



Fiscal Year 2015

VDOT Annual Budget
June 2014

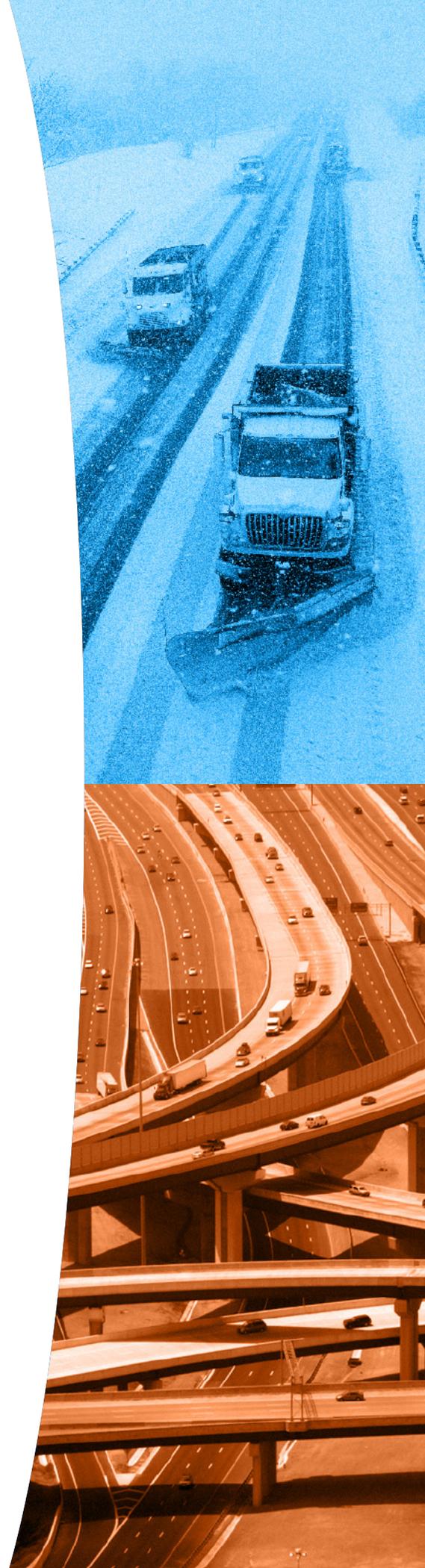


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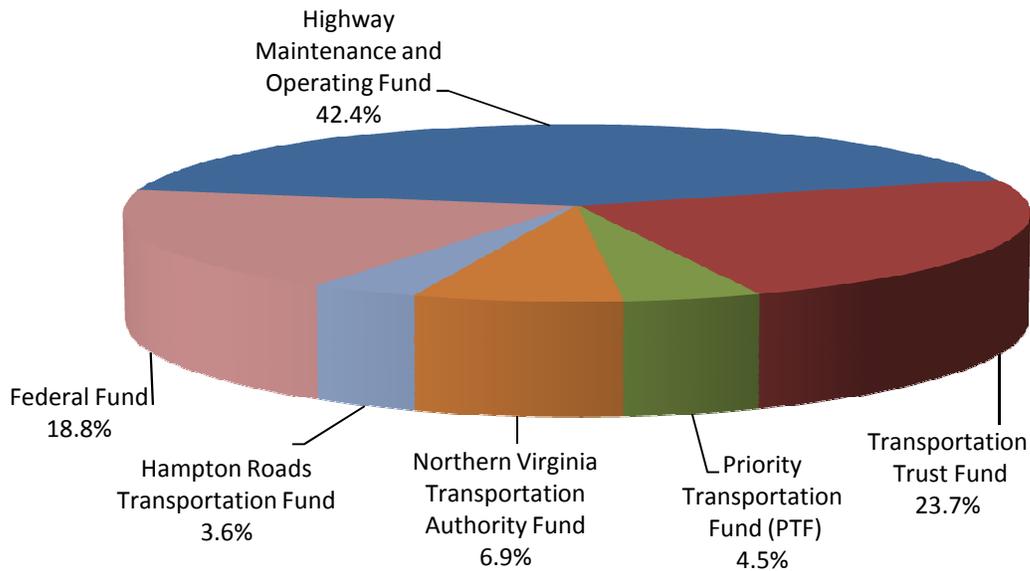
Overview

The Fiscal Year 2015 (FY 2015) 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 most recent official state revenue forecast from December 2013 and estimated federal funding. The VDOT Budget for FY 2015 totals \$4,348,496,996, a 6.6% decrease from the FY 2014 Budget of \$4,656,293,838.

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).

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. Estimated revenues for FY 2015 reflect the second year of implementation of major changes to revenue dedicated to transportation.

