

Transportation

Adopted Adjustments				
(\$ in millions)				
	FY 2021 Adopted		FY 2022 Adopted	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2018-20 Base Budget, Ch. 854	\$41.0	\$7,689.9	\$41.0	\$7,689.9
Adopted Increases	0.0	2,167.3	0.0	1,922.6
Adopted Decreases	(41.0)	(128.2)	(41.0)	(128.2)
\$ Net Change	<u>(41.0)</u>	<u>2,039.1</u>	<u>(41.0)</u>	<u>1,794.4</u>
Ch. 1289 (HB 30, as Adopted)	\$0.0	\$9,729.0	\$0.0	\$9,484.2
% Change	(100%)	26.5%	(100%)	23.3%
FTEs	0.00	10,357.00	0.00	10,297.00
# Change	0.00	174.00	0.00	114.00

The adopted budget includes a net increase in NGF transportation appropriations of \$2,039.1 million (26.5 percent) in FY 2021 and \$1,794.4 million (23.3 percent) in FY 2022 compared to the base budget of Chapter 854 of the 2019 Acts of Assembly (HB 1700). The adopted budget also includes increases totaling \$1,522.0 million in FY 2021 and \$1,128.8 million in FY 2022 from updates to the financial plan, updated revenue projections, and transfers. In addition to these normal adjustments, the budget appropriates additional NGF revenues across the Secretariat of \$332.7 million in FY 2021 and \$462.7 million in FY 2022 from an omnibus statewide transportation funding legislation.

- **2020 Transportation Funding Legislation**

- *Statewide and Regional Transportation Funding.* The 2020 General Assembly adopted three separate pieces of legislation: Chapters 1230 and 1275 (HB 1414 / SB 890); Chapter 1235 (HB 1541); and, Chapters 1241 and 1281 (HB 1726/SB 1038) of the 2020 Acts of Assembly that collectively provide more than \$500.0 million annually in new transportation revenues, both statewide and regionally in Central Virginia and Hampton Roads. The omnibus funding legislation, Chapters 1230 and 1275 of the 2020 Acts of Assembly (HB 1414/SB 890), converts the current state motor fuels sales taxes to a fixed excise tax (approx. 16.2 cents per gallon) and increase the tax by five cents in each year of the biennium, reduces base vehicle registration fees by \$10, and establishes a new road use charge based on vehicle fuel economy.

The adopted legislation also eliminates recordation tax allocations to transportation programs of \$61.0 million annually that is currently appropriated for debt service on projects for Route 58 (\$40.0 million GF annually), the Northern Virginia Transportation District (\$20.0 million annual GF transfer, with reduction reflected in Department of Accounts Transfer Payments), and the Chesapeake Oak Grove Connector (\$1.0 million annual GF transfer with reduction shown in Department of Accounts Transfer Payments) and provide a portion of the increased Transportation Fund revenues to cover the cost of the debt service. Separate legislation, Chapters 1241 and 1281 (HB 1726/SB 1038) of the 2020 Acts of Assembly, dedicates \$20.0 million in statewide recordation tax revenues to the newly established Hampton Roads Regional Transit Fund administered by the Hampton Roads Transportation Accountability Commission.

The assumed net impact of the legislation reflected in the adopted budget, as shown in the table below, is intended to produce approximately \$332.7 million in new NGF revenue the first year and \$462.7 million NGF the second year for transportation programs in addition to the \$61.0 million GF in supplants.

Revenue Adjustments from Ch. 1230/1275 (HB 1414/SB 890)				
(\$ in millions)				
	FY 2021 Adopted		FY 2022 Adopted	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
Commercial Spaceflight Authority	\$0.0	\$2.0	\$0.0	\$5.2
Department of Aviation	0.0	2.2	0.0	4.8
Department of Motor Vehicles	0.0	8.0	0.0	12.0
Rail & Public Transportation	0.0	111.2	0.0	184.4
Department of Transportation	(40.0)	206.1	(40.0)	249.5
<i>Route 58</i>	(40.0)	40.0	(40.0)	40.0
<i>NVTD*</i>	(20.0)	20.0	(20.0)	20.0
<i>Oak Grove Connector*</i>	(1.0)	1.0	(1.0)	1.0
Virginia Port Authority	<u>0.0</u>	<u>2.2</u>	<u>0.0</u>	<u>5.7</u>
Total	(\$61.0)	\$331.7	(\$61.0)	\$461.6
* General Fund savings for NVTD and Oak Grove are reflected in DOA Transfer Payments.				

