

Transportation

The proposed GF amendments for the Transportation secretariat for FY 2010 include reductions of \$14.3 million GF and \$155.6 million NGF. The general fund reductions reflect the Governor's September 2009 Budget Reduction Plan, whereas the NGF reduction represents the August and December forecast adjustments of Commonwealth Transportation Fund revenues. The general fund reductions include using \$13.2 million in balances in the Route 58 Corridor Development Fund to supplant a like amount of GF resources that had been dedicated for the debt service, as well as reducing smaller amounts of GF support for the Department of Rail and Public Transportation (DRPT) and the Virginia Port Authority (VPA) through administrative efficiencies. Also proposed is a one-year deferral of the \$7.0 million traditionally dedicated to the rail, road and recreational access programs at the Virginia Department of Transportation (VDOT), freeing up these NGF sources for other transportation purposes.

The 2010-12 biennial budget, as introduced, provides a total of \$8.1 billion for Transportation agencies, which includes \$81.9 million GF and \$8.0 billion NGF for the biennium. This represents a total reduction of \$851.0 million over the base budget (Chapter 781 of the 2009 Acts of Assembly). The majority of these adjustments reflect the reforecast of nongeneral fund transportation revenues – both in August and December 2009 – which mirror the reductions in general fund revenues as a result of the current recession. However, included in this reduction is \$519.0 million that had been appropriated for the Dulles Corridor Metrorail Project. With the transfer of the project to the Metropolitan Washington Airports Authority, these amounts are no longer included in DRPT's budget. Exclusive of this accounting transfer, the net biennial reduction totals \$332.0 million NGF.

Also proposed is a \$28.0 million GF reduction for the Route 58 Corridor Development Program in FY 2011 which is replaced in FY 2012. Like amendments in the Department of Accounts Transfer Payments Item reduce the GF appropriation for the Northern Virginia Transportation District Program from \$20.0 million to \$8.0 million GF in FY 2011, holding them harmless for the biennium by providing \$32.0 million in FY 2012.

Other actions of note include the removal of Board of Towing and Recovery Operations from Transportation to reflect a proposal to move this agency to the Secretariat of Public Safety, the continued transfer of \$3.2 million each year (FY 2010 through FY 2012) to the general fund from the Uninsured Motorists Fund that had been dedicated to DMV's information technologies, a reduction of \$500,000 NGF each in FY 2011 and FY 2012 from mobile home tax payments to localities, and savings of \$150,700 NGF each in FY 2011 and FY 2012 to reflect the elimination of one Deputy Secretary within the Secretary of Transportation's office.

HB/SB 29

- **Department of Aviation**
 - *Governor's September 2009 Budget Reductions.* Reflects a GF reduction of \$5,388, reflecting the reversion of FY 2009 balances of GF amounts dedicated to support state use of DOAV aircraft.

- **Department of Motor Vehicles**
 - *Governor's September 2009 Budget Reductions.* Transfers to the general fund \$3.2 million in revenues generated by the Uninsured Motorists Fund that previously had been retained by DMV to support its information technologies initiatives.
- **Department of Rail and Public Transportation**
 - *Governor's September 2009 Budget Reductions.* Reflects the transfer of \$476,858 of GF revenues appropriated to DRPT back to the general fund. A like amount of administrative efficiencies has been identified by the Department so that no corresponding diversion of nongeneral fund resources is required.
- **Department of Transportation**
 - *Align Appropriation to Reflect FY 2010 Revenue Forecast Adjustments.* Reduces the agency's appropriation by \$152.4 million NGF the second year to reflect the August and December re-estimates of Commonwealth Transportation funds revenues.
 - *Spread Budget Reductions Included in Chapter 781.* Item 462.05 of Chapter 781 reflected a transportation revenue reduction of \$359.9 million reflecting the February 2009 reforecast. This item is eliminated and instead the individual items in the VDOT budget are adjusted to reflect the February forecast changes as well as the \$152.4 million reduction referenced above.
 - *Suspend Funding for Access Programs.* Proposes a one-year suspension of the \$7.0 million in NGF funding for road, rail and recreational access programs funded through the Department of Transportation. These programs are restored in the Governor's proposed budget for FY 2010-12.
 - *Governor's September 2009 Budget Reductions.* The Governor's proposed amendments include the reversion of \$13.2 million in GF support for the Route 58 Corridor Development Program. Balances in the Fund from accumulated interest earnings are used to offset the reduction and maintain funding of \$40.0 million for the program in FY 2010.
- **Virginia Port Authority**
 - *Governor's September 2009 Budget Reductions.* Reduces the GF appropriation for the VPA by \$593,255 in FY 2010. Although the GF appropriation for the VPA is used to support city-street payments for localities hosting port facilities, those payments are unreduced. Instead, administrative efficiencies within the Authority are generated to maintain the \$950,000 payment from NGF resources.
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- **Motor Vehicle Dealer Board**

- *Nongeneral Fund Transfer.* An amendment in Part 3 of the caboose bill contains a one-time transfer of \$700,000 to the GF from balances in the Motor Vehicle Dealer Board’s “lemon fund” to help offset the GF revenue shortfall.

