



West Virginia Division of Highways Policy: Highway Operation-Maintenance Line Allocations

Issued by the Commissioner of Highways

Policy No: DOH 5.4

Issue Date: 07/01/1989

Revised: 02/21/2023

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1.0 INTRODUCTION

A vital subsystem of the West Virginia Division of Highways' (WVDOH) Highway Operations Management System is the allocation of Routine Maintenance funds to the Annual Plan Organizations. This policy explains the process for determining the Highway Operations-Maintenance budget line allocations which make the equitable distribution of Routine Maintenance Funds.

The West Virginia Commissioner of Highways (Commissioner) and the Business Manager present the Legislature with a proposed Budget Request for all WVDOH Appropriation lines prior to the start of a Fiscal Year. Included in this proposed budget document is the proposed Highway Operations (Maintenance) line, Appropriation # 23700. Upon approval by the Legislature, the Director of Operations Division coordinates with the WVDOH management routed through Deputy State Highway Engineer- Chief of Operations, and Chief of District Operations, to allocate the total funding to the various subsets of programs funded by the appropriation line. The subset of programs includes the Annual Plans, Support Programs, Statewide Maintenance Programs, ABC Programs, and Commissioner's Discretionary Allocation.

2.0 SCOPE

This policy describes the process of allocating Routine Maintenance funds to the Annual Plan Organizations.

3.0 DEFINITIONS

- 3.1 **Agency:** means any authority, bureau, commission, or Division or similar cabinet subpart of the West Virginia Department of Transportation (WVDOT).
- 3.2 **Agency Head:** means the chief executive officer of an agency.
- 3.3 **Annual Plan:** means the annual planning of Maintenance Organizations activities for a Fiscal Year in order to reach a budget for each organization.
- 3.5 **District Manager:** means the administrative head of the District regardless of whether the person is an engineer or another classification.
- 3.6 **Division Director:** means the administrative head of a WVDOT Division.
- 3.7 **Employee:** means a person who lawfully occupies a position in a WVDOT agency and who is paid a wage or salary and who has not severed the employee-employer relationship.
- 3.8 **Federal Highway Administration or FHWA:** means the federal agency with oversight and financing of certain federal highway or federal aid eligible projects.

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- 3.9 **Maintenance:** means a series of methodical, ongoing activities designed to prolong the useful life of and maintain the roads, highways and bridges in good condition. This is critical component of WVDOH's asset management plan to achieve and sustain a desired safe state of good repair over the lifecycle of these assets. These activities include replacing worn components, installing updated hardware and software, and anticipating and correcting potential problems and deficiencies. Maintenance includes both preventative and routine maintenance activities. It also includes procedures for measuring and monitoring maintenance activities.
- 3.10 **Non-Federal Aid Program:** means all of the state funded projects including those that were in the ABC programs, which was a programming tool to indicate the program's focus.
- 3.11 **REMIS:** means the Remote Entry Management Information System that was developed as an in-house system to gather detailed information in the areas of payroll, equipment, inventory, accounts payable and accounting. The data is accessible for various reports to assist in decision making. Several REMIS functions have migrated to other programs as REMIS is phased out.
- 3.12 **Routine Maintenance Activities:** means the day-to-day maintenance activities that are scheduled or whose timing is within the control of maintenance personnel. Examples of routine maintenance include filling potholes and filling cracks in pavement, painting pavement markings or cleaning ditches. Delays in preventive maintenance increase the quantity of pavement defects and their severity so that, when corrected, the cost is much greater. Consequently, the life cycle costs of the pavement will be considerably increased.
- 3.13 **wvOASIS:** means the Enterprise Resource System, the statewide computer system designed to manage the state's business functions - Financial Management, Procurement, Asset Management, Personnel Administration, Payroll, Time Reporting, and Benefits Administration.

4.0 Annual Plans

This subset represents the Routine Maintenance funds allocated to the Districts in five (5) separate categories of Annual Plan Organizations:

1. County Organizations
2. Expressway Organizations
3. District Sign Shops
4. District Bridge Departments
5. Traffic Division

WVDOH Management ensures that each organization is funded at a level that covers Fixed Costs, the cost of opening the organization for doing business. The Fixed Costs are grouped into labor, equipment, and facility costs.

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- Labor Cost – meet payroll for employees working at least 40 hours a week for the entire Fiscal Year; does not include overtime, vacant positions, summer workers (college students), and known seasonal temporary workers.
- Equipment Costs – the equipment revolving fund requires the organization to pay the same rate for an assigned piece of equipment, whether active or idle, eight (8) hours a day Monday through Friday.
- Facility Costs – these costs include applicable utilities' costs, office supplies, and other known administrative monthly costs. The facility costs vary greatly; some County Organizations have a single facility and others have multiple substations due to the size of the County.

