

Recommendations and Policy Options: Transportation Infrastructure and Funding

JLARC staff typically make recommendations to address findings during reviews. Staff also sometimes propose policy options rather than recommendations. The three most common reasons staff propose policy options rather than recommendations are: (1) the action proposed is a policy judgment best made by the General Assembly or other elected officials, (2) the evidence indicates that addressing a report finding is not necessarily required, but doing so could be beneficial, or (3) there are multiple ways in which a report finding could be addressed and there is insufficient evidence of a single best way to address the finding.

Recommendations

RECOMMENDATION 1

The General Assembly may wish to consider amending § 46.2-773 of the Code of Virginia to ensure privacy of Mileage-Based User Fee program participant data by: (i) guaranteeing participants the option to participate without location tracking, (ii) limiting data collection to what is needed for program administration, (iii) excluding individual-level participant data from disclosure, (iv) requiring the program to have a specific data retention period, and (v) limiting any research to using aggregated data subject to approval of an institutional review board. (Chapter 2)

RECOMMENDATION 2

The General Assembly may wish to consider amending § 46.2-773 of the Code of Virginia to clarify that program fees can be charged for all miles driven by participants or for only miles driven in Virginia, and that both options can be made available to participants. (Chapter 2)

RECOMMENDATION 3

The Department of Motor Vehicles should evaluate the Mileage-Based User Fee program, including (i) administrative and operational costs; (ii) program enrollment, total fees, and per-mile rates by vehicle attributes (e.g., fuel efficiency, fuel type, vehicle weight); (iii) user compliance and fraud; and (iv) all uses of program data by the vendor, researchers, and others. The evaluation results and recommended program changes should be reported to the House and Senate Transportation committees in December 2023, following the first full year of program implementation. (Chapter 2)

RECOMMENDATION 4

The General Assembly may wish to consider amending § 33.2-369 of the Code of Virginia to improve bridge safety and reduce long-term costs by allowing the State of Good Repair program to fund bridges that are in fair condition, specifically those that have a general condition rating less than or equal to 5.0. (Chapter 3)

RECOMMENDATION 5

The General Assembly may wish to consider amending § 33.2-369 of the Code of Virginia to allow the State of Good Repair (SGR) program to fund more of the estimated bridge and pavement repair needs in construction districts by (i) eliminating the 17.5 percent cap and 5.5 percent floor on the proportion of SGR funding that a district can be allocated or (ii) raising the cap on the proportion of SGR funding that a district can be allocated to 20 percent but maintaining the 5.5 percent floor. (Chapter 3)

RECOMMENDATION 6

The Commonwealth Transportation Board should designate corridors of regional significance to be included in the VTrans needs identification process. (Chapter 4)

RECOMMENDATION 7

The Commonwealth Transportation Board should change its Smart Scale policy to require applicants to rank their project submissions in order of applicant priority to provide the board with additional information to inform the board's funding decisions. (Chapter 5)

RECOMMENDATION 8

The Commonwealth Transportation Board should change its revenue sharing program policy to make grant awards available in the second biennium after grant applications are submitted (three to four years after application). (Chapter 5)

RECOMMENDATION 9

The General Assembly may wish to consider amending § 33.2-2600 of the Code of Virginia to require that projects considered for funding through the Hampton Roads Transportation Fund be evaluated and prioritized based on objective and quantifiable benefits and costs. (Chapter 5)

RECOMMENDATION 10

The Commonwealth Transportation Board should direct \$39.8 million in FY21 transportation revenue surplus funds to the Commonwealth Mass Transit Fund to restore funding to pre-pandemic levels and direct these funds to be distributed to transit agencies under the MERIT capital assistance program. (Chapter 6)

RECOMMENDATION 11

The Department of Rail and Public Transportation should monitor COVID-19 pandemic ridership recovery at transit agencies and develop options for changing the MERIT operating assistance program formula to avoid harming agencies that continue to have lower ridership following the pandemic while not providing them a disproportionately large share of state assistance. Options should be presented to the Commonwealth Transportation Board before FY24 funding awards are made. (Chapter 6)

RECOMMENDATION 12

The Department of Rail and Public Transportation (DRPT) should review the performance metrics for the MERIT operating assistance program to determine if and how they could be changed to promote transit access to low-income areas and other areas of need. DRPT should present options to the Commonwealth Transportation Board for consideration by December 2022. (Chapter 6)

RECOMMENDATION 13

The Department of Rail and Public Transportation (DRPT) should review the criteria for scoring minor enhancements in the MERIT capital assistance program to determine how they could be changed to make passenger amenity projects, such as bus stops and shelters, more competitive. DRPT should present options for changes to the Commonwealth Transportation Board for consideration by December 2022. (Chapter 6)

Policy Options to Consider

POLICY OPTION 1

The General Assembly could establish regional surcharges in the Code of Virginia for the highway use fee and mileage-based user fee. (Chapter 2)

POLICY OPTION 2

The General Assembly could amend § 46.2-772 et seq. and § 58.1-2701 of the Code of Virginia to assess a highway use fee on (i) fuel efficient and electric vehicles weighing from 10,000 pounds to 26,000 pounds, and (ii) electric vehicles over 26,000 pounds. Fees could be scaled to vehicle weight. (Chapter 2)

POLICY OPTION 3

The General Assembly could consider amending § 33.2-319 of the Code of Virginia to modify how maintenance payment program funds are distributed to cities and towns by (i) eliminating the current funding formula and directing the CTB to develop and approve a new formula that better accounts for the different drivers of maintenance costs; (ii) eliminating the current funding formula and directing the CTB to award funds based on an assessment of pavement and bridge conditions in each locality; or (iii) directing the CTB to develop an approach for directing additional funding to localities that have a high proportion of pavements and bridges in poor condition and have relatively high indicators of fiscal stress. (Chapter 3)

POLICY OPTION 4

The Office of Intermodal Planning and Investment (OIPI) could develop a methodology for piloting monetized benefit-cost scores in round five of Smart Scale funding awards. OIPI could require project applicants to submit the data needed for OIPI to perform this analysis. The pilot effort should be for informational purposes and limited to the top 5 to 10 percent of the most costly Smart Scale applications. (Chapter 5)

POLICY OPTION 5

The General Assembly could appropriate an additional \$100 million per year in revenue sharing program funds in the FY23–24 Appropriation Act. The appropriation for FY23 could be made contingent on a FY22 surplus. (Chapter 5)

POLICY OPTION 6

The Commonwealth Transportation Board, in cooperation with the secretary of transportation and the Virginia Department of Transportation, could determine which local projects qualify to receive any additional revenue sharing program funds for FY23–24 and could then approve new grant awards. (Chapter 5)

POLICY OPTION 7

The Commonwealth Transportation Board could direct a portion of any future FY22 transportation revenue surplus to the Commonwealth Mass Transit Fund, and direct these funds to be distributed to transit agencies under the MERIT capital assistance program to help address any remaining, unfunded transit asset needs. (Chapter 6)
