



Fiscal Year 2017

VDOT Annual Budget
June 2016

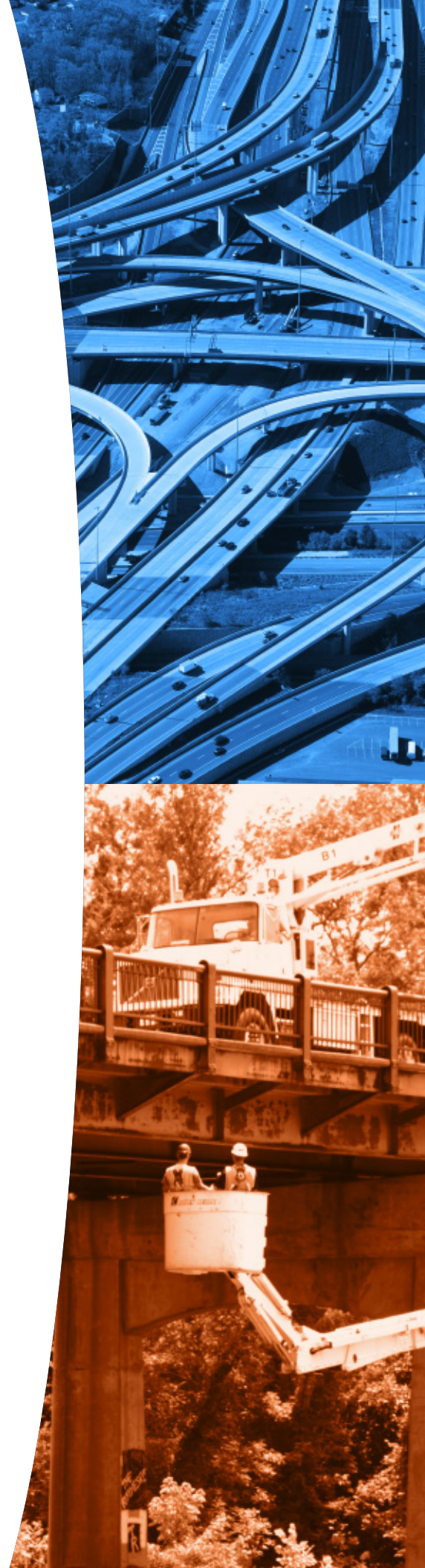


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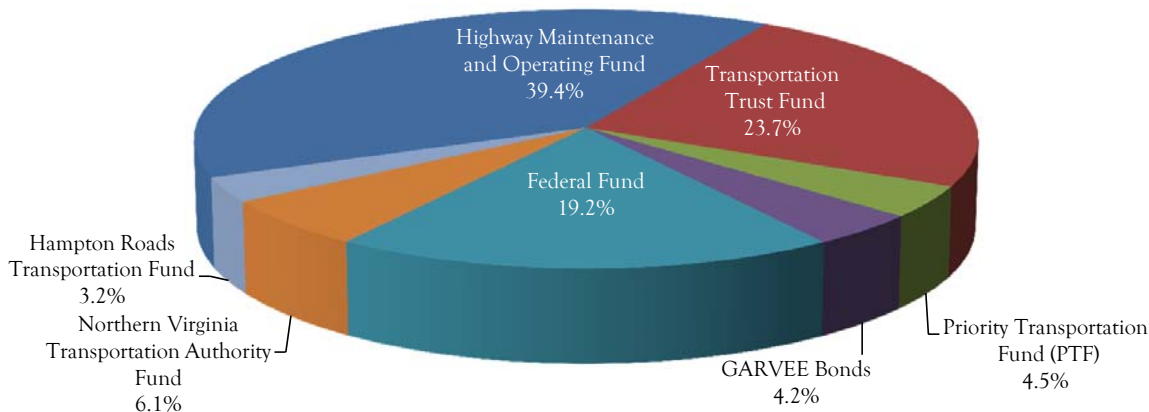
Overview

The Fiscal Year 2017 (FY 2017) budget for the Virginia Department of Transportation (VDOT) identifies the estimated revenues and the distribution of the revenues to the related transportation programs. It is based on the most recent official state revenue forecast from February 2016 and estimated federal funding. The VDOT Budget for FY 2017 totals \$5,357,889,363, a 0.8% increase from the Revised FY 2016 Budget of \$5,317,414,843. The growth over the previous year is primarily driven by additional federal funding and revenue dedicated to the Highway Maintenance and Operating Fund.

VDOT's revenues are provided by dedicated state and federal revenue sources. The major state revenues are estimated by the Department of Taxation and are included in the state's official revenue estimate. VDOT continues to estimate federal revenues based upon information received from Federal Highway Administration (FHWA).

Funding for transportation was addressed during the 2013 General Assembly Session by House Bill 2313 (Chapter 766). Estimated revenues for FY 2016 reflect the third year of implementation of major changes to revenue dedicated to transportation. House Bill 1887 from the 2015 General Assembly Session altered the distribution of some revenue sources. Most of the changes will be effective in FY 2017. The budget also includes the regional revenues provided to the Northern Virginia Transportation Authority and the Hampton Roads Transportation Accountability Commission.

Sources of Transportation Funds

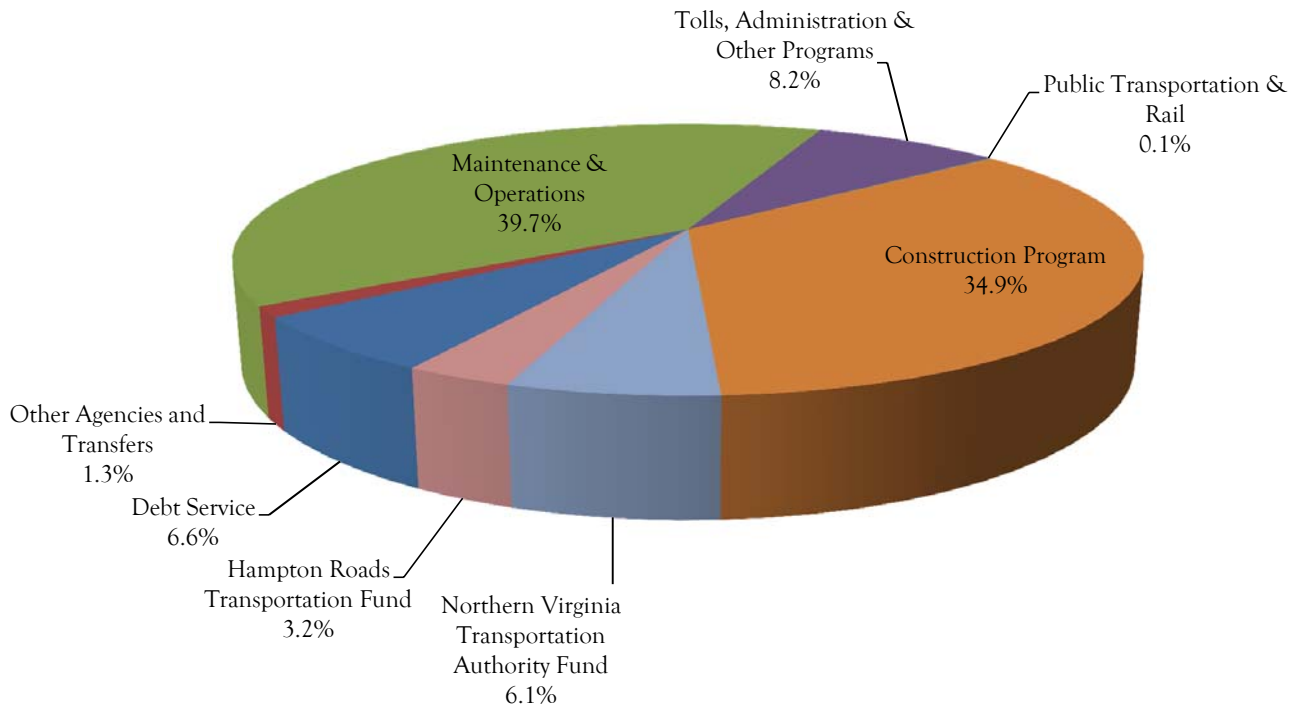


Highway Maintenance and Operating Fund	\$2,109,013,032
Transportation Trust Fund	1,285,456,441
Priority Transportation Fund (PTF)	215,661,599
GARVEE Bonds	225,222,435
Federal Fund	1,026,435,856
Subtotal	\$4,861,789,363
Pass Through Revenues	
Northern Virginia Transportation Authority Fund	327,200,000
Hampton Roads Transportation Fund	168,900,000
TOTAL	\$5,357,889,363

