

*Report of the
House Appropriations
Subcommittee*

on

Transportation



House Bill 1700

February 3, 2019

REPORT OF THE SUBCOMMITTEE

on

TRANSPORTATION

Mr. Chairman and Members of the Committee:

In the budget for the current biennium we will appropriate \$15.8 billion for Transportation, the highest level ever. Although revenues from a number of transportation sources are facing slow growth, the overall strength of our economy continues to drive motor vehicle and general sales tax revenues that support the Commonwealth Transportation Fund.

This year your Subcommittee amendments are modest in scope and number but address a series of issues that have lingered over the past few Sessions. First, the Subcommittee recommends directing the Secretary of Transportation to implement reverse tolling on I-66 Inside the Beltway. Since the compromise regarding tolling was first reached in 2016, residents of Northern Virginia have called for more equity of treatment. We hope this action will quell those concerns as well as provide funding for improvements to alternate non-tolled routes.

Also included is an amendment appropriating the additional revenues generated by the gas tax floor applied to the regional motor fuels taxes adopted by the General Assembly last Session. I am pleased to report that will provide an additional \$145.6 million for the NVTa, the PRTC and HRTAC over the biennium.

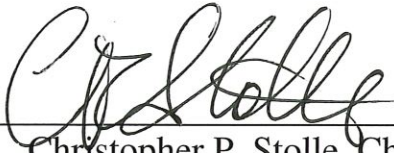
The amendment package also includes authorization for the Department of Rail and Public Transportation to provide a one-year only hold harmless to help transit properties transition to the new performance based distribution formula proposed under MERIT. The General Assembly has long urged the adoption of a Smart Scale-like process for distributing transit funding and is pleased to see this moving forward in FY 2020.

Although agreement has not been reached on how to fund improvements to the I-81 Corridor, the robust study undertaken over the past year has shown that fully 51% of all delays on I-81 are caused by incidents. The amendment package directs VDOT to utilize an additional \$5.0 million of its transportation operations budget to enhance Safety Service Patrol activities to help clear accidents more expeditiously, not just along I-81, but across all the Interstates in the Commonwealth.

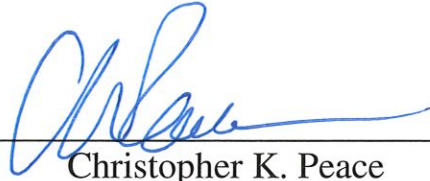
Finally, the package before you includes an amendment directing the Secretary of Transportation to begin what in all likelihood will be a lengthy and difficult process of evaluating long-term alternatives to the motor fuels tax in light of increasing fuel efficiency and the growing hybrid and alternative fueled vehicles market.

Mr. Chairman, details of our Subcommittee recommendations are before you. Staff will review the attached listing of our recommendations. I hope that it will be the pleasure of the Committee to adopt these amendments.

Respectfully Submitted by the House Appropriations Subcommittee on
Transportation:



Christopher P. Stolle, Chairman



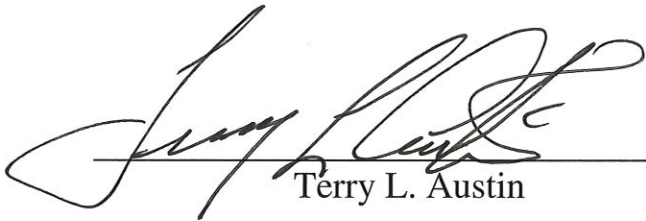
Christopher K. Peace



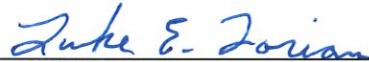
T. Scott Garrett



Roxann L. Robinson



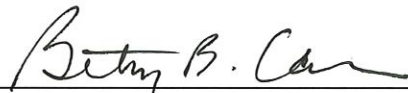
Terry L. Austin



Luke E. Torian



Mark D. Sickles



Betsy B. Carr

Budget Amendment Recommendations

<u>HB 1700</u>	<u>2018-20 BIENNIAL TOTAL</u>		
<u>Amendment</u>	<u>General</u>		
	<u>Fund</u>	<u>NGF</u>	<u>FTE</u>

