FY 2009 - 2014
Six-Year Improvement Plan Update

Reta R. Busher, CFO
November 19, 2008
Revenue Outlook

• The October estimate of state transportation revenues for FY 2009 – 2014 is $1.6 billion less than what was anticipated in June 2008.

• The final official revenue forecast will be provided by the State Department of Taxation in December.
Revenue Outlook

The federal revenue outlook is uncertain:

• In addition to the impacts of the economic downturn, SAFETEA-LU will expire at the end of federal fiscal year 2009

• Current forecasts for the Federal Highway Trust Fund indicate it will be out of cash at that time
Revenue Outlook

• The structure and funding levels of the next federal transportation authorizing legislation is unknown.

• We are continuing to forecast federal revenue growth based on Virginia’s estimated fuel consumption growth.

• To protect from over programming, federal funds are being held in reserve in the amount of $424.4 million.
Revised SYIP

All of VDOT’s programs will be impacted by the revenue reductions:

• The revised SYIP will reflect the impact of the revised revenues to the construction and maintenance programs.

• Reductions will be seen in the state formula distributions and in other dedicated and statewide construction amounts.
# Commonwealth Transportation Fund Revenue Summary

**FY 2009 - 2014**

(amounts in millions)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2009</th>
<th>2010</th>
<th>2011-2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 2008 Adopted</td>
<td>Revised October Forecast</td>
<td>Difference</td>
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<tr>
<td><strong>State Transportation</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Revenues</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>HMOF</td>
<td>$1,486.3</td>
<td>$1,322.3</td>
<td>$ (164.0)</td>
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<tr>
<td>TTF</td>
<td>988.8</td>
<td>914.2</td>
<td>(74.6)</td>
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<tr>
<td>PTF (From TTF)</td>
<td>159.5</td>
<td>152.3</td>
<td>(7.2)</td>
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<tr>
<td>Local and Other Revenues</td>
<td>460.4</td>
<td>460.4</td>
<td>(0.0)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,095.0</td>
<td>2,849.2</td>
<td>(245.8)</td>
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<tr>
<td><strong>Federal Revenues</strong></td>
<td>1,149.9</td>
<td>1,149.9</td>
<td>-</td>
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<tr>
<td><strong>Federal Contingency/Reserve</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Revenues (Net Reserve)</strong></td>
<td>4,245.0</td>
<td>3,999.1</td>
<td>(245.8)</td>
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<tr>
<td><strong>Other Financing Sources</strong></td>
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<td></td>
<td></td>
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<tr>
<td>Capital Improvement Bonds (To Be Adjusted)</td>
<td>425.0</td>
<td>425.0</td>
<td>-</td>
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<tr>
<td><strong>Total Revenues and Other Financing Sources (Net Reserve)</strong></td>
<td>$4,670.0</td>
<td>$4,424.1</td>
<td>$(245.8)</td>
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</tbody>
</table>
Estimated Construction Impacts

• The Interstate program is expected to be reduced by 5 to 10% in the current year and up to 25% in years FY 2010-2014.

• State Formula construction funds for Primary, Secondary and Urban will be reduced by 15 to 20% in the current year and up to 45% in years FY 2010-2014.

• The total construction program, including Dedicated and Statewide construction funds, will see reductions of 5 to 10% in the current year and up to 20% in years FY 2010-2014.
Next Steps

December CTB Meeting:
• Balancing FY 2009 and FY 2010 budgets to final revenue reductions.
• Reviewing Service Level reductions.
• Finalizing the Program reductions.

Month of January: (Tentative)
• Program Public Hearings (5)
• Adopt revised FY 2009-2014 Six-Year Improvement Program.
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