Transportation Investments Support Multiple Policy Objectives

**Department of Transportation**
- 128,500 lane miles
- 21,000 bridges and structures
- 25 Special Structures
- 41 rest areas / welcome centers
- 114 commuter parking lots
- 7,735 FTEs

**Department of Rail and Public Transportation**
- 173.5 million passenger trips
- 125 billion ton-miles of freight
- 27,000 jobs

**Virginia Port Authority**
- 6 commercial facilities
- 2.9 million TEUs
- $1.1 billion local taxes
- 343,000 jobs

**Department of Motor Vehicles**
- $2.9 billion revenue
- 5.9 million licensed drivers
- 8.4 million registered vehicles
- 75 customer service centers
- 13 weigh stations
- 2,080 FTEs

**Motor Vehicle Dealer Board**
- 4,450 automobile dealers
- 19,000 licensed salespersons

**Commercial Spaceflight Authority**
- 2 launch facilities
- Payload Processing Facility
- Dedicated UMS Testbed

**Department of Aviation**
- 66 public airports
- 27 million enplanements
- 3,400 registered aircraft
- 147,000 jobs

**FY21 Appropriation**
- $9.7 billion

**Population**
- 8.5 million
Outline

1. 2020 Session Recap
2. Regional Funding Programs
3. Impacts of COVID-19 on Transportation Revenues
4. 2021 Session Outlook
2020 SESSION RECAP
2020 Session: Evolution in Funding

- Comprehensive state and regional funding legislation forecast to generate approximately $1.2 billion in new revenues over the biennium, including:
  - Omnibus State and Regional Funding (HB1414/SB890);
  - Northern Virginia Regional Funding (HB1414/SB890);
  - I-81 Regional Construction (HB1414/SB890);
  - Hampton Roads Regional Transit (HB1726/SB1038); and
  - Central Virginia Transportation Authority (HB 1541).

<table>
<thead>
<tr>
<th>($ in millions)</th>
<th>FY 2021</th>
<th>FY 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statewide Formula Funds</td>
<td>$159.9</td>
<td>$368.4</td>
</tr>
<tr>
<td>Dedicated Construction District Fund</td>
<td>106.3</td>
<td>115.4</td>
</tr>
<tr>
<td>Northern Virginia Transportation Authority Fund*</td>
<td>5.5</td>
<td>33.2</td>
</tr>
<tr>
<td>Hampton Roads Regional Transit Fund*</td>
<td>28.5</td>
<td>34.3</td>
</tr>
<tr>
<td>Central Virginia Transportation Authority Fund</td>
<td>146.4</td>
<td>198.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$446.6</strong></td>
<td><strong>$749.5</strong></td>
</tr>
</tbody>
</table>

*Discounted for delayed enactments.
Dynamic Statewide and Regional Revenues

- Standardized motor fuels taxes for both statewide and regional transportation programs, including areas where not previously imposed for a regional authority.
  - Increased the state motor fuels tax by 10 cents over two years.
  - Uniform combined state and regional gas tax of $0.338 per gallon when fully implemented.
  - Indexes state and regional fuels taxes to CPI, instead of the sales price of fuel, to adjust revenues as the costs of materials increase.

- Established new Highway Use Fee for highly fuel-efficient vehicles.
- Reduced most passenger vehicle registration fees by $10.
  - Eliminated additional $5 in-person DMV service fee.
- Authorized $2.0 billion in transportation debt instruments backed by dedicated revenue sources to accelerate improvements to I-81 and increase passenger rail capacity.
### Gas Prices Do Not Appear Affected by Gas Taxes

