

OFFICE OF TRANSPORTATION

THE HONORABLE PIERCE R. HOMER, SECRETARY OF TRANSPORTATION

The agencies in the Transportation secretariat are charged with ensuring that Virginia has a transportation system that is safe, enables easy movement of people and goods, enhances the economy and improves our quality of life. These agencies plan, regulate, construct, maintain, operate, and provide for the safe use of the state's highways and ports. They also provide administrative and regulatory services, such as issuing driver's licenses, registering motor vehicles, and titling motor vehicles. In addition, transportation agencies provide planning assistance and funding for public transportation and airports.



TRANSPORTATION AGENCIES INCLUDE:

- Board of Towing and Recovery Operations
- Department of Aviation
- Department of Motor Vehicles
- Department of Rail and Public Transportation
- Department of Transportation
- Motor Vehicle Dealer Board
- Virginia Port Authority

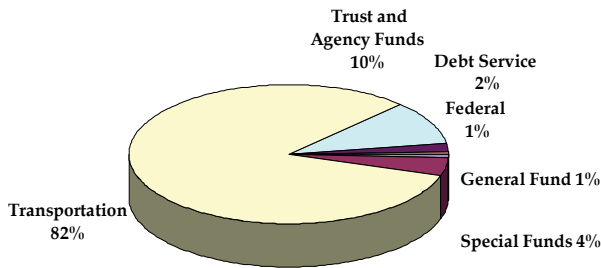


Accomplishments: Accountability and Management

To compete in the 21st century, the Commonwealth must possess a transportation system that implements rigorous management standards and holds transportation agencies accountable for their performance. Working toward this mission, Governor Kaine established the Transportation Accountability Commission in 2006. The commission recommended quantifiable outcome measures and performance standards for state transportation executives and agencies. These included the number of transportation related fatalities, the percentage of bridges in need of repair, and the percentage of congested highways.



Financing of Transportation Agencies* (Based on 2008-2010 Proposed Operating Budget)



*Funds with totals less than 1% have not been included

Safety

More than 900 people are killed on Virginia's highways each year, an average of nearly 19 per week or three per day. Virginia's transportation agencies partnered with the Virginia State Police to form the Highway Safety Challenge, which aims to reduce the number of highway fatalities by 100 by 2010. The partner agencies work collaboratively to address significant risk factors for highway fatalities through engineering, enforcement and education.

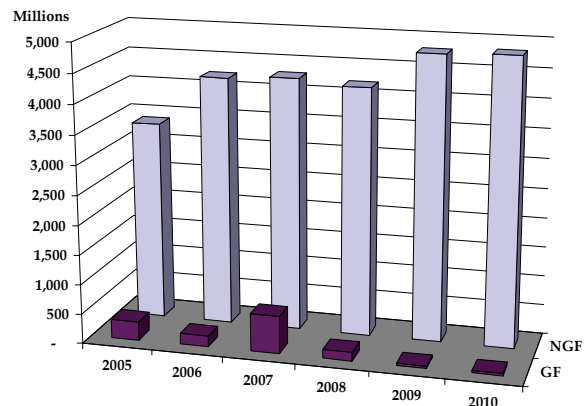
Following the August 2007 bridge disaster in Minnesota, VDOT ordered inspections for similar bridges in Virginia to ensure that there were no imminent safety issues. No serious safety issues were uncovered during the inspections, but the bridge inspections noted needed repairs on three bridges, which were completed. Bridge safety remains a constant commitment of the Commonwealth of Virginia.

Land-use

Legislation championed by Governor Kaine and unanimously approved by the 2006 General Assembly formalized VDOT's regulatory role in reviewing the traffic impact of local land-use proposals on the state-controlled transportation network. The intent of the regulation is to ensure that citizens and policy makers have

reliable information when they consider land-use proposals. During the 2007 session, the General Assembly passed legislation to improve the coordination between transportation and land-use planning. These initiatives include new access management standards to preserve and improve the efficiency of transportation infrastructure, new public benefit requirements for accepting new streets into the state secondary system, and regional performance measures for Northern Virginia and Hampton Roads. Implementation of the regulations will be phased in to allow for extensive educational and outreach opportunities for transportation stakeholders.

Office of Transportation Operating Budget History



Financial Resources

Major transportation legislation was passed by the 2007 General Assembly, representing the first increase in sustainable revenue for transportation in 21 years. The legislation included \$500 million in new state funds and \$600 million in new regional and local funds. Transit funding was increased \$100 million per year (41%) and rail funding by \$13 million per year (68%). Additionally, the Commonwealth's two most congested regions, Northern Virginia and Hampton Roads, now have the ability to raise regional revenues to address their transportation needs through transportation authorities.

Secretary of Transportation

<http://www.transportation.virginia.gov/>

The Secretary of Transportation has the responsibility of developing and implementing Virginia's transportation program, including policy and financial oversight for seven agencies that employ over 12,000 people and have a combined annual budget in excess of \$4.8 billion.

