





Transportation Funding

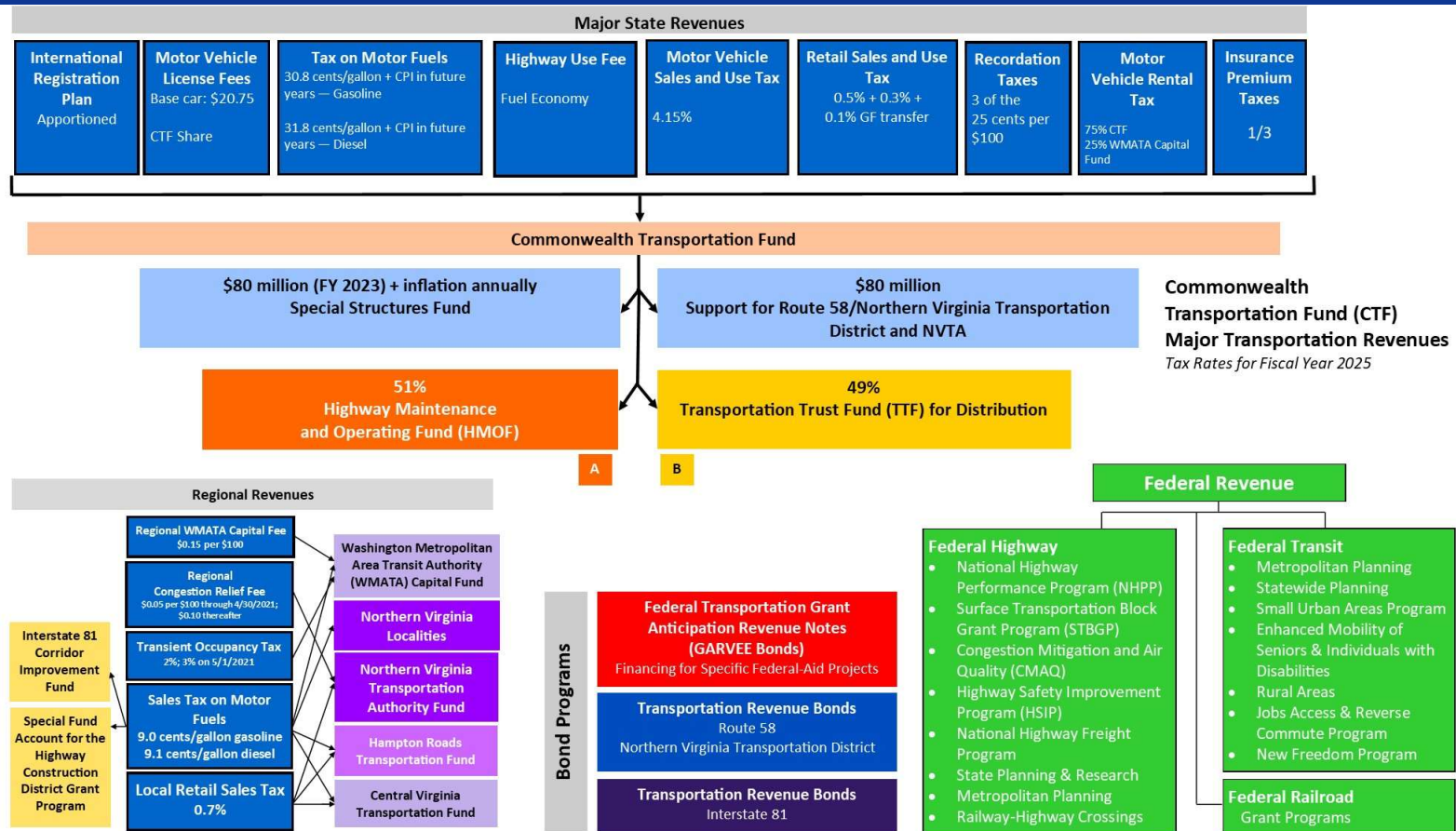
Preliminary FY 2026 – 2031 Commonwealth Transportation Fund (CTF) Six-Year Financial Plan

