and Spartanburg	
Engineering District 4	Administrator: John McCarter, P.E.
•Cherokee; Chester; Chesterfield; Fairfield; Lancaster; Union; and York	
Engineering District 5	Administrator: Kyle Berry, P.E.
•Darlington; Dillon; Florence; Georgetown; Horry; Marion; Marlboro; and Williamsburg	
Engineering District 6	Administrator: Robert Clark
•Beaufort; Berkeley; Charleston; Colleton; Dorchester; and Jasper	
Engineering District 7	Administrator: Jo Anne Woodrum
•Aiken; Allendale; Bamberg; Barnwell; Calhoun; Clarendon; Hampton; and Orangeburg	

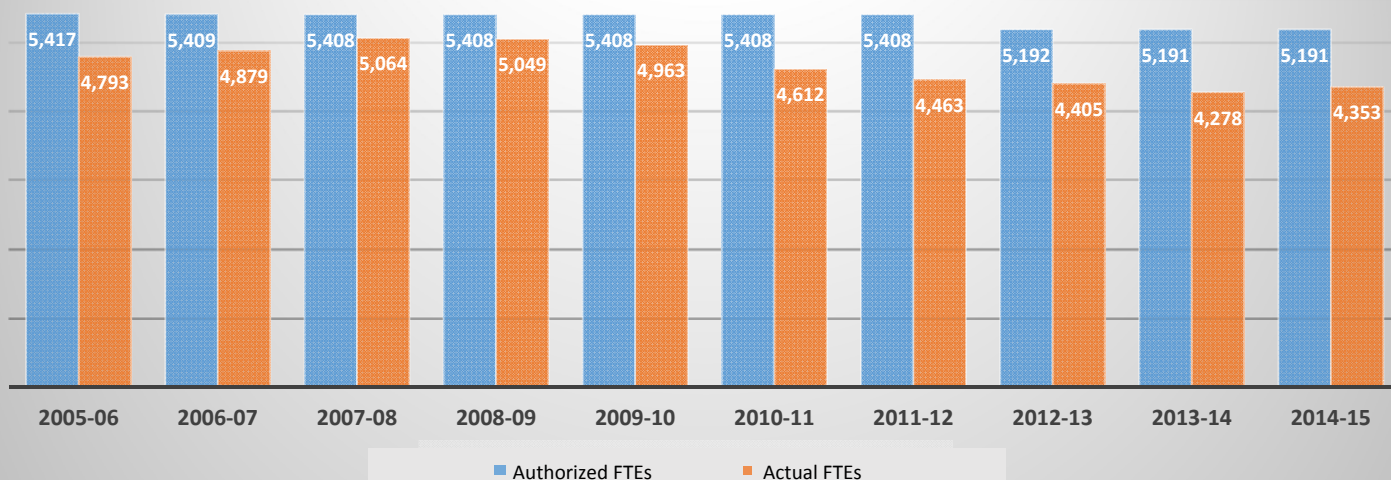
Figure 5. Map of engineering districts and current administrator information

There are four types of state employees: (1) temporary grant employees, (2) temporary employees, (3) time-limited employees, and (4) full-time employees.⁸⁸ The difference between a temporary employee and a time-limited employee is that the time-limited employee is employed to work on a particular project, and is employed only until the goals are met or the funding ends for that project.⁸⁹

Trends in authorized full-time equivalent positions (FTEs) at the agency over the past ten years are summarized in Figure 6.1.⁹⁰ The **Department reports that it had approximately 4,350 filled positions** on February 17, 2015, and that the **majority of its workforce works in field operations** in county offices.⁹¹ The numbers and types of non-FTE employees are provided in Figure 6.2.⁹²

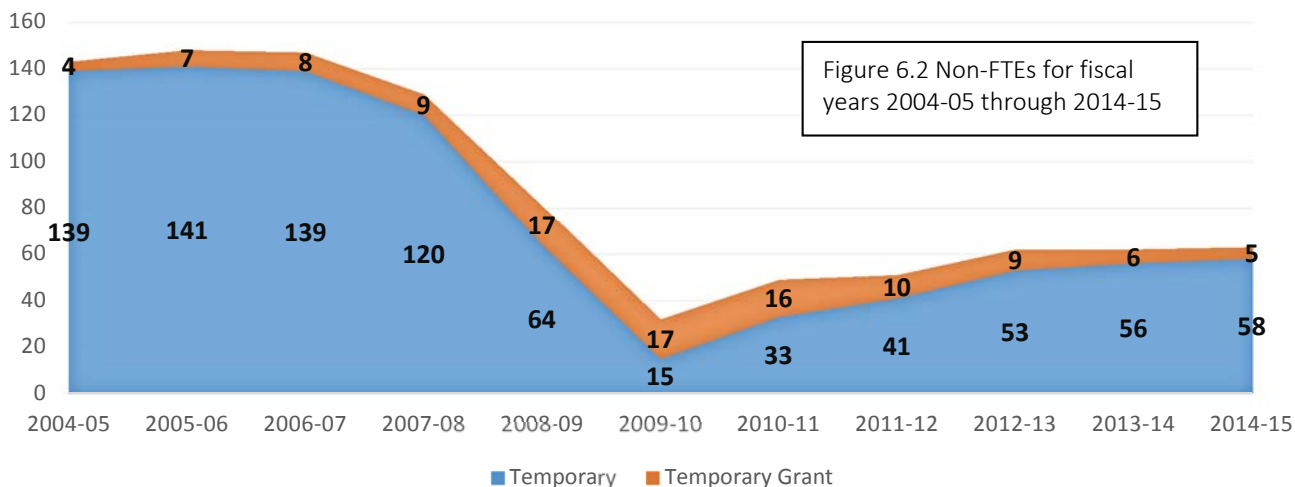
Authorized and Actual FTEs

Figure 6.1 Authorized and actual FTEs for fiscal years 2005-06 through 2014-15



Non-FTEs

Figure 6.2 Non-FTEs for fiscal years 2004-05 through 2014-15



Public Comments about the Agency

In the Committee's recent public survey, the **opinions of 914 participants who chose to provide their opinion about the Department were divided**, and a small percentage expressed no opinion (4.92% - 45).⁹³ Slightly more survey participants had a negative (32.17% - 294) or very negative opinion (16.41% - 150) of the agency than a positive (38.73% - 354) or very positive opinion (7.77% - 71).⁹⁴ Notably, a significant number of survey participants identified themselves as a current state employee (420) or a current state employee of an agency under study by the Committee (371).⁹⁵

Written comments about the agency were provided by 410 survey participants; often, those comments addressed more than one topic.⁹⁶ Some of those topics are listed in Table 1. The **complete comments can be found online**.⁹⁷

Table 1. Some topics addressed by survey participants ⁹⁸

Governance	Funding	Employees	Responsibilities
<input type="checkbox"/> 15 mention the legislature	<input type="checkbox"/> 67 mention funding	<input type="checkbox"/> 37 relate to morale	<input type="checkbox"/> 88 relate to the condition of the roads
<input type="checkbox"/> 13 mention the Governor	<input type="checkbox"/> 16 mention the gas tax	<input type="checkbox"/> 43 pertain to pay, incentives or benefits	<input type="checkbox"/> 11 mention safety
<input type="checkbox"/> 17 mention politics		<input type="checkbox"/> 18 mention work flexibility, specifically a 4-day work week	<input type="checkbox"/> 22 mention maintenance
<input type="checkbox"/> 14 mention priorities			<input type="checkbox"/> 5 relate to public transportation
<input type="checkbox"/> 14 mention the Commission			
<input type="checkbox"/> 28 mention management			

Responsibilities

In its Restructuring and Seven-Year Plan Report, the agency was asked to provide its purpose and mission. As its **purpose**, the agency states that it "shall have as its functions and purposes the systematic planning, construction, maintenance, and operation of the state highway system and the development of a statewide intermodal and freight system that is consistent with the needs and desires of the public."⁹⁹ The legal foundation for the agency's purpose is found in statute.¹⁰⁰

The agency states the following as its **mission**: "The goal of the Department is to provide adequate, safe and efficient transportation services for the movement of people and goods."¹⁰¹ The legal foundation for the agency's mission is also found in statute.¹⁰²

The agency states that its **vision** "is to deliver, operate and maintain a world-class, 21st century, multimodal transportation system that enables the Palmetto State to continue to grow our economy, enhance our communities, and improve our environment."¹⁰³

Key deliverables identified by the agency include: highway and bridge maintenance; highway and bridge construction, and transit program services.¹⁰⁴ The agency stated that its two **most important deliverables are highway and bridge construction**, which is entirely outsourced, **and highway and bridge maintenance**,

which is partially outsourced.¹⁰⁵ The agency reports that an increase in funding would allow it to better focus on these two deliverables.¹⁰⁶

The public roadways in South Carolina are owned by a combination of entities. The majority (62%) of public roads are state-owned, with 34% locally owned, and 4% federally owned.¹⁰⁷ In its 2015 State of the South Carolina Department of Transportation report, the agency claimed responsibility for **41,414 centerline miles and 90,530 lane miles** across the state.¹⁰⁸ Centerline miles and lane miles are different measurements used for determining a roadway's surface; the former reflects the total length of road while the latter is a measurement that reflects the distance based on lanes "by multiplying centerline mileage by the number of lanes a road has."¹⁰⁹

Details about the state system, which is comprised of four route types, are included in Tables 2-5. Additionally, Tables 2-5 include information about: the service lives and conditions of roads, those responsibilities for roads, those authorized to work on roads, the average cost to repair roads, the sources of funding available to the Department, and the applicable Act 114 prioritization directives and rankings. Table 6 provides similar information about other roads.

A review of some terminology may be helpful in understating the information provided in the Tables about the state system:

- **Functional Classification**¹¹⁰ - Functional classification is directly tied to the Federal-aid Highway System and to eligibility for Federal transportation funding (i.e. Federal Aid).
- **Remaining Service Life (RSL)** - Objective assessment of the number of years (under predefined conditions of traffic, environments, terminal level of service, and other factors) a given highway section or network will continue to exist in an acceptable condition;¹¹¹
- **Service Years Gained** - Improvement and preservation treatments performed on a road increase a road's service life.¹¹² Each specific treatment has an expected life.¹¹³ As an example, a specific rehabilitation treatment may be expected to last for 15 years. The total years of service life added is the total life expectancy of each of the treatments multiplied by the number of lane miles of application. For example, if a treatment, which is expected to last 15 years, is performed on 10 lane miles, then 150 (15x10) years of service life was added to that road;
- **Service Years Lost** - The state's transportation system deteriorates due to daily miles traveled upon it as well as by weather.¹¹⁴ This deterioration results in loss of service life each year.¹¹⁵ The number of service years lost each year for a route type is the number of lane miles of that route type multiplied by 1 (i.e. each lane loses one year of service life each year); and
- **Service Life Net Change** - Service Life Net Change is the result of the increased service life from improvement and preservation treatments minus the decreased service life due to daily miles traveled and weather.¹¹⁶

Table 2. State system - interstate route details as of December 2014¹¹⁷

Route Type #1	Interstate (State System)									
	Information below is current as of December 2014, unless otherwise noted Centerline Mile (CL) = total length of road; Lane Mile = centerline miles multiplied by # of lanes a road									
Functionality Class (Directly tied to Federal Aid eligibility)	Interstates - The highest classification of roads; designed and constructed with mobility and long-distance travel in mind									
Total Length and Use	Length - 851 CL miles (3,796 lane miles); Rural - 581 CL miles (1.9% of all rural miles); Urban - 270 CL miles (2.4% of all urban miles) ¹¹⁸ (Rural and Urban mileage data as of December 2013) Use - 29% (approx.) of all roadway travel (As of Dec. 31, 2013 - 13% of interstate are high usage, carrying over 70,000 vehicles per day)									
Condition - Service Life Gained/Lost	Each year a road loses one year of service life, and each year, the service life for interstates decreases by 851 CL miles or 3,796 lane miles. Service life is gained when a preservation, rehabilitation, or reconstruction project is performed on a road; different projects add varying numbers of service years. Below is a chart of the service years gained from all the projects performed and the net change (i.e. service years gained minus service years lost).									
	Year			Net Change (lane miles)		Service Years Gained				
	2010	-2,694		1,054		2013	-503			
	2011	-1,090		2,670		2014	-1,343			
	2012	-1,594		2,166						
Condition - % of roads that are in different conditions based of years of service life remaining as of 2014 (Good = 10+ years; Fair = 5-9 years; Poor = 1-4 years)	Year ¹¹⁹			Good		Fair		Poor		
	2008	58%		26%		16%		2012	67%	
	2009	59%		26%		15%		2013	61%	
	2010	59%		27%		14%		2014	61%	
	2011	62%		30%		8%		Change in 6 yrs	+2%	
Responsibility - Entities Responsible for the Road	1) Department of Transportation									
Work - Entities that can Perform Work on the Road	Projects which receive federal aid - Outside contractors must perform the work Projects not receiving federal aid - Agency or anyone who is selected through the competitive low-bid process can perform the work									
Costs - Average Cost for Pavement Reconstruction and Rehabilitation Treatments ¹²¹	Reconstruction - \$4,231,722 per CL mile (\$507,803 per lane mile) Rehab (Heavy) - \$2,181,666 per CL mile (\$353,822 per lane mile) Rehab (Typical) - \$1,555,293 per CL mile (\$245,570 per lane mile) Preservation - \$30,000 per lane mile ¹²²									
Funding - Sources Available	1) Federal Aid (agency is reimbursed approximately 80% for every dollar spent; can only be used on federally-eligible roads); 2) SC General Fund;				3) Various Statewide Fees/Taxes dedicated to the operation of agency; 4) State Infrastructure Bank; 5) C Funds; and 6) Local sales tax programs					
Planning	Act 114 prioritization directives and rankings applicable									

Number of Miles of Route Type by County - Interstate

Abbeville	0.000	Chester	18.820	Greenville	51.230	Marion	0.000	Williamsburg	0.000
Aiken	45.160	Chesterfield	0.000	Greenwood	0.000	Marlboro	0.000	York	21.340
Allendale	0.000	Clarendon	34.220	Hampton	6.610	Newberry	27.760		
Anderson	36.570	Colleton	28.300	Horry	0.000	Oconee	4.030		
Bamberg	0.000	Darlington	14.580	Jasper	33.900	Orangeburg	43.120		
Barnwell	0.000	Dillon	23.770	Kershaw	21.260	Pickens	0.000		
Beaufort	0.000	Dorchester	32.610	Lancaster	0.000	Richland	62.830		
Berkeley	22.990	Edgefield	0.000	Laurens	38.200	Saluda	0.000		
Calhoun	17.440	Fairfield	21.460	Lee	20.330	Spartanburg	75.530		
Charleston	31.920	Florence	29.010	Lexington	51.940	Sumter	12.860		
Cherokee	22.800	Georgetown	0.000	McCormick	0.000	Union	0.000		

