



Virginia Department of Rail and Public Transportation

Annual Budget Fiscal Year 2017



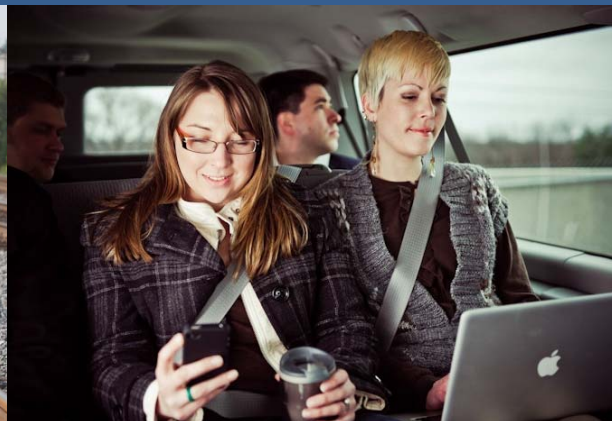
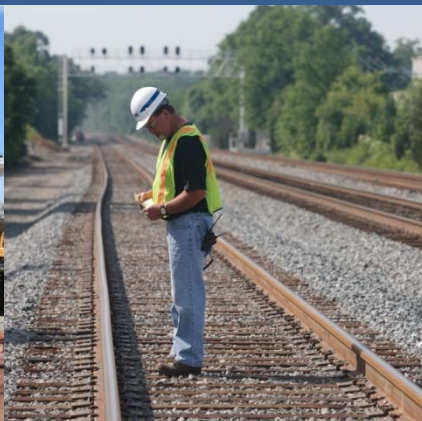
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SUMMARY OF PROGRAMS

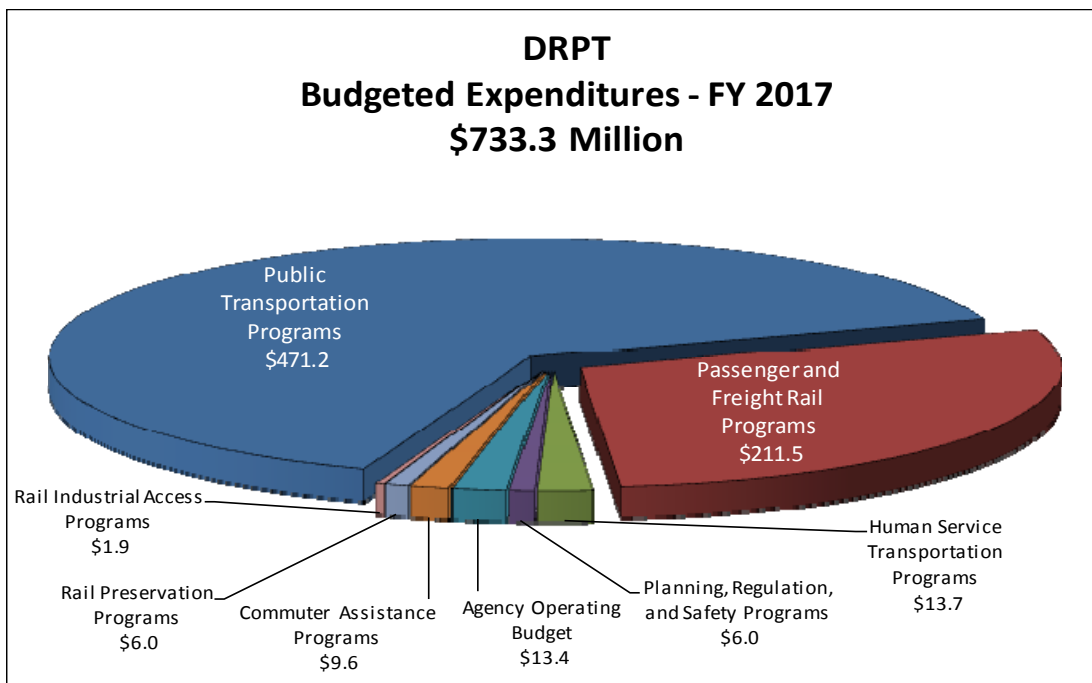


Summary of FY 2017 Budget

In FY 2017, DRPT will invest \$733.3 million in state, federal, and local resources towards improving rail and public transportation capacity and service across the Commonwealth of Virginia.

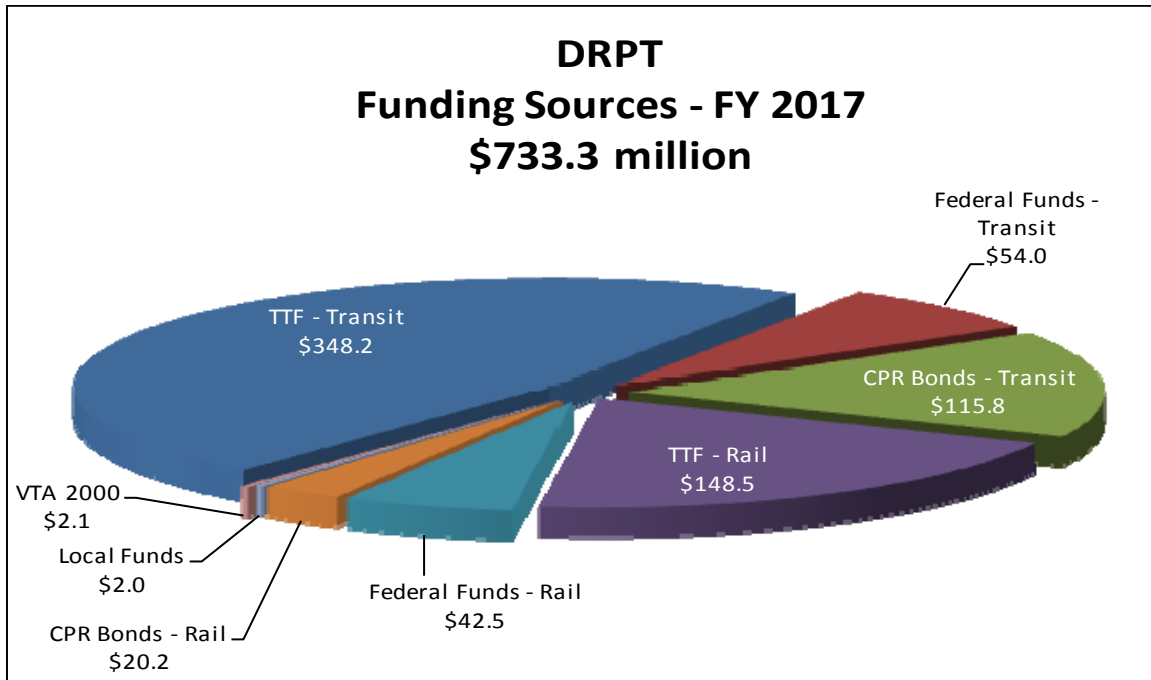
The overwhelming majority of these funds are directed to a variety of grant recipients, including: public transportation providers, local and regional government entities, freight railroads, and Amtrak. Over 50% of these funds are dedicated to capital improvement projects.