Sources of Transportation Funds

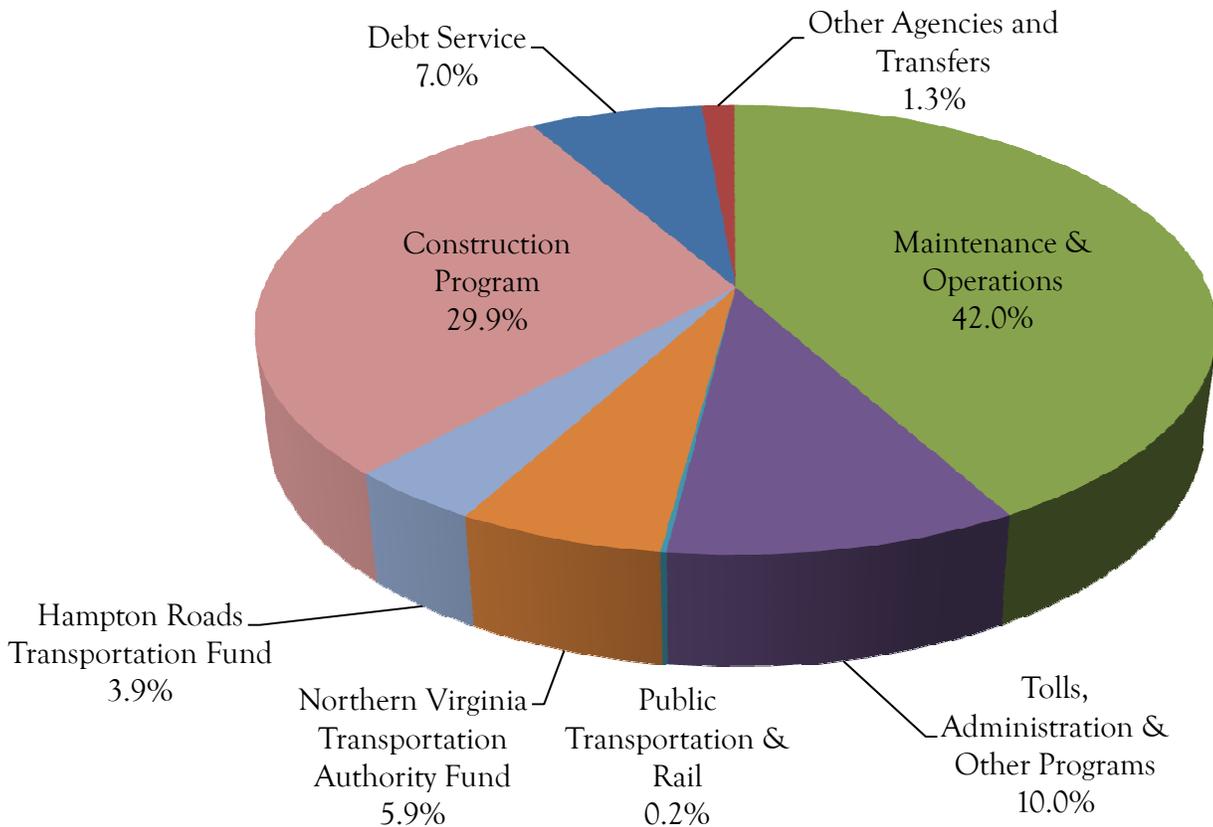


Highway Maintenance and Operating Fund	\$1,842,558,469
Transportation Trust Fund	1,035,223,771
Priority Transportation Fund (PTF)	197,421,822
CPR Bonds	-
GARVEE Bonds	-
Northern Virginia Transportation Authority Fund	299,276,334
Hampton Roads Transportation Fund	155,928,133
Federal Fund	818,088,467
Total	\$4,348,496,996

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. The following is a summary of the programs by spending category:

	REVISED FY 2014	FY 2015	INCREASE (DECREASE)
Debt Service	\$323,749,145	\$325,673,181	\$1,924,036
Other Agencies and Transfers	61,545,270	62,862,562	1,317,292
Maintenance & Operations	1,956,330,389	1,937,660,305	(18,670,084)
Tolls, Administration & Other Programs	463,352,080	418,221,371	(45,130,709)
Public Transportation & Rail	7,559,825	3,197,301	(4,362,524)
Northern Virginia Transportation Authority Fund	272,490,000	299,276,334	26,786,334
Hampton Roads Transportation Fund	179,300,000	155,928,133	(23,371,867)
Construction Program	1,391,967,129	1,145,677,809	(246,289,320)
Total	\$4,656,293,838	\$4,348,496,996	(\$307,796,842)



Revenues

VDOT's revenues are specifically designated for transportation. Four primary state taxes provide for transportation in Virginia: Sales Tax on Motor Fuels, Motor Vehicle Sales and Use Tax, Motor Vehicle License Fee, and State Sales and Use Tax. The following table summarizes VDOT's FY 2015 revenues.

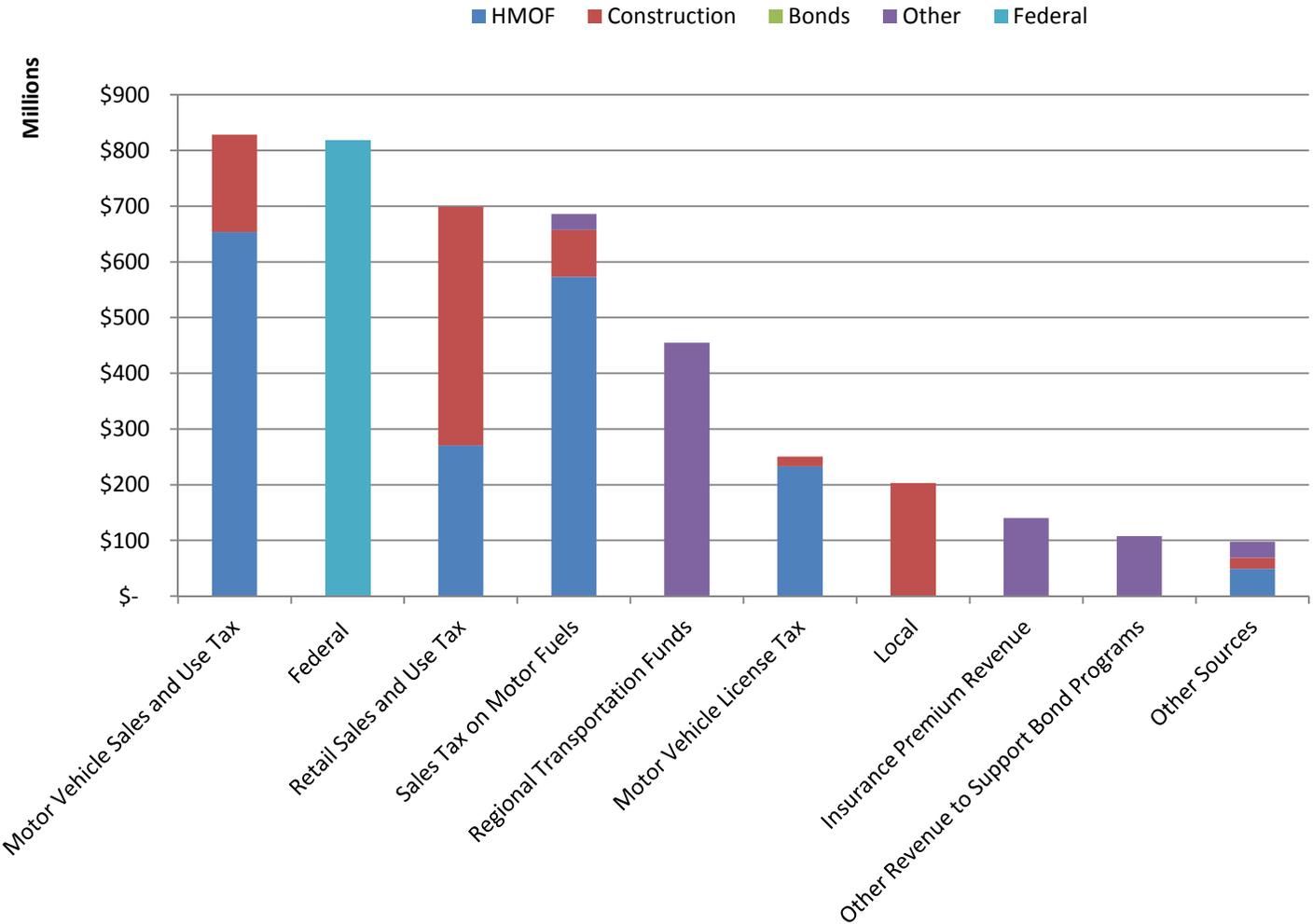
Source	HMOF	Construction*	Federal	Bonds	Other	TOTAL
Sales Tax on Motor Fuels	\$573,000,000	\$84,523,800	\$ -	\$ -	\$28,600,000	\$686,123,800
Motor Vehicle Sales and Use Tax	653,500,000	174,792,700	-	-	-	828,292,700
Motor Vehicle License Tax	232,800,000	17,628,800	-	-	-	250,428,800
Retail Sales and Use Tax	270,500,000	428,600,200	-	-	-	699,100,200
International Registration Plan	63,500,000	-	-	-	-	63,500,000
CPR Bonds	-	-	-	-	-	-
GARVEE Bonds	-	-	-	-	-	-
Other Revenue to Support Bond Programs	-	-	-	-	107,527,258	107,527,258
Insurance Premium Revenue	-	-	-	-	140,100,000	140,100,000
Local	-	202,777,696	-	-	-	202,777,696
Regional Transportation Funds	-	-	-	-	455,204,467	455,204,467
Other Sources	49,258,469	19,521,198	-	-	28,573,941	97,353,608
Federal	-	-	818,088,467	-	-	818,088,467
Transfer to HMOF	300,631,350	(300,631,350)	-	-	-	-
Transfer from HMOF for MWAA	(100,000,000)	100,000,000	-	-	-	-
TOTAL	\$2,043,189,819	\$727,213,044	\$818,088,467	\$ -	\$ 760,005,666	\$4,348,496,996

* Includes Highway Share of TTF and other special funds.

