



Commonwealth of Kentucky
TRANSPORTATION CABINET
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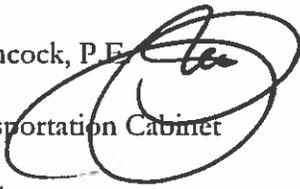
Steven L. Beshear
Governor

Michael W. Hancock, P.E.
Secretary

MEMORANDUM

TO: Wes Swarner, Acting Executive Director
Governmental Services Center

COPY TO: Carla Wright, Policy and Budget Analyst
Office of State Budget Director

FROM: Michael W. Hancock, P.E. 
Secretary
Kentucky Transportation Cabinet

DATE: October 7, 2014

SUBJECT: Fiscal Year 2013-2014 Strategic Plan Progress Report

The Kentucky Transportation Cabinet has prepared a Strategic Plan Progress Report for Fiscal Year 2013-2014, provided in accordance with KRS 48.810. Although not statutorily required, we invite you to post this report on the Governmental Services Center website to update the status of ongoing programs and activities within the Transportation Cabinet. As demonstrated by the focused efforts and achievements discussed in this report, the Cabinet continues to move towards achieving each goal outlined in our strategic plan.

Please address any questions you may have to The Office of Budget and Fiscal Management at (502) 564-4550.

Thank you.

Attachment

FY2013-14 STRATEGIC PLAN *Progress Report*

035, Transportation Cabinet

FY2013-14 & FY 2014-15 Strategic Plan Submitted: 10/10/13

Progress Report Revised/Updated: 10/06/14

Revision Number 1

GOAL 1 – Improve Mobility and Access

We commit to maintain and operate a safe and efficient transportation system for all Kentuckians. We will:

Objective 1.1

Reduce the number of transportation-related fatalities and injuries through cooperative engineering, education, enforcement, and emergency response.

Performance Indicator 1.1.1

The Division of Highway Safety Programs (**Highway Safety**) focuses on education, outreach, and marketing activities. Highway Safety is responsible for the development, implementation, and evaluation of the Strategic Highway Safety Plan. During the reporting period, Highway Safety recorded reductions in highway injuries and fatalities. Total injuries declined from 35,765 in 2012 to 34,180 in 2013, representing a reduction of 4.4%. Total fatalities fell from 746 to 638, a 14.5% reduction. For more information about Kentucky's safety plan, "Toward Zero Deaths", visit: http://highwaysafety.ky.gov/files/strategic_plan/strategic_plan.pdf.

Performance Indicator 1.1.2

The Department of Aviation (**Aviation**) conducted seminars necessary for pilots and flight instructors to maintain their certification. Four (4) Aircraft Owners and Pilots Association (AOPA) safety seminars for pilots and one (1) Certified Flight Instructor Seminar were hosted by Aviation.

Performance Indicator 1.1.3

The Department of Aviation (**Aviation**) is midway through a Wildlife Hazard Assessment at the Capital City Airport. This assessment will assist Aviation in determining what the greatest wildlife threats to active aircraft at the airport are and the best methods for mitigating these threats. This study will be used to help justify future wildlife mitigation projects to be funded by the Federal Aviation Administration (FAA).

Performance Indicator 1.1.4

The Office of Human Resource Management (**OHRM**) conducted training for managers in 4 of 12 districts on proper procedures for documenting reasonable suspicion of drug or alcohol use among CDL (commercial driver's license) holders.

Performance Indicator 1.1.5

The **Office of Transportation Delivery (Transportation Delivery)** oversees and promotes public transportation services in Kentucky. Transit drivers routinely received defensive driver's training. Ridership rose to an all-time high, with approximately 30 million trips provided, resulting in less traffic and fewer fatalities and injuries. The Human Service

Transportation Delivery (HSTD) regulations have been strengthened in order to continue to provide safer non-emergency medical transportation for Kentucky's most vulnerable citizens.

Performance Indicator 1.1.6

The Division of Materials conducted tests on approximately 225 sections of pavement to ensure adequate skid resistance on these facilities. Pavements with adequate skid resistance help to reduce the number of wet-weather crashes.

Performance Indicator 1.1.7

The Division of Traffic Operations manages the Kentucky Transportation Cabinet's Highway Safety Improvement Program (HSIP). HSIP focuses on engineering countermeasures to improve highway safety. Through this program, funding is made available for infrastructure-related highway safety improvement projects. For FY 2014, \$19.08 million in HSIP projects were programmed. Examples of common HSIP projects include: high-friction pavement treatments, slope improvements, signing, headwall replacement/adjustment, cable median barrier, replacement of non-crash worthy guardrail end treatments, centerline rumble strips, and edge line rumble strips. In addition, HSIP also funds the Safety Circuit Rider, through the University of Kentucky and its Technology Transfer Program, who selects focus counties (6 each year) and meets with local public officials to identify low cost safety countermeasures on each county's targeted routes.

Performance Indicator 1.1.8

The **Office of Information Technology** (OIT) developed a basic eLearning Manage System (eLMS) to allow KYTC to develop, deliver, and track training in three categories – Human Resource Development, Technology, and KYTC specific. A variety of winter maintenance courses are currently being conducted.

Performance Indicator 1.1.9

The **Office of Information Technology** facilitated an enhanced upgrade of current Airport Systems Management software (ASM) for improved manageability of Airport Safety Inspections and documentation processes.

Objective 1.1.1 – Qualitative Information

District Offices partnered with the Cabinet's Highway Safety Improvement Program staff to identify and correct high crash areas through engineering, maintenance work, and traffic improvements.

The districts also worked closely with KYTC's Drive Smart Program and the Kentucky State Police (KSP) to increase driver safety awareness through education and outreach programs. Examples of these efforts include participation in "Click It or Ticket" conferences across the state, conducting "Ghost Out" programs and rollover simulators at high schools, and installing radar trailers for extended periods at numerous locations across the state. Districts also hosted Incident Management meetings for law enforcement, emergency responders, towing service contractors, and Cabinet employees who serve as members of Incident Management teams. These combined efforts resulted in reduced casualties and improved response times and outcomes on Kentucky's roadways.

Also, several districts have Incident Management Teams that meet and work with local emergency responders to improve communications and discuss incidents that occur on interstates and parkways.

Objective 1.1.2 – Qualitative Information

The Division of Planning provided data from its Highway Information System to Kentucky State Police (KSP) for its use in the KyOPS accident reporting system. The data will help ensure accurate reporting of accident information and therefore provide improved accuracy for traffic safety reporting and analysis. Planning and KSP developed a plan of action for recurring data update procedures in the future.

Objective 1.2

Preserve and renew our transportation system infrastructures.

Performance Indicator 1.2.1

The **Department of Rural & Municipal Aid (Rural & Municipal Aid)** administers a variety of programs designed to help revitalize and improve the quality of life in communities throughout Kentucky. The **County Road Aid Cooperative Program** disbursed \$144,550,507 to 117 counties for construction, reconstruction, and maintenance of county roads and bridges. The program also authorized \$3,572,697 for 59 emergency projects such as bridge repair/replacements, culverts, slide repair, and flood damage repair. The **Municipal Road Aid Cooperative Program** disbursed \$14,530,805 to 120 cities and “unincorporated urban places” for construction, reconstruction, and maintenance of urban roads and streets, and authorized \$897,850 for 13 emergency projects, such as bridge repair, slide repair, and flood damage repair. The **Rural Secondary Program** authorized \$71,411,400 for routine maintenance and traffic operations on 12,764 miles of state maintained Rural Secondary highways. Examples of these operations include pavement striping, mowing right-of-way, and pothole patching. Additionally, 1,630 miles of state maintained Rural Secondary and county maintained roads were resurfaced; strip patching was done on 404 miles; 119 bridges and culverts were repaired or replaced; and numerous other projects such as slide repair and guardrail replacement were funded. Funding for projects authorized through the Rural Secondary Program for the preservation and renewal of Kentucky’s transportation system infrastructures totaled \$121,265,786.

Performance Indicator 1.2.2

With work constantly underway to rehabilitate, protect and improve Kentucky’s transportation infrastructures, all 12 **Chief District Engineers** oversee a variety of projects throughout the year. Primary examples of the work done by the districts include redesign of interchanges, resurfacing projects, and treatment of roadways during snow and ice events. In one district alone (District 12), the amount spent during FY2013-2014 on preservation, and maintenance and repair of roads, bridges and drainage structures was estimated to be \$22.4 million. District 7 spent over \$36,000,000 to entirely rehabilitate the pavement on US 60 in Fayette and Woodford Counties. This mirrored the work performed statewide, such as roadway resurfacing; shoulder repair; repair and response to rock and landslides; right-of-way mowing; tree trimming and cutting; upkeep of bridges and other structures; graffiti abatement; replacement and maintenance of drainage structures; snow and ice removal; response to weather and crash-related emergencies; and sign, signal and pavement marker installation and maintenance. A partial list of equipment purchased to support this work includes: dump trucks, backhoes, lawn mowers, excavators, trailer-mounted message centers, loaders, welders, hopper spreaders, snow plows, and concrete saws, to name a few.

