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# FY2024 Governor's Recommended Budget

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JOE FLYNN, SECRETARY OF TRANSPORTATION

April 2023

## FY2024 Budget Overview

<b>Fund Source</b>	<b>FY2023 As Passed</b>	<b>FY2024 GOV REC</b>	<b>Increase (Decrease)</b>	<b>Percent Change</b>
STATE (T Fund)	299,059,743	310,753,570	11,693,827	3.91%
Federal	440,299,601	476,659,376	36,359,775	8.26%
Local/Other	56,200,474	21,678,725	(34,521,749)	-61.43%
TIB Fund	19,802,363	25,229,215	5,426,852	27.41%
Central Garage Fund	22,754,095	23,956,385	1,202,290	5.28%
<b>Total</b>	<b>838,116,276</b>	<b>858,277,271</b>	<b>20,160,995</b>	<b>2.41%</b>

## Funding Summary

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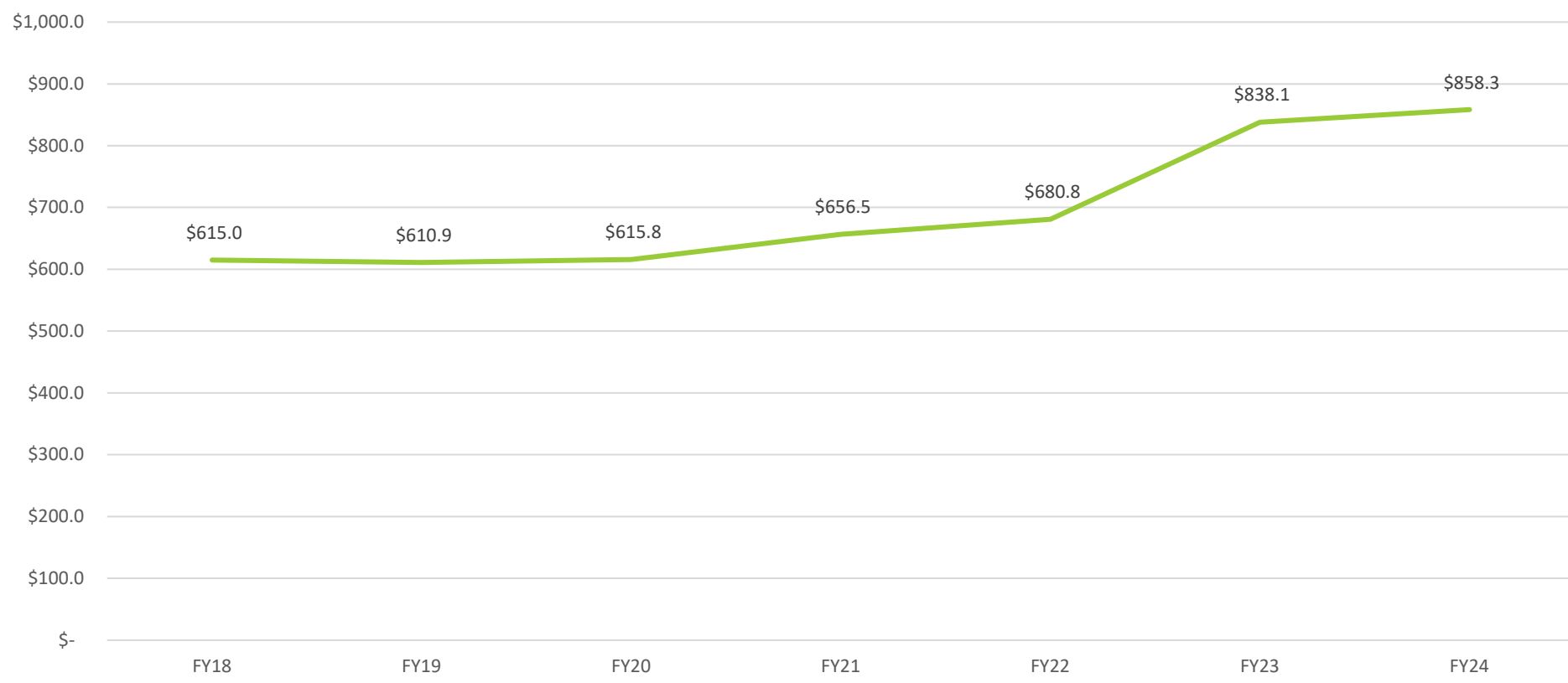
- No fee or tax increases proposed
- State Fund increase results from the total revenue forecast for FY24, a one-time General Fund transfer to the Transportation Fund (\$10.9M), and surplus funds from FY22 (reversions in “C” section of appropriations bill).
- Federal Funds increased due to the passage of the Infrastructure Investment and Jobs Act (IIJA)
- Local/Other increase is largely due to local share of project costs expected in FY24.

## State Fund Budget Pressures

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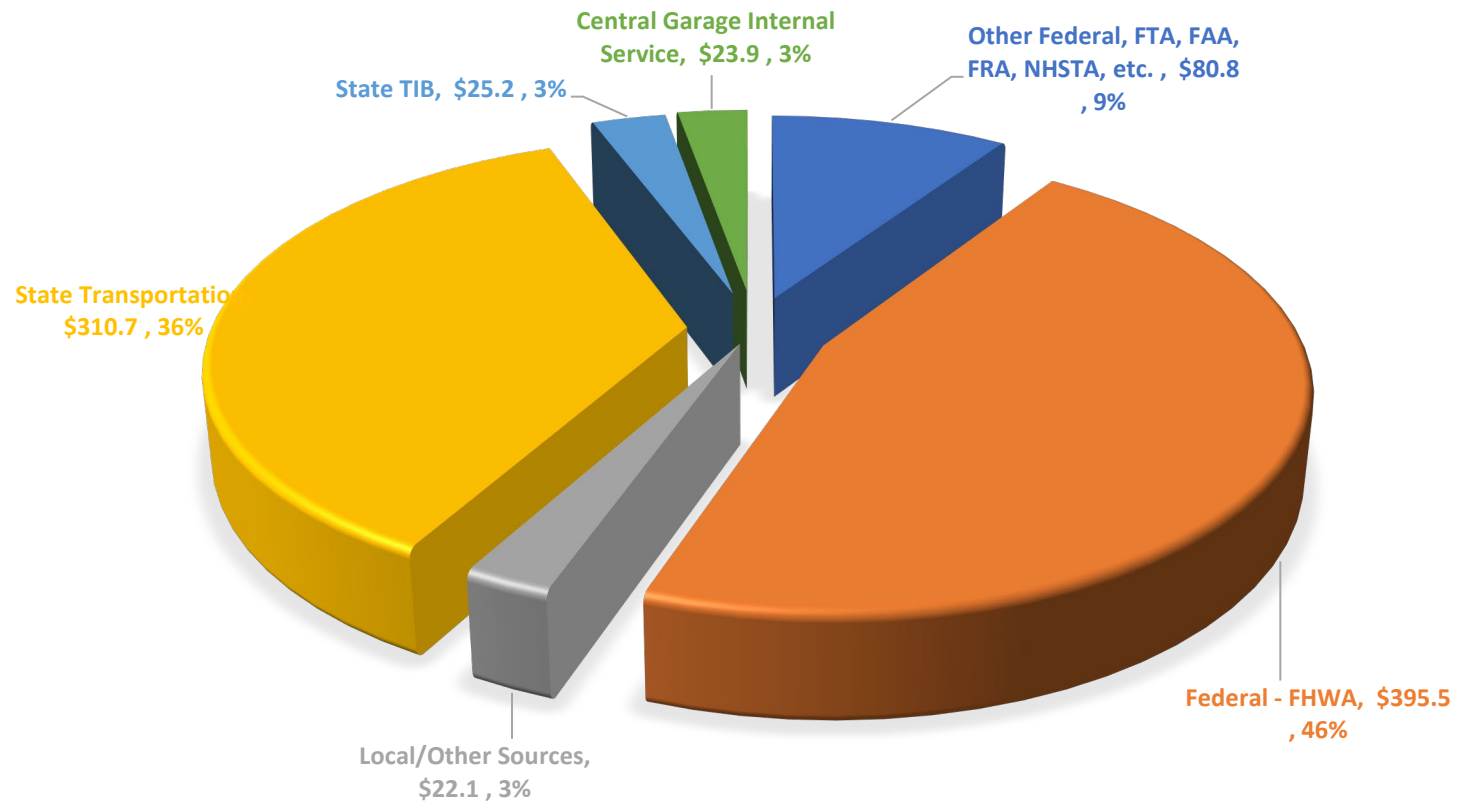
- \$4.7M salaries and benefits impact year over year
- \$500K increase for Statewide Allocations (Fee for Space, ADS, etc.)
- \$1.5M Formula increases for Town Highway Programs, Central Garage Equipment Fund, and Support of BGS Information Centers
- \$3M for the ePermitting project in DMV
- \$10.9M increase in State Fund need to match IJA funded projects

# Seven Year Budget History

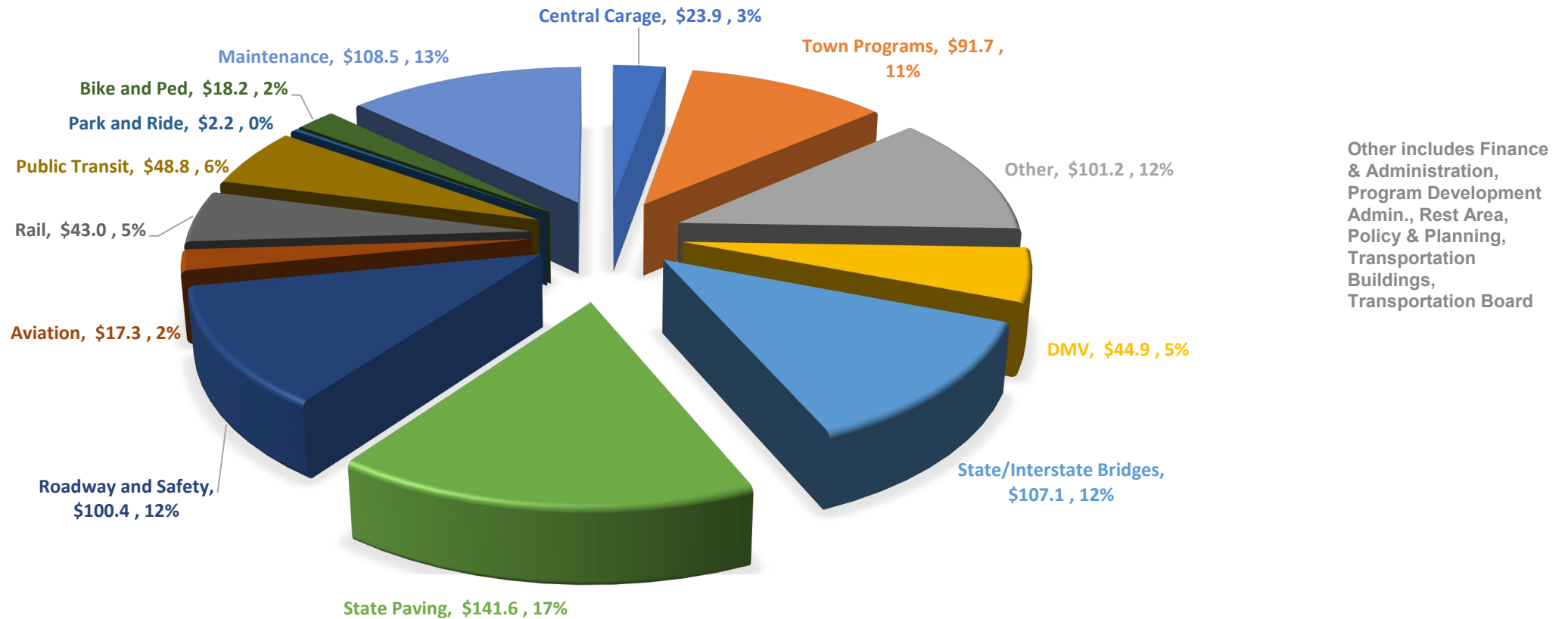


# FY24 Transportation Funding Sources \$858.3 (\$ Millions)

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# FY24 Transportation Funding Uses \$858.3 (\$ Millions)



