Legislative Priorities Archive 2017

Each year, the Transportation District Commission of Hampton Roads adopts legislative and policy priorities. New and better public policy is needed at each level of government for Hampton Roads to better achieve its multi-modal transportation infrastructure and service goals. Those goals include:

- Meeting current and future demand for travel options
- Supporting the region's workforce and families
- Attracting and retaining businesses and diversifying the economy
- Creating and sustaining places where people want to live, work and play
- Enhancing access to opportunities in employment, education, medical care, and other areas that are essential to a good quality of life

The adopted priorities reflect and support the ongoing work of HRT and its partners in pursuing public policy in two respects; first, by supporting efforts that improve core levels of current regional transit services and, second, by addressing critical issues needed to sustain and significantly improve transit services in the years ahead. **Guiding Principles** behind these activities include:

- Achieving and maintaining a State of Good Repair
- Using smarter project and service delivery methods to efficiently connect communities across the region with transit infrastructure and services
- Ensuring flexibility and diversity of funding sources and financing options, including new dedicated regional transit funding, with the ability to leverage resources to make each available dollar go farther
- Balanced and equitable investments across modes and areas of the Commonwealth
- Fostering innovation and data-driven decision making, incorporating new technologies and using robust methods to evaluate and prioritize investments
- Integration of transportation and land-use policies, plans and projects that foster private investments sooner and expand access to safe and reliable transit for more segments of the Hampton Roads region
- Connecting more workers to jobs, customers to businesses, and access to educational, retail, medical, recreation and other opportunities that support quality of life and thriving local and regional economies

Calendar for Development of Legislative and Public Policy Priorities

TASK	TIMEFRAME
Ongoing research and collaborations with stakeholders (e.g., Administration, local governments, transit agencies, policy makers, etc.)	April-August
DRAFT Public Policy Priorities / Annual Legislative Agenda to Commission	September

Additional public and stakeholder inputs	September-October
ADOPT Public Policy Priorities / Annual Legislative Agenda	October

2017 Legislative and Public Policy Priorities

2017 Public Policy Priorities State

- The TDCHR supports enactment of a floor for the Northern Virginia and Hampton Roads regional transportation revenues collected by the existing 2.1 percent wholesale motor vehicle fuels tax that is similar to floor applied to state fuel taxes;
- The TDCHR supports addressing the capital funding gap associated with the end of transportation revenue bonds authorized in 2007. Beginning with work of the Transit Capital Project Revenue Advisory Board, raise awareness of key issues and support the organization and administration of statewide transit capital and operating programs that are robust, balanced and equitable;
- The TDCHR supports that an evaluation and report should be conducted, similar to that done in 1996 and reflected in House Document 71, to evaluate the organization and governance of public transportation funding in Hampton Roads. Technical assistance should be provided from the Transportation District Commission of Hampton Roads, Williamsburg Area Transit Authority, Suffolk Transit, the Hampton Roads Transportation Planning Organization and the Department of Rail and Public Transportation, along with staff support, if needed, from the Division of Legislative Services;
- The TDCHR supports establishing the same minimum sentence for a conviction of battery against public transit employees that is currently applied in cases of battery against public and private school employees;

2017 Public Policy Priorities Federal

- The TDCHR supports protecting and expanding Capital Investment Grant Program (New Starts/Small Starts) funding to meet demand. The federal fixed-guideway transit funding program is particularly important as Hampton Roads looks to possible extensions of The Tide light rail system, Bus Rapid Transit, or similar services;
- The TDCHR supports maintaining and extending commuter incentive benefits that support Transportation Demand Management by encouraging the use of transit, vanpooling, carpooling, etc., among military and civilian personnel. Vouchers, pre-tax deductions from gross income, shared cost of transit passes, and saving money of FICA supports Transportation Demand Management and reduces congestion associated with commuters driving alone to and from work;
- The TDCHR supports increased federal funding for bus and bus facilities. Under MAP-21, bus funding was reduced by 57 percent. Overall, bus and bus facilities moved from 21 percent to just 9 percent of the federal transit program, even though buses carry more than 50 percent of all transit riders in America. Though the FAST Act included some increased bus and bus facilities funding, by 2020 authorized funding for bus transit programs will still be 15 percent lower that it was in 2011 and will represent only 14 percent of total federal funding for transit.

Every year for more than two decades, the same underlying issue has been consistently recognized as *the most significant* public transportation policy issue facing the Hampton Roads region, that is, the need for “dedicated funding.”

