

2016-18 Executive Progress Report

Commonwealth of Virginia
Secretary of Transportation

Department of Rail and Public Transportation

At A Glance

The mission of DRPT is to facilitate and improve the mobility of the citizens of Virginia and to promote the efficient transport of goods and people in a safe, reliable and cost-effective manner.

Staffing 52 Salaried Employees, 0 Contracted Employees, 64 Authorized, and 2 Wage Employees.

Financials Budget FY 2017, \$581.97 million, 0.00% from the General Fund.

Trends

Legend ↑ Increase, ↓ Decrease, → Steady

Key Perf Areas

↑ Transit Ridership
↑ Transit Dependent Ridership
↑ Rail Ridership

Productivity

Legend

↑ Improving, ↓ Worsening, → Maintaining

For more information on administrative key, and productivity measures, go to www.vaperforms.virginia.gov

Background and History

Agency Background Statement

The Virginia Department of Rail and Public Transportation (DRPT) was created by the General Assembly as a separate agency in 1992. DRPT is a working model of the public-private partnership concept. DRPT works with transit systems, class I railroads (Norfolk Southern Corporation (NS) and CSX Transportation (CSX)), short-line railroads, Amtrak, localities, commuter assistance agencies, state agencies, and other entities to address Virginia's transportation issues through the use of various federal and state grants. DRPT has three primary areas of activity which are Rail, Public Transportation, and Commuter Mobility Services.

Major Products and Services

DRPT's mission critical products and services include project management and oversight of the financial assistance provided for rail and public transportation projects; statewide planning using a multimodal approach; safety, security, and emergency preparedness; technical assistance, and coordination of multi-jurisdictional transportation services.

DRPT provides project management and oversight of over \$500 million annually. Federal and state funding is provided for certain capital project costs of freight rail, passenger rail, and public transportation. DRPT supports many regional initiatives as diverse as the DC2RVA Tier II Environmental Impact Statement, the Richmond Bus Rapid Transit initiative, the Dulles Corridor Metrorail project, the Arkendale to Powell's Creek Third Track project, the Virginia Beach Light Rail project, and the I-95 and I-81 rail corridor programs. Additionally, funding is provided for the operating and maintenance costs in support of public transportation services across the Commonwealth. This funding supplement revenues collected from fares and local funds provided in support of public transportation. DRPT's oversight includes the review of engineering and construction documents of DRPT funded projects and ensures completion is on time and on budget. DRPT introduced two new intercity passenger rail services in Virginia through the Amtrak Virginia partnership in October 2009 and July 2010. Currently, DRPT supports six regional intercity passenger trains which operate in the Northeast Corridor and originate from Lynchburg, Norfolk, Richmond (2), and Newport News (2). DRPT's planning services are in high demand with the advancement of the VTrans2035 multimodal planning effort, DRPT's own statewide plans for rail, transit and congestion management, in addition to numerous local and regional studies underway in transportation corridors across the Commonwealth. Finally, DRPT provides oversight of the fixed guideway transit systems in Virginia to ensure the safety of the traveling public.

Customers

Customer Summary

Virginia's population is expected to grow by 27% between the years 2013 and 2040. By 2040, 18% of the population will be age 65 or older versus 13% in 2013. The resulting increase in travel needs will create much greater demand for public transportation. The number of public transportation systems and other transportation related agencies will increase as well as the level of service on existing systems. Public transportation must expand if the market share of travel currently held by public transportation is to be maintained. The Virginia Railway Express (VRE) service area and ridership demands are expected to expand and grow. VRE will need to increase existing service, replace and purchase additional railcars, establish new parking facilities, increase storage at its rail yards in Washington, D.C. and expand its service area. Amtrak's service area and ridership demands are expected to continue to grow and expand. DRPT introduced two new intercity passenger rail services in Virginia through the Amtrak Virginia partnership. Service from Lynchburg into the Northeast Corridor began in October 2009, and service from Richmond into the Northeast Corridor in July 2010. An extension of that service to Norfolk began in December 2012. Virginia enjoys freight rail service from the eastern seaboard's largest two railroad carriers, NS and CSX. With changes in the global economy and growth in intermodal rail traffic, CSX and NS have continued to see growth in traffic and revenues. Shortline railroads also benefit from this growth. As a result, Virginia's railroads are investing in their infrastructure and adding capacity, which will create continued strong demand for DRPT's Passenger and Freight Rail, Rail Industrial Access, and Rail Preservation programs to benefit the rail network and the public of Virginia.

