

# 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
	<b>\$ 40,174,801</b>	<b>\$ 16,268,153</b>	<b>40.5%</b>	<b>\$ 23,906,648</b>
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
<b>Operating Expenses</b>	<b>\$ 15,684,185</b>	<b>\$ 6,578,064</b>	<b>41.9%</b>	<b>\$ 9,106,121</b>
<b>TOTALS</b>	<b>\$ 55,858,987</b>	<b>\$ 22,846,217</b>	<b>40.9%</b>	<b>\$ 33,012,769</b>

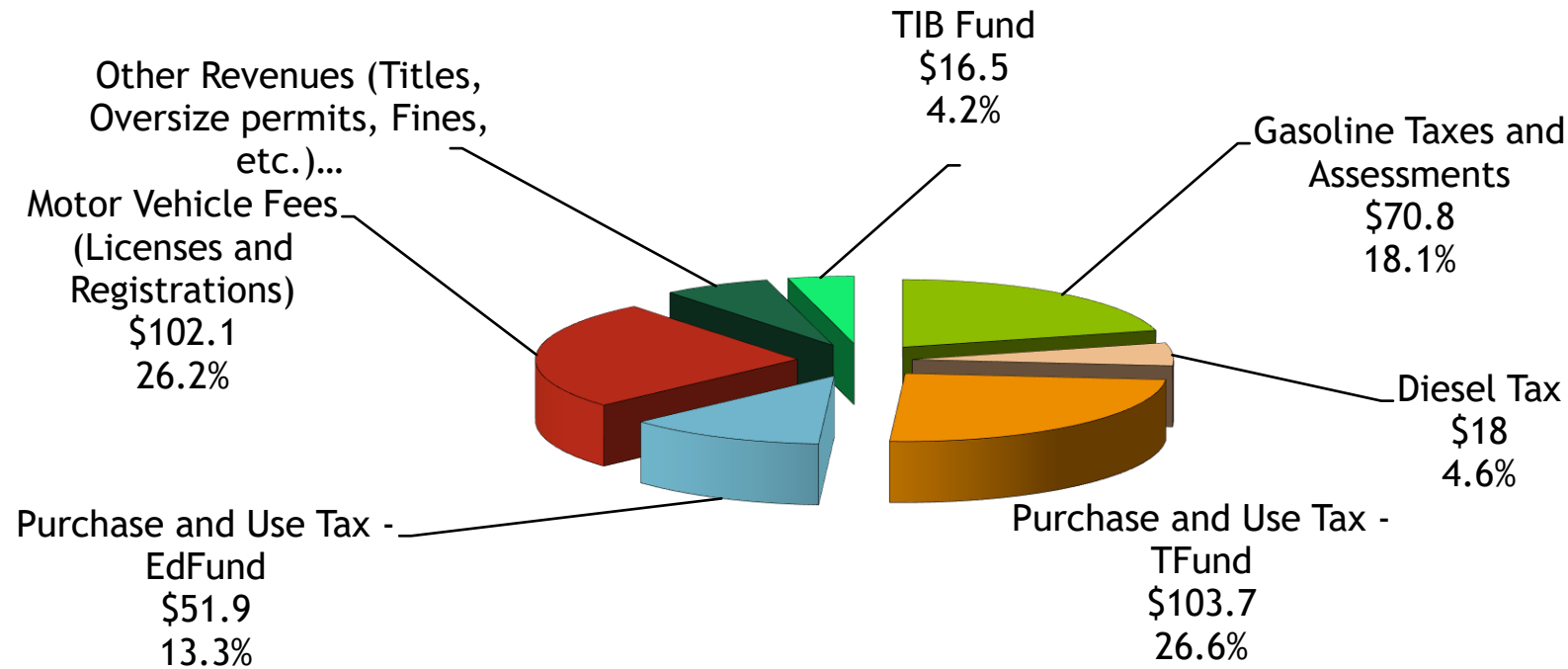
\*Expenditures through 12/31/2025

\*\* 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

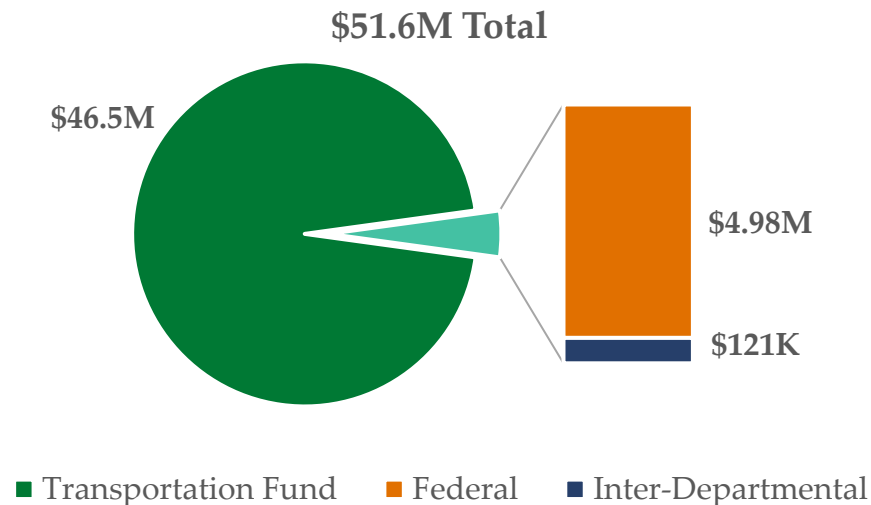


\$390.3M Total (includes Transportation & TIB Revenues)  
\$=millions

# 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.

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%)



Federal funds breakdown:

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

- **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)

	Budget Request FY27				Comparison between FY26 & FY27			
