

Update on Transportation Revenues Available for 2045 Long Range Transportation Plan

November, 2017



Agenda

1. Lower State Transportation Revenue Forecasts from HB2313 lead to decrease in MPO CLRP revenue projects statewide
2. Summary of reasons for lower Transportation Revenue Forecasts

Lower HB2313 Transportation Revenue Forecasts 2013 vs. 2017 forecasts

HB2313 Revenues for Construction



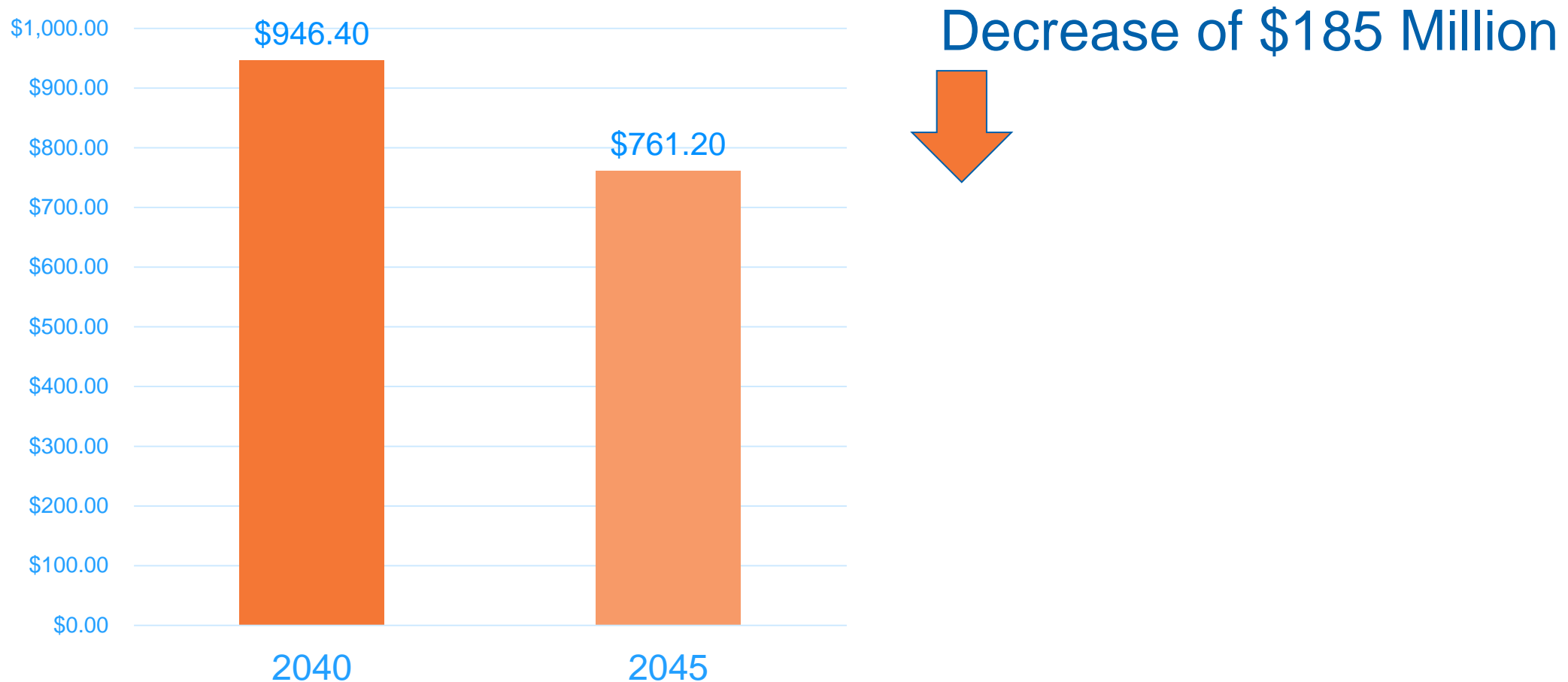
	2014	2015	2016	2017	2018	5-Year
2013 Projections	182.4	440.5	592.3	638.8	661.9	2,515.9
Actual/ Forecast as of 2017	169.3	387.9	532.9	517.4	517.1	2,124.5
Delta	(13.1)	(52.6)	(59.5)	(121.4)	(144.8)	(391.4)

