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HOUSE JOINT RESOLUTION NO. 599

Offered January 14, 2015

Prefiled January 12, 2015

Directing the Joint Legislative Audit and Review Commission to study the reasonableness, appropriateness, and equity of highway construction allocations. Report.

Patron—Watts

Referred to Committee on Rules

WHEREAS, the Joint Legislative Audit and Review Commission released a report in 1984 entitled *Equity of the Current Provisions for Allocating Highway and Transportation Funds in Virginia* summarizing its two-year analysis of the reasonableness, appropriateness, and equity of highway construction allocations; and

WHEREAS, that report recommended changes in the funding that led to a decrease in the percentage of funds given to the primary state highway system, to an increase in the percentage of funds given to secondary and urban highway systems resulting in the 40-30-30 formula that currently exists, and to limiting the amount that each highway construction district's primary fund allocation could be reduced for needed federal-aid matching funds to 25%; and

WHEREAS, while additional revenues generated by 1986 Special Session were set aside in a special fund, the Transportation Trust Fund, which was designated in the Code for highway capital improvements pursuant to that formula, nevertheless by language in the appropriation act, transportation construction funds in the Transportation Trust Fund have been consistently diverted to maintenance needs; and

WHEREAS, as the last to be funded, local road construction has received no significant allocations since 2008 and is currently projected to remain unfunded beyond 2025 as the result of the need to divert additional funds in order to complete the funding of projects started under Chapter 729 of the Acts of Assembly of 2012 allocating \$500 million annually through 2020 to meet certain statewide priority needs; and

WHEREAS, secondary and urban highways are an integral component in the transportation network; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Joint Legislative Audit and Review Commission be directed to study the reasonableness, appropriateness, and equity of highway construction allocations.

In conducting its study, the Joint Legislative Audit and Review Commission (JLARC) shall conduct a statistical analysis of the current 40-30-30 formula for distribution of funding for systems and make recommendations for changes to ensure the annual allocation of highway construction funds to local governments and to highway construction districts in proportion to credible and comprehensive identification of comparable local road construction needs and non-maintenance functional improvements, which are needed to address congestion, economic development, accessibility, safety, environmental quality, and land use and transportation coordination. The study shall consider the role of mass transit in addressing identified local road construction and functional improvements. The study also shall evaluate the current classifications of primary, secondary, and urban highways as the basis for local and highway construction district allocations rather than a road classification of arterial, collector, and local. The study shall analyze the Department of Transportation's budgeting allocation process and make recommendations to ensure both adequacy of maintenance funding to achieve comparable pavement conditions among the localities it services as well as the need for a cumulative construction funding stream for local transportation planning. Finally, the study shall review maintaining the integrity of the Transportation Trust Fund for capital improvements only rather than transferring funds to the Highway Maintenance and Operations Fund, the integrity of the Fund to secure bonds, and the distribution of revenue from the Fund among transportation projects.

Technical assistance shall be provided to JLARC by the Department of Transportation, Department of Motor Vehicles, and the Department of Rail and Public Transportation. All agencies of the Commonwealth, local governments, and regional authorities shall provide assistance to JLARC for this study, upon request.

The Joint Legislative Audit and Review Commission shall complete its meetings for the first year by November 30, 2015, and for the second year by November 30, 2016, and the director shall submit to the Division of Legislative Automated Systems an executive summary of its findings and recommendations no later than the first day of the next Regular Session of the General Assembly for each year. Each

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59 executive summary shall state whether JLARC intends to submit to the General Assembly and the
60 Governor a report of its findings and recommendations for publication as a House or Senate document.
61 The executive summaries and reports shall be submitted as provided in the procedures of the Division of
62 Legislative Automated Systems for the processing of legislative documents and reports and shall be
63 posted on the General Assembly's website.