



Virginia Department of Rail and Public Transportation

HB 1359 – Transit Capital Project Revenue Advisory Board

Status Update to the Commonwealth Transportation Board

March 14, 2017

Steve Pittard
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Revenue Advisory Board



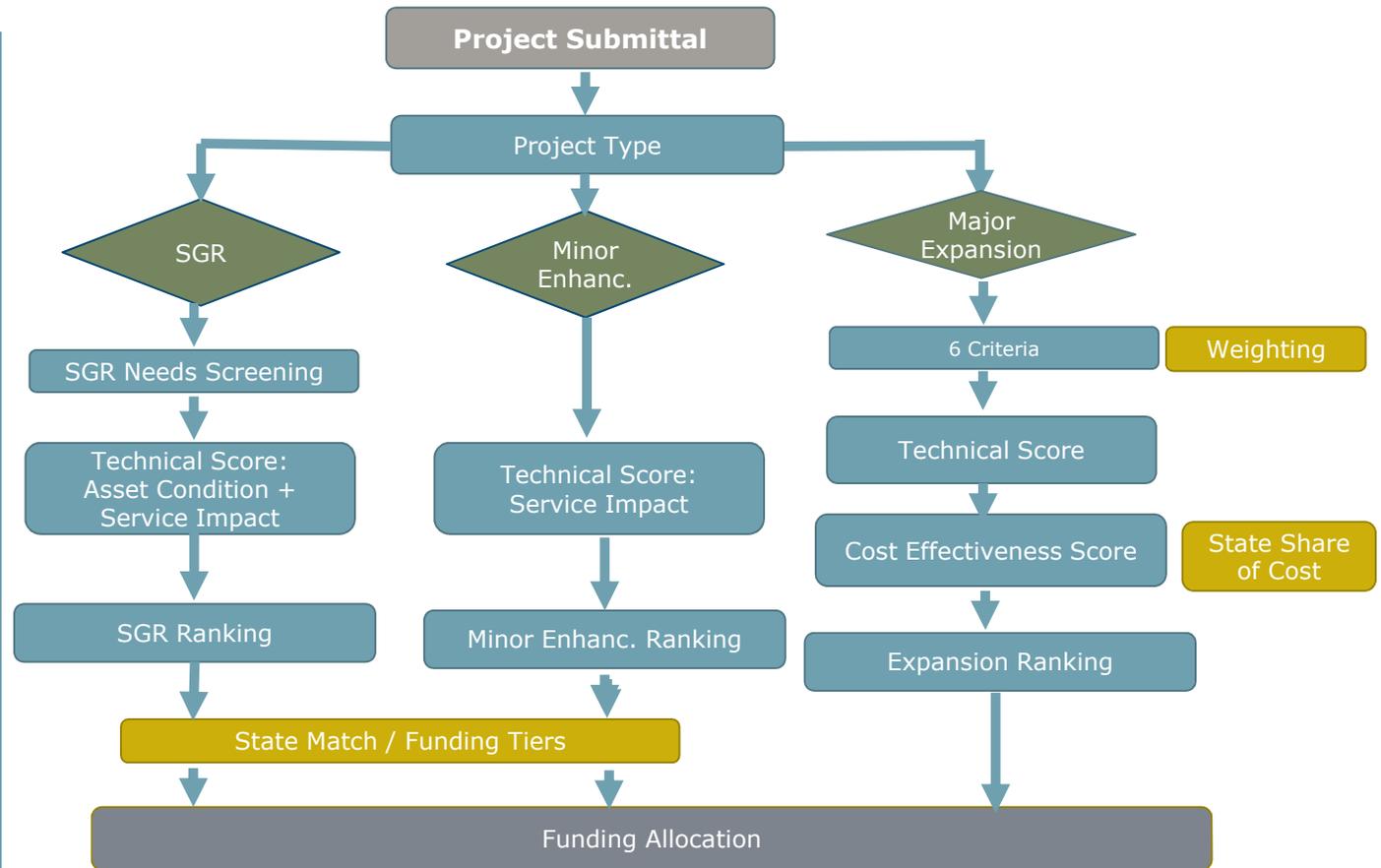
- Created by HB 1359 to:
 - Develop a proposal for new revenues to replace expiring CPR bonds
 - Develop a project-based prioritization strategy for transit capital projects
 - State of Good Repair
 - Expansion projects (using same factor areas as Smart Scale)
- Also addressed in Budget Item 448 E.1

Update on Prioritization



- Revised Structure/Approach to Prioritization
 - Similar to SMART SCALE
- Major shift from current policy in which all eligible projects receive funding
- Developed to a level of detail to support development of scenarios
- Ties State of Good Repair prioritization to existing asset management reporting/practices (state and federal)
- Intended to provide multi-year predictability
- Divergent opinions on implementation with or without new funding

Revised Structure for Capital Program Prioritization



Existing Transit Capital Revenue Sources

- Transportation Trust Fund – 1986 Session
 - 14.7% dedicated to transit; of this amount, 25% allocated to Transit Capital ~ \$37 M annually
- Recordation Taxes
 - \$0.01/\$100 ~ \$15 M annually
- Retail Sales and Use Tax – 0.3% increase in HB2313
 - 0.075% dedicated to transit; of this amount, 25% allocated to Transit Capital ~ \$20 M annually
- Sales Tax on Fuel
 - 5.1% tax; 3.11% of revenue dedicated to transit capital ~ \$28 M annually
- CPR Bonds – 20% minimum; \$110 M annually
 - Actual allocations have exceeded 40%
- Federal Transit Administration ~ \$41 M annually

