

Fiscal Year 2014

Commonwealth Transportation Fund Budget
June 2013



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The Fiscal Year 2014 budget for the Commonwealth Transportation Fund (CTF) identifies the estimated revenues and the distribution of the revenues to the related transportation agencies and programs. It is based on the most recent official state revenue forecast from April 2013 and estimated federal funding. The CTF Budget for FY 2014 totals \$5,207,123,266, an 11.1% increase from the FY 2013 Budget of \$4,688,094,957.

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).

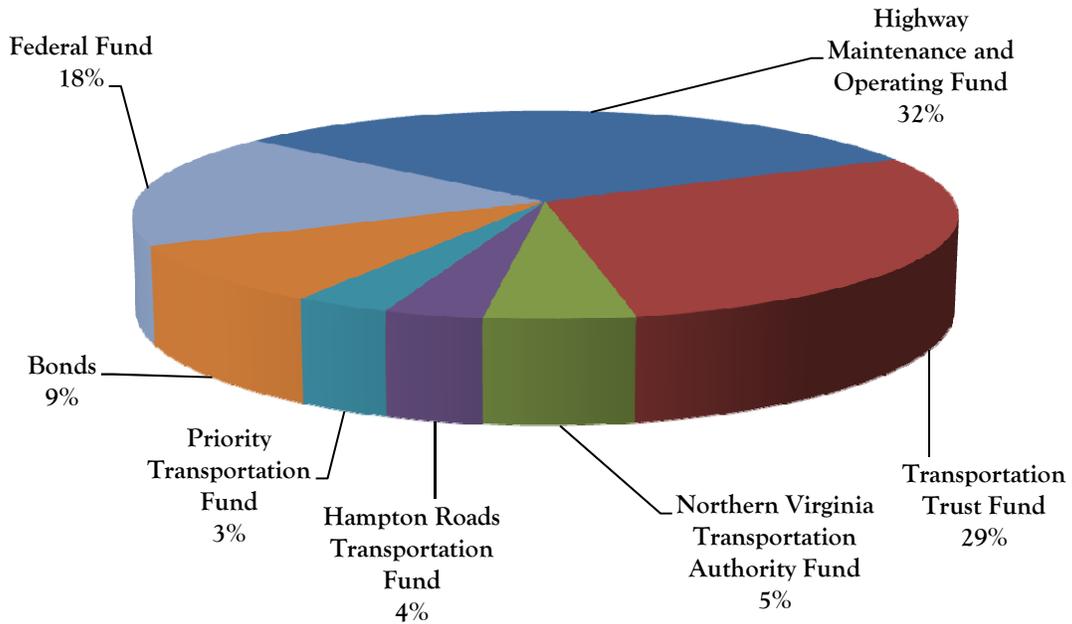
Funding for transportation was addressed during the 2013 General Assembly Session by House Bill 2313 (Chapter 766). The revenues generated by HB 2313 will breathe new life into Virginia's transportation program. It will provide substantial, sustainable revenues to eliminate the state maintenance crossover during the six-year financial plan and provide funding for construction formula distributions. Dedicated funding is provided for Mass Transit and the Intercity Passenger Rail Operating and Capital Fund.

Major revenue changes include:

- Eliminate 17.5 cents/gallon tax on motor fuel (gasoline and diesel)
- Implement a 3.5% Sales and Use Tax on gasoline and 6% on diesel
- 0.3% Sales and Use Tax increase (5.3% total), increase dedicated to transportation
- \$64 Alternative Fuel Vehicle Fee
- Increase titling tax from 3% to 4.15% over four years (4% in FY 2014)
- Incremental sales tax commitment to transportation (0.5% to 0.675% over five years)
- Dedicates a portion of the retail sales and use taxes to be generated by the Marketplace Fairness Act (MFA) when implemented, to transportation

HB 2313 will also generate additional revenues in Hampton Roads and Northern Virginia to address the special transportation needs of those areas.

