Report of the House Appropriations Subcommittee

on

Transportation



House Bill 29 L House Bill 30

February 16, 2014

REPORT OF THE SUBCOMMITTEE on TRANSPORTATION

Mr. Chairman and Members of the Committee:

Transportation remains one of the most significant issues in our Commonwealth. With the application of new resources generated and anticipated by the passage of House Bill 2313 last Session, Virginians will see new projects that will begin to relieve the crippling effects of gridlock and improve quality of life, particularly in Northern Virginia and Hampton Roads. This progress is important to our economy and to keeping Virginia the No. 1 state for business in the country.

In the budget for the upcoming biennium we will appropriate an additional \$697.5 million nongeneral fund in fiscal year 2015 and \$1.05 billion nongeneral fund in fiscal year 2016 at VDOT and see increases of \$131.1 million nongeneral fund in fiscal year 2015 and \$144.2 million nongeneral fund in fiscal year 2016 at the Department of Rail and Public Transportation. While growth has not been as robust as had been hoped, the lower than anticipated increases in the forecast for sales and motor fuel taxes are offset in part by increases in titling taxes, and the infusion remains dramatic.

This session, the Subcommittee has worked to ensure that smart decisions and wise actions are made regarding these resources so that the taxpayer is assured of proper oversight for all projects. Several language amendments in both the Secretary of Transportation's and VDOT's budget focus their attention on congestion relief, safety measures and economic development. These priorities, in addition to a statewide standard for grading transportation projects, will bring accountability to the system.

When measuring return on investment, the question should not only concern what a proposal costs but also whether it delivers. If a proposed project does not quantifiably reduce congestion, improve safety or create jobs, then it might not be a project the state should be committed to constructing right away.

The subcommittee is also committed to finding ways to provide additional funding for local transportation projects across the Commonwealth. While the first obligation is to maintain our Interstate and major arterial roadways, there is also a responsibility to our local roads. The Subcommittee's recommendations include language directing the Secretary of Transportation to report to the General Assembly by December of this year on ways to provide additional assistance for local projects. Language also has been included to ensure that local maintenance funding is distributed in a fair and equitable fashion based on objective measures of need.

Mr. Chairman, speaking to specific amendments, I am pleased to report that the subcommittee wisely directed balances remaining from a 2008 Transportation Partnership Opportunity Fund deposit to finance the next phase of work required to deepen the channels both in Norfolk Harbor and the Elizabeth River. This work will keep Virginia's ports competitive. Remaining amounts will also fund documented improvements for at-grade crossings. This work will help move traffic through the APM Terminals, which increasingly depends on rail traffic. Undeniably, the Port is truly a preeminent economic force of the Commonwealth, and these strategic investments will better prepare it for worldwide competition.

Finally Mr. Chairman, the subcommittee included language amendments for the Department of Motor Vehicles to take advantage of that agency's natural customer service position to better market and distribute EZ Pass toll transponders and to allow DMV to enter into

reciprocal agreements with other states to ensure enforcement of toll collection in other states.

In closing, I would like to thank Chairman Jones for the honor of serving in this capacity. The members of the Subcommittee have worked hard and I also appreciate their support during the Session in putting the subcommittee budget together. Now, committee staff will review the actual report and the attached listing of our recommendations at this time. I hope it will be your pleasure to adopt our subcommittee Report.

Respectfully Submitted by the House Appropriations Subcommittee on Transportation:

Christopher K. Peace, Chairman	John M. O'Bannon, III
Edward T. Scott	Christopher P. Stolle
Richard L. Anderson	Algie T. Howell, Jr.

Mamye E. BaCote

Budget Amendment Recommendations

Amendment

House Bill 29 FY 2014

2014-16 BIENNIAL TOTAL

<u>GF</u> **NGF**

Language

Language

Language

FTE

Transportation

HB 29 (2012-14 Budget)

Department of Transportation

Use of FY 2008 Appropriation Balances

Amend Equipment Project Language

Increase Transfer for Motor Fuels Testing

Remove Vetoed Item Included in Error

Part 3:

Part 4:

HB 30 (2014-16 Budget)	
Legislature	
Reporting on HB 2313 Fund Usage	Language
Secretary of Transportation	
NVTA Project Selection Requirements	Language
I-81 Project Prioritization	Language
Methods to Provide Assistance for Local Projects	Language
VDOT Project Advocacy	Language
Grade Crossing Improvements	Language
Department of Motor Vehicles	
Expansion of EZ Pass Distribution	Language
Reciprocal Toll Enforcement Agreements	Language
Department of Rail and Public Transportation	
Update Embedded Revenue Forecast References	Language
Technical Correction - Code Citation	Language
Department of Transportation	
Use of Planning Funds for Project Prioritization	Language
Use of Balances for Next Phase of High Rise Bridge	Language
Eligibility of Primary Extensions for CTB Formula Projects	Language
Use of TAP Funding for Tunnel Project and Gateway Signage	Language
Pilot Project - Allocation of Secondary Maintenance Funds	Language
Virginia Port Authority	
Port Debt Service Language	Language
Fund Source Change for Port Dredging	(6,500,000)
Fund Source Change for Economic Dev Zone Grants	(3,500,000)
Part 2: Capital Outlay	
Remove Redundant VPA Project Authorization	(60,000,000)
Remove Second Redundant VPA Project Authorization	(30,000,000)
A and D and and David and I among an	Lamayyana

Transportation Subcommittee

Item 446 #1h

Transportation

Department Of Transportation

Language

Language:

Page 201, strike line 52 and insert:

- "I. 1. In order to maximize the Department's cash management flexibility, authorization balances from the Commonwealth of Virginia Transportation Capital Projects Revenue Bonds authorized pursuant to Item 459 H., Chapter 847 of the 2009 Acts of Assembly, in an amount totaling \$31,070,647 shall be transferred from the Transportation Partnership Opportunity Fund to the Transportation Trust Fund and, not withstanding the provisions of Item 449.10, Chapter 847 of the 2008 Acts of Assembly, shall be made available to advance projects eligible for federal grant programs.
- 2. An offsetting transfer of \$31,070,647 in the Transportation Trust Fund pursuant to § 33.1-23.03:1 shall be transferred to the Transportation Partnership Opportunity Fund and notwithstanding the limitations contained in § 33.1-221.1:8 E, Code of Virginia, the Governor shall provide sufficient grants and loans from this amount to advance acquisition and construction of the following projects: \$10,000,000 shall be transferred to the Commonwealth Port Fund for environmental studies related to the dredging of the Hampton Roads Harbor channel to 55 feet and the Elizabeth River channel to 45 feet, and up to \$20,000,000 shall be programmed by the Department to undertake rail grade separation projects selected in conjunction with the Department of Rail and Public Transportation, the Virginia Port Authority and the City of Suffolk as part of an effort to improve the movement of rail in the city the serves port facilities. The amounts set out in this item shall not revert but shall carryforward at the close of fiscal year 2014."

Page 202, strike lines 1 through 4.

Explanation:

(This amendment adds additional language governing the use of balances remaining from a 2008 authorization of additional funding for transportation which at that time, was dedicated to specific projects which have since been completed. Balances totaling \$31.1 million remain from the original \$500.0 million designation.)

Transportation Subcommittee

Item 1 #1h

Legislative Department

General Assembly Of Virginia

Language

Language:

Page 8, after line 27, insert:

"N. The Joint Commission on Transportation Accountability shall regularly review, and provide oversight of the usage of funding generated pursuant to the provisions of House Bill 2313, 2013 Session of the General Assembly. The Commission shall prepare a report each year to be presented to the Chairmen of the House Appropriations, Senate Finance, and House and Senate Transportation Committees by November 15 tracking the usage of the funds by the regional entities in Northern Virginia and Hampton Roads, the uses of the Intercity Passenger Rail Operating and Capital Funds and ensuring that all the revenues are managed and expended as set out in Code."

Explanation:

(This amendment directs the Transportation Accountability Commission to provide oversight on the usage of funding generated for the state and the Northern Virginia and Hampton Roads regions pursuant to the provisions on House Bill 2313, 2013 Session of the General Assembly.)

Transportation Subcommittee

Item 427 #1h

Transportation

Secretary Of Transportation

Language

Language:

Page 372, after line 43, insert:

"K. No funding provided by the Commonwealth to the Northern Virginia Transportation Authority under the provisions of § 15.2-4838.1 C. shall be allocated to provide additional funding to any project in fiscal year 2015 or 2016 unless it has been evaluated and prioritized pursuant to the requirements of House Bill 599, 2012 Session of the General Assembly. This limitation shall apply to projects receiving funding in fiscal year 2014 to the extent that the Authority is considering providing additional appropriations to any project begun the prior year."

