



FY 2011 - 2016 CTF Six-Year Financial Plan Recommended FY 2011 CTF and VDOT Budgets VDOT Six-Year Improvement Program

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Today's Briefing

CTB Requirements

FY 2011-2016 Six-Year Financial Plan

FY 2011 Commonwealth Transportation Fund Budget

FY 2011 Virginia Department of Transportation Budget

FY 2011-2016 Six-Year Improvement Program



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 Six-Year Financial Plan



Commonwealth Transportation Fund Six-Year Financial Plan

Official estimated revenues and allocation assumptions for the six fiscal years total \$23.0 billion

The Six-Year Financial Plan (SYFP) identifies the planned funding for allocation to Highways, Transit, Ports and Aviation

The FY 2011 amounts represent the budgets for the CTF and VDOT

Commonwealth Transportation Fund Fiscal Years 2011 – 2016 Six-Year Financial Plan Overview

The Fiscal Years 2011 – 2016 Six-Year Financial Plan allocates \$23.0 billion over the period

- Revised FY 2010 – 2015 Plan was \$22.5 billion
- Revised FY 2009 – 2014 Plan was \$24.4 billion

It is based on the December 2009 official state transportation revenue forecast

- The same as the Revised Fiscal Years 2010 – 2015 Financial Plan
- Average annual growth of 2.7%
- State revenues represent 70% of total CTF Revenue

Federal revenue is based on Federal FY 2009 apportionments

- Without a federal reauthorization, no accountable method to update federal forecast
- Future growth rate equal to estimated growth in fuel consumption per the Department of Taxation (1.4%)
- Continue to carry the federal revenue reserve

Commonwealth Transportation Fund

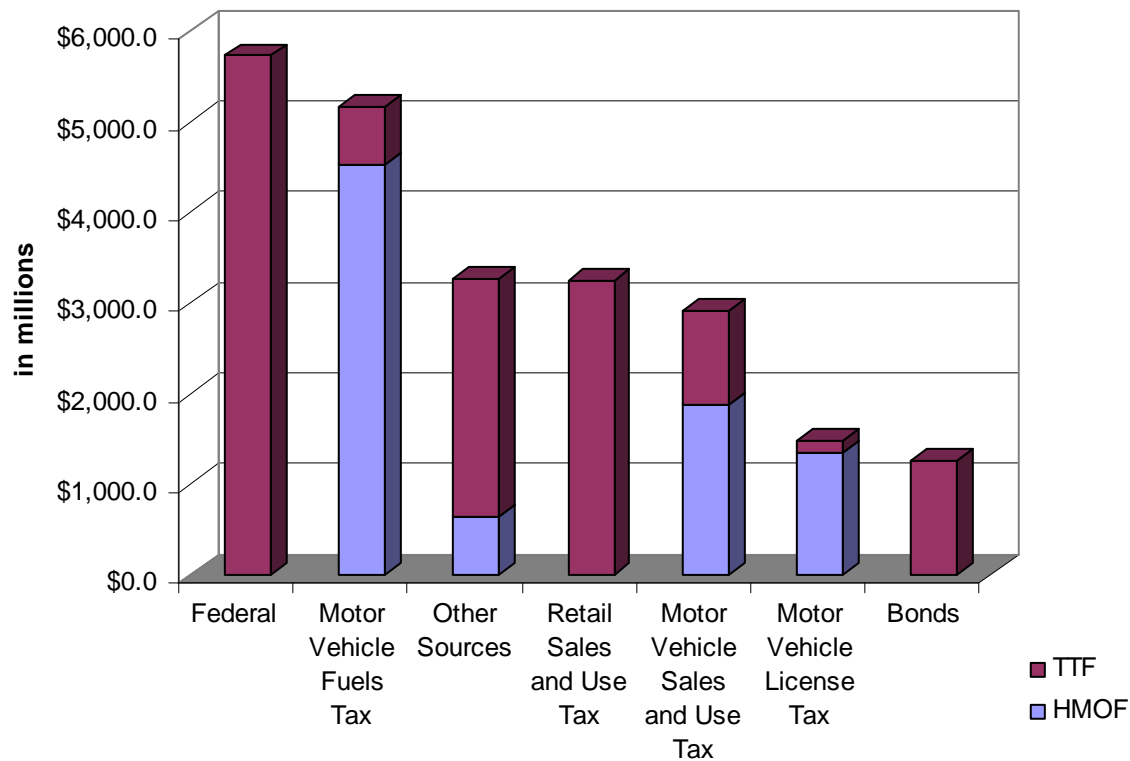
Fiscal Years 2011 – 2016 Six-Year Financial Plan

