COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

W. Sheppard Miller, III
Chairperson

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Agenda item # 6

RESOLUTION
OF THE
COMMONWEALTH TRANSPORTATION BOARD

June 24, 2025

MOTION

Made By: Mr. Fowlkes, **Seconded By:** Ms. Green
Action: Motion Carried, Unanimously

Title: Action on Fiscal Year 2026 Annual Budgets
Commonwealth Transportation Fund, Department of Rail and Public Transportation and the Virginia Department of Transportation

WHEREAS, the Commonwealth Transportation Board is required by §§ 33.2-214 (B) and 33.2-221 (C) of the *Code of Virginia* (*Code)* to administer and allocate funds in the Transportation Trust Fund, based on the most recent official Commonwealth Transportation Fund revenue forecast; and

WHEREAS, § 33.2-1524.1 of the *Code* requires a portion of the funds in the Transportation Trust Fund to be set aside and distributed to construction programs pursuant to § 33.2-358, the Commonwealth Mass Transit Fund, Commonwealth Rail Fund, the Commonwealth Port Fund, the Commonwealth Aviation Fund, the Commonwealth Space Flight Fund, the Priority Transportation Fund and a special fund within the Commonwealth Transportation Fund to be used to meet the necessary expenses of the Department of Motor Vehicles; and

WHEREAS, § 33.2-358 (A) of the *Code* requires the Board to allocate each year from all funds made available for highway purposes such amount as it deems reasonable and necessary for the maintenance of roads within the interstate system of highways, the primary system of state highways, the secondary system of state highways and for city and town street maintenance payments made pursuant to § 33.2-319 and payments made to counties which have withdrawn or elect to withdraw from the secondary system of state highways pursuant to § 33.2-366; and

WHEREAS, §33.2-358 (B) of the *Code* requires the Board to allocate available funds for construction and other non-maintenance activities by formula; and

WHEREAS, other sections of the *Code of Virginia* and the current Appropriation Act require certain allocations; and

WHEREAS, pursuant to § 33.2-214 (B), the Commonwealth Transportation Board has established the updated project allocations for the fiscal years 2026 through 2031 in the Six-Year Improvement Program; and

WHEREAS, § 2.2-2100 of the *Code* allows the Board to review and comment on budget items not specifically enumerated to the Board by statute.

NOW, THEREFORE, BE IT RESOLVED by the Commonwealth Transportation Board that the recommended allocations and expenditures required by the various statutes as contained in the budgets for the Commonwealth Transportation Fund, Department of Rail and Public Transportation, and the Department of Transportation for Fiscal Year 2026 are approved.

####

CTB Decision Brief

Fiscal Year 2026 Annual Budgets

Commonwealth Transportation Fund, Department of Rail and Public Transportation and the Department of Transportation

Issue: Each year, the Commonwealth Transportation Board (CTB or Board) is required by §§ 33.2-214 (B) and 33.2-221 (C) of the *Code of Virginia* to administer, distribute and allocate funds in the Transportation Trust Fund based on the most recent official Commonwealth Transportation Fund revenue forecast; by § 33.2-1524.1, to provide the statutory funding to the Commonwealth Mass Transit Fund, Commonwealth Rail Fund, Commonwealth Port Fund, the Commonwealth Aviation Fund, the Commonwealth Space Flight Fund the Priority Transportation Fund and a special fund in the Commonwealth Transportation Fund to meet the expenses of the Department of Motor Vehicles; and by § 33.2-358 (A) to allocate from all funds made available for highway purposes such amount as it deems reasonable and necessary for the maintenance of roads within the interstate, primary and secondary system of highways and for city and town street maintenance payments and payments to counties that have elected to withdraw from the secondary state highway system. Board approval and finalization of the FY 2026 budgets necessary to effectuate the lawful distribution of available Commonwealth Transportation Fund revenues is sought.

Facts: The CTB must adopt a budget that distributes the available revenues of the Commonwealth Transportation Fund to the statutorily defined funds and purposes. The budget shall be based on the most recent official revenue forecasts and debt policy. There are three separate budgets in addition to the Six-Year Improvement Program:

1) Commonwealth Transportation Board's Commonwealth Transportation Fund Budget which includes all transportation revenues, including those allocated to the construction program, Commonwealth Transit Fund, Commonwealth Rail Fund, Commonwealth Aviation Fund, Space Flight Fund, Commonwealth Port Fund, the Priority Transportation Fund and the special fund for the Department of Motor Vehicles. It is a summary level budget.
2) The Department of Rail and Public Transportation (DRPT) Annual Budget which provides details on estimated expenditures and the related revenues that support the estimated expenditures that are directly provided to the agency for its programs and activities.
3) The Department of Transportation (VDOT) Annual Budget which provides details on revenue and allocations that are directly provided to the agency for its programs and activities.

Recommendations: VDOT and DRPT recommend the approval of the Fiscal Year 2026 Annual Budgets for the Commonwealth Transportation Fund, the Department of Transportation, and the Department of Rail and Public Transportation.

Action Required by CTB: The CTB will be presented with a resolution for a formal vote to approve the Fiscal Year 2026 Annual Budgets.

Options: Approve**,** Deny or Defer. If the CTB chooses not to approve a budget resolution, it will be in violation of state law.

Public Comments/Reactions: The public expects the CTB to utilize the funds dedicated to transportation to address transportation needs.

VDOT Virginia Department of Transportation





FY 2026

Commonwealth Transportation Fund Budget
June 2025

VDOT | Virginia Department of Aviation | DRPT Virginia Department of Rail and Public Transportation | The Port of Virginia | DMV Virginia Department of Motor Vehicles | Virginia Spaceport Authority

Virginia Department of Transportation

Financial Planning Division

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Richmond, VA 23219

Internet Address: https://www.vdot.virginia.gov/about/budget-finance/

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During its 2020 session, the Virginia General Assembly enacted the Governor's Omnibus Transportation Bill, Chapter 1230 (House Bill 1414), which revised the composition of and increased available revenues for transportation funding in the Commonwealth. Under Chapter 1230, the Commonwealth Transportation Fund (CTF) serves as the fund to which all transportation revenues are deposited and then distributed to programs and funds. These transportation revenues include: (i) motor vehicles fuels taxes and road taxes for diesel fuel; (ii) vehicle registration fees; (iii) highway use fee; (iv) 0.5% statewide sales and use tax; (v) 0.3% statewide sale and use tax for transportation; (vi) 4.15% percent motor vehicles sales and use tax; (vii) motor vehicle rental tax (10 percent of gross proceeds from rentals for most passenger vehicles); (viii) $0.03 of the $0.25 per $100 of assessed value of the statewide recordation tax; (ix) tax on liquid alternative fuel, set at the rate for gasoline; (x) International Registration Plan fees; and (xi) one-third of the revenue from insurance premium taxes.

Chapter 1230 also amended the allocation of funds. Before funds are distributed between the Transportation Trust Fund and the Highway Maintenance and Operating Fund ("HMO Fund"), (i) $40 million annually will be deposited into the Route 58 Corridor Development Fund; (ii) $40 million annually will be deposited into the Northern Virginia Transportation District Fund; and (iii) $80 million annually (as adjusted annually based on changes in consumer price index for urban consumers) will be deposited into the Special Structure Fund. Enactment Clause 11 of Chapter 1230 provides the Commonwealth Transportation Board the ability to take actions deemed necessary in fiscal years 2021, 2022, and 2023 to ensure funds for modal programs and the highway maintenance and operating fund are at least equal to the amounts provided for in the six-year financial plan for the Commonwealth Transportation Fund as in effect on January 1, 2020.

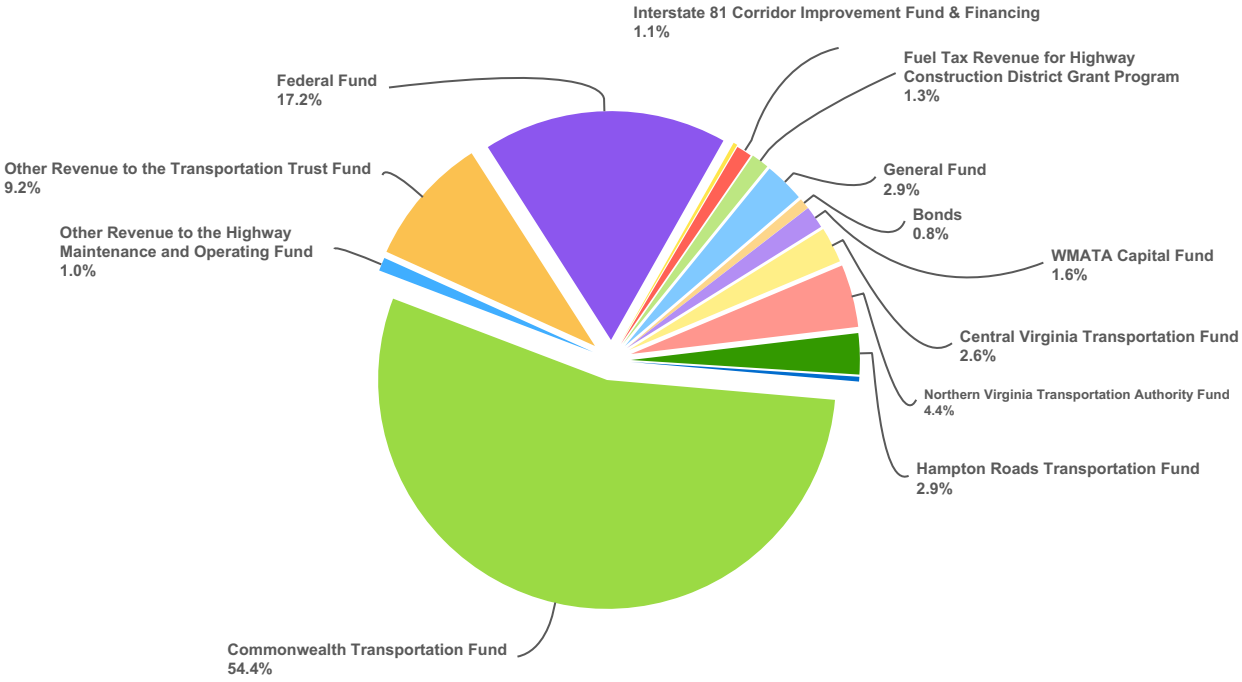
Toll revenue and concession payments to the Commonwealth under the Public-Private Transportation Act of 1995 also would be deposited to the Commonwealth Transportation Fund and allocated to the Transportation Trust Fund (for defined purposes and not available for further distribution). Interest, dividends, and appreciation accrued to the Transportation Trust Fund or the HMO Fund also would be allocated to the Commonwealth Transportation Fund and distributed two-thirds to the Virginia Transportation Infrastructure Bank and one-third to the Transportation Partnership Opportunity Fund.

The remaining funds in the Commonwealth Transportation Fund are allocated 51% to the HMO Fund and 49% to the Transportation Trust Fund. Chapter 1230 directs the following distribution of funds from the Transportation Trust Fund: (i) 53% for construction programs; (ii) 23% to the Commonwealth Mass Transit Fund; (iii) 7.5% to the Commonwealth Rail Fund; (iv) 2.5% to the Commonwealth Port Fund; (v) 1.5% to the Commonwealth Aviation Fund; (vi) 1% to the Commonwealth Space Flight Fund; (vii) 10.5% to the Priority Transportation Fund; and (viii) 1% to the Department of Motor Vehicles.

The Fiscal Year 2026 budget for the CTF identifies the estimated revenues and the distribution of the revenues to the related transportation agencies and programs. It is based on the state revenue forecast from December 2024 and reflects implementation of federal funding provided under the Infrastructure Investment and Jobs Act (IIJA). The FY 2026 CTF Budget totals $9,612,146,369.

The CTF receives revenues from dedicated state and federal sources. The major state revenues are based on Virginia's official revenue forecast developed by the Department of Taxation. The federal revenues from the Federal Highway Administration and the Federal Transit Administration are estimated by the Virginia Department of Transportation (VDOT) and the Virginia Department of Rail and Public Transportation (DRPT). Revenues provided are also from funds collected for regional transportation improvements in Northern Virginia, Hampton Roads, and Central Virginia. These funds are dedicated to the efforts of the Northern Virginia Transportation Authority, Central Virginia Transportation Authority, and the Hampton Roads Transportation Accountability Commission.

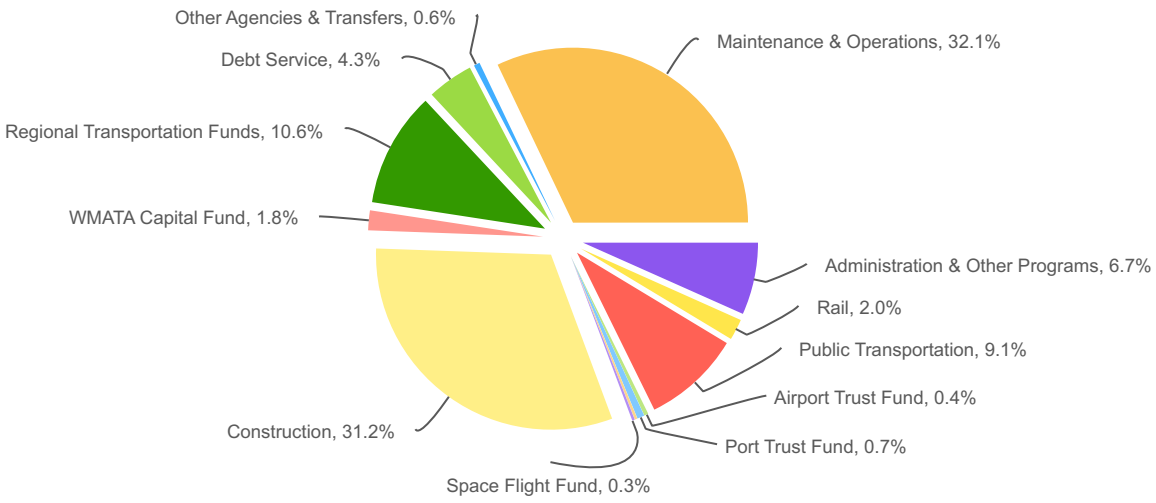
Commonwealth Transportation Fund Total Revenues



Commonwealth Transportation Fund	$5,229,850,000
Other Revenue to the Highway Maintenance and Operating Fund	92,294,823
Other Revenue to the Transportation Trust Fund	884,269,737
Federal Fund	1,657,154,492
Priority Transportation Fund	29,000,000
Interstate 81 Corridor Improvement Fund & Financing	106,532,050
Fuel Tax Revenue for Highway Construction District Grant Program	122,275,267
General Fund	275,700,000
Bonds	74,200,000
Total Operating Revenues	**$8,471,276,369**
Pass Through Revenues	
WMATA Capital Fund	154,370,000
Central Virginia Transportation Fund	245,400,000
Northern Virginia Transportation Authority Fund	426,400,000
Hampton Roads Transportation Fund	281,000,000
Hampton Roads Regional Transit Fund	33,700,000
Subtotal	**1,140,870,000**
TOTAL	**$9,612,146,369**

The revenues are dedicated to specific funds within the CTF. After certain distributions required by the Code of Virginia, the remaining funds in the CTF are allocated 51% to the Highway Maintenance and Operating Fund (HMOF) and 49% to the Transportation Trust Fund. Chapter 1230 directs the following distribution of funds from the Transportation Trust Fund: (i) 53% for construction programs; (ii) 23% to the Commonwealth Mass Transit Fund; (iii) 7.5% to the Commonwealth Rail Fund; (iv) 2.5% to the Commonwealth Port Fund; (v) 1.5% to the Commonwealth Aviation Fund; (vi) 1% to the Commonwealth Space Flight Fund; (vii) 10.5% to the Priority Transportation Fund; and (viii) 1% to the Department of Motor Vehicles.

The revenues for the HMOF support highway maintenance, operations and administration. The Priority Transportation Fund (PTF) revenues are dedicated to debt service on the Commonwealth of Virginia Transportation Capital Projects Revenue Bonds. The Commonwealth Transportation Board can also use the Fund to facilitate the financing of priority transportation projects throughout the Commonwealth. Federal revenues are used for their defined purposes to support construction, maintenance or transit.



