



Virginia Department of Rail and Public Transportation

# Annual Budget Fiscal Year 2015 REVISED



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# SUMMARY OF PROGRAMS

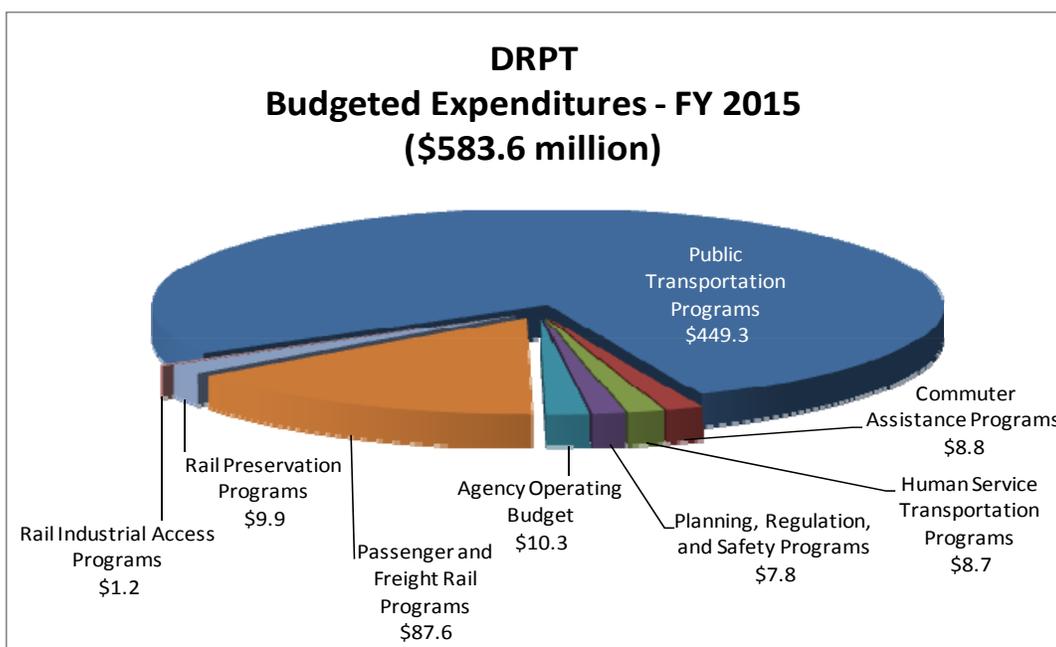


# Summary of FY 2015 Revised Budget

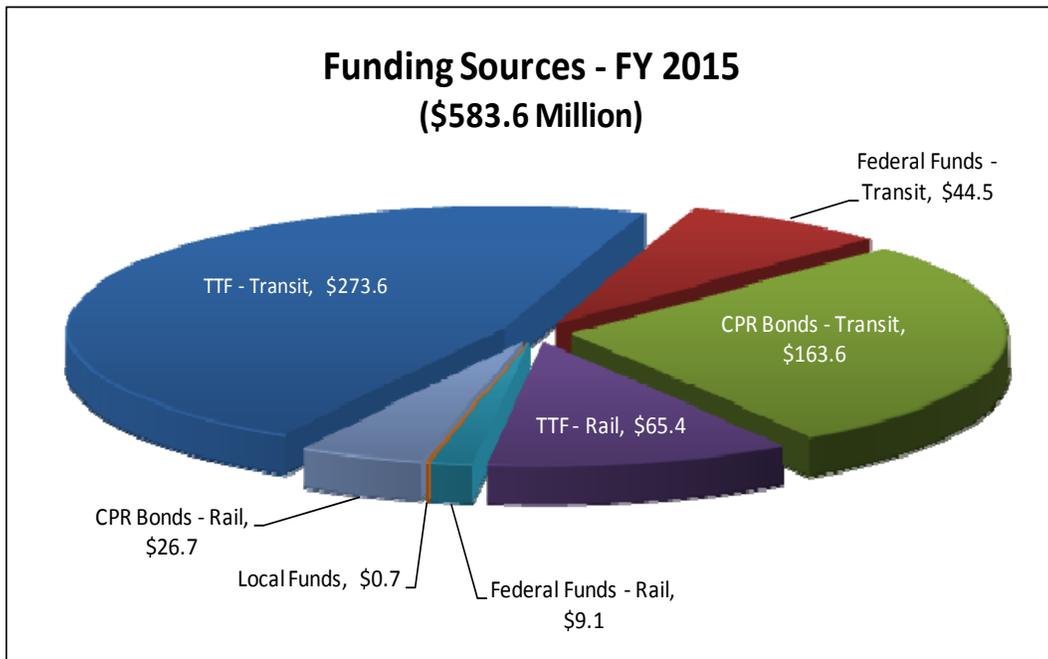
The DRPT FY 2015 budget has been revised from the original budget adopted in June 2014 by the Commonwealth Transportation Board (CTB) to reflect significant decreases in revenue estimates and administrative budget reductions. In August, revenues of the Mass Transit Trust Fund were revised downward by \$16.5 million, or 7%. The impact on the annual budget is minimal as the CTB is taking special action that will utilize unobligated capital funds to maintain the original funding levels in the Six Year Improvement Program (SYIP) as adopted in June 2014. Therefore, the main change in the revised budget is a shift in the source of funding for the expenditures. Additionally, the revised budget does reflect a \$0.6 million decrease in the agency's operating budget due to a 6% budget reduction plan.

In FY 2015, DRPT anticipates spending \$583.6 million of federal, state, and local funds compared to \$548.1 million in FY 2014. The increase of \$35.5 million results primarily from an increase in the Public Transportation Program funding for capital projects. The new transit capital funding of \$15.9 million from the passage of HB 2313 was carried forward from FY 2014 to allow time for the Transit Service Delivery Advisory Committee (TSDAC) to adopt a new allocation methodology and obtain approval from the CTB. The remaining difference is due to anticipated expenditures of the \$17.8 million of FY 2015 capital funds from HB 2313 and allocations being more closely aligned with anticipated cash flows.

