



# Draft FY 2023 CTF and VDOT Budgets

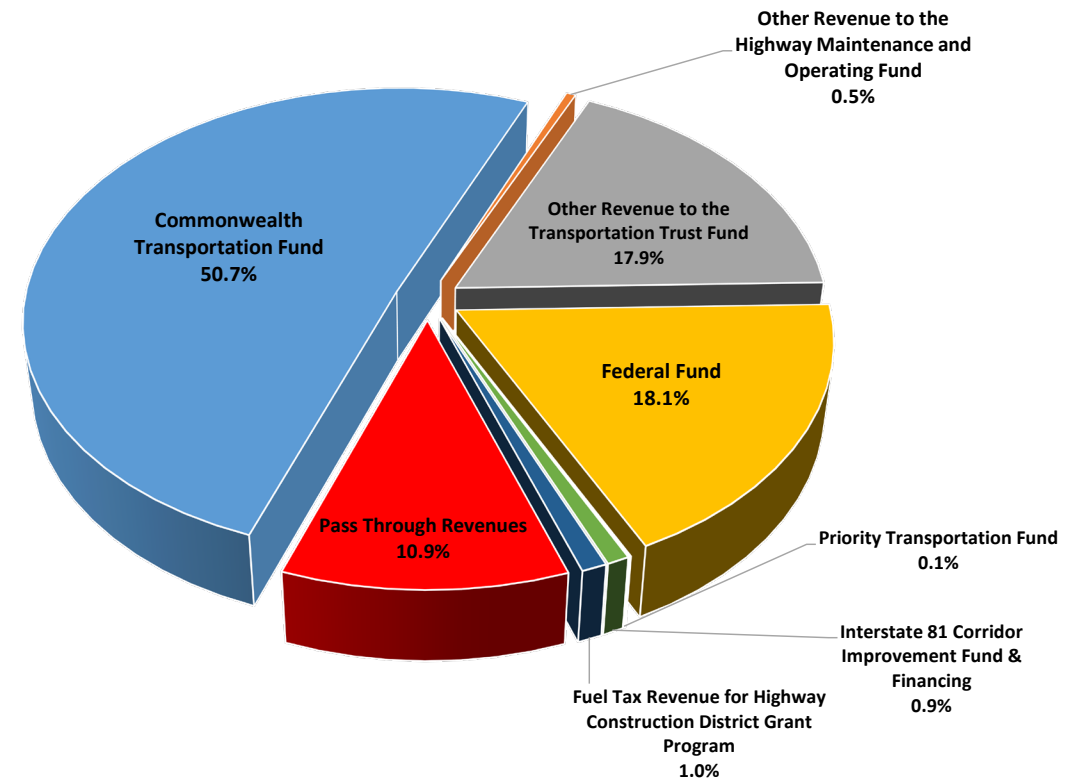
Laura Farmer, Chief Financial Officer

April 19, 2022

# Commonwealth Transportation Fund FY 2023 Draft Budget

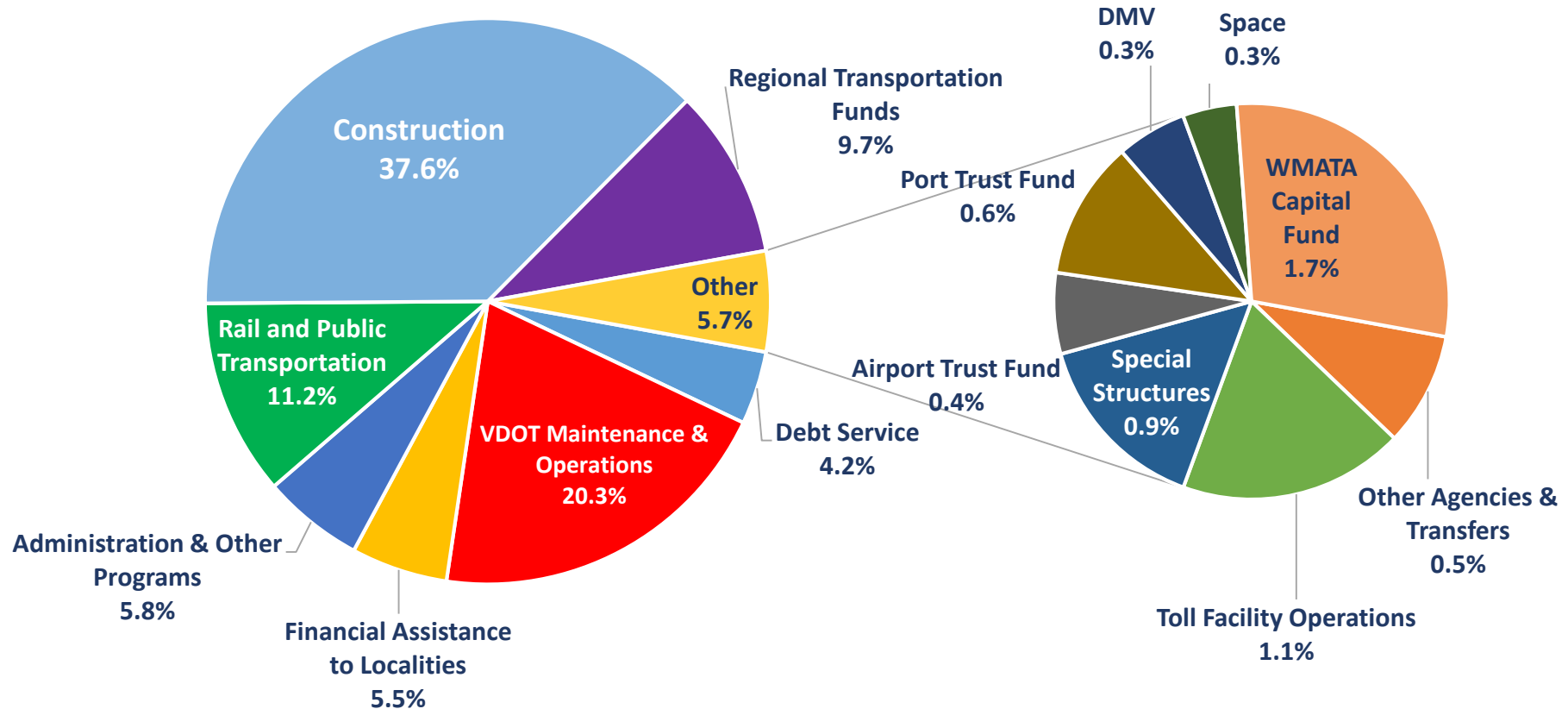
CTF Revenues total \$9.2 billion, a decrease of 5.5 percent from the Second Revised FY 2022 CTF Budget (adopted in January 2022)

Revenue	Total Estimate
Commonwealth Transportation Fund	\$ 4,674.4
Other Revenue to the Highway Maintenance and Operating Fund	42.0
Other Revenue to the Transportation Trust Fund	1,647.1
Federal Fund	1,669.9
Priority Transportation Fund	6.9
Financing	78.8
Fuel Tax Revenue for Highway Construction District Grant Program	89.5
<b>Total Operating Revenues</b>	<b>\$ 8,208.6</b>
<b>Pass Through Revenues</b>	
WMATA Capital Fund	133.9
Central Virginia Transportation Fund	198.9
Northern Virginia Transportation Authority Fund	379.3
Hampton Roads Transportation Fund	254.3
Hampton Roads Regional Transit Fund	39.9
<b>Subtotal</b>	<b>\$ 1,006.3</b>
<b>Total</b>	<b>\$ 9,214.9</b>



# FY 2023 Draft Recommended Allocations

- Highway Maintenance, including VDOT maintained and Locality Maintained, represents 26 percent of budget
- Highway Construction represents 38 percent of the total with support of regional / local funding
- Funding for Rail and Public Transportation is 11 percent of budget



# **FY 2023 VDOT Budget Highlights**

**Draft budget totals \$7.1 billion net of regional programs; grand total of \$8.0 billion**

**The construction fund will provide \$70.5 million of state funds to support the budgetary needs of the Highway Maintenance and Operating Fund (HMOF) based on the current draft.**

# FY 2023 Draft VDOT Recommended Allocations

	(in millions)		
	Revised FY 2022	Proposed FY 2023	Increase (Decrease)
<b>VDOT Programs</b>			
Environmental Monitoring and Evaluation (514)	\$ 44.0	\$ 17.8	\$ (26.2)
Ground Transportation Planning and Research (602)	95.6	104.8	9.1
Highway Construction Programs (603)	4,111.3	3,471.1	(640.2)
Highway System Maintenance (604)	1,756.6	1,869.4	112.8
Commonwealth Toll Facilities (606)	71.1	97.6	26.5
Financial Assistance to Localities (607)			
VDOT Programs	495.4	526.7	31.4
Regional Programs	834.5	912.5	78.0
Non-Toll Supported Transportation Debt Service (612)	382.9	388.3	5.4
Special Structures (614)	60.0	80.0	20.0
Administrative and Support Services (699)	302.7	320.0	17.3
VDOT Capital Outlay (998)	60.0	40.0	(20.0)
<b>Total VDOT Programs</b>	<b>\$ 8,214.0</b>	<b>\$ 7,828.2</b>	<b>\$ (385.9)</b>
Support to Other State Agencies	60.6	49.2	(11.5)
Support to DRPT Programs & Virginia Passenger Rail Authority	201.9	144.6	(57.3)
<b>TOTAL</b>	<b>\$ 8,476.6</b>	<b>\$ 8,022.0</b>	<b>\$ (454.6)</b>
<b>TOTAL OPERATING BUDGET (Net Regional Programs)</b>	<b>\$ 7,642.1</b>	<b>\$ 7,109.4</b>	<b>\$ (532.6)</b>

# Next Steps

- Monitor General Assembly Actions on 2022-2024 biennial budget**
  - Fuel Tax Holiday and its implications**
- Reflect necessary adjustments in Final Six-Year Improvement Program (SYIP) for Construction Programs**
- Final recommended budgets to be presented in June**

# Fiscal Year 2023

## Commonwealth Transportation Fund Budget April 2022



**Virginia Department of Transportation**

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During its 2020 session, the Virginia General Assembly enacted the Governor's Omnibus Transportation Bill, Chapter 1230 (House Bill 1414), which revised the composition of and increased available revenues for transportation funding in the Commonwealth. Under Chapter 1230, the Commonwealth Transportation Fund (CTF) serves as the fund to which all transportation revenues are deposited and then distributed to programs and funds. These transportation revenues include: (i) motor vehicles fuels taxes and road taxes for diesel fuel; (ii) vehicle registration fees; (iii) highway use fee; (iv) 0.5% statewide sales and use tax; (v) 0.3% statewide sale and use tax for transportation; (vi) 4.15% percent motor vehicles sales and use tax; (vii) motor vehicle rental tax (10 percent of gross proceeds from rentals for most passenger vehicles); (viii) \$0.03 of the \$0.25 per \$100 of assessed value of the statewide recordation tax; (ix) tax on liquid alternative fuel, set at the rate for gasoline; (x) International Registration Plan fees; and (xi) one-third of the revenue from insurance premium taxes.

Chapter 1230 also amends the allocation of funds. Before funds are distributed between the Transportation Trust Fund and the Highway Maintenance and Operating Fund ("HMO Fund"), (i) \$40 million annually will be deposited into the Route 58 Corridor Development Fund; (ii) \$40 million annually will be deposited into the Northern Virginia Transportation District Fund; and (iii) \$80 million annually (as adjusted annually based on changes in consumer price index for urban consumers) will be deposited into the Special Structure Fund. Enactment Clause 11 of Chapter 1230 provides the Commonwealth Transportation Board the ability to take actions deemed necessary in fiscal years 2021, 2022, and 2023 to ensure funds for modal programs and the highway maintenance and operating fund are at least equal to the amounts provided for in the six-year financial plan for the Commonwealth Transportation Fund as in effect on January 1, 2020.

Toll revenue and concession payments to the Commonwealth under the Public-Private Transportation Act of 1995 also would be deposited to the Commonwealth Transportation Fund and allocated to the Transportation Trust Fund (for defined purposes and not available for further distribution). Interest, dividends, and appreciation accrued to the Transportation Trust Fund or the HMO Fund also would be allocated to the Commonwealth Transportation Fund and distributed two-thirds to the Virginia Transportation Infrastructure Bank and one-third to the Transportation Partnership Opportunity Fund.

The remaining funds in the Commonwealth Transportation Fund are allocated 51% to the HMO Fund and 49% to the Transportation Trust Fund. Chapter 1230 directs the following distribution of funds from the Transportation Trust Fund: (i) 53% for construction programs; (ii) 23% to the Commonwealth Mass Transit Fund; (iii) 7.5% to the Commonwealth Rail Fund; (iv) 2.5% to the Commonwealth Port Fund; (v) 1.5% to the Commonwealth Aviation Fund; (vi) 1% to the Commonwealth Space Flight Fund; (vii) 10.5% to the Priority Transportation Fund; and (viii) 1% to the Department of Motor Vehicles. Enactment Clause 11 of Chapter 1230 also allows the Commonwealth Transportation Board to take actions deemed necessary in fiscal years 2021, 2022, and 2023 to ensure appropriate coverage ratios for any outstanding debt backed by the Transportation Trust Fund.

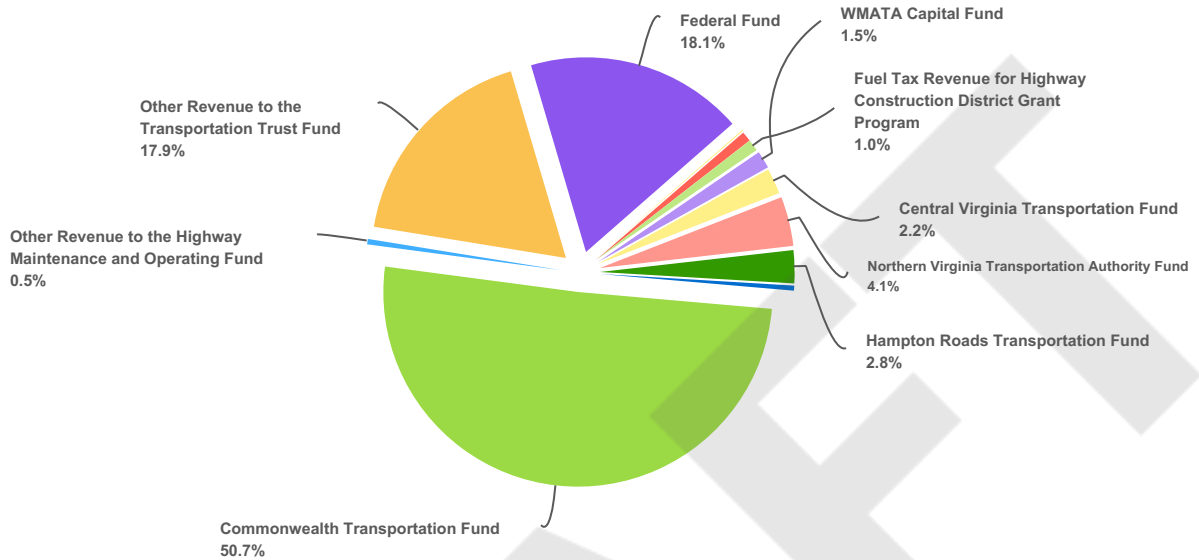
The Fiscal Year 2023 budget for the CTF identifies the estimated revenues and the distribution of the revenues to the related transportation agencies and programs. It is based on the state revenue forecast from February 2022, which reflects the elimination of i) the Retail Sales and Use Tax on food purchased for human consumption and essential personal hygiene items assumed to change July 1, 2022 and ii) the accelerated sales tax payments for FY 2023, and reflects implementation of federal funding provided under the Infrastructure Investment and Jobs Act (IIJA). The FY 2023 CTF Budget totals \$9,214,927,348, a decrease of 5.5% from the Second Revised FY 2022 CTF Budget totaling \$9,748,926,154.



The CTF receives revenues from dedicated state and federal sources. The major state revenues are based on Virginia's official revenue forecast developed by the Department of Taxation. The federal revenues from the Federal Highway Administration and the Federal Transit Administration are estimated by the Virginia Department of Transportation (VDOT) and the Virginia Department of Rail and Public Transportation (DRPT). Revenues provided are also from funds collected for regional transportation improvements in Northern Virginia, Hampton Roads, and Central Virginia. These funds are dedicated to the efforts of the Northern Virginia Transportation Authority, Central Virginia Transportation Authority, and the Hampton Roads Transportation Accountability Commission.

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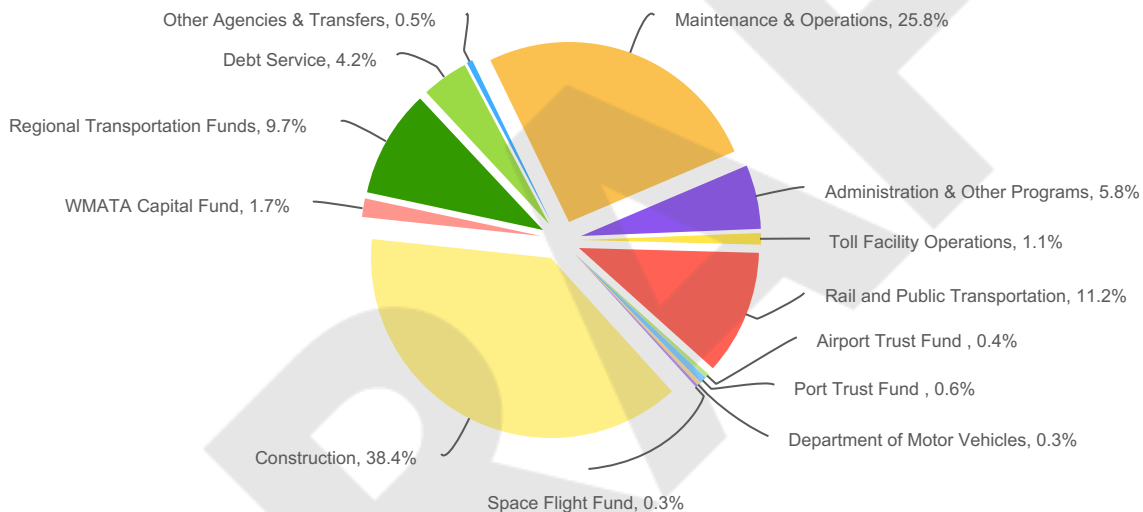
## Commonwealth Transportation Fund Total Revenues for FY 2023



Commonwealth Transportation Fund	\$4,674,400,000
Other Revenue to the Highway Maintenance and Operating Fund	41,998,929
Other Revenue to the Transportation Trust Fund	1,647,118,586
Federal Fund	1,669,914,554
Priority Transportation Fund	6,877,525
Interstate 81 Corridor Improvement Fund & Financing	78,800,000
Fuel Tax Revenue for Highway Construction District Grant Program	89,497,754
General Fund	—
Bonds	—
<b>Total Operating Revenues</b>	<b>8,208,607,348</b>
Pass Through Revenues	
WMATA Capital Fund	133,920,000
Central Virginia Transportation Fund	198,900,000
Northern Virginia Transportation Authority Fund	379,300,000
Hampton Roads Transportation Fund	254,300,000
Hampton Roads Regional Transit Fund	39,900,000
<b>Subtotal</b>	<b>1,006,320,000</b>
<b>TOTAL</b>	<b>\$9,214,927,348</b>

The revenues are dedicated to specific funds within the CTF. After certain distributions required by the Code of Virginia, the remaining funds in the CTF are allocated 51% to the Highway Maintenance and Operating Fund (HMOF) and 49% to the Transportation Trust Fund. Chapter 1230 directs the following distribution of funds from the Transportation Trust Fund: (i) 53% for construction programs; (ii) 23% to the Commonwealth Mass Transit Fund; (iii) 7.5% to the Commonwealth Rail Fund; (iv) 2.5% to the Commonwealth Port Fund; (v) 1.5% to the Commonwealth Aviation Fund; (vi) 1% to the Commonwealth Space Flight Fund; (vii) 10.5% to the Priority Transportation Fund; and (viii) 1% to the Department of Motor Vehicles.

The revenues for the HMOF support highway maintenance, operations and administration. The Priority Transportation Fund (PTF) revenues are dedicated to debt service on the Commonwealth of Virginia Transportation Capital Projects Revenue Bonds. The Commonwealth Transportation Board can also use the Fund to facilitate the financing of priority transportation projects throughout the Commonwealth. Federal revenues are used for their defined purposes to support construction, maintenance or transit.



