

**REPORT OF THE
DEPARTMENT OF TRANSPORTATION**

Six-Year Maintenance and Operations Program

**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**



HOUSE DOCUMENT NO. 29

**COMMONWEALTH OF VIRGINIA
RICHMOND
2007**



COMMONWEALTH of VIRGINIA

DEPARTMENT OF TRANSPORTATION

1401 EAST BROAD STREET
RICHMOND, VIRGINIA 23219-2000

David S. Ekern, P.E.
COMMISSIONER

June 20, 2007

Members of the General Assembly

Dear Ladies and Gentlemen:

The 2006 Appropriation Act (Special Session I), Item 444 A.5, required the Virginia Department of Transportation (VDOT) to develop and submit a six-year maintenance and operations program. This item was continued in the 2007 Appropriation Act. The language specifically requires:

“Prior to adoption, the Department shall develop and submit to the General Assembly a six-year maintenance and operations program no later than July 1, 2007, to provide greater transparency, predictability and equity of funding, and stability of investment over time. This program shall equitably distribute maintenance funds to districts based on objectively identified needs, define the base needs for each district and include future adjustments based on additional funding in district budgets to address differences in need across them. The Commonwealth Transportation Board shall review and approve the six-year maintenance and operations program and the annual updates.”

VDOT has used an asset management methodology that provides a quantifiable and objective assessment of asset conditions and operational requirements. Allocations are distributed to districts based on their share of the identified needs. Adjustments to allocations are made to close the gap between percentage of allocation and percent of needs, without penalizing those already receiving their equity share.

The six-year maintenance and operations program provides a base funding level for each district for fiscal years 2008 through 2013. This is the first time VDOT has developed a six-year maintenance and operations program that is balanced to VDOT's six-year revenue outlook. This will provide program transparency, promote predictability in funding levels, and enhance the stability of investment over time.

The attached exhibits were presented to the Commonwealth Transportation Board at its workshop and meeting June 20-21, 2007, for adoption along with the annual update of the six-year improvement program. Separate views of the six-year maintenance and operations program are provided to further promote transparency.

If you have questions or need additional information, please contact me or Connie Sorrell, Chief of System Operations.

Sincerely,

A handwritten signature in cursive script that reads 'David S. Ekern'.

David S. Ekern

Attachment

cc: The Honorable Pierce R. Homer

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**Exhibit 1. Six-Year Maintenance and Operations Program Including Locality Payments
Summary View by Fund Source (Allocations in millions)**

Program	Fund Source	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Maintenance and Operations	State	\$1,114.6	\$1,162.1	\$1,207.0	\$1,253.7	\$1,302.3	\$1,352.8
	Federal	143.0	143.6	149.2	155.0	161.0	167.2
	Total	1,257.6	1,305.7	1,356.2	1,408.7	1,463.3	1,520.0
Payments to Localities	State	325.7	337.7	351.2	365.2	379.8	395.0
	Total	1,440.3	1,499.8	1,558.2	1,618.9	1,682.1	1,747.8
Total	Federal	143.0	143.6	149.2	155.0	161.0	167.2
	TOTAL	\$1,583.3	\$1,643.4	\$1,707.4	\$1,773.9	\$1,843.1	\$1,915.0

The six-year summary view presents each year's anticipated allocation for maintenance (VDOT) and payments to localities. The program increase for VDOT is based on VDOT's six-year financial plan; the annual program increase for localities is assumed to be four percent. This view provides a high-level view of anticipated funding by fund source for statewide maintenance and operations through fiscal year 2013. No federal funds are used in the locality maintenance payment funding. Each district's total allocation is based on total dollars, irrespective of the percentage of federal funds that may be used in a program or an individual project.

**Exhibit 2. Six-Year Maintenance and Operations Program for VDOT
FY2008 Statewide Maintenance and Operations Allocation (in millions)**

District	FY2007 Allocation	Percent of Needs Assessment	FY2008 Allocation	Percent of FY2008 Allocation
Bristol	\$124.7	12.6%	\$137.1	12.1%
Salem	116.9	11.4%	132.1	11.7%
Lynchburg	77.1	6.5%	77.1	6.8%
Richmond	154.5	17.5%	172.6	15.3%
Hampton Roads	131.3	13.7%	155.3	13.8%
Fredericksburg	77.3	7.7%	82.8	7.3%
Culpeper	73.6	5.5%	73.6	6.5%
Staunton	107.2	9.2%	110.8	9.8%
Northern Virginia	171.8	15.7%	187.6	16.6%
Statewide Programs	151.3	-	128.7	-
Total	\$1,185.7	100%	\$1,257.6	100%

VDOT maintenance and operations allocations for fiscal year 2008 follow the same asset management based approach as the past two years. Funds are distributed based on the percentage of need in each district compared to the total statewide needs (excluding statewide programs) and the percentage of the allocations relative to the total amount of funds available (excluding statewide programs). No district's funds were reduced from 2007 levels. Additional funds available above those distributed last year were directed to those districts that did not have their equity share.