# Grow Vermont's Economy

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- Vermont's economy relies on a multi-modal transportation system in good repair
- \$858.8M budget supports thousands of jobs
- \$91.7M (9.9% increase) to all Town Highway programs
- \$43.0M for Rail
  - Amtrak Ethan Allen Express into downtown Burlington
  - Opening new routes between The Greater Burlington Area and points south to Rutland, Albany, and NYC
  - Track and bridge upgrades to -286- ongoing from Rutland to Hoosick
- \$17.3M for Airport improvements
  - Airport projects at 8 (of 10) state airports (x Boylan and Caledonia) to include-
    - Improvements coming to the Franklin County Airport – runway rehab in FY23-24; runway extension in FY24-25
    - Runway improvements coming to Hartness Airport in Springfield – expected in FY24-25
    - New terminal construction planned for Northeast Kingdom International Airport – FY23-24
- Continue building Electric Vehicle charging infrastructure – a benefit to both Vermonters and tourism economy
- Paving projects (Hwy. Safety & Design) across 12 of VT Counties
- Bicycle-Pedestrian locations across 11 of VT Counties



# Protecting Vulnerable Populations Providing Transportation Choices

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- \$48.8M in Public Transit
  - Includes \$3M FTA direct funding to Green Mountain Transportation Authority
- \$8.8M for Amtrak service
- \$2.3M for Park & Rides
- \$13M for Bicycle and Pedestrian facilities
  - Sidewalks/paths in Arlington, Brattleboro, Chester, Dover, Enosburg Falls, Middlebury, Moretown, Richford, Royalton, Shelburne, South Burlington, St. Albans
  - Missisquoi and Lamoille Valley Rail Trail Development
- \$27.9M to assist lower income Vermonters with the transition to vehicle electrification, to plan for more resilient infrastructure, and to provide transportation mode options while reducing greenhouse gas emissions through a new program called Environmental Policy and Sustainability.
- \$6.4M investment in protecting Lake Champlain and other waterways

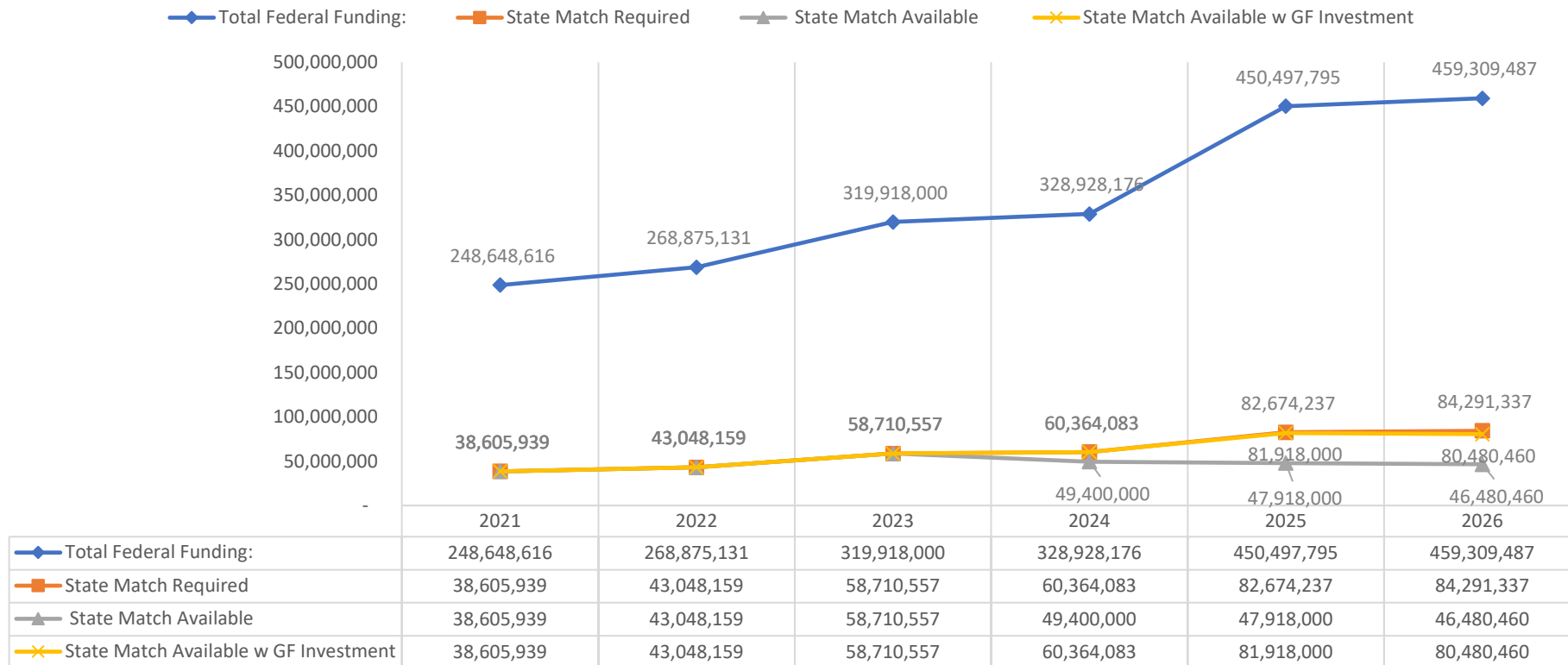
# Federal Funding Update

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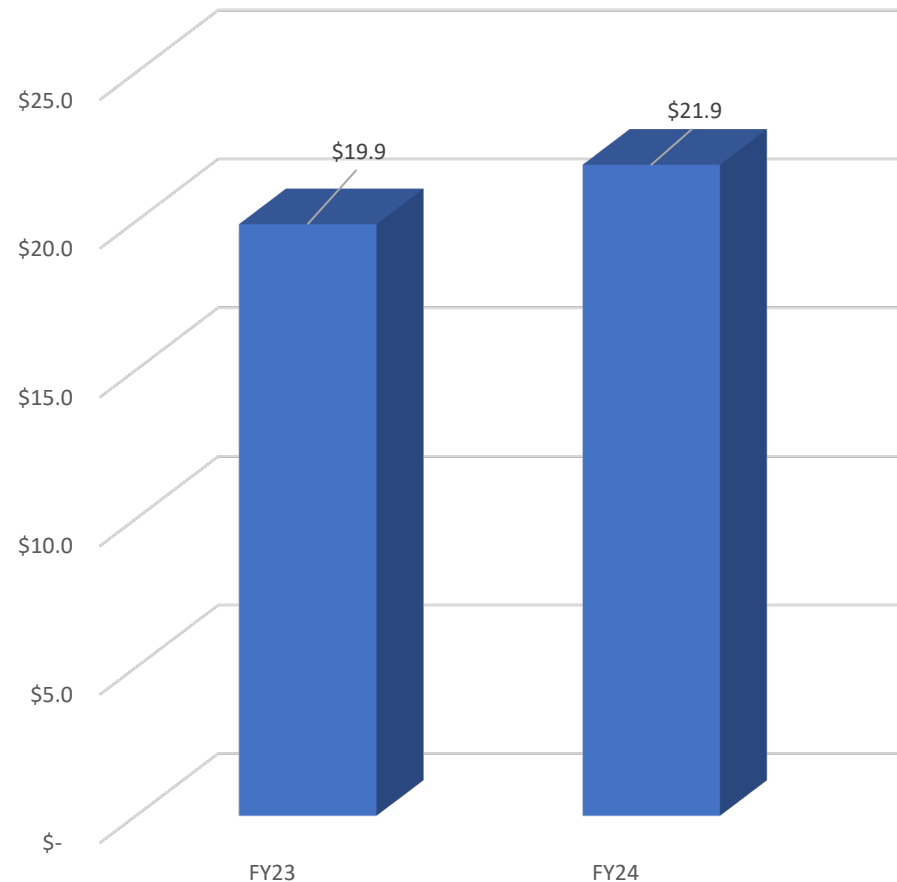
- Infrastructure Investment and Jobs Act of 2021 significantly increases the availability of federal funds to Vermont Transportation systems.
- General Fund investments of \$79M from FY24 (\$10.9M) through FY26 (\$68.1M) to fund non-federal match requirements
- FFY2022-2026 Federal Formula approximately 30% higher than previous FAST Act apportionments
  - Includes programming for the FY23 portion of the five-year \$225M Supplemental Bridge Program
  - Includes discretionary grant programs Vtrans is targeting for \$258.7M
    - Rail Competitive Program - \$50M
    - Competitive Bridge Program - \$50M
    - INFRA - \$67.4M
    - RAISE - \$47.9M
    - Public Transit - \$34.4M
    - Airport Improvement - \$9M

