



Report of the Subcommittee on
Transportation

(Senate Bills 29 and 30,
as Introduced)

Senate Finance Committee
Virginia General Assembly

February 20, 2000

Mr. Chairman and Members of the Committee:

This is both a difficult time and an exciting time for transportation in Virginia. This year, the Transportation Subcommittee, like all Virginians, has been confronted with the dilemmas facing transportation in this Commonwealth.

The transportation policies we considered resulted in four major outcomes:

- 1) an infusion of state funding to specific projects included in the Commonwealth's Six-Year Improvement Program when and where it is needed so that work can continue and sufficient cash is available;
- 2) a funding mechanism to accelerate other priorities, both mass transit and highways, that improve safety, reduce congestion, and stimulate economic development;
- 3) additional one-time resources to aviation and ports for new initiatives; and
- 4) ensuring that all the resources are used in a fiscally responsible manner that ensures the viability of Virginia's transportation systems for the long-term.

These policy goals have been heartily endorsed by the Senate in its vote of support for the Virginia Transportation Action Program.

The budget presented here today includes other components of this Program as well as guidelines and spending plans for the additional transportation areas.

Funding for the Virginia Transportation Action Program. Language and funding for both tiers of this Program are included in our report today.

Tier 1 -- the Fix. Included in the proposed Senate budget is \$294.3 million in general funds for the first Tier of this Program. The general funds are to be used to provide the necessary state funding support to more than 200 highway construction projects already in the Six-Year Improvement Program that simply do not have enough state funds allocated to them in the year they will be spent. This is the first fix and known as Tier 1.

In addition, the required language is also included that will ensure that the Commonwealth Transportation Board allocates these general funds as laid out in our Program. Furthermore, language is also included requiring regular reports on the Program's implementation as well as a requirement that this Committee and others whose efforts are focused on transportation financing and policy are provided an opportunity to review and comment on the FY 2001 Six-Year Improvement Program prior to its adoption by the Commonwealth Transportation Board. These actions are not to diminish the Board's role but rather to ensure that the General Assembly's intent is clearly understood.

Tier 2 - the Acceleration of Other Surface Transportation Priorities. Secondly, language is also included which provides the authorization and appropriation for the first debt service payments for the sale of \$350 million in Federal Highway Reimbursement Notes or "FRANs" by the Commonwealth Transportation Board in November 2000. The projects, listed in SB 33, are not just highways but also include more than \$190 million in funding for the capital costs of the Dulles BRT/Rail, metrorail, High Speed Rail in the I-95 Corridor, and the Trans Dominion Express. These four are the highest priority new mass transit systems in this state and this Program.

The Subcommittee was concerned that any type of debt service payment from cash that is traditionally deposited into the Transportation Trust Fund would have a negative impact on the cash balances for traditional pay-as-you-go projects. With the creation of the Virginia Transportation Action Fund, this concern has been removed. The Fund, which is primarily financed with increases in transportation revenues not previously accounted for, will be used

to offset the loss of cash in the Transportation Trust Fund as each debt payment occurs.

Aviation Funding. During the last year, the Department of Aviation and the Virginia Resources Authority have worked together to develop the Virginia Airports Revolving Loan Fund Program. For some airports in Virginia, this Program will provide low-cost loans for needed capital improvements. The Subcommittee recommends that the Fund be capitalized with \$15 million in general funds for projects throughout the state.

In addition, the Subcommittee recommends that \$5 million in general funds be appropriated in the second year for a capital grant program for airports that cannot qualify for the Virginia Airport Revolving Loan Fund.

Similarly while the completion of the Smithsonian Air & Space Museum Annex at Dulles Airport is a project all of us endorse; the use of highway construction funds for it was not supported. Therefore, the Subcommittee recommends that \$5 million in general funds be used for the FY 2001 costs of that project.

The Subcommittee will also be working with members of Virginia's Congressional Delegation to amend a 1945 federal act which prevents the Commonwealth from collecting aviation fuels tax at Ronald Reagan National Airport. The estimated revenue loss from this Act agreed to 55 years ago is close to \$1 million each year.

Mass Transit Funding. Lastly, existing mass transit properties in the Commonwealth also have a need for new transit vehicles and equipment. The Subcommittee recommends that \$13.9 million in general funds in each year be combined with \$6.1 million in federal highway funds to establish a statewide new transit vehicle and equipment program.

We hope, Mr. Chairman, that it will be the pleasure of the Committee to adopt these and the other amendments in this report.

