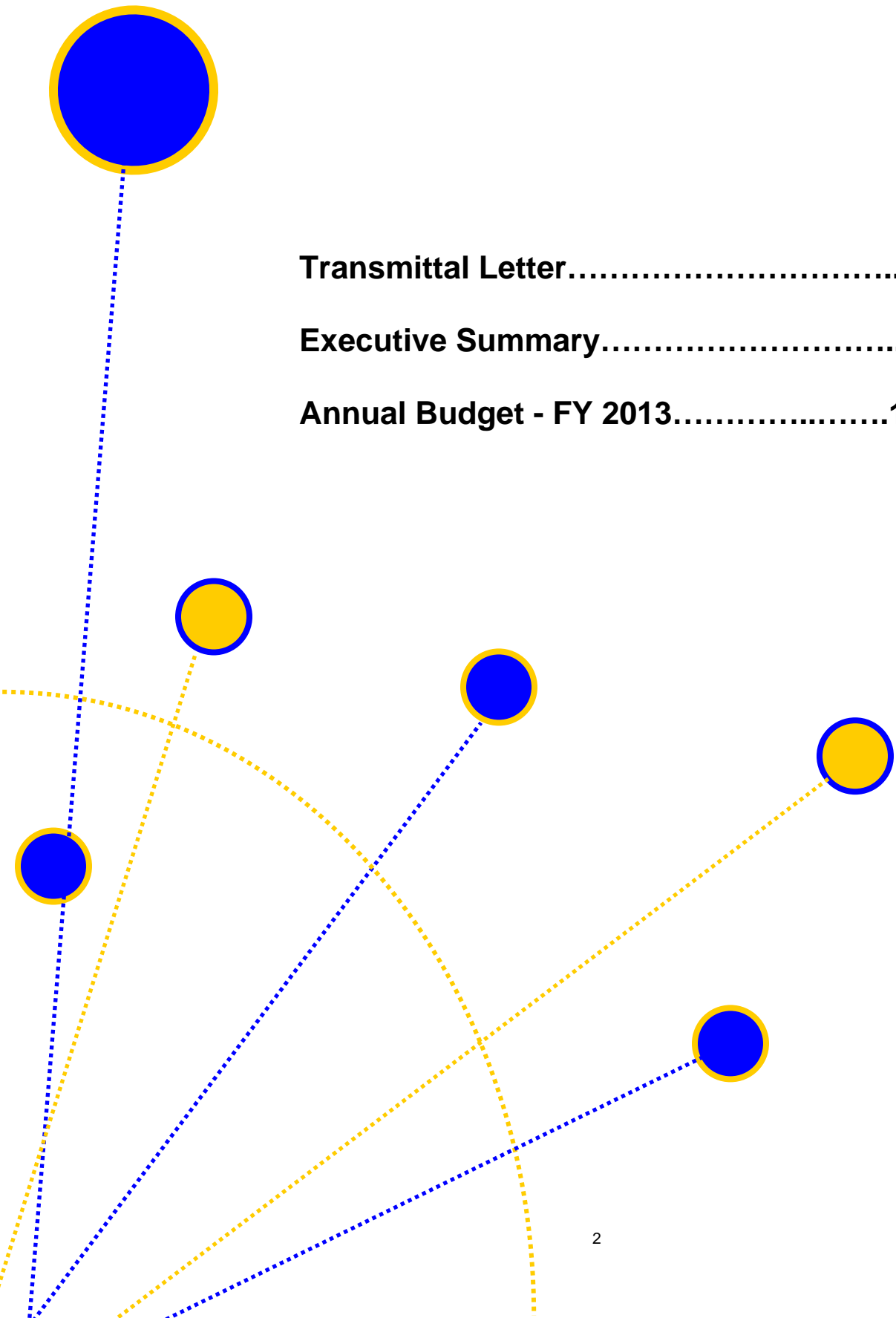




# Annual Budget Fiscal Year 2013

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# COMMONWEALTH of VIRGINIA

Thelma D. Drake  
Director

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June 20, 2012

Secretary Sean T. Connaughton, Chairman  
Mr. Jim D. Bowie  
Mr. Roger Cole  
Dr. James A. Davis  
Mr. Hollis D. Ellis  
Mr. F. Gary Garczynski  
Mr. James L. Keen  
Mr. J. Douglas Koelemay

Mr. Aubrey L. Layne Jr.  
Mr. Allen L. Louderback  
Mr. Dana M. Martin  
Mr. W. Sheppard Miller, III  
Mr. Mark J. Peake  
Mr. James E. Rich  
Mr. Cord A. Sterling  
Mr. Gregory A. Whirley

Dear Members of the Board:

Attached please find the Virginia Department of Rail and Public Transportation's recommended FY 2013 annual budget for your review and approval. The agency budget has increased significantly in recent years as funding has been shifted in an effort to bolster a multimodal approach to address the transportation issues in the Commonwealth. The DRPT budget has increased over 50% from FY 2008 until today despite the recent recession. As the funding has increased, DRPT has steadily transitioned to a business model that enables us to better serve as stewards of Commonwealth funding and as advocates of our programs. We will present our findings related to Senate Joint Resolution No. 297 in early fall of this year that will further advance our efficiency endeavors.

The FY 2013 budget includes expenditures for two of the four largest transportation projects currently under construction in the United States – the Dulles Corridor Metrorail Project (#1) and Norfolk Southern's Crescent Corridor Initiative (#4). DRPT has initiated state-sponsored passenger rail service in the Rte. 29 and I-95 corridors, and the Norfolk Passenger Train is scheduled to start in December 2012. Virginia will be responsible for the operating and capital costs of an additional four regional trains beginning in FY 2014 under the Federal Passenger Rail Investment and Improvement Act of 2008. Chapter 2 of the *2012 Acts of Assembly* provided \$28.7 million of the FY 2011 General Fund surplus for the operating and capital needs of Virginia intercity passenger rail services. Additionally, Item 442 of the Appropriation Act includes a transfer of a total of \$26.1 million of Rail Enhancement funds for passenger needs for 2013 and 2014. However, a shortfall is anticipated in FY 2015 even with this additional funding. Clearly, a long term solution is needed.

The planned level of state funding for transit operating expenses for FY 2012 has risen to 20.18%, up from last year's level of 17.46%. This is mainly due to an increase in Mass Transit Trust Fund revenue estimates of \$3.3 million, \$9.9 million of General funds designated for transit operating assistance in Item 452.G.1 of Chapter 2 of the 2012 Acts of Assembly, prior year excess revenues of \$7.2 million, and a larger carryover of deobligated balances as compared to FY 12. The FY 2013 budget supports several priority transit initiatives, including the ten year state of good repair effort for WMATA, construction of Phase II of the Dulles Corridor Metrorail Project, the Columbia Pike Streetcar Project, and expansion of transit service statewide.

We look forward to working with the Commonwealth Transportation Board to advance the programs and projects in our FY 2013 budget.

Sincerely,

A handwritten signature in cursive script that reads "Thelma Drake".