Performance Indicator 1.2.3

The **Office of Transportation Delivery** secured various public transit capital grants used to finance the construction of transit facilities and garages. Grants were also used to replace transit and vehicle equipment. Among the grants awarded was a \$4.5 million State of Good Repair Program grant for use in maintaining or renewing transit buses and bus facilities.

Performance Indicator 1.2.4

Aviation has completed an update to the Statewide Airport Pavement Analysis, first completed in 2011, to further identify airport maintenance needs throughout the Commonwealth. It is the intention of **Aviation** to utilize the findings of this update to program future maintenance projects at our General Aviation (GA) airports.

Performance Indicator 1.2.5

The Division of Materials certified the materials utilized on approximately 630 projects to ensure quality materials and products are used in the preservation, renewal, improvement, and expansion of highways and bridges.

The Division of Materials performed tests on various materials and products utilized in the preservation, renewal, improvement, and expansion of highways and bridges in the state. These tests ensured that the materials satisfied the minimum quality level and conformed to the applicable specifications. The sections of our division performed the following number of tests:

- Aggregate Section – 2270 tests
- Asphalt Mixtures Testing Section – 740 tests
- Chemical Section – 2076 tests
- Concrete/Cement/Physical Section – 1742 tests
- Liquid Asphalt Section – 1572 tests

The Division of Materials reviewed and approved approximately 610 asphalt mix designs in order to ensure quality materials are used in the preservation and renewal of asphalt pavements in Kentucky.

Performance Indicator 1.2.6

For over two decades, **Division of Planning** has maintained the Unscheduled Needs List (UNL) containing over 2,500 potential roadway improvements suggested from the Highway Districts, Area Development Districts (ADDs), Metropolitan Planning Organizations (MPOs), local officials, legislators, and the general public. In 2011, and again in 2013, the data-driven District Transportation Plan process (DTP) was used to identify the high priority transportation needs in each of the 12 Highway Districts across the state. The resulting prioritized projects were recommended as candidates for scheduled and funded transportation improvements to be included in the 2012 and 2014 State Transportation Plans (or 6 Year Plan).

Performance Indicator 1.2.7

The **Office of Information Technology (OIT)** updated the software systems for automated weigh station screenings, modernizing the capabilities of the Kentucky Automatic Truck Screening (KATS). The automated screening improves our ability to ensure carriers are in compliance.

Objective 1.2.1 – Qualitative Information

The **Office of Information Technology (OIT)** upgraded the Operation and Maintenance System (OMS) software to a web-based application with mobile capabilities, allowing faster response time on infrastructure maintenance needs.

Objective 1.2.2 – Qualitative Information

The **Division of Materials** coordinated the review and revision of multiple sections of the Materials Field Sampling and Testing Manual in preparation for a new version in 2015. The changes were adopted to facilitate the usage of this manual by field inspectors.

Objective 1.3

Improve traffic flow and freight movement.

Performance Indicator 1.3.1

District Offices and Division of Traffic Operations personnel continued to evaluate, adjust, and maintain traffic signal timing throughout the state. During FY 2014, over 30 corridors were reviewed and the signal timing updated. This figure represents 25% of state maintained coordinated signal systems. Signal system timing was adjusted based on the maximum efficient flow of traffic along the arterials by personnel from central office and various districts. Almost half of the corridors were retimed by consulting firms. Several major corridors were reviewed in McCracken, Bullitt, Shelby, Franklin, Kenton, Pulaski, Boyd, and Pike Counties.

Performance Indicator 1.3.2

The Division of Traffic Operations continued to develop hardware and software that allows remote collection of travel time information. This process provided considerably more data for evaluating signalized corridors while utilizing significantly less manpower. In addition, the Division continued to improve remote communications with traffic signals. To date, the Cabinet has remote communications with approximately 64% of state-maintained traffic signals (approximately 1,488 locations). In conjunction with the improved communications network, the Division further utilized hardware and software that automatically monitor the operation of traffic signals and transmit (3 times a day) critical information to local traffic engineers. The communications network is also being utilized in numerous cities throughout the state to improve the management of locally maintained traffic signals. The Division continued to expand the use of the new flashing yellow left-turn arrow (FYLTA) traffic signal displays. Use of FYLTA's made it possible to implement complex timing plans which not only improved traffic progression but improved safety as well.

Performance Indicator 1.3.3

The Office of Transportation Delivery (**Transportation Delivery**) applied for and was awarded public transit grants totaling \$2 million for the purpose of expanding transit vehicles into areas such as the Elizabethtown - Radcliff - Ft. Knox area. This helped alleviate congestion caused by the additional traffic flow of civilians who were relocated due to the military base expansion known as BRAC.

Performance Indicator 1.3.4

The Office of Audits (**Audits**), Division of Road Fund Audits, in conjunction with the Division of Motor Carriers, will be hosting 4 training events. Each session is designed to update and instruct carriers on record keeping requirements in accordance with Kentucky statutes and

administrative regulations. Carriers will gain a better understanding of the current laws, which enables them to remain compliant. In addition to the training, Audits updated 2 audit assistance manuals and wrote an additional manual. The first manual focuses on the International Fuel Tax Agreement (IFTA), the Kentucky Intrastate Tax (KIT), and the Kentucky Weight Distance Tax (KYU). The second manual focuses on the International Registration Plan (IRP), also known as apportioned registration. The third manual focuses on U-Drive- It permit holders and their record keeping requirements. All three manuals are distributed directly to motor carriers through the Kentucky Trucking Association and KYTC's Division of Motor Carriers. All three manuals can be downloaded from the Kentucky Transportations Cabinets web-site.

Objective 1.3.1 – Qualitative Information

OHRM began utilizing a statewide database of all its nuclear-based density machines utilized by the Cabinet's construction inspectors for highway projects. This database helps OHRM comply with all state and federal requirements as it relates to nuclear devices. The oversight allowed by this program is complete with all state and federal reporting measures included within.

Objective 1.3.2 – Qualitative Information

The Division of Planning (**Planning**), as part of the MAP-21 initiative, began developing metrics for system-wide and freight delay and travel-time reliability. This will afford KYTC a tool by which to gauge the progress with regard to relieving system congestion.

Objective 1.4

Improve motor vehicle licensing and permitting service to customers.

Performance Indicator 1.4.1

The **Department of Vehicle Regulation** formed the IPC (IFTA Processing Consortium). On March 8, 2012 all participating jurisdictions of the IFTA (International Fuel Tax Association) received a notification from the Assistant Director of the New York State Department of Taxation and Finance (NYSDTF) informing that they were "evaluating" future options for the IFTA return processing, as well as services of the RPC (Regional Processing Center), which is administered by NYSDTF as well through guidelines of an MOU (which expires 12/31/13). There are currently 16 participating jurisdictions utilizing the services and sharing the cost. NYSDTF has provided this service for the past 16 years. They outsource the return processing to a vendor (currently Bank of America) and the RPC performs the financial and administrative functions associated with those returns for the jurisdictions. Kentucky has approximately 4,500 active IFTA carriers. The functions provided by the NYSDTF ensure compliance from the IFTA, Inc organizational requirements (i.e. timely filing, timely distribution of monies to other jurisdictions, notification, and billing to customers). Shortly thereafter, definite notification was provided that the NYSDTF would cease to provide this service to the IFTA jurisdictions as of December 2013. Kentucky took the lead and organized a team consisting of IFTA jurisdictions that form the IPC (IFTA Processing Consortium).

Performance Indicator 1.4.2

The **Office of Information Technology** created a DMC Portal online "Dashboard" for Motor Carrier customers, allowing them to view the status of all their accounts.

Performance Indicator 1.4.3

The **Office of Information Technology** has facilitated and managed the final development updates and User Acceptance Testing of the new Bentley Superload ODOW Permitting application and web-based interface. This system greatly enhances the ability to efficiently manage ODOW permitting and encourages commercial carrier use of the public facing web portal. The system also increases safety through improved monitoring of Highway routes and improved consistency in application of permitting procedures.

Performance Indicator 1.4.4

The **Office of Information Technology** provided a web application with scanning capabilities to the Division of Drivers Licensing enabling them to meet a government mandated timeframe of 30 days to process Commercial Driver Medical Records Applications.

