



## **FY 2011 Budget / Actual Performance through December 2010**

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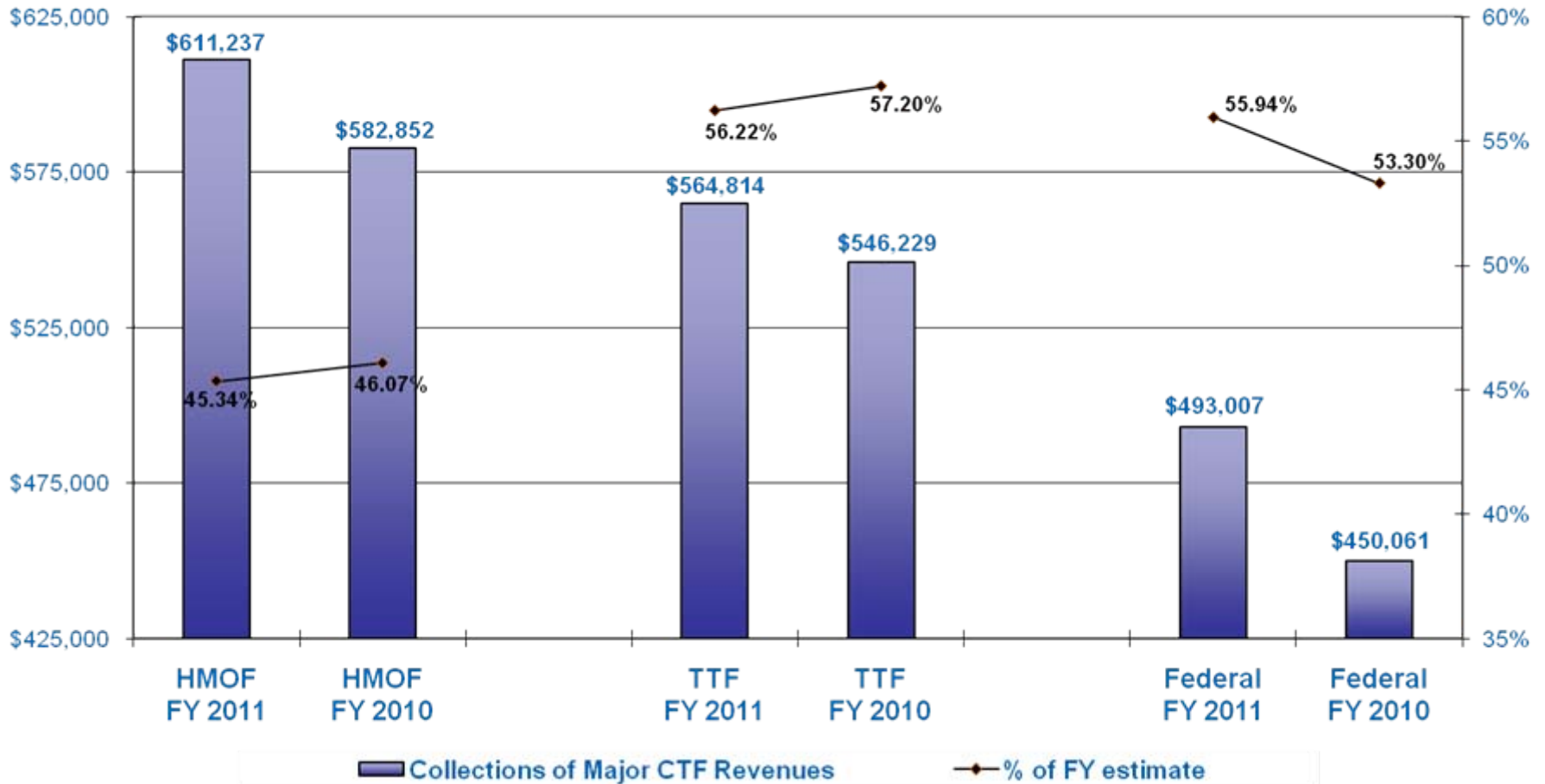
# FY 2011 Budget

- ❑ VDOT's annual budget for Fiscal Year 2011 as approved in June totaled \$3.32 billion.
- ❑ 58% of the supporting revenues are from State sources.
- ❑ Federal revenues represent 27% of funding.
- ❑ The remaining 15% are from other sources such as bonds and local revenues.
- ❑ \$1.7 billion (50%) is allocated to maintenance and operations, including locality maintenance payments.
- ❑ \$1 billion (30%) is allocated to construction.
- ❑ Current operating budget including carryover of prior year maintenance balances, ARRA Projects, new federal grants, bonus obligation authority and other miscellaneous adjustments is \$4.2 billion.

