

Revised Fiscal Year 2023

Commonwealth Transportation Fund Budget
July 2022



Virginia Department of Transportation

Budget and Funds Management Division

1221 E. Broad Street, 4th Floor

Richmond, VA 23219

Telephone: (804) 225-3552

Internet Address: <http://www.virginiadot.org/projects/reports-budget.asp>

Table of Contents

<u>Commonwealth Transportation Fund Revenues</u>	<u>4</u>
<u>Commonwealth Transportation Fund Recommended Distributions</u>	<u>8</u>
<u>Summary of Revenues</u>	<u>12</u>



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.

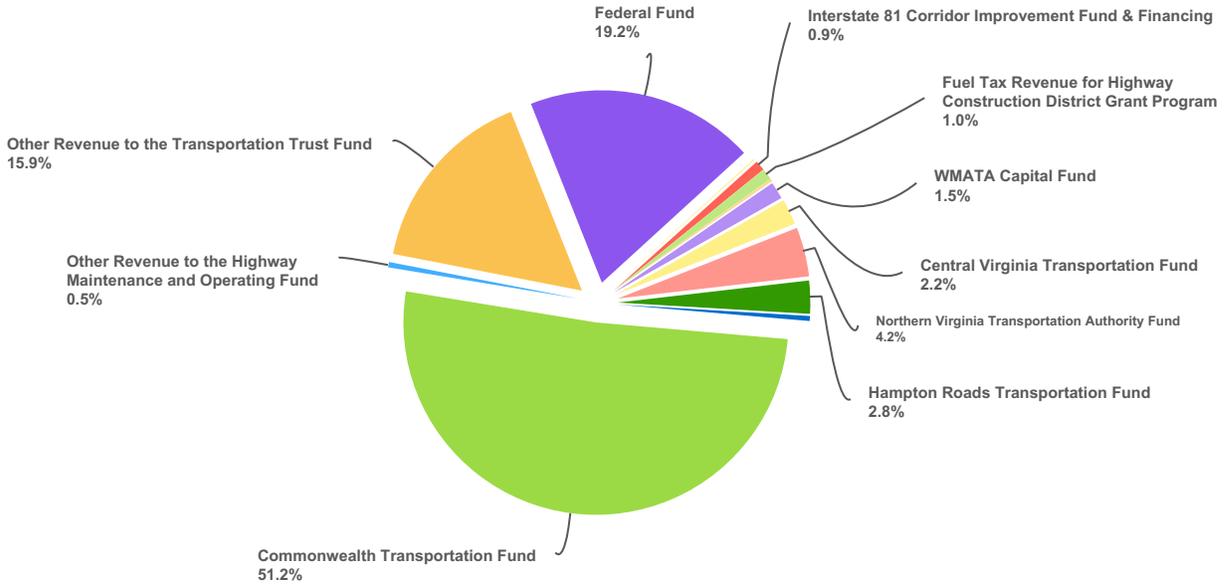
The Fiscal Year 2023 budget for the CTF identifies the estimated revenues and the distribution of the revenues to the related transportation agencies and programs. It is based on the state revenue forecast from February 2022, which reflects the elimination of i) the Retail Sales and Use Tax on food purchased 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.



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.



