

FY2026 BUDGET CREATION
JTOC APPROPRIATION USE

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FEBRUARY 4, 2025

AGENCY OF TRANSPORTATION

	FY2024 Final	FY2025 Budget As Passed Jan '24 Rev
Revenues		
Current Law Revenues	303,049,868	315,700,000
Prior Year Refund of Expenditures	55,187	8,564,908
New Revenue	0	600,000
Federal Reimbursements	175,539	0
Est. Reversions	0	0
Current Year Reversions		0
Direct Applications & Reversions		0
Total Revenue	303,280,594	324,864,908
Carry forward balance	25,984,426	6,842,674
Total State Funds	329,265,020	331,707,582
Appropriations		
AOT Appropriations	304,753,571	325,557,772
Waterfall appropriations	0	0
B.114 BGS Information Centers	4,235,134	4,292,149
Pay Act / FY11 27th Payroll	2,500,000	2,500,000
Transportation Debt Service		
B.209 DPS - State Police (JTOC approp)	20,250,000	20,250,000
Contingent Approps / Ex Receipts	250,000	0
Other appropriations	0	2,400,000
Current Year Reversions/Rescissions	(12,468,190)	
Net Budget Adjustments	0	0
Total Appropriations	319,520,515	354,999,921
Pre- Transfer balance	9,744,505	(23,292,339)
Transfers		
Transfer (to)/from General Fund		
Transfer (to)/from Downtown Fund	(523,966)	(523,966)
Transfer (to)/from Central Garage Fund	0	1,100,000
Transfer (to)/from Other Reserves	0	0
Transfer (to)/from Recreational Trail Fund	(370,000)	(370,000)
Transfer (to)/from Other funds	(180,331)	24,823,255
Transfer (to)/from Stabilization Reserve	1,165,211	(1,736,949)
Transfer (to)/from Vision Reserve	0	0
Transfer (to)/from Bond Reserve	0	0
Closing Recon Entries	0	0
Transfer (to)/from Bridge Fund	0	0
Net Transfers	90,914	23,292,340
Ending Balance	9,835,419	1
Bond Reserve	0	0
Stabilization Reserve Balance	14,194,331	15,931,280
5% Maximum Balance	14,194,331	15,931,280
Reserve Balance vs Maximum	0	0

One-time revenue sources in the FY2025 Budget As Passed from last legislative session:

- \$8.5M – expected reimbursement from FHWA for administrative expenses related to the July 2023 flood
- \$12.5M – reversions committed to be found in FY2024 closeout
- \$25M – transfer from the Cash Fund for Capital and Essential Investments Fund to the Transportation Fund

Total one-time revenue source gap: \$46M

	FY2025 Budget As Passed Jan '24 Rev	FY2025 As Passed with July '24 Rev - Gov Rec BAA
Revenues		
Current Law Revenues	315,700,000	317,800,000
Prior Year Refund of Expenditures	8,564,908	6,290,000
New Revenue	600,000	
Federal Reimbursements	0	0
Est. Reversions	0	1,100,000
Current Year Reversions	0	0
Direct Applications & Reversions	0	0
Total Revenue	324,864,908	325,190,000
Carry forward balance	6,842,674	9,835,419
Total State Funds	331,707,582	335,025,419
Appropriations		
AOT Appropriations	325,557,772	325,557,772
Waterfall appropriations	0	0
B.114 BGS Information Centers	4,292,149	4,292,149
Pay Act / FY11 27th Payroll	2,500,000	2,500,000
Transportation Debt Service		
B.209 DPS - State Police (JTOC approp)	20,250,000	20,250,000
Contingent Approps / Ex Receipts	0	3,260,000
Other appropriations	2,400,000	2,400,000
Current Year Reversions/Rescissions		
Net Budget Adjustments	0	0
Total Appropriations	354,999,921	358,259,921
Pre- Transfer balance	(23,292,339)	(23,234,502)
Transfers		
Transfer (to)/from General Fund		
Transfer (to)/from Downtown Fund	(523,966)	(523,966)
Transfer (to)/from Central Garage Fund	1,100,000	1,100,000
Transfer (to)/from Other Reserves	0	0
Transfer (to)/from Recreational Trail Fund	(370,000)	(370,000)
Transfer (to)/from Other funds	24,823,255	24,823,255
Transfer (to)/from Stabilization Reserve	(1,736,949)	(1,781,695)
Transfer (to)/from Vision Reserve	0	0
Transfer (to)/from Bond Reserve	0	0
Closing Recon Entries	0	0
Transfer (to)/from Bridge Fund	0	0
Net Transfers	23,292,340	23,247,594
Ending Balance	1	13,092
Bond Reserve	0	0
Stabilization Reserve Balance	15,931,280	15,976,026
5% Maximum Balance	15,931,280	15,976,026
Reserve Balance vs Maximum	0	0

