



**Proposed Adjustments to the
FY 2015 - 2020 SYIP, CTF and VDOT Budgets**

Laura Farmer
Director, Financial Planning Division
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Highlights

- ❑ Since HB 2313 was passed in 2013, revenue forecast updates and actions included in the Biennial Budget have resulted in a loss of \$1.02 billion in funding for transportation.
- ❑ The majority of the impact is felt in the Construction and Mass Transit programs.
- ❑ While most of the VDOT revenue reductions were in the HMOF, crossover has increased to maintain the funding to Maintenance.
- ❑ Agency actions have been incorporated to reduce the impact on core programs.
- ❑ The result is a reduction in the funding available for distribution through the CTB Alternate Formula of \$129.5 million, of which \$95 million is in the current fiscal year.

Factors requiring Revised FY 2015 Budget and FY 2015 – 2020 SYFP

- ❑ The Six-Year Financial Plan (SYFP), Commonwealth Transportation Fund (CTF) Budget, VDOT Budget, DRPT Budget and the Six-Year Improvement Program (SYIP) were considered and approved by the CTB in June 2014.
- ❑ This action was prior to the General Assembly and Governor finalizing the Biennial Budget for the Commonwealth at the end of June 2014
 - Pending items in the unapproved Biennial Budget impacting transportation were incorporated in the SYFP in a conservative manner to ensure funding would be in place if needed.
 - Several transportation commitments were included in approved Biennial Budget that were unknown when the SYFP was finalized.

Actions from 2014-2016 Biennial Budget

Items from Biennial Budget

(in millions)

	FY 2015	FY 2016	Total
HMOF to General Fund	\$ (30.0)	\$ 30.0	\$ -
TTF Transfer to General Fund	(31.1)	-	(31.1)
Item 428, Additional support for VCSFA Unmanned aircraft system (UAS) test	(5.8)	-	(5.8)
Item 454, Virginia Port Authority, Planning and PE work for dredging Norfolk harbor channel	(3.1)	(3.1)	(6.2)
	\$ (70.0)	\$ 26.9	\$ (43.1)

August Revenue Updates, Combined Impact

- ❑ The Governor provided an update on the Commonwealth's revenue collections and future expectations on August 15, 2014.
 - ❑ Related updates to transportation revenues were provided.
 - ❑ Reductions range from a low of 0.4% in FY 2018 to a high of 3.3% in FY 2015
 - ❑ These reductions are in addition to those included in the December 2013 revenue forecast for FY 2014 – 2019. (\$795.6 state revenue, \$123.1 million federal revenue)
 - ❑ Impacts all six years of the current SYFP; necessitates revisions to the CTF, DRPT and VDOT budgets and the FY 2015 – 2020 SYIP

- ❑ Combined reductions of the Biennial Budget actions and the August revenue update range from a low of 0.4% in FY 2018 to a high of 5.6% in FY 2015



August State Revenue Forecast Changes

(in millions)

Source	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
Motor Vehicle Sales and Use Tax	\$ (40.5)	\$ (19.1)	\$ -	\$ -	\$ -	\$ 0.4	\$ (59.2)
License Fees	(11.0)	(9.2)	(9.6)	(10.9)	(9.6)	(10.9)	(61.2)
Retail Sales and Use Tax	(3.9)	(5.7)	2.4	2.7	1.1	(1.4)	(4.8)
Recordation Tax	(7.6)	(7.6)	(7.6)	(7.6)	(7.6)	(7.6)	(45.6)
All Other Sources	(1.6)	0.1	0.9	1.0	1.5	2.1	4.0
Total	\$ (64.6)	\$ (41.5)	\$ (13.9)	\$ (14.8)	\$ (14.6)	\$ (17.4)	\$ (166.8)

Impact by Fund

HMOF	(49.2)	(28.7)	(14.8)	(15.8)	(15.3)	(17.4)	(141.2)
TTF	(15.4)	(12.8)	0.9	1.0	0.7	-	(25.6)

Insurance Premiums for PTF 10.5 13.7 13.4 15.6 13.0 17.5 83.7

Updates for regional revenues established by HB 2313 (2013) will be provided by the Department of Taxation in December.

