



Revised FY 2010 - 2015 Six-Year Improvement Program

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November 18, 2009

Revised FY2010-2015 SYIP

- **Implements policy to eliminate federal STP formula distribution**
- **Reduced transit operating funds based on formula**
 - Rural and small urban reductions offset by flexed ARRA funds
- **State transit capital grants reduced**
- **Eliminate revenue sharing program in FY12**
- **Capital project revenue bonds**
 - \$1.9 billion programmed
 - Bonds are necessary throughout program's life to fully match federal funds
 - Available state debt capacity and insurance premium revenues determine ability to utilize

**Revised
Highway Construction
Six Year Improvement Program
FY 2010 - 2015**

Principles for SYIP FY 2010-2015 Update

- **Maximize use of funds to meet federal strategy**
- **Fund underway project phases as well as project phases that start in FFY 2010**
- **Eliminate formula distribution of federal STP funds**
 - **Concentrate federal formula STP funds to advance project phases to completion**
- **Increase federal funds in maintenance program**

What was funded?

- **Projects for federal strategy**
- **Increased estimates on projects underway or phase starts in FFY 2010**
- **Bridges – Interstate, Primary, Secondary & Urban**
 - **Jefferson Park (Charlottesville)**
 - **Rt 29 (Pittsylvania)**
 - **I-81 (Montgomery)**
- **Projects supporting economic competitiveness:**
 - **I-564**
 - **Midtown PPTA**
 - **I-95/I-395 PPTA**
 - **I-495 PPTA**

Highway Program

(w/o Fed Reserve)

	Approved FY 2008- 2013	Approved FY 2009- 2014	Revised FY 2009- 2014	Approved FY2010- 2015	Revised FY2010- 2015
Interstate	\$2.1 b	\$2.1 b	\$1.4 b	\$1.3 b	\$1.4 b
Primary	\$2.0 b	\$1.6 b	\$1.3 b	\$1.0 b	\$1.1 b
Secondary	\$1.3 b	\$1.0 b	\$0.6 b	\$0.5 b	\$0.3 b
Urban	\$1.1 b	\$0.8 b	\$0.5 b	\$0.4 b	\$0.3 b
Federal Funds Maintenance	\$0.9 b	\$1.0 b	\$1.2 b	\$1.2 b	\$1.3 b
MPO	\$0.6 b	\$0.6 b	\$0.5 b	\$0.6 b	\$0.6 b
Safety, Enh, Rail, Other	\$0.6 b	\$0.8 b	\$0.5 b	\$0.5 b	\$0.5 b
Total	\$8.6 b	\$7.9 b	\$6.0 b	\$5.5 b	\$5.5 b

Federal Reserve

- **Congress is still working on legislation for the Highway Trust Fund authorization for FY 2010 forward**
 - Existing authorization expired in September
 - Congress passed two continuing resolutions, current resolution expires on December 18, 2009
- **The \$627 M reserve may become available for programming either through a final federal appropriation (as opposed to a continuing resolution) or a new surface transportation authorization**
- **Should funds become available, VDOT recommends that be aggregated and used for a small handful of key projects. Candidate projects include:**
 - Mandatory regional STP, CMAQ, enhancement and safety programs
 - Midtown Tunnel PPTA project enhancement and project oversight
 - I-95 PPTA project oversight
 - Rt. 460 PPTA project enhancement
 - Coalfields Expressway PPTA project enhancement
 - High Speed Rail project enhancement

**Revised
Public Transportation and Rail
Six Year Improvement Program
FY 2010 - 2015**

DRPT Revenue Reduction Summary

- **Revenue reductions are associated with specific funding sources; not all funding sources are affected**
- **Capital reductions only for projects with funding from the Mass Transit Trust fund**
- **Transit operating fund reductions affect all transit operators, but ARRA funds will eliminate the impact for rural and small urban operators**
- **In FY 2011 state operating assistance is projected to be about 7% lower than the amounts awarded in the June 2009 program.**

