

Status Report: VDOT Blueprint and Budget Matters

**Presentation to the House Appropriations Subcommittee on
Transportation**

By

Gregory Whirley

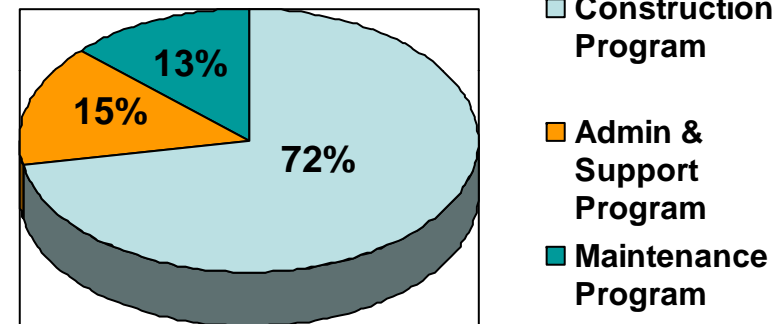
Acting Commonwealth Transportation Commissioner

January 25, 2010

The Blueprint

- **3 Parts to Blueprint**
 - Six-Year Program
 - Organization/Staffing
 - Services/Programs

Reductions by Program
Over 6 years



Six Year Program

Transportation Revenue Forecast Reductions (Six Year Estimates)

Spring 2008	\$1.11 billion
February 2009	<u>\$2.57 billion</u>
Through FY 2009	<u>\$3.68 billion</u>
August 2009	\$0.88 billion
November 2009	<u>\$0.05 billion</u>
FY 2010 Revisions	<u>\$0.93 billion</u>
Total	\$4.61 billion

Highway Program

(w/o Fed Reserve)

	Approved FY 2008- 2013	Approved FY 2009- 2014	Revised FY 2009- 2014	Approved FY2010- 2015	Revised FY2010- 2015
Interstate	\$2.1 b	\$2.1 b	\$1.4 b	\$1.3 b	\$1.4 b
Primary	\$2.0 b	\$1.6 b	\$1.3 b	\$1.0 b	\$1.1 b
Secondary	\$1.3 b	\$1.0 b	\$0.6 b	\$0.5 b	\$0.3 b
Urban	\$1.1 b	\$0.8 b	\$0.5 b	\$0.4 b	\$0.3 b
Federal Funds Maintenance	\$0.9 b	\$1.0 b	\$1.2 b	\$1.2 b	\$1.3 b
MPO	\$0.6 b	\$0.6 b	\$0.5 b	\$0.6 b	\$0.6 b
Safety, Enh, Rail, Other	\$0.6 b	\$0.8 b	\$0.5 b	\$0.5 b	\$0.5 b
Total	\$8.6 b	\$7.9 b	\$6.0 b	\$5.5 b	\$5.5 b



Commonwealth Transportation Fund Revenue Outlook Revised FY 2010 – 2015

(in millions)

	2010	2011	2012	2013	2014	2015	Total
State Transportation Revenues							
HMO	\$1,265.2	\$1,305.0	\$1,332.6	\$1,367.1	\$1,397.9	\$1,430.5	\$8,098.3
TTF net interest	801.9	822.6	847.8	880.0	914.1	950.9	5,217.3
PTF (From TTF)	149.1	148.2	154.2	162.1	169.7	177.1	960.4
Local and Other Revenues	368.0	232.7	223.3	206.6	202.8	200.1	1,433.6
Total	2,584.2	2,508.5	2,557.9	2,615.8	2,684.5	2,758.6	15,709.6
Federal Revenues	958.3	901.7	907.7	913.8	919.8	925.9	5,527.3
<i>Federal Contingency/Reserve</i>	<i>(85.2)</i>	<i>(85.7)</i>	<i>(86.2)</i>	<i>(86.8)</i>	<i>(87.3)</i>	<i>(87.8)</i>	<i>(519.0)</i>
Total Revenues (Excludes Federal Contingency/Reserve)	3,542.5	3,410.3	3,465.7	3,529.5	3,604.4	3,684.5	21,236.9
Other Financing Sources							
Capital Improvement Bonds	207.9	226.8	214.2	207.1	203.5	190.1	1,249.6
Total Revenues and Other Financing Sources	\$3,750.5	\$3,637.1	\$3,679.8	\$3,736.7	\$3,807.8	\$3,874.6	\$22,486.5



