

Transportation

The approved amendments for the Transportation secretariat for FY 2010 include reductions of \$14.3 million GF and \$155.6 million NGF. The general fund reductions reflect the Governor's September 2009 budget reduction plan, whereas the NGF reduction represents the August and December 2009 forecast adjustments of Commonwealth Transportation Fund revenues. The general fund reductions include using \$13.2 million in balances in the Route 58 Corridor Development Fund to supplant a like amount of GF resources that had been dedicated for the debt service, as well as reducing smaller amounts of GF support for the Department of Rail and Public Transportation (DRPT) and the Virginia Port Authority (VPA) through administrative efficiencies. Also approved is a one-year deferral of the \$7.0 million traditionally dedicated to the rail, road and recreational access programs at the Virginia Department of Transportation (VDOT), freeing up these NGF sources for other transportation purposes.

The approved 2010-12 biennial budget provides a total of \$8.1 billion for Transportation agencies, which includes \$81.9 million GF and \$8.0 billion NGF for the biennium. This represents a total reduction of \$851.0 million over the base budget (Chapter 781 of the 2009 Acts of Assembly). The majority of these adjustments reflect the reforecast of nongeneral fund transportation revenues - both in August and December 2009 - which mirror the reductions in general fund revenues as a result of the current recession. However, included in this reduction is \$519.0 million that had been appropriated for the Dulles Corridor Metrorail Project. With the transfer of the project to the Metropolitan Washington Airports Authority, these amounts are no longer included in DRPT's budget. Exclusive of this accounting transfer, the net biennial reduction totals \$332.0 million NGF.

Also included is a \$28.0 million GF reduction for the Route 58 Corridor Development Program in FY 2011 which is replaced in FY 2012. Like amendments in the Department of Accounts Transfer Payments Item reduce the GF appropriation for the Northern Virginia Transportation District Program from \$20.0 million to \$8.0 million GF in FY 2011, holding them harmless for the biennium by providing \$32.0 million in FY 2012.

Other actions of note include the transfer of the Board of Towing and Recovery Operations from Transportation to the Secretariat of Public Safety, the transfer of \$3.2 million in FY 2010 and \$4.2 million in FY 2011 and FY 2012 to the general fund from the Uninsured Motorists Fund that had been dedicated to DMV's information technologies, a reduction of \$500,000 NGF each in FY 2011 and FY 2012 from mobile home tax payments to localities, and savings of \$150,700 NGF each in FY 2011 and FY 2012 to reflect the elimination of one Deputy Secretary within the Secretary of Transportation's office.

HB 29 (Chapter 872)

- **Department of Aviation**
 - *Governor's September 2009 Budget Reductions.* Reflects a GF reduction of \$5,388, reflecting the reversion of FY 2009 balances of GF amounts dedicated to support state use of DOAV aircraft.
- **Department of Motor Vehicles**
 - *Governor's September 2009 Budget Reductions.* Transfers to the general fund \$3.2 million in revenues generated by the Uninsured Motorists Fund that previously had been retained by DMV to support its information technologies initiatives.
- **Department of Rail and Public Transportation**
 - *Governor's September 2009 Budget Reductions.* Reflects the transfer of \$476,858 of GF revenues appropriated to DRPT back to the general fund. A like amount of administrative efficiencies has been identified by the Department so that no corresponding diversion of nongeneral fund resources is required.
- **Department of Transportation**
 - *Align Appropriation to Reflect FY 2010 Revenue Forecast Adjustments.* Reduces the agency's appropriation by \$152.4 million NGF the second year to reflect the August and December 2009 re-estimates of Commonwealth Transportation fund revenues.
 - *Spread Budget Reductions Included in Chapter 781.* Item 462.05 of Chapter 781 includes a transportation revenue reduction of \$359.9 million reflecting the February 2009 reforecast. This item is eliminated and the individual items in the VDOT budget are adjusted to reflect the February forecast changes as well as the \$152.4 million reduction referenced above.
 - *Suspend Funding for Access Programs.* Authorizes a one-year suspension of the \$7.0 million in NGF funding for road, rail and recreational access programs funded through the Department of Transportation. These programs are restored in FY 2011-12.
 - *Governor's September 2009 Budget Reductions.* The amendments include the reversion of \$13.2 million in GF support for the Route 58 Corridor Development Program. Balances in the Fund from accumulated interest earnings are used to offset the reduction and maintain funding of \$40.0 million for the program in FY 2010.