2025 Cost Estimation Summit

Laura Farmer, Chief Financial Officer

March 11, 2025

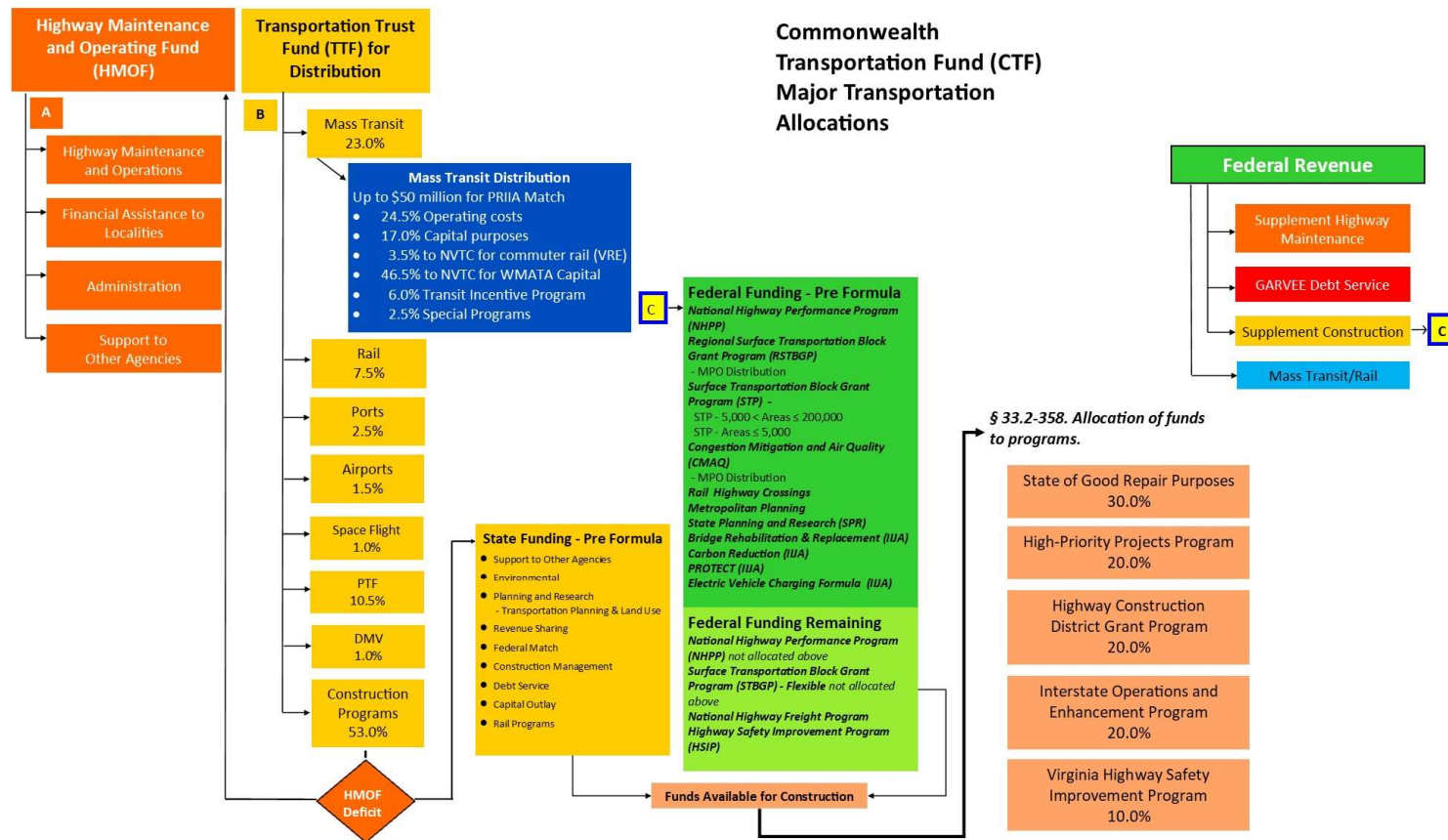
CTF Revenues



Commonwealth Transportation Fund (CTF)
Major Transportation Revenues
Tax Rates for Fiscal Year 2025



