



# Regional Transportation Partnerships: *Shared Responsibility, Mutual Success*

November 18, 2022

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# Transportation Partnerships

# Multimodal Mobility is a Partnership

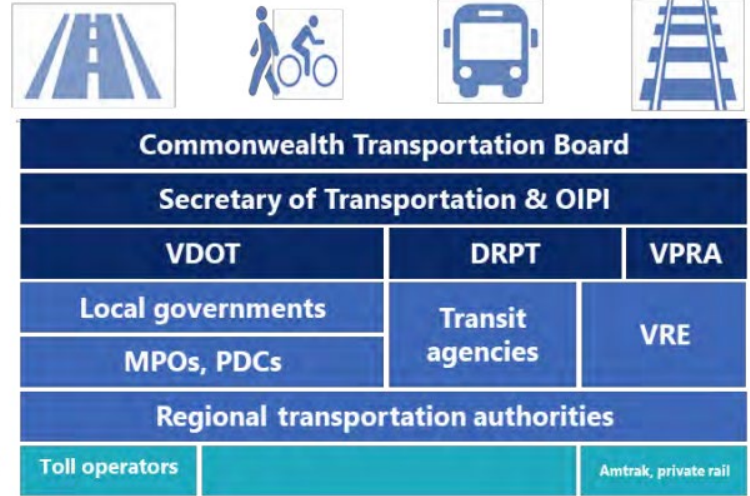


- Virginia has the 3<sup>rd</sup> largest state-maintained transportation system, the 2<sup>nd</sup> most congested region, and the 5<sup>th</sup> largest rapid transit system in the country. Includes:
  - 129,500 total lane miles and 21,160 bridges;
  - 3,000 miles of rail lines; and
  - 173.4 million total transit trips.
- Responsibility for maintaining Virginia's roads is shared between the Department of Transportation (VDOT) and localities.
  - VDOT maintains interstates and most county roads (85 percent); and
  - Cities, larger towns, and Arlington and Henrico counties have statutory responsibility for maintaining their roads (15 percent).
- Recent legislative efforts have focused on regional funding and transit operating and capital needs.

# Partnerships between State, Local, and Regional Entities

- Northern Virginia Transportation Commission (1964)
- Washington Metropolitan Area Transit Authority (1966)
- Potomac-Rappahannock Transportation Commission (1986)
- Northern Virginia Transportation Authority (2002)
- Hampton Roads Transportation Accountability Commission (2014)
- I-81 Commission (2019)
- Central Virginia Transportation Authority (2020)

State, local, regional, and private entities are responsible for transportation



SOURCE: JLARC summary analysis.

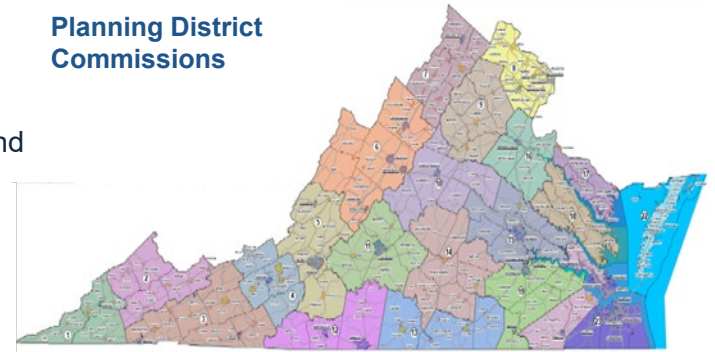
NOTE: OIPI = Office of Intermodal Planning and Investment. VDOT = Virginia Department of Transportation. DRPT = Department of Rail and Public Transportation. VPRA = Virginia Passenger Rail Authority. MPO = Metropolitan Planning Organization. PDC = Planning District Commission. VRE = Virginia Railway Express.

Sources: "Regional Transportation Authorities, Presentation to the Commonwealth Transportation Board", Office of the Attorney General, March 2021 and "Transportation Infrastructure and Funding", JLARC, November 2021.

# Project Identification and Planning is a Shared Responsibility

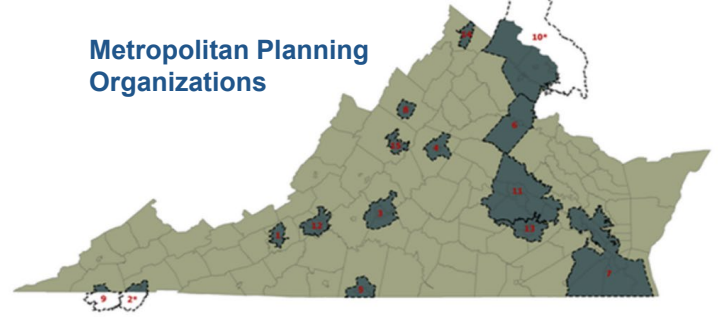
- Long-range planning is a federally driven regional process.
  - State and local delivered federal projects.
  - VTrans planning process effectively identifies long-term trends and identifies most major transportation needs.
- State, regional, and local entities plan for and make transportation system improvements.
- Regional transportation entities prioritize investments in locally identified priorities.
  - Mix of regional entities including planning district commissions (PDCs) and metropolitan planning organizations (MPOs).
    - PDCs are state statute-established regional organizations of local government.
    - MPOs are federally required planning organizations for urban and suburban areas with a population over 50,000.

Planning District Commissions



Source: Virginia Department of Housing and Community Development.

Metropolitan Planning Organizations



Source: Virginia Association of Metropolitan Planning Organizations.

# Virginia Partners with more than 40 Local or Regional Transit Service Providers

- Transit services are provided in a variety of modes to meet regional mobility needs.

- Heavy rail, light rail, bus rapid transit, bus, paratransit, ferries, and demand response.

- In 2018 there were:

- 173 million trips; and
- 1.1 billion person miles.

