



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

W. Sheppard Miller, III
Chairperson

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Agenda item # 6

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

June 18, 2024

MOTION

Made By: Mr. Kasprowicz, **Seconded By:** Mr. Byers

Action: Motion carried, unanimously.

**Title: Action on Fiscal Year 2025 Annual Budgets
Commonwealth Transportation Fund, Department of Rail and Public Transportation and
the Virginia Department of Transportation**

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

WHEREAS, § 33.2-1524.1 of the *Code* requires a portion of the funds in the Transportation Trust Fund to be set aside and distributed to construction programs pursuant to § 33.2-358, the Commonwealth Mass Transit Fund, Commonwealth Rail Fund, the Commonwealth Port Fund, the Commonwealth Aviation Fund, the Commonwealth Space Flight Fund, the Priority Transportation Fund and a special fund within the Commonwealth Transportation Fund to be used to meet the necessary expenses of the Department of Motor Vehicles; and

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and for city and town street maintenance payments made pursuant to § 33.2-319 and payments made to counties which have withdrawn or elect to withdraw from the secondary system of state highways pursuant to § 33.2-366; and

Resolution of the Board

FY 2025 Annual Budgets – Commonwealth Transportation Fund, Department of Rail and Public Transportation and the Virginia Department of Transportation

June 18, 2024

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

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

WHEREAS, pursuant to § 33.2-214 (B), the Commonwealth Transportation Board has established the updated project allocations for the fiscal years 2025 through 2030 in the Six-Year Improvement Program; and

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

NOW, THEREFORE, BE IT RESOLVED by the Commonwealth Transportation Board that the recommended allocations and expenditures required by the various statutes as contained in the budgets for the Commonwealth Transportation Fund, Department of Rail and Public Transportation, and the Department of Transportation for Fiscal Year 2025 are approved.

#####

CTB Decision Brief

Fiscal Year 2025 Annual Budgets

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

Issue: Each year, the Commonwealth Transportation Board (CTB or Board) is required by §§ 33.2-214 (B) and 33.2-221 (C) of the *Code of Virginia* to administer, distribute and allocate funds in the Transportation Trust Fund based on the most recent official Commonwealth Transportation Fund revenue forecast; by § 33.2-1524.1, to provide the statutory funding to the Commonwealth Mass Transit Fund, Commonwealth Rail Fund, Commonwealth Port Fund, the Commonwealth Aviation Fund, the Commonwealth Space Flight Fund the Priority Transportation Fund and a special fund in the Commonwealth Transportation Fund to meet the expenses of the Department of Motor Vehicles; and by § 33.2-358 (A) to allocate from all funds made available for highway purposes such amount as it deems reasonable and necessary for the maintenance of roads within the interstate, primary and secondary system of highways and for city and town street maintenance payments and payments to counties that have elected to withdraw from the secondary state highway system. Board approval and finalization of the FY 2025 budgets necessary to effectuate the lawful distribution of available Commonwealth Transportation Fund revenues is sought.

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

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

CTB Decision Brief
Fiscal Year 2025 Annual Budgets
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Recommendations: VDOT and DRPT recommend the approval of the Fiscal Year 2025 Annual Budgets for the Commonwealth Transportation Fund, the Department of Transportation, and the Department of Rail and Public Transportation.

Action Required by CTB: The CTB will be presented with a resolution for a formal vote to approve the Fiscal Year 2025 Annual Budgets.

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

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

FY 2025

Commonwealth Transportation Fund Budget June 2024



Virginia Department of Transportation

Financial Planning Division


1221 E. Broad Street, 2nd Floor

Richmond, VA 23219

Internet Address: <https://www.vdot.virginia.gov/about/budget-finance/>

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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 amended 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.

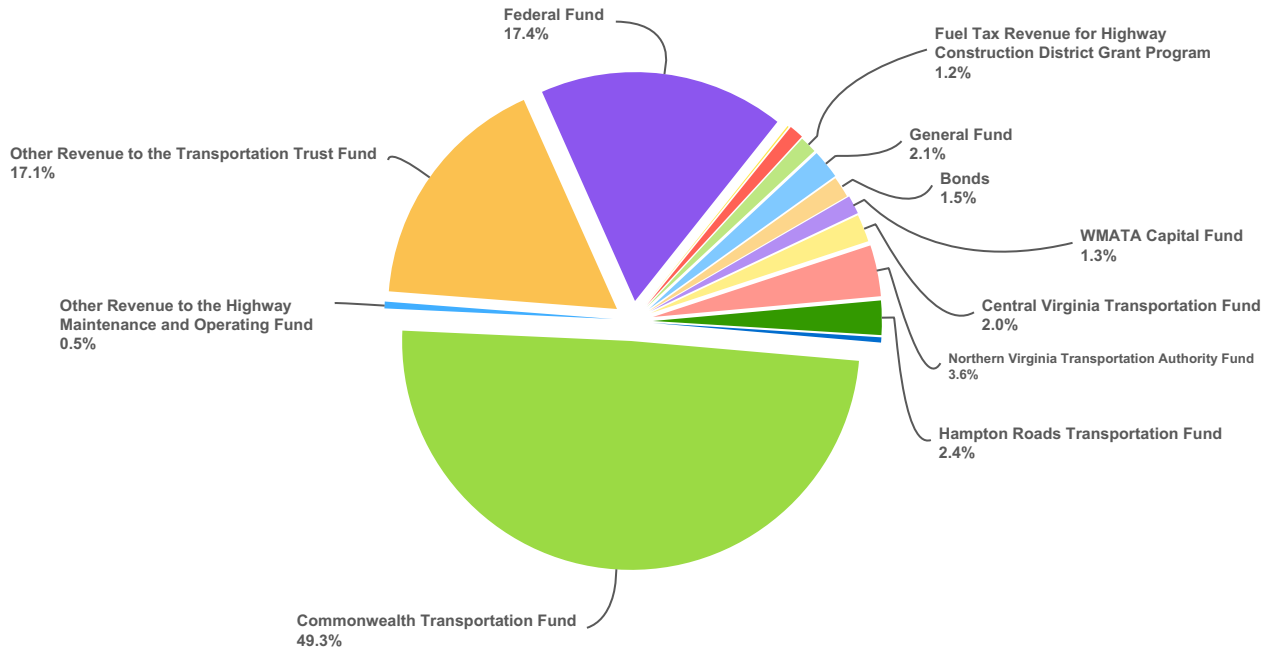
The remaining funds in the Commonwealth Transportation Fund are allocated 51% to the HMO Fund and 49% to the Transportation Trust Fund. Chapter 1230 directs the following distribution of funds from the Transportation Trust Fund: (i) 53% for construction programs; (ii) 23% to the Commonwealth Mass Transit 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.

The Fiscal Year 2025 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 December 2023 and reflects implementation of federal funding provided under the Infrastructure Investment and Jobs Act (IIJA). The FY 2025 CTF Budget totals \$10,045,056,875.



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.

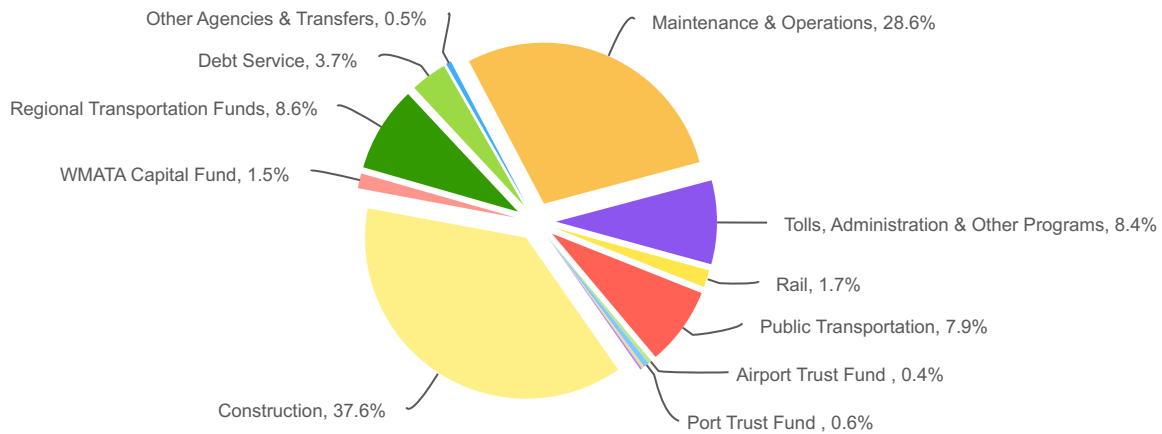
Commonwealth Transportation Fund Total Revenues



Commonwealth Transportation Fund	\$4,957,000,000
Other Revenue to the Highway Maintenance and Operating Fund	49,732,511
Other Revenue to the Transportation Trust Fund	1,718,079,828
Federal Fund	1,744,069,628
Priority Transportation Fund	12,000,000
Interstate 81 Corridor Improvement Fund & Financing	103,553,395
Fuel Tax Revenue for Highway Construction District Grant Program	124,001,513
General Fund	207,200,000
Bonds	152,200,000
Total Operating Revenues	\$9,067,836,875
Pass Through Revenues	
WMATA Capital Fund	132,120,000
Central Virginia Transportation Fund	197,300,000
Northern Virginia Transportation Authority Fund	364,900,000
Hampton Roads Transportation Fund	244,200,000
Hampton Roads Regional Transit Fund	38,700,000
Subtotal	977,220,000
TOTAL	\$10,045,056,875

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.



Debt Service	\$370,151,989
Other Agencies & Transfers	54,106,450
Maintenance & Operations	2,870,906,624
Tolls, Administration & Other Programs	845,501,519
Public Transportation	790,385,909
Rail	175,195,911
Airport Trust Fund	35,735,182
Port Trust Fund	59,391,970
Department of Motor Vehicles	23,356,788
Space Flight Fund	23,361,788
Construction	3,779,742,745
Total Operating Programs	\$9,027,836,875
Pass Through Programs	
WMATA Capital Fund	152,120,000
Regional Transportation Funds	865,100,000
TOTAL RECOMMENDED DISTRIBUTIONS	\$10,045,056,875



STATE REVENUE SOURCES	FY 2024	FY 2025	INCREASE (DECREASE)	
Commonwealth Transportation Fund	\$ 4,804,000,000	\$ 4,957,000,000	\$ 153,000,000	1
Highway Maintenance & Operating Fund (HMOF)	124,541,002	49,732,511	(74,808,491)	2
General Fund	110,000,000	207,200,000	97,200,000	3
Transportation Trust Fund (TTF) and Other State Revenue				
Interest Earnings	15,670,000	14,925,000	(745,000)	
Toll Facilities	52,293,843	59,595,800	7,301,957	
Local Revenue Sources	650,606,418	816,844,893	166,238,475	
Project Participation - Regional Entities	636,187,813	728,576,172	92,388,359	
GARVEE Bonds/ Interest Earnings	—	—	—	
Route 58 Bonds/ Interest Earnings	1,333,623	154,860,544	153,526,921	
I-66 Outside the Beltway Concession Fee Payment/Interest	47,500,000	11,000,000	(36,500,000)	
Interstate 81 Corridor Improvement Fund	324,677,638	103,553,395	(221,124,243)	4
Special Fund Account for the Highway Construction District Grant Program	123,814,178	124,001,513	187,335	1
Other Trust Fund Revenue	76,248,174	84,477,419	8,229,245	
Total TTF and Other Revenue	1,928,331,687	2,097,834,736	169,503,049	
Priority Transportation Fund (PTF)				
State Revenue	1,275,381	12,000,000	10,724,619	
Total PTF	1,275,381	12,000,000	10,724,619	
Pass Through Revenues				
Revenue Dedicated to WMATA Capital Fund	152,320,000	132,120,000	(20,200,000)	1
State Revenue for Regional Entities	1,006,900,000	845,100,000	(161,800,000)	1
Total Pass Through Revenues	1,159,220,000	977,220,000	(182,000,000)	
TOTAL STATE REVENUES	8,127,368,070	8,300,987,247	173,619,177	
Federal Funding Sources				
Federal Highway Administration (FHWA)	1,615,825,612	1,678,357,199	62,531,587	5
Federal Transit Administration (FTA)	56,095,987	65,712,429	9,616,442	
Total Federal Funding	1,671,921,599	1,744,069,628	72,148,029	
TOTAL COMMONWEALTH TRANSPORTATION FUNDS	\$ 9,799,289,669	\$ 10,045,056,875	\$ 245,767,206	



