



Draft FY 2016 – 2021 Six-Year Improvement Program

John Lawson, CFO VDOT
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Overview

The Six-Year Improvement Program (SYIP) is developed annually and identifies the planned use of funds available for highway construction and rail and public transportation

This transitional SYIP update does not include new projects subject to HB2 or the new funding structure provided by HB1887

For highway construction, the SYIP identifies for each project, the timing, amount, and type of funding planned to be available over the upcoming six years

The rail and transit section of the SYIP identifies the planned use of available funding for transit and rail capital for six years, as well as the planned support for transit operations and other programs administered by DRPT for the next year

FY 2016-2021 SYIP

	Draft FY 2016-2021
Highway Construction	\$9.5 billion
Rail & Public Transp.	\$3.4 billion
Total SYIP*	\$12.9 billion

Draft Highway Construction Program (FY2016 – 2021) \$9.5 billion

Supports nearly 3,000 projects

Current program includes \$601 million to be provided by others that is not included in the budget

*(excludes debt service)

Historical Comparison of SYIPs

(in billions)

	FY 2014-2019	FY 2015-2020	Revised FY 2015-2020	Draft FY 2016-2021	Change
Highway Construction	\$11.5	\$9.9	\$10.0	\$9.5	-\$0.5
Rail & Public Transp.	\$2.9	\$3.2	\$3.2	\$3.4	\$0.2
Total SYIP*	\$14.4	\$13.1	\$13.2	\$12.9	-\$0.3

*(excludes debt service)

Draft FY 2016-2021 SYIP

(in billions)

	FY 2014-2019	FY 2015-2020	Revised FY 2015-2020	Draft FY 2016-2021	Change
Interstate	\$2.1	\$1.4	\$1.3	\$1.1	-\$0.2
Primary	\$3.5	\$2.7	\$2.6	\$2.6	\$0.0
Secondary	\$1.0	\$0.7	\$0.8	\$0.6	-\$0.2
Urban	\$0.7	\$0.9	\$0.9	\$0.7	-\$0.2
Federal Maintenance	\$1.4	\$1.4	\$1.5	\$1.4	-\$0.1
Safety, TAP, Rev Sharing, Other	\$2.8	\$2.8	\$2.9	\$3.1	\$0.2
Total SYIP*	\$11.5	\$9.9	\$10.0	\$9.5	-\$0.5

*(excludes debt service)

FY 2016 – 2021 SYIP Statistics

133 new projects added to the SYIP (HB2 exempt)

354 projects removed from the SYIP (completed or cancelled)

324 projects received an allocation increase

- 188 – cost estimate increase
- 136 – CTB action, additional phase, expenditures, completing funding

225 projects with reduced allocation decrease

- 102 – cost estimate decrease
- 123 – funding extended beyond the six-year window, changing priorities, moving funds from balance entry/parent projects to new/child projects

***Statistics include changes since the Final Revised FY15 SYIP was adopted that have been approved by the CTB**

Time of Transition

The FY 2016 – 2021 SYFP and SYIP

- Continues the transition to the prioritization methodology required by HB 2 of 2014 (§ 33.2-214.1., *Code of Virginia*)
- Begins the transition to the new revenue distributions and construction formula distributions included in HB 1887 of 2015

HB 2 will be implemented in FY 2017

- HB 1887 will be fully implemented in FY 2021
Initial transition starts with this SYIP update

Revenue Changes

- **Updates reflect reduction of \$165 million in state revenues available for during the FY 2015 – 2020 period**
 - **Additional reduction of \$115 million are anticipated for the dedicated regional revenues over the same period.**
- **Addition of estimated Route 58 Bond Issuance – to be sized based on project readiness**
- **Planned reduction in CPR Bonds during period as the end of the authorization approaches**

Preliminary CTF Revenue Forecast FY 2016 – 2021

	2016	2017	2018	2019	2020	2021	Total	Revised FY 2015-2020	Difference
State Transportation Revenues									
HMO	\$ 1,900.6	\$ 1,927.0	\$ 1,951.0	\$ 1,988.2	\$ 2,017.2	\$ 2,040.3	\$ 11,824.3	\$ 11,805.7	\$ 18.6
TTF net interest	1,157.2	1,189.8	1,224.2	1,260.7	1,294.9	1,326.7	7,453.5	7,164.2	289.3
PTF (From TTF)	190.9	197.1	205.4	214.7	223.0	231.0	1,262.1	1,211.3	50.8
Regional Transportation Funds	483.5	492.6	508.3	523.6	539.1	553.4	3,100.5	3,117.2	(16.7)
Local and Other Revenues	446.0	360.3	313.3	316.1	267.9	269.2	1,972.8	2,182.0	(209.2)
Total	<u>4,178.2</u>	<u>4,166.8</u>	<u>4,202.2</u>	<u>4,303.3</u>	<u>4,342.1</u>	<u>4,420.6</u>	<u>25,613.2</u>	<u>25,480.4</u>	<u>132.8</u>
Federal Revenues	<u>930.2</u>	<u>925.1</u>	<u>925.1</u>	<u>925.1</u>	<u>925.1</u>	<u>925.1</u>	<u>5,555.6</u>	<u>5,583.3</u>	<u>(27.7)</u>
Total Revenues	<u>5,108.4</u>	<u>5,091.9</u>	<u>5,127.3</u>	<u>5,228.4</u>	<u>5,267.1</u>	<u>5,345.7</u>	<u>31,168.8</u>	<u>31,063.7</u>	<u>105.1</u>
Other Financing Sources									
GARVEE Bonds	375.0	225.2	120.0	90.0	-	-	810.2	840.2	(30.0)
Capital Improvement Bonds	122.9	122.9	122.9	61.6	50.0	-	480.3	603.2	(122.9)
Route 58	-	-	-	-	400.0	-	400.0	-	400.0
Total	<u>497.9</u>	<u>348.1</u>	<u>242.9</u>	<u>151.6</u>	<u>450.0</u>	<u>-</u>	<u>1,690.6</u>	<u>1,443.5</u>	<u>247.1</u>
Total Revenues and Other Financing Sources	<u>\$ 5,606.3</u>	<u>\$ 5,440.0</u>	<u>\$ 5,370.2</u>	<u>\$ 5,380.0</u>	<u>\$ 5,717.1</u>	<u>\$ 5,345.7</u>	<u>\$ 32,859.4</u>	<u>\$ 32,507.1</u>	<u>\$ 352.2</u>

