



Fiscal Year 2016

Draft
VDOT Annual Budget
May 2015

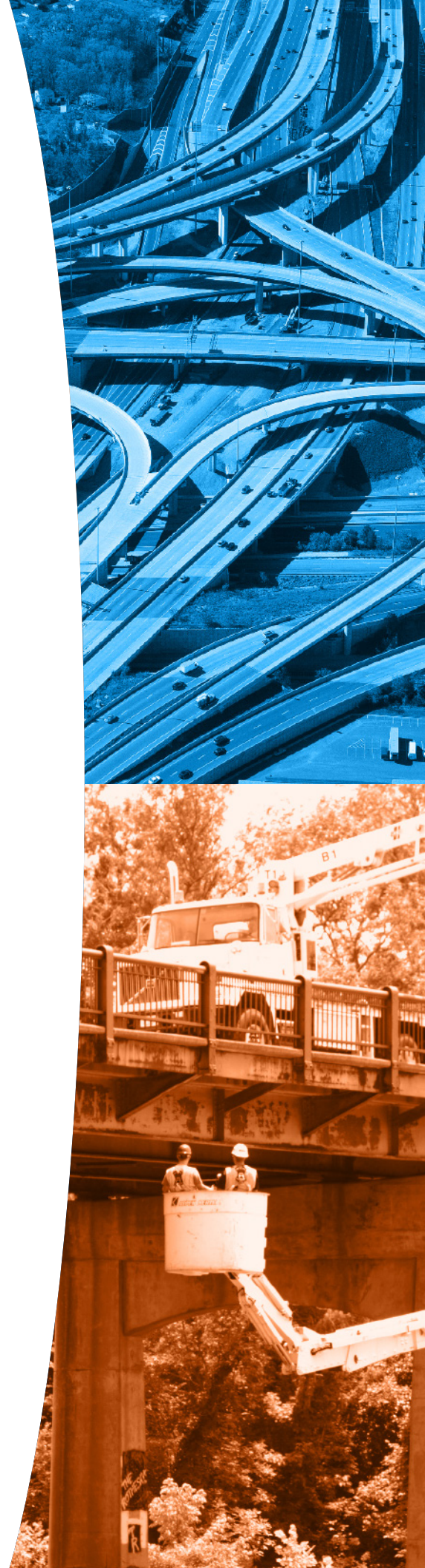


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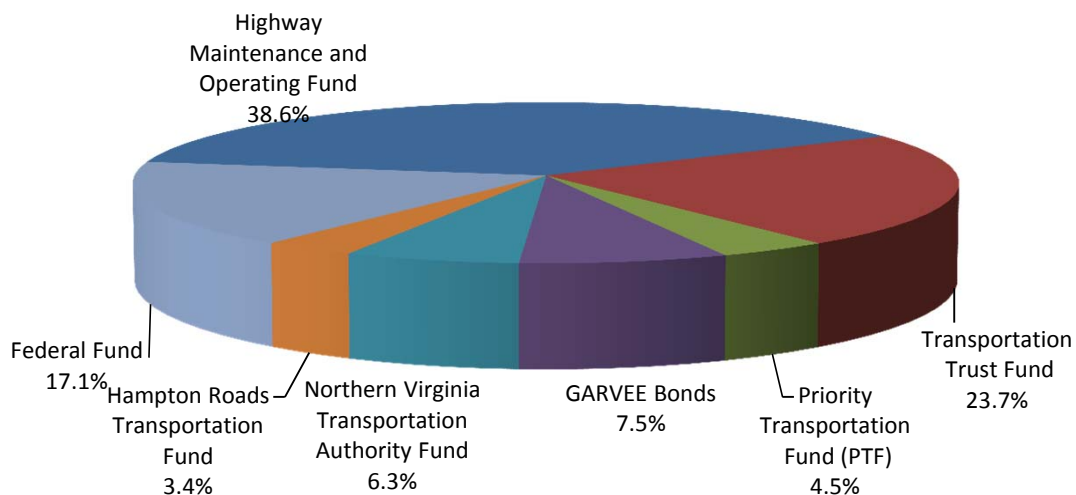
Overview

The Fiscal Year 2016 (FY 2016) budget for the Virginia Department of Transportation (VDOT) identifies the estimated revenues and the distribution of the revenues to the related transportation programs. It is based on the most recent official state revenue forecast from March 2015 and estimated federal funding. The VDOT Budget for FY 2016 totals \$5,000,129,699, a 14.8% increase from the Revised FY 2015 Budget of \$4,355,179,301. The growth over the previous year is primarily driven by the planned allocation of GARVEE bonds and the additional revenue provided by the increased sales tax on gasoline that was effective in January 2015.

VDOT's revenues are provided by dedicated state and federal revenue sources. The major state revenues are estimated by the Department of Taxation and are included in the state's official revenue estimate. VDOT continues to estimate federal revenues based upon information received from Federal Highway Administration (FHWA).

Funding for transportation was addressed during the 2013 General Assembly Session by House Bill 2313 (Chapter 766). Estimated revenues for FY 2016 reflect the third year of implementation of major changes to revenue dedicated to transportation. House Bill 1887 from the 2015 General Assembly Session altered the distribution of some revenue sources. Most of the changes will be effective in FY 2017. The budget also includes the regional revenues provided to Northern Virginia Transportation Authority and Hampton Roads Transportation Accountability Commission.

Sources of Transportation Funds

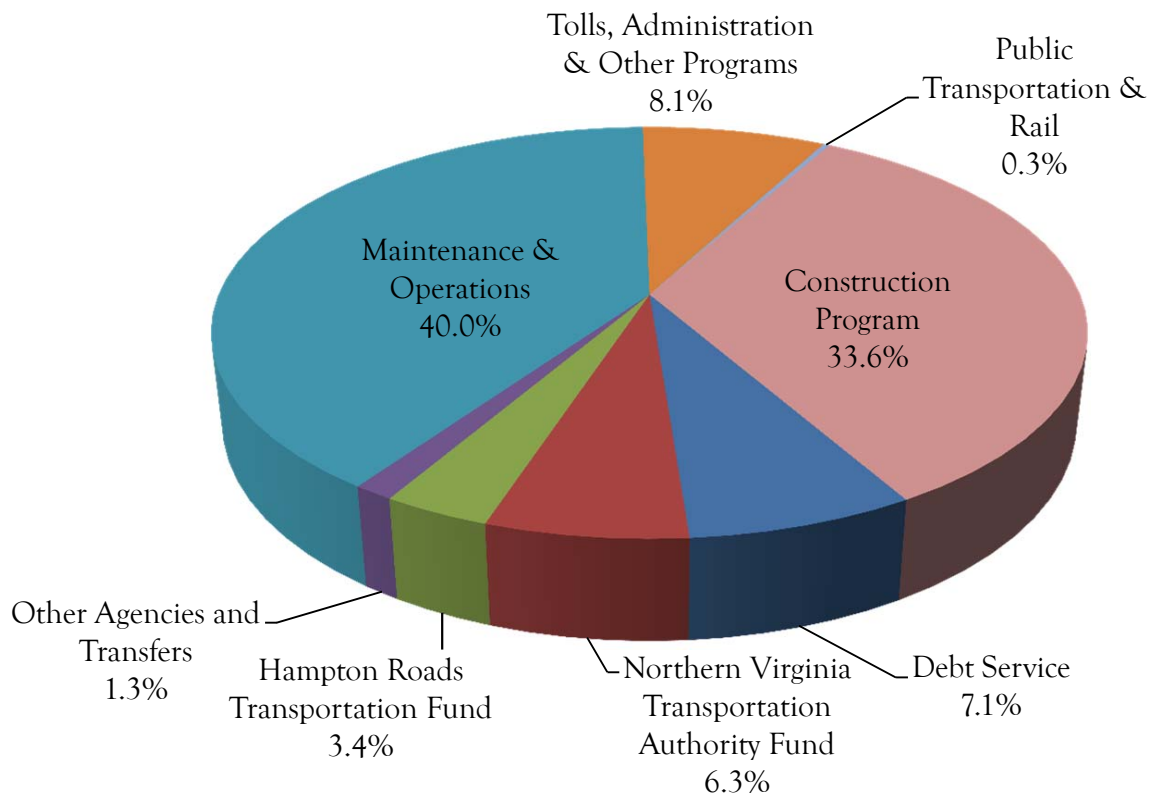


Highway Maintenance and Operating Fund	\$1,930,331,552
Transportation Trust Fund	1,153,448,481
Priority Transportation Fund (PTF)	200,642,261
GARVEE Bonds	375,000,000
Northern Virginia Transportation Authority Fund	314,881,245
Hampton Roads Transportation Fund	168,642,909
Federal Fund	857,183,251
Total	\$5,000,129,699

