

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

11.

TO: Chair Phyllis J. Randall and Members
Northern Virginia Transportation Authority

FROM: Monica Backmon, Chief Executive Officer
Tracy Baynard, McGuire Woods Consulting, LLC

DATE: January 6, 2022

SUBJECT: 2022 General Assembly Session Update

Purpose: To update the Northern Virginia Transportation Authority (NVTA) of Proposed Budget and Legislative Activity from the 2022 General Assembly Session.

Discussion: As of the time of writing this memo, we have reviewed Governor Northam's proposed budget for FY2022, FY 2023 and FY 2024. We have fewer than usual introduced bills due to a ransomware attack and are waiting for Governor-elect Youngkin's inauguration before seeing his budget and policy initiatives. Below is an overview of proposals released so far.

Transportation Funding General

The December revenue reforecast shows increases in transportation revenue sources across the board. If these projections are realized, it means the Authority will benefit from an increase in funding from the Interstate Operations and Enhancement Program (IOEP). The Authority gets 8.4% of IOEP funding each year.

FY 2022 Initiatives in HB 29/SB29

As noted in December, the Northam administration is using the increased transportation revenues to replenish revenue sharing funding to make up money for FY 23 and FY 24. [Item 447 A-4](#) provides an additional \$40.480 million in FY 2022 for the Revenue Sharing Program. The FY 23-24 biennium budget also proposes increased funding for the Revenue Sharing Program to return funding once again to the previous schedule. Once again, the General Assembly is asked to allocate funding over the statutory \$100 million cap -- \$197.288 million for FY 23 and \$208.066 million in FY 24.

Governor Northam agrees that some of the FY21 general fund surplus should be allocated to the Commonwealth Transportation Fund - \$115.8 million for six new initiatives in [Item 447.10 B 8-13](#), ranging from multi-use trails, the regional Spaceport, the I-64 "gap" and an interchange project near the Norfolk Naval Base. This funding is allocated in FY 22. There is an additional \$207.204 million in general fund revenue allocated for multi-use trails in FY 2023 in HB30/SB30.

The Northam administration followed through on a recommendation of the Joint Legislative Audit and Review Commission related to whether localities responsible for maintaining pavements and bridges are receiving sufficient state funding. [Item 451 H](#) study language includes an assessment of current conditions of city streets. This evaluation will include a review of the current formula used for distributing city street payments and an assessment of possible partnerships with VDOT to provide services. Recommendations are due by December 1, 2023. You'll note at the top of the item a projected increased FY 2022 transfer of revenue to NVTA of \$58.492 million. This represents the revenue update.

Implementation of New Revenue from the Federal Infrastructure Investment and Jobs Act (IIJA)

The Northam administration's proposed budgets include numerous specific initiatives to implement some portion of the Federal IIJA. Specific timing of spending the money is dependent on when the federal funds are received and having federal guidance in hand.

- Allocates \$43.47 million in FY 2022, \$44.33 million in FY 2023 and \$45.22 million for FY 2024 from the new resiliency PROTECT Program
- Allocates \$34.08 million in FY 2022, \$34.768 million in FY 2023 and \$35.464 million in FY 2024 from the new Carbon Reduction Program
- FY 2023-2024 biennium budget includes language directing the Commonwealth Transportation Board to develop a strategy for using funding from two new programs:
 - Bridge replacement, rehabilitation or construction including both state and local maintained bridges. This work will build upon already completed work by VDOT to review recommendations related to bridge asset management. Virginia is projected to receive \$107 million a year for 5 years from this program.
 - National Electric Vehicle Formula Program. The plan shall consider national designated electric charging corridors, opportunities to partner with the private sector and to be in compliance with future federal guidance. Virginia is projected to receive \$21.3 million a year for 5 years for this program.