Highway Strategies for FY 2016 – 2021 SYIP Update

Strategies:

- Continue transition to HB 2 and HB1887; not adding new projects subject to prioritization
- Support intent of the CTB formula through FY 2020; focus on deficient bridges and pavements
- Fund deficits on underway project phases
- Continue support for APD projects as approved in the Revised FY 2015-2020 SYIP
- Redirect inactive balances on projects to address revenue reductions and to minimize use of funds previously set aside for HB 2
- Strategically use federal funds to support full obligation of federal funding

Highway Construction Revenue Sharing

Recommend reducing the Program over the six-year period to increase funding for formula distribution

Increase the amount available for HB 2 prioritization through the Statewide High Priority Program and the District Grant Programs and for State of Good Repair

Size of program increased dramatically as the secondary and urban formula funds declined and ended in 2009; from a low of \$15M in 2007 up to \$185M in 2015

Since 2006, \$750 million in Revenue Sharing funding has been budgeted; approximately 32% of the funds have been expended

Reduce the Revenue Sharing Program over time

- **FY 2016 state share \$185 million**
 - **FY 2017 state share \$150 million**
 - **FY 2018 and 2019 state share \$100 million**
 - **FY 2020 and 2021 state share \$50 million**
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Highway Construction Formula Distribution FY 2016 – 2020

CTB Formula funds remain the same as previous SYIP: bridges, pavements, high priority projects, PPTA projects, smart roadway technology and unpaved roads

Addressed increased project cost estimates by delaying project schedules and/or using surplus funds from other projects

Funds not programed to projects are to be distributed 50/50 to the High-Priority Projects Program and Highway Construction District Grant Programs

Projects will be selected through the HB 2 prioritization process and presented in the FY 2017 - 2022 SYIP

Highway Construction Formula Distribution FY 2021

New construction formula established, fully effective FY 2021:

- **State of Good Repair – 45 percent**
- **High-Priority Projects Program – 27.5 percent (to be programmed according to HB 2 in FY17)**
- **Highway Construction District Grant Programs – 27.5 percent (to be programmed according to HB 2 in FY17)**

Funds to be Directed by HB 2 Prioritization

**Previously stated \$416 million has been reduced to
\$319 million**

Reductions necessary to address:

- **Replacement of Highway Safety Improvement Program (HSIP) funds previously provided to projects determined to be ineligible (\$66 million)**
Released HSIP funds will be redirected to other priority and qualifying safety projects
- **Reduced GARVEES (\$30 million)**

Total amount available for HB 2 in the FY 2016 – 2021 SYIP is \$785 million

Summary of Funds Subject to HB 2 and New Formula Distributions

(in millions)

	2016	2017	2018	2019	2020	2016-2020 Subtotal		2021	Total
Total Reserved for HB 2	21.02	64.16	36.35	51.75	146.68	319.95		0.00	319.95
New Amount Available for 50/50 HB 1887 Distribution per HB2	0.00	0.00	6.70	21.20	76.10	104.00		0.00	104.00
New Formula Distribution - HB 1887 for HB 2	0.00	0.00	0.00	0.00	0.00	0.00		361.23	361.23
Total Funds Available for HB 2	21.02	64.16	43.05	72.95	222.78	423.95		361.23	785.18
Funds for District Grant Program	10.51	32.08	21.53	36.47	111.39	211.98		180.61	392.59
Funds for High Priority Projects	10.51	32.08	21.53	36.47	111.39	211.98		180.61	392.59

Funds Available for HB 2

(in millions)

HB 1887 Grant Programs	Percentage	6-Year Total
District Grant Program		
Bristol	7.0%	\$27.7
Culpeper	6.2%	24.4
Fredericksburg	6.9%	26.9
Hampton Roads	20.2%	79.2
Lynchburg	7.1%	28.0
Northern Virginia	20.7%	81.4
Richmond	14.4%	56.7
Salem	9.6%	37.7
Staunton	7.8%	30.6
High Priority Projects Program (Statewide)		392.6
Total	100.0%	\$785.2

Funds Available for State of Good Repair

(in millions)

District	Percentage	6-Year Total
Bristol	11.7%	\$40.1
Culpeper	6.0%	20.5
Fredericksburg	12.1%	41.4
Hampton Roads	14.8%	50.6
Lynchburg	7.6%	26.0
Northern Virginia	10.6%	36.1
Richmond	17.4%	59.7
Salem	12.1%	41.4
Staunton	7.9%	26.9
Total	100.0%	\$342.7