



**Report of the
Subcommittee on Transportation
(Amendments to SB 700, as Introduced)**

**Senate Finance Committee
Virginia General Assembly**

February 6, 2005



SENATE OF VIRGINIA

Senate Finance Committee

2005 Report of the Transportation Subcommittee Charles R. Hawkins, Chairman

Mr. Chairman and Members of the Committee:

Last year this Committee put forth a legislative and budget initiative to give our transportation agencies the muscle they need to bring Virginia's transportation system into the 21st century.

We have no such initiative today. But, let no one misunderstand our intent and determination to face what has been avoided for too long. Transportation must have its own reliable and sustainable resources to solve Virginia's problems on the roads and rails.

On the legislative front, we have a study resolution ready for the Senate to create a "Blue Ribbon" Commission. The Commission will scrutinize our transportation policies and finances, and develop an action agenda for the 2006 Session.

And, the Committee passed legislation to restore the public's trust in the management of transportation and general fund dollars.

Mr. Chairman, fixing our transportation systems will require many hands, including the Governor and his transportation team. Their hard work is showing with strong performance by VDOT in delivering projects on time and on budget, with ever increasing business growth in our ports, with actions to push forward the Dulles Corridor Rapid Transit Project, and with reduced wait times for DMV customers. Much has been accomplished, but we can and will do better.

To that end, the amendments before you reflect the Committee's desire to foster fiscal integrity and to address the most pressing of transportation needs. Here are the highlights:

- \$100.0 million GF to address capital and equipment needs of mass transit –
 - \$45.0 million for Metro Rail
 - \$25.0 million for VA Railway Express
 - \$15.0 million for Virginia Beach's "BRT" system
 - \$15.0 million for Statewide Bus Capital Program;
- \$256.4 million (\$90.0 million GF and \$166.4 million NGF) to pay off completed highway projects;
- \$97.4 million NGF for increased road maintenance;
- \$40.0 million NGF to capitalize the Local Partnership Fund;
- \$25.7 million (\$6.0 million GF and \$19.7 million NGF) to capitalize the Rail Partnership Fund; and
- \$150.1 million NGF for formula allocations and other adjustments.

Respectfully Submitted,

The Honorable Charles R. Hawkins, Chairman

The Honorable Charles J. Colgan

The Honorable William C. Wampler, Jr.

The Honorable R. Edward Houck

The Honorable Kenneth W. Stolle.

The Honorable Frederick M. Quayle

The Honorable John C. Watkins

**Transportation
Amendments to SB 700**

AGENCIES	General Fund Recommendations			NGF	Positions
	FY 2005	FY 2006	Biennium	Biennium	FY 2006
Secretary of Transportation					
SB 700, as introduced	0	0	0	1,251,750	6.00
Welcome centers and rest areas	4,000,000		4,000,000		
VTrans2025 report date	Language				
<i>Total</i>	4,000,000	0	4,000,000	1,251,750	6.00
Aviation					
SB 700, as introduced	44,067	44,067	88,134	52,952,194	32.00
Additional TTF allocation	0	0	0	600,000	
<i>Total</i>	44,067	44,067	88,134	53,552,194	32.00
Motor Vehicles					
SB 700, as introduced	0	0	0	489,077,973	1,943.00
Integrated System Redesign Project	0	0	0	3,452,467	
Additional DMV revenue	0	0	0	4,568,949	
Performance goals and objectives	Language				
<i>Total</i>	0	0	0	497,099,389	1,943.00
Rail & Public Transportation					
SB 700, as introduced	0	0	0	424,347,281	43.00
Mass transit allocations	Language				
Additional TTF allocation				3,900,000	
Mass transit matching requirements	Language				
Transit partnership initiative	Language				
Trans Dominion rail project	Language				
Rail Partnership deposit	9,452,467		9,452,467		
<i>Total</i>	9,452,467	0	9,452,467	428,247,281	43.00
Transportation					
SB 700, as introduced	427,439,911	101,047,339	528,487,250	6,451,303,862	10,322.00
General fund allocations	(160,000,000)		(160,000,000)	0	
Additional TTF allocation				21,000,000	
Jamestown-Scotland Ferry				15,000,000	
Tolls on I-81	Language				
Welcome centers and rest areas	Language				
Rockingham County roads	Language				
Condemnation awards	Language				
Coalfields Expressway	Language				
Management of secondary roads const.	Language				
Performance goals and objectives	Language				
Local and state transportation planning	Language				
Technical amendment	Language				
<i>Total</i>	427,439,911	101,047,339	528,487,250	6,451,303,862	10,322.00