# Revenue Collections From Major Sources FY 2011 and FY 2010 through December 31

(Dollars in Thousands)

Revenue collections for all major sources are up from FY 2010.



## CTF Revenue Collections

- ❑ Year-to-date CTF revenues are up 4.1 percent including transfers directed by the Appropriation Act.
- ❑ Motor Fuels Tax collections are up 2.5 percent year over year, however currently lower than the expected annual growth of 3.1 percent.
- ❑ Motor Vehicle Sales and Use tax collections are up 12.3 percent.
  - Exceeding the estimated 6.9 percent growth for the year.
  - Sales are improving slowly; not expected to reach normal volumes until early 2013.
- ❑ Year-to-date sales tax collections have increased by 1.7 percent when include the transfers directed by the Appropriation Act, performing better than estimate of a 2.0 percent reduction.

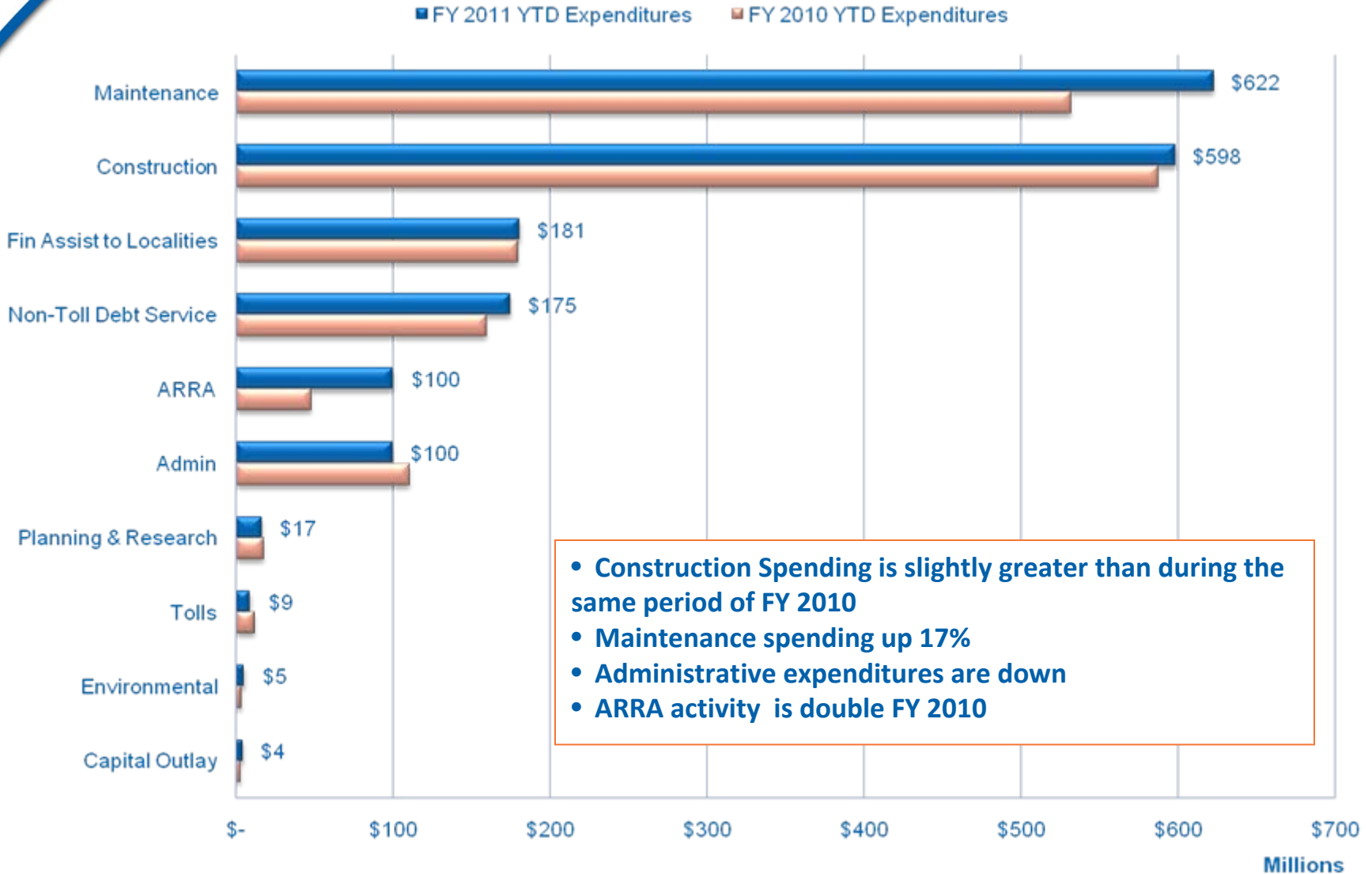
## Spending through December 2010

- ❑ Expended \$1.81 billion through December 31, 2010.
- ❑ Represents 43 percent of the operating budget expended through 50 percent of the fiscal year.
- ❑ Spending is \$161 million greater than in FY 2010 - \$1.65 billion.
- ❑ Labor expenditures are down, \$256 million versus \$292 million through the same period in FY 2010.
  - Represent only 14 percent of total expenditures.

