



Virginia Department of Rail and Public Transportation

Annual Budget Fiscal Year 2018



DRAFT

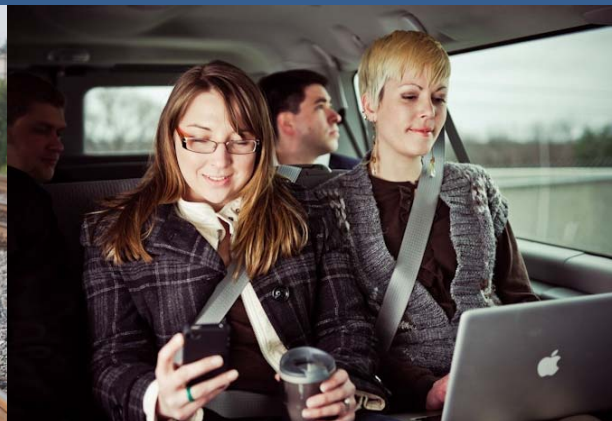
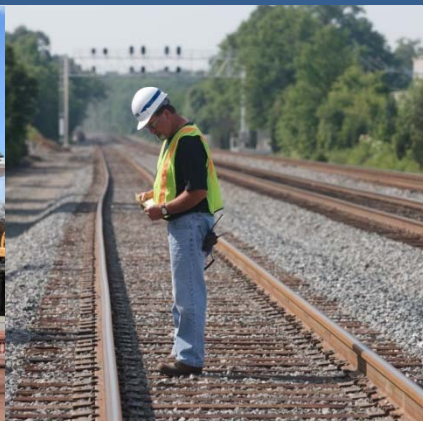
TABLE OF CONTENTS

Summary of Programs.....3

Annual Budget Statement.....16



SUMMARY OF PROGRAMS

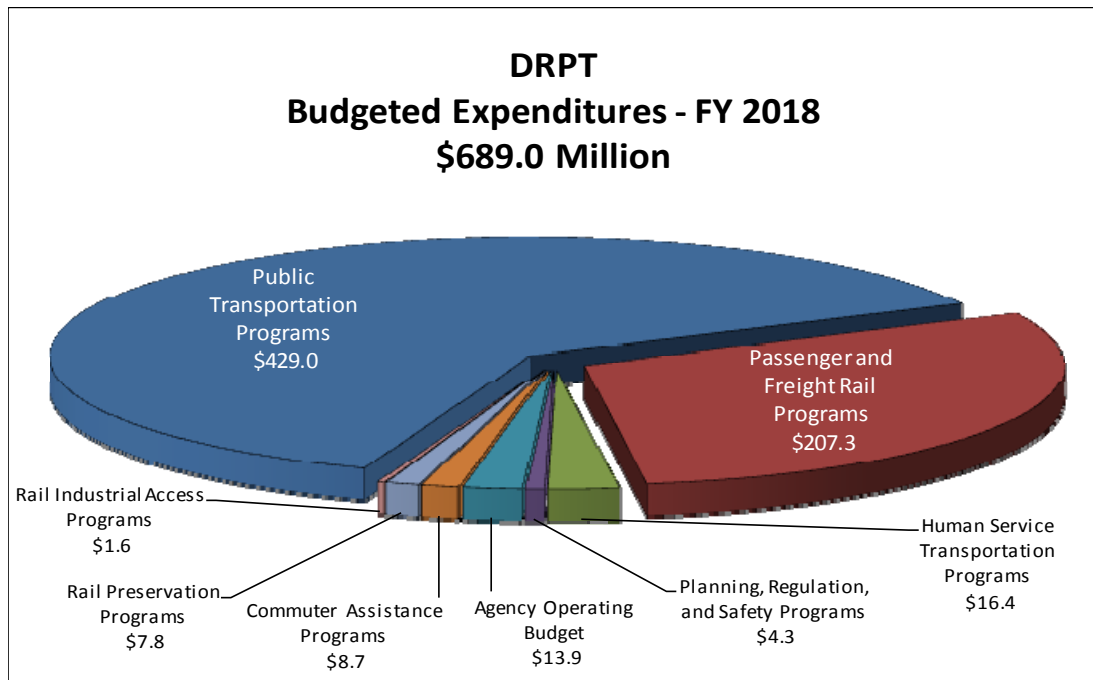


Summary of FY 2018 Budget

In FY 2018, DRPT will invest \$689.0 million in state, federal, and local resources towards improving rail and public transportation capacity and service across the Commonwealth of Virginia.

