



Preliminary FY 2023 – 2028 Commonwealth Transportation Fund (CTF) Six-Year Financial Plan

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Commonwealth Transportation Fund Revenue Updates since January

Mid-session revenue update

\$129.1 million additional revenue in FY 2022 - \$121.3 million in Retail Sales and Use Taxes and \$7.8 million in Recordation Taxes (Uplift incorporated into FY 2023 for allocation)

Reflects impact of legislative actions pending in the 2022 Session, including elimination of state share of grocery tax and accelerated sales tax elimination

Other Revenue

Interstate 81 debt adjustments – Based on completed bond sale and updated information

GARVEE assumptions – future planned sales removed from assumptions

Federal Revenue updates

Updated to reflect new IIJA funding from FHWA

Continue federal growth from FY 2023 forward as provided in IIJA (Program specific; not assuming General Fund Programs continue after IIJA; up to 2.2% for other programs)

Commonwealth Transportation Fund Revenue Estimate

(in millions)

Sources of Funds	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Retail Sales and Use Tax	\$1,411.5	\$1,293.9	\$1,315.1	\$1,348.1	\$1,356.5	\$1,363.3	\$1,368.4
Motor Vehicle Sales and Use Tax	1,174.0	1,155.1	1,119.4	1,128.9	1,124.2	1,121.5	1,120.0
Motor Fuels Tax	1,282.4	1,360.7	1,380.7	1,392.5	1,405.2	1,428.1	1,458.4
Aviation Fuels Tax	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Road Tax	68.2	69.2	69.5	69.4	69.0	68.5	67.8
International Registration Plan	124.3	124.2	122.6	119.6	120.0	120.3	120.7
Registration Fees	234.8	236.6	240.3	241.3	242.5	241.9	242.5
State Insurance Premium Tax	180.7	196.0	203.8	212.8	222.8	233.2	244.0
Recordation Tax	88.8	81.0	81.0	81.0	81.0	81.0	81.0
Vehicle Rental Tax	40.7	42.9	43.6	44.4	45.2	46.0	46.8
Highway Use Fee	52.4	59.7	62.7	66.5	66.5	66.5	66.5
Total Commonwealth Transportation Fund	\$ 4,659.8	\$ 4,621.3	\$ 4,640.7	\$ 4,706.5	\$ 4,734.9	\$ 4,772.3	\$ 4,818.1

February 2022 Forecast; FYs 2022 and 2023 updated mid-General Assembly Session for Retail Sales and Use Tax and Recordation Tax. Rental Tax included dedicated funds to WMATA.



IIJA – Summary of Additional Federal Funding

New Programs and Increased flexible federal funding for formula allocation <i>(updated to soft match assumptions)</i>	IIJA Implementation Period						TOTAL
	(in millions)	2023	2024	2025	2026	2027	
Bridge Rehabilitation and Replacement	\$107.4	\$107.4	\$107.4	\$107.4	\$ -	\$ -	\$429.6
Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT) grant program	36.9	37.7	38.4	39.2	40.0	40.8	233.1
Carbon Reduction Program	32.5	33.1	33.8	34.5	35.2	35.9	205.0
Electric Vehicles	15.7	21.3	21.3	21.3	-	-	79.6
Increased funding available to allocate via Construction Formula – Includes released federal funding not needed for GARVEE Debt Service <i>Based on June 2021 SYFP Assumptions to IIJA Assumptions</i>	198.6	207.9	223.2	242.6	262.9	N/A	1,135.4

.Adjustments based on the application of soft match for federal funding programs. Electric Vehicles for FY 2023 reflect reconciliation of FY 2022 FHWA Administrative Takedown and allocation for Joint Office for Energy and Transportation



GARVEE Program Analysis

- **When GARVEEs were authorized in 2011, the Construction Program Funding distributed via formula averaged \$550 million annually.**
 - **GARVEEs were initially programmed discretionarily. The bonds funded most of the Public Contribution to P3 Projects.**
 - **In 2016 (FY 2017), the Appropriation Act transferred their use to SMART SCALE projects.**
- **With anticipated state and federal allocations in the coming SYIP, the Construction Funding available for distribution totals \$7.4 billion and averages \$1.2 billion annually.**
- **Given significant increase in funding, not prudent to use debt financing on an ongoing basis.**

