

FY 2027

Commonwealth Transportation Fund Budget
April 2026
Draft



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.

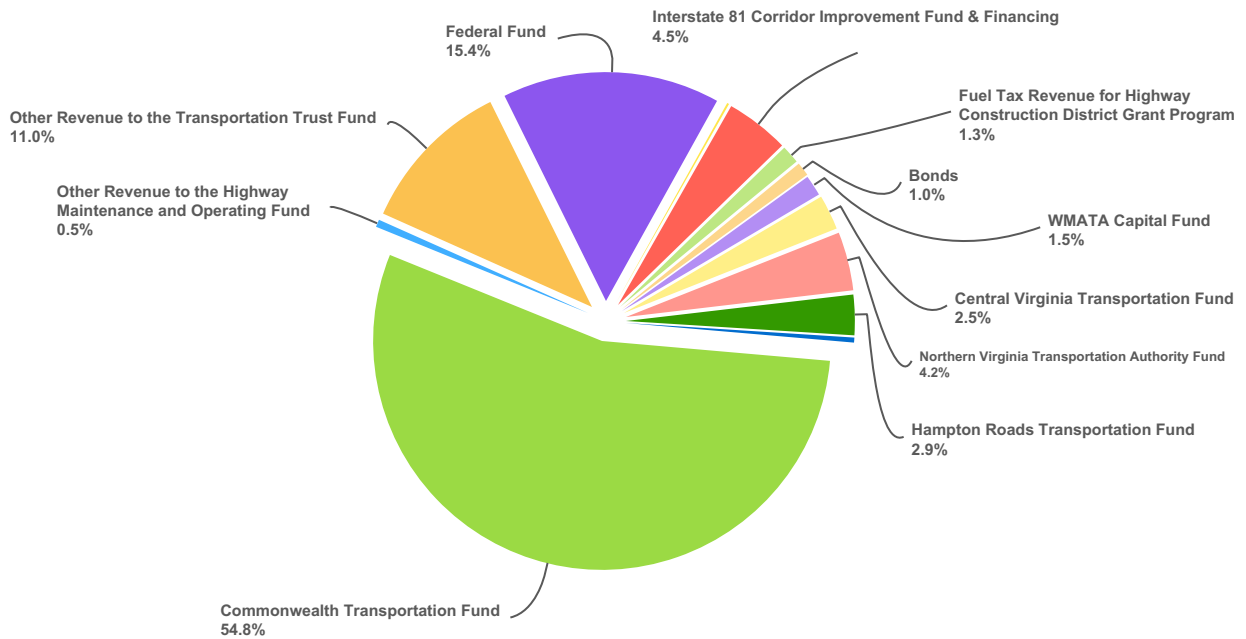
The remaining funds in the Commonwealth Transportation Fund are allocated 51% to the HMO Fund and 49% to the Transportation Trust Fund. Chapter 1230 directs the following distribution of funds from the Transportation Trust Fund: (i) 53% for construction programs; (ii) 23% to the Commonwealth Mass Transit 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 2027 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 2025 and reflects implementation of federal funding provided under the Infrastructure Investment and Jobs Act (IIJA). The FY 2027 CTF Budget totals \$10,029,233,883.



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.

