



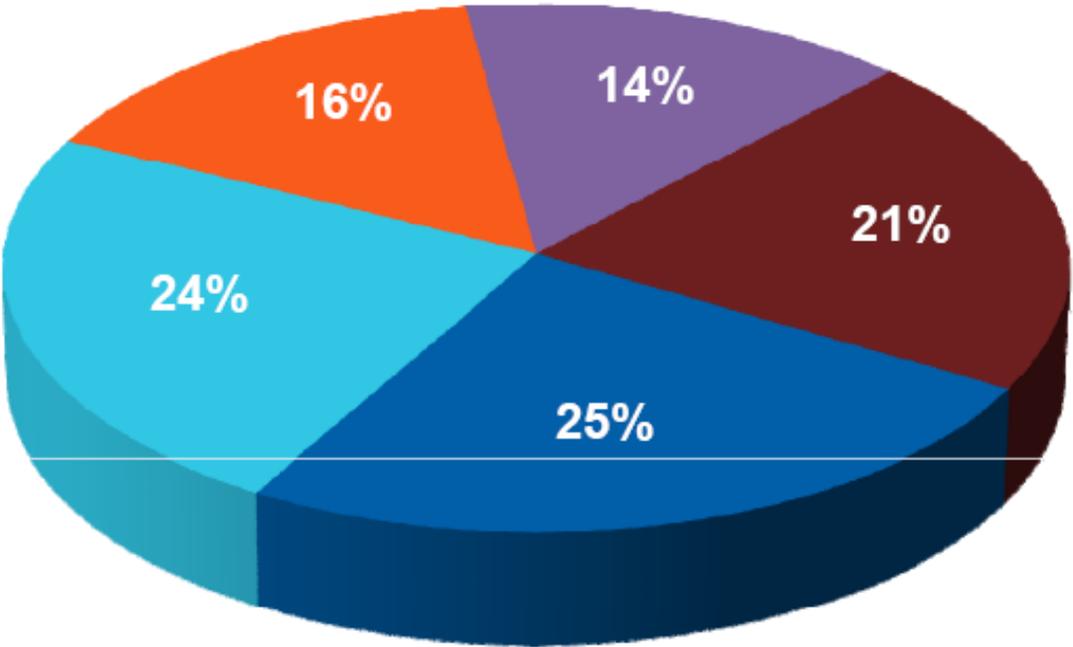
COMMONWEALTH of VIRGINIA
Office of the
SECRETARY of TRANSPORTATION