# Spending through December by Program

Program	FY 2011			FY 2010		
	Budget	YTD	%	Budget	YTD	%
		Expended	Expended		Expended	Expended
Environmental	\$ 12.5	\$ 5.4	43%	\$ 8.8	\$ 3.1	36%
Planning & Research	47.0	16.6	35%	47.3	17.5	37%
Construction	1,014.6	598.4	59%	1,018.0	587.5	58%
ARRA	266.5	100.3	38%	305.3	47.8	16%
Maintenance	1,899.7	622.5	33%	1,661.7	531.7	32%
Tolls	49.1	9.3	19%	51.4	11.5	22%
Financial Assistance to Localities	366.5	180.8	49%	353.3	179.4	51%
Debt Service	281.5	174.7	62%	247.4	159.6	64%
Administrative and Support Services	240.1	99.8	42%	255.4	110.2	43%
Capital Outlay	4.1	4.5	110%	2.2	2.9	131%
<b>Total VDOT Programs</b>	<b>4,181.6</b>	<b>1,812.1</b>	<b>43%</b>	<b>3,950.8</b>	<b>1,651.1</b>	<b>42%</b>
Support to Other State Agencies	42.4	13.8	33%	45.0	13.5	30%
Support to DRPT and Ports Programs	11.9	11.3	94%	18.5	8.1	44%
<b>TOTAL</b>	<b>\$ 4,236</b>	<b>\$ 1,837</b>	<b>43%</b>	<b>\$ 4,014</b>	<b>\$ 1,673</b>	<b>42%</b>

# Expenditures through December by Program



# Maintenance Program

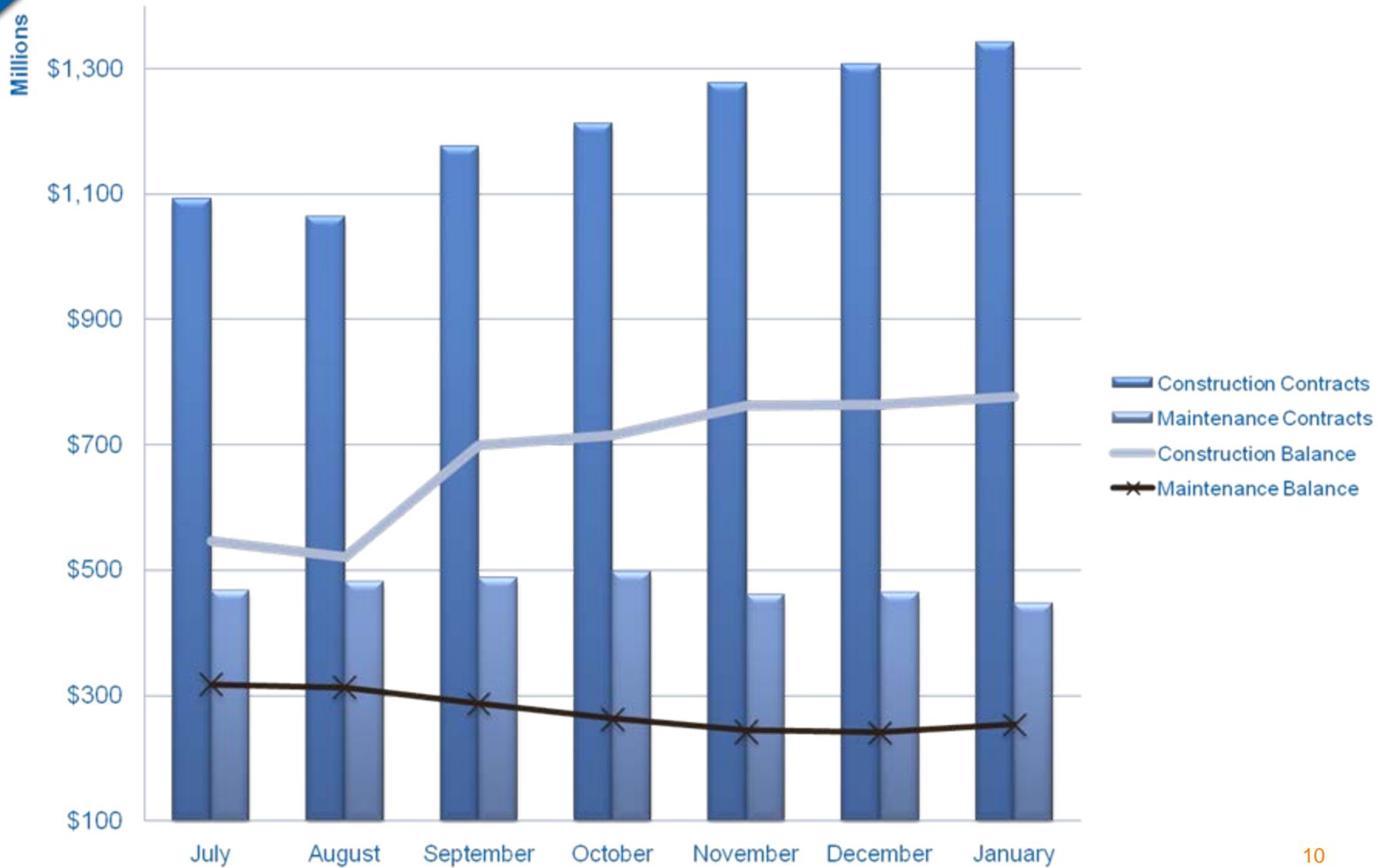
- ❑ **Expended \$622.5 million through December**
  - \$491.2 million state
  - \$131.3 million federal
  