FY 2017 expenditures are estimated to be \$71.1 million more than FY 2016 due to a \$25.0 million increase in the Public Transportation Operating Assistance program and a \$45.2 million increase in Passenger and Freight Rail Programs. Timing, both in terms of the lifecycle of capital projects as well as scheduled drawdown of grant funds, account for the variations in the year over year budgeted expenditures. Additional detail on these increases is included in the specific program sections of this document.



The above chart depicts the FY 2017 DRPT budget across the agency's eight service areas. The budgeted expenditures for each service area are discussed in more detail later in this report.

The chart below depicts the source of funds for DRPT's annual budgeted expenditures. It is not based on the estimated revenues for each funding source. Additional information concerning the DRPT FY 2017 funding sources can be found on page 18.



FY 2017 Service Area Budget Highlights

Agency Operating Budget

The DRPT program management and administrative budget increased 10.7% in FY 2017 due to increased requirements for program oversight. This continues a trend that began in FY 2008, when transportation funding in Virginia shifted towards promoting an increased multimodal approach to the Commonwealth's transportation investments.

The nature of the large-scale projects that DRPT now manages is highly diverse in their scope and service, changing dramatically over the last 15 years. Examples of these projects include: DC2RVA Tier II Environmental Impact Statement (EIS), Richmond Bus Rapid Transit (BRT), Dulles Corridor Metrorail, Arkendale to Powell's Creek Third Track, Virginia Beach Light Rail extension, and I-95 and I-81 rail corridor programs.

DRPT is also currently completing studies on future transportation demand management (TDM) strategies in the heavily congested I-66 and I-395 corridors, which will for the first time refocus on measuring person throughput (rather than vehicle) and redirect toll revenue collected on highways to critical transit projects.

Over the last five years, the rail and transit programs have received a significant increase in funding from the General Assembly. Not only was new funding added to existing programs, new programs like IPROC were created, and demands for accountability were increased like performance based transit operating allocations and HB2 prioritization. For example, the adoption of HB 2313 in FY 2013 increased the amount of annual funding dedicated to transit while mandating performance based transit operating allocations and prioritization within transit capital allocations.

Virginia statute authorizes the Commonwealth Transportation Board (CTB) to approve up to 3.5% per year of the Mass Transit Trust Fund, Rail Enhancement Fund, Rail Preservation Fund, and the Intercity Passenger Rail Operating and Capital (IPROC) Fund to be used to support the DRPT costs of project development, project administration, and project compliance (Section 33.2-1604).

In FY 2017, \$13.4 million (3.5%) of the available balance of these funds will be needed to support these programs' ongoing administrative costs. A complete list of these estimated administrative costs is included in the budget statement at the end of this document. Despite the increase in demands on the agency, the DRPT operating budget still only represents 1.8% of the \$733.3 million of total funds administered.

Public Transportation Programs

The state funding for Public Transportation is comprised of revenues from the Mass Transit Trust Fund (MTTF) and the Mass Transit Capital Fund (MTCF).

The MTTF is made up of the 14.7% of the 1986 Special Session Revenue, the state recordation tax dedicated to public transportation operating assistance in Chapter 896 of the 2007 Acts of Assembly, 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, and a portion of the motor vehicle fuel tax from Chapter 684 of the 2015 Acts of Assembly (HB 1887). As is evident, the funding sources are derived from various economic sectors which mitigate large swings in annual revenues.

The annual revenues of the Mass Transit Trust funds are distributed in accordance with the Code of Virginia and specific Appropriations Act language. The distribution for the Mass Transit Trust Fund is as follows:

- Up to 3.5% of the MTTF to support costs of project development, project administration, and project compliance per §33.2-1604
- \$1.5 million (current Appropriations Act language) of the MTTF for paratransit capital projects and enhanced transportation services for the elderly and disabled
- Dedicated \$0.02 of the state recordation tax to the MTTF (§58.1-815.4.) for state operating assistance grants
- Dedicated .35% of motor vehicle fuel tax to transit operations per §58.1-2289
- Dedicated .24% of motor vehicle fuel tax to special programs per §58.1-2289