** Other Sources includes VDOT Toll Facility Revenue, Cell Tower Lease Revenue, E-Z Pass Operations, Unallocated Balances, Interest and Other Miscellaneous Items.

Revenues Dedicated to VDOT

This chart illustrates the revenues of the agency and their relative contribution. The Motor Vehicle Sales and Use Tax the largest single source.

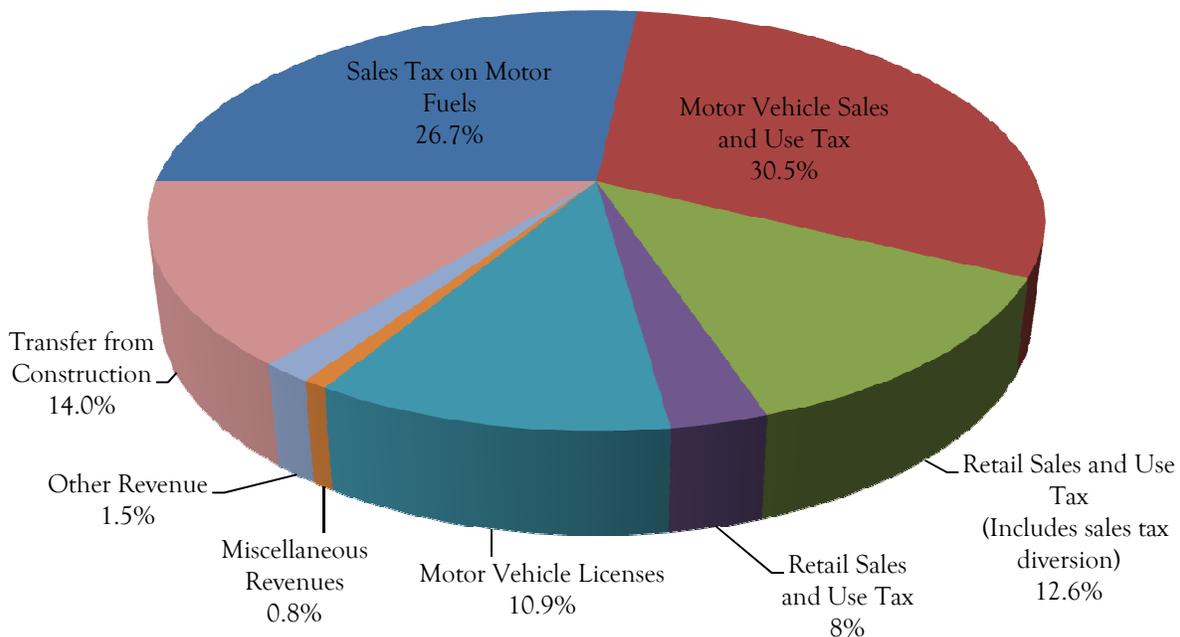


Highway Maintenance & Operating Fund

The Highway Maintenance and Operating Fund (HMOF) is one of VDOT's major funds. It is funded by dedicated state revenues as listed below. 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.

HMOF Revenue Sources	REVISED FY 2014	FY 2015	Difference
Sales Tax on Motor Fuels	\$500,900,000	\$573,000,000	\$72,100,000
Motor Vehicle Sales and Use Tax	585,000,000	653,500,000	68,500,000
Retail Sales and Use Tax (Includes sales tax diversion)	204,000,000	270,500,000	66,500,000
International Registration Plan	65,300,000	63,500,000	(1,800,000)
Motor Vehicle Licenses	215,900,000	232,800,000	16,900,000
Miscellaneous Revenues	17,400,000	16,100,000	(1,300,000)
Other Revenue	69,999,810	33,158,469	(36,841,341)
Subtotal	1,658,499,810	1,842,558,469	184,058,659
Transfer from Construction	417,519,962	300,631,350	(116,888,612)
Transfer to Construction for MWAA	(100,000,000)	(100,000,000)	-
Total	\$1,976,019,772	\$2,043,189,819	\$67,170,047

HMOF Revenue Sources, FY 2015

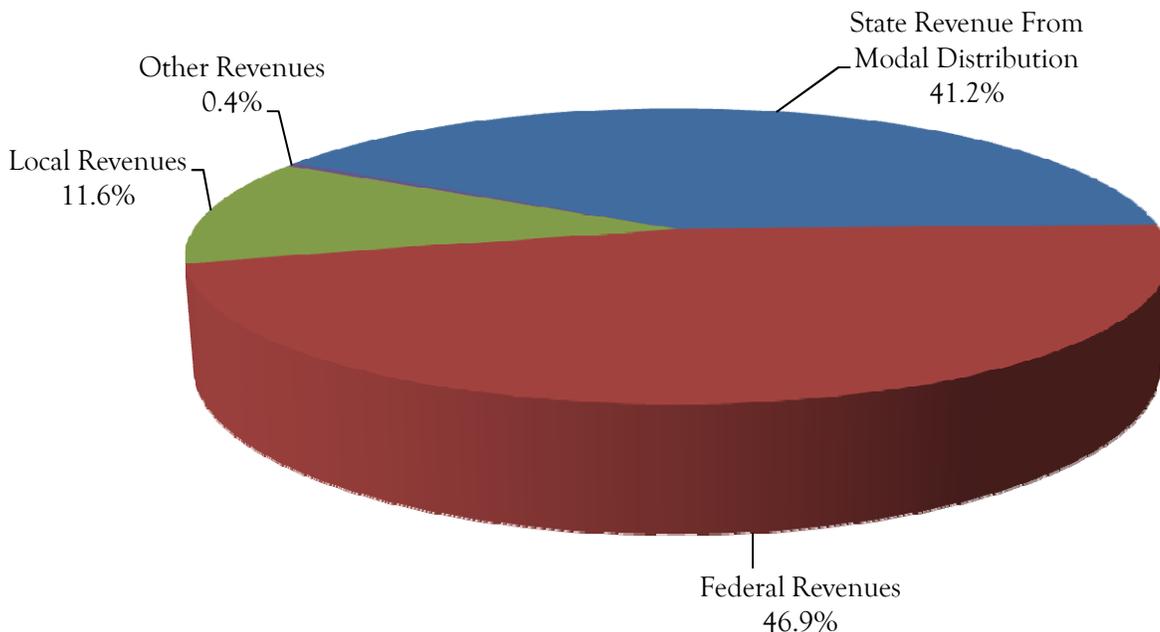


Transportation Trust Fund - Construction

The Transportation Trust Fund was created by the 1986 Special Session. VDOT manages the 78.7% of the TTF funds dedicated by the Code of Virginia for highway construction. State Revenue from Modal Distribution includes motor vehicle fuels tax, motor vehicle sales tax, and state retail sales and use tax. The following table identifies the construction fund revenues by major source.