Number of centerline and lane miles as of December 2014

Table 3. State system - primary route details as of December 2014¹²³

Route Type #2	Primary (State System - US and SC Routes)																																															
	Information below is current as of December 2014, unless otherwise noted Centerline Mile (CL) = total length of road; Lane Mile = centerline miles multiplied by # of lanes a road																																															
Functionality Class (Directly tied to Federal Aid eligibility)	Freeways/Highways - Similar to interstates with directional travel lanes and physical barrier separation, but entrance and exit points are limited. Principal Arterials - Serve major centers of metropolitan areas, provide a high degree of mobility or mobility through rural areas, and generally provide service for trips of moderate or greater length; Minor Arterials - Serve geographic areas that are smaller and offer connectivity to the higher Arterial system and among other things, provide intra-community continuity and may carry local bus routes																																															
Total Length and Use	Length - 9,472 CL miles; 23,869 lane miles; Rural - 7,334 CL miles (24.22% of all rural miles); Urban - 2,137 CL miles (19.20% of all urban miles) ¹²⁴ (Rural and Urban mileage data as of December 2013) Use - 47% (approx.) of all roadway travel																																															
Condition - <i>Service Life Gained/Lost</i>	Each year a road loses one year of service life, and each year, the service life for interstates decreases by 851 CL miles or 3,796 lane miles. Service life is gained when a preservation, rehabilitation, or reconstruction project is performed on a road; different projects add varying numbers of service years. Below is a chart of the service years gained from all the projects performed and the net change (i.e. service years gained minus service years lost).																																															
	<table><tr><th>Year</th><th>Net Change (lane miles)</th><th>Service Years Gained</th></tr><tr><td>2010</td><td>-9,221</td><td>14,051</td></tr><tr><td>2011</td><td>-11,231</td><td>12,485</td></tr><tr><td>2012</td><td>-15,341</td><td>8,375</td></tr></table>			Year	Net Change (lane miles)	Service Years Gained	2010	-9,221	14,051	2011	-11,231	12,485	2012	-15,341	8,375	<table><tr><th>Year</th><th>Net Change (lane miles)</th><th>Service Years Gained</th></tr><tr><td>2013</td><td>-10,448</td><td>13,268</td></tr><tr><td>2014</td><td>-12,718</td><td>11,150</td></tr><tr><td></td><td></td><td></td></tr></table>			Year	Net Change (lane miles)	Service Years Gained	2013	-10,448	13,268	2014	-12,718	11,150																					
Year	Net Change (lane miles)	Service Years Gained																																														
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2013	-10,448	13,268																																														
2014	-12,718	11,150																																														
Condition - % of roads that are in different conditions based of years of service life remaining as of 2014 (<u>Good</u> = 10+ years; <u>Fair</u> = 5-9 years; <u>Poor</u> = 1-4 years)	<table><tr><th>Year¹²⁵</th><th>Good</th><th>Fair</th><th>Poor</th><th>Year¹²⁶</th><th>Good</th><th>Fair</th><th>Poor</th></tr><tr><td>2008</td><td>26%</td><td>43%</td><td>31%</td><td>2012</td><td>17%</td><td>39%</td><td>44%</td></tr><tr><td>2009</td><td>29%</td><td>35%</td><td>36%</td><td>2013</td><td>16%</td><td>38%</td><td>46%</td></tr><tr><td>2010</td><td>30%</td><td>33%</td><td>37%</td><td>2014</td><td>16%</td><td>38%</td><td>46%</td></tr><tr><td>2011</td><td>18%</td><td>43%</td><td>39%</td><td>Change in 6 yrs</td><td>-10%</td><td>-5%</td><td>+15%</td></tr></table>								Year ¹²⁵	Good	Fair	Poor	Year ¹²⁶	Good	Fair	Poor	2008	26%	43%	31%	2012	17%	39%	44%	2009	29%	35%	36%	2013	16%	38%	46%	2010	30%	33%	37%	2014	16%	38%	46%	2011	18%	43%	39%	Change in 6 yrs	-10%	-5%	+15%
Year ¹²⁵	Good	Fair	Poor	Year ¹²⁶	Good	Fair	Poor																																									
2008	26%	43%	31%	2012	17%	39%	44%																																									
2009	29%	35%	36%	2013	16%	38%	46%																																									
2010	30%	33%	37%	2014	16%	38%	46%																																									
2011	18%	43%	39%	Change in 6 yrs	-10%	-5%	+15%																																									
Responsibility - Entities Responsible for the Road	1) Department of Transportation																																															
Work - Entities that can Perform Work on the Road	Projects which receive federal aid - Outside contractors must perform the work Projects not receiving federal aid - Agency or anyone who is selected through the competitive low-bid process can perform the work																																															
Costs - Avgerage Cost for Pavement Reconstruction and Rehabilitation Treatments ¹²⁷	Reconstruction - \$477,543 per CL mile (\$187,861 per lane mile) Rehab (Heavy) - \$412,808 per CL mile (\$156,367 per lane mile) Rehab (Typical) - \$341,868 per CL mile (\$101,445 per lane mile) Preservation - \$30,000 per lane mile ¹²⁸																																															
Funding - Sources Available	1) Federal Aid (agency is reimbursed approximately 80% for every dollar spent; can only use on federally-eligible roads); 2) SC General Fund;				3) Statewide Fees/Taxes for operation of agency; 4) State Infrastructure Bank; 5) C Funds; and 6) Local sales tax program																																											
Planning	Act 114 prioritization directives and rankings applicable																																															

Number of Miles of Route Type by County - Primary

Abbeville	183.420	Chester	197.060	Greenville	349.020	Marion	142.840	Williamsburg	207.500
Aiken	306.650	Chesterfield	229.390	Greenwood	205.910	Marlboro	162.050	York	305.940
Allendale	107.270	Clarendon	129.010	Hampton	131.240	Newberry	178.390		
Anderson	350.620	Colleton	250.440	Horry	384.900	Oconee	220.060		
Bamberg	136.120	Darlington	154.240	Jasper	176.530	Orangeburg	428.270		
Barnwell	146.710	Dillon	122.010	Kershaw	173.490	Pickens	227.740		
Beaufort	137.432	Dorchester	149.500	Lancaster	187.310	Richland	283.870		
Berkeley	237.980	Edgefield	136.110	Laurens	255.740	Saluda	160.450		
Calhoun	125.070	Fairfield	168.110	Lee	118.450	Spartanburg	386.152		
Charleston	247.200	Florence	241.930	Lexington	240.350	Sumter	228.320		
Cherokee	154.100	Georgetown	155.120	McCormick	101.280	Union	149.380		

Number of centerline and lane miles as of December 2014

Table 4. State system - secondary routes, federal aid eligible details as of December 2014¹²⁹

Route Type #3	Secondary, Federal Aid Eligible (State System)																	
	Information below is current as of December 2014, unless otherwise noted Centerline Mile (CL) = total length of road; Lane Mile = centerline miles multiplied by # of lanes a road																	
Functionality Class (Directly tied to Federal Aid eligibility)	Major Collectors - Serve a critical role by gathering traffic from local roads and funneling them to the Arterial network; longer in length; lower connecting driveway densities; higher speed limits; are spaced at greater intervals; higher annual average traffic volumes; and may have more travel lanes than their Minor Collector. Minor Collectors (Urban only) - Similar to Major Collectors but may have less travel lanes; Minor collectors located outside urban areas (i.e. rural) are not normally eligible for Federal Aid. Minor collectors in urban areas, which are included in the figures under major collectors above, are eligible for Federal Aid. ¹³⁰																	
Total Length and Use	Length - 10,271 CL miles; 21,108 lane miles ; Rural - 7,580 CL miles (25.03% of all rural miles); Urban - 2,691 CL miles (24.18% of all urban miles) ¹³¹ (Rural and Urban mileage data as of December 2013) Use - 17% (approx.) of all roadway travel																	
Condition - <i>Service Life Gained/Lost</i> (For all Secondary Roads - Federal Aid Eligible and Non-Federal Aid Eligible)	Each year a road loses one year of service life, and each year, the service life for interstates decreases by 851 CL miles or 3,796 lane miles. Service life is gained when a preservation, rehabilitation, or reconstruction project is performed on a road; different projects add varying numbers of service years. Below is a chart of the service years gained from all the projects performed and the net change (i.e. service years gained minus service years lost).																	
	Year			Net Change (lane miles)		Service Years Gained		Year	Net Change (lane miles)		Service Years Gained							
	2010			-35,057		27,847		2013	-43,262		19,646							
	2011			-28,583		34,325		2014	-42,439		20,426							
	2012			-46,503		16,405												
Condition - % of roads that are in different conditions based of years of service life remaining as of 2014 (<u>Good</u> = 10+ years; <u>Fair</u> = 5-9 years; <u>Poor</u> = 1-4 years)	Year ¹³²			Good		Fair		Poor		Year ¹³³			Good		Fair		Poor	
	2008			19%		50%		31%		2012			17%		42%		41%	
	2009			19%		44%		37%		2013			20%		37%		43%	
	2010			14%		46%		40%		2014			20%		37%		43%	
	2011			16%		43%		41%		Change in 6 yrs			+1%		-13%		+12%	
Responsibility - Entities Responsible for the Road	1) Department of Transportation																	
Work - Entities that can Perform Work on the Road	Projects which receive federal aid - Outside contractors must perform the work. Projects not receiving federal aid - Agency or anyone who is selected through the competitive low-bid process can perform the work.																	
Costs - Average Cost for Pavement Reconstruction and Rehabilitation Treatments ¹³⁴	Reconstruction - \$316,495 per CL mile (\$148,589 per lane mile) Rehab (Heavy) - \$318,299 per CL mile (\$151,571 per lane mile) Rehab (Typical) - \$242,376 per CL mile (\$104,925 per lane mile) Preservation - \$30,000 per lane mile ¹³⁵																	
Funding - Sources Available	1) Federal Aid (agency is reimbursed approximately 80% for every dollar spent; can only use on federally-eligible roads); 2) SC General Fund;								3) Statewide Fees/Taxes for operation of agency; 4) State Infrastructure Bank; 5) C Funds; and 6) Local sales tax programs									
Planning	Act 114 prioritization directives and rankings applicable																	

Number of Miles of Route Type by County - Secondary, Federal Aid Eligible									
Abbeville	134.270	Chester	105.570	Greenville	581.161	Marion	150.007	Williamsburg	237.549
Aiken	417.973	Chesterfield	254.530	Greenwood	208.600	Marlboro	101.452	York	331.914
Allendale	87.350	Clarendon	221.330	Hampton	120.310	Newberry	221.231		
Anderson	409.376	Colleton	189.677	Horry	414.851	Oconee	203.411		
Bamberg	117.270	Darlington	287.780	Jasper	76.060	Orangeburg	239.839		
Barnwell	150.250	Dillon	119.440	Kershaw	250.280	Pickens	228.744		
Beaufort	132.290	Dorchester	144.320	Lancaster	312.850	Richland	436.111		
Berkeley	208.544	Edgefield	171.990	Laurens	250.363	Saluda	133.012		
Calhoun	81.910	Fairfield	177.950	Lee	191.580	Spartanburg	407.342		
Charleston	249.506	Florence	410.596	Lexington	443.907	Sumter	267.471		
Cherokee	145.666	Georgetown	165.850	McCormick	68.210	Union	152.964		

Number of centerline and lane miles as of December 2014

Table 5. State system - secondary routes, non-federal aid eligible details as of December 2014¹³⁶

Route Type #4	Secondary, Non-Federal Aid Eligible (State System)																	
	Information below is current as of December 2014 Centerline Mile (CL) = total length of road; Lane Mile = centerline miles multiplied by # of lanes a road																	
Functionality Class (Directly tied to Federal Aid eligibility)	Minor Collectors (Rural only) - Similar to Major Collectors but may have less travel lanes Local Roads - Neighborhood streets, shorter in length, carry low volumes; often classified by default																	
Total Length and Use	Length - 20,821 centerline miles; 41,758 lane miles (30% within City or County urban areas); Rural - 14,789 CL miles (48.83% of all rural miles); Urban - 6,032 CL miles (54.20% of all urban miles) ¹³⁷ (Rural and Urban mileage data as of December 2013) Use - 7% (approx.) of all roadway travel																	
Condition - Service Life Gained/Lost (For all Secondary Roads - Federal Aid Eligible and Non-Federal Aid Eligible)	Each year a road loses one year of service life, and each year, the service life for interstates decreases by 851 CL miles or 3,796 lane miles. Service life is gained when a preservation, rehabilitation, or reconstruction project is performed on a road; different projects add varying numbers of service years. Below is a chart of the service years gained from all the projects performed and the net change (i.e. service years gained minus service years lost).																	
	Year			Net Change (lane miles)		Service Years Gained		Year		Net Change (lane miles)		Service Years Gained						
	2010			-35,057		27,847		2013		-43,262		19,646						
	2011			-28,583		34,325		2014		-42,439		20,426						
	2012			-46,503		16,405												
Condition - % of roads that are in different conditions based of years of service life remaining as of 2014 (Good = 10+ years; Fair = 5-9 years; Poor = 1-4 years)	Year ¹³⁸			Good		Fair		Poor		Year ¹³⁹			Good		Fair		Poor	
	2008			14%		53%		33%		2012			13%		42%		45%	
	2009			12%		53%		35%		2013			10%		40%		50%	
	2010			14%		42%		44%		2014			10%		40%		50%	
	2011			13%		41%		46%		Change in 6 yrs			-4%		-13%		+17%	
Responsibility - Entities Responsible for the Road	1) Department of Transportation																	
Work - Entities that can Perform Work on the Road	Agency; whomever agency hires; County (through CTC funds); whomever county hires																	
Costs - Avgerage Cost for Pavement Reconstruction and Rehabilitation Treatments ¹⁴⁰	Reconstruction - \$285,194 per centerline mile (\$141,185 per lane mile) Rehab (Heavy) - \$286,333 per centerline mile (\$143,167 per lane mile) Rehab (Typical) - \$191,557 per centerline mile (\$95,779 per lane mile) Preservation - \$30,000 per lane mile ¹⁴¹																	
Funding - Sources Available	1) SC General Fund; 2) Statewide Fees/Taxes for operation of agency				3) C Funds; 4) Local sales tax programs; and 5) State Transportation Infrastructure Bank													
Planning	Act 114 prioritization directives and rankings applicable																	

Number of Miles of Route Type by County - Secondary, Non-Federal Aid Eligible									
Abbeville	338.080	Chester	489.080	Greenville	481.166	Marion	280.941	Williamsburg	532.611
Aiken	739.832	Chesterfield	550.930	Greenwood	322.970	Marlboro	454.618	York	651.097
Allendale	289.230	Clarendon	390.390	Hampton	323.310	Newberry	425.979		
Anderson	464.474	Colleton	577.023	Horry	540.059	Oconee	398.879		
Bamberg	298.280	Darlington	553.990	Jasper	231.270	Orangeburg	881.278		
Barnwell	295.480	Dillon	401.470	Kershaw	581.210	Pickens	252.229		
Beaufort	262.320	Dorchester	354.750	Lancaster	395.310	Richland	830.369		
Berkeley	538.212	Edgefield	296.160	Laurens	507.927	Saluda	350.838		
Calhoun	303.640	Fairfield	342.590	Lee	275.920	Spartanburg	498.484		
Charleston	620.484	Florence	678.114	Lexington	774.130	Sumter	534.599		
Cherokee	418.224	Georgetown	334.090	McCormick	281.210	Union	313.676		

Number of centerline and lane miles as of December 2014

Table 6. Non-State System - Other roads owned by local government or private as of December 2014¹⁴²

Route Type #5	Other Roads (Non-State System) Roads owned by Municipalities, Counties, Private Entities, etc. Information below is current as of December 2014
Functionality Class	<i>Minimal amounts of principal arterials, minor arterials and major collectors</i> ¹⁴³ <i>Minor Collectors</i> - Similar to Major Collectors but may have less travel lanes <i>Local Roads</i> - Neighborhood streets, shorter in length, carry low volumes; often classified by default
Total Length and Use	Length - 34,910 centerline miles; 68,762 lane miles; Use - Unknown (% use stated by SCDOT for roads above total 100% so % use on local roads and federal roads is unknown)
Responsibility - Entities Responsible for the Road	County, city, private individual, etc. Tool to determine who owns and is responsible for a road: http://www.scdot.org/getting/streetfinder.aspx
Work - Entities that can Perform Work on the Road	Whomever the owner hires (i.e. private contractor, agency, etc.)
Funding - Sources Available	1) C Funds; 2) Local sales tax programs; 3) Funds of the owner; and 4) Federal (DOT may construct a county road with federal funds)
Planning	Act 114 prioritization directives and rankings are not applicable to these other roads

Number of Miles of Route Type by County - Other Roads									
Abbeville	341.210	Chester	253.110	Greenville	2392.696	Marion	450.302	Williamsburg	407.290
Aiken	1367.835	Chesterfield	786.138	Greenwood	476.926	Marlboro	304.040	York	843.061
Allendale	146.840	Clarendon	505.410	Hampton	285.050	Newberry	476.340		
Anderson	1892.740	Colleton	519.180	Horry	2406.585	Oconee	1411.930		
Bamberg	215.530	Darlington	455.010	Jasper	157.140	Orangeburg	1263.790		
Barnwell	229.050	Dillon	306.690	Kershaw	536.580	Pickens	1278.637		
Beaufort	1252.058	Dorchester	640.575	Lancaster	576.900	Richland	1244.290		
Berkeley	1291.614	Edgefield	333.300	Laurens	648.790	Saluda	400.021		
Calhoun	245.200	Fairfield	297.130	Lee	152.850	Spartanburg	2201.832		
Charleston	874.295	Florence	791.701	Lexington	1580.820	Sumter	843.560		
Cherokee	454.560	Georgetown	798.100	McCormick	334.790	Union	238.730		

Number of centerline and lane miles as of December 2014

In November 2006, the LAC released “A Management Review of the South Carolina Department of Transportation”, which included 44 recommendations “to improve contract management, program management, and administrative management.”¹⁴⁴ The report suggested that “a climate of favoritism may exist at the [agency] and that taxpayers may incur unnecessary costs because of the way [the agency] handles contracts.”¹⁴⁵ In response to these concerns and others expressed by citizens, the General Assembly reformed the agency with Act 114 of 2007.¹⁴⁶

Act 114 of 2007 authorized the LAC to conduct a performance audit of the Department. The LAC hired MGT of America, Inc., to conduct the **audit, which was completed in January 2010.**¹⁴⁷ The MGT audit team noted the agency addressed the majority (31 of 44) of the LAC’s recommendations.¹⁴⁸ However, the audit team noted the recommendation that the agency shorten the time between advertising a project and signing a contract had not been successfully implemented.¹⁴⁹ Furthermore, the audit team noted the agency only partially addressed other recommendations, including five contract management recommendations, five program management recommendations, and two administrative management recommendations.¹⁵⁰

Currently, the LAC is performing a comprehensive audit of the agency that will include an update on the status of the agency’s implementation of the recommendations from the 2006 audit and the 2010 follow-

up audit. The audit will also include (1) a review and recommendations regarding resurfacing, reconstruction, and reclamation processes; and (2) the amounts the Department spends on the “C Program” and the county transportation committees administered by the Department.¹⁵¹ E. Brad Hanley is the LAC audit manager.

