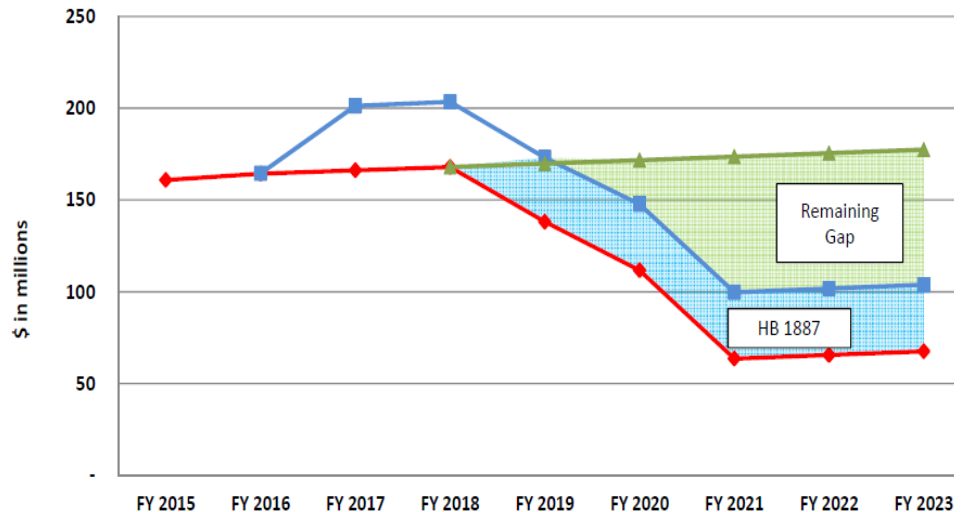


# State Transit Funding to Decline by 60+ Percent

The combination of the impending capital bond funding shortfall, failure to pass the Marketplace Fairness Act, and reduced overall state revenues will reduce projected available capital funding to transit by approximately 65 percent beginning in FY 2021. While HB1887 provided an additional \$40 million per year for transit, Virginia transit systems still will begin to see the shortfalls in FY 2019.

Virginia Transit Capital Funding: Gap by FY2020



## Transit Capital Funding Shortfall

In FY2019, the Commonwealth Transportation Board will allocate the last of the Transportation Revenues Bond revenue authorized by the 2007 Act. When this happens, the state's projected available funds for transit capital projects will drop by approximately \$75 million each year unless another source of revenue is identified. The impacts include:

- Deferred or cancelled projects jeopardizing state of good repair, safety, and increased capacity needed for economic vitality;
- Service cuts;
- No funding source for state WMATA PRIIA match;
- State participation rate for rolling stock could decrease from 68 percent to 30 percent with similar decreases infrastructure and technology tiers;
- Increased local match;
- Inability to match federal funds; and
- Increase in debt financing.

## Solutions:

- Maintain state commitment to match the federal PRIIA funding for safety improvements.
- Provide dedicated funding for transit capital and operation requirements including WMATA, VRE, and regional and local transit provided by NVTC and PRTC jurisdictions.
- Identify revenue source for new Transportation Revenues Bonds dedicated to transit capital;
- Develop and expand opportunities for innovative finance of transportation infrastructure.