

## What is the RVTP Financial Plan?

A financial plan is a required part of the Roanoke Valley Transportation Plan which reflects the four-year Transportation Improvement Program as well as the broader Metropolitan Transportation Plan for 2045. The financial plan demonstrates how the adopted transportation plan and program can be implemented. Included in the financial plan is a description of revenue resources from public and private sources that are reasonably expected to be available, as well as the approved expenses from the program of projects in the RVTP's **Funded Project Attachment** and **Priority Projects to Pursue Attachment**. The purpose of this financial plan is to demonstrate how the adopted transportation plan can be implemented given fiscal constraint. The financial plan reflects the following federally required elements:

- System-level estimates of costs and revenue sources that are reasonably expected to be available to adequately operate and maintain Federal-aid highways (as defined by 23 U.S.C. 101(a)(5) and public transportation (as defined by title 49 U.S.C. Chapter 53)
- Cooperatively developed estimates of funds between the Roanoke Valley Transportation Planning Organization (RVTPO), the Greater Roanoke Transit Company (Valley Metro), the Virginia Department of Transportation (VDOT), and the Virginia Department of Rail and Public Transportation (VDRPT) that will be available to support implementation of the RVTP including identification of all necessary financial resources from public and private sources that are reasonably expected to be made available.
- Recommendations on any additional financing strategies to fund projects and programs included in the plan; for new funding sources, strategies for ensuring their availability shall be identified.
- All projects and strategies proposed for funding under title 23 U.S.C., title 49 U.S.C. Chapter 53 or with other Federal funds; State assistance; local sources; and private participation.
- Use of an inflation rate(s) to reflect “year of expenditure dollars” based on reasonable financial principles and information, developed cooperatively by the RVTPO, VDOT, VDRPT, and Valley Metro.

The financial plan also includes the following choice elements:

- The outer years of the plan (beyond the first 10 years) may reflect aggregate cost ranges as long as the future funding source(s) is reasonably expected to be available to support the project cost ranges.
- For illustrative purposes, additional projects that are not currently in the adopted Priority Projects to Pursue but would be included if additional resources beyond those identified in the financial plan were to become available.

## Fiscal Constraint Determination for 2045

Fiscal constraint is calculated differently for projects generally under the auspices of VDOT or DRPT. Additionally, some rail projects that have previously been under DRPT are now under the Virginia Passenger Rail Authority.

## Revenue

The total nominal (year of expenditure) value of the CLRP is \$260.0 billion. This total includes all funding that would be included in the Commonwealth Transportation Fund (CTF) over the period and includes funding distributed for highways, transit and rail, ports, and airports.

During its 2020 session, the Virginia General Assembly enacted the Governor's Omnibus Transportation Bill, Chapter 1230 (House Bill 1414), which revised the composition of and increased available revenues for transportation funding in the Commonwealth. Under Chapter 1230, the CTF serves as the fund to which all transportation revenues are deposited and then distributed to programs and funds. For reference, the major transportation revenues include: (i) motor vehicles fuels taxes and road taxes for diesel fuel; (ii) vehicle registration fees; (iii) highway use fee; (iv) 0.5% statewide sales and use tax; (v) 0.3% statewide sale and use tax for transportation; (vi) 4.15% percent motor vehicles sales and use tax; (vii) motor vehicle rental tax (10 percent of gross proceeds from rentals for most passenger vehicles); (viii) \$0.03 of the \$0.25 per \$100 of assessed value of the statewide recordation tax; (ix) tax on liquid alternative fuel, set at the rate for gasoline; (x) International Registration Plan fees; and (xi) one-third of the revenue from insurance premium taxes.

### State Revenue

- The average total state revenue growth for FY 2021-2026 is 3.8%.
- With the exception of Fuels Tax, all state revenue is adjusted year over year by the growth rate for each revenue sources between FY 2027 and FY 2028 in the December 2020 state revenue estimates provided by the Department of Taxation.
- Fuel Tax estimate updates were completed with anticipated changes in fuel tax rates as well as estimated changes in consumption. This long-term estimate includes the new adjustment to the tax rate annually, increasing it by the anticipated Consumer Price Index. VDOT staff used data from the Department of Taxation.