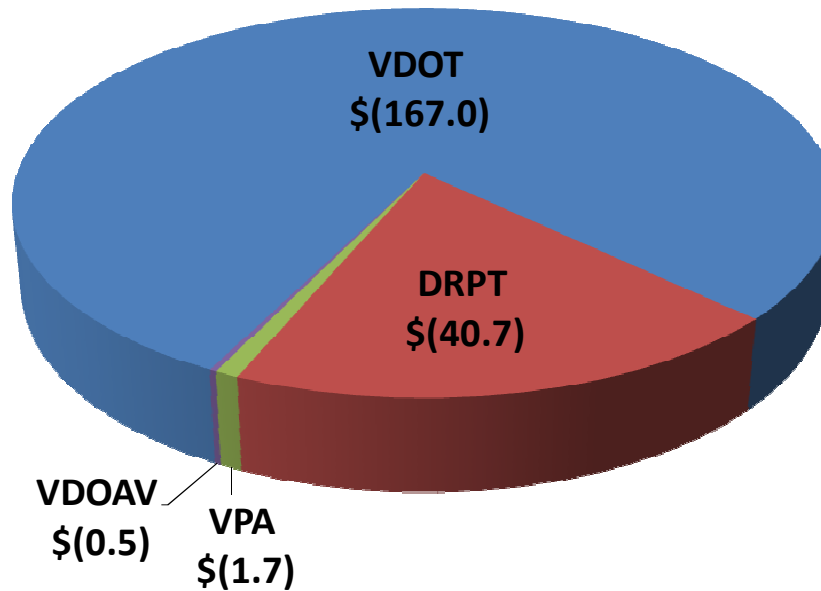
Summary

Estimated impact by Agency

(in millions)

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
Biennial Budget Actions	\$ (70.0)	\$ 26.9	\$ -	\$ -	\$ -	\$ -	\$ (43.1)
August Revenue Update	(64.6)	(41.5)	(13.9)	(14.8)	(14.6)	(17.4)	(166.8)
Total	(134.6)	(14.6)	(13.9)	(14.8)	(14.6)	(17.4)	(209.9)

Impact by Agency





Preliminary Revised Six-Year Financial Plan Revenues (in millions)

	2015	2016	2017	2018	2019	2020	Total	Original 2015-2020 Total Revenue	Difference
State Transportation Revenues									
HMO	\$1,775.1	\$1,927.4	\$1,989.9	\$2,013.1	\$2,037.5	\$2,061.4	\$ 11,804.4	\$11,945.6	\$ (141.2)
TTF net interest	1,095.7	1,139.1	1,188.2	1,222.0	1,254.6	1,287.9	7,187.5	7,213.1	(25.6)
PTF (From TTF)	179.2	191.0	196.5	205.5	213.8	225.3	1,211.3	1,127.6	83.7
Regional Transportation Funds	455.2	494.1	512.1	531.5	551.9	572.5	3,117.2	3,117.2	-
Local and Other Revenues	352.1	387.6	361.7	365.7	370.1	374.9	2,212.0	2,172.0	40.0
Total	<u>3,857.3</u>	<u>4,139.2</u>	<u>4,248.4</u>	<u>4,337.7</u>	<u>4,427.8</u>	<u>4,522.0</u>	<u>25,532.4</u>	<u>25,575.5</u>	<u>(43.1)</u>
Federal Revenues	<u>903.9</u>	<u>922.8</u>	<u>922.8</u>	<u>922.8</u>	<u>922.8</u>	<u>922.8</u>	<u>5,517.9</u>	<u>5,516.5</u>	<u>1.4</u>
Total Revenues	<u>4,761.2</u>	<u>5,061.9</u>	<u>5,171.2</u>	<u>5,260.5</u>	<u>5,350.6</u>	<u>5,444.8</u>	<u>31,050.3</u>	<u>31,092.0</u>	<u>(41.7)</u>
Other Financing Sources									
GARVEE Bonds	-	375.0	225.2	130.0	110.0	-	840.2	840.2	-
Capital Improvement Bonds	122.9	122.9	122.9	122.9	61.6	50.0	603.2	603.2	-
Total	<u>122.9</u>	<u>497.9</u>	<u>348.1</u>	<u>252.9</u>	<u>171.6</u>	<u>50.0</u>	<u>1,443.5</u>	<u>1,443.5</u>	<u>-</u>
Total Revenues and Other Financing Sources	<u>\$4,884.1</u>	<u>\$5,559.8</u>	<u>\$5,519.3</u>	<u>\$5,513.4</u>	<u>\$5,522.2</u>	<u>\$5,494.8</u>	<u>\$ 32,493.8</u>	<u>\$32,535.5</u>	<u>\$ (41.7)</u>

Updates for regional revenues established by HB 2313 (2013) will be provided by the Department of Taxation in December.