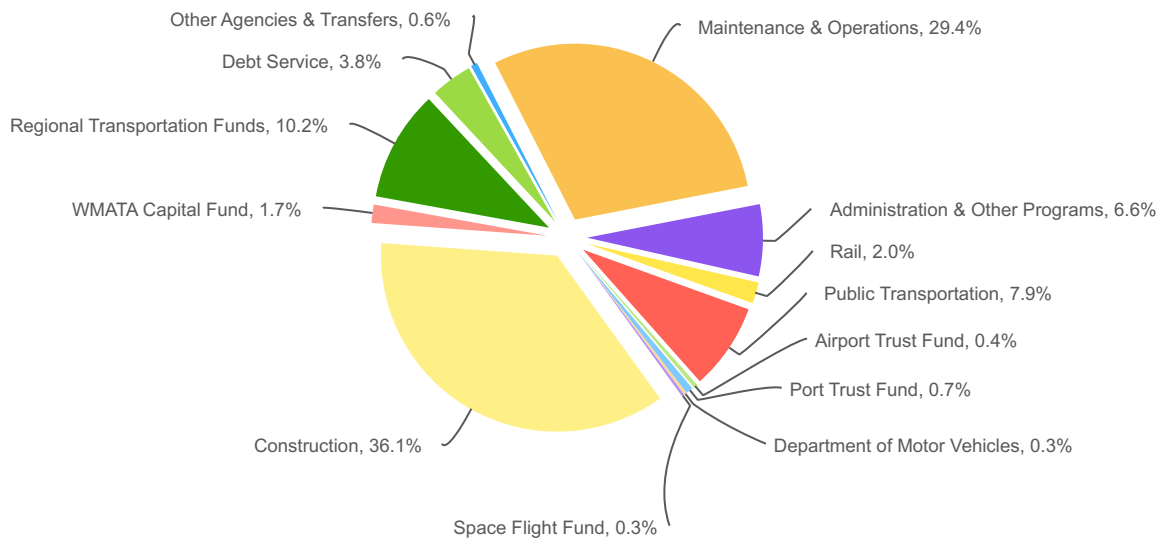
Commonwealth Transportation Fund Total Revenues



Commonwealth Transportation Fund	\$5,492,350,000
Other Revenue to the Highway Maintenance and Operating Fund	53,891,375
Other Revenue to the Transportation Trust Fund	1,103,465,475
Federal Fund	1,543,290,123
Priority Transportation Fund	15,628,568
Interstate 81 Corridor Improvement Fund & Financing	452,092,464
Fuel Tax Revenue for Highway Construction District Grant Program	129,945,878
General Fund	—
Bonds	100,000,000
Total Operating Revenues	\$8,890,663,883
Pass Through Revenues	
WMATA Capital Fund	148,870,000
Central Virginia Transportation Fund	248,400,000
Northern Virginia Transportation Authority Fund	416,800,000
Hampton Roads Transportation Fund	287,400,000
Hampton Roads Regional Transit Fund	37,100,000
Subtotal	1,138,570,000
TOTAL	\$10,029,233,883

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	\$379,193,573
Other Agencies & Transfers	61,111,871
Maintenance & Operations	2,916,904,110
Administration & Other Programs	653,431,494
Toll Facility Operations	123,663,377
Public Transportation	787,213,279
Rail	194,836,317
Airport Trust Fund	40,535,264
Port Trust Fund	66,492,105
Department of Motor Vehicles	25,956,842
Space Flight Fund	25,976,842
Construction	3,575,348,809
Total Operating Programs	\$8,850,663,883
Pass Through Programs	
WMATA Capital Fund	168,870,000
Regional Transportation Funds	1,009,700,000
TOTAL RECOMMENDED DISTRIBUTIONS	\$10,029,233,883