Each District and the Traffic Division submits Fixed Costs to Operations Division to review and ensure consistent reporting throughout the state.

Materials and Overtime Costs are Variable Costs - they are either activity driven or affected by unknown conditions that cannot be easily planned. The Fixed Costs submitted by the Districts and Traffic Division are reviewed by the WVDOT management routed through the Deputy State Highway Engineer – Chief of Operations to determine the amount of funding remaining for the Variable Costs. The remaining amount for Variable Cost is given to the Operations Division Director to divide into 10 parts for the Districts. The Traffic Division's variable costs are covered by a fund in the Statewide Maintenance Programs.

The Operations Division utilizes the funding formula, developed initially in 1998, to determine the percentage of the Variable Costs that will be distributed to each District. The funding formula was developed to distribute a total statewide amount of funding to each County. The formula accomplishes this by calculating each county's share of that total. The first step is to find a Total County Factor (TCF) that includes five (5) primary weighted factors:

1. C = Climate
2. T = Truck Density
3. V = Vehicle Density
4. H = Hot Mix Asphalt Costs
5. A = Aggregate Costs

$$TCF = 1.00 * C + 1.00 * T + 0.50 * V + 1.00 * H + 0.35 * A$$

Once a Total County Factor is found, then the road mileages, as described below, are used to calculate a County Index which indicates the percent of the total that should be allocated to the county.

$$\text{County Index} = TCF * (1.20 * X + 1.00 * S + 1.30 * TB + 0.20 * U)$$

- X = Expressway, Truckline and Feeder Route Mileage (usually Interstates, US and WV Routes)
- S = Standard Local Service Route Paved Mileage (usually paved County Routes that do not fall into Truckline or Feeder)
- TB = Traffic Bound Mileage (all other traveled routes that do not fall into X or S)
- U = Unimproved Routes Mileage

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The total County Index percentages for each County in a District are used to determine the District percentage of the Variable funds. The percentages and amount of funds available for each District are sent to the Commissioner for approval.

Once approved, the amounts are sent to the District as a total sum, not per organization. Each District has some latitude to set each Organization's annual plan budget based on the needs of the District within the budgeted allotment.

The total funding does not meet the complete needs of any District or Organization's annual plan. The Districts, in consultation with the leadership of the Organizations, complete the Annual Plan Worksheets in which they propose units of accomplishment for various routine maintenance activities, both core and non-core. The worksheet uses the proposed accomplishments to calculate a labor, equipment and material costs that leads to a total proposed budget for each organization and a total proposed budget for the District. The total of all of the Organizations' proposed budgets must equal the total of Fixed and Variable Costs sent to the District.

The Annual Plan Worksheets are sent to Operations Division for review and approval and entered into REMIS. Once in REMIS, budgets are tracked daily by the Organizations and Districts. The process is meant to allow the District some flexibility to decide what and where activities need to be accomplished within their Organizations but ensure an applicable amount of the overall budget is dispersed to all organizations. This means that the allocation for a specific organization could grow or shrink year to year based on the perceived needs looking at the District as a whole and how that District plans to meet those needs.

5.0 Support Budgets

This subset represents various overhead and administrative program budgets that are necessary to support the work completed by the Annual Plan Organizations. This is the second subset to be discussed and includes:

- **District Forces or Disforce (Heavy Maintenance) Overhead Budgets** – This does not represent all the funding used by these District Organizations because they work on projects within the ABC Programs. These overheads are meant to ensure there is a small contingency amount for Labor, Equipment, and invoiced needs if a project is delayed or for situations such as training, and facility work as needed. This also goes to pay for utilities and other facility and office supply needs.
- **District Maintenance Section Overhead Budget** – Under the supervision of the Deputy District Engineer, this budgeted amount ensures the District Maintenance Section has the funding to meet payroll, equipment and invoice needs. It also pays for office supplies and other administrative costs for this group.
- **Operations Division Overhead Budget** – Under the supervision of the Director of Operations Division, this budgeted amount ensures the Division has the funding to meet payroll, equipment, and invoice needs. It also pays for office supplies and other administrative costs for this group.
- **Traffic Division Overhead Budget** – Under the supervision of the Director of the Traffic Division, this budgeted amount ensures the part of the Division, that is not funded through the Annual Plan Budgets, has the funding to meet payroll,

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equipment, and invoice needs. It also pays for office supplies and other administrative costs for this group.

