

Transportation

Adopted Adjustments				
(\$ in millions)				
	FY 2015 Adopted		FY 2016 Adopted	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2014-16 Base Budget, Ch. 806	\$42.0	\$4,850.7	\$42.0	\$4,850.7
Increases	0.1	1,074.3	27.1	1,416.4
Decreases	(29.0)	(177.3)	(0.0)	(160.2)
\$ Net Change	(28.9)	897.1	(27.1)	1,256.2
Chapter 2 (HB 5002, as Adopted)	\$13.2	\$5,747.8	\$69.1	\$6,106.9
% Change	(68.7%)	18.5%	64.6%	25.9%
FTEs	0.00	9,784.00	0.00	9,784.00
# Change	0.00	0.00	0.00	0.00

- **Secretary of Transportation**

- *Use of Federal Funds.* Includes a series of three amendments to the language governing the Commonwealth Transportation Board’s use of federal funds. The first, relating to the share of the Surface Transportation Program set aside for public transportation purposes, removes language explicitly funding the Virginia Railway Express track lease payments from the public transportation share of the federal STP program.

The second amendment adds language regarding the use of federal bridge funding specifying that both the federal funds and the required state matching funds be allocated to projects across the state. This language ensures that the match does not have to come from a particular jurisdiction’s primary, secondary or urban funding in order to be eligible for bridge improvements.

The third change adds new language authorizing the use of National Highway Performance Program and Surface Transportation Program funds for interstate constructions projects and states that such funds will be treated as interstate funds for state matching purposes.

- *Report on Local Construction Fund Equity.* Includes language directing the Secretary of Transportation to report on the equity and efficiency of local construction funding formula prior to the FY 2020 expiration of provisions in the *Code of Virginia* authorizing the Commonwealth Transportation Board to program up to \$500 million in annual transportation funding prior to traditional statutory distribution formulas. This language is complementary to the provisions of Chapter 726 of the 2014 Acts of Assembly (HB 2).
- *Report on I-81 Safety Improvements.* Includes language directing that VDOT staff in Bristol, Salem, and Staunton construction districts develop a list of potential spot improvements to address congestion and safety concerns along the Interstate 81 corridor. This language is complementary to the provisions of Chapter 726.
- *Prohibition of Expenditure on Propaganda.* Includes language prohibiting the direct or indirect expenditure of funds appropriated to the transportation agencies for propaganda purposes in support of any proposed transportation projects for which construction funding has not been allocated.

- **Virginia Commercial Space Flight Authority**

- *Establish Virginia Commercial Space Flight Authority as an Agency and Increase Operational Support.* Establishes the Authority as a stand-alone agency within the Appropriation Act to provide additional transparency. The Authority had been funded through the Office of the Secretary of Transportation. The new agency is provided base funding established in Chapter 806 of the 2013 Acts of Assembly (HB 1500) of \$11.8 million NGF each year, as well as an increase of \$4.0 million NGF each year to offset lower than anticipated launch-related revenues.
- *Fund Dedicated Unmanned Aircraft Runway.* Provides \$5.8 million NGF the first year from the revenues of the Transportation Trust Fund for the construction of a dedicated unmanned aerial systems runway at the Wallops Island Flight Facility.

- **Department of Aviation**

- *Increase Executive Aircraft Operations Budget.* Provides an increased appropriation of \$200,000 NGF each year to support increased costs of maintaining the state aircraft whose warranties have now expired.
- *Increase Information Technology Funding for System Improvements.* Includes \$257,000 NGF each year to support information technology upgrades so that the Department's systems are compatible with the new state accounting system.
- *Fund Compensation Adjustments.* Increases the personal services budget of DOAV by \$365,021 NGF each year to support the costs of position adjustments

being made as a result of a study undertaken by the Department of Human Resources Management and to reflect the costs of the state pay raise that went into effect in FY 2014.