DISTRIBUTION OF REVENUE SOURCES	FY 2024	FY 2025	INCREASE (DECREASE)
Debt Service			
Northern Virginia Transportation District	\$ 11,867,238	\$ 7,562,400	\$ (4,304,838)
Route 28	8,644,519	8,105,000	(539,519)
Route 58	46,358,694	29,571,644	(16,787,050)
Interstate 81	5,173,690	5,343,592	169,902
GARVEE Bonds	133,577,767	133,697,128	119,361
CPR Bonds	193,035,670	185,872,225	(7,163,445)
Total Debt Service	398,657,578	370,151,989	(28,505,589)
Other Agencies & Transfers			
Trust Fund Management	3,174,982	3,161,015	(13,967)
Support to Other State Agencies (excludes DRPT)	43,349,176	44,483,111	1,133,935
Indirect Costs	2,802,811	6,462,324	3,659,513
Total State Agencies	49,326,969	54,106,450	4,779,481
Maintenance & Operations			
Highway System Maintenance	2,129,291,986	2,253,248,429	123,956,443
Financial Assist. to Localities for Ground Transportation - Cities	511,715,254	526,283,488	14,568,234
Financial Assist. to Localities for Ground Transportation - Counties	86,316,968	91,374,707	5,057,739
Total Maintenance & Operations	2,727,324,208	2,870,906,624	143,582,416
Tolls, Administration & Other Programs			
Ground Transportation System Planning and Research	144,354,106	153,278,798	8,924,692
Environmental Monitoring & Compliance	19,985,858	21,336,888	1,351,030
Administrative and Support Services	344,405,762	373,693,618	29,287,856
Program Management and Direction	51,818,489	63,496,415	11,677,926
Toll Facilities Operations	52,293,843	59,595,800	7,301,957
Toll Facility Revolving Account	41,750,000	134,100,000	92,350,000
Capital Outlay	60,000,000	40,000,000	(20,000,000)
Total Tolls, Administration & Other Programs	714,608,058	845,501,519	130,893,461

DISTRIBUTION OF REVENUE SOURCES	FY 2024	FY 2025	INCREASE (DECREASE)
Transit and Rail Funds			
Share of TTF Distribution for Transit	\$ 522,681,667	\$ 537,933,160	\$ 15,251,493
Transit - Share of administrative costs	(680,793)	(727,033)	(46,240)
Other Revenue dedicated to Transit	16,557,193	16,971,123	413,930
Share of TTF Distribution for Rail	170,439,674	175,412,987	4,973,313
Rail - Share of administrative costs	(170,401)	(237,076)	(66,675)
Federal Transit Authority (FTA)	56,095,987	65,712,429	9,616,442
CMAQ (without State Match)	18,660,577	25,942,897	7,282,320
STP Regional (without State Match)	6,280,091	6,686,085	405,994
Interest Earnings	1,270,000	520,000	(750,000)
Mass Transit Fund-Support from Construction	6,235,169	8,157,248	1,922,079
Rail Fund - Support from Construction	4,000,000	4,000,000	—
Priority Transportation	4,500,000	53,100,000	48,600,000
General Fund for WMATA	—	60,200,000	60,200,000
Other	48,385,000	11,910,000	(36,475,000)
Subtotal Transit and Rail Funds	854,254,164	965,581,820	111,327,656
Pass Through Revenue for WMATA Capital			
Dedicated Revenue for WMATA Capital Fund	152,320,000	132,120,000	(20,200,000)
Transfer from NVTD Fund for WMATA Capital Fund	20,000,000	20,000,000	—
Subtotal WMATA Capital Fund	172,320,000	152,120,000	(20,200,000)
Airports - Share of TTF Distribution	34,087,935	35,082,597	994,662
Airports - Share of administrative costs	(47,061)	(47,415)	(354)
Airports - Interest Earnings	700,000	700,000	—
Total Airport Trust Fund	34,740,874	35,735,182	994,308
Ports - Share of TTF Distribution	56,813,225	58,470,996	1,657,771
Ports - Share of administrative costs	(84,582)	(79,026)	5,556
Ports - Interest Earnings	1,000,000	1,000,000	—
Total Port Trust Fund	57,728,643	59,391,970	1,663,327
Department of Motor Vehicles - Share of TTF Distribution	22,725,290	23,388,398	663,108
DMV - Share of administrative costs	(15,580)	(31,610)	(16,030)
Total DMV	22,709,710	23,356,788	647,078
Virginia Commercial Space Flight Authority - Share of TTF Distribution	22,725,290	23,388,398	663,108
Space Flight Authority - Share of administrative costs	(28,618)	(31,610)	(2,992)
Total Space Flight Authority	22,696,672	23,361,788	665,116



DISTRIBUTION OF REVENUE SOURCES	FY 2024	FY 2025	INCREASE (DECREASE)
Pass Through Revenue Allocations			
Central Virginia Transportation Authority Fund	\$ 258,300,000	\$ 197,300,000	\$ (61,000,000)
Northern Virginia Transportation Authority Fund	460,074,354	401,644,248	(58,430,106)
Hampton Roads Transportation Fund	284,500,000	244,200,000	(40,300,000)
Hampton Roads Regional Transit Fund	41,300,000	38,700,000	(2,600,000)
Total Regional Transportation Programs	1,044,174,354	881,844,248	(162,330,106)
Construction			
Financial Assistance to Localities for Ground Transportation	18,529,377	19,049,816	520,439
State of Good Repair Program	295,376,605	288,693,940	(6,682,665)
High Priority Projects Program	196,299,471	192,462,626	(3,836,845)
Construction District Grant Programs	320,113,649	316,464,139	(3,649,510)
Specialized State and Federal Programs	2,188,710,536	2,418,492,241	229,781,705
Virginia Highway Safety Improvement Program	98,149,736	96,231,314	(1,918,422)
Interstate Operations and Enhancement Program	498,529,065	343,928,181	(154,600,884)
Total Construction	3,615,708,439	3,675,322,257	59,613,818
Special Structures	85,040,000	87,676,240	2,636,240
DISTRIBUTION OF COMMONWEALTH TRANSPORTATION FUNDS			
	\$ 9,799,289,669	\$10,045,056,875	\$ 245,767,206
Agency Funding Summary:			
VDOT	\$ 8,669,574,775	\$ 8,870,766,575	\$ 201,191,800
Less Support to DRPT/VPRA	(34,735,169)	(85,257,248)	(50,522,079)
VDOT (Net)	8,634,839,606	8,785,509,327	150,669,721
DRPT/VPRA	1,026,574,164	1,117,701,820	91,127,656
Ports	57,728,643	59,391,970	1,663,327
Aviation	34,740,874	35,735,182	994,308
DMV	22,709,710	23,356,788	647,078
Space Flight Authority	22,696,672	23,361,788	665,116
Grand Total	\$ 9,799,289,669	\$10,045,056,875	\$ 245,767,206

CTF State Revenue Details

STATE REVENUE SOURCES	FY 2024	FY 2025	INCREASE (DECREASE)
State Tax on Motor Fuels	\$1,499,500,000	\$1,504,300,000	\$4,800,000
Road Tax	71,200,000	85,100,000	13,900,000
Retail Sales & Use Tax	1,388,200,000	1,392,200,000	4,000,000
Motor Vehicle Sales and Use Tax	1,078,200,000	1,193,500,000	115,300,000
International Registration Plan	118,200,000	119,600,000	1,400,000
Motor Vehicle Licenses	218,400,000	219,500,000	1,100,000
Miscellaneous Revenues	17,600,000	18,600,000	1,000,000
Motor Vehicle Rental Tax	38,800,000	41,500,000	2,700,000
Aviation Fuels Tax	2,000,000	2,000,000	—
Highway Use Fee	64,400,000	65,400,000	1,000,000
Insurance Premium	214,500,000	221,300,000	6,800,000
Recordation Tax	52,400,000	55,900,000	3,500,000
Total	\$4,763,400,000	\$4,918,900,000	\$155,500,000

Endnotes

Endnote Number	Description
1	Reflects impact of updated state revenue forecast.
2	Additional funding made available from remaining balance of fuel reserves established in FY 2023 and made available for allocation in FY 2024. This balance was \$77,439,086.
3	General Fund dollars made available in Chapters 1 and 2 (2022 Special Session I) in Fiscal Years 2023 and 2024 for Transportation Initiatives. Additional General Fund dollars provided in FY 2025 for Washington Metropolitan Area Transit Authority (\$60.2 million), Interstate 81 Corridor Improvement Program (\$70 million), and Toll Relief for eligible drivers on Elizabeth River Tunnels (\$77 million).
4	Reflects change in funds available for the Interstate 81 Corridor Improvement Program and the planned use of debt to deliver projects.
5	Federal revenue update with implementation of Infrastructure Investment and Jobs Act. FY 2025 reflects the addition of federal earmarks totaling \$83.7 million.
6	Allocation adjustments reflect program growth and supplemental funding for the impact of paving costs on the Maintenance Programs.
7	Change in funding beginning in FY 2024 for studies and advance procurement activities.
8	Program growth, impact of salary increases, and additional Information Technology and Physical Plant investments necessary.
9	Toll facility operations adjusted for facility revenue performance and E-ZPass Operations/Violation Enforcement Services and Toll Relief for Elizabeth River Tunnels provided by the General Fund (\$77 million).
10	Additional funding provided for Capital Outlay for Hampton Roads District Operational Facilities in previous year.
11	Allocation change based on the Six-Year Improvement Program.
12	Reflects the allocation of federal earmarks totaling \$83.7 million, project participation from others totaling \$728 million, and an allocation to the Transportation Partnership Opportunity Fund totaling \$15 million in FY 2025.



FY 2025

VDOT Annual Budget
June 2024



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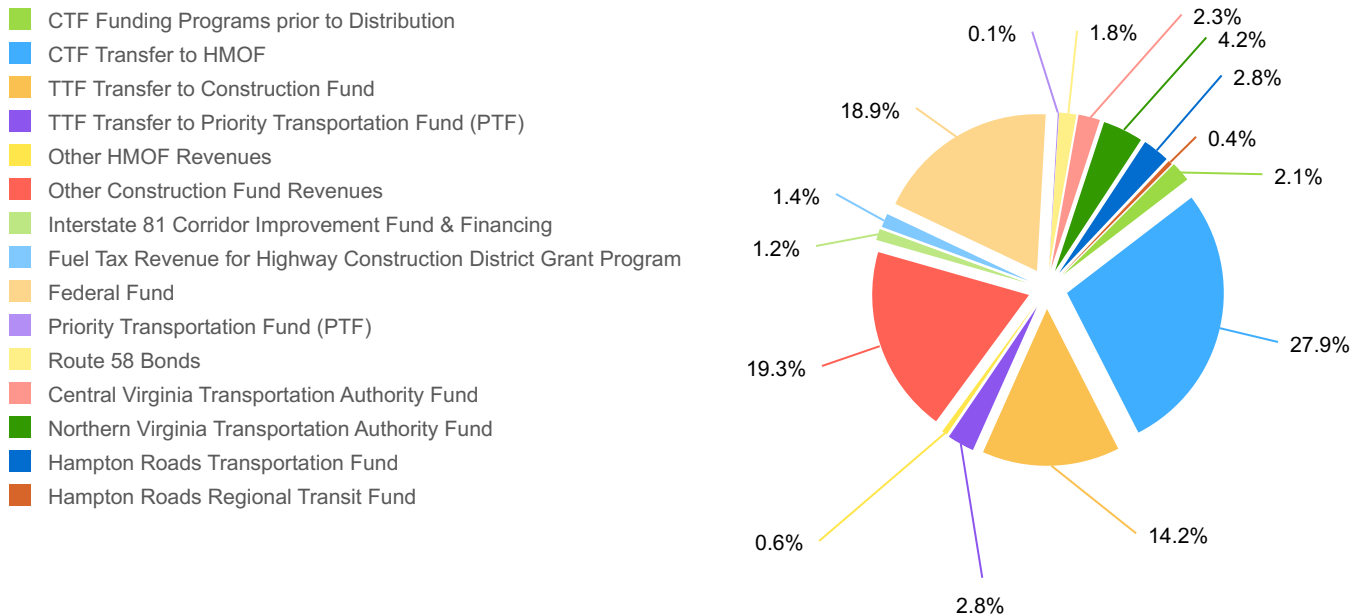
Overview

The Fiscal Year 2025 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 December 2023 and reflects implementation of federal funding provided under the Infrastructure Investment and Jobs Act (IIJA). The VDOT Budget for FY 2025 totals \$8,870,766,575 a 2.3% increase over the FY 2024 VDOT Budget of \$8,669,574,775.