**Commonwealth Transportation Fund
Total Revenues FY 2014**

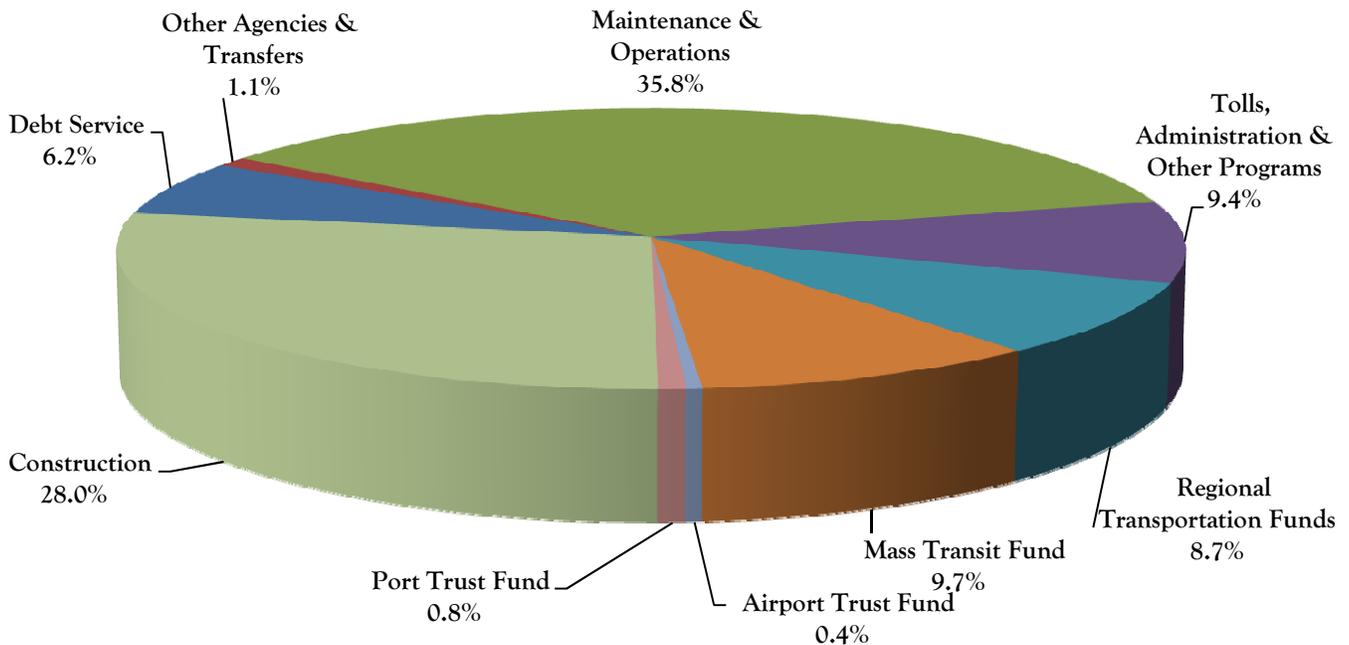


Highway Maintenance and Operating Fund	\$1,655,999,810
Transportation Trust Fund	1,508,694,834
Northern Virginia Transportation Authority Fund	272,490,000
Hampton Roads Transportation Fund	179,300,000
Priority Transportation Fund	173,913,361
Bonds	486,797,137
Federal Fund	929,928,124
Total	\$5,207,123,266



The revenues are dedicated to specific funds within the CTF. The revenues for the Highway Maintenance and Operating Fund (HMOF) support highway maintenance, operations and administration. The Priority Transportation Fund (PTF) revenues are dedicated to debt service on the Federal Highway Reimbursement Anticipation Notes (FRANs) and the Commonwealth of Virginia Transportation Capital Projects Revenue Bonds. Federal revenues are used for their defined purposes to support construction, maintenance or transit.

The Transportation Trust Fund revenues are distributed by formula, as defined by the Code of Virginia, to the Construction Fund, the Mass Transit Fund, the Airport Fund and the Port Fund. The 78.7% distributed to the Construction Fund is managed by VDOT. The 14.7% provided to the Mass Transit Fund supports transit operations, capital and special programs and is managed by the DRPT. The Airport Fund's 2.4% is provided to the Aviation Board and the 4.2% to the Port Fund is managed by the Virginia Port Authority.



