



Draft FY 2019 – 2024 Commonwealth Transportation Fund (CTF) Six-Year Financial Plan

Draft FY 2019 CTF and VDOT Budgets

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Revenue Estimate Updates

- **State Revenue Updates during FY 2019 – FY 2024 period**
 - Update to Hampton Roads Fuel Tax Revenue Estimate based on HB 768/SB 896, establishing the price floor for deriving the tax rate
- **Federal revenue is based on Federal FY 2018 apportionments and assumed Obligation Authority levels for the year provided under the FAST Act – No change**

Annual Formula Obligation Authority provided through September 30, 2018
- **Additional federal funding from the Omnibus Bill totaling \$51.2 million for the Highway Infrastructure Program**

Commonwealth Transportation Fund (CTF)

Draft Fiscal Years 2019 – 2024 Six-Year Financial Plan Overview

- ❑ **The Six-Year Financial Plan (SYFP) identifies the planned funding for allocation to Highways, Transit, Ports and Aviation**
 - Builds upon prior SYFP
 - Reflects impact of new revenue forecast
 - Reflects tentative adjustments for legislation and potential Budget Bill actions
- ❑ **The Preliminary Fiscal Years 2019 – 2024 SYFP allocates \$36.7 billion to Transportation programs**
- ❑ **Includes the use of \$747.8 million of GARVEE and CPR Bonds**
- ❑ **Transfers \$3.4 billion to the two Transportation Regions**
- ❑ **Dedicates \$13.5 billion for Maintenance and Operations**
- ❑ **Provides \$9.5 billion for Construction**

Commonwealth Transportation Fund

Draft Fiscal Years 2019 – 2024 Six-Year Financial Plan

Estimated Revenues (in millions)

	2019	2020	2021	2022	2023	2024	Total	Revised FY 2018-2023	Difference
State Transportation Revenues									
HMO	\$ 2,085.8	\$ 2,098.9	\$ 2,124.6	\$ 2,135.8	\$ 2,139.5	\$ 2,157.0	\$ 12,741.6	\$ 12,537.0	\$ 204.6
TTF net interest	1,277.0	1,293.3	1,317.6	1,335.4	1,350.3	1,370.3	7,943.9	7,705.2	238.6
PTF (From TTF)	212.7	220.9	226.5	235.5	244.3	252.6	1,392.5	1,400.7	(8.2)
Local & Regional Project Participation	427.7	348.6	396.3	185.9	143.3	143.3	1,645.1	1,758.4	(113.3)
Other Revenue	246.9	222.6	226.6	241.1	241.3	260.0	1,438.5	1,937.8	(499.3)
Total	<u>4,250.0</u>	<u>4,184.3</u>	<u>4,291.5</u>	<u>4,133.7</u>	<u>4,118.7</u>	<u>4,183.2</u>	<u>25,161.5</u>	<u>25,339.1</u>	<u>(177.6)</u>
Federal Revenues	<u>1,142.8</u>	<u>1,087.2</u>	<u>1,104.1</u>	<u>1,122.2</u>	<u>1,140.6</u>	<u>1,159.3</u>	<u>6,756.1</u>	<u>6,709.9</u>	<u>46.2</u>
Total Revenues	<u>5,392.8</u>	<u>5,271.5</u>	<u>5,395.6</u>	<u>5,255.9</u>	<u>5,259.3</u>	<u>5,342.5</u>	<u>31,917.6</u>	<u>32,049.0</u>	<u>(131.4)</u>
Other Financing Sources									
GARVEE Bonds	85.7	101.2	98.0	76.3	100.0	125.0	586.2	574.3	11.9
Capital Improvement Bonds	61.6	50.0	50.0	-	-	-	161.6	234.5	(72.9)
Route 58	-	150.9	249.1	-	195.7	-	595.7	595.7	-
Total	<u>147.3</u>	<u>302.1</u>	<u>397.1</u>	<u>76.3</u>	<u>295.7</u>	<u>125.0</u>	<u>1,343.5</u>	<u>1,404.5</u>	<u>(61.0)</u>
Total Operating Revenues and Other Financing Sources	<u>\$ 5,540.1</u>	<u>\$ 5,573.6</u>	<u>\$ 5,792.7</u>	<u>\$ 5,332.2</u>	<u>\$ 5,555.0</u>	<u>\$ 5,467.5</u>	<u>\$ 33,261.1</u>	<u>\$ 33,453.5</u>	<u>\$ (192.4)</u>
Pass Through Revenues									
Regional Transportation Funds	555.5	551.4	562.3	572.1	582.0	592.2	3,415.5	3,094.0	321.5
Grand Total	<u>\$ 6,095.6</u>	<u>\$ 6,125.0</u>	<u>\$ 6,355.0</u>	<u>\$ 5,904.3</u>	<u>\$ 6,137.0</u>	<u>\$ 6,059.7</u>	<u>\$ 36,676.6</u>	<u>\$ 36,547.5</u>	<u>\$ 129.1</u>

