

WSDOT Highway Construction Program Staffing Levels Progress Report

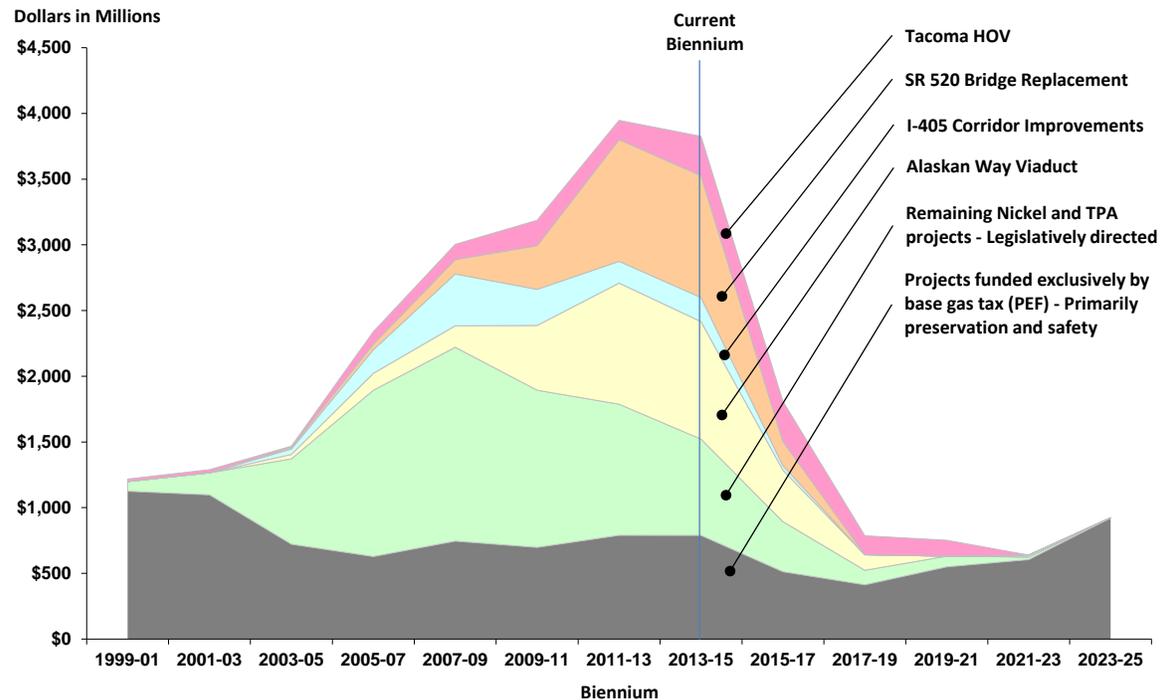
July 1, 2013

Background

WSDOT and the legislature has routinely recognized the increased workload associated with delivering the 2003 and 2005 revenue package projects associated with the highway construction program. The level of effort needed to meet the project delivery expectations associated with that funding led to historic levels of employee and consultants being funded from the program. The peak expenditure levels are reflected in the chart below:

2013 Legislative Final Budget - Highway Construction Program Program Total with Select Mega-Projects Highlighted

(Excludes sub-program 16 and 17)



In the initial 2011-13 transportation budget, the legislature directed the WSDOT to put together a staffing plan to meet specific staffing levels at the end of the 2011-13 and 2013-15 biennia. Specifically, ESHB 1175 read as follows:

Sec. 608 Staffing Levels

(1) As the department of transportation completes delivery of the projects funded by the 2003 and 2005 transportation revenue packages, it is clear that the current staffing levels necessary to delivery these projects are not sustainable into the future. Therefore, the department is directed to quickly move forward to develop and implement new

business practices so that a smaller, more nimble state workforce can effectively and efficiently deliver transportation improvement programs as they are approved in the future, in strong partnership with the private sector, while protecting the public's interests and assets.

(2) To this end, the department of transportation is directed to reduce the size of its engineering and technical workforce to a level sustained by current law revenue levels currently estimated at two thousand FTEs by the end of the 2013-2015 fiscal biennium. The department's current two thousand eight hundred FTE engineering and technical workforce levels for highway construction will be reduced in the 2011-2013 biennium, with a target of two thousand four hundred FTEs by June 30, 2013, and to a level of two thousand FTEs by June 30, 2015.

