



VERMONT
AGENCY OF TRANSPORTATION

FY2023 Governor's
Recommended Budget

Joe Flynn, Secretary of Transportation



Today's Presentation/Agenda

- FY2023 budget summary including the addition of Infrastructure Improvement and Jobs Act (IIJA)
- Assumptions used to balance to the January 2022 consensus revenue forecast
- FY2023 Governor's Recommended Budget overview
 - FY2023 year over year comparison to FY2022 by appropriation and program level



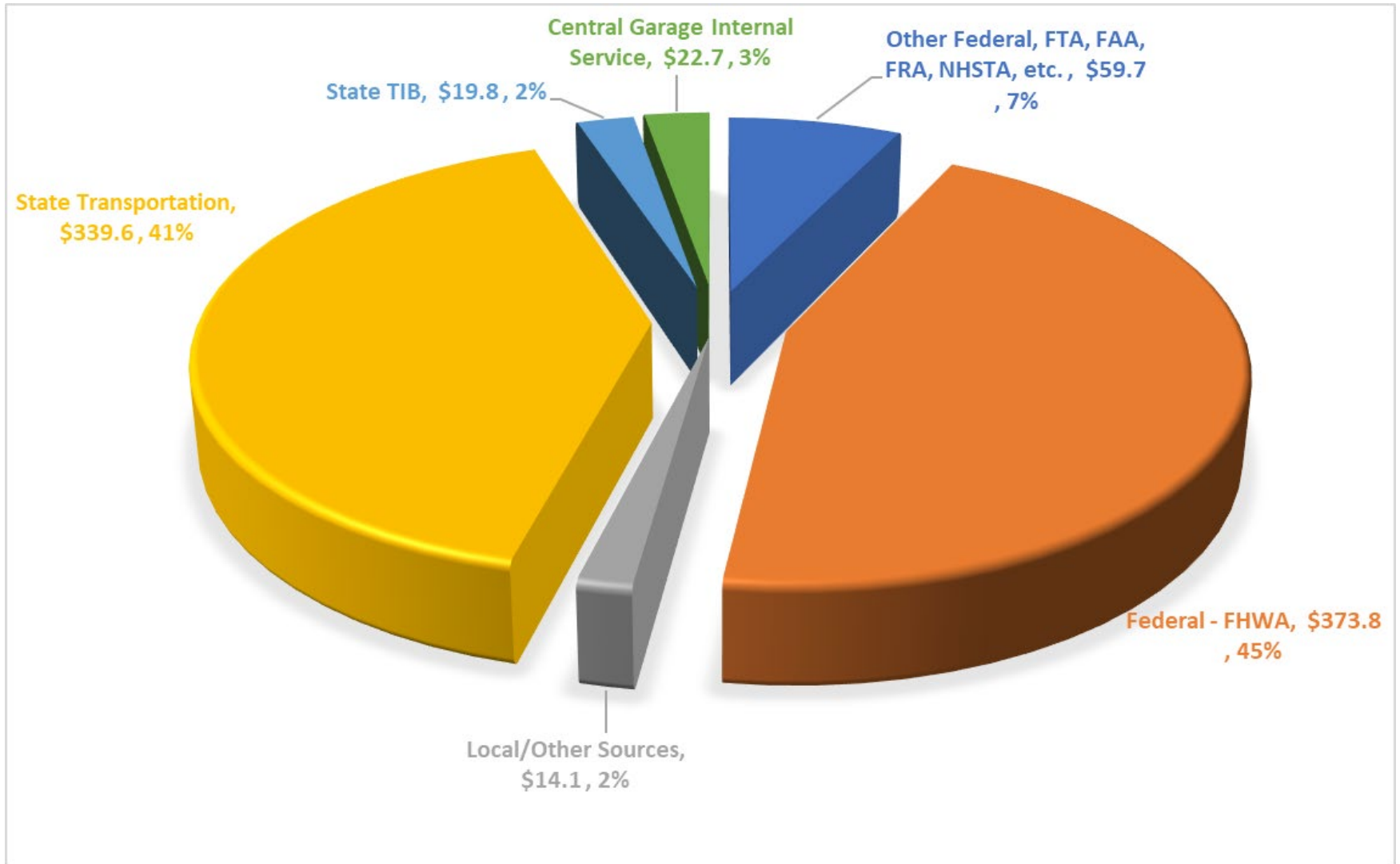
FY2023 Budget Overview

Fund Source	FY2022 As Passed	FY2023 GOV REC	Increase (Decrease)	Percent Change
STATE (T Fund)	282,190,668	339,698,825	57,508,157	20.38%
Federal	361,546,034	433,491,915	71,945,881	19.90%
Local/Other	9,248,368	14,189,556	4,941,188	53.43%
TIB Fund	11,397,637	19,802,363	8,404,726	73.74%
Central Garage Fund	22,202,720	22,754,095	551,375	2.48%
Total	686,585,427	829,936,754	143,351,327	20.88%

Note: Includes appropriation for the DMV Core System Phase II project (\$20.25M Transportation Funds) and VAST Enforcement and Equipment Grant Program (\$1.05M General Funds)

