

FY27 Department of Motor Vehicles Budget Overview

February 11, 2026

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Budgeted vs Actual Spending FY26

| Budget Level | FY26 Budget** | FY26 Expenditures* | % Spent | Remaining |
|--------------------------------|----------------------|----------------------|--------------|----------------------|
| Payroll & Benefits | \$ 26,145,394 | \$ 12,691,066 | 48.5% | \$ 13,454,328 |
| Contracts & 3rd Party Service | \$ 14,029,408 | \$ 3,577,087 | 25.5% | \$ 10,452,320 |
| | \$ 40,174,801 | \$ 16,268,153 | 40.5% | \$ 23,906,648 |
| | | | | |
| IT/Telecommunications Services | \$ 2,833,317 | \$ 2,050,924 | 72.4% | \$ 782,393 |
| Property, Maintenance & Rental | \$ 2,043,391 | \$ 1,455,273 | 71.2% | \$ 588,118 |
| Equipment, Hardware, Software | \$ 3,542,318 | \$ 329,600 | 9.3% | \$ 3,212,718 |
| Supplies | \$ 700,315 | \$ 196,414 | 28.0% | \$ 503,901 |
| Travel | \$ 92,429 | \$ 56,968 | 61.6% | \$ 35,461 |
| Other Purchased Services | \$ 3,368,847 | \$ 1,061,111 | 31.5% | \$ 2,307,736 |
| Other Operating Expenses | \$ 3,103,568 | \$ 1,427,774 | 46.0% | \$ 1,675,794 |
| Operating Expenses | \$ 15,684,185 | \$ 6,578,064 | 41.9% | \$ 9,106,121 |
| | | | | |
| TOTALS | \$ 55,858,987 | \$ 22,846,217 | 40.9% | \$ 33,012,769 |

