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

Draft Fiscal Year 2026 CTF and VDOT Budgets

Laura Farmer, Chief Financial Officer

April 15, 2025

Outline

- **Legislative Update – Special Structures Debt Authorization**
- **Revenue and Allocations available in the Draft Six-Year Financial Plan**
- **Draft Fiscal Year 2026 Budgets for the Commonwealth Transportation Fund and for VDOT**

Special Structures – Requested Debt Authorization

- Advancing needed improvements or replacements saves on inflationary cost impacts in the future
  - VDOT has experienced 24% in cost escalation over the last three fiscal years in our construction program
  - Debt financing is conservatively estimated at 5% interest
  - The value of delivering projects earlier allows for benefits to Virginians sooner and is more cost effective
- The current funding source is reliable, but it is not sufficient to timely allocate funding to larger replacement efforts and other capital investments in existing Special Structures

Senate Bill 1082 - Commonwealth Transportation Special Structures Program Revenue Bond Act of 2025; created. (Chapter 327)

SB 1082 authorizes debt not to exceed $1 billion to be issued for improvements or replacements of existing Special Structures. No more than $200 million can be issued in a year

- **Security for the Debt: Funds committed to the Special Structures Fund (§ 33.2-1532) that are generated pursuant to § § 33.2-1524 and 33.2-1530 (Off-the-top commitment from the Commonwealth Transportation Fund and the Highway Maintenance and Operating Fund)**
- **Issuance of the debt must be approved by the Commonwealth Transportation Board, Virginia Treasury Board and the Governor.**

Updates for Special Structures in SYFP

Allocation	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
CTF Off the Top allocation	$90.0	$92.3	$94.7	$97.2	$99.7	$102.3	**$576.1**

Uses	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Special Structures Pay-go	$90.0	$92.3	$94.7	$92.4	$84.4	$74.1	**$527.9**
Estimated Debt Service				4.7	15.3	28.1	**$48.2**
Total	**$90.0**	**$92.3**	**$94.7**	**$97.2**	**$99.7**	**$102.3**	**$576.1**
Planned Bond Proceeds	**-**	**-**	**$66.7**	**$148.9**	**$180.8**	**$141.8**	**$538.2**

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 $56.6 billion from all revenue sources
- Includes the use of $1.5 billion of Route 58 Corridor Bonds, I-81 Financing, GARVEE Bonds and the new authorization for Special Structures Debt
- Transfers $6.4 billion to the three regional entities 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 $15.4 billion for Construction

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

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

Revenue Updates since January

- Other revenue includes the allocation of interest earnings for the I-81 Fund of $21.2 million from FY 2024 in FY 2026
- Inclusion of federal revenue for Appalachian Development Highway System amount for FFY 2025 of $21.4 million
  - Funds to be deployed on Corridor Q
- Adjustments for the assumed use of debt for Special Structures, $538.2 million through FY 2031

Commonwealth Transportation Fund Draft 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)
Prior year funding	-	-	-	-	-	-	-	-	-
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	561.2	475.1	461.4	467.2	473.6	476.7	2,915.3	2,721.5	193.8
Total	**6,431.7**	**6,573.8**	**6,105.7**	**6,242.8**	**6,408.5**	**6,569.7**	**38,332.2**	**37,753.5**	**578.7**
Federal Revenues	**1,589.2**	**1,493.0**	**1,521.5**	**1,550.6**	**1,580.3**	**1,610.5**	**9,345.0**	**9,713.6**	**(368.6)**
Total Revenues	**8,020.9**	**8,066.7**	**7,627.2**	**7,793.3**	**7,988.8**	**8,180.2**	**47,677.2**	**47,467.1**	**210.1**
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
Special Structures Bonds	-	-	66.7	148.9	180.8	141.8	538.2	-	538.2
Route 58	74.2	-	-	-	-	-	74.2	226.4	(152.2)
Total	**74.2**	**434.2**	**66.7**	**515.8**	**180.8**	**241.8**	**1,513.6**	**794.8**	**718.8**
Total Operating Revenues and Other Financing Sources	**$ 8,095.1**	**$ 8,501.0**	**$ 7,693.9**	**$ 8,309.2**	**$ 8,169.5**	**$ 8,422.1**	**$ 49,190.8**	**$ 48,261.8**	**$ 929.0**
Revenue Supporting Transfer Payments									
Regional Transportation Funds	983.2	1,003.9	1,042.3	1,085.9	1,128.5	1,164.1	6,407.9	5,796.7	611.2
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	**$ 9,232.7**	**$ 9,667.0**	**$ 8,905.9**	**$ 9,570.3**	**$ 9,475.2**	**$ 9,765.7**	**$ 56,616.7**	**$ 54,896.1**	**$ 1,720.7**

