

Preliminary FY 2020 – 2025 Commonwealth Transportation Fund (CTF) Six-Year Financial Plan Outlook

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January 15, 2019

Commonwealth Transportation Fund Revenue Updates

(In millions)

December 2018 Revenue Forecast

- \$47.2 million net reduction statewide
- Regional Revenues positive

STATEWIDE	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	TOTAL
Impact by Fund							
HMOF	\$ (17.4)	\$ (15.5)	\$ (24.6)	\$ (10.3)	\$ 1.7	\$ 2.5	\$ (63.6)
TTF	(26.0)	(0.9)	7.5	6.0	13.3	16.5	16.4
Total	\$ (43.4)	\$ (16.4)	\$ (17.1)	\$ (4.3)	\$ 15.0	\$ 19.0	\$ (47.2)
TTF Breakdown							
Modal Distribution							
Highway Construction	(9.6)	(1.6)	(0.5)	5.0	10.3	12.2	15.8
Transit	(1.8)	(0.3)	(0.1)	0.9	1.9	2.3	3.0
Ports	(0.5)	(0.1)	(0.0)	0.3	0.5	0.7	0.8
Airports	(0.3)	(0.0)	(0.0)	0.2	0.3	0.4	0.5
Mass Transit	(0.5)	1.4	2.0	2.2	2.6	2.8	10.5
IPROC	(0.2)	0.8	1.3	1.4	1.6	1.8	6.7
WMATA Capital Fund	(0.1)	0.1	0.1	0.1	0.1	0.1	0.2
Recordation Tax	(4.7)	(4.7)	(4.7)	(4.7)	(4.7)	(4.7)	(28.2)
3.7% to Mass Transit Fund (Fuel Tax)	(0.2)	-	(0.1)	(0.3)	(0.6)	(0.9)	(2.1)
PTF	(8.2)	3.6	9.6	1.0	1.3	1.9	9.2
	\$ (26.0)	\$ (0.9)	\$ 7.5	\$ 6.0	\$ 13.3	\$ 16.5	\$ 16.4
Regional Revenues							
Northern Virginia	(2.2)	1.4	3.4	4.2	5.1	5.8	\$ 17.7
Hampton Roads	7.2	7.7	8.8	9.3	9.3	9.2	\$ 51.5

Transportation Revenue Estimate Updates

State Revenue Updates during FY 2019 – FY 2024 period

- **Sales Tax on Fuel decreased \$56.6 million**
 - \$45.7 million for the HMOF
 - \$10.9 million for the TTF
- **Retail Sales and Use Tax collections forecast increased by \$185 million; \$93.7 for HMOF and \$91.8 million for TTF**
- **Expectations for Motor Vehicle Sales and Use Tax were reduced by \$175 million over the period**
- **Updates of other miscellaneous and dedicated revenues impact total available funding**

CTF Revenue Forecast

(in millions)

Revenue	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total
Motor Fuel Taxes	\$ 916.9	\$ 920.6	\$ 921.2	\$ 919.3	\$ 916.5	\$ 920.2	\$ 5,514.7
Priority Transportation Fund (PTF)	188.0	199.4	199.8	209.0	218.0	218.0	1,232.2
Motor Vehicle Sales and Use Tax	964.8	970.8	993.5	1,006.1	1,022.8	1,044.8	6,002.8
State Sales and Use Tax	1,115.5	1,149.4	1,176.1	1,203.0	1,229.6	1,254.2	7,127.8
Motor Vehicle License Fees	261.3	261.5	261.5	261.5	261.5	261.7	1,569.0
International Registration Plan	65.0	65.7	66.1	66.0	66.3	66.5	395.6
Recordation Tax	43.6	43.6	43.6	43.6	43.6	43.6	261.6
Interest Earnings	4.0	4.0	4.0	4.0	4.0	4.0	24.0
Misc. Taxes, Fees and Revenues	17.9	17.9	17.9	17.9	17.9	17.9	107.4
Total State Taxes and Fees	\$ 3,577.0	\$ 3,632.9	\$ 3,683.7	\$ 3,730.4	\$ 3,780.2	\$ 3,830.9	\$ 22,235.1

