

# Fiscal Year 2023

Commonwealth Transportation Fund Budget  
June 2022



**Virginia Department of Transportation**

Budget and Funds Management Division

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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 amends 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.

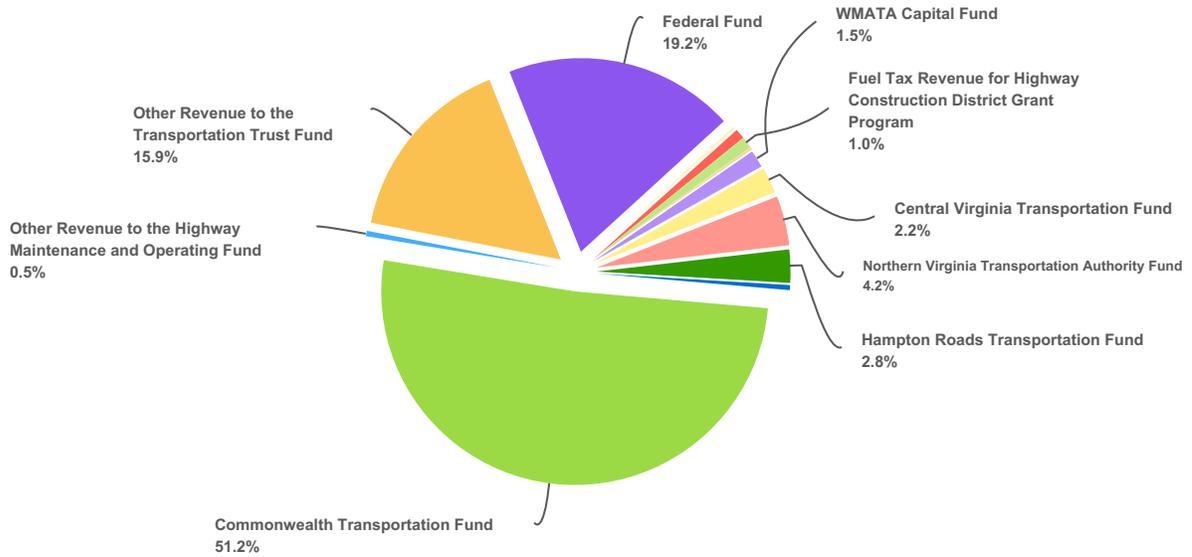
The remaining funds in the Commonwealth Transportation Fund are allocated 51% to the HMO Fund and 49% to the Transportation Trust Fund. Chapter 1230 directs the following distribution of funds from the Transportation Trust Fund: (i) 53% for construction programs; (ii) 23% to the Commonwealth Mass Transit 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. Enactment Clause 11 of Chapter 1230 also allows the Commonwealth Transportation Board to take actions deemed necessary in fiscal years 2021, 2022, and 2023 to ensure appropriate coverage ratios for any outstanding debt backed by the Transportation Trust Fund.

The Fiscal Year 2023 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 February 2022, which reflects the elimination of i) the Retail Sales and Use Tax on food purchased for human consumption and essential personal hygiene items assumed to change July 1, 2022 and ii) the accelerated sales tax payments for FY 2023, and reflects implementation of federal funding provided under the Infrastructure Investment and Jobs Act (IIJA). The FY 2023 CTF Budget totals \$9,119,698,484, a decrease of 6.5% from the Second Revised FY 2022 CTF Budget totaling \$9,748,926,154.



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.

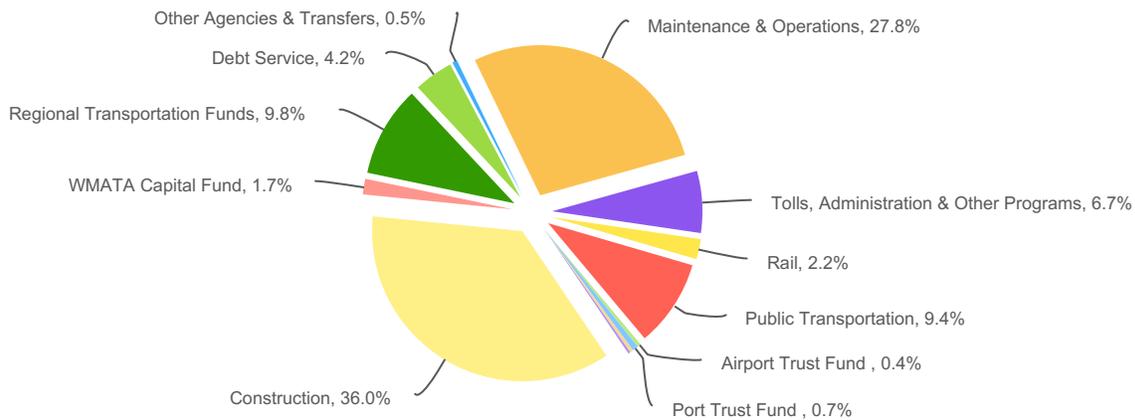
## Commonwealth Transportation Fund Total Revenues for FY 2023



