COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

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Chairperson

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Agenda item # 18

RESOLUTION
OF THE
COMMONWEALTH TRANSPORTATION BOARD

October 13, 2026

MOTION

Made By: Mr. Payne, **Seconded By:** Mr. Good
Action: Motion Carried, Unanimously

Title: Adoption of Updated Six-Year Improvement Program Development and Management Policy

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 (SYIP) of anticipated projects and programs and that the SYIP shall be based on the most recent official revenue forecasts and a debt management policy; and

WHEREAS, the Board believes it is in the public interest that transportation funds be programmed to projects and strategies that demonstrate the ability to address identified transportation needs in a cost-effective manner and that such programming of funds be prioritized to advance critical projects and strategies as quickly as possible; and

WHEREAS, on March 19, 2024, the Board adopted a Six-Year Improvement Program Development Policy; and

WHEREAS, since adoption of the Six-Year Improvement Program Development Policy by the Board in March 2024, the value and number of projects advancing in the SYIP have continued to increase; and

WHEREAS, VDOT has implemented a Portfolio Management approach for the development and delivery of projects included in the SYIP to ensure financial resources under

the purview of the Board are fully leveraged and with a focus on the timely and efficient delivery of projects within expected project development time frames; and

WHEREAS, any future changes to such project development time frame expectations will be shared with the Board as appropriate; and

WHEREAS, the Board believes that the Six-Year Improvement Program Development and Management Policy, as set forth in Attachment A, should be adopted and used to guide development and management of the SYIP.

NOW THEREFORE, BE IT RESOLVED, that the Six-Year Improvement Program Development and Management Policy, as set forth in Attachment A, is approved; and

BE IT FURTHER RESOLVED, that the Board directs the Commissioner of Highways and the Director of the Department of Rail and Public Transportation to take all actions necessary to implement and administer this policy, including, but not limited to, update of technical, guidance, and policy documents to be consistent with the Six-Year Improvement Program Development and Management Policy adopted herein; and

BE IT FURTHER RESOLVED, that Board approval of this item replaces and supersedes the March 19, 2024 resolution titled "Six-Year Improvement Program Development and Management Policy."

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Attachment A
Six-Year Improvement Program Development and Management Policy (October 13, 2026)

I. Overview

The Six-Year Improvement Program (SYIP) is developed annually and identifies the planned use of funds available for highway construction and rail and public transportation. For highway construction, the SYIP identifies for each project, the timing, amount, and type of funding planned to be available over the upcoming six years. The rail and transit programs in the SYIP identify the planned uses of available funding for transit and rail capital as well as the planned support for transit operations and other programs administered by the Virginia Department of Rail and Public Transportation (DRPT) for the next year.

Section 2.2-229 of the Code of Virginia charges the Office of Intermodal Planning and Investment (OIPI) to oversee and coordinate with the Department of Transportation (VDOT) and DRPT the development of, for the Commonwealth Transportation Board's (the Board's) approval, the SYIP of the Board pursuant to § 33.2-214. Furthermore, VDOT and DRPT shall coordinate in the development of the SYIP regarding items of mutual responsibility. The SYIP shall be based on the most recent official revenue forecasts and a debt management policy adopted by the Board in consultation with the Debt Capacity Advisory Committee and the Virginia Department of the Treasury.

The basis for the Draft Six-Year Financial Plan (SYFP) and Draft SYIP is driven by the official December revenue forecast provided by the Department of Taxation and program assumptions in the Governor's proposed budget. A Draft SYFP and Draft SYIP, based on these program assumptions as well as other data and programmatic assumptions are generally presented to the Board in April of each year. This is followed by a series of public meetings across the state. Data and assumptions that form the basis for the Draft SYFP and Draft SYIP are revised based on General Assembly actions and the Commonwealth's final biennial budget approved by the General Assembly and signed by the Governor and incorporated into the Final SYFP and Final SYIP presented to the Board for adoption in June of each year.

