

Commonwealth Transportation Board Maintenance Spending

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Virginia Department of Transportation



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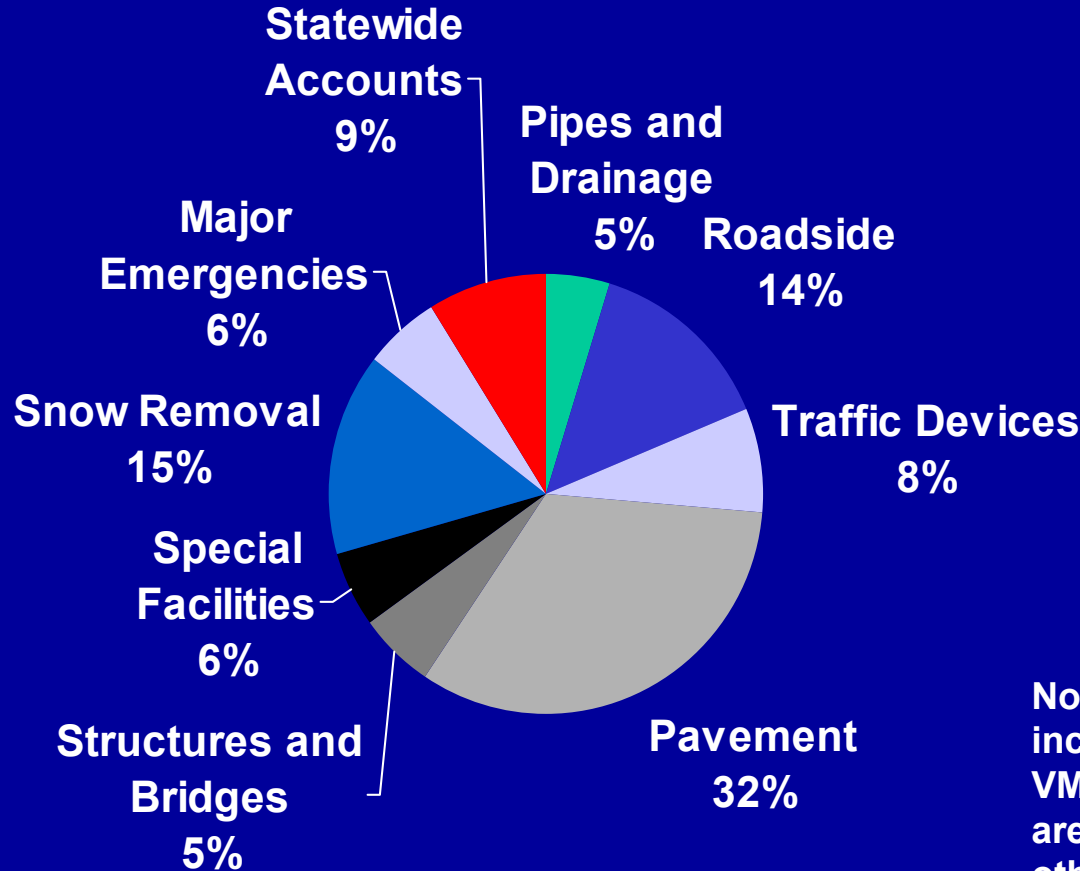
- **The *Code of Virginia* requires the Commonwealth Transportation Board to first allocate reasonable and necessary funding for highway maintenance, including maintenance payments to localities.**
- **The *Code* further provides that the CTB “shall have the authority to provide, from revenues available for highway capital improvements .. for exceptionally heavy expenditures for repairs or replacements made necessary by highway damage resulting from extraordinary accidents, vandalism, weather conditions, or acts of God ...”**

- **Furthermore, policy goals for the development and execution of the six-year program include 1) safety of citizens and 2) maintain the existing infrastructure. Sound financial management is also a part of daily decision-making.**
- **For FY 2003, the Commonwealth Transportation Board approved \$878.4 million for VDOT maintenance spending – balances from FY 2002 offset by budget bill changes make the net available for spending \$885.9 million.**

