

Virginia Department of Transportation

BLUEPRINT UPDATE

**JOINT COMMISSION ON
TRANSPORTATION ACCOUNTABILITY**

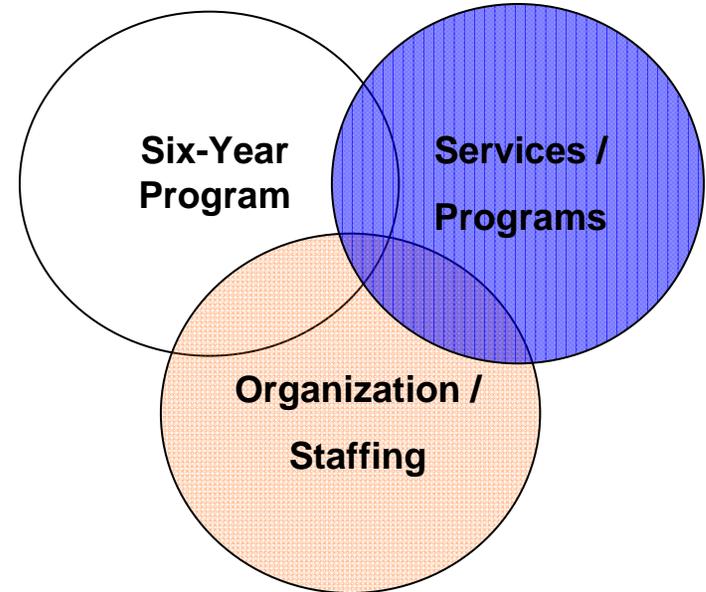
**David S. Ekern, Commissioner
August 18, 2009**

2008 Highlights and Accomplishments

- VDOT achieved its on-time, on-budget and quality performance measures for construction and maintenance projects
- Completed Woodrow Wilson Bridge Project, earning top engineering honors from ASCE
- Began construction of I-495 HOT Lanes
- Outsourced 961 of approximately 1,200 miles of Interstate maintenance and all aerial photography work
- Virginia ranked 16th in independent Reason Foundation report of all states for overall transportation system performance and cost-effectiveness
- Received James River Green Building Council's Green Leadership Award for first-ever LEED-certified state-government building – the I-64 New Kent Safety Rest Area
- Won more than 44 top state, national and industry awards for projects, programs and staff achievements

Why Are We Here?

- Sharply declining state revenues – including gas, auto sales, recordation and insurance premium taxes – and unpredictable federal revenues
- Total reduction of \$2.6 billion reduction in state and federal revenues
- \$2 billion in net highway construction project reductions in FY09-14 Six-Year Improvement Program in addition to \$1.1 billion reduction to program in June 2008
- \$600 million in cuts will be addressed from administrative and service level cuts from all transportation agencies
- State and federal revenue estimates continue to decline



Budget Realities

- **Blueprint based upon Feb. 2009 revenue estimates**
- **August revenue estimates indicates and additional \$800-\$900 million in transportation revenue reductions over next 6 years**
- **This will require substantial additional reductions to VDOT's programs**

Appropriations Act Direction for Blueprint

- Ensure maintenance and operations are funded, with focus on emergency response, pavements, bridge repair and replacement and congestion mitigation
- Reduce/consolidate the number of facilities and organizational units by at least 30%
 - Central Office divisions
 - Residency offices
 - Equipment and repair facilities
- Reduce management and supervisory layers to no more than five between commissioner and lowest line staff
- Use objective methodology for decisions
- No more than 7,500 filled classified positions by June 30, 2010
- Presented comprehensive plan to Governor, Chairmen of the House Appropriations and Transportation and Senate Transportation and Finance Committees, and to provide quarterly progress reports.