Overview

VDOT's revenues provide funding for debt service, maintenance, administration and construction. This budget reflects the planned use of the revenues available to the agency and also includes the pass through funding to the regions. The following is a summary of the programs by spending category:

	REVISED FY 2015	FY 2016	INCREASE (DECREASE)
Debt Service	\$336,173,181	\$356,162,102	\$19,988,921
Northern Virginia Transportation Authority Fund	299,276,334	314,881,245	15,604,911
Hampton Roads Transportation Fund	155,928,133	168,642,909	12,714,776
Other Agencies and Transfers	65,962,562	63,885,939	(2,076,623)
Maintenance & Operations	2,005,515,590	1,998,094,090	(7,421,500)
Tolls, Administration & Other Programs	414,876,584	405,073,152	(9,803,432)
Public Transportation & Rail	4,170,066	14,171,199	10,001,133
Construction Program	1,073,276,851	1,679,219,063	605,942,212
Total	\$4,355,179,301	\$5,000,129,699	\$644,950,398



Revenues

VDOT's revenues are specifically designated for transportation. Four primary state taxes provide for transportation in Virginia: Sales Tax on Motor Fuels, Motor Vehicle Sales and Use Tax, Motor Vehicle License Fee, and State Sales and Use Tax. The following table summarizes VDOT's FY 2016 revenues.

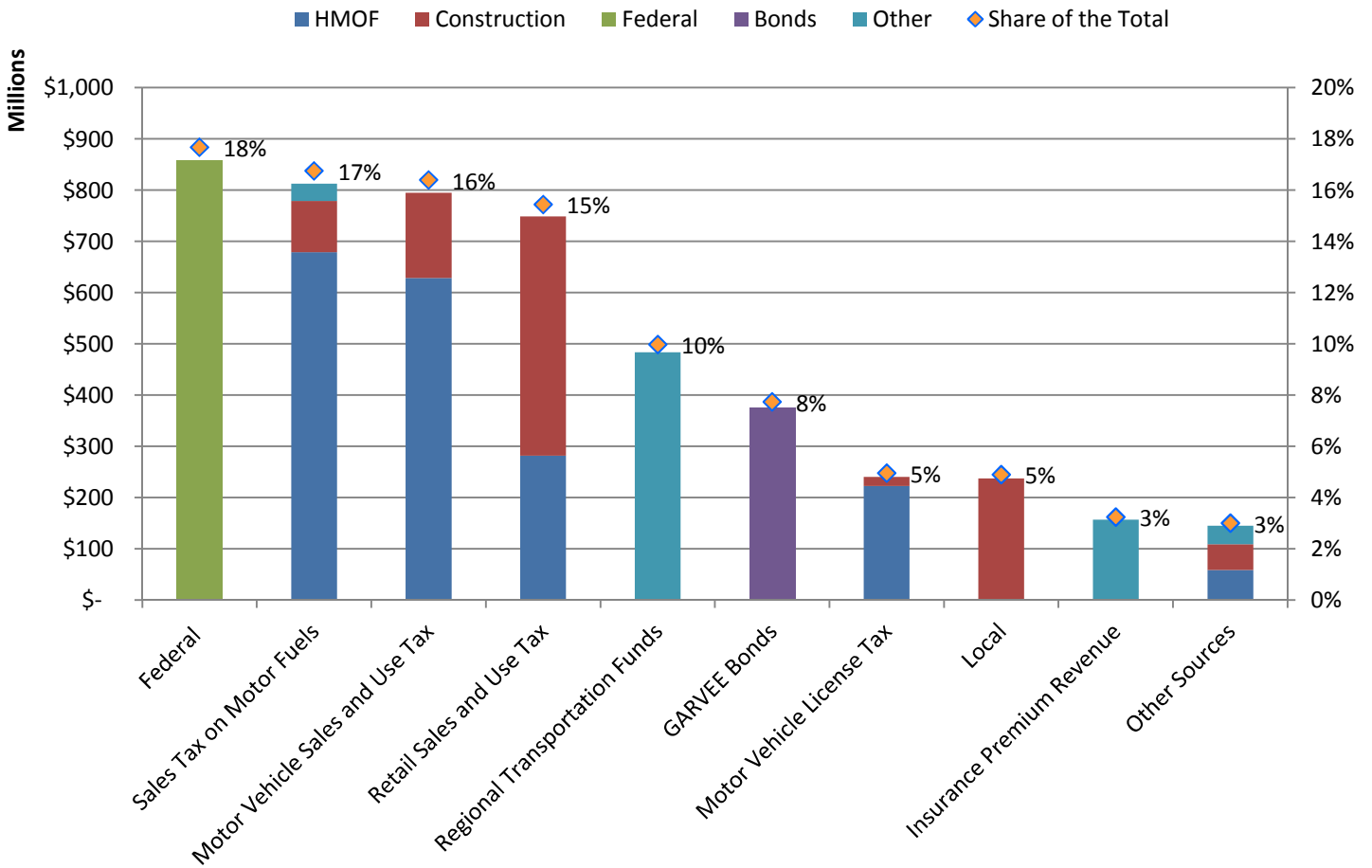
Source	HMOF	Construction*	Federal	Bonds	Other	TOTAL
Sales Tax on Motor Fuels	\$678,500,000	\$100,185,100	\$ -	\$ -	\$33,900,000	\$812,585,100
Motor Vehicle Sales and Use Tax	628,300,000	166,607,900	-	-	-	794,907,900
Motor Vehicle License Tax	222,700,000	17,235,300	-	-	-	239,935,300
Retail Sales and Use Tax	281,700,000	466,927,100	-	-	-	748,627,100
International Registration Plan	60,400,000	-	-	-	-	60,400,000
CPR Bonds	-	-	-	-	-	-
GARVEE Bonds	-	-	-	375,000,000	-	375,000,000
Other Revenue to Support Bond Programs	-	-	-	-	88,628,015	88,628,015
Insurance Premium Revenue	-	-	-	-	157,000,000	157,000,000
Local	-	237,186,954	-	-	-	237,186,954
Regional Transportation Funds	-	-	-	-	483,524,154	483,524,154
Other Sources	58,731,552	50,136,829	-	-	36,283,544	145,151,925
Federal	-	-	857,183,251	-	-	857,183,251
Transfer to HMOF	109,155,963	(109,155,963)	-	-	-	-
Transfer from HMOF for MWAA	(100,000,000)	100,000,000	-	-	-	-
TOTAL	\$1,939,487,515	\$1,029,123,220	\$857,183,251	\$ 375,000,000	\$ 799,335,713	\$5,000,129,699

* Includes Highway Share of TTF and other special funds.

** Other Sources includes VDOT Toll Facility Revenue, Cell Tower Lease Revenue, EZ Pass Operations, Unallocated Balances, Interest and Other Miscellaneous Items.

Revenues Dedicated to VDOT

This chart illustrates the revenues of the agency and their relative contribution. Federal revenues are the largest single source followed by the Sales Tax on Motor Fuels.

