



**STATE OF VERMONT**  
LEGISLATIVE JOINT FISCAL  
OFFICE

**Transportation Highlights of the FY 2023 Budget Adjustment Act**  
(Governor's Recommended)

Chris Rupe/Joint Fiscal Office  
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**1. B.903 – Program Development - Replace \$3.2 million of T-Funds with TIB Funds**

- Revenue neutral swap of funds within B.903 Program Development to align appropriations with the July 2022 revenue forecast.
- TIB Fund has done well in FY 2023 due to higher gas prices leading to stronger MFTIA gasoline assessment rates:
  - July 2022 consensus revenue forecast **upgraded** FY 2023 target by **\$6.1 million**.
  - FY 2023 thru December: Collections ahead of target by \$88,000 (+0.7%).
- T-Fund, however, has not done as well:
  - July 2022 consensus revenue forecast **downgraded** FY 2023 target by **-\$3.2 million**.
  - FY 2023 thru December: Collections short of target by **-\$1.0 million** (-0.7%).
- Once debt service requirements are satisfied (there are currently no outstanding TIB bonds), TIB Funds may be used on a “paygo” basis for road, bridge, culvert, railroad, and airport infrastructure projects with a remaining useful life of at least 10 years ([19 V.S.A. § 11f](#)).
- BAA proposal accounts for the \$3.2 million T-Fund revenue forecast downgrade by reducing T-Fund appropriations and increasing TIB Fund appropriations.

**2. One-Time Technology Modernization Special Fund Appropriations**

- FY 2023 Big Bill (Act 185 of 2022) created a new Technology Modernization Special Fund (E.105.1) to support large government IT projects. The Legislature must appropriate dollars into the Special Fund – the Special Fund does not have a dedicated revenue source.

- Big Bill transferred \$16.76 million of General Funds into the Special Fund (D.101(a)(4)), plus made a contingent General Fund appropriation of \$50.25 million from year-end surplus into the Special Fund (C.102(b)(11)).
- The Big Bill *authorized* several IT projects to be funded out of the Technology Modernization Special Fund, including \$20.25 million for Phase 2 of the DMV Core System Modernization project (E.105.2(c)(1)).
- While the Big Bill authorized the DMV project and appropriated the necessary money into the Special Fund to pay for the DMV project, the Big Bill did not include the necessary language explicitly *appropriating* the funds *from* the Special Fund to pay for the project.
- The BAA contains clarifying language in the B.1100s to appropriate the full \$20.25 million from the Technology Modernization Special Fund to ADS to be spent on the DMV project.
- E.105.2 of the BAA also cleans up unnecessary budgetary language – since the full \$20.25 million needed to fund the project is now available in FY 2023 from the FY 2022 year-end surplus (and appropriated elsewhere in the B.1100s to fund the DMV project), this language is no longer needed.