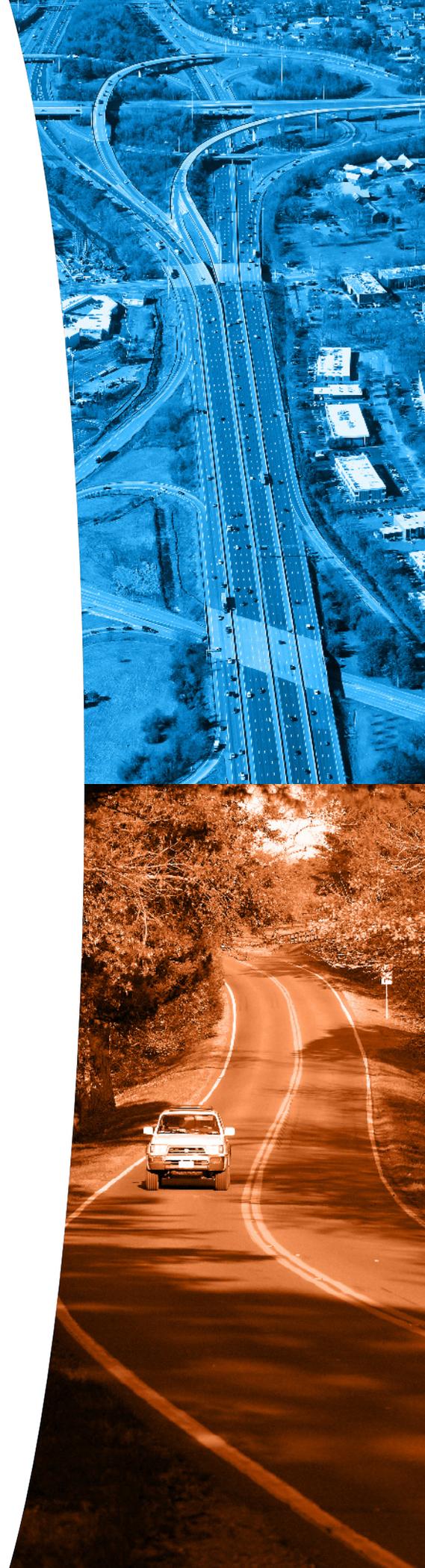




# Fiscal Year 2018

VDOT Annual Budget  
June 2017



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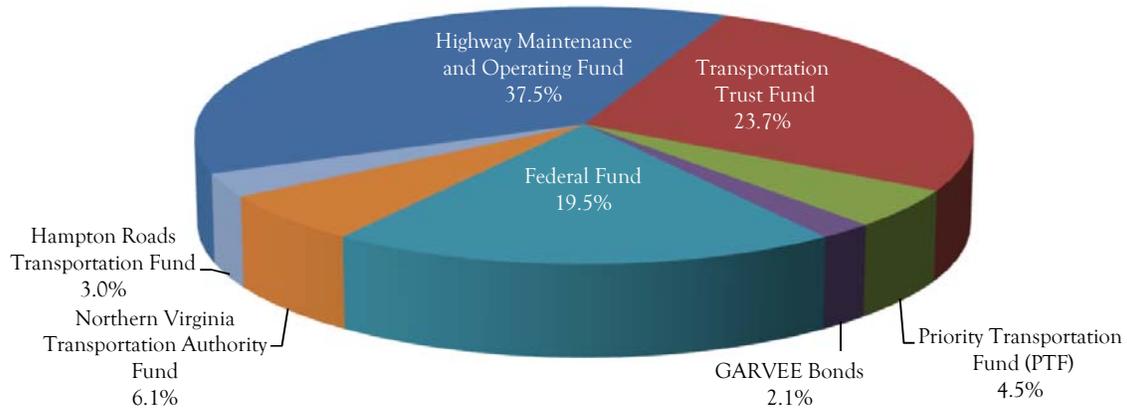
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# Overview

The Fiscal Year 2018 (FY 2018) 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 2016 and estimated federal funding. The VDOT Budget for FY 2018 totals \$5,410,341,913, a 1% increase from the FY 2017 Budget of \$5,357,889,363. The increase from the previous year is primarily driven by project participation from the regional entities and localities, and an offsetting reduction in state revenue and a reduction in the planned use of GARVEE bonds. If the anticipated project participation revenue from the regional entities was not added, the FY 2018 budget would be \$315 million less, or four percent less than the FY 2017 Budget.

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). The budget also includes the regional revenues provided to the Northern Virginia Transportation Authority and the Hampton Roads Transportation Accountability Commission.