Relationships

The agency works with and for various **partners, customers, and stakeholders**. The terms are defined in Figure 7 as presented to the agency in guidelines for its Restructuring and Seven-Year Plan Report. For example, long-range planning partners include metropolitan planning organizations (“MPO”) and councils of government (“COG”). Table 7 summarizes information provided by the agency about these relationships. The agency may have more than one relationship with the same entity. For example, the citizens and motoring public are listed as a partner, customer, and stakeholder. As another example, 28 public transit providers receive some form of funding through the agency.¹⁵²

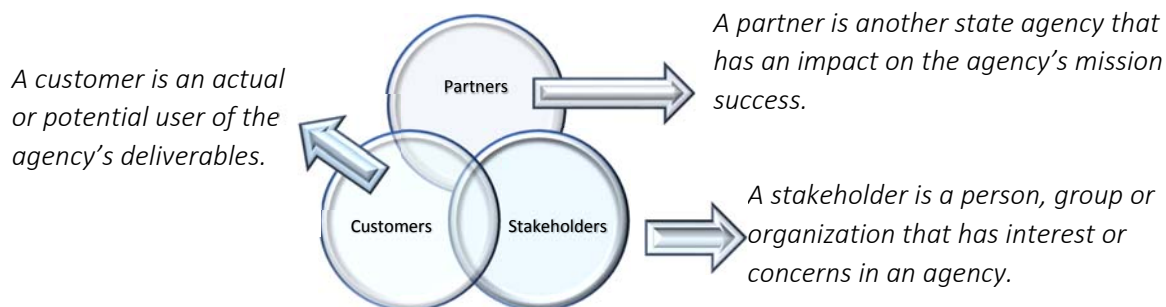


Figure 7. Partners, customers, and stakeholders defined as presented to the agency¹⁵³

Table 7. Agency's partners, customers, and stakeholders¹⁵⁴

Entity	Partner	Customer	Stakeholder
Business Community (<i>Corporate Partners; State and Local Chambers of Commerce</i>)	✓		✓
Businesses and commercial utilities		✓	
Citizens of South Carolina and the motoring public who use the state's highways and bridges	✓	✓	✓
Citizens who use public transportation	✓	✓	
Conservation and Environmental Organizations (8)	✓		
Department of Commerce	✓		
Department of Corrections	✓		
Department of Health & Environmental Control	✓		
Department of Motor Vehicles	✓		
Department of Public Safety	✓		
Emergency Management Division	✓		
General Assembly	✓		✓
Governor	✓		✓
Local Governments	✓		✓
Other State, County and Municipal Groups (<i>10 Councils of Government; 11 Metropolitan Planning Organizations; County Transportation Committees; and Various Law Enforcement Entities</i>)	✓		
Professional Associations (<i>Certified Public Managers and Government Finance Officers Association</i>)	✓		
South Carolina Congressional Delegation	✓		
South Carolina Ports Authority	✓		
Transportation Organizations (33)	✓		
Universities	✓		

The different phases of agency project initiation and development, listed in Figure 8, provide various opportunities for interaction between the agency and its partners, customers, and stakeholders.¹⁵⁵

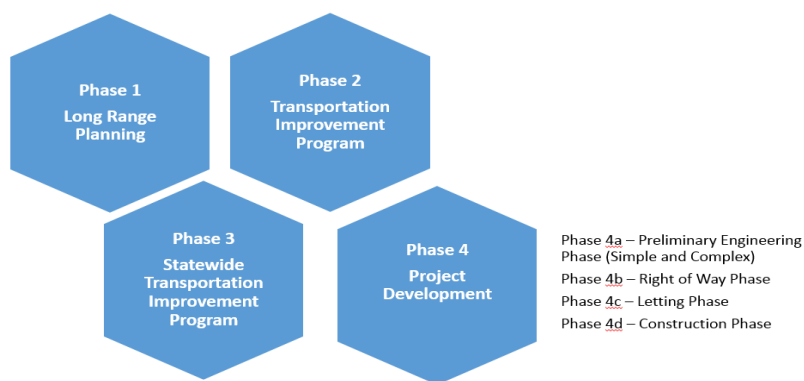


Figure 8. Phases of agency project initiation and development

On June 30, 2015, the Subcommittee held a meeting with the agency to examine more closely its partnership relationship with **county transportation committees (“CTCs”) and the C Fund Program**, “a means for local communities to have a source of funds to improve transportation needs in their areas.”¹⁵⁶ C Funds are derived from 2.66 cents per gallon of the state user fee which amounts to approximately \$70 million each year.¹⁵⁷ The C Funds are apportioned based on an allocation formula, with additional allocations called “donor bonus funds” going to the counties that contribute to the C Fund an amount in excess of what it receives under the allocation formula.¹⁵⁸ Additionally, counties can fund transportation projects through local taxes.¹⁵⁹ A CTC’s project initiation comes between Phases three and four in Figure 9.

CTCs are not uniform in organization since county legislative delegations may appoint the CTC or devolve the powers and duties of the CTC onto the governing body of the county.¹⁶⁰ **CTCs are not uniform in size** because each is required to have a fair representation from municipalities and unincorporated areas of the county.¹⁶¹ Often, but not always, a CTC is a separate entity from county government.¹⁶² Twenty-seven CTCs are administered by the Department, which charges an administration fee for its services; the administration fee is 3% of a county’s annual C Fund allocation.¹⁶³ Nineteen CTCs, usually those in larger counties, are self-administered.¹⁶⁴ Self-administered CTCs are responsible for paying their own bills and keeping their own books, but the Department performs annual reviews of them.¹⁶⁵

The funds spent by the CTC must be used in furtherance of a countywide transportation plan adopted by the CTC, or a regional plan if the CTC joins in on a regional plan.¹⁶⁶ At least 25% of the funds must be spent on projects for the state system, which can include any component from sidewalks to roads.¹⁶⁷ No more than 75% of the funds can be spent on local projects (i.e. non-state system projects).¹⁶⁸ Local projects must be on public property that is accessible to the public, and can include local paving or improving city or county roads, street and traffic signs, and other road and bridge projects.¹⁶⁹

When considering which projects to pursue, generally a CTC takes into consideration: (1) any countywide or regional transportation plans in that area; (2) requests for projects from citizens and different government entities that attend the CTC meetings; and (3) legal mandates (i.e. 25% of funds on state system, etc.).¹⁷⁰ CTCs are not required to follow the objective criteria provided in Act 114 when deciding which projects to prioritize, as the Commission is required to do.¹⁷¹ However, the agency provides its own rankings to each CTC to help the CTCs prioritize projects for the state system.¹⁷² Some CTCs have

developed ranking systems of their own.¹⁷³ Since CTCs may or may not have the same objectives and criteria for ranking projects, the **exact method for how projects are decided upon is not uniform across all the counties**. Each CTC also uses its own contracting forms when hiring contractors and subcontractors.¹⁷⁴

Agency's Funding and Strategic Plan

This agency completes an Accountability Report each year.¹⁷⁵ The report provides information about the agency's **strategic plan** (i.e. business plan, roadmap to success, etc.) and its **performance measures** (i.e. how the agency determines if it is successful or making progress in its plan). Building upon this information, the Committee's oversight reports asked the agency for additional information about **all sources of funding** and the **amount the agency is actually spending to achieve each portion of its plan**.

Agency's Funding

Historical information about the agency's budget authorization levels during the past ten years is provided in Tables 8.1 and 8.2. Figure 9 also includes information about the agency's budget authorization levels for the past ten years.¹⁷⁶

Table 8.1. Agency's budget authorization levels for fiscal year 2005-06 through fiscal year 2009-10¹⁷⁷

Year	2005-06	2006-07	2007-08	2008-09	2009-10
Total Agency Budget	\$1,202,437,522	\$1,295,320,523 (\$1,286,640,523 + \$8,680,000 ¹⁷⁸)	\$1,001,723,000 (\$1,000,085,600 + \$2,637,400 ¹⁷⁹ - \$1,000,000 ¹⁸⁰)	\$1,051,239,939 (\$1,051,281,195 - \$41,256 ¹⁸¹)	\$1,046,141,144 (\$1,046,151,874 - \$10,730 ¹⁸²)
Increase/Decrease per year		+7.72%	-22.35%	+5.22%	-0.49%
Increase or Decrease since fiscal year 2005-06		+7.72%	-16.91%	-12.57%	-13.00%

Table 8.2. Agency's budget authorization levels for fiscal year 2010-11 through fiscal year 2014-15¹⁸³

Year	2010-11	2011-12	2012-13	2013-14	2014-15
Total Agency Budget	\$1,289,302,270	\$1,137,411,022	\$1,401,764,666	\$1,675,835,654 (\$1,582,037,154 + \$2,398,500 ¹⁸⁴ + \$91,400,000 ¹⁸⁵)	\$1,628,554,811 (\$1,627,774,811 + \$300,000 ¹⁸⁶ + \$480,000 ¹⁸⁷)
Increase/Decrease per year	+23.24%	-11.78%	+23.24%	+19.55%	-2.82%
Increase or Decrease since fiscal year 2005-06	+7.22%	-5.41%	+16.58%	+39.37%	+35.44%

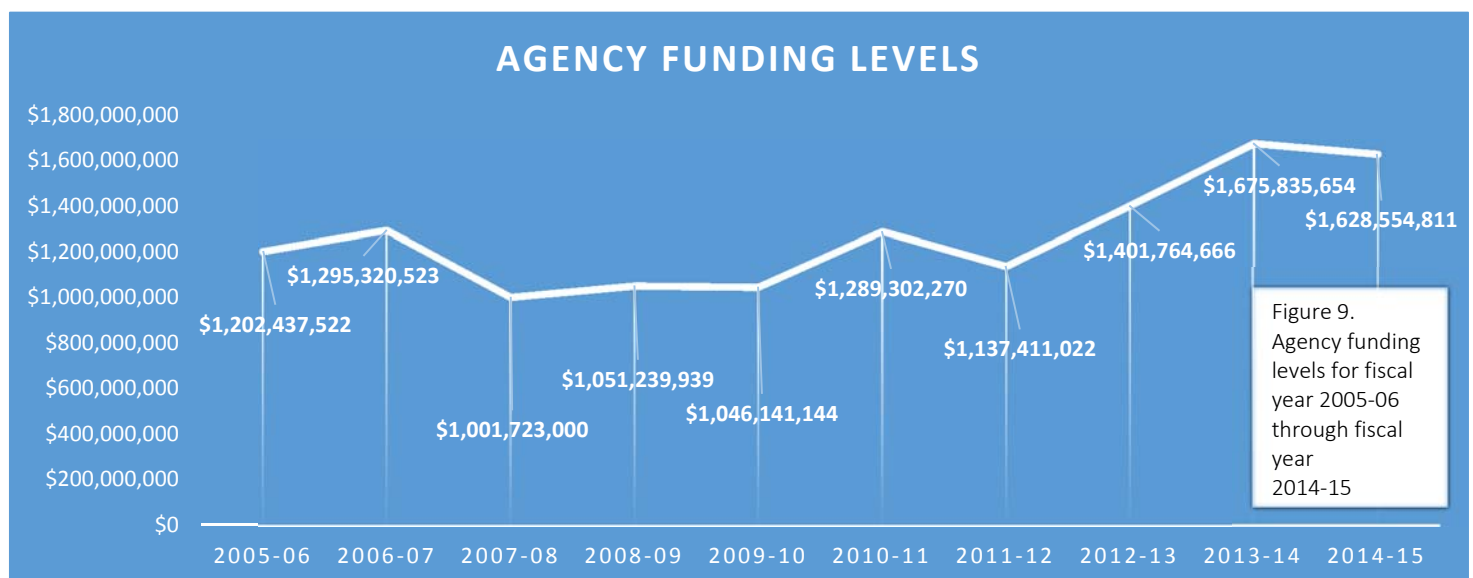


Table 9 lists **sources of authorized funding the agency reported for fiscal year 2013-14, fiscal year 2014-15, and anticipated funding sources for fiscal year 2015-16.** Examples of potential funding sources include: foundations; non-profits; the General Assembly; the federal government; grants; sales; fines; outside contracts; interest from bank accounts; and holding-restricted, or any other type of funds, etc. Based on the information provided by the agency, all the agency has available to spend comes from funds appropriated by the General Assembly.

Table 9. Agency authorized funding and sources for the past ten years¹⁸⁸

Appropriated Funding Sources						
Funding Source	2013-14		2014-15		2015-16	
	% of total funding	Actual received in FY 2014	% of total funding	Submitted budgeted revenues	% of total funding	Submitted budgeted revenues
<i>Restrictions on use of funds below</i> ➡	Pass through for State Transportation Infrastructure Bank					
State General Fund	3.99%	\$50,000,000	3.24%	\$50,000,000	3.14%	\$50,000,000
<i>Restrictions on use of funds below</i> ➡	Capital projects construction					
State General Fund	0.15%	\$1,842,237	0.03%	\$480,400 (Upstate Salt Shed)	0.35%	\$5,503,800
<i>Restrictions on use of funds below</i> ➡	Mass Transit					
State General Fund	0.00%	\$0	0.004%	\$57,270	0.004%	\$57,270

Funding Source	Outside Funding Sources					
	2013-14		2014-15		2015-16	
	% of total funding	Actual received in FY 2014	% of total funding	Submitted budgeted revenues	% of total funding	Submitted budgeted revenues
<i>Restrictions on use of funds below</i> ➡	Support SCDOT's mission					
Federal Reimbursement for Federal Aid Eligible Roads and Bridges	49.70%	\$622,744,569	56.35%	\$869,626,259	54.57%	\$871,308,000
Motor Fuel User Fee	26.89%	\$336,863,162	21.47%	\$331,255,840	21.95%	\$350,470,390
Motor Fuel User Fee - Diesel Fuel	8.09%	\$101,336,651	7.08%	\$109,331,765	6.58%	\$105,130,324
Fees and Receipts-Municipalities, Counties, and Other - Deferred Revenue	3.09%	\$38,703,582	0.32%	\$4,930,000	0.63%	\$10,000,000
Federal Reimbursement - Mass Transit	1.35%	\$16,888,567	1.31%	\$20,176,023	1.13%	\$18,116,400
DOT Labor, Lab, & Equip Usage Reimbursement on Local Sales Tax Project Programs	0.85%	\$10,647,653	0.26%	\$4,000,000	0.41%	6,500,000
Logo Sign Sales	0.31%	\$3,869,782	0.26%	\$4,000,000	0.25%	\$4,000,000
Transfer from State Infrastructure Bank	0.23%	\$2,877,718	0.26%	\$4,000,000	1.63%	\$26,000,000
Interest Income	0.16%	\$2,065,164	0.23%	\$3,500,000	0.13%	\$2,135,000
Federal Reimbursement - American Recovery and Reinvestment Act (ARRA) - Stimulus	0.14%	\$1,731,823	0.00%	\$0	0.00%	\$0
Sale of Goods and Services	0.11%	\$1,343,928	0.12%	\$1,856,500	0.10%	\$1,650,000
Refund of Prior year Expenditures	0.10%	\$1,227,437	0.18%	\$2,800,000	0.063%	\$1,000,000
Federal Reimbursement FEMA	0.09%	\$1,119,560	0.00%	\$0	0.81%	\$13,000,000
Damage Claims	0.08%	\$977,902	0.09%	\$1,400,000	0.06%	\$1,000,000
Miscellaneous Receipts	0.06%	\$713,659	0.23%	\$3,502,000	0.04%	\$700,000
Refund of Prior Year Revenue	0.04%	\$522,597	-0.007%	(\$100,000)	-0.006%	(\$100,000)
Sale of Recycling Materials	0.02%	\$290,191	0.01%	\$150,000	0.01%	\$150,000
Parking Fees	0.01%	\$109,481	0.007%	\$110,000	0.007%	\$110,000
Purchasing Card Rebate	0.01%	\$106,128	0.006%	\$95,000	0.006%	\$100,000
Rental of State owned Property	0.01%	\$118,318	0.01%	\$155,000	0.008%	\$119,000
Dishonored Checks Collections	0.00%	\$0	0.00%	\$100	0.00%	\$100

