





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

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Commonwealth Transportation Fund Revenue Updates

**December 2017
Revenue
Forecast
update
increased by
\$134 million**

	(In millions)						
STATEWIDE	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	TOTAL
Impact by Fund							
HMOF	\$ (4.1)	\$ 4.8	\$ 10.4	\$ 17.4	\$ 11.8	\$ (5.6)	\$ 34.7
TTF	6.4	16.6	19.8	19.6	18.7	18.2	99.3
Total	\$ 2.3	\$ 21.4	\$ 30.2	\$ 37.0	\$ 30.5	\$ 12.6	\$ 134.0
TTF Breakdown							
Modal Distribution							
Highway Construction	2.9	6.3	7.7	10.1	9.6	3.8	40.4
Transit	0.5	1.2	1.4	1.9	1.8	0.7	7.5
Ports	0.2	0.3	0.4	0.5	0.5	0.2	2.2
Airports	0.1	0.2	0.2	0.3	0.3	0.1	1.2
Mass Transit	1.4	1.4	1.1	1.6	1.7	1.1	8.1
IPROC	0.5	0.5	0.6	0.7	0.7	0.3	3.3
Construction (Rental Tax - SGR)	0.3	0.3	0.1	0.3	0.3	0.3	1.5
Recordation Tax	(0.1)	2.6	5.2	5.2	5.2	5.2	23.3
3.11% to Commonwealth Capital Fund	0.7	0.7	0.8	0.7	0.6	0.3	3.8
.35% to transit operations	0.1	0.1	0.1	0.1	0.1	-	0.5
.24% to transit special programs	0.1	0.1	0.1	0.1	-	-	0.4
PTF	(0.2)	2.9	2.1	(1.9)	(2.0)	6.2	7.1
	\$ 6.4	\$ 16.6	\$ 19.8	\$ 19.6	\$ 18.7	\$ 18.2	\$ 99.3
REGIONAL							
Northern Virginia	13.6	16.4	19.8	20.5	20.8	20.8	111.9
Hampton Roads	2.9	0.8	0.6	0.6	0.5	1.2	6.6
Total	\$ 16.5	\$ 17.2	\$ 20.4	\$ 21.1	\$ 21.3	\$ 22.0	\$ 118.5

Revenue Estimate Updates

State Revenue Updates during FY 2018 – FY 2023 period

- **Sales Tax on Fuel increased \$120 million**
 - \$97 million for the HMOF
 - \$23 million for the TTF
- **Retail Sales and Use Tax collections for transportation are forecasted to be up by \$18 million; (\$30 million) for HMOF and \$48 million for TTF**
- **Expectations for Motor Vehicle Sales and Use Tax were reduced by \$57 million over the period**
- **Updates of other miscellaneous and dedicated revenues impact total available funding.**

Revenue Estimate Updates

- **Federal revenue is based on Federal FY 2018 apportionments and assumed Obligation Authority levels for the year provided under the FAST Act**

Current federal budget extension through March 23, 2018, obligation authority provided to Virginia based on portion of the year

Commonwealth Transportation Fund (CTF) Preliminary Fiscal Years 2019 – 2024 Six-Year Financial Plan Overview

- ❑ **The Six-Year Financial Plan (SYFP) identifies the planned funding for allocation to Highways, Transit, Ports and Aviation**
 - Builds upon prior SYFP
 - Reflects impact of new revenue forecast
 - Does not reflect impacts of pending legislation
- ❑ **The Preliminary Fiscal Years 2019 – 2024 SYFP allocates \$36.1 billion to Transportation programs**
- ❑ **Includes the use of \$698 million of GARVEE and CPR Bonds**
- ❑ **Transfers \$3.3 billion to the two Transportation Regions**
- ❑ **Dedicates \$15.8 billion for Maintenance and Operations**
- ❑ **Provides \$9.5 billion for Construction**

Commonwealth Transportation Fund Preliminary Fiscal Years 2019 – 2024 Six-Year Financial Plan Estimated Revenues (in millions)

