

DISTRICT OF COLUMBIA OFFICE OF THE INSPECTOR GENERAL

OIG Project No. 22-1- 16KA(a)

May 2022



GOVERNMENT OF THE DISTRICT OF COLUMBIA

**Examination of the Forecasted Statements of Estimated Funding and Uses
of the Highway Trust Fund Together with Independent Accountant's
Report for the Fiscal Years Ending September 30, 2022 Through 2026
With Comparative Historical Amounts for the Year Ended September 30, 2021**



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*Workforce Engagement * Stakeholders Engagement * Process-oriented * Innovation
* Accountability * Professionalism * Objectivity and Independence * Communication * Collaboration
* Diversity * Measurement * Continuous Improvement*

Mission

Our mission is to independently audit, inspect, and investigate matters pertaining to the District of Columbia government in order to:

- prevent and detect corruption, mismanagement, waste, fraud, and abuse;
- promote economy, efficiency, effectiveness, and accountability;
- inform stakeholders about issues relating to District programs and operations; and
- recommend and track the implementation of corrective actions.

Vision

Our vision is to be a world-class Office of the Inspector General that is customer-focused and sets the standard for oversight excellence!

Core Values

Excellence * Integrity * Respect * Creativity * Ownership
* Transparency * Empowerment * Courage * Passion
* Leadership



GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Inspector General



May 24, 2022

The Honorable Muriel Bowser
Mayor of the District of Columbia
Mayor's Correspondence Unit
John A. Wilson Building
1350 Pennsylvania Avenue, N.W., Suite 316
Washington, D.C. 20004

The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
John A. Wilson Building
1350 Pennsylvania Avenue, N.W., Suite 504
Washington, D.C. 20004

Dear Mayor Bowser and Chairman Mendelson:

Enclosed is the final report on the *Examination of the Forecasted Statements of Estimated Funding and Uses of the Highway Trust Fund Together with Independent Accountant's Report for the Fiscal Years Ending September 30, 2022, Through 2026 With Comparative Historical Amounts for the Year Ended September 30, 2021* (OIG No. 22-1- 16KA(a)). The Office of the Inspector General (OIG) contracted with McConnell Jones, LLP (MJ) to conduct the examination of the forecasted statements of the District of Columbia's Highway Trust Fund (HTF) 5-year estimated funding and uses to meet its statutory mandate.¹

On April 25, 2022, MJ issued its opinion on the District's HTF 5-year forecast and concluded that the forecasted statements are presented, in all material respects, in accordance with the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants, and the underlying assumptions are suitably supported and provide a reasonable basis for management's forecast.

If you have questions about this report, please contact me or Fekede Gindaba, Assistant Inspector General for Audits, at (202) 727-2540.

Sincerely,

A handwritten signature in blue ink, appearing to read "DW Lucas".

Daniel W. Lucas
Inspector General

DWL/ws

Enclosure

cc: See Distribution List

¹ D.C. Code § 9-109.02(e) (Lexis current through May 18, 2022), requires the OIG to annually examine the statements forecasting the conditions and operations of the HTF for the next 5 fiscal years.

DISTRIBUTION (via email):

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The Honorable Steve Womack, Ranking Member, House Subcommittee on Financial Services and General Government, Attention: John Martens

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The Honorable Ron Wyden, Chairman, Senate Committee on Finance, Attention: Daniel Goshorn (and Joshua Levasseur, unless confidential)

The Honorable Mike Crapo, Chairman, Senate Committee on Finance, Attention: Mike Quickel

The Honorable Kyrsten Sinema, Chairman, Senate Subcommittee on Government Operations and Border Management, Attention: Eric Bursch

The Honorable James Lankford, Ranking Member, Senate Subcommittee on Government Operations and Border Management, Attention: James Mann

The Honorable Gary C. Peters, Chairman, Senate Committee on Homeland Security and Governmental Affairs, Attention: Chelsea Davis, Lena Chang, and Emily Manna