Commonwealth Transportation Fund (CTF)

Preliminary Fiscal Years 2023 – 2028 Six-Year Financial Plan Overview

- ❑ The Six-Year Financial Plan (SYFP) identifies the planned funding for allocation to Highways, Rail, Transit, Ports, Aviation, DMV, and Space Flight
- ❑ The Recommended Fiscal Years 2023 – 2028 SYFP allocates \$51.0 billion
- ❑ Includes the use of bond proceeds totaling \$879 million, representing Route 58 Corridor Bonds and I-81 Debt Assumptions
- ❑ Transfers \$5.3 billion to the three regions for transportation improvements and \$818 million in dedicated revenue for WMATA Capital Fund
- ❑ Includes \$489 million of dedicated fuel tax revenue for the I-81 Corridor Improvements
- ❑ Dedicates \$14.9 billion for Maintenance and Operations
- ❑ Provides \$16.7 billion for Construction (*Funds for new IIJA programs currently assumed in Construction Program for planning purposes*)
 - Approximately \$3.2 billion of Construction Funding represents Local and Regional Funding for Projects

Commonwealth Transportation Fund Revised Fiscal Years 2023 – 2028 Six-Year Financial Plan Estimated Revenues (in millions)

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2023-2028 Total	Previous FY 2022-2027	Difference
State Transportation Revenues									
Commonwealth Transportation Fund	\$ 4,674.4	\$ 4,628.4	\$ 4,694.0	\$ 4,721.8	\$ 4,759.4	\$ 4,805.0	\$ 28,283.0	\$ 28,284.0	\$ (1.0)
Prior year funding	191.4	-	-	-	-	-	191.4	536.0	(344.6)
Local & Regional Project Participation/Revenue	1,240.6	843.7	706.7	161.5	161.5	161.5	3,275.4	4,151.3	(875.9)
Other Fund Revenue	431.8	439.7	422.4	428.4	428.8	425.2	2,576.4	2,818.3	(242.0)
Total	6,538.2	5,911.8	5,823.1	5,311.7	5,349.7	5,391.7	34,326.2	35,789.6	(1,463.4)
Federal Revenues	1,669.9	1,589.7	1,617.9	1,646.7	1,547.4	1,577.4	9,649.0	9,691.6	(42.7)
Total Revenues	8,208.1	7,501.5	7,441.0	6,958.4	6,897.1	6,969.1	43,975.2	45,481.3	(1,506.1)
Other Financing Sources									
Interstate 81 Financing	-	258.2	-	-	394.6	-	652.8	856.5	(203.7)
GARVEE Bonds	-	-	-	-	-	-	-	721.4	(721.4)
Route 58	-	-	152.2	74.2	-	-	226.4	444.8	(218.4)
Total	-	258.2	152.2	74.2	394.6	-	879.2	2,022.7	(1,143.5)
Total Operating Revenues and Other Financing Sources	\$ 8,208.1	\$ 7,759.7	\$ 7,593.2	\$ 7,032.6	\$ 7,291.7	\$ 6,969.1	\$ 44,854.4	\$ 47,504.0	\$ (2,649.6)
Revenue Supporting Transfer Payments									
Regional Transportation Funds	872.4	863.8	881.7	886.9	892.3	897.9	5,295.0	5,161.4	133.6
WMATA Capital Fund Revenue	134.4	135.1	135.9	136.6	137.4	138.1	817.6	808.5	9.1
Grand Total	\$ 9,214.9	\$ 8,758.6	\$ 8,610.8	\$ 8,056.1	\$ 8,321.4	\$ 8,005.1	\$ 50,967.0	\$ 53,473.9	\$ (2,506.9)

Local & Regional Project Participation includes HRTAC's funding for the HRBT Expansion Project through FY 2025

Previous FY 2022 – 2027 reflect December 2021 Revision to allocate \$344.6 million in excess revenue dedicated to the PTF and January 2022 Revision, incorporating State and Federal Revenue Updates



Commonwealth Transportation Fund Revised Fiscal Years 2023 – 2028

Six-Year Financial Plan Estimated Allocations (in millions)