<b>Debt Service</b>	<b>\$388,272,066</b>
<b>Other Agencies &amp; Transfers</b>	<b>49,162,918</b>
<b>Maintenance &amp; Operations</b>	<b>2,377,815,936</b>
<b>Administration &amp; Other Programs</b>	<b>531,541,454</b>
<b>Toll Facility Operations</b>	<b>97,602,045</b>
<b>Rail and Public Transportation</b>	<b>1,034,907,286</b>
<b>Airport Trust Fund</b>	<b>35,056,705</b>
<b>Port Trust Fund</b>	<b>59,755,196</b>
<b>Department of Motor Vehicles</b>	<b>30,419,830</b>
<b>Space Flight Fund</b>	<b>23,407,150</b>
<b>Construction</b>	<b>3,540,666,762</b>
<b>Total Operating Programs</b>	<b>8,168,607,348</b>
<b>Pass Through Programs</b>	
<b>WMATA Capital Fund</b>	<b>153,920,000</b>
<b>Regional Transportation Funds</b>	<b>892,400,000</b>
<b>TOTAL RECOMMENDED DISTRIBUTIONS</b>	<b>\$9,214,927,348</b>



<b>STATE REVENUE SOURCES</b>	<b>2nd REVISED FY 2022</b>	<b>FY 2023</b>	<b>INCREASE (DECREASE)</b>
<b>Commonwealth Transportation Fund</b>	\$ 4,752,300,000	\$ 4,674,400,000	\$ (77,900,000) <sup>1</sup>
<b>Revenue Sharing</b>	—	191,405,031	191,405,031
<b>Highway Maintenance &amp; Operating Fund (HMOF)</b>	55,535,702	41,998,929	(13,536,773)
<b>General Fund</b>	170,796,000	—	(170,796,000)
<b>Transportation Trust Fund (TTF) and Other State Revenue</b>			
Interest Earnings	28,515,000	18,490,000	(10,025,000)
Toll Facilities	34,354,020	60,852,045	26,498,025
Local Revenue Sources	162,294,383	219,955,280	57,660,897
Project Participation - Regional Entities	782,764,066	1,041,917,180	259,153,114
GARVEE Bonds	76,300,000	—	(76,300,000) <sup>2</sup>
Route 58 Bonds	219,304,103	1,054,829	(218,249,274) <sup>2</sup>
I-66 Outside the Beltway Concession Fee Payment/Interest	22,094,013	21,279,551	(814,462)
Interstate 81 Corridor Improvement Fund	279,186,080	78,800,000	(200,386,080) <sup>2</sup>
Statewide Interstate Improvement Fund	(39,444,828)	—	39,444,828
Special Fund Account for the Highway Construction District Grant Program	100,300,000	89,497,754	(10,802,246) <sup>3</sup>
Other Trust Fund Revenue	121,077,476	92,164,670	(28,912,806)
<b>Total TTF and Other Revenue</b>	<b>1,786,744,313</b>	<b>1,624,011,309</b>	<b>(162,733,004)</b>
<b>Priority Transportation Fund (PTF)</b>			
State Revenue	356,671,762	6,877,525	(349,794,237) <sup>4</sup>
<b>Total PTF</b>	<b>356,671,762</b>	<b>6,877,525</b>	<b>(349,794,237)</b>
<b>Pass Through Revenues</b>			
Revenue Dedicated to WMATA Capital Fund	131,120,000	133,920,000	2,800,000
State Revenue for Regional Entities	793,500,000	872,400,000	78,900,000
<b>Total Pass Through Revenues</b>	<b>924,620,000</b>	<b>1,006,320,000</b>	<b>81,700,000</b>
<b>TOTAL STATE REVENUES</b>	<b>8,046,667,777</b>	<b>7,545,012,794</b>	<b>(501,654,983)</b>
<b>Federal Funding Sources</b>			
Federal Highway Administration (FHWA)	1,653,029,918	1,620,686,095	(32,343,823)
Federal Transit Administration (FTA)	49,228,459	49,228,459	—
<b>Total Federal Funding</b>	<b>1,702,258,377</b>	<b>1,669,914,554</b>	<b>(32,343,823)</b>
<b>TOTAL COMMONWEALTH TRANSPORTATION FUNDS</b>	<b>\$ 9,748,926,154</b>	<b>\$ 9,214,927,348</b>	<b>\$ (533,998,806)</b>

<b>DISTRIBUTION OF REVENUE SOURCES</b>	<b>2nd REVISED FY 2022</b>	<b>FY 2023</b>	<b>INCREASE (DECREASE)</b>
<b>Debt Service</b>			
Northern Virginia Transportation District	\$ 11,427,687	\$ 11,870,438	\$ 442,751
Route 28	8,644,519	8,644,519	—
Route 58	29,725,222	32,432,222	2,707,000
Interstate 81	6,006,732	5,220,979	(785,753)
GARVEE Bonds	129,951,050	134,352,364	4,401,314
CPR Bonds	194,994,559	195,751,544	756,985
<b>Total Debt Service</b>	<b>382,877,846</b>	<b>388,272,066</b>	<b>5,394,220</b>
<b>Other Agencies &amp; Transfers</b>			
Trust Fund Management	3,200,876	3,092,567	(108,309)
Support to Other State Agencies (excludes DRPT)	52,304,162	43,349,176	(8,954,986)
Indirect Costs	5,128,092	2,721,175	(2,406,917)
<b>Total State Agencies</b>	<b>60,633,130</b>	<b>49,162,918</b>	<b>(11,470,212)</b>
<b>Maintenance &amp; Operations</b>			
Highway System Maintenance	1,756,641,898	1,869,392,118	112,750,220
Financial Assist. to Localities for Ground Transportation - Cities	405,955,990	433,496,577	27,540,587
Financial Assist. to Localities for Ground Transportation - Counties	71,935,383	74,927,241	2,991,858
<b>Total Maintenance &amp; Operations</b>	<b>2,234,533,271</b>	<b>2,377,815,936</b>	<b>143,282,665</b>
<b>Tolls, Administration &amp; Other Programs</b>			
Ground Transportation System Planning and Research	95,618,648	104,753,198	9,134,550
Environmental Monitoring & Compliance	43,957,252	17,805,591	(26,151,661)
Administrative and Support Services	302,707,781	320,000,491	17,292,710
Program Management and Direction	46,161,840	48,982,174	2,820,334
Toll Facilities Operations	34,354,020	60,852,045	26,498,025
Toll Facility Revolving Account	36,750,000	36,750,000	—
Capital Outlay	60,000,000	40,000,000	(20,000,000)
<b>Total Tolls, Administration &amp; Other Programs</b>	<b>619,549,541</b>	<b>629,143,499</b>	<b>9,593,958</b>

<b>DISTRIBUTION OF REVENUE SOURCES</b>	<b>2nd REVISED FY 2022</b>	<b>FY 2023</b>	<b>INCREASE (DECREASE)</b>
<b>Transit and Rail Funds</b>			
Share of TTF Distribution for Transit	\$ 494,794,204	\$ 504,504,614	\$ 9,710,410
Transit - Share of administrative costs	(685,308)	(662,119)	23,189
Other Revenue dedicated to Transit	15,759,375	16,153,359	393,984
Share of TTF Distribution for Rail	161,345,936	164,512,374	3,166,438
Rail - Share of administrative costs	(176,369)	(170,401)	5,968
Federal Transit Authority (FTA)	49,228,459	49,228,459	—
CMAQ (without State Match)	22,243,685	—	(22,243,685) 5
STP Regional (without State Match)	14,913,598	—	(14,913,598) 5
Rail Fund (with prior year adjustments)	—	—	—
Interest Earnings	2,640,000	1,890,000	(750,000)
HB1414 Off the Top to Commonwealth Mass Transit Fund	120,000,000	120,000,000	—
Metro Matters	—	—	—
HB1414 Off the Top to Commonwealth Rail Fund	24,400,000	32,700,000	8,300,000
Mass Transit Fund-Support from Construction	9,289,320	—	(9,289,320) 5
Rail Fund - Support from Construction	87,500,000	87,500,000	—
Priority Transportation	85,105,427	37,140,000	(47,965,427)
Other	61,950,000	22,111,000	(39,839,000)
<b>Subtotal Transit and Rail Funds</b>	<b>1,148,308,327</b>	<b>1,034,907,286</b>	<b>(113,401,041)</b>
<b>Pass Through Revenue for WMATA Capital</b>			
Dedicated Revenue for WMATA Capital Fund	131,120,000	133,920,000	2,800,000
Transfer from NVTD Fund for WMATA Capital Fund	20,000,000	20,000,000	—
<b>Subtotal WMATA Capital Fund</b>	<b>151,120,000</b>	<b>153,920,000</b>	<b>2,800,000</b>
Airports - Share of TTF Distribution	32,269,187	32,902,475	633,288
Airports - Share of administrative costs	(47,372)	(45,770)	1,602
Airports - Interest Earnings	175,000	700,000	525,000
Directed CTF Allocation	1,500,000	1,500,000	—
<b>Total Airport Trust Fund</b>	<b>33,896,815</b>	<b>35,056,705</b>	<b>1,159,890</b>
Ports - Share of TTF Distribution	53,781,979	54,837,458	1,055,479
Ports - Share of administrative costs	(85,143)	(82,262)	2,881
Ports - Interest Earnings	300,000	1,000,000	700,000
Directed CTF allocation	4,000,000	4,000,000	—
<b>Total Port Trust Fund</b>	<b>57,996,836</b>	<b>59,755,196</b>	<b>1,758,360</b>
Department of Motor Vehicles - Share of TTF Distribution	21,512,791	21,934,983	422,192
DMV - Share of administrative costs	(15,684)	(15,153)	531
Directed CTF allocation	8,500,000	8,500,000	—
<b>Total DMV</b>	<b>29,997,107</b>	<b>30,419,830</b>	<b>422,723</b>
Virginia Commercial Space Flight Authority - Share of TTF Distribution	21,512,791	21,934,983	422,192
Space Flight Authority - Share of administrative costs	(28,808)	(27,833)	975
Directed CTF allocation	1,500,000	1,500,000	—
<b>Total Space Flight Authority</b>	<b>22,983,983</b>	<b>23,407,150</b>	<b>423,167</b>





<b>DISTRIBUTION OF REVENUE SOURCES</b>	<b>2nd REVISED FY 2022</b>	<b>FY 2023</b>	<b>INCREASE (DECREASE)</b>
<b>Pass Through Revenue Allocations</b>			
Central Virginia Transportation Authority Fund	\$ 181,100,000	\$ 198,900,000	\$17,800,000
Northern Virginia Transportation Authority Fund	383,735,532	419,561,936	35,826,404
Hampton Roads Transportation Fund	230,200,000	254,300,000	24,100,000
Hampton Roads Regional Transit Fund	39,400,000	39,900,000	500,000
<b>Total Regional Transportation Programs</b>	<b>834,435,532</b>	<b>912,661,936</b>	<b>78,226,404</b>
<b>Construction</b>			
Financial Assistance to Localities for Ground Transportation	17,476,106	18,303,310	827,204
State of Good Repair Program	375,287,827	363,683,124	(11,604,703)
High Priority Projects Program	304,882,522	258,713,522	(46,169,000)
Construction District Grant Programs	405,182,522	348,211,276	(56,971,246)
Specialized State and Federal Programs	2,979,764,789	2,269,854,120	(709,910,669)
Virginia Highway Safety Improvement Program	—	83,967,137	83,967,137
Interstate Operations and Enhancement Program	—	97,672,337	97,672,337
<b>Total Construction</b>	<b>4,082,593,766</b>	<b>3,440,404,826</b>	<b>(642,188,940)</b>
<b>Special Structures</b>	<b>60,000,000</b>	<b>80,000,000</b>	<b>20,000,000</b>
<b>DISTRIBUTION OF COMMONWEALTH TRANSPORTATION FUNDS</b>			
	<b>\$ 9,718,926,154</b>	<b>\$ 9,214,927,348</b>	<b>\$ (503,998,806)</b>
<b>Agency Funding Summary:</b>			
<b>VDOT</b>	\$ 8,476,517,833	\$ 8,022,101,181	\$ (454,416,652)
<b>Less Support to DRPT</b>	(201,894,747)	(144,640,000)	57,254,747
<b>VDOT (Net)</b>	<b>8,274,623,086</b>	<b>7,877,461,181</b>	<b>(397,161,905)</b>
<b>DRPT</b>	1,299,428,327	1,188,827,286	(110,601,041)
<b>Ports</b>	57,996,836	59,755,196	1,758,360
<b>Aviation</b>	33,896,815	35,056,705	1,159,890
<b>DMV</b>	29,997,107	30,419,830	422,723
<b>Space Flight Authority</b>	22,983,983	23,407,150	423,167
<b>Grand Total</b>	<b>\$ 9,718,926,154</b>	<b>\$ 9,214,927,348</b>	<b>\$ (503,998,806)</b>

# CTF State Revenue Details

STATE REVENUE SOURCES	2nd REVISED FY 2022	FY 2023	INCREASE (DECREASE)
State Tax on Motor Fuels	\$1,282,400,000	\$1,360,700,000	\$78,300,000
Road Tax	68,200,000	69,200,000	1,000,000
Retail Sales & Use Tax	1,290,200,000	1,228,600,000	(61,600,000)
Motor Vehicle Sales and Use Tax	1,174,000,000	1,155,100,000	(18,900,000)
International Registration Plan	124,300,000	124,200,000	(100,000)
Motor Vehicle Licenses	234,800,000	236,600,000	1,800,000
Miscellaneous Revenues	17,200,000	17,200,000	—
Motor Vehicle Rental Tax	40,700,000	32,200,000	(8,500,000)
Aviation Fuels Tax	2,000,000	2,000,000	—
Highway Use Fee	52,400,000	59,700,000	7,300,000
Insurance Premium	180,700,000	196,000,000	15,300,000
Recordation Tax	81,000,000	81,000,000	—
<b>Total</b>	<b>\$4,547,900,000</b>	<b>\$4,562,500,000</b>	<b>\$14,600,000</b>

# Endnotes

<b>Endnote Number</b>	<b>Description</b>
1	Reflects impact of December 2021 revenue estimate from Department of Taxation.
2	Reflects change in bond issuance assumptions from previous fiscal year across several programs, including the recommend removal of additional GARVEE bond issuances based on additional federal and state revenue available to the program.
3	Reflects reconciliation of actual revenues collected in each district compared to allocations provided to each district through FY 2021.
4	Difference from FY 2022 Revision represents one-time allocation of FY 2021 Surplus Revenue to the fund in FY 2022.
5	Represents allocation to projects in the Six-Year Improvement Program (SYIP). This will be updated with the final budget.
6	Second Revised FY 2022 amounts are included in Specialized State and Federal Programs.



# Fiscal Year 2023

VDOT Annual Budget  
April 2022

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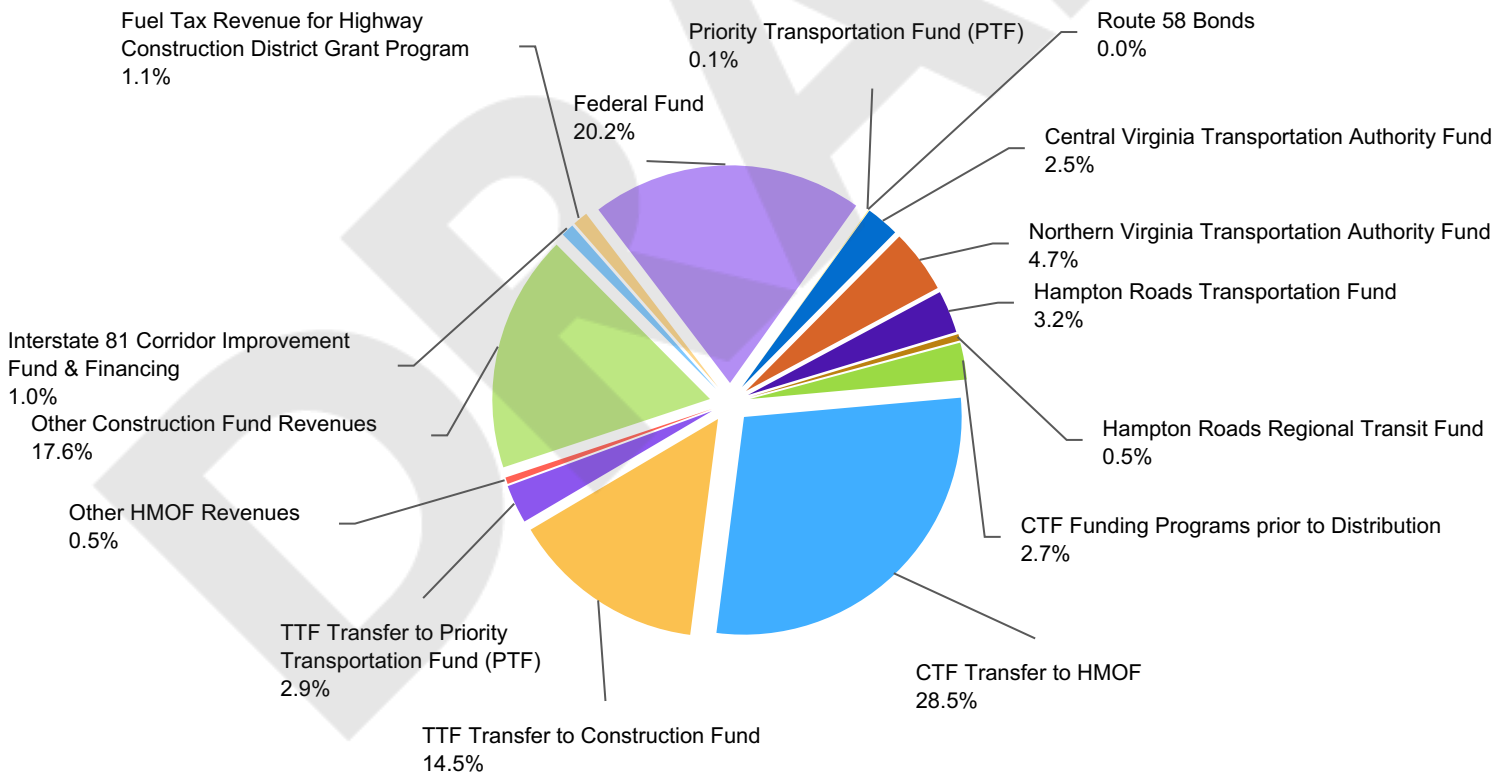
# Overview

The Fiscal Year 2023 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 state revenue forecast from February 2022 and reflects implementation of federal funding provided under the Infrastructure Investment and Jobs Act (IIJA). The VDOT Budget for 2023 totals \$8,022,101,181 a 5.9% decrease over the Second Revised FY 2022 VDOT Budget of \$8,476,517,833.

Chapter 1230 created the CTF which serves as the fund to which all statewide transportation revenues are deposited and then distributed to programs and funds. These transportation revenues include: (i) motor vehicles fuels taxes and road taxes for diesel fuel; (ii) vehicle registration fees; (iii) highway use fee; (iv) 0.5% statewide sales and use tax; (v) 0.3% statewide sale and use tax for transportation; (vi) 4.15% percent motor vehicles sales and use tax; (vii) motor vehicle rental tax (10 percent of gross proceeds from rentals for most passenger vehicles); (viii) \$0.03 of the \$0.25 per \$100 of assessed value of the statewide recordation tax; (ix) tax on liquid alternative fuel, set at the rate for gasoline; (x) International Registration Plan fees; and (xi) one-third of the revenue from insurance premium taxes.

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). The budget also includes the regional revenues provided to the Northern Virginia Transportation Authority, the Hampton Roads Transportation Accountability Commission, and the Central Virginia Transportation Authority.

