

# State Budget Committee

Michael Smith, Commissioner  
Joe Gustin, Chief Financial Officer  
Indiana Department of Transportation

December 8, 2022

# Indiana #1

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## Indiana Named #1 in the Nation for Infrastructure

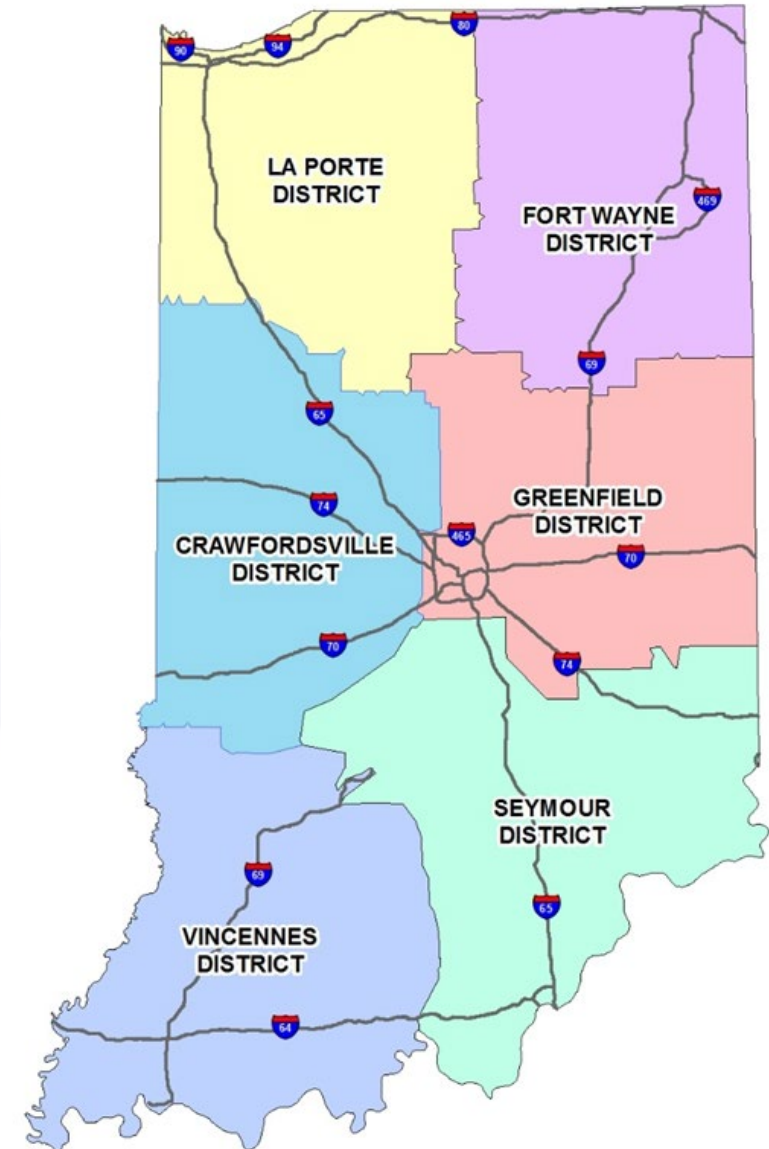
in the 2022 CNBC America's Top States for Business ranking



AMERICA'S **TOP STATES** FOR BUSINESS

# INDOT At-A-Glance

- Six district offices and a central office
- 3,544 employees (Nov, 2022)
- \$4.00 billion FY2022 obligations
  - \$2.55 billion annual state capital expenditures
  - \$571 million annual operating budget
  - \$882 million in additional local capital program, multimodal, and debt service
- 29,786 total roadway lane miles
- 5,728 INDOT-owned and maintained bridges



# INDOT 2023 Agency Goals

## Excellence in Core Service Delivery

- Deliver on 20-Year Plan Commitments
  - Prioritize taking care of what we have.
  - Finish major projects.
  - Maximize federal and state funding opportunities.
  - Build and maintain a safe transportation network for all users and workers.
- Commit to Process Adherence Excellence
  - Follow processes and procedures.
  - Deliver core services effectively and efficiently.
  - Build on our commitment to great government service.

## Plan for the Future

- Enhance Sustainability, Resiliency, Access and Innovation in Our Transportation Network
  - Develop comprehensive plans for each of these areas.
  - Integrate these concepts into planning and decision making.
- Support Economic Development, Quality of Life, and Talent Attraction and Retention
  - Leverage transportation to strengthen communities, develop Indiana's economy, and grow the state's workforce.

## Enhance Internal Services

- Embrace Collaboration and Intra-agency Partnership
  - Continue breaking down silos.
  - Work together to achieve success.
- Optimize Internal Customer Service
  - Take care of team members in order to serve our customers.
  - Ensure team members have the support, tools and resources to get the job done.
- Advance Our 21st Century Workforce
  - Continue to prioritize training, communication and programming to develop, attract and retain talented team members.

