



VDOT Budget and Outlook

January 22, 2008

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Commissioner

Budget Assumptions and Issues

- **The budget is based on:**
 - Official and November 2007 Commonwealth Transportation Fund Revenue Forecast
 - Federal revenue estimates at SAFETEA-LU funding levels
 - Planned maintenance program annual growth of 4%
- **Budget includes:**
 - Revenues from the Abusive Driver Fees (\$65 million per year)
 - Commonwealth Transportation Capital Projects Revenue Bonds sales
 - Fiscal Year 2008 - \$100 million
 - Fiscal Years 2009 and 2010 - \$300 million each year
- **Construction budget not growing:**
 - Even with new HB 3202 revenues and bond proceeds, growth in non-construction programs are exceeding revenue growth
 - Impact felt in the state construction formula allocations

Operating Budgets for Fiscal Years 2008, 2009 and 2010

(amounts in millions)

Program	SB29	SB30	
	FY 2008	FY 2009	FY 2010
514 Environmental Monitoring and Evaluation	\$ 14.1	\$ 14.6	\$ 15.0
602 Ground Transportation Planning and Research	50.9	46.5	47.6
603 Highway System Acquisition and Construction	1,552.1	1,487.3	1,409.7
604 Highway System Maintenance	1,257.6	1,327.6	1,376.4
606 Commonwealth Toll Facilities	115.0	119.0	121.4
607 Financial Assistance to Localities for Ground Transportation	339.1	351.9	365.6
612 Non-Toll Supported Transportation Debt Service	223.7	228.6	258.3
699 Administrative and Support Services	259.6	242.4	249.3
Total Operating Budget	\$ 3,812.2	\$ 3,817.9	\$ 3,843.4

Maintenance Program

- **System preservation continues to be the agency's top priority**
- **Heavy emphasis on bridge rehabilitation**
- **Focusing on options to improve mobility**
- **Funding for locality maintenance support grows at same rate as VDOT maintenance**
- **Total maintenance funding, VDOT and locality, exceeds construction program funding**

Fiscal Year 2008 Maintenance and Construction Funding

(amounts in millions)

District	VDOT Maintenance	Locality Maintenance Payments	Total Maintenance	Highway Construction
Bristol	\$ 137.1	\$ 11.8	\$ 148.9	\$ 97.4
Culpeper	73.6	6.3	79.9	53.5
Fredericksburg	82.8	2.1	84.9	57.9
Lynchburg	77.1	20.6	97.7	51.2
Richmond	172.6	62.1	234.7	137.7
Salem	132.1	30.2	162.3	93.9
Hampton Roads	155.3	140.7	296.0	215.4
Northern VA	187.6	33.2	220.8	410.2
Staunton	110.8	18.8	129.5	86.5
Statewide	128.7		128.7	157.8
<i>Total</i>	\$ 1,257.6	\$ 325.7	\$ 1,583.4	\$ 1,361.5

Note: Not all funding in table is shown in SYIP. Construction funding does not include funds distributed by others, subject to negotiation, or awaiting separate CTB action.

Challenges – 2008 and Beyond

Declining State and Federal Revenues

- Approximately \$400 million state transportation revenue reduction for six year program
 - Another \$385 million from repeal of abusive driver fee for six year program
 - Federal impacts unknown – federal funding must be reauthorized in 2009
 - The continuation of annual sales of the Commonwealth Transportation Capital Projects Revenue Bonds of \$300 million are included in long range projections
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- **Increases in materials and fuel costs continue to impact program needs**

 - **Highway Maintenance Deficit**
 - \$288 million in FY 2009 and growing
 - \$857 million projected for FY 2021
 - Continues to grow, but state revenues unable to support after FY 2021

HMOF Deficit / Crossover

(amounts in millions)

Fiscal Year 2021 is the last year in which there are state revenues available in the Construction Fund to fully provide the needed support.

<u>Fiscal Year</u>	<u>Amount</u>	<u>Fiscal Year</u>	<u>Amount</u>
2002	\$ 4	2012	\$ 378
2003	\$ 147	2013	\$ 419
2004	\$ 57	2014	\$ 482
2005	\$ 245	2015	\$ 528
2006	\$ 186	2016	\$ 576
2007	\$ 287	2017	\$ 626
2008	\$ 261	2018	\$ 679
2009	\$ 288	2019	\$ 736
2010	\$ 289	2020	\$ 795
2011	\$ 334	2021	\$ 857

HMOF deficit continues to grow but state revenues insufficient to provide, meaning program reductions will have to be made to balance budget.



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