The FY 2015 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 below. This does not represent the estimated revenues for FY 2015; instead, it shows the sources of funding for the budgeted expenditures for the year. For example, \$137.3 million of Commonwealth of Virginia Transportation Capital Projects Revenue (CPR) Bonds is allocated to transit in the FY 2015 Revised SYIP, but the budget and the funding sources statement includes \$163.6 million of projected expenditures of CPR bond funds for FY 2015. 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 2015 funding sources can be found on page 18.



## FY 2015 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 2015 mainly due to the passing of HB 2313 that is expected to provide more than \$70 million annually for transit capital and operating assistance and more than \$46 million annually 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 Richmond Area to Potomac Segment Tier II Environmental Impact Statement, the Richmond Bus Rapid Transit initiative, the Dulles Corridor Metrorail Project, and the I-95 and I-81 rail corridor programs.

The CTB is authorized by § 33.2-1604 of the Code of Virginia 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 3.5% (\$10.3 million) of the available balance of the aforementioned funds for FY 2015 will be needed to support the ongoing costs of these programs. A complete list of these estimated costs for FY 2015 is included in the budget statement at the end of this document. The DRPT operating budget represents 1.8% of the \$583.6 million of total funds administered by the agency.

In prior years, the Highway Maintenance and Operating (HMO) fund provided approximately \$5 million of DRPT's operating budget. Under HB 2313, it was determined that DRPT's program funds could cover the cost of project development, project administration, and project compliance. As a result, the percentage of transit and rail funds required to fund the agency operating budget increased in FY 2015 to 3.5% from an average of 2.0% for the prior five years.

## Public Transportation Programs

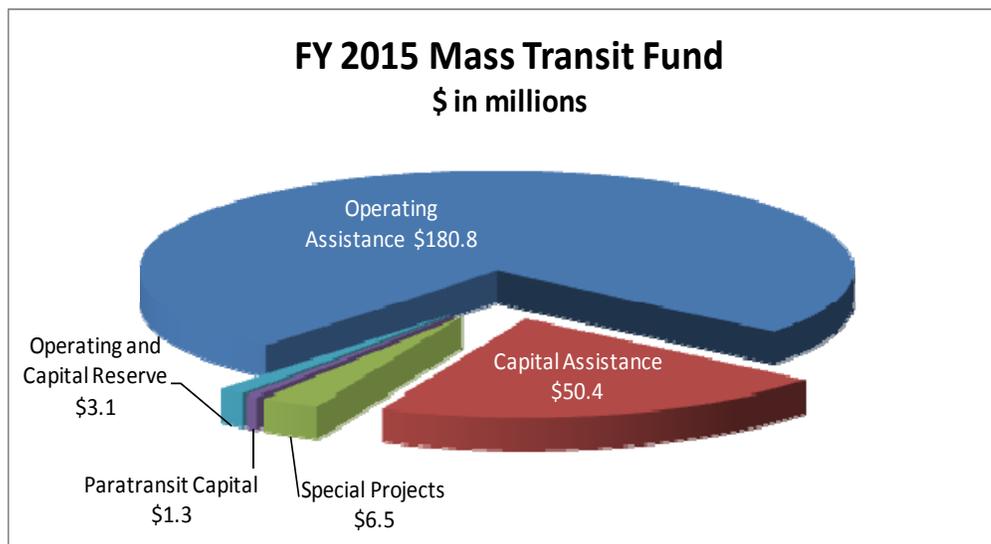
The FY 2015 allocation of \$242.1 million of Mass Transit Trust Funds (MTTF) in the SYIP represents an increase of \$72.5 million over FY 2014. The funding for this allocation is made up of 14.7% of the 1986 Special Session Revenue (Transportation Trust Fund), the state recordation tax dedicated to public transportation operating assistance in Chapter 896 of the 2007 Acts of Assembly, and Chapter 766 of the 2013 Acts of Assembly (HB 2313) that dedicated 60% of the 0.125% addition to the general sales and use tax to the MTTF fund. The FY 2015 allocation is significantly higher because the FY 2014 allocation of MTTF revenues above \$160 million was not included in the FY 2014 SYIP. These funds were required to be allocated using a performance-based allocation system. DRPT worked with the newly established TSDAC, created under SB 1140 of the 2013 Acts of Assembly, to develop a performance-based allocation system for the funds in excess of the \$160 million threshold, and an operating allocation of \$53.6 million was approved by the CTB in October 2013. Similarly, a new capital allocation methodology was approved by the CTB in December 2013, and \$15.9 million of FY 2014 allocations were included in the FY 2015 SYIP.

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 MTTF (§ 58.1-638) and dedicated \$0.02 of the state recordation tax to the MTTF (§ 58.1-815.4.). The distribution is as follows:

- 3.5% of the MTTF (\$7.7 million) to support costs of project development, project administration, and project compliance per § 33.2-1604
- \$1.5 million of the MTTF for paratransit capital projects and enhanced transportation services for the elderly and disabled
- \$28.7 million of recordation tax proceeds allocated for state operating assistance grants

The remaining portion of the 14.7% share and the 2013 Chapter 766 share of the Transportation Trust Fund dedicated to the Mass Transit Trust Fund is allocated by statute with a minimum of 72% for state operating 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 2015 SYIP allocation of the MTTF 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 \$10.9 million of deobligated grant funds are allocated entirely as operating assistance. Also, the new TSDAC capital allocation methodology has been applied, and \$15.9 million of FY 2014 allocations were included in the FY 2015 SYIP. The Operating and Capital Reserve is set aside as required by the Code, but will not be allocated to individual grantees unless the need arises. This chart represents FY 2015 SYIP allocations and will not agree to budgeted amounts in this report due to the timing of expenditures versus allocations of funds. For more information, see Note 1 on page 19.