**March 2020**

<table>
<thead>
<tr>
<th>State</th>
<th>Avg. Gas Price</th>
<th>Gas Tax</th>
<th>Tax Delta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virginia</td>
<td>$2.06</td>
<td>$0.22</td>
<td>--</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>1.92</td>
<td>0.20</td>
<td>($0.02)</td>
</tr>
<tr>
<td>Ohio</td>
<td>1.97</td>
<td>0.385</td>
<td>0.165</td>
</tr>
<tr>
<td>Indiana</td>
<td>1.98</td>
<td>0.466</td>
<td>0.246</td>
</tr>
<tr>
<td>Kentucky</td>
<td>2.00</td>
<td>0.26</td>
<td>0.04</td>
</tr>
<tr>
<td>North Carolina</td>
<td>2.07</td>
<td>0.363</td>
<td>0.143</td>
</tr>
<tr>
<td>Georgia</td>
<td>2.07</td>
<td>0.344</td>
<td>0.124</td>
</tr>
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</table>

**November 2020**

<table>
<thead>
<tr>
<th>State</th>
<th>Avg. Gas Price</th>
<th>Gas Tax</th>
<th>Tax Delta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virginia</td>
<td>$2.02</td>
<td>$0.294</td>
<td>--</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>1.79</td>
<td>0.20</td>
<td>($0.09)</td>
</tr>
<tr>
<td>Ohio</td>
<td>2.05</td>
<td>0.385</td>
<td>0.091</td>
</tr>
<tr>
<td>Indiana</td>
<td>2.05</td>
<td>0.476</td>
<td>0.182</td>
</tr>
<tr>
<td>Kentucky</td>
<td>1.91</td>
<td>0.26</td>
<td>(0.034)</td>
</tr>
<tr>
<td>North Carolina</td>
<td>1.94</td>
<td>0.363</td>
<td>0.069</td>
</tr>
<tr>
<td>Georgia</td>
<td>1.92</td>
<td>0.322</td>
<td>0.028</td>
</tr>
</tbody>
</table>

Commonwealth Transportation Fund (CTF)

• Legislative changes unified and simplified Virginia’s dedicated transportation funding sources, including:
  • 0.9% retail sales and use tax;
  • 4.15% motor vehicle sales and use tax;
  • All motor fuels taxes, IFTA road tax, and alternative fuels;
  • Motor Vehicle and Truck Registration Fees (less DMV dedicated amounts);
  • 1/3 of state insurance premium taxes;
  • $0.03 recordation tax;
  • 3% vehicle rental tax; and
  • Highway use fees.

Changes to revenues sources provide a more balanced funding portfolio.

FY 21
$3.6 B

- Motor Fuels Tax 28%
- Motor Vehicles Sales Tax 26%
- Retail Sales Tax 29%
- All Other Revenue 17%
- All Other Revenue 17%
Stable State Revenues are Critical to Project Funding

- State CTF revenues are approximately half of annual transportation revenues.
  - Other major funding sources include: federal funds, local project participation revenues and dedicated regional funds.

- Project participation revenues and concession payments enhance project financing.

- Federal Revenues stable at FY 20 level.
  - Continuing Resolution signed in October.

- Initial spending plan also includes reallocation of prior year revenue in FY 2021 totaling $495 million from Revenue Sharing.

<table>
<thead>
<tr>
<th>($ in millions)</th>
<th>FY 2021</th>
<th>FY 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commonwealth Transportation Fund</td>
<td>$3,560.6</td>
<td>$3,869.3</td>
</tr>
<tr>
<td>Prior Year Funding*</td>
<td>303.7</td>
<td>191.4</td>
</tr>
<tr>
<td>Local &amp; Regional Project Participation</td>
<td>1,643.6</td>
<td>1,075.7</td>
</tr>
<tr>
<td>Federal Funds</td>
<td>1,153.3</td>
<td>1,154.5</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>602.9</td>
<td>608.9</td>
</tr>
<tr>
<td>GARVEE Bonds</td>
<td>98.0</td>
<td>-</td>
</tr>
<tr>
<td>Capital Improvement Bonds</td>
<td>50.0</td>
<td>-</td>
</tr>
<tr>
<td>Route 58 Bonds</td>
<td>-</td>
<td>218.4</td>
</tr>
<tr>
<td>Regional Transportation Funds</td>
<td>610.8</td>
<td>677.8</td>
</tr>
<tr>
<td>WMATA Capital</td>
<td>116.8</td>
<td>116.8</td>
</tr>
<tr>
<td>Total</td>
<td>$7,835.9</td>
<td>$7,721.3</td>
</tr>
</tbody>
</table>

