



**FY 2013 Budget / Actual Performance
through December 2012**

John W. Lawson
Chief Financial Officer
January 16, 2013

Commonwealth Transportation Fund State Revenue Collections December 2012

- ❑ The CTF is reporting annual revenue growth of 4.6 percent, greater than the revised forecasted growth rate of 2.8 percent.
- ❑ Motor Vehicle Sales and Use tax collections continue to be strong, prompting an adjustment to the revenue forecast from (0.7) percent to 6.7 percent.
 - An increase over December 2011 of 27.5 percent
 - Year-to-date growth rate is 12.1 percent
- ❑ Motor Fuels Tax collections year-to-date are up 3.5 percent from last year.
- ❑ The transportation share of the State Sales and Use Tax has grown by 5.6 percent year-to-date.



Commonwealth Transportation Fund Highway Maintenance & Operating Fund and Transportation Trust Fund Revenues

(Dollars in Thousands)

Revenue	FY 2013 Estimate	Year-to-Date - December		% Change	% Annual Growth Required by Estimate
		FY 2013	FY 2012		
Motor Fuel Taxes	\$ 838,100	\$ 362,698	\$ 350,438	3.5	0.6
Priority Transportation Fund (PTF)	150,100	138,064	145,297	(5.0)	(4.6)
Motor Vehicle Sales and Use Tax	619,200	302,250	269,582	12.1	6.7
State Sales and Use Tax	533,000	249,574	236,400	5.6	5.9
Motor Vehicle License Fees	237,300	117,866	112,730	4.6	0.7
International Registration Plan	63,800	21,223	24,140	(12.1)	2.0
Recordation Tax	40,500	22,333	19,268	15.9	3.5
Interest Earnings	9,900	2,637	4,838	(45.5)	(29.2)
Misc. Taxes, Fees and Revenues	14,800	6,330	5,980	5.9	19.8
Total State Taxes and Fees	\$ 2,506,700	\$ 1,222,975	\$ 1,168,673	4.6	2.8

Source: Commonwealth of Virginia/Department of Accounts, HMOF and TTF Revenues, Summary Statement of Selected Revenue Estimates & Collections, Fiscal Years 2013 and 2012.



VDOT Federal Revenue December 2012

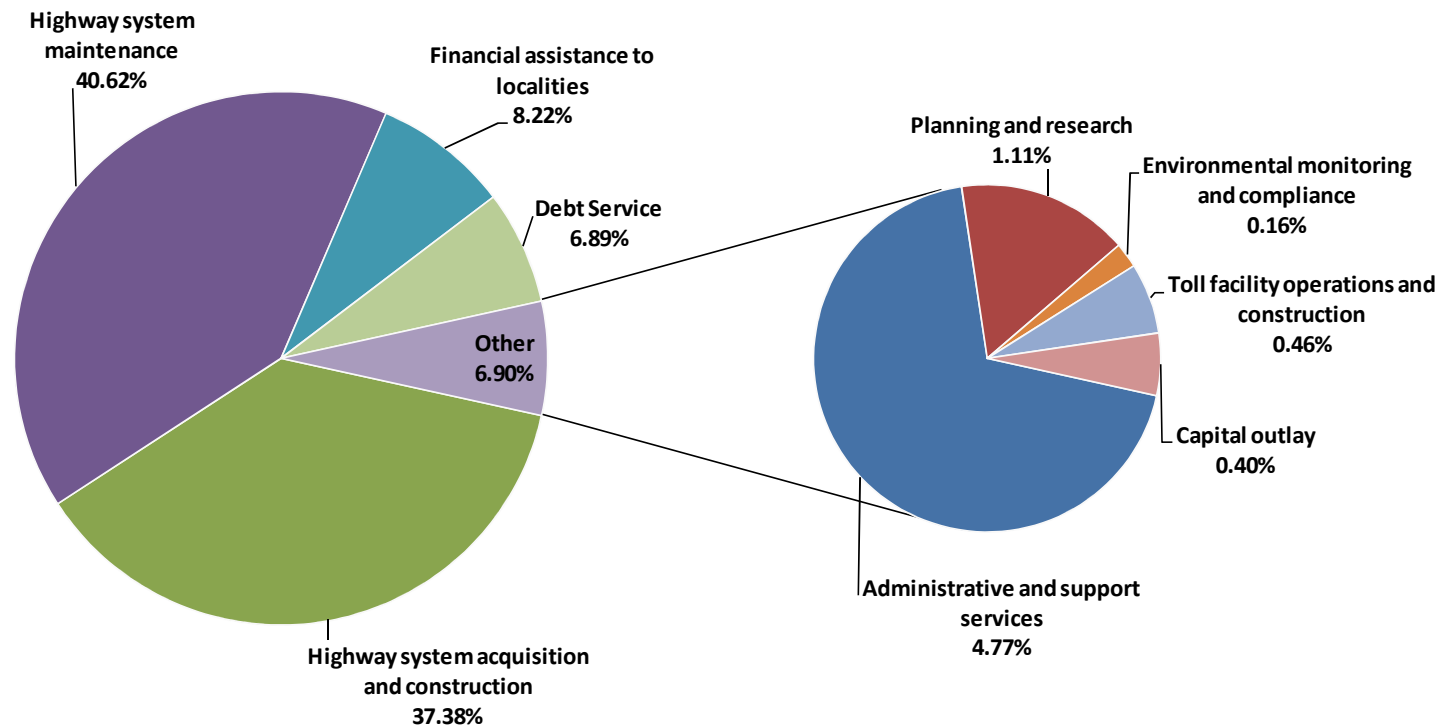
- Year-to-date federal revenue collections are \$285 million greater than during FY 2012.

