



STATE OF VERMONT
GENERAL ASSEMBLY
HOUSE COMMITTEE ON
APPROPRIATIONS

REP. MITZI JOHNSON, CHAIR
REP. PETER J. FAGAN, VICE CHAIR
REP. KATHLEEN C. KEENAN, RANKING
MEMBER
REP. MARTY FELTUS
REP. BOB HELM
REP. MARY S. HOOPER
REP. DIANE LANPHER
REP. ANNE THERESA O'BRIEN
REP. ALBERT "CHUCK" PEARCE
REP. KITTY BEATTIE TOLL
REP. MATTHEW TRIEBER
THERESA UTTON-JERMAN, ASSOCIATE
MARIA BELLIVEAU, AFISCALO

MEMORANDUM

To: Rep. Brennan, Chair, House Committee on Transportation

From: Maria Belliveau

Date: February 12, 2015

Subject: Review of Provisions in Governor's Proposed FY 2016 Budget

The House Appropriations Committee is in the process of taking testimony on the Governor's fiscal year 2016 budget proposal. There are several provisions that fall under the jurisdiction of the House Committee on Transportation. Some provisions are included for informational purposes; however, you are welcome to comment on any of them. It would be helpful if your committee could review the provisions and provide recommendations by March 11th.

Please find below the items that I would like your committee to review. Thank you very much for your consideration.

Sec. D.101 FUND TRANSFERS AND RESERVES

(a) Notwithstanding any other provision of law, the following amounts are transferred from the funds indicated:

(2) from the Transportation Fund to the Downtown Transportation and Related Capital Improvement Fund established by 24 V.S.A. § 2796 to be used by the Vermont Downtown Development Board for the purposes of the Fund: \$423,966.

EXPLANATION: Transportation Fund transfer to the Downtown Transportation and Related Capital Improvement Fund is increased by \$40K from FY 2015 to enhance the program.

(3) from the Transportation Infrastructure Bond Fund established by 19 V.S.A. § 11f to the Transportation Infrastructure Bonds Debt Service Fund for the purpose of funding fiscal year 2016 transportation infrastructure bonds debt service: \$2,501,413.

EXPLANATION: According to 19 V.S.A. § 11f (d), until transportation debt service is paid in full, no other use of Transportation Infrastructure Bond Funds (TIB) is permitted. This transfer will enable the use of TIB funds for the FY 2017 construction season beginning July 1, 2016.

Sec. E.805 24 V.S.A. Sec. 2796 is amended to read:

Sec. 2796. Downtown transportation and related capital improvement fund

(a) There is created a downtown transportation and related capital improvement fund, to be also known as the fund, which shall be a special fund created under subchapter 5 of chapter 7 of Title 32, to be administered by the Vermont downtown development board in accordance with this chapter to aid municipalities with designated downtown districts in financing capital transportation and related improvement projects to support economic development.

* * *

(c) Any municipality with a designated downtown development district may apply to the Vermont downtown development board for financial assistance from the fund for capital transportation and related improvement projects within or serving the district. The board may award to any municipality grants in amounts not to exceed \$250,000.00 annually, loans, or loan guarantees for financing capital transportation projects, including but not limited to construction or alteration of roads and highways, parking facilities, and rail or bus facilities or equipment, or for the underground relocation of electric utility, cable and telecommunications lines, but shall not include assistance for operating costs. Grants awarded by the board shall not exceed ~~50~~ 80 percent of the overall cost of the project. The approval of the board may be conditioned upon the repayment to the fund of some or all of the amount of a loan or other financial benefits and such repayment may be from local taxes, fees or other local revenues sources. The board shall consider geographical distribution in awarding the resources of the fund.

(d) ~~Each fiscal year, \$40,000.00 of the~~ The fund shall be available to the department of housing and community affairs development for the reasonable and necessary costs of administering the fund.

EXPLANATION: This amendment in (c) increases the allowable share for projects chosen for funding from the Downtown Fund from 50% to 80%, which reduces the proportion required from the municipality from 50% to 20%. The amendment in (d) recognizes that the administrative costs are not realistically \$40K (and have not been for years), and that they change every year, depending on state employee bargained raises among other factors. Referring to them as “reasonable and necessary” costs of administration gives the Department the necessary flexibility.

Sec. E.900 19 V.S.A. Sec. 11a is amended to read:

Sec. 11a. Transportation funds appropriated for the Department of Public Safety

No transportation funds shall be appropriated for the support of government other than for the Agency, the Board, Transportation Pay Act Funds, construction of transportation capital facilities, transportation debt service, the operation of information centers by the Department of Buildings and General Services, and the Department of Public Safety. The amount of transportation funds appropriated to the Department of Public Safety shall not exceed:

- (1) \$25,250,000.00 in fiscal year 2014;
- (2) \$22,750,000.00 in fiscal ~~year~~ years 2015 and 2016; and
- (3) \$20,250,000.00 in fiscal year ~~2016~~ 2017 and in succeeding fiscal years.

EXPLANATION: A further reduction in the amount of Transportation Fund available to the Department of Public Safety is postponed by one year.

Sec. E.909 Transportation – central garage

(a) Of this appropriation, \$7,123,455 is appropriated from the Transportation Equipment Replacement Account within the Central Garage Fund for the purchase of equipment as authorized in 19 V.S.A. § 13(b).

EXPLANATION: 19 VSA Sec 13(c) requires the amount to be distinctly appropriated.

Sec. E.915 Transportation – town highway aid program

(a) This appropriation is authorized, notwithstanding the provisions of 19 V.S.A. § 306(a).

EXPLANATION: Standard language.

Response of the House Transportation Committee

Date: March 11, 2015

The House Transportation Committee has reviewed and approved the Administration's proposed Big Bill language sections concerning transportation detailed above. We request that the following section be added to the Big Bill to correct an error in the FY15 Budget Adjustment bill:

Sec. XX. 2015 Acts and Resolves No. XXX, Sec. 61 (a) (4) is amended to read:

(4) The following amounts shall be transferred to the Transportation Infrastructure Bond Fund from the Transportation Fund: ~~3,150,000.00~~ 2,500,000.00

Explanation: This amends an error in H. 82 (budget adjustment act) that overstated the amount of transfer by \$650,000. A reduction of \$650,000 in the Town Highway Structures appropriation was needed to balance the Transportation Fund, and this portion of the total reduction of \$3,150,000 in Transportation Funds to the Town Highway Structures appropriation was incorrectly added to the intended transfer of \$2,500,000.