

MEMORANDUM

TO: BOARD OF DIRECTORS
COUNCIL OF STATE EXECUTIVES

FR: RICH JULIANO, GENERAL COUNSEL

RE: **UPDATE MATERIAL** – STATE-BY-STATE COMPILATION – EFFECT OF CORONAVIRUS
(COVID-19) PANDEMIC ON TRANSPORTATION PROJECTS (**EDITION #68**)

DATE: SEPTEMBER 28, 2020 – PM

ARTBA is closely monitoring the status of transportation construction projects across the country in light of the Coronavirus (COVID-19) outbreak. We are consulting with our affiliated chapters and members on a continual basis. Several chapters have shared the status reports they have made to their members, and are allowing us to excerpt them in this document. The information below also reflects reports made through our Council of State Executives, as well as direct contacts and news stories. Several public agencies have provided updates to ARTBA directly. As is noted a number of times, ARTBA's affiliates have remained in close contact with their respective governors and/or state departments of transportation since this crisis developed.

The full version of this memo now runs over 400 pages in length. It can be accessed at <https://www.artba.org/coronavirus> or by contacting me.

For your convenience, this "update" version of the memo **only includes content added or revised since the previous edition**. Please continue to pass along any items of interest to me at rjuliano@artba.org, which we will utilize for the next edition of this report.

Best wishes to everyone, and thank you for your participation in and support of ARTBA at this important time.

New in this Edition

Material from these states...

- **Arizona:** ADOT Proposes and State Transportation Board Considers New Tentative Five-Year Construction Program Update
- **California:** SB 1159 Creates Potential Workers Comp Liability for COVID Outbreaks
- **Illinois:** Transportation Revenue Forecasts in the Age of COVID; IDOT Went the Extra Mile(s) to Deliver During Pandemic
- **Indiana:** INDOT to Once Again Offer Community Crossings Grants
- **Kentucky:** After COVID-19 Delays, Kentucky's Road Projects Get Green Light; Letting News; Road Fund revenue fell 1.0 percent in August
- **Massachusetts:** Massachusetts traffic down 20% statewide, but drivers are speeding up; MassDOT Develops New Mobility Dashboard
- **Michigan:** State Budget Retains \$600 Million for Transportation
- **Missouri:** COVID-19 could put MoDOT, travelers in a major bind this winter
- **North Carolina:** NCDOT builds up cash reserves, tentatively plans to resume some projects
- **Tennessee:** Updated Technician Training Certification Expirations due to the Coronavirus; August Revenue Report
- **Virginia:** COVID-19 & Virginia Workplace Safety Requirements may become permanent; State Budget Amendment to address VDOT revenue shortfall is still on track if the budget is addressed; Transportation funding plan was finally in place, 'Then COVID-19 hit.'

Arizona

Arizona Transportation Builders Association (9/18/20) – Excerpts from the Rural Transportation Advocacy Council...

ADOT PROPOSES AND STATE TRANSPORTATION BOARD CONSIDERS NEW TENTATIVE FIVE-YEAR CONSTRUCTION PROGRAM UPDATE:

At the State Transportation Board meeting this morning, ADOT unveiled a new tentative five year transportation construction program update covering years 2021-2025. As anticipated, the revenue outlook is far better than projected in May but still considerably less than pre-pandemic forecasts. Based on the new numbers, ADOT is now proposing to continue the HURF Exchange program at a cost of \$15.3M a year and will be able to retain the I-17 expansion project and its \$90M federal INFRA grant. On the negative, maintenance and operations funding will be reduced and a drawing down of ADOT's cash balance will impact department flexibility, financing capacity, and the pursuit of future federal grants.

The new program's funding estimate has been reduced by \$466.2M for the five-year period. This includes \$206.2M in less revenues from the State Highway Fund and another \$260M in reduced bonding capacity. This is a marked improvement from the May forecast which projected a revenue loss of \$711M and an additional \$155M in cancelled bond measures. The total lost HURF funding estimate is \$500.9M, roughly half of which is allocated to counties and municipalities for local road systems in addition to the State Highway Fund distribution.

