

Transportation

The adopted 2002-2004 budget for transportation agencies totals \$6,359.0 million, including \$6,145.0 million NGF and \$213.6 million GF. Representing a net reduction of \$375.5 million NGF in FY 2003 and \$46.4 million NGF in FY 2004 when compared to Chapter 899. This total reflects new spending of \$209.9 million, offset by \$631.8 million in appropriation reductions.

The adopted budget restores a wide array of services at the Department of Motor Vehicles cut by the Governor's October reduction plans. In total, \$1.6 million in FY 2003 and \$15.8 million in FY 2004 is restored to allow for the reopening of the 12 customer service centers, the reinstatement of Wednesday operations, the restoration of headquarters support personnel, and the reopening of two weigh stations; all activities eliminated this fall as part of the October reduction plan. As part of this restoration, an additional 302 full-time equivalent positions also were provided.

Most of the reductions for Transportation agencies are technical, and reconcile the adopted budget with the Six Year Improvement Program and VDOT budget approved by the Commonwealth Transportation Board in June 2002. Except for targeted administrative reductions described below, adjustments do not represent actual reductions in the VDOT or other modal agency programs or reduce any planned construction or maintenance expenditures. Instead, these adjustments revise the estimates utilized in Chapter 899 (which was developed based on the December 2001 transportation revenue forecast) to bring the estimate in line with the adjustments to the federal and state transportation revenues that have been made since that time.

The only major appropriation increase in the Secretariat is an FY 2004 revenue adjustment of \$180.7 million NGF for VDOT, reflecting the December 2002 revised transportation revenue forecast developed by the Department of Taxation. However, reductions of \$477.0 million over the biennium, which reflect changes between the December 2001 estimate and the interim forecast, more than offset these increases.

In addition to technical revenue adjustments, targeted savings of \$91.2 million NGF are generated by Transportation agencies over the biennium. The largest reductions are those applied to VDOT, totaling \$63.6 million over the biennium through a number of administrative efficiencies, largely in the area of information systems.

- **Secretary of Transportation**
 - ***Use of Bridge Funding.*** Includes language directing the Secretary to expend at least 50 percent of federal bridge funds on bridges and directs him to report to the General Assembly on the Department's efforts to expedite the expenditure of bridge funds prior to the 2004 Session.
 - ***Prohibiting Use of State Funds for Roadside Memorials.*** Language is included prohibiting VDOT from utilizing state funds to erect or maintain roadside memorials commemorating the memory of those killed in vehicle accidents along the right-of-way.
 - ***Review of Best Management Practices for Transportation Planning.*** Directs the Secretary of Transportation to report on the best practices used to improve the link between state transportation and land use planning and technical assistance that can be provided to local governments in developing comprehensive plans.
 - ***Development of Debt Policy.*** Includes language directing the Secretary of Transportation to develop a debt capacity model for transportation in coordination with the State Debt Capacity Advisory Committee and report the recommended model to the General Assembly by January 1, 2004. This language is in support of recommendations made by the Auditor of Public Accounts.

- **Department of Aviation**
 - ***Capture Balances from Aviation Special Fund.*** Language is included in Part 3 transferring \$4.7 million of outstanding aviation special fund balances to the general fund in FY 2003. None of these funds had been appropriated to projects.
 - ***Funding for Metropolitan Washington Airports Authority and Metropolitan Washington Airports Task Force.*** Reduces support for the Metropolitan Washington Airports Task Force by 26 percent each year, for a total reduction of \$260,000 over the biennium. Also includes language reducing the transfer to MWAA each year by \$300,000, representing a reduction of 15 percent.
 - ***Discretionary Grant Restrictions.*** Eliminates language limiting future capital improvement grants to the Williamsburg/Newport News International Airport due to the cancellation of the Aviation World's Fair 2003.

