

State Budget Committee

Michael Smith, Commissioner

Joe Gustin, Chief Financial Officer

Indiana Department of Transportation

December 8, 2022

Indiana #1

Indiana Named #1 in the Nation for Infrastructure

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



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.

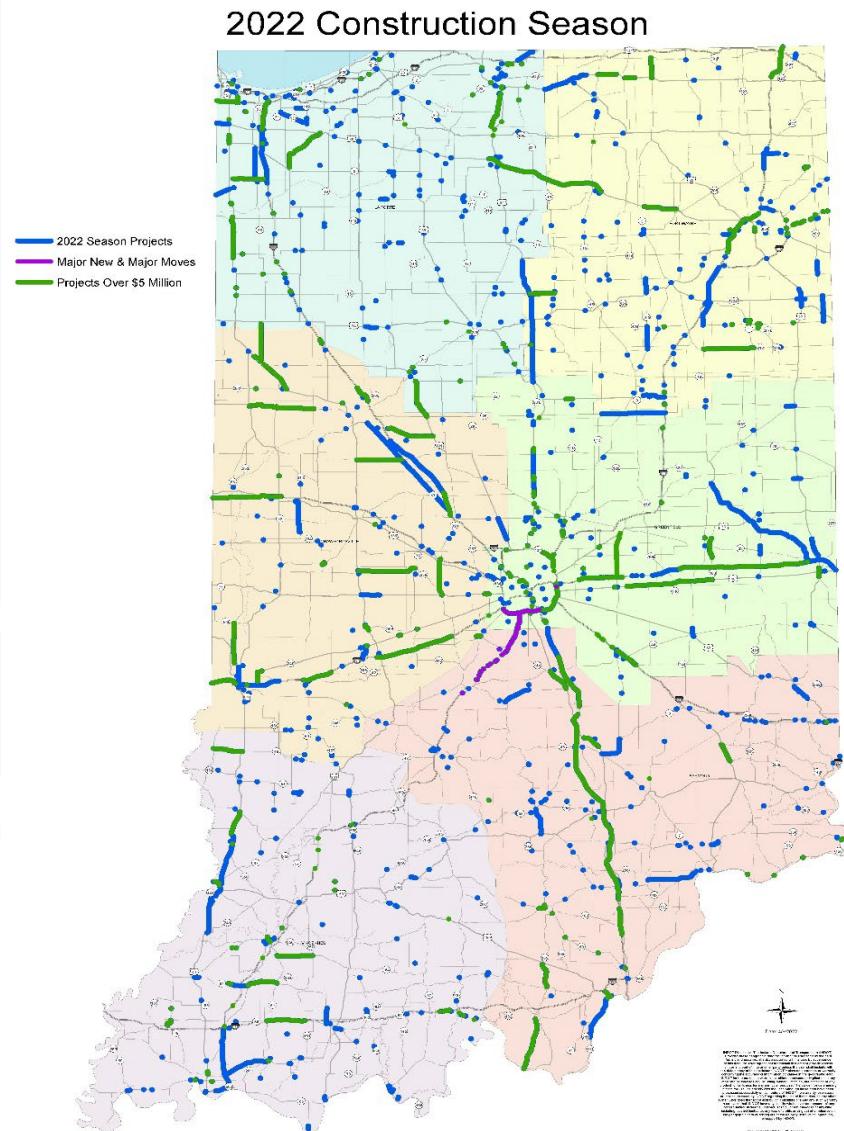
Intentional Partnership