ADOT proposes to mitigate the lost funding through reductions to three major categories; \$206.6M from operating costs, \$175.3M from highway construction and \$84.3M from ADOT's cash balance.

The reduced funding for operating costs will impact service delivery and particularly maintenance. Bridge and pavement conditions, which were already deteriorating, will continue to do so at an accelerated pace as more move from good to fair and fair to poor conditions. It is estimated that every \$1 invested in preservation saves \$8 in future reconstruction. If prolonged, this trend would jeopardize much of the state's existing highway system which has an estimated current value of \$22.9 billion but would cost roughly \$300 billion to replace.

As with operations and maintenance, the reductions to highway construction impact an already very lean program trending towards what will essentially be a moratorium on new construction in Greater Arizona once a handful of projects are completed over the next four years. This new construction moratorium is occurring in a state that has been consistently leading or near the top of the Nation in population growth for decades...

The reduction to ADOT's cash balance also creates risks and will have impacts on the program. First, it diminishes bonding capacity and the ability to finance future projects. Second, it will impact ADOT's ability to pursue federal grants as the Department may not have the resources

to satisfy minimal match requirements and will not be as competitive as other states that may submit applications with greater local revenues above those minimal requirements. Also, if the federal Highway Trust Fund continues to trend towards insolvency and cash management measures need to be implemented, ADOT will have less flexibility to address delayed federal reimbursements for federally funded projects.

The fact is, making any sizable cuts to what was already a grossly underfunded program will be painful. ADOT's current long range transportation plan, which was adopted well before the financial impacts of the pandemic, estimated a \$30.5 billion shortfall for the program over 25 years. That's over \$1 billion a year every year for the foreseeable future and translates to less than half of each year's construction and maintenance needs being met on the highway system. There will obviously be a cumulative impact from this trend. What is also obvious is that the pandemic is not moving those investment levels in the right direction. However, based on where we were in May, today's update did have some good news as the HURF Exchange program will likely be spared and the I-17 expansion and \$90 million federal grant for the project will be retained. The Board will conduct a public hearing on the tentative program on October 16th and is scheduled to adopt at their October 27th meeting. All will be conducted virtually and can be accessed including the submittal of public comments thru the Board's website – aztransportationboard.gov.

California

United Contractors (9/23/20) – On September 17, 2020, Governor Newsom signed SB 1159 into law. For employers with more than 5 employees, the bill establishes a workable presumption of compensability for employees who contract COVID-19 from any employer that experiences an "outbreak" of COVID-19 cases at a particular work location.

Contractors must prepare to comply with provisions of SB 1159 immediately.

Illinois

Illinois Road & Transportation Builders Association (9/18/20) – August 2020 Motor Fuel Tax (MFT) and Transportation Renewal Fund (TRF – the newly imposed gas tax) was \$212 million, which is only \$6 million off from last August. It should be noted, however, that there was a big spike in August 2019 even after some retailers resisted implementing the new taxes that went into effect July 1, 2019. The continued impact of the pandemic on these revenue sources should become clearer after the November MFT and TRF data are released. There were more significant decreases in MFT and TRF earlier in the year at the height of the shutdown. Had the State of Illinois not doubled the motor fuel tax, the road building industry would have experienced serious negative effects. The impact of the economic downturn on vehicle registration fees is more difficult to analyze because the Secretary of State has postponed re-registration deadlines. It is hard to say if the expected revenue is just delayed or if it will not come in at all. In addition, IDOT released \$750 million in bonds last November and \$800 million in May. While approximately \$500 million in bond proceeds went to local governments, reports continue that the locals are pulling work.

(9/17/20) – From Illinois DOT...

IDOT Went the Extra Mile(s) to Deliver During Pandemic

The Illinois Department of Transportation made nearly 2,800 deliveries of Personal Protective Equipment since the pandemic hit Illinois in March. PPE, which is vital in the battle against COVID-19, went to healthcare facilities, emergency management agencies, testing sites, veterans homes, hospitals, regional healthcare coordination centers, long-term care sites and other state agencies. The goal was to get the PPE directly into the hands of frontline workers in the timeliest way possible, and that's what happened. While the numbers are impressive, they don't tell the whole story.