## Sources of Transportation Funds

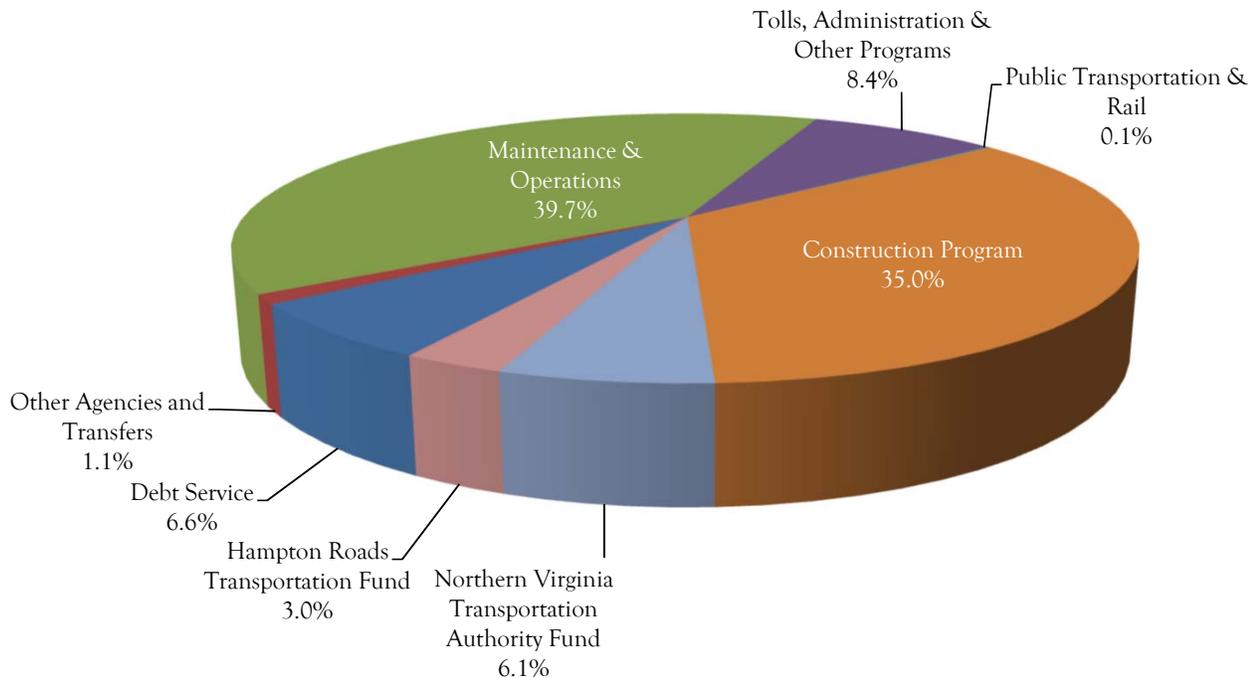


<b>Highway Maintenance and Operating Fund</b>	<b>\$2,031,060,785</b>
<b>Transportation Trust Fund</b>	<b>1,453,438,296</b>
<b>Priority Transportation Fund (PTF)</b>	<b>263,153,930</b>
<b>GARVEE Bonds</b>	<b>113,100,988</b>
<b>Federal Fund</b>	<b>1,057,087,914</b>
<b>Subtotal</b>	<b>\$4,917,841,913</b>
<b>Pass Through Revenues</b>	
Northern Virginia Transportation Authority Fund	332,100,000
Hampton Roads Transportation Fund	160,400,000
<b>TOTAL</b>	<b>\$5,410,341,913</b>

## 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 and also includes the pass through funds to the regions. The following is a summary of the programs by spending category:

	FY 2017	FY 2018	INCREASE (DECREASE)
Debt Service	\$352,019,981	\$358,434,092	\$6,414,111
Other Agencies and Transfers	68,122,057	60,655,283	(7,466,774)
Maintenance & Operations	2,127,311,345	2,146,853,145	19,541,800
Tolls, Administration & Other Programs	440,608,749	452,047,810	11,439,061
Public Transportation & Rail	4,610,095	7,875,884	3,265,789
Construction Program	1,869,117,136	1,891,975,699	22,858,563
<b>Subtotal</b>	<b>\$4,861,789,363</b>	<b>\$4,917,841,913</b>	<b>\$56,052,550</b>
<b>Pass Through Revenues</b>			
Northern Virginia Transportation Authority Fund	327,200,000	332,100,000	4,900,000
Hampton Roads Transportation Fund	168,900,000	160,400,000	(8,500,000)
<b>TOTAL</b>	<b>\$5,357,889,363</b>	<b>\$5,410,341,913</b>	<b>\$52,452,550</b>



## 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 2018 revenues.

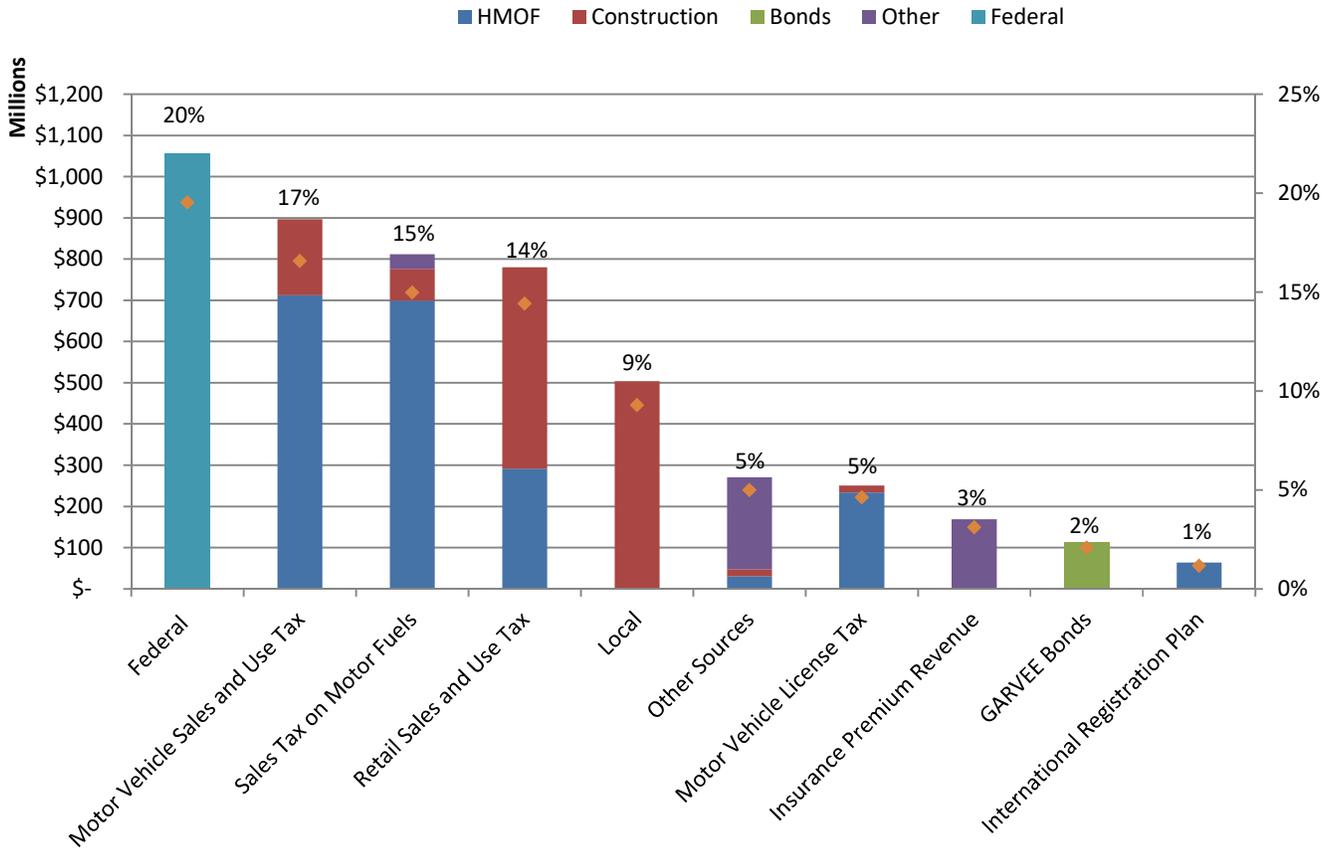
Source	HMOF	Construction*	Federal	Bonds	Other	TOTAL
Sales Tax on Motor Fuels	\$699,000,000	\$77,676,900	\$ -	\$ -	\$34,900,000	\$811,576,900
Motor Vehicle Sales and Use Tax	712,100,000	185,102,400	-	-	-	897,202,400
Motor Vehicle License Tax	233,500,000	17,235,300	-	-	-	250,735,300
Retail Sales and Use Tax	291,700,000	488,963,100	-	-	-	780,663,100
International Registration Plan	64,000,000	-	-	-	-	64,000,000
GARVEE Bonds	-	-	-	113,100,988	-	113,100,988
Other Revenue to Support Bond Programs	-	-	-	-	-	-
Insurance Premium Revenue	-	-	-	-	169,100,000	169,100,000
Local		503,478,561	-	-	-	503,478,561
Other Sources	30,760,785	16,949,425	-	-	223,186,540	270,896,750
Federal	-		1,057,087,914	-		1,057,087,914
Transfer to HMOF	121,659,074	(121,659,074)	-	-	-	-
Transfer from Construction Fund for Maintenance Allocation	37,000,000	(37,000,000)	-	-	-	-
<b>Subtotal</b>	<b>\$2,189,719,859</b>	<b>\$1,130,746,612</b>	<b>\$1,057,087,914</b>	<b>\$ 113,100,988</b>	<b>\$427,186,540</b>	<b>\$4,917,841,913</b>
<b>Pass Through Revenues</b>						
Northern Virginia Transportation Authority Fund	-	-	-	-	332,100,000	332,100,000
Hampton Roads Transportation Fund	-	-	-	-	160,400,000	160,400,000
<b>TOTAL</b>	<b>\$2,189,719,859</b>	<b>\$1,130,746,612</b>	<b>\$1,057,087,914</b>	<b>\$113,100,988</b>	<b>\$919,686,540</b>	<b>\$5,410,341,913</b>

