

VDOT's BUDGET REDUCTION STRATEGIES

-Implementing the Blueprint-

CTB UPDATE

Commonwealth Transportation Board

May 20, 2009

DAVID S. EKERN, P.E.

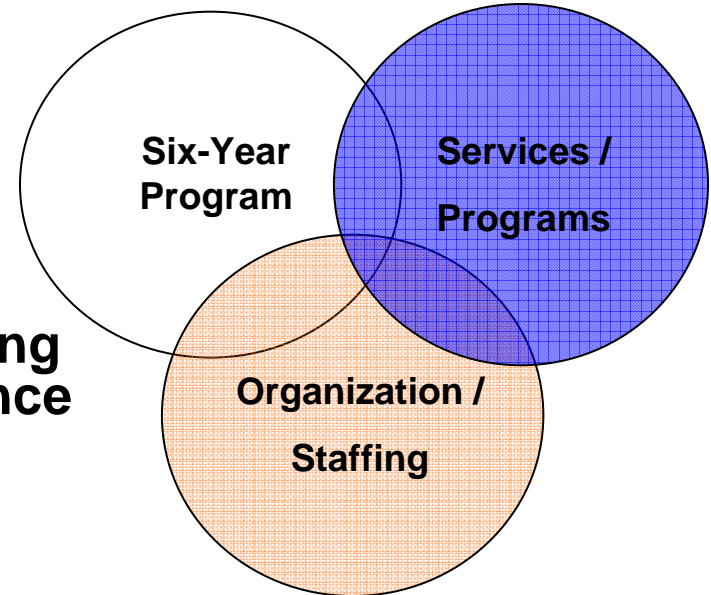
COMMISSIONER

TODAY'S BLUEPRINT OVERVIEW

- Fiscal Years 2010 to 2014 Maintenance and Operations Budget
Outlook/Directions
- Fiscal Year 2010 Customer Services
Change Proposals
- Organization and Staffing
Directions

WHY ARE WE HERE?

- **Sharply declining state revenues and unpredictable federal revenues –including gas, auto sales, recordation and insurance premium taxes**
- **\$2.6 billion reduction in total state and federal revenues over 6 years**
- **\$2 billion in net highway construction project reductions to date (on top of \$1.1 billion in June 2008)**
- **\$600 million over 6 years in administrative and service level cuts**
- **State and federal revenue estimates continue to change**



BLUEPRINT TIMELINE

- **August 2008** **Transportation revenue declines identified**
- **September 2008** **Response development begins**
- **Oct.-Nov. 2008** **Program, services and organizational impacts reviews undertaken**
- **December 2008** **Revenue estimates reflect \$2.6 billion in transportation revenue impacts**
 - CTB begins revisions to FY 09-14 Six-Year Improvement Program
 - Outreach to stakeholders, General Assembly industry continues
- **February 2009** **Plans finalize/initiation begins**
 - CTB adopts revised 09-14 Six-Year Improvement Program
 - Blueprint commences with employee meetings CTB overview.
- **March 2009** **Public comment on Service Reduction**
- **April 2009** **Appropriation Act Language directing Blueprint adopted**

APPROPRIATIONS ACT DIRECTION FOR BLUE PRINT

- Ensure maintenance and operations (core elements) are focused on emergency response, pavements and bridges repair and replacement, 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 from Commissioner to lowest line staff
- Use objective methodology for decisions
- No more than 7,500 filled classified positions by June 30, 2010
- Comprehensive Plan to Governor, Chairman House Appropriations, and Transportation, and Senate Transportation and Finance Committees, and provide quarterly progress reports.

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.

THE BLUEPRINT

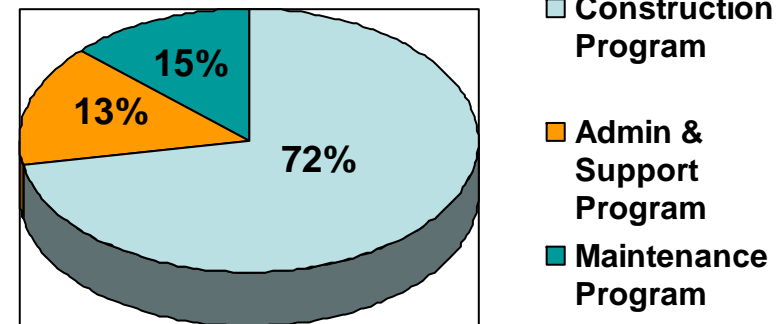
3 Parts to Blueprint

- 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

Next Steps

- **The plan will change as we move forward**
- **Implementation completed in 12 months**
- **No function or service remains off the table**
- June, 2009
 - Submit Implementation Plan to GA
 - CTB consideration of FY 2010 Budget
- July, 2009
 - Begin full implementation of BluePrint
- Ongoing
 - Monthly Updates to CTB
 - Quarterly Reports to Governor and GA

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