## Source of Transportation Funds



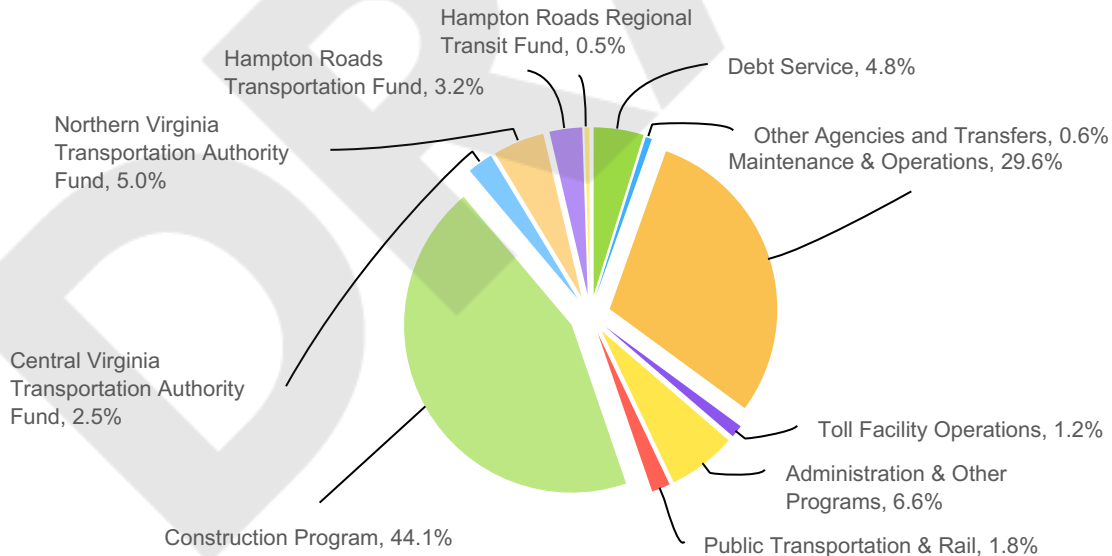
## Detailed Sources of Transportation Funds

CTF Funding Programs prior to Distribution	\$ 220,000,000
CTF Transfer to HMOF	2,283,028,867
TTF Transfer to Construction Fund	1,162,554,113
TTF Transfer to Priority Transportation Fund (PTF)	230,317,324
Other HMOF Revenues	41,998,929
Other Construction Fund Revenues	1,414,885,745
Interstate 81 Corridor Improvement Fund & Financing	78,800,000
Fuel Tax Revenue for Highway Construction District Grant Program	89,497,754
Federal Fund	1,620,686,095
Priority Transportation Fund (PTF)	6,877,525
Route 58 Bonds	1,054,829
<b>Subtotal</b>	<b>7,149,701,181</b>
<b>Pass Through Revenues</b>	
Central Virginia Transportation Authority Fund	198,900,000
Northern Virginia Transportation Authority Fund	379,300,000
Hampton Roads Transportation Fund	254,300,000
Hampton Roads Regional Transit Fund	39,900,000
<b>TOTAL</b>	<b>\$ 8,022,101,181</b>

# 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 funds to the regions. The following is a summary of the programs by spending category:

Allocations	2nd REVISED FY 2022	FY 2023	INCREASE (DECREASE)
Debt Service	\$382,877,846	\$388,272,066	\$5,394,220
Other Agencies and Transfers	60,633,130	49,162,918	(11,470,212)
Maintenance & Operations	2,234,533,271	2,377,815,936	143,282,665
Toll Facility Operations	71,104,020	97,602,045	26,498,025
Administration & Other Programs	548,445,521	531,541,454	(16,904,067)
Public Transportation & Rail	201,894,747	144,640,000	(57,254,747)
Construction Program	4,163,529,298	3,540,666,762	(622,862,536)
<b>Subtotal</b>	<b>\$7,663,017,833</b>	<b>\$7,129,701,181</b>	<b>\$(533,316,652)</b>
<b>Pass Through Revenues</b>			
Central Virginia Transportation Authority Fund	181,100,000	198,900,000	17,800,000
Northern Virginia Transportation Authority Fund	362,800,000	399,300,000	36,500,000
Hampton Roads Transportation Fund	230,200,000	254,300,000	24,100,000
Hampton Roads Regional Transit Fund	39,400,000	39,900,000	500,000
<b>TOTAL</b>	<b>\$8,476,517,833</b>	<b>\$8,022,101,181</b>	<b>\$(454,416,652)</b>





# Highway Maintenance & Operating Fund

The Highway Maintenance and Operating Fund (HMOF) is one of VDOT's major funds. 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. With the updated revenue assumptions for FY 2022, this transfer reversed direction and the HMOF provided \$57.5 million to the Construction Fund, representing revenue in excess of budgetary allocations needed. The transfer from the Construction Fund to the HMOF returns in the FY 2023 recommendations.

HMOF Revenue Sources	2nd REVISED FY 2022	FY 2023	Difference
CTF Transfer to HMOF	\$ 2,239,086,459	\$ 2,283,028,867	\$ 43,942,408
Miscellaneous Revenues	17,200,000	17,200,000	—
Other Revenue	38,335,702	24,798,929	(13,536,773)
<b>Subtotal</b>	<b>\$ 2,294,622,161</b>	<b>\$ 2,325,027,796</b>	<b>\$ 30,405,635</b>
Transfer from Construction	(57,513,492)	70,499,946	128,013,438
<b>Total</b>	<b>\$ 2,237,108,669</b>	<b>\$ 2,395,527,742</b>	<b>\$ 158,419,073</b>

# Commonwealth Transportation Fund & Transportation Trust Fund

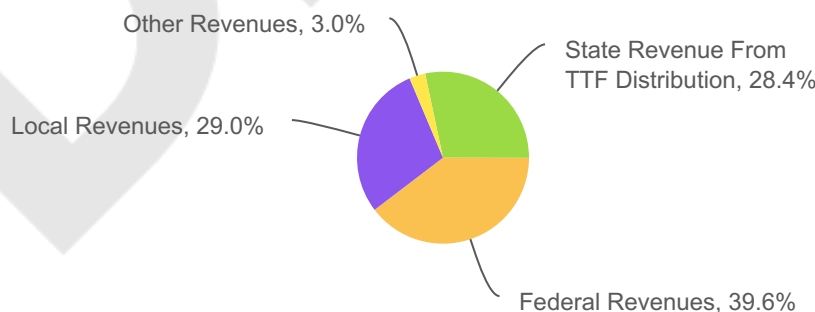
Chapter 1230 amends the allocation of funds. Before funds are distributed between the Transportation Trust Fund and the Highway Maintenance and Operating Fund (HMOF), (i) \$40 million annually will be deposited into the Route 58 Corridor Development Fund; (ii) \$40 million annually will be deposited into the Northern Virginia Transportation District Fund; and (iii) \$80 million annually (as adjusted annually based on changes in consumer price index for urban consumers) will be deposited into the Special Structure Fund. Enactment Clause 11 of Chapter 1230 provides the Commonwealth Transportation Board the ability to take actions deemed necessary in fiscal years 2021, 2022, and 2023 to ensure funds for modal programs and the highway maintenance and operating fund are at least equal to the amounts provided for in the six-year financial plan for the Commonwealth Transportation Fund as in effect on January 1, 2020. With the revision, planned Omnibus Transportation Bill investments are restored to pre-COVID expectations. The following table provides details on revised distributions for Fiscal Year 2023.

Construction Fund Revenue Sources	2nd REVISED FY 2022	FY 2023	Difference
Distributed to Route 58 Corridor Fund	\$ 40,000,000	\$ 40,000,000	\$ —
Distributed to Northern Virginia Transportation District Fund	40,000,000	40,000,000	—
Distributed to Oak Grove Fund	1,000,000	—	(1,000,000)
Distributed to TTF for Support	1,034,395	1,077,840	43,445
Distributed for Omnibus Programs	120,000,000	140,000,000	20,000,000
<b>Total</b>	<b>\$ 202,034,395</b>	<b>\$ 221,077,840</b>	<b>\$ 19,043,445</b>

The following table identifies the construction fund revenues by major source.

Construction Fund Revenue Sources	2nd REVISED FY 2022	FY 2023	Difference
State Revenue From TTF Distribution	\$ 1,140,177,948	\$ 1,162,554,113	\$ 22,376,165
General Fund	108,396,000	—	(108,396,000)
Federal Revenues	1,615,872,635	1,620,686,095	4,813,460
Local Revenues	872,853,270	1,188,797,839	315,944,569
Other Revenues	147,130,693	123,221,585	(23,909,108)
GARVEE Bonds	76,300,000	—	(76,300,000)
<b>Total</b>	<b>\$ 3,960,730,546</b>	<b>\$ 4,095,259,632</b>	<b>\$ 134,529,086</b>

**Construction Fund Revenue by Source, FY 2023**



# Other Fund Revenues

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	2nd REVISED FY 2022	FY 2023	Difference
Regional Transportation Funds	\$ 793,500,000	\$ 872,400,000	\$ 78,900,000
Interstate 81 Corridor Improvement Fund	279,186,080	78,800,000	(200,386,080) <sup>7</sup>
Fuel Tax Revenue for the Special Fund Account for the Highway Construction District Grant Program	100,300,000	89,497,754	(10,802,246)
Powhite Parkway Extension Toll Revenue	11,000,000	11,000,000	—
Coleman Bridge Toll Revenue	6,000,000	6,000,000	—
I-66 Inside the Beltway Toll Revenue	15,216,600	41,832,000	26,615,400
I-64 Express Lanes Toll Revenue	2,137,420	2,020,045	(117,375)
Northern VA Transportation District (NVTD)	7,020,640	11,723,045	4,702,405
Oak Grove	1,128,077	—	(1,128,077)
Priority Transportation Fund (PTF)	570,492,932	230,317,324	(340,175,608) <sup>8</sup>
Transportation Partnership Opportunity Fund	10,066,667	7,200,000	(2,866,667)
Route 58	219,304,103	1,054,829	(218,249,274) <sup>9</sup>
Route 28	8,644,519	8,644,519	—
Other	18,197,231	49,739,142	31,541,911
<b>Total</b>	<b>\$ 2,042,194,269</b>	<b>\$ 1,410,228,658</b>	<b>\$ (631,965,611)</b>
<b>Total Construction Major Sources (page 7)</b>	<b>3,960,730,546</b>	<b>4,095,259,632</b>	<b>134,529,086</b>
<b>Transfer to HMOF</b>	<b>57,513,492</b>	<b>(70,499,946)</b>	<b>(128,013,438)</b>
<b>Total Construction Fund</b>	<b>\$ 6,060,438,307</b>	<b>\$ 5,434,988,344</b>	<b>\$ (625,449,963)</b>

# VDOT Program Descriptions and Allocations

# Summary of Allocations by Program

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

	2nd REVISED FY 2022	FY 2023	INCREASE (DECREASE)
Environmental Monitoring and Evaluation (514)	\$ 43,957,252	\$ 17,805,591	\$ (26,151,661)
Ground Transportation Planning and Research (602)	95,618,648	104,753,198	9,134,550
Highway Construction Programs (603)	4,111,279,500	3,471,083,690	(640,195,810)
Highway System Maintenance (604)	1,756,641,898	1,869,392,118	112,750,220
Commonwealth Toll Facilities (606)	71,104,020	97,602,045	26,498,025
Financial Assistance to Localities (607)	1,329,803,011	1,439,389,064	109,586,053
Non-Toll Supported Transportation Debt Service (612)	382,877,846	388,272,066	5,394,220
Special Structures (614)	60,000,000	80,000,000	20,000,000
Administrative and Support Services (699)	302,707,781	320,000,491	17,292,710
VDOT Capital Outlay (998)	60,000,000	40,000,000	(20,000,000)
Support to Other State Agencies	60,633,130	49,162,918	(11,470,212)
Support to DRPT Programs	201,894,747	144,640,000	(57,254,747)
<b>Total</b>	<b>\$ 8,476,517,833</b>	<b>\$ 8,022,101,181</b>	<b>\$ (454,416,652)</b>

# 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.

**Municipal Separate Storm Sewer System Compliance Activities (514010)** - To provide efforts to address storm water discharges, including the related operational and maintenance activities, to meet Total Maximum Daily Load reduction targets. VDOT's current Municipal Separate Storm Sewer System (MS4) permit requires VDOT to reduce its pollutant load allocation to the Chesapeake Bay.

ENVIRONMENTAL MONITORING & EVALUATION (514)	2nd REVISED FY 2022	FY 2023	INCREASE (DECREASE)
Environmental Monitoring & Compliance for Highway Projects (514008)	\$10,873,613	\$10,039,565	\$ (834,048)
Environmental Monitoring Program Management (514009)	3,595,685	3,989,649	393,964
Municipal Separate Storm Sewer System Compliance Activities (514010)	29,487,954	3,776,377	(25,711,577)
<b>TOTAL ENVIRONMENTAL MONITORING &amp; EVALUATION</b>	<b>\$ 43,957,252</b>	<b>\$ 17,805,591</b>	<b>\$ (26,151,661)</b>
TTF	43,957,252	17,805,591	(26,151,661)

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# 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.

<b>PLANNING &amp; RESEARCH (602)</b>	<b>2nd REVISED FY 2022</b>	<b>FY 2023</b>	<b>INCREASE (DECREASE)</b>
Ground Transportation System Planning (602001)	\$ 77,804,760	\$ 86,321,590	\$ 8,516,830
Ground Transportation System Research (602002)	13,471,811	14,111,377	639,566
Ground Transportation Program Management (602004)	4,342,077	4,320,231	(21,846)
<b>TOTAL PLANNING &amp; RESEARCH</b>	<b>\$ 95,618,648</b>	<b>\$ 104,753,198</b>	<b>\$ 9,134,550</b>
HMOF	16,990,331	17,819,105	828,774
CONSTRUCTION	53,832,904	61,125,539	7,292,635
FEDERAL	24,795,413	25,808,554	1,013,141

# Highway Construction Programs (603)

For Fiscal Year 2023, the funding made available for distribution is distributed via the formula outlined in the Code of Virginia, § 33.2-358. With the enactment of Chapter 1230, funds are distributed to the following programs: State of Good Repair Program, High Priority Projects Program, Construction District Grant Program, Interstate Operations and Enhancement Program, and Virginia Highway Safety Improvement Program. Enactment Clause 11 of Chapter 1230 provides the Commonwealth Transportation Board the ability to take actions deemed necessary in fiscal years 2021, 2022, and 2023 to ensure funds for modal programs and the highway maintenance and operating fund are at least equal to the amounts provided for in the six-year financial plan for the Commonwealth Transportation Fund as in effect on January 1, 2020. The following table provides details on distributions for Fiscal Year 2023.

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.

<b>CONSTRUCTION (603)</b>	<b>2nd REVISED FY 2022</b>	<b>FY 2023</b>	<b>INCREASE (DECREASE)</b>
State of Good Repair Program (603020)	\$ 375,287,827	\$ 363,683,124	\$ (11,604,703)
High Priority Projects Program(603021)	304,882,522	258,713,522	(46,169,000)
Construction District Grant Programs (603022)	405,182,522	348,211,276	(56,971,246)
Specialized State and Federal Programs (603023)	2,979,764,789	2,084,935,247	(894,829,542)
Virginia Highway Safety Improvement Program (603017)	—	145,606,761	145,606,761
Interstate Operations and Enhancement Program (603018)	—	220,951,586	220,951,586
Construction Management (603015)	46,161,840	48,982,174	2,820,334
<b>TOTAL CONSTRUCTION</b>	<b>\$4,111,279,500</b>	<b>\$3,471,083,690</b>	<b>\$ (640,195,810)</b>
CONSTRUCTION	1,928,645,032	2,169,470,866	240,825,834
FEDERAL	1,089,315,709	1,085,942,169	(3,373,540)
I-81 CORRIDOR IMPROVEMENT FUND	273,179,348	73,579,021	(199,600,327)
STATEWIDE INTERSTATE IMPROVEMENT FUND - PRIOR YEAR ADJUSTMENT	(39,444,828)	—	39,444,828
SPECIAL FUND ACCOUNT FOR CONSTRUCTION DGP	100,300,000	89,497,754	(10,802,246)
PTF	307,608,622	9,200,000	(298,408,622)
TPOF	20,046,154	7,189,115	(12,857,039)
NVTD	1,177,236	(147,393)	(1,324,629)
VTIB	15,333,333	7,700,000	(7,633,333)
GARVEE BONDS	76,300,000	—	(76,300,000)
CONCESSION FEE FUND	844,013	29,551	(814,462)
GENERAL FUND	88,396,000	—	(88,396,000)
ROUTE 58	249,578,881	28,622,607	(220,956,274)



# Highway Construction Programs (603)

## STATE OF GOOD REPAIR PROGRAM (603020)

The purpose of the State of Good Repair Program service area is to allocate funds to state of good repair purposes for reconstruction and replacement of structurally deficient state and locally owned bridges and reconstruction and rehabilitation of pavement on the Interstate System and primary state highway system determined to be deteriorated by the Board, including municipality-maintained primary extensions. (Code of Virginia §33.2-369)

STATE OF GOOD REPAIR PROGRAM (603020)	2nd REVISED FY 2022	FY 2023	INCREASE (DECREASE)
<b>TOTAL STATE OF GOOD REPAIR</b>	<b>\$ 375,287,827</b>	<b>\$ 363,683,124</b>	<b>\$ (11,604,703)</b>
CONSTRUCTION	232,683,259	178,764,252	(53,919,007)
FEDERAL	142,604,568	184,918,872	42,314,304

## HIGH PRIORITY PROJECTS PROGRAM (603021)

The purpose of the High Priority Projects Program service area is to allocate funds to the established program for projects and strategies that address a transportation need identified for a corridor of statewide significance or a regional network in the Statewide Transportation Plan pursuant to Code of Virginia §33.2-353. From funds allocated to this program, the Board shall allocate funds to the Innovation and Technology Transportation Fund, provided that the allocation shall not exceed \$25 million annually. (Code of Virginia §33.2-370)

HIGH PRIORITY PROJECTS PROGRAM (603021)	2nd REVISED FY 2022	FY 2023	INCREASE (DECREASE)
<b>TOTAL HIGH PRIORITY PROJECTS</b>	<b>\$ 304,882,522</b>	<b>\$ 258,713,522</b>	<b>\$ (46,169,000)</b>
CONSTRUCTION	154,951,832	135,434,273	(19,517,559)
FEDERAL	93,673,914	123,279,249	29,605,335
GARVEE	56,256,776	—	(56,256,776)

## CONSTRUCTION DISTRICT GRANT PROGRAMS (603022)

The purpose of the Construction District Grant Programs service area is to allocate funds to the established grant program in each highway construction district to fund projects and strategies that address a need in the Statewide Transportation Plan developed pursuant to Code of Virginia §33.2-353. In accordance with §33.2-359, the Commonwealth Transportation Board shall allocate funds to improve nonsurface treated secondary highways that carry 50 or more vehicles per day. This allocation shall not exceed \$25 million annually (Code of Virginia, §33.2-371).

CONSTRUCTION DISTRICT GRANT PROGRAMS (603022)	2nd REVISED FY 2022	FY 2023	INCREASE (DECREASE)
<b>TOTAL CONSTRUCTION DISTRICT GRANT</b>	<b>\$ 405,182,522</b>	<b>\$ 348,211,276</b>	<b>\$ (56,971,246)</b>
CONSTRUCTION	120,808,231	135,434,273	14,626,042
SPECIAL FUND ACCOUNT FOR CONSTRUCTION DGP	100,300,000	89,497,754	(10,802,246)
FEDERAL	164,031,067	123,279,249	(40,751,818)
GARVEE	20,043,224	—	(20,043,224)

# Highway Construction Programs (603)

## SPECIALIZED STATE AND FEDERAL PROGRAMS (603023)

The purpose of the Specialized State and Federal Programs service area is to allocate funds to State and Federal Construction Programs that are not components of the other funding distributions. The Federal programs that are exempt from the distribution process are outlined in § 33.2-214.1 of the Code of Virginia (Statewide prioritization process for project selection). These include Congestion Mitigation and Air Quality (CMAQ) funding and Regional Surface Transportation Program funding. The service area will also allocate bond programs and the state and local components of Revenue Sharing. Anticipated funding from regional entities for projects is also allocated in this service area.