Transit options are available throughout the state



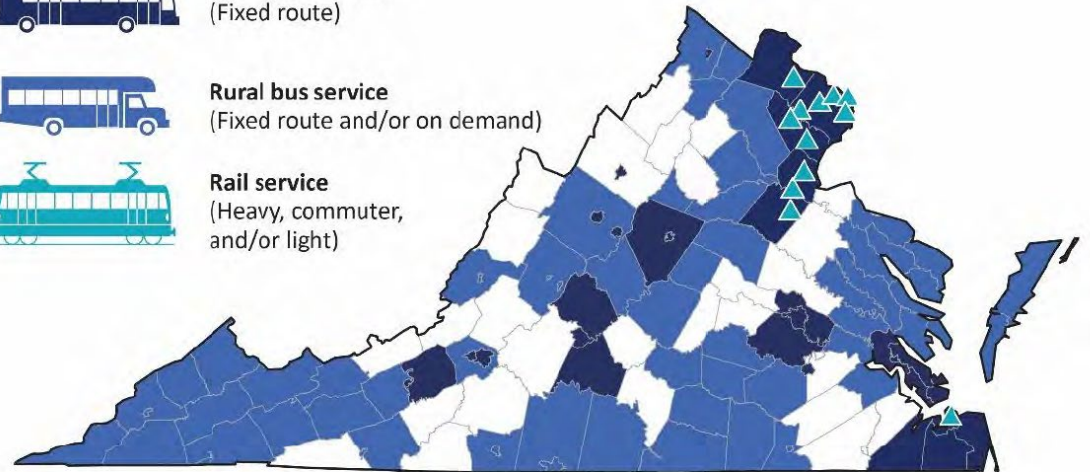
**Urban bus service**  
(Fixed route)



**Rural bus service**  
(Fixed route and/or on demand)



**Rail service**  
(Heavy, commuter, and/or light)



SOURCE: DRPT FY20 Report.

NOTE: Rail service does not include intercity Amtrak passenger rail service.

Source: "Transportation Infrastructure and Funding", JLARC, November 2021.



# State Transportation Funding



# State Commonwealth Transportation Fund Revenues

## Total \$4.6 Billion in FY 2023

Source of Funds	FY 2023
Retail Sales and Use Tax	\$ 1,283.9
Motor Vehicle Sales and Use Tax	1,155.1
Motor Fuels Tax	1,360.7
Aviation Fuels Tax	2.0
Road Tax	69.2
International Registration Plan	124.2
Registration Fees	236.6
Insurance Premium Tax	202.5
Recordation Tax	81.0
Vehicle Rental Tax	32.2
Highway Use Fee	59.7
Miscellaneous	17.2
<b>Total</b>	<b>\$ 4,624.3</b>

Source: VDOT FY 2023 Budget, October 2022.

### In FY 2022:

#### State revenues: Commonwealth Transportation Fund

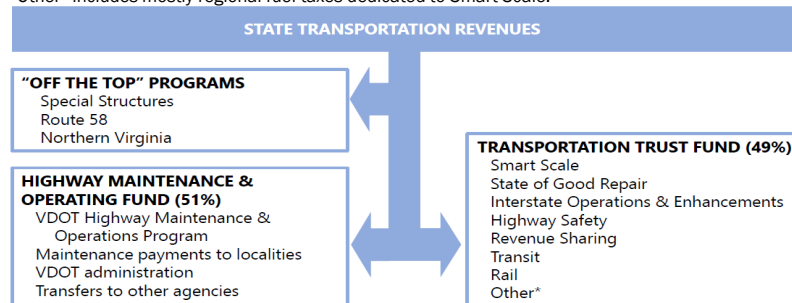


#### Other state funding sources



Includes portion of state-established regional tax revenues

\*Other includes mostly regional fuel taxes dedicated to Smart Scale.

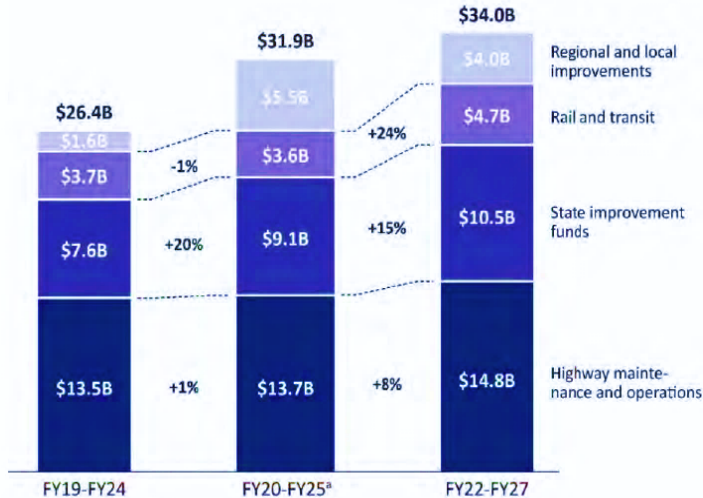


\*Includes funding for debt service, federal matches, DMV, Port of Virginia, airports, space, planning, & management. \$20M in state recordation taxes for Hampton Roads Transit not shown as does not flow to the CTF.

Source: "Transportation Infrastructure and Funding", JLARC, November 2021.

# State Revenue Allocations Projected to Increase by \$3.6 billion Over Current Six-Year Period

New state revenue will enable more spending in key areas over next six years



SOURCE: JLARC calculations using Commonwealth Transportation Fund Six-Year Financial Plans (SYFPs).

NOTE: <sup>a</sup> There was no FY21–FY26 plan because of the COVID-19 pandemic.

VDOT administration, tolling, transfers to other agencies and funds, and some other programs not shown. FY22–27 amounts are based on December 2020 revenue forecast. Highway maintenance and operations includes special structures funding for the most recent SYFP. Rail and transit includes DRPT administration and VPRA funding. Regional and local improvement funds mostly reflect HRTAC and NVT A project participation. Some state improvement funding in FY19–24 and FY20–25 amounts may be related to public transit.

Source: “Transportation Infrastructure and Funding”, JLARC, November 2021.

- Prior to 2020, transportation system needs were projected to outpace revenue:
  - Road and transit maintenance needs projected to exceed allocated funds by approximately \$300.0 million per year;
  - Funding awarded under the state’s main improvement funding program declined by \$160.0 million from FY 2017 to FY 2019; and
  - Fuel tax revenues were flat and projected to decline over the long-term.
- 2020 General Assembly took several actions to address near and long-term revenue concerns.
  - Omnibus transportation legislation addressed gaps in maintenance budget and reversed decline in funding for multimodal improvements.

# 2020 Session: Evolution in Funding

- Previous comprehensive state and regional funding legislation was forecast to generate approximately \$1.2 billion in revenues in the last biennium, including:
  - Omnibus State and Regional Funding (HB 1414 / SB 890);
  - Northern Virginia Regional Funding (HB 1414 / SB 890);
  - I-81 Regional Construction (HB 1414 / SB 890);
  - Hampton Roads Regional Transit (HB 1726 / SB 1038); and
  - Central Virginia Transportation Authority (HB 1541).

