



VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD

Agenda Item 10-A
Information Item

To: Chairman Skinner and the VRE Operations Board

From: Rich Dalton

Date: November 20, 2020

Re: FY 2022 Budget Update

Staff will provide an update to the VRE Operations Board on the status of the FY 2022 Operating and Capital budgets, following the formal presentation of the preliminary FY 2022 budget in September and the informational update in October.

The key assumptions and projections initially presented as part of the preliminary FY 2022 budget have not changed, and daily ridership and passenger revenue have remained steady at reduced levels throughout the fall. Federal CARES Act funding remains available to backstop lost passenger revenue and support VRE operations through FY 2022. Staff will discuss how the ongoing pandemic will require deviations from normal budget adoption processes (e.g., allocation of jurisdictional subsidy based on the previous year's budget rather than the results of the Master Agreement survey).

Staff will also provide additional detail on the FY 2022-2027 Capital Improvement Program (CIP). As noted previously, VRE has moved from a period of project planning and development (where new projects were frequently being added to the CIP) into a period of project implementation that will last for a number of years. At the same time, the Commonwealth's "Transforming Rail in Virginia" Program will ultimately separate freight and passenger rail operations in the Fredericksburg Line corridor, which has resulted in a number of VRE's planned station projects being reduced or eliminated. Taken together, these changes result in a smaller and more focused CIP, with fewer projects and greater focus on construction.



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