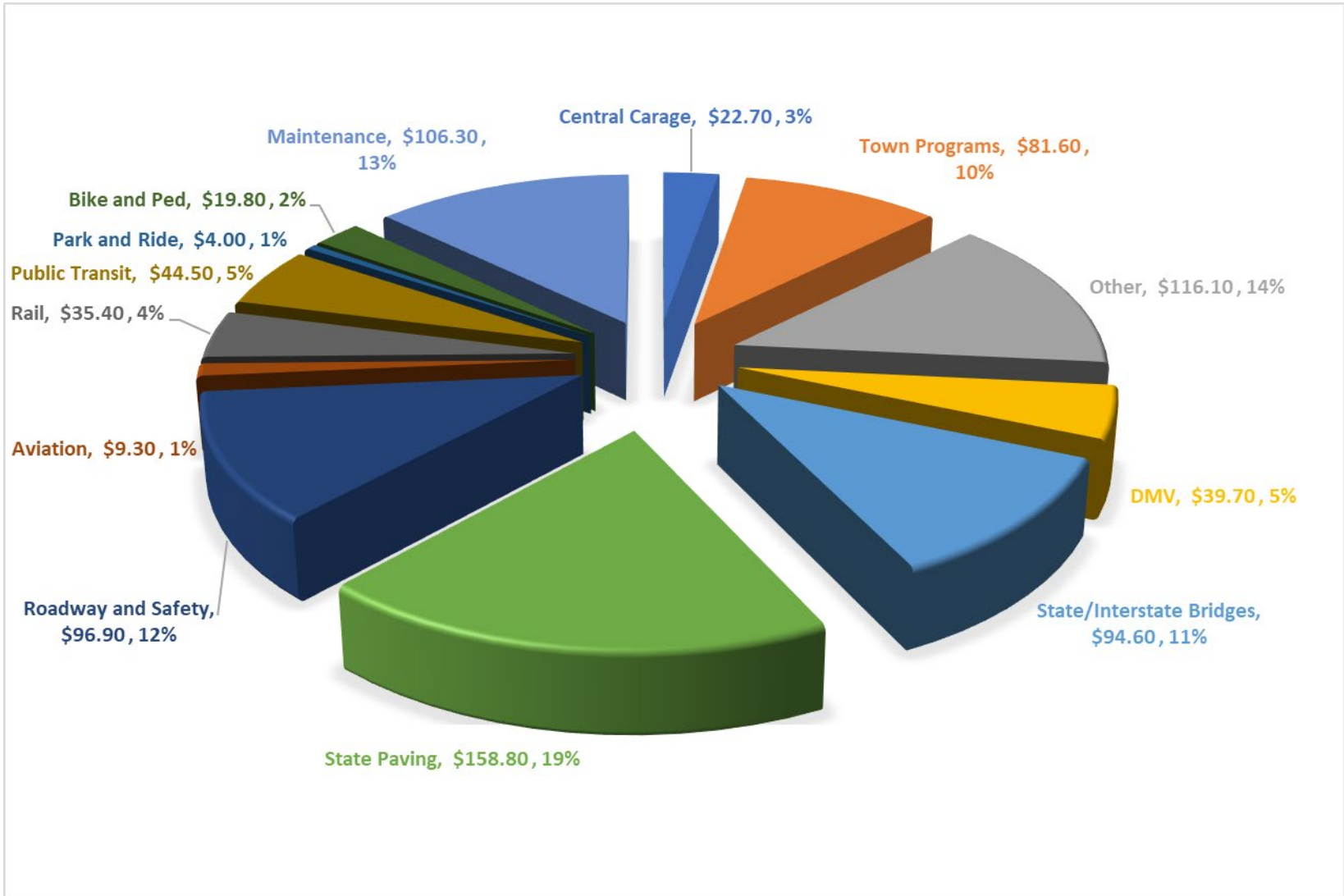


FY 2023 Transportation Funding Sources \$829.9M Total (\$ millions)





FY 2023 Transportation Expenditure Plan Uses \$829.9M Total (\$ millions)



Other includes Finance & Administration, Program Development Admin., Rest Area, Policy & Planning, Transportation Buildings, Transportation Board, and DMV Core Modernization Phase II



FY2023 Budget including Infrastructure Improvement and Jobs Act (IIJA)

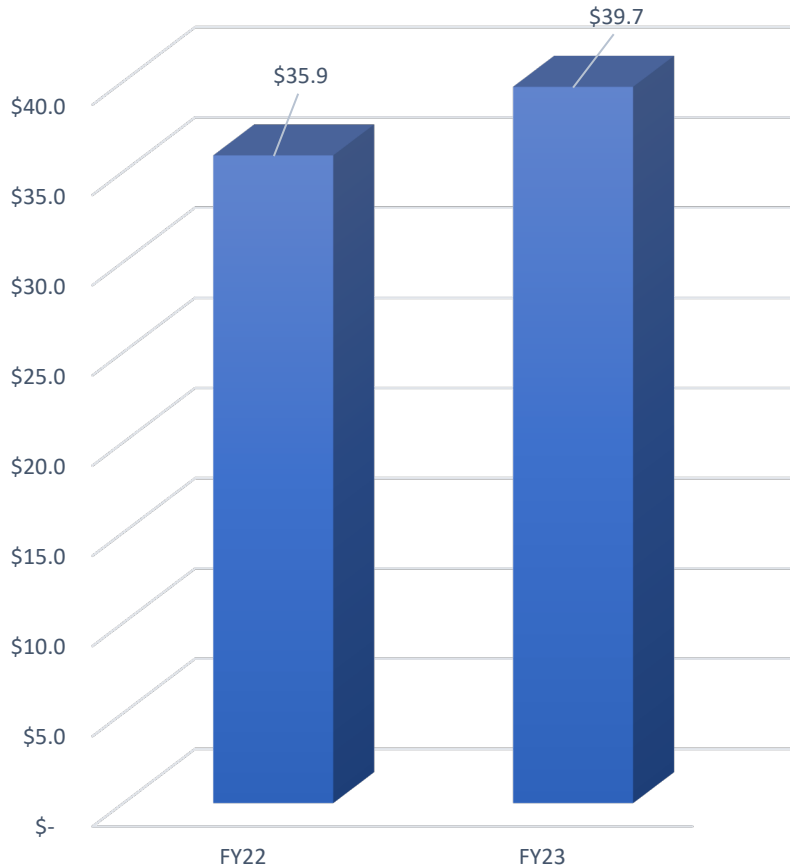
- Budgets an additional \$94.7M of projects and program expenditures due to Federal Fund Authorization increase from Infrastructure Improvement and Jobs Act (IIJA)
 - \$22.8M State Funds
 - \$71.9M Federal Funds
- Reduces reliance on Indirect Receipts from 146% (\$15M) to 56% (\$5.8M)
- Includes VTrans and DMV Reclassification Costs estimated at \$5M
- Returns Town Highway Grant programs to formula levels – FY2022 doubled many of those programs that were suspended in FY2021
- Includes appropriation for the DMV Core System Phase II project (\$20.25M Transportation Funds) and VAST Enforcement and Equipment Grant Program (\$1.05M General Funds)

Budget Assumptions

- FY23 Governor's Recommended budget balances the Transportation Fund and TIB fund based on the January 2022 Consensus Revenue forecast
- AOT plans to repay all remaining TIB debt in FY2022, as introduced during the BAA, reducing the total interest owed by the state by \$3.9M and annual Debt Service payment requirement to \$0 (\$2.5M annual savings)
- Assumes the use of COVID Federal Transit Administration funds to replace State funds where possible (approx. \$5M)