Estimated Revenues (in millions)

	2011	2012	2013	2014	2015	2016	Total
State Transportation Revenues							
HMO	\$1,305.0	\$1,332.6	\$1,367.1	\$1,397.9	\$1,430.5	\$1,445.3	\$8,278.4
TTF net interest	822.6	847.8	880.0	914.1	950.9	979.6	5,395.0
PTF (From TTF)	148.2	154.2	162.1	169.7	177.1	185.2	996.5
Local and Other Revenues	<u>248.7</u>	<u>268.5</u>	<u>218.0</u>	<u>214.8</u>	<u>212.8</u>	<u>213.1</u>	<u>1,375.8</u>
Total	<u>2,524.5</u>	<u>2,603.1</u>	<u>2,627.2</u>	<u>2,696.5</u>	<u>2,771.3</u>	<u>2,823.2</u>	<u>16,045.7</u>
Federal Revenues	980.6	921.1	934.5	948.2	962.0	976.5	5,723.0
<i>Federal Contingency/Reserve</i>	<u>(84.3)</u>	<u>(85.5)</u>	<u>(86.7)</u>	<u>(88.0)</u>	<u>(89.2)</u>	<u>(90.5)</u>	<u>(524.1)</u>
Total Revenues (Excludes Federal Contingency/Reserve)	<u>3,505.1</u>	<u>3,524.2</u>	<u>3,561.7</u>	<u>3,644.7</u>	<u>3,733.3</u>	<u>3,799.7</u>	<u>21,768.7</u>
Other Financing Sources							
Capital Improvement Bonds	<u>231.0</u>	<u>217.9</u>	<u>210.6</u>	<u>208.3</u>	<u>196.0</u>	<u>200.5</u>	<u>1,264.3</u>
Total Revenues and Other Financing Sources	\$3,736.1	\$3,742.1	\$3,772.3	\$3,852.9	\$3,929.3	\$4,000.2	\$23,032.9
% growth from prior year		0.2%	0.8%	2.1%	2.0%	1.8%	

Commonwealth Transportation Fund Fiscal Years 2011 – 2016 Six-Year Financial Plan Estimated Revenues by Source

As illustrated below, Federal revenues are the largest single revenue source



Commonwealth Transportation Fund Fiscal Years 2011 – 2016 Six-Year Financial Plan Estimated Allocations (in millions)

Allocations represent:

- The formula distributions of the TTF revenues
- The planned allocations by major category