II. Key Funding Programs Included in the SYIP

A. Highway Construction Funding Programs
- State of Good Repair Program (SGR) pursuant to § 33.2-369; and
- High Priority Projects Program (HPP through SMART SCALE) pursuant to § 33.2-370; and
- Innovation and Technology Transportation (ITTF) pursuant to § 33.2-1531; and
- Highway Construction District Grant Programs (DGP through SMART SCALE) pursuant to § 33.2-371; and
- Unpaved Roads pursuant to § 33.2-359; and
- Interstate Operations and Enhancement Program (IOEP) pursuant to § 33.2-372; and

- Virginia Highway Safety Improvement Program (VHSIP) pursuant to § 33.2-373; and
- Special Structures Program pursuant to §33.2-374; and
- Revenue Sharing Program (RS) pursuant to §33.2-357; and
- Surface Transportation Block Grant Program set-aside for Transportation Alternatives (TAP) pursuant to § 11109 of the Infrastructure Investment and Jobs Act (IIJA); 23 U.S.C. 133; and
- Bridge Rehabilitation and Replacement Program pursuant to Title VIII of Division J of the Infrastructure Investment and Jobs Act (Public Law 117-58, 135 STAT. 429, 1420); and
- Carbon Reduction Program pursuant to § 11403 of the IIJA; 23 U.S.C. 175; and
- PROTECT Program pursuant to §11405 of the IIJA; 23 U.S.C. 176; and
- National Electric Vehicle Infrastructure Program pursuant to Title VIII of Division J of the Infrastructure Investment and Jobs Act (Public Law 117-58, 135 STAT. 429, 1421); and
- Congestion Mitigation and Air Quality Improvement Program (CMAQ) pursuant to § 11115 of the IIJA; 23 U.S.C. 149; and
- Regional Surface Transportation Program (RSTP) pursuant to § 11109; 23 U.S.C. 133.

B. Rail and Public Transportation Programs

- Transit programs pursuant to §33.2-1526.1 and 33.2-3401, including statewide operating assistance; statewide capital assistance; special; ridership incentive; WMATA operating and capital assistance; commuter assistance; human service transportation; planning, regulation, and safety; and WMATA dedicated; and
- Rail programs pursuant to §33.2-1526.4 and 33.2-1602, including rail preservation and planning and freight rail.
- Formula grant and discretionary funding distributed to DRPT and its rail and transit partners by the Federal Transit Administration and the Federal Railroad Administration.

III. Projects in the SYIP

VDOT and DRPT solicit applications on an annual basis, evaluate and prioritize potential projects based upon Board policies, and selected projects are reflected within the six-year horizon of the SYIP.

Highway Construction Program

Projects are included in the highway construction portion of the SYIP if they are funded through one or more of the Board's funding programs and/or administered by VDOT.

In general, it is the Board's intent to demonstrate commitment to projects selected for funding in the SYIP through one of the Board's funding programs by fully funding the projects through

construction. Section 33.2-214 of the Code of Virginia states that the Board shall only include a project or program wholly or partially funded with funds from the State of Good Repair Program pursuant to § 33.2-369, the High Priority Projects Program pursuant to § 33.2-370, the Highway Construction District Grant Programs pursuant to § 33.2-371, the Interstate Operations and Enhancement Program pursuant to § 33.2-372, or capital projects funded through the Virginia Highway Safety Improvement Program pursuant to § 33.2-373 in the Six-Year Improvement Program if the allocation of funds from those programs and other funding committed to such project or program within the six-year horizon of the Six-Year Improvement Program is sufficient to complete the project or program.

Rail and Public Transportation Program

Projects are included in the SYIP if they are funded through the Commonwealth Mass Transit Fund, the Washington Metropolitan Area Transit Authority Capital Fund, the Commonwealth Rail Fund, FREIGHT (Rail Grant), or the Shortline Railway Preservation and Development program.

IV. Timing of Updates to Various Funding Programs in the SYIP

Updates to various funding program in the SYIP will be as follows:

A. Allocations available in the following funding programs will be programmed in the SYIP annually:
   - Transit Programs pursuant to §33.2-1526.1(D); and
   - Freight Rail Programs pursuant to §33.2-1526.4 (DRPT share only) and §33.2-1602; and
   - State of Good Repair Program pursuant to §33.2-369; and
   - Regional Surface Transportation Program funds provided to metropolitan planning organizations pursuant to § 11109 of the IIJA; 23 U.S.C. 133; and
   - Congestion Mitigation Air Quality funds pursuant to § 11115 of the IIJA; 23 U.S.C. 149; and
   - Highway Safety Improvement Program pursuant to § 33.2-373; and
   - Special Structures Fund pursuant to §33.2-1532.

B. Allocations at least equivalent to those available in the fifth and sixth year of the SYIP under development for the following funding programs will be programmed in even-numbered fiscal year SYIP updates:
   - High Priority Projects Program pursuant to §33.2-370; and
   - Highway Construction District Grants Program pursuant to §33.2-371.

C. Development of the SMART SCALE program will be in accordance with the Board's Policy and Guide for Implementation of the SMART SCALE Project Prioritization Process according to the following schedule:

- October – Release of list of submitted projects to the Board and the public.

