



Financial Plan

# Section II

## FINANCIAL PLAN

Federal regulations require the TIP to be *financially-constrained* by Federal fiscal year and by funding category. In other words, the TIP must include a financial plan that demonstrates there is enough money available to fund the projects listed in the TIP for each given year. Tables 2 and 3 are included to demonstrate that the financial constraint requirement has been met.

**Table 2** depicts the financial constraint demonstration for highway and other projects that fall under the purview of the Virginia Department of Transportation (VDOT). The table shows the revenues expected to be available (projected obligations) and the proposed commitments (planned obligations) for each fiscal year as submitted by VDOT.

The *projected obligations*, or federal revenues, are based on apportionment tables prepared by the Federal Highway Administration (FHWA). The 2015 amounts are from the figures included in the VDOT Fiscal Year 2014-2019 Six-Year Financial Plan and corresponding annual budget. The expected federal funds have been reduced by a factor to represent *obligation authority* – a limit imposed to control highway program spending in response to economic and budgetary conditions.

*Planned obligations* are based on funding anticipated to be obligated by federal fiscal year based on project estimates and activity dates.

### System-Level Estimates for Operations and Maintenance

Federal planning regulations require the TIP to include system-level estimates of revenues that are reasonably expected to be available to adequately cover the estimated costs to operate and maintain Federal-aid highways and public transportation. Activities related to the operations of Federal-aid highways include items such as signage, traffic control devices, signalization, pavement markings, guardrail, lighting, traffic calming devices, etc. Maintenance activities, often referred to as preventive maintenance, have the goal of improving the physical condition of core transportation assets and extending their useful life and include items such as cleaning of drainage facilities, corrosion protection, sign cleaning, roadway resurfacing, bridge deck overlays, joint sealing and replacement, etc. In contrast, ordinary or routine maintenance, which is not eligible for federal funding, are activities that typically do not change the physical condition of an asset.

### Highway Systems Operations and Maintenance

Development of the budget for operations and maintenance is driven, in part, by the following performance targets adopted by the Commonwealth Transportation Board (CTB) to guide investment decisions:

- No less than 82% of interstate pavements rated fair or better
- No less than 82% of primary pavements rated fair or better
- No less than 92% of bridges and culverts rated not structurally deficient
- Maintain condition of secondary pavements

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VDOT uses an asset management methodology and generally accepted engineering principles and business practices to:

- Identify and prioritize operations and maintenance needs
- Identify performance standards to determine those needs
- Provide funding to meet those needs

Each year, VDOT reports to the CTB the status of progress made in achieving the performance standards. Using this information, the CTB establishes goals and sets priorities for the upcoming fiscal year. A team consisting of program managers from the VDOT Districts and VDOT Central Office develops budget scenarios for achieving the CTB goals. These scenarios are reviewed by district maintenance managers and regional operations directors, who provide feedback so that detailed budgets can be developed. The final operations and maintenance budget is then approved by the VDOT Chief Engineer, VDOT Commissioner, and the CTB.

Highway operations and maintenance is primarily accounted for in three Project Groups in the TIP – Preventive Maintenance and System Preservation, Preventative Maintenance for Bridges, and Traffic and Safety Operations. A description of the maintenance activities covered by these project groups is included in Section XII. When the TIP is developed, specific maintenance activities have not yet been identified, so a lump sum is set-aside in each project group. The obligation table for each of the maintenance project groups includes a VDOT note stating that funding will be obligated as projects are identified.

### **Transit Systems Operations and Maintenance**

For transit systems operations and maintenance, each transit grantee conducts its own analysis, with assistance from the Virginia Department of Rail and Public Transportation (DRPT). Federal Transit Administration (FTA) guidelines on the useful service life of transit vehicles direct the schedule with which transit vehicles are replaced throughout the Commonwealth.

**Table 3** depicts the financial constraint demonstration for projects that fall under the purview of DRPT. It should be noted that the table includes several funding sources for which allocations are determined annually by grantee application. For this reason, it is not possible to show the financial constraint demonstration beyond the first year of the TIP. However, the eventual allocation of funds will not exceed the available revenue for those funding sources.