The Honorable Rob Portman, Ranking Member, Senate Committee on Homeland Security and Governmental Affairs, Attention: Pam Thiessen

Mr. Wayne McConnell, Managing Partner, McConnell & Jones LLP

**DISTRICT OF COLUMBIA
HIGHWAY TRUST FUND**

**Examination of the Forecasted Statements
of Estimated Funding and Uses
Together with Independent Accountant's Report**

**For the Fiscal Years Ending September 30, 2022
Through 2026
With Historical Amounts for the
Year Ended September 30, 2021**

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McConnell
Jones

INDEPENDENT ACCOUNTANT'S REPORT

The Mayor and the Council of the Government of the District of Columbia, and
Inspector General of the Government of the District of Columbia

We have examined the accompanying forecasted statements of estimated funding and uses (the Forecast) of the District of Columbia Highway Trust Fund (the Fund), for the years ending September 30, 2022 through September 30, 2026 with comparative historical amounts for the year ended September 30, 2021, based on guidelines for the presentation of a forecast established by the American Institute of Certified Public Accountants (AICPA). The Fund's management is responsible for preparing and presenting the forecast in accordance with the guidelines for presentation of a forecast established by the AICPA. Our responsibility is to express an opinion on the forecast based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the forecast is presented in accordance with the guidelines for the presentation of a forecast established by the AICPA, in all material respects. An examination involves performing procedures to obtain evidence about the forecast. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the forecast, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the accompanying forecast is presented, in all material respects, in accordance with the guidelines for presentation of a forecast established by the AICPA, and the underlying assumptions are suitably supported and provide a reasonable basis for management's forecast.

There will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

As discussed in Note 4, the amounts for the year ended September 30, 2021, were derived from the audited financial statements of the Fund that were included in the Government of the District of Columbia's 2021 financial statements, which an unmodified opinion was issued on those financial statements in our report dated January 3, 2022. In our opinion, the summarized historical information presented herein for the year ended September 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Washington, D.C.
April 25, 2022

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DISTRICT OF COLUMBIA HIGHWAY TRUST FUND

Forecasted Statements of Estimated Funding and Uses For the Years Ending September 30, 2022 Through 2026, with Historical Amounts for the Year Ended September 30, 2021 (in 000s)

| | 2021 Historical Amounts | | | 2022 Forecasted Amounts | | |
|-------------------------------------|----------------------------|-------------------|-------------------|----------------------------|-------------------|-------------------|
| | D.C. Highway Trust Fund | Federal Aid | Total | D.C. Highway Trust Fund | Federal Aid | Total |
| ESTIMATED FUNDING | | | | | | |
| Beginning Balance | \$ 32,712 | \$ 503,544 | \$ 536,256 | \$ 25,803 | \$ 441,945 | \$ 467,748 |
| Motor Fuel Revenues | 23,638 | - | 23,638 | 24,817 | - | 24,817 |
| Right-of-Way Fee Revenues | 5,557 | - | 5,557 | - | - | - |
| Interest Earnings | 1 | - | 1 | - | - | - |
| Other Income | 42 | - | 42 | - | - | - |
| Fed Aid Apportionment/Obligation | - | 179,667 | 179,667 | - | 218,194 | 218,194 |
| Total Estimated Funds | 61,950 | 683,211 | 745,161 | 50,620 | 660,139 | 710,759 |
| ESTIMATED USES | | | | | | |
| Debt Payment - GARVEE Bonds | - | 27,886 | 27,886 | - | 27,890 | 27,890 |
| Project Costs | | | | | | |
| (Management/Design/Construction) | 32,524 | 213,380 | 245,904 | 39,728 | 175,649 | 215,377 |
| Non-Participating Costs | 3,623 | - | 3,623 | - | - | - |
| Total Estimated Expenditures | 36,147 | 241,266 | 277,413 | 39,728 | 203,539 | 243,267 |
| ENDING BALANCE | \$ 25,803 | \$ 441,945 | \$ 467,748 | \$ 10,892 | \$ 456,600 | \$ 467,492 |

