



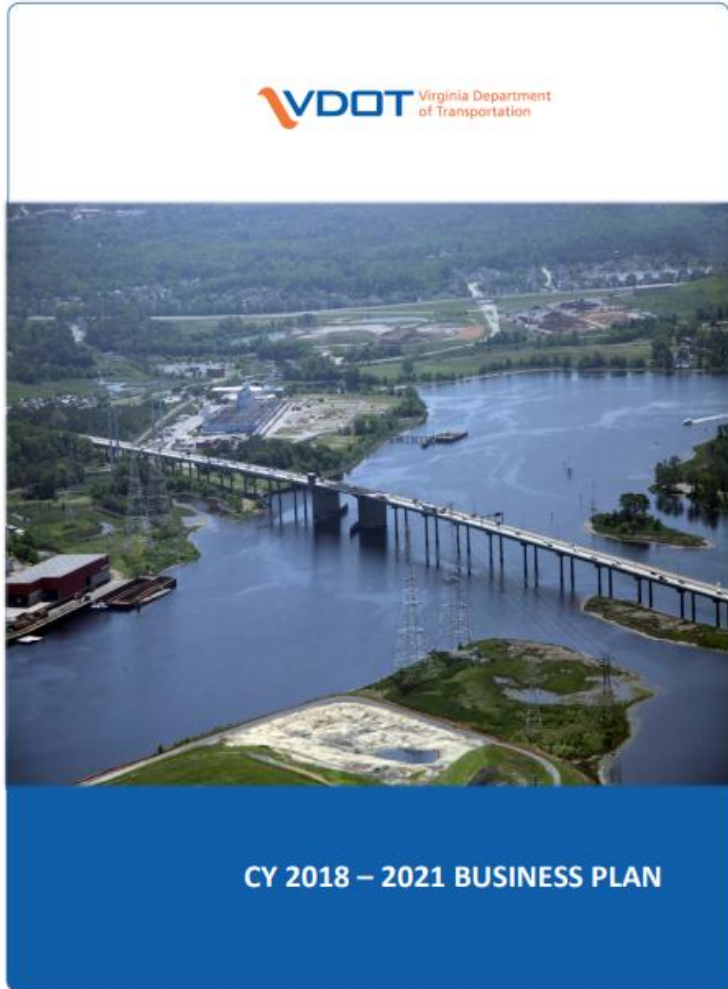
VIRGINIA ASPHALT ASSOCIATION

Discussion with the Virginia Department of Transportation

 VDOT Commissioner Stephen Brich, P.E.

October 13, 2021

Vision



VISION		
Execute the program	Operate our system more efficiently	Business focus
Ensure a sustainable pipeline of projects	Be innovative	Transparency
Maintain assets	Maintain a highly trained workforce	Safety

Collective Accomplishments

ACCOMPLISHMENTS

Interstate 81

- Innovative, targeted improvements
- Safety and reliability

Omnibus Bill

- Commonwealth's financial commitment to a multimodal transportation system

Comprehensive Review and Special Structures

- Fifty year long term plan.
- Health Index

IOEP

- \$400 million dedicated funding for interstate improvements



Innovation

- Automated TMAs
- RM3P
- Pavement recycling

Investing in Our Employees

- VDOT of Tomorrow
- Talent acquisition

Business

- IT and business process improvements
- Office of Consultant Procurement

Safety

- Improved PPE
- Modernized safety programs

What is the Current Situation?

- **FY21 state transportation revenue collections were \$365.8 million above of estimate**
 - **\$20.7 million is distributed to rail, port, aviation, VCFSA and DMV**
 - **\$345.1 million is distributed to the Priority Transportation Fund**
 - Potential for additional uplift
- **Transportation is supposed to receive 2/3s of undesignated General Fund surplus**
 - **Estimated to be \$115.8 million in FY21**
 - **Funds must be appropriated in Appropriations Act**

What is the Current Situation?

- **FY22 through FY27 state transportation revenue estimates will not be updated until December**
- **Federal infrastructure bill and ‘reauthorization’ proposal is pending in Congress**
 - **Federal program expired at the end of September**
 - **Operating under continuing resolution**
- **GF Surplus for transportation is subject to appropriation during the 2022 GA Session**

Discussion of Options

- **Appropriations Act prioritizes new spending from 2020 Omnibus Transportation Bill**
- **Revenue Sharing Program is funded with state transportation revenues – many projects are not eligible for federal transportation funds**

Recommendations Moving Forward

- **Board should allocate FY21 CTF Surplus by December 2021**
- **Must wait for 2022 General Assembly Session to use FY21 GF Surplus for transportation**
- **Must wait for Congressional action prior to assuming the use of any additional federal funds beyond those already assumed in SYIP**

Recommendations Moving Forward – FY21 CTF Surplus

- **Use Appropriations Act authority, Item 430 P, to restore anticipated FY22 Omnibus spending**
 - **\$39.8M for transit**
 - **\$10M for safety**
- **Recommend Board select \$295M in priority projects from SMART SCALE Round 4 project list**
 - **Ensure equitable distribution of funds throughout the state through approximate use of DGP formula**
 - **SMART SCALE was subject to the single largest reduction in available funding**

Recommendations Moving Forward – Other Actions

- **If the December revenue forecast anticipates improved revenues then restore other program reductions**
 - **Revenue Sharing, State of Good Repair, Interstate Operations and Enhancement**
- **Revenue Sharing Program**
 - **Determine what projects in the current round of Revenue Sharing are ‘ready-to-go’ and could spend the funds in the first 2-years of the program**
- **Any additional flexible federal funds should be distributed pursuant to current Code requirements using the construction program**
- **Additional discussion is anticipated in upcoming CTB meetings**

Moving Forward

Reauthorization Package – Infrastructure Investment & Jobs Act

- **Five-year reauthorization would provide significant uplift to core federal program and more certainty over period**
 - \$7 billion over five years
 - Currently \$1.1 billion annually
 - \$1.4 billion annually with reauthorization
 - Results in net increase of approximately \$300 million annually
- **New formula programs for Bridges and Electric Vehicle (EV) charging infrastructure**
 - \$537 million for Virginia bridge replacement and repairs over five years
 - An estimated \$106 million for Virginia over five years to support the expansion of an EV charging network in the Commonwealth

Moving Forward

Reauthorization Package – Infrastructure Investment & Jobs Act

- Under the *Code of Virginia*, new programs that include major restrictions on the types of projects that may be funded are not included in Construction Formula Distribution
- Based on current understanding, funding for Bridge Repair, Resiliency, and carbon reduction would be exempt
- Other increased funding would be available for Formula Distribution
- Potential for an updated SYIP for CTB review/action this fiscal year, taking reauthorization into consideration