The Federal Transit Administration defines dedicated funding as “*any funds raised specifically for transit purposes and which are dedicated at their source, rather than through an appropriation of general funds.*”
It is widely recognized that the current funding levels and piecemeal costing approach, linked to annual local general fund appropriations, contribute to:

- Service planning and operations that are fragmented across local municipal boundaries
- Inefficiencies in the regional system and failures to align with public needs and expectations for reliable service
- Lack of capacity to be flexible and innovative to keep up with shifts in the transportation marketplace in support of local and regional economies

Hampton Roads is the only region that relies exclusively on local general funds to pay local/regional share of operating and capital for a light rail system. Across the United States, dedicated funding (from a variety of sources) represent the primary funding for transit. The structural weakness on funding and financing for regional transit services results in the TDCHR’s reliance on an annual line of credit.

Figure 1: Transit Operating Regional vs. National

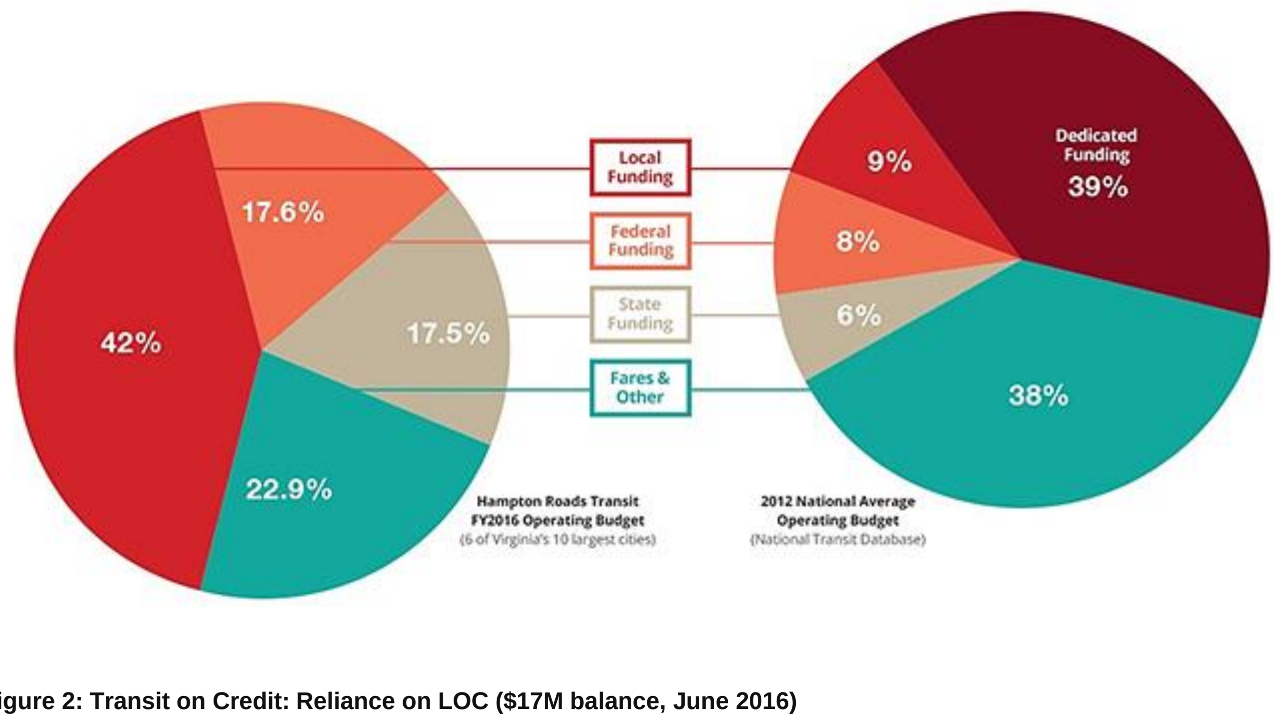
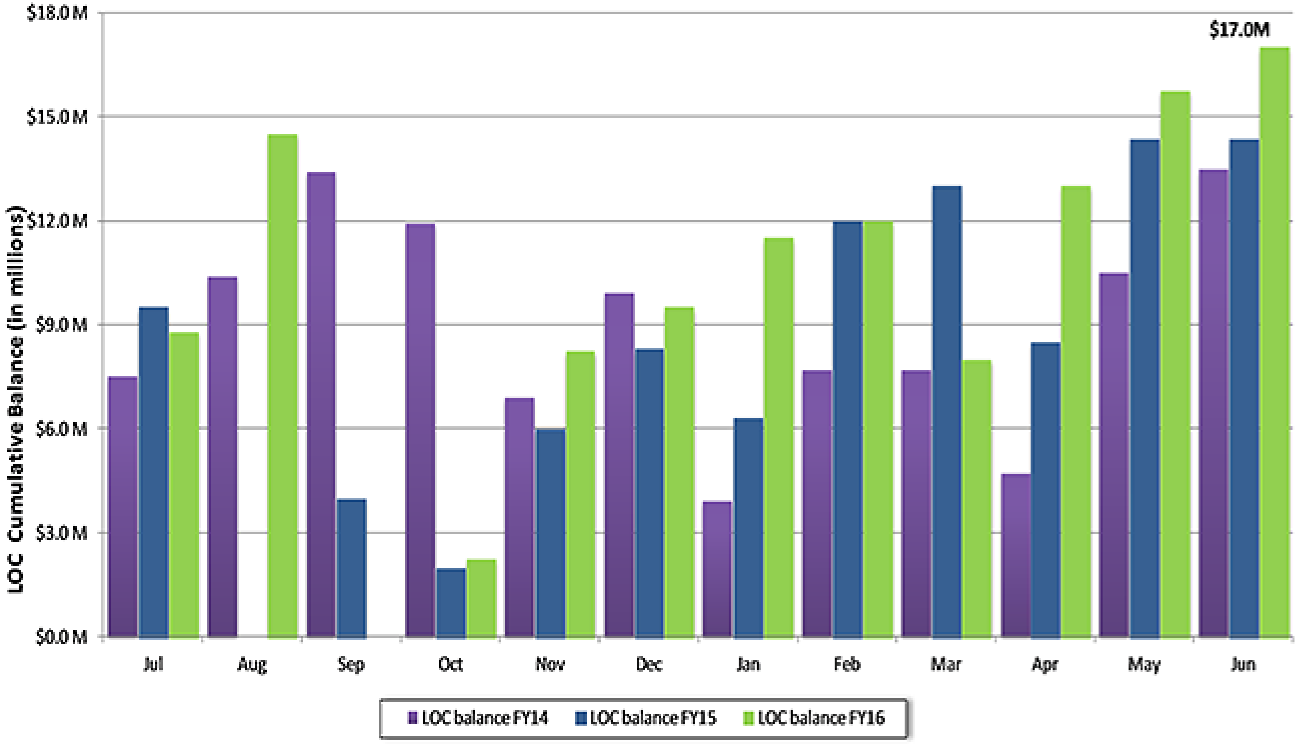