# Infrastructure Investment and Jobs Act (IIJA)

## IIJA STATE MATCH GAP

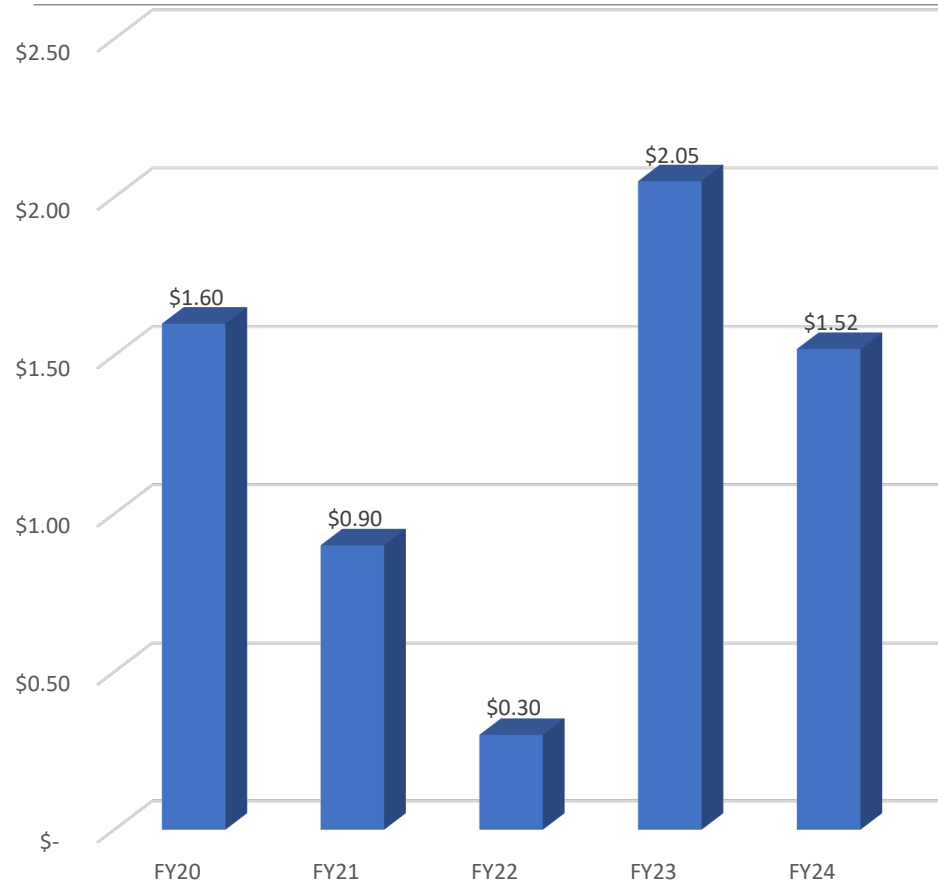


## Finance and Administration - \$21.9M



- Increase of \$2M (10%), for assumed salary, benefit and statewide allocation increases.
- Reduces \$2M one-time funding for STARS financial system replacement.

## Transportation Buildings - \$1.5M



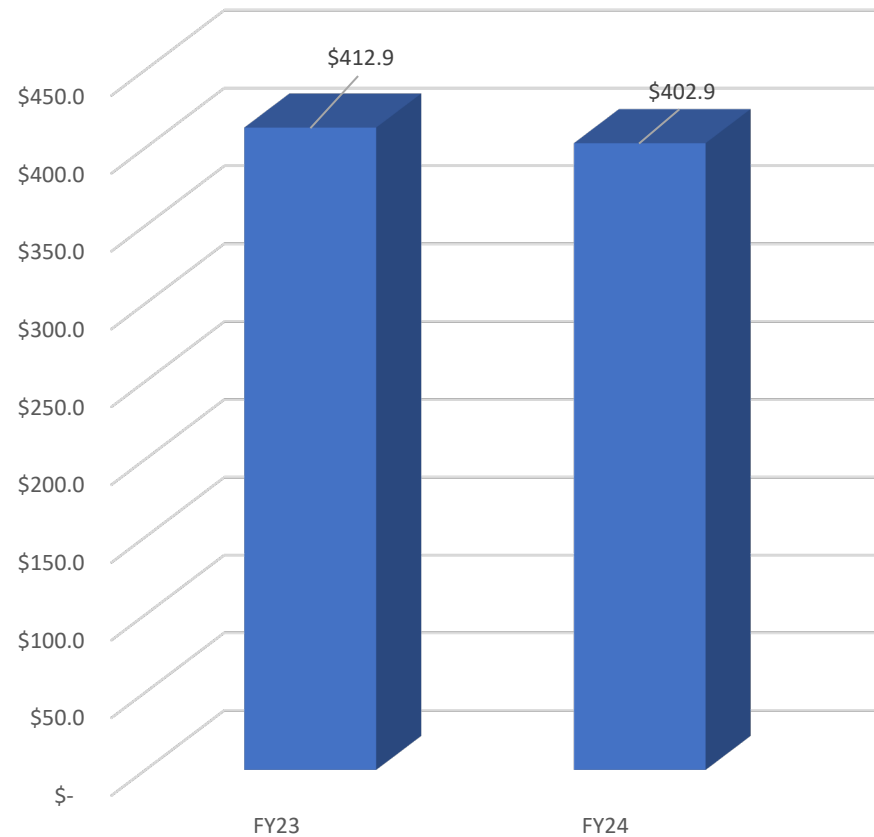
- \$525k decrease (-26%)
- Includes funding for facility repairs
  - heating systems, lighting, safety related improvements (\$300k)
- Includes the construction of Salt Sheds in North Hero and New Haven (\$600k each)
- \$3.5M request for St. Albans facility included in capital bill – shown in One-Time section below

## Aviation - \$17.3M



- \$7.8M increase (82%)
- Aviation is predominantly project driven
- Projects include
  - Highgate runway reconstruction and 1000 ft extension of runway and taxiway.
  - Coventry terminal building
  - Design project at Hartness (Springfield airport). Project will reconstruct the existing main runway 5-23
  - Rutland (Clarendon airport). Project rehabilitates the existing main runway 1-19
  - Bennington Airport - Apron rehabilitation

## Program Development Total - \$402.9M



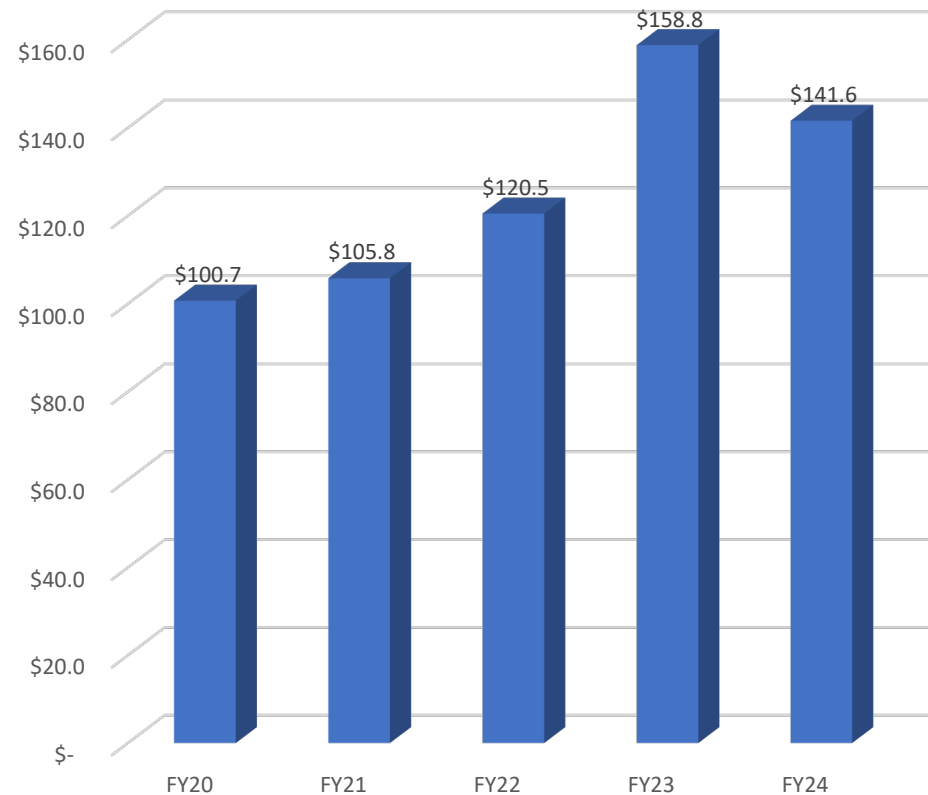
- \$10M decrease (-2.42%)
- Highway Programs are funded in Program Development Appropriation (B.903)
- Individual slides for each program follow

## Program Development by Program - \$402.9M

	FY2023 As Passed	FY2024 Request	CHANGE INC/(DEC)	CHANGE %
		TARGET		
<b><u>PROGRAM DEVELOPMENT</u></b>				
Paving	158,820,094	141,635,658	(17,184,436)	-10.8%
Interstate Bridge	36,731,681	50,323,324	13,591,643	37.0%
State Highway Bridge	57,838,207	57,403,086	(435,121)	-0.8%
Roadway	51,346,705	53,850,502	2,503,797	4.9%
Traffic & Safety	45,645,895	46,578,037	932,142	2.0%
Park & Ride	4,043,060	2,266,045	(1,777,015)	-44.0%
Bike & Pedestrian Facilities	19,793,776	13,039,521	(6,754,255)	-34.1%
Transportation Alternatives	5,665,880	5,195,346	(470,534)	-8.3%
Multi-Modal Facilities	0	0	0	
Program Development Administration	33,024,893	32,594,500	(430,393)	-1.3%
Total Program Development	412,910,191	402,886,019	(10,024,172)	-2.4%