Transportation Revenue Update

Pierce R. Homer
Secretary of Transportation
Commonwealth of Virginia



Transportation Revenues



Almost 2/3s of transportation revenues are tied to fuel purchases and auto sales

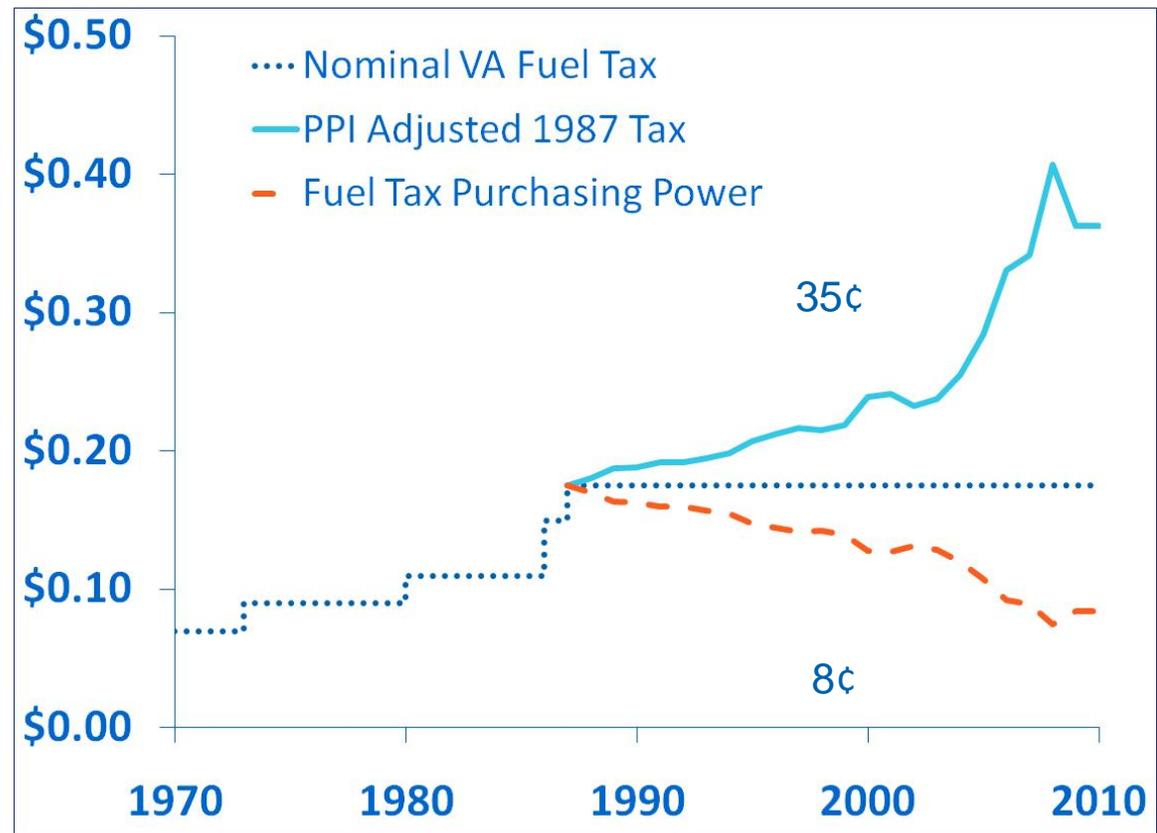
- VA Motor Fuels
- Sales & Use
- Other Revenues

- Federal Fuels and Others
- Motor Vehicle Sales & Use

Purchasing Power of Fuel Tax

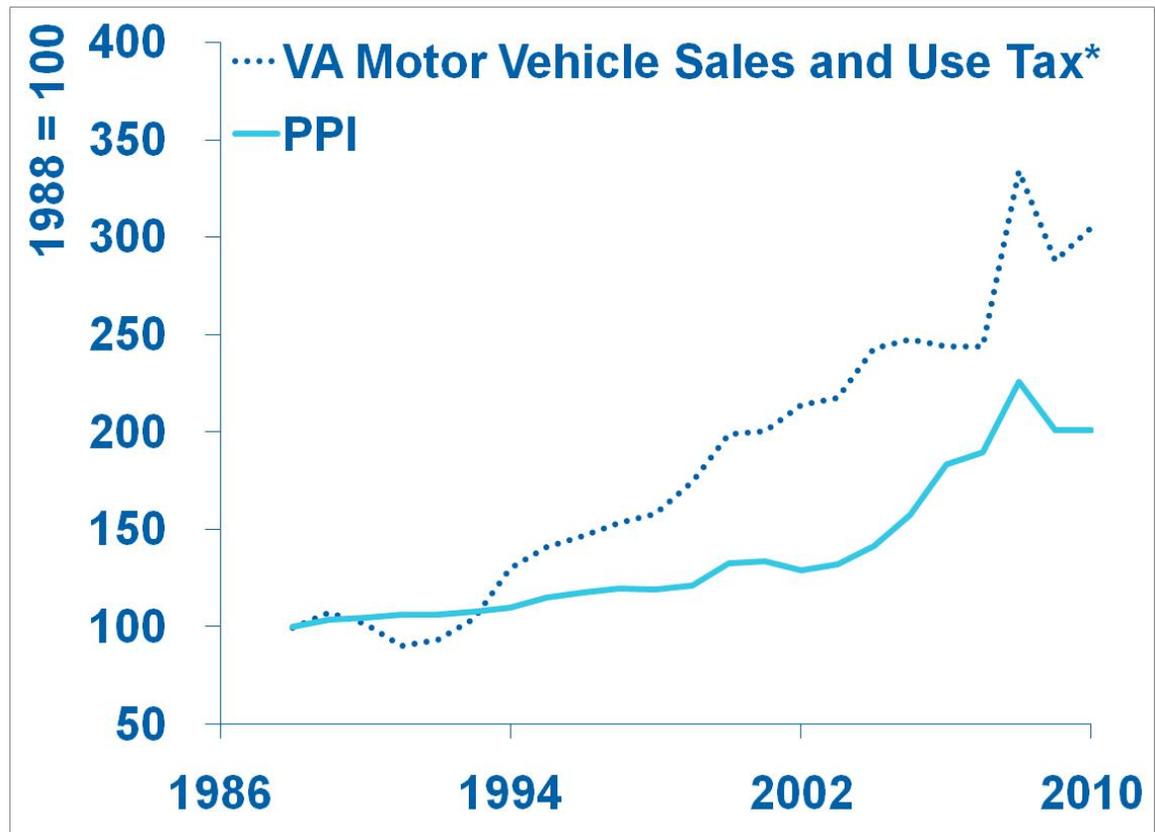
The purchasing power of the fuel tax has eroded since the last tax increase in 1987