Rail & Transit Revenues Summary

Impact of Recession

- **Significant negative impact on revenues at the state level due to the economic downturn**
 - **Decreased revenues from general sales tax and vehicle/fuel taxes and fees (Mass Transit Trust fund)**
 - **Decline in home sales (recordation taxes)**
 - **Decline in underlying insurance premium tax revenues (transportation capital bonds)**
 - **Decline in vehicle rentals (Rail Enhancement fund)**
- **22% reduction in transit revenues from the June 2008 approved Six Year Improvement Program for FY 2010 (\$38 million loss of revenue)**
- **20% reduction in rail revenues from the June 2008 approved Six Year Improvement Program for FY 2010 (\$5 million loss of revenue)**

Rail & Transit Revenues Summary

Impact of Recession

- **Recordation tax revenues are approximately $\frac{1}{2}$ of the annual amount originally estimated at the time of the legislation**
 - **\$22.3 million vs. \$45 million**
- **Transportation Capital Projects Bonds**
 - **20% minimum to transit**
 - **4.3% minimum to rail**
 - **Latest analysis shows \$2.4 billion in bonding capacity through 2017 compared to original \$3 billion estimate**

DRPT Revenue Reductions

SYIP FY 2010 – FY 2015

- DRPT program funding must be reduced to reflect revised revenue estimates of November 2009
- FY 2010 – FY 2015 Reductions: \$97,575,300 total

	FY10-FY15 SYIP June 2009	Nov. 2009 Revenue Reduction	FY10-FY15 Revised Revenues	% Reduction
Mass Transit Trust Fund	\$817,715,627	\$(70,500,300)	\$747,215,327	-8.62%
Recordation Tax	141,600,000	<u>(7,800,000)</u>	133,800,000	-5.51%
Total Transit Reductions		<u>(78,300,300)</u>		-8.16%
Rail Enhancement	155,470,000	<u>(19,275,000)</u>	136,195,000	-12.40%
Total DRPT Reductions		<u>\$(97,575,300)</u>		-8.75%

FY 2010 Revenue Reductions

Revenue Source	FY 2010 SYIP June 2009	FY 2010 Nov. Revised Revenue	Nov. 2009 Revenue Reduction	% Reduction
Mass Transit Trust Fund	\$123,544,424	\$113,902,693	(\$9,641,731)	-7.80%
Recordation Tax	23,600,000	22,300,000	(1,300,000)	-5.51%
Transit Total	<u>147,144,424</u>	<u>136,202,693</u>	<u>(10,941,731)</u>	-7.44%
Rail Enhancement	<u>\$24,157,000</u>	<u>\$21,757,000</u>	<u>(\$2,400,000)</u>	-9.94%

Transit FY 2010 Revenue Reductions Programmatic Impact

Transit capital grants	(7.8%)
Large urban transit operating	(5.7%)
Small urban transit operating	----
Rural transit operating	----

- **Reductions in transit operating grants ‘offset’ by flexing ARRA transit capital funds to operating**
 - **Rural and small urban operators local share remains the same**
- **Transit capital grant reductions impact seven transit operators**
- **ARRA transit capital grants not affected by reductions**

DRPT FY 2010 Administrative Reductions

	FY 2010 CTB Approved Program	Nov. 2009 Revised Allocations	Nov. 2009 Allocation Reductions	% Reduction
Mass Transit Trust (2.3%)	\$2,841,521	\$2,608,232	(\$233,289)	-8.21%
Recordation Tax (2.3%)	542,800	512,900	(29,900)	-5.51%
Rail Enhancement (2.3%)	555,611	500,411	(55,200)	-9.94%
Other Adjustment	4,768,580	4,291,722	(476,858)	-10.00%
	<u>\$8,708,512</u>	<u>\$7,913,265</u>	<u>(\$795,247)</u>	-9.13%

Next Steps

- **DRPT currently amending FTA 5311 – Rural operating program and ARRA applications to reflect new funding mix**
- **Remaining balance of ARRA funds - \$10,149,511**
 - **DRPT recommendations in October**
 - **CTB action in November**
- **VDOT and DRPT Public hearing on December 1st on the Draft Revised FY 2010 – FY 2015 SYIP**
- **CTB action on the Revised program in December**



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