FY 2003 Maintenance Spending

- **As of March 31st, VDOT maintenance spending totaled \$682.4 million.**
 - **Payroll for 4,040 maintenance employees represent 30.5% of these expenditures**
 - **Contracts and contractual services represent 53% of maintenance expenditures**
 - **The balance of expenditures relate to supplies and materials, equipment, plant and property improvements.**

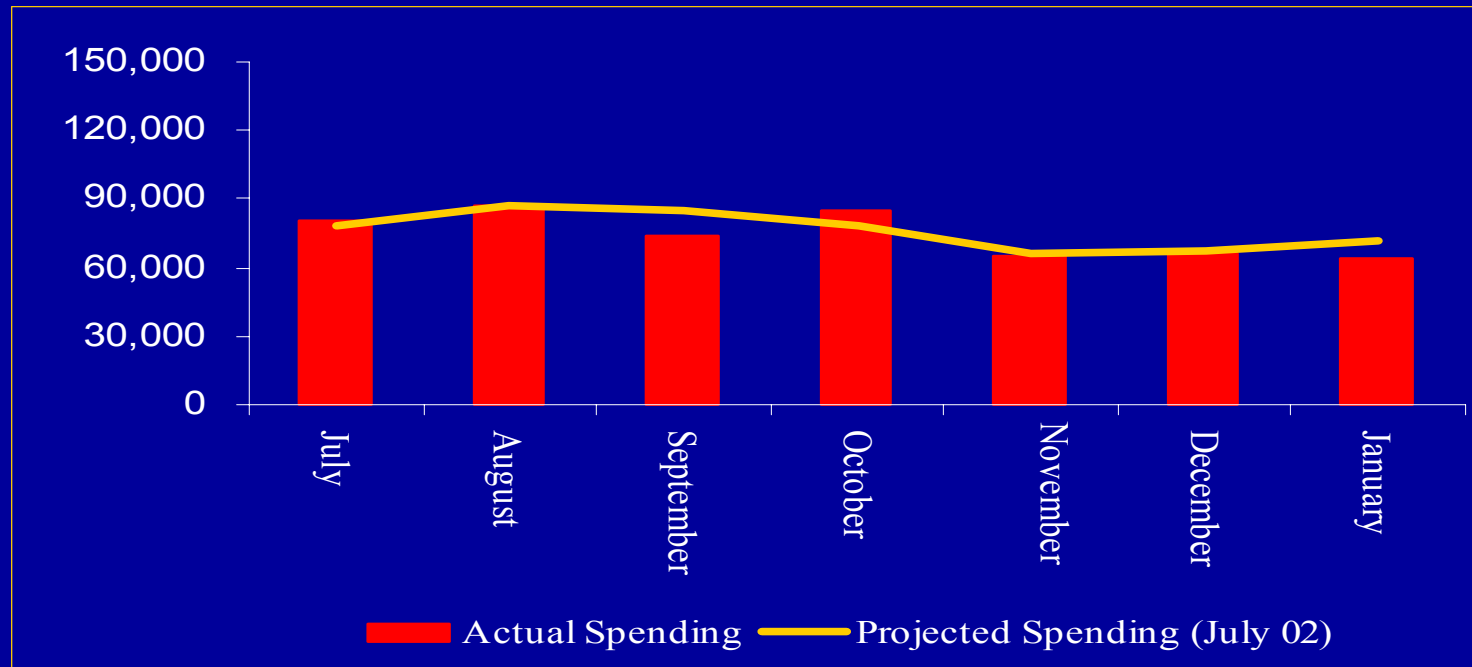
FY 03 Maintenance Spending



Note: Statewide Accounts includes: \$40.9 million for VMS, \$13.5 million for rest areas, and 16.3 million for other statewide activities

