

Department of Planning and Budget 2008 Fiscal Impact Statement

1. Bill Number: HB1385

House of Origin X Introduced Substitute Engrossed
 Second House In Committee Substitute Enrolled

2. Patron: Miller, J.H.

3. Committee: House Transportation

4. Title: **Allocation of primary and secondary highway construction funds.**

5. Summary: This impact statement has been revised to account for additional fiscal impacts. The proposed legislation would revise the formulas used to allocate primary and secondary highway construction funds so that such funds are allocated on the basis of population.

The Code of Virginia details the expenditure of the Transportation Trust Fund. The Code designates the formula used to distribute the funds between the primary, secondary and urban roadway systems in Virginia. Generally, the primary system contains state-maintained roads numbered 599 and below, excluding the interstate system. The secondary system consists of state-maintained roadways numbered 600 and above. Streets within municipalities maintained by cities and towns are grouped into the urban system. The Virginia Department of Transportation's (VDOT's) classification system depends on the location of the roadway, rather than the roadway's characteristics. Primary routes such as US 250, US 33 and US 29 become classified into the urban system when they pass through cities and towns.

A roadway's classification also affects the distribution of funds by the Commonwealth Transportation Board (CTB). Primary system funds are distributed by VDOT construction district, and expenditures are determined by the CTB. Secondary funds are distributed to counties for allocation by each county's governing body. Urban funds are distributed to cities and towns and allocated as determined by the elected leaders of the municipalities.

The Code presently designates that primary funds are distributed based on three highway data elements: 70 percent based on the vehicle miles traveled on the primary system, 25 percent based on the construction district's share of primary lane miles in the state and 5 percent based on a needs factor. Secondary system allocations are distributed based on 80 percent population of the county and 20 percent on the county's land area. Urban system allocations are made to cities and towns based solely on population. In the years between the U.S. Census, the latest population estimates are taken from the Weldon Cooper Center at the University of Virginia. As noted above, this legislation modifies the formulas for the allocation of primary and secondary highway construction funds, using population as the sole criterion for distribution.

6. Fiscal Impact Estimates: Preliminary. See Item 8.

7. Budget Amendment Necessary: None.

- 8. Fiscal Implications:** The bill does not alter the current funding level, but does amend the current distribution formula by providing that funds for both the primary and secondary systems be allocated by population. The tables below show the differences between the funding distribution for the primary system under the current formula and the proposed formula.

District	Current Funding Formula Share	Population Percentage	Change
Bristol	10.6%	4.7%	-5.9%
Culpeper	8.7%	4.8%	-3.9%
Fredericksburg	10.3%	5.8%	-4.4%
Hampton Roads	8.3%	22.0%	13.7%
Lynchburg	9.3%	5.1%	-4.3%
NOVA	17.6%	27.0%	9.4%
Richmond	15.8%	15.2%	-0.6%
Salem	10.6%	8.8%	-1.8%
Staunton	8.7%	6.6%	-2.1%
Total	100%	100%	

The proposed legislation also amends the current distribution formula by providing that funds for the secondary system be allocated by population. When the ranking of counties is changed from an 80/20 split to that of population the amount of funding provided to individual counties on the secondary system shifts, resulting in counties with higher populations receiving additional funding and counties with lower populations receiving less funding. Virginia's largest county, Pittsylvania, would receive \$239,640 less in secondary system funding, while Virginia's most populous county, Fairfax, would receive an additional \$2.7 million. The table below illustrates the changes for each county.