2020 Legislation Fiscal Impact (\$ in millions)	FY 2021	FY 2022
Statewide Formula Funds*	\$159.9	\$368.4
Dedicated Construction District Fund	106.3	115.4
Northern Virginia Transportation Authority Fund**	5.5	33.2
Hampton Roads Regional Transit Fund**	28.5	34.3
Central Virginia Transportation Authority Fund	<u>146.4</u>	<u>198.2</u>
<b>Total</b>	<b>\$446.6</b>	<b>\$749.5</b>
* Only source of new funding not dedicated to specific regional program. ** Discounted for delayed enactments.		

# 2022 Session Changes Reduced Transportation Revenues

- Beginning January 1, 2023, the elimination of the state retail sales and use tax on food purchased for human consumption and essential personal hygiene products is estimated to reduce transportation revenues by \$741.4 million over six years.
  - Chapters 4 and 5 of the 2022 Special Session reduced the “grocery tax” by 1.5 percent.
    - One percent restricted for K-12.
    - One-half percent allocated to the Commonwealth Transportation Fund (CTF).

Fund (\$ in millions)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total (FY 23 – FY 28)
Restricted K-12	(\$107.3)	(\$265.1)	(\$271.7)	(\$273.3)	(\$274.7)	(\$275.8)	(\$1,467.9)
CTF	(\$54.2)	(\$133.9)	(\$137.2)	(\$138.1)	(\$138.7)	(\$139.3)	(\$741.4)
<b>Total</b>	<b>(\$161.6)</b>	<b>(\$399.0)</b>	<b>(\$408.9)</b>	<b>(\$411.4)</b>	<b>(\$413.5)</b>	<b>(\$415.1)</b>	<b>(\$2,209.3)</b>

Source: SB 451 / HB 90, Fiscal Impact Statement, Department of Taxation, July 2022.



# Regional Transportation Programs

# Dedicated Regional Funding Programs

- In FY 2023, almost \$1.2 billion in state-imposed tax revenues are dedicated to regional transportation accounts to address regional mobility needs across the Commonwealth.
  - Dedicated funding sources and programmatic uses can be tailored to meet the mobility needs of each region.

Region	Funding Sources
Northern Virginia	Motor Fuels, Sales, Transient Occupancy, Grantors Dedicated Commonwealth Transportation Funds
Hampton Roads	Motor Fuels, Sales, Transient Occupancy, Grantors, State Recordation Taxes
Central Virginia	Motor Fuels, Sales
I-81 Corridor	Motor Fuels
Construction District Grant	Motor Fuels

(\$ in millions)	FY 2023
Northern Virginia Transportation Authority Fund	\$379.3
WMATA Capital Fund*	133.9
Hampton Roads Transportation Fund	254.3
Hampton Roads Regional Transit Fund	39.9
Central Virginia Transportation Fund	198.9
I-81 Corridor Improvement Fund	78.8
Construction District Grant Fund	<u>89.5</u>
<b>Total</b>	<b>\$1,174.6</b>

\*Only reflects VDOT budgeted pass-through from state-collected sources.

Source: VDOT FY 2023 – FY 2028 Annual Budget, October 2022.

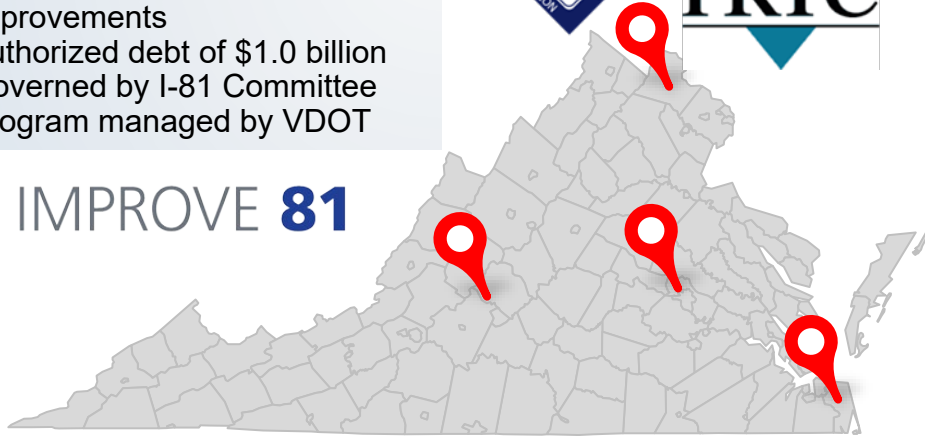
# Regional Funding Programs Address Regional Needs

## Interstate 81 (2019)

- \$2.9 billion in identified improvements
- Authorized debt of \$1.0 billion
- Governed by I-81 Committee
- Program managed by VDOT



IMPROVE **81**



## Northern Virginia (pre-2008)

- Three regional entities for planning, construction, transit and rail
- Direct distribution of locality shares
- Joint-ownership of commuter rail

## Central Virginia (2020)

- Regional transit operations
- Direct distribution of locality shares
- Remaining funds for regional transportation needs

## Hampton Roads (2014)

- Separate regional construction and transit programs
- Toll-facility operations

# Regional Authorities have Common Attributes but Unique Responsibilities

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- Regional focus with similar general purpose;
- Dedicated regional revenues;
- Varying degree of tolling authority;
- Varying degree of debt authorization;
- Dedicated staff; and
- Membership includes local elected officials, state legislative representation, and agency leadership.



Source: "Regional Transportation Authorities, Presentation to the Commonwealth Transportation Board", Office of the Attorney General, March 2021.