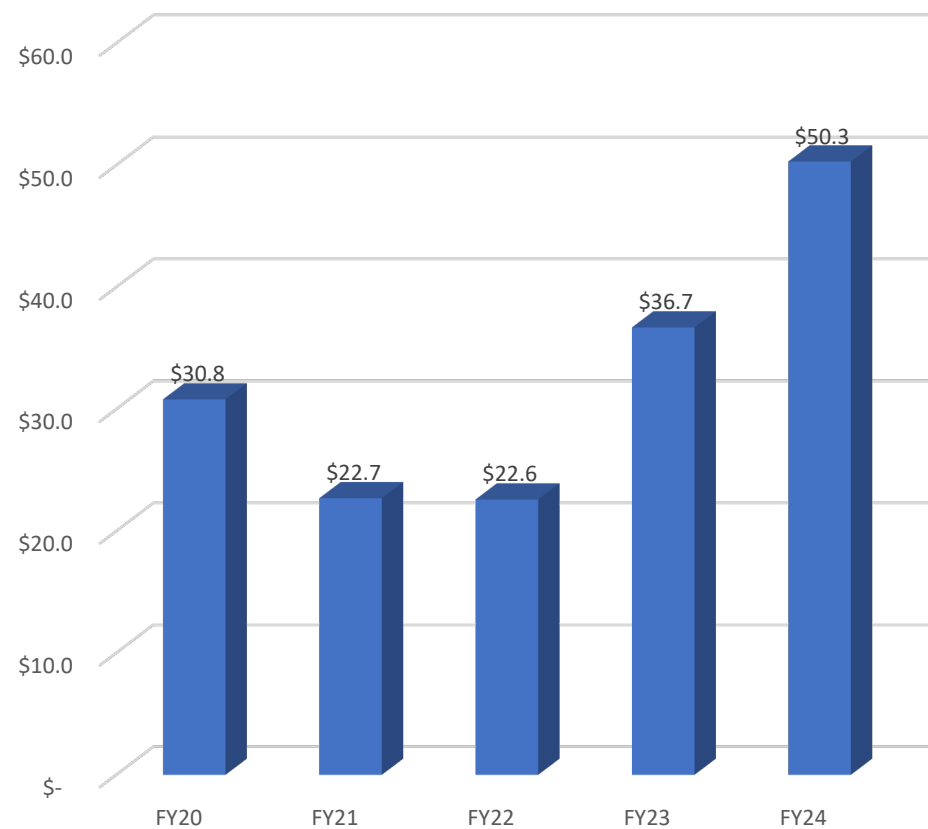


## Paving - \$141.6M



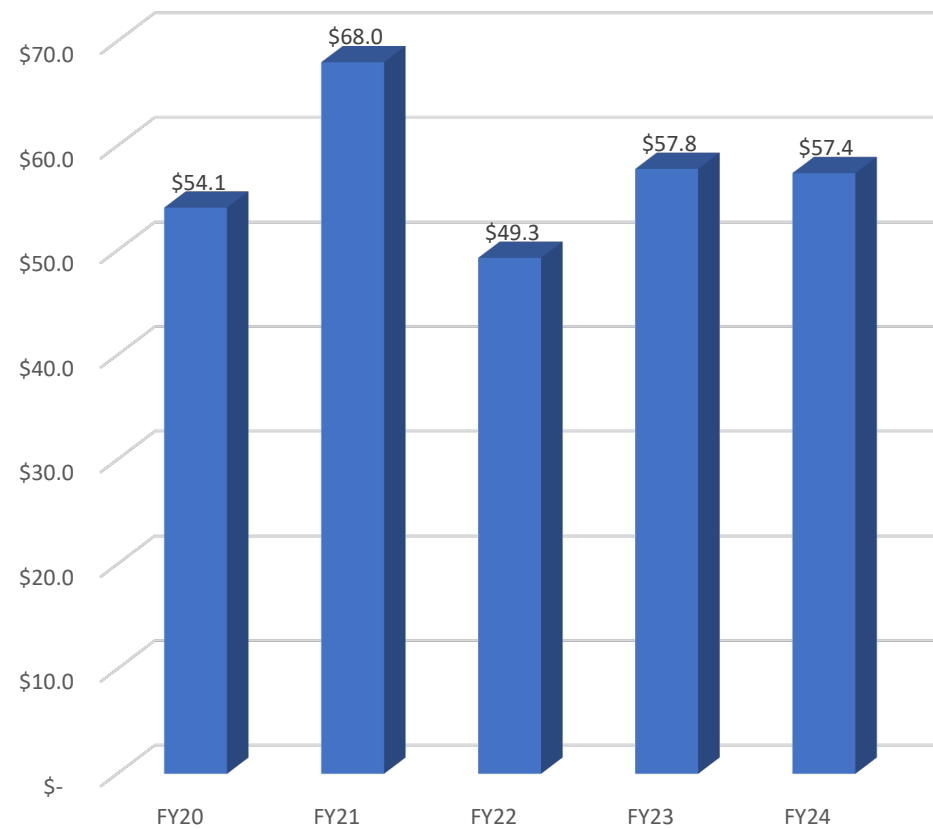
- \$17.2M decrease (11%)
- 11<sup>th</sup> consecutive year over \$100M
- Continued commitment to improved pavement conditions
- 49 projects with construction funding that will pave 455 miles
  - includes 71 miles of reclaim or concrete slab removal projects that will improve or widen shoulders to help with bike/ped access and mobility

## Interstate Bridge - \$50.3M



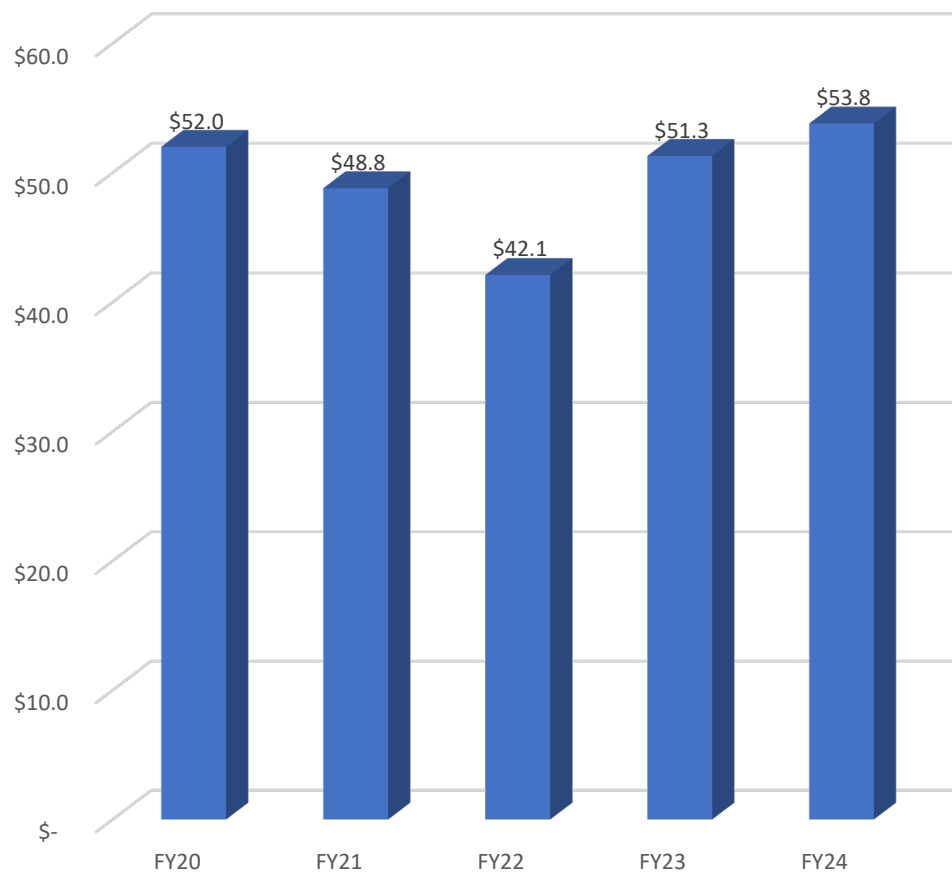
- \$13.6M increase (37%)
- Increase driven by additional federal funds available from the Infrastructure Improvement and Jobs Act
- Funds 25 total projects
- 9 projects funded for construction this year

## State Bridge - \$57.4M



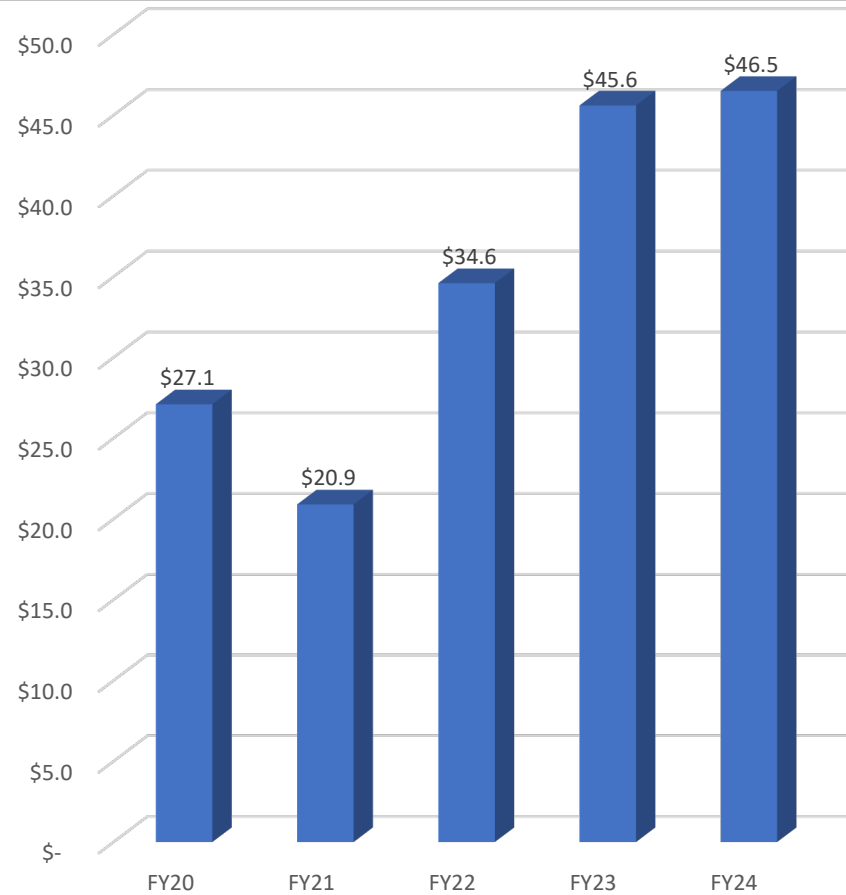
- \$600k decrease (0.7%)
- This funds 62 total projects including 18 large culverts