- **Virginia Port Authority**
 - *Governor's September 2009 Budget Reductions.* Reduces the GF appropriation for the VPA by \$593,255 in FY 2010. Although the GF appropriation for the VPA is used to support city-street payments for localities hosting port facilities, those payments are unreduced. Instead, administrative efficiencies within the Authority are generated to maintain the \$950,000 payment from NGF resources.
 - *Remove Requirements on Debt Service for Craney Island.* Eliminates language that prohibited the payment of debt service for Craney Island Improvement bonds until FY 2012. These bonds had previously been authorized, but have not been issued.
- **Motor Vehicle Dealer Board**
 - *Nongeneral Fund Transfer.* An amendment in Part 3 of HB 29 contains a one-time transfer of \$700,000 to the GF from balances in the Motor Vehicle Dealer Board's "lemon fund" to help offset the GF revenue shortfall.

HB 30 (Chapter 874)

- **Secretary of Transportation**
 - *Eliminate Deputy Secretary Position.* Reduces the NGF appropriation for the Secretary's office by \$150,700 in both FY 2011 and FY 2012 to reflect the elimination of one of the two Deputy Secretary of Transportation positions.
 - *Implement Sub-Cabinet on Community Investment Recommendations.* Includes two language amendments relating to recommendations of the Governor's Sub-Cabinet on Community Investments. The first states that the Secretary must ensure that the planning and evaluation of projects is consistent with Executive Order 69 (2008) which sets out principles of sustainability. The second states that the CTB shall provide matching funds only to those MPOs that have established regional transportation and land use performance measures, pursuant to Chapter 670 of the 2009 Acts of Assembly.
 - *Review of the Virginia Transportation Research Council.* Directs the Secretary of Transportation to consider downsizing or eliminating the Virginia Transportation Research Council.
 - *Dulles Access Toll Road Connector.* Continues language ensuring that sound walls will be built in conjunction with the Dulles rail project along the Dulles Access Toll Road Corridor to Interstate 66.

- **Department of Aviation**
 - *Increase Commonwealth Airport Fund Appropriation.* Increases the nongeneral fund appropriation of Commonwealth Airport Funds by \$8.9 million each in FY 2011 and FY 2012 to more accurately reflect the revenues appropriated from this fund.
 - *Reduce GF Support for Use of Executive Aircraft.* Captures \$1,038 in prior year balances from amounts provided to DOAV for support of executive aircraft usage. Also included is a GF reduction of \$4,300 in FY 2011 and \$5,338 in FY 2012 in support for these aircraft.

- **Department of Motor Vehicles**
 - *Reflect Transfer of Uninsured Motorists Fee Revenues to the General Fund.* As a continuation of the September 2009 budget reduction strategies, the \$3.2 million that had been retained by DMV for its information technology initiatives each year is transferred to the general fund in Part 3 of the budget. Because of the multi-phase nature of the systems redesign, DMV can adjust the project schedule to address this reduction.
 - *Reduce Payment of Mobile Home Taxes to Localities.* Implements a 10 percent reduction in the mobile home sales and use tax revenues and transfers \$500,000 each year to the general fund.
 - *Reflect NGF Revenue Collections.* Increases the NGF appropriation for the payments made to localities from the vehicle rental tax by \$1.0 million each in FY 2011 and FY 2012. This is a technical adjustment to reflect appropriations that had been increased administratively in prior years.

