
Funding IIJA State Match FY2024, FY2025, and FY2026

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Agenda

- Overview the methodology for budgeting \$79M General Funds for Agency of Transportation's IJA/BIL State Match Opportunities
- Demonstrate the risk to the Agency's Capital Program if these match funds aren't available beginning in the FY2024 budget

FY 24 Governor's Recommend Budget Planning - Federal Match Gap FY2024 – FY2026

Program	Project Name	\$ in Millions			Grant Program
		Non-Federal Match	Federal Share	Total Project Cost	
All FHWA Formula Programs	Gap Funding for Formula Grants	\$ 32.6	\$ 130.5	\$ 163.1	IIJA/BIL Formula
Rail	Western Corridor Track Replacement or Washington County Railroad	\$ 10.0	\$ 40.0	\$ 50.0	IIJA Rail
State Bridge	Hartford (Queechee) - State Bridge	\$ 4.0	\$ 16.0	\$ 20.0	Competitive Bridge Program
State Bridge	Readsboro - State Bridge	\$ 5.6	\$ 23.1	\$ 28.7	Competitive Bridge Program
Public Transit	Public Transit	\$ 6.8	\$ 27.6	\$ 34.4	IIJA Public Transit
Interstate Bridge	Springfield Interstate Project	\$ 4.9	\$ 44.1	\$ 49.0	Infra
Paving	Orwell - Addison	\$ 7.2	\$ 28.8	\$ 36.0	RAISE/Infra
Roadway	Pittsford-Brandon	\$ 2.4	\$ 9.5	\$ 11.9	Rural/RAISE
State Bridge	Chester Bridge	\$ 3.7	\$ 14.7	\$ 18.4	Infra
Aviation	Airport Improvement Grants	\$ 1.8	\$ 7.2	\$ 9.0	IIJA Airport Improvement
		\$ 79.0	\$ 341.5	\$ 420.5	

Impact of Reduced Funding and “Cascade Effect”

If the Agency were to reduce project spending by this \$79M, it would jeopardize the Agency’s ability to program at minimum \$341.5M of federal aids against eligible planned projects. The budgetary impact by program is shown below. It depicts a state-fund project impact beyond \$79M in future years due to the “cascade effect” of delaying a FY’24 project to FY’25 (which would require additional FY’25 projects to be delayed, and then even more delays in FY’26, and so on). The result is a possible project impact of up to \$655.5M.

	\$ in Millions									Grand Total
	FY2024			FY2025			FY2026			
	State	Federal	Total	State	Federal	Total	State	Federal	Total	
Highways Division Projects	12.3	64.1	76.4	33.3	157.7	191.0	47.6	237.1	284.7	552.10
Rail Competitive Grants	-	-	-	5.0	25.0	30.0	5.0	25.0	30.0	60.00
Public Transit Investments	-	-	-	3.4	13.8	17.2	3.4	13.8	17.2	34.40
Airport Improvement Grants	-	-	-	0.9	3.6	4.5	0.9	3.6	4.5	9.00
Total	12.3	64.1	76.4	42.6	200.1	242.7	56.9	279.5	336.4	655.5

Additionally, as a general practice, there is never a more cost-effective time to begin large construction projects than the present. There is a significant inflationary factor in the construction sector that seems likely to persist over time. Any project that the Agency would have to delay today, would almost certainly cost more tomorrow.

Impact of Reduced State Funding – Project Detail

- 223 projects would have their schedules impacted:
 - 74 paving projects
 - 46 roadway projects
 - 16 bicycle and pedestrian projects
 - 10 rest area projects
 - 10 interstate bridge projects
 - 40 state highway bridge projects
 - 17 town highway bridge projects
 - 1 rail project
 - 1 aviation project
 - 10 public transit projects

See attached list and map for project details

Link to [VTransparency](#) for detail project information

AOT Funding Options

1. FY24 Governor's Recommend Proposal – Transfer \$79M General Fund to Transportation Fund
2. Allow AOT to use all Transportation Fund revenue for Agency initiatives
 - JTOC Appropriation to Public Safety - \$20.25M/year
 - Education Fund Receives one-third of Motor Vehicle Purchase and Use - ~\$50M/year
3. Transportation Infrastructure Bonding
4. Cut Programs and/or Delay Projects as outlined in the attached list and map
5. Propose Revenue Package to raise fees or fuel taxes
 - Note that the administration will not approve any tax or fee increase for Transportation funding unless or until the JTOC Appropriation is repealed and the Transportation Fund keeps 100% of Motor Vehicle Purchase and Use Tax

Questions?