SPECIALIZED STATE AND FEDERAL PROGRAMS (603023)	2nd REVISED FY 2022	FY 2023	INCREASE (DECREASE)
CMAQ & State Match	\$ 46,282,311	\$ 83,668,170	\$ 37,385,859
Open Container	24,987,205	27,837,842	2,850,637
Participating Project Costs	60,000,000	60,000,000	—
Project Participation from HRTAC	—	—	—
HRTAC Participation for Hampton Roads Bridge-Tunnel Expansion Project	584,212,963	917,140,831	332,927,868
Project Participation from NVTAC	138,551,103	64,776,349	(73,774,754)
Route 58 Bonds	218,391,183	28,622,607	(189,768,576)
Revenue Sharing	280,210,334	394,577,470	114,367,136
Safety & Soft Match	149,616,262	—	(149,616,262)
STP Set-aside	36,779,452	36,538,864	(240,588)
STP Regional & State Match	102,972,300	131,981,055	29,008,755
Tele Fees	9,483,037	9,090,924	(392,113)
I-66 Outside the Beltway Concession Fee/Interest Earnings	844,013	29,551	(814,462)
Interstate 81 Corridor Improvements	273,179,348	73,579,021	(199,600,327)
Statewide Interstate Improvements	188,852,162	—	(188,852,162)
STP Set-aside State Match	2,785,506	—	(2,785,506)
Highway Improvement Program - CRSSA	37,995,585	—	(37,995,585)
Improvements to I-64 HRELN	93,100,000	—	(93,100,000)
PTF for Safety	10,000,000	—	(10,000,000)
PTF for Construction Projects	297,608,622	9,200,000	(288,408,622)
Carbon Reduction Program and State Match	38,372,011	32,494,353	(5,877,658)
PROTECT	45,279,913	36,948,409	(8,331,504)
Bridge	91,249,422	91,258,536	9,114
Bridge - Off System	16,102,839	16,104,448	1,609
Electric Vehicles	21,275,226	15,745,244	(5,529,982)
HSIP to Vulnerable Users	12,663,454	11,747,174	(916,280)
Regional Trails	25,796,000	—	(25,796,000)
ATI	20,000,000	—	(20,000,000)
I-64 Gap between exit 205 and exit 234	20,000,000	—	(20,000,000)
Other	133,174,538	43,594,399	(89,580,139)
<b>TOTAL SPECIALIZED STATE AND FEDERAL PROGRAMS (603023)</b>	<b>\$ 2,979,764,789</b>	<b>\$ 2,084,935,247</b>	<b>\$ (894,829,542)</b>

# Highway Construction Programs (603)

SPECIALIZED STATE AND FEDERAL PROGRAMS (603023)	2nd REVISED FY 2022	FY 2023	INCREASE (DECREASE)
CONSTRUCTION	1,374,039,870	1,489,216,420	115,176,550
FEDERAL	689,006,160	469,545,926	(219,460,234)
I-81 CORRIDOR IMPROVEMENT FUND	273,179,348	73,579,021	(199,600,327)
STATEWIDE INTERSTATE IMPROVEMENT FUND - PRIOR YEAR ADJUSTMENT	(39,444,828)	—	39,444,828
NVTD	1,177,236	(147,393)	(1,324,629)
GENERAL FUND	88,396,000	—	(88,396,000)
PTF	307,608,622	9,200,000	(298,408,622)
CONCESSION FEE FUND	844,013	29,551	(814,462)
OTHER BOND PROGRAMS/FUNDS	249,578,881	28,622,607	(220,956,274)
VTIB	15,333,333	7,700,000	(7,633,333)
TPOF	20,046,154	7,189,115	(12,857,039)
<b>TOTAL SPECIALIZED STATE AND FEDERAL PROGRAMS (60323)</b>	<b>\$2,979,764,789</b>	<b>\$2,084,935,247</b>	<b>\$(894,829,542)</b>

# Highway Construction Programs (603)

## VIRGINIA HIGHWAY SAFETY IMPROVEMENT (603017)

The purpose of the Virginia Highway Safety Improvement Program is to reduce motorized and non-motorized fatalities and severe injuries on highways in the Commonwealth, whether such highways are state or locally maintained. (Code of Virginia § 33.2-373) This is a new service area beginning in FY 2023.

VIRGINIA HIGHWAY SAFETY IMPROVEMENT (603017)	2nd REVISED FY 2022	FY 2023	INCREASE (DECREASE)
<b>TOTAL VHSIP</b>	\$ —	\$145,606,761	\$ 145,606,761
TTF	—	83,967,137	83,967,137
FEDERAL	—	61,639,624	61,639,624

## INTERSTATE OPERATIONS & ENHANCEMENT (603018)

The purpose of the Interstate Operations and Enhancement Program is to improve the safety, reliability, and travel flow along interstate highway corridors in the Commonwealth. (Code of Virginia § 33.2-372) This is a new service area beginning in FY 2023.

INTERSTATE OPERATIONS & ENHANCEMENT (603018)	2nd REVISED FY 2022	FY 2023	INCREASE (DECREASE)
<b>TOTAL IOEP</b>	\$ —	\$220,951,586	\$ 220,951,586
TTF	—	97,672,337	97,672,337
FEDERAL		123,279,249	123,279,249

## CONSTRUCTION MANAGEMENT (603015)

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)	2nd REVISED FY 2022	FY 2023	INCREASE (DECREASE)
<b>TOTAL CONSTRUCTION MANAGEMENT</b>	\$46,161,840	\$48,982,174	\$ 2,820,334
TTF	46,161,840	48,982,174	2,820,334

# 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)	2nd REVISED FY 2022	FY 2023	INCREASE (DECREASE)
Interstate Maintenance (604001)			\$ —
Primary Maintenance (604002)			—
Secondary Maintenance (604003)			—
Transportation Operations Services (604004)			—
Highway Maintenance Program Management & Direction (604005)			—
<b>TOTAL HIGHWAY SYSTEM MAINTENANCE</b>	<b>\$1,756,641,898</b>	<b>\$1,869,392,118</b>	<b>\$ 112,750,220</b>
HMOF	1,394,259,930	1,504,982,089	110,722,159
FEDERAL	362,381,968	364,410,029	2,028,061

# Commonwealth Toll Facilities (606)

Revenues collected from toll facilities contribute to Virginia's safe and effective transportation system. Of these facilities, four are currently owned and operated by VDOT: Powhite Parkway Extension Toll Road in Chesterfield County, George P. Coleman Bridge in Gloucester County, I-66 Inside the Beltway and I-64 Express Lanes.

**Toll Facility Acquisition and Construction (606001)** -To provide for efforts to acquire and construct ground transportation toll facilities.

**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 four toll facilities operated by VDOT: the George P. Coleman Bridge and the Powhite Parkway Extension Toll Road, I-66 Inside the Beltway facility and I-64 Express Lanes. 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)	2nd REVISED FY 2022	FY 2023	INCREASE (DECREASE)
Acquisition & Construction (606001)	\$ —	\$ —	\$ —
Debt Service (606002)	—	—	—
Maintenance & Operations (606003)	34,354,020	60,852,045	26,498,025
Toll Facilities Revolving (606004)	36,750,000	36,750,000	—
<b>TOTAL TOLL FACILITIES</b>	<b>\$ 71,104,020</b>	<b>\$ 97,602,045</b>	<b>\$ 26,498,025</b>
POWHITE	11,000,000	11,000,000	—
COLEMAN	6,000,000	6,000,000	—
I-66 INSIDE THE BELTWAY	15,216,600	41,832,000	26,615,400
I-64 EXPRESS LANES	2,137,420	2,020,045	(117,375)
TOLL FACILITIES REVOLVING	36,750,000	36,750,000	—

# 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.

**Distribution of Central Virginia Transportation Authority Fund Revenues (607010)** - To transfer state regional tax revenues to the Central Virginia Transportation Authority to fund local and regional transportation projects.

FINANCIAL ASSISTANCE TO LOCALITIES (607)	2nd REVISED FY 2022	FY 2023	INCREASE (DECREASE)
Financial Assistance for City Road Maintenance (607001)	\$ 405,955,990	\$ 433,496,577	\$ 27,540,587
Financial Assistance for County Road Maintenance (607002)	71,935,383	74,927,241	2,991,858
Financial Assistance for Planning, Access Roads, & Special Projects (607004)	17,476,106	18,303,310	827,204
Distribution of Northern Virginia Transportation Authority Fund Revenues (607006)	383,735,532	419,561,936	35,826,404
Distribution of Hampton Roads Transportation Fund Revenues (607007)	269,600,000	294,200,000	24,600,000
Distribution of Central Virginia Transportation Authority Fund Revenues (607010)	181,100,000	198,900,000	17,800,000

**TOTAL FINANCIAL ASSISTANCE TO LOCALITIES** **\$1,329,803,011** **\$1,439,389,064** **\$ 109,586,053**

HMOF	477,891,373	508,423,818	30,532,445
CONSTRUCTION	28,983,143	28,392,267	(590,876)
FEDERAL	9,428,495	10,172,979	744,484
CENTRAL VIRGINIA TRANSPORTATION FUND	181,100,000	198,900,000	17,800,000
NORTHERN VIRGINIA TRANSPORTATION FUND	362,800,000	399,300,000	36,500,000
HAMPTON ROADS TRANSPORTATION FUND	230,200,000	254,300,000	24,100,000
HAMPTON ROADS REGIONAL TRANSIT FUND	39,400,000	39,900,000	500,000



# 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.

**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).

**I-81 Debt Service (612006)** - To provide for the estimated debt service requirements of the bonds sold to finance transportation improvements on the Interstate 81 Corridor.

Non-Toll Supported Transportation Debt Service (612)	2nd REVISED FY 2022	FY 2023	INCREASE (DECREASE)
Highway Transportation Improvement Debt Service (612001)	\$ 8,644,519	\$ 8,644,519	—
Designated Highway Corridor Debt Service (612002)	43,280,986	44,302,660	1,021,674
Commonwealth Transportation Capital Projects Bond Act Debt Service (612004)	194,994,559	195,751,544	756,985
Federal Transportation Grant Anticipation Revenue Notes Debt Service (612005)	129,951,050	134,352,364	4,401,314
I-81 Debt Service (612006)	6,006,732	5,220,979	(785,753)
<b>TOTAL NON-TOLL SUPPORTED DEBT SERVICE</b>	<b>\$ 382,877,846</b>	<b>\$ 388,272,066</b>	<b>\$ 6,179,973</b>

NVTD	11,427,687	11,870,438	442,751
OAK GROVE	2,128,077	—	(2,128,077)
ROUTE 28	8,644,519	8,644,519	—
CPR BONDS	194,994,559	195,751,544	756,985
ROUTE 58	29,725,222	32,432,222	2,707,000
I-81	6,006,732	5,220,979	(785,753)
FEDERAL	129,951,050	134,352,364	4,401,314



# Special Structures (614)

**Statewide Special Structures (614000)** - Special Structures are very large, indispensable and unique bridges and tunnels identified by the Commissioner of Highways and approved by the Commonwealth Transportation Board. The General Assembly declares it to be in the public interest that the maintenance, rehabilitation, and replacement of special structures in the Commonwealth occur timely as to provide and protect a safe and efficient highway system. The Board is establishing a program for the maintenance, rehabilitation, and replacement of special structures in the Commonwealth. With the assistance of the Department of Transportation, the Board developed and will maintain a plan for the maintenance, rehabilitation, and replacement of special structures in the Commonwealth.

VDOT SPECIAL STRUCTURES	2nd REVISED FY 2022	FY 2023	INCREASE (DECREASE)
<b>TOTAL VDOT SPECIAL STRUCTURES</b>	<b>\$ 60,000,000</b>	<b>\$ 80,000,000</b>	<b>\$ 20,000,000</b>
SPECIAL STRUCTURES	60,000,000	80,000,000	20,000,000

# Administrative and 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.

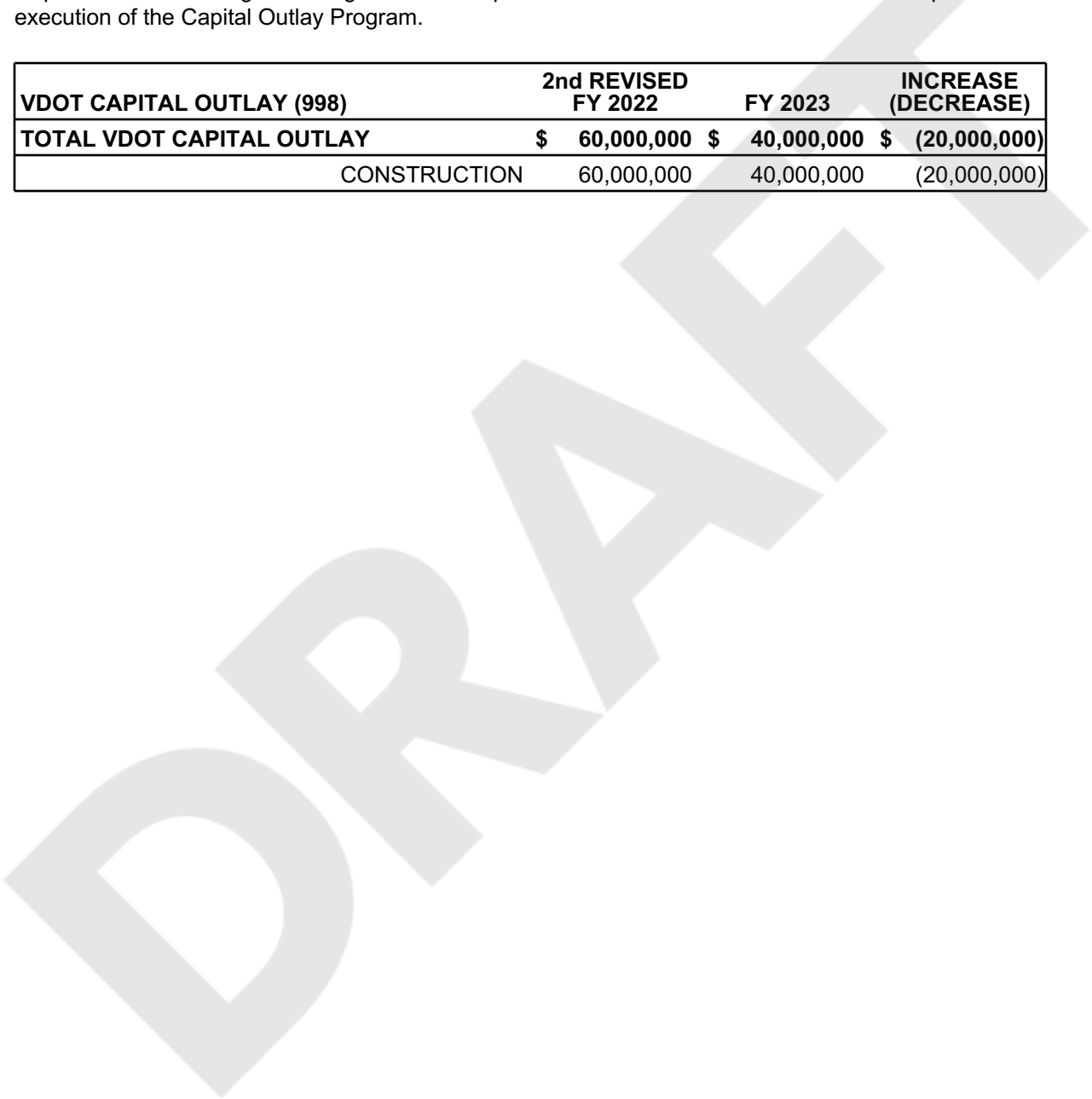
**Employee Training and Development (699024)** - To provide Employee Training and Development services to VDOT. This includes traditional classroom training and related development activities and tuition reimbursement.

ADMINISTRATIVE & SUPPORT SERVICES (699)	2nd REVISED FY 2022	FY 2023	INCREASE (DECREASE)
General Management & Direction (699001)	\$ 163,937,254	\$ 170,022,256	\$ 6,085,002
Information Technology Services (699002)	105,791,557	116,461,063	10,669,506
Facilities and Grounds Management Services (699015)	20,540,895	21,782,734	1,241,839
Employee Training & Development (699024)	12,438,075	11,734,438	(703,637)
<b>TOTAL ADMINISTRATIVE &amp; SUPPORT SERVICES</b>	<b>\$ 302,707,781</b>	<b>\$ 320,000,491</b>	<b>\$ 17,292,710</b>
HMOF	301,673,386	316,334,744	14,661,358
CONSTRUCTION	1,034,395	1,077,840	43,445

# 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)	2nd REVISED FY 2022	FY 2023	INCREASE (DECREASE)
<b>TOTAL VDOT CAPITAL OUTLAY</b>	<b>\$ 60,000,000</b>	<b>\$ 40,000,000</b>	<b>\$ (20,000,000)</b>
CONSTRUCTION	60,000,000	40,000,000	(20,000,000)



# Program Allocations by Fund

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

SUPPORT TO OTHER STATE AGENCIES	2nd REVISED FY 2022	FY 2023	INCREASE (DECREASE)
<b>Transportation Appropriation to Other Agencies</b>			
Department of Education	\$ 279,612	\$ 283,854	\$ 4,242
Marine Resources Commission	313,768	313,768	—
Secretary of Transportation	953,895	1,023,114	69,219
Department of State Police	9,083,587	9,179,045	95,458
Department of Minority Business Enterprise	1,640,575	1,682,629	42,054
Department of Historic Resources	115,642	210,000	94,358
Department of Emergency Management	1,295,713	1,359,475	63,762
Department of Motor Vehicles	14,387,417	14,958,864	571,447
Department of Treasury	185,187	185,187	—
Virginia Liaison Office	164,267	173,248	8,981
Department of Wildlife Resources	10,000,000	—	(10,000,000)
Office of the State Inspector General	2,083,846	2,179,339	95,493
SUBTOTAL	40,503,509	31,548,523	(8,954,986)
<b>Transfers to the General Fund</b>			
Department of General Services	388,254	388,254	—
Department of Agriculture & Conservation Services	97,586	97,586	—
Chesapeake Bay Initiatives	10,000,000	10,000,000	—
Indirect Costs	5,128,092	2,721,175	(2,406,917)
Department of Taxation	3,015,689	2,907,380	(108,309)
SUBTOTAL	18,629,621	16,114,395	(2,515,226)
<b>Transfers to Other Agencies</b>			
Department of Motor Vehicles (fuel tax evasion)	1,500,000	1,500,000	—
SUBTOTAL	1,500,000	1,500,000	—
<b>TOTAL SUPPORT TO OTHER STATE AGENCIES</b>			
	<b>\$ 60,633,130</b>	<b>\$ 49,162,918</b>	<b>\$ (11,470,212)</b>
HMOF	46,293,649	45,380,079	(913,570)
CONSTRUCTION	2,874,094	2,375,969	(498,125)
TPOF	20,513	10,885	(9,628)
DMV	15,684	15,153	(531)
RAIL	176,369	170,401	(5,968)
PTF	406,190	392,447	(13,743)
PORTS	85,143	82,262	(2,881)
AIRPORTS	47,372	45,770	(1,602)
DRPT	685,308	662,119	(23,189)
SPACE	28,808	27,833	(975)

# Program Allocations by Fund

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)	\$ —	\$ 17,805,591	\$ —	\$ —	\$ —	\$ 17,805,591
Ground Transportation Planning & Research (602)	17,819,105	61,125,539	25,808,554	—	—	104,753,198
Highway Construction Programs (603)	—	2,154,668,620	1,085,942,169	—	230,472,901	3,471,083,690
Highway System Maintenance (604)	1,504,982,089	—	364,410,029	—	—	1,869,392,118
Commonwealth Toll Facilities (606)	—	—	—	—	97,602,045	97,602,045
Financial Assistance to Localities (607)	508,423,818	8,130,331	10,172,979	—	912,661,936	1,439,389,064
Non-Toll Supported Transportation Debt Service (612)	—	—	134,352,364	—	253,919,702	388,272,066
Special Structures (614)	—	80,000,000	—	—	—	80,000,000
Administrative and Support Services (699)	318,922,651	—	—	—	1,077,840	320,000,491
VDOT Capital Outlay (998)	—	40,000,000	—	—	—	40,000,000
Support to Other State Agencies	45,380,079	2,375,969	—	—	1,406,870	49,162,918
Support to DRPT Programs	—	87,500,000	—	—	57,140,000	144,640,000
<b>TOTAL</b>	<b>\$2,395,527,742</b>	<b>\$ 2,451,606,050</b>	<b>\$ 1,620,686,095</b>	<b>\$ —</b>	<b>\$1,554,281,294</b>	<b>\$8,022,101,181</b>

\* - Other includes I-81 Corridor Improvement Fund, Statewide Interstate Improvement Fund, Tolls, PTF, Route 58, Route 28, Oak Grove, TPOF, Concession Fund Interest and Regional Transportation Funds.