*Prior year funding not included in total.
Prior Allocation Model was Opaque

Major State Revenues

International Registration Plan
- $15 per trip
- Distribution: HMOF

Motor Vehicle License Fees
- Base car: $40.75
- Distribution: HMOF $26
- TTF $3

Sales Tax on Motor Fuels
- 5.1% gasoline
- 6% diesel
- Distribution: HMOF 80%
- TTF 11.3%
- Mass Transit Fund 3.7%
- DMV 1%

Motor Vehicle Sales and Use Tax
- 4.15%
- Distribution: HMOF 3.15%
- TTF 1%

Retail Sales and Use Tax
- 0.5% + 0.3% + 0.1% GF transfer
- Distribution: TTF 0.5%
- HMOF 0.175% + 0.1% GF transfer
- Mass Transit 0.075%
- IPROC 0.05%

Recordation Taxes
- 3 of the 25 cents per $100
- Distribution: TTF/Transit 3C

Insurance Premium Taxes
- 1/3 Dedicated to PTF

Motor Vehicle Rental Tax
- 25% TTF
- 50% Rail Enhancement Fund
- 25% WMATA Capital Fund

Commonwealth Transportation Fund (CTF)
- Major Transportation Revenues
- Applicable to Fiscal Year 2020

Interstate Funding Program
- HR 2718/SB 1716, 2019 Session
- Statewide Components:
  - Truck Registration Fees
  - Road Tax
  - Diesel Tax (FY 2022 start)

Highway Maintenance and Operating Fund (HMOF)
- Transportation Trust Fund (TTF) for Modal Distribution
- Priority Transportation Fund (PTF)
- Mass Transit
- Intercity Passenger Rail Operating and Capital Fund (IPROC)
- Rail Enhancement Fund
- Washington Metropolitan Area Transit Authority (WMATA) Capital Fund

Source: Virginia Department of Transportation.
New Streamlined Allocation Model Prioritizes Maintenance

Source: Virginia Department of Transportation.
Specific allocations for all modal agencies.

Additional SMART SCALE funding, particularly in districts without regional funds.

Increases transit funding by 45 percent.

Addresses long-term special structures funding needs.

Funds WMATA PRIIA match from dedicated ongoing revenues.

Increases funding for pavement maintenance.

Transportation Trust Fund (TTF) Allocation Formula Addresses Key Needs

<table>
<thead>
<tr>
<th>Program</th>
<th>Allocation (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Programs</td>
<td>53.0</td>
</tr>
<tr>
<td>Commonwealth Mass Transit Fund</td>
<td>23.0</td>
</tr>
<tr>
<td>Priority Transportation Fund</td>
<td>10.5</td>
</tr>
<tr>
<td>Commonwealth Rail Fund</td>
<td>7.5</td>
</tr>
<tr>
<td>Commonwealth Port Fund</td>
<td>2.5</td>
</tr>
<tr>
<td>Commonwealth Aviation Fund</td>
<td>1.5</td>
</tr>
<tr>
<td>Commonwealth Space Flight Fund</td>
<td>1.0</td>
</tr>
<tr>
<td>Department of Motor Vehicles</td>
<td>1.0</td>
</tr>
</tbody>
</table>
Highway Use Fee is Innovative and Progressive

- Imposes a highway use fee (HUF) on fuel efficient, alternative fuel and electric vehicles.
  - Repeals $64 vehicle license tax for electric vehicles.
- HUF is based on 85 percent of the difference between fuel tax paid by the average vehicle (23.7 miles per gallon) and the fuel tax paid by the fuel-efficient vehicle.
- Assumes average miles traveled by passenger vehicles in Virginia and combined fuel economy.