\* 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 anticipated revenues of the agency and their relative contribution. Federal revenues are the largest single source followed by the Motor Vehicle Sales and Use Tax.

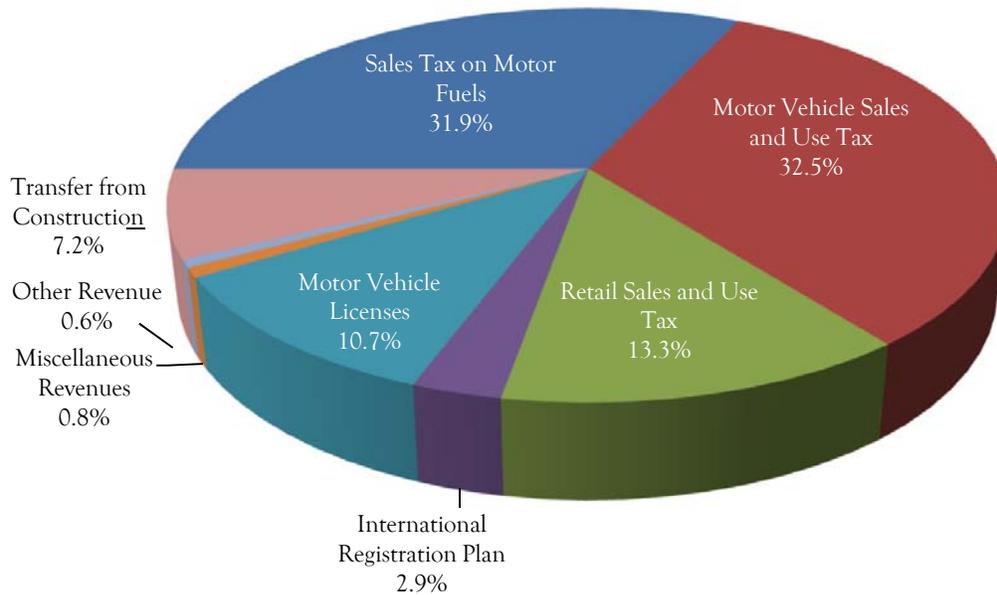


# Highway Maintenance & Operating Fund

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	FY 2017	FY 2018	Difference
Sales Tax on Motor Fuels	\$716,800,000	\$699,000,000	(\$17,800,000)
Motor Vehicle Sales and Use Tax	696,900,000	712,100,000	15,200,000
Retail Sales and Use Tax	293,900,000	291,700,000	(2,200,000)
International Registration Plan	61,700,000	64,000,000	2,300,000
Motor Vehicle Licenses	224,800,000	233,500,000	8,700,000
Miscellaneous Revenues	17,000,000	17,300,000	300,000
Other Revenue	97,913,032	13,460,785	(84,452,247)
<b>Subtotal</b>	<b>\$2,109,013,032</b>	<b>\$2,031,060,785</b>	<b>(\$77,952,247)</b>
Transfer from Construction	14,417,038	158,659,074	144,242,036
<b>Total</b>	<b>\$2,109,013,032</b>	<b>\$2,189,719,859</b>	<b>(\$77,952,247)</b>