### Federal Revenue

- The federal revenue estimates are based on the current federal program and planned Apportionment and Formula Obligation Authority (OA) provided to Virginia through federal fiscal year 2020, assuming 94.9% of the apportionment total is available OA.
- Beyond FY 2020, we have assumed a growth rate of 1.7% each year of federal programs. *Note: these growth rates were determined pre-IIJA and were not updated in time for the development of this RVTP update.*

## Allocation of Funds

Chapter 1230 also amends the allocation of funds. Before funds are distributed between the Transportation Trust Fund (TTF) and the Highway Maintenance and Operating Fund ("HMO Fund"), (i) \$40 million annually will be deposited into the Route 58 Corridor Development Fund; (ii) \$40 million annually will be deposited into the Northern Virginia Transportation District Fund; and (iii) \$80 million annually (as adjusted annually based on changes in consumer price index for urban consumers) will be deposited into the Special Structure Fund. Enactment Clause 11 of Chapter 1230 provides the CTB the ability to take actions deemed necessary in fiscal years 2021, 2022, and 2023 to ensure funds for modal programs and the HMOF are at least equal to the amounts provided for in the SYFP for the CTF as in effect on January 1, 2020.

The remaining funds in the CTF are allocated 51% to the HMO Fund and 49% to the TTF. Chapter 1230 directs the following distribution of funds from the Transportation Trust Fund: (i) 53% for construction programs; (ii) 23% to the Commonwealth Mass Transit Fund; (iii) 7.5% to the Commonwealth Rail Fund; (iv) 2.5% to the Commonwealth Port Fund; (v) 1.5% to the Commonwealth Aviation Fund; (vi) 1% to the Commonwealth Space Flight Fund; (vii) 10.5% to the Priority Transportation Fund; and (viii) 1% to the Department of Motor Vehicles. Enactment Clause 11 of Chapter 1230 also allows the CTB to take actions deemed necessary in fiscal years 2021, 2022, and 2023 to ensure appropriate coverage ratios for any outstanding debt backed by the TTF.

#### Methodology for Allocation to Districts and Metropolitan Planning Organizations (MPOs)

- Maintenance allocations include Highway System Maintenance and Operations for VDOT-maintained roads and Financial Assistance for City and County Road Maintenance. These funds are divided amongst the districts based on the district's two-year average share (2019-2020).
- Once district amounts for Maintenance are obtained, population percentages are applied to determine MPO amounts.
- Construction allocations are distributed according to the SYIP detailed distribution for FY 2021-2026 where applicable. Distribution methodologies for State of Good Repair, High Priority Projects, and District Grant Program are described below.
- VDOT specific programs, like Revenue Sharing, were held as statewide amounts and not distributed to the MPOs.

#### Construction Program Allocation Assumptions

House Bill 1887 from the 2015 General Assembly session implemented funding distribution methodologies that are fully implemented in FY 2021.

- **State of Good Repair** funding is distributed to VDOT districts based on need and has codified constraints on the distribution among the districts. For the constrained plan distribution, the currently assumed needs distribution has been applied over the time period. Beyond FY 2025, the distribution to the MPOs within the district is determined based on population shares within the district.
- **District Grant Program** funding is distributed to VDOT districts based on the codified formulas. For the CLRP distribution, the distribution through FY 2025 is as the Smart Scale Distribution provided with the adoption of the SYIP in December 2020. Beyond FY 2026, the distribution to the MPOs within the district is determined based on population shares within the district.
- **High-Priority Projects Program** funding is available to projects as selected by the Commonwealth Transportation Board. For the CLRP distribution, the distribution through FY 2025 is as the Smart Scale Distribution provided with the adoption of the SYIP in December 2020. Beyond 2025, the distribution follows that of the District Grant Program as has been assumed. The distribution to the MPOs within the district is determined based on the population share within the district.

In addition, Chapter 1230 of the 2020 Acts of Assembly altered and established two funding programs and methodologies beginning in FY 2021.

- **Interstate Operations and Enhancement Program** funding is available to projects as selected by the Commonwealth Transportation Board. The interstate program was initially established in the 2019 Session. Funds were subsequently distributed to projects on Interstate 81 and Interstate 95 during fiscal year 2020 through subsequent CTB actions. Those projects are not reflected in the current CLRP data. As part of the flexible transition to full implementation to HB 1230 provided in the Biennial Budget actions from the 2020 Special Session of the General Assembly, these funds are being shown at the statewide level (i.e., not distributed to MPOs at this time). We anticipate further programming details will be available for in the FY 2022 CLRP update.