(Dollars in Thousands)

Program	FY 2013		FY 2012		Difference
	Revenue	% of Total Revenue	Revenue	% of Total Revenue	
Construction	\$ 399,573.2	46.0%	\$ 285,176.3	48.8%	\$ 114,396.8
Maintenance	376,919.3	43.3%	172,072.6	29.4%	204,846.7
ARRA	60,792.6	7.0%	107,947.9	18.5%	(47,155.3)
Planning & Research	9,168.1	1.1%	7,125.8	1.2%	2,042.3
Debt Service	17,757.1	2.0%	4,140.0	0.7%	13,617.1
Other Programs	5,338.2	0.6%	7,860.7	1.3%	(2,522.5)
Total VDOT Programs	\$ 869,548.5	100.0%	\$ 584,323.4	100.0%	\$ 285,225.1

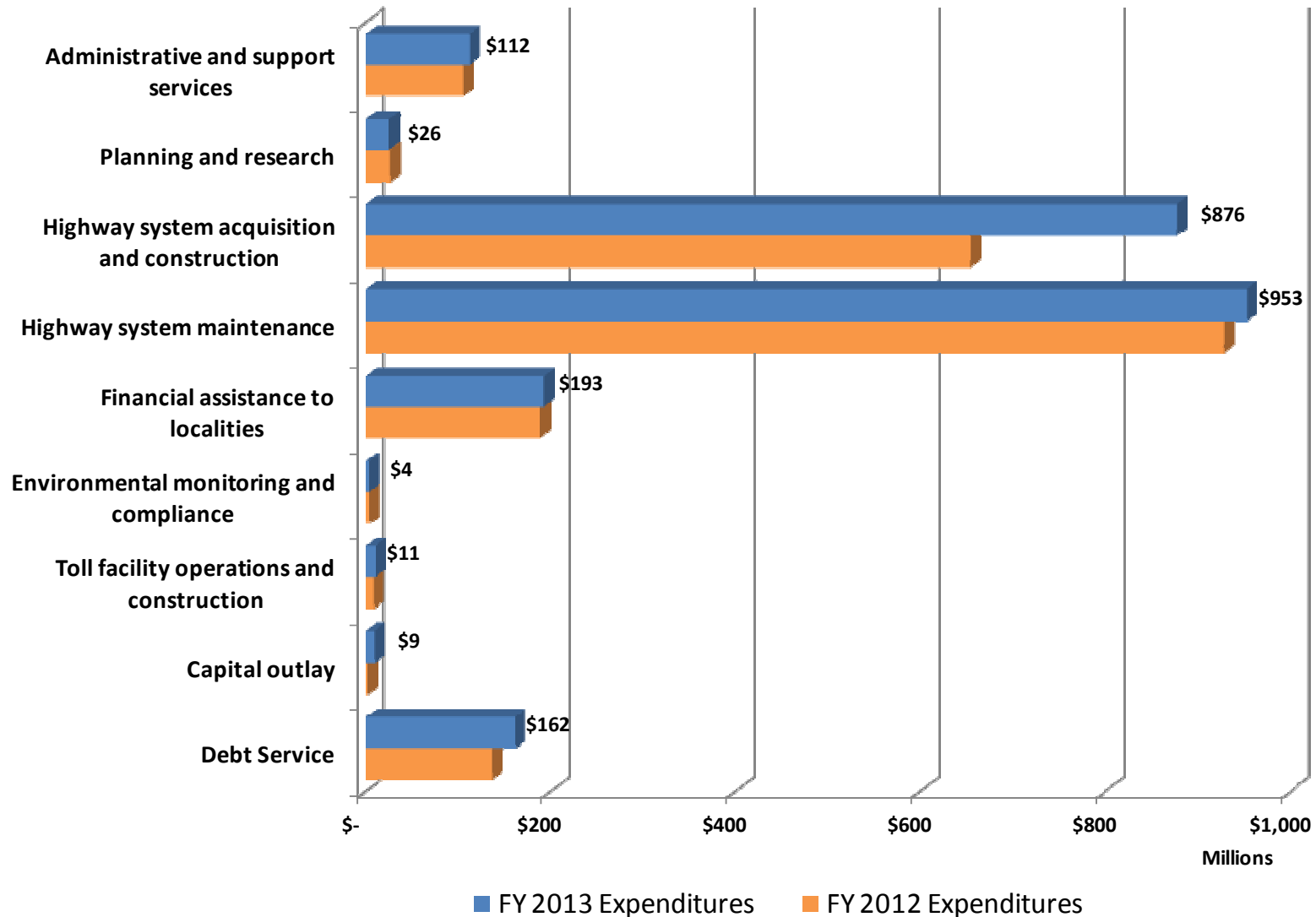
Spending through December 2012

- Fiscal Year to date expenditures through December 2012 totaled \$2.35 billion, \$292 million greater than through the same period last year.



- Current outstanding contract value for both Construction and Maintenance programs is \$951.6 million.

Expenditures by Program through December



Maintenance Program

- ❑ Expended \$109.1 million in December, for a year-to-date total of \$952.6 million
- ❑ Year-to-date spending is \$24.7 million greater than the \$927.8 million expended during the same period in FY 2012
- ❑ Anticipated spending for the fiscal year is \$1.68 billion with a projected \$18.4 million unspent allocation balance at year end

(Dollars in millions)

Service Area	FY 2013			FY 2012			Difference
	Allocations	Expenditures	%	Allocations	Expenditures	%	