- **Virginia SATS Lab Project.** Authorizes the expenditure of up to \$1.0 million to match federal funding available for a joint project with the FAA and NASA to promote safety and access to rural airports.
- **October Reductions.** Nongeneral fund appropriations are reduced 15 percent, or by \$3.1 million the first year and \$3.4 million the second year with savings transferred to the general fund. The majority of the reductions come from the airport capital improvement program (\$2.6 million in FY 2003 and \$2.8 million in FY 2004).
- **Department of Motor Vehicles**
 - **Restoration of DMV Services.** The adopted budget provides \$1.6 million in FY 2003 and \$15.8 million and 302 positions in FY 2004 to support the reinstatement of DMV services cut by the Governor in October. The additional funding allows for the following restorations:
 - **Customer Service Centers.** Reopens the 12 customer service centers closed by the Governor’s October 2002 savings plan and reopens all customer service centers on Wednesdays.
 - **Weigh Stations.** Reopens the two closed truck weigh stations in Loudoun and Frederick Counties.
 - **Headquarters Operations.** Restores central office positions to process customer transactions made at the service centers and online.
 - **Credit Card Fee.** Adopted budget includes language prohibiting DMV from charging customers a credit card fee for internet transactions in order to promote the use of alternative service delivery methods. The introduced budget had proposed passing that fee on to citizens.
 - **Funding for Service Restorations.** The adopted budget includes language increasing the fee for reinstating suspended or revoked licenses from \$30 to \$45. This increase is estimated to generate \$300,000 in FY 2003 and \$3.8 million in FY 2004. Language also is included increasing the fees for driver’s licenses and identification cards by \$5 over a five-year life of the license. This change generates \$10.6 million over the biennium.

- ***Use of Local Constitutional Officers as License Agents.*** Includes language authorizing DMV to enter into agreements with any local constitutional officer to act as license agents for the Department.
- ***Rental Tax Revenues.*** Restores reductions to DMV payments to local governments through the distribution of rental vehicle taxes. The introduced budget reduced these amounts by \$1.6 million and \$2.1 million in FY 2003 and FY 2004, respectively. Language in Part 3 also directs DMV to transfer the 3 percent share of the rental tax dedicated to DMV to the general fund, estimated at \$21.7 million in FY 2004.
- ***Review of Cost Allocation.*** Directs the Auditor of Public Accounts to develop a cost accounting system to accurately document the true total costs of the activities and services provided by the Department of Motor Vehicles prior to the 2004 Session of the General Assembly.
- ***Legal Presence.*** Language under Jamestown 2007 directs \$1.0 million of the revenues generated by the \$1.00 Jamestown 2007 fee for vehicle registration to the Department of Motor Vehicles to carry out the provisions of legislation relating to the issuance of driver's licenses, permits and other DMV documents to ensure they are issued only to those legally present in the United States.
- **Department of Rail and Public Transportation**
 - ***Reconcile Appropriations to June 2002 Transportation Revenue Estimate.*** The rail and public transportation NGF appropriation is reduced by \$23.8 million in FY 2003 and \$16.7 million in FY 2004 to correspond with the adopted agency budget and program. This is a technical correction to reflect actual revenues.
 - ***Reflect Federal Highway Revenues Appropriated for Mass Transit.*** Adjusts the DRPT appropriation to reflect \$8.2 million NGF of federal highway revenue that is administered and expended by DRPT.
 - ***Dulles Corridor Project Positions.*** Five VDOT positions are transferred to the Department of Rail and Public Transportation to manage the Tysons/Dulles Corridor rail and bus rapid transit project.

