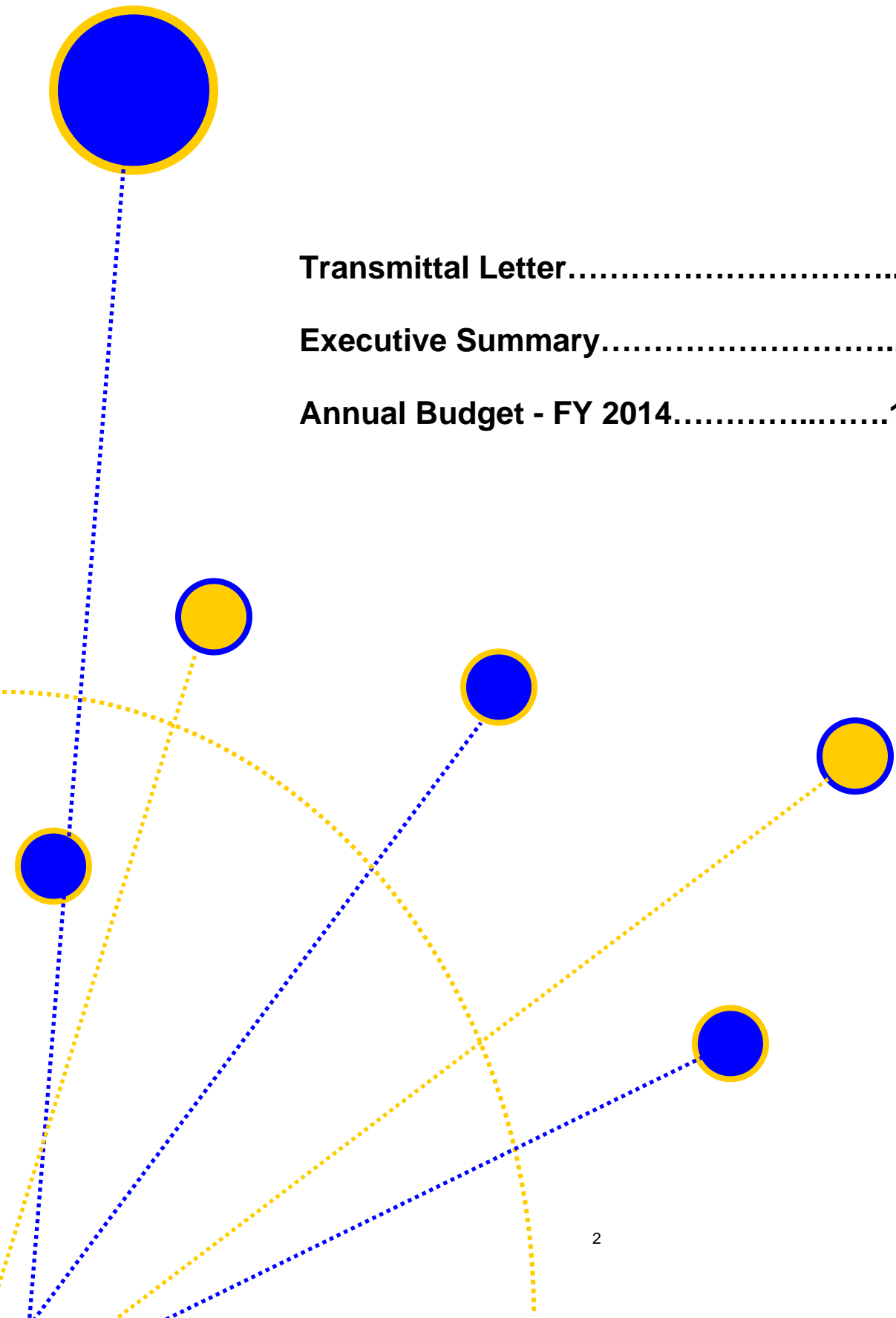




Annual Budget Fiscal Year 2014

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COMMONWEALTH of VIRGINIA

Thelma D. Drake
Director

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June 19, 2013

Secretary Sean T. Connaughton, Chairman
Mr. Roger Cole
Mr. Hollis D. Ellis
Ms. Fran Fisher
Mr. Gary Garczynski
Mr. Aubrey L. Layne, Jr.
Mr. Allen L. Louderback
Mr. Dana M. Martin

Mr. Sonny Martin
Mr. John K. Matney
Mr. W. Sheppard Miller, III
Mr. Mark J. Peake
Mr. Cord A. Sterling
Mr. Gregory A. Whirley
Mr. F. Dixon Whitworth, Jr.

Dear Members of the Board:

The only way to describe the past six months and the coming year with respect to its impact on the Virginia Department of Rail and Public Transportation is 'monumental'. With the approval of HB2313 by the General Assembly and the Governor, a multimodal approach to address the transportation issues in the Commonwealth was effectively bolstered. Both rail and transit significantly benefited from the sweeping transportation initiative that cemented the Commonwealth's investment in these modes for the foreseeable future. As 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.

You will find contained within this report DRPT's FY 2014 Annual Budget for your review and approval. The DRPT budget has grown in FY 2014 to \$548 million mainly due to the passing of HB2313. Reflected in this budget is DRPT's partnership in two of the four largest transportation projects currently under construction in the United States – the Dulles Corridor Metrorail Project and Norfolk Southern's Crescent Corridor Initiative. Additionally, beginning in FY 2014 DRPT will be responsible for the operating and capital costs of six regional passenger trains with service initiating in Lynchburg, Richmond (2), Newport News (2), and Norfolk. Plans are underway to extend the Lynchburg intercity passenger rail service to Roanoke in the next three to four years and to possibly add additional service to Norfolk. The transportation package includes more than \$44 million annually for passenger rail that allows DRPT to continue these valuable services without interruption.

HB2313 provides more than \$66 million annually for transit operating and capital assistance for FY 2014 and beyond – an increase of over 40%. For the distribution of these new transit funds, DRPT is working with a new legislatively established Transit Service Delivery Advisory Committee (TSDAC) to develop a performance-based allocation system. We anticipate distributing the new operating funding in December of 2013 using the new performance-based allocation system. The planned level of state funding for transit operating expenses for FY 2014 increases to 24% when including the HB2313 revenues, up from last year's level of 20%.

