Draft Revised
FY 2009 - 2014
Six-Year Improvement Program

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February 5, 2009

Background

- **The approved FY09-14 SYIP adopted by the CTB in June 2008 incorporated $1.1 billion in state transportation revenue reductions**

- **Mid-year correction is based on state and federal revenue reductions of $2.6 billion**
  - **Transit slight programmatic increase (Total Transit and Rail represents 33% of the SYIP)**
  - **Maintenance transfer increased to meet 3% growth level**
  - **Highway construction program reduced by $2 billion**

HB3202 Bonds

- $3 billion authorization over 10 years
- The current financial model projects $2.2 billion over the next 10 years; first sale would not be until fiscal year 2010
- Bonds may not be sufficient to fund all purposes envisioned by HB 3202 as follows ($1.6 billion currently programmed FY 2008-2014):
  1) transit and rail capital
  2) federal match
  3) revenue sharing program
  4) priority projects

Core Priorities

- **Maintenance and operation of existing highway and transit systems**
- **Match all available federal funds and meet federal mandates**
- **Economic development**
- **Transit and rail initiatives/congestion relief**
- **Bridge replacement and repair**

Total Draft Revised Six-Year Improvement Program

	Approved FY 2008-2013 Program	Approved FY 2009-2014 Program	Draft Revised FY 2009-2014 Program
Highway Construction	$8.6 billion	$7.9 billion	$6.0 billion
Rail & Public Transportation	$2.9 billion	$2.7 billion	$2.9 billion
Total	$11.5 billion	$10.6 billion	$8.9 billion

VDOT
Draft Revised FY 2009-2014
Six-Year Improvement Program

Revised Highway Program Strategy

- **Maximize use of federal funds**
- **Fund projects already obligated to meet federal strategy for FY 2009**
- **Fund underway project phases as well as project phases that start in FY 2009, most importantly construction phases underway**
  - **PE**
  - **RW**
  - **CN**
- **Safety, bridges and reconstruction of existing infrastructure are highway priorities**

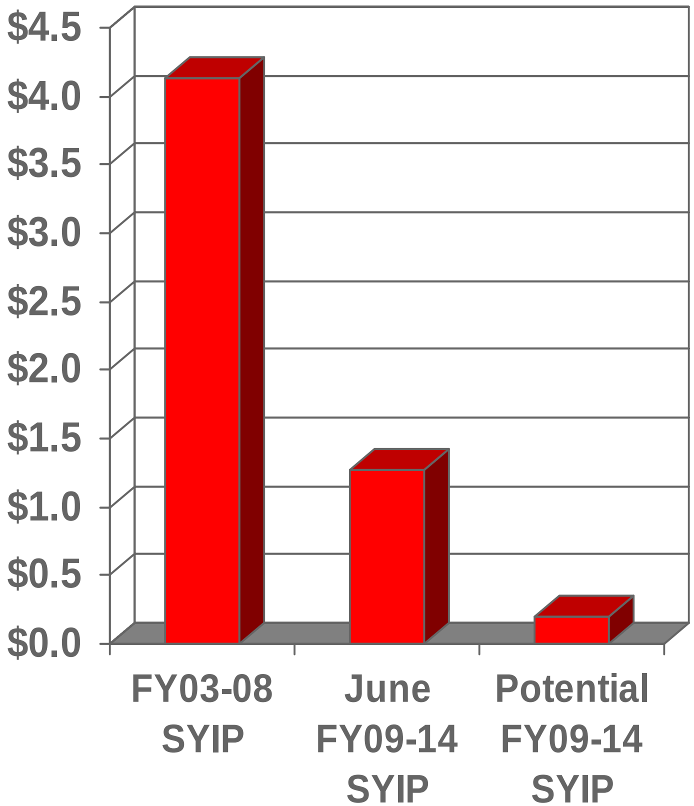
Highway Construction

	FY 2008-2013	FY 2009-2014	Revised FY 2009-2014
Interstate	$2.1 billion	$2.1 billion	$1.4 billion
Primary	$2.0 billion	$1.6 billion	$1.3 billion
Secondary	$1.3 billion	$1.0 billion	$0.6 billion
Urban	$1.1 billion	$0.8 billion	$0.5 billion
Federal Maintenance	$0.9 billion	$1.0 billion	$1.2 billion
MPO	$0.6 billion	$0.6 billion	$0.5 billion
Safety, Enh, Rail, Other	$0.6 billion	$0.8 billion	$0.5 billion
Total	**$8.6 billion**	**$7.9 billion**	**$6.0 billion**