Construction Fund Revenue Sources	REVISED		
	FY 2014	FY 2015	Difference
State Revenue From Modal Distribution	\$748,306,929	\$718,576,314	(\$29,730,615)
Federal Revenues	867,274,667	818,088,467	(49,186,200)
Local Revenues	187,321,499	202,777,696	15,456,197
Other Revenues	12,567,830	6,490,384	(6,077,446)
GARVEE Bonds	202,695,000	-	(202,695,000) ²
CPR Bonds	161,202,137	-	(161,202,137) ²
Total	\$2,179,368,062	\$1,745,932,861	(\$433,435,201)

**Construction Fund Revenue by Source,
FY 2015**

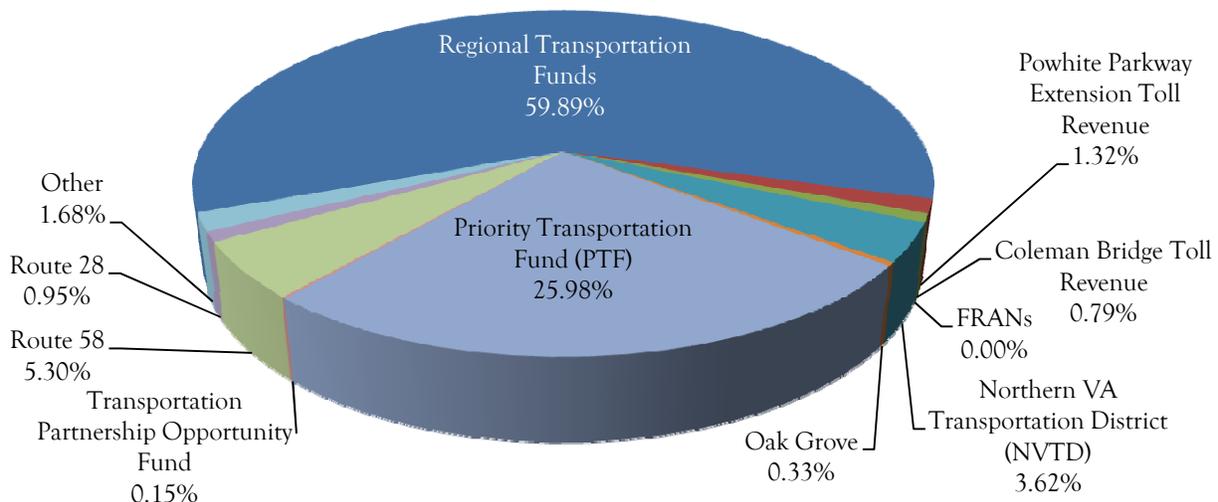


Other Fund Revenues

In addition to the two major state funds, 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	REVISED FY 2014	FY 2015	Difference
Regional Transportation Funds	\$451,790,000	\$455,204,467	\$3,414,467
Powhite Parkway Extension Toll Revenue	10,205,100	10,000,000	(205,100)
Coleman Bridge Toll Revenue	6,562,815	6,000,000	(562,815)
FRANs	3,000	800	(2,200)
Northern VA Transportation District (NVTD)	27,476,173	27,482,742	6,569
Oak Grove	2,505,000	2,511,484	6,484
Priority Transportation Fund (PTF)	173,913,361	197,421,822	23,508,461
Transportation Partnership Opportunity Fund	1,244,453	1,109,850	(134,603)
Route 58	40,399,000	40,294,391	(104,609)
Route 28	7,209,719	7,216,819	7,100
Other	97,117,345	12,763,291	(84,354,054)
Total	\$818,425,966	\$760,005,666	(\$58,420,300)
Total Construction Major Sources (page 10)	2,179,368,062	1,745,932,861	(433,435,201)
Transfer to HMOF	(417,519,962)	(300,631,350)	116,888,612
Transfer from HMOF for MWAA	100,000,000	100,000,000	-
Total Construction Fund	\$2,680,274,066	\$2,305,307,177	(\$374,966,889)

Other Fund Revenue, FY 2015



VDOT Program Descriptions & Allocations

Summary of Allocations by Program

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

	REVISED FY 2014	RECOMMENDED FY 2015	INCREASE (DECREASE)
Environmental Monitoring and Evaluation (514)	\$11,210,399	\$13,304,161	\$2,093,762 ⁴
Ground Transportation Planning and Research (602)	59,142,377	68,077,956	8,935,579 ⁴
Highway System Acquisition and Construction (603)	1,373,996,948	1,145,677,809	(228,319,139) ⁴
Highway System Maintenance (604)	1,559,413,581	1,512,705,581	(46,708,000) ⁴
Commonwealth Toll Facilities (606)	121,455,814	33,871,726	(87,584,088) ³
Financial Assistance to Localities (607)	889,552,281	880,159,191	(9,393,090)
Non-Toll Supported Transportation Debt Service (612)	320,558,545	325,673,181	5,114,636
Administrative and Support Services (699)	231,858,798	264,958,211	33,099,413 ⁴
VDOT Capital Outlay (998)	20,000,000	38,009,317	18,009,317
Support to Other State Agencies	61,545,270	62,862,562	1,317,292
Support to DRPT Programs	7,559,825	3,197,301	(4,362,524)
Total	\$4,656,293,838	\$4,348,496,996	(\$307,796,842)

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.

ENVIRONMENTAL MONITORING & EVALUATION (514)	REVISED FY 2014	RECOMMENDED FY 2015	INCREASE (DECREASE)
Environmental Monitoring & Compliance for Highway Projects (514008)	\$8,970,178	\$10,849,663	\$1,879,485
Environmental Monitoring Program Management (514009)	2,240,221	2,454,498	214,277
TOTAL ENVIRONMENTAL MONITORING & EVALUATION	\$11,210,399	\$13,304,161	\$2,093,762
TTF	11,210,399	13,304,161	2,093,762

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)	REVISED FY 2014	RECOMMENDED FY 2015	INCREASE (DECREASE)
Ground Transportation System Planning (602001)	\$50,087,950	\$51,888,136	\$1,800,186
Ground Transportation System Research (602002)	5,590,607	12,542,390	6,951,783
Ground Transportation Program Management (602004)	3,463,820	3,647,430	183,610
TOTAL PLANNING & RESEARCH	\$59,142,377	\$68,077,956	\$8,935,579
HMOF	8,295,270	15,396,894	7,101,624
CONSTRUCTION	31,950,007	35,023,780	3,073,773
FEDERAL	18,897,100	17,657,282	(1,239,818)

Highway System Acquisition and Construction (603)

VDOT manages the Commonwealth's highway construction program as outlined in the agency's Six-Year Improvement Program that is approved annually by the Commonwealth Transportation Board. The construction program is divided into several service areas. FY 2010 was the first time since the state construction allocation formula was instituted by the 1986 Special Session that no funds were available for distribution to the construction districts and localities. For FY 2015, the additional funding made available by HB 2313 provides for funding to be made available for distribution via the Commonwealth Transportation Board Formula outlined in the Code of Virginia, § 33.1-23.1. Allocation of funds among highway systems.

