

EXECUTIVE SUMMARY

The 2010-2011 Fiscal Year was a time of transition, continued challenges and continued successes for SCDOT. On January 14, 2011, Governor Haley announced the appointment of retired Major General Robert J. St. Onge, Jr. as the new Secretary of Transportation of SCDOT. That appointment was confirmed by the SC Senate on February 10, 2011. In his first few months in the job, Secretary St. Onge visited SCDOT operations in all 46 South Carolina counties and has worked hard to get to know our industry and governmental partners.

A major challenge that faces the new Secretary and the agency is the aging highway system and the fact that revenues from the motor fuel user fee have not grown. Nearly all of the agency's funding comes from motor fuel revenues. With the recent economic difficulties, motor fuel user fee revenues decreased by 4% between 2008 and 2009, and current fiscal year revenues continue to be flat. This decrease in revenues has been further exacerbated by increased construction and fuel costs. The SCDOT construction cost index rose by more than 60% in the last ten years. The agency has responded with internal reductions in operational costs, but these savings have not offset the huge cost increases combined with lower than expected revenues.

Despite the continued challenges, the agency experienced numerous successes during the 2010-2011 fiscal year. These successes reflect the dedication and hard work of the employees of the South Carolina Department of Transportation.

The agency worked cooperatively with the State Ports Authority to improve routing and permitting of oversize/overweight loads. Shipping containers bound for international delivery can now be permitted up to 100,000 pounds and routed on highways shown on a statewide map for that purpose. This development was a direct result of the agency's representation on the State Ports Authority Board as required by Act 73 of 2009. Under Act 206 of 2010, the agency also became a member of the Economic Development Coordinating Council under the Department of Commerce.

There were numerous construction success stories. This is exemplified by the \$103 million I-385 widening project in Laurens County. As envisioned by SCDOT and its partners, the plan for the project was to streamline the construction process by minimizing obstacles such as traffic and artificial work schedules, thus allowing an accelerated mobilization and demobilization, and significantly reduced traffic control costs. This allowed for the completion of the project in record time, saving an estimated \$34.6 million of taxpayer dollars and significantly cutting down on the time motorists would have been detoured. It is estimated that a traditionally staged construction plan using full traffic control measures would have cost \$138 million and would have affected traffic for more than three years. By closing the project to traffic and working around the clock, the rehabilitation took less than eight months to complete. On July 23, 2010, the roadway was officially reopened, three weeks ahead of schedule and under budget. As SCDOT Commission Chairman Daniel Isaac, Jr. noted, "It is a rarity in construction of any kind that a project comes in ahead of schedule and under budget. This is a testimony to leadership and unity, people working together." SCDOT will now be able to take the lessons learned from this highly successful project and apply them to future projects.

SCDOT also continued to foster economic development. In conjunction with the US Air Force and Sumter County, the agency completed the installation of an additional gate connection to US 378 which will support the influx of more than 1,000 additional staff members as a result of base expansion.

SCDOT is recognized across the nation as an efficient, cost effective organization. In 2010, SCDOT ranked 6th in the Nation and 1st in the Southeast in state highway performance and cost-effectiveness in the 19th Annual Highway Report released by The Reason Foundation.

Building on these successes, SCDOT will move forward to keep the state's roads and bridges in the best possible condition and to give the citizens of our state the best value for their transportation tax dollars.

SCDOT MISSION

The Department 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.

The Department shall coordinate all state and federal programs relating to highways among all departments, agencies, and other bodies politic and legally constituted agencies of this State and the performance of such other duties and matters as may be delegated to it pursuant to law. The goal of the Department is to provide adequate, safe, and efficient transportation services for the movement of people and goods.

OBJECTIVES

Objective 1: Increase safety both on South Carolina's highway system and within the SCDOT workforce by reducing lost work days, traffic fatalities, and traffic injuries.

For SCDOT workforce injuries, there was an 8.6 percent reduction in first reports of injury during FY 10-11, as compared to FY 09-10. This number exceeded the Department's goal of 5%.