VDOT: Six-Year Improvement Program

Beginning in FY10, there will not be any state or federal funds being allocated through the state primary, secondary and urban construction formula

Primary, Secondary and Urban State Formula



(Figures in billions and constant dollars)

Summary of Revised Highway Program Projects w/ Funding Reductions

System	Projects
Interstate	41
Primary	89
Secondary	549
Urban	130
Total	809

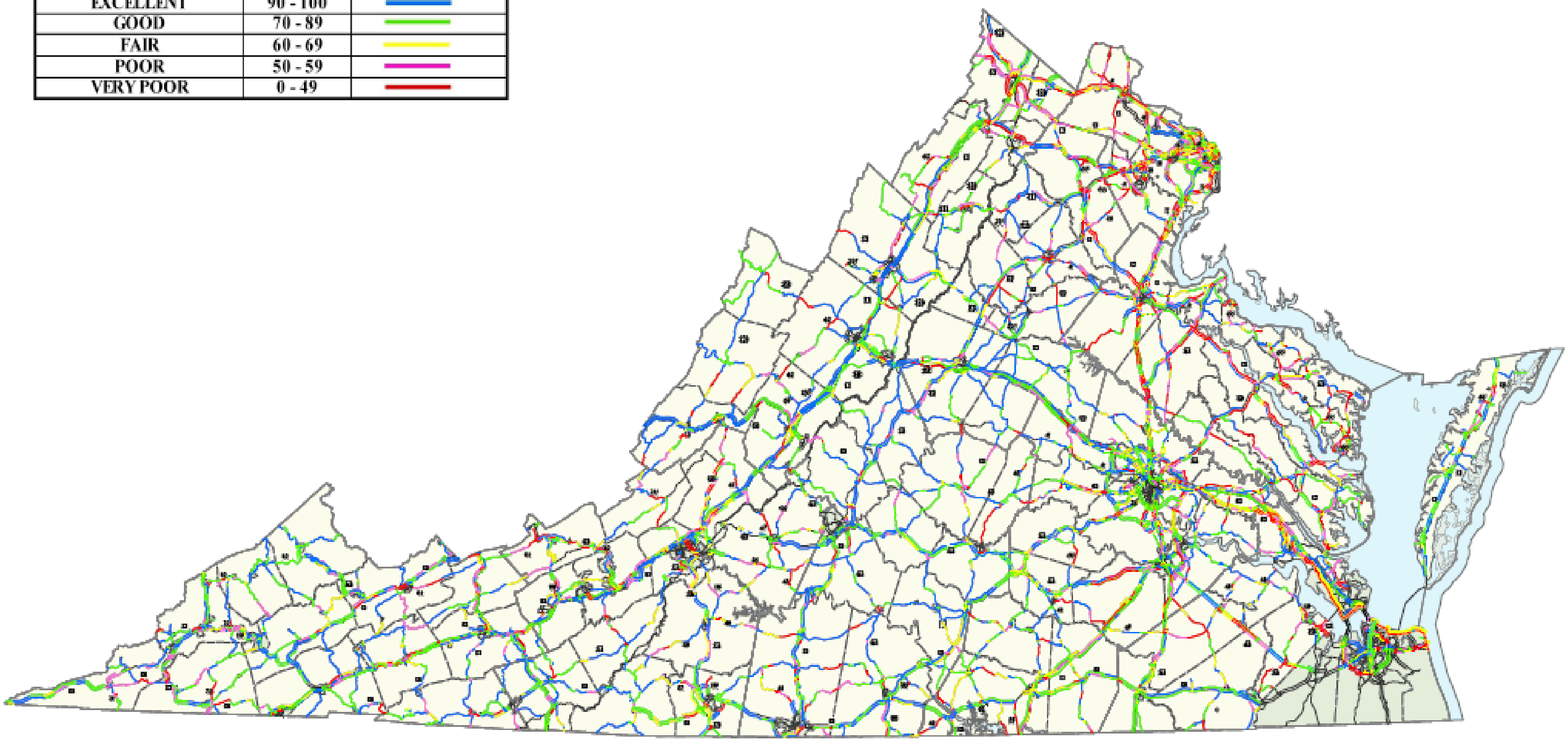
Pavement Conditions

