

## 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 #69**)

**DATE:** OCTOBER 12, 2020 – PM

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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 nearly 450 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](mailto: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...

- **DC/Maryland/North Carolina/Virginia:** Pandemic-related budget cuts leave travelers with rough roads, outdated airports and fewer transit options
- **Alabama:** Officials say Alabama gas tax increase producing results
- **Colorado:** Northern Colorado transportation leaders have the will, but less so the money, for road overhauls
- **Connecticut:** Gov. Lamont deficit plan
- **Florida:** Gainesville Will Build A New Road Paralleling I-75 In The Coming Years, But First It Needs The Land
- **Hawaii:** Daniel K. Inouye Highway extension put 'on hold'
- **Illinois:** IDOT FY 2021 Program Released
- **Iowa:** DOT expects project delays after gas tax brings in less funding during slower pandemic travel
- **Kentucky:** October 9 letting
- **Maine:** 'It's time to MacGyver': State keeps moving with a smaller highway fund
- **Michigan:** MIOSHA and COVID
- **New Hampshire:** State Revenues Rebound Despite the Pandemic
- **New Jersey/New York:** Big projects could be slashed from Port Authority budget as coronavirus batters travel revenues
- **New York:** MTA's Growing Deficit Prompts Board to Suggest it Borrow More from MLF; NYCDOT Announces Holiday Embargo
- **Pennsylvania:** Motor License Fund Revenues Holding Steady
- **Virginia:** Despite pandemic, revenues for I-81 improvement fund remain strong; Division of Mineral Mining to Announce Virtual Foreman Recertification Process

## Alabama

(9/29/20) – Excerpt from AL.com...

Officials say Alabama gas tax increase producing results

Alabama officials point to five state highway projects and more than 70 local road projects as the practical benefits of an increase in the state gasoline tax, which goes up another 2 cents on Thursday.

The Rebuild Alabama Act, spearheaded by Gov. Kay Ivey and the Republican-controlled Legislature last year, raised the state tax 6 cents a gallon last year, to 24 cents. It goes up to 26 cents Thursday and will rise again to 28 cents on Oct. 1, 2021.

The total increase, 10 cents a gallon, which also applies to diesel fuel, is projected to raise about \$320 million a year when fully in place.

So far, tax collections on the 6-cent increase are tracking close to that projection. Through August, with one month left in this fiscal year, gas and diesel state tax receipts stood at about \$686 million, up about \$150 million over last year, a 28% increase.

The Alabama Department of Transportation said there was a decline in April caused by the pandemic, but the numbers have rebounded close to projections since then.

The Rebuild Alabama Act directs the money from the added tax into a Rebuild Alabama Fund and restricts its use to road and bridge projects, prohibiting spending on salaries, equipment, and other purposes. ALDOT receives 67% of the money, with 25% going to counties and 8% to municipalities...

## Colorado

**(10/6/20)** – Excerpts from the Loveland *Reporter-Herald*...

Northern Colorado transportation leaders have the will, but less so the money, for road overhauls

Although strong political will remains to improve Interstate 25 and several other thoroughfares across Northern Colorado, a group of transportation officials and government leaders say the revenue damage from the pandemic is crimping a go-ahead attitude.

The group of 12 executives spoke remotely Tuesday morning at BizWest's Northern Colorado CEO Roundtable on transportation.

Municipal woes hamper momentum

David May, the soon-to-be-retiring CEO of the Fort Collins Area Chamber of Commerce, said momentum for repairing and expanding I-25 north of Longmont has grown to the highest it's been in decades. He pointed to construction of the climbing lane near Berthoud, which was the first capacity upgrade in that section of the interstate since the 1960s.

But while commitments to the tune of hundreds of millions of dollars already are in place for large portions of the overall improvement project, the COVID pandemic and the squeeze on economic activity is forcing the state Legislature, the Colorado Department of Transportation and local governments to be more cautious with spending overall.