## Roadway Program - \$53.8M



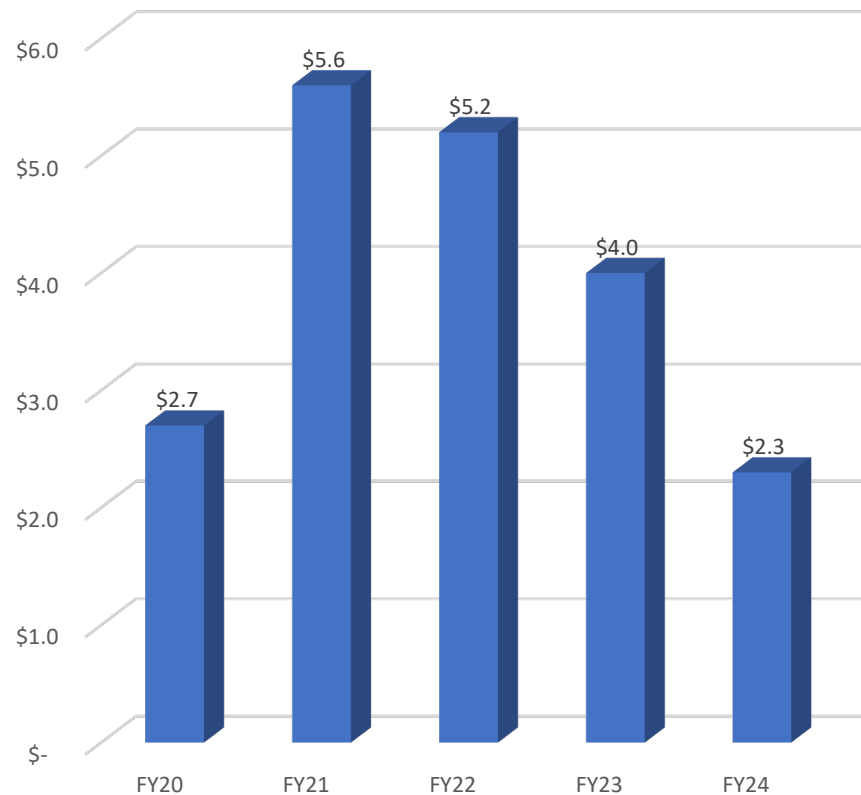
- \$2.5M increase (5%)
- 25 projects funded for construction this year
- Roadway projects include:
  - Corridor reconstructions
  - Shoulder widening
  - Slope/Ledge improvements
  - Concrete slab removal
  - Drainage and Stormwater improvements

## Traffic and Safety Program - \$46.5M



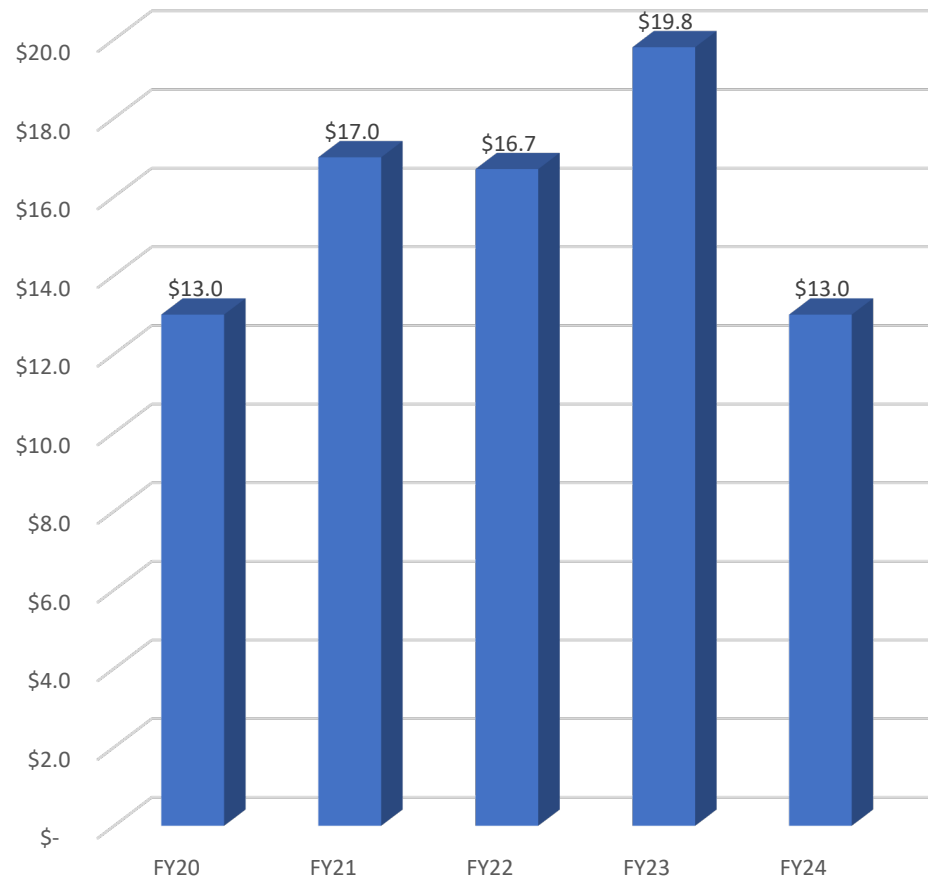
- \$1M increase (2%)
- 24 projects funded for construction this year
- Traffic and Safety projects include:
  - Intersection improvements
  - Sign replacements
  - Signal upgrades
  - Pavement markings
  - Pedestrian accommodations
- FY2024 projects include:
  - Colchester HES NH 56000(14) C/1 of Diverging Diamond - utilities & retaining wall
  - New Haven HES 032-1(8) - VT17 & East Street intersection realignment

## Park & Ride Facilities - \$2.3M



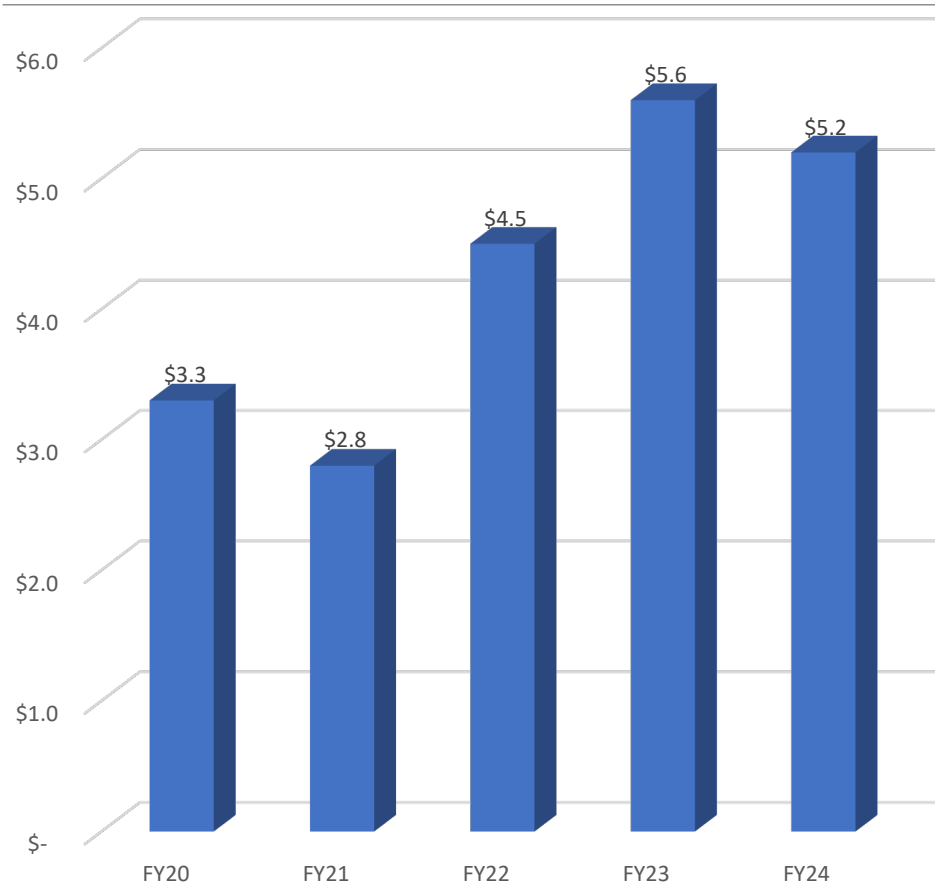
- \$1.7M decrease (-43%)
- Program budgets driven by project prioritization process
- Highlighted projects in FY24 include:
  - Continued construction of Williston Exit 12
- 142 new spaces added to the State Park & Ride System

## Bicycle & Pedestrian Facilities - \$13M



- \$6.8M decrease (-34%)
- Decrease largely attributed to the LVRT nearing completion
- Highlighted projects in FY24 include:
  - Sidewalks/paths in Arlington, Brattleboro, Chester, Dover, Enosburg Falls, Middlebury, Moretown, Richford, Royalton, Shelburne, South Burlington, St. Albans
  - Missisquoi and Lamoille Valley Rail Trail Development

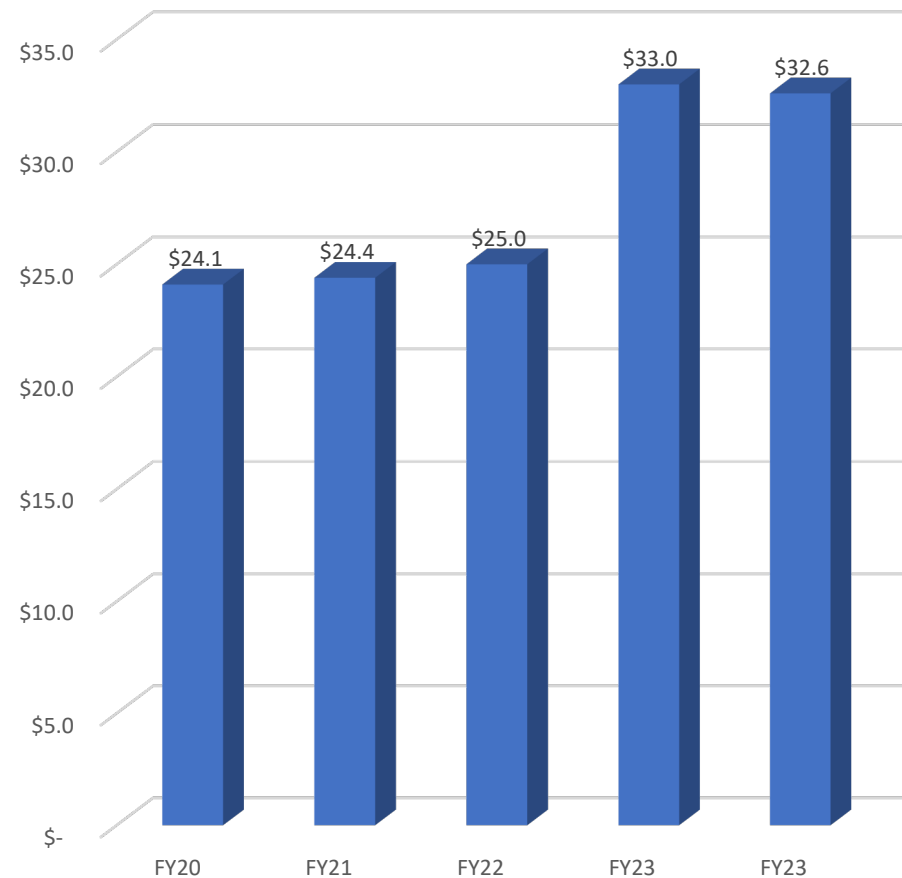
## Transportation Alternatives - \$5.2M



- \$400k decrease (-7%)
- Program focuses on bicycle and pedestrian improvements, environmental mitigation, and historic preservation
- 48 total projects funded, including 23 programmed for constructionL
  - 28 Bike/Ped Projects
  - 8 Salt Sheds
  - 8 Environmental Mitigation Projects
  - 2 Historic Preservation Projects