- **Secretary of Transportation**

- ***Six-Year Improvement Plan Extension.*** In response to the COVID-19 pandemic, language is included authorizing the existing transportation Six-Year Improvement Program (SYIP), adopted in June 2019, to remain in effect through June 30, 2021, or until a new program can be adopted based on an official reforecast of revenues to the Commonwealth Transportation Fund including allocations to public transit operations and the Washington Metropolitan Transit Authority. Current *Code* language requires the Commonwealth Transportation Board establish the SYIP not later than June 30. However, given the unknown economic impact of the COVID-19 pandemic on currently forecast transportation revenues, adopting the SYIP prior to an official revenue reforecast would be unrealistic.
- ***Review of Virginia Passenger Rail Capacity Enhancements.*** Requires the MEI Project Approval Commission to review any Memorandum of Understanding for the Commonwealth’s participation in the Long Bridge railroad infrastructure project prior to the execution of any binding funding agreement.
- ***Transit Ridership Incentive Program.*** Establishes a Congestion Mitigation subprogram within the new Transit Ridership Incentive Program, established pursuant to Chapters 1241 and 1281 of the 2020 Acts of Assembly (HB 1414/SB 890), for the award of up to \$5.0 million annually in incentive grants to transit companies that achieve maximum congestion mitigation in urban areas through high-levels of passenger miles of travel on public transportation routes.
- ***Orphan Drainage Outfalls.*** Requires the Secretaries of Transportation and Natural Resources, in consultation with legislative and local government leadership, to evaluate the scope of drainage outfalls originating from Virginia Department of Transportation maintained roads with no assigned maintaining entity and to recommend cost-effective solutions and funding options for maintenance of these structures. An interim report is required by December 31, 2020 and a final report due prior to September 30, 2021.

- **Virginia Commercial Spaceflight Authority**

- ***Facility Capacity Enhancements.*** Authorizes the allocation \$7.5 million NGF from the Transportation Partnership Opportunity Fund to the Virginia Commercial Spaceflight Authority for two capital improvement projects at the Wallops Island Flight Facility. The first action provides \$2.5 million for a new hangar located at the Unmanned Aerial Systems Airfield and the second action provides \$5.0 million for additional facilities to support launch crew operations.
- ***Appropriate Revenues from Omnibus Funding Legislation.*** Increases the Authority’s appropriations by \$2.0 million NGF the first year and \$5.2 million NGF

the second year to reflect the estimated impact of omnibus funding legislation adopted by the 2020 General Assembly. In addition, language is removed that provided for the annual transfer of \$15.8 million NGF to the Commercial Space Flight Fund for the operation of the Authority, as the omnibus legislation establishes a new formula-driven allocation for the Authority

- **Department of Aviation**

- *Appropriate Revenues from Omnibus Funding Legislation.* Increases the Department’s operating appropriation by \$2.2 million NGF the first year and \$4.8 million NGF the second year to reflect the estimated impact of omnibus funding legislation adopted by the 2020 Assembly.

- **Department of Motor Vehicles**

- *Appropriate Revenues from Omnibus Funding Legislation.* Increases the Department’s operating appropriation by \$8.0 million NGF the first year and \$12.0 million NGF the second year to reflect the estimated impact of omnibus funding legislation adopted by the 2020 General Assembly.
- *REAL ID Implementation.* Authorizes an additional 100.00 FTE positions in FY 2021, subsequently reduced to an additional 40.00 FTE positions in FY 2022, to cover the estimated costs and increased workloads associated with the development and issuance of federal REAL ID Act compliant credentials. The additional positions are funded from the existing \$10.5 million line of credit that is repaid from the additional \$10 charge for REAL ID compliant credentials. An additional 100.00 FTE positions are authorized in Chapter 1283 of the 2020 Acts of Assembly (HB 29) as the department phases in the program. Changes to federal REAL ID implementation timelines resulting from the COVID-19 pandemic will require additional staffing until after the current biennium.
- *Central Virginia Transportation Authority.* Provides an allocation of assumed motor fuels tax revenues to the Central Virginia Transportation Authority, established pursuant to Chapter 1235 of the 2020 Acts of Assembly (HB 154), of \$47.1 million NGF the first year and \$51.4 million NGF the second year consistent with pass-through allocations currently provided for the Northern Virginia Transportation Authority, the Hampton Roads Transportation Accountability Commission, and the Interstate 81 Corridor Program. Actual appropriations of both regional motor fuels and sales taxes to the regional entities are included in a separate action in the Virginia Department of Transportation.
- *Driver Privilege Cards.* Includes an increased appropriation of \$4.7 million NGF each year in new revenues anticipated to be generated by the \$50 fee included in Chapters 1227 and 1246 of the 2020 Acts of Assembly (HB 1211/SB 34) authorizing

