



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

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Chairman

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Agenda item #11

RESOLUTION **OF THE** **COMMONWEALTH TRANSPORTATION BOARD**

June 14, 2016

MOTION

Made By: Mr. Garczynski, Seconded By: Mr. Dyke
Action: Motion Carried, Unanimously

Title: Action on Fiscal Year 2017 Annual Budgets
Commonwealth Transportation Fund, Department of Rail and Public Transportation and
the Virginia Department of Transportation

WHEREAS, the Commonwealth Transportation Board is required by §§ 33.2-214 (B) and 33.2-221 (C) of the *Code of Virginia (Code)* to administer and allocate funds in the Transportation Trust Fund; and

WHEREAS, §33.2-1526 of the *Code* requires portions of the funds collected in the Transportation Trust Fund pursuant to subdivision 2 of §33.2-1524 to be set aside for the Commonwealth Port Fund, the Commonwealth Airport Fund, the Commonwealth Space Flight Fund and the Commonwealth Mass Transit Fund; and

WHEREAS, § 33.2-358 (B) of the *Code* requires the Board to allocate each year from all funds made available for highway purposes such amount as it deems reasonable and necessary for the maintenance of roads within the interstate system of highways, the primary system of state highways, the secondary system of state highways and for city and town street maintenance payments made pursuant to § 33.2-319 and payments made to counties which have withdrawn or elect to withdraw from the secondary system of state highways pursuant to § 33.2-366; and

WHEREAS, §33.2-358 (C) of the *Code* requires the Board to allocate available funds for construction by formula; and

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WHEREAS, §33.2-358 (C) provides the Board an option to allocate up to \$500 million annually for construction to be distributed as follows: 25 percent to bridge reconstruction and rehabilitation; 25 percent to advancing high priority projects statewide; 25 percent to reconstructing deteriorated interstate, primary system and municipality maintained primary extension pavements determined to have a Combined Condition Index of less than 60; 15 percent to projects undertaken pursuant to the Public-Private Transportation Act of 1995 (§ 33.2-1800 et seq.); five percent to paving and improving unpaved roads carrying more than 50 vehicles per day; and five percent the Innovation and Technology Transportation Fund, provided that, at the discretion of the Board such percentages of funds may be adjusted in any given year to meet project cash flow needs or when funds cannot be expended due to legal, environmental, or other project management considerations and provided that such allocations shall cease beginning July 1, 2020. For Fiscal Year 2017, this amount totals \$325,733,046; and

WHEREAS, Chapter 780 of the 2016 Acts of Assembly (Appropriation Act) provides that, “[n]otwithstanding the provisions of § 33.2-358, Code of Virginia, the unanticipated amounts available for construction from the December 2015 revenue forecast and from the increased federal funding from the passage of the Fixing America's Surface Transportation (FAST) Act shall be distributed following the new construction formula defined by § 33.2-358, Code of Virginia, advancing the distribution of funds under this formula and provide 45 percent of the additional funding to the State of Good Repair Program, 27.5 percent to the High Priority Projects Program, and 27.5 percent to the District Grant Program”; and

WHEREAS, other sections of the *Code of Virginia* and the current Appropriation Act require certain allocations.

WHEREAS, pursuant to §33.2-214 (B), the Commonwealth Transportation Board has established the updated project allocations for the fiscal years 2017 through 2022 in the Six-Year Improvement Program; and

WHEREAS, § 2.2-2100 of the *Code* allows the Board to review and comment on budget items not specifically enumerated to the Board by statute.

NOW, THEREFORE BE IT RESOLVED by the Commonwealth Transportation Board that the alternate construction formula set out in §in 33.2-358 (C) of the *Code of Virginia* shall be used for Fiscal Year 2017 as previously planned.

