Annual Management and Program Analysis Report

Fiscal Year 2020-2021

Department: Louisiana Department of Transportation and Development (DOTD)

Department Head: Name: Shawn D. Wilson, Ph.D.
Title: Secretary

Undersecretary (or Equivalent): Name: Barry D. Keeling
Title: Undersecretary

I. What outstanding accomplishments did your department achieve during the previous fiscal year?

For each accomplishment, please discuss and explain:

A. What was achieved?

For State FY 20-21, from July 2020 through June 2021, DOTD took bids on 236 projects with a total letting value in of $618 million. The Agency received $65 million in federal re-distributed funds in August 2021 which was immediately obligated towards new construction projects.

Notable projects receiving bids and their construction cost:

- LA 1: Port Allen Canal Br Repl (Ph1) $57,666,023
- I-10 & I-12 College Dr. Flyover Ramp $52,385,000
- I-10 Loyola Interchange, Airport Connector Road and Bridge $30,956,316
- I-10: Atchafalaya Basin Br - W Baton Rouge $18,727,509
- I-12: LA 63 - Tangipahoa Overlay $18,598,985
- LA 1 Caddo Lake Bridge $18,239,377
- I-10: Cable Barrier (Lafayette/Acadia) $14,077,250
- I-210: Ryan St Interchange - E Jct I-10 Overlay $10,112,333
- US 90Z (Bodenger Blvd - Stumpf Blvd) Overlay $9,895,169
- US 190 EB & WB: Wallior St - LA 742 Overlay $9,810,340
- LA 3033 Cheniere Spillway & Bridge Replacement $9,474,785
- US 84: UP Railroad Overpass $8,939,237
- LA 74: Iberville - US 61 Overlay $8,865,228

- LA 124 Extension (Segment 1) $8,135,742
- LA 46: LA 39 - St. Bernard $7,598,943
- US 90: Ramps @ LA 88 Roundabouts $6,986,180
- LA 70: Ascension P/L W - Ascension $6,927,920
- LA 44: Widening and Roundabout at LA 941 $6,212,673
- US 61 Airline at Clearview Intersection Improvements $6,095,000
- US 90 & LA 3046: Mill & Overlay $5,460,252
- District 04 Flashing Yellow Arrow $5,323,180
- LA 10: Palmetto Company Canal Bridge $4,993,948

Aviation
The Office of Multimodal Commerce - Aviation Division executed 89 grants for airport improvement and development projects in FY21. The Federal Aviation Administration funded $134.3 million of these projects through the Airport Improvement Program. The remaining funding was invested from the state Aviation Appropriation, in the amount of $33.5 million. The total amount invested in the state aviation system for infrastructure and development in FY21 was just over $167.8 million.

Ports
The Port Construction and Development Priority Program completed construction on three projects in FY 21. These projects had total costs of $35 million and construction costs of $11 million with the State/Port Program providing $10.2 million in funding. It is estimated that these projects created/retained 95 jobs and will produce $43 million in benefits over the life of projects.

Railroads
The Louisiana Legislature passed Act 222 of 2019 creating the Short Line Railroad Infrastructure Improvement Program. The Freight & Passenger Rail Section is now working to develop program procedures and identify potential projects. Capital Outlay funds have been authorized for the initial projects identified under this program. The program procedures and projects will be presented to the Joint Committee on Transportation in the spring. The Federal Railroad Administration (FRA) and gulf coast states represented by the Southern Rail Commission continue to negotiate with the CSX railroad and Amtrak to restore passenger service between New Orleans and Mobile as the first phase of restoring service to Orlando, Florida. The FRA and DOTD have mutually agreed to temporarily suspend the current New Orleans Rail Gateway Environmental Study in favor of studying individual projects within the Gateway Program of projects. The first project to be studied is the consolidation of two railroad grade crossings on Jefferson Highway in Jefferson Parish near the site of the proposed Ochsner Health Foundation Hospital. Other individual projects will be studied as funding becomes available. The Louisiana Statewide Rail Plan update was completed and approved by the FRA. The Plan has been posted on the Rail Section webpage.

Commercial Trucking
The Commercial Trucking Director continued to represent the Department of Transportation and Development on the Trucking Research and Education Council as the Secretary's designee. Through participation in the Council's extended outreach to the industry and

communities, the mission of the Commercial Trucking Section is being greatly enhanced.