Customer Table

Predefined Group	User Defined Group	Number Served Annually	Potential Number of Annual Customers	Projected Customer Trend
Public transportation user	Virginia General Public	7,662,952	8,260,405	Increase
Public transportation user	Virginia Workforce	3,882,178	4,337,000	Increase
Local or Regional Government Authorities	Virginia Counties	79	95	Increase
Local or Regional Government Authorities	Virginia Cities	33	38	Increase
Transportation	Virginia Metropolitan Planning Organizations	14	14	Stable
Transportation	Transportation Management Associations and Commuter Assistance Agencies	18	18	Stable
Transportation	Virginia Public Transportation Systems	54	54	Stable
Transportation	Human Service Transportation Agencies	55	65	Increase
Transportation	Virginia Railroads	11	13	Increase
Transportation	Passenger Rail Operators	2	2	Stable
State Agency(s),	Virginia Port Authority	1	1	Stable
State Government Employee	DRPT employees	52	64	Increase

Finance and Performance Management

Finance

Financial Summary

DRPT's funding comes from a mixture of special revenue funds. Transportation Trust Funds account for 87% of DRPT's funding. The majority of the transportation trust funds (\$256.8 million) comes from the Mass Transit Trust Fund which includes the 14.7% of the 1986 Special Session Revenue, the state recordation tax dedicated to public transportation operating assistance in Chapter 896 of the 2007 Acts of Assembly, and the dedication of 60% of the 0.125% addition to the general sales and use tax in Chapter 766 of the 2013 Acts of Assembly (HB 2313). Chapter 766 of the 2013 Acts of Assembly (HB 2313) also dedicated 40% of the 0.125% increase in the general sales and use tax to the Intercity Passenger Rail Operating and Capital (IPROC) fund which amounts to approximately \$52.4 million for FY 2016. Commonwealth of Virginia Transportation Capital Projects Revenue Bonds (Code of Virginia § 33.123.4:01) provide \$135 million to the Mass Transit Capital Fund in FY16 and \$12.9 million to the DRPT rail programs in FY16. An additional \$28.3 million represents the state portion of vehicle rental taxes collected in the Transportation Trust Fund that is used for the Rail Enhancement Fund, and \$26.2 million is funded through the Highway Construction Fund. Federal funds account for 13% of DRPT's funding and the majority of the federal funds are attributable to DRPT's Federal Transit Administration (FTA) 5310 and FTA 5311 programs which fund Human Service and Rural Transit programs, respectively. Additionally, DRPT has American Recovery and Reinvestment Act (ARRA) funds for the Arkendale to Powell's Creek Third Track project and administers some projects that are funded by the Federal Highway Administration through VDOT.

As a result of HB 1887 of the 2015 General Assembly session, approximately \$40 million annually of funding was authorized to be shifted from several other modes of transportation to the transit capital program starting in FY 2017. Even with this new funding, the current level of transit capital participation by the Commonwealth is not sustainable once the CPR bonds are exhausted in FY 2019.

Fund Sources

Fund Code	Fund Name	FY 2017	FY 2018
0200	Special	\$838,520	\$1,755,290
0400	Commonwealth Transportation	\$53,684	\$0
0401	Highway Federal	\$37,817,684	\$53,413,183
0410	Highway Maintenance And Operating Fund	\$0	\$0
0424	Intercity Passenger Rail Operating & Capital Fund	\$48,643,800	\$52,382,248
0426	Rail Enhancement Fund	\$35,262,425	\$36,640,248
0431	Shortline Railway Preservation And Development Fd	\$7,580,644	\$7,691,098
0472	Highway Construction Fund	\$17,000,000	\$17,000,000
0473	Priority Transportation Fund	\$16,234,506	\$6,100,000
0477	Commonwealth Mass Transit Fund	\$237,748,173	\$256,777,985
0478	Commonwealth Transit Capital Fund	\$110,000,000	\$135,000,000
1284	High-Speed Rail Corr-Intercity Passngr Rail-Arra	\$0	\$25,600,000

