COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Nicholas Donohue
Chairperson

1221 East Broad Street
Richmond, Virginia 23219

(804) 482-5818

Agenda item # 9

RESOLUTION
OF THE
COMMONWEALTH TRANSPORTATION BOARD

July 22, 2026

MOTION
Made By: Mr. Gribbin**, Seconded By:** Mr. Good

Action: Motion Carried, Unanimously

Title: Revisions to the FY 2027 Commonwealth Transportation Fund Budget, the FY 2027 Department of Rail and Public Transportation Budget and the Fiscal Years 2027 – 2032 Six-Year Improvement Program

WHEREAS, the Commonwealth Transportation Board (the 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and for city and town street maintenance payments made pursuant to § 33.2-319 and payments made to counties which have withdrawn or elect to withdraw from the secondary system of state highways pursuant to § 33.2-366; and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, § 2.2-2100 of the *Code* allows the Board to review and comment on budget items not specifically enumerated to the Board by statute; and

WHEREAS, § 33.2-214(B) of the Code of Virginia requires the 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 Board approved the Fiscal Year 2027 budgets for the Commonwealth Transportation Fund, Department of Rail and Public Transportation, and the Department of Transportation on June 17, 2026; and

WHEREAS, the Board approved the Fiscal Year 2027 – 2032 Six-Year Improvement Program on June 17, 2026; and

WHEREAS, the Fiscal Year 2027-2028 biennial budget of the Commonwealth enacted by the General Assembly and Governor on June 29, 2026, (after the June CTB meeting) included additional General Fund allocations that were not accounted for in the Commonwealth Transportation Fund and Department of Rail and Public Transportation budgets adopted by the Board; and

WHEREAS, the Fiscal Year 2027 budgets for the Commonwealth Transportation Fund and Department of Rail and Public Transportation have subsequently been revised to incorporate the additional General Fund allocations; and

WHEREAS, the Fiscal Year 2027 – 2032 Six-Year Improvement Program has been revised to incorporate the additional General Fund allocations.

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 revised budgets for the Commonwealth Transportation Fund and the Department of Rail and Public Transportation for Fiscal Year 2027 are approved.

BE IT FUTHER RESOLVED by the Commonwealth Transportation Board that the revised Fiscal Year 2027 – 2032 Six-Year Improvement Program is approved.

####

Commonwealth Transportation Board Decision Brief

Revisions to the FY 2027 Commonwealth Transportation Fund Budget, the Department of Rail and Public Transportation Budget and the Fiscal Year 2027 – 2032 Six-Year Improvement Program

Issue: Each year, the Commonwealth Transportation Board (CTB) 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 (CTF) 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. Additionally, § 33.2-214(B) requires the CTB 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. Board approval of revised FY 2027 CTF and Department of Rail and Public Transportation (DRPT) budgets and a revised Fiscal Year 2027 – 2032 Program are sought.

Facts: The CTB must adopt a budget that distributes the available revenues of the CTF to the statutorily defined funds and purposes. The budget shall be based on the most recent official revenue forecasts and debt policy. After the CTB adopted in June 2026 the Fiscal Year 2027 CTF and DRPT budgets and the Fiscal Year 2027 – 2032 Program, the General Assembly and the Governor enacted a Fiscal Year 2027-2028 biennial budget that includes additional General Fund allocations that must be accounted for in the CTF and DRPT budgets and the Program. The revised CTF and DRPT budgets and the revised Fiscal Year 2027 – 2032 Program take into account the additional allocations provided by the General Assembly. There is no impact to the Fiscal Year 2027 Annual VDOT budget adopted by the CTB at its June 2026 meeting.

Recommendations: VDOT recommends the approval of the Revised Fiscal Year 2027 Annual Budgets for the CTF and DRPT and the Revised Fiscal Year 2027 – 2032 Program.

Action Required by CTB: The CTB will be presented with a resolution for a formal vote to approve the Revised CTF and DRPT budgets and the Revised Program.

Result, if Approved: CTB approval of the Revised CTF and DRPT budgets enables the agencies to proceed in accordance with the Revised FY 2027 Budgets for the CTF and DRPT and the Revised Fiscal Year 2027 – 2032 Six-Year Improvement Program and with obligations under the Commonwealth's overall FY 2027-28 budget.