AOT use of FY2025 July 2024 Revenue Forecast Upgrade

- July 2024 Revenue Forecast upgrade for FY2025 = +\$2.1M - \$600K new revenue included in forecast = \$1.5M
- Revised expected reimbursement from FHWA for administrative expenses related to the July 2023 flood = -\$2.3M
- Carryforward appropriations from FY2024 = +\$3.0M
- Execution of contingent appropriations, and impact to stabilization reserve = -\$3.3M

Net FY2025 pressures and revenue: -\$1.1M

Solution: AOT committed to finding \$1.1M worth of reversions in July 2025

Agency of Transportation - Proposed FY26 Budget			
Summary of Changes and Reduction Proposals from the FY25 Budget - Transportation Fund Impact			
Changes from FY25 Budget			
Change #	Appropriation Name	Description	FY26 Proposed TF
Increases from FY25 Budget			\$ 17,988,501
1	All	Salaries & position movements increase	\$ 6,486,163
2	All	Benefit rates increase	\$ 5,403,785
3	All	ISF & SLA increase	\$ 2,180,866
4	Aviation, Highways, Maintenance, Rail	Central Garage ISF billings increase	\$ 1,525,372
5	DMV	Personal services and third party contract increase (including FAST M&O)	\$ 1,242,083
6	Aviation	Increased TF need for planned FY2026 Aviation projects	\$ 830,033
7	Public Transit	Increased TF need for planned FY2026 Public Transit projects	\$ 82,166
8	Policy, T-Board	Grant and operating expense increase (including Section 1111 Permits and MPO pass through grants)	\$ 238,033
Reduction Proposals			\$ (13,950,874)
1	DMV, F&A, Highways	Elimination of 17 LTS positions (14 DMV, 2 F&A, 1 Highways)	\$ (1,492,539)
2	Town Highway programs	Minimum statutory calculations for Town Highway Structures, Town Highways Class 2 Roadways, and Town Highway Aid Program	\$ (188,017)
3	F&A, EPS, Town State Aid, Maintenance	Reduction in personal services and operating expenses in FY2026 - adjustments to actuals	\$ (1,716,830)
4	Buildings	Change in fund source to maximize TIB funds forecasted in July 2024 consensus revenue forecast	\$ (300,000)
5	Buildings	Modification to planned Buildings projects to accommodate less TF available in FY2026	\$ (325,000)
6	Rail	Modification to planned Rail projects to accommodate less TF available in FY2026	\$ (696,092)
7	Highways, Rest Areas	Modification to planned Highways projects to accommodate less TF available in FY2026	\$ (9,232,396)
AOT Position			\$ 4,037,627

In addition to the \$46M one-time revenue hole to address in FY2026, AOT started the FY2026 budgeting process with \$15.5M of known pressures – salaries, benefits, ISFs & SLA, and Central Garage ISF billings – for current services.

Total TF \$\$ to be found for FY2026 to support current services = \$61.5M

HOW AOT FOUND \$61.5M TF

- (ongoing revenue source) January 2025 TF revenue forecast = \$10.3M
- (proposed ongoing revenue source) Use of JTOC appropriation for AOT base budget = \$20.25M
- (one-time revenue source) Use of reserved amount in Cash Fund for Capital and Essential Investments Fund = \$12.5M
 - *dependent on passage of FY26 Gov Rec language sections D.101 and D.103
- (annual base budget reduction): \$14M in budget reduction proposals, primarily in modification to Highways projects
- (one-time budget reduction): \$4.5M in reversions agency-wide which AOT is committed to identifying in July 2025 as part of FY2025 closeout

JTOC APPROPRIATION HISTORY

- Act No. 141 of 2002 (eff. June 21, 2002): Added Sec. 42. 19 V.S.A. § 11a to statute:
§ 11a. TRANSPORTATION FUNDS APPROPRIATED FOR SUPPORT OF GOVERNMENT
The maximum amount of transportation funds that may be appropriated for the support of government, other than for the agency of transportation, transportation pay act funds, the cost of maintaining and staffing rest areas, construction of transportation capital facilities used by the agency of transportation, and transportation debt service, shall not exceed **20.5** percent of the total of the prior fiscal year transportation fund appropriations.
- Act No. 56 of 2003 (eff. July 1, 2004): Changed “not to exceed” percentage to **19**.
- Act No. 160 of 2004 (eff. June 9, 2004): For fiscal year 2006 and thereafter, changed “not to exceed” percentage to **18.5**.
- Act No. 80 of 2005 (eff. July 1, 2005): Changed “not to exceed” percentage to **18** in FY2006 and specified a maximum dollar amount of **\$38,221,563** in FY2007.
- Act No. 175 of 2006 (eff. July 1, 2006): Removed “cost of maintaining and staffing rest areas” from eligible use list and changed the maximum dollar amount in FY2027 to **\$35,440,855**.
- Act No. 65 of 2007 (eff. July 1, 2007): Changed the maximum dollar amount to **\$35,007,219**.
- Act No. 192 of 2008 (eff. July 1, 2008): Changed the maximum dollar amount to **\$32,852,807** and added a statement of legislative intent in session law:

Sec. 7.002. STATEMENT OF LEGISLATIVE INTENT; TRANSPORTATION FUNDING OTHER THAN AGENCY OF TRANSPORTATION (a) For fiscal year 2010, it is the intent of the general assembly that there will be continued support for a reduction in the maximum amount of transportation funds appropriated for the support of government, other than for the agency of transportation, the transportation board, transportation pay act funds, construction of transportation capital facilities used by the agency of transportation, and transportation debt service.