Funding sources in bold account for more than 80% of the agency's funding

Outside Funding Sources						
Funding Source	2013-14		2014-15		2015-16	
	% of total funding	Actual received in FY 2014	% of total funding	Submitted budgeted revenues	% of total funding	Submitted budgeted revenues
<i>Restrictions on use of funds below</i> ➡	Support SCDOT's mission (cont.)					
Freedom of Information Request	0.00%	\$12,361	0.0007%	\$11,000	0.0007%	\$11,000
Revenue Transfer Out (ARRA funding and Oversight/Overweight funding being transferred to the Highway Operating account to <u>support the SCDOT mission</u>)	-0.56%	(\$6,968,976)* Includes \$5m transfer from 4157 to 4490 and OSOW transfers	-0.091%	(\$1,400,000) Negative revenue payment for debt service	-0.20%	(\$3,180,000) For PRT welcome centers
Revenue Transfer In (In 2013-14, negative revenue transfer from DOT to the STIB of \$50 million, and \$9.06 million to <u>support SCDOT</u>)	-3.27%	(\$40,935,399)	0.00%	\$0	0.31%	\$4,900,000
TOTALS	46.67%	\$1,096,365,858	46.83%	\$1,359,399,487	46.95%	\$1,413,120,214
<i>Restrictions on use of funds below</i> ➡	Maintenance on non-federal aid eligible roads in SC					
Motor Fuel User Fee Non - Federal Aid	0.75%	\$18,000,000	0.61%	\$18,000,000	0.59%	\$18,000,000
Motor Vehicle License Fees - Non - Federal Aid	0.50%	\$11,932,793	0.31%	\$9,000,000	0.39%	\$12,000,000
Petroleum Inspection Fee	0.34%	\$8,138,815	0.27%	\$8,000,000	0.26%	\$8,000,000
Electric Power Tax - NFA	0.16%	\$3,746,976	0.12%	\$3,500,000	0.12%	\$3,750,000
Penalties-Forfeitures - NFA	0.14%	\$3,381,240	0.12%	\$3,500,000	0.11%	\$3,300,000
Interest - NFA	0.03%	\$643,764	0.02%	\$200,000	0.02%	\$600,000
TOTALS	1.91%	\$45,843,588	1.43%	\$42,200,000	1.49%	\$45,650,000
<i>Restrictions on use of funds below</i> ➡	Non-federal secondary road resurfacing (Act 98 Resurfacing Projects)					
Vehicle Sales Tax - NFA (Act 98)	2.49%	\$59,544,329	1.39%	\$41,000,000	1.96%	\$60,000,000
<i>Restrictions on use of funds below</i> ➡	\$9.5m negative revenue payment for CTC donor bonus, and negative \$2.8m for SIB exchanges					
Miscellaneous Transfer to other Funds	-0.51%	(\$12,307,654)	-0.42%	(\$12,300,000)	-0.42%	(\$12,800,000)
<i>Restrictions on use of funds below</i> ➡	Toll revenues are used for debt service, operation, and maintenance of toll road					
Toll Road Fees (Cross Island Parkway)	0.32%	\$7,802,305	0.25%	\$7,500,000	0.25%	\$7,800,000
Transfer In - Tolls	0.005%	\$126,300	0.00%	\$0	0.00%	\$0
Miscellaneous Revenue	0.004%	\$84,175	0.00%	\$700	0.001%	\$30,000
Interest - Tolls	0.004%	\$88,121	0.003%	\$100,000	0.003%	\$100,000
Miscellaneous Fee	0.0004%	\$10,243	0.0007%	\$20,000	0.0007%	\$20,000
Transfer Out - Tolls	-0.0001%	(\$2,112)	0.00%	\$0	0.00%	\$0
TOTALS	0.34%	\$8,109,032	0.26%	\$7,620,700	0.26%	\$7,950,000
<i>Restrictions on use of funds below</i> ➡	Port Access Road design, right-of-way acquisition, and construction					
Port Access Road	0.006%	\$136,940	1.78%	\$52,500,000	0.82%	\$25,000,500
<i>Restrictions on use of funds below</i> ➡	Maintain each separate program					
Oversize and Overweight Permits	0.05%	\$1,246,975	0.03%	\$1,000,000	0.04%	\$1,200,000
Vegetation Maintenance Agreement	0.02%	\$535,425	0.006%	\$170,000	0.006%	\$170,000
Outdoor Advertising	0.007%	\$168,175	0.03%	\$830,000	0.018%	\$535,500
<i>Restrictions on use of funds below</i> ➡	Donated assets are used according to the donor's directive; Non-cash items					
Non - Cash Donated Assets	0.06%	\$1,330,411	0.002%	\$70,000	0.00%	\$0
<i>Restrictions on use of funds below</i> ➡	Highway Beautification - enhancing state roads					
Keep It Beautiful License Plate Sales	0.007%	\$156,849	0.006%	\$180,000	0.005%	\$155,000

Agency Plan, Taxpayer Investment, and Agency Performance

On the following pages is condensed information about the agency's strategic plan, the State's investment in that plan, and the agency's performance. State law requires the agency to submit its strategic plan, via the Accountability Report, to the General Assembly and Governor.¹⁸⁹ The public may access the agency's Accountability Report on the General Assembly's website.¹⁹⁰

A review of some key **definitions from the 2014-15 Accountability Report Guidelines (Accountability Report Guidelines)** may be helpful in understanding the information relating to a strategic plan. As defined in the Accountability Report Guidelines, a **Goal (G)** is "[a] broad expression of a central, strategic priority for an agency; a statement of what the agency hopes to achieve - typically in the long-term - that is qualitative in nature. At the highest level, each agency's goals should logically and naturally derive from the agency's mission statement. They should also be clearly connected to state government's overarching responsibilities in fields ranging from education and economic development to transportation and public safety."¹⁹¹ As defined in the Accountability Report Guidelines, a **Strategy (S)** is "[a] concise statement of a high-level approach an agency is taking in pursuit of a goal. It is a descriptive, complex action comprised of multiple action steps. Starts with action verbs like develop, design, establish, enhance, implement, etc. Includes completed details for budget, staffing, IT, marketing campaign and facility implications."¹⁹² As defined in the Accountability Report Guidelines, an **Objective (O)** is "[a] specific, measurable and achievable description of an effort that the agency is actively implementing over a defined period of time as part of a broader strategy to meet a certain goal."¹⁹³

Other helpful definitions are:

- **\$ Spent on Goal or Objective:** These figures are taken from the "Grand Total" column of the agency's Strategic Investment Chart of the Program Evaluation Report. The chart asked the agency to list its expenditures in these years that were related to accomplishment of each objective.
- **How Agency Measures Its Performance:** This information is obtained by matching the Associated Objectives and Performance Measures in the Performance Measures Status Chart of the Program Evaluation Report.¹⁹⁴

Condensed Details of the Agency's Strategic Plan

Tables 10 and 11 provide details about the agency's strategic plan. Table 10 lists the agency's goals in order from largest to smallest based on the percentage of total money the agency spent toward each goal.

Table 10. Agency's goals in order from largest to smallest based on the percentage of total money the agency spent toward each goal¹⁹⁵

Goal	Description	\$ Spent on Goal			
		2013-14		2014-15 (as of 3/30/15)	
		% of total ¹⁹⁶	Amount Spent	% of total	Amount Spent
Goal 2	Preserve our transportation infrastructure	49.36%	\$637,530,612	50.44%	\$421,870,548
Goal 3	Optimize mobility	21.67%	\$279,929,637	19.68%	\$164,600,278
Goal 6	Engineering and support services	13.40%	\$173,042,208	15.03%	\$125,718,489
Goal 5	Debt Service (Metropolitan Planning Organizations /Council of Governments/Interstate/SC Transportation Infrastructure Bank/County Transportation Committees)	8.54%	\$110,288,041	7.07%	\$59,142,242
Goal 4	Enhance a strengthening economy (Expenditures related to freight network upgrades are shown under Goal 3 with the exception of the Act 98 SC Transportation Infrastructure Bank transfer funds & Port Access Road)	4.44%	\$57,338,389	6.52%	\$54,520,952
Goal 1	Improve safety	2.58%	\$33,370,399	1.25%	\$10,479,922

Table 11. Summary of the agency's goals, strategies and objectives; taxpayer money spent; associated agency programs; and how the agency measures its performance.¹⁹⁷

G	S	O	Goals, Strategies and Objectives Description	% of Total Spending 2013-14	% of Total Spending 2014-15	Outcome (Public benefit provided, or harm prevented, by accomplishment of this goal, strategy or objective (i.e. tangible benefits that matter in the lives of citizens))	
Goal 1			Improve safety.	2.58% \$33,370,339	1.25% \$10,479,922	SCDOT needs claimants’ contact information so proper responses can be given. SCDOT also needs the location and description of each incident that causes damages to claimants so that SCDOT can conduct investigations to determine liability.	
Strategy 1.1			Develop, implement, and manage a data-driven highway safety program.			Implementation and continued execution of the plan ensures funding is utilized at the most critical locations and the most cost effective solutions are implemented. A safety evaluation of each project is conducted once the project is completed to ensure anticipated results are achieved.	
Objective 1.1.1			Reduce the number of fatalities and serious injuries on the state highway system.	2.53% \$32,729,755	1.2% \$10,003,459	This initiative will save lives, reduce litigation costs and improve capacity and efficiency of the existing highway system.	<u>Assoc. Agency Programs</u> Highway Maintenance; Engineering & Construction; Non Federal Aid Fund; Mass Transit; Engineering Admin & Project Management; General Administration
			How agency measures its performance:	1) Number of fatalities and rate (447 thru 8/18/14 in 2013-14; 823, rate of 1.65, thru 5/4/15) 2) Number of serious injuries and rate (1700 thru 7/31/14 in 2013-14; 3,110, rate of 6.23, thru 5/4/15) 3) Number of fatal pedestrian accidents (49 thru 8/18/14 in 2013-14; 109 thru 5/4/15) 4) Number of fatal bicycle accidents (7 thru 8/18/14 in 2013-14; 14 thru 5/4/15) 5) Number of workplace injuries (439 in 2013-14; 135 thru 4/30/15) 6) Number of lost work days (3918 days in 2013-14; 1550 days thru 4/30/15) 7) Percentage of road miles in good condition (TBD in 2013-14; 16% as of 5/4/15)			
Strategy 1.2			Promote Workforce Safety throughout the Agency.			Utilizing positive reinforcement for employees with no injuries or accidents not only results in a healthier workforce, it increases production, accomplishing objectives to preserve the State's roadways.	
Objective 1.2.1			Reduce the number of workplace injuries and lost work hours.	0.05% \$640,643	0.06% \$476,464	Improving workplace safety and reducing lost work days will result in the agency paying lower Workers' Compensation premiums to the State Accident Fund.	<u>Assoc. Agency Programs</u> Highway Maintenance; Engineering & Construction; Mass Transit; Toll Operations; Engineering Admin & Project Management; General Administration; Land & Buildings
			How agency measures its performance:	Same as 1.1.1			

Agency Mission - To provide adequate, safe and efficient transportation services for the movement of people and goods. (SC Department of Transportation, *Restructuring and Seven -Year Plan Report*, Purpose, Mission and Vision Chart.)

Agency Vision - To deliver, operate and maintain a world-class, 21st century, multimodal transportation system that enables the Palmetto State to continue to grow our economy, enhance our communities, and improve our environment. (SC Department of Transportation, *Restructuring and Seven -Year Plan Report*, Purpose, Mission and Vision Chart.)

G	S	O	Goals, Strategies and Objectives Description	% of Total Spending 2013-14	% of Total Spending 2014-15	Outcome (Public benefit provided, or harm prevented, by accomplishment of this goal, strategy or objective (i.e. tangible benefits that matter in the lives of citizens))	
Goal 2 (highest spending % for a goal)			Preserve our transportation infrastructure.	49.36% \$637,530,612	50.44% \$421,870,548	The preservation of our transportation infrastructure is critical to having a high quality of life for the citizens of South Carolina. A well maintained highway system strengthens our state's economic competitiveness when attempting to attract new businesses to the state. On the contrary, a poorly maintained failing transportation infrastructure costs the state in higher vehicle maintenance costs.	
Strategy 2.1			Develop a risk-based asset management plan that optimizes investments in our roads and bridges.			A risk-based asset management plan will establish the decision-making framework to minimize life-cycle cost and risk of failure and to maximize road and bridge condition, public satisfaction, public safety, traffic flow, and economic benefit.	
Objective 2.1.1 (highest spending % for an objective)			Decrease number of roads and bridges moving from "good to fair" and "fair to poor."	48.61% \$627,831,464	49.45% \$413,539,946	By employing a network level long term strategy of low cost preservation treatments and activities, the service life of our pavements and bridges can be significantly extended. This strategy keeps good roads and bridges in good condition for longer periods of their service life and thus reduces the cost to the motoring public that is often incurred from traveling over roads and bridges that are in poor condition.	Assoc. Agency Programs Highway Maintenance; Non Federal Aid Fund
			How agency measures its performance:	1) Percentage of bridges in satisfactory condition (65.7% in 2013-14; 66% as of 5/4/15) 2) Deck area (million square feet) of structurally deficient bridges (5.199 msf in 2013-14; 4.889 msf as of 5/4/15) 3) Percentage of vehicle miles traveled (VMT) on good pavement (TBD in 2013-14; 29% as of 5/4/15) 4) Reduce number of targeted posted bridges (398 in 2013-14; 390 as of 5/4/15) 5) Reduce number of targeted closed bridges (12 in 2013-14; 10 as of 5/4/15) 6) Percentage of SCDOT-titled active duty public transit vehicles beyond defined useful life parameters (47% in 2013-14; 46% as of 5/4/15)			
Strategy 2.2			Develop a risk-based program targeting posted and closed bridges.			Load restricted and closed bridges result in additional miles of travel for the trucking industry, school buses and emergency vehicles, which results in increased travel time and costs. This can be critical to businesses that must absorb these increased costs for the delivery of goods and services.	
Objective 2.2.1			Strategically reduce the number of posted and closed bridges.	0.65% \$8,405,214	0.96% \$8,007,647	By strategically targeting the load restricted and closed bridges that have long detour routes and are critical to the freight network, the increased user costs to the trucking industry associated with these load restrictions or closures can be eliminated. The success or failure of a business can often depend on the ability to get its goods or services to the market place and load restricted or closed bridges can have a significant impact in this regard.	Assoc. Agency Programs Highway Maintenance; Non Federal Aid Fund
			How agency measures its performance:	Same as 2.1.1			
Strategy 2.3			Use the transit asset management system to optimize replacement of public transit vehicles.			By deploying long-term transit asset management practices with prioritized resource allocation, limited transit funding can be strategically directed to replacing public transit vehicles in the most efficient manner possible.	
Objective 2.3.1			Reduce the portion of the state's public transit fleet that has reached minimum useful life.	0.1% \$1,239,934	0.04% \$322,955	Reducing the number of transit vehicles that have reached their useful life results in reduced life-cycle costs for operations and maintenance, increased transit efficiencies, enhanced ridership, enhanced safety, and ultimately helps lead to long-term fiscal sustainability.	Assoc. Agency Programs Mass Transit
			How agency measures its performance:	Same as 2.1.1			

