COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

W. Sheppard Miller, III
Chairperson

1401 East Broad Street
Richmond, Virginia 23219

(804) 482-5818
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Agenda item # 12

RESOLUTION
OF THE
COMMONWEALTH TRANSPORTATION BOARD

June 24, 2025

MOTION

Made By: Dr. Smoot, **Seconded By:** Ms. Green
Action: Motion Carried, Unanimously

Title: Six-Year Improvement Program and Rail and Public Transportation Allocations For Fiscal Years 2026 – 2031

WHEREAS, Section 33.2-214 (B) of the *Code of Virginia* requires the Commonwealth Transportation Board (Board) to adopt by July 1st of each year a Six-Year Improvement Program (Program) of anticipated projects and programs and that the Program shall be based on the most recent official revenue forecasts and a debt management policy; and

WHEREAS, the Appropriations Act authorizes the Secretary and all agencies within the Transportation Secretariat to take all actions necessary to ensure that federal transportation funds are allocated and utilized for the maximum benefit of the Commonwealth; and

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

WHEREAS, the Board is required by Section 33.2-221 (C) of the *Code of Virginia* to ensure that total funds allocated to any highway construction project are equal to total project expenditures within 12 months following completion of the project; and

WHEREAS, Sections 33.2-1526 and 33.2-1526.1 of the *Code of Virginia* authorize the Board to allocate funds for mass transit in accordance with the statutory formula set forth therein; and

WHEREAS, Section 58.1-1741 of the *Code of Virginia* sets aside funds for the Transportation Trust Fund and for the Washington Metropolitan Area Transit Authority; and

WHEREAS, Section 33.2-1526.4 of the *Code of Virginia* establishes the Commonwealth Rail Fund, providing that 93 percent of the Fund shall be distributed to the Virginia Passenger Rail Authority and the remaining 7 percent shall remain in the Fund for the Department of Rail and Public Transportation for planning purposes and for grants for rail projects not administered by the Virginia Passenger Rail Authority (VPRA); and the Department of Rail and Public Transportation may transfer up to fifty percent (50%) of the balance in the Commonwealth Rail Fund to the Shortline Railway Preservation and Development Fund pursuant to Section 33.2-1602 effective July 1, 2025 (Acts of Assembly 2025, Chapters 4 and 24); and

WHEREAS, Section 33.2-1602 of the *Code of Virginia* authorizes the Board to allocate funds from the Shortline Railway Preservation and Development Fund in accordance with Board established policies and procedures; and

WHEREAS, Section 33.2-1600 of the *Code of Virginia* requires the Board to administer and spend or commit such funds necessary for constructing, reconstructing, or improving industrial access railroad tracks and related facilities; and

WHEREAS, Section 33.2-358 of the *Code of Virginia* requires the Board to allocate funds for maintenance on the Interstate, Primary, Urban and Secondary Highway Systems; and

WHEREAS, Section 33.2-358 of the *Code of Virginia* requires the Board to allocate funds on and after July 1 of each year for state of good repair purposes as set forth in Section 33.2-369, the High-Priority Projects Program established pursuant to Section 33.2-370, the Highway Construction District Grant Program established pursuant to Section 33.2-371; the Interstate Operations and Enhancement Program established pursuant to Section 33.2-372, and the Virginia Highway Safety Improvement Program established pursuant to Section 33.2-373; and

WHEREAS, Item 438 M of Chapter 725 of the 2025 Acts of the Assembly Special Session I provides that the Board may advance preliminary engineering and right-of-way activities prior to full funding for construction for projects in the Interstate 81 Corridor Improvement Program as adopted by the Board provided that the anticipated funding for the construction of the project must be planned for within the subsequent three years after the Six-Year Improvement Program and provided that the Department of Transportation shall report to the Chairs of the House Appropriations, House Transportation, Senate Finance and Appropriations, and Senate Transportation Committees on any projects advanced in this manner; and