Recognizing the value of the Commercial Trucking Section as a communications liaison between truckers concerns and highway planning, the National Academy of Science selected the Director serve as a committee member on two additional committees: the Standing Committee on Agriculture, and Food Transportation and the Subcommittee on Port Digitalization. The Director continues to serve as the committee member on the Standing Committee on Intermodal Freight Transport. As such, he is providing independent, objective analysis and advice to solve complex transportation problems and form public policy decisions. The Director was also selected as an academic reviewer in the TRB Annual Meeting paper peer for TRB's Annual Meeting, reviewing three technical and scientific Papers. The Director accepted an appointment by the Transportation Research Board Executive Committee, the National Cooperative Highway Research Program Project 08-141 Panel, and Guidance for Local Truck Parking Regulations with the AASHTO Special Committee on Freight. The guidance and sample ordinances produced from this research will provide state DOTs with the necessary tools to work with local and state governments in achieving the intent of Jason's Law Truck Parking Survey (MAP-21; P.L. 112-141), by increasing safe parking options for truck drivers.

The Director was appointed to serve as the department representative in the New Orleans Oversize Vehicles Stakeholder group and the New Orleans Mayor's Office of Transportation addressing truck route, truck parking and curbside freight management issues in New Orleans. The Director was invited to present to the Regional Planning Commission, Freight Roundtable on Block Chain and the transportation industry. The Director maintains an active research portfolio in the impact of nuclear verdicts on the trucking industry, covid-19 impacts on the trucking industry, truck parking demand, chassis shortage issue and platooning testing and permits. The director has been called upon to render departmental positons on Federal Motor Carrier Safety Administration proposed regulation and current regulations including commercial driver's license (CDL), hours of service (HOS), electronic logging device (ELD), emergency declarations, waivers, exemptions and Permits issues. The Director also provided input and editorial comment on the draft final version of the 2020 New Orleans Freight Profile for The Regional Planning Commission for Jefferson, Orleans, Plaquemines, St. Bernard, St. Charles, St. John, St. Tammany, and Tangipahoa Parishes. The Director was consulted and drafted critical parts of HCR62 of the 2021 regular legislative session to request the Louisiana Community and Technical College System create commercial driver training programs to advance training standards and safety.

Waterways

The state match requirement for the Mississippi River Deepening project is $87.5 million. In order to meet this requirement, DOTD secured appropriations in Act 485 of the 2021 Legislative Session comprising $55 million CLOC and $28 million Non-CLOC; additionally, the United Soybean Board is providing a $2 million contribution to be used as State match. As the project extends into the next FY and beyond, the total cost will rise to approximately $262.3 million. Further, the Waterways Section also expended $9,903,454 in funding for the Acadiana to the Gulf of Mexico Access Channel for infrastructure improvements in advance of channel deepening in FY21.

Statewide Topographic Mapping Program
Pursuant to R.S. 48:36, DOTD has established the Statewide Topographic Mapping Program (Program), supported by technical experts from DOTD, the Division of Administration's Office of Technology Services (OTS), other state agencies, local and federal government entities, and private industry. The Program serves to facilitate the interoperability of geospatial data through collaboration of stakeholders from state, local, federal, and private partners. DOTD has continued to leverage the enhanced IT infrastructure built out in the past few years and has contracted with industry-leading consultants to assist the Program with data management, training DOTD employees, and further developing standard operating procedures.

Through its curation and management of the DOTD Open Data portal, the Program continues to deliver access to up-to-date, governed, and authoritative geospatial data sources to Program partners. To date, the Open Data portal has over 100 data sets related to topographic categories such as Transportation, Boundaries, Public Land Survey, and others. Going forward, the Program will continue to identify, vet, and publish more geospatial data sets from systems of record that serve to fill out the topographic map of Louisiana.

The Program has continued to foster the agreement with the United States Geological Survey (USGS) and the United States Department of Agriculture (USDA) to increase the quality of LiDAR data collected in Louisiana. Likewise, the Program has continued to collaborate with the Louisiana Watershed Initiative in the collection and processing of wide-area LiDAR throughout the state. Once collected, processed, and quality controlled, the LiDAR data products provided by the Program will serve to provide the Louisiana Watershed Initiative with critical inputs to their ongoing watershed modelling activities. In total, the Program is coordinating and participating in the collection of high quality, wide-area LiDAR data across over 42,000 square miles of the approximate 52,000 square miles within Louisiana's boarders. Along with significantly enhancing the quality of geospatial data to eventually fill out the Elevation category of the topographic map of Louisiana, this data will be valuable to business uses such as transportation design and planning, watershed modeling, emergency response and damage assessments, and infrastructure management and protection.

B. Why is this success significant?

Transportation infrastructure is essential to society and the economy. The movement of people, goods, and services are enhanced through transportation infrastructure projects.

Louisiana faces a $14.866 billion backlog of unfunded state highway transportation needs that are necessary for public safety, congestion relief, and preservation of the state's existing infrastructure. Further, the state faces a need for $14.226 billion in major projects (Priority A and B Megaprojects) that are critical to improving traffic flow in urban areas, but which do not currently have a dedicated funding stream. By taking maximum advantage of all available funding sources, DOTD was able to accelerate project delivery for construction projects that would have been delayed without the available funding.

