

## FY2019 TRANSPORTATION PROGRAM

Fund Source	FY2018 As Passed	FY2019 GOV REC	Increase (Decrease)	Percent Change
<b>STATE (TFund)</b>	249,382,048	255,072,742	5,690,694	2.3%
<b>FEDERAL</b>	325,648,972	316,517,135	(9,131,837)	(2.8%)
<b>LOCAL/OTHER</b>	5,819,776	4,604,357	(1,215,419)	(21%)
<b>TIB FUND</b>	12,195,312	13,202,337	1,007,025	8.3%
<b>GO BONDS</b>	1,400,000	2,400,000	1,000,000	71%
<b>CENTRAL GARAGE FUND</b>	20,054,911	20,684,524	629,613	3.1%
<b>TOTAL</b>	<b>614,501,019</b>	<b>612,481,095</b>	<b>(2,019,924)</b>	<b>(0.3%)</b>

The Governor’s proposed FY2019 Transportation Budget is \$612 million. This is a decrease of \$2 million (0.3 percent) from FY2018.

State funds (TF + TIB) increased by \$6.7 million (2.6 percent) The increase results from anticipated increase in revenue from leasing highway rights of way. This budget proposes no new transportation revenues or bonds. It is balanced to the January 2018 current law consensus revenue forecast. This is consistent with the Governor’s goal of making Vermont affordable.

The Governor’s recommended budget is fiscally constrained to our best estimate of available federal funds. In late 2015, Congress passed a new Federal Transportation authorization titled “Fixing America’s Surface Transportation”, or FAST Act. The FAST Act is estimated to provide an additional \$100 million plus to Vermont over the five-year period FFY2016 – FFY2020. Available formula-based FHWA funding in FFY2017 increased by \$4 million over the prior year, to a record \$212.5 million. The proposed FY2019 Transportation Program includes lesser levels of federal earmark and discretionary funds. Federal funds decreased by \$9 million (2.8 percent) from FY2018.

This budget optimally allocates available transportation resources in a manner that best supports VTrans’ vision of a safe, efficient and multimodal transportation system that promotes Vermont’s quality of life and economic wellbeing. It emphasizes safety, preservation and maintenance of the existing transportation system, economic development, and energy efficient transportation choices.

Growing Vermont’s economy requires a 21<sup>st</sup> Century infrastructure. This budget makes sound investments in our infrastructure that will grow the Vermont economy not only by directly supporting jobs in the construction industry, but also by supporting other important economic sectors. Recent years’ record level investment in our infrastructure are yielding positive results. Since 2008, we have experienced an overall improvement in pavement quality and in the condition of our structures. In 2008, Vermont ranked near the bottom of all states – 45<sup>th</sup> in the nation – for numbers of structurally deficient bridges. By 2016 we improved that ranking to 13<sup>th</sup>. Our percentage of structurally deficient highway bridges has declined from 18.4 percent in 2008 to 5

percent in 2016. We have also made progress at improving our pavement conditions. The percentage of pavements rated in very poor condition declined from a high of 36 percent in 2008 to only 11 percent in 2017, which is a decline from 14 percent in 2016. To continue these gains this budget will advance the repair or replacement of more than 100 bridges and culverts in more than 90 communities, perform preventive maintenance on numerous additional structures, and improve more than 200 miles of pavement.

VTrans continues to emphasize the safety of our transportation system and its users through a solid budget for maintenance and operations. We have enhanced our safety focus through the ongoing efforts of our Office of Highway Safety which contains the Governor's Highway Safety Program and Highway Safety Data and Analysis. The Transportation Systems Management and Operations Section (TSMO) continues their oversight over traffic operations, intelligent transportation systems, and traffic research. With a five-year annual average of 60 highway fatalities and hundreds of incapacitating injuries on our highways each year because of crashes, VTrans and all of state government continue to work collaboratively to reduce the number of preventable crashes. Enhancing the safety of our transportation system helps protect Vermont's population.

