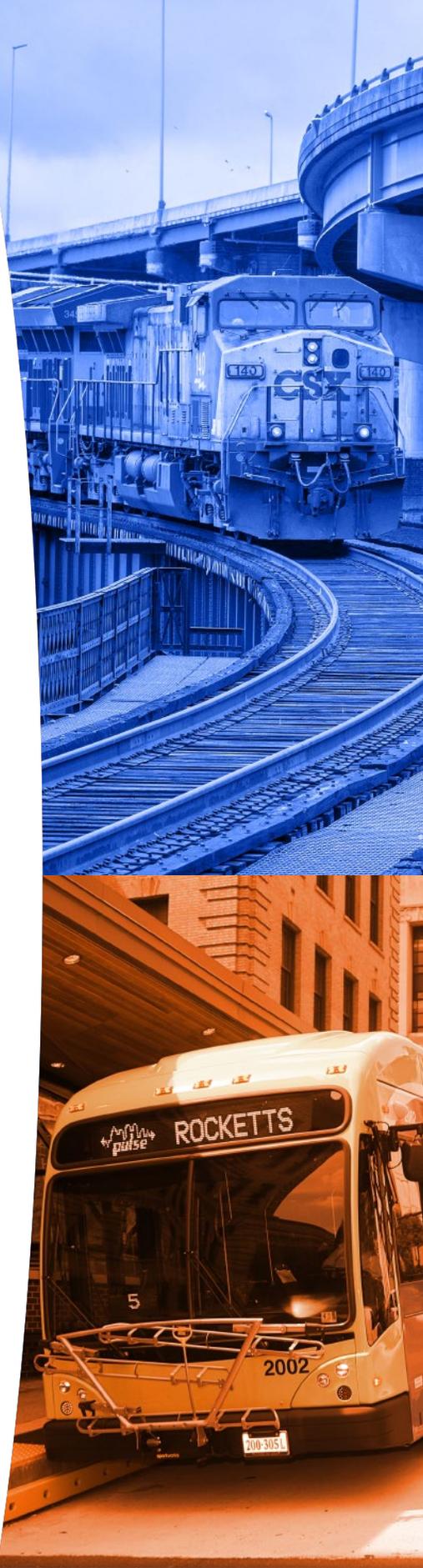


Fiscal Year 2021

Commonwealth Transportation Fund Budget
December 2020
Final



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

Commonwealth Transportation Fund Revenues	4
Commonwealth Transportation Fund Recommended Distributions	7
Summary of Revenues	11



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.

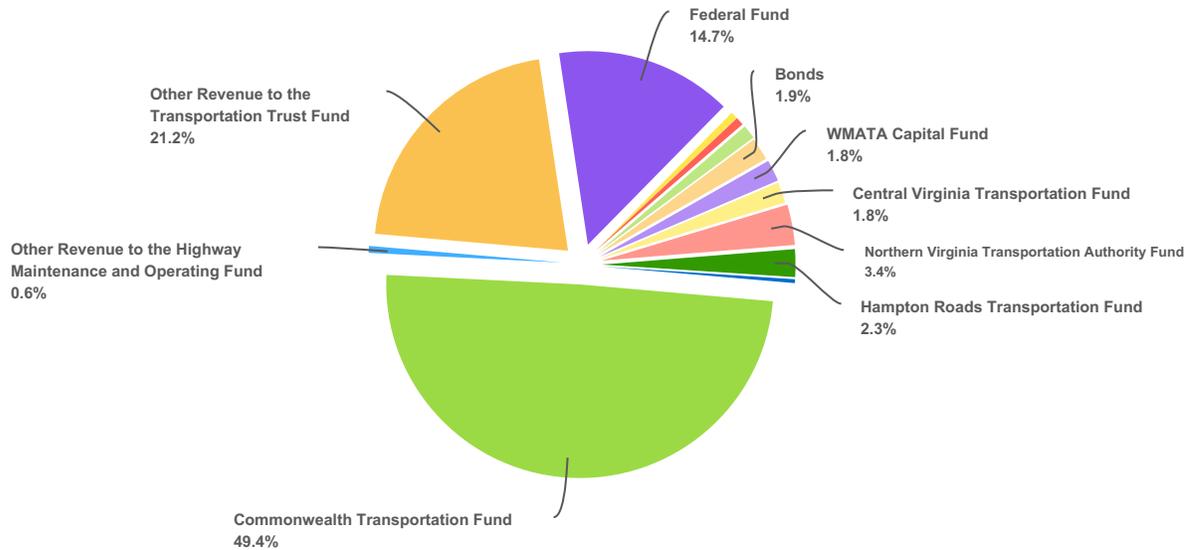
Toll revenue and concession payments to the Commonwealth under the Public-Private Transportation Act of 1995 also would be deposited to the Commonwealth Transportation Fund and allocated to the Transportation Trust Fund (for defined purposes and not available for further distribution). Interest, dividends, 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 2021 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 interim state revenue forecast from August 2020 and estimated federal funding. The budget also applies the flexibility granted in Enactment Clause 11 to continue expectations across transportation agencies. The percentages for CTF and TTF distribution are effective in Fiscal Year 2024. The CTF Budget for FY 2021 totals \$7,820,904,839, a 8.8% increase from the FY 2020 Budget of \$7,187,404,541.

