

Transportation

The Governor's recommended amendments for Transportation agencies result in an appropriation of \$793.6 million GF and \$9.887 billion NGF for the biennium. Included in the recommended general fund adjustments are \$161.0 million of additional one-time general fund supplements for transportation in the first year. When added to the \$339.0 million GF appropriated but not distributed to transportation by the General Assembly in 2006, the proposed budget provides \$500.0 million GF for transportation projects.

Proposed uses of these general fund dollars include: \$305.0 million to be deposited into the Transportation Partnership Opportunity Fund to leverage other funding available for public-private and design-build projects specified in language; \$65.0 million for specified Rail Enhancement Fund projects; \$45.0 million for Transit Capital Fund projects; \$50.0 million for Virginia Port Fund projects; and \$20.0 million to fund private sector solicited technology solutions to reduce congestion in Northern Virginia and Hampton Roads.

The proposed amendments also include an appropriation of an additional \$13.0 million NGF and 140 positions to the Department of Motor Vehicles to support infrastructure improvements and personnel increases required to meet the requirements of the federal Real ID Act.

- **Secretary of Transportation**
 - *Authorize Transfer of Revenues Above Forecast from Priority Transportation Fund (PTF) to the Transportation Trust Fund (TTF).* Includes language authorizing the transfer of FY 2006 revenues in excess of the NGF transportation forecast from the PTF to the highway and transit formula shares of the TTF. Existing *Code* provisions stipulate that any excess revenues from the TTF or the Highway Maintenance and Operating Fund are to be deposited into the PTF. These funds would be used to reduce changes to the Six Year Program resulting from other revenue forecast adjustments and keep existing projects on track.

- **Department of Aviation**
 - *Authorize Obligations in Excess of Appropriations.* Includes language authorizing the Department of Aviation to obligate funds in excess of the appropriation level for aviation financial assistance programs provided sufficient revenues are projected to meet all obligations. Similar language in 2005 authorized the Aviation Board to do the same for projects supported by the Commonwealth Airport Fund.

 - *Measure Aviation Economic Activity and Facility Needs.* Appropriates \$375,000 NGF in the second year to fund contractual services to evaluate Virginia's aviation economic activity and facility needs. This activity is intended to help the department conduct strategic planning.

- **Department of Motor Vehicles**

- *Fund IT Infrastructure and Personnel Costs Associated with Implementation of Real ID.* Includes \$13.0 million NGF and 140 positions in the second year to address Virginia's compliance with the federal Real ID Act of 2005. The funds, derived from the driver's record fee that has been deposited into the general fund since 2003, will be used both for information technology infrastructure and to fund the new positions need for the required document verification standards.
- *Increase Appropriation to Reflect December 2006 and December 2007 Salary Adjustments.* Includes a technical adjustment of \$5.6 million NGF in the second year to reflect increased personnel costs resulting from the November 2007 pay raise for state employees and the associated impact on fringe benefit costs.
- *Fund Salvage Vehicle Inspectors.* Provides \$829,950 NGF and 12 positions in the second year to reflect legislatively adopted changes to the salvage and vehicle identification number inspection activities adopted by the 2006 Session of the General Assembly. The adjustment reflects an increase in fees the agency can charge to inspect these salvage vehicles to ensure the program is sufficiently staffed to provide for quick responses to industry requests for vehicle inspections.
- *Fund Implementation of Central Decal Production.* Provides \$127,673 NGF in the second year to fund print-on-demand license plate decals. The new equipment will add security features that are not now available.
- *Increase Funding for Motorcycle Safety Program.* Makes a technical adjustment to provide an additional appropriation to cover the growth in the motorcycle safety training program. The legislatively adopted fee increases will enable the agency to support demand for additional training. For the second year, 715,000 NGF is included.

- **Department of Rail and Public Transportation**

- *Adjust Agency Budget to Reflect Revenue Estimates and CTB Allocations.* Adjusts the agency's NGF appropriation by \$9.3 million NGF in the first year and \$14.1 million NGF in the second year to reflect adjustments to revenue forecasts and programmatic allocations as adopted by the Commonwealth Transportation Board.
- *Authorize Transfer of Funding to Transit Capital Assistance Program.* Includes language authorizing the transfer of \$10.0 million GF appropriated to the department by the 2005 General Assembly for the Virginia Beach bus rapid transit project to the transit Capital Assistance program. This project did not go forward thus the funds remain unused and could be made available to supplement other transit capital projects across the Commonwealth. A separate amendment dedicates \$10.0 million GF to the Hampton Roads light rail project.

- *Add Funding to Washington Metropolitan Area Transit Commission.* Increases the appropriation for Virginia’s share of the operating costs of the Washington Metropolitan Area Transit Commission by \$22,700 NGF in the second year to reflect the revised budget for that agency. Maryland and the District of Columbia are the other members of the commission.

