



COMMONWEALTH of VIRGINIA

Office of the

SECRETARY of TRANSPORTATION

**Transportation Update**

**Secretary of Transportation**

**Pierce R. Homer**

**November 2008**



Virginia Department of Rail and Public Transportation



# Fundamental Change in Transportation

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- **The Virginia transportation revenue outlook continues to decline, and these appear to be permanent changes**
- **We must make fundamental structural changes to our transportation administration, services, programs, and projects to address this long-term change to our revenue base**
- **These reductions are in addition to the \$1.1 billion reduction in state revenues last June**

# Fundamental Change in Transportation

- **Federal Highway Trust Fund is insolvent – Congress passed one-year \$8 billion “band-aid”**
- **Federal revenue outlook is very uncertain**
- **Federal revenues are only able to support 65% to 80% of the current program**
- **One-time stimulus package is possible**

# Fundamental Change in Transportation

- **Over the next six years federal and state transportation revenues will be reduced \$2.1 - \$2.6 billion**
  - **State revenue for the next six years is reduced \$1.5 billion**
  - **Federal revenue is trending downward with its long-term future unknown**

# Impact of Reductions

- **Cuts are disproportionately felt at VDOT and highway construction – between \$1.9 and 2.4 billion**
- **VDOT undergoing significant, long-term change**
  - 30% reduction in field offices
  - 30% reduction in central office divisions
  - 20% reduction in senior management
  - Staff will be reduced by 900 full time employees
  - Reduce wage employees by 800 and eliminate 1,000 vacancies

# Impacts of Reductions

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- **VDOT will be a smaller agency with a different look**
- **Safety will still be first priority across the Commonwealth**
- **Services throughout the Commonwealth will be reduced**
- **Future construction will likely be episodic in nature (e.g. stimulus package)**

# Six-Year Funding Reductions to Transportation Agencies

## Impact by Transportation Agency Budget

	2009	2010	2011	2012	2013	2014	Total
<b>VDOT</b>							
Total VDOT Budget	(226,963,850)	(258,366,025)	(240,433,325)	(229,117,650)	(232,164,375)	(195,033,575)	(1,382,078,800)
<b>DRPT</b>							
Total DRPT	(14,701,850)	(20,033,025)	(19,494,325)	(18,699,650)	(18,999,375)	(17,604,575)	(109,532,800)
<b>Federal Revenue Reduction Range</b>		(93,000,000)	(105,000,000)	(117,000,000)	(130,000,000)	(143,000,000)	(588,000,000)
		(216,000,000)	(216,000,000)	(217,000,000)	(218,000,000)	(219,000,000)	(1,086,000,000)
<b>Ports</b>							
Total Ports	(2,709,100)	(3,485,150)	(3,416,950)	(3,079,900)	(2,971,250)	(2,218,450)	(17,880,800)
<b>Aviation</b>							
Total Aviation	(1,425,200)	(1,855,800)	(1,745,400)	(1,542,800)	(1,465,000)	(1,003,400)	(9,037,600)
<b>Total State Revenue Change</b>	<b>(\$245,800,000)</b>	<b>(\$283,740,000)</b>	<b>(\$265,090,000)</b>	<b>(\$252,440,000)</b>	<b>(\$255,600,000)</b>	<b>(\$215,860,000)</b>	<b>(\$1,518,530,000)</b>
					<b>OVERALL TRANSPORTATION REVENUE (Low)</b>		<b>(\$2,106,530,000)</b>
					<b>REDUCTIONS as of October 14, 2008 (High)</b>		<b>(\$2,604,530,000)</b>

# Six-Year Program Process and Considerations

- Existing policy goals will be followed – complete project phases; bridges; multimodal; congestion relief; and maximize funding from partners
- Estimated reduction in insurance premiums revenues will mean that fewer bonds can be sold which will directly impact construction projects and designated programs
- This review will take place during November/December/January, including public hearings