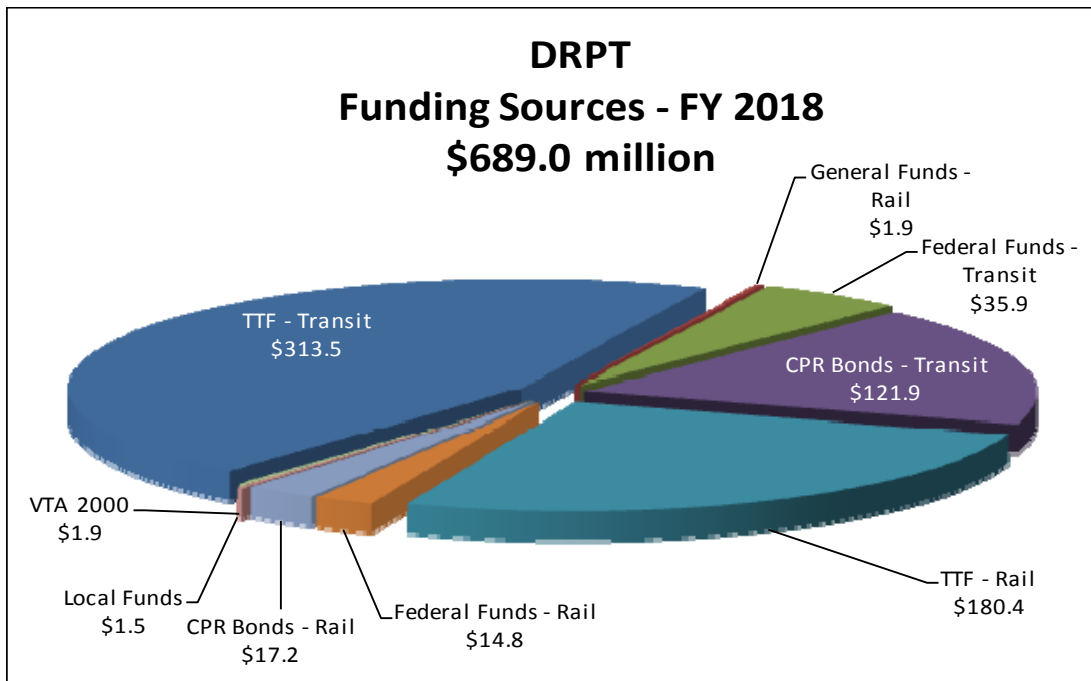
The overwhelming majority of these funds are directed to a variety of grant recipients, including: public transportation providers, local and regional government entities, freight railroads, and Amtrak. Over 50% of these funds are dedicated to capital improvement projects.

FY 2018 expenditures are estimated to be \$44.3 million less than FY 2017 mainly due to a \$32.8 million decrease in the Public Transportation Capital Assistance program and an \$11.6 million decrease in the Public Transportation Operating Assistance program. 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 decreases is included in the specific program sections of this document.



The above chart depicts the FY 2018 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 annual estimated revenues for each funding source; rather, the funding source is derived from over 2,000 projects included in the cash flow projections used to estimate the budgeted expenditures. Additional information concerning the DRPT FY 2018 funding sources can be found on page 18.



FY 2018 Service Area Budget Highlights

Agency Operating Budget

The DRPT program management and administrative budget increased 3.7% in FY 2018 due to increased requirements for program oversight related to the Atlantic Gateway project. This project is essential to improving and expanding rail in the Northeast corridor. The General Assembly approved language in the Appropriation Act that increases the amount the Commonwealth Transportation Board may allocate from the Intercity Passenger Rail Operating and Capital (IPROC) fund from 3.5% to 5.0% starting in FY 2018. The General Assembly also approved the addition of four positions that will be dedicated to the Atlantic Gateway project.

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, Atlantic Gateway, 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 past several 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 Smartscale prioritization. In the near future, the bond funding provided in 2007 will be exhausted, and transit (\$110 million) and rail (\$12.9 million) will suffer significant annual declines in their available capital funding.

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, and Rail Preservation Fund (§33.2-1604) to be used to support the DRPT costs of project development, project administration, and project compliance. Starting in FY 2018, Appropriation Act language allows the CTB to allocate up to 5% of the IPROC Fund towards these efforts.

In FY 2018, \$13.9 million 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 2.0% of the \$689.0 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 serves to mitigate large swings in annual revenues.