Overview

VDOT's revenues provide funding for debt service, maintenance, administration and construction. This budget reflects the planned use of the revenues available to the agency and also includes the pass through funds to the regions. The following is a summary of the programs by spending category:

	FY 2016	FY 2017	INCREASE (DECREASE)
Debt Service	\$334,538,924	\$352,019,981	\$17,481,057
Other Agencies and Transfers	65,541,844	68,122,057	2,580,213
Maintenance & Operations	2,014,333,429	2,127,311,345	112,977,916
Tolls, Administration & Other Programs	415,969,633	440,608,749	24,639,116
Public Transportation & Rail	14,171,199	4,610,095	(9,561,104)
Construction Program	1,959,335,660	1,869,117,136	(90,218,524)
Subtotal	\$4,803,890,689	\$4,861,789,363	\$57,898,674
Pass Through Revenues			
Northern Virginia Transportation Authority Fund	314,881,245	327,200,000	12,318,755
Hampton Roads Transportation Fund	168,642,909	168,900,000	257,091
TOTAL	\$5,287,414,843	\$5,357,889,363	\$70,474,520



Revenues

VDOT's revenues are specifically designated for transportation. Four primary state taxes provide for transportation in Virginia: Sales Tax on Motor Fuels, Motor Vehicle Sales and Use Tax, Motor Vehicle License Fee, and State Sales and Use Tax. The following table summarizes VDOT's FY 2017 revenues.

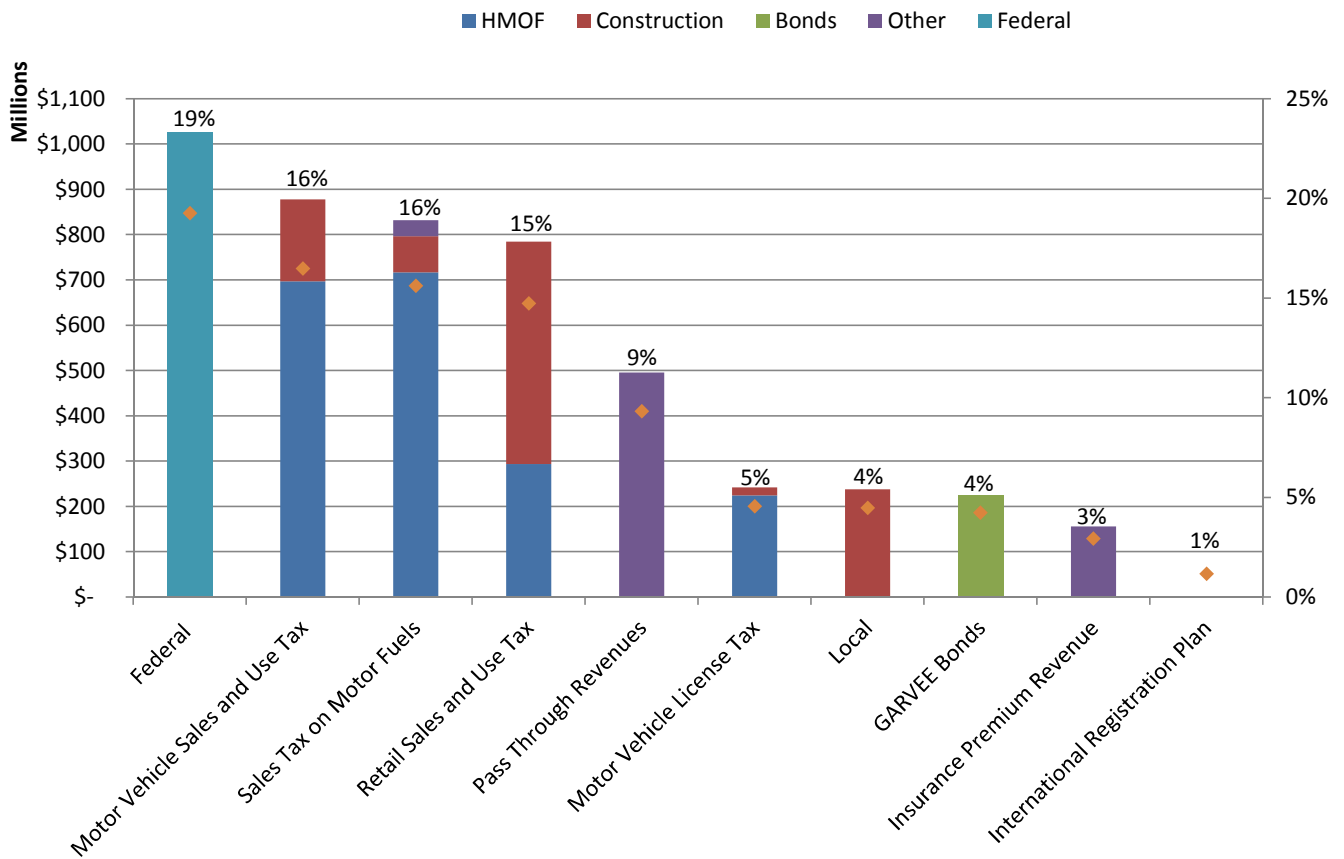
Source	HMOF	Construction*	Federal	Bonds	Other	TOTAL
Sales Tax on Motor Fuels	\$716,800,000	\$79,723,100	\$ -	\$ -	\$35,800,000	\$832,323,100
Motor Vehicle Sales and Use Tax	696,900,000	181,246,100	-	-	-	878,146,100
Motor Vehicle License Tax	224,800,000	17,314,000	-	-	-	242,114,000
Retail Sales and Use Tax	293,900,000	490,851,900	-	-	-	784,751,900
International Registration Plan	61,700,000	-	-	-	-	61,700,000
GARVEE Bonds	-	-	-	225,222,435	-	225,222,435
Other Revenue to Support Bond Programs	-	-	-	-	31,070,647	31,070,647
Insurance Premium Revenue	-	-	-	-	156,000,000	156,000,000
Local	-	237,904,441	-	-	-	237,904,441
Other Sources	114,913,032	100,617,333	-	-	170,590,519	386,120,884
Federal	-	-	1,026,435,856	-	-	1,026,435,856
Transfer to HMOF	14,417,038	(14,417,038)	-	-	-	-
Transfer from Construction Fund for Maintenance Allocation	88,478,815	(88,478,815)	-	-	-	-
Subtotal	\$2,211,908,885	\$1,004,761,021	\$1,026,435,856	\$ 225,222,435	\$393,461,166	\$4,861,789,363
Pass Through Revenues						
Northern Virginia Transportation Authority Fund	-	-	-	-	327,200,000	327,200,000
Hampton Roads Transportation Fund	-	-	-	-	168,900,000	168,900,000
TOTAL	\$2,211,908,885	\$1,004,761,021	\$1,026,435,856	\$225,222,435	\$889,561,166	\$5,357,889,363

* Includes Highway Share of TTF and other special funds.

