

## SCDOT Weekly Update - #2

The South Carolina Department of Transportation (SCDOT) has begun publishing a weekly update for the media and the public concerning the agency's financial situation and other important matters. This is an effort to clarify information that has been circulating in public venues that may have been distorted or confusing.

- SCDOT's cash balance position as of **August 25, 2011** is as follows:
  - 1) The beginning balance on August 25 stood at \$61 million.
  - 2) \$49 million has been sent to the SC Comptroller's Office for processing as payments to contractors.
  - 3) The remaining cash balance is \$12 million.
  - 4) All unpaid vendor invoices are within the 30 working day period and are scheduled for processing.
  - 5) In August SCDOT has made \$125 million in contractor payments, vendor payments and payroll. Contractor payments reflect the agency's overall effort to keep the maintenance program of the state highway system moving forward, to improve the safety of highways and bridges and to highway construction.
  - 6) SCDOT is anticipating the receipt of state gas tax revenues from the Department of Revenue on September 6 or 7. The revenues for this month are estimated at \$35 million.
  - 7) SCDOT is expecting to receive normal reimbursements from the Federal Highway Administration (FHWA) in the first two weeks of September. The total of these reimbursements is estimated at \$70+ million.

- 8) The cash balance for September, with the infusion of state gas tax revenues and anticipated reimbursements from the Federal Highway Administration (FHWA), will provide SCDOT with adequate resources to meet payroll, debt service and contractor/vendor payments to ensure that the agency will have no outstanding bills over 30 working days.
- SCDOT announced on August 18 that \$24 million in state-funded projects would not be included in the lettings for August and September in an effort to better control cash flow. However, the agency is moving forward with \$89 million in federally-funded projects eligible for reimbursements. The notices-to-proceed, monthly payouts and completion dates will all be negotiated with the contractors that are awarded the contract. These processes are part of the controls being reinforced to better manage cash flow.
  - SCDOT staff is also preparing a presentation to be made at a Senate Transportation Committee meeting scheduled for September 8.
  - SCDOT staff is working on requests for details of prior payments that have come from the SC Treasurer's Office and the media. Some of these requests require researching two years of data.

####  
JPP  
8-25-11