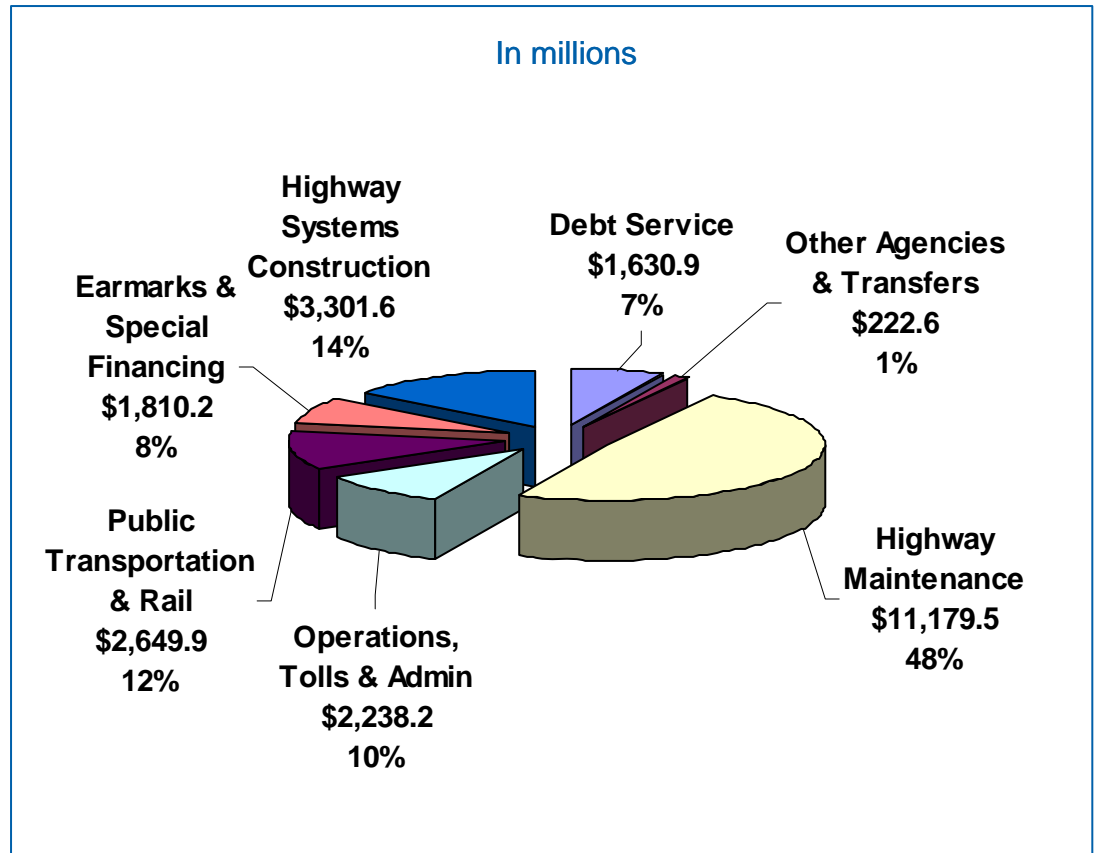
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total
Debt Service	\$257.7	\$257.6	\$264.1	\$275.7	\$283.4	\$292.3	\$1,630.9
Other Agencies & Transfers	36.5	36.5	37.1	37.1	37.7	37.7	222.6
Highway Maintenance	1,697.6	1,756.1	1,822.8	1,893.4	1,966.7	2,043.0	11,179.5
Operations, Tolls & Admin	350.8	357.2	369.8	377.2	387.2	395.9	2,238.2
Public Transportation & Rail	429.9	433.4	436.8	448.2	456.5	445.1	2,649.9
Earmarks & Special Financing	306.8	307.2	269.4	275.4	294.1	357.2	1,810.2
Highway Systems Construction	<u>656.8</u>	<u>594.1</u>	<u>572.3</u>	<u>546.0</u>	<u>503.6</u>	<u>428.8</u>	<u>3,301.6</u>
Total	\$3,736.1	\$3,742.1	\$3,772.3	\$3,852.9	\$3,929.3	\$4,000.2	\$23,032.9

Commonwealth Transportation Fund Fiscal Years 2011 – 2016 Six-Year Financial Plan Estimated Allocations

•48% or \$11.2 billion is dedicated to highway maintenance

•22% or \$5.1 billion is for construction (Earmarks & Special Financing and Highway Systems Construction)