Performance Indicator 1.4.5

The **Office of Information Technology** created an online application to allow the purchase of Temporary Permits for Motor Carriers. Efforts cut customer service phone calls by 50% and there has been an increase of 49% in the number of permits sold.

Performance Indicator 1.4.6

The **Division of Motor Carriers**, over the last two fiscal years, has enabled tax filers and permit buyers to transact business on-line.

Objective 1.4 – Qualitative Information

The **Department of Vehicle Regulation** and the other IPC jurisdictions worked to format a RFP to secure a vendor and did so mid-year 2013. Kentucky signed a contract with a vendor (Explore) and MOA's from 5 other jurisdictions to support the needs of the IPC. Kentucky is in the final stages of the implementation of the new IFTA process that will provide a more efficient and current application for their customers and a cost savings to Kentucky as financial support of the application is shared among participants. The efficiencies include a web interface application that provides customer access, reports, payment, and tracking features not available with the old system.

The **Division of Motor Carriers** is providing on-line applications that have had a dual benefit for the Commonwealth in that expenses are lower and revenues are up. Expenses were particularly reduced in postage and the need to mail out forms. Specifically these 2 areas are down 37.4% and 54.7% respectively from FY 12. Total operating expenses were down by 39.0% for the same period. During this same time frame, revenues increased 16.9%.

Another benefit of on-line convenience to the customer has been a dramatic reduction of incoming phone calls to the Motor Carrier Division. Comparing FY 12 to FY 14, incoming calls decreased from 119,260 to 95,240 or a decline of 20.1%. Having fewer calls to handle, resulted in customers being handled by staff in a much more timely fashion. Most calls are handled immediately and virtually all are resolved on the same day.

On March 11, 2013 the Permits Section went on-line. This allowed customers to purchase a variety of Temporary Permits. Now customers could purchase IRP (2 different types) and IFTA/KYU permits. As a result, a record number of IRP permits were sold in FY 14. IRP sales were up 20.1%. KYU/IFTA permits also hit a record and were up 36.6%. Temporary Permits revenue was up 41.3% for the period. Currently, 89% of the Temporary Permits sold

are done on-line. This has cut down drastically on the number of in-coming phone calls to this section. Since going on-line, in-coming call volume is down 36.1% in this section. Putting more applications and functionality on-line has drawn users to take advantage of things they previously did not know they could do on-line. A case in point is the annual Uniform Carrier Registration (UCR) application and payment requirement. It has been available on-line since 2008 but was not universally used. In FY 14, 58% of customers took advantage of this on-line feature. Now customers are filling out the necessary paperwork and paying on-line rather than mailing it in to Motor Carriers for manual processing.

GOAL 2 – Deliver Economic Opportunities

We recognize that economic opportunities improve the standard of living and quality of life for all Kentuckians. We will:

Objective 2.1

Improve and expand Kentucky's transportation systems.

Performance Indicator 2.1.1

Nowhere are the efforts to improve and expand Kentucky's transportation systems more evident than in the **District Offices**. Districts work in coordination with the Economic Development Cabinet to promote and improve infrastructure in order to attract and retain new business partners, improving economic opportunities for local communities. From the planning stages to project completion, several major construction projects were underway during FY2013-14. A partial listing includes:

- District 1:** widening of US68/KY80 through Land Between the Lakes; upgrading Julian Carroll Purchase Parkway for conversion to Interstate 69 in Marshall, Graves, Hickman, and Fulton Counties.
- District 2:** just opened (9-15-14) a US 60 extension in Daviess County. The project cost \$73M and is a fully controlled facility and continues to move I69 projects with 4 active I69 projects underway and 1 planned for January of 2015 so that KYTC can add interstate to Western KY.
- District 3:** The last phase of Glasgow Outerloop project; The completion of the widening of I-65 throughout District 3 (approximately 54 miles, total); completion of 2 sections of US 31W in Simpson County; and near US 231 in Butler County.
- District 4:** Extension of Ring Road (KY 3005) to the Western Kentucky Parkway, including a new interchange; widening of KY 245 in Bardstown, and completed construction on the KY 361 corridor.
- District 5:** A \$78 million widening of 9 miles of I-64 in Shelby County and a \$3 million KY 1848 interchange improvement in conjunction with the opening of the Outlet Shoppes of the Bluegrass.
- District 6:** Completed the "Revive the Drive – NKY" which included the rehabilitation of I-71, I-75, I-275, and I-471. Interstate pavements with approximate total cost of \$191 million. Ongoing widening and reconstruction of KY 237 in Boone County with construction of first Single Point Urban Interchange (SPUI) in Northern Kentucky; Construction of Eagle Tunnel Bridge in Grant County; Reconstruction of KY 16 in Taylor Mill; Reconstructed Johns Hill Road around Northern Kentucky University (NKU); KY 9 extension into Newport; Preparing for

construction of two Double Crossover Diamond Interchanges along I-75 at Richwood Road and Mt. Zion Road. These will be the second and third constructed in the state.

-District 7: US 25 widening and re-construction in Scott and Fayette Counties; KY 2328 Connector Road in Boyle County, which provided an alternate route allowing trucks to bypass downtown Danville; US 25 widening in Madison County south of Richmond.

-District 8: Pavement rehabilitation of KY 80 in Pulaski County from US 27 to KY 914 to reduce frequent lane closures – traffic interruption; expansion and improved level of service of US 127 in Clinton County from Abany south to Tennessee; improved vertical alignment on KY 206 Adair County near Lindsey Wilson College.

-District 9: Projects that have been completed to improve safety and mobility include a new section of the Flemingsburg Bypass, rehabilitations to 5 sections of I-64 in Bath, Rowan, and Carter Counties.

-District 10: Mountain Parkway widening to Four Lane road project from the Campton to Prestonsburg; Widening KY 15 in Perry County North of Hazard. Both projects significantly increased public safety and regional connectivity.

-District 11: Reconstruction of KY 92 from Williamsburg west toward McCreary County, adding an improved, more modern roadway which enhanced safety and increased economic development along Kentucky's southern border; construction of the Woodbine Connector from the Corbin Bypass to KY 6, reducing travel time and emergency response time for the community in and around southern Corbin.

-District 12: Construction of new bridges throughout the district; Minnie to Harold new roadway, section near Minnie currently under construction; realignment of US 460 through Pike County construction continues to progress; realignment of US 119 in Letcher County, currently 3 sections are under construction and construction section of KY 40 near Inez is will be completed by end of year.

Performance Indicator 2.1.2

Aviation oversaw more than 100 airport improvement projects, including runway and taxiway extensions, apron expansions, lighting system rehabilitations, and navigational aid repairs. Additionally, these projects included major maintenance projects such as asphalt overlays, crack repair projects, and seal coat projects to extend the life of the pavement. These advances made at individual airports help to improve the overall aviation system in Kentucky.

Performance Indicator 2.1.3

Transportation Delivery Transportation Delivery utilized \$705,540 in New Freedom public transit grants to purchase cameras, software and 4 transit buses. JARC grants totaled \$1,275,176 to purchase transit buses. Systems in Western Kentucky help transport workers to barges and railroads. Commuter routes now run from Richmond to Lexington, from Berea to Richmond, and from Winchester to Lexington.

Performance Indicator 2.1.4

Division of Program Management and the Kentucky Transportation Cabinet requested and received an additional \$37 million of FY 2014 Federal-aid Highway funding, and the funding was obligated prior to the end of the FY 2014 federal fiscal year. KYTC prepared and submitted the 2014 Recommended Highway Plan to the Governor in early January 2014 and the Governor submitted the 2014 Recommended Highway Plan to the General Assembly. In April 2014 the General Assembly approved the 2014 Highway Plan and the Governor signed into law the 2014 Highway Plan. KYTC also prepared the federal mandated "Draft" 2014 Statewide Transportation Improvement Program (STIP), conducted a 30 public review

process, and submitted the Draft 2014 STIP to FHWA for their review comments. The public and FHWA review comments were addressed and incorporated into the final 2014 STIP submitted to FHWA. FHWA and FTA have reviewed and approved the 2014 STIP.

Performance Indicator 2.1.5

The Division of Materials certified the materials utilized on approximately 630 projects to ensure quality materials and products are used in the preservation, renewal, improvement, and expansion of highways and bridges.