Operating Budget History

	General Fund	Nongeneral Fund	Positions
2005 Appropriation	\$0	\$613,873	6.00
2006 Appropriation	\$0	\$637,877	6.00
2007 Appropriation	\$0	\$685,500	6.00
2008 Appropriation	\$0	\$685,500	6.00

New Operating Budget Summary

	General Fund	Nongeneral Fund	Positions
2009 Base Budget	\$0	\$685,500	6.00
2009 Addenda	\$0	\$89,626	0.00
2009 TOTAL	\$0	\$775,126	6.00
2010 Base Budget	\$0	\$685,500	6.00
2010 Addenda	\$0	\$89,626	0.00
2010 TOTAL	\$0	\$775,126	6.00

Recommended Operating Budget Addenda

► Distribute Central Appropriations amounts to agency budgets

Adjusts the agency budget to reflect amounts moved from Central Appropriations to cover the cost of items such as the continuation of 2007 and 2008 salary and health insurance premium increases, as well as changes in retirement and disability contribution rates and other centrally funded items. For each year, \$89,626 (NGF).

Department of Aviation

<http://www.doav.virginia.gov/>

Our mission is to:

- cultivate an advanced aviation system that is safe, secure and provides for economic development;
- promote aviation awareness and education; and
- provide flight services for the Commonwealth Leadership and State agencies.

Key Objectives and Performance Measures

↔ We will provide financial assistance for airport development

Ratio of airport development grants executed to the value of allocations available.

↔ We will increase Aviation Awareness/Utilization

Number of enplanements at the air carrier airports (having scheduled service).

Amount of economic activity generated by Virginia's aviation system.

Operating Budget History

	General Fund	Nongeneral Fund	Positions
2005 Appropriation	\$44,067	\$26,436,699	31.00
2006 Appropriation	\$44,067	\$26,515,495	32.00
2007 Appropriation	\$44,067	\$32,030,855	33.00
2008 Appropriation	\$44,067	\$28,495,360	33.00

New Operating Budget Summary

	General Fund	Nongeneral Fund	Positions
2009 Base Budget	\$44,067	\$28,495,360	33.00
2009 Addenda	(\$2,203)	\$193,711	0.00
2009 TOTAL	\$41,864	\$28,689,071	33.00
2010 Base Budget	\$44,067	\$28,495,360	33.00
2010 Addenda	(\$2,203)	(\$108,289)	0.00
2010 TOTAL	\$41,864	\$28,387,071	33.00

Recommended Operating Budget Addenda

► Distribute Central Appropriations amounts to agency budgets

Adjusts the agency budget to reflect amounts moved from Central Appropriations to cover the cost of items such as the continuation of 2007 and 2008 salary and health insurance premium increases, as well as changes in retirement and disability contribution rates and other centrally funded items. For each year, \$266,211 (NGF).

► Remove appropriation for one-time acquisition of aircraft

Removes appropriation provided for purchase or lease-purchase of one or more replacement aircraft. For each year, a reduction of \$500,000 (NGF).

► Adjust appropriation to reflect increases in information technology costs

Provides appropriation to support recent cost increases in information technology monthly service rates and infrastructure fees. For each year, \$75,500 (NGF).

► Support assessments from Office of the Attorney General

Provides appropriation to address new charges from the Office of the Attorney General for the provision of legal support services. For each year, \$30,000 (NGF).

► Continue 2008 budget reductions

Continues the budget reductions included in the Governor's 2008 reduction plan into the 2008-10 biennium. For each year, a reduction of \$2,203 (GF).

► Enhance Airport IQ system

Increases appropriation to design the next phase of software that will further automate current manual processes and provide ongoing maintenance funding and enhanced technical support. Airport IQ is an internal system used to manage the agency's financial assistance to airports programs and provides many web-enabled functions to stakeholders. For 2009, \$322,000 (NGF). For 2010, \$20,000 (NGF).

► Shift funding source for Civil Air Patrol

Transfers the source of funding support from the Department of Emergency Management. The Virginia Wing of the Civil Air Patrol provides aviation education and emergency operations

for the Commonwealth as needed. The role of aviation education and aviation operations falls directly within the agency's primary mission.

Department of Motor Vehicles

<http://www.dmv.virginia.gov/>

DMV promotes Security, Safety, and Service through the administration of motor vehicle and tax related laws.

Key Objectives and Performance Measures

➔ **We will provide a reasonable customer wait time for customers conducting business with our Customer Service Centers (CSC)**

Reduce the average wait time for customers conducting business in Customer Service Centers

➔ **We will reduce the number of interactions between a citizen and DMV to complete a single transaction**

Average number of times a citizen is required to interact with DMV to complete a single transaction.

➔ **We will decrease the number of traffic fatalities by 100 by 2010**

Number of traffic fatalities

Operating Budget History

	General Fund	Nongeneral Fund	Positions
2005 Appropriation	\$0	\$247,605,104	1,994.00
2006 Appropriation	\$0	\$246,041,818	1,943.00
2007 Appropriation	\$0	\$261,287,528	1,943.00
2008 Appropriation	\$0	\$285,901,438	2,095.00

New Operating Budget Summary

	General Fund	Nongeneral Fund	Positions
2009 Base Budget	\$0	\$285,901,438	2,095.00
2009 Addenda	\$0	(\$54,896,954)	-32.00
2009 TOTAL	\$0	\$231,004,484	2,063.00
2010 Base Budget	\$0	\$285,901,438	2,095.00
2010 Addenda	\$0	(\$53,744,183)	-32.00
2010 TOTAL	\$0	\$232,157,255	2,063.00

New Capital Outlay Budget Summary

	General Fund	Nongeneral Fund	Positions
2009 Addenda	\$0	\$4,101,000	0.00
2010 Addenda	\$0	\$4,105,000	0.00

Recommended Operating Budget Addenda

▶ **Distribute Central Appropriations amounts to agency budgets**

Adjusts the agency budget to reflect amounts moved from Central Appropriations to cover the cost of items such as the continuation of 2007 and 2008 salary and health insurance premium increases, as well as changes in retirement and disability contribution rates and other centrally funded items. For each year, \$11.9 million (NGF).