# Budget Comparison Schedule for FY 2023

## Revenues

Revenue provided by the General Fund of the Commonwealth	\$	—
Taxes		992,697,754
Rights and privileges		19,464,752
Sale of property and commodities		—
Interest, dividends, and rents		24,606,931
Fines, forfeitures, court fees		—
Penalties and escheats		6,000,000
Receipts from localities and private sector		1,249,192,434
Federal grants and contracts		1,620,686,095
Toll revenues		90,852,045
Other		82,519,488
<b>Total Revenues</b>		<b><u>4,086,019,499</u></b>

## Other Financing Sources

Other financing sources		40,181,378
Bond proceeds		—
Note proceeds		—
Transfers from other state agencies and General Fund		—
Transfers in		3,895,900,304
<b>Total Other Financing Sources</b>		<b><u>3,936,081,682</u></b>
<b>Total Revenues and Other Sources</b>		<b><u>\$8,022,101,181</u></b>

# Budget Comparison Schedule for FY 2023

<b>Revenues</b>	
Administrative and support services	\$320,000,491
Ground transportation system planning and research	104,753,198
Highway system acquisition and construction	3,461,419,403
Highway system maintenance	1,871,666,723
Financial assistance to localities	1,439,389,064
Environmental monitoring and compliance	17,805,591
Toll facility operations and construction	104,991,727
Special Structures	80,000,000
Capital outlay	40,000,000
Debt Service	388,272,066
<b>Total Expenditures</b>	<b>7,828,298,263</b>
<b>Other Financing Uses</b>	
Other financing uses	—
Transfers to other state agencies and General Fund	193,802,918
Transfers out	—
<b>Total Other Financing Uses</b>	<b>193,802,918</b>
<b>Total Expenditures and Other Uses</b>	<b>\$8,022,101,181</b>
<b>Revenues and Other Sources Over (Under) Expenditures and</b>	<b>\$ —</b>

# Index: Acronyms and Terminology

<b>Term</b>	<b>Description</b>
BROS	Bridge Off-System
CMAQ	Congestion Mitigation and Air Quality
CPR	Capital Projects Revenue Bonds
CTF	Commonwealth Transportation Fund
DRPT	Department of Rail and Public Transportation
FHWA	Federal Highway Administration
GARVEE	Federal Grant Anticipation Revenue Bonds
HMOF	Highway Maintenance and Operating Fund
MWAA	Metropolitan Washington Airports Authority
NHPP	National Highway Performance Program
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 non-federal 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 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 sub-allocation 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

<b>Endnote Number</b>	<b>Description</b>
1	FY 2022 amount included one-time allocation of funds to Department of Wildlife Resources for efforts to address the loss of wildlife habitat impacted by transportation projects in Hampton Roads.
2	FY 2022 amount included allocation of FY 2021 Priority Transportation Fund Excess Revenue.
3	FY 2022 reflected one-time allocations, including funds associated with FY 2021 Priority Transportation Fund Excess Revenue; bond proceeds for Route 58 and I-81; and Transportation Initiatives pursuant to Chapter 552 of the 2021 Acts of the Assembly. FY 2023 amount also reflects change in bond issuance assumptions, including the recommended removal of additional GARVEE bond issuances based on additional federal and state revenue available to the program.
4	FY 2022 amount reflected one-time allocation of General Fund revenue to construction.
5	Reflects anticipated receipts related to HRBT.
6	Reflects recommended removal of additional GARVEE bond issuances based on additional federal and state revenue available to the program.
7	FY 2022 amount reflected estimated bond proceeds associated with I-81 Corridor Program.
8	FY 2022 reflected one-time allocation associated with FY 2021 Priority Transportation Fund Excess Revenue.
9	FY 2022 reflected estimated bond proceeds associated with Route 58 Corridor Program.
10	FY 2023 amount adjusted to reflect anticipated program needs based on unexpended previous balances.
11	FY 2022 amount reflected one-time allocations, including FY 2021 Priority Transportation Fund Excess Revenue; bond proceeds for Route 58 and I-81; and Transportation Initiatives pursuant to Chapter 552 of the 2021 Acts of the Assembly. Also, FY 2023 amount reflects transition of Virginia Highway Safety Improvement Program and Interstate Operations and Enhancement Program to new service areas.
12	Reflects transition to new service area for FY 2023.

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# **DRPT FY 2023 Draft Budget Update**

## **Commonwealth Transportation Board: April 19, 2022**

Tanyea Darrisaw, Chief Financial Officer  
Department of Rail and Public Transportation

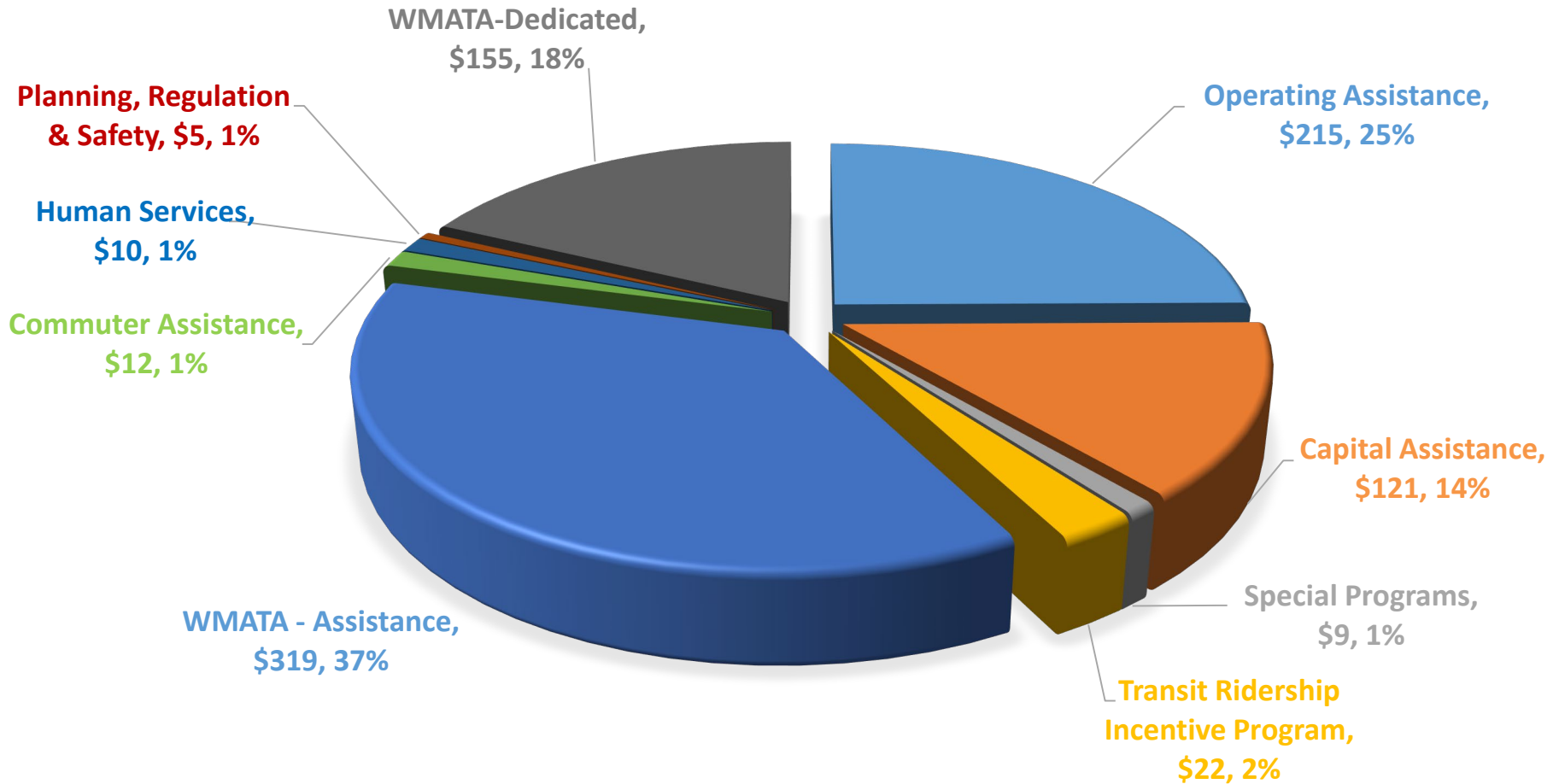


# Overview

- Six Year Improvement Plan (SYIP) allocates funds based on estimated revenues and approved projects
- Budget is based on projected spending for over 2,000 projects

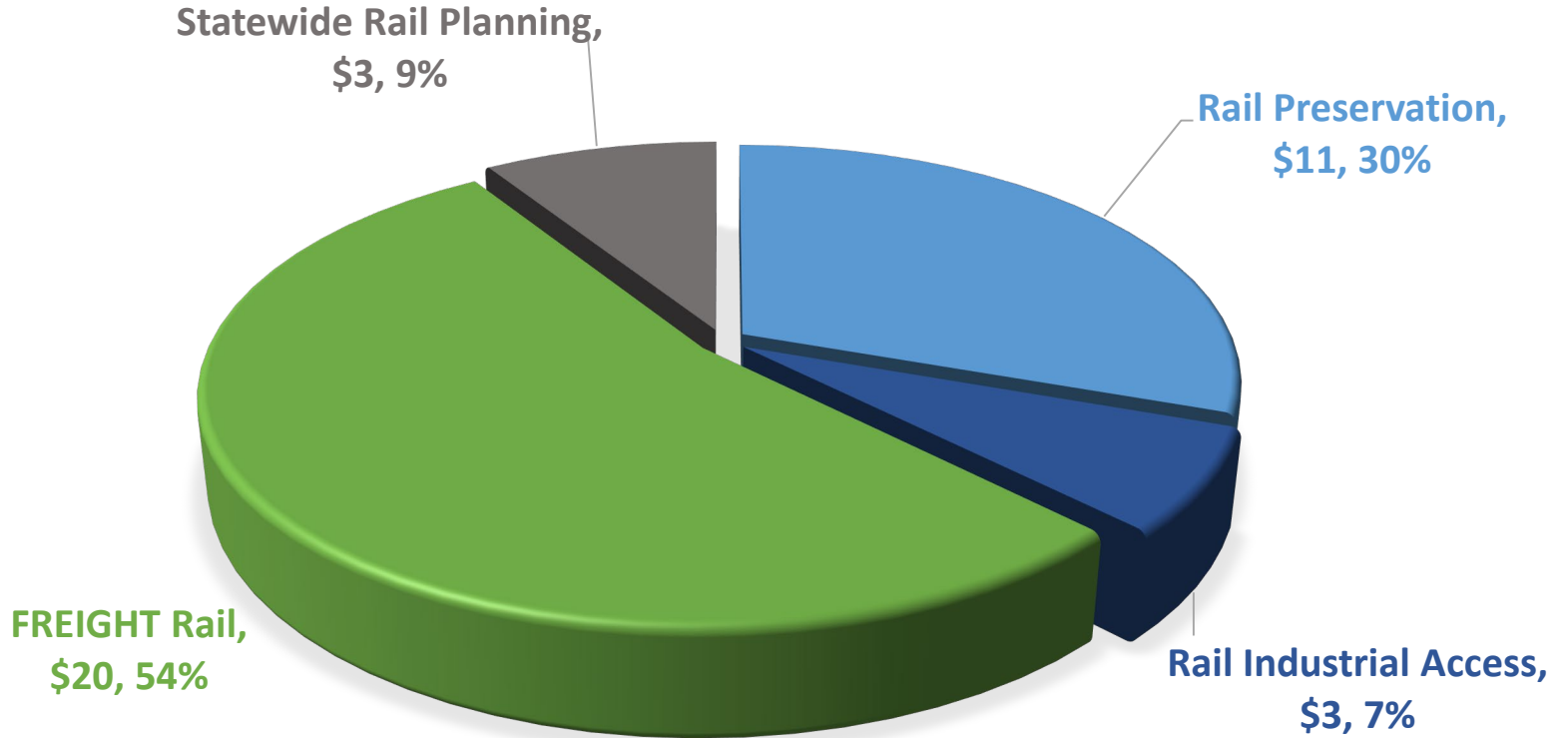


# FY 2023 DRPT Transit Program (\$870 Million)

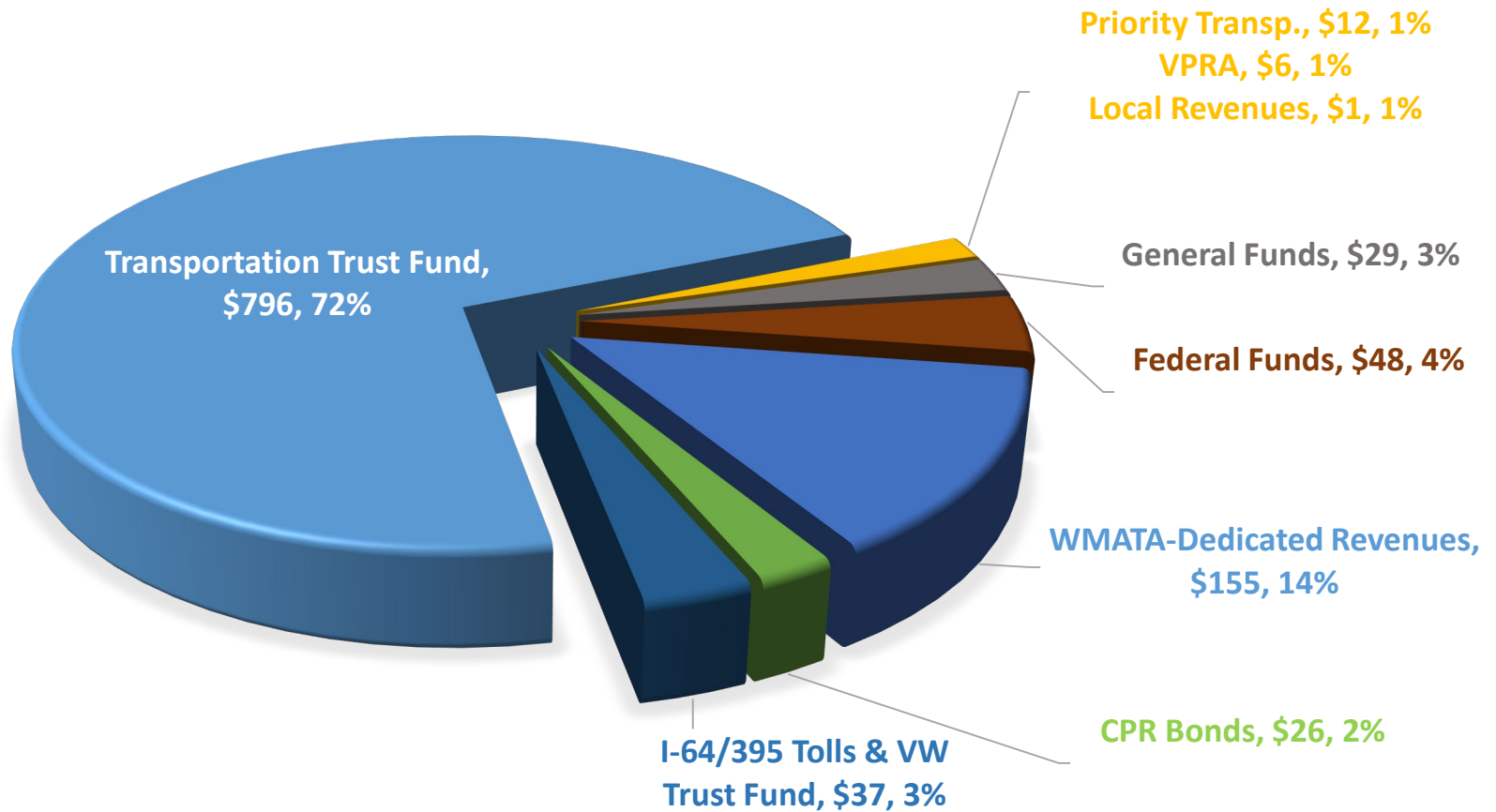


# FY 2023 DRPT Rail Program (\$37 Million)

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# FY 2023 Projected Revenues/Funding Sources (\$1,110 Million)

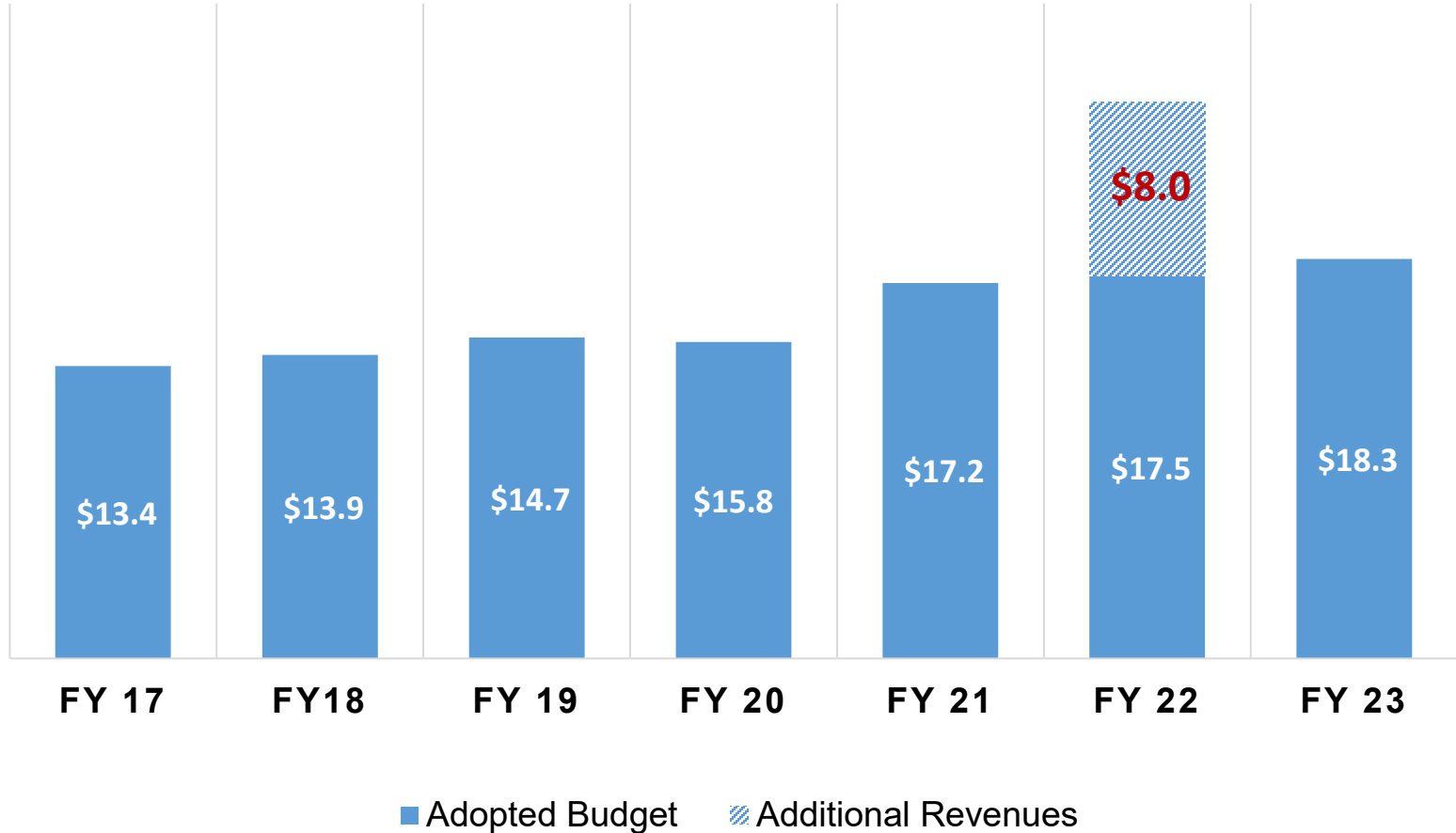


# FY 2023 DRPT Recommended Budget

(In Millions)

Program	FY 2023
Transit Programs	\$ 870
Rail Assistance Programs	37
Agency Operating Budget	18
Virginia Passenger Rail Authority (VPRA)	185
<b>TOTAL</b>	<b>\$ 1,110</b>

