



# INDIANA DEPARTMENT OF TRANSPORTATION

100 North Senate Avenue  
Room N758  
Indianapolis, Indiana 46204

PHONE: (317) 232-5525  
FAX: (317) 232-0238

**Michael R. Pence, Governor**  
**Brandye Hendrickson,**  
**Commissioner**

December 14, 2016

Brian Bailey  
State Budget Director  
200 W. Washington Street  
State House, Room 212  
Indianapolis, IN 46204

RE: FY2018-2019 Biennium Letter

Dear Mr. Bailey:

INDOT is pleased to present our biennium budget. INDOT continues to preserve and maintain the state’s roads and bridges as it also plans for future mobility needs. Governor Mike Pence has directed that INDOT’s three priorities are: “Take care of what we have,” “Finish what we started,” and “Plan for the future.”

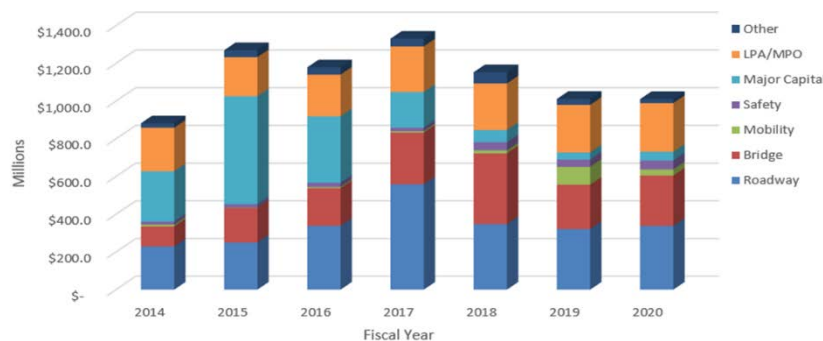
Complementary to the Governor’s directives and with an agency-wide drive for a culture of continuous improvement, all of INDOT focuses on our desired agency results to maintain a level of consistency in an ever-changing environment. As in FY2016, our FY2017 goals are: On-time and On-budget, Take Care of What We Have, and Customer Satisfaction.

### Take Care of What We Have

Taking care of what we have is represented in the following condition ratings metrics:

1. Percentage of pavement in fair or better condition
2. Percentage of bridges that are functioning at their design level

Meeting these metrics is a function of how much money we spend on preservation coupled with the ability of the agency to execute its capital plan. The below chart depicts planned expenditures for roads and bridges as well as other asset classifications.



Finish What We Started

The projects that fall into this category include the continuation or completion of:

- I-69 to Indianapolis
  - I-69 (Section 5) is under construction from Bloomington to Martinsville and is expected to open to traffic in calendar year 2017.
  - I-69 (Section 6) from Martinsville to I-465, is moving forward with further detailed studies along the SR 37 corridor. The draft environmental impact statement will be made available to FHWA in early calendar year 2017.
- The Ohio River Bridges East End Crossing is scheduled to open to traffic on December 18, 2016.
- SR 641 is nearing completion following years of delays caused by the resolving environmental issues, and is anticipated to open to traffic in December 2016.
- U.S. 33 realignment through the city of Goshen to re-route the highway away from Goshen’s downtown historic district is anticipated to open to traffic in fall 2018.
- U.S. 31 rural between Hamilton County and South Bend (unfunded, developing a strategy for a form of incremental improvements)

Plan for the Future

The Governor’s Blue Ribbon Panel delivered its priorities for infrastructure needs two years ago. Since that time, INDOT has conducted a more refined analysis of the recommendations and has identified those projects that we believe will best serve the state’s mobility needs during the next 20 years. INDOT recently outlined its transportation plan for the future to the FIRSST Task Force. Following its regional needs assessment, Conexus released its recommended projects, many of which are contained in INDOT’s proposal. INDOT will now conduct a review of Conexus’ recommended projects and may make adjustments to our project list.