▶ **Eliminate unfunded and vacant positions**

Reduces the agency's maximum employment level by 57 positions. These positions are both vacant and unfunded. For 2009, a reduction of 57 positions.

▶ **Transfer appropriation to new transfer payments subsidiary**

Transfers appropriation for financial assistance to localities, currently within the agency's budget, to a new transfer payments subsidiary of the agency. These transfer payments include the rental vehicle tax fund, the mobile home tax fund, disposal of abandoned vehicles fund, and federal transportation safety grants. Movement to this subsidiary will facilitate a clearer understanding of the agency's operating budget, as well as planning and budgeting for these payments. For each year, a reduction of \$73.1 million (NGF).

▶ **Shift fund type for portion of motor carrier operations and align appropriation**

Reduces appropriation and shifts fund types to reflect a recent change in the federal laws and regulations regarding motor carrier registrations. A cap on the amount of revenue that a state can retain in order to support motor carrier operations shifts any fluctuation in the burden of operations from the motor carrier fund to the agency's operating fund. Additionally, an appropriation decrease will align the appropriation to historical spending. For each year, a reduction of \$519,003 (NGF).

▶ **Adjust appropriation to reflect increases in rent, electricity, and license plate materials**

Increases appropriation to support vendor cost increases. These funds will address changes in facility rental rates, an increase in the electric rate, and the increased cost of aluminum for license plates. For each year, \$1.0 million (NGF).

▶ **Establish appropriation for cost recovery from regional transportation authorities**

Provides an appropriation to address the administrative cost of the revenue collection associated with implementation of House Bill 3202 regional fees. These fees will be recovered from revenue generated from the Northern Virginia and Hampton Roads Transportation Authorities. For each year, \$3.3 million (NGF).

▶ **Absorb the Board for Towing and Recovery Operations**

Transfers operation of the Board for Towing and Recovery Operations to the agency. Consolidating the activities of towing and recovery operations regulation and consumer assistance within a larger agency will promote efficiencies. For 2009, \$353,761 (NGF) and three positions. For 2010, \$353,761 (NGF).

▶ **Absorb operations of the Motor Vehicle Dealer Board**

Transfers operation of the Motor Vehicle Dealer Board to the agency. Consolidating the activities of motor vehicle dealer regulation and consumer assistance within a larger agency will promote efficiencies. For 2009, \$2.2 million (NGF) and 22 positions. For 2010, \$2.2 million (NGF).

▶ **Increase appropriation to reflect lease costs for regional commercial driver's license test sites**

Provides additional appropriation to support the lease costs associated with commercial driver's license test sites in the Roanoke, Portsmouth, and Richmond districts. The federal government has unveiled a new skills test that must be implemented by the end of 2010. The few remaining sites

Department of Motor Vehicles (Continued)

available to the agency will not accommodate the required backing maneuvers for this test. For 2010, \$1.2 million (NGF).

► **Provide resources to support operations**

Adds language providing for an increase in the driver's licensing fee of ten dollars for a five year license. The language also increases the cost for replacement and reissuance of licenses. The resources generated by these increases are necessary to maintain the security and integrity of Virginia's driver licensing system.

► **Provide authority to recover operational costs**

Allows the agency to recover a portion of its cost to collect revenue that supports the Highway Maintenance and Operating Fund and the Transportation Trust Fund. This language will permit the agency to retain one-half of one percent of the gross collections of sales and use tax on automobiles.

► **Redirect a portion of registration fee to agency operations**

Redirects a portion of the revenues from the Jamestown 400th anniversary registration fee to the Department of Motor Vehicles and the Virginia Tourism Authority.

Recommended Capital Outlay Addenda

► **Fund maintenance reserve**

Adds appropriation to implement maintenance reserve projects required to allow the continued use of existing facilities. For the biennium, \$900,000 (NGF).

► **Acquire Waynesboro customer service center**

Adds funds for acquisition of the Waynesboro customer service center. The property and all improvements will transfer to the agency upon expiration of the lease term. For the biennium, \$6,000 (NGF).

► **Develop commercial driver's license testing facility at Haymarket**

Provides funding for development of a regional commercial driver license testing site. By 2010, new federal law will require different driver skills tests for commercial driver's license applicants. Testing areas that are now used will not accommodate the expanded testing requirements, since they were designed to comply with current standards. For the biennium, \$2.1 million (NGF).

► **Provide mainline weigh-in-motion equipment - Sandston weigh station**

Provides funding for construction and installation of mainline electronic weigh-in-motion equipment to facilitate the screening of commercial vehicles on the mainline of the roadway for weight, safety, and credentials at highway speeds. Through the use of this technology, enforcement operations can make intelligent screening decisions in a dynamic environment allowing compliant commercial vehicle operators to continue uninterrupted on the mainline. For the biennium, \$1.3 million (NGF).