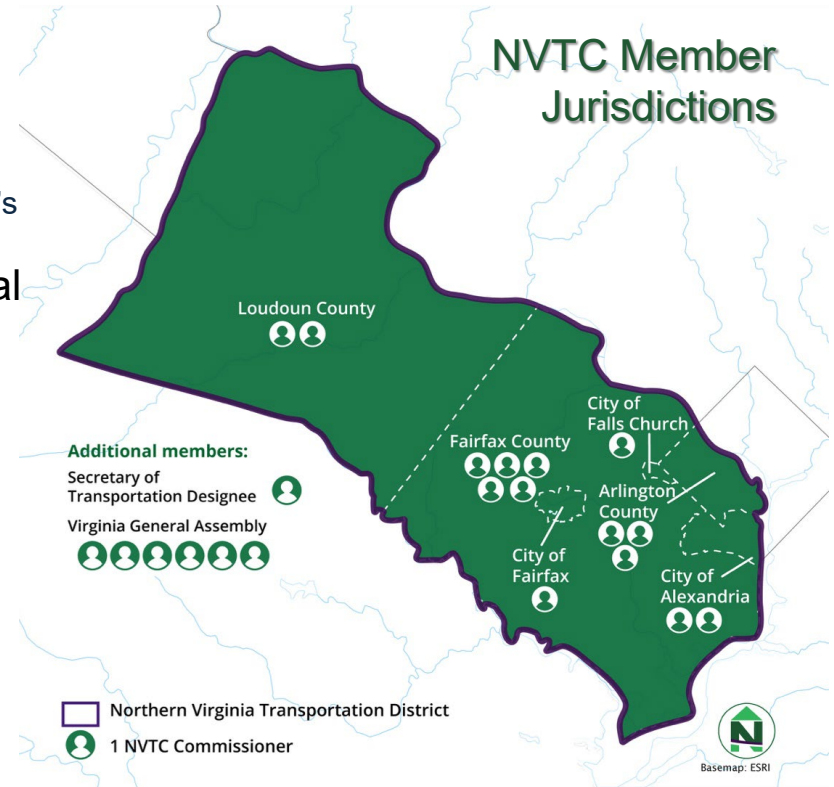
# Regional Authorities have Delivered Over \$10.0 Billion in Multimodal Transportation Investments

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- Original purpose was regional planning and prioritization of needs.
- Coordinating transit services is a key function of some regional authorities.
  - Oversight of WMATA is a regional function, localities are compact members.
  - Providing intercity commuter rail (VRE) is a regional function.
- Today, multimodal investments total over \$10.0 billion in projects delivered through regional partners and contracts with VDOT.
  - Supported by a mix of debt, federal loans, and pay-as-you-go projects.

# Northern Virginia Transportation Commission (NVTC)

- NVTC Member jurisdictions represent the six signatories of the WMATA compact.
- 21 Commissioners and five alternates.
  - 14 Commissioners are locally elected officials from NVTC's jurisdictions.
- Administers more than \$470.0 million in regional state, and federal funding for transit capital and operations.
  - Direct state grants from DRPT and regional motor fuel tax for local WMATA obligations.
  - Direct state grants from DRPT and regional funding for the Commuter Rail Operating and Capital Fund (C-ROC).
  - Manage federal, state, and regional funding for local bus systems.
  - Allocate toll revenues for the Commuter Choice program.

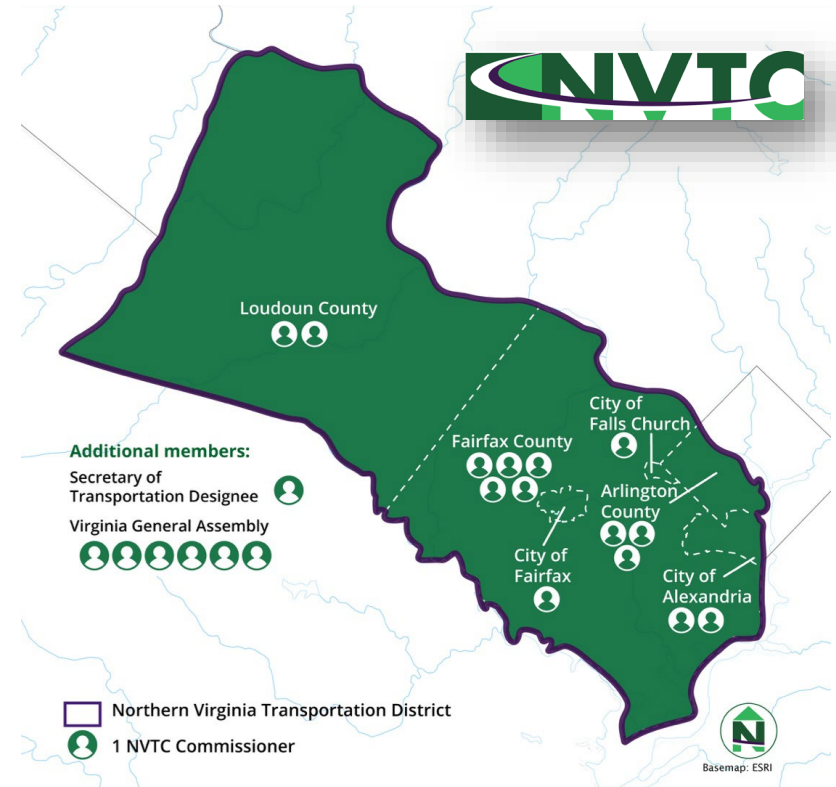


Source: "Transportation Funding in Northern Virginia: Performance-Driven Programs to Move the Region" NVTA / NVTC, November 2019.

# NVTC is an Operational and Funding Partner

## Northern Virginia Transportation Commission (NVTC)

- Administers Regional Gas Tax for WMATA;
- Designates WMATA's Virginia Board Members;
- Co-owns the Virginia Railway Express (VRE) with PRTC;
- Issues bonds on behalf of VRE;
  - \$152,965,000 issued to date.
- Manages state and regional funding for six bus systems, Metrorail and VRE;
- Provides transit research and technical expertise; and
- Administers toll-funded Commuter Choice Program.



Source: "Transportation Funding in Northern Virginia: Performance-Driven Programs to Move the Region" NVTA / NVTC, November 2019.

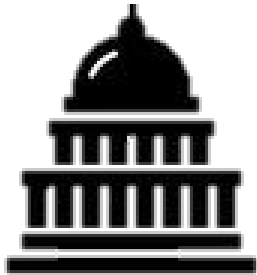
# NVTC Manages Over \$470.0 Million for Regional Mobility Programs

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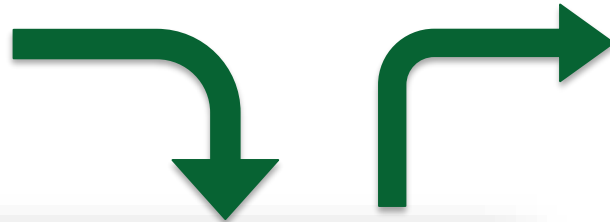
- On behalf of its jurisdictions, VRE, and WMATA, NVTC handles all grant management compliance for:
  - \$265.0 million in state assistance for WMATA;
  - \$94.0 million in state assistance for local transit systems;
  - \$50.0 million in regional motor fuels tax revenues;
  - \$21.0 million in state funding for VRE;
  - \$20.0 million in federal grants for local transit systems; and
  - \$24.0 million in toll revenues for multimodal projects.

# Northern Virginia Regional Gas Tax

1. The \$0.082 per gallon tax is levied on gas sold in Northern Virginia.



2. The tax is collected by the Commonwealth and remitted to NVTC which holds the funds in trust for use by member jurisdictions.