The annual revenues of the Mass Transit Trust Fund are distributed in accordance with the Code of Virginia and specific Appropriations Act language 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

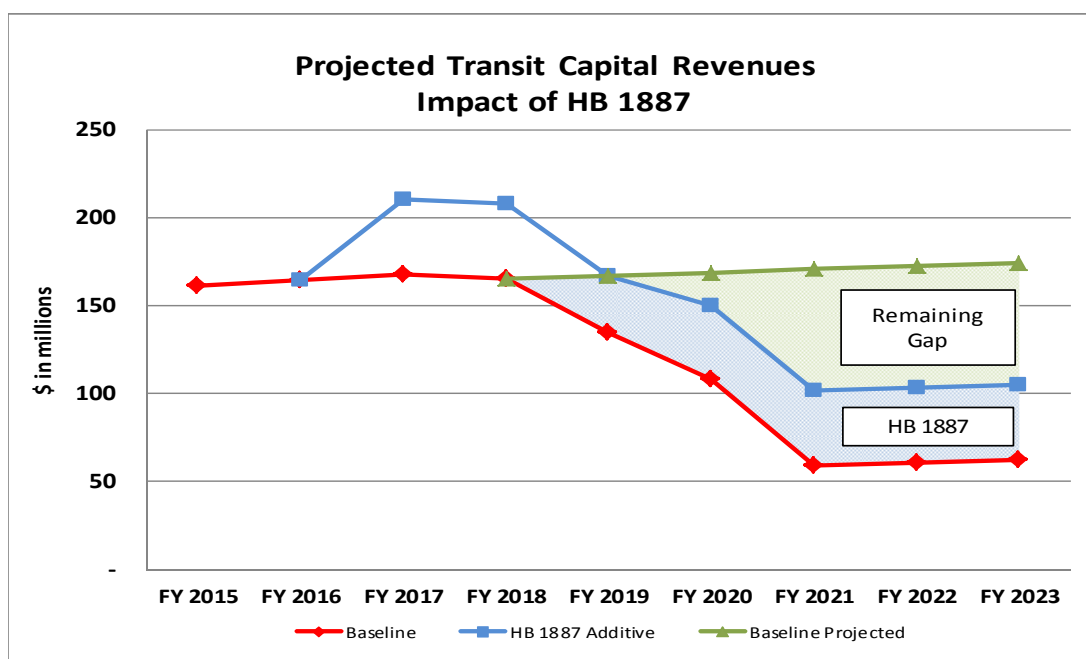
The remaining portion of the 14.7% share and the 2013 Chapter 766 share of the Transportation Trust Fund dedicated to the Mass Transit Trust Fund is allocated by statute (§58.1-638) with a minimum of 72% for state operating assistance grants, 25% awarded as capital assistance grants, and the balance 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 sources for these bond authorizations are the tax on insurance premiums and a portion of the motor vehicle fuel tax.

The annual revenues of the Mass Transit Capital Fund 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

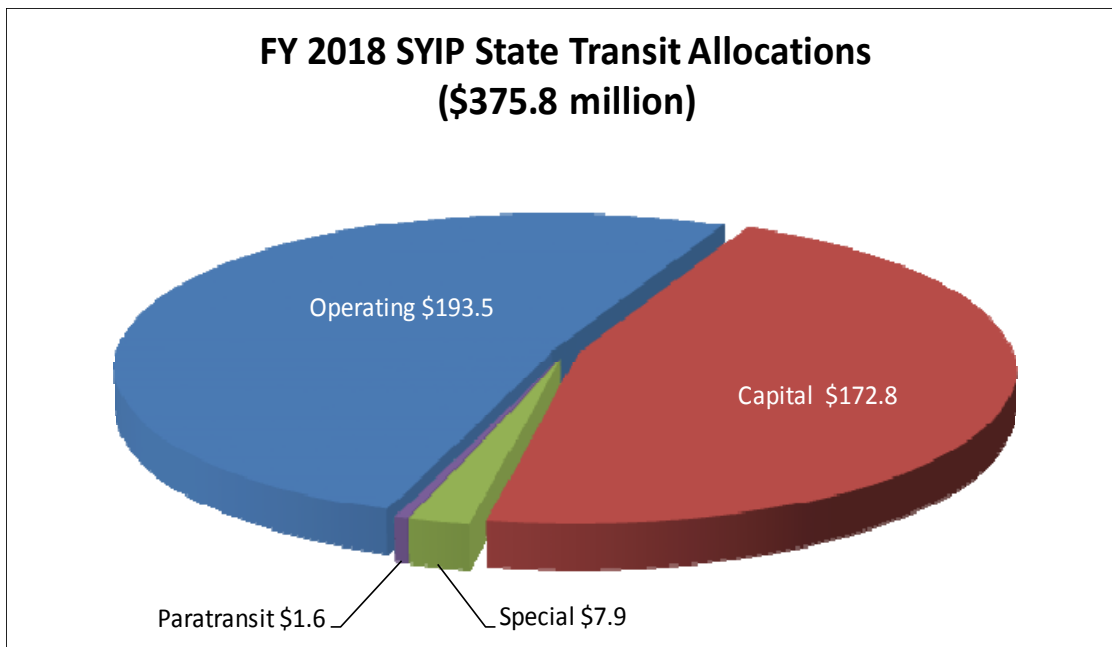
In the Six Year Improvement Program (SYIP) for FY 2018, the CPR bonds represent approximately three fourths of the state transit capital assistance. Beginning in FY 2019, these bond funds will complete the 10 year period under the original bond authorization. By the close of FY 2020 when the WMATA state 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 loss of revenue in this program. Over 85% 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 Smartscale like prioritization of capital funds for transit expansion.