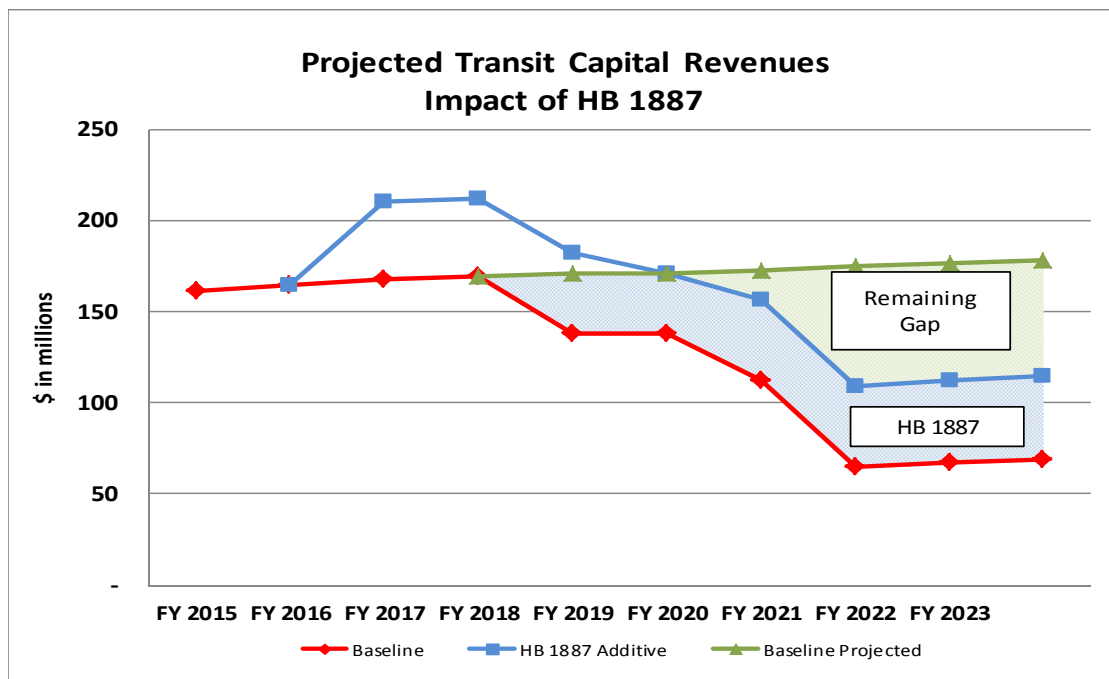
The remaining portion of the 14.7% share and the 2013 Chapter 766 share of the Transportation Trust Fund dedicated to the Mass Transit Trust Fund is allocated by statute (§58.1-638) with a minimum of 72% for state operating assistance grants, 25% awarded as capital assistance grants, and the balance of up to 3% awarded as special projects grants subject to CTB approval.

The MTCF is made up of the state recordation tax and motor vehicle fuel tax from Chapter 684 of the 2015 Acts of Assembly (HB 1887), and the CPR bonds authorized under Chapter 896 of the 2007 Acts of Assembly allocated to transit capital. The underlying revenue source for these bond authorizations is the tax on insurance premiums.

The annual revenues of the Mass Transit Capital funds are distributed in accordance with Chapter 684 of the 2015 Acts of Assembly (HB 1887). It is important to note that HB 1887 did not create additional transportation revenues. It builds on the new revenues generated by HB 2313 in 2013 by changing the distribution of existing revenues. The distribution for the Mass Transit Capital Fund is as follows:

- Dedicated 3.11% of motor vehicle fuel tax to transit capital per §58.1-2289
- Dedicated \$.01 of the state recordation tax to transit capital

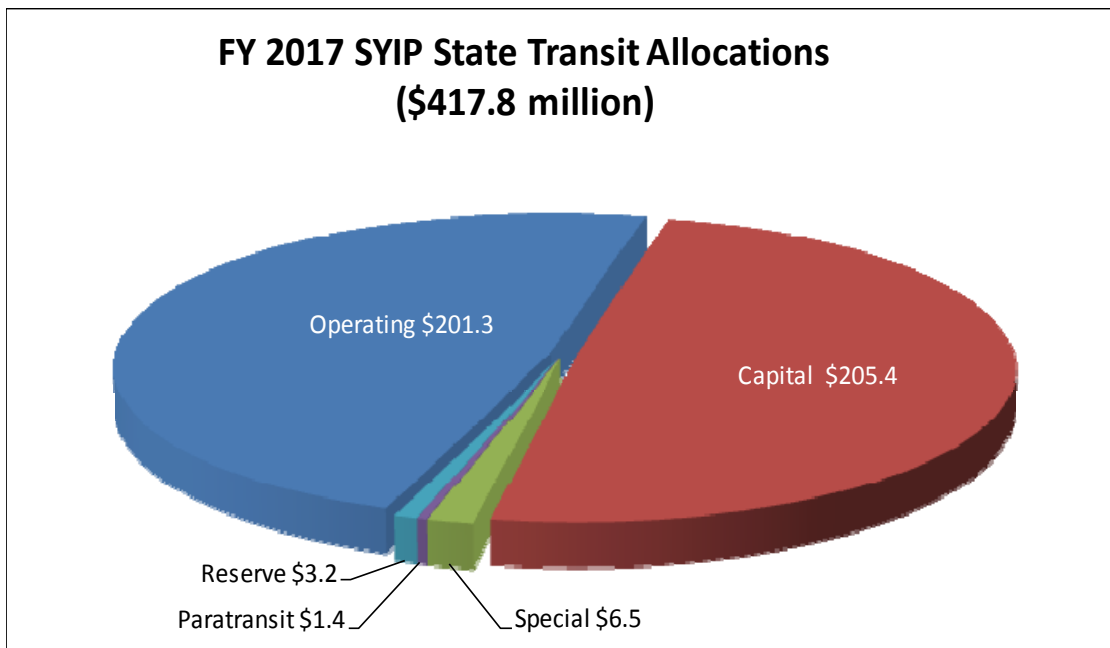
In the Six Year Improvement Program (SYIP) for FY 2017, the CPR bonds represent approximately one half of the state transit capital assistance. Beginning in FY 2019, these bond funds will complete the 10 year period under the original bond authorization. By the close of FY 2020 when the WMATA state of good repair funding grant ends, the state transit capital assistance program will no longer have the bond funding that provided an average of \$110 million annually.