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

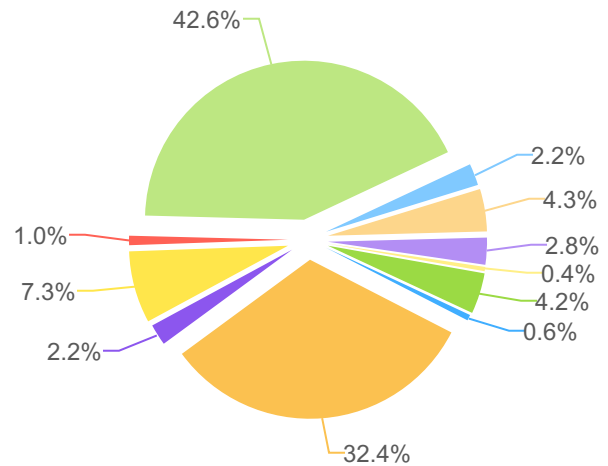
CTF Funding Programs prior to Distribution	\$ 182,676,240
CTF Transfer to HMOF	2,434,302,674
TTF Transfer to Construction Fund	1,239,585,106
TTF Transfer to Priority Transportation Fund (PTF)	245,578,182
Other HMOF Revenues	49,732,511
Other Construction Fund Revenues	1,686,648,193
Interstate 81 Corridor Improvement Fund & Financing	103,553,395
Fuel Tax Revenue for Highway Construction District Grant Program	124,001,513
Federal Fund	1,645,728,217
Priority Transportation Fund (PTF)	12,000,000
General Funds	147,000,000
Route 58 Bonds	154,860,544
Subtotal	\$ 8,025,666,575
Pass Through Revenues	
Central Virginia Transportation Authority Fund	197,300,000
Northern Virginia Transportation Authority Fund	364,900,000
Hampton Roads Transportation Fund	244,200,000
Hampton Roads Regional Transit Fund	38,700,000
TOTAL	\$ 8,870,766,575

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	FY 2024	FY 2025	INCREASE (DECREASE)
Debt Service	\$ 398,657,578	\$ 370,151,989	\$ (28,505,589)
Other Agencies and Transfers	49,326,969	54,106,450	4,779,481
Maintenance & Operations	2,727,324,208	2,870,906,624	143,582,416
Toll Facility Operations	94,043,843	193,695,800	99,651,957
Administration & Other Programs	620,564,215	651,805,719	31,241,504
Public Transportation & Rail	34,735,169	85,257,248	50,522,079
Construction Program	3,718,022,793	3,779,742,745	61,719,952
Subtotal	\$7,642,674,775	\$8,005,666,575	\$362,991,800
Pass Through Revenues			
Central Virginia Transportation Authority Fund	258,300,000	197,300,000	(61,000,000)
Northern Virginia Transportation Authority Fund	442,800,000	384,900,000	(57,900,000)
Hampton Roads Transportation Fund	284,500,000	244,200,000	(40,300,000)
Hampton Roads Regional Transit Fund	41,300,000	38,700,000	(2,600,000)
TOTAL	\$8,669,574,775	\$8,870,766,575	\$ 201,191,800

- Debt Service
- Other Agencies and Transfers
- Maintenance & Operations
- Toll Facility Operations
- Administration & Other Programs
- Public Transportation & Rail
- Construction Program
- Central Virginia Transportation Authority Fund
- Northern Virginia Transportation Authority Fund
- Hampton Roads Transportation Fund
- Hampton Roads Regional Transit Fund



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 returned in the FY 2023 recommendations.

HMOF Revenue Sources	FY 2024	FY 2025	Difference
CTF Transfer to HMOF	\$ 2,365,285,271	\$ 2,434,302,674	\$ 69,017,403 ¹
Miscellaneous Revenues	17,600,000	18,600,000	1,000,000
Other Revenue	106,941,002	31,132,511	(75,808,491) ¹⁶
Subtotal	\$ 2,489,826,273	\$ 2,484,035,185	\$ (5,791,088)
Transfer from Construction	363,025,379	509,882,302	146,856,923
Total	\$ 2,852,851,652	\$ 2,993,917,487	\$ 141,065,835

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. The following table provides details on revised distributions for Fiscal Year 2025.

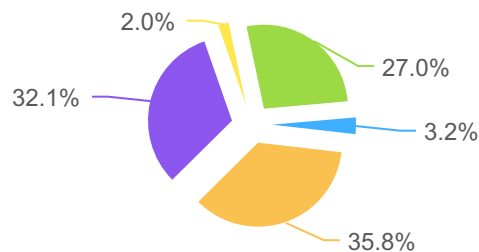
Construction Fund Revenue Sources	FY 2024	FY 2025	Difference
Distributed to Route 58 Corridor Fund	\$ 40,000,000	\$ 40,000,000	\$ —
Distributed to Northern Virginia Transportation District Fund	40,000,000	40,000,000	—
Distributed to TTF for Support	1,145,744	1,181,262	35,518
Distributed to Special Structures	85,040,000	87,676,240	2,636,240
Total	\$ 166,185,744	\$ 168,857,502	\$ 2,671,758

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

Construction Fund Revenue Sources	FY 2024	FY 2025	Difference
State Revenue from TTF Distribution	\$ 1,204,440,361	\$ 1,239,585,106	\$ 35,144,745
General Fund	110,000,000	147,000,000	37,000,000
Federal Revenues	1,590,884,944	1,645,728,217	54,843,273
Local Revenues	1,214,622,360	1,474,920,884	260,298,524
Other Revenues	129,338,091	92,029,186	(37,308,905)
Total	\$ 4,249,285,756	\$ 4,599,263,393	\$ 349,977,637

Construction Fund Revenue by Source

- State Revenue from TTF Distribution
- General Fund
- Federal Revenues
- Local Revenues
- Other Revenues
- GARVEE Bonds & Interest



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	FY 2024	FY 2025	Difference
Regional Transportation Funds	\$ 1,002,900,000	\$ 845,100,000	\$ (157,800,000) ¹
Interstate 81 Corridor Improvement Fund	324,677,638	103,553,395	(221,124,243) ⁴
Fuel Tax Revenue for the Special Fund Account for the Highway Construction District Grant Program	123,814,178	124,001,513	187,335 ¹
Powhite Parkway Extension Toll Revenue	11,000,000	11,675,600	675,600
Coleman Bridge Toll Revenue	6,000,000	6,070,200	70,200
I-66 Inside the Beltway Toll Revenue	32,544,993	35,950,000	3,405,007
I-64 Express Lanes Toll Revenue	2,748,850	5,900,000	3,151,150
Northern VA Transportation District (NVTD)	10,300,694	7,833,414	(2,467,280)
Priority Transportation Fund (PTF)	238,615,543	245,578,182	6,962,639 ¹
Transportation Partnership Opportunity Fund	5,000,000	5,000,000	—
Route 58	1,333,623	154,860,544	153,526,921
Route 28	8,644,519	8,105,000	(539,519)
Other	54,451,741	64,800,000	10,348,259
Total	\$ 1,822,031,779	\$ 1,618,427,848	\$ (203,603,931)
Total Construction Major Sources (page 7)	4,249,285,756	4,599,263,393	349,977,637
Transfer to HMOF	(363,025,379)	(509,882,302)	(146,856,923)
Total Construction Fund	\$ 5,708,292,156	\$ 5,707,808,939	\$ (483,217)

VDOT Program Descriptions and Allocations

Summary of Allocations by Program

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

	FY 2024	FY 2025	INCREASE (DECREASE)
Environmental Monitoring and Evaluation (514) \$	19,985,858	\$ 21,336,888	\$ 1,351,030
Ground Transportation Planning and Research (602)	144,354,106	153,278,798	8,924,692
Highway Construction Programs (603)	3,648,997,551	3,719,768,856	70,771,305
Highway System Maintenance (604)	2,129,291,986	2,253,248,429	123,956,443
Commonwealth Toll Facilities (606)	94,043,843	193,695,800	99,651,957
Financial Assistance to Localities (607)	1,660,735,953	1,518,552,259	(142,183,694)
Non-Toll Supported Transportation Debt Service (612)	398,657,578	370,151,989	(28,505,589)
Special Structures (614)	85,040,000	87,676,240	2,636,240
Administrative and Support Services (699)	344,405,762	373,693,618	29,287,856
VDOT Capital Outlay (998)	60,000,000	40,000,000	(20,000,000)
Support to Other State Agencies	49,326,969	54,106,450	4,779,481
Support to DRPT Programs	34,735,169	85,257,248	50,522,079
Total	\$ 8,669,574,775	\$ 8,870,766,575	\$ 201,191,800

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)	FY 2024	FY 2025	INCREASE (DECREASE)
Environmental Monitoring & Compliance for Highway Projects (514008)	\$ 11,758,640	\$ 12,467,830	\$ 709,190
Environmental Monitoring Program Management (514009)	4,221,254	4,606,181	384,927
Municipal Separate Storm Sewer System Compliance Activities (514010)	4,005,964	4,262,877	256,913
TOTAL ENVIRONMENTAL MONITORING & EVALUATION	\$ 19,985,858	\$ 21,336,888	\$ 1,351,030
TTF	19,985,858	21,336,888	1,351,030

Ground Transportation Planning & Research (602)

Ground Transportation Planning and Research is comprised of:

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

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

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

PLANNING & RESEARCH (602)	FY 2024	FY 2025	INCREASE (DECREASE)
Ground Transportation System Planning (602001)	\$ 124,832,247	\$ 132,667,645	\$ 7,835,398
Ground Transportation System Research (602002)	14,945,599	15,549,795	604,196
Ground Transportation Program Management (602004)	4,576,260	5,061,358	485,098
TOTAL PLANNING & RESEARCH	\$ 144,354,106	\$ 153,278,798	\$ 8,924,692
HMOF	18,873,216	19,779,352	906,136
CONSTRUCTION	99,151,913	105,975,115	6,823,202
FEDERAL	26,328,977	27,524,331	1,195,354

Highway Construction Programs (603)

For Fiscal Year 2025, 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. The following table provides details on distributions for Fiscal Year 2025.

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

CONSTRUCTION (603)	FY 2024	FY 2025	INCREASE (DECREASE)
State of Good Repair Program (603020)	\$ 295,282,234	\$ 288,693,940	\$ (6,588,294) ⁶
High Priority Projects Program(603021)	196,299,471	192,462,626	(3,836,845) ⁶
Construction District Grant Programs (603022)	320,113,649	316,464,139	(3,649,510) ⁶
Specialized State and Federal Programs (603023)	2,190,086,707	2,419,774,468	229,687,761 ⁷
Virginia Highway Safety Improvement Program (603017)	134,783,478	96,231,314	(1,918,422) ⁶
Interstate Operations and Enhancement Program (603018)	274,702,353	342,645,954	(154,601,311) ⁶
Construction Management (603015)	51,818,489	63,496,415	11,677,926
TOTAL CONSTRUCTION	\$3,648,997,551	\$3,719,768,856	\$ 70,771,305
CONSTRUCTION	1,882,606,832	2,041,186,049	158,579,217
FEDERAL	1,138,549,767	1,154,863,376	16,313,609
I-81 CORRIDOR IMPROVEMENT FUND	319,503,948	168,209,803	(151,294,145)
SPECIAL FUND ACCOUNT FOR CONSTRUCTION DGP	123,814,178	124,001,513	187,335
PTF	48,723,360	18,274,050	(30,449,310)
TPOF	4,988,788	19,974,151	14,985,363
VTIB	7,700,000	7,700,000	—
GENERAL FUND	110,000,000	—	(110,000,000)
ROUTE 58	14,974,929	185,288,900	170,313,971

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)	FY 2024	FY 2025	INCREASE (DECREASE)
TOTAL STATE OF GOOD REPAIR	\$ 295,282,234	\$ 288,693,940	\$ (6,588,294)
CONSTRUCTION	69,999,778	121,698,031	51,698,253
FEDERAL	225,282,456	166,995,909	(58,286,547)

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)	FY 2024	FY 2025	INCREASE (DECREASE)
TOTAL HIGH PRIORITY PROJECTS	\$ 196,299,471	\$ 192,462,626	\$ (3,836,845)
CONSTRUCTION	59,042,498	37,222,315	(21,820,183)
FEDERAL	137,256,973	155,240,311	17,983,338
GARVEE	—	—	—

