

Department of Planning and Budget 2009 Fiscal Impact Statement

1. Bill Number: SB1368

House of Origin	<u> X </u>	Introduced	<u> </u>	Substitute	<u> </u>	Engrossed
Second House	<u> </u>	In Committee	<u> </u>	Substitute	<u> </u>	Enrolled

2. Patron: Barker

3. Committee: House Transportation

4. Title: Allocation of maintenance funds among highway systems.

5. Summary: The Code of Virginia directs the Commonwealth Transportation Board (CTB) to allocate each year the funds it deems reasonable and necessary for the maintenance of state-maintained highways, city and town maintenance payments and payments to counties that have elected to withdraw from the state secondary system.

The proposed legislation would require the CTB, in determining such a reasonable and necessary amount, to utilize the estimated budget prepared as part of the required biennial report on maintaining and operating the existing transportation infrastructure. The bill also directs that the allocation of the maintenance funds be based on achieving a minimal level of disparity in meeting asset management performance standards. These provisions are to be fully implemented no later than the beginning of fiscal year 2015.

The Code of Virginia requires VDOT to prepare a report on the condition of and needs for maintaining and operating the existing transportation infrastructure in the Commonwealth for all asset management and maintenance, based on an asset management methodology. The outputs of this process are required by law to be reported biennially to the Governor, the Joint Legislative Audit and Review Commission, and the Commonwealth Transportation Board (CTB) each biennium as part of budget development. The report is to include (i) the performance standards to be used to determine the maintenance needs, (ii) an estimate, for the upcoming two fiscal years, of the budget required to meet them, (iii) employment level goals for the next two years, and (iv) the percentage of asset management under private contract. The most recent report was submitted on September 15, 2007.

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

7. Budget Amendment Necessary: None.

8. Fiscal Implications: Currently, the allocation of maintenance funds is based on meeting the needs as determined by the CTB. Although this proposed legislation has no impact on the total amount of maintenance funding, it may alter the allocation of maintenance funds if the focus shifts from meeting such needs to minimizing disparity among the recipients of the maintenance funds.

9. Specific Agency or Political Subdivisions Affected: Commonwealth Transportation Board,
Department of Transportation

10. Technical Amendment Necessary: None.

11. Other Comments: None.

Date: 2/5/2009 dpb/smc

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cc: Secretary of Transportation