As a result of HB 1887 of the 2015 General Assembly session, approximately \$43 million annually of funding was authorized to be shifted from several other modes of transportation to the transit capital program starting in FY 2017. The chart on the preceding page depicts the precipitous drop in state transit capital funding due to the expiring CPR bonds, the positive impact of the additional HB1887 funding, and the remaining projected funding gap in this program. Over 90% of the transit capital program has historically been utilized for maintenance of existing assets which highlights the importance of finding a solution to this problem.

In 2016, the General Assembly further directed DRPT to examine new revenue sources for its transit capital funding program, as well as establish prioritization strategies for these sources. The Transit Capital Project Revenue Advisory Board (TCPRAB) created through HB 1359 is tasked with seeking new transit capital revenues prior to the 2018 expiration of existing CPR bonds currently dedicated to transit capital. TCPRAB must also prioritize funds for state of good repair as well as consider HB2 like prioritization of capital funds for transit expansion.

The FY 2017 SYIP allocation of the state transit revenues for public transportation is depicted in the following chart. This chart represents FY 2017 SYIP allocations only, which vary 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.



The FY 2017 allocation of \$417.8 million of state transit revenues in the SYIP represents an increase of \$58.2 million over FY 2016. Operating allocations increased mainly due to an increased carryover and capital allocations increased due to the capital funds provided from HB 1887. For the current year, DRPT allocated \$106.6 million of anticipated bond proceeds in the SYIP with an emphasis placed on replacement vehicles and infrastructure. This includes an allocation of \$50 million to match the federal funds WMATA is receiving under the federal state of good repair program.

Public Transportation Operating Funds

During the 2013 session of the General Assembly, transit received new funding in HB 2313, and the transit allocation process was amended to add performance based metrics for transit operating funding. §58.1-638.A.4 of the Code of Virginia directs that the first \$115.2 M of state grants for public transportation operating expenses from the MTTF revenues [72% of \$160 million] be awarded on the basis of the annual operating cost of a given transit provider expressed as a percentage of the total annual amount of operating expenses for all providers. (§58.1-638.A)

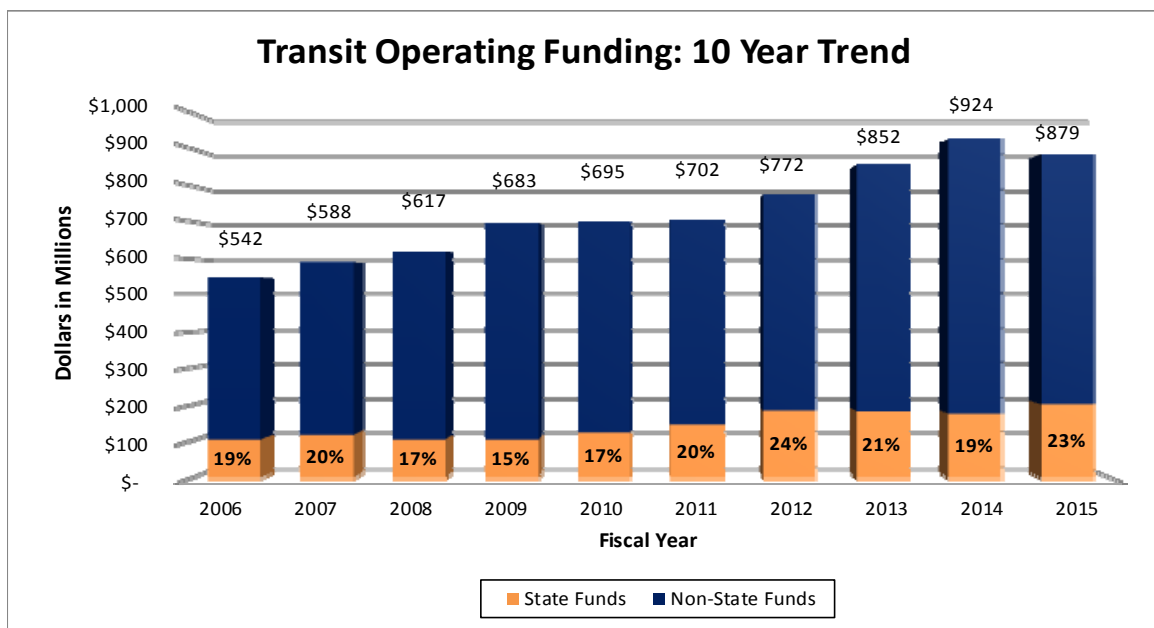
State law also required performance-based allocations of state transit operating assistance above the \$115.2 million threshold beginning in FY 2014. The Transit Service Delivery Advisory Committee (TSDAC) was created to advise DRPT on the performance based distribution of funding to promote more efficient transit operations. TSDAC's recommended factors for the performance-based operating assistance allocation model and their associated weightings are as follows:

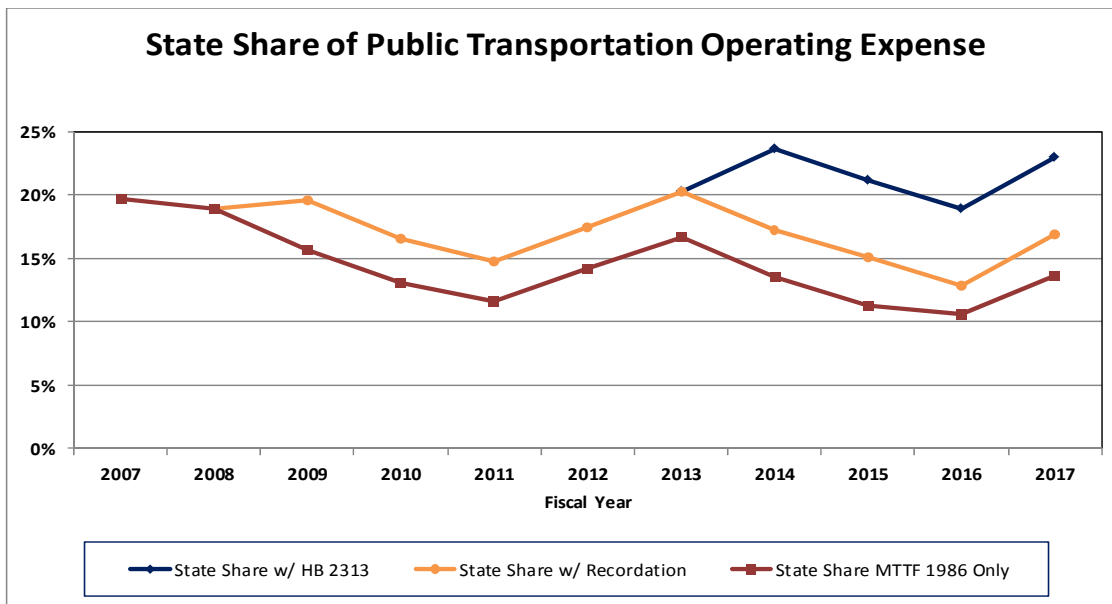
Net Cost per Passenger (50%): Total operating costs less depreciation and any operating income derived from a source other than taxpayers, divided by ridership.

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

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

The overall state share of transit operating expenditures for FY 2017 is 22.8% versus 19.1% for FY 2016. The increase is mainly due to a significant decrease (\$60 million) in expenses for WMATA compared to the prior year and additional revenues available for allocation in FY 2017. The following chart provides a history of the state's participation in the cost of transit operations in the Commonwealth.





The state share of transit operating costs has struggled to maintain a 20% level over the past ten years. As seen in the chart that breaks the state share of operating costs into revenue source, the state share of transit operating assistance would have only been approximately 14% this year without the two revenue streams added in FY 2009 and FY 2014. This is very concerning and is a harbinger of future needs for more state assistance as transit operations within Virginia continue to expand.

The majority of the \$25.0 million increase in Public Transportation Operating Funds included in the FY 2017 budget results from a shortfall of \$11.8 million in FY 2014 that caused the FY 2016 transit operating budget to be reduced. In addition, \$10.5 million of additional revenues are included in FY 2017 allocations from FY 2015 when revenues exceeded the allocated estimate.

Public Transportation Capital Funds

State capital program grants from the MTTF 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 on December 4, 2013. The three tiers are described below with state matching percentages of Tier 1 – 68%, Tier 2 – 34 %, and Tier 3 – 17% which were used for FY 2016 and are proposed for FY 2017.

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 a part of the initial acquisition.

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.

Tier 3: Other: Activities eligible under this category include all 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.

In FY 2017, the budget for public transportation capital expenditures is \$252.0 million – a \$9.6 million increase from FY 2016. The projects to be supported by these funds and the applicable federal funds managed by DRPT are summarized in the table below:

Public Transportation Capital Projects for FY 2017						
	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	20	0	2	4	0	0
Culpeper District	4	0	4	3	0	0
Fredericksburg District	2	0	3	0	0	0
Hampton Roads District	27	3	26	1	2	4
Lynchburg District	7	4	4	6	2	0
Northern Virginia District	352	3	175	122	31	9
Richmond District	25	0	25	1	1	2
Salem District	25	1	10	7	2	1
Staunton District	8	1	10	0	0	0
Multi - District	40	1	4	1	3	0
Statewide Totals	510	13	263	145	41	16

Public Transportation Special Program Funds

The Special Programs budget is estimated at \$2.1 million for FY 2017. 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 \$4.7 million of MTTF funds for FY 2017 to support Transportation Demand Management (TDM) projects. The budget also includes Federal Highway Administration (FHWA) funds of \$3.7 million and the related state match of \$1.2 million for projects included in the VDOT SYIP that

DRPT will administer, such as the 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 2017 is shown in the below table.

Commuter Assistance Projects for FY 2017			
	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	0	0
Lynchburg District	0	0	0
Northern Virginia District	6	3	9
Richmond District	1	0	1
Salem District	1	0	1
Staunton District	2	0	2
Statewide Totals	15	3	18

Human Service Transportation Programs

The Human Service Transportation Programs budget is estimated at \$13.7 million for FY 2017. 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 (\$10.3 million), local provider match (\$0.9 million), Transportation Capital Projects bond proceeds (\$0.3 million), and MTTF funds for enhanced transportation services for the elderly and disabled (\$2.2 million). The breakdown by district of the 263 vehicles purchased through this program is included in the Public Transportation Capital Projects table on page 11.