Motor Fuel Taxes includes Road Tax and Aviation Fuels Tax

Motor Vehicle Sales and Use Tax includes Rental Tax

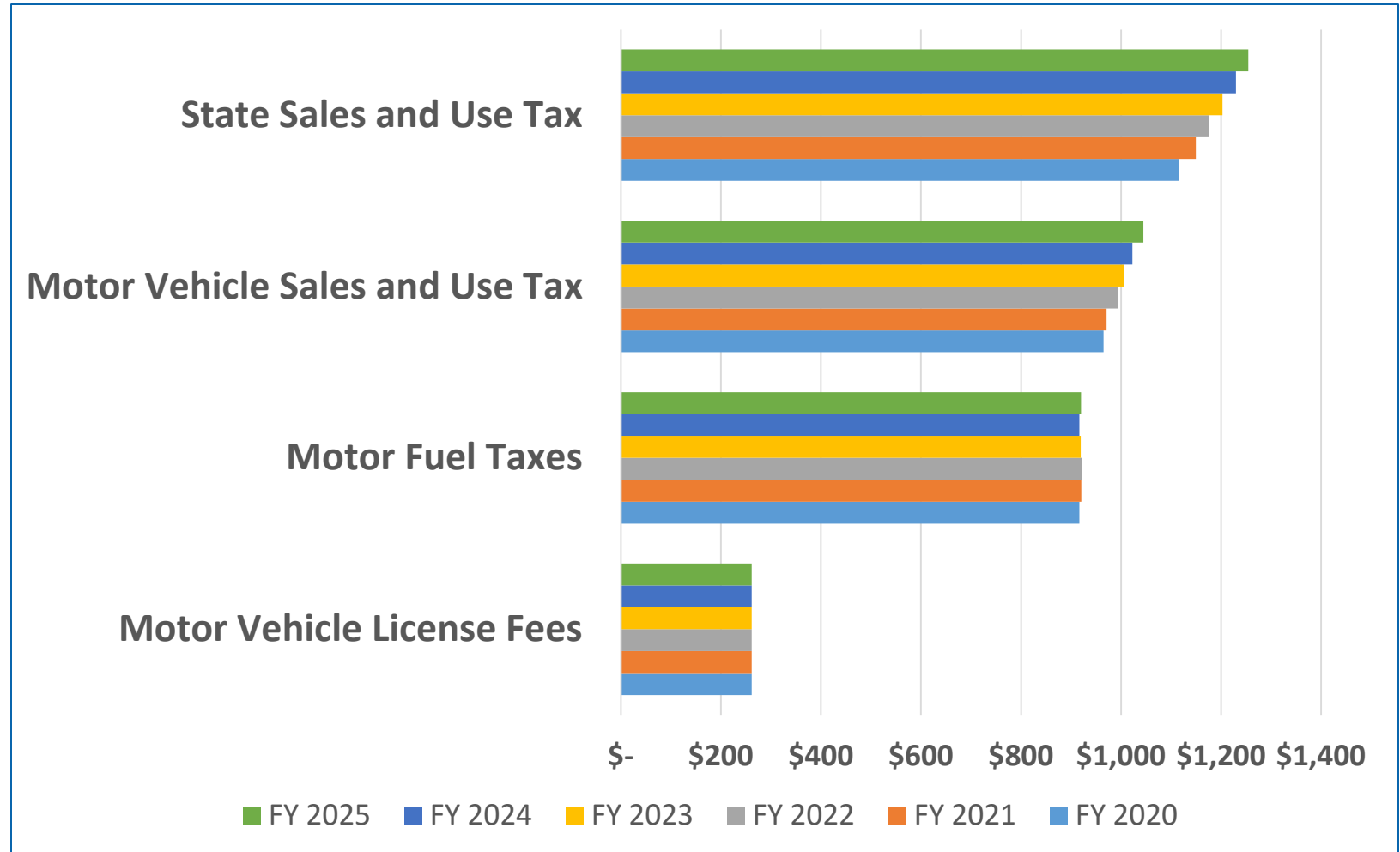
December 18, 2018 Forecast

Major CTF Transportation Revenues

(In millions)