Explanation:

(This amendment prohibits the Northern Virginia Transportation Authority from providing funding for any project unless it has followed all the standard VDOT project selection and development requirements prior to making such allocation, including the evaluation criteria set out in House Bill 599, 2012 Session of the General Assembly.)

Transportation Subcommittee

Item 427 #2h

Transportation

Secretary Of Transportation

Language

Language:

Page 372, after line 43, insert:

- "K.1. The Commonwealth Transportation Board shall direct the staff of the Virginia Department of Transportation's Bristol, Salem and Staunton districts to develop a list of potential improvements to address congestion and safety concerns along the Interstate 81 corridor that could be implemented over the next ten years.
- 2. After the respective districts have identified potential improvement candidates, the list shall be provided to the Members of the General Assembly representing jurisdictions along the corridor to solicit their input on the relative priority of projects within each district. The results of this effort to identify priority improvements in the corridor shall be compiled, including preliminary cost estimates, where available, and presented to the Chairmen of the House and Senate Transportation Committees and the House Appropriations and Senate Finance Committees. An interim report, including a listing of the identified projects and estimated costs shall be completed by November 1, 2014. By January 1, 2016, a final listing, developed pursuant to the provisions of House Bill 2, 2014 Session of the General Assembly, will list the prioritized candidate projects identified for inclusion in the Six Year Program adopted by the Commonwealth Transportation Board in June 2016."

Explanation:

(This amendment directs staff in the VDOT Bristol, Salem and Staunton districts to develop a prioritized list of congestion relief and safety improvement projects along the I-81 corridor that could be implemented over the next 10 years.)

Transportation Subcommittee

Item 427 #3h

Transportation

Secretary Of Transportation

Language

Language:

Page 372, after line 43, insert:

"K. No later than December 1, 2014, the Secretary of Transportation shall provide recommendations to the Chairmen of the House Appropriations, Senate Finance and House and Senate Transportation Committees on methods to provide additional assistance for local transportation projects. The recommendations shall consider the need to achieve geographic equity, as well as the needs of local governments, transit agencies, and metropolitan planning organizations."

Explanation:

(This amendment directs the Secretary of Transportation to report to the General Assembly by December 1, 2014 on ways in which to provide additional assistance for local transportation projects.)

Transportation Subcommittee

Item 427 #4h

Transportation

Secretary Of Transportation

Language

Language:

Page 372, after line 43, insert:

"K. 1. The Commonwealth Transportation Board is directed to utilize available revenues in the Rail Enhancement Fund to develop a plan for the development and improvement of rail facilities in Suffolk that serve port facilities in the Commonwealth. Such study shall examine potential routes for cargo trains serving the ports that enhance access to both Class I and short line railroads. In the interest of public safety and to demonstrate public benefit, the studies and plans shall seek to minimize disruptions to vehicular travel within the city and surrounding localities. It is the sense of the General Assembly that routes that minimize environmental impacts to avoid extensive permitting and that utilize and connect to existing and/or abandoned rail infrastructure to allow for the efficient storage and staging of trains are preferable. The studies and plan development shall be done in cooperation with the Department of Rail and Public Transportation, the Virginia Port Authority, and surrounding localities that could be impacted by the development of new or improved rail facilities.

2. Upon completion of the studies and preliminary engineering for potential

alternative routes, the Department of Rail and Public Transportation may utilize Rail Enhancement monies necessary to develop or improve the facilities identified in the preferred alternative. A local contribution, as determined by the Board, shall be required of the City and any other local, regional or private partners as part of the application process for grants from the Fund and projects undertaken to improve ingress and egress of rail traffic from the Ports of Virginia may be exempted from the non-public match requirement included in § 33.1-221.1:1.1 D or negotiated at a lower rate.

3. The Commonwealth Transportation Board is further directed to utilize the amounts made available for rail grade separation projects in Item 446 of House Bill 29, 2014 Session of the General Assembly, and any additional unallocated amounts from the Rail Enhancement Fund or from the federal railway-highway crossings program to undertake the two grade separation projects identified in the Port of Virginia Gateway Project and the Suffolk Rail Impact Study on Nansemond Parkway."

