

# The New Landscape for Transportation in Virginia

VACO Transportation Steering Committee

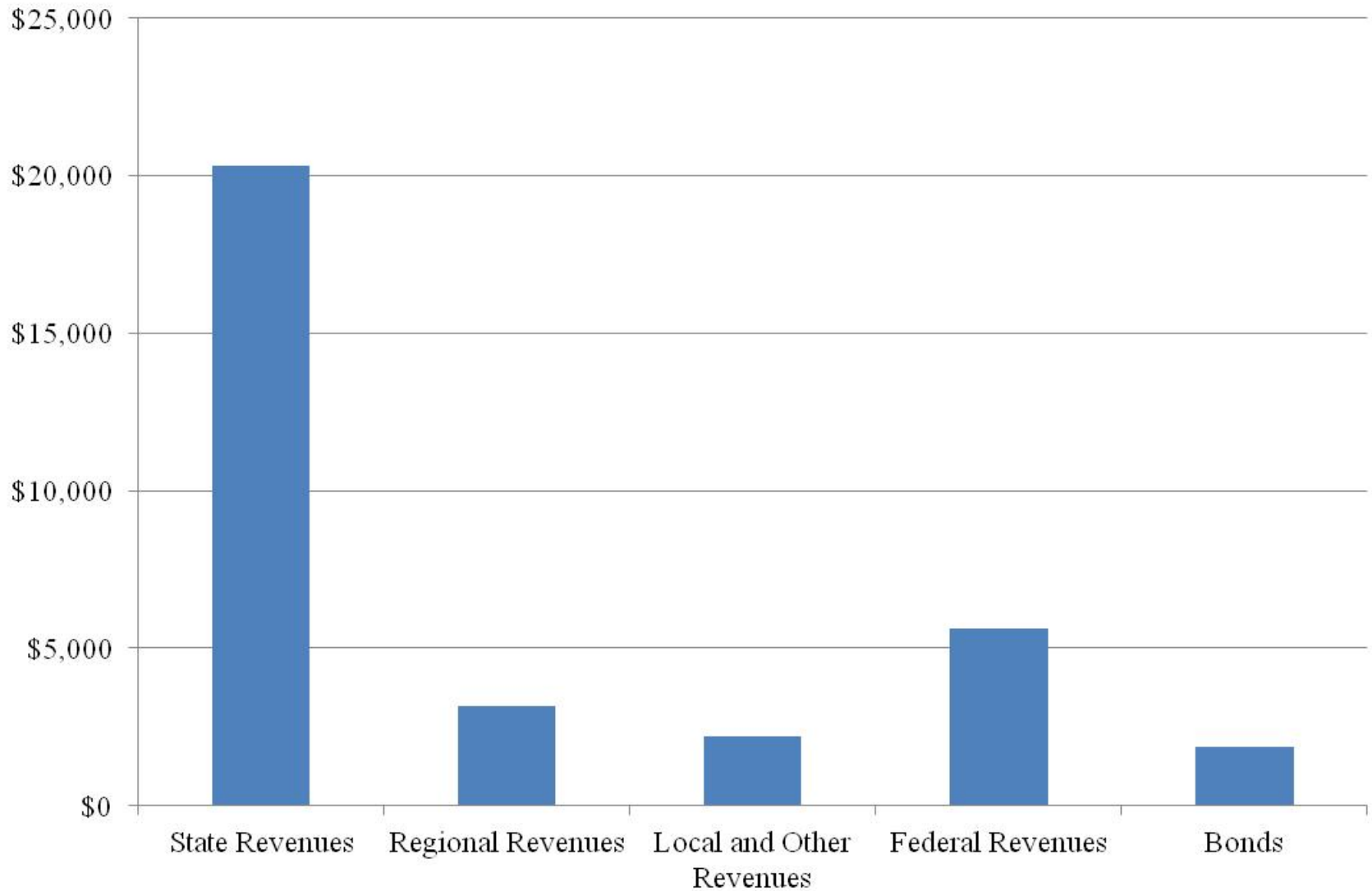
Fiscal Analytics, Ltd.