Debt Service	**$405,795,729**
Other Agencies & Transfers	**54,106,351**
Maintenance & Operations	**3,036,425,601**
Administration & Other Programs	**632,195,252**
Toll Facility Operations	**149,545,336**
Public Transportation	**859,124,494**
Rail	**185,289,710**
Airport Trust Fund	**38,625,942**
Port Trust Fund	**64,009,903**
Department of Motor Vehicles	**24,683,961**
Space Flight Fund	**24,703,961**
Construction	**2,956,770,129**
Total Operating Programs	**$8,431,276,369**
Pass Through Programs	
WMATA Capital Fund	**174,370,000**
Regional Transportation Funds	**1,006,500,000**
TOTAL RECOMMENDED DISTRIBUTIONS	**$9,612,146,369**

STATE REVENUE SOURCES	FY 2025	FY 2026	INCREASE (DECREASE)	
Commonwealth Transportation Fund	$ 4,957,000,000	$ 5,229,850,000	$ 272,850,000	1
Highway Maintenance & Operating Fund (HMOF)	49,732,511	92,294,823	42,562,312	2
General Fund	207,200,000	275,700,000	68,500,000	3
Transportation Trust Fund (TTF) and Other State Revenue				
Interest Earnings	14,925,000	121,230,000	106,305,000	
Toll Facilities	59,595,800	68,445,336	8,849,536	
Local Revenue Sources	816,844,893	480,076,262	(336,768,631)	4
Project Participation - Regional Entities	728,576,172	74,883,137	(653,693,035)	4
GARVEE Bonds/ Interest Earnings	—	—	—	
Route 58 Bonds/ Interest Earnings	154,860,544	74,200,000	(80,660,544)	5
I-66 Outside the Beltway Concession Fee Payment/Interest	11,000,000	23,094,194	12,094,194	
Interstate 81 Corridor Improvement Fund	103,553,395	106,532,050	2,978,655	
Special Fund Account for the Highway Construction District Grant Program	124,001,513	122,275,267	(1,726,246)	1
Other Trust Fund Revenue	84,477,419	116,540,808	32,063,389	6
Total TTF and Other Revenue	2,097,834,736	1,187,277,054	(910,557,682)	
Priority Transportation Fund (PTF)				
State Revenue	12,000,000	29,000,000	17,000,000	7
Total PTF	12,000,000	29,000,000	17,000,000	
Pass Through Revenues				
Revenue Dedicated to WMATA Capital Fund	132,120,000	154,370,000	22,250,000	1
State Revenue for Regional Entities	845,100,000	986,500,000	141,400,000	1
Total Pass Through Revenues	977,220,000	1,140,870,000	163,650,000	
TOTAL STATE REVENUES	**8,300,987,247**	**7,954,991,877**	**(345,995,370)**	
Federal Funding Sources				
Federal Highway Administration (FHWA)	1,678,357,199	1,581,554,069	(96,803,130)	8
Federal Transit Administration (FTA)	65,712,429	75,600,423	9,887,994	
Total Federal Funding	**1,744,069,628**	**1,657,154,492**	**(86,915,136)**	
TOTAL COMMONWEALTH TRANSPORTATION FUNDS	**$ 10,045,056,875**	**$ 9,612,146,369**	**$ (432,910,506)**	

DISTRIBUTION OF REVENUE SOURCES	FY 2025	FY 2026	INCREASE (DECREASE)	
Debt Service				
Northern Virginia Transportation District	$ 7,562,400	$ 7,565,400	$ 3,000	
Route 28	8,105,000	8,105,000	—	
Route 58	29,571,644	38,172,200	8,600,556	
Interstate 81	5,343,592	12,728,104	7,384,512	
GARVEE Bonds	133,697,128	143,036,800	9,339,672	
CPR Bonds	185,872,225	196,188,225	10,316,000	
Total Debt Service	370,151,989	405,795,729	35,643,740	
Other Agencies & Transfers				
Trust Fund Management	3,161,015	3,161,015	—	
Support to Other State Agencies (excludes DRPT)	44,483,111	44,483,012	(99)	
Indirect Costs	6,462,324	6,462,324	—	
Total State Agencies	54,106,450	54,106,351	(99)	
Maintenance & Operations				
Highway System Maintenance	2,253,248,429	2,398,346,423	145,097,994	
Financial Assist. to Localities for Ground Transportation - Cities	526,283,488	543,678,359	17,394,871	
Financial Assist. to Localities for Ground Transportation - Counties	91,374,707	94,400,819	3,026,112	
Total Maintenance & Operations	2,870,906,624	3,036,425,601	165,518,977	9
Tolls, Administration & Other Programs				
Ground Transportation System Planning and Research	153,278,798	108,559,623	(44,719,175)	10
Environmental Monitoring & Compliance	21,336,888	32,001,781	10,664,893	11
Administrative and Support Services	373,693,618	383,669,470	9,975,852	12
Program Management and Direction	63,496,415	67,964,378	4,467,963	
Toll Facilities Operations	59,595,800	68,445,336	8,849,536	
Toll Facility Revolving Account	134,100,000	81,100,000	(53,000,000)	13
Capital Outlay	40,000,000	40,000,000	—	13
Total Tolls, Administration & Other Programs	845,501,519	781,740,588	(63,760,931)	

DISTRIBUTION OF REVENUE SOURCES	FY 2025	FY 2026	INCREASE (DECREASE)	
Transit and Rail Funds				
Share of TTF Distribution for Transit	$ 537,933,160	$ 568,458,144	$ 30,524,984	1
Transit - Share of administrative costs	(727,033)	(727,033)	—	
Other Revenue dedicated to Transit	16,971,123	17,395,401	424,278	
Share of TTF Distribution for Rail	175,412,987	185,366,786	9,953,799	1
Rail - Share of administrative costs	(237,076)	(237,076)	—	
Federal Transit Authority (FTA)	65,712,429	75,417,800	9,705,371	
CMAQ (without State Match)	25,942,897	31,906,021	5,963,124	14
Carbon (without State Match)	—	182,623	182,623	
STP Regional (without State Match)	6,686,085	8,703,226	2,017,141	14
Interest Earnings	520,000	3,160,000	2,640,000	
Mass Transit Fund-Support from Construction	8,157,248	10,152,312	1,995,064	
Rail Fund - Support from Construction	4,000,000	4,000,000	—	
Priority Transportation	53,100,000	52,000,000	(1,100,000)	
General Fund for WMATA	60,200,000	76,700,000	16,500,000	3
Other	11,910,000	11,936,000	26,000	
Subtotal Transit and Rail Funds	965,581,820	1,044,414,204	78,832,384	
Pass Through Revenue for WMATA Capital				
Dedicated Revenue for WMATA Capital Fund	132,120,000	154,370,000	22,250,000	1
Transfer from NVTD Fund for WMATA Capital Fund	20,000,000	20,000,000	—	
Subtotal WMATA Capital Fund	152,120,000	174,370,000	22,250,000	
Airports - Share of TTF Distribution	35,082,597	37,073,357	1,990,760	1
Airports - Share of administrative costs	(47,415)	(47,415)	—	
Airports - Interest Earnings	700,000	1,600,000	900,000	
Total Airport Trust Fund	35,735,182	38,625,942	2,890,760	
Ports - Share of TTF Distribution	58,470,996	61,788,929	3,317,933	1
Ports - Share of administrative costs	(79,026)	(79,026)	—	
Ports - Interest Earnings	1,000,000	2,300,000	1,300,000	
Total Port Trust Fund	59,391,970	64,009,903	4,617,933	
Department of Motor Vehicles - Share of TTF Distribution	23,388,398	24,715,571	1,327,173	1
DMV - Share of administrative costs	(31,610)	(31,610)	—	
Total DMV	23,356,788	24,683,961	1,327,173	
Virginia Commercial Space Flight Authority - Share of TTF Distribution	23,388,398	24,715,571	1,327,173	1
Space Flight Authority - Share of administrative costs	(31,610)	(31,610)	—	
Space - Interest Earnings	5,000	20,000	15,000	
Total Space Flight Authority	23,356,788	24,703,961	1,347,173	

DISTRIBUTION OF REVENUE SOURCES	FY 2025	FY 2026	INCREASE (DECREASE)	
Pass Through Revenue Allocations				
Central Virginia Transportation Authority Fund	$ 197,300,000	$ 245,400,000	$ 48,100,000	
Northern Virginia Transportation Authority Fund	401,644,248	465,625,944	63,981,696	
Hampton Roads Transportation Fund	244,200,000	281,000,000	36,800,000	
Hampton Roads Regional Transit Fund	38,700,000	33,700,000	(5,000,000)	
Total Regional Transportation Programs	881,844,248	1,025,725,944	143,881,696	1
Construction				
Financial Assistance to Localities for Ground Transportation	19,049,816	18,526,939	(522,877)	
State of Good Repair Program	288,788,311	341,000,223	52,211,912	14
High Priority Projects Program	192,462,626	220,987,865	28,525,239	14
Construction District Grant Programs	316,464,139	343,263,132	26,798,993	14
Specialized State and Federal Programs	2,418,397,870	1,342,750,405	(1,075,647,465)	15
Virginia Highway Safety Improvement Program	96,231,314	110,493,932	14,262,618	14
Interstate Operations and Enhancement Program	343,928,181	470,565,867	126,637,686	16
Total Construction	3,675,322,257	2,847,588,363	(827,733,894)	
Special Structures	87,676,240	89,955,822	2,279,582	
DISTRIBUTION OF COMMONWEALTH TRANSPORTATION FUNDS	**$10,045,051,875**	**$ 9,612,146,369**	**$ (432,905,506)**	
Agency Funding Summary:				
VDOT	$ 8,870,766,575	$ 8,327,490,710	$ (543,275,865)	
Less Support to DRPT/VPRA	(85,257,248)	(86,152,312)	(895,064)	
VDOT (Net)	8,785,509,327	8,241,338,398	(544,170,929)	
DRPT/VPRA	1,117,701,820	1,218,784,204	101,082,384	
Ports	59,391,970	64,009,903	4,617,933	
Aviation	35,735,182	38,625,942	2,890,760	
DMV	23,356,788	24,683,961	1,327,173	
Space Flight Authority	23,356,788	24,703,961	1,347,173	
Grand Total	**$10,045,051,875**	**$ 9,612,146,369**	**$ (432,905,506)**	

CTF State Revenue Details

STATE REVENUE SOURCES	FY 2025	FY 2026	INCREASE (DECREASE)
State Tax on Motor Fuels	$1,504,300,000	$1,555,900,000	$51,600,000
Road Tax	85,100,000	82,300,000	(2,800,000)
Retail Sales & Use Tax	1,392,200,000	1,477,000,000	84,800,000
Motor Vehicle Sales and Use Tax	1,193,500,000	1,240,200,000	46,700,000
International Registration Plan	119,600,000	115,900,000	(3,700,000)
Motor Vehicle Licenses	219,500,000	222,400,000	2,900,000
Miscellaneous Revenues	18,600,000	18,900,000	300,000
Motor Vehicle Rental Tax	41,500,000	43,500,000	2,000,000
Aviation Fuels Tax	2,000,000	2,000,000	—
Highway Use Fee	65,400,000	104,700,000	39,300,000
Insurance Premium	221,300,000	240,400,000	19,100,000
Recordation Tax	55,900,000	63,600,000	7,700,000
Total	**$4,918,900,000**	**$5,166,800,000**	**$247,900,000**

Endnotes

Endnote Number	Description
1	Revenue changes reflect impact of updated state revenue forecast.
2	Increase represents the unallocated Highway Maintenance and Operating Fund balance from prior years and increased estimates for miscellaneous revenues and property damage.
3	General Fund dollars made available in Chapter 725 (2025 Session) in Fiscal Years 2025 and 2026 for Transportation Initiatives. In FY 2026, $175 million is provided for the Inter-state 81 Corridor Improvement Program and $76.7 million is provided for WMATA.
4	Revenue and allocations represent funding from regional entities or localities for projects.
5	Revenue and allocations reflected planned use of bond proceeds for Route 58 Corridor Program.
6	Other Trust Fund Revenue includes updates for interest earnings expectations.
7	Revenue change reflects updated interest earnings estimate for the Priority Transportation Fund.
8	Federal revenue updates based on apportionment details and obligation limitation available to Virginia.
9	Allocation adjustments reflect program growth and supplemental funding for the VDOT Maintenance Program and Financial Assistance to Localities.
10	Allocations in the previous year included funding for study initiatives and 495 Southside Procurement.
11	Increased allocations for Environmental Monitoring and Compliance are provided for wetlands credits and municipal separate storm sewer system compliance activities.
12	Allocation adjustment reflects program growth for personal services and nonpersonal services.
13	Allocation adjustment reflects updates assumptions for toll facilities. In addition, General Fund dollars were provided for toll relief on Elizabeth River Crossings, $77 million in FY 2025 and $24 million in FY 2026.
14	Allocation change based on the Six-Year Improvement Program. Updates based on funds available for Construction Formula Distribution.
15	Reduced allocations reflect funding from regional entities or localities for projects.
16	Allocation change based on funds available for Construction Formula Distribution. The previous fiscal year included $70 million in General Fund dollars for Interstate 81 Improvement Program. FY 2026 includes $175 million in General Fund for the Interstate 81 Corridor Improvement Program.

VDOT Virginia Department of Transportation



FY 2026

VDOT Annual Budget
June 2025



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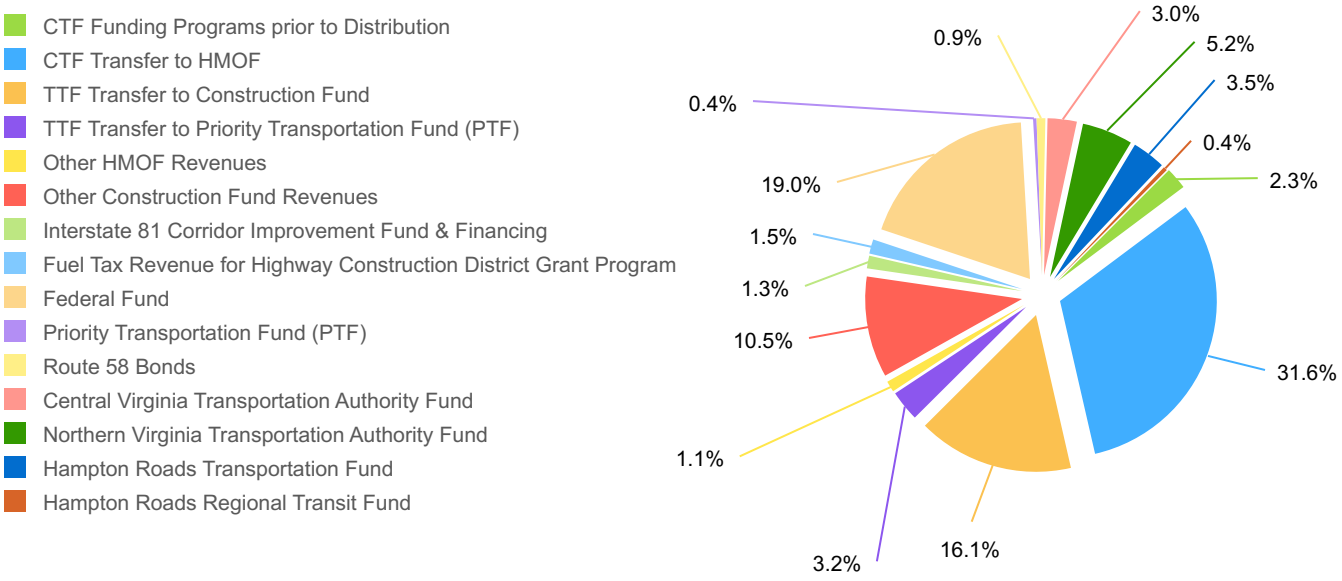
Overview

The Fiscal Year 2026 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 state revenue forecast from December 2024 and reflects implementation of federal funding provided under the Infrastructure Investment and Jobs Act (IIJA). The VDOT Budget for FY 2026 totals $8,327,490,710 a (6.5)% decrease over the FY 2025 VDOT Budget of $8,870,766,575.

Chapter 1230 created the CTF which serves as the fund to which all statewide transportation revenues are deposited and then distributed to programs and funds. These transportation revenues include: (i) motor vehicles fuels taxes and road taxes for diesel fuel; (ii) vehicle registration fees; (iii) highway use fee; (iv) 0.5% statewide sales and use tax; (v) 0.3% statewide sale and use tax for transportation; (vi) 4.15% percent motor vehicles sales and use tax; (vii) motor vehicle rental tax (10 percent of gross proceeds from rentals for most passenger vehicles); (viii) $0.03 of the $0.25 per $100 of assessed value of the statewide recordation tax; (ix) tax on liquid alternative fuel, set at the rate for gasoline; (x) International Registration Plan fees; and (xi) one-third of the revenue from insurance premium taxes.