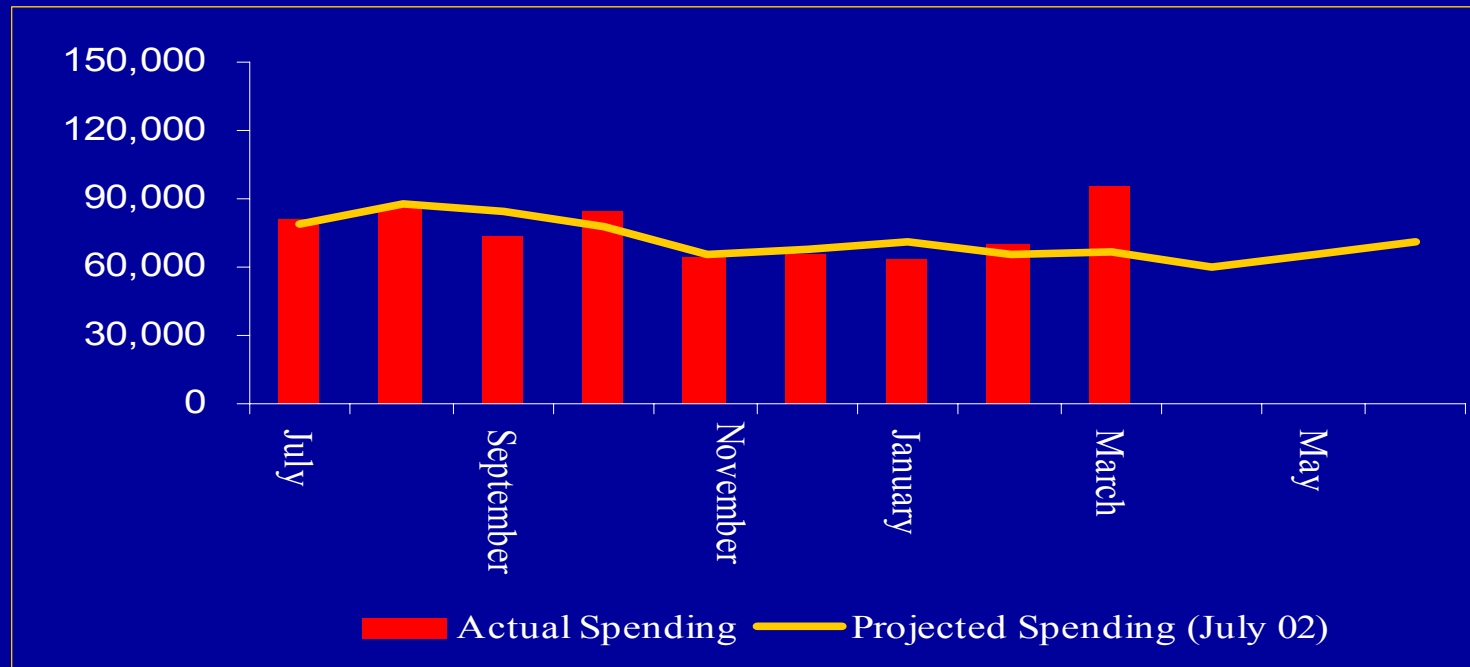
Maintenance Spending

- Until the end of January, maintenance expenses were below the projected spending levels set last July by \$31 million.



Maintenance Spending, continued

- However, during the last two months, maintenance expenditures have exceeded projected spending levels.



Snow & Emergency Spending

- Snow and other major emergencies have been the cause of the higher spending -- \$165.7 million through March 31st. \$74 million was budgeted.

Snow removal	\$124.0 million
Snow preparation	\$ 11.2 million
Other major emergencies	\$ 30.5 million
Total Spending	\$165.7 million

Snow Removal Budgets and Expenditures

Budget is based on an average of the five previous years

Fiscal Year	Budgeted \$	Expended \$	% of Budget Expended
2002	50 million	34 million	68%
2001	49.4 million	55.1 million	111.7%
2000	42.8 million	53.5 million	124.9%
1999	49.7 million	53.6 million	107.7%
1998	42.0 million	50.1 million	119.4%

Snow & Emergency Spending

- There have been 14 separate snow or major emergency events --5 affected the entire state.