November 10, 2013

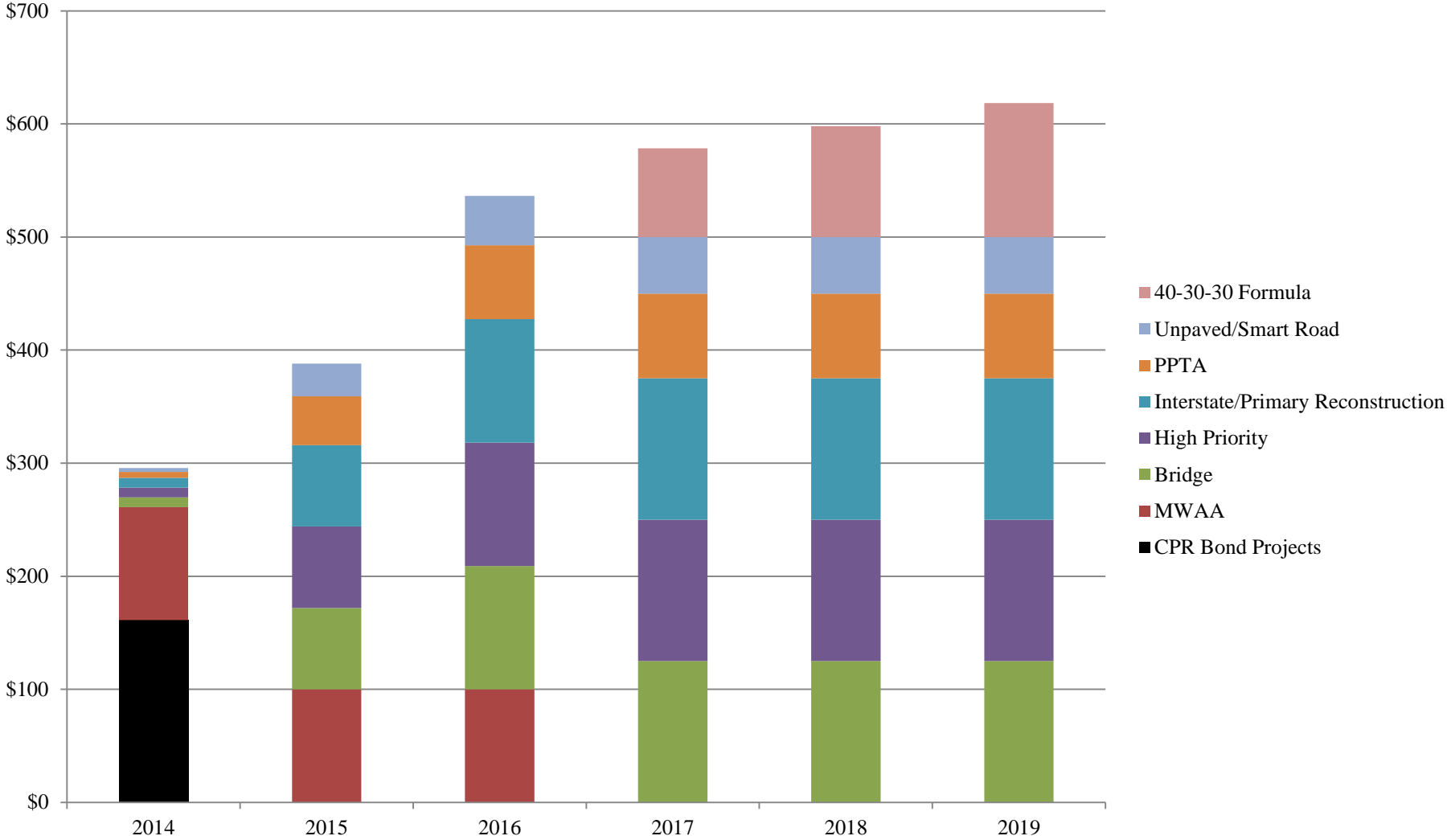
# HB 2313 Additional Statewide Transportation Revenues

