



STATE OF VERMONT
GENERAL ASSEMBLY
HOUSE COMMITTEE ON
TRANSPORTATION

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MEMORANDUM

To: Representative Diane Lanpher,
Chair, House Committee on Appropriations

Cc: Representative Emilie Kornheiser,
Chair, House Committee on Ways and Means

From: Representative Sara Coffey,
Chair, House Committee on Transportation

Date: March XX, 2023

Subject: State Fiscal Year 2024 Budget

Introduction

This will serve as Attachment 2 to the House Committee on Transportation's response to the State Fiscal Year (SFY) 2024 Governor's Recommended Budget as it relates to transportation matters, specifically Secs. D.101(a)(1) and D.101(d)(2) in the Governor's Recommend Budget. The House Committee on Transportation (Committee) provides this memorandum as elaboration for its position on these two items in the Governor's Recommended Budget.

Transportation Funding Gap

The Committee shares the Governor's concerns over the anticipated future transportation funding gap. The Committee feels very strongly that Vermont should maximize every available opportunity to use federal funds to have a maximum impact on the State's transportation system.

As you know, the Administration has projected an approximately \$79 million shortfall between forecasted Transportation Fund revenues and anticipated nonfederal match needs to maximize federal funding from the Infrastructure Investment and Jobs Act (IIJA) from SFY 2024 through SFY 2026. The Governor's Recommended Budget proposes to close this gap by (1) transferring \$10,925,980.00 from the General Fund to the Transportation Fund to meet SFY 2024 needs and (2) holding \$68,221,667.46 of General Fund monies in reserve to meet the match needs in SFY 2025 and SFY 2026.

Transfer of \$10,925,980.00 from General Fund to Transportation Fund (State Fiscal Year 2024)

The Committee respectfully urges the House Committee on Appropriations concur with the proposed transfer of \$10,925,980.00 in General Fund monies to the Transportation Fund in SFY 2024. This funding is an integral component of the Agency's proposed SFY 2024 Transportation Program, which the Committee intends to recommend be adopted through the Transportation Bill, with only limited amendments. Absent the transfer of these General Fund monies, the Agency of Transportation will likely have to significantly reduce the number of projects scheduled for delivery in SFY 2024.

Reserve of \$68,221,667.46 in General Fund Monies for Transportation Fund (State Fiscal Years 2025 and 2026)

While the Committee acknowledges the many competing demands for General Fund monies, it would also like to stress the importance of finding a path to closing the funding gap in SFY 2025 and SFY 2026. The Committee strongly supports identifying revenue sources to enable the State to meet future nonfederal match needs and acknowledges that there are other alternatives to the Governor's Recommended Budget that would address the underlying structural gap facing Vermont's transportation systems and meet the Agency's needs in SFY 2025 and SFY 2026 (and beyond).

To deal with the underlying structural deficit, the Committee suggests that the House Committee on Appropriations revisit the appropriateness of the Transportation Fund's \$20,250,000.00 annual support of the State Police (the "JTOC" appropriation) in future fiscal years. The Committee also suggests that the House Committee on Ways and Means consider the impact of Vermont's relatively stagnant transportation revenues in a time of high inflation and an unprecedented level of federal investment. State Transportation Fund revenues are not keeping up with the expected nonfederal match needs or growth in base costs.

Committee Vote

Members of the House Committee on Transportation appreciate being asked to provide a response to the State Fiscal Year 2024 Governor's Recommended Budget and support the response to the House Committee on Appropriations, including Attachments 1 and 2, on a vote of **X-X-X**.