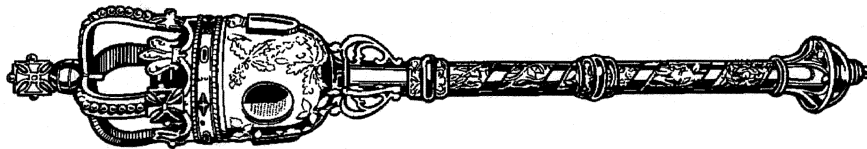


*Report of the
House Appropriations
Subcommittee*

on

Transportation



House Bill 1600

February 8, 2009

REPORT OF THE SUBCOMMITTEE

on

TRANSPORTATION

Mr. Chairmen and Members of the Committee:

As we all have heard over the past months, we are faced with a global financial crisis that strains the personal finances of our citizens and constrains government operations. In spite of the precipitous revenue decline, I am pleased to report that in contrast to the past two recessions, we are authorizing no diversion of transportation revenue to address the overall budgetary shortfall. Although the Subcommittee could not afford additional general fund support for transportation this year, neither could we support balancing the general fund budget with Transportation Trust Funds.

Transportation revenue reductions in the Governor's budget amendments total \$670 million over the biennium. The vast majority - \$574 million - will come from VDOT. As proposed, the Governor included only a lump sum reduction to the agency, with no detail as to how the department should meet its reduced funding levels. The Subcommittee members were very concerned that despite multiple presentations from the Secretary and the Commissioner, few details about implementation emerged.

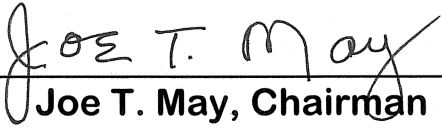
To ensure both accountability and transparency, the Subcommittee recommends language detailing the breadth and scope of the VDOT organizational changes required to align spending to the reduced revenue levels. Included in this language is a quarterly report to the legislative money committees to ensure that the department moves with the necessary dispatch to tighten its belt instead of just reducing its six-year program.

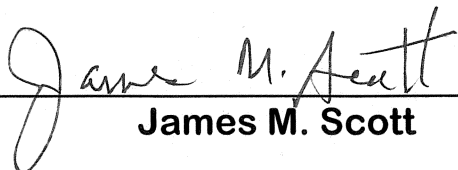
Finally, as you will recall, despite repeated requests, the Committee has received no listing of "shovel ready" projects which might

benefit from federal stimulus funding. This frustration prompted the inclusion of a requirement that the Secretary submit a prioritized listing of all "shovel ready" projects within 30 days of enactment of the budget, regardless of whether they will be eligible under provisions of the stimulus package.

The details of the Subcommittee's brief report are contained in the attachments. Committee staff will review our recommendations at this time, and we hope it will be your pleasure to adopt the report.

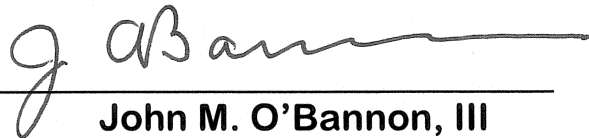
Respectfully Submitted by the House Appropriations Subcommittee
on Transportation:

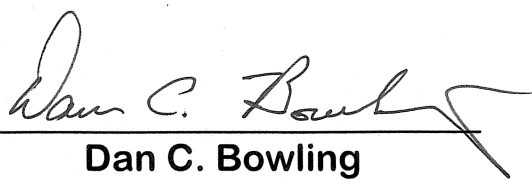

Joe T. May, Chairman

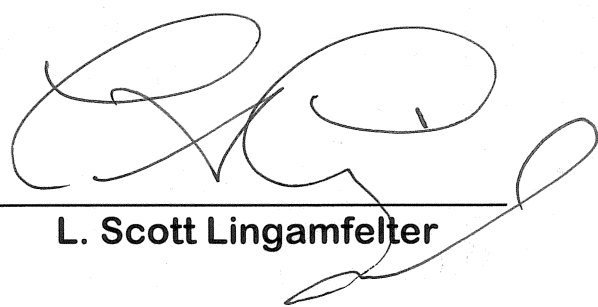

James M. Scott


Beverly J. Sherwood


Algie T. Howell, Jr.