Table 2 | Hampton Roads FY 2015 – 2018 Transportation Improvement Program Financial Constraint Demonstration – Highway Projects

Fund Source	FFY 2015		FFY 2016		FFY 2017		FFY 2018		TOTAL	
	Estimated Revenue	Proposed Commitment	Estimated Revenue	Proposed Commitment	Estimated Revenue	Proposed Commitment	Estimated Revenue	Proposed Commitment	Estimated Revenue	Proposed Commitment
<b>FEDERAL</b>										
ARRA	(\$ 1474,979)	(\$ 1474,979)	\$0	\$0	\$0	\$0	\$0	\$0	(\$ 1474,979)	(\$ 1474,979)
BR/BROS	\$ 2,194,525	\$ 2,194,525	\$ 962,500	\$ 962,500	\$ 374,161	\$ 374,161	\$ 1029,080	\$ 1029,080	\$ 4,560,266	\$ 4,560,266
CMAQ	\$ 36,317,788	\$ 36,317,788	\$ 5,133,959	\$ 5,133,959	\$ 2,681,200	\$ 2,681,200	\$ 1360,000	\$ 1360,000	\$ 45,492,947	\$ 45,492,947
DEMO	\$ 3,074,010	\$ 3,074,010	\$0	\$0	\$0	\$0	\$0	\$0	\$ 3,074,010	\$ 3,074,010
EB/IMG	\$ 17,038,503	\$ 17,038,503	\$ 776,421	\$ 776,421	\$0	\$0	\$0	\$0	\$ 7,814,924	\$ 7,814,924
EN	\$ 3,923,065	\$ 3,923,065	\$0	\$0	\$0	\$0	\$0	\$0	\$ 3,923,065	\$ 3,923,065
IM	(\$ 24,517)	(\$ 24,517)	\$0	\$0	\$ 1090,449	\$ 1090,449	\$0	\$0	\$ 1065,932	\$ 1065,932
NHPP	\$ 30,096,487	\$ 30,096,487	\$ 271,007	\$ 271,007	\$0	\$0	\$0	\$0	\$ 30,367,494	\$ 30,367,494
NHS	(\$ 11,702,057)	(\$ 11,702,057)	\$0	\$0	\$0	\$0	\$0	\$0	(\$ 11,702,057)	(\$ 11,702,057)
RSTP	\$ 50,568,123	\$ 50,568,123	\$ 6,400,000	\$ 6,400,000	\$ 146,400	\$ 146,400	\$ 1544,201	\$ 1544,201	\$ 58,658,724	\$ 58,658,724
SAFETEA-LU	\$ 5,980,035	\$ 5,980,035	\$ 9,702,817	\$ 9,702,817	\$0	\$0	\$0	\$0	\$ 16,682,852	\$ 16,682,852
STP	\$ 29,538,929	\$ 29,538,929	\$ 4,851,283	\$ 4,851,283	\$0	\$0	\$0	\$0	\$ 34,390,212	\$ 34,390,212
TAP	\$ 1,962,342	\$ 1,962,342	\$ 628,800	\$ 628,800	\$0	\$0	\$0	\$0	\$ 2,591,142	\$ 2,591,142
<b>Subtotal – Federal</b>	<b>\$ 177,492,254</b>	<b>\$ 177,492,254</b>	<b>\$ 28,726,787</b>	<b>\$ 28,726,787</b>	<b>\$ 4,292,210</b>	<b>\$ 4,292,210</b>	<b>\$ 3,933,281</b>	<b>\$ 3,933,281</b>	<b>\$ 214,444,532</b>	<b>\$ 214,444,532</b>
<b>OTHER</b>										
Non-Federal	\$ 1,625,184	\$ 1,625,184	\$ 625,000	\$ 625,000	\$0	\$0	\$ 1,923,961	\$ 1,923,961	\$ 4,174,145	\$ 4,174,145
State Match	\$ 32,556,258	\$ 32,556,258	\$ 6,219,587	\$ 6,219,587	\$ 849,221	\$ 849,221	\$ 726,050	\$ 726,050	\$ 40,351,116	\$ 40,351,116
<b>Subtotal – Other</b>	<b>\$ 34,181,442</b>	<b>\$ 34,181,442</b>	<b>\$ 6,844,587</b>	<b>\$ 6,844,587</b>	<b>\$ 849,221</b>	<b>\$ 849,221</b>	<b>\$ 2,650,011</b>	<b>\$ 2,650,011</b>	<b>\$ 44,525,261</b>	<b>\$ 44,525,261</b>
<b>TOTAL</b>	<b>\$ 211,673,696</b>	<b>\$ 211,673,696</b>	<b>\$ 35,571,374</b>	<b>\$ 35,571,374</b>	<b>\$ 5,141,431</b>	<b>\$ 5,141,431</b>	<b>\$ 6,583,292</b>	<b>\$ 6,583,292</b>	<b>\$ 258,969,793</b>	<b>\$ 258,969,793</b>

