



COMMONWEALTH *of* VIRGINIA

*Office of the*

SECRETARY *of* TRANSPORTATION

# Overview of FY 2024 Transportation-Related State Budget Actions

*(Chapter 1, 2023 Special Session 1)*

September 20, 2023



VIRGINIA DEPARTMENT OF RAIL  
AND PUBLIC TRANSPORTATION



# State Budget Directs Over \$290 million in Transportation-Related Expenditures

- ***Special Session I* of the 2023 General Assembly was convened on September 6<sup>th</sup> to address outstanding amendments to the state budget for the current fiscal year (FY 2024)**
  - Governor Youngkin signed HB 6001 on September 14<sup>th</sup>
  - State budget amendments went into effect immediately upon the Governor’s signature
- **Transportation-related funding actions include:**
  - \$150.0 million for the I-64 “Gap”;
  - \$75.0 million for the Transportation Partnership Opportunity Fund;
  - \$54.0 million for five Multiuse Trails; and
  - \$10.0 million for the Western Virginia Inland Port
- **Provided a 2 percent state employee compensation increase, effective December 2023, which will require funding adjustments from within existing transportation agency allocations**
  - Because transportation agencies are funded by dedicated nongeneral fund (NGF) revenues, General Fund (GF) appropriations are not provided for approved compensation actions

# \$160 million GF is Provided for Two Specified Projects

- **Appropriates the anticipated \$150.0 million GF in FY 2022 excess statewide general fund revenues for the I-64 “Gap” project, consistent with prior legislative direction**
  - Brings total General Assembly directed funding to \$470.0 million GF
- **Provides \$10.0 million GF for the Virginia Port Authority to “*acquire, plan, design, and develop a site for the establishment of an inland port in the Mount Rogers Planning District*”**
  - Actual location and total development cost is currently unknown
  - VPA and VEDP to identify additional funding needs by December 1, 2023

# \$130 million in Previously Authorized Funding is Reallocated for Multiuse Trails and Economic Development Projects

- **Transfers \$75.0 million NGF to the Transportation Partnership Opportunity Fund (TPOF) from the Virginia Transportation Infrastructure Bank (VTIB)**
  - TPOF is Virginia’s premier program for economic development related transportation investments
  - **Governor Youngkin proposed up to \$300 million for this program in December 2022**
    - \$100 million in one-time VTIB transfers and \$200 million in future Commonwealth Transportation Fund revenues
  - **Earmarks \$4.8 million for the “Complete High Street Innovation Corridor” in the City of Portsmouth**
- **Directs more than half of the \$103.0 million in prior funding for multiuse trails to five specific trail projects**
  - **\$54 million in identified spending includes:**
    - Up to \$35 million for the Shenandoah Valley Rail with language directing that the project “*shall not preclude the consideration of options to maintain rail transportation in the corridor*”
    - \$12.5 million for Craig Valley Trail
    - \$1.25 million for Peaks to Creeks
    - \$1.25 million for the Tobacco Heritage Trail
    - \$4.0 million for the Eastern Shore Rail Trail

# Several Language Only Amendments Direct Studies of Various Transportation Investment Opportunities

- **DRPT and VEDP are directed to evaluate rail-centric economic development in the Lynchburg region by November 1, 2024**
  - Including both passenger and freight rail enhancements
- **VDOT is required to develop a plan for improvements to Route 220 between Route 58 and the North Carolina border by February 1, 2024**
  - Determine alternative routes to the “Southern Connector” including realignment of the existing corridor
- **VDOT and the Secretary of Commerce and Trade are directed to review the economic development, transportation and safety benefits of the Van Buren Road, North Extension, project in Prince William County by November 1, 2024**

# Two Amendments Clarify VDOT's FY 2024 Program Operations

- **Authorizes VDOT to convey approximately 2.5 acres of state property to the Town of Gordonsville**
  - Related to redevelopment of the Gordonsville Municipal Airport
  - Town is required to replace the VDOT security fence at no expense to the Commonwealth
- **Allocates \$20.0 million NGF in existing VDOT capital outlay funding for the renovation and replacement of Hampton Roads District operations facilities**
  - Consistent with the VDOT capital outlay plan, as included in Governor Youngkin's introduced budget

# Budget Development Process for 2024 is Underway

- **The General Assembly included only limited adjustments to the appropriated funding levels for the Transportation agencies or other technical language changes requested by the Governor**
  - For example, language expanding the eligible uses of GARVEE bond proceeds for projects funded through the Interstate Operations & Enhancement Program was not included
- **Additional changes for FY 2024 should be anticipated in December proposals**
  - Funding can be administratively adjusted by the Department of Planning and Budget
  - Any necessary language changes can be incorporated into the “Caboose” bill
- **Governor Youngkin will introduce two budget bills for consideration by the 2024 General Assembly**
  - The “Caboose” bill addresses FY 2024 that runs through June 30, 2024
  - The Biennial bill will address FY 2025 and FY 2026





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Thank you



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