| | 2023 Forecasted Amounts | | | 2024 Forecasted Amounts | | |
|-------------------------------------|----------------------------|-------------------|-------------------|----------------------------|-------------------|-------------------|
| | D.C. Highway Trust Fund | Federal Aid | Total | D.C. Highway Trust Fund | Federal Aid | Total |
| ESTIMATED FUNDING | | | | | | |
| Beginning Balance | \$ 10,892 | \$ 456,600 | \$ 467,492 | \$ 1,019 | \$ 509,033 | \$ 510,052 |
| Motor Fuel Revenues | 24,712 | - | 24,712 | 24,836 | - | 24,836 |
| Right-of-Way Fee Revenues | 5,825 | - | 5,825 | 11,685 | - | 11,685 |
| Interest Earnings | - | - | - | - | - | - |
| Other Income | - | - | - | - | - | - |
| Fed Aid Apportionment/Obligation | - | 243,651 | 243,651 | - | 249,105 | 249,105 |
| Total Estimated Funds | 41,429 | 700,251 | 741,680 | 37,540 | 758,138 | 795,678 |
| ESTIMATED USES | | | | | | |
| Debt Payment - GARVEE Bonds | - | 27,890 | 27,890 | - | 27,890 | 27,890 |
| Project Costs | | | | | | |
| (Management/Design/Construction) | 40,410 | 163,328 | 203,738 | 36,521 | 166,609 | 203,130 |
| Non-Participating Costs | - | - | - | - | - | - |
| Total Estimated Expenditures | 40,410 | 191,218 | 231,628 | 36,521 | 194,499 | 231,020 |
| ENDING BALANCE | \$ 1,019 | \$ 509,033 | \$ 510,052 | \$ 1,019 | \$ 563,639 | \$ 564,658 |

The accompanying notes are an integral part of these forecasted financial statements.

DISTRICT OF COLUMBIA HIGHWAY TRUST FUND

Forecasted Statements of Estimated Funding and Uses For the Years Ending September 30, 2022 Through 2026, with Historical Amounts for the Year Ended September 30, 2021 (in 000s) (continued)

| | 2025 Forecasted Amounts | | | 2026 Forecasted Amounts | | |
|-------------------------------------|-------------------------|-------------------|-------------------|-------------------------|-------------------|-------------------|
| | D.C. Highway | Federal Aid | Total | D.C. Highway | Federal Aid | Total |
| ESTIMATED FUNDING | | | | | | |
| Beginning Balance | \$ 1,019 | \$ 563,639 | \$ 564,658 | \$ 1,019 | \$ 562,771 | \$ 563,790 |
| Motor Fuel Revenues | 24,879 | - | 24,879 | 24,787 | - | 24,787 |
| Right-of-Way Fee Revenues | 21,261 | - | 21,261 | 22,512 | - | 22,512 |
| Interest Earnings | - | - | - | - | - | - |
| Other Income | - | - | - | - | - | - |
| Fed Aid Apportionment/Obligation | - | 254,722 | 254,722 | - | 260,509 | 260,509 |
| Total Estimated Funds | 47,159 | 818,361 | 865,520 | 48,318 | 823,280 | 871,598 |
| ESTIMATED USES | | | | | | |
| Debt Payment - GARVEE Bonds | - | 27,890 | 27,890 | - | 27,891 | 27,891 |
| Project Costs | | | - | | | - |
| (Management/Design/Construction) | 46,140 | 227,700 | 273,840 | 47,299 | 232,801 | 280,100 |
| Non-Participating Costs | - | - | - | - | - | - |
| Total Estimated Expenditures | 46,140 | 255,590 | 301,730 | 47,299 | 260,692 | 307,991 |
| ENDING BALANCE | \$ 1,019 | \$ 562,771 | \$ 563,790 | \$ 1,019 | \$ 562,588 | \$ 563,607 |

The accompanying notes are an integral part of these forecasted financial statements.