Acting Illinois Transportation Secretary Omer Osman said the dedication shown by IDOT staff members was nothing short of incredible.

"IDOT has worked many long days, overcoming many obstacles, to ensure vital PPE arrived where it was needed," Osman said. "Our highway maintainers at times worked around the clock seven days a week, driving many, many miles make sure the support their local areas needed arrived. Everyone involved in this effort helped save lives."

Added Operations Bureau Chief Amy Eller: "IDOT put in the hours needed to make sure that the PPE made it to where it was needed the most. This is just another way we work hard to keep Illinois safe."

The well-deserved accolades also came from outside the department.

“From floods to pandemics, the collaboration between state agencies has proven to be an invaluable resource in our state’s emergency operations plan,” said Illinois Emergency Management Agency director Alicia Tate-Nadeau. “Our public sector workers are the unsung heroes of this public health emergency. Your dedication is a true testament to our state’s commitment to public safety.”

While IDOT is no longer delivering PPE, staff are still picking up the numerous cones, barricades and traffic control signs that were used at COVID-19 testing sites throughout the state. The PPE effort is now being handled entirely by IEMA in conjunction with outside vendors.

There’s no doubt that IDOT – from the highway maintainers in the big orange trucks to the logistical staff throughout the state – will long be remembered for their contribution, which positively impacted the lives of Illinois residents.

Indiana

(9/16/20) –

INDOT to Once Again Offer Community Crossings Grants

Indiana cities, towns, and counties can once again get state funding help for road work. “We are happy to announce today that the program that so many in local government covet, our Community Crossings Matching Grant program, is back,” Indiana Department of Transportation Commissioner Joe McGuinness announced Wednesday.

With Community Crossings, the state covers 50 or 75 percent of the cost of qualifying road and bridge projects. A July call for projects was postponed, since the decrease in travel caused by COVID-19 led to uncertainty with gas tax revenues. McGuinness said the state will start taking applications next Friday. The deadline for this round is Friday, October 23. Grant recipients are expected to be announced in mid-November.

A total of about \$68 million will be available in this round, just over half of what was awarded in the January call for projects. “It is geared towards leveraging our state matching dollars with those locals for existing roads and bridges,” McGuinness added. “This isn’t a new capital program. This is to take care of what we have.”

He also reported that traffic has nearly rebounded to pre-pandemic levels. Overall traffic is down by only 13 percent from where it was in mid-March, while freight traffic may actually be slightly higher.

Kentucky

(9/19/20) – Excerpt from Spectrum News 1...

After COVID-19 Delays, Kentucky's Road Projects Get Green Light

Reduced revenue because of the ongoing COVID-19 pandemic has taken a financial toll on the operation and maintenance of the country's transportation networks, forcing delays of road projects. Kentucky is no exception.

The Kentucky Transportation Cabinet canceled putting projects out for bid in May and June.

"That was about \$83 million of projects Kentucky didn't move forward with," said Jim Tymon, executive director of the American Association of State Highway and Transportation Officials (AASHTO), of which Kentucky is a member. "Kentucky also suspended work on about 100 different projects totaling \$150 million across the state."

...Chuck Wolfe, deputy executive director of the Kentucky Transportation Cabinet Office of Public Affairs, said when the coronavirus pandemic hit and the economy shut down, people were staying home and not driving.

"Motor fuel sales went way down," he said. "Car dealerships were not considered essential businesses, so nobody was buying vehicles. The transportation cabinet is funded by the road fund, and motor fuel taxes and motor vehicle sales taxes are two very large revenue streams into the road fund. So, the road fund revenues really dropped precipitously."

Putting projects on hold is not uncommon during a financial hardship, Wolfe said.

