

Transportation

Adopted Adjustments				
(\$ in millions)				
	FY 2019 Adopted		FY 2020 Adopted	
	<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
Adopted Increases	0.0	985.3	0.0	562.4
Adopted Decreases	0.0	(13.7)	0.0	(13.9)
\$ Net Change	<u>\$0.0</u>	<u>971.6</u>	<u>\$0.0</u>	<u>548.5</u>
Ch. 2 (HB 5002, as Adopted)	\$41.0	\$7,417.9	\$41.0	\$6,994.7
% Change	0.0%	15.1%	0.0%	8.5%
FTEs	0.00	10,180	0.00	10,180
# Change	0.00	63.0	0.00	63.0

- **Department of Motor Vehicles**

- *Motor Vehicle Title Fee Inflation Adjustment.* Increases the fee for motor vehicle titles from \$10 to \$15 to partially offset the impact of inflation on DMV fees. The increase is anticipated to generate approximately \$13.0 million in nongeneral fund resources for the department each year. The title fee, originally set at \$10.00 in 1982, has not been adjusted since its inception.
- *REAL ID Act Compliance.* Includes a nongeneral fund increase of \$7.0 million the first year, \$11.6 million the second year, and 27.00 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 15.00 FTE positions were included in Chapter 1 of the 2018 Special Session 1 Acts of Assembly (HB 5001) 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 shall be covered by a one-time \$10.00 charge for each compliant credential. Language in Part 3 authorizes a \$10.5 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.

- ***Evaluate Privatized Road Testing.*** Includes language directing the Commissioner to convene a stakeholder group for evaluating the feasibility of outsourcing the driver license road test for adults as part of the department's ongoing evaluation of cost-containment strategies.
- ***Regional Motor Fuels Taxes.*** A series of amendments are included to increase transparency of the collection and distribution of approximately \$151.5 million in regional motor fuels sales tax revenues collected in Northern Virginia and Hampton Roads. The first of these amendments establishes an estimated appropriation of the motor fuels sales taxes to be distributed to the Northern Virginia Transportation Commission, the Potomac and Rappahannock Transportation Commission, and the Hampton Roads Transportation Commission.

The second amendment provides language authorizing the Commissioner of Motor Vehicles to provide confidential fuels tax information, including prices and volume, to the executive directors of the regional transportation commissions located in Northern Virginia and Hampton Roads in order to facilitate compliance with collection of motor fuels taxes in the respective member jurisdictions. A companion amendment is included in Chapter 1, the FY18 appropriation act.

- ***Replacement of Outsourced Fuels Tax System.*** Provides \$7.1 million NGF 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**

- ***Establish WMATA and Transit Discrete Appropriation.*** Increases transparency of funding appropriated for mass transit operating and capital funds and provides a discrete appropriation of approximately \$156.9 million annually for the Northern Virginia Transportation Commission for the operating and capital costs of the Washington Metropolitan Area Transit Authority. The separate allocation of funding for Metro is intended to ensure that funding for other statewide transit properties is not affected from the changes to Metro allocations, mirroring the provisions included in Chapters 854 and 856 of the 2018 Acts of Assembly (HB 1539/SB 856).

- *Transit Capital Replacement Program.* Includes language directing the Department of Rail and Public Transportation, in conjunction with the Departments of Treasury and General Services to evaluate the potential for using the Master Equipment Lease Program for funding bulk purchases of transit vehicle fleet replacement as well as identify funding options that do not rely on the use of long-term debt to meet transit capital replacement needs. In addition, language directs DRPT to work with regional transit providers to evaluate options for prioritizing capital replacement projects and identify potential funding sources from within existing Transportation Trust Fund revenues.

- **Department of Transportation**

- *Reflect Revised December 2017 Revenue Forecast, FY 2018-23 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.

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
Concession Payments	<u>503.9</u>	<u>0.0</u>	<u>503.9</u>
Total	\$841.9	\$402.7	\$1,244.5

- *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.*** Provides \$25.0 million NGF is provided in FY 2020 to fund design, construction and renovation projects among VDOT's 2,700 facilities.
- ***Maintenance Reserve.*** Provides \$5.0 million NGF in FY 2020 to fund maintenance reserve projects at VDOT facilities statewide.

- ***Evaluation of Statewide Special Structures.*** Language directs the Commonwealth Transportation Board to report to the Chairmen of the House Appropriations and Senate Finance Committees by December 1, 2018 the overall conditions and funding needs of large and unique bridge and tunnel structures, such as the Robert O. Norris Bridge over the Rappahannock River. These complex structures typically do not qualify for funding under the State of Good Repair program, and the language directs the Board provide recommendations for funding any necessary repair and replacement projects related to these bridges and tunnels.
- ***Toll Proceeds in Hampton Roads.*** Includes language directing the Department of Transportation to dedicate any toll revenues, bond proceeds, or concession payments derived from the expansion of Hampton Roads express lanes towards reducing the contributions of the Hampton Roads Transportation Accountability Commission for the construction of interstate capacity expansion projects within the Interstate 64 corridor between the interchange with Interstate 664 to the east and Interstate 564 to the west. Companion language is also included in Chapter 1.
- ***Allocation of Maintenance Payments to Localities.*** Directs the Commonwealth Transportation Board to increase the FY 2018 allocation of payments to Henrico County by \$363,706 and clarifies the legislative intent when calculating annual rates of payment for counties that have elected to withdraw from the secondary highway system. Companion language is also included in Chapter 1.

- **Virginia Port Authority**

- ***Hampton Roads Harbor.*** Includes a total of \$350.0 million in new funding for the deepening and widening of the Hampton Roads channel and the Western Branch of the Elizabeth River. From these amounts, \$20.0 million in Transportation Trust Fund revenues are appropriated for the planning and preliminary engineering work and \$330.0 million in Virginia Public Building Authority bond proceeds are authorized for the construction costs of the project.

- ***Virginia International Gateway Capital Lease.*** Includes 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.*** Includes 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.