Loveland public works director Mark Jackson said the money that was recalled by the state Legislature to balance Colorado's budget in the wake of the pandemic-driven shortfall have made it difficult for him to commit as much funding as he'd like.

"We're faced with really real choices about whether we even have enough funding to maintain what we have on the streets right now," he said. "I would love to say that I'm going to expand the City of Loveland Transit system to connect to the regional mobility hub in two years, but it's up in the air."

Fort Collins Mayor Wade Troxell echoed that sentiment, saying the city has put in \$21 million of its own money toward North I-25 over the years, but it'll be tough to continue that as long as the pandemic causes economic havoc.

"I think the commitment is still there, but it's the practicality of how we can back and support that," he said...

## The gas tax

Heather Paddock, the regional transportation director for CDOT's region covering Northern Colorado and the state's northeast corner, said the initial shutdowns caused traffic volumes to fall by 50% earlier this year before coming back to about 90% of the volumes seen in 2019.

However, the majority of that volume is from people traveling for reasons other than commuting, she said.

"Although we're going to see some changes in people working from home more frequently or maybe during off-peak travel times, there's still a significant amount of volume on our corridors," she said.

Suzette Mallette, executive director of the North Front Range Metropolitan Planning Organization, said CDOT has estimated losses of about \$650 million in the past few months due to the drop in gas sales. Due to a lag in how the taxes are collected and distributed, she believes the financial pinch is coming soon for municipalities.

"Right around this time is when most of the state and local governments are going to feel that decline in the gas tax (revenue)," she said...

## Connecticut

**Connecticut Road Builders Association (10/2/20)** – GOVERNOR LAMONT YESTERDAY sent a letter to House and Senate leadership outlining his plan to mitigate the extent of the state’s deficit. The plan includes rescissions, cost reductions from hiring restriction, and “minor changes” in revenue policy and appropriation reductions. Regarding the status of the Special Transportation Fund, the governor noted, “The Office of Policy and Management projects a \$66 million shortfall in the Transportation Fund, further depleting the fund balance and underscoring the need to take action to stabilize the fund’s finances over the long term. If left unaddressed, the fund balance could be exhausted during the next biennium, undermining the state of repair of our state’s roadways and rendering it impossible to engage in any improvements that will help make the state more efficient and economically competitive.”

## **District of Columbia**

**(10/3/20)** – Excerpt from the *Washington Post*...

...In the District, transportation Director Jeff Marootian said Mayor Muriel E. Bowser (D) has continued to prioritize infrastructure funding. The city is on pace to repave more roads this fiscal year than last year, he said.

“All projects we’ve had planned will continue as scheduled,” Marootian said. “We’ve been able to repave roads and rebuild sidewalks because the mayor has made it a priority for us...”

## Florida

(10/7/20) – Excerpt from WUFT...

Gainesville Will Build A New Road Paralleling I-75 In The Coming Years, But First It Needs The Land

The path to a new north-south corridor on Gainesville's western edge is, for the moment, paved with land acquisition hurdles.

The Florida Department of Transportation and City of Gainesville plan to construct a new road that will extend Southwest 62nd Boulevard to Clark Butler Boulevard. It is currently scheduled to begin in the winter of 2021 and be completed in early 2023. The project also includes the repaving of 62nd Boulevard between Newberry Road and Southwest 20th Avenue, set to begin in the first quarter of 2021.

Gainesville City Commissioner David Arreola said, "By this time next year, 62nd will have been completely fixed."

While the repaving of 62nd is to patch potholes and cracks that have for years made the road unsafe, the reasons for the extension of the road are:

- City officials have been looking for an alternative to I-75, one of the busiest and deadliest routes in the Gainesville area.
- The project is supposed to reduce traffic congestion that builds in the exit roadways near the interstate.
- It is supposed to provide a safer option for local traffic by making a complete street from Newberry Road to Archer Road.