	<u>FY 2014</u>	<u>FY 2018</u>	<u>5-YR</u>
Replace current 17.5c gas tax with 3.5% tax on gas and 6% tax on diesel	-\$245	-\$134	-\$846
Increase gas tax by 1.6% w/o MFA	\$0	\$215	\$725
<i>or MFA share for transp.</i>	<i>\$146</i>	<i>\$185</i>	<i>\$846</i>
Increase Titling Tax from 3.0 to 4.15%	\$184	\$247	\$1,119
Increase general sales and use tax	\$266	\$336	\$1,542
\$64 Alternative Fuel Vehicle Fee	\$7	\$11	\$43
Increase existing GF SUT to HMOF from 0.5% to 0.6%	\$49	\$111	\$474
<i>Or with MFA: increase existing GF SUT to HMOF from 0.5% to 0.675%</i>	<i><u>\$49</u></i>	<i><u>\$198</u></i>	<i><u>\$699</u></i>
<b>Total Statewide Program Est. Revenues w/o MFA</b>	<b>\$260</b>	<b>\$786</b>	<b>\$3,056</b>
<b><i>Total Statewide Program Est. Revenues with MFA</i></b>	<b><i>\$406</i></b>	<b><i>\$843</i></b>	<b><i>\$3,402</i></b>

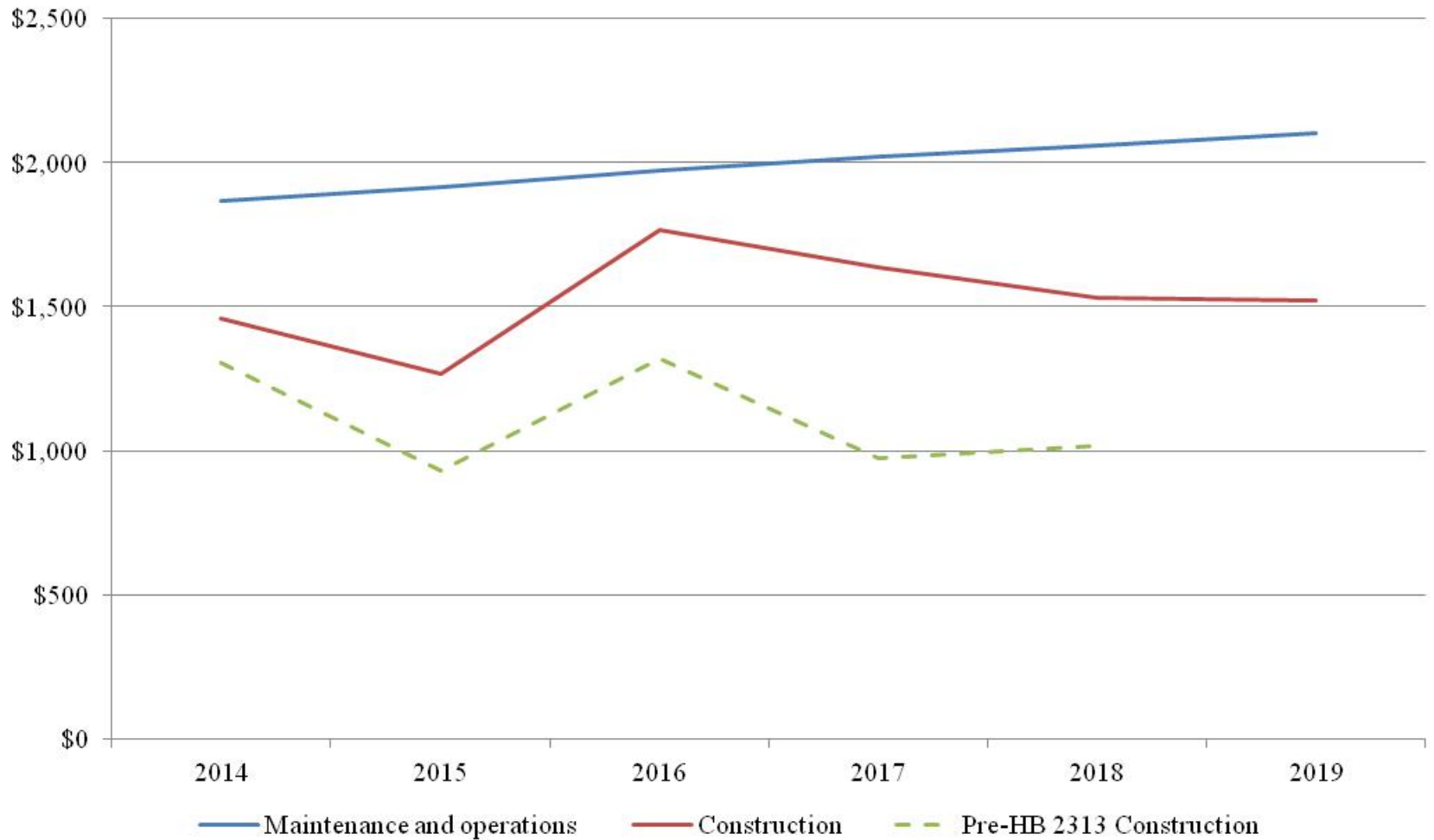
## 2014-19 CTF Revenues (\$ Mil.)