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)	FY 2024	FY 2025	INCREASE (DECREASE)
TOTAL CONSTRUCTION DISTRICT GRANT	\$ 320,113,649	\$ 316,464,139	\$ (3,649,510)
CONSTRUCTION	82,076,153	87,294,823	5,218,670
SPECIAL FUND ACCOUNT FOR CONSTRUCTION DGP	123,814,178	124,001,513	187,335
FEDERAL	114,223,318	105,167,803	(9,055,515)
GARVEE	—	—	—

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)	FY 2024	FY 2025	INCREASE (DECREASE)
CMAQ & State Match	\$ 52,938,775	\$ 56,003,034	\$ 3,064,259
Participating Project Costs	60,000,000	60,000,000	—
Project Participation from CVTA	4,741,319	1,180,504	(3,560,815)
Project Participation from HRTAC	415,694,426	695,901,157	280,206,731
HRTAC Participation for Hampton Roads Bridge-Tunnel Expansion Project	494,553,029	247,528,950	(247,024,079)
Project Participation from NVTAC	81,634,784	421,047,222	339,412,438
Revenue Sharing	416,133,296	200,000,000	(216,133,296)
STP Set-aside	34,905,648	38,110,219	3,204,571
STP Regional & State Match	128,475,152	130,799,075	2,323,923
Tele Fees	9,431,154	8,562,051	(869,103)
PTF for Multimodal Improvements	32,700,000	—	(32,700,000)
PTF for Construction Projects	10,782,561	14,224,050	3,441,489
Carbon Reduction Program and State Match	33,144,241	34,640,380	1,496,139
PROTECT	37,687,377	39,388,593	1,701,216
Bridge	98,252,567	98,252,567	—
Bridge - Off System	17,338,688	17,338,688	—
Electric Vehicles	24,039,940	24,039,940	—
I-64 Gap	110,000,000	—	(110,000,000)
Route 58 Bonds	—	152,200,000	152,200,000
HIP - Community Project Grants	56,670,806	87,753,133	31,082,327
Other	72,811,905	92,804,905	19,993,000
TOTAL SPECIALIZED STATE AND FEDERAL PROGRAMS (603023)	\$ 2,191,935,668	\$ 2,419,774,468	\$ 227,838,800

Highway Construction Programs (603)

SPECIALIZED STATE AND FEDERAL PROGRAMS (603023)	FY 2024	FY 2025	INCREASE (DECREASE)
CONSTRUCTION	1,518,971,794	1,672,281,306	153,309,512
FEDERAL	485,215,916	514,702,820	29,486,904
GENERAL FUND	110,000,000	—	(110,000,000)
PTF	48,723,360	18,274,050	(30,449,310)
CONCESSION FEE FUND	—	—	—
I-81 CORRIDOR IMPROVEMENT FUND	1,281,800	1,282,227	427
OTHER BOND PROGRAMS/FUNDS	14,974,929	185,288,900	170,313,971
NVTD	—	271,014	271,014
VTIB	7,700,000	7,700,000	—
TPOF	4,988,788	19,974,151	14,985,363
TOTAL SPECIALIZED STATE AND FEDERAL PROGRAMS (60323)	\$ 2,191,856,587	\$ 2,419,774,468	\$ 227,917,881

Highway Construction Programs (603)

VIRGINIA HIGHWAY SAFETY IMPROVEMENT PROGRAM (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)

VIRGINIA HIGHWAY SAFETY IMPROVEMENT PROGRAM (603017)	FY 2024	FY 2025	INCREASE (DECREASE)
TOTAL VHSIP	\$ 98,149,736	\$ 96,231,314	\$ (1,918,422)
TTF	1,296,353	—	(1,296,353)
FEDERAL	96,853,383	96,231,314	(622,069)

INTERSTATE OPERATIONS & ENHANCEMENT PROGRAM (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)

INTERSTATE OPERATIONS & ENHANCEMENT PROGRAM (603018)	FY 2024	FY 2025	INCREASE (DECREASE)
TOTAL IOEP	\$ 497,247,265	\$ 342,645,954	\$ (154,601,311)
TTF	99,307,396	59,193,159	(40,114,237)
FEDERAL	79,717,721	116,525,219	36,807,498
I-81	318,222,148	166,927,576	(151,294,572)

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)	FY 2024	FY 2025	INCREASE (DECREASE)
TOTAL CONSTRUCTION MANAGEMENT	\$ 51,818,489	\$ 63,496,415	\$ 11,677,926
TTF	51,818,489	63,496,415	11,677,926

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)	FY 2024	FY 2025	INCREASE (DECREASE)
Interstate Maintenance (604001)	\$ 447,747,230	\$ 484,098,515	\$ 36,351,285
Primary Maintenance (604002)	615,349,027	648,176,255	32,827,228
Secondary Maintenance (604003)	633,555,458	664,423,848	30,868,390
Transportation Operations Services (604004)	341,573,969	362,029,227	20,455,258
Highway Maintenance Program Management & Direction (604005)	91,066,302	94,520,584	3,454,282
TOTAL HIGHWAY SYSTEM MAINTENANCE	\$2,129,291,986	\$2,253,248,429	\$ 123,956,443
HMOF	1,847,239,992	1,934,449,881	87,209,889
FEDERAL	282,051,994	318,798,548	36,746,554

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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.

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)	FY 2024	FY 2025	INCREASE (DECREASE)
Acquisition & Construction (606001)	\$ —	\$ —	\$ —
Debt Service (606002)	—	—	—
Maintenance & Operations (606003)	52,293,843	59,595,800	7,301,957
Toll Facilities Revolving (606004)	41,750,000	134,100,000	92,350,000
TOTAL TOLL FACILITIES	\$ 94,043,843	\$ 193,695,800	\$ 99,651,957
POWHITE	11,000,000	11,675,600	675,600
COLEMAN	6,000,000	6,070,200	70,200
I-66 INSIDE THE BELTWAY	32,544,993	35,950,000	3,405,007
I-64 EXPRESS LANES	2,748,850	5,900,000	3,151,150
GENERAL FUND	—	77,000,000	77,000,000
TOLL FACILITIES REVOLVING	41,750,000	57,100,000	15,350,000

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)	FY 2024	FY 2025	INCREASE (DECREASE)	
Financial Assistance for City Road Maintenance (607001)	\$ 511,715,254	\$ 526,283,488	\$ 14,568,234	12
Financial Assistance for County Road Maintenance (607002)	86,316,968	91,374,707	5,057,739	12
Financial Assistance for Planning, Access Roads, & Special Projects (607004)	18,529,377	19,049,816	520,439	
Distribution of Northern Virginia Transportation Authority Fund Revenues (607006)	460,074,354	401,644,248	(58,430,106)	1
Distribution of Hampton Roads Transportation Fund Revenues (607007)	325,800,000	282,900,000	(42,900,000)	1
Distribution of Central Virginia Transportation Authority Fund Revenues (607010)	258,300,000	197,300,000	(61,000,000)	1

TOTAL FINANCIAL ASSISTANCE TO LOCALITIES **\$1,660,735,953** **\$1,518,552,259** **\$ (142,183,694)**

HMOF	598,032,222	617,658,195	19,625,973
CONSTRUCTION	25,427,292	24,949,230	(478,062)
FEDERAL	10,376,439	10,844,834	468,395
CENTRAL VIRGINIA TRANSPORTATION FUND	258,300,000	197,300,000	(61,000,000)
NORTHERN VIRGINIA TRANSPORTATION FUND	442,800,000	384,900,000	(57,900,000)
HAMPTON ROADS TRANSPORTATION FUND	284,500,000	244,200,000	(40,300,000)
HAMPTON ROADS REGIONAL TRANSIT FUND	41,300,000	38,700,000	(2,600,000)

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, 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).

Interstate 81 Corridor Improvement Program 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)	FY 2024	FY 2025	INCREASE (DECREASE)
Highway Transportation Improvement Debt Service (612001)	\$ 8,644,519	\$ 8,105,000	\$ (539,519)
Designated Highway Corridor Debt Service (612002)	58,225,932	37,134,044	(21,091,888)
Commonwealth Transportation Capital Projects Bond Act Debt Service (612004)	193,035,670	185,872,225	(7,163,445)
Federal Transportation Grant Anticipation Revenue Notes Debt Service (612005)	133,577,767	133,697,128	119,361
Interstate 81 Corridor Improvement Program Debt Service (612006)	5,173,690	5,343,592	169,902
TOTAL NON-TOLL SUPPORTED DEBT SERVICE	\$ 398,657,578	\$ 370,151,989	\$ (28,675,491)
NVTD	11,867,238	7,562,400	(4,304,838)
ROUTE 28	8,644,519	8,105,000	(539,519)
CPR BONDS	193,035,670	185,872,225	(7,163,445)
ROUTE 58	46,358,694	29,571,644	(16,787,050)
I-81	5,173,690	5,343,592	169,902
FEDERAL	133,577,767	133,697,128	119,361

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	FY 2024	FY 2025	INCREASE (DECREASE)
TOTAL VDOT SPECIAL STRUCTURES	\$ 85,040,000	\$ 87,676,240	\$ 2,636,240
SPECIAL STRUCTURES	85,040,000	87,676,240	2,636,240

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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)	FY 2024	FY 2025	INCREASE (DECREASE)
General Management & Direction (699001)	\$ 179,534,839	\$ 196,694,126	\$ 17,159,287
Information Technology Services (699002)	129,834,995	141,065,441	11,230,446
Facilities and Grounds Management Services (699015)	22,962,691	23,349,307	386,616
Employee Training & Development (699024)	12,073,237	12,584,744	511,507
TOTAL ADMINISTRATIVE & SUPPORT SERVICES	\$ 344,405,762	\$ 373,693,618	\$ 29,287,856
HMOF	343,260,018	372,512,356	29,252,338
CTF	1,145,744	1,181,262	35,518

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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)	FY 2024	FY 2025	INCREASE (DECREASE)
TOTAL VDOT CAPITAL OUTLAY	\$ 60,000,000	\$ 40,000,000	\$ (20,000,000)
CONSTRUCTION	60,000,000	40,000,000	(20,000,000)

¹⁵

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	FY 2024	FY 2025	INCREASE (DECREASE)
Transportation Appropriation to Other Agencies			
Department of Education	\$ 283,854	\$ 301,676	\$ 17,822
Marine Resources Commission	313,768	313,768	—
Secretary of Transportation	1,023,114	1,068,986	45,872
Department of State Police	9,179,045	9,637,997	458,952
Department of Minority Business Enterprise	1,682,629	1,800,567	117,938
Department of Historic Resources	210,000	226,807	16,807
Department of Emergency Management	1,359,475	1,360,549	1,074
Department of Motor Vehicles	14,958,864	15,332,836	373,972
Department of Treasury	185,187	185,188	1
Virginia Liaison Office	173,248	199,891	26,643
Office of the State Inspector General	2,179,339	2,254,194	74,855
SUBTOTAL	31,548,523	32,682,459	1,133,936
Transfers to the General Fund			
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	2,802,811	6,462,324	3,659,513
Department of Taxation	2,989,795	2,975,827	(13,968)
SUBTOTAL	16,278,446	19,923,991	3,645,545
Transfers to Other Agencies			
Department of Motor Vehicles (fuel tax evasion)	1,500,000	1,500,000	—
SUBTOTAL	1,500,000	1,500,000	—
TOTAL SUPPORT TO OTHER STATE AGENCIES			
	\$ 49,326,969	\$ 54,106,450	\$ 4,779,481
HMOF	45,446,204	49,517,703	4,071,499
CONSTRUCTION	2,439,003	3,077,221	638,218
TPOF	11,212	25,849	14,637
DMV	15,580	31,610	16,030
RAIL	170,401	237,076	66,675
PTF	403,515	331,907	(71,608)
PORTS	84,582	79,026	(5,556)
AIRPORTS	47,061	47,415	354
DRPT	680,793	727,033	46,240
SPACE	28,618	31,610	2,992

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)	\$ —	\$ 21,336,888	\$ —	\$ —	\$ —	\$ 21,336,888
Ground Transportation Planning & Research (602)	19,779,352	105,975,115	27,524,331	—	—	153,278,798
Highway Construction Programs (603)	—	2,150,322,704	1,049,776,721	—	519,669,431	3,719,768,856
Highway System Maintenance (604)	1,934,449,881	—	318,798,548	—	—	2,253,248,429
Commonwealth Toll Facilities (606)	—	—	—	—	193,695,800	193,695,800
Financial Assistance to Localities (607)	617,658,195	8,204,982	10,844,834	—	881,844,248	1,518,552,259
Non-Toll Supported Transportation Debt Service (612)	—	—	133,697,128	—	236,454,861	370,151,989
Special Structures (614)	—	87,676,240	—	—	—	87,676,240
Administrative and Support Services (699)	372,512,356	—	—	—	1,181,262	373,693,618
VDOT Capital Outlay (998)	—	40,000,000	—	—	—	40,000,000
Support to Other State Agencies	49,517,703	3,077,221	—	—	1,511,526	54,106,450
Support to DRPT Programs	—	12,157,248	—	—	73,100,000	85,257,248
TOTAL	\$2,993,917,487	\$ 2,428,750,398	\$ 1,540,641,562	\$ —	\$1,907,457,128	\$8,870,766,575