C. Who benefits and how?

The users of Louisiana's transportation system benefit from improved safety, lower operating costs, and improved mobility. Business and industry benefits from increased productivity and reduced costs. Further economic development opportunities are enhanced with an improved transportation system.

D. How was the accomplishment achieved?

This accomplishment was achieved through the teamwork of everyone involved in the project delivery process – from planning & programming, to environmental documentation & mitigation, to engineering, to construction and ultimately operations and maintenance.

E. Does this accomplishment contribute to the success of your strategic plan?

The Department's strategic plan is used to understand and address the current and future transportation needs of the state. The Department's strategic plan serves as a unique approach to identifying future system needs and provides a method to incorporate them into future transportation decisions and solutions.

F. Does this accomplishment or its methodology represent a Best Management Practice that should be shared with other executive branch departments or agencies?

DOTD's Project Delivery Steering Committee (PDSC) reviews, establishes, approves, and/or recommends approval of policies, program direction, budget, finance, and measurement that supports project delivery. The Project Finance Subcommittee (PFC) is created within the PDSC. The PFC provides summarized financial departmental and program reports, and provides guidance and direction for the capital outlay program. The subcommittee is the focal point for managing funds and projects associated with the highway capital program.

R.S. 48:229.1 states that each year "the department shall provide the legislature and public with this [Highway Priority] program which shall list projects to be constructed in the ensuing fiscal year in an order of priority …" In addition, pursuant to R.S. 48:230, the Department provides the Legislature "an additional list of projects proposed to be commenced within the ensuing four years which are in various stages of planning and preparation." In compliance with these statutes, the Highway Priority Program identifies the projects that are scheduled for construction letting in the ensuing fiscal year. These are denoted as being in Stage 4. Projects being developed in the other stages are also included in the document. Other priority programs governing ports, airports, and flood control are also specified in state statutes.

II. Is your department five-year strategic plan on time and on target for accomplishment?

- Please provide a brief analysis of the overall status of your strategic progress. **See below.**
- Where are you making significant progress? **See below.**
- Where are you experiencing a significant lack of progress? **See below.**
- Has your department revised its strategic plan to build on your successes and address shortfalls?

  ☒ Yes. If so, what adjustments have been made and how will they address the situation? **See below.**
  ☐ No. If not, why not?

- How does your department ensure that your strategic plan is coordinated throughout the organizational and management levels of the department, regularly reviewed and updated, and utilized for management decision-making and resource allocation? **See below.**

DOTD continually works toward producing effective Strategic Planning tactics through education and coaching for a more strategically driven and performance-managed operation. The Goals and Objectives were validated and revised by holding sessions with all Program Heads and Executive Staff.

DOTD tracks internal objectives through a scorecard system refined to its current state during the past five years. A process has been created for DOTD's designated users to create a scorecard and update monthly performance measurements for a given scorecard at both the section and division level. In addition, the portal provides a number of views and reports to support internal reporting needs.

Strategic Planning

DOTD's Vision, Mission, Values, and Goals are:

Vision
To move Louisiana onward by delivering a safe and innovative multimodal transportation and infrastructure system.

Mission
Plan, design, build and sustain a safe and reliable multimodal transportation and infrastructure system that enhances mobility and economic opportunity.

Values
Efficiency
Honesty
Inclusion
Quality
Dedication
Commitment

Strategic Goals
Deliver Quality Customer Service
Enhance Public Trust
Produce Tangible Infrastructure Improvements

DOTD's Strategic Objectives, Key Performance Indicators (KPI), Performance Standards and Actual Year-End Results

Objective (Office of the Secretary)	**KPI**	**Target**	**FY 20 Results**	**FY 21 Results**
To sustain administrative expenses at five percent or less of total annual expenditures.	Percent administrative expenses.	5%	2.74%	2.80%
Objective (Office of Management and Finance)	**KPI**	**Target**	**FY 20 Results**	**FY 21 Results**
To deliver better, cleaner, safer and less congested modes of transportation by sustaining a highly skilled workforce at all levels within the Department by maintaining an overall turnover rate at or below the statewide turnover rate.	Turnover rate.	13%	10.55%	12.82%
Objective (Office of Engineering)	**KPI**	**Target**	**FY 20 Results**	**FY 21 Results**
To effectively maintain and improve the Interstate Highway System so that 95% of the system pavement stays in fair or better condition each fiscal year.	Percentage of Interstate Highway System miles in fair or higher.	95%	98.59%	97%
To effectively maintain and improve the National Highway System so that 85% of the system pavement stays in fair or better condition each fiscal year.	Percentage of National Highway System miles in fair or higher.	85%	91%	91%
To effectively maintain and improve the Highways of Statewide Significance so that 70% of the system pavement stays in fair or better condition each fiscal year.	Percentage of Highways of Statewide Significance miles in fair or higher condition.	70%	94.15%	95%
To effectively maintain and improve the Regional Highway System so that 60% of the system pavement stays in fair or better condition each fiscal year.	Percentage of Regional Highway System miles in fair or higher condition.	60%	88.09%	89%
To sustain the condition and safety of	Percentage of	10%	8.5%	7%

