

APPENDIX D

ALLOCATION OF VIRGINIA DEPARTMENT OF TRANSPORTATION
FUNDS TO NORTHERN VIRGINIA

Appendix D
Allocation of Virginia Department of Transportation
Funds to Northern Virginia

Total Allocation to Northern Virginia: For fiscal year 1988, Northern Virginia was budgeted \$265.6 million from the Commonwealth for transit and highway programs according to the Fiscal Year 1987 - 1988 Budget Supplement for the Virginia Department of Transportation. This document indicates the budgeted allocation of state transportation funds to districts and counties within the various highway and transit program categories.

As shown in Table D-1, many of the program categories, such as primary and secondary construction, have a direct allocation to Northern Virginia, while others, such as access roads and computer services, are indirect. For the programs that benefit Northern Virginia indirectly, the estimated allocation to Northern Virginia was derived using relevant ratios, or specific programmatic information. The basis for allocating Central Office and Statewide funds to Northern Virginia for each program line is indicated in the footnotes to Table D-1.

Federal Allocation: Of the \$265.6 million allocated to Northern Virginia, \$43.0 million came from the federal government. The level of federal funds assumed for each of the federally aided construction programs is indicated on Table D-2. In all cases, Virginia contribution exceeded the minimum state matching rate in fiscal year 1988. For example, the Virginia's matching rate for interstate construction was 10 percent for fiscal year 1988, but the state contributed 12 percent. The state contribution was even greater for secondary roads, where the minimum matching rate for Virginia was 23 percent for fiscal year 1988, the state provided over 90 percent in matching funds.

Toll Collections: The basis for the estimated expenditures from toll collections is shown in Table D-3. Although total operating expenses were \$12.6 million in fiscal year 1988, we counted only the amount expended in that year. To keep the estimate consistent with the whole study, toll collections placed in the "Improvement Account" which were not expended in fiscal year 1988, were subtracted from the total. Thus, expenditures from toll collections were estimated at \$7.8 million for fiscal year 1988.

Net Allocation from State Own-Source Revenue: As shown in Table D-4, state support for transportation in Northern Virginia was derived by subtracting federal funds of \$43.0 million from the \$265.6 million allocated to Northern Virginia and adding toll collections of \$7.8 million to arrive at \$230.3 million.

Allocation of Revenue Sources: Actual revenues for fiscal year 1988 were used to estimate the sources of the \$230.3 million in state revenues that were allocated to Northern Virginia. The state's Transportation Trust Fund and Highway Maintenance and Operating Fund have several sources of revenue, but we chose to emphasize only a few, namely the motor vehicles fuels tax, state sales tax, and tolls. All other sources of revenue for the two transportation funds were grouped together under the heading "other dedicated revenues". Sources of revenue for Northern Virginia are shown in Table D-5.

It is next to impossible to track specifically each revenue source to its eventual use. The specific revenue sources for the transportation in Virginia are combined in the Highway Maintenance and Operating Fund or in the Transportation Trust Fund. The allocation of revenue sources used in this analysis is based on the assumption that state funds are expended in the same proportion as they are collected. For example, if half of the revenue for the two transportation funds is generated by motor fuels taxes, then half of the state funds spent in Northern Virginia are assumed to come from motor fuels taxes.

Table D-1
Virginia Department of Transportation
Allocations to Northern Virginia
For Fiscal Year 1988

Allocation Categories:	Allocated Overhead	Allocation To NOVA	Allocated to Other Districts	Central Office	Statewide	Local Match	Total
A. Operating Budget							
A.1 Administrative and Support Services							
General Mgt. & Direction (1)	3,558,639	2,841,195	12,500,902	15,739,557	3,476,646	0	34,558,300
Computer Services (2)	1,644,797	0	0	8,881,700	0	0	8,881,700
Physical Plant Services (1)	137,548	221,502	3,587,311	2,365,187	0	0	6,174,000
A.2 Ground Transportation Regulation (1)							
	150,014	684,889	3,258,888	0	863,823	0	4,807,600
A.3 Ground Trans. System Planning & Research (2)							
	334,600	0	0	1,806,800	0	0	1,806,800
A.4 Highway System Acquisition and Construction							
Access Roads (3)	2,184,000	0	0	0	28,960,000	0	28,960,000
Interstate (4)	0	35,348,000	213,404,000	0	7,947,000	0	256,699,000
Primary (4)	0	18,531,000	145,503,000	0	800	0	164,034,800
Secondary Construction (4)	0	31,120,708	91,905,492	0	0	0	123,026,200
Secondary Unpaved (4)	0	1,475,536	24,352,164	0	0	0	25,827,700
Urban (4)	0	10,013,000	113,014,000	0	(800)	7,500,000	130,526,200
Critical Highway (4)	0	14,077,000	76,343,000	0	1,500,000	0	91,920,000
Gen. Construction Management (5)	2,139,799	2,301,591	12,555,545	12,783,975	2,216,489	0	29,857,600
Fin. Assistance for Trans. Planning (6)	0	321,949	998,992	0	144,059	0	1,465,000
Construction Training (5)	92,008	0	0	0	645,000	0	645,000

Table D-1
(Continued)

