

Transportation

| Adopted Adjustments | | | | |
|---|------------------------|------------------|------------------------|------------------|
| (\$ in millions) | | | | |
| | FY 2021 Adopted | | FY 2022 Adopted | |
| | <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 |
| Adopted Increases | 0.0 | 233.4 | 55.0 | 400.7 |
| Adopted Decreases | <u>0.0</u> | <u>(281.0)</u> | <u>0.0</u> | <u>0.0</u> |
| \$ Net Change | 0.0 | (47.6) | 55.0 | 400.7 |
| Ch. 552 (HB 1800, as Adopted) | \$0.0 | \$9,681.4 | \$55.0 | \$9,884.9 |
| % Change | 0.0% | (0.5%) | N/A | 4.0% |
| FTEs | 0.00 | 10,357.00 | 0.00 | 10,357.00 |
| # Change | 0.00 | 0.00 | 0.00 | 60.00 |

- **Secretary of Transportation**

- *Declaration of Legislative Intent.* Includes language, as part of the 2021 Transportation Initiative, explicitly declaring the intent of the General Assembly that all state funds in the Commonwealth Transportation Fund and any federal funds provided on a “non-one-time basis” are to be allocated at the discretion of the Commonwealth Transportation Board consistent with the modal distributions prescribed in the *Code of Virginia*. The 2021 Transportation Initiative, described in greater detail within the Department of Transportation, dedicates \$323.4 million in one-time funding for a series of investments in seven specific statewide multimodal transportation projects.
- *Transit Ridership Incentive Program.* Directs, as part of the 2021 Transportation Initiative, the allocation of \$3.6 million in the second year from the Transportation Ridership Incentive Program (TRIP) for regional connectivity programs focused on congestion reduction and mitigation through the provision of long-distance commuter routes. A companion amendment, within the Department of

Transportation, allocates up to \$10.9 million for fare-free transit pilot projects across the Commonwealth and a study of transit equity within the TRIP program.

- *Meetings of the Interstate 81 Advisory Committee.* Language is included to authorize the Interstate 81 Advisory Committee to meet at a minimum of twice annually from the current statutory requirement the Committee meet four at least four times per year. Additional meetings are authorized to be called at the discretion of the Chair.

- **Department of Aviation**

- *Authorize Short-term Increase in Entitlement Funding.* Includes 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.* Temporarily expands 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. By statute, 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.* Includes language providing a temporary exemption to requirements that all agencies recover statewide and agency indirect costs from federal grants until such time as an agency-specific indirect cost plan can be developed for the Department of Motor Vehicles.
- *REAL ID Implementation.* Continues authorization for 60.00 FTE 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 has been extended until May 2023 due to the COVID-19 pandemic.

- *Nonrepairable Vehicles.* Retains for one-year the current statutory definition of “rebuilt” and “nonrepairable” vehicles, and delays implementation of the definition of “cosmetic vehicles,” allowing DMV customers to apply for salvage and nonrepairable certificates without submitting an estimated cost of repair.
- *Capital Outlay: Winchester Customer Service Center.* Authorizes \$3.5 million NGF the second year 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 more efficiently accommodate current customer needs.

- **Department of Rail and Public Transportation**

- *Temporarily Delay Local Transit Strategic Planning Process.* Authorizes the Commonwealth Transportation Board to temporarily 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**

- *2021 Transportation Funding Initiative.* Includes the authorization of \$323.4 million over the biennium in one-time revenues for one-time investments in a variety of statewide transportation projects as part of the 2021 Transportation Initiative (the Initiative). Funding sources for the Initiative include the appropriation of \$233.4 million NGF the first year in federal highway funding from the Coronavirus Response and Relief Supplemental Appropriations Act and \$55.0 million the second year in one-time general fund revenues. In addition to these direct appropriations, \$20.0 million in uncommitted balances from the Transportation Partnership Opportunity Fund and \$15.0 million in uncommitted balances from the Access Roads and Special Projects program is authorized for use as part of the Initiative. Language stipulates that should additional one-time federal funding be made available for discretionary highway projects prior to June 30, 2021, then the \$55.0 million in general funds shall be unallotted.

As part of the Initiative, the Commonwealth Transportation Board is directed to transfer up to \$323.4 million for seven specific statewide multimodal projects outlined below, and any funding that remains unallocated on June 1, 2022 is required to be transferred to the state’s pavement and bridge maintenance programs. Specific project authorizations include:

- **Hampton Roads Express Lanes / Interstate 64 Widening.** Authorizes \$93.1 million for improvements to the Interstate 64 Corridor from Hampton Roads to Richmond using a “waterfall” prioritization process to allow, first, for any funding necessary to complete the Hampton Roads Express Lanes (HREL) Network and, then, any remaining funding to be used for improvements

between exit 205 and exit 234 in Central Virginia. As a condition of this funding, the Hampton Roads Transportation Accountability Commission is directed to update traffic and revenue modeling for the current HREL project to consider summer weekend traffic volumes. Additionally, VDOT is directed to coordinate any interstate improvement projects in the Richmond region with the Central Virginia Transportation Authority.

