

## Department of Planning and Budget 2012 Fiscal Impact Statement

**1. Bill Number:** SB619

<b>House of Origin</b>	<input type="checkbox"/> Introduced	<input checked="" type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Engrossed
<b>Second House</b>	<input checked="" type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron:** Lucas

**3. Committee:** Transportation

**4. Title:** Commonwealth Tolling Assistance Program

**5. Summary:** The proposed legislation would create the Commonwealth Tolling Assistance Program for low-income students. Eligible students must belong to households that receive federal Supplemental Nutrition Assistance Program benefits and attend two-year or four-year public higher education institutions located in the Hampton Roads Planning District. The program is to provide eligible participants with an electronic toll transponder without the need for a deposit and reimburse them for tolls paid on Virginia toll roads by depositing funds in the transponder's account.

Eligible students are to apply to the Department of Transportation (VDOT), which is to coordinate with the Department of Social Services (DSS) to verify eligibility.

Funding for the program is to come from the Commonwealth Tolling Assistance Fund. The bill would authorize the Commonwealth Transportation Board to allocate funding from the Toll Facilities Revolving Account to the Tolling Assistance Fund. The Fund is to be only used to provide reimbursement funds and reimbursements are only to be provided to the extent that sufficient funds exist in the Tolling Assistance Fund.

The Toll Facilities Revolving Account finances toll facilities constructed in the Commonwealth. It is used to make loans to finance all or part of the cost of planning, operation, maintenance, and improvements incurred in connection with the acquisition and construction of toll facility projects or to refinance existing toll facilities.

The Hampton Roads Planning District Commission encompasses the counties of Gloucester, Isle of Wight, James City, Southampton, Surry and York and the cities of Chesapeake, Franklin, Hampton, Newport News, Poquoson, Portsmouth, Suffolk, Virginia Beach and Williamsburg.

The bill contains an enactment clause which states that the bill will not become effective unless an appropriation of general funds effectuating the purposes of the bill is contained in the Appropriation Act when it passes the General Assembly.

6. **Budget Amendment Necessary:** Yes, a general fund appropriation of \$476,400 the first year and \$447,800 the second year is required to meet the requirement contained in the bill's enactment clause.
7. **Fiscal Impact Estimates:** Tentative. See Item 8.
8. **Fiscal Implications:** The proposed legislation authorizes the Commonwealth Transportation Board to allocate funding from the Toll Facilities Revolving Account at its discretion. The amount of funding that may be transferred is not known at this time.

VDOT and DSS would incur significant costs determining applicant eligibility and administering the program. DSS may experience difficulties verifying that the applying students are members of SNAP households. The bill requires an eligible student to belong to a household receiving SNAP benefits. Federal law requires SNAP participants to sign a release before DSS may release their personal information to a third party. VDOT will also need to work with the institutions of higher education to verify that the students are attending full-time.

The bill states that funds from the Tolling Assistance Fund are to be used solely for the purpose of toll reimbursement, prohibiting the use of funding to operate the program. The bill's enactment clause requires a general fund appropriation to make the bill's provisions effective. VDOT estimates that it would take six months to finalize the program's guidelines after the bill's effective date of July 1, 2012. Once the guidelines are finalized, the agency estimates a need for four full-time staff to receive applications, assess eligibility, notify applicants and process toll reimbursements. VDOT estimates that the first year of implementation would include administrative costs of \$476,400 and a cost of \$447,800 per year in subsequent years. VDOT expects to reassess the staffing level after the program begins based on the participation in the program. The administrative costs are in addition to any funding provided from the Tolling Assistance Fund for the reimbursement of tolls.

It is assumed the enactment clause requires a general fund appropriation to provide for the administrative expense of the toll assistance program in the 2012 Appropriation Act, which would cover FY2013 and FY2014. In future fiscal years, unless the General Assembly provided additional general fund appropriation to VDOT, the administrative cost of the program would need to be provided out of VDOT's available transportation funding.

9. **Specific Agency or Political Subdivisions Affected:** Department of Social Services, Department of Transportation, higher education institutions in the Hampton Roads Planning District Commission
10. **Technical Amendment Necessary:** None.
11. **Other Comments:** None

**Date:** 2/22/2012 dpb/smc

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