DISTRICT OF COLUMBIA HIGHWAY TRUST FUND

Notes to the Forecasted Statements of Estimated Funding and Uses Fiscal Years 2022 Through 2026

1. DESCRIPTION OF THE DISTRICT OF COLUMBIA HIGHWAY TRUST FUND

The Government of the District of Columbia (the District) established the District of Columbia Highway Trust Fund (the Fund) under the District of Columbia Emergency Highway Relief Act (the Act). The Fund was established as a dedicated highway fund to be comprised, at a minimum, of amounts equivalent to receipts from motor fuel taxes and, if necessary, motor vehicle taxes and fees collected by the District to pay the cost-sharing requirements established under Title 23 of the United States Code. The Fund is required to be separate from the general fund of the District. The Fund is a governmental fund, which is used to account for the dedicated revenues generated from motor vehicle fuel taxes, public rights-of-way (ROW) user rental fees to supplement local matching fund obligations, and interest income.

The Fund is managed within the District's Office of the Chief Financial Officer. The Fund is a capital project fund of the District, restricted for the purpose of executing Federal highway projects.

2. BACKGROUND AND OVERVIEW OF THE FORECAST

D.C. Code § 9-109.02(e) requires the Office of the Inspector General to examine the statements of the Fund's forecasted conditions and operations for a 5-year period. The forecast is to be used to determine the District's ability to meet future cost-sharing requirements, for a 5-year period, under the Federal Highway Administration (FHWA) program for capital improvements to the District's transportation infrastructure.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The forecasted statements of estimated funding and uses (the Forecast) of the Fund report on the expected results of its operations, as well as the related Federal Aid for the District. The Forecast of the Fund is intended to present only the expected results of operations of the Fund and the related Federal Aid, and does not purport to, and does not present the financial results of the District. Additionally, the Fund's accompanying Forecast is not indicative of the Fund as if it were a stand-alone entity.

Forecasted Information. The Fund's Forecast was prepared using a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America (U.S. GAAP). The forecasted motor fuel revenues, ROW fees, interest earnings, debt payments and project costs are recorded on a cash basis of accounting. The Federal Aid Apportionment/Obligation is recorded based on the expected obligations of funding from FHWA.

The dedicated revenues consist of excise taxes earned on motor fuel sold in the District, at the wholesale level, and interest income earned on the Fund's bank balances. Motor fuel taxes are recognized as revenue when the sale takes place. The fund balance is restricted for the District's cost-sharing requirements for eligible Federal-aid highway projects.

DISTRICT OF COLUMBIA HIGHWAY TRUST FUND

Notes to the Forecasted Statements of Estimated Funding and Uses Fiscal Years 2022 Through 2026

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Project associated costs eligible for Federal funding and for the District's matching share of the Federal-aid highway project cost are recorded as participating expenditures. Nonparticipating expenditures are project associated costs not eligible for Federal funding, which are undertaken for the benefit of the District and are included in the project funding plan in addition to Federally funded items. Major initiatives of the District of Columbia Department of Transportation (DDOT) may be financed from the Fund without funding from Federal FHWA grants once current year matching of the Federal obligation is satisfied. The detailed expenditures are classified into categories listed in Note 6.

The Fund's balance must be sufficient to cover the cost sharing requirements established under Title 23, United States Code, based on the 6-year projected Fund's performance. The ending fund balance is carried over to the following fiscal year as the beginning balance.

Use of Estimates

The preparation of the Forecast requires management to make estimates and assumptions that affect the reported amounts of estimated revenues and expenditures for the periods presented. Actual results could differ from these estimates. The assumptions disclosed in Note 5 are those that management believes are significant to the Fund's Forecast. There will usually be differences between the forecasted and actual results because events and circumstances frequently change due to the nature of the activities covered by the Fund (e.g., major design and construction changes and delays), and those differences may be material.