- ***GRTC Initiative.*** Directs DRPT to provide up to \$900,000 in the second year to support GRTC service into Chesterfield County provided the county matches such funds on a dollar for dollar basis no later than 30 days after enactment of the Appropriation Act.
- ***October Reductions.*** Nongeneral fund appropriations are reduced \$487,524 the first year and \$518,494 the second year with savings transferred to the general fund. This represents a 15 percent reduction to non-grant programs each year. The savings are achieved largely through administrative savings, including reductions in travel, training, consultants, and turnover and vacancy savings.
- **Department of Transportation**
 - ***Reconcile Appropriations to June 2002 Transportation Revenue Estimate.*** The transportation appropriations included in Chapter 899 were based upon the December 2001 transportation revenue forecast. The FY 2002-2008 Six-Year Improvement Program and VDOT budget approved by the Commonwealth Transportation Board in June 2002 were based on substantially lower revenue estimates. The adopted budget reduces VDOT's NGF appropriations by \$309.8 million in FY 2003 and \$167.2 million in FY 2004 to correspond with the VDOT budget and program.
 - ***Reflect Revised December 2002 Transportation Revenue Estimate.*** The Department of Taxation's recent revenue forecast for transportation revenue results in a \$180.7 million increase in anticipated Highway Maintenance and Operating Fund and Transportation Trust Fund revenues over the biennium when compared to the spring 2002 revenue estimate. The forecasted funds are all appropriated in the second year.
 - ***Establish Cash Reserve.*** Includes language authorizing the Governor to adjust the amounts appropriated among the VDOT programs for the purpose of establishing a cash reserve account. This action reflects a recommendation of the Auditor of Public Accounts.
 - ***Route 58 Program.*** Directs the department to utilize balances in the Route 58 Corridor Development Fund to restart projects currently under construction and to prioritize, projects in the right-of-way acquisition stage of development. Language also is included directing the Commissioner to report by July 1 on the allocations

and expenditures from the Fund for the preceding year and to compare spending to allocations by project and district.

- **Tolls on Interstate 81.** Includes language requiring the Department to adhere to policy set in State law by the 2002 General Assembly which prohibits the imposition of tolls on passenger cars on the Interstate. Any comprehensive agreement signed pursuant to the PPTA of 1995 shall not be dependent on tolls on passenger vehicles unless FHWA approves a demonstration project on Interstate 81 that includes the use of tolls on passenger vehicles.
- **FRAN Debt Service.** Specifies that any debt service requirements of the Federal Revenue Anticipation Notes not covered by the Priority Transportation Fund or from available federal Interstate funds shall come “off-the-top” prior to making the state formula allocations set out in the Code.
- **October Reductions.** Nongeneral fund appropriation reductions proposed by the Governor and included in the adopted budget total \$63.6 million over the biennium. The major strategies utilized are outlined below.
 - Information technology consultant and other costs reduced \$17.2 million over the biennium.
 - Reduced use of contract employees and turnover and vacancy savings total \$15.2 million over the biennium. Also includes relinquishing 100 full time equivalent positions.
 - Terminate contract with private consultant for the Integrated Condition Assessment System (ICAS) for a savings of \$4.0 million in FY 2003 and \$7.8 million in FY 2004.
 - Reduce funding for the traffic management system for a savings of \$1.9 million in FY 2003 and \$3.8 million in FY 2004.
 - Reduce use of safety service patrols in non-peak travel hours for a savings of \$2.0 million in FY 2003 and \$4.0 million in FY 2004.
- **Motor Vehicle Dealer Board**
 - **Transfer Funds from Motor Vehicle Transaction Recovery Fund.** The introduced budget had proposed eliminating this fund and

transferring all balances to the general fund. Language in Part 3 restores \$200,000 to this fund thereby preserving sufficient balances to continue to operate the Fund to protect Virginia's consumers.

- **Virginia Port Authority**
 - ***Authorize Issuance of \$50.0 million Port Facilities Revenue Bonds.*** The bond authorization will be used for Phase 2 of the Norfolk International Terminal South backlands regrade and reconstruction. Debt service estimated to be \$3.0 million in the second year would be paid from the Port Authority's existing special revenue funds. Language also is included authorizing the use of these bond proceeds to enhance security at the ports.
 - ***October Reductions.*** Nongeneral fund appropriations are reduced \$1.1 million the first year and \$1.3 million the second year with savings transferred to the general fund. This represents a reduction of 15 percent each year of nonexempted programs.