

# REPORT CARD

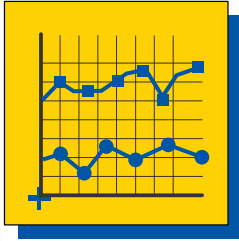
Second Quarter FY04

Commonwealth Transportation Board Meeting

January 14, 2004

## OVERVIEW

### From Virginia's Transportation Commissioner Philip Shucet



### Financial Report FY04

**Period Ending  
November 30, 2003**

#### Cash Balances

- Highway Maintenance Fund
  - \$69 million
- Transportation Trust Fund
  - \$348 million
- VTA, Toll, Bond and Debt Service Funds
  - \$800 million

#### YTD Revenues

- Forecasted
  - \$1.16 billion
- Actual
  - \$1.15 billion

#### YTD Expenditures

- Forecasted
  - \$1.23 billion
- Actual
  - \$1.28 billion

Last quarter, VDOT addressed the \$100 million budget shortfall Hurricane Isabel caused by increasing its \$3.7 billion FY04 budget by \$32 million and reducing administration costs and deferring some maintenance activities. Also, through strong financial management we received \$76 million in additional reimbursements from the Federal Highway Administration in October and November. Currently, cash balances are healthy, and our construction and maintenance programs are active with 405 contracts scheduled for completion this fiscal year.

In the second quarter, 29 percent of construction contracts scheduled for completion this fiscal year were on time. That's an improvement from 22 percent in the first quarter but well off the 40 percent target. The agency fell similarly short with maintenance contracts (see charts on page 2). Our improvement in managing deadlines

for work under way (below) has flattened out after steady improvement last year.

We obviously have more work to do to turn around our performance meeting deadlines. I do want to remind you that we are currently defining "on time" in the narrowest sense: original contract completion date, with no exceptions.

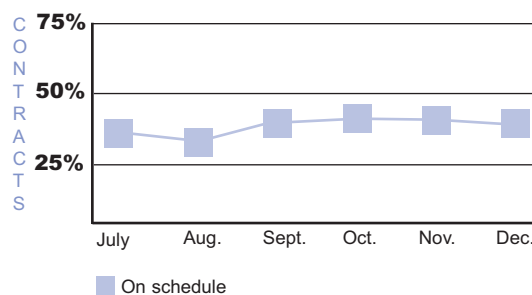
We continue to make progress in improving our budget estimates (bottom half of page 2). The successes there are a result of very specific program actions taken across the agency to improve cost estimating and cost management.

In the Notes section of page 2, you can see that VDOT is accomplishing real reform and working to hone its talents and improve its processes.

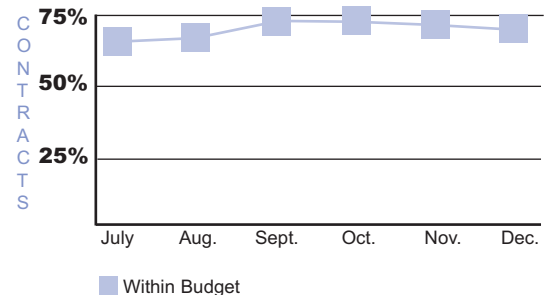
*Philip Shucet*

## STATUS FOR WORK UNDER WAY AS SHOWN ON DASHBOARD

Meeting Contract Deadlines  
Dashboard through December



Within Contract Budgets  
Dashboard through December



# How VDOT is Measuring Up

## Second Quarter Notes

In November, the CTB adopted a FRAN debt management policy that, along with other tighter policy parameters, limits debt service to no more than 25 percent of federal reimbursements and caps total outstanding principal at \$1.2 billion. In December, the Governor's Debt Capacity Advisory Committee endorsed this policy.

VDOT initiated a series of workshops with municipalities interested in managing their own transportation construction programs. Agreements to transfer program responsibility are expected to be signed in 2004 with the cities of Richmond, Virginia Beach, Hampton and Newport News.

VDOT was named an "Employer of Choice" by the American Council on Education because of its effective adult education programs.