Commonwealth Transportation Fund	\$4,674,400,000
Other Revenue to the Highway Maintenance and Operating Fund	42,098,489
Other Revenue to the Transportation Trust Fund	1,454,310,854
Federal Fund	1,755,048,618
Interstate 81 Corridor Improvement Fund & Financing	78,800,000
Fuel Tax Revenue for Highway Construction District Grant Program	89,497,754
General Fund	—
Bonds	19,222,769
<b>Total Operating Revenues</b>	<b>8,113,378,484</b>
Pass Through Revenues	
WMATA Capital Fund	133,920,000
Central Virginia Transportation Fund	198,900,000
Northern Virginia Transportation Authority Fund	379,300,000
Hampton Roads Transportation Fund	254,300,000
Hampton Roads Regional Transit Fund	39,900,000
<b>Subtotal</b>	<b>1,006,320,000</b>
<b>TOTAL</b>	<b>\$9,119,698,484</b>

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.



<b>Debt Service</b>	<b>\$386,831,538</b>
<b>Other Agencies &amp; Transfers</b>	<b>49,162,918</b>
<b>Maintenance &amp; Operations</b>	<b>2,538,496,316</b>
<b>Tolls, Administration &amp; Other Programs</b>	<b>608,029,047</b>
<b>Public Transportation</b>	<b>858,119,786</b>
<b>Rail</b>	<b>198,431,973</b>
<b>Airport Trust Fund</b>	<b>35,056,705</b>
<b>Port Trust Fund</b>	<b>59,755,196</b>
<b>Department of Motor Vehicles</b>	<b>30,419,830</b>
<b>Space Flight Fund</b>	<b>23,407,150</b>
<b>Construction</b>	<b>3,285,668,025</b>
<b>Total Operating Programs</b>	<b>8,073,378,484</b>
<b>Pass Through Programs</b>	
<b>WMATA Capital Fund</b>	<b>153,920,000</b>
<b>Regional Transportation Funds</b>	<b>892,400,000</b>
<b>TOTAL RECOMMENDED DISTRIBUTIONS</b>	<b>\$9,119,698,484</b>