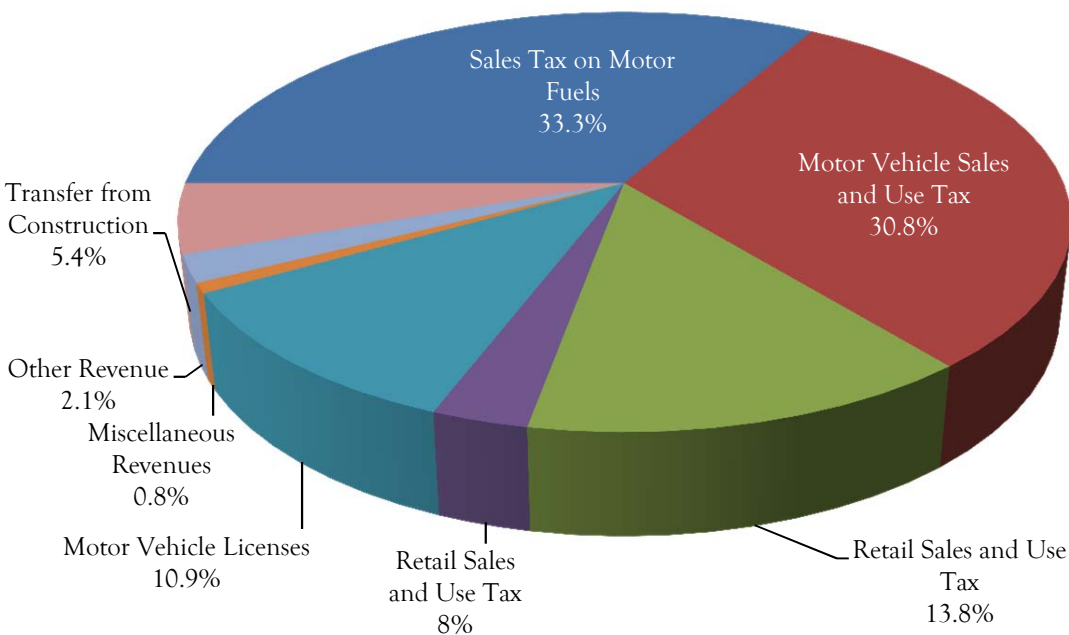


Highway Maintenance & Operating Fund

The Highway Maintenance and Operating Fund (HMOF) is one of VDOT's major funds. It is funded by dedicated state revenues as listed below. The HMOF is intended to provide for the agency's maintenance, operations and administrative needs. Since Fiscal Year 2002, the HMOF has required transfers from the Construction Fund to cover the budgetary needs of the fund.

HMOF Revenue Sources	REVISED FY 2015	FY 2016	Difference
Sales Tax on Motor Fuels	\$573,000,000	\$678,500,000	\$105,500,000
Motor Vehicle Sales and Use Tax	620,700,000	628,300,000	7,600,000
Retail Sales and Use Tax	267,500,000	281,700,000	14,200,000
International Registration Plan	62,300,000	60,400,000	(1,900,000)
Motor Vehicle Licenses	222,300,000	222,700,000	400,000
Miscellaneous Revenues	16,100,000	15,700,000	(400,000)
Other Revenue	43,964,483	43,031,552	(932,931)
Subtotal	1,805,864,483	1,930,331,552	124,467,069
Transfer from Construction	264,579,408	109,155,963	(155,423,445)
Transfer to Construction for MWA	(100,000,000)	(100,000,000)	-
Total	\$1,970,443,891	\$1,939,487,515	(\$30,956,376)

HMOF Revenue Sources, FY 2016

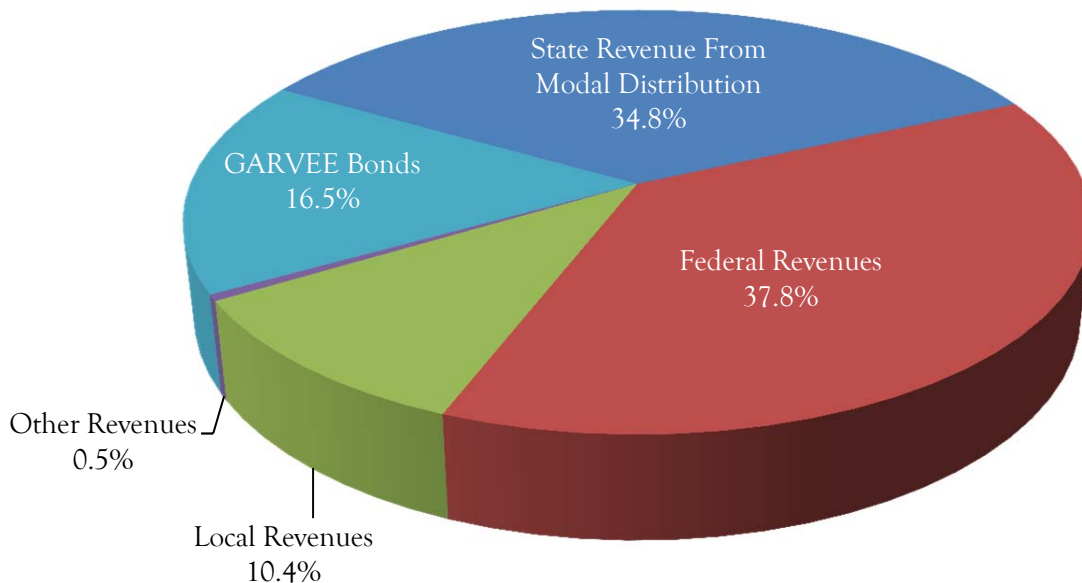


Transportation Trust Fund - Construction

The Transportation Trust Fund was created by the 1986 Special Session. VDOT manages the 78.7% of the TTF funds dedicated by the Code of Virginia for highway construction. State Revenue from Modal Distribution includes motor vehicle fuels tax, motor vehicle sales tax, and state retail sales and use tax. The following table identifies the construction fund revenues by major source.

Construction Fund Revenue Sources	REVISED		
	FY 2015	FY 2016	Difference
State Revenue From Modal Distribution	\$664,591,541	\$790,275,766	\$125,684,225
Federal Revenues	906,304,255	857,183,251	(49,121,004)
Local Revenues	202,777,696	237,186,954	34,409,258
Other Revenues	5,135,660	10,816,463	5,680,803
GARVEE Bonds	-	375,000,000	375,000,000
Total	\$1,778,809,152	\$2,270,462,434	\$491,653,282

**Construction Fund Revenue by Source,
FY 2016**



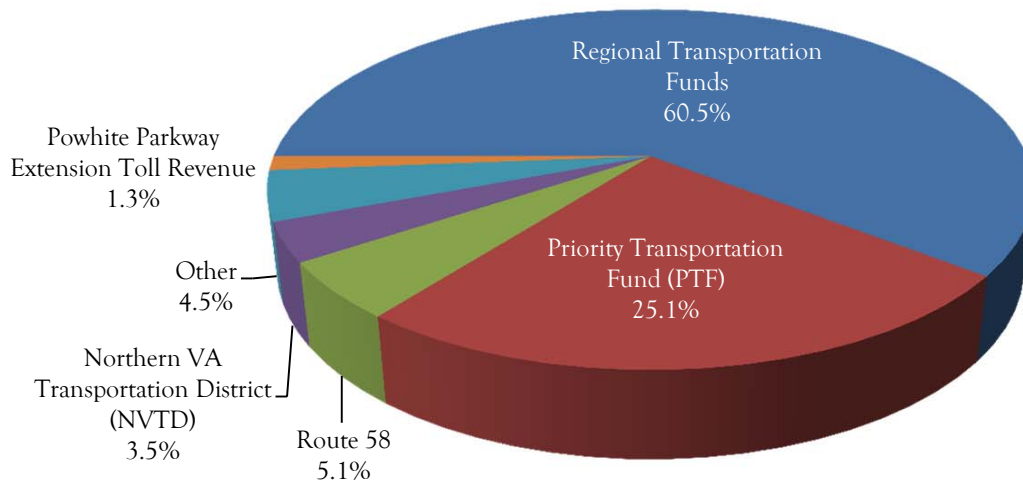
Other Fund Revenues

In addition to the two major state funds, VDOT manages a number of special funds. Each special fund receives dedicated revenues to be used to support the mission of the program.