We look forward to working with the Commonwealth Transportation Board to advance the programs and projects in our FY 2014 budget.

Sincerely,

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

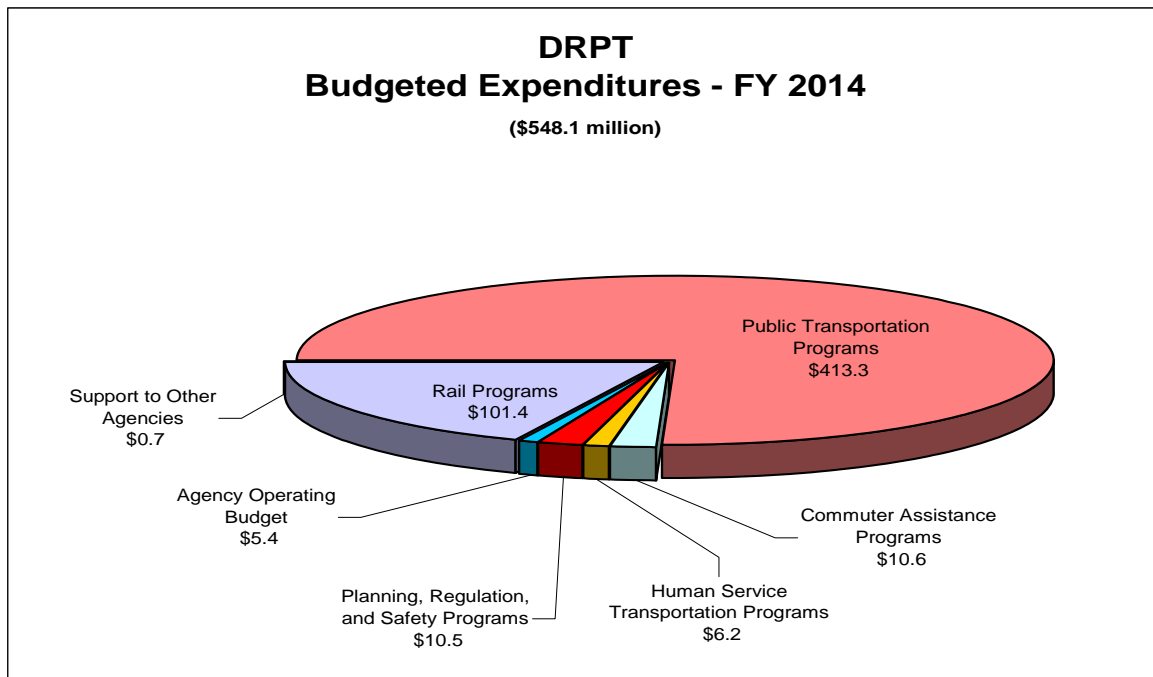
Thelma Drake



**EXECUTIVE SUMMARY
DRPT ANNUAL BUDGET
FY 2014**

Summary of FY 2014 Budget

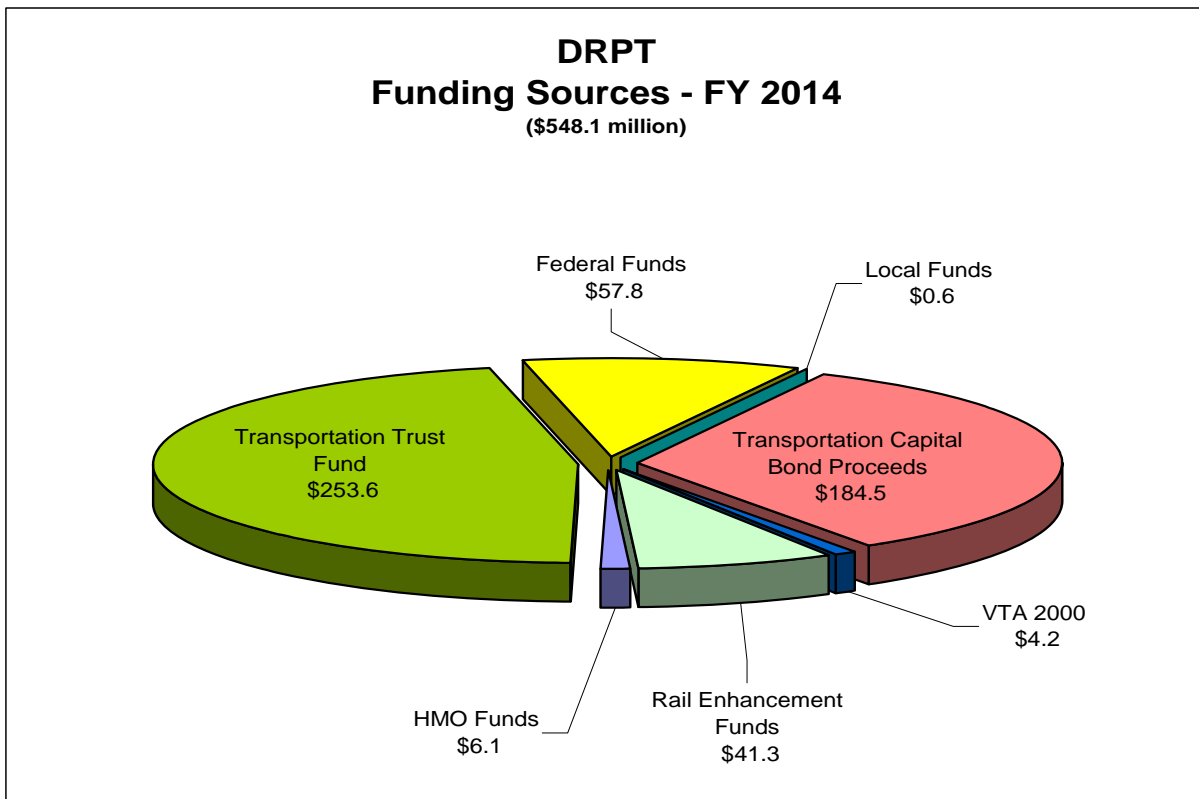
In FY 2014, DRPT anticipates spending \$548.1 million of federal, state, and local funds compared to \$509.3 million in FY 2014. The increase of \$38.8 million results primarily from the new transit operating money from the passage of House Bill 2313 and the FY 2014 capital allocations being more closely aligned with anticipated cash flows. This total increase of \$90 million is offset by the decrease of \$50 million in budgeted expenditures for the Dulles Corridor Metrorail Project. The new funding included in House Bill 2313 totaling \$300 million for Phase II of the Dulles project is included in VDOT's financial system. The FY 2014 DRPT budget will be accounted for utilizing the agency's eight 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; 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 on the next page. This does not represent the estimated revenues for FY 2014; instead, it shows the source of funding for the budgeted expenditures for the year. For example, \$107.7 million of Commonwealth of Virginia Transportation Capital Projects Revenue Bonds is allocated to transit in the FY 2014 Six Year Improvement Program, but the budget and the funding sources statement includes \$159.1 million of projected expenditures for FY 2014. This is the result of the two to three year lag on some transit capital projects

between the SYIP allocation and the timing of the actual expenditures. Additional information concerning the DRPT FY 2014 funding sources can be found on page 16.



