



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

W. Sheppard Miller, III
Chairperson

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Richmond, Virginia 23219

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Agenda item # 6

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

June 21, 2023

MOTION

Made By: Mr. Coleman, **Seconded By:** Mr. Kasprowicz

Action: Motion Carried, Unanimously

**Title: Action on Fiscal Year 2024 Annual Budgets
Commonwealth Transportation Fund, Department of Rail and Public Transportation and
the Virginia Department of Transportation**

WHEREAS, the Commonwealth Transportation Board is required by §§ 33.2-214 (B) and 33.2-221 (C) of the *Code of Virginia (Code)* to administer and allocate funds in the Transportation Trust Fund, based on the most recent official Commonwealth Transportation Fund revenue forecast; and

WHEREAS, § 33.2-1524.1 of the *Code* requires a portion of the funds in the Transportation Trust Fund to be set aside and distributed to construction programs pursuant to § 33.2-358, the Commonwealth Mass Transit Fund, Commonwealth Rail Fund, the Commonwealth Port Fund, the Commonwealth Aviation Fund, the Commonwealth Space Flight Fund, the Priority Transportation Fund and a special fund within the Commonwealth Transportation Fund to be used to meet the necessary expenses of the Department of Motor Vehicles; and

WHEREAS, § 33.2-358 (A) of the *Code* requires the Board to allocate each year from all funds made available for highway purposes such amount as it deems reasonable and necessary for the maintenance of roads within the interstate system of highways, the primary system of state highways, the secondary system of state highways and for city and town street maintenance payments made pursuant to § 33.2-319 and payments made to counties which have withdrawn or elect to withdraw from the secondary system of state highways pursuant to § 33.2-366; and

Resolution of the Board

FY 2024 Annual Budgets – Commonwealth Transportation Fund, Department of Rail and Public Transportation and the Virginia Department of Transportation

June 21, 2023

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WHEREAS, §33.2-358 (B) of the *Code* requires the Board to allocate available funds for construction and other non-maintenance activities by formula; and

WHEREAS, other sections of the *Code of Virginia* and the current Appropriation Act require certain allocations; and

WHEREAS, pursuant to § 33.2-214 (B), the Commonwealth Transportation Board has established the updated project allocations for the fiscal years 2023 through 2028 in the Six-Year Improvement Program; and

WHEREAS, § 2.2-2100 of the *Code* allows the Board to review and comment on budget items not specifically enumerated to the Board by statute.

NOW, THEREFORE, BE IT RESOLVED by the Commonwealth Transportation Board that the recommended allocations and expenditures required by the various statutes as contained in the budgets for the Commonwealth Transportation Fund, Department of Rail and Public Transportation, and the Department of Transportation for Fiscal Year 2024 are approved.

#####

CTB Decision Brief

Fiscal Year 2024 Annual Budgets

Commonwealth Transportation Fund, Department of Rail and Public Transportation and the Department of Transportation

Issue: Each year, the Commonwealth Transportation Board (CTB or Board) is required by §§ 33.2-214 (B) and 33.2-221 (C) of the *Code of Virginia* to administer, distribute and allocate funds in the Transportation Trust Fund based on the most recent official Commonwealth Transportation Fund revenue forecast; by § 33.2-1524.1, to provide the statutory funding to the Commonwealth Mass Transit Fund, Commonwealth Rail Fund, Commonwealth Port Fund, the Commonwealth Aviation Fund, the Commonwealth Space Flight Fund the Priority Transportation Fund and a special fund in the Commonwealth Transportation Fund to meet the expenses of the Department of Motor Vehicles; and by § 33.2-358 (A) to allocate from all funds made available for highway purposes such amount as it deems reasonable and necessary for the maintenance of roads within the interstate, primary and secondary system of highways and for city and town street maintenance payments and payments to counties that have elected to withdraw from the secondary state highway system. Board approval and finalization of the FY 2023 budgets necessary to effectuate the lawful distribution of available Commonwealth Transportation Fund revenues is sought.

Facts: The CTB must adopt a budget that distributes the available revenues of the Commonwealth Transportation Fund to the statutorily defined funds and purposes. The budget shall be based on the most recent official revenue forecasts and debt policy. There are three separate budgets in addition to the Six-Year Improvement Program:

- 1) Commonwealth Transportation Board's Commonwealth Transportation Fund Budget which includes all transportation revenues, including those allocated to the construction program, Commonwealth Transit Fund, Commonwealth Rail Fund, Commonwealth Aviation Fund, Space Flight Fund, Commonwealth Port Fund, the Priority Transportation Fund and the special fund for the Department of Motor Vehicles. It is a summary level budget.
- 2) The Department of Rail and Public Transportation (DRPT) Annual Budget which provides details on estimated expenditures and the related revenues that support the estimated expenditures that are directly provided to the agency for its programs and activities.
- 3) The Department of Transportation (VDOT) Annual Budget which provides details on revenue and allocations that are directly provided to the agency for its programs and activities.

CTB Decision Brief
Fiscal Year 2024 Annual Budgets
June 21, 2023
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Recommendations: VDOT and DRPT recommend the approval of the Fiscal Year 2024 Annual Budgets for the Commonwealth Transportation Fund, the Department of Transportation, and the Department of Rail and Public Transportation.

Action Required by CTB: The CTB will be presented with a resolution for a formal vote to approve the Fiscal Year 2024 Annual Budgets.

Options: Approve, Deny or Defer. If the CTB chooses not to approve a budget resolution, it will be in violation of state law.

Public Comments/Reactions: The public expects the CTB to utilize the funds dedicated to transportation to address transportation needs.

FY 2024

Commonwealth Transportation Fund Budget June 2023



Virginia Department of Transportation

Financial Planning Division


1221 E. Broad Street, 2nd Floor

Richmond, VA 23219

Internet Address: <http://www.virginiadot.org/projects/reports-budget.asp>

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During its 2020 session, the Virginia General Assembly enacted the Governor's Omnibus Transportation Bill, Chapter 1230 (House Bill 1414), which revised the composition of and increased available revenues for transportation funding in the Commonwealth. Under Chapter 1230, the Commonwealth Transportation Fund (CTF) serves as the fund to which all transportation revenues are deposited and then distributed to programs and funds. These transportation revenues include: (i) motor vehicles fuels taxes and road taxes for diesel fuel; (ii) vehicle registration fees; (iii) highway use fee; (iv) 0.5% statewide sales and use tax; (v) 0.3% statewide sale and use tax for transportation; (vi) 4.15% percent motor vehicles sales and use tax; (vii) motor vehicle rental tax (10 percent of gross proceeds from rentals for most passenger vehicles); (viii) \$0.03 of the \$0.25 per \$100 of assessed value of the statewide recordation tax; (ix) tax on liquid alternative fuel, set at the rate for gasoline; (x) International Registration Plan fees; and (xi) one-third of the revenue from insurance premium taxes.

Chapter 1230 also amended the allocation of funds. Before funds are distributed between the Transportation Trust Fund and the Highway Maintenance and Operating Fund ("HMO Fund"), (i) \$40 million annually will be deposited into the Route 58 Corridor Development Fund; (ii) \$40 million annually will be deposited into the Northern Virginia Transportation District Fund; and (iii) \$80 million annually (as adjusted annually based on changes in consumer price index for urban consumers) will be deposited into the Special Structure Fund. Enactment Clause 11 of Chapter 1230 provides the Commonwealth Transportation Board the ability to take actions deemed necessary in fiscal years 2021, 2022, and 2023 to ensure funds for modal programs and the highway maintenance and operating fund are at least equal to the amounts provided for in the six-year financial plan for the Commonwealth Transportation Fund as in effect on January 1, 2020.

Toll revenue and concession payments to the Commonwealth under the Public-Private Transportation Act of 1995 also would be deposited to the Commonwealth Transportation Fund and allocated to the Transportation Trust Fund (for defined purposes and not available for further distribution). Interest, dividends, and appreciation accrued to the Transportation Trust Fund or the HMO Fund also would be allocated to the Commonwealth Transportation Fund and distributed two-thirds to the Virginia Transportation Infrastructure Bank and one-third to the Transportation Partnership Opportunity Fund.

The remaining funds in the Commonwealth Transportation Fund are allocated 51% to the HMO Fund and 49% to the Transportation Trust Fund. Chapter 1230 directs the following distribution of funds from the Transportation Trust Fund: (i) 53% for construction programs; (ii) 23% to the Commonwealth Mass Transit Fund; (iii) 7.5% to the Commonwealth Rail Fund; (iv) 2.5% to the Commonwealth Port Fund; (v) 1.5% to the Commonwealth Aviation Fund; (vi) 1% to the Commonwealth Space Flight Fund; (vii) 10.5% to the Priority Transportation Fund; and (viii) 1% to the Department of Motor Vehicles. Enactment Clause 11 of Chapter 1230 also allows the Commonwealth Transportation Board to take actions deemed necessary in fiscal years 2021, 2022, and 2023 to ensure appropriate coverage ratios for any outstanding debt backed by the Transportation Trust Fund.

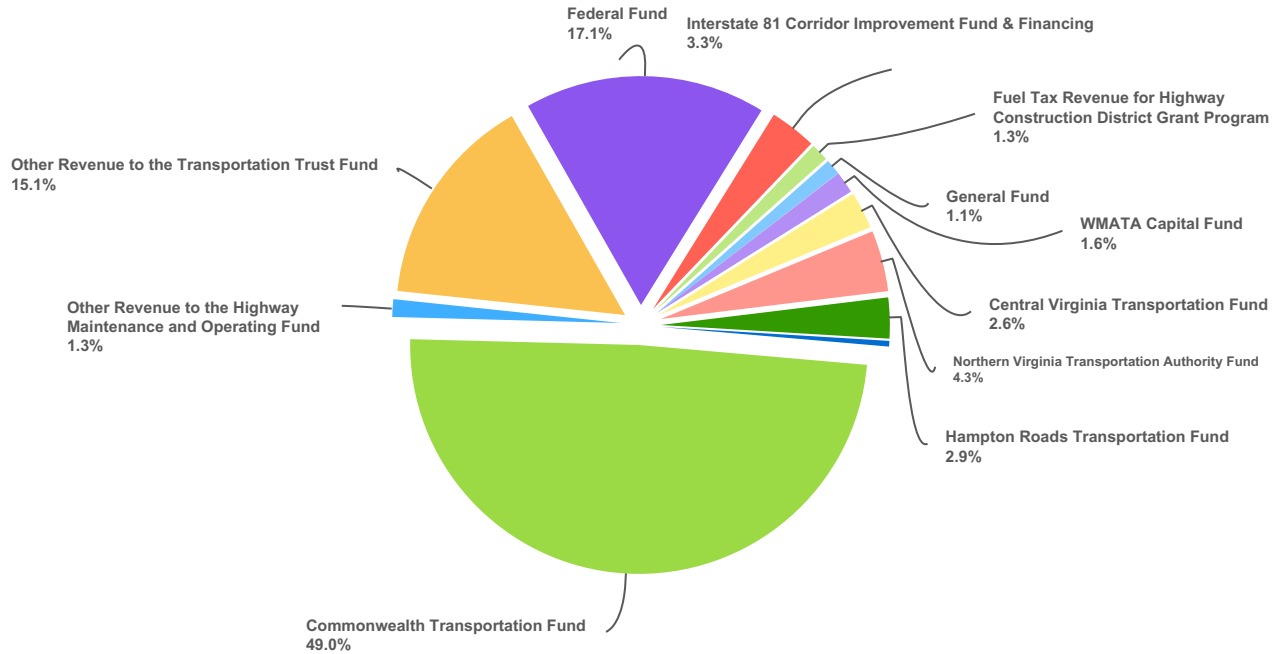
The Fiscal Year 2024 budget for the CTF identifies the estimated revenues and the distribution of the revenues to the related transportation agencies and programs. It is based on the state revenue forecast from December 2022 and reflects implementation of federal funding provided under the Infrastructure Investment and Jobs Act (IIJA). The FY 2024 CTF Budget totals \$9,799,289,669.



The CTF receives revenues from dedicated state and federal sources. The major state revenues are based on Virginia's official revenue forecast developed by the Department of Taxation. The federal revenues from the Federal Highway Administration and the Federal Transit Administration are estimated by the Virginia Department of Transportation (VDOT) and the Virginia Department of Rail and Public Transportation (DRPT). Revenues provided are also from funds collected for regional transportation improvements in Northern Virginia, Hampton Roads, and Central Virginia. These funds are dedicated to the efforts of the Northern Virginia Transportation Authority, Central Virginia Transportation Authority, and the Hampton Roads Transportation Accountability Commission.



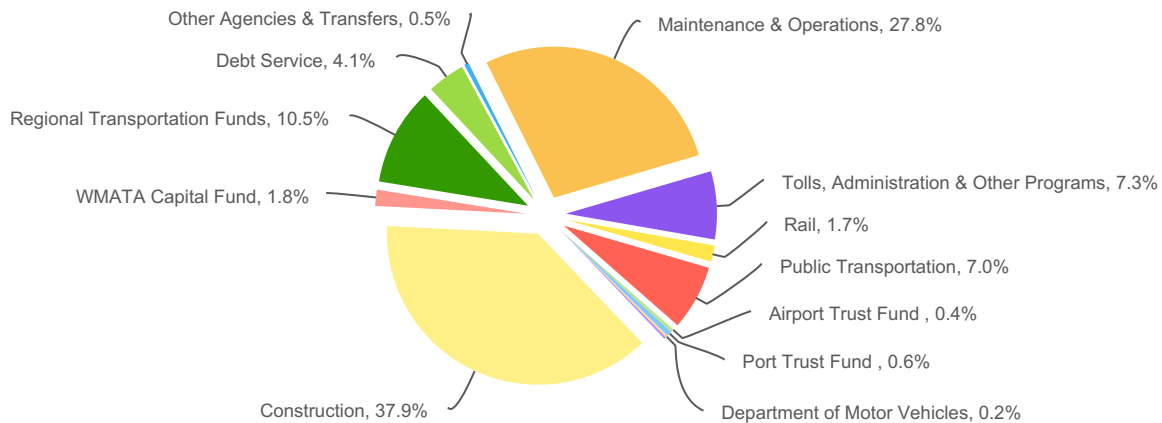
Commonwealth Transportation Fund Total Revenues for FY 2024



Commonwealth Transportation Fund	\$4,804,000,000
Other Revenue to the Highway Maintenance and Operating Fund	124,541,002
Other Revenue to the Transportation Trust Fund	1,479,839,871
Federal Fund	1,671,921,599
Priority Transportation Fund	1,275,381
Interstate 81 Corridor Improvement Fund & Financing	324,677,638
Fuel Tax Revenue for Highway Construction District Grant Program	123,814,178
General Fund	110,000,000
Bonds	—
Total Operating Revenues	8,640,069,669
Pass Through Revenues	
WMATA Capital Fund	152,320,000
Central Virginia Transportation Fund	258,300,000
Northern Virginia Transportation Authority Fund	422,800,000
Hampton Roads Transportation Fund	284,500,000
Hampton Roads Regional Transit Fund	41,300,000
Subtotal	1,159,220,000
TOTAL	\$9,799,289,669

The revenues are dedicated to specific funds within the CTF. After certain distributions required by the Code of Virginia, the remaining funds in the CTF are allocated 51% to the Highway Maintenance and Operating Fund (HMOF) and 49% to the Transportation Trust Fund. Chapter 1230 directs the following distribution of funds from the Transportation Trust Fund: (i) 53% for construction programs; (ii) 23% to the Commonwealth Mass Transit Fund; (iii) 7.5% to the Commonwealth Rail Fund; (iv) 2.5% to the Commonwealth Port Fund; (v) 1.5% to the Commonwealth Aviation Fund; (vi) 1% to the Commonwealth Space Flight Fund; (vii) 10.5% to the Priority Transportation Fund; and (viii) 1% to the Department of Motor Vehicles.

The revenues for the HMOF support highway maintenance, operations and administration. The Priority Transportation Fund (PTF) revenues are dedicated to debt service on the Commonwealth of Virginia Transportation Capital Projects Revenue Bonds. The Commonwealth Transportation Board can also use the Fund to facilitate the financing of priority transportation projects throughout the Commonwealth. Federal revenues are used for their defined purposes to support construction, maintenance or transit.