Louisiana's On-System (state owned) bridges, as part of the National Highway System, so that deck area of structurally deficient NHS bridges constitutes no more than 10% of the deck area of all the NHS bridges.	deck area of all structurally deficient On-System bridges**.**			
To sustain the condition and safety of Louisiana's On-system (state owned) bridges, as part of the Statewide and Regional Highway System, so that deck area of the structurally deficient bridges constitutes not more than 20% of the deck area of all the SHS and RHS bridges.	Percentage of deck area of all structurally deficient On-System bridges.	20%	7.8%	14%
Objective (Office of Planning)	**KPI**	**Target**	**FY 20 Results**	**FY 21 Results**
Implement an average of 3% of the Louisiana Statewide Transportation Plan each fiscal.	Cumulative percent of elements in the Louisiana Statewide Transportation Plan implemented (i.e., completed or fully funded) in current year.	3%	4%	18.2%
To achieve at least a 25% reduction in fatal and serious injury crash rates at selected crash locations through the implementation of safety improvement projects each year focused on roadway departure and intersections.	Average percent reduction in crash rates at all safety improvement project.	25%	10.8%	28%
Maintain 90% or greater of the Interstate Highway System in uncongested conditions each fiscal year.	Percent of the Interstate Highway System in uncongested condition.	90%	60.1%	99.5%
Maintain 90% or greater of the National Highway System (NHS) in uncongested conditions each fiscal year.	Percent of the National Highway System (NHS) in uncongested condition.	90%	96.1%	83.1%

Objective (Operations)	KPI	Target	FY 20 Results	FY 21 Results
To ensure safety by performing all required on-system bridge inspections for each fiscal year.	Percent of required on-system bridge inspections performed.	100%	100%	100%
To ensure safety by performing all required off-system bridge inspections for each fiscal year.	Percent of required off-system bridge inspections performed.	100%	100%	100%
Objective (Office of Multimodal Commerce)	**KPI**	**Target**	**FY 20 Results**	**FY 21 Results**
To administer the State's maritime infrastructure development activities to ensure that Louisiana maintains its top position in maritime commerce as measured by the total foreign and domestic cargo tonnage, by investing in port and harbor infrastructure that will return to the state at least five times the state's investment in benefits.	Return on state's investment (for each dollar of state investment).	$5	$16.9	$7.16
Objective (Aviation)	**KPI**	**Target**	**FY 20 Results**	**FY 21 Results**
Improve the Airport Construction and Development Program performance at public-use airports by continually enhancing the safety of operations and infrastructure development through airport sponsor performance evaluations and technical assistance service engagements.	Percentage of Public-Owned Airports DOTD is responsible for inspecting that are inspected.	100%	100%	122%

III. What significant department management or operational problems or issues exist? What corrective actions (if any) do you recommend?

A. Problem/Issue Description
   1. What is the nature of the problem or issue? **See Below**
   2. Is the problem or issue affecting the progress of your strategic plan? (See Section II above.) **See Below**
   3. What organizational unit in the department is experiencing the problem or issue? **See Below**
   4. Who else is affected by the problem? (For example: internal or external customers

and other stakeholders.) **See Below**

5. How long has the problem or issue existed? **See Below**
6. What are the causes of the problem or issue? How do you know? **See Below**
7. What are the consequences, including impacts on performance, of failure to resolve the problem or issue? **See Below**

Flat Revenue Stream and Increased Costs

The main source of revenue for DOTD is the excise tax on gasoline and diesel. This tax was implemented over 30 years ago and was not indexed for inflation. The 16 cents tax on gasoline is worth less than 7 cents today accounting for inflation. Meanwhile, the demand on the state's transportation infrastructure has risen due to increased travel. In addition to the 16 cents per gallon, an additional 4 cent tax was passed in 1989 to fund the TIMED program and is obligated to bonded debt service. Over the next 25 years, approximately 1 to almost 2½ cents of the 16 cents will be used annually for debt service on the TIMED bonds. In FY20 $19.9 million of this revenue was required as supplemental funding for TIMED bonds; this amount is expected to rise to $54.7 million by FY 30 and $80.1 million by FY40.