... The repaving of 62nd Boulevard is estimated to cost \$2.1 million, and funding for this comes from the local option gas tax.

With people traveling less and using less gas during COVID-19, Arreola said it is "absolutely" possible the project's funding will be affected by the pandemic.

Still, the project is continuing for now.

"There are concerns with all government revenue with COVID-19, but currently, we don't have any reason to change the project," the commissioner assured.

John Veilleux, the project's supervising engineer, said, "I would assume that COVID-19 has had an effect on the local option gas tax, but I don't expect it to impact this project."



Arreola believes the project will still move forward with other options of funding if necessary.

“We will find other local sources that we can use like traffic impact fees and the transportation mobility program area,” he said. “There are other avenues.”

The construction of the new road will cost \$17.6 million. State and federal grants will fund \$14.7 million. The remaining amount will be covered by local sources, similar to the repaving part of the project...

## Hawaii

**(9/29/20)** – From the *Hawaii Tribune Herald*...

Daniel K. Inouye Highway extension put 'on hold'

The Daniel K. Inouye Highway extension project has hit a roadblock.

The state Department of Transportation said Monday it placed the \$90 million project that will extend the cross-island route, known colloquially as Saddle Road, from its current terminus at Mamalahoa Highway to Queen Kaahumanu Highway "on hold" due to a lack of funding sources — both state and federal.

"The revenue funding source we were planning on using (rental car income) will not meet projections," said DOT Spokeswoman Shelley Kunishige, referring to the \$5 per day rental car surcharge implemented Jan. 1, 2019, from which the state intended to draw funding in 2021 for the 10.5-mile road project as approved by the state Legislature in May.

The surcharge for rental cars, estimated to bring in \$30 million based upon 10 million visitors annually, had become a significant source of revenue for the state. However, that fund has seen little revenue amid the COVID-19 pandemic that's resulted in a drastic decline in visitors to the state.

The Hawaii Tourism Authority reported Monday that just 2.17 million people had arrived in Hawaii during the first eight months of the year, a decrease of 69% from 2019. During the month of August, alone, arrivals were down 97.6% from the year prior.

The highway extension project also was not selected to receive a share of \$1 billion in federal grants via the U.S. Department of Transportation's Better Utilizing Investments to Leverage Development program for 2020. No Hawaii projects were among the 70 in 44 states selected to receive funding to cover up to 80% of a project's cost.

"We will continue to submit the Saddle Road Extension project for consideration in federal discretionary grant opportunities," said Kunishige. "HDOT will also continue with preparation of the project should funds become available."

That includes completing a draft EIS that was released in April 2017.

As of the most recent update provided Sept. 1 by the Federal Highway Administration's Central Federal Lands Highway Division, the document is still working its way through Section 106 consultation with State Historic Preservation Division and stakeholders.

That consultation must be completed and a funding source committed before the federal agency can sign off on the draft EIS, allowing the project to move forward.

Saddle Road, most of which was renamed Daniel K. Inouye Highway post-modernization and western realignment in 2013, was originally built in 1942 as a one-lane road to connect military training facilities.

The effort to extend the road from its terminus at Mamalahoa Highway to the Big Island's leeward coast dates to 1999, though it was shelved until 2011 when the state resumed the EIS process.

## Illinois

**Illinois Road & Transportation Builders Association (10/9/20)** – This week IDOT released the Fiscal Year 2021 Annual Highway Improvement Program, outlining spending of \$3.15 billion. This is for FY 21 and represents the current year's plan out of the \$21.26 billion included for highways in the multi-year Fiscal Year 2021-2026 Proposed Highway Improvement Program.

Earlier this week IDOT also stated that lettings have been delayed because of rights-of-way acquisitions, since District 1 courts were closed during for several months due to the pandemic. These include 19 projects in District 1 whose construction value was estimated at \$210 million. IDOT does not yet have a clear picture about which projects will be included in the January 2021 letting, although it is believed that District 1 should have approximately \$130 million in work to be bid. The impact of the pandemic and the related economic downturn has resulted in \$130 million less in MFT and TRF than projected.