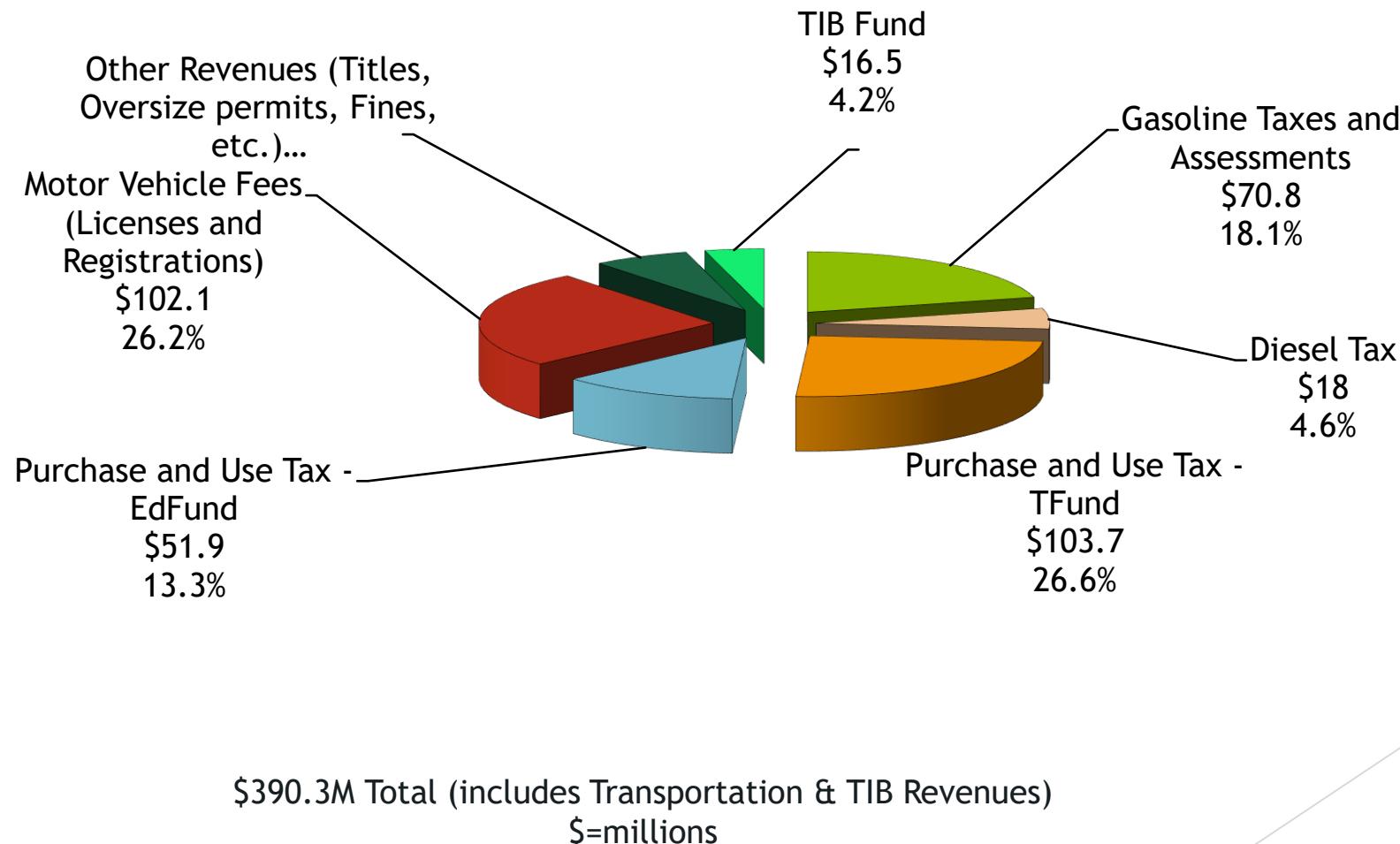
*Expenditures through 12/31/2025

** FY26 Budget including carryforward - \$55,858,987

FY26 Budget "As Passed" - \$49,518,301

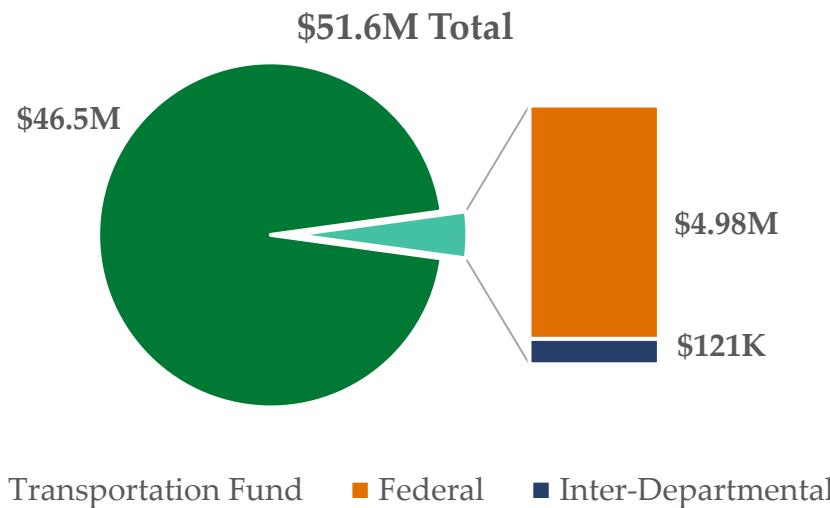
State Transportation Revenue Sources - FY27

Source – January 2026 Economic Review and Revenue Forecast Update



Governor's Recommended Budget FY27

The FY26 proposed budget maintains the current level of service. This proposed budget helps ensure the continuation of DMV services and offerings at all current locations.



