



**FY 2010 Budget**  
**Reta R. Busher, CFO**  
**June 17, 2009**

# CTB Requirements

**Code of Virginia and Appropriation Act require the Commonwealth Transportation Board to:**

**Maintain existing transportation assets to ensure safety of the traveling public shall be the first allocation priority**

**Set aside defined portions of the TTF for the Commonwealth Port Fund, the Commonwealth Airport Fund and the Commonwealth Mass Transit Fund**

**Allocate available funds according to formula for construction on the interstate, primary, secondary and urban state highway systems**

**Review and comment on budget items not specifically enumerated to the CTB by statute**

**Adopt a Six Year Improvement Program by July 1 each year**

# Commonwealth Transportation Fund Fiscal Years 2010 – 2015 Six-Year Financial Plan Overview

**The Fiscal Years 2010 – 2015 Six-Year Financial Plan allocates \$23.4 billion over the period**

- Revised FY 2009 – 2014 Plan was \$24.4 billion
- Original FY 2009 – 2014 Plan was \$27.3 billion
- FY 2008 – 2013 Plan was \$28.1 billion

**It is based on the December 2008 official state transportation revenue forecast, the same as the Revised Fiscal Years 2009 – 2014 Plan**

**Planned use of CPR Bonds have been further reduced; only estimated to support transit, rail, federal match, and identified construction needs**

**Federal revenue is based on Federal FY 2009 apportionments, with growth rate equal to estimated growth in fuel consumption per the Department of Taxation (0.6%)**

# Commonwealth Transportation Fund

## Fiscal Years 2010 – 2015 Six-Year Financial Plan

### Estimated Revenues (in millions)

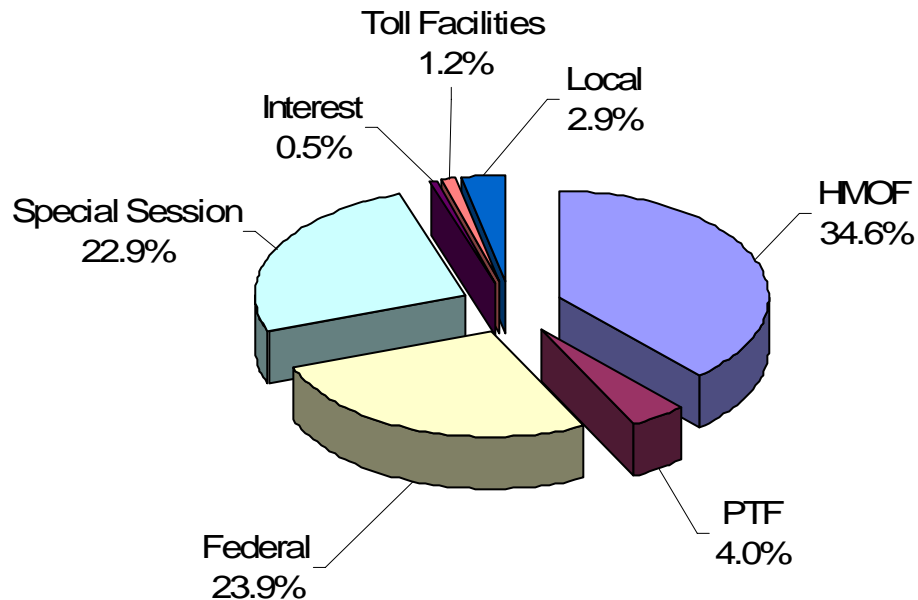
	2010	2011	2012	2013	2014	2015	Total
State Transportation Revenues							
HMO	\$1,327.0	\$1,349.1	\$1,366.9	\$1,402.3	\$1,427.1	\$1,456.3	\$8,328.7
TTF net interest	883.8	909.4	940.3	978.7	1,014.5	1,051.4	5,778.1
PTF (From TTF)	149.9	157.7	165.3	172.9	180.8	189.2	1,015.8
Local and Other Revenues	<u>367.5</u>	<u>271.7</u>	<u>242.0</u>	<u>224.4</u>	<u>221.1</u>	<u>219.9</u>	<u>1,546.6</u>
<b>Total</b>	<b><u>2,728.2</u></b>	<b><u>2,687.9</u></b>	<b><u>2,714.5</u></b>	<b><u>2,778.3</u></b>	<b><u>2,843.5</u></b>	<b><u>2,916.8</u></b>	<b><u>16,669.2</u></b>
<b>Federal Revenues</b>	<b><u>919.8</u></b>	<b><u>901.7</u></b>	<b><u>907.7</u></b>	<b><u>913.8</u></b>	<b><u>919.8</u></b>	<b><u>925.9</u></b>	<b><u>5,488.8</u></b>
<b>Total Revenues</b>	<b><u>3,648.0</u></b>	<b><u>3,589.6</u></b>	<b><u>3,622.2</u></b>	<b><u>3,692.0</u></b>	<b><u>3,763.4</u></b>	<b><u>3,842.7</u></b>	<b><u>22,157.9</u></b>
Other Financing Sources							
Capital Improvement Bonds	<u>206.1</u>	<u>240.8</u>	<u>212.4</u>	<u>207.8</u>	<u>208.3</u>	<u>146.6</u>	<u>1,222.1</u>
<b>Total Revenues and Other Financing Sources</b>	<b>\$3,854.1</b>	<b>\$3,830.4</b>	<b>\$3,834.6</b>	<b>\$3,899.9</b>	<b>\$3,971.7</b>	<b>\$3,989.4</b>	<b>\$23,380.0</b>