**LANGUAGE
AMENDMENTS**

**TRANSPORTATION
Amendments to SB 30**

AGENCIES	FY 2001	FY 2002	Biennium	Fund Source	FTEs
JLARC					
Study of VDOT Financing					
					Language
Secretary of Transportation					
Allocation of Federal Funds					Language
Allocation of Highway Construction Funds					Language
Implementation of Virginia Transportation Action Program (VTAP)					Language
DMV Loan from Transportation Funds					Language
Reporting on PPTR Program					Language
Study of Benefits of Teleworking					Language
Mag Lev Project					Language
Department of Aviation					
Virginia Airports Revolving Loan Fund	15,000,000		15,000,000	GF	
Capital Grant Program for Other Airports		5,000,000	5,000,000	GF	
Increased Revenues from Legislative Actions	597,881	296,526	894,407	NGF	
Department of Rail & Public Transportation					
Productivity Savings, Legislative Actions, & staffing adjustments	(275,712)	(262,477)	(538,189)	NGF	(2.0)
General Funds for Mass Transit	14,700,000	14,700,000	29,400,000	GF	
Statewide Transit Vehicle & Capital Program	6,611,113	6,100,000	12,711,113	NGF	
Paratransit Program					Language
Mass Transit Capital Fund to VTAP	(5,000,000)	(5,000,000)	(10,000,000)	NGF	
High Speed Rail Conference & Expo					Language
GRTC Carry Forward of Funds	4,300,000	2,000,000	6,300,000	NGF	
Correcting Location of General Funds	(14,700,000)	(14,700,000)	(29,400,000)	GF	
SJR 55 Freight Movement Study					Language
Department of Transportation					
Increased Maximum Employment Level					
Enhancing Computing & Customer Service	(11,200,000)	(9,800,000)	(21,000,000)	NGF	
Debt Service for 1999 Bond Authorizations					Language
Debt Service for FRANs					Language
Route 220 landscaping enhancements					Language
Route 86 Safety Improvements					Language
General Funds in Highway Construction	(78,700,000)	(78,700,000)	(157,400,000)	GF	
Highway Construction Funds	15,207,000	4,000,000	19,207,000		
Danville Community College Roadway					Language
Land-Use Impact Study Pilot					Language
Field Of Dreams Project					Language
Route 29 Visitor's Center					Language
High Speed Rail from Suffolk to Petersburg					Language
State Match for Northern Virginia CMAQ projects	1,000,000			NGF	
Federal Funds to Transit	(6,611,113)	(8,100,000)	(14,711,113)	NGF	
Starling Avenue Bridge Rehabilitation					Language
Maintenance Funding Between Programs	16,715,100	16,958,200	33,673,300	NGF	
Maintenance Funding Between Programs	(16,715,100)	(16,958,200)	(33,673,300)	NGF	
Access Control on Route 15/Route 60					Language
Powhite Parkway Extension debt repayment					Language
Priority Transportation Fund	(106,166,898)	(106,166,898)	(212,333,796)	GF	
Securitization of Tobacco Assets	(570,146,000)	(11,566,294)	(581,712,294)	NGF/GF	
VA Transportation Action Program	246,334,000	86,497,000	332,831,000	GF	
VTAP Fund	122,510,933	78,235,950	200,746,883	NGF	
HMO/TTF Year-End Balances					Language
Renovation of Four Welcome Centers	(4,000,000)	(4,000,000)	(8,000,000)	NGF	
Smithsonian Air & Space Museum	5,000,000		5,000,000	GF	
Smithsonian Air & Space Museum	(11,207,000)		(11,207,000)	NGF	
Tobacco Settlement Financing Corporation					Language
Delegation of Authority for Mowing Services					Language

**TRANSPORTATION
Amendments to SB 30**

AGENCIES	FY 2001	FY 2002	Biennium	Fund Source	FTEs
Virginia Port Authority					
Maritime Fire & Incident Response					
Increased Revenues from Legislative Actions	1,046,291	513,921	1,560,212	NGF	

**TRANSPORTATION
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AGENCIES	FY 1999	FY 2000	Biennium	Fund Source	FTEs
Secretary of Transportation					
Mag Lev Project					
Department of Rail & Public Transportation					
GRTC carry forward of FY 2000 funding		(3,840,000)	(3,840,000)	NGF	
Hampton Roads Transit Innovative Bus Plan					
Department of Motor Vehicles					
Leasing of Facility in Woodbridge, Virginia					
Facility in Clintwood, Virginia					
Department of Transportation					
Delegation of Authority for Mowing Services					