Debt Service	\$398,657,578
Other Agencies & Transfers	49,326,969
Maintenance & Operations	2,727,324,208
Tolls, Administration & Other Programs	714,608,058
Public Transportation	683,214,891
Rail	171,039,273
Airport Trust Fund	34,740,874
Port Trust Fund	57,728,643
Department of Motor Vehicles	22,709,710
Space Flight Fund	22,696,672
Construction	3,718,022,793
Total Operating Programs	\$8,600,069,669
Pass Through Programs	
WMATA Capital Fund	172,320,000
Regional Transportation Funds	1,026,900,000
TOTAL RECOMMENDED DISTRIBUTIONS	\$9,799,289,669

STATE REVENUE SOURCES	2nd Revised FY 2023	FY 2024	INCREASE (DECREASE)	
Commonwealth Transportation Fund	\$ 4,708,800,000	\$ 4,804,000,000	\$ 95,200,000	1
Revenue Sharing	191,405,031	—	(191,405,031)	2
Highway Maintenance & Operating Fund (HMOF)	42,098,489	124,541,002	82,442,513	13
General Fund	373,204,000	110,000,000	(263,204,000)	3
Transportation Trust Fund (TTF) and Other State Revenue				
Interest Earnings	18,490,000	15,670,000	(2,820,000)	
Toll Facilities	37,840,000	52,293,843	14,453,843	
Local Revenue Sources	383,592,011	650,606,418	267,014,407	
Project Participation - Regional Entities	701,196,581	636,187,813	(65,008,768)	
GARVEE Bonds/ Interest Earnings	19,222,769	—	(19,222,769)	
Route 58 Bonds/ Interest Earnings	1,054,829	1,333,623	278,794	
I-66 Outside the Beltway Concession Fee Payment/Interest	21,279,551	47,500,000	26,220,449	
Interstate 81 Corridor Improvement Fund	78,800,000	324,677,638	245,877,638	4
Special Fund Account for the Highway Construction District Grant Program	89,497,754	123,814,178	34,316,424	1
Other Trust Fund Revenue	92,164,670	76,248,174	(15,916,496)	
Total TTF and Other Revenue	1,443,138,165	1,928,331,687	485,193,522	
Priority Transportation Fund (PTF)				
State Revenue	7,288,181	1,275,381	(6,012,800)	
Total PTF	7,288,181	1,275,381	(6,012,800)	
Pass Through Revenues				
Revenue Dedicated to WMATA Capital Fund	133,920,000	152,320,000	18,400,000	1
State Revenue for Regional Entities	872,400,000	1,006,900,000	134,500,000	1
Total Pass Through Revenues	1,006,320,000	1,159,220,000	152,900,000	
TOTAL STATE REVENUES	7,772,253,866	8,127,368,070	355,114,204	
Federal Funding Sources				
Federal Highway Administration (FHWA)	1,705,820,159	1,615,825,612	(89,994,547)	5
Federal Transit Administration (FTA)	49,228,459	56,095,987	6,867,528	
Total Federal Funding	1,755,048,618	1,671,921,599	(83,127,019)	
TOTAL COMMONWEALTH TRANSPORTATION FUNDS	\$ 9,527,302,484	\$ 9,799,289,669	\$ 271,987,185	



DISTRIBUTION OF REVENUE SOURCES	2nd Revised FY 2023	FY 2024	INCREASE (DECREASE)
Debt Service			
Northern Virginia Transportation District	\$ 11,870,438	\$ 11,867,238	\$ (3,200)
Route 28	8,644,519	8,644,519	—
Route 58	30,815,139	46,358,694	15,543,555
Interstate 81	5,220,979	5,173,690	(47,289)
GARVEE Bonds	136,978,264	133,577,767	(3,400,497)
CPR Bonds	193,302,200	193,035,670	(266,530)
Total Debt Service	386,831,539	398,657,578	11,826,039
Other Agencies & Transfers			
Trust Fund Management	3,092,567	3,174,982	82,415
Support to Other State Agencies (excludes DRPT)	43,349,176	43,349,176	—
Indirect Costs	2,721,175	2,802,811	81,636
Total State Agencies	49,162,918	49,326,969	164,051
Maintenance & Operations			
Highway System Maintenance	2,064,850,289	2,129,291,986	64,441,697
Financial Assist. to Localities for Ground Transportation - Cities	482,781,468	511,715,254	28,933,786
Financial Assist. to Localities for Ground Transportation - Counties	81,017,497	86,316,968	5,299,471
Total Maintenance & Operations	2,628,649,254	2,727,324,208	98,674,954 6
Tolls, Administration & Other Programs			
Ground Transportation System Planning and Research	106,954,634	144,354,106	37,399,472 7
Environmental Monitoring & Compliance	18,045,289	19,985,858	1,940,569
Administrative and Support Services	319,867,259	344,405,762	24,538,503 8
Program Management and Direction	51,057,141	51,818,489	761,348
Toll Facilities Operations	37,840,000	52,293,843	14,453,843 9
Toll Facility Revolving Account	36,750,000	41,750,000	5,000,000 9
Capital Outlay	40,000,000	60,000,000	20,000,000 10
Total Tolls, Administration & Other Programs	610,514,323	714,608,058	104,093,735

DISTRIBUTION OF REVENUE SOURCES	2nd Revised FY 2023	FY 2024	INCREASE (DECREASE)
Transit and Rail Funds			
Share of TTF Distribution for Transit	\$ 508,381,494	\$ 522,681,667	\$ 14,300,173
Transit - Share of administrative costs	(662,119)	(680,793)	(18,674)
Other Revenue dedicated to Transit	21,153,359	16,557,193	(4,596,166)
Share of TTF Distribution for Rail	165,776,574	170,439,674	4,663,100
Rail - Share of administrative costs	(170,401)	(170,401)	—
Federal Transit Authority (FTA)	49,228,459	56,095,987	6,867,528
CMAQ (without State Match)	28,101,634	18,660,577	(9,441,057) ¹¹
STP Regional (without State Match)	12,945,933	6,280,091	(6,665,842) ¹¹
Interest Earnings	1,890,000	1,270,000	(620,000)
HB1414 Off the Top to Commonwealth Mass Transit Fund	50,300,000	—	(50,300,000) ¹²
HB1414 Off the Top to Commonwealth Rail Fund	32,700,000	—	(32,700,000) ¹²
Mass Transit Fund-Support from Construction	10,261,896	6,235,169	(4,026,727)
Rail Fund - Support from Construction	87,500,000	4,000,000	(83,500,000) ¹²
Priority Transportation	7,300,000	4,500,000	(2,800,000)
Other	22,111,000	48,385,000	26,274,000
Subtotal Transit and Rail Funds	996,817,829	854,254,164	(142,563,665)
Pass Through Revenue for WMATA Capital			
Dedicated Revenue for WMATA Capital Fund	133,920,000	152,320,000	18,400,000 ¹
Transfer from NVTD Fund for WMATA Capital Fund	20,000,000	20,000,000	—
Subtotal WMATA Capital Fund	153,920,000	172,320,000	18,400,000
Airports - Share of TTF Distribution	33,155,315	34,087,935	932,620
Airports - Share of administrative costs	(45,770)	(47,061)	(1,291)
Airports - Interest Earnings	700,000	700,000	—
Directed CTF Allocation	1,500,000	—	(1,500,000) ¹²
Total Airport Trust Fund	35,309,545	34,740,874	(568,671)
Ports - Share of TTF Distribution	55,258,858	56,813,225	1,554,367
Ports - Share of administrative costs	(82,262)	(84,582)	(2,320)
Ports - Interest Earnings	1,000,000	1,000,000	—
Directed CTF allocation	4,000,000	—	(4,000,000) ¹²
Total Port Trust Fund	60,176,596	57,728,643	(2,447,953)
Department of Motor Vehicles - Share of TTF Distribution	22,103,543	22,725,290	621,747
DMV - Share of administrative costs	(15,153)	(15,580)	(427)
Directed CTF allocation	8,500,000	—	(8,500,000) ¹²
Total DMV	30,588,390	22,709,710	(7,878,680)
Virginia Commercial Space Flight Authority - Share of TTF Distribution	22,103,543	22,725,290	621,747
Space Flight Authority - Share of administrative costs	(27,833)	(28,618)	(785)
Directed CTF allocation	1,500,000	—	(1,500,000) ¹²
Total Space Flight Authority	23,575,710	22,696,672	(879,038)



DISTRIBUTION OF REVENUE SOURCES	2nd Revised FY 2023	FY 2024	INCREASE (DECREASE)
Pass Through Revenue Allocations			
Central Virginia Transportation Authority Fund	\$ 198,900,000	\$ 258,300,000	59,400,000
Northern Virginia Transportation Authority Fund	417,801,502	460,074,354	42,272,852
Hampton Roads Transportation Fund	254,300,000	284,500,000	30,200,000
Hampton Roads Regional Transit Fund	39,900,000	41,300,000	1,400,000
Total Regional Transportation Programs	910,901,502	1,044,174,354	133,272,852
Construction			
Financial Assistance to Localities for Ground Transportation	18,303,310	18,529,377	226,067
State of Good Repair Program	332,341,175	295,282,234	(37,058,941)
High Priority Projects Program	247,367,360	196,299,471	(51,067,889)
Construction District Grant Programs	336,865,113	320,113,649	(16,751,464)
Specialized State and Federal Programs	2,210,516,438	2,188,804,907	(21,711,531)
Virginia Highway Safety Improvement Program	135,127,988	98,149,736	(36,978,252)
Interstate Operations and Enhancement Program	275,333,494	498,529,065	223,195,571
Total Construction	3,555,854,878	3,615,708,439	59,853,561
Special Structures	85,000,000	85,040,000	40,000
DISTRIBUTION OF COMMONWEALTH TRANSPORTATION FUNDS			
	\$ 9,527,302,484	\$ 9,799,289,669	\$ 271,987,185
Agency Funding Summary:			
VDOT	\$ 8,351,976,310	\$ 8,669,574,775	\$ 317,598,465
Less Support to DRPT	(125,061,896)	(34,735,169)	90,326,727
VDOT (Net)	8,226,914,414	8,634,839,606	407,925,192
DRPT	1,150,737,829	1,026,574,164	(124,163,665)
Ports	60,176,596	57,728,643	(2,447,953)
Aviation	35,309,545	34,740,874	(568,671)
DMV	30,588,390	22,709,710	(7,878,680)
Space Flight Authority	23,575,710	22,696,672	(879,038)
Grand Total	\$ 9,527,302,484	\$ 9,799,289,669	\$ 271,987,185

CTF State Revenue Details

STATE REVENUE SOURCES	2nd Revised FY 2023	FY 2024	INCREASE (DECREASE)
State Tax on Motor Fuels	\$1,360,700,000	\$1,499,500,000	\$138,800,000
Road Tax	69,200,000	71,200,000	2,000,000
Retail Sales & Use Tax	1,283,900,000	1,388,200,000	104,300,000
Motor Vehicle Sales and Use Tax	1,155,100,000	1,078,200,000	(76,900,000)
International Registration Plan	124,200,000	118,200,000	(6,000,000)
Motor Vehicle Licenses	236,600,000	218,400,000	(18,200,000)
Miscellaneous Revenues	17,200,000	17,600,000	400,000
Motor Vehicle Rental Tax	32,200,000	38,800,000	6,600,000
Aviation Fuels Tax	2,000,000	2,000,000	—
Highway Use Fee	59,700,000	64,400,000	4,700,000
Insurance Premium	202,500,000	214,500,000	12,000,000
Recordation Tax	81,000,000	52,400,000	(28,600,000)
Total	\$4,624,300,000	\$4,763,400,000	\$139,100,000

Endnotes

Endnote Number	Description
1	Reflects impact of updated state revenue forecast.
2	Previous fiscal year included the use of Revenue Sharing allocations provided previously as a mitigation strategy due to the impacts of COVID-19.
3	General Fund dollars made available in Chapters 1 and 2 (2022 Special Session I) in Fiscal Years 2023 and 2024 for Transportation Initiatives.
4	Reflects change in funds available for the Interstate 81 Corridor Improvement Program and the planned use of debt to deliver projects.
5	Federal revenue update with implementation of Infrastructure Investment and Jobs Act.
6	Allocation adjustments reflect program growth and supplemental funding for the impact of fuel prices on the Maintenance Programs.
7	Additional funding beginning in FY 2024 for studies and advance procurement activities.
8	Program growth and additional Information Technology investment necessary.
9	Toll facility operations adjusted for facility revenue performance and E-ZPass Operations/Violation Enforcement Services.
10	Additional funding provided for Capital Outlay for Hampton Roads District Operational Facilities.
11	Allocation change based on the Six-Year Improvement Program.
12	Off the Top Allocation from the Commonwealth Transportation Fund was provided in FY 2023 for implementation of the 2020 Omnibus Legislation. The change in rail investment of \$83.5 million represents the Transportation Initiatives provided for in the 2021 Appropriation Act, Item 447.10.
13	Additional funding made available from remaining balance of fuel reserves established in FY 2023 and made available for allocation in FY 2024. This balance was \$77,439,086.



FY 2024

VDOT Annual Budget
June 2023



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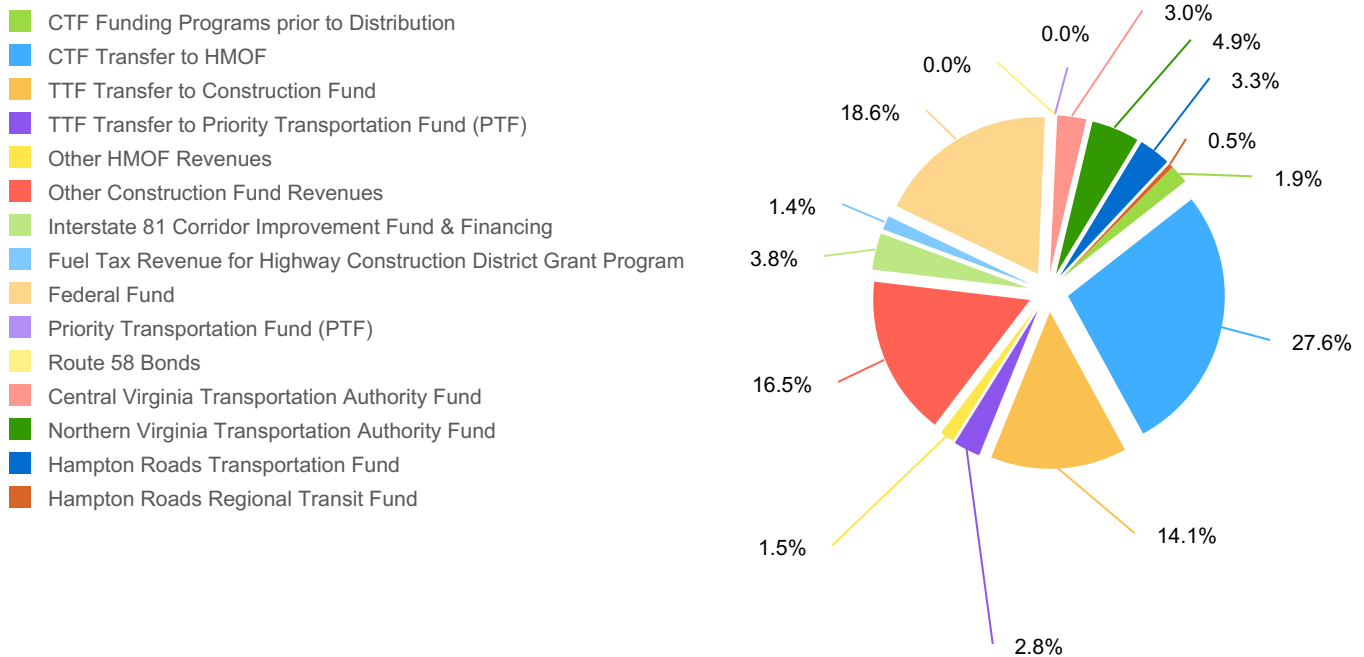
Overview

The Fiscal Year 2024 budget for the Virginia Department of Transportation (VDOT) identifies the estimated revenues and the distribution of the revenues to the related transportation programs. It is based on the state revenue forecast from December 2022 and reflects implementation of federal funding provided under the Infrastructure Investment and Jobs Act (IIJA). The VDOT Budget for FY 2024 totals \$8,669,574,775 a 3.7% increase over the Second Revised FY 2023 VDOT Budget of \$8,351,976,310.

Chapter 1230 created the CTF which serves as the fund to which all statewide transportation revenues are deposited and then distributed to programs and funds. These transportation revenues include: (i) motor vehicles fuels taxes and road taxes for diesel fuel; (ii) vehicle registration fees; (iii) highway use fee; (iv) 0.5% statewide sales and use tax; (v) 0.3% statewide sale and use tax for transportation; (vi) 4.15% percent motor vehicles sales and use tax; (vii) motor vehicle rental tax (10 percent of gross proceeds from rentals for most passenger vehicles); (viii) \$0.03 of the \$0.25 per \$100 of assessed value of the statewide recordation tax; (ix) tax on liquid alternative fuel, set at the rate for gasoline; (x) International Registration Plan fees; and (xi) one-third of the revenue from insurance premium taxes.

VDOT's revenues are provided by dedicated state and federal revenue sources. The major state revenues are estimated by the Department of Taxation and are included in the state's official revenue estimate. VDOT continues to estimate federal revenues based upon information received from Federal Highway Administration (FHWA). The budget also includes the regional revenues provided to the Northern Virginia Transportation Authority, the Hampton Roads Transportation Accountability Commission, and the Central Virginia Transportation Authority.