### Public Transportation Operating Funds

§ 58.1-638.A.4 of the Code of Virginia directs that state grants for public transportation operating expenses be 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 for the MTTF revenues up to the \$160 million threshold dedicated to operating assistance. § 58.1-638.A.4 also requires performance-based funding for state transit operating assistance for revenues generated above \$160 million in FY 2014 and after. TSDAC was created to advise DRPT on the distribution of funds above \$160 million. TSDAC’s recommended performance-based operating assistance allocation model with performance metrics and their associated weightings are as follows:

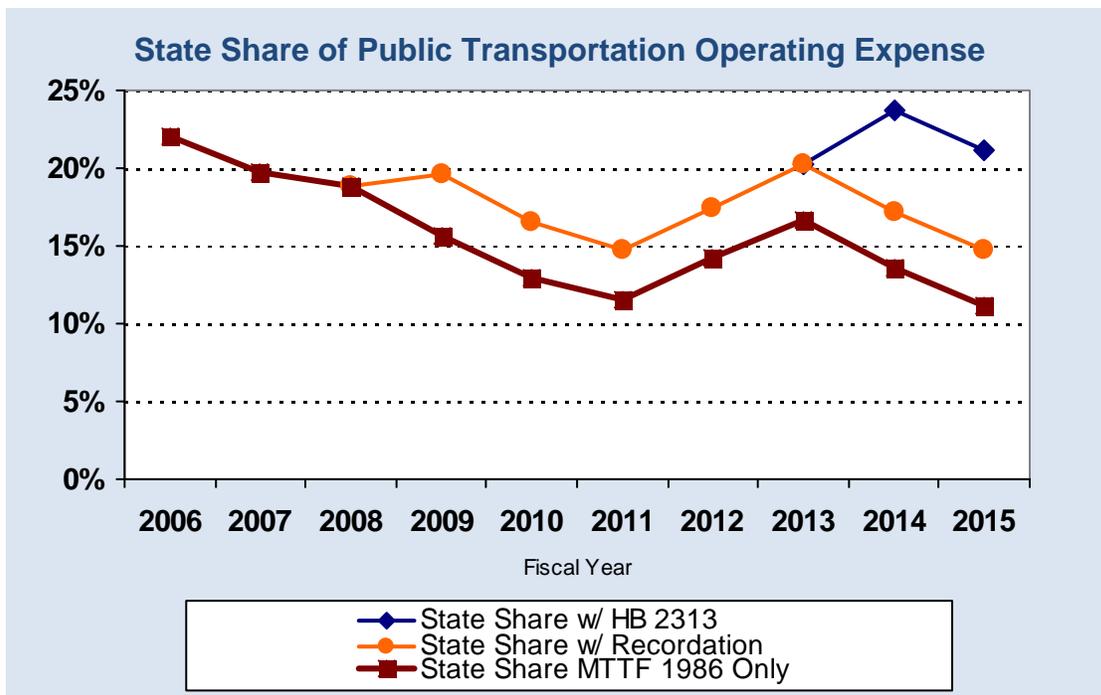
**Net Cost per Passenger (50%):** Total operating costs less depreciation and any operating income derived from a source other than taxpayers, divided by ridership.

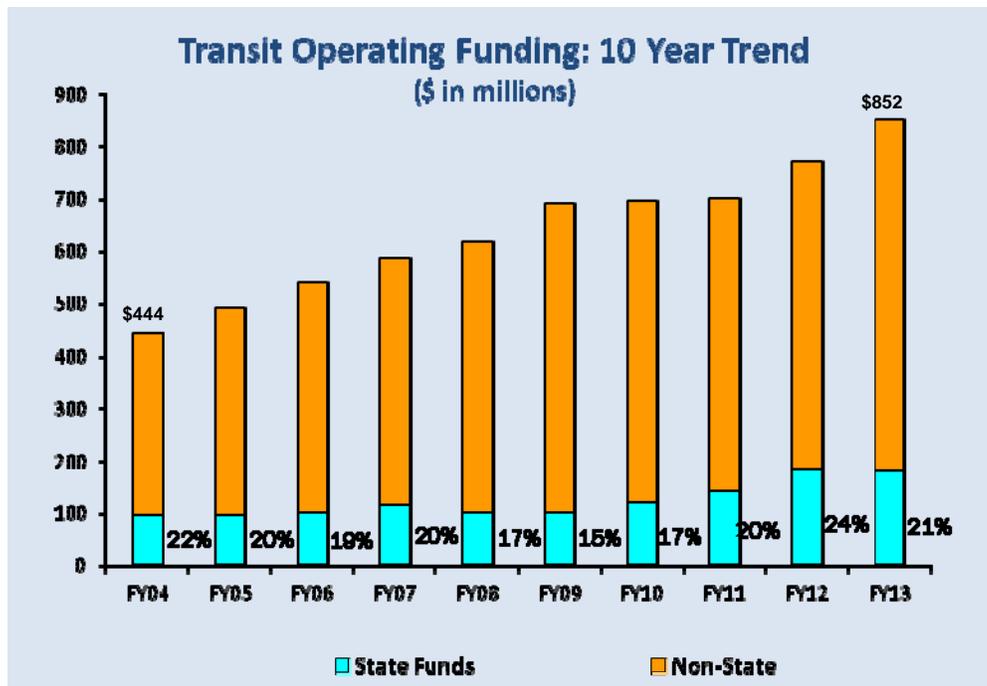
**Customers per Revenue Hour (25%):** Ridership divided by revenue hours.

**Customers per Revenue Mile (25%):** Ridership divided by revenue miles.

**Transit System Sizing (Weightings):** Based equally on the most recent annual ridership and most recent audited operating cost available net of depreciation, projects funded in other DRPT programs, and non-transit related expenses.