Forming strong partnerships is a key element in SCDOT's ability to achieve success. This is well demonstrated in SCDOT's relationship with the South Carolina Department of Public Safety. The degree of cooperation between the two agencies has been a model for other states. This cooperation is paying off with a significant reduction in traffic fatalities and a significant increase in seatbelt usage. After a summer 2010 campaign, seatbelt usage in South Carolina reached 85.4 percent, exceeding the national rate of 84 percent for the first time. Moreover, South Carolina ended calendar year 2010 with the second lowest number of highway fatalities since 1982. Other cooperative efforts included the creation of a system to automate the collection of crash data statewide that will permit SCDOT to identify problem areas. SCDOT also provided funding for the creation of Safety Improvement Teams to enforce traffic laws within and around work zone construction areas. Since this program began in 2006, traffic fatalities in work zones have decreased from an average of 17 per year prior to the program (2002 – 2005) to 7 per year in the four years since (2007 – 2010).

Safety is a top priority of the agency. In 2010, SCDOT targeted 2200 intersections with high crash rates for safety improvements, improving those intersections through the use of new, high visibility signs that

attract the attention of motorists and make them aware of on-coming intersections. In addition, SCDOT initiated safety field surveys in two lowcountry counties with high crash rates and subsequently directed \$19 million in ARRA, or federal highway stimulus funds be used for safety projects that included upgrading traffic signals, improving or adding turn lanes, straightening dangerous curves, replacing or adding guardrails, and widening and resurfacing shoulders.

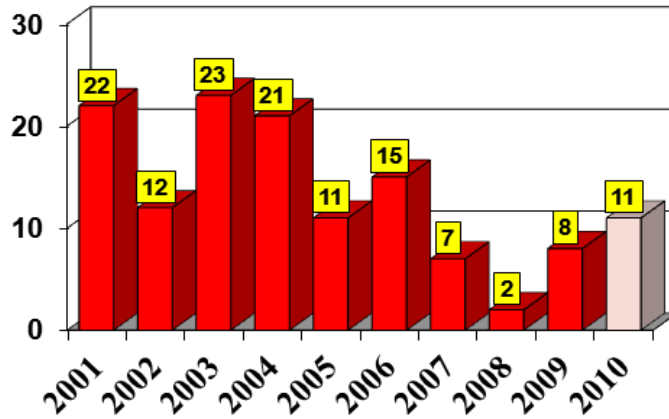
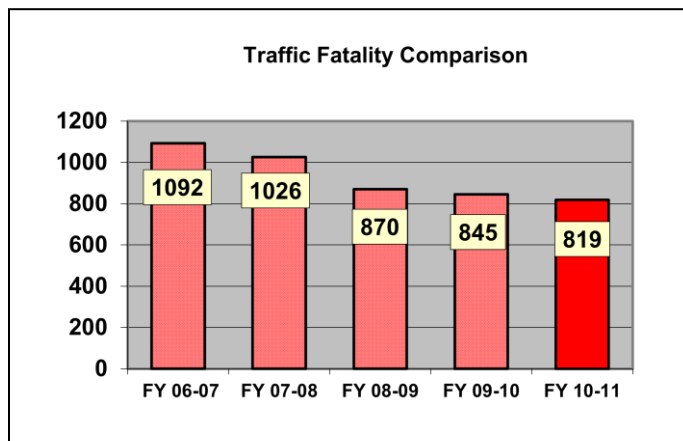


Chart 1.1

Chart 1.1 depicts the work zone fatality statistics from 2001-2010. Note: 2010 numbers are preliminary until DPS closes its annual files.

Traffic Fatality Report for South Carolina Year Ending June 30, 2011



'07 - '11 average: 930

Chart 1.2

Chart 1.2 depicts the traffic fatality report for South Carolina for the year ending June 30, 2011.