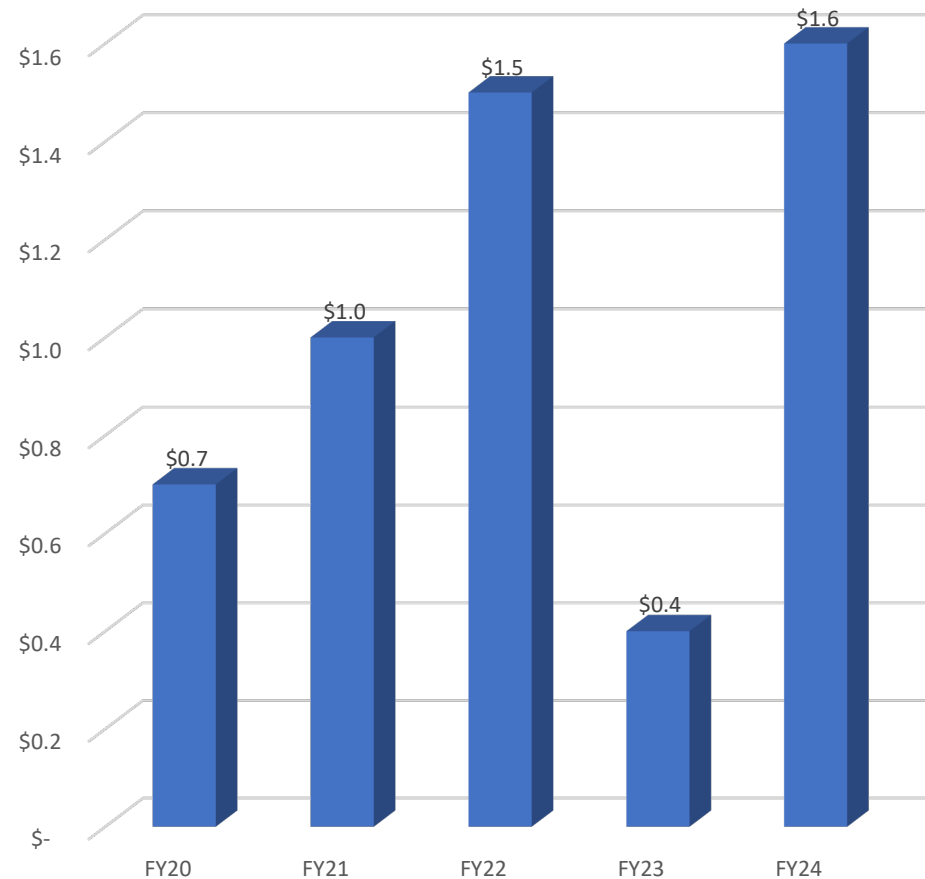


## Program Development Admin. - \$32.6M



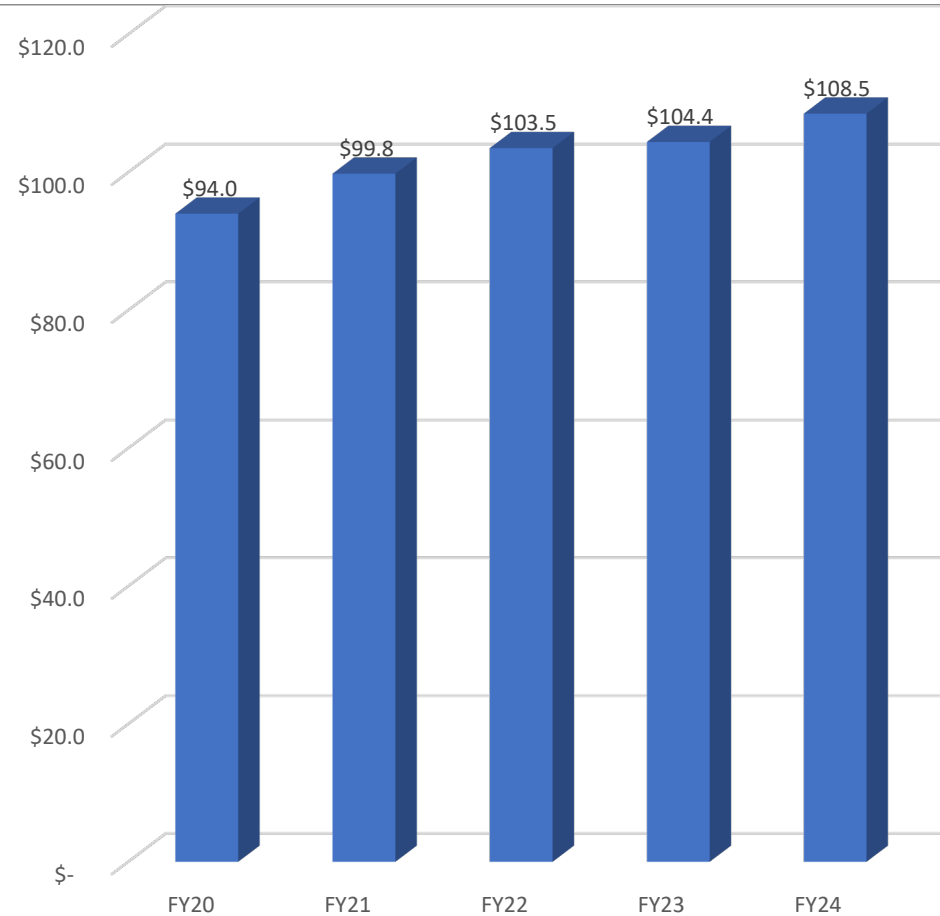
- \$400k decrease (1%)
- Includes \$1.35M for Salary and Benefit increase as well as statewide allocations
- Includes transfer of rent costs for Barre City Place to Finance and Administration appropriation to consolidate invoice processing

## Rest Areas - \$1.6M



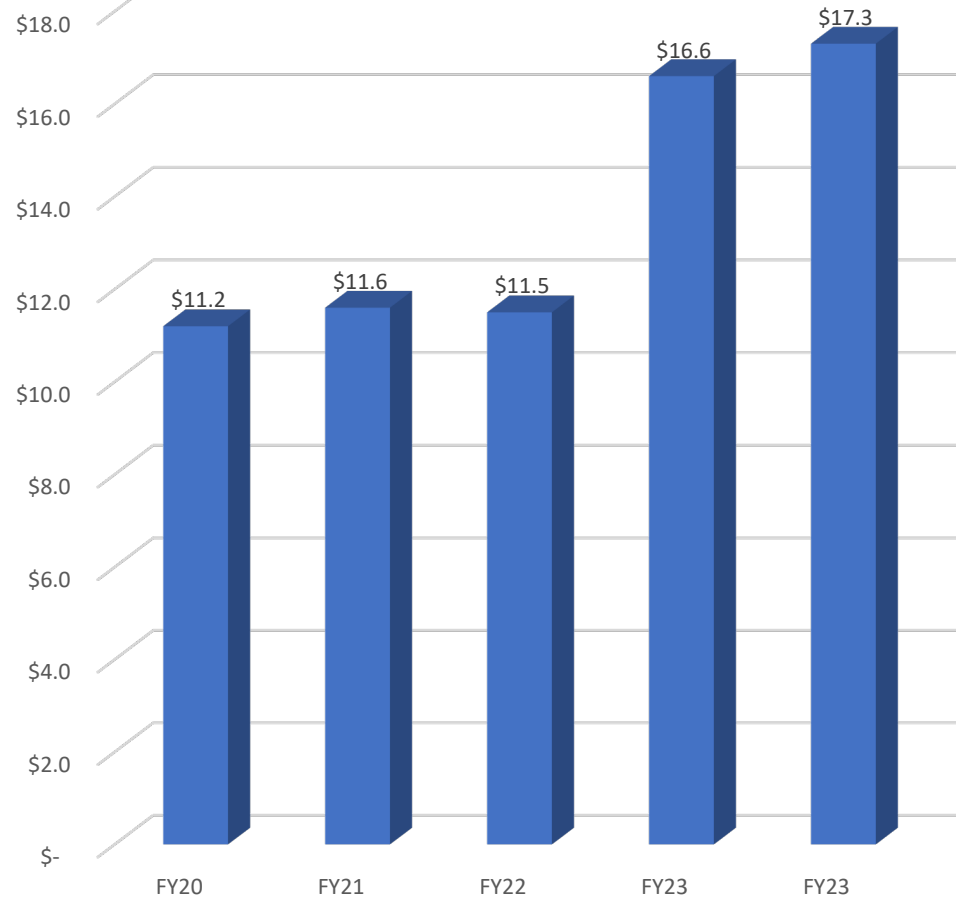
- \$1.2M Increase (300%)
- Funds only major maintenance and repair projects
- Includes capital projects only
- Information center operating costs are budgeted by BGS

## Maintenance - \$108.5M



- \$4.1M increase (3.9%)
  - Includes increase for payroll and Statewide allocations
  - Includes additional \$3.2M in Salt contracts per recent bids

## Policy and Planning - \$17.3M



- \$700k increase (4%)
- Increases due to Salary & Benefit increases, statewide allocations, and normal operating cost inflation

# Environmental Policy & Sustainability - \$27.9M

- New Program for the Agency
- Climate Mitigation
  - Electric Vehicle Incentives (\$14.2M – carry forward)
    - New PEVs, MileageSmart, Replace Your Ride, Electrify Your Fleet
  - Electric Vehicle Charging Infrastructure (\$7.62M)
  - Carbon Reduction Strategy Development and Projects (\$12.66M)
- Climate Adaptation
  - Resilience Planning (\$77K)
- General Environmental Policy Development and Coordination

<b>Environmental Policy and Sustainability: FY 2023 Appropriation</b>		0	0	0	0
<b>Per Diem and Other Personal Services</b>		472,695		1,536,823	2,009,518
	<b>Personal Services Subtotal:</b>	<b>472,695</b>	<b>0</b>	<b>1,536,823</b>	<b>2,009,518</b>
<b>Grants</b>			22,095,781	3,868,949	25,964,730
	<b>Grants Subtotal:</b>	<b>0</b>	<b>22,095,781</b>	<b>3,868,949</b>	<b>25,964,730</b>
<b>Subtotal of increases/decreases</b>		<b>472,695</b>	<b>22,095,781</b>	<b>5,405,772</b>	<b>0</b>
<b>Environmental Policy and Sustainability: FY 2024 Gov Recommend - Section B.906.1</b>		472,695	22,095,781	0	27,974,248