DMV BUDGET REQUEST	Transportation Fund	Federal	Interdept	Total Amount	FY26 Total Approved Budget	Difference Between FY27 & FY26	UP / Down	COMMENTS
Department of Motor Vehicles (Appropriation DeptID 8100002100)	\$ 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
<b>PERSONAL SERVICES</b>								
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. HPCMV 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%	
<b>OPERATING</b>								
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%	
<b>GRANTS</b>								
Grants Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	DMV does not issue grants.
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

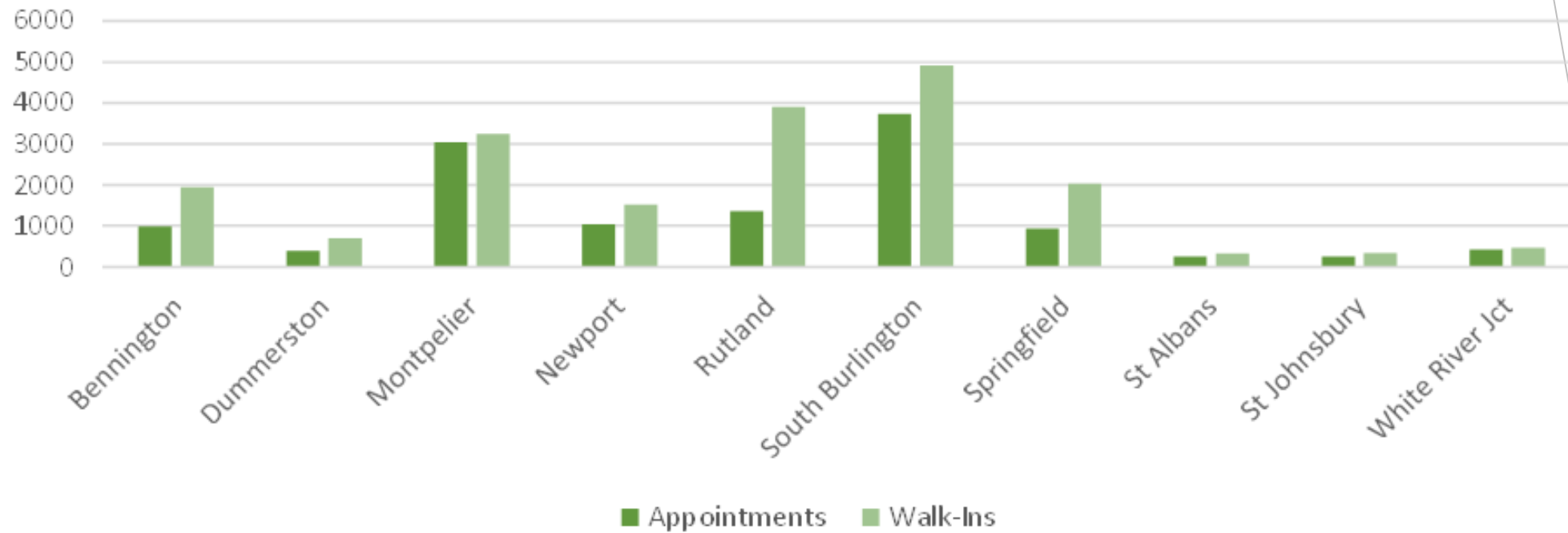
- ▶ Phase 1: Vehicle Services - June 13, 2022-November 13, 2023
  - ▶ Replaced many aging systems in vehicle registration and titling, revenue collection and categorization, image scanning and retrieval, and dealer licensing
  
