



# Preliminary FY 2022 – 2027 Commonwealth Transportation Fund (CTF) Six-Year Financial Plan

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# Long-term Impacts to Transportation Revenues from COVID-19

- ❑ December forecast updated expected impacts to revenues and provided the first insight for the full 6-year programming window
- ❑ Annual reduction anticipated to be an average of \$230M from FY 2023 to FY 2027
- ❑ Total reductions of \$1.8B from FY 2021 to FY 2027 when compared with the post-2020 session figures
- ❑ With reductions, Omnibus is still expected to generate ~ \$200M/year for new transportation spending in FY 2024



# Transportation Revenue Estimate Updates

## *Value of revenue changes to the CTF since March 2020 assumptions*

(in millions)

Details of Differences	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Total
Retail Sales and Use Tax	\$ (86.1)	\$ (76.1)	\$ (65.5)	\$ (61.1)	\$ (24.5)	\$ 11.6	\$ 22.5	\$ (279.2)
Motor Vehicle Sales and Use Tax	(53.2)	(119.6)	(54.7)	(69.6)	9.7	36.9	(15.8)	(266.3)
Motor Fuels Tax	(80.7)	(120.4)	(99.9)	(94.8)	(112.5)	(129.3)	(132.2)	(769.6)
Aviation Fuels Tax	-	-	-	-	-	-	-	-
Road Tax	(25.2)	(27.1)	(27.1)	(26.9)	(28.6)	(30.4)	(32.2)	(197.5)
International Registration Plan	(2.7)	0.3	1.8	3.9	0.5	0.6	0.6	5.0
Registration Fees	(7.9)	(16.6)	(18.0)	(15.7)	(14.5)	(13.2)	(13.2)	(99.1)
State Insurance Premium Tax	(16.2)	(34.1)	(36.8)	(38.6)	(41.0)	(44.1)	(47.6)	(258.4)
Recordation Tax	21.8	14.8	14.8	14.8	14.8	14.8	14.8	110.6
Vehicle Rental Tax	(7.8)	(2.5)	(1.9)	(1.4)	(0.9)	(0.3)	0.2	(14.6)
Highway Use Fee	(1.9)	(2.7)	1.3	(1.3)	(4.0)	(6.9)	(9.9)	(25.4)
Miscellaneous Revenues to HMOF	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(4.2)
	<b>\$ (260.4)</b>	<b>\$ (384.5)</b>	<b>\$ (286.6)</b>	<b>\$ (291.3)</b>	<b>\$ (201.6)</b>	<b>\$ (160.9)</b>	<b>\$ (213.4)</b>	<b>\$ (1,798.6)</b>



# Commonwealth Transportation Fund (CTF) Revenue Estimate

	(in millions)						
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
<b>Sources of Funds</b>							
Retail Sales and Use Tax	\$ 1,096.9	\$ 1,126.0	\$ 1,157.5	\$ 1,184.4	\$ 1,243.9	\$ 1,303.9	\$ 1,339.2
Motor Vehicle Sales and Use Tax	942.4	899.6	983.6	982.8	1,025.1	1,057.3	1,009.6
Motor Fuels Tax	1,016.4	1,278.8	1,345.4	1,377.1	1,392.4	1,412.5	1,447.6
Aviation Fuels Tax	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Road Tax	25.4	27.5	27.5	28.3	28.3	28.3	28.3
International Registration Plan	71.0	73.9	73.8	72.2	69.2	69.6	69.9
Registration Fees	209.7	202.9	202.9	206.0	206.9	207.8	207.4
State Insurance Premium Tax	181.4	171.8	177.5	184.3	190.8	197.0	203.2
Recordation Tax	67.1	57.0	57.0	57.0	57.0	57.0	57.0
Vehicle Rental Tax	24.7	29.7	31.1	31.6	32.1	32.7	33.2
Highway Use Fee	38.0	46.6	53.1	53.1	53.1	53.1	53.1
<b>Total Commonwealth Transportation Fund</b>	<b>\$ 3,675.0</b>	<b>\$ 3,915.8</b>	<b>\$ 4,111.4</b>	<b>\$ 4,178.8</b>	<b>\$ 4,300.8</b>	<b>\$ 4,421.2</b>	<b>\$ 4,450.5</b>
<b>December 2020 Forecast</b>							