The fiscal year 2022 amounts are based on funding levels at the time the prospective is prepared. The District's budget book is prepared approximately 1½ years in advance, which can result in a variance in the projected amounts. DDOT prepares spending plans in order to meet its goals, which could be impacted by unforeseen litigation and/or procurement delays. These delays may cause DDOT to miss its target spending for fiscal year 2022 by a material amount.

The COVID-19 pandemic outbreak in the United States has negatively impacted economies and global financial markets. Management believes that this pandemic resulted in reduced transportation travel and are expecting that to continue resulting in reduced motor fuel revenues in the next few years.

4. HISTORICAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2021

The amounts presented for the year ended September 30, 2021, were derived from the 2021 audited financial statements for the District. Those financial statements were prepared using a modified accrual basis of accounting for the Fund and the related Federal Aid. For purposes of the Forecast, the financial information presented by adjusting accounts to the cash basis of accounting for the forecasted motor fuel revenues, ROW fees, interest earnings, debt payments and project costs, and expected obligations for the Federal Aid funding from FHWA is recognized when expected to be obligated.

DISTRICT OF COLUMBIA

HIGHWAY TRUST FUND

Notes to the Forecasted Statements of Estimated Funding and Uses Fiscal Years 2022 Through 2026

5. SUMMARY OF SIGNIFICANT ASSUMPTIONS

The Forecast summarizes the estimated funding and uses of resources for the fiscal years ending September 30, 2022 through 2026. The “D.C. Highway Trust Fund” columns represent estimated local motor fuel tax revenue, ROW revenue, interest, and estimated local share of expenditures. The “Federal Aid” columns represent obligated and estimated Federal aid commitment balances and projection of matching grants for known highway projects, anticipated discretionary funding, borrowed funding for various projects, and estimated Federal share of expenses.

Expenditures for fiscal years 2022 through 2026, were projected based on an obligation plan and the related spending plan and were submitted to the Mayor as part of the budget. This budget is expected to be published in June 2022. Changes in the spending plan that affect local matching contributions are subject to approval by Council.

Estimated Funding Sources

Motor Fuel Revenues. The projections for motor fuel tax revenues are provided by Office of the Chief Financial Officer’s (OCFO) Office of Revenue Analysis (ORA) and certified by the Chief Financial Officer of the District of Columbia. The estimates were developed using a statistical model to predict motor fuel gallons taxed, based on the annual average price of motor fuel in the District, the annual average personal income per household, and the amount of fuel consumption based on trends in motor vehicle fuel efficiencies. For fiscal year 2022, ORA forecasted an increase of 5% in motor vehicle fuel tax compared to fiscal year 2021, and a 10.4% increase compared to fiscal year 2020 on the District’s motor fuel tax revenue. The motor vehicle fuel tax is expected to increase by 4.2% in fiscal year 2022, with minimal increases of less than 1% in future years. The current fuel tax rate of \$0.235 per gallon was used for all years presented in the forecast.

Rights-of-Way Revenues. The ROW revenues projection was prepared by ORA based on D.C. Code §§ 9-111.01a and 9-111.01(d)(3), limiting dedicated funding to the Fund from all local sources to a maximum of 22% of the projected annual Federal Aid Highway Trust Fund expenditures. In determining the budget request for ROW revenues, several factors are considered, including the anticipated spending level of the Fund, and also the available fund balance carry over. For each year, the amounts of supplemental funding from ROW revenues were adjusted in a manner where the year end fund balance is not in a deficit. As a result, the Fund expects to incorporate ROW into its budget request beginning in 2023. Management no longer has a goal to maintain a fund balance in excess of \$25 million as a cushion for settlements and judgments that might be incurred/imposed during the fiscal year as the Fund is now able to pay any settlements and judgments from the City's settlements and judgments fund.