Other Fund Revenues	REVISED FY 2015	FY 2016	Difference
Regional Transportation Funds	\$455,204,467	\$483,524,154	\$28,319,687
Powwhite Parkway Extension Toll Revenue	10,000,000	10,050,000	50,000
Coleman Bridge Toll Revenue	6,000,000	6,000,000	-
FRANs	800	260	(540)
Northern VA Transportation District (NVTD)	27,482,742	28,110,009	627,267
Oak Grove	2,511,484	2,515,964	4,480
Priority Transportation Fund (PTF)	207,921,822	200,642,261	(7,279,561)
Transportation Partnership Opportunity Fund	1,109,850	2,943,414	1,833,564
Virginia Transportation Infrastructure Bank	-	3,608,850	3,608,850
Route 58	40,294,391	41,039,962	745,571
Route 28	7,216,819	7,212,819	(4,000)
Other	12,763,291	13,688,020	924,729
Total	\$770,505,666	\$799,335,713	\$28,830,047

Total Construction Major Sources (page 10)	1,778,809,152	2,270,462,434	491,653,282
Transfer to HMOF	(264,579,408)	(109,155,963)	155,423,445
Transfer from HMOF for MWAA	100,000,000	100,000,000	-
Total Construction Fund	\$2,384,735,410	\$3,060,642,184	\$675,906,774

Other Fund Revenue, FY 2016



VDOT Program Descriptions & Allocations

Summary of Allocations by Program

The following table summarizes VDOT's budget by the major budgetary programs.

	REVISED FY 2015	FY 2016	INCREASE (DECREASE)
Environmental Monitoring and Evaluation (514)	\$13,251,385	\$12,711,541	(\$539,844) ⁴
Ground Transportation Planning and Research (602)	67,936,320	67,945,953	9,633
Highway System Acquisition and Construction (603)	1,073,276,851	1,679,219,063	605,942,212 ⁵
Highway System Maintenance (604)	1,580,560,866	1,559,370,707	(21,190,159) ⁶
Commonwealth Toll Facilities (606)	33,871,726	29,731,020	(4,140,706) ³
Financial Assistance to Localities (607)	880,159,191	922,247,537	42,088,346
Non-Toll Supported Transportation Debt Service (612)	336,173,181	356,162,102	19,988,921
Administrative and Support Services (699)	261,807,836	249,113,143	(12,694,693) ⁴
VDOT Capital Outlay (998)	38,009,317	39,090,683	1,081,366 ⁷
Grant and Loan Programs	-	6,480,812	6,480,812 ³
Support to Other State Agencies	65,962,562	63,885,939	(2,076,623)
Support to DRPT Programs	3,797,301	14,171,199	10,373,898
Support to Ports	372,765	-	(372,765)
Total	\$4,355,179,301	\$5,000,129,699	\$644,950,398

Environmental Monitoring and Evaluation (514)

The Environmental Program consists of the following service areas:

Environmental Monitoring and Compliance for Highway Projects (514008) - To provide efforts to evaluate, monitor and maintain the quality of the state's natural resources as part of a balanced consideration of environmental and transportation needs. VDOT's wetland mitigation program is funded in this service area.

Environmental Monitoring Program Management and Direction (514009) - To provide activities related to the management and direction of the program. Adequate and effective management and direction is critical to the success of the program.

ENVIRONMENTAL MONITORING & EVALUATION (514)	REVISED FY 2015	FY 2016	INCREASE (DECREASE)
Environmental Monitoring & Compliance for Highway Projects (514008)	\$10,813,010	\$10,330,051	(\$482,959) ⁴
Environmental Monitoring Program Management (514009)	2,438,375	2,381,490	(56,885) ⁴
TOTAL ENVIRONMENTAL MONITORING & EVALUATION	\$13,251,385	\$12,711,541	(\$539,844)
TTF	13,251,385	12,711,541	(539,844)

Ground Transportation Planning & Research (602)

Ground Transportation Planning and Research is comprised of:

Ground Transportation System Planning (602001) - To provide efforts to lead and plan a comprehensive system of ground transportation, including the planning of particular ground transportation projects through surveying, mapping and studies. These studies are the basis for decisions on proposed highway plans, programs and projects, as well as other travel modes and routes throughout Virginia.

Ground Transportation System Research (602002) - To provide efforts devoted to the planning and delivery of a comprehensive ground transportation research, development, consulting and technology transfer program covering the areas of transportation system operations, maintenance, structural design and construction, materials and specifications, safety, environmental stewardship, finance and policy.

Ground Transportation Program Management and Direction (602004) - To provide activities related to the management and direction of the program. Adequate and effective management and direction is critical to the success of the program.

PLANNING & RESEARCH (602)	REVISED FY 2015	FY 2016	INCREASE (DECREASE)
Ground Transportation System Planning (602001)	\$51,771,702	\$52,733,043	\$961,341
Ground Transportation System Research (602002)	12,533,845	11,756,725	(777,120) ⁴
Ground Transportation Program Management (602004)	3,630,773	3,456,185	(174,588) ⁴
TOTAL PLANNING & RESEARCH	\$67,936,320	\$67,945,953	\$9,633
HMOF	15,371,692	14,618,447	(753,245)
CONSTRUCTION	34,907,346	35,260,156	352,810
FEDERAL	17,657,282	18,067,350	410,068

Highway System Acquisition and Construction (603)

VDOT manages the Commonwealth's highway construction program as outlined in the agency's Six-Year Improvement Program that is approved annually by the Commonwealth Transportation Board. The construction program is divided into several service areas. For FY 2016, the funding made available for distribution is distributed via the Commonwealth Transportation Board Formula outlined in the Code of Virginia, § 33.2-358.

The budget also contains a significant application of Toll Credits that are used as "soft match" to meet the nonfederal share matching requirements. The federal share on most projects in the future can effectively be increased up to 100 percent. However, the use of soft match does not increase the federal funding available to Virginia.

CONSTRUCTION (603)	REVISED FY 2015	FY 2016	INCREASE (DECREASE)
Dedicated and Statewide Construction (603002)	\$640,511,436	\$1,039,557,622	\$399,046,186
Interstate Construction (603003)	122,180,355	197,892,083	75,711,728
Primary Construction (603004)	177,800,309	258,677,043	80,876,734
Secondary Construction (603006)	65,028,986	100,533,967	35,504,981
Urban Construction (603007)	42,195,439	57,671,116	15,475,677
Construction Management (603015)	25,560,326	24,887,232	(673,094)
TOTAL CONSTRUCTION	\$1,073,276,851	\$1,679,219,063	\$605,942,212
CONSTRUCTION	566,665,941	782,048,615	215,382,674
FEDERAL	476,584,247	497,940,759	21,356,512
NVTD	1,107,693	1,747,312	639,619
PTF	27,025,897	20,872,141	(6,153,756)
OAK GROVE	286,984	286,714	(270)
FRANS	800	5,260	4,460
ROUTE 28	-	2,000	2,000
ROUTE 58	566,891	1,316,262	749,371
TPOF	1,038,398	0	(1,038,398)
GARVEE BONDS	-	375,000,000	375,000,000

The following pages detail each construction service area.

Highway System Acquisition and Construction (603)

DEDICATED AND STATEWIDE CONSTRUCTION (603002)

The purpose of the Dedicated and Statewide Construction service area is to design and prepare plans, acquire needed land and construct roads and bridges or support transit or operational activities across the state that are not dedicated to a specific highway system. This includes statewide programs such as the Revenue Sharing and the Safety programs. Funding for the federal Congestion Mitigation and Air Quality Improvement (CMAQ) and Regional Surface Transportation programs which have yet to be distributed by the respective Metropolitan Planning Organizations are included in this service area and will be transferred when identified. It also includes non-toll-related bond-funded construction.