# Commonwealth Transportation Fund Revenue Updates

- ❑ **Full state revenue update through FY 2027**
  - Reflect impact of COVID on state economy
  - Reflect adjustments to new revenue sources from the I-81 and Interstate funding actions from the 2019 Session
  - The impact of the revenue reduction was minimized due to not adopting a Six-Year Improvement Program in June 2020
  - Majority of impact in FY 2021 and FY 2022 was reflected in updates adopted for COVID to the Six-Year Financial Plan and Six-Year Improvement Program in December 2020.
  
- ❑ **Federal Revenue updates include removal of anticipated growth planned from FY 2020 to FY 2021; continue federal growth of 1.7 percent from FY 2021 forward**

# Commonwealth Transportation Fund (CTF) Preliminary Fiscal Years 2022 – 2027 Six-Year Financial Plan Overview

- ❑ The Six-Year Financial Plan (SYFP) identifies the planned funding for allocation to Highways, Rail, Transit, Ports, Aviation, DMV, and Space Flight
- ❑ The Preliminary Fiscal Years 2022 – 2027 SYFP allocates \$45.5 billion
- ❑ Includes the use of \$1.2 billion of GARVEE and Route 58 Corridor Bonds
- ❑ Transfers \$4.85 billion to the three regions for transportation improvements and \$692 million in dedicated revenue for WMATA Capital Fund
- ❑ Includes \$376 million of dedicated fuel tax revenue for the I-81 Corridor Improvements
- ❑ Dedicates \$14.3 billion for Maintenance and Operations
- ❑ Provides \$13.5 billion for Construction

Approximately \$3.9 billion of Construction Funding represents Local and Regional Funding for Projects



# Commonwealth Transportation Fund Preliminary Fiscal Years 2022 – 2027 Six-Year Financial Plan Estimated Revenues (in millions)

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2022-2027 Total
<b>State Transportation Revenues</b>							
Commonwealth Transportation Fund	\$ 4,077.7	\$ 4,111.4	\$ 4,178.8	\$ 4,300.8	\$ 4,421.2	\$ 4,450.5	\$ 25,540.4
Prior year funding	-	191.4	-	-	-	-	191.4
Local & Regional Project Participation/Revenue	885.1	901.9	888.8	879.7	189.7	161.5	3,906.7
Other Revenue	367.6	445.4	442.2	418.3	417.3	357.5	2,448.3
<b>Total</b>	<b>5,330.4</b>	<b>5,650.1</b>	<b>5,509.8</b>	<b>5,598.7</b>	<b>5,028.3</b>	<b>4,969.5</b>	<b>32,086.8</b>
<b>Federal Revenues</b>							
	<b>1,116.3</b>	<b>1,113.6</b>	<b>1,131.4</b>	<b>1,149.4</b>	<b>1,167.8</b>	<b>1,186.5</b>	<b>6,865.0</b>
<b>Total Revenues</b>	<b>6,446.7</b>	<b>6,763.7</b>	<b>6,641.2</b>	<b>6,748.2</b>	<b>6,196.1</b>	<b>6,156.0</b>	<b>38,951.8</b>
<b>Other Financing Sources</b>							
GARVEE Bonds	76.3	100.0	125.0	134.0	137.1	149.0	721.4
Route 58	218.4	-	152.2	74.2	-	-	444.8
<b>Total</b>	<b>294.7</b>	<b>100.0</b>	<b>277.2</b>	<b>208.2</b>	<b>137.1</b>	<b>149.0</b>	<b>1,166.2</b>
<b>Total Operating Revenues and Other Financing Sources</b>	<b>\$ 6,741.4</b>	<b>\$ 6,863.7</b>	<b>\$ 6,918.4</b>	<b>\$ 6,956.4</b>	<b>\$ 6,333.2</b>	<b>\$ 6,305.0</b>	<b>\$ 40,118.0</b>
<b>Pass Through Revenues</b>							
Regional Transportation Funds	732.8	751.8	767.6	798.7	830.5	850.9	4,732.3
WMATA Capital Fund Revenue	109.5	115.1	115.7	116.5	117.3	118.0	692.1
<b>Grand Total</b>	<b>\$ 7,583.7</b>	<b>\$ 7,730.6</b>	<b>\$ 7,801.7</b>	<b>\$ 7,871.6</b>	<b>\$ 7,281.0</b>	<b>\$ 7,273.9</b>	<b>\$ 45,542.4</b>



