

-A BLUEPRINT-VDOT Response to a Declining Economy

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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	Total						
	(MILLIONS)	(MILLIONS)(1)	(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 Vacancies1,000

Wage and Temporary Vacancies800

Staffing Target Levels:

Classified Staff
 Wage and Tamperery Employee

Wage and Temporary Employees

Field/CO Senior Management

from 8,400 to 7,500 from 1,200 to 500 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^	<u>\$94</u>	<u>\$195</u>	<u>\$220</u>	<u>\$191</u>	<u>\$210</u>	<u>\$199</u>	<u>\$1,109</u>
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



-A BLUEPRINTResponding to the Challenges of a Declining Economy

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