2045 LRTP Revised Financial Forecasts

- **Late September – New Financial forecasts released by VDOT for all Virginia MPOs**
- **Need to revise Financial Forecasts based on New Information**
- **Summary**
 - Higher financial assumptions for current SYIP period: FY 18-23
 - Lower financial assumptions for out years of CLRP from FY-24 to FY-45
 - Less funding available for new capacity projects in 2045 CLRP vs. 2040 CLRP
 - **Will likely cause fewer new capacity projects to be able to be included in 2045 CLRP relative to 2040 CLRP**

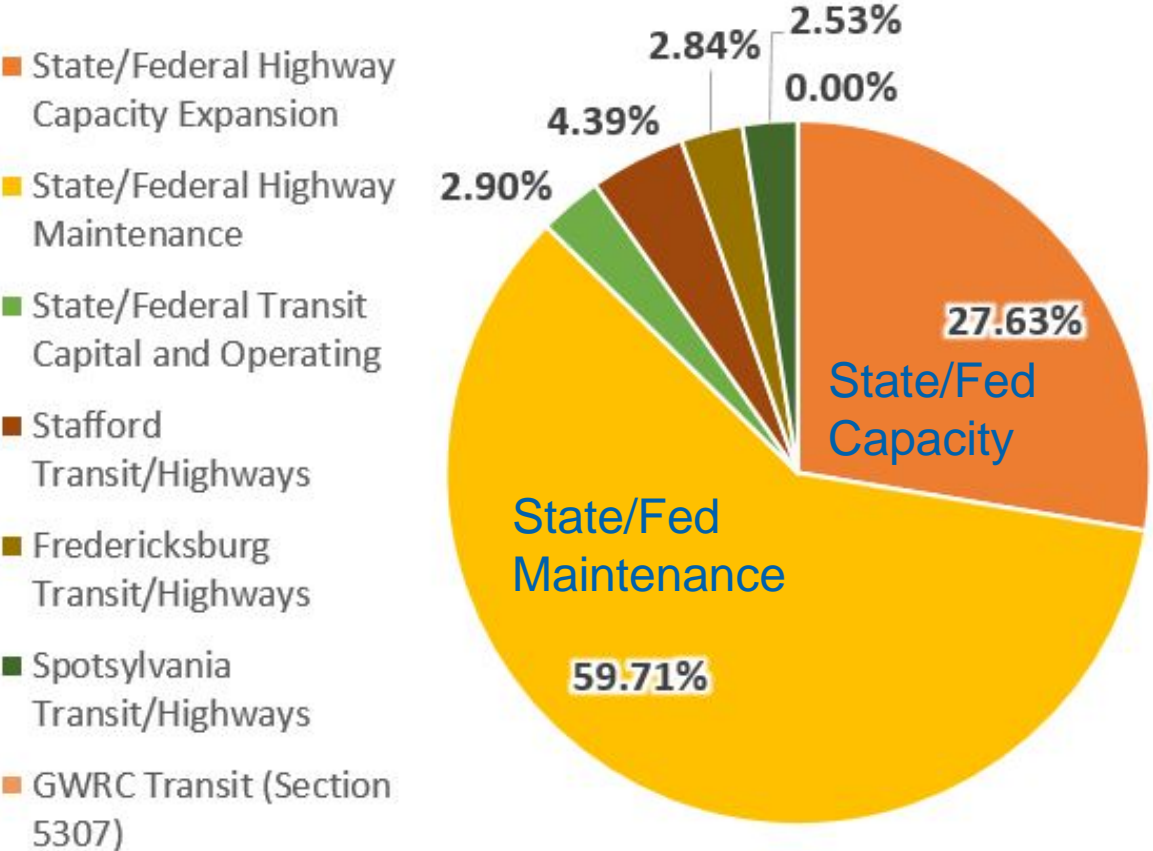
State/Federal Highway Expansion Funding Significantly less in 2045 CLRP vs. 2040 CLRP