* - 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 2025

Revenues

Revenue provided by the General Fund of the Commonwealth	\$ 147,000,000
Taxes	1,091,001,513
Rights and privileges	16,076,108
Sale of property and commodities	—
Interest, dividends, and rents	32,022,903
Fines, forfeitures, court fees	—
Penalties and escheats	17,100,000
Receipts from localities and private sector	1,535,304,833
Federal grants and contracts	1,645,728,217
Toll revenues	99,595,800
Other	40,406,572
Total Revenues	<u>4,624,235,946</u>

Other Financing Sources

Other financing sources	134,035,032
Bond proceeds	10,353,395
Note proceeds	—
Transfers from other state agencies and General Fund	—
Transfers in	4,102,142,202
Total Other Financing Sources	<u>4,246,530,629</u>

Total Revenues and Other Sources **\$8,870,766,575**

Budget Comparison Schedule for FY 2025

Expenditures

Administrative and support services	\$ 373,693,618
Ground transportation system planning and research	153,278,798
Highway system acquisition and construction	3,711,891,137
Highway system maintenance	2,253,248,429
Financial assistance to localities	1,518,552,259
Environmental monitoring and compliance	21,336,888
Toll facility operations and construction	201,573,519
Special Structures	87,676,240
Capital Outlay	40,000,000
Debt Service	370,151,989
Total Expenditures	<u>8,731,402,877</u>

Other Financing Uses

Other financing uses	—
Transfers to other state agencies and General Fund	139,363,698
Transfers out	—
Total Other Financing Uses	<u>139,363,698</u>

Total Expenditures and Other Uses **\$8,870,766,575**

Revenues and Other Sources Over (Under) Expenditures and **\$ —**

Appendix I - Powhite Parkway Extension (0436) FY 2025

FY 2025 ESTIMATED REVENUE

Toll Revenues	\$ 11,675,600
TOTAL ESTIMATED REVENUES	\$ 11,675,600
Toll Facility Revolving Account Loan Repayment	2,896,271
TOTAL ESTIMATED REVENUE AVAILABLE FOR EXPENDITURES	\$ 8,779,329

FY 2025 EXPENDITURE BUDGET

Revenue Fund	
Operations	5,779,329
Maintenance Replacement Fund	3,000,000
TOTAL ESTIMATED EXPENDITURES	\$ 8,779,329

Details of Operating Expenditures	ALLOCATION FY 2024	RECOMMENDED FY 2025	INCREASE (DECREASE)
Personal Services	1,622,856	1,702,376	79,520
Contractual Services	1,404,800	1,448,349	43,549
Supplies and Materials	60,550	62,427	1,877
Transfer Payments	2,290,093	2,400,000	109,907
Continuous Charges	131,500	135,577	4,077
Property and Improvements	—	—	—
Equipment	30,600	30,600	—
Obligations	—	—	—
TOTAL - Operating Expenditures	\$ 5,540,399	\$ 5,779,329	\$ 238,930

Appendix I - Coleman Bridge (0437) FY 2025

FY 2025 ESTIMATED REVENUE

Toll Revenues	\$ 6,070,200
TOTAL ESTIMATED REVENUE AVAILABLE	\$ 6,070,200
Toll Facility Revolving Account Loan Repayment	2,844,829
TOTAL ESTIMATED REVENUE AVAILABLE FOR EXPENDITURES	\$ 3,225,371

FY 2025 EXPENDITURE BUDGET

Revenue Fund	
Operations	3,225,371
Maintenance Replacement Fund	—
TOTAL ESTIMATED EXPENDITURES	\$ 3,225,371

Details of Operating Expenditures	ALLOCATION FY 2024	RECOMMENDED FY 2025	INCREASE (DECREASE)
Personal Services	671,612	704,521	32,909
Contractual Services	1,548,400	1,596,400	48,000
Supplies and Materials	53,450	55,107	1,657
Transfer Payments	440,000	440,000	—
Continuous Charges	80,200	82,686	2,486
Property and Improvements	—	—	—
Equipment	343,600	346,657	3,057
Obligations	—	—	—
TOTAL - Operating Expenditures	\$ 3,137,262	\$ 3,225,371	\$ 88,109

Appendix I - I-66 Inside the Beltway (0446) FY 2025

FY 2025 ESTIMATED REVENUE

Toll Revenues	\$	35,750,000
Court Payments		200,000
TOTAL ESTIMATED REVENUES	\$	35,950,000

FY 2025 EXPENDITURE BUDGET

Revenue Fund		
Operations	\$	32,950,000
Maintenance Replacement Fund		3,000,000
TOTAL ESTIMATED EXPENDITURES	\$	35,950,000

		RECOMMENDED FY 2025
Personal Services	\$	683,000
Contractual Services		10,400,000
Supplies and Materials		25,100
Transfer Payments		21,831,900
Continuous Charges		—
Property and Improvements		—
Equipment		—
Obligations		10,000
TOTAL - Operating Expenditures	\$	32,950,000

Memorandum of Agreement Waterfall Budget

Tolling Operation and Maintenance	\$	14,118,100
Debt Service on Rail Component Debt		—
NVTC Payment		11,038,129
Pay go for Rail Components		8,753,771
Toll Facilities Revolving Account (TFRA) Repayment		2,040,000
Debt Service on NVTC Debt		—
Additional Repayments to TFRA		—
Remaining to Components selected by NVTC/ Approved by CTB		—
	\$	35,950,000

Appendix I - I-64 Express Lanes (0447) FY 2025

FY 2025 ESTIMATED REVENUE

Toll Revenues	\$ 5,900,000
TOTAL ESTIMATED REVENUES FOR EXPENDITURES	\$ 5,900,000
<i>Less: Toll Facility Revolving Account Loan Repayment</i>	1,500,000
TOTAL ESTIMATED REVENUE AVAILABLE	\$ 4,400,000

FY 2025 EXPENDITURE BUDGET

Revenue Fund	
Operations	4,400,000
Maintenance Replacement Fund	—
TOTAL ESTIMATED EXPENDITURES	\$ 4,400,000

Details of Operating Expenditures	ALLOCATION FY 2024	RECOMMENDED FY 2025	INCREASE (DECREASE)
Personal Services	485,775	509,578	23,803
Contractual Services	2,042,825	3,659,864	1,617,039
Supplies and Materials	250	258	8
Transfer Payments	220,000	220,000	—
Continuous Charges	—	300	300
Property and Improvements	—	—	—
Equipment	—	10,000	10,000
Obligations	—	—	—
TOTAL - Operating Expenditures	\$ 2,748,850	\$ 4,400,000	\$ 1,651,150

Index: Acronyms and Terminology

Term	Description
BROS	Bridge Off-System
CMAQ	Congestion Mitigation and Air Quality
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
NHPP	National Highway Performance Program
NVTD	Northern Virginia Transportation District
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

Endnote Number	Description
1	Reflects impact of updated state revenue forecast.
2	The previous fiscal year included a one-time General Fund allocation for the Interstate 64 Widening Project (I-64 Gap). Additional General Fund dollars provided in FY 2025 for Washington Metropolitan Area Transit Authority (\$60.2 million), Interstate 81 Corridor Improvement Program (\$70 million), and Toll Relief for eligible drivers on Elizabeth River Tunnels (\$77 million).
3	Federal revenue update based on Infrastructure Investment and Jobs Act. FY 2025 reflects the addition of federal earmarks totaling \$83.7 million.
4	Reflects change in funds available for the Interstate 81 Corridor Improvement Program and the planned use of debt to deliver projects.
5	Change in funding beginning in FY 2024 for studies and advance procurement activities.
6	Adjustment reflects change in funds available to program areas as prescribed in the Code of Virginia, §33.2-358. Interstate Operations and Enhancement Program adjustments also include updates to funds directly allocated for the Interstate 81 Corridor Improvement Program.
7	Reflects the allocation of federal earmarks totaling \$83.7 million, project participation from others totaling \$728 million, and an allocation to the Transportation Partnership Opportunity Fund totaling \$15 million in FY 2025.
8	Includes updated revenue estimate for the Fuel Tax dedicated to the Special Fund Account for the Construction District Grant Program.
9	Changes to assumptions related to project participation for funds provided by other entities.
10	General Fund dollars made available in Chapters 1 and 2 (2022 Special Session I) in Fiscal Years 2023 and 2024 for Transportation Initiatives.
11	Reflects change in funds available for the Interstate 81 Corridor Improvement Program and the planned use of debt to deliver projects.
12	Allocation adjustments reflect program growth and supplemental funding for the impact of paving costs anticipated within the Maintenance Programs.
13	Update reflects prescribed change in Special Structure Funding.
14	Program growth, impact of salary increases, and additional Information Technology and Physical Plant investments necessary. Program growth and additional Information Technology investment necessary.
15	Additional funding provided for Capital Outlay for Hampton Roads District Operational Facilities in prior fiscal year.
16	Additional funding made available from remaining balance of fuel reserves established in FY 2023 and made available for allocation in FY 2024. This balance was \$77,439,086 for the previous fiscal year.
17	Toll facility operations adjusted for facility revenue performance and E-ZPass Operations/ Violation Enforcement Services and Toll Relief for Elizabeth River Tunnels provided by the General Fund (\$77 million).
18	Revenue Sharing returns to \$100 million state share and \$100 million local share in FY 2025, following the re-allocation of funds through FY2024 as granted by the flexibility provided during the COVID period.

The logo for the Virginia Department of Rail and Public Transportation (DRPT) features the acronym "DRPT" in a bold, white, sans-serif font. Below the letters are three small white circles and a horizontal white line.

VIRGINIA DEPARTMENT OF RAIL
AND PUBLIC TRANSPORTATION

Annual Budget

Fiscal Year 2025

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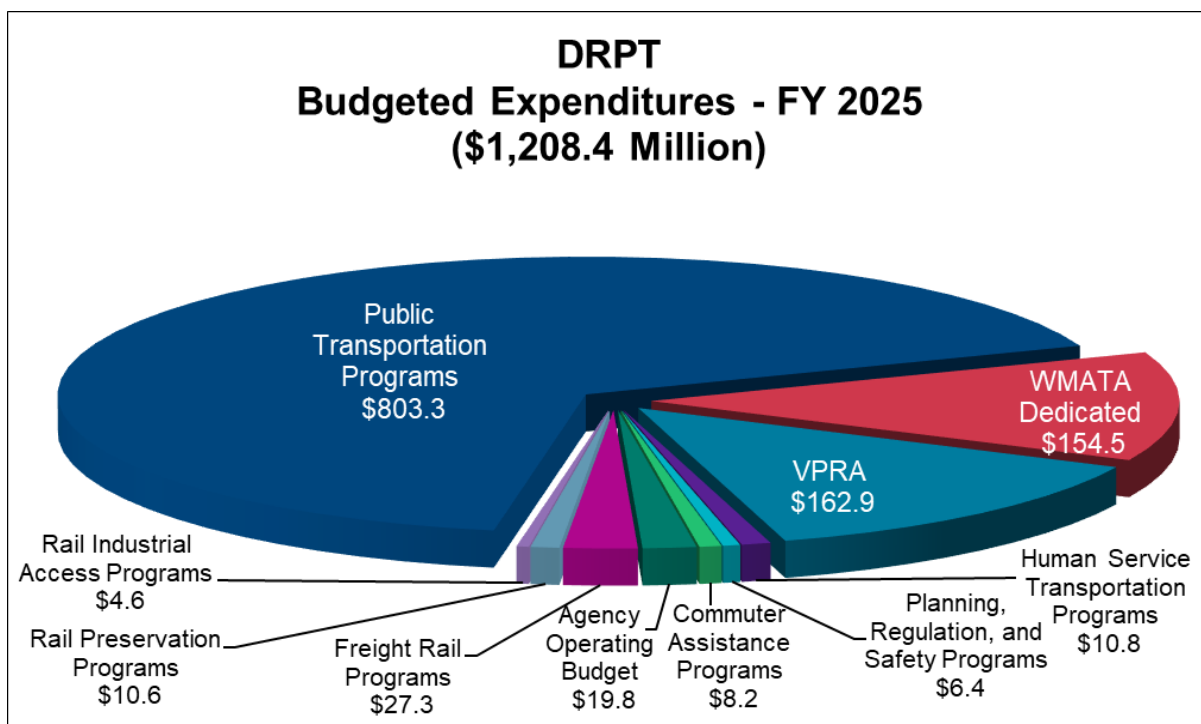
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Summary of Programs

