

Transportation

The adopted amendments for Transportation agencies result in a net increase of \$347.6 million GF and \$730.5 million NGF for the biennium. This represents a net increase of 15.3 percent for the biennium over levels adopted in Chapter 4.

The majority of the adopted amendments reflect the General Assembly's 2005 Transportation Initiative which totals \$848.1 million. The initiative includes \$347.6 million GF, as well as \$500.5 million of state and federal transportation funds. The general funds include the one-time appropriation of \$240.0 million from the general fund in the first year, as well as the dedication of \$107.6 million in the second year from the share of the insurance license tax revenues attributable to automobile insurance premiums. The state nongeneral fund revenues reflect the carry-forward of revenues in excess of the FY 2004 forecast, adjustments to the FY 2005 and FY 2006 transportation trust fund forecast, and the dedication of three percent of the existing vehicle rental tax to the newly created rail enhancement fund. The federal funds represent adjusted apportionments received from the Federal Highway Administration.

The major components of the General Assembly's transportation initiative include: \$107.6 million from auto insurance premiums to be deposited into the Priority Transportation Fund; \$50.0 million for the newly created Transportation Partnership Opportunity Fund; \$75.0 for mass transit capital improvements; \$23.3 million for the new Rail Enhancement Fund; \$40.0 million to incentivize local management of construction projects; \$256.4 million to pay off costs of projects already completed; \$97.0 million in federal funds to be transferred to maintenance; \$141.1 million for additional Six Year Improvement Program allocations; \$20.0 million for rest area and welcome center improvements in the I-64 and I-95 corridors, and \$2.4 million to be transferred to DMV for computer systems improvements.

- **Secretary of Transportation**

- *Fully Budget Operating Expenses.* Provides \$33,483 NGF the first year and \$50,225 NGF the second year to accurately reflect the operating budget of the Office of the Secretary of Transportation. This amendment reflects recent findings by the Auditor of Public Accounts and is one of several affecting the Office of the Governor and the Cabinet Secretaries.
- *VTrans 2025 Report.* Includes language directing the Secretary of Transportation to report on the implementation of VTrans 2025, the long-range multimodal transportation plan, by December 1, 2005.

- *Land Exchange.* Authorizes VDOT to exchange approximately five acres of land near Route 5 in Richmond to be used as a trail head facility for the Virginia Capital Trail.
- **Department of Aviation**
 - *Authorize Allocations in Excess of Appropriations.* Includes language authorizing the Virginia Aviation Board to obligate funds in excess of the appropriation level, provided that sufficient revenues are projected to meet all obligations.
 - *Increase Appropriation to Reflect December 2004 Salary Adjustments.* Includes a technical adjustment of \$71,632 NGF in the first year and \$97,248 NGF in the second year to reflect increased personnel costs resulting from the November 2004 three percent pay raise for nongeneral fund employees and the associated impact on fringe benefit costs.
 - *Add Aircraft Licensing Position.* Provides \$43,519 NGF and one position for the aircraft licensing activities of the department and assist in collecting taxes related to aircraft licensing. This work had been handled through an agreement with the Department of Taxation. An additional \$9,661 NGF in the second year is proposed to convert an existing administrative staff position from wage to classified.
 - *Washington Airports Task Force.* Includes language increasing the set aside for the Washington Airports Task Force from \$370,000 to \$500,000 in the second year.
- **Department of Motor Vehicles**
 - *DMV Computer Systems.* Provides \$2.4 million NGF in the second year to begin detailed planning and engineering to replace DMV's computer systems and to begin phasing out obsolete terminals with personal computers at the customer service centers.
 - *Revised Revenue Projections.* Increases the nongeneral fund appropriation for the agency by \$2.7 million in the first year and \$1.9 million in the second year to reflect the official revenue projections.
 - *Evaluation of DMV Wait Times.* Includes language directing the Department to evaluate wait times and costs per transactions at its customer service centers. Language also directs the department to

determine the cost impacts of directing additional transactions to alternative service delivery methods and the potential use of surcharges for in-person transactions.