**Transportation
Amendments to SB 700**

AGENCIES	General Fund Recommendations			NGF	Positions
	FY 2005	FY 2006	Biennium	Biennium	FY 2006
Motor Vehicle Dealer Board					
SB 700, as introduced	0	0	0	3,636,300	22.00
No amendments					
<i>Total</i>	0	0	0	3,636,300	22.00
Virginia Port Authority					
SB 700, as introduced	0	0	0	125,084,617	145.00
Additional TTF allocation				1,100,000	
<i>Total</i>	0	0	0	126,184,617	145.00
Transportation - Operating Amends	(146,547,533)	0	(146,547,533)	49,621,416	0
Miscellaneous Provisions					
Payment of auto rental tax	Language				

Senate Transportation Package

	Revenue Sources				
	General Funds		Federal	State Transportation	Total New Revenues
	<u>FY 05</u>	<u>FY 06</u>	<u>FY 06</u>		
One-Time General Funds	\$196.0	\$0.0	\$0.0	\$0.0	\$196.0
One-Time Transportation Revenues	0.0	0.0	146.4	150.4	296.8
Recurring Transportation Revenues	<u>0.0</u>	<u>0.0</u>	<u>81.9</u>	<u>94.9</u>	176.8
Total Revenues	\$196.0	\$0.0	\$228.3	\$245.3	\$669.6
	Total General Funds \$196.0 million		Total Transportation Revenues \$473.6 million		Total Act \$669.6 million
	Uses				
Private Partnership Revolving Fund	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Mass Transit Partnership Fund	100.0	0.0	0.0	0.0	100.0
Rail Partnership Fund	6.0	0.0	0.0	19.7	25.7
Local Partnership Fund	0.0	0.0	0.0	40.0	40.0
Increased Maintenance & Operations Funding	0.0	0.0	97.4	0.0	97.4
Pay Off Completed Highway Projects	90.0	0.0	120.7	45.7	256.4
Formula Allocations & Other Adjustments*	<u>0.0</u>	<u>0.0</u>	<u>10.2</u>	<u>139.9</u>	150.1
Total Use By Source	\$196.0	\$0.0	\$228.3	\$245.3	\$669.6

* This includes the "ATS" money that will be available for FY 2006.

Transportation	FY 04-05	FY 05-06
Secretary Of Transportation	\$4,000,000	\$0 GF

Language:

Page 425, line 4, strike "\$613,873" and insert "\$4,613,873".

Page 428, after line 19, insert:

"C.1. The Secretary of Transportation shall petition the United States Congress and the Federal Highway Administration to seek a waiver from federal law and regulation prohibiting the Commonwealth from either privatizing the management and operations of the state's welcome centers and rest areas or developing public-private partnerships to provide facilities and services expected by the traveling public.

2. The Secretary is authorized to expend up to \$4,000,000 the first year from the general fund to develop public-private partnerships for the state's welcome centers and rest areas, upon receiving a waiver from the federal government. Any unexpended general fund balances designated for this purpose on June 30, 2005, and June 30, 2006, shall be reappropriated for expenditure for the same purpose.

3. If the Secretary does not obtain a waiver, he shall inform the Chairmen of the Senate Finance and House Appropriations Committees. The Director, Department of Planning and Budget, is then authorized to transfer the general fund appropriations to the Department of Transportation. The Department of Transportation shall use the appropriations to repair, improve, replace, or construct state welcome centers and rest areas. Priority shall be given to those facilities in the I-95 and I-64 corridors to better serve motorists driving through Virginia for the Jamestown 2007 Celebration."

