



STATE OF VERMONT
GENERAL ASSEMBLY
HOUSE COMMITTEE ON
TRANSPORTATION

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MEMORANDUM

To: Representative Mary S. Hooper, Chair, House Committee on Appropriations

From: Representative Diane Lanpher, Chair, House Committee on Transportation

Cc: Representative Robert Helm; Maria Belliveau; Theresa Utton-Jerman

Date: February 22, 2022

Subject: House Committee on Transportation's Response to Request for Comments on Provisions in the FY 2023 Governor's Recommended Budget

This will serve as the House Committee on Transportation's response to the FY 2023 Governor's Recommended Budget, as updated on January 18, 2022, as it relates to transportation matters. For ease of reference, we will refer to each of the transportation-related sections in the [Governor's Recommended FY 2023 State Budget: Updated FY23 Budget Language – 1-18-2022](#) (Recommended Budget Language), as posted to the House Committee on Appropriations' committee page on January 26, 2022.

One-Time General Fund Appropriations (B.1100)

- **B.1100(a)(3)(B) (+\$11,800,000 in General Fund Monies)**

We agree with the recommendation to appropriate to the Agency of Administration "\$11,800,000 [in General Fund monies] for Enterprise Resource Planning (ERP) system upgrade of core statewide financial accounting system and integration with [Vermont Department of Labor] and [Agency of Transportation] financial systems." However, we respectfully defer to the House Committee on Government Operations on the amount of the appropriation in this recommendation.

- **B.1100(a)(4)(A) (+\$8,000,000 in General Fund Monies)**

We do not have a position on the recommendation to appropriate to the Department of Public Safety "\$8,000,000 [in General Fund monies] to grant to local and county public safety agencies to support a transition to regional emergency communications for all police, fire, and rescue agencies in Vermont" as we have not taken any testimony on this recommended appropriation. We respectfully defer to the House Committee on Government Operations on this recommendation.

- B.1100(a)(5)(C) (+\$420,000 in General Fund Monies)

We agree with the recommendation to appropriate to the Agency of Agriculture, Food and Markets “\$420,000 [in General Fund monies] for the purchase of laboratory equipment to test for Per- and Poly-fluoroalkyl Substances (PFAS) in drinking water to support public health testing requirements for Agencies of Natural Resources, Transportation[,] and Agriculture.” However, we respectfully defer to the House Committee on Agriculture and Forestry on the amount of the appropriation in this recommendation.

- B.1100(a)(12) (+\$1,050,000 in General Fund Monies)

We agree with the recommendation to appropriate to the Department of Motor Vehicles, through the Agency of Transportation, “\$50,000 [in General Fund monies] for granting to the Vermont Association of Snow Travelers [(VAST)] to support the Law Enforcement and Safety Program” and “\$1,000,000 [in General Fund monies] for granting to the Vermont Association of Snow Travelers [(VAST)] to support the Equipment Grant-in-Aid program.” As this is an appropriation to the Agency of Transportation, we will ensure that the authorization to expend this appropriation is included in the Transportation Bill if the \$1,050,000 is appropriated as recommended.

One-Time Transportation Fund Monies (B.1100.1) (+\$20,250,000 in T. Fund Monies)

We agree with the recommendation to appropriate \$20,250,000 to the Department of Motor Vehicles for DMV Core System Modernization Phase II. However, we do not think that the appropriation should come from Transportation Fund monies, as was included in the Governor’s Recommended Budget Language for the Big Bill. The DMV Core System Modernization Phase I is not expected to be funded with Transportation Fund monies and it was the expectation of this Committee that the second phase would also be funded through sources other than the Transportation Fund.

Further, we strongly agree with the recommendation to appropriate the necessary monies in FY 2023. While the DMV Core System Modernization Phase II is not expected to commence in FY 2023, it is important to: (1) commit to the second phase of the project now for purposes of negotiating with the selected vendor and ensuring that there is sufficient staffing available; and (2) assure the Department of Motor Vehicles and Vermonters that the DMV Core System Modernization project will be completed so as to provide a smooth transition and ensure that motor vehicle records and operator records are, in the near future, maintained in the same system.

D.101 (Fund Transfers, Reversions, and Reserves)

- D.101(a)(6) (+\$523,966 in Transportation Fund Monies)

We agree with the recommendation to transfer \$523,966 “[f]rom the Transportation Fund to the Downtown Transportation and Related Capital Improvement Fund (21575) established by 24 V.S.A. § 2796 to be used by the Vermont Downtown Development Board for the purposes of the Fund[.]”

Transportation; Transportation Funds Restriction of Use (E.900 and E.900.1)

We agree with the recommendation to amend 19 V.S.A. § 11a to eliminate the exception to the prohibition on using Transportation Fund monies for any purpose other than those delineated in 19 V.S.A. § 11a that currently allows up to \$20,250,000 in Transportation Fund monies to be appropriated to the Department of Public Safety, which is colloquially known as the “JTOC appropriation.” We appreciate the Governor’s acknowledgment that the Transportation Fund will be under extreme pressure in future years, especially given the need to provide the nonfederal match for federal funds that will be available to the State through the Infrastructure Investment and Jobs Act (IIJA). We look forward to conversations with the Administration, the House Committee on Appropriations, the House Committee on Ways and Means, and our counterparts in the Senate to formulate a plan that addresses the gap in the Transportation Fund.

Transportation – Town Highway Aid Program (B.915 and E.915)

While the Recommended Budget Language does not include the standard language to notwithstanding 19 V.S.A. § 306 to allow for an appropriation for town highway aid that deviates from what is required under statute as Sec. E.915, the recommended Sec. B.915 appropriation is \$54,211 less than required under statute. It is our understanding that this was not intentional on the part of the Agency of Transportation, and we expect to recommend, in conjunction with the Transportation Bill, that the authorization and appropriation for town highway aid be increased by \$54,211—with a corresponding reduction in the authorization and appropriation for another program—in the Transportation and Budget Bills so as to meet the statutorily required appropriation for town highway aid.

Climate Action Investments (pp. 29–30, (c) and (d)) (+\$37,000,000 in SLFRF Monies; +\$4,250,000 in Federal Highway Aid Monies and Nonfederal Match)

We appreciate the Governor’s acknowledgment that it is important to support the continued buildout of electric vehicle charging infrastructure throughout the State and the need to fund electrification incentives for motor vehicles. These are needed investments. We have been diligently working with the Agencies of Transportation, of Commerce and Community Development, and of Natural Resources; staff with the Joint Fiscal Office and the Office of Legislative Counsel; and stakeholders to craft the language necessary to authorize the expenditure of any monies appropriated for these purposes. The Committee is still working on the details of these initiatives, and the Committee looks forward to presenting its work on these proposed investments to the House Committee on Appropriations once they are finalized and may, at that time, provide an updated recommendation.

All members of the House Committee on Transportation appreciate being asked to provide a response to the FY 2023 Governor’s Recommended Budget, as updated on January 18, 2022, and are available to answer any questions. The Committee took a vote on this memorandum and the vote was 11-0-0.