## Intentional Partnership

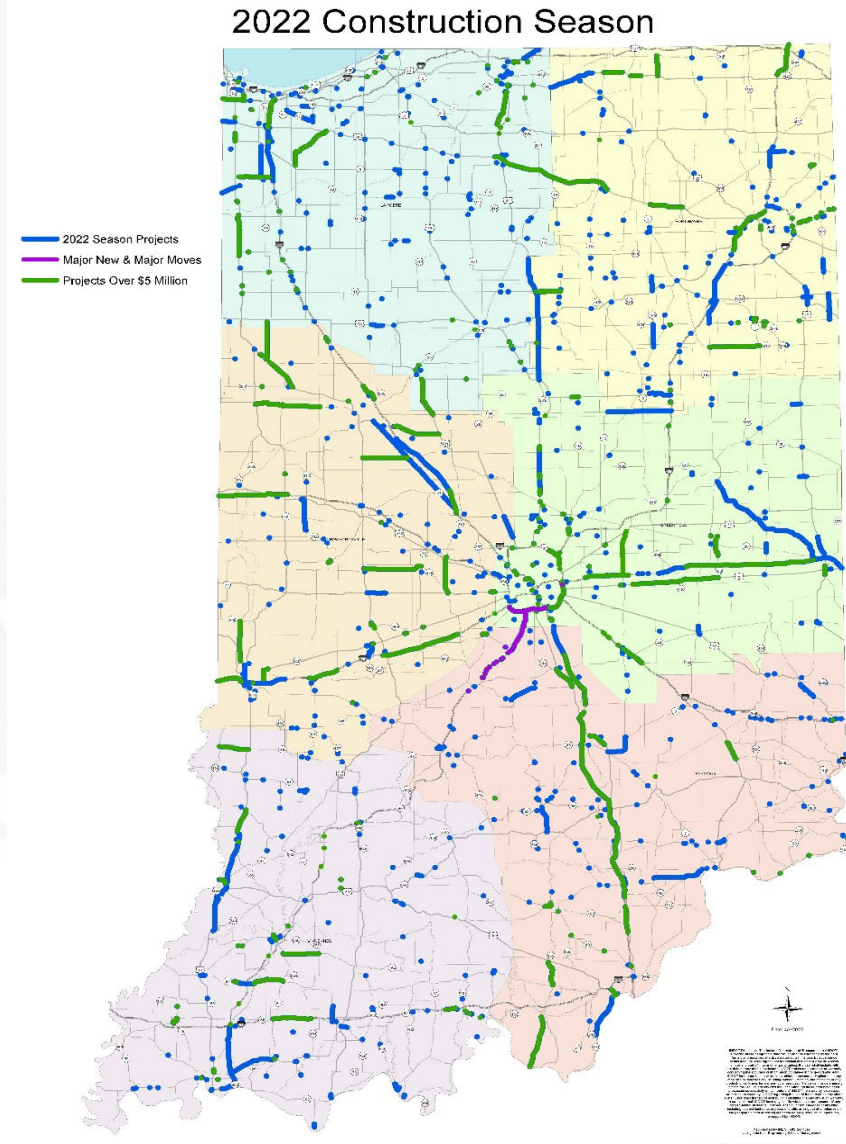
- Build and Strengthen Relationships
  - Cultivate and maintain great relationships with external partners to drive success.
- Emphasize Strategic Communication, Collaboration and Outreach
  - Practice meaningful, two-way communication.
  - Collaborate with purpose for the benefit of partners and INDOT.



# Capital Program Investment

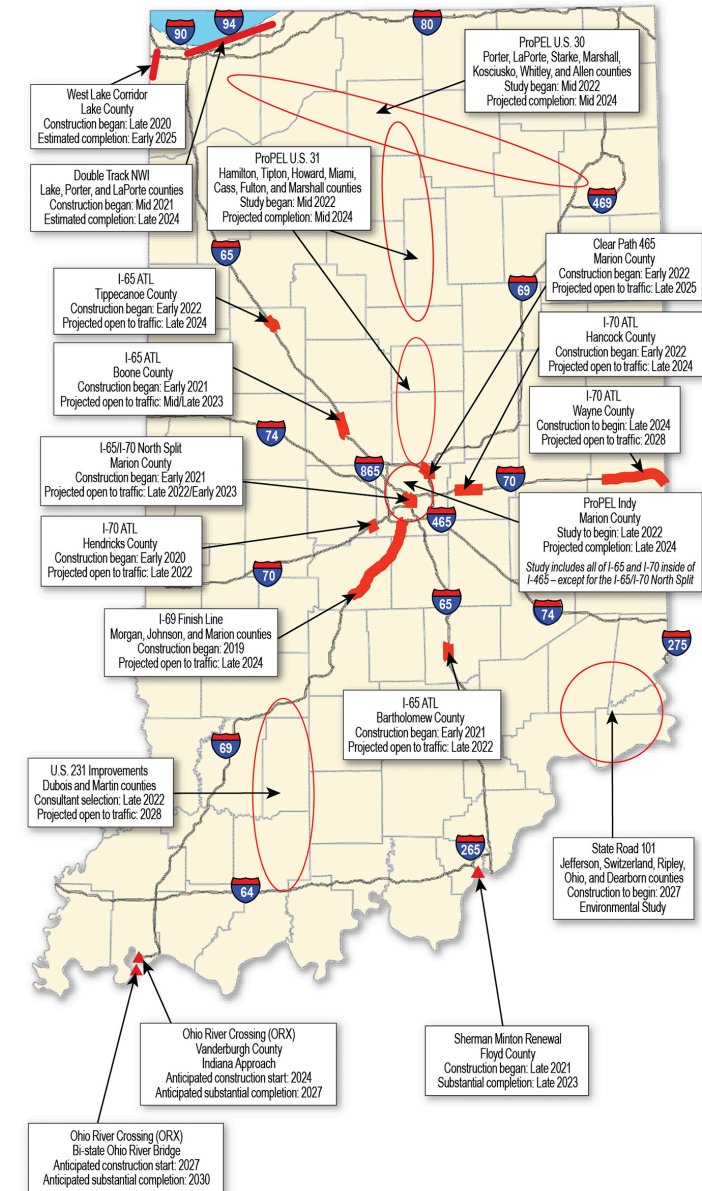
- During FY 2022, over \$2.5 billion obligated for state construction and preservation projects
- During FY 2021 & FY 2022
  - 449 projects to add capacity and preserve over 4,750 miles of state highway
  - 1,365 state owned bridges were rehabilitated, replaced, built, or maintained