The chart below shows the overall state share of expenditures of 21.2% for FY 2015 versus 23.7% for FY 2014 when including the new HB 2313 funding in both years. The decrease is mainly due to operating expenses of transit systems statewide increasing by 10% while total state operating revenues declined by \$1.9 million or 1.0%.





### Public Transportation Capital Funds

State capital program grants from the MTF are awarded to public transportation capital projects deemed to be eligible, reasonable, and appropriate. These capital grants are funded based on the total cost of the project. TSDAC and DRPT recommended a three tiered capital allocation methodology which was approved by the CTB. The three tiers are described below with state matching percentages of Tier 1 – 68%, Tier 2 – 34 %, and Tier 3 – 17% for FY 2015.

**Tier 1: Replacement and Expansion Vehicles:** Activities eligible for funding under this tier include acquisition of rolling stock for either replacement or expansion purposes. Other eligible activities include items that would be installed on a vehicle as part of a major fleet-wide conversion/upgrade or considered part of the initial acquisition, including but not limited to:

- Assembly line inspection
- Fare collection equipment
- Automated passenger counters
- On-vehicle radios and communication equipment
- Surveillance cameras
- Aftermarket installation of farebox, radios, and surveillance cameras
- Vehicle tracking hardware and software
- Rebuilds and mid-life re-power of rolling stock

**Tier 2: Infrastructure or Facilities:** Activities eligible for funding under this tier include the construction of infrastructure or facilities for transit purposes, such as

maintenance facilities, bus shelters, administrative buildings, or guideway infrastructure. Other eligible activities under this tier include:

- Real estate used for a transit purpose
- Signage
- Surveillance/security equipment for facilities
- Rehabilitation or renovation of infrastructure and facilities
- Major capital projects

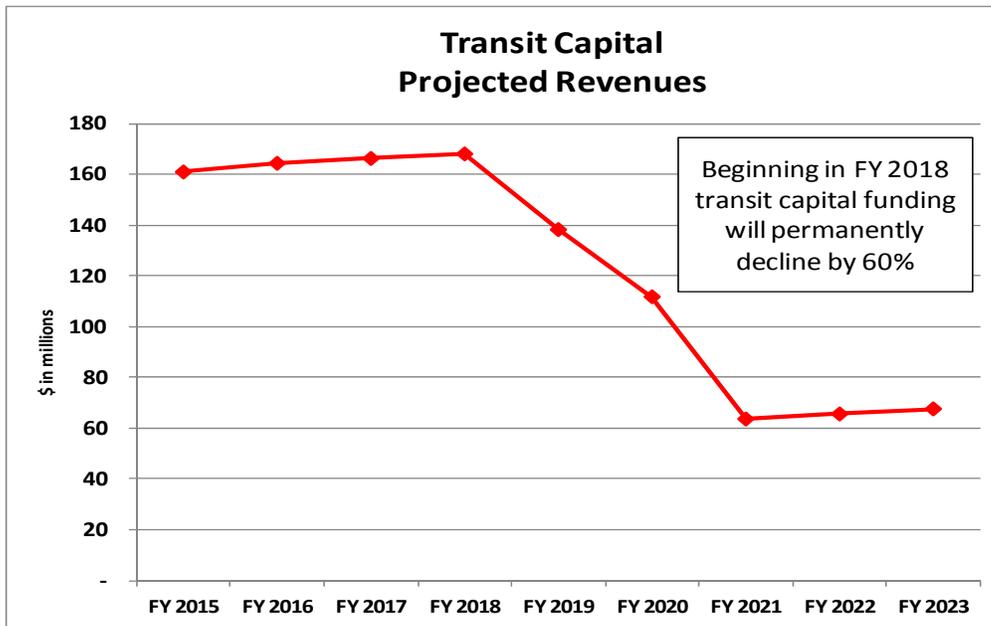
**Tier 3: Other:** Activities eligible under this category include, but may not be limited to the following:

- All support vehicles
- Shop equipment
- Spare parts
- Hardware and software not installed on a vehicle
- Project development expenses for capital projects
- Office furniture and other equipment
- Handheld radios
- Landscaping
- Other transit-related capital items

**Debt service:** Funds allocated for debt service and lease payments will be included in the tier that applies to the underlying capital asset that is being financed.

Beginning in FY 2008, additional capital funds from the CPR 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 Mass Transit Capital Fund. For the current year, DRPT allocated \$137.3 million of anticipated bond proceeds in the SYIP with an 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 program.

In the Revised SYIP for FY 2015, the CPR bonds represent more than two-thirds of the state transit capital assistance. Beginning in FY 2019, these bond fund allocations will complete the ten year funding period of the original bond authorization. By the close of FY 2020 when the WMATA state of good repair funding grant ends, the state transit capital assistance program will have declined by \$110 million annually. The chart on the following page depicts this precipitous drop in state transit capital funding.



In FY 2015, the budget for public transportation capital expenditures is \$253.3 million – a \$33.5 million increase from FY 2014. The new transit capital funding of \$15.9 million from the passage of HB 2313 was carried forward from FY 2014 to allow time for TSDAC to adopt a new allocation methodology and obtain approval from the CTB. The remaining difference is due to anticipated expenditures of the \$17.8 million of FY 2015 HB 2313 capital funds and allocations being more closely aligned with anticipated cash flows. The projects to be supported by these funds and the applicable federal funds available to DRPT are summarized in the table below:

<b>Public Transportation Capital Projects for FY 2015</b>						
	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	3	2	0	0
Culpeper District	6	0	7	0	2	0
Fredericksburg District	12	0	9	2	1	1
Hampton Roads District	57	1	16	3	2	0
Lynchburg District	6	0	7	1	1	0
Northern Virginia District	130	80	151	203	11	8
Richmond District	15	1	5	4	2	0
Salem District	18	0	13	0	1	2
Staunton District	9	1	12	0	0	0
<b>Statewide Totals</b>	<b>274</b>	<b>83</b>	<b>223</b>	<b>215</b>	<b>20</b>	<b>11</b>

## Public Transportation Special Program Funds

The Special Programs budget is estimated at \$1.5 million for FY 2015. These funds are used to award discretionary grants for public transportation demonstration projects, technical assistance projects, and public transportation training and internships.