Allocation Distribution from CTF



Commonwealth Transportation Fund, FY 2025 to date

Revenue	FY 2025 Estimate	As a % of Total Fund	January			Year-To-Date			% Annual Growth Required By Estimate
			FY 2025	FY 2024	% Change	FY 2025	FY 2024	% Change	
➔ Motor Fuel Taxes	\$1,594,600	18.96	\$132,590	\$128,410	3.3	\$948,629	\$885,607	7.1	6.5
Insurance Premiums Tax	228,700	2.73	0	0	-	228,661	217,791	5.0	5.0
➔ Motor Vehicle Sales and Use Tax	1,277,600	15.19	113,947	109,350	4.2	784,813	747,051	5.1	1.8
➔ State Sales and Use Tax	1,418,600	16.87	137,714	128,465	7.2	843,361	822,717	2.5	3.0
Motor Vehicle License Fees	218,900	2.60	16,185	18,993	(14.8)	131,075	126,650	3.5	2.9
Highway Use Fee	90,900	1.08	6,431	5,972	7.7	47,973	39,334	22.0	28.0
International Registration Plan	114,400	1.36	7,658	9,164	(16.4)	61,951	61,309	1.0	0.5
Recordation Tax	52,500	0.63	4,374	3,433	27.4	33,986	27,858	22.0	3.2
Interest Earnings	33,400	0.40	14,272	12,044	18.5	28,485	24,073	18.3	(38.4)
Misc. Taxes, Fees, and Revenues	18,900	0.22	1,665	1,483	12.3	13,155	10,985	19.8	(12.4)
Total State Taxes and Fees	\$5,048,500	60.04	\$434,836	\$417,314	4.2	\$3,122,089	\$2,963,375	5.4	3.6



Transportation Revenue Update

☐ State Revenue Update

- ☐ The updated December revenue forecast updated expected impacts to revenues through FY 2032, inclusive of FY 2026 – 2031 planning period
- ☐ Change across major revenue sources over previous expectations through FY 2030
 - ☐ Retail Sales and Use Tax – Increase of \$114 million
 - ☐ Motor Vehicle Sales and Use – Increase of \$325 million
 - ☐ Statewide Motor Fuels Tax – Reduction of \$50 million
 - ☐ Highway Use Fee – Increase of \$352 million
 - ☐ Insurance Premium Tax – Increase of \$165 million

Transportation Revenue Estimate Updates

Value of revenue changes to the CTF since December 2023 assumptions

Details of Differences	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Total
Retail Sales and Use Tax	\$ 26.4	\$ 9.6	\$ 9.9	\$ 6.3	\$ 19.2	\$ 42.7	\$ 114.1
Motor Vehicle Sales and Use Tax	27.0	19.6	41.2	61.9	78.6	96.5	324.8
Statewide Motor Fuels Tax	7.5	1.3	(13.4)	(11.6)	(14.9)	(18.6)	(49.7)
Aviation Fuels Tax	-	-	-	-	-	-	-
Road Tax	(4.3)	(0.6)	(1.0)	0.5	0.9	1.3	(3.2)
International Registration Plan	(5.2)	(4.1)	(3.0)	(1.3)	(1.2)	(1.3)	(16.1)
Registration Fees	(0.6)	0.5	0.5	0.5	0.5	0.5	1.9
State Insurance Premium Tax	7.4	20.2	25.2	31.5	37.2	43.8	165.3
Recordation Tax	(3.4)	7.6	18.8	26.9	31.1	29.5	110.5
Vehicle Rental Tax	15.6	15.9	16.9	16.3	16.7	17.9	99.3
Highway Use Fee	25.5	36.8	50.5	64.7	79.6	95.2	352.3
Miscellaneous Revenues to HMOF	0.3	0.3	0.3	0.3	0.3	0.3	1.8
	\$ 96.2	\$ 107.1	\$ 145.9	\$ 196.0	\$ 248.0	\$ 307.8	\$ 1,101.0



Commonwealth Transportation Fund (CTF) Revenue Estimate

(in millions)

State Revenue Forecast Sources of Funds	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	2026-2031 TOTAL
Retail Sales and Use Tax	\$ 1,418.6	\$ 1,477.0	\$ 1,534.5	\$ 1,587.3	\$ 1,655.6	\$ 1,731.4	\$ 1,795.5	\$ 9,781.3
Motor Vehicle Sales and Use Tax	1,220.5	1,240.2	1,256.4	1,271.8	1,281.0	1,295.9	1,310.2	7,655.5
Statewide Motor Fuels Tax	1,511.8	1,555.9	1,586.4	1,633.0	1,674.5	1,714.4	1,764.2	9,928.4
Aviation Fuels Tax	2.0	2.0	2.0	2.0	2.0	2.0	2.0	12.0
Road Tax	80.8	82.3	83.0	84.3	84.4	84.5	85.8	504.3
International Registration Plan	114.4	115.9	117.3	119.4	119.8	120.1	120.5	713.0
Registration Fees	218.9	222.4	220.8	222.8	223.2	226.9	230.8	1,346.9
State Insurance Premium Tax	228.7	240.4	249.4	258.7	267.8	278.0	282.6	1,576.9
Recordation Tax	52.5	63.6	74.8	85.4	92.6	93.4	94.8	504.6
Vehicle Rental Tax	42.8	43.5	44.3	43.9	44.2	45.1	46.4	267.3
Highway Use Fee	90.9	104.7	119.0	133.9	149.5	165.8	182.8	855.7
Total Commonwealth Transportation Fund	\$ 4,981.9	\$ 5,147.9	\$ 5,287.9	\$ 5,442.5	\$ 5,594.6	\$ 5,757.5	\$ 5,915.6	\$ 33,145.9