Transportation

Department of Conservation and Recreation

DCR Use of Recreational Access Funds for Park Signage Language

Secretary of Transportation

Reverse Tolling on I-66 Inside the Beltway Language

Establishment of Workgroup to Investigate Future of Motor Fuels Tax Language

Department of Aviation

DOAV Review of Need for Air Service Development Program Language

DMV Transfer Payments

Reflect Regional Gas Tax Floor Revenues 145,600,000

Department of Rail and Public Transportation

Hold Harmless for Transit Operating Formula Changes Language

Investigation of Bus Service Roanoke to Clifton Forge Language

Department of Transportation

Remove Proposed GF for VTIB (75,000,000)

Enhance Safety Service Patrol Funding Language

Committee Approved Amendments to House Bill 1700, as Introduced

Item 363 #3h

Natural Resources

Department of Conservation and Recreation

Language

Language:

Page 403, after line 5, insert:

"K. Included in the amounts for this item is \$350,000 the first year and \$70,000 the second year from the nongeneral fund amounts appropriated in Item 453 A. for recreational access which shall be used to fabricate and install Supplemental Guide Signs for Virginia State Parks."

Explanation:

(This amendment provides \$350,000 the first year and \$70,000 the second year to fabricate and install Supplemental Guide Signs for Virginia State Parks. The fiscal year 2016-2018 budget included language allowing the use of VDOT Recreational Access Funds to be used to install replacement signage for state parks. Approximately \$750,000 was spent upgrading signs for Virginia State Parks and some Natural Area Preserves. The project replaced nearly 200 signs so that now they meet current safety regulations and provide easy to read guidance to Virginia State Parks. Remaining unfunded is a 50 mile long New River Trail State park which alone will cost \$70,000. There are additional signs needed with an estimated total cost of \$350,000.)

Item 433 #1h

Transportation

Secretary of Transportation

Language

Language:

Page 454, after line 46, insert:

"K. It is the intent of the General Assembly that tolling on Interstate 66 inside the Capitol Beltway shall include tolling in both directions during the morning and evening tolling periods. The Secretary of Transportation and the Commonwealth Transportation Board shall direct the Virginia Department of Transportation to immediately activate the tolling of reverse commuters on Interstate 66 Inside the Beltway upon the completion of the current Eastbound widening project from the Dulles Connector Road to Ballston, with revenues generated from such tolling being deposited into the I-66 Commuter Choice Program managed by the Northern Virginia Transportation Commission."

Explanation:

(This amendment directs the Department of Transportation and the Secretary of Transportation to make changes to the tolling policies on Interstate 66 Inside the Beltway and initiate tolling of reverse commuters when the current Eastbound widening

Committee Approved Amendments to House Bill 1700, as Introduced

project from the Dulles Connector Road to Ballston is completed.)

Item 433 #2h

Transportation

Secretary of Transportation

Language

Language:

Page 454, after line 46, insert:

"K. It is the intent of the General Assembly that the Secretary of Transportation and the Commonwealth Transportation Board shall direct the Virginia Department of Transportation to establish a working group which shall evaluate (i) the impact of increased fuel efficiency and increased use of hybrid and electric vehicles on transportation revenues, and (ii) potential options to provide a sustainable funding stream for transportation infrastructure. The working group shall include, at a minimum, representatives of local government associations, the regional transportation authorities, the trucking industry, the motor dealer industry and the motor fuels industries. The Secretary shall provide a report of the group's findings to the Chairmen of the House and Senate Transportation Committees and the Chairmen of the House Appropriations and Senate Finance Committees no later than December 10, 2019."

Explanation:

(This amendment directs the Department of Transportation and the Secretary of Transportation to establish a work group to begin consideration of the long-term viability of the motor fuels tax.)

Item 435 #1h

Transportation

Department of Aviation

Language

Language:

Page 456, after line 5, insert:

"G. The Department of Aviation is directed to evaluate the issue of the creation of an air service development (ASD) program administered by the Department for the Commonwealth's commercial service airports. The study shall consider the following: the use of and success of state ASD programs in other states; the criteria to be used to evaluate applications by commercial airports for project funding if a program is established; the standards that the Department should use to measure the success of applicants' use of program funds; the process needed to audit use of ASD funds; and the amount of funds needed to make such a program successful. The Department shall solicit input and participation from the Virginia Economic Development Partnership in the conduct of the study. The Department shall report to the

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Chairmen of the House Appropriations and Senate Finance and the House and Senate Transportation Committees its recommendations on creation of an ASD program and the elements of the program, by December 1, 2019."