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<u>G</u>	<u>S</u>	<u>O</u>	Goals, Strategies and Objectives <u>Description</u>	% of Total Spending <u>2013-14</u>	<u>2014-15</u>	Outcome (Public benefit provided, or harm prevented, by accomplishment of this goal, strategy or objective (i.e. tangible benefits that matter in the lives of citizens))	
Goal 3			Optimize mobility.	21.67% \$279,929,637	19.68% \$164,600,278	Effectively utilize and maximize capacity of the existing system.	
	Strategy 3.1		Continue to support an ITS and Incident Management Program.			Increase capacity of the most congested roadways in the state by rapidly and safely identifying and responding to crashes, debris, and other unplanned events that adversely affect the capacity of the roadway.	
	Objective 3.1.1		Increase ITS camera coverage of strategic locations to enhance incident notification and hurricane evacuation.	0.36% \$4,668,738	0.57% \$4,748,496	Expanded coverage increases capacity, improves coordination, reduces congestion, and enhances safety of the highway facility.	Assoc. Agency Programs None listed
			How agency measures its performance:	Same as 3.4.1			
	Objective 3.1.2		Increase the number of lane miles of incident response coverage to increase safety and response to disabled motorists and incidents.	0.26% \$3,336,818	0.51% \$4,253,307	Increased response coverage provides an increased capacity of the roadway by reestablishing normal traffic patterns as quickly as possible. Additional benefits include faster response time for serious injuries and reduction of secondary crashes.	Assoc. Agency Programs None listed
			How agency measures its performance:	Same as 3.4.1			
Strategy 3.2			Develop and implement a performance-based transit program.			Available resources are applied efficiently resulting in increased ridership at a lower cost to users.	
	Objective 3.2.1		Improve transit ridership and efficiency.	1.59% \$20,513,460	1.79% \$15,003,818	Increased transit trips help mitigate congestion and provide a greater degree of access to jobs and non-emergency medical services, that in turn assists with economic development and recruitment and reduces human services costs to the state. Enhanced efficiencies result in reduced costs that can be leveraged to reach a broader population base.	Assoc. Agency Programs Mass Transit
			How agency measures its performance:	Same as 3.4.1			
Strategy 3.3			Continue support for a three-year pilot program in counties introducing public transit service for the first time.			Residents and visitors are provided transit options where currently none exist.	
	Objective 3.3.1		Increase access to public transit services.	0% \$0	0.01% \$46,250	Increased access to transit assists with economic development and recruitment efforts and reduces human services costs by providing citizens with connections to jobs and non-emergency medical services. Enhanced efficiencies result in reduced costs that can be leveraged to reach a broader population base.	Assoc. Agency Programs Mass Transit
			How agency measures its performance:	Same as 3.4.1			
Strategy 3.4			Identify and deliver projects that relieve bottlenecks and recurring congestion.			Projects are ranked according to Act 114. Traffic volume and congestion is a major criterion considered during the project ranking process.	
	Objective 3.4.1 (2nd highest spending % for an objective)		Reduce congestion on our highway system.	19.47% \$251,410,621	16.81% \$140,548,406	Reduced traffic congestion provides for an improved quality of life through savings in lost time and wasted fuel, improved air quality, and economic benefits.	Assoc. Agency Programs Highway Maintenance; Engineering & Construction; Non Federal Aid Fund; Mass Transit
			How agency measures its performance:	1) Area of ITS camera coverage (centerline miles) (255 miles in 2013-14; 275 miles as of 5/4/15) 2) Lane miles of incident response coverage (centerline miles) (347 in 2013-14; 347 as of 5/4/15) 3) Number of public transit passenger trips (12.3 million in 2013-14; 12.01 million as of 5/4/15) 4) Cost per transit passenger per trip (\$4.67 in 2013-14; \$4.83 as of 5/4/15) 5) Percentage of South Carolina counties with a public transit system (87% in 2013-14; 87% as of 5/4/15) 6) Annual hours of delay on interstates and Strategic Network (N/A in 2013-14 and as of 5/4/15 because it is a new program) 7) Interstate reliability index (N/A in 2013-14 and as of 5/4/15 because it is a new program)			

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<u>G</u>	<u>S</u>	<u>O</u>	Goals, Strategies and Objectives <u>Description</u>	% of Total Spending <u>2013-14</u> <u>2014-15</u>		Outcome (Public benefit provided, or harm prevented, by accomplishment of this goal, strategy or objective (i.e. tangible benefits that matter in the lives of citizens))	
Goal 4			Enhance a strengthening economy.	4.44% \$57,338,389	6.52% \$54,520,952	Enhancing the state's economy through transportation solutions helps to reduce costs to industry and creates opportunities for small and disadvantaged businesses.	
Strategy 4.1			Identify SC Freight Network and incorporate appropriate considerations into project ranking criteria.			Routes critical to goods movement are identified and given greater significance in project ranking criteria eventually leading to improved conditions along critical freight corridors.	
Objective 4.1.1			Improve freight mobility along freight corridors.	4.31% \$55,694,057	6.37% \$53,254,832	Improved freight mobility creates enhanced travel times and reliability of goods movements, reducing costs to industry and making the state more attractive for retaining and recruiting industry.	<u>Assoc. Agency Programs</u> Engineering & Construction
			How agency measures its performance:	1) Freight hours of delay (N/A in 2013-14 and as of 5/4/15 because it is a new program) 2) Freight reliability index (N/A in 2013-14 and as of 5/4/15 because it is a new program) 3) Percentage of work awarded/committed to federal program (13.4% in 2013-14; 13.5% thru 12/1/14 - reporting is semi-annually) 4) Percentage of work awarded/committed to state program (3.22% in 2013-14; WBE=4.21% & MBE=3.87% thru 3/31/15)			
Strategy 4.2			Strengthen the responsibilities of the Office of Minority Affairs and Small Business.			Facilitate greater access to SCDOT contracts and highlight the value of using local small businesses.	
Objective 4.2.1			Increase participation by minority, women, and small owned businesses.	0.13% \$1,644,332	0.15% \$1,266,120	Enhance the growth of local small businesses, assist in workforce development, and improve local business economy.	<u>Assoc. Agency Programs</u> Non Federal Aid Fund
			How agency measures its performance:	Same as 4.1.1			

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<u>G</u>	<u>S</u>	<u>O</u>	Goals, Strategies and Objectives <u>Description</u>	% of Total Spending		Outcome (Public benefit provided, or harm prevented, by accomplishment of this goal, strategy or objective (i.e. tangible benefits that matter in the lives of citizens))
				<u>2013-14</u>	<u>2014-15</u>	
Goal 5			Debt Service (Metropolitan Planning Organizations (MPO) /Council of Governments (COG) /Interstate/SC Transportation Infrastructure Bank (STIB) /County Transportation Committees (CTC))	8.54% \$110,288,041	7.07% \$59,142,242	Funds necessary to retire debt for bond issuances.

<u>G</u>	<u>S</u>	<u>O</u>	Goals, Strategies and Objectives <u>Description</u>	% of Total Spending		Outcome (Public benefit provided, or harm prevented, by accomplishment of this goal, strategy or objective (i.e. tangible benefits that matter in the lives of citizens))
				<u>2013-14</u>	<u>2014-15</u>	
Goal 6			Engineering and support services	13.40% \$173,042,208	15.03% \$125,718,489	Engineering and support services in support of goals and mission

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Agency's Issues

Highlights

The agency spotlights some information pertaining to its operations. The Department states that providing a safe transportation system is its top priority. According to the agency, **our state is considered “a national leader in using a data-driven approach to safety,”** and at least two other states have emulated practices on using a data-driven approach to project selection.¹⁹⁸

The agency has “deployed a technical assistance and oversight program with all public transit agencies in the state to ensure that the scope and associated costs of transit services are commensurate with available and projected revenues.”¹⁹⁹ The agency notes that the **“five-year trend analysis shows a 4% decrease in average operating cost per passenger trip since 2010.”**²⁰⁰

In regards to construction projects, the agency reports that **74% of them are delivered on schedule (original and adjusted)** and that **20% of its contracts were charged penalties due to missing anticipated completion dates.**²⁰¹ Additionally, the agency reports **“witness[ing] a turnaround” in a six-year trend, between 2008 and 2014, when the agency lost nearly 16% of its workforce** through a “comprehensive set of initiatives including streamlined hiring practices, increased recruiting, enhanced employee recognition programs, and targeted salary adjustments.”²⁰²

Current and Emerging Issues

The agency reports some current and emerging issues which impact its operations. A current issue with regards to the **condition of roads** is that “much of the pavement condition has eroded to either fair or poor condition.”²⁰³ With regards to the **condition of bridges**, “older bridges that were built in the 1960’s are approaching the end of their expected service life.”²⁰⁴ When asked to identify emerging issues, the agency reports the following:

- Solvency of the federal Highway Trust Fund since [the agency] receives over 60% of its funding from federal government (i.e., the Highway Trust Fund);
- Need for a federal long-term/multi-year Surface Transportation Authorization Bill that would provide authority for [the agency] to plan and let projects;
- Lack of ability to maintain infrastructure with current funding; and
- Inability to provide multimodal [having or involving several modes] needs highways bridges, bicycle/pedestrian, and transit with expected increase in residents, tourists, and businesses.²⁰⁵

Potential Negative Impact, if the Agency's Programs are Not Performing Well

In an effort to facilitate its ability to highlight potential agency problems, the Committee asked the agency to state the **most potential negative impact on the public that may occur** if each of the agency's programs were to have substandard performance. The Committee also asked at what level the agency thinks **the General Assembly should be put on notice of a potential problem.** Table 12 brings together all of the potential negative impacts for each agency program.²⁰⁶ The programs are listed in the order the agency ranked them from most effective and efficient to least.²⁰⁷

Table 12. Potential negative impact, if the agency's programs are not performing well

Program	Potential Negative Impact	Level at Which the Agency Thinks the General Assembly Should be Put on Notice	Additional Information
Highway Maintenance Program Effectiveness and Efficiency Ranking: 1 (i.e. most effective and efficient)	Reduced safety of the traveling public and increased vehicle maintenance costs due to continued deterioration of pavements, bridges, and other highway assets.	When the level of service that can be provided drops below a level of service "C" due to insufficient funding. This usually correlates to a condition that is unacceptable to the members of the traveling public. The current level of service that existing funding will support is a level of service "D".	Level of service is determined using a set of defined performance measures and evaluating a statistical sample of road segments to determine the level of service being provided.
Engineering Construction Program Effectiveness and Efficiency Ranking: 2	The most negative impacts to the public are increased deterioration of the federal-aid system, reduced safety, and increased congestion, all resulting in higher user costs.	SCDOT provides the status of the system each year in the State of SCDOT report. The 3-year average fatality rate is 17% above the southeastern average. 19% of the 8,420 state-owned bridges are sub-standard. 46% of the pavement on the Primary system is in poor condition and carries 47% of the traffic.	The multi-modal plan, completed in December 2014, estimated the 29-year (2040 horizon) needs for roads, bridges, public transit, and bicycle/pedestrians to be \$70.45 Billion with estimated revenues of \$27.63 Billion leaving a funding gap of \$42.82 Billion or \$1.477 Billion annually. The 2040 multi-modal plan details can be found at www.scdot.org .
Non Federal Aid Program Effectiveness and Efficiency Ranking: 3	Reduced safety of the traveling public and increased vehicle maintenance costs due to continued deterioration of pavements, bridges, and other highway assets.	When the condition of the non-federal aid eligible roads and bridges drops to a condition that is unacceptable to the members of the traveling public, which has already occurred. The non federal-aid system contains 20,821 miles (50%) of the state system, but only carries 7% of the traffic. 50% of the of pavements on the non federal-aid system are in poor condition.	Funds are restricted to use on 20,821 miles of NFA secondary roads that carry approximately 7% of the traffic. There are another 10,271 miles of other secondary roads in the state system, that carry approximately 17% of the traffic that cannot compete for these funds.
Mass Transit Program Effectiveness and Efficiency Ranking: 4	Lack of public transportation access to employment, medical appointments, and activities of daily living; subsequent financial impact to state for additional public assistance in the form of unemployment, Medicaid, and other assistance due to lack of transportation access.	When Federal Transit Administration funding to the state is at risk of lapsing or going unused due to lack of sufficient non-federal match, impacting the ability to maintain current statewide ridership levels.	The majority of Federal Transit Administration funding to SCDOT is passed-through to public, non-profit, and private entities and requires various degrees of non-federal match. State funding is typically insufficient to match all available federal funding.
Tolls Operations Program Effectiveness and Efficiency Ranking: 5	The most negative part would be that the tolls charge were not enough to support the debt service and the operation and toll facility operations and maintenance.	When tolls collected are not enough to support debt service and operations and maintenance.	The Cross Island Parkway is the only SCDOT owned toll facility.

Engineering Administration Program Effectiveness and Efficiency Ranking: 6	Impaired maintenance and delivery of the transportation program.	SCDOT would provide notice of negative impact levels at the yearly State of the SCDOT report	SCDOT would like to work with the General Assembly to review language of certain state laws that may create unintentional delays to project delivery.
General Administration Program Effectiveness and Efficiency Ranking: 7	Impaired maintenance and delivery of the transportation program.	Once an issue has been identified that would impair the operations of the maintenance and engineering area.	Statewide financial plan is needed for natural disasters.
Land and Buildings Program Effectiveness and Efficiency Ranking: 8	Impaired maintenance and delivery of the state highway system.	Once an issue has been identified that would impair the operations of the maintenance and engineering area.	Increase sustainability during a natural disaster and winter weather.
Employee Benefits Program Effectiveness and Efficiency Ranking: 9	Inability to sustain the workforce would result in impaired maintenance and delivery of the state highway system.	Once an issue has been identified that would impair the sustainability of the workforce.	Increases in benefit cost must be funded within existing funding sources, which results in a decrease in other program expenditures.

RECOMMENDATIONS

Agency's Recommendations

Note: The agency's recommendations are summarized in the Visual Summary Table 2 on page 8.

The **agency does not have restructuring recommendations for the Subcommittee at this time.** In its Restructuring and Seven-Year Plan Report, the agency noted it "is acquiring an external expert to conduct a top-to-bottom review of the agency's management and administration."²⁰⁸ Additionally, the agency noted it "is currently reviewing opportunities, including utilizing outside experts, to assess and recommend opportunities for increased privatization, outsourcing, integrated information systems, best procurement practices and organizational restructuring all of which may lead to cost savings and efficiencies."²⁰⁹

The **agency does recommend that the Subcommittee review the references to the agency found in law,** and consider deleting two provisos, modifying nine statutes and one proviso, and codifying seven provisos, to make them permanent. The Department has provided bases for its suggestions in its Program Evaluation Report. The bases include: reduced difficulty to implement highway plans, reduced delays in projects, and increased revenue and flexibility for the agency.²¹⁰

Committee Staff's Recommendations

Note: Committee staff's recommendations are summarized in the Visual Summary Table 2 on page 8.

Staff respectfully requests the Subcommittee give consideration to the agency's recommendations as well as its own recommendations. Staff's recommendations are based upon consideration of: (1) the application, administration, execution, and effectiveness of laws and programs, (2) the organization and operation of the agency, and (3) conditions or circumstances that may indicate the necessity or desirability of enacting new or additional legislation.²¹¹ Other considerations include: percentage of total money spent by agency, potential negative impacts, agency recommendations, and public comments.

Staff respectfully recommends the Subcommittee consider deferring its approval of a Subcommittee study of the agency until the Subcommittee has had the opportunity to **receive and review the comprehensive audit of the agency the LAC is now conducting.** This would allow the Subcommittee to continue its study of the agency and have the benefit of a current comprehensive audit.

As the stated purpose of legislative oversight includes consideration of the execution and effectiveness of programs, staff respectfully recommends that the **Subcommittee continue its analysis of the agency's allocation of funds towards achieving its goals, strategies, and objectives.** For example, the Committee may wish to analyze why the agency groups together all engineering and support services together as opposed to knowing how much those resources it is using toward accomplishment of each agency goal. Additionally, staff respectfully recommends the Subcommittee discuss and seek clarification about how the agency currently uses, and could expand the use of, **performance measures and benchmarks** to utilize resources efficiently. For example, the agency did not state that it uses any performance measures that measure the number of projects completed on time; the cost for the Department to rehabilitate and reconstruct roads as compared to other departments in the region or nation; the percentage of projects that are completed on or under budget; or the number of contractors who are awarded contracts after completing previous projects for the agency or a county late or over budget compared to the number of contractors who did not.