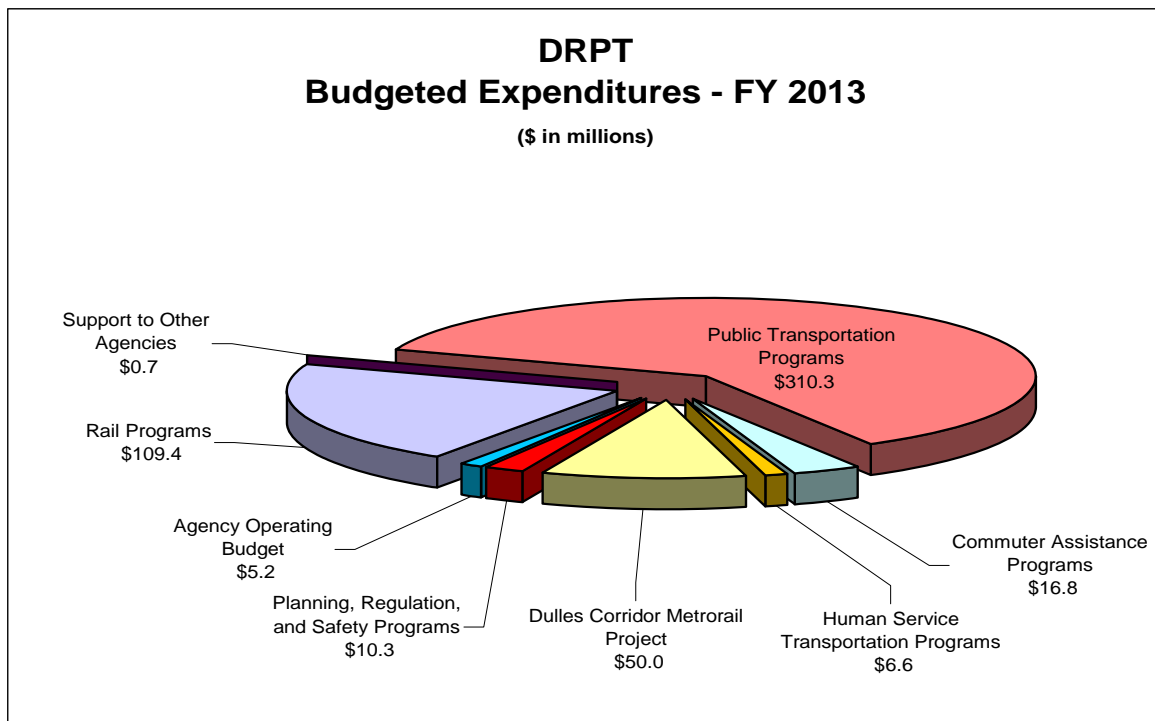
Thelma Drake



**EXECUTIVE SUMMARY  
DRPT ANNUAL BUDGET  
FY 2013**

# Summary of FY 2013 Budget

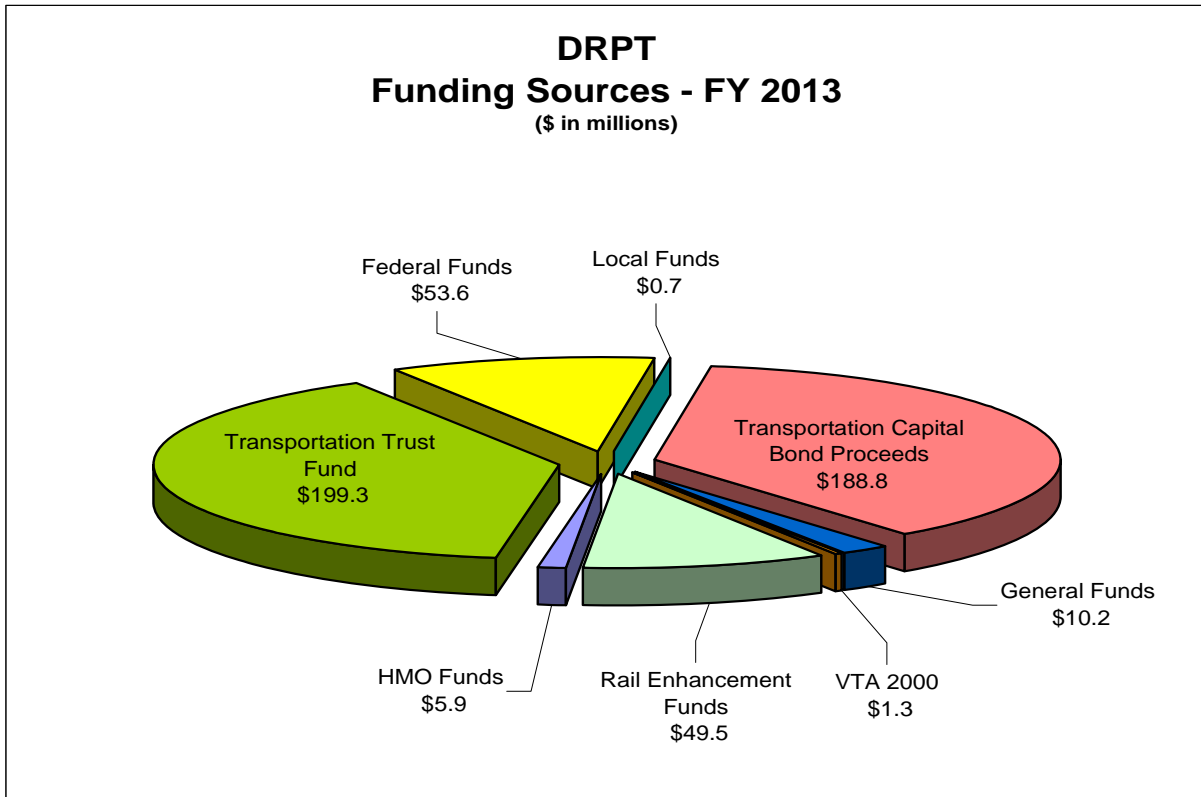
In FY 2013, DRPT anticipates spending \$509.3 million of federal, state, and local funds compared to \$480.9 million in FY 2012. The increase of \$28.4 million results primarily from the anticipated \$38.6 million increase in expenditures for the Dulles Corridor Metrorail Project offset by a net decrease in Public Transportation Programs of \$10.7 million. The Public Transportation capital program shows an anticipated \$33.1 million decrease in expenditures in FY 2013 as compared to FY 2012 which is offset by an anticipated \$23.4 million increase in the Public Transportation operating program due to an increase in revenue estimates, carryover of prior year balances, and additional funding received for operating assistance in accordance with Item 452.G.1 of Chapter 2 of the 2012 Acts of Assembly. The FY 2013 DRPT budget will be accounted for utilizing the agency's nine service areas, including: Public Transportation Programs; Commuter Assistance Programs; Human Service Transportation Programs; Rail Preservation Programs; Passenger and Freight Rail Programs; Rail Industrial Access Programs; the Dulles Corridor Metrorail Project; Planning, Regulation and Safety Programs; and General Management and Direction (operating budget). The following chart depicts the DRPT budget:



The budgeted expenditures for each service area are discussed in more detail later in this report.