Summary of FY 2025 Budget

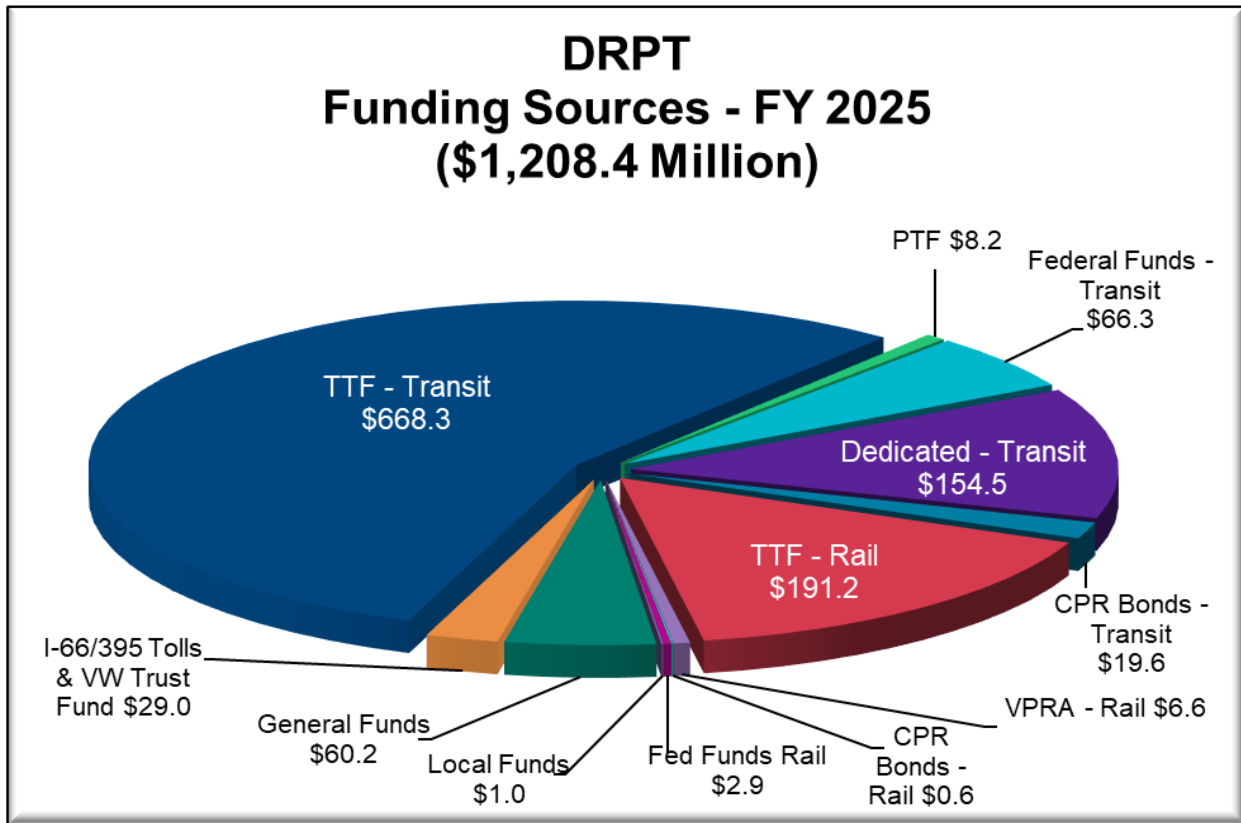
In FY25, DRPT will invest \$1,208.4 million in state, federal, and local resources towards improving public transportation and rail capacity across the Commonwealth of Virginia. The overwhelming majority of these funds are directed to a variety of recipients, including public transportation providers, 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 ongoing funding from DRPT of 93% of the revenues of the Commonwealth Rail Fund. The VPRA share is estimated at \$162.9 million for FY25.

Expenditures for FY25 are estimated to be \$167.8 million more than FY24. Additional detail is included in the specific program sections of this document.



The chart depicts the FY25 DRPT budget across the agency’s service areas and payments to the VPRA. The budgeted expenditures for each are discussed in more detail later in this report.

The following chart 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 FY25 funding sources can be found in the Annual Budget section of this report.



FY 2025 Service Area Budget Highlights

Agency Operating Budget

The DRPT program management and administrative budget increased 1.0% or \$0.2 million. DRPT has elected to use only 3.9% of the 5.0% allowable under the Appropriations Act of the Rail Preservation Fund, Commonwealth Rail Fund, and Commonwealth Mass Transit Fund in FY25 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, 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 and Development 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 FY25, it is forecast that \$19.8 million or 3.9% of the revenues from these funds will be used to support the programs' ongoing administrative costs. A summarized 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 only represents 1.6% of the \$1,208.4 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 DRPT's Operating, Capital, and Special programs in FY19 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 FY21, 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

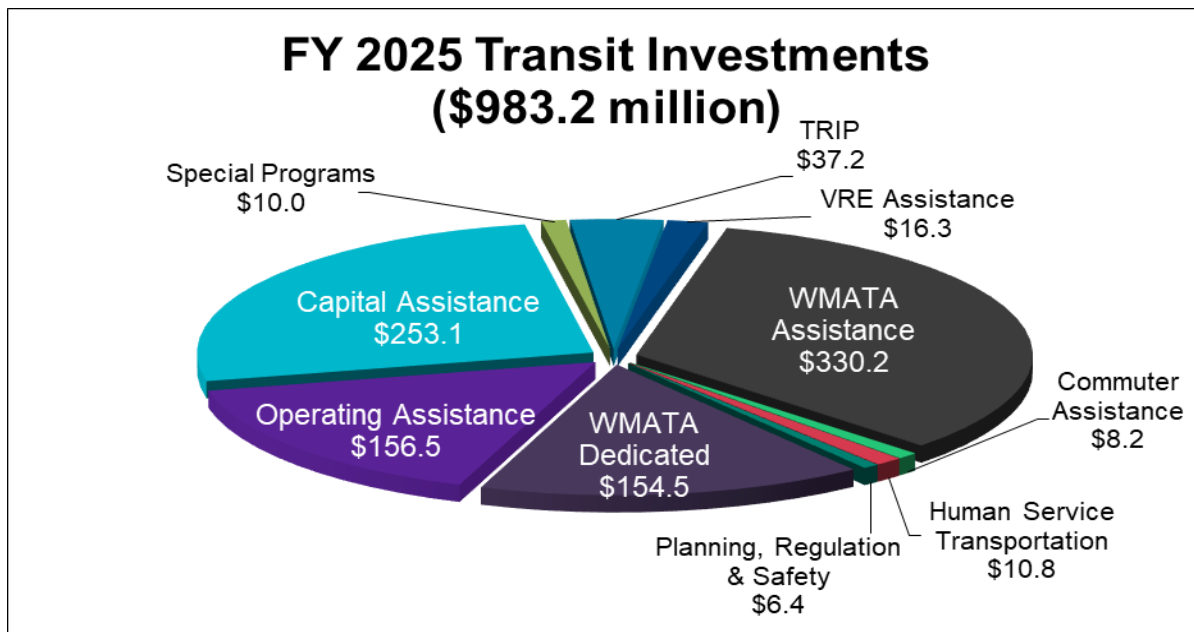
The remaining funds are allocated by statute (§33.2-1526.1) with a minimum of 24.5% for state operating assistance grants, 17.0% awarded as capital assistance grants, 46.5% for distribution to WMATA for capital purposes and operating assistance, 6.0% for the Transit Ridership Incentive Program (TRIP), 3.5% for distribution to the Virginia Railway Express, and the balance of up to 2.5% awarded as special projects grants, subject to CTB approval.

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 FY19, 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 FY21 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 FY22 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 FY25 budget for Transit Programs is depicted in the following chart. This chart represents FY25 anticipated expenditures across the ten major Transit programs.



The FY25 budget of \$983.2 million for Transit investments represents an increase of \$146.8 million from \$836.4 million in the FY24 Budget.

As compared to the FY24 Budget, capital projects increased \$71.3 million due to an increase in large bus purchases and facility construction needs as supply constraints from COVID are easing. Virginia Railway Express (VRE) Assistance of \$16.3 million is a new program established by the 2023 Legislative Assembly for FY25 carved out of the Capital and Operating Assistance programs. Transit Operating Assistance decreased \$9.4 million from FY24 partially due to this carve out of the VRE operating expenses.

WMATA Assistance includes an allocation of \$50.0 million of CMTF funding, which was funded from bond proceeds prior to FY22, to match the federal funds WMATA is receiving under the federal state of good repair program. In addition, the 2024 Special Session I Acts of Assembly allocated an additional \$60.2M in FY25 and \$84.5 million in FY26 to WMATA to cover budget shortfalls. The Transit programs are discussed in more detail in the following sections.

Public Transportation Operating Funds

The budgeted amounts in this report include anticipated expenditures on all the projects and grants that DRPT manages for FY25, not just amounts allocated in FY25 by the CTB in the SYIP (See note 1 for more information). The budgeted FY25 transit operating expenditures are \$156.5 million or a decrease of \$9.4 million from FY24. Section §33.2-1526.1 of the *Code of Virginia* provides that the CTB shall allocate 24.5% of the CMTF 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.

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 based on performance factors as follows:

System Sizing Metrics:

Bus Systems:

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

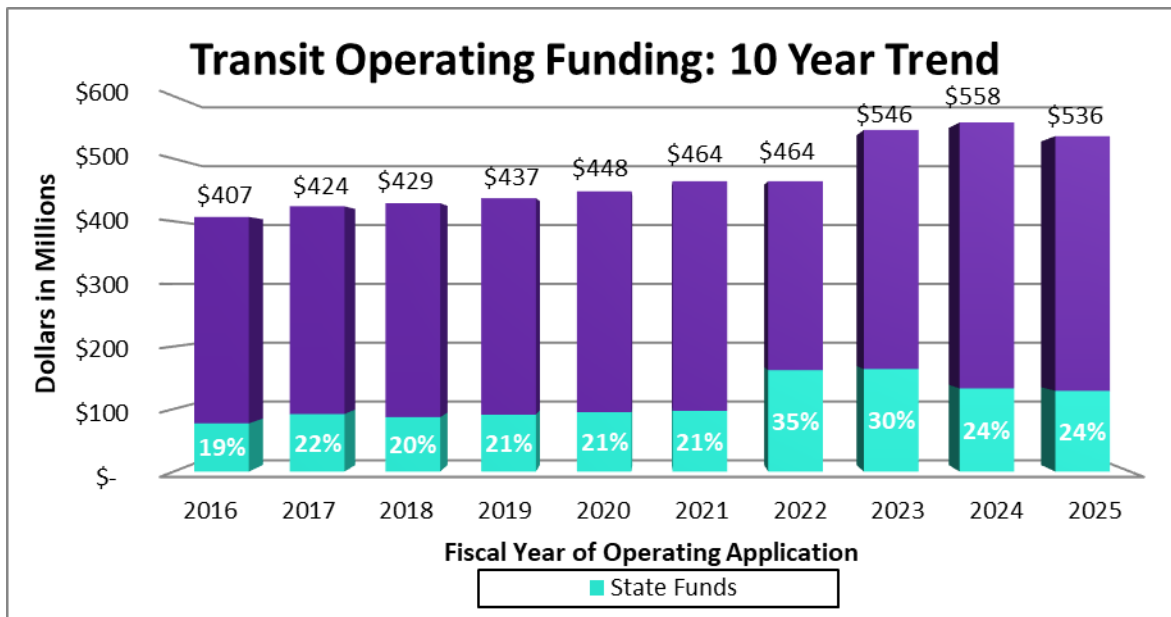
Performance Adjustment:

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%)

To ensure an even distribution of funding, the share of state operating assistance is capped at 30% of an agency’s operating cost. A one-time exception was made when mid-year FY22 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 because of the performance-based formula are encouraged to invest the increased allocation into sustaining and expanding service options.

DRPT’s FY25 state share of operating funding covers 24.0% of transit agency expenditures which is an increase of 0.1% from the prior year. 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 FY19 and beyond funding for WMATA operating and capital are reported as WMATA Assistance. In FY25 and beyond, funding for VRE operating and capital are reported as VRE Assistance.



