



COMMONWEALTH *of* VIRGINIA

Office of the

SECRETARY *of* TRANSPORTATION

Transportation Funding Update: Impact of COVID-19 Pandemic

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December 3, 2020



2020 Began Strong

Several significant transportation measures came out of the 2020 General Assembly Session

- **Governor's Omnibus transportation package**
- **Creation of the Central Virginia Transportation Authority**
- **Hampton Roads Regional Transit Program**

Addressing COVID-19

The impacts of the pandemic began in March

- **Necessary restrictions put in place**
- **Telework became dominant**
- **Traffic volumes fell**
- **Revenues dropped**

The August Interim transportation revenue forecast down a combined total of \$750 million for FY2021 and FY2022

Virginia kept construction and maintenance activities moving

- **Kept workforce employed**
- **Reduced traffic volumes allowed some construction and maintenance activities to accelerate**

Addressing COVID-19: Budget Impacts

Our goal was to protect existing programs and projects

An amendment to the Budget (Chapter 1289) permitted the Commonwealth Transportation Board (CTB) to delay the update of the Six-Year Improvement Program (SYIP) until a new revenue forecast reflecting the impacts of the pandemic was available

Working with the Governor, a budget amendment was introduced and passed in the Special Session to provide Transportation additional flexibility to help mitigate the short-term revenue shortfalls

- **Timing of Revenue Sharing project funding**
- **Use of Revenue Sharing uncommitted balances**
- **State of Good Repair (SGR) and SMART SCALE (SC) project funding flexibility**
- **Transit and Operating flexibility**

Addressing COVID-19: Budget Flexibility

Using the budget flexibility, the CTB is able to utilize \$445 million of previous revenue sharing project allocations that are not needed at this time as revenues in FY2021 and 2022

These allocations will be returned to the respective projects by FY2024 as needed to support the existing project schedules

No project will be delayed as a result of these actions

The budget flexibility also supports the repurposing of \$50 million of uncommitted previous revenue sharing allocations to further offset the anticipated revenue reductions

Implementation of Revenue Sharing Flexibility

Funds made available for CTF Distribution	(\$ in millions)
Previously allocated Revenue Sharing Funding	\$445.1
Balance Entry/Deallocated Revenue Sharing	49.9
Total	\$495.0

(\$ in millions)

	2021	2022	2023	2024	2025	2026
Updated Revenue Sharing Allocation	\$99.6	\$110.1	\$127.3	\$108.1	\$100.0	\$100.0
	Scheduled allocation for previously allocated Revenue Sharing Projects (\$445.1 million)				Allocation for pending allocation	

Implementation of Revenue Sharing Flexibility

	Number of Projects	State Match in Previous to be Provided by FY2024 (\$ in millions)
Bristol	6	\$8.2
Culpeper	18	\$16.9
Fredericksburg	12	\$27.2
Hampton Roads	55	\$144.9
Lynchburg	14	\$10.3
Northern Virginia	65	\$142.5
Richmond	55	\$51.8
Salem	36	\$18.9
Staunton	29	\$24.3
Deallocations		\$49.9
Grand Total	290	\$495.0

- Planned funding were presented to the CTB and posted online in October and again in November 2020
- No project schedules are delayed
- No funding commitments are reduced

Addressing COVID-19: Budget Flexibility

The flexibility supports funding transportation programs at the levels anticipated for FY2021 – 2023 in the FY2020 - 2025 Six-Year Financial Plan (SYFP) approved by the CTB in June 2019

The new programs and funding initiatives made possible by the Omnibus will be phased in during 2021 through 2023 leading to the full implementation of the new Omnibus funding formulas in FY2024

Will provide for the WMATA PRIIA match and begin dedicating funding for Special Structures in FY2022

FY2021-2026 SYIP COVID-19 Update Plan

This update is largely based on addressing the COVID-19 revenue impacts in FY2021 and 2022

It incorporates the actions approved to date amending and modifying the FY2020-2025 SYIP

- **Updates various federal and state funding programs through amendment and transfer actions approved by the CTB through November 2020**
- **Continues to advance approved projects according to existing schedules**

FY2021-2026 SYIP COVID-19 Update Plan

Update is focused on specific funding programs based on funding levels in the FY2020-2025 SYIP

- **Current Solicitation Cycles for SGR Local and VDOT Bridges and Revenue Sharing**
 - Add new FY2021 selected Local and VDOT bridges, leaving FY2026 un-programmed
 - Add new FY2021/2022 selected Revenue Sharing projects using FY2025-2026 allocations
- **Implement the Revenue Sharing Adjustments supported by the Budget Flexibility**
 - Allocations will be replaced by FY2024 as necessary to support current project schedules
 - No funding commitments will be reduced and no projects will be delayed due to the proposed allocation restructuring strategy
 - Biennial solicitation cycle will continue with awards in the last two years of the SYIP

FY2021-2026 SYIP COVID-19 Update Plan

The planned actions permitted by the budget flexibility were reported to the Governor, the Chair of the Senate Finance and Appropriations Committee and the Chair of the House Appropriations Committee on November 24th

The CTB will take action at its December meeting

- **Approval of FY2021/2022 recommended Revenue Sharing projects**
- **Approval of FY2021 recommended SGR Local and VDOT Bridge projects**
- **Adoption of the FY2021-2026 SYIP COVID-19 Update**

FY2022 - 2027 SYIP Update Cycle

The development of the full FY2022-2027 SYIP Update will begin in January

- **Actual revenues through October 2020 are performing better than the Interim Forecast**
- **It will be based on an updated December 2020 revenue forecast**
- **The new transportation funding formula and distribution factors will be incorporated**
- **Adjustments will be made to the I-81 program to reflect the updated program revenues and debt financing assumptions**
 - Project schedules will not be impacted
- **Will include Round 4 of SMART SCALE**



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Thank you!