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.

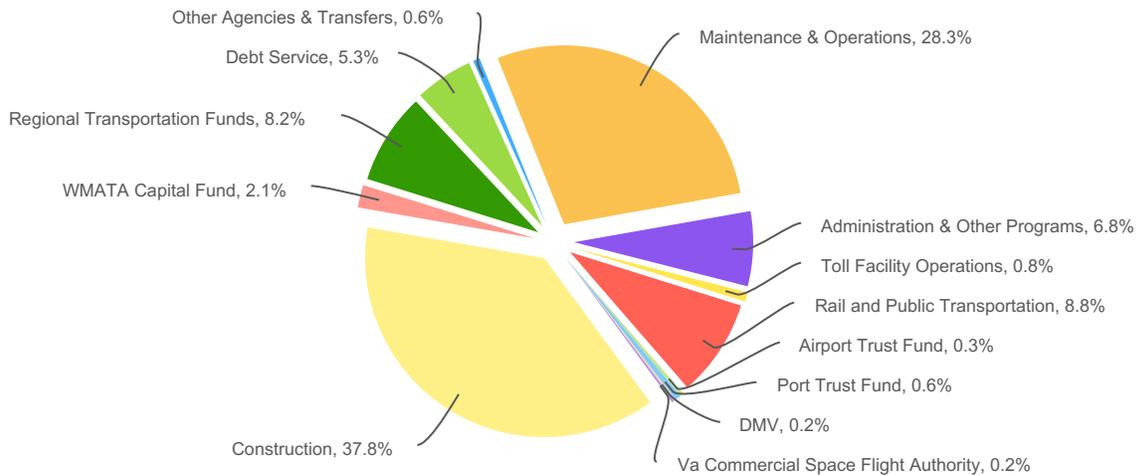
Commonwealth Transportation Fund Total Revenues for FY 2021



Commonwealth Transportation Fund	\$ 3,864,213,900
Other Revenue to the Highway Maintenance and Operating Fund	46,331,334
Other Revenue to the Transportation Trust Fund	1,660,827,648
Federal Fund	1,153,281,303
Priority Transportation Fund	49,122,654
Interstate 81 Corridor Improvement Fund	55,100,000
Fuel Tax Revenue for Highway Construction District Grant Program	92,000,000
Bonds	148,000,000
Total Operating Revenues	7,068,876,839
Pass Through Revenues	
WMATA Capital Fund	141,228,000
Central Virginia Transportation Fund	136,900,000
Northern Virginia Transportation Authority Fund	265,900,000
Hampton Roads Transportation Fund	181,900,000
Hampton Roads Regional Transit Fund	26,100,000
Subtotal	752,028,000
TOTAL	\$ 7,820,904,839

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	\$410,843,301
Other Agencies & Transfers	50,324,384
Maintenance & Operations	2,210,331,137
Administration & Other Programs	528,992,211
Toll Facility Operations	65,677,311
Rail and Public Transportation	691,742,696
Airport Trust Fund	24,712,869
Port Trust Fund	43,326,521
Department of Motor Vehicles	13,948,165
Virginia Commercial Space Flight Authority	16,771,098
Construction	2,958,795,262
Total Operating Programs	7,015,464,955
Pass Through Programs	
WMATA Capital Fund	161,228,000
Regional Transportation Funds	644,211,884
TOTAL RECOMMENDED DISTRIBUTIONS	\$7,820,904,839