Source of Transportation Funds



Detailed Sources of Transportation Funds

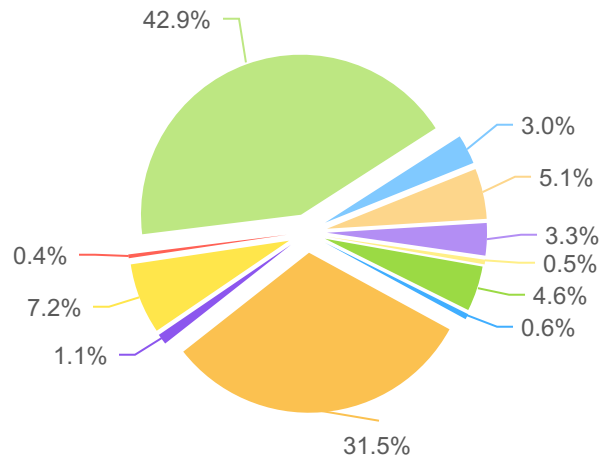
CTF Funding Programs prior to Distribution	\$ 165,040,000
CTF Transfer to HMOF	2,365,285,271
TTF Transfer to Construction Fund	1,204,440,361
TTF Transfer to Priority Transportation Fund (PTF)	238,615,543
Other HMOF Revenues	124,541,002
Other Construction Fund Revenues	1,412,766,834
Interstate 81 Corridor Improvement Fund & Financing	324,677,638
Fuel Tax Revenue for Highway Construction District Grant Program	123,814,178
Federal Fund	1,590,884,944
Priority Transportation Fund (PTF)	1,275,381
General Funds	110,000,000
Route 58 Bonds	1,333,623
Subtotal	\$ 7,662,674,775
Pass Through Revenues	
Central Virginia Transportation Authority Fund	258,300,000
Northern Virginia Transportation Authority Fund	422,800,000
Hampton Roads Transportation Fund	284,500,000
Hampton Roads Regional Transit Fund	41,300,000
TOTAL	\$ 8,669,574,775

Overview

VDOT's revenues provide funding for debt service, maintenance, administration and construction. This budget reflects the planned use of the revenues available to the agency and also includes the pass through funds to the regions. The following is a summary of the programs by spending category:

Allocations	2nd Revised FY 2023	FY 2024	INCREASE (DECREASE)
Debt Service	\$ 386,831,539	\$ 398,657,578	\$ 11,826,039
Other Agencies and Transfers	49,162,918	49,326,969	164,051
Maintenance & Operations	2,628,649,254	2,727,324,208	98,674,954
Toll Facility Operations	74,590,000	94,043,843	19,453,843
Administration & Other Programs	535,924,323	620,564,215	84,639,892
Public Transportation & Rail	125,061,896	34,735,169	(90,326,727)
Construction Program	3,659,356,380	3,718,022,793	58,666,413
Subtotal	\$7,459,576,310	\$7,642,674,775	\$183,098,465
Pass Through Revenues			
Central Virginia Transportation Authority Fund	198,900,000	258,300,000	59,400,000
Northern Virginia Transportation Authority Fund	399,300,000	442,800,000	43,500,000
Hampton Roads Transportation Fund	254,300,000	284,500,000	30,200,000
Hampton Roads Regional Transit Fund	39,900,000	41,300,000	1,400,000
TOTAL	\$8,351,976,310	\$8,669,574,775	\$ 317,598,465

- Debt Service
- Other Agencies and Transfers
- Maintenance & Operations
- Toll Facility Operations
- Administration & Other Programs
- Public Transportation & Rail
- Construction Program
- Central Virginia Transportation Authority Fund
- Northern Virginia Transportation Authority Fund
- Hampton Roads Transportation Fund
- Hampton Roads Regional Transit Fund



Highway Maintenance & Operating Fund

The Highway Maintenance and Operating Fund (HMOF) is one of VDOT's major funds. The HMOF is intended to provide for the agency's maintenance, operations and administrative needs. Since Fiscal Year 2002, the HMOF has required transfers from the Construction Fund to cover the budgetary needs of the fund. With the updated revenue assumptions for FY 2022, this transfer reversed direction and the HMOF provided \$57.5 million to the Construction Fund, representing revenue in excess of budgetary allocations needed. The transfer from the Construction Fund to the HMOF returns in the FY 2023 recommendations.

HMOF Revenue Sources	2nd Revised FY 2023	FY 2024	Difference
CTF Transfer to HMOF	\$ 2,300,572,867	\$ 2,365,285,271	\$ 64,712,404 ¹
Miscellaneous Revenues	17,200,000	17,600,000	400,000
Other Revenue	24,898,489	106,941,002	82,042,513 ¹⁸
Subtotal	\$ 2,342,671,356	\$ 2,489,826,273	\$ 147,154,917
Transfer from Construction	69,951,603	363,025,379	293,073,776
Total	\$ 2,412,622,959	\$ 2,852,851,652	\$ 440,228,693

Commonwealth Transportation Fund & Transportation Trust Fund

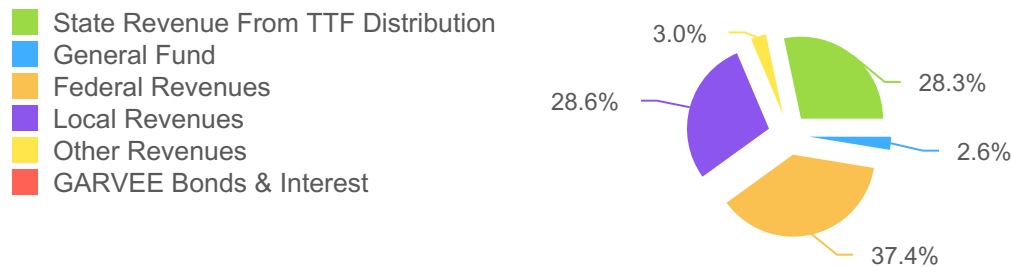
Chapter 1230 amends the allocation of funds. Before funds are distributed between the Transportation Trust Fund and the Highway Maintenance and Operating Fund (HMOF), (i) \$40 million annually will be deposited into the Route 58 Corridor Development Fund; (ii) \$40 million annually will be deposited into the Northern Virginia Transportation District Fund; and (iii) \$80 million annually (as adjusted annually based on changes in consumer price index for urban consumers) will be deposited into the Special Structure Fund. Enactment Clause 11 of Chapter 1230 provides the Commonwealth Transportation Board the ability to take actions deemed necessary in fiscal years 2021, 2022, and 2023 to ensure funds for modal programs and the highway maintenance and operating fund are at least equal to the amounts provided for in the six-year financial plan for the Commonwealth Transportation Fund as in effect on January 1, 2020. The following table provides details on revised distributions for Fiscal Year 2024.

Construction Fund Revenue Sources	2nd Revised FY 2023	FY 2024	Difference
Distributed to Route 58 Corridor Fund	\$ 40,000,000	\$ 40,000,000	\$ —
Distributed to Northern Virginia Transportation District Fund	40,000,000	40,000,000	—
Distributed to TTF for Support	1,077,840	1,145,744	67,904
Distributed for Omnibus Programs/Special Structures	140,000,000	85,040,000	(54,960,000)
Total	\$ 221,077,840	\$ 166,185,744	\$ (54,892,096)

The following table identifies the construction fund revenues by major source.

Construction Fund Revenue Sources	2nd Revised FY 2023	FY 2024	Difference
State Revenue From TTF Distribution	\$ 1,171,487,793	\$ 1,204,440,361	\$ 32,952,568
General Fund	368,204,000	110,000,000	(258,204,000)
Federal Revenues	1,664,772,592	1,590,884,944	(73,887,648)
Local Revenues	1,011,713,971	1,214,622,360	202,908,389
Other Revenues	123,221,585	129,338,091	6,116,506
GARVEE Bonds & Interest	19,222,769	—	(19,222,769)
Total	\$ 4,358,622,710	\$ 4,249,285,756	\$ (109,336,954)

Construction Fund Revenue by Source, FY 2024



Other Fund Revenues

VDOT manages a number of special funds. Each special fund receives dedicated revenues to be used to support the mission of the program.

Other Fund Revenues	2nd Revised FY 2023	FY 2024	Difference	
Regional Transportation Funds	\$ 872,400,000	\$ 1,002,900,000	\$ 130,500,000	1
Interstate 81 Corridor Improvement Fund	78,800,000	324,677,638	245,877,638	4
Fuel Tax Revenue for the Special Fund Account for the Highway Construction District Grant Program	89,497,754	123,814,178	34,316,424	1
Powhite Parkway Extension Toll Revenue	11,000,000	11,000,000	—	
Coleman Bridge Toll Revenue	6,000,000	6,000,000	—	
I-66 Inside the Beltway Toll Revenue	18,000,000	32,544,993	14,544,993	5
I-64 Express Lanes Toll Revenue	2,840,000	2,748,850	(91,150)	
Northern VA Transportation District (NVTD)	11,723,045	10,300,694	(1,422,351)	
Priority Transportation Fund (PTF)	232,087,204	238,615,543	6,528,339	1
Transportation Partnership Opportunity Fund	7,200,000	5,000,000	(2,200,000)	
Route 58	1,054,829	1,333,623	278,794	
Route 28	8,644,519	8,644,519	—	
Other	49,739,142	54,451,741	4,712,599	
Total	\$ 1,388,986,493	\$ 1,822,031,779	\$ 433,045,286	
<hr/>				
Total Construction Major Sources (page 7)	4,358,622,710	4,249,285,756	(109,336,954)	
Transfer to HMOF	(69,951,603)	(363,025,379)	(293,073,776)	
Total Construction Fund	\$ 5,677,657,600	\$ 5,708,292,156	\$ 30,634,556	

VDOT Program Descriptions and Allocations

Summary of Allocations by Program

The following table summarizes VDOT's budget by the major budgetary programs.

	2nd Revised FY 2023	FY 2024	INCREASE (DECREASE)
Environmental Monitoring and Evaluation (514)	\$ 18,045,289	\$ 19,985,858	\$ 1,940,569
Ground Transportation Planning and Research (602)	106,954,634	144,354,106	37,399,472
Highway Construction Programs (603)	3,588,608,709	3,648,997,551	60,388,842
Highway System Maintenance (604)	2,064,850,289	2,129,291,986	64,441,697
Commonwealth Toll Facilities (606)	74,590,000	94,043,843	19,453,843
Financial Assistance to Localities (607)	1,493,003,777	1,660,735,953	167,732,176
Non-Toll Supported Transportation Debt Service (612)	386,831,539	398,657,578	11,826,039
Special Structures (614)	85,000,000	85,040,000	40,000
Administrative and Support Services (699)	319,867,259	344,405,762	24,538,503
VDOT Capital Outlay (998)	40,000,000	60,000,000	20,000,000
Support to Other State Agencies	49,162,918	49,326,969	164,051
Support to DRPT Programs	125,061,896	34,735,169	(90,326,727)
Total	\$ 8,351,976,310	\$ 8,669,574,775	\$ 317,598,465

Environmental Monitoring and Evaluation (514)

The Environmental Program consists of the following service areas:

Environmental Monitoring and Compliance for Highway Projects (514008) - To provide efforts to evaluate, monitor and maintain the quality of the state's natural resources as part of a balanced consideration of environmental and transportation needs. VDOT's wetland mitigation program is funded in this service area.

Environmental Monitoring Program Management and Direction (514009) - To provide activities related to the management and direction of the program. Adequate and effective management and direction is critical to the success of the program.

Municipal Separate Storm Sewer System Compliance Activities (514010) - To provide efforts to address storm water discharges, including the related operational and maintenance activities, to meet Total Maximum Daily Load reduction targets. VDOT's current Municipal Separate Storm Sewer System (MS4) permit requires VDOT to reduce its pollutant load allocation to the Chesapeake Bay.

ENVIRONMENTAL MONITORING & EVALUATION (514)	2nd Revised FY 2023	FY 2024	INCREASE (DECREASE)
Environmental Monitoring & Compliance for Highway Projects (514008)	\$ 10,155,192	\$ 11,758,640	\$ 1,603,448
Environmental Monitoring Program Management (514009)	4,057,864	4,221,254	163,390
Municipal Separate Storm Sewer System Compliance Activities (514010)	3,832,233	4,005,964	173,731
TOTAL ENVIRONMENTAL MONITORING & EVALUATION	\$ 18,045,289	\$ 19,985,858	\$ 1,940,569
TTF	18,045,289	19,985,858	1,940,569

Ground Transportation Planning & Research (602)

Ground Transportation Planning and Research is comprised of:

Ground Transportation System Planning (602001) - To provide efforts to lead and plan a comprehensive system of ground transportation, including the planning of particular ground transportation projects through surveying, mapping and studies. These studies are the basis for decisions on proposed highway plans, programs and projects, as well as other travel modes and routes throughout Virginia.

Ground Transportation System Research (602002) - To provide efforts devoted to the planning and delivery of a comprehensive ground transportation research, development, consulting and technology transfer program covering the areas of transportation system operations, maintenance, structural design and construction, materials and specifications, safety, environmental stewardship, finance and policy.

Ground Transportation Program Management and Direction (602004) - To provide activities related to the management and direction of the program. Adequate and effective management and direction is critical to the success of the program.

PLANNING & RESEARCH (602)	2nd Revised FY 2023	FY 2024	INCREASE (DECREASE)
Ground Transportation System Planning (602001)	\$ 88,421,065	\$ 124,832,247	\$ 36,411,182 ⁶
Ground Transportation System Research (602002)	14,161,803	14,945,599	783,796
Ground Transportation Program Management (602004)	4,371,766	4,576,260	204,494
TOTAL PLANNING & RESEARCH	\$ 106,954,634	\$ 144,354,106	\$ 37,399,472
HMOF	17,878,166	18,873,216	995,050
CONSTRUCTION	63,267,914	99,151,913	35,883,999
FEDERAL	25,808,554	26,328,977	520,423

Highway Construction Programs (603)

For Fiscal Year 2024, the funding made available for distribution is distributed via the formula outlined in the Code of Virginia, § 33.2-358. With the enactment of Chapter 1230, funds are distributed to the following programs: State of Good Repair Program, High Priority Projects Program, Construction District Grant Program, Interstate Operations and Enhancement Program, and Virginia Highway Safety Improvement Program. Enactment Clause 11 of Chapter 1230 provides the Commonwealth Transportation Board the ability to take actions deemed necessary in fiscal years 2021, 2022, and 2023 to ensure funds for modal programs and the highway maintenance and operating fund are at least equal to the amounts provided for in the six-year financial plan for the Commonwealth Transportation Fund as in effect on January 1, 2020. The following table provides details on distributions for Fiscal Year 2024.

The budget also contains a significant application of Toll Credits that are used as "soft match" to meet the nonfederal share matching requirements. The federal share on most projects in the future can effectively be increased up to 100 percent. However, the use of soft match does not increase the federal funding available to Virginia.

CONSTRUCTION (603)	2nd Revised FY 2023	FY 2024	INCREASE (DECREASE)	
State of Good Repair Program (603020)	\$ 332,341,175	\$ 295,282,234	\$ (37,058,941)	7
High Priority Projects Program(603021)	247,367,360	196,299,471	(51,067,889)	7
Construction District Grant Programs (603022)	336,865,113	320,113,649	(16,751,464)	7
Specialized State and Federal Programs (603023)	2,210,516,438	2,190,086,707	(20,429,731)	8
Virginia Highway Safety Improvement Program (603017)	134,783,478	98,149,736	(36,978,252)	7
Interstate Operations and Enhancement Program (603018)	274,702,353	497,247,265	221,913,771	7
Construction Management (603015)	51,057,141	51,818,489	761,348	
TOTAL CONSTRUCTION	\$3,588,608,709	\$3,648,997,551	\$ 60,388,842	
CONSTRUCTION	1,990,838,093	1,882,512,461	(108,325,632)	
FEDERAL	963,438,836	1,138,549,767	175,110,931	
I-81 CORRIDOR IMPROVEMENT FUND	73,579,021	319,503,948	245,924,927	
SPECIAL FUND ACCOUNT FOR CONSTRUCTION DGP	89,497,754	123,814,178	34,316,424	
PTF	43,669,880	46,953,480	3,283,600	
TPOF	7,189,115	4,988,788	(2,200,327)	
VTIB	7,700,000	7,700,000	—	
GARVEE BONDS	19,222,769	—	(19,222,769)	
CONCESSION FEE FUND	29,551	—	(29,551)	
GENERAL FUND	363,204,000	110,000,000	(253,204,000)	
ROUTE 58	30,239,690	14,974,929	(15,264,761)	

Highway Construction Programs (603)

STATE OF GOOD REPAIR PROGRAM (603020)

The purpose of the State of Good Repair Program service area is to allocate funds to state of good repair purposes for reconstruction and replacement of structurally deficient state and locally owned bridges and reconstruction and rehabilitation of pavement on the Interstate System and primary state highway system determined to be deteriorated by the Board, including municipality-maintained primary extensions. (Code of Virginia §33.2-369)

STATE OF GOOD REPAIR PROGRAM (603020)	2nd Revised FY 2023	FY 2024	INCREASE (DECREASE)
TOTAL STATE OF GOOD REPAIR	\$ 332,341,175	\$ 295,282,234	\$ (37,058,941)
CONSTRUCTION	181,785,256	69,999,778	(111,785,478)
FEDERAL	150,555,919	225,282,456	74,726,537

HIGH PRIORITY PROJECTS PROGRAM (603021)

The purpose of the High Priority Projects Program service area is to allocate funds to the established program for projects and strategies that address a transportation need identified for a corridor of statewide significance or a regional network in the Statewide Transportation Plan pursuant to Code of Virginia §33.2-353. From funds allocated to this program, the Board shall allocate funds to the Innovation and Technology Transportation Fund, provided that the allocation shall not exceed \$25 million annually. (Code of Virginia §33.2-370)

HIGH PRIORITY PROJECTS PROGRAM (603021)	2nd Revised FY 2023	FY 2024	INCREASE (DECREASE)
TOTAL HIGH PRIORITY PROJECTS	\$ 247,367,360	\$ 196,299,471	\$ (51,067,889)
CONSTRUCTION	117,621,673	59,042,498	(58,579,175)
FEDERAL	120,134,302	137,256,973	17,122,671
GARVEE	9,611,385	—	(9,611,385)

CONSTRUCTION DISTRICT GRANT PROGRAMS (603022)

The purpose of the Construction District Grant Programs service area is to allocate funds to the established grant program in each highway construction district to fund projects and strategies that address a need in the Statewide Transportation Plan developed pursuant to Code of Virginia §33.2-353. In accordance with §33.2-359, the Commonwealth Transportation Board shall allocate funds to improve nonsurface treated secondary highways that carry 50 or more vehicles per day. This allocation shall not exceed \$25 million annually (Code of Virginia, §33.2-371).