State/Federal Highway Capacity Expansion

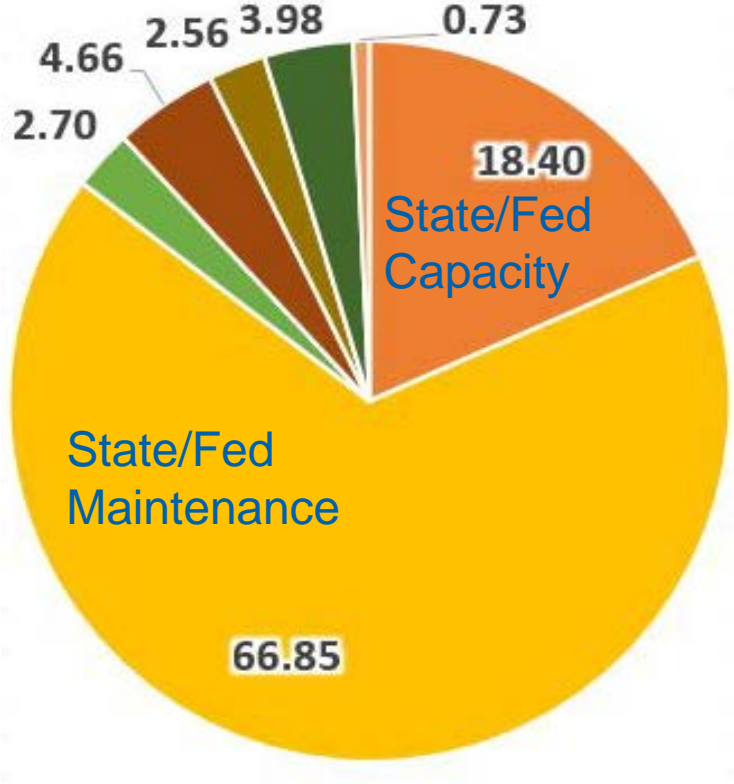


Comparison of 2040 vs. 2045 CLRP Revenue Percentages Increase in Maintenance vs. Capacity Funding

2040



2045



Limited Capacity Expansion Funding for 2045 CLRP

Highway Capacity Expansion

1. Existing 2040 CLRP: \$946 Million
2. New: Available Funding only \$761 Million
 - FY-18 to FY-23: \$310 Million ~ \$52 Million/year (Mostly committed)
 - FY-24 to FY-30: \$232 Million ~ \$33 Million/year
 - FY-31 to FY-45: \$219 Million ~ \$15 Million/year

Transit

1. Available Funding ~ \$112 Million; Most funding needed for existing service
2. Limited Funding for New Transit Capital and Additional Transit Operating

Additional Funding

1. GWRC 5307 NTD funding ~ \$30 Million
2. Local Funding ~ \$463 Million (Stafford, City, & Spotsylvania)

Proposed Funding Scenarios

1. Constrained Long Range Transportation Plan (CLRP)

- Highway Funding ~ \$761 Million (Only about \$451 Million for new projects)
- Transit Funding ~ \$112 Million
- Local Funding ~ \$463 Million
- Additional Funding ~ \$30 Million (GWRC 5307)
- Total: \$1.37 Billion