Options: Approve, Deny, or Defer

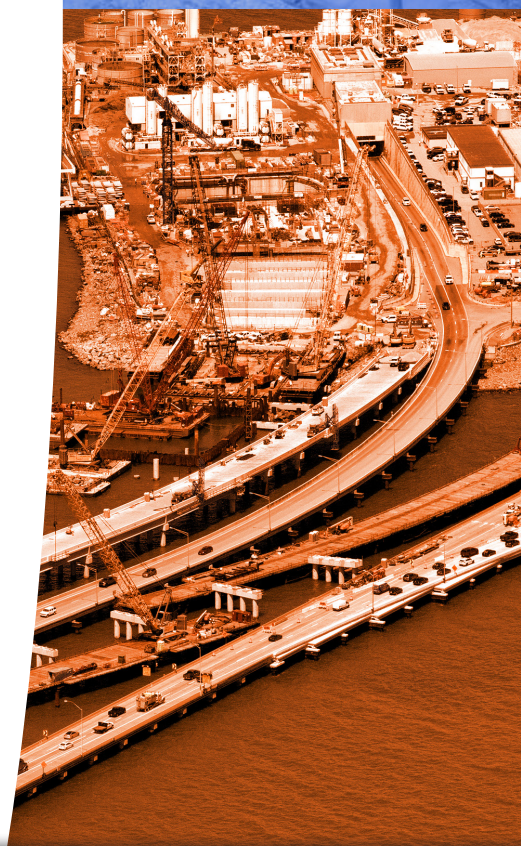
Public Comments/ Reaction: None to date.

VDOT Virginia Department of Transportation



FY 2027

Commonwealth Transportation Fund Budget
July 2026
Revised



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.

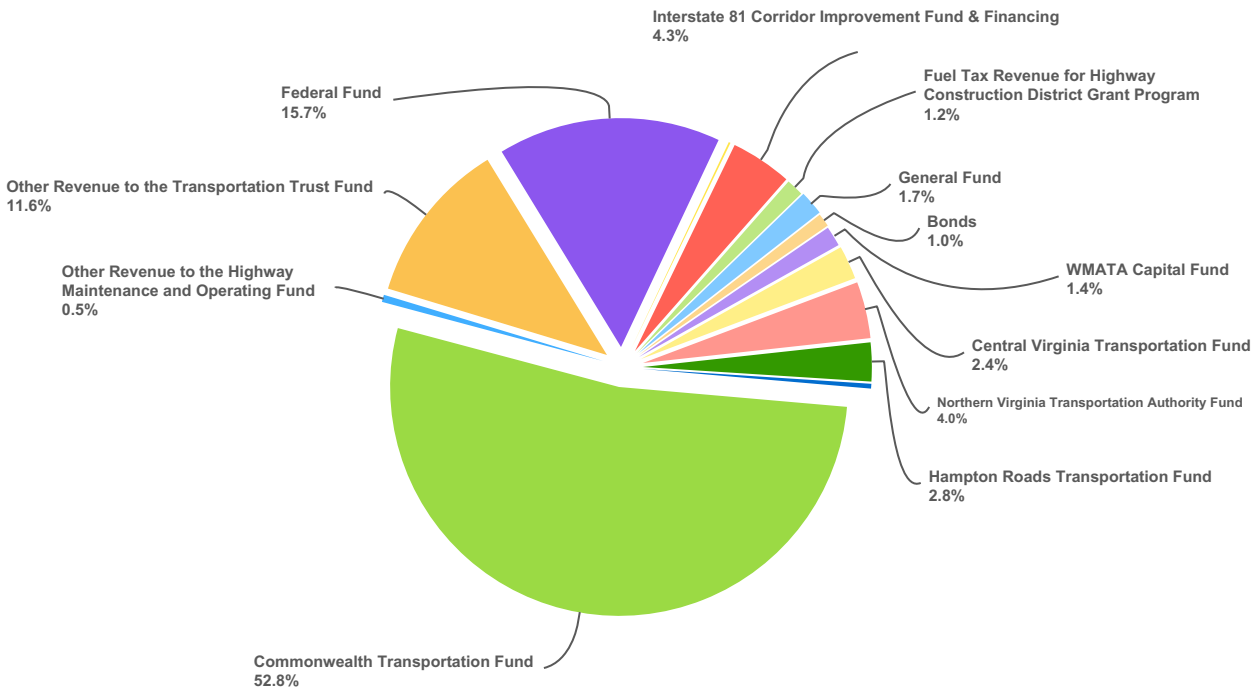
Toll revenue and concession payments to the Commonwealth under the Public-Private Transportation Act of 1995 also would be deposited to the Commonwealth Transportation Fund and allocated to the Transportation Trust Fund (for defined purposes and not available for further distribution). Interest, dividends, 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 2027 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 2025 and reflects implementation of federal funding provided under the Infrastructure Investment and Jobs Act (IIJA). The FY 2027 CTF Budget totals $10,407,082,663.