### **Commuter Assistance Programs**

The Commuter Assistance Programs budget includes \$3.8 million of MTTF funds and \$0.6 million of Transportation Efficiency Improvement (TEIF) funds for FY 2015 to support Transportation Demand Management (TDM) projects. In prior years, VDOT provided \$4 million of TEIF funds to support this program. Starting with FY 2015, DRPT will fund these expenditures from MTTF. The budget also includes Federal Highway Administration (FHWA) funds of \$2.5 million and \$1.9 million for projects also included in the VDOT SYIP that DRPT will administer such as Arlington County Commuter Services program, Hampton Roads Transit TRAFFIX program, Telework, RideFinders, and various Transportation Management Plans.

The TDM program is a discretionary grant program that provides state funds to support up to 80% of the costs of TDM projects and other 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 encourage travel in shared ride modes. The distribution of grants for FY 2015 is shown in the below table.

<b>Commuter Assistance Projects for FY 2015</b>			
	Transportation Demand Management Agencies	Special TDM Projects	Total
Bristol District	0	0	0
Culpeper District	2	1	3
Fredericksburg District	3	2	5
Hampton Roads District	0	1	1
Lynchburg District	0	0	0
Northern Virginia District	6	6	12
Richmond District	1	2	3
Salem District	1	2	3
Staunton District	2	1	3
<b>Statewide Totals</b>	<b>15</b>	<b>15</b>	<b>30</b>

## **Human Service Transportation Programs**

The Human Service Transportation Programs budget is estimated at \$8.7 million for FY 2015. 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.

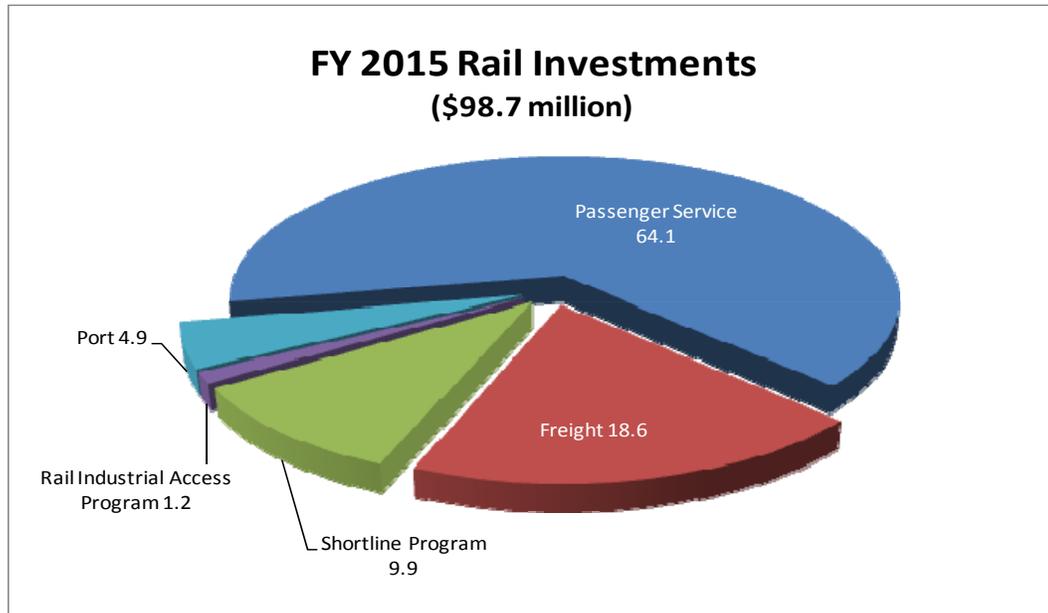
Human service transportation differs from public transportation in that it is designed to serve the very specific needs of human service agency clients and in most cases, service is restricted to the clients of those agencies who often have no other transportation service available to them. This service is not open to the general public. The funding for this program comes from the Federal Transit Administration (\$6.5 million), local provider match (\$0.7 million), and MTTF funds for enhanced transportation services for the elderly and disabled (\$1.5 million). The breakdown by district of the 223 vehicles purchased through this program is included in the Public Transportation Capital Projects table on page 11.

## **Planning, Regulation, and Safety Programs**

DRPT's FY 2015 budget includes \$7.8 million estimated expenditures for Planning, Regulation, and Safety Programs, which include long-term planning and regional corridor studies, transit operator development plans, and safety oversight for rail fixed guideway projects operating within the Commonwealth. The budget for these programs consists of the FTA 5303/5304 and FTA 5339 planning funds of \$5.1 million, MTTF state match allocations of \$0.7 million, and \$2.0 million in projects administered by DRPT with funding allocated through VDOT's SYIP (CMAQ, RSTP, and related state match).

## Passenger and Freight Rail Programs

DRPT's FY 2015 budget includes \$98.7 million of expenditures for rail improvements in Virginia. The distribution of anticipated expenditures falls into five categories as displayed in the following chart:



Funding for DRPT's rail programs is supported through eight funding sources:

- Rail Enhancement Funds (REF) of \$29.9 million;
- Transportation Capital Projects Revenue (CPR) Bond funds of \$26.7 million;
- Federal Railroad Administration (FRA) grant funds of \$5.4 million;
- American Recovery and Reinvestment Act (ARRA) funds of \$3.7 million;
- Shortline Railway and Development funds of \$4.6 million;
- Rail Industrial Access (RIA) funds of \$1.2 million;
- Intercity Passenger Rail Operating and Capital (IPROC) funds of \$26.5 million; and
- VTA 2000 funds of \$0.7 million.

It should be noted that 3.5% of the total FY 2015 estimated revenues for the REF, Rail Preservation, and IPROC are used to fund project development, project administration, and project compliance in the General Management and Direction (Agency Operating Budget) program.