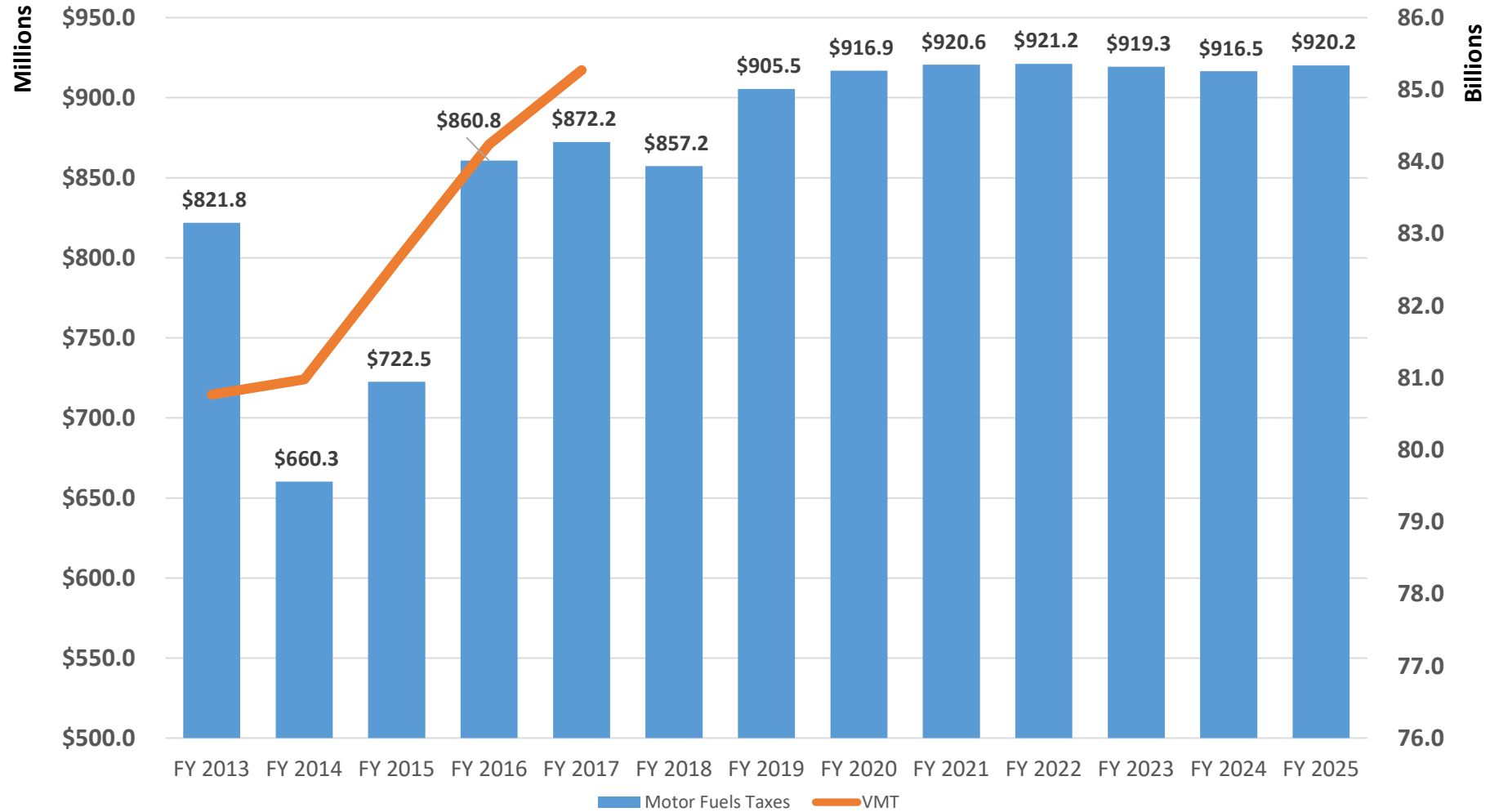
The top four sources of state transportation revenues represent over 90 percent of total forecasted CTF revenues

These four sources are estimated to provide \$20 billion over the upcoming six years



Motor Fuel Tax Revenue and Vehicle Miles Traveled (VMT)

Motor Fuel Tax Revenue and Vehicle Miles Traveled



Source: CTF Revenue Reporting by DOA; VDOT VMT Report 2200 - DVMT by Maintenance Jurisdiction All Roads, annualized total (VMT reflects calendar year reporting)