•Debt service consumes \$1.6 billion or 7%

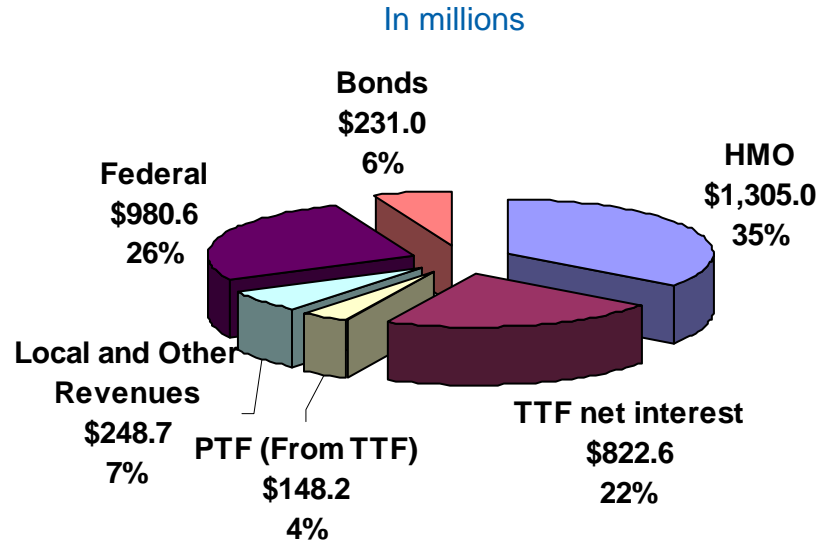


Commonwealth Transportation Fund Recommended FY 2011 Budget



Commonwealth Transportation Fund Recommended FY 2011 Budget

FY 2011 CTF Revenues total \$3.74 billion, down 0.38% from the Revised FY 2010 Budget.



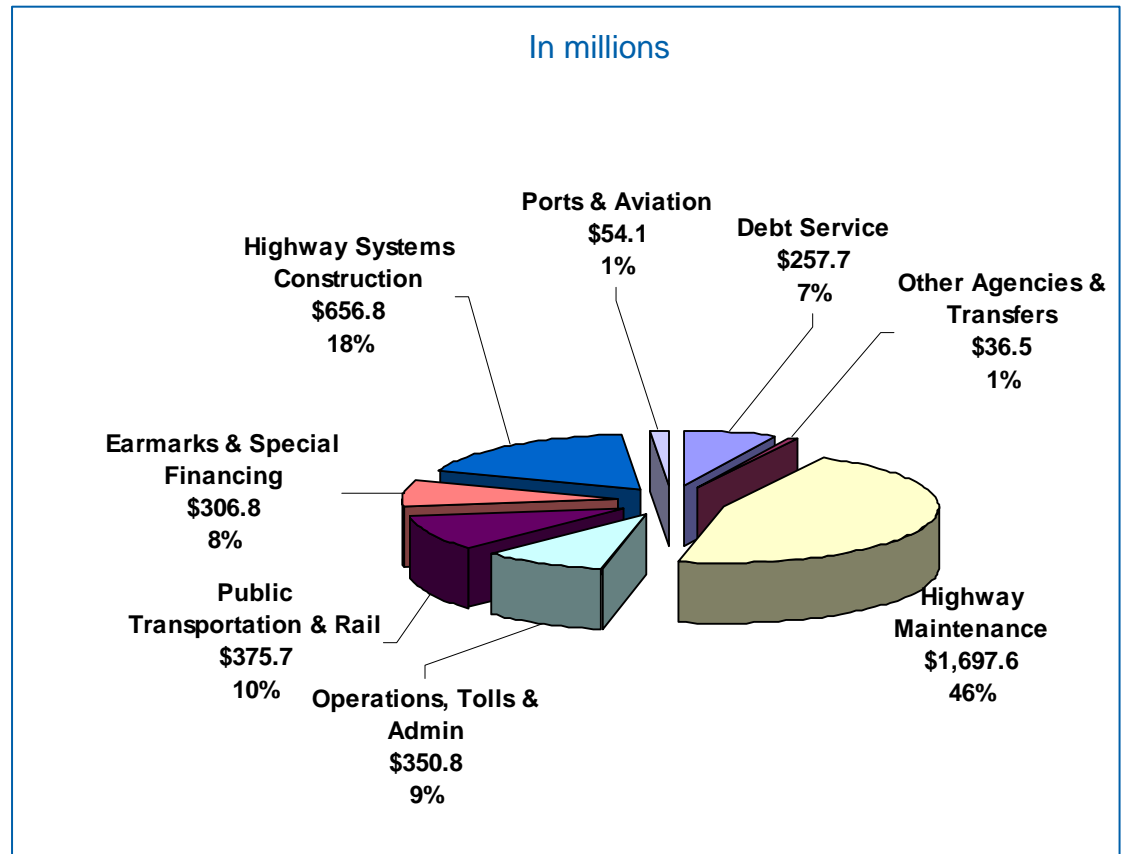
Commonwealth Transportation Fund Recommended FY 2011 Budget