# Commonwealth Transportation Fund Fiscal Years 2010 – 2015 Six-Year Financial Plan Allocations (in millions)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Total</u>
Debt Service	\$256.4	\$266.6	\$268.2	\$273.8	\$285.7	\$294.3	\$1,645.0
Other Agencies & Transfers	39.4	40.0	40.5	41.1	41.7	42.4	245.1
Highway Maintenance & Operations	1,708.7	1,770.5	1,822.1	1,881.3	1,932.6	1,983.7	11,098.9
Tolls, Admin & Other Programs	409.1	401.4	405.9	412.9	417.1	424.8	2,471.1
Public Transportation & Rail	353.1	381.4	389.2	383.6	390.2	346.9	2,244.5
Ports and Aviation	57.1	58.1	59.2	61.7	64.0	66.4	366.5
Earmarks & Special Financing	383.6	380.0	306.9	319.1	320.5	328.6	2,038.7
Highway Systems Construction	<u>646.6</u>	<u>532.4</u>	<u>542.6</u>	<u>526.4</u>	<u>520.0</u>	<u>502.2</u>	<u>3,270.2</u>
Total	\$3,854.1	\$3,830.4	\$3,834.6	\$3,899.9	\$3,971.7	\$3,989.4	\$23,380.0

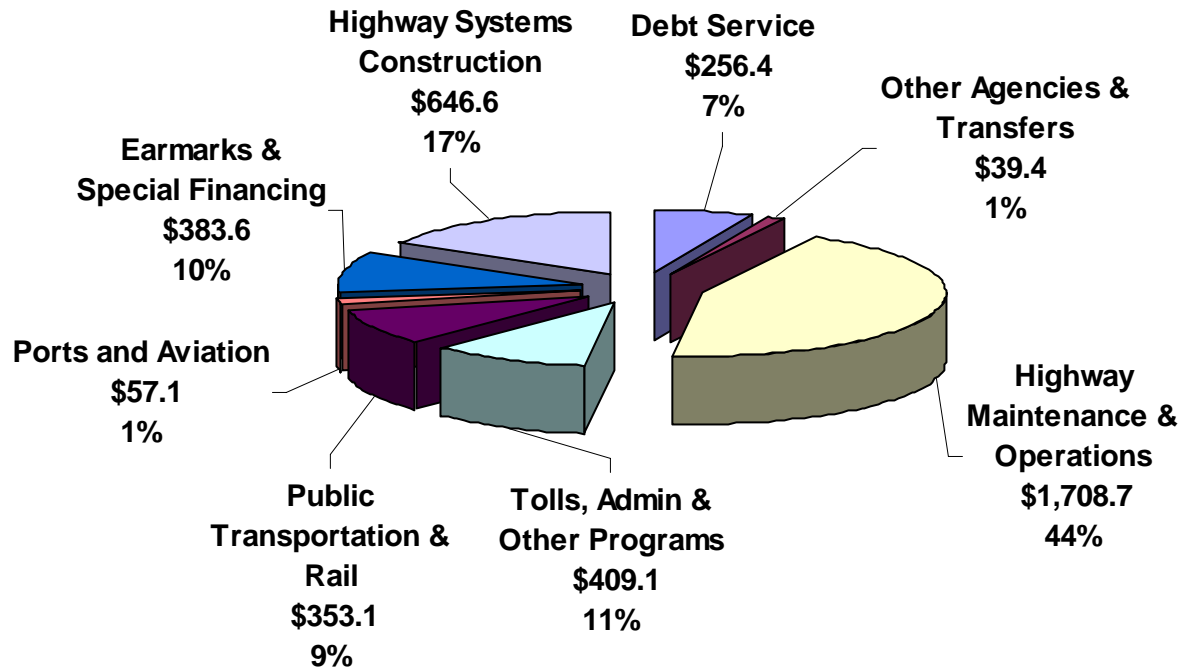
# Commonwealth Transportation Fund Proposed FY 2010 Budget