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). The budget also includes the regional revenues provided to the Northern Virginia Transportation Authority, the Hampton Roads Transportation Accountability Commission, and the Central Virginia Transportation Authority.

Source of Transportation Funds



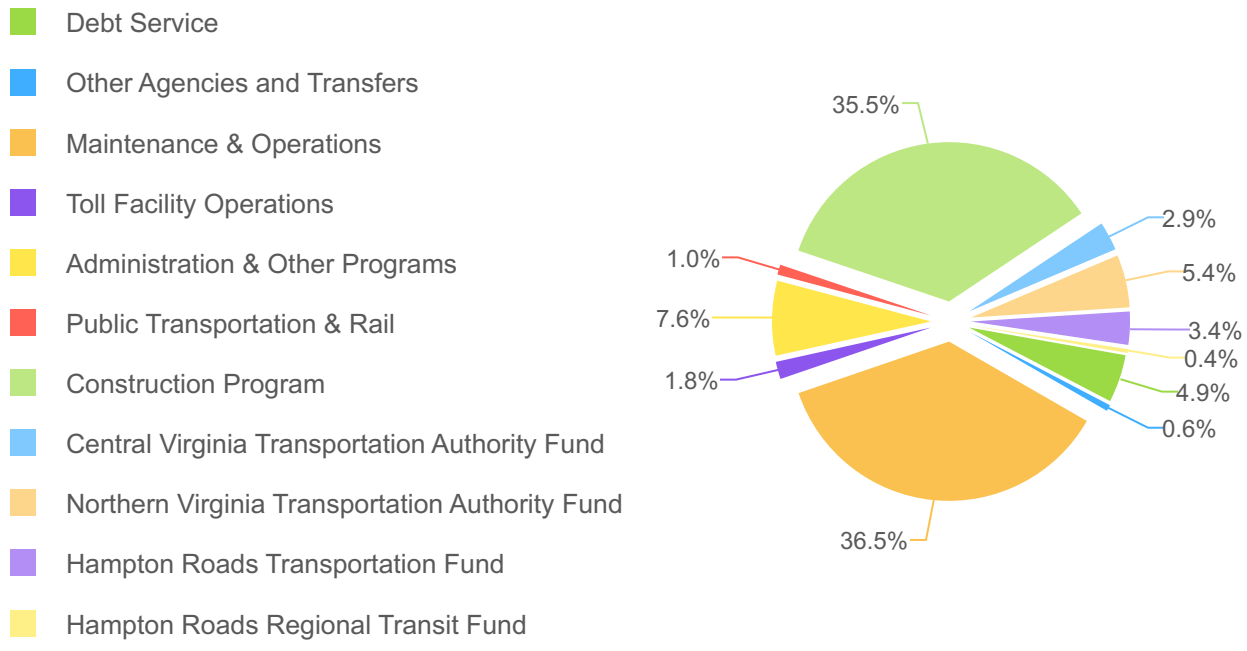
Detailed Sources of Transportation Funds

CTF Funding Programs prior to Distribution	$	184,955,822
CTF Transfer to HMOF		2,572,437,031
TTF Transfer to Construction Fund		1,309,925,289
TTF Transfer to Priority Transportation Fund (PTF)		259,513,500
Other HMOF Revenues		92,294,823
Other Construction Fund Revenues		849,912,106
Interstate 81 Corridor Improvement Fund & Financing		106,532,050
Fuel Tax Revenue for Highway Construction District Grant Program		122,275,267
Federal Fund		1,540,944,822
Priority Transportation Fund (PTF)		29,000,000
General Funds		199,000,000
Route 58 Bonds		74,200,000
Subtotal	**$**	**7,340,990,710**
Pass Through Revenues		
Central Virginia Transportation Authority Fund		245,400,000
Northern Virginia Transportation Authority Fund		426,400,000
Hampton Roads Transportation Fund		281,000,000
Hampton Roads Regional Transit Fund		33,700,000
TOTAL	**$**	**8,327,490,710**

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:

Allocations	FY 2025	FY 2026	INCREASE (DECREASE)
Debt Service	$ 370,151,989	$ 405,795,729	$ 35,643,740
Other Agencies and Transfers	54,106,450	54,106,351	(99)
Maintenance & Operations	2,870,906,624	3,036,425,601	165,518,977
Toll Facility Operations	193,695,800	149,545,336	(44,150,464)
Administration & Other Programs	651,805,719	632,195,252	(19,610,467)
Public Transportation & Rail	85,257,248	86,152,312	895,064
Construction Program	3,779,742,745	2,956,770,129	(822,972,616)
Subtotal	**$8,005,666,575**	**$7,320,990,710**	**$(684,675,865)**
Pass Through Revenues			
Central Virginia Transportation Authority Fund	197,300,000	245,400,000	48,100,000
Northern Virginia Transportation Authority Fund	384,900,000	446,400,000	61,500,000
Hampton Roads Transportation Fund	244,200,000	281,000,000	36,800,000
Hampton Roads Regional Transit Fund	38,700,000	33,700,000	(5,000,000)
TOTAL	**$8,870,766,575**	**$8,327,490,710**	**$ (543,275,865)**



Highway Maintenance & Operating Fund

The Highway Maintenance and Operating Fund (HMOF) is one of VDOT's major funds. 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. With the updated revenue assumptions for FY 2022, this transfer reversed direction and the HMOF provided $57.5 million to the Construction Fund, representing revenue in excess of budgetary allocations needed. The transfer from the Construction Fund to the HMOF returned in the FY 2023 recommendations.

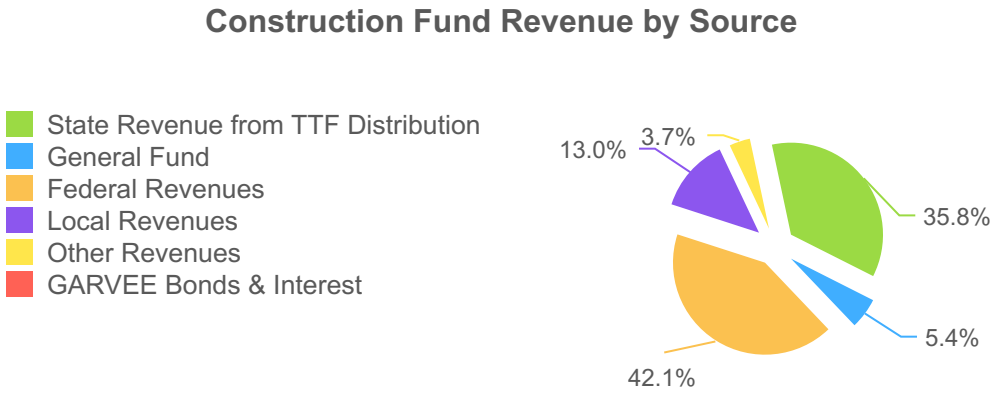
HMOF Revenue Sources	FY 2025	FY 2026	Difference	
CTF Transfer to HMOF	$ 2,434,302,674	$ 2,572,437,031	$ 138,134,357	1
Miscellaneous Revenues	18,600,000	18,900,000	300,000	
Other Revenue	31,132,511	73,394,823	42,262,312	2
Subtotal	**$ 2,484,035,185**	**$ 2,664,731,854**	**$ 180,696,669**	
Transfer from Construction	509,882,302	532,638,958	22,756,656	
Total	**$ 2,993,917,487**	**$ 3,197,370,812**	**$ 203,453,325**	

Chapter 1230 amends the allocation of funds. Before funds are distributed between the Transportation Trust Fund and the Highway Maintenance and Operating Fund (HMOF), (i) $40 million annually will be deposited into the Route 58 Corridor Development Fund; (ii) $40 million annually will be deposited into the Northern Virginia Transportation District Fund; and (iii) $80 million annually (as adjusted annually based on changes in consumer price index for urban consumers) will be deposited into the Special Structure Fund. The following table provides details on revised distributions for Fiscal Year 2026.

Construction Fund Revenue Sources	FY 2025	FY 2026	Difference
Distributed to Route 58 Corridor Fund	$ 40,000,000	$ 40,000,000	$ —
Distributed to Northern Virginia Transportation District Fund	40,000,000	40,000,000	—
Distributed to TTF for Support	1,181,262	900,000	(281,262)
Distributed to Special Structures	87,676,240	89,955,822	2,279,582
Total	**$ 168,857,502**	**$ 170,855,822**	**$ 1,998,320**

The following table identifies the construction fund revenues by major source.

Construction Fund Revenue Sources	FY 2025	FY 2026	Difference	
State Revenue from TTF Distribution	$ 1,239,585,106	$ 1,309,925,289	$ 70,340,183	1
General Fund	147,000,000	199,000,000	52,000,000	3
Federal Revenues	1,645,728,217	1,540,944,822	(104,783,395)	4
Local Revenues	1,474,920,884	476,166,088	(998,754,796)	5
Other Revenues	92,029,186	134,503,199	42,474,013	6
Total	**$ 4,599,263,393**	**$ 3,660,539,398**	**$ (938,723,995)**	



Other Fund Revenues

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 2025	FY 2026	Difference	
Regional Transportation Funds	$ 845,100,000	$ 986,500,000	$ 141,400,000	1
Interstate 81 Corridor Improvement Fund	103,553,395	106,532,050	2,978,655	
Fuel Tax Revenue for the Special Fund Account for the Highway Construction District Grant Program	124,001,513	122,275,267	(1,726,246)	1
Powhite Parkway Extension Toll Revenue	11,675,600	11,675,600	—	
Coleman Bridge Toll Revenue	6,070,200	3,155,990	(2,914,210)	
I-66 Inside the Beltway Toll Revenue	35,950,000	45,113,746	9,163,746	
I-64 Express Lanes Toll Revenue	5,900,000	8,500,000	2,600,000	
Northern VA Transportation District (NVTD)	7,833,414	5,689,920	(2,143,494)	
Priority Transportation Fund (PTF)	245,578,182	259,513,500	13,935,318	1
Transportation Partnership Opportunity Fund	5,000,000	36,660,000	31,660,000	20
Route 58	154,860,544	74,200,000	(80,660,544)	7
Route 28	8,105,000	8,105,000	—	
Other	64,800,000	134,590,000	69,790,000	20
Total	**$ 1,618,427,848**	**$ 1,802,511,073**	**$ 184,083,225**	

Total Construction Major Sources (page 7)	4,599,263,393	3,660,539,398	(938,723,995)
Transfer to HMOF	(509,882,302)	(532,638,958)	(22,756,656)
Total Construction Fund	**$ 5,707,808,939**	**$ 4,930,411,513**	**$ (777,397,426)**

VDOT Program Descriptions and Allocations

Summary of Allocations by Program

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

	FY 2025	FY 2026	INCREASE (DECREASE)
Environmental Monitoring and Evaluation (514)	$ 21,336,888	$ 32,001,781	$ 10,664,893
Ground Transportation Planning and Research (602)	153,278,798	108,559,623	(44,719,175)
Highway Construction Programs (603)	3,719,768,856	2,897,025,802	(822,743,054)
Highway System Maintenance (604)	2,253,248,429	2,398,346,423	145,097,994
Commonwealth Toll Facilities (606)	193,695,800	149,545,336	(44,150,464)
Financial Assistance to Localities (607)	1,518,552,259	1,682,332,061	163,779,802
Non-Toll Supported Transportation Debt Service (612)	370,151,989	405,795,729	35,643,740
Special Structures (614)	87,676,240	89,955,822	2,279,582
Administrative and Support Services (699)	373,693,618	383,669,470	9,975,852
VDOT Capital Outlay (998)	40,000,000	40,000,000	—
Support to Other State Agencies	54,106,450	54,106,351	(99)
Support to DRPT Programs	85,257,248	86,152,312	895,064
Total	**$ 8,870,766,575**	**$ 8,327,490,710**	**$ (543,275,865)**

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.

Municipal Separate Storm Sewer System Compliance Activities (514010) - To provide efforts to address storm water discharges, including the related operational and maintenance activities, to meet Total Maximum Daily Load reduction targets. VDOT's current Municipal Separate Storm Sewer System (MS4) permit requires VDOT to reduce its pollutant load allocation to the Chesapeake Bay.

ENVIRONMENTAL MONITORING & EVALUATION (514)	FY 2025	FY 2026	INCREASE (DECREASE)
Environmental Monitoring & Compliance for Highway Projects (514008)	$ 12,467,830	$ 18,850,096	$ 6,382,266
Environmental Monitoring Program Management (514009)	4,606,181	4,762,749	156,568
Municipal Separate Storm Sewer System Compliance Activities (514010)	4,262,877	8,388,936	4,126,059
TOTAL ENVIRONMENTAL MONITORING & EVALUATION	**$ 21,336,888**	**$ 32,001,781**	**$ 10,664,893**
TTF	21,336,888	32,001,781	10,664,893

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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 2025	FY 2026	INCREASE (DECREASE)
Ground Transportation System Planning (602001)	$ 132,667,645	$ 94,802,639	$ (37,865,006)
Ground Transportation System Research (602002)	15,549,795	8,530,116	(7,019,679)
Ground Transportation Program Management (602004)	5,061,358	5,226,868	165,510
TOTAL PLANNING & RESEARCH	**$ 153,278,798**	**$ 108,559,623**	**$ (44,719,175)**
HMOF	19,779,352	12,946,263	(6,833,089)
CONSTRUCTION	105,975,115	69,656,885	(36,318,230)
FEDERAL	27,524,331	25,956,475	(1,567,856)

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Highway Construction Programs (603)

For Fiscal Year 2026, the funding made available for distribution is distributed via the formula outlined in the Code of Virginia, § 33.2-358. With the enactment of Chapter 1230, funds are distributed to the following programs: State of Good Repair Program, High Priority Projects Program, Construction District Grant Program, Interstate Operations and Enhancement Program, and Virginia Highway Safety Improvement Program. The following table provides details on distributions for Fiscal Year 2026.

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 2025	FY 2026	INCREASE (DECREASE)	
State of Good Repair Program (603020)	$ 288,693,940	$ 341,000,223	$ 52,306,283	10
High Priority Projects Program(603021)	192,462,626	220,987,865	28,525,239	10
Construction District Grant Programs (603022)	316,464,139	343,263,132	26,798,993	10
Specialized State and Federal Programs (603023)	2,419,774,468	1,344,571,099	(1,075,203,369)	
Virginia Highway Safety Improvement Program (603017)	134,783,478	110,493,932	14,262,618	10
Interstate Operations and Enhancement Program (603018)	274,702,353	468,745,173	126,099,219	10
Construction Management (603015)	63,496,415	67,964,378	4,467,963	
TOTAL CONSTRUCTION	**$3,719,768,856**	**$2,897,025,802**	**$ (822,743,054)**	
CONSTRUCTION	2,041,280,420	1,151,289,823	(889,990,597)	
FEDERAL	1,154,863,376	1,077,417,253	(77,446,123)	
I-81 CORRIDOR IMPROVEMENT FUND	98,209,803	93,803,946	(4,405,857)	
SPECIAL FUND ACCOUNT FOR CONSTRUCTION DGP	124,001,513	122,275,267	(1,726,246)	
PTF	20,043,930	39,993,368	19,949,438	
TPOF	19,974,151	51,634,151	31,660,000	
VTIB	7,700,000	77,490,000	69,790,000	
NVTD	271,014	—	(271,014)	
CONCESSION FEE FUND	—	12,094,194	12,094,194	
GENERAL FUND	70,000,000	175,000,000	105,000,000	
ROUTE 58	185,288,900	96,027,800	(89,261,100)	

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 2025	FY 2026	INCREASE (DECREASE)	
TOTAL STATE OF GOOD REPAIR	**$ 288,693,940**	**$ 341,000,223**	**$ 52,306,283**	10
CONSTRUCTION	121,698,031	118,588,768	(3,109,263)	
FEDERAL	166,995,909	222,411,455	55,415,546	

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 2025	FY 2026	INCREASE (DECREASE)	
TOTAL HIGH PRIORITY PROJECTS	**$ 192,462,626**	**$ 220,987,865**	**$ 28,525,239**	10
CONSTRUCTION	37,222,315	71,148,274	33,925,959	
FEDERAL	155,240,311	149,839,591	(5,400,720)	
GARVEE	—	—	—	

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 2025	FY 2026	INCREASE (DECREASE)	
TOTAL CONSTRUCTION DISTRICT GRANT	**$ 316,464,139**	**$ 343,263,132**	**$ 26,798,993**	10;11
CONSTRUCTION	87,294,823	113,567,513	26,272,690	
SPECIAL FUND ACCOUNT FOR CONSTRUCTION DGP	124,001,513	122,275,267	(1,726,246)	
FEDERAL	105,167,803	107,420,352	2,252,549	
GARVEE	—	—	—	

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 and Regional Surface Transportation Program funding. The service area will also allocate bond programs and the state and local components of Revenue Sharing. Anticipated funding from regional entities for projects is also allocated in this service area.