CONSTRUCTION DISTRICT GRANT PROGRAMS (603022)	2nd Revised FY 2023	FY 2024	INCREASE (DECREASE)
TOTAL CONSTRUCTION DISTRICT GRANT	\$ 336,865,113	\$ 320,113,649	\$ (16,751,464)
CONSTRUCTION	133,192,403	82,076,153	(51,116,250)
SPECIAL FUND ACCOUNT FOR CONSTRUCTION DGP	89,497,754	123,814,178	34,316,424
FEDERAL	104,563,572	114,223,318	9,659,746
GARVEE	9,611,384	—	(9,611,384)

Highway Construction Programs (603)

SPECIALIZED STATE AND FEDERAL PROGRAMS (603023)

The purpose of the Specialized State and Federal Programs service area is to allocate funds to State and Federal Construction Programs that are not components of the other funding distributions. The Federal programs that are exempt from the distribution process are outlined in § 33.2-214.1 of the Code of Virginia (Statewide prioritization process for project selection). These include Congestion Mitigation and Air Quality (CMAQ) funding and Regional Surface Transportation Program funding. The service area will also allocate bond programs and the state and local components of Revenue Sharing. Anticipated funding from regional entities for projects is also allocated in this service area.

SPECIALIZED STATE AND FEDERAL PROGRAMS (603023)	2nd Revised FY 2023	FY 2024	INCREASE (DECREASE)	
CMAQ & State Match	\$ 39,642,072	\$ 52,938,775	\$ 13,296,703	
Open Container	23,063,568	—	(23,063,568)	10
Participating Project Costs	60,000,000	60,000,000	—	
Project Participation from CVTA	—	4,741,319	4,741,319	
Project Participation from HRTAC	163,636,731	415,694,426	252,057,695	11
HRTAC Participation for Hampton Roads Bridge-Tunnel Expansion Project	527,726,042	494,553,029	(33,173,013)	11
Project Participation from NVTAC	113,470,539	81,634,784	(31,835,755)	11
Revenue Sharing	394,577,470	416,133,296	21,555,826	
STP Set-aside	36,538,864	34,905,648	(1,633,216)	
STP Regional & State Match	115,798,636	128,475,152	12,676,516	
Tele Fees	9,090,924	9,431,154	340,230	
I-66 Outside the Beltway Concession Fee/Interest Earnings	29,551	—	(29,551)	
PTF for Multimodal Improvements	32,700,000	32,620,919	(79,081)	
PTF for Construction Projects	9,200,000	10,782,561	1,582,561	
Carbon Reduction Program and State Match	32,494,353	33,144,241	649,888	
PROTECT	36,948,409	37,687,377	738,968	
Bridge	105,255,712	98,252,567	(7,003,145)	
Bridge - Off System	18,574,537	17,338,688	(1,235,849)	
Electric Vehicles	15,745,244	24,039,940	8,294,696	
Regional Multi-Use Trails	79,000,000	—	(79,000,000)	12
I-64 Gap	274,204,000	110,000,000	(164,204,000)	12
HIP - Community Project Grants	28,755,000	56,670,806	27,915,806	
Nimmo Parkway	10,000,000	—	(10,000,000)	12
Other	84,064,786	71,042,025	(13,022,761)	
TOTAL SPECIALIZED STATE AND FEDERAL PROGRAMS (603023)	\$ 2,210,516,438	\$ 2,190,086,707	\$ (20,429,731)	

Highway Construction Programs (603)

SPECIALIZED STATE AND FEDERAL PROGRAMS (603023)	2nd Revised FY 2023	FY 2024	INCREASE (DECREASE)
CONSTRUCTION	1,300,090,846	1,518,971,794	218,880,948
FEDERAL	458,393,356	485,215,916	26,822,560
GENERAL FUND	363,204,000	110,000,000	(253,204,000)
PTF	43,669,880	46,953,480	3,283,600
CONCESSION FEE FUND	29,551	—	(29,551)
I-81 CORRIDOR IMPROVEMENT FUND	—	1,281,800	1,281,800
OTHER BOND PROGRAMS/FUNDS	30,239,690	14,974,929	(15,264,761)
VTIB	7,700,000	7,700,000	—
TPOF	7,189,115	4,988,788	(2,200,327)
TOTAL SPECIALIZED STATE AND FEDERAL PROGRAMS (60323)	\$ 2,210,516,438	\$ 2,190,086,707	\$ (20,429,731)

Highway Construction Programs (603)

VIRGINIA HIGHWAY SAFETY IMPROVEMENT PROGRAM (603017)

The purpose of the Virginia Highway Safety Improvement Program is to reduce motorized and non-motorized fatalities and severe injuries on highways in the Commonwealth, whether such highways are state or locally maintained. (Code of Virginia § 33.2-373)

VIRGINIA HIGHWAY SAFETY IMPROVEMENT PROGRAM (603017)	2nd Revised FY 2023	FY 2024	INCREASE (DECREASE)
TOTAL VHSIP	\$ 135,127,988	\$ 98,149,736	\$ (36,978,252)
TTF	45,179,093	1,296,353	(43,882,740)
FEDERAL	89,948,895	96,853,383	6,904,488

INTERSTATE OPERATIONS & ENHANCEMENT PROGRAM (603018)

The purpose of the Interstate Operations and Enhancement Program is to improve the safety, reliability, and travel flow along interstate highway corridors in the Commonwealth. (Code of Virginia § 33.2-372)

INTERSTATE OPERATIONS & ENHANCEMENT PROGRAM (603018)	2nd Revised FY 2023	FY 2024	INCREASE (DECREASE)
TOTAL IOEP	\$ 275,333,494	\$ 497,247,265	\$ 221,913,771
TTF	161,911,681	99,307,396	(62,604,285)
FEDERAL	39,842,792	79,717,721	39,874,929
I-81	73,579,021	318,222,148	244,643,127

CONSTRUCTION MANAGEMENT (603015)

The purpose of the construction management program is to provide activities related to the management and direction of the program. Adequate and effective management and direction is critical to the success of the program.

CONSTRUCTION MANAGEMENT (603015)	2nd Revised FY 2023	FY 2024	INCREASE (DECREASE)
TOTAL CONSTRUCTION MANAGEMENT	\$ 51,057,141	\$ 51,818,489	\$ 761,348
TTF	51,057,141	51,818,489	761,348

Highway System Maintenance (604)

The maintenance program consists of:

Interstate Maintenance (604001) - To preserve the public's investment through the delivery of an effective and efficient statewide maintenance program to protect and enhance the transportation infrastructure and the safety of the traveling public.

Primary Maintenance (604002) - To preserve the public's investment through the delivery of an effective and efficient statewide maintenance program to protect and enhance the transportation infrastructure and the safety of the traveling public.

Secondary Maintenance (604003) - To preserve the public's investment through the delivery of an effective and efficient statewide maintenance program to protect and enhance the transportation infrastructure and the safety of the traveling public.

Transportation Operations Services (604004) - To improve mobility, safety, travel time reliability and security on the transportation system through the deployment of a variety of operational strategies including regional smart traffic centers, emergency services, traveler services, congestion management and traffic signalization optimization.

Highway Maintenance Program Management and Direction (604005) - To provide activities related to the management and direction of the program. Adequate and effective management and direction is critical to the success of the program.

HIGHWAY SYSTEM MAINTENANCE (604)	2nd Revised FY 2023	FY 2024	INCREASE (DECREASE)
Interstate Maintenance (604001)	\$ 364,747,519	\$ 447,747,230	\$ 82,999,711
Primary Maintenance (604002)	510,918,437	615,349,027	104,430,590
Secondary Maintenance (604003)	603,302,668	633,555,458	30,252,790
Transportation Operations Services (604004)	489,847,046	341,573,969	(148,273,077)
Highway Maintenance Program Management & Direction (604005)	96,034,619	91,066,302	(4,968,317)
TOTAL HIGHWAY SYSTEM MAINTENANCE	\$2,064,850,289	\$2,129,291,986	\$ 64,441,697
HMOF	1,536,476,330	1,847,239,992	310,763,662
FEDERAL	528,373,959	282,051,994	(246,321,965)

Commonwealth Toll Facilities (606)

Revenues collected from toll facilities contribute to Virginia's safe and effective transportation system. Of these facilities, four are currently owned and operated by VDOT: Powhite Parkway Extension Toll Road in Chesterfield County, George P. Coleman Bridge in Gloucester County, I-66 Inside the Beltway and I-64 Express Lanes.

Toll Facility Acquisition and Construction (606001) -To provide for efforts to acquire and construct ground transportation toll facilities.

Toll Facility Debt Service (606002) -To provide for the debt service requirements of the debt-financed toll facilities. The bond indentures for the toll facilities require the Commonwealth Transportation Board (CTB) to set toll rates for all classes of vehicles which will provide sufficient net revenues to meet the facility's obligations. Toll roads are typically constructed with debt financing and the subsequent toll collection revenues are used for debt service payments. The remaining state-owned facility collecting tolls to pay debt service on outstanding bonds is the George P. Coleman Bridge located between Gloucester and York counties. The bonds issued to finance the Powhite Parkway Extension have been retired, but the toll revenues are needed to repay the outstanding debts of the facility owed to VDOT and Chesterfield County.

Toll Facility Maintenance and Operation (606003) - To provide for the operational costs of the four toll facilities operated by VDOT: the George P. Coleman Bridge and the Powhite Parkway Extension Toll Road, I-66 Inside the Beltway facility and I-64 Express Lanes. All operating costs associated with that facility are to be paid out of the revenues generated by that facility. Customer service and toll collection are toll facilities' main operations.

Toll Facilities Revolving Fund (606004) - To provide a method to finance and/or refinance existing and potential toll facilities. Funds allocated from the Toll Facilities Revolving Account intended for planned or operating toll facilities are considered advance funding and are expected to be repaid to the Toll Facilities Revolving Account.

COMMONWEALTH TOLL FACILITIES (606)	2nd Revised FY 2023	FY 2024	INCREASE (DECREASE)
Acquisition & Construction (606001)	\$ —	\$ —	\$ —
Debt Service (606002)	—	—	—
Maintenance & Operations (606003)	37,840,000	52,293,843	14,453,843
Toll Facilities Revolving (606004)	36,750,000	41,750,000	5,000,000
TOTAL TOLL FACILITIES	\$ 74,590,000	\$ 94,043,843	\$ 19,453,843
POWHITE	11,000,000	11,000,000	—
COLEMAN	6,000,000	6,000,000	—
I-66 INSIDE THE BELTWAY	18,000,000	32,544,993	14,544,993
I-64 EXPRESS LANES	2,840,000	2,748,850	(91,150)
TOLL FACILITIES REVOLVING	36,750,000	41,750,000	5,000,000

Financial Assistance to Localities (607)

Financial Assistance to Localities consists of:

Financial Assistance for City Road Maintenance (607001) - To provide monetary support to localities for capital improvements and/or maintenance of roads and/or transportation facilities. Direct financial assistance is provided to 84 cities and towns to maintain, operate, and improve their arterial and collector roads and local streets. The level of assistance to the respective local governments for maintenance expenditures is based on the number of qualifying lane-miles in each locality and available funding.

Financial Assistance for County Road Maintenance (607002) - Provide monetary support in lieu of maintenance services to localities for road maintenance and upkeep where such localities have elected to maintain their own highway systems. Currently, Henrico and Arlington maintain their own roads.

Financial Assistance for Planning, Access Roads, and Special Projects (607004) - To manage and distribute funding for recreational and industrial access programs and the Metropolitan Planning federal grant program. The Recreational Access Program provides funding for roads and bikeways to new or expanding non-federal, non-commercial public parks and historic sites. Access roads for qualifying airports and industrial sites, and access tracks for qualified rail users are provided through VDOT's Industrial, Airport, and Rail Access Fund. The Metropolitan Planning Grants are federal funds available to support activities undertaken by Metropolitan Planning Organizations (MPOs) to develop long-range transportation plans and transportation improvement programs.

Distribution of Northern Virginia Transportation Authority Fund Revenues (607006) - To transfer state regional tax revenues to the Northern Virginia Transportation Authority to fund local and regional transportation projects.

Distribution of Hampton Roads Transportation Fund Revenues (607007) - To transfer state regional tax revenues to the Hampton Roads Transportation Accountability Commission to fund local and regional transportation projects.

Distribution of Central Virginia Transportation Authority Fund Revenues (607010) - To transfer state regional tax revenues to the Central Virginia Transportation Authority to fund local and regional transportation projects.

FINANCIAL ASSISTANCE TO LOCALITIES (607)	2nd Revised FY 2023	FY 2024	INCREASE (DECREASE)	
Financial Assistance for City Road Maintenance (607001)	\$ 482,781,468	\$ 511,715,254	\$ 28,933,786	14
Financial Assistance for County Road Maintenance (607002)	81,017,497	86,316,968	5,299,471	14
Financial Assistance for Planning, Access Roads, & Special Projects (607004)	18,303,310	18,529,377	226,067	
Distribution of Northern Virginia Transportation Authority Fund Revenues (607006)	417,801,502	460,074,354	42,272,852	1
Distribution of Hampton Roads Transportation Fund Revenues (607007)	294,200,000	325,800,000	31,600,000	1
Distribution of Central Virginia Transportation Authority Fund Revenues (607010)	198,900,000	258,300,000	59,400,000	1

TOTAL FINANCIAL ASSISTANCE TO LOCALITIES **\$1,493,003,777** **\$1,660,735,953** **\$ 167,732,176**

HMOF	563,798,965	598,032,222	34,233,257
CONSTRUCTION	26,631,833	25,427,292	(1,204,541)
FEDERAL	10,172,979	10,376,439	203,460
CENTRAL VIRGINIA TRANSPORTATION FUND	198,900,000	258,300,000	59,400,000
NORTHERN VIRGINIA TRANSPORTATION FUND	399,300,000	442,800,000	43,500,000
HAMPTON ROADS TRANSPORTATION FUND	254,300,000	284,500,000	30,200,000
HAMPTON ROADS REGIONAL TRANSIT FUND	39,900,000	41,300,000	1,400,000

Non-Toll Supported Transportation Debt Service (612)

Non-Toll Supported Transportation Debt Service consists of:

Highway Transportation Improvement District Debt Service (612001) - To provide for the debt service requirements of the bonds sold to finance transportation improvements in special tax districts. There is currently only one such district, the State Route 28 Highway Transportation Improvement District in Fairfax and Loudoun counties.

Designated Highway Corridor Debt Service (612002) - To provide for the debt service requirements of the bonds sold to finance transportation improvements in special designated highway corridors. The Commonwealth Transportation Board has issued transportation revenue bonds for the U.S. Route 58 Corridor Development Program, the City of Chesapeake Oak Grove Connector Project, and the Northern Virginia Transportation District (NVTD) Program.

Commonwealth Transportation Capital Projects Bond Act Debt Service (612004) - To provide for the debt service requirements of the bonds sold to finance transportation improvements under the Commonwealth Transportation Capital Projects Bond Act.

Federal Transportation Grant Anticipation Revenue Notes Debt Service (612005) - To provide for the debt service requirements of the bonds sold as Federal Transportation Grant Anticipation Revenue bonds (GARVEEs).

Interstate 81 Corridor Improvement Program Debt Service (612006) - To provide for the estimated debt service requirements of the bonds sold to finance transportation improvements on the Interstate 81 Corridor.

Non-Toll Supported Transportation Debt Service (612)	2nd Revised FY 2023	FY 2024	INCREASE (DECREASE)
Highway Transportation Improvement Debt Service (612001)	\$ 8,644,519	\$ 8,644,519	\$ —
Designated Highway Corridor Debt Service (612002)	42,685,577	58,225,932	15,540,355
Commonwealth Transportation Capital Projects Bond Act Debt Service (612004)	193,302,200	193,035,670	(266,530)
Federal Transportation Grant Anticipation Revenue Notes Debt Service (612005)	136,978,264	133,577,767	(3,400,497)
Interstate 81 Corridor Improvement Program Debt Service (612006)	5,220,979	5,173,690	(47,289)
TOTAL NON-TOLL SUPPORTED DEBT SERVICE	\$ 386,831,539	\$ 398,657,578	\$ 11,873,328
NVTD	11,870,438	11,867,238	(3,200)
ROUTE 28	8,644,519	8,644,519	—
CPR BONDS	193,302,200	193,035,670	(266,530)
ROUTE 58	30,815,139	46,358,694	15,543,555
I-81	5,220,979	5,173,690	(47,289)
FEDERAL	136,978,264	133,577,767	(3,400,497)

Special Structures (614)

Statewide Special Structures (614000) - Special Structures are very large, indispensable and unique bridges and tunnels identified by the Commissioner of Highways and approved by the Commonwealth Transportation Board. The General Assembly declares it to be in the public interest that the maintenance, rehabilitation, and replacement of special structures in the Commonwealth occur timely as to provide and protect a safe and efficient highway system. The Board is establishing a program for the maintenance, rehabilitation, and replacement of special structures in the Commonwealth. With the assistance of the Department of Transportation, the Board developed and will maintain a plan for the maintenance, rehabilitation, and replacement of special structures in the Commonwealth.

VDOT SPECIAL STRUCTURES	2nd Revised FY 2023	FY 2024	INCREASE (DECREASE)
TOTAL VDOT SPECIAL STRUCTURES	\$ 85,000,000	\$ 85,040,000	\$ 40,000
SPECIAL STRUCTURES	80,000,000	85,040,000	5,040,000
GENERAL FUND	5,000,000	—	(5,000,000)

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Administrative and Support Services (699)

Administrative and Support Services is comprised of:

General Management and Direction (699001) - To provide for the general administrative management, direction and support activities of VDOT. This includes, but is not limited to, accounting services, human resources, succession planning, health and safety services, procurement, facilities management, management studies, policy analysis, process improvements, performance management, internal auditing, innovative financing, financial planning services and oversight of compensation programs for all VDOT employees.

Information Technology Services (699002) - To provide for administrative management, direction and infrastructure support for tasks including, but not limited to, automated data processing services for citizens and visitors to the Commonwealth, Virginia's legislative bodies, other state and local government agencies as well as its own Department of Transportation employees.

