

Transportation

| HB/SB 30 Proposed Adjustments as Introduced | | | | |
|--|------------------|------------------|------------------|------------------|
| (\$ in millions) | | | | |
| | FY 2017 Proposed | | FY 2018 Proposed | |
| | <u>GF</u> | <u>NGF</u> | <u>GF</u> | <u>NGF</u> |
| 2016-18 Base Budget, Ch. 665 | \$ 69.1 | \$6,148.4 | \$69.1 | \$6,148.4 |
| Proposed Increases | 2.0 | 567.3 | 2.0 | 482.7 |
| Proposed Decreases | (28.1) | (89.5) | (28.1) | (253.2) |
| \$ Net Change | <u>(\$26.1)</u> | <u>477.8</u> | <u>(\$26.1)</u> | <u>229.5</u> |
| HB/SB 30, as Introduced | \$43.0 | \$6,626.2 | \$43.0 | \$6,377.9 |
| % Change | (37.8%) | 7.8% | (37.8%) | 3.7% |
| FTEs | 0.00 | 10,178 | 0.00 | 10,178 |
| # Change | 0.00 | 323.0 | 0.00 | 323.0 |

- **Secretary of Transportation**
 - *Transportation Policy Goals.* A series of proposed actions would restate the overall policy goals of the transportation programs with a broad focus on economic development, environmental quality, and accessibility with a focus on the interconnectivity of bicycling, walking, public transportation, highways freight and passenger rail, ports, and airports.
 - *GARVEE Language.* Proposes new language reflecting provisions of Chapter 684 of the 2015 Acts of Assembly, requiring that any previously unprogrammed but available transportation revenues be distributed 50 percent to the High Priority Projects Program and 50 percent to the Constriction District Grant program.
 - *Project Labor Agreements.* Removes language prohibiting procurements that are funded wholly or in part from state transportation funds from providing an incentive for bidders that include project labor agreements.
 - *Alignment of Language with Chapter 684 (2015).* A series of proposed actions is included that realigns prioritization of funding for interstate and bridge projects, as well as public transportation, to provide for consistency with the provisions of Chapter 684 of the 2015 Acts of Assembly. Additionally, language is proposed that would allow for residual balances of the funds provided under the primary,

secondary and urban formulas to be consolidated to advance priority projects in the district to which the balances have accrued, or be de-allocated and transferred to the State of Good Repair Program.

- *Office of Intermodal Planning and Development.* Language is included that directs the Office of Intermodal Planning and Investment to be the entity responsible for implementing the state prioritization process established pursuant to Chapter 726 of the 2014 Acts of Assembly, commonly referred to as the “HB 2 process.” Additional actions proposed in the Department of Transportation increase the finding for the office by \$2.0 million NGF in each year – for a total of 7.0 million – to provide planning grants.
- *Eliminate Outdated Language.* Eliminates several actions and reporting requirements included in Chapter 665 of the 2015 Acts of Assembly that are no longer necessary, including: requirements related to a Dulles Access Toll Road Connector Sound Wall, I-81 corridor improvement project reporting, local project assistance reporting, and Rail Enhancement Fund reporting.
- **Virginia Commercial Space Flight Authority**
 - *Shoreline Protection.* Proposes the removal of language dedicating \$800,000 NGF in each year to shoreline protection efforts at Wallops Island, although the appropriation provided for such purpose is not reduced.
- **Department of Aviation**
 - *Dulles International Airport.* Proposes to provide \$25.0 million NGF in FY 2017 and \$25.0 million NGF in FY 2018 from the revenues of the Priority Transportation Fund to the Metropolitan Washington Airports Authority to reduce the passenger cost per enplanement at Washington Dulles International Airport to help attract or retain air carriers. The purpose of the Priority Transportation Fund is to first provide a dedicated source of revenue for debt service and to facilitate the financing of priority transportation projects designated by the General Assembly. The unrestricted balance in the Fund is \$72.7 million NGF in FY 2017 and \$113.2 million NGF in the second year. Use of these amounts for Dulles Airport support requires a *Code of Virginia* override.
 - *Increase Information Technology Funding for System Improvements.* Proposes \$257,000 NGF each year to support information technology upgrades so that the Department’s systems are compatible with the new state Cardinal accounting system.
 - *Fund Compensation Adjustments.* Proposes to increase the personal services budget of DOAV by \$365,021 NGF each year to support the costs of position

adjustments being made as a result of a study undertaken by the Department of Human Resources Management and to reflect the costs of the state pay raise that went into effect in FY 2016.

- **Department of Motor Vehicles**

- *Online Transaction Discount Program.* Includes language that allows the Department to offer discounts on online transactions as determined by the department as part of ongoing efforts to reduce agency costs by reducing in-person traffic at customer service centers.
- *Administration of E-Z Pass.* Proposes an appropriation of \$1.0 million NGF in each year to support E-Z Pass account management services at DMV customer service centers, replacing back-end services currently provided under contract. The funding will support 20 staff from existing, but unfilled, positions.
- *Motor Carrier Services Center.* Proposes \$5.0 million NGF the first year to relocate the Dumfries Motor Carrier Center. Currently the property has insufficient space to accommodate increasing demand for commercial vehicle weight inspection in Northern Virginia.
- *South Hill Customer Service Center.* Proposes language that would authorize the Department to take possession of the South Hill Customer Service Center as part of a 20-year lease-purchase contract.
- *Maintenance Reserve.* Proposes an additional \$3.7 million NGF the first year for maintenance reserve projects at existing DMV facilities.