- **Department of Rail and Public Transportation**
 - *Reduce Appropriation to Reflect NGF Revenue Reforecast and Transfer of Dulles Corridor Metrorail Project.* Reduces the agency's NGF appropriation by \$217.8 million in FY 2011 and \$187.6 million in FY 2012 to reflect the latest revenue estimates for the Transportation Trust Fund and federal funds and the transfer of the Dulles Corridor Rail Project from DRPT to the Metropolitan Washington Airports Authority (MWAA). Embedded in this action is a base adjustment removing \$519.0 million NGF of the Dulles Corridor Rail Project funding because this project has been transferred to MWAA. Exclusive of the rail project transfer, DRPT's nongeneral fund revenues reflect an increase of \$41.7 million in FY 2011 and \$71.9 million in FY 2012, which includes revenue reductions offset by the transfer of funding for regional surface transportation programs and congestion mitigation and air quality funding to DRPT, as well as the appropriation of Capital Bond Project proceeds.

- ***Transfer Rail Industrial Access Program Appropriation.*** Increases the agency’s NGF appropriation by \$3.0 million each in FY 2011 and FY 2012 to reflect the transfer of the HMOF revenues dedicated to the Rail Industrial Access Program from VDOT to DRPT. Although DRPT manages the program, in the past the funds had been appropriated to VDOT. This action results in no net change to the program.
- ***Retain Transit Capital Funding.*** Removes language that would have redirected \$30.0 million from the transit capital program and reduced formula assistance.
- ***Hampton Roads Rail Corridor Development.*** Allows the Commonwealth Transportation Board to allocate up to 20 percent of transit capital funding to transit operations, if funds available for operating expenses are projected to be less than the current fiscal year. A separate amendment authorizes the use of Rail Enhancement Funds for passenger rail service from Richmond to Norfolk and for supporting the operating cost of the existing Lynchburg to Washington Amtrak service
- ***Remove Service Restriction.*** Removes language that would have prohibited passenger rail service in the Route 29 and I-95 corridors if the individual station was not within a designated urban development area.
- ***Roanoke Passenger Service.*** Directs the development of commuter bus service from Roanoke to Lynchburg in order to provide increased range of service to the existing Lynchburg to Washington Amtrak service.

- **Department of Transportation**

- ***Reduce NGF Appropriation to Reflect FY 2010 Revenue Forecast Adjustments.*** Reduces VDOT’s NGF revenues by \$259.5 million in FY 2011 and \$244.6 million in FY 2012 to reflect changes in the transportation revenue forecast since the passage of Chapter 781.
- ***Reduce VDOT MEL to 7,500.*** Reduces VDOT’s maximum employment level (MEL) from 8,350 to 7,500 to reflect the Department’s intention to reduce actual full-time employees to that level. Language was included in Chapter 781 to enact the VDOT Commissioner’s “Blue Print” which reduces VDOT’s workforce to 7,500 by July 1, 2010.
- ***Supplant GF Support for Route 58 Corridor Development Program.*** Continues to provide general fund support of \$12.0 million in the first year and \$68.0 million in the second year to cover debt service on Route 58 projects. This represents a reduction of \$28.0 million GF in FY 2011, however the FY 2012 appropriation is increased by \$28.0 million, keeping the amounts for the biennium at \$80.0 million. The NGF transfer to the program is set at \$20.0 million the first year and \$4.0 million in FY 2012.

- *Realign Maintenance Budget.* The funding for VDOT’s overall maintenance program, which traditionally had been distributed only among the 3 state-maintained roadway systems – Interstate, Primary, and Secondary – is now realigned to separate infrastructure maintenance on the 3 systems and add a fourth maintenance sub-category for operational activities like traffic management, roadside maintenance, snow-removal and other non-infrastructure improvement items.
- *Historic Georgetown Pike.* Requires VDOT and the Department of Historic Resources to ensure that proposed road improvements along the Georgetown Pike, including the intersection with Route 7, respect the historic nature of Georgetown Pike.
- **Board of Towing and Recovery Operations**
 - *Transfer of Agency to the Public Safety Secretariat.* Transfers the Board of Towing and Recovery Operations to the Secretariat of Public Safety.