Facilities and Grounds Management Services (699015) - To provide physical plant maintenance needs to VDOT facilities. This maintenance work is considered ordinary or routine nature and includes the cost of labor, equipment and materials to make minor repairs to utilities such as plumbing, heating, and electrical; and the maintenance of driveways, parking lots, and yards. The service area also funds small renovation/alteration projects that cost no more than \$10,000.

Employee Training and Development (699024) - To provide Employee Training and Development services to VDOT. This includes traditional classroom training and related development activities and tuition reimbursement.

ADMINISTRATIVE & SUPPORT SERVICES (699)	2nd Revised FY 2023	FY 2024	INCREASE (DECREASE)
General Management & Direction (699001)	\$ 172,681,779	\$ 179,534,839	\$ 6,853,060
Information Technology Services (699002)	113,477,683	129,834,995	16,357,312
Facilities and Grounds Management Services (699015)	21,928,364	22,962,691	1,034,327
Employee Training & Development (699024)	11,779,433	12,073,237	293,804
TOTAL ADMINISTRATIVE & SUPPORT SERVICES	\$ 319,867,259	\$ 344,405,762	\$ 24,538,503
HMOF	316,071,403	343,260,018	27,188,615
CTF	1,077,840	1,145,744	67,904
CONSTRUCTION	2,718,016	2,718,016	—

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VDOT Capital Outlay (998)

Capital Outlay funding is provided to support the agency's building and renovation needs as well as Maintenance Reserve needs. This funding may be used for acquisition of real property (including buildings or plant) or machinery or equipment, new construction, and improvements related to state-owned real property, buildings, plant, machinery or equipment (including plans therefore), as defined in the Code of Virginia. All capital outlay projects must be approved by the Governor and General Assembly via the Six-Year Capital Improvement Plan and the Biennial Budget. VDOT receives direction from the Department of Planning and Budget and the Department of General Services on the development and execution of the Capital Outlay Program.

VDOT CAPITAL OUTLAY (998)	2nd Revised FY 2023	FY 2024	INCREASE (DECREASE)
TOTAL VDOT CAPITAL OUTLAY	\$ 40,000,000	\$ 60,000,000	\$ 20,000,000
CONSTRUCTION	40,000,000	60,000,000	20,000,000

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Program Allocations by Fund

VDOT provides funding to other agencies to cover support activities and services related to the transportation programs.

SUPPORT TO OTHER STATE AGENCIES	2nd Revised FY 2023	FY 2024	INCREASE (DECREASE)
Transportation Appropriation to Other Agencies			
Department of Education	\$ 283,854	\$ 283,854	\$ —
Marine Resources Commission	313,768	313,768	—
Secretary of Transportation	1,023,114	1,023,114	—
Department of State Police	9,179,045	9,179,045	—
Department of Minority Business Enterprise	1,682,629	1,682,629	—
Department of Historic Resources	210,000	210,000	—
Department of Emergency Management	1,359,475	1,359,475	—
Department of Motor Vehicles	14,958,864	14,958,864	—
Department of Treasury	185,187	185,187	—
Virginia Liaison Office	173,248	173,248	—
Office of the State Inspector General	2,179,339	2,179,339	—
SUBTOTAL	31,548,523	31,548,523	—
Transfers to the General Fund			
Department of General Services	388,254	388,254	—
Department of Agriculture & Conservation Services	97,586	97,586	—
Chesapeake Bay Initiatives	10,000,000	10,000,000	—
Indirect Costs	2,721,175	2,802,811	81,636
Department of Taxation	2,907,380	2,989,795	82,415
SUBTOTAL	16,114,395	16,278,446	164,051
Transfers to Other Agencies			
Department of Motor Vehicles (fuel tax evasion)	1,500,000	1,500,000	—
SUBTOTAL	1,500,000	1,500,000	—
TOTAL SUPPORT TO OTHER STATE AGENCIES	\$ 49,162,918	\$ 49,326,969	\$ 164,051
HMOF	45,380,079	45,446,204	66,125
CONSTRUCTION	2,375,969	2,439,003	63,034
TPOF	10,885	11,212	327
DMV	15,153	15,580	427
RAIL	170,401	170,401	—
PTF	392,447	403,515	11,068
PORTS	82,262	84,582	2,320
AIRPORTS	45,770	47,061	1,291
DRPT	662,119	680,793	18,674
SPACE	27,833	28,618	785

Program Allocations by Fund

The following table summarizes VDOT's budget by major program and major fund.

Program	HMOF	Construction	Federal	Bonds	Other*	Total
Environmental Monitoring and Evaluation (514)	\$ —	\$ 19,985,858	\$ —	\$ —	\$ —	\$ 19,985,858
Ground Transportation Planning & Research (602)	18,873,216	99,151,913	26,328,977	—	—	144,354,106
Highway Construction Programs (603)	—	1,972,496,691	1,052,115,537	—	624,385,323	3,648,997,551
Highway System Maintenance (604)	1,847,239,992	—	282,051,994	—	—	2,129,291,986
Commonwealth Toll Facilities (606)	—	—	—	—	94,043,843	94,043,843
Financial Assistance to Localities (607)	598,032,222	8,152,938	10,376,439	—	1,044,174,354	1,660,735,953
Non-Toll Supported Transportation Debt Service (612)	—	—	133,577,767	—	265,079,811	398,657,578
Special Structures (614)	—	85,040,000	—	—	—	85,040,000
Administrative and Support Services (699)	343,260,018	—	—	—	1,145,744	344,405,762
VDOT Capital Outlay (998)	—	60,000,000	—	—	—	60,000,000
Support to Other State Agencies	45,446,204	2,439,003	—	—	1,441,762	49,326,969
Support to DRPT Programs	—	10,235,169	—	—	24,500,000	34,735,169
TOTAL	\$2,852,851,652	\$ 2,257,501,572	\$ 1,504,450,714	\$ —	\$2,054,770,837	\$8,669,574,775

* - Other includes I-81 Corridor Improvement Fund, Statewide Interstate Improvement Fund, Tolls, PTF, Route 58, Route 28, Oak Grove, TPOF, Concession Fund Interest and Regional Transportation Funds.

Budget Comparison Schedule for FY 2024

Revenues

Revenue provided by the General Fund of the Commonwealth	\$ 110,000,000
Taxes	1,134,514,178
Rights and privileges	19,528,454
Sale of property and commodities	—
Interest, dividends, and rents	19,481,496
Fines, forfeitures, court fees	—
Penalties and escheats	11,000,000
Receipts from localities and private sector	1,274,676,725
Federal grants and contracts	1,590,884,944
Toll revenues	82,293,843
Other	163,763,543
Total Revenues	<u>4,406,143,183</u>

Other Financing Sources

Other financing sources	52,172,779
Bond proceeds	237,877,638
Note proceeds	—
Transfers from other state agencies and General Fund	—
Transfers in	3,973,381,175
Total Other Financing Sources	<u>4,263,431,592</u>

Total Revenues and Other Sources **\$8,669,574,775**

Budget Comparison Schedule for FY 2024

Revenues	
Administrative and support services	\$ 344,405,762
Ground transportation system planning and research	144,354,106
Highway system acquisition and construction	3,641,460,076
Highway system maintenance	2,129,291,986
Financial assistance to localities	1,660,735,953
Environmental monitoring and compliance	19,985,858
Toll facility operations and construction	101,581,318
Special Structures	85,040,000
Capital outlay	60,000,000
Debt Service	398,657,578
Total Expenditures	<u>8,585,512,637</u>
Other Financing Uses	
Other financing uses	—
Transfers to other state agencies and General Fund	84,062,138
Transfers out	—
Total Other Financing Uses	<u>84,062,138</u>
Total Expenditures and Other Uses	<u><u>\$8,669,574,775</u></u>
Revenues and Other Sources Over (Under) Expenditures and	<u><u>\$ —</u></u>

Appendix I - Powhite Parkway Extension (0436) FY 2024

FY 2024 ESTIMATED REVENUE

Toll Revenues	\$ 11,000,000
TOTAL ESTIMATED REVENUES	\$ 11,000,000
Toll Facility Revolving Account Loan Repayment	3,736,691
TOTAL ESTIMATED REVENUE AVAILABLE	\$ 7,263,309

FY 2024 EXPENDITURE BUDGET

Revenue Fund	
Operations	5,540,399
Maintenance Replacement Fund	1,500,000
Estimated Interest Payment to Chesterfield County	222,910
TOTAL ESTIMATED EXPENDITURES	\$ 7,263,309

Details of Operating Expenditures	ALLOCATION FY 2023	RECOMMENDED FY 2024	INCREASE (DECREASE)
Personal Services	\$ 1,480,231	\$ 1,622,856	\$ 142,625
Contractual Services	1,386,550	1,404,800	18,250
Supplies and Materials	60,050	60,550	500
Transfer Payments	2,290,093	2,290,093	—
Continuous Charges	121,500	131,500	10,000
Property and Improvements	—	—	—
Equipment	28,500	30,600	2,100
Obligations	—	—	—
TOTAL - Operating Expenditures	\$ 5,366,924	\$ 5,540,399	\$ 173,475

Appendix I - Coleman Bridge (0782) FY 2024

FY 2024 ESTIMATED REVENUE

Toll Revenues	\$ 6,000,000
TOTAL ESTIMATED REVENUE AVAILABLE	\$ 6,000,000

Toll Facility Revolving Account Loan Repayment	2,862,738
TOTAL ESTIMATED REVENUE AVAILABLE	\$ 3,137,262

FY 2024 EXPENDITURE BUDGET

Revenue Fund	
Operations	3,137,262
Maintenance Replacement Fund	—
TOTAL ESTIMATED EXPENDITURES	\$ 3,137,262

Details of Operating Expenditures	ALLOCATION FY 2023	RECOMMENDED FY 2024	INCREASE (DECREASE)
Personal Services	525,750	671,612	145,862
Contractual Services	1,557,860	1,548,400	(9,460)
Supplies and Materials	88,250	53,450	(34,800)
Transfer Payments	400,000	440,000	40,000
Continuous Charges	45,900	80,200	34,300
Property and Improvements	—	—	—
Equipment	449,600	343,600	(106,000)
Obligations	—	—	—
TOTAL - Operating Expenditures	\$ 3,067,360	\$ 3,137,262	\$ 69,902

Appendix I - I-66 Inside the Beltway (0446) FY 2024

FY 2024 ESTIMATED REVENUE

Toll Revenues	\$ 32,544,993
TOTAL ESTIMATED REVENUES	\$ 32,544,993
Less: Toll Facility Revolving Fund Repayment	\$ 1,500,000
TOTAL ESTIMATED REVENUES AVAILABLE	\$ 31,044,993

FY 2024 EXPENDITURE BUDGET

Revenue Fund	
Operations	29,544,993
Maintenance Replacement Fund	1,500,000
TOTAL ESTIMATED EXPENDITURES	\$ 31,044,993

Details of Operating Expenditures	ALLOCATION FY 2023	RECOMMENDED FY 2024	INCREASE (DECREASE)
Personal Services	521,491	545,587	24,096
Contractual Services	9,606,900	7,438,400	(2,168,500)
Supplies and Materials	7,800	1,800	(6,000)
Transfer Payments	6,363,509	21,548,906	15,185,397
Continuous Charges	300	300	—
Property and Improvements	—	—	—
Equipment	—	10,000.00	10,000.00
Obligations	—	—	—
TOTAL - Operating Expenditures	\$ 16,500,000	\$ 29,544,993	\$ 13,044,993

Appendix I - I-64 Express Lanes (0447) FY 2024

FY 2024 ESTIMATED REVENUE

Toll Revenues	\$ 2,748,850
TOTAL ESTIMATED REVENUES	\$ 2,748,850
<i>Cash Balance from Prior Year</i>	<u>—</u>
TOTAL ESTIMATED REVENUE AVAILABLE	\$ 2,748,850

FY 2024 EXPENDITURE BUDGET

Revenue Fund	
Operations	<u>2,748,850</u>
TOTAL ESTIMATED EXPENDITURES	\$ 2,748,850

Details of Operating Expenditures	ALLOCATION FY 2023	RECOMMENDED FY 2024	INCREASE (DECREASE)
Personal Services	188,230	485,775	297,545
Contractual Services	2,451,020	2,042,825	(408,195)
Supplies and Materials	750	250	(500)
Transfer Payments	200,000	220,000	20,000
Continuous Charges	—	—	—
Property and Improvements	—	—	—
Equipment	—	—	—
Obligations	—	—	—
TOTAL - Operating Expenditures	\$2,840,000	\$2,748,850	(\$91,150)

Index: Acronyms and Terminology

Term	Description
BROS	Bridge Off-System
CMAQ	Congestion Mitigation and Air Quality
CTF	Commonwealth Transportation Fund
DRPT	Department of Rail and Public Transportation
FHWA	Federal Highway Administration
GARVEE	Federal Grant Anticipation Revenue Bonds
HMOF	Highway Maintenance and Operating Fund
NHPP	National Highway Performance Program
NVTD	Northern Virginia Transportation District
Oak Grove	City of Chesapeake Oak Grove Connector Project Bonds
PTF	Priority Transportation Fund
Soft Match	The budget contains a significant application of Toll Credits that are used as "soft match" to meet the non-federal share matching requirements. Section 120(j) of Title 23 permits states to substitute certain previous toll-financed investments for state matching funds on current Federal-aid projects. It permits the non-Federal share of a project's cost to be met through a "soft match" of toll credits. The federal share on most projects in the future can effectively be increased up to 100 percent. However, the use of soft match does not increase the federal funding available to Virginia.
STP	Surface Transportation Program
STP Regional	Federal allocation that is to be used in urbanized areas with population greater than 200,000 – This portion is to be divided among those areas based on their relative share of population
STP Statewide	Surface Transportation Program sub-allocation that may be used in any area of the State
STP Under 200,000	Federal allocation that is to be used in areas with population greater than 5,000 but no more than 200,000
STP Under 5,000	Federal allocation that is to be used in areas with population of 5,000 or less
TAP	Transportation Alternatives Program
Tele Fees	Allocation of revenue from Public Rights-of-Way Use Fee to a provider of telecommunications service
Toll Facilities Revolving	Toll Facilities Revolving Account
TPOF	Transportation Partnership Opportunity Fund
TTF	Transportation Trust Fund

Endnotes

Endnote Number	Description
1	Reflects impact of updated state revenue forecast.
2	Off the Top Allocation from the Commonwealth Transportation Fund was provided in FY 2023 for implementation of the 2020 Omnibus Legislation.
3	Federal revenue update with implementation of Infrastructure Investment and Jobs Act.
4	Reflects change in funds available for the Interstate 81 Corridor Improvement Program and the planned use of debt to deliver projects.
5	Updated revenue estimate for Interstate 66 Inside the Beltway. HOV-2 to HOV-3 policy change was implemented in December 2022.
6	Additional funding beginning in FY 2024 for studies and advance procurement activities.
7	Adjustment reflects change in funds available to program areas as prescribed in the Code of Virginia, §33.2-358.
8	Adjustments reflect changes in one-time funding and updated project participation from other regional and local entities.
9	Includes updated revenue estimate for the Fuel Tax dedicated to the Special Fund Account for the Construction District Grant Program.
10	Federal Open Container funding is assumed to be available for Construction Formula Distribution beginning in FY 2024.
11	Changes to assumptions related to project participation for funds provided by other entities.
12	General Fund dollars made available in Chapters 1 and 2 (2022 Special Session I) in Fiscal Years 2023 and 2024 for Transportation Initiatives.
13	Reflects change in funds available for the Interstate 81 Corridor Improvement Program and the planned use of debt to deliver projects.
14	Allocation adjustments reflect program growth and supplemental funding for the impact of fuel prices on the Maintenance Programs.
15	Updated reflects prescribed change in Special Structure Funding. One-time funding provided in FY 2023 from the General Fund.
16	Program growth and additional Information Technology investment necessary.
17	Additional funding provided for Capital Outlay for Hampton Roads District Operational Facilities.
18	Additional funding made available from remaining balance of fuel reserves established in FY 2023 and made available for allocation in FY 2024. This balance was \$77,439,086.

The logo for the Virginia Department of Rail and Public Transportation (DRPT) features the acronym "DRPT" in a bold, white, sans-serif font. Below the letters are three small white circles and a horizontal white line.