Federal funds breakdown:

- Federal Highway Administration - \$100K
- Motor Carrier Safety Assistance Program - \$4.88M increased by \$2.29M

DMV will collect an estimated \$390.3M in taxes and fees in FY27. An increase in the overall budget of \$2.12M (4.3%), Tfund decrease by \$164K (.35%)

- **Personal Services** - net increase of \$3.45M (9.49%)
 - \$1.35M increase in Salaries and Wages, with Vacancy Savings calculation as a percentage of classified salaries of 5% plus fringe benefits,
 - \$769K increase in Fringe Benefits;
 - \$1.33M (13.07%) net increase in Contractual Services
- **Operating Costs** - a net decrease of \$1.33M (10.19%)
 - \$125.5K increase in equipment costs, security cameras
 - \$1.9M decrease in bank service charges
 - \$241K increase in IT/Telecom Services & Equip, inclusive of reinstatement of CDLIS fees
 - \$172K increase in Other Purchased Services (postage, printing, HR services, etc.)
 - \$60K decrease in Property Maintenance &
 - \$50K increase for Rental Property, reallocation of funds to reflect actual spending
 - \$4K increase in Rental Property, level funded
 - \$12K decrease, cost of supplies

FY27 DMV Crosswalk and Budget Variances

The overall increase of 4.3% (9.49% for Personal Services and (10.19)% for Operating)

| DMV BUDGET REQUEST | Budget Request FY27 | | | | | Comparison between FY26 & FY27 | | | COMMENTS | |
|---|----------------------|---------------------|-------------------|----------------------|----------------------------|--------------------------------|----------------|---|----------|--|
| | Transportation Fund | Federal | Interdept | Total Amount | FY26 Total Approved Budget | Difference Between FY27 & FY26 | UP / Down | | | |
| Department of Motor Vehicles (Appropriation DeptID 81000002100) | \$ 46,545,599 | \$ 4,978,081 | \$ 121,696 | \$ 51,645,376 | \$ 49,518,301 | \$ 2,127,075 | 4.30% | Total of Personal Service and Operations Difference | | |
| PERSONAL SERVICES | | | | | | | | | | |
| Salaries and Wages | \$ 16,238,580 | \$ - | \$ - | \$ 16,238,580 | \$ 14,887,593 | \$ 1,350,987 | 9.07% | Adaptive budgeting system wage calculations. 5.4% instructed increase to use. Vacancy Savings calculated as a percentage of classified salaries 5% plus benefits. HPCM Grant 800K | | |
| Fringe Benefits | \$ 9,381,971 | \$ 2,707,719 | \$ - | \$ 12,089,690 | \$ 11,320,152 | \$ 769,538 | 6.80% | Contractually required benefits (health & retirement). Annual allocations provided for internal services such as Workers Comp, Unemployment Compensation, Catamount Health Assessment. NEW: Family Medical Leave Insurance and Child Care Contribution - Waiting on Internal Service Fund (ISF) costs - CE instructed to use 3% | | |
| Contractual & 3rd Party Services | \$ 9,981,716 | \$ 1,596,682 | \$ - | \$ 11,578,398 | \$ 10,240,189 | \$ 1,338,209 | 13.07% | IT line items include Fast M&O, Automated testing system, E-Permitting, Driver Tutorials, CVIEW (Commercial Vehicle data sharing), and NMVTIS (Title Info System). Maintenance for smart roadside system, Study for CDL PI Grant. Third-party contractual costs for license card production, vehicle data & valuation, VIN verification, and courier services for transporting funds. | | |
| Per Diem | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | | | |
| Personal Services Subtotal | \$ 35,602,267 | \$ 4,304,401 | \$ - | \$ 39,906,668 | \$ 36,447,934 | \$ 3,458,734 | 9.49% | | | |
| OPERATING | | | | | | | | | | |
| Equipment | \$ 640,317 | \$ 245,683 | \$ 22,000 | \$ 908,000 | \$ 782,500 | \$ 125,500 | 16.04% | Laptops for Driver Improvement 100K, security cameras 100K | | |
| IT/Telecom Services & Equipment | \$ 2,955,119 | \$ 123,948 | \$ - | \$ 3,079,067 | \$ 2,837,317 | \$ 241,750 | 8.52% | Increase due to ADS services/allocated fees estimated at 3%. Reinstatement of the CDLIS fees, | | |
| Other Operating Expenses | \$ 1,221,488 | \$ - | \$ 51,621 | \$ 1,273,109 | \$ 3,103,568 | \$ (1,830,459) | -58.98% | Credit Card Fees passed to customers otherwise level funded | | |
| Other Purchased Services | \$ 3,476,587 | \$ 31,928 | \$ 32,775 | \$ 3,541,290 | \$ 3,368,847 | \$ 172,443 | 5.12% | Printing & Postage based on FY25 actuals | | |
| Property & Maintenance | \$ 119,025 | \$ 9,975 | \$ - | \$ 129,000 | \$ 158,900 | \$ (29,900) | -18.82% | Reallocating funds to reflect actual spending | | |
| Rental Other | \$ 415,509 | \$ 99,491 | \$ - | \$ 515,000 | \$ 511,000 | \$ 4,000 | 0.78% | Level funded | | |
| Rental Property | \$ 1,405,842 | \$ - | \$ - | \$ 1,405,842 | \$ 1,355,491 | \$ 50,351 | 3.71% | Decrease due to ISF Fee for Space estimated at 3%. | | |
| General Operating/Supplies | \$ 550,284 | \$ 122,516 | \$ 15,300 | \$ 688,100 | \$ 700,315 | \$ (12,215) | -1.74% | Reallocating funds to reflect actual spending | | |
| Travel | \$ 129,161 | \$ 40,139 | \$ - | \$ 169,300 | \$ 162,429 | \$ 6,871 | 4.23% | Reallocating funds to reflect actual spending | | |
| Repair & Maintenance Services | \$ 30,000 | \$ - | \$ - | \$ 30,000 | \$ 90,000 | \$ (60,000) | -66.67% | Reallocating funds to reflect actual spending | | |
| Operating Subtotal | \$ 10,943,332 | \$ 673,680 | \$ 121,696 | \$ 11,738,708 | \$ 13,070,367 | \$ (1,331,659) | -10.19% | | | |
| GRANTS | | | | | | | | DMV does not issue grants. | | |
| Grants Subtotal | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | - | | | |
| DMV FY27 Budget Request: | \$ 46,545,599 | \$ 4,978,081 | \$ 121,696 | \$ 51,645,376 | 4.30% | increase | | | | |