The Blueprint

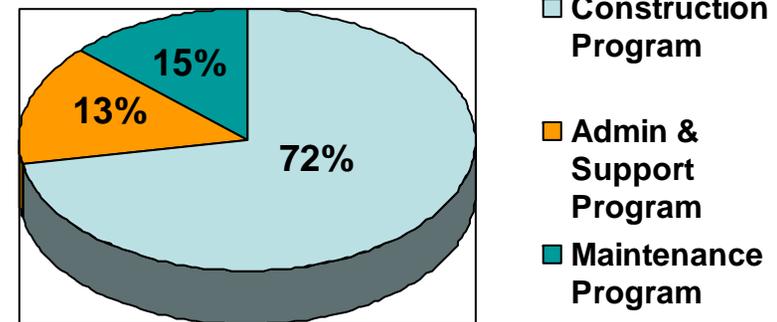
3 Parts to Blueprint

- Six-Year Program
- Organization/Staffing
- Services/Programs

An Agency:

that will be smaller, providing its services differently and proportioned differently

Reductions by Program
Over 6 years



A Business:

that values partnerships and does not replicate every function and service throughout the organization

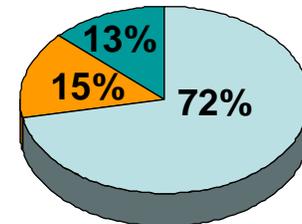
Outlook By Program

- **The construction program will be impacted the greatest:**
 - Reductions over 6 years of \$2 billion – 72%
 - Refocused on safety, pavements and bridges
 - Elimination of state formula distributions
 - Increased focus on public transportation

- **The administrative and support programs will reflect:**
 - Reductions over 6 years of \$391 million – 15%
 - Implementation of organizational and staffing changes
 - Changes in the way VDOT uses the private sector

- **The VDOT maintenance and operations program will change:**
 - Reductions over 6 years of \$348 million – 13%
 - FY 2009 was revised down from \$1.349 billion to \$1.186 billion
 - FY 2010 is estimated at \$1.36 billion, the future baseline
 - Reduced average annual growth from 4% to 3% for FY 2010 – 2014
 - The average annual growth in maintenance payments to cities and counties will also be reduced from 4% to 3%

Reductions by Program Over 6 years



■ Construction Program
■ Admin & Support Program
■ Maintenance Program

VDOT in 2010

Plan, deliver, operate and maintain a transportation system that is safe, enables the easy movement of people and goods, enhances the economy, and improves the quality of life.

- **Focused** –
 - Mission centered on maintenance, operations and emergency response
 - Integrated Program Planning and Project Development – “Project is a Project”
 - A tightened and universal General Administration.
- **Scaled Services** –
 - first priority to the highway network that connects people and places of the Commonwealth
 - serves 85% of users and where the majority of crashes occur
- **A Business** –
 - That values, integrates and streamlines partnerships
 - does not replicate every function and service throughout VDOT’s organization
- **Driven by** -
 - rapid deployment of research, technology, and training to ensure best and consistent practices and services
- **Recognizes**
 - that construction funding will be focused on safety, reconstruction and bridge replacement
 - major new construction being episodic
- **An Agency**
 - that will be smaller, providing its services differently and proportioned differently.

VDOT Employment Levels

-Through Attrition Only-

Employment Level (Projections in Shaded Columns)	07/01/08	BENCHMARK 09/01/08	07/01/09	PROJECTED 07/01/10	TARGET 07/01/10
Classified	8,472	8,464	8,165	7,841	7,500
Classified – Central Functions	1,321	1,332	1,279	1,176	1,020
Classified – Field	7,151	7,132	6,886	6,665	6,480
Wage	520	503	113	N/A	N/A

Approaches Used To Achieve Restructuring

Mechanisms

1. Attrition
2. Critical Hire Process
3. Involuntary Layoff

Challenges

1. Attrition and potential retirements would create enough reduction
 - But they would be not in the right places
 - May not occur soon enough
2. Critical hire process currently only deals with positions that will fit current organization
 - It will be more valuable as we know which positions to fill in the target organization
3. Involuntary layoffs are necessary to achieve the 7,500 position goal
 - But works most effectively coupled with knowing where, what skills and how many we will have for each function
 - The process is time consuming but is important for employee protection
 - It creates anxiety in affected employees

Anticipated Schedule -Involuntary Separations-

Stage 1 – Wage/Staff Augmentation

- June 6, 2009 – 232 wage employees released
 - Total reduction of 404 (target 450)

Reductions

\$15 million (FY 10)

\$60 million (FY 11-14)