The FY 2018 SYIP allocation of the state transit revenues for public transportation is depicted in the following chart. This chart represents FY 2018 SYIP allocations only, which vary from the 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 2018 allocation of \$375.8 million of state transit revenues in the SYIP represents a decrease of \$42.0 million from FY 2017. Operating allocations in FY 2018 decreased \$7.8 million primarily because of a lower carryover than prior year. Capital allocations decreased \$32.6 million mainly due to a higher allocation for the Richmond Bus Rapid Transit project in FY 2017 compared to FY 2018 and the FY 2017 allocation related to VRE Expansion Rail cars that did not exist in FY 2018. For the current year,

DRPT allocated \$126.1 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)

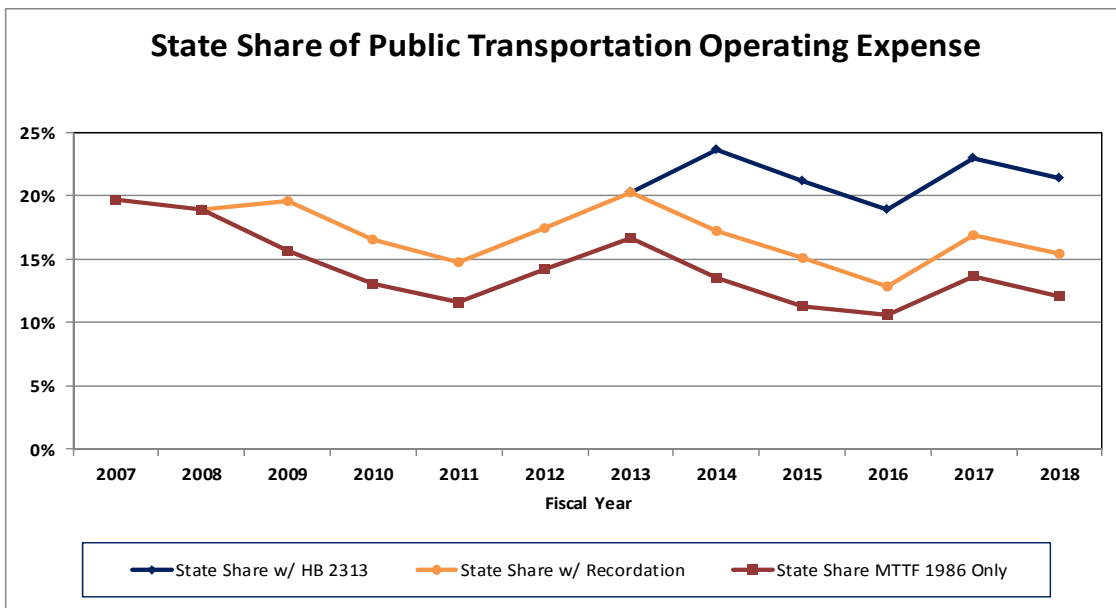
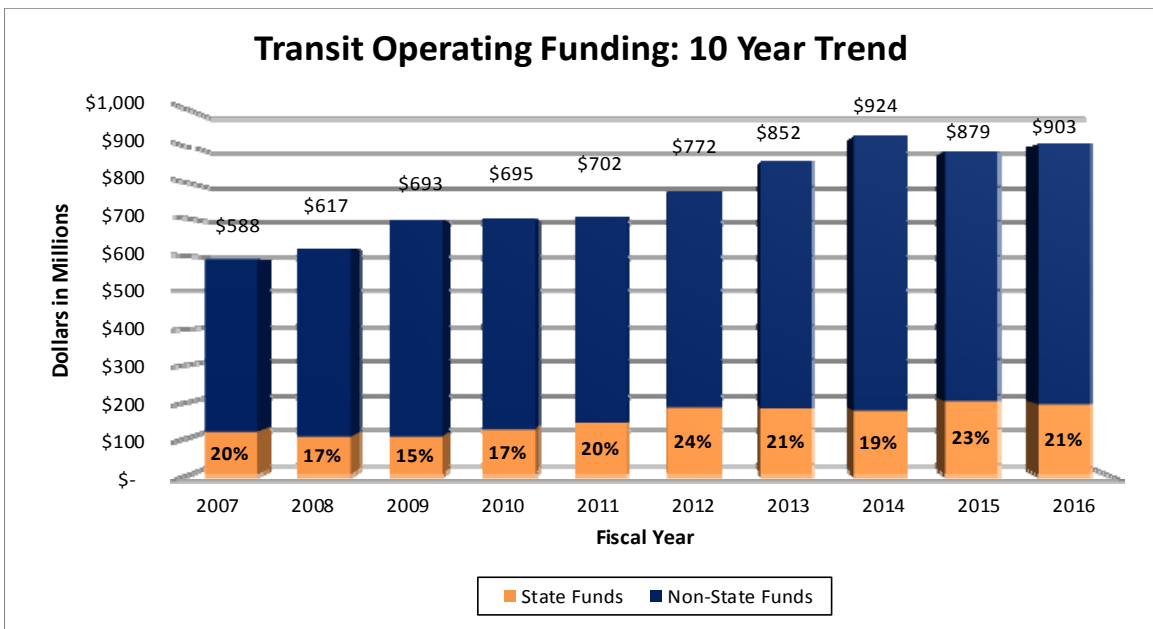
State law also required performance-based allocations of state transit operating assistance above the \$115.2 million threshold beginning in FY 2014. The Transit Service Delivery Advisory Committee (TSDAC) was created to advise DRPT on the performance based distribution of funding to promote more efficient 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 2018 is 21.2% versus 22.8% for FY 2017. The decrease in percentage is due to reduced revenues available for allocation in FY 2018. In addition, there was an increase in total operating expenses of \$24 million, mainly caused by an increase of operating expenses of \$19 million for WMATA. 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 12% 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 FY 2017 allocations included \$12.2 million of additional one-time revenues from FY 2015 when revenues exceeded the allocated estimate. The majority of the \$7.8 million decrease in Public Transportation Operating Funds in FY 2018 results from not having the revenue surplus that was available in FY 2017.