3. NVTC distributes revenues to compact jurisdictions for Metro operating, the WMATA Capital Fund, and \$15.0 million for the C-ROC.



Source: "Transportation Funding in Northern Virginia: Performance-Driven Programs to Move the Region" NVTA / NVTC, November 2019.

# NVTC Articulates Priorities to WMATA

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- NVTC is responsible for oversight and stewardship of Virginia's WMATA investments:
  - Regional representation on WMATA Board;
  - Trustees of regional WMATA funding;
  - Monthly reporting on WMATA Board actions;
  - Annual reporting to Commonwealth on WMATA conditions and performance;
  - Control operating costs (<3% annual growth); and
  - Increase system ridership and revenues.



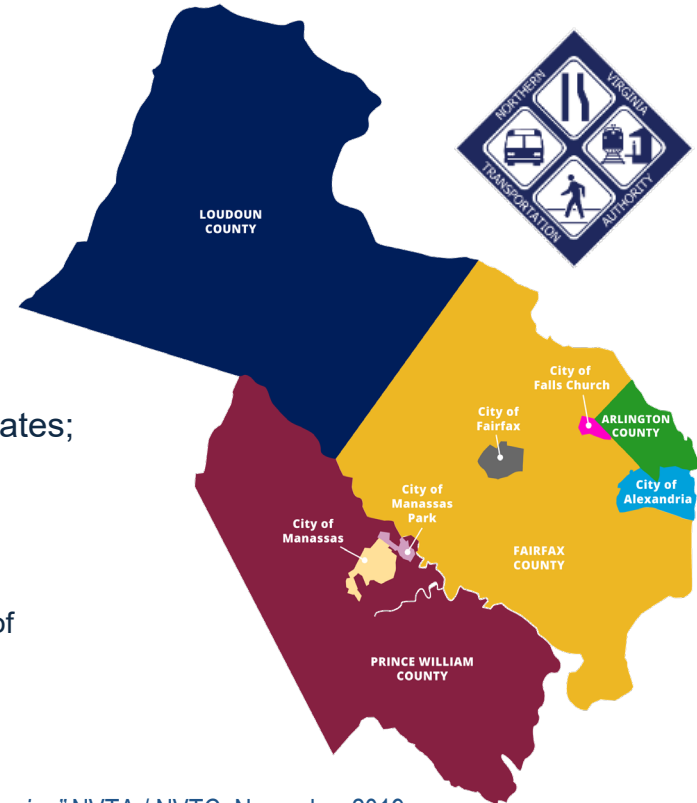
# NVTC Coordinates Regional Transit Services

- Coordination of operational and planning issues for bus and rail agencies:
  - Six bus systems and over 200 local and express bus routes;
  - 90 miles of commuter rail; and
  - 25 Virginia Metrorail stations.
- Regional transit coordination includes:
  - Mobile ticketing / fare box technologies;
  - Bus service optimization;
  - Envision Route 7 Bus Rapid Transit (BRT);
  - Zero-Emission Vehicle program;
  - Transit performance measures; and
  - Metro station shutdown response.



# Northern Virginia Transportation Authority (NVTA)

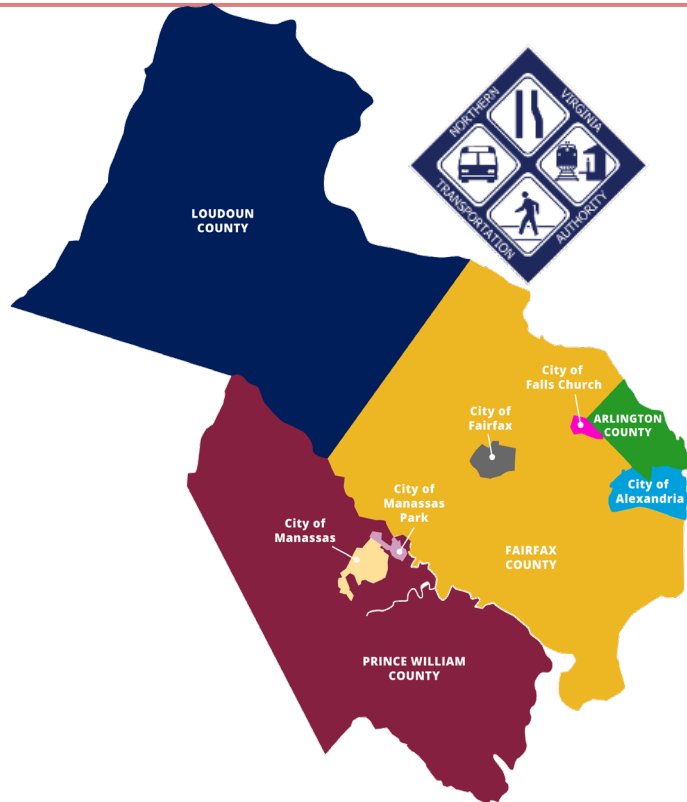
- Includes the counties of Arlington, Fairfax, Loudoun, and Prince William.
- Includes the cities of Alexandria, Fairfax City, Falls Church, Manassas, and Manassas Park.
- 17-member board, comprised of:
  - Chief elected officer from each of nine jurisdictions;
  - Two members appointed by the Speaker of the House of Delegates;
  - One member of the Senate;
  - One non-legislative citizen member (appointed by Governor);
  - One CTB member (appointed by Governor); and
  - Three non-voting *ex officio* members (VDOT Commissioner, DRPT Director, chief elected officer of one town with population in excess of 3,500).



Source: "Transportation Funding in Northern Virginia: *Performance-Driven Programs to Move the Region*" NVTA / NVTC, November 2019.



# NVTA is a Planning and Funding Partner



## Northern Virginia Transportation Authority (NVTA)

- Long range multimodal transportation planning.
- Prioritization of funding for regional transportation projects.
  - Six-Year Program (SYP) prioritizes greatest congestion relief relative to cost.
- Administration of regional sales tax.
- Innovations in Technology:
  - Transportation Technology Strategic Plan.
  - Regional Multi-Modal Mobility Program.

Source: "Transportation Funding in Northern Virginia: *Performance-Driven Programs to Move the Region*" NVTA / NVTC, November 2019.

