



The Never-Ending Session:

Featuring:

Lisa Guthrie, VTA Executive Director

Danny Plaughter, VTA Deputy Director

with special guest:

Art Guzzetti, APTA Vice-President for Policy

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2022 Virginia General Assembly

January 12, 2022, to present (**141** days). GA returns June 1st to take up budget.

A few things to remember:

- New Governor and new Secretary of Transportation;
 - Change in governing party;
- New Speaker of the House of Delegates and new Chairman of House Transportation Committee;
 - Change in governing party;
 - Very slim majority | 52 to 48;
- Continued leadership and slim majority (21-19) in the State Senate;
 - New Lt. Governor (who breaks ties) with a change in party;

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Completed Legislation – Part I

TRIP Improvement Legislation (SB 342: Senator Barker + HB 142: Delegate McQuinn)

- TRIP program receives 6% of the VA Mass Transit Fund.
- 75% dedicated to regional routes program and 25% to fare free program.
- Legislation removed the 25% program funding cap for the fare free sub-program.
- Instead, they created 25% floor for both regional routes and fare free programs with 50% of funding flexible to accommodate needs.
- Both bills passed with strong bi-partisan support.
- Governor amended them to add a July 1, 2024 sunset. General Assembly agreed.

Transit Zero-Emission Transition Fund (SB 488: Senator McClellan)

- Legislation would've created the flexible, Transit Zero-Emission Transition Fund, to help cover the planning and transit costs associated with moving from carbon-based fuels to zero-emission technologies.
- Passed the State Senate, killed by the House of Delegates.

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Completed Legislation – Part II

Bus Procurement (SB 281: Senator Ebbin)

- A disagreement between state code and federal code has meant that there have been no state transit bus procurement contact;
- This fixes the language disagreement and allows the state to move forward with a procurement contract.
- Passed with strong bi-partisan support.
- Governor slightly amended. General Assembly agreed.

CDL (HB 553: Delegate O'Quinn)

- Directs the Secretary of Transportation, in consultation with various agencies, to implement initiatives to promote attaining commercial driver's licenses.
- Passed with strong bi-partisan support. Signed by Governor.

Hampton Roads Transit Recordation Tax (HB 978, SB 363, SB 512)

- These bills would've eliminated \$20 million dedicated to HRT from the State's portion of the recordation tax.
- All these bills died in their chambers of origin.

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Completed Budget Items – Part I

Transit Worker Bonuses (Senator McClellan and Delegate Krizek)

- Would have dedicated \$20 million of the state's ARPA funding to help attract and retain transit workers.
- The budget amendments did not advance.

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Pending Legislative Items – Part I

Grocery Tax Elimination (HB 90: Del. McNamara + SB 451: Sen. Boysko)

- Eliminates the sales and use tax on groceries and essential hygiene items.
- Reduces overall transportation funding over the SYIP by \$741.4 million (SB 451) to \$806.5 million (HB 90)
 - This equals a \$83.6-90.9 million cut to the VA Mass Transit Fund;
 - And, a \$27.2-29.6 million cut to the VA Rail Fund.
- Passed both Chambers and sent to Conference Committee.
- Final language pending a Budget agreement.

Gas Tax Suspension – Part I (HB 1144: Del. Webert + SB 541: Sen. Peake)

- Rolls back the most recent gas tax increase (July 2021) (\$0.05 per gallon) for a year.
- It would push the CPI indexing of the gas tax from FY 2023 to FY 2024.
- It would reduce transportation funding in the SYIP by \$331.3 million
 - This would reduce transit funding by \$37.4 million and rail funding by \$12.2 million.
- Passed the House and died in the Senate.
- Still alive in the House budget, pending a final Budget agreement.

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Pending Legislative Items – Part II (Governor’s Initiative)

Gas Tax Suspension – Part II (HB 6001: Del. Durant + SB 6001: Sen. Newman)

- Eliminates and reduces the State’s gas tax for a total of five months (May through September)
 - May-July: 0% | August: 50% | September: 75%
 - It would have also capped the indexing of the gas tax to a maximum of 2%
 - This legislation has an emergency clause included in it (meaning it needs 80% of both chambers to pass).
- It would have cut **\$627.9 million** from transportation over the SYIP.
 - This would have reduced transit funding by **\$70.8 million** and rail funding by **\$23.1 million**.
- SB 6001 died in Senate Finance and Appropriations Committee.
- HB 6001 passed House Finance Committee and is pending docketing in House Appropriations Committee.