Explanation:

(This amendment authorizes the CTB to utilize rail enhancement funds to develop plans to improve rail facilities that service the Virginia Port Authority facilities.)

Transportation Subcommittee

Item 427 #5h

Transportation

Secretary Of Transportation

Language

Language:

Page 372, after line 43, insert:

"K. The Secretary of Transportation shall assure that no funds appropriated to any transportation agency are expended directly or indirectly, including by a private contractor, for advocacy or propaganda purposes in support of any proposed transportation project for which construction funding has not been allocated in the Six Year Improvement Program. This prohibition shall not extend to advertising legally required for public notifications."

Explanation:

(This amendment prohibits any agency within the transportation secretariat from utilizing advertising to promote a project not already approved or beyond the requirements for public notification.)

Transportation Subcommittee

Item 433 #1h

Transportation

Department Of Motor Vehicles

Language

Language:

Page 375, after line 43, insert:

"I. The Commissioner of the Department of Motor Vehicles, in consultation with the Commissioner of Highways, shall take such steps as may be necessary to expand access to the E-ZPass program through its customer service channels using such locations and methods as are practicable."

Explanation:

(This amendment directs the DMV Commissioner to work with VDOT to expand retail distribution of E-ZPasses through its customer service channels.)

Transportation Subcommittee

Item 433 #2h

Transportation

Department Of Motor Vehicles

Language

Language:

Page 375, after line 43, insert:

"I. The Commissioner of the Department of Motor Vehicles, in consultation with the Commissioner of Highways, shall report on the feasibility and advisability of entering into reciprocal agreements with other states for the purpose of toll enforcement. Such report shall be made to the Chairmen of the House Appropriations, Senate Finance and House and Senate Transportation Committees no later than December 1, 2014."

Explanation:

(This amendment directs the DMV Commissioner to work with VDOT to explore the feasibility of entering into reciprocal agreements with other states to collect unremitted tolls.)

Transportation Subcommittee

Item 439 #1h

Transportation

Department Of Rail And Public

Transportation

Language:

Page 377, line 16, delete "\$160,361,138" and insert "\$237,748,173".

Page 377, line 17, delete "\$160,361,138" and insert "\$248,236,659".

Page 377, line 19, delete "\$123,546,936" and "\$123,546,936" and insert:

"\$177,424,325" and "\$184,983,594".

Page 377, line 21, delete "\$33,315,285" and "\$33,315,285" and insert:

"\$52,521,293" and "\$55,136,665".

Page 377, line 36, delete "\$1,998,917" and "\$1,998,917" and insert:

"\$6,302,555" and "\$6,616,400".

Page 377, line 43, delete "\$26,728,838" and insert "\$26,130,677".

Page 377, line 44, delete "\$26,728,838" and insert "\$26,130,677".

Page 378, line 10, delete ", subparagraphs b. through g.,".

Explanation:

(This amendment is a technical correction to House Bill 30 as introduced that replaces annualized number estimates with updated estimates.)

Transportation Subcommittee

Item 440 #1h

Transportation

Department Of Rail And Public Transportation

Language

Language:

Page 378, line 25, strike "33.01-221.1:1.1" and insert "33.1-221.1:1.1".

Explanation:

(This amendment corrects an incorrect Code citation in House Bill 30 as introduced.)

Transportation Subcommittee

Item 443 #1h

Transportation

Department Of Transportation

Language

Language:

Page 379, line 21, strike "\$4,500,000" and "\$4,500,000 and insert: "\$7,000,000" and "\$7,000,000:.

Explanation:

(This amendment increases the proportion of highway planning and research funding dedicated to evaluation of options to address transportation needs from \$4.5 million each year to \$7.0 million each year to support efforts to prioritize project selection.)

Transportation Subcommittee

Item 444 #1h

Transportation

Department Of Transportation

Language

Language:

Page 381, after line 3, insert:

"G. Out of the amounts provided for dedicated and statewide construction, the Commonwealth Transportation Board is hereby directed to utilize any balances remaining from amounts appropriated in Chapter 806, 2013 Session of the General Assembly, for an environmental study for the replacement of the I-64 High Rise Bridge in Chesapeake, Virginia to begin preliminary engineering on such project."