**HMOF Revenue Sources, FY 2018**

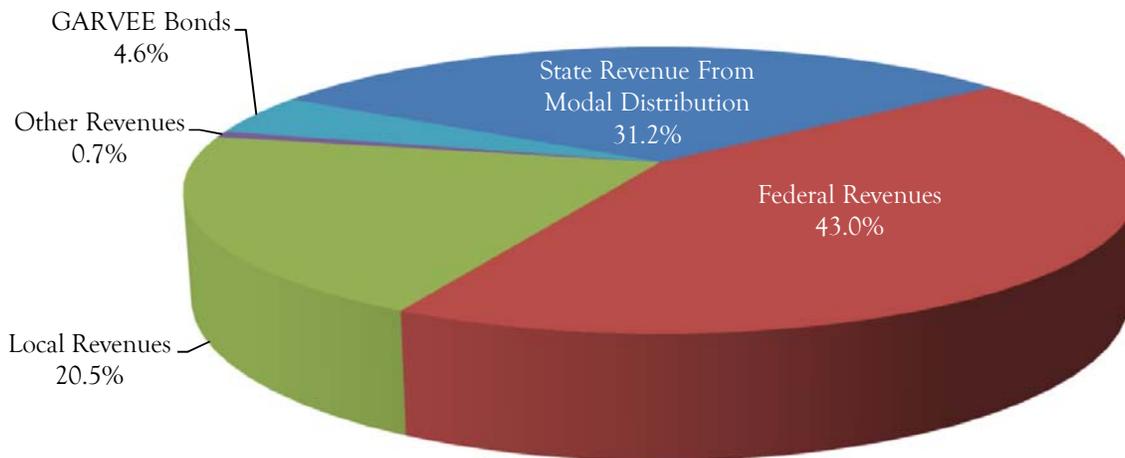


## Transportation Trust Fund - Construction

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	FY 2017	FY 2018	Difference
State Revenue From Modal Distribution	\$801,961,350	\$768,609,473	(\$33,351,877)
Federal Revenues	1,026,435,856	1,057,087,914	30,652,058
Local Revenues	237,904,441	503,478,561	265,574,120
Other Revenues	67,791,083	17,317,652	(50,473,431)
GARVEE Bonds	225,222,435	113,100,988	(112,121,447)
<b>Total</b>	<b>\$2,359,315,165</b>	<b>\$2,459,594,588</b>	<b>\$100,279,423</b>

**Construction Fund Revenue by Source,  
FY 2018**



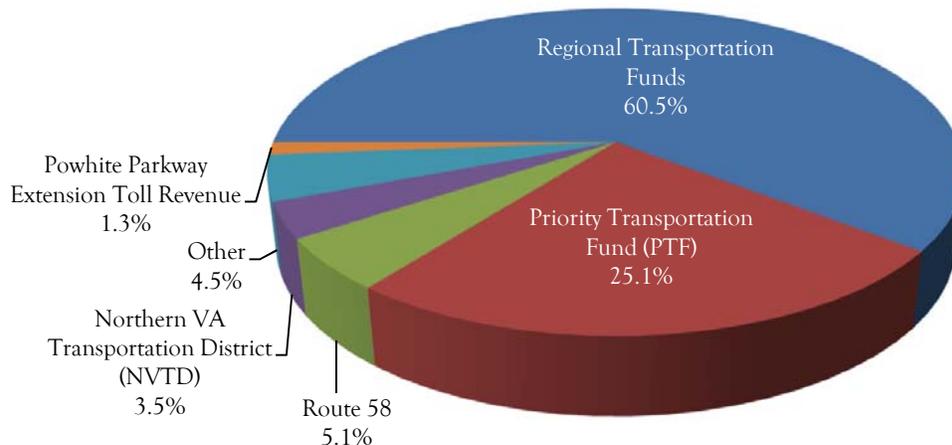
## Other Fund Revenues

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	FY 2017	FY 2018	Difference
Regional Transportation Funds	\$496,100,000	\$492,500,000	(\$3,600,000)
Powwhite Parkway Extension Toll Revenue	10,100,250	11,000,000	899,750
Coleman Bridge Toll Revenue	6,000,000	6,000,000	-
I-66 Inside the Beltway Toll Revenue	-	9,864,833	9,864,833
I-64 Express Lanes Toll Revenue	-	1,258,333	1,258,333
Northern VA Transportation District (NVTD)	15,489,301	15,897,353	408,052
Oak Grove	1,537,732	1,555,803	18,071
Priority Transportation Fund (PTF)	215,661,599	272,446,552	56,784,953
Transportation Partnership Opportunity Fund	2,609,954	600,000	(2,009,954)
Route 58	47,892,613	47,294,019	(598,594)
Route 28	7,215,019	7,212,269	(2,750)
Other	55,884,051	64,608,333	8,724,282
<b>Total</b>	<b>\$858,490,519</b>	<b>\$930,237,495</b>	<b>\$71,746,976</b>

<b>Total Construction Major Sources (page 10)</b>	2,542,807,196	2,459,594,588	(83,212,608)
<b>Transfer to HMOF</b>	(14,417,038)	(158,659,074)	(144,242,036)
<b>Total Construction Fund</b>	<b>\$3,386,880,677</b>	<b>\$3,231,173,009</b>	<b>(\$155,707,668)</b>

### Other Fund Revenue, FY 2018



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# VDOT Program Descriptions & Allocations

## Summary of Allocations by Program

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

	FY 2017	FY 2018	INCREASE (DECREASE)
Environmental Monitoring and Evaluation (514)	\$13,534,237	\$13,688,075	\$153,838
Ground Transportation Planning and Research (602)	72,784,885	73,774,836	989,951
Highway Construction Programs (603)	1,869,117,136	1,891,975,699	22,858,563
Highway System Maintenance (604)	1,674,434,950	1,689,365,163	14,930,213.00 <sup>4</sup>
Commonwealth Toll Facilities (606)	48,248,250	70,473,166	22,224,916 <sup>5</sup>
Financial Assistance to Localities (607)	948,976,395	949,987,982	1,011,587
Non-Toll Supported Transportation Debt Service (612)	352,019,981	358,434,092	6,414,111
Administrative and Support Services (699)	266,051,608	263,439,502	(2,612,106)
VDOT Capital Outlay (998)	39,989,769	30,672,231	(9,317,538)
Support to Other State Agencies	68,122,057	60,655,283	(7,466,774)
Support to DRPT Programs	4,610,095	7,875,884	3,265,789
<b>Total</b>	<b>\$5,357,889,363</b>	<b>\$5,410,341,913</b>	<b>\$52,452,550</b>