The Division of Materials performed tests on various materials and products utilized in the preservation, renewal, improvement, and expansion of highways and bridges in the state. These tests ensured that the materials satisfied the minimum quality level and conformed to the applicable specifications. The sections of our division performed the following number of tests:

- Aggregate Section – 2270 tests
- Asphalt Mixtures Testing Section – 740 tests
- Chemical Section – 2076 tests
- Concrete/Cement/Physical Section – 1742 tests
- Liquid Asphalt Section – 1572 tests

The Division of Materials reviewed and approved approximately 260 asphalt mix designs in order to ensure quality materials are used in the improvement and expansion of highways in the Commonwealth.

Objective 2.1.1– Qualitative Information

In the fall of 2012, **Division of Planning** initiated the development of the Long Range Statewide Transportation Plan (LRSTP) as an update to the 2006 LRSTP. This effort utilized CO and District KYTC staff in the effort that set the vision for the maintenance and improvement of the state’s transportation system over the next 20 years. For nearly 2 years, this process engaged stakeholders both within the KYTC as well as in the private transportation sectors to create a shared vision for all modes of transportation in Kentucky, but also to communicate that vision’s potential and its limitations.

Objective 2.1.2– Qualitative Information

The **Office of Information Technology** has improved Construction Project processes through implementation of Web-based Project Preconstruction software (Web TrnsPort) for enhanced accessibility, ease of use, and improved administration of Roadway Construction projects.

Objective 2.2

Maximize intermodal freight opportunities on our roads, rivers, air corridors, and railroads.

Performance Indicator 2.2.1

The Division of Planning (**Planning**) assisted in developing the applications for 1 federal railroad grant. P&L Railway was awarded a railroad rehabilitation and repair grant for disaster assistance from the flooding in spring of 2011 totaling \$214,602. This was used for the repair and rehabilitation of the Mill Creek Cutoff Bridge in Louisville, Jefferson County, Kentucky.

Railroads—implementation of the \$3.2 million for KY Shortline Railroads as part of the FY 2010-2011 Budget, development, and implementation of \$1.6 million per year for KY Shortline Railroads' crossing and safety improvements in FY 2012-2014 of state dollars.

Riverports-Development of the Water Transportation Advisory Board to inform and guide the Secretary's of Transportation and Economic Development, KY Legislature and Governor's Office on issues of river transportation.

Development and implementation of Water Transportation Access Improvement funds, using \$500,000 per year of General fund for FY 2012-2014.

Performance Indicator 2.2.2

Division of Planning facilitated 14 meetings in January 2011 and September 2014, to address various Riverport issues with the newly developed Water Transportation Advisory Board. One (1) ferryboat meeting was held on April 2, 2013. All these meetings focused on maximizing the use of Kentucky's 1,090 miles of commercially navigable waterways. Planning conducted site visits to 7 active, public Riverport facilities and met with 4 developing, public Riverport authorities as well as site visits to all 10 ferries operating in Kentucky: 7 public, 1 private, and 2 federally operated facilities.

Objective 2.2 – Qualitative Information

Although quantifiable data is not available, **Aviation** reported an increase in the frequency of cargo flights taking off from or landing at public use airports in Kentucky. Improvements to runways and taxiways, better lighting, and generally improved conditions at our airports made the increased air traffic possible.

Objective 2.3

Promote sound environmental practices.

Performance Indicator 2.3.1

The Office of Support Services, Division of Facilities Support (**Facilities**) continues to identify and implement solutions for reducing the Cabinet's environmental impact. Six (6) Maintenance Garages installed oil water separators; 3 new salt storage buildings were constructed to prevent water runoff; high efficiency heating and cooling systems were installed in 11 facilities; energy efficient lighting was implemented in 12 facilities. We installed 12 thermo plastic roof installations to increase the r. value of our facilities while protecting the interior of the buildings.

Performance Indicator 2.3.2

The Office of Transportation Delivery (**Transportation Delivery**) encouraged the purchase of alternative fueled vehicles, the use of green house practices in building construction projects, and the addition of solar panels to bus shelters. Bike racks are being added to transit buses to encourage bicycling and keep more vehicles off the road. The parking facility construction in Hindman will be constructed using Leadership in Energy and Environmental Design (LEED) and will have an energy star rating. Recycled materials will be used when applicable to the design and solar panels will be installed for energy conservation. The project will include room for bus parking, rider parking, and a waiting room for riders. Connections will be made at this facility for other routes, including intercity connections.

The parking facility will have a walkway (outdoor walking track) around its perimeter with the dual purpose of connecting to the transit facility and/or to the city sidewalks and giving transit staff and citizens a place to walk for health.

Performance Indicator 2.3.3

After coordination with KY Division of Water, a new General Permit for Stormwater Discharge specifically created for General Aviation (GA) airports was released. **Aviation** has prepared and is funding a project to assist all GA airports meet the compliance requirements of this new General Permit, ensuring that all of the GA airports in the State Aviation System are meeting or exceeding the environmental standards of the KY Division of Water. This project will also include updates to each airport's SPCC plan, BMP plan, and Tier II requirements.

Performance Indicator 2.3.4

The Division of Materials inspected and approved 4 asphalt mixing plants to produce warm-mix asphalt, a lower-temperature alternative to conventional hot-mix asphalt. Warm-mix asphalt requires less energy to produce and results in fewer emissions. An estimated 41 asphalt mixing plants have been approved to produce warm-mix asphalt for Kentucky projects since 2008. Approximately 4.3 million tons of warm-mix asphalt were placed in Kentucky during the past fiscal year.

The Division of Materials evaluated and approved approximately 680 asphalt mix designs containing reclaimed asphalt pavement or reclaimed asphalt shingles. These mixtures involved the use of approximately 1.5 million tons of reclaimed asphalt pavement and approximately 20,000 tons of reclaimed asphalt shingles. Utilizing these reclaimed materials in asphalt pavements provides an economically superior alternative to disposing of these materials in a landfill.

Objective 2.3 – Qualitative Information

The Division of Environmental Analysis (**Environmental Analysis**) promoted sound environmental practices throughout project development and delivery programs. Environmental documentation was developed in strict conformance with KYTC and FHWA policies and procedures.

Facilities coordinates with Environmental Analysis to perform environmental impact studies of new properties prior to purchase.

The Office of Information Technology incorporated ARCHIBUS data into the Transportation Enterprise Database (TED). This allowed for improved and more efficient monitoring of the environmental impact resulting from the Cabinet's salt storage facilities.

The Office of Information Technology built Section 106 which is a secure website that provides citizens the opportunity to become a "consulting party" on eligible projects through a publically accessible site. It has been in production for a few months and has promoted process improvement.

The **Office of Information Technology** developed and supports a Storm Water Best Management Practice Plan GIS template to better capture and communicate with field staff storm water management to improve compliance with Division of Water requirements.

Objective 2.4

Support all modes of passenger transportation.

Performance Indicator 2.4.1

Aviation provided air transportation for state employees, with a total of 1057 and 1103 in-state and out-of-state, accident-free flying hours in FY 2013 and 2014 respectively. Aviation continued to provide safe and cost effective travel options for the state workforce.

Performance Indicator 2.4.2

Planning oversaw annual contracts totaling nearly \$1.7 million for 7 ferryboat operations: Augusta Ferry, Valley View Ferry, Turkey Neck Bend Ferry, Cave in Rock Ferry, Dorena-Hickman Ferry, Rochester Ferry, and Reeds Ferry. Planning maintained an annual agreement with Missouri and Illinois DOTs to support 2 ferryboat operations at the state borders. Ferry Boat Discretionary funding was utilized in support of 2 ferryboat improvements, administered by Planning: a new tugboat and trailer were procured at a cost of \$600,000 for the Valley View Ferry on the Kentucky River at KY 169 and a generator was replaced at a cost of \$15,000 for the Augusta Ferry on the Ohio River at KY 8. In addition to visits to each of these locations, annual site visits were also conducted at privately and federally funded ferry operations.

Performance Indicator 2.4.3

From the planning phase to the completion of bike lanes or multi-use paths, numerous divisions combined efforts to expand this growing mode of passenger transportation.

Environmental Analysis worked with **Planning** and the **Division of Highway Design** to develop plans for many streets that were restriped to accommodate bicycle users. One (1) example is the newly completed US 421 improvement project in Franklin County. Planning worked with 11 communities to update or create Bicycle and Pedestrian Master Plans in FY 2014. Planning worked with project teams to include 5 significant bicycle/pedestrian facilities included within highway projects; 2 such examples are the multi use path along KY-245 in Bardstown and the additions of sidewalks on Wilkinson Blvd in Frankfort. Planning also facilitated 5 meetings with Kentucky Bicycle and Bikeway Commission as well as tracking 43 educational or safety projects totaling \$390,000; the funds are from the Share the Road specialty license plate.