# Additional HB 2313 Funds Available for 2014-19 Construction (\$ Mil.)

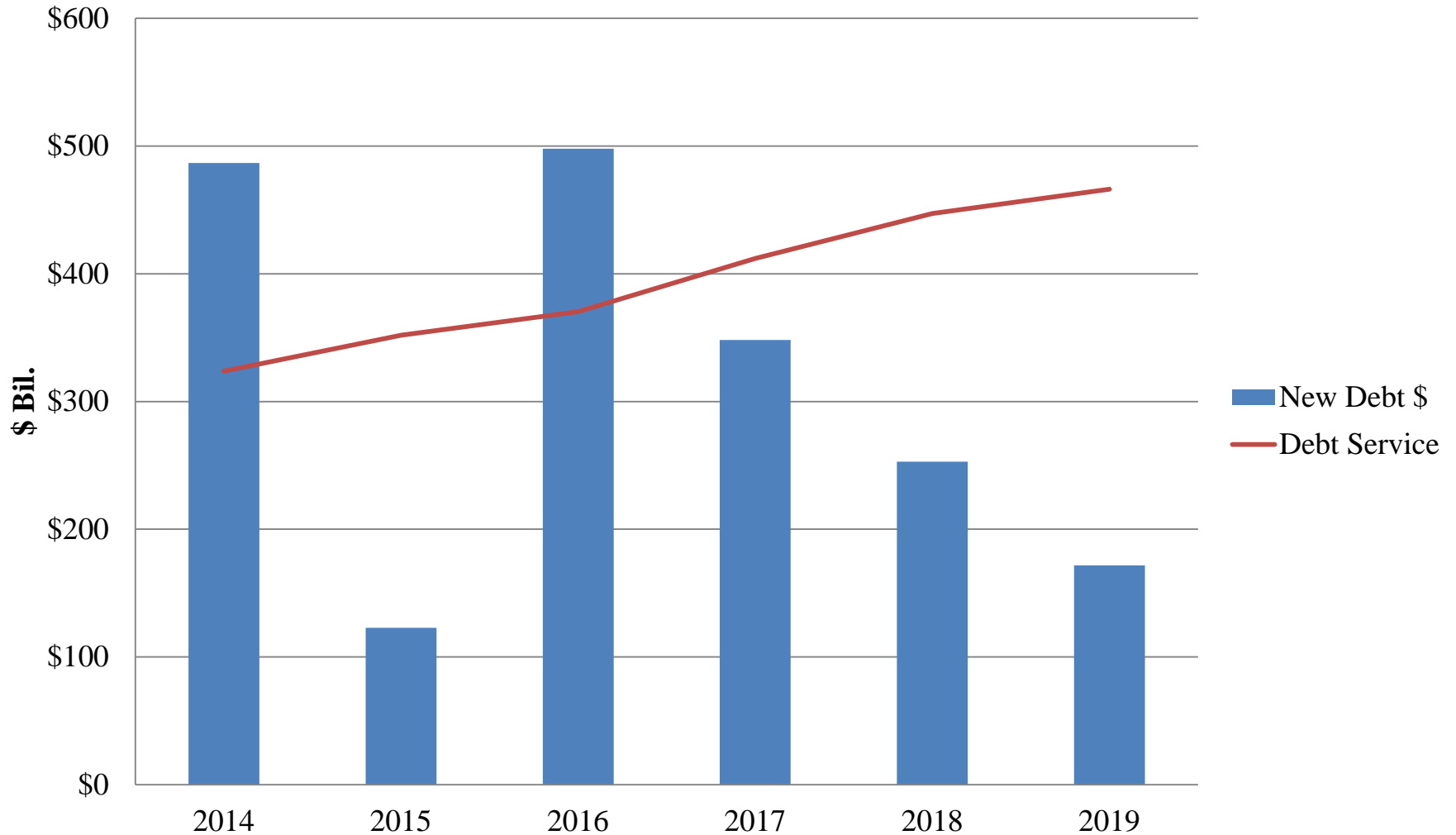


## VDOT Maintenance and Construction Plan Statewide Funds (\$ Mil.)

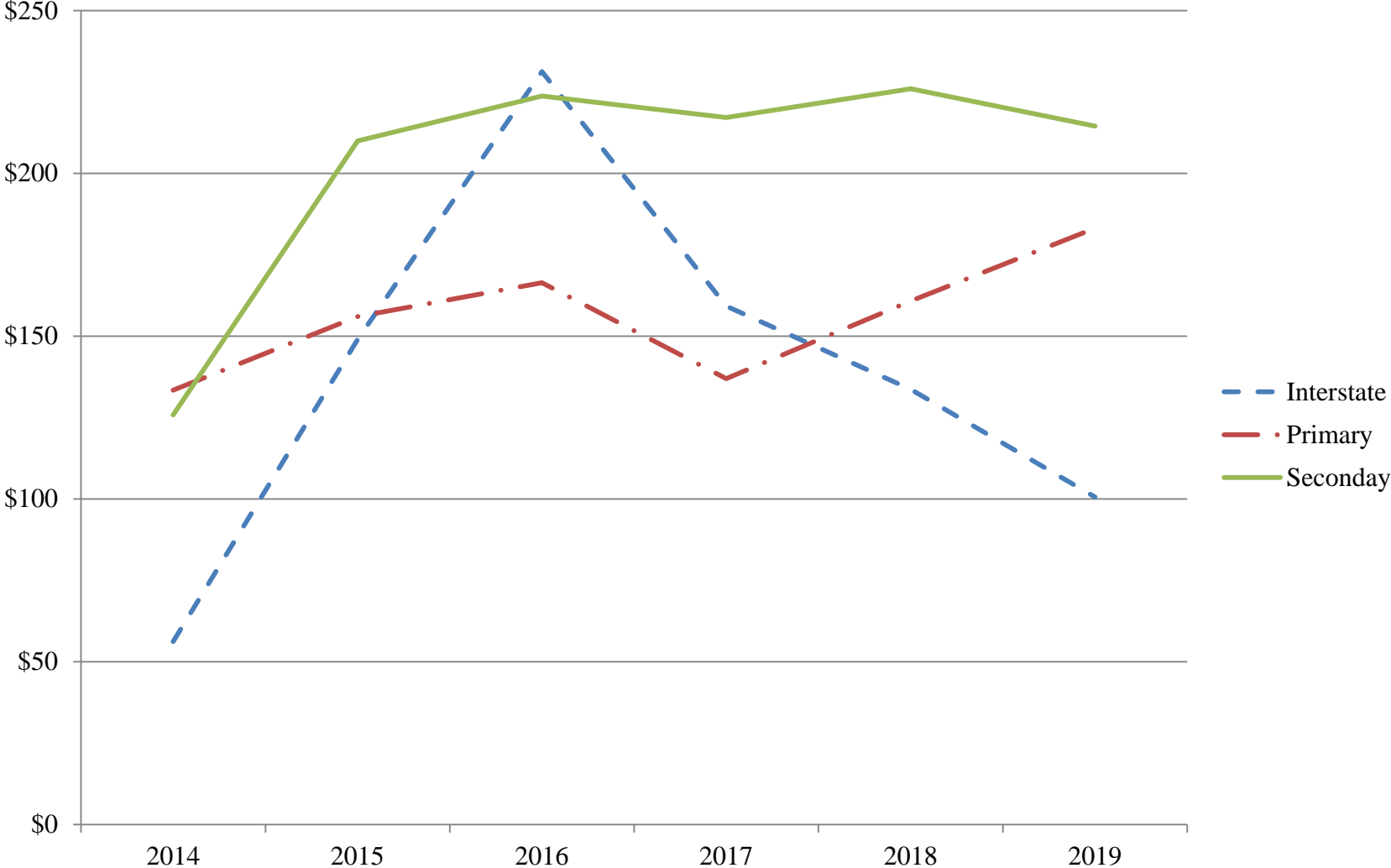


Note: Includes federal funds which are assumed to avg. about \$940 mil./yr

# New Debt and Resulting Debt Service Costs are Still a Major Part of the VDOT Plan

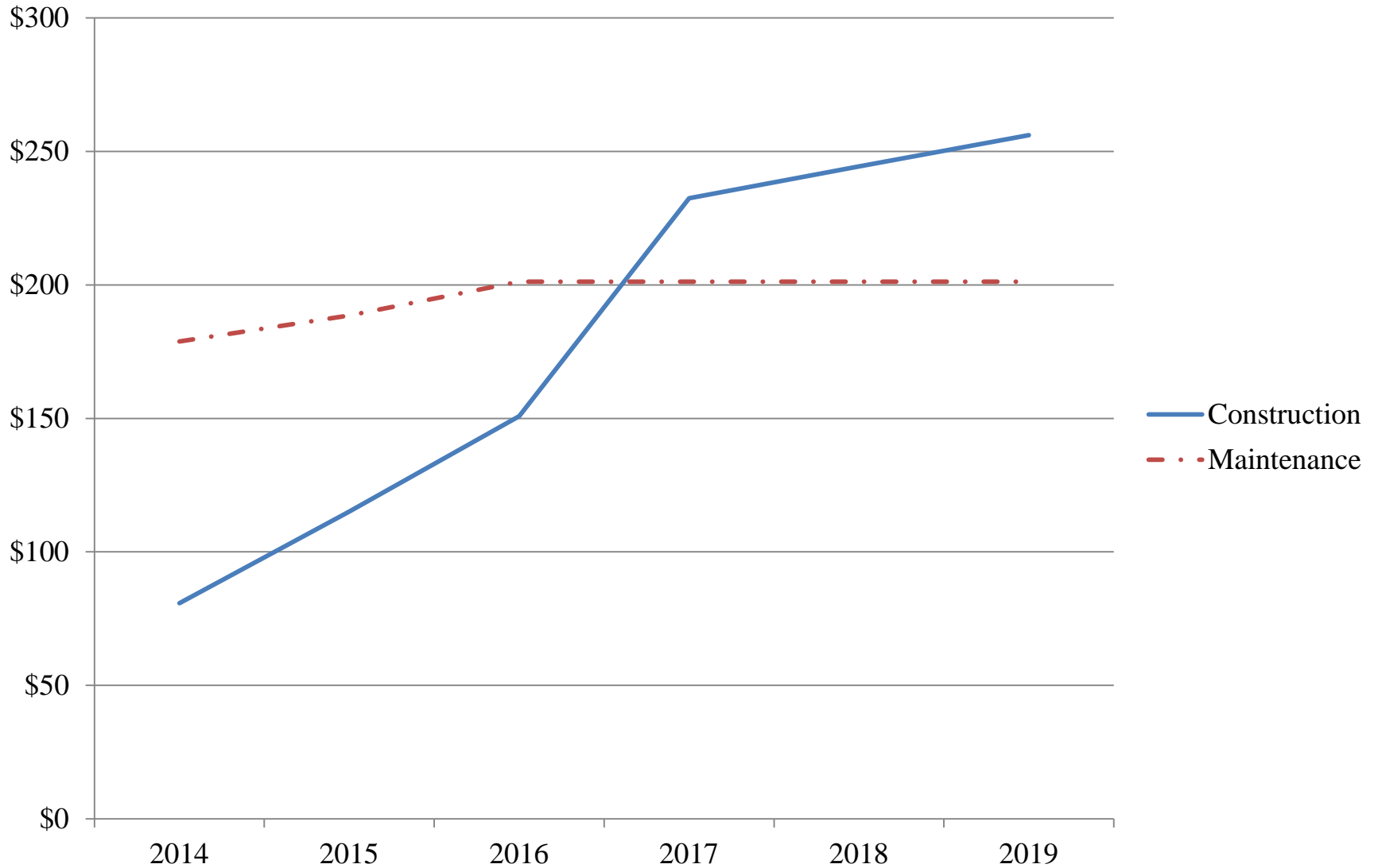


# Planned VDOT Paving Funding (\$ Mil.)



**Note: 55% of the Interstate and 30% of the primary road 2014-19 paving is from the VDOT construction budget.**

# Planned Funding for Bridges (\$ Mil.)





# Vtrans 2035 (February 2013)

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“The funding dilemmas described at the beginning of this chapter require solutions that include greater direct responsibility and greater emphasis on performance by **local and regional** transportation partners. By necessity, the state must focus on the facilities that serve statewide and national movement of goods, residents and visitors. Local governments and regional agencies have the opportunity to create efficiency in determining how existing and future demand for roads, transit, and intermodal facilities will be met through their planning processes. They also have the ability to link the costs and benefits of growth to the methods of funding additional transportation capacity.”