** Other Sources includes VDOT Toll Facility Revenue, Cell Tower Lease Revenue, E-Z Pass Operations, Unallocated Balances, Interest and Other Miscellaneous Items.

Revenues Dedicated to VDOT

This chart illustrates the anticipated revenues of the agency and their relative contribution. Federal revenues are the largest single source followed by the Motor Vehicle Sales and Use Tax.

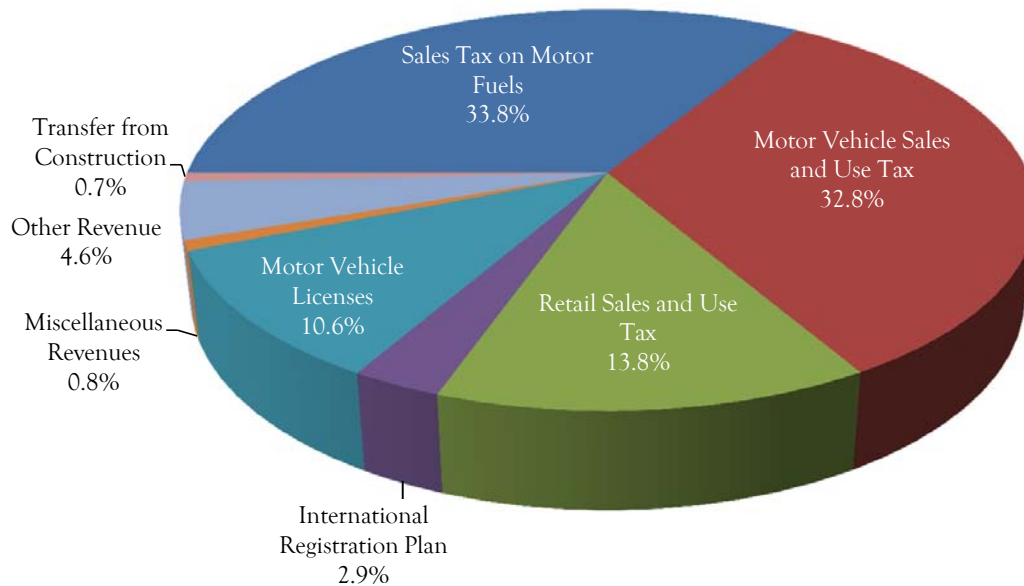


Highway Maintenance & Operating Fund

The Highway Maintenance and Operating Fund (HMOF) is one of VDOT's major funds. It is funded by dedicated state revenues as listed below. The HMOF is intended to provide for the agency's maintenance, operations and administrative needs. Since Fiscal Year 2002, the HMOF has required transfers from the Construction Fund to cover the budgetary needs of the fund.

HMOF Revenue Sources	FY 2016	FY 2017	Difference
Sales Tax on Motor Fuels	\$678,500,000	\$716,800,000	\$38,300,000
Motor Vehicle Sales and Use Tax	628,300,000	696,900,000	68,600,000
Retail Sales and Use Tax	281,700,000	293,900,000	12,200,000
International Registration Plan	60,400,000	61,700,000	1,300,000
Motor Vehicle Licenses	222,700,000	224,800,000	2,100,000
Miscellaneous Revenues	15,700,000	17,000,000	1,300,000
Other Revenue	47,052,594	97,913,032	50,860,438
Subtotal	\$1,934,352,594	\$2,109,013,032	\$174,660,438
Transfer from Construction	122,488,551	14,417,038	(108,071,513)
Transfer to Construction for MWA	(100,000,000)	-	100,000,000
Total	\$1,956,841,145	\$2,123,430,070	\$166,588,925

HMOF Revenue Sources, FY 2017

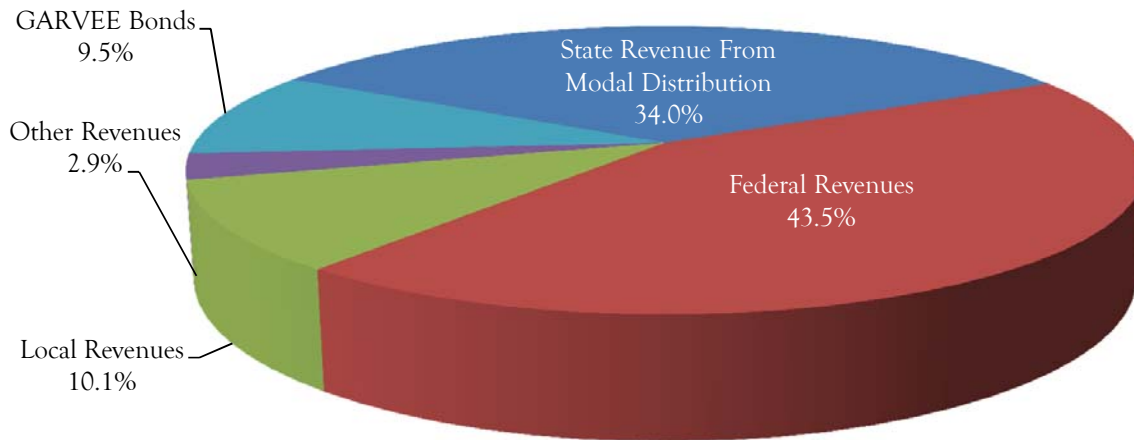


Transportation Trust Fund - Construction

The Transportation Trust Fund was created by the 1986 Special Session. VDOT manages the 78.7% of the TTF funds dedicated by the Code of Virginia for highway construction. State Revenue from Modal Distribution includes motor vehicle fuels tax, motor vehicle sales tax, and state retail sales and use tax. The following table identifies the construction fund revenues by major source.

Construction Fund Revenue Sources	FY 2016	FY 2017	Difference
State Revenue From Modal Distribution	\$790,275,766	\$801,961,350	\$11,685,584
Federal Revenues	895,349,411	1,026,435,856	131,086,445
Local Revenues	471,390,659	237,904,441	(233,486,218)
Other Revenues	232,591,994	67,791,083	(164,800,911)
GARVEE Bonds	375,000,000	225,222,435	(149,777,565)
Total	\$2,764,607,830	\$2,359,315,165	(\$405,292,665)

**Construction Fund Revenue by Source,
FY 2017**



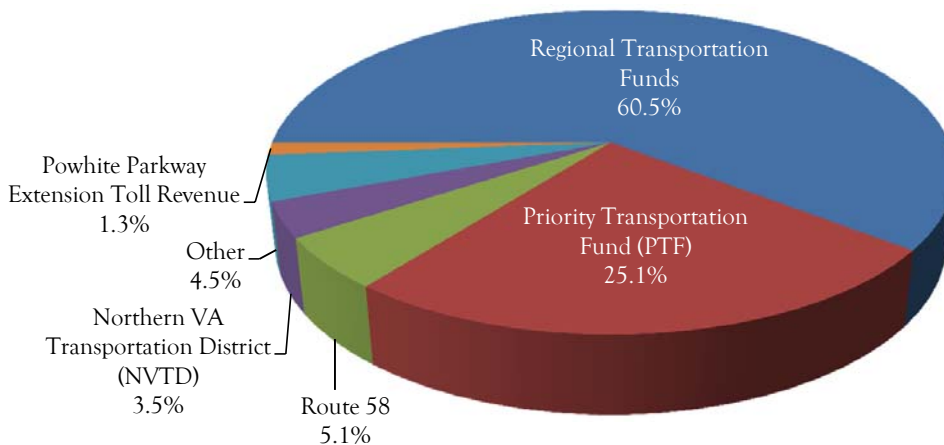
Other Fund Revenues

In addition to the two major state funds, VDOT manages a number of special funds. Each special fund receives dedicated revenues to be used to support the mission of the program.