- *Increase Appropriation for Federal Safety Funds.* Increases the agency’s federal non-general fund appropriation for the Open Container Fund grant program by a total of \$17.4 million NGF each year to reflect anticipated federal funding available for the program due to Virginia’s noncompliance with federal open container guidelines.
- *Establish Appropriation for Agency’s Asset Forfeiture Program.* Provides an additional appropriation of \$217,035 NGF in the first year and \$250,000 NGF in the second year for the funds the agency receives from investigations that result in the forfeiture of assets and reflect typical collections from such activities.
- *Establish Fund for Disbursement of Special Plate Revenues.* Establishes a new fund to provide a method of disbursing revenues collected for specialized license plates. Annual disbursements will be made to qualifying organizations as stipulated in the Motor Vehicle Code of Virginia. Creation of this fund was recommended by the Department of Accounts. The NGF appropriation in the first year is \$2.0 million.
- *Increase Appropriation to Reflect December 2004 Salary Adjustments.* Includes a technical adjustment of \$1.4 million NGF in the first year and \$2.6 million NGF in the second year to reflect increased personnel costs resulting from the November 2004 three percent pay raise for nongeneral fund employees and the associated impact on fringe benefit costs.
- *Reduce Position Level to Reflect Transfers to VITA.* Reduces the agency’s maximum employment level by 51 positions in the second year to reflect transfer of those positions to the Virginia Information Technologies Agency.
- **Department of Rail and Public Transportation**
 - *VRE Expansion to Haymarket.* Includes language directing the Director to develop a plan and identify all available funding sources to facilitate the extension of the Virginia Railway Express to Gainesville and Haymarket, including the use of the Public-Private Transportation Act and the Rail Enhancement funds.

- *Trans Dominion Rail Pilot Project.* Includes language expressing the General Assembly’s intent that the Department continue to strive toward developing a pilot program for the Trans Dominion Rail project.
 - *Establish Separate Item for Dulles Corridor Rail Project.* Creates a separate budget item for the Dulles Corridor Rail project, to segregate these expenditures from the core assistance programs managed by the Department.
 - *Increase Appropriation to Reflect December 2004 Salary Adjustments.* Includes a technical adjustment of \$57,162 NGF in the first year and \$105,524 NGF in the second year to reflect increased personnel costs resulting from the November 2004 three percent pay raise for nongeneral fund employees and the associated impact on fringe benefit costs.
- **Department of Transportation**
 - *2005 Transportation Initiative.* The adopted budget includes a total of \$848.1 million in additional funding for transportation, including \$347.6 million from the general fund and \$500.5 million in nongeneral fund sources for the General Assembly’s 2005 Transportation Initiative. The major components of the initiative and the funding sources utilized for each are detailed below.
 - **Priority Transportation Fund Deposit.** Appropriates \$107.6 million in the second year to the Priority Transportation Fund, an amount reflecting the share of insurance premium tax revenues attributable to auto insurance premiums.
 - **Transportation Partnership Opportunity Fund.** Provides \$50.0 million for a new Transportation Partnership Opportunity Fund. These funds will be used to provide grants and loans to jumpstart projects initiated under the Public-Private Transportation Act as well as other design-build transportation projects across the Commonwealth.
 - **Transit Capital Funding.** Appropriates \$75.0 million to support the purchase of transit capital equipment. Distribution is proposed as follows: \$40.0 million for Metro rail cars, \$20.0 million for VRE rail cars, \$10.0 million for capital costs associated with the Virginia Beach bus rapid transit project, and \$5.0 million for a statewide bus purchase.

The locality receiving the funding is required to provide a 20 percent match.

- **Local Partnership Funding.** Directs \$40.0 million to support a local partnership fund. The initiative is intended to incentivize the expansion of local government take-over of highway construction contract and project management. Under this proposal, a locality that agrees to manage a project formerly financed with federal funding would receive a like-amount of state funds with which to finance a project they agree to manage, and the federal funding could be transferred to another project in that jurisdiction.
- **Expanded Revenue Sharing Program.** Dedicates an additional \$35.0 million to the VDOT revenue sharing program, bringing total funding for that program to \$50.0 million in fiscal year 2006. Eligibility for the program also is expanded to include cities and towns as well as counties, and the project level cap on the program is increased to \$1.0 million.
- **Rail Fund.** Creates a new rail enhancement fund pursuant to legislation adopted by the 2005 General Assembly and dedicates 3 percent of the existing state vehicle rental tax to this fund beginning in the second year. This will provide an estimated \$23.2 million each year for freight and passenger rail improvements.
- **Funding to Eliminate Project Deficits.** Directs a total of \$256.4 million to pay off project deficits on all projects completed prior to June 30, 2004. Companion language in Item 469 authorizes VDOT to utilize other available funds to pay off remaining project deficits for portions of projects underway.
- **Use of Federal Funds for Highway Maintenance.** Appropriates \$97.4 million of federal highway funding for highway maintenance projects. Directing these funds to the maintenance program represents a major shift in transportation policy. VDOT has never utilized federal funding for the maintenance program in the past. The additional appropriation would result in a 10 percent increase in maintenance allocations. VDOT anticipates that higher level will serve as the base funding level for maintenance, with future increases in the four percent range.