the issuance of driver privilege cards to undocumented Virginia residents. Additionally, 42.00 additional FTEs are authorized to address the additional workload anticipated from the issuance of new credentials.

- *Establish New IT Systems Line of Credit.* Increases the Department’s line of credit by \$20.1 million for agency IT improvements including migration of existing mainframe applications to cloud based services.

- **Department of Rail and Public Transportation**

- *Appropriate Revenues from Omnibus Legislation.* Increases appropriations by \$111.2 million NGF the first year and \$184.4 million NGF the second year to reflect the estimated impact of omnibus funding legislation adopted by the 2020 Assembly which both increases revenues and increases the share of funding going to the Department of Rail and Public Transportation. Additional language amendments adjust embedded language to facilitate the transfer of balances from the existing Rail Enhancement and Intercity Passenger Rail Operating and Capital Funds to the new Commonwealth Rail Fund and to authorize the expenditure of Commonwealth Rail Funds by the Virginia Passenger Rail Authority.

- *Washington Metropolitan Area Transit Authority.* A series of amendments are included that relate to the Commonwealth’s funding support of funding for the Washington Metropolitan Area Transit Authority

- **Washington Metropolitan Area Transit Authority Capital Fund.** Transfers the appropriation of \$128.2 million NGF each year for distribution to the Washington Metropolitan Area Transit Authority Capital Fund from the Virginia Department of Transportation (VDOT) to the Department of Rail and Public Transportation (DRPT). A separate action increases the appropriations associated with the Transit Capital Fund by \$31.8 million NGF each year based on an updated forecast of revenue growth from dedicated sources.

- **Dedicated Passenger Rail Investment and Improvement Act Funding.** Provides up to \$50.0 million the second year in dedicated Commonwealth Mass Transit Funding for the required state matching funds for the Metropolitan Washington Area Transit Authority pursuant to the federal Passenger Rail Investment and Improvement Act (PRIIA). Funding for the required state match currently comes from dedicated Commonwealth Project Revenue bond proceeds. Equal annual appropriations of \$50.0 million each year are provided from Maryland and the District of Columbia, to match a \$150.0 million annual appropriation from the federal government.

- ***Increase Retained Administrative Overhead.*** Authorizes an increase to agency staffing of 8.00 FTEs for the administration of complex rail projects and increases the retained overhead allocation of rail and transit program funds from 3.5 to 5 percent.
- ***Rail Transportation Service Planning Projects.*** A series of amendments directs the initial planning cost assessment of a series of potential rail service enhancements across the Commonwealth, including:
 - ***Metro Blue Line Southern Extension.*** Requires an assessment, in cooperation with Fairfax and Prince William Counties, of the costs and feasibility of enhanced Metro Blue Line service from the current terminus at Franconia-Springfield south to the Marine Corps Base Quantico in Prince William.
 - ***Roanoke-Clifton Forge Transit Connection.*** Directs an assessment of costs and potential ridership of connector bus services between existing Amtrak service to Roanoke with existing west-bound Amtrak routes through the Clifton Forge station.
 - ***Virginia Railway Express Western Extension.*** Directs an evaluation of the potential operating and capital costs for extending existing commuter rail services from the current terminus in Manassas west to Gainesville.
 - ***Commonwealth Corridor.*** Requires a preliminary feasibility study of an east-west passenger rail corridor from Hampton Roads through Richmond to the New River Valley, consistent with the provisions of SJ 50 of the 2020 General Assembly.
- **Department of Transportation**
 - ***Reflect December 2019 Revenue Forecast, FY 2020-2025 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 2019, the Six Year Program adopted by the Commonwealth Transportation Board in June 2019, the estimated impact of adopted legislation, and the transfer of appropriations for the Washington Metropolitan Area Transit Authority to the Department of Rail and Public Transportation. In total, the actions provide a net increase of \$1,619.3 million NGF in FY 2021 and \$1,286.2 million NGF in FY 2020.