Locality	Current Allocation	Proposed Allocation	Difference
Bland	\$ 189,725.34	\$ 105,449.73	\$ (84,275.61)
Buchanan	\$ 517,377.32	\$ 372,008.16	\$ (145,369.15)
Dickenson	\$ 325,401.26	\$ 241,292.58	\$ (84,108.68)
Grayson	\$ 361,268.10	\$ 243,515.38	\$ (117,752.72)
Lee	\$ 475,560.67	\$ 372,408.27	\$ (103,152.40)
Russell	\$ 505,620.49	\$ 380,929.01	\$ (124,691.48)
Scott	\$ 492,695.11	\$ 353,232.89	\$ (139,462.22)
Smyth	\$ 420,415.78	\$ 358,789.90	\$ (61,625.88)
Tazewell	\$ 550,235.38	\$ 427,029.93	\$ (123,205.45)
Washington	\$ 741,095.44	\$ 652,422.06	\$ (88,673.38)
Wise	\$ 531,088.70	\$ 480,480.91	\$ (50,607.79)
Wythe	\$ 386,187.34	\$ 293,217.24	\$ (92,970.11)
Bristol Total	\$ 5,496,670.94	\$ 4,280,776.06	\$ (1,215,894.89)
Albemarle	\$ 1,382,338.07	\$ 1,345,625.13	\$ (36,712.94)
Culpeper	\$ 544,436.74	\$ 476,213.13	\$ (68,223.61)
Fauquier	\$ 936,282.10	\$ 829,505.30	\$ (106,776.80)
Fluvanna	\$ 429,720.52	\$ 380,365.90	\$ (49,354.62)
Greene	\$ 261,143.29	\$ 254,362.66	\$ (6,780.63)
Louisa	\$ 575,701.47	\$ 448,146.55	\$ (127,554.93)
Madison	\$ 278,707.65	\$ 203,312.30	\$ (75,395.34)
Orange	\$ 466,425.64	\$ 399,482.00	\$ (66,943.64)
Rappahannock	\$ 177,269.35	\$ 102,708.28	\$ (74,561.08)
Culpeper Total	\$ 5,052,024.83	\$ 4,439,721.23	\$ (612,303.60)
Caroline	\$ 485,711.41	\$ 382,396.06	\$ (103,315.35)
Essex	\$ 232,677.84	\$ 155,892.52	\$ (76,785.32)
Gloucester	\$ 517,401.37	\$ 532,450.02	\$ 15,048.65
King George	\$ 325,307.67	\$ 315,623.08	\$ (9,684.59)
King & Queen	\$ 217,027.72	\$ 103,271.39	\$ (113,756.34)
King William	\$ 291,086.87	\$ 220,887.26	\$ (70,199.62)
Lancaster	\$ 194,525.38	\$ 171,378.04	\$ (23,147.33)
Mathews	\$ 144,855.01	\$ 135,976.22	\$ (8,878.80)
Middlesex	\$ 176,939.61	\$ 151,935.93	\$ (25,003.67)
Northumberland	\$ 239,927.77	\$ 195,028.66	\$ (44,899.11)
Richmond	\$ 196,241.04	\$ 143,667.11	\$ (52,573.93)
Spotsylvania	\$ 1,562,929.75	\$ 1,744,707.02	\$ 181,777.27
Stafford	\$ 1,523,554.41	\$ 1,785,814.04	\$ 262,259.64
Westmoreland	\$ 296,689.74	\$ 248,079.54	\$ (48,610.20)
Fred'burg Total	\$ 6,404,875.59	\$ 6,287,106.89	\$ (117,768.70)
Amherst	\$ 546,649.36	\$ 474,479.34	\$ (72,170.02)
Appomattox	\$ 304,525.09	\$ 208,943.40	\$ (95,581.69)
Buckingham	\$ 439,791.99	\$ 242,552.17	\$ (197,239.82)
Campbell	\$ 794,924.98	\$ 720,647.27	\$ (74,277.71)
Charlotte	\$ 353,844.44	\$ 189,116.00	\$ (164,728.44)
Cumberland	\$ 226,725.28	\$ 135,042.64	\$ (91,682.64)
Halifax	\$ 677,177.91	\$ 419,561.31	\$ (257,616.60)
Nelson	\$ 367,363.81	\$ 223,258.25	\$ (144,105.57)
Pittsylvania	\$ 1,162,473.98	\$ 922,833.35	\$ (239,640.63)
Prince Edward	\$ 318,456.88	\$ 214,856.05	\$ (103,600.83)
Lynchburg Total	\$ 5,191,933.72	\$ 3,751,289.77	\$ (1,440,643.94)