Planning, Regulation, and Safety Programs

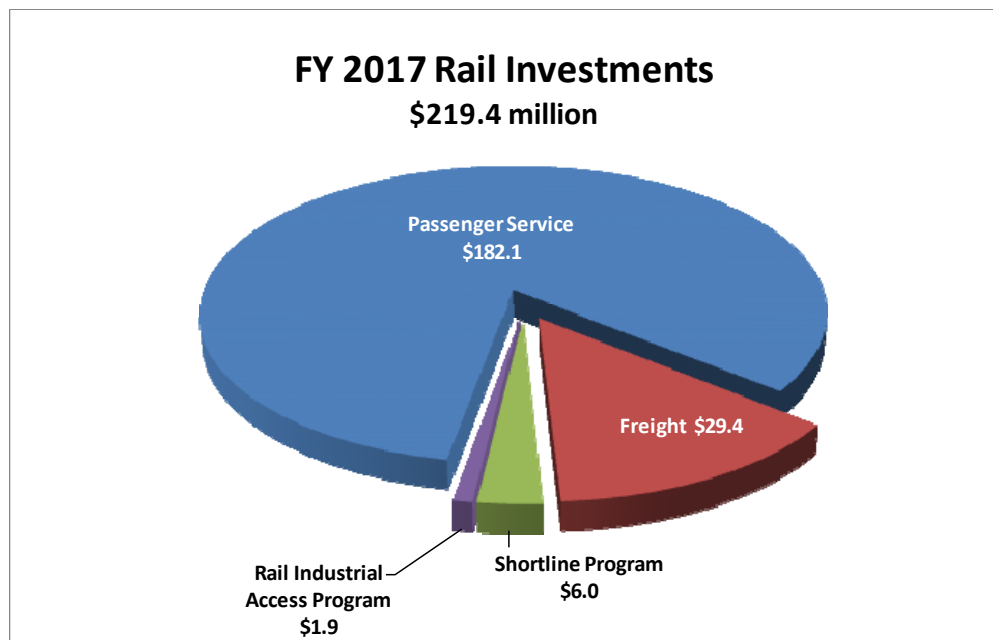
DRPT's FY 2017 budget includes \$6.0 million estimated expenditures for Planning, Regulation, and Safety Programs, which include long-term planning and regional corridor studies. The budget for these programs consists of the FTA 5303/5304 planning and FTA Job Access and Reverse Commute funds of \$4.4 million, MTTF state match allocations of \$0.5 million, and \$1.1 million in projects administered by DRPT with state funding allocated through VDOT's SYIP.

Passenger and Freight Rail Programs

DRPT's FY 2017 budget for all rail service areas includes \$219.4 million of expenditures for rail improvements in Virginia. The increase in the Passenger and Freight Rail programs is due to the extension of passenger rail service from Lynchburg to Roanoke, which is entering a project phase that will require much larger outlays.

The Lynchburg to Roanoke extension is estimated to have expenditures of \$56.4 million in FY 2017 compared to \$25.0 million in FY 2016. Additionally, the Acca Yard Improvements project is starting in FY 2017 and the anticipated cash outlay is \$28.5 million. These increases are offset by a decrease in expenditures for the Virginia Avenue Tunnel project. DRPT's portion of this project was substantially completed in FY 2016.

The distribution of anticipated expenditures falls into four categories as displayed in the following chart:



Funding for DRPT's rail programs is supported through eleven federal, state and local funding sources:

Federal

- Federal Railroad Administration (FRA) grant funds of \$14.5 million;
- American Recovery and Reinvestment Act (ARRA) funds of \$28.0 million;
- Federal Highway Administration (FHWA) funds of \$0.7 million;

State

- Rail Enhancement Funds (REF) of \$22.1 million;
- Transportation Capital Projects Revenue (CPR) Bond funds of \$20.2 million;
- Shortline Railway and Development funds of \$2.4 million;
- Rail Industrial Access (RIA) funds of \$1.9 million;
- Intercity Passenger Rail Operating and Capital (IPROC) funds of \$119.4 million;
- VDOT Transfers of \$7.2 million;
- VTA 2000 funds of \$2.1 million; and
- Local Match of \$0.9 million.

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 \$50 million annually. These funds are 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 2017, planned expenditures from these bond proceeds are \$16.7 million for joint passenger and rail infrastructure improvements and \$3.5 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 21 projects for Virginia's shortline railroads in FY 2017. These Rail Preservation projects consist primarily of bridge and track upgrades, yard improvements, siding enhancements, 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.