WHEREAS, Section 33.2-1527 of the Code of Virginia governs the allocation of funds in the Priority Transportation Fund; the moneys in this fund shall first be used for making debt service payments on bonds or obligations for which the Fund is expressly required to make debt service payments, to the extent needed; it is the desire of the Board that priority in the planned allocation of any remaining funds after meeting debt service requirements and then after existing

project commitments, be provided to Transforming Rail in Virginia Initiative to expedite the completion of that effort through Phase 4; and

WHEREAS, the Final Six-Year Improvement Program for Fiscal Years 2026 – 2031 accounts for and includes allocations to projects selected through the Project Prioritization Process in accordance with the requirements of Section 33.2-214.4, and the Commonwealth Transportation Board's Policy for the Implementation of Performance Based State Transit Operating Allocation; and

WHEREAS, the Final Six-Year Improvement Program for Fiscal Years 2026 – 2031 accounts for and includes allocations to projects selected through the Project Prioritization Process in accordance with the requirements of Section 33.2-214.4, and the Commonwealth Transportation Board's Policy for the Implementation of State Transit Capital Prioritization (MERIT Prioritization Process); and

WHEREAS, the Final Six-Year Improvement Program for Fiscal Years 2026 – 2031 accounts for and includes allocations to projects selected for funding through the project selection processes developed in accordance with the State of Good Repair Program as set forth in Section 33.2-369, the High-Priority Projects Program established pursuant to Section 33.2-370, the Highway Construction District Grant Program established pursuant to Section 33.2-371; the Interstate Operations and Enhancement Program established pursuant to Section 33.2-372, and the Virginia Highway Safety Improvement Program established pursuant to Section 33.2-373; and

WHEREAS, Section 33.2-202 of the *Code of Virginia* states that for a transportation project valued in excess of $25 million that is located wholly within a single highway construction district, the Board shall hold at least one hearing in the highway construction district where such project being considered is located to discuss such project prior to a meeting at which a vote to program funds will be taken; and

WHEREAS, at its April 15, 2025 Workshop, the Board was presented the Draft FY 2026 – 2031 Six-Year Improvement; and

WHEREAS, the Draft Six-Year Improvement Program for Fiscal Years 2026 – 2031 was made available for review and comment; and

WHEREAS, nine public meetings were held, April 22, 2025 for Richmond, April 23, 2025 for Lynchburg, April 24, 2025 for Hampton Roads, May 6, 2025 for Fredericksburg, May 7, 2025 for Culpeper, May 8, 2025 for Northern Virginia, May 13, 2025 for Bristol, May 14, 2025 for Salem, and May 15, 2025 for Staunton; and

WHEREAS, the Board recognizes that all projects, whether public transportation, rail or highway, are appropriate for the efficient movement of people and freight and, therefore, for the common good of the Commonwealth; and

WHEREAS, after due consideration the Board has now developed a Final Fiscal Years 2026 – 2031 Six-Year Improvement Program; and

WHEREAS, pursuant to the Board's Systematic Review of Funding Policy, as amended on February 18, 2015, the Chief Financial Officers of VDOT and DRPT must annually certify that unused funds are timely reallocated and said certifications have been provided to the Board for FY 2025, attached hereto as Attachment A.

NOW THEREFORE BE IT RESOLVED, by the Commonwealth Transportation Board that the allocations of construction funds provided by Section 33.2-358, Maintenance and Operations funds, and Rail and Public Transportation funds in the Final Six-Year Improvement Program for Fiscal Years 2026 – 2031 as amended herein are approved.

BE IT FURTHER RESOLVED, by the Commonwealth Transportation Board that the Six-Year Improvement Program of projects and programs for Fiscal Years 2026 – 2031 as amended herein for Interstate, Primary and Urban Highway Systems, and Rail and Public Transportation are approved.