Unfunded Project Needs

DOTD has received additional funds over the last several years: $1.7 billion from state surpluses (2007, 2008, 2009, 2019, 2020 and 2021); $445 million from the Federal Stimulus Program (2009); and a considerable amount of funding through the state capital outlay program. Over the past nine Federal Fiscal Years (FFY 11-FFY 21) DOTD has received $511.2 million in additional federal funds from the U.S. Department of Transportation, including $65 million in FFY 21 alone. These funds are distributed to states that are successful in obligating their full federal highway funding allotment during the federal fiscal year. This extra funding was used to increase the level of projects in the state; however, due to ever-escalating needs to maintain the system, the overall funding need has increased from approximately $12.1 billion in 2011 to more than $14.886 billion. Additionally, multimodal transportation consisting of ports and waterways, airports, rail, bicycle and pedestrian routes, and public transit shows an estimated $19.9 billion (statewide plan) need over the next 30 years. Over the past 5 years, FFY 17 – FFY 21, DOTD has applied for and received over $240 million in discretionary grants to fund specific projects and in FFY 21 an additional $174 million in COVID Relief (CRRSA) funds were allocated to DOTD. CRRSA funds can be used on, but not limited to, highways, bridges, and ferries to perform routine and preventative maintenance, rehabilitation, and overlays on new and existing roadway throughout the state.

B. Corrective Actions

1. Does the problem or issue identified above require a corrective action by your department?

   ☐ No. If not, skip questions 2-5 below.
   ☒ Yes. If so, complete questions 2-5 below. **See below**

2. What corrective actions do you recommend to alleviate or resolve the problem or issue? **See below**

3. Has this recommendation been made in previous management and program analysis reports? If so, for how long (how many annual reports)? **See below**
4. Are corrective actions underway? **See below**
5. Do corrective actions carry a cost? **See below**

☐ No. If not, please explain.
☒ Yes. If so, what investment is required to resolve the problem or issue? (For example, investment may include allocation of operating or capital resources—people, budget, physical plant and equipment, and supplies.)

Funding Initiatives

1) During the 2015 Regular Session, several instruments were passed that could potentially create additional revenues to be deposited into the Transportation Trust Fund–Regular (TTF) or to bring about a reallocation of TTF funds away from non-transportation related expenses.

- Act 147 provided for conversion of the taxation basis for certain special fuels. The collection method of the special fuels tax for motor vehicles that operate on state highways using liquefied natural gas, liquefied petroleum gas or compressed natural gas was changed from a decal to a per-gallon equivalent. These vehicles previously paid either a flat fee or mileage-based fee, statutorily defined tax for special decals on an annual basis depending on the type and weight of the vehicle. As the previous system largely relied on self-reporting, it likely resulted in less tax revenue collections than would occur under a system that collects taxes based on the actual volumes consumed. Additionally, Act 147 reduced the discount for timely filing and remittance of motor fuels tax from 1.5% to 0.5% and reduced the allowable discount for fuel delivered to a purchaser from 1% to 0.33%. These discount reductions resulted in a fuels tax revenue increase of approximately $6 million to the TTF that began in FY 16.

- Act 380 placed into statute additional provisions regarding the 20% constitutionally allowable distribution of TTF dollars collectively for the Port Priority Program, the Parish Transportation Fund, the Statewide Flood Control Program and the Office of State Police (OSP) for traffic control purposes, specifically that such funds shall be limited to 20% of all monies deposited into the TTF, including but not limited to state generated tax monies, fees, penalties, and interest earnings. Historically, the only funds considered against the 20% cap were those generated specifically by state tax revenues. Act 380 additionally restricts the appropriation of TTF to LSP by stipulating the maximum amounts that can be appropriated to $45 million in FY 16, $20 million in FY 17 and $10 million in FY 18 and thereafter. It should be noted that as of FY 17, LSP no longer receives TTF. Act 720 of the 2018 Regular Session provided for a constitutional amendment that would strike the language allowing TTF to be spent on the Office of State Police. Voters approved this amendment on November 6, 2018. Ports received an additional investment of $20 million each fiscal year, and the Statewide Flood Control Program received an additional investment of $10 million in FY 19 and FY 20.

- Acts 473 and 465 renamed the Budget Stabilization Fund to the Budget and Transportation Stabilization Trust Fund; provides for the deposit of excess mineral revenues into this fund and for the related distribution of revenues into sub-funds for Budget Stabilization and Transportation Stabilization with specified restrictions on the use of those funds. **These Acts required a Constitutional Amendment that <u>was not</u> approved by Louisiana voters.**

- Acts 257 and 275 were companion instruments to Acts 473 and 465 discussed above. Act 257 increased the base amount of mineral revenues received by the state prior to the annual deposit into the Budget Stabilization Fund by $100 million. Act 275 provided for an allocation to the TTF in an amount equal to the general fund revenues certified by the Revenue Estimating Conference as being attributable to the provisions in Act 257 up to $100 million. As an offset, Act 275 repealed both the general fund trigger and the phase-in of depositing vehicle sales tax to TTF as previously established by Act 11 of 2008 2nd Extraordinary Session. Act 275 provided for the utilization of the newly allocated funds as follows:
  - The first $70 million is to be deposited into the TTF for state highway pavement and bridge sustainability projects.
  - 93% of the avails remaining after the first $70 million carve-out are to be sub-allocated as follows:
    - 30% into the highway priority program for capacity projects.
    - 25% for port construction and development priority program projects.
    - 45% for state highway pavement and bridge sustainability.
    - The final 7% of the remaining avails after the first $70 million carve-out shall be deposited into the LA State Transportation Infrastructure Fund as per Act 431 of 2015.