Preliminary Revised Six-Year Financial Plan Allocations (in millions)

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Total	Original 2015-2020 Allocation	Difference
Debt Service / Debt Service Reserve	\$ 366.4	\$ 373.0	\$ 406.9	\$ 431.0	\$ 445.1	\$ 470.0	\$ 2,492.4	\$ 2,408.7	\$ 83.7
Other Agencies & Transfers	132.8	63.9	59.3	59.7	44.9	45.8	406.4	333.3	73.1
Maintenance & Operations	1,920.9	1,982.4	2,026.4	2,061.0	2,098.1	2,137.9	12,226.5	12,229.0	(2.5)
Tolls, Administration & Other Programs	437.2	441.1	450.2	461.1	471.1	482.5	2,743.3	2,762.5	(19.2)
Rail and Public Transportation	507.5	526.9	541.1	595.4	541.2	525.4	3,237.5	3,278.8	(41.3)
Port Trust Fund	36.6	40.9	42.7	43.9	45.0	46.2	255.4	256.4	(1.0)
Airport Trust Fund	20.9	23.4	24.4	25.0	25.7	26.3	145.7	146.3	(0.6)
Northern Virginia Transportation Authority Fund	299.3	310.4	321.0	332.3	344.1	356.4	1,963.4	1,963.4	-
Hampton Roads Transportation Fund	155.9	183.7	191.1	199.1	207.7	216.2	1,153.8	1,153.8	-
Construction	1,006.5	1,614.2	1,456.3	1,304.9	1,299.3	1,188.2	7,869.4	8,003.3	(133.9)
Total	\$4,884.1	\$5,559.8	\$5,519.3	\$5,513.4	\$5,522.2	\$5,494.8	\$32,493.8	\$32,535.5	\$ (41.7)

Updates for regional revenues established by HB 2313 (2013) will be provided by the Department of Taxation in December.

Preliminary Revised CTF 2015 Budget

(in millions)

Revenue

Highway Maintenance and Operating Fund	\$ 1,804.6
Transportation Trust Fund	1,391.0
Northern Virginia Transportation Authority Fund	299.3
Hampton Roads Transportation Fund	155.9
Priority Transportation Fund	207.9
Bonds	122.9
Federal Fund	902.5
Total	\$ 4,884.1

Allocations

Debt Service	\$ 328.9
Other Agencies & Transfers	136.0
Maintenance & Operations	1,920.9
Tolls, Administration & Other Programs	437.2
Regional Transportation Funds	455.2
Rail and Public Transportation	504.3
Airport Trust Fund	20.9
Port Trust Fund	36.6
Construction	1,044.0
Total	\$ 4,884.1

Actions to Mitigate Reductions VDOT

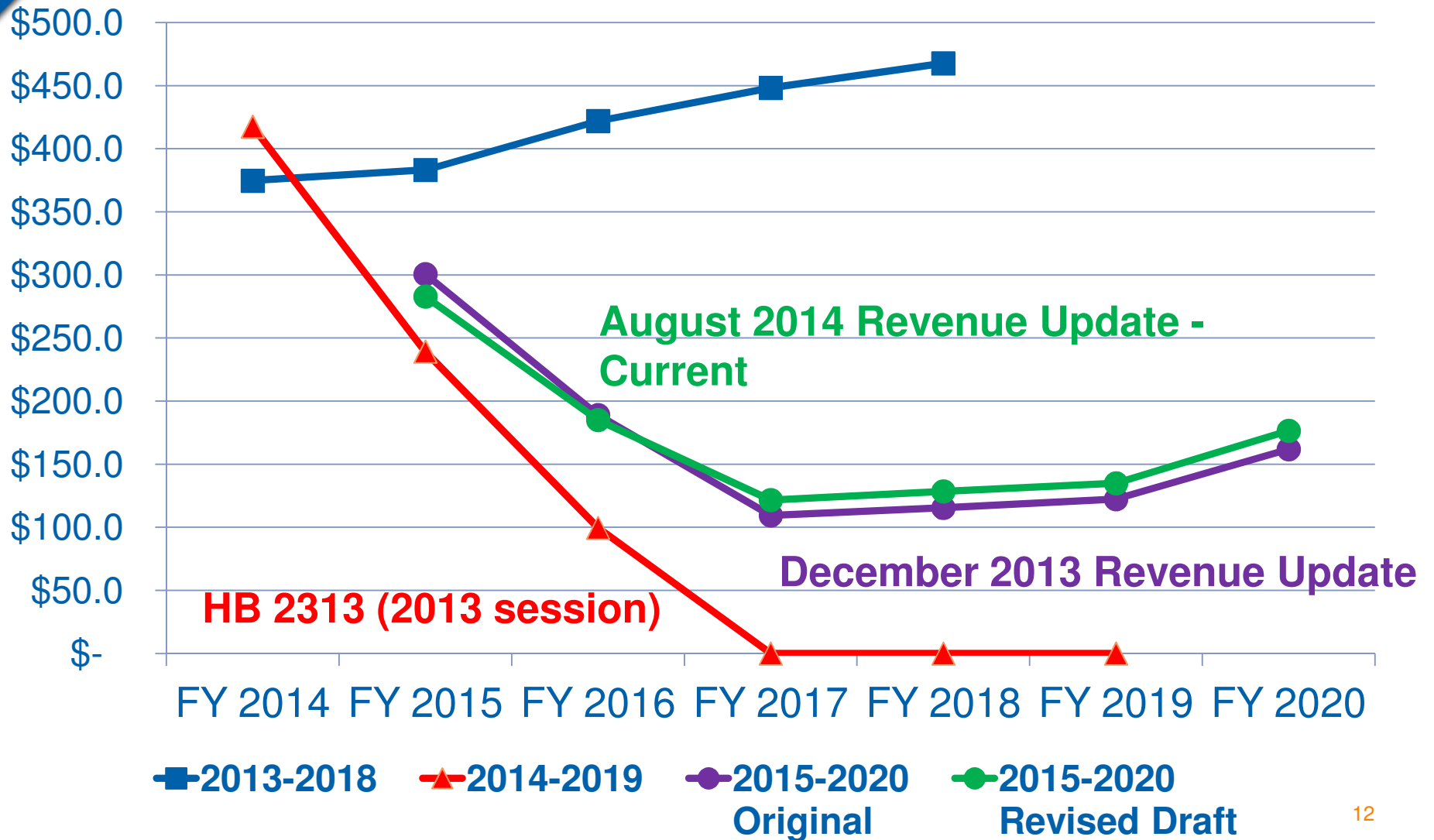
- **VDOT applied a number of actions to minimize the impact on the construction program**
 - Released previously committed funds
 - Applied a reduction to admin programs in 2015 based on the program's share of the reduction (0.6% in Construction Management and 5.6% in Administration)
 - Combined admin reductions of 7%; in addition to reduction taken to help fund snow removal
 - Reduced amounts in FY 2015 impact base for future years