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 FY 2017 and are proposed for FY 2018.

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 2018, the budget for public transportation capital expenditures is \$219.2 million – a \$32.8 million decrease from FY 2017. The projects to be supported by these funds and the applicable federal funds managed by DRPT are summarized below:

Public Transportation Capital Projects for FY 2018						
	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	11	0	16	2	0	0
Culpeper District	4	0	7	1	0	0
Fredericksburg District	1	0	5	1	0	0
Hampton Roads District	4	2	32	4	2	0
Lynchburg District	8	0	13	1	0	1
Northern Virginia District	371	33	155	129	11	2
Richmond District	2	0	13	3	0	0
Salem District	1	2	8	0	0	0
Staunton District	1	2	8	0	0	0
Multi - District	27	4	12	1	1	0
Statewide Totals	430	43	269	142	14	3

Public Transportation Special Program Funds

The Special Programs budget is estimated at \$4.3 million for FY 2018. 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 of \$8.7 million includes \$4.5 million of MTTF funds for FY 2018 to support Transportation Demand Management (TDM) projects. The budget also includes Federal Highway Administration (FHWA) funds of \$2.6 million and the related state match of \$1.6 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 2018 is shown in the below table.

Commuter Assistance Projects for FY 2018			
	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	5	11
Richmond District	1	0	1
Salem District	1	2	3
Staunton District	2	0	2
Statewide Totals	15	7	22

Human Service Transportation Programs

The Human Service Transportation Programs budget is estimated at \$16.4 million for FY 2018. 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 (\$12.5 million), local provider match (\$0.9 million), Transportation Capital Projects bond proceeds (\$0.8 million), and MTTF funds for enhanced transportation services for the elderly and disabled (\$2.2 million). The breakdown by district of the 269 vehicles purchased through this program is included in the Public Transportation Capital Projects table on page 11.

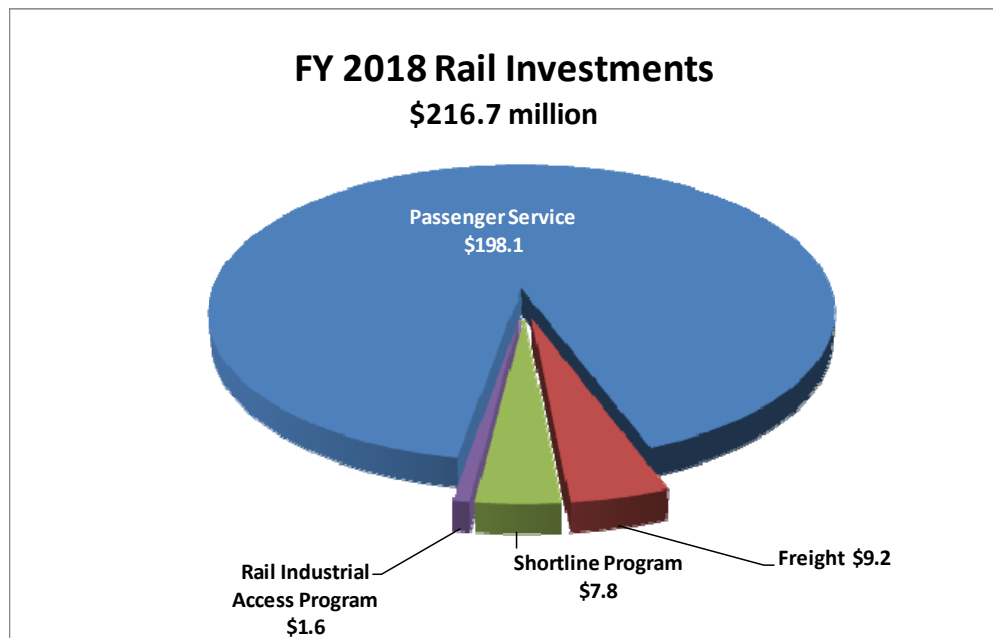
Planning, Regulation, and Safety Programs