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)	REVISED FY 2014	RECOMMENDED FY 2015	INCREASE (DECREASE)
Dedicated and Statewide Construction (603002)	\$960,122,893	\$649,912,009	(\$310,210,884)
Interstate Construction (603003)	101,412,273	151,061,840	49,649,567
Primary Construction (603004)	182,336,395	199,086,954	16,750,559
Secondary Construction (603006)	50,112,403	71,653,692	21,541,289
Urban Construction (603007)	57,137,692	47,475,917	(9,661,775)
Construction Management (603015)	22,875,292	26,487,397	3,612,105
TOTAL CONSTRUCTION	\$1,373,996,948	\$1,145,677,809	(\$228,319,139)
CONSTRUCTION	509,687,921	589,857,051	80,169,130
FEDERAL	496,645,984	525,794,095	29,148,111
NVTD	1,337,224	1,107,693	(229,531)
PTF	-	27,025,897	27,025,897
OAK GROVE	278,750	286,984	8,234
FRANS	3,000	800	(2,200)
ROUTE 58	971,850	566,891	(404,959)
TPOF	1,175,082	1,038,398	(136,684)
GARVEE BONDS	202,695,000	-	(202,695,000)
CPR BONDS	161,202,137	-	(161,202,137)

The following pages detail each construction service area.

Highway System Acquisition and Construction (603)

DEDICATED AND STATEWIDE CONSTRUCTION (603002)

The purpose of the Dedicated and Statewide Construction service area is to design and prepare plans, acquire needed land and construct roads and bridges or support transit or operational activities across the state that are not dedicated to a specific highway system. This includes statewide programs such as the Revenue Sharing and the Safety programs. Funding for the federal Congestion Mitigation and Air Quality Improvement (CMAQ) and Regional Surface Transportation programs which have yet to be distributed by the respective Metropolitan Planning Organizations are included in this service area and will be transferred when identified. It also includes non-toll-related bond-funded construction.

DEDICATED & STATEWIDE CONSTRUCTION (603002)	REVISED FY 2014	RECOMMENDED FY 2015	INCREASE (DECREASE)
CMAQ	\$18,163,444	\$13,769,702	(\$4,393,742)
CMAQ Match	4,795,609	3,442,425	(1,353,184)
CPR Bonds	161,202,137	-	(161,202,137)
CTB Formula	1,719,700	3,000,000	1,280,300
GARVEE Bonds	202,695,000	-	(202,695,000)
MWAA - Dulles Rail	100,000,000	100,000,000	-
NHPP	-	67,170	67,170
NHPP Soft Match	-	16,793	16,793
Participating Project Costs	15,000,000	15,000,000	-
Revenue Sharing	300,000,000	351,988,280	51,988,280
Safety	65,133,785	46,587,222	(18,546,563)
Safety Match	7,237,087	5,176,358	(2,060,729)
STP Regional	12,636,791	13,204,517	567,726
STP Regional Match	3,159,199	3,301,127	141,928
Transportation Alternatives (TAP)	9,359,909	8,223,911	(1,135,998)
Other	59,020,232	86,134,504	27,114,272
TOTAL DEDICATED & STATEWIDE CONSTRUCTION	\$960,122,893	\$649,912,009	(\$310,210,884)
CONSTRUCTION	449,853,232	497,123,110	47,269,878
FEDERAL	142,606,618	122,762,236	(19,844,382)
NVTD	1,337,224	1,107,693	(229,531)
PTF	-	27,025,897	27,025,897
OAK GROVE	278,750	286,984	8,234
FRANS	3,000	800	(2,200)
ROUTE 58	971,850	566,891	(404,959)
TPOF	1,175,082	1,038,398	(136,684)
GARVEE BONDS	202,695,000	-	(202,695,000)
CPR BONDS	161,202,137	-	(161,202,137)

Included in the Other item are amounts for Rail Highway Crossings, Federal Lands Access Program (FLAP), CMAQ TERMS, Priority Transportation Fund, and state funding for non-federal qualifying construction.

Highway System Acquisition and Construction (603)

INTERSTATE CONSTRUCTION (603003)

The purpose of the interstate construction service area is to design and prepare plans, acquire needed land and construct roads and bridges on the interstate highway system. The interstate program is federally funded, with state funding providing the needed match. Federal National Highway System funds are soft matched by using federal toll credits. Toll credits are earned when the state, a toll authority, or a private entity funds a capital transportation investment with toll revenues. The interstate program is also eligible to receive funding through the CTB Formula.

INTERSTATE CONSTRUCTION (603003)	REVISED FY 2014	RECOMMENDED FY 2015	INCREASE (DECREASE)
CMAQ	\$346,000	\$284,000	(\$62,000)
CMAQ Match	-	71,000	71,000
CTB Formula	27,386,153	74,026,904	46,640,751
NHPP	37,649,837	46,925,653	9,275,816
NHPP Soft Match	7,092,444	9,763,596	2,671,152
NHPP Exempt	10,741,651	10,934,449	192,798
NHPP Exempt Soft Match	1,243,419	2,733,612	1,490,193
STP Regional	7,430,595	1,240,000	(6,190,595)
STP Regional Match	1,857,649	310,000	(1,547,649)
STP Statewide	3,975	-	(3,975)
STP Statewide Soft Match	995	-	(995)
STP Under 5,000	1,200,000	1,730,202	530,202
STP Under 5,000 Soft Match	300,000	432,549	132,549
Other	6,159,555	2,609,875	(3,549,680)
TOTAL INTERSTATE CONSTRUCTION	\$101,412,273	\$151,061,840	\$49,649,567
CONSTRUCTION	2,738,282	16,518,727	13,780,445
FEDERAL	98,673,991	134,543,113	35,869,122

Highway System Acquisition and Construction (603)

PRIMARY CONSTRUCTION (603004)

The primary construction system is made up of roads that connect cities and towns with each other and with interstates. Primary roads serve the state in the same manner as the Interstate system serves the nation.

Historically, the primary construction program received 40% of the funds available for state formula distribution. The FY 2015 funds are distributed by the CTB, MPOs, and by the new CTB Formula with recommended allocations to projects on the Primary System. There are no funds available for the state construction formula distribution in FY 2015.

PRIMARY CONSTRUCTION (603004)	REVISED FY 2014	RECOMMENDED FY 2015	INCREASE (DECREASE)
CMAQ	\$5,626,130	\$4,197,721	(\$1,428,409)
CMAQ Match	1,406,534	1,049,429	(357,105)
CTB Formula	1,676,936	40,588,179	38,911,243
NHPP	26,523,938	16,359,210	(10,164,728)
NHPP Soft Match	6,630,984	4,089,804	(2,541,180)
NHPP APD	31,027,473	21,486,390	(9,541,083)
NHPP Bridge	16,234,330	18,333,255	2,098,925
NHPP Bridge Soft Match	4,058,582	4,583,314	524,732
NHPP Exempt	2,738,231	-	(2,738,231)
NHPP Exempt Soft Match	684,558	-	(684,558)
STP Bridge	19,787,149	17,940,190	(1,846,959)
STP Bridge Soft Match	4,946,787	4,485,048	(461,739)
STP Regional	27,185,398	25,782,560	(1,402,838)
STP Regional Match	6,796,348	6,445,642	(350,706)
STP Statewide	3,484,920	754,825	(2,730,095)
STP Statewide Soft Match	871,230	188,707	(682,523)
STP Under 200,000	-	4,232,527	4,232,527
STP Under 200,000 Soft Match	-	1,058,132	1,058,132
STP Under 5,000	16,743,590	20,406,001	3,662,411
STP Under 5,000 Soft Match	4,185,898	5,101,500	915,602
Other	1,727,379	2,004,520	277,141
TOTAL PRIMARY CONSTRUCTION	\$182,336,395	\$199,086,954	\$16,750,559
CONSTRUCTION	8,922,270	12,554,714	3,632,444
FEDERAL	173,414,125	186,532,240	13,118,115

Highway System Acquisition and Construction (603)

SECONDARY CONSTRUCTION (603006)

The purpose of the secondary construction service area is to design and prepare plans, acquire needed land and construct roads and bridges on the secondary highway system.

