

Department of Planning and Budget 2013 Fiscal Impact Statement

1. Bill Number: SB1140

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

2. Patron: Petersen

3. Committee: Appropriations

4. Title: Commonwealth Mass Transit Fund.

5. Summary: Currently, allocations for transit operations are made based on the transit provider's share of total operating expenses. SJR 297, passed in 2011, instructed the Department of Rail and Public Transportation (DRPT) to study transit funding and determine if a performance-based funding formula should be utilized to distribute state transit funding to providers.

The proposed legislation would distribute transit funding by a revised formula, with the first \$160 million in the Commonwealth Mass Transit Fund allocated differently than the remainder.

Of the first \$160 million, up to three percent may be allocated to special programs such as ridesharing, transportation demand management or experimental transit. Next, 72 percent would be distributed to each transit property in the same proportion its operating expenses bear to the total. The remaining 25 percent would be allocated and distributed using a tiered approach based on asset need and anticipated state participation and revenue levels. The tiers are to be developed by a new Transit Service Delivery Advisory Committee (TSDAC), which is to be comprised of stakeholders and staff from DRPT.

Of the remaining funding in the Commonwealth Mass Transit Fund, 72 percent is to be allocated to support operating costs based on service delivery factors developed by the TSDAC. Three percent may be allocated for special programs. The remaining 25 percent is to be distributed according to the TSDAC's tiered approach.

DRPT is authorized to reserve a balance of up to five percent to assure better stability of operating and capital funding from year to year. The Commonwealth Transportation Board (CTB) is authorized to move funding between specified funding categories in times of statewide economic distress or special need. Funding for mass transit is not to be allocated without a local match from the recipient. In addition, the CTB is authorized to allocate up to 3.5 percent of the funds in the Mass Transit Fund for the costs of DRPT related to project development, project administration and project compliance.

- 6. Budget Amendment Necessary:** Yes. Some language amendments would be required in Items 440 and 441.
- 7. Fiscal Impact Estimates:** Preliminary. See Item 8.
- 8. Fiscal Implications:** The proposed legislation would not impact the overall level of funding appropriated to the Commonwealth Mass Transit Fund, but would alter the distribution formulas to transit providers. The bill would also codify and slightly increase a percentage of the Mass Transit Fund that is set aside to support DRPT's costs related to project development and administration. Currently, language in the Appropriation Act authorizes a set-aside of three percent. The proposed legislation would place the set-aside at 3.5 percent. A budget amendment is necessary to remove a conflict between the statute and the Appropriation Act.
- 9. Specific Agency or Political Subdivisions Affected:** Department of Rail and Public Transportation, transit providers, local governments
- 10. Technical Amendment Necessary:** None.
- 11. Other Comments:** None.

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