DRPT's FY 2018 budget includes \$4.3 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 of \$3.7 million, MTTF state match allocations of \$0.5 million, and \$0.1 million in projects administered by DRPT with state funding allocated through VDOT's SYIP.

Passenger and Freight Rail Programs

DRPT's FY 2018 budget for all rail service areas includes \$216.7 million of expenditures for rail improvements in Virginia. These programs remained stable as there was a decrease of only \$4.2 million when compared to FY 2017.

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



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

Federal

- Federal Railroad Administration (FRA) grant funds of \$8.8 million;
- American Recovery and Reinvestment Act (ARRA) funds of \$3.8 million;
- Federal Highway Administration (FHWA) funds of \$2.2 million;

State

- Intercity Passenger Rail Operating and Capital (IPROC) funds of \$132.8 million;
- Rail Enhancement Funds (REF) of \$39.5 million;
- Transportation Capital Projects Revenue (CPR) Bond funds of \$17.2 million;
- VDOT Transfers of \$3.3 million;
- Shortline Railway and Development funds of \$3.1 million;
- VTA 2000 funds of \$1.9 million;
- General Rail funds of \$1.9 million;
- Rail Industrial Access (RIA) funds of \$1.6 million; and
- Local Match of \$0.6 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 2018, planned expenditures from these bond proceeds are \$12.5 million for joint passenger and freight rail infrastructure improvements and \$4.7 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 2018. 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.