BE IT FURTHER RESOLVED by the Commonwealth Transportation Board that, in accord with the Appropriation Act, the additional revenues available for construction from the December 2015 revenue forecast and from the increased federal funding from the passage of the Fixing America's Surface Transportation (FAST) Act shall be distributed following the new construction formula defined by § 33.2-358 of the *Code of Virginia*, advancing the distribution of funds under this formula and provide 45 percent of the additional funding to the State of Good

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Repair Program, 27.5 percent to the High Priority Projects Program, and 27.5 percent to the District Grant Program.

BE IT FURTHER RESOLVED by the Commonwealth Transportation Board that the recommended allocations required by the various statutes as contained in the budgets for the Commonwealth Transportation Fund, Department of Rail and Public Transportation, and the Department of Transportation for Fiscal Year 2017 are approved.

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CTB Decision Brief

Fiscal Year 2017 Annual Budgets

Commonwealth Transportation Fund, Department of Rail and Public Transportation and the Department of Transportation

Issue: Each year, the Commonwealth Transportation Board (CTB or Board) is required by §§33.2-214 (B) and 33.2-221 (C) of the *Code of Virginia* to administer, distribute and allocate funds in the Transportation Trust Fund; by § 33.2-1526, to provide the statutory funding to the Commonwealth Port Fund, the Commonwealth Airport Fund, the Commonwealth Space Flight Fund and the Commonwealth Mass Transit Fund; and by § 33.2-358 (B) to allocate from all funds made available for highway purposes such amount as it deems reasonable and necessary for the maintenance of roads within the interstate, primary and secondary system of highways and for city and town street maintenance payments and payments to counties that have elected to withdraw from the secondary state highway system. Board approval and finalization of the FY 2017 budgets necessary to effectuate the lawful distribution of available Transportation Trust Fund revenues is sought.

Facts: The CTB must adopt a budget that distributes the available revenues of the Transportation Trust Fund to the statutorily defined funds and purposes. The budget shall be based on the most recent official revenue forecasts and debt policy. There are three separate budgets in addition to the Six-Year Improvement Program:

- 1) Commonwealth Transportation Board's Commonwealth Transportation Fund Budget which includes all transportation revenues, including those allocated to the Airport Fund, Space Flight Fund and Port Fund. It is a summary level budget.
- 2) The Department of Rail and Public Transportation (DRPT) Annual Budget which provides details on estimated expenditures and the related revenues that support the estimated expenditures that are directly provided to the agency for its programs and activities.
- 3) The Department of Transportation (VDOT) Annual Budget which provides details on revenue and allocations that are directly provided to the agency for its programs and activities.

For FY 2017, it is recommended that that the alternate formula set out in §33.2-358 (C) of the *Code of Virginia* for distributing construction funds be used for FY2017. Available funding would be distributed in accordance with the categories outlined in 33.2-358 (C). For FY 2017 \$325,733,046 is available for such distribution.

Item 453 J. of Chapter 780 of the 2016 Acts of Assembly (Appropriations Act) provides that, "[n]otwithstanding the provisions of § 33.2-358, Code of Virginia, the unanticipated amounts available for construction from the December 2015 revenue forecast and from the increased federal funding from the passage of the Fixing America's Surface Transportation (FAST) Act shall be distributed following the new construction formula defined by § 33.2-358, Code of

Virginia, advancing the distribution of funds under this formula and provide 45 percent of the additional funding to the State of Good Repair Program, 27.5 percent to the High Priority Projects Program, and 27.5 percent to the District Grant Program.” The proposed budget reflects this mandate.

Recommendations: VDOT and DRPT recommend the adoption of the Fiscal Year 2017 Annual Budgets for the Commonwealth Transportation Fund, the Department of Transportation, and the Department of Rail and Public Transportation.

Action Required by CTB: The CTB will be presented with a resolution for a formal vote to adopt the Fiscal Year 2017 Annual Budgets.

Options: Approve, Deny or Defer. If the CTB chooses not to approve a budget resolution, it will be in violation of state law.

Public Comments/Reactions: The public expects the CTB to utilize the funds dedicated to transportation to address transportation needs.