## Iowa

**(9/28/20)** – From KCRG-TV...

Iowa DOT expects project delays after gas tax brings in less funding during slower pandemic travel

After nearly seven months of COVID-19 restrictions, fewer drivers have taken to Iowa's roadways, which, in turn, means fewer people at the pumps and less funding for road construction through the gas tax.

Work to improve the interchange between Interstate 380 and Interstate 80 in Johnson County will now take more time. That's after funding the Iowa Department of Transportation uses for road projects like the new interchange took a hit due to the pandemic.

"Starting back in March we saw as much as 40% of the traffic go down," Cathy Cutler, a transportation planner with the Iowa DOT said. "People were working from home, kids were at home and people weren't going out, so that all effects the revenue that comes into the DOT."

The DOT's main source for money for road work comes from what's called the Road Use Tax Fund, which is funded through a gasoline tax. Iowans commonly fill up with an ethanol blend that's taxed at \$0.29 per gallon. The DOT planned on bringing in over \$660 million dollars for the 2020 fiscal year from that tax, but not now.

"So, there is a federal gas tax as well as a state gas tax, both of those are down, so that effects the DOT overall budget," Cutler said.

Cutler said the Interstate 80/380 interchange is the biggest project slowed-down by the funding decrease.

"We were going to have a huge letting in July, but just due to funding and cash flow, we've moved that to December. That has a net impact of actually adding a year onto that project, so it will now go into 2024," Cutler said.

Cutler said the average number of drivers on the road has come back up since the pandemic related shutdown. She anticipates gas tax funding will only cause delays on other projects and not cancelations.

"They've actually came back, so they are only down about 10 percent right now, so we have fully much fully recovered," Cutler said.

The city of Cedar Rapids is not yet sure how the funding decrease projects around the city.

“The State of Iowa projections for road use tax continue to improve, but it is still too early to know if this will continue. As businesses continue to open we should see streets local option sales tax revenues increase as well,” the city’s finance director said, in a statement.

## **Kentucky**

**Kentucky Association of Highway Contractors (9/29/20)** – Letting of October 9, 2020 has been advertised with 34 (thirty-four) projects consisting of asphalt resurfacing[.]

## Maine

(10/6/20) – Excerpt from the *Sun-Journal*...

‘It’s time to MacGyver’: State keeps moving with a smaller highway fund

In Maine, vehicle travel is down. Air travel is way down. Ditto for bus.

Against the backdrop of an airplane parked at the Auburn-Lewiston Municipal Airport on Thursday morning, Jennifer Brickett shared the latest stark travel statistics and said the state had nearly wrapped a study looking at where it needs to invest in aviation.

Brickett, director of planning for the Maine Department of Transportation, spoke to a sea of people sitting in their cars and watching online at the Lewiston Auburn Metropolitan Chamber of Commerce breakfast.

“Right now at the department, we are adapting — that seems to be a running theme of today,” she said. “We’re really operating under what we’re calling ‘business unusual’ — we have most of our office workers working from home, and in general our full system has been impacted by COVID-19.”

In March, when the pandemic hit, vehicle traffic dropped by about 50% of 2019 levels, she said. Air travel fell by more than 75%.

“Just last week, our traffic volume statewide was down about 9.5% for that same week in 2019, so this indicates a slow return to normal highway travel,” Brickett said. “Air travel has improved, but it’s still down by about 65% from 2019 levels, so returning to normal will take an extended period of time. Similarly, we’re seeing other challenges with passenger rail modes and transit which are down by more than 80%.”

With less travel, the state’s highway fund is projected to be down \$40 million, or about 12%, this fiscal year and down \$30 million for the next two years after.

“This is the deepest and most sudden drop in the highway fund revenue in memory,” she said. “On the aviation side, with lack of travel, aviation fuel tax revenues and other revenues from the multi-modal program are expected to be significantly down as well.”