- **Department of Rail and Public Transportation**

- *Reflect Revised December 2015 Revenue Forecast.* Increases the Department's NGF appropriation by \$131.1 million the first year and \$144.2 million the second year to reflect the revised official revenue estimate, which includes both forecast adjustments and revenues resulting from Chapter 766 of the 2013 Acts of Assembly (HB 2313).
- *Vanpool Program.* Proposes to earmark \$1.9 million NGF each year for the expansion of vanpool services throughout the Commonwealth. Additionally, language proposes allowing for the programming of additional federal revenues to this program.
- *Rail Enhancement Fund.* Proposes language that would expand the use of the Rail Enhancement Fund for shortline railway capacity improvements and allow for up to 20 percent of Rail Enhancement Fund revenues to be allocated to the Shortline

Railway Preservation and Development Fund consistent with the recommendations of the 2015 workgroup.

- **Department of Transportation**

- *Reflect Revised December 2015 Revenue Forecast, FY 2016-2021 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 prior year bond proceeds. In total, provides a net increase of \$409.9 million NGF in FY 2017 and \$153.5 million in FY 2018.

| 2016-21 Department of Transportation Revenue Adjustments (\$ millions NGF) | | | |
|--|----------------|----------------|----------------|
| | <u>FY 2017</u> | <u>FY 2018</u> | <u>Total</u> |
| Prior Year Balances | \$ 182.2 | \$ 167.8 | \$ 350.0 |
| Revenue Reforecast | 304.7 | 234.5 | 439.2 |
| Base Forecast Reductions | <u>(77.0)</u> | <u>(248.8)</u> | <u>(325.8)</u> |
| Total | \$409.9 | \$153.5 | \$563.4 |

- *Increase MEL by 315 Positions.* Proposes to increase employment levels across various divisions including location and design, right of way, and field operations. This action is intended to reverse the previously implemented strategy of outsourcing work in these areas.
- *Military Installation Road Improvements.* Proposes to release balances totaling \$23.1 million NGF from funding initially approved in 2008 TPOF balances for use at road improvements in military installations in the Commonwealth.
- *Rest Area Improvements.* Proposes two separate actions that provide approximately \$20.0 million NGF for improvements to Interstate Rest Areas throughout the Commonwealth. The first action would provide \$7.9 million from TPOF balances, and the second action would provide \$11.9 million from the State of Good Repair Program.

- ***Revenue Sharing.*** Proposes to decrease the amount of funding allocated annually to the Revenue Sharing Program from \$200.0 million in the current year to \$150.0 million in FY 2017 and \$100.0 million in FY 2018. This action coincides with the availability of funding for local transportation improvements through the District Grant Program established pursuant to Chapter 684 of the 2015 Acts of Assembly.
- ***Department of Transportation Capital Projects.*** The Department of Transportation’s budget requests include the following capital outlay projects in Part 2 of the budget.
 - ***Blanket Statewide Capital Improvements.*** Statewide facilities improvement plan totaling \$34.1 million NGF in FY 2017 and \$34.8 million NGF in FY 2018 for district offices, area headquarters and residencies.
 - ***Central Office Capital.*** \$1.1 million NGF each year for capital improvement and maintenance projects at the Central Office complex in Richmond.
 - ***Maintenance Reserve.*** \$4.7 million NGF in both FY 2017 and FY 2018 to fund fund maintenance reserve projects at VDOT facilities statewide.
- **Virginia Port Authority**
 - ***Increase 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 665, the funding was previously authorized from the Commonwealth Development Opportunity Fund.
 - ***Adjust Appropriation to Reflect Increase in Virginia International Gateway Terminal Rent.*** Reflects an increase in the rent payments for the use of the VIG terminal of \$1.5 million NGF the first year and \$3.0 million NGF the second year. The existing lease agreement sets the rate in part based on container volume, which has been increasing.
 - ***Virginia International Gateway Capital Lease.*** Proposes an increase of \$10.0 million NGF in each year from the Commonwealth Port Fund to supplement lease payments of approximately \$58.5 million NGF in FY 2017 and \$61.7 million NGF in the second year that is paid from Port revenues. This authorization is requested in advance of finalized negotiations with VIG regarding an extension of the lease and expansion of the facility.

- ***Increase Appropriation for Operational Maintenance.*** Appropriates an additional \$500,000 NGF each year for enhanced cargo handling costs at APM terminals.
- ***Increase Appropriation for Payments in Lieu of Taxes.*** Appropriates an additional \$65,000 NGF the first year and \$130,000 NGF the second year for payments in lieu of taxes (PILOT) paid by the VPA to the Port host cities, bringing total payments to \$2.4 million in both years.
- ***Adjust Appropriation to Reflect Revised Debt Service Requirements.*** Increases the nongeneral fund appropriation for debt service on existing bond issues by \$2.7 million in FY 2017 and \$0.2 million in FY 2018 to reflect debt service costs.
- ***Port of Virginia Capital Projects.*** The Virginia Port Authority’s budget includes two major capital outlay projects in Part 2 of the budget.
 - ***Norfolk International Terminal Automation.*** \$350.0 million NGF in appropriations-backed debt in FY 2017 to automate terminal operations at Norfolk International Terminals. The proposed capital project is contained within the existing footprint of the property. The request reflects the need to expand their facilities to address assumed Port container volume growth in the coming years.
 - ***Maintenace Reserve.*** \$3.0 million NGF in both FY 2017 and FY 2018 to fund fund maintenace reserve projects including dredging, pavements, fencing and stormwater management.