- **Virginia Highway Safety Improvement Program** funding is available to projects as selected by the Commonwealth Transportation Board. As part of the flexible transition to full implementation to HB 1230 provided in the Biennial Budget actions from the 2020 Special Session of the General Assembly, these funds are being shown at the statewide level (i.e., not distributed to MPOs at this time).

### Non-Transit Fiscal Constraint

The Virginia Department of Transportation provided financial data on allocations and forecasts for the RVTP through the year 2045 which are provided in the following tables.

Previously funded projects with allocations through Fiscal Year (FY)27 constitute the first timeframe of the RVTP’s Financial Plan; obligations are reflected in the RVTP’s Transportation Improvement Program. Unfunded priority projects to address priority gap transportation needs fill the remaining anticipated allocations for years FY28-45. These are split into two timeframes: short-term (FY28-34) and long-term (FY35-FY45).

The estimates are based on the FY 2021 – 2026 Six-Year Financial Plan (SYFP), modified for the COVID-19 Update and the state revenue estimates available in December 2020. It also uses the Six-Year Improvement Program (SYIP) adopted by the Commonwealth Transportation Board (CTB) in June 2019. The out years are based on the trends in the current plans and as detailed below.

NON-TRANSIT			
Non-Transit Fiscal Constraint by Funding Program	Funded Project Allocations (Through FY27)	Short-Term Anticipated Allocations (FY28-FY34)	Long-Term Anticipated Allocations (FY35-FY45)
SMART SCALE District Grant	Tracked by funding source - see next table below.	\$ 67,311,621	\$ 129,859,743
SMART SCALE High Priority Grant		\$ 43,559,338	\$ 92,534,726
STBG		\$ 42,400,068	\$ 78,734,695
TA		\$ 2,223,689	\$ 4,070,307
Other		\$ -	\$ -
Maintenance (Localities + VDOT)		\$ 647,065,525	\$ 1,235,455,592
State of Good Repair		\$ 65,339,006	\$ 138,802,089
<b>TOTAL for Non-Transit New Construction and Maintenance</b>		<b>\$ 1,481,127,600</b>	<b>\$ 867,899,247</b>

Funding Sources for Funded Projects (Non-Transit)	Total Allocations through FY27
ARRA	\$ -
State bond match	\$ 20,028,617
Bridge	\$ 7,878,746
Off-system bridge	\$ -
State Bond Funds	\$ -
CMAQ	N/A
State Construction Funds	\$ -
CPR Bonds	\$ 8,121,181
Demo	\$ 27,679,793
Equity Bonus (Minimum Guarantee)	\$ 16,173,969
Eastern Federal Lands Highways	\$ -
Enhancement	\$ 5,144,530
Forest Highways	\$ 1,387,000
FRANs	\$ 1,500,000
GARVEE Bonds	\$ 37,886,343
Highway Improvement Program	\$ 950,466
High Priority Projects	\$ -
Interstate Maintenance	\$ 12,901,132
ITTF State Funds	\$ 12,784,712
Local funds	\$ 10,732,716
Local match	\$ 741,512
Equity Bonus	\$ -
Mix of federal (STP/MG/BR/BROS) and state funds	\$ 16,990,612
National Highway Freight Program	\$ 1,652,450
National Highway Performance Program Exempt	\$ 1,005,251
National Highway Performance Program	\$ 128,884,102
National Highway System	\$ 18,762,332
National Scenic Byways	\$ -
Operating Revenue	N/A
TIFIA/PPTA	\$ -
Priority Transportation Fund (PTF)	\$ -
Rail Highway Crossings (statewide)	\$ 622,939
Revenue Sharing	\$ 14,737,345
Regional Surface Transportation Program	\$ 43,896,139
Regional TAP	\$ 2,467,517
Safety (statewide)	\$ 26,212,591
Safe Route to Schools	\$ -
State funds	\$ 87,359,117
State match	\$ 13,328,554
Surface Transportation Program	\$ 58,281,737
STP or Bridge Funds	\$ 10,137,618
STP or Off System Bridge	\$ -
Transportation Alternatives Program	\$ 4,963,460
Fund source to be determined	\$ 887,915,119
Tolls	N/A
<b>Total</b>	<b>\$1,481,127,600</b>

## Transit Fiscal Constraint

The Virginia Department of Rail and Public Transportation provided financial forecasts for the RVTPO through the year 2026 shown below.