	2019	2020	2021	2022	2023	2024	Total	FY 2018-2023	Difference
State Transportation Revenues									
HMO	\$ 2,071.2	\$ 2,097.9	\$ 2,124.6	\$ 2,135.8	\$ 2,139.5	\$ 2,157.0	\$ 12,726.0	\$ 12,537.0	\$ 188.9
TTF net interest	1,277.0	1,293.3	1,317.6	1,335.4	1,350.3	1,370.3	\$ 7,943.9	7,705.2	238.6
PTF (From TTF)	212.7	220.9	226.5	235.5	244.3	252.6	1,392.5	1,400.7	(8.2)
Local & Regional Project Participation	427.7	348.6	396.3	185.9	143.3	143.3	1,645.1	1,758.4	(113.3)
Other Revenue	195.6	170.4	183.8	187.3	169.3	169.9	1,076.3	1,937.8	(861.5)
Total	4,184.2	4,131.1	4,248.7	4,079.9	4,046.7	4,093.1	24,783.7	25,339.1	(555.4)
Federal Revenues	1,077.6	1,088.2	1,104.1	1,122.2	1,140.6	1,159.3	6,692.0	6,709.9	(17.9)
Total Revenues	5,261.8	5,219.4	5,352.8	5,202.1	5,187.2	5,252.3	31,475.6	32,049.0	(573.3)
Other Financing Sources									
GARVEE Bonds	85.7	101.2	98.0	76.3	100.0	125.0	586.2	574.3	11.9
Capital Improvement Bonds	61.6	50.0	-	-	-	-	111.6	234.5	(122.9)
Route 58	-	150.9	249.1	-	195.7	-	595.7	595.7	-
Total	147.3	302.1	347.1	76.3	295.7	125.0	1,293.5	1,404.5	(111.0)
Total Operating Revenues and Other Financing Sources	\$ 5,409.1	\$ 5,521.5	\$ 5,699.9	\$ 5,278.4	\$ 5,482.9	\$ 5,377.3	\$ 32,769.2	\$ 33,453.5	\$ (684.3)
Pass Through Revenues									
Regional Transportation Funds	533.6	529.4	541.4	552.3	563.3	574.6	3,294.6	3,094.0	200.6
Grand Total	\$ 5,942.7	\$ 6,050.9	\$ 6,241.3	\$ 5,830.7	\$ 6,046.2	\$ 5,951.9	\$ 36,063.8	\$ 36,547.5	\$ (483.7)

Commonwealth Transportation Fund Preliminary Fiscal Years 2019 – 2024 Six-Year Financial Plan Estimated Allocations (in millions)

	2019	2020	2021	2022	2023	2024	Total	2018 - 2023 SYFP	Difference
Debt Service	\$ 393.4	\$ 414.6	\$ 448.3	\$ 458.0	\$ 462.8	\$ 465.2	\$ 2,642.4	\$ 2,371.6	\$ 270.8
Other Agencies & Transfers	46.6	46.6	47.7	48.0	49.2	49.5	287.6	280.6	6.95
Maintenance & Operations	2,176.6	2,180.1	2,207.7	2,240.6	2,287.2	2,351.4	13,443.5	13,204.7	238.9
Administration & Other Programs	427.3	450.0	504.0	498.3	479.7	491.2	2,850.5	2,716.2	134.3
Toll Programs	61.2	60.8	61.3	64.8	65.0	65.2	378.3	462.4	(84.1)
Rail and Public Transportation									
Public Transportation	433.2	424.1	379.4	386.4	390.6	395.3	2,409.0	2,585.3	(176.3)
Rail Assistance	127.7	116.3	117.7	123.7	112.5	85.0	682.9	730.1	(47.2)
Other Programs and Administration	14.7	14.8	15.1	15.5	15.7	15.9	91.7	88.0	3.7
Port Trust Fund	43.2	43.8	44.7	45.0	45.5	46.2	268.4	261.2	7.1
Airport Trust Fund	24.6	25.0	25.5	25.7	26.0	26.4	153.1	149.0	4.1
Commonwealth Space Flight Fund	15.8	15.8	15.8	15.8	15.8	15.8	94.8	94.8	(0.0)
Construction ⁽¹⁾	1,644.8	1,729.6	1,832.7	1,356.6	1,533.0	1,370.3	9,467.0	10,509.6	(1,042.6)
Total Operating Programs	\$ 5,409.1	\$ 5,521.5	\$ 5,699.9	\$ 5,278.3	\$ 5,482.9	\$ 5,377.3	\$ 32,769.2	\$ 33,453.5	\$ (684.3)
Pass Through Programs									
Northern Virginia Transportation Authority Fund	364.5	357.3	364.3	370.7	377.1	383.6	2,217.5	2,054.1	163.4
Hampton Roads Transportation Fund	169.1	172.1	177.1	181.6	186.2	191.0	1,077.1	1,039.9	37.2
Subtotal	533.6	529.4	541.4	552.3	563.3	574.6	3,294.6	3,094.0	200.6
Total	\$ 5,942.7	\$ 6,050.9	\$ 6,241.3	\$ 5,830.6	\$ 6,046.2	\$ 5,951.9	\$ 36,063.8	\$ 36,547.5	\$ (483.7)