"It's not terribly different from what a household would do," he said. "If you had a sudden drop in your income, a drastic drop, you would have to start making some decisions and you would put off, in all likelihood, any major purchases. The concept is pretty much the same. The transportation cabinet had to hang on to its state dollars. There were reasons for doing that. But, we didn't know what was coming up on the horizon and we already had a lot of projects going on for which oftentimes you're paying debt service, and since, especially at the beginning, no one could tell how long the pandemic was going to be. So, we pulled back and made the decision not to put any new projects out for bid in the months of May and June."

Putting projects out for bid resumed in July, but Kentucky is far behind its annual average spent, which is around \$700 million. There were 99 resurfacing contracts awarded but were suspended temporarily because of the pandemic. Those projects have since moved ahead as well, Wolfe said.

“When the revenues fell, and it wasn’t just the road fund, the general fund revenue receipts really took a nosedive as well, and the governor reconvened the panel of economists that does the official revenue forecasts on which your state budget is based – it’s called the consensus forecasting group,” Wolfe said. “These are all university economists, and they tend to be pretty conservative, in my opinion. They projected receipts to the road fund for fiscal year 2020 we’re going to come in \$162 million below what had been expected at the beginning of the fiscal year. This is what prompted the decision to hold off on new projects for the months of May in June.”

The loss of revenue was not as bad as the panel projected and instead totaled \$60 million, which was absorbed through things such as putting off major equipment purchases and spending less on road maintenance.

“By doing that, we were able to go ahead and give the green light to those surfacing projects that had been temporarily suspended,” Wolfe said. “In July, we resumed putting projects out for bids and awarded about \$24 million worth of projects – still below what we ordinarily do. In August the awards increased to about \$40 million and we’ll award more contracts on Sept. 25 that have field estimates of about \$120 million. We’re ramping back up again.”

Kentucky Association of Highway Contractors (9/15/20) – LETTING of September 25, 2020 (Part 1), has been advertised with 24 (twenty-four) projects consisting of grade, drain & surface with bridge, asphalt rehab interstate/parkway, JPC pavement repairs, bridge painting & cleaning, asphalt pavement & roadway rehab, asphalt surface with grade & drain, asphalt pavement & roadway rehab, asphalt resurfacing, bridge substructure rehab, bridge repairs, bridge painting & cleaning, storm sewer repairs/operations maintenance...

LETTING of September 25, 2020 (Part 2), has been advertised with 63 (sixty-three) projects consisting of asphalt resurfacing, asphalt surface with grade & drain[.]

Kentucky Association of Highway Contractors (9/15/20) – Excerpt from report of State Budget Director John Hicks...

Road Fund revenue fell 1.0 percent in August with revenues of \$140.8 million but have increased 2.9 percent for the first two months of the fiscal year. Motor vehicle usage tax collections rose 10.8 percent while motor fuels revenues fell 4.5 percent. The official Road Fund revenue estimate calls for a 3.5 percent increase in receipts for FY21. Based on year-to-date collections, revenues must increase 3.6 percent for the remainder of the fiscal year to meet the estimate.

Among the accounts:

- Motor fuels fell 4.5 percent in August and have decreased 2.9 percent for the year.
- Motor vehicle usage collections grew 10.8 percent for the month and have grown 11.3 percent for the first two months of the fiscal year.

- License and privilege tax fell 9.5 percent, led mostly by a decline in the weight distance tax of 18.1 percent.

Massachusetts

(9/22/20) – From 10 WJAR News...

Massachusetts traffic down 20% statewide, but drivers are speeding up

Massachusetts highway officials say traffic is down in 2020, especially in an area known for some of the the worst traffic in the country.

At a joint board meeting Monday of the Massachusetts Department of Transportation and the Massachusetts Bay Transportation Authority, state Highway Administrator Jonathan Gulliver pointed to a 20% statewide decrease in traffic overall.

Regions like Boston are down by 48%.

While congestion has returned in some areas, Gulliver said currently there is no rush hour, or notable peak travel times in the morning and afternoon.

"The most notable thing about the change in traffic is really that it's much different. People's patterns are much different than they used to be," he explained. "We did not see a typical bump this year in traffic volumes after Labor Day like we normally would."