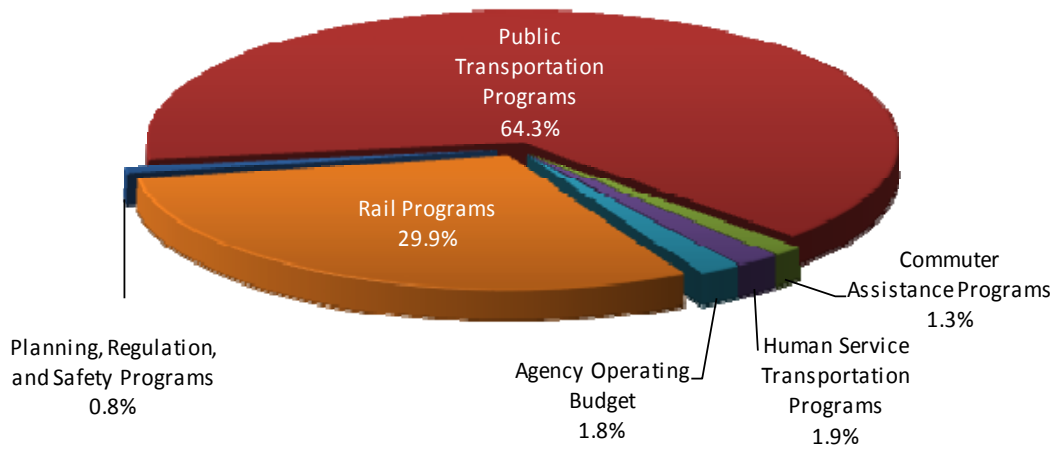
Rail Industrial Access Program

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

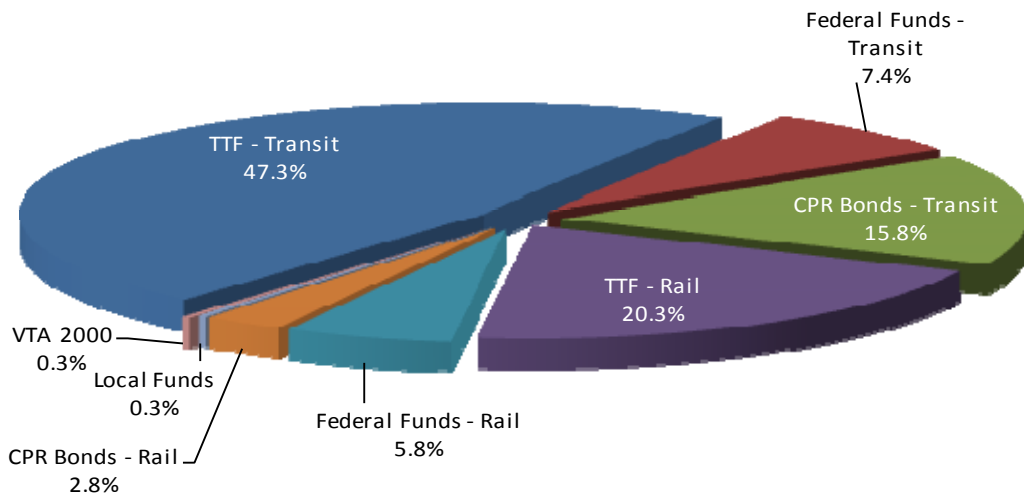


DRPT Budgeted Expenditures - FY 2017



	(\$ in millions)			
	Adopted FY 2016	Recommended FY 2017	Increase / (Decrease)	Percentage Change
Public Transportation Programs				
Operating Assistance [Notes 1, 2]	\$ 192.1	\$ 217.1	\$ 25.0	13.0%
Capital Assistance [Notes 1, 3]	242.4	252.0	9.6	4.0%
Special Programs [Note 4]	1.9	2.1	0.2	10.5%
Total	436.4	471.2	34.8	8.0%
Commuter Assistance Programs [Note 5]	14.6	9.6	(5.0)	-34.2%
Human Service Transportation Pgm [Note 6]	8.0	13.7	5.7	71.3%
Planning, Regulation, & Safety Pgm [Note 7]	6.1	6.0	(0.1)	-1.6%
Total Transit Programs	465.1	500.5	35.4	7.6%
Rail Preservation Programs [Notes 1, 8]	16.6	6.0	(10.6)	-63.9%
Rail Industrial Access [Note 9]	2.1	1.9	(0.2)	-9.5%
Passenger and Freight Rail Programs [Notes 1, 10]	166.3	211.5	45.2	27.2%
Total Rail Programs	185.0	219.4	34.4	18.6%
Agency Operating Budget [Note 11]	12.1	13.4	1.3	10.7%
Agency Total	\$ 662.2	\$ 733.3	\$ 71.1	10.7%

DRPT Funding Sources - FY 2017



	(\$ in millions)			
	Adopted FY 2016	Recommended FY 2017	Increase / (Decrease)	Percentage Change
TRANSPORTATION TRUST FUND				
1986 Special Session Revenue (14.7%) [Notes 2, 3, 4, 5, 6, 7, 11]	\$ 151.5	\$ 147.9	\$ (3.6)	-2.4%
2013 Chapter 766 Revenue for Transit [Notes 2, 3, 4, 5, 6, 7, 11]	86.7	76.2	(10.5)	-12.1%
2015 Chapter 684 Revenue for Transit [Notes 2, 3, 4, 5, 6, 7, 11]	-	47.6	47.6	
Recordation Tax [Notes 2, 11]	25.2	30.2	5.0	19.8%
Rail Preservation Program [Notes 1, 8, 11]	5.2	2.6	(2.6)	-50.0%
Rail Industrial Access [Note 9]	2.1	1.9	(0.2)	-9.5%
Rail Enhancement [Notes 10, 11]	42.5	22.8	(19.7)	-46.4%
2013 Chapter 766 Revenue for IPROC [Notes 10, 11]	48.0	121.2	73.2	152.5%
Special Programs - VDOT Transfers [Notes 2, 3, 5, 7]	29.1	46.3	17.2	59.1%
Total	390.3	496.7	106.4	27.3%
BOND PROCEEDS - Transit Capital and Rail [Notes 1, 3, 8, 10]	166.6	136.0	(30.6)	-18.4%
FEDERAL REVENUE				
American Recovery and Reinvestment Act (ARRA) [Note 10]	35.3	28.0	(7.3)	-20.7%
Flexible STP [Note 3]	6.5	-	(6.5)	-100.0%
FHWA Funding (CMAQ/RSTP) [Notes 3, 5, 10]	6.7	9.1	2.4	35.8%
Federal Transit Administration [Notes 2, 3, 6, 7]	38.3	44.9	6.6	17.2%
Federal Railroad Administration [Note 10]	14.5	14.5	-	0.0%
Total	101.3	96.5	(4.8)	-4.7%
LOCAL REVENUES [Notes 3, 6, 10]	1.6	2.0	0.4	25.0%
TRANSFERS FROM OTHER AGENCIES				
VDOT - VTA 2000 Transfers [Note 10]	2.4	2.1	(0.3)	-12.5%
TOTAL SOURCES	\$ 662.2	\$ 733.3	\$ 71.1	10.7%

Footnotes to the FY 2017 Annual Budget

(1) The budgeted amounts in this report include anticipated expenditures on all of the projects and grants that DRPT manages for FY 2017 and the revenue sources to cover these anticipated expenditures. A cash basis of accounting is utilized to develop the budgeted amounts. Therefore, the budgeted amounts will not agree to allocations in the SYIP due to the timing of cash expenditures versus allocations of funds. The actual cash outlays of many capital projects may lag behind the related allocation of resources by as much as five years. For example, DRPT will allocate Transportation Capital Projects Revenue bond proceeds of \$106.6 million (as authorized in Code of Virginia §33.2-365) for transit capital in FY 2017, but \$115.8 million is expected to be expended on those projects during FY 2017. The differences between the FY 2017 SYIP allocations and budgeted expenditures are as follows:

Total Six Year Improvement Plan Allocations	\$ 695.5
Federal Funds Allocations with Grantee FTA Contracting	(42.3)
VDOT Revenues to be spent in future years	(8.6)
Agency Operating Budget	13.4
Prior Year Allocations in Current Year Budget	
Transit Revenue and Bond Allocations	7.6
Rail Revenue and Bond Allocations	65.8
Rail Industrial Access	1.9
Total Budgeted Expenditures	\$ 733.3

It is important to note that DRPT's reliance on our transportation partners for accurate information will impact the accuracy of our budgeted expenditures. The vast majority of the DRPT budgeted expenditures are initiated by a reimbursement request from one of our project partners who controls the actual project development. As such, DRPT must gather information from these partners about the timing of almost 2,000 projects in order to estimate cash basis expenditures each year. Based on this operating format for DRPT, a variance of up to 15% would not be unreasonable. Ultimately, the goal for DRPT will be to work with our project partners to attain a variance of 10% or less by each year end.

(2) The budgeted expenditure line item entitled Public Transportation Programs - Operating Assistance increased by \$25.0 million from FY 2016 to FY 2017. The majority of the increase is due to reflecting a FY 2014 shortfall of \$11.8 million in the FY 2016 SYIP which reduced revenues available. There were excess revenues in FY 2015 so the operating carryover amount reflected in the FY 2017 SYIP is \$10.5 million higher in FY 2017 compared to FY 2016. The Operating Assistance line is made up of MTTF operating allocations of \$171.5 million, recordation taxes of \$30.2 million, and \$15.2 million in federal assistance through the FTA 5311 Rural Assistance program and the FTA Jobs Access and Reverse Commute (JARC) program. Additionally, \$0.2 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) Public Transportation Programs - Capital Assistance consists of \$80.0 million of MTTF allocations, \$115.4 million of Transportation Capital Projects bond proceeds, \$15.0 million of FTA funding, and \$0.2 million of local funds. Additionally, \$41.4 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.

DRPT Footnotes to the FY 2017 Annual Budget (Continued)

(4) Public Transportation Programs – Special Programs consists of MTTF allocations of \$2.1 million.

(5) The budgeted Commuter Assistance Programs line item decreased by \$5.0 million from FY 2016 to FY 2017. This increase was mainly due to a decrease in the Arlington County Commuter Assistance program and the PRTC Vanpool program. Commuter Assistance Programs includes Mass Transit Trust Funds of \$4.7 million. Additionally, \$4.9 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.

(6) Human Service Transportation Programs includes \$10.3 million of FTA Job Access and Reverse Commute awards, FTA 5311 awards, and FTA 5310 awards. The match to these federal awards consists of \$2.2 million of MTTF State matching funds for the paratransit capital projects and enhanced transportation services for the elderly and disabled, Transportation Capital Projects Bond proceeds of \$0.3 million, as well as \$0.9 million of local match to the FTA 5310 funds.

(7) Planning, Regulation, and Safety Programs consists of the FTA 5303/5304 planning funds and FTA Job Access and Reverse Commute funds of \$4.4 million, MTTF state match allocations of \$0.5 million, and \$1.1 million in projects administered by DRPT with state funding allocated through VDOT's SYIP.

(8) The 2006 General Assembly passed legislation (§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 \$2.4 million. The additional \$3.6 million of planned expenditures is funded by Transportation Capital Projects Bond proceeds allocated by the CTB.

(9) 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 \$1.9 million.

(10) The budgeted Passenger and Freight Rail Programs line item of \$211.5 million represents an increase of \$45.2 million from FY 2016 to FY 2017. The increase results primarily from the Lynchburg to Roanoke extension which is entering a project phase in FY 2017 that will require much larger outlays than in FY 2016. The Lynchburg to Roanoke extension is estimated to have expenditures of \$56.4 million in FY 2017 compared to 25 million in FY 2016. The Richmond to Petersburg Improvements project is starting in FY 2017 and the anticipated cash outlay is \$28.5 million. These increases are offset by a decrease in expenditures for the Virginia Avenue Tunnel project. DRPT's portion of this project was substantially completed in FY 2016.

The source of funding to cover these expenditures includes \$22.1 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 \$14.5 million, American Recovery and Reinvestment Act funds of \$28.0 million, bond proceeds of \$16.7 million, Intercity Passenger Rail Operating and Capital funds of \$119.4 million, VTA 2000 funds of \$2.1 million, Federal Highway Administration (FHWA) funds of \$0.6 million, VDOT Transfers of \$7.2 million, and local matching funds of \$0.9 million.

DRPT Footnotes to the FY 2017 Annual Budget (Continued)

(11) The CTB is authorized by §33.2-1604 of the Code of Virginia to approve up to 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% (\$13.4 million) of the available balance of the aforementioned funds for FY 2017 will be needed to support the ongoing costs of these programs. The DRPT operating budget represents only 1.8% of the total \$733.3 million FY 2017 budget.

Major Components of Agency Operating Budget	
Payroll and Fringe Benefits	\$ 7,650,450
Operations Program Support	3,052,285
Central Service Agencies Indirect Costs	765,000
Information Technology Costs	417,000
Travel and Training	345,600
Finance Program Support	340,000
Attorney Services	300,000
Rent	265,000
Other Program and Project Management Initiatives	228,525
Total	\$ 13,363,860
Source of Funding for Agency Operating Budget	
Mass Transit Trust Fund	\$ 10,701,060
Intercity Passenger Rail Operating and Capital Fund	1,814,750
Rail Enhancement Fund	707,000
Rail Preservation Fund	141,050
Total	\$ 13,363,860

(12) In order to provide comparative data to the FY 2016 budget, certain reclassifications were made to FY 2016 line items