- No later than the December Board meeting
  - Consideration of a resolution to identify up to two additional projects to be evaluated and considered for funding, if necessary.
- January Board meeting
  - Release the results of the screening and analysis of candidate projects and strategies, including the weighting factors and the criteria used to determine the value of each factor no later than 150 days prior to a vote on such projects or strategies to the Board and the public pursuant to § 33.2-214.2.
  - Release and discussion of a preliminary funding scenario determined as follows
    - For purposes of determining priorities, scores will be based on benefit relative to SMART SCALE request. Scores based on benefit relative to total cost will also be provided to the Board for their consideration.
    - Step 1 – Fund top scoring projects within each district eligible for Highway Construction District Grant Program funds using Highway Construction District Grant Program funds until remaining funds are insufficient to fund the next highest scoring project.
    - Step 2 – Fund top scoring projects statewide eligible for High Priority Projects Program funds using High Priority Projects Program funds until funds are insufficient to fund the next highest scoring project.
    - Remaining balances will be reserved for allocation in a subsequent round or to address budget adjustments on selected projects according to the thresholds established in the SMART SCALE Prioritization Policy.
- April Board meeting
  - Release of the Draft SYIP, incorporating the preliminary funding scenario, for review and comment.
- May Board meeting
  - Consideration of proposed modifications to the preliminary funding scenario.
- June Board Meeting
  - Consideration of the proposed Final SYIP, incorporating approved modifications to the preliminary funding scenario, for adoption.

D. Allocations equivalent to those available in the first and second year of the SYIP under development for the following funding program will be programmed in odd-numbered fiscal year SYIP updates:
   - Surface Transportation Block Grant set-aside for Transportation Alternatives pursuant to § 11109; 23 U.S.C. 133.

E. Allocations at least equivalent to those available in the third and fourth year of the SYIP under development for the following funding program will be programmed in odd-numbered fiscal year SYIP updates:
   - Revenue Sharing Program pursuant to §33.2-357.

V. Management of the SYIP

A. Subject to the provisions governing each funding program, the Board may adjust the timing of funds programmed to projects from previously adopted programs to meet the cash flow needs of the individual projects, maximize the use of federal funds, or to address revised revenue projections and project priorities.

B. Consistent with the Board's Systematic Review of Funding Policy, as last amended on February 18, 2015, and subject to federal/state eligibility requirements and the provisions governing each of these funding programs, as part of the annual SYIP update, funds no longer needed for the delivery of a project will be reallocated.

C. In the event of a reduced revenue forecast that impacts the funds available to support the projects previously committed to by the Board, the Board will maintain its commitment to previously approved projects by committing funds from a subsequent solicitation cycle. In the event of an increased revenue forecast that impacts the funds available for a previous solicitation cycle, the additional funds will be reserved to address budget adjustments on existing projects selected within those programs or reserved for allocation in the next solicitation cycle for those programs.

D. Subject to the provisions governing each of these programs, the scope of a project selected for funding by the Board should not be substantially modified in such a manner that the selected project no longer accomplishes substantially similar purpose and benefits as the original scope.

E. Subject to the provisions governing each of these programs, in the event the anticipated cost to deliver a project exceeds the approved budget, efforts must be made to review the scope of the project for opportunities to modify or reduce scope to bring the cost back in line with the original budget while maintaining similar benefits.

F. Subject to the provisions governing each of these programs, a project that has been selected for funding must be initiated and at least a portion of the programmed funds expended within one year of the budgeted year of allocation or funding may be subject to reprogramming. Additionally, once a project has been initiated, projects are expected to efficiently progress to construction within expected project development timeframes and in a manner consistent with the VDOT Commissioner's Memorandum for Portfolio Management dated September 4, 2026, including any future supplements to such guidance.

G. Subject to the provisions governing each of these programs, in the event that a project is not advanced to the next phase of construction within the Department's expected project development timeframes, the Department will make a recommendation to the Board to (i) cancel the project, (ii) deallocate project funding, or (iii) request additional action.

H. In the event a locally-administered project is not advanced to the next phase of construction when requested by the Board, the locality may be required, pursuant to §33.2-214 of the Code of Virginia, to reimburse VDOT for all state and federal funds expended on the project.

I. VDOT will provide to the Board, not less than annually and in conjunction with Draft SYIP development processes, information regarding projects making slow progress toward construction for its use in informing the selection of additional projects for inclusion in the SYIP.