Performance Indicator 2.4.4

Transportation Delivery provided over 30,000,000 one-way passenger trips which encompassed commuter services to employment, intercity services to connect the rural public with larger urban areas and larger connections, general public for medical, education, employment, and shopping purposes, and specialized services for elderly persons and persons with disabilities, as well as non-emergency medical services for eligible Medicaid recipients. Transportation for veterans, the military, wounded warriors, and their families is receiving increased emphasis. OTD will work with the Department for Veterans Affairs to work with all our military and the estimated 335,000 veterans in the Commonwealth. OTD will continue to assist transit systems in reaching out to Limited English Proficient (LEP) populations using diverse resources and interpreted information on the buses and in the facilities so they may have improved access to jobs, education, doctors, and shopping.

Objective 2.4 – Qualitative Information

Transportation Delivery OTD has contracted with the Purchase Area Development District (PADD) to upgrade the federally-required Intelligent Transportation System (ITS). The ITS will

evaluate current technologies and future technologies to help our transit systems operate more efficiently and effectively. The contract with PADD will focus on the systems in the eight-county Purchase region. OTD may expand the contract to cover all remaining 14 Area Development Districts in the State. As part of the development of the 2014 Long-Range Statewide Transportation Plan, Planning engaged stakeholders involved in all modes of transportation across the state to determine the current status of the entire system (represented by the one-page "Transportation at a Glance"). These stakeholders were further involved in the development of the narratives for each of the modes engaged in moving people and goods across the state.

Objective 2.5

Enhance the beauty of Kentucky's highways.

Performance Indicator 2.5.1

Environmental Analysis continued to review construction plans for harmony with the surrounding environment. Context Sensitive Design/Solution concepts were integrated throughout the KYTC decision-making process and resulted in projects that compliment their surroundings. Aesthetically pleasing features were added to projects to minimize and mitigate effects to historic properties. For example, form liners were used on the concrete barriers and piers of the KY River crossing at Gratz. The Woodland Park Bridge was designed to match the old water treatment plant. It was stained beige with a stamped tile pattern in the concrete and included a decorative metal rail. Sensitivity to surroundings was also demonstrated with inclusion of a decorative concrete rail that replicated the existing bridge in the reconstruction of the Eastern Parkway Bridge in Louisville. The project included decorative lighting and sidewalk improvements.

Performance Indicator 2.5.2

The Office of Public Affairs (**Public Affairs**) oversaw the Adopt-a-Highway program, a beautification program which utilizes volunteers to clean litter from state Rights of Way. Public Affairs promoted the Adopt-a-Highway program with a poster contest for students across Kentucky, receiving 1,340 poster entries for the contest for calendar year 2013. The program registered 79 new volunteer groups, bringing the total number of groups participating to 702, with volunteer hours totaling 3,655. Roadside miles "adopted" equaled 4,772. In order to better track the location of each adopted roadway, Public Affairs worked with OIT to identify locations via the Cabinet's Highway Information System and the TED warehouse. OIT also assisted with building a database of program volunteers.

Objective 2.5 – Qualitative Information

District Offices worked closely with the Adopt-a-Highway program and the Scenic Byway program. They oversaw roadway landscaping projects, implemented billboard and permitting regulations, and enforced sign ordinances across the state.

GOAL 3 – Continually Improve Organizational Performance

We constantly strive to do better...to learn from our experience and the experience of others. We will:

Objective 3.1

Attract, develop, involve, and retain a qualified and diverse workforce.

Performance Indicator 3.1.1

OHRM oversaw the addition of 414 permanent full-time employees to the Cabinet's staff. The Cabinet continued to recognize the accomplishments and abilities of its workforce, with 268 internal promotions or 310 reclassifications being approved for current staff members. This represented approximately 22% of the KYTC workforce.

Performance Indicator 3.1.2

OHRM participated in 12 recruiting events at 3 state universities, 1 community college, 2 high schools, Kentucky state fair, and 1 teacher conference for the purpose of recruiting civil engineering students. Additional recruitment was completed by email to 16 various organizations - through these recruitment efforts, 22 new engineering scholarships were awarded. Students receive financial assistance, gain valuable on-the-job training, and begin working full time with the Cabinet immediately after graduation. One year of employment is required for each school year on scholarship. New engineers rotate through different functional areas to gain broad experience before being permanently placed in a position.

Performance Indicator 3.1.3

OHRM continued to require anti-harassment/antidiscrimination and workplace violence training for all new KYTC employees statewide.

Performance Indicator 3.1.4

In an effort to reduce the number of employee injuries, OHRM conducted OSHA 10-Hour Safety Awareness Training for over 3,600 employees statewide and certified nearly 1,000 employees in Red Cross First Aid and CPR. OHRM is currently initiating a new safety process that utilizes "leading" indicators in measuring safety performance, these indicators would have various components of measurement including, but not limited to safety audits, training, emergency management, pre-construction meetings, and facility conditions.

Performance Indicator 3.1.5

OHRM developed tracking spreadsheets for all of its programmatic training to ensure KYTC's training requirements were met. OHRM began work on developing a website that shows all Cabinet training opportunities and requirements by departments/offices to serve as a one-stop shop for all training needs for Cabinet employees. It was named KYTC-U, with the "U" representing "university." It will be launched in the near future.

Performance Indicator 3.1.6

OIT conducted Enterprise Reporting Portal training, increasing the number of trained users from fewer than 30 to more than 90.

Performance Indicator 3.1.7

OIT's newly formed **GIS Branch** taught 16 classes, attended by 193 KYTC employees across the state. Once trained, employees were better equipped to properly and effectively use GIS technologies.

Performance Indicator 3.1.8

The **Office of Information Technology** provided Project Management training to 10 staff members, leading to 3 personnel seizing the initiative and receiving Project Management Professional certification (PMP®), a globally recognized credential for project managers.

Performance Indicator 3.1.9

The **Office of Information Technology (OIT)** taught 44 GIS classes with 387 seats in the last 2 years. OIT hosted 2 annual Kentucky Transportation GIS Conferences with 179 total attendees to promote KYTC staff and their business partners peer to peer sharing of GIS techniques and available resources. OIT also provided 6 GIS training days in the districts as well as many more district GIS support visits.

Performance Indicator 3.1.10

The **Division of Materials** coordinated the qualification or requalification of approximately 1940 engineers and technicians in various disciplines of materials sampling and testing. These areas include aggregate, asphalt mixtures, bridge coatings, concrete, and pavement markings.

Performance Indicator 3.1.11

The **Division of Motor Carriers** expanded on training in 2013 by introducing the opportunity for employees to obtain leadership training through a program titled "Road Map". The training is a yearlong program that focuses on leadership and team building skills. To date, The Division of Motor Carriers has a total of 10 graduates of the Road Map program and currently has 11 others enrolled in the 2014 class. The division also has 4 graduates from the Advanced Leadership Academy (ALA), which is a 2 year program that focuses much on the same curriculum with the requirement of team project. In addition to the ALA graduates, the Division currently has 1 staff actively participating in the ALA program. The Division has a total of 3 graduates of the Kentucky Certified Managers Program (which is a 4 year program) as well as 1 supervisor that has completed the Supervisor Training and Resources Program (STARS); consisting of 36 hours of management training.

Objective 3.1.1 – Qualitative Information

OHRM continued to provide or coordinate training courses dependent upon Cabinet needs. The Office also assisted with cross-training efforts within offices to ensure consistent and continuous workflow. OHRM continued to work closely with hiring managers and track professional licensure requirements through a database to ensure compliance with class specifications.

While retention was challenging during this time, due in large part to the loss of incentive programs such as ACE awards and annual increments, employees had the opportunity to apply for and participate in the Cabinet's Advanced Leadership Academy, a two-year program designed to develop leadership skills essential to the future operation and success of the Cabinet. The program provides a way for the Cabinet to "grow" its own leaders and managers when succession of key leaders is needed. OHRM also created 3 new training programs—STAR, a nine-month program designed specifically for newly appointed management; ROADMAP, a one-year program designed specifically for administrative support staff; and GPS, a six-month program designed for employees who aspire to assume a supervisory role.

Objective 3.1.2 – Qualitative Information

The **Office of Information Technology** partnered with **OHRM** to begin developing “KYTC University” as well as share the training load and responsibility. We developed a basic eLearning Manage System (eLMS) to allow KYTC to better develop, deliver and track training in three categories.

Objective 3.2

Develop transparent, fair and consistent administrative and personnel procedures.

