

Commonwealth Connector

Newsletter of the Virginia Transit Association

Contact: Danny Plaughter - Danny@VATransit.com | Spring 2022

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General Assembly 2022: The never-ending session

Budget Priorities, Tax Initiatives, and ARPA

Many Virginians will tell you that they vote in every Presidential election but not always in state elections. It's true that much of what happens here in the Commonwealth does not always make news headlines but the impacts of a new Governor's Administration and realigned House of Delegates are significant. Often the decisions closer to home matter more to our everyday lives.

When the General Assembly opened on January 12, we knew that the budget would be a major focus. Outgoing Governor Ralph Northam had introduced a budget that included revenues that far exceeded where we thought we'd be during a pandemic. As the economy and the related spending ramped up, calls for tax relief also increased. Governor Youngkin announced two priorities that had a direct impact on transportation funding. The first was the repeal of the sales tax on groceries that former Governor Northam had include in his introduced budget. While it is widely accepted that the grocery tax is regressive and harms low-income individuals the most, to remove the half cent of it that is directed to transportation results in a loss of \$135 million each year. Of that about \$15 million goes to public transit and another \$5 million to rail.



Fortunately, the expected state revenues in the next couple of years will exceed projections due to the increase in other revenue streams such as sales tax and fuel tax. Governor Youngkin and the majority in the House of Delegates had also called for a suspension in the fuel tax increase from 2021 but the Senate majority soundly rejected that proposal saying the \$200 million impact on top of the grocery tax repeal was too much to sustain.

In addition, the federal ARPA COVID relief funds and the IJA Infrastructure funds will also supplement some transit providers revenues. As VTA pointed out to state legislators, however, the IJA funds are not guaranteed to every agency, are restricted to capital funds rather than operational, and often require a local match. They should not be viewed as replacement dollars for the lost grocery tax revenues.

VTA asked Senator Jennifer McClellan and Delegate Paul Krizek to introduce budget amendments to designate ARPA funds in the "caboose" budget for the remainder of this budget year for transit

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worker pay, an allowable expense for ARPA funds. We hoped that funds would be made available to transit agencies to offer transit worker bonuses to help address worker shortages. Those funds were not approved.

While revenues should be adequate for the next year or two, VTA remains vigilant on the need to restore a dedicated source of revenue for transportation. The [Omnibus Transportation bill of 2020](#) was a major step forward for transit funding and we don't want to roll back our achievements before we've even moved ahead. Several senators have assured us that they too want to restore funding but that we need to wait for another year.

Hampton Roads Recordation Tax

In 2020, the General Assembly created a special transportation program in Hampton Roads called the Hampton Roads Regional Transit Program and Fund. This was needed because unlike the Northern Virginia Transportation Authority and the Central Virginia Transportation Commission, no Hampton Roads regional revenues could be spent on public transportation. The Program is funded with \$20 million in state recordation taxes, \$0.06 per \$100 grantor tax, and a one percent transient occupancy tax. According to the CTB, these revenue sources are anticipated to generate \$243 million over the 2022-2027 Six-Year Improvement Program.

Several bills ([HB 978](#), [SB 363](#), [SB 512](#)) were proposed to eliminate the recordation tax which would have cut a drastic 49.4 percent to the Hampton Roads Regional Transit Program.

Fortunately, these bills all died in their chambers of origin.

TRIP Program

A bright spot in our legislative program is the TRIP (Transit Ridership Incentive Program) revision. The TRIP program was initially defined in the Transportation Omnibus bill. That bill had 6% of the Commonwealth Transit Fund dedicated to it which amounts to \$15M in FY23.

The program was divided into two categories – free and reduced fares for low-income riders and regional connectivity in urban areas. The bill was originally written before the COVID-19 pandemic

and all its negative impacts on commuting and transit ridership. As a result, the demand for regional commuter routes was suppressed and the need for more free and reduced transit fares for low-income riders increased. The riders who still need to get to the workplace during the pandemic were typically frontline hourly essential workers who were struggling with the daily demands of life. Saving on bus fare enabled them to use transit and apply the savings to housing, food and child care.

Recognizing this shift, VTA asked [Delegate Delores McQuinn](#) and [Senator George Barker](#) to introduce legislation to modify the allocations of TRIP. Instead of limiting the free and reduced category to 25%, the bills state that 25% of the total is the minimum allocation. Each of the two bills, [HB 142](#) and [SB 342](#) both passed but the House bill also designates a minimum of 25% to regional routes. Senator Barker also introduced a budget amendment that allocates an additional \$10 million to long distance commuter routes to the TRIP program.