Construction crews have been taking advantage of lighter traffic to complete highway and bridge projects.

While traffic is down, drivers have been speeding up.

"Speeds are still generally higher across all of Massachusetts than they were in 2019. That's been something we've been closely monitoring with state police to make sure that they are not at dangerous levels, but continue to be a concern," Gulliver said.

Starting in mid-October a new exit renumbering project will begin.

A virtual public information meeting will be held on Thursday to discuss the changes.

(9/16/20) – MassDOT is announcing the release of the new MassDOT Mobility Dashboard. This dashboard is another resource for members of the public to visualize, analyze, and monitor data collected by MassDOT to better understand the effects of COVID-19 on the Commonwealth's transportation network.

MassDOT is continually monitoring the impacts of COVID-19 on roadways, transit services, and Registry transactions. The dashboard is an interactive roundup of key indicators that primarily reflect how much people are traveling, how they are getting around, and where they are going

throughout the Commonwealth. This data is updated weekly, with the date of the last update displayed prominently at the top of the page.

“This dashboard is just one of the ways that MassDOT is compiling and monitoring transportation data,” said MassDOT Secretary and CEO Stephanie Pollack. “Having one central location to access and analyze the impacts of COVID-19 increases public accessibility.”

While MassDOT is not the only state transportation agency in the U.S. that has developed COVID-19 related mobility dashboards (see Vermont, Utah, Washington State), the MassDOT Mobility Dashboard succinctly organizes a variety of multimodal data about movement in the Commonwealth that covers a wide range of topics all in one place. Topics include traffic volumes, transit revenue, safety and more. The dashboard is a valuable resource for all stakeholders and enthusiasts of Massachusetts’ transportation network.

Michigan

Michigan Infrastructure & Transportation Association (9/23/20) –

State Budget Retains \$600 Million for Transportation

Governor Whitmer and legislative leaders announced their 2021 fiscal year budget agreement this week. In what has been one of the most secretive budget processes in recent memory, expectations are that final passage will be quick through the Legislature and on to the Governor's desk for signature. The Legislature and Governor are constitutionally required to pass a balanced budget each year by October 1, which marks the beginning of the state's fiscal year.

Most transportation revenues are constitutionally dedicated and can't be used for different areas of the state budget. However, the 2015 road funding package that passed included \$600 million annually redirected from the General Fund to transportation. Lawmakers are able to redirect that money to other priorities in the state's budget if they so choose.

This is why MITA continues to advocate for constitutionally dedicated funding sources and increases to those when vying for increased road funding rather than general fund allocations. Traditionally, those revenues come from motor fuel taxes and vehicle registration fees.

The budget contains \$250 million in spending reductions, mostly coming from the Department of Corrections. Revenues have been significantly down for 2020, and earlier in the year it was projected that the state would have over a \$3 billion shortfall for the 2021 budget. Fortunately, the budget shortfall was significantly less than the earlier projection, which made budget negotiations much easier between the Governor and legislative leaders.

This continues the good news for the upcoming years for transportation funding. With the state transportation budget relatively flat from the previous year, the addition of the Governor's bonding program (\$3.5 billion over 5 years) will bring an increase in work for the industry.

Missouri

(9/22/20) – From Missouri.net...

COVID-19 could put MoDOT, travelers in a major bind this winter

Missouri's road cleanup crews could be in a major workforce dilemma this winter. The Missouri Department of Transportation has a shortfall of more than 400 plow truck drivers and heavy equipment operators.

During a legislative committee hearing, MoDOT Director Patrick McKenna says he is concerned about the shortage growing this winter during the COVID-19 pandemic.

When the snow and ice start flying, the impacts could trickle down to drivers out on the roadways.

"If we lose a crew, which knocks out a maintenance facility for a two-week period in the middle of winter, we could have a severe impact on the essential service we provide during winter to the traveling public. I would say that is my primary concern right now."

MoDOT spokesman Matt Hiebert tells Missouri.net the state has 80 counties with only one maintenance facility. In total, the department has 167 maintenance sites.