- **Department of Motor Vehicles**

- *Provide Appropriation for Cost of Collecting New Transportation Revenues.* Includes an increase in agency operating funding of \$370,093 NGF the first year and \$398,975 NGF the second year to address marginal increases in the cost of collecting the revenue associated with Chapter 766 of the 2013 Acts of Assembly (HB 2313), particularly increased credit card transaction fees incurred by the Department.
- *Provide Appropriation for New Customer Service Center in Northern Virginia.* Provides an operating appropriation of \$817,731 NGF the first year and \$1,694,959 NGF the second year to cover the costs of opening an additional customer service center in the Northern Virginia area. No location has been selected at this time.
- *Transfer Federal Grant Appropriation from DMV Transfer Payments Item.* Transfers a nongeneral fund appropriation of \$4.0 million each year from the Department of Motor Vehicles Transfer Payments “agency” to the Department, eliminating the need to administratively transfer the appropriation for federal grants on an annual basis.
- *E-ZPass Distribution Network.* Includes language directing the Commissioners of the Departments of Transportation and Motor Vehicles to take steps to expand the retail distribution network for distribution of E-ZPass through DMV customer service channels.
- *Toll Enforcement.* Language is included directing DMV to report on the feasibility and of entering into reciprocal agreements with other states’ Departments of Motor Vehicles for the enforcement of toll violations.

- **Department of Rail and Public Transportation**

- *Reflect Revised December 2013 Revenue Forecast.* Increases the Department’s NGF appropriation by \$131.1 million the first year and \$144.2 million the second year to reflect the official revenue estimate, which includes both forecast adjustments and revenues resulting from Chapter 766 of the 2013 Acts of Assembly (HB 2313).

- **Department of Transportation**

- *Reflect Revised December 2013 Revenue Forecast, FY 2014-19 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, the Six Year Program adopted by the Commonwealth Transportation Board in June 2013, and to reflect the appropriation of prior year bond proceeds. In total, provides a net increase of \$697.5 million NGF in FY 2015 and \$1,046.6 million in FY 2016.

2014-16 Department of Transportation Revenue Adjustments (\$ millions NGF)			
	<u>FY 2015</u>	<u>FY 2016</u>	<u>Total</u>
Prior Year Balances	\$ 448.3	\$ 187.0	\$ 635.3
HB 2313 (2013) Revenue Reforecast	421.8	1,015.2	1,437.0
Base Forecast Reductions	<u>(172.6)</u>	<u>(155.8)</u>	<u>(328.4)</u>
Total	\$697.5	\$1,046.4	\$1,743.9

- *Air Quality Monitoring.* Language is included that directs the Department of Transportation to enter into an agreement with the Department of Environmental Quality for performance of an air quality assessment at the terminus of the I-395 Express Lanes. The air quality assessment shall include baseline monitoring as well as a twelve-month monitoring upon completion and opening of the express lanes.
- *Assessment of Financing Options for Churchland Bridge.* The Department of Transportation is directed to investigate and report on state and federal funding options available to the city of Portsmouth for replacement of the Churchland Bridge. While the bridge is an asset of the City of Portsmouth, it was originally constructed by the Commonwealth.
- *High-Rise Bridge Replacement.* Originally included in Chapter 806, any balance remaining from the \$5.0 million NGF provided for the environmental assessments required for the replacement of the High-Rise Bridge in Chesapeake is directed to be applied toward preliminary engineering of the project.
- *Transportation Alternatives Program.* Language is included directing the Department of Transportation to utilize existing federal Transportation Alternatives funding to eliminate a concrete barrier from a tunnel in Crozet as part of a rails-to-trails project. Additionally, funding is included for Gateway Signage

along Interstates 95 and 64 in the Richmond area as part of the preparations for the 2015 World Road Cycling Championship.