		to Date	Expended		to Date	Expended	
Interstate Maintenance	\$ 514.0	\$ 212.6	41%	\$ 585.2	\$ 220.0	38%	\$ (7.3)
Primary Maintenance	526.2	301.6	57%	678.7	313.2	46%	(11.6)
Secondary Maintenance	431.7	277.8	64%	454.7	239.9	53%	37.9
Transportation Operations Services	132.5	94.4	71%	144.9	105.3	73%	(10.9)
Program Management & Direction	87.2	66.1	76%	83.4	49.5	59%	16.6
TOTAL	\$ 1,691.6	\$ 952.6	56.3%	\$ 1,946.9	\$ 927.8	47.7%	\$ 24.7

Anticipated Spending Year to Date \$ 987.5

Variance \$ (34.9)

Construction Program Spending

- ❑ Spent \$876.5 million on construction this fiscal year
- ❑ An increase of 34 percent compared to the same period in FY 2012
- ❑ Actual spending \$8.6 million greater than forecast

(Dollars in millions)

	FY 2013	FY 2012	Difference	
	Expenditures to Date	Expenditures to Date	Amount	Percentage
ARRA	\$ 60.8	\$ 107.9	\$ (47.2)	-43.7%
Dedicated & Statewide Construction	276.5	77.6	198.9	256.5%
Interstate Construction	180.0	215.1	(35.1)	-16.3%
Primary Construction	165.5	108.4	57.2	52.7%
Secondary Construction	78.8	48.6	30.3	62.4%
Urban Construction	105.0	84.0	21.1	25.1%
Total Systems Construction	866.6	641.5	225.1	35.1%
Program Management & Direction	9.8	12.3	(2.4)	-19.8%
Total	\$ 876.5	\$ 653.8	\$ 222.7	34.1%
Anticipated Spending Year to Date	<u>\$ 867.9</u>			
Variance	<u>\$ 8.6</u>			

