



FY 2009 – 2014 Working Draft
Six-Year Financial Plan

&

Six-Year Improvement Program

Reta Busher, CFO

April 16, 2008

Six-Year Financial Plan

- Official estimated revenues and allocation assumptions for the FY 2009 – FY 2014 totals \$26.7 billion.
 - Which is \$1.1 billion less than just one year ago.
- Determines the funding available for allocation in the Six-Year Improvement Program for rail, transit, ports, aviation, and highways.
- FY 2009 allocations serve as the budget for both DRPT and VDOT.

Six-Year Financial Plan

- Code of Virginia requires the Commonwealth Transportation Board to:
 - Maintain existing transportation assets to ensure safety of the traveling public shall be the first allocation priority.
 - Allocate funds according to formula for construction on the interstate, primary, secondary and urban state highway systems.
 - Review and comment on budget items not specifically enumerated to the CTB by statute.
 - Set aside defined portions of the TTF for the Commonwealth Port Fund, the Commonwealth Airport Fund and the Commonwealth Mass Transit Fund.

Estimated Revenues

- \$26.7 billion total available for allocation.
- Reflects state revenue forecast reductions of \$1.1 billion for FY 2008 – 2014 from last year's estimate:
 - Loss of Abusive Driver Fee Revenue
 - Reduced Sales Tax, Motor Vehicle Sales Tax and Gas Tax Revenues
- Federal revenue growth of 1.61% is based upon the growth rate of taxable gallons.
- Continuing concern regarding the long-term viability of Federal Funding.

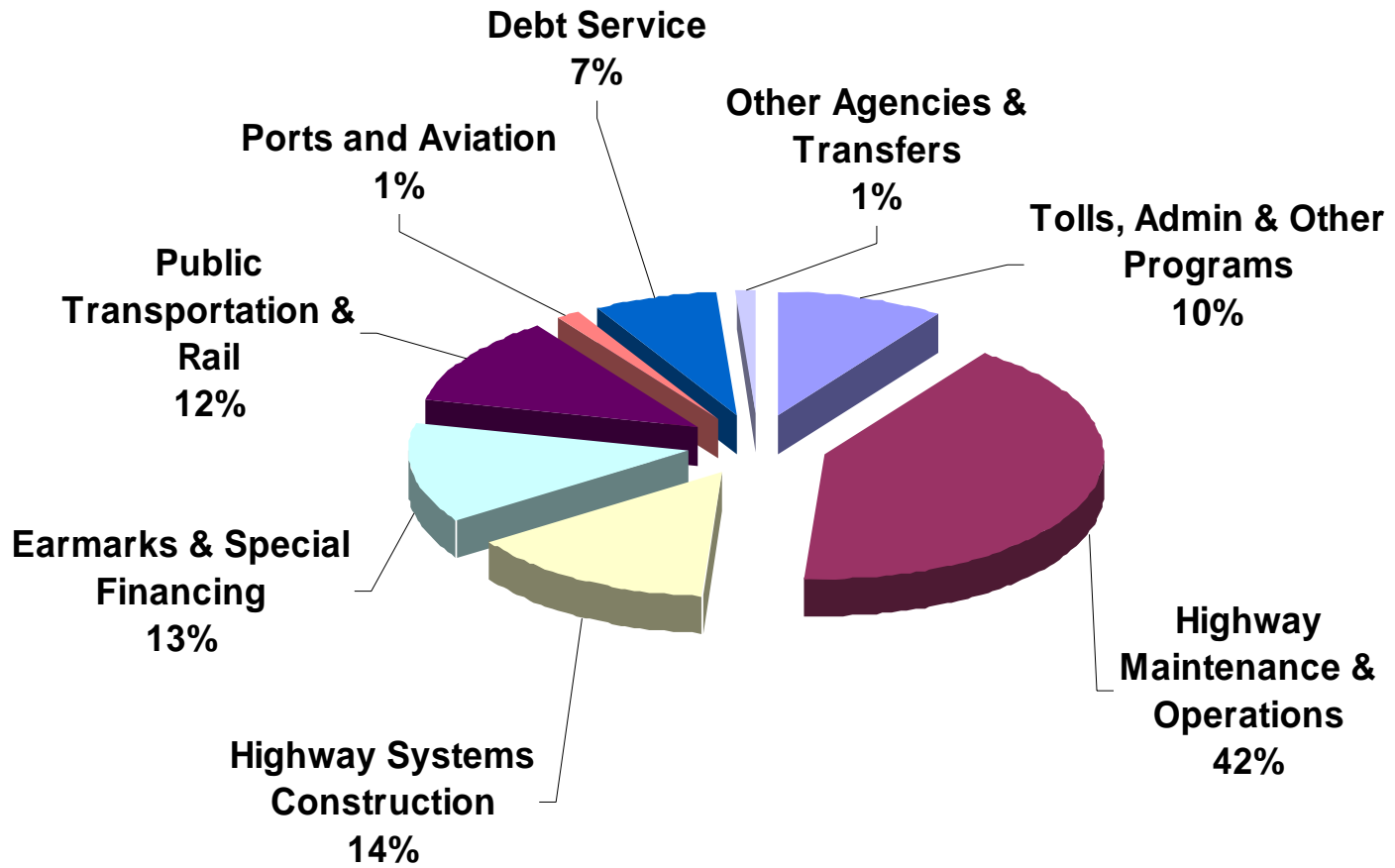
Commonwealth Transportation Fund Estimated Revenues (in millions)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
State Transportation Revenues								
HMO	\$ 1,383.7	\$ 1,512.9	\$ 1,465.6	\$ 1,534.6	\$ 1,560.3	\$ 1,595.0	\$ 1,637.4	\$ 1,646.0
TTF	936.0	897.6	869.1	930.6	964.2	1,000.3	1,040.4	1,063.7
PTF (From TTF)	131.3	109.8	139.5	144.8	154.0	159.9	166.7	173.9
Local and Other Revenues	<u>460.8</u>	<u>575.2</u>	<u>601.7</u>	<u>469.5</u>	<u>366.7</u>	<u>324.8</u>	<u>339.6</u>	<u>397.9</u>
Total	<u>2,911.8</u>	<u>3,095.6</u>	<u>3,075.9</u>	<u>3,079.5</u>	<u>3,045.3</u>	<u>3,080.0</u>	<u>3,184.1</u>	<u>3,281.6</u>
% growth from prior year		6.3%	-0.6%	0.1%	-1.1%	1.1%	3.4%	3.1%
Federal Revenues								
	<u>1,354.9</u>	<u>1,101.7</u>	<u>1,105.6</u>	<u>1,015.8</u>	<u>1,019.7</u>	<u>1,038.7</u>	<u>1,058.2</u>	<u>1,037.6</u>
% growth from prior year		-18.7%	0.4%	-8.1%	0.4%	1.9%	1.9%	-1.9%
Total Revenues	<u>4,266.7</u>	<u>4,197.3</u>	<u>4,181.5</u>	<u>4,095.3</u>	<u>4,064.9</u>	<u>4,118.7</u>	<u>4,242.3</u>	<u>4,319.2</u>
% growth from prior year		-1.6%	-0.4%	-2.1%	-0.7%	1.3%	3.0%	1.8%
Other Financing Sources								
Capital Improvement Bonds		100.0	300.0	300.0	200.0	300.0	300.0	300.0
General Funds	<u>-</u>	<u>500.0</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>600.0</u>	<u>300.0</u>	<u>300.0</u>	<u>200.0</u>	<u>300.0</u>	<u>300.0</u>	<u>300.0</u>
Total Revenues and Other Financing Sources	\$ 4,266.7	\$ 4,797.3	\$ 4,481.5	\$ 4,395.3	\$ 4,264.9	\$ 4,418.7	\$ 4,542.3	\$ 4,619.2