Revenue Summary

Most of the State revenues come from the Mass Transit Trust Fund which represents DRPT's 14.7% share of the Transportation Trust Fund, the state recordation tax dedicated to public transportation operating assistance in Chapter 896 of the 2007 Acts of Assembly, and the dedication of 60% of the .125% addition to the general sales and use tax in Chapter 766 of the 2013 Acts of Assembly (HB 2313). Chapter 766 of the 2013 Acts of Assembly (HB 2313) also dedicated 40% of the 0.125% increase in the general sales and use tax to the Intercity Passenger Rail Operating and Capital (IPROC) fund which amounts to approximately \$52.4 million for FY 2016. The majority of Federal revenues come from the Federal Transit Administration and ARRA rail funding.

Performance

Performance Highlights

The DRPT budget has increased significantly since FY 2008 as transportation funding has been shifted in an effort to bolster a multimodal approach to transportation issues in the Commonwealth. The DRPT budget increased again in FY 2017 mainly due to timing, both in terms of the lifecycle of capital projects as well as scheduled drawdown of grant funds. The nature of the large-scale projects that DRPT now manages is highly diverse in their scope and service, changing dramatically over the last 15 years. Examples of these projects include: DC2RVA Tier II Environmental Impact Statement (EIS), Richmond Bus Rapid Transit (BRT), Dulles Corridor Metrorail, Arkendale to Powell's Creek Third Track, Virginia Beach Light Rail extension, and I-95 and I-81 rail corridor programs. As the funding has increased, new programs like IPROC were created, and demands for accountability were increased like performance based transit operating allocations and HB2 prioritization. For example, the adoption of HB 2313 in FY 2013 increased the amount of annual funding dedicated to transit while mandating performance based transit operating allocations and prioritization within transit capital allocations. DRPT has steadily transitioned to a business model that enables the agency to better serve as stewards of Commonwealth funding and as advocates of our programs. This new approach will also help to ensure that transit and rail projects deliver a substantial return on investment of state funds. Essentially, DRPT functions in an investor role in the rail and transit systems across the Commonwealth. Project and program management services are provided for all of the DRPT service areas. DRPT manages its investment in projects and programs through 22 state and federal grant programs.

Ridership on transit systems in Virginia totaled 203,094,049 for FY 2015. Additionally, there were 1,827,190 passenger trips in FY 2015 provided for transit dependent Virginians to ensure access to basic human services such as employment, medical care, shopping, and social activities.

DRPT introduced two new intercity passenger rail services in Virginia through the Amtrak Virginia partnership. Service from Lynchburg into the Northeast Corridor began in October 2009 and service from Richmond into the Northeast Corridor in July 2010. Ridership on state-sponsored passenger rail service totaled 894,065 in FY 2015. Additionally, service was extended to Norfolk in December of 2012. Enhanced freight rail service contributes to the reduction of vehicles on the highway and will support the continued expansion of Virginia's economy. DRPT's Passenger and Freight Rail Program were responsible for 2,744,184 truckload equivalents being removed from Virginia's highways in FY 2015.

Selected Measures

Measure ID	Measure	Alternative Name	Estimated Trend
50560901.001.001	Ridership on transit systems in Virginia.	Transit Ridership	Improving
50560903.001.002	Number of passenger trips provided for transit dependent Virginians.	Transit Dependent Ridership	Improving
50561003.001.003	Ridership on state-sponsored passenger rail service.	Rail Ridership	Improving
50561003.001.002	Number of truckload equivalents removed from Virginia's highways through completed Rail Enhancement projects.	Trucks Off Virginia's Highways	Improving
50561001.001.001	Number of truckload equivalents removed or prevented from Virginia's highways through Rail Industrial Access (RIA) funded projects		Improving
50561002.002.001	Number of trucks removed from Virginia's highways through Rail Preservation projects.		Improving
50560902.001.001	Number of passenger miles of travel saved by customers of commuter assistance agencies in Virginia.		Improving
50569900.001.002	Total annual agency administrative cost as a percentage of total expenditures administered.		Maintaining