# NVTA has Funded more than \$3.1 Billion in Multimodal Projects



- Evaluate all significant transportation projects in Planning District 8.
- Prepare regional transportation plan.
  - Long-range transportation planning and regional prioritization.
    - **TransAction** – identified \$75 billion in regional mobility needs.
  - Allocation of funds to regional priorities (SYP).
- Innovations in Technology.
  - Regional Multi-Modal Mobility Program.
- Issues bonds.
  - \$80.9 million issued to date.
- Act as a responsible public entity under the Public-Private Transportation Act of 1995.
- Limited authority to impose and collect tolls for new construction/reconstruction with NVTA-controlled revenues.

The image shows a collage of pages from the 'TransAction 2040' report. The top page is the cover, titled 'TransAction 2040 Transportation for Today and Tomorrow' and 'NORTHERN VIRGINIA TRANSPORTATION PLAN'. Below the cover are several content pages. One page features a grid of images showing various transportation modes: bicycles, cars, buses, and a train. Another page is titled 'Action Plan for Northern Virginia' and includes a map of the region with various counties highlighted in different colors. The map labels include Loudoun County, Fairfax County, Prince William County, and others. Text on the pages describes the report's purpose as a long-range plan addressing regional transportation needs through 2040, identifying over 350 candidate regional projects for future transportation investments.

Source: "Transportation Funding in Northern Virginia: Performance-Driven Programs to Move the Region" NVTA / NVTC, November 2019.

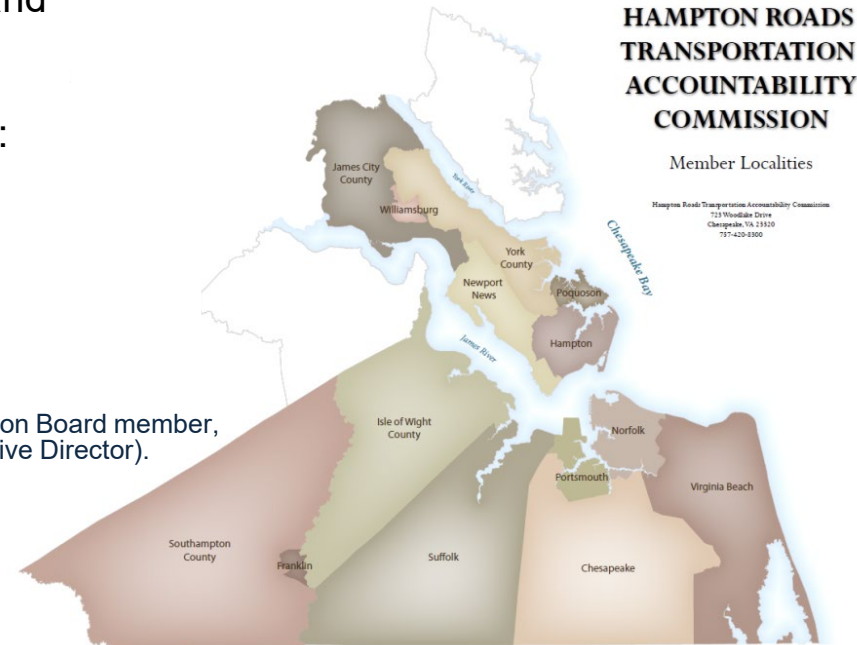
# NVTA Regional Revenues

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- Northern Virginia Transportation Authority Fund – \$380.0 million in FY 2022.
  - Dedicated regional sales tax revenues.
  - \$20.0 million “off-the-top” of Commonwealth Transportation Fund.
  - Portion of Interstate Operations and Enhancement Program.
  - Regional congestion relief fee (Grantor’s Tax / Transient Occupancy) redirected approximately \$102.0 million annually to WMATA in 2018 (HB1539 / SB 856) and was partially restored in 2020.
- Distributed for both regional transportation priorities and local projects:
  - 70 percent for regional projects ranked primarily based on congestion relief; and
  - 30 percent distributed *pro rata* to localities for transportation projects or public transportation purposes.
- All revenues required to be used for transportation purposes only.

# Hampton Roads Transportation Accountability Commission (HRTAC)

- Includes counties of Isle of Wight, James City, Southampton, and York.
- Includes cities of Chesapeake, Franklin, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg.
- 23-member Board (19 voting members), includes:
  - Chief elected officer from each of the 10 cities;
  - One designated Board member from each of the four counties;
  - Three members of the House of Delegates;
  - Two members of the Senate; and
  - Four *ex officio* nonvoting members (Commonwealth Transportation Board member, VDOT Commissioner, DRPT Director, Virginia Port Authority Executive Director).

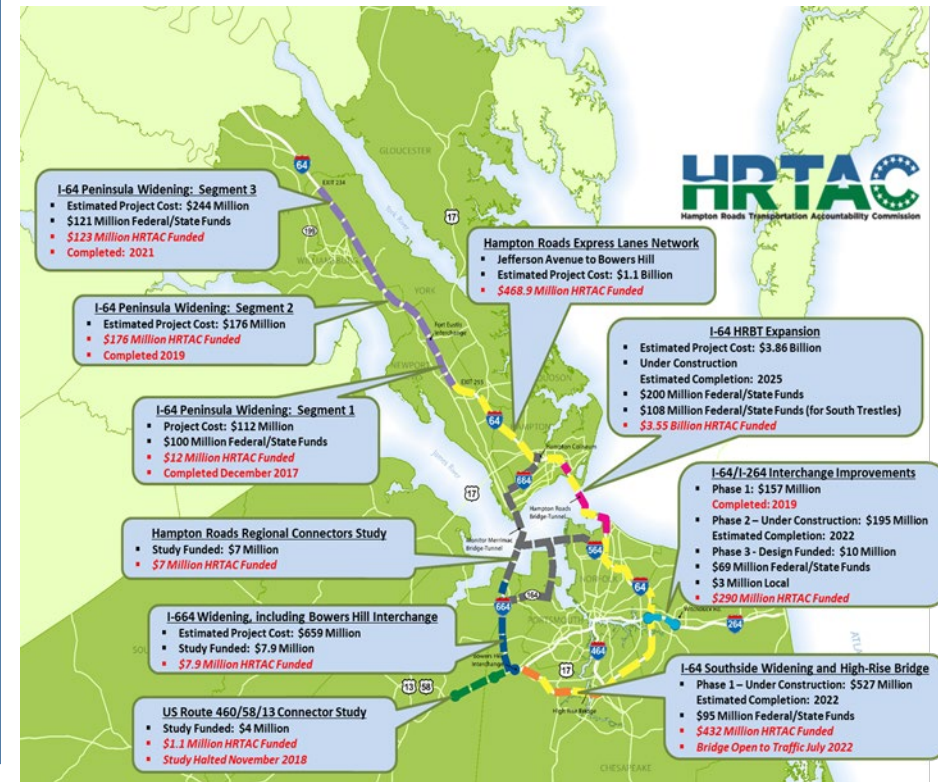


Source: "Economic Vitality and Quality of Life: Unlocking Hampton Roads", HRTAC, August 2022.