- Act 275 was projected to generate additional deposits into the TTF of $4.4 million in FY 18, $7.2 million in FY 19 and $9.3 million in FY 20 from excess mineral revenues in the Budget Stabilization Fund based on the estimates adopted by the Revenue Estimating Conference on May 14, 2015; however, these projected revenues have not materialized to date.

2) During the 2016 Regular Legislative Session, several policy decisions were made to improve Louisiana's multimodal transportation system which included the following:
   - Ending Louisiana State Police's (LSP) reliance on the Transportation Trust Fund (TTF).
   - Doubling the investment in the Port Priority Program.
   - Prioritizing transportation projects in the capital outlay process.
   - Enacting legislation to focus Public-Private-Partnership (P3) financing opportunities to critical needs.

   Following these actions, Executive Order JBE 2016-23 was issues on June 7, 2016, creating the Governor's Task Force on Transportation Infrastructure Investment. The 18-member task force of leaders from various sectors of the public and private sector were charged with researching, identifying and making specific actionable recommendations to

maintain and finance the construction of project outlined in the Louisiana Statewide Transportation Plan. This effort lead to HB 632 of the 2017 Regular Session proposing an additional tax on gasoline, diesel fuels, and special fuels. The proposed law would have imposed an additional tax of $0.17 per net gallon on each type fuel. **HB 632 was adopted by the Committee on Ways and Means; however, HB 632 was never brought to a vote by the House of Representatives and failed to become law.**

3) During the 2019 Regular Legislative Session, HB 542 proposed an increase in the motor fuel tax, but the Committee on Ways and Means did not schedule a hearing for the proposal to be considered.

4) During the 2019 Regular Legislative Session, Act 443 authorized funds not related to Coastal Restoration or Impacts totaling $692.9M over 13 years starting in FY2021 from the BP settlement revenues to be applied to specified projects across the state. DOTD, through its innovative procurement section, has initiated use of the Federal Transportation Infrastructure Finance and Innovation Act (TIFIA) Program. TIFIA provides loans to state government to finance transportation projects in an effort to advance projects that may otherwise be deferred because of funding delays. DOTD will close TIFIA loans on several Act 433 projects that are ready to let in FY22 which include LA 3241 (Segment 2 & 3), I-49S (Ambassador Caffery Interchange), the Cameron ferries, and the Bridge Program.

5) During the 2021 Regular Legislative Session, ACT 486 provided that beginning in FY 2024, 30% of the avails of taxes from the sale, use, or lease of motor vehicles be deposited into the Construction Subfund of the Transportation Trust Fund. In FY 2025 and thereafter, 60% of the avails of the tax is to be deposited into the subfund. However, this bill also appealed Act 275 and Act 257 enacted during the 2015 Regular Session and discussed above.
   The new avails are to be sub-allocated as follows:
   - Up to 70% for certain capital construction road and bridge projects
   - Not less than 25% for state highway and bridge preservation projects included in the existing highway priority program
   - 5% for projects authorized pursuant to the provisions of R.S. 48:224.1

Cost Control and Efficiency Efforts

1) Reducing staff – Continued savings in Personal Services costs due to streamlining of authorized positions (T.O). A total of 1,011 authorized T.O. positions have been eliminated since FY 04, reducing staff levels from 5,271 to 4,260 in FY 21. This equates to a cumulative cost savings of more than $97 million. The users of Louisiana's transportation system benefit from this savings, as any savings realized are able to be reinvested into the system. Staffing reductions were attributed to maximizing departmental and statewide efficiencies and consolidations.

2) Budget Strategies – Continued focus on maximizing the efficient use of the TTF-Regular in the operating budget. Although TTF-Regular is used as the primary means of financing salary costs in the operating budget, overall salaries have only grown 91% since 1991. DOTD has been able to minimize the impacts of a 90% rise in inflation (CPI) and a 325%

increase in fixed personnel benefit cost (such as health care and retirement contributions) through the reduction of T.O. and operational efficiencies. This is significant because DOTD is continuing to pay existing operating costs without State General Fund support. The public benefits from DOTD's efforts to stabilize the use of TTF-Regular in the operating budget, in that TTF dollars not used in the operating budget are available for use in the capital outlay budget. Beginning in FY 11, DOTD implemented budget development guidelines designed to limit and stabilize the use of TTF in the operating budget in order to maximize TTF available for matching federal transportation funds in the capital outlay budget. Various strategies have been utilized, including: federalizing eligible operating cost, absorbing annual inflationary cost, costing direct services to bond funded projects, identifying efficiencies in district offices, reducing costs associated with the equipment fleet, reducing facility related and vessel hull insurance costs, increasing the use of the self-funded Buy-Back program for heavy movable equipment, and outsourcing certain ferry operations.