# Transportation and Land Use

- **Transportation and land use are integrally related**
- **Governor Kaine has worked to improve the coordination between transportation and land use planning**
  - **Traffic Impact Analysis**
  - **Road Impact Fees**
  - **Urban Development Areas**
  - **Secondary Street Acceptance Requirements**
  - **Access Management**
  - **Regional Performance Measures**

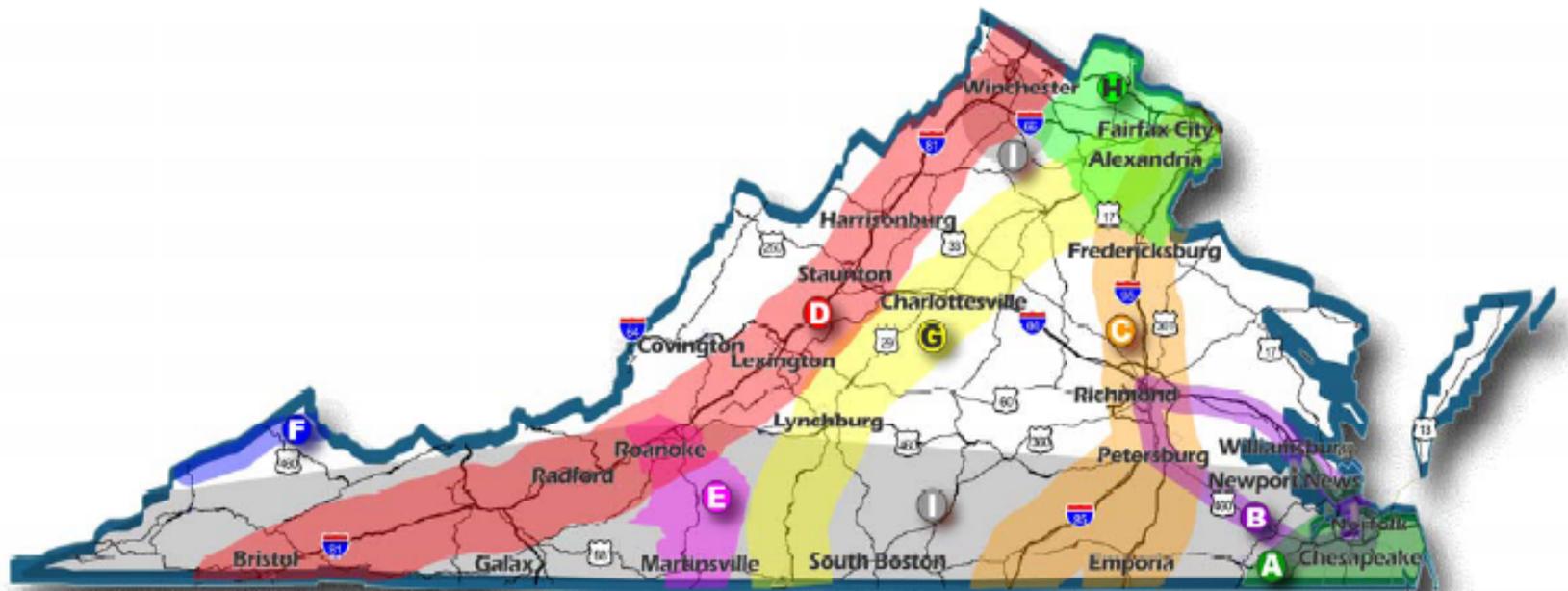
# Transportation and Land Use

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- **These and other recent changes represent a major change in land use policy and a clear charge from the Governor and General Assembly**
- **Our task is to make it work for our communities**
  - **Transparency and accountability**
  - **Fairness**
  - **Compact development**
  - **Fiscal responsibility**
  - **VTrans 2035**

# Transportation and Land Use – Priority Corridors?

FIGURE 34. ILLUSTRATIVE MINS



# Transportation and Land Use – Compact Development