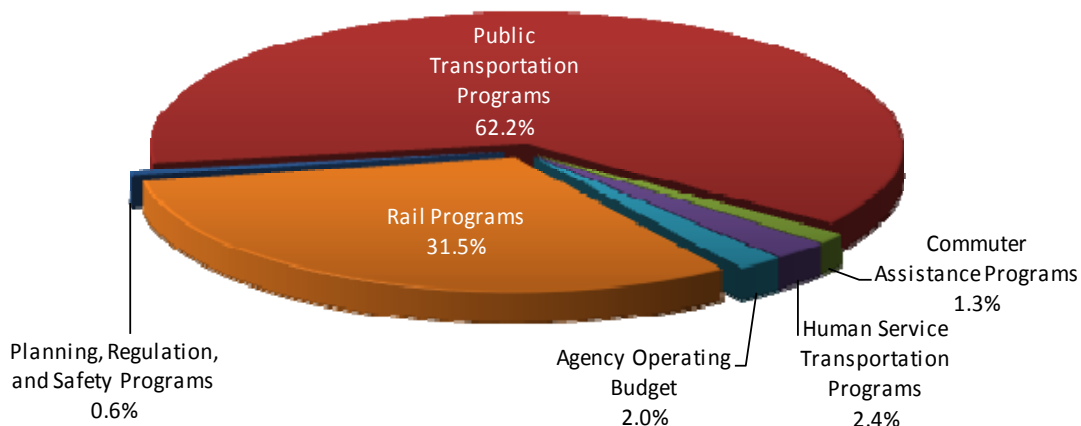
Rail Industrial Access Program

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

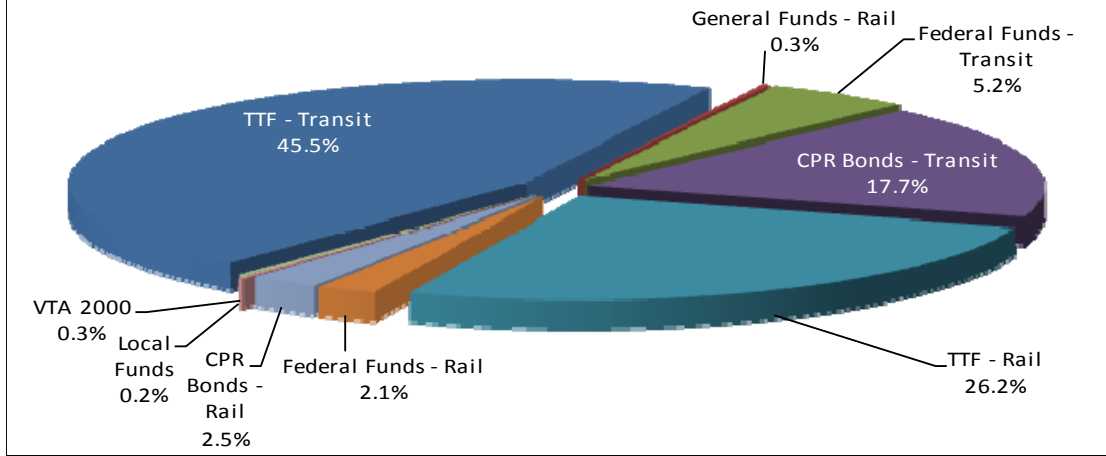


DRPT Budgeted Expenditures - FY 2018



	(\$ in millions)			
	Adopted FY 2017	Recommended FY 2018	Increase / (Decrease)	Percentage Change
Public Transportation Programs				
Operating Assistance [Notes 1, 2]	\$ 217.1	\$ 205.5	\$ (11.6)	-5.3%
Capital Assistance [Notes 1, 3]	252.0	219.2	(32.8)	-13.0%
Special Programs [Note 4]	2.1	4.3	2.2	104.8%
Total	471.2	429.0	(42.2)	-9.0%
Commuter Assistance Programs [Note 5]	9.6	8.7	(0.9)	-9.4%
Human Service Transportation Pgm [Note 6]	13.7	16.4	2.7	19.7%
Planning, Regulation, & Safety Pgm [Note 7]	6.0	4.3	(1.7)	-28.3%
Total Transit Programs	500.5	458.4	(42.1)	-8.4%
Rail Preservation Programs [Notes 1, 8]	6.0	7.8	1.8	30.0%
Rail Industrial Access [Note 9]	1.9	1.6	(0.3)	-15.8%
Passenger and Freight Rail Programs [Notes 1, 10]	211.5	207.3	(4.2)	-2.0%
Total Rail Programs	219.4	216.7	(2.7)	-1.2%
Agency Operating Budget [Note 11]	13.4	13.9	0.5	3.7%
Agency Total	\$ 733.3	\$ 689.0	\$ (44.3)	-6.0%

DRPT Funding Sources - FY 2018



	(\$ in millions)			
	Adopted FY 2017	Recommended FY 2018	Increase / (Decrease)	Percentage Change
TRANSPORTATION TRUST FUND				
1986 Special Session Revenue (14.7%) [Notes 2, 3, 4, 5, 6, 7, 11]	\$ 147.9	\$ 140.1	\$ (7.8)	-5.3%
2013 Chapter 766 Revenue for Transit [Notes 2, 3, 4, 5, 6, 7, 11]	76.2	75.2	(1.0)	-1.3%
2015 Chapter 684 Revenue for Transit [Notes 2, 3, 4, 5, 6, 7, 11]	47.6	48.4	0.8	1.7%
Recordation Tax [Notes 2, 11]	30.2	31.0	0.8	2.6%
Rail Preservation Program [Notes 1, 8, 11]	2.6	3.2	0.6	23.1%
Rail Industrial Access [Note 9]	1.9	1.6	(0.3)	-15.8%
Rail Enhancement [Notes 10, 11]	22.8	40.2	17.4	76.3%
2013 Chapter 766 Revenue for IPROC [Notes 10, 11]	121.2	135.4	14.2	11.7%
Special Programs - VDOT Transfers [Notes 2, 3, 5, 7, 10]	46.3	18.8	(27.5)	-59.4%
Total	496.7	493.9	(2.8)	-0.6%
GENERAL FUND - Rail [Note 10]	-	1.9	1.9	100.0%
BOND PROCEEDS - Transit Capital and Rail [Notes 1, 3, 6, 8, 10]	136.0	139.1	3.1	2.3%
FEDERAL REVENUE				
American Recovery and Reinvestment Act (ARRA) [Note 10]	28.0	3.8	(24.2)	-86.4%
FHWA Funding (CMAQ/RSTP) [Notes 3, 5, 10]	9.1	5.0	(4.1)	-45.1%
Federal Transit Administration [Notes 2, 3, 6, 7]	44.9	33.1	(11.8)	-26.3%
Federal Railroad Administration [Note 10]	14.5	8.8	(5.7)	-39.3%
Total	96.5	50.7	(45.8)	-47.5%
LOCAL REVENUES [Notes 6, 10]	2.0	1.5	(0.5)	-25.0%
TRANSFERS FROM OTHER AGENCIES				
VDOT - VTA 2000 Transfers [Note 10]	2.1	1.9	(0.2)	-9.5%
TOTAL SOURCES	\$ 733.3	\$ 689.0	\$ (44.3)	-6.0%