SPECIALIZED STATE AND FEDERAL PROGRAMS (603023)	FY 2025	FY 2026	INCREASE (DECREASE)	
CMAQ & State Match	$ 56,003,034	$ 35,424,518	$ (20,578,516)	
Participating Project Costs	60,000,000	60,000,000	—	
Project Participation from CVTA	1,180,504	22,305,893	21,125,389	
Project Participation from HRTAC	695,901,157	330,984,748	(364,916,409)	12
HRTAC Participation for Hampton Roads Bridge-Tunnel Expansion Project	247,528,950	—	(247,528,950)	12
Project Participation from NVTA	421,047,222	14,883,137	(406,164,085)	12
Revenue Sharing	200,000,000	200,000,000	—	
STP Set-aside	38,110,219	35,272,146	(2,838,073)	4
STP Regional & State Match	130,799,075	121,218,145	(9,580,930)	4
Tele Fees	8,562,051	7,291,310	(1,270,741)	
PTF for Multimodal Improvements	32,700,000	—	(32,700,000)	13
PTF for Construction Projects	14,224,050	29,935,368	15,711,318	13
Carbon Reduction Program and State Match	34,640,380	32,545,509	(2,094,871)	4
PROTECT	39,388,593	37,214,231	(2,174,362)	4
Bridge	98,252,567	98,252,567	—	
Bridge - Off System	17,338,688	17,338,688	—	
Electric Vehicles	24,039,940	22,657,935	(1,382,005)	
Route 58 Bonds	152,200,000	74,200,000	(78,000,000)	
HIP - Community Project Grants	87,753,133	10,058,000	(77,695,133)	
Other	92,804,905	182,894,710	90,089,805	20
TOTAL SPECIALIZED STATE AND FEDERAL PROGRAMS (603023)	**$ 2,452,474,468**	**$ 1,344,571,099**	**$ (1,107,903,369)**	

Highway Construction Programs (603)

SPECIALIZED STATE AND FEDERAL PROGRAMS (603023)	FY 2025	FY 2026	INCREASE (DECREASE)
CONSTRUCTION	1,672,281,306	667,494,622	(1,004,786,684)
FEDERAL	514,702,820	398,016,270	(116,686,550)
GENERAL FUND	—	—	—
PTF	20,043,930	39,993,368	19,949,438
CONCESSION FEE FUND	—	12,094,194	12,094,194
I-81 CORRIDOR IMPROVEMENT FUND	1,282,227	1,820,694	538,467
OTHER BOND PROGRAMS/FUNDS	185,288,900	96,027,800	(89,261,100)
NVTD	271,014	—	(271,014)
VTIB	7,700,000	77,490,000	69,790,000
GARVEE BOND PROCEEDS	—	—	—
TPOF	19,974,151	51,634,151	31,660,000
TOTAL SPECIALIZED STATE AND FEDERAL PROGRAMS (60323)	**$ 2,421,544,348**	**$ 1,344,571,099**	**$ (1,076,973,249)**

VIRGINIA HIGHWAY SAFETY IMPROVEMENT PROGRAM (603017)

The purpose of the Virginia Highway Safety Improvement Program is to reduce motorized and non-motorized fatalities and severe injuries on highways in the Commonwealth, whether such highways are state or locally maintained. (Code of Virginia § 33.2-373)

VIRGINIA HIGHWAY SAFETY IMPROVEMENT PROGRAM (603017)	FY 2025	FY 2026	INCREASE (DECREASE)	
TOTAL VHSIP	**$ 96,231,314**	**$110,493,932**	**$ 14,262,618**	10
TTF	—	1,921,498	1,921,498	
FEDERAL	96,231,314	108,572,434	12,341,120	

INTERSTATE OPERATIONS & ENHANCEMENT PROGRAM (603018)

The purpose of the Interstate Operations and Enhancement Program is to improve the safety, reliability, and travel flow along interstate highway corridors in the Commonwealth. (Code of Virginia § 33.2-372)

INTERSTATE OPERATIONS & ENHANCEMENT PROGRAM (603018)	FY 2025	FY 2026	INCREASE (DECREASE)	
TOTAL IOEP	**$ 245,718,378**	**$ 468,745,173**	**$ 223,026,795**	10;14
TTF	59,193,159	110,604,770	51,411,611	
FEDERAL	116,525,219	91,157,151	(25,368,068)	
General Fund	70,000,000	175,000,000	105,000,000	
I-81	96,927,576	91,983,252	(4,944,324)	

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 2025	FY 2026	INCREASE (DECREASE)
TOTAL CONSTRUCTION MANAGEMENT	**$ 63,496,415**	**$ 67,964,378**	**$ 4,467,963**
TTF	63,496,415	67,964,378	4,467,963

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 2025	FY 2026	INCREASE (DECREASE)
Interstate Maintenance (604001)	$ 484,098,515	$ 527,932,598	$ 43,834,083
Primary Maintenance (604002)	648,176,255	687,854,064	39,677,809
Secondary Maintenance (604003)	664,423,848	701,801,078	37,377,230
Transportation Operations Services (604004)	362,029,227	383,962,759	21,933,532
Highway Maintenance Program Management & Direction (604005)	94,520,584	96,795,924	2,275,340
TOTAL HIGHWAY SYSTEM MAINTENANCE	**$2,253,248,429**	**$2,398,346,423**	**$ 145,097,994**
HMOF	1,934,449,881	2,114,108,297	179,658,416
FEDERAL	318,798,548	284,238,126	(34,560,422)

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Commonwealth Toll Facilities (606)

Revenues collected from toll facilities contribute to Virginia's safe and effective transportation system. Of these facilities, four are currently owned and operated by VDOT: Powhite Parkway Extension Toll Road in Chesterfield County, George P. Coleman Bridge in Gloucester County, I-66 Inside the Beltway and I-64 Express Lanes.

Toll Facility Acquisition and Construction (606001) -To provide for efforts to acquire and construct ground transportation toll facilities.

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. Both the George P. Coleman Bridge and the Powhite Parkway Extension have completed paying off bonds sold to finance the construction of the facilities. The remaining debt owed by both facilities is to Toll Facility Revolving Account.

Toll Facility Maintenance and Operation (606003) - To provide for the operational costs of the four toll facilities operated by VDOT: the George P. Coleman Bridge and the Powhite Parkway Extension Toll Road, I-66 Inside the Beltway facility and I-64 Express Lanes. 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 2025	FY 2026	INCREASE (DECREASE)	
Acquisition & Construction (606001)	$ —	$ —	$ —	
Debt Service (606002)	—	—	—	
Maintenance & Operations (606003)	59,595,800	68,445,336	8,849,536	16
Toll Facilities Revolving (606004)	134,100,000	81,100,000	(53,000,000)	17
TOTAL TOLL FACILITIES	**$ 193,695,800**	**$ 149,545,336**	**$ (44,150,464)**	
POWHITE	11,675,600	11,675,600	—	
COLEMAN	6,070,200	3,155,990	(2,914,210)	
I-66 INSIDE THE BELTWAY	35,950,000	45,113,746	9,163,746	
I-64 EXPRESS LANES	5,900,000	8,500,000	2,600,000	
GENERAL FUND	77,000,000	24,000,000	(53,000,000)	
TOLL FACILTIES REVOLVING	57,100,000	57,100,000	—	

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.

Distribution of Central Virginia Transportation Authority Fund Revenues (607010) - To transfer state regional tax revenues to the Central Virginia Transportation Authority to fund local and regional transportation projects.

FINANCIAL ASSISTANCE TO LOCALITIES (607)	FY 2025	FY 2026	INCREASE (DECREASE)	
Financial Assistance for City Road Maintenance (607001)	$ 526,283,488	$ 543,678,359	$ 17,394,871	15
Financial Assistance for County Road Maintenance (607002)	91,374,707	94,400,819	3,026,112	15
Financial Assistance for Planning, Access Roads, & Special Projects (607004)	19,049,816	18,526,939	(522,877)	
Distribution of Northern Virginia Transportation Authority Fund Revenues (607006)	401,644,248	465,625,944	63,981,696	1
Distribution of Hampton Roads Transportation Fund Revenues (607007)	282,900,000	314,700,000	31,800,000	1
Distribution of Central Virginia Transportation Authority Fund Revenues (607010)	197,300,000	245,400,000	48,100,000	1
TOTAL FINANCIAL ASSISTANCE TO LOCALITIES	**$1,518,552,259**	**$1,682,332,061**	**$ 163,779,802**	
HMOF	617,658,195	638,079,178	20,420,983	
CONSTRUCTION	24,949,230	27,506,715	2,557,485	
FEDERAL	10,844,834	10,246,168	(598,666)	
CENTRAL VIRGINIA TRANSPORTATION FUND	197,300,000	245,400,000	48,100,000	
NORTHERN VIRGINIA TRANSPORTATION FUND	384,900,000	446,400,000	61,500,000	
HAMPTON ROADS TRANSPORTATION FUND	244,200,000	281,000,000	36,800,000	
HAMPTON ROADS REGIONAL TRANSIT FUND	38,700,000	33,700,000	(5,000,000)	

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, and the Northern Virginia Transportation District (NVTD) Program.

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).

Interstate 81 Corridor Improvement Program Debt Service (612006) - To provide for the estimated debt service requirements of the bonds sold to finance transportation improvements on the Interstate 81 Corridor.

Non-Toll Supported Transportation Debt Service (612)	FY 2025	FY 2026	INCREASE (DECREASE)
Highway Transportation Improvement Debt Service (612001)	$ 8,105,000	$ 8,105,000	$ —
Designated Highway Corridor Debt Service (612002)	37,134,044	45,737,600	8,603,556
Commonwealth Transportation Capital Projects Bond Act Debt Service (612004)	185,872,225	196,188,225	10,316,000
Federal Transportation Grant Anticipation Revenue Notes Debt Service (612005)	133,697,128	143,036,800	9,339,672
Interstate 81 Corridor Improvement Program Debt Service (612006)	5,343,592	12,728,104	7,384,512
TOTAL NON-TOLL SUPPORTED DEBT SERVICE	**$ 370,151,989**	**$ 405,795,729**	**$ 28,259,228**
NVTD	7,562,400	7,565,400	3,000
ROUTE 28	8,105,000	8,105,000	—
CPR BONDS	185,872,225	196,188,225	10,316,000
ROUTE 58	29,571,644	38,172,200	8,600,556
I-81	5,343,592	12,728,104	7,384,512
FEDERAL	133,697,128	143,036,800	9,339,672

Special Structures (614)

Statewide Special Structures (614000) - Special Structures are very large, indispensable and unique bridges and tunnels identified by the Commissioner of Highways and approved by the Commonwealth Transportation Board. The General Assembly declares it to be in the public interest that the maintenance, rehabilitation, and replacement of special structures in the Commonwealth occur timely as to provide and protect a safe and efficient highway system. The Board is establishing a program for the maintenance, rehabilitation, and replacement of special structures in the Commonwealth. With the assistance of the Department of Transportation, the Board developed and will maintain a plan for the maintenance, rehabilitation, and replacement of special structures in the Commonwealth.

VDOT SPECIAL STRUCTURES	FY 2025	FY 2026	INCREASE (DECREASE)
TOTAL VDOT SPECIAL STRUCTURES	**$ 87,676,240**	**$ 89,955,822**	**$ 2,279,582**
SPECIAL STRUCTURES	87,676,240	89,955,822	2,279,582

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Administrative and 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 2025	FY 2026	INCREASE (DECREASE)
General Management & Direction (699001)	$ 196,694,126	$ 207,062,298	$ 10,368,172
Information Technology Services (699002)	141,065,441	138,442,094	(2,623,347)
Facilities and Grounds Management Services (699015)	23,349,307	25,350,204	2,000,897
Employee Training & Development (699024)	12,584,744	12,814,874	230,130
TOTAL ADMINISTRATIVE & SUPPORT SERVICES	**$ 373,693,618**	**$ 383,669,470**	**$ 9,975,852**
HMOF	372,512,356	382,769,470	10,257,114
CTF	1,181,262	900,000	(281,262)

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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 2025	FY 2026	INCREASE (DECREASE)
TOTAL VDOT CAPITAL OUTLAY	**$ 40,000,000**	**$ 40,000,000**	**$ —**
CONSTRUCTION	40,000,000	40,000,000	—

Program Allocations by Fund

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

SUPPORT TO OTHER STATE AGENCIES	FY 2025	FY 2026	INCREASE (DECREASE)
Transportation Appropriation to Other Agencies			
Department of Education	$ 301,676	$ 301,676	$ —
Marine Resources Commission	313,768	313,768	—
Secretary of Transportation	1,068,986	1,068,986	—
Department of State Police	9,637,997	9,179,045	(458,952)
Department of Minority Business Enterprise	1,800,567	1,800,567	—
Department of Historic Resources	226,807	226,807	—
Department of Emergency Management	1,360,549	1,360,549	—
Department of Motor Vehicles	15,332,836	15,791,689	458,853
Department of Treasury	185,188	185,187	(1)
Virginia Liaison Office	199,891	199,891	—
Office of the State Inspector General	2,254,194	2,254,194	—
SUBTOTAL	32,682,459	32,682,359	(100)
Transfers to the General Fund			
Department of General Services	388,254	388,254	—
Department of Agriculture & Conservation Services	97,586	97,586	—
Chesapeake Bay Initiatives	10,000,000	10,000,000	—
Indirect Costs	6,462,324	6,462,324	—
Department of Taxation	2,975,827	2,975,828	1
SUBTOTAL	19,923,991	19,923,992	1
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	**$ 54,106,450**	**$ 54,106,351**	**$ (99)**
HMOF	49,517,703	49,517,604	(99)
CONSTRUCTION	3,077,221	3,077,221	—
TPOF	25,849	25,849	—
DMV	31,610	31,610	—
RAIL	237,076	237,076	—
PTF	331,907	331,907	—
PORTS	79,026	79,026	—
AIRPORTS	47,415	47,415	—
DRPT	727,033	727,033	—
SPACE	31,610	31,610	—

Program Allocations by Fund

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)	$ —	$ 32,001,781	$ —	$ —	$ —	$ 32,001,781
Ground Transportation Planning & Research (602)	12,946,263	69,656,885	25,956,475	—	—	108,559,623
Highway Construction Programs (603)	—	1,161,347,823	1,077,417,253	—	658,260,726	2,897,025,802
Highway System Maintenance (604)	2,114,108,297	—	284,238,126	—	—	2,398,346,423
Commonwealth Toll Facilities (606)	—	—	—	—	149,545,336	149,545,336
Financial Assistance to Localities (607)	638,079,178	8,280,771	10,246,168	—	1,025,725,944	1,682,332,061
Non-Toll Supported Transportation Debt Service (612)	—	—	143,036,800	—	262,758,929	405,795,729
Special Structures (614)	—	89,955,822	—	—	—	89,955,822
Administrative and Support Services (699)	382,769,470	—	—	—	900,000	383,669,470
VDOT Capital Outlay (998)	—	40,000,000	—	—	—	40,000,000
Support to Other State Agencies	49,517,604	3,077,221	—	—	1,511,526	54,106,351
Support to DRPT Programs	—	14,152,312	—	—	72,000,000	86,152,312
TOTAL	**$3,197,420,812**	**$ 1,418,472,615**	**$ 1,540,894,822**	**$ —**	**$2,170,702,461**	**$8,327,490,710**

* - Other includes I-81 Corridor Improvement Fund, Statewide Interstate Improvement Fund, Tolls, PTF, Route 58, Route 28, Oak Grove, TPOF, Concession Fund Interest and Regional Transportation Funds.