Key Risk Factors

Economic and Land Use Patterns that Impact Transit and Rail Ridership: Public transportation services are critical to address the issues of growing traffic congestion and increased demand for mobility in Virginia. In order to mitigate increasing the current levels of congestion in the Washington, D.C., Hampton Roads, and Richmond metropolitan areas, more people will need to take public transportation or rideshare each day. Additional transit ridership is dependent upon service levels and reliability. However, other external factors such as gas prices, housing prices, and local land use decisions and business cycles have a significant impact on transit ridership across the Commonwealth.

Mitigating Strategies:

1. Work with transit and TDM agencies to establish goals and strategies to improve transit choices and options.
2. Advance funding to localities and regions for the construction of new and expanded transit services, such as the Richmond Broad Street Bus Rapid Transit and the Virginia Beach Tide extension.
3. Promote use of multimodal system design guidelines in multimodal planning that leads to streamlined implementation in regions.

Aging Infrastructure and Fleets: In order to provide reliable, frequent service, transit systems must maintain their vehicles and facilities in a state of good repair. Transit agencies must fund rehabilitation and replacement of their existing fleets out of the same resources as capacity expansion. Additionally increasing fuel and maintenance costs further strain transit agencies' ability to invest in capital replacement. The deferral of capital needs must be addressed before the costs are out of reach and systems are forced to reduce services.

Mitigating Factors:

1. Continued implementation of the Transit Service Development Advisory Committee tiered capitalization allocation process for funding rolling stock with emphasis on state of good repair vehicle replacements.
2. Continue to monitor asset management process that tracks fleet asset lives and assists transit operators in improved capital asset management.
3. Continue to track transit capital needs and available resources and communicate identified gaps in funding, including the ending of CPR transit transportation bonds. This will inform proposal(s) from the Transit Capital Project Revenue Advisory Board to replace transit capital revenues and prioritize transit capital projects
4. Decreases and/or changes to existing revenue streams dedicated to transit and rail capital and operating programs

Transit Capital: At the close of FY 2019, the Capital Projects Revenue (CPR) bond fund allocations will have completed the 10 year funding period of the original bond authorization. By the close of FY 2020 when the WMATA state of good repair funding grant ends, the state transit capital assistance program will no longer have the bond funding that provided an average of \$110 million annually. As a result of HB 1887 of the 2015 General Assembly session, approximately \$40 million annually of funding was authorized to be shifted from several other modes of transportation to the transit capital program starting in FY 2017. Even with this new funding, the current level of transit capital participation by the Commonwealth is not sustainable once the CPR bonds are exhausted in FY 2019.

The inability of the Commonwealth to participate in funding transit capital projects near current levels after FY 2019 will greatly diminish transit providers' ability to maintain a state of good repair for their current assets and to provide expanded transportation alternatives in the future. A lower state funding match will require localities to make up the deficit, which may result in higher fares and/or cuts to service. Also, because federal participation in transit capital projects requires matching commitments, transit providers will find it difficult to leverage these federal funds, thus exacerbating the issue.

The 2016 General Assembly enacted HB 1359, which created the Transit Capital Project Revenue Advisory Board (TCPBAB) and directed it to study the statewide impact to transit services due to the loss of this revenue sources, recommendations for replacing it, and a project-based prioritization program for the full transit capital program, examined for six measure areas similar to SMART Scale. This proposal is due to the General Assembly by August 1, 2017.

Mitigating Factors:

1. Educate transit stakeholders about the issue and seek their support.
2. Continued implementation of the Transit Service Development Advisory Committee tiered capitalization allocation process for funding rolling stock with emphasis on state of good repair.
3. Develop a better a process to identify transit capital needs and map available resources against the needs to effectively communicate the gaps in funding, including the ending of CPR transit transportation bonds.
4. Seek authorization from the General Assembly for additional capital funding or financing tools, such as allowing the CPR bond authorization level to be revolving dependent upon excess insurance premiums tax revenues in the Priority Transportation Fund.
5. Encourage local and regional agencies to continue to invest local funds into transit.