Footnotes to the FY 2018 Annual Budget

(1) The budgeted amounts in this report include anticipated expenditures on all of the projects and grants that DRPT manages for FY 2018 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 \$126.1 million (as authorized in Code of Virginia §33.2-365) for transit capital in FY 2018, but \$121.2 million is expected to be expended on those projects during FY 2018. The differences between the FY 2018 SYIP allocations and budgeted expenditures are as follows:

Total Six Year Improvement Plan Allocations	\$	649.9
Federal Funds Allocations with Grantee FTA Contracting		(19.6)
VDOT Revenues to be spent in future years		(43.4)
Agency Operating Budget		13.9
Prior Year Allocations in Current Year Budget		
Transit Revenue and Bond Allocations		34.7
Rail Revenue and Bond Allocations		51.9
Rail Industrial Access		1.6
Total Budgeted Expenditures	\$	689.0

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 decreased by \$11.6 million from FY 2017 to FY 2018. Revenues from FY 2015 exceeded the estimate by \$12.2 million and these revenues were added to the funds available in the FY 2017 SYIP. Revenues in FY 2016 were lower than the estimate by \$7.2 million and this is reflected in the FY 2018 SYIP. The Operating portion of \$5.6 of the deficit is being covered by the Reserve. The Operating Assistance line is made up of MTTF operating allocations of \$161.6 million, recordation taxes of \$31.0 million, and \$12.8 million in federal assistance through the FTA 5311 Rural Assistance program. Additionally, \$0.1 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 decreased by \$32.8 million mainly due to the Virginia Beach Light Rail project which did not advance. This project had estimated expenditures of \$21.5 million in FY 2017. The remaining difference is related to multiple projects. This line item consists of \$80.0 million of MTTF allocations, \$121.2 million of Transportation Capital Projects bond proceeds, and \$4.2 million of FTA funding, and \$0.2 million of FHWA funding. Additionally, \$13.6 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 2018 Annual Budget (Continued)

- (4)** Public Transportation Programs – Special Programs consists of MTTF allocations of \$4.3 million.
- (5)** The budgeted Commuter Assistance Programs line item decreased by \$.9 million from FY 2017 to FY 2018. Commuter Assistance Programs includes Mass Transit Trust Funds of \$4.5 million and FHWA funding of \$2.6 million. Additionally, \$1.6 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)** The budgeted Human Service Transportation Programs line item increased by \$2.7 million from FY 2017 to FY 2018. Funding includes \$12.5 million of FTA 5310 and 5311 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 \$0.8 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 of \$3.7 million, MTTF state match allocations of \$0.5 million, and \$0.1 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 \$3.1 million. The additional \$4.7 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 \$1.6 million.
- (10)** The budgeted Passenger and Freight Rail Programs line item of \$207.3 million represents a decrease of \$4.2 million from FY 2017 to FY 2018. The source of funding to cover these expenditures includes \$39.5 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 \$8.8 million, American Recovery and Reinvestment Act funds of \$3.8 million, bond proceeds of \$12.5 million, Intercity Passenger Rail Operating and Capital funds of \$132.8 million, VTA 2000 funds of \$1.9 million, Federal Highway Administration (FHWA) funds of \$2.2 million, VDOT Transfers of \$3.3 million, General Rail funds of \$1.9 million, and local matching funds of \$0.6 million.

DRPT Footnotes to the FY 2018 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, and Rail Preservation Fund to support costs of project development, project administration, and project compliance. Starting in FY 2018, Appropriation Act language allows the CTB to allocate up to 5% of 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. DRPT has determined that the 3.5% and 5% (\$13.9 million) of the available balance of the aforementioned funds for FY 2018 will be needed to support the ongoing costs of these programs. The DRPT operating budget represents only 2.0% of the total \$689.0 million FY 2018 budget.

Major Components of Agency Operating Budget	
Payroll and Fringe Benefits	\$ 7,780,000
Operations Program Support	2,911,000
Central Service Agencies Indirect Costs	768,000
Information Technology Costs	545,000
Office Expansion	480,000
Finance Program Support	415,000
Rent	348,000
Travel and Training	341,000
Attorney Services	132,000
Other Program and Project Management Initiatives	187,000
Total	<u>\$ 13,907,000</u>
Source of Funding for Agency Operating Budget	
Mass Transit Trust Fund	\$ 10,501,000
Intercity Passenger Rail Operating and Capital Fund	2,581,000
Rail Enhancement Fund	684,000
Rail Preservation Fund	141,000
Total	<u>\$ 13,907,000</u>

(12) In order to provide comparative data to the FY 2018 budget, certain reclassifications were made to FY 2017 line items