



State of Vermont
DEPARTMENT OF MOTOR VEHICLES
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Agency of Transportation

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Memo To: Senator Dick Mazza, Chair, Senate Transportation
Senator Andrew Perchlik, Vice Chair, Senate Transportation
Representative Diane Lanpher, Chair, House Transportation
Representative Butch Shaw, Vice Chair, House Transportation

From: Wanda L. Mindoli, Commissioner, DMV

Date: February 23, 2022

Subject: State Fund Gap Analysis – Revised

Bradley Kukenberger, CFO for the Agency of Transportation presented a State Fund gap analysis for fiscal years FY2023 through FY2028 to the Joint Senate and House Transportation Committees this morning (2/23/2022). A similar, more summarized version of that document was presented earlier in February to both committees. In the FY2024 state fund projected expenditures, there was a double-counting error that overstated the total cost of the DMV Core System. There were staff costs already accounted for that should not have been presented as a new state fund pressure. In total, the \$44.75M (includes FY22 ARPA/General Fund Appropriation \$24.5M) requested for implementation of this project is sufficient to cover the total estimated costs.

Please see the updated version of the gap analysis attached, and please reach out with any questions for additional clarification or information.

Cc: John Quinn, Secretary of ADS
Bradley Kukenberger, CFO, AOT
Terri Blaisdell, Director of Finance, DMV

State Fund Gap Analysis SFY2023 through SFY2028
AOT for HTC/STC Joint Committee 2/23/2022

Estimates only - Do not have a FAST
Act for these years yet

	Governor's		Agency Estimate		Agency Estimate		Agency Estimate		Agency Estimate		Agency Estimate	
	Recommend FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034
DMV Operating Budget	\$ 37,942,872	\$ 39,081,158	\$ 40,253,593	\$ 41,461,201	\$ 42,705,037	\$ 43,986,188						
DMV Modernization System	\$ 20,250,000	\$ 2,274,878	\$ 3,100,000	\$ 3,400,000	\$ 3,600,000	\$ 3,700,000						
Finance & Administration	\$ 16,569,701	\$ 15,006,792	\$ 15,456,996	\$ 15,920,706	\$ 16,398,327	\$ 16,890,277						
STARS/MATS Replacement Costs	\$ 2,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000						
Transportation Buildings	\$ 2,050,000	\$ 2,111,500	\$ 2,174,845	\$ 2,240,090	\$ 2,307,293	\$ 2,376,512						
Transportation Board	\$ 190,962	\$ 196,691	\$ 202,592	\$ 208,669	\$ 214,929	\$ 221,377						
Administration/Facilities/IT Infrastructure	\$ 79,003,535	\$ 59,671,019	\$ 62,188,026	\$ 64,230,666	\$ 66,225,586	\$ 68,174,354						
Program Development	\$ 83,625,141	\$ 84,547,886	\$ 83,822,240	\$ 84,394,424	\$ 82,100,286	\$ 78,176,149						
Policy & Planning	\$ 3,217,573	\$ 3,314,101	\$ 3,413,524	\$ 3,515,929	\$ 3,621,407	\$ 3,730,049						
Maintenance	\$ 105,517,966	\$ 108,683,505	\$ 111,944,010	\$ 115,302,330	\$ 118,761,400	\$ 122,324,242						
Public Transit	\$ 4,108,577	\$ 13,991,151	\$ 14,410,886	\$ 14,843,212	\$ 15,288,508	\$ 15,747,164						
Aviation	\$ 5,693,133	\$ 6,893,927	\$ 7,100,745	\$ 7,313,768	\$ 7,533,181	\$ 7,759,176						
Rail	\$ 14,201,368	\$ 16,487,409	\$ 20,607,409	\$ 25,987,409	\$ 22,227,409	\$ 17,467,409						
Town Highway Programs	\$ 43,883,894	\$ 45,200,411	\$ 46,556,423	\$ 47,953,116	\$ 49,391,709	\$ 50,873,461						
Projects and Programs	\$ 260,247,652	\$ 279,118,390	\$ 287,855,237	\$ 299,310,188	\$ 298,923,901	\$ 296,077,650						
IIJA EV Infrastructure Non-federal Match		\$ 848,630	\$ 848,630	\$ 848,630	\$ 848,630	\$ 848,630						
Congressional Earmark Non-federal Match		\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000						
Total Other IIJA Increase (EV Program + Congressional Earmarks)	\$ -	\$ 1,848,630	\$ 1,848,630	\$ 1,848,630	\$ 1,848,630	\$ 1,848,630						
Info Centers	\$ 4,059,343	\$ 4,160,827	\$ 4,264,847	\$ 4,371,468	\$ 4,480,755	\$ 4,592,774						
Pay Act	\$ 1,502,420	\$ 2,500,000	\$ 2,562,500	\$ 2,626,563	\$ 2,692,227	\$ 2,759,532						
Other Transfers	\$ 4,125,123	\$ 4,125,123	\$ 4,125,123	\$ 4,125,123	\$ 4,125,123	\$ 4,125,123						
Total Operating Statement Liabilities	\$ 9,686,886	\$ 10,785,950	\$ 10,952,470	\$ 11,123,154	\$ 11,298,105	\$ 11,477,429						
Estimated State Fund Need	\$ 348,938,073	\$ 351,423,989	\$ 362,844,362	\$ 376,512,638	\$ 378,296,222	\$ 377,578,063						
Estimated State Funds Available	\$ 348,938,073	\$ 320,100,000	\$ 317,600,000	\$ 318,200,000	\$ 321,600,000	\$ 325,700,000						
Projected State Fund Balance	\$ (0)	\$ (31,323,989)	\$ (45,244,362)	\$ (58,312,638)	\$ (56,696,222)	\$ (51,878,063)						

Assumptions:

- Includes FY22 Gov Rec BAA and FY23 Gov Rec Budget assumptions (ie. TIB debt redemption in FY22, repeal of Transportation Fund JTOC Transfer in FY23)
- Revenues Based on January 2022 Consensus Revenue Forecast
- Includes non-federal match based on IIJA formula funds, project capacity, and known competitive grant funding (ie. INFRA and Rail)
- Includes estimated factors for inflationary pressures by project type
- Includes DMV Modernization and STARS replacement cost estimates
- Assumes 3% annual payroll and operating cost increases