	FY 2023 <sup>2</sup>				FY 2024 <sup>2</sup>			
	Federal Revenue	Non-Federal Revenue		Total Estimated Revenue	Estimated Federal Revenue	Non-Federal Revenue		Total Estimated Revenue
		Estimated State Revenue	Estimated local Revenue			Estimated State Revenue	Estimated Local Revenue	
Section 5303 <sup>3</sup>	\$ 168,355	\$ 21,045	\$ 21,045	\$ 210,445	\$ 173,406	\$ 21,676	\$ 21,676	\$ 216,758
Section 5307/5340 Roanoke <sup>3</sup>	\$ 3,595,308	\$ 719,062	\$ 179,765	\$ 4,494,135	\$ 3,703,167	\$ 740,633	\$ 185,158	\$ 4,628,959
Section 5339 - Roanoke <sup>4</sup>	\$ 303,626	\$ 60,725	\$ 15,181	\$ 379,533	\$ 312,735	\$ 62,547	\$ 15,637	\$ 390,918
Section 5310 - Roanoke <sup>4</sup>	\$ 316,565	\$ 63,313	\$ 15,828	\$ 395,706	\$ 326,062	\$ 65,212	\$ 16,303	\$ 407,577
<b>TOTAL</b>	<b>\$ 4,383,854</b>	<b>\$ 864,145</b>	<b>\$ 231,820</b>	<b>\$ 5,479,819</b>	<b>\$ 4,515,370</b>	<b>\$ 890,069</b>	<b>\$ 238,775</b>	<b>\$ 5,644,213</b>

	FY 2025 <sup>2</sup>				FY 2026 <sup>2</sup>			
	Estimated Federal Revenue	Non-Federal Revenue		Total Estimated Revenue	Estimated Federal Revenue	Non-Federal Revenue		Total Estimated Revenue
		Estimated State Revenue	Estimated local Revenue			Estimated State Revenue	Estimated Local Revenue	
Section 5303 <sup>3</sup>	\$ 178,608	\$ 22,327	\$ 22,327	\$ 223,261	\$ 183,966	\$ 22,996	\$ 22,996	\$ 229,959
Section 5307/5340 <sup>3</sup>	\$ 3,814,262	\$ 762,852	\$ 190,713	\$ 4,767,828	\$ 3,928,690	\$ 785,738	\$ 196,435	\$ 4,910,863
Section 5339 - Roanoke <sup>4</sup>	\$ 322,117	\$ 64,423	\$ 16,106	\$ 402,646	\$ 331,780	\$ 66,356	\$ 16,589	\$ 414,725
Section 5310 - Roanoke <sup>4</sup>	\$ 335,844	\$ 67,169	\$ 16,792	\$ 419,805	\$ 345,919	\$ 69,184	\$ 17,296	\$ 432,399
<b>TOTAL</b>	<b>\$ 4,650,831</b>	<b>\$ 916,771</b>	<b>\$ 245,938</b>	<b>\$ 5,813,540</b>	<b>\$ 4,790,356</b>	<b>\$ 944,274</b>	<b>\$ 253,316</b>	<b>\$ 5,987,946</b>

<sup>1</sup> Calculations in this spreadsheet are based on FTA apportionments only and do not include CMAQ or STP funds that have been flexed into 5307. We are showing FY2023-26 allocations at the level of FY2022 funding, with a 3% inflation factor.

<sup>2</sup> Designates State fiscal year. Includes FTA apportionment tables posted on April 6, 2022 (FY2022 Allocations).

<sup>3</sup> State and local match ratios set at 10% and 10%, respectively, for 5303. For 5307, match is 80% state, 20% local (assume being used on capital).

<sup>4</sup> State and local match ratios set at 16% and 4%, respectively. 5339 is primarily used for capital. 5310 can be used on operating or capital.

From those financial forecasts, it was assumed that revenues would increase 1.7% consistent with the FHWA federal revenue projection noted previously in the non-transit fiscal constraint section. The following table below summarizes the fiscal constraint for transit through FY45. The FTA 5307, 5310, 5339, State & Local, and Revenue (Farebox & Other) for Planned Obligations for Funded Projects through FY27 reflect the FFY24-27 Transportation Improvement Program.