DOT is working on a plan to address the shortfalls and, she said, due to the lighter traffic and competitive contractor pricing “we were actually able to add some projects this year and we’ve continued to deliver all of our planned work, that’s both capital, operational and administrative, which has really been a bright spot in this current environment and economy.



“It’s time to MacGyver,” Brickett added. “On some of our lower-priority, lower-volume corridors, we may need to consider some lighter treatments than we otherwise would have: Patching until normal treatment and light capital paving, at the same time, we need to invest in areas that are redeveloping and where people are moving. So we’re looking at investments that support the growth of villages, to support local economies and quality of life and attract new citizens...”

## Maryland

**(10/3/20)** – Excerpt from the *Washington Post*...

...The Maryland Department of Transportation has proposed slashing nearly \$3 billion from its six-year capital budget. The cuts include delaying \$900 million in road projects and postponing construction of a \$500 million baggage-handling system and terminal connection at Baltimore-Washington International Marshall Airport. The state also plans to temporarily scrap some service for commuter buses and MARC commuter trains, which have ridership hovering at about 10 percent of normal.

“Everything has been hit across our system,” Maryland Transportation Secretary Gregory Slater said. “We have to find the least amount of impact to people, but people will see and feel some of this.”

Slater said his agency is trying to avoid layoffs by scaling back in other areas. For example, roads that typically would get a new layer of asphalt might instead just have potholes patched. Road crews will mow less often.

“I think people are already starting to see grass getting a little bit longer or less litter cleanup,” Slater said...

## Michigan

### **Michigan Infrastructure & Transportation Association (10/8/20) –**

Many members are asking how the recent ruling by the Michigan Supreme Court, which essentially invalidates the Governors' Executive Orders (EO's), will impact job sites. The short answer is: it won't.

MIOSHA is issuing fines to contractors and businesses that were driven by the EO's and issued under the General Duty Clause that states that an employer is obligated to provide a workplace to employees "free from recognizable hazards". To be even clearer, a General Duty violation means that no specific rule exists to cover the issue at hand. That said, everyone should understand that COVID is a recognizable hazard. In theory, MIOSHA did not even need the EO's to start enforcing that which employers should do to protect employees. The EO's provide a justification for issuing fines for those who choose to ignore the issue.

The other side of the coin is this: MIOSHA will have an uphill battle on the issue at the appeal level. General Duty Clause violations are considered serious from a designation standpoint. There is no such thing as an other-than-serious violation within this category; thus, eliminating wiggle room regarding the declassification of the violation. However, a large burden of proof will be required by MIOSHA since no promulgated rules exist, and the Attorney General's office seems unwilling to litigate COVID-related cases based on recent news reports. Appeals are time-consuming, and one of this nature will most certainly have to go in front of an Administrative Law Judge, then to Circuit Court if MIOSHA is adamant on upholding these types of citations. Sooner or later simple economics will kick-in. To date, MIOSHA has only issued COVID-related citations to one MITA member that centered on employees working within six feet of each other without wearing masks...

## **New Hampshire**

**(10/6/20)** – Excerpt from InDepthNH.org...

The Highway Fund, composed mostly of the gas tax and auto registrations, rebounded in September, producing \$4.5 million more than estimates at \$31.5 million but is slightly below estimates for the first three months of the year at \$61.7 million.

## New Jersey

(9/24/20) – From NJ.com...

Big projects could be slashed from Port Authority budget as coronavirus batters travel revenues

Port Authority officials reported travel gains at some facilities as others struggled to recover from coronavirus fueled passenger traffic and revenue downturns after the region started reopening from restrictions.

But bi-state agency officials warned they will have to make some “hard decisions” in the next three months about the 2021 budget and mega-projects that could be cut from the agency’s \$32 billion capital plan. This year’s operating budget is \$7 billion.