Commonwealth Transportation Fund

Draft Fiscal Years 2019 – 2024 Six-Year Financial Plan

Estimated Allocations (in millions)

	2019	2020	2021	2022	2023	2024	Total	2018 - 2023 SYFP	Difference
Debt Service	\$ 391.3	\$ 387.2	\$ 408.5	\$ 416.8	\$ 437.6	\$ 451.8	\$ 2,493.1	\$ 2,371.6	\$ 121.5
Other Agencies & Transfers	49.2	49.2	50.3	50.6	51.8	52.0	303.1	280.6	22.45
Maintenance & Operations	2,183.1	2,186.2	2,212.9	2,245.9	2,288.6	2,357.0	13,473.6	13,204.7	268.9
Administration & Other Programs	431.6	449.5	503.5	497.7	479.1	489.6	2,851.1	2,716.2	134.8
Toll Programs	77.7	88.1	90.1	93.6	99.7	102.3	551.5	462.4	89.1
Rail and Public Transportation									
Public Transportation	463.8	469.9	475.8	454.4	459.0	479.4	2,802.3	2,585.3	217.0
Rail Assistance	110.7	110.7	112.0	115.4	116.5	117.6	682.9	730.1	(47.2)
Other Programs and Administration	14.7	14.8	15.1	15.5	15.7	15.9	91.7	88.0	3.7
Port Trust Fund	43.2	43.8	44.7	45.0	45.5	46.2	268.4	261.2	7.1
Airport Trust Fund	24.6	25.0	25.5	25.7	26.0	26.4	153.1	149.0	4.1
Commonwealth Space Flight Fund	16.6	16.6	15.8	15.8	15.8	15.8	96.3	94.8	1.5
Construction ⁽¹⁾	1,733.6	1,732.8	1,838.6	1,355.7	1,519.8	1,313.5	9,494.2	10,509.6	(1,015.4)
Total Operating Programs	\$ 5,540.1	\$ 5,573.6	\$ 5,792.7	\$ 5,332.2	\$ 5,555.0	\$ 5,467.5	\$ 33,261.1	\$ 33,453.5	\$ (192.4)
Pass Through Programs									
Northern Virginia Transportation Authority Fund	364.5	357.3	364.3	370.7	377.1	383.6	2,217.5	2,054.1	163.4
Hampton Roads Transportation Fund	191.0	194.1	198.0	201.4	204.9	208.6	1,198.0	1,039.9	158.1
Subtotal	555.5	551.4	562.3	572.1	582.0	592.2	3,415.5	3,094.0	321.5
Total	\$ 6,095.6	\$ 6,125.0	\$ 6,355.0	\$ 5,904.3	\$ 6,137.0	\$ 6,059.7	\$ 36,676.6	\$ 36,547.5	\$ 129.1

⁽¹⁾ Allocations include funds previously programmed for rail and public transportation. Distribution to Public Transportation and Rail Assistance will be updated with the Final SYIP Recommendations in June 2018.