... “absent major changes in transportation funding, the responsibility for maintenance and expansion of roads serving primarily local traffic by necessity will become the responsibility of local governments. This process is called “devolution.”

# Statewide Transit Needs

## 2040 Public Transportation Management Plan (\$ Bil.)

	<u>Capital Investment</u>	<u>Operating Expenses</u>
<b>Low Investment Scenario:</b>		
Total Funding needs	\$15.9	\$43.7
Total Projected Revenue (adding HB 2313)	\$12.9	\$33.1
Total Funding Gap	\$3.0	\$10.6
<b>Moderate Investment Scenario:</b>		
Total Funding needs	\$42.5	\$61.3
Total Projected Revenue (adding HB 2313)	\$13.9	\$33.1
Total Funding Gap	\$28.6	\$28.2

# HB 2313 Regional Revenues

## New Est. Regional Revenues in FY 2015 (\$ Mil.)

<b>Northern Virginia Region</b>		<b>Hampton Roads Region Region</b>	
0.7% Sales Tax	\$245	0.7% Sales Tax	\$130
2% Transient Occupancy	\$28	2.1% Gasoline tax	\$71
\$0.15/\$100 Grantor's Tax	\$34		
<b>Est. FY15 NoVa Tax</b>	<b>\$307</b>	<b>Est. FY15 HR Tax</b>	<b>\$201</b>
<b>FY 2014-2018 NoVa Total</b>	<b>\$1,042</b>	<b>FY 2014-2018 HR Total</b>	<b>\$1,553</b>

# Northern Virginia Transportation Needs

- In 2012, the Northern Virginia TransAction 2040 Long-Range Transportation Plan estimated highway/transit capital and operating regional needs at approximately \$950 million per year in additional funding. HB 2313 regional funding of \$300 million per year, plus additional state funds reduced this need by about 50 percent.
  - Examples not funded: major new Metro extensions, new bridge crossings over the Potomac
  - Fairfax County recently estimated their post-HB 2313 ongoing unfunded needs to be \$79 mil./yr.

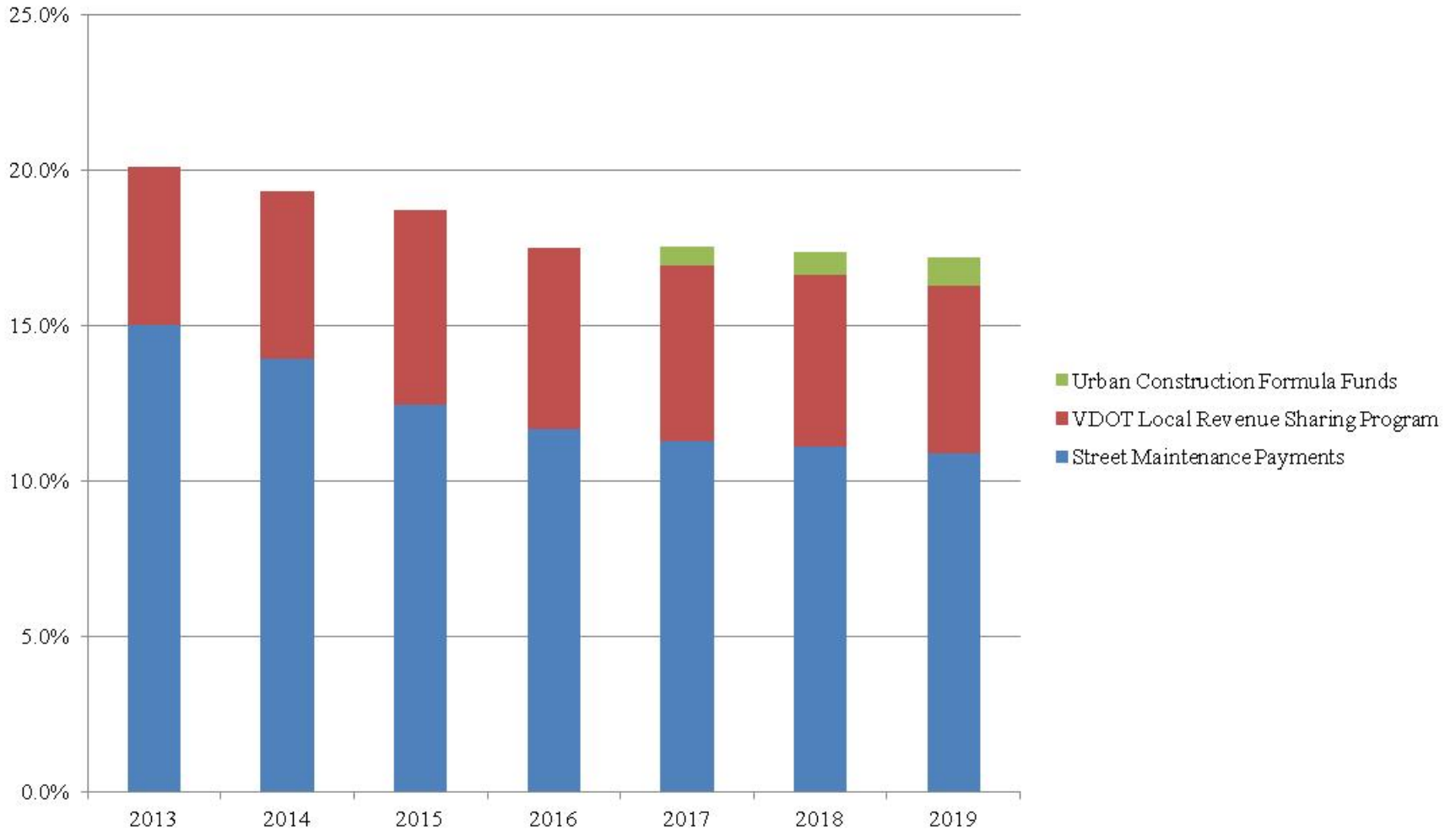
## 2012 Hampton Roads Transportation Program Candidate Projects By 2034