A.5 Highway System Maintenance							
Interstate (1)	1,050,081	9,130,257	52,770,086	1,632,775	5,486,449	0	69,019,567
Primary (1)	1,542,024	13,023,983	115,879,147	4,057,776	11,204,200	0	144,165,106
Secondary (1)	2,447,290	32,011,238	134,328,550	6,990,146	5,726,693	0	179,056,627
Flood Emergency (7)	0	0	0	867,000	0		867,000
A.6 Ground Transportation System Safety (2)	800,815	0	0	4,324,300	0	0	4,324,300
A.7 Toll Facility Operations (8)	0	0	0	0	100,186,000	0	100,186,000
A.8 Fin. Assist. to Localities for Ground Trans.							
City Street Maintenance	0	7,517,300	106,895,200	3,680,500	0	0	118,093,000
County Road Maintenance	0	7,802,100	9,650,000	0	0	0	17,452,100
A.9 Mass Transit Assistance (1)	3,826,244	59,035,237	11,319,190	2,492,254	2,067,619	0	74,914,300
A.10 Land Management (2)	87,687	0	0	0	473,500	0	473,500
TOTAL OPERATING BUDGET							1,617,741,400
B. Capital Budget (9)	0	126,000	2,807,000	3,000,000	100,000	0	6,033,000
C. Support to Other State Agencies (10)	0			40,556,200		0	40,556,200
D. Trust Fund Management (10)	0	0	0	702,500	0	0	702,500
E. Other Transportation Modes (10)	0	0	27,649,900	0	0	0	27,649,900
TOTAL	19,995,546	245,582,485	1,158,722,367	109,880,670	170,997,478	7,500,000	1,692,683,000

Table D-1
(Continued)

- (1) Overhead allocation estimate is based on the ratio between the allocation to Northern Virginia and the allocation to the rest of the Districts.
- (2) Overhead allocation estimate is based on the ratio between the allocation to Northern Virginia and the allocation to the rest of the Districts for General Management and Direction.
- (3) Access Roads funds allocated to Northern Virginia are based on actual allocations.
- (4) None of the Central Office or Statewide funds in this category are applicable to Northern Virginia.
- (5) Overhead allocation estimate is based on the ratio between the allocation to Northern Virginia and the allocation to the rest of the Districts for all construction programs.
- (6) Training programs for disadvantaged businesses have not been allocated to the Districts.
- (7) Flood emergency funds do not benefit Northern Virginia.
- (8) Toll facility estimated is not included in the allocations to Northern Virginia. We have estimated them separately as shown in Table D-3
- (9) Capital projects for Northern Virginia have been specifically identified and none of them was included in the Central Office or Statewide budgeted amounts.
- (10) Not allocated because of the indirect nature or unrelatedness of these functions.

Table D-2
 Federal/State Highway Construction Split
 For Funds Allocated to Northern Virginia
 Fiscal Year 1988

	Allocated To Northern <u>Virginia</u>	Percentage <u>Split</u>
Interstate System		
Federal	31,106,240	88.00%
State	<u>4,241,760</u>	<u>12.00%</u>
Subtotal	35,348,000	100.00%
Primary		
Federal	6,198,620	33.45%
State	<u>12,332,381</u>	<u>66.55%</u>
Subtotal	18,531,000	100.00%
Secondary		
Federal	2,981,364	9.58%
State	<u>28,139,344</u>	<u>90.42%</u>
Subtotal	31,120,708	100.00%
Urban		
Federal	2,752,645	27.49%
State	<u>7,260,355</u>	<u>72.51%</u>
Subtotal	10,013,000	100.00%
TOTAL		
Federal	43,038,869	45.3%
State	51,973,839	54.7%

Source: Virginia Department of Transportation Budget Office.

Table D-3
Statement of Estimated Revenues and Expenses
For the Dulles Toll Road
Fiscal Year 1988

Estimated Revenues	
Estimated Revenues	\$12,678,000
Estimated Operating Expenses (1)	
Operations and Maintenance Budget (2)	\$3,041,422
Maintenance and Replacement Fund (3)	200,000
Debt Service Account	4,552,463
Improvement Account (4)	<u>4,884,415</u>
Total Operating Expenses	\$12,678,300
Less Improvement Account (4)	<u>(4,884,415)</u>
TOTAL	\$7,793,885

Source: Virginia Department of Transportation Budget Division

(1) Expenses do not include allowances for outstanding construction obligations.

(2) Includes expenses for roadway maintenance which will be performed by the Virginia Department of Transportation.

(3) Insurance premiums will be paid from Maintenance and Replacement Fund.

(4) Funds placed in the Improvement Account were not expended in fiscal year 1988.

Table D-4
Total Fiscal Year 1988 State Expenditures
In Northern Virginia

Total Allocated to Northern Virginia	\$265,578,031
Less Federal Funds	<u>43,038,869</u>
Subtotal	\$222,539,162
Plus Revenues from Dulles Toll Road (1)	<u>7,793,585</u>
Total State Expenditures	\$230,332,747

Sources: Virginia Department of Transportation Fiscal Year 1988 Budget, KPMG Peat Marwick.

(1) Toll amount is an estimate of expenditures from toll collections.

Table D-5

Allocation of State Revenue Sources
To Northern Virginia
(in Millions)

	Total State Sources	Percent of Total	Allocation of Sources To Northern Virginia
Motor Vehicle Fuels Tax	581.1	48.2%	107.3
State Sales Tax	202.5	16.8%	37.4
Other Dedicated Revenues	422.1	35.0%	77.9
Local Contributions	0.0	0.0%	0.0
Federal Revenues	0.0	0.0%	0.0
Subtotal	1,205.7	100.0%	222.5
Tolls (1)	7.8		7.8
TOTAL	1,213.5		230.3

Source: Virginia Department of Revenue Annual Report for Fiscal 1988.

(1) Toll amount represents expenditures in fiscal year 1988 from toll collections.