Stage 2 – Classified Employees*

- Notification July 27
- Anticipated release in October 2009
- Nearly 600 positions
- Targeted functions:
 - Right of Way
 - Location and Design and Project Management
 - Innovative Project Delivery
 - Structure and Bridge
 - Environmental
 - Construction Inspection and Management
 - Materials
 - Policy
 - Local Assistance
 - Information Technology
 - Knowledge Management
 - Learning Center
 - Multi-modal Office
 - Public Affairs
 - Virginia Transportation Research Council
 - Equipment Shops
- Partial consolidation of Central Office functions

\$30 million (FY 10)

\$132 million (FY 11-14)

**Does not include estimated \$16 million total FY10 WTA costs.*

Impact of Announced Separations

GEOGRAPHIC IMPACT

- Central Office 80
- Richmond 70
- Bristol 75
- Salem 60
- Lynchburg 70
- Hampton Roads 50
- Fredericksburg 45
- Culpeper 45
- Staunton 50
- NOVA 50

FUNCTIONAL IMPACT

- Location/Design 150
- Right of Way 120
- Equipment Shops 130
- C.E. and I. 110
- Materials 60
- Environmental 30

Anticipated Schedule -Involuntary Separations-

Stage 3 – Classified Employees*

- Notification scheduled for December 2009
- Anticipated release in March 2010
- 400 positions (depending on attrition)
- Dulles Toll Road Transfer to MWAA
- Functions affected:
 - Residency consolidation
 - CO/district business support consolidation
 - Completion of Central Function consolidation
 - Finance
 - Programming
 - Planning
 - Innovative Finance and Revenue Operations
 - Fiscal
 - Equal Business and Employee Opportunity
 - Operations/Maintenance
 - Management Services
 - Administrative Services
 - Human Resources
 - Safety and Health
 - Inspector General

Reductions

\$6 million (FY 10)

\$125 million (FY 11-14)

*Does not include estimated \$16 million total FY10 WTA costs.

Current Activity

- Submitted comprehensive plan required by Appropriation Act
- Completed stage 1 wage employee reductions
 - Continuing reviews through FY 2010
- Realigned directorates
 - Learning Center
 - Local Assistance
 - Multi-Modal Office
- Initiated stage 2 classified position reductions
 - Approximately 255 employees selected to end employment on Sept. 9
 - 380 employees requested placement
 - Approximately 725 employees volunteered for substitution
- Authorizing revised levels for maintenance crew/superintendent staffing
- Dulles Toll Road transfer advanced

Maintenance and Operations Services

1. Emergency and Safety Response Services

1. Incident Response/Clearance
 - Crashes and Accidents
 - Hurricane and Severe Weather Events
 - Hazardous Materials Spills
 - Terrorist Events

2. Snow and Ice Control*

3. Traffic Operations/SSP

2. Roadway Services

1. Road Surface Repair
2. Bridges
3. Tunnels

3. Traffic Control Services

1. Signals, Signs, and Pavement Marking Management
2. Lights and Guardrail Management

4. Roadside Services

1. Drainage
2. Vegetation Control
3. Mowing Services
4. Obstruction/Debris
5. Sound Barriers
6. Fence Management

5. Facility Services

1. Safety Rest Area and Waysides
2. Park & Ride Lot
3. Sidewalks/Trails

6. Ferry Services

***No changes to snow and ice guidelines**

Orange indicates changes in service as of Blueprint adoption.

Interstate Maintenance Services

WHAT WE PROPOSED:

- Annual cost \$78 million
- 13 contracts (TAMS)
- Focus on routine maintenance and emergency response
- Match revised maintenance service levels
 - Mowing
 - Litter
 - Ditching
- **PROPOSAL:** Reduce contracts \$10 million to \$15 million

ADOPTED PLAN:

- Reduced scope of contracts as negotiated by the department
- Future contracts will be awarded based on reduced scope to match revised service levels

ANTICIPATED FY2010 SAVINGS:
\$8 million – to be updated as negotiations are completed

6 Year Savings: \$48 million

12 contracts expire on rolling deadlines, first in September 2009, then 2011, 2012, 2013 and 2014

Roadside Services

WHAT WE PROPOSED:



- Total mowing costs \$42 million (primary and secondary)
- PROPOSAL: Reduce spending by \$20 million

ADOPTED PLAN:

- Statewide mowing practices adjusted to base-level practices
- Districts may increase mowing in urban areas or for unique circumstances within their budget allocations
- Wildflower program investment and management will be limited to the revenue generated by the wildflower license plate revenue