VDOT is responsible for more than 125,000 lane miles of roadway. Preserving this investment is a core function. Of the total Interstate lane miles total 5,402 and Primary lane miles total 21,674.

- Interstate pavement rated deficient increased from 17.1% in 2006 to 20.5% in 2008.
- Primary pavement rated deficient increased from 15.8 % in 2006 to 24.4% in 2008.
- Up to $1 billion to stabilize deteriorating pavements.

Pavement Conditions

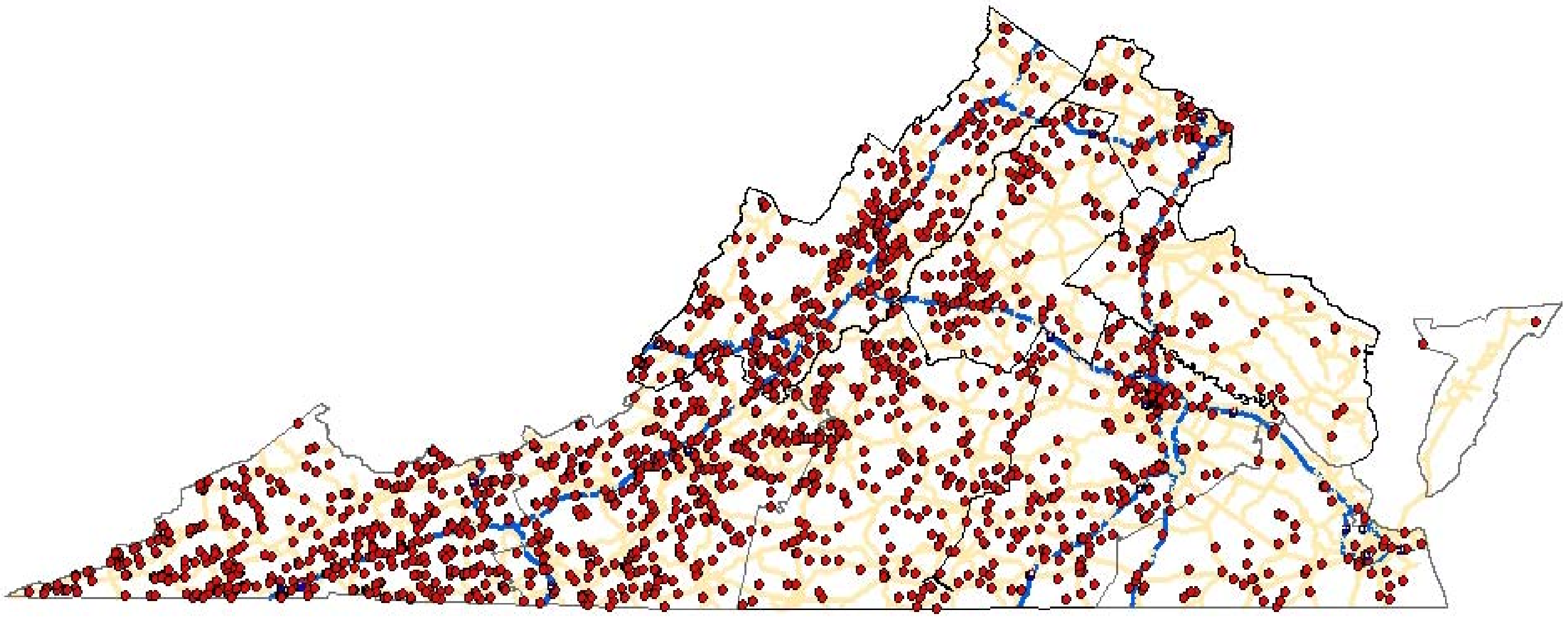
PAVEMENT CONDITION	CCI RATING	COLOR SCHEME
EXCELLENT	90 - 100	
GOOD	70 - 89	
FAIR	60 - 69	
POOR	50 - 59	
VERY POOR	0 - 49	