DEDICATED & STATEWIDE CONSTRUCTION (603002)	REVISED FY 2015	FY 2016	INCREASE (DECREASE)
CMAQ	\$12,278,644	\$15,260,761	\$2,982,117
CMAQ Match	3,069,660	3,815,190	745,530
CTB Formula	-	5,207,336	5,207,336
GARVEE Bonds	-	375,000,000	375,000,000
MWAA - Dulles Rail	100,000,000	100,000,000	-
NHPP	67,170	-	(67,170)
NHPP Soft Match	16,793	-	(16,793)
Participating Project Costs	15,000,000	40,000,000	25,000,000
Revenue Sharing	351,988,280	370,000,000	18,011,720
Safety	46,587,222	48,088,310	1,501,088
Safety Match	5,176,358	5,343,146	166,788
STP Regional	13,204,517	4,628,342	(8,576,175)
STP Regional Match	3,301,127	1,157,086	(2,144,041)
Transportation Alternatives (TAP)	8,223,911	9,483,519	1,259,608
Other	81,597,754	61,573,932	(20,023,822)
TOTAL DEDICATED & STATEWIDE CONSTRUCTION	\$640,511,436	\$1,039,557,622	\$399,046,186
CONSTRUCTION	489,213,595	526,039,304	36,825,709
FEDERAL	121,271,178	114,288,629	(6,982,549)
NVTD	1,107,693	1,747,312	639,619
PTF	27,025,897	20,872,141	(6,153,756)
OAK GROVE	286,984	286,714	(270)
FRANS	800	5,260	4,460
ROUTE 28	-	2,000	2,000
ROUTE 58	566,891	1,316,262	749,371
TPOF	1,038,398	-	(1,038,398)
GARVEE BONDS	-	375,000,000	375,000,000

Included in the Other item are amounts for Rail Highway Crossings, Federal Lands Access Program (FLAP), CMAQ TERMS, Priority Transportation Fund, and state funding for non-federal qualifying construction.

Highway System Acquisition and Construction (603)

INTERSTATE CONSTRUCTION (603003)

The purpose of the interstate construction service area is to design and prepare plans, acquire needed land and construct roads and bridges on the interstate highway system. The interstate program is federally funded, with state funding providing the needed match. Federal National Highway System funds are soft matched by using federal toll credits. Toll credits are earned when the state, a toll authority, or a private entity funds a capital transportation investment with toll revenues. The interstate program is also eligible to receive funding through the CTB Formula.

INTERSTATE CONSTRUCTION (603003)	REVISED FY 2015	FY 2016	INCREASE (DECREASE)
CMAQ	\$284,000	\$292,000	\$8,000
CMAQ Match	71,000	73,000	2,000
CTB Formula	21,144,248	111,487,642	90,343,394
NHPP	58,625,254	47,574,113	(11,051,141)
NHPP Soft Match	12,938,496	9,617,927	(3,320,569)
NHPP Exempt	10,547,716	6,935,477	(3,612,239)
NHPP Exempt Soft Match	2,636,929	1,733,870	(903,059)
STP Regional	1,240,000	679,949	(560,051)
STP Regional Match	310,000	169,987	(140,013)
STP Under 5,000	1,730,202	3,722,690	1,992,488
STP Under 5,000 Soft Match	432,549	930,672	498,123
Other	12,219,961	14,674,756	2,454,795
TOTAL INTERSTATE CONSTRUCTION	\$122,180,355	\$197,892,083	\$75,711,728
CONSTRUCTION	11,992,052	67,499,210	55,507,158
FEDERAL	110,188,303	130,392,873	20,204,570

Highway System Acquisition and Construction (603)

PRIMARY CONSTRUCTION (603004)

The primary construction system is made up of roads that connect cities and towns with each other and with interstates. Primary roads serve the state in the same manner as the Interstate system serves the nation.

Historically, the primary construction program received 40% of the funds available for state formula distribution. Funding was insufficient to distribute in this manner since FY 2009. With the enactment of House Bill 1887 (2015), the formula distribution to the Primary System has been discontinued. The FY 2016 funds are distributed by the CTB, MPOs, and by the CTB Formula with recommended allocations to projects on the Primary System.

PRIMARY CONSTRUCTION (603004)	REVISED FY 2015	FY 2016	INCREASE (DECREASE)
CMAQ	\$4,197,721	\$4,580,568	\$382,847
CMAQ Match	1,049,429	1,145,143	95,714
CTB Formula	17,289,265	95,863,165	78,573,900
NHPP	36,769,971	15,232,746	(21,537,225)
NHPP Soft Match	9,192,494	3,808,187	(5,384,307)
NHPP APD	-	9,992,758	9,992,758
NHPP Bridge	16,944,970	12,808,539	(4,136,431)
NHPP Bridge Soft Match	4,236,243	3,202,135	(1,034,108)
NHPP Exempt	386,733	3,811,234	3,424,501
NHPP Exempt Soft Match	96,683	952,808	856,125
STP Bridge	17,722,432	23,025,662	5,303,230
STP Bridge Soft Match	4,430,608	5,756,412	1,325,804
STP Regional	25,390,037	41,257,669	15,867,632
STP Regional Match	6,347,511	10,314,418	3,966,907
STP Statewide	754,825	3,651,372	2,896,547
STP Statewide Soft Match	188,707	912,843	724,136
STP Under 200,000	4,232,527	6,850,693	2,618,166
STP Under 200,000 Soft Match	1,058,132	1,712,674	654,542
STP Under 5,000	20,406,001	10,758,335	(9,647,666)
STP Under 5,000 Soft Match	5,101,500	2,689,585	(2,411,915)
Other	2,004,520	350,097	(1,654,423)
TOTAL PRIMARY CONSTRUCTION	\$177,800,309	\$258,677,043	\$80,876,734
CONSTRUCTION	14,079,490	92,099,590	78,020,100
FEDERAL	163,720,819	166,577,453	2,856,634

Highway System Acquisition and Construction (603)

SECONDARY CONSTRUCTION (603006)

The purpose of the secondary construction service area is to design and prepare plans, acquire needed land and construct roads and bridges on the secondary highway system.

Historically, the secondary construction program received 30% of the funds available for state formula distribution and allocated to the counties. Funding was insufficient to distribute in this manner since FY 2009. With the enactment of House Bill 1887 (2015), the formula distribution to the Secondary System has been discontinued. The FY 2016 funds are distributed by the CTB, MPOs, and by the CTB Formula with recommended allocations to projects on the Secondary System.

SECONDARY CONSTRUCTION (603006)	REVISED FY 2015	FY 2016	INCREASE (DECREASE)
CMAQ	\$7,625,560	\$7,661,309	\$35,749
CMAQ Match	1,906,390	1,915,325	8,935
CTB Formula	667,042	20,215,797	19,548,755
CTB Formula - 5% to Unpaved	1,912,527	12,318,554	10,406,027
STP Bridge	11,096,234	11,558,924	462,690
STP Bridge Soft Match	2,774,059	2,889,735	115,676
STP BROS	10,917,574	11,665,393	747,819
STP BROS Soft Match	2,729,394	2,916,348	186,954
STP Regional	10,675,306	10,098,507	(576,799)
STP Regional Match	2,668,826	2,524,627	(144,199)
STP Under 200,000	-	433,752	433,752
STP Under 200,000 Soft Match	-	108,438	108,438
STP Under 5,000	1,728,070	4,815,286	3,087,216
STP Under 5,000 Soft Match	432,019	1,203,820	771,801
Tele Fees	8,783,556	9,186,954	403,398
Other	1,112,429	1,021,198	(91,231)
TOTAL SECONDARY CONSTRUCTION	\$65,028,986	\$100,533,967	\$35,504,981
CONSTRUCTION	16,068,766	46,186,407	30,117,641
FEDERAL	48,960,220	54,347,560	5,387,340

Highway System Acquisition and Construction (603)

URBAN CONSTRUCTION (603007)

The purpose of the urban construction service area is to design and prepare plans, acquire needed land and construct roads and bridges on the urban highway system.

Historically, the urban construction program received 30% of the funds available for state formula distribution and allocated to the cities and towns. Funding was insufficient to distribute in this manner since FY 2009. With the enactment of House Bill 1887 (2015), the formula distribution to the Urban System has been discontinued. The FY 2016 funds are distributed by the CTB, MPOs, and by the CTB Formula with recommended allocations to projects on the Urban System.