► **Renovate ramp pavement - Carson weigh station**

Adds appropriation for renovation of the paved areas on the northbound and southbound sides of the weigh station, including approach and exit aprons, commercial vehicle parking, and circulation areas. These paved surfaces are considered to be in poor condition due to a combination of volume of use, age, settlement, and water intrusion. For the biennium, \$1.2 million (NGF).

► **Renovate ramp pavement - New Church weigh station**

Adds appropriation for renovation of the paved areas on the northbound and southbound sides of the weigh station, including approach and exit aprons, commercial vehicle parking, and circulation areas. These paved surfaces are considered to be in poor condition due to a combination of volume of use, age, settlement, and water intrusion. For the biennium, \$797,000 (NGF).

► **Renovate and expand site features - Bland weigh station**

Provides appropriation for renovation and expansion of the existing facility and for correction of a variety of mechanical, plumbing, and accessibility deficiencies. These enhancements will allow staff to conduct proper inspections of commercial vehicles to improve safety on the Commonwealth's roadways and accommodate large vehicles and increasing traffic volumes. For the biennium, \$1.9 million (NGF).

► **Authorize capital lease for Roanoke Customer Service Center**

► **Authorize capital leases for regional commercial driver's license test sites in Roanoke, Richmond, and Portsmouth**

Department of Motor Vehicles Transfer Payments

To provide financial assistance to localities and Highway Safety grantees by administering the collection and disbursement of local Rental Tax, Mobile Home Tax, and Highway Safety Funds as required by the Code of Virginia.

New Operating Budget Summary

	General Fund	Nongeneral Fund	Positions
2009 Addenda	\$0	\$73,086,529	0.00
2009 TOTAL	\$0	\$73,086,529	0.00
2010 Addenda	\$0	\$73,086,529	0.00
2010 TOTAL	\$0	\$73,086,529	0.00

Recommended Operating Budget Addenda

► **Establish appropriation in new transfer payments subsidiary**

Transfers appropriation for financial assistance to localities from the Department of Motor Vehicles' operating budget to this newly created agency subsidiary. These transfer payments include the rental vehicle tax fund, the mobile home tax fund, disposal of abandoned vehicles fund, and federal transportation safety grants. Movement to this subsidiary will facilitate planning and budgeting for these payments. For each year, \$73.1 million (NGF).

Motor Vehicle Dealer Board

<http://mvdv.vipnet.org/>

The Motor Vehicle Dealer Board will administer sections of the Commonwealth's Motor Vehicle Dealer Laws and regulations as charged; while providing a high level of customer service for the automotive consumer and dealer community.

Key Objectives and Performance Measures

Motor Vehicle Dealer Board (Continued)

➤ We will respond to consumer email on a timely basis.

Percentage of email correspondence responded to within 3 business days.

➤ We will process salespersons applications on a timely basis.

Percentage of "clean" salespersons applications processed within 4 working days.

➤ We will inspect original (new) dealerships on a timely basis.

Percentage of opening inspections of (new) original dealerships within 30 days.

Operating Budget History

	General Fund	Nongeneral Fund	Positions
2005 Appropriation	\$0	\$1,810,100	22.00
2006 Appropriation	\$0	\$1,826,200	22.00
2007 Appropriation	\$0	\$1,937,589	22.00
2008 Appropriation	\$0	\$2,018,514	22.00

New Operating Budget Summary

	General Fund	Nongeneral Fund	Positions
2009 Base Budget	\$0	\$2,018,514	22.00
2009 Addenda	\$0	(\$2,018,514)	-22.00
2009 TOTAL	\$0	\$0	0.00
2010 Base Budget	\$0	\$2,018,514	22.00
2010 Addenda	\$0	(\$2,018,514)	-22.00
2010 TOTAL	\$0	\$0	0.00

Recommended Operating Budget Addenda

▶ Distribute Central Appropriations amounts to agency budgets

Adjusts the agency budget to reflect amounts moved from Central Appropriations to cover the cost of items such as the continuation of 2007 and 2008 salary and health insurance premium increases, as well as changes in retirement and disability contribution rates and other centrally funded items. For each year, \$149,378 (NGF).

▶ Adjust appropriation to reflect increases in rent and information technology costs

Provides appropriation to support recent cost increases in the facility rental rate and information technology monthly service rates and infrastructure fees. For 2009, \$42,890 (NGF). For 2010, \$45,661 (NGF).

▶ Transfer operation of agency to the Department of Motor Vehicles

Transfers agency operations to the Department of Motor Vehicles. Consolidating the activities of motor vehicle dealer regulation and consumer assistance within a larger agency will promote efficiencies. For 2009, a decrease of \$2.2 million (NGF) and 22 positions. For 2010, a decrease of \$2.2 million (NGF).

Board of Towing and Recovery Operations

To protect the public by setting standards of qualifications, training, and experience for those who seek to represent themselves to the public as towing and recovery professionals and promoting high standards of professional performance for those engaged in the practice of towing and recovery.