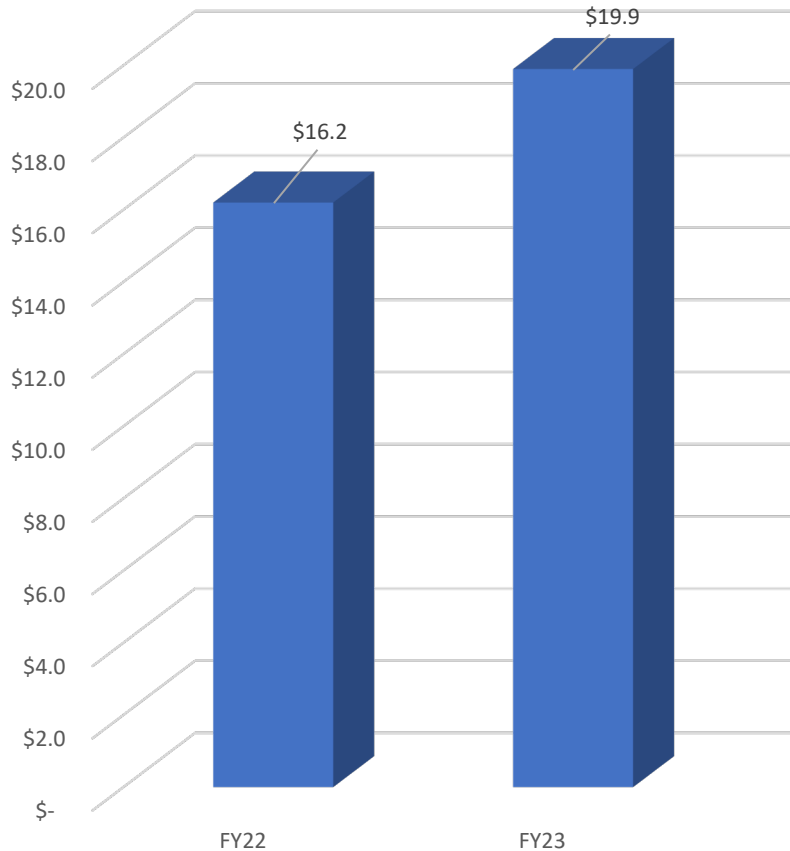
Dept. of Motor Vehicles - \$38.9M



- Increase of \$3.8M (10.6%)
- Continues current service levels
- DMV will collect an estimated \$351M in taxes and fees in FY2023
- Salary & fringe benefits increase of \$1.3M
- \$500k increase for Reclassifications
- Reflects an increased cost of \$300k in mail processing and \$400k in bank service charges
- \$645k net increase in contractual services; including \$250k for continued use of scheduling services at DMV locations
- Does not include appropriation for Phase II of the DMV Core System modernization project (\$20.25M)



Finance & Administration - \$19.9M



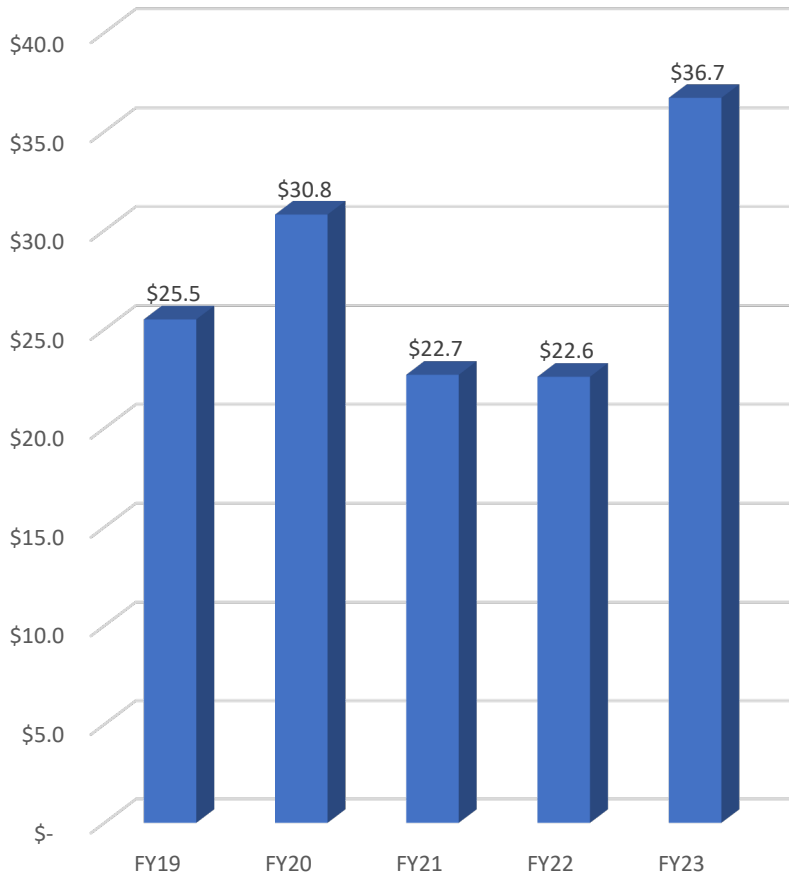
- Increase of \$3.7M (22.8%)
- Includes \$900k for assumed salary and benefits
- Includes \$2M investment in STARS financial system replacement (per ADS)
- Includes \$660k for 10 additional positions, if approved, that were requested through the Position Pilot program due to higher project volume from the Infrastructure Improvement and Jobs Act
- Includes \$150k for ADS costs to move AOT systems to the cloud

Paving - \$158.8M



- \$38.3M increase (32%)
- Increase driven by additional federal funds available from the Infrastructure Improvement and Jobs Act
- 10th consecutive year over \$100M and would represent the highest ever investment in paving by VTrans by over 30%
- Continued commitment to improved pavement conditions
- 64 construction projects planned covering 590 miles to be paved
 - includes 91 miles of rehabbing to widen shoulders to help with bike/ped access and mobility