Historically, the secondary construction program received 30% of the funds available for state formula distribution and allocated to the counties. The FY 2015 funds are distributed by the CTB, MPOs, and by the new CTB Formula with recommended allocations to projects on the Secondary System. There are no funds available for the state construction formula distribution in FY 2015.

SECONDARY CONSTRUCTION (603006)	REVISED FY 2014	RECOMMENDED FY 2015	INCREASE (DECREASE)
CMAQ	\$5,540,196	\$7,625,560	\$2,085,364
CMAQ Match	1,385,048	1,906,390	521,342
CTB Formula	1,235,999	3,888,249	2,652,250
CTB Formula - 5% to Unpaved	1,719,700	6,204,148	4,484,448
NHPP	-	-	-
NHPP Soft Match	-	-	-
STP Bridge	7,058,404	10,778,260	3,719,856
STP Bridge Soft Match	1,764,601	2,694,565	929,964
STP BROS	8,908,102	10,917,574	2,009,472
STP BROS Soft Match	2,227,026	2,729,394	502,368
STP Regional	5,655,654	10,282,783	4,627,129
STP Regional Match	1,413,913	2,570,695	1,156,782
STP Statewide	-	-	-
STP Statewide Soft Match	-	-	-
STP Under 200,000	-	-	-
STP Under 200,000 Soft Match	-	-	-
STP Under 5,000	2,330,285	1,728,070	(602,215)
STP Under 5,000 Soft Match	582,571	432,019	(150,552)
Tele Fees	8,707,735	8,783,556	75,821
Other	1,583,169	1,112,429	(470,740)
TOTAL SECONDARY CONSTRUCTION	\$50,112,403	\$71,653,692	\$21,541,289
CONSTRUCTION	13,351,124	23,483,463	10,132,339
FEDERAL	36,761,279	48,170,229	11,408,950

Highway System Acquisition and Construction (603)

URBAN CONSTRUCTION (603007)

The purpose of the urban construction service area is to design and prepare plans, acquire needed land and construct roads and bridges on the urban highway system.

Historically, the urban construction program received 30% of the funds available for state formula distribution and allocated to the cities and towns. The FY 2015 funds are distributed by the CTB, MPOs, and by the new CTB Formula with recommended allocations to projects on the Urban System. There are no funds available for the state construction formula distribution in FY 2015.

URBAN CONSTRUCTION (603007)	REVISED FY 2014	RECOMMENDED FY 2015	INCREASE (DECREASE)
CMAQ	\$4,657,727	\$10,262,402	\$5,604,675
CMAQ State Match	996,184	2,565,602	1,569,418
CTB Formula	655,509	4,825,449	4,169,940
NHPP	-	-	-
NHPP Soft Match	-	-	-
NHPP Bridge	3,100,806	640,000	(2,460,806)
NHPP Bridge Soft Match	775,202	160,000	(615,202)
STP BROS	408,081	321,040	(87,041)
STP BROS Soft Match	102,020	80,260	(21,760)
STP Regional	23,396,011	19,845,399	(3,550,612)
STP Regional State Match	5,849,004	4,961,351	(887,653)
STP Statewide	6,485,327	444,241	(6,041,086)
STP Statewide Soft Match	1,621,331	111,060	(1,510,271)
STP Under 200,000	-	-	-
STP Under 200,000 Soft Match	-	-	-
STP Under 5,000	2,162,753	-	(2,162,753)
STP Under 5,000 Soft Match	540,688	-	(540,688)
Other	6,387,049	3,259,113	(3,127,936)
TOTAL URBAN CONSTRUCTION	\$57,137,692	\$47,475,917	(\$9,661,775)
CONSTRUCTION	11,947,721	13,689,640	1,741,919
FEDERAL	45,189,971	33,786,277	(11,403,694)

Highway System Acquisition and Construction (603)

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)	REVISED FY 2014	RECOMMENDED FY 2015	INCREASE (DECREASE)
TOTAL CONSTRUCTION MANAGEMENT	\$22,875,292	\$26,487,397	\$3,612,105
TTF	22,875,292	26,487,397	3,612,105

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)	REVISED FY 2014	RECOMMENDED FY 2015	INCREASE (DECREASE)
Interstate Maintenance (604001)	\$327,687,169	\$294,334,929	(\$33,352,240) ⁴
Primary Maintenance (604002)	494,779,950	394,959,326	(99,820,624) ⁴
Secondary Maintenance (604003)	456,785,967	559,027,742	102,241,775
Transportation Operations Services (604004)	198,853,536	189,372,246	(9,481,290)
Highway Maintenance Program Management & Direction (604005)	81,306,959	75,011,338	(6,295,621)
TOTAL HIGHWAY SYSTEM MAINTENANCE	\$1,559,413,581	\$1,512,705,581	(\$46,708,000)
HMOF	1,272,264,423	1,317,259,824	44,995,401
FEDERAL	287,149,158	195,445,757	(91,703,401)

Commonwealth Toll Facilities (606)

Revenues collected from toll facilities contribute to Virginia's safe and effective transportation system. Currently, there are ten toll facilities in Virginia: George P. Coleman Toll Facility, Dulles Toll Road, Dulles Greenway, Chesapeake Bay Bridge-Tunnel, Chesapeake Expressway, Downtown Expressway/Powhite Parkway, the Boulevard Bridge, Pocahontas Parkway, 495 Express Lanes, South Norfolk Jordan Bridge, and the Downtown Tunnel, Midtown Tunnel, and Martin Luther King Extension Project. Of these facilities, two are currently owned and operated by VDOT: Powhite Parkway Extension Toll Road in Chesterfield County and George P. Coleman Bridge in Gloucester County. The remaining eight toll roads are operated by other entities.

Toll Facility Debt Service (606002) - To provide for the debt service requirements of the debt-financed toll facilities. The bond indentures for the toll facilities require the Commonwealth Transportation Board (CTB) to set toll rates for all classes of vehicles which will provide sufficient net revenues to meet the facility's obligations. Toll roads are typically constructed with debt financing and the subsequent toll collection revenues are used for debt service payments. The remaining state-owned facility collecting tolls to pay debt service on outstanding bonds is the George P. Coleman Bridge located between Gloucester and York counties. The bonds issued to finance the Powhite Parkway Extension have been retired, but the toll revenues are needed to repay the outstanding debts of the facility owed to VDOT and Chesterfield County.