Deficient Bridge Structures

- **20,879 bridge structures statewide**
- **1,730 or 8.3% are structurally deficient**
- **$3.7 billion to replace structurally deficient bridge structures**
- **Cuts on 97 bridge projects in the Draft Revised FY 2009-2014 Program**

Deficient Bridge Structures



ORGANIZATION/STAFFING
-GOALS-

- **Reduced Staffing Overall by 1,000**
- **Reduce/Consolidate a number of facilities**
- **Reduce general administration and overhead**
- **Adjust engineering staffing to the size of the construction program**
- **Streamline business process and substitute technology for staff**
- **Maintain effective emergency response**

Public Transportation and Rail
Draft Revised FY 2009-2014
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Recommended Public Transportation and Rail Allocations

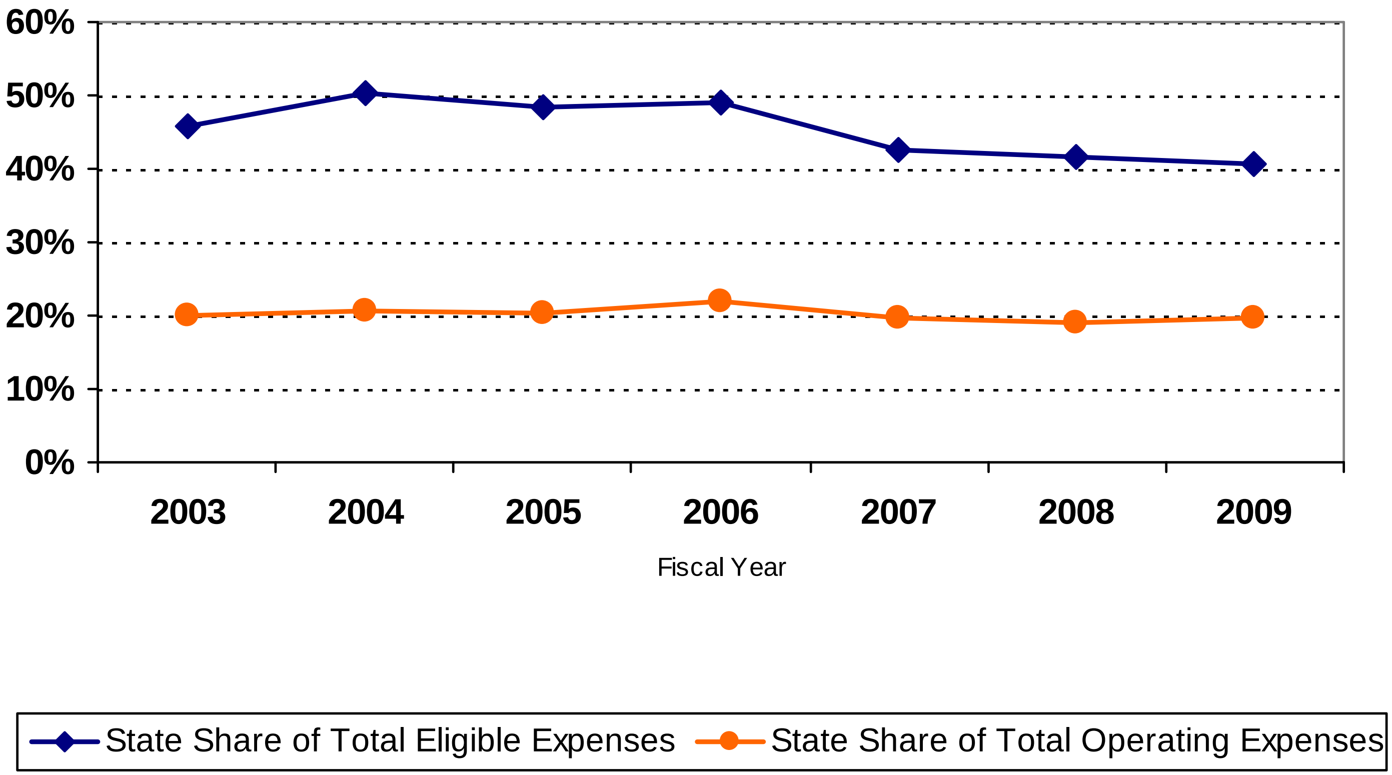
- Allocations of rail and transit capital bonds have been maintained
- Funding provided for a 3-year demonstration passenger rail service in the I-95 and I-81 corridors and related capital costs
- The programmatic impact of the dedication of recordation tax revenue for transit operating has been significantly diminished
- Matching shares for transit operating and capital programs have decreased due to the revenue reductions
- Allocation to rail projects through the Rail Enhancement Fund based on priorities identified in the Rail Resource Allocation Plan
- Rail and transit represent 33% share of the Revised SYIP