Transit Zero-Emission Transition Fund

[Senator Jennifer McClellan](#) also stepped up to introduce a bill, [SB 488](#), for VTA that would establish a Fund to assist in the transition to zero-emission fleets. The Fund would be similar to one established previously for school buses. It was not designed for vehicle procurement but for the planning and training necessary to successfully transition to a clean fleet. When state funding was stripped out of the bill, the Fund still could have accepted federal, private, or foundation revenues but the bill was killed in the House Transportation Committee. As the federal infrastructure funds begin to flow, a demand for these transition services will increase so Senator McClellan is prepared to reintroduce the bill next year.

Bus Procurement

[Senator Adam Ebbin](#), a member of the NVTC, introduced [SB 281](#), a much-needed bill that exempts transit buses from the state procurement requirement to obtain both a manufacturer and a dealer license. Since May, no bus purchases have been possible from the state procurement because of a conflict between state code and federal code. Transit agencies would have to purchase on the open market and pay considerably more. Delays in procurement only placed Virginia at the bottom of the waiting list for

new vehicles. This legislation easily passed and should be in effect for FY23.

CDL Licensure

All transportation sector employers are struggling to recruit drivers. Public transit is especially affected by a driver shortage and many agencies have had to cut or curtail routes as a result. VTA supported [HB 553](#) patroned by [Delegate Israel O'Quinn](#) that directs the Secretary of Transportation, in consultation with various agencies, to implement initiatives to promote attaining commercial driver's licenses. The bill will be in effect for one year.

Unfinished business

Special sessions have become commonplace in past years and 2022 will not be an exception. The House and Senate failed to come to an agreement on the budget and some associated bills when the regular session of the General Assembly adjourned "sine die" on Saturday, March 12. Once [Governor Youngkin](#) calls for a special session, the legislators will gather again to resolve their differences. This must be done before the end of the fiscal year on June 30 so that state government will not grind to a halt.

A budget conference committee is tasked with resolving the stalemate. Appointed leadership conferees are:

House of Delegates: Delegates Barry Knight, Terry Austin, Rob Bloxom, Emily Brewer, Luke Torian, Mark Sickles

Senate: Senators Janet Howell, George Barker, Dick Saslaw, Louise Lucas, Mamie Locke, Tommy Norment, Emmett Hanger, Steve Newman

While neither the House nor Senate budgets backfill transportation funding from the repeal of the grocery tax, the Senate version does retain the gas tax increases from last year so transportation funding would not suffer a "Double-Whammy."

The Governor has until 11:59 pm on April 11th to act on about 840 bills that passed during the regular session. The General Assembly will reconvene on April 27th to address any vetoes or amendments.

Looking Ahead

VTA will ask each member of the transit community to track its needs over the next months and provide those

to us in advance of the next General Assembly session. In the meanwhile, think about how you can acquaint your senators and delegates with your transit property and operations. Invite them out to your headquarters to ride on a bus and meet your customers and local employers. The opportunities to educate elected officials abound! Let's not allow the misperception that we have empty buses that don't serve the citizens. This is our opportunity to build support on the essential services transit provides!

Our industry's outreach and communications will make the difference in whether elected officials prioritize the restoration of dedicated, permanent transportation funding next year and beyond.

Congress Passes Omnibus Budget and Builds Off the IJA

Building off the passage of the Federal Infrastructure Investment and Jobs Act (IIJA) of 2021 in November, Congress has passed their FY 2022 Omnibus Budget package (HR 2471) which keeps the federal government funded and operating through September 2022.

The \$1.5 trillion Omnibus package includes a total of \$102.9 billion in transportation funding including \$16.3 billion for public transportation and \$3.3 billion for passenger and freight rail.

For public transportation, the Omnibus includes \$13.4 billion for transit formula grants, \$2.25 billion for Capital Investment Grants (CIG) 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, \$19.5 million for Ferry Boat service grants, and \$200.8 million for community project funding (i.e. earmarks).

As for passenger and freight rail funding, the Omnibus includes \$625 million for Consolidated Rail Infrastructure and Safety Improvements (CRISI) grants, \$100 million for intercity passenger rail grants, and \$2.3 billion for Amtrak including \$874.5 million for the Northeast Corridor and \$1.45 billion for the national network.

TSDAC is Back!

Several Virginia projects were included in the approved community funding grants including \$5 million for Hampton Roads Transit's Virginia Beach Parks Avenue Facility Replacement, \$2.5 million for Eastern Shore Rail Trail, \$1 million for improvements to the Ettrick train station, \$2 million for the Fall Line Trail,

Senator Mark Warner (D), Senator Tim Kaine (D), Rep. Don Beyer VA-8 (D); Gerry Connolly VA-11 (D); Elaine Lura VA-2 (D); Donald McEachin VA-4 (D); Bobby Scott VA-3 (D); Abigail Spanberger VA-7 (D); and Jennifer Wexton VA-10 (D) all voted in favor of the Omnibus. Rep. Ben Cline VA-6 (R); Bob Good VA-5 (R); Morgan Griffith VA-9 (R); and Rob Wittman VA-1 (R) all opposed the final bipartisan Omnibus.