**Major Moves 2020:**

Governor Pence’s 2014 legislative agenda proposed investing \$400 million from a trust fund established in the previous year’s budget. The Indiana General Assembly provided the initial \$200 million to widen and rehabilitate heavily-traveled interstates in 2014 and another \$200 million in 2015. The current two-year state budget includes an additional \$100 million per year for the Major Moves 2020 program. Below summarizes the status of Major Moves 2020 projects from funding already awarded INDOT.

**FY2014 \$200 Million 2020 Funds**

I-65: Added travel lanes, Tippecanoe County SR 38 to SR 26 & SR 26 to SR 25 – Crawfordsville District	Substantially complete December 2017
Road reconstruction Lafayette Center Road/CR 900 – Fort Wayne District	Substantially complete July 2018

**FY2015 \$200 Million 2020 Funds**

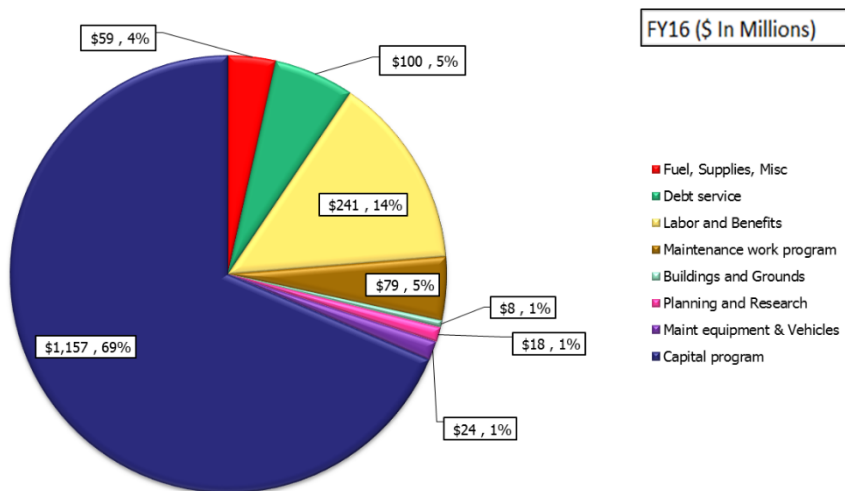
I-65: Added travel lanes, Johnson County Whiteland Road to Main Street & SR 44 to Whiteland Road – Seymour District	Substantially complete December 2016
I-65: Added travel lanes, Clark County Old SR 311 to Memphis Road – Seymour District	Substantially complete October 2017
I-69: Added travel lanes, Hamilton and Madison counties, SR 37 (N. Jct.) to Old SR 132 (Lapel Road) with	Substantially complete November 2017

interchange modification at Campus Parkway (Old SR 238) – Greenfield District	
<b>FY2016 \$100 Million 2020 Funds</b>	
I-65: Added travel lanes, Lake County South of US 30 near Merrillville – LaPorte District	Construction to begin late spring 2017
I-65: Wabash River Bridge Replacement & Widening, Tippecanoe County	Letting in March 2017

**Performance & Program Measures:**

INDOT's capital program continues to focus on two broad categories: maintaining the assets we have, and effectively delivering our construction program. Determination of programming priorities is based on such measures as pavement conditions, bridge structure quality, traffic mobility, and safety. Currently, more than 89 percent of INDOT's pavement is in fair or better condition, and about 95 percent of bridges are in fair or better condition.

Managing operating expenses is a critical component of meeting our construction plan – every dollar we don't spend on operations is a dollar we spend on highways and bridges. As can be seen in the chart below of FY2016 operations and capital program expenditures, INDOT invests nearly 70 percent of its annual budget on construction projects, supporting our philosophy to hold the line on spending in order to invest as many taxpayer dollars as possible in enhancing the state's infrastructure. That percentage escalates to greater than 88% when including other direct cost categories of expense dedicated to infrastructure.



**Accomplishments:**

Major projects completed and open to traffic, or nearing completion, this past biennium include I-69 Section 4, U.S. 31 South Bend, U.S. 31 Hamilton County, the Milton-Madison Bridge, the state's first diverging diamond interchange at I-69 and SR 1 in Allen County, and I-65 and Worthsville Road – the state's second diverging diamond interchange – in Johnson County.