- 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

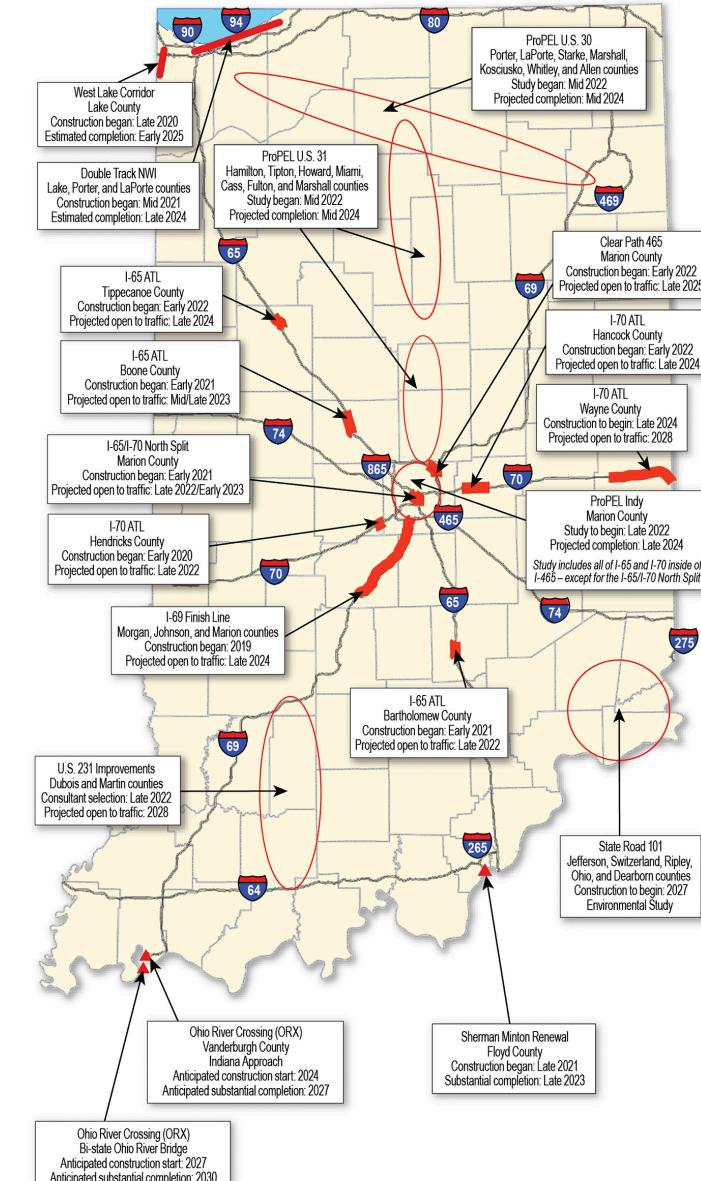
- During FY 2022, over \$2.5 billion obligated for state construction and preservation projects
- During FY 2021 & FY 2022
 - 449 projects to add capacity and preserve over 4,750 miles of state highway
 - 1,365 state owned bridges were rehabilitated, replaced, built, or maintained

