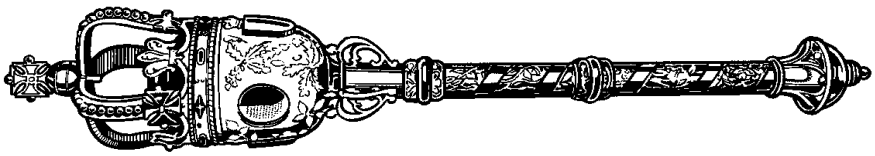
Report of the House Appropriations Subcommittee

on

Transportation



House Bill 1500

February 6, 2005

Respectfully Submitted by the House Appropriations Subcommittee on Transportation:

Joe T. May, Chairman	**John S. (Jack) Reid**
Beverly J. Sherwood	**Marian Van Landingham**
Leo C. Wardrup, Jr.	**Jackie T. Stump**
Allen W. Dudley	**Floyd H. Miles, Sr.**

REPORT OF THE SUBCOMMITTEE
on
TRANSPORTATION

Mr. Chairman and Members of the Committee:

I am extremely pleased to report that the Subcommittee recommendations for Transportation commit more than one billion in additional funding for transportation infrastructure across the Commonwealth. This is almost $200 million more than was proposed in the introduced budget. The infusion we recommend totals $1,027,700,000 to support highway, transit, rail and other modal projects. As importantly, more than 50 percent of this funding – or $528 million – represents not one-time payments, but ongoing revenues that will be available for transportation in the future.

While this by no means will solve all the problems facing our transportation system, it is a giant leap forward. In fact it is the largest increase in ongoing support provided to transportation since the 1986 Special Session of the General Assembly.

The majority of this funding reflects a package of legislation approved by this Committee this past week. First, based on legislation carried by Chairman Callahan – House Bill 2771 – it dedicates one-third of the revenues from insurance premium tax receipts to the Commonwealth Transportation Investment Fund. This will provide an additional $265 million to support transportation projects throughout the Commonwealth this biennium and going forward.

I am also pleased to report that the package directs $33.2 million to the Rail Enhancement Fund approved through legislation I sponsored, House Bill 2596. This creates an ongoing, dedicated revenue source for passenger and freight rail projects across the state. While we have maintained dedicated funding sources for our other modes of transportation for almost 20 years, rail has been without a funding

stream until now. This fund will provide the Commonwealth the resources to leverage private and local investment in multimodal solutions to our transportation problems.

Our package also promotes new partnerships with both the private sector and local governments. In terms of local funding, two legislative proposals dedicate matching funds to meet locally identified transportation needs. First, House Bill 2330 expands the existing highway revenue sharing program managed by VDOT by opening access to this program to cities and towns in addition to the counties that have participated in this program for years. In addition, the annual funding for this program is increased from $15.0 million to $50.0 million in recognition of that fact that the state should expand its commitment to local governments willing to play a larger role in addressing their transportation needs.

A fourth piece of legislation – House Bill 1563 sponsored by Delegates Rust and Albo – imposes civil fees on chronic violators of traffic laws to encourage safe driving and reduce congestion. It dedicates the additional funds to transportation to leverage partnerships in two ways. The first $40 million collected in fines each year will be deposited into the Transportation Partnership Opportunity Fund created by Delegate Wardrup's House Bill 2793. This fund provides ongoing state support for grants and revolving loans to help jump-start public-private partnership initiatives focused on projects with economic development impacts.

The remaining revenues generated by House Bill 1563 – estimated by the Department of Motor Vehicles to be about $60 million – are dedicated to a new local congestion mitigation incentive fund. Monies in this fund will be made available to jurisdictions with high population growth rates or air quality attainment issues on a $1.00 for $1.00 matching basis to meet the unique transportation challenges of these regions.

Recognizing the growing role of alternative modes of transportation in the Commonwealth's more congested regions, the Subcommit-

tee recommends providing $70.0 million to meet the capital needs of particular transit properties across the state, as follows: $40.0 million to the Washington Metropolitan Transit Authority for rail car purchases, $20.0 million to the Virginia Railway Express for rail car purchases and for infrastructure improvements required to advance the extension of VRE to Gainesville and then Haymarket, and $10.0 million for the bus rapid transit project in Virginia Beach.

Our commitment to investments in core infrastructure across the Commonwealth also is evidenced by the dedication of some one-time use of general funds for transportation projects. This proposal includes $90.0 million to pay back the Transportation Trust Fund for revenues diverted during the recent budgetary shortfalls as well as an additional $100.0 million from the additional revenues forecast to be collected in this current fiscal year as announced by the Governor last week. Fully 40 percent of the surplus revenues are dedicated to transportation.

