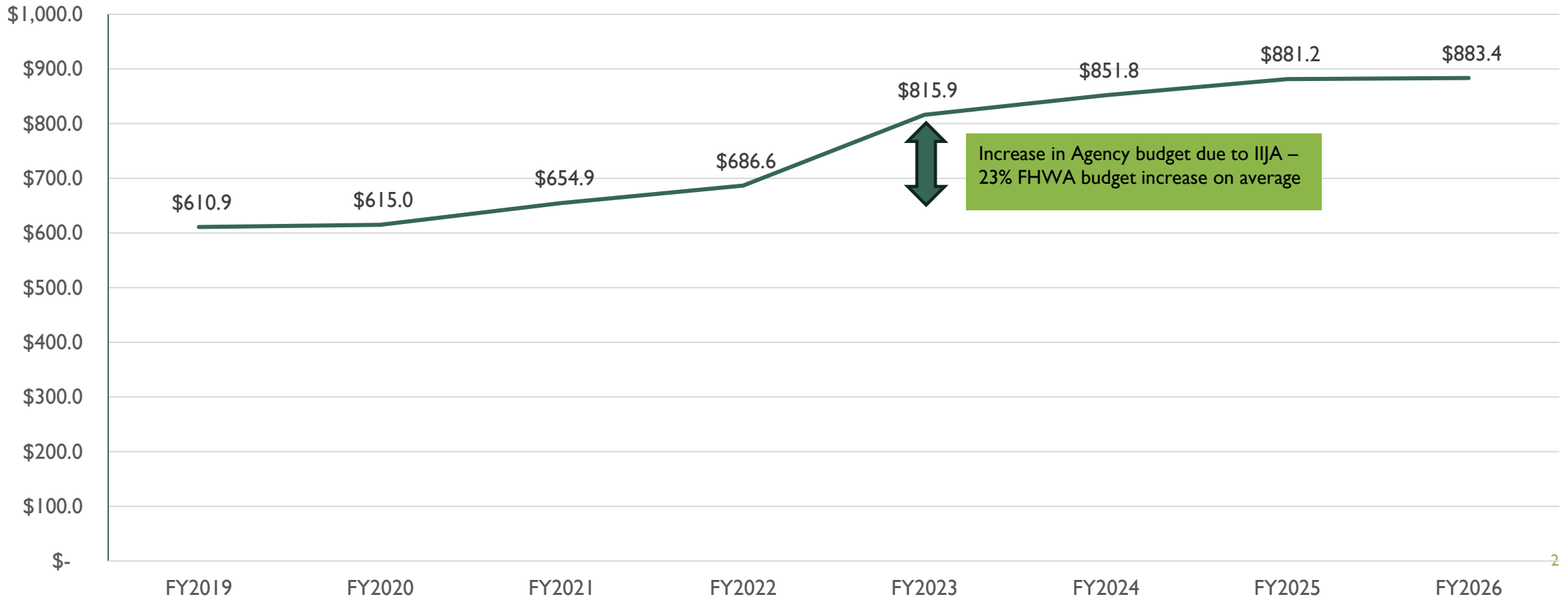


FY2026 GOVERNOR'S  
RECOMMENDED BUDGET  
OVERVIEW

JOE FLYNN, SECRETARY  
JANUARY 29, 2025

# AGENCY OF TRANSPORTATION

# AOT BUDGET OVER LAST EIGHT FISCAL YEARS

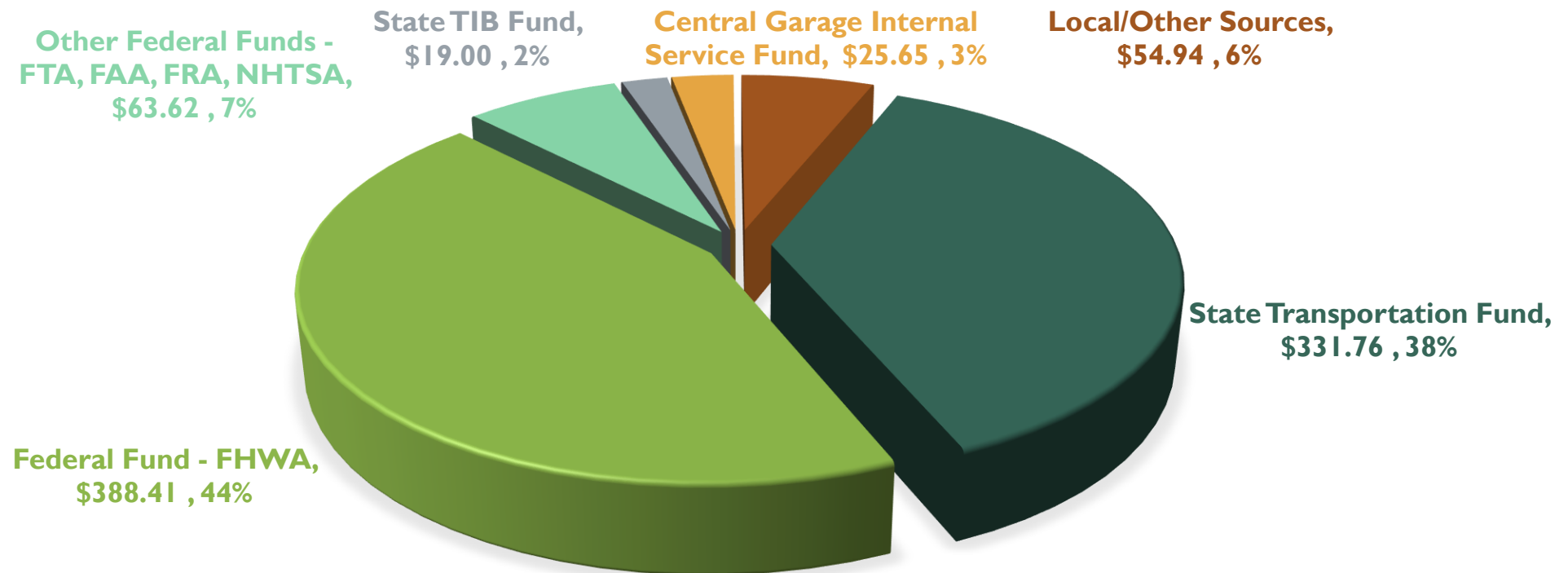


# AGENCY BUDGET OVERVIEW

Fund Source	FY2025 As Passed	FY2026 Gov Rec	Increase (Decrease)	Percent Change
Transportation Fund	327,957,772	331,755,399	3,797,627	1.16%
Federal	493,926,974	452,025,811	(41,901,163)	-8.48%
Local/Other	17,053,213	54,941,627	37,888,414	222.18%
TIB Fund	18,700,000	19,000,000	300,000	1.60%
Central Garage Fund	23,551,235	25,654,553	2,103,318	8.93%
<b>Total</b>	<b>881,189,194</b>	<b>883,377,390</b>	<b>2,188,196</b>	<b>0.25%</b>

Primarily attributed to July 2023 and July 2024 flood project costs – FEMA federal, FEMA state match through AOA IDT, and FHWA state match through AOA IDT