Revenue Estimate Updates

Federal revenue is based on Federal FY 2019 apportionments and assume Obligation Authority levels for the year provided under the FAST Act

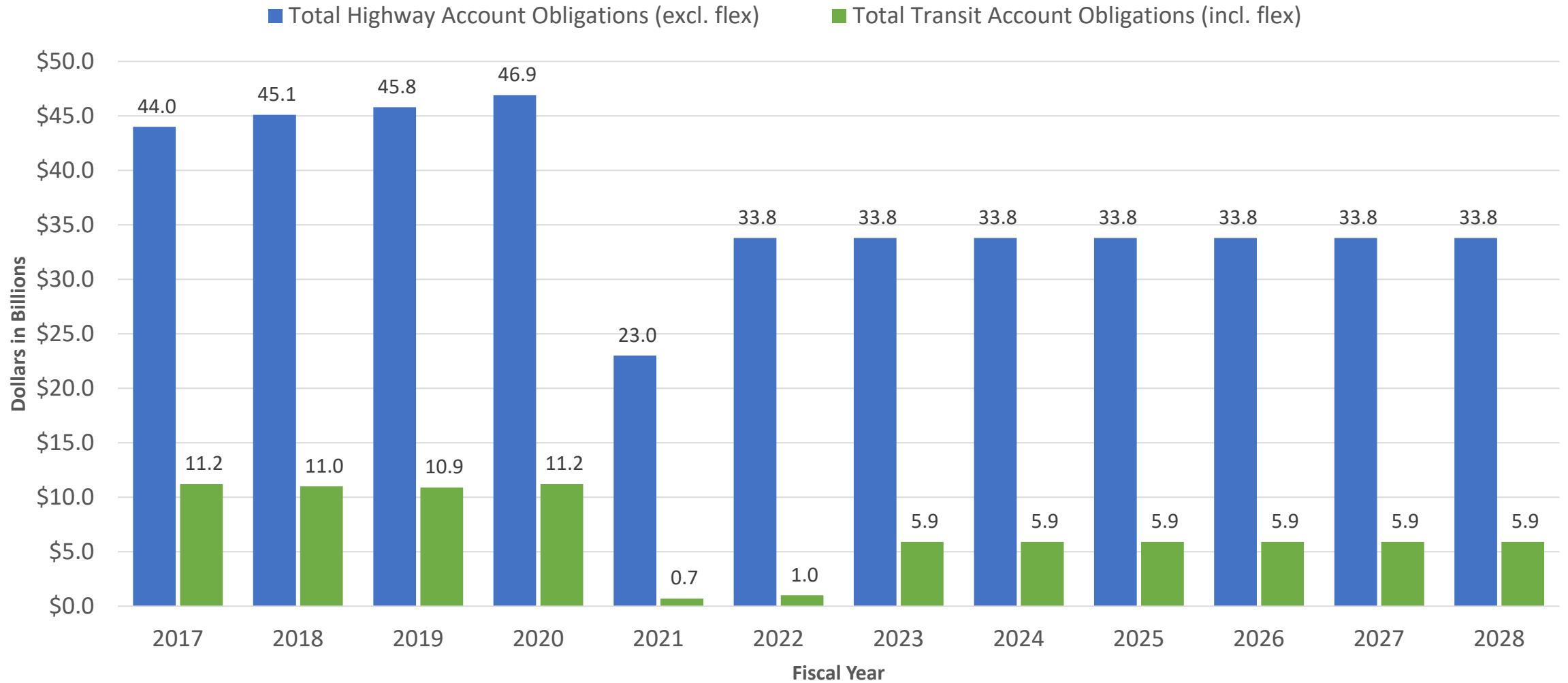
Current federal budget extension through December 21, 2018, obligation authority provided to Virginia based on portion of the year

After FY 2020, assumed federal revenue growth of 1.7 percent

“Absent a revenue fix by 2020, the Federal Highway Trust Fund is expected to experience a significant cash shortfall leading to an estimated 51 percent drop in highway obligations from the year before, or from \$46.9 billion to \$23 billion, and a zeroing out of obligations from the Mass Transit Account in 2021 and 2022.” - Carlos Braceras P.E., President of American Association of State Highway and Transportation Officials; Testimony on November 28, 2018 to U.S. Senate Committee on Environment and Public Works