Programmatic Changes/Updates

Senate Bill 856/House Bill 1539

- Additional \$50 million in CPR Bonds anticipated and allocated in FY 2021, dedicated to match federal funds provided for capital projects by the Washington Metropolitan Area Transit Authority (WMATA)
- Share of Rental Tax formerly dedicated to State of Good Repair purposes now dedicated to WMATA Capital Fund
- Updates to Northern Virginia Transportation District to provide \$20 million annually beginning in FY 2019 to WMATA Capital Fund

Transit Investments

Anticipated Transit Funding from I-395 Extension of Express Lanes and I-66 Outside the Beltway included

Programmatic Changes for VDOT

Based on proposed General Assembly Actions

Employer Health Insurance premiums – Employer rate increases across health care plans average 6.3% from FY 2018 to FY 2019 (approximately \$7.1 million) and 9.1% from FY 2019 to FY 2020 (approximately \$10.4 million)

House of Delegates (HB 5002)

- **2% Bonus on December 1, 2018 for classified employees on payroll in April 2018 (approximately \$9.7 million)**
- **2% Raise effective July 1, 2019; additional 1% merit based raise (approximately \$9.7 million for 2% and associated employee benefit impacts)**

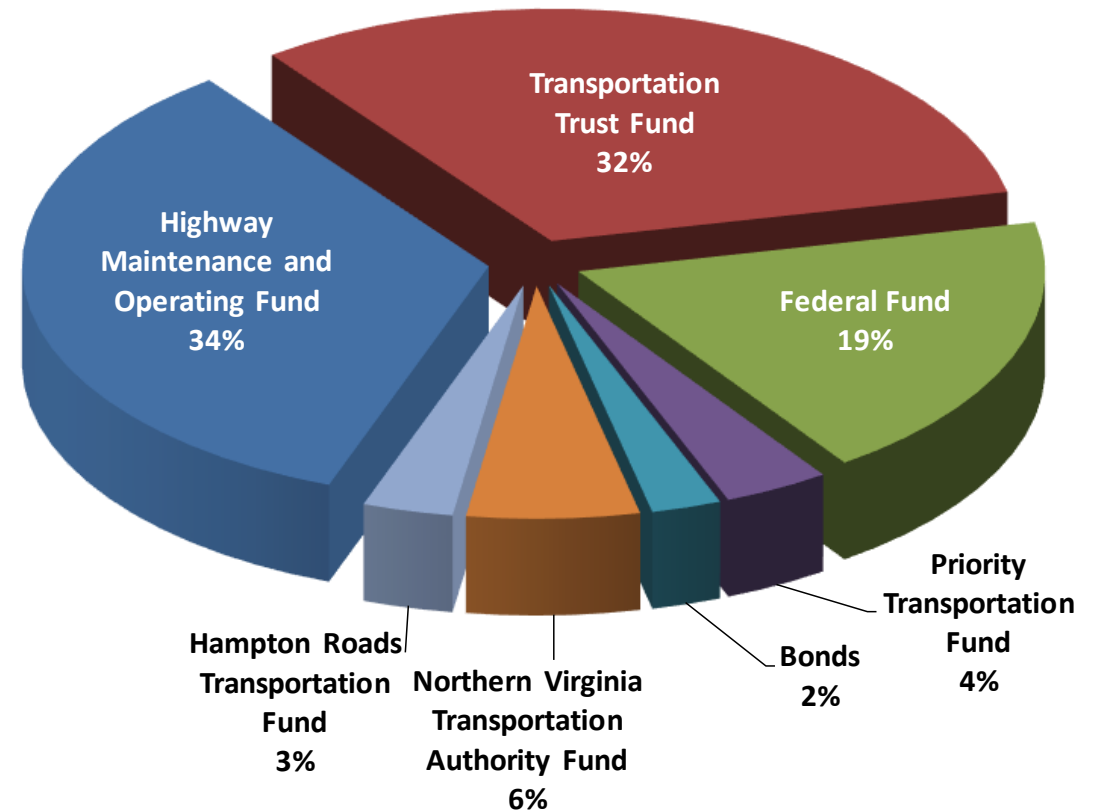
Senate (based on floor approved amendments from regular session)

- **Fund study for VCSFA - Chincoteague Island Study; \$1.5 million during biennium**
- **Additional funds for Chesapeake Bay Initiatives, \$2.6 million annually (Appropriation Act, Part 3 Transfer)**