December 2024 Forecast; Rental Tax excludes share dedicated to WMATA Capital



Commonwealth Transportation Fund (CTF)

Preliminary Fiscal Years 2026 – 2031 Six-Year Financial Plan Overview

- ❑ The Six-Year Financial Plan (SYFP) identifies the planned funding for allocation to Highways, Rail, Transit, Ports, Aviation, DMV, and Space Flight
- ❑ The Preliminary SYFP for Fiscal Years 2026 – 2031 allocates \$56.0 billion from all revenue sources
- ❑ Includes the use of \$975 million of Route 58 Corridor Bonds, I-81 Financing and GARVEE Bonds
- ❑ Transfers \$6.4 billion to the three regions for transportation improvements and \$1.0 billion in dedicated revenue for WMATA Capital Fund
- ❑ Includes \$554 million of dedicated fuel tax revenue for the I-81 Corridor Improvements
- ❑ Dedicates \$18.1 billion for Maintenance and Operations
- ❑ Provides \$15.3 billion for Construction

Approximately \$2.0 billion of Construction Funding represents Local and Regional Funding for Projects



Commonwealth Transportation Fund Preliminary Fiscal Years 2026 – 2031

Six-Year Financial Plan Estimated Revenues (in millions)

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2026 - FY 2031 Total	Previous FY 2025 - FY 2030	Difference
State Transportation Revenues									
Commonwealth Transportation Fund	5,229.9	5,287.9	5,442.5	5,594.6	5,757.5	5,915.6	\$ 33,227.9	\$ 31,264.7	\$ 1,963.2
General Fund	108.5	-	-	-	-	-	108.5	315.7	(207.2)
Local & Regional Project Participation/Revenue	532.2	810.8	201.8	180.9	177.4	177.4	2,080.6	3,451.6	(1,371.1)
Other Fund Revenue	536.7	475.1	461.4	467.2	473.6	476.7	2,890.8	2,721.5	169.3
Total	6,407.2	6,573.8	6,105.7	6,242.8	6,408.5	6,569.7	38,307.7	37,753.5	554.1
							-	-	
Federal Revenues	1,567.8	1,493.0	1,521.5	1,550.6	1,580.3	1,610.5	9,323.6	9,713.6	(389.9)
Total Revenues	7,975.0	8,066.7	7,627.2	7,793.3	7,988.8	8,180.2	47,631.3	47,467.1	164.2
Other Financing Sources									
Interstate 81 Financing	-	334.2	-	266.9	-	-	601.2	568.4	32.8
GARVEE Bonds	-	100.0	-	100.0	-	100.0	300.0	-	300.0
Route 58	74.2	-	-	-	-	-	74.2	226.4	(152.2)
Total	74.2	434.2	-	366.9	-	100.0	975.4	794.8	180.6
Total Operating Revenues and Other Financing Sources	\$ 8,049.2	\$ 8,501.0	\$ 7,627.2	\$ 8,160.3	\$ 7,988.8	\$ 8,280.2	\$ 48,606.6	\$ 48,261.8	\$ 344.8
Revenue Supporting Transfer Payments									
Regional Transportation Funds	986.5	1,003.9	1,042.3	1,085.9	1,128.5	1,164.1	6,411.2	5,796.7	614.5
WMATA Capital Fund Revenue	154.4	162.1	169.6	175.2	177.1	179.6	1,018.1	837.5	180.6
Grand Total	\$ 9,190.1	\$ 9,667.0	\$ 8,839.1	\$ 9,421.4	\$ 9,294.4	\$ 9,623.9	\$ 56,035.9	\$ 54,896.1	\$ 1,139.8



