

Transportation

Proposed Adjustments as Introduced				
(\$ in millions)				
	FY 2019 Proposed		FY 2020 Proposed	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2018-20 Base Budget, Ch. 836	\$ 41.0	\$6,446.2	\$41.0	\$6,446.2
Proposed Increases	2.0	960.2	2.0	633.6
Proposed Decreases	0.0	(3.1)	0.0	(3.1)
\$ Net Change	<u>\$2.0</u>	<u>957.1</u>	<u>\$2.0</u>	<u>630.5</u>
HB/SB 30, as Introduced	\$43.0	\$7,403.3	\$43.0	\$7,076.8
% Change	4.9%	14.9%	4.9%	9.8%
FTEs	0.00	10,209	0.00	10,209
# Change	0.00	92.0	0.00	92.0

- **Department of Motor Vehicles**

- ***REAL ID Act Compliance.*** Proposes a nongeneral fund increase of \$7.0 million the first year, \$11.6 million the second year, and 71.00 FTE positions to cover the estimated costs and increased workloads associated with the development and issuance of federal REAL ID Act compliant credentials. An additional 25.00 FTE positions are proposed in HB/SB 29 as the department phases in the program. It is the intent of the department to begin issuing voluntary compliant credentials on October 1, 2018. Costs associated with the new credentials would be covered by a one-time \$10.00 charge for each compliant credential. Language in both HB/SB 29 and HB/SB 30 authorizes a \$20.7 million line of credit to the Department of Motor Vehicles to cover the upfront costs of the system changes which is anticipated to be repaid by those choosing to purchase compliant credentials so that they may continue to use their Virginia driver’s license as a valid form of identification at airports and federal facilities.
- ***Replacement of Outsourced Fuels Tax System.*** Proposes \$7.1 million NGF in the first year to replace an outsourced automated system used to collect fees, taxes and commercial vehicle registrations under the International Fuels Tax Agreement (IFTA) and the International Registration Plan (IRP), as well as the collection of state

and regional fuels sales taxes. DMV's current vendor will no longer be supporting the system beginning in 2019. The funding source for the system replacement will come from Highway Maintenance and Operating Fund amounts previously earmarked for the replacement of two weigh stations.

- **Department of Rail and Public Transportation**

- *Transit Capital Bonds.* Authorizes the issuance of \$110.0 million in transit capital bonds and appropriates the nongeneral fund proceeds in FY 2020. These amounts are intended to replace bond revenues that are being provided to the department through FY 2019 from previously authorized Commonwealth of Virginia Transportation Capital Project Revenue bonds, which will be fully utilized by FY 2020. The authorization is for one year of bonds only and the debt service would be funded by amounts in the Priority Transportation Fund.

- **Department of Transportation**

- *Reflect Revised December 2017 Revenue Forecast, FY 2018-2023 Six-Year Improvement Program, and the Appropriation of Prior Year Revenues.* Contains a series of nongeneral fund revenue adjustments to align the department's appropriation with the revised revenue forecast completed in November, the Six Year Program adopted by the Commonwealth Transportation Board last June, and to reflect the appropriation of the concession payment associated with the Interstate 66 Outside the Beltway project. In total, provides a net increase of \$892.3 million NGF in FY 2019 and \$453.5 million NGF in FY 2020.

2018-23 Department of Transportation Revenue Adjustments (\$ millions NGF)			
	<u>FY 2019</u>	<u>FY 2020</u>	<u>Total</u>
Align to Six Year Program	\$ 280.6	\$ 356.8	\$ 637.2
Revenue Reforecast	57.4	45.9	103.4
Assumed NVT A Revenue Enhancements	50.5	50.8	101.3
Concession Payment	<u>503.9</u>	<u>0.0</u>	<u>503.9</u>
Total	\$892.4	\$453.5	\$1,345.8

- ***Increase Revenue Sources of the Regional Transportation Authorities.*** Proposes to increase the “congestion relief fee,” or grantors tax, imposed in the Northern Virginia Transportation Authority jurisdictions from \$0.15 to \$0.25 per \$100 value on each property sold and to increase the NVRTA transient occupancy tax from two percent to three percent. Also proposes to apply the motor fuel sales tax “floor” currently applied to the statewide tax to the regional 2.1 percent additional motor fuel sales taxes in the Northern Virginia Transportation Authority and Hampton Roads Transportation Accountability Commission jurisdictions. All the additional revenue generated from the imposition of the gas tax floor in Northern Virginia are to be dedicated to capital improvement needs of the Washington Metropolitan Area Transit Authority. Stand-alone legislation is anticipated to be introduced to authorize the increased taxes.