Commonwealth Transportation Fund FY 2019 Draft Budget

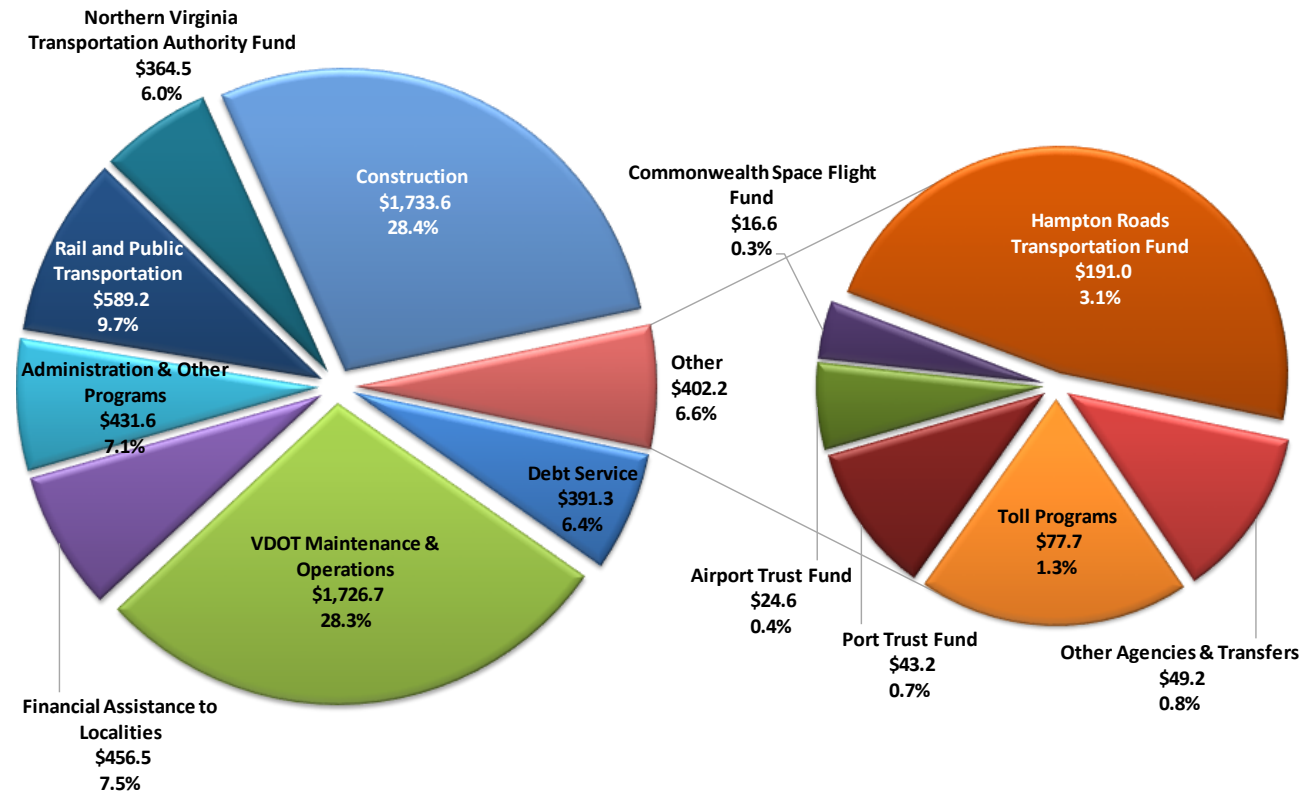
- FY 2019 CTF Revenues total \$6.1 billion, 9.0 percent decrease over the Revised FY 2018 Budget (In comparison to Original Budget, 0.3 percent decrease)
- Dedicated Regional revenues represent 9.1 percent of total budget
- Planned use of bond proceeds is down from 4 percent of total
- Decrease reflects unique funding in Revised FY 2018 Budget from Concession Fee and Atlantic Gateway

Revenue	Total Estimate
Highway Maintenance and Operating Fund	\$2,085.8
Transportation Trust Fund	1,940.5
Federal Fund	1,142.8
Priority Transportation Fund	223.7
Bonds	147.3
Total Operating Revenues	\$5,540.1
Pass Through Revenue	
Northern Virginia Transportation Authority Fund	364.5
Hampton Roads Transportation Fund	191.0
Subtotal	\$555.5
Total	\$6,095.6