The IPROC fund was created by the General Assembly in FY 2011. In 2013, the General Assembly dedicated 40% of a 0.125% increase in the general sales and use tax to the fund which amounts to approximately \$46.9 million for FY 2015. These funds will be used to support the operating and capital needs for the six regional intercity passenger trains as well as capital costs for the expansion of intercity passenger rail. The trains operate in the Northeast Corridor and originate from Lynchburg, Norfolk, Richmond (2), and Newport News (2).

## Transportation Bond Funds

Chapter 896 of the 2007 Acts of Assembly provides for CPR bonds to be issued annually with a minimum of 4.3% of the proceeds going to either the REF or the Shortline Railway Preservation and Development Fund. For FY 2015, planned expenditures from these bond proceeds are \$21.4 million for joint passenger and rail infrastructure improvements and \$5.3 million for improvement to the tracks of shortline railroads.

### **Rail Preservation Program**

As part of the Rail Preservation Program, the Shortline Railway Preservation and Development Fund will support 23 projects for Virginia's shortline railroads in FY 2015. These Rail Preservation projects consist primarily of bridge and track upgrades, signal system upgrades, and tie and rail replacement, as well as 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 CPR bonds.

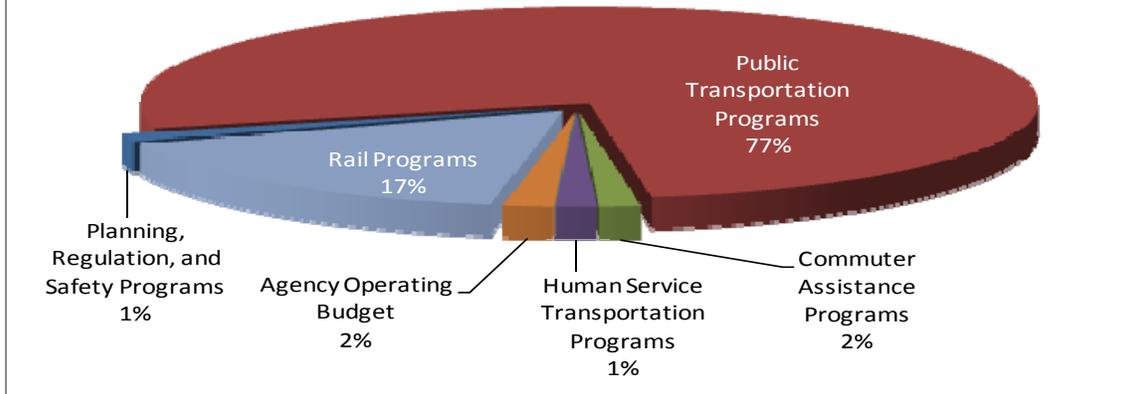
### **Rail Industrial Access Program**

This program funds the construction of industrial access railroad tracks. These projects are funded through the Transportation Trust Fund as they are approved by the CTB.