# Commonwealth Transportation Fund Preliminary Fiscal Years 2022 – 2027 Six-Year Financial Plan Estimated Allocations (in millions)

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2022-2027 Total
Debt Service	\$ 401.7	\$ 425.4	\$ 436.7	\$ 446.9	\$ 464.7	\$ 475.4	\$ 2,650.7
Other Agencies & Transfers	43.8	44.8	44.9	45.9	46.0	47.1	272.6
Maintenance & Operations	2,239.0	2,325.6	2,361.6	2,413.1	2,467.7	2,525.8	14,332.7
Administration & Other Programs	595.3	553.3	532.1	549.6	543.1	559.2	3,332.7
Toll Programs	93.6	99.7	102.3	104.2	104.2	36.8	540.7
Special Structures	5.0	80.0	82.1	84.0	86.0	87.9	425.0
Rail and Public Transportation	604.8	669.5	707.8	700.6	718.7	723.0	4,124.5
Port Trust Fund	45.4	49.2	49.4	50.9	52.4	52.7	300.0
Airport Trust Fund	26.0	27.4	29.7	30.5	31.4	31.6	176.6
Commonwealth Space Flight Fund	15.8	16.8	19.7	20.2	20.8	21.0	114.3
Department of Motor Vehicles	14.0	21.5	24.7	25.2	25.8	26.0	137.1
Construction	2,614.4	2,510.5	2,487.5	2,445.0	1,732.4	1,678.7	13,468.5
<b>Total Operating Programs</b>	<b>\$6,698.8</b>	<b>\$6,823.7</b>	<b>\$6,878.4</b>	<b>\$6,916.4</b>	<b>\$6,293.2</b>	<b>\$6,265.0</b>	<b>\$ 39,875.4</b>
Pass Through Programs							
WMATA Capital Fund	132.1	135.1	135.7	136.5	137.3	138.0	814.7
Central Virginia Transportation Fund	200.3	205.7	210.0	218.1	226.6	232.4	1,293.1
Northern Virginia Transportation Authority Fund	317.0	324.5	330.9	345.1	359.5	367.9	2,044.9
Hampton Roads Regional Transit Fund	32.3	32.6	33.0	33.4	33.5	33.5	198.3
Hampton Roads Transportation Fund	203.2	209.0	213.7	222.1	230.9	237.1	1,316.0
<b>Subtotal</b>	<b>884.9</b>	<b>906.9</b>	<b>923.3</b>	<b>955.2</b>	<b>987.8</b>	<b>1,008.9</b>	<b>5,667.0</b>
<b>Total</b>	<b>\$7,583.7</b>	<b>\$7,730.6</b>	<b>\$7,801.7</b>	<b>\$7,871.6</b>	<b>\$7,281.0</b>	<b>\$7,273.9</b>	<b>\$ 45,542.4</b>





## Major Program Changes from previous assumptions

- ❑ **Improved revenue picture in FY 2021 allows for adjusting the use of Revenue Sharing balances to be shifted from FY 2022 to FY 2023.**
  - **Reallocation schedule remains the same as December 2020 assumptions.**
- ❑ **Provide for additional pre-scoping funding in Planning and Research program area for project pipeline studies.**
- ❑ **New distribution formulas from the omnibus legislation are fully implemented in FY 2024**