<b>STATE REVENUE SOURCES</b>	<b>2nd REVISED FY 2022</b>	<b>FY 2023</b>	<b>INCREASE (DECREASE)</b>
<b>Commonwealth Transportation Fund</b>	\$ 4,752,300,000	\$ 4,674,400,000	\$ (77,900,000) <sup>1</sup>
<b>Revenue Sharing</b>	—	191,405,031	191,405,031
<b>Highway Maintenance &amp; Operating Fund (HMOF)</b>	55,535,702	42,098,489	(13,437,213)
<b>General Fund</b>	170,796,000	—	(170,796,000)
<b>Transportation Trust Fund (TTF) and Other State Revenue</b>			
Interest Earnings	28,515,000	18,490,000	(10,025,000)
Toll Facilities	34,354,020	37,840,000	3,485,980
Local Revenue Sources	162,294,383	383,592,011	221,297,628
Project Participation - Regional Entities	782,764,066	701,196,581	(81,567,485)
GARVEE Bonds/ Interest Earnings	76,300,000	19,222,769	(57,077,231) <sup>2</sup>
Route 58 Bonds/ Interest Earnings	219,304,103	1,054,829	(218,249,274) <sup>2</sup>
I-66 Outside the Beltway Concession Fee Payment/Interest	22,094,013	21,279,551	(814,462)
Interstate 81 Corridor Improvement Fund	279,186,080	78,800,000	(200,386,080) <sup>2</sup>
Statewide Interstate Improvement Fund	(39,444,828)	—	39,444,828
Special Fund Account for the Highway Construction District Grant Program	100,300,000	89,497,754	(10,802,246) <sup>3</sup>
Other Trust Fund Revenue	121,077,476	92,164,670	(28,912,806)
<b>Total TTF and Other Revenue</b>	<b>1,786,744,313</b>	<b>1,443,138,165</b>	<b>(343,606,148)</b>
<b>Priority Transportation Fund (PTF)</b>			
State Revenue	356,671,762	7,288,181	(349,383,581) <sup>4</sup>
<b>Total PTF</b>	<b>356,671,762</b>	<b>7,288,181</b>	<b>(349,383,581)</b>
<b>Pass Through Revenues</b>			
Revenue Dedicated to WMATA Capital Fund	131,120,000	133,920,000	2,800,000
State Revenue for Regional Entities	793,500,000	872,400,000	78,900,000
<b>Total Pass Through Revenues</b>	<b>924,620,000</b>	<b>1,006,320,000</b>	<b>81,700,000</b>
<b>TOTAL STATE REVENUES</b>	<b>8,046,667,777</b>	<b>7,364,649,866</b>	<b>(682,017,911)</b>
<b>Federal Funding Sources</b>			
Federal Highway Administration (FHWA)	1,653,029,918	1,705,820,159	52,790,241
Federal Transit Administration (FTA)	49,228,459	49,228,459	—
<b>Total Federal Funding</b>	<b>1,702,258,377</b>	<b>1,755,048,618</b>	<b>52,790,241</b>
<b>TOTAL COMMONWEALTH TRANSPORTATION FUNDS</b>	<b>\$ 9,748,926,154</b>	<b>\$ 9,119,698,484</b>	<b>\$ (629,227,670)</b>



<b>DISTRIBUTION OF REVENUE SOURCES</b>	<b>2nd REVISED FY 2022</b>	<b>FY 2023</b>	<b>INCREASE (DECREASE)</b>
<b>Debt Service</b>			
Northern Virginia Transportation District	\$ 11,427,687	\$ 11,870,438	\$ 442,751
Route 28	8,644,519	8,644,519	—
Route 58	29,725,222	30,815,139	1,089,917
Interstate 81	6,006,732	5,220,979	(785,753)
GARVEE Bonds	129,951,050	136,978,263	7,027,213
CPR Bonds	194,994,559	193,302,200	(1,692,359)
<b>Total Debt Service</b>	<b>382,877,846</b>	<b>386,831,538</b>	<b>3,953,692</b>
<b>Other Agencies &amp; Transfers</b>			
Trust Fund Management	3,200,876	3,092,567	(108,309)
Support to Other State Agencies (excludes DRPT)	52,304,162	43,349,176	(8,954,986)
Indirect Costs	5,128,092	2,721,175	(2,406,917)
<b>Total State Agencies</b>	<b>60,633,130</b>	<b>49,162,918</b>	<b>(11,470,212)</b>
<b>Maintenance &amp; Operations</b>			
Highway System Maintenance	1,756,641,898	2,005,798,051	249,156,153
Financial Assist. to Localities for Ground Transportation - Cities	405,955,990	454,109,455	48,153,465
Financial Assist. to Localities for Ground Transportation - Counties	71,935,383	78,588,810	6,653,427
<b>Total Maintenance &amp; Operations</b>	<b>2,234,533,271</b>	<b>2,538,496,316</b>	<b>303,963,045</b>
<b>Tolls, Administration &amp; Other Programs</b>			
Ground Transportation System Planning and Research	95,618,648	106,660,594	11,041,946
Environmental Monitoring & Compliance	43,957,252	17,968,133	(25,989,119)
Administrative and Support Services	302,707,781	318,906,000	16,198,219
Program Management and Direction	46,161,840	49,904,320	3,742,480
Toll Facilities Operations	34,354,020	37,840,000	3,485,980
Toll Facility Revolving Account	36,750,000	36,750,000	—
Capital Outlay	60,000,000	40,000,000	(20,000,000)
<b>Total Tolls, Administration &amp; Other Programs</b>	<b>619,549,541</b>	<b>608,029,047</b>	<b>(11,520,494)</b>