Over 93% of INDOT's Transportation Expenditures go directly to the State's Transportation Infrastructure



# Next Level Roads – Key Project Updates

- Between 2017 and 2037 INDOT will have invested \$60 billion in preservation and construction projects
- Major Project Updates:
  - South Shore Double Track / West Lake Corridor – Improved and extended commuter rail service in northwest Indiana
  - U.S. 30, U.S. 31 and Indy – Planning and Environmental Linkages (PEL) studies underway
  - I-69 Finish Line – Sixth and final section of I-69 that will improve safety and reduce travel time between Evansville and Indianapolis
  - I-69 ORX – Final I-69 connection between Indiana and Kentucky
  - Sherman Minton – Major bridge rehabilitation and painting project that will add up to 30 years of life to the 59-year-old bridge
  - I-65/I-70 North Split – Reconstruction of Indiana's second most heavily traveled interchange to improve safety and traffic flow
  - Clear Path 465 – Improved safety and reduced travel times at the intersection of I-465 and I-69 intersection in Marion County

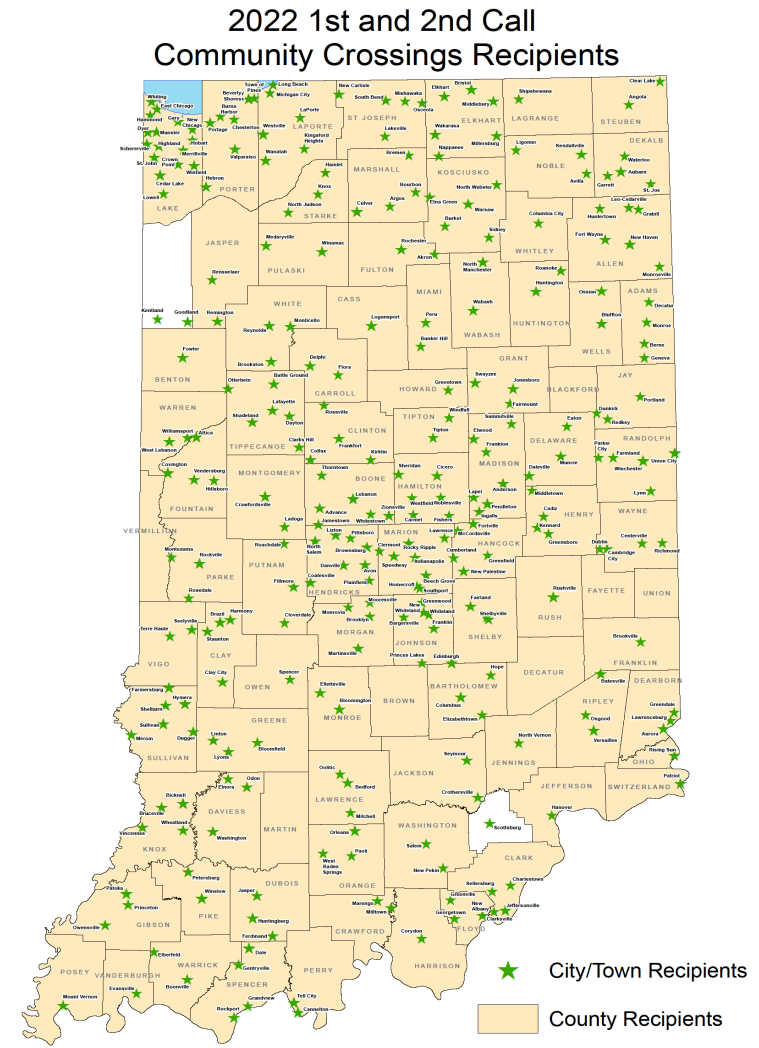




# Local Projects - Community Crossings

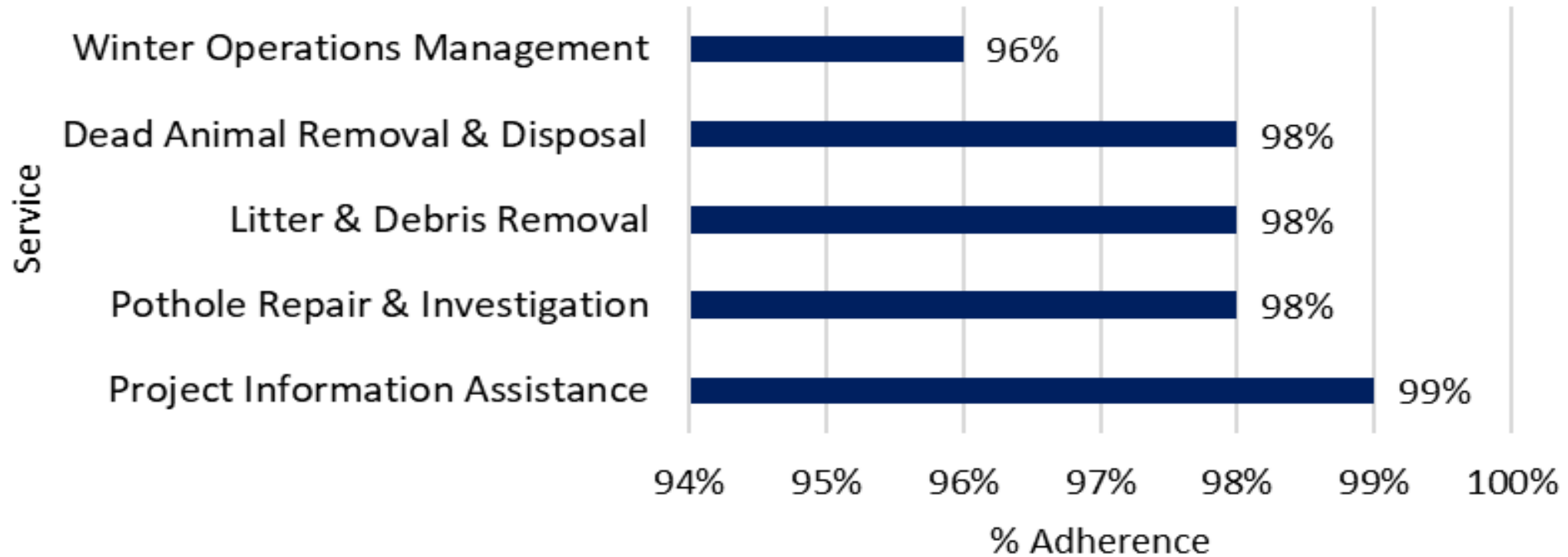
Since 2016, more than \$1.27 billion in state funds have been awarded to local communities

- **2022-2 Awards**
  - \$119.2 million to 229 separate communities for 1,396 road and bridge projects
- **2022-1 Awards**
  - \$107.8 million to 224 separate communities for 1,535 road and bridge projects
- **2016-2021 Awards**
  - \$1.043 billion to 1,663 separate communities for 15,453 road and bridge projects