VIRGINIA DEPARTMENT OF RAIL
AND PUBLIC TRANSPORTATION

Annual Budget

Fiscal Year 2024

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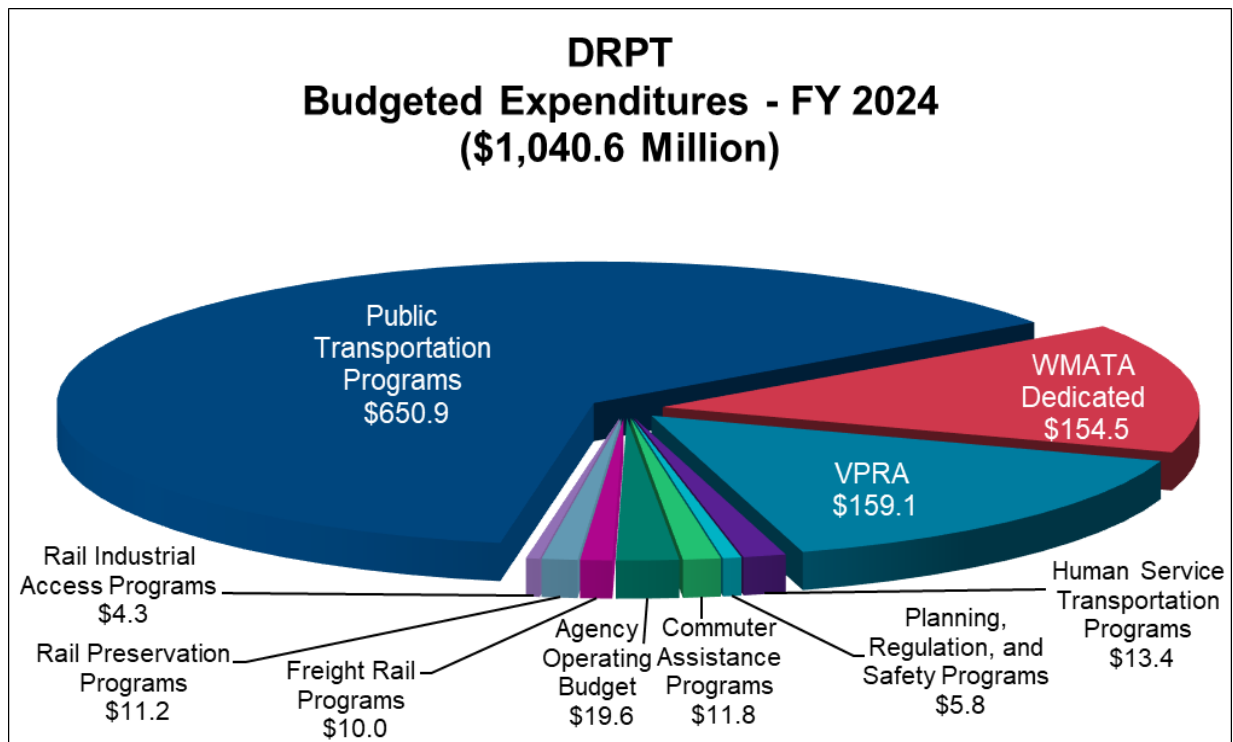
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Summary of Programs

Summary of FY 2024 Budget

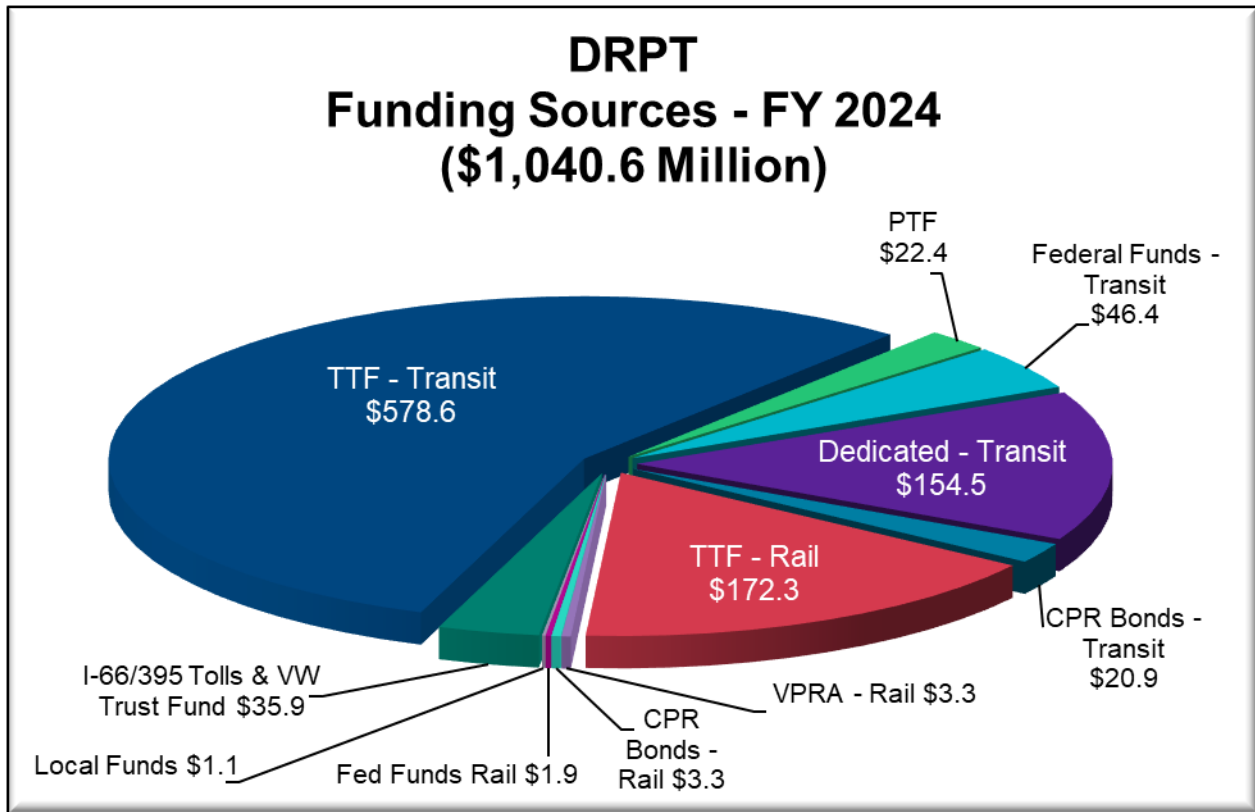
In FY24, DRPT will invest \$1,040.6 million in state, federal, and local resources towards improving public transportation and rail capacity across the Commonwealth of Virginia. The overwhelming majority of these funds are directed to a variety of recipients, including public transportation providers, local and regional government entities, freight railroads, and the Virginia Passenger Rail Authority (VPRA). The VPRA was established in section §33.2-288.B. of the *Code of Virginia* to oversee passenger rail projects within the Commonwealth, including the state-supported Amtrak service. The VPRA receives ongoing funding from DRPT of 93% of the revenues of the Commonwealth Rail Fund. The VPRA share is estimated at \$159.1 million for FY24.

Expenditures for FY24 are estimated to be \$4.1 million less than FY23. Additional detail is included in the specific program sections of this document.



The chart depicts the FY24 DRPT budget across the agency’s service areas and payments to the VPRA. The budgeted expenditures for each are discussed in more detail later in this report.

The following chart depicts the source of funds for DRPT’s annual budgeted expenditures. It is not based on the annual estimated revenues for each funding source; rather, the funding source is derived from over 2,000 projects included in the cash flow projections used to estimate the budgeted expenditures. Additional information concerning the DRPT FY24 funding sources can be found in the Annual Budget section of this report.



FY 2024 Service Area Budget Highlights

Agency Operating Budget

The DRPT program management and administrative budget increased 7.1% or \$1.3 million. Revenues increased, so DRPT has elected to use only 4.0% of the 5.0% allowable under the Appropriations Act of the Rail Preservation Fund, Commonwealth Rail Fund, and Commonwealth Mass Transit Fund in FY24 for project oversight. Over the past several years, the transit programs managed by DRPT have grown significantly as have the associated revenues. This growth has been accompanied by increased demand by the General Assembly for accountability over the funds in these programs. The agency's operating budget will be used to develop and expand the program oversight requested by the General Assembly related to state transit funding.

The nature of the large-scale projects that DRPT now manages is highly diverse in their scope and service, changing dramatically over the last 15 years. Examples of these projects include the following: the Virginia Breeze intercity bus, WMATA oversight, transit way improvements related to the Amazon headquarters arrival, as well as I-95 and I-81 freight rail corridor programs.

DRPT is also currently completing studies on future transportation demand management (TDM) strategies in the heavily congested I-66 and I-395 corridors. This focuses on measuring person throughput (rather than vehicle) and redirects toll revenue collected on highways to critical transit projects.

The Appropriations Act authorizes the Commonwealth Transportation Board (CTB) to approve up to 5.0% per year of the Commonwealth Mass Transit Fund (§33.2-1526), Rail Preservation Fund (§33.2-1602), and the revenues allocated to the Department from the Commonwealth Rail Fund (§33.2-1526.4) to be used to support the DRPT costs of project development, project administration, and project compliance.

In FY24, it is forecast that \$19.6 million of the revenues of these funds will be used to support the programs' ongoing administrative costs. A complete list of these estimated administrative costs is included in the footnotes of the budget statement at the end of this document. Despite the increase in demands on the agency, the DRPT operating budget still only represents 1.9% of the \$1,040.6 million of total funds administered.

Public Transportation Programs

The state funding for Public Transportation is comprised of revenues from the Commonwealth Mass Transit Fund (CMTF) and the Commonwealth Transit Capital Fund (CTCF). Effective July 1, 2020, HB 1414 adopted numerous structural changes to the transportation funding system in the Commonwealth. Most state transportation revenues are directed to the Commonwealth Transportation Fund and the Highway Maintenance and Operating Fund, which are administered by the Virginia Department of Transportation (VDOT). Revenues are then disbursed from the Commonwealth Transportation Fund to the Transportation Trust Fund and then distributed to meet the varying transportation needs of different modes of transportation. The CMTF receives 23% of the Transportation Trust Fund. This structure allocates the net impact of upturns and downturns in specific revenues so no one mode is adversely affected.

Chapter 854 of the 2018 Acts of Assembly established a separate allocation for the Washington Metropolitan Area Transit Authority (WMATA) and set allocation percentages for DRPT's Operating, Capital, and Special programs in FY19 and beyond. It is important to note that these bills did not create additional transportation revenues. Instead, they built on the new revenues generated by HB 2313 in 2013 by changing the distribution of existing revenues.

Beginning in FY21, these funds were distributed in accordance with the *Code of Virginia* and specific Appropriations Act language as follows:

- Up to 5.0% of the CMTF to support costs of project development, project administration, and project compliance (current Appropriation Act language)
- \$2.0 million (current Appropriation Act language) of the MTTF for state safety oversight
- \$1.5 million (current Appropriations Act language) of the MTTF for paratransit capital projects and enhanced transportation services for the elderly and disabled

The remaining funds are allocated by statute (§33.2-1526.1) with a minimum of 27.0% for state operating assistance grants, 18.0% awarded as capital assistance grants, 46.5% for distribution to WMATA for capital purposes and operating assistance, 6.0% for the Transit Ridership Incentive Program (TRIP) and the balance of up to 2.5% awarded as special projects grants, subject to CTB approval. Item 436.P of Chapter 56 of the 2020 Special Session I of the Virginia Acts of Assembly gave the CTB flexibility in applying the percentages to keep revenue streams relatively stable to maintain the project's current schedule from FY20 for each program, but no later than FY24. No modifications to these percentages have been made in FY24. HB 1496 of the 2023 Legislative Assembly has proposed changes to §33.2-1526.1 for FY25 and beyond to create a separate category of funds for the Virginia Railway Express of up to 3.5% and

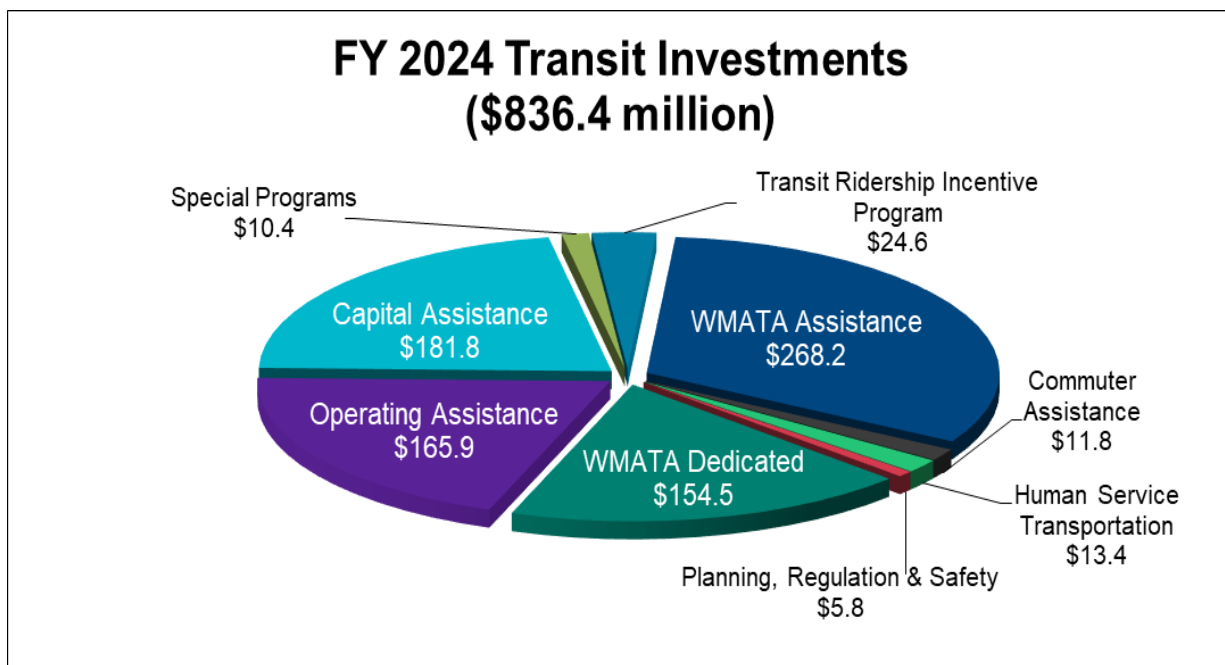
decrease state operating assistance grants to a minimum of 24.5% and capital assistance grants to 17.0%.

The CTCF is made up of the CPR bonds authorized under Chapter 896 of the 2007 Acts of Assembly allocated to transit capital. The major revenue source for these bond authorizations is the tax on insurance premiums. Beginning in FY19, these bond funds completed the 10-year period under the original bond authorization and the \$60 million annual amount available ended. Current year allocations of these funds represent monies deobligated from prior year projects.

By the close of FY21 when the WMATA state of good repair funding grant ended, the state transit capital assistance program lost an additional \$50 million of annual bond funding. However, section §33.2-1526.1.B of the *Code of Virginia* allocates up to \$50 million off the top of the CMTF starting in FY22 for the WMATA State of Good Repair program.

In 2018, the General Assembly directed the CTB to develop a separate prioritization process for state of good repair projects and major expansion projects. The process for state of good repair projects is based upon transit asset management principles, including federal requirements for Transit Asset Management pursuant to 49 U.S.C. § 5326 while the process for major expansion projects is based on Smart Scale factors. Over 85% of the transit capital program has historically been utilized for maintenance of existing assets, which highlights the importance of finding a solution to this problem.

The FY24 budget for Transit Programs is depicted in the following chart. This chart represents FY24 anticipated expenditures across the nine major Transit programs.



The FY24 budget of \$836.4 million for Transit investments represents an increase of \$32.2 million from \$804.2 million in the FY23 Budget (as revised for \$28.4 million of mid-year uplift of revenues in FY23).

As compared to the FY23 Budget (revised for the FY23 mid-year uplift in revenues), capital projects increased \$59.3 million. There is an increase in large bus purchases and facility construction needs as supply constraints from COVID are easing. Transit Operating Assistance decreased \$49.2 million from FY23. The \$47.8 million of CTB directed special allocation in FY23 and \$15.0 million in FY22 for Operating Assistance was discontinued in FY 2024. WMATA Assistance increased \$15.6 million due to anticipated increases in revenue collections.

WMATA Assistance includes an allocation of \$50.0 million of CMTF funding, which was funded from bond proceeds prior to FY22, to match the federal funds WMATA is receiving under the federal state of good repair program. The Transit programs are discussed in more detail in the following sections.

Public Transportation Operating Funds

The budgeted amounts in this report include anticipated expenditures on all the projects and grants that DRPT manages for FY24, not just amounts allocated in FY24 by the CTB in the SYIP (See note 1 for more information). The budgeted FY24 transit operating expenditures are \$165.9 million or a decrease of \$49.2 million from FY23. FY23 revenues included a CTB directed special allocation of \$47.8 million which was not continued in FY24. Section §33.2-1526.1 of the *Code of Virginia* provides that the CTB shall allocate 27.0% of the CMTF to support operating costs of transit providers and that the CTB shall establish service delivery factors, based on effectiveness and efficiency, to guide the relative distribution of such funding. Such measures and their relative weight shall be evaluated every three years.

DRPT has worked in consultation with the Transit Service Delivery Advisory Committee (TSDAC) and other stakeholders to develop the necessary policies and procedures to implement a performance-based state transit operating allocation. The TSDAC adopted the following policy objectives to guide their deliberations: promoting fiscal responsibility, incentivizing efficient operations, supporting robust transit service, rewarding higher patronage, promoting mobility, supporting a social safety net, and utilizing data that exists for all agencies.