2020-25 Department of Transportation Revenue Adjustments
(\$ millions NGF)

	<u>FY 2021</u>	<u>FY 2022</u>	<u>Total</u>
Align to Six Year Program	\$ 1,311.8	\$ 634.3	\$ 1,946.1
Revenue Reforecast	97.1	383.9	481.1
Ch. 1230/1275 (HB 1414/SB 890)	206.1	249.5	455.6
Ch. 1235 (HB 1541)	132.4	146.8	279.2
Transfer WMATA	<u>(128.2)</u>	<u>(128.2)</u>	<u>(256.4)</u>
Total	\$1,619.3	\$1,286.2	\$2,905.5

- ***Appropriate Revenues from Adopted Legislation.*** Increases appropriations by \$338.5 million NGF the first year and \$396.3 million NGF the second year to reflect the estimated revenue impact of statewide and regional transportation funding legislation adopted by the 2020 General Assembly. Of these amounts, \$455.6 million NGF over the biennium is for VDOT highway construction and maintenance programs pursuant to Chapters 1230 and 1275 of the 2020 Acts of Assembly (HB 1414/SB 890) and \$279.2 million is appropriated for deposit to the Central Virginia Transportation Fund as established by Chapter 1235 of the 2020 Acts of Assembly (HB 1541).
- ***Port of Virginia Rail Accessibility Planning.*** Language directs VDOT to coordinate with the Department of Rail and Public Transportation and the Virginia Port Authority to assess future freight rail needs along the Interstate 664 corridor in south Hampton Roads as part of the long-range development of the Craney Island Marine Terminal.
- ***Port of Virginia Local Maintenance Set-aside.*** Transfers from the Virginia Port Authority to VDOT the responsibility for the local road maintenance set-aside program and authorizes \$1.0 million NGF annually for distribution to localities in which the Virginia Port Authority owns tax-exempt real estate. The existing program is used to supplement local government expenditures on roadway maintenance related to Port-related truck-volume on local roadways.
- ***EZ Pass Fees.*** Waives the existing VDOT charge that is levied on EZ Pass customers with an EZ Pass Flex or standard transponder for infrequent usage.

- ***Mobility Talks International.*** Authorizes the Office of Intermodal Planning and Development to provide a \$50,000 NGF for the fifth annual Mobility Talks International (MTI) conference in Washington D.C.. MTI brings together global autonomous vehicle industry leaders and public policy makers to discuss best practices in developing a regulatory framework for unmanned and autonomous systems.
- ***Locally Administered Project Qualification Program.*** Directs the Commissioner to promulgate polices, regulations, and guidelines for the Transportation Alternatives Set-Aside Grants and other locally administered projects that allow full-time employees of a regional planning district commission, who have received appropriate certification, to serve as the responsible charge on locally administered construction projects. Current VDOT policy allows only full-time employees of a local government to serve in this capacity.
- ***Local Maintenance Payments.*** Requires annual reporting to the Commonwealth Transportation Board on the adjustments in payments made under Financial Assistance to Localities distributions to insure consistency with inflation adjustments made to the highway systems maintenance program. In addition, an increase of \$1.0 million NGF each year is authorized for the local street maintenance program.
- ***Hampton Roads Toll Revenues.*** Expands the authorized uses of I-64 toll revenues generated from projects administered by the Hampton Roads Transportation Accountability Commission (HRTAC) to include other projects related to the Hampton Roads Bridge Tunnel expansion if mutually agreed upon by HRTAC and the Commonwealth Transportation Board.
- ***Disposition of Certain Surplus Property.*** The adopted budget includes three actions to modify language related to existing authorizations for the disposition of certain surplus property and authorize the sale of additional VDOT parcels. First, language modifies the authorization included in Chapter 854 of the 2019 Acts of Assembly (HB 1700) related to the sale of property in Lexington to direct proceeds from the sale be used to support renovation costs for the VDOT Annex Building in Richmond. In addition, VDOT is authorized to sell the former “Fulton Depot” with proceeds also going towards the cost of renovation of the Annex Building. Finally, the sale of the Bartlett Area Headquarters in Isle of Wight is authorized with the proceeds directed towards the costs of a new Hampton Roads District Office Complex.
- ***Department of Transportation Capital Projects.*** The following capital outlay projects are authorized in Part 2 of the budget:

- **Statewide Capital Projects.** \$51.7 million NGF the first year and \$54.0 million NGF the second year from Commonwealth Transportation Funds to design, construct and renovate projects among VDOT's 2,700 facilities.
 - **Maintenance Reserve.** \$6.0 million NGF each year to fund maintenance reserve projects at VDOT facilities statewide.
- **Virginia Port Authority**
 - *Appropriate Revenues from Anticipated Legislation.* Increases appropriations by \$2.2 million NGF the first year and \$5.7 million NGF the second year to reflect the estimated revenue impact of omnibus funding legislation adopted by the 2020 General Assembly.
 - *Virginia International Gateway Capital Lease.* Includes a nongeneral fund increase of \$1.7 million the first year and \$4.5 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 \$91.9 million in FY 2020 and \$96.9 million in FY 2022.
 - *Authorize 24.00 Additional FTE Positions.* Appropriates an additional \$3.5 million each year of nongeneral funds to support the transition of 24.00 additional FTE positions from Virginia International Terminals to the Virginia Port Authority. The additional positions are proposed to better align administrative, procurement, and information technology staff and support the growth in cargo volume.
 - *Increase Appropriation for Waterway Maintenance Fund.* Increases the nongeneral fund appropriation to the Waterway Maintenance Fund by \$150,000 annually, bringing the total annual deposit to the Fund to \$1.5 million. A companion action in Part 3 increases the dedicated general fund transfer to the Waterways Maintenance Fund.
 - *Increase Appropriation for Payments in Lieu of Taxes.* Appropriates an additional \$76,600 NGF the first year and \$80,400 NGF the second year for payments in lieu of taxes (PILOT) paid by the VPA to the Port host cities, bringing total payments to \$2.6 million in both years. In addition, the adopted budget maintains the current appropriation of \$1.0 million GF each year to support expenditures for roadway maintenance in host cities.
 - *Increase Debt Service for Equipment.* Provides an increase in debt service of \$5.4 million NGF the first year and \$7.4 million NGF the second year of the biennium to support funding of terminal equipment operating needs purchased through the Master Equipment Lease Program.

- ***Reflect Anticipated Grant Funding.*** Recommends an increase of \$6.0 million NGF each year to reflect anticipated federal grant disbursements based on historical trend to reduce the need for administrative transfers during the fiscal year.

- ***Port of Virginia Capital Projects.*** The following capital outlay projects, totaling \$85.2 million NGF the first year and \$70.8 million NGF the second year from Port terminal revenues, are authorized in Part 2 for capital improvement project and the procurement of additional equipment:
 - **Improve Port Facilities.** \$29.7 million the first year and \$28.3 million the second year is provided from terminal revenues to support improvements to rail yards, paving for equipment operations, facility repairs, environmental improvements and wharf enhancements in order to improve sustainability of existing facilities.
 - **Equipment Upgrades.** Provides a nongeneral fund appropriation of \$22.5 million each year for equipment upgrades and information technology infrastructure.
 - **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.
 - **Terminal Operating Equipment.** Authorizes \$43.0 million in nongeneral fund appropriations the first year and \$20.0 million the second year for the acquisition of new equipment to improve servicing of ultra-large container vessels.

- ***Portsmouth Marine Terminal.*** A separate, stand-alone, Capital Outlay item authorizes \$40.0 million in bond proceeds for ground improvements at Portsmouth Marine Terminal to improve the load bearing capacity of the existing facility in anticipation of potential new industrial uses including supporting growth of the offshore wind energy industry in Virginia. Prior to the issuance of the authorized debt, any proposed public-private partnership project associated with the capital improvements must be reviewed by the MEI Project Approval Commission.