Operating Budget History

	General Fund	Nongeneral Fund	Positions
2007 Appropriation	\$0	\$350,000	3.00
2008 Appropriation	\$0	\$350,000	3.00

New Operating Budget Summary

	General Fund	Nongeneral Fund	Positions
2009 Base Budget	\$0	\$350,000	3.00
2009 Addenda	\$0	(\$350,000)	-3.00
2009 TOTAL	\$0	\$0	0.00
2010 Base Budget	\$0	\$350,000	3.00
2010 Addenda	\$0	(\$350,000)	-3.00
2010 TOTAL	\$0	\$0	0.00

Recommended Operating Budget Addenda

▶ Distribute Central Appropriations amounts to agency budgets

Adjusts the agency budget to reflect amounts moved from Central Appropriations to cover the cost of items such as the continuation of 2007 and 2008 salary and health insurance premium increases, as well as changes in retirement and disability contribution rates and other centrally funded items. For each year, \$3,761 (NGF).

▶ Transfer agency to Department of Motor Vehicle operations

Transfers operation of the Board for Towing and Recovery Operations to the Department of Motor Vehicles. Consolidating the activities of towing and recovery operations regulation and consumer assistance within a larger agency will promote efficiencies. For 2009, a decrease of \$353,761 (NGF) and three positions. For 2010, a decrease of \$353,761 (NGF).

Department of Rail and Public Transportation

<http://www.drpt.virginia.gov/>

The Department of Rail and Public Transportation exists to improve mobility and expand transportation choices in the Commonwealth.

Key Objectives and Performance Measures

➤ We will assist in managing the growth in traffic congestion in Virginia by increasing public transportation ridership in the urbanized areas of the Commonwealth.

The number of passenger trips/person on public transportation systems in urbanized areas of the Commonwealth.

➤ **We will increase mobility for Virginians who are disabled, elderly or who must live off of low incomes to ensure access to basic human services such as employment, medical care, shopping and social activities.**

Passenger trips on public transportation systems taken by elderly, disabled and low income people in Virginia.

➤ **We will retain and expand employment on lower volume branch or short line railroads in rural areas.**

Maintain and grow the number of total employees of Virginia's Shortline railroads operating in Virginia.

➤ **We will Retain, Maintain, Improve and Develop railways in Virginia.**

Increase the volume of freight shipped by rail through completed Rail Enhancement Projects and express in truckload equivalents diverted from Virginia's highways.

Operating Budget History

	General Fund	Nongeneral Fund	Positions
2005 Appropriation	\$0	\$163,448,975	44.00
2006 Appropriation	\$200,000	\$260,898,306	43.00
2007 Appropriation	\$0	\$360,488,770	55.00
2008 Appropriation	\$0	\$459,148,120	55.00

New Operating Budget Summary

	General Fund	Nongeneral Fund	Positions
2009 Base Budget	\$0	\$459,148,120	55.00
2009 Addenda	\$0	\$125,855,116	0.00
2009 TOTAL	\$0	\$585,003,236	55.00
2010 Base Budget	\$0	\$459,148,120	55.00
2010 Addenda	\$0	\$135,401,499	0.00
2010 TOTAL	\$0	\$594,549,619	55.00

Recommended Operating Budget Addenda

➤ **Distribute Central Appropriations amounts to agency budgets**

Adjusts the agency budget to reflect amounts moved from Central Appropriations to cover the cost of items such as the continuation of 2007 and 2008 salary and health insurance premium increases, as well as changes in retirement and disability contribution rates and other centrally funded items. For each year, \$409,541 (NGF).

➤ **Provide appropriation for recordation tax revenue**

Provides appropriation for revenue increases provided by legislation passed in the 2007 Session of the General Assembly. House Bill 3202 directed a portion of the recordation tax to the Mass Transit Fund. For 2009, \$42.7 million (NGF). For 2010, \$44.9 million (NGF).

➤ **Adjust appropriation to reflect FY 2008-2013 financial plan**

Adjusts appropriation to reflect the six-year financial plan as approved by the Commonwealth Transportation Board, based on the 2006 official revenue estimates for the Transportation Trust Fund and federal funds. This action also adjusts appropriation to reflect the November 2007 official revenue estimate. For 2009, \$82.7 million (NGF). For 2010, \$90.1 million (NGF).

➤ **Transfer appropriation for Human Services Transportation programs**

Transfers existing Mass Transit Trust Fund revenues to provide state matching funds for the Federal Transit Administration's New Freedom Program. The program will fund initiatives that will improve the mobility of the elderly and disabled. The amendment will transfer the Mass Transit Trust Fund revenues prior to the formula disbursement of Mass Transit Trust Fund revenues.

➤ **Authorize funding source for project development, management, and compliance**

Authorizes the use of existing public transit and rail funds for project development, management, and compliance activities. Up to three percent of a project's funding may be used for this purpose.

➤ **Authorize study of funding for intercity passenger rail services**

Authorizes the Department of Rail and Public Transportation to study the use of Rail Enhancement Fund revenues for the costs of contracting with Amtrak for new intercity passenger rail services between Richmond and Washington, DC.

➤ **Amend language governing use of transit funding**

Permits the Commonwealth Transportation Board to require that local funding provided to transit be maintained in fiscal year 2009 and beyond, preventing localities from using state funds to offset local investments in transit.