## 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.

<b>ENVIRONMENTAL MONITORING &amp; EVALUATION (514)</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>INCREASE (DECREASE)</b>
Environmental Monitoring & Compliance for Highway Projects (514008)	\$10,888,957	\$10,700,185	(\$188,772)
Environmental Monitoring Program Management (514009)	2,645,280	2,987,890	342,610
<b>TOTAL ENVIRONMENTAL</b>	<b>\$13,534,237</b>	<b>\$13,688,075</b>	<b>\$153,838</b>
TTF	13,534,237	13,688,075	153,838

## 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.

<b>PLANNING &amp; RESEARCH (602)</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>INCREASE (DECREASE)</b>
Ground Transportation System Planning (602001)	\$58,541,924	\$60,671,030	\$2,129,106
Ground Transportation System Research (602002)	10,440,699	9,197,341	(1,243,358)
Ground Transportation Program Management (602004)	3,802,262	3,906,465	104,203
<b>TOTAL PLANNING &amp; RESEARCH</b>	<b>\$72,784,885</b>	<b>\$73,774,836</b>	<b>\$989,951</b>
HMOF	13,669,660	12,243,780	(1,425,880)
CONSTRUCTION	38,577,132	41,694,952	3,117,820
FEDERAL	20,538,093	19,836,104	(701,989)

## Highway Construction Programs (603)

For FY 2018, the funding made available for distribution is distributed via the Commonwealth Transportation Board Formula outlined in the Code of Virginia, § 33.2-358. Funding is also available for distribution to the following programs: State of Good Repair Program, High Priority Projects Program, and the Construction District Grant Program.

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.

<b>CONSTRUCTION (603)</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>INCREASE (DECREASE)</b>
State of Good Repair Program (603020)	\$171,957,974	\$87,690,068	(\$84,267,906)
High Priority Projects Program(603021)	119,895,765	107,937,754	(11,958,011)
Construction District Grant Programs (603022)	119,895,763	89,405,123	(30,490,640)
Specialized State and Federal Programs (603023)	1,145,288,660	1,341,371,851	196,083,191
Legacy Construction Formula Program (603024)	285,077,086	\$226,565,119	(58,511,967)
Construction Management (603015)	27,001,888	39,005,784	12,003,896
<b>TOTAL CONSTRUCTION</b>	<b>\$1,869,117,136</b>	<b>\$1,891,975,699</b>	<b>\$22,858,563</b>
CONSTRUCTION	870,413,153	1,000,206,688	129,793,535
FEDERAL	680,735,836	661,436,806	(19,299,030)
PTF	49,348,000	109,650,157	60,302,157
ROUTE 58	7,000,000	-	(7,000,000)
TPOF	2,591,014	581,060	(2,009,954)
BONDS	31,070,647	7,000,000	(24,070,647)
VTIB	2,736,051	-	(2,736,051)
GARVEE BONDS	225,222,435	113,100,988	(112,121,447)

\*Beginning in FY 2017, the Highway Construction Budget is aligned to new service areas within the program. Construction funding is now dedicated to the State of Good Repair Program, the High Priority Projects Program and the Construction District Grant Program. Other funding streams that are not dedicated to these areas are allocated in the Specialized State and Federal Programs service area. Funding dedicated to the CTB Alternate Formula through FY 2020 will be allocated in the Legacy Construction Formula Program service area. The following pages detail each construction service area.

## Highway Construction Programs (603)

### STATE OF GOOD REPAIR PROGRAM (603020)

The purpose of the State of Good Repair Program service area is to allocate funds to state of good repair purposes for reconstruction and replacement of structurally deficient state and locally owned bridges and reconstruction and rehabilitation of pavement on the Interstate System and primary state highway system determined to be deteriorated by the Board, including municipality-maintained primary extensions. (Code of Virginia §33.2-369)

STATE OF GOOD REPAIR PROGRAM (603020)	FY 2017	FY 2018	INCREASE (DECREASE)
<b>TOTAL STATE OF GOOD REPAIR</b>	<b>\$171,957,974</b>	<b>\$87,690,068</b>	<b>(\$84,267,906)</b>
CONSTRUCTION	101,590,684	53,718,524	(47,872,160)
FEDERAL	70,367,290	33,971,544	(36,395,746)

### HIGH PRIORITY PROJECTS PROGRAM (603021)

The purpose of the High Priority Projects Program service area is to allocate funds to the established program for projects and strategies that address a transportation need identified for a corridor of statewide significance or a regional network in the Statewide Transportation Plan pursuant to Code of Virginia §33.2-353. From funds allocated to this program, the Board shall allocate funds to the Innovation and Technology Transportation Fund, provided that the allocation shall not exceed \$25 million annually. (Code of Virginia §33.2-370)

HIGH PRIORITY PROJECTS PROGRAM (603021)	FY 2017	FY 2018	INCREASE (DECREASE)
<b>TOTAL HIGH PRIORITY PROJECTS</b>	<b>\$119,895,765</b>	<b>\$107,937,754</b>	<b>(\$11,958,011)</b>
CONSTRUCTION	2,930,549	58,687,830	55,757,281
FEDERAL	27,980,675	19,825,086	(8,155,589)
GARVEE	88,984,541	29,424,838	(59,559,703)

### CONSTRUCTION DISTRICT GRANT PROGRAMS (603022)

The purpose of the Construction District Grant Programs service area is to allocate funds to the established grant program in each highway construction district to fund projects and strategies that address a need in the Statewide Transportation Plan developed pursuant to Code of Virginia §33.2-353. In accordance with §33.2-359, the Commonwealth Transportation Board shall allocate funds to improve nonsurface treated secondary highways that carry 50 or more vehicles per day. This allocation shall not exceed \$25 million annually. (Code of Virginia, §33.2-371)

CONSTRUCTION DISTRICT GRANT PROGRAMS (603022)	FY 2018	FY 2018	INCREASE (DECREASE)
<b>TOTAL CONSTRUCTION DISTRICT GRANT</b>	<b>\$119,895,763</b>	<b>\$89,405,123</b>	<b>(\$30,490,640)</b>
CONSTRUCTION	83,103,927	36,115,412	(46,988,515)
FEDERAL	35,109,122	36,712,997	1,603,875
GARVEE	1,682,714	16,576,714	14,894,000

\* The amounts provided for High Priority Projects Program and the Construction District Grant Program are reduced to transfer funding to the Maintenance Program, representing 45% of the funds released from the Route 460 Improvements Project. These transfers are planned through FY 2021. Additional allocations were made available for High Priority Projects Program and the Construction District Grant Program with allocations released from the Virginia Beach Light Rail Project.