STATE REVENUE SOURCES	FY 2026 Revised	FY 2027	INCREASE (DECREASE)	
Commonwealth Transportation Fund	\$ 5,229,850,000	\$ 5,492,350,000	\$ 262,500,000	1
Highway Maintenance & Operating Fund (HMOF)	92,294,823	53,891,375	(38,403,448)	2
General Fund	275,700,000	—	(275,700,000)	3
Transportation Trust Fund (TTF) and Other State Revenue				
Interest Earnings	121,230,000	145,943,694	24,713,694	
Toll Facilities	68,445,336	66,563,377	(1,881,959)	
Local Revenue Sources	480,076,262	322,044,786	(158,031,476)	4
Project Participation - Regional Entities	74,883,137	485,681,075	410,797,938	4
GARVEE Bonds/ Interest Earnings	—	100,000,000	100,000,000	5
Route 58 Bonds/ Interest Earnings	74,200,000	—	(74,200,000)	
I-66 Outside the Beltway Concession Fee Payment/Interest	23,094,194	13,500,000	(9,594,194)	
Interstate 81 Corridor Improvement Fund	106,532,050	427,459,266	320,927,216	
Special Fund Account for the Highway Construction District Grant Program	122,275,267	129,945,878	7,670,611	1
Other Trust Fund Revenue	116,540,808	94,365,741	(22,175,067)	6
Total TTF and Other Revenue	1,187,277,054	1,785,503,817	598,226,763	
Priority Transportation Fund (PTF)				
State Revenue	132,519,688	15,628,568	(116,891,120)	7
Total PTF	132,519,688	15,628,568	(116,891,120)	
Pass Through Revenues				
Revenue Dedicated to WMATA Capital Fund	154,370,000	148,870,000	(5,500,000)	1
State Revenue for Regional Entities	986,500,000	989,700,000	3,200,000	1
Total Pass Through Revenues	1,140,870,000	1,138,570,000	(2,300,000)	
TOTAL STATE REVENUES	8,058,511,565	8,485,943,760	427,432,195	
Federal Funding Sources				
Federal Highway Administration (FHWA)	1,581,554,069	1,475,659,023	(105,895,046)	8
Federal Transit Administration (FTA)	75,600,423	67,631,100	(7,969,323)	
Total Federal Funding	1,657,154,492	1,543,290,123	(113,864,369)	
TOTAL COMMONWEALTH TRANSPORTATION FUNDS	\$ 9,715,666,057	\$ 10,029,233,883	\$ 313,567,826	



DISTRIBUTION OF REVENUE SOURCES	FY 2026 Revised	FY 2027	INCREASE (DECREASE)
Debt Service			
Northern Virginia Transportation District	\$ 7,565,400	\$ 3,953,650	\$ (3,611,750)
Route 28	8,105,000	8,105,000	—
Route 58	38,172,200	25,916,423	(12,255,777)
Interstate 81	12,728,104	10,617,750	(2,110,354)
GARVEE Bonds	143,036,800	144,836,525	1,799,725
CPR Bonds	196,188,225	185,764,225	(10,424,000)
Total Debt Service	405,795,729	379,193,573	(26,602,156)
Other Agencies & Transfers			
Trust Fund Management	3,161,015	3,161,015	—
Support to Other State Agencies (excludes DRPT)	44,483,012	51,488,532	7,005,520
Indirect Costs	6,462,324	6,462,324	—
Total State Agencies	54,106,351	61,111,871	7,005,520
Maintenance & Operations			
Highway System Maintenance	2,398,346,423	2,304,069,548	(94,276,875)
Financial Assist. to Localities for Ground Transportation - Cities	543,678,359	522,281,143	(21,397,216)
Financial Assist. to Localities for Ground Transportation - Counties	94,400,819	90,553,419	(3,847,400)
Total Maintenance & Operations	3,036,425,601	2,916,904,110	(119,521,491) 9
Tolls, Administration & Other Programs			
Ground Transportation System Planning and Research	108,559,623	118,186,968	9,627,345 10
Environmental Monitoring & Compliance	32,001,781	22,618,982	(9,382,799) 11
Administrative and Support Services	383,669,470	400,896,671	17,227,201 12
Program Management and Direction	67,964,378	69,228,873	1,264,495
Toll Facilities Operations	68,445,336	52,913,173	(15,532,163)
Toll Facility Revolving Account	81,100,000	70,750,204	(10,349,796) 13
Capital Outlay	40,000,000	42,500,000	2,500,000
Total Tolls, Administration & Other Programs	781,740,588	777,094,871	(4,645,717)