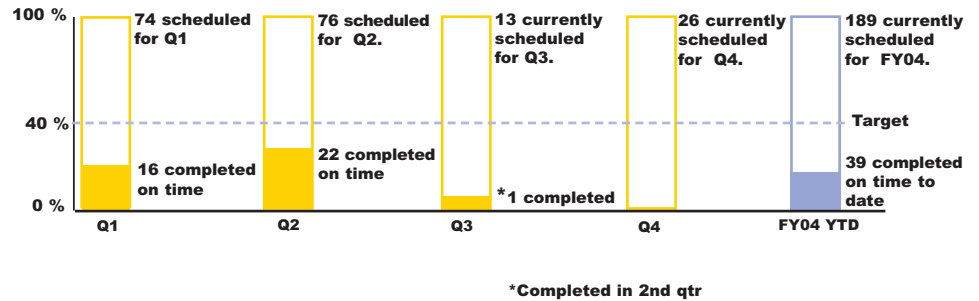
Constructability reviews are now required for all VDOT construction projects. This requires that plans and specifications must be both biddable and buildable. Constructability reviews will be conducted early in the design process and at milestones throughout construction.

VDOT and the Federal Highway Administration signed a precedent-setting agreement on how the federally required environmental review process will be carried out for the I-81 corridor in Virginia. The Process Streamlining Agreement outlines a process to ensure that environmental issues are fully addressed in a specific, timely manner.

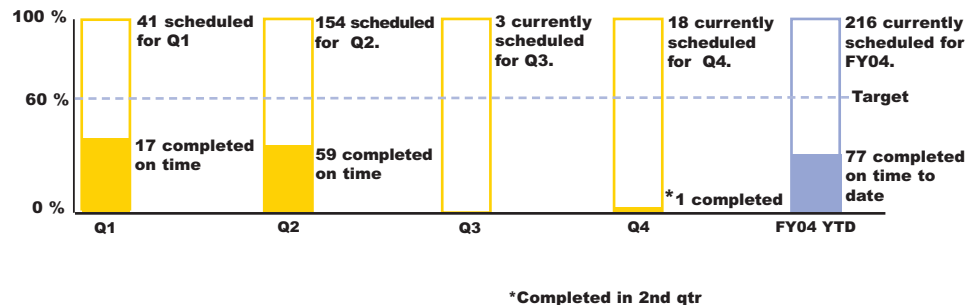
In the past three years the number of Automotive Service Excellence Blue Seal maintenance facilities at VDOT increased from 3 to 26. Across Virginia, that represents 35 percent of all certified shops – public and commercial.

The Smart Road Bridge near Blacksburg and the Vietnam Veterans Memorial Bridge on the Pocahontas Parkway near Richmond both won national Awards of Excellence from the American Segmental Bridge Institute.

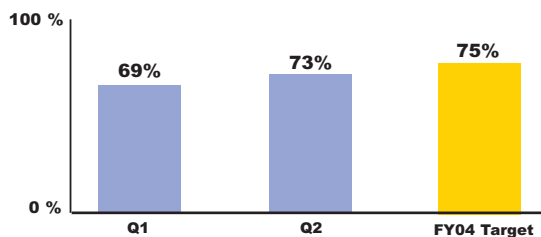
### FY04 CONSTRUCTION CONTRACTS: SCHEDULED VS. COMPLETED



### FY04 MAINTENANCE CONTRACTS: SCHEDULED VS. COMPLETED

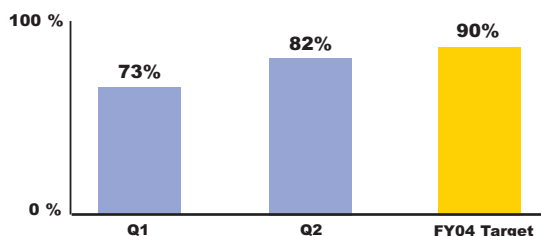


### CONSTRUCTION CONTRACTS COMPLETED WITHIN BUDGET



For the second quarter, 49 (73%) construction contracts were completed within budget, and 18 (27%) were over.

### MAINTENANCE CONTRACTS COMPLETED WITHIN BUDGET



For the second quarter 64 (82%) of maintenance contracts were completed within budget, and 14 (18%) were over.