Changes to Federal Funding

- Details on significant changes in federal funding, including information about the size and duration of federal grants included in the budget:
 - NA
- Major initiatives funded by federal funds and plans for initiatives after federal funding is no longer available:
 - NA

Position Increases/Reductions & Vacancy Savings

The FY27 budget includes 229 Positions:

- We have a total of 229 positions in FY27,
- As of 2/10/26, there are 17 vacancies.

Vacancy Savings:

- The Vacancy Savings target was calculated at 5% of classified salary and benefits costs of \$1,432,790. We expect to absorb this reduction with actual vacancy savings.

Carry-forward Funds

FY25 Carry-forward funds:

- DMV Budget - \$2,512,964
 - Identified Contractual Obligations = \$262,000 - to be paid in FY26
 - Identified CORE System and Other Operating Expenditures = \$1,709,182 to be paid in FY26
 - Identified Enforcement Purchases in FY25 = \$275,818 to be paid in FY26
 - Identified Other Purchases in FY25 = \$153,000 to be paid in FY26
 - Reverted to AOT - \$112,964

Anticipated Level of Carry-forward funds at the end of FY26:

- We are not anticipating carry-forward funds at the end of FY26.

Single Audit Findings

- ▶ DMV provides information and documentation as part of the AOT Single Audit.
- ▶ FY24 Audit did not have any findings for DMV to address.
- ▶ FY25 Audit is pending.