McKenna says the department is hiring plow truck drivers and heavy equipment operators. The workers handle things like plowing the snow and ice off roads, spreading salt and sand.

North Carolina

(9/19/20) – From the Carteret County *News-Times*...

NCDOT builds up cash reserves, tentatively plans to resume some projects

The N.C. Department of Transportation is working on building back its cash reserves after a budget shortfall forced the department to put all but 50 critical transportation projects on hold earlier this year.

A combination of factors, including, most recently, the loss of gas tax revenues due to the coronavirus pandemic, pushed the department's reserves below the state-mandated statutory minimum of \$300 million. By law, NCDOT may not enter into new contracts when funds dip below the cash floor.

In response, NCDOT announced in April it was pausing all but 50 major construction projects throughout the state. The department also said it would furlough some contracted workers and halt all except the most "mission critical" purchases. That was about five months ago, and officials say the funding situation is looking a bit better for NCDOT recently.

"We're right around above a \$600 million balance right now, which is good. We are hoping to maintain that level for several months before we start normal (awarding) of projects, so right now things are looking better," NCDOT corridor development engineer Diane Hampton told the Carteret County Transportation Committee Wednesday. "We're not out of it yet, but things are looking better."

Ms. Hampton did not say whether any county projects would be able to resume once NCDOT gets back on track.

Durwood Stephenson with the Highway 70/Interstate 42 Corridor Commission brought similar news to the transportation committee Wednesday. He said NCDOT is recently up-to-date on all its bills, and gas tax revenues have begun to rebound after being down for months due to the pandemic.

"They've done well to dig out of that hole and things are looking up, we're hopeful," Mr. Stephenson said.

One Carteret County project that was delayed is the contentious Bridges Street extension project, which involves building about 3 miles of new roadway to connect Morehead City and Newport. Engineers were working on selecting a preferred alternative route for the project when NCDOT announced the freeze.

Design work on a project to widen the Newport River bridge to four lanes was also put on hold, as were a slew of roundabout projects planned throughout Bogue Banks and Beaufort.

The Harkers Island bridge replacement project was among the select 50 projects NCDOT allowed to continue, but ongoing litigation unrelated to the department's funding issues has put that project on hold for the time being, as well...

Tennessee

Tennessee Road Builders Association (9/18/20) – From TDOT...

Due to the (COVID-19) Coronavirus and the safety of our students and staff, the Department has postponed Technician Training Classes from March 18th through the end of 2020. Currently, we are uncertain as to when training will resume as normal.

We recognize that construction and the need of required certifications still exist, and therefore; all TDOT issued certifications will be extended one year from the current date of expiration. (i.e. June 10, 2021 certification will now expire June 10, 2022.)

We will continue to monitor our current state of emergency and update as needed. We will be adding courses and recertification opportunities in the future and encourage all technicians to register for those opportunities as they become available.

(9/16/20) – Tennessee revenues were more than the budgeted estimates for the first month of the state’s fiscal year. Finance and Administration Commissioner Butch Eley today reported that August revenues were \$1.2 billion, which is \$22 million more than August 2019, and \$115.1 million more than the budgeted estimates. The growth rate for all taxes in August was 1.94 percent...

Gasoline and motor fuel revenues decreased by 7.75 percent from August of 2019 and were \$2.3 million less than the budgeted estimate of \$103.4 million...

Motor vehicle registration revenues were \$4 million more than the August estimate of \$26.4 million...

Virginia

Virginia Transportation Construction Alliance (9/22/20) –

COVID-19 & Virginia Workplace Safety Requirements may become permanent

This past July, we informed you of the Virginia Safety and Health Codes Board (Board) work on the Emergency Temporary Standard (ETS) mandated by Governor Ralph Northam to address worker safety in the wake of the COVID-19 pandemic...