Mindful of our continuing energy challenges and our need to drive down our carbon footprint, this transportation budget proposal continues to invest significantly in all modes of transportation including our railroads, public transit systems, airports, and bicycle and pedestrian facilities. This budget funds nearly \$34 million in public transit including new buses for expansion and bus replacements, new investments in bus arrival information, and increased on-demand services. To continue our vision of boosting tourism and mobility along the western corridor, this budget invests \$12.4 million in the rail line to improve track, bridges, station platforms and crossings which increase safety and efficiencies which will bring us closer to our goal of delivering passenger rail service between Rutland and Burlington. The budget also funds nearly \$11 million in bicycle and pedestrian infrastructure, and makes significant investments in our state airports to return them to a state of good repair and to foster public/private partnerships that add jobs in Vermont's growing aviation economy. By providing critical transportation alternatives, these investments help protect Vermont's vulnerable population.

The traveling public needs a reliable transportation system, yet numerous bridges, culverts and pavements have exhausted their useful life. We recognize the critical importance of our transportation assets and are incorporating asset management planning into our project prioritization process to maximize the return on our taxpayers' investment. The Asset Management Bureau manages data and performance of infrastructure assets, and develops budgets to help maintain our assets. And we continue to work to improve efficiency and increase innovation through the recently expanded Performance Section within our Finance and Administration Division.

Even as we improve the safety and performance of the system for today's users, we continue to look to the future by building greater resilience into the roadway network, and by fostering a culture of continuous improvement, customer service and innovation throughout the Agency.

### **Program Highlights of the FY2019 Budget:**

- \$31.4 million for the Department of Motor Vehicles. This is a \$2.1 million increase (7 percent) over FY2018. This is essentially a ‘maintenance of effort’ budget that helps ensure the continuation of DMV services and offerings at all current locations. Overall average wait time across the state is 12 minutes; which is a decrease from 17 minutes last fiscal year. For all branch offices, 87% of our customers reached a service counter in 30 minutes or less. Wait times are based on the time between when a customer receives a ticket from DMV’s automated call-up system to the time they are called to a customer service counter. It is not inclusive of the time it might take to complete the transaction itself. The DMV reports on average wait times for all of its offices and mobile vans each week. In FY2017 wait times in all branch offices ranged from 78% in Montpelier to 98% in Springfield. Rutland, Bennington, Newport and South Burlington branch offices served 93%, 87%, 82%, and 80% of their customers in 30 minutes or less, respectively. The variations between DMV offices can be somewhat attributed to staff turnover, extended vacancies, and increased customer traffic at particular locations. From a long-term perspective, the Department plans to expand internet services. In FY2017 the number of transactions processed through the internet increased by 2.7% over last year. The dollar amount collected online increased by 8.4%. The Department expects this trend will continue as more transactions are added. DMV is responsible for collecting more than \$334 million annually in taxes and fees. The Governor has designated DMV as the lead agency for enforcement of regulations dealing with commercial motor vehicles as well as the enforcement of state vehicle size and weight regulations. These enforcement efforts enhance highway safety and protect our infrastructure.
- \$104.1 million for paving. This is an \$8.7 million decrease (8 percent) from FY2018. This paving budget demonstrates our continued commitment to improve the condition of the state’s highway network. A robust paving program is essential to maintaining the State’s existing infrastructure and supporting Vermonters’ safety and mobility. This funding will improve over 200 miles of state highway through traditional resurfacing, district leveling and preventive maintenance treatments. These investments will continue our record of improvements to pavement conditions. The percentage of pavements rated in very poor condition has declined from a high of 36 percent in 2008 to 11 percent in 2017, which is two percent lower than the 10-year low of 13 percent recorded in 2014.
- \$95.5 million for bridges. This is an \$11 million increase (13 percent) over FY2018. The increase is attributed primarily to state bridges where funding is increased by \$26 million (83 percent) over FY2018. This reflects funding on several large projects including Middlebury, North Hero – Grand Isle and the rehabilitation of a bridge connecting Vermont with Quebec. Planned spending on interstate bridges is down \$12 million (33 percent), reflecting the completion of several large projects including Brattleboro, Milton, South Burlington and Georgia. Funding for town highway bridges is down \$3.2 million (19 percent) from FY2018. This budget funds 16 town highway bridge projects including 3 bi-state projects that are ready for construction and 20 projects currently under development. The Structures Program budget as proposed funds major construction on 52 bridges and large culverts, and preventive maintenance work on dozens more structures. Increased use of Accelerated Bridge Construction techniques has reduced overall bridge costs and has allowed us to deliver all projects that had been in the front of the book for

several years. In 2018, 52% of the projects in construction used Accelerated Bridge Construction. 2019 will see 21% of all construction projects use Accelerated Bridge Construction.