## Highway Construction Programs (603)

### SPECIALIZED STATE AND FEDERAL PROGRAMS (603023)

The purpose of the Specialized State and Federal Programs service area is to allocate funds to State and Federal Construction Programs that are not components of the other funding distributions. The Federal programs that are exempt from the distribution process are outlined in § 33.2-214.1. of the Code of Virginia (Statewide prioritization process for project selection). These include Congestion Mitigation and Air Quality (CMAQ) funding, Regional Surface Transportation Program funding, and Safety funding. Through FY 2020, some federal funding continues in this distribution category to meet project commitments. The service area will also allocate previously programmed GARVEE bonds, other bond programs, and the state and local components of Revenue Sharing.

SPECIALIZED STATE AND FEDERAL (603023)	FY 2017	FY 2018	INCREASE (DECREASE)
CMAQ & State Match	\$37,511,478	\$32,753,112	(\$4,758,366)
I-66 Inside the Beltway	25,000,000	3,000,000	(22,000,000)
NHPP & Soft Match	65,591,952	10,440,202	(55,151,750)
NHPP Bridge & Soft Match	10,127,005	9,121,911	(1,005,094)
NHPP APD	-	8,500,306	8,500,306
NHPP Exempt & Soft Match	14,540,765	15,582,169	1,041,404
Open Container	20,795,408	10,629,113	(10,166,295)
Participating Project Costs	40,000,000	40,000,000	-
Previously Programmed Garvee Bonds	134,555,180	67,099,436	(67,455,744)
Project Participation from HRTAC	29,036,064	343,360,184	314,324,120
Project Participation from NVTA	8,000,000	9,250,000	1,250,000
PTF for MWA	25,000,000	25,000,000	-
Revenue Sharing	300,000,000	200,000,000	(100,000,000)
Safety & Soft Match	53,122,502	53,122,502	-
STP Bridge & Soft Match	45,000,000	42,000,000	(3,000,000)
STP BROS & Soft Match	15,258,197	14,724,918	(533,279)
STP Regional & State Match	103,042,439	95,333,403	(7,709,036)
STP Statewide & Soft Match	23,065,722	33,735,767	10,670,045
STP 5-200K & Soft Match	19,618,689	18,984,620	(634,069)
STP <5K & Soft Match	36,139,288	34,964,479	(1,174,809)
Tele Fees	10,367,377	10,367,377	-
TPOF/CPR Balance	31,070,647	-	(31,070,647)
Fast Lane Grant	-	120,000,000	120,000,000
Other	98,445,947	143,402,352	44,956,405
<b>TOTAL SPECIALIZED STATE AND FEDERAL (60323)</b>	<b>\$1,145,288,660</b>	<b>\$1,341,371,851</b>	<b>\$196,083,191</b>
Construction	447,278,772	634,883,532	187,604,760
Federal	470,708,996	522,157,666	51,448,670
GARVEES	134,555,180	67,099,436	(67,455,744)
PTF	34,348,000	109,650,157	75,302,157
Bonds	31,070,647	7,000,000	(24,070,647)
VTIB	2,736,051	-	(2,736,051)
TPOF	2,591,014	581,060	(2,009,954)

## Highway Construction Programs (603)

### LEGACY CONSTRUCTION FORMULA PROGRAMS (603024)

The purpose of the Legacy Construction Formula Programs service area is to allocate funds to the Commonwealth Transportation Board Alternate Formula outlined in the Code of Virginia, §33.2-358 C. Funding available for the purposes outlined is planned through FY 2020. The service area will also have appropriation to support spending of prior-year allocations of formula distributed funding.

<b>LEGACY CONSTRUCTION FORMULA PROGRAMS (603024)</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>INCREASE (DECREASE)</b>
CTB Formula	\$285,077,086	\$226,565,119	(\$58,511,967)
<b>TOTAL LEGACY CONSTRUCTION FORMULA PROGRAMS (603024)</b>	<b>\$285,077,086</b>	<b>\$226,565,119</b>	<b>(\$58,511,967)</b>
CONSTRUCTION	208,507,333	\$177,795,606	(30,711,727)
FEDERAL	76,569,753	\$48,769,513	(27,800,240)

The Commonwealth Transportation Board authorized \$353,113,406 for the CTB Alternate Formula distribution. The difference between the amount authorized and the amount allocated above represents the previously unprogrammed balance that was available for Smart Scale Distribution. Those funds are reflected in the High Priority Projects Program and the Construction District Grant Program.

### CONSTRUCTION MANAGEMENT (603015)

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.

<b>CONSTRUCTION MANAGEMENT (603015)</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>INCREASE (DECREASE)</b>
<b>TOTAL CONSTRUCTION MANAGEMENT</b>	<b>\$26,122,682</b>	<b>\$39,005,784</b>	<b>\$12,883,102</b>
TTF	26,122,682	39,005,784	12,883,102

## 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.

<b>HIGHWAY SYSTEM MAINTENANCE (604)</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>INCREASE (DECREASE)</b>
Interstate Maintenance (604001)	\$327,947,288	\$359,754,551	\$31,807,263
Primary Maintenance (604002)	515,968,338	497,415,881	(18,552,457)
Secondary Maintenance (604003)	574,681,876	589,912,970	15,231,094
Transportation Operations Services (604004)	177,119,539	168,477,856	(8,641,683)
Highway Maintenance Program Management & Direction (604005)	78,717,909	73,803,905	(4,914,004)
<b>TOTAL HIGHWAY SYSTEM MAINTENANCE</b>	<b>\$1,674,434,950</b>	<b>\$1,689,365,163</b>	<b>\$14,930,213</b>
HMOF	1,453,651,255	1,431,836,739	(21,814,516)
FEDERAL	220,783,695	257,528,424	\$36,744,729

\* The amounts recommended for FY 2018 include transfers from the funds allocated to the High Priority Projects Program and the Construction District Grant Program, representing a share of 45% of the allocations released from the Route 460 Improvements Project. These transfers are planned through FY 2021.