Explanation:

(This amendment directs the CTB to funds remaining from a 2013 appropriation for an environmental assessment for preliminary engineering costs required for the High Rise Bridge Project on Interstate 64 in Chesapeake to allow the project to advance beyond the initial environmental permitting phase.)

Transportation Subcommittee

Item 444 #2h

Transportation

Department Of Transportation

Language

Language:

Page 381, after line 3, insert:

"G. Notwithstanding any other provision of the Code of Virginia, reconstruction of primary roads in cities and towns that maintain their own roadways shall qualify as eligible projects for funding under the construction allocation formula articulated in § 33.1-23.1, Code of Virginia."

Explanation:

(This amendment clarifies that primary extensions are eligible as projects under

the provisions adopted by the 2012 General Assembly that allow for the use of \$500 million off the top of the state transportation funds for particular projects. Under a VDOT administrative interpretation, primary road projects that are located in cities and towns that maintain their own roads are not eligible for reconstruction funding even if such road conditions have deteriorated to such an extent as to have a combined condition index of less than 60. This language simply clarifies that the intent of the General Assembly was not to exclude cities and towns.)

Transportation Subcommittee

Item 444 #3h

Transportation

Department Of Transportation

Language

Language:

Page 381, after line 3, insert:

"G. Out of the funds provided for the Transportation Alternatives Program, an amount estimated at \$90,000 shall be provided from the maintenance funding for the Staunton District to remove the concrete barrier closing the entrance to a tunnel in Crozet, Virginia to allow for the development of a trails project and \$50,000 in the first year and \$50,000 in the second year shall be provided for gateway signage along Interstates 95 and 64 in the Richmond Regional Planning District."

Explanation:

(This amendment directs the Department of Transportation to utilize \$90,000 of its existing transportation alternatives program funds to eliminate a concrete barrier to the entrance of a tunnel in Crozet, Virginia in the Staunton District. The community is developing a trail through the historic tunnel and adjacent abandoned rail line but needs assistance removing a concrete barrier that was placed to close off the tunnel prior to completing the project. Also included is \$50,000 each year for Gateway Signage along Interstates 95 and 64 in the Richmond area as part of the region's efforts to market itself in preparation for the 2015 World Road Cycling Championship. These federal funds are made available only for alternative transportation-related improvements, not for standard construction or maintenance projects.)

Transportation Subcommittee

Item 445 #1h

Transportation

Department Of Transportation

Language:

Page 381, after line 25, insert:

"E. The Department is hereby directed to utilize the data collected for its State of the Pavement Report to determine the equitable allocation of secondary system maintenance funding allocated to the VDOT Richmond District. The pavement condition and ride quality data shall serve as the determinants of equitable shares of funding dedicated to pavements, with suballocations among the counties reflecting the relative pavement condition of the secondary roads in each jurisdiction to the extent possible based on the availability of data on such system. By October 15, 2014 the Department shall report to the Chairmen of the House Appropriations. Senate Finance and House and Senate Transportation Committees on the allocation of maintenance funding in the Richmond District by system and jurisdiction in fiscal year 2014 and compare such allocations to the allocations made in fiscal year 2015 pursuant to the requirements of this paragraph. Such report shall include an assessment of the potential to utilize this methodology to allocate maintenance funding on a statewide basis, and include an update on the availability of condition data on the secondary system and the Department's progress at implementing the requirements of Chapter 290 of the 2013 Acts of Assembly."

Explanation:

(This amendment directs the Department to undertake a review of the secondary system pavement conditions within the VDOT Richmond District and use the results of its findings to allocate the secondary maintenance funding within the District in fiscal year 2016. Currently, VDOT secondary system maintenance funds are not allocated using any formula or quantitative metrics. This pilot project would look at the efficacy of such a methodology for statewide purposes going forward.)

Transportation Subcommittee

Item 454 #1h

Transportation

Virginia Port Authority

Language

Language:

Page 389, after line 39, insert:

"11. It is hereby acknowledged that, in accordance with § 62.1-140, Code of Virginia, the Virginia Port Authority is authorized to purchase, through a purchase agreement (master equipment lease program), terminal operating equipment at a total estimated cost of \$37,000,000. Total debt service referenced in this paragraph

(including any interim financing issued in anticipation of such program), is estimated at \$5,000,000 the first year and \$5,000,000 the second year from special funds, and such lease purchases may be refunded by the Authority."