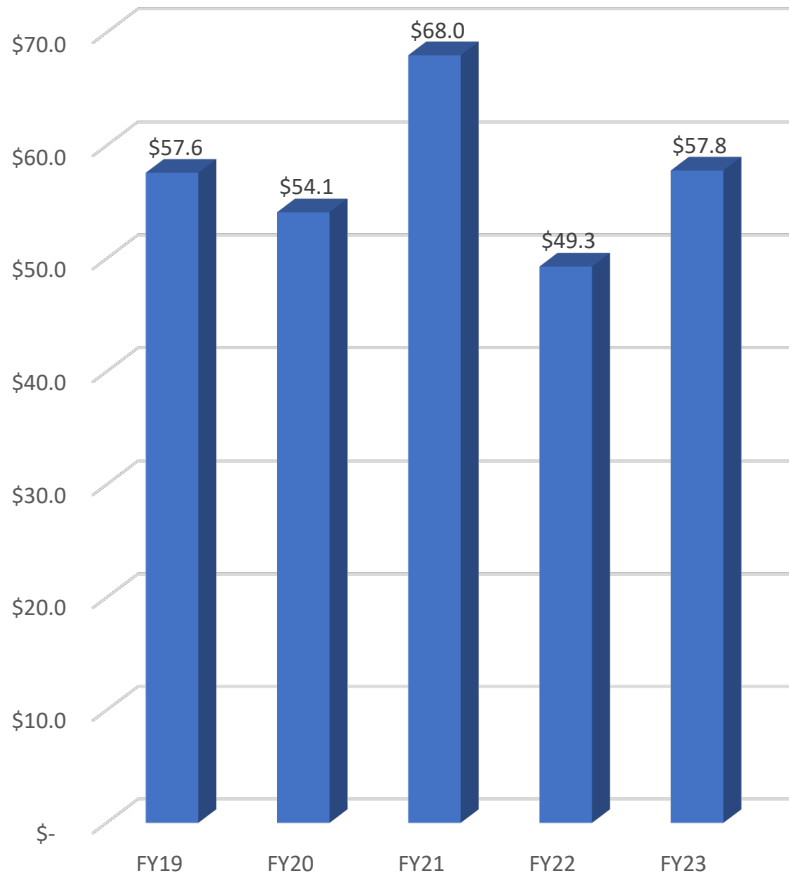
Interstate Bridge - \$36.7M



- \$13.9M increase (60%)
- Increase driven by additional federal funds available from the Infrastructure Improvement and Jobs Act
- Funds 21 total projects
- 16 projects funded for construction this year



State Bridge - \$57.8M



- \$8.5M increase (17%)
- Increase driven by additional federal funds available from the Infrastructure Improvement and Jobs Act
- This funds 32 total projects including 16 large culvert and 16 bridges



Roadway Program – \$51.3M



- \$14M increase (38%)
- Increase driven by additional federal funds available from the Infrastructure Improvement and Jobs Act
- 37 projects funded this year
- Roadway projects include:
 - Corridor reconstructions
 - Shoulder widening
 - Streetscape improvements
 - Concrete slab removal
 - Drainage and Stormwater improvements



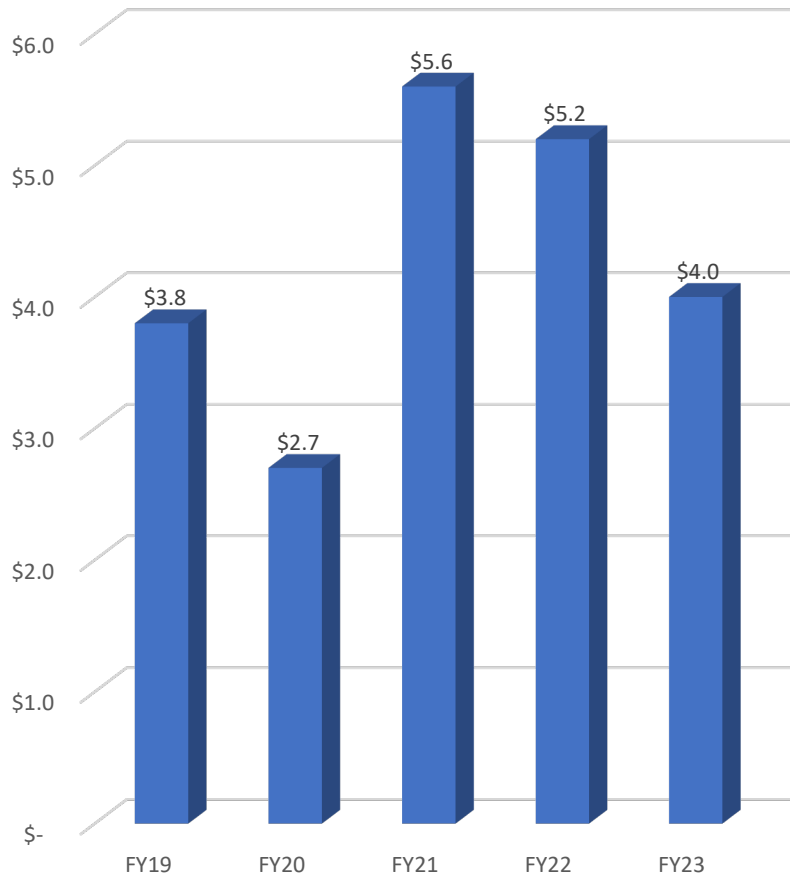
Traffic & Safety - \$45.6M



- \$12.3M increase (37%)
- Increase driven by additional federal funds available from the Infrastructure Improvement and Jobs Act
- 24 Projects funded this year.
- Traffic and Safety projects include:
 - Intersection improvements
 - Sign replacements
 - Signal upgrades
 - Rumble stripes
 - Pedestrian accommodations
- FY2023 projects include:
 - Burlington HES 5000(18) Roundabout at US7, S. Willard St., Locust St. Ledge Rd
 - Colchester HES NH 56000(14) C/1 of Diverging Diamond - utilities & retaining wall
 - South Hero STP HES 028-1(22) turning lane at US2 & VT314



Park & Ride Facilities - \$4M



- \$1.2M decrease (-23%)
- Program budgets driven by project prioritization process
- Highlighted projects in FY2023 include:
 - Berlin, Exit 6
 - Williston, Exit 12
- Number of new spaces added to the State Park & Ride System: 204

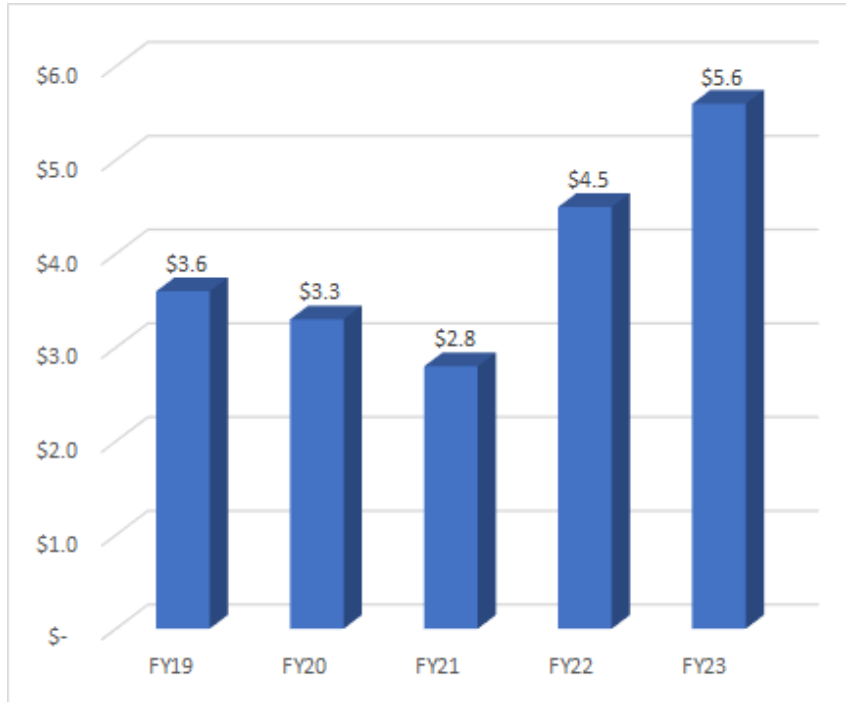


Bicycle & Pedestrian Facilities - \$19.8M



- \$3.1M increase (19%)
- Increase driven by additional federal funds available from the Infrastructure Improvement and Jobs Act
- 51 projects funded, 21 are going to construction this year
- Highlighted projects in FY2023 include:
 - Sidewalks in Arlington, Bennington, Chester, Hartland, Royalton, Rutland City, Moretown, Vergennes, Winooski
 - Missisquoi and Lamoille Valley Rail Trail development