Bridge and Tunnels traffic provided the brightest news, with traffic only off by 11% from pre-COVID-19 levels and truck traffic returning and in some cases, exceeding pre-pandemic volumes, said Rick Cotton, Port Authority executive director.

The volume of cargo shipped to the ports has recovered to the same levels as 2019, he said.

But passenger traffic at the airports and PATH rail system are recovering slower than economic experts predicted, Cotton said. Airports are one of the authority’s largest revenue makers.

“Between Sept. 14 to Sept. 18, airport passenger volume was down by 80% compared to September 2019,” he said. “PATH traffic was down by 79%. Airports and PATH show a slower recovery than expert economists predicted.”

That reflects national trends for the airline industry and public transportation as passengers remain concerned, despite carriers stepping up cleaning and sanitizing facilities and vehicles.

Traffic volume in 2019 hit record breaking levels at authority facilities. COVID-19 travel restrictions and drop-offs translated into a \$1.1 billion revenue decline from projections for the year, Cotton said. That translated to a \$165 million a month revenue loss, that puts the authority on track for an estimated \$3 billion revenue loss by 2021, he said.

“The impact remains devastating,” he said

The agency has requested \$3 billion in federal aid from the next CARES act to recoup revenue losses and officials warned that mega-projects not currently under construction could face a budgetary axe.

The authority has “three hard months” to get through, said Kevin O’Toole, board chairman.

“In 6 days we’ll enter last quarter of 2020 and some significant and hard decisions have to be made for next 24 months to get agency back on its feet,” he said.

But officials were silent about how those decisions could play out for projects, customers or employees, when asked for details.

“The end of this year will be intense in terms of our (2021) operating budget, it will be intense in terms of the difficult choices for the capital plan, but we’re in the middle of that and we have nothing to announce at this time,” Cotton said. “We’re reviewing the totality of our situation.”

The only given is that ongoing construction projects of a new Terminal One at Newark Liberty and LaGuardia airports will be completed, which includes building new AirTrains at both airports, Cotton said. Newark’s trouble-prone monorail has reached the end of its useful life and Authority officials committed to Gov. Phil Murphy it would be replaced.

The two AirTrains are part of completing those projects to get to 21st century global standards," Cotton said. "(Public transit) access to airport ranks as a top a priority."

Other projects such as the long awaited expansion and renovation of the Port Authority Bus Terminal in mid-Manhattan are in a form of limbo.

An environmental report for a proposal to build two additional levels on top of the existing terminal is still being reviewed by the Federal Transit Administration, Cotton said.

Originally, plans called for bus terminal construction to be funded from the next capital plan in 2026.

## New York

**General Contractors Association of New York (10/5/20)** – At the September MTA Board meeting, Board Finance Chair Larry Schwartz strongly suggested that the MTA needed to be prepared to fill its looming deficit – at least in the immediate future – through additional borrowing from the Fed’s Municipal Liquidity Facility (MLF) program. The MLF would provide a below market 1.8% interest rate.

Such borrowing would be on top of the \$450 million the MTA tapped into from the MLF earlier this year. While not a long-term solution, another MLF loan would at least provide a bridge until alternative funding – hopefully through federal COVID emergency assistance – and/or drastic internal actions are put in place. Those alternative actions unfortunately include drastic service cuts of as much as 40%.

**General Contractors Association of New York (10/5/20)** – New York City will be making some changes to the annual holiday construction embargo. The dates for the embargo this year will be November 24 through December 27. Roadway and sidewalk construction activities will be restricted during the Holiday Embargo period. The affected streets can be found here.

Please note that as a result of COVID restrictions there may be changes to City’s Special Events as well as Gridlock Alert Days. Right now the locations of the Embargo are the same as last year but DOT noted that this may change. There are also no gridlock alert days included in the written embargo. DOT will monitor changes in traffic patterns and will issue an amendment to the embargo if gridlock alert days are identified.