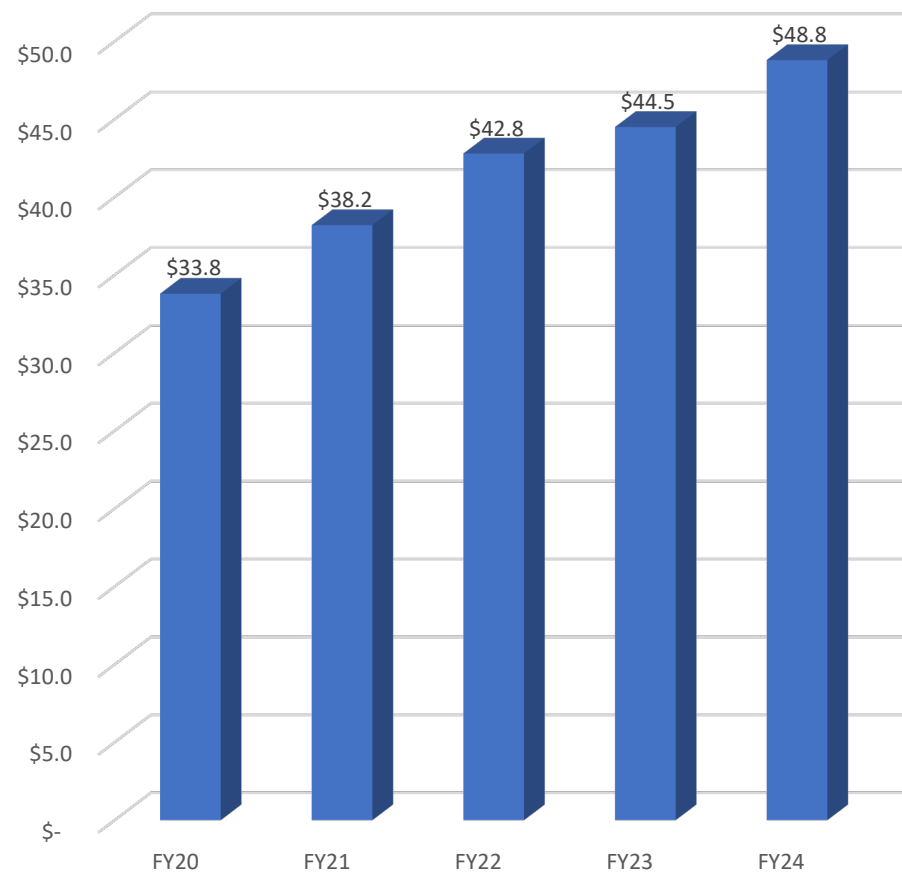
Prior to this proposed budget, program related expenditures for program objectives were included in the Policy, Planning & Research budget.  
 <FY 21 = 1 Position    FY 22 = 2 Positions    FY23 = 3 Positions    FY 24 = 5 Positions

## Rail - \$43M



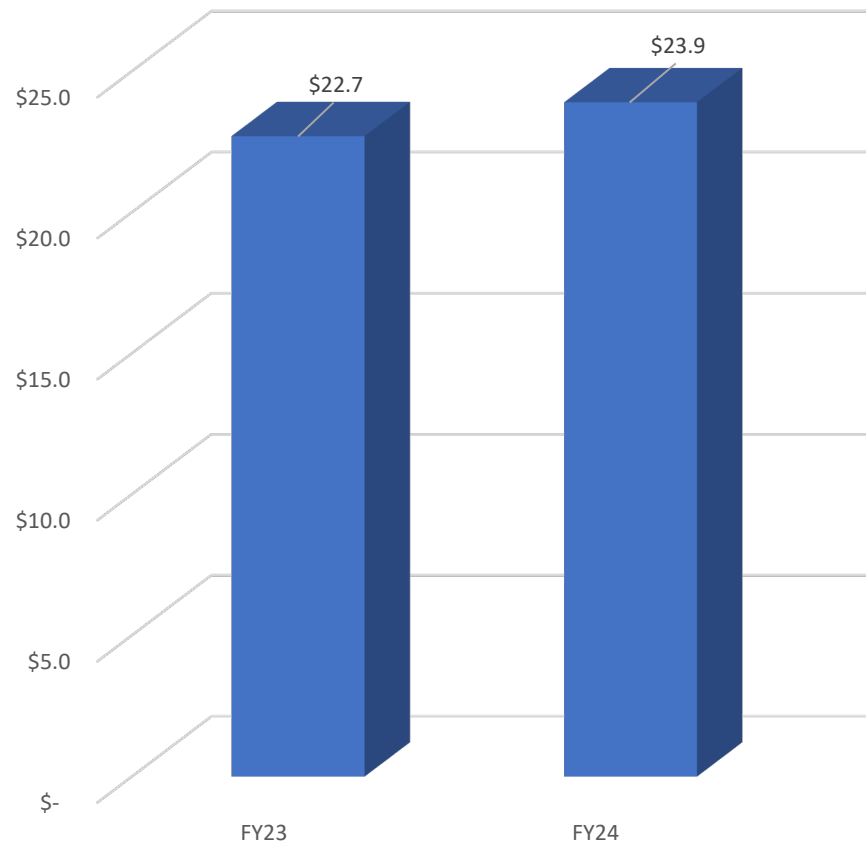
- \$4.7M Increase (21.8%)
- \$8.85M for Amtrak passenger service delivery
- Upgrade White River Junction station platform
- Includes non-federal match funding for competitive federal “BUILD” (Better Utilizing Investments to Leverage Development) grant
- Continue with Grant for Rutland-Hoosick bridges
  - \$28M BUILD project:
    - \$20M BUILD grant
    - \$7M from VTrans
    - \$1M from Vermont Rail Systems

## Public Transit - \$48.8M



- \$4.3M increase (10%). Budget now includes the FHWA transfer to GMT Urban, which accounts for \$3M of the \$4.3M increase.
- Projected to maintain all services meeting performance metrics/thresholds.
- Remaining Covid Relief funds being applied to updates scheduling and dispatch software.
- Capital plan includes:
  - \$5.25M for e-Buses
  - \$1.5M for new MVRTD Facility, \$1.75M for all other facilities
  - \$7.5M for ICE Replacement Vehicles

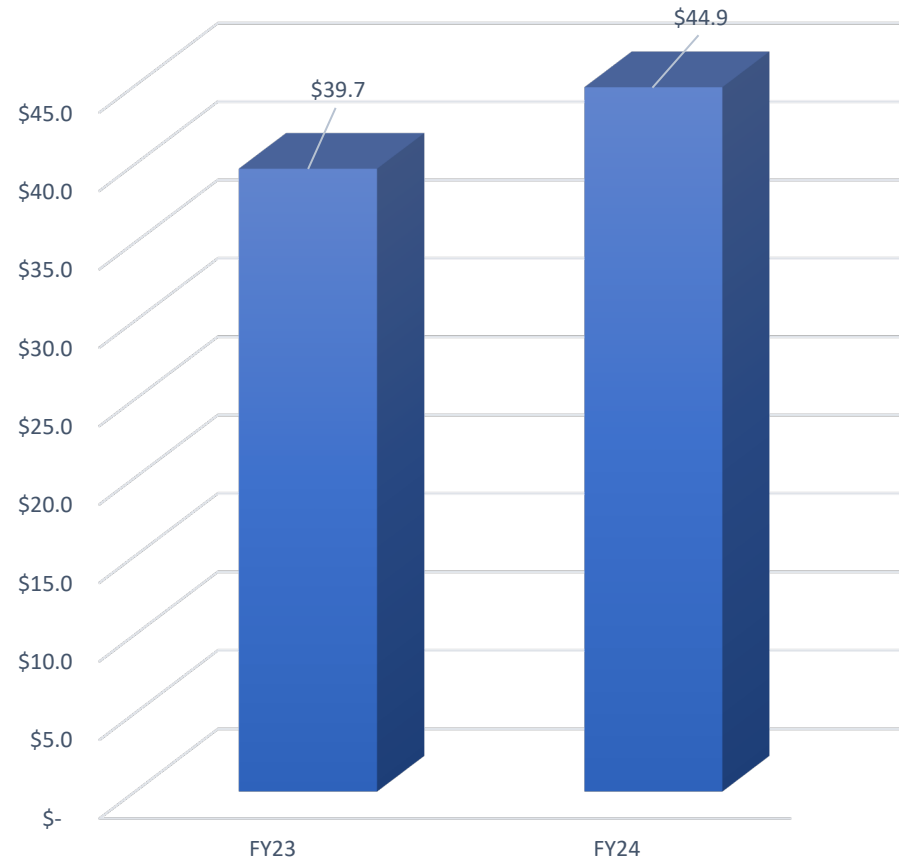
## Central Garage - \$23.9M



- \$1.2M increase (5%)
- Includes \$8.3M investment in equipment replacement
- Maintains, procures and administers VTrans' fleet
- Central Garage operates as an internal service fund