### Highway Use Fee Calculation (HUF)

<table>
<thead>
<tr>
<th>Average Fuel Economy (MPG)</th>
<th>23.7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Miles of Travel</td>
<td>11,600</td>
</tr>
<tr>
<td>Average Gallons of Gas</td>
<td>489.5</td>
</tr>
<tr>
<td>Base State Tax Per Gallon</td>
<td>$0.212</td>
</tr>
<tr>
<td>Annual Total State Tax</td>
<td>$103.76</td>
</tr>
<tr>
<td>Max HUF @ 85% of Total Tax</td>
<td>$88.20</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fuel Economy (MPG)</th>
<th>Avg. Annual Tax Paid</th>
<th>Diff. from Avg.</th>
<th>85%</th>
<th>HUF per mile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric</td>
<td>$0</td>
<td>$103.76</td>
<td>$88.20</td>
<td>$0.0076</td>
</tr>
<tr>
<td>23.7 MPG</td>
<td>$103.76</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>25 MPG</td>
<td>$98.37</td>
<td>$5.40</td>
<td>$4.59</td>
<td>$0.0004</td>
</tr>
</tbody>
</table>
Mileage-Based User Fee Pilot Program

- Voluntary program for drivers of vehicles subject to the Highway Use Fee to be implemented in July 2022.
  - Vehicle owners would pay a per-mile fee capped at the applicable Highway Use Fee.

- DMV-led workgroup for program development is underway with specific focus on:
  - Protection of personal information;
  - Methods to record, report and audit miles traveled; and
  - Program administration and fee collection.

<table>
<thead>
<tr>
<th>Task Force</th>
<th>Final Report</th>
<th>Program Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ongoing</td>
<td>December 15, 2021</td>
<td>July 1, 2022</td>
</tr>
<tr>
<td>Interim Report</td>
<td>Program Guidelines</td>
<td>Monitor &amp; Refine</td>
</tr>
<tr>
<td>July 1, 2021</td>
<td>May 15, 2022</td>
<td></td>
</tr>
<tr>
<td>Enabling Legislation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Changes to Mass Transit Funding Increased Focus on Operations

- Mass Transit Fund provides grants to support the operations of regional transit providers, including:
  - Dedicated funding for the Washington Metropolitan Area Transit Authority (WMATA);
  - Operating assistance and capital grants; and
  - Innovation and incentive programs.

- Transit Ridership Incentive Program (TRIP) to provide innovative incentives to increase ridership and improve services by encouraging:
  - Long-distance routes of regional significance;
  - Regional subsidy allocation models;
  - Integrated fare collection technologies; and
  - Reduce the impact of fares on low-income riders including fare reduction and fare elimination.

Transit funding allocation formulas dedicate 46.5% of all funds to WMATA.
Commonwealth Rail Fund consolidates Virginia’s commuter, intercity and freight rail programs including:

- Rail Enhancement Fund;
- Intercity Passenger Rail Operating and Capital Fund; and
- Funds previously allocated for VRE track access payments, the Atlantic Gateway and Long Bridge projects.

Established the Virginia Passenger Rail Authority as an independent political subdivision to promote, sustain, and expand the availability of passenger and commuter rail services for the purposes of:

- Ameliorating current and future congestion;
- Promoting industrial and economic development; and
- Authority is expressly prohibited from operating passenger, commuter, or freight rail services.

Authorized $1.0 billion in 9(d) revenue bonds supported by I-66 inside the Beltway toll revenues for construction of a new passenger rail bridge across the Potomac River and improvements and upgrades to the Rosslyn Metro Station.
REGIONAL TRANSPORTATION PROGRAMS
Dedicated Regional Funding Programs

- Almost $900 million annually is dedicated to regional transportation accounts that address regional mobility needs across the Commonwealth.
  - Increased funding streams for transit in Northern Virginia, Hampton Roads and Central Virginia.