URBAN CONSTRUCTION (603007)	REVISED FY 2015	FY 2016	INCREASE (DECREASE)
CMAQ	\$10,262,402	\$9,799,940	(\$462,462)
CMAQ State Match	2,565,602	2,449,987	(115,615)
CTB Formula	1,487,521	17,708,498	16,220,977
NHPP	845,960	399,857	(446,103)
NHPP Soft Match	211,490	99,964	(111,526)
NHPP Bridge	640,000	930,797	290,797
NHPP Bridge Soft Match	160,000	232,699	72,699
STP BROS	321,040	-	(321,040)
STP BROS Soft Match	80,260	-	(80,260)
STP Regional	17,445,399	16,004,622	(1,440,777)
STP Regional State Match	4,361,351	4,001,155	(360,196)
STP Statewide	444,241	2,365,467	1,921,226
STP Statewide Soft Match	111,060	591,367	480,307
STP Under 5,000	-	844,042	844,042
STP Under 5,000 Soft Match	-	211,011	211,011
Other	3,259,113	2,031,710	(1,227,403)
TOTAL URBAN CONSTRUCTION	\$42,195,439	\$57,671,116	\$15,475,677
CONSTRUCTION	9,751,712	25,336,872	15,585,160
FEDERAL	32,443,727	32,334,244	(109,483)

Highway System Acquisition and Construction (603)

The purpose of the construction management program is to provide activities related to the management and direction of the program. Adequate and effective management and direction is critical to the success of the program.

CONSTRUCTION MANAGEMENT (603015)	REVISED FY 2015	FY 2016	INCREASE (DECREASE)
TOTAL CONSTRUCTION MANAGEMENT	\$25,560,326	\$24,887,232	(\$673,094)
TTF	25,560,326	24,887,232	(673,094)

Highway System Maintenance (604)

The maintenance program consists of:

Interstate Maintenance (604001) - To preserve the public's investment through the delivery of an effective and efficient statewide maintenance program to protect and enhance the transportation infrastructure and the safety of the traveling public.

Primary Maintenance (604002) - To preserve the public's investment through the delivery of an effective and efficient statewide maintenance program to protect and enhance the transportation infrastructure and the safety of the traveling public.

Secondary Maintenance (604003) - To preserve the public's investment through the delivery of an effective and efficient statewide maintenance program to protect and enhance the transportation infrastructure and the safety of the traveling public.

Transportation Operations Services (604004) - To improve mobility, safety, travel time reliability and security on the transportation system through the deployment of a variety of operational strategies including regional smart traffic centers, emergency services, traveler services, congestion management and traffic signalization optimization.

Highway Maintenance Program Management and Direction (604005) - To provide activities related to the management and direction of the program. Adequate and effective management and direction is critical to the success of the program.

HIGHWAY SYSTEM MAINTENANCE (604)	REVISED FY 2015	FY 2016*	INCREASE (DECREASE)
Interstate Maintenance (604001)	\$310,834,929		
Primary Maintenance (604002)	404,959,326		
Secondary Maintenance (604003)	602,861,755		
Transportation Operations Services (604004)	189,372,246		
Highway Maintenance Program Management & Direction (604005)	72,532,610		
TOTAL HIGHWAY SYSTEM MAINTENANCE	\$1,580,560,866	\$1,559,370,707	(21,190,159)
HMOF	1,247,689,473	1,318,727,707	71,038,234
FEDERAL	332,871,393	240,643,000	(92,228,393)

* Distribution of funding by service area is in progress and will be provided for the final recommended budget.

Commonwealth Toll Facilities (606)

Revenues collected from toll facilities contribute to Virginia's safe and effective transportation system. Currently, the following toll facilities operate in Virginia: George P. Coleman Toll Facility, Powhite Parkway Extension, Dulles Toll Road, Dulles Greenway, Chesapeake Bay Bridge-Tunnel, Chesapeake Expressway, Downtown Expressway/Powhite Parkway, the Boulevard Bridge, Pocahontas Parkway, 495 Express Lanes, South Norfolk Jordan Bridge, Downtown Tunnel, Midtown Tunnel, Martin Luther King Extension Project, and the 95 Express Lanes. Of these facilities, two are currently owned and operated by VDOT: Powhite Parkway Extension Toll Road in Chesterfield County and George P. Coleman Bridge in Gloucester County. The remaining toll facilities are operated by other entities.

Toll Facility Debt Service (606002) - To provide for the debt service requirements of the debt-financed toll facilities. The bond indentures for the toll facilities require the Commonwealth Transportation Board (CTB) to set toll rates for all classes of vehicles which will provide sufficient net revenues to meet the facility's obligations. Toll roads are typically constructed with debt financing and the subsequent toll collection revenues are used for debt service payments. The remaining state-owned facility collecting tolls to pay debt service on outstanding bonds is the George P. Coleman Bridge located between Gloucester and York counties. The bonds issued to finance the Powhite Parkway Extension have been retired, but the toll revenues are needed to repay the outstanding debts of the facility owed to VDOT and Chesterfield County.

Toll Facility Maintenance and Operation (606003) - To provide for the operational costs of the two toll facilities operated by VDOT: the George P. Coleman Bridge and the Powhite Parkway Extension Toll Road. All operating costs associated with that facility are to be paid out of the revenues generated by that facility. Customer service and toll collection are toll facilities' main operations.

Toll Facilities Revolving Fund (606004) - To provide a method to finance and/or refinance existing and potential toll facilities. Funds allocated from the Toll Facilities Revolving Account intended for planned or operating toll facilities are considered advance funding and are expected to be repaid to the Toll Facilities Revolving Account.

COMMONWEALTH TOLL FACILITIES (606)	REVISED FY 2015	FY 2016	INCREASE (DECREASE)
Debt Service (606002)	\$3,191,100	\$3,185,850	(\$5,250)
Maintenance & Operations (606003)	12,808,900	12,864,150	55,250
Toll Facilities Revolving (606004)	17,871,726	13,681,020	(4,190,706)
TOTAL TOLL FACILITIES	\$33,871,726	\$29,731,020	(\$4,140,706)
POWHITE	10,000,000	10,050,000	50,000
COLEMAN	6,000,000	6,000,000	-
TOLL FACILITIES REVOLVING	17,871,726	13,681,020	(4,190,706)

Financial Assistance to Localities (607)

Financial Assistance to Localities consists of:

Financial Assistance for City Road Maintenance (607001) - To provide monetary support to localities for capital improvements and/or maintenance of roads and/or transportation facilities. Direct financial assistance is provided to 84 cities and towns to maintain, operate, and improve their arterial and collector roads and local streets. The level of assistance to the respective local governments for maintenance expenditures is based on the number of qualifying lane-miles in each locality and available funding.

Financial Assistance for County Road Maintenance (607002) - Provide monetary support in lieu of maintenance services to localities for road maintenance and upkeep where such localities have elected to maintain their own highway systems. Currently, Henrico and Arlington maintain their own roads.

Financial Assistance for Planning, Access Roads, and Special Projects (607004) - To manage and distribute funding for recreational and industrial access programs and the Metropolitan Planning federal grant program. The Recreational Access Program provides funding for roads and bikeways to new or expanding non-federal, non-commercial public parks and historic sites. Access roads for qualifying airports and industrial sites, and access tracks for qualified rail users are provided through VDOT's Industrial, Airport, and Rail Access Fund. The Metropolitan Planning Grants are federal funds available to support activities undertaken by Metropolitan Planning Organizations (MPOs) to develop long-range transportation plans and transportation improvement programs.

Distribution of Northern Virginia Transportation Authority Fund Revenues (607006) - To transfer state regional tax revenues to the Northern Virginia Transportation Authority to fund local and regional transportation projects.

Distribution of Hampton Roads Transportation Fund Revenues (607007) - To transfer state regional tax revenues to the Hampton Roads Transportation Accountability Commission to fund local and regional transportation projects.

FINANCIAL ASSISTANCE TO LOCALITIES (607)	REVISED FY 2015	FY 2016	INCREASE (DECREASE)
Financial Assistance for City Road Maintenance (607001)	\$348,683,534	\$360,167,501	\$11,483,967
Financial Assistance for County Road Maintenance (607002)	62,006,002	64,053,678	2,047,676
Financial Assistance for Planning, Access Roads, & Special Projects (607004)	14,265,188	14,502,204	237,016
Distribution of Northern Virginia Transportation Authority Fund Revenues (607006)	299,276,334	314,881,245	15,604,911
Distribution of Hampton Roads Transportation Fund Revenues (607007)	155,928,133	168,642,909	12,714,776
TOTAL FINANCIAL ASSISTANCE TO LOCALITIES	\$880,159,191	\$922,247,537	\$42,088,346
HMOF	410,689,536	424,221,179	13,531,643
CONSTRUCTION	7,807,243	7,833,578	26,335
FEDERAL	6,457,945	6,668,626	210,681
NORTHERN VIRGINIA REGIONAL FUND	299,276,334	314,881,245	15,604,911
HAMPTON ROADS REGIONAL FUND	155,928,133	168,642,909	12,714,776

Non-Toll Supported Transportation Debt Service (612)

Non-Toll Supported Transportation Debt Service consists of:

Highway Transportation Improvement District Debt Service (612001) - To provide for the debt service requirements of the bonds sold to finance transportation improvements in special tax districts. There is currently only one such district, the State Route 28 Highway Transportation Improvement District in Fairfax and Loudoun counties.

