



Financial Update

Draft FY 2017 - 2022 CTF Six-Year Financial Plan and Draft Six-Year Improvement Program Assumptions

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Commonwealth Transportation Fund Preliminary Fiscal Years 2017 – 2022 Six-Year Financial Plan Overview

- ❑ **The Six-Year Financial Plan (SYFP) identifies the planned funding for allocation to Highways, Transit, Ports and Aviation**
- ❑ **The Preliminary Fiscal Years 2017 – 2022 SYFP allocates \$34.98 billion over the period**
- ❑ **Continues planned use of the GARVEE and CPR Bonds, totaling \$981 million.**
- ❑ **Includes \$3.3 billion for the regions**
- ❑ **Provides \$13.1 billion for Maintenance and Operations**
- ❑ **Provides \$9.2 billion for Construction**

Revenue Estimate Updates

- ❑ **State revenue based on the December 2015 state transportation revenue forecast**
 - \$993 million increase
 - Increase driven by Motor Fuel Tax, \$219.5 million, and Motor Vehicle Sales and Use Tax, \$381.5 million, through FY 2021
- ❑ **Federal revenue is based on Federal FY 2016 apportionments and Obligation Authority levels provided under the FAST Act**
 - \$896 million increase over previous SYFP
 - After FAST Act ends in 2020, assumes increase of 1.7% annually
 - **Major Program Changes and notes on FAST Act**
 - Addition of Freight Program
 - Transportation Alternatives Program is now a Set-Aside of the STP Block Grant Program
 - Formula obligation authority increased to 94.9%

Commonwealth Transportation Fund Preliminary Fiscal Years 2017–2022 Six-Year Financial Plan Estimated Revenues (in millions)

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | Total | FY 2016-2021 | Difference |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|---------------------------|--------------------------|
| State Transportation Revenues | | | | | | | | | |
| HMO | \$ 2,101.9 | \$ 2,054.7 | \$ 2,076.0 | \$ 2,093.9 | \$ 2,115.8 | \$ 2,136.0 | \$12,578.5 | \$ 11,824.3 | \$ 754.2 |
| TTF net interest | 1,243.8 | 1,285.0 | 1,317.5 | 1,350.4 | 1,386.2 | 1,421.3 | 8,004.2 | 7,453.5 | 550.7 |
| PTF (From TTF) | 186.5 | 198.3 | 205.9 | 224.2 | 232.3 | 240.9 | 1,288.1 | 1,262.1 | 26.0 |
| Local and Other Revenues | 466.8 | 346.3 | 305.8 | 300.6 | 298.2 | 259.0 | 1,976.8 | 2,314.8 | (338.1) |
| Total | <u>3,999.1</u> | <u>3,884.3</u> | <u>3,905.2</u> | <u>3,969.2</u> | <u>4,032.5</u> | <u>4,057.2</u> | <u>23,847.5</u> | <u>22,854.7</u> | <u>992.8</u> |
| Federal Revenues | <u>1,100.0</u> | <u>1,034.4</u> | <u>1,057.0</u> | <u>1,081.5</u> | <u>1,099.3</u> | <u>1,117.4</u> | <u>6,489.7</u> | <u>5,593.7</u> | <u>895.9</u> |
| Total Revenues | <u>5,099.1</u> | <u>4,918.7</u> | <u>4,962.3</u> | <u>5,050.7</u> | <u>5,131.9</u> | <u>5,174.6</u> | <u>30,337.2</u> | <u>28,448.5</u> | <u>1,888.7</u> |
| Other Financing Sources | | | | | | | | | |
| GARVEE Bonds | 225.2 | 120.0 | 90.0 | 90.0 | 98.0 | - | 623.2 | 998.2 | (375.0) |
| Capital Improvement Bonds | 122.9 | 122.9 | 61.6 | 50.0 | - | - | 357.4 | 480.3 | (122.9) |
| Route 58 | - | - | - | 150.9 | 249.1 | - | 400.0 | 400.0 | - |
| Total | <u>348.1</u> | <u>242.9</u> | <u>151.6</u> | <u>290.9</u> | <u>347.1</u> | <u>-</u> | <u>1,380.7</u> | <u>1,878.6</u> | <u>(497.9)</u> |
| Total Operating Revenues and Other Financing Sources | <u>\$ 5,447.2</u> | <u>\$ 5,161.6</u> | <u>\$ 5,113.9</u> | <u>\$ 5,341.6</u> | <u>\$ 5,479.0</u> | <u>\$ 5,174.6</u> | <u>\$31,717.9</u> | <u>\$ 30,327.0</u> | <u>\$ 1,390.8</u> |
| Pass Through Revenues | | | | | | | | | |
| Regional Transportation Funds | 503.3 | 518.0 | 534.7 | 551.6 | 569.4 | 587.5 | 3,264.5 | 3,100.5 | 164.0 |
| Grand Total | <u>\$ 5,950.5</u> | <u>\$ 5,679.6</u> | <u>\$ 5,648.6</u> | <u>\$ 5,893.2</u> | <u>\$ 6,048.4</u> | <u>\$ 5,762.1</u> | <u>\$34,982.4</u> | <u>\$ 33,427.5</u> | <u>\$ 1,554.8</u> |



