

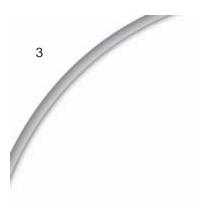


Revised FY 2010 - 2015 Six-Year Improvement Program

Reta R. Busher, VDOT CFO Steve Pittard, DRPT CFO November 18, 2009

Revised FY2010-2015 SYIP

- Implements policy to eliminate federal STP formula distribution
- Reduced transit operating funds based on formula
 - Rural and small urban reductions offset by flexed ARRA funds
- State transit capital grants reduced
- Eliminate revenue sharing program in FY12
- Capital project revenue bonds
 - \$1.9 billion programmed
 - Bonds are necessary throughout program's life to fully match federal funds
 - Available state debt capacity and insurance premium revenues determine ability to utilize



Revised Highway Construction Six Year Improvement Program FY 2010 - 2015

Principles for SYIP FY 2010-2015 Update

- Maximize use of funds to meet federal strategy
- Fund underway project phases as well as project phases that start in FFY 2010
- Eliminate formula distribution of federal STP funds
 - Concentrate federal formula STP funds to advance project phases to completion
- Increase federal funds in maintenance program

What was funded?

- Projects for federal strategy
- Increased estimates on projects underway or phase starts in FFY 2010
- Bridges Interstate, Primary, Secondary & Urban
 - Jefferson Park (Charlottesville)
 - Rt 29 (Pittsylvania)
 - I-81 (Montgomery)
- Projects supporting economic competitiveness:
 - I-564
 - Midtown PPTA
 - I-95/I-395 PPTA
 - I-495 PPTA

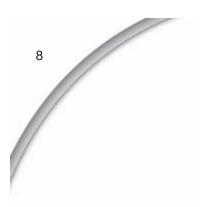
Highway Program

(w/o Fed Reserve)

	Approved FY 2008- 2013	Approved FY 2009- 2014	Revised FY 2009- 2014	Approved FY2010- 2015	Revised FY2010- 2015
Interstate	\$2.1 b	\$2.1 b	\$1.4 b	\$1.3 b	\$1.4 b
Primary	\$2.0 b	\$1.6 b	\$1.3 b	\$1.0 b	\$1.1 b
Secondary	\$1.3 b	\$1.0 b	\$0.6 b	\$0.5 b	\$0.3 b
Urban	\$1.1 b	\$0.8 b	\$0.5 b	\$0.4 b	\$0.3 b
Federal Funds Maintenance	\$0.9 b	\$1.0 b	\$1.2 b	\$1.2 b	\$1.3 b
МРО	\$0.6 b	\$0.6 b	\$0.5 b	\$0.6 b	\$0.6 b
Safety, Enh, Rail, Other	\$0.6 b	\$0.8 b	\$0.5 b	\$0.5 b	\$0.5 b
Total	\$8.6 b	\$7.9 b	\$6.0 b	\$5.5 b	\$5.5 b

Federal Reserve

- Congress is still working on legislation for the Highway Trust Fund authorization for FY 2010 forward
 - Existing authorization expired in September
 - Congress passed two continuing resolutions, current resolution expires on December 18, 2009
- The \$627 M reserve may become available for programming either through a final federal appropriation (as opposed to a continuing resolution) or a new surface transportation authorization
- Should funds become available, VDOT recommends that be aggregated and used for a small handful of key projects. Candidate projects include:
 - Mandatory regional STP, CMAQ, enhancement and safety programs
 - Midtown Tunnel PPTA project enhancement and project oversight
 - I-95 PPTA project oversight
 - Rt. 460 PPTA project enhancement
 - Coalfields Expressway PPTA project enhancement
 - High Speed Rail project enhancement



Revised Public Transportation and Rail Six Year Improvement Program FY 2010 - 2015

DRPT Revenue Reduction Summary

- Revenue reductions are associated with specific funding sources; not all funding sources are affected
- Capital reductions only for projects with funding from the Mass Transit Trust fund
- Transit operating fund reductions affect all transit operators, but ARRA funds will eliminate the impact for rural and small urban operators
- In FY 2011 state operating assistance is projected to be about 7% lower than the amounts awarded in the June 2009 program.