Staff respectfully recommends a **review of the laws the agency has identified for potential revision.** Some of the agency's recommendations have the goal of reducing planning difficulties and delays. Also with regards to delays, according to information obtained from the Comptroller General's Office, the agency has submitted information for the State's Comprehensive Annual Financial Report (CAFR) more than two weeks late, on average, for the last three years.²¹² The Subcommittee may wish to **discuss with the agency its efforts to ensure timely submission of information for the CAFR.**

Lastly, with regards to the Commission, staff respectfully recommends the Subcommittee continue to **examine how the relationship between the Commission, Chief Internal Auditor, and agency impacts the agency's effectiveness and efficiency.** The Subcommittee may wish to **examine how the Commission is addressing the laws applicable to it,** including the Statewide Transportation Improvement Plan, and the Subcommittee may wish to **continue its examination of how projects are prioritized through the use of weights and rankings.**

ENDNOTES

- ¹ Visual Summary Figure 1 information is derived from SC Department of Transportation, *Restructuring and Seven-Year Plan Report*. SC Department of Transportation, “Restructuring and Seven-Year Plan Report, 2015,” under “Citizens’ Interest” and under “House Legislative Oversight Committee Postings and Reports,” and under “Department of Transportation” <http://www.scstatehouse.gov/committeefinfo/HouseLegislativeOversightCommittee/2015AgencyRestructuringandSevenYearPlanReports/2015%20Department%20of%20Transportation.pdf> (accessed July 13, 2015).
- Department of Transportation, “Program Evaluation Report, 2015,” under “Citizens’ Interest” and then under “House Legislative Oversight Committee Postings and Reports,” and under “Department of Transportation” <http://www.scstatehouse.gov/committeefinfo/HouseLegislativeOversightCommittee/2015%20Program%20Evaluation%20Reports/SCDOT%20Program%20Evaluation%20Report.pdf> (accessed July 13, 2015).
- ² Visual Summary Table 2 information is compiled from SC Department of Transportation, *Program Evaluation Report*, Strategic Investment Chart.
- ³ SC Department of Transportation, *Restructuring and Seven -Year Plan Report*, Purpose, Mission and Vision Chart.
- ⁴ Ibid.
- ⁵ This is the agency’s spending related to each goal as a percentage of the agency’s total spending.
- ⁶ SC Department of Transportation, *Restructuring and Seven -Year Plan Report*, Purpose, Mission and Vision Chart.
- ⁷ *SC Constitution*, art. XII, sec. 1. The full text of the SC Constitution is available on the SC General Assembly’s website, “SC Constitution,” <http://www.scstatehouse.gov/scconstitution/scconst.php> (accessed July 27, 2015).
- ⁸ *SC Code of Laws*, sec. 2-2-5. The full text of the unannotated version of the SC Code of Laws is available on the SC General Assembly’s website, “Code of Laws,” under “South Carolina Law,” <http://www.scstatehouse.gov/code/statmast.php> (accessed July 7, 2015).
- ⁹ Ibid.
- ¹⁰ Ibid.
- ¹¹ *SC Code of Laws*, sec. 2-2-20(B).
- ¹² SC House of Representatives, House Legislative Oversight Committee, “Standard Practice 9,” under “Citizens’ Interest,” under “House Legislative Oversight Committee Postings and Reports,” and under “Standard Practices,” <http://www.scstatehouse.gov/committeefinfo/HouseLegislativeOversightCommittee/SP06252015.pdf> (accessed July 5, 2015).
- ¹³ *SC Code of Laws*, sec. 2-2-20(A).
- ¹⁴ *SC Code of Laws*, sec. 2-2-30(C)(1).
- ¹⁵ *SC Code of Laws*, sec. 2-2-20(C).
- ¹⁶ *SC Code of Laws*, sec. 2-2-50.
- ¹⁷ *SC Code of Laws*, sec. 2-2-70.
- ¹⁸ *SC Code of Laws*, sec. 2-2-80 and sec. 2-2-90.
- ¹⁹ *SC Code of Laws*, sec. 2-2-100 through 120.
- ²⁰ *SC Code of Laws*, sec. 2-2-30(C)(2).
- ²¹ SC House of Representatives, House Legislative Oversight Committee, “January 7, 2015 Meeting Minutes,” under “Citizens’ Interest,” under “House Legislative Oversight Committee Postings and Reports,” and under “Full Committee Minutes,” <http://www.scstatehouse.gov/committeefinfo/HouseLegislativeOversightCommittee/FullCommitteeMinutes.php> (accessed June 21, 2015). A video of the meeting is available at <http://www.scstatehouse.gov/video/videofeed.php>.
- ²² The committee’s recommendations, letters to the Speaker of the House of Representatives and House Clerk, and a direct link to the January 13, 2015, House Journal are available on the committee’s website under “Citizens’ Interest,” under “House Legislative Oversight Committee Postings and Reports,” <http://www.scstatehouse.gov/committeefinfo/houselegislativeOversightCommittee.php> (accessed June 21, 2015).
- ²³ *SC Code of Laws*, sec. 2-2-10(1).
- ²⁴ SC House of Representatives, House Legislative Oversight Committee, “February 5, 2015 Meeting Minutes,” under “Citizens’ Interest,” under “House Legislative Oversight Committee Postings and Reports,” and under “Full Committee Minutes,” <http://www.scstatehouse.gov/committeefinfo/HouseLegislativeOversightCommittee/FullCommitteeMinutes.php> (accessed June 27, 2015). A video of the meeting is available at <http://www.scstatehouse.gov/video/videofeed.php>.
- ²⁵ SC House of representatives, House Legislative Oversight Committee, “Subcommittees -2015,” under “Citizens’ Interest,” under “House Legislative Oversight Committee Postings and Reports,” <http://www.scstatehouse.gov/committeefinfo/HouseLegislativeOversightCommittee/S1.pdf> (accessed July 5, 2015).
- ²⁶ Senator Lee Bright, and 24 other senators, requested that the Legislative Audit Council conduct a comprehensive audit of the agency. The Chairman of the House Legislative Oversight Committee has authority to request the Legislative Audit Council to perform an audit of an agency pursuant to *SC Code of Laws* sec. 2-2-60(D) and Committee Rule 7.6.
- ²⁷ On March 18, 2015, a letter from Director K. Earle Powell was hand-delivered to House Oversight Committee Chairman Wm. Weston J. Newton informing Chairman Newton that the Legislative Audit Council accepted the audit request at its March 17, 2015 meeting. SC General Assembly, Legislative Audit Council, “Department of Transportation,” under “Works in Progress,” <http://lac.sc.gov/Pages/WorkInProgress.aspx> (accessed July 24, 2015).
- ²⁸ Secretary Janet Oakley submitted her resignation letter to the Governor on June 1, 2015. SC House of Representatives, House Legislative Oversight Committee, “February 17, 2015 Economic Development, Transportation, Natural Resources and Regulatory Subcommittee Minutes,” under “Citizens’ Interest,” under “House Legislative Oversight Committee Postings and Reports,” and under “Subcommittee Minutes” <http://www.scstatehouse.gov/committeefinfo/HouseLegislativeOversightCommittee/SubcommitteeMinutes/EconomicSub/February172015Minutes.pdf> (accessed July 13, 2015). Video of the meeting is unavailable due to a technical difficulty with the sound.

²⁹ Economic Development, Transportation, Natural Resources and Regulatory Subcommittee Minutes, April 28, 2015. Video of the meeting is available at <http://www.scstatehouse.gov/video/videofeed.php>.

³⁰ Economic Development, Transportation, Natural Resources and Regulatory Subcommittee Minutes, June 2, 2015. Video of the meeting is available at <http://www.scstatehouse.gov/video/videofeed.php>.

³¹ Economic Development, Transportation, Natural Resources and Regulatory Subcommittee Minutes, June 30, 2015. Video of the meeting is available at <http://www.scstatehouse.gov/video/videofeed.php>.

³² Minutes from the August 11, 2015, Economic Development, Transportation, Natural Resources and Regulatory Subcommittee meeting have not been approved and are not available online at present. Video of the meeting is available at <http://www.scstatehouse.gov/video/videofeed.php>

³³ SC House of Representatives, House Legislative Oversight Committee, "May 2015 Survey Results," under "Citizens' Interest," under "House Legislative Oversight Committee Postings and Reports," and under "Department of Transportation" [http://www.scstatehouse.gov/committeeinfo/HouseLegislativeOversightCommittee/Survey/May%202015%20Survey%20Results%20\(CG,%20DO%20T,%20First%20Steps,%20DSS,%20and%20DJJ\).pdf](http://www.scstatehouse.gov/committeeinfo/HouseLegislativeOversightCommittee/Survey/May%202015%20Survey%20Results%20(CG,%20DO%20T,%20First%20Steps,%20DSS,%20and%20DJJ).pdf), unnumbered page 10 and 133-135, (accessed July 13, 2015).

³⁴ Standard practice 10.4.

³⁵ SC House of Representatives, House Legislative Oversight Committee, "May 2015 Public Survey." The survey is closed. The survey sought comments from the public about the Comptroller General's Office; Department of Transportation; Department of Social Services; Department of Juvenile Justice; and First Steps to School Readiness. The 1,788 responses is inclusive of responses for all five agencies.

³⁶ SC House of Representatives, House Legislative Oversight Committee, "Provide Input About Agencies," under "Citizens' Interest," under "House Legislative Oversight Committee Postings and Reports."

³⁷ SC Department of Transportation, *Restructuring and Seven-Year Plan Report*.

³⁸ *Ibid.*, 36.

³⁹ SC Department of Transportation, *Program Evaluation Report*.

⁴⁰ SC House of Representatives, House Legislative Oversight Committee, "Department of Transportation," under "Agencies Currently Under Study," <http://www.scstatehouse.gov/committeeinfo/HouseLegislativeOversightCommittee/AgencyPHPFiles/ComptrollerGeneral.php> (accessed July 5, 2015).

⁴¹ Standard practice 11.1.

⁴² Standard practice 11.2.

⁴³ As a staff study is similar to a bill summary, the disclaimer required by House Rule 4.19 for bill summaries prepared by staff has been modified.

⁴⁴ Standard practice 11.4.

⁴⁵ Standard practice 11.5 - 11.7.

⁴⁶ Standard practice 11.9.

⁴⁷ *SC Code of Laws*, sec. 2-2-20(C).

⁴⁸ SC State Library State Documents, *Outline History of SC Highway Department 1917-1976*, May 18, 1992, 1.

⁴⁹ Act Number 163 of 1917.

⁵⁰ Act Number 297 of 1920.

⁵¹ Outline History of SC Highway Department, 1.

⁵² SC Department of Transportation, "The State of SCDOT," http://www.scdot.org/inside/state_of_scdot.aspx, 19 (accessed July 14, 2015).

⁵³ Act Number 494 of 1922. Outline History of SC Highway Department, 2.

⁵⁴ Act 297 of 1929. Outline History of SC Highway Department, 2.

⁵⁵ Act 297 of 1929. Outline History of SC Highway Department, 3.

⁵⁶ Act Number 82 of 1977.

⁵⁷ Act Number 181 of 1993.

⁵⁸ Act Number 114 of 2007. SC House of Representatives, Office of Research and Constituent Services, "Legislative Update - Major Issues #6 Final, July 13, 2007" under "Publications," under "Legislative Updates," under "Archives," <http://www.scstatehouse.gov/reports/hupdate/lu2423.htm> (accessed July 20, 2015).

⁵⁹ *SC Code of Laws*, sec. 57-1-370(B)(8).

⁶⁰ SC House of Representatives, Office of Research and Constituent Services, "Legislative Update - Major Issues from the 2013 Legislative Session" under "Publications," under "Legislative Updates," under "Archives," <http://www.scstatehouse.gov/reports/hupdate/lu3020.htm#e13> (accessed August 28, 2015).

⁶¹ SC House of Representatives, House Transportation Infrastructure and Management Ad-Hoc Committee, "Committee Postings and Reports," <http://www.scstatehouse.gov/committeeinfo/HouseTransportationInfrastructureAndManagementAdHocCommittee/HouseTranspInfraAndMgmtAdHocCommittee.php> (accessed July 23, 2015).

⁶² SC House of Representatives, House Research Office, "2015 Legislative Overview July 17, 2015."

⁶³ *Ibid.*

⁶⁴ SC Department of Transportation, *Restructuring and Seven-Year Plan Report*, Historical Perspectives Chart.

⁶⁵ *SC Code of Laws*, sec. 57-1-310.

⁶⁶ SC Department of Transportation, "SCDOT Leadership," under "Leadership," and under "Inside SCDOT," <http://www.scdot.org/inside/leadership.aspx> (accessed July 23, 2015).

⁶⁷ *SC Code of Laws*, sec. 57-1-310(A).

⁶⁸ *SC Code of Laws*, sec. 57-1-310(B)(1).

⁶⁹ SC Department of Transportation, *Restructuring and Seven-Year Plan Report*, Overseeing Body Chart (Individual Members). SC Department of Transportation, "Meet the Commission," under "Inside SCDOT," and under "Leadership," <http://www.scdot.org/inside/commission.aspx> (accessed July 15, 2015).

⁷⁰ *SC Code of Laws*, sec. 57-1-320 and sec. 57-1-330. SC Department of Transportation, *Restructuring and Seven-Year Plan Report*, Overseeing Body Chart (General).

⁷¹ SC Department of Transportation, “Meet the Commission.”

⁷² SC Department of Transportation, *Restructuring and Seven-Year Plan Report*, Overseeing Body Chart (General). For full details on the Commission of the Department of Transportation and its responsibilities, see *SC Code*, sec. 57-1-310, et seq.

⁷³ *SC Code of Laws*, sec. 57-1-460(A)(1), sec. 57-1-470, and sec. 57-1-370.

⁷⁴ *SC Code of Laws*, sec. 57-1-360. SC Department of Transportation, “DOT Handout #1,” under “Citizens Interest,” under “House Legislative Oversight Committee Postings and Reports,” under “Committee Meeting Handouts,” and under “Economic Development, Transportation, Natural Resources and Regulatory Subcommittee,” <http://www.scstatehouse.gov/committeeinfo/HouseLegislativeOversightCommittee/CommitteeMeetingHandouts/EconomicSub/February172015EconDevTransNatResandRegSubcommitteeMeeting/DOT%20Handout%20to%20the%20Subcommittee%201.pdf> 2 (accessed July 15, 2015).

⁷⁵ *SC Code of Laws*, sec. 57-1-360.

⁷⁶ *Ibid.*

⁷⁷ *Ibid.*

⁷⁸ SC Department of Transportation, “Office of the Chief Internal Auditor - Staff,” under “Inside SCDOT,” under “Office of the Chief Internal Auditor,” and under “Staff Directory,” http://www.scdot.org/inside/Internal_Auditor/staff.aspx (accessed July 14, 2015).

⁷⁹ *Ibid.*

⁸⁰ SC Department of Transportation, *Restructuring and Seven-Year Plan Report*, Internal Audits Chart.

⁸¹ *SC Code of Laws*, sec. 57-1-430.

⁸² *SC Code of Laws*, sec. 57-1-410. Act Number 114, sec. 6 of 2007 provides that “[u]nless extended by subsequent act of the General Assembly, the Governor’s authority to appoint the Secretary of the Department of Transportation pursuant to Section 57-1-410 terminates and is devolved upon the Department of Transportation Commission effective July 1, 2015.” Subsequently, Act 94 of 2015 was signed into law by the Governor on June 24, 2015, which among other things, suspends the provisions of Section 6 of Act 114 of 2007 for Fiscal Year 2015-2016.

⁸³ SC Department of Transportation, Twitter post, July 2, 2015 (7:50 a.m.) accessed July 14, 2015, <https://twitter.com/SCDOTPress/status/616619890313691136>.

⁸⁴ *Ibid.* SC Department of Transportation, *Restructuring and Seven-Year Plan Report*, cover sheet. Limehouse Properties, “Meet H.B. “Buck” Limehouse, Jr.,” under “Company Overview,” under “Meet the Team,” <http://limehouseproperties.com/team-detail.cfm?ID=6> (accessed July 15, 2015). Act Number 114 of 2007, and note prior to enactment of Act Number 114 of 2007, the agency head was a director appointed by the Department of Transportation Commission.

⁸⁵ *SC Code of Laws*, sec. 57-3-10.

⁸⁶ Figure 5 is compiled from information available on the agency’s website. SC Department of Transportation, “Engineering District Directory,” under “Inside SCDOT,” http://www.scdot.org/inside/engineering_directory.aspx (accessed July 24, 2015).

⁸⁷ This organizational chart was included in a July 7, 2015, memorandum from Acting Secretary Christy A. Hall, P.E., to agency commissioners and senior staff.

⁸⁸ According to a June 30, 2015, briefing to the Economic Development, Transportation, Natural Resources and Regulatory Subcommittee by Ms. Kim Adyette, State Director of the Division of Human Resources for the SC Department of Administration, the various types of employment include full time employment, temporary employment, temporary grant employment, and time limited employment. SC House of Representatives, Legislative Oversight Committee, “Economic Development, Transportation, Natural Resources and Regulatory Subcommittee June 30, 2015,” 59.29, <http://www.scstatehouse.gov/video/videofeed.php> (accessed July 5, 2015).

⁸⁹ *Ibid.*

⁹⁰ Figure 6.1 information is compiled from a review of General Appropriations Acts from fiscal year 2005-06 through fiscal year 2014-2015 which are available on the General Assembly’s website under “Legislation,” and under “Budget Bills,” <http://www.scstatehouse.gov/budget.php> (accessed July 6, 2015).

⁹¹ SC Department of Transportation, *DOT Handout #1*, 9. Wendy Nicholas (Chief of Staff), interviewed by Jennifer Dobson, July 20, 2015.

⁹² Figure 6.2 information is compiled from agency employee information provided to the Economic Development, Transportation, Natural Resources and Regulatory Subcommittee as a follow up to its June 30, 2015 meeting.

⁹³ SC House of Representatives, House Legislative Oversight Committee, “May 2015 Survey Results,” [http://www.scstatehouse.gov/committeeinfo/HouseLegislativeOversightCommittee/Survey/May%202015%20Survey%20Results%20\(CG,%20DOT,%20First%20Steps,%20DSS,%20and%20DJJ\).pdf](http://www.scstatehouse.gov/committeeinfo/HouseLegislativeOversightCommittee/Survey/May%202015%20Survey%20Results%20(CG,%20DOT,%20First%20Steps,%20DSS,%20and%20DJJ).pdf) (accessed July 14, 2015), 11 (unnumbered pages).

⁹⁴ *Ibid.*

⁹⁵ *Ibid.*, 132 (unnumbered pages).