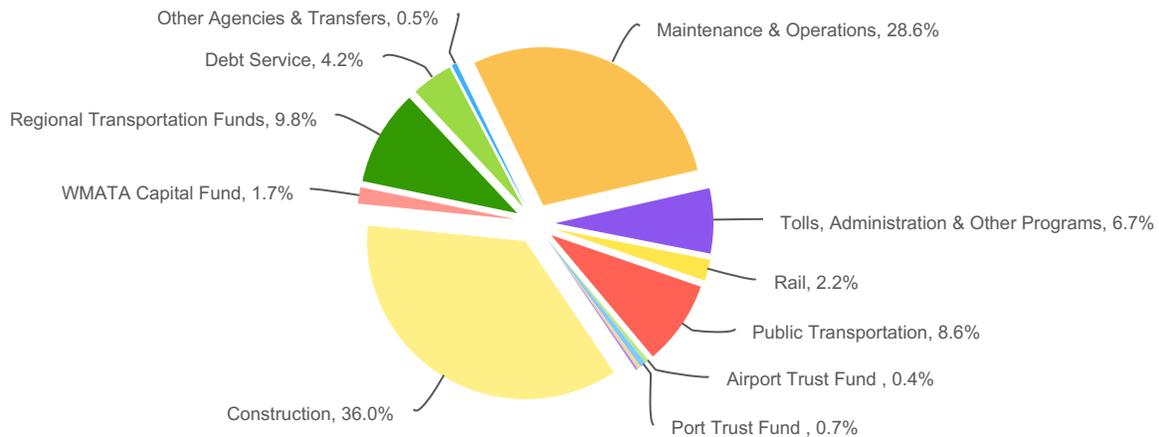
Commonwealth Transportation Fund Total Revenues for FY 2023



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
Total Operating Revenues	8,113,378,484
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
Subtotal	1,006,320,000
TOTAL	\$9,119,698,484

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	\$386,831,538
Other Agencies & Transfers	49,162,918
Maintenance & Operations	2,608,196,316
Tolls, Administration & Other Programs	608,029,047
Public Transportation	788,419,786
Rail	198,431,973
Airport Trust Fund	35,056,705
Port Trust Fund	59,755,196
Department of Motor Vehicles	30,419,830
Space Flight Fund	23,407,150
Construction	3,285,668,025
Total Operating Programs	8,073,378,484
Pass Through Programs	
WMATA Capital Fund	153,920,000
Regional Transportation Funds	892,400,000
TOTAL RECOMMENDED DISTRIBUTIONS	\$9,119,698,484



STATE REVENUE SOURCES	FY 2023	Revised FY 2023	INCREASE (DECREASE)
Commonwealth Transportation Fund	\$ 4,674,400,000	\$ 4,674,400,000	\$ —
Revenue Sharing	191,405,031	191,405,031	—
Highway Maintenance & Operating Fund (HMOF)	42,098,489	42,098,489	—
General Fund	170,796,000	170,796,000	—
Transportation Trust Fund (TTF) and Other State Revenue			
Interest Earnings	18,490,000	18,490,000	—
Toll Facilities	37,840,000	37,840,000	—
Local Revenue Sources	383,592,011	383,592,011	—
Project Participation - Regional Entities	701,196,581	701,196,581	—
GARVEE Bonds/ Interest Earnings	19,222,769	19,222,769	—
Route 58 Bonds/ Interest Earnings	1,054,829	1,054,829	—
I-66 Outside the Beltway Concession Fee Payment/Interest	21,279,551	21,279,551	—
Interstate 81 Corridor Improvement Fund	78,800,000	78,800,000	—
Statewide Interstate Improvement Fund	—	—	—
Special Fund Account for the Highway Construction District Grant Program	89,497,754	89,497,754	—
Other Trust Fund Revenue	92,164,670	92,164,670	—
Total TTF and Other Revenue	1,443,138,165	1,443,138,165	—
Priority Transportation Fund (PTF)			
State Revenue	7,288,181	7,288,181	—
Total PTF	7,288,181	7,288,181	—
Pass Through Revenues			
Revenue Dedicated to WMATA Capital Fund	133,920,000	133,920,000	—
State Revenue for Regional Entities	872,400,000	872,400,000	—
Total Pass Through Revenues	1,006,320,000	1,006,320,000	—
TOTAL STATE REVENUES	7,364,649,866	7,364,649,866	—
Federal Funding Sources			
Federal Highway Administration (FHWA)	1,705,820,159	1,705,820,159	—
Federal Transit Administration (FTA)	49,228,459	49,228,459	—
Total Federal Funding	1,755,048,618	1,755,048,618	—
TOTAL COMMONWEALTH TRANSPORTATION FUNDS	\$ 9,119,698,484	\$ 9,119,698,484	\$ —