Green font indicates change since January

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

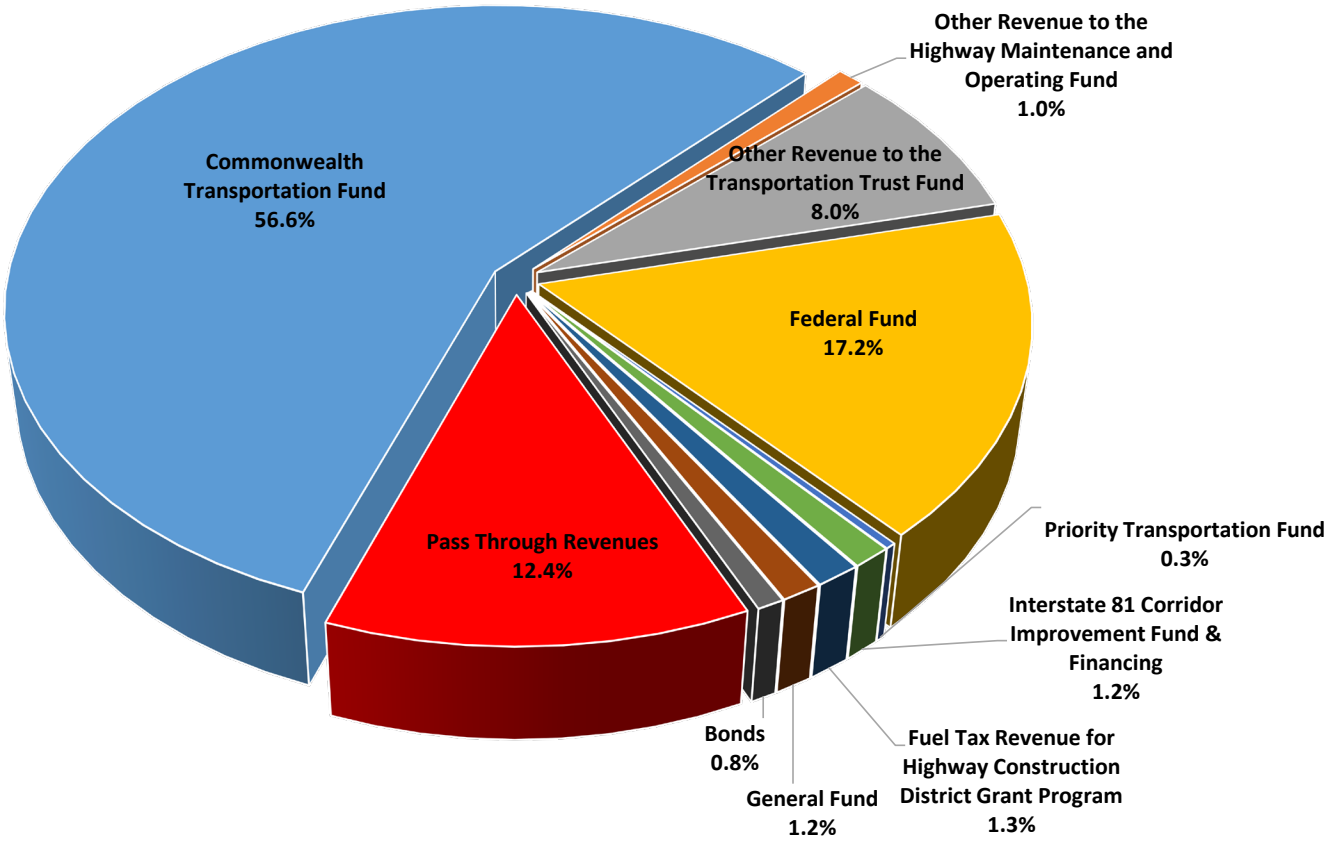
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2026-2031 Total	2025-2030 SYFP	Difference
Debt Service	$ 435.7	$ 438.3	$ 427.4	$ 420.0	$ 455.3	$ 477.0	$ 2,653.8	$ 2,427.4	$ 226.4
Other Agencies & Transfers	54.1	54.1	54.1	54.1	54.1	54.1	324.6	334.1	(9.5)
Maintenance & Operations	3,029.0	2,885.8	2,951.4	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	161.4	241.3	265.2	216.0	1,066.1	554.0	512.1
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	2,518.2	3,171.6	2,200.5	2,636.2	2,340.6	2,513.3	15,380.5	16,978.2	(1,597.7)
Total Operating Programs	**$ 7,967.3**	**$ 8,461.0**	**$ 7,653.9**	**$ 8,269.2**	**$ 8,129.5**	**$ 8,382.1**	**$ 48,863.0**	**$ 48,024.8**	**$ 838.1**
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	**$ 9,232.7**	**$ 9,667.0**	**$ 8,905.9**	**$ 9,570.3**	**$ 9,475.2**	**$ 9,765.7**	**$ 56,616.7**	**$ 54,896.1**	**$ 1,720.7**