Commonwealth Transportation Fund Preliminary Fiscal Years 2017 – 2022 Six-Year Financial Plan Estimated Allocations (in millions)

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | Total | 2016 - 2021 SYFP | Difference |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|---------------------|-------------------|
| Debt Service | \$ 358.3 | \$ 402.3 | \$ 436.2 | \$ 442.7 | \$ 464.2 | \$ 466.7 | \$ 2,570.5 | \$ 2,563.5 | \$ 7.0 |
| Other Agencies & Transfers | 51.50 | 44.25 | 45.33 | 45.55 | 46.67 | 46.90 | 280.20 | 276.02 | 4.18 |
| Maintenance & Operations | 2,134.1 | 2,156.8 | 2,191.1 | 2,157.5 | 2,200.3 | 2,244.0 | 13,083.7 | 12,606.4 | 477.4 |
| Tolls, Administration & Other Programs | 453.1 | 493.3 | 460.6 | 470.9 | 481.7 | 448.6 | 2,808.3 | 2,698.1 | 110.2 |
| Rail and Public Transportation ¹ | 585.5 | 585.5 | 534.3 | 533.1 | 494.4 | 506.9 | 3,239.7 | 3,389.8 | (150.2) |
| Public Transportation | | | | | | | - | | |
| Rail Assistance | | | | | | | - | | |
| Other Programs and Administration | | | | | | | - | | |
| Port Trust Fund | 42.9 | 43.4 | 44.5 | 45.5 | 46.7 | 47.9 | 270.9 | 263.1 | 7.8 |
| Airport Trust Fund | 24.5 | 24.7 | 25.4 | 26.0 | 26.7 | 27.3 | 154.5 | 148.3 | 6.2 |
| Commonwealth Space Flight Fund | 15.8 | 15.8 | 15.8 | 15.8 | 15.8 | 15.8 | 94.8 | 47.4 | 47.4 |
| Construction | 1,781.5 | 1,395.5 | 1,360.8 | 1,604.5 | 1,702.5 | 1,370.4 | 9,215.2 | 8,334.3 | 880.9 |
| Total Operating Programs | \$ 5,447.2 | \$ 5,161.6 | \$ 5,113.9 | \$ 5,341.6 | \$ 5,479.0 | \$ 5,174.6 | \$ 31,717.9 | \$ 30,327.0 | \$ 1,390.8 |
| Pass Through Programs | | | | | | | | | |
| Northern Virginia Transportation Authority Fund | 331.9 | 340.9 | 351.4 | 361.9 | 372.9 | 384.0 | 2,143.0 | 1,995.0 | 148.0 |
| Hampton Roads Transportation Fund | 171.4 | 177.1 | 183.3 | 189.7 | 196.5 | 203.5 | 1,121.5 | 1,105.5 | 16.0 |
| Subtotal | 503.3 | 518.0 | 534.7 | 551.6 | 569.4 | 587.5 | 3,264.5 | 3,100.5 | 164.0 |
| Total | \$ 5,950.5 | \$ 5,679.6 | \$ 5,648.6 | \$ 5,893.2 | \$ 6,048.4 | \$ 5,762.1 | \$ 34,982.4 | \$ 33,427.5 | \$ 1,554.8 |

¹ Allocations do not reflect SYIP funding for highways that may be programmed for rail and public transportation. Distribution to Public Transportation, Rail Assistance, Other Programs and Administration to be determined.