These funds, supplemented by additional nongeneral fund revenues made available by the recent economic growth are used for two purposes. First, we propose adopting the Governor's proposal, contained in legislation carried by Delegates Reid and Stump, to balance the Six-Year Transportation Improvement Program by allocating $256.4 million to pay off outstanding project deficits thus providing a clean slate from which to move forward.

Second, the remaining $268.2 million made available by the package will flow through the Transportation Trust Fund formula and be used to support projects identified by the Commonwealth Transportation Board and our local government partners.

Finally, I would like to mention one language item included in our recommendations. We propose language reaffirming the House's continued commitment to general fund repayment of the $317 million transferred from the Transportation Trust Fund in fiscal year 2003. Although we are pleased to be dedicating a substantial portion of the surplus general fund revenues to transportation, this does not elimi-

nate our responsibility to meet our pledge that the general fund will support the debt service on these notes until they are retired in 2013.

The details of the Subcommittee's report are contained in the attachments. Committee staff will review the report and the attached listing of our recommendations at this time, and I hope it will be the Committee's pleasure to adopt the report.

House Transportation Funding Package

Revenue Sources

	New Funds		Existing Transportation Funds	Total
	FY 05	**FY 06**		
Deposit of Insurance Premiums (Recurring)	$127.0	$137.9	$0.0	**$264.9**
Restoration of TTF Diversion (One-Time)	90.0	0.0	$0.0	**$90.0**
Transfer 3 percent Rental Tax (Recurring)	0.0	23.2	$0.0	**$23.2**
Transfer $2.00 Driver's Record Fee (Recurring)	0.0	10.0	$0.0	**$10.0**
Civil Fees from "Abusers" Bill (Recurring)	0.0	100.0	$0.0	**$100.0**
Use of Surplus for Transportation (One-Time)	100.0	0.0	$0.0	**$100.0**
Elimination of Accelerated Sales Tax (One-Time)	12.6	0.0	$0.0	**$12.6**
State NGF Transportation Revenues (One-Time)	0.0	0.0	$150.4	**$150.4**
Fed'l NGF Transportation Revenues (One-Time)	0.0	0.0	$146.4	**$146.4**
State NGF Transportation Revenues (Recurring)	0.0	0.0	$48.4	**$48.4**
Federal NGF Transportation Revenues (Recurring)	0.0	0.0	81.8	**81.8**
Total Revenues	**$329.6**	**$271.1**	**$427.0**	**$1,027.7**

House Transportation Funding Package

Uses				
	New Funds		Existing Transp. Funds	Total
	FY 05	FY 06		
Commonwealth Transportation Investment Fund	$127.0	$137.9	$0.0	**$264.9**
Public-Private Partnership Incentive Fund	0.0	40.0	$0.0	**$40.0**
Local Congestion Mitigation Fund	0.0	60.0	$0.0	**$60.0**
Increase Revenue Sharing Program	0.0	0.0	$35.0	**$35.0**
Rail Enhancement Fund	0.0	33.2	$0.0	**$33.2**
Transit Capital Funding	70.0	0.0	$0.0	**$70.0**
Pay Off Project Deficits	132.6	0.0	$123.8	**$256.4**
Additional Six-Year Program Funding	0.0	0.0	268.2	**$268.2**
Total Use By Source	**$329.6**	**$271.1**	**$427.0**	**$1,027.7**
Total One-Time Funding	**$202.6**	**$0.0**	**$296.8**	**$499.4**
Total On-Going Funding Commitments	**$127.0**	**$271.1**	**$130.2**	**$528.3**

Budget Amendment Recommendations

HB 1500 Amendment	2004-06 BIENNIAL TOTAL General Fund	NGF	FTE
Transportation			
Secretary Of Transportation			
Report on Status of VTRANS 2020	Language		
Department Of Aviation			
Washington Airports Task Force	Language		
Department Of Motor Vehicles			
Correct Appropriation to Reflect Official Estimate		4,568,949	
DMV IT Systems Upgrade	Language		
Evaluation of Wait Times and Associated Costs	Language		
Department of Rail and Public Transporation			
Communications Equipment in Public Transit	Language		
Transit Capital Funding	Language		
Department of Transportation			
Conveyance of Civil War Cannon	Language		
MWAA VDOT Agreement	Language		
495 HOT Lanes Sound Wall	Language		
Revenue Sharing Program	Language		
Local Incentive Funding	Language		
Prince William Park and Ride Expansion	Language		
GF Support for FRAN Debt Service	Language		
Transfer Driver's Record Fee to Rail Fund	Lanugage		
House Transportation Initiative	81,292,950	112,400,000	
(See Attached Tables for Detail)			
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Subtotal: Transportation	81,292,950	116,968,949	