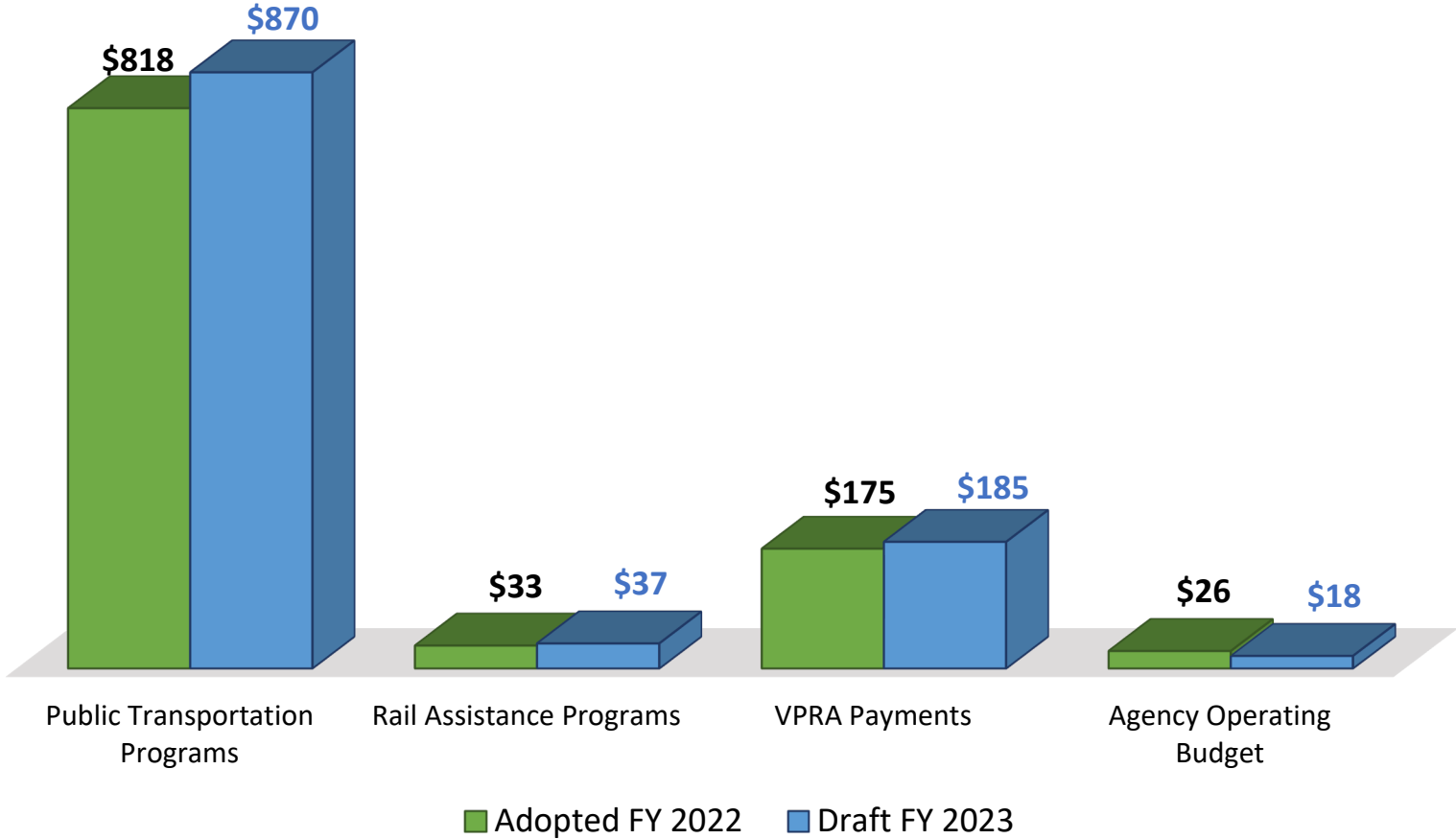
# Seven-Year Comparison Agency Operating Budget (In millions)



*Note: FY22 uplift of \$8 million added in January will not be expended and will be returned to Transit & Rail Programs*



# Year-to-Year Comparison FY 2022 Adopted Budget vs. FY 2023 Draft Budget (in Millions)



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# DRPT FY 2023 Draft Budget Update

Commonwealth Transportation Board

April 19, 2022

Tanyea Darrisaw, Chief Financial Officer  
Department of Rail and Public Transportation





Virginia Department of Rail and Public Transportation

# Annual Budget Fiscal Year 2023 DRAFT



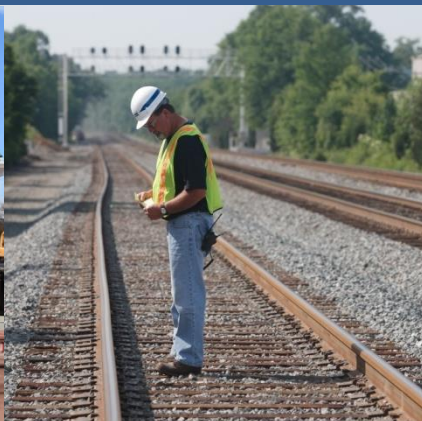
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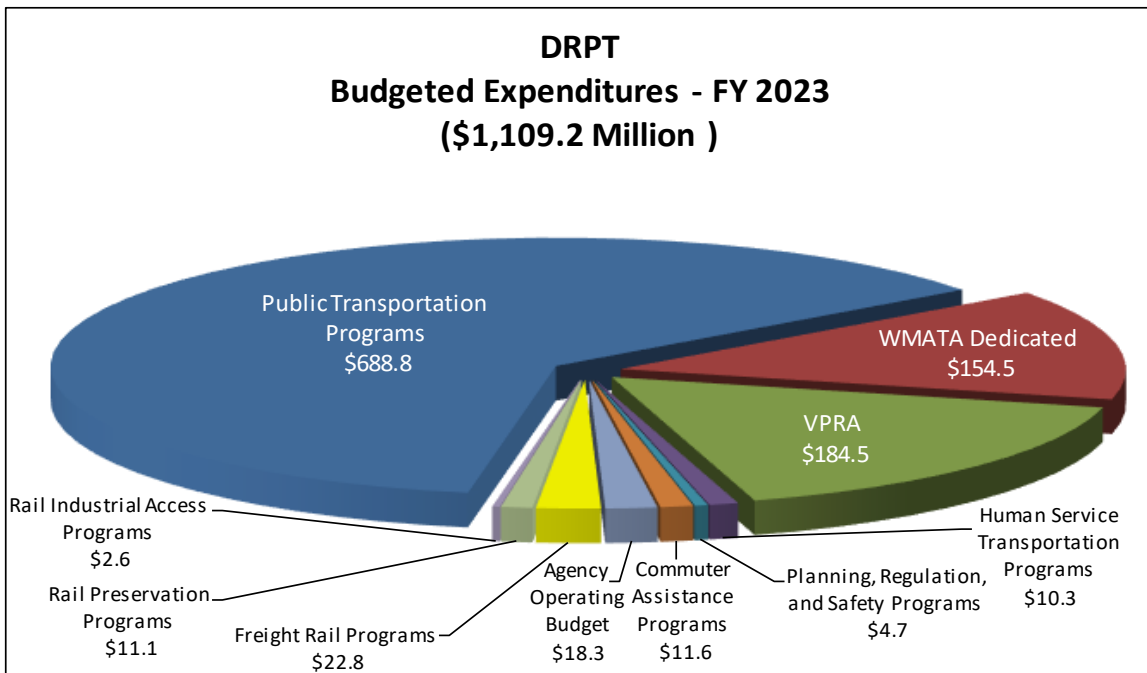
# SUMMARY OF PROGRAMS



## Summary of FY 2023 Budget

In FY 2023, DRPT will invest \$1,109.2 million in state, federal, and local resources towards improving public transportation and rail capacity across the Commonwealth of Virginia. The overwhelming majority of these funds are directed to a variety of recipients, including: public transportation providers, local and regional government entities, freight railroads, and the Virginia Passenger Rail Authority (VPRA). The VPRA was established in section §33.2-288.B. of the Code of Virginia to oversee passenger rail projects within the Commonwealth including the state supported Amtrak service. The VPRA receives on going funding from DRPT of 93% of the estimated revenues of the Commonwealth Rail Fund, which is estimated at \$184.5 million for FY2023.

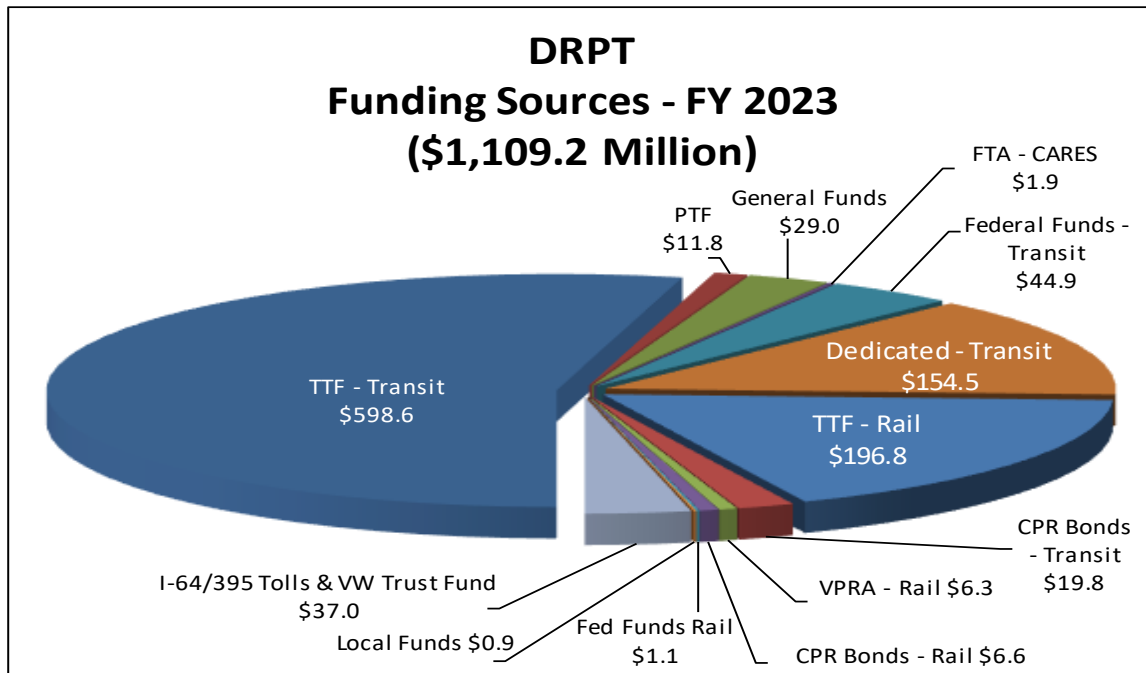
Expenditures for FY 2023 are estimated to be \$66.2 million more than FY 2022. This is primarily due to the mid-year FY 2022 uplift in revenues and the resumption of capital spending due to the Coronavirus. These increases include the completion of spending of pandemic related funding granted by the Federal Transit Administration (FTA) for operating assistance for rural transit agencies and an increase in revenues for transportation programs including operating, capital, and WMATA Assistance used to support operating and capital expenses, as well as increased support for rail programs. Additional detail is included in the specific program sections of this document.



The chart depicts the FY 2023 DRPT budget across the agency’s service areas and the newly created Virginia Passenger Rail Authority (VPRA). The budgeted expenditures for each are discussed in more detail later in this report.

The chart below depicts the source of funds for DRPT’s annual budgeted expenditures. It is not based on the annual estimated revenues for each funding

source; rather, the funding source is derived from over 2,000 projects included in the cash flow projections used to estimate the budgeted expenditures. Additional information concerning the DRPT FY 2023 funding sources can be found on page 20.



## FY 2023 Service Area Budget Highlights

### Agency Operating Budget

The DRPT program management and administrative budget increased 4.6% or \$0.8 million. Revenues increased so DRPT has elected to use only 3.5% of the Rail Preservation Fund, Commonwealth Rail Fund, and Commonwealth Mass Transit Fund in FY 2023 for project oversight. Over the past several years, the transit programs managed by DRPT have grown significantly as have the associated revenues. This growth has been accompanied by increased demand by the General Assembly for accountability over the funds in these programs. The agency’s operating budget will be used to develop and expand the program oversight requested by the General Assembly related to state transit funding.

The nature of the large-scale projects that DRPT now manages is highly diverse in their scope and service, changing dramatically over the last 15 years. Examples of these projects include the following: The Virginia Breeze Intercity Bus, WMATA oversight, transit way improvements related to the Amazon headquarters arrival, transit facility design and construction oversight, Dulles Corridor Metrorail, as well as I-95 and I-81 freight rail corridor programs.

DRPT is also currently completing studies on future transportation demand management (TDM) strategies in the heavily congested I-66 and I-395 corridors. This



focuses on measuring person throughput (rather than vehicle) and redirects toll revenue collected on highways to critical transit projects.

The Appropriations Act authorizes the Commonwealth Transportation Board (CTB) to approve up to 5.0% per year of the Commonwealth Mass Transit Fund (§33.2-1526), Rail Preservation Fund (§33.2-1602), and the revenues allocated to the Department from the Commonwealth Rail Fund (§33.2-1526.4) to be used to support the DRPT costs of project development, project administration, and project compliance.

In FY 2023, it is forecast that \$18.3 million or 3.5% of the revenues of these funds will be used to support the programs' ongoing administrative costs. A complete list of these estimated administrative costs is included in the footnotes of the budget statement at the end of this document. Despite the increase in demands on the agency, the DRPT operating budget still only represents 1.6% of the \$1,109.2 million of total funds administered.

## Public Transportation Programs

The state funding for Public Transportation is comprised of revenues from the Commonwealth Mass Transit Fund (CMTF) and the Commonwealth Transit Capital Fund (CTCF). Effective July 1, 2020, HB 1414 adopted numerous structural changes to the transportation funding system in the Commonwealth. Most state transportation revenues are directed to the Commonwealth Transportation Fund and the Highway Maintenance and Operating Fund, which are administered by the Virginia Department of Transportation (VDOT). Revenues are then disbursed from the Commonwealth Transportation Fund to the Transportation Trust Fund and then distributed to meet the varying transportation needs of different modes of transportation. The CMTF receives 23% of the Transportation Trust Fund. This structure allocates the net impact of upturns and downturns in specific revenues so no one mode is adversely affected.

Chapter 854 of the 2018 Acts of Assembly established a separate allocation for the Washington Metropolitan Area Transit Authority (WMATA) and set allocation percentages for our Operating, Capital, and Special programs in FY 2019 and beyond. It is important to note that these bills did not create additional transportation revenues. Instead, they built on the new revenues generated by HB 2313 in 2013 by changing the distribution of existing revenues.

Beginning in FY 2021, these funds were distributed in accordance with the *Code of Virginia* and specific Appropriations Act language as follows:

- Up to 5.0% of the CMTF to support costs of project development, project administration, and project compliance (current Appropriation Act language)
- \$2.0 million (current Appropriation Act language) of the MTTF for state safety oversight
- \$1.5 million (current Appropriations Act language) of the MTTF for paratransit capital projects and enhanced transportation services for the elderly and disabled

The remaining funds are allocated by statute (§33.2-1526.1) with a minimum of 27.0% for state operating assistance grants, 18.0% awarded as capital assistance grants,



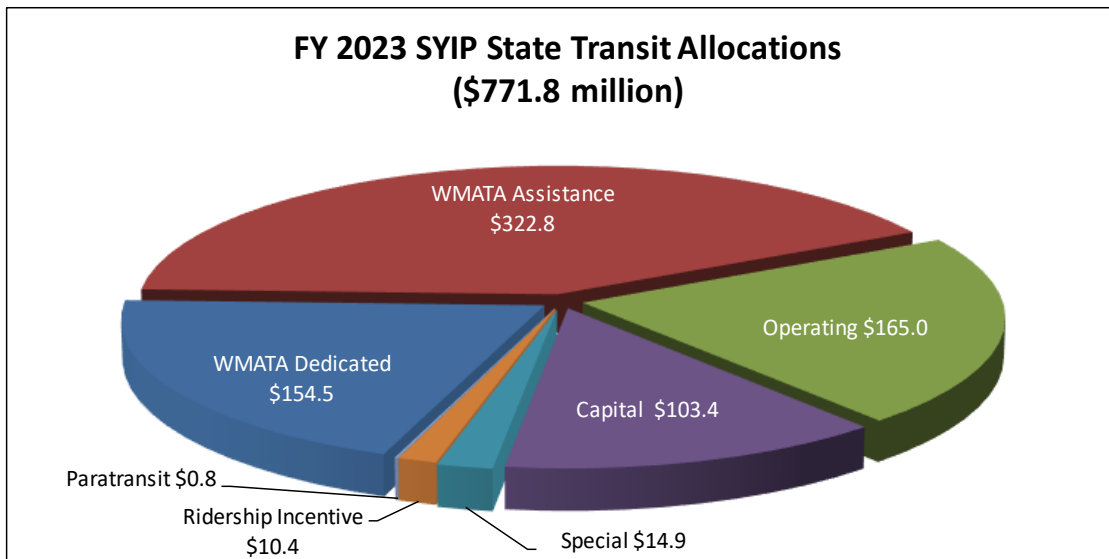
46.5% for distribution to WMATA for capital purposes and operating assistance, 6.0% for the Transit Ridership Incentive Program and the balance of up to 2.5% awarded as special projects grants, subject to CTB approval. Item 436.P of Chapter 56 of the 2020 Special Session I of the Virginia Acts of Assembly gives the CTB flexibility in applying these percentages to keep revenue streams relatively stable to maintain the project's current schedule from FY 2020 for each program, but no later than FY 2024.

The CTCF is made up of the CPR bonds authorized under Chapter 896 of the 2007 Acts of Assembly allocated to transit capital. The major revenue source for these bond authorizations is the tax on insurance premiums. Beginning in FY 2019, these bond funds completed the 10 year period under the original bond authorization and the \$60 million annual amount available ended. Current year allocations of these funds represent monies deobligated from prior year projects.

By the close of FY 2021 when the WMATA state of good repair funding grant ended, the state transit capital assistance program lost an additional \$50 million of annual bond funding. However, section §33.2-1526.1.B of the Code of Virginia allocates up to \$50 million off the top of the CMTF starting in FY 2022 for the WMATA State of Good Repair program.

In 2018, the General Assembly directed the CTB to develop a separate prioritization process for state of good repair projects and major expansion projects. The process for state of good repair projects is based upon transit asset management principles, including federal requirements for Transit Asset Management pursuant to 49 U.S.C. § 5326 while the process for major expansion projects is based on Smart Scale factors. Over 85% of the transit capital program has historically been utilized for maintenance of existing assets, which highlights the importance of finding a solution to this problem.

The FY 2023 SYIP allocation of the state transit revenues for public transportation is depicted in the following chart. This chart represents FY 2023 SYIP allocations only, which vary from the budgeted amounts in this report due to the timing of expenditures versus allocations of funds. For more information, reference Note 1 on page 21.



The FY 2023 allocation of \$771.8 million of state transit revenues in the SYIP represents a decrease of \$80.3 million from \$852.1 million in the FY 2022 SYIP (as revised for \$210.9 million of mid-year uplift of revenues). Compared to the original FY 2022 SYIP adopted in June 2021 (excluding the mid-year revenue uplift), this is an increase of \$130.6 million from the original adopted amount of \$641.2 million.

As compared to the FY 2022 SYIP (revised for the mid-year uplift in revenues), capital projects decreased \$83.8 million. There was an increase in large bus purchases and facility construction in FY 2022 following a period of reduced capital needs in FY 2021 due to the Covid-19 pandemic and an increase in FY 2022 in capital allocations due to the mid-year revenue uplift. WMATA Assistance and Transit Operating Assistance increased \$7.7 million and \$3.2 million, respectively, from FY 2022 due to an increase in revenue estimates. In FY 2022 the General Assembly made up to \$32.4 million of proceeds from Item 447.10 of the Biennial Budget available to bring the WMATA Dedicated funds to the annual commitment level of \$154.5 million. With the mid-year FY 2022 revenue uplift it was estimated that only \$3.4 million of these proceeds will be needed to cover the shortfall in FY 2022, and it is estimated that the remainder of \$29.0 will be allocated to supplement operating expenses in NOVA through NVTC in FY 2022. These funds are budgeted to be spent in the first quarter of FY 2023. WMATA Assistance includes an allocation of \$50.0 million of CMTF funding, which was funded from bond proceeds prior to FY 2022, to match the federal funds WMATA is receiving under the federal state of good repair program.

### Public Transportation Operating Funds

The budgeted amounts in this report include anticipated expenditures on all of the projects and grants that DRPT manages for FY 2023, not just amounts allocated in FY 2023 by the CTB above. The budgeted FY 2023 transit operating expenditures are \$215.1 million or an increase of \$20.4 million from FY 2022. This includes \$1.9 million of CARES Act funding from the FTA for rural transit agencies with no matching requirements that replaced operating funds with a 50% local match requirement.