Explanation:

(This amendment adds language regarding to the debt service payment for a capital project for the Ports of Virginia authorized in Part 2 of this Act in Item C-40.)

Transportation Subcommittee

Item 454 #2h

Transportation

Virginia Port Authority

FY 14-15

\$0

FY 15-16

(\$6,500,000)

GF

Language:

Page 387, line 14, strike "\$85,625,159" and insert "\$79,125,159".

Page 389, after line 47, insert:

"D. From the amounts appropriated in Item 446 of House Bill 29, 2014 General Assembly, is \$3,500,000 from the Commonwealth Port Fund the first year and \$6,500,0000 form the Commonwealth Port Fund the second year for environmental studies related to the dredging of the Hampton Roads Harbor channel to 55 feet and the Elizabeth River channel to 45 feet. To the extent authorized by the Secretary of Transportation, an amount not to exceed \$2,500,000 from this authorization may be provided to the U.S. Army Corps of Engineers for the Commonwealth's share of costs previously incurred in construction of the Hampton Roads Harbor Channel."

Explanation:

(This amendment provides \$10.0 million in nongeneral fund resources appropriated to the Commonwealth Port Fund in House Bill 29 for work related to the dredging of the Hampton Roads Harbor and Elizabeth River channels. House Bill 30 as introduced had used general fund resources for this purpose.)

Transportation Subcommittee

Item 455 #1h

Transportation

Virginia Port Authority

FY 14-15

FY 15-16

(\$1,500,000)

(\$2,000,000)

GF

Language:

Page 389, line 48, strike "\$4,682,625" and insert "\$3,182,625".

Page 389, line 48, strike "\$5,307,625" and insert "\$3,307,625".

Page 390, line 13, strike "this Item" and insert: "Item 101 A.1."

Explanation:

(This amendment funds the proposed \$1.5 million in the first year and \$2.0 million in the second year for the Port Economic Development Zone Grants from the Economic Development Incentives Account, specifically from the amounts in the Governor's Development Opportunity Fund.)

Transportation Subcommittee

Item C-38 #1h

Transportation

FY 14-15

FY 15-16

Virginia Port Authority

\$0 (\$60,000,000) NGF

Language:

Page 431, line 30, strike "\$60,000,000" and insert "\$0".

Page 431, strike lines 29 through 31.

Explanation:

(This amendment removes a project at the Ports of Virginia included in House Bill 30 in error. The project has previously been authorized.)

Transportation Subcommittee

Item

C-39 #1h

Transportation

FY 14-15

FY 15-16

Virginia Port Authority

(\$30,000,000)

\$0 NGF

Language:

Page 431, line 32, strike "\$30,000,000" and insert "\$0".

Page 431, strike lines 32 and 33.

Explanation:

(This amendment eliminates a capital project which has already been authorized but had been included in House Bill 30 as introduced in error.)

Transportation Subcommittee

Item

C-40 #1h

Transportation

Virginia Port Authority

Language:

Page 431, line 34, strike "APMT".

Page 432, line 2, strike "rail mounted gantry cranes and translifters" and insert "terminal operating equipment".

Explanation:

(This amendment amends language setting out an equipment project funded by the Virginia Port Authority to remove language limited the equipment to the APM Terminals and replacing references to gantry cranes and translifters with a broader category of terminal operating equipment.)

Transportation Subcommittee

Item 3-1.02 #1h

Transfers

Interagency Transfers

Language

Language:

Page 444, line 19, strike the "\$362,854" and "\$362,854" and insert: "\$388,254" and "\$388,254".

Explanation:

(This amendment increases the amount transferred from the Department of Transportation to the Department of General Services for motor fuels testing from \$362,854 to \$388,254 each year.)

Transportation Subcommittee

Item 4-5.11 #1h

Special Conditions and Restrictions on Expenditures

Assignment of General Fund for Nonrecurring Expenditures

Language

Language:

Page 484, strike lines 1 through 7.

Explanation:

(This amendment removes Item 4-5.11 in the Introduced Budget for the 2014-2016 biennium as it was vetoed in the 2013 Session. Through technical error, the item was listed.)