The ETS went into effect on July 27 and was to last for six months. Unless the Governor lifts the state of emergency regarding COVID 19, the board will have two options: eliminate the ETS or make the ETS permanent. The board is now planning on making the ETS permanent and has opened a public comment period through this Friday, September 25. While we anticipate the Board voting to make the ETS permanent, VTCA will be issuing comments to the Board expressing concerns on the permanency of the ETS and discussing details of the Standard – some of which the industry was already doing and some which we think are confusing and need more clarity from the regulatory agency.

...This forum includes comments already submitted by entities across the Commonwealth. VTCA members are encouraged to leave their own comments. During the initial establishment of the ETS, over 3,000 comments were submitted with most of those comments in opposition to the proposed standard.

Virginia Transportation Construction Alliance (9/22/20) –

State Budget Amendment to address VDOT revenue shortfall is still on track if the budget is addressed

Governor Northam has recognized with transportation revenues down, it is critical we give the Commonwealth Transportation Board (CTB) temporary flexibility to manage its current cash. Budget Amendment 430 would allow the CTB to maintain a robust transportation construction program throughout the Commonwealth during the biennium. The CTB can then use up to \$660M in previously allocated Revenue Sharing, SMART SCALE, and State of Good Repair funds to support ongoing and planned projects.

Giving the CTB temporary flexibility to utilize existing funds for this biennium will ensure road projects continue and current funding will be used to its maximum capacity. All projects would receive their funds and maintain existing schedules.

VTCA believes this simple, yet impactful amendment, will not only carry transportation projects through, it will continue to sustain Virginia's tax base at multiple levels across Virginia and keep unemployment numbers from growing.

Currently, Budget Amendment 430 is with the respective money committees and VTCA and its lobby team are talking weekly with legislators to help them understand the impact of not allowing the CTB flexibility with funds they currently have, but are not being used. We are hopeful this issue will be resolved when the legislature deals with the current budget.

(9/20/20) – Excerpt from the Richmond Times-Dispatch...

Virginia's transportation funding plan was finally in place. 'Then COVID-19 hit.'

Jeff Southard could see Virginia turning the corner on long-term funding of transportation as he prepared to retire this year after 15 years at the helm of an alliance of companies that build highways and bridges, and produce the asphalt and concrete for the work.

The General Assembly had just passed a sweeping transportation package that raised gasoline taxes and made a major commitment to passenger rail and public transit in addition, as well as bond funding for improvements to Interstate 81 in western Virginia. The omnibus legislation also set the stage for a long-term shift away from relying on gasoline taxes for transportation funding.

"It looked like at the conclusion of the legislative session that we had a long-term, sustainable funding mechanism in place — finally," said Southard, who retired Aug. 31 as executive vice president of the Virginia Transportation Construction Alliance. "And then COVID-19 hit."

Driving fell 80% as people retreated to their homes, both for work and personal life, in the face of a coronavirus pandemic that has infected more than 140,000 Virginians and killed more than 3,000.

The sources of funding for transportation plummeted — taxes on gasoline, vehicle sales, and sales in general.

The result is a potential \$870 million shortfall in transportation funding — including \$120 million in the fiscal year that ended June 30 and \$750 million projected in the new two-year fiscal state budget — that Southard's industry fears could cripple their businesses and their ability to plan for the future.

The projected shortfall surpasses the \$850 million price tag for all of the projects approved in the last round of the state's Smart Scale program for transportation projects.

The road-building and construction materials industries are counting on an amendment that Gov. Ralph Northam has proposed to the budget that would allow the Commonwealth Transportation Board flexibility in using money from one transportation account for projects in another that are ready for construction. Ultimately, the state would have to repay all of the borrowed funds as transportation revenues recover.

“That is a substantial amendment that obviously our industry needs to be passed,” said Jeff Perkins, a Roanoke-based construction materials executive who serves as president of the construction alliance’s executive council and board of directors. “Otherwise, we’re looking at a 25% cut across all programs, which would be devastating for our members.”

Without the amendment, Southard said, the state’s ambitious plan to build a new passenger rail bridge across the Potomac River at Long Bridge — the linchpin of a \$3.7 billion rail package — “becomes more difficult...”