# Customer Service SLA Adherence

## 2022 Service Level Agreement



330,486 cases since 1/27/2018  
Statewide SLA adherence 96% for all services CY 2022



# Work Zone Safety

- Safety in work zones remains one of our biggest challenges. We continue to focus on improving work zone safety by:
  - Partnering with Indiana State Police
  - Supporting 2020 Indiana's Hands-Free Driving Law
  - Continuing to study Automated Queue Warning and HAAS Alert systems
  - Using back-of-queue warning trucks

Analysis of nearly 430 hours of queuing showed 80% reduction in hard-braking events when queue warning trucks were present

- Despite our efforts, crashes continue to be a problem:
  - In the first nine months of 2022, there were 5,332 work zone and work zone queue crashes, resulting in 1,091 injuries and 25 deaths



# Challenges for INDOT

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## Adapting to Inflation and Supply Chain Issues

INDOT is adapting our program to account for effects of inflation and supply chain issues on our capital, maintenance, and operations programs.



# Inflation – Commodity Average Inflation Impact

Commodity Index	2020-Q3 to 2022-Q2 % change
Structural Steel	118%
Hot Dipped Galvanized Steel	143%
Steel Rebar	98%
INDOT Asphalt Binder Index	72%
Concrete Pipe	20%
Portland Cement	11%
Sand Gravel and Crushed Stone	13%
Construction Machinery	14%
Equipment Rental and Leasing	8%
Plastic Materials and Resins	45%
Paints and Coatings	33%
Aluminum Sheet Plate and Foil	49%
Indiana Gasoline (Retail)	110%
Indiana Diesel (Retail)	121%
Inputs to Construction	43%

**Sources:**

Retail Gasoline and Diesel prices sourced from AAA.