The major sources of funds for the DRPT budget are depicted in the chart below. This does not represent the estimated revenues for FY 2013; instead, it shows the source of funding for the budgeted expenditures for the year. For example, \$94.9 million of

Commonwealth of Virginia Transportation Capital Projects Revenue Bonds is allocated to transit in FY 2013 of the Six Year Improvement Program, but the budget and the funding sources statement includes \$98.5 million of projected expenditures for FY 2013. This is the result of the two to three year lag on most transit capital projects between the SYIP allocation and the timing of the actual expenditures. Additional information concerning the DRPT FY 2013 funding sources can be found on page 17.



### FY 2013 Service Area Budget Highlights

#### Agency Operating Budget

The DRPT budget has increased significantly in recent years as transportation funding has been shifted in an effort to bolster a multimodal approach to transportation issues in the Commonwealth. In FY 2008, the DRPT budget totaled \$305.4 million after removing the Dulles Corridor Metrorail Project as compared to \$459.3 million in FY 2013 after removing the Dulles Project. This represents an increase of over 50% during the past five years despite the recent recession. Additionally, the nature of the projects managed by DRPT has changed dramatically over the last 15 years. DRPT supports many regional initiatives as diverse as the Norfolk Passenger Train project, the Richmond bus rapid transit initiative, the Dulles Corridor Metrorail Project, and the I-95 and I-81 rail corridor programs.

Chapter 3 of the 2012 Virginia Acts of Assembly authorizes the CTB to approve up to a maximum of three percent per year of the Mass Transit Trust Fund, Rail Enhancement Fund, and the Rail Preservation Fund to support costs of project development, project administration, and project compliance. DRPT has determined that 2.3% (\$4.3 million) of the available balance of the aforementioned funds for FY 2013 will be sufficient to support the ongoing costs of these programs. A complete list of these estimated costs for FY 2013 is included in the budget statement at the end of this document.

The combined DRPT operating budget represents 2.0% of the \$509.3 million of total funds administered by the agency less the Dulles Corridor Metrorail Project. The actual cost to manage the DRPT programs for FY 2013 is estimated at \$9.5 million. The Highway Maintenance and Operating (HMO) fund provides \$5.2 million of the funding which is included in the DRPT budget in the agency operating budget service area. The Planning, Regulation, and Safety Program service area includes the \$4.3 million for program development, project administration, and project compliance.

### **Public Transportation Programs**

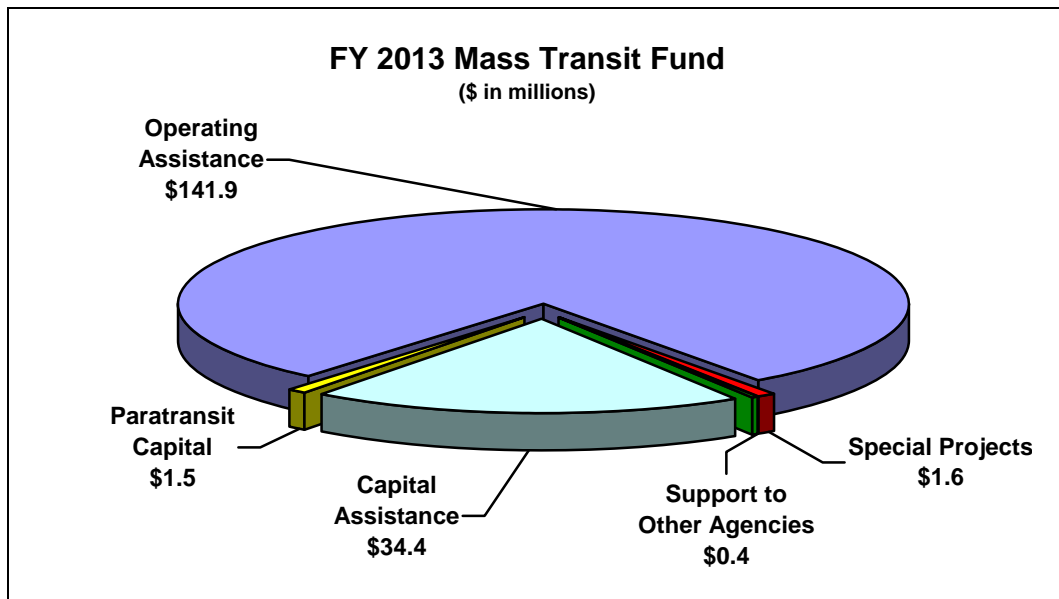
The \$310.3 million in the public transportation programs budget for FY 2013 includes \$25.3 million in federal funds, \$14.7 million in state matching funds for federal allocations to public transportation projects, \$9.9 million of general funds in accordance with Item 452.G.1 of Chapter 2 of the 2012 Acts of Assembly, \$98.5 million of bond proceeds for statewide transit capital funding, \$136.9 million in Mass Transit Trust Funds, and recordation tax of \$25.0 million.

The FY 2013 allocation of Mass Transit Trust Funds represents an increase of \$23.0 million over FY 2012. The funding for this allocation is made up of 14.7% of the 1986 Special Session Revenue (Transportation Trust Fund) and the state recordation tax dedicated to public transportation operating assistance in Chapter 896 of the 2007 Acts of Assembly. The increase is mainly due to an increase in revenue estimates of \$3.3 million, the \$9.9 million of General Funds discussed above, a larger carryover of deobligated balances as compared to FY 2012, and excess Mass Transit Trust Fund revenues and recordation taxes from the prior year totaling \$6.2 million and \$1.0 million, respectively.

The annual allocation of these funds is distributed in accordance with Appropriations Act language and the provisions of the Code of Virginia that established the Mass Transit Trust Fund (§58.1-638.A.4) and dedicated \$0.02 of the state recordation tax to the Mass Transit Fund (§58.1-815.4.). The distribution is as follows: 2.3% of the Mass Transit Trust Fund to support costs of project development, project administration, and project compliance per Item 440 of the 2012 Appropriation Act; \$1.5 million for paratransit capital projects and enhanced transportation services for the elderly and disabled; recordation tax proceeds of \$25.0 million are allocated as state operating assistance grants; and the remaining portion of the 14.7% share of the Transportation Trust Fund dedicated to the Mass Transit Trust Fund is allocated by statute with 73.5% for state operating assistance grants (called formula assistance grants), 25%

awarded as capital assistance grants, and the balance of 1.5% awarded as special projects grants subject to CTB approval.