Interest Income. Although there was a small amount of interest income earned for fiscal year 2021, no interest income is estimated for future years by OCFO’s Office of Finance and Treasury as funds are now held in a Citi account that has an expected overnight rate of 0%.

Other Income. Other income are funds in excess of project expenditures that are reimbursed from various utilities organizations such as DC Water, for work performed on their behalf. Project expenditures are paid directly by the District to the vendor for all work completed. DDOT invoices 3rd party entities on behalf of the District after project completion in order to recapture funds. The

DISTRICT OF COLUMBIA HIGHWAY TRUST FUND

Notes to the Forecasted Statements of Estimated Funding and Uses Fiscal Years 2022 Through 2026

5. SUMMARY OF SIGNIFICANT ASSUMPTIONS *(continued)*

timing of the reimbursement is based on project completion, and project completion varies based on the complexity of each project. These reimbursements are not expected to exceed project expenditures in future years.

Federal-Aid Apportionment. Federal funding is provided to all states and the District through legislation enacted by Congress and administered through the FHWA. Public Law No. 11494, the “Fixing America’s Surface Transportation Act” or “FAST Act,” is the current funding legislation, effective October 1, 2015. DDOT estimates its future Federal funding for the budget year and the following years based on the latest FHWA-provided amounts included in the U.S. Department of Transportation FHWA Fiscal Management System. For 2022, the amounts provided by FHWA was \$200,201,704.

Additionally, there is typically a redistribution that occurs each August, whereby FHWA reallocates funds across all of the states, at their discretion. To determine the estimate for 2022, DDOT averaged the last 5 years of redistributed funds from FHWA. For the year ending September 30, 2022, the forecasted amount is \$17,991,964.

The estimates for the years ending September 30, 2023 through 2026 are 11.67% to 19.39% more than the combined estimate for the year ending September 30, 2022 of \$218,193,668 due to the inclusion of non-apportioned exempt funding to be received through the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), the Bridge Formula Program (BFP), and the Highway Infrastructure Program (HIP) in fiscal years 2023 through 2026.

Estimated Uses

Debt Payments. Grant Anticipation Revenue Vehicles (*GARVEE*) Bonds. Future Federal-aid apportionments will service bonds issued through the GARVEE program and partially finance the 11th Street Bridge project and South Capitol Street Bridge.

Below is a summary of the principal balances outstanding from the GARVEE Bonds as of September 30, 2021 (in 000s):

| Bond Series | Maturity Date | Interest Rate | Amount Outstanding |
|--------------------|----------------------|----------------------|-------------------------------|
| Series 2011 | December 1, 2025 | 2.00% - 5.25% | \$ 34,235 |
| Series 2012 | December 1, 2027 | 2.00% - 5.00% | 23,585 |
| Series 2020 | December 1, 2034 | 5.00% | 222,855 |
| | | | \$ 280,675 |

The borrowed funding (Series 2011, 2012 and 2020) is used to partially finance the 11th Street Bridge project and support the replacement and realignment of the Frederick Douglass Memorial Bridge and building of new interchanges between the bridge and Suitland Parkway, the bridge and Potomac Avenue, S.W., Suitland Parkway and Interstate 295, and Suitland Parkway and Martin Luther King, Jr. Avenue.

DISTRICT OF COLUMBIA HIGHWAY TRUST FUND

Notes to the Forecasted Statements of Estimated Funding and Uses Fiscal Years 2022 Through 2026

5. SUMMARY OF SIGNIFICANT ASSUMPTIONS *(continued)*

The estimated future minimum payments for each of the outstanding series is listed below (in 000s):

| Fiscal Years Ending September 30, | Principal and Interest Payments Due | | | |
|--------------------------------------|-------------------------------------|-------------|-------------|-----------|
| | Series 2011 | Series 2012 | Series 2020 | Total |
| 2022 | \$ 7,778 | \$ 3,987 | \$ 16,125 | \$ 27,890 |
| 2023 | 7,779 | 3,988 | 16,123 | 27,890 |
| 2024 | 7,779 | 3,988 | 16,123 | 27,890 |
| 2025 | 7,782 | 3,990 | 16,118 | 27,890 |
| 2026 | 7,779 | 3,988 | 16,124 | 27,891 |