Objective 2: Ensure South Carolina’s future by making transportation mobility options more accessible, convenient, efficient, and easily integrated with existing infrastructures that allows the timely delivery of goods and services.

Several initiatives to achieve this objective moved forward during Fiscal Year 2010-2011. In the area of Rail and Freight, a Commodity Information Management System was developed that analyzes data from SCDOT’s multimodal Transearch freight database for forecasting and scenario planning of commodity movements throughout the state. This new tool will serve the public well as SCDOT moves forward with the development of an interagency, inter-jurisdictional Statewide Freight Plan in Fiscal year 2011-2012.

In the Public Transit arena, services were introduced or expanded in a number of previously underserved areas of the state. In addition, public transit ridership increased by 2% over the previous fiscal year despite decreased revenues.

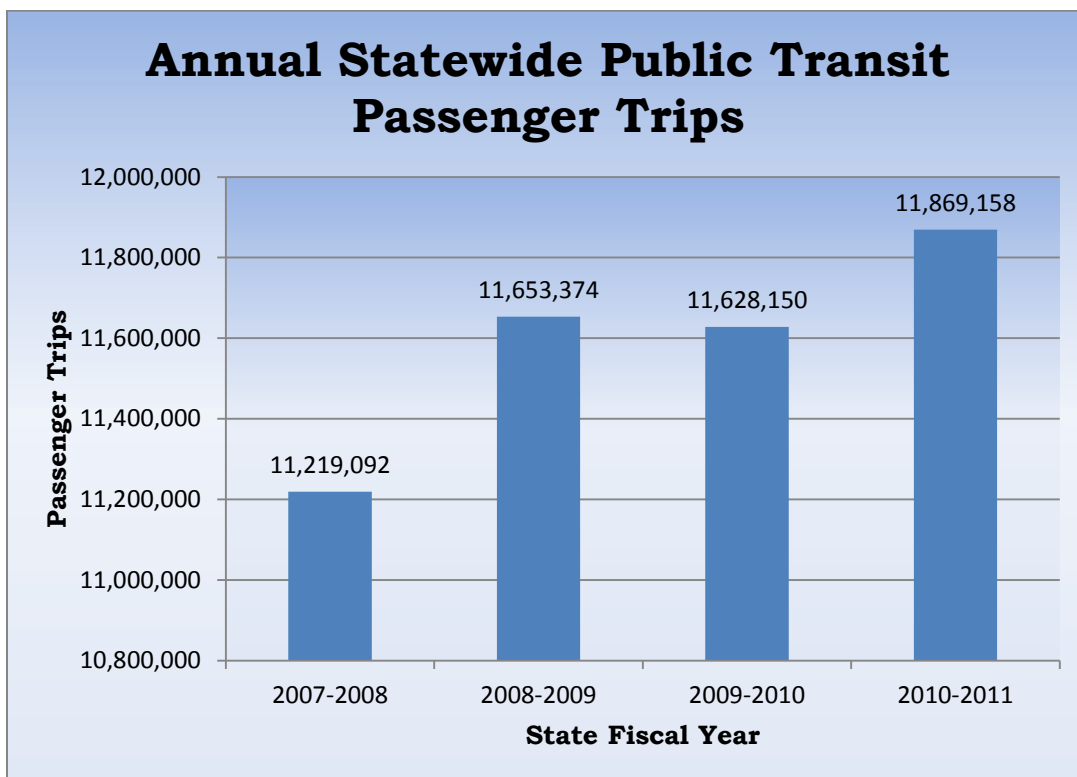


Chart 1.3

Chart 1.3 depicts the number of annual statewide public transit passenger trips.

Objective 3: Continue a proactive approach in system preservation by maintaining existing highways, through preventive maintenance, minor rehabilitation, and routine maintenance.

SCDOT continued to preserve and maintain the highway system in two ways: major rehabilitation, restoration and reconstruction performed by private contractors; and, extending the serviceability of

good roads through the use of pavement preservation techniques either by contract, or through the use of in-house capabilities. Concurrent with these efforts, SCDOT crews provided routine maintenance and spot repairs to nearly 42,000 miles of roads and bridges, ensuring that all state highways were kept in a serviceable condition for the motoring public throughout the year.