FY 2011 CTF Allocations

- The largest share of the CTF is directed to Highway Maintenance (46%), 1% greater than in FY 2010

- The share for Operations, Tolls & Administration is down from 11% reflecting organizational changes at VDOT

- The share for construction is 26%, 1% less than FY 2010 (Earmarks & Special Financing and Highway Systems Construction)



Virginia Department of Transportation Recommended FY 2011 Budget

VDOT Recommended FY 2011 Budget Highlights

The recommended VDOT FY 2011 Budget totals \$3.32 billion, a 1.6% reduction from the \$3.38 billion Revised FY 2010 Budget

Excluding changes related to the transfer of the Dulles Toll Road and the reduced use of CPR Bonds, the total Budget is comparable to FY 2010

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

Amounts have been set aside for the potential employee bonus

No funding is available for distribution by the state construction allocation formula as in FY 2010

VDOT FY 2011 Revenues

The chart below identifies the revenues provided to VDOT to support the FY 2011 budget

The construction fund will provide \$511 million of state funds to support the budgetary needs of the HMOF

In millions

Source	HMOF	Construction	Total
Motor Vehicle Fuels Tax	\$726.8	\$82.6	\$809.4
Motor Vehicle Sales and Use Tax	272.7	117.5	390.2
Motor Vehicle License Tax	221.3	16.7	238.0
Retail Sales and Use Tax	0.0	384.5	384.5
Bonds	0.0	132.4	132.4
Other Sources	112.7	375.6	488.3
Federal	0.0	881.3	881.3
Transfer to HMOF	511.0	(511.0)	0.0
Total	\$1,844.5	\$1,479.5	\$3,324.0

VDOT Recommended FY 2011 Budget Summary by Program

Below is the VDOT budget by Program

In millions

	Revised FY 2010	FY 2011	Difference
VDOT Programs			
Environmental Monitoring and Evaluation (514)	\$8.4	\$12.5	\$4.1
Ground Transportation Planning & Research (602)	43.1	41.6	(1.4)
Highway System Acquisition and Construction (603)	1,059.0	983.9	(75.1)
Highway System Maintenance (604)	1,312.4	1,345.3	32.8
Financial Assistance to Localities (607)	346.1	367.1	21.1
Commonwealth Toll Facilities (606)	62.0	51.1	(10.9)
Non-Toll Supported Transportation Debt Service (612)	247.8	248.2	0.4
Administrative and Support Services (699)	235.6	217.4	(18.1)
VDOT Capital Outlay (998)	0.5	2.5	2.0
Total VDOT Programs	3,314.8	3,269.7	(45.2)
Support to Other State Agencies	45.0	42.4	(2.6)
Support to DRPT & Ports Programs	18.5	11.9	(6.6)
TOTAL	\$3,378.4	\$3,324.0	(\$54.3)

VDOT Recommended FY 2011 Budget Summary

The details of the construction allocations will be discussed as part of the FY 2011 – 2016 Six-Year Improvement Program

The details of the Maintenance program allocations will be discussed in the following presentation

The Administrative and Support Services program budget of \$217 million represents 6.5% of the VDOT budget and is 8% less than the Revised FY 2010 Budget

The other programs and support to other state agencies amounts in the Recommended FY 2011 Budget are consistent with FY 2010

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

Virginia Department of Transportation Six-Year Improvement Program FY 2011 - 2016

Total Draft Revised Six-Year Improvement Program

	Approved FY 2009- 2014 Program	Revised FY 2009- 2014 Program	Approved FY 2010- 2015 Program	Revised FY 2010- 2015 Program	Proposed FY 2011- 2016 Program
Highway Construction	\$7.9 b	\$6.0 b	\$5.4 b	\$5.5 b	\$5.7 b
Rail & Public Transportation	\$2.7 b	\$2.9 b	\$2.0 b	\$2.1 b	\$2.1 b
Total	\$10.6 b	\$8.9 b	\$7.4 b	\$7.6 b	\$7.8 b