Budget Comparison Schedule for FY 2026

Revenues	
Revenue provided by the General Fund of the Commonwealth	$ 199,000,000
Taxes	1,174,875,267
Rights and privileges	25,024,398
Sale of property and commodities	—
Interest, dividends, and rents	160,493,158
Fines, forfeitures, court fees	—
Penalties and escheats	17,100,000
Receipts from localities and private sector	537,820,778
Federal grants and contracts	1,540,944,822
Toll revenues	108,445,336
Other	125,869,489
Total Revenues	**3,889,573,248**
Other Financing Sources	
Other financing sources	89,853,770
Bond proceeds	21,232,050
Note proceeds	—
Transfers from other state agencies and General Fund	—
Transfers in	4,326,831,642
Total Other Financing Sources	**4,437,917,462**
Total Revenues and Other Sources	**$8,327,490,710**

Budget Comparison Schedule for FY 2026

Expenditures	
Administrative and support services	$ 383,669,470
Ground transportation system planning and research	108,559,623
Highway system acquisition and construction	2,889,582,956
Highway system maintenance	2,398,346,423
Financial assistance to localities	1,682,332,061
Environmental monitoring and compliance	32,001,781
Toll facility operations and construction	156,988,182
Special Structures	89,955,822
Capital Outlay	40,000,000
Debt Service	405,795,729
Total Expenditures	**8,187,232,047**
Other Financing Uses	
Other financing uses	—
Transfers to other state agencies and General Fund	140,258,663
Transfers out	—
Total Other Financing Uses	**140,258,663**
Total Expenditures and Other Uses	**$8,327,490,710**
Revenues and Other Sources Over (Under) Expenditures and	**$ —**

Appendix I - Powhite Parkway Extension (0436) FY 2026

FY 2026 ESTIMATED REVENUE

Toll Revenues	$ 11,675,600
TOTAL ESTIMATED REVENUES	$ 11,675,600
Toll Facility Revolving Account Loan Repayment	2,377,719
TOTAL ESTIMATED REVENUE AVAILABLE FOR EXPENDITURES	$ 9,297,881

FY 2026 EXPENDITURE BUDGET

Revenue Fund	
Operations	6,297,881
Maintenance Replacement Fund	3,000,000
TOTAL ESTIMATED EXPENDITURES	$ 9,297,881

Details of Operating Expenditures	**ALLOCATION FY 2025**	**RECOMMENDED FY 2026**	**INCREASE (DECREASE)**
Personal Services	1,702,376	1,534,229	-168,147
Contractual Services	1,448,349	2,097,300	648,951
Supplies and Materials	62,427	46,550	(15,877)
Transfer Payments	2,400,000	2,438,372	38,372
Continuous Charges	135,577	153,229	17,652
Property and Improvements	—	—	—
Equipment	30,600	28,200	(2,400)
Obligations			—
TOTAL - Operating Expenditures	**$ 5,779,329**	**$ 6,297,880**	**$ 518,551**

Appendix I - Coleman Bridge (0437) FY 2026

FY 2026 ESTIMATED REVENUE

Toll Revenues	$	758,775
Plus: Cash Transfer From Coleman Bridge Maintenance Replacement Fund	$	2,397,215
TOTAL ESTIMATED REVENUE AVAILABLE	$	3,155,990
Toll Facility Revolving Account Loan Repayment		—
TOTAL ESTIMATED REVENUE AVAILABLE FOR EXPENDITURES	$	3,155,990

FY 2026 EXPENDITURE BUDGET

Revenue Fund	
Operations	3,155,990
Maintenance Replacement Fund	—
TOTAL ESTIMATED EXPENDITURES	$ 3,155,990

Details of Operating Expenditures	**ALLOCATION FY 2025**	**RECOMMENDED FY 2026**	**INCREASE (DECREASE)**
Personal Services	704,521	383,701	(320,820)
Contractual Services	1,596,400	2,698,764	1,102,364
Supplies and Materials	55,107	8,694	(46,413)
Transfer Payments	440,000	55,000	(385,000)
Continuous Charges	82,686	9,832	(72,854)
Property and Improvements	—	—	—
Equipment	346,657	—	(346,657)
Obligations	—	—	—
TOTAL - Operating Expenditures	**$ 3,225,371**	**$ 3,155,990**	**$ (69,381)**

Appendix I - I-66 Inside the Beltway (0446) FY 2026

FY 2026 ESTIMATED REVENUE

Toll Revenues	$	39,788,273
Court Payments		200,000
FY 2024 Carryover		5,125,473
TOTAL ESTIMATED REVENUES	$	45,113,746

FY 2026 EXPENDITURE BUDGET

Revenue Fund		
Operations	$	42,013,746
Maintenance Replacement Fund		3,100,000
TOTAL ESTIMATED EXPENDITURES	$	45,113,746

Details of Operating Expenditures	**ALLOCATION FY 2025**	**RECOMMENDED FY 2026**	**INCREASE (DECREASE)**
Personal Services	$683,000	$ 637,661	-$45,339
Contractual Services	10,400,000	7,883,300	(2,516,700)
Supplies and Materials	25,100	5,800	(19,300)
Transfer Payments	21,831,900	33,474,973	11,643,073
Continuous Charges	—	7,012	7,012
Property and Improvements	—	—	—
Equipment	—	5,000	5,000
Obligations	10,000	—	(10,000.00)
TOTAL - Operating Expenditures	32,950,000	**$ 42,013,746**	**$ 9,063,746**

Memorandum of Agreement Waterfall Budget

Tolling Operation and Maintenance	$	12,838,773
Debt Service on Rail Component Debt		—
NVTC Payment		11,314,082
Pay go for Rail Components		13,444,778
Toll Facilities Revolving Account (TFRA) Repayment		2,390,640
Debt Service on NVTC Debt		—
Additional Repayments to TFRA		—
Remaining to Components selected by NVTC/ Approved by CTB		—
	$	**39,988,273**
FY 2024 Carryover for NVTC	$	5,125,473
Total	**$**	**45,113,746**

Appendix I - I-64 Express Lanes (0447) FY 2026

FY 2026 ESTIMATED REVENUE

Toll Revenues	$ 8,500,000
TOTAL ESTIMATED REVENUES FOR EXPENDITURES	$ 8,500,000
TOTAL ESTIMATED REVENUE AVAILABLE	$ 8,500,000

FY 2026 EXPENDITURE BUDGET

Revenue Fund	
Operations	8,000,000
Maintenance Replacement Fund	500,000
TOTAL ESTIMATED EXPENDITURES	$ 8,500,000

Details of Operating Expenditures	**ALLOCATION FY 2025**	**RECOMMENDED FY 2026**	**INCREASE (DECREASE)**
Personal Services	509,578	605,986	96,408
Contractual Services	3,659,864	7,087,196	3,427,332
Supplies and Materials	258	200	(58)
Transfer Payments	220,000	300,000	80,000
Continuous Charges	300	6,618	6,318
Property and Improvements	—	—	—
Equipment	10,000	—	(10,000)
Obligations	—	—	—
TOTAL - Operating Expenditures	**$ 4,400,000**	**$ 8,000,000**	**$ 3,600,000**

Index: Acronyms and Terminology

Term	Description
BROS	Bridge Off-System
CMAQ	Congestion Mitigation and Air Quality
CTF	Commonwealth Transportation Fund
DRPT	Department of Rail and Public Transportation
FHWA	Federal Highway Administration
GARVEE	Federal Grant Anticipation Revenue Bonds
HMOF	Highway Maintenance and Operating Fund
NHPP	National Highway Performance Program
NVTD	Northern Virginia Transportation District
PTF	Priority Transportation Fund
Soft Match	The budget contains a significant application of Toll Credits that are used as "soft match" to meet the non-federal 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 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 sub-allocation 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	Revenue changes reflect impact of updated state revenue forecast.
2	Increase represents the unallocated Highway Maintenance and Operating Fund balance from prior years and increased estimates for miscellaneous revenues and property damage.
3	General Fund dollars made available in Chapter 725 (2025 Session) in Fiscal Years 2025 and 2026 for Transportation Initiatives. In FY 2026, $175 million has been provided for the Interstate 81 Corridor Improvement Program.
4	Federal revenue updates based on apportionment details and obligation limitation available to Virginia.
6	Other Revenue includes updates for interest earnings expectations and other miscellaneous revenue sources.
7	Revenue and allocations reflected planned use of bond proceeds for Route 58 Corridor Program.
8	Increased allocations for Environmental Monitoring and Compliance are provided for wetlands credits and municipal separate storm sewer system compliance activities.
9	Allocations in the previous year included funding for study initiatives and 495 Southside Procurement.
11	Includes updated revenue estimate for the Fuel Tax dedicated to the Special Fund Account for the Construction District Grant Program.
12	Revenue and allocations represent funding from regional entities or localities for projects.
13	Allocation change reflects updated interest earnings estimate for the Priority Transportation Fund. PTF allocations for rail improvements are provided as support to Rail/Virginia Passenger Rail Authority.
14	Adjustment reflects change in funds available to program areas as prescribed in the Code of Virginia, §33.2-358. Interstate Operations and Enhancement Program adjustments also include updates to funds directly allocated for the Interstate 81 Corridor Improvements Program.
15	Allocation adjustments reflect program growth and supplemental funding for the VDOT Maintenance Program and Financial Assistance to Localities.
16	Allocation adjustments reflect updated assumptions for toll facilities. This includes implementation of direction provided in Chapter 725, Item 441, D. No later than January 1, 2026, all rates, fees, tolls and other charges shall cease to be collected for the use of the George P. Coleman Bridge. The revenue and allocations for this toll facility have been adjusted accordingly.
17	General Fund dollars were provided for toll relief on Elizabeth River Crossings, $77 million in FY 2025 and $24 million in FY 2026.
18	Update reflects prescribed change in Special Structures funding.
19	Allocation adjustment reflects program growth for personal services and nonpersonal services.
20	Amounts for FY 2026 include anticipated interest earnings for the Transportation Partnership Opportunity Fund (TPOF) and the Virginia Transportation Infrastructure Bank (VTIB).

DRPT

VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION

Annual Budget

Fiscal Year 2026

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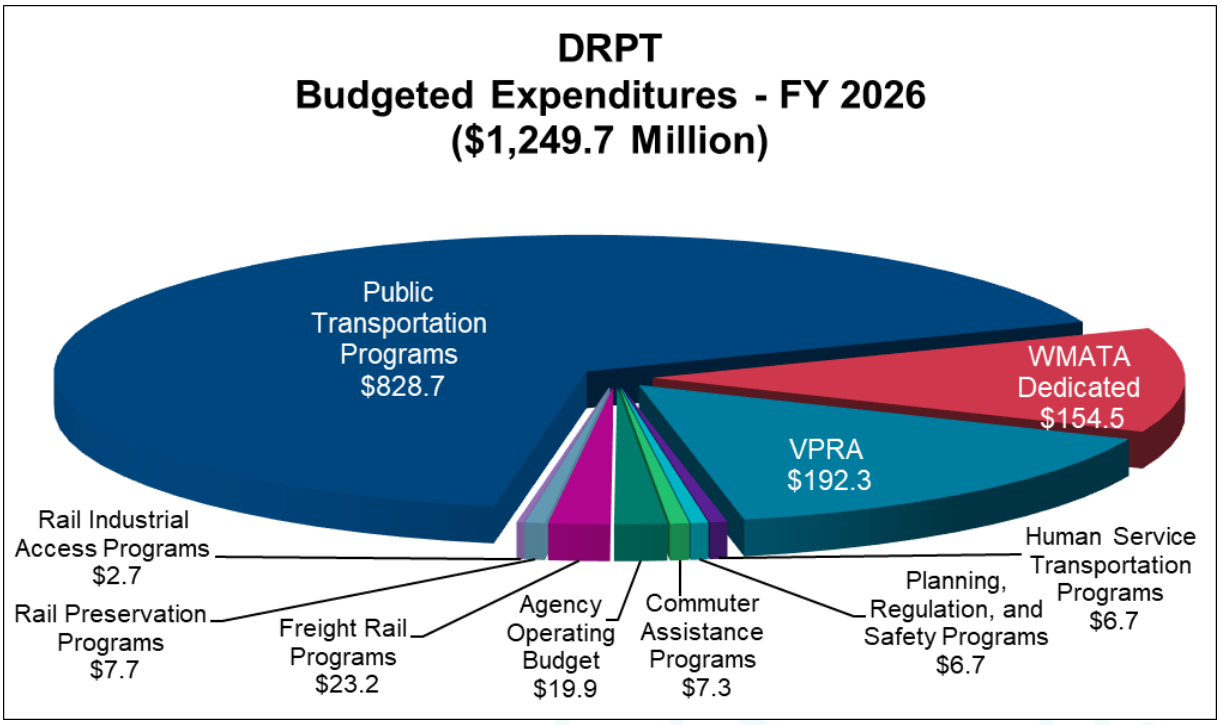
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Summary of Programs

Summary of FY 2026 Budget

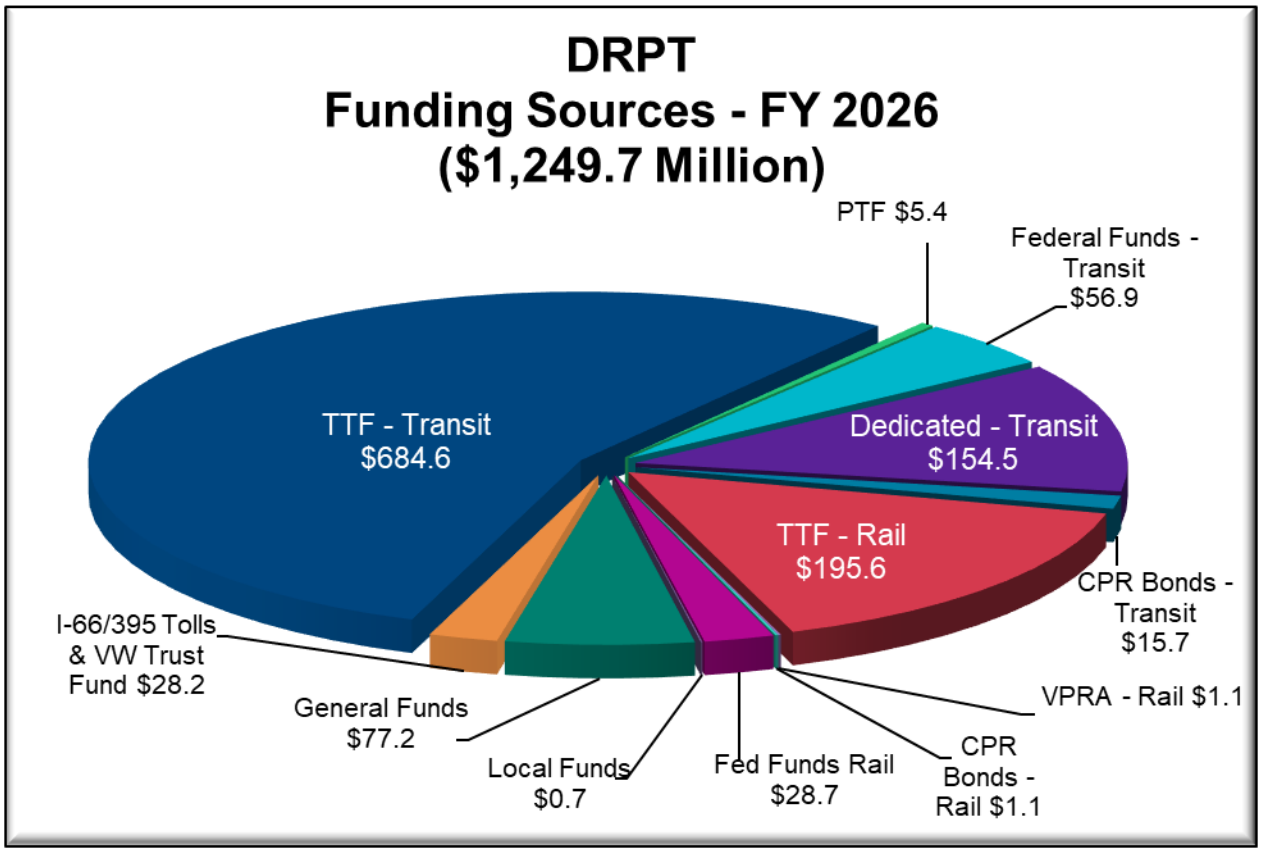
In FY26, DRPT will invest $1,249.7 million in state, federal, and local resources towards improving public transportation and rail capacity across the Commonwealth of Virginia. The overwhelming majority of these funds are directed to a variety of recipients, including public transportation providers, local and regional government entities, freight railroads, and the Virginia Passenger Rail Authority (VPRA). The VPRA was established in section §33.2-288.B. of the *Code of Virginia* to oversee passenger rail projects within the Commonwealth, including the state-supported Amtrak service. The VPRA receives ongoing funding from DRPT of 93% of the revenues of the Commonwealth Rail Fund. The VPRA share is estimated at $172.2 million for FY26. In addition, in FY26 DRPT will draw down $20.1 million of FRA funds on behalf of the VPRA for the FASTLANE grant program.

