COMMONWEALTH of VIRGINIA
Office of the
SECRETARY of TRANSPORTATION

State Budget Update

July 2026

Deputy Secretary of Transportation Carter Hutchinson

Overview

- **This presentation is to inform the CTB about the transportation components of the Commonwealth's Fiscal Year 2027 through Fiscal Year 2028 budget. No action is needed.**

- June 22: General Assembly passed Fiscal Year 2027-Fiscal Year 2028 budget.
- June 29: Following General Assembly's adoption of Governor Spanberger's amendments, the Governor approved Commonwealth's budget for Fiscal Year 2027-2028.

- Major transportation components of FY2027-FY2028 budget include:
  - Funds for HJ28 Subcommittee to study and report on the status of transit in Hampton Roads
  - Funds to support the development of an Inland Port in Washington County
  - Support for Metro capital and operating needs
  - Flexibility to preserve the ability to offer 14 toll free trips per week for low income drivers to cross the Downtown and Midtown Tunnels between Norfolk and Portsmouth
  - Department of Rail and Public Transportation to study opportunities for Transit Oriented Development

Major Budget Components Related to Transportation

- Department of Rail and Public Transportation (DRPT) to conduct a statewide review identifying opportunities for transit-oriented development near existing and proposed transit and rail stations. *(Budget Item 435.C)*

- Evaluate options to accelerate large-scale improvements to the Interstate 81 corridor. *(Budget Item 420.M)*

- Funding ($20M) to support the development of an inland port in Washington County, including site readiness, infrastructure, and targeted industry recruitment. *(Budget Item 450.E)*

Major Budget Components Related to Transportation

- Secretary of Transportation to examine opportunities to improve highway safety through ticket reciprocity with D.C. and Maryland. *(Budget Item 420.N)*

- Needed flexibility for VDOT to ensure low-income drivers can continue to receive 14 toll free trips per week through the Downtown and Midtown Tunnels between Norfolk and Portsmouth. (*Budget Item 441.C.8*)

- Funding for DRPT to support HJ28 Subcommittee study of transit in Hampton Roads. (*Budget Item 433*)

- One-time funding ($19M) for DRPT to support transit capital needs. (*Budget Item 433.A.1.b*)

Meeting Virginia's Metro Funding Needs

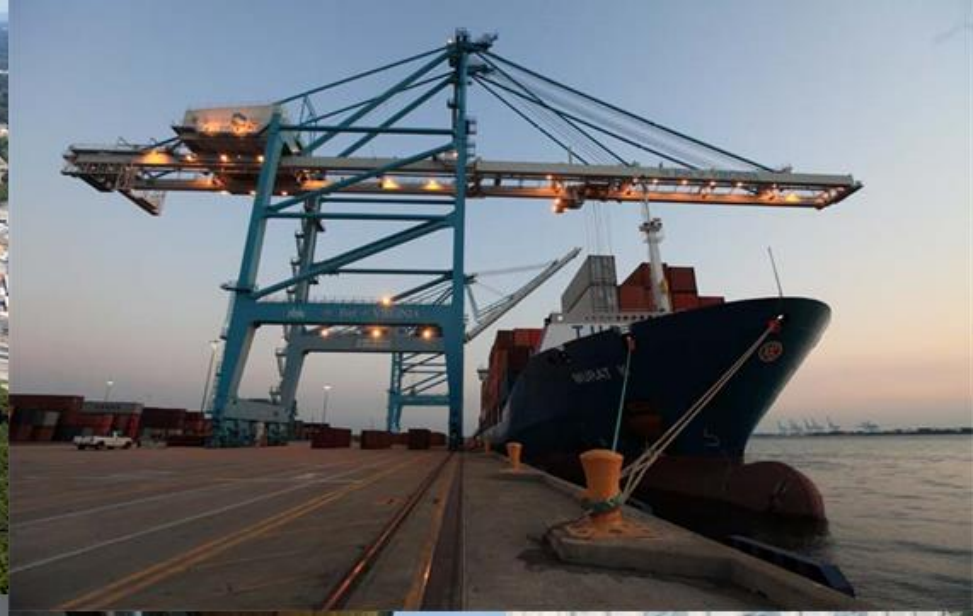
- **Operating Expenses:** To reduce pressure on property taxes in Northern Virginia, *Budget Item 433.I* provided $153M to address 50% of the increase in operating needs for Metro for FY2027-2028.

- **Capital and Operating Expenses:** For cities and counties within Planning District 8, *Virginia Code § 58.1-605.1 and § 58.1-606.1* authorized local option 1% sales and use tax for public transportation and/or school construction in order to address public transit needs, including Metro, in Northern Virginia.

- *Virginia Code § 33.2-3404* provides an affirmative requirement on the cities and counties that comprise the Northern Virginia Transportation Commission (NVTC) to fund their proportionate share of Metro capital costs.

- *Virginia Code § 33.2-1526.1* requires Metro to report on operating and capital costs, and to contain future cost increases to less than three percent annually.







Passes
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