Other Fund Revenues	FY 2016	FY 2017	Difference
Regional Transportation Funds	\$483,524,154	\$496,100,000	\$12,575,846
Powhite Parkway Extension Toll Revenue	10,050,000	10,100,250	50,250
Coleman Bridge Toll Revenue	6,628,350	6,000,000	(628,350)
FRANs	260	-	(260)
Northern VA Transportation District (NVTD)	28,110,009	15,489,301	(12,620,708)
Oak Grove	2,515,964	1,537,732	(978,232)
Priority Transportation Fund (PTF)	200,642,261	215,661,599	15,019,338
Transportation Partnership Opportunity Fund	2,943,414	2,609,954	(333,460)
Route 58	40,461,972	47,892,613	7,430,641
Route 28	7,212,819	7,215,019	2,200
Other	28,165,850	55,884,051	27,718,201
Total	\$810,255,053	\$858,490,519	\$48,235,466

Total Construction Major Sources (page 10)	2,542,807,196	2,359,315,165	(183,492,031)
Transfer to HMOF	(122,488,551)	(14,417,038)	108,071,513
Transfer from HMOF for MWAA	100,000,000	-	(100,000,000)
Total Construction Fund	\$3,330,573,698	\$3,203,388,646	(\$127,185,052)

Other Fund Revenue, FY 2017



VDOT Program Descriptions & Allocations

Summary of Allocations by Program

The following table summarizes VDOT's budget by the major budgetary programs.

	FY 2016	FY 2017	INCREASE (DECREASE)
Environmental Monitoring and Evaluation (514)	\$13,170,831	\$13,534,237	\$363,406
Ground Transportation Planning and Research (602)	57,815,730	72,784,885	14,969,155
Highway Construction Programs (603)	1,959,335,660	1,869,117,136	(90,218,524)
Highway System Maintenance (604)	1,573,950,444	1,674,434,950	100,484,506
Commonwealth Toll Facilities (606)	41,228,350	48,248,250	7,019,900
Financial Assistance to Localities (607)	923,907,139	948,976,395	25,069,256
Non-Toll Supported Transportation Debt Service (612)	334,538,924	352,019,981	17,481,057
Administrative and Support Services (699)	258,127,173	266,051,608	7,924,435
VDOT Capital Outlay (998)	39,090,683	39,989,769	899,086
Grant and Loan Programs	6,536,866	-	(6,536,866)
Support to Other State Agencies	65,541,844	68,122,057	2,580,213
Support to DRPT Programs	14,171,199	4,610,095	(9,561,104)
Support to Ports	-	-	-
Total	\$5,287,414,843	\$5,357,889,363	\$70,474,520

Environmental Monitoring and Evaluation (514)

The Environmental Program consists of the following service areas:

Environmental Monitoring and Compliance for Highway Projects (514008) - To provide efforts to evaluate, monitor and maintain the quality of the state's natural resources as part of a balanced consideration of environmental and transportation needs. VDOT's wetland mitigation program is funded in this service area.

Environmental Monitoring Program Management and Direction (514009) - To provide activities related to the management and direction of the program. Adequate and effective management and direction is critical to the success of the program.

ENVIRONMENTAL MONITORING & EVALUATION (514)	FY 2016	FY 2017	INCREASE (DECREASE)
Environmental Monitoring & Compliance for Highway Projects (514008)	\$10,588,817	\$10,888,957	\$300,140
Environmental Monitoring Program Management (514009)	2,582,014	2,645,280	63,266
TOTAL ENVIRONMENTAL MONITORING & EVALUATION	\$13,170,831	\$13,534,237	\$363,406
TTF	13,170,831	13,534,237	363,406

Ground Transportation Planning & Research (602)

Ground Transportation Planning and Research is comprised of:

Ground Transportation System Planning (602001) - To provide efforts to lead and plan a comprehensive system of ground transportation, including the planning of particular ground transportation projects through surveying, mapping and studies. These studies are the basis for decisions on proposed highway plans, programs and projects, as well as other travel modes and routes throughout Virginia.

Ground Transportation System Research (602002) - To provide efforts devoted to the planning and delivery of a comprehensive ground transportation research, development, consulting and technology transfer program covering the areas of transportation system operations, maintenance, structural design and construction, materials and specifications, safety, environmental stewardship, finance and policy.

Ground Transportation Program Management and Direction (602004) - To provide activities related to the management and direction of the program. Adequate and effective management and direction is critical to the success of the program.

PLANNING & RESEARCH (602)	FY 2016	FY 2017	INCREASE (DECREASE)
Ground Transportation System Planning (602001)	\$53,064,943	\$58,541,924	\$5,476,981
Ground Transportation System Research (602002)	1,079,867	10,440,699	9,360,832
Ground Transportation Program Management (602004)	3,670,920	3,802,262	131,342
TOTAL PLANNING & RESEARCH	\$57,815,730	\$72,784,885	\$14,969,155
HMOF	4,047,290	13,669,660	9,622,370
CONSTRUCTION	35,551,090	38,577,132	3,026,042
FEDERAL	18,217,350	20,538,093	2,320,743

Highway Construction Programs (603)

For FY 2017, the funding made available for distribution is distributed via the Commonwealth Transportation Board Formula outlined in the Code of Virginia, § 33.2-358. Funding is also available for distribution to the following programs: State of Good Repair Program, High Priority Projects Program, and the Construction District Grant Program.

The FY 2016 Budget Recommendations include additional revenue anticipated from localities for project participation as well as revenue from the regional entities for VDOT administered projects.

The budget also contains a significant application of Toll Credits that are used as "soft match" to meet the nonfederal share matching requirements. The federal share on most projects in the future can effectively be increased up to 100 percent. However, the use of soft match does not increase the federal funding available to Virginia.

CONSTRUCTION (603)	FY 2016	FY 2017	INCREASE (DECREASE)
Dedicated and Statewide Construction (603002)	\$1,061,290,643	\$ -	(\$1,061,290,643)
Interstate Construction (603003)	243,488,438	-	(243,488,438)
Primary Construction (603004)	432,865,588	-	(432,865,588)
Secondary Construction (603006)	120,439,816	-	(120,439,816)
Urban Construction (603007)	75,128,493	-	(75,128,493)
State of Good Repair Program (603020)	-	171,957,974	171,957,974
High Priority Projects Program(603021)	-	119,895,765	119,895,765
Construction District Grant Programs (603022)	-	119,895,763	119,895,763
Specialized State and Federal Programs (603023)	-	1,145,288,660	1,145,288,660
Legacy Construction Formula Program (603024)	-	285,077,086	285,077,086
Construction Management (603015)	26,122,682	27,001,888	879,206
TOTAL CONSTRUCTION	\$1,959,335,660	\$ 1,869,117,136	(\$90,218,524)
CONSTRUCTION	1,003,103,864	870,413,153	(132,690,711)
FEDERAL	557,580,097	680,735,836	123,155,739
NVTD	1,747,312	-	(1,747,312)
PTF	20,872,141	49,348,000	28,475,859
OAK GROVE	286,714	-	(286,714)
FRANS	5,260	-	(5,260)
ROUTE 28	2,000	-	(2,000)
ROUTE 58	738,272	7,000,000	6,261,728
TPOF	-	2,591,014	2,591,014
BONDS	-	31,070,647	
VTIB	-	2,736,051	2,736,051
GARVEE BONDS	375,000,000	225,222,435	(149,777,565)

*Beginning in FY 2017, the Highway Construction Budget is aligned to new service areas within the program. Construction funding is now dedicated to the State of Good Repair Program, the High Priority Projects Program and the Construction District Grant Program. Other funding streams that are not dedicated to these areas are allocated in the Specialized State and Federal Programs service area. Funding dedicated to the CTB Alternate Formula through FY 2020 will be allocated in the Legacy Construction Formula Program service area. The following pages detail each construction service area.