BE IT FURTHER RESOLVED, by the Commonwealth Transportation Board that the Commissioner of Highways and the Director of the Department of Rail and Public Transportation are authorized to enter into agreements for respective programmed projects for Fiscal Year 2026 and prior within the Six-Year Improvement Program satisfactory to the Commissioner and the Director, to the extent otherwise consistent with authorities set forth in the Code of Virginia.

BE IT FURTHER RESOLVED, by the Commonwealth Transportation Board that the Commissioner of Highways and the Director of the Department of Rail and Public Transportation or their designees, in order to effectively maximize the use of federal transportation funds, are hereby delegated the authority to enter into federal grant agreements with federal entities that fund, in whole or in part, respective programmed projects.

BE IT FURTHER RESOLVED, by the Commonwealth Transportation Board that the transfers of previous allocations necessary to maximize the use of federal transportation funds as reflected in the Six-Year Improvement Program of projects and programs for Fiscal Years 2026 – 2031, are approved.

BE IT FURTHER RESOLVED, by the Commonwealth Transportation Board that the Commissioner, or his designee, is granted the authority to make transfers of allocations programmed to projects in the approved Six-Year Improvement Program of projects and programs for Fiscal Years 2026 – 2031 to release funds no longer needed for the delivery of the projects and to provide additional allocations to support the delivery of eligible projects in the approved Six-Year Improvement Program of projects and programs for Fiscal Years 2026 – 2031 consistent with Commonwealth Transportation Board priorities for programming funds, federal/state eligibility requirements, and according to the following thresholds based on the recipient project:

Total Cost Estimate	Threshold
<$5 million	up to a 20% increase in total allocations
$5 million to $10 million	up to a $1 million increase in total allocations
>$10 million	up to a 10% increase in total allocations up to a maximum of $5 million increase in total allocations

BE IT FURTHER RESOLVED, that the Director of the Department of Rail and Public Transportation, is authorized up to $200,000 to reallocate funds among existing grants, to allocate additional funds to existing projects up to $200,000 per grant, and to award additional federal and state funds for rail and public transportation projects up to $200,000, and to deobligate funds from projects, as may be necessary to meet the goals of the Board; further, the Director is authorized to make changes to the scope of a Board approved grant as needed in order to accomplish the intended project and/or outcome; and

BE IT FURTHER RESOLVED, that the Commissioner and Director shall notify the Board on a monthly basis should such transfers or allocations be made.

BE IT FURTHER RESOLVED, that if such request for transfer of allocation exceeds the thresholds established herein, the Commissioner and Director shall bring such request to the Board on a monthly basis for their approval prior to taking any action to record or award such action.

####

ATTACHMENT A

COMMONWEALTH of VIRGINIA

Tiffany P. Robinson
Director

DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION
600 EAST MAIN STREET, SUITE 2102
RICHMOND, VA 23219-2416

(804) 786-4440
FAX (804) 225-3752
Virginia Relay Center
800-828-1120 (TDD)

DATE: May 9, 2025

TO: Commonwealth Transportation Board Members

FROM: Deanna J. Oware, Chief Financial Officer
Department of Rail and Public Transportation

SUBJECT: Annual Certification for Systematic Review of Funding Policy

The Department of Rail and Public Transportation (DRPT) performs a reconciliation process monthly and reports the results to the Commonwealth Transportation Board (CTB) each quarter, identifying all unobligated funds by funding source. DRPT manages projects according to department policies that require project-based budgeting, project end dates that are linked to the financial system expenditure process, automated system reporting of projects with no activity, and mandatory linking in the financial system of project budgets to revenue sources. DRPT must annually submit and certify the financial activity of each federal award in Federal Financial Reports to the Federal Transit Administration and the Federal Railroad Administration.

I certify that adequate controls are in place for systematic project closeout and timely reallocation of unused funds.