<table>
<thead>
<tr>
<th>Region</th>
<th>Funding Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northern Virginia</td>
<td>Motor Fuels, Sales, Transient Occupancy, Grantors</td>
</tr>
<tr>
<td>Hampton Roads</td>
<td>Motor Fuels, Sales, Transient Occupancy, Grantors, State Recordation</td>
</tr>
<tr>
<td>Central Virginia</td>
<td>Motor Fuels, Sales</td>
</tr>
<tr>
<td>I-81 Corridor</td>
<td>Motor Fuels</td>
</tr>
<tr>
<td>Construction District</td>
<td>Motor Fuels</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Region</th>
<th>Funding Sources</th>
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<tbody>
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<td>Motor Fuels, Sales, Transient Occupancy, Grantors</td>
</tr>
<tr>
<td>Hampton Roads</td>
<td>Motor Fuels, Sales, Transient Occupancy, Grantors, State Recordation</td>
</tr>
<tr>
<td>Central Virginia</td>
<td>Motor Fuels, Sales</td>
</tr>
<tr>
<td>I-81 Corridor</td>
<td>Motor Fuels</td>
</tr>
<tr>
<td>Construction District</td>
<td>Motor Fuels</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>($ in millions)</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northern Virginia Transportation Authority Fund</td>
<td>$265.9</td>
</tr>
<tr>
<td>WMATA Capital Fund</td>
<td>141.2</td>
</tr>
<tr>
<td>Hampton Roads Transportation Fund</td>
<td>181.9</td>
</tr>
<tr>
<td>Hampton Roads Regional Transit</td>
<td>26.1</td>
</tr>
<tr>
<td>Central Virginia Transportation Fund</td>
<td>136.9</td>
</tr>
<tr>
<td>I-81 Corridor Improvement Fund</td>
<td>55.1</td>
</tr>
<tr>
<td>Dedicated Construction District Grant Fund</td>
<td>92.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$899.1</strong></td>
</tr>
</tbody>
</table>
Regional Funding Programs Address Regional Needs

**Interstate 81 (2019)**
- $2.2 billion in identified improvements
- Authorized debt of $1.0 billion
- Governed by I-81 Committee
- Program managed by VDOT

**Northern Virginia (2008)**
- Three regional entities for planning, construction, transit and rail
- Direct distribution of locality shares
- Joint-ownership of commuter rail

**Central Virginia (2020)**
- Regional transit operations
- Direct distribution of locality shares
- Remaining funds for regional transportation needs

**Hampton Roads (2013)**
- Separate regional construction and transit programs
- Toll-facility operations
COVID-19 IMPACT TO TRANSPORTATION PROGRAMS
COVID-19 Impact on State Transportation Revenues

- August 2020 reforecast assumes a reduction in transportation revenues of $870.7 million NGF, including:
  - FY 2020 - $121.0 million (actual) and
  - FY 2021-22 - $749.7 million (August forecast).

- Forecast reductions did not account for impact on regional revenues.
  - Existing regional authorities do not benefit from increased fuels tax rates, will provide more drag on local revenues.

- Collections through the first quarter suggest CTF revenues may be $100 million above the revised forecast.
  - Actual biennial reductions may be closer to $500 million.

<table>
<thead>
<tr>
<th></th>
<th>YTD Actual (%)</th>
<th>Annual Est. (%)</th>
<th>Var. (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor Fuels Tax</td>
<td>(8.1)</td>
<td>16.6</td>
<td>(24.7)</td>
</tr>
<tr>
<td>Recordation Tax</td>
<td>3.9</td>
<td>(1.2)</td>
<td>5.1</td>
</tr>
<tr>
<td>Motor Vehicle Sales Tax</td>
<td>(2.7)</td>
<td>(6.4)</td>
<td>3.7</td>
</tr>
<tr>
<td>Retail Sales Tax</td>
<td>10.9</td>
<td>(9.1)</td>
<td>20.0</td>
</tr>
<tr>
<td>Vehicle License Fees</td>
<td>(5.3)</td>
<td>(17.9)</td>
<td>12.6</td>
</tr>
<tr>
<td>All Other Revenues</td>
<td>63.2</td>
<td>20.7</td>
<td>42.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2.3</strong></td>
<td><strong>(1.5)</strong></td>
<td><strong>3.8</strong></td>
</tr>
</tbody>
</table>

