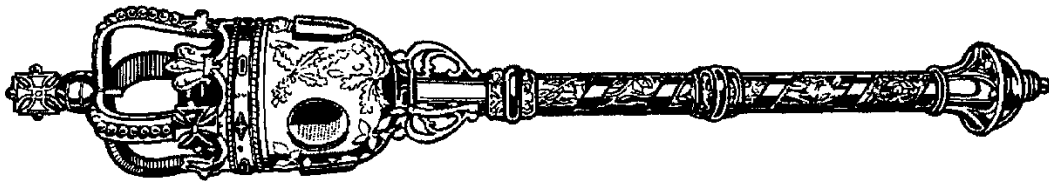


***Report of the
House Appropriations
Subcommittee***

on

Transportation



***House Bill 29
&
House Bill 30***

February 22, 2004

**Respectfully Submitted by the House Appropriations
Subcommittee on Transportation:**

Joe T. May, Chairman

John S. (Jack) Reid

Beverly J. Sherwood

Marian Van Landingham

Leo C. Wardrup, Jr.

Jackie T. Stump

Allen W. Dudley

Floyd H. Miles, Sr.

REPORT OF THE SUBCOMMITTEE on TRANSPORTATION

Mr. Chairman and Members of the Committee:

I am pleased to report that the Subcommittee recommendations include continuing the House's commitment to repayment of the \$317 million transferred from the Transportation Trust Fund in fiscal year 2003. When the House agreed to the transfer of funding during the 2002 Session, we did so with the pledge that the general fund would pay the debt service on the 10 year note VDOT issued to replace the transferred revenues. \$37.4 million from the general fund is recommended each year to fully fund the debt service costs of these notes.

The Subcommittee recommendations also include increased transportation trust fund appropriations for the four modal agencies totaling \$28.9 million each year. These funds represent additional revenues generated by the elimination of sales tax exemptions pursuant to House Bill 1488. Distributed according to the Code-stipulated formula, additional sales tax revenues will provide:

- \$695,474 each year for the Department of Aviation
- \$1,207,079 each year for the Virginia Port Authority
- \$4,259,778 each year for Rail and Public Transportation
- \$22,805,749 each year for VDOT highway construction

Recognizing the growing role of alternative modes of transportation in the Commonwealth's more congested regions, the Subcommittee recommends authorizing the transfer of eight positions and the associated funding from VDOT to the Department of Rail

and Public Transportation. These positions will be used to enhance planning activities

of that department as well as improve capital projects administration, and rail and transportation demand management programs.

Our commitment to investments in core infrastructure across the Commonwealth also is evidenced by the increased debt authorization for the Virginia Ports Authority. This increase will support the issuance of \$60.0 million of additional Port Fund bonds to complete Phase III of the Norfolk International Terminals South project, as well as the issuance of debt for the purchase of straddle carriers and crane replacements.

In addition to the funding provided through House Bill 1488, the Subcommittee recommendations for the Department of Aviation include \$1.5 million for general aviation security, \$1.8 million to upgrade automated weather observation systems and instrument landing systems at airports across the state, and \$1.0 million to match a \$4.2 million federal NASA grant for research and development of a Small Aircraft Transportation System program.

The introduced budget included a contingent general fund appropriation to the Priority Transportation Fund, based on one-third of the Insurance Premium revenues. As you have indicated, Mr. Chairman, we cannot fix the problems in transportation by placing an additional burden on the general fund. I would like to note that this does not, as some have stated, represent a reduction to VDOT. The insurance premium funds were never anticipated by VDOT and are not included in the VDOT Six-Year Improvement Program.

Finally, I am pleased to report that the Subcommittee recommends no transfers of VDOT funding to the general fund. Although the Subcommittee could not afford to fund transportation using general fund resources, neither could we support balancing the general fund budget with Transportation Trust Funds.

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

Budget Amendment Recommendations

<u>Amendment</u>	House Bill 29 <u>FY 2004</u>	<u>2004-06 BIENNIAL TOTAL</u> <u>General</u> <u>Fund</u> <u>NGF</u> <u>FTE</u>		
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Transportation

HB 29 (2003-04 Budget)

Industrial Access Funds for Maersk Project

Language

HB 30 (2004-06 Budget)

Secretary Of Transportation

Technical Correction

Language

Department Of Aviation

Aviation Increase from Add'l Sales Tax Revenue

1,390,948

Department Of Motor Vehicles

DMV Report on Costs of Services

Language

Department of Rail and Public Transportation

Clarify Additional Federal Funding to Transit Agencies

Language

DRPT Increase from Add'l Sales Tax Revenue

8,519,556

Department of Transportation

Identify Opportunities for Outsourcing

Language

Hunter Mill Traffic Calming

Language

Coalfield's Expressway

Language

Shoulder Stabilization Materials

Language

Funds for Hwy Construction from Add'l Sales Tax Revenue

45,611,498

Remove Contingent GF Appropriation for PTF

(272,000,000)

Virginia Port Authority

VPA Increase from Add'l Sales Tax Revenue

2,434,158

Subtotal: Transportation

=====
(272,000,000)

=====
57,956,160

Central Appropriations

Central Appropriations

Language

Language:

Page 254, after line 35, insert:

"S. Up to \$200,000 of the funding available under Item 491 of Chapter 1042 of the Acts of Assembly of 2003 for the industrial access road program shall be used to fund the planning and initial preliminary engineering costs for the transportation improvements required as part of the construction of the New Marine Terminal in the City of Portsmouth. Any such funding spent on the improvements described in this paragraph shall be repaid to the industrial access road program once federal authorization of the marine terminal project is received."