Commonwealth Transportation Fund Revised FY 2010 - 2015 Allocation Summary (in millions)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Total</u>
Debt Service	\$257.3	\$257.5	\$257.4	\$263.8	\$275.4	\$283.0	\$1,594.4
Other Agencies & Transfers	39.4	40.0	40.5	41.1	41.7	42.4	245.1
Highway Maintenance & Operations	1,630.7	1,686.8	1,753.0	1,821.9	1,893.4	1,967.5	10,753.3
Tolls, Admin & Other Programs	396.0	373.6	374.6	377.9	384.4	392.9	2,299.3
Public Transportation & Rail	344.0	364.4	371.0	364.1	370.0	377.1	2,190.7
Ports and Aviation	52.2	53.0	53.7	55.9	58.1	60.5	333.4
Earmarks & Special Financing	366.8	310.8	276.9	281.4	289.1	291.1	1,816.1
Highway Systems Construction	<u>664.1</u>	<u>551.0</u>	<u>552.6</u>	<u>530.7</u>	<u>495.7</u>	<u>460.2</u>	<u>3,254.3</u>
Total	\$3,750.5	\$3,637.1	\$3,679.8	\$3,736.7	\$3,807.8	\$3,874.6	\$22,486.5

Principles for SYIP FY 2010-2015 Update

- Maximize use of funds to meet federal strategy
- Fund underway project phases as well as project phases that start in FFY 2010
- Eliminate formula distribution of federal STP funds
 - Concentrate federal formula STP funds to advance project phases to completion
- Increase federal funds in maintenance program

Organization and Staffing

Organization and Staffing

- Achieve target staffing = 7500
- Review **ALL** positions and organization units
- Reshape and re-size to balance with program
- Maintain effective maintenance staffing and emergency response
- Reduce number of organizational units
- Reduce general administration/overhead staffing
- Adjust engineering staffing to size of construction program
- Maintain effective balance of outsourcing
- Ensure diverse and highly skilled workforce

Staffing Impacts

- Layoffs in 3 stages
- April 2009: 450 wage employees
- July 2009: 640 notices to classified employees
 - 529 left agency in October
- January 2010: 678 notices to classified employees
 - Estimate 500 to 550 will leave in April

Organization Impacts

- Reduce number of Residencies from 44 to 29
- Focus Residencies on managing maintenance function
- Reduce number of equipment shops from 73 to 37
- Reduce number of Transportation Operations Centers from 6 to 5
- Reduce number of materials labs from 8 to 5
- Maintain 181 Area Headquarters to ensure effective maintenance delivery
- Maintain 3400 maintenance staff
- Establish call center similar to “Miss Utility”
- Consolidate Land Development function at districts
- Consolidate fiscal functions at residencies and districts in the field
- Regionalize Right of Way function
- Strengthen planning and programming function at the districts

Services and Non-Construction Programs

Other Blueprint Adjustments

- Maintenance and operations services were evaluated and many reduced
 - Roadside activities such as mowing
 - Ferry services
 - Safety service patrols
- Additional reductions in other areas
 - Facility repairs
 - Furniture and equipment purchases
 - Security services
 - Training activities

HB/SB 29 and 30 Overview

HB/SB 29

FY 2010 Major Changes

Total FY 2010 budget reduced by \$166 million from \$3.483 billion to \$3.318 billion

Adjustments include:

- \$152 million due to revised NGF revenue estimates
- Distribution of the \$359.9 million reduction previously listed in Item 462.05 to the specific programs / service areas
- GF support to Route 58 Corridor Development Program reduced by \$13.2 million per the Governor's proposed amendment from the September revenue reductions. Uncommitted balances in the program are used to offset the reduction.
- Reduction in Program 607, Item 458, of \$7 million from the suspension of FY 2010 funding for the Access Programs. Programs will be funded in FY 2010 out of uncommitted amounts previously provided for this purpose. Funding for this program returns in FY 2011.

HB/SB 30

FY 2011 - 12 Biennial Budget

FY 2011 total budget of \$3.236 billion

FY 2012 total budget of \$3.267 billion

Program amounts reflect:

- Reduced transportation revenue forecast
- GF support for debt service of Bond Programs
 - The timing of the \$80 million provided per biennia to the Route 58 Corridor Development Program
 - Instead of \$40 million each year
 - Will be provided as \$12 million in the first year and \$68 million in the second year
 - Cash flow needs of the program will support the delay

HB/SB 30

FY 2011 - 12 Biennial Budget

- GF support for debt service of Bond Programs (continued)
 - The timing of the \$40 million provided per biennia to the Northern Virginia Transportation District Program
 - Instead of \$20 million each year
 - Will be provided as \$8 million in the first year and \$32 million in the second year
 - Cash flow needs of the program will support the delay

HB/SB 30

FY 2011 - 12 Biennial Budget

Introduced budget reduces VDOT's authorized MEL to 7,500

- Reduced by 850 positions from 8,350 in FY 2010
- Supports the direction set out in the Blueprint

HB/SB 30

FY 2011 - 12 Biennial Budget

The service area details for the maintenance program (604) were redefined to focus on:

- Highway System Infrastructure Maintenance to preserve and enhance the highway infrastructure
 - Pavements
 - Bridges and structures
 - Signals, technology and signs
 - Managed by highway system

- Highway System Services, Operations and Programs that improve mobility, safety, travel time reliability and security by providing emergency response, safety, security, mobility and related services on the ground transportation system.
 - Mowing and other roadside activities
 - Snow Removal
 - Traffic Management
 - Managed statewide

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