FY 2010 CTF Revenues total \$3.85 billion, down 8.6% from \$4.22 billion in the Revised FY 2009 Budget.



# Commonwealth Transportation Fund Proposed FY 2010 Budget

## FY 2010 CTF Allocations (in millions)



# VDOT FY 2010 Budget Highlights

The VDOT FY 2010 Budget totals \$3.47 billion compared to \$3.45 billion in the Revised FY 2009

The Budget reflects the impacts of the reductions in transportation revenues over the last couple years

The Budget implements the Blueprint reductions

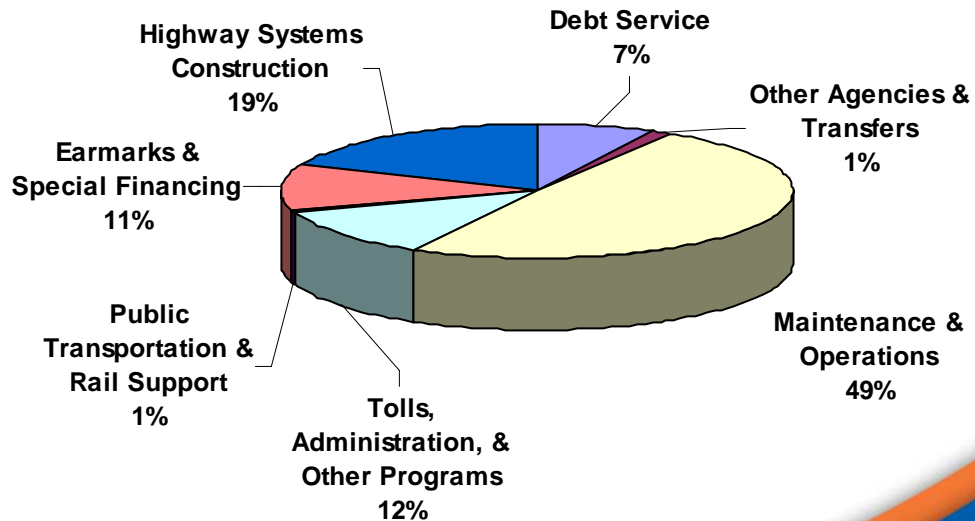
- Construction
- Organization/Staffing
- Facility Consolidations
- Other internal and programs

No funding is available for distribution by the state allocation formula



# VDOT FY 2010 Budget Summary by Category (in millions)

	Revised FY 2009	FY 2010	INCREASE (DECREASE)
Debt Service	\$260.2	\$256.4	(\$3.8)
Other Agencies & Transfers	\$45.2	\$45.0	(\$0.2)
Maintenance & Operations	\$1,525.2	\$1,708.7	\$183.5
Tolls, Administration, & Other Programs	\$440.8	\$409.1	(\$31.7)
Public Transportation & Rail Support	\$20.0	\$17.6	(\$2.4)
Earmarks & Special Financing	\$257.8	\$383.6	\$125.8
Highway Systems Construction	\$898.9	\$646.6	(\$252.3)
<b>Total</b>	<b>\$3,448.1</b>	<b>\$3,467.0</b>	<b>\$18.9</b>