- **Department of Transportation**

- *Governor’s Transportation Initiative.* The proposed amendments to the budget include the dedication of \$500.0 million in one-time GF resources to specific transportation projects. This includes the \$339.0 million appropriated but unallocated by the General Assembly in 2006 as well as an additional dedication of \$161.0 million GF proposed by the Governor. The proposed distribution of the funds is detailed below.
 - **TPOF Project Allocations.** Proposes directing \$305.0 million from the general fund to the Transportation Partnership Opportunity Fund (TPOF) to advance projects constructed under either the Public Private Transportation Act (PPTA) or as a design-build project as authorized by § 33.1-12 and § 56-556, including: The Capital Beltway HOT Lanes, the Hillsville Bypass, the I-64/264 interchange and Route 50 widening in Loudoun and Fairfax Counties. The language does not specify what amounts would be allocated to which project.
 - **Rail Enhancement Fund.** Proposes transferring \$65 million from the general fund to the Rail Enhancement Fund to complete funding for the six I-95 rail corridor improvements underway in the DC to Richmond corridor. Any remaining funds are to be used to address Phase 1 of the I-81 Rail Corridor improvements as identified by DRPT in the 2003 Corridor Marketing Study.
 - **Transit Capital Funding.** Recommends directing \$45.0 million GF in the first year to support the purchase of transit capital equipment. Distribution of funding for rolling stock is proposed as follows: \$20.0 million for Metro, \$15.0 million for VRE, \$10.0 million for the Hampton Roads Light Rail project and \$15.0 million to be transferred to the Mass Transit Capital Assistance Program for statewide distribution for transit capital needs.
 - **Virginia Port Authority.** Directs \$50.0 million GF in the first year to be used for port-related improvements in the Hampton Roads area. Up to \$40.0 million may be used to support the Route 164 median rail relocation project and any remaining funds can be used for planning for the Craney Island eastward expansion project.
 - **Transportation Technology Initiative.** Proposes directing \$20.0 million GF in the first year to the Secretary of Transportation to be used to implement

private sector initiatives to utilize technology to reduce congestion and improve travel times in Northern Virginia and Hampton Roads. These projects would be selected in concert with the two regional technology councils and include highway and transit demand management and consumer technologies.

- ***Adjust Appropriation to Reflect December 2005 Official Revenue Forecast.*** Includes a technical adjustment to reflect the removal of federal NGF revenue inadvertently left in the budget as introduced last year to correctly reflect the December 2005 revenue forecast. The reduction totals \$117.8 million NGF in the first year and \$537.7 million NGF in the second year. This action does not impact any VDOT program or project allocations.
- ***Adjust Appropriation to Reflect December 2006 Revenue Forecast.*** Proposed amendments adjust both the general and nongeneral fund allocations within VDOT to reflect the December 2006 revenue forecast revision. These changes include a reduction of \$8.6 million GF in the first year and \$7.8 million GF in the second year to reflect a reduced forecast for insurance premium tax revenues. Also included is an increase in VDOT’s NGF forecast totaling \$158.0 million in the second from a combination of state and federal transportation revenues.
- ***Shift Funding Between Maintenance and Construction.*** Includes corresponding amendments that reduce the construction appropriation by \$19.3 million NGF in the second year and increase the maintenance appropriation by an identical amount. This shift reflects the calculated cost increases in maintenance activities since the VDOT budget was adopted last spring.
- ***Authorize Appropriation of Fees Associated with Traffic Impact Reviews.*** Proposes language to allow the Director, Department of Planning and Budget to administratively increase VDOT’s appropriation of land development review fees if supported by the anticipated collection of the associated fees. The funds are those mandated by Chapter 527 of the 2006 Acts of Assembly relating to traffic impact reviews.
- ***Authorize Re-appropriation of Prior Year Nongeneral Fund Balances.*** Proposes language authorizing the Department of Planning and Budget to increase VDOT’s appropriations as they related to prior year bond proceeds. The increased appropriation will permit utilization of prior year balances for specific construction projects for bond supported programs such as the Route 28, Route 58, and NVTD bond programs.
- ***Short Pump Area Headquarters.*** Includes a language amendment expanding the language regarding the closure and sale of the Short Pump Area Headquarters to allow VDOT to consider consolidating that facility and the potential sale thereof with the Atlee and Basie Area Headquarters and an unused parcel of property at Route 288 and Patterson Avenue in Henrico County.

- *Portable Evacuation Monitoring Systems and Emergency Operations Staff.* Proposes the appropriation of \$461,250 NGF and one position in the second year to support the lease of portable evacuation monitoring equipment and fund one position to enhance communications between emergency operations centers.

- **Virginia Port Authority**

- *Provide Funding for Payments in Lieu of Taxes.* Proposes an appropriation of \$1.0 million from the general fund in the second year to be paid to localities in which the Port Authority owns tax-exempt real estate. These funds will be distributed to the localities on a pro rata basis in accordance with the formula set out in § 58.1-3403 D, Code of Virginia. These appropriations would be in addition to and not in lieu of the NGF Port Authority payments in lieu of taxes provided to these same jurisdictions.
- *Amend Language to Allow Refunding of Existing Debt.* Recommends inclusion of language to authorize the Port Authority to refund existing outstanding debt when market conditions are such that it will result in overall cost savings.