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:** Appropriations

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

5. **Summary:** Provides that 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 shall be eligible for supplemental funds commensurate with operating funds in 2019. The total amount of supplemental funds available shall not exceed $5 million.

6. **Budget Amendment Necessary**: Yes. A language amendment is necessary to authorize the expenditure of Commonwealth Mass Transit Trust Fund in a manner notwithstanding existing provisions of the Code of Virginia.

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

7a. Expenditure Impact:

Fiscal Year	*Dollars*	*Positions*	*Fund*
2019	-	-	-
2020	$2.5 million	-	Commonwealth Mass Transit Trust Fund
2021	$2.5 million	-	Commonwealth Mass Transit Trust Fund

8. **Fiscal Implications:** The bill directs that the Commonwealth Transportation Board (CTB) allocate supplemental operating funding from the Commonwealth Mass Transit Trust Fund 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. This bill would require that transit agencies that would otherwise lose funding under the new methodology receive supplemental operating funds commensurate with the FY 2019 operating assistance allocation for FY 2020 and FY 2021.

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 amounts listed in the table in item 7, above, are the maximum total impact given the cap established in the legislation, with an assumed even split between FY 2020 and FY 2021.

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 Department of Rail and Public Transportation (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 similar to SB1680 which caps the amount of supplemental operating funds at $5.0 million annually, whereas this bill caps the amount of supplemental operating funds at $5.0 million in total for FY 2020 and FY 2021.