



COMMONWEALTH of VIRGINIA

Office of the

SECRETARY of TRANSPORTATION

Transportation Update VACO Transportation Steering Committee

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Transportation Legislation from 2020 General Assembly Session

- **Governor's Omnibus Transportation Bill**
 - Restructured transportation funds and programs
 - Expected to provide \$370M/year by FY24
 - Provided ~\$35M/year to NVTVA
- **Central Virginia Transportation Authority**
 - Anticipated to raise ~\$200M/year for Richmond region
- **Hampton Roads Regional Transit Program and Fund**
 - Expected to generate \$34M/year for regional transit

COVID-19 Pandemic

- **Transportation use declined dramatically with stay-at-home orders nationally**
- **Driving was down more than 60% in April 2020**
- **Transit use dropped by 40 to 90% depending on system**
- **Amtrak ridership went down more than 90%**

COVID and Transportation Revenues

- **FY20 actual revenues collections were \$120M below projections with two months of COVID impacts**
- **Overall forecasted revenues are \$1.8 billion below estimates from March 2020 through FY27**
- **FY21 collection information is being finalized though it appears they will be above estimates**
- **New revenue reforecast is expected this December**

Impacts of Addressing Revenue Reductions

- **Opportunity costs for new projects and programs**
- **SMART SCALE Round 4 available funding declined from ~\$2 billion to \$1.4 billion**
- **Increased funding for Interstate pavements and city street payments was delayed until FY23**
- **Numerous other Omnibus programs saw reductions in anticipated funding levels – Special Structures, Transit, DMV, Port, and Aviation**

Addressing Revenue Reductions

- **General Assembly worked with Northam Administration to ensure all on-going and currently funded projects were maintained**
- **Three-pronged approach to address significant decline**
 - **Do not program increased revenues from December 2019 estimate in SYIP update**
 - **Reduce new spending from Omnibus Transportation Bill**
 - **Use cash management strategy with Revenue Sharing Program balances**

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Impacts of Addressing Revenue Reductions

- **\$495M in cash balances from Revenue Sharing Program was used to cover costs for on-going projects and programs**
- **These funds were allocated to projects in FY20 or earlier but not expected to be spent until FY21 through FY24 or later**
- **All allocations were returned to projects from future Revenue Sharing allocations in FY21 through FY24 based on their existing project schedule**

What Happens Next?

- **Evaluate end of year fiscal performance for the Commonwealth Transportation Fund**
 - **Exceeded forecasts by \$371.5M**
- **Wait for December revenue forecast**
- **Based on updated forecast, develop plan for use of additional revenues based on Code of Virginia and actions taken to address COVID impacts to transportation revenues**

How does the Federal Surface Transportation Program Work?

- **Congress provides funding for federal-aid highways, transit, Amtrak and competitive grants**
- **Unlike state programs, these are not evergreen and must be 'reauthorized' every 5-6 years**
- **Majority of funds are provided through formula though there are a number of competitive grants**

How does the Federal Surface Transportation Program impact Virginia?

- **Virginia received over \$1.1 billion in formula funding through the federal-aid highway program in FY21**
 - **Vast majority is used for maintenance purposes or distributed through the construction formula (33.2-358)**
- **Virginia and our larger transit agencies received more than \$220M in FY21**
 - **Majority of funds flow directly to transit operators in areas over 200,000**

Excludes any supplement appropriations from COVID relief legislation

How does the Federal Transportation Program impact Virginia?

Virginia also benefits from other discretionary funding programs and Amtrak funding

- Amtrak funding - \$2 billion
- RAISE/BUILD/TIGER Grants - \$1 billion
- INFRA Grants - \$1 billion
- CRISI Grants (FRA) - \$375 million
- New Starts/Core Capacity Program - ~\$2 to \$2.5 billion
- TIFIA Loans - \$300 million in credit risk premiums

Total funding level for each for fiscal year 2021

What is happening in now Congress with Reauthorization?

- **Federal transportation programs were last reauthorized in December 2015 and expired at the end of FY20, currently operating on a continuing resolution**
- **House has passed its reauthorization proposal known as the INVEST Act on July 1st**
- **Senate has passed portions of their reauthorization proposal out of committee – highway and rail**
 - **Four committees have jurisdiction over reauthorization in the Senate – EPW, Commerce, Banking, Finance**

Similar Provisions between House and Senate Proposals

- **Increase funding levels for federal-aid highway program**
- **Establish resiliency and carbon reduction programs**
- **Increase funding for Transportation Alternatives Program**
- **Increase funding levels for Amtrak**
- **Establish rail grants for expansion of passenger rail with states as eligible applicants**

Bipartisan Infrastructure Bill

- **Passed the Senate 69 to 30**
- **Provides \$579 billion in new spending over next 5-years**
- **Legislation includes funding for surface transportation, broadband and other infrastructure**
- **Includes both (i) reauthorization of existing surface transportation programs and (ii) supplemental appropriations**

Bipartisan Infrastructure Bill – Surface Transportation

- **\$55B to increase formula funds for the federal-aid highway program**
- **\$55B in supplemental advance highway appropriations**
 - **Bridge grants, other competitive grants, EV infrastructure**
- **\$66B for Amtrak and rail grants**
- **\$19B to increase formula funds for federal transit program**
- **\$20B in supplemental advance transit appropriations**
 - **State of good repair, New starts/Core capacity, Low-no emissions, and senior and disabilities services**

Next Steps on Federal Legislation

- **House consideration**
- **Budget reconciliation process**
- **Goal is to act on legislation before September 30th when existing surface transportation program authorizations expire**