Performance Indicator 3.2.1

OHRM assisted manual owners in maintaining and updating existing manuals, both in hard-copy and online formats, including the following 4 manuals: Audits, General Administration and Personnel (GAP), Kentucky Methods, and Traffic Operations; released new versions of the Materials and the Utilities and Rail Guidance Manuals and the new Highway Safety Programs Manual; revised GAP Manual policies and procedures concerning: professional licenses and certifications for employees, commercial driver’s licenses for employees, employee conduct, notary public commission fees, professional organization fees, and the TCOB Conference Center.

Note: These GAP policies and procedures were revised in the live version of the GAP Manual. This manual has been revised in its entirety and is awaiting Cabinet approval, bringing the total of published Cabinet manuals to 28.

Performance Indicator 3.2.2

Legal received and processed 1,208 open records requests. The average turnaround time on the majority of requests was well within the 3-day timeframe required by KRS 61.

Performance Indicator 3.2.3

As part of the development of the 2014 Long-Range Statewide Transportation Plan, **Planning** conducted a statewide public survey in the early part of 2013, the Your Turn Survey. Representing every county in the state, over 16,000 people participated in the 19 question Your Turn survey that solicited input regarding the existing transportation system and the future desires for improvements. This survey information was used in the crafting of the 2014 LRSTP, particularly in the development of the future vision statement for the transportation system and the goals that will support that vision. Once the Draft 2014 LRSTP was prepared for public review and comment, a similar survey was created to engage the public in the review of the draft document. Over 900 people participated in this survey effort.

In the fall of 2013, Planning and KYTC Program Management accomplished a major revision of the KYTC Public Participation Plan which outlines the public engagement process used in the development of the LRSTP and STIP as well as the local officials consultation process. This revision included a visual guide to the public participation process and also a summary of the state demographics based upon the 2010 Census.

Planning incorporated the Performance Based Planning and Programming (PBPP) methodologies within the text of the 2014 Long Range Transportation Plan with a specific emphasis on the expressing the importance of performance measures and targets to define the return on investment to the transportation system.

Objective 3.3

Foster a professional, efficient and effective management structure.

Performance Indicator 3.3.1

OHRM assisted hiring managers within the Cabinet by participating in the hiring process as interview panelists; revised and maintained official internal and external Cabinet forms (592 in total); maintained online organizational charts, *Information Guide*, and internal Cabinet listings, making helpful information easily accessible to all KYTC employees.

Performance Indicator 3.3.2

OIT was restructured by Administrative Order. The result was a “flattened” organization structure designed to decrease response times. The GIS Branch was created, making it possible to concentrate efforts on expanding the use of geographic information systems technology, as well as enhancing mobile GIS usage within the Cabinet.

Performance Indicator 3.3.3

OHRM conducted numerous training sessions designed to enhance and expand management-level staff’s knowledge of the selection and hiring process, employee evaluation process, time and attendance reporting, modified work and leave procedures, and employee relations. All management was required to complete the sessions.

Performance Indicator 3.3.4

The **Office of Information Technology** implemented recognized industry standards for managing projects through the methodology of the Project Management Institute (PMI). OIT developed a Project Lifecycle and organized a Project Management Office (PMO) to oversee the effective use of the process. It improves the ability to manage resources and proficiently create and maintain the 100+ applications created for external and internal KYTC users.

Objective 3.3 – Qualitative Information

Following the reorganization of the Cabinet during the previous year, **District Offices** reorganized to include several needed adjustments. Structures crews were moved to Engineering Support; an additional level of supervision (management) was added to the PD&P section office (Project Delivery & Preservation); additional administrative support was added to the section offices; OMS coordinators were designated; and survey and bridge crews were brought back to the district offices.

Objective 3.4

Ensure fiscal resources are properly managed and protected.

Performance Indicator 3.4.1

The **Office of Budget and Fiscal Management (OBFM)** monitored the Cabinet’s operating budget appropriation of approximately \$2.400 billion and the capital budget of \$15.1 million. During FY2013-14, the operating budget appropriation was reduced by \$3,740,607 through Budget Reduction Orders. OBFM staff provided monthly, weekly, or daily expenditure and encumbrance reports, and quarterly reports were provided to the Legislative Research Commission. A six-month analysis was performed for most on-budget accounts to identify potential budgetary problems and bring them to management’s attention. Closely monitored reports provided managers with a timely review of what had been expended, encumbered,

and the balance available in each program, giving internal and external decision makers the information necessary to make sound fiscal policy decisions.

Performance Indicator 3.4.2

To ensure that the Cabinet had appropriate internal controls in place, the **Internal Audit Branch** conducted audits and other engagements of 45 Cabinet programs and operations, and completed 191 desk reviews of audits performed on sub-recipients who received Federal funds passed through from KYTC.

The **External Audit Branch** performed audits of, or approved, overhead rates for 115 architectural and engineering firms; performed 54 compilations of lump sum contracts; performed 6 post audits of cost plus contracts; conducted 15 special audits; and completed 6 utility/rail contract audit designed to improve Cabinet estimates and identify and receive reimbursement for overbillings and unallowable costs incurred by consultants and contractors. On average, the audited overhead rate was 13% lower than the firm's submitted overhead rate, with one decrease totaling almost 176%. These findings resulted in substantial savings for the Cabinet. Additionally, we questioned \$41,702 in costs on contracts paying actual costs (Utility-Rail Contracts, Cost Plus Contracts, Other Cost Contracts). We also determined that with better negotiations of lump sum contracts the Cabinet could have potentially saved \$622,539 on contracts paid out in 2010, \$1,128,346 on contracts paid out in 2011, and \$649,059 in contracts paid out in 2012. This would have been an average saving per lump sum contract of \$51,062.

The **Contract Audit Branch** was created in FY14 and conducts audits on various contracts the Cabinet has with third party entities. Eight audits have been completed to ensure the contractor is complying with terms of the agreement as well as to ensure the Cabinet is monitoring the contract appropriately.

For the calendar year 2013, the **Division of Road Fund Audits** completed 45 KIT audits, 58 KYU audits, 127 IFTA audits, 133 IRP audits, and 15 UDI audits, with receipts realized from audit collections totaling \$1,296,023; for the calendar year 2014 to date, the Division completed 64 KIT audits, 61 KYU audits, 17 U-Drive-It audits, 133 IRP audits, and 130 IFTA audits, with receipts realized from audit collections totaling approximately \$1,479,195.

Performance Indicator 3.4.3

One of the primary responsibilities of the Office of Inspector General (**OIG**) is to detect waste, fraud, and abuse within the Cabinet or among those doing business with KYTC. In FY2014, the OIG received 168 complaints or requests which lead to 59 investigations. Several of these investigations resulted in corrective action toward KYTC employees for misconduct or misuse of state resources. In addition the OIG completed an investigation on a company doing business with KYTC resulting in restitution and penalties for misconduct. The OIG recently completed a survey of all Districts to determine the number of thefts and burglaries occurring at KYTC facilities. The survey resulted in enhanced security and inventory measures aimed at reducing the loss of KYTC resources. Additionally, the OIG has agreed to follow-up on all thefts. The OIG has invested in technology to improve efficiency in determining allegations under investigation. The OIG has visited each District Office to develop improved communications and offer investigative support for allegations of misconduct or mismanagement of fiscal resources.

Performance Indicator 3.4.4

The Division of Construction oversaw \$1.2 billion dollars of road and bridge construction. The Division is tasked with ensuring that projects are built within current standards and specifications. This includes testing of materials, administering, and making payments on over 700 projects.

Objective 3.5

Apply technology to improve organizational effectiveness and efficiency.

Performance Indicator 3.5.1

Public Affairs procured a studio-quality Canon XA10 still/video camera with tripod, along with Adobe Premier Pro video editing software that allowed in-house production of the weekly "KYTC Minute" and numerous other videos designed to meet the needs of the districts and central office. OIT staff previously trained Public Affairs staff and district Public Information Officers on video equipment usage. Advances were also made in news release distribution with the addition of an audio feed using MP3 technology.

Performance Indicator 3.5.2

To capture economies of scale, reduce duplicative efforts, and make the Commonwealth more efficient and economical in the spirit of Governor Beshear's Smart Government initiative, the Kentucky Transportation Cabinet consolidated along with Kentucky Correctional Industries the printing services for all state agencies.

Kentucky **Design & Print Services** is in the process of rolling all of the Cabinet's copiers, printers, fax machines, and scanning devices into COT's Manage Print Services in accordance with the Governor's Smart Government initiative. The services necessary to conduct business has increased significantly, while the efficiency level is being maintained. In order to maximize capabilities of the new multi-function copiers, the division worked with OIT and COT to install electronic communication lines in all district maintenance facilities. With Manage Print Services and the new multi-function copier contract KYTC will be saving the Commonwealth money.