The condition of a transportation infrastructure is often measured in terms of Remaining Service Life (RSL). To improve the RSL, pavement improvement and preservation treatments are required. Different treatments add different amounts of service life to a pavement. It is generally better to undertake long-term solutions than temporary fixes because of safety, convenience and cyclical repair costs. However, at times when resources are limited, a certain amount of short-term repairs are necessitated to ensure safety and uninterrupted use of the state's roadways.

During fiscal year 2011, approximately 710 centerline miles of roads in relatively poor condition were contracted for long-term improvement utilizing rehabilitation or reconstruction methods. Approximately 724 centerline miles of roads in fairly good condition were preserved using a pavement preservation treatment. This means that a total of 1,434 centerline miles received some level of pavement improvement and preservation during the year, adding between three and thirty years of service life to each treated lane mile, depending on the type of treatment used.

Of the 1,434 miles receiving pavement improvements, each treatment type performed was converted to the appropriate number of service life years and graphed. Chart 1.4 below is for fiscal year 2011 and illustrates the years of service life added for the entire year. This represents work that was completed and does not represent work still under contract at the close of the fiscal year.

Nearly 49,000 lane-mile years of service life were added to the system in FY 2010-11. However, as indicated in Chart 1.4, at the current level of investment, the State of South Carolina is losing years of service life at a faster rate than we are adding them. This means that the system is deteriorating, due to an inability to add an equal or higher amount of lane mile years of service life to replace that which is lost each year. To improve the condition of the system, the State should add more years of service life than it loses each year.

System Service Life FY 2010-11

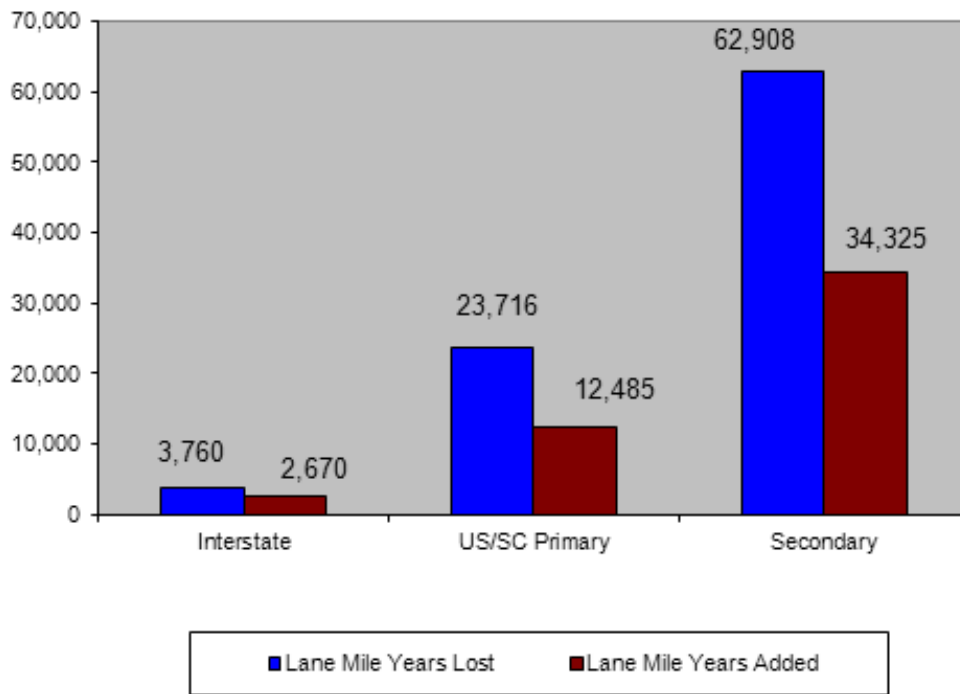


Chart 1.4

Chart 1.4 depicts the number of lane mile years lost and lane mile years added in Fiscal Year 2010-2011.