Without congressional action, federal revenues will be reduced in the future

Federal HTF Highway and Transit Obligations



Source: AASHTO

Commonwealth Transportation Fund (CTF) Preliminary Fiscal Years 2020 – 2025 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 2020 – 2025 SYFP allocates \$37.2 billion**
 - **An increase of \$222.7 million over the Fiscal Years 2019 – 2024 SYFP**
- **Includes the use of \$735 million of GARVEE and CPR Bonds**
- **Transfers \$3.0 billion to the two Transportation Regions**
- **Dedicates \$13.6 billion for Maintenance and Operations**
- **Provides \$9.2 billion for Construction**

Commonwealth Transportation Fund Preliminary Fiscal Years 2020 – 2025 Six-Year Financial Plan Estimated Revenues (in millions)

	2020	2021	2022	2023	2024	2025	Total	FY 2019-2024	Difference
State Transportation Revenues									
HMO	\$ 2,065.6	\$ 2,099.6	\$ 2,125.1	\$ 2,140.8	\$ 2,159.1	\$ 2,188.3	\$12,778.4	\$ 12,741.7	\$ 36.7
TTF net interest	1,271.3	1,315.5	1,340.4	1,362.3	1,384.9	1,406.5	8,080.9	7,943.9	137.0
PTF (From TTF)	216.3	236.1	236.5	245.6	254.5	254.5	1,443.5	1,392.5	51.0
Local & Regional Project Participation	368.5	416.2	205.8	163.2	163.3	163.3	1,480.4	1,645.1	(164.7)
Other Revenue	241.2	223.3	232.1	230.8	249.5	224.3	1,401.3	1,410.6	(9.3)
Total	4,162.9	4,290.7	4,139.9	4,142.8	4,211.3	4,236.8	25,184.4	25,133.7	50.8
Federal Revenues	1,092.8	1,109.7	1,127.7	1,146.1	1,164.8	1,183.8	6,825.0	6,756.1	68.9
Total Revenues	5,255.8	5,400.3	5,267.7	5,288.9	5,376.1	5,420.7	32,009.4	31,889.8	119.7
Other Financing Sources									
GARVEE Bonds	101.2	98.0	76.3	100.0	125.0	134.0	634.5	586.2	48.3
Capital Improvement Bonds	50.0	50.0	-	-	-	-	100.0	161.6	(61.6)
Route 58	150.9	249.1	-	195.7	-	-	595.7	595.7	-
Total	302.1	397.1	76.3	295.7	125.0	134.0	1,330.2	1,343.5	(13.3)
Total Operating Revenues and Other Financing Sources	\$ 5,557.9	\$ 5,797.4	\$ 5,344.0	\$ 5,584.6	\$ 5,501.1	\$ 5,554.7	\$33,339.6	\$ 33,233.3	\$ 106.3
Pass Through Revenues									
Regional Transportation Funds	475.7	489.1	499.6	509.8	519.7	530.6	3,024.5	2,901.2	123.3
WMATA Capital Fund Revenue	133.6	134.4	135.1	135.6	136.3	136.3	811.1	818.1	(7.0)
Grand Total	\$ 6,167.2	\$ 6,420.9	\$ 5,978.6	\$ 6,230.0	\$ 6,157.1	\$ 6,221.5	\$37,175.3	\$ 36,952.6	\$ 222.7

Programmatic Changes for VDOT

- **Maintenance Inflation Rate Updates**
 - The CPI rates were updated to an average of 2.3 percent
Reflects an average decrease of 0.22 percent across the 2020-2025 period.
 - Reduces the growth of the VDOT Maintenance and Operations Program and Financial Assistance to Localities Program
- **Information Technology Investment**
 - Assumed cost increases due to VITA rate updates
 - Averages \$7 million a year; greatest expense in the upcoming years
- **Employee Salary and Benefit Updates**
 - Four percent salary increase for classified employees effective July 1, 2019
 - Governor's proposed one percent bonus on December 1, 2019

Commonwealth Transportation Fund Preliminary Fiscal Years 2020 – 2025 Six-Year Financial Plan Estimated Allocations (in millions)