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



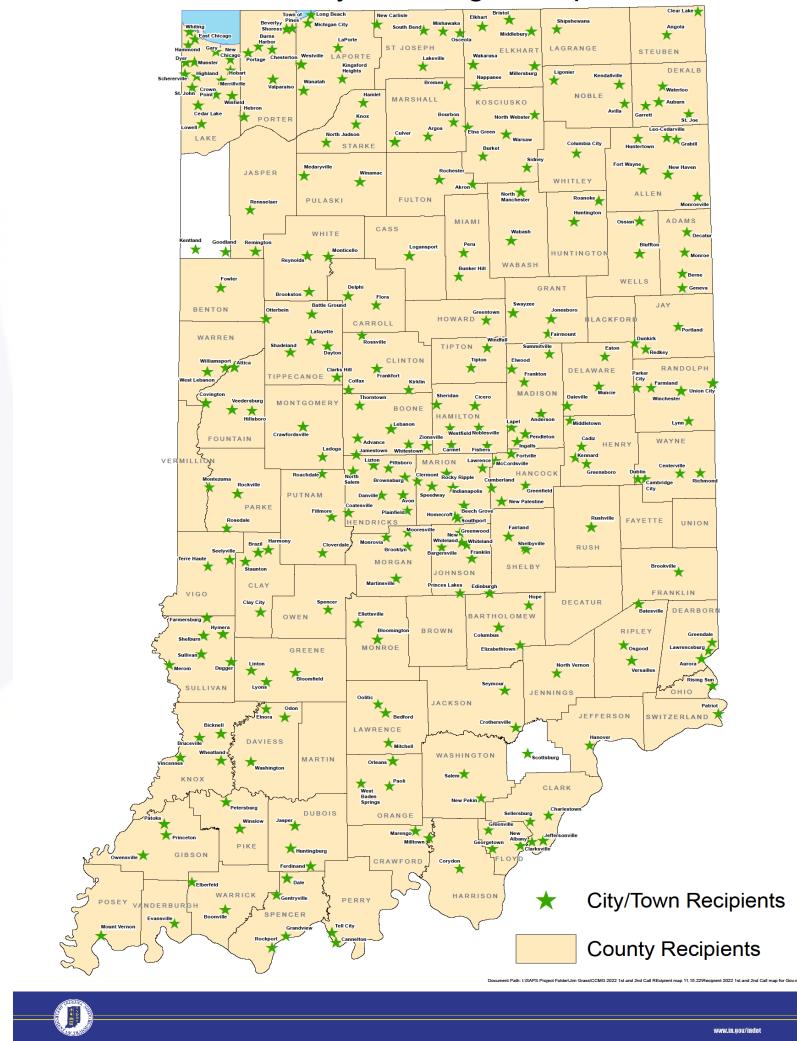
Local Projects - Community Crossings

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

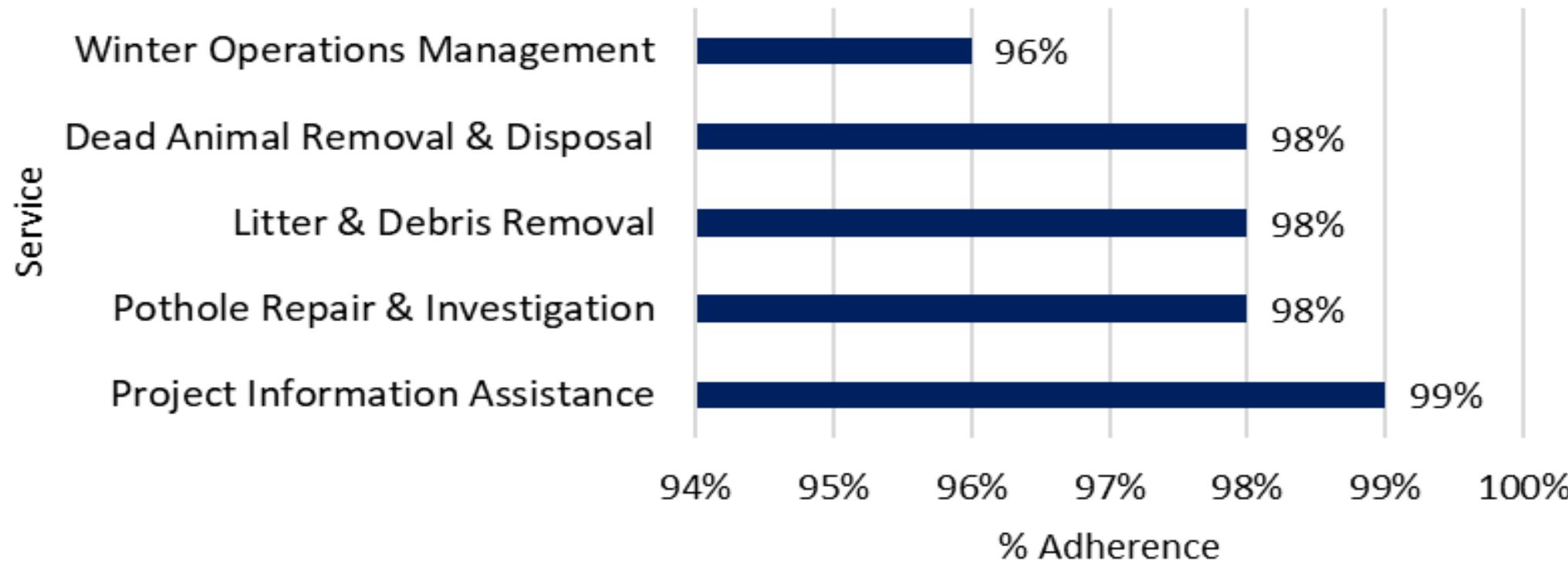


2022 1st and 2nd Call
Community Crossings Recipients



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

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**



*Revenue Loss Forecasts are Continually Updated as Vehicle Adoption and Market Conditions Change