J. Transfers of allocations programmed to projects in the approved SYIP necessary to release funds no longer needed for the delivery of the projects or to provide additional allocations to support the delivery of eligible projects in the approved SYIP consistent with Board priorities for programming funds and federal/state eligibility requirements, will be provided to the Board on a monthly basis, per the Board's resolution to adopt the Six-Year Improvement Program and Rail and Public Transportation Allocations For Fiscal Years 2027 – 2032, as revised.

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CTB Decision Brief

Adoption of Updated Six-Year Improvement Program Development and Management Policy

Issue: Commonwealth Transportation Board (Board) policies are systematically reviewed on an ongoing basis to identify those that are outdated or obsolete. The Six-Year Improvement Program (SYIP) Development and Management Policy was adopted by the Board in March 2024. Since March 2024, VDOT has implemented a Portfolio Management approach to executing the SYIP which outlines expected durations for projects to reach construction once being added to the SYIP. Several individual funding programs have minimal references to timeline expectations for delivery and VDOT will apply such expectations across all projects in the SYIP regardless of funding program. Updates to the SYIP Development Policy are needed.

Facts: Section 33.2-214(B) of the Code of Virginia requires the Board to adopt by July 1st of each year an SYIP of anticipated projects and programs and that the SYIP shall be based on the most recent official revenue forecasts and a debt management policy. On March 19, 2024, the Board adopted an SYIP Development and Management Policy. The current policy sets out the timing for allocating key funding programs, establishes the Board's general intent to fully fund projects through construction, and establishes high level policy parameters for projects and programs advancing in the SYIP.

Since adoption of the Six-Year Improvement Program Development and Management Policy by the Board in March 2024, VDOT has implemented a Portfolio Management approach to executing development and delivery of projects in the SYIP.

At its July 21, 2026 meeting, the Board was presented Development and Delivery Results - Preliminary FY2026 Data as of 7/14/2026 with information pertaining to VDOT's Portfolio Management approach including:

- Observations from past years of VDOT Project Dashboard monitoring which measured success on the percentage of projects delivered on time
- Updates on the Construction Backlog whereas projects scheduled to go to construction in previous fiscal years are prioritized for recovery and critical decision making to ensure inflation does not erode the value and benefits of selected projects
- Information for VDOT's updated approach to focus on leading performance indicators that prioritize project delivery targets based on project value and benefit rather than project count
- Summary information regarding the VDOT Commissioner's Executive Memorandum for Portfolio Management outlining expectations of VDOT and Locality staff in the delivery of projects within expected timelines to successfully leverage the financial resources in the SYIP

At its September 15, 2026 meeting, the Board was presented Development and Delivery Continued - Proposed Updates to SYIP Development and Management Policy, discussing proposed revisions to the SYIP Development and Management Policy. Proposed revisions including the following information pertaining to policy changes related to expected project timeframes:

- Update to require that once projects in the SYIP have been initiated, they are expected to progress to construction within expected project development timeframes and in a manner consistent with the VDOT Commissioner's Memorandum for Portfolio Management dated January 29, 2025, including any future supplements to such guidance.
- Update to require that if projects do not progress to the next phase of construction within the Department's expected timeframes, the Department will make a recommendation to the Board to (i) cancel the project, (ii) deallocate project funding, or (iii) request additional action.
- The policy continues requirements that pursuant to 33.2-214 of the Code of Virginia stating that in the event a locally-administered project is not advanced to the next phase of construction when requested by the Board, the locality may be required to reimburse VDOT for all state and federal funds expended on the project.
- Requires VDOT to report to the Board, not less than annually and in conjunction with Draft SYIP development processes, information regarding projects making slow progress toward construction for its use in informing the selection of additional projects for inclusion in the SYIP.
- The policy continues to authorize the Board to make monthly transfers of allocations no longer needed for the delivery of projects or to provide additional allocations to support the delivery of eligible projects.

Aside from those noted above the Revised Policy does not include any new or revised provisions not already included in another CTB Policy, federal or state code, or existing funding program requirements.

The Board was provided a Draft Revised Six-Year Improvement Program Development and Management Policy and a summary of the proposed revisions.

Recommendation: VDOT recommends that the Board approve the Six-Year Improvement Program Development and Management Policy (October 13, 2026).

Action Required by CTB: The CTB will be presented with a resolution for a formal vote to approve the revised Six-Year Improvement Program Development and Management Policy and to replace and supersede the March 19, 2024 Policy.

Result, if Approved: If approved, the Revised Six-Year Improvement Program Development and Management Policy (October 13, 2026) will replace and supersede the March 19, 2024 resolution titled "Updated Six-Year Improvement Program Development and Management Policy."

Options: Approve, Deny, or Defer.

Public Comments/Reactions: None