# VDOT FY 2010 Budget Summary by Program

FY 2010 VDOT budget totals \$3.47 billion

	<u>(in millions)</u>		
	Revised FY 2009	FY 2010	Increase (Decrease)
<b>VDOT Programs</b>			
Environmental Monitoring and Evaluation (514)	\$10.3	\$12.0	\$1.7
Ground Transportation Planning & Research (602)	45.4	44.8	(0.6)
Highway System Acquisition and Construction (603)	1,180.0	1,052.1	(127.9)
Highway System Maintenance (604)	1,186.4	1,359.8	173.4
Financial Assistance to Localities (607)	353.0	363.2	10.2
Commonwealth Toll Facilities (606)	121.7	63.5	(58.2)
Non-Toll Supported Transportation Debt Service (612)	243.8	247.0	3.2
Administrative and Support Services (699)	231.3	251.0	19.7
VDOT Capital Outlay (998)	11.0	11.0	0.0
<b>Total VDOT Programs</b>	<b>3,382.9</b>	<b>3,404.4</b>	<b>21.5</b>
<b>Support to Other State Agencies</b>	45.2	45.0	(0.2)
<b>Support to DRPT Programs</b>	20.0	17.6	(2.4)
<b>TOTAL</b>	<b>\$3,448.1</b>	<b>\$3,467.0</b>	<b>\$18.9</b>

# VDOT FY 2010 Budget Construction Program

**Systems construction amounts no longer include any funding distributed by the State allocation formula**

(in millions)

	Revised FY 2009	FY 2010	Increase (Decrease)
<b>Highway Construction</b>			
Systems Construction			
Interstate	\$300.1	\$295.6	(\$4.5)
Primary	259.6	152.1	(107.5)
Secondary	165.0	112.9	(52.1)
Urban	174.2	86.0	(88.2)
Total	898.9	646.6	(252.3)
Dedicated and Statewide Construction (Revenue Sharing, Statewide & Regional Projects, Safety Projects, Enhancement Projects and Earmarks)	243.6	369.3	125.7
Construction Program Management	37.5	36.2	(1.3)
<b>Total Highway Construction</b>	<b>\$1,180.0</b>	<b>\$1,052.1</b>	<b>(\$127.9)</b>

# VDOT FY 2010 Budget Maintenance Program

**Maintenance, including city and county maintenance payments – 49% of total VDOT budget (43% of CTB budget)**

- Includes both VDOT maintenance and city and county maintenance payments
- Average growth in future years is 3%

(in millions)

	<b>VDOT Highway System Maintenance</b>	<b>Maintenance Payments to Cities and Counties</b>	<b>Totals</b>
<b>FY 2010</b>	\$1,359.8	\$348.9	\$1,708.7
<b>FY 2011</b>	1,409.5	361.0	1,770.5
<b>FY 2012</b>	1,450.7	371.4	1,822.1
<b>FY 2013</b>	1,497.8	383.5	1,881.3
<b>FY 2014</b>	1,538.9	393.7	1,932.6
<b>FY 2015</b>	1,579.9	403.8	1,983.7
<b>Totals</b>	\$8,836.6	\$2,262.3	\$11,098.9

## Future Concerns

**Current state revenue collections are falling short of estimates and may lead to further reductions in the fall revenue forecast update**

**Uncertainty of the funding levels that will be provided by the next federal transportation legislation. Could be significantly less than the plan based on SAFETEA-LU funding levels.**

**Future price escalation could significantly impact costs, reducing the maintenance and construction work that can be performed with the anticipated revenues**

**The inability to sell CPR bonds would have a significant impact on cash flow and require major adjustments to the SYIP. In this uncertain economic climate, there are concerns that the FY 2010 sale may not be made as planned.**

**The current update of the constrained long-range plans of the MPOs will be driven by the revenues available. The selected revenue and allocation assumptions will determine the available funds for this long-range planning effort.**

# Potential Financial Scenarios

## Revenues fall from forecasted amounts

- **The Federal Highway Trust Fund is expected to need another cash infusion from the general fund**
- **Federal revenues provided by the new federal transportation bill may be significantly reduced**
- **Updated state revenue estimates may be less than currently forecasted**

## Impact

- **Reduction in estimated federal funding will reduce the funding available for construction activities**
- **Reductions in state revenues would require immediate reductions in Code directed state funded programs such as revenue sharing and access programs and/or inability to fully match federal funds**

# Potential Financial Scenarios

**Revenues estimates remain constant or improve; and**

**Return maintenance program growth to 4% or greater based on needs assessment; and**

**Maximize use of federal funds for maintenance**

## **Impact**

- **Reduce or eliminate Code directed state programs**
- **Discontinue practice of matching all federal funds**
  - **Prioritize federal programs to determine which should be matched**
  - **Require localities to provide match for RSTP, CMAQ and other regional funds - Localities may not be able to provide match**
  - **Could result in loss benefit of federal revenues**



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