Performance Indicator 3.5.3

OIT reconstructed KYTC's data collection and storage process related to mandatory National Bridge Inventory Inspections, utilizing resource management, "dash-board" analysis. As a result, the Cabinet went from an unacceptable bridge inventory inspection submittal in 2008 to being nationally recognized as one of the best organized and most accurate submittals in the country in 2009.

Performance Indicator 3.5.4

OIT enhanced and maintained the Project Manager's Toolbox functionality for increased monitoring of all fiscal Cabinet activities. The number of Toolbox users expanded from 100 to over 200.

Performance Indicator 3.5.5

The **Office of Information Technology** supported the effective and expanded use of technology in the following ways:

1. Upgraded its GIS technology to the latest software releases to improve performance and provide additional tools for their customers to use.

2. Rebuilt all KYTC interactive maps to allow a "driver's view" of state maintained roads on all map sites. Additionally they added six new web-based mapping sites. The public facing sites include Protected Areas for Outdoor Advertising, Quality Assurance Lessons Learned, and Pavement Conditions. The internal interactive mapping sites are drainage (pipes/culverts), sign, and rail crossing inventories.
3. Enabled mobile use of public facing web maps without additional cost by leveraging existing licensing and technology.
4. Built three new mobile apps including: Cable Barrier, Drainage Inventory, and Pavement Evaluations for interstates and parkways.
5. State Highway Engineer's template was upgraded to allow the "SHE" toolbar to be added to any map document for our 500+ desktop GIS customers. Additionally, it provides simplified search, "Dual maps" showing Google Street view and Bing's oblique aerial views of the location of interest, quick access to key HIS road information, and better, automated print page design for improved ease of use.
6. Developed mobile and spatial tools within the Permit management system (KEPT) and railroad crossing management system (RCI).
7. Developed with Highway Design an automated extraction method to provide LiDAR and aerial photography to MicroStation users. Since its implementation, more than 1,300 self-service extractions have occurred. Conservatively, this has saved 325 hours of staff time so far.

Performance Indicator 3.5.6

Department of Vehicle Regulation (DVR): A reporting solution for DVR's One Stop System (FrontRange) using SAP BusinessObjects (SAPBO). This solution reduced performance report processing time from 45 minutes daily to approximately 3 seconds each day. It has allowed for accurate, reliable evaluation of performance measures. The SAPBO reporting is built against DVR data ETL'd into KYTC's data warehouse each evening. This reporting solution allows for in-depth analysis by Division Executive staff members to provide improved response time for public inquiries.

Performance Indicator 3.5.7

OBFM loaded 9,321 lines of management budget data transactions for FY10, and created various electronic reports each month using InfoAdvantage and TED. Microsoft Access was used to extract payroll and labor costs from the internal database. Numerous other applications are utilized to maximize the timely, accurate, and efficient processing and relaying of information.

Performance Indicator 3.5.8

The Division of Planning provided up-to-date GIS road centerlines and associated roadway data for state-maintained roads by processing modifications caused by over 80 road construction projects. Planning also provided up-to-date GIS road centerlines for local-maintained roads by processing over 4,800 updates to road centerline locations and attributes. The Division of Planning utilized highway design files, Photo Van data, and other in-office electronic resources to update Highway Information System data instead of field-collection activities.

Performance Indicator 3.5.9

The Division of Motor Carriers partnered with the Division of Road Fund Audits and Kentucky Commercial Vehicle Enforcement throughout 2014 and performed 9 enforcement blitzes. The goal was to focus on compliance, educating the industry, and compare utilization

of the automated KATS system to identify possible non-compliant issues (4 of the 9 locations had KATS available); automation is critical as enforcement staff has decreased due to budgetary restraints. Two of the blitzes focused specifically on the IFTA (International Fuel Tax Association) taxes and decals. Within the IFTA organization their LEC (Law Enforcement Committee) monitors and tracks results from each participating jurisdiction to share at their annual IFTA/IRP Managers and Law Enforcement Training. Last year Kentucky was highlighted as the jurisdiction with the most participation in the enforcement of this fuel tax. The tallied results from one particular location show a comparison in activity within a facility that had no automation in 2013, to the installation of the KATS system in 2014. Utilization of the automation identified 72 carriers subject to an inspection as opposed to a total of 45 inspections performed in the prior year using only a visual observation. The automation filters and rates what is truly a noncompliant issue with a possible issue as well as uses a national average and the carrier's safety rating to provide a more accurate rate for pull-ins towards inspections. Transportation staffs were also able to assist carriers with the issuance of temporary permits while on site with the utilization of the Motor Carrier Portal permit application. Utilization of the KATS system provides a means for enforcement to focus on problematic carriers and provides a more level playing field for those in the trucking industry. Safety ratings built into the calculation of KATS is based on information provided from Federal data.

Performance Indicator 3.5.10

In April 2012 **Motor Carriers**, in partnership with Kentucky Interactive (KII), The Office of Information Technology (OIT) and Commonwealth Office of Technology (COT), launched a web application for the Kentucky Weight Distance customers that would provide an efficient means for the customer base in excess of 60,000 to file their KYU tax. The application is available 24/7 and uses a "turbo" type formula to make the filing a simplistic question guided step by step process. With launch of the application in April 2012, by the end of the first quarter of 2012, 86% of the KYU carriers had utilized the web application. To date, 95% of the KYU carriers utilize the electronic application. The availability of the application and participation from the carriers has eliminated the need to forward a second notice to carriers (providing a decrease in outgoing mail on an average of 7,000 correspondences per quarter). There have been several enhancement iterations applied since the launch of the application based on data provided from the users. An instructional video is available on our web page and the application includes a User's Guide.

Performance Indicator 3.5.11

Motor Carriers also has a section to handle walk-in customers - One Stop. This highly qualified staff is trained to handle most all Motor Carrier issues as well as some in Motor Vehicle Licensing and Driver's Licenses. It has seen a steady increase in walk-up traffic over the years. Approximately 40,000 customers use the walk-up facility annually and over \$18M is collected in a variety of taxes, licenses, fees, etc. In August 2013, One Stop completed the implementation of two Kiosks and a 70" flat screen TV. Customers now self register at the Kiosk and choose the area they are requesting service. The software then generates a customer ticket and a group e-mail is sent to the requested area informing them that they have a customer waiting. When a One Stop staff person is available they accept the ticket and the customer's status changes on the 70" TV. The customer is then directed on the TV to go to their assigned booth to meet with the member of the One Stop staff. Using the Kiosk has freed up one staff member to work one of the One Stop booths, rather than the old sign-in/reception desk. Gone are the long lines and extra wait times previously encountered at the reception desk. Ninety-five percent of customers wait less than 10 minutes and overall time a

customer spends at One Stop has decreased by 20%. Moving the staff person from the reception desk to a booth has not only cut the time for customer, but has also cut down on staff Comp time.

Objective 3.5 – Qualitative Information

Aviation Procured 1 GPS tracking device (Spidertracks) for use in both state helicopters, allowing the flight scheduler and federally-funded, supported offices to track the aircraft. The device allowed federal mining inspectors to monitor the aircraft location and be ready to board the aircraft when it arrived at their location. Following the exact location and flight path of the aircraft significantly enhanced the safety of pilots and aircraft, with a shortened response time if a flight incident occurred.

District Offices received laptop computers for construction inspectors which reduced overtime and improved accuracy of contractor pay estimates. Blackberry/iPad users were expanded to include Section Engineers, Bridge Engineers, and Facilities Maintenance Supervisors, improving access to key staff members while reducing response time. Where needed, the wireless provider was changed to a regional service provider with more reliable coverage in the Appalachian region of the state. Increased bandwidth and improved connection speeds for remote offices were the focus of work done in conjunction with OIT. District office workstations and software programs were upgraded to keep pace with rapidly changing technologies.

Facilities has implemented ARCHIBUS and is still implementing security systems in equipment garages to address theft problems.

Internal Audits utilized a software package (ACL) designed to make the audit process more effective and efficient. This package was used to streamline sample selection as well as search through large volumes of data for certain “red flags” without having to manually go through each item one by one. Additionally, the Internal, Contract, and External Audit Branches utilized advanced capabilities within Microsoft Excel to analyze data.

In addition, the **Office of Audits** has integrated a paperless strategy and is utilizing an electronic audit software package called Teammate. This has helped increase the efficiency and productivity of the entire audit process. Teammate is also used by other State’s Department of Transportation; therefore, we were able to do a remote peer review for both our Internal and External Audit Branch which received a “pass” rating.