Project Category	Number of Projects	Construction Cost Est. (\$ bil.)
Highways	113	\$9.4
Interchanges/Intersections	15	\$1.2
<b>Bridges/Tunnels</b>	<b>14</b>	<b>\$13.4</b>
Transit	5	\$2.2
Intermodal	<u>3</u>	<u>\$0.7</u>
<b>Total</b>	<b>150</b>	<b>\$26.9</b>

# Key Components for Localities in the Adopted 2014-19 Six-Year Plan

- Street maintenance payments for localities link increases to the VDOT “base” maintenance budget growth of 3% per year.
- New formula adopted in 2012 GA Session delays previous primary, secondary, urban (40-30-30) formula distribution construction funding until FY 2017.
- Revenue sharing currently capped at \$200 mil./yr with SYIP assuming \$150 mil/yr.

# VDOT Direct Payments to Localities (% of State Transportation Revenues)



\* Assumes local revenue sharing is increased from \$150 mil. to \$200 mil/yr. in FY 2015

# Local Funding Will Continue to be Needed for Transportation System

- Local urban street maintenance expenditures exceeded state payments by 32% in FY 2012.\*
  - Recent VDOT pavement condition survey found urban locality pavements in worse condition, despite spending a higher percent of funds on paving, than VDOT maintained roads.
- Including capital outlay expenditures, local unreimbursed expenditures for highways exceeded \$366 million in FY 2012, not including toll revenue, and debt service for transportation bonds.\*
- State revenue sharing increasing. \$154 mil. for 197 projects allocated to 75 localities in FY 14.
- Local general funds subsidizing public transit include \$265 million for operating assistance and \$58 million for capital in FY 2013.\*\*
- More special tax districts, such as commercial and industrial property in NVTD (up to 0.125 per \$100) for transportation.

\* FY 2012 Weldon Cooper Road, Street, and Highway Finance Survey

\*\* Dept. of Rail and Public Transportation SYIP



# Summary of HB 2313 Impacts

- New revenues eliminate construction fund crossover, provide sufficient maintenance funding to bring state-responsible roads up to good repair, and ensure state match for future federal funds. A large proportion of new revenues in SYIP used for re-construction of existing roads and bridges.
- No new funding for locally-maintained urban roads, despite evidence of pavement deficiency. Street maintenance funding is continuing at the status quo VDOT “base” rate of 3 percent growth.
- New state public transit funding will mostly assist with maintaining existing assets and service. Limited funds to significantly expand service beyond that already planned (such as Dulles Rail project).