Asphalt Binder Index from INDOT

All Other Indices from S&P Global



# Challenges for INDOT

## Erosion of Buying Power

- Annual EV and Hybrid fees go entirely to Community Crossings
  - 5-year budget impact to INDOT: **-\$70M**
  - 15-year budget impact to INDOT: **-\$1.9B**
- Ending of Fuel Indexing in 2025
  - 5-year budget impact to INDOT: **-\$181M**
  - 15-year budget impact to INDOT: **-\$2.55B**



# Bipartisan Infrastructure Law (BIL)

- Increases funding levels in our core federal program
- Reauthorizes for FY2022-FY2026 several surface transportation programs, including the federal-aid highway program, transit programs, highway safety, motor carrier safety, and rail programs.
- Establishes new types of programs and grant programs, including a focus on bridges.
- Increases funding for the RAISE and INFRA programs.
- Increases INDOT's funding each year over a five-year period
  - Approximately \$156 million the first year to \$233 million in year five
- Grant Examples:
  - \$15 billion in National Infrastructure Project Assistance (NIPA) grants
  - \$7.5 billion in funding for the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Program
  - \$8 billion in funding for the Infrastructure for Rebuilding America (INFRA) Program
  - \$12.5 billion in grants for bridges

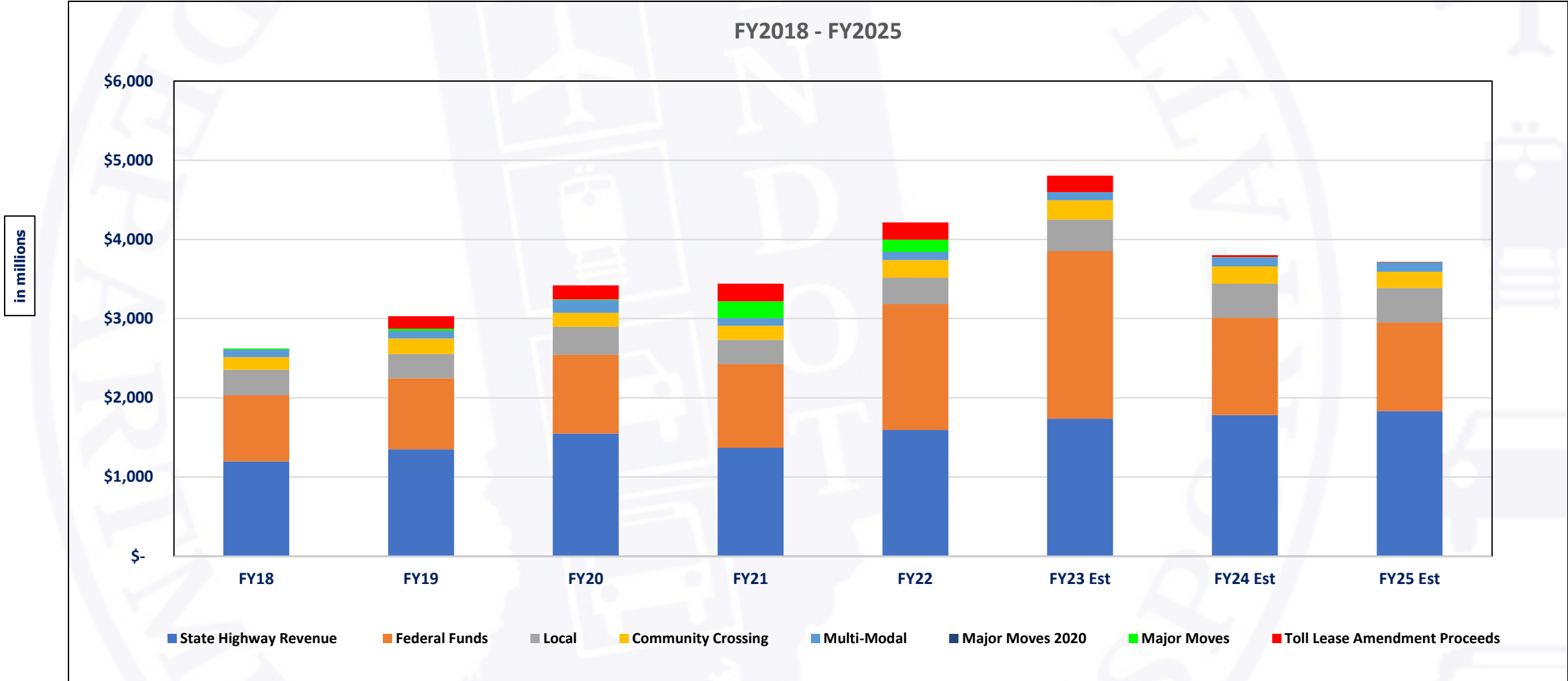
	FY2022	FY2023	FY2024	FY2025	FY2026
INDOT	\$156 million	\$175 million	\$194 million	\$213 million	\$233 million
Locals	\$ 52 million	\$ 58 million	\$ 64 million	\$ 71 million	\$ 77 million