⁽¹⁾ Allocations reflect 2018-2023 SYIP assumptions for funding for highways that was programmed for rail and public transportation. Distribution to Public Transportation, Rail Assistance, Other Programs and Administration to be determined.



Programmatic Changes for VDOT

Environmental Program - Addressing Total Maximum Daily Load (TMDL)

MS4/TMDL investment needed to address requirements

- Additional funding for compliance activities.
- Funding transferred and provided in new Service Area for MS4 Efforts within the Program; Continuing investment commitment from previous SYFP
- Providing an additional \$14.4 million through FY 2023 over previous plan

Programmatic Changes for VDOT

Maintenance Growth Rate Updates

Background: FY 2018-2023 SYFP Assumptions

Given impact of revenue reductions anticipated in December 2016 that supported the FY 2018-2023 planning period and the positive impact of State of Good Repair, reductions were imposed after applying CPI growth (2.5%, 2.5%, 2.6%, respectively)

- FY 2018 \$25 million one-time
- FY 2019 \$12 million one-time
- FY 2020 \$75 million base reduction

Adjustments were applied to the VDOT Maintenance Program and to City and County Street Maintenance Payments based on pro rata shares (77% and 23%, respectively).

After applying the reductions, the effective growth rate was 1.2%, 3.2%, and -0.5%

Programmatic Changes for VDOT

Maintenance Growth Rate Updates

- Updates were made for the CPI rates for the FY 2019-2024 draft plan,
- Lower CPI rates would have further reduced program allocations
FY 2019 2.0% and FY 2020, 2.5%
- To mitigate, the reductions implemented for FY 2019 and FY 2020 were adjusted
 - FY 2019 \$2.26 million one-time
 - FY 2020 \$62.65 million base reduction
- Adjustments retain the effective growth rates from the prior SYIP; 3.2%, and -0.5% for FY 2019 and FY 2020