- ❑ **In comparison to FY 2010, total expenditures were \$531.7 million**
  - \$405.9 million state
  - \$125.8 million federal
  
- ❑ **17 percent increase over FY 2010**
  - Most of the increased spending is state funded work
  - Includes an additional \$12.2 million more of snow operations costs than through December 2009.



# Maintenance Program

- ❑ **December Final Budget and Expenditure Report for System Operations reported spending through December was \$44.3 million (6.7 percent) less than the Spend Plan.**
- ❑ **Ending the year on target with the spend plan will result in a \$400 million balance.**
- ❑ **Actions taken to reduce the unspent balance include:**
  - Increasing the amount of 2010 contract paving work that is expected to be completed by June 1, 2011 of approximately \$70 million.
  - By the end of December, approximately \$490 million in contracts for the FY 2011 paving season were advertised, more than double the amount this time last year.
- ❑ **Assuming the industry starts work on these contracts in the Spring, spending in the last quarter of FY 2010 is anticipated to be high.**
  - Historically, fourth quarter expenditures related to paving contracts are between 20 and 25 percent of the contract values.
  - This would represent approximately \$98 to 123 million in paving work.
- ❑ **If spending on the new paving contracts fall short of this estimate, the end of the year balance could be much greater.**

# Contract Work Underway



# Cash Balances December 30, 2010

- ❑ **Current cash balances by fund.**
- ❑ **HMOF and Construction Fund represent the major operating funds.**
- ❑ **Other funds are dedicated to specific programs.**

	(in millions)
	<b>FY 2011</b>
Highway Maintenance and Operating	\$ 399.7
Trans Partnership Opportunity Fund	19.1
Concession Fund	56.8
Transportation Trust Funds:	
Construction	370.9
Priority Transportation	179.6
Federal Reimb. Anticipation Notes	0.1
Toll Facilities Revolving	<u>135.7</u>
Total Transportation Trust Fund	686.3
ARRA	1.4
CPR Bonds Fund <i>(Cash and Securities Held by Outside Trustee)</i>	<u>57.2</u>
Grand Total	\$ 1,220.5

## Cash Outlook

- ❑ **The HMOF began the year at \$440 million and based on spending through December and current projections, will end the year with a similar balance without significant spending of the new maintenance contracts by the paving industry.**
  
- ❑ **The Construction fund began the year at \$480 million and is forecasted to end the year down approximately \$120 million.**
  - Balance reflects \$130 million of anticipated unreimbursed CPR bond expenditures.
  - Projections do not include the use of unspent construction funds as recommended by the audit.

## Summary

- ❑ Significant efforts have been made to advertise contracts for additional work.
- ❑ Spending activity on the new contract work is not expected to begin until next Spring.
- ❑ Year-end balances are largely dependant upon how aggressively the industry executes the contract work.
- ❑ Winter weather could be a big factor.
- ❑ Will continue to closely monitor actual revenue collections and expenditures.