Bipartisan Infrastructure Law (BIL)

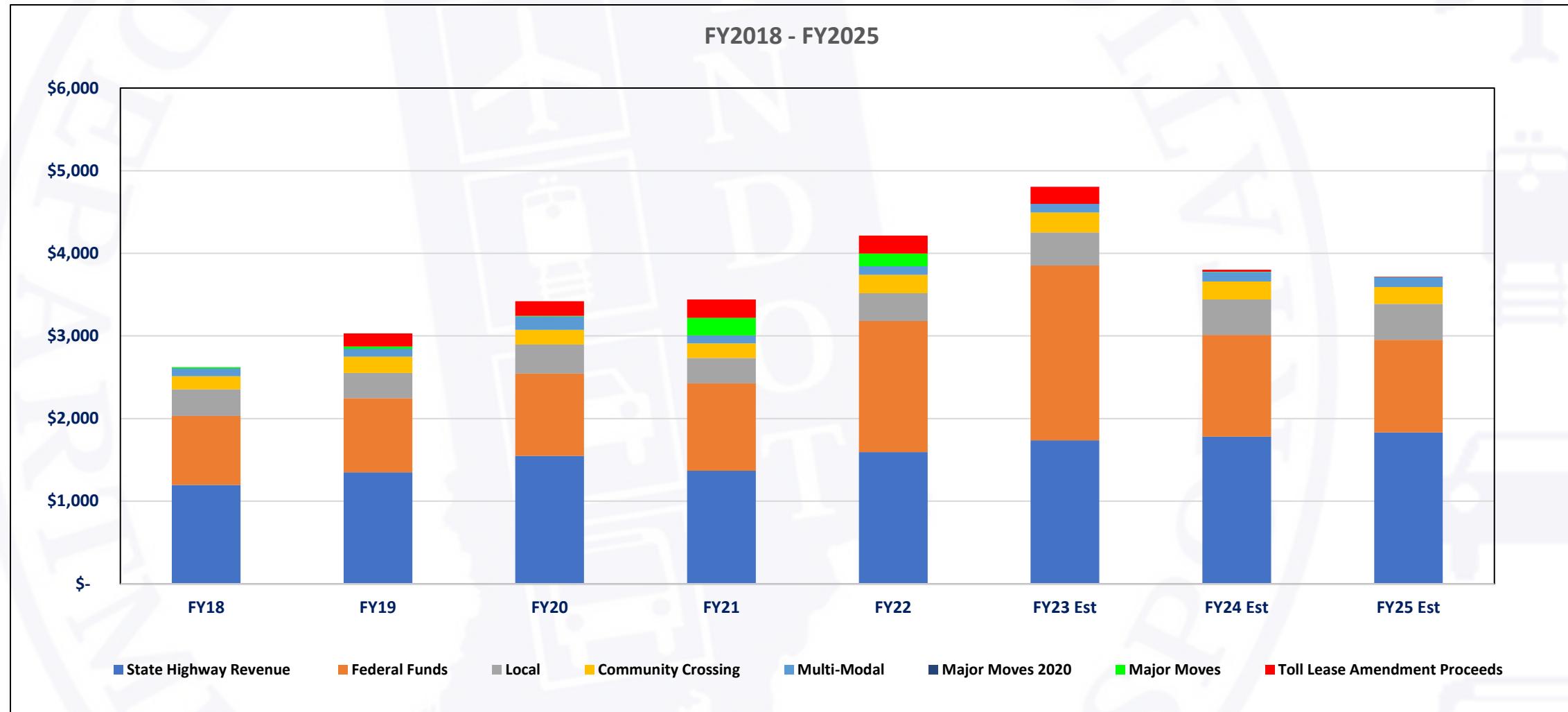
- Increases funding levels in our core federal program
- Reauthorizes for FY2022-FY2026 several surface transportation programs, including the federal-aid highway program, transit programs, highway safety, motor carrier safety, and rail programs.
- Establishes new types of programs and grant programs, 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/>