During the last biennium, the following maintenance and preservation activities were accomplished:

- Invested more than \$2.3 billion in state projects
- Repaved 1,870 miles of state highways
- Chip-sealed more than 3,000 miles of state roads
- Crack-sealed and preserved over 12,000 miles
- Rehabilitated or replaced 960 state bridges

- Serviced 7.2 million highway lane miles the past two winters

In a partnership with Iowa Pacific Holdings, Amtrak, and the towns of Crawfordsville, Lafayette, West Lafayette, Rensselaer and Tippecanoe County, INDOT has transformed state-supported passenger rail service. The *Hoosier State* train provides roundtrip passenger rail service between Indianapolis and Chicago four days per week. Indiana's innovative approach to utilize a third-party vendor, in addition to Amtrak, changed the model for state-supported passenger rail. Enhanced services were launched on August 2, 2015, including food service, business-class accommodations and WiFi. During May-June of 2016, both ridership and revenue increased when compared to the same months in 2015. Notably, ticket revenue has increased 70 percent over July 2015. The *Hoosier State* is among the highest-rated trains on the Amtrak system, with about 90 percent of riders surveyed in recent months being very satisfied. In the months since October 2015, on-time performance has averaged 82 percent.

In March 2016, INDOT introduced a new branding effort for non-motorized transportation initiatives called Common Paths. Our sidewalk program, along with our ADA Transition Plan, Complete Streets, U.S. Bike Route designations, context-sensitive design efforts, and the national scenic byways program all will fall under the canopy of Common Paths. Common Paths is intended to increase focus on connecting communities, enhance quality of life and economic competitiveness, and safely balance the needs of different modes of travel. Moving forward under the Common Paths brand, INDOT will collaborate with the Department of Health and the Department of Natural Resources to identify, develop, and promote the connections among transportation, public health, and outdoor recreation.

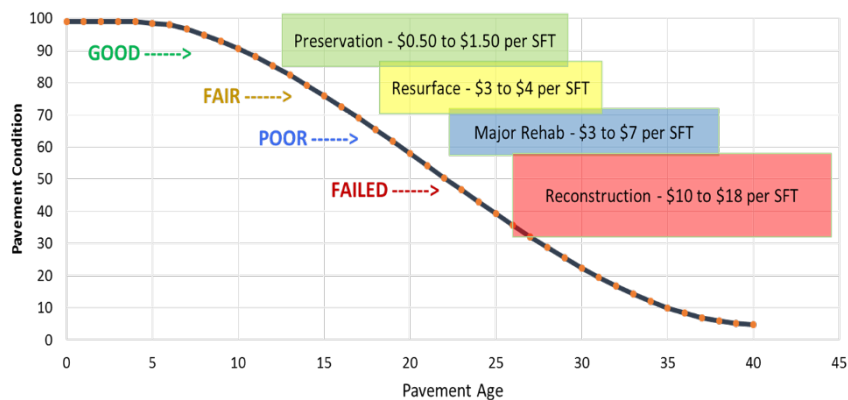
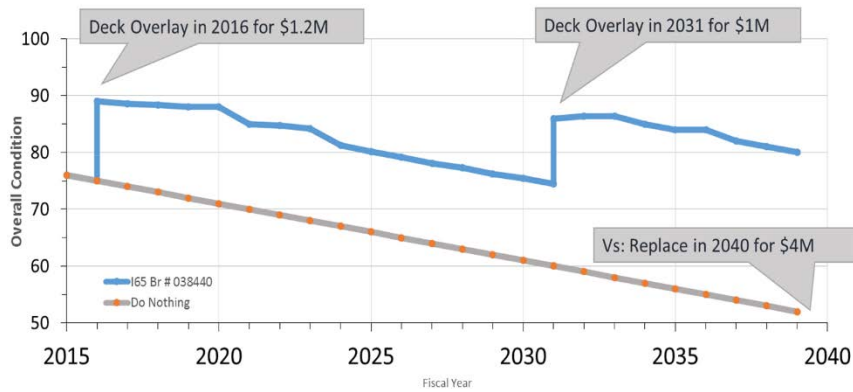
Launched in April 2016, as a result of House Bill 1001 passage by the Indiana General Assembly, Community Crossings is a matching grant partnership between INDOT and Hoosier communities, both urban and rural, to invest in road and bridge infrastructure projects. Community Crossings awarded \$148 million during the first call for projects – FY2017 – to make improvements to local roads and bridges that bring about economic development, create jobs and strengthen local transportation networks. It is a 50/50 match and is capped at \$1 million for each local unit of government. INDOT received 1,636 applications from 317 different local public agencies across Indiana.