Explanation:

(This amendment provides \$4.0 million GF to improve, repair or replace the state's welcome centers and rest areas. The Secretary is directed to seek a waiver from the federal government in order for the state to partner with private parties to improve the facilities. If no waiver is given, the funds and responsibilities for improving the facilities are transferred to VDOT. Fixing the facilities in the I-95 and I-64 corridors is to be given highest priority.)

Transportation

Department Of Motor Vehicles

FY 04-05

\$0

FY 05-06

\$3,452,467 NGF

Language:

Page 430, line 34, strike "\$51,585,884" and insert "\$55,038,351".

Explanation:

(This amendment provides \$3.5 million NGF for DMV to begin detailed planning and engineering to replace a 15 year old computer system affecting the agency's driver, vehicle and motor carrier services. There is also sufficient funding to begin phasing out obsolete terminals with personal computers at the customer service centers.)

Transportation Subcommittee

Item 477 #3s

Transportation

Department Of Motor Vehicles

Language

Language:

Page 432, line 17, strike "E." and insert "E.1."

Page 432, line 21, strike "2005" and insert "2006".

Page 432, after line 28, insert:

"2. As part of the effort to develop performance goals and strategies, the Department shall calculate the average wait time and the related average cost per transaction conducted at each customer service center. The calculations shall determine the impact to transportation funding if wait times are reduced or increased by increments of five minutes. For increased wait times, the upper limit shall be an average wait time of 45 minutes. For reduced wait times, the lower limit shall be an average wait time of 10 minutes.

3. In addition, the Department shall calculate the average number of transactions conducted at each customer service center that can now be done by alternative means such as mail, phone, or Internet. The Department shall determine if the average number of such transactions can be redirected away from the customer service centers to alternative services by levying a surcharge in addition to the fee already prescribed by statute or regulation for the transactions. The Department shall develop a schedule of surcharges and the impact of various surcharges on the average number

of transactions at customer service centers for those services that can be addressed through alternative means.

4. The Department shall submit the report by December 28, 2005 to the Governor, the Secretary of Transportation, the Chairmen of the Senate Committees on Transportation and Finance, and the Chairmen of the House Committees on Transportation and Appropriations."

Explanation:

(This amendment changes the date for the Department to develop performance goals and objectives. Language also directs the Department to examine the effect of reducing or increasing wait times on revenues available for transportation projects. Lastly, the amendment requires the Department to examine the impact of levying a surcharge on transactions performed at customer service centers that could be done more efficiently through alternative means.)

Transportation Subcommittee

Item 482 #7s

Transportation

Department Of Rail And Public
Transportation

Language

Language:

Page 434, line 11, strike "\$10,000,000" and insert "\$15,000,000".

Page 434, line 12, strike "\$10,000,000" and insert "\$15,000,000".

Page 434, line 12, strike "purchase" and insert "related capital".

Page 434, line 13, strike "\$20,000,000" and insert "\$25,000,000".

Page 434, line 15, strike "\$40,000,000" and insert "\$45,000,000".

Page 434, line 17, after "provide" insert "up to".

Page 434, line 18, after "fund." insert: "The Director of the Department of Rail and Public Transportation shall set the matching rate in accordance with this subparagraph. For purposes of this subparagraph, a program shall be considered a special funding project established by a regional transportation authority and endorsed by each Virginia locality participating in the authority."

Explanation:

(This amendment increases by language the amount of general fund support for Virginia Beach's bus rapid transit system, statewide bus related capital program, VRE, and Metro. The increase of \$5.0 million for each entity results in an additional total allocation of \$20.0 million. A companion budget amendment (Item 493.10)

appropriates the additional \$20.0 million GF for the projects.)

Transportation Subcommittee

Item 483 #2s

Transportation

Department Of Rail And Public
Transportation

Language

Language:

Page 435, line 23, strike "B." and insert "B.1."

Page 435, after line 32, insert:

"2. The Department shall establish a Trans Dominion Rail Pilot Project to demonstrate the capability of passenger rail service to alleviate congestion on the state's interstate and highway system of roads. The pilot project will provide passenger rail service between the cities of Bristol and Richmond and between Bristol and Washington, D.C.