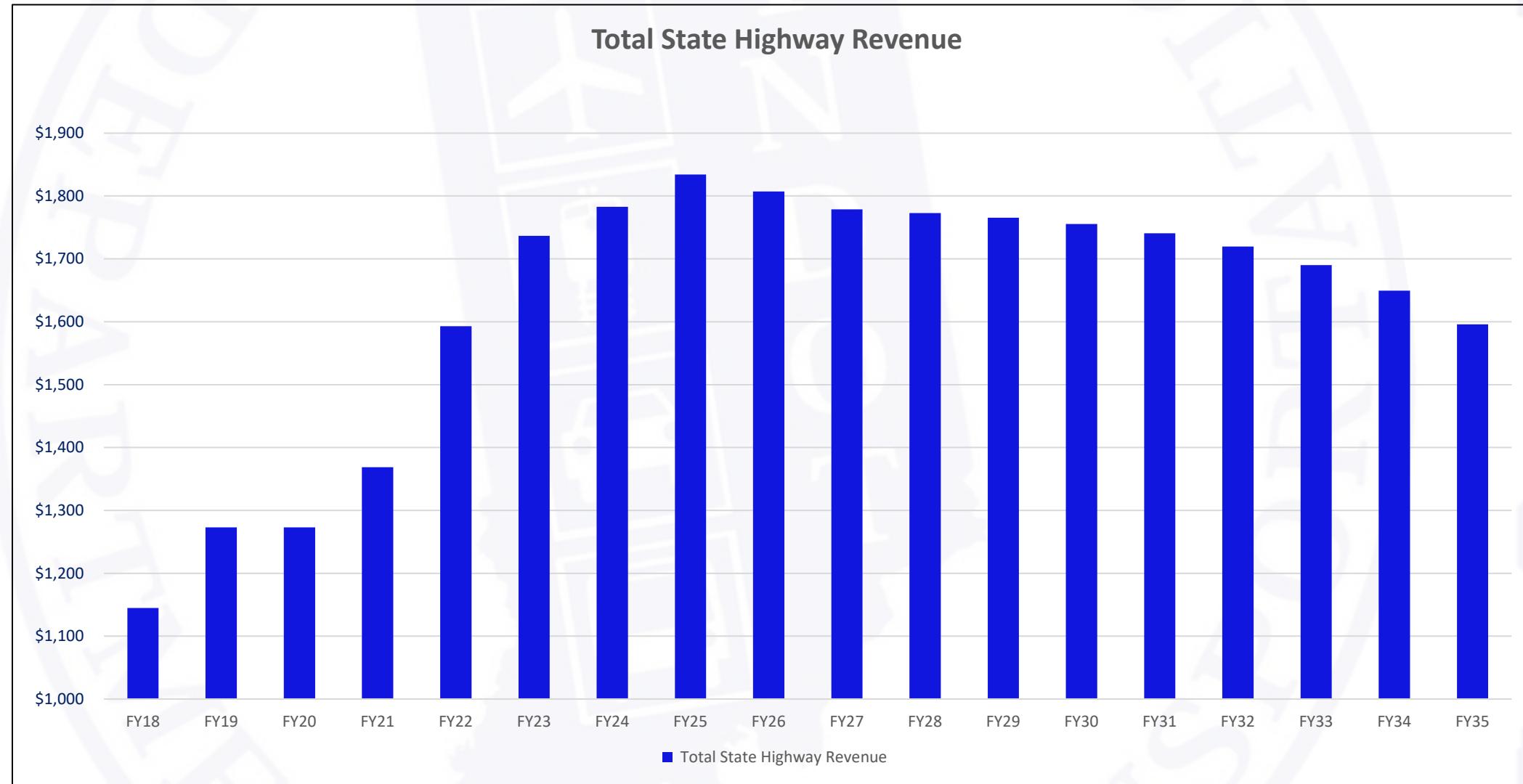
INDOT Biennium Budget Summary

Total Revenues & Resources



