



Summary of

The Governor's Proposed Amendments to the 2022–24 Budget

Introduced as HB 1400/SB 800

January 10, 2023

Prepared by the staff of the:

**SENATE FINANCE & APPROPRIATIONS
COMMITTEE**

Transportation

Governor’s Proposed Amendments to Transportation				
(\$ in millions)				
	FY 2023		FY 2024	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2022-24 Current Budget				
(Ch. 2, 2022 Special Session I)	\$51.5	\$10,947.0	\$110.0	\$11,050.5
Proposed Increases	150.0	162.8	0.5	253.8
Proposed Decreases	<u>0.0</u>	<u>(8.1)</u>	<u>0.0</u>	<u>(154.1)</u>
\$ Net Change	\$150.0	\$154.7	\$0.5	\$99.7
HB 1400/SB 800, as Introduced	\$201.5	\$11,101.7	\$110.5	\$11,150.2

– **Secretary of Transportation**

- **Expand GARVEE Eligibility.** Language is proposed that would expand projects eligible for funding through the federal Grant Anticipation Revenue Vehicle (GARVEE) program to include the Interstate Operations and Enhancement Program.

– **Virginia Commercial Spaceflight Authority**

- **Rocket Lab Land Acquisition.** Proposes a one-time capital outlay authorization of \$3.1 million GF in FY 2023 for acquisition of land adjacent to the Mid-Atlantic Regional Spaceport to support an economic development initiative related to the Rocket Lab project approved by the 2022 General Assembly. This is in addition to \$30 million GF authorized in Chapter 1, 2022 Special Session 1, for general improvements to the Mid-Atlantic Regional Spaceport and a separate authorization of \$15 million GF authorized in Chapter 1 for expenses related to the construction of a 20,000 square foot shell building at the Wallops Island Flight Facility.

– Department of Aviation

- **State Plane Replacement.** Transfers \$8.1 million NGF funding authorized in Chapter 2, 2022 Special Session I, for replacement of one of the Commonwealth’s 2007 King Air 350 aircraft, from the first year to the second year to reflect the delayed delivery of the new plane. It is anticipated that an additional appropriation of \$500,000 NGF would be required in the next biennium.
- **Update Appropriation to Reflect Forecast.** Proposes a net increase of \$4.6 million NGF in FY 2023 and \$4.9 million NGF in FY 2024 to reflect the November revisions to the Transportation Trust Fund and increased allocations for previously adopted salary increases.

– Department of Transportation (VDOT)

- **Appropriate Reserved Funding for I-64.** Appropriates \$150.0 million GF in FY 2023 to improve Interstate 64 between Exit 205 and Exit 234 from funding which was reserved on the FY 2022 year-end balance sheet (contingent item in Chapter 2). In addition to these amounts, \$110.0 million GF is provided in FY 2024 that was previously appropriated in Chapter 2. Including \$210.0 million provided in FY 2022 (Chapter 1, 2022 Special Session I), \$470.0 million GF has been appropriated by the General Assembly for this project.
- **Update Revenues to Reflect Financial Plan.** Proposes several actions that provide a net increase in VDOT appropriations by \$124.3 million NGF in FY 2023 and a net reduction of \$47.5 million NGF in FY 2024 based on November revised revenue estimates and the financial plan adopted by the Commonwealth Transportation Board in July 2022.
 - **Increase Surface Transportation Block Grant.** Increases anticipated federal and state matching funding for the Surface Transportation Block Grant by \$30.5 million NGF in FY 2024.
 - **Increase local project participation.** Increases by \$113.0 million NGF in FY 2024 the anticipated revenues from localities and regional transportation authorities for participation in construction project managed by VDOT.

- **CMAQ Reduction.** Reduces anticipated federal revenues for the Congestion Mitigation and Air Quality (CMAQ) program by \$131.8 million NGF in FY 2024.
- **PROTECT Reduction.** Reduces second year funding from the Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT) program by \$7.5 million NGF in the second year and eliminates the requirement that state matching funds are allocated to support the new federal program established under the Infrastructure Investment and Jobs Act.
- **Reduce Carbon Reduction Program.** Reduces anticipated federal revenues for the Carbon Reduction Program established under the Infrastructure Investment and Jobs Act by \$2.3 million NGF in FY 2024 to reflect the spending plan adopted by the Commonwealth Transportation Board in November 2022.
- **Defer Route 58 Corridor Bond Proceeds.** Eliminates the planned appropriation of \$152.2 million in Route 58 Corridor Program bond proceeds to reflect the delayed anticipation of bond sales to FY 2025.
- **Virginia Transportation Infrastructure Bank (VTIB).** Recommends eliminating the appropriation of \$15.3 million NGF in each year from the statutory distribution of Commonwealth Transportation Funds to the Virginia Transportation Infrastructure Bank. It is anticipated that legislation to be considered by the 2023 General Assembly will modify the existing statutory distributions to provide additional funding for the Transportation Partnership Opportunity Fund (TPOF). Additional language directs the transfer of \$100.0 million NGF in uncommitted balances of the VTIB to the TPOF.
- **Transportation Partnership Opportunity Fund (TPOF).** Proposes to eliminate the appropriation of \$10.0 million NGF in each year from the statutory distribution of Commonwealth Transportation Funds to the TPOF, directs the transfer of \$100.0 million in balances of the Virginia Transportation Infrastructure Bank to the TPOF, and provides language directing the Commonwealth

Transportation Board to allocate \$200.0 million to the TPOF from revised increased transportation revenues for FY 2024 through FY 2029.

- **Transportation Initiatives.** Proposes language directing that general fund appropriations for transportation initiatives, including \$260.0 million GF over the biennium for Interstate 64 and \$0.5 million GF in FY 2024 for studying the use of public-private partnerships for Interstate 81, are transferred to the appropriate nongeneral fund detail for expenditure. Additionally, language is proposed that would require VDOT to annually report on the allocation of funds from the 2022 Transportation Initiative to the Department of Planning and Budget. These projects include:
 - \$30.0 million for improvements to the Mid-Atlantic Regional Spaceport that enhance the capabilities of the Spaceport to support existing programs and provide access to space for new customers and programs;
 - \$37.5 million for additional support of the planning, development, and construction of multi-use trails throughout the Commonwealth.
 - \$210.0 million to improve Interstate 64 between exit 205 and exit 234; and
 - \$10.0 million to support the extension of the Nimmo Parkway.
- **Increase Pass-Through Funding to Regional Transportation Authorities.** Increases the total amount of funding from state-imposed taxes that are passed-through to regional transportation authorities by \$26.4 million NGF in FY 2023 and \$129.4 million NGF in FY 2024.
- **VDOT Capital Outlay.** Proposes to increase the VDOT capital outlay authorization for design, construction, and renovation of VDOT facilities from \$40.0 million NGF to \$60.0 million NGF in FY 2024.

– **Virginia Port Authority (VPA)**

- **Increase debt service.** Proposes a technical amendment to increase debt service appropriations in the second year from \$7.0 million NGF to \$14.5 million NGF for debt previously authorized to finance improvements at Norfolk International

Terminals. A corresponding reduction to the appropriation for the maintenance and operations of port facilities effectuates this net zero transfer.

- **Rent Increase.** Includes funding to increase rent and lease payments for Virginia International Terminals by \$3.5 million NGF in FY 2023 and \$3.7 million NGF in FY 2024.
- **Port Opportunity Fund.** Recommends a technical amendment to establish an appropriation of \$4.0 million NGF in each year of the biennium for the VPA allocation to the Port Opportunity Fund. The allocations of revenue for this activity have been previously handled administratively.