Source: Virginia Department of Transportation.

Footnotes:

- (1) AC – Advance Construction – Funding Included in Federal Category based on year of AC Conversion.
- (2) Statewide Category – Funding to be obligated on the US Route 460 project (UPC 100432, 103754, 103803) and I-64 Peninsula Corridor Study (UPC 9222).
- (3) Maintenance Projects - Funding to be obligated to projects included in the maintenance project groups as identified in 'Section XIII - Project Groups'.

Table continued on next page.

Fund Source	FFY 2015		FFY 2016		FFY 2017		FFY 2018		TOTAL	
	Estimated Revenue	Proposed Commitment	Estimated Revenue	Proposed Commitment						
<b>FEDERAL – AC (1)</b>										
HSIP	\$ 1,262,560	\$ 1,262,560	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,262,560	\$ 1,262,560
BR	\$ 654,836	\$ 654,836	\$ 1,449,569	\$ 1,449,569	\$ 2,016,434	\$ 2,016,434	\$ 44,201	\$ 44,201	\$ 4,165,040	\$ 4,165,040
CM	\$ 3,733,298	\$ 3,733,298	\$ 6,058,773	\$ 6,058,773	\$ 5,067,987	\$ 5,067,987	\$ 744,120	\$ 744,120	\$ 15,604,178	\$ 15,604,178
IM	\$ 3,747,845	\$ 3,747,845	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,747,845	\$ 3,747,845
NHPP	\$ 22,218,486	\$ 22,218,486	\$ 70,697,102	\$ 70,697,102	\$ 50,706,794	\$ 50,706,794	\$ 77,624,567	\$ 77,624,567	\$ 221,246,949	\$ 221,246,949
RSTP (2)	\$ 535,590	\$ 535,590	\$ 18,587,507	\$ 18,587,507	\$ 11,078,831	\$ 11,078,831	\$ 9,782,296	\$ 9,782,296	\$ 39,984,224	\$ 39,984,224
STP	\$ 1,142,691	\$ 1,142,691	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,142,691	\$ 1,142,691
<b>Subtotal – Federal – AC (1)</b>	<b>\$ 33,295,306</b>	<b>\$ 33,295,306</b>	<b>\$ 96,792,951</b>	<b>\$ 96,792,951</b>	<b>\$ 68,870,046</b>	<b>\$ 68,870,046</b>	<b>\$ 88,195,184</b>	<b>\$ 88,195,184</b>	<b>\$ 287,153,487</b>	<b>\$ 287,153,487</b>
<b>STATEWIDE – FEDERAL (2)</b>										
NHPP	\$ 9,895,477	\$ 9,895,477	\$ 38,025,314	\$ 38,025,314	\$ 56,531,124	\$ 56,531,124	\$ 59,594,591	\$ 59,594,591	\$ 164,046,506	\$ 164,046,506
STP	\$ 20,674,752	\$ 20,674,752	\$ 7,500,000	\$ 7,500,000	\$ 10,123,510	\$ 10,123,510	\$ 0	\$ 0	\$ 38,298,262	\$ 38,298,262
<b>Subtotal – Statewide – Federal (2)</b>	<b>\$ 30,570,229</b>	<b>\$ 30,570,229</b>	<b>\$ 45,525,314</b>	<b>\$ 45,525,314</b>	<b>\$ 66,654,634</b>	<b>\$ 66,654,634</b>	<b>\$ 59,594,591</b>	<b>\$ 59,594,591</b>	<b>\$ 202,344,768</b>	<b>\$ 202,344,768</b>
<b>MAINTENANCE – FEDERAL (3)</b>										
BR/BROS	\$ 11,123,565	\$ 11,123,565	\$ 13,904,456	\$ 13,904,456	\$ 16,685,348	\$ 16,685,348	\$ 16,685,348	\$ 16,685,348	\$ 58,398,717	\$ 58,398,717
NHPP	\$ 620,969	\$ 620,969	\$ 3,725,814	\$ 3,725,814	\$ 3,725,814	\$ 3,725,814	\$ 3,415,330	\$ 3,415,330	\$ 11,487,927	\$ 11,487,927
STP	\$ 48,867,404	\$ 48,867,404	\$ 45,881,751	\$ 45,881,751	\$ 38,310,285	\$ 38,310,285	\$ 43,105,700	\$ 43,105,700	\$ 176,165,140	\$ 176,165,140
<b>Subtotal – Maintenance – Fed (3)</b>	<b>\$ 60,611,938</b>	<b>\$ 60,611,938</b>	<b>\$ 63,512,021</b>	<b>\$ 63,512,021</b>	<b>\$ 58,721,447</b>	<b>\$ 58,721,447</b>	<b>\$ 63,206,378</b>	<b>\$ 63,206,378</b>	<b>\$ 246,051,784</b>	<b>\$ 246,051,784</b>