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

Commonwealth Transportation Fund
FY 2026 Draft Budget

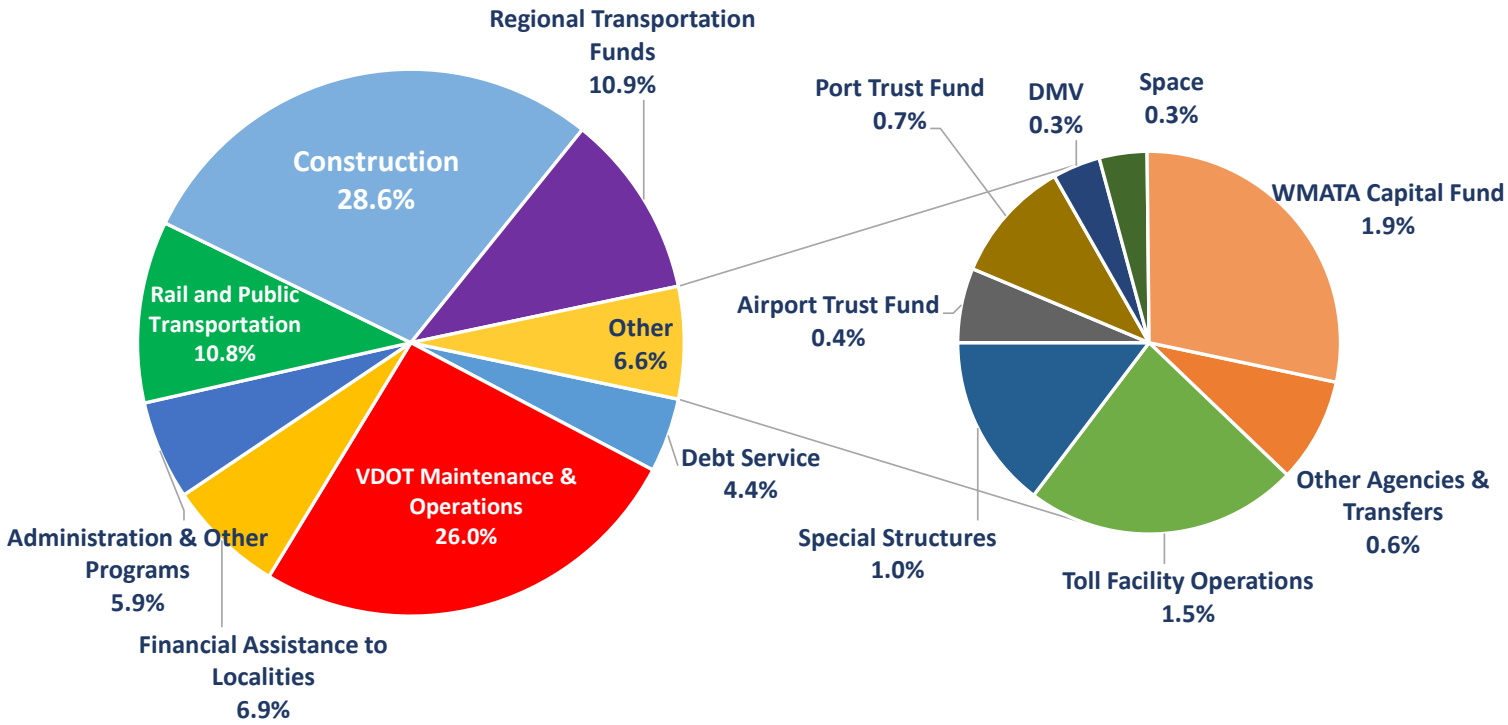
Revenue (in millions)	Total Estimate
Commonwealth Transportation Fund	$ 5,229.9
Other Revenue to the Highway Maintenance and Operating Fund	92.2
Other Revenue to the Transportation Trust Fund	740.1
Federal Fund	1,589.2
Priority Transportation Fund	29.0
Interstate 81 Corridor Improvement Fund & Financing	106.5
Fuel Tax Revenue for Highway Construction District Grant Program	122.3
General Fund	108.5
Bonds	74.2
Total Operating Revenues	**$ 8,091.8**
Pass Through Revenues	
WMATA Capital Fund	154.4
Central Virginia Transportation Fund	245.4
Northern Virginia Transportation Authority Fund	426.4
Hampton Roads Transportation Fund	281.0
Hampton Roads Regional Transit Fund	33.7
Subtotal	**$ 1,140.9**
Total	**$ 9,232.7**