Proposed Allocations (in millions)

	<u>Fiscal Year</u>							
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt Service	\$ 263.5	\$ 263.4	\$ 272.1	\$ 292.8	\$ 289.0	\$ 308.0	\$ 337.3	\$ 407.5
Other Agencies & Transfers	45.3	45.4	47.3	47.6	48.3	49.0	49.8	50.4
Highway Maintenance & Operations	1,498.3	1,583.3	1,671.2	1,733.8	1,801.0	1,870.9	1,943.5	2,020.7
Tolls, Admin & Other Programs	485.7	470.6	454.6	469.6	403.7	418.0	427.1	436.7
Public Transportation & Rail	442.2	694.2	672.3	546.4	495.5	482.8	484.9	454.6
Ports and Aviation	59.2	109.8	57.5	61.6	63.9	66.3	68.9	70.4
Earmarks & Special Financing	340.7	583.0	564.3	577.6	521.0	592.2	611.1	619.2
Highway Systems Construction	<u>1,131.8</u>	<u>1,047.7</u>	<u>742.1</u>	<u>665.9</u>	<u>642.6</u>	<u>631.6</u>	<u>619.7</u>	<u>559.7</u>
Total	\$ 4,266.7	\$ 4,797.3	\$ 4,481.5	\$ 4,395.3	\$ 4,264.9	\$ 4,418.7	\$ 4,542.3	\$ 4,619.2

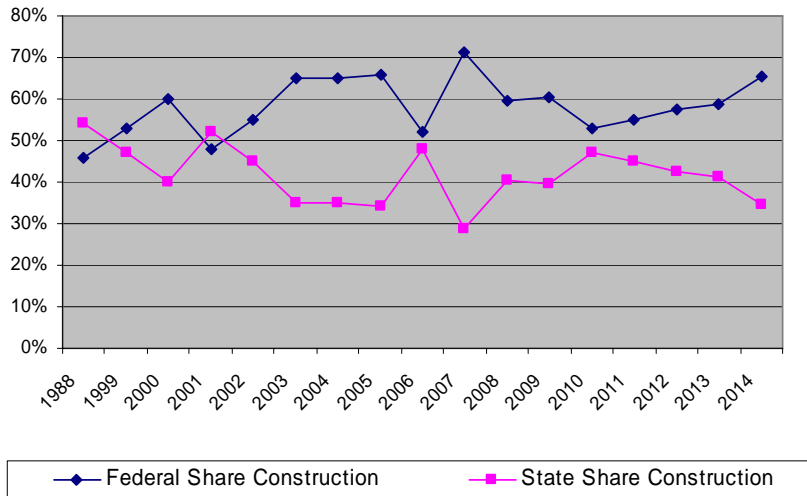
Proposed FY 2009-2014 Six-Year Allocations \$26,721,900