Debt Service	\$323,749,145
Other Agencies & Transfers	55,585,670
Maintenance & Operations	1,864,264,546
Tolls, Administration & Other Programs	487,917,923
Regional Transportation Funds	451,790,000
Mass Transit Fund	504,255,129
Airport Trust Fund	22,817,407
Port Trust Fund	39,776,317
Construction	1,456,967,129
GRAND TOTAL RECOMMENDED DISTRIBUTIONS	\$5,207,123,266



STATE REVENUE SOURCES	FY 2013	FY 2014	INCREASE (DECREASE)
Highway Maintenance & Operating Fund (HMOF)			
State Revenue	\$1,396,800,000	\$1,641,958,109	\$245,158,109 ¹
Other	28,724,654	14,041,701	(14,682,953)
Total HMOF	1,425,524,654	1,655,999,810	230,475,156
Transportation Trust Fund (TTF)			
Revenue Available for Modal Distribution	930,000,000	941,975,000	11,975,000
Interest Earnings	14,508,505	8,456,393	(6,052,112)
Toll Facilities	30,311,501	28,885,260	(1,426,241)
Local Revenue Sources	211,457,038	188,143,577	(23,313,461)
CPR Bonds	600,000,000	284,102,137	(315,897,863)
Net Premiums from Previous Sales	78,502,635	-	(78,502,635)
GARVEE Bonds	-	202,695,000	202,695,000 ²
Other Trust Fund Revenue	121,292,242	341,234,604	219,942,362
Other Trust Fund Revenue	1,986,071,921	1,995,491,971	9,420,050
Priority Transportation Fund (PTF)			
State Revenue	170,922,458	151,506,382	(19,416,076) ³
Other	11,652,887	22,406,979	10,754,092 ⁴
Total PTF	182,575,345	173,913,361	(8,661,984)
Regional Transportation Funds			
State Revenue	-	451,790,000	451,790,000 ¹
Total Regional Transportation Funds	-	451,790,000	451,790,000
TOTAL STATE REVENUES	3,594,171,920	4,277,195,142	683,023,222
Federal Funding Sources			
Federal Highway Administration (FHWA)	1,046,356,866	895,644,642	(150,712,224) ⁵
Federal Transit Administration (FTA)	47,566,171	34,283,482	(13,282,689)
Total Federal Funding	1,093,923,037	929,928,124	(163,994,913)
TOTAL COMMONWEALTH TRANSPORTATION FUNDS	\$4,688,094,957	\$5,207,123,266	\$519,028,309



DISTRIBUTION OF REVENUE SOURCES	FY 2013	FY 2014	INCREASE (DECREASE)
Debt Service			
Toll Facilities Debt	\$7,226,852	\$3,190,600	(\$4,036,252) ⁶
Northern Virginia Transportation District	34,279,079	33,138,949	(1,140,130)
Oak Grove Connector	2,224,500	2,226,250	1,750
Route 28	7,530,300	7,209,719	(320,581)
Route 58	48,264,750	51,427,150	3,162,400
GARVEE Bonds	33,430,026	52,643,116	19,213,090 ⁷
FRANs	48,423,063	31,715,775	(16,707,288) ⁸
CPR Bonds	118,655,551	130,328,541	11,672,990 ⁹
Other	-	11,869,045	11,869,045
Total Debt Service	300,034,121	323,749,145	23,715,024
Other Agencies & Transfers			
Trust Fund Management	2,973,029	2,973,029	-
Support to Other State Agencies (excludes DRPT)	45,532,835	49,584,324	4,051,489
Indirect Costs	3,028,317	3,028,317	-
Total State Agencies	51,534,181	55,585,670	4,051,489
Maintenance & Operations			
Highway System Maintenance	1,454,182,000	1,467,347,738	13,165,738
Financial Assist. to Localities for Ground Trans. - Cities	326,755,339	336,995,531	10,240,192
Financial Assist. to Localities for Ground Trans. - Counties	49,453,394	59,921,277	10,467,883
Total Maintenance & Operations	1,830,390,733	1,864,264,546	33,873,813
Tolls, Administration & Other Programs			
Ground Transportation System Planning & Research	65,093,846	65,940,956	847,110
Environmental Monitoring & Compliance	10,162,192	13,663,126	3,500,934
Administrative & Support Services	231,280,656	246,146,335	14,865,679
Program Management & Direction	25,489,826	23,902,292	(1,587,534)
Toll Facilities Operations	9,747,126	13,577,315	3,830,189
Toll Facility Revolving Account	26,347,643	104,687,899	78,340,256 ¹⁰
Capital Outlay	11,600,000	20,000,000	8,400,000
Total Tolls, Administration & Other Programs	379,721,289	487,917,923	108,196,634