Assumptions for Highway Construction Programs

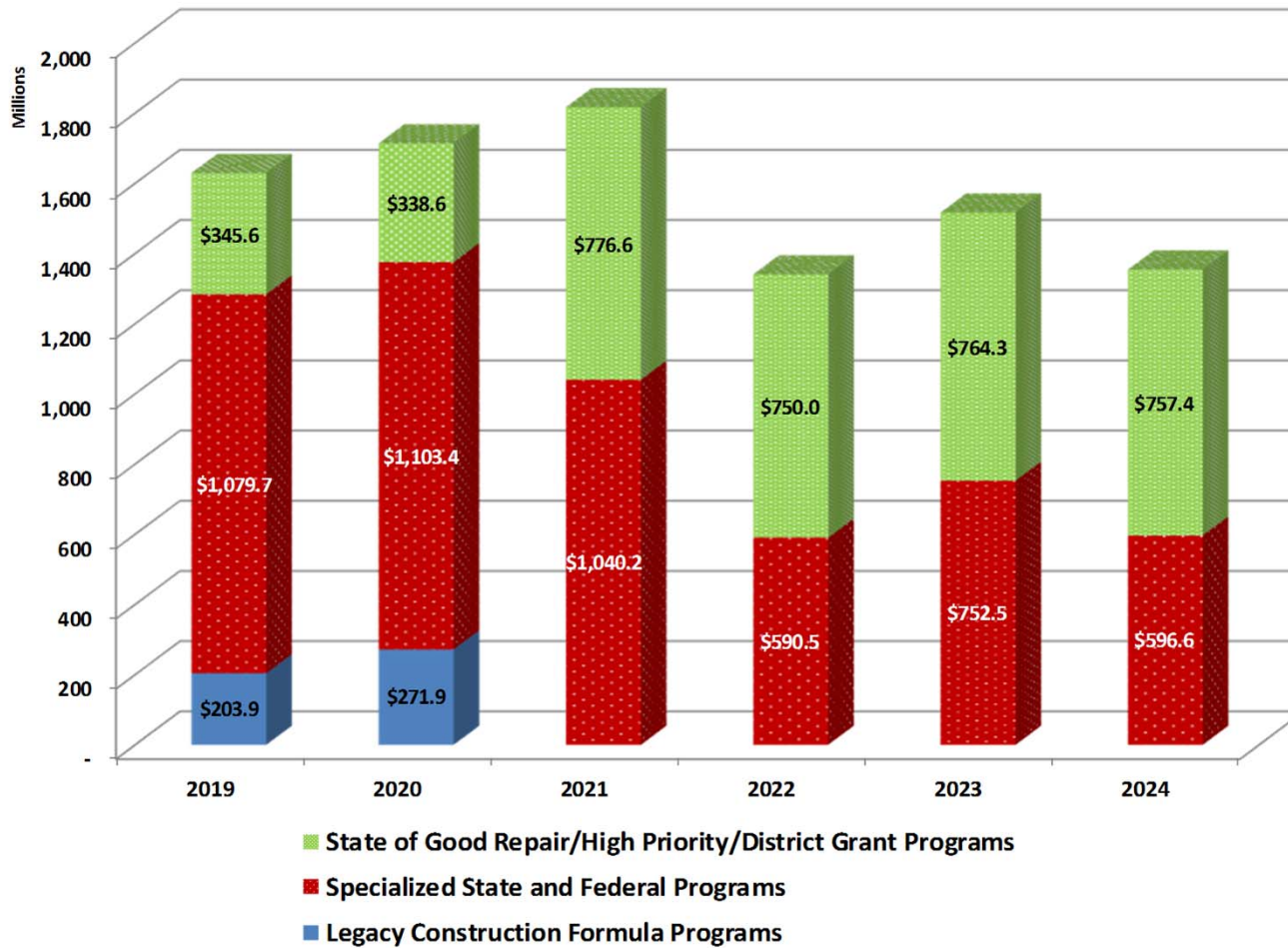
- **Savings from GARVEE Refundings and 2017 sale released approximately \$25 million in federal funds from debt service.**
- **Revenue Sharing Program remains at \$100 million in state funding.**
- **From High Priority Projects Program, the Innovation and Technology Transportation Fund (ITTF) continues with previous assumptions and \$20 million in FY 2024**
- **From District Grant Program, Unpaved Roads funding continues with previous assumptions and \$20 million in FY 2024**

Assumptions for Highway Construction Programs

Based on the updated revenue and programmatic assumptions noted:

- The adjustments to State of Good Repair would reflect an estimated \$8 million in additional allocation through FY 2023; an additional \$16 million for Smart Scale categories during the same period.
- The estimated amount for allocation in FY 2024 is \$291 million for State of Good Repair and \$467 million for High Priority Projects and the District Grant Programs.
 - In addition to the 45% share of funds available, SGR received a share of the Rental Tax (§ 58.1-1741 of the Code of Virginia)
 - In addition to the 55% share of funds available, HPP and DGP receive an allocation of GARVEE Bonds that are shared, ensuring the same overall amount of monies through the mix of bond proceeds, state allocations and federal allocations. (Appropriation Act, Chapter 836, Item 436, A. 11.)

Preliminary Construction Funding Available



Next Steps

Review implications of additional employee benefit costs:

- Health Insurance
- Pay Raise in Governor's Introduced Budget

Updates from 2018 General Assembly Session

Monitoring status of federal funding

Provide update at March CTB meeting