

# Virginia Department of Transportation

**BLUEPRINT UPDATE**

**JOINT COMMISSION ON  
TRANSPORTATION ACCOUNTABILITY**

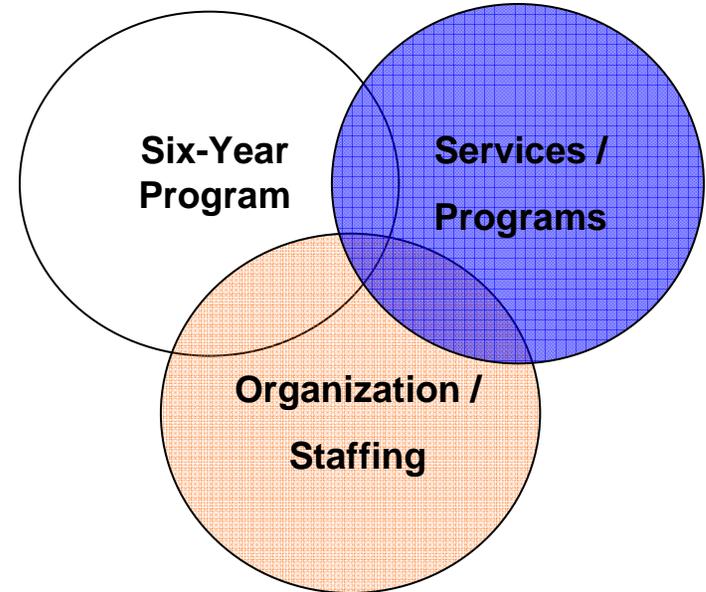
**David S. Ekern, Commissioner  
August 18, 2009**

# 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 16<sup>th</sup> 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

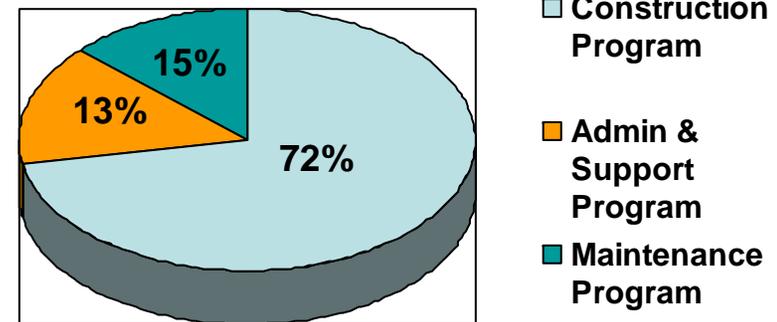
## 3 Parts to Blueprint

- 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



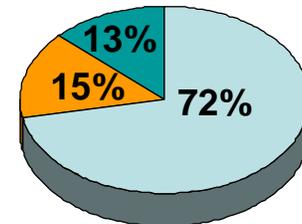
### A Business:

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

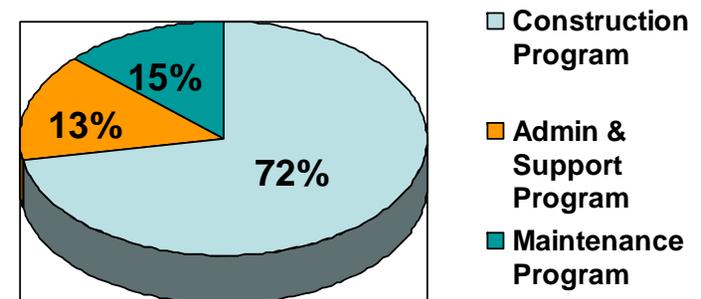
### Notes:

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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