Same Spending Priorities

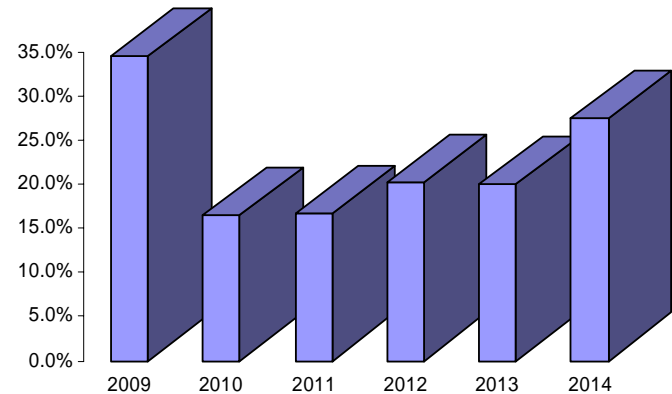
- Debt service includes new debt authorization which accounts for 7% of total funding.
- Maintenance represents 42% of the total CTB budget
 - Includes both VDOT maintenance and city and county highway maintenance payments
 - 4% growth rate in FY 2009 is \$63 million
 - By 2014 at a rate of 4%, highway maintenance will increase by \$415 million or a cumulative \$1.4 billion over the six years.
- Only growth in programs outside of maintenance and construction are for legislatively approved pay increases and related benefits.

Federal Share of Construction



- The federal share for the secondary and urban state formula allocations averages 23%
- Averaged 15% in the FY 2008-13 program

- Federal share of systems construction averages 58% in draft FY 2009-14 program
- Averaged 52% in the FY 2008-13 program



1

Six-Year Improvement Program

- The FY 2009-2014 Six Year Improvement Program for highways allocates available funding to specific projects in the amount of \$7.74 billion.
- \$5.31 billion is for projects on the interstate, primary, secondary and urban systems and \$2.4 billion is:
 - \$1 billion maintenance and operations
 - \$870 million for RSTP, CMAQ and Safety (HSIP)
 - \$128 million Enhancement
 - \$150 million Statewide Access Mgt and Operational Improvements
- Because the primary, secondary and urban construction projects are the last items to be funded, they are the most affected by revenue swings and increased costs.

Six-Year Improvement Program

Highway System	FY 09-14 Working Draft
Interstate System	\$2.05 billion
Primary System	\$1.57 billion
Secondary System	\$0.97 billion
Urban System	\$0.72 billion
Other Special Funds	\$2.43 billion
Total Program Funding	\$7.74 billion

Six-Year Improvement Program

- 49 Existing Interstate Projects to be Completed FY09-14:
 - Bristol 7
 - Culpeper 2
 - Fredericksburg 1
 - Hampton Roads 7
 - Lynchburg 0
 - Richmond 9
 - Northern Virginia 10
 - Salem 2
 - Staunton 11

Six-Year Improvement Program

- 25 Existing Primary Project Phases Cut from the Draft:
 - Bristol 2
 - Culpeper 3
 - Fredericksburg 4
 - Hampton Roads 3
 - Lynchburg 2
 - Northern Virginia 2
 - Richmond 1
 - Salem 4
 - Staunton 4

Six-Year Improvement Program

- 114 Primary Projects to be Advertised for Construction in FY 2009-2014:
 - Bristol 21
 - Culpeper 7
 - Fredericksburg 9
 - Hampton Roads 3
 - Lynchburg 13
 - Richmond 16
 - Northern Virginia 16
 - Salem 19
 - Staunton 10

Six-Year Improvement Program

- Existing Secondary Projects Delayed (224) or Cut (174):

	<u>Delayed</u>	<u>Cut</u>
– Bristol	57	43
– Culpeper	15	21
– Fredericksburg	15	2
– Hampton Roads	13	9
– Lynchburg	29	33
– Northern Virginia	7	12
– Richmond	42	38
– Salem	28	13
– Staunton	18	3

Six-Year Improvement Program

- 72 Existing Urban Projects Delayed to date:

Delayed

– Bristol	16
– Culpeper	4
– Hampton Roads	23
– Lynchburg	3
– Richmond	11
– Northern Virginia	5
– Salem	8
– Staunton	2

Six-Year Improvement Program

- Six Public Hearings starting tonight with Lynchburg and Salem Districts
- Finalize the Program
- Present to CTB for Adoption June 19, 2008



FY 2009 – 2014 Working Draft
Six-Year Financial Plan
&
Six-Year Improvement Program

Reta Busher, CFO

April 16, 2008