<https://www.in.gov/indot/current-programs/bipartisan-infrastructure-law/>

# INDOT Biennium Budget Summary

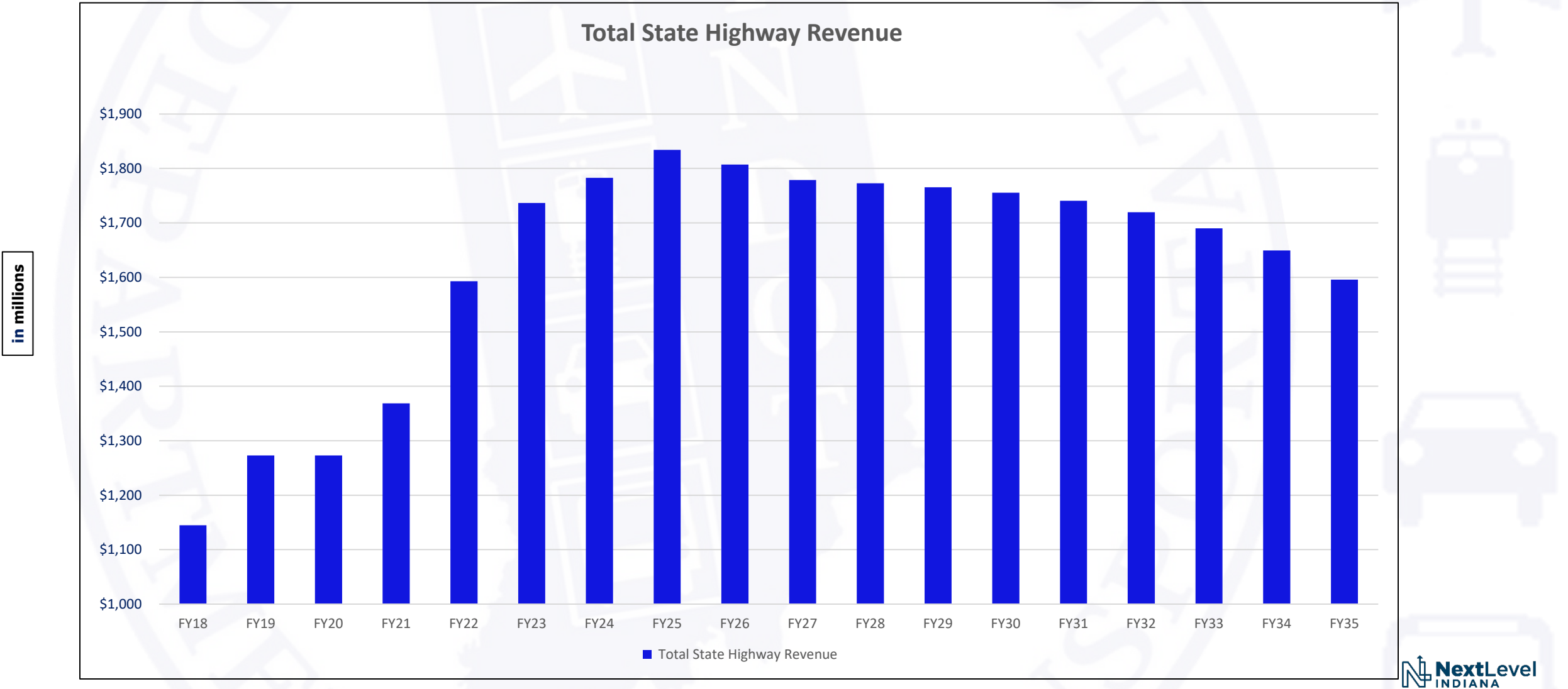


# Total Revenues & Resources



\* State Highway Revenue includes SHF, SHRCIF, & Crossroads

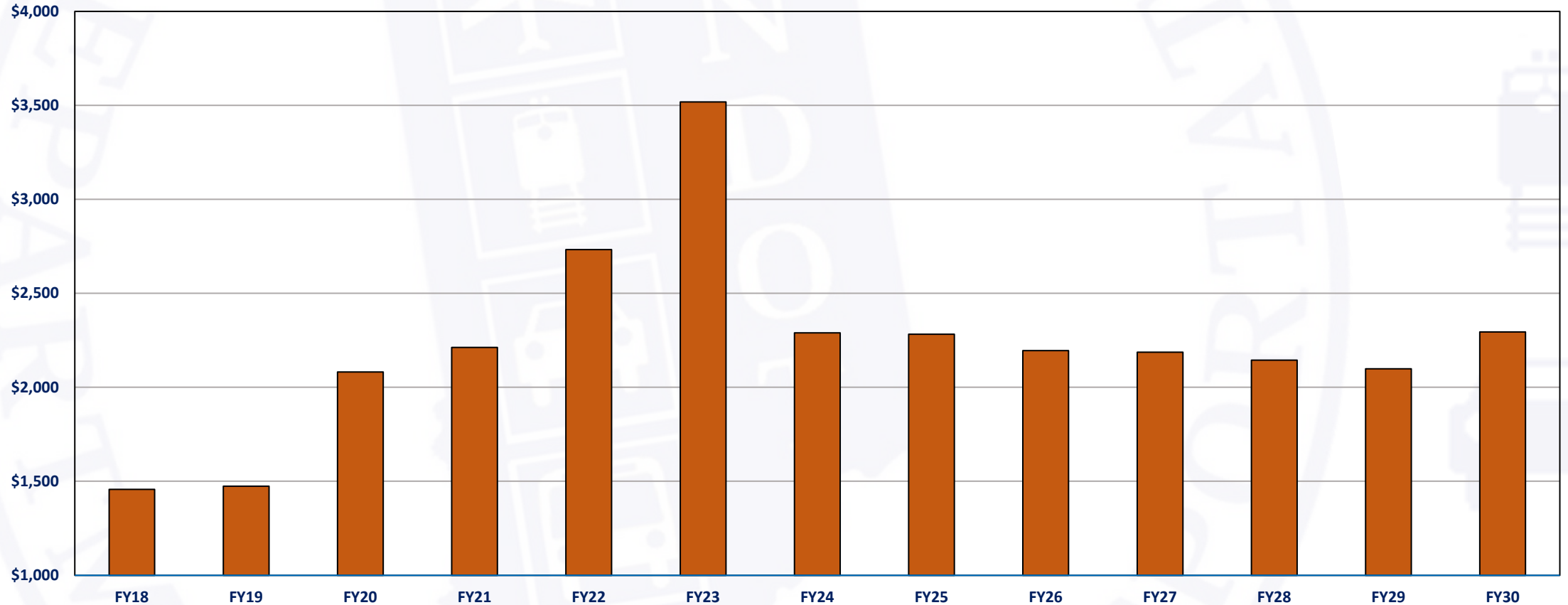
# Total State Highway Revenue\* (SHF,SHRCIF and Crossroads)