2. Additional Potential Revenues above CLRP (Additional \$2 Billion)

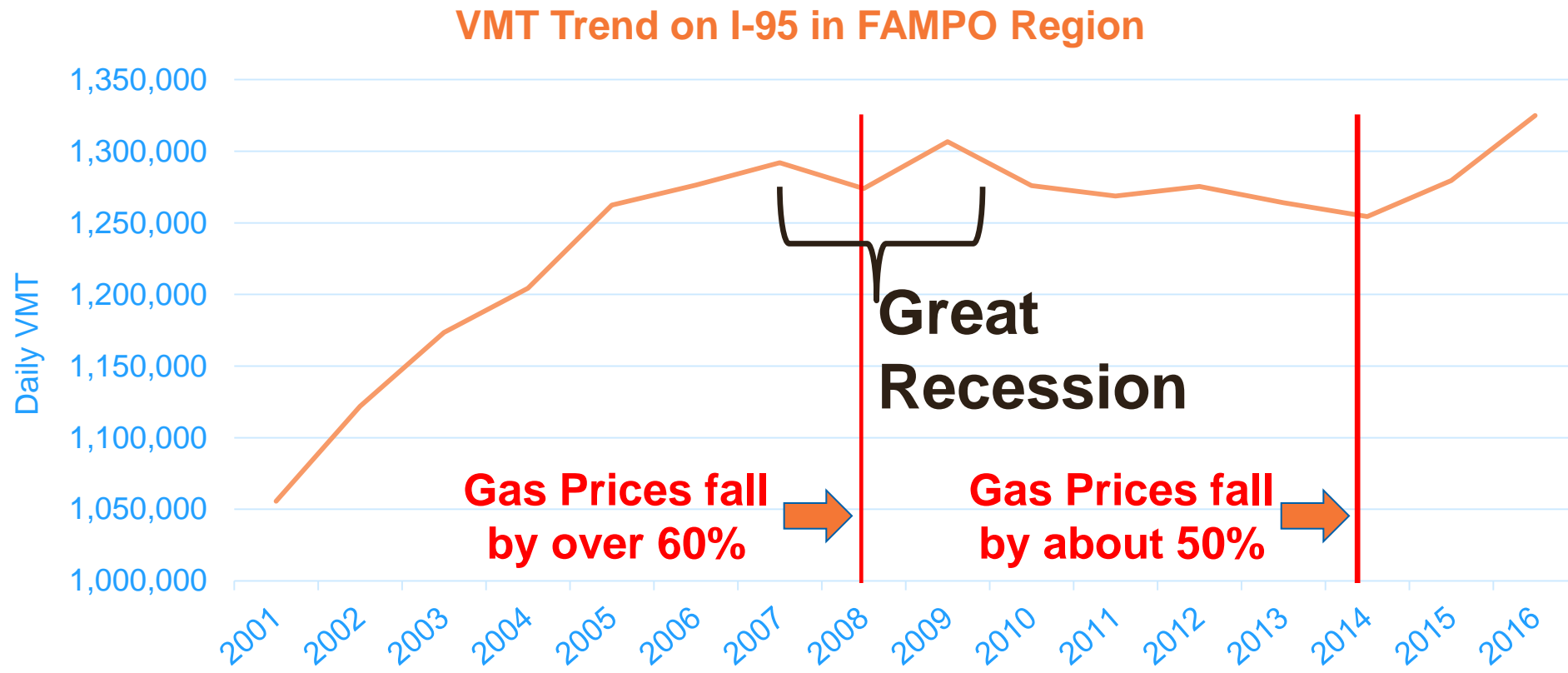
- Assumes additional Federal/State/Local/Private revenues from a variety of sources
- Total: \$3.37 Billion