3. As part of the pilot project, shuttle services for passengers to the Trans Dominion stops shall be included. At least one stop shall include a college campus. This component of the pilot project will maximize ridership opportunities for potential riders."

Explanation:

(This amendment directs the Department of Rail and Public Transportation to initiate the Trans Dominion Rail as a pilot project between Bristol to Richmond and between Bristol to Washington, D.C.)

Transportation Subcommittee

Item 487 #1s

Transportation

Department Of Transportation

Language

Language:

Page 438, line 26, strike "A." and insert "A.1."

Page 438, after line 46, insert:

"2. For the allocation of funds under this Item for projects in the federal Office of Management and Budget defined micropolitan or metropolitan areas east of Route 29,

priority shall be given to those local governments that complete a build-out analysis of their comprehensive plans and zoning.

a. The build-out analysis shall include the total number of housing units and commercial development, transportation infrastructure needed to support that development, and the estimated cost of transportation infrastructure. If requested, the Department shall provide technical assistance for the analysis.

b. The build-out report will be shared with the Regional Planning District Commissions (RC or PDC), Metropolitan Planning Organizations (MPO), and the Virginia Department of Transportation (VDOT)."

Explanation:

(This amendment strengthens the linkage between local land use planning and transportation infrastructure by affording a higher priority for localities providing a build-out analysis of eligible transportation projects.)

Transportation Subcommittee

Item 488 #5s

Transportation

Department Of Transportation

Language

Language:

Page 440, after line 12, insert:

"D.1. The department shall adhere to the policy set by the 2002 Session of the General Assembly concerning the application of tolls or user fees on Interstate 81 in signing any comprehensive agreement pursuant to the Public-Private Transportation Act of 1995. State law prohibits the imposition of tolls or user fees on Interstate 81 on passenger cars, pickup or panel trucks, and motorcycles as such terms are defined in § 46.2-200, Code of Virginia. Unless the Federal Highway Administration exercises its authority to approve a demonstration project for Interstate 81 permitting the use of tolls on passenger cars, this policy continues.

2. It is the intent of the General Assembly that the Commonwealth Transportation Board proceed with the environmental study of the Interstate 81 reconstruction project and that this study consider and incorporate the mitigating impacts of various rail options on the environment."

Explanation:

(This amendment directs the Department of Transportation to follow policy set by the General Assembly to restrict the use of tolls on Interstate 81 in any Public-Private Transportation Act project. This policy can only be overridden by action taken by the federal government. Moreover, the required environmental study will have to consider the impacts of various rail options on the project.)

Transportation Subcommittee

Item 488 #6s

Transportation

Department Of Transportation

Language

Language:

Page 439, line 37, strike "A." and insert "A.1."

Page 439, after line 56, insert:

"2. The Department of Transportation is authorized to issue Federal Reimbursement Anticipation Notes for Coalfields Expressway projects included in the next Six-Year Improvement Plan to be approved in June of 2005."

Explanation:

(This amendment directs the Department of Transportation to issue FRANs for the Coalfields Expressway in the next 6-Year Improvement Plan.)

Transportation Subcommittee

Item 488 #7s

Transportation

Department Of Transportation

Language

Language:

Page 440, after line 12, insert:

"D. The Department is authorized to use any unexpended funds from the Harrisonburg Bypass project for preliminary engineering for improvements to Port Republic Road and Stone Spring Road in Rockingham County."

Explanation:

(This amendment authorizes VDOT to use unexpended funds from the Harrisonburg Bypass project for preliminary engineering for improvements to Port Republic Road and Stone Spring Road in Rockingham County.)

Transportation

FY 04-05

FY 05-06

Department Of Transportation

\$0

\$15,000,000 NGF

Language:

Page 440, line 47, strike "\$61,971,600" and insert "\$76,971,600".

Page 441, line 12, insert "A." before "Included".

Page 441, after line 15, insert:

"B. The Department of Transportation is authorized to expend up to \$15.0 million from unobligated toll facility operations revenues for the purchase of a new Jamestown-Scotland ferryboat. The Department is further authorized to develop and implement a fee schedule to repay the toll facility operations account. In developing a fee schedule, the Department shall include options to reduce the fees imposed on daily commuters."