Transportation Alternatives - \$5.6M



- \$1.1M increase (19%)
- Program focuses on bicycle and pedestrian improvements, environmental mitigation, and historic preservation
- Funds all projects that received grants to the extent they are ready to proceed
- 45 total projects funded, including 18 programmed for construction:
 - 26 Bike/Ped Projects
 - 5 salt sheds
 - 12 Environmental Mitigation Projects
 - 2 historic preservation Projects

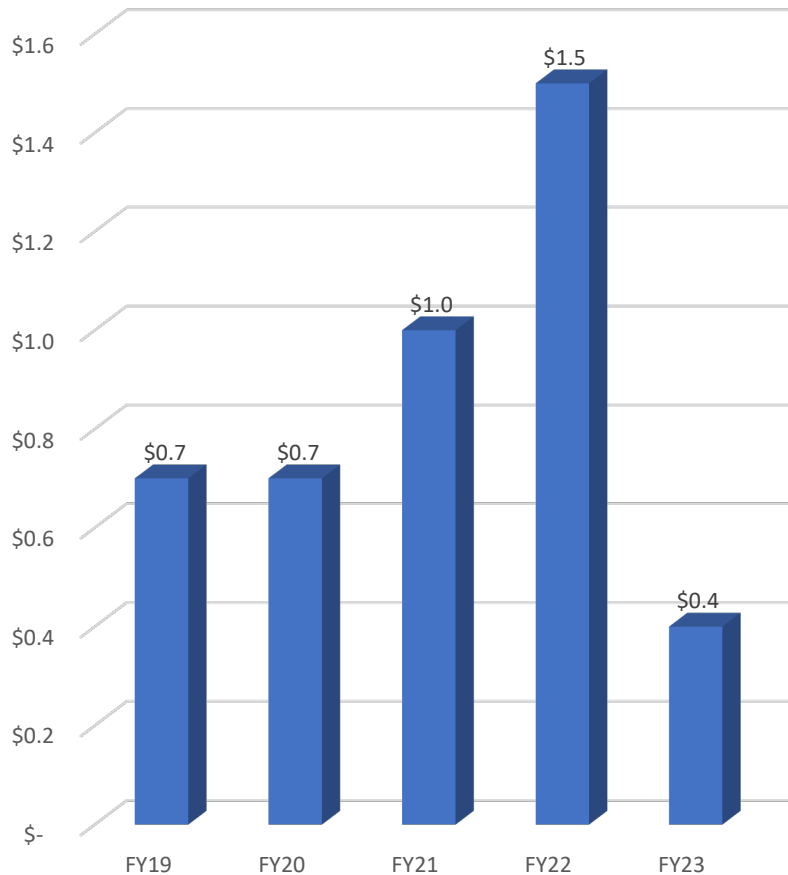


Program Development Admin. - \$33.1M



- \$8.1M Increase (32%)
- Includes \$1.35M for Salary and Benefit increase as well as statewide allocations
- Includes the transition of the Operation and Safety Bureau (OSB) into the Highways Division from Maintenance, including the associated federal funding for OSB (\$6.2M State Funds, \$1M Fed Funds)
- The Drill team moved from Highways Division to Maintenance (-\$450k)

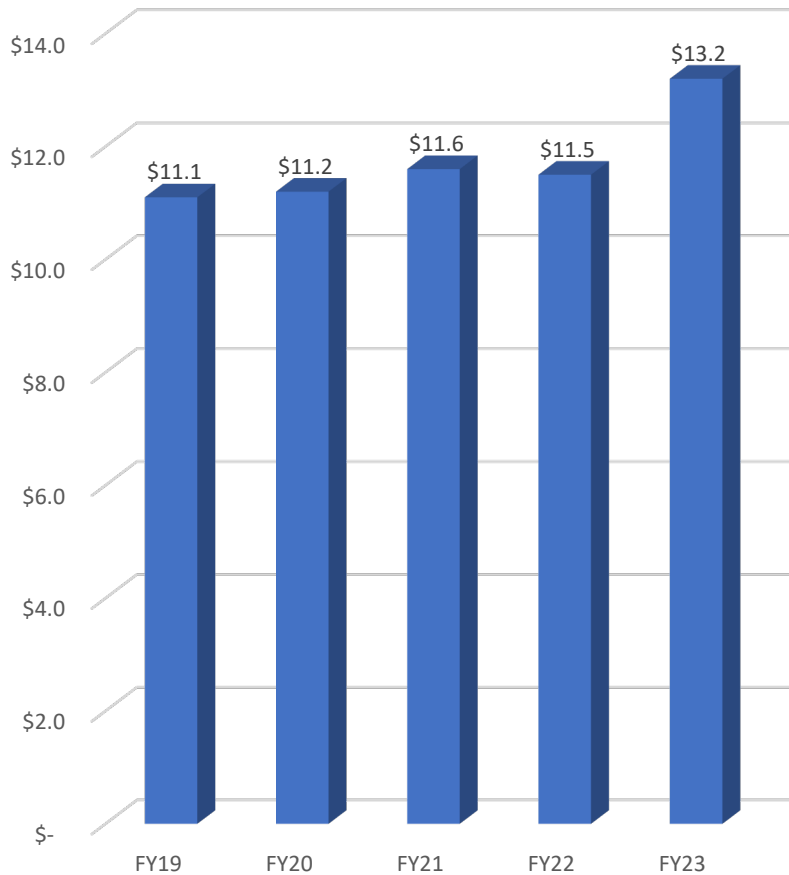
Rest Areas - \$418,416



- \$900,000 decrease (-73%)
- No major construction projects funded
- Funds only major maintenance and repair projects
- Includes capital projects only
- Information center operating costs are budgeted by BGS