Highway Construction Programs (603)

STATE OF GOOD REPAIR PROGRAM (603020)

The purpose of the State of Good Repair Program service area is to allocate funds to state of good repair purposes for reconstruction and replacement of structurally deficient state and locally owned bridges and reconstruction and rehabilitation of pavement on the Interstate System and primary state highway system determined to be deteriorated by the Board, including municipality-maintained primary extensions. (Code of Virginia §33.2-369)

STATE OF GOOD REPAIR PROGRAM (603020)	FY 2017
TOTAL STATE OF GOOD REPAIR	171,957,974
CONSTRUCTION	101,590,684
FEDERAL	70,367,290

HIGH PRIORITY PROJECTS PROGRAM (603021)

The purpose of the High Priority Projects Program service area is to allocate funds to the established program for projects and strategies that address a transportation need identified for a corridor of statewide significance or a regional network in the Statewide Transportation Plan pursuant to Code of Virginia §33.2-353. From funds allocated to this program, the Board shall allocate funds to the Innovation and Technology Transportation Fund, provided that the allocation shall not exceed \$25 million annually. (Code of Virginia §33.2-370)

HIGH PRIORITY PROJECTS PROGRAM (603021)	FY 2017
TOTAL HIGH PRIORITY PROJECTS	\$119,895,765
CONSTRUCTION	2,930,549
FEDERAL	27,980,675
GARVEE	88,984,541

CONSTRUCTION DISTRICT GRANT PROGRAMS (603022)

The purpose of the Construction District Grant Programs service area is to allocate funds to the established grant program in each highway construction district to fund projects and strategies that address a need in the Statewide Transportation Plan developed pursuant to Code of Virginia §33.2-353. In accordance with §33.2-359, the Commonwealth Transportation Board shall allocate funds to improve nonsurface treated secondary highways that carry 50 or more vehicles per day. This allocation shall not exceed \$25 million annually. (Code of Virginia, §33.2-371)

CONSTRUCTION DISTRICT GRANT PROGRAMS (603022)	FY 2017
TOTAL CONSTRUCTION DISTRICT GRANT	\$119,895,763
CONSTRUCTION	83,103,927
FEDERAL	35,109,122
GARVEE	1,682,714

* The amounts provided for High Priority Projects Program and the Construction District Grant Program are reduced to transfer funding to the Maintenance Program, representing 45% of the funds released from the Route 460 Improvements Project. These transfers are planned through FY 2019.

Highway Construction Programs (603)

SPECIALIZED STATE AND FEDERAL PROGRAMS (603023)

The purpose of the Specialized State and Federal Programs service area is to allocate funds to State and Federal Construction Programs that are not components of the other funding distributions. The Federal programs that are exempt from the distribution process are outlined in § 33.2-214.1. of the Code of Virginia (Statewide prioritization process for project selection). These include Congestion Mitigation and Air Quality (CMAQ) funding, Regional Surface Transportation Program funding, and Safety funding. Through FY 2020, some federal funding continues in this distribution category to meet project commitments. The service area will also allocate previously programmed GARVEE bonds, other bond programs, and the state and local components of Revenue Sharing.

SPECIALIZED STATE AND FEDERAL (603023)	FY 2017
CMAQ & State Match	\$37,511,478
I-66 Inside the Beltway	25,000,000
NHPP & Soft Match	65,591,952
NHPP Bridge & Soft Match	10,127,005
NHPP APD	-
NHPP Exempt & Soft Match	14,540,765
Open Container	20,795,408
Participating Project Costs	40,000,000
Previously Programmed Garvee Bonds	134,555,180
Project Participation from HRTAC	29,036,064
Project Participation from NVTAs	8,000,000
PTF for MWAAs	25,000,000
Revenue Sharing	300,000,000
Safety & Soft Match	53,122,502
STP Bridge & Soft Match	45,000,000
STP BROS & Soft Match	15,258,197
STP Regional & State Match	103,042,439
STP Statewide & Soft Match	23,065,722
STP 5-200K & Soft Match	19,618,689
STP <5K & Soft Match	36,139,288
Tele Fees	10,367,377
TPOF/CPR Balance	31,070,647
Other	98,445,947

**TOTAL SPECIALIZED STATE
AND FEDERAL (60323)**

\$1,145,288,660

Construction	447,278,772
Federal	470,708,996
GARVEES	134,555,180
PTF	34,348,000
Bonds	31,070,647
VTIB	2,736,051
TPOF	2,591,014

Highway Construction Programs (603)

LEGACY CONSTRUCTION FORMULA PROGRAMS (603024)

The purpose of the Legacy Construction Formula Programs service area is to allocate funds to the Commonwealth Transportation Board Alternate Formula outlined in the Code of Virginia, §33.2-358 C. Funding available for the purposes outlined is planned through FY 2020. The service area will also have appropriation to support spending of prior-year allocations of formula distributed funding.

LEGACY CONSTRUCTION FORMULA PROGRAMS (603024)	FY 2017
CTB Formula	\$285,077,086
TOTAL LEGACY CONSTRUCTION FORMULA PROGRAMS (603024)	\$285,077,086
CONSTRUCTION	\$208,507,333
FEDERAL	76,569,753

The Commonwealth Transportation Board authorized \$325,733,046 for the CTB Alternate Formula distribution. The difference between the amount authorized and the amount allocated above represents the previously unprogrammed balances that was available for House Bill 2 Distribution. Those funds are reflected in the High Priority Projects Program and the Construction District Grant Program.

CONSTRUCTION MANAGEMENT (603015)

The purpose of the construction management program is to provide activities related to the management and direction of the program. Adequate and effective management and direction is critical to the success of the program.

CONSTRUCTION MANAGEMENT (603015)	FY 2016	FY 2017	INCREASE (DECREASE)
TOTAL CONSTRUCTION MANAGEMENT	\$26,122,682	\$27,001,888	\$879,206
TTF	26,122,682	27,001,888	879,206

Highway System Maintenance (604)

The maintenance program consists of:

Interstate Maintenance (604001) - To preserve the public's investment through the delivery of an effective and efficient statewide maintenance program to protect and enhance the transportation infrastructure and the safety of the traveling public.

Primary Maintenance (604002) - To preserve the public's investment through the delivery of an effective and efficient statewide maintenance program to protect and enhance the transportation infrastructure and the safety of the traveling public.

Secondary Maintenance (604003) - To preserve the public's investment through the delivery of an effective and efficient statewide maintenance program to protect and enhance the transportation infrastructure and the safety of the traveling public.