## Commonwealth Toll Facilities (606)

Revenues collected from toll facilities contribute to Virginia's safe and effective transportation system. 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. Two additional facilities are expected to open in YF 2018: I-66 Inside the Beltway and I-64 Express Lanes.

**Toll Facility Acquisition and Construction (606001)** -To provide for efforts to acquire and construct ground transportation toll facilities. For FY 2018 this is an estimate for what is needed for Interstate 66 Inside the Beltway toll facility.

**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. Funds allocated from the Toll Facilities Revolving Account intended for planned or operating toll facilities are considered advance funding and are expected to be repaid to the Toll Facilities Revolving Account.

<b>COMMONWEALTH TOLL FACILITIES (606)</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>INCREASE (DECREASE)</b>
Acquisition & Construction (606001)	\$12,300,000	\$12,700,000	\$400,000 <sup>5</sup>
Debt Service (606002)	3,188,200	3,193,400	5,200
Maintenance & Operations (606003)	12,912,050	24,929,766	12,017,716
Toll Facilities Revolving (606004)	19,848,000	29,650,000	9,802,000 <sup>5</sup>
<b>TOTAL TOLL FACILITIES</b>	<b>\$48,248,250</b>	<b>\$70,473,166</b>	<b>\$22,224,916</b>
POWHITE	10,100,250	11,000,000	899,750
COLEMAN	6,000,000	6,000,000	-
I-66 INSIDE THE BELTWAY	-	22,564,833	22,564,833
I-64 EXPRESS LANES	-	1,258,333	1,258,333
TOLL FACILITIES REVOLVING	32,148,000	29,650,000	(2,498,000)

## 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.

**Distribution of Hampton Roads Transportation Fund Revenues (607007)** - To transfer state regional tax revenues to the Hampton Roads Transportation Accountability Commission to fund local and regional transportation projects.

<b>FINANCIAL ASSISTANCE TO LOCALITIES (607)</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>INCREASE (DECREASE)</b>
Financial Assistance for City Road Maintenance (607001)	\$371,138,361	\$375,481,970	\$4,343,609
Financial Assistance for County Road Maintenance (607002)	66,000,705	66,775,844	775,139
Financial Assistance for Planning, Access Roads, & Special Projects (607004)	15,737,329	15,230,168	(507,161)
Distribution of Northern Virginia Transportation Authority Fund Revenues (607006)	327,200,000	332,100,000	4,900,000
Distribution of Hampton Roads Transportation Fund Revenues (607007)	168,900,000	160,400,000	(8,500,000)
<b>TOTAL FINANCIAL ASSISTANCE TO LOCALITIES</b>	<b>\$948,976,395</b>	<b>\$949,987,982</b>	<b>\$1,011,587</b>
HMOF	437,139,066	442,257,814	5,118,748
CONSTRUCTION	7,970,814	7,914,463	(56,351)
FEDERAL	7,766,515	7,315,705	(450,810)
NORTHERN VIRGINIA REGIONAL FUND	327,200,000	332,100,000	4,900,000
HAMPTON ROADS REGIONAL FUND	168,900,000	160,400,000	(8,500,000)

## 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. The bonds were retired in FY 2016.

**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).

<b>Non-Toll Supported Transportation Debt Service (612)</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>INCREASE (DECREASE)</b>
Highway Transportation Improvement Debt Service (612001)	\$7,215,019	\$7,212,269	(\$2,750)
Designated Highway Corridor Debt Service (612002)	87,919,646	86,747,175	(1,172,471)
Capital Projects Bonds/Reserve (612004)	166,292,743	153,503,773	(12,788,970)
Federal Transportation Grant Anticipation Revenue Notes Debt Service (612005)	90,571,717	110,970,875	20,399,158
Other	20,856	-	(20,856)
<b>TOTAL NON-TOLL SUPPORTED DEBT SERVICE</b>	<b>\$352,019,981</b>	<b>\$358,434,092</b>	<b>\$6,414,111</b>
NVTD	35,489,301	35,897,353	408,052
OAK GROVE	2,537,732	2,555,803	18,071
ROUTE 28	7,215,019	7,212,269	(2,750)
PTF	20,856	-	(20,856)
CPR BONDS	166,292,743	153,503,773	(12,788,970)
ROUTE 58	49,892,613	48,294,019	(1,598,594)
FEDERAL	90,571,717	110,970,875	20,399,158

## 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.

<b>ADMINISTRATIVE &amp; SUPPORT SERVICES (699)</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>INCREASE (DECREASE)</b>
General Management & Direction (699001)	\$142,662,181	\$137,533,719	(\$5,128,462)
Information Technology Services (699002)	88,723,194	90,923,268	2,200,074
Facilities and Grounds Management Services (699015)	16,235,764	16,668,596	432,832
Employee Training & Development (699024)	18,430,469	18,313,919	(116,550)
<b>TOTAL ADMINISTRATIVE &amp; SUPPORT SERVICES</b>	<b>\$266,051,608</b>	<b>\$263,439,502</b>	<b>(\$2,612,106)</b>
HMOF	259,147,219	262,546,616	3,399,397
CONSTRUCTION	864,389	892,886	28,497
FEDERAL	6,040,000	-	(6,040,000)

## 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)	FY 2017	FY 2018	INCREASE (DECREASE)
<b>TOTAL VDOT CAPITAL OUTLAY</b>	<b>\$39,989,769</b>	<b>\$30,672,231</b>	<b>(\$9,317,538)</b>
CONSTRUCTION	39,989,769	30,672,231	(9,317,538)