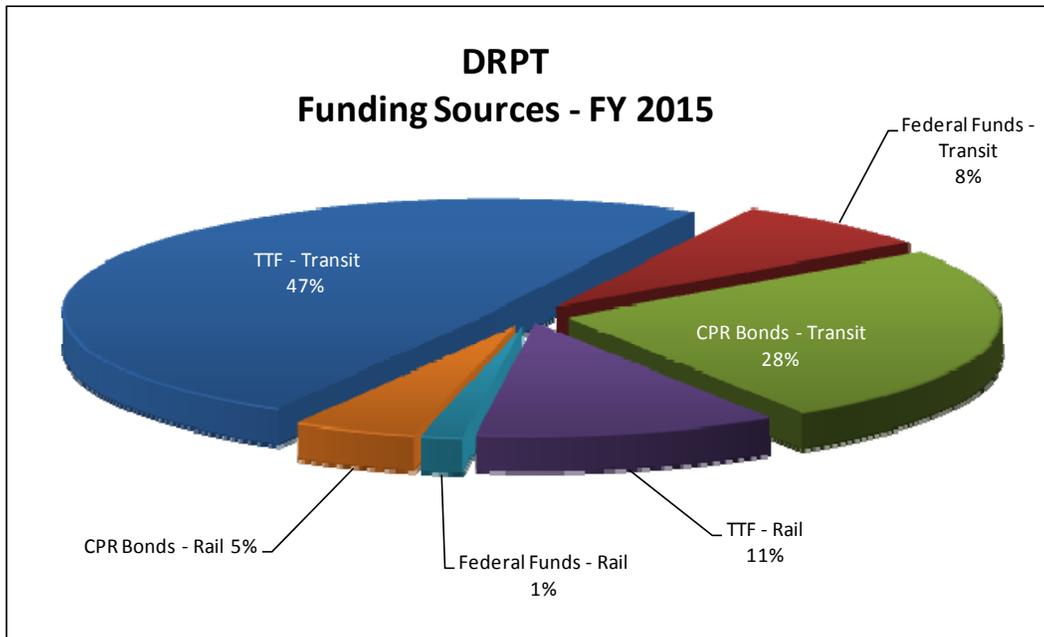
# ANNUAL BUDGET STATEMENT



**DRPT**  
**Budgeted Expenditures - FY 2015**



	(\$ in millions)			
	Adopted FY 2014	Approved FY 2015	Revised FY 2015	Increase / (Decrease)
<b>Public Transportation Programs</b>				
Operating Assistance [Notes 1, 2]	\$ 192.7	\$ 194.5	\$ 194.5	\$ -
Capital Assistance [Notes 1, 3]	219.8	253.3	253.3	-
Special Programs [Note 4]	0.8	1.5	1.5	-
<b>Total</b>	<b>413.3</b>	<b>449.3</b>	<b>449.3</b>	<b>-</b>
<b>Rail Assistance Programs</b>				
Rail Preservation Programs [Notes 1, 5]	7.3	9.9	9.9	-
Rail Industrial Access [Note 6]	2.6	1.2	1.2	-
Passenger and Freight Rail Programs [Notes 1, 7, 12]	91.5	87.6	87.6	-
<b>Total</b>	<b>101.4</b>	<b>98.7</b>	<b>98.7</b>	<b>-</b>
<b>Commuter Assistance Programs [Note 8]</b>	<b>10.6</b>	<b>8.8</b>	<b>8.8</b>	<b>-</b>
<b>Human Service Transportation Pgm [Note 9]</b>	<b>6.2</b>	<b>8.7</b>	<b>8.7</b>	<b>-</b>
<b>Planning, Regulation, &amp; Safety Pgm [Note 10, 12]</b>	<b>6.7</b>	<b>7.8</b>	<b>7.8</b>	<b>-</b>
<b>Agency Operating Budget [Note 11, 12]</b>	<b>9.9</b>	<b>10.9</b>	<b>10.3</b>	<b>(0.6)</b>
<b>Agency Total</b>	<b>\$ 548.1</b>	<b>\$ 584.2</b>	<b>\$ 583.6</b>	<b>\$ (0.6)</b>



	(\$ in millions)			
	Adopted FY 2014	Approved FY 2015	Revised FY 2015	Increase / (Decrease)
<b>HIGHWAY MAINTENANCE AND OPERATING FUND [Notes 11, 12]</b>	\$ 6.1	\$ -	\$ -	\$ -
<b>TRANSPORTATION TRUST FUND</b>				
1986 Special Session Revenue (14.7%) [Notes 2, 3, 4, 8, 9, 10, 11]	153.9	155.7	148.1	(7.6)
2013 Chapter 766 Revenue for Transit [Notes 1, 2, 3, 4, 8, 9, 10, 11]	40.7	83.8	83.3	(0.5)
Recordation Tax [Notes 1,2]	28.5	34.0	28.7	(5.3)
Transport. Efficiency Improvement Prgm (TEIF) [Note 8]	3.0	0.6	0.6	-
Rail Preservation Program [Notes 1, 5, 11]	5.4	4.7	4.7	-
Rail Industrial Access [Note 6]	2.6	1.2	1.2	-
Rail Enhancement [Notes 1, 7, 11]	41.3	30.7	30.7	-
2013 Chapter 766 Revenue for IPROC [Notes 1, 7, 11]	8.3	28.2	28.1	(0.1)
Special Programs - VDOT Transfers [Notes 2, 3, 8, 9, 10]	11.2	12.9	12.9	-
<b>Total</b>	<b>294.9</b>	<b>351.8</b>	<b>338.3</b>	<b>(13.5)</b>
<b>BOND PROCEEDS - Transit Capital and Rail [Notes 1, 3, 5, 7]</b>	<b>184.5</b>	<b>177.4</b>	<b>190.3</b>	<b>12.9</b>
<b>FEDERAL REVENUE</b>				
American Recovery and Reinvestment Act (ARRA) [Note 7]	10.0	3.7	3.7	-
Flexible STP [Note 3, 9]	11.6	10.3	10.3	-
FHWA Funding (CMAQ/RSTP) [Notes 3, 8, 10]	7.0	4.1	4.1	-
Federal Transit Administration [Notes 2, 3, 9, 10]	24.3	30.1	30.1	-
Federal Railroad Administration [Note 7]	4.9	5.4	5.4	-
<b>Total</b>	<b>57.8</b>	<b>53.6</b>	<b>53.6</b>	<b>-</b>
<b>LOCAL REVENUES [Note 9]</b>	<b>0.6</b>	<b>0.7</b>	<b>0.7</b>	<b>-</b>
<b>TRANSFERS FROM OTHER AGENCIES</b>				
VDOT - VTA 2000 Transfers [Note 7]	4.2	0.7	0.7	-
<b>TOTAL SOURCES</b>	<b>\$ 548.1</b>	<b>\$ 584.2</b>	<b>\$ 583.6</b>	<b>\$ (0.6)</b>

## Footnotes to the FY 2015 Annual Budget

(1) In 2013, the General Assembly passed HB 2313 that is expected to provide more than \$70 million annually for transit capital and operating assistance and more than \$46 million annually for passenger rail for FY 2015. DRPT worked with a new legislatively established TSDAC created under SB 1140 of the 2013 Acts of Assembly to develop a performance-based allocation system for the funds in excess of \$160 million according to the 2013 model of transit funding. The FY 2014 allocation of \$53.6 million was approved by the CTB in October 2013 and the funds were distributed in January 2014. Similarly, a new capital allocation methodology was approved by the CTB in December 2013, and \$15.9 million of FY 2014 revenues are included in the FY 2015 SYIP. The FY 2015 estimated revenues will also be distributed using the methodologies approved by the CTB.

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 2015, allocations to capital projects funded with these bonds total \$137.3 million for transit capital and \$18.9 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 \$28.7 million of funding for transit operations in FY 2015.

The budgeted amounts in this report only include anticipated expenditures for FY 2015 and sources to cover these anticipated expenditures. Therefore, budgeted amounts will not agree to allocations in the SYIP due to the timing of expenditures versus allocations of funds. For example, DRPT will allocate Transportation Capital Projects Revenue bond proceeds of \$137.3 million (as authorized in Code of Virginia § 33.2-365) for transit capital in FY 2015, but \$163.6 million is expected to be expended on those projects during FY 2015. The differences between the FY 2015 SYIP allocations and budgeted expenditures are as follows:

<b>Reconciliation of SYIP Allocations to Budgeted Expenditures</b>	
Total Six Year Improvement Plan Allocations	<b>\$ 625.0</b>
Various Federal Funds Allocations with Grantee FTA Contracting	(39.2)
VDOT Revenues to be spent in future years	(30.1)
Rail Revenues to be spent in future years	(37.7)
Agency Operating Budget	10.3
Prior Year Allocations in Current Year Budget	
Transit Revenue and Bond Allocations	54.1
Rail Industrial Access	1.2
Total Budgeted Expenditures	<b>\$ 583.6</b>