DISTRIBUTION OF REVENUE SOURCES	FY 2013	FY 2014	INCREASE (DECREASE)
Transit and Rail Funds			
Share of Modal Distribution (14.7%)	\$133,055,119	\$137,917,408	\$4,862,289
Transit	-	66,500,000	66,500,000 ¹
Surface Transportation Program	16,131,523	26,130,677	9,999,154
Equity Bonus	8,946,892	-	(8,946,892)
Federal Transit Authority (FTA)	47,566,171	34,283,482	(13,282,689)
CMAQ (without State Match)	10,866,615	778,498	(10,088,117)
STP Regional (without State Match)	13,487,364	1,460,800	(12,026,564)
Rail Fund	24,825,000	26,925,000	2,100,000
Interest Earnings	2,781,000	417,761	(2,363,239)
Metro Matters	50,000,000	50,000,000	-
Transit Capital Bonds	91,401,054	60,000,000	(31,401,054)
Rail Bonds	16,275,613	12,900,000	(3,375,613)
Recordation Taxes for Transit Operating Intercity Passenger Rail Operating and Capital Fund (IPROC)	-	44,300,000	44,300,000 ¹
Other	805,959	822,078	16,119
Subtotal Mass Transit Fund-Direct Support	441,742,310	490,735,704	48,993,394
Mass Transit Fund-Support from			
Construction	13,240,245	7,559,825	(5,680,420)
Mass Transit Fund-Support from HMOF	5,236,863	5,959,600	722,737
Subtotal Mass Transit Support from Highways	18,477,108	13,519,425	(4,957,683)
Total Mass Transit Fund	460,219,418	504,255,129	460,219,418
Airport Trust Fund			
Share of Modal Distribution (2.4%)	21,723,284	22,517,127	793,843
Interest Earnings	289,553	300,280	10,727
Total Airport Trust Fund	22,012,837	22,817,407	804,570
Port Trust Fund			
Share of Modal Distribution (4.2%)	38,015,748	39,404,974	1,389,226
Interest Earnings	473,377	371,343	(102,034)
Total Port Trust Fund	38,489,125	39,776,317	1,287,192



DISTRIBUTION OF REVENUE SOURCES	FY 2013	FY 2014	INCREASE (DECREASE)
Regional Transportation Programs			
Northern Virginia Transportation Authority Fund	\$ -	\$272,490,000	\$272,490,000 ¹
Hampton Roads Transportation Authority Fund	-	179,300,000	179,300,000 ¹
Total Regional Transportation Programs	-	451,790,000	451,790,000

Construction (FY 2013 Restated)			
Dedicated and Statewide Construction	1,044,471,206	960,122,893	(84,348,313)
Financial Assistance to Localities for Ground Transportation	14,656,743	40,845,473	26,188,730
Interstate System	164,282,615	128,479,867	(35,802,748)
Primary System	234,518,355	212,421,341	(22,097,014)
Secondary System	64,662,175	50,112,403	(14,549,772)
Urban System	83,102,159	64,985,152	(18,117,007)
Total Construction	1,605,693,253	1,456,967,129	(148,726,124)

DISTRIBUTION OF COMMONWEALTH TRANSPORTATION FUNDS	\$4,688,094,957	\$5,207,123,266	\$519,028,308
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Agency Funding Summary:			
VDOT	\$4,185,850,685	\$4,653,793,838	\$467,943,153
Less Support to DRPT	(18,477,108)	(13,519,425)	4,957,683
VDOT (Net)	4,167,373,577	4,640,274,413	472,900,836
DRPT	460,219,418	504,255,129	44,035,711
Ports	38,489,125	39,776,317	1,287,192
Aviation	22,012,837	22,817,407	804,570
Grand Total	\$4,688,094,957	\$5,207,123,266	\$519,028,309

Highway Maintenance and Operating Fund Details

STATE REVENUE SOURCES	FY 2013	FY 2014	INCREASE (DECREASE)
Motor Vehicle Fuels Tax	\$729,000,000	\$ -	(\$729,000,000)
Sales Tax on Motor Fuels	-	500,900,000	500,900,000
Road Tax	5,100,000	(200,000)	(5,300,000)
Motor Vehicle Sales & Use Tax	354,100,000	585,000,000	230,900,000
Retail Sales & Use Tax	-	155,000,000	155,000,000
Hybrid Fee	-	6,500,000	6,500,000
Sales Tax Diversion from General Fund	-	49,000,000	49,000,000
International Registration Plan	62,600,000	65,300,000	2,700,000
Motor Vehicle Licenses	220,400,000	215,900,000	(4,500,000)
Miscellaneous Revenues	12,800,000	17,400,000	4,600,000
Recordation Tax	12,800,000	13,500,000	700,000
Total	\$1,396,800,000	\$1,608,300,000	\$211,500,000