During the last biennium, we continued to see an increase in our DamageWise program. We invoiced \$8.3 million through the program in FY2016 – compared with \$1.4 million billed in FY2010. This partnership with law enforcement allows collected reimbursements to be reinvested into INDOT capital programs and operations.

INDOT conducted a satisfaction survey of Indiana residents in the fall of 2015. This survey was a follow-up to the 2011 and 2013 surveys and measured what our customers – Hoosier taxpayers – think of the job we do. Again, as in the previous surveys, Hoosiers are generally satisfied with INDOT's performance. In the 2015 survey, 62 percent of Hoosiers reported they are satisfied or very satisfied. Only 7 percent of those Hoosiers surveyed reported they are dissatisfied. Hoosiers continue to tell us that their highest priorities are repairing and maintaining existing highways and bridges, and removing snow and ice from highways.

**Challenges:**

The age and condition of the highway infrastructure, and funding mechanisms that no longer generate the revenue needed to keep pace with the basic needs of the system, continue to be challenges faced by the state relating to the surface transportation system.



**Objectives for the Biennium:**

Realize significant major project milestones

- Complete construction on I-69 Bloomington to Martinsville (Section 5)
- Continue detailed studies and planning of I-69 (Section 6) from Martinsville to I-465
- Complete Major Moves 2020 projects currently under construction, including I-65 and I-70 lane widening and I-69 Hamilton County projects
- Complete U.S. 50 North Vernon Bypass east leg
- SR 61 Boonville Bypass open to traffic
- Continue to advance project development of the I-69 Bridge over the Ohio River near Evansville via the Memorandum of Understanding between Indiana and Kentucky to begin the environmental review process
- Continue to improve U.S. 31 between Indianapolis and South Bend

Enhance Partnerships with Locals

- Continue local program enhancements via Community Crossings, allowing funding to local units of government to more efficiently introduce and complete projects

Improve Operational Performance

- Continue enhancements of district operations via continuous improvement efforts to increase maintenance efficiency. Examples include tow plows, telematics, and map-based reporting, to name just a few.

**Strategic Initiatives:**

- Continue development of funding alternatives and capital program enhancements to address the future needs of the state's surface transportation system
- Implement enhanced statewide customer service call center initiative
- Implement agency-wide standardized stakeholder communication and outreach program to improve early involvement and understanding of project plans
- Continue to establish a culture of results-oriented, individual accountability throughout the organization
- Strive to be employer of choice to recruit/retain top talent

**Conclusion:**

Building and maintaining transportation infrastructure to support business growth, motorist safety, and enhance the quality of life for Hoosiers is vital to Indiana's economic future. In the coming biennium, INDOT plans to complete those major projects that were part of the Major Moves program; aggressively preserve and maintain the state's infrastructure assets; and pursue plans to build major mobility projects across the state that will save businesses and drivers time and money while enhancing safety and relieving congestion. We will continue to fine-tune operational and financial management activities and maintain our resolve to work collaboratively in the identification of funding strategies that will address forecasted needs. We will advance initiatives in support of local units of government to identify and build projects around the state to ensure safety and mobility, and we will work internally to put the right people in the right positions – resulting in an environment of continuous improvement and accountability.

Regards,

Brandy Hendrickson  
Commissioner

cc: Mark Ahearn  
INDOT Executive Staff  
INDOT District Deputy Commissioners