<b>DISTRIBUTION OF REVENUE SOURCES</b>	<b>2nd REVISED FY 2022</b>	<b>FY 2023</b>	<b>INCREASE (DECREASE)</b>
<b>Transit and Rail Funds</b>			
Share of TTF Distribution for Transit	\$ 494,794,204	\$ 504,504,614	\$ 9,710,410
Transit - Share of administrative costs	(685,308)	(662,119)	23,189
Other Revenue dedicated to Transit	15,759,375	16,153,359	393,984
Share of TTF Distribution for Rail	161,345,936	164,512,374	3,166,438
Rail - Share of administrative costs	(176,369)	(170,401)	5,968
Federal Transit Authority (FTA)	49,228,459	49,228,459	—
CMAQ (without State Match)	22,243,685	28,101,637	5,857,952
STP Regional (without State Match)	14,913,598	12,945,933	(1,967,665)
Rail Fund (with prior year adjustments)	—	—	—
Interest Earnings	2,640,000	1,890,000	(750,000)
HB1414 Off the Top to Commonwealth Mass Transit Fund	120,000,000	120,000,000	—
Metro Matters	—	—	—
HB1414 Off the Top to Commonwealth Rail Fund	24,400,000	32,700,000	8,300,000
Mass Transit Fund-Support from Construction	9,289,320	10,436,903	1,147,583
Rail Fund - Support from Construction	87,500,000	87,500,000	—
Priority Transportation	85,105,427	7,300,000	(77,805,427) <sup>5</sup>
Other	61,950,000	22,111,000	(39,839,000)
<b>Subtotal Transit and Rail Funds</b>	<b>1,148,308,327</b>	<b>1,056,551,759</b>	<b>(91,756,568)</b>
<b>Pass Through Revenue for WMATA Capital</b>			
Dedicated Revenue for WMATA Capital Fund	131,120,000	133,920,000	2,800,000
Transfer from NVTD Fund for WMATA Capital Fund	20,000,000	20,000,000	—
<b>Subtotal WMATA Capital Fund</b>	<b>151,120,000</b>	<b>153,920,000</b>	<b>2,800,000</b>
Airports - Share of TTF Distribution	32,269,187	32,902,475	633,288
Airports - Share of administrative costs	(47,372)	(45,770)	1,602
Airports - Interest Earnings	175,000	700,000	525,000
Directed CTF Allocation	1,500,000	1,500,000	—
<b>Total Airport Trust Fund</b>	<b>33,896,815</b>	<b>35,056,705</b>	<b>1,159,890</b>
Ports - Share of TTF Distribution	53,781,979	54,837,458	1,055,479
Ports - Share of administrative costs	(85,143)	(82,262)	2,881
Ports - Interest Earnings	300,000	1,000,000	700,000
Directed CTF allocation	4,000,000	4,000,000	—
<b>Total Port Trust Fund</b>	<b>57,996,836</b>	<b>59,755,196</b>	<b>1,758,360</b>
Department of Motor Vehicles - Share of TTF Distribution	21,512,791	21,934,983	422,192
DMV - Share of administrative costs	(15,684)	(15,153)	531
Directed CTF allocation	8,500,000	8,500,000	—
<b>Total DMV</b>	<b>29,997,107</b>	<b>30,419,830</b>	<b>422,723</b>
Virginia Commercial Space Flight Authority - Share of TTF Distribution	21,512,791	21,934,983	422,192
Space Flight Authority - Share of administrative costs	(28,808)	(27,833)	975
Directed CTF allocation	31,500,000	1,500,000	(30,000,000)
<b>Total Space Flight Authority</b>	<b>52,983,983</b>	<b>23,407,150</b>	<b>(29,576,833)</b>