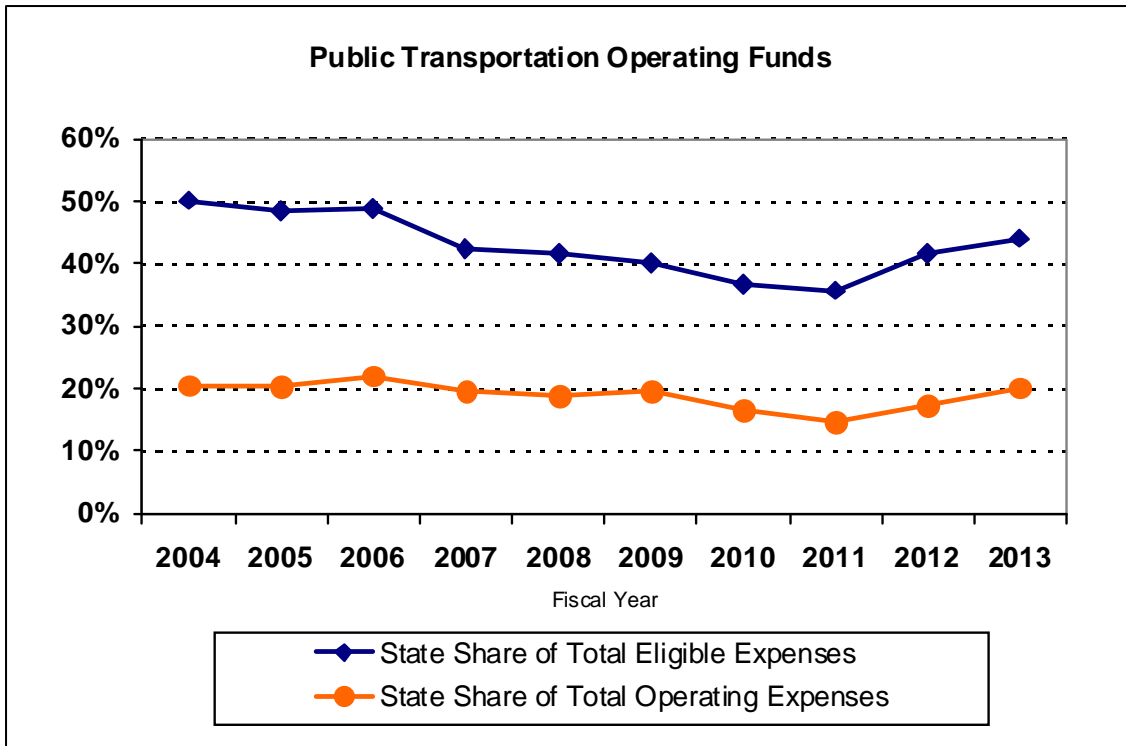
The FY 2013 SYIP allocation of Mass Transit Trust Funds for public transportation is depicted in the following chart. The variance in percentages from the chart data to the above mandated percentage allocations occurs because the recordation tax, the \$9.9 million of general funds, and \$6.0 million of deobligated grant funds are allocated entirely as operating assistance. This chart represents FY 2013 SYIP allocations and will not agree to budgeted expenditures in this report. For more information, see Note 1 on page 18.



### **Public Transportation Operating Funds**

State grants for public transportation operating expenses are awarded on the basis of the total annual amount of state funds available expressed as a percentage of the total annual amount of transit operating expenses, subject to a cap of 95% of eligible expenditures. Eligible expenditures are defined as costs of administration, fuel, tires, and maintenance parts and supplies (payroll costs of mechanics and drivers are excluded). In FY 2013, \$25.0 million of additional funding was added to the operating assistance program as mandated in §58.1-815.4. of the Code of Virginia from a \$0.02 share of the recordation tax. The chart on the next page shows the overall state share of eligible expenditures of 44.1% for FY 2013 versus 41.7% for FY 2012. The increase is due to an increase in revenue estimates of \$3.3 million, receiving \$9.9 million of General funds for operating assistance per Item 452.G.1 of Chapter 2 of the 2012 Acts of Assembly, prior year excess revenues of \$7.2 million, and a larger carryover of deobligated balances as compared to FY 2012.



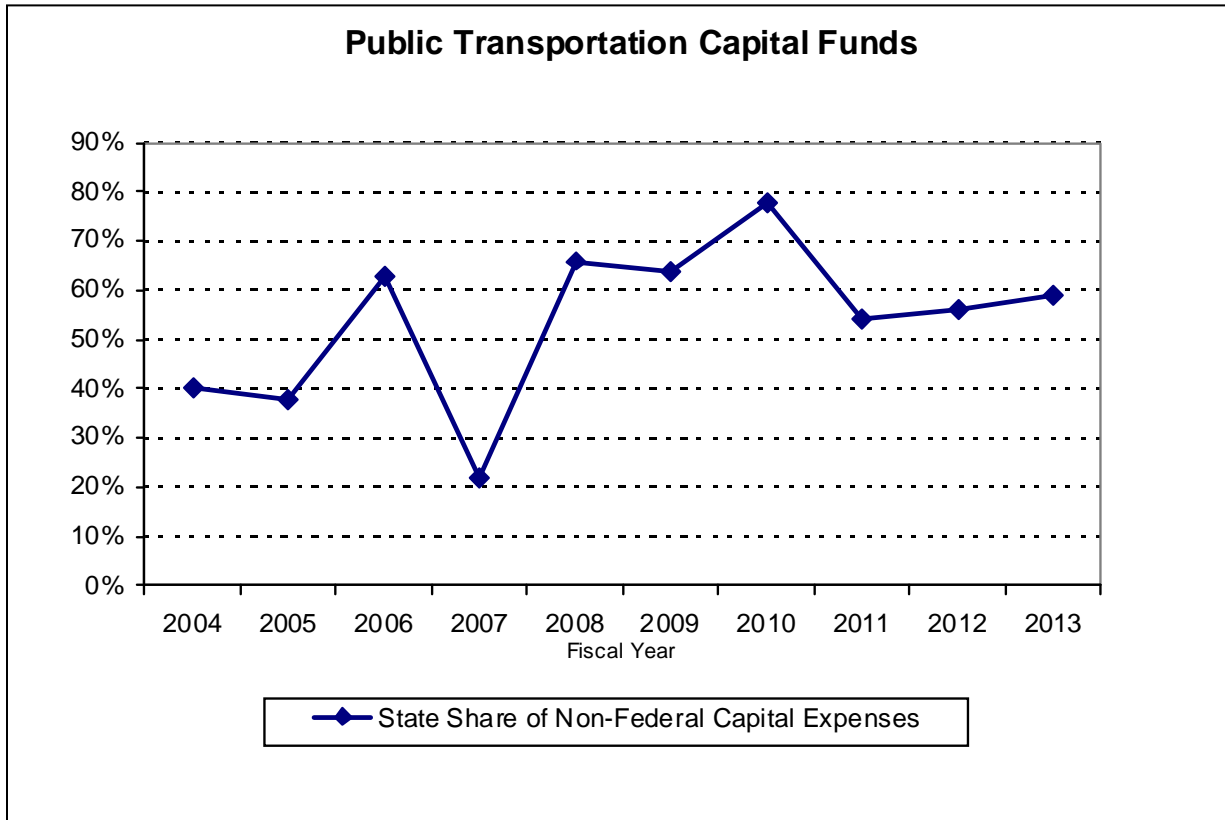


### **Public Transportation Capital Funds**

State capital program grants from Mass Transit Trust Funds (MTTF) are awarded to all public transportation capital projects deemed to be eligible, reasonable, and appropriate at a uniform level of state participation. This level of participation or “state share” of capital project expenses is calculated by dividing the amount of state funds available for capital projects each year by the amount needed to support the non-federal share of all eligible transit capital projects for the year.