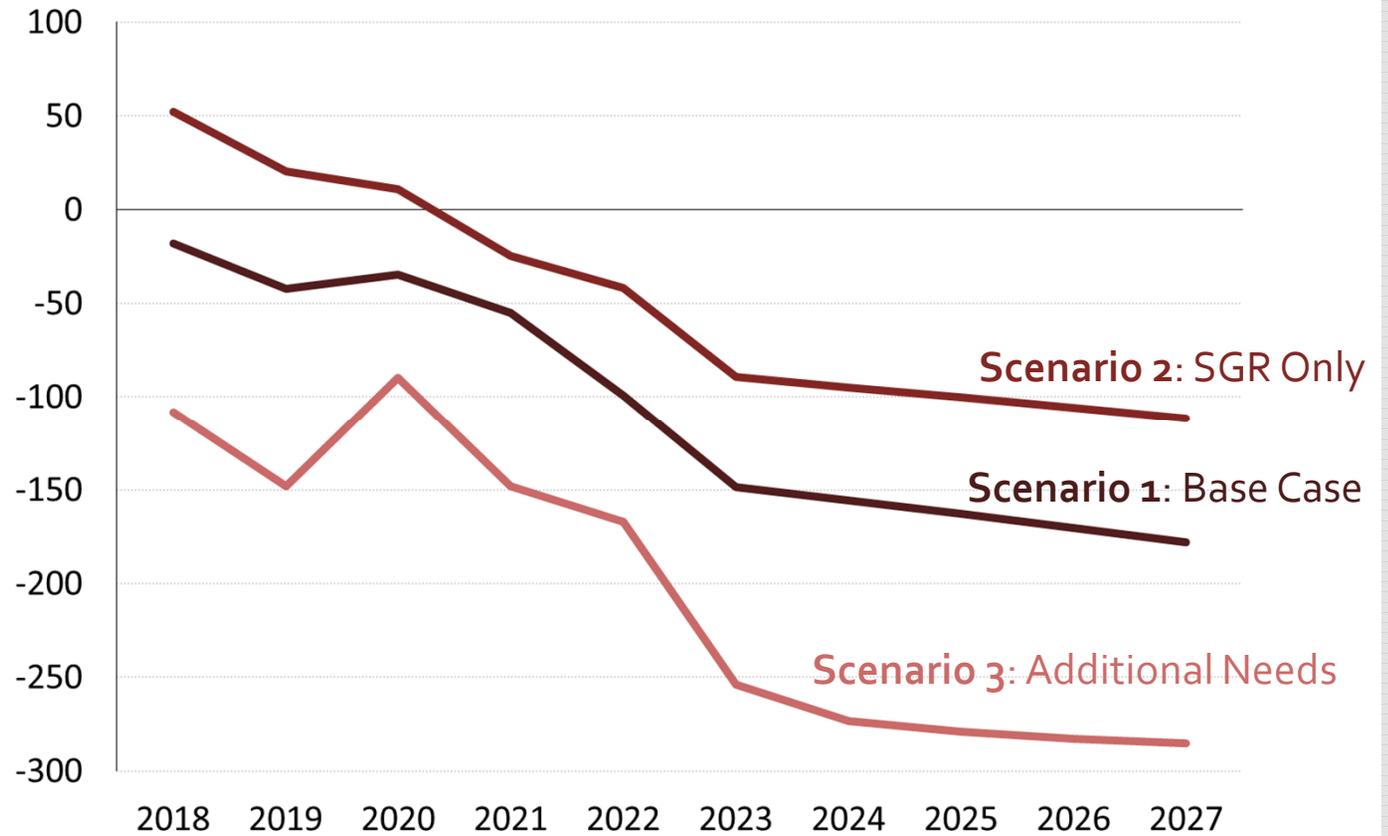


Commonwealth Transit Capital Revenues

	2018	2019	2020	2021	2022	2023	Total
1986 Special Session (14.7%)	\$ 36.0	\$ 37.3	\$ 37.9	\$ 38.5	\$ 38.9	\$ 39.6	228.2
Retail Sales and Use Tax	19.3	20.3	20.6	21.0	22.4	22.8	126.4
Sales Tax on Fuel	27.2	27.4	27.6	27.9	28.2	28.5	166.8
Recordation Tax	15.6	15.3	14.4	14.4	14.4	14.4	88.5
Transportation CPR Bonds	110.0	77.3	50.0	-	-	-	237.3
Federal Transit Administration	41.0	41.0	41.0	41.0	41.0	41.0	246.0
Total	\$ 249.1	\$ 218.6	\$ 191.5	\$ 142.8	\$ 144.9	\$ 146.3	\$ 1,093.2

- Loss of bond funds will result in a 44% decrease in transit capital funding

Annual Projected State Transit Capital Deficit by Scenario (FY18 – FY27)



Feedback from Revenue Advisory Board



- New funding, not shifting funds
- Limit to transit capital problem
- Should include regional options including regional gas tax
- Consider incremental implementation of revenue enhancements (3 to 5 year phase-in)
- Current work focused on adjustments to existing transportation revenue sources; expand our review to other potential sources

Next Steps: Analysis

- Scenario evaluation
- Evaluate impact of different state match rates:
 - 80% illustrative state match rate
 - Application of current tiers as state match rates
 - State match rate needed to fund all SGR projects
- Examine trends for project types/mix
- Continue evaluation of revenue sources/option



Next Steps: CTB

- June 2017 – Presentation on final report
- July 2017 – Resolution endorsing final report with legislature recommendations
- Future:
 - Development and implementation of CTB policy on transit capital prioritization





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