⁹⁶ *Ibid.*, 18-40 (unnumbered pages).

⁹⁷ *Ibid.*

⁹⁸ *Ibid.* Topic categories were determined by staff as part of a review of the written comments provided to question that asked survey participants to “[p]lease list any comments, concerns, or suggestions you may have about the South Carolina Department of Transportation.” As mentioned in the text, comments often address more than one topic. Therefore, one comment may be listed under as many topics as the comment appears to address.

⁹⁹ SC Department of Transportation, *Restructuring and Seven-Year Plan Report*, Purpose, Mission and Vision Chart.

¹⁰⁰ *SC Code of Laws*, sec. 57-1-30.

¹⁰¹ SC Department of Transportation, *Restructuring and Seven-Year Plan Report*, Purpose, Mission and Vision Chart.

¹⁰² *SC Code of Laws*, sec. 57-1-30.

¹⁰³ SC Department of Transportation, *Restructuring and Seven-Year Plan Report*, Purpose, Mission and Vision Chart.

¹⁰⁴ SC Department of Transportation, *Restructuring and Seven-Year Plan Report*, Key Deliverables Chart.

¹⁰⁵ *Ibid.*

¹⁰⁶ *Ibid.*

¹⁰⁷ SC Department of Transportation, SC House Transportation Infrastructure and Management Ad-Hoc Committee, “Road Turn Back Information - October 30, 2014,” 17,

<http://www.scstatehouse.gov/committeeinfo/HouseTransportationInfrastructureAndManagementAdHocCommittee/October302014Meeting/SCDOT%20Powerpoint%20for%20Oct%2030.pdf> (accessed July 24, 2015).

¹⁰⁸ SC Department of Transportation, "The State of SCDOT," http://www.scdot.org/inside/state_of_scdot.aspx, 19 (accessed July 14, 2015).

¹⁰⁹ eHow, "Centerline Miles vs. Lane Miles," Robert Morello, http://www.ehow.com/info_8721056_centerline-miles-vs-lane-miles.html (accessed July 23, 2015).

¹¹⁰ *Define Federally Eligible vs. Non-Federally Eligible*, South Carolina Department of Transportation, September 2014.

¹¹¹ SC Department of Transportation, "2014 State of the Pavement Report," under Committee Postings and Reports," under "House Legislative Oversight Committee," under "Committee Meeting Handouts," under "Economic Development, Transportation, Natural Resources, and Regulatory Subcommittee,"

<http://www.scstatehouse.gov/committeeinfo/HouseLegislativeOversightCommittee/CommitteeMeetingHandouts/EconomicSub/June302015EconDevTransNatResandRegSubcommitteeMeeting/Attachment%202%20-%202014%20State%20of%20the%20Pavement%20Report.pdf> (accessed August 3, 2015).

¹¹² SC Department of Transportation, "2014 State of the Pavement Report," under Committee Postings and Reports," under "House Legislative Oversight Committee," under "Committee Meeting Handouts," under "Economic Development, Transportation, Natural Resources, and Regulatory Subcommittee,"

<http://www.scstatehouse.gov/committeeinfo/HouseLegislativeOversightCommittee/CommitteeMeetingHandouts/EconomicSub/June302015EconDevTransNatResandRegSubcommitteeMeeting/Attachment%202%20-%202014%20State%20of%20the%20Pavement%20Report.pdf> (accessed August 3, 2015).

¹¹³ Acting Secretary of Transportation Christy Hall interviewed by Charles Appleby, July 30, 2015.

¹¹⁴ SC Department of Transportation, *2014 State of the Pavement Report*.

¹¹⁵ *Ibid.*

¹¹⁶ *Ibid.*

¹¹⁷ Table 2 information is compiled from presentations made by agency to the House Transportation Infrastructure and Management Ad Hoc Committee and reports and other information provided by the agency to the House Oversight Committee. See *SC Code of Laws*, sec. 57-5-1610 for information about the competitive low-bid process.

¹¹⁸ Jim Feda (Director of Maintenance, Engineering Division), interviewed by Charles Appleby, August 19, 2015.

¹¹⁹ 2008-2013 data obtained from *Assessment as of January 2015*, SCDOT Presentation, Engineering Division.

¹²⁰ 2008-2013 data obtained from *Assessment as of January 2015*, SCDOT Presentation, Engineering Division.

¹²¹ On July 22, 2015, a letter from Acting Secretary Christy Hall to Subcommittee Chair Phyllis J. Henderson included information from the Director of Maintenance Office as to lane mile average cost calculated for Primaries & Secondaries on lane miles included in 2014 Federal and State Programs in each treatment category.

¹²² *Assessment as of January 2015*, South Carolina Department of Transportation Presentation, Engineering Division.

¹²³ Table 3 information is compiled from presentations made by agency to the House Transportation Infrastructure and Management Ad Hoc Committee and reports and other information provided by the agency to the House Oversight Committee. See *SC Code of Laws*, sec. 57-5-1610 for information about the competitive low-bid process.

¹²⁴ Jim Feda (Director of Maintenance, Engineering Division), interviewed by Charles Appleby, August 19, 2015.

¹²⁵ 2008-2013 data obtained from *Assessment as of January 2015*, SCDOT Presentation, Engineering Division.

¹²⁶ 2008-2013 data obtained from *Assessment as of January 2015*, SCDOT Presentation, Engineering Division.

¹²⁷ On July 22, 2015, a letter from Acting Secretary Christy Hall to Subcommittee Chair Phyllis J. Henderson included information from the Director of Maintenance Office as to lane mile average cost calculated for Primaries & Secondaries on lane miles included in 2014 Federal and State Programs in each treatment category.

¹²⁸ *Assessment as of January 2015*, South Carolina Department of Transportation Presentation, Engineering Division.

¹²⁹ Table 4 information is compiled from presentations made by agency to the House Transportation Infrastructure and Management Ad Hoc Committee and reports and other information provided by the agency to the House Oversight Committee. See *SC Code of Laws*, sec. 57-5-1610 for information about the competitive low-bid process.

¹³⁰ *Define Federally Eligible vs. Non-Federally Eligible*, South Carolina Department of Transportation, September 2014.

¹³¹ Jim Feda (Director of Maintenance, Engineering Division), interviewed by Charles Appleby, August 19, 2015.

¹³² 2008-2013 data obtained from *Assessment as of January 2015*, SCDOT Presentation, Engineering Division.

¹³³ 2008-2013 data obtained from *Assessment as of January 2015*, SCDOT Presentation, Engineering Division.

¹³⁴ On July 22, 2015, a letter from Acting Secretary Christy Hall to Subcommittee Chair Phyllis J. Henderson included information from the Director of Maintenance Office as to lane mile average cost calculated for Primaries & Secondaries on lane miles included in 2014 Federal and State Programs in each treatment category.

¹³⁵ *Assessment as of January 2015*, South Carolina Department of Transportation Presentation, Engineering Division.

¹³⁶ Table 5 information is compiled from presentations made by agency to the House Transportation Infrastructure and Management Ad Hoc Committee and reports and other information provided by the agency to the House Oversight Committee. See *SC Code of Laws*, sec. 57-5-1610 for information about the competitive low-bid process.

¹³⁷ Jim Feda (Director of Maintenance, Engineering Division), interviewed by Charles Appleby, August 19, 2015.

¹³⁸ 2008-2013 data obtained from *Assessment as of January 2015*, SCDOT Presentation, Engineering Division.

¹³⁹ 2008-2013 data obtained from *Assessment as of January 2015*, SCDOT Presentation, Engineering Division.

¹⁴⁰ On July 22, 2015, a letter from Acting Secretary Christy Hall to Subcommittee Chair Phyllis J. Henderson included information from the Director of Maintenance Office as to lane mile average cost calculated for Primaries & Secondaries on lane miles included in 2014 Federal and State Programs in each treatment category.

¹⁴¹ *Assessment as of January 2015*, South Carolina Department of Transportation Presentation, Engineering Division.

¹⁴² Table 6 information is compiled from presentations made by agency to the House Transportation Infrastructure and Management Ad Hoc Committee and reports and other information provided by the agency to the House Oversight Committee. See *SC Code of Laws*, sec. 57-5-1610 for information about the competitive low-bid process.

¹⁴³ Jim Feda (Director of Maintenance, Engineering Division), interviewed by Charles Appleby, August 19, 2015.

¹⁴⁴ SC General Assembly, Legislative Audit Council, "A Management Review of the South Carolina Department of Transportation," under "LAC Reports," under "2006," and under "SCDOT," http://lac.sc.gov/LAC_Reports/2006/Documents/SCDOT.pdf (accessed July 15, 2015). MGT of America, Inc., "Results of a Performance Audit of the South Carolina Department of Transportation FINAL REPORT," under "LAC Reports," under "2006," and under "SCDOT," http://lac.sc.gov/LAC_Reports/2006/Documents/MGT_DOT_Report.pdf 1 (accessed July 15, 2015).

¹⁴⁵ SC House of Representatives, Office of Research and Constituent Services, *2007 Major Issues Document #6 -Final*.

¹⁴⁶ *Ibid.*

¹⁴⁷ SC General Assembly, Legislative Audit Council, "Results of a Performance Audit of the SC Department of Transportation Final Report Submitted by MGT of America, Inc.," under MGT Follow Up," under SCDOT," under "LAC Reports by Agency," http://lac.sc.gov/LAC_Reports/2006/Documents/MGT_DOT_Report.pdf, Executive Summary, (accessed July 24, 2015).

¹⁴⁸ *Ibid.*

¹⁴⁹ *Ibid.*

¹⁵⁰ *Ibid.*

¹⁵¹ The Honorable Wm. Weston J. Newton to Mr. Earle Powell and Ms. Marcia Lindsay, Tuesday, March 20, 2015. The Honorable Phyllis J. Henderson to Mr. Earle Powell and Mr. Brad Hanley Tuesday, June 9, 2015. SC General Assembly, Legislative Audit Council, "Department of Transportation," under "Works in Progress". The House Legislative Oversight Committee has strived to convey to the Legislative Audit Council issues of concern shared with the Committee by House Members.

¹⁵² SC Department of Transportation, "Public Transit," under "Community Service," under "Getting Around in SC," <http://www.scdot.org/getting/publictransit.aspx> (accessed August 3, 2015).

¹⁵³ SC Department of Transportation, *Restructuring and Seven-Year Plan Report*, Key Partners Chart, Key Customers Chart, and Key Stakeholders Chart.

¹⁵⁴ *Ibid.*

¹⁵⁵ Figure 9 compiled from information from the SC House of Representatives, SC House Transportation Infrastructure and Management Ad-Hoc Committee, "Project Development Process, October 30, 3014 meeting" <http://www.scstatehouse.gov/committeefinfo/HouseTransportationInfrastructureAndManagementAdHocCommittee/October302014Meeting/SCDOT%20Powerpoint%20for%20Oct%2030.pdf> (accessed July 24, 2015).

¹⁵⁶ SC House of Representatives, SC House Transportation Infrastructure and Management Ad-Hoc Committee, "C-Program - Department of Transportation, September 30, 3014 meeting" <http://www.scstatehouse.gov/committeefinfo/HouseTransportationInfrastructureAndManagementAdHocCommittee/September302014Meeting/SummationOfCFundProgram2Sep30.pdf> (accessed July 24, 2015).

¹⁵⁷ *Ibid.*

¹⁵⁸ "CTC Program Synopsis" presentation to the Economic Development, Transportation, Natural Resources and Regulatory Subcommittee on June 30, 2015 by Herb Cooper, C Program Administrator, provides information about the allocation formula and donor funds. SC House of Representatives, Legislative Oversight Committee, "CTC Program Synopsis," under "Economic Development, Transportation, Natural Resources and Regulatory Subcommittee," under "Committee Meeting Handouts," <http://www.scstatehouse.gov/committeefinfo/HouseLegislativeOversightCommittee/CommitteeMeetingHandouts/EconomicSub/June302015EconDevTransNatResandRegSubcommitteeMeeting/CTC%20Program%20Synopsis.pdf> (accessed July 24, 2015).

¹⁵⁹ *SC Code of Laws*, sec. 4-37-10 et seq.

¹⁶⁰ *SC Code of Laws*, sec. 12-28-2740(B) & (O). SC House of Representatives, Legislative Oversight Committee, "Economic Development, Transportation, Natural Resources & Regulatory Subcommittee June 30, 2015," 24:59.

¹⁶¹ *SC Code of Laws*, sec. 12-28-2740(B).

¹⁶² SC House of Representatives, Legislative Oversight Committee, "Economic Development, Transportation, Natural Resources & Regulatory Subcommittee June 30, 2015," 9:10. "CTC Program Synopsis" presentation by Herb Cooper.

¹⁶³ SC House of Representatives, SC House Transportation Infrastructure and Management Ad-Hoc Committee, "C-Program - Department of Transportation, September 30, 3014 meeting" <http://www.scstatehouse.gov/committeefinfo/HouseLegislativeOversightCommittee/CommitteeMeetingHandouts/EconomicSub/June302015EconDevTransNatResandRegSubcommitteeMeeting/CTC%20Program%20Synopsis.pdf> (accessed July 24, 2015).

¹⁶⁴ *Ibid.*

¹⁶⁵ *Ibid.*

¹⁶⁶ *SC Code of Laws*, sec. 12-28-2740(B).

¹⁶⁷ *SC Code of Laws*, sec. 12-28-2740.

¹⁶⁸ *Ibid.*

¹⁶⁹ *Ibid.* SC House of Representatives, Legislative Oversight Committee, "Economic Development, Transportation, Natural Resources & Regulatory Subcommittee June 30, 2015," 18:18. "CTC Program Synopsis" presentation by Herb Cooper.

¹⁷⁰ *SC Code of Laws*, sec. 12-28-2740.

¹⁷¹ SC House of Representatives, Legislative Oversight Committee, "Economic Development, Transportation, Natural Resources & Regulatory Subcommittee June 30, 2015," 45:10.

¹⁷² *Ibid.*, 25:15.

¹⁷³ *Ibid.*, 21:57.

¹⁷⁴ *Ibid.*, 46:15.

¹⁷⁵ *SC Code of Laws*, sec. 1-1-810. The agency's accountability report is available on the General Assembly's website, under "Publications," and under "Current State Agency Reports," <http://www.scstatehouse.gov/reports/reports.php> (accessed July 7, 2015).

¹⁷⁶ Figure 10 information is compiled from a review of General Appropriations Acts from fiscal year 2005-06 through fiscal year 2014-2015 which are available on the General Assembly's website under "Legislation," and under "Budget Bills," <http://www.scstatehouse.gov/budget.php> (accessed July 6, 2015).

¹⁷⁷ Table 8.1, *Ibid*.

¹⁷⁸ Act Number 397 of 2006, General Appropriations Act, Part 1B, Section 73.14 (SR: Unobligated FY 05-06 General Fund Revenue) (18) U12- Department of Transportation, Road and Infrastructure Improvements, Greenville ICAR \$1,500,000; (18.1) The Department of Transportation is directed to transfer \$1,500,000 to the City of Greenville for roadway infrastructure and related improvements between Laurens Road to Woodruff Road to facilitate ease of access from ICAR, Millennium Park, and other economic development projects located along this new business corridor and in the surrounding vicinity. (66) U12-Department of Transportation, Mass Transit \$1,300,000; (68) U12-Department of Transportation, Port Access Road \$5,000,000; (92) U12-Department of Transportation (a) Expansion Work on Hard Scrabble Road \$200,000; (b) Greenville County Street Drainage Improvements \$300,000; (108) U12-Department of Transportation Smart Ride Program - Newberry and Camden \$380,000.

¹⁷⁹ Act Number 117 of 2007, General Appropriations Act, Part 1B, Section 73.12 (SR: Unobligated FY 2006-07 General Fund Revenue) (46) U12 - Department of Transportation, (A) Commercial Motor Vehicle Rest Areas 637,400; ***(B) Mass Transit 1,300,000; *(C) I-95 Corridor and Global Logistic Triangle 700,000.** Text printed in *italic*, boldface indicates sections vetoed by the Governor on June 27, 2007. ******Indicates those vetoes overridden by the General Assembly on June 28 or June 29, 2007. Additionally, the following was included in 73.12, but the funding was not provided to the Department because there were not funds available, (83) U12 - Department of Transportation ***(A) Smart Ride Annualization 380,000;** (B) Aiken County Economic Development 1,760,000; ***(C) Salter's Road Expansion Project 2,000,000; *(D) Traffic Safety Hazard Mitigation - St. Paul Church Road 150,000; *(E) Hardscrabble Road Intersection Improvements 200,000; *(F) North Springs, Harrington, and South Springs Intersection Improvements 100,000; *(G) City of Easley - Town Center Infrastructure Improvements 950,000; *(H) Bull Durham Project - Town of Estill 150,000; *(I) Overlay Redevelopment District 300,000;** Please Note: Text printed in *italic*, boldface indicates sections vetoed by the Governor on June 27, 2007. ******Indicates those vetoes overridden by the General Assembly on June 28 or June 29, 2007.