Objective 4: Advance SCDOT’s customer service through the ability to manage for results and promote transportation solutions that enhance communities and protect the natural and built environment.

Continuing its efforts to be customer-friendly, the agency deployed an internet-based work request system in early January of 2011. This system allows the public to make work requests 24 hours a day, seven days per week from the convenience of their internet capable computer or mobile device. This convenient on-line system benefits those who have difficulty contacting SCDOT during normal business hours, and it will allow SCDOT staff to concentrate on work assignments in a pragmatic way.

Another customer service initiative has made 1.9 million digitally scanned image files of roadway construction plans available at the click of a button on the internet. This initiative replaces the old, cumbersome method of reviewing plans in person. Today, the Plans Online system is available internally to SCDOT employees and externally to surveyors, engineers, city, county, and local offices requiring access to the plans to complete their work. This has greatly improved efficiency and reduced costs. This project was nominated by the American Association of State Highways and Transportation Officials (AASHTO) as one of ten finalists for the annual America’s Transportation Award.

In addition, SCDOT launched its new 511 Traveler Information System, a free telephone and internet resource designed to help motorists save fuel, navigate South Carolina’s roadways, reduce commuting times and minimize the impact of traffic incidents. The new system received more than 80,000 calls during the first four months in operation.

One of the agency’s most popular public services is the SCDOT Incident Response team. Each year, this program assists in excess of 30,000 motorists in need of roadside assistance. This service promotes safety and helps to keep disabled vehicles from affecting the smooth flow of traffic. Chart 1.5 gives an overview of the responses provided over the last three years.

AREAS	FY 2009	FY 2010	FY 2011
Columbia	4,587	5,315	5,327
Upstate (Greenville and Spartanburg)	4,876	4,985	4,672
Rock Hill	2,641	3,428	2,845
Charleston	9,464	10,269	10,255
Anderson	2,230	1,829	1,461
Myrtle Beach	4,121	3,710	3,272
Beaufort	1,476	1,600	1,615
Florence	3,942	3,784	3,694
Cherokee	848	668	546
Total Responses	34,185	35,588	33,677

Revised 08/16/11

Chart 1.5

Chart 1.5 depicts the number of motorists SCDOT’s SHEP-Incident Response Program has assisted in the past three fiscal years.

Objective 5: Conserve resources throughout agency.

Conservation of resources continues to be a priority for the agency. Numerous steps have been taken to reduce expenditures including the continued elimination of staff positions, the recycling of office supplies and equipment, reductions in travel expenses, and reduction in interstate mowing cycles. General Administrative overhead has been held at 4% of the agency’s budget, one of the lowest overheads in the nation for similar agencies. Chart 1.6 shows budget expenditures for the major program areas.

MAJOR PROGRAM AREAS		
Title	Purpose	FY '10-'11 Budget
General Administration	Executive management and Supportive Services	\$48,099,663 % of total 4%
Engineering Administration	Core management to support the delivery of highway construction program.	\$82,715,179 % of total 7%
Engineering Construction	Constructions of roads, bridges, and rest areas	\$626,578,599.67 % of total 56%
Highway Maintenance	Maintenance of roads, bridges, buildings in the right-of-way, rest areas, and welcome centers	\$217,370,943 % of total 20%
Non-federal Aid Highway Fund	Maintenance of state roads that are ineligible for federal participation	\$35,393,270 % of total 3%
Programs not listed above: Land and Buildings; Toll Operations; State Employers Contributions; Mass Transit; and, Capital Projects - \$100,583,352 (10% of total)		

Chart 1.6

Chart 1.6 depicts the budget expenditures for Fiscal Year 2010-2011 for SCDOT's major program areas.

Objective 6: Maintain a quality workforce of existing and future employees.