Fuel tax would need to double to reach 1987 purchasing power



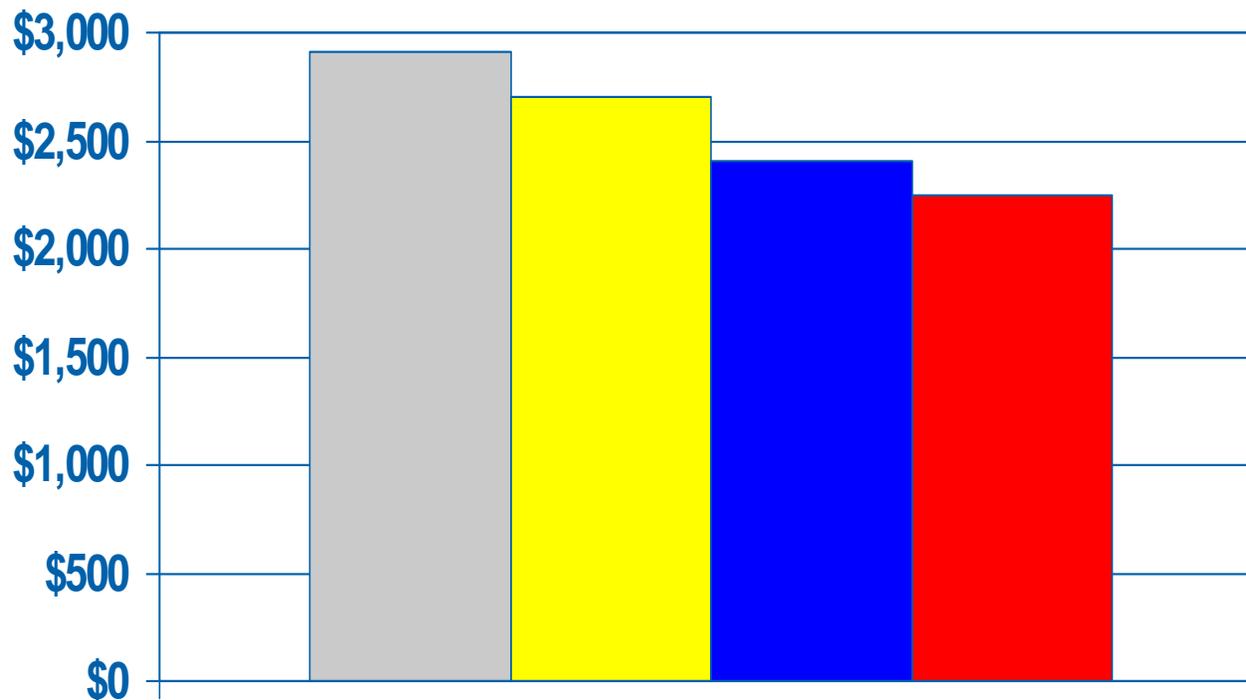
Purchasing Power of Motor Vehicle Sales Tax