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Why a Gas Tax Suspension is Bad Policy

Using Maryland as the test case



- Maryland spent nearly \$100 million to “suspend” their gas tax for 30 days, and back filled the loss of transportation revenue with General Fund money.
- This experiment cost Maryland’s General Fund nearly **\$100 million** that could’ve been used for other services or a more targeted and direct benefit.
- There was **not one day** that Maryland drivers got to realize the full benefit of their gas tax suspension.
- The average Maryland driver saved less than **\$13.50** over the course of the gas tax holiday while the oil/gas companies collected over **\$21 million** in extra profit meant as savings for Maryland drivers.

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The BUDGET...

The State Budget(s) (HB 29/30: Del. Knight + SB 29/30: Sen. Howell):

- Virginia must have a biennial budget by June 30 or state operations cease on July 1 due to lack of funding.

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Federal Update

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Infrastructure Investment and Jobs Act of 2021

Passed Congress and signed by President on 11/15/2021

Advanced Appropriations included in the IIJA:

Transit - **\$21.25 billion:**

- **\$8 billion** CIG Grants; **\$5.25 billion** Low and No Emissions Competitive Grants; **\$4.75 billion** for State of Good Repair Grants; **\$1.75 billion** Station Accessibility Grants; **\$1.25 billion** Ferry Grants; and **\$250 million** Senior and Individual with Disabilities Grants.

Rail - **\$66 billion:**

- **\$6 billion** for NEC Grants; **\$16 billion** for National Network grants; **\$36 billion** for the Federal-State Partnership for Intercity Passenger Rail grant program (with a set-aside of not more than **\$24 billion** for projects on the NEC); **\$5 billion** for the CRISI program; and **\$3 billion** for the new Railroad Crossing Elimination grant program.

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FY 2022 Federal Omnibus (HR 2471)

Passed Congress and signed by President on 3/15/2022

Federal Transit Administration - **\$16.3 billion**, which includes:

- **\$13.4 billion** for transit formula grants; **\$2.25 billion** for Capital Investment Grants Program; **\$504.3 million** for Transit Infrastructure Grants and projects; **\$175 million** for Buses and Bus Facilities grants; **\$75 million** for Low or No Emission grants; **\$6.5 million** for Ferry Boat grants with at least \$3.25 million awarded for low or zero-emission ferries; **\$12.97 million** for ferry service for rural communities; **\$200.8 million** for community project funding/congressionally directed spending.

Federal Railroad Administration - **\$3.3 billion**, which includes:

- **\$625 million** for Consolidated Rail Infrastructure and Safety Improvements grants; with at least \$150 million awarded to new intercity passenger rail routes; \$25 million awarded to counties with the most pedestrian trespasser casualties and \$120.9 million for community project funding/congressionally directed spending; **\$100 million** for intercity passenger rail grants; **\$2.3 billion** for Amtrak, consisting of \$874.5 million for the Northeast Corridor and \$1.45 billion for the National Network.

HR 2471 also includes: **\$775 million** for National Infrastructure Investments (RAISE grants, formerly BUILD/TIGER)

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President Biden's FY 2023 Budget Proposal

Introduced by the President on 3/28/2022

Transit - **\$16.8 billion**

\$13.63 billion for transit formula grants; **\$2.85 billion** for Capital Investment Grants Program; **\$150 million** for WMATA; **\$50 million** for Zero Emission Transformative Planning Grants; and **\$100 million** Climate Resilience and Adaption Grants; **\$50 million** Integrated Smart Mobility Grants.

Rail - **\$4.7 billion**

\$3 billion for Amtrak operating grants; **\$555 million** for Federal-State partnership grants; **\$500 million** for CRISI program; **\$245 million** for Railroad Crossing Elimination grants; and **\$50 million** restoration and Enhancement grants.

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Questions?

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