Public Transportation Capital Funds

Section §33.2-1526.1 of the *Code of Virginia* provides that the CTB shall allocate 17.0% 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 FY25, the budget for public transportation capital expenditures is \$253.1 million, which is an increase of \$71.3 million from FY24. 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 prior years and the anticipated reductions in the industry-wide supply chain issues in the future. In addition, many capital facility projects and bus purchases have experienced cost increases due to inflation. Some of the major projects that will be supported by these funds include replacement transit vehicles, expansion transit vehicles, vehicles for elderly and disabled services, service support vehicles, transit facility and station construction and renovation, and transit facility planning and design.

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 \$10.0 million for FY25. 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 to promote improved transit service in urbanized areas of the Commonwealth with a population exceeding 100,000 and to reduce barriers to transit use for low-income individuals. The FY25 budget includes \$37.2 million to support projects such as free fare programs and regional connectivity routes, which is an increase of \$12.6 million from FY24. Most of the increase is because of the greater access to these funds due to the expansion of the scope of projects that can utilize the incentives.

VRE Assistance Funds

HB 1496 of the 2023 Legislative Assembly established a funding stream beginning in FY25 to the Virginia Railway Express. Section §33.2-1526.1 of the *Code of Virginia* provides that the Commonwealth Transportation Board (CTB) shall allocate 3.5% of the Commonwealth Mass Transit Fund to the Northern Virginia Transportation Commission for distribution to VRE for capital purposes and operating assistance. The budgeted state assistance provided to VRE is \$16.3 million for FY25.

WMATA Assistance Funds

The budgeted state assistance provided to WMATA increased \$62.0 from \$268.2 in FY24. 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 FY18 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. In addition, the 2024 Special Session I Acts of Assembly allocated an additional \$60.2M in FY25 and \$84.5 million in FY26 to WMATA to assist with budget shortfalls.

Commuter Assistance Programs

The Commuter Assistance Programs budget of \$8.2 million includes \$3.9 million of CMTF funds for FY 2025 to support Transportation Demand Management (TDM) projects. The budget also includes Federal Highway Administration (FHWA) funds of \$3.3 million and state funding of \$1.0 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.

Human Service Transportation Programs

The Human Service Transportation Programs budget is estimated at \$10.8 million for FY25. 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 consists of \$7.9 million from the Federal Transit Administration, \$0.8 million of local provider match, and \$2.1 million of CMTF funds for enhanced transportation services for the elderly and disabled.

Planning, Regulation, and Safety Programs

DRPT's FY25 budget includes \$6.4 million of 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 \$5.7 million and CMTF state match allocations of \$0.7 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 FY25.

Restricted Account – (capital purposes excluding debt service)

The underlying revenues come from local recordation tax and statewide motor vehicle rental tax. For FY25, DRPT is allocating \$33.4 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, local taxes, or other contributions from Northern Virginia local jurisdictions and a supplement from the CMTF. For FY25, DRPT is allocating \$121.1 million that will be accounted for in the Non-Restricted Account.

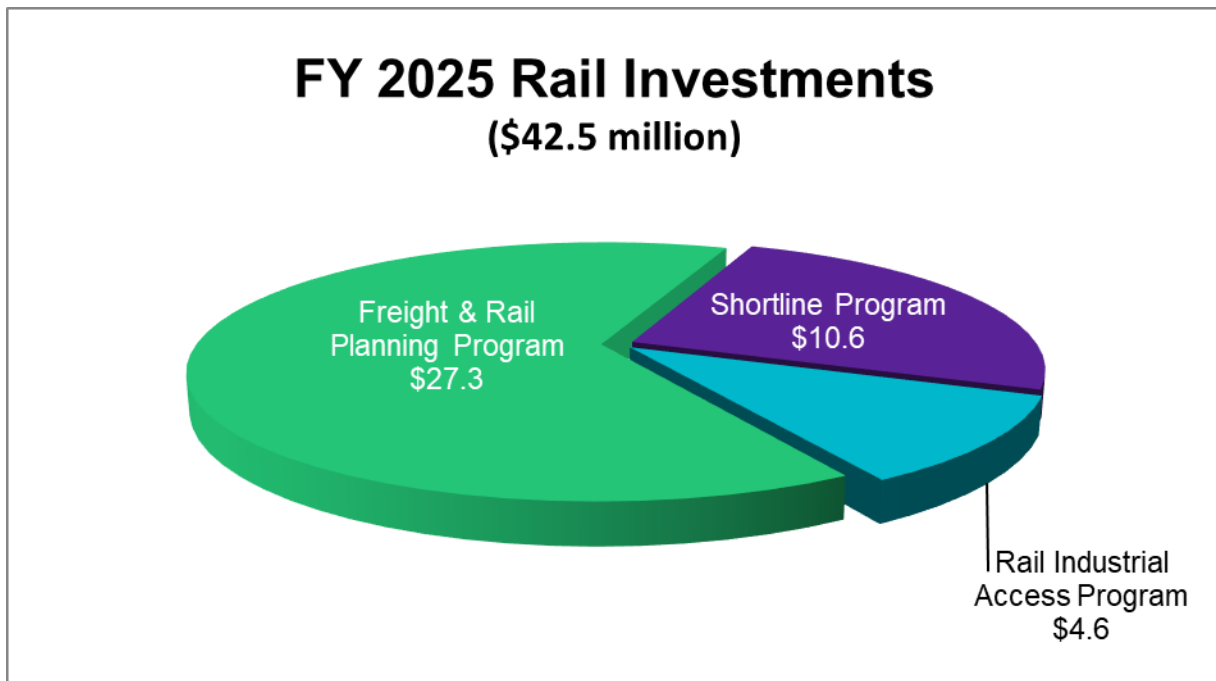
This funding is contingent on Maryland and the District of Columbia taking action to provide dedicated funding to WMATA. The percentage of funding provided by the Commonwealth shall be proportional to the amount of funding provided by the District of Columbia and Maryland relative to their respective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

Rail Programs

DRPT's FY25 budget for rail service areas is \$42.5 million, including the funding of freight and rail planning projects, 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 FY21, 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 FY21, the Commonwealth Rail Fund replaced the Intercity Passenger Rail Operating and Capital Fund (IPROC) and Rail Enhancement Fund (REF) 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 seven federal, state, and local funding sources:

Federal

- Federal Railroad Administration (FRA) grant funds of \$2.9 million

State

- Commonwealth Rail Fund of \$17.6 million
- Shortline Railway and Development funds of \$10.0 million
- VPRA Transfers of \$6.6 million
- Rail Industrial Access (RIA) funds of \$4.6 million
- Transportation Capital Projects Revenue (CPR) Bond funds of \$0.6 million
- Local Match of \$0.2 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 FY18. For FY25, budgeted expenditures from prior year’s bond proceeds are expected to be \$0.6 million for freight rail infrastructure improvements and improvement to the tracks of shortline railroads.

Rail Preservation Fund

As part of the Rail Preservation Program, the Shortline Railway Preservation and Development Fund will support 15 projects for Virginia’s shortline railroads in FY25. 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.

DRPT 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 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 ongoing funding from DRPT of 93% of the revenues of the Commonwealth Rail Fund. In FY25 the estimated revenues of the Commonwealth Rail Fund are \$175.2 million, of which \$162.9 million be distributed to the VPRA.

Annual Budget Statement

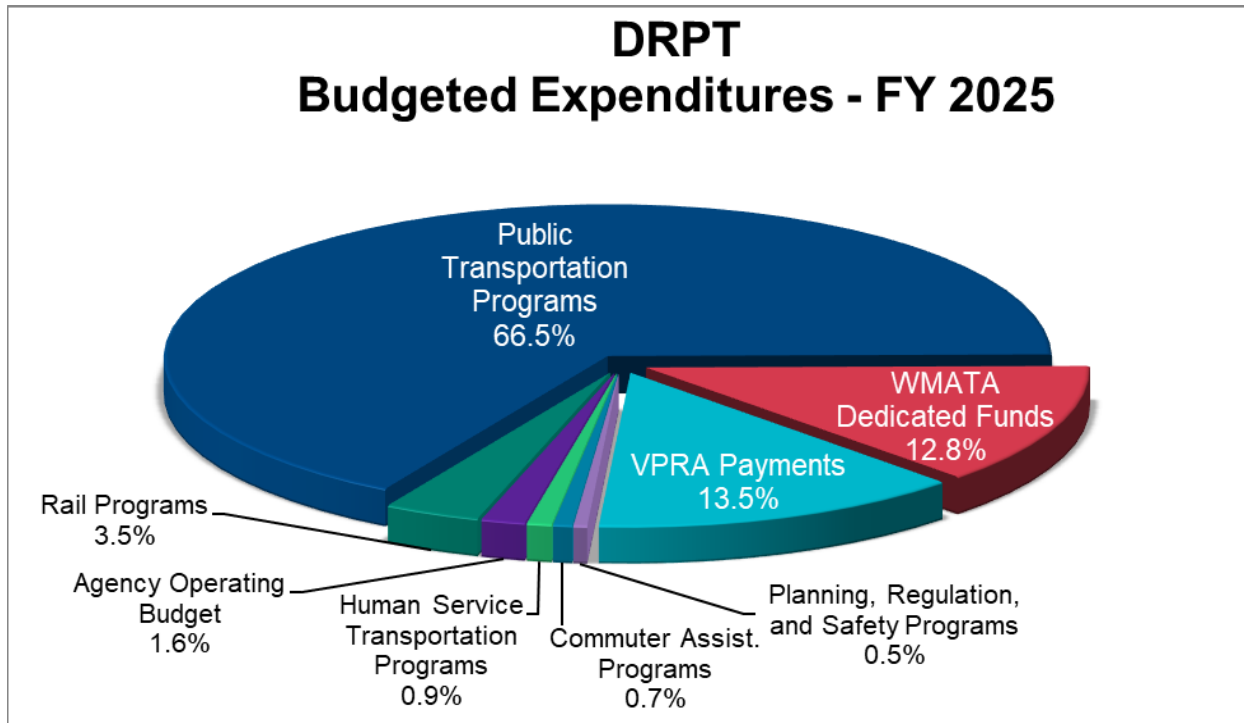
Budgeted Expenditures - FY 2025

	(\$ in millions)			
	Adopted FY 2024	Recommended FY 2025	Increase / (Decrease)	Percentage Change
Public Transportation Programs				
Operating Assistance [Notes 1, 2, 3]	\$ 165.9	\$ 156.5	\$ (9.4)	-5.7%
Capital Assistance [Notes 1, 2, 4]	181.8	253.1	71.3	39.2%
Special Programs [Notes 1, 2, 5]	10.4	10.0	(0.4)	-3.8%
Ridership Incentive Programs [Notes 1, 2, 6]	24.6	37.2	12.6	51.2%
VRE Assistance [Notes 1, 2, 7]	-	16.3	16.3	100.0%
WMATA Assistance [Note 2, 8, 13]	268.2	330.2	62.0	23.1%
Total Public Transportation Programs	650.9	803.3	152.4	23.4%
Commuter Assistance Programs [Notes 1, 9]	11.8	8.2	(3.6)	-30.5%
Human Service Transportation Pgm [Notes 1, 10]	13.4	10.8	(2.6)	-19.4%
Planning, Regulation, & Safety Pgm [Notes 1, 11]	5.8	6.4	0.6	10.3%
WMATA Dedicated Funding [Note 12]	154.5	154.5	-	0.0%
Total Transit Programs	836.4	983.2	146.8	17.6%
Rail Programs				
Rail Preservation Programs [Notes 1, 14]	11.2	10.6	(0.6)	-5.4%
Rail Industrial Access [Notes 1, 15]	4.3	4.6	0.3	7.0%
Planning and Freight Rail Programs [Notes 1, 16]	10.0	27.3	17.3	173.0%
Total Rail Programs	25.5	42.5	17.0	66.7%
Agency Operating Budget [Note 19]	19.6	19.8	0.2	1.0%
Agency Total Before VPRA Payments	881.5	1,045.5	164.0	18.6%
VPRA Payments [Note 17]	159.1	162.9	3.8	2.4%
Agency Total	\$ 1,040.6	\$ 1,208.4	\$ 167.8	16.1%