STATE REVENUE SOURCES	FY 2020	FY 2021	INCREASE (DECREASE)
Commonwealth Transportation Fund	\$ —	\$ 3,864,213,900	\$ 3,864,213,900 ¹
Highway Maintenance & Operating Fund (HMOF)	2,065,612,623	46,331,334	(2,019,281,289) ¹
Transportation Trust Fund (TTF) and Other State Revenue			
Revenue Available for TTF Distribution	1,025,700,000	—	(1,025,700,000) ¹
Interest Earnings	1,981,579	3,325,000	1,343,421
Toll Facilities	85,455,257	68,633,061	(16,822,196) ²
Local Revenue Sources	171,403,918	171,012,372	(391,546)
Project Participation - Regional Entities	875,369,221	1,373,469,013	498,099,792 ³
CPR Bonds	50,000,000	50,000,000	—
GARVEE Bonds	101,205,768	98,000,000	(3,205,768)
Route 58 Bonds	150,908,817	—	(150,908,817) ⁴
I-66 Outside the Beltway Concession Fee Payment/Interest	12,174,466	5,303,401	(6,871,065)
Concession Fee/Contribution - I-95/Fredericksburg Extension Project	107,880,000	—	(107,880,000) ⁵
Interstate 81 Corridor Improvement Fund	103,500,000	55,100,000	(48,400,000) ⁶
Statewide Interstate Improvement Fund	53,900,000	—	(53,900,000) ¹
Special Fund Account for the Highway Construction District Grant Program	—	—	— ¹
Other Trust Fund Revenue	346,603,986	131,084,801	(215,519,185)
Total TTF and Other Revenue	3,086,083,012	1,955,927,648	(1,130,155,364)
Priority Transportation Fund (PTF)			
State Revenue	241,636,098	49,122,654	(192,513,444) ¹
Total PTF	241,636,098	49,122,654	(192,513,444)
Pass Through Revenues			
Revenue Dedicated to WMATA Capital Fund	133,595,000	141,228,000	7,633,000
State Revenue for Regional Entities	485,100,000	610,800,000	125,700,000 ⁷
Total Pass Through Revenues	618,695,000	752,028,000	133,333,000
TOTAL STATE REVENUES	6,012,026,733	6,667,623,536	655,596,803
Federal Funding Sources			
Federal Highway Administration (FHWA)	1,130,744,944	1,105,543,831	(25,201,113)
Federal Transit Administration (FTA)	44,632,864	47,737,472	3,104,608
Total Federal Funding	1,175,377,808	1,153,281,303	(22,096,505)
TOTAL COMMONWEALTH TRANSPORTATION FUNDS	\$7,187,404,541	\$7,820,904,839	\$633,500,298



DISTRIBUTION OF REVENUE SOURCES	FY 2020	FY 2021	INCREASE (DECREASE)
Debt Service			
Toll Facilities Debt	\$3,190,600	\$2,955,750	(\$234,850)
Northern Virginia Transportation District	22,372,340	17,960,090	(4,412,250)
Oak Grove Connector	1,990,750	2,118,339	127,589
Route 28	8,639,519	8,644,519	5,000
Route 58	36,393,250	48,092,837	11,699,587
GARVEE Bonds	123,804,416	134,817,616	11,013,200
CPR Bonds	192,136,098	196,254,150	4,118,052
Other	17,064,722	—	(17,064,722)
Total Debt Service	405,591,695	410,843,301	5,251,606
Other Agencies & Transfers			
Trust Fund Management	2,933,496	3,021,501	88,005
Support to Other State Agencies (excludes DRPT)	66,752,555	41,803,857	(24,948,698) ⁸
Indirect Costs	5,338,860	5,499,026	160,166
Total State Agencies	75,024,911	50,324,384	(24,700,527)
Maintenance & Operations			
Highway System Maintenance	1,728,110,573	1,741,888,121	13,777,548
Financial Assist. to Localities for Ground Transportation - Cities	388,661,833	397,832,085	9,170,252
Financial Assist. to Localities for Ground Transportation - Counties	69,360,034	70,610,931	1,250,897
Total Maintenance & Operations	2,186,132,440	2,210,331,137	24,198,697 ⁹
Tolls, Administration & Other Programs			
Ground Transportation System Planning and Research	77,685,632	79,132,074	1,446,442
Environmental Monitoring & Compliance	23,494,379	40,930,642	17,436,263 ¹⁰
Administrative and Support Services	297,615,020	300,397,680	2,782,660
Program Management and Direction	43,617,081	44,231,815	614,734
Toll Facilities Operations	45,814,657	28,927,311	(16,887,346)
Toll Facility Revolving Account	36,450,000	36,750,000	300,000
Capital Outlay	30,000,000	64,300,000	34,300,000 ¹¹
Total Tolls, Administration & Other Programs	554,676,769	594,669,522	39,992,753