# Hampton Roads has \$5.1 Billion in Projects Under Construction



- Administers Regional Gas and Sales Tax.
- Procure, finance, build and operate highway, bridge, tunnel, rail and transit projects in Hampton Roads.
  - Project delivery through VDOT.
- Use Hampton Roads Transportation Fund monies (and toll revenues) to issue bonds using revenues to support bond debt.
  - Issued \$4.1 billion in regional revenue and toll-supported debt and loans.
- Manages the Hampton Roads Regional Transit Fund.
  - Transit services provided through Hampton Roads Transit.
- Controls operation of the Hampton Roads Express Lanes Network.



Source: "Economic Vitality and Quality of Life: Unlocking Hampton Roads", HRTAC, August 2022.

# HRTAC Regional Revenues



- Hampton Roads Transportation Fund - \$243.6 million in FY 2022.
  - Dedicated regional sales and motor fuels tax revenues used to support new construction projects on new or existing highways, bridges and tunnels;
  - Additional Sales Tax – rate of 0.7% - \$184.9 million in FY 2022; and
  - Additional Regional Fuels Tax – rate of 8.2 cents per gallon on gasoline and 8.3 cents per gallon on diesel - \$58.7 million in FY 2022.
- Hampton Roads Regional Transit Fund – \$37.8 million in FY 2022.
  - Dedicated transient occupancy tax and \$20.0 million in dedicated state recordation tax revenues for the development, maintenance, and improvement and operation of transit network and related infrastructure.
- Toll revenues of the Hampton Roads Express Lanes Network.
  - Includes portion of I-64 consistent with *Master Tolling Agreement*.
- All revenues to be used solely for benefit of HRTAC localities.

Source: "Economic Vitality and Quality of Life: Unlocking Hampton Roads", HRTAC, August 2022.

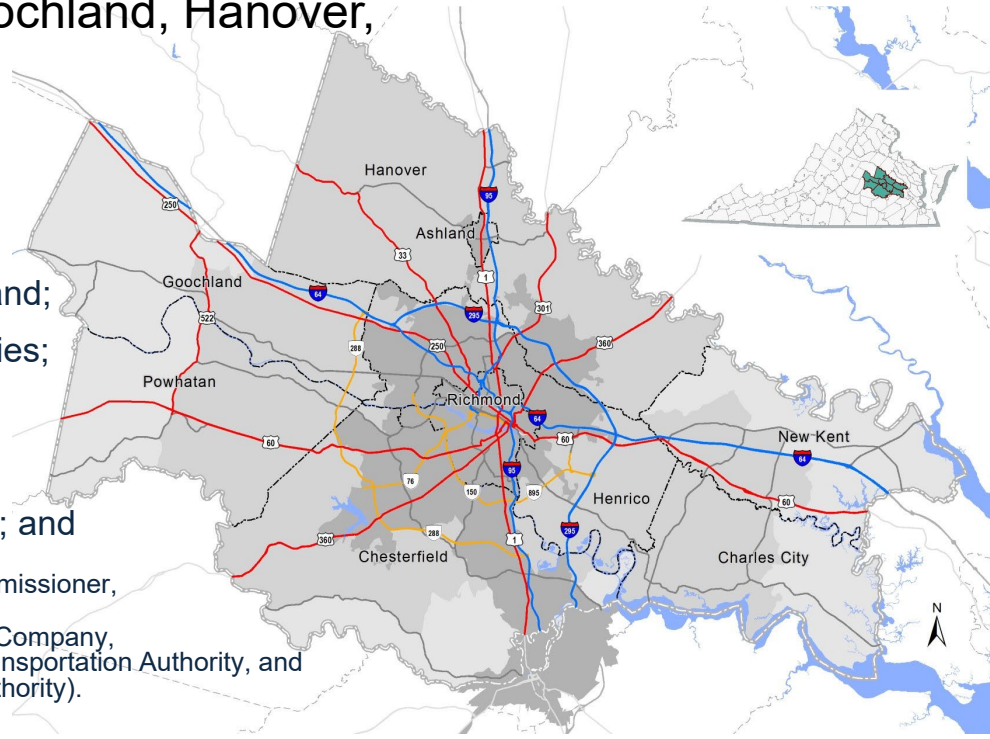


# Central Virginia Transportation Authority (CVTA)

- Includes Henrico, Chesterfield, Goochland, Hanover, New Kent, Powhatan, Charles City, Richmond and Ashland.

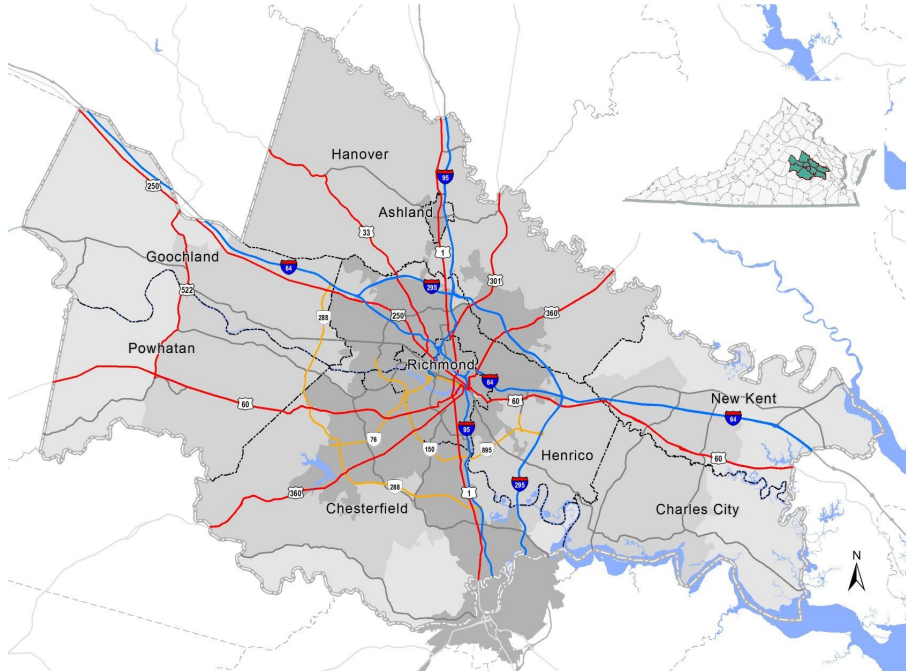
- 18-member Board, includes:

- Chief elected officer of Richmond and Ashland;
- Chief elected officer of each of seven counties;
- One member of the House of Delegates;
- One member of the Senate;
- One CTB member (appointed by Governor); and
- Six *ex officio* nonvoting members (VDOT Commissioner, DRPT Director, Port Authority Executive Director, Chief Executive Officer of the Greater Richmond Transit Company, Chief Executive Officer of the Richmond Metropolitan Transportation Authority, and Chief Executive Officer of Richmond Regional Airport Authority).