- Act No. 1 of 2009 Special Session (eff. June 2, 2009): Changed the section title to TRANSPORTATION FUNDS APPROPRIATED FOR THE DEPARTMENT OF PUBLIC SAFETY and added the department of public safety to the eligible use list and added the following maximum amounts to public safety by fiscal year: FY2010 = **\$30,850,000**; FY2011 = **\$28,350,000**; and FY2012 = **\$25,250,000**.
- Act No. 162 of 2012 (eff. July 1, 2012): Added BGS information centers to eligible use list and changed maximum amount to public safety to **\$25,250,000**.
- Act No. 12 of 2013 (eff. July 1, 2013): Changed maximum amounts to public safety by fiscal year: FY2014 = **\$25,250,000**; FY2015 = **\$22,750,000**; and FY2016 and succeeding fiscal years = **\$20,250,000**.
- Act No. 58 of 2015 (eff. July 1, 2015): Changed maximum amounts to public safety by fiscal year : FY2014 = **\$25,250,000**; FY2015 and FY2016 = **\$22,750,000**; and FY2017 and succeeding fiscal years = **\$20,250,000**.
- Act No 158 of 2016 (eff. July 1, 2016): Changed maximum amounts to public safety by fiscal year : FY2014 = **\$25,250,000**; FY2015 and FY2016 = **\$22,750,000**; FY2017 = **\$21,150,000**; FY2018 and succeeding fiscal years = **\$20,250,000**. A section was also added on use of the \$20.25M:
(b) In fiscal year 2017 and in succeeding fiscal years, of the funds appropriated to the Department of Public Safety pursuant to subsection (a) of this section, the amount of \$2,100,000.00 is allocated exclusively for the purchase, outfitting, assignment, and disposal of State Police vehicles. Any unexpended and unencumbered funds remaining in this allocation at the close of a fiscal year shall revert to the Transportation Fund. The Department of Public Safety may periodically recommend to the General Assembly that this allocation be adjusted to reflect market conditions for the vehicles and equipment.
- Act No. 3 of 2017 (eff. March 2, 2017): Changed amount allocated for the purchase, outfitting, assignment, and disposal of State Police vehicles to \$1.68M in FY2017. The amount remained \$2.1M in FY2018 and succeeding fiscal years.
- Act No. 184 of 2022 (eff. July 1, 2022): Legislative clean-up – removed reference to \$1.68M amount for the purchase, outfitting, assignment, and disposal of State Police vehicles in FY2017.

IF JTOC APPROPRIATION WERE NOT AVAILABLE FOR AOT USE

Project Name	FY2026 TF Budget	FY2026 All Funds Budget	Total Budget (All Years)
Paving			
BARRE TOWN - ORANGE STP PS 23(1)	\$ 1,264,719.13	\$ 6,684,562.00	\$ 6,684,562.00
CHELSEA-WASHINGTON STP FPAV(70)	\$ 661,769.00	\$ 3,497,722.00	\$ 3,997,722.43
HINESBURG-SOUTH BURLINGTON STP PS25(8)	\$ 771,989.92	\$ 4,080,285.00	\$ 4,830,285.26
SHELDON-ENOSBURG STP FPAV(68)	\$ 526,731.48	\$ 2,783,993.00	\$ 3,533,992.59
THETFORD-FAIRLEE STP FPAV(64)	\$ 598,495.79	\$ 3,163,297.00	\$ 3,912,596.51
BARRE CITY STP 2961(3)	\$ 265,920.60	\$ 1,405,500.00	\$ 1,805,500.00
BRATTLEBORO NH PC25(5)	\$ 209,507.40	\$ 1,107,333.00	\$ 2,107,333.07
BRATTLEBORO STP PC25(6)	\$ 510,758.64	\$ 2,699,570.00	\$ 5,099,570.16
BRATTLEBORO-PUTNEY STP PS25(11)	\$ 646,688.25	\$ 3,418,014.00	\$ 5,968,014.46
ESSEX-FAIRFAX STP FPAV(85)	\$ 655,769.28	\$ 3,466,011.00	\$ 4,166,011.50
KILLINGTON - STOCKBRIDGE ER STP 022-1(25)	\$ 662,200.00	\$ 3,500,000.00	\$ 30,929,195.81
DLEV(TBD)	\$ 5,200,000.00	\$ 5,200,000.00	\$ 5,200,000.00
Roadway			
PITTSFORD - BRANDON NH 019-3(494)	\$ 567,600.00	\$ 3,000,000.00	\$ 23,311,717.84
Total	\$ 12,542,149.50	\$ 44,006,287.00	\$ 101,546,501.63