ANTICIPATED FY2010 SAVINGS:
\$20 million

6 Year Savings: \$120 million

New service standards began in March 2009

Safety Service Patrol

WHAT WE PROPOSED:

- Annual cost \$10 million
- 479 miles served
- 21 patrol zones selected for:
 - Traffic volumes
 - Congestion
 - Crash rates and hot spots
 - Peak traffic patterns
 - Movement of freight/truck traffic
- Hours vary according to region
- PROPOSAL:
 - Reconfigure service delivery model
 - Change service hours and/or coverage
 - Reduce \$2 million to \$5 million

ADOPTED PLAN:

- Scaled back service to 2001 level
- Reduced Hampton Roads Safety Service Patrol (by 12 contract-provided positions)
- Eliminated contract-provided Safety Service Patrol in all other districts

**ANTICIPATED FY2010 SAVINGS:
\$6.5 million**

6 Year Savings: \$39 million

New service levels effective July 2009

Ferry Services

WHAT WE PROPOSED:

- 4 Ferry Services
- Annual cost \$12 Million
- **PROPOSAL:**
Reduce schedules and cut service to reduce spending by \$2.0 million

ADOPTED PLAN:

- Maintaining Jamestown Scotland Ferry 24-hour service while cutting back on security services
- Eliminated Hatton Ferry service in Albemarle Co.
- Reduced services to Merry Point and Sunnybank ferries
- Seeking funding to replace Jamestown Scotland's oldest ferry

ANTICIPATED FY2010 SAVINGS:
\$1.28 million

6 Year Savings: \$7.68 million

New service levels effective July 2009

Rest Areas and Welcome Centers

WHAT WE PROPOSED:

- 42 rest areas
- Total annual cost \$21 million
- **Criteria to be considered:**
 - Proximity to other facilities
 - Age of facility
 - Condition
 - Visitor counts
 - Services provided
- **PROPOSAL: Close 25 rest areas to save \$12 million**

ADOPTED PLAN:

- Maintained a minimum 120 mile spacing between sites
- Closed 19 Rest Areas
- Added 225 commercial parking spaces at remaining sites to replace lost spaces
- Replaced 2-hour parking restriction with “no overnight parking”
- Pursuing commercialization of rest areas
- Failing commercialization, consider razing 21 sites beginning in 2011 (includes 2 sites on I-64 never opened)

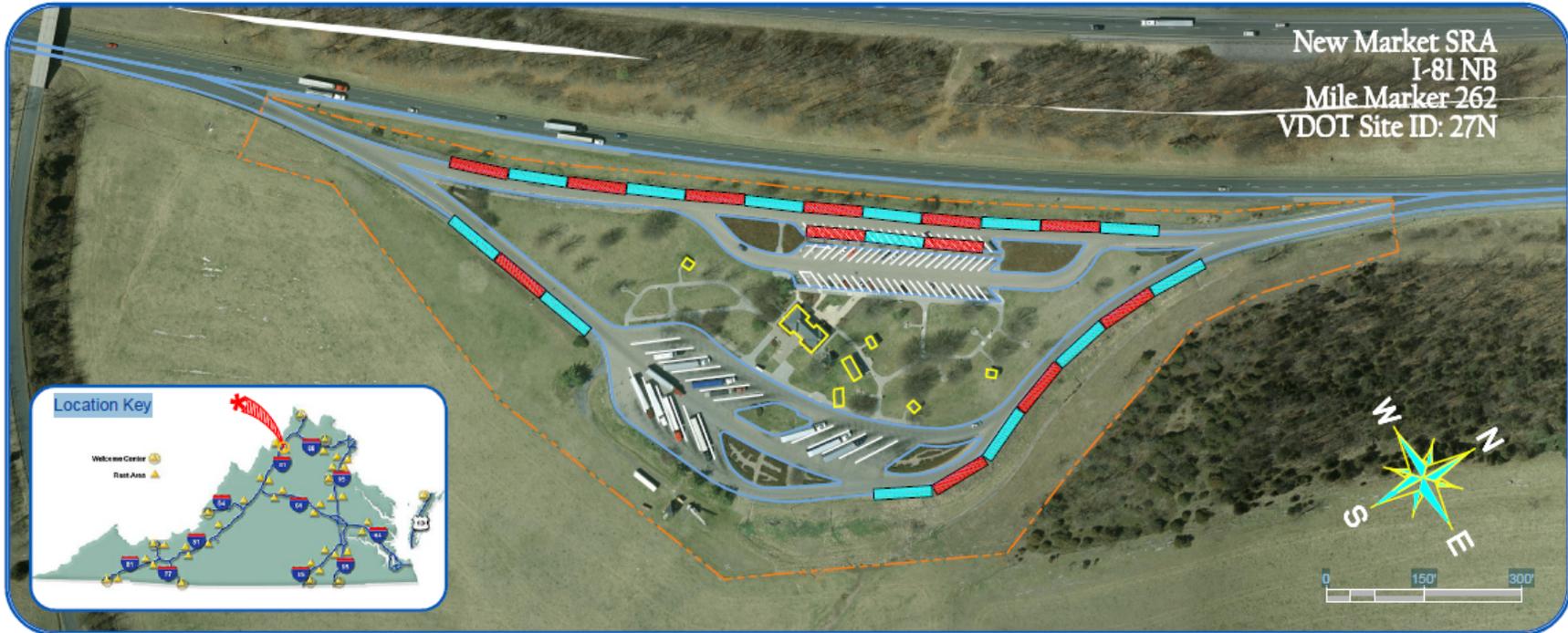
**ANTICIPATED FY2010 SAVINGS:
\$9.0 million**

