



FY 2010 Revised Budget

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Transportation Revenue Forecast Reductions (Six Year Estimates)

Spring 2008	\$1.11 billion
February 2009	<u>\$2.57 billion</u>
Through FY 2009	<u>\$3.68 billion</u>
August 2009	\$0.88 billion
November 2009	<u>\$0.05 billion</u>
FY 2010 Revisions	<u>\$0.93 billion</u>
Total	\$4.61 billion

**Changes to the Commonwealth Transportation Fund
November Forecast
(\$ millions)
Fiscal Years 2010 - 2015**

<u>Source</u>	Fiscal Years						<u>6-yr Total</u>
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	
Motor Fuels Tax	(27.4)	(4.9)	10.3	8.7	7.6	3.7	(2.0)
Motor Vehicle Sales Tax	(64.4)	(67.2)	(72.1)	(74.9)	(65.5)	(60.5)	(404.6)
Retail Sales Tax	(50.7)	(55.8)	(60.3)	(65.3)	(69.6)	(71.3)	(373.0)
All Other	(19.3)	(27.6)	(29.7)	(25.2)	(25.7)	(21.9)	(149.4)
Total Highway Maintenance Fund	(61.8)	(44.1)	(34.3)	(35.2)	(29.2)	(25.9)	(230.5)
Total Transportation Trust Fund	(100.0)	(111.4)	(117.5)	(121.5)	(124.0)	(124.1)	(698.5)
Total Commonwealth Transportation Fund*	(161.8)	(155.5)	(151.8)	(156.7)	(153.2)	(150.0)	(929.0)

*Total state taxes and fees

Commonwealth Transportation Fund Revenue Changes

In addition to the updated state revenue forecasts, the budgets are being revised to include:

- **Planned use of CPR bonds**
- **Receipt of \$28 million of federal bonus obligation authority**
- **Notice of \$8 million of federal open container funds**
- **Reduced local revenues related to the revenue sharing program**
- **Reduced general fund support to the Route 58 program**
- **Other miscellaneous changes**

These revisions bring the total to \$893.5 million over the six-years

The revised FY 2010 – 2015 financial plan totals \$22.5 billion - a four percent reduction from the June 2009 plan

Commonwealth Transportation Fund Revenue Outlook Revised FY 2010 – 2015 (in millions)

	2010	2011	2012	2013	2014	2015	Total
State Transportation Revenues							
HMO	\$1,265.2	\$1,305.0	\$1,332.6	\$1,367.1	\$1,397.9	\$1,430.5	\$8,098.3
TTF net interest	801.9	822.6	847.8	880.0	914.1	950.9	5,217.3
PTF (From TTF)	149.1	148.2	154.2	162.1	169.7	177.1	960.4
Local and Other Revenues	368.0	232.7	223.3	206.6	202.8	200.1	1,433.6
Total	2,584.2	2,508.5	2,557.9	2,615.8	2,684.5	2,758.6	15,709.6
Original FY 2010 Revenues	2,728.2	2,687.9	2,714.5	2,778.3	2,843.5	2,916.8	16,669.2
Difference	(144.0)	(179.3)	(156.5)	(162.5)	(159.0)	(158.2)	(959.6)
Federal Revenues	958.3	901.7	907.7	913.8	919.8	925.9	5,527.3
<i>Federal Contingency/Reserve</i>	<i>(85.2)</i>	<i>(85.7)</i>	<i>(86.2)</i>	<i>(86.8)</i>	<i>(87.3)</i>	<i>(87.8)</i>	<i>(519.0)</i>
Total Revenues (Excludes Federal Contingency/Reserve)	3,542.5	3,410.3	3,465.7	3,529.5	3,604.4	3,684.5	21,236.9
Other Financing Sources							
Capital Improvement Bonds	207.9	226.8	214.2	207.1	203.5	190.1	1,249.6
Total Revenues and Other Financing Sources	\$3,750.5	\$3,637.1	\$3,679.8	\$3,736.7	\$3,807.8	\$3,874.6	\$22,486.5
Original FY 2010 Revenues	\$3,854.1	\$3,830.4	\$3,834.6	\$3,899.9	\$3,971.7	\$3,989.4	\$23,380.0
Difference	(\$103.6)	(\$193.2)	(\$154.8)	(\$163.2)	(\$163.9)	(\$114.8)	(\$893.5)