Core Modernization Project

Partnered with FAST Enterprises to implement a commercial off-the-shelf solution in a two-phase project to replace existing, disparate systems with a single online system

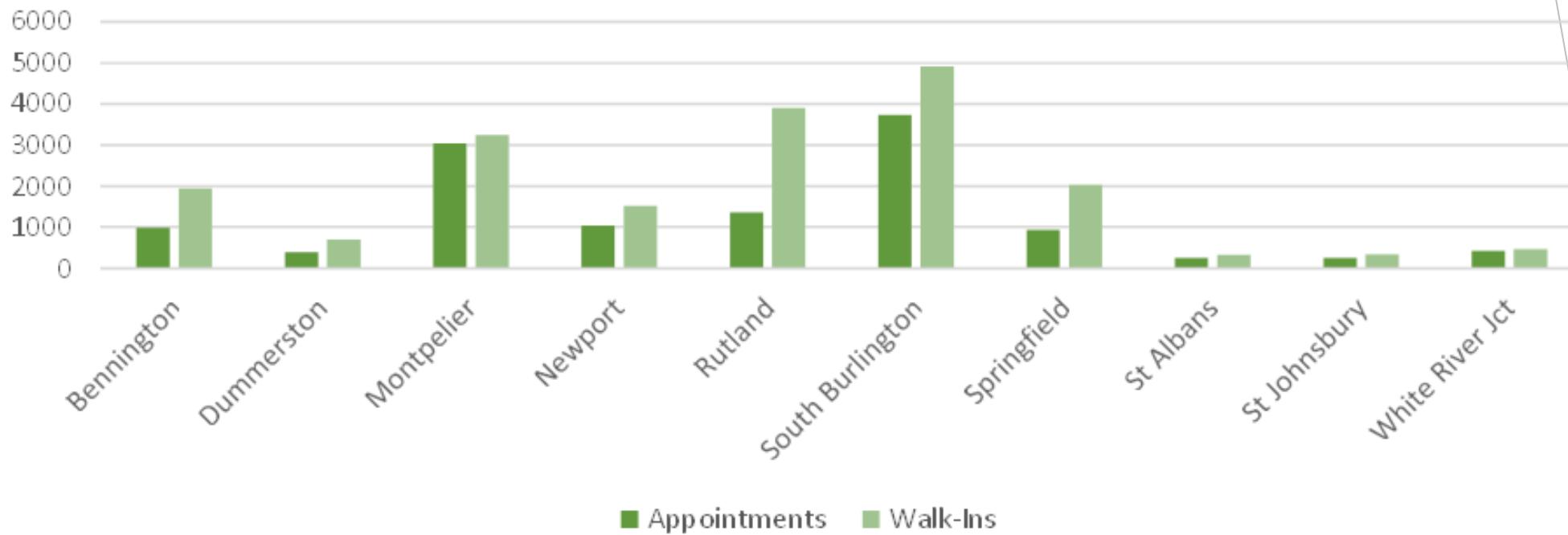
- ▶ Phase 1: Vehicle Services - June 13, 2022-November 13, 2023
 - ▶ Replaced many aging systems in vehicle registration and titling, revenue collection and categorization, image scanning and retrieval, and dealer licensing
- ▶ Phase 2: Driver Services -Driver Services - June 5, 2024, to November 11, 2025
 - ▶ Replaced driver's license issuance and driver control systems, expansion of online services
 - Implemented the use of tablets at all customer service stations paving the way to transition to paperless transactions in the future
 - Created online pre-application process for identification transactions, saving time at the counter
 - Integrated eligibility checks into credential issuance transactions saving time, better protecting Vermonters' identities, and reducing potentials for error