DISTRIBUTION OF REVENUE SOURCES	FY 2023	Revised FY 2023	INCREASE (DECREASE)
Debt Service			
Northern Virginia Transportation District	\$ 11,870,438	\$ 11,870,438	\$ —
Route 28	8,644,519	8,644,519	—
Route 58	30,815,139	30,815,139	—
Interstate 81	5,220,979	5,220,979	—
GARVEE Bonds	136,978,263	136,978,263	—
CPR Bonds	193,302,200	193,302,200	—
Total Debt Service	386,831,538	386,831,538	—
Other Agencies & Transfers			
Trust Fund Management	3,092,567	3,092,567	—
Support to Other State Agencies (excludes DRPT)	43,349,176	43,349,176	—
Indirect Costs	2,721,175	2,721,175	—
Total State Agencies	49,162,918	49,162,918	—
Maintenance & Operations			
Highway System Maintenance	2,005,798,051	2,059,397,351	53,599,300 1
Financial Assist. to Localities for Ground Transportation - Cities	454,109,455	467,781,468	13,672,013 2
Financial Assist. to Localities for Ground Transportation - Counties	78,588,810	81,017,497	2,428,687 2
Total Maintenance & Operations	2,538,496,316	2,608,196,316	69,700,000
Tolls, Administration & Other Programs			
Ground Transportation System Planning and Research	106,660,594	106,660,594	—
Environmental Monitoring & Compliance	17,968,133	17,968,133	—
Administrative and Support Services	318,906,000	318,906,000	—
Program Management and Direction	49,904,320	49,904,320	—
Toll Facilities Operations	37,840,000	37,840,000	—
Toll Facility Revolving Account	36,750,000	36,750,000	—
Capital Outlay	40,000,000	40,000,000	—
Total Tolls, Administration & Other Programs	608,029,047	608,029,047	—

DISTRIBUTION OF REVENUE SOURCES	FY 2023	Revised FY 2023	INCREASE (DECREASE)
Transit and Rail Funds			
Share of TTF Distribution for Transit	\$ 504,504,614	\$ 504,504,614	\$ —
Transit - Share of administrative costs	(662,119)	(662,119)	—
Other Revenue dedicated to Transit	16,153,359	16,153,359	—
Share of TTF Distribution for Rail	164,512,374	164,512,374	—
Rail - Share of administrative costs	(170,401)	(170,401)	—
Federal Transit Authority (FTA)	49,228,459	49,228,459	—
CMAQ (without State Match)	28,101,637	28,101,637	—
STP Regional (without State Match)	12,945,933	12,945,933	—
Rail Fund (with prior year adjustments)	—	—	—
Interest Earnings	1,890,000	1,890,000	—
HB1414 Off the Top to Commonwealth Mass Transit Fund	120,000,000	50,300,000	(69,700,000) ³
Metro Matters	—	—	—
HB1414 Off the Top to Commonwealth Rail Fund	32,700,000	32,700,000	—
Mass Transit Fund-Support from Construction	10,436,903	10,436,903	—
Rail Fund - Support from Construction	87,500,000	87,500,000	—
Priority Transportation	7,300,000	7,300,000	—
Other	22,111,000	22,111,000	—
Subtotal Transit and Rail Funds	1,056,551,759	986,851,759	(69,700,000)
Pass Through Revenue for WMATA Capital			
Dedicated Revenue for WMATA Capital Fund	133,920,000	133,920,000	—
Transfer from NVTD Fund for WMATA Capital Fund	20,000,000	20,000,000	—
Subtotal WMATA Capital Fund	153,920,000	153,920,000	—
Airports - Share of TTF Distribution	32,902,475	32,902,475	—
Airports - Share of administrative costs	(45,770)	(45,770)	—
Airports - Interest Earnings	700,000	700,000	—
Directed CTF Allocation	1,500,000	1,500,000	—
Total Airport Trust Fund	35,056,705	35,056,705	—
Ports - Share of TTF Distribution	54,837,458	54,837,458	—
Ports - Share of administrative costs	(82,262)	(82,262)	—
Ports - Interest Earnings	1,000,000	1,000,000	—
Directed CTF allocation	4,000,000	4,000,000	—
Total Port Trust Fund	59,755,196	59,755,196	—
Department of Motor Vehicles - Share of TTF Distribution	21,934,983	21,934,983	—
DMV - Share of administrative costs	(15,153)	(15,153)	—
Directed CTF allocation	8,500,000	8,500,000	—
Total DMV	30,419,830	30,419,830	—
Virginia Commercial Space Flight Authority - Share of TTF Distribution	21,934,983	21,934,983	—
Space Flight Authority - Share of administrative costs	(27,833)	(27,833)	—
Directed CTF allocation	1,500,000	1,500,000	—
Total Space Flight Authority	23,407,150	23,407,150	—