<b>DISTRIBUTION OF REVENUE SOURCES</b>	<b>2nd REVISED FY 2022</b>	<b>FY 2023</b>	<b>INCREASE (DECREASE)</b>
<b>Pass Through Revenue Allocations</b>			
Central Virginia Transportation Authority Fund	\$ 181,100,000	\$ 198,900,000	\$17,800,000
Northern Virginia Transportation Authority Fund	383,735,532	417,743,624	34,008,092
Hampton Roads Transportation Fund	230,200,000	254,300,000	24,100,000
Hampton Roads Regional Transit Fund	39,400,000	39,900,000	500,000
<b>Total Regional Transportation Programs</b>	<b>834,435,532</b>	<b>910,843,624</b>	<b>76,408,092</b>
<b>Construction</b>			
Financial Assistance to Localities for Ground Transportation	17,476,106	18,303,310	827,204
State of Good Repair Program	375,287,827	331,213,278	(44,074,549)
High Priority Projects Program	304,882,522	246,678,340	(58,204,182)
Construction District Grant Programs	405,182,522	336,176,095	(69,006,427)
Specialized State and Federal Programs	2,979,764,789	1,845,367,547	(1,134,397,242)
Virginia Highway Safety Improvement Program	—	134,783,478	134,783,478
Interstate Operations and Enhancement Program	—	274,702,353	274,702,353
<b>Total Construction</b>	<b>4,082,593,766</b>	<b>3,187,224,401</b>	<b>(895,369,365)</b>
<b>Special Structures</b>	<b>60,000,000</b>	<b>80,000,000</b>	<b>20,000,000</b>
<b>DISTRIBUTION OF COMMONWEALTH TRANSPORTATION FUNDS</b>	<b>\$ 9,748,926,154</b>	<b>\$ 9,119,698,484</b>	<b>\$ (629,227,670)</b>
<b>Agency Funding Summary:</b>			
<b>VDOT</b>	<b>\$ 8,476,517,833</b>	<b>\$ 7,885,824,747</b>	<b>\$ (590,693,086)</b>
<b>Less Support to DRPT</b>	<b>(201,894,747)</b>	<b>(125,236,903)</b>	<b>76,657,844</b>
<b>VDOT (Net)</b>	<b>8,274,623,086</b>	<b>7,760,587,844</b>	<b>(514,035,242)</b>
<b>DRPT</b>	<b>1,299,428,327</b>	<b>1,210,471,759</b>	<b>(88,956,568)</b>
<b>Ports</b>	<b>57,996,836</b>	<b>59,755,196</b>	<b>1,758,360</b>
<b>Aviation</b>	<b>33,896,815</b>	<b>35,056,705</b>	<b>1,159,890</b>
<b>DMV</b>	<b>29,997,107</b>	<b>30,419,830</b>	<b>422,723</b>
<b>Space Flight Authority</b>	<b>52,983,983</b>	<b>23,407,150</b>	<b>(29,576,833)</b>
<b>Grand Total</b>	<b>\$ 9,748,926,154</b>	<b>\$ 9,119,698,484</b>	<b>\$ (629,227,670)</b>

# CTF State Revenue Details

STATE REVENUE SOURCES	2nd REVISED FY 2022	FY 2023	INCREASE (DECREASE)
State Tax on Motor Fuels	\$1,282,400,000	\$1,360,700,000	\$78,300,000
Road Tax	68,200,000	69,200,000	1,000,000
Retail Sales & Use Tax	1,290,200,000	1,228,600,000	(61,600,000)
Motor Vehicle Sales and Use Tax	1,174,000,000	1,155,100,000	(18,900,000)
International Registration Plan	124,300,000	124,200,000	(100,000)
Motor Vehicle Licenses	234,800,000	236,600,000	1,800,000
Miscellaneous Revenues	17,200,000	17,200,000	—
Motor Vehicle Rental Tax	40,700,000	32,200,000	(8,500,000)
Aviation Fuels Tax	2,000,000	2,000,000	—
Highway Use Fee	52,400,000	59,700,000	7,300,000
Insurance Premium	180,700,000	196,000,000	15,300,000
Recordation Tax	81,000,000	81,000,000	—
<b>Total</b>	<b>\$4,547,900,000</b>	<b>\$4,562,500,000</b>	<b>\$14,600,000</b>

# Endnotes

<b>Endnote Number</b>	<b>Description</b>
1	Reflects impact of December 2021 revenue estimate from Department of Taxation.
2	Reflects change in bond issuance assumptions from previous fiscal year across several programs, including the recommend removal of additional GARVEE bond issuances based on additional federal and state revenue available to the program.
3	Reflects reconciliation of actual revenues collected in each district compared to allocations provided to each district through FY 2021.
4	Difference from FY 2022 Revision represents one-time allocation of FY 2021 Surplus Revenue to the fund in FY 2022.
5	The Priority Transportation Fund allocation (PTF) for the Rail Initiative has been updated to reflect a change in the funding for the effort. CMAQ funding has been made available to the Initiative. CTB transfer action in December 2021 provided PTF funding to the Route 1 Multimodal Improvements.
6	Second Revised FY 2022 amounts are included in Specialized State and Federal Programs.