Source: Secretary of Finance monthly presentation, October 2020.
Phased Implementation of Funding Formula was Planned

- Omnibus legislation contemplated flexibility in implementation of new formula allocations through FY 2023.
  - Enactment Clause 11 directs that the allocation of new revenues ensure appropriate coverage ratios on any outstanding debt and that funds for modal programs are at least maintained at the FY 2020 funding level.
  - HB 5005 provides the Commonwealth Transportation Board additional flexibility to reprogram up to $1.1 billion in revenues from currently planned.
    - Projects must be repaid within the Six-Year planning window.
    - One-month public comment period.

<table>
<thead>
<tr>
<th>HB 5005 Authorization</th>
<th>Estimated ($ in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Sharing – Active</td>
<td>$445.1</td>
</tr>
<tr>
<td>Revenue Sharing – Balances</td>
<td>49.9</td>
</tr>
<tr>
<td>State of Good Repair</td>
<td>71.1</td>
</tr>
<tr>
<td>High Priority Projects</td>
<td>113.1</td>
</tr>
<tr>
<td>District Grant Programs</td>
<td>27.3</td>
</tr>
<tr>
<td>Modal Distributions</td>
<td>350.0</td>
</tr>
<tr>
<td>Transit Capital to Operating</td>
<td>A sum sufficient</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>Up to $1.1 billion</strong></td>
</tr>
</tbody>
</table>
Revenue Sharing Program Provides Initial Flexibility

- Revenue sharing program provides state funding to match local contributions for construction projects.
  - Approximately $500 million in reprogrammed funding.
  - No project schedules to be delayed or funding commitments withdrawn.
  - Additional $200 million proposed in repayment schedule.

<table>
<thead>
<tr>
<th>“Flexible” Funds</th>
<th>($ in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previously programmed projects</td>
<td>$445.1</td>
</tr>
<tr>
<td>Completed project balances</td>
<td>49.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$495.0</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>($ in millions)</th>
<th>No. Project</th>
<th>State Match</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bristol</td>
<td>6</td>
<td>$8.2</td>
</tr>
<tr>
<td>Culpeper</td>
<td>18</td>
<td>16.9</td>
</tr>
<tr>
<td>Fredericksburg</td>
<td>12</td>
<td>27.2</td>
</tr>
<tr>
<td>Hampton Roads</td>
<td>55</td>
<td>144.9</td>
</tr>
<tr>
<td>Lynchburg</td>
<td>14</td>
<td>10.3</td>
</tr>
<tr>
<td>Northern Virginia</td>
<td>65</td>
<td>142.5</td>
</tr>
<tr>
<td>Richmond</td>
<td>55</td>
<td>51.8</td>
</tr>
<tr>
<td>Salem</td>
<td>36</td>
<td>18.9</td>
</tr>
<tr>
<td>Staunton</td>
<td>29</td>
<td>24.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>290</td>
<td><strong>$445.1</strong></td>
</tr>
</tbody>
</table>
COVID-19 Opportunity Costs Remain Unknown

### Forecast SMART SCALE Round 4 ($ in millions)

<table>
<thead>
<tr>
<th>Project</th>
<th>March Est. ($)</th>
<th>November Est. ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Priority Projects</td>
<td>$859.6</td>
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<tr>
<td>Bristol DGP</td>
<td>95.1</td>
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<td>Culpeper DGP</td>
<td>127.7</td>
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<tr>
<td>Fredericksburg DGP</td>
<td>87.0</td>
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<tr>
<td>Hampton Roads DGP</td>
<td>181.7</td>
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<tr>
<td>Lynchburg DGP</td>
<td>131.0</td>
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<tr>
<td>Northern Virginia DGP</td>
<td>179.8</td>
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<tr>
<td>Richmond DGP</td>
<td>164.9</td>
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</tr>
<tr>
<td>Salem DGP</td>
<td>134.5</td>
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<tr>
<td>Staunton DGP</td>
<td>84.9</td>
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</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$2,046.2</strong></td>
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</tr>
</tbody>
</table>

- Traditional six-year planning process delayed.
- Focus on continuing annual operations at FY 2020 levels.