Revised FY 2010 – 2015 Assumptions

Program reductions include removal of previously planned employee pay increases in FY 2011 and 2012

Maintenance funding was reduced to balance FY 2010, including reducing maintenance payments to localities to the FY 2009 amount

Revenue sharing program reduced to \$15 million in FY 2011 and eliminated beginning in FY 2012 – requires budget action

Future growth of maintenance funding returned to 4% annually based on the reduced FY 2010 amount

- Required an increased level of federal funding to support growth**

Commonwealth Transportation Fund

Revised FY 2010 - 2015

Allocation Summary

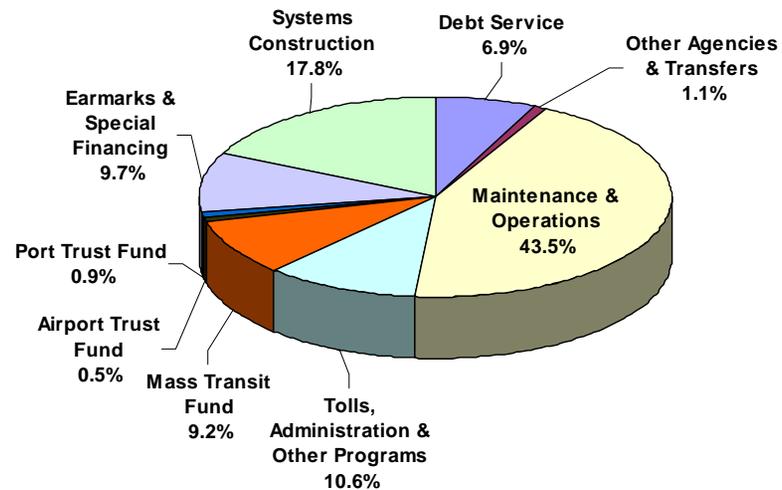
(in millions)

	2010	2011	2012	2013	2014	2015	Total	Original FY 2010- 2015	Difference
Debt Service	\$257.3	\$257.5	\$257.4	\$263.8	\$275.4	\$283.0	\$1,594.4	\$1,645.0	(\$50.6)
Other Agencies & Transfers	39.4	40.0	40.5	41.1	41.7	42.4	245.1	245.1	0.00
Highway Maintenance & Operations	1,630.7	1,686.8	1,753.0	1,821.9	1,893.4	1,967.5	10,753.3	11,098.9	(345.6)
Tolls, Admin & Other Programs	396.0	373.6	374.6	377.9	384.4	392.9	2,299.3	2,471.1	(171.9)
Public Transportation & Rail	344.0	364.4	371.0	364.1	370.0	377.1	2,190.7	2,244.5	(53.8)
Ports and Aviation	52.2	53.0	53.7	55.9	58.1	60.5	333.4	366.5	(33.1)
Earmarks & Special Financing	366.8	310.8	276.9	281.4	289.1	291.1	1,816.1	2,038.7	(222.6)
Highway Systems Construction	664.1	551.0	552.6	530.7	495.7	460.2	3,254.3	3,270.2	(15.9)
Total	\$3,750.5	\$3,637.1	\$3,679.8	\$3,736.7	\$3,807.8	\$3,874.6	\$22,486.5	\$23,380.0	(\$893.5)
Original FY 2010	\$3,854.1	\$3,830.4	\$3,834.6	\$3,899.9	\$3,971.7	\$3,989.4	\$23,380.0		
Difference	(\$103.6)	(\$193.2)	(\$154.8)	(\$163.2)	(\$163.9)	(\$114.8)	(\$893.5)		

Commonwealth Transportation Fund Revised FY 2010 Budget Summary (in millions)

	FY 2010		
	Approved June 2009	Revised FY 2010	Increase (Decrease)
Agency Funding Summary:			
VDOT	\$ 3,467.0	\$ 3,378.4	(\$88.7)
<i>Less Support to DRPT & Ports</i>	(23.1)	(24.1)	(1.0)
VDOT (Net)	3,443.9	3,354.3	(89.6)
DRPT	353.1	344.0	(9.0)
Ports	36.8	33.7	(3.1)
Aviation	20.3	18.5	(1.8)
Grand Total	\$ 3,854.1	\$ 3,750.5	(\$103.6)