FY 2014 Service Area Budget Highlights

Agency Operating Budget

The DRPT budget has increased significantly since FY 2008 as transportation funding has been shifted in an effort to bolster a multimodal approach to transportation issues in the Commonwealth. The DRPT budget increased again in FY 2014 mainly due to the passing of HB 2313 that is expected to annually provide more than \$66 million for transit capital and operating assistance and more than \$44 million for passenger rail. 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 806 of the 2013 Virginia Acts of Assembly authorizes the CTB to approve up to a maximum of 3.5% per year of the Mass Transit Trust Fund, Rail Enhancement Fund, Rail Preservation Fund, and the Intercity Passenger Rail Operating and Capital Fund to support costs of project development, project administration, and project compliance. DRPT has determined that .4% (\$1.2 million) of the available balance of the aforementioned funds for FY 2014, along with carryover funds of \$2.6 million from

FY 2013, will be sufficient to support the ongoing costs of these programs. A complete list of these estimated costs for FY 2014 is included in the budget statement at the end of this document.

The combined DRPT operating budget represents 1.7% of the \$548.1 million of total funds administered by the agency. The actual cost to manage the DRPT programs for FY 2014 is estimated at \$9.2 million. The Highway Maintenance and Operating (HMO) fund provides \$5.4 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 \$3.8 million for program development, project administration, and project compliance.

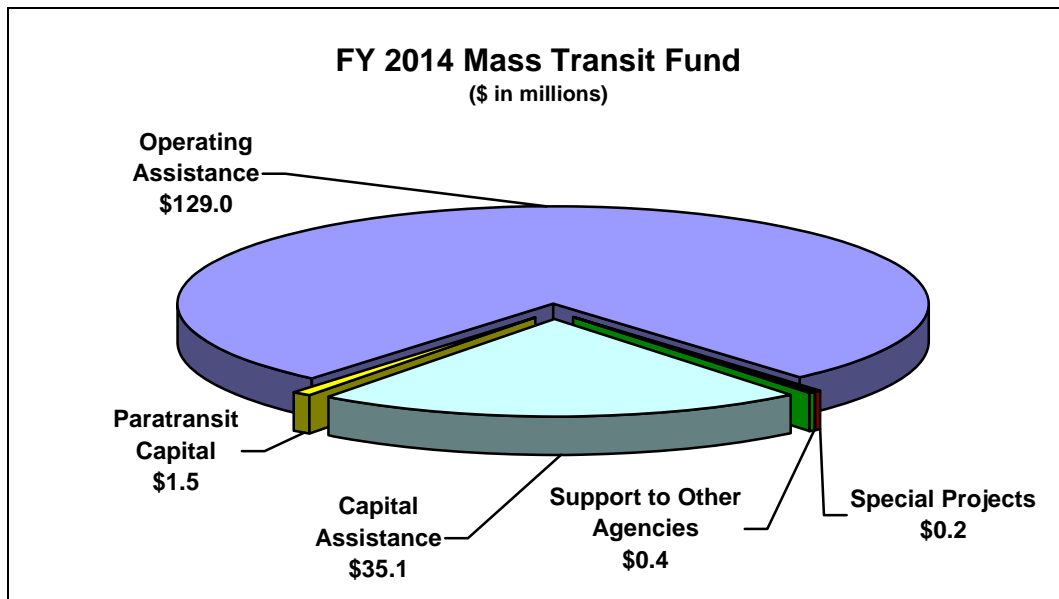
FY 2014 will be the last year that HMO funds are allocated to cover DRPT administrative costs. With the new funding, it has been established that DRPT's programs can cover the cost of program development, project administration, and project compliance. If DRPT did not have other sources of funds for administrative and project management costs for FY 2014, DRPT would need 3.0% of the designated fund sources to cover these costs.

Public Transportation Programs

The FY 2014 allocation of Mass Transit Trust Funds in the Six Year Improvement Program (SYIP) represents a decrease of \$12.2 million over FY 2013. The funding for this allocation is made up of the 14.7% of the 1986 Special Session Revenue (Transportation Trust Fund), the state recordation tax dedicated to public transportation operating assistance in Chapter 896 of the 2007 Acts of Assembly, and Chapter 766 of the 2014 Acts of Assembly that dedicated 60% of 0.125 percent addition to the general sales and use tax to the Mass Transit Trust fund. The FY 2014 allocation would be significantly higher, but the SB 1140 requires that revenues of the Mass Transit Trust Fund above \$160 million must be allocated using a performance-based allocation system. DRPT is working with a new legislatively established Transit Service Delivery Advisory Committee (TSDAC) created under Senate Bill 1140 of the 2013 Acts of Assembly to develop a performance-based allocation system for the funds in excess of the \$160 million threshold. DRPT anticipates distributing the new operating funding in December 2013 using the new performance-based allocation system.