- **Virginia Railway Express Manassas Corridor Capacity Expansion.** Authorizes \$83.5 million for the expansion of existing daily commuter rail service to Washington D.C. on the Virginia Railway Express Manassas Line, adding an additional round-trip train serving Burke Center, Manassas, Culpeper, Charlottesville, Lynchburg and Roanoke.
- **Western Virginia Intercity Rail Access.** Authorizes \$83.5 million for the future expansion of intercity passenger rail service to the New River Valley from the Washington D.C. region along the US 29 and Interstate 81 Corridors. This phase of the Western Virginia Intercity Passenger Rail Expansion project would extend Amtrak service to the Blacksburg-Christiansburg area. 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 to Bristol, and the total cost of these improvements is unknown at the current time. As a condition of this funding, the Secretary of Transportation is directed to provide an estimate of the projects current estimate as well as the cost of extending service to Bristol, Virginia and incremental network costs , for additional service to Bedford, by November 15, 2021. Separate legislation, Chapters 353 and 354 of the 2021 Acts of Assembly, Special Session I (HB 1893 / SB 1212), established the New River Valley Passenger Rail Station Authority as a separate local entity to finance the construction of facilities in the New River Valley. In addition to this funding, 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.
- **Washington Metropolitan Area Transit Authority (WMATA).** Includes \$32.4 million to ensure the Commonwealth can provide its full-share of the annual \$500.0 million in dedicated regional funding to the WMATA Capital Fund, estimates at \$22.4 million, and for the Northern Virginia Transportation Commission to reduce the fiscal year 2022 operational obligations of its jurisdictional members, based on the current formula for WMATA Metrorail, Metrobus, and MetroAccess services.

- **Transit Ridership Incentive Program (TRIP).** Provides up to \$10.9 million for statewide pilot programs with urban and rural transit providers for fare-free transit options and for the study of transit equity and modernization consistent with the provisions of HJ572 of the 2021 General Assembly. A companion amendment within the Office of the Secretary directs the allocation of \$3.6 million in the second year from the TRIP program for regional connectivity programs focused on congestion reduction and mitigation through the provision of long-distance commuter routes.
- **Multi-Use Trail Program.** Includes \$10.0 million to support the planning, development, and construction of multi-use trails across the Commonwealth with priority given for new regional trails, to projects to improve connectivity of existing trail networks, and to geographic diversity in the use of the funds. In addition, the Office of Intermodal Planning and Investment is directed to coordinate a policy working group to evaluate and recommend a prioritization process for the identification of new multi-use trail opportunities, a master planning process, and a funding needs assessment with a report due by October 15, 2021. VDOT has recently completed a 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.
- **Connected Infrastructure Redevelopment Demonstration Project.** Authorizes up to \$10.0 million for a connected infrastructure demonstration project in collaboration with the Virginia Tech Transportation Institute and the City of Falls Church to provide an urban test-bed for research and deployment of connected infrastructure projects in the vicinity of the Virginia Tech-Falls Church campus and adjacent Metro station. The release of any funding for this project is conditioned upon a data sharing and management agreement between VDOT and Virginia Tech.
- ***Mobility Talks International.*** Updates language authorizing the Office of Intermodal Planning and Investment to participate in Mobility Talks International conference in Washington D.C. at its 2022 Annual Meeting. Funding for Virginia’s participation in the conference was initially authorized by the 2020 General Assembly, but the conference did not take place because of the COVID-19 pandemic.
- ***At-Risk Coastal Infrastructure Assessment.*** Language is included requiring VDOT to report annually, with the assistance of the Virginia Institute for Marine Science, on the status of the Commonwealth’s transportation infrastructure in the coastal

region that is at risk of inundation from sea-level rise and the estimated costs and timeframes of potential mitigation options.

- ***Notification of Reduction in Weight Limits.*** Requires the Department of Transportation to make a good faith effort to notify businesses in the areas surrounding any bridge on the interstate, primary or secondary systems, via electronic means, postal, or local media communication channels, of any reduction in posted weight limits.
- ***Economic Development Access Programs.*** Authorizes a 48-month moratorium on required loan repayments from localities that have received funds through the Economic Development Access program, provided that all other conditions of the Commonwealth Transportation Board’s economic development access polices are met.
- ***Adjust Appropriations to Reflect Adopted FY 2020-25 Six-Year Financial Plan.*** Includes a reduction 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.*** Updates programmatic allocations in order to reflect the December 2020 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.*** Authorizes 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 Sothern 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.* Bifurcates 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.* Includes a technical correction to accurately reflect the accounting of \$1.5 million in annual funding for the Waterway Maintenance Fund as dedicated special revenue.