The Division of **Road Fund Audits** used EZ-Tap to obtain odometer readings on Motor Carriers which helped determine more accurate MPG measurements for audit purposes. In addition, the audit staff used wand scanners while in the field to capture necessary records.

OHRM published every Cabinet form (currently 592 in total) in a variety of formats to ensure customer accessibility.

The **Office of Information Technology** implemented a Professional Services solution to increase the overall efficiency of tracking the consultant project from the “Advertised Bulletin” stage to the “Notice to Proceed” stage. This solution reduces the amount of time that it takes for a consultant project to get from the “Advertised Bulletin” stage to the “Notice to Proceed” stage. It also provides capturing of negotiated production hours in a database and provides reporting capabilities over historic data and centralized location for all pertinent data. In

addition, the solution promotes a standardized process for all consultants and cabinet employees.

The **Office of Information Technology** has been undergoing Executive Branch IT infrastructure consolidation. OIT staff continue to provide KYTC employees the resources required for their jobs while acting as liaisons, advocating Cabinet business objectives, ensuring Cabinet's best interests are kept in mind. Network upgrades are providing all District Office campuses additional bandwidth and wireless access, both of which will increase worker productivity to over 1,000 employees.

The **Office of Information Technology** refined the KSP "CRASH" data MOU and extraction process into the Cabinet's data warehouse which allowed easier access and more timely analysis by engineering and safety staff.

GOAL 4 – Strengthen Customer and Stakeholder Relationships

We appreciate what is important to our customers, and we value their involvement in what we do. We will:

Objective 4.1

Ensure fairness, consistency and competitiveness in our contracting procedures.

Performance Indicator 4.1.1

Of the 829 competitive solicitations issued by the Division of Purchases (**Purchases**) during FY 2013-14, only 5, or 0.603% were protested by competing vendors. Four of those protests were denied by the Finance and Administration Cabinet (FAC), affirming that Purchases followed procurement laws and regulations consistently and accurately throughout the year. One protest was dismissed without prejudice. The Division of Purchases won 100% of the protests in FY2013-14.

Objective 4.1 – Qualitative Information

A Market Analysis Team (MAT) led by the Office of Audits (**Audits**) is able to evaluate methods for increasing competition and keeping prices down. In prior years, the group performed in-depth market analysis in order to: better understand economic markets; bring about conditions designed to increase competition; detect, investigate, and deter anticompetitive contractor and subcontractor behaviors; and assist management and awards committees in assessing bids and awarding contracts. Suspicious bidding patterns were scrutinized to identify problem areas such as territorial bidding, bid suppression, complementary bidding, bid rotation, and subcontracting designed to inflate contractor pricing. Numerous preliminary recommendations were made and investigations were started as a result of the team's work. MAT plans to run an additional analysis soon.

Objective 4.2

Communicate accurate and timely traffic information to motorists and emergency responders.

Performance Indicator 4.2

The Cabinet began using social media such as Facebook and Twitter as a means of communicating urgent and routine messages to the traveling public. Each **District Office** utilized a Public Information Officer to coordinate non-traditional communications including messages posted on Facebook and Twitter, as well as text messaging. More traditional forms of communication were also employed to notify the public of accidents, road closures, and construction delays, including the Cabinet's 5-1-1 system, email notices, news releases, phone calls, and overhead, variable message boards. Real-time information was relayed about travel conditions, and alternate routes were suggested when needed.

Objective 4.3

Identify and participate in new federal partnership opportunities.

Performance Indicator 4.3.1

House Bill 3 of the 2009 Special Session created the Kentucky Public Transportation Infrastructure Authority (KPTIA) and established various mechanisms for overseeing "mega" transportation projects within the Commonwealth and between the Commonwealth and the State of Indiana. House Bill 2 of the 2012 Special Session designated KPTIA as the developing and issuing authority for the Louisville-Southern Indiana Ohio River Bridges (LSIORB) Project. In October of 2012, KPTIA entered into a Bi-State Development Agreement with the Kentucky Transportation Cabinet (KYTC), the Indiana Department of Transportation (INDOT), the Indiana Finance Authority (IFA), and the Louisville-Southern Indiana Bridges Authority (LSIBA) that outlined various responsibilities related to the LSIORB Project and divided tolling revenues generated by the Project evenly between Kentucky and Indiana. In December 2013 KPTIA issued non-recourse toll revenue bonds and bond anticipation notes, and signed a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan to finance a portion of the Downtown Crossing of the LSIORB Project. Substantial completion of the Project is currently scheduled for December 9, 2016.

Performance Indicator 4.3.2

Audits partnered with the KSP to win a \$250,000.00 grant from the FHWA. Awarded in September 2013, the grant allowed Audits and KSP to join forces in collecting more fuel taxes by extending the operation hours of weigh stations around the state, where Audits and KSP made plans to jointly conduct "blitzes" designed to identify fuel tax violators and, thereby, increase Road Fund revenue collections.

Objective 4.3 – Qualitative Information

The Office of Information Technology (OIT) OIT participated in a voluntary Transportation Asset Management Assessment with the Federal Highway Administration. FHWA's report stated that the new KYTC Enterprise Data Warehouse provides the capabilities to track outcomes, limit risk, and predict future outcomes, and compared the overall architecture and approach of KYTC's Enterprise Data Warehouse with "Fortune 500" companies.

OIT developed and supports the KYTC DataMart a single web portal that gives the public direct access to many details of road and bridge projects, traffic counts, highway crash data, fiscal information, some vehicle information, and organization performance measures. This was mentioned in national publications including The Washington Times and the ITS Midwest newsletter.

One of the financial transparency and accountability objectives of the DataMart is to provide reporting as mandated by the federal transportation law known as MAP-21 (Moving Ahead for Progress in the 21st Century). Through a simple scorecard, the Federal Highway Administration (FHWA) and the people of the Commonwealth can see how KYTC's performance compares to FHWA expectation.

Another federal partnership opportunity involved a request from FHWA. **Audits** performed an Agreed-upon Procedures engagement designed to review the payroll additive rate process. Audits worked closely with FHWA to ensure all federal funds were used as intended and as required by law.

Objective 4.4

Continually incorporate strong ethical standards in everything we do.

Performance Indicator 4.4.1

The Office of Legal Services (Legal) continued to provide ethics training for KYTC training programs including the Project Development Academy. Legal's ethics officer created 3 executive branch ethics training presentations for the Academy. Each presentation was attended by approximately 35 employees. The Department of Vehicle Regulation requested ethics training for all of its employees and Legal's ethics officer presented 2 separate training sessions in the KYTC auditorium. In addition, the Executive Branch Ethics Commission was invited to conduct training for KYTC employees in both central office and the district offices in October 2013.

Performance Indicator 4.4.2

OHRM continued to require signature acknowledgments from all KYTC employees for the receipt of any highly significant policy change, such as annual acknowledgement of Confidential and Sensitive Information and Anti-harassment/Antidiscrimination policy awareness.

Performance Indicator 4.4.3

OHRM published numerous new policies and procedures to address changes in various federal and state laws and regulations. Policies were also revised to address changes in Cabinet procedures to ensure consistent and proper stewardship of state resources, such as those pertaining to professional licenses and certifications for employees, commercial driver's licenses for employees, notary public commission fees, professional organization fees, and civil rights complaints.

Objective 4.4 – Qualitative Information

All of the **OIG** full time staff is required to be certified through the National Association of Inspectors General 40 hour investigators course. Additionally, managers are certified through the National Association of Inspectors General 40 hour Inspectors General course. Both courses focus on conducting independent and ethical investigations on public officials or those doing business with KYTC by holding them accountable for their actions and to prevent and detect fraud, waste, corruption, misconduct, and abuse. The **OIG** has also adopted and abides by the Association of Inspectors General Principles and Standards for Offices of Inspector General as an instrument for professional reference which purpose is to follow the principles of integrity, independence, confidentiality, professionalism, competence, courage, trust, honesty, fairness, forthrightness, and public accountability.

The OIG has closely aligned itself with the Executive Branch Ethics Commission and has presented several investigations for their review resulting in corrective action on individuals involved in ethical violations.

Audits' professional staff members are required by professional auditing standards to engage in ethical behavior in the work they do. Auditors obtain 80 hours of continuing professional education every 2 years, with much of the training being related to ethical standards. Training also focuses on recognizing and combating waste, fraud, and abuse. Every audit performed includes assessments of risks related to fraud, and recommendations are made to management on how to ensure internal controls are in place that will keep honest people honest. Having an independent audit function helps serve as a deterrent to prevent and reduce unethical behavior by both Cabinet staff and contractors.