Commonwealth Transportation Fund Preliminary Fiscal Years 2026 – 2031 Six-Year Financial Plan Estimated Allocations (in millions)

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2026-2031 Total	2025-2030 SYFP	Difference
Debt Service	\$ 435.7	\$ 438.3	\$ 427.4	\$ 415.3	\$ 440.0	\$ 448.9	\$ 2,605.6	\$ 2,427.4	\$ 178.3
Other Agencies & Transfers	54.1	54.1	54.1	54.1	54.1	54.1	324.6	334.1	(9.5)
Maintenance & Operations	3,029.0	2,885.8	2,951.4	3,017.3	3,084.7	3,153.4	18,121.6	16,495.9	1,625.7
Administration & Other Programs	638.2	633.3	650.8	661.8	673.1	684.6	3,941.8	3,761.6	180.3
Toll Programs	141.7	118.8	107.9	108.8	109.9	110.9	698.0	780.8	(82.8)
Special Structures	90.0	92.3	94.7	97.2	99.7	102.3	576.1	554.0	22.1
Public Transportation	647.8	654.8	674.3	693.6	714.6	731.5	4,116.7	4,190.5	(73.8)
Virginia Passenger Rail Authority	224.2	221.6	230.3	234.8	224.6	228.2	1,363.6	1,383.3	(19.7)
DRPT Rail Assistance	16.5	16.6	16.9	17.2	17.7	18.0	102.9	97.5	5.4
DRPT Administration	19.9	20.1	20.7	21.4	22.1	22.7	127.0	126.4	0.5
Commonwealth Port Fund	64.0	64.7	66.6	68.4	70.5	72.4	406.6	374.7	31.9
Commonwealth Aviation Fund	38.6	39.0	40.2	41.3	42.5	43.7	245.3	225.4	19.9
Commonwealth Space Flight Fund	24.7	25.0	25.7	26.5	27.3	28.1	157.3	147.5	9.7
Department of Motor Vehicles	24.7	25.0	25.7	26.4	27.3	28.1	157.1	147.5	9.6
Construction	2,475.6	3,171.6	2,200.5	2,636.2	2,340.6	2,513.3	15,337.9	16,978.2	(1,640.3)
Total Operating Programs	\$ 7,924.7	\$ 8,461.0	\$ 7,587.2	\$ 8,120.3	\$ 7,948.8	\$ 8,240.2	\$ 48,282.1	\$ 48,024.8	\$ 257.3
Pass Through Programs									
WMATA Capital Fund/General Fund	258.9	182.1	189.6	195.2	197.1	199.6	1,222.6	957.5	265.1
Central Virginia Transportation Fund	245.4	241.9	249.8	259.3	269.6	277.2	1,543.2	1,370.4	172.8
Northern Virginia Transportation Authority Fund	446.4	460.0	480.7	503.1	522.8	540.0	2,953.0	2,629.0	324.0
Hampton Roads Regional Transit Fund	33.7	36.6	37.0	37.2	37.4	37.6	219.5	236.8	(17.3)
Hampton Roads Transportation Fund	281.0	285.4	294.8	306.3	318.7	329.3	1,815.5	1,677.5	138.0
Subtotal	1,265.4	1,206.0	1,251.9	1,301.1	1,345.6	1,383.7	7,753.8	6,871.2	882.6
Total	\$ 9,190.1	\$ 9,667.0	\$ 8,839.1	\$ 9,421.4	\$ 9,294.4	\$ 9,623.9	\$ 56,035.9	\$ 54,896.1	\$ 1,139.8



MPO Programmed Funding (RSTP/CMAQ) reflected in Construction in Draft 2026-2031 Allocations; Distribution reflected in Final SYFP

VDOT Program Updates

- ❑ **Planning for operational needs of the Hampton Roads Bridge-Tunnel Expansion with additional operational funding for VDOT Operations.**

Under Master Tolling Agreement with HRTAC, all roadside and tunnel operations are the financial responsibility of VDOT

- ❑ **Experience with paving contracts and increased costs for maintenance activities has led to a recommended infusion in FY 2026 and on-going base adjustments beginning in FY 2027 and beyond for VDOT and Financial Assistance to Localities**