Anticipated Spending

Program	Current Operating Budget	Original Forecasted Annual Spending	Forecasted Annual spending	Forecasted Spending to Date	FY 2013 Expenditures to Date	Variance
Administrative and support services	\$ 240.7	\$ 242.4	\$ 240.7	\$ 117.5	\$ 112.0	\$ (5.6)
Planning and research	68.2	50.2	65.1	27.9	26.0	(2.0)
Highway system acquisition and construction						
Construction Funding	1,099.9	854.3	1,159.8	734.4	727.8	(6.7)
Bond-financed projects	524.2	378.5	378.5	133.4	148.7	15.3
Highway system maintenance	1,691.6	1,619.6	1,645.9	987.5	952.6	(34.9)
Financial assistance to localities	390.9	376.2	376.2	194.2	192.7	(1.5)
Environmental monitoring and compliance	15.1	12.4	15.1	4.8	3.8	(1.0)
Toll facility operations and construction	36.1	31.4	28.1	11.1	10.7	(0.4)
Capital outlay	11.6	27.5	27.5	13.8	9.4	(4.4)
Debt Service	300.0	300.0	300.0	161.6	161.6	-
Total Expenditures	\$ 4,378.3	\$ 3,892.5	\$ 4,237.0	\$ 2,386.2	\$ 2,345.1	\$ (41.1)



Major Fund Cash Balances December 31, 2012

(Dollars in millions)

Fund	FY 2013	FY 2012 Year End Balance	Difference
Highway Maintenance and Operating	\$ 110.2	\$ 210.0	\$ (99.8)
Tran Partnership Opportunity Fund	54.1	61.3	(7.2)
Concession Fund	16.2	16.1	0.1
Transportation Trust Funds			
Construction	\$ 94.7	\$ 162.8	\$ (68.1)
Priority Transportation	171.3	99.2	72.1
Federal Reimb. Anticipation Notes	0.1	0.1	0.0
Toll Facility Revolving	132.1	145.6	(13.5)
Virginia Transportation Infrastructure Bank (VTIB)	316.2	315.3	0.9
Total Transportation Trust Fund	714.5	723.0	(8.5)
ARRA	8.0	8.8	(0.8)
CPR Bonds Fund (Cash and Securities Held by Outside Trustee)	801.7	929.5	(127.8)
GARVEE Bonds Fund (Cash and Securities Held by Outside Trustee)	313.6	289.4	24.2
Grand Total	\$ 2,018.2	\$ 2,238.1	\$ (219.9)

Conclusion

- ❑ **CTF Revenues are ahead of the revised estimated annual growth rate by 1.8 percent.**
- ❑ **Fiscal year-to-date expenditures for most programs are in line with forecasted activity.**
- ❑ **Construction expenditures have increased considerably, reflecting activity on major PPTA projects and an overall increase in construction activity.**
- ❑ **Maintenance Program year-end allocation balance is on track to meet the goal of VDOT's Business Plan (the maintenance allocation year-end balance does not exceed \$75 million to \$100 million annually).**



Preliminary Outlook for the FY 2014 - 2019 CTF Six-Year Financial Plan

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State and Federal Revenue Updates

- As part of the annual update for the Governor's Budget Bill and the Six-Year Financial Plan, VDOT received updated state revenue forecasts and developed new federal revenue forecasts
- State Revenue forecast for Fiscal Years 2013 – 2018 is down by \$218 million
- Federal revenue forecast for the period is down by \$548 million
- Total reduction of \$766 million

Commonwealth Transportation Fund Revenue Update

- ❑ **State revenue estimate was updated for Fiscal Years 2013 – 2018 by the Department of Taxation**
- ❑ ***Major adjustments:***
 - \$213 million reduction in Motor Fuels Taxes, Road Tax and Aviation Fuel Tax estimates
 - \$102 million reduction in Insurance Premium Revenue estimate dedicated to the Priority Transportation Fund
 - \$148 million increase in anticipated revenue from the Motor Vehicle Sales and Use Tax
 - The remaining \$50 million reduction is the net result of changes in other revenues

Federal Revenue Update

- ❑ **With the passage of MAP-21, new funding data became available from FHWA:**
 - Actual 2013 Apportionments
 - 2014 Estimated Apportionments
 - Obligation Authority