Expenditures for FY26 are estimated to be $41.3 million more than FY25. Additional detail is included in the specific program sections of this document.



The chart depicts the FY26 DRPT budget across the agency's service areas and payments to the VPRA. The budgeted expenditures for each are discussed in more detail later in this report.

The following chart depicts the source of funds for DRPT's annual budgeted expenditures. It is not based on the annual estimated revenues for each funding source; rather, the funding source is derived from over 2,000 projects included in the cash flow projections used to estimate the budgeted expenditures. Additional information concerning the DRPT FY26 funding sources can be found in the Annual Budget section of this report.



FY 2026 Service Area Budget Highlights

Agency Operating Budget

The DRPT program management and administrative budget increased 0.5% or $0.1 million to $19.9 million. The Appropriations Act authorizes the Commonwealth Transportation Board (CTB) to approve up to 5.0% per year of the Commonwealth Mass Transit Fund (§33.2-1526), Rail Preservation and Development Fund (§33.2-1602), and the revenues allocated to the Department from the Commonwealth Rail Fund (§33.2-1526.4) to be used to support the DRPT costs of project development, project administration, and project compliance. DRPT has elected to use only 3.7% of the 5.0% allowable under the Appropriations Act of the Rail Preservation Fund, Commonwealth Rail Fund, and Commonwealth Mass Transit Fund in FY26 for project oversight.

Over the past several years, the transit programs managed by DRPT have grown significantly as have the associated revenues. This growth has been accompanied by increased demand by the General Assembly for accountability over the funds in these programs. The nature of the large-scale projects that DRPT now manages is highly diverse in their scope and service, changing dramatically over the last 15 years. Examples of these projects include the following: the Virginia Breeze intercity bus, WMATA oversight, transit way improvements related to the Amazon headquarters arrival, as well as I-95 and I-81 freight rail corridor programs. The agency's operating budget will be used to develop and expand the program oversight requested by the General Assembly related to state transit funding.

A summarized list of these estimated administrative costs is included in the footnotes of the budget statement at the end of this document. Despite the increase in demands on the agency, the DRPT operating budget only represents 1.6% of the $1,249.7 million of total funds administered.

Public Transportation Programs

The state funding for Public Transportation is comprised of revenues from the Commonwealth Mass Transit Fund (CMTF) and the Commonwealth Transit Capital Fund (CTCF). Effective July 1, 2020, HB 1414 adopted numerous structural changes to the transportation funding system in the Commonwealth. Most state transportation revenues are directed to the Commonwealth Transportation Fund and the Highway Maintenance and Operating Fund, which are administered by the Virginia Department of Transportation (VDOT). Revenues are then disbursed from the Commonwealth Transportation Fund to the Transportation Trust Fund and then distributed to meet the varying transportation needs of different modes of transportation. The CMTF receives 23% of the Transportation Trust Fund. This structure allocates the net impact of upturns and downturns in specific revenues so no one mode is adversely affected.

Chapter 854 of the 2018 Acts of Assembly established a separate allocation for the Washington Metropolitan Area Transit Authority (WMATA) and set allocation percentages for DRPT's Operating, Capital, and Special programs in FY19 and beyond. It is important to note that these bills did not create additional transportation revenues. Instead, they built on the new revenues generated by HB 2313 in 2013 by changing the distribution of existing revenues.

Beginning in FY21, these funds were distributed in accordance with the *Code of Virginia* and specific Appropriations Act language as follows:

- Up to 5.0% of the CMTF to support costs of project development, project administration, and project compliance (current Appropriation Act language)
- $2.0 million (current Appropriation Act language) of the MTTF for state safety oversight
- $1.5 million (current Appropriations Act language) of the MTTF for paratransit capital projects and enhanced transportation services for the elderly and disabled

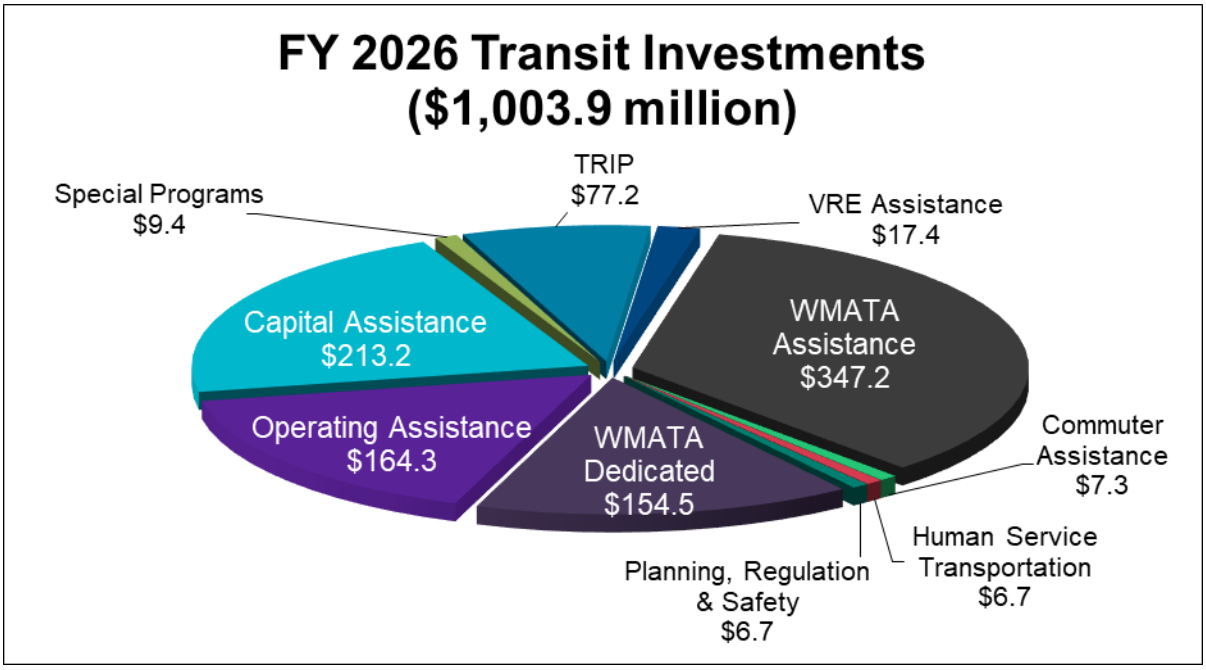
The remaining funds are allocated by statute (§33.2-1526.1) with a minimum of 24.5% for state operating assistance grants, 17.0% awarded as capital assistance grants, 46.5% for distribution to WMATA for capital purposes and operating assistance, 6.0% for the Transit Ridership Incentive Program (TRIP), 3.5% for distribution to the Virginia Railway Express, and the balance of up to 2.5% awarded as special projects grants, subject to CTB approval.

The CTCF is made up of the CPR bonds authorized under Chapter 896 of the 2007 Acts of Assembly allocated to transit capital. The major revenue source for these bond authorizations is the tax on insurance premiums. Beginning in FY19, these bond funds completed the 10-year period under the original bond authorization and the $60 million annual amount available ended. Current year allocations of these funds represent monies deobligated from prior year projects.

By the close of FY21 when the WMATA state of good repair funding grant ended, the state transit capital assistance program lost an additional $50 million of annual bond funding. However, section §33.2-1526.1.B of the *Code of Virginia* allocates up to $50 million off the top of the CMTF starting in FY22 for the WMATA State of Good Repair program.

In 2018, the General Assembly directed the CTB to develop a separate prioritization process for state of good repair projects and major expansion projects. The process for state of good repair projects is based upon transit asset management principles, including federal requirements for Transit Asset Management pursuant to 49 U.S.C. § 5326 while the process for major expansion projects is based on Smart Scale factors. Over 85% of the transit capital program has historically been utilized for the replacement or maintenance of existing assets.

The FY26 budget for Transit Programs is depicted in the following chart. This chart represents FY26 anticipated expenditures across the major Transit programs.



The FY26 budget of $1,003.9 million for Transit investments represents an increase of $20.7 million from $983.2 million in the FY25 Budget. The Transit programs are discussed in more detail in the following sections.

Public Transportation Operating Funds

The budgeted amounts in this report include anticipated expenditures on all the projects and grants that DRPT manages for FY26, not just amounts allocated in FY26 by the CTB in the SYIP (See note 1 for more information). The budgeted FY26 transit operating expenditures are $164.3 million or an increase of $7.8 million from FY25. Section §33.2-1526.1 of the *Code of Virginia* provides that the CTB shall allocate 24.5% of the CMTF to support operating costs of transit providers and that the CTB shall establish service delivery factors, based on effectiveness and efficiency, to guide the relative distribution of such funding. Such measures and their relative weight shall be evaluated every three years.

DRPT has worked in consultation with the Transit Service Delivery Advisory Committee (TSDAC) and other stakeholders to develop the necessary policies and procedures to implement a performance-based state transit operating allocation. The TSDAC adopted the following policy objectives to guide their deliberations: promoting fiscal responsibility, incentivizing efficient operations, supporting robust transit service, rewarding higher patronage, promoting mobility, supporting a social safety net, and utilizing data that exists for all agencies.

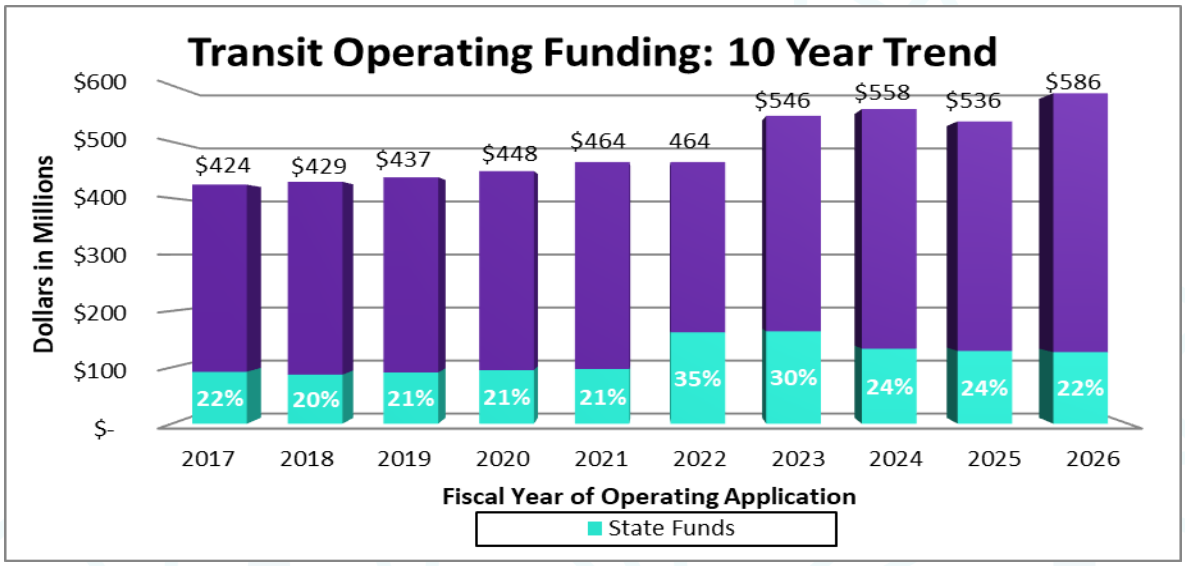
The CTB adopted the allocation policy for transit operating funding based on performance factors as follows:

System Sizing Metrics:
- Bus Systems:
  - Operating Cost (50%)
  - Ridership (30%)
  - Revenue Vehicle Hours (10%)
  - Revenue Vehicle Miles (10%)

Performance Adjustment:
- All Systems:
  - Passengers per Revenue Vehicle Hour (20%)
  - Passengers per Revenue Vehicle Mile (20%)
  - Operating Cost per Revenue Vehicle Hour (20%)
  - Operating Cost per Revenue Vehicle Mile (20%)
  - Operating Cost per Passenger (20%)

To ensure an even distribution of funding, the share of state operating assistance is to be capped at 30% of an agency's operating cost. A one-time exception was made when mid-year FY22 revenue collections were significantly higher than estimates and the State allocated 35% of agency operating costs. Unallocated balances remaining after applying the cap are run through the performance-based formula to ensure full allocation of the available operating funding. Agencies that receive an increase in state assistance because of the performance-based formula are encouraged to invest the increased allocation into sustaining and expanding service options.

DRPT's FY26 state share of operating funding covers 21.7% of transit agency expenditures which is a decrease of 2.3% from the prior year. The following chart provides a history of the state's participation in the cost of transit operations in the Commonwealth. Prior years in the chart have been restated to exclude operating payments made to WMATA. In FY19 and beyond funding for WMATA operating and capital are reported as WMATA Assistance. In FY25 and beyond, funding for VRE operating and capital are reported as VRE Assistance.



Public Transportation Capital Funds

Section §33.2-1526.1 of the *Code of Virginia* provides that the CTB shall allocate 17.0% of the Commonwealth Mass Transit Fund for capital purposes distributed utilizing the transit capital prioritization process established by the Board pursuant to Section 33.2-214.4 of the *Code of Virginia*. Capital program grants from the CMTF are funded based on the total cost of the project. Effective July 1, 2019, capital projects are prioritized in three different categories:

State of Good Repair (SGR): capital projects or programs to replace or rehabilitate an existing asset. SGR is based on transit asset management principles, including federal requirements for Transit Asset Management. Projects are prioritized based on asset condition score and service impact score.

Minor Enhancement (MIN): Projects or programs to add capacity, new technology, or customer enhancement meeting the following criteria:

- Project cost is up to $2 million, OR
- For expansion vehicles, a minor enhancement entails a fleet increase of no more than 5 vehicles or less than 5% of the fleet size, whichever is greater

Minor enhancement projects are prioritized solely on service impact scores.

Major Expansion (MAJ): Projects or programs that add, expand, or improve service with a cost exceeding $2 million or for expansion vehicles, an increase of greater than 5 vehicles or 5% of fleet size, whichever is greater. Projects are prioritized based on the following SMART SCALE factors:

- Congestion Mitigation
- Economic Development
- Accessibility
- Safety
- Environmental Quality
- Land Use

In FY26, the budget for public transportation capital expenditures is $213.2 million, which is a decrease of $39.9 million from FY25. In FY2025 it was projected that there would be an increase in large bus purchases and facility construction needs as supply constraints from COVID eased. Capital projects have become more erratic in FY 2025 with some back orders being filled quickly and other orders delayed due to the continued impact of supply issues. In addition, many capital facility projects and bus purchases have experienced cost increases due to inflation. Some of the major projects that will be supported by these funds include replacement transit vehicles, expansion transit vehicles, vehicles for elderly and disabled services, service support vehicles, transit facility and station construction and renovation, and transit facility planning and design. Taking these factors into consideration, transit agencies are projecting that orders will take longer to fill than they have in the past, and as such they have reduced their forecasts.

Public Transportation Special Program Funds

Section §33.2-1526.1 of the *Code of Virginia* provides that the CTB shall allocate 2.5% of the Commonwealth Mass Transit Fund for special programs. The Special Programs budget is estimated at $9.4 million for FY26. These funds are used to award discretionary grants for ridesharing, public transportation promotion, operation studies, technical assistance projects, as well as programs that enhance the provision and use of public transportation services.

Public Transportation Ridership Incentive

Section §33.2-1526.1 of the *Code of Virginia* provides that the CTB shall allocate 6.0% of the Commonwealth Mass Transit Fund for the Transit Ridership Incentive Program established pursuant to Section §33.2-1526.3 of the *Code of Virginia*. The Board shall establish the Transit Ridership Incentive Program to promote improved transit service in urbanized areas of the Commonwealth with a population exceeding 100,000 and to reduce barriers to transit use for low-income individuals. The FY26 budget includes $77.2 million to support projects such as free fare programs and regional connectivity routes, which is an increase of $40.0 million from FY25. The program initially had a slow start due to the onset of the pandemic and the effects of high inflation. Expansion of the scope of projects that can utilize the incentives increased access to these funds and the uptick in ridership has created a greater demand for new routes.