Increased Maintenance Cost Impacts

(in millions)	2026	2027	2028	2029	2030	2031	Total
VDOT Maintenance & Operations							
HRBT Expansion Operations	\$8.4	\$29.8	\$30.9	\$32.2	\$33.5	\$34.4	\$169.2
Additional funding for Paving/Routine Maintenance	283.3	100.0	102.3	104.7	107.1	109.5	806.8
Financial Assistance to Localities							
Cities	57.7	20.4	20.8	21.3	21.8	22.3	164.3
Arlington and Henrico	10.2	3.6	3.7	3.8	3.9	4.0	29.2
Total	\$359.6	\$153.7	\$157.8	\$161.9	\$166.2	\$170.2	\$1,169.4

The increased funding for maintenance directly reduces the funds available for construction

Highway Maintenance & Operating Fund (HMOF) Deficit (Crossover)

(in millions)	FY 2022	FY 2023	FY 2024	FY 2025	Preliminary FY 2026
Federal Funding Provided to VDOT Maintenance & Operations Program	\$362.4	\$528.4	\$282.1	\$318.8	\$283.5
State Crossover (Transfer from Construction Share of TTF to HMOF)	108.7	70.0	363.0	509.9	533.5
TOTAL	\$471.1	\$598.4	\$645.1	\$828.7	\$817.0

Assumptions for Highway Construction Programs

- ❑ Allocation of GARVEE Bonds - \$100 million in each fiscal year: FY 2027, FY 2029 and FY 2031; estimated debt service allocated from federal funding
- ❑ Revenue Sharing – State share of funds available in FYs 2026 – 2031 is \$100 million annually.
- ❑ The Innovation and Technology Transportation Fund (ITTF) funding from the High Priority Projects Program is \$25 million annually.
- ❑ Unpaved Roads funding is \$25 million annually from the District Grant Program.

Preliminary Construction Allocations for Formula Distribution

	(in millions)						
	2026	2027	2028	2029	2030	2031	TOTAL
State of Good Repair Program	\$318.6	\$365.2	\$384.0	\$411.4	\$436.0	\$454.8	\$2,369.9
High Priority Projects Program	212.4	243.5	256.0	274.2	290.6	303.2	1,579.9
Construction District Grant Program	212.4	243.5	256.0	274.2	290.6	303.2	1,579.9
Interstate Operations & Enhancement Program	212.4	243.5	256.0	274.2	290.6	303.2	1,579.9
Virginia Highway Safety Improvement Program	106.2	121.7	128.0	137.1	145.3	151.6	790.0
TOTAL	\$1,061.8	\$1,217.3	\$1,280.1	\$1,371.2	\$1,453.2	\$1,515.9	\$7,899.5
<i>Difference from Previous Assumptions</i>	(244.0)	(134.6)	(123.0)	(147.4)	(123.8)		(772.8)

Estimated Allocations available for SMART SCALE Round 6

(in millions)	Funds Available
High Priority Projects Program (HPP)	
Formula Distribution*	\$123.6
Balance Entry from previously adopted SYIP	261.1
TOTAL	\$384.7

(in millions)	Funds Available
District Grant Program (DGP)	
Difference from Previous Assumptions	
Formula Distribution*	\$123.6
Supplemental DGP Funding from Fuel Tax Revenue	143.2
Balance Entry from previously adopted SYIP	427.8
TOTAL	\$694.6
PRELIMINARY GRAND TOTAL HPPP and DGP AVAILABLE FOR SMART SCALE ROUND 6	\$1,079.3

**Removes/reserves ITTF (HPP) and Unpaved Roads (DGP) Allocations of \$25 million each from Difference in FY 2031*

Summary and Next Steps in Budget Development

- ☐ **Draft allocations for HPP and DGP represents the best-case scenario at this time**
 - ☐ Full financial impact of emergency response (Helene and snow) for FY 2025 is uncertain based on activity to date for VDOT
 - ☐ Spending in the coming months will determine if a revision to the current year budget is necessary (By May 2025)
- ☐ **Monitor actions by 2025 General Assembly and impact to transportation funding and spending**
- ☐ **Draft Budgets and SYIP presented to CTB in April 2025**



Cost Estimating

- **Reliable and valid cost estimates always make financial planning easier**
 - **Allows the optimization of resources across projects, including planned debt financing, where applicable**
 - **React faster to changing market conditions**
 - **Meet the planned needs of the agency**
- **Shortfalls have ripple effects**

VDOT's experience in recent years

- **Monitoring market conditions and adjusting inflation expectations has allowed for our SYIP to advance efficiently without significant shifts**
- **Excellent cooperation and communication with engineering and finance staff**
- **On-going improvements will allow for continued success in an uncertain environment**