Deanna J. Oware

Digitally signed by Deanna J. Oware
Date: 2025.05.09 11:22:58 -04'00'

Deanna J. Oware

Cc: Tiffany P. Robinson, Director
Jennifer Mayton, Deputy Director
Ashley Nusbaum, Controller

COMMONWEALTH of VIRGINIA

DEPARTMENT OF TRANSPORTATION

Stephen C. Brich, P.E.
Commissioner

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June 1, 2025

To: The Honorable Sheppard Miller III
Chairperson, Commonwealth Transportation Board

From: Laura Farmer
Chief Financial Officer

Re: **Annual Certification - Reallocation of Unused Funds**

In accordance with the Systematic Review of Funding Policy approved by the Commonwealth Transportation Board (CTB) as amended on February 18, 2015, I hereby certify that, to the best of my knowledge, construction project funding balances for the Virginia Department of Transportation (VDOT) have been reviewed, and that allocations no longer needed for projects were reallocated as appropriate. Such reallocations were completed through the monthly transfers approved by the CTB during the year and through the annual update of the SYIP to be presented to the CTB in June 2025.

Project expenditures and allocations are reviewed throughout the year as part of ongoing processes, including VDOT's Project Closeout process, VDOT's Quarterly Financial Certification of projects, and the Federal Highway Administration's (FHWA) Financial Integrity Review and Evaluation process. We continue to take a proactive approach to ensure full utilization of available funds.

CC: CTB Members

CTB Decision Brief

Six-Year Improvement Program and Rail and Public Transportation Allocations
For Fiscal Years 2026 – 2031

Issue: Each year the Commonwealth Transportation Board (CTB) must adopt a Six-Year Improvement Program (Program or SYIP) and allocations for anticipated projects and programs based on the most recent official revenue forecasts and debt management policy, and other funds available as set forth in the Final Fiscal Years 2026 – 2031 Six-Year Improvement Program in accordance with policy or statutory formula.

The Appropriations Act authorizes the Secretary and all agencies within the Transportation Secretariat to take all actions necessary to ensure that federal transportation funds are allocated and utilized for the maximum benefit of the Commonwealth. The Board is required to administer and allocate funds in the Transportation Trust Fund based on the most recent official Commonwealth Transportation Fund revenue forecast.

CTB approval is sought for the Resolution setting out the Six-Year Improvement Program and Rail and Public Transportation Allocations for Fiscal Years 2026 – 2031 and related matters.

Facts:

The CTB must adopt a Six-Year Improvement Program of anticipated projects and programs by July 1st of each year in accordance with Section 33.2-214 (B). The Program shall be based on the most recent official revenue forecasts and debt policy.

Section 33.2-358 of the *Code of Virginia* requires the Board to allocate funds on and after July 1 of each year for state of good repair purposes as set forth in Section 33.2-369, the High-Priority Projects Program established pursuant to Section 33.2-370, the Highway Construction District Grant Program established pursuant to Section 33.2-371; the Interstate Operations and Enhancement Program established pursuant to Section 33.2-372, and the Virginia Highway Safety Improvement Program established pursuant to Section 33.2-373.

Item 438 M of Chapter 725 of the 2025 Acts of the Assembly provides that the Board may advance preliminary engineering and right-of-way activities prior to full funding for construction for projects in the Interstate 81 Corridor Improvement Program as adopted by the Board provided that the anticipated funding for the construction of the project must be planned for within the subsequent three years after the Six-Year Improvement Program and provided that the Department of Transportation shall report to the Chairs of the House Appropriations, House Transportation, Senate Finance and Appropriations, and Senate Transportation Committees on any projects advanced in this manner.

The Final Six-Year Improvement Program for Fiscal Years 2026 – 2031 accounts for and includes allocations to projects selected for funding through the project selection processes developed in accordance with the State of Good Repair Program as set forth in Section 33.2-369,

the High-Priority Projects Program established pursuant to Section 33.2-370, the Highway Construction District Grant Program established pursuant to Section 33.2-371; the Interstate Operations and Enhancement Program established pursuant to Section 33.2-372, and the Virginia Highway Safety Improvement Program established pursuant to Section 33.2-373.