- ***Department of Transportation Capital Projects.*** The following capital outlay projects in Part 2 of the budget:
 - ***Cash for Debt Swap to Finance Port Planning and Design.*** Provides \$20.0 million in bond proceeds for transportation capital projects in FY 2019 and transfers a like amount of Commonwealth Transportation Funds to the Virginia Port Authority to advance the planning and preliminary engineering requirements for the widening and dredging of the Norfolk Harbor Channel to 55 feet and dredging the Southern Branch of the Elizabeth River to 45 feet. Planning and engineering activities are not eligible for bonding but the costs will be eligible for federal reimbursement once the project has been authorized by the U.S. Army Corps of Engineers.

 - ***Statewide Capital Projects.*** \$25.0 million NGF is provided in FY 2020 to fund design, construction and renovation projects among VDOT’s 2,700 facilities.

 - ***Maintenance Reserve.*** \$5.0 million NGF in FY 2020 to fund maintenance reserve projects at VDOT facilities statewide.

- **Virginia Port Authority**
 - ***Provide GF Support for Port of Virginia Economic Development Zone Grants.*** Proposes a \$2.0 million GF each year to support the Port of Virginia Economic and Infrastructure Development Zone Grant Fund, disbursed as grants to qualified companies locating or expanding shipments through the Port. While the total funding level for the Grant Fund is equal to the level approved in Chapter 836 of the 2017 Acts of Assembly, the funding was previously authorized from the Commonwealth Development Opportunity Fund.

- ***Virginia International Gateway Capital Lease.*** Proposes a nongeneral fund increase of \$4.0 million the first year and \$8.0 million the second year from the port terminal funds to support increased lease payments for the VIG facility based on assumed growth in container traffic. Lease payments will total \$86.7 million in FY 2018 and \$90.1 million in FY 2020.
- ***Authorize 21.00 Additional FTE Positions.*** Appropriates an additional \$1.7 million the first year and \$2.3 million the second year of nongeneral funds to support the hiring of 21.00 additional FTE positions. One position would work to promote economic development in coordination with the VEDP and regional economic development authorities, one would serve as a process improvement manager, and 19 would be support positions in a variety of areas such as human resources, police, procurement, safety, finance and accounting. The additional positions are required to support the growth in cargo volume.
- ***Increase Appropriation for Payments in Lieu of Taxes.*** Appropriates an additional \$43,100 NGF the first year and \$44,300 NGF the second year for payments in lieu of taxes (PILOT) paid by the VPA to the Port host cities, bringing total payments to \$2.53 million in both years.
- ***Increase Appropriation for Security.*** Increases the nongeneral fund appropriation for contracted security positions to cover the extended gate hours at both the NIT and VIG terminal facilities.
- ***Increase Debt Service for Equipment.*** Provides an increase in debt service of \$3.8 million NGF each year of the biennium to support funding of terminal equipment operating needs purchased through the Master Equipment Lease Program.
- ***Increase Appropriation for Advertising.*** Proposes increases of \$335,474 the first year and \$585,747 the second year from terminal revenues to support increased advertising efforts.
- ***Port of Virginia Capital Projects.*** The following capital outlay projects in Part 2 of the budget:
 - ***APM Terminal Equipment.*** \$37.0 million the first year and \$30.0 million the second year is provided from terminal revenues to support equipment required for the increased container volumes and operational changes planned at the expanded APM terminal. The equipment will be purchased through the Master Equipment Lease Program.
 - ***Improved Cargo Handling Facilities.*** Provides a nongeneral fund appropriation of \$13.0 million the first year and \$11.0 million the second year to upgrade port sites and upgrade facilities and equipment.

- *Expand Empty Yard.* Provides \$13.0 million the first year and \$11.0 million the second year to undertake improvements to rail yards, pave for equipment operation and make facility repairs.
- *Maintenance Reserve.* Authorizes \$3.0 million in nongeneral fund appropriations each year for pavement repairs, stormwater control, and fender repairs and updates.