CTF Revenues total $9.2 billion, a decrease of 8.0 percent from the FY 2025 CTF Budget



FY 2026 Draft Recommended Allocations

- Highway Maintenance, including VDOT-maintained and Locality Maintained, represents 33 percent of budget
- Highway Construction represents 29 percent of the total with support of regional / local funding
- Funding for Rail and Public Transportation is 11 percent of budget



FY 2026 Draft VDOT Budget Highlights

Draft budget totals $7.0 billion net of regional programs; grand total of $8.0 billion

The Highway Maintenance and Operating Fund (HMOF) has an expected deficit of $817 million which will be filled with $283.5 million of federal funds and the crossover of $533.5 million of state funds from the Construction Fund.

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

(in millions)	FY 2022	FY 2023	FY 2024	FY 2025	Draft 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**

FY 2026 Draft VDOT Recommended Allocations

	(in millions)		
	Original FY 2025	Recommended FY 2026	Increase (Decrease)
VDOT Programs			
Environmental Monitoring and Evaluation (514)	$ 21.3	$ 34.0	$ 12.7
Ground Transportation Planning and Research (602)	153.3	105.2	(48.1)
Highway Construction Programs (603)	3,719.8	2,579.8	(1,140.0)
Highway System Maintenance (604)	2,253.2	2,398.2	145.0
Commonwealth Toll Facilities (606)	193.7	141.7	(52.0)
Financial Assistance to Localities (607)			
VDOT Programs	636.7	655.9	19.2
Regional Programs	881.8	1,025.0	143.1
Non-Toll Supported Transportation Debt Service (612)	370.2	405.8	35.6
Special Structures (614)	87.7	90.0	2.3
Administrative and Support Services (699)	373.7	383.8	10.1
VDOT Capital Outlay (998)	40.0	40.0	-
Total VDOT Programs	$ 8,731.4	$ 7,859.3	$ (872.1)
Support to Other State Agencies	54.1	54.1	-
Support to DRPT Programs & Virginia Passenger Rail Authority	85.3	76.0	(9.3)
TOTAL	$ 8,870.8	$ 7,989.5	$ (881.3)
TOTAL OPERATING BUDGET (Net Regional Programs)	$ 7,988.9	$ 6,964.5	$ (1,024.4)

Next Steps

- ❑ Reflect any necessary adjustments for the biennial budget updates

- ❑ Final Recommended Budgets and SYIP presented to CTB in June 2025


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