VRE Assistance Funds

HB 1496 of the 2023 Legislative Assembly established a funding stream beginning in FY26 to the Virginia Railway Express. Section §33.2-1526.1 of the *Code of Virginia* provides that the Commonwealth Transportation Board (CTB) shall allocate 3.5% of the Commonwealth Mass Transit Fund to the Northern Virginia Transportation Commission for distribution to VRE for capital purposes and operating assistance. The budgeted state assistance provided to VRE is $17.4 million for FY26.

WMATA Assistance Funds

The budgeted state assistance provided to WMATA increased $17.0 million from $330.2 million in FY25. Section §33.2-1526.1 of the *Code of Virginia* provides that the Commonwealth Transportation Board (CTB) shall allocate 46.5% of the Commonwealth Mass Transit Fund to the Northern Virginia Transportation Commission for distribution to WMATA for capital purposes and operating assistance. WMATA Assistance includes an allocation of $50.0 million of CMTF funding, which was funded from bond proceeds prior to FY22, to match the federal funds WMATA is receiving under the federal state of good repair program.

WMATA Assistance funds also included a special allocation of general funds of $60.2 million in FY25 with a legislated increase to $84.5 million in FY26 to fund the projected budget deficit. The 2025 Biennial Budget increased the original allocation of $60.2 million by $76.7 million in FY25 to $136.9 million and reduced the FY26 appropriation to $0. It is estimated that $77.2 million of the general funds in the amended FY25 appropriation of $136.9 million will be transferred into FY 2026.

In FY18 and prior years, WMATA received a share of the funds available for the operating and capital assistance based on program allocation guidance. Under the new process, greater oversight responsibility is required of the Northern Virginia Transportation Commission for these state funds dedicated to WMATA.

Commuter Assistance Programs

The Commuter Assistance Programs budget of $7.3 million includes $6.4 million of CMTF funds for FY 2026 to support Transportation Demand Management (TDM) projects. The budget also includes Federal Highway Administration (FHWA) funds of $0.1 million and state funding of $0.8 million for projects included in the VDOT SYIP that DRPT will administer, such as the Arlington County Commuter Services program, Hampton Roads Transit TRAFFIX program, Telework, RideFinders, and various Transportation Management Plans.

The TDM program is a discretionary grant program that provides state funds to support up to 80% of the costs of TDM projects and other special projects that are designed to reduce single-

occupant vehicle travel. These funds are used to support vanpooling, ridesharing, and marketing and promotional efforts across the Commonwealth that encourage travel in shared ride modes.

Human Service Transportation Programs

The Human Service Transportation Programs budget is estimated at $6.7 million for FY26. Human service transportation programs are operated by local government social service agencies or private non-profit human service agencies for the benefit of their clients. These clients are elderly or disabled individuals and economically disadvantaged children who are enrolled to receive publicly funded social services.

Human service transportation differs from public transportation in that it is designed to serve the very specific needs of human service agency clients and in most cases, service is restricted to the clients of those agencies who often have no other transportation service available to them. It is not open to the general public. The funding for this program consists of $5.5 million from the Federal Transit Administration, $0.7 million of local provider match, and $0.5 million of CMTF funds for enhanced transportation services for the elderly and disabled.

Planning, Regulation, and Safety Programs

DRPT's FY26 budget includes $6.7 million of estimated expenditures for Planning, Regulation, and Safety Programs, which include long-term planning and regional corridor studies. The budget for these programs consists of the FTA 5303/5304 planning funds of $6.0 million and CMTF state match allocations of $0.7 million.

WMATA Dedicated Funds

Chapter 854 of the 2018 Acts of Assembly established the WMATA Capital Fund. It also established a Restricted and Non-Restricted account within the WMATA Capital Fund. Monies in the Restricted Account may be used for capital purposes other than for the payment of, or security for, debt service on bonds or other indebtedness of WMATA. Monies in the Non-Restricted account may be used for capital purposes including the payment of debt service on bonds or other indebtedness. The expected revenues budgeted for the Dedicated WMATA Capital Fund are estimated at $154.5 million for FY26.

Restricted Account – (capital purposes excluding debt service)
The underlying revenues come from local recordation tax and statewide motor vehicle rental tax. For FY26, DRPT is allocating $35.0 million that will be accounted for in the Restricted Account.

Non-Restricted Account – (capital purposes including debt service)
The underlying revenues come from regional gas taxes, grantor's taxes, transient occupancy tax, local taxes, or other contributions from Northern Virginia local jurisdictions and a supplement from the CMTF. For FY26, DRPT is allocating $119.5 million that will be accounted for in the Non-Restricted Account.

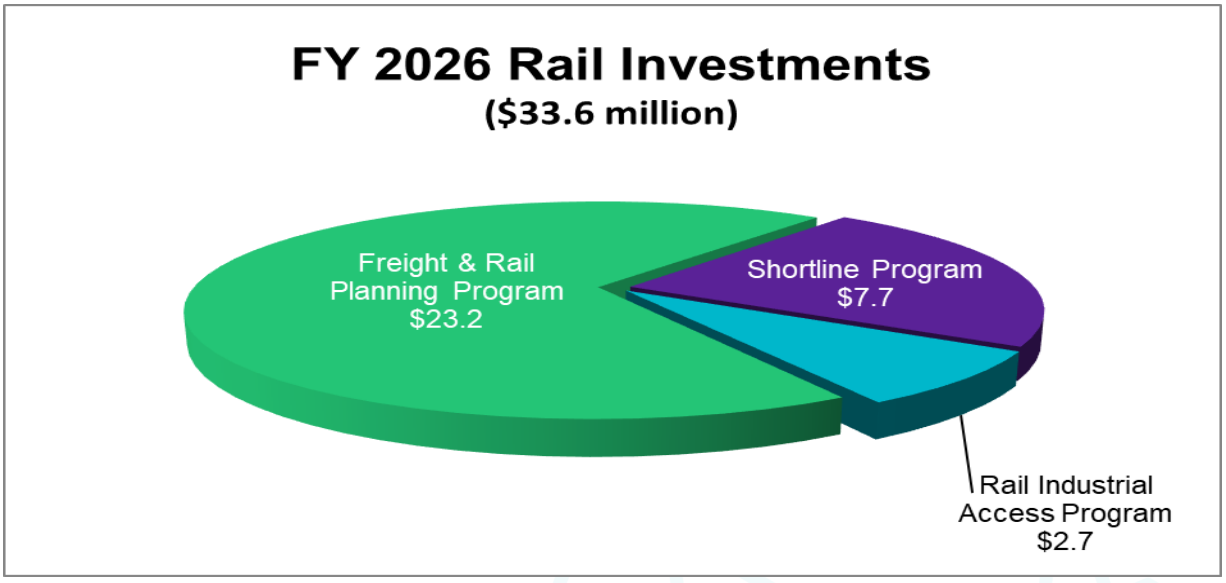
This funding is contingent on Maryland and the District of Columbia taking action to provide dedicated funding to WMATA. The percentage of funding provided by the Commonwealth shall be proportional to the amount of funding provided by the District of Columbia and Maryland relative to their respective share of WMATA funding each fiscal year.

Rail Programs

DRPT's FY26 budget for rail service areas is $33.6 million, including the funding of freight and rail planning projects, Shortline preservation, and rail industrial access programs. In prior years, DRPT administered passenger rail projects within the state including the state-supported Amtrak service. In FY21, the Virginia Passenger Rail Authority (VPRA) was established to oversee passenger rail projects within the state including intercity passenger service.

Effective July 1, 2020, the VPRA and the Commonwealth Rail Fund came into existence pursuant to Section §33.2-1526.4 of the *Code of Virginia*. The new legislation implemented numerous structural changes to the transportation funding system in the Commonwealth. Most State transportation revenues are directed to the Commonwealth Transportation Fund and the Highway Maintenance and Operating Fund. Revenues are then disbursed from the Commonwealth Transportation Fund to the Transportation Trust Fund and then distributed to meet the varying transportation needs of different modes of transportation. The Commonwealth Rail Fund receives 7.5% of the Transportation Trust Fund. This structure consolidates the net impact of upturns and downturns in specific revenues. This serves to mitigate the year-to-year impacts on the revenue streams of the various modes of transportation. In FY21, the Commonwealth Rail Fund replaced the Intercity Passenger Rail Operating and Capital Fund (IPROC) and Rail Enhancement Fund (REF) with 93% of the fund going to the VPRA while 7% of the funds are retained by DRPT to support freight and rail planning projects.

The distribution of anticipated expenditures falls into three categories as displayed in the following chart:



Funding for DRPT's rail programs is supported through federal, state, and local funding sources:

Federal

- Federal Railroad Administration (FRA) grant funds of $8.6 million

State

- Commonwealth Rail Fund of $13.0 million
- Shortline Railway and Development funds of $7.1 million
- VPRA Transfers of $1.1 million

- Rail Industrial Access (RIA) funds of $2.7 million
- Transportation Capital Projects Revenue (CPR) Bond funds of $1.1 million

Transportation Bond Funds
Chapter 896 of the 2007 Acts of Assembly provides for CPR bonds to be issued annually with a minimum of 4.3% of the proceeds going to either the Rail Enhancement Fund or the Shortline Railway Preservation and Development Fund. The final bond allocation for rail was made in FY18. For FY26, budgeted expenditures from prior years' bond proceeds are expected to be $1.1 million for freight rail infrastructure improvements and improvements to the tracks of Shortline railroads.

Rail Preservation Fund

As part of the Rail Preservation Program, the Shortline Railway Preservation and Development Fund will support 13 projects for Virginia's Shortline railroads in FY26. These Rail Preservation projects consist primarily of bridge and track upgrades, yard improvements, siding enhancements, and tie and rail replacement, as well as the related ballast, tamping, and surfacing of existing rail lines operated by the Shortline railroads in Virginia. These projects are funded through the annual Transportation Fund allocation and related interest revenues, and the CPR bonds.

In FY26 and future years, DRPT may use up to fifty percent of the 7% share of the Commonwealth Rail Fund for the purposes of the Shortline Railway Preservation and Development Fund pursuant to §33.2-1526.4. In FY25 and prior this amount was fixed at up to $4.0 million.

Rail Industrial Access Program

This program funds the construction of industrial access railroad tracks for the purpose of connecting industries to the rail network and creating jobs. These projects are funded through the Commonwealth Transportation Fund as they are approved by the CTB. Beginning in FY25 the maximum amount of the award was increased to $750,000 per project.

Planning and Freight Rail Program

DRPT is the state agency responsible for rail planning and the freight rail program in the Commonwealth. Every four years, the Federal Railroad Administration requires states to submit an updated State Rail Plan. This is a requirement for Virginia to be eligible for federal rail funding. DRPT also works closely with the two major Class I railroads operating in Virginia concerning freight projects and Shortline railroads. Virginia's Class I railroads, Shortline railroads, and the Port of Virginia are typical recipients of grants.

Virginia Passenger Rail Authority

The VPRA was established in section §33.2-288.B of the *Code of Virginia* to oversee passenger rail projects within the Commonwealth including the state-supported Amtrak service. The VPRA receives ongoing funding from DRPT of 93% of the revenues of the Commonwealth Rail Fund. In FY26 the estimated revenues of the Commonwealth Rail Fund are $185.2 million, of which $172.2 million will be distributed to the VPRA. In addition, DRPT is the sole recipient of FRA funds for the Commonwealth of Virginia. In FY26 DRPT will draw down $20.1 million of FRA funds on behalf of the VPRA for the FASTLANE grant program for the Long Bridge project.