6 Year Savings: \$54 million

New service levels effective July 2009

Other states including Louisiana, Maine, Vermont, Georgia and Colorado have closed rest areas

Increased Truck Parking Example



New Market SRA
I-81 NB
Mile Marker 262
VDOT Site ID: 27N



General Information

County: Rockingham
VDOT District: Staunton
VDOT Operational Region: Northwestern
VA State Police Division (Area): 2 (16)
Year Built: 1970
Site Area (Estimated): 15 AC
Pavement Type: Asphalt
Onsite Flagpole: No
Onsite Blue Star Memorial: Yes
Most Recent Major Reconstruction/
Renovation: 2007
Description of Renovation:
Restroom Renovations

Amenities



Building Facilities

Building Sq. Ft.: 1,796
Women's Toilet Fixtures: 5
Men's Toilet Fixtures: 5
Auxiliary Toilet Fixtures: 5

Utility Type / Provider

Water: Town of New Market
Sewer: Town of New Market
Electric: Shenandoah Valley Electric Coop.
Gas:
Telephone:
Cable/Satellite:

Parking Supply

Car (Non-HC): 59
HC Car: 7
RV/Bus/Truck: 19
RV/Bus: -
HC Bus: Pending
State Police: 1
Employee*: -
* Not included in car total.

Mainline Traffic Volumes

2007 AADT*: 20,000
Projected 2026 AADT*: 45,900
* Per VDOT (AADT = Average Annual
Daily Traffic)

Ramp Traffic Volumes

Volume: 1,474 (July 2008)
Volume: 1,693 (July 2005)
Volume:
Usage Ranking*: 17 (of 42)
*based on July 2008 volumes

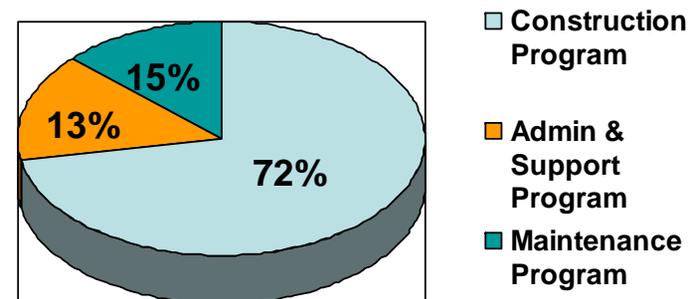
Notes:

1. Aerial photo taken 3/13/2008.
2. Boundary shown on plan is approximate.

Blueprint Final Thoughts

- Revenue forecasts continue to project declines for state and federal revenue
 - Additional shortfalls will require VDOT to again cut services and programs
- The plan may change as we move forward
- Implementation complete by July 2010

Reductions by Program
Over 6 years



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