Explanation:

(This amendment provides \$15.0 million NGF for VDOT to purchase an additional ferry to improve the service between Jamestown and Scotland. VDOT is directed to implement a fee schedule to repay the toll facility operations account.)

Transportation

Department Of Transportation

Language

Language:

Page 442, after line 45, insert:

"8. The Department of Transportation, working with representatives of counties, shall develop and prepare legislative recommendations on the process for any county, at their request, to assume responsibility for their secondary construction program. Such work shall be completed by November 1, 2005 and be provided to the Governor and the Senate and House Transportation Committees for their consideration."

Explanation:

(This amendment requires VDOT to develop and prepare legislative recommendations that will enable a county, at their request, to assume responsibility

for their secondary construction program. The intent is for a process similar to that followed for the "First Cities" initiative to be proposed to the 2006 General Assembly session.)

Transportation Subcommittee

Item 493.10 #2s

Transportation

FY 04-05

FY 05-06

Department Of Transportation

(\$160,000,000)

\$0 GF

Language:

Page 447, line 19, strike "\$350,000,000" and insert "\$190,000,000".

Page 447, line 19, strike "Replacement of Diverted Transportation Funds" and insert "One-time General Fund Support for Transportation".

Page 447, line 24, strike "\$824,007,050" and insert "\$669,600,000".

Page 447 strike lines 29 through 34.

Page 447, line 35, strike "\$80,000,000" and insert "\$100,000,000".

Page 447 line 39, strike "\$40,000,000 the first year".

Page 447, line 40, strike "from the general fund and".

Page 447, line 46, strike "\$23,200,000" and insert "\$19,747,533".

Page 448 strike lines 19 through 54.

Page 449 strike lines 1 through 19.

Page 449, line 21, strike "Private".

Page 449, line 22, strike the first "Partnership Fund,".

Explanation:

(This amendment removes general fund support of \$160.0 million the first year. The remainder of the one-time \$190.0 million GF is used for mass transit projects (\$100.0 million) and for project deficit payoffs (\$90.0 million).)

Transportation Subcommittee

Item 493.10 #3s

Transportation

Department Of Transportation

Language

Language:

Page 447, line 19, strike "Replacement of Diverted Transportation Funds" and insert "One-time General Fund Support for Transportation".

Page 448, strike lines 19 through 54.

Page 449, strike lines 1 through 19 and insert:

"8. The Director, Department of Planning and Budget, shall transfer general fund appropriations in the second year from this Item to Item 488 of this Act. Up to \$23,607,050 shall be used to support any public-private partnership developed through the efforts made by the Secretary of Transportation to obtain a waiver from federal law and regulation concerning privatization of the state's welcome centers and rest areas. If no such waiver is obtained, the Department of Transportation shall use the general fund appropriations to repair, improve, construct, or replace these facilities. The Department shall prioritize its spending on those facilities in the I-95 and I-64 corridors. Any unexpended general fund balances remaining for this purpose on June 30, 2005 and June 30, 2006, shall be reappropriated and reallocated for expenditure."

Explanation:

(This amendment designates \$23.6 million GF for the repair or replacement of the state's welcome centers and rest areas. The money can be used for public-private partnership projects or by the Department itself for this purpose.)

Transportation Subcommittee

Item 3-5.04 #1s

Adjustments and Modifications to Tax Collections

Retaliatory Costs to Other States Tax Credit

Language

Language:

Page 559, line 21, strike "beginning".

Page 559, line 22, after "Fund." insert: "However, before depositing the proceeds into the Rail Partnership Fund, the Commissioner shall first retain \$3,452,467 to pay for the detailed design work and related equipment costs of the Department's integrated system redesign project."

Explanation:

(This amendment provides \$3.5 million to DMV for the agency's integrated system redesign project. A companion amendment appropriates the revenue to the Department for this purpose. A third budget amendment replaces the \$3.5 million for the Rail Partnership Fund with a like amount of one-time general fund dollars.)