

Transportation

The Governor's recommended amendments for Transportation agencies result in an appropriation of \$82.0 million GF and \$9.095 billion NGF for the biennium -- a biennial nongeneral fund revenue reduction of \$670.1 million compared to Chapter 879 (2008). These adjustments reflect reduced growth in a number of transportation revenue sources, in particular motor vehicle titling taxes and recordation taxes. With minor exception, the budget does not include any transfers of transportation funds to the general fund to address the GF budget shortfall. The adjustments simply reflect changes in available transportation revenues. The reductions are contained in a single item in each agency and are not integrated into the specific programs. Similarly, there is no language specifying how the agencies intend to implement the reductions by program, roadway system or geographic area.

Across the secretariat, the proposed amendments reduce the agencies' maximum employment level (MEL) by 1,163 fulltime equivalent positions. All but 13 of the eliminated positions are at VDOT which is reducing its MEL from 9,500 to 8,350 by the end of the biennium.

- **Secretary of Transportation**
 - *Authorize DPB to Adjust Agency Appropriations to Reflect Timing of Sale of Capital Projects Revenue Bonds.* Language is included authorizing the Director of Department of Planning and Budget, to administratively adjust the nongeneral fund appropriations within the transportation agencies to allow for the utilization of bond proceeds authorized by the 2007 General Assembly.
- **Department of Aviation**
 - *Reflect Reduced Revenues.* Includes a reduction of \$3.0 million NGF in the first year and \$3.2 million NGF in the second year representing a reduction in the revenues forecast for the Commonwealth Transportation Fund and the Aviation Special Fund. Also included in this item is a reduction of \$6,280 GF each year reflecting a reduced appropriation for use of the state planes. These reductions reflect approximately 11 percent of the agency's budget.
 - *Authorize Use of Aviation Funding for Airport Access Projects.* Includes language explicitly authorizing the Commonwealth Transportation Board to request that the Virginia Aviation Board utilize Commonwealth Airport Funds for surface airport access projects.
- **Department of Motor Vehicles**
 - *Increased Central Service Costs.* Increases the agency's nongeneral fund appropriation by \$3.2 million NGF in the first year and \$3.9 million NGF in the

second year to recognize increased costs in central service items including lease payments, license plate raw materials and increased VITA costs.

- ***Reduce DMV Retention of Uninsured Motorists Funding.*** Chapter 879, 2008 Session of the General Assembly, authorized DMV to retain \$6.4 million NGF each year from the Uninsured Motorists Fund to help finance the costs of the department's system redesign initiative. The Governor's budget proposes to reduce that amount by \$5.0 million NGF in FY 2009 and \$3.2 million NGF in FY 2010 with the residual amounts being transferred to the general fund. DMV has completed Phase 2 of the system redesign and the implementation contract is not anticipated to be completed until later this year, reducing the funding DMV needs for the project during the current biennium.
- ***Reflect Reduced Revenues.*** Includes a reduction of \$7.1 million NGF in the first year and \$3.4 million NGF in the second year representing reduced revenues forecast for the DMV Special Fund. In total, the agency reductions equate to 4 percent in the first year and 1.2 percent in the second year.
- ***DMV Transfer Payments.*** The budget includes a new item for DMV Transfer Payments to reflect a new agency code for this item. This action was required to avoid duplicate use of an assigned but unused agency code that had been attached to this new item when the budget was introduced. Also included in this item is a reduction of \$197,728 NGF in the second year reflecting the operational costs of collecting and distributing the mobile home and rental vehicle taxes. These amounts are transferred to the general fund in Part 3 of the budget.

- **Department of Rail and Public Transportation**

- ***Reflect Reduced Revenues.*** Includes a reduction of \$16.1 million NGF the first year and \$24.7 million NGF the second year representing reduced state and federal transportation fund forecasts. These amounts represent a reduction of 2.8 percent of the agency's budget in FY 2009 and 4.2 percent in FY 2010 compared to the levels included in Chapter 879.

- **Department of Transportation**

- ***Reflect Reduced Revenues.*** Includes a reduction of \$284.6 million NGF in the first year and \$289.6 million NGF in the second year reflecting reduced state and federal transportation fund forecasts. These amounts represent a biennial reduction of 7.3 percent compared to the amounts adopted in Chapter 879. This amendment further includes staffing reductions totaling 1,150.0 FTE for the biennium.

- **Virginia Port Authority**
 - ***Craney Island Bonds.*** Proposes a language change to delay issuance of the Port Revenue Bonds for the Craney Island improvement project for one year, until July 1, 2010. The reduced Port traffic is not generating sufficient revenue to support an earlier issuance date.
 - ***Reflect Reduced Revenues.*** Includes a reduction of \$14.6 million NGF in the first year and \$13.8 million NGF in the second year reflecting reduced Transportation Trust Fund and Commonwealth Port Fund forecasts. These amounts represent a biennial reduction of 14.8 percent compared to the amounts adopted in Chapter 879.
- **Towing and Recovery Operations**
 - ***Licensing Services.*** Proposes an increase of \$50,000 NGF in the second year to cover costs of a contract with the Department of Health Professionals to process tow truck driver applications and issue the licenses.