Source: "The Central Virginia Transportation Authority: Regional Transit Partnership", August 2022.

# Central Virginia Transportation Authority Responsibilities



- Administers Regional Gas and Sales Tax.
- Prioritizes funding approval process for Central Virginia Transportation Fund regional projects.
- Ensures proper use of locality allocations.
- Annual regional transit planning.
  - Transit services provided by GRTC.
- Issues bonds.
  - No bond issuance to date.
- Tolling authority for certain new or improved highways, bridges or tunnels.

Source: "The Central Virginia Transportation Authority: Regional Transit Partnership", August 2022.



# CVTA Regional Revenues

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- Central Virginia Transportation Fund comprised of dedicated regional sales and motor fuels tax revenues – \$189.2 million for FY 2022.
  - 35 percent for regional transportation projects;
  - 15 percent to support regional transit services; and
  - 50 percent returned to localities for construction, maintenance, or expansion of roads, sidewalks, trail, mobility services, or local transit operations.
- Actions require affirmative vote representing at least 80 percent of the population embraced by CVTA.
  - Approved 30 projects totaling \$276.4 million.
  - Future commitment of \$100.0 million for I-64 gap is not currently programmed.
- All revenues to be used solely for benefit of localities embraced by CVTA.

Source: “The Central Virginia Transportation Authority: Regional Transit Partnership”, August 2022.



# **Current Funding Pressures & 2023 Session Outlook**

# State Construction Program Remains Oversubscribed

- SMART SCALE was established by the 2014 General Assembly for objectively prioritizing project selection based on:
  - Relative cost;
  - Safety;
  - Accessibility for people and freight;
  - Environmental quality; and
  - Economic Development.
- Two-year application cycle.
  - Public body applicants.
  - Multi-modal projects.
  - Fully-funded.
- SMART SCALE requests have exceeded available funding \$7 to \$1.

SMART SCALE Round Statistics	FY 2017 Round 1	FY 2018 Round 2	FY 2020 Round 3	FY 2022 Round 4	FY 2024 Round 5
Submitted	321	436	468	406	411
Scored	287	404	433	397	TBD
Funded	162	147	134	167	TBD
Total \$ Request	\$7.2 B	\$9.7 B	\$7.0 B	\$6.3 B	\$7.7 B
Total \$ Allocated	\$1.42 B	\$1.03 B	\$0.86 B	\$1.39 B	TBD
Project Value	\$2.65 B	\$2.35 B	\$5.08 B	\$1.92 B	TBD

Source: "SMART SCALE Update", Office of Intermodal Planning and Investment, October 2022.

# New Federal Programs Expected to Provide an Additional \$1.1 Billion Over Six Years

Program (\$ in millions)	FY2023-28 Total
Carbon Reduction Program	\$205.0
PROTECT Program	233.1
Bridge Rehabilitation and Replacement	470.6
Electric Vehicle Infrastructure	79.6
Additional funding not needed for GARVEE debt service	147.0
<b>Total</b>	<b>\$1,135.4</b>

- Funding for bridge rehabilitation and replacement has already been allocated to specific projects in the current Six-Year Plan.
- Allocations for Carbon, PROTECT, and Electric Vehicle Infrastructure have not yet been allocated to specific projects.
  - Carbon Reduction Program has specific allocations to MPO designated projects.
- Additional federal funds allowed for reprogramming of funds intended for debt service on planned borrowing against future anticipated revenues.

Source: "FY 2023-2028 Commonwealth Transportation Fund Six Year Financial Plan", VDOT, June 2022.

# Recent Legislative Funding Initiatives Total \$936.4 Million

- Between FY 2021 and FY 2024, the General Assembly has earmarked \$936.4 million in funding for Transportation Initiatives, including:
  - \$654.0 million GF;
  - \$247.4 million NGF in federal funds, and
  - \$35.0 million NGF in program balances.
- Action is required by the 2023 General Assembly to appropriate \$150.0 million that is currently reserved for the I-64 “Gap” project.
- Additional one-time general fund resources could be used to further accelerate major regional multimodal mobility needs.

Transportation Initiative (\$ in millions)	FY 2021 – FY 2024 Total
Western Rail Initiative	\$ 83.5
Manassas VRE Capital	83.5
I-64 / Hampton Roads Express Lanes	93.1
NVTC-WMATA Capital Fund	32.4
Regional Multiuse Trails	103.0
Transit Access	10.9
Connected Infrastructure Demonstration	10.0
Mid-Atlantic Regional Spaceport	30.0
I-64 “Gap” (includes \$150.0 million reserved)	470.0
Nimmo Parkway	10.0
Transit Ridership Incentive Program	5.0
Norris Bridge Planning	5.0
<b>Total</b>	<b>\$ 936.4</b>

Source: SFAC Staff Analysis, November 2022.

# Transportation Programs Face a Variety of Challenges

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- Inflation in material and wage costs affects all modes.
  - VDOT projects are facing an approximately 11 to 17 percent increase in bids based on contract lettings.
  - CTB recently set aside \$130.0 million for budgeted contingency.
- VDOT has \$2.5 billion in outstanding tax-supported debt.
  - Additional \$660 million in authorized and unissued debt.
- Regional Authorities have issued approximately \$4.3 billion in regional revenue and toll-backed debt.
  - Stable dedicated funding sources and revenue operations on managed lanes are critical to success.
- Unlike state motor fuels tax, regional motor fuels taxes are forecast to decline from increased electrification of vehicle fleet.
  - Regional Authorities do not have access to forward-looking highway use fee.
- Some concern that current funding formulas do not address all needs adequately.

# Despite Investments, Challenges Persist

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- Transportation funding is a collaborative effort across all levels of government.
- Regional collaboration takes time to implement.
- The General Assembly may wish to consider further evaluation of funding formulae and service delivery models.
  - Assessment of modal funding needs and additional regional authorities may be warranted.