Three Year Comparison of Six Year Program

$ in millions

	FY 08 - 13	Revised FY 09 - 14
Public Transit	$1,780	$1,833
Rail	287	260
Dulles Metrorail	799	822
Total	$2,866	$2,915

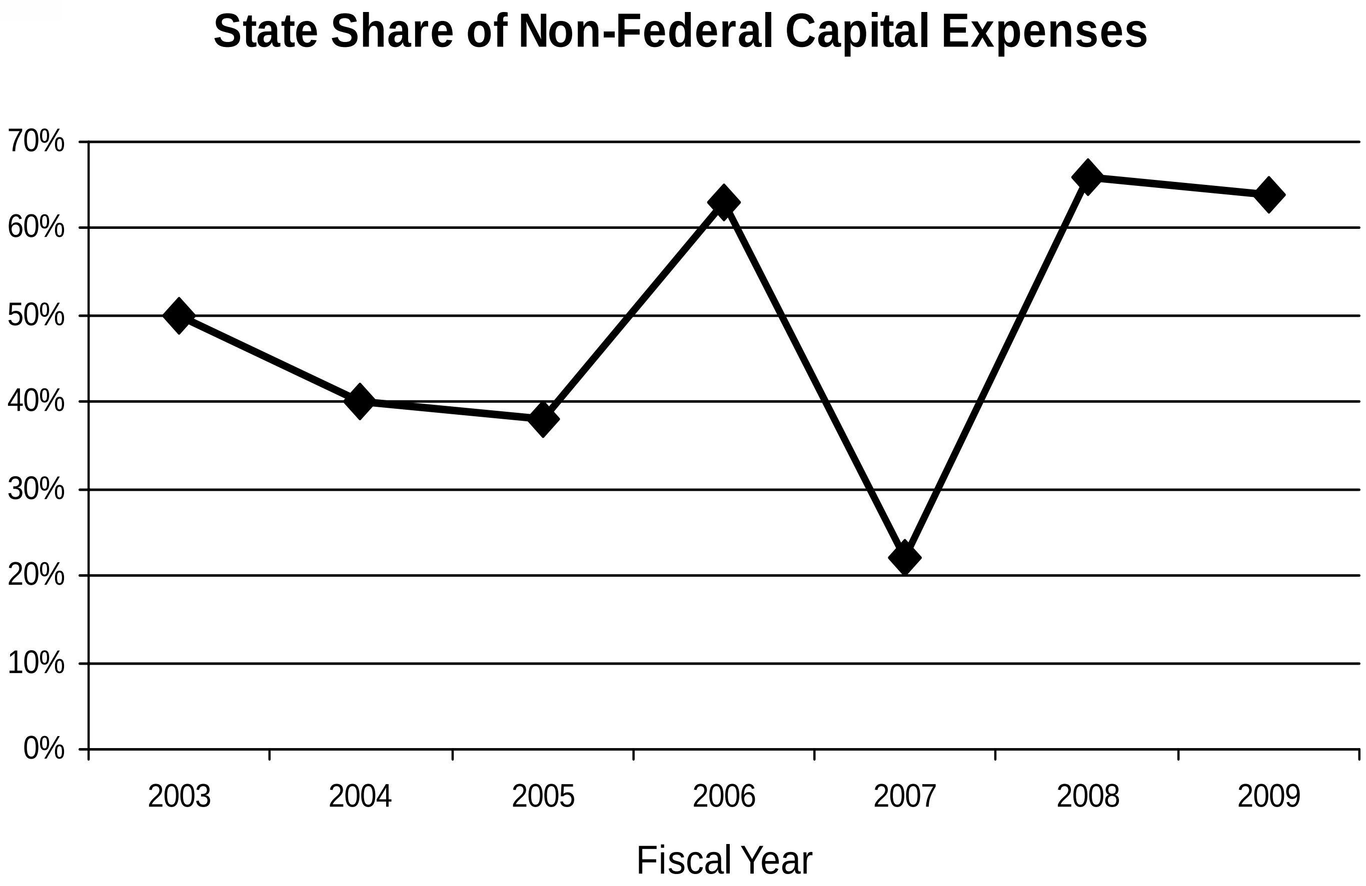
Transit Operations Funding 40% State Share



