

Transportation

Governor's Proposed Amendments				
(\$ in millions)				
	FY 2021 Proposed		FY 2022 Proposed	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2020-22 Current Budget (Ch. 56, 2020 Special Session I)	\$0.03	\$9,729.0	\$0.03	\$9,484.2
Proposed Increases	0.0	0.0	55.0	455.7
Proposed Decreases	<u>0.0</u>	<u>(281.0)</u>	<u>0.0</u>	<u>0.0</u>
\$ Net Change	0.0	(281.0)	55.0	455.7
HB 1800/SB 1100, as Introduced	\$0.0	\$9,448.0	\$55.0	\$9,940.0
% Change	0.0%	(2.9%)	N/A	4.8%
FTEs	0.00	10,357.00	0.00	10,357.00
# Change	0.00	0.00	0.00	60.00

- **Department of Aviation**

- *Authorize Short-term Increase in Entitlement Funding.* Recommends language authorizing the Virginia Aviation Board to temporarily increase individual commercial airport entitlement funding by up to 20 percent based on demonstrated need and upon adoption of eligibility criteria developed by the Department. This action is intended to address the disparity of funding received by airports from the CARES Act.
- *Expand Governor's New Airline Service Incentive Fund.* Proposes language to expand the permitted uses of the Governor's New Airline Incentive Fund, established during the 2020 Session, to include retention of existing services at Virginia commercial airports. Currently, revenues in the Fund can only be used to support the marketing, advertising, or promotional activities by airlines that have committed to commencing new air passenger service in Virginia.

- *Adjust Federal Fund Appropriation.* Increases the Department’s appropriation of federal funding by \$205,555 NGF the second year to reflect additional anticipated federal grant funds.

- **Department of Motor Vehicles**

- *Indirect Cost Allocation Recovery.* Recommends language providing a temporary exemption to requirements that agencies recover statewide and agency indirect costs from federal grants until an agency-specific indirect cost plan can be developed.
- *REAL ID Implementation.* Continues authorization for 60.00 FTE in the second year to support implementation of the federal REAL ID program. The positions are supported by a one-time \$10.00 surcharge on federally compliant credentials approved during the 2019 legislative session. The program was anticipated to be fully implemented by October 2020, but the deadline was extended due to the COVID-19 pandemic.
- *Capital Outlay: Winchester Customer Service Center.* Recommends \$3.5 million NGF the second year in a separate authorization proposed in Capital Outlay to allow for the replacement of the existing customer service center in Winchester with a larger facility on the same parcel of land, enabling the agency to accommodate current customer needs.

- **Department of Rail and Public Transportation**

- *Western Virginia Intercity Rail Access.* Proposes a \$50.0 million GF appropriation the second year for the expansion of existing passenger rail service between Washington D.C. and Roanoke, with potential future service to the New River Valley. The proposed Intercity Passenger Rail Expansion along the US 29 and I-81 Corridors project would add an additional round-trip train serving Burke Center, Manassas, Culpeper, Charlottesville, Lynchburg and Roanoke; and extend Amtrak service to Christiansburg. The final project scope will include multiple components and improvements to the Norfolk Southern corridor parallel to the US-29 and I-81 corridors to support the additional passenger train service, and the total cost of these improvements is unknown at the current time. As introduced, the funding would not be directed to the Virginia Passenger Rail Authority, established in July 2020, and funded through a dedicated portion of Transportation Trust Fund of approximately \$97.0 million NGF annually. In addition to this funding request, at its meeting on December 18th, 2020, the Commonwealth Transportation Board requested the scoring and evaluation of a \$50.0 million request for SMART Scale funding of this project.

- *Temporarily Delay Local Transit Strategic Planning Process.* Proposes language directing the Commonwealth Transportation Board to delay requirements that urban transit agencies and the Washington Metropolitan Area Transit Authority develop agency strategic plans as a requirement for receipt of state funding support.

- **Department of Transportation**

- *Multi-Use Trail Program.* Proposes a one-time appropriation of \$5.0 million GF the second year to support the planning, development, and construction of multi-use trails across the Commonwealth with priority given for new trails with a total length in excess of 35 miles. The Department has recently completed the planning study for the approximately 50-mile Eastern Shore Rail to Trail project along the abandoned Bay Coast Railroad and has applied for \$20.2 million in SMART SCALE funding. The total cost estimate for this project is approximately \$43.0 million, or \$875,000 per mile.
- *Adjust Appropriations to Reflect Adopted FY 2020-25 Six-Year Financial Plan.* Recommends a decrease to the VDOT NGF appropriation of \$281.0 million the first year and an increase of \$222.8 million the second year to reflect the assumptions included in the Commonwealth Transportation Board’s Six-Year Financial Plan adopted last June.
- *Adjust Appropriations to Reflect Revised Revenue Estimates and Program Adjustments.* Increases the VDOT NGF appropriation by \$177.7 million the second year to reflect the November 2020 Commonwealth Transportation Fund revenue forecast.
- *Establishes I-81 Corridor Program Debt Service Account.* Included in the amounts proposed to reflect the new Six-Year Plan is the creation of a new I-81 Corridor Debt Service program fund and dedicates \$6.6 million in NGF revenues to the fund. Omnibus transportation funding legislation passed in 2020 Session authorized the issuance of up to \$1.0 billion in debt to initiate construction of \$2.2 billion of identified improvements along the corridor. Debt service would come from dedicated gas tax revenues collected along the I-81 corridor.
- *Authorize Property Transfer to Norfolk Southern.* Proposes to authorize the Commissioner of Highways to convey by deed without consideration a permanent easement of VDOT right of way adjacent to Holt Street and Park Avenue under Interstate 264 in Norfolk to the Norfolk Southern Railway Company.
- *Adjust Appropriations to Reflect Prior Year Recovery Revenue.* Increases VDOT’s nongeneral fund appropriation by \$215.5 million the first year and \$279.6 million the second year to reflect a revision to federal and dedicated special revenue processing procedures at the request of the Department of Accounts. In addition to

existing federal and bond revenue funded programs, the language is expanded to include Interstate 81 Corridor Improvement Program, Interstate Operations and Enhancement Program, as well as concession funds from the Interstate 95 Express Lanes and Interstate 66 Outside-the-Beltway Project Agreements. This technical “clean-up” does not result in any additional revenues to the department.

- *Special Structures Program.* Proposes to bifurcate the current Special Structures program to construction and maintenance subprograms and allocates \$5.0 million in the second year to the maintenance account.

- **Virginia Port Authority**

- *Waterway Maintenance Fund.* Recommends a technical correction to accurately reflect the accounting of \$1.5 million in annual funding for the Waterway Maintenance Fund as dedicated special revenue.