¹⁸⁰ Act 117 of 2007, General Appropriations Act, Veto 37 (Part 1A, Section 53) of International Fuel Tax Agreement Administration of \$1,000,000.

¹⁸¹ Mid-year reduction of \$41,256 - SC Revenue and Fiscal Affairs Office, "Historical Analyses: A Compilation of Analyses of Certain Revenue, Appropriation, Expenditure, FTE and Other Data Through December 10, 2014, under "Budget Development," <http://rfa.sc.gov/budget> (accessed July 5, 2015).

¹⁸² Mid-year reduction of \$10,730 - SC Revenue and Fiscal Affairs Office, "Historical Analyses: A Compilation of Analyses of Certain Revenue, Appropriation, Expenditure, FTE and Other Data Through December 10, 2014, under "Budget Development," <http://rfa.sc.gov/budget> (accessed July 5, 2015).

¹⁸³ Table 8.2 information is compiled from a review of General Appropriations Acts from fiscal year 2005-06 through fiscal year 2014-2015 which are available on the General Assembly's website under "Legislation," and under "Budget Bills," <http://www.scstatehouse.gov/budget.php> (accessed July 6, 2015).

¹⁸⁴ Act Number 101 of 2013, Part 1B, Section 118.17 (SR: Non-recurring Revenue) (43) U12 - Department of Transportation (a) Traffic Management/Richland Electrical Building Construction \$875,000; (b) Lexington County Maintenance Complex Land Acquisition \$700,000; (c) Lexington County Maintenance Complex Construction \$100,000; (d) Upstate Salt Storage Facility Construction \$313,500; (e) Cherokee Salt Shed Construction \$260,000; ***(f) Sandy Island Boat Ramp \$150,000;** Please note: Text printed in *italic*, boldface indicates sections vetoed by the Governor on June 25, 2013. ******Indicates those vetoes overridden by the General Assembly on June 26 and 27, 2013.

¹⁸⁵ Act Number 98 of 2013. (An Act to amend Sections 57-5-10, 57-5-70, and 57-5-80, Code of Laws of South Carolina, 1976, relating to the composition of the State Highway System, additions to the State Highway Secondary System, and the deletion and removal of roads from the State Highway Secondary System, so as to provide that all highways within the State Highway System shall be constructed to the Department of Transportation standards, to provide the funding sources that the Department may use to construct and maintain these highways, to revise the procedure and entities to which the Department may transfer roads within the State Highway Secondary System, and to revise the procedure whereby the Department may add a county or municipal road to the State Highway System; By adding Section 11-43-165 so as to provide that during each fiscal year, the Department of Transportation shall transfer fifty million dollars from nontax sources to the South Carolina Transportation Infrastructure Bank to be used to finance certain projects, to provide that general revenue appropriated to the Department for "Highway Engineering Permanent Improvements" is exempt from across-the-board reductions, and to provide that the implementation of this section is contingent upon fifty million dollars being appropriated to the Department of Transportation in the 2013-14 General Appropriations Act for the purposes provided in this section; by adding Section 12-36-2647 so as to provide that **fifty percent of the revenues of certain sales, use, and causal excise taxes derived on the sale, use or titling of motor vehicles required to be licensed and registered by the Department of Motor Vehicles must be credited to the State Non-Federal Aid Highway Fund and used exclusively for certain purposes;** and to provide that there is transferred to the Department of Transportation an amount not to exceed fifty million dollars to be used by the Department for bridge replacement and rehabilitation which shall serve as the match requirement for certain active federal aid eligible bridge replacement projects and prioritized rehabilitation projects.) (emphasis added). Of the \$91,400,000, \$41,400,000 was an estimate at that time of the 50% of sales tax on vehicles the Department of Transportation was to receive and \$50,000,000 was the funds the Department was to transfer to the State Infrastructure Bank. Les Boles, Revenue and Fiscal Affairs Office, interviewed by Charles Appleby, August 31, 2015.

¹⁸⁶ Act Number 286 of 2014, Part 1B, Section 118.16, (SR: Non-recurring Revenue) (54) U12 - Department of Transportation ***(a) Fripp Island Waterline \$300,000;** (b) City of Columbia Drainage System Study \$300,000; (54.1) Of the funds appropriated above in sub item (54)(a), the Department of Transportation shall transfer these funds to the Fripp Island Special Purpose District to replace waterline damaged by bridge replacement. These funds may be carried forward by the special purpose district to be used for the same purpose. Please note: Text printed in *italic*, boldface indicates sections vetoed by the Governor on June 11, 2014. *****Indicates those vetoes sustained by the General Assembly on June 17 and 18, 2014.

¹⁸⁷ Act Number 104 of 2013. (A joint resolution to appropriate monies from the Capital Reserve Fund for Fiscal Year 2013-14, and to allow unexpended funds appropriated to be carried forward to succeeding fiscal years and expended for the same purposes.) (52) U12 - Department of Transportation, Upstate Salt Shed \$480,000.

¹⁸⁸ Table 9 information compiled from agency's *Program Evaluation Report*, Funding Sources Charts 2014-2016.

¹⁸⁹ SC Code of Laws, sec. 1-1-820.

¹⁹⁰ The agency's accountability report is available on the General Assembly's website, under "Publications," and under "Current State Agency Reports," <http://www.scstatehouse.gov/reports/reports.php> (accessed July 7, 2015).

¹⁹¹ SC Department of Administration, Executive Budget Office, "2014-15 Accountability Report Guidelines," under "Agency Services," under "Executive Budget Office," and under "Agency Accountability Report <http://www.admin.sc.gov/budgets> (accessed July 6, 2015).

¹⁹² Ibid.

¹⁹³ Ibid.

¹⁹⁴ SC Department of Transportation, *Program Evaluation Report*, guidelines.

¹⁹⁵ Table 10 information is compiled from staff analysis of the agency's *Program Evaluation Report*, Strategic Investment Chart.

¹⁹⁶ This is the agency's spending related to each goal as a percentage of the agency's total spending.

¹⁹⁷ Table 11 information is compiled from staff analysis of agency's *Program Evaluation Report*, Strategic Investment and Performance Measure Status charts.

¹⁹⁸ SC Department of Transportation, *Restructuring and Seven-Year Plan Report*, 7-8.

¹⁹⁹ Ibid., 18.

²⁰⁰ Ibid., 19.

²⁰¹ Ibid., 22.

²⁰² Ibid., 24.

²⁰³ SC Department of Transportation, *Restructuring and Seven-Year Plan Report*, 13.

²⁰⁴ Ibid., 12.

²⁰⁵ Ibid., 3. The emphasis in the original document was deleted. Merriam-Webster.com s.v. "multimodal," accessed July 17, 2015, <http://www.merriam-webster.com/dictionary/multimodal>.

²⁰⁶ SC Department of Transportation, *Program Evaluation Report*, Program Details Chart.

²⁰⁷ SC Department of Transportation, *Program Evaluation Report*, Program Effectiveness Ranking Chart.

²⁰⁸ SC Department of Transportation, *Restructuring and Seven-Year Plan Report*, 31.

²⁰⁹ Ibid., 32.

²¹⁰ SC Department of Transportation, *Program Evaluation Report*, Evaluation of Legal Standards Chart.

²¹¹ SC Code of Laws, sec. 2-2-20(C).

²¹² SC Comptroller General's Office. Eric Ward (Public Information Director), interviewed by Jennifer Dobson, August 25, 2015.

SELECTED AGENCY WORKS CITED

SC Department of Transportation. "Program Evaluation Report, 2015."

<http://www.scstatehouse.gov/committeefinfo/HouseLegislativeOversightCommittee/2015%20Program%20Evaluation%20Reports/SCDOT%20Program%20Evaluation%20Report.pdf> (accessed July 15, 2015).

SC Department of Transportation. "Restructuring and Seven-Year Plan Report, 2015."

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SC House of Representatives, Legislative Oversight Committee. "May 2015 Survey Results."

[http://www.scstatehouse.gov/committeefinfo/HouseLegislativeOversightCommittee/Survey/May%202015%20Survey%20Results%20\(CG,%20DOT,%20First%20Steps,%20DSS,%20and%20DJJ\).pdf](http://www.scstatehouse.gov/committeefinfo/HouseLegislativeOversightCommittee/Survey/May%202015%20Survey%20Results%20(CG,%20DOT,%20First%20Steps,%20DSS,%20and%20DJJ).pdf) (accessed July 15, 2015).

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September 15, 2015

The Honorable William Weston J. Newton, Chairman
South Carolina House Legislative Oversight Committee

The Honorable Phyllis J. Henderson, Chairman
Economic Development, Transportation, Natural Resources
and Regulatory Subcommittee

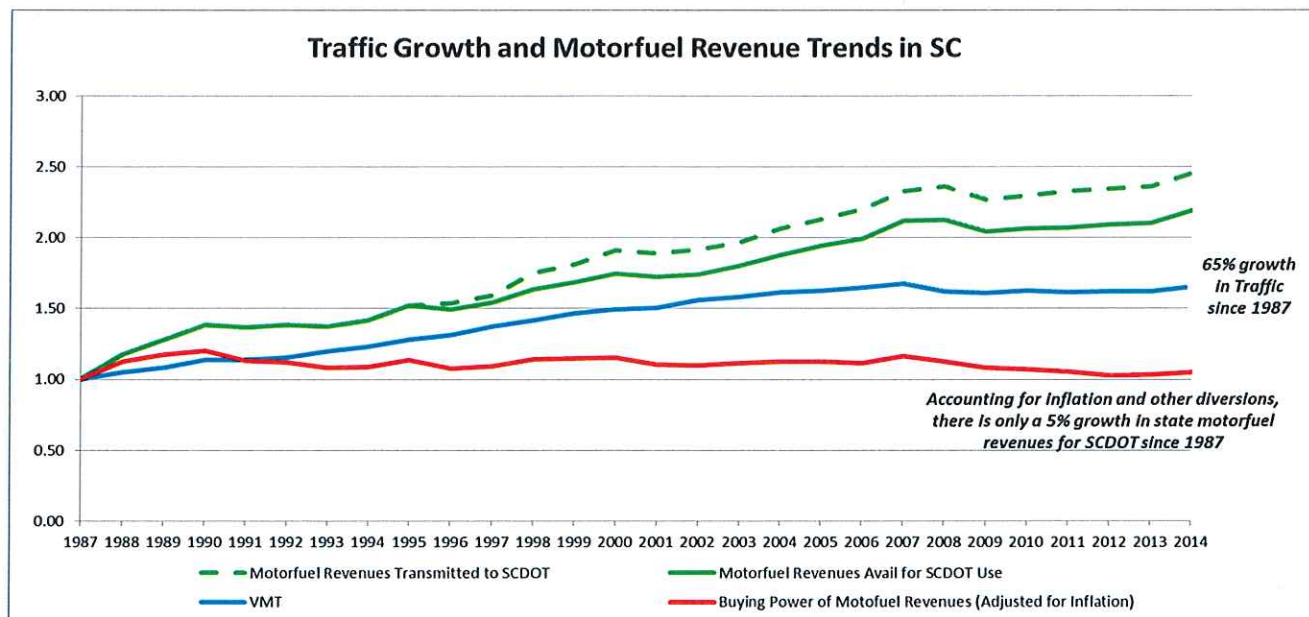
Dear Representatives Newton and Henderson:

Thank you for the opportunity to provide a response to the House of Representatives Legislative Oversight Committee and Subcommittee's Staff Study of the South Carolina Department of Transportation (SCDOT). We believe in continuous improvement and appreciate the interest of the Committee in SCDOT operations and the infrastructure assets of this Great State. I would also like to note that Ms. Dobson and Mr. Applebee have distinguished themselves with regard to their dedication and cooperative spirit during the process thus far. We recognize the desire for further review and analysis of SCDOT by both the Oversight Committee and the Legislative Audit Council and we stand ready to provide any information or data that is needed by either organization.

As noted in the Staff recommendations, we welcome the opportunity to continue the dialogue with the Committee on resource allocation, performance measures and benchmarks. As you know, nearly 60% of SCDOT's resources are associated with the federal aid program. In a national effort associated with federal transportation requirements, SCDOT is presently migrating to performance based management of its assets that are associated with the federal-aid program. This process will entail establishing minimum performance levels for certain assets, such as no more than x% of pavements on the Interstate system rated as poor, x% or less structurally deficient bridge deck area on the National Highway System, etc. Each state will then establish its own targets for these assets to comply with the federal program. This policy shift at the national level is intended to focus each state's efforts with the federal-aid program are targeted to ensure that the National Highway System is operating and maintained at a priority level. SCDOT has pre-positioned itself for migrating to this new federal requirement through the Strategic Plan and Annual Accountability Report which have already been seeded with many of the required items. One key item of this national effort is that states will begin to use similar metrics to define asset performance, which will greatly enable SCDOT to benchmark itself regionally and nationally with regards to the maintenance and operation of our assets.

While much of the dialogue above has been focused on the federal-aid program, the agency has a vision to implement performance management across all assets SCDOT has been entrusted to operate. We are in the process of developing a Transportation Asset Management Plan which will assist us in determining the framework for the best optimization of resource allocation to each asset. This effort is expected to be completed in 2016. However, based on current funding levels and the declining condition of many of the infrastructure assets of the state, we are anticipating that some of the targets the agency will set will be negative improvement or rate of decay targets.

SCDOT is heavily dependent on the motor fuel user fee in order to support SC's infrastructure network. The state motor fuel revenues comprise the majority of the state resources committed to supporting our annual program. Since 1987, it has eroded in purchasing power by more than 50%, while traffic has grown by 65%. Even with increased collections at the pump over the past 28 years, the impact of escalating construction costs, diversions and compounding effects of deferred maintenance, the agency is essentially operating on a flat revenue stream of state motor fuel revenues (see red line on chart below).



With regard to the question on page 41 concerning why the agency grouped all engineering and support services together, we would be glad to have a discussion about appropriate strategies for allocating these costs. Below is a table with a potential allocation strategy for the committee's consideration:

Items in Previous Submittal	Amount Expended as of 3/30/2015	Potential Allocation Strategy
Enhancement Projects	\$6,671,274	Allocate to Enhance a Strengthening Economy since these are predominately beautification and signage projects
Commission/ Secretary/ Internal Audits	\$1,207,096	Allocate proportionately to the 4 Goals: 2% Safety, 65% Preservation, 25% Mobility, 8% Economy
Engineering	\$59,820,703	Allocate to the 4 Goals based on Engineering charges to program areas: 7% Safety, 38% Preservation, 50% Mobility, 5% Economy
General: Finance, IT, Building Maintenance, Insurance, Workers Compensation	\$48,469,247	Allocate proportionately to the 4 Goals: 2% Safety, 65% Preservation, 25% Mobility, 8% Economy
Planning	\$9,550,169	Allocate proportionately to the 4 Goals: 2% Safety, 65% Preservation, 25% Mobility, 8% Economy
	\$125,718,489	

Regarding the timeliness of the agency's financial statements to the Comptroller General's office, for the past 3 years, (FY2012, FY2013 & FY2014), the submission of SCDOT's final financial statements were unavoidably delayed in part to the late receipt of securities lending information which is essential for accurate reporting of deposits and investments. In each instance, SCDOT promptly submitted accurate statements directly upon receipt of all required components.

Finally, we would like to recommend these additions to the staff study as providing further information that may be useful for the Committee:

Page 13 - The agency respectfully requests that the 2015 organizational updates be recognized:

- Realigned Engineering into two core areas: Project Delivery and Operations.
- Consolidated planning functions regarding Strategic Plan, Accountability Report, and MAP-21 requirements under Deputy Secretary for Intermodal Planning.
- Added District Permit Engineer to each Engineering district to facilitate permitting process and serve as point of contact for commercial and large-scale residential applicants.

Page 28 – The agency respectfully requests that under "Agency's Funding" add "the agency is primarily funded through Other Funds rather than through the General Fund, and receives authorization to spend this revenue rather than specific appropriations". This is important to note as budget authorizations as a whole and individual program category authorizations can vary widely from year-to-year as large projects advance to construction.

Page 38 – The agency respectfully requests that our performance metric for the delivery of projects on budget be added:

- "For FY 14-15 the agency reports that completed construction projects (excluding extensions) were completed 5.4% below the bid amount, including change orders and line item adjustments."

As indicated earlier, we believe in continuous improvement and appreciate the interest of the Committee and Subcommittee in SCDOT operations and the infrastructure assets of this Great State. We hope this information has been helpful and we stand ready to provide additional assistance and information.

Sincerely,



Christy A. Hall, P.E.
Acting Secretary of Transportation