Section §33.2-1526.1 of the *Code of Virginia* provides that the Commonwealth Transportation Board (CTB) shall allocate 27.0% of the Commonwealth Mass Transit Fund to support operating costs of transit providers and that the CTB shall establish service delivery factors, based on effectiveness and efficiency, to guide the relative distribution of such funding. Such measures and their relative weight shall be evaluated every three years.

The Department of Rail and Public Transportation (DRPT) has worked in consultation with the Transit Service Delivery Advisory Committee (TSDAC) and other stakeholders to develop the necessary policies and procedures to implement a performance based state transit operating allocation. The TSDAC adopted the following policy objectives to guide their deliberations: promoting fiscal responsibility, incentivizing efficient operations, supporting robust transit service, rewarding higher patronage, promoting mobility, supporting a social safety net, and utilizing data that exists for all agencies.

The CTB adopted the allocation policy for transit operating funding for FY 2023 based on performance factors as follows:

System Sizing Metrics:

Bus Systems:

- Operating Cost (50%)
- Ridership (30%)
- Revenue Vehicle Hours (10%)
- Revenue Vehicle Miles (10%)

Commuter Rail Systems:

- Passenger Miles Traveled (33%)
- Revenue Vehicle Hours (33%)
- Revenue Vehicle Miles (33%)

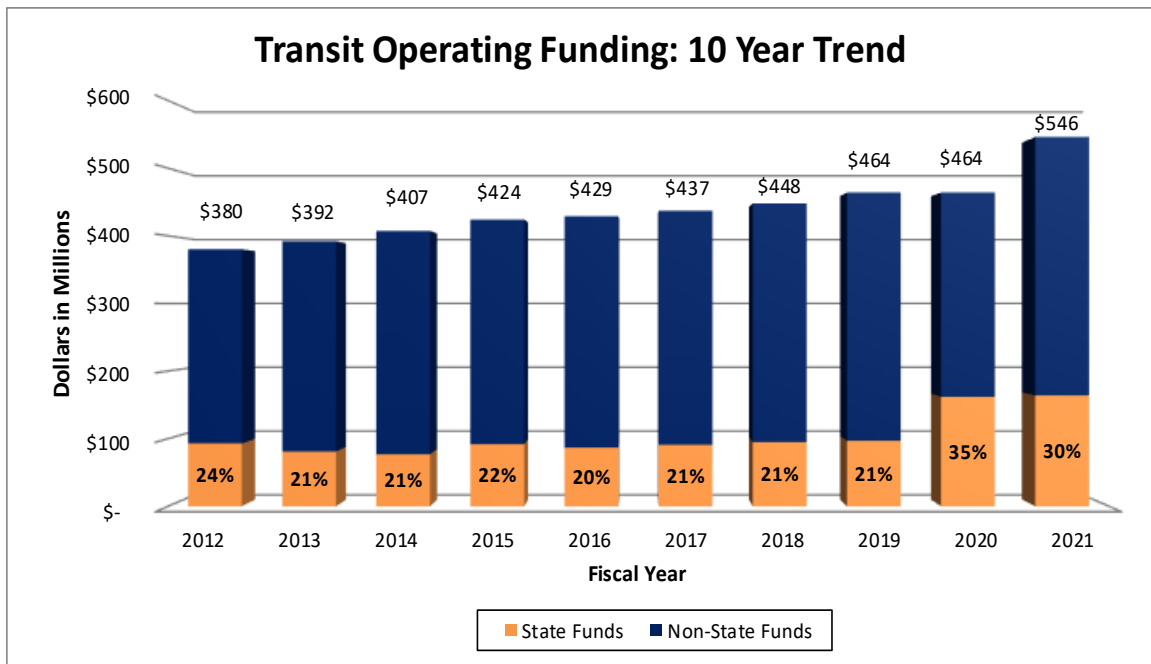
Performance Adjustment:

All Systems:

- Passengers per Revenue Vehicle Hour (20%)
- Passengers per Revenue Vehicle Mile (20%)
- Operating Cost per Revenue Vehicle Hour (20%)
- Operating Cost per Revenue Vehicle Mile (20%)
- Operating Cost per Passenger (20%)

In order to ensure an even distribution of funding, the share of state operating assistance is to be capped at 30% of an agency's operating cost. A one-time exception was made when mid-year FY 2022 revenue collections were significantly higher than estimates and the State allocated 35% of agency operating costs. Unallocated balances remaining after applying the cap are run through the performance based formula to ensure full allocation of the available operating funding. Agencies that receive an increase in state assistance as a result of the performance based formula are encouraged to invest the increased allocation into sustaining and expanding service options.

The overall state share of transit operating expenditures for FY 2023 is 30.0%, which is a decrease of 5.0% from prior year. DRPT allocated \$1.9 million of Federal Cares funding for Operating that is not included in the chart below. The following chart provides a history of the state’s participation in the cost of transit operations in the Commonwealth. Prior years in the chart have been restated to exclude operating payments made to WMATA. In FY 2019 and beyond funding for WMATA operating and capital are reported as WMATA Assistance funds.



### Public Transportation Capital Funds

Section §33.2-1526.1 of the *Code of Virginia* provides that the CTB shall allocate 18.0% of the Commonwealth Mass Transit Fund for capital purposes distributed utilizing the transit capital prioritization process established by the Board pursuant to Section 33.2-214.4 of the *Code of Virginia*. Capital program grants from the CMTF are funded based on the total cost of the project. Effective July 1, 2019, capital projects are prioritized in three different categories:

**State of Good Repair (SGR):** capital projects or programs to replace or rehabilitate an existing asset. SGR is based on transit asset management principles, including federal requirements for Transit Asset Management. Projects are prioritized based on asset condition score and service impact score.

**Minor Enhancement (MIN):** Projects or programs to add capacity, new technology, or a customer enhancement meeting the following criteria:

- Project cost is up to \$2 million, OR

- For expansion vehicles, a minor enhancement entails a fleet increase of no more than 5 vehicles or less than 5% of the fleet size, whichever is greater.

Minor enhancement projects are prioritized solely on service impact scores.

**Major Expansion (MAJ):** Projects or programs that add, expand, or improve service with a cost exceeding \$2 million or for expansion vehicles, an increase of greater than 5 vehicles or 5% of fleet size, whichever is greater. Projects are prioritized based on the following SMART SCALE factors:

- Congestion Mitigation
- Economic Development
- Accessibility
- Safety
- Environmental Quality
- Land Use

In FY 2023, the budget for public transportation capital expenditures is \$120.5 million, which is an increase of \$10.5 million from FY 2022. This increase is mainly attributable to the adverse effect of the Coronavirus on the ability of transit agencies and localities to fund and engage in longer term capital projects in FY 2020 and FY 2021, and a mid-year uplift in revenues in FY 2022. The projects that will be supported by these funds and the applicable federal funds managed by DRPT are summarized on the following chart:

<b>Public Transportation Capital Projects for FY 2023</b>						
	Replacement Transit Vehicles	Expansion Transit Vehicles	Vehicles for Elderly & Disabled Services	Service Support Vehicles	Transit Facility Construction or Renovation	Transit Facility Planning or Design
Bristol District	14	0	0	2	0	0
Culpeper District	0	0	3	2	0	2
Fredericksburg District	5	0	6	0	0	0
Hampton Roads District	26	2	14	6	1	0
Lynchburg District	9	0	3	4	1	0
Northern Virginia District	50	4	0	4	4	0
Richmond District	20	0	3	3	0	0
Salem District	19	1	11	1	0	0
Staunton District	14	2	13	0	0	0
Multi - District	17	1	0	0	1	0
<b>Statewide Totals</b>	<b>174</b>	<b>10</b>	<b>53</b>	<b>22</b>	<b>7</b>	<b>2</b>

## Public Transportation Special Program Funds

Section §33.2-1526.1 of the *Code of Virginia* provides that the CTB shall allocate 2.5% of the Commonwealth Mass Transit Fund for special programs. The Special Programs budget is estimated at \$8.6 million for FY 2023. These funds are used to award discretionary grants for ridesharing, public transportation promotion, operation studies, technical assistance projects, as well as programs that enhance the provision and use of public transportation services.

## Public Transportation Ridership Incentive

Section §33.2-1526.1 of the *Code of Virginia* provides that the CTB shall allocate 6.0% of the Commonwealth Mass Transit Fund for the Transit Ridership Incentive Program established pursuant to Section §33.2-1526.3 of the *Code of Virginia*. The Board shall establish the Transit Ridership Incentive Program (the Program) to promote improved transit service in urbanized areas of the Commonwealth with a population in excess of 100,000 and to reduce barriers to transit use for low-income individuals.

Due to the adverse effects of the Coronavirus on revenues, Item 430.P of Chapter 1289 of the 2020 Virginia Acts of Assembly gives the CTB flexibility in applying these percentages to keep revenue streams relatively stable from FY 2020 for each program. The FY 2023 budget includes \$21.8 million to support projects such as free fare programs which is an increase of \$13.3 million from FY 2022.

## WMATA Assistance Funds

The budgeted state assistance provided to WMATA increased \$7.7 million from FY 2022 to \$322.8 million mainly due to the mid-year FY 2022 increase in revenue estimates. Section §33.2-1526.1 of the *Code of Virginia* provides that the Commonwealth Transportation Board (CTB) shall allocate 46.5% of the Commonwealth Mass Transit Fund to the Northern Virginia Transportation Commission for distribution to WMATA for capital purposes and operating assistance. In FY 2018 and prior years, WMATA received a share of the funds available for the operating and capital assistance based on program allocation guidance. Under the new process, greater oversight responsibility is required of the Northern Virginia Transportation Commission for these state funds dedicated to WMATA.

## **Commuter Assistance Programs**

The Commuter Assistance Programs budget of \$11.6 million includes \$5.6 million of CMTF funds for FY 2023 to support Transportation Demand Management (TDM) projects. The budget also includes Federal Highway Administration (FHWA) funds of \$4.1 million and the related state match of \$1.9 million for projects included in the VDOT SYIP that DRPT will administer, such as the Arlington County Commuter Services program, Hampton Roads Transit TRAFFIX program, Telework, RideFinders, and various Transportation Management Plans.

The TDM program is a discretionary grant program that provides state funds to support up to 80% of the costs of TDM projects and other special projects that are

designed to reduce single occupant vehicle travel. These funds are used to support vanpooling, ridesharing, and marketing and promotional efforts across the Commonwealth that encourage travel in shared ride modes. The distribution of grants for FY 2023 is shown in the following table.

<b>Commuter Assistance Projects for FY 2023</b>			
	Transportation Demand Management Agencies	Special TDM Projects	Total
Bristol District	0	0	0
Culpeper District	2	3	5
Fredericksburg District	5	1	6
Hampton Roads District	2	0	2
Lynchburg District	1	0	1
Northern Virginia District	8	11	19
Richmond District	1	4	5
Salem District	3	4	7
Staunton District	2	2	4
Multi - District	0	0	0
<b>Statewide Totals</b>	<b>24</b>	<b>25</b>	<b>49</b>

### **Human Service Transportation Programs**

The Human Service Transportation Programs budget is estimated at \$10.3 million for FY 2023. Human service transportation programs are operated by local government social service agencies or private non-profit human service agencies for the benefit of their clients. These clients are elderly or disabled individuals and economically disadvantaged children who are enrolled to receive publicly funded social services.

Human service transportation differs from public transportation in that it is designed to serve the very specific needs of human service agency clients and in most cases, service is restricted to the clients of those agencies who often have no other transportation service available to them. It is not open to the general public. The funding for this program comes from the Federal Transit Administration (\$7.8 million), local provider match (\$0.8 million), CPR bond proceeds (\$0.9 million), and CMTF funds for enhanced transportation services for the elderly and disabled (\$0.8 million). The breakdown by district of the 53 vehicles purchased through this program is included in the Public Transportation Capital Projects table on page 11.

## Planning, Regulation, and Safety Programs

DRPT's FY 2023 budget includes \$4.7 million estimated expenditures for Planning, Regulation, and Safety Programs, which include long-term planning and regional corridor studies. The budget for these programs consists of the FTA 5303/5304 planning funds of \$4.2 million and CMTF state match allocations of \$0.5 million.

## WMATA Dedicated Funds

Chapter 854 of the 2018 Acts of Assembly established the WMATA Capital Fund. It also established a Restricted and Non-Restricted account within the WMATA Capital Fund. Monies in the Restricted Account may be used for capital purposes other than for the payment of, or security for, debt service on bonds or other indebtedness of WMATA. Monies in the Non-Restricted account may be used for capital purposes including the payment of debt service on bonds or other indebtedness. The expected revenues budgeted to the Dedicated WMATA Capital Fund are estimated at \$154.5 million for FY 2023. In FY 2022, DRPT allocated \$32.4 million of additional funds per Item 447.10 of the Biennial Budget to bring WMATA Dedicated funds to the FY 2021 level of \$154.5 million. Due to the revenue uplift in mid-year FY 2022, it is estimated that \$29.0 million of these funds will not be needed to supplement WMATA Dedicated funding in FY 2022 and will instead be used by NVTC in the first quarter of FY 2023 to offset public transit operating costs in NOVA.

### Restricted Account – (capital purposes excluding debt service)

The underlying revenues come from local recordation tax and statewide motor vehicle rental tax. For FY 2023, DRPT is allocating \$31.3 million that will be accounted for in the Restricted Account.

### Non-Restricted Account – (capital purposes including debt service)

The underlying revenues come from regional gas taxes, grantor's taxes, transient occupancy tax, and local taxes or other contributions from Northern Virginia local jurisdictions and a supplement from the CMTF.

This funding is contingent on Maryland and the District of Columbia taking action to provide dedicated funding to WMATA. The percentage of funding provided by the Commonwealth shall be proportional to the amount of funding provided by the District of Columbia and Maryland relative to their respective share of WMATA funding each fiscal year.

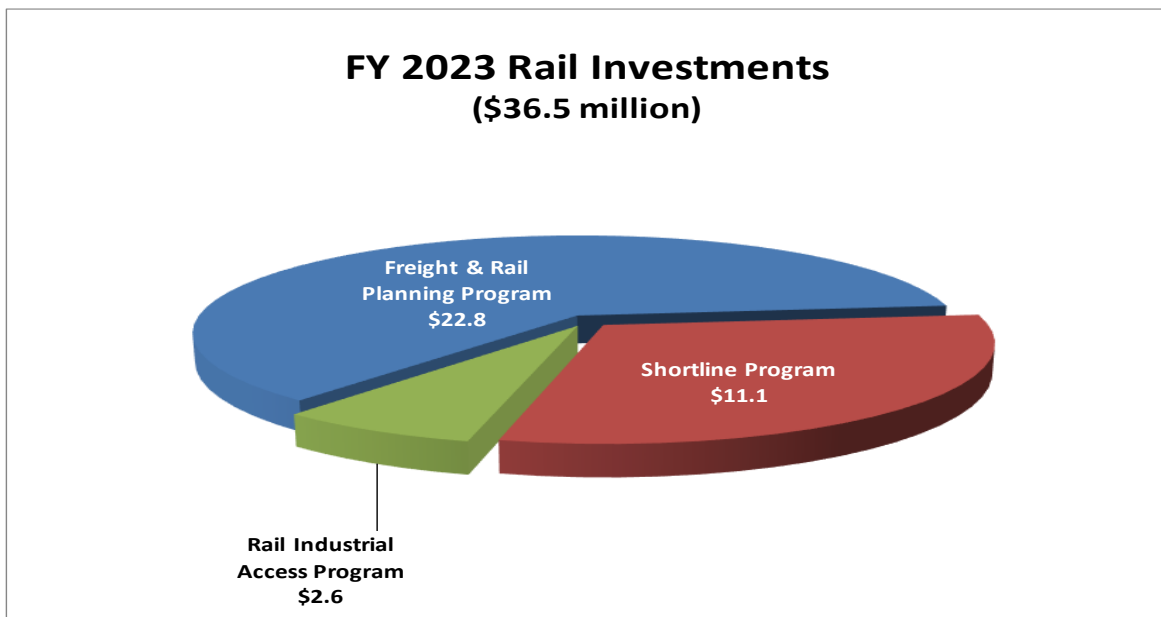


## Rail Programs

DRPT's FY 2023 budget for all rail service areas is \$36.5 million of funding for freight and rail planning, shortline preservation, and rail industrial access programs. In prior years, DRPT administered passenger rail projects within the State including the state supported Amtrak service. In FY 2021, the Virginia Passenger Rail Authority (VPRA) was established to oversee passenger rail projects within the State including intercity passenger service.

Effective July 1, 2020, the VPRA and the Commonwealth Rail Fund came into existence pursuant to Section §33.2-1526.4 of the *Code of Virginia*. The new legislation implemented numerous structural changes to the transportation funding system in the Commonwealth. Most state transportation revenues are directed to the Commonwealth Transportation Fund and the Highway Maintenance and Operating Fund. Revenues are then disbursed from the Commonwealth Transportation Fund to the Transportation Trust Fund and then distributed to meet the varying transportation needs of different modes of transportation. The Commonwealth Rail Fund receives 7.5% of the Transportation Trust Fund. This structure consolidates the net impact of upturns and downturns in specific revenues. This serves to mitigate the year to year impacts on the revenue streams of the various modes of transportation. In FY 2021, the Commonwealth Rail Fund replaced the IPROC and Rail Enhancement funds with 93% of the fund going to the VPRA while 7% of the funds are retained by DRPT to support freight and rail planning projects.

The distribution of anticipated expenditures falls into three categories as displayed in the following chart:



Funding for DRPT's rail programs is supported through eight federal, state and local funding sources:

#### Federal

- Federal Railroad Administration (FRA) grant funds of \$1.1 million;

#### State

- Commonwealth Rail Fund of \$1.9 million;
- Transportation Capital Projects Revenue (CPR) Bond funds of \$6.6 million;
- Shortline Railway and Development funds of \$9.8 million;
- VDOT Transfers of \$8.1 million;
- VPRA Transfers of \$6.3 million;
- Rail Industrial Access (RIA) funds of \$2.6 million; and
- Local Match of \$0.1 million.

#### Transportation Bond Funds

Chapter 896 of the 2007 Acts of Assembly provides for CPR bonds to be issued annually with a minimum of 4.3% of the proceeds going to either the Rail Enhancement Fund or the Shortline Railway Preservation and Development Fund. The final bond allocation for rail was made in FY 2018. For FY 2023, budgeted expenditures from prior year's bond proceeds are expected to be \$6.6 million for freight rail infrastructure improvements and improvement to the tracks of shortline railroads.

#### **Rail Preservation Program**

As part of the Rail Preservation Program, the Shortline Railway Preservation and Development Fund will support 12 projects for Virginia's shortline railroads in FY 2023. These Rail Preservation projects consist primarily of bridge and track upgrades, yard improvements, siding enhancements, and tie and rail replacement, as well as the related ballast, tamping, and surfacing of existing rail lines operated by the shortline railroads in Virginia. These projects are funded through the annual Transportation Fund allocation and related interest revenues, and the CPR bonds.

The Department of Rail and Public Transportation may use up to \$4 million of the 7% share of the Commonwealth Rail Fund for the purposes of the Shortline Railway Preservation and Development Fund pursuant to §33.2-1526.4.

#### **Rail Industrial Access Program**

This program funds the construction of industrial access railroad tracks for the purpose of connecting industries to the rail network and creating jobs. These projects are funded through the Commonwealth Transportation Fund as they are approved by the CTB.

## **Planning and Freight Rail Program**

DRPT is the state agency responsible for rail planning and the freight rail program in the Commonwealth. Every four years, the Federal Railroad Administration requires states to submit an updated State Rail Plan. This is required in order for Virginia to be eligible for federal rail funding. DRPT also works closely with the two major Class I railroads operating in Virginia concerning freight projects and shortline railroads. Virginia's Class I railroads, shortline railroads, and the Port of Virginia are typical recipients of grants.

