-A BLUEPRINT-
VDOT Response to a Declining Economy

David S. Ekern, P.E.
Commissioner
Virginia Department of Transportation
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THE FUTURE FOR VDOT

- ***Focused*** - mission of maintenance, operations and emergency response
- ***Scaled Services*** - first priority to the highway network that serves 85% of users and where the majority of crashes occur
- ***A Business*** - that integrates and streamlines partnerships and 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 with major new construction being episodic
- ***An Agency*** that will be smaller, providing its services differently and proportioned differently.

ESTIMATED REVENUE REDUCTIONS
(VDOT PROGRAMS)

	State Revenue (MILLIONS)	Federal Revenue (MILLIONS)(1)	Total (MILLIONS)
FY 2009	$227	$0	$227
FY 2010	$258	$93-$216	$351-$474
FY 2011	$240	$105-$216	$345-$456
FY 2012	$229	$117-$217	$346-$563
FY 2013	$232	$130-$218	$362-$450
FY 2014	$195	$143-$219	$338-$414
	$1,382	**$588- $1,086**	**$1,970-$2,468**

(1) FY 2011-2014 Based on AASHTO federal revenue reduction scenario

BLUEPRINT FOR RESPONSE

1. Organization/Staffing Changes
2. Services and Program Changes
3. CTB Program Changes

PRIORITIES DRIVING THE BLUEPRINT

- Maintaining emergency response capability
- Prioritizing services from centerline to the right of way edge
- Preserving and repairing system before expanding
- Maximizing use of federal funding
- Reshaping the agency to maintain core competency
- Eliminating or consolidating redundant functions
- Finishing projects under way
- Planning for new major construction to become episodic
- Adjusting project mix to reflect CTB priorities

ORGANIZATIONAL STREAMLINING

REDUCED

Residencies **by approximately 30%**

- Purpose/Form/Function/Location/Staffing will change

Central Office Divisions **by approximately 30%**

Equipment Repair Facilities **by approximately 40%**

TOCs/TEOC **from 6 to 5**

- Traffic Engineering Services
- System Technology (signals etc management)
- Emergency Operations/CADD/Call Centers – operational 24/7/365
- Primary customer service contact point

SHARED SERVICES COMMON TO THE AGENCY

- Service Centers for Administration/Procurement
- Design-Materials Testing-Right of Way

REDUCED LAYERS OF SUPERVISION

REDUCED STAFFING

- **Pay Increases Delayed (per Governor's action)**
  - From November 2008 to July 2009

- **Eliminating Vacancies**
  - Classified Vacancies 1,000
  - Wage and Temporary Vacancies 800

- **Staffing Target Levels:**
  - Classified Staff from 8,400 to 7,500
  - Wage and Temporary Employees from 1,200 to 500
  - Field/CO Senior Management reduced by 20%

- **Central Office Target:** from 1,300 to 1,000

REDUCED SERVICES/PROGRAMS

- **SERVICE LEVELS AND CONTRACT SPENDING (Approx. 70% of services are contracted today)**
  - **Services provided through contract spending.**
    - Evaluate all existing contracts for delay, renegotiation, or cancellation
    - Evaluate scope of maintenance contracts for renegotiation
  - **Evaluate all services provided by the Department to ensure consistency throughout the Commonwealth**
    - Snow and Ice levels of service
    - Roadside maintenance standards
    - Striping/Signing/Roadway Lighting
  - **Evaluate services including ferries and rest areas for reduction/elimination or provided through self-sustaining fees**
  - **All evaluations based on performance measures and metrics**
- **EMERGENCY RESERVES**
  - **Major Infrastructure Failure reserve reduced by 20%**
- **EVALUATE INTERAGENCY TRANSFER PAYMENTS**
  - **Locality Maintenance Payments**
  - **VITA**
  - **DMV**

CTB PROGRAM CHANGES

- Response will be developed and directed through six- year program update process
- Reductions from formula and designated distributions are anticipated
- Increased federal funds to maintenance projects
- May reduce or eliminate smaller programs
- This review will take place during November/December

ESTIMATED REDUCTIONS
BASED ON CURRENT BLUEPRINT

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Total
Staffing	$58	$87	$116	$116	$116	$116	$609
Services/ Programs	$75	$100	$100	$100	$100	$100	$575
CTB Program^	$94	$195	$220	$191	$210	$199	$1,109
Total Reduction	$227	$382	$436	$407	$426	$415	$2,293

^ Construction reductions are driven by federal revenue reductions and state construction funds

BLUEPRINT FORWARD STEPS

- **VDOT Staff to Detail/Implement the BLUEPRINT**
  - **FINANCE TEAM**
  - **CTB PROGRAM UPDATE**
  - **COMMUNICATIONS TEAM**
  - **STAFFING AND ORGANIZATION**
    - District/Field Team
    - Central Office Team
    - Business Services Team
  - **PEOPLE TRANSITIONS AND OPTIONS TEAM**
- **Engaging Industry leaders to find savings**
- **Possible Legislation**
  - **Federal and State**
- **Implementing a system of regular reporting**
  - **to Governor, General Assembly, CTB, employees and customers**

BOTTOMLINE

- VDOT will be a smaller agency with a different look
- Safety will still be the first priority across the Commonwealth
- Services throughout the Commonwealth will be reduced
- Probability is system conditions will NOT be as good as they are today

FINAL THOUGHTS

- The BLUEPRINT will change as we move forward
- 60 days to develop the BLUEPRINT and begin Implementation
- IMPLEMENTATION COMPLETED IN 24 MONTHS
- No function or SERVICE is off the table
- A Business Plan approach driven by our mission and values

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Responding to the Challenges of a Declining Economy

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