Beginning in FY 2008, additional capital funds from the Transportation Capital Projects Revenue bonds authorized under Chapter 896 of the 2007 Acts of Assembly have been available annually at a maximum state matching share of 80% in the Transit Capital Fund. For the current year, DRPT allocated \$94.9 million of anticipated bond proceeds in the SYIP with emphasis placed on replacement vehicles. This includes an allocation of \$50 million to match the federal funds to be received by WMATA for the state of good repair.

The chart on the next page depicts a blended state share of non-federal capital costs of 59% for FY 2013 as compared to 56% for FY 2012.



In FY 2013, the budget for public transportation capital expenditures is \$152.6 million – a 33.1 million decrease from FY 2012. This is primarily due to the anticipated \$18.5 million decrease in expenditures of bond funded projects in FY 2013 as compared to FY 2012, as well as the \$12.2 million decrease in estimated expenditures of federally funded projects and the related state match. The projects to be supported by these funds, in addition to the applicable federal funds available to DRPT, are summarized in the table below:

Public Transportation Capital Projects for FY 2013						
	Replacement Transit Vehicles	Expansion Transit Vehicles	Vehicles for Elderly & Disabled Services	Service Support Vehicles	Transit Facility Construction or Renovation	Transit Facility Planning or Design
Bristol District	21	0	5	1	0	0
Culpeper District	21	0	6	2	0	0
Fredericksburg District	7	0	9	1	2	0
Hampton Roads District	13	5	14	14	1	0
Lynchburg District	5	0	11	3	4	1
Northern Virginia District	142	17	142	230	7	3
Richmond District	35	0	10	3	0	0
Salem District	25	2	13	3	0	0
Staunton District	6	4	9	1	2	0
<b>Statewide Totals</b>	<b>275</b>	<b>28</b>	<b>219</b>	<b>258</b>	<b>16</b>	<b>4</b>

## **Public Transportation Special Projects Funds**

The Special Programs budget is estimated at \$1.4 million for FY 2013. These funds are used to award discretionary grants for public transportation demonstration projects, technical assistance projects, and public transportation training and internships.

<b>Public Transportation Special Projects for FY 2013</b>				
	Demonstration Projects	Technical Assistance Projects	Public Transportation Internships	Total
Bristol District	0	0	0	0
Culpeper District	0	0	0	0
Fredericksburg District	0	0	0	0
Hampton Roads District	1	0	0	1
Lynchburg District	0	0	0	0
Northern Virginia District	2	2	3	7
Richmond District	0	2	1	3
Salem District	0	0	1	1
Staunton District	0	0	0	0
<b>Statewide Totals</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>12</b>

## **Commuter Assistance Funds**

The Commuter Assistance Programs budget includes \$4.2 million for FY 2013 to support Transportation Demand Management (TDM) projects in the Transportation Efficiency Improvement Fund (TEIF) program. The budget also includes \$12.6 million in projects included in the VDOT Six Year Improvement Program that DRPT will administer such as Arlington County Commuter Services program, Hampton Roads Transit TRAFFIX program, Innovative Progress, Telework, RideFinders, and the Transportation Management Plan for Commuter Service for the Dulles project.

The TEIF program is a discretionary grant program that provides state funds to support 80% of the costs of TDM programs and special projects that are designed to reduce single occupant vehicle travel. These funds are used to support vanpooling, ridesharing, and marketing and promotional efforts across the Commonwealth that are designed to encourage travel in shared ride modes. The distribution of TEIF grants for FY 2013 is shown in the table on the following page.

<b>Commuter Assistance Projects for FY 2013</b>			
	Transportation Demand Management Agencies	Special TDM Projects	Total
Bristol District	0	0	0
Culpeper District	2	0	2
Fredericksburg District	3	0	3
Hampton Roads District	0	2	2
Lynchburg District	0	0	0
Northern Virginia District	6	4	10
Richmond District	0	1	1
Salem District	1	1	2
Staunton District	2	0	2
<b>Statewide Totals</b>	<b>14</b>	<b>8</b>	<b>22</b>

### **Human Service Transportation Funds**

The Human Service Transportation Programs budget includes \$6.6 million for FY 2013. This service area implements DRPT's initiatives to support human service transportation programs in the Commonwealth. Human service transportation programs are operated by local government social service agencies or private non-profit human service agencies for the benefit of their clients. These clients are elderly or disabled individuals and economically disadvantaged children who are enrolled to receive publicly funded social services.

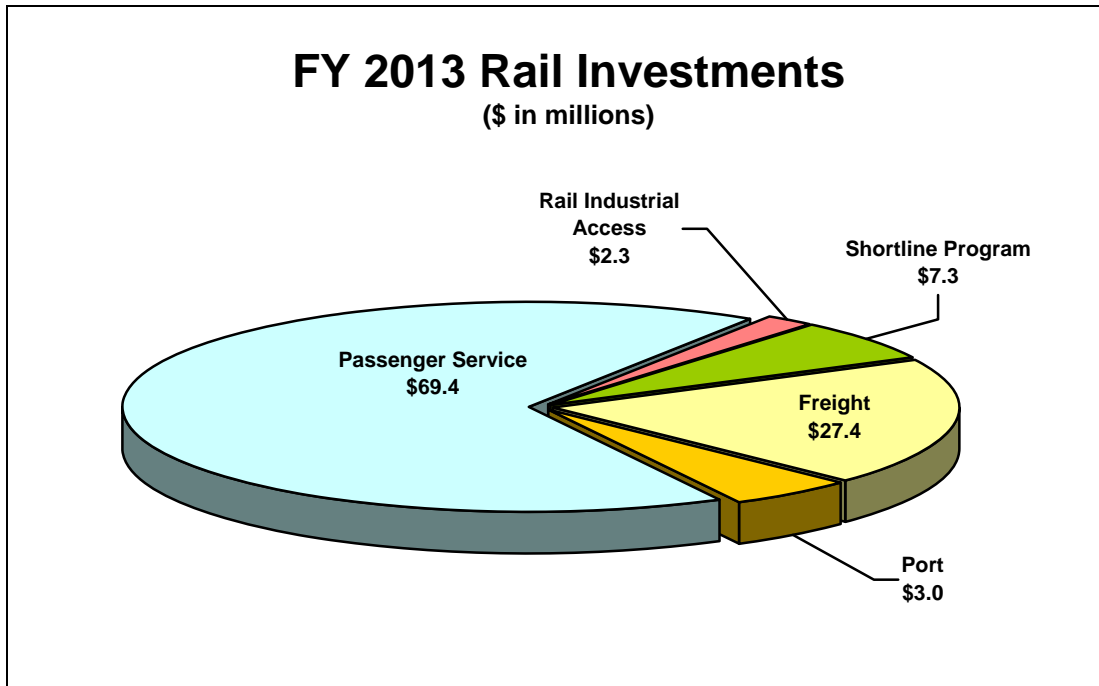
Human service transportation differs from public transportation in that it is designed to serve the very specific needs of human service agency clients and in most cases, service is restricted to the clients of those agencies who often have no other transportation service available to them. It is not open to the general public. The funding for this program comes from the Federal Transit Administration (\$4.4 million), local provider match (\$.7 million), and Mass Transit Trust funds for enhanced transportation services for the elderly and disabled (\$1.5 million). The breakdown by district of the 129 vehicles purchased through this program is included in the Public Transportation Capital Projects table on page 10.