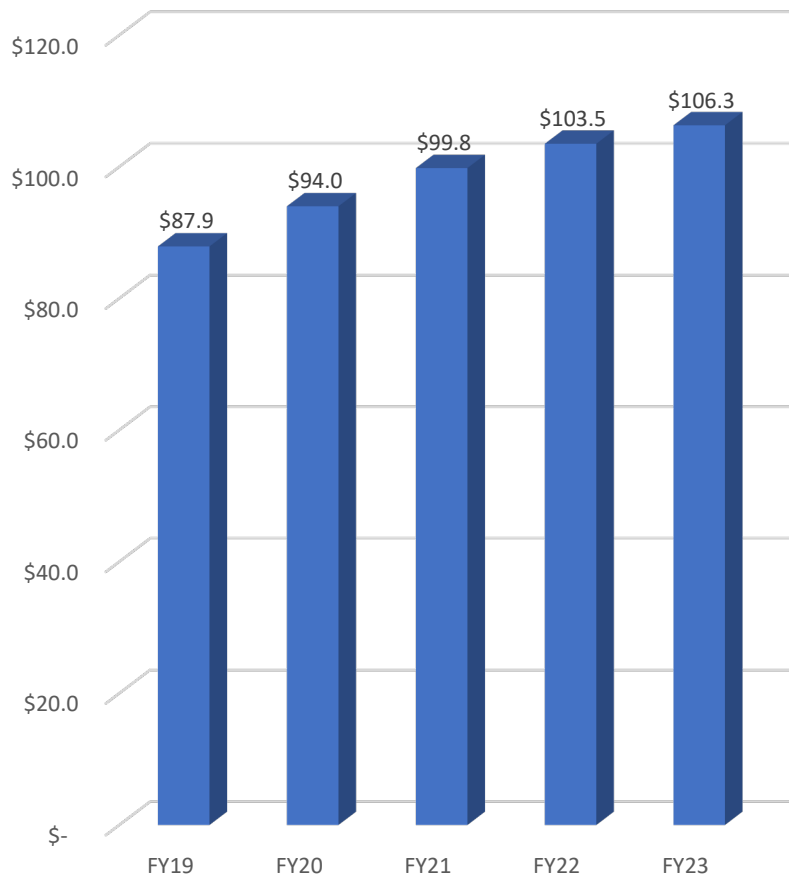
Policy and Planning - \$13.2M



- \$1.7M increase (15%) includes due to increase from IJA
- Increase in labor costs associated with federal work programs and change in the indirect rate



Maintenance - \$106.3M



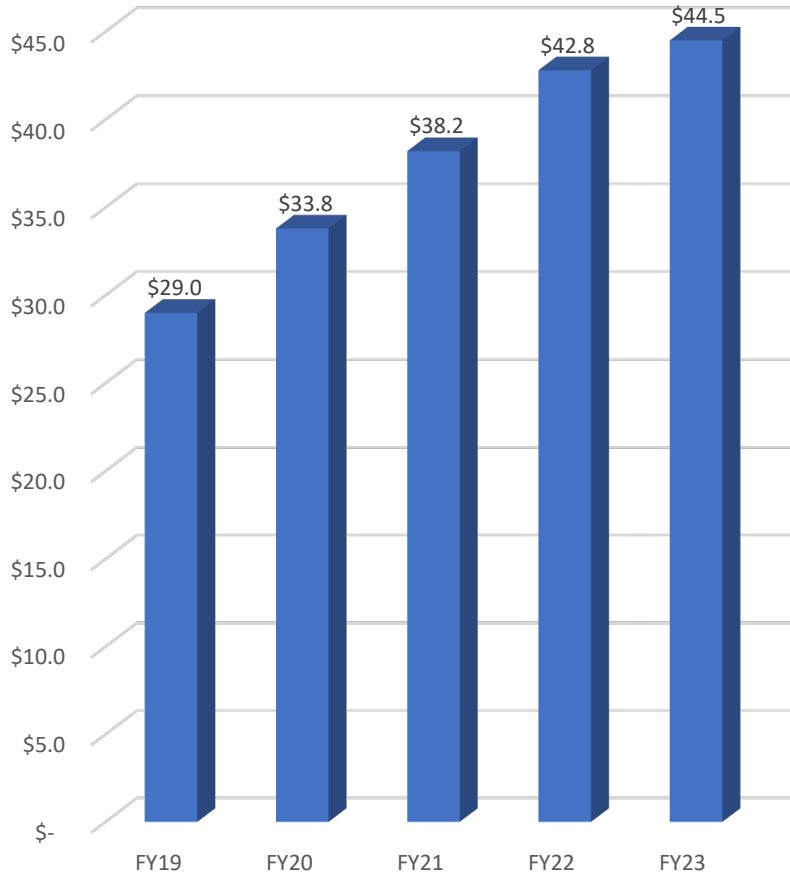
- \$2.8M increase (2.7%)
 - Includes increase for payroll and Statewide allocations \$4.65M
 - Includes \$3.4M for reclassification of Maintenance Worker Series
 - Reduced by the Operation and Safety Bureau moving to Highways Division (-\$7.2M all funds)
 - Increased by Drill Team reorganized under Maintenance (\$450k)
 - Includes additional \$1.5M in Salt contracts per recent bids

Central Garage - \$22.7M



- \$550k increase (2.25%)
- Restores \$800K that was cut from equipment in FY22
- Includes \$8.3M investment in equipment replacement
- Maintains, procures and administers VTrans' fleet
- Central Garage operates as an internal service fund

Public Transit - \$44.5M



- \$1.3M increase (4%)
- Increases cover operations
- \$14.4M Capital plan includes:
 - One-time \$4.4 million “scheduling and dispatch software” line item for Demand Response trips (Elders, persons with a disability, Medicaid, etc.)
 - Up to \$10M for vehicle replacements
- \$11M in FTA COVID relief funds.
 - Will be used to cover most transit ops (\$9,560,000 - drivers wages, fuel, licenses, etc.) and a facility expansion project in Rutland (\$1.5M).
 - As a result, these relief funds will save \$4.7M in local/State funds on the ops, and \$300k in local and State funds on the facility project.
- Excludes \$3M FTA direct pass through the GMT urban program.