DISTRIBUTION OF REVENUE SOURCES	FY 2026 Revised	FY 2027	INCREASE (DECREASE)
Transit and Rail Funds			
Share of TTF Distribution for Transit	\$ 568,458,144	\$ 597,734,406	\$ 29,276,262 ¹
Transit - Share of administrative costs	(727,033)	(727,033)	—
Other Revenue dedicated to Transit	17,395,401	17,830,286	434,885
Share of TTF Distribution for Rail	185,366,786	194,913,393	9,546,607 ¹
Rail - Share of administrative costs	(237,076)	(237,076)	—
Federal Transit Authority (FTA)	75,417,800	67,631,100	(7,786,700)
CMAQ (without State Match)	31,906,021	13,493,547	(18,412,474) ¹⁴
Carbon (without State Match)	182,623	414,199	231,576 ¹⁴
STP Regional (without State Match)	8,703,226	6,799,509	(1,903,717) ¹⁴
Interest Earnings	3,160,000	3,160,000	—
Mass Transit Fund-Support from Construction	10,152,312	5,073,265	(5,079,047)
Rail Fund - Support from Construction	4,000,000	4,000,000	—
Priority Transportation	82,000,000	57,500,000	(24,500,000)
General Fund for WMATA	76,700,000	—	(76,700,000)
Other	11,936,000	14,464,000	2,528,000
Subtotal Transit and Rail Funds	1,074,414,204	982,049,596	(92,364,608)
Pass Through Revenue for WMATA Capital			
Dedicated Revenue for WMATA Capital Fund	154,370,000	148,870,000	(5,500,000) ¹
Transfer from NVTD Fund for WMATA Capital Fund	20,000,000	20,000,000	—
Subtotal WMATA Capital Fund	174,370,000	168,870,000	(5,500,000)
Airports - Share of TTF Distribution	37,073,357	38,982,679	1,909,322 ¹
Airports - Share of administrative costs	(47,415)	(47,415)	—
Airports - Interest Earnings	1,600,000	1,600,000	—
Total Airport Trust Fund	38,625,942	40,535,264	1,909,322
Ports - Share of TTF Distribution	61,788,929	64,971,131	3,182,202 ¹
Ports - Share of administrative costs	(79,026)	(79,026)	—
Ports - Interest Earnings	2,300,000	1,600,000	(700,000)
Total Port Trust Fund	64,009,903	66,492,105	2,482,202
Department of Motor Vehicles - Share of TTF Distribution	24,715,571	25,988,452	1,272,881 ¹
DMV - Share of administrative costs	(31,610)	(31,610)	—
Total DMV	24,683,961	25,956,842	1,272,881
Virginia Commercial Space Flight Authority - Share of TTF Distribution	24,715,571	25,988,452	1,272,881 ¹
Space Flight Authority - Share of administrative costs	(31,610)	(31,610)	—
Space - Interest Earnings	20,000	20,000	—
Total Space Flight Authority	24,703,961	25,976,842	1,272,881



DISTRIBUTION OF REVENUE SOURCES	FY 2026 Revised	FY 2027	INCREASE (DECREASE)	
Pass Through Revenue Allocations				
Central Virginia Transportation Authority Fund	\$ 245,400,000	\$ 248,400,000	\$ 3,000,000	
Northern Virginia Transportation Authority Fund	465,625,944	459,852,686	(5,773,258)	
Hampton Roads Transportation Fund	281,000,000	287,400,000	6,400,000	
Hampton Roads Regional Transit Fund	33,700,000	37,100,000	3,400,000	
Total Regional Transportation Programs	1,025,725,944	1,032,752,686	7,026,742	1
Construction				
Financial Assistance to Localities for Ground Transportation	18,526,939	19,227,922	700,983	
State of Good Repair Program	341,000,223	414,133,095	73,132,872	14
High Priority Projects Program	220,987,865	271,208,073	50,220,208	14
Construction District Grant Programs	343,263,132	401,153,951	57,890,819	14
Specialized State and Federal Programs	1,416,270,093	1,528,684,447	112,414,354	15
Virginia Highway Safety Improvement Program	110,493,932	135,604,037	25,110,105	14
Interstate Operations and Enhancement Program	470,565,867	689,630,101	219,064,234	16
Total Construction	2,921,108,051	3,459,641,626	538,533,575	
Special Structures	89,955,822	92,654,497	2,698,675	
DISTRIBUTION OF COMMONWEALTH TRANSPORTATION FUNDS				
	\$ 9,715,666,057	\$10,029,233,883	\$ 313,567,826	
Agency Funding Summary:				
VDOT	\$ 8,431,010,398	\$ 8,805,926,499	\$ 374,916,101	
Less Support to DRPT/VPRA	(116,152,312)	(86,573,265)	29,579,047	
VDOT (Net)	8,314,858,086	8,719,353,234	404,495,148	
DRPT/VPRA	1,248,784,204	1,150,919,596	(97,864,608)	
Ports	64,009,903	66,492,105	2,482,202	
Aviation	38,625,942	40,535,264	1,909,322	
DMV	24,683,961	25,956,842	1,272,881	
Space Flight Authority	24,703,961	25,976,842	1,272,881	
Grand Total	\$ 9,715,666,057	\$10,029,233,883	\$ 313,567,826	

