

# ***VDOT's BUDGET REDUCTION STRATEGIES***

**-Implementing the Blueprint-**

## ***CTB UPDATE***

Commonwealth Transportation Board

May 20, 2009

DAVID S. EKERN, P.E.

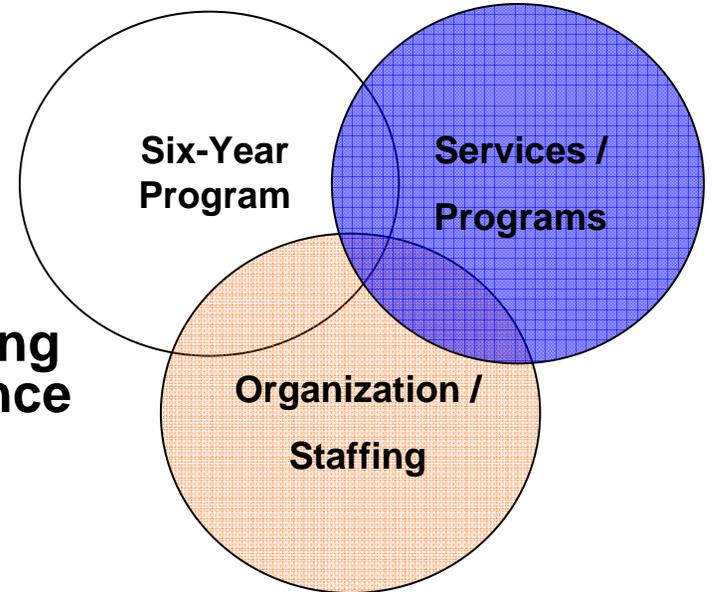
COMMISSIONER

# 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

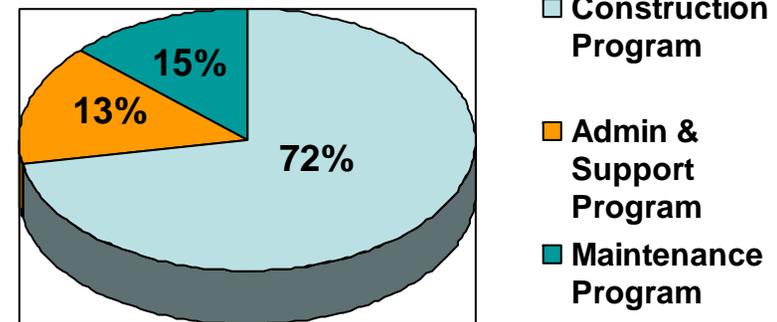
## 3 Parts to Blueprint

- 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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