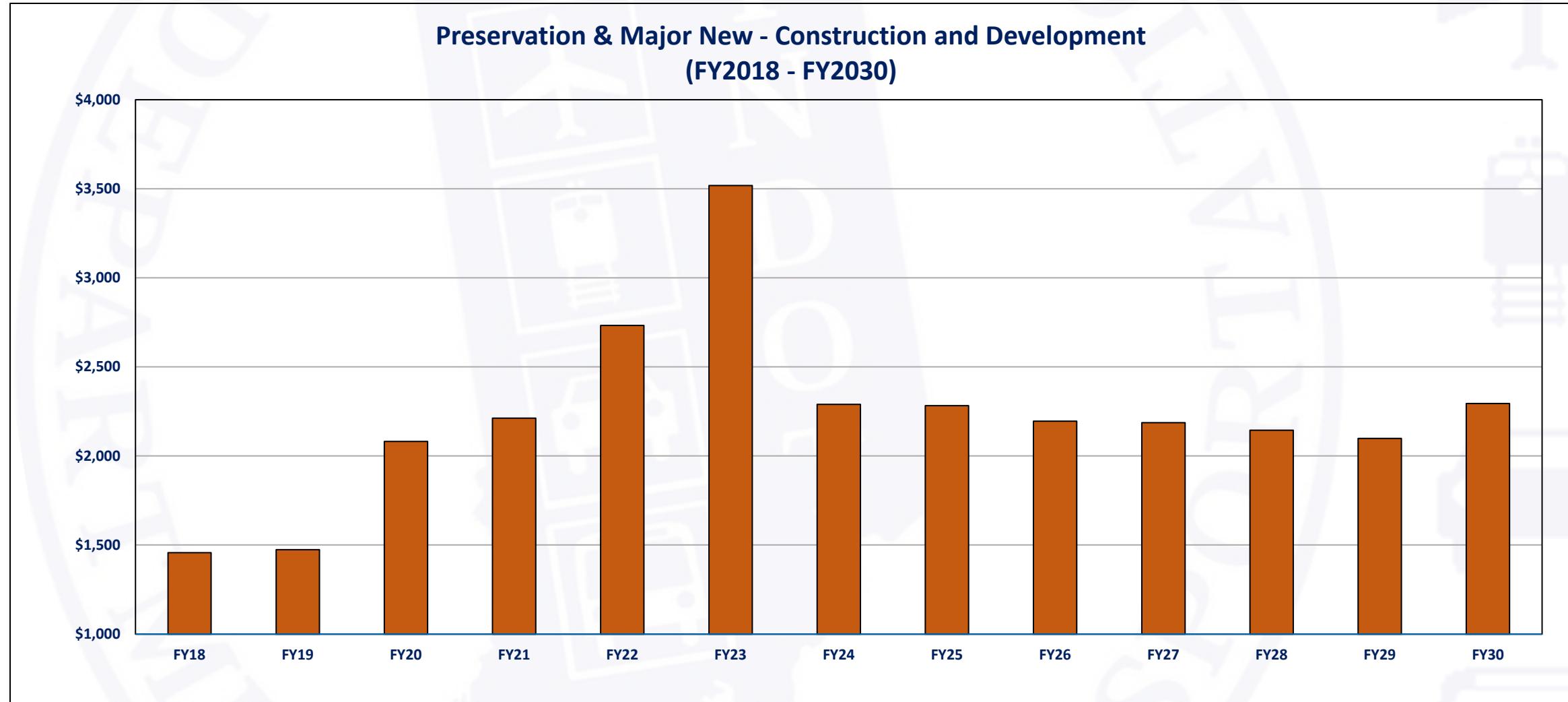
* State Highway Revenue includes SHF, SHRCIF, & Crossroads