- ▶ Phase 2: Driver Services -Driver Services - June 5, 2024, to November 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

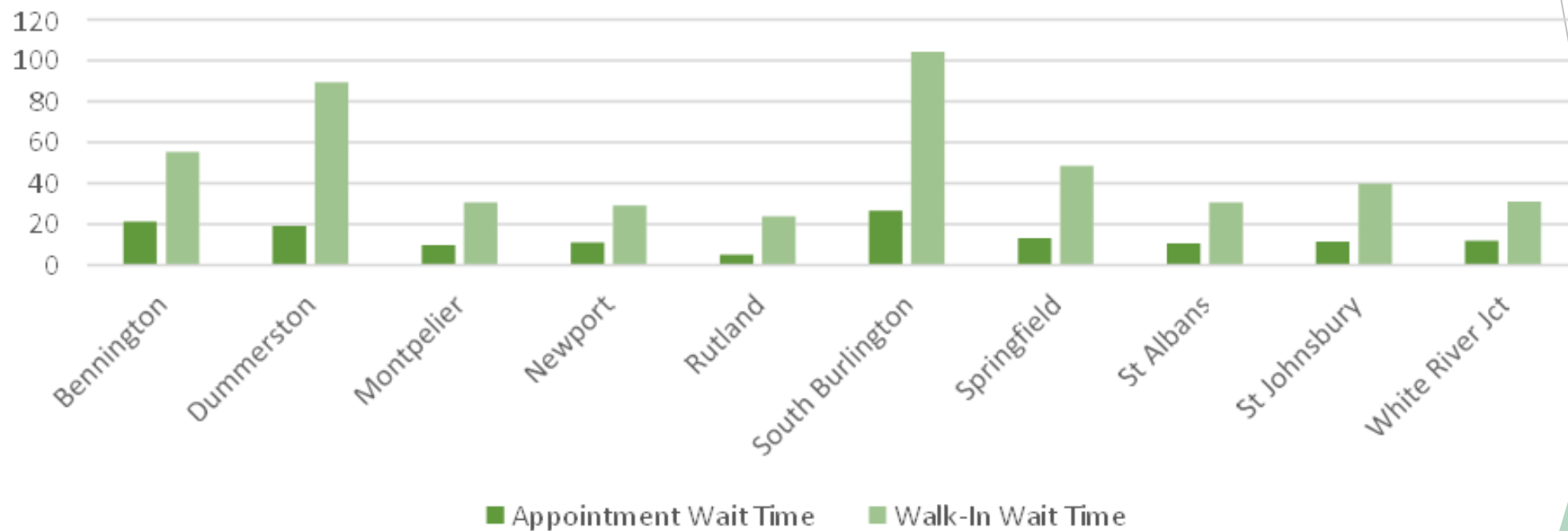
DMV Core Modernization						
Budget-Expenditure Summary						
Period Ending December 31, 2025						
	Budget*	Budget Adj(s)	Adj Budget	Expenditures**	% Expended	Remaining
<b>Fund Level</b>						
<b>Implementation phase</b>						
Trans Fund 20105	\$ 6,435,563	\$ -	\$ 6,435,563	\$ 5,561,672	86%	\$ 873,891
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%	\$ -
<b>TOTALS</b>	<b>\$ 51,185,563</b>	<b>\$ -</b>	<b>\$ 51,185,563</b>	<b>\$ 50,311,671</b>	<b>98%</b>	<b>\$ 873,892</b>

Completed the implementation on time and underbudget

## Office Visits



Average Wait Time in Minutes



Transactions Completed by Office