➤ **Amend language governing Transportation Efficiency Improvement Fund**

Authorizes the use of the Transportation Efficiency Improvement Fund to fund congestion reduction initiatives proposed by private companies. Currently, the fund is available to proposals from local and regional entities that reduce traffic congestion by reducing the number of single-occupant vehicles. The amendment would open the fund to proposals from private companies targeting passenger and freight vehicles operating on Virginia's highways.

Department of Transportation

<http://www.virginiadot.org/>

The Virginia Department of Transportation (VDOT) will plan, develop, deliver, operate and maintain a transportation system that is safe, enables easy movement of people and goods, enhances the economy and improves our quality of life.

Key Objectives and Performance Measures

➤ **We will preserve and manage safety, security and operational performance of the existing transportation infrastructure.**

Number of traffic crash related deaths on Virginia roadways

➤ **We will preserve, manage, and operate the existing transportation system through technology and more efficient operation.**

Percent of Congestion Free Travel on all Interstate roadways

Congestion growth on state highways in Northern Virginia as measured by the Texas Transportation Institute (TTI).

Congestion growth on state highways in Virginia Beach as measured by the Texas Transportation Institute (TTI).

Department of Transportation (Continued)

Congestion growth on state highways in Richmond as measured by the Texas Transportation Institute (TTI).

→ We will provide the Commonwealth of Virginia with Best-in-Class Agency Leadership and Direction

On-time and On-budget (both) Construction & Maintenance (both) Project Delivery

Operating Budget History

	General Fund	Nongeneral Fund	Positions
2005 Appropriation	\$317,439,911	\$2,879,702,606	10,504.00
2006 Appropriation	\$185,002,289	\$3,621,701,256	10,322.00
2007 Appropriation	\$642,700,000	\$3,540,829,880	9,822.00
2008 Appropriation	\$149,800,000	\$3,336,856,289	9,823.00

New Operating Budget Summary

	General Fund	Nongeneral Fund	Positions
2009 Base Budget	\$149,800,000	\$3,336,856,289	9,823.00
2009 Addenda	(\$109,800,000)	\$441,055,097	-323.00
2009 TOTAL	\$40,000,000	\$3,777,911,386	9,500.00
2010 Base Budget	\$149,800,000	\$3,336,856,289	9,823.00
2010 Addenda	\$70,200,000	\$466,493,748	-323.00
2010 TOTAL	\$220,000,000	\$3,803,350,037	9,500.00

New Capital Outlay Budget Summary

	General Fund	Nongeneral Fund	Positions
2009 Addenda	\$0	\$13,678,000	0.00
2010 Addenda	\$0	\$13,304,000	0.00

Recommended Operating Budget Addenda

► Distribute Central Appropriations amounts to agency budgets

Adjusts the agency budget to reflect amounts moved from Central Appropriations to cover the cost of items such as the continuation of 2007 and 2008 salary and health insurance premium increases, as well as changes in retirement and disability contribution rates and other centrally funded items. For each year, \$61.7 million (NGF).

► Move insurance premiums from general fund to nongeneral fund

Transfers insurance premium funding pursuant to legislation passed in the 2007 Session of the General Assembly. HB 3202 provides that one-third of the revenues from insurance premiums be transferred to the Transportation Trust Fund. For 2009, a decrease of \$109.8 million (GF) and an increase of \$137.0 million (NGF). For 2010, a decrease of \$109.8 million (GF) and an increase of \$144.1 million (NGF).

► Annualize cost for liaison between emergency operation centers

Annualizes the cost of one new position for the Transportation Emergency Operations Center. For each year, \$18,750 (NGF).

► Provide appropriation for HB 3202 revenue increases

Provides appropriation for revenue increases provided by legislation passed in the 2007 Session of the General Assembly. HB 3202 increased the registration fee on vehicles, tax rate on diesel fuel, and fines on overweight vehicles and

abusive drivers. This action provides appropriation for the estimated revenue. For 2009, \$197.0 million (NGF). For 2010, \$202.5 million (NGF).

► Adjust appropriation to reflect fiscal year 2008-2013 financial plan

Adjusts appropriation to reflect the six-year financial plan as approved by the Commonwealth Transportation Board, based on the 2006 official revenue estimate for the Transportation Trust Fund and federal funds. For 2009, \$68.2 million (NGF). For 2010, \$83.8 million (NGF).

► Provide special fund appropriation for use of prior year balances for highway construction

Provides appropriation to enable the agency to spend prior year balances in the agency's dedicated funds. For 2009, \$32.5 million (NGF). For 2010, \$30.4 million (NGF).

► Adjust appropriation for new revenue estimate and program adjustments

Adjusts appropriation to correspond with the November 2007 Revenue Forecast and other program adjustments. For 2009, a decrease of \$61.1 million (NGF). For 2010, a decrease of \$62.0 million (NGF).

► Provide funding for land use activities

Provides appropriation for land use permitting activities performed by the agency. For 2009, \$5.7 million (NGF). For 2010, \$5.9 million (NGF).

► Move general fund appropriation to the second year

Changes the execution of the general fund appropriation authority, which was authorized by the 2007 Session of the General Assembly, to account for how this authority will be ultimately used. A portion of this authority will be reverted in the first year of the biennium within the general fund resources shown in Enactment 2 of this Act. A like amount of authority is restored in the second year within this appropriation item. For 2010, \$180.0 million (GF).