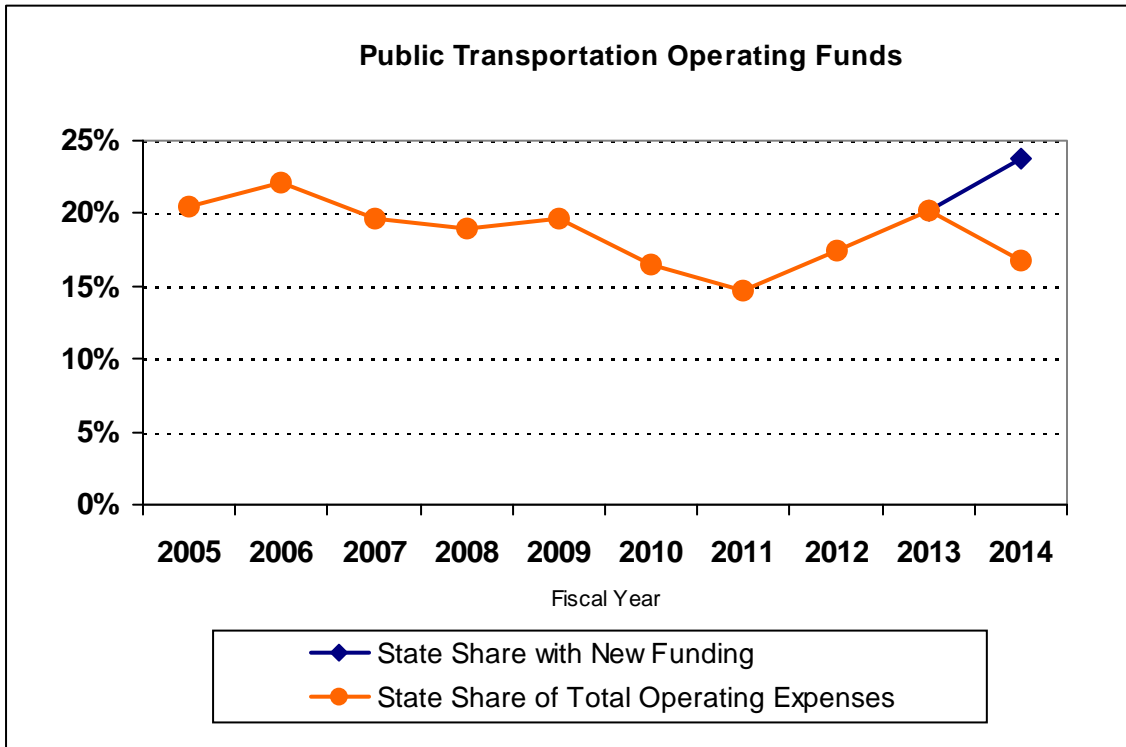
The annual allocation of these funds is distributed in accordance with Appropriations Act language and the provisions of the Code of Virginia that established the Mass Transit Trust Fund (§58.1-638) and dedicated \$0.02 of the state recordation tax to the Mass Transit Fund (§58.1-815.4.). The distribution is as follows: 0.4% of the Mass Transit Trust Fund to support costs of project development, project administration, and project compliance per Item 440 of the 2013 Appropriation Act; \$1.5 million for paratransit capital projects and enhanced transportation services for the elderly and disabled; recordation tax proceeds of \$19.3 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 72% for state operating assistance grants (called formula assistance grants), 25% awarded as capital assistance grants, and the balance of up to 3% awarded as special projects grants subject to CTB approval.

The FY 2014 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 for several reasons. First, the recordation tax and the \$6.0 million of deobligated grant funds are allocated entirely as operating assistance. Second, 74.8% was allocated to Operating and .2% was allocated to Special in FY 14 due to the lack of need in the Special program. This chart represents FY 2014 SYIP allocations and will not agree to budgeted expenditures in this report. For more information, see Note 1 on page 17.



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 up to the \$160 million threshold in accordance with Senate Bill 1140. The chart on the next page shows the overall state share of expenditures of 16.72% for FY 2014 versus 20.18% for FY 2013 as allocated in the Six Year Improvement Program. The decrease is mainly due to receiving \$9.9 million of General funds in FY 13. The planned level of state expenditure included in this budget for transit operating expenses for FY 2014 increases to 24% when including the HB2313 revenues of \$54.3 million, up from last year's level of 20%.

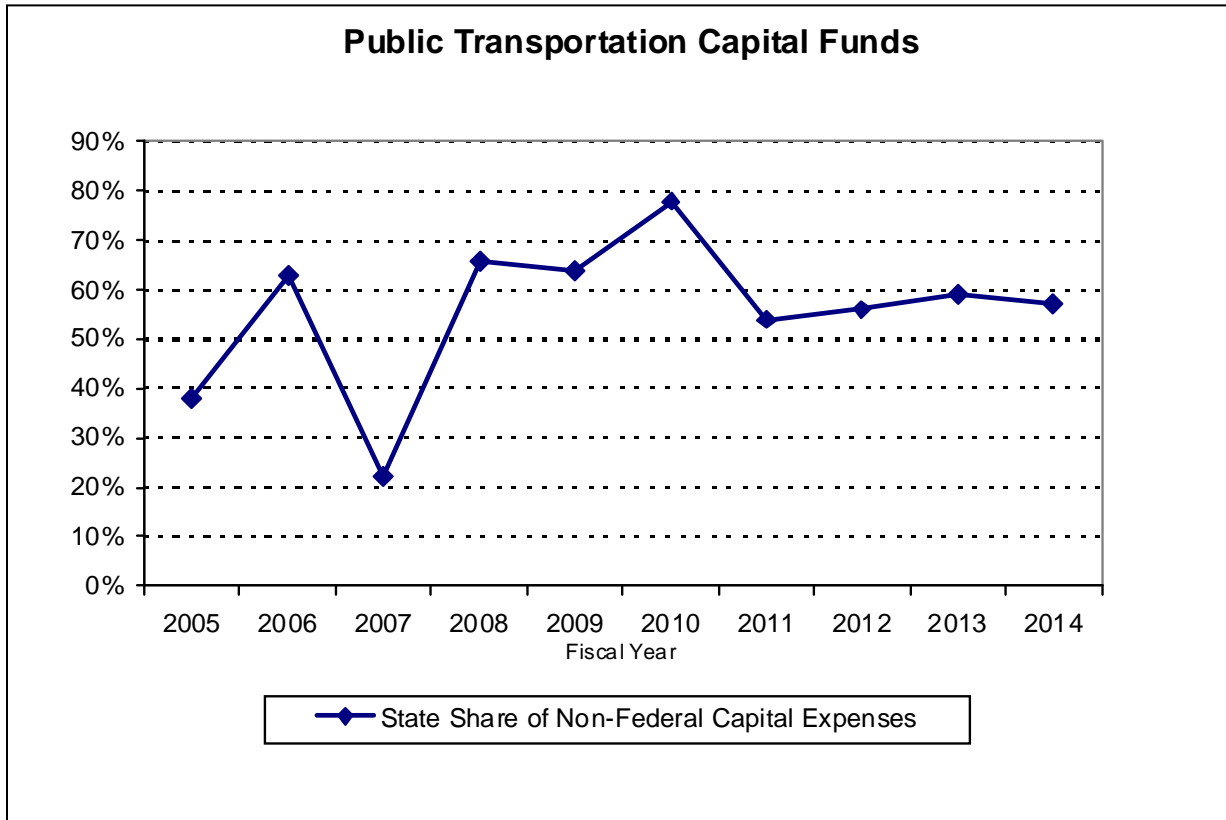


Public Transportation Capital Funds

State capital program grants from Mass Transit Trust Funds (MTTF) are awarded to 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 \$107.7 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 57% for FY 2014 as compared to 59% for FY 2013.