(in millions)

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Total
Release of previous commitments	\$ 15.8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15.8
Administrative Program Adjustments	6.8	2.8	2.9	3.0	3.0	3.1	21.7
Total Actions taken to mitigate reductions	\$ 22.6	\$ 2.8	\$ 2.9	\$ 3.0	\$ 3.0	\$ 3.1	\$ 37.5

Crossover

Updates to the transfer from Construction Fund to HMOF (in millions)





Impact to Funding Available for Distribution

(in millions)

	(in millions)						
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
Total Impact to VDOT	\$ (117.9)	\$ (5.6)	\$ (9.7)	\$ (10.6)	\$ (10.3)	\$ (12.8)	\$ (167.0)
Actions taken to mitigate reductions	22.6	2.8	2.9	3.0	3.0	3.1	37.5
Remaining balance - Impact to CTB Alternate Formula	\$ (95.4)	\$ (2.8)	\$ (6.8)	\$ (7.6)	\$ (7.2)	\$ (9.7)	\$ (129.5)
Change in Funding Available for the CTB Alternate Formula							
June 2014 SYIP	137.9	264.7	384.4	389.6	418.9	405.4	2,000.9
Reductions	(95.4)	(2.8)	(6.8)	(7.6)	(7.2)	(9.7)	(129.5)
Funding Available for CTB Alternate Formula	\$ 42.5	\$ 261.9	\$ 377.7	\$ 382.0	\$ 411.7	\$ 395.7	\$ 1,871.4
September Draft SYIP							



Preliminary FY 2015 Revised Budget Impacts to VDOT Programs

	(in millions)		
	Approved June Budget	Preliminary Revised Budget	Increase (Decrease)
VDOT Programs			
Environmental Monitoring and Evaluation (514)	\$ 13.3	\$ 13.3	\$ (0.1)
Ground Transportation Planning and Research (602)	68.1	67.9	(0.1)
Highway System Acquisition and Construction (603)	1,145.7	1,044.8	(100.8)
Highway System Maintenance (604)	1,512.7	1,510.2	(2.5)
Commonwealth Toll Facilities (606)	33.9	33.9	-
Financial Assistance to Localities (607)	880.2	880.2	-
Non-Toll Supported Transportation Debt Service (612)	325.7	336.2	10.5
Administrative and Support Services (699)	265.0	261.8	(3.2)
VDOT Capital Outlay (998)	38.0	38.0	-
Total VDOT Programs	\$ 4,282.4	\$ 4,186.3	\$ (96.2)
Support to Other State Agencies	62.9	92.9	30.0
Support to DRPT Programs	3.2	3.2	-
TOTAL	\$ 4,348.5	\$ 4,282.3	\$ (66.2)