Designated Highway Corridor Debt Service (612002) - To provide for the debt service requirements of the bonds sold to finance transportation improvements in special designated highway corridors. The Commonwealth Transportation Board has issued transportation revenue bonds for the U.S. Route 58 Corridor Development Program, the City of Chesapeake Oak Grove Connector Project, and the Northern Virginia Transportation District (NVTD) Program.

Federal Highway Revenue Anticipation Notes Debt Service (612003) - To provide for the debt service requirements of the Federal Highway Reimbursement Anticipation Notes (FRANs) sold to finance transportation improvements in the Commonwealth. Outstanding FRANs Debt will be retired in FY 2016.

Commonwealth Transportation Capital Projects Bond Act Debt Service (612004) - To provide for the debt service requirements of the bonds sold to finance transportation improvements under the Commonwealth Transportation Capital Projects Bond Act.

Federal Transportation Grant Anticipation Revenue Notes Debt Service (612005) - To provide for the debt service requirements of the bonds sold as Federal Transportation Grant Anticipation Revenue bonds (GARVEEs).

Non-Toll Supported Transportation Debt Service (612)	REVISED FY 2015	FY 2016	INCREASE (DECREASE)
Highway Transportation Improvement Debt Service (612001)	\$7,216,819	\$7,212,819	(\$4,000)
Designated Highway Corridor Debt Service (612002)	83,327,049	83,315,647	(11,402)
Federal Highway Reimbursement Anticipation Notes Debt Service (612003)	31,717,220	7,925,392	(23,791,828)
Capital Projects Bonds/Reserve (612004)	138,678,705	147,303,405	8,624,700
Federal Transportation Grant Anticipation Revenue Notes Debt Service (612005)	64,733,388	85,863,516	21,130,128
Other	10,500,000	24,541,323	14,041,323
TOTAL NON-TOLL SUPPORTED DEBT SERVICE	\$336,173,181	\$356,162,102	\$19,988,921
FRANS	31,717,220	7,925,392	(23,791,828)
NVTD	32,375,049	32,362,697	(12,352)
OAK GROVE	2,224,500	2,229,250	4,750
ROUTE 28	7,216,819	7,212,819	(4,000)
PTF	10,500,000	24,541,323	14,041,323
CPR BONDS	138,678,705	147,303,405	8,624,700
ROUTE 58	48,727,500	48,723,700	(3,800)
FEDERAL	64,733,388	85,863,516	21,130,128

Administrative & Support Services (699)

Administrative and Support Services is comprised of:

General Management and Direction (699001) - To provide for the general administrative management, direction and support activities of VDOT. This includes, but is not limited to, accounting services, human resources, succession planning, health and safety services, procurement, facilities management, management studies, policy analysis, process improvements, performance management, internal auditing, innovative financing, financial planning services and oversight of compensation programs for all VDOT employees.

Information Technology Services (699002) - To provide for administrative management, direction and infrastructure support for tasks including, but not limited to, automated data processing services for citizens and visitors to the Commonwealth, Virginia's legislative bodies, other state and local government agencies as well as its own Department of Transportation employees.

Facilities and Grounds Management Services (699015) - To provide physical plant maintenance needs to VDOT facilities. This maintenance work is considered ordinary or routine nature and includes the cost of labor, equipment and materials to make minor repairs to utilities such as plumbing, heating, and electrical; and the maintenance of driveways, parking lots, and yards. The service area also funds small renovation/alteration projects that cost no more than \$10,000.

Employee Training and Development (699024) - To provide Employee Training and Development services to VDOT. This includes traditional classroom training and related development activities and tuition reimbursement.

ADMINISTRATIVE & SUPPORT SERVICES (699)	REVISED FY 2015	FY 2016	INCREASE (DECREASE)
General Management & Direction (699001)	\$136,552,026	\$127,533,234	(\$9,018,792) ⁴
Information Technology Services (699002)	93,947,413	90,029,602	(3,917,811) ⁴
Facilities and Grounds Management Services (699015)	15,477,227	15,806,364	329,137
Employee Training & Development (699024)	15,831,170	15,743,943	(87,227) ⁴
TOTAL ADMINISTRATIVE & SUPPORT SERVICES	\$261,807,836	\$249,113,143	(\$12,694,693)
HMOF	252,995,003	240,275,489	(12,719,514)
CONSTRUCTION	812,833	837,654	24,821
FEDERAL	8,000,000	8,000,000	-

VDOT Capital Outlay (998)

Capital Outlay funding is provided to support the agency's building and renovation needs as well as Maintenance Reserve needs. This funding may be used for acquisition of real property (including buildings or plant) or machinery or equipment, new construction, and improvements related to state-owned real property, buildings, plant, machinery or equipment (including plans therefore), as defined in the *Code of Virginia*. All capital outlay projects must be approved by the Governor and General Assembly via the Six-Year Capital Improvement Plan and the Biennial Budget. VDOT receives direction from the Department of Planning and Budget and the Department of General Services on the development and execution of the Capital Outlay Program.

VDOT CAPITAL OUTLAY (998)	REVISED FY 2015	FY 2016	INCREASE (DECREASE)
TOTAL VDOT CAPITAL OUTLAY	\$38,009,317	\$39,090,683	\$1,081,366
CONSTRUCTION	38,009,317	39,090,683	1,081,366

Grant and Loan Programs

The Virginia Transportation Infrastructure Bank (VTIB) is a special non-reverting, revolving loan fund that is a sub-fund of the Transportation Trust Fund. The bank was created for the purpose of making loans and other financial assistance to localities, certain private entities and other eligible borrowers. The Transportation Partnership Opportunity Fund (TPOF) is to be used by the Governor to provide funds to address the transportation aspects of economic development opportunities.

Both programs have been in place for a number of years. With the enactment of House Bill 1887, the two programs are to receive a continuing source of funding. VTIB is to receive two-thirds of the interest earnings of the HMOF and the Construction Fund. TPOF is to receive one-third of the interest earnings.

Grant and Loan Programs	REVISED FY 2015	FY 2016	INCREASE (DECREASE)
Virginia Transportation Infrastructure Bank (VTIB)	-	\$ 3,608,850	\$ 3,608,850
Transportation Partnership Opportunity Fund (TPOF)	-	2,871,962	2,871,962
TOTAL GRANT AND LOAN PROGRAMS	\$ -	\$ 6,480,812	\$6,480,812

Support to Other State Agencies

VDOT provides funding to other agencies to cover support activities and services related to the transportation programs.

SUPPORT TO OTHER STATE AGENCIES	REVISED FY 2015	FY 2016	INCREASE (DECREASE)
Transportation Appropriation to Other Agencies			
Department of Education	\$243,919	\$243,919	\$ -
Marine Resources Commission	313,768	313,768	-
Secretary of Transportation	831,149	832,014	865
Department of State Police	8,185,295	8,185,295	-
Department of Minority Business Enterprise	1,453,283	1,453,283	-
Department of Historic Resources	100,000	100,000	-
Department of Emergency Management	1,170,639	1,170,639	-
Department of Motor Vehicles	14,815,624	12,737,124	(2,078,500) ⁸
Virginia Port Authority	2,550,023	2,550,023	-
Department of Treasury	185,187	185,187	-
Virginia Liaison Office	147,501	147,501	-
Virginia Commercial Space Flight Authority	15,800,000	15,800,000	-
Virginia Port Authority - Ch. 665, item 454, D.	3,100,000	3,100,000	-
Office of the State Inspector General	1,777,321	1,778,333	1,012
SUBTOTAL	50,673,709	48,597,086	(2,076,623)
Transfers to the General Fund			
Department of General Services	362,854	362,854	-
Department of Agriculture & Conservation Services	97,586	97,586	-
Chesapeake Bay Initiatives	7,416,469	7,416,469	-
Indirect Costs	3,028,317	3,028,317	-
Department of Taxation	2,883,627	2,883,627	-
SUBTOTAL	13,788,853	13,788,853	-
Transfers to Other Agencies			
Department of Motor Vehicles (fuel tax evasion)	1,500,000	1,500,000	-
SUBTOTAL	1,500,000	1,500,000	-
TOTAL SUPPORT TO OTHER STATE AGENCIES	\$65,962,562	\$63,885,939	(\$2,076,623)
HMOF	43,698,187	41,644,693	(2,053,494)
CONSTRUCTION	22,169,794	22,169,794	-
GENERAL FUND	-	-	-
TOLL FACILITIES REVOLVING	23,129	-	(23,129)
TPOF	71,452	71,452	-

The following table summarizes VDOT's budget by major program and major fund.