John M. O'Bannon, III


Dan C. Bowling


L. Scott Lingamfelter

Budget Amendment Recommendations

<u>HB 1600</u>	<u>2008-10 BIENNIAL TOTAL</u>		
<u>Amendment</u>	<u>General</u>		
	<u>Fund</u>	<u>NGF</u>	<u>FTE</u>

Transportation

Department of Treasury

VRE Liability Insurance Coverage

Language

Secretary Of Transportation

Require Listing of Shovel Ready Projects

Language

Department of Rail and Public Transportation

Authorize Shift of Portion of Transit Capital to Operating

Language

Evaluation of Richmond Area Transit Transfer Centers

Language

Implementation of Revenue Reductions

Language

Department of Transportation

Implementation of Revenue Reductions

Language

Part 3

Remove Language Eliminating Gas Tax Discount

Language

Amendments to House Bill 1600, as Introduced

Transportation Subcommittee

Item 274 #2h

Finance

Department Of The Treasury

Language

Language:

Page 280, after line 20, insert:

"D. Notwithstanding the provisions of § 15.2-4526, Code of Virginia, the Director of the Department of Rail and Public Transportation is authorized to work with the Northern Virginia Transportation Commission, the Potomac Rappahannock Transportation Commission, and the Virginia Railway Express to competitively procure self-insurance liability coverage through either the Virginia Division of Risk Management or an independent third party. In conducting this procurement, the Director of the Department of Rail and Public Transportation shall ensure compliance with all applicable public procurement and administrative guidelines."

Explanation:

(This amendment ensures that the Virginia Railway Express is able to obtain liability insurance coverage through a third party.)

Transportation Subcommittee

Item 436 #1h

Transportation

Secretary Of Transportation

Language

Language:

Page 477, after line 8, insert:

"H. No more than seven days after the enactment of House Bill 1600, 2009 Session of the General Assembly, the Secretary of Transportation shall disseminate to the Chairmen of the House Appropriations and Transportation Committees and the Senate Finance and Transportation Committees a prioritized and comprehensive listing of transportation projects that would be ready to be advertised if funding were to become available in the federal economic stimulus package regardless of whether final criteria have been released or not."

Explanation:

(This amendment requires the Secretary of Transportation to compile a prioritized statewide list of transportation projects which are ready to be advertised for bid. This list should include all projects sufficiently advanced to be advertised even if the

Amendments to House Bill 1600, as Introduced

particular projects may not be eligible under the final requirements of such legislation.)

Transportation Subcommittee

Item 449 #5h

Transportation

Department Of Rail And Public
Transportation

Language

Language:

Page 486, after line 18, insert:

"F. Notwithstanding the provisions of paragraph A.1. of this item, during the second year the director of the department, with the concurrence of the Commonwealth Transportation Board, is hereby directed to withhold ten percent of the funding that would otherwise be provided for transit capital improvements under § 58.1-638. These funds shall be distributed to transit properties across the Commonwealth to help offset state reductions in operating support. In determining the appropriate distribution of these one-time funds, the department shall solicit applications from all transit properties eligible for operating support from the Commonwealth, and give due consideration to services that could be eliminated if additional support is not provided and also provide priority where higher than average local support is provided for such transit services."

Explanation:

(This amendment directs the Department of Rail and Public Transportation to set aside 10 percent of the funding that would otherwise be dedicated to transit capital improvements for use for one-time additional support for operating costs to help the transit properties adjust to reduced levels of operating support.)

Transportation Subcommittee

Item 450 #1h

Transportation

Department Of Rail And Public
Transportation

Language

Language:

Page 486, after line 57, insert:

"C. The Department of Rail and Public Transportation shall work with the City of Richmond, the county of Henrico and the Greater Richmond Transit Corporation

Amendments to House Bill 1600, as Introduced

(GRTC) to identify a site or sites and to advance projects that will establish public transit transfer centers designed to serve and support the Richmond Metropolitan Area and to enhance access to rail passenger service and public transportation service to, from and within the Richmond region."

Explanation:

(This amendment instructs the Department of Rail and Public Transportation to evaluate the development of transit transfer centers in the Richmond region with the affected jurisdictions.)

Transportation Subcommittee

Item 452.05 #2h

Transportation

Department Of Rail And Public
Transportation

Language

Language:

Page 487, line 43, before "Appropriation" insert "A."

Page 487, after line 46, insert:

"B. The director shall implement actions as necessary to carry out the appropriation reductions contained in this item provided that the proportional reductions among the subprograms contained in Item 449 does not conflict with the requirements set out in that item and provided further that reductions to Item 450 reflect the proportional reductions to the revenue sources dedicated to such activities."