Aviation - \$9.4M



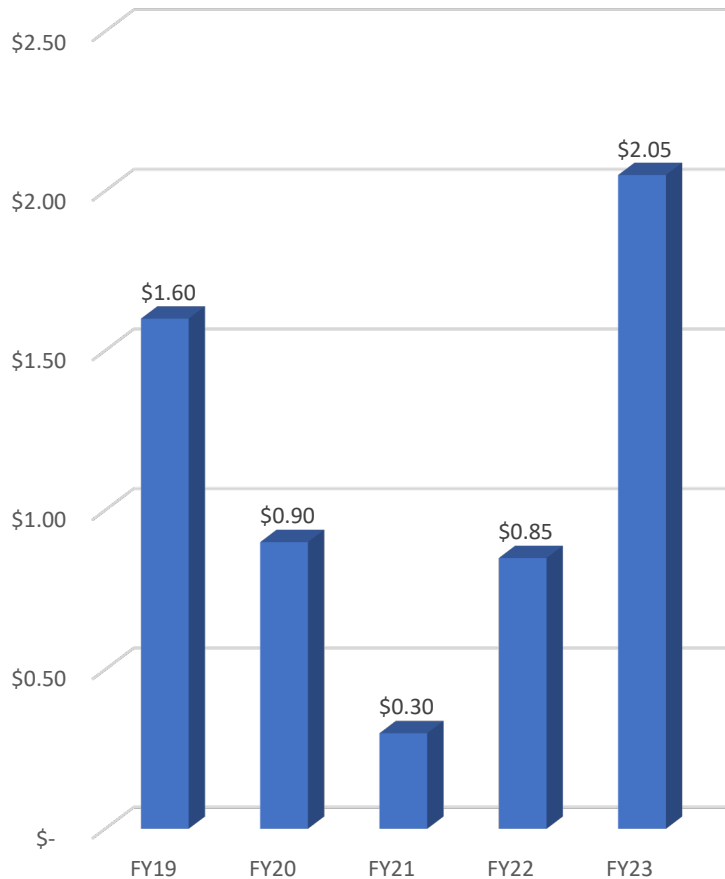
- \$1.1M decrease (-10%)
- Aviation is predominantly project driven
- Projects include:
 - Highgate runway reconstruction
 - Coventry terminal building
 - Hartness (Springfield airport). Project is to reconstruct the existing main runway 5-23
 - Rutland (Clarendon airport). Project rehabilitates the existing main runway 1-19
 - Morrisville-Stowe fuel farm

Rail - \$35.4M



- \$900k decrease (-2.7%)
- \$8.75M for Amtrak passenger service delivery
- Includes non-federal match funding for competitive federal “BUILD” (Better Utilizing Investments to Leverage Development) grant
- Grant for Rutland-Hoosick bridges and crossings
 - \$28M BUILD project:
 - \$20M BUILD grant
 - \$7M from VTrans
 - \$1M from Vermont Rail Systems

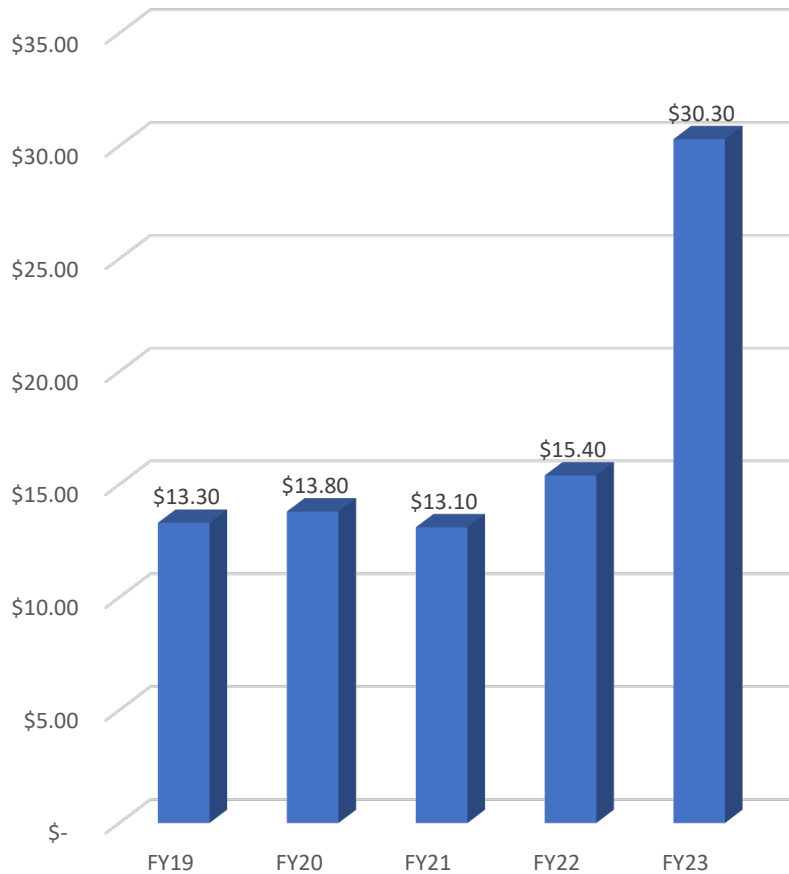
Transportation Buildings - \$2.05M



- \$1.2M increase (141%)
- Continues funding for construction of new garage in Lunenburg that was delayed in FY21 budget
- Includes funding for:
 - Stand-by generators
 - Heating system replacements
- Includes the construction of two Salt Sheds in Eden and North Hero (\$600k each)