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

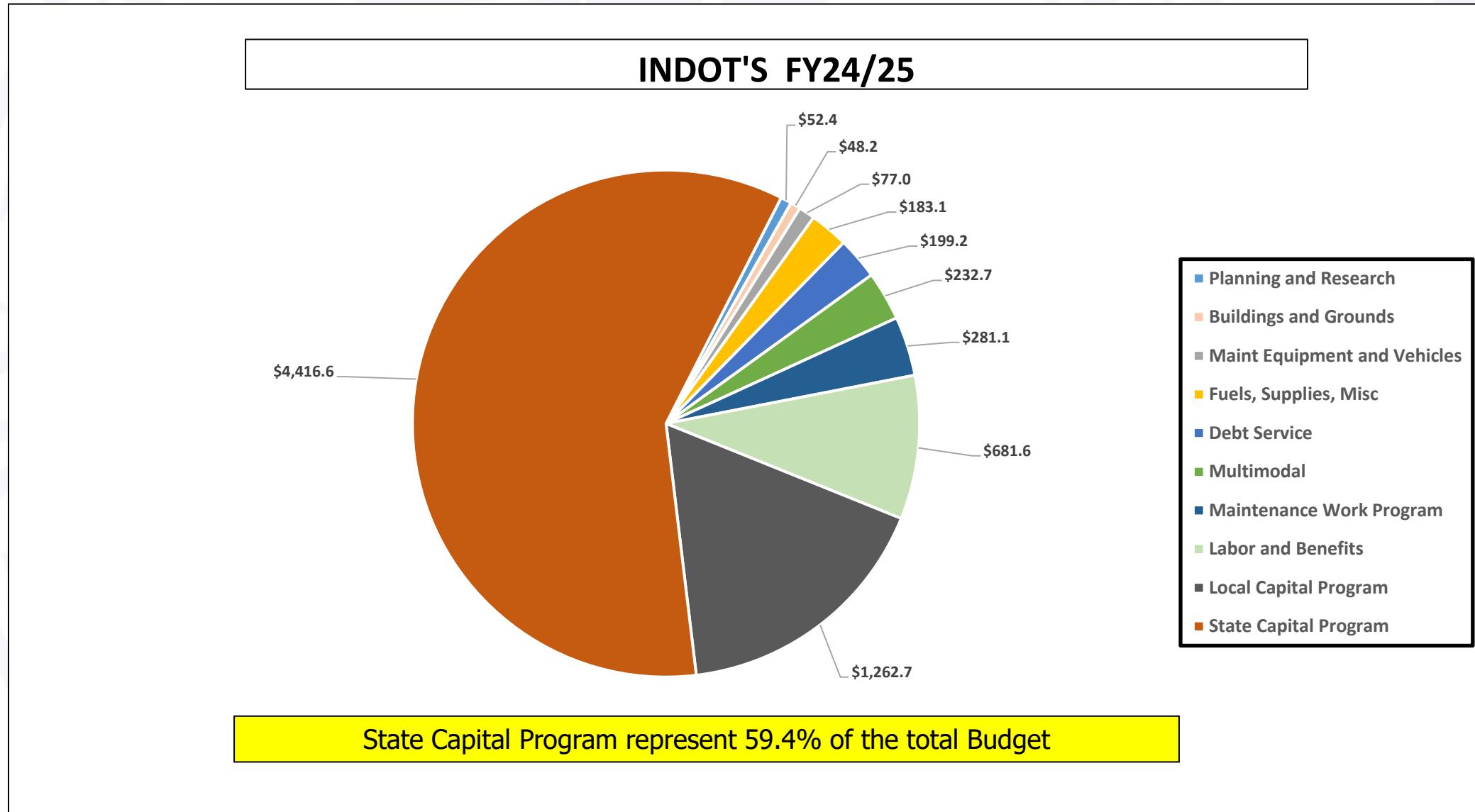


*Traditional State Highway Revenue Sources Only

