



Agency Update

Stephen C. Brich, P.E.
Commissioner of Highways
January 24, 2022

Overview

- **Budget Highlights**
 - **Revenue Update and IJA Estimated Impact**
- **Impacts to VDOT**
- **Budget Bill Items for Consideration**
- **Major projects underway**

Federal and State Revenue Update

- ❑ **Federal Revenue update reflects estimated impact of the Infrastructure Investment and Jobs Act (IIJA)**
 - Addition funding for core programs
 - New federal programs

- ❑ **Significant state revenue update, including assumptions built into the Governor Northam's proposal**
 - Increased funding available across major sources
 - Ending Accelerated Sales Tax Payments for Retailers
(Impact not reflected in the introduced budget)
 - State share of Food Tax eliminated in January 2023
(Impact not reflected in the introduced budget)

IIJA – Summary of Additional Federal Funding

New Programs and Increased flexible federal funding for formula allocation (w/State Match where applicable)	IIJA Implementation Period						TOTAL
	(in millions)	2022	2023	2024	2025	2026	
Bridge Rehabilitation and Replacement	\$107.4	\$107.4	\$107.4	\$107.4	\$107.4	\$ -	\$536.8
Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT) grant program	45.3	46.2	47.1	48.1	49.0	49.8	285.5
Carbon Reduction Program	38.4	39.1	39.9	40.7	41.5	42.2	241.9
Electric Vehicles	21.3	21.3	21.3	21.3	21.3	-	106.4
Increased funding available to allocate via Construction Formula <i>Based on June 2021 Six-Year Financial Plan Assumptions to IIJA Assumptions</i>	173.0	174.3	178.6	178.0	184.9	188.2	1,077.1

State Revenue Update

Differences over previous assumptions (in millions)

	FY 2022	FY 2023	FY 2024
Retail Sales and Use Tax	\$ 75.5	\$ 192.8	\$ 130.7
Motor Vehicle Sales and Use Tax	274.4	171.5	136.6
Motor Fuels Tax	43.9	15.3	3.6
Aviation Fuels Tax	-	-	-
Road Tax	21.0	41.7	41.2
International Registration Plan	50.4	50.4	50.4
Registration Fees	31.9	33.7	34.3
State Insurance Premium Tax	8.9	18.5	19.5
Recordation Tax	24.0	24.0	24.0
Vehicle Rental Tax	11.0	11.8	12.0
Highway Use Fee	5.8	6.6	9.6
Total Commonwealth Transportation Fund	\$ 546.8	\$ 566.3	\$ 461.9

Operating Budget Updates by Program

Program	<i>(in millions)</i>			
	FY 2022 Chapter 552	FY 2022 Request HB 29	FY 2023 Request HB 30	FY 2024 Request HB 30
Environmental Monitoring and Evaluation	\$41.4	\$44.0	\$27.2	\$27.6
Ground Transportation Planning and Research	88.6	94.3	94.9	96.7
Highway Construction Programs	3,778.9	4,398.5	4,575.0	4,595.1
Transportation Initiatives	55.0	170.8	-	-
Highway System Maintenance and Operations	2,063.8	2,044.2	2,180.2	2,102.1
Special Structures*	5.0	30.0	80.0	81.3
Commonwealth Toll Facilities	93.6	71.1	97.6	99.3
Financial Assistance to Localities for Ground Transportation	1,285.0	1,349.9	526.7	534.0
Non-Toll Supported Transportation Debt Service	413.8	382.0	412.5	455.3
Administrative and Support Services	299.4	302.7	305.5	310.0
Total	8,124.4	8,887.6	8,299.8	8,301.4
Transfer Payments (Payments to Regional Entities)	-	-	884.5	906.0
Grand Total	\$8,124.4	\$8,887.6	\$9,184.3	\$9,207.4

**FY 2022 Request needs to be updated to \$60 million to correspond with adopted assumptions*

Budget Bill Items for Consideration

2022 Transportation Initiative

General Fund dollars in Governor Northam's Budget Proposals

2020-2022 Biennium - Caboose Bill - FY 2022

- ❑ **\$115.8 million from FY 2021 GF Surplus, committed by *Code of Virginia* to CTF. Requires appropriation by General Assembly**
 - \$30.0 million for Mid-Atlantic Regional Spaceport
 - \$25.8 million for regional multi-use trails
 - \$20.0 million for Air Terminal Interchange at-grade intersection project (supporting VDOT's land lease with the U.S. Navy)
 - \$20.0 million for I-64 – Between Exits 205 and 234
 - \$10.0 million for restoration to Transportation Partnership Opportunity Fund
 - \$10.0 million for wildlife habitat impacted by transportation projects

2022-2024 Biennium - Introduced Budget Bill

- ❑ **\$207.2 million for VDOT Construction Fund to support planning, development, and construction of multi-use trails, including Fall Line Trail, Shenandoah Valley Rail-Trail, and the Eastern Shore Rail Trail**

Revenue Sharing Program – State Share

Recommended allocations for consideration

(in millions)	2021	2022	2023	2024	2025	2026
Revenue Sharing Allocation for Previously allocated Revenue Sharing Projects (\$445.1 million) – COVID-19 Mitigation Strategy	\$99.6	\$110.1	\$127.3	\$108.1		
Advance allocation of Revenue Sharing provided in FY 2025/2026 previously (\$200 million)*		\$30.0	\$70.0	\$100.0		
Revenue Sharing to be allocated in upcoming SYIP Update (Years 3 and 4, rather than 5 and 6 of the SYIP) (\$200 million)					\$100.0	\$100.0
TOTAL	\$99.6	\$140.1	\$197.3	\$208.1	\$100.0	\$100.0

**Requires General Assembly approval via the Appropriation Act. Included in recommended budget assumptions pending approval (Budget Bill language: HB 29, Item 447, A. 4. and HB 30, Item 452, A. 4.)*

Budget Bill Language Items

- **Board is required to develop a plan for allocation of additional federal bridge funds**
 - **Develop investment strategy based on previously adopted by Board strategy in 2019**
 - **Local bridges must be eligible for funding**
- **Board is required to develop a plan for allocation of electric vehicle charging infrastructure**
 - **Must consider designated EV charging corridors and consider opportunities to partner with the private sector**

Budget Bill Language Items

- **JLARC found that city street conditions are worse than VDOT's and recommended evaluation of Financial Assistance to Localities**
- **VDOT is directed to review the following—**
 - **Condition of city streets**
 - **Formula used to distribute funds**
 - **Opportunities for efficiency through partnerships with VDOT**
 - **Recommendations, if any, to formula to distribute city street payments**

Major Projects Underway

- **I-66 Outside the Beltway**
- **Hampton Roads Bridge-Tunnel Expansion Project**
- **Hampton Roads Express Lanes Network**
- **I-495 Express Lanes Northern Extension (495 NEXT)**
- **Route 58 – Lovers Leap**
- **I-81 Corridor Improvement Plan and Program**

All actively managed and focused on on-time and on-budget delivery