**(9/24/20)** – From NJ.com...

Big projects could be slashed from Port Authority budget as coronavirus batters travel revenues

(See New Jersey section)

## North Carolina

**(10/3/20)** – Excerpt from the *Washington Post*...

...In North Carolina, the state's Department of Transportation said it lost \$190 million in gas tax proceeds and other revenue between late March and June. It expects to lose an additional \$500 million by next summer.

In addition to laying off half of its temporary employees and consultants in the spring, the agency delayed about 150 projects, including widening 10 miles of Interstate 95 near Fayetteville. The agency pulled back on more projects in August and September, NCDOT spokesman Andrew Barksdale said.

"We've really had to focus these past several months on emergency repairs," Barksdale said. "We basically had to stop spending money on new things that weren't mission-critical..."



## Pennsylvania

**Associated Pennsylvania Constructors (10/2/20)** – The PA Department of Revenue released the September revenue collection numbers today showing that an economic recovery from COVID appears to be happening faster than original projections.

On the overall state budget side, it was reported that Pennsylvania collected \$3.3 billion in General Fund revenue in September, which was \$248.7 million, or 8.3 percent, more than anticipated, Revenue Secretary Dan Hassell reported that fiscal year-to-date General Fund collections total \$9.9 billion, which is \$459 million, or 4.9 percent, above estimate. He also stated that revenue collections are ahead of estimate to this point due to better than expected economic activity through the first quarter of the fiscal year.

As for the state's Motor License Fund (MLF) it appears that collections were slightly off but not catastrophically as originally predicted. The MLF received \$216.7 million for the month, \$6.1 million below estimate. Collections for the fiscal year-to-date are \$770 million, which is \$0.3 million, or essentially right at estimate.

MLF revenues are still outpacing collections when compared to the same point in time last year (through September 2019), which is pre-COVID pandemic impacts. In September 2019, it was reported that the YTD collections were \$687.9 million.

APC continues to monitor these figures to determine if their initial two-year, \$800 million impact to the MLF—and subsequently the 2020-21 Letting Schedule—is still anticipated as reported by PennDOT earlier this year.

## Virginia

**(10/3/20)** – Excerpt from the *Washington Post*...

...In Virginia, transportation revenue for the fiscal year that ended June 30, fell \$120 million below expectations. State officials predicted in August that revenue would be \$400 million short in the fiscal year that started July 1 and additional \$350 million short the following year.

However, so far the Virginia Department of Transportation has no plans to delay projects.

The state and VDOT “were in a strong financial position prior to the pandemic, and flexibility in allocating funding to prioritized projects should keep Virginia moving,” VDOT spokeswoman Emily Wade said...

**(10/2/20)** – Excerpt from the *Winchester Star*...

Despite pandemic, revenues for I-81 improvement fund remain strong

...In 2019, the General Assembly passed a bill establishing a fund where the money generated by a regional gas tax would be spent on \$2 billion worth of improvements identified for I-81. Improvements and expansion of safety services on I-81 began July 1, 2019.

And though there was up to a 64% drop in traffic of all vehicle types using Virginia roadways at the beginning of the coronavirus pandemic, the I-81 fund remained relatively safe and even finished fiscal year 2020 on June 30 having generated \$69.8 million — nearly \$15 million more than the year’s estimate, according to data from the Virginia Department of Transportation.

The regional gas tax, revenues from which can only be spent on I-81 improvements, has brought in about \$6.7 million a month, with the lowest revenue generated in a month being \$5.7 million in June, according to VDOT’s data.

Emily Wade, the assistant director of communications for VDOT, said she could not say for sure what led to resiliency of the I-81 funding while other funding has fallen.

“We have seen an increase in truck traffic throughout COVID, though there’s a decrease in commuter traffic,” Wade said.

Dale Bennett, president and CEO of the Virginia Trucking Association, said the stable truck traffic using the corridor is playing a role, though may not be able to take all the credit for the fund’s durability.