3. Unconstrained Needs Plan (About \$10 Billion for 2040 LRTP)

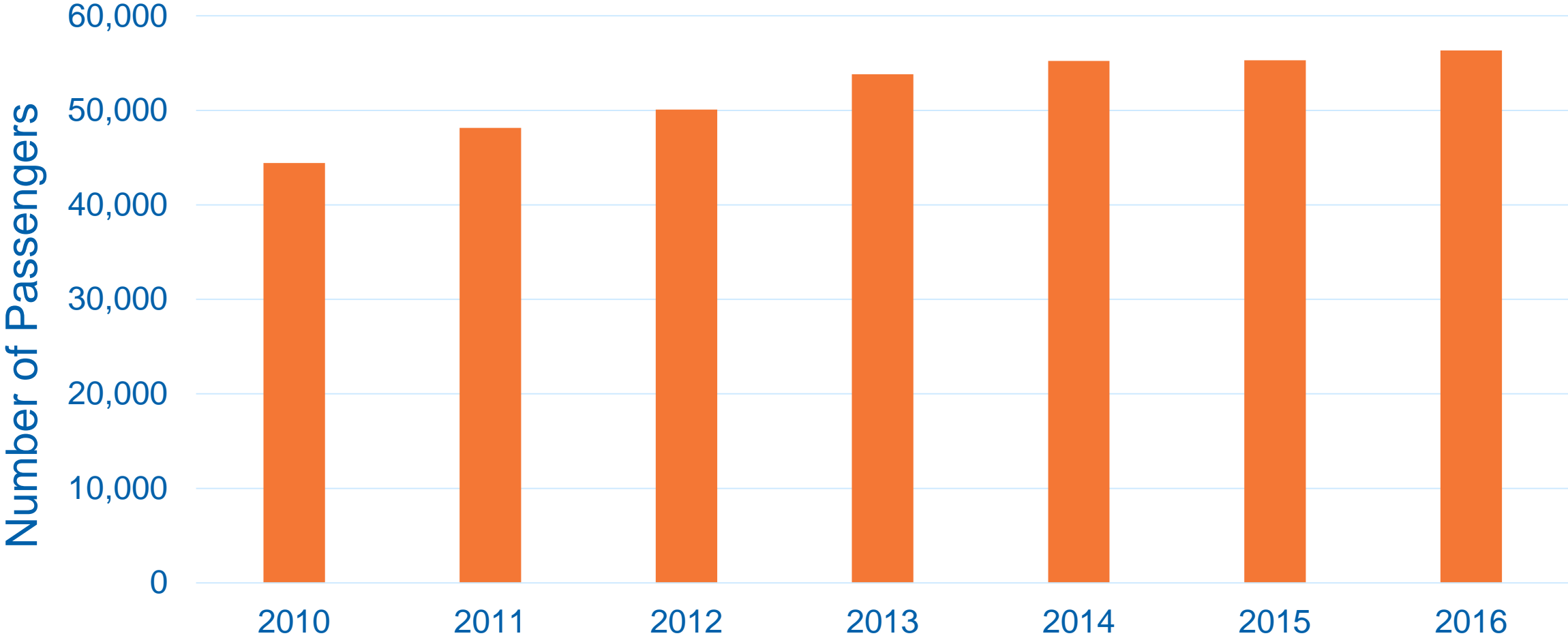
Reasons for Funding Decrease?

Not that Transportation System Usage is Decreasing

Highway Vehicle Miles Traveled (VMT) increasing



Fredericksburg Amtrak Station Ridership Increasing



Reasons for Funding Decrease: 20th Century Gas Tax System for Collecting Transportation Revenues not Sustainable in 21st Century

Viability of gas tax revenues mid to long term is questionable

- Federal gas tax revenues declining
 - No increase since 1993 and purchasing power continues to erode due to inflation
- State HB2313 tax system not producing as much revenue as expected
 - State assumed gas prices would increase from \$3.17/gallon floor, but they have decreased significantly and short/mid term outlook anticipates continued lower prices
 - Hybrid vehicle tax repealed (2013 Revenue estimate about \$65/million per year)
- More fuel efficient vehicles use less gas
- Increase in hybrid and electric vehicles
 - Volvo – all hybrid or battery power by 2019
 - GM – at least 20% of all vehicles electric by 2023

Potential next steps

This is a complicated issue that requires careful consideration of anticipated major changes in travel behavior

- 1. Increasing trend of vehicles away from using fossil fuels**
- 2. Likely transition to Autonomous and Connected vehicles: 2020's to 2030's**
- 3. Likely transition to using drones for some freight/package delivery: 2020's to 2030's**

Consider alternatives to Gas tax for funding Transportation:

Some Ideas being studied in U.S. by US DOT and several States

- 1. Usage fees based on yearly odometer check**
- 2. Usage fees based on tolls**
- 3. Usage fees based on Transit Network Company services like Uber and Lyft**

Significant change is coming and process of developing a new transportation funding system could take several years of research and consideration

Virginia has been a leader in transportation and could study this and develop recommendations in the next administration

Questions & Input?

2045 Long Range Transportation Plan