Core Modernization Budget Status

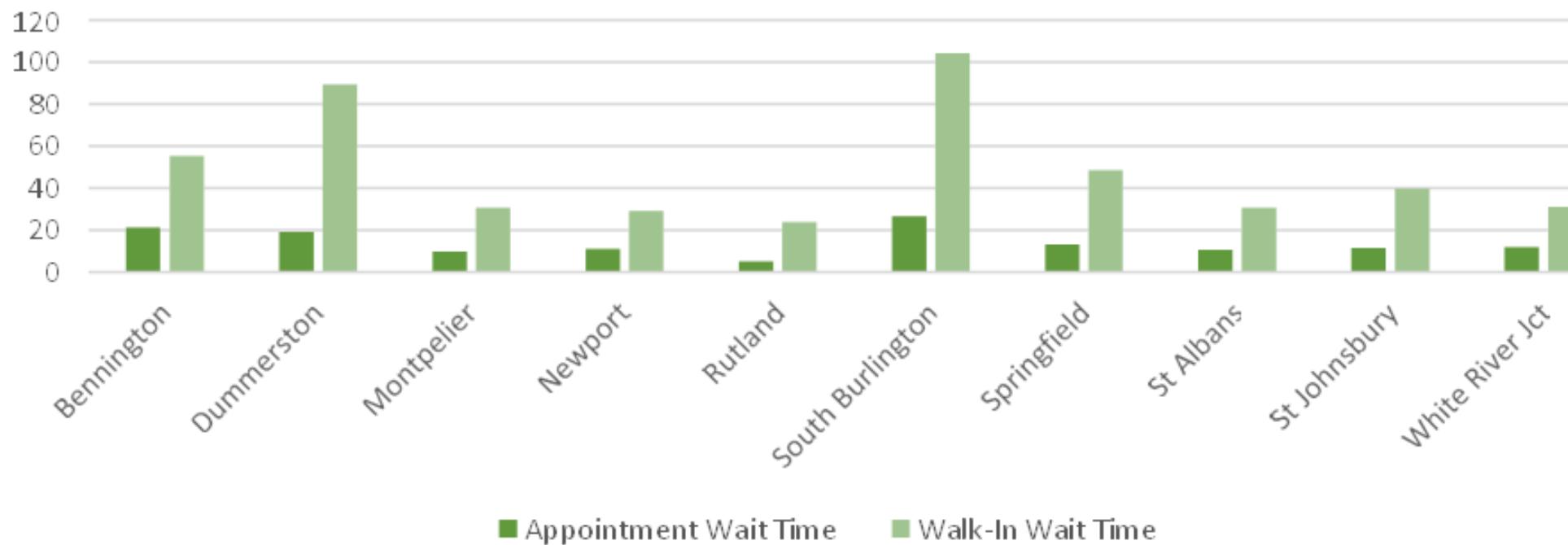
| DMV Core Modernization Budget-Expenditure Summary Period Ending December 31, 2025 | | | | | | |
|---|----------------------|---------------|----------------------|----------------------|------------|-------------------|
| Fund Level Implementation phase | Budget* | Budget Adj(s) | Adj Budget | Expenditures** | % Expended | Remaining |
| Trans Fund 20105 | \$ 6,435,563 | \$ - | \$ 6,435,563 | \$ 5,561,672 | 86% | \$ 873,891 |
| Phase 2 | \$ 20,250,000 | \$ - | \$ 20,250,000 | \$ 20,250,000 | 100% | \$ - |
| Phase 1-ARPA-22047 | \$ 14,120,000 | \$ - | \$ 14,120,000 | \$ 14,119,999 | 100% | \$ 1 |
| Phase 1-General Fund 10000 | \$ 10,380,000 | \$ - | \$ 10,380,000 | \$ 10,380,000 | 100% | \$ - |
| TOTALS | \$ 51,185,563 | \$ - | \$ 51,185,563 | \$ 50,311,671 | 98% | \$ 873,892 |

Completed the implementation on time and underbudget

Office Visits



Average Wait Time in Minutes



Transactions Completed by Office