Rail & Transit Revenues Summary

Impact of Recession

- Significant negative impact on revenues at the state level due to the economic downturn
 - Decreased revenues from general sales tax and vehicle/fuel taxes and fees (Mass Transit Trust fund)
 - Decline in home sales (recordation taxes)
 - Decline in underlying insurance premium tax revenues (transportation capital bonds)
 - Decline in vehicle rentals (Rail Enhancement fund)
- 22% reduction in transit revenues from the June 2008 approved Six Year Improvement Program for FY 2010 (\$38 million loss of revenue)
- 20% reduction in rail revenues from the June 2008 approved Six Year Improvement Program for FY 2010 (\$5 million loss of revenue)

Rail & Transit Revenues Summary Impact of Recession

- Recordation tax revenues are approximately ½ of the annual amount originally estimated at the time of the legislation
 - \$22.3 million vs. \$45 million
- Transportation Capital Projects Bonds
 - 20% minimum to transit
 - 4.3% minimum to rail
 - Latest analysis shows \$2.4 billion in bonding capacity through 2017 compared to original \$3 billion estimate

DRPT Revenue Reductions SYIP FY 2010 – FY 2015

• DRPT program funding must be reduced to reflect revised revenue estimates of November 2009

• FY 2010 – FY 2015 Reductions: \$97,575,300 total

	FY10-FY15 SYIP June 2009	Nov. 2009 Revenue Reduction	FY10-FY15 Revised Revenues	% Reduction
Mass Transit Trust Fund	\$817,715,627	\$(70,500,300)	\$747,215,327	-8.62%
Recordation Tax	141,600,000	<u>(7,800,000)</u>	133,800,000	-5.51%
Total Transit Reductions		(78,300,300)		-8.16%
Rail Enhancement	155,470,000	(19,275,000)	136,195,000	-12.40%
Total DRPT Reductions		\$(97,575,300)		-8.75%

FY 2010 Revenue Reductions

Revenue Source	FY 2010 SYIP June 2009	FY 2010 Nov. Revised Revenue	Nov. 2009 Revenue Reduction	% Reduction
Mass Transit Trust Fund	\$123,544,424	\$113,902,693	(\$9,641,731)	-7.80%
Recordation Tax	23,600,000	22,300,000	(1,300,000)	-5.51%
Transit Total	147,144,424	136,202,693	(10,941,731)	-7.44%
Rail Enhancement	\$24,157,000	\$21,757,000	(\$2,400,000)	-9.94%

Transit FY 2010 Revenue Reductions Programmatic Impact

Transit capital grants	(7.8%)
Large urban transit operating	(5.7%)
Small urban transit operating	
Rural transit operating	

- Reductions in transit operating grants 'offset' by flexing ARRA transit capital funds to operating
 - Rural and small urban operators local share remains the same
- Transit capital grant reductions impact seven transit operators
- ARRA transit capital grants not affected by reductions

DRPT FY 2010 Administrative Reductions

	FY 2010 CTB Approved Program	Nov. 2009 Revised Allocations	Nov. 2009 Allocation Reductions	% Reduction
Mass Transit Trust (2.3%)	\$2,841,521	\$2,608,232	(\$233,289)	-8.21%
Recordation Tax (2.3%)	542,800	512,900	(29,900)	-5.51%
Rail Enhancement (2.3%)	555,611	500,411	(55,200)	-9.94%
Other Adjustment	4,768,580	4,291,722	(476,858)	-10.00%
	\$8,708,512	\$7,913,265	(\$795,247)	-9.13%

Next Steps

- DRPT currently amending FTA 5311 Rural operating program and ARRA applications to reflect new funding mix
- Remaining balance of ARRA funds \$10,149,511
 - DRPT recommendations in October
 - CTB action in November
- VDOT and DRPT Public hearing on December 1st on the Draft Revised FY 2010 – FY 2015 SYIP
- CTB action on the Revised program in December





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