Explanation:

(This amendment directs VDOT to provide up to \$200,000 in the second year from the industrial access road program for costs associated with the new marine terminal project in the City of Portsmouth. These funds would be repaid following federal authorization of the project occurs.)

Transportation

Department Of Motor Vehicles

Language

Language:

Page 352, after line 48, insert:

"D. The Department of Motor Vehicles is hereby directed to implement, wherever possible, the recommendations of the Auditor of Public Accounts included in the study conducted pursuant to Item 1-2, Chapter 1042 of the Acts of Assembly of 2003. Further, the Department shall report to the Chairmen of the House Appropriations and Senate Finance Committees on progress in implementing the Auditor of Public Account recommendations as well as the department's evaluation of the variable costs of providing customer services via the various service delivery methods by November 15, 2004."

Explanation:

(This amendment directs the Department of Motor Vehicles, where possible, to implement the recommendations of the Auditor of Public Accounts included in the report released November 2003 relating to cost accounting and the determination of the costs of services provided by DMV under different service delivery methods.)

TransportationDepartment Of Rail And Public
Transportation

Language

Language:

Page 353, line 35, after "A.", insert "1."

Page 353, after line 38, insert:

"2. Not included in this appropriation is an amount estimated at \$10,122,400 the first year and \$10,403,000 the second year allocated directly to transit agencies from federal sources for the Surface Transportation Program (STP) and the Minimum Guarantee program."

Explanation:

(This amendment clarifies the actual federal revenue estimate for the six percent Surface Transportation Program (STP) and the 10 percent Minimum Guarantee program that flows directly to transit agencies from federal sources. The department

does not receive the funding, and thus this funding is not appropriated.)

Transportation Subcommittee

Item 484 #1h

Transportation

Department Of Transportation

Language

Language:

Page 356, strike lines 17 through 22 and insert:

“E. Each year, as part of the six-year financial planning process, the Commissioner shall implement a long-term business strategy that considers appropriate staffing levels for the department. In addition, the Commissioner shall identify services, programs, or projects that will be evaluated for devolution or outsourcing in the upcoming year. In undertaking such evaluations, the Commissioner is authorized to use the appropriate resources, both public and private, to competitively procure those identified services, programs, or projects and shall identify total costs for such activities. The Commissioner shall include annually in the update of the six-year plan a report on the department’s evaluations of outsourcing and devolution opportunities, and the outcome of those evaluations. Such report shall include an analysis of the costs of the services provided by the Commonwealth compared to costs associated with outsourcing those same services.”

Explanation:

(This amendment directs the Department of Transportation to include, as part of its annual six-year plan update process, a report of identified opportunities for outsourcing and devolution, and directs the Department to report on the outcomes of such evaluations annually in the six-year program.)

Transportation Subcommittee

Item 487 #1h

Transportation

Department Of Transportation

Language

Language:

Page 356, at the beginning of line 42, insert "A."

Page 357, after line 12, insert:

"B. Out of the appropriation included for this item, \$75,000 in the first year shall be provided to fund the costs of engineering services required to continue efforts to select appropriate traffic calming methods for the Hunter Mill Road area in Fairfax

County. VDOT shall transfer such funds to the County of Fairfax which shall be responsible for the conduct of the traffic calming study. The findings and recommendations of engineering review shall be presented to the Governor and the Chairmen of the Senate Finance and House Appropriations Committees by November 15, 2004."

Explanation:

(This amendment directs the Department of Transportation to transfer \$75,000 of planning funding in the first year to Fairfax County to continue evaluation of traffic calming for the Hunter Mill Road area in Fairfax County.)

Transportation Subcommittee

Item 487 #4h

Transportation

Department Of Transportation

Language

Language:

Page 357, line 33, after "2002.", strike the remainder of the line.

Page 357, strike lines 34 through 39.

Page 357, line 40, at the beginning of the line strike "Transportation Board."

Explanation:

(This amendment strikes language expressing the General Assembly's intent to prioritize financing of the Coalfield's Expressway from all state and federal revenue sources above all other projects. Language directing the Department of Transportation to develop a plan of finance for Phase A of the project is retained.)

Transportation Subcommittee

Item 487 #5h

Transportation

Department Of Transportation

Language

Language:

Page 356, at the beginning of line 42, insert "A."

Page 357, after line 12, insert:

"B. Out of the amounts provided for Ground Transportation System Planning and Research, the Department of Transportation, through the Virginia Transportation Research Council, shall allocate such amounts as may be required to study the use of soil stabilizers in highway shoulders at one or more selected locations. In conducting

its evaluation, the Council shall include a cost/benefit analysis, with the objective of finding a method of substantially reducing the occurrence of pavement/shoulder drop-off at a reasonable cost. Findings of the evaluation shall be reported to the Chairmen of the House Appropriations and Senate Finance Committees no later than January 1, 2005."

Explanation:

(This amendment directs the Virginia Transportation Research Council to study the use of soil stabilizers for highway shoulder improvements.)

Transportation Subcommittee

Item 3-6.02 #1h

Adjustments and Modifications to Fees

Motor Vehicle Fees

Language

Language:

Page 441, line 6, after "fund" insert:

"\$6,900,000 the first year and \$6,900,000 the second year of".

Page 441, line 6, after "revenue" insert "which shall be distributed".

Page 441, line 7, after "2002." strike remainder of line.

Page 441, strike line 8.

Page 441, strike line 11 through line 13.

Explanation:

(This amendment strikes obsolete references inadvertently carried over from Chapter 1042 of the Acts of Assembly of 2003 and removes language making transfers contingent upon passage of the Governor's tax package. This language also reduces the proposed transfer of "four-for-life" funds by one half.)