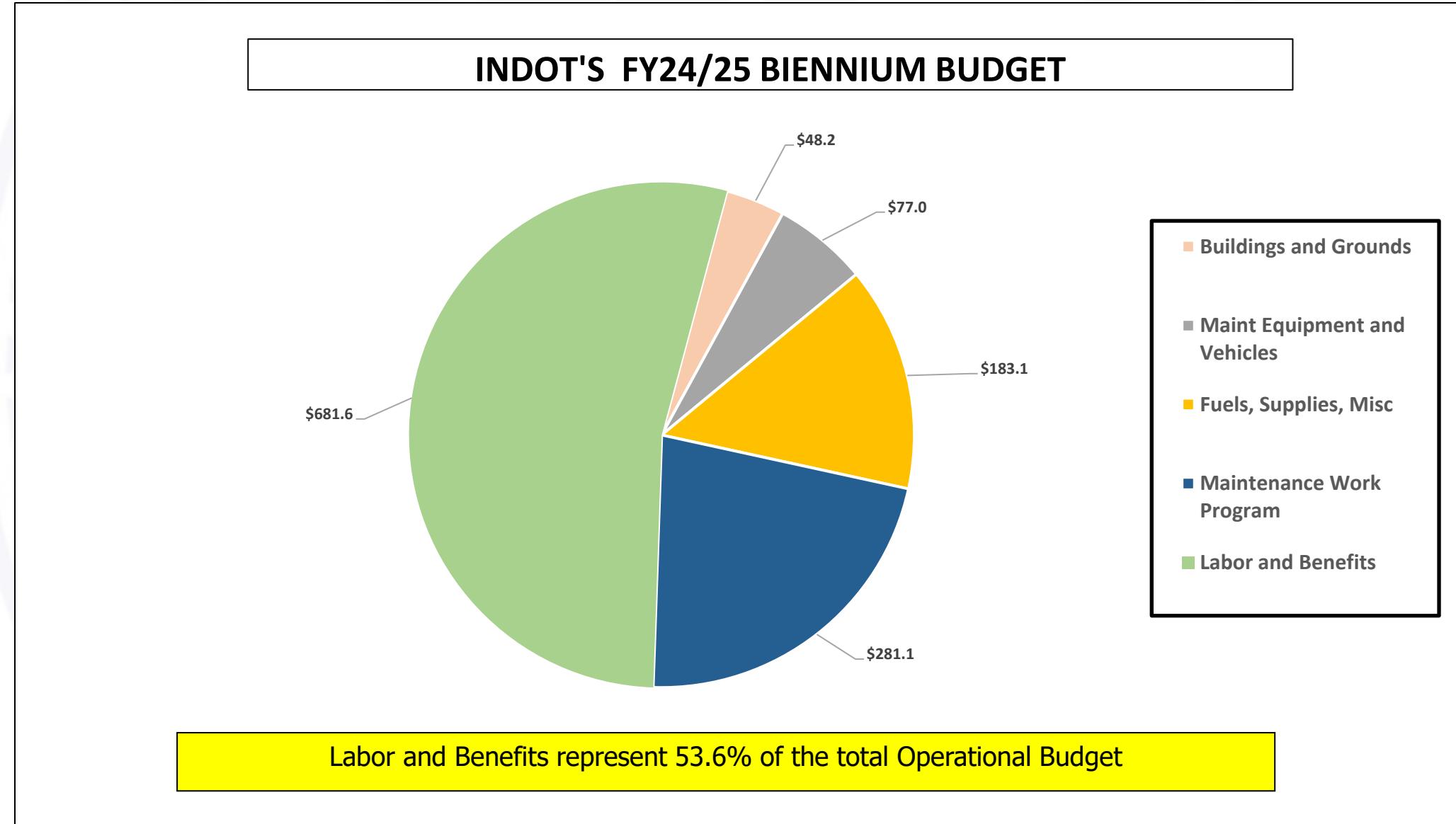
FY2018-2030 Combined Capital Programs Summary



Upcoming Budget Proposal



Biennium FY 2024/2025 – INDOT's Operational Budget



Thank You!