**Exhibit 3. Six-Year Maintenance and Operations Program Including Locality Payments
Six-Year Statewide View (Allocations in millions)**

District	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Bristol	\$148.9	\$152.1	\$155.4	\$158.8	\$162.3	\$165.8
Salem	162.3	166.2	170.1	174.2	178.4	182.7
Lynchburg	97.7	100.1	102.4	104.9	107.5	110.1
Richmond	234.7	245.4	256.8	263.2	269.9	276.7
Hampton Roads	296.0	303.7	312.7	321.9	331.5	341.4
Fredericksburg	84.9	86.6	88.4	90.2	92.1	94.0
Culpeper	79.9	80.1	80.4	80.6	80.9	81.2
Staunton	129.6	132.5	135.6	138.7	141.9	145.1
Northern Virginia	220.8	226.0	231.1	236.5	242.0	247.5
Statewide Programs	128.7	131.3	133.9	136.6	139.3	142.1
Program Contingency ¹	0.0	19.4	40.6	68.2	97.3	128.1
Total	\$1,583.3	\$1,643.4	\$1,707.4	\$1,773.9	\$1,843.1	\$1,915.0

¹ For FY2009-FY2013, this VDOT portion of the 4% annual increase will be distributed in future years based on updated needs assessments.

The six-year statewide view including maintenance payments to localities presents the maintenance and operations budgets, including maintenance payments to localities, by VDOT district and statewide programs. Statewide programs include the maintenance and operations of rest areas statewide, funding for operations programs (such as 511, traffic count data collection, and ITS), statewide maintenance and operations management, funds that are set aside to be distributed throughout the fiscal year to districts for unforeseen events (such as hurricanes, floods, and accounts receivable), and a statewide program reserve.

**Exhibit 4. Six-Year Maintenance and Operations Program For Locality Payments
Six-Year Statewide View (Allocations in millions)**

District	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Bristol	\$11.8	\$12.3	\$12.8	\$13.3	\$13.9	\$14.4
Salem	30.2	31.4	32.7	34.0	35.4	36.8
Lynchburg	20.6	21.4	22.2	23.1	24.0	25.0
Richmond	62.1	64.5	67.1	69.8	72.6	75.5
Hampton Roads	140.7	145.3	151.1	157.1	163.4	169.9
Fredericksburg	2.1	2.2	2.3	2.4	2.5	2.6
Culpeper	6.3	6.5	6.8	7.0	7.3	7.6
Staunton	18.8	19.5	20.3	21.1	21.9	22.8
Northern Virginia	33.2	34.6	35.9	37.4	38.9	40.4
Total	\$325.7	\$337.7	\$351.2	\$365.2	\$379.8	\$395.0

Funds for maintenance payments to localities are projected to increase four percent annually. They are displayed in the exhibit by district to provide a picture of the total amount of maintenance and operations funding going to that geographic area. Each locality will receive its payment based on the number of eligible miles in the system and the funding available for distribution. The fiscal year 2009 through 2013 allocations by district may vary based on changes to road mileages.

**Exhibit 5. Six-Year Maintenance and Operations Program for VDOT
Six-Year Statewide View (Allocations in millions)**

District	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Bristol	\$137.1	\$139.8	\$142.6	\$145.5	\$148.4	\$151.4
Salem	132.1	134.7	137.4	140.2	143.0	145.8
Lynchburg	77.1	78.6	80.2	81.8	83.5	85.1
Richmond	172.6	180.9	189.7	193.5	197.3	201.3
Hampton Roads	155.3	158.4	161.6	164.8	168.1	171.5
Fredericksburg	82.8	84.5	86.1	87.9	89.6	91.4
Culpeper	73.6	73.6	73.6	73.6	73.6	73.6
Staunton	110.8	113.0	115.3	117.6	119.9	122.3
Northern Virginia	187.6	191.4	195.2	199.1	203.1	207.1
Statewide Programs	128.7	131.3	133.9	136.6	139.3	142.1
Program Contingency ¹	0.0	19.4	40.6	68.2	97.3	128.1
Total	\$1,257.6	\$1,305.7	\$1,356.2	\$1,408.7	\$1,463.3	\$1,520.0

¹ For FY2009-FY2013, this portion of the 4% annual increase will be distributed in future years based on updated needs assessments.

The six-year statewide view presents the maintenance and operations budgets by VDOT district and statewide programs. Statewide programs include the maintenance and operations of rest areas statewide, funding for operations programs (such as 511, traffic count data collection, and ITS), statewide maintenance and operations management, funds that are set aside to be distributed throughout the fiscal year to districts for unforeseen events (such as hurricanes, floods, and accounts receivable), and a statewide program reserve.

**Exhibit 6. Six-Year Maintenance and Operations Program Including Locality Payments
FY2008 Statewide View by Service Area (Allocations in millions)**

District	Interstate Maintenance	Primary Maintenance	Secondary Maintenance	Operations Services	Management & Direction	Locality Payments	Total
Bristol	\$21.5	\$46.1	\$52.9	\$8.7	\$8.0	\$11.8	\$148.9
Salem	24.6	43.9	46.1	7.5	10.1	30.2	162.4
Lynchburg		32.2	34.4	2.5	8.0	20.6	97.6
Richmond Hampton Roads	49.1	58.0	46.2	8.6	10.6	62.1	234.6
Fredericksburg	42.2	33.9	19.2	48.5	11.5	140.7	296.0
Culpeper	12.3	32.1	28.5	3.1	6.8	2.1	84.9
Staunton	6.7	26.0	31.7	2.8	6.3	6.3	79.8
Northern Virginia	25.8	35.0	36.1	6.4	7.5	18.8	129.6
Statewide Programs	51.7	37.4	59.3	22.1	17.1	33.2	220.8
Total	\$273.7	\$361.8	\$371.0	\$149.3	\$101.7	\$325.7	\$1,583.3

This view presents the fiscal year 2008 information by VDOT service areas (as shown in the Appropriation Act): planned allocations by interstate, primary and secondary system maintenance, operations, management and direction, and payments to localities.