FY 2025 BUDGET REVISION

Financial Impact of Emergency Response

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Approach to addressing emergency response costs

- The December CTB briefing covered the extent of the response efforts to Tropical Storm Helene
  - Current estimated cost is $208.0 million

- VDOT also incurred extensive costs for snow, ice and flooding response this winter season
  - Current estimated cost is $444.8 million

Summary of Anticipated Costs

(in millions)	Expenditures through April 8, 2025	Estimated Costs Remaining	Total	Current Year Anticipated Expenditures
Hurricane Helene Response	$104.5	$103.5	$208.0	$197.4
Snow and Ice Response Including flood event between snow events in February	401.5	43.3	444.8	433.2
General Assembly Action Pending – Employee Bonus in June 2025	-	9.7	9.7	9.7
TOTAL	**$506.0**	**$156.5**	**$662.5**	**$640.3**

Emergency Response Budget **$220.0 million**

Current Estimated Deficit **$420.3 million**

Savings Strategies Implemented

- In late February, VDOT implemented the following administrative actions to save money.
  - Recruitment for vacant positions beyond maintenance field employment opportunities was paused (classified and wage positions). Any exceptions were approved by the Commissioner.
  - Travel was limited, shifting to virtual where possible, and limits were made to out-of-state travel
  - Delayed or cancelled training opportunities
  - Deferred planned purchases
  - Considered all budgetary balances across all programs, excluding Highway Construction Programs
- These efforts identified $44.7 million in administrative savings

Recommended Budget Adjustments

- VDOT implemented savings strategies to limit spending for the remainder of the year

- Revise Fiscal Year 2025 Budget provided with recommended adjustments
  - Funding available within the Maintenance and Operations Program
  - Savings from other program areas
- Consideration for future reimbursements from federal emergency response funding

Strategies to Cover Costs

	Amount (in millions)
Maintenance and Operations Program	
District responsibility for 10% over the district budget	$18.6
Maintenance Savings Strategies	14.3
Program Reserves and Balances Identified from prior commitments & project close-out	51.8
Delayed implementation of planned work and other contract balances	17.5
Federal funding made available	
FEMA Reimbursements from events prior to Helene	73.2
FHWA Emergency Relief Quick Release	10.0
Total – Maintenance and Operations Program	**$185.4**
Administrative Savings	**$44.7**
Recommended Strategies – Balances Available	**$230.1**

Estimated Deficit	**$420.3 million**
Recommended Strategies	**($230.1 million)**
Remaining Deficit	**$190.2 million**

Pending Reimbursement and Future Potential Reimbursement

Future estimated reimbursement from federal sources is $211.7 million to $260.7 million.

	Estimated Reimbursement
Additional FEMA Reimbursements that *may* be received by the end of the year for events prior to Helene	$60.8 million
Helene – FEMA Eligible Activities Estimate Earliest reimbursement in FY 2026	$146 million to $195 million
Winter 2025 Flooding Event	$4.9 million

VDOT recommends an interagency loan from the Construction Fund to cover anticipated costs

- VDOT can provide temporary relief to the Highway Maintenance and Operating Fund from the Construction Fund to support current spending with future reimbursements anticipated from federal emergency support for eligible activities
- VDOT will monitor reimbursements for federal emergency support and repay the intra-agency loan, currently estimated at $190.2 million, as soon as practicable from these reimbursements.

FY 2025 Revision

Summary of budget adjustments for consideration

Additional Revenue Sources	Amount (in millions)
FEMA Reimbursements from events prior to Helene	$73.2
FHWA Emergency Relief Quick Release	10.0
Anticipated future federal reimbursements for emergency response	190.2
Total	**$273.4**

The VDOT Revised Budget totals $9.14 billion.

The original budget was $8.87 billion for FY 2025.

Program Allocation Adjustments	Amount (in millions)
Environmental Monitoring and Evaluation	($0.5)
Ground Transportation Planning and Research	(21.7)
Highway Construction Programs (Construction Management and Direction)	(4.9)
Highway System Maintenance	312.6
Administrative and Support Services	(12.0)
Total	**$273.4**

Recommended Action

- **VDOT requests CTB Approval of Revised Fiscal Year 2025 Budget in April 2025 Meeting**

  This action will align the identified funding to the Maintenance and Operations Program

- **The intra-agency loan will allow VDOT to close the fiscal year with funding to support necessary expenditures**