Principles for the Draft FY 2011-2016 Highway SYIP

Fund deficits on underway project phases

Maximize use of federal funds to meet federal strategy

**Fund underway project phases as well as project phases that start in
FFY 2011**

Fund deficient bridges and paving projects

Highway Program Development

Actions taken to date in the SYIP updates to deal with reduced state revenues since June 2008

- Reduced all available state funds from projects
- Restricted funding to projects obligated, or going to be obligated in the current FFY or the phase is underway
- Eliminated state formula distributions for unpaved roads, primary, secondary and urban systems
- Eliminated federal STP formula distribution to individual localities and regions, concentrating STP funds on underway projects, bridges, and paving
- Elimination of the bond component of revenue sharing in FY 2011

Federal Revenue Reserve

In the update of the FY 2009-2014 Six-Year Improvement Program we initiated a Federal Revenue Reserve to prevent us from over programming Federal dollars during the uncertainty of the economy and the lack of a new Authorization.

The current value of the Federal Reserve in the Revised FY 2010-2015 SYIP is \$627 million.

We indicated in the update of the SYIP for FY 2011-2016 we would review the Federal revenue reserve if and when Congress approves a longer term continuing resolution.

Federal Revenue Reserve

Congress approved the continuing resolution for federal transportation funding through December 31, 2010.

With the continuing resolution the previous \$8 billion in rescissions that took place when SAFETEA-LU expired on September 30, 2009 were restored.

The funding levels were returned to FFY2009 levels meaning we could un-reserve the \$103 million of estimated Federal revenue for FY 2010 that had not been programmed.

Highway Program Summary

Releasing the Federal Revenue Reserve for FY 2010 we were able to:

- Partially fund 3 of the 4 ARRA contingency projects (I-66 Paving, I-581 at Elm Avenue, and Route 50 Courthouse)
- Fund a portion of VDOT project development costs on Mid-Town Tunnel PPTA
- Fund 164 Median Rail project administered by VPA
- Make special program funds available for allocation (Enhancement, CMAQ, and RSTP)

Provided out year funding for deficient bridges and pavements

- Interstate & Primary bridge priorities in FY 2016
- Interstate & Primary paving priorities in FY 2016

Highway Program Summary

Reviewed un-obligated balances on HSIP and RSTP/CMAQ projects for federal strategy purposes to maximize federal funding

- **Considering restructuring HSIP program beginning in FY2012 to focus funding on STARS projects and eliminate the funding cap per project**
- **Considering programming CMAQ funds centrally beginning in FY2012**

Other highlights

- **No project cuts**
- **Sold bonds**
- **Funded I-64 NEPA**
- **Funded I-66 Multi-Modal Study**

Highway Program

	Approved FY 2009- 2014	Revised FY 2009- 2014	Approved FY 2010- 2015	Revised FY 2010- 2015	Proposed FY 2011- 2016
Interstate	\$2.1 b	\$1.4 b	\$1.3 b	\$1.4 b	\$1.4 b
Primary	\$1.6 b	\$1.3 b	\$1.0 b	\$1.1 b	\$1.2 b
Secondary	\$1.0 b	\$0.6 b	\$0.5 b	\$0.3 b	\$0.3 b
Urban	\$0.8 b	\$0.5 b	\$0.4 b	\$0.3 b	\$0.3 b
Federal Maintenance	\$1.0 b	\$1.2 b	\$1.2 b	\$1.3 b	\$1.4 b
MPO	\$0.6 b	\$0.5 b	\$0.5 b	\$0.6 b	\$0.4 b
Safety, Enh, Rail, Other	\$0.8 b	\$0.5 b	\$0.5 b	\$0.5 b	\$0.7 b
Total	\$7.9 b	\$6.0 b	\$5.4 b	\$5.5 b	\$5.7 b

Things to Watch

Review the Federal Revenue Reserve if and when Congress approves another continuing resolution. The current resolution expires December 31, 2010.

Review ability to issue CPR bonds

- **Deficient Bridges**
- **PPTA Projects**

Revenue revisions from the Department of Taxation in early November will need to be reviewed to determine if our funding picture has improved

- **Deficient Pavements**
- **Revenue Sharing**
- **Funding Formulas**