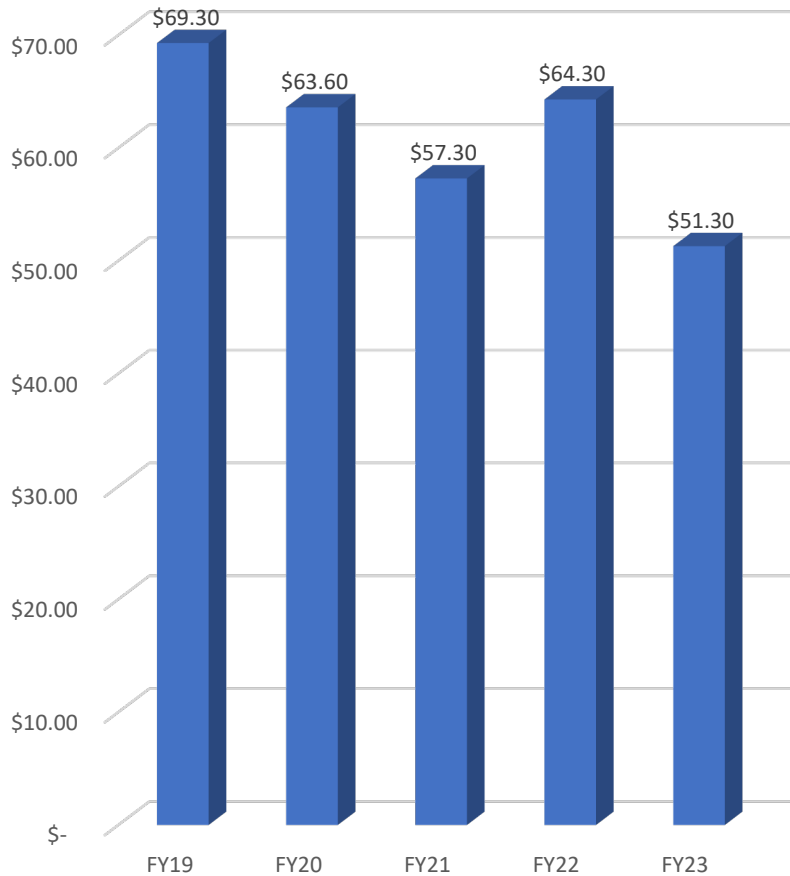
Town Highway Bridge - \$30.3M



- \$14.9M increase (97%)
- Increase driven by additional federal funds available from the Infrastructure Improvement and Jobs Act (IIJA)
 - There are identified set-asides (15%) from the IIJA, which drives the large increase in this program in FY2023
 - This meets the IIJA 15% minimum requirement to fund local (off network) bridges at 100%



Town Highway Programs - \$51.3M



- \$13M decrease (-19%)
 - All programs funded at statutory funding levels
 - Returns Town Highway Structures and Class 2 Roadway Programs to reflect resumption of those programs in FY23 at formula levels
 - They were paused for FY21 (-\$13.9M)
 - Then doubled in FY22 (+13.9M)
 - Resumed Typical funding in FY23
 - Reduces \$3M one-time legislative increase to TH Aid program back to base funding levels.



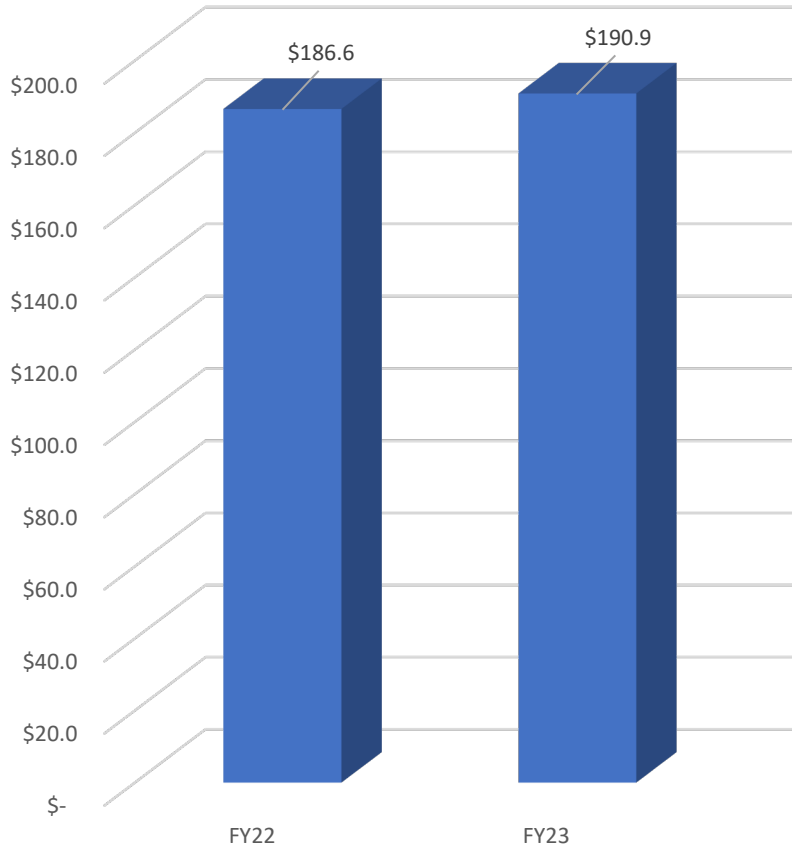
Town Highway Grant Programs

- Town Programs Funding (Total \$81.58M):

	FY2022 As Passed	FY 2023 Gov Rec	Difference	% Diff	Comments
<u>TOWN HIGHWAY BRIDGES</u>	15,408,394	30,314,187	14,905,793	96.7%	Increase due to IIJA Increase for Bridge Program
<u>TH STRUCTURES</u>	12,667,000	6,333,500	(6,333,500)	-50.0%	Reduce to Base Funding Levels after double Approp in FY22
<u>TH CLASS 2 ROADWAY PROGRAM</u>	15,297,500	7,648,750	(7,648,750)	-50.0%	Reduce to Base Funding Levels after double Approp in FY22
<u>TH - NONFEDERAL DISASTERS</u>	1,150,000	1,150,000	0	0.0%	
<u>TH - FEDERAL DISASTERS</u>	180,000	180,000	0	0.0%	
<u>TH AID PROGRAM</u>	27,105,769	27,783,413	677,644	2.5%	Formula Increase, less \$3M One-time increase in FY22
<u>TH CLASS 1 SUPPLEMENTAL GRANTS</u>	128,750	128,750	0	0.0%	
<u>TH VERMONT LOCAL ROADS</u>	411,689	414,481	2,792	0.7%	Formula Increase
<u>MUNICIPAL MITIGATION ASSISTANCE PROGRAM</u>	6,110,000	6,450,498	340,498	5.6%	Increase from Carryforward in Clean Water Fund
<u>TH PUBLIC ASSISTANCE GRANTS</u>	1,250,000	1,250,000	0	0.0%	
Total "Town Highway" Programs	79,709,102	81,653,579	1,944,477	2.4%	



Transportation Board - \$190,962



- \$4,351 increase (2.3%)
- Increases due to COLA and statewide allocated costs



Electric Vehicle Deployment - \$42.25M

- Across multi agency efforts, EV Deployment efforts total \$42.25M
- \$6.25M - EV Fast Charging on Highway Network
 - \$2M ARPA
 - **\$5.25M FHWA/State**
- \$10M – EV charging for multi-family dwellings, workplaces, and community attractions (to be administered by the Agency of Commerce)
- \$3 million – EV charging at State Parks and Fishing Access Areas pairing charging facilities with new solar arrays (to be administered by the Agency of Natural Resources)



Electric Vehicle Deployment Multi-Year Investments - \$42.25M

- \$14M – New EV Incentive Program & Programmatic Support from Drive Electric VT
- \$3M – Mileage Smart Incentive Program for Used EVs and Highly Efficient Vehicles
- \$3M – Replace Your Ride Incentive Program for efficient transportation for Vermonters
- \$2M – eRecreation in support of “greening” Vermont’s recreation economy
 - \$1M – eBike Incentive Program
 - \$1M – eSnowmobile & eATV Incentive Program

Questions?