HB/SB 30

- **Secretary of Transportation**

- *Eliminate Deputy Secretary Position.* Reduces the NGF appropriation for the Secretary’s office by \$150,700 each in FY 2011 and FY 2012 to reflect the elimination of one of the two Deputy Secretary of Transportation positions.
- *Implement Sub-Cabinet on Community Investment Recommendations.* Proposes two language amendments relating to recommendations of the Governor’s Sub-Cabinet on Community Investments. The first states that the Secretary must ensure that the planning and evaluation of projects is consistent with Executive Order 69 (2008) which sets out principles of sustainability. The second states that the CTB shall provide matching funds only to those MPOs that have established regional transportation and land use performance measures pursuant to Chapter 670 of the 2009 Acts of Assembly.

- **Department of Aviation**

- *Increase Commonwealth Airport Fund Appropriation.* Increases the nongeneral fund appropriation of Commonwealth Airport Funds by \$8.9 million each in FY 2011 and FY 2012 to more accurately reflect the revenues appropriated from these funds.
- *Reduce GF Support for Use of Executive Aircraft.* Captures \$1,038 in prior year balances from amounts provided to DOAV for support of executive aircraft usage. Also included is a GF reduction of \$4,300 in FY 2011 and \$5,338 in FY 2012 in support for these aircraft.

- **Department of Motor Vehicles**

- *Reflect Transfer of Uninsured Motorists Fee Revenues to the General Fund.* As a continuation of the September, 2009 budget reduction strategies, the \$3.2 million that had been retained by DMV for its information technology initiatives each year is transferred to the general fund in Part 3. Because of the multi-phase nature of the systems redesign, DMV can adjust the project schedule to address this reduction.
- *Reduce Payment of Mobile Home Taxes to Localities.* Implements a 10 percent reduction in the mobile home sales and use tax revenues and transfers the \$500,000 each year to the general fund.

- *Reflect NGF Revenue Collections.* Increases the NGF appropriation for the payments made to localities from the vehicle rental tax by \$1.0 million each in FY 2011 and FY 2012. This is a technical adjustment to reflect appropriations that had been increased administratively in prior years.

- **Department of Rail and Public Transportation**

- *Reduce Appropriation to Reflect NGF Revenue Reforecast and Transfer of Dulles Corridor Metrorail Project.* Reduces the agency's NGF appropriation by \$217.8 million in FY 2011 and \$187.6 million in FY 2012 to reflect the latest revenue estimates for the Transportation Trust Fund and federal funds and the transfer of the Dulles Corridor Rail Project from DRPT to the Metropolitan Washington Airports Authority (MWAA). Embedded in this action is a base adjustment removing \$519.0 million NGF of the Dulles Corridor Rail Project funding because this project has been transferred to MWAA. Exclusive of the rail project transfer, DRPT's nongeneral fund revenues reflect an increase of \$41.7 million in FY 2011 and \$71.9 million in FY 2012, which includes revenue reductions offset by the transfer of funding for regional surface transportation programs and congestion mitigation and air quality funding to DRPT, as well as the appropriation of Capital Bond Project proceeds.
- *Transfer Rail Industrial Access Program Appropriation.* Increases the agency's NGF appropriation by \$3.0 million each in FY 2011 and FY 2012 to reflect the transfer of the HMOF revenues dedicated to the Rail Industrial Access Program from VDOT to DRPT. Although DRPT manages the program, in the past the funds had been appropriated to VDOT. This results in no net change to the program.
- *Implement Sub-Cabinet on Community Investment Recommendations.* Proposes two language amendments relating to recommendations of the Governor's Sub-Cabinet on Community Investments. The first states that the Commonwealth Transportation Board shall develop criteria for competitive grants for transit service to be funded with the Transportation Capital Projects Revenue Bonds which give priority to projects that include complementary land use commitments. The second states that subsequent to the conclusion of the three-year pilot project funding rail service from Lynchburg and Richmond to D.C., no direct service shall be continued unless the areas surrounding the train stations have been designated as urban development areas.

- **Department of Transportation**

- *Reduce NGF Appropriation to Reflect FY 2010 Revenue Forecast Adjustments.* Reduces VDOT's NGF revenues by \$259.5 million in FY 2011 and \$244.6 million in FY 2012 to reflect changes in the transportation revenue forecast since the passage of Chapter 781.

- ***Reduce VDOT MEL to 7,500.*** Proposes a reduction in VDOT’s maximum employment level (MEL) from 8,350 to 7,500 to reflect the Department’s intention to reduce actual full-time employees to that level. Language was included in Chapter 781 to enact the VDOT Commissioner’s “Blue Print” which reduces VDOT’s workforce to 7,500 by July 1, 2010.
- ***Supplant GF Support for Route 58 Corridor Development Program.*** Reduces by \$28.0 million GF in FY 2011 the amounts provided to support the debt service on the Route 58 bonds. In FY 2012, the GF appropriation is increased by \$28.0 million, keeping the amounts for the biennium at \$80.0 million. The NGF transfer to the Fund is set at \$20.0 million the first year and \$4.0 million in FY 2012.
- ***Realign Maintenance Budget.*** The funding for VDOT’s overall maintenance program, which traditionally had been distributed only among the 3 state-maintained roadway systems – Interstate, Primary, and Secondary – is now re-aligned to separate infrastructure maintenance on the 3 systems and add a fourth maintenance sub-category for operational activities like traffic management, roadside maintenance, snow-removal and other non-infrastructure improvement items.
- **Board of Towing and Recovery Operations**
 - ***Transfer of Agency to the Public Safety Secretariat.*** HB/SB 30 reflects a proposal to transfer the Board of Towing and Recovery Operations to the Secretariat of Public Safety.