In FY 2014, the budget for public transportation capital expenditures is \$219.8 million – a \$67.2 million increase from FY 2013. This is primarily due to FY 2014 allocations being more closely aligned with anticipated cash flows. 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 2014 | | | | | | |
|--|------------------------------|----------------------------|--|--------------------------|---|-------------------------------------|
| | 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 | 10 | 4 | 0 | 1 | 0 | 0 |
| Culpeper District | 20 | 0 | 1 | 2 | 0 | 0 |
| Fredericksburg District | 7 | 2 | 8 | 0 | 1 | 1 |
| Hampton Roads District | 138 | 0 | 9 | 0 | 4 | 2 |
| Lynchburg District | 4 | 1 | 9 | 2 | 1 | 0 |
| Northern Virginia District | 332 | 26 | 4 | 200 | 21 | 4 |
| Richmond District | 5 | 0 | 10 | 0 | 3 | 0 |
| Salem District | 11 | 7 | 12 | 3 | 1 | 1 |
| Staunton District | 2 | 8 | 11 | 1 | 2 | 0 |
| Statewide Totals | 529 | 48 | 64 | 209 | 33 | 8 |

Public Transportation Special Projects Funds

The Special Programs budget is estimated at \$0.8 million for FY 2014. These funds are used to award discretionary grants for public transportation demonstration projects, technical assistance projects, and public transportation training and internships.

Commuter Assistance Funds

The Commuter Assistance Programs budget includes \$3.0 million for FY 2014 to support Transportation Demand Management (TDM) projects in the Transportation Efficiency Improvement Fund (TEIF) program. The budget also includes \$7.6 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, Telework, RideFinders, and various Transportation Management Plans.

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 2014 is shown in the below table.

| Commuter Assistance Projects for FY 2014 | | | |
|---|--|----------------------------|-----------|
| | 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 | 1 | 3 | 4 |
| Lynchburg District | 0 | 0 | 0 |
| Northern Virginia District | 7 | 0 | 7 |
| Richmond District | 2 | 1 | 3 |
| Salem District | 1 | 0 | 1 |
| Staunton District | 2 | 0 | 2 |
| Statewide Totals | 18 | 4 | 22 |

Human Service Transportation Funds

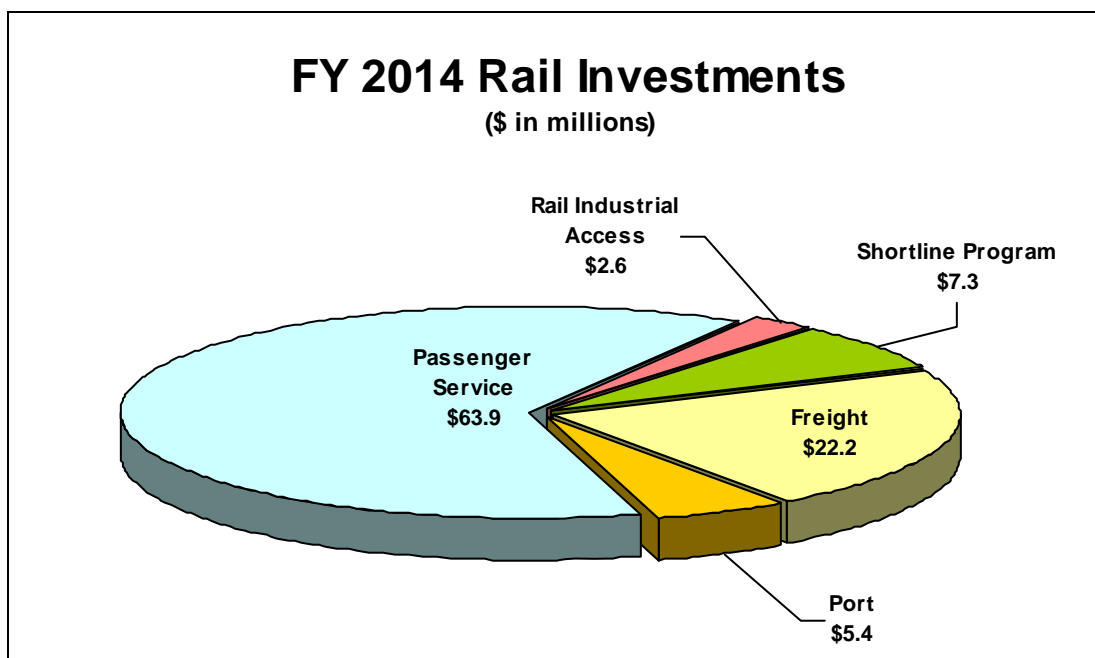
The Human Service Transportation Programs budget includes \$6.2 million for FY 2014. This service area implements DRPT's initiatives to support human service transportation programs in the Commonwealth. Human service transportation programs are operated by local government social service agencies or 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 (\$4.5 million), local provider match (\$0.6 million), and Mass Transit Trust funds for enhanced transportation services for the elderly and disabled (\$1.1 million). The breakdown by district of the 64 vehicles purchased through this program is included in the Public Transportation Capital Projects table on page 10.

Rail Programs

DRPT's FY 2014 budget includes \$101.4 million in funding for rail improvements in Virginia. The distribution of anticipated expenditures falls into five categories: Freight with \$22.2 million, Port related projects of \$5.4 million, Passenger Service with \$63.9 million, Shortline Program with \$7.3 million, and the Rail Industrial Access Program with \$2.6 million of expenditures.