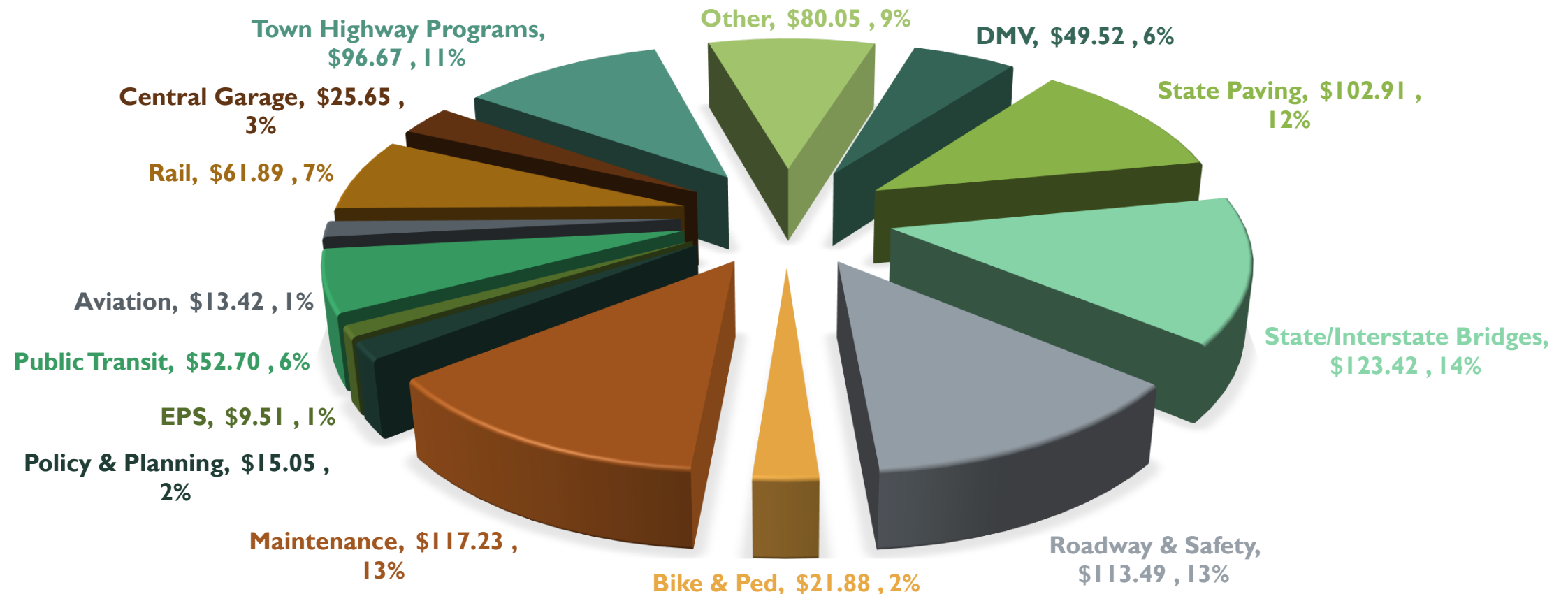
# FY2026 REVENUE SOURCES



# CONSENSUS REVENUE FORECAST UPDATE – FY2025 & FY2026

- Difference from July 2024 Forecast:
- TIB:
  - -\$500K impact in FY2025 + -\$1.8M impact in FY2026 for a total impact of -\$2.3M across both fiscal years
- TF:
  - +\$3.1M impact in FY2025 + +\$3M impact in FY2026 for a total impact of +\$6.1M across both fiscal years
- Adjustments to the FY2026 Gov Rec budget to account for January 2025 forecast:
  - Net impact for both TF & TIB matches the predictions AOT utilized when building the FY2026 budget
  - FY2026 budget C section language transfers \$2.3M from the TF to the TIB

# FY2026 GOVERNOR'S RECOMMENDED AGENCY BUDGET



# PROGRAM DEVELOPMENT BUDGET

	<b>FY2025</b>	<b>FY2026</b>	<b>Change</b>	<b>Change</b>
	<b>As Passed</b>	<b>Gov Rec</b>	<b>Inc./ (Dec.)</b>	<b>%</b>
<b>PROGRAM DEVELOPMENT</b>				
Paving	130,141,087	102,907,857	(27,233,230)	-20.9%
Interstate Bridge	55,524,967	45,544,891	(9,980,076)	-18.0%
State Highway Bridge	64,915,709	77,872,921	12,957,212	20.0%
Roadway	67,048,158	67,659,113	610,955	0.9%
Traffic & Safety	50,710,934	45,834,796	(4,876,138)	-9.6%
Park & Ride	1,464,833	2,435,740	970,907	66.3%
Bike & Pedestrian Facilities	11,648,752	21,879,965	10,231,213	87.8%
Transportation Alternatives	5,416,614	6,471,054	1,054,440	19.5%
Multi-Modal Facilities	0	0	0	0.0%
Program Development Administration	33,733,793	40,704,263	6,970,470	20.7%
<b>Total Program Development</b>	<b>420,604,847</b>	<b>411,310,600</b>	<b>(9,294,247)</b>	<b>-2.2%</b>
<b>REST AREAS</b>	<b>1,485,601</b>	<b>1,190,246</b>	<b>(295,355)</b>	<b>-19.9%</b>