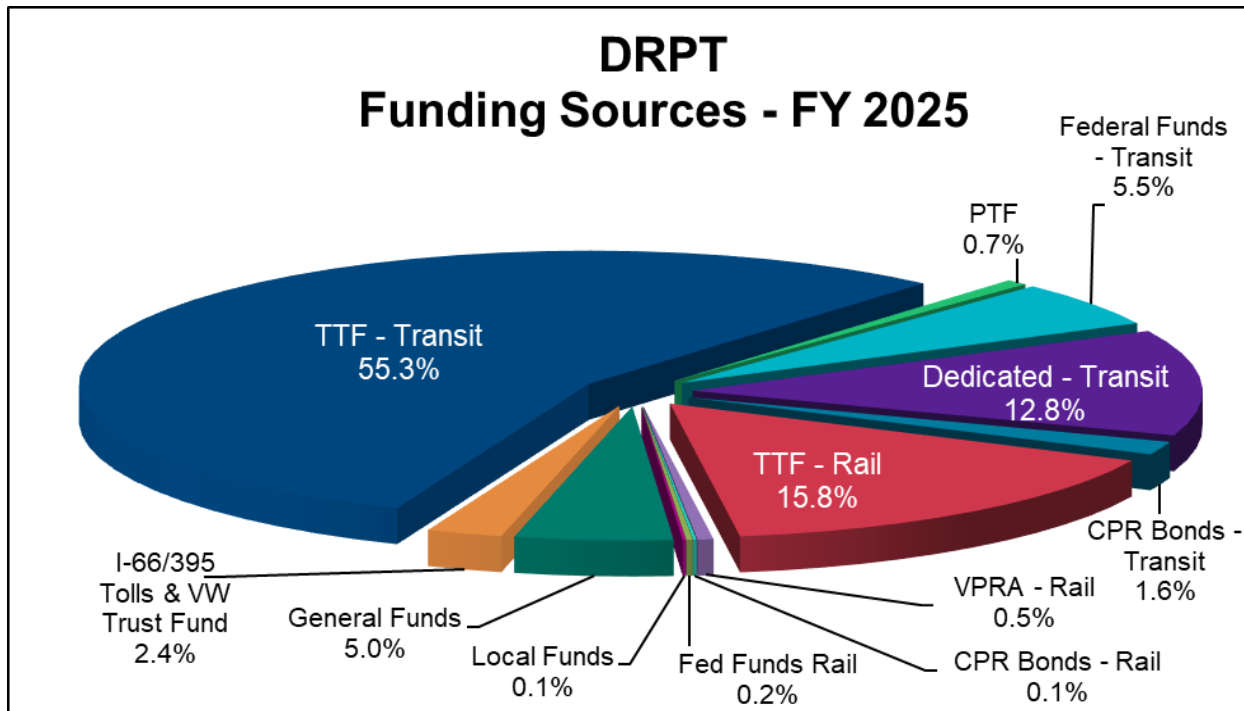
Funding Sources - FY 2025

	(\$ in millions)			
	Adopted FY 2024	Recommended FY 2025	Increase / (Decrease)	Percentage Change
TRANSPORTATION TRUST FUND				
Commonwealth Mass Transit Fund [Notes 3, 4, 5, 6, 7, 8, 9, 10, 11, 19]	\$ 545.6	\$ 633.4	\$ 87.8	16.1%
Special Programs - VDOT Transfers [Notes 4, 5, 9, 10]	28.7	30.3	1.6	5.6%
Rail Industrial Access [Note 15]	4.3	4.6	0.3	7.0%
Commonwealth Rail Programs [Notes 16, 17, 18]	161.8	181.0	19.2	11.9%
Rail Preservation Program [Notes 14, 19]	10.5	10.2	(0.3)	-2.9%
Total	750.9	859.5	108.6	14.5%
2018 CHAPTER 854 DEDICATED FUNDING - Transit [Note 12]	154.5	154.5	-	0.0%
GENERAL FUND - Transit [Note 13]	-	60.2	60.2	100.0%
BOND PROCEEDS - Transit Capital and Rail [Notes 4, 10, 14]	24.2	20.2	(4.0)	-16.5%
PRIORITY TRANSPORTATION FUNDS [Note 18]	22.4	8.2	(14.2)	-63.4%
FEDERAL REVENUE				
FHWA Funding (CMAQ/RSTP) [Notes 4, 9]	0.9	18.4	17.5	1944.4%
Federal Transit Administration [Notes 3, 4, 10, 11]	45.5	47.9	2.4	5.3%
Federal Railroad Administration [Note 16]	1.9	2.9	1.0	52.6%
Total	48.3	69.2	20.9	43.3%
LOCAL REVENUES [Notes 10, 16]	1.1	1.0	(0.1)	-9.1%
TRANSFERS FROM OTHER AGENCIES				
VDOT I-66/I-395 Tolls Transfers [Note 4]	35.4	26.2	(9.2)	-26.0%
DEQ VW Trust Fund Transfers [Note 4]	0.5	2.8	2.3	460.0%
Virginia Passenger Rail Authority [Note 17]	3.3	6.6	3.3	100.0%
TOTAL SOURCES	\$ 1,040.6	\$ 1,208.4	\$ 167.8	16.1%

DRPT Budgeted Expenditures - FY 2025



DRPT Funding Sources - FY 2025



Footnotes to the FY 2025 Annual Budget

- (1) The budgeted amounts in this report include anticipated expenditures on all the projects and grants that DRPT manages for FY25 and the revenue sources to cover these anticipated expenditures. A cash basis of accounting is utilized to develop the budgeted amounts. Unless the entire amount of an allocation in the SYIP will be expended in FY25, the budgeted amounts will not agree to allocations in the SYIP due to the timing of the related cash expenditures. The actual cash outlays of many capital projects may lag the related allocation of resources by as much as five years. Therefore, many capital expenditures allocated in the SYIP will be expended in future years, whereas many capital amounts included in the Budget were allocated in prior Six Year Improvement Plans.

There are line items required to be approved by the CTB in the SYIP that do not result in actual cash expenditures through DRPT and are not included in the budget. These items include Federal 5307 fund allocations with grantee FTA contracting and a portion of VPRA allocations for the Transforming Rail in Virginia project. Likewise, there are cash expenditures made by DRPT that are included in the budget that are not included in the DRPT SYIP. These include such items as a portion of the 93% or \$162.9 million of revenues from the Commonwealth Rail Fund paid to the VPRA, \$19.8 million of off-the-top State funding for support of the Agency's on-going administrative costs, and \$4.6 million for the Rail Industrial Access projects which are approved in separate resolutions.

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 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 is 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 24.5% for state operating assistance grants, 17.0% awarded as capital assistance grants, 6.0% for transit ridership incentives, 3.5% for distribution to VRE for capital purposes and operating assistance, and the balance of up to 2.5% awarded as special projects grants subject to CTB approval.
- (3) Public Transportation Programs - Operating Assistance decreased by \$9.4 million from FY24 to FY25 to \$156.5 million. This was mainly due to the 2.5% reduction of CMTF operating funds that were re-allocated in FY25 to VRE Assistance. The Operating Assistance line is made up of Commonwealth Mass Transit Funds of \$130.0 million, \$23.1 million in Federal assistance through the FTA 5311 Rural Assistance program, \$2.2 million on projects administered by DRPT with funding allocated through VDOT's SYIP (CMAQ, RSTP, and related state match), and \$1.2 million of I-66 toll funds.
- (4) Public Transportation Programs - Capital Assistance increased by \$71.3 million to \$253.1 million. 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 prior years and the anticipated reductions in the industry-wide

supply chain issues in the future. Most capital facility and bus purchase projects have experienced cost increases due to inflation. This line item consists of \$144.2 million of Commonwealth Mass Transit funds, \$19.6 million of Transportation Capital Projects bond proceeds, \$11.2 million of FTA funding, \$15.1 million of FHWA funding, \$8.1 million of priority transportation funds, \$2.8 million of VW trust fund proceeds, and \$25.0 million of I-66 & I-395 tolls. Additionally, \$27.1 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 \$0.4 million from FY24 to FY25 to \$10.0 million. Funding of \$10.0 million comes from the Commonwealth Mass Transit Fund. This service area includes Metrorail State Safety Oversight.
- (6) Public Transportation Programs - Ridership Incentive Programs increased \$12.6 million from FY24 to FY25 to \$37.2 million. This line item consists of \$37.1 million of Commonwealth Mass Transit Funds, and \$0.1 million of priority transportation funds. The FY25 budget supports projects such as zero-fare and reduced-fare programs, improved transit connectivity projects in urbanized areas of the Commonwealth with a population exceeding 100,000, and to projects that reduce barriers to transit use for low-income individuals.
- (7) VRE Assistance is \$16.3 million in FY25. This Funding comes from the Commonwealth Mass Transit Fund and goes to the Northern Virginia Transportation Commission for distribution to VRE for capital purposes and operating assistance. HB 1496 of the 2023 Legislative Assembly established this funding stream beginning in FY25.
- (8) WMATA Assistance increased \$62.0 million to \$330.2 million. This Funding comes from the Commonwealth Mass Transit Fund and goes to the Northern Virginia Transportation Commission for distribution to WMATA for capital purposes and operating assistance. Also included in FY22 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. FY25 includes \$60.2 million of additional General Funds allocated in the 2024 Special Session I Acts of Assembly HB 6001 Chapter 2 Item 443 to cover budgetary shortfalls.
- (9) The budgeted Commuter Assistance Programs line item decreased by \$3.6 million to \$8.2 million from FY24 to FY25. Commuter Assistance Programs include Commonwealth Mass Transit Funds of \$3.9 million and FHWA funding of \$3.3 million. Additionally, \$1.0 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.
- (10) The budgeted Human Service Transportation Programs line item decreased by \$2.6 million to \$10.8 million from FY24 to FY25. Funding includes \$7.9 million of FTA 5310 and 5311 awards. The match to these federal awards consists of \$2.1 million of Commonwealth Mass Transit State matching funds for the paratransit capital projects and enhanced transportation services for the elderly and disabled, as well as \$0.8 million of local match to the FTA 5310 funds.
- (11) Planning, Regulation, and Safety Programs of \$6.4 million in FY25 consist of FTA 5303/5304 planning funds of \$5.7 million and Commonwealth Mass Transit state match allocations of \$0.7 million.

- (12) Chapter 854 of the 2018 Acts of Assembly established dedicated capital funding for WMATA. Anticipated expenditures for FY25 are \$154.5 million.
- (13) The 2024 Special Session I Acts of Assembly HB 6001 Chapter 2 Item 433 established General Fund appropriations of \$60.2 million for FY25 and \$84.5 million for FY26 for WMATA Assistance to cover budget shortfalls.
- (14) 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 decreased \$0.6 million to \$10.6 million from FY24 to FY25. The source of funding for the Shortline Railway Preservation fund is the Transportation Trust Fund of \$10.0 million. The additional \$0.6 million of planned expenditures is funded by Transportation Capital Projects Bond proceeds allocated by the CTB.
- (15) 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 \$4.6 million.
- (16) The budgeted Planning and Freight Rail Programs line item of \$27.3 million represents an increase of \$17.3 million from FY24 to FY25. The source of funding to cover these expenditures includes \$17.6 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 \$2.9 million, expected VPRA transfers of \$6.6 million, and local matching funds of \$0.2 million.
- (17) The budget includes an estimate of \$162.9 million of Commonwealth Rail Funds to be transferred to the VPRA in FY25. This represents 93% of the estimated CRF revenues expected to be collected over the course of the fiscal year.
- (18) In December 2021, the Commonwealth Transportation Board restored \$39.8 million of Priority Transportation Funds to the Commonwealth Mass Transit Fund. In FY25, it is estimated that \$8.2 million of project funding will be used for zero-fare projects and transportation facilities.
- (19) 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 \$25.2 million (5.0%) of revenues from these funds are available to support the programs' ongoing administrative costs. However, DRPT is forecasting that only \$19.8 million (3.9%) will be used to support the operating budget. The DRPT operating budget represents only 1.6% of the total \$1,208.4 million FY25 budget.

Major Components of Agency Operating Budget	
Payroll and Fringe Benefits	\$ 10,550,000
Operations Program Support	5,100,000
Information Technology Costs	1,150,000
Central Service Agencies Indirect Costs	900,000
Rent	565,000
Attorney Services	400,000
Finance Support	375,000
Travel and Training	320,000
Office Expansion	45,000
Other Program and Project Management Initiatives	368,204
Total	<u>\$ 19,773,204</u>
Source of Funding for Agency Operating Budget	
Commonwealth Mass Transit Fund	\$ 19,136,706
Commonwealth Rail Fund	480,108
Shortline Railway Preservation and Development Fund	156,390
Total	<u>\$ 19,773,204</u>