Funding for DRPT's rail programs is supported through seven funding sources: Rail Enhancement funds of \$40.9 million, Transportation Capital Projects Revenue Bond funds of \$25.4 million, Federal Railroad Administration grant funds of \$14.9 million, Shortline Railway and Development funds of \$5.3 million, Rail Industrial Access funds of \$2.6 million, Intercity Passenger Rail Operating and Capital (IPROC) funds of \$8.1 million, and VTA 2000 funds of \$4.2 million. It should be noted that 0.4% of the totals for the REF, Rail Preservation, and IPROC are used to fund project development, project administration, and project compliance in the Planning, Regulation, and Safety program.

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 was 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. The Intercity Passenger Rail Operating and Capital Fund was created by the General Assembly in FY 2011. In 2013, the General Assembly dedicated 40 % of a 0.125 percent increase in the general sales and use tax to the fund which amounts to approximately \$44.3 million for FY 2014. These funds will be used to support the operating and capital needs for the trains listed above as well as capital costs for the expansion of intercity passenger rail.

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 2014, planned expenditures from these bond proceeds are \$23.4 million for joint passenger and rail infrastructure improvements and \$2.0 million for improvement to the tracks of shortline railroads.

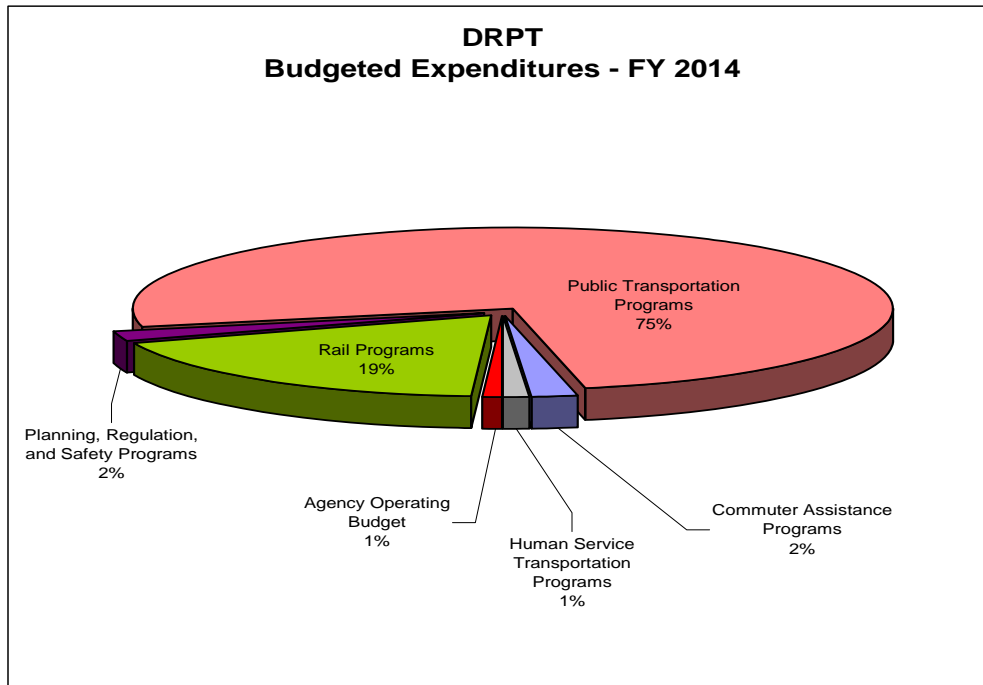
The Shortline Railway Preservation and Development Fund will support 48 projects for Virginia's shortline railroads in FY 2014 through the Rail Preservation Program. These Rail Preservation projects consist primarily of signal system upgrades; and tie and rail replacement and the related ballast, tamping, 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 2014

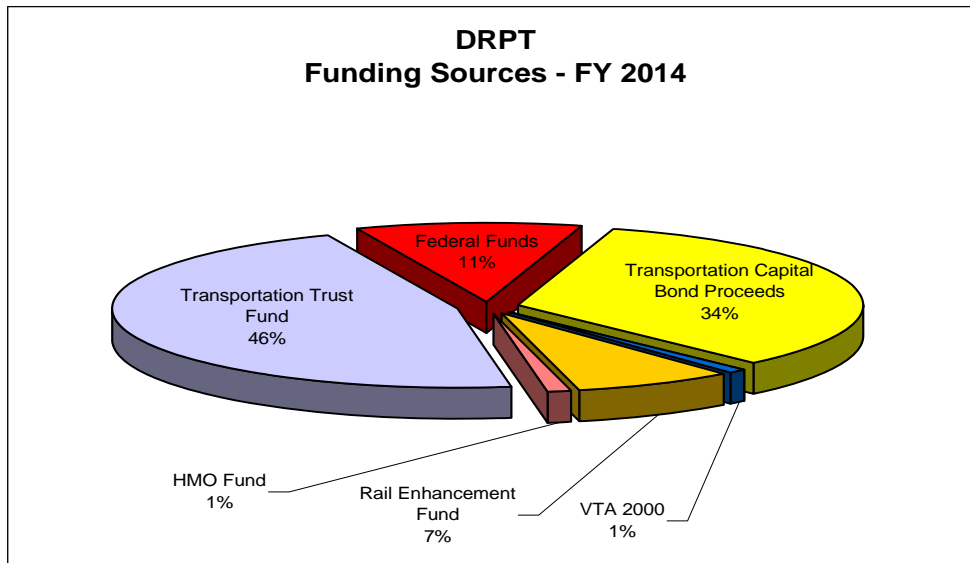
**DRPT
Budgeted Expenditures - FY 2014**