Purchasing power of motor vehicle sales tax has been reduced due to increased construction costs



*2009-2010 values are FY budget estimates

FY2010 Commonwealth Transportation Fund State Revenue Forecast (figures in millions)

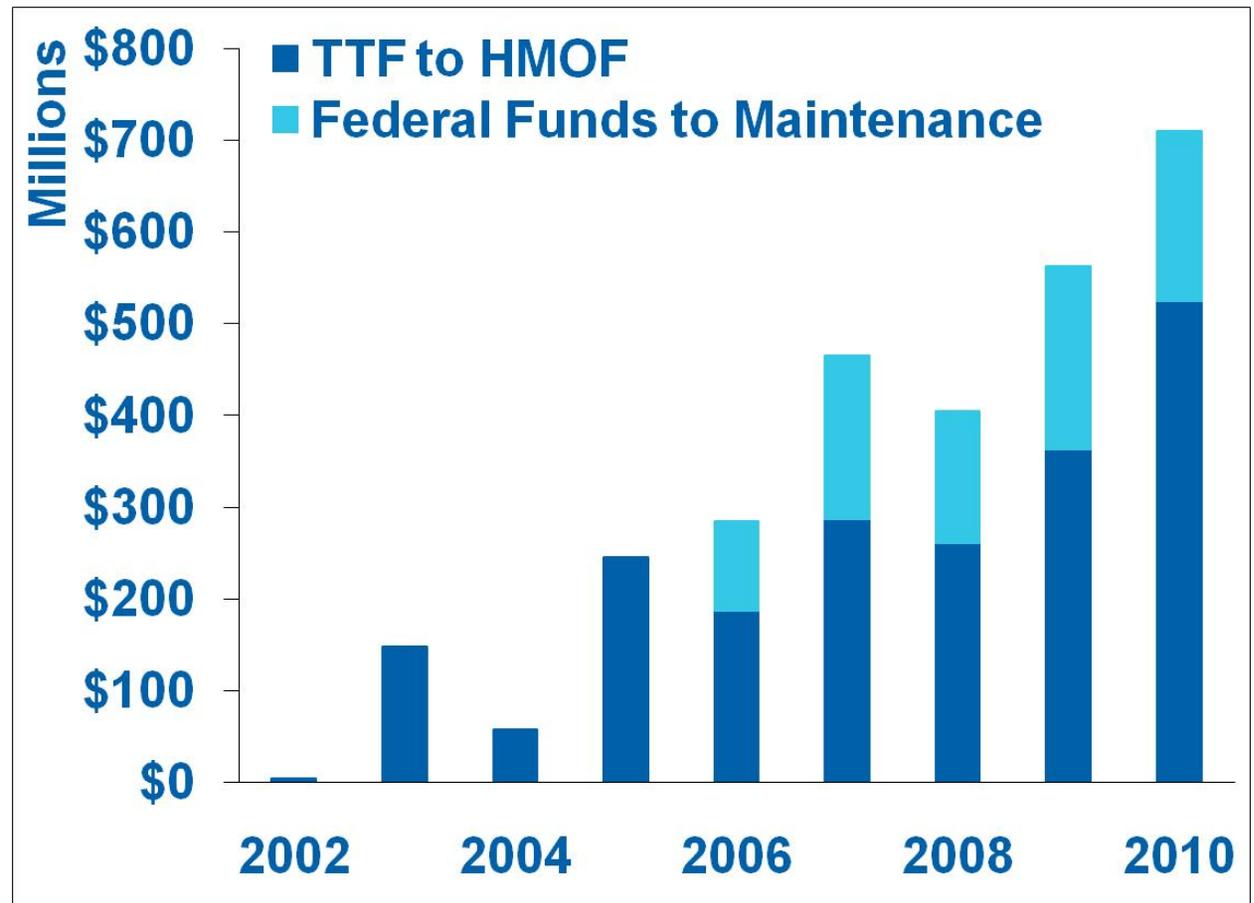


**Since 2008 the
FY10 state
revenue
forecast has
decreased by
22.7% or \$661
million.**

■ Official 2008 ■ Official 2009 ■ Revised 2009 ■ August Revision

Six Year Program Funds Transferred to Highway Maintenance

Since 2002, amount of funds transferred to maintenance has increased from \$3.6 M to \$712.6 M in FY10