- *Assessment of Maintenance Expenditure and Secondary Asset Condition in the Richmond District.* Included in the highway maintenance item is language directing the department to utilize asset condition data to assess any disparities between condition of secondary pavements and expenditures among the jurisdictions of the Richmond Construction District. Additionally, the Department is directed to minimize any disparity in condition in allocating secondary funding within the District. Currently, VDOT secondary system maintenance funds are not allocated using any formula or quantitative metrics. This pilot project would assess the efficacy of using such a methodology for statewide purposes going forward.
 - *Adjust Timing of Route 58 Debt Service.* As part of the efforts to address potential downturn in state general fund revenues in FY 2015, the general fund allocation for debt service is reduced by \$28.0 million the first year and subsequently increased by a like amount the second year thereby leaving the biennial appropriation of \$80.0 million GF intact. This approach was previously employed to address the budgetary shortfall during the 2011-12 biennium.
 - *Claw-back of Transportation Partnership Opportunity Funds.* As part of the efforts taken to address any potential downturn in state general fund revenues in FY 2015, actions included in Part 3 direct that \$31.1 million in Transportation Trust Fund dollars be reverted to the General Fund reflecting an amount remaining in the balances of Transportation Partnership Opportunity Fund from a 2008 appropriation. The projects that were originally authorized with this funding have been completed, and Chapter 1 of the 2014 Special Session I Acts of Assembly (HB 5001) did not authorize the Department of Transportation to utilize this funding for any additional projects.
 - *Temporary Diversion of Highway Maintenance Funding.* As part of the efforts taken to address any potential downturn in state general fund revenues in FY 2015, actions included in Part 3 direct a one-year transfer of \$30.0 million from the Highway Maintenance and Operating Fund to the general fund with this amount being returned in Fiscal Year 2016.
- **Virginia Port Authority**
 - *Provide GF Support for Norfolk Harbor and Elizabeth River Channel Dredging.* Appropriates \$3.1 million NGF each year to fund the anticipated costs associated with the dredging of Norfolk Harbor to 55 feet and dredging the Elizabeth River

channel to 45 feet to help the Commonwealth prepare for the post-Panamax shipping environment.

- ***Funding for Port of Virginia Economic Development Zone Grants.*** Authorizes the Governor to provide up to \$1.5 million the first year and \$2.0 million the second year from the Governor’s Development Opportunity Fund in support of the Port of Virginia Economic and Infrastructure Development Zone Grant Fund. The funding shall be disbursed as grants to qualified companies locating or expanding within the applicable jurisdictions. This program was created in the budget through a gubernatorial amendment during the 2012 Reconvened Session and an initial appropriation of \$1.0 million was included in Chapter 806 by the 2013 General Assembly.
- ***Adjust Appropriation to Reflect Increase in APM Terminal Rent.*** Reflects an increase in the rent payments for the use of the APM terminal of \$6.2 million NGF the first year and \$9.5 million NGF the second year. The lease agreement sets the rate in part based on container volume, which has been increasing.
- ***Increase Appropriation for Operational Maintenance.*** Appropriates an additional \$750,000 NGF each year for enhanced cargo handling costs at APM terminals.
- ***Increase Appropriation for Payments in Lieu of Taxes.*** Appropriates an additional \$75,000 NGF the first year and \$200,000 NGF the second year for payments in lieu of taxes (PILOT) paid by the VPA to the Port host cities, bringing total payments to \$2.2 million in FY 2015 and \$2.3 million in FY 2016. This addresses a 5 percent increase in PILOT assessments.
- ***Adjust Appropriation to Reflect Revised Debt Service Requirements.*** Increases the nongeneral fund appropriation for debt service on existing bond issues by \$11.7 million in FY 2015 and \$10.0 million in FY 2016 to reflect debt service costs.
- ***APM Terminal Equipment Purchases.*** Authorization is provided in Part 2 for \$37.0 million NGF in FY 2015 to purchase additional gantry cranes and translifters required to address increasing container volumes at the APM terminal. The equipment, which is required under the terms of the lease, will be purchased through the Master Lease Equipment Program and the debt service costs would be paid from the terminal revenues.