(3) In order to successfully deliver the highway construction program as funded, the department of transportation may continue to contract out engineering and technical services. In addition, the department may continue to use the incentive program for retirements and employee separations. The department shall report quarterly to the office of financial management and the transportation committees of the legislature on its progress and plans to reduce highway construction workforce levels to two thousand FTEs by June 2015. This report must also be posted on the department's web site.

Note: The requirement to report progress quarterly was eliminated in the 2012 supplemental budget (ESHB 2190 Sec. 602)

Actions Taken

In December, 2010, prior to the passage of the 2011-13 transportation budget, WSDOT organized a group of WSDOT senior leaders to identify recommendations that would allow the department to implement a business model that retains core competencies for delivery and a workforce sized at a sustainable level. Additionally, the goal was to develop an organizational structure that strikes a balance for delivering projects and programs while retaining core competencies, with fewer management layers and fewer project offices. In September, 2011 a report outlining WSDOT's Workforce Business Strategy was published, summarizing the circumstances for the need to reduce staffing levels and the recommended strategies.

Highlights of recommended strategies that have been implemented include the following:

- Engineering and technical services at headquarters being aligned into newly defined divisions, with some offices being consolidated and without adding a management layer.
- Regions developing consolidation plans to reduce project offices to align with available funding and to share services and resources with other regions for efficiencies whenever possible; including the strategies of soft boundaries (e.g. paving projects from Northwest Region being designed in Southwest Region), shared specialty resources (e.g. shared environmental services in Eastern Washington and shared real estate services in Eastern Washington), and leveraging technology investments.
- Reduction-in-Force (RIF) and voluntary separation incentives where attrition alone does not achieve planned reduction levels by organization.

- Assess overhead and identify additional recommendations for streamlining, consolidating, and prioritizing work in administration, planning, IT, communications, accounting and other support services (e.g. Payroll, Human Resources and Safety Functions have been centralized with staff reductions resulting from efficiencies. Positions are assigned to regions and the managers are shared between regions.)
- Establishing cross-functional teams to identify and implement efficiencies in plans, specifications and estimates (e.g. fish passage delivery teams have been established to more effectively plan, coordinate, design, and deliver fish barrier removal projects); systems data; asset management; and training.

Reductions as a result of these actions were achieved through separation incentives, attrition, and reductions in force.

Current Status

The 2013-15 transportation budget (ESSB 5024 Sec 601) includes a requirement to report the status of progress made in reducing highway construction workforce by July 1, 2013. Additionally, the proviso continues to direct the WSDOT to achieve the highway construction program workforce target of 2,000 by the end of the 2013-15 biennium. The budget proviso reads as follows:

Sec. 601 Staffing Levels

(1) As the department of transportation completes delivery of the projects funded by the 2003 and 2005 transportation revenue packages, it is clear that the current staffing levels necessary to deliver these projects are not sustainable into the future. Therefore, the department is directed to quickly move forward to develop and implement new business practices so that a smaller, more nimble state workforce can effectively and efficiently deliver transportation improvement programs as they are approved in the future, in strong partnership with the private sector, while protecting the public's interests and assets.

(2) To this end, the department of transportation is directed to reduce the size of its engineering and technical workforce to a level sustained by current law revenue levels currently estimated at two thousand FTEs by the end of the 2013-2015 fiscal biennium. The department shall submit a report on the progress made in 2011-2013 by July 1, 2013.

(3) In order to successfully deliver the highway construction program as funded, the department of transportation may continue to contract out engineering and technical services. In addition, the department may continue the incentive program for retirements and employee separations.

Highway Construction Program (programs I and P) FTE expenditures for the month of May, 2013 were 2,207 FTEs, well below the 2,400 FTE target set for the end of the 2011-13 biennium. The chart below illustrates the year over year actual FTE levels for the 2009-11 biennium and 2011-13 biennium. Furthermore, it identifies the relationship between current FTE spending and the legislative biennium end targets for the 2011-13 and 2013-15 biennia. Based on trends

to date, it suggests that the agency is approximately one year ahead of schedule to meet the 2013-15 end of biennium goal of 2,000.

While RIF and voluntary separation actions were taken, a significant amount of staffing reductions have been achieved due to higher than historic attrition levels.

I & P Program Monthly FTE Expenditures