Maintenance Funding and Ability to Match Federal Dollars

- Over last ten years maintenance funding has grown on average 4%
- Commonwealth Transportation Board has had to reduce growth in VDOT maintenance and local maintenance payments by 25% to fully match federal funds
 - Every dollar provided by Virginia is matched by \$4 in federal funds
- Reduced maintenance spending will negatively impact the condition of local and city streets
- If Commonwealth adequately funds maintenance it will leave federal dollars “on the table”
- CTB is using HB3202 bonds to match federal funds

Transportation Revenue Forecast Reductions (Six Year Estimates)

Spring 2008	\$1.1 billion
February 2009	\$2.6 billion
August 2009	<u>\$0.9 billion</u>
	\$4.6 billion

(Total annual revenues ~\$4.5 Billion)

2008 and 2009 Reductions

- **\$3.1 billion in highway and transit improvements cancelled**
- **Eliminate all state and federal funds flowing through primary, secondary and urban formulas**
- **Reduce VDOT employees by 1,000 full-time and 450 part-time**
- **Close at least 1/3 of VDOT residencies, equipment shops and rest areas**
- **Reduce maintenance growth to 3%, including local maintenance payments**
- **Maintain federal match**
- **Maintain transit/rail capital (HB3202 bonds)**

VDOT Blueprint Update

- **Implemented reductions mowing, safety service patrols, ferry service**
- **Closed 19 rest areas**
- **Layoff notice to 640 employees**
 - Just under ½ of notified employees left agency in September
 - Remaining employees in WTA process
- **Additional layoff notices in December**
- **Central Office division consolidations will take place later this year**
- **Equipment shop and residency closings will take place later this year**
- **Implementation will be complete in 12 months**

August 2009 GF Reductions and Transfers to GF

DOAV	\$0.005 M	GF reduction
DMV	\$3.200 M	Transfer
DRPT	\$0.477 M	GF reduction
VDOT	\$13.202 M	GF reduction
VPA	\$0.593 M	GF reduction
TOTAL	\$17.478 M	

August 2009 Reductions - \$900 M

(Six year estimates)

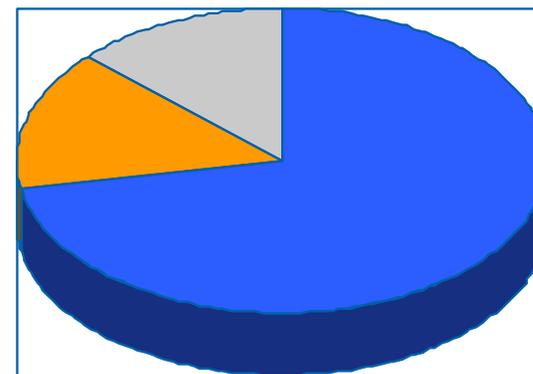
DOAV	\$13 M
DRPT	\$105 M
VDOT	\$743 M
VPA	\$22 M

August 2009 Reductions - \$900 M

(Six year estimates)

- Agencies reviewing and analyzing impacts of reductions
- Potential reductions strategies include:
 - Transit operating and capital
 - VDOT maintenance and/or services
 - VDOT organization and/or staffing
 - VDOT projects
 - Leave federal dollars on the table
- Detailed plans will be developed in next month

3 Parts of Blueprint



- Construction Program
- Admin & Support Program
- Maintenance Program



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Virginia Department of Rail and Public Transportation