The CTB adopted the allocation policy for transit operating funding based on performance factors as follows:

System Sizing Metrics:

Bus Systems:

- Operating Cost (50%)
- Ridership (30%)
- Revenue Vehicle Hours (10%)
- Revenue Vehicle Miles (10%)

Commuter Rail Systems:

- Passenger Miles Traveled (33%)
- Revenue Vehicle Hours (33%)
- Revenue Vehicle Miles (33%)

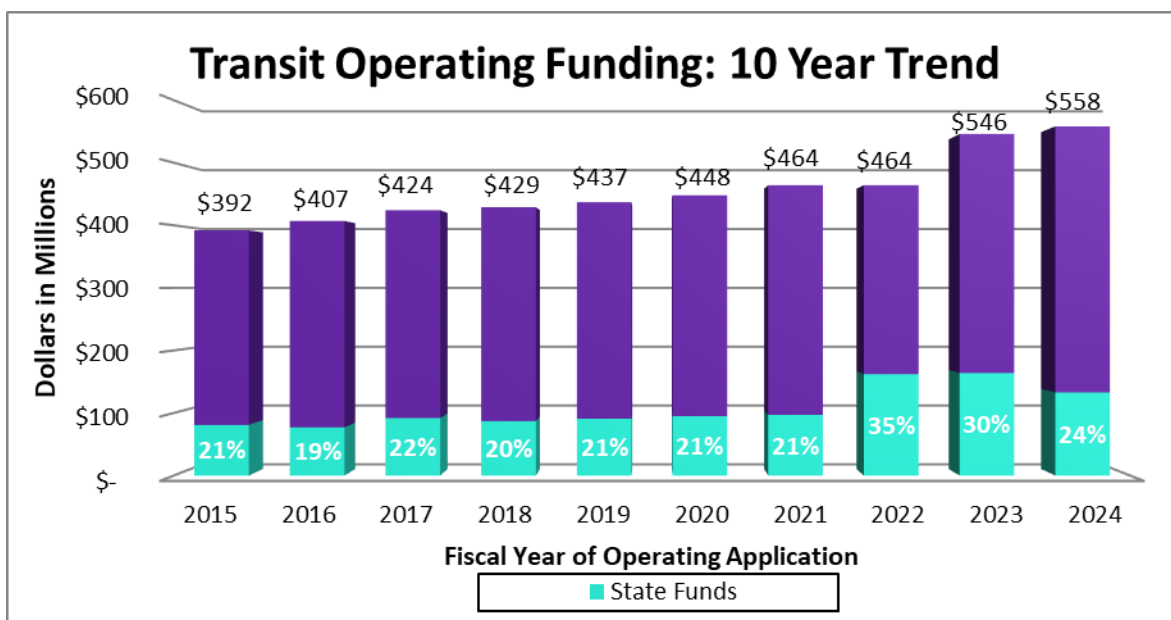
Performance Adjustment:

All Systems:

- Passengers per Revenue Vehicle Hour (20%)
- Passengers per Revenue Vehicle Mile (20%)
- Operating Cost per Revenue Vehicle Hour (20%)
- Operating Cost per Revenue Vehicle Mile (20%)
- Operating Cost per Passenger (20%)

To ensure an even distribution of funding, the share of state operating assistance is to be capped at 30% of an agency’s operating cost. A one-time exception was made when mid-year FY22 revenue collections were significantly higher than estimates and the State allocated 35% of agency operating costs. Unallocated balances remaining after applying the cap are run through the performance-based formula to ensure full allocation of the available operating funding. Agencies that receive an increase in state assistance as a result of the performance-based formula are encouraged to invest the increased allocation into sustaining and expanding service options.

The overall state share of transit expenditures used for the FY24 operating allocations is 23.9%, which is a decrease of 6.1% from the prior year. The following chart provides a history of the state’s participation in the cost of transit operations in the Commonwealth. Prior years in the chart have been restated to exclude operating payments made to WMATA. In FY19 and beyond funding for WMATA operating and capital are reported as WMATA Assistance funds.



Public Transportation Capital Funds

Section §33.2-1526.1 of the *Code of Virginia* provides that the CTB shall allocate 18.0% of the Commonwealth Mass Transit Fund for capital purposes distributed utilizing the transit capital prioritization process established by the Board pursuant to Section 33.2-214.4 of the *Code of Virginia*. Capital program grants from the CMTF are funded based on the total cost of the project. Effective July 1, 2019, capital projects are prioritized in three different categories:

State of Good Repair (SGR): capital projects or programs to replace or rehabilitate an existing asset. SGR is based on transit asset management principles, including federal requirements for Transit Asset Management. Projects are prioritized based on asset condition score and service impact score.

Minor Enhancement (MIN): Projects or programs to add capacity, new technology, or a customer enhancement meeting the following criteria:

- Project cost is up to \$2 million, OR

- For expansion vehicles, a minor enhancement entails a fleet increase of no more than 5 vehicles or less than 5% of the fleet size, whichever is greater.

Minor enhancement projects are prioritized solely on service impact scores.

Major Expansion (MAJ): Projects or programs that add, expand, or improve service with a cost exceeding \$2 million or for expansion vehicles, an increase of greater than 5 vehicles or 5% of fleet size, whichever is greater. Projects are prioritized based on the following SMART SCALE factors:

- Congestion Mitigation
- Economic Development
- Accessibility
- Safety
- Environmental Quality
- Land Use

In FY24, the budget for public transportation capital expenditures is \$181.8 million, which is an increase of \$59.3 million from FY23. This increase is mainly attributable to the adverse effect of the Coronavirus on the ability of transit agencies and localities to fund and engage in longer-term capital projects in prior years and the anticipated reductions in the industry-wide supply chain issues in the future. Some capital facility projects have experienced cost increases due to COVID delays and inflation. The projects that will be supported by these funds and the applicable federal funds managed by DRPT are summarized on the following chart:

Public Transportation Capital Projects for FY 2024

	Replacement Transit Vehicles	Expansion Transit Vehicles	Vehicles for Elderly & Disabled Services	Service Support Vehicles	Transit Facility Construction or Renovation	Transit Facility Planning or Design
Bristol District	15	2	1	1	0	0
Culpeper District	8	2	2	2	0	0
Fredericksburg District	6	0	4	0	0	0
Hampton Roads District	27	16	5	2	7	0
Lynchburg District	10	0	1	0	0	0
Northern Virginia District	79	10	0	3	8	0
Richmond District	35	3	1	0	2	0
Salem District	14	0	5	0	0	0
Staunton District	2	0	0	0	1	0
Multi – District	53	8	1	4	1	0
Statewide Totals	249	41	20	12	19	0

Public Transportation Special Program Funds

Section §33.2-1526.1 of the *Code of Virginia* provides that the CTB shall allocate 2.5% of the Commonwealth Mass Transit Fund for special programs. The Special Programs budget is estimated at \$10.4 million for FY24. These funds are used to award discretionary grants for ridesharing, public transportation promotion, operation studies, technical assistance projects, as well as programs that enhance the provision and use of public transportation services.

Public Transportation Ridership Incentive

Section §33.2-1526.1 of the *Code of Virginia* provides that the CTB shall allocate 6.0% of the Commonwealth Mass Transit Fund for the Transit Ridership Incentive Program established pursuant to Section §33.2-1526.3 of the *Code of Virginia*. The Board shall establish the Transit Ridership Incentive Program to promote improved transit service in urbanized areas of the Commonwealth with a population in excess of 100,000 and to reduce barriers to transit use for low-income individuals.

Due to the adverse effects of the Coronavirus on revenues, Item 430.P of Chapter 1289 of the 2020 Virginia Acts of Assembly gave the CTB flexibility in applying these percentages to keep revenue streams relatively stable from FY20 through FY24 for each program. The 6.0% allocation was not adjusted in FY24. The FY24 budget includes \$24.6 million to support projects such as free fare programs, which is an increase of \$0.3 million from FY23.

WMATA Assistance Funds

The budgeted state assistance provided to WMATA increased \$15.6 million mainly due to revenue uplifts. Section §33.2-1526.1 of the *Code of Virginia* provides that the Commonwealth Transportation Board (CTB) shall allocate 46.5% of the Commonwealth Mass Transit Fund to the Northern Virginia Transportation Commission for distribution to WMATA for capital purposes and operating assistance. In FY18 and prior years, WMATA received a share of the funds available for the operating and capital assistance based on program allocation guidance. Under the new process, greater oversight responsibility is required of the Northern Virginia Transportation Commission for these state funds dedicated to WMATA.

Commuter Assistance Programs

The Commuter Assistance Programs budget of \$11.8 million includes \$4.9 million of CMTF funds for FY 2024 to support Transportation Demand Management (TDM) projects. The budget also includes Federal Highway Administration (FHWA) funds of \$0.5 million and state funding of \$6.4 million for projects included in the VDOT SYIP that DRPT will administer, such as the Arlington County Commuter Services program, Hampton Roads Transit TRAFFIX program, Telework, RideFinders, and various Transportation Management Plans.

The TDM program is a discretionary grant program that provides state funds to support up to 80% of the costs of TDM projects and other special projects that are designed to reduce single-occupant vehicle travel. These funds are used to support vanpooling, ridesharing, and marketing and promotional efforts across the Commonwealth that encourage travel in shared ride modes. The distribution of grants for FY24 is shown in the following table.

Commuter Assistance Projects for FY 2024

	Operating Grants	Project Grants	Total
Bristol District	0	0	0
Culpeper District	2	0	2
Fredericksburg District	3	2	5
Hampton Roads District	0	0	0
Lynchburg District	1	0	1
Northern Virginia District	4	8	12
Richmond District	0	1	1
Salem District	3	1	4
Staunton District	2	0	2
Multi – District	0	1	1
Statewide Totals	15	13	28

Human Service Transportation Programs

The Human Service Transportation Programs budget is estimated at \$13.4 million for FY24. Human service transportation programs are operated by local government social service agencies or private non-profit human service agencies for the benefit of their clients. These clients are elderly or disabled individuals and economically disadvantaged children who are enrolled to receive publicly funded social services.

Human service transportation differs from public transportation in that it is designed to serve the very specific needs of human service agency clients and in most cases, service is restricted to the clients of those agencies who often have no other transportation service available to them. It is not open to the general public. The funding for this program consists of \$9.6 million from the Federal Transit Administration, \$1.0 million of local provider match, \$0.3 million of CPR bond proceeds, \$2.4 million of CMTF funds for enhanced transportation services for the elderly and disabled, and \$0.1 million of VDOT funds. The breakdown by district of the 20 vehicles purchased through this program is included in the Public Transportation Capital Projects table on page 8.

Planning, Regulation, and Safety Programs

DRPT's FY24 budget includes \$5.8 million of estimated expenditures for Planning, Regulation, and Safety Programs, which include long-term planning and regional corridor studies. The budget for these programs consists of the FTA 5303/5304 planning funds of \$5.2 million and CMTF state match allocations of \$0.6 million.

WMATA Dedicated Funds

Chapter 854 of the 2018 Acts of Assembly established the WMATA Capital Fund. It also established a Restricted and Non-Restricted account within the WMATA Capital Fund. Monies in the Restricted Account may be used for capital purposes other than for the payment of, or security for, debt service on bonds or other indebtedness of WMATA. Monies in the Non-Restricted account may be used for capital purposes including the payment of debt service on bonds or other indebtedness. The expected revenues budgeted to the Dedicated WMATA Capital Fund are estimated at \$154.5 million for FY24.

Restricted Account – (capital purposes excluding debt service)

The underlying revenues come from local recordation tax and statewide motor vehicle rental tax. For FY24, DRPT is allocating \$33.1 million that will be accounted for in the Restricted Account.

Non-Restricted Account – (capital purposes including debt service)

The underlying revenues come from regional gas taxes, grantor’s taxes, transient occupancy tax, local taxes, or other contributions from Northern Virginia local jurisdictions and a supplement from the CMTF.

This funding is contingent on Maryland and the District of Columbia taking action to provide dedicated funding to WMATA. The percentage of funding provided by the Commonwealth shall be proportional to the amount of funding provided by the District of Columbia and Maryland relative to their respective share of WMATA funding each fiscal year.

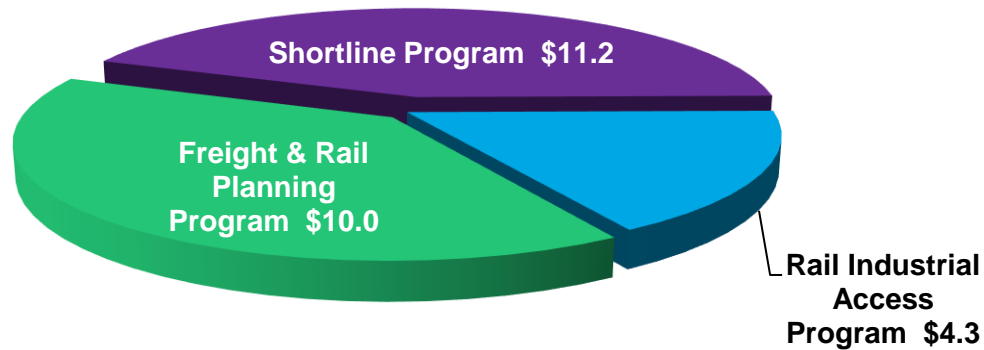
Rail Programs

DRPT’s FY24 budget for rail service areas is \$25.5 million, including funding of freight rail projects, rail planning, shortline preservation, and rail industrial access programs. In prior years, DRPT administered passenger rail projects within the state including the state-supported Amtrak service. In FY21, the Virginia Passenger Rail Authority (VPRA) was established to oversee passenger rail projects within the state including intercity passenger service.

Effective July 1, 2020, the VPRA and the Commonwealth Rail Fund came into existence pursuant to Section §33.2-1526.4 of the *Code of Virginia*. The new legislation implemented numerous structural changes to the transportation funding system in the Commonwealth. Most State transportation revenues are directed to the Commonwealth Transportation Fund and the Highway Maintenance and Operating Fund. Revenues are then disbursed from the Commonwealth Transportation Fund to the Transportation Trust Fund and then distributed to meet the varying transportation needs of different modes of transportation. The Commonwealth Rail Fund receives 7.5% of the Transportation Trust Fund. This structure consolidates the net impact of upturns and downturns in specific revenues. This serves to mitigate the year-to-year impacts on the revenue streams of the various modes of transportation. In FY21, the Commonwealth Rail Fund replaced the Intercity Passenger Rail Operating and Capital Fund (IPROC) and Rail Enhancement Fund (REF) with 93% of the fund going to the VPRA while 7% of the funds are retained by DRPT to support freight and rail planning projects.

The distribution of anticipated expenditures falls into three categories as displayed in the following chart:

FY 2024 Rail Investments (\$25.5 million)



Funding for DRPT’s rail programs is supported through eight federal, state, and local funding sources:

Federal

- Federal Railroad Administration (FRA) grant funds of \$1.9 million;

State

- Commonwealth Rail Fund of \$2.2 million;
- Transportation Capital Projects Revenue (CPR) Bond funds of \$3.3 million;
- Shortline Railway and Development funds of \$10.4 million;
- VPRA Transfers of \$3.3 million;
- Rail Industrial Access (RIA) funds of \$4.3 million; and
- Local Match of \$0.1 million.

Transportation Bond Funds

Chapter 896 of the 2007 Acts of Assembly provides for CPR bonds to be issued annually with a minimum of 4.3% of the proceeds going to either the Rail Enhancement Fund or the Shortline Railway Preservation and Development Fund. The final bond allocation for rail was made in FY18. For FY24, budgeted expenditures from prior year’s bond proceeds are expected to be \$3.3 million for freight rail infrastructure improvements and improvement to the tracks of shortline railroads.

Rail Preservation Fund

As part of the Rail Preservation Program, the Shortline Railway Preservation and Development Fund will support 15 projects for Virginia’s shortline railroads in FY24. These Rail Preservation projects consist primarily of bridge and track upgrades, yard improvements, siding enhancements, and tie and rail replacement, as well as the related ballast, tamping, and surfacing of existing rail lines operated by the shortline railroads in Virginia. These projects are funded through the annual Transportation Fund allocation and related interest revenues, and the CPR bonds.

DRPT may use up to \$4 million of the 7% share of the Commonwealth Rail Fund for the purposes of the Shortline Railway Preservation and Development Fund pursuant to §33.2-1526.4.

Rail Industrial Access Program

This program funds the construction of industrial access railroad tracks for the purpose of connecting industries to the rail network and creating jobs. These projects are funded through the Commonwealth Transportation Fund as they are approved by the CTB.

Planning and Freight Rail Program

DRPT is the state agency responsible for rail planning and the freight rail program in the Commonwealth. Every four years, the Federal Railroad Administration requires states to submit an updated State Rail Plan. This is required for Virginia to be eligible for federal rail funding. DRPT also works closely with the two major Class I railroads operating in Virginia concerning freight projects and shortline railroads. Virginia's Class I railroads, shortline railroads, and the Port of Virginia are typical recipients of grants.

Virginia Passenger Rail Authority

The VPRA was established in section §33.2-288.B of the *Code of Virginia* to oversee passenger rail projects within the Commonwealth including the state-supported Amtrak service. The VPRA receives ongoing funding from DRPT of 93% of the revenues of the Commonwealth Rail Fund. In FY24 the estimated revenues of the Commonwealth Rail Fund are \$171.0 million, of which \$159.1 million be distributed to the VPRA.