Source: Virginia Department of Transportation.

Footnotes:

- (1) AC – Advance Construction – Funding Included in Federal Category based on year of AC Conversion.
- (2) Statewide Category – Funding to be obligated on the US Route 460 project (UPC 00432, 03754, 103803) and I-64 Peninsula Corridor Study (UPC 9222).
- (3) Maintenance Projects – Funding to be obligated to projects included in the maintenance project groups as identified in 'Section XIII - Project Groups'.

Table 3 | Hampton Roads FY 2015 – 2018 Transportation Improvement Program Financial Constraint Demonstration – Public Transportation Projects

	FY 2015 <sup>2,3</sup>										FY 2016			
	Estimated Federal Revenue	Non-Federal Revenue			Total Estimated Revenue	Total Proposed Commitments	Estimated Federal Revenue	Non-Federal Revenue		Total Estimated Revenue	Total Proposed Commitments			
		Estimated State Revenue	Estimated Local Revenue	Estimated Total Revenue				Estimated State Revenue	Estimated Local Revenue					
Section 5303 <sup>3</sup>	\$ 609,525	\$ 76,191	\$ 76,191	\$ 761,906	\$ 761,906	\$ 609,525	\$ 76,191	\$ 76,191	\$ 761,906	\$ 761,906	\$ 761,906	\$ 761,906		
Section 5307/5340 <sup>4</sup>	\$ 19,717,548	\$ 2,464,694	\$ 2,464,694	\$ 24,646,935	\$ 24,646,935	\$ 19,717,548	\$ 2,464,694	\$ 2,464,694	\$ 24,646,935	\$ 24,646,935	\$ 24,646,935	\$ 24,646,935		
Section 5311 <sup>5</sup>	\$ 284,044	\$ -	\$ 284,044	\$ 568,088	\$ 568,088	\$ 284,044	\$ -	\$ 284,044	\$ 568,088	\$ 568,088	\$ 568,088	\$ 568,088		
Section 5339 - Hampton Rd portion <sup>4</sup>	\$ 1,904,401	\$ 238,050	\$ 238,050	\$ 2,380,501	\$ 2,380,501	\$ 1,904,401	\$ 238,050	\$ 238,050	\$ 2,380,501	\$ 2,380,501	\$ 2,380,501	\$ 2,380,501		
Section 5310 - Hampton Rd portion	\$ 1,064,292	\$ -	\$ 266,073	\$ 1,330,365	\$ 1,330,365	\$ 1,064,292	\$ -	\$ 266,073	\$ 1,330,365	\$ 1,330,365	\$ 1,330,365	\$ 1,330,365		
<b>TOTAL</b>	<b>\$ 23,579,810</b>	<b>\$ 2,778,934</b>	<b>\$ 3,329,051</b>	<b>\$ 29,687,795</b>	<b>\$ 29,687,795</b>	<b>\$ 23,579,810</b>	<b>\$ 2,778,934</b>	<b>\$ 3,329,051</b>	<b>\$ 29,687,795</b>	<b>\$ 29,687,795</b>	<b>\$ 29,687,795</b>	<b>\$ 29,687,795</b>		

