

## Department of Planning and Budget 2019 Fiscal Impact Statement

**1. Bill Number:** HB2553

**House of Origin**    ☐ Introduced    ☐ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☒ Enrolled

**2. Patron:** Thomas

**3. Committee:** Passed Both Houses

**4. Title:** Mass transit providers; loss of certain operating funds.

**5. Summary:** Allows the Commonwealth Transportation Board (CTB) to provide supplemental funding in Fiscal Year (FY) 2020 to any mass transit provider that incurs a loss in operating funds as a direct result of the performance-based allocation process set forth in Chapter 854 of the Acts of Assembly of 2018. The total amount of supplemental funds available shall not exceed \$3.0 million from the nongeneral fund amounts available to the Department of Rail and Public Transportation.

**6. Budget Amendment Necessary:** No. A language amendment authorizing the expenditure of nongeneral funds available to the CTB and the Department of Rail and Public Transportation for the purposes of providing supplemental operating funds was included in the budget approved by the General Assembly.

**7. Fiscal Impact Estimates:** Final. See item 8, below.

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2019	-	-	-
2020	\$3.0 million	-	Nongeneral funds

**8. Fiscal Implications:** The bill allows the Commonwealth Transportation Board (CTB) to allocate supplemental operating funding in FY 2020 from the nongeneral fund amounts available to the Department of Rail and Public Transportation (DRPT) to any provider of mass transit that is negatively impacted by a loss of operating funds as a direct result of the performance-based allocation process established by Chapter 854 of the 2018 Acts of Assembly, which takes effect on July 1, 2019.

The new performance-based operating allocation methodology allocates operating assistance based on a combination of a transit agency's sizing (relative to other transit agencies in the Commonwealth) and performance factors (relative to statewide performance trends). The new methodology replaces the methodology used in FY 2019 and prior based on passengers per revenue hour, passengers per revenue mile, and net cost per passenger.

Given that the allocation methodology is based on performance data, the impact in FY 2020 to transit agencies, relative to their FY 2019 operating assistance allocations, is unknown. The amount listed in the table in item 7, above, is the maximum total impact given the cap established in the legislation.

Revenues to the Commonwealth Mass Transit Trust Fund are not impacted by this legislation. Expenditures of the Fund are allocated per § 33.2-1526.1, Code of Virginia; this section of the Code of Virginia allows the DRPT to reserve a balance, of up to five percent of the revenues to the Fund, to “ensure stability in providing operating and capital funding to transit entities from year to year.” Such reserves could potentially be used to make any expenditure of supplemental operating assistance as required by this legislation.

**9. Specific Agency or Political Subdivisions Affected:** Department of Rail and Public Transportation, Commonwealth Transportation Board.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** This legislation is identical to SB1680.