► Reduce full-time equivalent positions

Adjusts the agency's authorized position level for unfilled positions that are no longer necessary. For 2009, a reduction of 323 positions.

► Authorize the use of bond proceeds for revenue sharing program match

Authorizes the use of bond proceeds from the issuance of Commonwealth of Virginia Transportation Capital Projects Revenue Bonds, as directed by the Code of Virginia.

► Carry forward maintenance program prior year balances

Authorizes the Director of the Department of Planning and Budget to carry forward prior year balances in the maintenance program. The authorization to carry forward balances is needed for the required state match to federal appropriation in the maintenance program.

► Authorize funding source for debt service payments

Authorizes debt service payments on Commonwealth of Virginia Transportation Capital Projects Revenue Bonds to be paid first from the Priority Transportation Fund. Any additional required payments are to be paid from the Transportation Trust Fund.

Recommended Capital Outlay Addenda

► **Fund maintenance reserve**

Provides funds to implement maintenance reserve projects required to allow the continued use of existing facilities. For the biennium, \$10.0 million (NGF).

► **Construct equipment shop at Gate City area headquarters**

Provides funding to construct an equipment shop at the Gate City area headquarters. For the biennium, \$3.0 million (NGF).

► **Renovate and construct district and residency office buildings**

Provides funding to renovate the Salem District administrative office building, design an office building at the Ashland residency and construct an equipment repair shop at the Northern Neck residency. For the biennium, \$4.8 million (NGF).

► **Construct combo buildings at Yellow Branch and Windsor area headquarters**

Provides funding for the site work and construction of a combo building at the Windsor area headquarters and the Yellow Branch area headquarters. For the biennium, \$4.2 million (NGF).

► **Acquire land to relocate Dillwyn residency**

Provides funding to purchase land to allow the relocation and consolidation of maintenance facilities at the Dillwyn residency. For the biennium, \$214,000 (NGF).

► **Construct chemical storage building at Prince George and Chester area headquarters**

Provides funding for the construction of a new chemical storage building at the Prince George area headquarters and the Chester area headquarters. For the biennium, \$1.0 million (NGF).

► **Construct chemical dome and office building at Keene area headquarters**

Provides funding to construct an office building and a chemical dome at the Keene area headquarters. For the biennium, \$1.5 million (NGF).

► **Upgrade facilities in the Staunton and Richmond districts**

Provides funding to construct spreader racks at various locations in the Staunton construction district and upgrade electrical service at the materials lab in Richmond. For the biennium, \$2.2 million (NGF).

Virginia Port Authority

<http://www.vaports.com/>

The Virginia Port Authority (VPA) shall foster and stimulate the commerce of the Ports of the Commonwealth, promote the shipment of goods and cargoes through the ports, secure necessary improvements of navigable tidal waters within the Commonwealth and, in general, perform any act or function which may be useful in developing, improving, or increasing the commerce, both foreign and domestic, of the Ports of the Commonwealth.

Key Objectives and Performance Measures

↔ **Increase container throughput**

We will track container throughput for the Port of Virginia.

↔ **Enhance port-related business impact in the Commonwealth**

We will increase the number of jobs provided by port-related businesses.

↔ **Improve and maintain facilities**

We will enhance the number of TEU's handled per acre per year.

Operating Budget History

	General Fund	Nongeneral Fund	Positions
2005 Appropriation	\$0	\$59,793,411	140.00
2006 Appropriation	\$0	\$65,291,206	145.00
2007 Appropriation	\$0	\$77,947,316	167.00
2008 Appropriation	\$1,000,000	\$79,774,946	167.00

New Operating Budget Summary

	General Fund	Nongeneral Fund	Positions
2009 Base Budget	\$1,000,000	\$79,774,946	167.00
2009 Addenda	(\$50,000)	\$9,875,897	-10.00
2009 TOTAL	\$950,000	\$89,650,843	157.00
2010 Base Budget	\$1,000,000	\$79,774,946	167.00
2010 Addenda	(\$50,000)	\$20,582,541	-10.00
2010 TOTAL	\$950,000	\$100,357,487	157.00

New Capital Outlay Budget Summary

	General Fund	Nongeneral Fund	Positions
2009 Addenda	\$0	\$82,500,000	0.00
2010 Addenda	\$0	\$158,000,000	0.00

Recommended Operating Budget Addenda

► **Distribute Central Appropriations amounts to agency budgets**

Adjusts the agency budget to reflect amounts moved from Central Appropriations to cover the cost of items such as the continuation of 2007 and 2008 salary and health insurance premium increases, as well as changes in retirement and disability contribution rates and other centrally funded items. For each year, \$1.1 million (NGF).

► **Remove appropriation for hosting convention**

Removes appropriation for the agency to host the 2007 American Association of Port Authorities Convention. The cost of the convention was to be paid for through fees from convention attendees. For each year, a reduction of \$800,000 (NGF).

► **Remove appropriation and positions for providing security at APM Terminal in Portsmouth**

Removes appropriation and positions for agency police to provide security at the new APM Terminal. Positions were to be paid by APM for security services, but APM opted to hire private security guards. For 2009, a decrease of \$845,000 (NGF) and 15 positions. For 2010, a decrease of \$845,000 (NGF).