- **Additional Six-Year Improvement Program Funding.** Appropriates an additional \$141.1 million from Commonwealth Transportation Funds to be used for additional allocations in the Six-Year Improvement Program.
 - **Rest Area and Welcome Center Improvements.** Dedicates \$20.0 million to support improvements to the Commonwealth's rest areas and welcome centers. Language stipulates that priority is to be given to centers along the Interstates 95 and 64 corridors in anticipation of the 2007 commemoration.
 - **DMV Systems Improvements.** Includes \$2.4 million to be transferred to the Department of Motor Vehicles to conduct an agency-wide risk assessment, needs analysis and gap analysis for the department's computer systems. Up to \$1.0 million of this amount may be used to replace obsolete computer terminals at DMV customer service centers with personal computers.
- ***Use of Planning Funding.*** Includes language directing VDOT, when making special planning grants to localities east of Route 29, to give priority to those jurisdictions that have completed land use build-out analyses.
 - ***MWAA VDOT Agreement.*** Language directs VDOT to enter into an agreement with the Metropolitan Washington Airports Authority to determine the cost and responsibility for replacing an existing privacy fence with a sound wall to be built in conjunction with rail transit in the Dulles Access Road/Dulles Toll Road Corridor at the Hallcrest Heights townhouse subdivisions.
 - ***Sound Wall on I-495 HOT Lane.*** Includes language stipulating that if VDOT enters into a comprehensive agreement for the construction of high-occupancy toll lanes along Interstate 495, such project will include sound walls from Gallows Road to Route 7 in Fairfax County as contemplated in the environmental impact statement already completed by the department for such project.
 - ***I-81 Tolling.*** Includes language directing the department to adhere to the policy set by the 2002 Session of the General Assembly concerning the application of tolls in Interstate 81 unless the Federal Highway Administration approves a demonstration project for Interstate 81 permitting the use of tolls on passenger cars.

- *Coalfield's Expressway FRANs.* Authorizes the Department of Transportation to issue Federal Highway Reimbursement Notes (FRANs) for Coalfield's Expressway projects included in the Six Year Improvement Program.
- *Port Republic Road.* Includes language authorizing the department to use any unexpended funds from the Harrisonburg Bypass project for preliminary engineering for improvements to Port Republic Road and Stone Spring Road in Rockingham County.
- *Prince William County Commuter Parking Lot.* Directs the department to fund the commuter parking lot at State Route 234 and Interstate 95 in Dumfries as the first priority from the local partnership fund.
- *Evaluation of County Road Takeover.* Includes language directing the department, in cooperation with representatives of counties, to develop legislative recommendations to assist localities in assuming responsibility for their secondary construction program.
- *FRAN Debt Service.* Includes language expressing the General Assembly's continued commitment to repay the debt service on the federal revenue anticipation notes issued to replace the general sales and use tax revenues transferred from VDOT in FY 2003 from the general fund until the notes are repaid in 2013.
- *Conveyance of Civil War Canon.* Authorizes the Department of Transportation to convey a civil war canon in its possession to the Museum of the Confederacy.
- *Reflect Revised Revenue Forecast.* Increases VDOT's nongeneral fund appropriation by \$31.5 million in the first year and \$151.9 million in the second year to reflect revised federal and state revenue forecasts. These adjustments represent the variance between the December 2003 revenue forecast used in the development of the budget by the 2004 General Assembly, and the revised forecast released in May 2004. The additional funds already have been programmed by the Commonwealth Transportation Board during its update of the Six Year Improvement Program in June 2004, and do not result in additional project funds being available to the department.
- *Reduce Position Level to Reflect Transfers to VITA.* Reduces the agency's maximum employment level by 182 positions in the

second year to reflect transfer of information technology personnel to the Virginia Information Technologies Agency.

- **Motor Vehicle Dealer Board**
 - *Increase Appropriation to Reflect December 2004 Salary Adjustments.* Includes a technical adjustment of \$19,100 NGF in the first year and \$32,200 NGF in the second year to reflect increased personnel costs resulting from the November 2004 three percent pay raise for nongeneral fund employees and the associated impact on fringe benefit costs.

- **Virginia Port Authority**
 - *Increase Port Security Staffing.* Provides an additional \$205,000 NGF in the second year and five positions to increase sworn security staff by three and administrative staff supporting security operations by two.