Providing appropriate training for the SCDOT workforce continues to be a priority, despite budgetary constraints that have limited external training. To counteract the effects of a decrease in external training, the Human Resources Department has placed additional emphasis on e-Learning courses within the agency. Many of these courses have been developed at the request and with the cooperation of Division Heads. As a result of these activities, the number of courses taken and total training hours have increased.

During FY 2010-11, a total of 4,639 employees received instructor-led training, and 3,869 employees received remote training through e-Learning seminars.

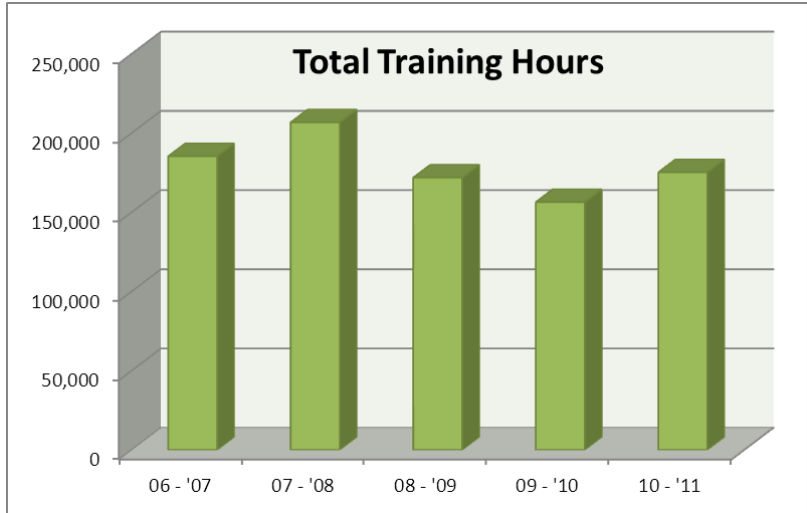


Chart 1.7

Chart 1.7 depicts the total training hours received by SCDOT employees in Fiscal Year 2010-2011.

SCDOT analyzes turnover in a variety of ways to develop strategies to retain its most valuable asset, its employees. Turnover is analyzed by separation reason code, job classification, geographic location, and by probationary status. Analysis of the FY 2010-2011 data reveals that the primary reasons for separation of employment are resignation (46%), full retirement (18%), and discipline (11%). Turnover by job classification shows that the majority of SCDOT's turnover exists in the Trades Specialist II classification. Chart 1.8 provides information of trend data for SCDOT employee turnover for the past five years.

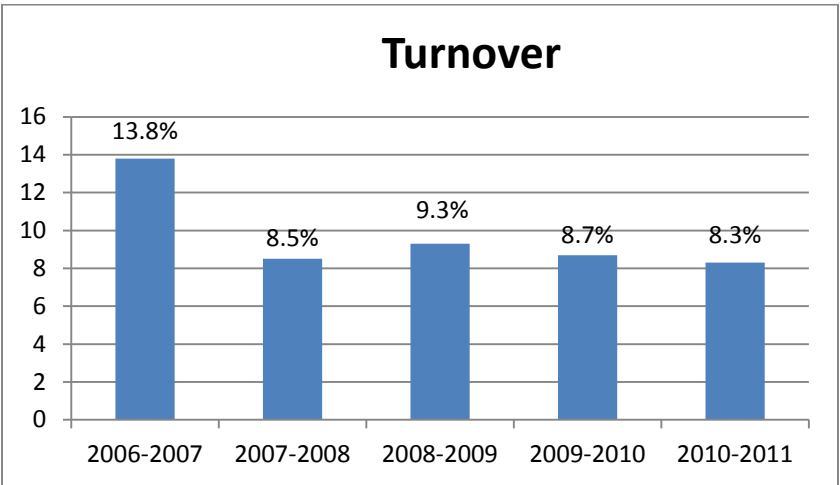


Chart 1.8

Chart 1.8 provides information of trend data for SCDOT employee turnover for the past five years.

Contact Information

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