- \$52 million for roadway. This is a \$12 million increase (31 percent) over FY2018. The roadway budget includes approximately \$4.2 million in construction funds for continued Irene repair work, consisting of improvements to several corridors that were impacted by Irene and the repair of multiple, individual storm-damaged sites. Significant projects include construction activities on Circumferential Highway Alternatives projects including the Essex Crescent Connector, reconstruction of US2 in Cabot-Danville and US7 in Brandon, and reconstruction of Market Street in South Burlington. The remainder of the funding for the program is for additional roadway reconstruction projects and several culvert and slope projects that will serve to both stabilize existing infrastructure and improve safety.
- \$21.5 million for traffic and safety. This is a \$430,000 increase (2 percent) over FY2018. Highway safety activities for this program are identified through the Highway Safety Improvement Program and the Strategic Highway Safety Plan. As crash data across the state indicates changing trends, this budget will look to refine the partnerships, coalitions and strategies associated with highway safety in those areas. Through this refinement, VTrans and other highway safety partners statewide will take steps to reduce crashes through collaborative approaches. Safety projects anticipated in FY2019 include multiple traffic signal and intersection improvements across the state, centerline rumble stripe installations, and a continued emphasis on traffic sign upgrades and pavement markings on the interstate, state, and Class 1 & 2 Town Highways.
- \$3.8 million for park-and-ride facilities. This is a \$420,000 increase (12 percent) over FY2018. This year's budget proposal includes funds for scoping one park-and-ride facility. It also includes construction funds for four park-and-ride facilities as well as paving at one facility – location to be determined. Two of the projects under construction are new facilities and two are being enlarged and/or upgraded. All told this will result in the addition of over 300 spaces to the state's network. There is also funding included for six other projects under design and line items for new project opportunities that arise. It also includes continued funding for the municipal park-and-ride program.
- \$10.8 million for bicycle and pedestrian facilities. This is an \$800,000 decrease (7 percent) from FY2018. The budget funds 59 bicycle and pedestrian projects in 38 communities. Funding is included to continue construction on the 92-mile Lamoille Valley Rail Trail, construction of 31 other projects and to continue the design of 27 bicycle and pedestrian projects. There continues to be a line for state funding for non-federal projects; this was initiated to achieve cost efficiencies by eliminating federal requirements. It also includes design of a statewide project to resurface the Delaware and Hudson Rail Trail and a line item for new projects to be awarded. The Agency will continue planning and integrating these facilities into the State's overall transportation strategy.
- \$3.6 million for transportation alternatives. This is a \$290,000 decrease (7 percent) from FY2018. This budget funds enhancement and transportation alternatives projects that previously received grants and are now ready to proceed. It includes work on 39 projects in 32 different communities, including construction funding for 19 projects, and design work on 20 projects. It also includes a

line item for new projects to be awarded. In SFY19, all new project awards will be directed to environmental mitigation grants to municipalities, supporting the State's Clean Water Initiative.