Recommended Distribution of Revenues Revised FY 2010



**Revised
VDOT
FY 2010 Budget**

VDOT's FY 2010 Revised Budget (in millions)

VDOT's share of the FY 2010 CTF reductions is \$88.7 million. The following are the related program adjustments:

<u>Program</u>	<u>FY 2010 Adjustments</u>	
Environmental Monitoring and Evaluation (514)		(\$0.1)
Payroll Reductions	(\$0.1)	
Ground Transportation Planning and Research (602)		0.7
Payroll Reductions	(0.3)	
New Grant	1.0	
Highway System Acquisition and Construction (603)		7.2
Revenue Sharing	(20.0)	
Miscellaneous Adjustments	(2.2)	
Payroll Reductions	(0.5)	
Dedicated additions from Bonus OA and Open Container	29.9	
Highway System Maintenance (604)		(67.9)
State Funded Paving Projects	(45.0)	
Equipment Purchases - One year delay	(10.0)	
Additional reductions required from Final November Revenue Estimate	(7.2)	
Payroll Reductions	(4.7)	
Mancon	(4.6)	
Statewide Operational Improvements and Corporate Initiatives	(3.8)	
Additional Funding from Bonus OA	7.3	

VDOT's FY 2010 Revised Budget

(in millions)

Program	FY 2010 Adjustments	
Commonwealth Toll Facilities (606)		(1.6)
Interest	(1.6)	
Financial Assistance to Localities (607)		(17.1)
Reduce Locality Maintenance Payments to 2009 amount	(10.1)	
Access Programs	(7.0)	
Non-Toll Supported Transportation Debt Service (612)		0.9
Net change in debt service	0.9	
Administrative and Support Services (699)		(6.2)
Miscellaneous Adjustments	(4.7)	
Payroll Reductions	(1.5)	
VDOT Capital Outlay (998) - Half of FY 2010		(5.5)
Additional \$14.5m released from prior balances	(5.5)	
Support to Ports	1.0	1.0
Match for CMAQ and Earmarks, previously only reflected in CTF budget		
		(\$88.7)
Total Budget Adjustments		

VDOT's Revised FY10 Budget

The chart below found on page 12 of VDOT's revised budget summarizes the impacts to the agency's programs.

	FY 2010 Approved June 2009	Revised FY 2010	INCREASE (DECREASE)
Environmental Monitoring and Evaluation (514)	\$12,048,900	\$11,947,299	(\$101,601)
Ground Transportation Planning and Research (602)	44,766,019	45,472,644	706,625
Highway System Acquisition and Construction (603)	1,052,133,635	1,059,354,723	7,221,088
Highway System Maintenance (604)	1,359,801,301	1,291,862,835	(67,938,466)
Commonwealth Toll Facilities (606)	63,547,621	61,966,317	(1,581,304)
Financial Assistance to Localities (607)	363,228,163	346,092,847	(17,135,316)
Non-Toll Supported Transportation Debt Service (612)	246,949,069	247,825,962	876,893
Administrative and Support Services (699)	251,013,666	244,824,353	(6,189,313)
VDOT Capital Outlay (998)	11,000,000	5,500,000	(5,500,000)
Support to Other State Agencies	44,996,548	44,996,548	0
Support to Ports	0	977,194	977,194
Support to DRPT Programs	17,564,854	17,549,854	(15,000)
TOTAL	\$3,467,049,776	\$3,378,370,576	(\$88,679,200)

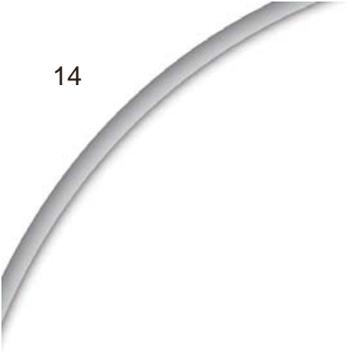
Future Concerns

Future growth of state transportation revenues

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.