3) Procurement Strategies
   - Outsourcing – A significant amount of the work that is done in the 9 Districts such as mowing, litter pickup, guardrail repair, etc. is now being outsourced to local government or contractors.
   - Design-Build (DB) contracting method – This procurement method is based on the combination of designing and constructing a project from conception to completion. Utilizing this method has proven to be more cost-effective, more time-efficient and produces a higher quality project than other methods.
   - Construction Management at Risk (CMAR) delivery method – This strategy involves working with a Construction Manager (CM) in the design development phase, allowing practical construction experience to be consider when designing the project. Subsequently, the department obtains an independent cost estimate for the project and on that basis negotiates with the CM to deliver the project within a Guaranteed Maximum Price (GMP). Any costs exceeding the GMP that are not agreed change orders are the financial liability of the CM. During the 2015 legislative session, the Department supported a state law allowing the use of CMAR contracting and has worked to develop guidance and procedures for utilizing this method.
   - Public Private Partnership (P3) - In 2006 Louisiana R.S. 48:2084 authorizes P3 projects, unsolicited and solicited, by the Louisiana Transportation Authority (LTA). In 2016 Louisiana R.S. 48:250.4 authorized the Department of Transportation and Development (with the approval of the House and Senate Committees on Transportation, Highways, and Public Works) to solicit proposals for public-private partnership projects.
     - 25% of public-private partnership projects undertaken must be outside the boundaries of any metropolitan planning area.
     - Unsolicited proposals must comply with the Statewide Transportation Plan Priority A & B projects.
     - In 2019 HB 567 enacted Louisiana R.S. 48:250.4.1 which extended the toll collection and enforcement authority to any state-owned facility. This allowed DOTD, in conjunction with a private entity through a P3

agreement, to set forth policies and procedures for the collection of tolls, administrative fees, and late charges for any future state-owned toll facilities. Also in 2019 HB 348 re-enacted Louisiana R.S.48:2084.6(D) adding authorization for the comprehensive agreement to contain provisions for the public authority to retain liability for damages arising from personal injury or property damage to third parties occurring on an existing state-owned highway or transportation facility.

- On December 14, 2017, LA DOTD received approval from the necessary legislative committees to solicit the State's first P3 project proposals and enter into contracts for the Belle Chasse Bridge & Tunnel Replacement project. The Notice of Intent (NOI) for the project was published on February 20, 2018.

4) Ferry Operating Strategies
   - DOTD currently operates ferries at three (3) locations at Cameron, Duty, and Plaquemine.
   - Act 273 of 2013 authorized DOTD to enter into a cooperative agreement with New Orleans Regional Transit Authority (NORTA) for ferry operations in New Orleans and to establish the New Orleans Ferry Fund to contribute to the ferry operating budget. The agreement requires minimum service levels on the Chalmette/Lower Algiers line and affords NORTA the right, but not the obligation, to operate ferry service at either Canal Street/Algiers Point or Canal Street/Gretna. NORTA is currently operating service at only Chalmette/Lower Algiers and Canal Street/Algiers Point.
   - The New Orleans Ferry Fund expired June 30, 2018 and was reenacted as Act 163 of 2019.

5) Rightsizing the Highway System – The Road Transfer Program has been established as the means to right size the State Highway System to a core network of 12,000 miles or less. When the program started the state owned 16,685 miles of road (27.31% of all roads in the state), and ranked 10th in percentage of state owned roads compared to other states. DOTD has identified approximately 5,000 miles of low volume, local roads on the state system to transfer to local government. The Program provides for DOTD to repair the roads prior to transfer. Additionally, the participating local governments will be credited for 40 years of routine and capital maintenance, which can be applied to any highway capital project(s). The Program may be appealing to those parishes and municipalities that have the capacity for additional day-to-day road maintenance but lack the resources for capital improvements. Over the last eight years beginning in 2012, DOTD has transferred 127.99 miles of state routes, with binding agreements to transfer a further 183.49 miles once the conditions of the agreement have been met, and 101.40 miles of inquiries but no signed agreement.

6) Disposal of excess real estate – In FFY 21, (October 1, 2020 thru September 30, 2021), DOTD sold 9 excess properties by Act of Sale, transferred 24 road segments to various local governing authorities and abandoned 4 right-of-way servitudes for a total of 37 disposals. The sold properties returned $571,097 to a mixture of state and federal

funds. The Office of State Lands (OSL) is currently preparing land management reports for the remaining 2 properties in their possession (Harvey PE Office and Burtville Maintenance Unit) but the properties have not yet been approved for disposal.