## ***DRPT Footnotes to the FY 2015 Annual Budget (Continued)***

**(2)** The budgeted expenditure line item entitled Public Transportation Programs - Operating Assistance increased by \$1.8 million from FY 2014 to FY 2015. The activities budgeted in this line item consist of MTTF operating allocations of \$139.5 million, MTTF capital allocations transferred to Operating of \$11.6 million, recordation taxes of \$28.7 million, \$12.5 million in federal assistance through the FTA 5311 Rural Assistance program and the FTA Jobs Access and Reverse Commute (JARC) program. Additionally, \$2.2 million in projects administered by DRPT with state matching funds allocated through VDOT's Six-Year Improvement Program is included in this Service Area.

**(3)** The budgeted Public Transportation Programs - Capital Assistance line item increased by \$33.5 million from FY 2014 to FY 2015. This is primarily due to the new transit capital funding of \$15.9 million from the passage of HB 2313 being carried forward from FY 2014 to allow time for TSDAC to adopt a new allocation methodology and obtain approval from the CTB. The remaining difference is due to anticipated expenditures of the \$17.8 million of FY 2015 HB 2313 funds and capital allocations being more closely aligned with anticipated cash flows. The activities budgeted in this line item are \$65.0 million of MTTF allocation, \$163.6 million of Transportation Capital Projects bond proceeds, \$7.5 million of FTA funding, and \$8.8 million of Flexible STP funds. Additionally, \$8.4 million in projects administered by DRPT with funding allocated through VDOT's SYIP (CMAQ, RSTP, and related state match) is included in this Service Area.

**(4)** The budgeted expenditure line item entitled Public Transportation Programs – Special Programs increased by \$0.7 million from FY 2014 to FY 2015 mainly due to an increase in applications for FY 2015. The activities budgeted in this line item consist of MTTF allocations of \$1.5 million.

**(5)** The 2006 General Assembly passed legislation (Code of Virginia § 33.2-1602) 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 \$4.6 million. The additional \$5.3 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 \$1.2 million.

**(7)** The budgeted Passenger and Freight Rail Programs line item (formerly the Rail Enhancement Program line item) decreased by \$3.9 million from FY 2014 to FY 2015. The source of funding includes \$29.9 million from the Rail Enhancement Fund which is comprised of the state portion of vehicle rental taxes collected in the Transportation Trust Fund. Additionally, this line item includes Federal High Speed Rail funds of \$5.4 million, American Recovery and Reinvestment Act funds of \$3.7 million, bond proceeds of \$21.4 million, Intercity Passenger Rail Operating and Capital funds of \$26.5 million, and \$0.7 million of VTA 2000 funds.

***DRPT Footnotes to the FY 2015 Annual Budget (Continued)***

**(8)** Commuter Assistance Programs includes the Mass Transit Trust Fund of \$3.8 million and the Transportation Efficiency Improvement Fund of \$0.6 million from the Transportation Trust Fund. Additionally, \$4.4 million in projects administered by DRPT with funding allocated through VDOT's SYIP (CMAQ, RSTP, Telework and related state match) is included in this Service Area.

**(9)** The budgeted Human Service Transportation Programs line item increased by \$2.5 million from FY 2014 to FY 2015. This is primarily due to additional human service vehicles purchased using Flexible STP funds. The source of funding includes \$5.0 million of FTA New Freedom awards, FTA 5311 awards, and FTA 5310 awards, and \$1.5 million of Flexible STP funds. The match to these federal awards consists of \$1.5 million of MTTF State matching funds for the paratransit capital projects and enhanced transportation services for the elderly and disabled as well as \$0.7 million of local match to the FTA 5310 funds.

**(10)** The budgeted expenditure line item entitled Planning, Regulation, and Safety Programs increased by \$1.1 million from FY 2014 to FY 2015. Planning, Regulation, and Safety Programs consist of the FTA 5303/5304 and FTA 5339 planning funds of \$5.1 million, MTTF state match allocations of \$0.7 million, and \$2.0 million in projects administered by DRPT with funding allocated through VDOT's SYIP (CMAQ, RSTP, and related state match).

**(11)** The CTB is authorized by § 33.2-1604 of the Code of Virginia 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 3.5% (\$10.3 million) of the available balance of the aforementioned funds for FY 2015 will be needed to support the ongoing costs of these programs. The DRPT operating budget represents 1.8% of the \$583.6 million of total funds administered by the agency. In prior years, the Highway Maintenance and Operating fund provided approximately \$5 million of DRPT's operating budget. Under HB 2313, it was determined that DRPT's program funds can cover the cost of project development, project administration, and project compliance. As a result, the percentage of transit and rail funds required to fund the agency operating budget increased in FY 2015 to 3.5% from an average of 2.0% for the prior five years.

**DRPT Footnotes to the FY 2015 Annual Budget (Continued)**

<b>Major Components of Agency Operating Budget</b>	
Payroll and Fringe Benefits	\$ 5,850,366
Operations Program Support	2,100,000
Finance Program Support	743,705
Central Service Agencies Indirect Costs	488,769
Information Technology Costs	284,500
Travel and Training	242,000
Rent	186,500
Attorney Services	175,000
Other Program and Project Management Initiatives	239,085
<b>Total</b>	<b>\$ 10,309,925</b>
<b>Source of Funding for Agency Operating Budget</b>	
Mass Transit Trust Fund	\$ 7,716,670
Rail Enhancement Fund	832,125
Rail Preservation Fund	107,380
Intercity Passenger Rail Operating and Capital Fund	1,653,750
	<b>\$ 10,309,925</b>

**(12)** In order to provide comparative data to the FY 2015 budget, certain reclassifications were made to FY 2014 line items.