### **Dulles Corridor Metrorail Project**

The FY 2013 budget for the Dulles Corridor Metrorail Project includes the FY 2013 allocation of Commonwealth bond funds totaling \$50.0 million for Phase II. This allocation together with a \$100.0 million amount from VDOT is provided to the Dulles Corridor Metrorail Project to assist in controlling the toll rates on the Dulles Toll Road. The transfer of the Dulles Toll Road operations to the Metropolitan Washington Airports Authority was completed in Fiscal Year 2009. DRPT no longer records Dulles Project related capital construction financial transactions. The budget for the Dulles Project is included herein so that DRPT may advance the remaining Commonwealth funds allocated to the Project.

## Rail Programs

DRPT's FY 2013 budget includes \$109.4 million in funding for rail improvements in Virginia. The distribution of anticipated expenditures falls into five categories: Freight with \$27.4 million, Port related projects of \$3.0 million, Passenger Service with \$69.4 million, Shortline Program with \$7.3 million, and the Rail Industrial Access Program with \$2.3 million of expenditures.



Funding for DRPT's rail programs is supported through seven funding sources: Rail Enhancement funds of \$48.9 million, Transportation Capital Projects Revenue Bond funds of \$40.3 million, Federal Railroad Administration grant funds of \$13.4 million, Shortline Railway and Development funds of \$2.9 million, Rail Industrial Access funds of \$2.3 million dollars, General Funds of \$0.3 million, and VTA 2000 funds of \$1.3 million.

**Demonstration Passenger Service** from Lynchburg to Washington began in FY 2010, and service from Richmond to Washington began in early FY 2011. In December 2012, the Richmond service will be extended to start from Norfolk each morning. Virginia will be responsible for the operating and capital costs of an additional four regional trains beginning in FY 2014 under the Federal Passenger Rail Investment and Improvement Act of 2008. Chapter 2 of the *2012 Acts of Assembly* provided \$28.7 million of the FY 2011 General Fund surplus for the operating and capital needs of Virginia intercity passenger rail services. Additionally, Item 442 of the Appropriation Act includes a transfer of a total of \$26.1 million of Rail Enhancement funds for passenger needs for 2013 and 2014. However, a shortfall is anticipated in FY 2015 even with this additional funding. Total estimated expenditures for FY 2012

are \$293,000 as the operating profits from the Lynchburg to Washington service are expected to offset any potential operating losses from the Norfolk/Richmond to Washington service.

**Transportation Bond Funds** - Chapter 896 of the 2007 *Acts of Assembly* provides for Transportation Capital Projects Revenue Bonds to be issued annually with a minimum of 4.3% of the proceeds going to either the Rail Enhancement Fund or the Shortline Railway Preservation and Development Fund. For FY 2013, planned expenditures from these bond proceeds are \$35.9 million for joint passenger and rail infrastructure improvements and \$4.4 million for improvement to the tracks of shortline railroads.

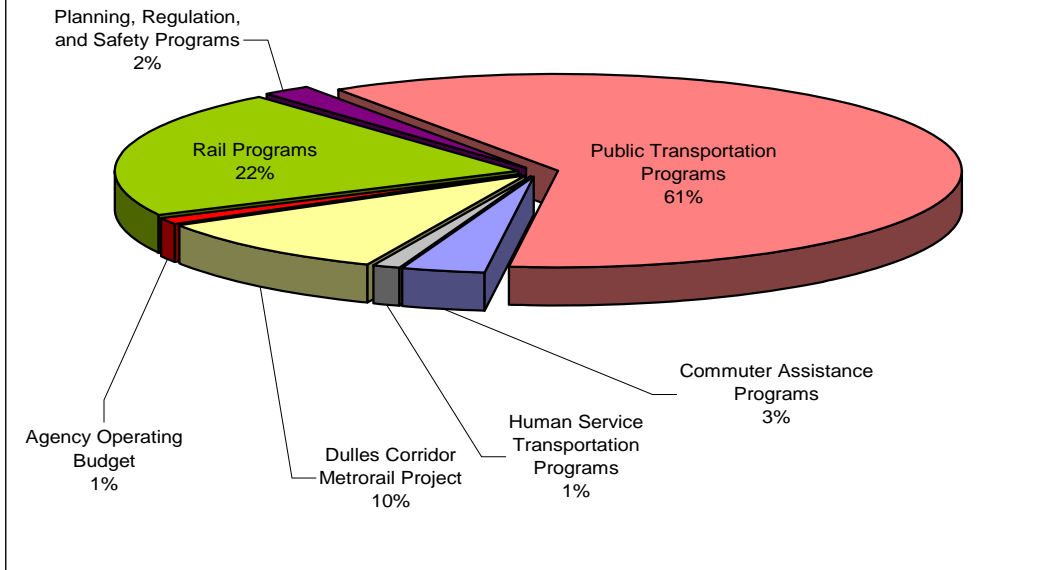
**The Shortline Railway Preservation and Development Fund** will support forty projects for Virginia's shortline railroads in FY 2013 through the Rail Preservation Program. These Rail Preservation projects consist primarily of signal system upgrades and tie and rail replacement and the related ballast, tamping, and surfacing of existing rail lines operated by the shortline railroads in Virginia. These projects are funded through the annual Transportation Trust Fund allocation and related interest revenues, and the Capital Projects Revenue Bonds.

**The Rail Industrial Access Program** funds the construction of industrial access railroad tracks. These projects are funded through the Transportation Trust Fund as projects are approved by the Commonwealth Transportation Board.



**DRPT ANNUAL BUDGET  
FY 2013**

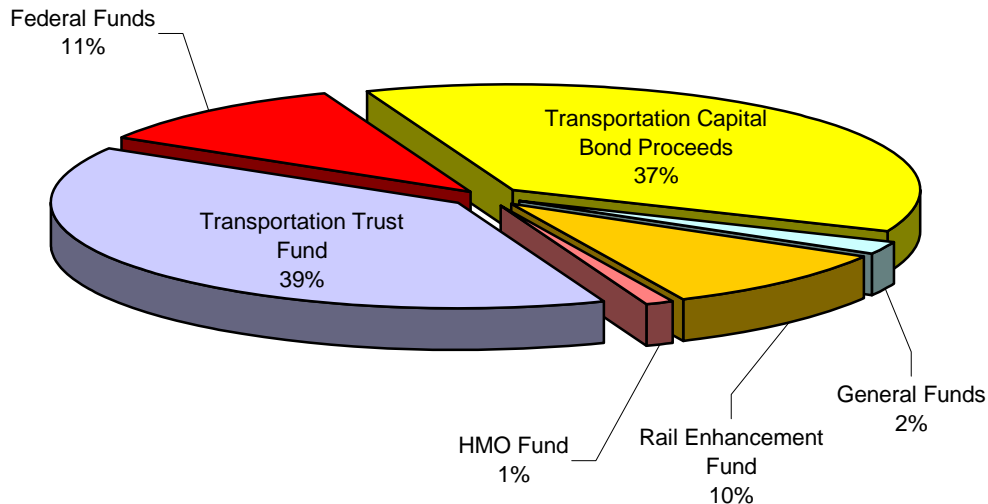
**DRPT  
Budgeted Expenditures - FY 2013  
(\$ in millions)**