Project Costs. The estimated uses for project management, design, site, construction, equipment, and non-participating costs are based on the actual estimated completion date for the phase of each Federal-aid highway project in progress. The project management, design, site, construction, and equipment costs that are eligible for matching Federal Aid are allocated based on the Federal and local share of each individual project. The non-participating costs, if any, are those costs that are not eligible for Federal Aid match and include overhead; construction engineering costs; utility and sewer repair; construction enhancements not covered by FHWA; and disallowed costs reimbursable to the FHWA.

The project costs can be classified into 3 categories: (1) projects in process; (2) projects obligated, but not started; and (3) projects planned, but not yet obligated. Projects that are in process have been approved and obligated by FHWA and are in active design or construction. The forecast costs for these projects are estimated using the costs to complete. Certain projects have been obligated by FHWA but not yet started by DDOT. Additionally, DDOT is required to complete a Statewide transportation improvement plan in accordance with 23 CFR § 450.218, which results in certain projects that are planned, but not yet obligated. These project costs are estimated by using historical information primarily related to maintenance, and ongoing repairs.

Non-participating Costs. Non-participating costs, while included in the funding budgets submitted to FHWA, are not specifically budgeted from the Highway Trust Fund (Fund 0320). Monies from the Local Transportation Fund and Enterprise Fund for Transportation Initiatives (e.g., ROW fees) are used to pay for non-participating and overhead costs that are associated with Federally funded capital projects. The budget for these costs is provided through a separate Master Project (external to the Fund 0320) to where all non-participating and overhead costs associated with Fund projects are allocated as needed.

DISTRICT OF COLUMBIA HIGHWAY TRUST FUND

Notes to the Forecasted Statements of Estimated Funding and Uses Fiscal Years 2022 Through 2026

6. FORECASTED EXPENDITURES BY MASTER PROJECT CATEGORY

DDOT budgets expenditures for the Fund at the Master Project category level. The various Master Project categories are:

- Maintenance;
- Major Rehabilitation, Reconstruction, Replacement, or New Construction;
- Operations, Safety, and System Efficiency;
- Planning, Management and Compliance;
- South Capitol Corridor;
- Travel Demand Management;
- South Cap GARVEE; and
- 11th Street Bridges GARVEE.

Funds are allocated down to the “sub-project” level (also known as the “related project” level) once approved by the FHWA, where actual expenditures will be captured for design, construction, direct labor, and non-participating costs. Once the budget is moved to a subproject, the budget authority within the umbrella Master Project is reduced accordingly.

DISTRICT OF COLUMBIA HIGHWAY TRUST FUND

Notes to the Forecasted Statements of Estimated Funding and Uses Fiscal Years 2022 Through 2026

6. FORECASTED EXPENDITURES BY MASTER PROJECT CATEGORY *(continued)*

The Forecasted master project category for the years ending September 30, 2022 through September 30, 2026, are as follows (in 000s):