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total	2019 - 2024 SYFP	Difference
Debt Service	\$ 384.6	\$ 394.5	\$ 406.4	\$ 424.8	\$ 444.1	\$ 510.1	\$ 2,564.4	\$ 2,485.6	\$ 78.9
Other Agencies & Transfers	51.7	50.3	50.6	51.8	52.0	53.3	309.8	\$ 308.2	1.57
Maintenance & Operations	2,189.6	2,209.1	2,240.0	2,290.4	2,339.9	2,388.2	13,657.2	\$ 13,469.4	187.9
Administration & Other Programs	467.9	518.8	507.5	489.5	499.1	511.1	2,993.9	\$ 2,851.8	142.1
Toll Programs	88.1	90.1	93.6	99.7	102.3	102.3	576.1	\$ 551.5	24.6
Rail and Public Transportation	560.6	576.3	560.1	567.2	589.4	538.1	3,391.8	\$ 3,652.2	(260.5)
Public Transportation	-	-	-	-	-	-	-	-	-
Rail Assistance	-	-	-	-	-	-	-	-	-
Other Programs and Administration	-	-	-	-	-	-	-	-	-
Port Trust Fund	43.2	44.6	45.3	46.1	46.9	47.6	273.7	268.4	5.3
Airport Trust Fund	24.6	25.5	25.8	26.3	26.7	27.2	156.1	153.1	3.0
Commonwealth Space Flight Fund	15.8	15.8	15.8	15.8	15.8	-	79.0	94.8	(15.8)
Construction	1,711.7	1,852.4	1,378.8	1,553.2	1,364.8	1,356.7	9,217.6	9,278.4	(60.8)
Total Operating Programs	\$ 5,537.9	\$ 5,777.4	\$ 5,324.0	\$ 5,564.6	\$ 5,481.1	\$ 5,534.7	\$ 33,219.6	\$ 33,113.3	\$ 106.3
Pass Through Programs									
WMATA Capital Fund	153.6	154.4	155.1	155.6	156.3	156.3	931.1	938.1	(7.0)
Northern Virginia Transportation Authority Fund	274.0	282.3	288.9	295.5	302.0	308.9	1,751.6	1,703.2	48.4
Hampton Roads Transportation Fund	201.7	206.8	210.7	214.3	217.7	221.7	1,272.9	1,198.0	74.9
Subtotal	629.3	643.5	654.7	665.4	676.0	686.9	3,955.6	3,839.3	116.3
Total	\$ 6,167.2	\$ 6,420.9	\$ 5,978.6	\$ 6,230.0	\$ 6,157.1	\$ 6,221.5	\$ 37,175.3	\$ 36,952.6	\$ 222.7

(1) Allocations do not reflect 2019-2024 SYIP assumptions for funding for highways that was programmed for rail and public transportation. Distribution to Public Transportation, Rail Assistance, Other Programs and Administration to be determined.

Assumptions for Highway Construction Programs

- Revenue Sharing Program remains at \$100 million in state funding based on funding criteria of § 33.2-357. D. of the *Code of Virginia*
- The Innovation and Technology Transportation Fund (ITTF) funding from the High Priority Projects Program for FY 2025 is \$20 million following previous assumptions
- Unpaved Roads funding for FY 2025 is \$20 million from the District Grant Program following previous assumptions

Assumptions for Highway Construction Programs

State of Good Repair

	(in millions)						
	2020	2021	2022	2023	2024	2025	TOTAL
State of Good Repair Allocation	\$40.1	\$290.4	\$290.9	\$293.4	\$283.7	\$282.9	\$1,481.4
Difference from Previous Assumptions	1.3	(16.5)	(4.0)	0.5	8.3		(10.3)