	<u>Adopted FY 2012</u>	<u>Recommended FY 2013</u>	<u>Increase / (Decrease)</u>	<u>Percentage Change</u>
<b>Public Transportation Programs</b>				
Operating Assistance [Notes 1, 2]	\$ 132.9	\$ 156.3	\$ 23.4	17.6%
Capital Assistance [Notes 1, 3]	185.7	152.6	(33.1)	-17.8%
Special Programs [Note 4]	2.4	1.4	(1.0)	-41.7%
<b>Total</b>	<u>321.0</u>	<u>310.3</u>	<u>(10.7)</u>	<u>-3.3%</u>
<b>Rail Assistance Programs</b>				
Rail Preservation Programs [Notes 1, 5]	3.5	7.3	3.8	108.6%
Rail Industrial Access [Note 6]	3.0	2.3	(0.7)	-23.3%
Passenger and Freight Rail Programs [Notes 1, 7]	104.3	98.5	(5.8)	-5.6%
Richmond-Washington HSR [Note 8]	-	1.3	1.3	100.0%
<b>Total</b>	<u>110.8</u>	<u>109.4</u>	<u>(1.4)</u>	<u>-1.3%</u>
<b>Dulles Corridor Metrorail Project [Note 9]</b>	<b>11.4</b>	<b>50.0</b>	<b>38.6</b>	<b>338.6%</b>
<b>Commuter Assistance Programs [Note 10]</b>	<b>14.8</b>	<b>16.8</b>	<b>2.0</b>	<b>13.5%</b>
<b>Human Service Transportation Pgm [Note 11]</b>	<b>9.6</b>	<b>6.6</b>	<b>(3.0)</b>	<b>-31.3%</b>
<b>Planning, Regulation, &amp; Safety Pgm [Note 12]</b>	<b>7.4</b>	<b>10.3</b>	<b>2.9</b>	<b>39.2%</b>
<b>Agency Operating Budget [Note 13]</b>	<b>5.1</b>	<b>5.2</b>	<b>0.1</b>	<b>2.0%</b>
<b>Support to Other Agencies</b>	<b>0.8</b>	<b>0.7</b>	<b>(0.1)</b>	<b>-12.5%</b>
<b>Agency Total</b>	<u><u>\$ 480.9</u></u>	<u><u>\$ 509.3</u></u>	<u><u>\$ 28.4</u></u>	<u><u>5.9%</u></u>



**DRPT**  
**Funding Sources - FY 2013**  
(\$ in millions)



	Adopted FY 2012	Recommended FY 2013	Increase / (Decrease)	Percentage Change
<b>HIGHWAY MAINTENANCE AND OPERATING FUND [Notes 12, 13]</b>	\$ 5.7	\$ 5.9	\$ 0.2	3.5%
<b>TRANSPORTATION TRUST FUND</b>				
1986 Special Session Revenue (14.7%) [Notes 2, 3, 4, 12]	138.1	141.9	3.8	2.8%
Recordation Tax [Notes 1,2]	23.1	25.6	2.5	10.8%
Transport. Efficiency Improvement Prgm (TEIF) [Note 10]	4.4	4.2	(0.2)	-4.5%
Rail Preservation Program [Notes 1, 5]	2.4	3.0	0.6	25.0%
Rail Industrial Access [Notes 1, 6]	3.0	2.3	(0.7)	-23.3%
Rail Enhancement [Notes 1, 7]	83.3	49.5	(33.8)	-40.6%
Special Programs - VDOT Transfers [Notes 2, 3, 10, 12]	25.8	22.3	(3.5)	-13.6%
<b>Total</b>	<b>280.1</b>	<b>248.8</b>	<b>(31.3)</b>	<b>-11.2%</b>
<b>GENERAL FUND - Transit Operating and Rail [Note 1, 2, 7]</b>	-	10.2	10.2	100.0%
<b>BOND PROCEEDS - Transit Capital and Rail [Note 1,3,5,7,9]</b>	149.6	188.8	39.2	26.2%
<b>FEDERAL REVENUE</b>				
American Recovery and Reinvestment Act (ARRA) [Notes 3, 7]	1.6	0.3	(1.3)	-81.3%
Flexible STP - Equity Bonus [Note 3]	6.6	4.6	(2.0)	-30.3%
FHWA Funding (CMAQ/RSTP) [Notes 2, 3, 10, 12]	6.4	8.5	2.1	32.8%
Federal Transit Administration [Notes 2, 3, 11, 12]	28.1	26.8	(1.3)	-4.6%
Federal Railroad Administration [Note 7]	1.6	13.4	11.8	737.5%
<b>Total</b>	<b>44.3</b>	<b>53.6</b>	<b>9.3</b>	<b>21.0%</b>
<b>LOCAL REVENUES [Note 11]</b>	1.2	0.7	(0.5)	-41.7%
<b>TRANSFERS FROM OTHER AGENCIES</b>				
VDOT - VTA 2000 Transfers [Note 8]	-	1.3	1.3	100.0%
<b>TOTAL SOURCES</b>	<b>\$ 480.9</b>	<b>\$ 509.3</b>	<b>\$ 28.4</b>	<b>5.9%</b>

**DRPT**  
**Footnotes to the FY 2013**  
**Annual Budget**

- (1) As a result of the 2007 Transportation Initiative, DRPT received two new funding sources for public transit and rail. The Initiative authorized \$3 billion of Commonwealth of Virginia Transportation Capital Projects Revenue Bonds to be issued with rail receiving a minimum of 4.3% and transit receiving a minimum of 20%. In FY 2013 allocations to capital projects funded with these bonds total \$94.9 million for transit capital, \$50.0 million for the Dulles Corridor Metrorail Project, and \$21.3 million for rail. Chapter 896 of the 2007 Acts of Assembly also dedicated \$.02 of the state recordation taxes imposed pursuant to 58.1-801 and 58.1-803 to the Commonwealth Mass Transit Fund. This is estimated to provide \$25 million of funding for transit operations in FY 2013. Additionally, Chapter 2 of the 2012 Acts of Assembly dedicated \$38.6 million of the FY 2011 General Fund surplus to DRPT. Item 452.G.1 sets aside \$9.9 million for statewide transit formula assistance and Item 452.K. sets aside \$28.7 for the operating and capital needs of Virginia intercity passenger rail services.