- ❑ **Guidance for the new federal programs continues to be released**

- ❑ **Based on this information, VDOT estimates federal program revenues**

Federal Revenue Update

- ❑ Actual federal revenues have been essentially flat since the expiration of SAFETEA-LU
- ❑ In previous years, VDOT has estimated the future growth in federal revenue to be equal to the projected growth in taxable motor fuel consumption
- ❑ Based on the recent trend, no growth in federal revenues beyond the expiration of MAP-21 in 2014 is assumed
- ❑ The combined impact of adjusting to MAP-21 funding levels and not estimating future growth is \$548 million

Potential Impacts

- ❑ **A preliminary analysis of the funding reductions indicate the following potential significant reductions:**
 - Construction program - \$530 million
 - Revenue available for CPR debt service - \$102 million
 - Interest Income - \$64 million
- ❑ **Total construction program reductions could approach \$700 million due to a delay in planned CPR bond issuances**
- ❑ **The preliminary FY 2014-2019 financial plan will outline the full impacts of the changes in revenue and the new MAP-21 federal programs and the funding available for the FY 2014-2019 SYIP**
- ❑ **Planning to present the preliminary FY 2014-2019 financial plan in February**

SAFETEA-LU / MAP-21 Federal Program Comparison

SAFETEA-LU	MAP-21
<p>Interstate Maintenance (IM) National Highway System (NHS) Bridge (BR)</p>	<p>National Highway Performance Program (NHPP)</p> <p>Set aside:</p> <ul style="list-style-type: none"> • A proportionate share of funds for the State's Transportation Alternatives (TA) program. • 2% for State Planning and Research (SP&R)
<p>Congestion Mitigation and Air Quality (CMAQ)</p>	<p>Congestion Mitigation and Air Quality (CMAQ)</p>
<p>Surface Transportation Program (STP) Bridge Off-System (BROS), Appalachian Development (APD)*</p>	<p>Surface Transportation Program (STP)</p> <p>Set aside:</p> <ul style="list-style-type: none"> • A proportionate share of funds for the State's Transportation Alternatives (TA) program • 2% for State Planning and Research (SP&R) • For off-system bridges, an amount not less than 15% of the State's FY 2009 Highway Bridge Program apportionment (may not be taken from amounts suballocated based on population) • The set-aside for Transportation Enhancements is eliminated <p>Suballocation</p> <ul style="list-style-type: none"> • 50% of a State's STP apportionment (after TA and SP&R set-asides) is to be obligated in the following areas in proportion to their relative shares of the State's population-- <ul style="list-style-type: none"> - <i>Urbanized areas with population greater than 200,000</i> - <i>Areas with population greater than 5,000 but no more than 200,000</i> - <i>Areas with population of 5,000 or less</i> • The remaining 50% may be used in any area of the State

*VDOT Crosswalk

SAFETEA-LU / MAP-21 Federal Program Comparison

SAFETEA-LU	MAP-21
<p style="text-align: center;">Highway Safety Improvement Program (HSIP), Rail Highway Crossings</p>	<p style="text-align: center;">Highway Safety Improvement Program (HSIP)</p> <p>Set aside:</p> <ul style="list-style-type: none"> • Railway-Highway Crossings • A proportionate share of funds for the State's Transportation Alternatives (TA) program. • 2% for State Planning and Research (SPR)
<p style="text-align: center;">Metropolitan Planning</p>	<p style="text-align: center;">Metropolitan Planning</p> <p>Set aside:</p> <ul style="list-style-type: none"> • A proportionate share of funds for the State's Transportation Alternatives (TA) program.
<p style="text-align: center;">Safe Routes to Schools (SRTS) Recreational Trails STP - Enhancement</p>	<p style="text-align: center;">Transportation Alternatives Program (TAP)</p> <p>Suballocation</p> <ul style="list-style-type: none"> • 50% of a State's TAP apportionment (after deducting the set-aside for the Recreational Trails Program, if applicable) is suballocated to areas based on their relative share of the total State population • 50% available for use in any area of the State • The suballocation is made in the same manner as for STP funds
<p style="text-align: center;">State Planning and Research (SP&R)</p>	<p style="text-align: center;">State Planning and Research (SP&R)</p> <p>2% set-aside from each State's apportionments of four programs: NHPP, STP, HSIP and CMAQ Programs</p>