### Biennial ($ in millions)

<table>
<thead>
<tr>
<th>Item</th>
<th>Biennial (March)</th>
<th>Biennial (November)</th>
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</thead>
<tbody>
<tr>
<td>Special Structures</td>
<td>$40.0</td>
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<tr>
<td>Highway Safety</td>
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<td>10.5</td>
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<tr>
<td>WMATA PRIIA Match</td>
<td>50.0</td>
<td>50.0</td>
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<tr>
<td>Transit Operating</td>
<td>52.8</td>
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<tr>
<td>WMATA Operating</td>
<td>90.9</td>
<td>3.0</td>
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<tr>
<td>Ridership Incentives</td>
<td>11.7</td>
<td>3.6</td>
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<tr>
<td>Rail</td>
<td>7.4</td>
<td>7.7</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$261.1</strong></td>
<td><strong>$84.8</strong></td>
</tr>
</tbody>
</table>
• Programming of FY 2021 state transit grants is focused on sustaining operating grants at the FY 2020 level with a limited capital assistance program.
  • Total funding level of $101.6 million for FY 2021, a slight increase from the prior year.
  • Five-year transit capital budget not updated due to uncertainty of post-pandemic capital needs; expected to be developed for FY 2022.
• Meets long term, annual commitment of $154.5 million to the WMATA capital funding program.
  • Cover estimated shortfall in the dedicated WMATA Capital Fund of $17.6 million using unobligated funds.
• COVID impact on toll revenues from short-term market impacts of initial stay at home orders reduced funding available to transfer to other modes.
  • NVTC I-66 round four revenues to support Commuter Choice programs reduced from $25 million over two years to a one-year $4.0 million program.
Virginia was allocated $456.3 million in federal transit infrastructure grants through the CARES Act:

- $356.6 million directly to large urban transit agencies;
- $52.5 million allocation to rural transit agencies; and
- $47.2 million to small urban transit agencies.

Approximately three times the amount of federal transit funds appropriated to Virginia transit agencies in FY 2020.

- No state or local match required.

WMATA received $876.8 million from a direct CARES allocation.
Impact on Transit Revenues and Costs Remains Severe

• Recovery pace for FY 2021 much slower than when services were reduced in Spring.
  • Fare revenue likely to remain substantially below budget.

• CARES Act funds will be depleted by end of year.
  • No additional federal relief on the immediate horizon.

• Transit operators will likely continue to face operating shortfalls until well after vaccine and WMATA faces significant challenges. Therefore, the draft FY21 funding plan recommends:
  • $50 million for PRIIA Match:
  • $173.6 million for WMATA operating and capital needs (increase of $14.6 million); and
  • $154.5 million in dedicated capital funding, part of $500 million regional commitment.
2021 Session: Patience and Prudence

- Phased implementation of legislative changes adopted by the 2020 General Assembly are underway.
- State and regional funding programs lost revenue from COVID-19, but the cost was largely new opportunities.
  - Transportation related revenue sources appear to be improving as sales remain stable and travel is beginning to return.
  - State programs benefited from fuels tax increase as consumption declined.
  - Additional travel restrictions could negatively impact revenues in the future.
- COVID-19 will place new operating costs on transit while ridership is down, uncertain when additional federal support will be available.
  - This may put pressure on state and local governments for additional operating support.
- Limiting legislative changes during the 2021 Session would ensure stability in the implementation of changes adopted last year.
  - JLARC study may provide recommendations for programmatic enhancements in 2022.