

# Update on DOT Outsourcing of Engineering Work

By George Mickelson, DNR Section and Compensation Chair

Many of you have seen a bar chart that I put together for previous "Visit the Hill Day" handouts that showed the ratio of the DOT consultant budget to the budget for in-house engineering staff. That graph represented data for fiscal years (FY) 1990 through 2002.

Our data source for FY 2002 and earlier years was based on the percentage of the annual budget that went to consultants, to in-house engineering staff, and to other significant portions of the DOT budget. But that data did not list dollars for each category by fiscal year, only percentages of an unknown number. That is why the data was portrayed in the graph as a ratio of one budget component to another.

Recently we have obtained data for FY 2004 and proposed budget data for FY 2005. The graph below is an update of the previous chart with that additional data shown. A trend line is also plotted with predicted future ratios. Unfortunately we do not have data for 2003.

It will be interesting to see if the budget for the next biennium (FY2006 and FY 2007) will result in a ratio that is above or below the exponential trendline.

Data sources:

1. FY 1990 through 2002 data from an e-mail dated November 2, 2001 to Tim Hanley, former SEA President from Randy Sarver of DOT.
2. FY 2004 final data and planned FY 2005 data from the presentation for the HPC Meeting August 12, 2004 titled: Highway Improvement Financial Plan End FY04 - Draft FY05.
3. The exponential trendline was automatically calculated and plotted by Excel.

Correction: I also want to correct a mistake in my article in the April 2004 SEA newsletter. That article stated that the consultant budget at DOT was over \$140 million. Unfortunately I was given bad data, at the start of the fiscal year the budget was only for \$124 million.