  

	FY 2017										FY 2018			
	Estimated Federal Revenue	Non-Federal Revenue			Total Estimated Revenue	Total Proposed Commitments	Estimated Federal Revenue	Non-Federal Revenue		Total Estimated Revenue	Total Proposed Commitments			
		Estimated State Revenue	Estimated Local Revenue	Estimated Total Revenue				Estimated State Revenue	Estimated Local Revenue					
Section 5303 <sup>3</sup>	\$ 609,525	\$ 76,191	\$ 76,191	\$ 761,906	\$ 761,906	\$ 609,525	\$ 76,191	\$ 76,191	\$ 761,906	\$ 761,906	\$ 761,906	\$ 761,906		
Section 5307/5340 <sup>4</sup>	\$ 19,717,548	\$ 2,464,694	\$ 2,464,694	\$ 24,646,935	\$ 24,646,935	\$ 19,717,548	\$ 2,464,694	\$ 2,464,694	\$ 24,646,935	\$ 24,646,935	\$ 24,646,935	\$ 24,646,935		
Section 5311	\$ 284,044	\$ -	\$ 284,044	\$ 568,088	\$ 568,088	\$ 284,044	\$ -	\$ 284,044	\$ 568,088	\$ 568,088	\$ 568,088	\$ 568,088		
Section 5339 - Hampton Rd portion <sup>4</sup>	\$ 1,904,401	\$ 238,050	\$ 238,050	\$ 2,380,501	\$ 2,380,501	\$ 1,904,401	\$ 238,050	\$ 238,050	\$ 2,380,501	\$ 2,380,501	\$ 2,380,501	\$ 2,380,501		
Section 5310 - Hampton Rd portion	\$ 1,064,292	\$ -	\$ 266,073	\$ 1,330,365	\$ 1,330,365	\$ 1,064,292	\$ -	\$ 266,073	\$ 1,330,365	\$ 1,330,365	\$ 1,330,365	\$ 1,330,365		
<b>TOTAL</b>	<b>\$ 23,579,810</b>	<b>\$ 2,778,934</b>	<b>\$ 3,329,051</b>	<b>\$ 29,687,795</b>	<b>\$ 29,687,795</b>	<b>\$ 23,579,810</b>	<b>\$ 2,778,934</b>	<b>\$ 3,329,051</b>	<b>\$ 29,687,795</b>	<b>\$ 29,687,795</b>	<b>\$ 29,687,795</b>	<b>\$ 29,687,795</b>		

<sup>1</sup> Calculations in this spreadsheet are based on FTA apportionments only and do not include CMAQ or STP funds that have been flexed into 5307. We have opted for a conservative approach and are showing FY2015-18 allocations at the level of FY2015 funding, without an inflation factor.

<sup>2</sup> Designates State fiscal year. Includes FTA apportionments from the current Federal fiscal year.

<sup>3</sup> Based on approved FY2015 Six Year Improvement Plan.

<sup>4</sup> State and local match ratios depend on DRPT's current year match rate

<sup>5</sup> Section 5311 capital allocations are discretionary, therefore this forecast only shows 5311 operating assistance and is based on the approved 2015 Six Year Improvement Plan.