FY 2019 Draft Recommended Allocations

- Highway Maintenance, including VDOT maintained and Locality Maintained, represents 36 percent of budget, up from 32 percent in Revised FY 2018 (35 percent in the Original FY 2018 Budget)
- Highway Construction receives 28 percent of the total with support of regional / local funding
- Funding for Rail and Public Transportation is 10 percent of budget



FY 2019 Draft VDOT Recommended Allocations

- **VDOT budget down by 9 percent, primarily due to one-time budget of Concession Fee and FAST Lane Grant in Revised FY 2018**
- **Maintenance growth of approximately 2 percent**
- **Reduction in Capital Outlay due to planned commitments and additional planned allocations in subsequent biennia**
- **Support to DRPT Programs reflects transfer from NVTD Fund of \$20 million for WMATA Capital Fund**

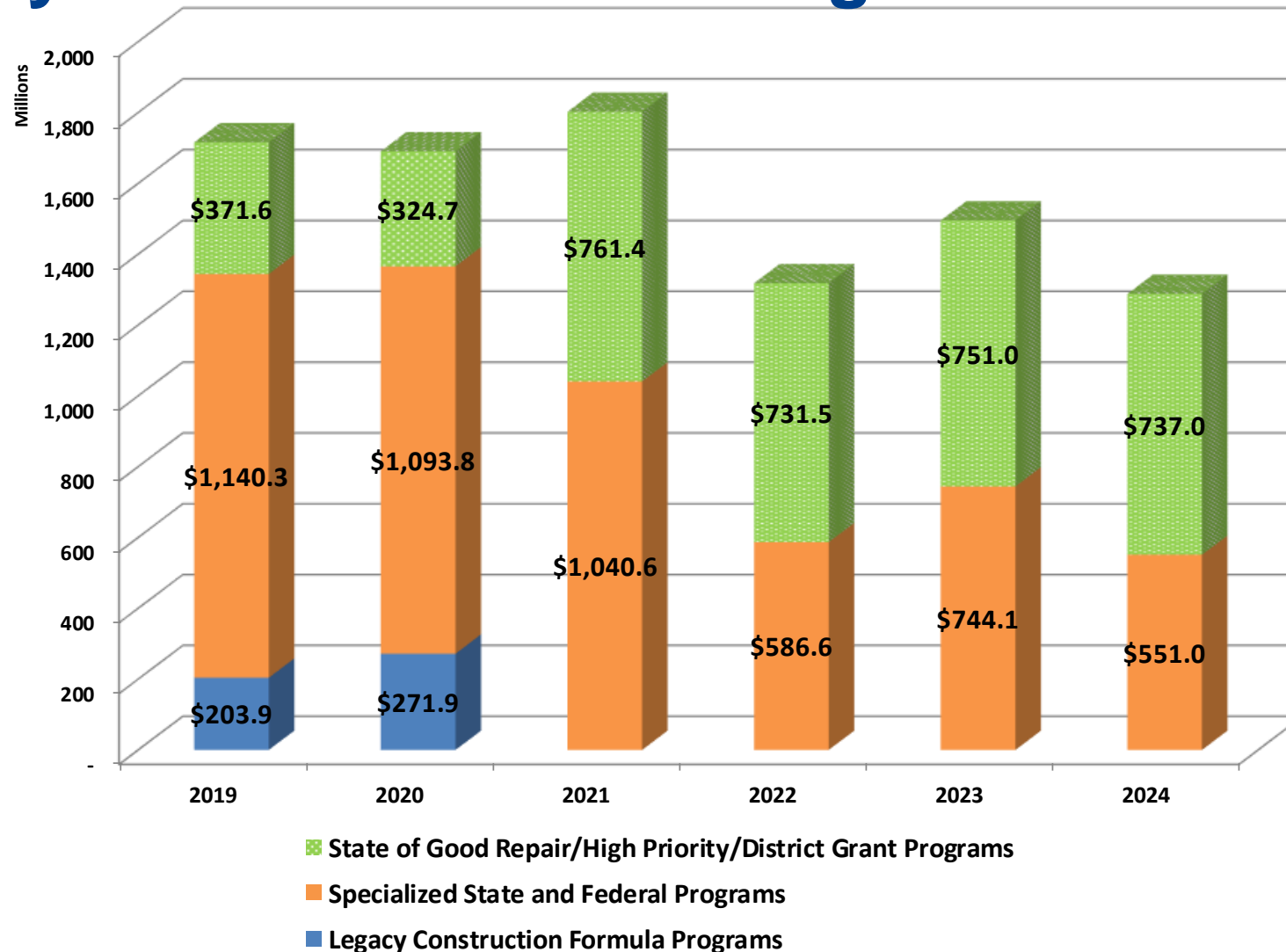
	(in millions)		
	Revised FY 2018	Recommended FY 2019	Increase (Decrease)
VDOT Programs			
Environmental Monitoring and Evaluation (514)	\$ 13.7	\$ 24.2	\$ 10.5
Ground Transportation Planning and Research (602)	73.8	75.2	1.4
Highway System Acquisition and Construction (603)	2,470.9	1,758.6	(712.3)
Highway System Maintenance (604)	1,689.4	1,726.7	37.3
Commonwealth Toll Facilities (606)	70.5	80.9	10.4
Financial Assistance to Localities (607)			
VDOT Programs	457.5	472.0	14.5
Regional Programs	492.5	555.5	63.0
Non-Toll Supported Transportation Debt Service (612)	358.4	390.5	32.0
Administrative and Support Services (699)	263.4	279.4	16.0
VDOT Capital Outlay (998)	30.7	10.0	(20.7)
Total VDOT Programs	\$ 5,920.7	\$ 5,372.9	\$ (547.8)
Support to Other State Agencies	60.7	65.7	5.1
Support to DRPT Programs	7.9	24.0	16.1
TOTAL	\$ 5,989.3	\$ 5,462.6	\$ (526.6)
TOTAL OPERATING BUDGET (Net Regional Programs)	\$ 5,496.8	\$ 4,907.1	\$ (589.6)