Toll Facility Maintenance and Operation (606003) - To provide for the operational costs of the two toll facilities operated by VDOT: the George P. Coleman Bridge and the Powhite Parkway Extension Toll Road. 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. Interest earnings on the Construction Fund and Highway Maintenance and Operating Fund are deposited in this account. Funds allocated from the Toll Facilities Revolving Account intended for planned or operating toll facilities are considered advance funding in which the Toll Facilities Revolving Account must be reimbursed.

COMMONWEALTH TOLL FACILITIES (606)	REVISED FY 2014	RECOMMENDED FY 2015	INCREASE (DECREASE)
Debt Service (606002)	\$3,190,600	\$3,191,100	\$500
Maintenance & Operations (606003)	13,577,315	12,808,900	(768,415)
Toll Facilities Revolving (606004)	104,687,899	17,871,726	(86,816,173)
TOTAL TOLL FACILITIES	\$121,455,814	\$33,871,726	(\$87,584,088)
POWHITE	10,205,100	10,000,000	(205,100)
COLEMAN	6,562,815	6,000,000	(562,815)
TOLL FACILITIES REVOLVING	104,687,899	17,871,726	(86,816,173)

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.

Construction Program Supported by the Hampton Roads Transportation Fund (607007) - Efforts to use regional tax revenue to fund local and regional transportation projects in Hampton Roads, as approved by the Hampton Roads Transportation Planning Organization.

FINANCIAL ASSISTANCE TO LOCALITIES (607)	REVISED FY 2014	RECOMMENDED FY 2015	INCREASE (DECREASE)
Financial Assistance for City Road Maintenance (607001)	\$336,995,531	\$348,683,534	\$11,688,003
Financial Assistance for County Road Maintenance (607002)	59,921,277	62,006,002	2,084,725
Financial Assistance for Planning, Access Roads, & Special Projects (607004)	40,845,473	14,265,188	(26,580,285) ⁶
Distribution of Northern Virginia Transportation Authority Fund Revenues (607006)	272,490,000	299,276,334	26,786,334
Construction Program Supported by Hampton Roads Transportation Fund (607007)	179,300,000	155,928,133	(23,371,867) ⁷
TOTAL FINANCIAL ASSISTANCE TO LOCALITIES	\$889,552,281	\$880,159,191	(\$9,393,090)
HMOF	422,916,808	410,689,536	(12,227,272)
CONSTRUCTION	7,916,164	7,807,243	(108,921)
FEDERAL	6,929,309	6,457,945	(471,364)
NORTHERN VIRGINIA REGIONAL FUND	272,490,000	299,276,334	26,786,334
HAMPTON ROADS REGIONAL FUND	179,300,000	155,928,133	(23,371,867)

Non-Toll Supported Transportation Debt Service (612)

Non-Toll Supported Transportation Debt Service consists of:

Highway Transportation Improvement District Debt Service (612001) - To provide for the debt service requirements of the bonds sold to finance transportation improvements in special tax districts. There is currently only one such district, the State Route 28 Highway Transportation Improvement District in Fairfax and Loudoun counties.

Designated Highway Corridor Debt Service (612002) - To provide for the debt service requirements of the bonds sold to finance transportation improvements in special designated highway corridors. The Commonwealth Transportation Board has issued transportation revenue bonds for the U.S. Route 58 Corridor Development Program, the City of Chesapeake Oak Grove Connector Project, and the Northern Virginia Transportation District (NVTD) Program.

Federal Highway Revenue Anticipation Notes Debt Service (612003) - To provide for the debt service requirements of the Federal Highway Reimbursement Anticipation Notes (FRANs) sold to finance transportation improvements in the Commonwealth.

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).

Non-Toll Supported Transportation Debt Service (612)	REVISED FY 2014	RECOMMENDED FY 2015	INCREASE (DECREASE)
Highway Transportation Improvement Debt Service (612001)	\$7,209,719	\$7,216,819	\$7,100
Designated Highway Corridor Debt Service (612002)	86,792,349	83,327,049	(3,465,300)
Federal Highway Reimbursement Anticipation Notes Debt Service (612003)	31,715,775	31,717,220	1,445
Capital Projects Bonds/Reserve (612004)	130,328,541	138,678,705	8,350,164
Federal Transportation Grant Anticipation Revenue Notes Debt Service (612005)	52,643,116	64,733,388	12,090,272
Other	11,869,045	-	(11,869,045)
TOTAL NON-TOLL SUPPORTED DEBT SERVICE	\$320,558,545	\$325,673,181	\$5,114,636
FRANS	31,715,775	31,717,220	1,445
NVTD	33,138,949	32,375,049	(763,900)
OAK GROVE	2,226,250	2,224,500	(1,750)
ROUTE 28	7,209,719	7,216,819	7,100
PTF	11,869,045	-	(11,869,045)
CPR BONDS	130,328,541	138,678,705	8,350,164
ROUTE 58	51,427,150	48,727,500	(2,699,650)
FEDERAL	52,643,116	64,733,388	12,090,272

Administrative & 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)	REVISED FY 2014	RECOMMENDED FY 2015	INCREASE (DECREASE)
General Management & Direction (699001)	\$117,803,852	\$138,452,390	\$20,648,538 ⁴
Information Technology Services (699002)	86,790,390	95,063,329	8,272,939 ⁴
Facilities and Grounds Management Services (699015)	14,799,466	15,495,222	695,756
Employee Training & Development (699024)	12,465,090	15,947,270	3,482,180
TOTAL ADMINISTRATIVE & SUPPORT SERVICES	\$231,858,798	\$264,958,211	\$33,099,413
HMOF	226,057,982	256,145,378	30,087,396
CONSTRUCTION	790,816	812,833	22,017
FEDERAL	5,010,000	8,000,000	2,990,000

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)	REVISED FY 2014	RECOMMENDED FY 2015	INCREASE (DECREASE)
TOTAL VDOT CAPITAL OUTLAY	\$20,000,000	\$38,009,317	\$18,009,317
CONSTRUCTION	20,000,000	38,009,317	18,009,317

Support to Other State Agencies

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

SUPPORT TO OTHER STATE AGENCIES	REVISED FY 2014	RECOMMENDED FY 2015	INCREASE (DECREASE)
Transportation Appropriation to Other Agencies			
Department of Education	\$243,919	\$243,919	\$ -
Marine Resources Commission	313,768	313,768	-
Secretary of Transportation	814,573	831,149	16,576
Department of State Police	7,795,519	8,185,295	389,776
Department of Minority Business Enterprise	1,522,662	1,453,283	(69,379)
Department of Historic Resources	100,000	100,000	-
Department of Rail & Public Transportation	5,959,600	-	(5,959,600) ⁹
Department of Emergency Management	933,251	1,170,639	237,388
Department of Motor Vehicles	11,532,000	14,815,624	3,283,624
Virginia Port Authority	2,550,023	2,550,023	-
Department of Treasury	185,187	185,187	-
Virginia Liaison Office	143,205	147,501	4,296
Virginia Commercial Space Flight Authority	11,800,000	15,800,000	4,000,000 ¹⁰
Office of the State Inspector General	1,751,489	1,777,321	25,832
SUBTOTAL	45,645,196	47,573,709	1,928,513
Transfers to the General Fund			
Department of General Services	388,254	362,854	(25,400)
Department of Agriculture & Conservation Services	97,586	97,586	-
Chesapeake Bay Initiatives	7,416,469	7,416,469	-
Telecommunication Contract Savings	681,606	-	(681,606)
Indirect Costs	3,028,317	3,028,317	-
Department of Taxation	2,787,842	2,883,627	95,785
SUBTOTAL	14,400,074	13,788,853	(611,221)
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	\$61,545,270	\$62,862,562	\$1,317,292
HMOF	46,485,289	43,698,187	(2,787,102)
CONSTRUCTION	14,968,155	19,069,794	4,101,639
TOLL FACILITIES REVOLVING	22,455	23,129	674
TPOF	69,371	71,452	2,081