- \$745,000 for rest areas. This is an \$80,000 increase (12 percent) over FY2018. This budget primarily funds preservation, preventive maintenance, and repair projects at State rest areas – not operating costs. These funds will be used for improvements to a variety of building components including exterior wall systems, exterior doors, windows, roofing, heating systems, cooling systems, mechanical controls, septic tanks, leach fields, generators, lighting and controls, fire/security alarms, security cameras and equipment, flooring, and walkways and sidewalks.
- \$89.3 million for maintenance. This is a \$170,000 increase (0.2 percent) over FY2018. State funds decreased by \$750,000, in anticipation of modestly increased costs for materials, equipment, and personnel. There is an offsetting increase in federal funds. This budget provides for basic maintenance and operation activities to preserve the condition, safety, and resilience of our roadway network. A well-maintained highway network supports Vermont's economy, minimizes costs to taxpayers, and provides mobility for all of Vermont's residents and visitors.
- \$29 million for public transit. This is a \$3 million decrease (10 percent) from FY2018. The decrease represents the completed expenditures of previous competitive grants for buses and dispatch software. This budget continues to advance VTrans' goal to safely provide energy efficient travel options and resembles previous years' budgets in terms of general programs, funding sources, and priorities. The overall public transit program is geared towards continuing efforts to strengthen a statewide, integrated public transit system to meet general public, intercity and human-service transportation needs. We have completed our third year of the city-to-city bus routes run by Premier Coach, from Colchester to Albany, NY and between Rutland and White River Junction. Funding in this year's budget will support Vermont's ongoing efforts to maintain a fleet of vehicles that are in safe and good working order. It also allows the continued growth of mobility options for both residents and visitors to Vermont. Further development of the statewide dispatch software, funded by a previous competitive grant, will continue to strengthen coordination, create a more effective service, and reduce the time needed for social service providers to access service. Vermont continues to enhance information available to veterans about transportation service options provided by VTrans contractors, the VA, and veterans service organizations. Many new web-based infrastructure projects are completed or underway to enhance Vermont's ability to provide up-to-date information on bus routes and available seats including access to demand response services. We will be deploying a statewide Automatic Vehicle Locator (AVL) project statewide. This will provide bus arrival information in real time. We have been awarded a joint grant with two tech companies to make information available on seats on demand response rides that the public can access. This will greatly enhance the mobility options outside of population centers and help protect Vermont's vulnerable population. In addition, we have secured a competitive grant to purchase four electric buses to run in fixed route service in Burlington and will continue to explore ways to improve service and air quality.
- \$13.9 million for aviation. This is a \$3.8 million decrease (21 percent) from FY2018. The decrease is predominantly federal funds (\$3.6 million) and the associated state match. This budget funds the second of a two-phase project for an FAA correction of deficient Parallel Taxiway A at the Rutland Southern Vermont Regional Airport. The budget also completes a Bennington Airport

Safety Project that includes runway extension and taxiway improvements as well as existing lighting upgrades. The FY2019 budget will complete the update to the Aviation System and Policy Plan, further repair aging infrastructure to include much needed perimeter fencing, hangars, efficiency upgrades, pavement and improve approach airspace. The Aviation program continues to make significant strides toward closing the operating deficit at the general aviation airports.

- \$29.6 million for rail. This is a \$7.5 million decrease (20 percent) from FY2018. The decrease is largely driven by reduced federal funds and associated state match. This budget invests \$3.5 million of State and Federal funds for track and bridge upgrades on the Western Corridor from Burlington to Rutland which will allow increased efficiencies, train speeds and track safety. We are also focusing on crossing improvements and safety upgrades by investing \$5.3 million on 16 crossings on the Western Corridor which will install new safety equipment and increase train speeds. This budget continues our support for the current Vermonter and the Ethan Allen Amtrak services and continues to invest in the expansion of the Ethan Allen service to Burlington. The FY2019 budget will help advance several critical rail projects including the replacement of light weight rail on the Green Mountain Railroad between Rutland and Bellows Falls, and continuing to upgrade our structures to the 286,000-pound national freight industry standard.
- \$1.6 million for transportation building facilities. This is a \$320,000 decrease (17 percent) from FY2018. Funds will be used for the construction of a 5-bay garage in New Haven, continued development and design of maintenance facilities, heating system replacements, and investments in stand-by generators.
- \$69.3 million for town highway programs. This is a \$4 million decrease (6 percent) from FY2018. This decrease is attributed to a \$3 million decrease (19 percent) in Town Highway Bridges. Town Highway bridges is anticipated to rebound to more traditional levels in upcoming fiscal years, and overall bridge structural deficiencies has declined significantly in recent years to only 5 percent. Other changes are described below:
  - *Town Highway Programs*: This budget level funds the Town Highway Aid program at \$26 million. Town Highway Aid for Non-Federal Disasters (the former Town Highway Emergency Program) is level funded at the FY2018 level of \$1.15 million. Funding for Town Highway Aid for Federal Disasters is level funded, and is anticipated to be sufficient to fund last summers' flooding event. Funding for the Town Highway Class 2 Program is reduced by \$200,000, but is consistent with prior years' levels of \$7.6 million. The Town Highway Structures Program is level funded at \$6.3 million. The Class 1 Supplemental Program is level funded at \$128,750. Municipal Mitigation Assistance funding is down \$100,000 (1 percent) from FY2018. This program provides municipalities with additional funding for clean water initiatives.
  - *Town Highway Bridges*: Funding for town highway bridges is decreased by \$3.2 million (19 percent) from FY2018. This budget funds 18 town highway bridge projects for construction and 19 additional projects under development. Funding largely reflects the project pipeline and project readiness. The Administration remains committed to improving Vermont's town highway system.