Transportation Operations Services (604004) - To improve mobility, safety, travel time reliability and security on the transportation system through the deployment of a variety of operational strategies including regional smart traffic centers, emergency services, traveler services, congestion management and traffic signalization optimization.

Highway Maintenance Program Management and Direction (604005) - To provide activities related to the management and direction of the program. Adequate and effective management and direction is critical to the success of the program.

HIGHWAY SYSTEM MAINTENANCE (604)	FY 2016	FY 2017*	INCREASE (DECREASE)
Interstate Maintenance (604001)	\$332,135,404	\$327,947,288	(\$4,188,116)
Primary Maintenance (604002)	452,796,575	515,968,338	63,171,763
Secondary Maintenance (604003)	543,417,236	574,681,876	31,264,640
Transportation Operations Services (604004)	170,056,169	177,119,539	7,063,370
Highway Maintenance Program Management & Direction (604005)	75,545,060	78,717,909	3,172,849
TOTAL HIGHWAY SYSTEM MAINTENANCE	\$1,573,950,444	\$1,674,434,950	\$100,484,506
HMOF	1,333,307,444	1,453,651,255	120,343,811
FEDERAL	240,643,000	220,783,695	(19,859,305)

* The amount recommended for FY 2017 includes transfers from the funds allocated to the High Priority Projects Program and the Construction District Grant Program, representing a share of 45% of the allocations released from the Route 460 Improvements Project. These transfers are planned through FY 2019.

Commonwealth Toll Facilities (606)

Revenues collected from toll facilities contribute to Virginia's safe and effective transportation system. Currently, the following toll facilities operate in Virginia: George P. Coleman Toll Facility, Powhite Parkway Extension, Dulles Toll Road, Dulles Greenway, Chesapeake Bay Bridge-Tunnel, Chesapeake Expressway, Downtown Expressway/Powhite Parkway, the Boulevard Bridge, Pocahontas Parkway, 495 Express Lanes, South Norfolk Jordan Bridge, Downtown Tunnel/Midtown Tunnel/Martin Luther King Extension Project, and the 95 Express Lanes. Of these facilities, two are currently owned and operated by VDOT: Powhite Parkway Extension Toll Road in Chesterfield County and George P. Coleman Bridge in Gloucester County. The remaining toll facilities are operated by other entities.

Toll Facility Acquisition and Construction (606001) -To provide for efforts to acquire and construct ground transportation toll facilities. For FY 2017 this is an estimate for what is needed for Interstate 66 Inside the Beltway toll facility.

Toll Facility Debt Service (606002) -To provide for the debt service requirements of the debt-financed toll facilities. The bond indentures for the toll facilities require the Commonwealth Transportation Board (CTB) to set toll rates for all classes of vehicles which will provide sufficient net revenues to meet the facility's obligations. Toll roads are typically constructed with debt financing and the subsequent toll collection revenues are used for debt service payments. The remaining state-owned facility collecting tolls to pay debt service on outstanding bonds is the George P. Coleman Bridge located between Gloucester and York counties. The bonds issued to finance the Powhite Parkway Extension have been retired, but the toll revenues are needed to repay the outstanding debts of the facility owed to VDOT and Chesterfield County.

Toll Facility Maintenance and Operation (606003) - To provide for the operational costs of the two toll facilities operated by VDOT: the George P. Coleman Bridge and the Powhite Parkway Extension Toll Road. All operating costs associated with that facility are to be paid out of the revenues generated by that facility. Customer service and toll collection are toll facilities' main operations.

Toll Facilities Revolving Fund (606004) - To provide a method to finance and/or refinance existing and potential toll facilities. Funds allocated from the Toll Facilities Revolving Account intended for planned or operating toll facilities are considered advance funding and are expected to be repaid to the Toll Facilities Revolving Account.

COMMONWEALTH TOLL FACILITIES (606)	FY 2016	FY 2017	INCREASE (DECREASE)
Acquisition & Construction (606001)	\$ -	\$12,300,000	\$12,300,000 ⁷
Debt Service (606002)	\$3,185,850	3,188,200	\$2,350
Maintenance & Operations (606003)	13,492,500	12,912,050	(580,450)
Toll Facilities Revolving (606004)	24,550,000	19,848,000	(4,702,000) ⁷
TOTAL TOLL FACILITIES	\$41,228,350	\$48,248,250	(\$5,280,100)
POWHITE	10,050,000	10,100,250	50,250
COLEMAN	6,628,350	6,000,000	(628,350)
TOLL FACILITIES REVOLVING	24,550,000	32,148,000	7,598,000

Financial Assistance to Localities (607)

Financial Assistance to Localities consists of:

Financial Assistance for City Road Maintenance (607001) - To provide monetary support to localities for capital improvements and/or maintenance of roads and/or transportation facilities. Direct financial assistance is provided to 84 cities and towns to maintain, operate, and improve their arterial and collector roads and local streets. The level of assistance to the respective local governments for maintenance expenditures is based on the number of qualifying lane-miles in each locality and available funding.

Financial Assistance for County Road Maintenance (607002) - Provide monetary support in lieu of maintenance services to localities for road maintenance and upkeep where such localities have elected to maintain their own highway systems. Currently, Henrico and Arlington maintain their own roads.

Financial Assistance for Planning, Access Roads, and Special Projects (607004) - To manage and distribute funding for recreational and industrial access programs and the Metropolitan Planning federal grant program. The Recreational Access Program provides funding for roads and bikeways to new or expanding non-federal, non-commercial public parks and historic sites. Access roads for qualifying airports and industrial sites, and access tracks for qualified rail users are provided through VDOT's Industrial, Airport, and Rail Access Fund. The Metropolitan Planning Grants are federal funds available to support activities undertaken by Metropolitan Planning Organizations (MPOs) to develop long-range transportation plans and transportation improvement programs.

Distribution of Northern Virginia Transportation Authority Fund Revenues (607006) - To transfer state regional tax revenues to the Northern Virginia Transportation Authority to fund local and regional transportation projects.

Distribution of Hampton Roads Transportation Fund Revenues (607007) - To transfer state regional tax revenues to the Hampton Roads Transportation Accountability Commission to fund local and regional transportation projects.

FINANCIAL ASSISTANCE TO LOCALITIES (607)	FY 2016	FY 2017	INCREASE (DECREASE)
Financial Assistance for City Road Maintenance (607001)	\$362,850,362	\$371,138,361	\$8,287,999
Financial Assistance for County Road Maintenance (607002)	64,530,419	66,000,705	1,470,286
Financial Assistance for Planning, Access Roads, & Special Projects (607004)	13,002,204	15,737,329	2,735,125
Distribution of Northern Virginia Transportation Authority Fund Revenues (607006)	314,881,245	327,200,000	12,318,755
Distribution of Hampton Roads Transportation Fund Revenues (607007)	168,642,909	168,900,000	257,091
TOTAL FINANCIAL ASSISTANCE TO LOCALITIES	\$923,907,139	\$948,976,395	\$25,069,256
HMOF	427,380,781	437,139,066	9,758,285
CONSTRUCTION	6,333,578	7,970,814	1,637,236
FEDERAL	6,668,626	7,766,515	1,097,889
NORTHERN VIRGINIA REGIONAL FUND	314,881,245	327,200,000	12,318,755
HAMPTON ROADS REGIONAL FUND	168,642,909	168,900,000	257,091

Non-Toll Supported Transportation Debt Service (612)

Non-Toll Supported Transportation Debt Service consists of:

Highway Transportation Improvement District Debt Service (612001) - To provide for the debt service requirements of the bonds sold to finance transportation improvements in special tax districts. There is currently only one such district, the State Route 28 Highway Transportation Improvement District in Fairfax and Loudoun counties.