The budgeted amounts in this report only include anticipated expenditures for FY 2013 and sources to cover these anticipated expenditures. Therefore, budgeted amounts will not agree to allocations in the Six Year Improvement Program (SYIP). For example, DRPT will allocate Transportation Capital Projects Revenue bond proceeds of \$94.9 million (as authorized in Code of Va. Section 33.1-23.4:01) for transit capital in FY 2013, but \$98.5 million is expected to be expended on those projects during FY 2013. The differences between the FY 2013 SYIP allocations and budgeted expenditures are as follows:

**Reconciliation of SYIP Allocations to Budgeted Expenditures**

Total Six Year Improvement Plan Allocations	<b>\$ 442.7</b>
Various Federal Funds Allocations with Grantee FTA Contracting	(28.6)
Transit Revenues to be spent in future years	(2.4)
Agency Operating Budget	5.2
2.3% for Project Development, Administration, and Compliance	4.3
Indirect Costs	0.7
Prior Year Allocations in Current Year Budget	
Rail Revenue and Bond Allocations	54.3
Rail Industrial Access	2.3
VDOT Allocations included in DRPT Budget	30.8
Total Budgeted Expenditures	<b><u>\$ 509.3</u></b>

## DRPT Footnotes to the FY 2013 Annual Budget (Continued)

- (2) The budgeted expenditure line item entitled Public Transportation Programs - Operating Assistance increased by \$23.4 million. This was due to receiving \$9.9 million of General funds for operating assistance per Item 452.G.1 of Chapter 2 of the 2012 Acts of Assembly, a \$3.3 million increase in the revenue estimate, prior year excess revenues of \$7.2 million, and a larger carryover of deobligated balances as compared to FY 12. The activities budgeted in this line item consists of Mass Transit Trust Fund (MTTF) operating allocations of \$105.4 million, recordation taxes of \$25.0 million, \$12.1 million in federal assistance through the FTA 5311 Rural Assistance program, \$9.9 million of General funds, \$1.9 million in federal assistance through the FTA Jobs Access and Reverse Commute (JARC) program, and \$2.0 million in state matching funds.
- (3) The budgeted Public Transportation Programs - Capital Assistance line item decreased by \$33.1 million. This is primarily due to the anticipated \$18.5 million decrease in expenditures of bond funded projects in FY 2013 as compared to FY 2012, as well as the \$12.2 million decrease in estimated expenditures of federally funded projects and the related state match. The activities budgeted in this line item are \$30.1 million of MTTF allocation, \$98.5 million of Transportation Capital Projects bond proceeds, \$0.3 million of ARRA funding, \$11.0 million of federal allocations, and \$12.7 million in state matching funds.
- (4) The budgeted expenditure line item entitled Public Transportation Programs – Special Programs decreased by \$1.0 million for FY 2013. The \$1.0 million decrease is mainly due to a decrease in estimated expenditures of the \$11.3 million special allocation approved by the Commonwealth Transportation Board (CTB) at its April 2007 meeting. The remaining balance was spent in FY 2012. The activities budgeted in this line item consist of MTTF allocations of \$1.4 million.
- (5) The 2006 General Assembly passed legislation (Code of Va. Section 33.1-221.1:1.2) to establish the Shortline Railway Preservation and Development fund. The Fund was created to support the retention, maintenance, and improvement of shortline railways in Virginia and to assist with the development of railway transportation facilities. The source of funding for the Shortline Railway Preservation fund is the Transportation Trust Fund of \$2.9 million. The additional \$4.4 million of planned expenditures is funded by Transportation Capital Projects Bond proceeds allocated by the CTB.
- (6) The Rail Industrial Access Program funds construction of industrial access railroad tracks. The activities budgeted in this line item consist of Transportation Trust Fund allocations of \$2.3 million.

## **DRPT Footnotes to the FY 2013 Annual Budget (Continued)**

- (7)** The budgeted Passenger and Freight Rail Programs line item (formerly the Rail Enhancement Program line item) decreased by \$5.8 million in FY 2013. This is primarily due to the incorrect estimation of expenditures on capital improvements for the Norfolk Passenger Service in FY 2012. Significant expenditures on this project will now occur during FY 2013. The source of funding for the Rail Enhancement Fund is the state portion of vehicle rental taxes collected in the Transportation Trust Fund, estimated at \$26.2 million for FY 201. Additionally, this line item includes Rail unobligated balances of \$22.7 million, Federal High Speed Rail funds of \$9.9 million, American Recovery and Reinvestment Act funds of \$3.5 million, bond proceeds of \$35.9 million, and General funds of \$0.3 million.
- (8)** The budgeted Richmond-Washington HSR line item increased by \$1.3 million. This is primarily due to the pledging of VTA 2000 funds to fund anticipated passenger rail improvements in the Richmond District.
- (9)** The FY 2013 budget for the Dulles Corridor Metrorail Project includes the FY 2013 allocation of Commonwealth bond funds totaling \$50.0 million for Phase II. The transfer of the Dulles Toll Road operations to the Metropolitan Washington Airports Authority was completed in Fiscal Year 2009. DRPT no longer records Dulles Project related capital construction financial transactions. The budget for the Dulles Project is included herein so that DRPT may continue to advance Commonwealth funds for the Project.
- (10)** Commuter Assistance Programs includes the Transportation Efficiency Improvement Fund of \$4.0 million from the Transportation Trust Fund plus \$0.2 million of prior year balances that are carried forward. Additionally, \$12.6 million in projects administered by DRPT with funding allocated through VDOT's Six-Year Improvement Program (CMAQ, RSTP, Safetea-Lu, Innovative Progress, Telework) is included in this Service Area.
- (11)** Human Service Transportation Programs includes the \$1.5 million of MTTF for the paratransit capital projects and enhanced transportation services for the elderly and disabled, \$3 million of FTA 5310 funding for vehicle purchases for providers of service to the elderly and disabled, \$0.7 million of local match to the FTA 5310 funds, and \$1.4 million of FTA New Freedom awards.

## DRPT Footnotes to the FY 2013 Annual Budget (Continued)

- (12) Planning, Regulation, and Safety Programs includes the \$4.3 million allocation of 2.3 percent of the Mass Transit Trust Fund, Rail Enhancement Fund, and the Rail Preservation Fund to support costs of project development, project administration, and project compliance. Item 440 of Chapter 3 of the 2012 Virginia Acts of Assembly allows the CTB to approve up to a maximum of 3 percent per year of these funds for the purposes described herein. The major components of these budgeted expenditures for FY 2013 are as follows:

Rail Program Support	\$ 1,107,729
Transit Program Support	932,728
State Safety Oversight Program	475,000
Amtrak Marketing	425,000
Finance Compliance Review Program	410,000
Rail Stations Project Development	370,000
Facility Oversight Program	300,000
Other Program and Project Management Initiatives	222,548
Grants Management System and Performance Reporting	110,000
Total	<u>\$ 4,353,005</u>

Planning, Regulation, and Safety Programs also consist of the FTA 5303/5304 planning funds of \$3.1 million and the related state match of \$0.5 million. Additionally, \$2.4 million in projects administered by DRPT with funding allocated through VDOT's Six-Year Improvement Program is included in this Service Area.

- (13) The agency operating budget of \$5.2 million is funded by Highway Maintenance and Operating (HMO) funds. The program development, project administration, and project compliance budget is \$4.3 million as detailed in footnote 12. When these two items are combined and the Dulles Corridor Metrorail Project budget is removed, the resulting DRPT operating budget represents 2.0% of the total funds administered by the agency.
- (14) In order to provide comparative data to the FY 2013 budget, certain reclassifications were made to FY 2012 line items.