# Assumptions for Highway Construction Programs

- ❑ Revenue Sharing Program includes the re-allocation of funds over fiscal years 2021 – 2024 as granted by the flexibility. Funds available in FYs 2025 – 2027 are \$100 million annually.
- ❑ The Innovation and Technology Transportation Fund (ITTF) funding from the High Priority Projects Program for FY 2026 and FY 2027 is \$25 million annually
- ❑ Unpaved Roads funding for FY 2026 and FY 2027 is \$25 million annually from the District Grant Program

# Assumptions for Highway Construction Programs

## State of Good Repair

	(in millions)						
	2022	2023	2024	2025	2026	2027	TOTAL
State of Good Repair Allocation	\$260.4	\$271.1	\$238.1	\$249.3	\$261.8	\$248.3	<b>\$1,529.1</b>
Difference from Previous Assumptions	(30.0)	(21.9)	(45.1)	(32.9)			

# Assumptions for Highway Construction Programs

## Smart Scale – Allocation for Distribution

### Estimated Smart Scale Round 4 based on revenue

(in millions)	Difference from previous assumptions							TOTAL
	2021	2022	2023	2024	2025	2026	2027	
<b>High Priority Projects Program (HPP)</b>	\$ -	\$39.9	\$38.2	(\$14.3)	(\$6.3)	\$218.1	\$215.1	<b>\$490.7</b>
<b>District Grant Program (DGP)</b>								
Formula Distribution		40.1	38.2	(14.3)	(6.3)	218.1	215.1	<b>490.9</b>
Supplemental DGP Funding from Fuel Tax Revenue (through FY 2024)	84.1	100.1	103.4	105.2				<b>392.8</b>
<b>Subtotal – DGP</b>	<b>84.1</b>	<b>140.2</b>	<b>141.6</b>	<b>90.9</b>	<b>(6.3)</b>	<b>218.1</b>	<b>215.1</b>	<b>883.7</b>
<b>Grand Total – SMART SCALE</b>	<b>\$84.1</b>	<b>\$180.1</b>	<b>\$179.9</b>	<b>\$76.6</b>	<b>(\$12.6)</b>	<b>\$436.2</b>	<b>\$430.2</b>	<b>\$1,374.4</b>

*Supplemental DGP Funding from Fuel Tax continues beyond FY 2024, unprogrammed*

# Assumptions for Highway Construction Programs

## Interstate Operations and Enhancement Program

(in millions)							
	2022	2023	2024	2025	2026	2027	TOTAL
Interstate 81 – Fuel Tax	\$50.6	\$62.8	\$64.2	\$65.0	\$66.1	\$67.7	<b>\$376.4</b>
Interstate 81	58.9	69.4	69.4	72.6	76.3	72.3	<b>418.9</b>
NVTA	13.3	13.3	13.3	13.9	14.7	13.9	<b>82.5</b>
Interstate 95	14.5	26.2	26.2	27.4	28.8	27.3	<b>150.3</b>
Interstate 64	10.8	18.7	18.8	19.6	20.6	19.6	<b>108.2</b>
Interstate Improvements	21.7	31.1	31.1	32.6	34.2	32.5	<b>183.2</b>

*Debt issuance schedule and associated allocations for Interstate 81 will be completed for Draft SYIP*

## Virginia Highway Safety Improvement Program

(in millions)							
	2022	2023	2024	2025	2026	2027	TOTAL
Safety Allocation	\$87.5	\$90.7	\$79.4	\$83.1	\$87.3	\$82.8	<b>\$510.8</b>

# Next Steps

- Federal COVID Relief funding – We will develop a plan for using the COVID relief funding once we receive notice of the amount and guidance from Federal Highway Administration.**
  
- Monitor actions by 2021 General Assembly and impact to transportation funding**