<b>TRANSIT</b>			
<b>Transit Fiscal Constraint by Funding Program</b>	<b>Planned Obligations for Funded Projects through FY27</b>	<b>Short Term Anticipated Allocations (FY28-FY34)</b>	<b>Long Term Anticipated Allocations (FY35-FY45)</b>
<b>Planning</b>			
FTA 5303	\$ 723,073	\$ 1,401,804	\$ 2,565,905
<b>Capital/Operating</b>			
FTA 5307	\$ 19,050,089	\$ 29,936,248	\$ 54,796,229
FTA 5310	\$ 1,472,000	\$ 2,635,871	\$ 4,824,779
FTA 5311	\$ 1,416,000	\$ -	\$ -
FTA 5339	\$ 472,800	\$ 2,528,135	\$ 4,627,576
STBG	\$ 4,768,121	\$ -	\$ -
Flexible STP	\$ -	\$ -	\$ -
State & Local	\$ 28,344,291	\$ 29,769,600	\$ 54,491,192
Revenue	\$ 9,256,000	\$ 17,337,720	\$ 31,735,497
<b>TOTAL</b>	<b>\$ 65,502,374</b>	<b>\$ 82,207,575</b>	<b>\$ 150,475,273</b>

### Rail Fiscal Constraint

The Virginia Passenger Rail Authority (VPRA) was created in 2020 and the RVTPPO has recently started coordinating with VPRA on the passenger rail service improvements. Fiscal constraint for the extension of AMTRAK to the NRV has been provided for a limited period of time. Additional funds are not anticipated at this time.

<b>RAIL</b>			
<b>Rail Fiscal Constraint by Funding Program</b>	<b>Planned Obligations for Funded Projects through FY27</b>	<b>Short-Term Anticipated Allocations (FY28-FY34)</b>	<b>Long-Term Anticipated Allocations (FY35-FY45)</b>
Passenger Rail	\$ 23,630,000	\$ 1,740,000	\$ -

## Projects and Services funded by the RVTP Financial Plan

Projects and services that have received funding allocations by the RVTPO Policy Board or by the Commonwealth Transportation Board are included in the first financial timeframe and are listed in the **Funded Projects Attachment**. The **Transportation Improvement Program Attachment** demonstrates the federal planned obligations for funded, federally eligible projects, listed in the RVTP. Other funded projects may constitute future Transportation Improvement Programs as their planned federal obligations will occur beyond the current four-year TIP timeframe.

Projects for pursuit of funding are highlighted presented in **Priority Projects to Pursue Attachment**. These projects and services have also undergone extensive study and project development activities and address priority regional transportation needs. They are supported by RVTPO members for inclusion in the fiscally constrained element of the plan and collectively represent the regional pipeline of future multimodal transportation projects to seek funding for through grant cycles beyond the next ten years.

As resources are constrained, these projects have been prioritized and placed in the short- or long-term period of the plan. Inflation in the annual amount of 5% has been applied where it has not already been included. The table below shows the results of the fiscal constraint considerations in which the revenue forecasts have been considered by the RVTPO Policy Board and given the competitive nature of the SMART SCALE program in which more funding can be obtained than forecasted, all projects applied for in SMART SCALE Round 5 have been included in the plan. As shown in the table, the SMART SCALE Round 5 (SSR5) Short-Term Constrained list includes over \$327M for FY28-29 even though the financial forecasts show around \$110M will be available over the next three rounds of SMART SCALE (Round 5, 6, and 7) for allocation in FY28-34. SMART SCALE applicants are eligible to apply for a certain number of projects in each cycle. As such, more projects and requests will be submitted each round than what the program can fund. Projects unsuccessful in SMART SCALE Round 5 may be considered for other funding programs or re-scoped as part of the planning process.

Priority Projects to Pursue List	Timeframe	2022 Total Cost Estimate for All Priority Projects	Inflated Estimate for timeframe
Transit Constrained	FFY24-27	\$ 64,779,301	N/A - included
Short-Term Constrained	FY28-34	\$ 41,392,546	\$ 55,469,970
Short-Term Constrained (SSR5)	FY28-29	\$ 327,627,129	N/A - included
Short-Term Other	FY28-34	\$ 320,900,000	N/A - included
Short-Term Other - Study	FY28-34	\$ 2,450,000	\$ 3,283,234
Long-Term Constrained	FY35-45	\$ 50,841,630	\$ 95,869,476
Long-Term Other	FY35-45	\$ 120,000,000	\$ 226,277,897

Transit fiscal constraint has been applied to as it relates to the FFY24-27 TIP as no new services beyond this time period have been planned at this time. Beyond the funding sources for which fiscal constraint forecasts are available, projects that would require other funding sources have been included in the plan.