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.

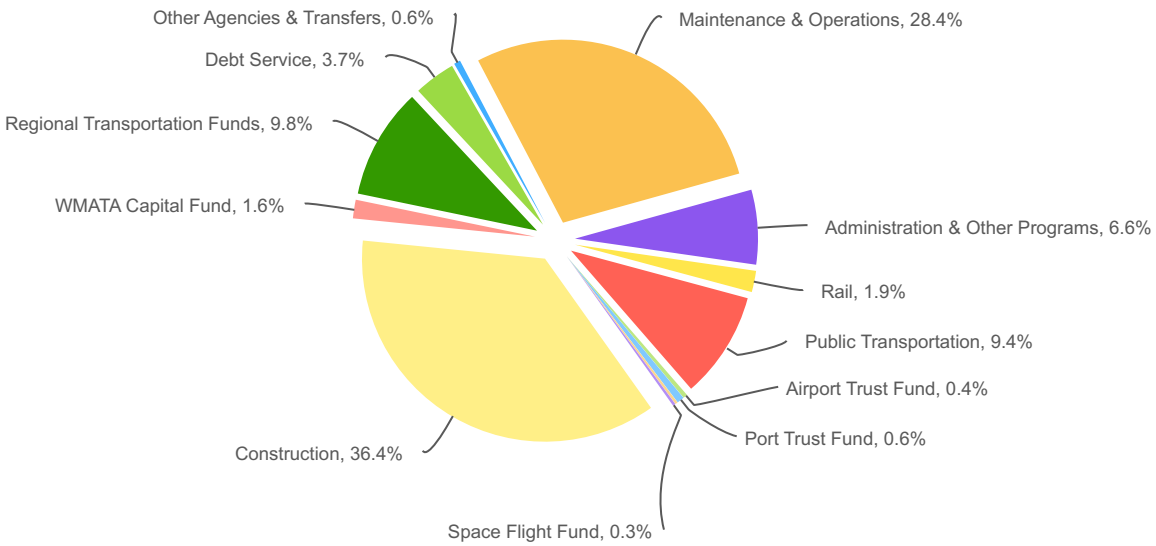
Commonwealth Transportation Fund Total Revenues



Commonwealth Transportation Fund	$5,492,350,000
Other Revenue to the Highway Maintenance and Operating Fund	53,678,105
Other Revenue to the Transportation Trust Fund	1,206,590,257
Federal Fund	1,638,927,391
Priority Transportation Fund	15,628,568
Interstate 81 Corridor Improvement Fund & Financing	452,092,464
Fuel Tax Revenue for Highway Construction District Grant Program	129,945,878
General Fund	179,300,000
Bonds	100,000,000
Total Operating Revenues	**$9,268,512,663**
Pass Through Revenues	
WMATA Capital Fund	148,870,000
Central Virginia Transportation Fund	248,400,000
Northern Virginia Transportation Authority Fund	416,800,000
Hampton Roads Transportation Fund	287,400,000
Hampton Roads Regional Transit Fund	37,100,000
Subtotal	**1,138,570,000**
TOTAL	**$10,407,082,663**

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	**$378,491,273**
Other Agencies & Transfers	**61,280,355**
Maintenance & Operations	**2,919,443,361**
Administration & Other Programs	**678,952,117**
Toll Facility Operations	**114,260,000**
Public Transportation	**972,397,253**
Rail	**194,839,997**
Airport Trust Fund	**40,536,000**
Port Trust Fund	**66,493,332**
Department of Motor Vehicles	**25,957,333**
Space Flight Fund	**25,977,333**
Construction	**3,749,884,309**
Total Operating Programs	**$9,228,512,663**
Pass Through Programs	
WMATA Capital Fund	**168,870,000**
Regional Transportation Funds	**1,009,700,000**
TOTAL RECOMMENDED DISTRIBUTIONS	**$10,407,082,663**