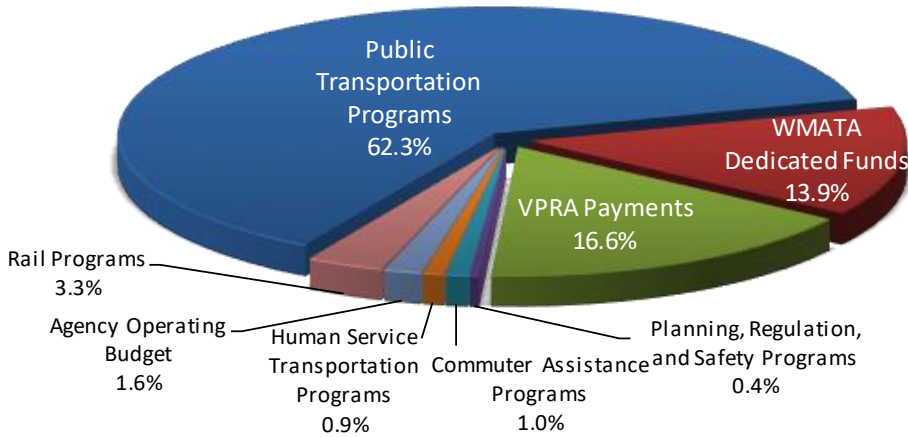
## **Virginia Passenger Rail Authority**

The VPRA was established in section §33.2-288.B. of the Code of Virginia to oversee passenger rail projects within the Commonwealth including the state supported Amtrak service. The VPRA receives on going funding from DRPT of 93% of the estimated revenues of the Commonwealth Rail Fund, which is estimated at \$198.4 million for FY2023. In FY 2023, \$184.5 million of annual revenues of the Commonwealth Rail Fund will be distributed to the VPRA.

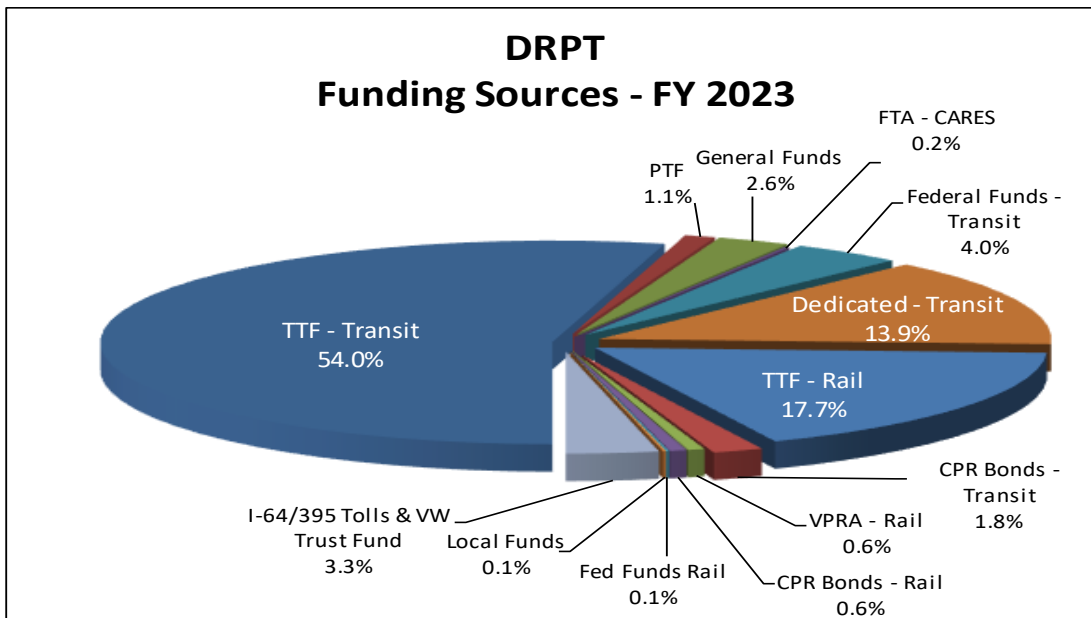
# ANNUAL BUDGET STATEMENT



**DRPT**  
**Budgeted Expenditures - FY 2023**



	(\$ in millions)			
	Adopted FY 2022	Recommended FY 2023	Increase / (Decrease)	Percentage Change
<b>Public Transportation Programs</b>				
Operating Assistance [Notes 1, 2, 3]	\$ 194.7	\$ 215.1	\$ 20.4	10.5%
Capital Assistance [Notes 1, 2, 4]	110.0	120.5	10.5	9.5%
Special Programs [Notes 1, 2, 5]	8.8	8.6	(0.2)	-2.3%
Ridership Incentive Programs [Notes 1, 2, 6]	8.5	21.8	13.3	156.5%
WMATA Assistance [Note 2, 7]	315.1	322.8	7.7	2.4%
<b>Total Public Transportation Programs</b>	<b>637.1</b>	<b>688.8</b>	<b>51.7</b>	<b>8.1%</b>
<b>Commuter Assistance Programs [Notes 1, 8]</b>	<b>12.5</b>	<b>11.6</b>	<b>(0.9)</b>	<b>-7.2%</b>
<b>Human Service Transportation Pgm [Notes 1, 9]</b>	<b>9.4</b>	<b>10.3</b>	<b>0.9</b>	<b>9.6%</b>
<b>Planning, Regulation, &amp; Safety Pgm [Notes 1, 10]</b>	<b>4.1</b>	<b>4.7</b>	<b>0.6</b>	<b>14.6%</b>
<b>WMATA Dedicated Funding [Note 11]</b>	<b>154.5</b>	<b>154.5</b>	<b>-</b>	<b>0.0%</b>
<b>Total Transit Programs</b>	<b>817.6</b>	<b>869.9</b>	<b>52.3</b>	<b>6.4%</b>
<b>Rail Programs</b>				
Rail Preservation Programs [Notes 1, 12]	7.5	11.1	3.6	48.0%
Rail Industrial Access [Notes 1, 13]	2.3	2.6	0.3	13.0%
Planning and Freight Rail Programs [Notes 1, 14]	23.6	22.8	(0.8)	-3.4%
<b>Total Rail Programs</b>	<b>33.4</b>	<b>36.5</b>	<b>3.1</b>	<b>9.3%</b>
<b>Agency Operating Budget [Note 17]</b>	<b>17.5</b>	<b>18.3</b>	<b>0.8</b>	<b>4.6%</b>
<b>Agency Total Before VPRA Payments</b>	<b>868.5</b>	<b>924.7</b>	<b>56.2</b>	<b>6.5%</b>
<b>VPRA Payments [Note 15]</b>	<b>174.5</b>	<b>184.5</b>	<b>10.0</b>	<b>5.7%</b>
<b>Agency Total</b>	<b>\$ 1,043.0</b>	<b>\$ 1,109.2</b>	<b>\$ 66.2</b>	<b>6.3%</b>



	(\$ in millions)			
	Adopted FY 2022	Recommended FY 2023	Increase / (Decrease)	Percentage Change
<b>TRANSPORTATION TRUST FUND</b>				
Commonwealth Mass Transit Fund [Notes 3, 4, 5, 6, 7, 8, 9, 10, 17]	\$ 551.3	\$ 584.4	\$ 33.1	6.0%
Special Programs - VDOT Transfers [Notes 4, 5, 8, 9]	6.9	11.6	4.7	68.1%
Rail Industrial Access [Note 13]	2.3	2.6	0.3	13.0%
Commonwealth Rail Programs [Notes 14, 15, 17]	177.8	186.9	9.1	5.1%
Rail Preservation Program [Notes 12, 17]	6.8	9.9	3.1	45.6%
<b>Total</b>	<b>745.1</b>	<b>795.4</b>	<b>50.3</b>	<b>6.8%</b>
<b>2018 CHAPTER 854 DEDICATED FUNDING - Transit [Note 11]</b>	<b>151.1</b>	<b>154.5</b>	<b>3.4</b>	<b>2.3%</b>
<b>BOND PROCEEDS - Transit Capital and Rail [Notes 4, 9, 12]</b>	<b>22.8</b>	<b>26.4</b>	<b>3.6</b>	<b>15.8%</b>
<b>GENERAL FUNDS - Item 447.10 - Transit [Note 11]</b>	<b>3.4</b>	<b>29.0</b>	<b>25.6</b>	<b>752.9%</b>
<b>PRIORITY TRANSPORTATION FUNDS [Note 16]</b>	<b>-</b>	<b>11.8</b>	<b>11.8</b>	<b>100.0%</b>
<b>FEDERAL REVENUE</b>				
FHWA Funding (CMAQ/RSTP) [Notes 4, 8]	6.1	4.4	(1.7)	-27.9%
Federal Transit Administration [Notes 3, 4, 9, 10]	26.5	40.5	14.0	52.8%
Federal Transit Administration - CARES [Note 3]	43.7	1.9	(41.8)	-95.7%
Federal Railroad Administration [Note 14]	1.0	1.1	0.1	10.0%
<b>Total</b>	<b>77.3</b>	<b>47.9</b>	<b>(29.4)</b>	<b>-38.0%</b>
<b>LOCAL REVENUES [Notes 9, 14]</b>	<b>0.9</b>	<b>0.9</b>	<b>-</b>	<b>0.0%</b>
<b>TRANSFERS FROM OTHER AGENCIES</b>				
VDOT I-64/I-395 Tolls Transfers [Note 4]	28.9	37.0	8.1	28.0%
DEQ VW Trust Fund Transfers [Note 4]	1.9	-	(1.9)	-100.0%
Virginia Passenger Rail Authority [Note 15]	11.6	6.3	(5.3)	-45.7%
<b>TOTAL SOURCES</b>	<b>\$ 1,043.0</b>	<b>\$ 1,109.2</b>	<b>\$ 66.2</b>	<b>6.3%</b>

## Footnotes to the FY 2023 Annual Budget

(1) The budgeted amounts in this report include anticipated expenditures on all of the projects and grants that DRPT manages for FY 2023 and the revenue sources to cover these anticipated expenditures. A cash basis of accounting is utilized to develop the budgeted amounts. Therefore, the budgeted amounts will not agree to allocations in the SYIP due to the timing of cash expenditures versus allocations of funds. The actual cash outlays of many capital projects may lag behind the related allocation of resources by as much as five years. For example, DRPT will allocate Planning and Freight Rail Projects of \$9.1 million in FY 2023, but \$22.8 million is expected to be spent on Planning and Freight rail projects during FY 2023. The differences between the FY 2023 SYIP allocations and budgeted expenditures are as follows:

<b>Total Six Year Improvement Plan Allocations</b>	<b><u>\$ 1,124.7</u></b>
<b>Federal Funds Allocations with Grantee FTA Contracting</b>	<b>(18.3)</b>
<b>Agency Operating Budget</b>	<b>18.3</b>
<b>Rail Industrial Access</b>	<b>2.6</b>
<b>VPRA Recurring Payments</b>	<b>184.5</b>
<b>VPRA Allocations for Transforming Rail in Virginia Project</b>	<b>(240.4)</b>
<b>Prior Year Allocations in the Current Budget</b>	
<b>Transit Revenue and Bond Allocations</b>	<b>26.6</b>
<b>Rail Revenue and Bond Allocations</b>	<b>9.9</b>
<b>VDOT Revenues from prior years</b>	<b>1.3</b>
<b>Total Budgeted Expenditures</b>	<b><u><u>\$ 1,109.2</u></u></b>

It is important to note that DRPT's reliance on our transportation partners for accurate information will impact the accuracy of our budgeted expenditures. The vast majority of the DRPT budgeted expenditures are initiated by a reimbursement request from one of our project partners who controls the actual project development. As such, DRPT must gather information from these partners about the timing of almost 2,000 projects in order to estimate cash basis expenditures each year. Based on this operating format for DRPT, a variance of up to 15% would not be unreasonable. Ultimately, the goal for DRPT will be to work with our project partners to attain a variance of 10% or less by each year end.

(2) Funds are allocated by statute (§33.2-1526.1) with 46.5% for distribution to WMATA for capital purposes and operating assistance, a minimum of 27.0% for state operating assistance grants, 18.0% awarded as capital assistance grants, 6.0% for transit ridership incentives, and the balance of up to 2.5% awarded as special projects grants subject to CTB approval. Item 430.P of Chapter 1289 of the 2020 Virginia Acts of Assembly gives the CTB flexibility in applying these percentages to keep revenue streams relatively stable from FY 2020 for each program.

(3) The budgeted expenditure line item entitled Public Transportation Programs - Operating Assistance increased by \$20.4 million from FY 2022 to FY 2023 to \$215.1 million. This was mainly due to increased revenues and the use of \$1.9 million in federal assistance provided by the CARES program, which funds up to 100% of eligible rural operating expenses and is being used in lieu of other state and federal funding. The Operating Assistance line is also made up of Commonwealth Mass Transit Funds of \$165.1 million and \$19.1 million in federal assistance through the FTA 5311 Rural Assistance program.



## ***DRPT Footnotes to the FY 2023 Annual Budget (Continued)***

In FY 2022 DRPT was allocated \$32.4 million from Item 447.10 of the Biennial Budget to bring WMATA Dedicated funds to the FY 2021 level of \$154.5 million. Due to the revenue uplift in mid-year FY 2022, It is estimated that \$29.0 million of these funds will not be needed to supplement WMATA Dedicated funding and will be used by NVTC in the first quarter of FY 2023 to offset public transit operating costs in NOVA.

**(4)** Public Transportation Programs - Capital Assistance increased by \$10.5 million to \$120.5 million, which is due to the negative effect of the Coronavirus in FY 2021 on the ability of localities and transit agencies to engage in and fund longer-term projects and the revenue uplift in mid-year FY 2022. This line item consists of \$44.0 million of Commonwealth Mass Transit funds, \$18.9 million of Transportation Capital Projects bond proceeds, \$9.1 million of FTA funding, \$0.3 million of FHWA funding, \$11.0 million of priority transportation funds, and \$28.9 million of I-66 & I-395 tolls. Additionally, \$8.3 million in projects administered by DRPT with funding allocated through VDOT's SYIP (CMAQ, RSTP, and related state match) is included in this Service Area.

**(5)** Public Transportation Programs – Special Programs decreased \$0.2 million from FY 2022 to FY 2023 to \$8.6 million. Funding comes from the Commonwealth Mass Transit Fund (\$6.9 million), FTA funding (\$0.3 million), and funding allocated through VDOT (\$1.4 million). This service area includes Metrorail State Safety Oversight.

**(6)** Public Transportation Programs - Ridership Incentive Programs increased \$13.3 million from FY 2022 to FY 2023 to \$21.8 million. This line item consists of \$21.0 million of Commonwealth Mass Transit Funds, and \$0.8 million of priority transportation funds. The FY 2023 budget supports projects such as fare free and reduced fare programs and improved transit service in urbanized areas of the Commonwealth with a population in excess of 100,000 and to reduce barriers to transit use for low-income individuals.

**(7)** WMATA Assistance increased \$7.7 million from FY 2022 to FY 2023 to \$322.8 million. This Funding comes from the Commonwealth Mass Transit Fund to the Northern Virginia Transportation Commission for distribution to WMATA for capital purposes and operating assistance. Also included in FY 2022 and beyond is \$50.0 million of CMTF funding to replace the bond program that was used in prior years for the Federal State of Good Repair Program.

**(8)** The budgeted Commuter Assistance Programs line item decreased by \$0.9 million to \$11.6 million from FY 2022 to FY 2023. Commuter Assistance Programs include Commonwealth Mass Transit Funds of \$5.6 million and FHWA funding of \$4.1 million. Additionally, \$1.9 million in projects administered by DRPT with funding allocated through VDOT's SYIP (CMAQ, RSTP, Telework and related state match) is included in this service area.

**(9)** The budgeted Human Service Transportation Programs line item increased by \$0.9 million to \$10.3 million from FY 2022 to FY 2023. Funding includes \$7.8 million of FTA 5310 and 5311 awards. The match to these federal awards consists of \$0.8 million of Commonwealth Mass Transit State matching funds for the paratransit capital projects and enhanced transportation services for the elderly and disabled, Transportation Capital Projects Bond proceeds of \$0.9 million, as well as \$0.8 million of local match to the FTA 5310 funds.

**(10)** Planning, Regulation, and Safety Programs consists of the FTA 5303/5304 planning funds of \$4.2 million and Commonwealth Mass Transit state match allocations of \$0.5 million.



### ***DRPT Footnotes to the FY 2023 Annual Budget (Continued)***

**(11)** Chapter 854 of the 2018 Acts of Assembly establishes dedicated capital funding for WMATA. Expected revenues for FY 2023 are \$154.5 million. In FY 2022 DRPT allocated \$3.4 million of a total funding available of \$32.4 million from Item 447.10 of the Biennial Budget to bring WMATA Dedicated funds to the FY 2021 level of \$154.5 million. Due to the revenue uplift in mid-year FY 2022, it is estimated that \$29.0 million of these funds will not be needed to supplement WMATA Dedicated funding and will be used by NVTC in the first quarter of FY 2023 to offset public transit operating costs in NOVA.

**(12)** The 2006 General Assembly passed legislation (§33.2-1602) to establish the Shortline Railway Preservation and Development fund. The fund was created to support the retention, maintenance, and improvement of shortline railways in Virginia and to assist with the development of railway transportation facilities. This line item increased \$3.6 million to \$11.1 million from FY 2022 to FY 2023. The source of funding for the Shortline Railway Preservation fund is the Transportation Trust Fund of \$9.8 million. The additional \$1.3 million of planned expenditures is funded by Transportation Capital Projects Bond proceeds allocated by the CTB.

**(13)** The Rail Industrial Access Program funds construction of industrial access railroad tracks. The activities budgeted in this line item consist of Transportation Trust Fund allocations through VDOT of \$2.6 million.

**(14)** The budgeted Planning and Freight Rail Programs line item of \$22.8 million represents a decrease of \$0.8 million from FY 2022 to FY 2023. The source of funding to cover these expenditures includes \$1.9 million from the 7% allocation of the Commonwealth Rail Fund. The Commonwealth Rail Fund is funded by a 7.5% allocation from the Transportation Trust Fund. Additionally, this line item includes Federal Railroad Administration funds of \$1.1 million, I-66 toll proceeds of \$8.1 million, bond proceeds of \$5.3 million, expected VPRA transfers of \$6.3 million, and local matching funds of \$0.1 million.

**(15)** In July 2020, \$302.7 million of the rail cash balance was paid to VPRA and effectively became part of its capital structure. This cash balance included REF and IPROC funds received before June 30, 2020. Although all the funds were transferred to the VPRA, DRPT retained rail freight and planning projects. The VPRA will transfer funds (estimated to be \$6.3 million in FY 2023) to DRPT for these projects upon expenditure by DRPT until the projects are completed. In addition, the budget includes \$184.5 million of Commonwealth Rail Funds to be transferred to the VPRA in FY 2023

**(16)** In December 2021, the Commonwealth Transportation Board authorized to restore \$39.8 million to the Commonwealth Mass Transit Fund provided by the Priority Transportation Fund. In FY 2023, it is estimated that \$11.8 million of project funding will be used for free fare projects and transportation facilities.

**DRPT Footnotes to the FY 2023 Annual Budget (Continued)**

(17) The CTB is authorized by §33.2-1604 of the *Code of Virginia* to approve up to 3.5% per year of the Rail Preservation Fund and Commonwealth Rail Fund and by §33.2-1526.1 G of the *Code of Virginia* to approve up to 3.5% per year of the Commonwealth Mass Transit Fund to support costs of project development, project administration, and project compliance. The Appropriation’s Act language allows the CTB to allocate up to 5% of the Rail Preservation Fund, Commonwealth Mass Transit Fund, and Commonwealth Rail Fund for use to support the DRPT costs of project development, project administration, and project compliance. DRPT forecasts that \$26.1 million (5.0%) of revenues from these funds is available to support the programs’ ongoing administrative costs. However, due to the increase of revenues, DRPT is forecasting that only \$18.3 million (3.5%) will be used to support the operating budget. The DRPT operating budget represents only 1.6% of the total \$1,109.2 million FY 2023 budget.

<b>Major Components of Agency Operating Budget</b>	
Payroll and Fringe Benefits	\$ 9,560,000
Operations Program Support	3,906,089
Information Technology Costs	1,346,000
Central Service Agencies Indirect Costs	900,000
Finance Program Support	780,000
Rent	530,000
Attorney Services	400,000
Travel and Training	327,000
Office Expansion	160,000
Other Program and Project Management Initiatives	370,033
<b>Total</b>	<b>\$ 18,279,122</b>
<b>Source of Funding for Agency Operating Budget</b>	
Commonwealth Mass Transit Fund	\$ 17,651,987
Commonwealth Rail Fund	486,085
Shortline Railway Preservation and Development Fund	141,050
<b>Total</b>	<b>\$ 18,279,122</b>