DISTRIBUTION OF REVENUE SOURCES	FY 2023	Revised FY 2023	INCREASE (DECREASE)
Pass Through Revenue Allocations			
Central Virginia Transportation Authority Fund	\$ 198,900,000	\$ 198,900,000	—
Northern Virginia Transportation Authority Fund	417,743,624	417,743,624	—
Hampton Roads Transportation Fund	254,300,000	254,300,000	—
Hampton Roads Regional Transit Fund	39,900,000	39,900,000	—
Total Regional Transportation Programs	910,843,624	910,843,624	—
Construction			
Financial Assistance to Localities for Ground Transportation	18,303,310	18,303,310	—
State of Good Repair Program	331,213,278	331,213,278	—
High Priority Projects Program	246,678,340	246,678,340	—
Construction District Grant Programs	336,176,095	336,176,095	—
Specialized State and Federal Programs	1,845,367,547	1,845,367,547	—
Virginia Highway Safety Improvement Program	134,783,478	134,783,478	—
Interstate Operations and Enhancement Program	274,702,353	274,702,353	—
Total Construction	3,187,224,401	3,187,224,401	—
Special Structures	80,000,000	80,000,000	—
DISTRIBUTION OF COMMONWEALTH TRANSPORTATION FUNDS			
	\$ 9,119,698,484	\$ 9,119,698,484	\$ —
Agency Funding Summary:			
VDOT	\$ 7,885,824,747	\$ 7,955,524,747	\$ 69,700,000
Less Support to DRPT	(125,236,903)	(125,236,903)	—
VDOT (Net)	7,760,587,844	7,830,287,844	69,700,000
DRPT	1,210,471,759	1,140,771,759	(69,700,000)
Ports	59,755,196	59,755,196	—
Aviation	35,056,705	35,056,705	—
DMV	30,419,830	30,419,830	—
Space Flight Authority	23,407,150	23,407,150	—
Grand Total	\$ 9,119,698,484	\$ 9,119,698,484	\$ —

CTF State Revenue Details

STATE REVENUE SOURCES	FY 2023	Revised FY 2023	INCREASE (DECREASE)
State Tax on Motor Fuels	\$1,360,700,000	\$1,360,700,000	\$—
Road Tax	69,200,000	69,200,000	—
Retail Sales & Use Tax	1,228,600,000	1,228,600,000	—
Motor Vehicle Sales and Use Tax	1,155,100,000	1,155,100,000	—
International Registration Plan	124,200,000	124,200,000	—
Motor Vehicle Licenses	236,600,000	236,600,000	—
Miscellaneous Revenues	17,200,000	17,200,000	—
Motor Vehicle Rental Tax	32,200,000	32,200,000	—
Aviation Fuels Tax	2,000,000	2,000,000	—
Highway Use Fee	59,700,000	59,700,000	—
Insurance Premium	196,000,000	196,000,000	—
Recordation Tax	81,000,000	81,000,000	—
Total	\$4,562,500,000	\$4,562,500,000	\$0

Endnotes

Endnote Number	Description
1	VDOT Maintenance Program share of directed allocation for pavement investment reserve.
2	Financial Assistance to Localities' share of directed allocation for pavement investment reserve.
3	Reduction in planned Directed Omnibus Allocation with the implementation of new Code of Virginia formula distributions.