Explanation:

(This amendment directs the Department of Aviation to review the feasibility of utilizing a portion of their funds for the development of a fund to provide grants for air service development for air carrier airports and provide a report to the Chairmen of the House Appropriations and Senate Finance Committees by December 1, 2019.)

Item 443 #1h

Transportation

FY18-19

FY19-20

Department of Motor Vehicles
Transfer Payments

\$71,700,000

\$73,900,000 NGF

Language:

Page 460, line 5, strike "\$85,691,500" and insert "\$157,391,500".
Page 460, line 5, strike "\$85,691,500" and insert "\$159,591,500".
Page 460, line 11, strike "\$79,800,000" and "\$79,800,000" insert:
"\$151,500,000" and "\$153,700,000".

Explanation:

(This amendment would provide the necessary appropriation to implement House Bill 768 and Senate Bill 896, 2018 Session of the General Assembly, which raised the motor vehicle fuels sales tax rate to generate additional revenue for transportation districts in Northern Virginia and Hampton Roads. It is a technical amendment reflecting the revenues actually being generated under legislative changes adopted last year but not reflected in House Bill 1700 as introduced.)

Item 445 #1h

Transportation

Department of Rail and Public Transportation

Language

Language:

Page 463, after line 4, insert:

"G. The Commonwealth Transportation Board may allocate supplemental operating funds in fiscal year 2020 to any transit provider that receives funds to support operating costs pursuant to § 33.2-1526.1 C. 1., and that is negatively impacted by a loss of operating funds as a direct result of the performance-based allocation process set forth in Chapter 854 of the Acts of Assembly of 2018. The maximum amount of supplemental operating funds available pursuant

Committee Approved Amendments to House Bill 1700, as Introduced

to this authorization shall not exceed \$3,000,000 from the nongeneral fund amounts available to the department."

Explanation:

(This amendment allows a one-year transition for mass transit providers to prepare for a new allocation methodology that is based on performance metrics that has been recommended by the Transit Service Delivery Advisory Committee (TSDAC) and approved by the Commonwealth Transportation Board.)

Item 445 #2h

Transportation

Department of Rail and Public Transportation

Language

Language:

Page 463, after line 4, insert:

"G. The department is directed to investigate the need for, and potential use of funding included in this item for, the reestablishment of a connector bus from the City of Roanoke to the Amtrak station in Clifton Forge, Virginia. The department shall complete its investigation and report to the Chairmen of the House Appropriations and Senate Finance Committees not later than October 15, 2019."

Explanation:

(This amendment directs the Department of Rail and Public Transportation to investigate the need for, and their ability to fund, a connector bus from Roanoke to the Clifton Forge Amtrak station.)

Item 450 #1h

Transportation

FY18-19

FY19-20

Department of Transportation

(\$75,000,000)

\$0 GF

Language:

Page 465, line 19, strike "\$2,982,209,244" and insert "\$2,907,209,244".

Page 466, strike lines 52 and 53.

Page 467, strike line 1.

Explanation:

(This amendment removes funding proposed in House Bill 1700 as introduced to recapitalize the Virginia Transportation Infrastructure Bank (VTIB). The Committee budget funding levels were limited to the additional dollars available pursuant to the economic reforecast presented in

Committee Approved Amendments to House Bill 1700, as Introduced

December, identified programmatic savings, and revenues generated by legislation expanding the collection of sales tax attributable to internet sales. All revenues attributable to the Tax Cuts and Jobs Act (TCJA) are captured in the Taxpayer Relief Fund and the Revenue Reserve Fund in Item 475.10. This required removing approximately \$1.2 billion in spending compared to House Bill 1700 as introduced.)

Item 451 #1h

Transportation

Department of Transportation

Language

Language:

Page 467, after line 29, insert:

"E. Out of the amounts provided in this item, the department shall increase the share of funding dedicated to the Safety Service Patrol Services by \$5,000,000 from nongeneral fund revenues in the second year to expand services across the Commonwealth's Interstate System, with priority given to the Interstate 81 Corridor."

Explanation:

(This amendment requires VDOT to redirect \$5.0 million the second year from existing maintenance funding to enhance safety service patrol services across the Commonwealth's Interstate system. Studies indicate that 16% of all Interstate delays are caused by incidents, and on Interstate 81 that share increases to 51%. Safety Service Patrol Services provide substantial improvements in clearing incident-related delays.)