Figure 2: Transit on Credit: Reliance on LOC ($17M balance, June 2016)



Declines in federal funding and increased demands on state transit funding programs, especially resulting from expansion of multi-modal transportation in Northern Virginia, have resulted in significant demand on municipal budgets, such that today in Hampton Roads' six largest cities, 43 percent of transit operating costs are covered using local general funds, compared to 1996 when local funds covered 29 percent of costs.

Moving Forward: Prerequisites to Dedicated Funding

Addressing this longstanding issue — dedicated funding for public transportation — remains a top priority.

This issue must become a top legislative priority for localities and regional partners, and translated into a regional mandate.

Specific processes, deliberations and solutions to ultimately arrive at "dedicated funding" must be equitable and overcome transaction costs associated with implementation (success cannot happen if the benefits of collaboration and implementing new dedicated funding do not outweigh the costs of participating in the process and outcomes).

Funding proposals should be for specific, targeted transit investments. These investments and the specific funding requests should meet several tests:

- Evidence of being supported by the public

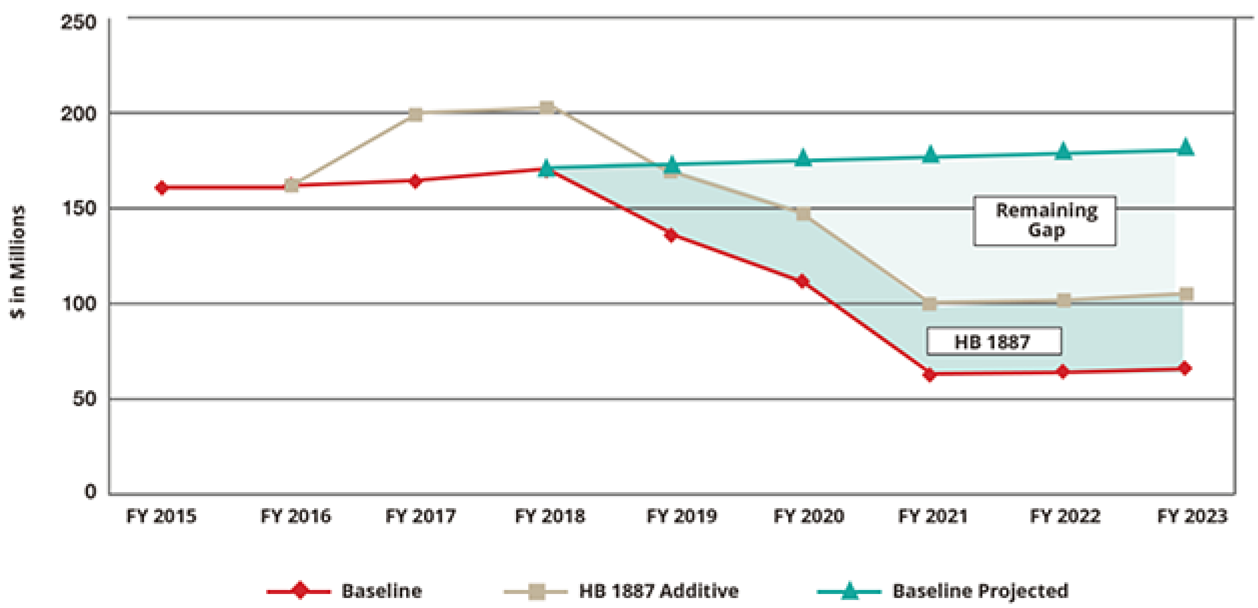
- Developed based on the most relevant and reliable data (e.g., census information covering demographics, housing and commuting; Longitudinal Employer-Household Dynamics (LEHD) employment statistics, employment projections; use of Regional Travel Demand Model)
- Alignment with strategic land-use plans supportive of local and regional economies (e.g., master plans inclusive of strategic growth areas, existing and emergent economic development plans)
- Undergo rigorous cost evaluation by transportation funding/financing experts
- Reflect strategic prioritization and phasing based on data, objective criteria, and use of the appropriate modes and technologies to meet substantiated needs
- Justify value in terms of returns on investment in support of local and regional goals for economic health and quality of life
- Demonstrate political and policy feasibility as interpreted and made operational through strong and widespread support, including local governments whose citizens will be impacted by the transit-related improvements and the funding source(s) used to make these investments

The TDCHR will attempt to secure dedicated funding that is in keeping with the tenets outlined above.

Special Topic: Transit Capital Project Revenue Advisory Board

Background: A significant drop in available state transit capital is projected beginning in FY19 (see below). In 2007, pursuant to House Bill 3202, the Commonwealth Transportation Board authorized about $3 billion in bonds for transportation projects, with a minimum 22 percent dedicated to transit capital. The Virginia Department of Rail and Public Transportation elected to receive funding from these Capital Project Revenue (CPR) bonds over a ten-year period ($60 million annually). These bond revenues are expiring, resulting in significant permanent decline in available funds.

Projected state transit capital revenue



The Transit Capital Project Revenue Advisory Board ("Revenue Advisory Board") was created pursuant to HB 1359 (2016) with several mandated objectives, including to:

- Examine the impacts of the loss of state transit capital funds;
- Identify additional sources of revenue to recover the capital losses;
- Develop a proposal for a statewide prioritization process for the use of additional sources of revenues; and
- Develop a proposal to foster project-specific prioritization within the asset tiers of the tiered approach established by the Commonwealth Transportation Board for capital purposes based on asset need and anticipated state participation level and revenues, for which funding for the transit state of good repair program shall be allocated and distributed.

Policy Development: As the Revenue Advisory Board undertakes this important work, the TDCHR expresses its support and underscores the following considerations for defining policy issues, evaluating potential solutions, and making recommendations:

- It is critically important to use objective data and relevant case studies to raise levels of awareness and effectively communicate with stakeholders. Significant effort should be made to demonstrate the positive role of public transportation in everyday experiences of people across Virginia, its unique contributions within the broader multi-modal transportation network, and its essential support to our economies.
- Policy work should sufficiently detail what is as stake in the marketplace and for local governments if statewide transit capital needs go unaddressed. For example:
    - Transportation system users, most traveling to and from work, and local businesses will experience direct and indirect economic losses.

    - When deferred capital needs are eventually met, they will cost more and result in larger future outlays, putting additional budget pressures on other projects in any given year and compounding fiscal and operating challenges.
    - Fiscal burdens on localities will exponentially increase, with no viable funding mechanisms to fill the gap.
- Avoid unnecessary “red tape” through duplicative requirements or overburdening regulations. Where possible, maximize efficiency and effectiveness by leveraging existing and new prioritization and performance-based standards across federal, state, local and regional levels, to help ensure accountability, transparency, and coordination in governance and funding of transit needs.
- Where possible, acknowledge underlying conditions that are related to the objectives of the Revenue Advisory Board and which are significant policy issues in their own right that require evaluation and solutions, i.e., need for separate and sustainable dedicated transit funding sources in major urbanized areas.