Annual Budget Statement

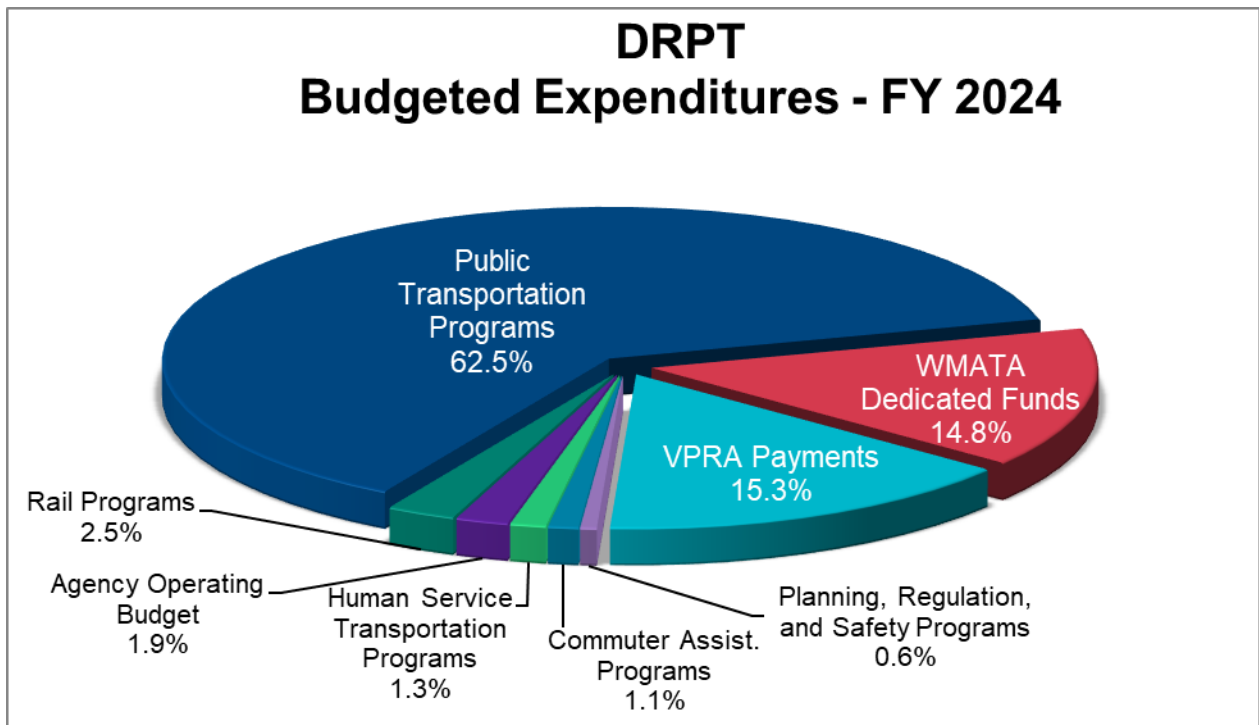
Budgeted Expenditures - FY 2024

	(\$ in millions)			
	Adopted FY 2023	Recommended FY 2024	Increase / (Decrease)	Percentage Change
Public Transportation Programs				
Operating Assistance [Notes 1, 2, 3]	\$ 215.1	\$ 165.9	\$ (49.2)	-22.9%
Capital Assistance [Notes 1, 2, 4]	122.5	181.8	59.3	48.4%
Special Programs [Notes 1, 2, 5]	8.6	10.4	1.8	20.9%
Ridership Incentive Programs [Notes 1, 2, 6]	24.3	24.6	0.3	1.2%
WMATA Assistance [Note 2, 7]	252.6	268.2	15.6	6.2%
Total Public Transportation Programs	623.1	650.9	27.8	4.5%
Commuter Assistance Programs [Notes 1, 8]	11.6	11.8	0.2	1.7%
Human Service Transportation Pgm [Notes 1, 9]	10.3	13.4	3.1	30.1%
Planning, Regulation, & Safety Pgm [Notes 1, 10]	4.7	5.8	1.1	23.4%
WMATA Dedicated Funding [Note 11]	154.5	154.5	-	0.0%
Total Transit Programs	804.2	836.4	32.2	4.0%
Rail Programs				
Rail Preservation Programs [Notes 1, 12]	11.1	11.2	0.1	0.9%
Rail Industrial Access [Notes 1, 13]	2.6	4.3	1.7	65.4%
Planning and Freight Rail Programs [Notes 1, 14]	22.8	10.0	(12.8)	-56.1%
Total Rail Programs	36.5	25.5	(11.0)	-30.1%
Agency Operating Budget [Note 17]	18.3	19.6	1.3	7.1%
Agency Total Before VPRA Payments	859.0	881.5	22.5	2.6%
VPRA Payments [Note 15]	185.7	159.1	(26.6)	-14.3%
Agency Total	\$ 1,044.7	\$ 1,040.6	\$ (4.1)	-0.4%

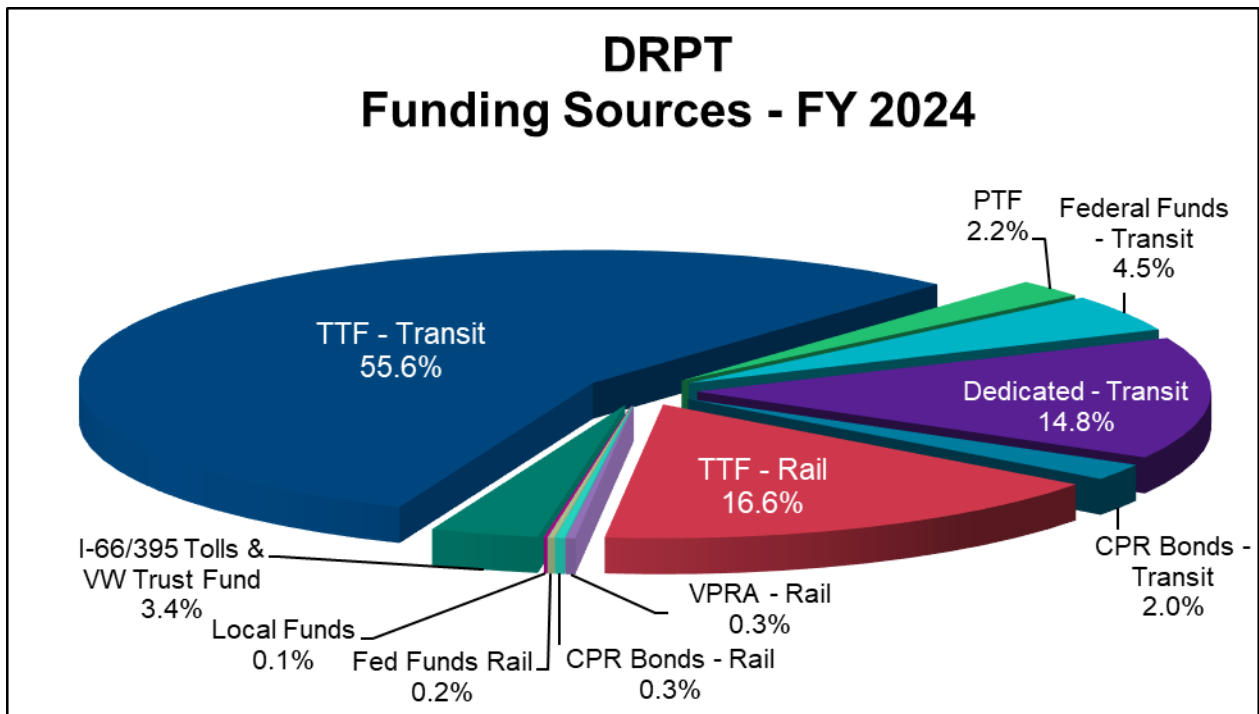
Funding Sources - FY 2024

	(\$ in millions)			
	Adopted FY 2023	Recommended FY 2024	Increase / (Decrease)	Percentage Change
TRANSPORTATION TRUST FUND				
Commonwealth Mass Transit Fund [Notes 3, 4, 5, 6, 7, 8, 9, 10, 17]	\$ 518.7	\$ 545.6	\$ 26.9	5.2%
Special Programs - VDOT Transfers [Notes 4, 5, 8, 9]	11.6	28.7	17.1	147.4%
Rail Industrial Access [Note 13]	2.6	4.3	1.7	65.4%
Commonwealth Rail Programs [Notes 14, 15, 17]	188.1	161.8	(26.3)	-14.0%
Rail Preservation Program [Notes 12, 17]	9.9	10.5	0.6	6.1%
Total	730.9	750.9	20.0	2.7%
2018 CHAPTER 854 DEDICATED FUNDING - Transit [Note 11]	154.5	154.5	-	0.0%
BOND PROCEEDS - Transit Capital and Rail [Notes 4, 9, 12]	26.4	24.2	(2.2)	-8.3%
GENERAL FUNDS - Item 447.10 - Transit [Note 11]	29.0	-	(29.0)	-100.0%
PRIORITY TRANSPORTATION FUNDS [Note 16]	11.8	22.4	10.6	89.8%
FEDERAL REVENUE				
FHWA Funding (CMAQ/RSTP) [Notes 4, 8]	4.4	0.9	(3.5)	-79.5%
Federal Transit Administration [Notes 3, 4, 9, 10]	40.5	45.5	5.0	12.3%
Federal Transit Administration - CARES [Note 3]	1.9	-	(1.9)	-100.0%
Federal Railroad Administration [Note 14]	1.1	1.9	0.8	72.7%
Total	47.9	48.3	0.4	0.8%
LOCAL REVENUES [Notes 9, 14]	0.9	1.1	0.2	22.2%
TRANSFERS FROM OTHER AGENCIES				
VDOT I-66/I-395 Tolls Transfers [Note 4]	37.0	35.4	(1.6)	-4.3%
DEQ VW Trust Fund Transfers [Note 4]	-	0.5	0.5	
Virginia Passenger Rail Authority [Note 15]	6.3	3.3	(3.0)	-47.6%
TOTAL SOURCES	\$ 1,044.7	\$ 1,040.6	\$ (4.1)	-0.4%

DRPT Budgeted Expenditures - FY 2024



DRPT Funding Sources - FY 2024



Footnotes to the FY 2024 Annual Budget

- (1) The budgeted amounts in this report include anticipated expenditures on all the projects and grants that DRPT manages for FY24 and the revenue sources to cover these anticipated expenditures. A cash basis of accounting is utilized to develop the budgeted amounts. Therefore, the budgeted amounts will not agree to allocations in the SYIP due to the timing of cash expenditures versus allocations of funds. The actual cash outlays of many capital projects may lag behind the related allocation of resources by as much as five years. For example, DRPT will allocate Planning and Freight Rail Projects of \$13.2 million in FY24, but \$10.0 million is expected to be spent on Planning and Freight rail projects during FY24. The differences between the FY24 SYIP allocations and budgeted expenditures are as follows:

Total Six Year Improvement Plan Allocations	\$ 925.5
Federal Funds Allocations with Grantee FTA Contracting	(24.1)
Agency Operating Budget	19.6
Rail Industrial Access	4.3
VPRA Recurring Payments	159.1
VPRA Allocations for Transforming Rail in Virginia Project	(93.2)
Current Year Allocations in Future Budgets	
Rail Revenue and Bond Allocations	(0.8)
Prior Year Allocations in the Current Budget	
Transit Revenue and Bond Allocations	27.4
VDOT Revenues from prior years	22.8
Total Budgeted Expenditures	\$ 1,040.6

It is important to note that DRPT's reliance on our transportation partners for accurate information will impact the accuracy of our budgeted expenditures. The vast majority of the DRPT budgeted expenditures are initiated by a reimbursement request from one of our project partners who controls the actual project development. As such, DRPT must gather information from these partners about the timing of almost 2,000 projects to estimate cash basis expenditures each year. Based on this operating format for DRPT, a variance of up to 15% would not be unreasonable. Ultimately, the goal for DRPT is to work with our project partners to attain a variance of 10% or less by each year end.

- (2) Funds are allocated by statute (§33.2-1526.1) with 46.5% for distribution to WMATA for capital purposes and operating assistance, a minimum of 27.0% for state operating assistance grants, 18.0% awarded as capital assistance grants, 6.0% for transit ridership incentives, and the balance of up to 2.5% awarded as special projects grants subject to CTB approval. Item 430.P of Chapter 1289 of the 2020 Virginia Acts of Assembly gave the CTB flexibility in applying these percentages to keep revenue streams relatively stable from FY20 to FY24 for each program. No deviations from the statute percentages were made in FY24.

- (3) Public Transportation Programs - Operating Assistance decreased by \$49.2 million from FY23 to FY24 to \$165.9 million. This was mainly due to the elimination of the CTB directed special allocation of \$47.8 million in FY23. The Operating Assistance line is made up of Commonwealth Mass Transit Funds of \$136.1 million, \$26.6 million in federal assistance through the FTA 5311 Rural Assistance program, \$2.2 million on projects administered by DRPT with funding allocated through VDOT's SYIP (CMAQ, RSTP, and related state match), and \$1.0 million of I-66 toll funds.
- (4) Public Transportation Programs - Capital Assistance increased by \$59.3 million to \$181.8 million. This increase is mainly attributable to the adverse effect of the Coronavirus on the ability of transit agencies and localities to fund and engage in longer-term capital projects in prior years and the anticipated reductions in the industry-wide supply chain issues in the future. Some capital facility projects have experienced cost increases due to COVID delays and inflation. This line item consists of \$80.0 million of Commonwealth Mass Transit funds, \$20.6 million of Transportation Capital Projects bond proceeds, \$4.0 million of FTA funding, \$0.4 million of FHWA funding, \$21.9 million of priority transportation funds, \$0.5 million of VW trust fund proceeds, and \$34.4 million of I-66 & I-395 tolls. Additionally, \$20.0 million in projects administered by DRPT with funding allocated through VDOT's SYIP (CMAQ, RSTP, and related state match) is included in this Service Area.
- (5) Public Transportation Programs – Special Programs increased \$1.8 million from FY23 to FY24 to \$10.4 million. Funding of \$10.3 million comes from the Commonwealth Mass Transit Fund and \$0.1 million is funded by the FTA. This service area includes Metrorail State Safety Oversight.
- (6) Public Transportation Programs - Ridership Incentive Programs increased \$0.3 million from FY23 to FY24 to \$24.6 million. This line item consists of \$24.1 million of Commonwealth Mass Transit Funds, and \$0.5 million of priority transportation funds. The FY24 budget supports projects such as zero-fare and reduced-fare programs and improved transit service in urbanized areas of the Commonwealth with a population in excess of 100,000 and to reduce barriers to transit use for low-income individuals.
- (7) WMATA Assistance increased \$15.6 million mainly due to the uplift in revenue. This Funding comes from the Commonwealth Mass Transit Fund to the Northern Virginia Transportation Commission for distribution to WMATA for capital purposes and operating assistance. Also included in FY22 and beyond is \$50.0 million of CMFTF funding to replace the bond program that was used in prior years for the Federal State of Good Repair Program.
- (8) The budgeted Commuter Assistance Programs line item increased by \$0.2 million to \$11.8 million from FY23 to FY24. Commuter Assistance Programs include Commonwealth Mass Transit Funds of \$4.9 million and FHWA funding of \$0.5 million. Additionally, \$6.4 million in projects administered by DRPT with funding allocated through VDOT's SYIP (CMAQ, RSTP, Telework and related state match) is included in this service area.
- (9) The budgeted Human Service Transportation Programs line item increased by \$3.1 million to \$13.4 million from FY23 to FY24. Funding includes \$9.6 million of FTA 5310 and 5311 awards. The match to these federal awards consists of \$2.4 million of Commonwealth Mass Transit State matching funds for the paratransit capital projects

and enhanced transportation services for the elderly and disabled, Transportation Capital Projects Bond proceeds of \$0.3 million, as well as \$1.0 million of local match to the FTA 5310 funds. Additionally, \$0.1 million in projects administered by DRPT with funding allocated through VDOT's SYIP (CMAQ, RSTP, Telework and related state match) is included in this service area.

- (10) Planning, Regulation, and Safety Programs consist of the FTA 5303/5304 planning funds of \$5.2 million and Commonwealth Mass Transit state match allocations of \$0.6 million.
- (11) Chapter 854 of the 2018 Acts of Assembly establishes dedicated capital funding for WMATA. Anticipated expenditures for FY24 are \$154.5 million.
- (12) The 2006 General Assembly passed legislation (§33.2-1602) to establish the Shortline Railway Preservation and Development fund. The fund was created to support the retention, maintenance, and improvement of shortline railways in Virginia and to assist with the development of railway transportation facilities. This line item increased \$0.1 million to \$11.2 million from FY23 to FY24. The source of funding for the Shortline Railway Preservation fund is the Transportation Trust Fund of \$10.4 million. The additional \$0.8 million of planned expenditures is funded by Transportation Capital Projects Bond proceeds allocated by the CTB.
- (13) The Rail Industrial Access Program funds construction of industrial access railroad tracks. The activities budgeted in this line item consist of Transportation Trust Fund allocations through VDOT of \$4.3 million.
- (14) The budgeted Planning and Freight Rail Programs line item of \$10.0 million represents a decrease of \$12.8 million from FY23 to FY24. The source of funding to cover these expenditures includes \$2.2 million from the 7% allocation of the Commonwealth Rail Fund. The Commonwealth Rail Fund is funded by a 7.5% allocation from the Transportation Trust Fund. Additionally, this line item includes Federal Railroad Administration funds of \$1.9 million, bond proceeds of \$2.5 million, expected VPRA transfers of \$3.3 million, and local matching funds of \$0.1 million.
- (15) The budget includes an estimate of \$159.1 million of Commonwealth Rail Funds to be transferred to the VPRA in FY24.
- (16) In December 2021, the Commonwealth Transportation Board restored \$39.8 million of Priority Transportation Funds to the Commonwealth Mass Transit Fund. In FY24, it is estimated that \$22.4 million of project funding will be used for zero-fare projects and transportation facilities.
- (17) The CTB is authorized by §33.2-1604 of the *Code of Virginia* to approve up to 3.5% per year of the Rail Preservation Fund and Commonwealth Rail Fund and by §33.2-1526.1 G of the *Code of Virginia* to approve up to 3.5% per year of the Commonwealth Mass Transit Fund to support costs of project development, project administration, and project compliance. The Appropriation's Act language allows the CTB to allocate up to 5% of the Rail Preservation Fund, Commonwealth Mass Transit Fund, and Commonwealth Rail Fund for use to support the DRPT costs of project development, project administration, and project compliance. DRPT forecasts that \$24.5 million (5.0%) of revenues from these funds are available to support the programs' ongoing administrative costs.

However, DRPT is forecasting that only \$19.6 million (4.0%) will be used to support the operating budget. The DRPT operating budget represents only 1.9% of the total \$1,040.6 million FY24 budget.

Major Components of Agency Operating Budget

Payroll and Fringe Benefits	\$ 10,300,000
Operations Program Support	5,200,000
Information Technology Costs	1,400,000
Central Service Agencies Indirect Costs	900,000
Rent	560,000
Attorney Services	400,000
Travel and Training	319,000
Office Expansion	265,000
Other Program and Project Management Initiatives	295,316
Total	<u>\$ 19,639,316</u>

Source of Funding for Agency Operating Budget

Commonwealth Mass Transit Fund	\$ 19,000,034
Commonwealth Rail Fund	478,882
Shortline Railway Preservation and Development Fund	160,400
Total	<u>\$ 19,639,316</u>