- **Pavement Management and Bridge Management Budget** – This funding is used to pay for data collection of the pavements throughout the state and the licensing for the federally required Pavement and Bridge Management Systems.
- **BRIM Premiums** – This funding goes toward paying the premiums for the insurance carried by the WVDOH.
- **Employee Safety Gear** – This funding goes toward paying the invoices for the uniform services procured.
- **Drug Testing** – This funding goes toward paying for the drug testing service as required for WVDOH's CDL holders.
- **Bridge Evaluation Support** – This funding goes toward paying for items needed by WVDOH bridge inspection teams not covered under Overhead Budgets or FHWA reimbursement.

Overhead Budgets are calculated through a worksheet sent to each group by Budget and Procurement Division. Once the worksheets are completed, they are submitted to Budget and Procurement Division for review, adjusted as needed to meet overall Appropriation Line goals and then presented to the Commissioner for approval. The other items listed above are budgeted at either known contracted costs or average yearly costs previously occurred.

6.0 Statewide Maintenance Programs

This subset represents some of the statewide maintenance programs and is the third subset of the budget planning process. These programs include:

- **Rest Area Maintenance** – This funding is used to pay for contract costs of janitorial and grounds maintenance performed through our contract with the West Virginia Association of Rehabilitation Facilities, Inc. (WVARF).
- **Expressway Lighting** – We have high mast lighting in several areas of the state on our expressways and urban routes. This budgeted amount goes toward paying the electricity bill to power that lighting. It is budgeted based on average yearly costs previously occurred.
- **I-77 Tunnel** – This funding is used to pay for WVDOH's portion of maintaining and operating the tunnel on I-77.
- **Wheeling Tunnel** – This funding is used to pay for maintaining and operating the tunnel on I-70.
- **Central Sign Shop** – This funding is used to pay for operation of our Central Sign Shop which makes highway signs and distributes them all over the state.

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- **Central Heavy Maintenance Detachment (CHMD) Program** – This budgeted amount is used to ensure funding for payroll, equipment, and materials necessary for CHMD, which is a part of Operations Division, to complete their bridge preservation and repair activities statewide. The budget is based on keeping three (3) crews busy for the entire Fiscal Year without any other funding.
- **Herbicide Spraying** – This funding is divided between the 10 Districts and used to fund Herbicide Spraying operations including labor, equipment, and materials.

7.0 Non-Federal Aid Program

This subset represents programs that were previously a part of the Non-Federal Improvements Appropriation Line until it was combined with the Maintenance Line and renamed the Highway Operations Appropriation Line. ABC represents the Allocation Code associated with a program. State Funded Projects are programmed to fit under these programs' allocation groupings including, but not limited to, the following:

- A13 – Contract Paving
- A20 – Surface Treatment and Stone Stabilization
- B11 – Guardrail
- B12 – Drainage Structures Non-Bridge (Under 20 ft Span)
- B20 – State Force Paving
- B30 – Major Slip and Slide Repair
- C23 – Bridge Repairs
- C26 – Bridge Replacements
-

Operations Division uses the following formula to determine level of need in each District:

$$\text{District Percentage of Total} = 0.75 * \text{RM} + 0.25 * \text{BD}$$

- RM = Percent of Total Road Miles in District
- BD = Percent of Total Bridge Deck Area in District

These funds have historically been given in equal amounts per District. To be more equitable, the Operations Division places the Districts into four (4) tiers of distribution. This reduces the amount that some District at the top would receive and increases the amount for the bottom Districts to even up the distribution.

The total for each District is sent to the District to submit a plan and a summary document for each ABC Program to the Operations Division for review. The proposed requests are submitted to the Commissioner for approval. The Programming Division takes the approved allocations and programs projects as documentation is submitted from the Districts.

8.0 Commissioner's Discretionary Allocation

This is the fifth and final subset to be set. Traditionally the WVDOH sets aside roughly \$10 million for projects or emergencies that happen during a Fiscal Year. When a need arises, the Districts submit the request to the Project Review Committee (PRC) who makes a recommendation to the Commissioner. The Commissioner may approve, reject, or request that the proposal be modified.

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9.0 CHANGE LOG

February 21, 2023

- Completely rewrote policy to reflect current practices; changed the name.

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Approved by:



Jimmy D. Wriston, P.E.
Secretary of
Transportation
Commissioner of
Highways



Date

*The Secretary of the West Virginia Department of Transportation or the Commissioner of Highways may, pursuant to the authority vested with the Secretary and Commissioner in W. Va. Code §5F-2-2, §17-2A-1 *et seq.*, and §17-2-1 *et seq.*, waive the requirements of this policy if the circumstances, in the Secretary or Commissioner's sole discretion, warrant such action.