(\$ in millions)

| | <u>Adopted FY 2013</u> | <u>Recommended FY 2014</u> | <u>Increase / (Decrease)</u> | <u>Percentage Change</u> |
|---|----------------------------|--------------------------------|----------------------------------|------------------------------|
| Public Transportation Programs | | | | |
| Operating Assistance [Notes 1, 2] | \$ 156.3 | \$ 192.7 | \$ 36.4 | 23.3% |
| Capital Assistance [Notes 1, 3] | 152.6 | 219.8 | 67.2 | 44.0% |
| Special Programs [Note 4] | 1.4 | 0.8 | (0.6) | -42.9% |
| Total | 310.3 | 413.3 | 103.0 | 33.2% |
| Rail Assistance Programs | | | | |
| Rail Preservation Programs [Notes 1, 5] | 7.3 | 7.3 | - | 0.0% |
| Rail Industrial Access [Note 6] | 2.3 | 2.6 | 0.3 | 13.0% |
| Passenger and Freight Rail Programs [Notes 1, 7] | 98.5 | 87.3 | (11.2) | -11.4% |
| Richmond-Washington HSR [Note 8] | 1.3 | 4.2 | 2.9 | 223.1% |
| Total | 109.4 | 101.4 | (8.0) | -7.3% |
| Dulles Corridor Metrorail Project [Note 9] | 50.0 | - | (50.0) | -100.0% |
| Commuter Assistance Programs [Note 10] | 16.8 | 10.6 | (6.2) | -36.9% |
| Human Service Transportation Pgm [Note 11] | 6.6 | 6.2 | (0.4) | -6.1% |
| Planning, Regulation, & Safety Pgm [Note 12] | 10.3 | 10.5 | 0.2 | 1.9% |
| Agency Operating Budget [Note 13] | 5.2 | 5.4 | 0.2 | 3.8% |
| Support to Other Agencies | 0.7 | 0.7 | - | 0.0% |
| Agency Total | \$ 509.3 | \$ 548.1 | \$ 38.8 | 7.6% |

**DRPT
Funding Sources - FY 2014**



| | (\$ in millions) | | | |
|--|--------------------|------------------------|--------------------------|----------------------|
| | Adopted FY 2013 | Recommended FY 2014 | Increase / (Decrease) | Percentage Change |
| HIGHWAY MAINTENANCE AND OPERATING FUND [Notes 12, 13] | \$ 5.9 | \$ 6.1 | \$ 0.2 | 3.4% |
| TRANSPORTATION TRUST FUND | | | | |
| 1986 Special Session Revenue (14.7%) [Notes 2, 3, 4, 11, 12] | 141.9 | 153.9 | 12.0 | 8.5% |
| 2013 Chapter 766 Revenue for Transit [Notes 1, 2, 12] | - | 40.7 | 40.7 | 100.0% |
| Recordation Tax [Notes 1,2] | 25.6 | 28.5 | 2.9 | 11.3% |
| Transport. Efficiency Improvement Prgm (TEIF) [Note 10] | 4.2 | 3.0 | (1.2) | -28.6% |
| Rail Preservation Program [Notes 1, 5] | 3.0 | 5.4 | 2.4 | 80.0% |
| Rail Industrial Access [Note 6] | 2.3 | 2.6 | 0.3 | 13.0% |
| Rail Enhancement [Notes 1, 7] | 49.5 | 41.3 | (8.2) | -16.6% |
| 2013 Chapter 766 Revenue for IPROC [Notes 1, 7] | - | 8.3 | 8.3 | 100.0% |
| Special Programs - VDOT Transfers [Notes 2, 3, 10, 12] | 22.3 | 11.2 | (11.1) | -49.8% |
| Total | 248.8 | 294.9 | 46.1 | 18.5% |
| GENERAL FUND - Transit Operating and Rail | 10.2 | - | (10.2) | -100.0% |
| BOND PROCEEDS - Transit Capital and Rail [Notes 1, 3, 5, 7] | 188.8 | 184.5 | (4.3) | -2.3% |
| FEDERAL REVENUE | | | | |
| American Recovery and Reinvestment Act (ARRA) [Note 7] | 0.3 | 10.0 | 9.7 | 3233.3% |
| Flexible STP [Note 3, 11] | 4.6 | 11.6 | 7.0 | 152.2% |
| FHWA Funding (CMAQ/RSTP) [Notes 2, 3, 10, 12] | 8.5 | 7.0 | (1.5) | -17.6% |
| Federal Transit Administration [Notes 2, 3, 11, 12] | 26.8 | 24.3 | (2.5) | -9.3% |
| Federal Railroad Administration [Note 7] | 13.4 | 4.9 | (8.5) | -63.4% |
| Total | 53.6 | 57.8 | 4.2 | 7.8% |
| LOCAL REVENUES [Note 11] | 0.7 | 0.6 | (0.1) | -14.3% |
| TRANSFERS FROM OTHER AGENCIES | | | | |
| VDOT - VTA 2000 Transfers [Note 8] | 1.3 | 4.2 | 2.9 | 223.1% |
| TOTAL SOURCES | \$ 509.3 | \$ 548.1 | \$ 38.8 | 7.6% |

DRPT
Footnotes to the FY 2014
Annual Budget

- (1) The General Assembly passed HB 2313 that is expected to provide more than \$66 million for transit capital and operating assistance and more than \$44 million for passenger rail for fiscal year 2014. For the distribution of new transit funds, DRPT is working with a new legislatively established Transit Service Delivery Advisory Committee (TSDAC) created under SB1140 of the 2013 Acts of Assembly to develop a performance-based allocation system for these new funds distributed in excess of the \$160 million 2013 level of transit funding. These funds are not currently being distributed in the FY 2014 Six Year Improvement Program, but DRPT does expect to distribute the additional operating funds in December 2013 based on a performance-based allocation system.

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 2014, allocations to capital projects funded with these bonds total \$107.7 million for transit capital and \$13.1 million for rail. Chapter 896 of the 2007 Acts of Assembly also dedicated \$0.02 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 \$28.3 million of funding for transit operations in FY 2014.