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2023-2028 Total	Previous FY 2022-2027	Difference
Debt Service	\$ 385.7	\$ 428.3	\$ 413.7	\$ 416.3	\$ 428.2	\$ 394.4	\$ 2,466.5	\$ 2,740.5	\$ (273.9)
Other Agencies & Transfers	49.2	49.3	50.5	50.6	51.8	52.0	303.5	326.4	(23.0)
Maintenance & Operations	2,377.8	2,409.7	2,461.8	2,514.9	2,571.6	2,632.1	14,967.9	14,560.0	408.0
Administration & Other Programs	534.0	535.7	553.8	560.4	569.5	581.1	3,334.5	3,200.8	133.7
Toll Programs	97.6	99.3	100.9	102.5	104.1	104.1	608.4	575.5	33.0
Special Structures	80.0	81.3	82.9	84.7	86.7	88.8	504.4	475.6	28.8
Public Transportation	686.6	583.6	565.4	568.6	572.8	577.9	3,554.8	3,923.3	(368.6)
Virginia Passenger Rail Authority	305.2	192.9	208.4	205.2	201.8	205.7	1,319.1	1,418.5	(99.4)
DRPT Rail Assistance	17.0	14.8	14.9	15.0	15.0	15.1	91.8	93.2	(1.4)
DRPT Administration	26.1	23.5	23.9	24.0	24.2	24.5	146.2	147.2	(1.0)
Port Trust Fund	59.8	54.9	55.7	56.0	56.5	57.0	339.8	340.8	(0.9)
Airport Trust Fund	35.1	33.5	33.9	34.1	34.4	34.7	205.7	202.7	3.1
Commonwealth Space Flight Fund	23.4	21.9	22.2	22.3	22.5	22.7	134.9	165.4	(30.6)
Department of Motor Vehicles	30.4	21.9	22.2	22.3	22.5	22.7	142.0	149.5	(7.6)
Construction	3,460.8	3,169.7	2,943.6	2,316.1	2,490.6	2,116.9	16,497.8	18,941.6	(2,443.8)
Total Operating Programs	\$ 8,168.6	\$ 7,720.2	\$ 7,553.7	\$ 6,993.1	\$ 7,252.2	\$ 6,929.6	\$ 44,617.4	\$ 47,261.0	\$ (2,643.6)
Pass Through Programs									
WMATA Dedicated	153.9	154.6	155.4	156.1	156.9	157.6	934.6	931.5	3.1
Central Virginia Transportation Fund	198.9	197.5	201.4	202.8	204.5	206.5	1,211.6	1,180.2	31.4
Northern Virginia Transportation Authority Fund	399.3	393.9	402.0	404.0	405.7	407.1	2,412.0	2,353.1	58.9
Hampton Roads Regional Transit Fund	39.9	40.5	41.1	41.2	41.2	41.2	245.1	243.3	1.8
Hampton Roads Transportation Fund	254.3	251.9	257.2	258.9	260.9	263.1	1,546.3	1,504.8	41.5
Subtotal	1,046.3	1,038.4	1,057.1	1,063.0	1,069.2	1,075.5	6,349.6	6,212.9	136.7
Total	\$ 9,214.9	\$ 8,758.6	\$ 8,610.8	\$ 8,056.1	\$ 8,321.4	\$ 8,005.1	\$ 50,967.0	\$ 53,473.9	\$ (2,506.9)



Major Program Changes – Reminders from January Update

- ❑ Revenue Sharing Recommendations to advance funding previously provided in FYs 2025 and 2026 to FYs 2022-2024 (permissive budget language assumed adopted by General Assembly).
 - Upcoming allocations from years 3 and 4 of SYIP or FYs 2025 and 2026.
- ❑ New federal programs continue with modest growth after IIJA period
- ❑ Construction Formula Distribution - Fully implemented to codified distribution
 - State of Good Repair (30%)
 - High Priority Projects – SMART SCALE (20%)
 - Construction District Grant Program – SMART SCALE (20%)
 - Interstate Operations and Enhancement Program (20%)
 - Virginia Highway Safety Improvement Program (10%)

Major Program Changes – Reminders from January Update

- ❑ **Base rate of growth for VDOT’s Highway Maintenance and Operations Program is also used for Payments to Localities**
 - **CPI from FY 2022 to FY 2023 is 4.2%. Remaining years average 2.1%**

- ❑ **The Innovation and Technology Transportation Fund (ITTF) funding from the High Priority Projects Program is \$25 million annually, the maximum allowed under § 33.2-1531 of the Code of Virginia.**