| | 2022 | | | 2023 | | |
|---------------------------------------------------------------------------|----------------------------|-------------------|-------------------|----------------------------|-------------------|-------------------|
| | D.C. Highway Trust Fund | Federal Aid | Total | D.C. Highway Trust Fund | Federal Aid | Total |
| Expenditure Categories: | | | | | | |
| Maintenance | \$ 8,278 | \$ 37,886 | \$ 46,164 | \$ 10,138 | \$ 46,174 | \$ 56,312 |
| Major Rehabilitation, Reconstruction, Replacement, or New Construction | 16,551 | 81,722 | 98,273 | 9,186 | 45,239 | 54,425 |
| Operations, Safety, and System Efficiency | 7,990 | 23,921 | 31,911 | 14,194 | 39,029 | 53,223 |
| Planning, Management and Compliance | 2,750 | 15,691 | 18,441 | 3,895 | 20,688 | 24,583 |
| South Capital Corridor | 902 | 3,773 | 4,675 | 417 | 1,820 | 2,237 |
| Travel Demand Management | 3,257 | 12,656 | 15,913 | 2,580 | 10,378 | 12,958 |
| South Capital Street GARVEE | - | 16,125 | 16,125 | - | 16,123 | 16,123 |
| 11th Street Bridges GARVEE | - | 11,765 | 11,765 | - | 11,767 | 11,767 |
| Total Forecasted Expenditures | \$ 39,728 | \$ 203,539 | \$ 243,267 | \$ 40,410 | \$ 191,218 | \$ 231,628 |

| | 2024 | | | 2025 | | |
|---------------------------------------------------------------------------|----------------------------|-------------------|-------------------|----------------------------|-------------------|-------------------|
| | D.C. Highway Trust Fund | Federal Aid | Total | D.C. Highway Trust Fund | Federal Aid | Total |
| Expenditure Categories: | | | | | | |
| Maintenance | \$ 10,547 | \$ 48,595 | \$ 59,142 | \$ 11,015 | \$ 51,489 | \$ 62,504 |
| Major Rehabilitation, Reconstruction, Replacement, or New Construction | 8,915 | 43,550 | 52,465 | 19,715 | 96,792 | 116,507 |
| Operations, Safety, and System Efficiency | 10,075 | 41,083 | 51,158 | 8,661 | 45,947 | 54,608 |
| Planning, Management and Compliance | 3,459 | 18,925 | 22,384 | 3,159 | 17,938 | 21,097 |
| South Capital Corridor | 305 | 1,397 | 1,702 | 208 | 1,026 | 1,234 |
| Travel Demand Management | 3,220 | 13,059 | 16,279 | 3,382 | 14,509 | 17,891 |
| South Capital Street GARVEE | - | 16,123 | 16,123 | - | 16,118 | 16,118 |
| 11th Street Bridges GARVEE | - | 11,767 | 11,767 | - | 11,771 | 11,771 |
| Total Forecasted Expenditures | \$ 36,521 | \$ 194,499 | \$ 231,020 | \$ 46,140 | \$ 255,590 | \$ 301,730 |

DISTRICT OF COLUMBIA HIGHWAY TRUST FUND

Notes to the Forecasted Statements of Estimated Funding and Uses Fiscal Years 2022 Through 2026

6. FORECASTED EXPENDITURES BY MASTER PROJECT CATEGORY *(continued)*

| | 2026 | | |
|---------------------------------------------------------------------------|---------------------|--------------------|-------------------|
| | <u>D.C. Highway</u> | <u>Federal Aid</u> | <u>Total</u> |
| Expenditure Categories: | | | |
| Maintenance | \$ 11,567 | \$ 53,888 | \$ 65,455 |
| Major Rehabilitation, Reconstruction, Replacement, or New Construction | 21,400 | 104,826 | 126,226 |
| Operations, Safety, and System Efficiency | 8,510 | 45,021 | 53,531 |
| Planning, Management and Compliance | 3,010 | 17,392 | 20,402 |
| South Capital Corridor | 210 | 1,037 | 1,247 |
| Travel Demand Management | 2,602 | 10,637 | 13,239 |
| South Capital Street GARVEE | - | 16,124 | 16,124 |
| 11th Street Bridges GARVEE | - | 11,767 | 11,767 |
| Total Forecasted Expenditures | \$ 47,299 | \$ 260,692 | \$ 307,991 |

To report fraud, waste, abuse, or mismanagement:



(202) 724-TIPS (8477) and (800) 521-1639



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