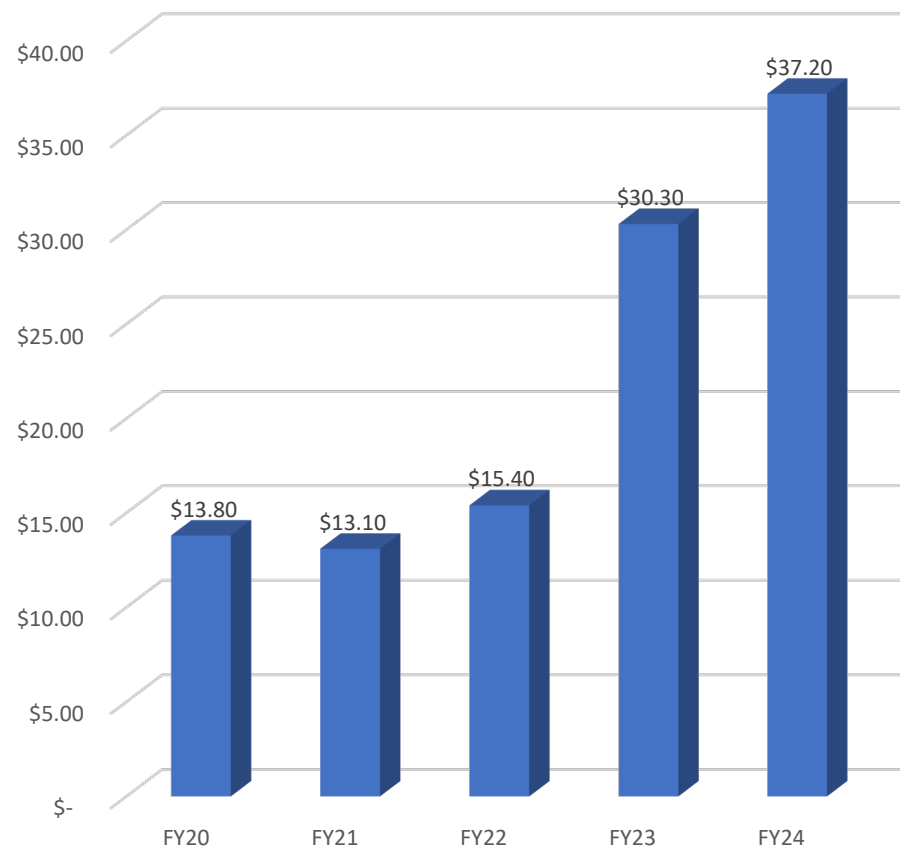


## Dept. of Motor Vehicles - \$44.9M



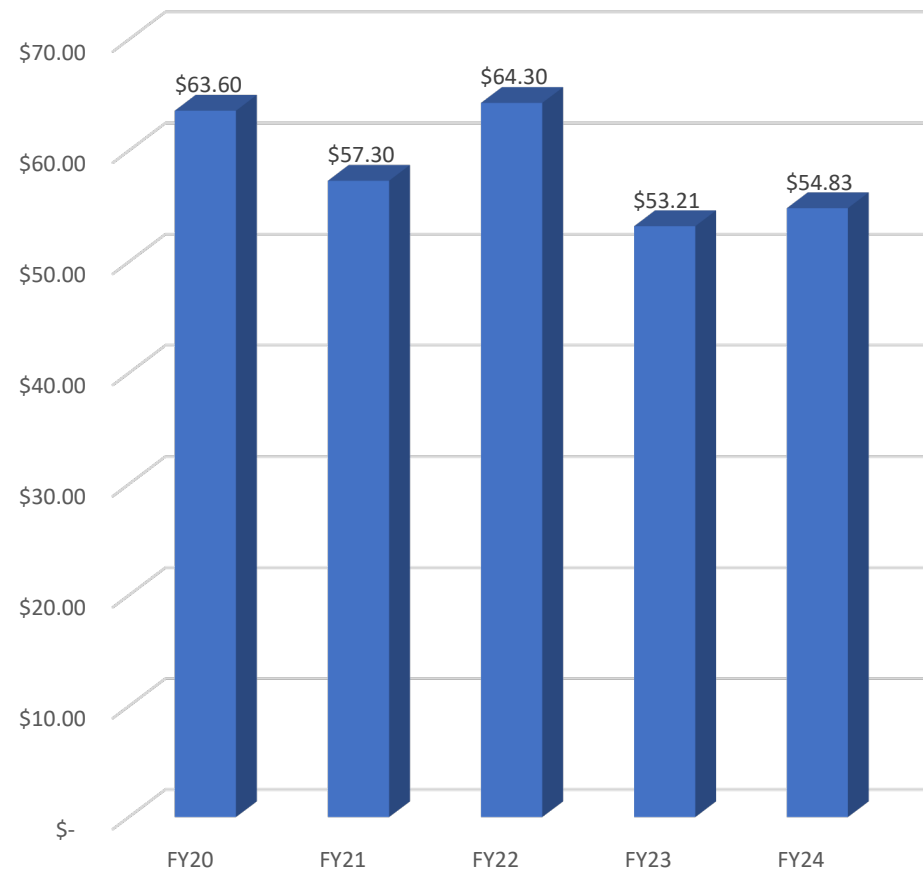
- \$5.2M increase (13%)
- Continues current service levels and represents transitional needs for future operating state.
- DMV will collect an estimated \$369.9M in taxes and fees in FY2024
- Salary & fringe benefits increase of \$1.59M
- Reflects an increased cost of \$285k in bank service charges
- \$2.34M net increase in contractual services for ePermitting new solution and continuation of existing contracts to serve customers

## Town Highway Bridge - \$37.2M



- \$6.9M increase (23%)
- Adding 21 projects in FY24 -mostly covered bridges and trusses
  - The construction of these projects will be a 100% Federal participation thanks to IIJA. Communities have welcomed the opportunity to have this assistance.
- Several other large bridge projects have been identified on Class I town highways for scoping in FY 24
- The VA Cutoff bridge replacement project in Hartford was advertised and awarded. The project is significant and expected to be completed in the fall of 2024.

## Town Highway Programs - \$54.8M

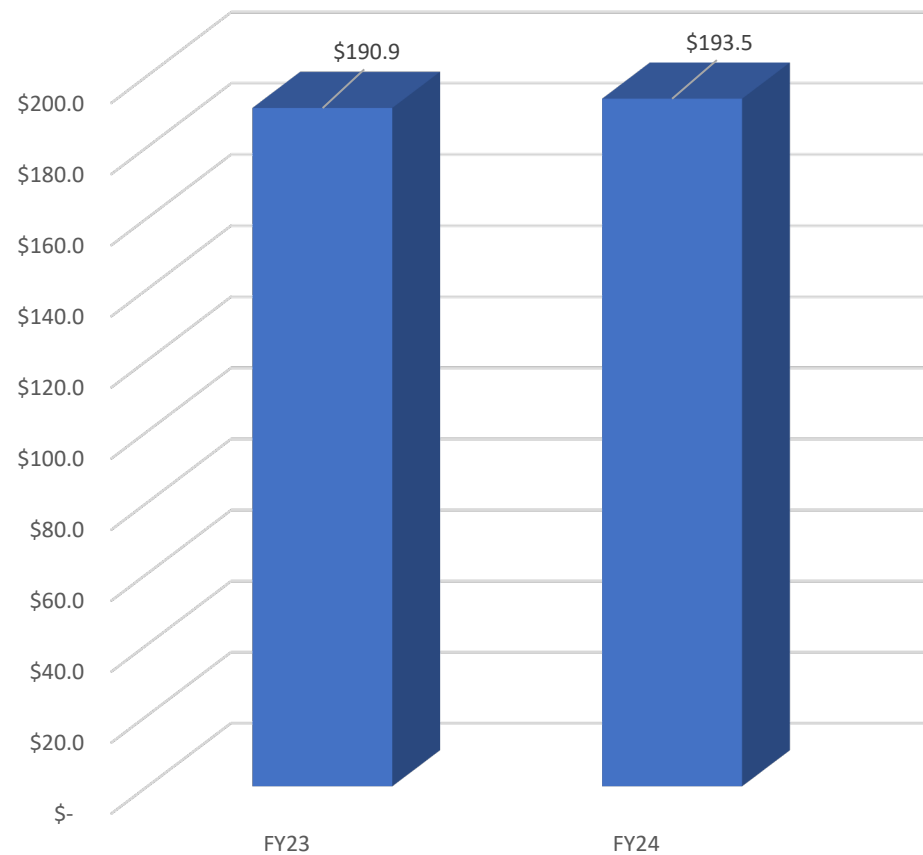


- \$1.6M Increase (3%)
  - All programs funded at statutory funding levels

# Town Highway Grant Programs Total - \$91.8M

TOTAL FUNDS COMPARISON				
	FY2023 As Passed	FY2024 Request	CHANGE INC/(DEC)	CHANGE %
		TARGET		
<b><u>TOWN HIGHWAY BRIDGES</u></b>	30,314,187	37,201,775	6,887,588	22.7%
	0	0		
<b><u>TH STRUCTURES</u></b>	7,200,000	7,416,000	216,000	3.0%
	0	0		
<b><u>TH CLASS 2 ROADWAY PROGRAM</u></b>	8,600,000	8,858,000	258,000	3.0%
	0	0		
<b><u>TH - NONFEDERAL DISASTERS</u></b>	1,150,000	1,150,000	0	0.0%
	0	0		
<b><u>TH - FEDERAL DISASTERS</u></b>	180,000	180,000	0	0.0%
	0	0		
<b><u>TH AID PROGRAM</u></b>	27,837,624	28,672,753	835,129	3.0%
	0	0		#DIV/0!
<b><u>TH CLASS 1 SUPPLEMENTAL GRANTS</u></b>	128,750	128,750	0	0.0%
	0	0		
<b><u>TH VERMONT LOCAL ROADS</u></b>	414,481	477,915	63,434	15.3%
	0	0		
<b><u>MUNICIPAL MITIGATION ASSISTANCE PROGRAM</u></b>	6,450,498	6,450,498	0	0.0%
	0	0		
<b><u>TH PUBLIC ASSISTANCE GRANTS</u></b>	1,250,000	1,250,000	0	0.0%
Total "Town Highway" Programs	83,525,540	91,785,691	8,260,151	9.9%

## Transportation Board - \$193,480



- \$2,518 increase (1.3%)
- Increases due to COLA and statewide allocated costs

# AOT One-Time (Ups and Downs)

- \$3M General Fund for Rail Trail Community Connectivity Grants
- \$3.5M Capital Funds (via General Fund) for St. Albans District Maintenance Facility.

	Transp \$\$	TIB \$\$	Federal \$\$	Local \$\$	InterDept.\$\$	All other \$\$	Total \$\$	Change	Total FY2024 Budget
<b>AOT - Various Initiatives FY23 Appropriation</b>	<b>550,000</b>		<b>2,000,000</b>			<b>43,650,000</b>	<b>46,200,000</b>		
Salaries and Wages	0		0			0	0		0
Fringe Benefits	0		0			0	0		0
Contractual & 3rd Party Services	0		0			(43,650,000)	(43,650,000)		0
Per Diem and Other Personal Services	0		0			0	0		2,009,518
		Personal Services Subtotal:	0			(43,650,000)	(43,650,000)		2,009,518
Equipment	0		0			0	0		0
IT/Telecom Services and Equipment	0		0			0	0		0
IT Repair & Maintenance Services	0		0			0	0		0
Other Operating Expenses	0		0			0	0		0
Other Rental	0		0			0	0		0
Other Purchased Services	0		0			0	0		0
Property and Maintenance	0		0			3,500,000	3,500,000		0
Property Rental	0		0			0	0		0
Supplies	0		0			0	0		0
Travel	0		0			0	0		0
		Operating Subtotal:	0			3,500,000	3,500,000		0
Grants	(550,000)		(2,000,000)			3,000,000	450,000		4,490,482
		Grants Subtotal:	(2,000,000)			3,000,000	450,000		4,490,482
<b>Subtotal of increases/decreases</b>	<b>(550,000)</b>		<b>(2,000,000)</b>			<b>(37,150,000)</b>	<b>(39,700,000)</b>		
<b>AOT - Various Initiatives FY24 Gov Recommend - Section B</b>	<b>0</b>		<b>0</b>			<b>6,500,000</b>	<b>6,500,000</b>		<b>6,500,000</b>

Questions?