- ❑ **Unpaved Roads funding is \$25 million annually from the District Grant Program, the maximum allowed under § 33.2-359 of the Code of Virginia**

Major Program Changes from Previous Assumptions

- ❑ **Administrative Programs – Incorporated 5% pay raise in each fiscal year as most conservative planning option; await completed budget work of General Assembly**
- ❑ **Providing \$5 million for City Street Payments Evaluation in Ground Transportation Planning and Research Program area**

Assumptions for Highway Construction Programs

State of Good Repair

	(in millions)						
	2023	2024	2025	2026	2027	2028	TOTAL
State of Good Repair Allocation	\$363.7	\$350.9	\$381.0	\$377.9	\$372.6	\$373.1	\$2,219.2
<i>Difference from June 2021 SYIP Assumptions</i>	96.4	116.4	135.2	119.8	128.1	373.1	968.9

Assumptions for Highway Construction Programs

SMART SCALE

	(in millions)						
	2023	2024	2025	2026	2027	2028	TOTAL
High Priority Projects Program (HPP)	\$258.7	\$234.0	\$254.0	\$251.9	\$248.4	\$248.8	\$1,495.7
<i>Difference from June 2021 SYIP Assumptions</i>	<i>(6.3)</i>	<i>15.1</i>	<i>23.1</i>	<i>11.3</i>	<i>10.2</i>	<i>248.8</i>	\$302.8
District Grant Program (DGP) - Includes Supplemental DGP Funding from Fuel Tax Revenue	348.2	339.4	360.2	358.9	356.9	359.3	2,122.8
<i>Difference from June 2021 SYIP Assumptions</i>	<i>(18.9)</i>	<i>15.3</i>	<i>22.2</i>	<i>9.0</i>	<i>7.7</i>	<i>359.3</i>	394.6
Grand Total – SMART SCALE	\$606.9	\$573.3	\$614.1	\$610.8	\$605.3	\$608.0	\$3,618.5
<i>Difference from June 2021 SYIP Assumptions</i>	<i>(25.2)</i>	<i>30.4</i>	<i>45.4</i>	<i>20.3</i>	<i>18.6</i>	<i>608.0</i>	697.4

Total Funding available includes \$25 million for ITTF annually within HPP. Total Funding available includes \$25 million annually for Unpaved Roads in DGP

Assumptions for Highway Construction Programs

Interstate Operations and Enhancement Program (IOEP)

	(in millions)						
	2023	2024	2025	2026	2027	2028	TOTAL
Interstate 81 – Fuel Tax (after Debt Service/Planned Reserves)	73.1	62.8	74.7	72.8	59.3	74.9	\$417.5
NVTA	20.3	19.7	21.3	21.2	20.9	20.9	\$124.2
IOEP Construction Distribution							
Interstate 81	105.4	102.2	111.0	110.0	108.5	108.7	\$645.7
Interstate 95	39.8	38.6	41.9	41.5	41.0	41.0	\$243.7
Interstate 64	28.5	27.6	30.0	29.8	29.4	29.4	\$174.7
Interstate Improvements	47.3	45.9	49.8	49.4	48.7	48.8	\$289.9
Total for IOEP Construction Distribution	\$221.0	\$214.3	\$232.6	\$230.8	\$227.5	\$227.9	\$1,354.0
<i>Difference from June 2021 SYIP Assumptions</i>	77.6	71.1	82.6	73.1	78.2	227.9	\$610.4

Assumptions for Highway Construction Programs

Virginia Highway Safety Improvement Program

	(in millions)						
	2023	2024	2025	2026	2027	2028	TOTAL
Safety Allocation	\$145.6	\$117.0	\$127.0	\$126.0	\$124.2	124.4	\$764.1
<i>Difference from June 2021 SYIP Assumptions</i>	79.6	38.8	45.1	39.9	42.7	124.4	370.5

Next Steps

- ❑ **Monitor updated guidance and information from FHWA related to IIJA**
- ❑ **Derive cost estimates for implementation of VTrans Strategic Actions and identify appropriate funding sources**
- ❑ **Monitor continued actions by 2022 General Assembly Special Session and impact to transportation funding**
- ❑ **Draft Budget and SYIP Recommendations planned for April CTB Meeting**