\*Traditional State Highway Revenue Sources Only

# FY2018-2030 Combined Capital Programs Summary

**Preservation & Major New - Construction and Development  
(FY2018 - FY2030)**

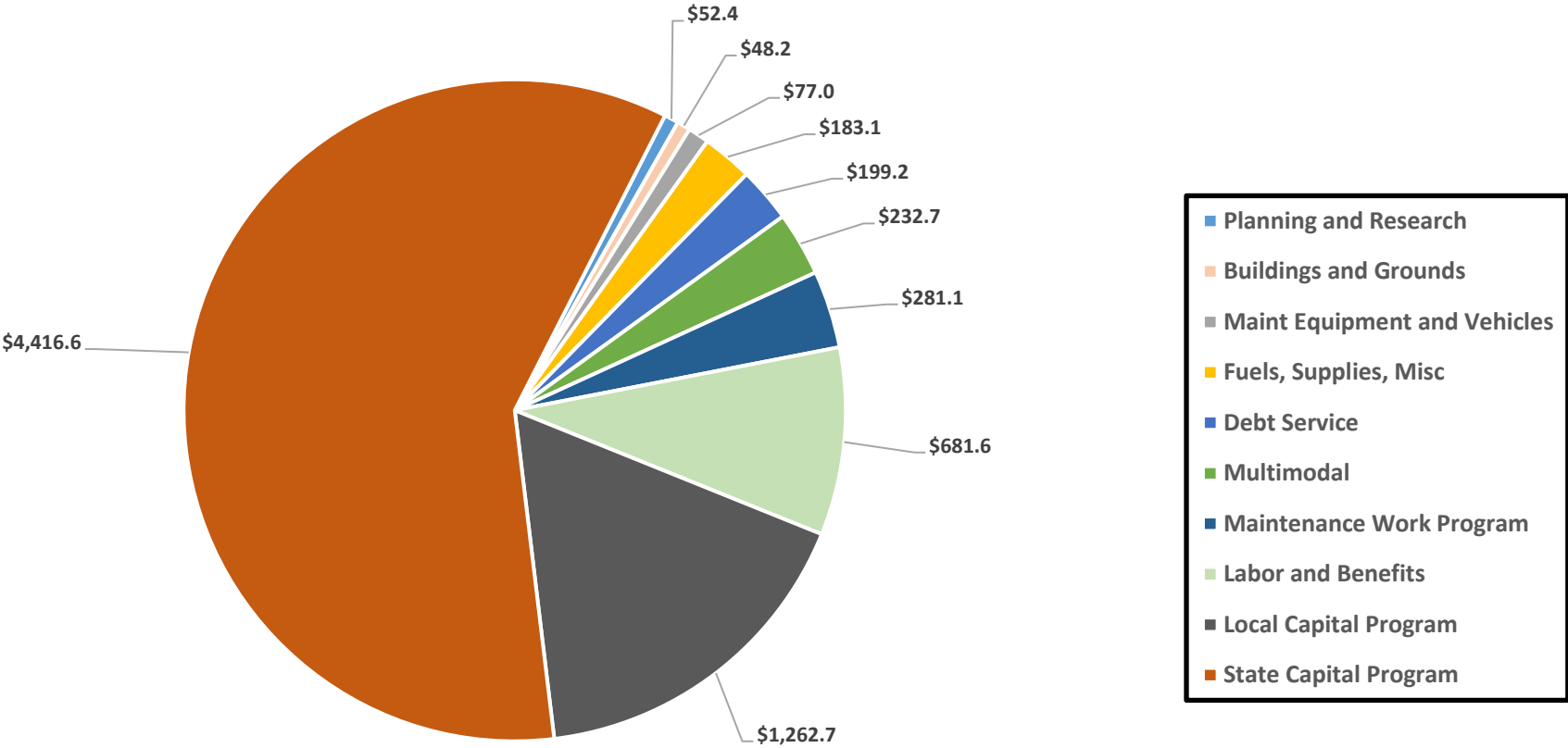




# Upcoming Budget Proposal

in millions

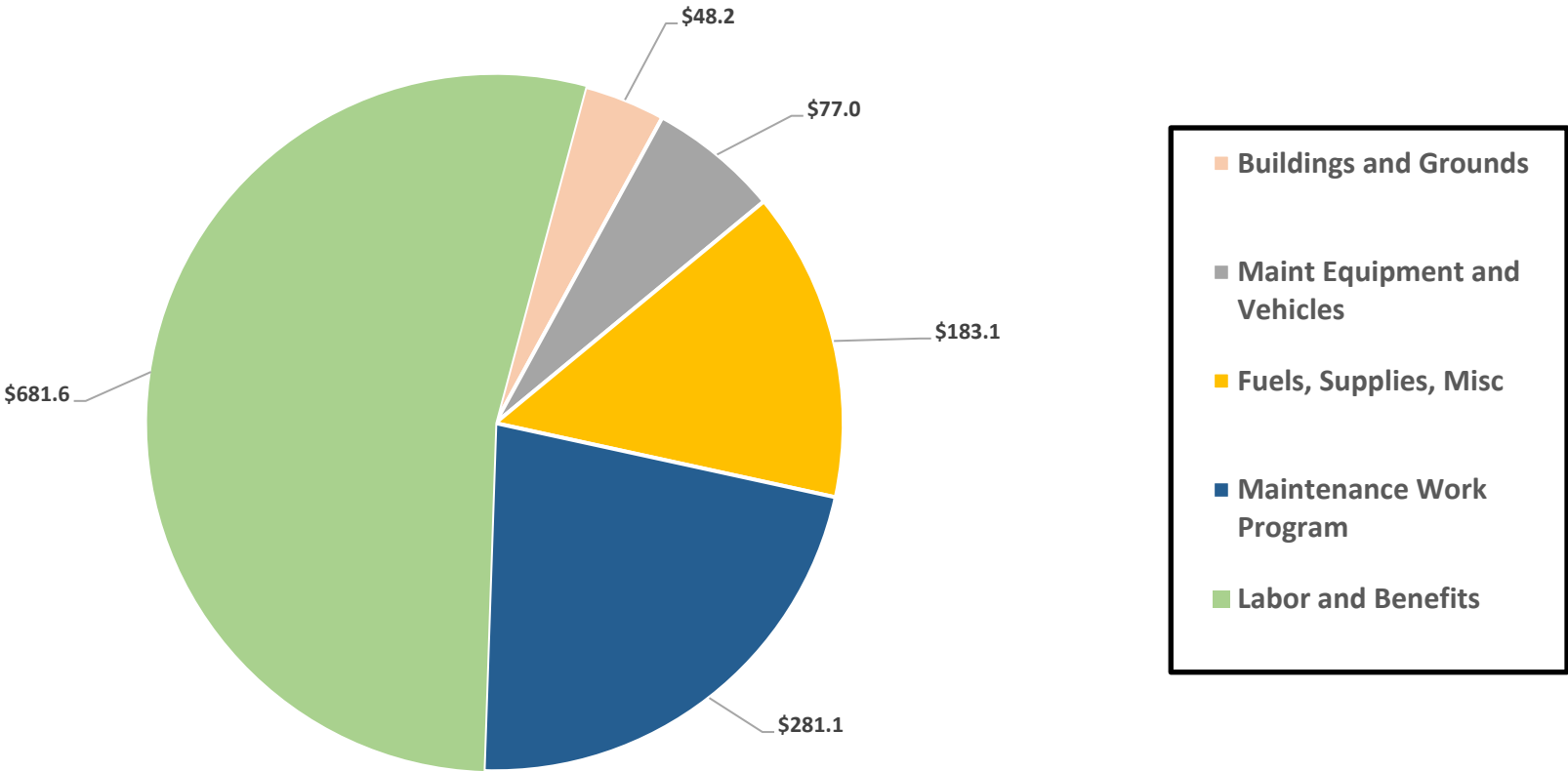
INDOT'S FY24/25



State Capital Program represent 59.4% of the total Budget

# Biennium FY 2024/2025 – INDOT's Operational Budget

INDOT'S FY24/25 BIENNIUM BUDGET



Labor and Benefits represent 53.6% of the total Operational Budget

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# Thank You!