Agency Statistics

Statistics Summary

DRPT is managing an annual budget of \$662.2 million in FY16, which is accounted for in eight service areas: Public Transportation Programs; Commuter Assistance Programs; Human Service Transportation Programs; Rail Preservation Programs; Passenger and Freight Rail Programs; Rail Industrial Access Programs; Planning, Regulation and Safety Programs; and General Management and Direction (operating budget). DRPT currently administers over 2,000 grants and DRPT’s FY 16 budgeted administrative costs continue to represent only 1.8% of the total agency budget, well below the agency set goal of 3.5%.

Statistics Table

Description	Value
Agency Budget	592,360,052
Grants Administered	2,000
Budgeted Administrative Costs as Percentage of Total Budget	2

Management Discussion

General Information About Ongoing Status of Agency

DRPT will continue to carry out the agency’s mission to improve mobility and expand transportation choices in the Commonwealth. The agency will also work to improve its performance in the critical roles outlined in DRPT’s Strategic Assessment. The agency budget has more than doubled since 2006 as funding has been shifted in an effort to bolster a multimodal approach to address the transportation issues in the Commonwealth. As the funding has increased, DRPT has steadily transitioned to a business model that enables us to better serve as stewards of Commonwealth funding and as advocates of our programs. This approach allows us to ensure that transit and rail projects deliver a substantial return on investment of state funds.

To improve accountability and increase the efficiency of DRPT’s programs, DRPT will continue to improve the grants management process through better reporting, tracking and monitoring. This will help to manage the agency’s growing customer base and help DRPT to achieve the maximum benefits from limited funds for rail, transit and congestion management projects. DRPT will continue to work toward the improvement and expansion of rail, transit and congestion management services in Virginia, as part of the broader transportation infrastructure, through funding, project and program management, multimodal planning (through VTrans 2040), technical assistance and advocacy.

Information Technology

The number of rail and transit projects managed by or otherwise requiring DRPT involvement has increased steadily over the years. Improved IT systems are necessary for program managers to more effectively carry out their oversight. DRPT currently uses several agency-specific applications, all of which were developed internally. DRPT depends on this body of software to support and enable virtually all of its day-to-day operations. For the most part, these systems have been able to grow and expand to accommodate the needs of the agency.

- ICAPS – An internally developed financial management system that interfaces with Cardinal; the application allows for detailed project accounting and budgeting for DRPT’s numerous grants and managed projects. Additionally, the system provides real-time financial information that is essential to our grant management process.
- PROCURE – An internally developed procurement application that interfaces with ICAPS to provide procurement based budgeting and internal automated requisitioning. This application does not currently interface with eVA.
- Symphony – An internally developed grants management application which allows DRPT staff – primarily program managers – to work with our transit grantees to administer the grants made to these entities.
- OLGA4 – An internally developed application which is the primary tool used by external transit agencies to manage their accounts with DRPT and supply the required administrative data all in a single, unified, easy-to-use application. Grantees have the ability to apply for their

grants, sign contracts, request extensions to projects, draw down funds, and review payment history. OLGA (Online Grants Administration) also contains related modules to collect Performance, Financial Planning, and Asset Inventory data.

The primary limiting factor for IT is the deficient desktop and network administration services provided by VITA to DRPT. DRPT is forced to use VITA by state mandate.

Workforce Development

In FY17, DRPT's authorized FTE level increases from 53 to 60 employees with the bulk of these new positions being added to the transit and rail divisions. DRPT has offices in Richmond and Fairfax, Virginia. The majority of DRPT's employees are in the Richmond headquarters' office with two of DRPT's Richmond-based employees located in a project office in the downtown area. Seven positions are based in the Fairfax, Virginia office and one DRPT position based in Herndon, Virginia provides Dulles Corridor oversight. DRPT's recently expanded employee presence in Northern Virginia provides better oversight and support services to this critical transportation project area.

DRPT is focused on developing and maintaining a high level of employee engagement and is working to provide relevant professional growth and opportunities for its employees. DRPT has offices in Richmond and Fairfax, Virginia. The majority of DRPT's employees are in the Richmond headquarters' office. The Richmond office building is owned by the State and DRPT pays rent.

Physical Plant

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