Transit Operations Funding

- **Addition of recordation tax revenue allowed 40% state match for the Revised FY 2009 program compared to 42% in FY 2008**
  - Without recordation tax, state match would be 32% of eligible costs
  - State share has not increased as intended with dedication of recordation tax
- **Actual dollars are $12.9 million higher in FY 2009 w/ recordation revenues**
- **Transit ridership is up YTD by 7%.**

Public Transportation Capital Funding
64% State Share



Capital and Operating Allocations by Select Grantees- Public Transportation ($ in millions)

Provider		FY 08	FY 09 Approved	FY 09 Revised
WMATA	*	$80.1	$88.5	$80.9
Virginia Railway Express	*	15.9	18.3	17.8
Hampton Roads Transit	*	23.2	31.6	30.4
GRTC		10.4	12.7	11.9
PRTC		6.5	8.0	7.3
Charlottesville Transit		2.3	1.0	1.0
Blacksburg Transit		2.0	1.0	0.9

* - In FY 2008, these entities received general fund allocations as stipulated in the 2007 Appropriations Act. The numbers above do not reflect these general funds.

Rail Programs

- **Includes $212 million for 8 projects for freight and passenger rail needs over the six-year period**
  - **Capital improvement in the I-95/I-64 and I-81/Rte. 29 rail corridors**
  - **Heartland Corridor and National Gateway freight initiatives**
  - **Intercity Passenger Rail, Port Authority, VRE Commuter Rail, and High Speed Rail initiatives**

Rail Programs (cont.)

- Pilot intercity passenger service for 3 years
  - Lynchburg to Washington, DC
  - Richmond to Washington, DC
  - $17.2 million in FY 10 – FY 12 of Commonwealth Transportation funds for operational subsidy
- Rail Preservation Program unchanged

Major Transit and Rail Initiatives

Agency Administrative Budget

- **15% reduction**
  - **Recent initiatives scaled back**
    - Statewide Transit and TDM plans
    - Performance review program
    - Financial compliance review program
    - DRPT Annual Report

- **$5.1 million of deobligated grant balances and DRPT administrative cuts utilized to mitigate overall grant funding reduction from 7.4% to 5.8%**

- **MEL reduction from 42 to 40**

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