STATE REVENUE SOURCES	FY 2027 Final	FY 2027 Revised	INCREASE (DECREASE)	
Commonwealth Transportation Fund	$ 5,492,350,000	$ 5,492,350,000	$ —	
Highway Maintenance & Operating Fund (HMOF)	53,678,105	53,678,105	—	
General Fund	7,000,000	179,300,000	172,300,000	1
Transportation Trust Fund (TTF) and Other State Revenue				
Interest Earnings	121,310,496	121,310,496	—	
Toll Facilities	57,160,000	57,160,000	—	
Local Revenue Sources	478,492,150	478,492,150	—	
Project Participation - Regional Entities	439,450,496	439,450,496	—	
GARVEE Bonds/ Interest Earnings	100,000,000	100,000,000	—	
Route 58 Bonds/ Interest Earnings	—	—	—	
I-66 Outside the Beltway Concession Fee Payment/Interest	13,500,000	13,500,000	—	
Interstate 81 Corridor Improvement Fund	452,092,464	452,092,464	—	
Special Fund Account for the Highway Construction District Grant Program	129,945,878	129,945,878	—	
Other Trust Fund Revenue	96,677,115	96,677,115	—	
Total TTF and Other Revenue	1,888,628,599	1,888,628,599	—	
Priority Transportation Fund (PTF)				
State Revenue	15,628,568	15,628,568	—	
Total PTF	15,628,568	15,628,568	—	
Pass Through Revenues				
Revenue Dedicated to WMATA Capital Fund	148,870,000	148,870,000	—	
State Revenue for Regional Entities	989,700,000	989,700,000	—	
Total Pass Through Revenues	1,138,570,000	1,138,570,000	—	
TOTAL STATE REVENUES	**8,595,855,272**	**8,768,155,272**	**172,300,000**	
Federal Funding Sources				
Federal Highway Administration (FHWA)	1,559,739,783	1,559,739,783	—	
Federal Transit Administration (FTA)	79,187,608	79,187,608	—	
Total Federal Funding	**1,638,927,391**	**1,638,927,391**	**—**	
TOTAL COMMONWEALTH TRANSPORTATION FUNDS	**$ 10,234,782,663**	**$ 10,407,082,663**	**$ 172,300,000**	

DISTRIBUTION OF REVENUE SOURCES	FY 2027 Final	FY 2027 Revised	INCREASE (DECREASE)
Debt Service			
Northern Virginia Transportation District	$ 3,953,650	$ 3,953,650	$ —
Route 28	8,105,000	8,105,000	—
Route 58	25,916,423	25,916,423	—
Interstate 81	10,617,750	10,617,750	—
GARVEE Bonds	144,836,525	144,836,525	—
CPR Bonds	185,061,925	185,061,925	—
Total Debt Service	378,491,273	378,491,273	—
Other Agencies & Transfers			
Trust Fund Management	3,111,940	3,111,940	—
Support to Other State Agencies (excludes DRPT)	51,706,091	51,706,091	—
Indirect Costs	6,462,324	6,462,324	—
Total State Agencies	61,280,355	61,280,355	—
Maintenance & Operations			
Highway System Maintenance	2,306,650,090	2,306,650,090	—
Financial Assist. to Localities for Ground Transportation - Cities	522,246,062	522,246,062	—
Financial Assist. to Localities for Ground Transportation - Counties	90,547,209	90,547,209	—
Total Maintenance & Operations	2,919,443,361	2,919,443,361	—
Tolls, Administration & Other Programs			
Ground Transportation System Planning and Research	121,799,169	121,799,169	—
Environmental Monitoring & Compliance	26,035,378	26,035,378	—
Administrative and Support Services	417,848,503	417,848,503	—
Program Management and Direction	70,769,067	70,769,067	—
Toll Facilities Operations	57,160,000	57,160,000	—
Toll Facility Revolving Account	57,100,000	57,100,000	—
Capital Outlay	42,500,000	42,500,000	—
Total Tolls, Administration & Other Programs	793,212,117	793,212,117	—

