

FY 2009 - 2014
Six-Year Improvement Plan Update

Reta R. Busher, CFO

November 19, 2008

Revenue Outlook

- The October estimate of state transportation revenues for FY 2009 – 2014 is $1.6 billion less than what was anticipated in June 2008.

- The final official revenue forecast will be provided by the State Department of Taxation in December.

Revenue Outlook

The federal revenue outlook is uncertain:

- **In addition to the impacts of the economic downturn, SAFETEA-LU will expire at the end of federal fiscal year 2009**

- **Current forecasts for the Federal Highway Trust Fund indicate it will be out of cash at that time**

Revenue Outlook

- The structure and funding levels of the next federal transportation authorizing legislation is unknown.
- We are continuing to forecast federal revenue growth based on Virginia's estimated fuel consumption growth.
- To protect from over programming, federal funds are being held in reserve in the amount of $424.4 million.

Revised SYIP

All of VDOT's programs will be impacted by the revenue reductions:

- **The revised SYIP will reflect the impact of the revised revenues to the construction and maintenance programs.**
- **Reductions will be seen in the state formula distributions and in other dedicated and statewide construction amounts.**

Commonwealth Transportation Fund
Revenue Summary
FY 2009 - 2014

(amounts in millions)

	Fiscal Year									
	2009			2010			2011-2014			
	June 2008 Adopted	Revised - October Forecast	Difference	June 2008 Adopted	Revised - October Forecast	Difference	June 2008 Adopted	Revised - October Forecast	Difference	Total Change
State Transportation Revenues										
HMOF	$ 1,486.3	$ 1,322.3	$ (164.0)	$ 1,515.0	$ 1,332.1	$ (182.9)	$ 6,364.3	$ 5,704.4	$ (659.9)	$ (1,006.8)
TTF	988.8	914.2	(74.6)	1,027.1	941.2	(85.9)	4,446.0	4,174.7	(271.3)	(431.8)
PTF (From TTF)	159.5	152.3	(7.2)	164.8	149.9	(14.9)	734.5	676.7	(57.8)	(79.9)
Local and Other Revenues	460.4	460.4	(0.0)	375.7	374.8	(0.8)	1,417.6	1,304.8	(112.8)	(113.6)
Total	**3,095.0**	**2,849.2**	**(245.8)**	**3,082.6**	**2,798.0**	**(284.5)**	**12,962.4**	**11,860.6**	**(1,101.8)**	**(1,632.1)**
Federal Revenues	**1,149.9**	**1,149.9**	**-**	**1,016.7**	**1,015.8**	**(0.9)**	**4,156.1**	**4,000.6**	**(155.5)**	**(156.4)**
Federal Contingency/Reserve	-	-	-	-	*(84.2)*	*(84.2)*	-	*(340.1)*	*(340.1)*	*(424.4)*
Total Revenues (Net Reserve)	**4,245.0**	**3,999.1**	**(245.8)**	**4,099.3**	**3,729.7**	**(369.6)**	**17,118.6**	**15,521.1**	**(1,597.5)**	**(2,212.9)**
Other Financing Sources										
Capital Improvement Bonds *(To Be Adjusted)*	425.0	425.0	-	300.0	300.0	-	1,100.0	1,100.0	-	-
Total Revenues and Other Financing Sources (Net Reserve)	**$ 4,670.0**	**$ 4,424.1**	**$ (245.8)**	**$ 4,399.3**	**$ 4,029.7**	**$ (369.6)**	**$ 18,218.6**	**$ 16,621.1**	**$ (1,597.5)**	**$ (2,212.9)**

Estimated Construction Impacts

- The Interstate program is expected to be reduced by 5 to 10% in the current year and up to 25% in years FY 2010-2014.
- State Formula construction funds for Primary, Secondary and Urban will be reduced by 15 to 20% in the current year and up to 45% in years FY 2010-2014.
- The total construction program, including Dedicated and Statewide construction funds, will see reductions of 5 to 10% in the current year and up to 20% in years FY 2010-2014.

Next Steps

December CTB Meeting:

- **Balancing FY 2009 and FY 2010 budgets to final revenue reductions.**
- **Reviewing Service Level reductions.**
- **Finalizing the Program reductions.**

Month of January: (Tentative)

- **Program Public Hearings (5)**
- **Adopt revised FY 2009-2014 Six-Year Improvement Program.**



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