Locality	Current Allocation	Proposed Allocation	Difference
Arlington	\$ 2,314,250.46	\$ 2,880,129.17	\$ 565,878.71
Fairfax	\$ 11,772,109.35	\$ 14,517,505.95	\$ 2,745,396.61
Loudoun	\$ 2,925,734.74	\$ 3,388,380.28	\$ 462,645.55
Prince William	\$ 4,438,851.75	\$ 5,399,927.29	\$ 961,075.54
NOVA Total	\$ 21,450,946.28	\$ 26,185,942.69	\$ 4,734,996.41
Amelia	\$ 303,592.54	\$ 185,248.33	\$ (118,344.21)
Brunswick	\$ 464,004.26	\$ 276,398.03	\$ (187,606.22)
Charles City	\$ 156,969.01	\$ 104,427.24	\$ (52,541.76)
Chesterfield	\$ 3,645,271.07	\$ 4,334,330.77	\$ 689,059.70
Dinwiddie	\$ 520,530.51	\$ 389,686.85	\$ (130,843.66)
Goochland	\$ 358,889.18	\$ 293,350.61	\$ (65,538.57)
Hanover	\$ 1,260,216.52	\$ 1,323,500.84	\$ 63,284.32
Henrico	\$ 3,501,608.63	\$ 4,250,620.04	\$ 749,011.42
Lunenburg	\$ 347,070.14	\$ 198,051.67	\$ (149,018.47)
Mecklenburg	\$ 553,226.71	\$ 383,151.81	\$ (170,074.89)
New Kent	\$ 280,475.69	\$ 242,996.73	\$ (37,478.96)
Nottoway	\$ 264,357.13	\$ 182,492.05	\$ (81,865.07)
Powhatan	\$ 429,592.92	\$ 398,103.86	\$ (31,489.06)
Prince George	\$ 537,948.11	\$ 540,792.94	\$ 2,844.83
Richmond Total	\$ 12,623,752.40	\$ 13,103,151.78	\$ 479,399.38
Bedford	\$ 1,080,719.26	\$ 963,703.27	\$ (117,015.99)
Botetourt	\$ 552,651.65	\$ 474,064.42	\$ (78,587.23)
Carroll	\$ 552,297.75	\$ 440,337.10	\$ (111,960.65)
Craig	\$ 124,616.97	\$ 75,501.18	\$ (49,115.79)
Floyd	\$ 340,979.13	\$ 222,665.50	\$ (118,313.63)
Franklin	\$ 849,665.87	\$ 692,610.32	\$ (157,055.55)
Giles	\$ 247,558.76	\$ 171,763.33	\$ (75,795.43)
Henry	\$ 811,929.75	\$ 807,707.02	\$ (4,222.73)
Montgomery	\$ 509,487.42	\$ 465,276.94	\$ (44,210.48)
Patrick	\$ 431,008.49	\$ 289,216.19	\$ (141,792.29)
Pulaski	\$ 410,562.11	\$ 375,268.27	\$ (35,293.84)
Roanoke	\$ 1,070,375.51	\$ 1,221,074.12	\$ 150,698.61
Salem Total	\$ 6,981,852.66	\$ 6,199,187.66	\$ (782,665.00)
Alleghany	\$ 254,190.88	\$ 194,984.20	\$ (59,206.68)
Augusta	\$ 1,102,578.61	\$ 1,037,752.22	\$ (64,826.39)
Bath	\$ 159,709.38	\$ 71,514.95	\$ (88,194.43)
Clarke	\$ 243,058.02	\$ 209,299.05	\$ (33,758.98)
Frederick	\$ 1,014,294.66	\$ 1,045,828.40	\$ 31,533.74
Highland	\$ 159,933.12	\$ 35,431.47	\$ (124,501.65)
Page	\$ 316,926.49	\$ 285,541.16	\$ (31,385.33)
Rockbridge	\$ 458,063.95	\$ 320,468.79	\$ (137,595.15)
Rockingham	\$ 988,069.40	\$ 928,820.10	\$ (59,249.31)
Shenandoah	\$ 541,284.53	\$ 465,395.49	\$ (75,889.04)
Warren	\$ 318,405.36	\$ 305,175.91	\$ (13,229.45)
Staunton Total	\$ 5,556,514.40	\$ 4,900,211.74	\$ (656,302.67)
Accomack	\$ 557,590.32	\$ 519,291.03	\$ (38,299.29)
Greensville	\$ 273,400.02	\$ 185,796.62	\$ (87,603.40)
Isle of Wight	\$ 439,555.65	\$ 388,619.90	\$ (50,935.75)
James City	\$ 756,694.72	\$ 877,013.99	\$ 120,319.27
Northampton	\$ 224,463.91	\$ 195,828.87	\$ (28,635.04)
Southampton	\$ 465,051.10	\$ 269,522.17	\$ (195,528.93)
Surry	\$ 197,341.99	\$ 101,567.24	\$ (95,774.75)
Sussex	\$ 353,743.80	\$ 179,335.68	\$ (174,408.12)
York	\$ 773,587.66	\$ 935,636.69	\$ 162,049.03
Hampton Roads Total	\$ 4,041,429.16	\$ 3,652,612.18	\$ (388,816.98)

9. Specific Agency or Political Subdivisions Affected: All county governments, Department of Transportation

10. Technical Amendment Necessary: None.

11. Other Comments: As the bill is currently worded, it appears that the population level to be used to perform the calculation for primary system allocations is that of the entire construction district, counting counties as well as cities and towns. As such, the population figure used to distribute funding among construction districts for projects on the primary system in counties would include cities and towns, although the primary system does not include roads or highways within cities and towns. Cities and large towns receive urban system allocations, which are distributed on the basis of population for road and street construction. Any additional primary system funding resulting from the revised calculation cannot be used on road projects within cities.

The inclusion of the population of cities and large towns for the primary system allocation benefits counties in construction districts with large cities. For example, much of the highway system in the Hampton Roads district is located in independent cities; as such it receives a lower primary system allocation and a higher urban system allocation. The Hampton Roads construction district currently receives \$58.3 million in urban system allocations, over half of the total \$110.2 million allocated statewide. While the rural counties in the Hampton Roads construction district would receive additional funding under the revised primary system funding formula, those funds will not be used for road projects in the district's urban population centers.

Unlike the calculation for the primary system, the proposed language for the calculation of funding to the secondary system counts only counties.

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cc: Secretary of Transportation