CTF State Revenue Details

STATE REVENUE SOURCES	FY 2026 Revised	FY 2027	INCREASE (DECREASE)
State Tax on Motor Fuels	\$1,555,900,000	\$1,639,400,000	\$83,500,000
Road Tax	82,300,000	84,500,000	2,200,000
Retail Sales & Use Tax	1,477,000,000	1,490,100,000	13,100,000
Motor Vehicle Sales and Use Tax	1,240,200,000	1,361,200,000	121,000,000
International Registration Plan	115,900,000	117,800,000	1,900,000
Motor Vehicle Licenses	222,400,000	232,500,000	10,100,000
Miscellaneous Revenues	18,900,000	20,100,000	1,200,000
Motor Vehicle Rental Tax	43,500,000	43,900,000	400,000
Aviation Fuels Tax	2,000,000	2,000,000	—
Highway Use Fee	104,700,000	103,400,000	(1,300,000)
Insurance Premium	240,400,000	264,500,000	24,100,000
Recordation Tax	63,600,000	67,100,000	3,500,000
Total	\$5,166,800,000	\$5,426,500,000	\$259,700,000

Endnotes

Endnote Number	Description
1	Revenue changes reflect impact of updated state revenue forecast.
2	Decrease represents the unallocated Highway Maintenance and Operating Fund balance from prior years and decreased estimates for miscellaneous revenues.
3	Decrease represents lack of General Fund dollars made available in Fiscal Year 2027. Amount will be updated pending final 2027 Appropriation Act.
4	Revenue and allocations represent funding from regional entities or localities for projects
5	Revenue and allocations reflected planned use of bond proceeds for Route 58 Corridor Program.
6	Other Trust Fund Revenue includes updates for interest earnings expectations.
7	Revenue change reflects updated interest earnings estimate for the Priority Transportation Fund.
8	Federal revenue updates based on apportionment details and obligation limitation available to Virginia. Decrease is due to discontinuation of several IIJA funding programs.
9	Allocation adjustments reflect program growth and supplemental funding for the VDOT Maintenance Program and Financial Assistance to Localities.
10	Allocation adjustments reflect program growth .
11	Allocations in the previous year included a one-time adjustment.
12	Allocation adjustment reflects program growth for personal services and nonpersonal services as well as supplemental IT funding.
13	Allocation adjustment reflects updated assumptions for toll facilities. In addition, General Fund dollars were provided for toll relief on Elizabeth River Crossings, \$24 million in FY 2026, which is not assumed in FY 2027. Amount will be updated pending final 2027 Appropriation Act.
14	Allocation change based on the Six-Year Improvement Program. Updates based on funds available for Construction Formula Distribution.
15	Allocations reflect funding from programs outside of the Construction Formula Distribution.
16	Allocation change based on funds available for Construction Formula Distribution and planned TIFIA loans in FY 2027. The previous fiscal year included \$175 million in General Fund dollars for Interstate 81 Improvement Program.