The Final Six-Year Improvement Program for Fiscal Years 2026 – 2031 accounts for and includes allocations to projects selected through the project prioritization process in accordance with the requirements of Section 33.2-214.4, and the Commonwealth Transportation Board's Policy for the Implementation of Performance Based State Transit Operating Allocation and the Board's Policy for the Implementation of State Transit Capital Prioritization (MERIT Prioritization Process).

Nine public meetings were held, April 22, 2025 for Richmond, April 23, 2025 for Lynchburg, April 24, 2025 for Hampton Roads, May 6, 2025 for Fredericksburg, May 7, 2025 for Culpeper, May 8, 2025 for Northern Virginia, May 13, 2025 for Bristol, May 14, 2025 for Salem, and May 15, 2025 for Staunton, to receive public comments prior to the Board's adoption of a Final Six-Year Improvement Program.

Pursuant to the Board's Systematic Review of Funding Policy, as amended on February 18, 2015, the Chief Financial Officers of VDOT and DRPT must annually certify that unused funds are timely reallocated and said certifications are attached hereto as Attachment A.

Recommendations: VDOT and DRPT recommend the adoption of the Program and that authority be granted to the Commissioner and Director, or their designees, (i) to enter into federal grant agreements with federal entities that fund, in whole or in part, respective programmed projects and (ii) to make transfers of allocations programmed to projects in the approved Program to release funds no longer needed for the delivery of the projects and to provide additional allocations to support the delivery of eligible projects in the approved Program consistent with Commonwealth Transportation Board priorities for programming funds, federal/state eligibility requirements, and according to the following thresholds based on the recipient project:

Total Cost Estimate	Threshold
<$5 million	up to a 20% increase in total allocations
$5 million to $10 million	up to a $1 million increase in total allocations
>$10 million	up to a 10% increase in total allocations up to a maximum of $5 million increase in total allocations

The CTB shall receive a report on a monthly basis regarding any such transfers.

If a request for a transfer of allocation exceeds the thresholds above, the Commissioner and Director shall bring such request to the Board on a monthly basis for their approval prior to taking any action to record or award such action.

Priority Transportation Funds shall first be used for making debt service payments on bonds or obligations for which the Fund is expressly required for making debt service payments, to the extent needed. It is recommended that the Board give priority in the allocation of any remaining funds after meeting debt service requirements and then after existing project commitments to Transforming Rail in Virginia Initiative to expedite the completion of that effort through Phase 4.

Action Required by CTB: The CTB will be presented with a resolution for a formal vote to adopt the Six-Year Improvement Program of Construction funds, Maintenance and Operations funds, and Rail and Public Transportation funds for Fiscal Years 2026 – 2031, including approval of the transfers of previous allocations completed as part of the update. The resolution will include authorization for the Commissioner and Director or their designees (i) to make transfers of allocations programmed to projects in the Six-Year Improvement Program of projects and programs for Fiscal Years 2026 – 2031 necessary to release funds no longer needed for the delivery of the projects and to apply said funds to projects in the approved program needing funds, consistent with Commonwealth Transportation Board priorities for programming funds, federal/state eligibility requirements, and according to the thresholds identified above and (ii) authority to enter into federal grant agreements with federal entities that fund, in whole or in part, respective programmed projects.

The resolution will also express the Board's intent to allocate any remaining Priority Transportation Funds remaining after debt service requirements and existing project commitments to the completion of the Transforming Rail in Virginia Initiative through Phase 4.

Options: Approve, Deny, or Defer.

Public Comments/Reactions: Given the need to have allocations available to continue and/or initiate projects and programs in the Program and Rail and Public Transportation allocations, the public expects the CTB to fulfill its statutory duty by approving the Six-Year Improvement Program and Rail and Public Transportation allocations for Fiscal Years 2026 – 2031.