DISTRIBUTION OF REVENUE SOURCES	FY 2020	FY 2021	INCREASE (DECREASE)
Transit and Rail Funds			
Share of TTF Distribution for Transit	\$149,074,683	\$333,468,687	\$184,394,004
Other revenue dedicated to Transit	99,300,000	15,375,000	(83,925,000)
Share of TTF Distribution for Rail	—	96,010,864	96,010,864
Surface Transportation Program	27,116,263	—	(27,116,263)
Federal Transit Authority (FTA)	44,632,864	47,737,472	3,104,608
CMAQ (without State Match)	26,949,976	32,849,378	5,899,402 ¹²
STP Regional (without State Match)	6,257,922	10,659,172	4,401,250 ¹²
Rail Fund (with prior year adjustments)	21,600,000	(1,700,000)	(23,300,000) ¹
Interest Earnings	1,460,000	3,090,000	1,630,000
Motor Fuels Tax to Commonwealth Mass Transit Fund	33,700,000	—	(33,700,000) ¹
Metro Matters	50,000,000	50,000,000	—
Recordation Taxes for Transit Operating	38,900,000	—	(38,900,000) ¹
Intercity Passenger Rail Operating and Capital Fund (IPROC)	56,200,000	—	(56,200,000) ¹
Mass Transit Fund-Support from Construction	12,301,976	14,877,135	2,575,159 ¹⁰
Priority Transportation Fund for Atlantic Gateway and the Rail Initiative	32,700,000	88,560,988	55,860,988 ¹³
Other	852,000	814,000	(38,000)
Subtotal Transit and Rail Funds	601,045,684	691,742,696	90,697,012
Pass Through Revenue for WMATA Capital			
Dedicated Revenue for WMATA Capital Fund	133,595,000	141,228,000	7,633,000 ¹⁴
Transfer from NVTDFund for WMATA Capital Fund	20,000,000	20,000,000	—
Subtotal WMATA Capital Fund	153,595,000	161,228,000	7,633,000
Airport Trust Fund			
Airports - Share of TTF Distribution	24,338,724	25,367,269	1,028,545
Revision from prior year		(779,400)	(779,400)
Airports - Interest Earnings	125,000	125,000	—
Total Airport Trust Fund	24,463,724	24,712,869	249,145
Port Trust Fund			
Ports - Share of TTF Distribution	42,592,766	44,390,471	1,797,705
Revision from prior year		(1,363,950)	(1,363,950)
Ports - Interest Earnings	300,000	300,000	—
Total Port Trust Fund	42,892,766	43,326,521	433,755
Department of Motor Vehicles - Share of TTF Distribution	—	13,948,165	13,948,165 ¹
Virginia Commercial Space Flight Authority - Share of TTF Distribution	—	16,771,098	16,771,098 ¹