DISTRIBUTION OF REVENUE SOURCES	FY 2027 Final	FY 2027 Revised	INCREASE (DECREASE)	
Transit and Rail Funds				
Share of TTF Distribution for Transit	$ 597,734,406	$ 597,734,406	$ —	
Transit - Share of administrative costs	(715,746)	(715,746)	—	
Other Revenue dedicated to Transit	17,830,286	18,130,286	300,000	1
Share of TTF Distribution for Rail	194,913,393	194,913,393	—	
Rail - Share of administrative costs	(233,396)	(233,396)	—	
Federal Transit Authority (FTA)	78,773,409	78,773,409	—	
CMAQ (without State Match)	13,493,547	13,493,547	—	
Carbon (without State Match)	414,199	414,199	—	
STP Regional (without State Match)	6,799,509	6,799,509	—	
Interest Earnings	3,160,000	3,160,000	—	
Mass Transit Fund-Support from Construction	5,073,265	5,073,265	—	
Rail Fund - Support from Construction	4,000,000	4,000,000	—	
Priority Transportation	57,500,000	57,500,000	—	
General Fund for WMATA	—	153,000,000	153,000,000	1
Other	16,194,378	35,194,378	19,000,000	1
Subtotal Transit and Rail Funds	994,937,250	1,167,237,250	172,300,000	
Pass Through Revenue for WMATA Capital				
Dedicated Revenue for WMATA Capital Fund	148,870,000	148,870,000	—	
Transfer from NVTD Fund for WMATA Capital Fund	20,000,000	20,000,000	—	
Subtotal WMATA Capital Fund	168,870,000	168,870,000	—	
Airports - Share of TTF Distribution	38,982,679	38,982,679	—	
Airports - Share of administrative costs	(46,679)	(46,679)	—	
Airports - Interest Earnings	1,600,000	1,600,000	—	
Total Airport Trust Fund	40,536,000	40,536,000	—	
Ports - Share of TTF Distribution	64,971,131	64,971,131	—	
Ports - Share of administrative costs	(77,799)	(77,799)	—	
Ports - Interest Earnings	1,600,000	1,600,000	—	
Total Port Trust Fund	66,493,332	66,493,332	—	
Department of Motor Vehicles - Share of TTF Distribution	25,988,452	25,988,452	—	
DMV - Share of administrative costs	(31,119)	(31,119)	—	
Total DMV	25,957,333	25,957,333	—	
Virginia Commercial Space Flight Authority - Share of TTF Distribution	25,988,452	25,988,452	—	
Space Flight Authority - Share of administrative costs	(31,119)	(31,119)	—	
Space - Interest Earnings	20,000	20,000	—	
Total Space Flight Authority	25,977,333	25,977,333	—	

DISTRIBUTION OF REVENUE SOURCES	FY 2027 Final	FY 2027 Revised	INCREASE (DECREASE)
Pass Through Revenue Allocations			
Central Virginia Transportation Authority Fund	$ 248,400,000	$ 248,400,000	$ —
Northern Virginia Transportation Authority Fund	459,747,612	459,747,612	—
Hampton Roads Transportation Fund	287,400,000	287,400,000	—
Hampton Roads Regional Transit Fund	37,100,000	37,100,000	—
Total Regional Transportation Programs	1,032,647,612	1,032,647,612	—
Construction			
Financial Assistance to Localities for Ground Transportation	20,142,528	20,142,528	—
State of Good Repair Program	412,278,839	412,278,839	—
High Priority Projects Program	269,971,902	269,971,902	—
Construction District Grant Programs	399,917,780	399,917,780	—
Specialized State and Federal Programs	1,710,331,511	1,710,331,511	—
Virginia Highway Safety Improvement Program	134,985,951	134,985,951	—
Interstate Operations and Enhancement Program	686,653,689	686,653,689	—
Total Construction	3,634,282,200	3,634,282,200	—
Special Structures	92,654,497	92,654,497	—
DISTRIBUTION OF COMMONWEALTH TRANSPORTATION FUNDS	**$10,234,782,663**	**$10,407,082,663**	**$ 172,300,000**
Agency Funding Summary:			
VDOT	$ 8,998,584,680	$ 8,998,584,680	$ —
Less Support to DRPT/VPRA	(86,573,265)	(86,573,265)	—
VDOT (Net)	8,912,011,415	8,912,011,415	—
DRPT/VPRA	1,163,807,250	1,336,107,250	172,300,000
Ports	66,493,332	66,493,332	—
Aviation	40,536,000	40,536,000	—
DMV	25,957,333	25,957,333	—
Space Flight Authority	25,977,333	25,977,333	—
Grand Total	**$10,234,782,663**	**$10,407,082,663**	**$ 172,300,000**

CTF State Revenue Details

STATE REVENUE SOURCES	FY 2027 Final	FY 2027 Revised	INCREASE (DECREASE)
State Tax on Motor Fuels	$1,639,400,000	$1,639,400,000	$—
Road Tax	84,500,000	84,500,000	—
Retail Sales & Use Tax	1,490,100,000	1,490,100,000	—
Motor Vehicle Sales and Use Tax	1,361,200,000	1,361,200,000	—
International Registration Plan	117,800,000	117,800,000	—
Motor Vehicle Licenses	232,500,000	232,500,000	—
Miscellaneous Revenues	20,100,000	20,100,000	—
Motor Vehicle Rental Tax	43,900,000	43,900,000	—
Aviation Fuels Tax	2,000,000	2,000,000	—
Highway Use Fee	103,400,000	103,400,000	—
Insurance Premium	264,500,000	264,500,000	—
Recordation Tax	67,100,000	67,100,000	—
Total	**$5,426,500,000**	**$5,426,500,000**	**$0**

Endnotes

Endnote Number	Description
1	Update reflects additional General Fund revenues provided in the Final 2027 Appropriation Act.