Program	HMOF	Construction	Federal	Bonds	Other*	Total
Environmental Monitoring and Evaluation (514)	\$ -	\$12,711,541	\$ -	\$ -	\$ -	\$12,711,541
Ground Transportation Planning & Research (602)	14,618,447	35,260,156	18,067,350	-	-	67,945,953
Highway System Acquisition and Construction (603)	-	782,048,615	497,940,759	375,000,000	24,229,689	1,679,219,063
Highway System Maintenance (604)	1,318,727,707	-	240,643,000	-	-	1,559,370,707
Commonwealth Toll Facilities (606)	-	-	-	-	29,731,020	29,731,020
Financial Assistance to Localities (607)	424,221,179	7,833,578	6,668,626	-	483,524,154	922,247,537
Non-Toll Supported Transportation Debt Service (612)	-	-	85,863,516	-	270,298,586	356,162,102
Administrative and Support Services (699)	240,275,489	837,654	8,000,000	-	-	249,113,143
VDOT Capital Outlay (998)	-	39,090,683	-	-	-	39,090,683
Grant and Loan Programs	-	-	-	-	6,480,812	6,480,812
Support to Other State Agencies	41,644,693	22,169,794	-	-	71,452	63,885,939
Support to DRPT Programs	-	14,171,199	-	-	-	14,171,199
TOTAL	\$ 2,039,487,515	\$ 914,123,220	\$ 857,183,251	\$ 375,000,000	\$ 814,335,713	\$5,000,129,699

* - Other includes tolls, PTF, Route 58, Route 28, Oak Grove, TPOF, and Regional Transportation Funds.

Budget Comparison Schedule for FY 2016

Revenues

Revenue provided by the General Fund of the Commonwealth	\$ 40,000,000
Taxes	3,019,315,700
Rights and privileges	315,479,526
Sale of property and commodities	-
Interest, dividends, and rents	16,871,800
Fines, forfeitures, court fees	-
Penalties, and escheats	1,814,159
Receipts from localities and private sector	230,341,000
Federal grants and contracts	857,183,251
Toll revenues	27,916,861
Other	81,299,248
Total Revenues	<u>4,590,221,545</u>
Other Financing Sources	
Other financing sources	34,908,154
Bond proceeds	375,000,000
Note proceeds	-
Transfers from other state agencies and General Fund	-
Transfers in	-
Total Other Financing Sources	<u>409,908,154</u>
Total Revenues and Other Sources	<u><u>\$5,000,129,699</u></u>

Budget Comparison Schedule for FY 2016

Expenditures	
Administrative and support services	\$ 249,113,143
Ground transportation system planning and research	67,945,953
Highway system acquisition and construction	1,679,219,063
Highway system maintenance	1,559,370,707
Financial assistance to localities	922,247,537
Environmental monitoring and compliance	12,711,541
Toll facility operations and construction	29,731,020
Capital outlay	39,090,683
Debt Service	356,162,102
Total Expenditures	<u>4,915,591,749</u>
Other Financing Uses	
Other financing uses	6,480,812
Transfers to other state agencies and General Fund	78,057,138
Transfers out	-
Total Other Financing Uses	<u>84,537,950</u>
Total Expenditures and Other Uses	<u><u>\$ 5,000,129,699</u></u>
Revenues and Other Sources Over (Under) Exenditures and Other Uses	<u><u>\$ -</u></u>

Index: Acronyms and Terminology

Term	Description
BROS	Bridge Off-System
CMAQ	Congestion Mitigation and Air Quality
CPR	Capital Projects Revenue Bonds
CTB Formula	The <i>Code of Virginia</i> calls for the Allocation of funds among highway systems (§ 33.2-358). The section was updated during the 2012 General Assembly session with the addition of the CTB Formula. Through FY 2020, up to \$500 million of funds available may be distributed in the following manner: 25% Bridge, 25% High Priority Projects, 25% Interstate and Primary and Primary Extension Pavements, 15% Public-Private Transportation Act Projects, 5% Unpaved roads, and 5% to Smart Roadway Technology.
DRPT	Department of Rail and Public Transportation
FHWA	Federal Highway Administration
FRANs	Federal Reimbursement Anticipation Notes
GARVEE	Federal Grant Anticipation Revenue Bonds
HMOF	Highway Maintenance and Operating Fund
MWAA	Metropolitan Washington Airports Authority
NHPP	National Highway Performance Program
NHPP APD	National Highway Performance Program dedicated to the Appalachian Development Program
NHPP Bridge	National Highway Performance Program dedicated to Bridges
NVTD	Northern Virginia Transportation District
Oak Grove	City of Chesapeake Oak Grove Connector Project Bonds
PTF	Priority Transportation Fund
Soft Match	The budget contains a significant application of Toll Credits that are used as "soft match" to meet the nonfederal share matching requirements. Section 120(j) of Title 23 permits states to substitute certain previous toll-financed investments for state matching funds on current Federal-aid projects. It permits the non-Federal share of a project's cost to be met through a "soft match" of toll credits. The federal share on most projects in the future can effectively be increased up to 100 percent. However, the use of soft match does not increase the federal funding available to Virginia.
STP	Surface Transportation Program
STP Bridge	Surface Transportation Program dedicated to Bridges
STP Regional	Federal allocation that is to be used in urbanized areas with population greater than 200,000 - This portion is to be divided among those areas based on their relative share of population
STP Statewide	Surface Transportation Program suballocation that may be used in any area of the State
STP Under 200,000	Federal allocation that is to be used in areas with population greater than 5,000 but no more than 200,000
STP Under 5,000	Federal allocation that is to be used in areas with population of 5,000 or less
TAP	Transportation Alternatives Program
Tele Fees	Allocation of revenue from Public Rights-of-Way Use Fee to a provider of telecommunications service
Toll Facilities Revolving	Toll Facilities Revolving Account
TPOF	Transportation Partnership Opportunity Fund
TTF	Transportation Trust Fund

Endnotes

Endnote Number	Description
1	Reflects additional revenue provided by House Bill 2313 of the 2013 General Assembly Session. During FY 2015, the sales tax on gasoline increased by 1.5 percent on January 1, 2015. Additionally, the Motor Vehicle Sales and Use Tax increases by 0.05 percent on July 1, 2015.
2	Based on FY 2016 planned use.
3	Interest Earnings for the Highway Maintenance & Operating Fund and the Construction Fund are now dedicated to the Transportation Partnership Opportunity Fund (TPOF) and the Virginia Transportation Infrastructure Bank (VTIB). This dedication was a component of House Bill 1887 (2015). Previously, the interest earned was dedicated to the Toll Facility Revolving Account.
4	The recommended budget contains planned reductions in the administrative program areas.
5	Increase is primarily due to the increase in planned allocations of Federal Transportation Grant Anticipation Revenue Notes (GARVEE bonds), anticipated local funding, and additional state funding available for construction purposes.
6	Revision to FY 2015 Budget provided \$57.4 million in one-time funding of Federal Bonus Obligation Authority.
7	Increase represents planned investment in Capital Outlay beginning in the 2014-2016 Biennium.
8	Anticipated decrease in funding needed for DMV Weigh Stations for capital outlay needs.