Highlights of Changes for VDOT

- ❑ **Maintenance & Operations – Normal program growth based on PPI and one-time increase to reflect a 45% share of the released 460 allocations**
 - VDOT Maintenance - \$10.4 billion
 - Financial Assistance to Localities - \$2.7 billion
- ❑ **Tolls, Admin and Other Programs – Normal program growth and the allocation of Toll Facility Revolving funding for I-66 Inside the Beltway**
- ❑ **Continued support to the Virginia Commercial Space Flight Authority through Six-Year period**

Highlights of Changes for VDOT

- ❑ **New revenue of \$1.22 billion available for construction through FY 2021**
 - Exempt programs increased by \$168 million
 - \$1.05 billion available for construction formula

- ❑ **Given the significance of the increase, recommend the following:**
 - Limit reduction to the Revenue Sharing Program, hold at \$100 million
 - Distribute the remaining revenue increase following the new HB 1887 three-way formula, including 45% to State of Good Repair Program
 - Current Code directs distribution 50/50 to the High Priority Projects Program and the District Grant Program
 - Request budget amendment to support action
 - Carve out of High Priority Project Program for Innovation and Technology Transportation Fund investments
 - Carve out of District Grant Program for Unpaved Roads



HB2 Funding

(in millions)

| | Through | |
|-------------------------------|------------|------------|
| | FY 2021 | FY 2022 |
| New Revenue for Construction | \$ 1,218.1 | \$ 1,117.7 |
| Less Exempt Programs | (168.0) | (277.6) |
| Less Revenue Sharing Increase | (100.0) | (50.0) |
| Amount Available for Formula | \$ 950.1 | \$ 790.1 |

| | State of Good Repair | | High Priority Projects | | District Grant Program | | Total | |
|---|----------------------|-----------------|------------------------|-----------------|------------------------|-----------------|-------------------|-----------------|
| | Through | | Through | | Through | | Through | |
| | FY 2021 | FY 2022 | FY 2021 | FY 2022 | FY 2021 | FY 2022 | FY 2021 | FY 2022 |
| New Revenue | \$ 424.2 | \$ 359.9 | \$ 262.9 | \$ 215.1 | \$ 262.9 | \$ 215.1 | \$ 950.1 | \$ 790.1 |
| Previous | 332.7 | | 500.1 | | 500.1 | | 1,332.9 | - |
| Redistribution of Rt. 460 Funds* | | | 145.7 | | 145.7 | | 291.5 | - |
| Amount Available | 756.9 | 359.9 | 908.8 | 215.1 | 908.8 | 215.1 | 2,574.5 | 790.1 |
| Program Set Asides | | | | | | | | |
| Innovation & Technology Transportation Fund | | | (74.9) | (25.0) | | | (74.9) | (25.0) |
| Unpaved Roads | | | | | (25.0) | (25.0) | (25.0) | (25.0) |
| Recommended Funding | \$ 756.9 | \$ 359.9 | \$ 833.9 | \$ 190.1 | \$ 883.8 | \$ 190.1 | \$ 2,474.6 | \$ 740.1 |

* - 45% Provided to Maintenance Program

Construction Distribution by District

State of Good Repair through FY 2021

| District | Percentage | Estimated Amount (in millions) |
|-------------------|---------------|--------------------------------|
| Bristol | 11.7% | \$ 88.5 |
| Culpeper | 6.0% | 45.3 |
| Fredericksburg | 12.1% | 91.3 |
| Hampton Roads | 14.8% | 111.8 |
| Lynchburg | 7.6% | 57.4 |
| Northern Virginia | 10.6% | 79.8 |
| Richmond | 17.4% | 131.9 |
| Salem | 12.1% | 91.3 |
| Staunton | 7.9% | 59.4 |
| Total | 100.0% | \$ 756.9 |

District Grant Program through FY 2021

| District | Percentage | Estimated Amount (in millions) |
|-------------------|---------------|--------------------------------|
| Bristol | 7.0% | \$ 62.3 |
| Culpeper | 6.2% | 54.9 |
| Fredericksburg | 6.9% | 60.6 |
| Hampton Roads | 20.2% | 178.2 |
| Lynchburg | 7.1% | 63.2 |
| Northern Virginia | 20.7% | 183.2 |
| Richmond | 14.4% | 127.5 |
| Salem | 9.6% | 84.9 |
| Staunton | 7.8% | 69.0 |
| Total | 100.0% | \$ 883.8 |

High Priority Projects Program through FY 2021

| | |
|--------------|-----------------|
| Total | \$ 833.9 |
|--------------|-----------------|

District Grant Program Percentage Distribution to be updated based on latest factors

Conclusion

- ❑ **The upcoming Six-Year Financial Plan is 4.7 percent larger than the FY 2016 – 2021 SYFP**
- ❑ **Additional funding available for construction can support enhancements to items outside of HB2**
 - Hold Revenue Sharing at \$100 million
 - Accelerate implementation of the full HB 1887 construction formula, funding State of Good Repair early
 - Support set asides for Innovation and Technology Transportation Fund and Unpaved Roads
- ❑ **Funds available for the first round of HB2 awards exceed \$1.7 billion**