7) Initiatives to increase efficiencies and effectiveness of business processes:
   - Records Retention Program – In prior years, many DOTD records were being stored in Quonset huts that were deteriorating and had no identified back up if destroyed by fire, water leakage, or general environmental degradation. DOTD has implemented a Records Retention Program. The average employee spends time each day filing and searching for documents. Our Records Management program has reduced that time through the accomplishments listed below:
     - Trained an additional 140 employees on records management policies and procedures in FY20.
     - Scanned over 610,000 pages through the centralized scanning operations center in FY20, despite only 1 of 2 scanners being operated due to COVID-19 precautions for some of that time period.
     - Processed over 1,100 boxes of records for inactive storage and/or microfilming in FY20 as dictated by the DOTD Record Retention Schedule.
     - In FY20 the project build and development phases for the migration from IBM Content Manager, the current electronic content and records management (ECRM) system, to a modern ECRM system, IBM FileNet. This is a collaboration between DOTD and OTS and will enhance the capabilities available and the efficiency with which records approved to be stored in an electronic format are managed. Migration is currently expected to be completed by Summer/Early Fall 2021.

IV. How does your department identify, analyze, and resolve management issues and evaluate program efficiency and effectiveness?

A. Check all that apply. Add comments to explain each methodology utilized.

☒ Internal audit – **See Section II.**
☒ External audits (Example: audits by the Office of the Legislative Auditor) – **See Section II.** ☒ Policy, research, planning, and/or quality assurance functions in-house – **See Section II.** ☐ Policy, research, planning, and/or quality assurance functions by contract
☐ Program evaluation by in-house staff
☐ Program evaluation by contract
☒ Performance Progress Reports (Louisiana Performance Accountability System) – **See Section II.** ☒ In-house performance accountability system or process – **See Section II.**
☒ Benchmarking for Best Management Practices – **See Section II.**
☐ Performance-based contracting (including contract monitoring)
☒ Peer review – **See Section II.**

☒ Accreditation review – **See Section II.**
☒ Customer/stakeholder feedback – **See Section II.**
☐ Other (please specify):

Evaluation of DOTD processes and the programs within DOTD have been accomplished using both external and internal resources. The DOTD Audit and Quality Control Section received 449 audit requests during the year, completing 298, citing $1,065,066 in unallowable expenses and inventory variances.

In addition to the audits conducted by the DOTD Audit and Quality Control Section and the Legislative Auditor, management has required special "audits" or process reviews in several areas of the Department. These reviews have been accomplished by the DOTD Quality and Continuous Improvement Program through the development of the "as-is" and the "to-be" for the business process being reviewed.

In regards to design and construction contract performance audits, DOTD has internal systems in place that require contractors and consultants to deliver quality work on time and on budget. Upon completion of contracts, evaluations are completed by DOTD personnel and, if necessary, appropriate action is taken.

The Federal Highway Administration (FHWA) regularly reviews the operations of the Department and if issues develop, officials of the FHWA and DOTD meet to discuss and resolve them.

Internal Audit Section
The DOTD Internal Audit Section is a separate unit, independent of Audit and Quality Control Section, and chartered to issue reports directly to the Secretary. Currently, there is one established position, Internal Auditor.

The Internal Audit Section's scope of work encompasses the following:

- Reviewing operations and activities to ensure compliance with those statutes, regulations, policies and procedures that could have a significant impact on the Department's operations.
- Reviewing operations and programs to ascertain whether results are consistent with established objectives and goals and whether the operation and programs are being carried out as planned.
- Reviewing the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- Appraising the economy and efficiency with which resources are acquired and utilized.
- Monitoring new and major changes to automated and other systems by documenting and reviewing the adequacy of internal controls in place when implemented.
- Establishing audit goals by setting frequency and subject of audits based on Risk Assessment.
- Applying work techniques required to accomplish audit objectives.
- Obtaining an understanding of the program(s) to be audited.
- Performing special reviews and projects, as requested by the Secretary and other Executives.

Audit Review Committee

The purpose of the Audit Review Committee ("ARC") is to provide structured systematic oversight of the Department's governance, risk management, and internal control practices. The committee was established to provide oversight and accountability for all Department audit and investigative findings, and to advise the Secretary on policy matters.

The scope of the ARC is to review and make recommendations to the Secretary through the Chair on the findings of Department audits and investigations. The committee members are responsible for ensuring audit and investigation or investigative recommendations are being addressed appropriately. The committee is not responsible for approving audit responses and/or rebuttals to audit or investigative findings.

The authority of the ARC to perform its work is established within the purpose and scope of the charter and PPM 65. In discharging its responsibilities, the ARC has unrestricted access to members of management, employees, and relevant information it considers necessary to discharge its duties. The ARC reviews any external or internal audit findings in order to help ensure that the underlying issues were corrected and prevent recurring findings on these issues going forward.

B. Did your office complete any management reports or program evaluations during the fiscal year covered by this report?

☐ Yes. Proceed to Section C below.
☒ No Skip Section C below.