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)	\$ -	\$13,304,161	\$ -	\$ -	\$ -	\$13,304,161
Ground Transportation Planning & Research (602)	15,396,894	35,023,780	17,657,282	-	-	68,077,956
Highway System Acquisition and Construction (603)	-	589,857,051	525,794,095	-	30,026,663	1,145,677,809
Highway System Maintenance (604)	1,317,259,824	-	195,445,757	-	-	1,512,705,581
Commonwealth Toll Facilities (606)	-	-	-	-	33,871,726	33,871,726
Financial Assistance to Localities (607)	410,689,536	7,807,243	6,457,945	-	455,204,467	880,159,191
Non-Toll Supported Transportation Debt Service (612)	-	-	64,733,388	-	260,939,793	325,673,181
Administrative and Support Services (699)	256,145,378	812,833	8,000,000	-	-	264,958,211
VDOT Capital Outlay (998)	-	38,009,317	-	-	-	38,009,317
Support to Other State Agencies	43,698,187	19,069,794	-	-	94,581	62,862,562
Support to DRPT Programs	-	3,197,301	-	-	-	3,197,301
TOTAL	\$ 2,043,189,819	\$ 707,081,480	\$ 818,088,467	\$ -	\$ 780,137,230	\$4,348,496,996

* - Other includes tolls, PTF, Route 58, Route 28, Oak Grove, TPOF, and Regional Transportation Funds.

Budget Comparison Schedule for FY 2015

Revenues

Revenue provided by the General Fund of the Commonwealth	\$ 40,000,000
Taxes	2,876,390,246
Rights and privileges	329,211,520
Sale of property and commodities	-
Interest, dividends, and rents	15,704,173
Fines, forfeitures, court fees	-
Penalties, and escheats	1,778,587
Receipts from localities and private sector	196,335,140
Federal grants and contracts	818,088,467
Toll revenues	26,984,704
Other	79,434,288
Total Revenues	<u>4,383,927,125</u>
Other Financing Sources	
Other financing sources	(35,430,129)
Bond proceeds	-
Note proceeds	-
Transfers from other state agencies and General Fund	-
Transfers in	-
Total Other Financing Sources	<u>(35,430,129)</u>
Total Revenues and Other Sources	<u><u>\$4,348,496,996</u></u>

Budget Comparison Schedule for FY 2015

Expenditures	
Administrative and support services	\$ 264,958,211
Ground transportation system planning and research	68,077,956
Highway system acquisition and construction	1,145,677,809
Highway system maintenance	1,512,705,581
Financial assistance to localities	880,159,191
Environmental monitoring and compliance	13,304,161
Toll facility operations and construction	33,871,726
Capital outlay	38,009,317
Debt Service	325,673,181
Total Expenditures	<u>4,282,437,133</u>
Other Financing Uses	
Other financing uses	-
Transfers to other state agencies and General Fund	66,059,863
Transfers out	-
Total Other Financing Uses	<u>66,059,863</u>
Total Expenditures and Other Uses	<u><u>\$ 4,348,496,996</u></u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u><u>\$ -</u></u>

Index: Acronyms and Terminology

Term	Description
BROS	Bridge Off-System
CMAQ	Congestion Mitigation and Air Quality
CPR	Capital Projects Revenue Bonds
CTB Formula	The <i>Code of Virginia</i> calls for the Allocation of funds among highway systems (§ 33.1-23.1). The section was updated during the 2012 General Assembly session with the addition of the CTB Formula. Through FY 2020, up to \$500 million of funds available may be distributed in the following manner: 25% Bridge, 25% High Priority Projects, 25% Interstate and Primary and Primary Extension Pavements, 15% Public-Private Transportation Act Projects, 5% Unpaved roads, and 5% to Smart Roadway Technology.
DRPT	Department of Rail and Public Transportation
FHWA	Federal Highway Administration
FRANs	Federal Reimbursement Anticipation Notes
GARVEE	Federal Grant Anticipation Revenue Bonds
HMOF	Highway Maintenance and Operating Fund
MWAA	Metropolitan Washington Airports Authority
NHPP	National Highway Performance Program
NHPP APD	National Highway Performance Program dedicated to the Appalachian Development Program
NHPP Bridge	National Highway Performance Program dedicated to Bridges
NVTD	Northern Virginia Transportation District
Oak Grove	City of Chesapeake Oak Grove Connector Project Bonds
PTF	Priority Transportation Fund
Soft Match	The budget contains a significant application of Toll Credits that are used as "soft match" to meet the nonfederal 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 Bridge	Surface Transportation Program dedicated to Bridges
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 suballocation 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 additional revenue provided by House Bill 2313 of the 2013 General Assembly Session. During FY 2015, the sales tax on gasoline is scheduled to increase by 1.5 percent on January 1, 2015 if Marketplace Fairness Act is not implemented by the U.S. Congress. Additionally, the Motor Vehicle Sales and Use Tax increases by 0.05 percent on July 1, 2014.
2	Adjustment in FY 2015 corresponds to planned use.
3	Toll Facility Revolving Account allocations included an \$85 million allocation for the Route 460 Corridor Improvements Project in FY 2014.
4	Revision to FY 2014 Budget provided \$92.1 million in one-time funding to assist with snow removal costs in the Highway Maintenance Program. The Construction Program provided \$65 million and the balance was provided from Administrative Programs. The one-time reductions in FY 2014 are reflected in the difference.
5	Reduction is primarily due to the reduction in planned allocations of Capital Projects Revenue (CPR) Bonds and Federal Transportation Grant Anticipation Revenue Notes (GARVEE bonds).
6	FY 2014 allocations included the repayment of a loan that supported a payment made pursuant to the 2013 Acts of Assembly, Chapter 806, Item 430, K., 2.
7	FY 2014 estimate included anticipated revenue from Surry County and Gloucester County in the Hampton Roads Region. The determination that these counties were not a part of the regional taxes was reflected in future reporting but the budget was not revised to reflect this change. The planned allocation in FY 2015 reflects this adjustment.
8	Increase represents planned investment in Capital Outlay beginning in the 2014-2016 Biennium.
9	Support for Department of Rail and Public Transportation administrative budget not needed after FY 2014.
10	Anticipated support for the Virginia Commercial Space Flight Authority increased from the beginning of the 2014 Special Session I on the Biennial Budget.