Assumptions for Highway Construction Programs

Based on the updated revenue and programmatic assumptions noted:

- The adjustments to State of Good Repair reflect an estimated \$40.8 million in reduced allocation through FY 2023; an additional \$29.7 million for Smart Scale categories during the same period.
 - Reduction for SGR reflects the redirection of the share of the Rental Tax to the WMATA Capital Fund
- The estimated amount for allocation in FY 2024 is \$275 million for State of Good Repair and \$462 million for High Priority Projects and the District Grant Programs (including ITTF and Unpaved Roads allocations)
 - In addition to the 55% share of funds available, HPP and DGP receive an allocation of GARVEE Bonds that are shared, ensuring the same overall amount of monies through the mix of bond proceeds, state allocations and federal allocations. (Appropriation Act, Chapter 836, Item 436, A. 11.)

Preliminary Construction Funding Available



FY 2019 Commonwealth Toll Facilities

<i>(in millions)</i>	Powhite Parkway Extension	Coleman Bridge	I-64 Express Lanes	I-66 Inside the Beltway Express Lanes
Anticipated Revenue	\$11.0	\$6.0	\$2.4	\$25.3
Uses				
Debt/Interest Repayment	3.1	3.0	-	
Operating Expenses	6.5	2.9	1.9	7.4
Maintenance Replacement Reserve	1.4	0.0	-	2.5
Other				
Anticipated Transit Distribution			0.5	15.4
Total Uses	\$11.0	\$6.0	\$2.4	\$25.3

I-64 Transit Distribution is an anticipated transfer to DRPT to support transit services

Next Steps and Updates

- Continue to monitor General Assembly actions on biennial budget
- Provide final SYIP assumptions for final SYIP in preparation for consideration in June. These assumptions may be based on tentative actions by the General Assembly.

Looking Forward

- FAST Act contains a \$7,569,000,000 planned rescission of unobligated balances of contract authority rescission in the last year, FY 2020.
- A rescission cancels the availability of budget authority (e.g., contract authority) before that authority would otherwise expire; it does not reduce obligation limitation.
- The rescission is spread among the States based on a State's percent share of the total amount of contract authority provided to all states.
- Sub-allocated Surface Transportation Block Grant Program (STBGP) funds are not subject to the rescission.
- Will be analyzing potential impacts to see if budgetary adjustments are needed in the FY 2020-2025 update.