Dec. 4 & 5	Statewide	Snow / Sleet / Freezing rain
Dec. 11	Central & North	Freezing Rain
Dec. 13	West	Snow / Sleet / Freezing Rain
Dec. 24 & 25	Central & North	Snow
Jan. 5	West & North	Snow
Jan. 16 & 17	Statewide	Snow
Jan. 23	South & Central	Snow
Jan. 30	Central & East	Snow / Sleet / Freezing Rain
Feb. 10	Central & West	Snow
Feb. 15 & 16	Statewide	Snow / Sleet / Freezing Rain/Rain
Feb. 22 & 23	Statewide	Rain (Flooding)
Feb. 26 & 27	Statewide	Snow / Freezing Rain
Mar. 20	Central	Rain (Flooding)
Mar. 30	West	Snow

Snow & Emergency Spending

- These storms cause not only immediate maintenance needs but also repairs that must be completed in a relatively short period of time to bring the roadway to an acceptable level of service. For example,

Immediate

remove the snow

clear the limbs

clear the mud

Level of Service

repair the potholes

rehabilitate the pavement

reconstruct the road

repair/replace equipment

Actions to Address Maintenance Needs and Spending

- **Through March 31st, \$682.4 million has been spent – leaving a spending balance of \$203.5 million for the last quarter of the fiscal year.**
- **Over the last month, maintenance and finance staff have been analyzing maintenance needs, prioritizing those needs, and determining required spending levels to address those prioritized needs.**
- **Maintenance Priorities: safety repairs, pavements, bridge inspection and repairs**

Actions to Address Maintenance Needs and Spending, continued

- Other maintenance spending has been curtailed on such items as mowing, fencing, litter pickup, equipment purchasing, spraying and tree trimming**
- Fixed costs, 76 percent of which are personnel and contract payments were also reviewed.**

Actions to Address Maintenance Needs and Spending, continued

- **Governor Warner requested federal disaster aid for some of the localities hardest hit by severe winter storms and flooding -- Counties of Arlington, Clarke, Fairfax, Fauquier, Frederick, Highland, Loudoun, Orange, and Rappahannock. Additionally, the Cities of Alexandria, Fairfax, Falls Church, and Winchester**
- **Based on VDOT spending in those areas, VDOT would likely be eligible for federal aid in the \$6-\$8 million range. This reimbursement usually occurs 2-4 years after the event.**

Actions to Address Maintenance Needs and Spending, continued

- Based on these actions, \$41.8 million in additional allocations for maintenance are needed this current fiscal year so that priority maintenance work can occur.

Net Available Maintenance Budget	\$ 885.9 million
Expenditures through March 31st	<u>682.4</u>
Remaining Program balance	203.5
Maintenance Program Needs	<u>245.3</u>
Additional Appropriation Needed	<u><u>41.8</u></u>

Recommended CTB Action

- **The *Code of Virginia* provides that the Board has the authority to provide for exceptionally heavy expenditures for repairs or replacements made necessary by highway damage resulting from weather conditions.**
- **Because the fiscal year is near its end and the budget bill has year to be signed, the Department of Planning & Budget (the Governor's budget office) can take an administrative action to adjust the maintenance budget.**

Recommended CTB Action, continued

- **A resolution for the Board's consideration has been drafted to**
 - **Request that DPB approve the request for the \$41.8 million in additional spending.**
 - **Allocate the \$41.8 million for maintenance during the current fiscal year.**
 - **Through the establishment of priorities, no additional funding will be needed in FY 2004 beyond what is already planned.**

Recommended CTB Action, continued

- The \$41.8 million in funding will come from the increased FY 2003 Highway Maintenance and Operating Fund revenues in the December 20th, 2002 official revenue estimate.
- The December estimate included a \$108.6 million increase in HMOF revenues for FY 2003.
- The budget just adopted by the General Assembly and the working assumption for the update of the six-year plan was that this entire \$108.6 million would be available for the construction program in FY 2004.

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