“I definitely think that the fact truck traffic dipped some, but then came up and is at around normal activity has certainly helped with the resiliency in the revenue for the 81 corridor,” Bennett said Wednesday.

I-81 was originally designed to handle about 15% of its traffic as trucks. Data from recent years show that has increased to an average of 26% and up to 35% in some places.

The worst month for trucking in Virginia was early April, according to Bennett.

Between April 8 and April 16, truck traffic dropped by roughly a third across the commonwealth, according to data from VDOT. However, truck traffic volumes quickly started going back up and by late May had essentially recovered to pre-COVID-19 levels.

Traffic volumes across all vehicle types began lurching downward a few days after Virginia Gov. Ralph Northam declared a state of emergency on March 12. As more and more dominoes fell as the state closed, such as the schools shuttering on March 16 and the statewide stay-at-home order on March 30, the volume of traffic of all sorts began to reach its nadir.

Traffic volumes of all kinds began to rise again about half as quickly as it fell, but has plateaued at about 15% under normal levels since early July, according to VDOT data.

However, other VDOT project funds have not fared as well I-81’s.

Some Virginia Department of Transportation projects may be delayed due to a drop in Commonwealth Transportation Fund revenue if changes are not made, according to a statement released by VDOT to the Daily News-Record.

“Without accommodations to address the significant funding reduction, project delays would occur across all transportation secretariat programs,” the statement said. “Reductions would impact funding for the State of Good Repair and SMART SCALE projects across all nine VDOT construction districts as well as funding for transit, rail and other modes of transportation.”

Statewide, the drop in travel contributed to a \$120 million shortfall in VDOT’s anticipated revenue collection in fiscal year 2020 alone, with other projected revenue seeing significant declines, according to the statement.

“In estimates released in August, the Department of Taxation updated assumptions for motor fuel taxes, motor vehicle sales and use taxes, and retail sales and use taxes,” according to the statement. “In this update, estimates were reduced by \$400 million for fiscal year 2021 and approximately \$350 million for fiscal year 2022. Based on the distribution of the Commonwealth Transportation Fund, reduced revenues impact all transportation modes: highways, transit, rail, ports, aviation, Virginia Space and DMV.”

Wade said Virginia was in a strong economic position before the pandemic.

“That has helped us get through this [with] flexibility and will help in moving forward,” Wade said.

Though something still does need to be done to address the shortfalls, according to Wade.

Northam’s office has proposed budget amendments to keep VDOT projects going, as well leverage new funding from the Omnibus Transportation Bill and keep avenues open for the Rail Initiative...

**Virginia Transportation Construction Alliance (10/1/20)** – Earlier this year, due to COVID-19 concerns, the Virginia Division of Mineral Mining (DMM) began to extend Surface Mine Foreman Certifications that were set to expire in 2020 in hopes that the pandemic would ease and DMM would be able to resume the in-person recertification classes. Before the pandemic, Surface Mine Foremen were required to attend a DMM conducted in-person class to recertify every five years. However due to current conditions, in-person classes cannot be conducted. In the meantime, DMM worked on development of an online option for Surface Mine Foremen to renew their certifications.

Recently, DMM has completed development of the online Surface Foreman Certification Recertification class. DMM beta tested this online class with several industry representatives. The feedback was very positive and the format was easy to use. In the next few weeks, DMM will be rolling out their virtual Surface Foreman Recertification class to Surface Foremen whose certifications were scheduled to expire in 2020. DMM will begin contacting the individuals whose certifications were scheduled to expire earliest in 2020 to give access to the online class, and then progress through certification renewals by the original 2020 certifications expiration dates, oldest to latest. This is intended to keep DMM from getting overloaded in processing the renewals.

All 2020 Surface Mine Foreman Certifications that were set to expire in 2020 have been extended. However, Surface Mine Foremen must complete their certification renewal application prior to their certification expiration date to be eligible to have their certifications extended.