Explanation:

(This amendment authorizes the director of the Department of Rail and Public Transportation to take the necessary actions to reduce the appropriations within that agency but requires that reductions to the rail programs reflect reductions to that dedicated revenue source, reductions to transit programs reflect reductions to sources dedicated to that purpose, and further requires that the distribution among the transit capital and operating programs reflect the requirements set out in the item governing those programs.)

Transportation Subcommittee

Item 462.05 #2h

Transportation

Department Of Transportation

Language

Amendments to House Bill 1600, as Introduced

Language:

Page 499, strike lines 41 through 48.

Page 500, strike lines 1 through 3 and insert:

"A. Appropriation reductions in this item and specified in § 4-1.08 of this act shall apply notwithstanding any language and amounts to the contrary within other items of this act.

B. 1. The Commonwealth Transportation Commissioner shall implement actions as necessary to carry out the appropriation reductions contained in this item pursuant to the terms and limitations set forth in the following paragraphs. The Director, Department of Planning and Budget, is authorized to transfer appropriations in this act as necessary to carry out the budget reductions contained in this item.

2. In carrying out the appropriation reductions contained in this item, the actions implemented will be based on a Comprehensive Plan developed by the Commonwealth Transportation Commissioner which follows the outline documented in "VDOT's Blueprint" as presented to the Transportation Subcommittees of the House Appropriations and Senate Finance Committees in January 2009. The Commissioner shall present the proposed Comprehensive Plan to the Governor, the Chairmen of the House Appropriations, House Transportation, Senate Transportation, and Senate Finance Committees prior to implementation. The Plan shall define the relative proportion of reductions that shall be achieved through reductions in the Six-Year Program, changes to the department's organizational structure at both the administrative and operational levels in both the field and central office, and adjustments to service levels for maintenance and operational programs provided by the department. Implementation of these actions will begin in fiscal year 2009 and continue through fiscal year 2010 and fiscal year 2011. Provided however, that the Plan shall be phased so as to ensure that the necessary savings are achieved to meet the budgetary reductions set out in this item.

3. Such plan shall also:

a. ensure that maintenance and operations of existing highway infrastructure is focused on emergency response, congestion mitigation, pavement rehabilitation based on the lowest pavement condition ratings, and bridge repair and replacement based on structurally deficient structures;

b. set service and staffing levels for VDOT programs that have clear and measurable performance requirements;

Amendments to House Bill 1600, as Introduced

- c. ensure contractual spending of VDOT funding comprise no less than 70 percent of total VDOT expenditures each fiscal year;
- d. reconfigure, including the elimination and consolidation of organizational units and VDOT facilities, to achieve at least a 30 percent reduction in the number of 1) central office divisions, 2) residency offices, and 3) equipment and repair shops;
- e. as part of the consolidation of organizational units, ensure that the supervisory layers between the lowest line staff and the leadership position reporting directly to the Commissioner or Deputy Commissioner shall be no more than five;
- f. use an objective and transparent methodology on which to base all actions and take no actions until public input has been considered;
- g. ensure that appropriate accountability, compliance, and oversight by auditors is conducted on all programs and functions on a periodic basis; and
- h. have no more than 7,500 full-time positions filled on June 30, 2010.

C. The Commissioner shall provide a quarterly progress report detailing each action and its impact on the VDOT budget to the Governor, the Chairmen of the House Appropriations, House Transportation, Senate Transportation, and Senate Finance Committees, and the Commonwealth Transportation Board. Such reports shall include a detailed enumeration of progress that has been made to reduce the department's expenditure levels in order to meet the reduction levels required by this item, an update on the next phase of actions planned to address the reductions, any obstacles encountered in implementing these reductions, and any adjustments to the Plan are required by the Commonwealth Transportation Board."

Explanation:

(This amendment details how VDOT will allocate the reductions included in the introduced budget. House Bill 1600 included reductions over the biennium of \$575 million for the department, but did not specify how they would be distributed. The language above ties the VDOT reductions to the plan presented by the VDOT Commissioner to the Commonwealth Transportation Board and to the legislative committees and includes a quarterly reporting requirement.)

Amendments to House Bill 1600, as Introduced

Adjustments and Modifications to Tax Collections

Fuels Tax Discounts

Language

Language:

Page 621, strike line 14 through line 17.

Explanation:

(This amendment removes language reflecting a legislative proposal to remove all dealer discounts for motor fuels tax collection that was not adopted by the 2009 Session of the General Assembly but had been assumed in the Governor's amendments to the budget as introduced.)