The Omnibus builds off the IIJA which authorized **\$106.9 billion** for public transportation (of which about **\$43 billion** has been appropriated so far) and **\$102.1 billion** for passenger and freight rail programs (of which about **\$70.5 billion** has been appropriated so far) for the fiscal years of 2022 to 2026.

Transit Grants in the News:

Hampton Roads Transit received \$53.7 million in special American Rescue Plan supplemental funding;

Washington Metropolitan Area Transit Authority received \$102.1 million in special American Rescue Plan supplemental funding;

The Central Shenandoah Planning District Commission (BRITE Transit) received \$916,500 in FY 2021 Bus and Bus Facilities Project funding to construct a bus transit hub in downtown Staunton. This project will improve service reliability and safety for BRITE riders.

VTA FY 2022 Officers

President: The Honorable Justin Wilson;
Mayor of Alexandria

Vice-President: The Honorable Deanna Reed;
Mayor of Harrisonburg

Treasurer: William Harrell; Hampton Roads Transit

Secretary: Josh Baker; Alexandria DASH

The General Assembly back in 2012 passed SB 1140 that established a performance-based allocation process for state operating assistance to transit agencies. To accomplish this, the Transit Service Delivery Advisory Committee or TSDAC was established to work with DRPT to develop a methodology. Over the years TSDAC refined the operating process to also include capital funding and performance metrics that included efficiency and ridership through the MERIT prioritization process.



Making Efficient • Responsible Investments In Transit

The Commonwealth Transportation Board (CTB) requires an annual review of outcomes and a review of the policy at least every three years. The MERIT process adopted by the CTB in October 2018 is now at a point of needing review by TSDAC now that COVID conditions have improved.

In addition to the MERIT Capital Prioritization and Operating Formula, TSDAC will be tasked with guiding transit strategic planning. New information since 2018 include lessons learned through three years of implementation and annual TSDAC discussions, the JLARC (Joint Legislative Audit and Review Commission) transportation report, and the progress of the HJTS 542 Transit Equity and Modernization Study.

VTA's two representatives on TSDAC are Kate Mattice of NVTC and Sam Sink, formerly of HRT and now with GRTC, who is replacing Brian Smith of HRT who served for many years. John McGlennon, former VTA President, continues to serve as Chair. New transit members are Brian Booth of Blacksburg Transit representing CTAV and Jamie Jackson of FRED representing DRPT. Important decisions will be made this year. With TSDAC planning monthly meetings through the rest of this year, VTA will schedule regular Zoom meetings to gather your input for the decision-making process.

Stay tuned for upcoming notices!

Recent TSDAC agendas and materials can be found on the DRPT website [here](#).

DRPT Director Jennifer Mitchell steps down; Jen DeBruhl named acting director



Left, **Jennifer Mitchell**; right, **Jennifer DeBruhl** has been named acting director of DRPT effective March 18.

Jennifer Mitchell has stepped down from her role as Director of Virginia DRPT to serve as deputy administrator of the Federal Railroad Administration. Ms. Mitchell is succeeded by Jen DeBruhl has led the department's public transportation efforts for more than five years.

(Link to full Mass Transit article [here](#))

VTA was proud to award this dynamic duo our Distinguished Public Agency Leadership Award in 2020. We applaud your accomplishments and wish you both the best in your new roles in advancing public transportation and improving mobility for all!

Upcoming VTA Events

Friday, April 8, 2022

Deadline for Transit Zero-Fare TANF grant applications. Link here: <https://vatransit.com/TANFGrant>

Friday, April 15, 2022

Election of Officers Notice – Any VTA Board member who is interested in running for an office for FY23 starting in July, 2022, should contact Lisa Guthrie at lguthrie@img-llc.net with a letter of intent and a brief bio and photo by April 15.

Elected offices are: President, Vice-President, Treasurer, and Secretary

Elections will be conducted at the in-person Board meeting on **Wednesday, June 1** at the Berglund Civic Center in Roanoke.

Friday, April 29, 2022

Deadline for VTA Annual Award Nominees. Link here: https://vatransit.starchapter.com/images/2022_VTA_Award_Narrative_Section_guidelines.pdf

Friday, May 6, 2022

VTA Executive Committee Meeting
10:00 am to Noon - Zoom

Wednesday, June 1, 2022

VTA Board Meeting
10:00 am to Noon
Berglund Center, Roanoke

Wednesday, June 1 – 2, 2022

VTA Annual Conference and Bus Expo
Berglund Center, Roanoke & Hotel Roanoke



2022 Annual Conference & Bus Expo

Roanoke, VA | June 1-2, 2022

Register **TODAY!**