Designated Highway Corridor Debt Service (612002) - To provide for the debt service requirements of the bonds sold to finance transportation improvements in special designated highway corridors. The Commonwealth Transportation Board has issued transportation revenue bonds for the U.S. Route 58 Corridor Development Program, the City of Chesapeake Oak Grove Connector Project, and the Northern Virginia Transportation District (NVT) Program.

Federal Highway Revenue Anticipation Notes Debt Service (612003) - To provide for the debt service requirements of the Federal Highway Reimbursement Anticipation Notes (FRANs) sold to finance transportation improvements in the Commonwealth. The bonds were retired in FY 2016.

Commonwealth Transportation Capital Projects Bond Act Debt Service (612004) - To provide for the debt service requirements of the bonds sold to finance transportation improvements under the Commonwealth Transportation Capital Projects Bond Act.

Federal Transportation Grant Anticipation Revenue Notes Debt Service (612005) - To provide for the debt service requirements of the bonds sold as Federal Transportation Grant Anticipation Revenue bonds (GARVEEs).

Non-Toll Supported Transportation Debt Service (612)	FY 2016	FY 2017	INCREASE (DECREASE)
Highway Transportation Improvement Debt Service (612001)	\$7,212,819	\$7,215,019	\$2,200
Designated Highway Corridor Debt Service (612002)	83,315,647	87,919,646	4,603,999
Federal Highway Reimbursement Anticipation Notes Debt Service (612003)	7,925,392	-	(7,925,392)
Capital Projects Bonds/Reserve (612004)	147,303,405	166,292,743	18,989,338
Federal Transportation Grant Anticipation Revenue Notes Debt Service (612005)	64,240,338	90,571,717	26,331,379
Other	24,541,323	20,856	(24,520,467)
TOTAL NON-TOLL SUPPORTED DEBT SERVICE	\$334,538,924	\$352,019,981	\$17,481,057
FRANS	7,925,392	-	(7,925,392)
NVT	32,362,697	35,489,301	3,126,604
OAK GROVE	2,229,250	2,537,732	308,482
ROUTE 28	7,212,819	7,215,019	2,200
PTF	24,541,323	20,856	(24,520,467)
CPR BONDS	147,303,405	166,292,743	18,989,338
ROUTE 58	48,723,700	49,892,613	1,168,913
FEDERAL	64,240,338	90,571,717	26,331,379

Administrative & Support Services (699)

Administrative and Support Services is comprised of:

General Management and Direction (699001) - To provide for the general administrative management, direction and support activities of VDOT. This includes, but is not limited to, accounting services, human resources, succession planning, health and safety services, procurement, facilities management, management studies, policy analysis, process improvements, performance management, internal auditing, innovative financing, financial planning services and oversight of compensation programs for all VDOT employees.

Information Technology Services (699002) - To provide for administrative management, direction and infrastructure support for tasks including, but not limited to, automated data processing services for citizens and visitors to the Commonwealth, Virginia's legislative bodies, other state and local government agencies as well as its own Department of Transportation employees.

Facilities and Grounds Management Services (699015) - To provide physical plant maintenance needs to VDOT facilities. This maintenance work is considered ordinary or routine nature and includes the cost of labor, equipment and materials to make minor repairs to utilities such as plumbing, heating, and electrical; and the maintenance of driveways, parking lots, and yards. The service area also funds small renovation/alteration projects that cost no more than \$10,000.

Employee Training and Development (699024) - To provide Employee Training and Development services to VDOT. This includes traditional classroom training and related development activities and tuition reimbursement.

ADMINISTRATIVE & SUPPORT SERVICES (699)	FY 2016	FY 2017	INCREASE (DECREASE)
General Management & Direction (699001)	\$138,377,128	\$142,662,181	\$4,285,053
Information Technology Services (699002)	88,817,504	88,723,194	(94,310)
Facilities and Grounds Management Services (699015)	15,649,647	16,235,764	586,117
Employee Training & Development (699024)	15,282,894	18,430,469	3,147,575
TOTAL ADMINISTRATIVE & SUPPORT SERVICES	\$258,127,173	\$266,051,608	\$7,924,435
HMOF	249,289,519	259,147,219	9,857,700
CONSTRUCTION	837,654	864,389	26,735
FEDERAL	8,000,000	6,040,000	(1,960,000)

VDOT Capital Outlay (998)

Capital Outlay funding is provided to support the agency's building and renovation needs as well as Maintenance Reserve needs. This funding may be used for acquisition of real property (including buildings or plant) or machinery or equipment, new construction, and improvements related to state-owned real property, buildings, plant, machinery or equipment (including plans therefore), as defined in the *Code of Virginia*. All capital outlay projects must be approved by the Governor and General Assembly via the Six-Year Capital Improvement Plan and the Biennial Budget. VDOT receives direction from the Department of Planning and Budget and the Department of General Services on the development and execution of the Capital Outlay Program.

VDOT CAPITAL OUTLAY (998)	FY 2016	FY 2017	INCREASE (DECREASE)
TOTAL VDOT CAPITAL OUTLAY	\$39,090,683	\$39,989,769	\$899,086
CONSTRUCTION	39,090,683	39,989,769	899,086

Support to Other State Agencies

VDOT provides funding to other agencies to cover support activities and services related to the transportation programs.

SUPPORT TO OTHER STATE AGENCIES	FY 2016	FY 2017	INCREASE (DECREASE)
Transportation Appropriation to Other Agencies			
Department of Education	\$243,919	\$263,327	\$19,408
Marine Resources Commission	313,768	313,768	-
Secretary of Transportation	832,014	888,357	56,343
Department of State Police	7,424,304	7,795,519	371,215
Department of Minority Business Enterprise	1,453,283	1,535,130	81,847
Department of Historic Resources	100,000	109,835	9,835
Department of Emergency Management	1,170,639	1,170,639	-
Department of Motor Vehicles	13,054,872	21,161,150	8,106,278 ⁹
Virginia Port Authority	3,950,023	-	(3,950,023) ¹⁰
Department of Treasury	185,187	185,187	-
Virginia Liaison Office	143,375	151,884	8,509
Virginia Commercial Space Flight Authority	15,800,000	15,800,020	20
Virginia Port Authority - Ch. 2, item 454, D.	3,100,000	-	(3,100,000)
Office of the State Inspector General	1,778,333	1,851,627	73,294
SUBTOTAL	49,549,717	51,226,443	1,676,726
Transfers to the General Fund			
Department of General Services	362,854	362,854	-
Department of Agriculture & Conservation Services	97,586	97,586	-
Chesapeake Bay Initiatives	7,416,469	7,416,469	-
Indirect Costs	3,849,441	4,735,091	885,650
Department of Taxation	2,765,777	2,783,614	17,837
SUBTOTAL	14,492,127	15,395,614	903,487
Transfers to Other Agencies			
Department of Motor Vehicles (fuel tax evasion)	1,500,000	1,500,000	-
SUBTOTAL	1,500,000	1,500,000	-
TOTAL SUPPORT TO OTHER STATE AGENCIES	\$65,541,844	\$68,122,057	\$2,580,213
HMOF	42,816,111	48,301,685	5,485,574
CONSTRUCTION	22,710,335	19,801,432	(2,908,903)
GENERAL FUND	-	-	-
TOLL FACILITIES REVOLVING	-	-	-
TPOF	15,398	18,940	3,542



The following table summarizes VDOT's budget by major program and major fund.

