To: Chairman Cook and the VRE Operations Board  
From: Doug Allen  
Date: February 20, 2015  
Re: Legislative Update

Virginia General Assembly Legislative Issues:

HB1887 (Jones) Omnibus Transportation Plan  
Provides an estimated $40M annually for transit capital to address a 62% projected drop in funding expected to occur in the next 2-3 years. The Mass Transit Capital Fund will be increased by reallocating existing transportation funds from the recent gas tax increase, which will take effect on July 1, 2016. Unfortunately, it also reallocates $9 million from the Rail Enhancement Fund (REF) to fund structurally deficient bridges. The bill also directs the CTB to develop a legislative proposal to “revise the public benefit requirements” of the Rail Enhancement Fund no later than December 1, 2015. VRE will monitor those discussions closely.

The majority of the Mass Transit Trust Fund capital program is used to maintain transit systems in a state of good repair, covering necessary expenses like replacement buses, rail cars, track work, maintenance facilities and technology needs; only about 13% was used for transit service expansion over the last three years. DRPT has a prioritization framework for allocating the mass transit capital funds, considering replacement vehicles as highest priority; infrastructure needs second and other transit projects third.

The substitute version passed the full House on February 4 on a vote of 96-2. It will now go to the Senate to be considered in the Senate Transportation Committee.
HB 1470 (LaRock)
This bill requires that the mass transit capital funds that are part of the 70 percent of the revenues received by the Authority (NVTA) under HB2313 be contained in the regional transportation plan and go through the HB599 rating process. Because that process has not been designed for transit projects, the patron agreed to a delayed enactment date of July 1, 2016.

HB 2170 (Minchew)
This bill would have consolidated the Northern Virginia Transportation Commission into the Northern Virginia Transportation Authority, a proposal that was considered in 2012, studied and determined to provide no savings or efficiencies. However, it is agreed by all parties involved that continued coordination between agencies is a goal to continue to work toward. This bill was laid on the table for the year.

SB1023 (Stuart)
SB1023 would have subjected all transit funding under the Mass Transit Fund to the prioritization process developed under HB2. This would include ALL transit operations, maintenance funding, and funding for state of good repair projects, which are the majority of DRPT’s capital program. The HB2 process has been designed to prioritize new capacity projects, such as a light rail or BRT extension. It is not suitable for the Mass Transit Trust Fund. The patron heard everyone’s concerns and struck his bill, defeating it for the year.

Budget Amendments to Retain Interest from the Commuter Rail Trust Fund
Eileen Filler-Corn and Senator Chuck Colgan both submitted budget amendments to strike language allowing for the general fund to retain the interest earnings generated in the Commuter Rail Trust Fund at the Department of Treasury. Interest earnings in that Fund are estimated at $68,343 each year. The VRE contributed over $10M in local funds to the Commuter Rail Trust Fund to pay operations related claims. Prior to a policy change 2011, VRE received the interest earnings from the funds invested in the pool.

The Senate included the amendment in their budget that was released on February 8th. The House did not include the amendment which means we will now work to keep it in the final version of the budget.

Noteworthy Budget Items:

Senate Budget Item 3-3.03. This amendment eliminates the transfer of interest earnings to the general fund from amounts held in the Commuter Rail Trust Fund as mentioned above.

House Budget Item 427 #2h. This amendment directs the Department of Rail and Public Transportation to undertake a comprehensive review of the Rail Enhancement Fund and its usage. Established in 2005, after 10 years there is a need
to review how effective the guidelines governing its use have been and whether any modifications are required to reflect changes in revenue streams and transportation needs in the intervening years.

Federal Legislative Update

New Virginia Congressional Delegation Members
Barbara Comstock and Don Beyer were elected to Congressional seats previously occupied by Representatives Wolf and Moran. Rep. Comstock has been appointed to the Transportation and Infrastructure Committee which has jurisdiction over all modes of transportation: aviation, maritime and waterborne transportation, highways, bridges, mass transit, and railroads. She is the only Virginia representative on the T&I committee. Staff continues to work with our Congressional Delegation members on Reauthorization, Commuter Benefits Equity and federal funding for VRE projects.

Rail Line Relocation & Improvement Capital Grant Program (RLR)
Rep. Sean Patrick Maloney has introduced a bill to help improve rail safety at grade crossings. H.R. 705 will reauthorize the Rail Line Relocation & Improvement Capital Grant Program (RLR) at $100 million a year for the next four years. In order to assist State and local governments in mitigating the adverse effects created by the presence of rail infrastructure, Congress authorized the Rail Line Relocation and Improvement Capital Grant Program in 2005 through the Safe, Accountable, Flexible, Efficient Transportation Act: A Legacy for Users (SAFETEA-LU). However, Congress first appropriated funding for the program in FY 2008. From FY 2008 through FY 2011, Congress appropriated a total of $90,104,200 for the program. Funding has been provided to grantees through both Congressionally-directed spending and competitive grant opportunities. Congress did not appropriate any funding for the Rail Line Relocation program in FY 2012 and all available funding has been awarded. VRE staff will monitor this bill, work with members of the Virginia Congressional Delegation to support the bill, and report back on its progress.

Obama’s Budget Includes 6-Year, $478 Billion Authorization Plan; Allocates $144 Billion for Public Transit
President Obama has included $478 billion for a proposed six-year surface transportation authorization bill—a reworked version of the four-year GROW AMERICA Act proposed last year—in the $4 trillion Fiscal Year 2016 budget he released Feb. 2. The budget includes $94.7 billion in discretionary and mandatory funding for DOT for FY 2016.

The budget includes an $18.4 billion increase in Federal Transit Administration (FTA) funding in FY 2016, up from $11 billion in FY 2015, along with $13.9 billion for Transit Formula Grants and $3.25 billion for Capital Investment Grants (New Starts, Core Capacity, and Small Starts). The proposal would also fund BRT-style
investments through the Rapid Growth Area Transit Program at $500 million and again recommends the Fixing and Accelerating Surface Transportation (FAST) program, a TIGER-like performance-based incentive grant program which would be funded at $500 million in FY 2016.

The budget proposes to rename and restructure the Highway Trust Fund (HTF) as the Transportation Trust Fund and to add rail accounts that currently are not captured in the HTF.