► **Provide appropriation for federal security mandate**

Provides appropriation for the federally mandated Transportation Worker Identification Credential initiative. The agency expects that implementation will require five new positions and overtime hours for the federal security mandate. For 2009, \$345,202 (NGF) and five positions. For 2010, \$400,000 (NGF).

► **Remove appropriation for debt service for 1996 and 1998 bonds**

Removes appropriation for Commonwealth Port Fund bonds issued in 1996 and 1998. 1996 Commonwealth Port Fund (CPF) bonds were fully repaid July 1, 2007. 1998 CPF bonds will be repaid July 1, 2008. As such, debt service appropriation will not be required in fiscal year 2009 and fiscal year 2010. For 2009, a decrease of \$11.4 million (NGF). For 2010, a decrease of \$11.4 million (NGF).

► **Decrease debt service for 1997 terminal revenue bonds**

Reduces appropriation for debt service on terminal revenue bonds issued in 1997. The terminal revenue bonds were refunded at a substantial debt service savings. For 2009, a decrease of \$2.2 million (NGF). For 2010, a decrease of \$2.3 million (NGF).

► **Provide appropriation for debt service for 2009 terminal revenue bonds**

Provides appropriation for debt service payments on \$93 million in terminal revenue bonds the Virginia Port Authority issued in fiscal year 2008. For each year, \$6.2 million (NGF).

► **Increase appropriation for changes to currency exchange rates**

Provides appropriation to account for the decrease in the currency rate. The Port Authority hires foreign office contractors for marketing international ship lines and shippers and pays them in their native currency. The value of the dollar has decreased and additional appropriation is required to continue to hire foreign contractors. For each year, \$250,000 (NGF).

► **Provide appropriation for increased employee benefits**

Provides appropriation to address forecasted increases in employee benefit costs such as health, life insurance, and pensions. Port Authority employees hired after 1997 are provided benefit plans separate from those provided by the Commonwealth. For 2009, \$326,159 (NGF). For 2010, \$727,128 (NGF).

► **Provide additional appropriation for employee benefits liability**

Provides appropriation to comply with Governmental Accounting Standards Board statements that require entities that provide employee benefits subsequent to retirement to include the actuarial valuation of that liability in the financial statements. For 2009, \$1.0 million (NGF).

► **Continue 2008 budget reductions**

Continues the budget reductions included in the Governor's 2008 reduction plan into the 2008-10 biennium. For each year, a reduction of \$50,000 (GF).

► **Provide appropriation for debt service for 2010 Commonwealth Port Fund bonds**

Provides appropriation in the second year for debt service on \$155 million in Commonwealth Port Fund bonds issued by the Port Authority for the development of Craney Island. For 2010, \$11.3 million (NGF).

► **Provide authorization for a short-term debt program**

Provides authority for the Port Authority to issue short-term debt on a revolving basis to provide interim financing for capital projects. The debt would be issued in advance of receipt of bond or master equipment lease program proceeds. The

short-term debt is not to exceed \$200 million at any time. For each year, \$9.5 million (NGF).

► **Provide appropriation for master equipment lease purchase program**

Provides appropriation for debt service payments supported by terminal revenues for the agency's master equipment lease program. The program is used to acquire equipment used in the operation of the port facilities. For each year, \$5.2 million (NGF).

► **Increase appropriation for disaster recovery preparedness**

Provides appropriation to partner with Virginia International Terminals to purchase and implement a system to redirect power and data feeds in the case of a major power failure. The system will allow for uninterrupted power for security and agency administration in the event of an emergency or a disaster. For 2009, \$70,000 (NGF). For 2010, \$80,000 (NGF).

► **Increase Aid to Local Ports grants**

Provides additional funding for grants to localities for improvements to port facilities around the Commonwealth. For each year, \$200,000 (NGF).

► **Increase appropriation to match federal security grants**

Provides matching funds for grants related to federal port security initiatives. For each year, \$826,000 (NGF).

► **Provide additional appropriation for payments to localities**

Provides additional appropriation to fund anticipated increases in payments made to localities in lieu of taxes. For 2009, \$52,500 (NGF). For 2010, \$107,625 (NGF).

Recommended Capital Outlay Addenda

► **Fund maintenance reserve**

Provides funds to implement maintenance reserve projects required to allow the continued use of port facilities. For the biennium, \$6.0 million (NGF).

► **Commence Craney Island preliminary engineering and design, mitigation, and land development**

Provides bond funding authorization in fiscal year 2010 for the preliminary work on the construction of the Craney Island Marine Terminal, in addition to the preliminary work for the road and rail access to the planned terminal. For the biennium, \$155.0 million (NGF).

► **Expand cargo handling facilities**

Provides funding for continued improvements to cargo handling facilities. For the biennium, \$20.2 million (NGF).

► **Expand empty yard**

Provides funding for the continued expansion of the container storage yards at the Virginia Port Authority. For the biennium, \$20.2 million (NGF).

► **Procure terminal operating equipment**

Provides funds to purchase additional terminal operating equipment for transporting containers at terminal facilities. For the biennium, \$39.0 million (NGF).