## 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	FY 2017	FY 2018	INCREASE (DECREASE)
<b>Transportation Appropriation to Other Agencies</b>			
Department of Education	\$263,327	\$263,327	\$ -
Marine Resources Commission	313,768	313,768	-
Secretary of Transportation	888,357	888,474	117
Department of State Police	7,795,519	7,795,519	-
Department of Minority Business Enterprise	1,535,130	1,535,238	108
Department of Historic Resources	109,835	109,835	-
Department of Emergency Management	1,170,639	1,170,639	-
Department of Motor Vehicles	21,161,150	13,694,150	(7,467,000) <sup>7</sup>
Department of Treasury	185,187	185,187	-
Virginia Liaison Office	151,884	151,884	-
Virginia Commercial Space Flight Authority	15,800,020	15,800,021	1
Office of the State Inspector General	1,851,627	1,851,627	-
SUBTOTAL	51,226,443	43,759,669	(7,466,774)
<b>Transfers to the General Fund</b>			
Department of General Services	362,854	362,854	-
Department of Agriculture & Conservation	97,586	97,586	-
Chesapeake Bay Initiatives	7,416,469	7,416,469	-
Indirect Costs	4,735,091	4,735,091	-
Department of Taxation	2,783,614	2,783,614	-
SUBTOTAL	15,395,614	15,395,614	-
<b>Transfers to Other Agencies</b>			
Department of Motor Vehicles (fuel tax evasion)	1,500,000	1,500,000	-
SUBTOTAL	1,500,000	1,500,000	-
<b>TOTAL SUPPORT TO OTHER STATE AGENCIES</b>	<b>\$68,122,057</b>	<b>\$60,655,283</b>	<b>(\$7,466,774)</b>
HMOF	48,301,685	40,834,910	(7,466,775)
CONSTRUCTION	19,801,432	19,801,433	1
TPOF	18,940	18,940	-

The following table summarizes VDOT's budget by major program and major fund.

<b>Program</b>	<b>HMOF</b>	<b>Construction</b>	<b>Federal</b>	<b>Bonds</b>	<b>Other*</b>	<b>Total</b>
Environmental Monitoring and Evaluation (514)	\$ -	\$13,688,075	\$ -	\$ -	\$ -	\$13,688,075
Ground Transportation Planning & Research (602)	12,243,780	41,694,952	19,836,104	-	-	73,774,836
Highway Construction Programs (603)	-	1,000,206,688	661,436,806	113,100,988	117,231,217	1,891,975,699
Highway System Maintenance (604)	1,394,836,739	37,000,000	257,528,424	-	-	1,689,365,163
Commonwealth Toll Facilities (606)	-	-	-	-	70,473,166	70,473,166
Financial Assistance to Localities (607)	442,257,814	7,914,463	7,315,705	-	492,500,000	949,987,982
Non-Toll Supported Transportation Debt Service (612)	-	-	110,970,875	-	247,463,217	358,434,092
Administrative and Support Services (699)	262,546,616	892,886	-	-	-	263,439,502
VDOT Capital Outlay (998)	-	30,672,231	-	-	-	30,672,231
Support to Other State Agencies	40,834,910	19,801,433	-	-	18,940	60,655,283
Support to DRPT Programs	-	7,875,884	-	-	-	7,875,884
<b>TOTAL</b>	<b>\$2,152,719,859</b>	<b>\$1,159,746,612</b>	<b>\$1,057,087,914</b>	<b>\$113,100,988</b>	<b>\$927,686,540</b>	<b>\$5,410,341,913</b>

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

## Budget Comparison Schedule for FY 2018

### Revenues

Revenue provided by the General Fund of the Commonwealth	\$40,000,000
Taxes	3,179,146,300
Rights and privileges	331,315,985
Sale of property and commodities	-
Interest, dividends, and rents	9,724,191
Fines, forfeitures, court fees	-
Penalties, and escheats	5,000,000
Receipts from localities and private sector	494,951,184
Federal grants and contracts	1,057,087,914
Toll revenues	48,864,833
Other	147,719,943
Total Revenues	5,313,810,350

### Other Financing Sources

Other financing sources	(16,569,425)
Bond proceeds	113,100,988
Note proceeds	-
Transfers from other state agencies and General Fund	-
Transfers in	-
Total Other Financing Sources	96,531,563

<b>Total Revenues and Other Sources</b>	<b>\$5,410,341,913</b>
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## Budget Comparison Schedule for FY 2018

<b>Expenditures</b>	
Administrative and support services	\$263,439,502
Ground transportation system planning and research	73,774,836
Highway system acquisition and construction	1,891,975,699
Highway system maintenance	1,689,365,163
Financial assistance to localities	949,987,982
Environmental monitoring and compliance	13,688,075
Toll facility operations and construction	70,473,166
Capital outlay	30,672,231
Debt Service	358,434,092
<b>Total Expenditures</b>	<u><u>5,341,810,746</u></u>
 <b>Other Financing Uses</b>	
Other financing uses	
Transfers to other state agencies and General Fund	68,531,167
Transfers out	-
<b>Total Other Financing Uses</b>	<u><u>68,531,167</u></u>
 <b>Total Expenditures and Other Uses</b>	 <u><u><b>\$5,410,341,913</b></u></u>
 <b>Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	 <u><u><b>\$ -</b></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 (§ 33.2-358). 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
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	Toll Facilities Revolving Account
TPOF	Transportation Partnership Opportunity Fund
TTF	Transportation Trust Fund

# Endnotes

Endnote Number	Description
1	The local revenue estimate is driven by project participation from localities and anticipated revenue from regional entities for VDOT administered projects.
2	Based on FY 2017 planned use.
3	Decrease is primarily due to the decrease in planned allocations of Federal Transportation Grant Anticipation Revenue Notes (GARVEE bonds) and anticipated local and regional funding.
4	Increased allocation represents normal program growth based on PPI and one-time increase to reflect a 45% share of the released 460 allocations. This share of the increase is planned over fiscal years 2017 - 2019.
5	The increased allocation represents budget authority needed to support the construction of I-66 Inside the Beltway Toll Facility. Additional allocations in 606004 are provided to support E-ZPass Operations and Violation Enforcement Services.
6	Increase reflects the transfer of District Materials Testing from Administration (699001) to Construction Management (603015).
7	Increased capital outlay expenditures for DMV Weigh Stations in FY 2017.