Program	HMOF	Construction	Federal	Bonds	Other*	Total
Environmental Monitoring and Evaluation (514)	\$ -	\$13,534,237	\$ -	\$ -	\$ -	\$13,534,237
Ground Transportation Planning & Research (602)	13,669,660	38,577,132	20,538,093	-	-	72,784,885
Highway System Acquisition and Construction (603)	-	870,413,153	680,735,836	225,222,435	92,745,712	1,869,117,136
Highway System Maintenance (604)	1,365,172,440	88,478,815	220,783,695	-	-	1,674,434,950
Commonwealth Toll Facilities (606)	-	-	-	-	48,248,250	48,248,250
Financial Assistance to Localities (607)	437,139,066	7,970,814	7,766,515	-	496,100,000	948,976,395
Non-Toll Supported Transportation Debt Service (612)	-	-	90,571,717	-	261,448,264	352,019,981
Administrative and Support Services (699)	259,147,219	864,389	6,040,000	-	-	266,051,608
VDOT Capital Outlay (998)	-	39,989,769	-	-	-	39,989,769
Grant and Loan Programs	-	-	-	-	-	-
Support to Other State Agencies	48,301,685	19,801,432	-	-	18,940	68,122,057
Support to DRPT Programs	-	4,610,095	-	-	-	4,610,095
TOTAL	\$ 2,123,430,070	\$ 1,084,239,836	\$ 1,026,435,856	\$ 225,222,435	\$ 898,561,166	\$5,357,889,363

* - Other includes tolls, PTF, Route 58, Route 28, Oak Grove, TPOF, and Regional Transportation Funds.

Budget Comparison Schedule for FY 2017

Revenues

Revenue provided by the General Fund of the Commonwealth	\$40,000,000
Taxes	3,172,761,100
Rights and privileges	320,747,405
Sale of property and commodities	-
Interest, dividends, and rents	14,172,992
Fines, forfeitures, court fees	-
Penalties, and escheats	4,900,000
Receipts from localities and private sector	229,377,064
Federal grants and contracts	1,026,435,856
Toll revenues	27,748,250
Other	207,587,089
Total Revenues	<u>5,043,729,756</u>

Other Financing Sources

Other financing sources	57,866,525
Bond proceeds	256,293,082
Note proceeds	-
Transfers from other state agencies and General Fund	-
Transfers in	-
Total Other Financing Sources	<u>314,159,607</u>

Total Revenues and Other Sources \$5,357,889,363

Budget Comparison Schedule for FY 2017

Expenditures	
Administrative and support services	\$266,051,608
Ground transportation system planning and research	72,784,885
Highway system acquisition and construction	1,869,117,136
Highway system maintenance	1,674,434,950
Financial assistance to localities	948,976,395
Environmental monitoring and compliance	13,534,237
Toll facility operations and construction	48,248,250
Capital outlay	39,989,769
Debt Service	352,019,981
Total Expenditures	5,285,157,211
 Other Financing Uses	
Other financing uses	-
Transfers to other state agencies and General Fund	72,732,152
Transfers out	-
Total Other Financing Uses	72,732,152
 Total Expenditures and Other Uses	 \$5,357,889,363
 Revenues and Other Sources Over (Under) Expenditures and Other Uses	 \$ -

Index: Acronyms and Terminology

Term	Description
BROS	Bridge Off-System
CMAQ	Congestion Mitigation and Air Quality
CPR	Capital Projects Revenue Bonds
CTB Formula	The <i>Code of Virginia</i> calls for the Allocation of funds among highway systems (§ 33.2-358). The section was updated during the 2012 General Assembly session with the addition of the CTB Formula. Through FY 2020, up to \$500 million of funds available may be distributed in the following manner: 25% Bridge, 25% High Priority Projects, 25% Interstate and Primary and Primary Extension Pavements, 15% Public-Private Transportation Act Projects, 5% Unpaved roads, and 5% to Smart Roadway Technology.
DRPT	Department of Rail and Public Transportation
FHWA	Federal Highway Administration
FRANs	Federal Reimbursement Anticipation Notes
GARVEE	Federal Grant Anticipation Revenue Bonds
HMOF	Highway Maintenance and Operating Fund
MWAA	Metropolitan Washington Airports Authority
NHPP	National Highway Performance Program
NHPP APD	National Highway Performance Program dedicated to the Appalachian Development Program
NHPP Bridge	National Highway Performance Program dedicated to Bridges
NVTD	Northern Virginia Transportation District
Oak Grove	City of Chesapeake Oak Grove Connector Project Bonds
PTF	Priority Transportation Fund
Soft Match	The budget contains a significant application of Toll Credits that are used as "soft match" to meet the nonfederal share matching requirements. Section 120(j) of Title 23 permits states to substitute certain previous toll-financed investments for state matching funds on current Federal-aid projects. It permits the non-Federal share of a project's cost to be met through a "soft match" of toll credits. The federal share on most projects in the future can effectively be increased up to 100 percent. However, the use of soft match does not increase the federal funding available to Virginia.
STP	Surface Transportation Program
STP Bridge	Surface Transportation Program dedicated to Bridges
STP Regional	Federal allocation that is to be used in urbanized areas with population greater than 200,000 – This portion is to be divided among those areas based on their relative share of population
STP Statewide	Surface Transportation Program suballocation that may be used in any area of the State
STP Under 200,000	Federal allocation that is to be used in areas with population greater than 5,000 but no more than 200,000
STP Under 5,000	Federal allocation that is to be used in areas with population of 5,000 or less
TAP	Transportation Alternatives Program
Tele Fees	Allocation of revenue from Public Rights-of-Way Use Fee to a provider of telecommunications service
Toll Facilities Revolving	Toll Facilities Revolving Account
TPOF	Transportation Partnership Opportunity Fund
TTF	Transportation Trust Fund

Endnotes

Endnote Number	Description
1	Reflects additional revenue provided by House Bill 2313 of the 2013 General Assembly Session. The Motor Vehicle Sales and Use Tax increases by 0.05 percent on July 1, 2015.
2	The local revenue estimate is driven by project participation from localities and anticipated revenue from regional entities for VDOT administered projects.
3	Based on FY 2017 planned use.
4	Increased funding from FY 2016 represents the restoration of funding for Research Incentives and Implementation. The program used previously provided balances during FY 2016. Additionally, the program increased as a result of updating the revenue estimate for State Planning and Research (SPR) and the associated state match.
5	Decrease is primarily due to the decrease in planned allocations of Federal Transportation Grant Anticipation Revenue Notes (GARVEE bonds) and anticipated local and regional funding.
6	Increased allocation represents normal program growth based on PPI and one-time increase to reflect a 45% share of the released 460 allocations. This share of the increase is planned over fiscal years 2017 - 2019.
7	The increased allocation represents budget authority needed to support the construction of I-66 Inside the Beltway Toll Facility. The FY 2016 budget in Service Area 606004 also included an allocation of current balances of Toll Facility Revolving Account allocations to support Preliminary efforts for I-66 Inside the Beltway. Additional allocations in 606004 are provided to support E-ZPass Operations and Violation Enforcement Services.
8	The allocation for Grant and Loan Programs (Transportation Partnership Opportunity Fund and Virginia Transportation Infrastructure Bank) is now reflected in the Highway Construction Programs, Specialized State and Federal Programs allocation.
9	Increased capital outlay expenditures for DMV Weigh Stations in FY 2017.
10	End of support to Virginia Port Authority for Barge Service in FY 2017.