DISTRIBUTION OF REVENUE SOURCES	FY 2020	FY 2021	INCREASE (DECREASE)
Pass Through Revenue Allocations			
Central Virginia Transportation Fund	\$—	\$136,900,000	\$136,900,000
Northern Virginia Transportation Fund	283,400,000	299,311,884	15,911,884
Hampton Roads Transportation Fund	201,700,000	181,900,000	(19,800,000)
Hampton Roads Regional Transit Fund	—	26,100,000	26,100,000
Total Regional Transportation Programs	485,100,000	644,211,884	159,111,884
Construction			
Financial Assistance to Localities for Ground Transportation	15,747,373	15,896,079	148,706
State of Good Repair Program	40,082,305	288,616,106	248,533,801
High Priority Projects Program	142,346,528	206,915,853	64,569,325
Construction District Grant Programs	141,266,528	298,920,540	157,654,012
Specialized State and Federal Programs	2,047,561,778	2,148,446,684	100,884,906
Legacy Construction Formula Programs	271,877,040	—	(271,877,040)
Total Construction	2,658,881,552	2,958,795,262	299,913,710
DISTRIBUTION OF COMMONWEALTH TRANSPORTATION FUNDS	\$7,187,404,541	\$7,820,904,839	\$633,500,298
Agency Funding Summary:			
VDOT	\$6,430,409,343	\$6,992,613,613	\$562,204,270
Less Support to DRPT	(65,001,976)	(123,438,123)	(58,436,147)
VDOT (Net)	6,365,407,367	6,869,175,490	503,768,123
DRPT	754,640,684	852,970,696	98,330,012
Ports	42,892,766	43,326,521	433,755
Aviation	24,463,724	24,712,869	249,145
DMV	—	13,948,165	13,948,165
Space Flight Authority	—	16,771,098	16,771,098
Grand Total	\$7,187,404,541	\$7,820,904,839	\$633,500,298

CTF State Revenue Details

STATE REVENUE SOURCES	FY 2020	FY 2021	INCREASE (DECREASE)
State Tax on Motor Fuels	\$903,000,000	\$963,700,000	\$60,700,000
Road Tax	11,900,000	44,700,000	32,800,000
Retail Sales & Use Tax	1,115,500,000	1,021,600,000	(93,900,000)
Motor Vehicle Sales and Use Tax	921,300,000	886,600,000	(34,700,000)
International Registration Plan	65,000,000	73,700,000	8,700,000
Motor Vehicle Licenses	261,300,000	223,500,000	(37,800,000)
Miscellaneous Revenues	17,900,000	17,900,000	—
Motor Vehicle Rental Tax	43,500,000	43,300,000	(200,000)
Aviation Fuels Tax	2,000,000	2,000,000	—
Highway Use Fee	—	38,000,000	38,000,000
Insurance Premium	188,000,000	181,400,000	(6,600,000)
Recordation Tax	43,600,000	45,300,000	1,700,000
Total	\$3,573,000,000	\$3,541,700,000	(\$31,300,000)

This is a comparison to the revenue estimate provided in the FY 2020 Budget adopted in June 2019 to the FY 2021 Budget.

Endnotes

Endnote Number	Description
1	Adjustments reflect the impact of Chapter 1230. These adjustments include the dedication of major transportation revenues to the Commonwealth Transportation Fund and distributed in accordance with the legislation and budget bill considerations. The legislation also provided for a fuel tax increase in all localities outside of a region with dedicated fuel taxes. This revenue is dedicated to a Special fund Account for the Highway Construction District Grant Program.
2	VDOT continues to review and update assumptions for Toll Facility Revenue as a result of the COVID-19. These estimates will be updated for the final budget recommendations.
3	Additional revenue is anticipated for construction activity for the Hampton Roads Bridge-Tunnel Expansion Project.
4	Planned use of bond proceeds.
5	The concession fund revenue represents funds provided from the Interstate 95/Fredericksburg Extension Project in FY 2020.
6	The statewide revenue sources provided previously to the Interstate Program are now dedicated to the Commonwealth Transportation Fund. The Interstate Operations and Enhancement Program will receive an allocation through the Construction Highway Program.
7	Chapter 1235 (House Bill 1541) from the 2020 General Assembly Session created the Central Virginia Transportation Authority. The localities in Planning District 15 have a fuel tax and retail sales and use tax dedicated to the Central Virginia Transportation Fund for use on transit and transportation projects.
8	Support for the Virginia Commercial Space Flight Authority is provided as an allocation from the Commonwealth Transportation Fund beginning in FY 2021. It was previously provided as Support to Other State Agencies. FY 2020 also had a one-time allocation that was removed in FY 2021.
9	Planned growth in the Maintenance and Operations Programs.
10	Planned increased allocation to address storm water discharges, including the related operational and maintenance activities to meet Total Maximum Daily Load reduction targets.
11	Planned allocation for Capital Outlay efforts. This increase represents a restoration of prior reduced allocations.
12	Represents allocation to projects in the Six-Year Improvement Program (SYIP).
13	Priority Transportation Funding dedicated to the Atlantic Gateway Project and the Rail Initiative.
14	The revenue estimate for WMATA Capital Fund is not updated from previous assumptions.