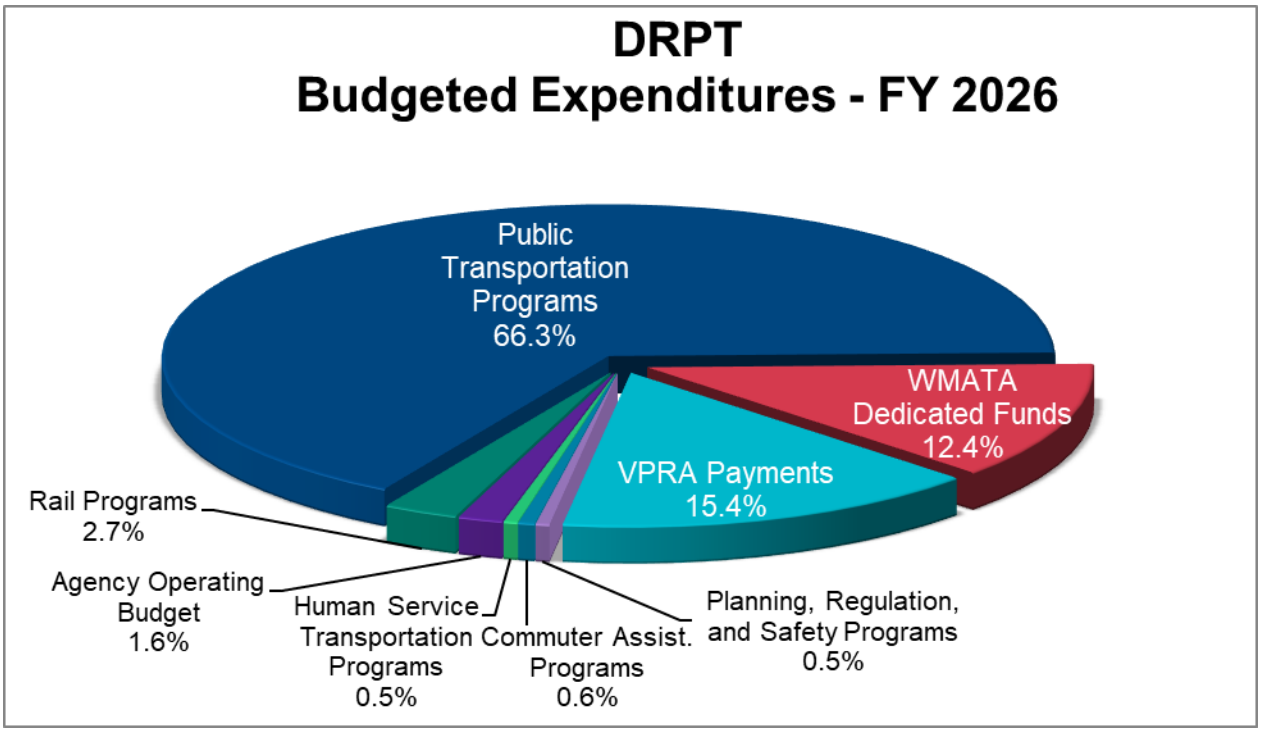
Annual Budget Statement

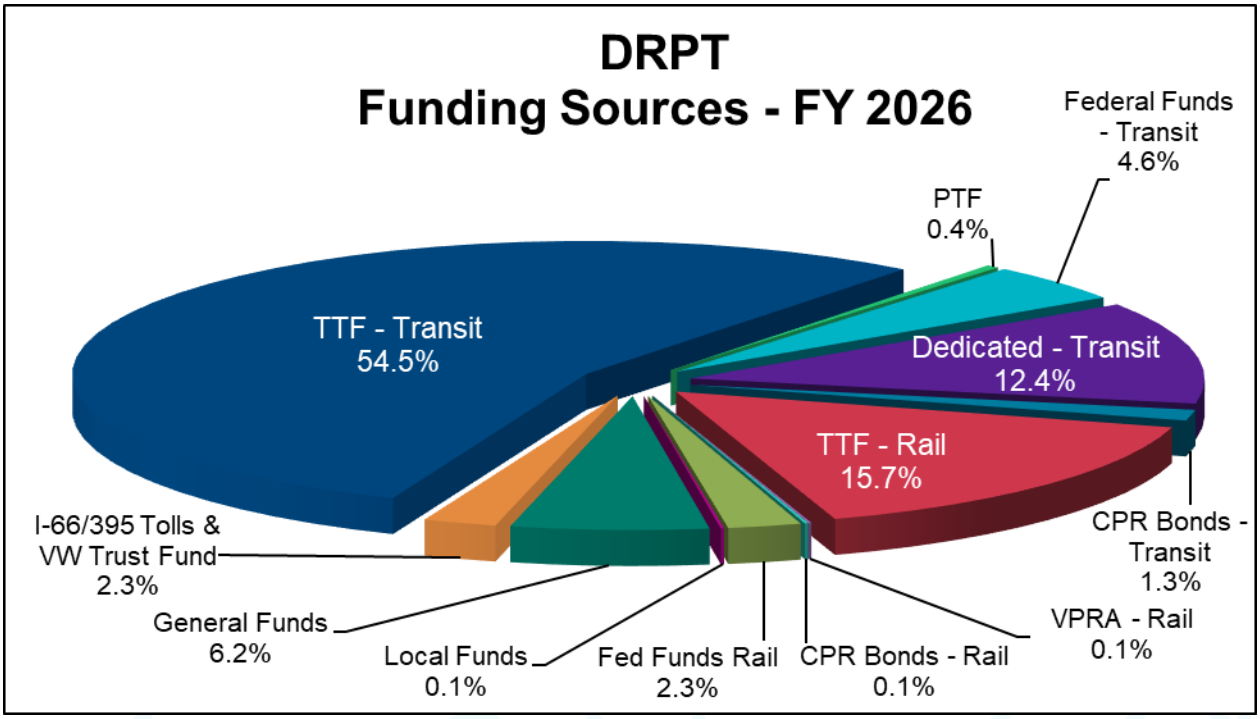
Budgeted Expenditures - FY 2026

	($ in millions) Adopted FY 2025	Recommended FY 2026	Increase / (Decrease)	Percentage Change
Public Transportation Programs				
Operating Assistance [Notes 1, 2, 3]	$ 156.5	$ 164.3	$ 7.8	5.0%
Capital Assistance [Notes 1, 2, 4]	253.1	213.2	(39.9)	-15.8%
Special Programs [Notes 1, 2, 5]	10.0	9.4	(0.6)	-6.0%
Ridership Incentive Programs [Notes 1, 2, 6]	37.2	77.2	40.0	107.5%
VRE Assistance [Notes 1, 2, 7]	16.3	17.4	1.1	6.7%
WMATA Assistance [Note 2, 8, 13]	330.2	347.2	17.0	5.1%
Total Public Transportation Programs	**803.3**	**828.7**	**25.4**	**3.2%**
Commuter Assistance Programs [Notes 1, 9]	8.2	7.3	(0.9)	-11.0%
Human Service Transportation Pgm [Notes 1, 10]	10.8	6.7	(4.1)	-38.0%
Planning, Regulation, & Safety Pgm [Notes 1, 11]	6.4	6.7	0.3	4.7%
WMATA Dedicated Funding [Note 12]	154.5	154.5	-	0.0%
Total Transit Programs	**983.2**	**1,003.9**	**20.7**	**2.1%**
Rail Programs				
Rail Preservation Programs [Notes 1, 14]	10.6	7.7	(2.9)	-27.4%
Rail Industrial Access [Notes 1, 15]	4.6	2.7	(1.9)	-41.3%
Planning and Freight Rail Programs [Notes 1, 16]	27.3	23.2	(4.1)	-15.0%
Total Rail Programs	**42.5**	**33.6**	**(8.9)**	**-20.9%**
Agency Operating Budget [Note 19]	19.8	19.9	0.1	0.5%
Agency Total Before VPRA Payments	**1,045.5**	**1,057.4**	**11.9**	**1.1%**
VPRA Payments [Note 17]	162.9	192.3	29.4	18.0%
Agency Total	**$ 1,208.4**	**$ 1,249.7**	**$ 41.3**	**3.4%**

Funding Sources - FY 2026

	($ in millions) Adopted FY 2025	Recommended FY 2026	Increase / (Decrease)	Percentage Change
TRANSPORTATION TRUST FUND				
Commonwealth Mass Transit Fund [Notes 3, 4, 5, 6, 7, 8, 9, 10, 11, 19]	$ 633.4	$ 654.8	$ 21.4	3.4%
Special Programs - VDOT Transfers [Notes 4, 5, 9, 10]	30.3	29.8	(0.5)	-1.7%
Rail Industrial Access [Note 15]	4.6	2.7	(1.9)	-41.3%
Commonwealth Rail Programs [Notes 16, 17, 18]	181.0	185.7	4.7	2.6%
Rail Preservation Program [Notes 14, 19]	10.2	7.2	(3.0)	-29.4%
Total	**859.5**	**880.2**	**20.7**	**2.4%**
2018 CHAPTER 854 DEDICATED FUNDING - Transit [Note 12]	**154.5**	**154.5**	**-**	0.0%
GENERAL FUND - Transit [Note 13]	**60.2**	**77.2**	**17.0**	**28.2%**
BOND PROCEEDS - Transit Capital and Rail [Notes 4, 10, 14]	**20.2**	**16.8**	**(3.4)**	**-16.8%**
PRIORITY TRANSPORTATION FUNDS [Note 18]	**8.2**	**5.4**	**(2.8)**	**-34.1%**
FEDERAL REVENUE				
FHWA Funding (CMAQ/RSTP) [Notes 4, 9]	18.4	0.7	(17.7)	-96.2%
Federal Transit Administration [Notes 3, 4, 10, 11]	47.9	56.2	8.3	17.3%
Federal Railroad Administration [Note 16]	2.9	28.7	25.8	889.7%
Total	**69.2**	**85.6**	**16.4**	**23.7%**
LOCAL REVENUES [Notes 10, 16]	**1.0**	**0.7**	**(0.3)**	**-30.0%**
TRANSFERS FROM OTHER AGENCIES				
VDOT I-66/I-395 Tolls Transfers [Notes 3, 4]	**26.2**	**27.7**	**1.5**	**5.7%**
DEQ VW Trust Fund Transfers [Note 4]	**2.8**	**0.5**	**(2.3)**	**-82.1%**
Virginia Passenger Rail Authority [Note 17]	**6.6**	**1.1**	**(5.5)**	**-83.3%**
TOTAL SOURCES	**$ 1,208.4**	**$ 1,249.7**	**$ 41.3**	**3.4%**


DRPT
Budgeted Expenditures - FY 2026
Public Transportation Programs 66.3%
WMATA Dedicated Funds 12.4%
VPRA Payments 15.4%
Rail Programs 2.7%
Agency Operating Budget 1.6%
Human Service Transportation Programs 0.5%
Commuter Assist. Programs 0.6%
Planning, Regulation, and Safety Programs 0.5%


DRPT
Funding Sources - FY 2026
Federal Funds - Transit 4.6%
PTF 0.4%
TTF - Transit 54.5%
Dedicated - Transit 12.4%
TTF - Rail 15.7%
I-66/395 Tolls & VW Trust Fund 2.3%
CPR Bonds - Transit 1.3%
General Funds 6.2%
VPRA - Rail 0.1%
Local Funds 0.1%
Fed Funds Rail 2.3%
CPR Bonds - Rail 0.1%

Footnotes to the FY 2026 Annual Budget

(1) The budgeted amounts in this report include anticipated expenditures on all the projects and grants that DRPT manages for FY26 and the revenue sources to cover these anticipated expenditures. A cash basis for accounting is utilized to develop the budgeted amounts. Unless the entire amount of allocation in the SYIP will be expended in FY26, the budgeted amounts will not agree to allocations in the SYIP due to the timing of the related cash expenditures. The actual cash outlays of many capital projects may lag the related allocation of resources by as much as five years. Therefore, many capital expenditures allocated in the SYIP will be expended in future years, whereas many capital amounts included in the Budget were allocated in prior Six Year Improvement Plans.

There are line items required to be approved by the CTB in the SYIP that do not result in actual cash expenditures through DRPT and are not included in the budget. These items include Federal 5307 fund allocations with grantee FTA contracting and a portion of VPRA allocations for the Transforming Rail in Virginia project. Likewise, there are cash expenditures made by DRPT that are included in the budget that are not included in the DRPT SYIP. These include such items as a portion of the 93% or $172.2 million of revenues from the Commonwealth Rail Fund paid to the VPRA, $19.9 million of off-the-top State funding for support of the Agency's on-going administrative costs, and $2.7 million for the Rail Industrial Access projects which are approved in separate resolutions.

It is important to note that DRPT's reliance on our transportation partners for accurate information will impact on the accuracy of our budgeted expenditures. The vast majority of the DRPT budgeted expenditures are initiated by a reimbursement request from one of our project partners who controls the actual project development. As such, DRPT must gather information from these partners about the timing of almost 2,000 projects to estimate cash basis expenditures each year. Based on this operating format for DRPT, a variance of up to 15% would not be unreasonable. Ultimately, the goal for DRPT is to work with our project partners to attain a variance of 10% or less by each year end.

(2) Funds are allocated by statute (§33.2-1526.1) with 46.5% for distribution to WMATA for capital purposes and operating assistance, a minimum of 24.5% for state operating assistance grants, 17.0% awarded as capital assistance grants, 6.0% for transit ridership incentives, 3.5% for distribution to VRE for capital purposes and operating assistance, and the balance of up to 2.5% awarded as special projects grants subject to CTB approval.

(3) Public Transportation Programs - Operating Assistance increased by $7.8 million from FY25 to FY26 to $164.3 million. This was mainly formula driven. The Operating Assistance line is made up of Commonwealth Mass Transit Funds of $130.1 million, $24.9 million in Federal assistance through the FTA 5311 Rural Assistance program, $4.6 million on projects administered by DRPT with funding allocated through VDOT's SYIP (CMAQ, RSTP, and related state match), and $4.7 million of I-66 toll funds.

(4) Public Transportation Programs - Capital Assistance decreased by $39.9 million to $213.2 million. In FY2025 it was projected that there would be an increase in large bus purchases and facility construction needs as supply constraints from COVID eased. Capital projects have become more erratic in FY 2025 with some back orders being filled quickly and other orders delayed due to the continued impact of supply issues. In

addition, many capital facility projects and bus purchases have experienced cost increases due to inflation. Taking these factors into consideration, transit agencies are projecting that orders will take longer to fill than they have in the past, and as such they have reduced their forecasts. This line consists of $123.8 million of Commonwealth Mass Transit funds, $15.7 million of Transportation Capital Projects bond proceeds, $19.8 million of FTA funding, $0.6 million of FHWA funding, $5.4 million of priority transportation funds, $0.5 million of VW trust fund proceeds, and $23.0 million of I-66 & I-395 tolls. Additionally, $24.4 million in projects administered by DRPT with funding allocated through VDOT's SYIP (CMAQ, RSTP, and related state match) is included in this Service Area.

(5) Public Transportation Programs – Special Programs decreased $0.6 million from FY25 to FY26 to $9.4 million. Funding of $9.4 million comes from the Commonwealth Mass Transit Fund. This service area includes Metrorail State Safety Oversight.

(6) Public Transportation Programs - Ridership Incentive Programs increased $40.0 million from FY25 to FY26 to $77.2 million. This line item consists solely of $77.2 million of Commonwealth Mass Transit Funds. The FY26 budget supports projects such as zero-fare and reduced-fare programs, improved transit connectivity projects in urbanized areas of the Commonwealth with a population exceeding 100,000, shelter and amenity programs and projects that reduce barriers to transit use for low-income individuals.

(7) VRE Assistance is $17.4 million in FY26. This Funding comes from the Commonwealth Mass Transit Fund and goes to the Northern Virginia Transportation Commission for distribution to VRE for capital purposes and operating assistance. HB 1496 of the 2023 Legislative Assembly established this funding stream beginning in FY25.

(8) WMATA Assistance increased $17.0 million to $347.2 million. Most of this funding, $270.0 million, comes from the Commonwealth Mass Transit Fund and goes to the Northern Virginia Transportation Commission for distribution to WMATA for capital purposes and operating assistance. This includes in FY22 and beyond $50.0 million of CMTF funding to replace the bond program that was used in prior years for the Federal State of Good Repair Program. FY26 includes $77.2 million of the $136.9 million appropriated in the 2025 Biennial Budget to FY25 which will be transferred into FY26.

(9) The budgeted Commuter Assistance Programs line item decreased by $0.9 million to $7.3 million from FY25 to FY26. Commuter Assistance Programs include Commonwealth Mass Transit Funds of $6.4 million and FHWA funding of $0.1 million. Additionally, $0.8 million in projects administered by DRPT with funding allocated through VDOT's SYIP (CMAQ, RSTP, Telework and related state match) is included in this service area.

(10) The budgeted Human Service Transportation Programs line item decreased by $4.1 million to $6.7 million from FY25 to FY26. Funding includes $5.5 million of FTA 5310 and 5311 awards. The match to these federal awards consists of $0.5 million of Commonwealth Mass Transit State matching funds for the paratransit capital projects and enhanced transportation services for the elderly and disabled, as well as $0.7 million of local match to the FTA 5310 funds.

(11) Planning, Regulation, and Safety Programs of $6.7 million in FY25 consist of FTA 5303/5304 planning funds of $6.0 million and Commonwealth Mass Transit state match allocations of $0.7 million.

(12) Chapter 854 of the 2018 Acts of Assembly established dedicated capital funding for WMATA. Anticipated expenditures for FY26 are $154.5 million.

(13) The 2024 Special Session I Acts of Assembly HB 6001 Chapter 2 Item 433 established General Fund appropriations of $60.2 million for FY25 and $84.5 million for FY26 for WMATA Assistance to cover budget shortfalls. The 2025 Biennial Budget accelerated funding to WMATA in FY25 by increasing the FY25 appropriation of $60.2 million to $136.9 million and eliminating the FY26 appropriation. Part of the FY25 appropriation, $77.2 million, will be transferred into FY26.

(14) The 2006 General Assembly passed legislation (§33.2-1602) to establish the Shortline Railway Preservation and Development fund. The fund was created to support the retention, maintenance, and improvement of Shortline railways in Virginia and to assist with the development of railway transportation facilities. This line item decreased by $2.9 million to $7.7 million from FY25 to FY26. The source of funding for the Shortline Railway Preservation fund is the Transportation Trust Fund of $7.1 million. An additional $0.6 million of planned expenditure is funded by Transportation Capital Projects Bond proceeds allocated by the CTB.

(15) The Rail Industrial Access Program funds construction of industrial access railroad tracks. The activities budgeted in this line item consist of Transportation Trust Fund allocations through VDOT of $2.7 million.

(16) The budgeted Planning and Freight Rail Programs line item of $23.2 million represents a decrease of $4.1 million from FY25 to FY26. The source of funding to cover these expenditures includes $13.0 million from the 7% allocation of the Commonwealth Rail Fund. The Commonwealth Rail Fund is funded by a 7.5% allocation from the Transportation Trust Fund. Additionally, this line item includes Federal Railroad Administration funds of $8.6 million, expected VPRA transfers of $1.1 million, and bond proceeds of $0.5 million.

(17) The budget includes an estimate of $172.2 million of Commonwealth Rail Funds to be transferred to the VPRA in FY26. This represents 93% of the estimated CRF revenues expected to be collected over the course of the fiscal year. In addition, $20.1 million of FRA funds will be drawn down by DRPT on behalf of VPRA for the FASTLANES grant program.

(18) In December 2021, the Commonwealth Transportation Board restored $39.8 million of Priority Transportation Funds to the Commonwealth Mass Transit Fund. In FY26, it is estimated that $5.4 million of project funding will be used for zero-fare projects and transportation facilities.

(19) The CTB is authorized by §33.2-1604 of the *Code of Virginia* to approve up to 3.5% per year of the Rail Preservation Fund and Commonwealth Rail Fund and by §33.2-1526.1 G of the *Code of Virginia* to approve up to 3.5% per year of the Commonwealth Mass Transit Fund to support costs of project development, project administration, and project compliance. The Appropriation's Act language allows the CTB to allocate up to 5% of the

Rail Preservation Fund, Commonwealth Mass Transit Fund, and Commonwealth Rail Fund for use to support the DRPT costs of project development, project administration, and project compliance. DRPT forecasts that $26.9 million (5.0%) of revenues from these funds are available to support the programs' ongoing administrative costs. However, DRPT is forecasting that only $19.9 million (3.7%) will be used to support the operating budget. The DRPT operating budget represents only 1.6% of the total $1,249.7 million FY26 budget.

Major Components of Agency Operating Budget		
Payroll and Fringe Benefits	$	11,100,000
Operations Program Support		4,930,000
Information Technology Costs		1,045,000
Central Service Agencies Indirect Costs		900,000
Rent		565,000
Finance Support		375,000
Legal Services		375,000
Travel and Training		345,000
Other Program and Project Management Initiatives		265,114
Total	$	19,900,114

Source of Funding for Agency Operating Budget		
Commonwealth Mass Transit Fund	$	19,267,052
Commonwealth Rail Fund		479,512
Shortline Railway Preservation and Development Fund		153,550
Total	$	19,900,114