The budgeted amounts in this report only include anticipated expenditures for FY 2014 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 \$107.7 million (as authorized in Code of Va. Section 33.1-23.4:01) for transit capital in FY 2014, but \$159.1 million is expected to be expended on those projects during FY 2014. The differences between the FY 2014 SYIP allocations and budgeted expenditures are as follows:

Reconciliation of SYIP Allocations to Budgeted Expenditures

| | |
|--|------------------------|
| Total Six Year Improvement Plan Allocations | \$ 407.5 |
| Various Federal Funds Allocations with Grantee FTA Contracting | (38.1) |
| Agency Operating Budget | 5.4 |
| Project Development, Administration, and Compliance | 3.8 |
| Indirect Costs | 0.7 |
| Prior Year Allocations in Current Year Budget | |
| American Reinvestment and Recovery Act (ARRA) | 10.0 |
| Transit Revenue and Bond Allocations | 116.2 |
| Rail Revenue and Bond Allocations | 21.8 |
| Rail Industrial Access | 2.6 |
| VDOT Allocations included in DRPT Budget | 18.2 |
| Total Budgeted Expenditures | <u>\$ 548.1</u> |

DRPT Footnotes to the FY 2014 Annual Budget (Continued)

- (2)** The budgeted expenditure line item entitled Public Transportation Programs - Operating Assistance increased by \$36.4 million. This is mainly due to \$49.2 million in new transit operating revenues offset by the \$9.9 million of General funds received in FY 13. The new transit funding is the result of HB 2313 which is expected to provide more than \$66 million for transit capital and operating assistance. For the distribution of new transit funds, DRPT is working with a new legislatively established Transit Service Delivery Advisory Committee (TSDAC) created under SB1140 of the 2013 Acts of Assembly to develop a performance-based allocation system for these new funds distributed in excess of the \$160 million 2013 level of transit funding. The activities budgeted in this line item consist of Mass Transit Trust Fund (MTTF) operating allocations of \$151.3 million, recordation taxes of \$28.1 million, \$11.9 million in federal assistance through the FTA 5311 Rural Assistance program, and \$0.4 million in federal assistance through the FTA Jobs Access and Reverse Commute (JARC) program. Additionally, \$1.0 million in projects administered by DRPT with funding allocated through VDOT's Six-Year Improvement Program (CMAQ, RSTP, and related state match) is included in this Service Area.
- (3)** The budgeted Public Transportation Programs - Capital Assistance line item increased by \$67.2 million. This is primarily due to FY 2014 allocations being more closely aligned with anticipated cash flows. The activities budgeted in this line item are \$38.0 million of MTTF allocation, \$159.1 million of Transportation Capital Projects bond proceeds, and \$14.7 million of federal allocations. Additionally, \$8.0 million in projects administered by DRPT with funding allocated through VDOT's Six-Year Improvement Program (CMAQ, RSTP, and related state match) is included in this Service Area.
- (4)** The budgeted expenditure line item entitled Public Transportation Programs – Special Programs decreased by \$.6 million for FY 2014. The \$.6 million decrease is mainly due to a decrease in applications for FY 2014. The activities budgeted in this line item consist of MTTF allocations of \$.8 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 \$5.3 million. The additional \$2.0 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 \$2.6 million.

DRPT Footnotes to the FY 2014 Annual Budget (Continued)

- (7)** The budgeted Passenger and Freight Rail Programs line item (formerly the Rail Enhancement Program line item) decreased by \$11.2 million in FY 2014. This is primarily due to the incorrect estimation of expenditures on the I-95 Corridor MAS 90 Tier II EIS project of \$11.6 million in FY 13. This project is now expected to get underway in late FY 2014. 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 \$27.0 million for FY 2014. Additionally, this line item includes Rail unobligated balances of \$13.9 million, Federal High Speed Rail funds of \$4.9 million, American Recovery and Reinvestment Act funds of \$10.0 million, bond proceeds of \$23.4 million, and Intercity Passenger Rail Operating and Capital (IPROC) funds of \$8.1 million.
- (8)** The budgeted Richmond-Washington HSR line item increased by \$2.9 million. This is primarily due to the pledging of VTA 2000 funds to fund the development of intercity passenger rail enhancements in the I-95 passenger rail corridor between Richmond and the District of Columbia.
- (9)** The FY 2013 budget for the Dulles Corridor Metrorail Project included the FY 2013 allocation of Commonwealth bond funds totaling \$50.0 million for Phase II. The new funding included in House Bill 2313 totaling \$300 million for Phase II of the Dulles project is included in VDOT's financial system.
- (10)** Commuter Assistance Programs includes the Transportation Efficiency Improvement Fund of \$3.0 million from the Transportation Trust Fund. Additionally, \$7.6 million in projects administered by DRPT with funding allocated through VDOT's Six-Year Improvement Program (CMAQ, RSTP, Telework and related state match) is included in this Service Area.
- (11)** Human Service Transportation Programs includes \$1.1 million of MTTF state matching funds for the paratransit capital projects and enhanced transportation services for the elderly and disabled. Also included is \$3.2 million of FTA funds for vehicle purchases for providers of service to the elderly and disabled, \$0.6 million of local match to the FTA 5310 funds, and \$1.3 million of FTA New Freedom awards.

DRPT Footnotes to the FY 2014 Annual Budget (Continued)

- (12) Planning, Regulation, and Safety Programs include the FY 2014 \$1.2 million allocation of .4 percent of the Mass Transit Trust Fund, Rail Enhancement Fund, Rail Preservation Fund, and the Intercity Passenger Rail Operating and Capital (IPROC) Fund, along with carryover funds of \$2.6 million from FY 2013, to support costs of project development, project administration, and project compliance. Item 440 of Chapter 806 of the 2013 Virginia Acts of Assembly authorizes the CTB to approve up to a maximum of three and one half percent per year of these funds for the purposes described herein. The major components of these budgeted expenditures for FY 2014 are as follows:

| | |
|--|---------------------|
| Payroll and Fringe Benefits | \$ 1,019,493 |
| State Safety Oversight Program | 510,000 |
| Rail Program Support | 455,000 |
| Finance Compliance Review Program | 410,000 |
| Planning Program Support | 328,000 |
| Engineering Oversight-Freight Rail | 300,000 |
| Rail Stations Project Development | 200,000 |
| Facility Oversight Program | 150,000 |
| Transit Program Support | 101,000 |
| Try Transit Week | 60,000 |
| Other Program and Project Management Initiatives | 293,696 |
| Total | <u>\$ 3,827,189</u> |

Planning, Regulation, and Safety Programs also consist of the FTA 5303/5304 and FTA 5339 planning funds of \$4.4 million and the related state match of \$0.7 million. Additionally, \$1.6 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 \$5.4 million is funded by Highway Maintenance and Operating (HMO) funds. The program development, project administration, and project compliance budget is \$3.8 million as detailed in footnote 12. When these two items are combined, the resulting DRPT operating budget represents 1.7% of the total funds administered by the agency.
- (14) In order to provide comparative data to the FY 2014 budget, certain reclassifications were made to FY 2013 line items.