**Revised
Public Transportation and Rail
FY 2010 Budget**

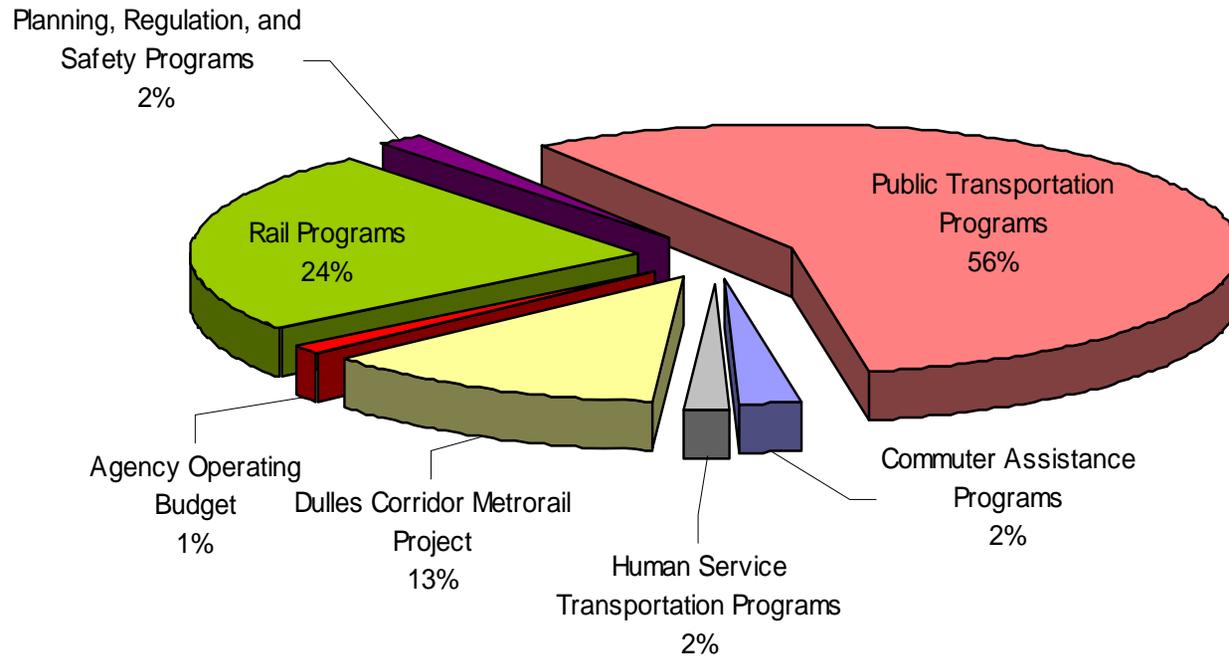
DRPT Activities

- **Manage 16 federal and 12 state programs**
- **Programs funded through 9 different sources**
- **Budget versus Six Year Improvement Plan**
- **Statewide budgeting in 8 service areas:**

- **Public Transportation**
- **Commuter Assistance**
- **Human Service Transportation**
- **Planning, Regulation & Safety**

- **Rail Enhancement**
- **Rail Preservation**
- **Dulles Corridor Metrorail Project**
- **Administration**

DRPT Budgeted Expenditures - Revised FY 2010



Changes to FY 2010 Adopted Budget

- **Impact of revenue reductions - \$15.1 M Decrease**
 - \$12.1 million – Public Transportation programs
 - \$2.3 million - Rail Enhancement program
 - \$0.4 million – Human Service Transportation pgm
 - \$0.3 million – Planning, Regulation & Safety

- **Governor's budget reduction of \$476,000 (10%) to the Agency Operating Budget**

DRPT Administrative Budget

- **Combined Project Mgmt and Administrative Budget**
 - **2.1 % of total budget without Dulles project**

- **HMO funded - \$4.3 million**
 - **Decrease of \$0.5 M from original FY 2010**
 - Vacancy savings
 - **Primary expenses are payroll, rent, & IT costs**

- **Item 448 – 2009 Appropriation Act - \$3.7 million**
 - **Project development, project administration, and project compliance**
 - **2.3% of Mass Transit Trust Fund, Rail Enhancement, Rail Preservation**
 - Decrease of \$0.3 million from the original budget



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