Transportation Trust Fund Details

MAJOR TTF SOURCES	FY 2013	FY 2014	INCREASE (DECREASE)
Motor Vehicle Fuels Tax	\$108,000,000	\$ -	(\$108,000,000)
Sales Tax on Motor Fuels	-	93,900,000	93,900,000
Road Tax	7,400,000	8,200,000	800,000
Aviation Fuels Tax	2,200,000	2,200,000	-
State General Sales & Use Tax	543,300,000	552,100,000	8,800,000
Motor Vehicle Sales & Use Tax	188,800,000	213,400,000	24,600,000
Motor Vehicle Rental Tax	33,300,000	35,300,000	2,000,000
License Fees	21,400,000	21,500,000	100,000
Recordation Tax	25,600,000	27,000,000	1,400,000
Total	\$930,000,000	\$953,600,000	\$23,600,000

Appendix - FY 2013 Restatement of Highway Construction

MAP-21, the Moving Ahead for Progress in the 21st Century Act (P.L. 112-141), was signed into law by President Obama on July 6, 2012. With the passage of MAP-21, new funding data became available from Federal Highway Administration (FHWA). This included: Actual 2013 Apportionments, 2014 Estimated Apportionments, and Obligation Authority for Federal Fiscal Year 2013. This occurred soon after the CTB had approved the FY 2013 Annual Budget and FY 2013-2018 Six-Year Improvement Program. VDOT staff reviewed FHWA guidance on the new federal programs as it was released and how they varied from the programs continued from SAFETEA-LU. As the fiscal year progressed, it was determined that we could crosswalk federal program allocations on project from SAFETEA-LU allocations to MAP-21 allocations.

This appendix provides the details of the FY 2013 Highway System Acquisition and Construction Program (603) and how they were re-stated to MAP-21 program allocations. The adjustments also reflect transfers between programs/highway systems made during the year. Any updates needed for assumptions made for federal revenue for FY 2013 were applied to the recommended allocations available in FY 2014.

DISTRIBUTION OF REVENUE SOURCES	ORIGINAL FY 2013	RESTATED FY 2013	INCREASE (DECREASE)
Construction			
Dedicated and Statewide Construction	\$1,036,879,412	\$1,044,471,206	\$7,591,794
Financial Assist. to Localities for Ground Tran	14,656,743	14,656,743	-
Interstate System	166,357,184	164,282,615	(2,074,569)
Primary System	221,146,620	234,518,355	13,371,735
Secondary System	65,029,136	64,662,175	(366,961)
Urban System	101,624,158	83,102,159	(18,521,999)
Total Construction	\$1,605,693,253	\$1,605,693,253	\$ -

Endnotes

Endnote Number	Description
1	Reflects additional revenue provided by House Bill 2313 of the 2013 General Assembly Session.
2	Due to the allocation level provided for in FY 2012, additional allocation of the use of GARVEE Bonds was not necessary in FY 2013. For anticipated sales in FY 2014, additional allocation is needed.
3	Reflects revised revenue estimate for FY 2013 from the December 2013 Official Forecast.
4	Reflects an increase in unallocated PTF balances.
5	FY 2014 federal revenues are based on MAP-21 projected amounts, including adjustments for prior year assumptions and no planned growth in the federal programs.
6	Reflects a decrease in toll facilities debt due to the reduction in debt owed to Chesterfield County by the Powhite Parkway Extension. Remaining debt of the toll facility that is owed to VDOT will be transferred between funds.
7	Reflects an increase in GARVEEs debt service due to additional sales during FY 2013 and planned for FY 2014.
8	Reflects a decrease in FRANs debt service due to the planned repayment schedule. FRANs aggregate debt service payments will be completed in FY 2016.
9	Reflects an increase in CPR debt service due to planned additional sales.
10	Reflects an increase due to the allocation of \$85 million in undesignated balances in the Toll Facilities Revolving Account. These funds will be provided to the Route 460 Corridor Improvement Project.