Assumptions for Highway Construction Programs

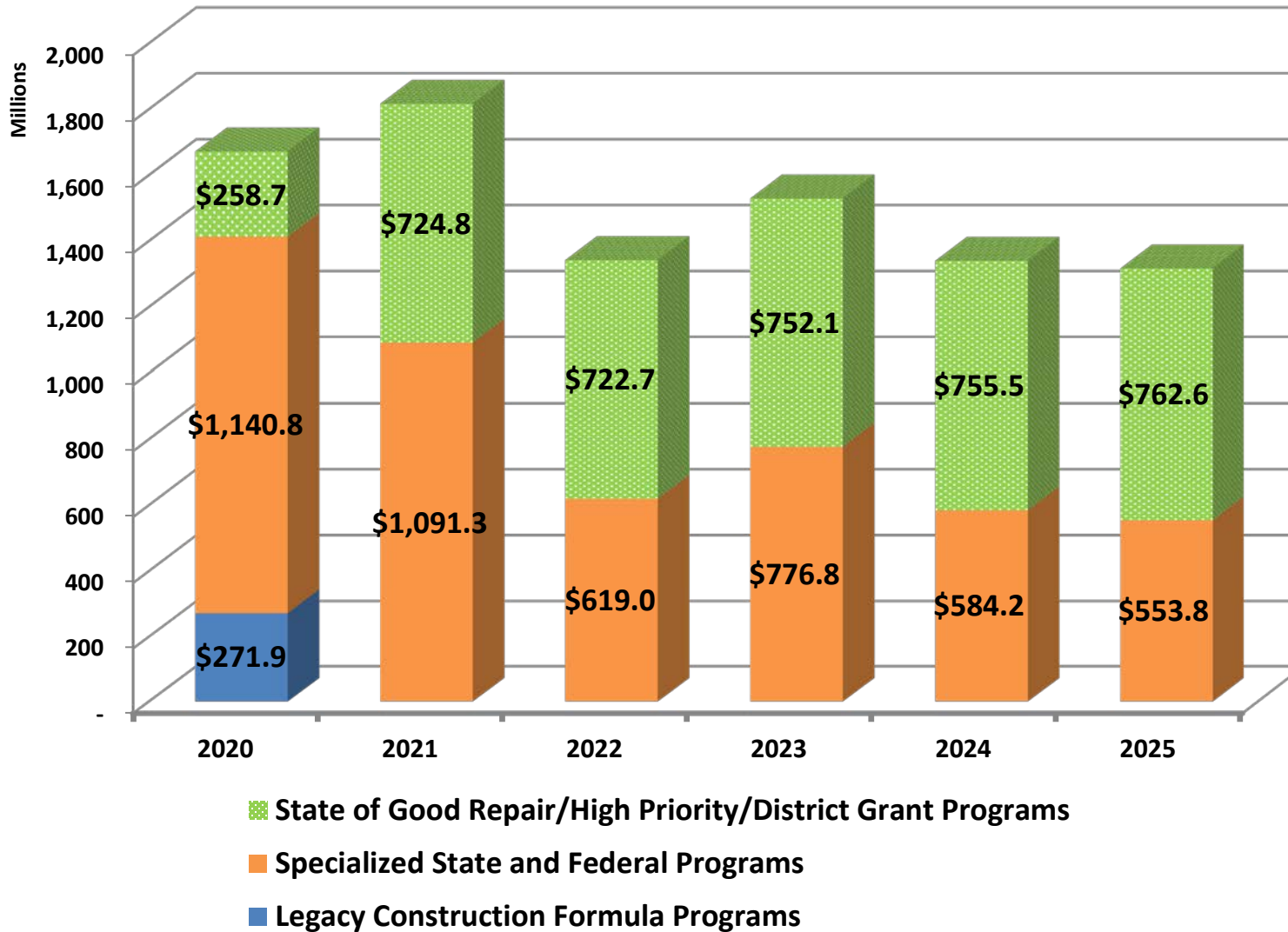
Smart Scale – Allocation for Distribution

Estimated Smart Scale Round 3 based on revenue

(in millions)	Difference from previous assumptions				2024	2025	TOTAL
	2020	2021	2022	2023			
High Priority Projects Program	\$ (33.6)	\$ (10.1)	\$ (2.4)	\$ 0.3	\$ 215.9	\$ 219.9	\$ 389.9
District Grant Program	(33.6)	(10.1)	(2.4)	0.3	215.9	219.9	389.9
Total	\$ (67.3)	\$ (20.1)	\$ (4.9)	\$ 0.6	\$ 431.8	\$ 439.7	\$ 779.8

**Funding includes \$259 million of GARVEE proceeds;
33 percent of total**

Preliminary Construction Funding Available



Next Steps

- **Updates from 2019 General Assembly Session**
- **Monitoring status of federal funding**
- **Provide update at March CTB meeting**