- Reverted one limited-term service position allocated because of IIJA
- Each program contains funds for Preliminary Engineering and Right of Way Acquisitions for projects that will be constructed in the future.
- Construction projects per Program include:
  - 38 Paving projects
  - 16 Interstate Bridge projects
  - 40 State Highway Bridge projects
  - 45 Roadway projects
  - 17 Traffic and Safety projects
  - 7 Park and Ride
  - 33 Bike & Pedestrian projects
  - 17 Transportation Alternative projects
  - 3 Rest Area Improvement projects

# DISTRICT MAINTENANCE & FLEET

	<b>FY2025</b>	<b>FY2026</b>	<b>Change</b>	<b>Change</b>
	<b>As Passed</b>	<b>Gov Rec</b>	<b>Inc./ (Dec.)</b>	<b>%</b>
<u>MAINTENANCE</u>	108,598,497	117,227,043	8,628,546	7.9%
<u>CENTRAL GARAGE</u>	24,651,235	25,654,553	1,003,318	4.1%

Salary & Benefits	\$52,463,948
District + HQ Operating Expenses	\$20,773,773
Central Garage Fleet Expenses	\$18,903,495
BGS Fleet Costs	\$479,058
Major Maintenance - Facilities repair and upkeep	\$1,500,000
Environmental Program	\$446,473
Hazardous Materials	\$116,442
Vegetation Management	\$67,000
Bridge Maintenance (BMTT- Projects, etc)	\$2,500,000
District Paving	\$1,000,000
Signs	\$200,000
Salt - Based on 5 year average and 5% increase anticipated	\$10,492,953
Liquid Mag	\$56,325
Sand	\$27,564
Mowing- Contractor costs	\$1,372,476
Federal Aid Projects	\$6,827,536
<b>TOTAL</b>	<b>\$117,227,043</b>



# PLANNING, POLICY, AND INTERMODAL DEVELOPMENT

	FY2025	FY2026	Change	Change
	As Passed	Gov Rec	Inc./ (Dec.)	%
POLICY & PLANNING	14,051,853	15,047,615	995,762	7.1%
ENVIRONMENTAL POLICY & SUSTAINABILITY	9,609,773	9,514,007	(95,766)	-1.0%
PUBLIC TRANSIT PROGRAM	55,540,225	52,695,234	(2,844,991)	-5.1%
AVIATION	21,839,511	13,417,465	(8,422,046)	-38.6%
RAIL	48,746,831	61,887,348	13,140,517	27.0%
<b>Total PPAID Programs</b>	<b>149,788,193</b>	<b>152,561,669</b>	<b>2,773,476</b>	<b>1.85%</b>

## Policy & Planning

- 230 municipalities actively engaged in regional and statewide Transportation Planning Initiative
- Processed 511 permits for driveways, utilities, and other work in highway right-of-way
- Processed 269 2024 mileage certificates and published 69 updated town highway maps

## Environmental Policy & Sustainability

- \$8.6M Electric Vehicle and Charging Infrastructure Deployment
- \$825k Environment, Energy Efficiency, Carbon Reduction, and Resilience Planning and Implementation Oversight

## Rail

- 56 rail projects across 24 VT towns (11 counties)
- 18 bridges projects to include the final BUILD project to complete the Rutland to Hoosick, NY corridor bringing all bridges to 286,000 lbs. capacity
- 11 rail crossing safety projects
- 22 FEMA projects

## Aviation

- 28 aviation projects across 8 towns (8 counties)
- Morrisville-Stowe Airport 1,050-foot taxiway extension and 45,000 square foot apron expansion
- Northeast Kingdom Airport terminal construction
- Middlebury Airport fuel farm replacement

# PUBLIC TRANSIT

	<b>FY2025 As Passed</b>	<b>FY2026 Gov. Rec.</b>	<b>Change % Inc./Dec.</b>	
State	9,850,000	10,007,534	1.60%	
Ops	5,125,250	7,240,250	41.27%	Carbon Reduction Funds (\$1.5 for ops)
CMAQ/O&D	7,825,000	9,000,000	15.02%	Older Adults and adding \$1.5 CRP funds
Admin	4,275,000	3,590,000	-16.02%	
Maintenance	4,240,006	3,250,000	-23.35%	
Capital	15,711,264	11,735,250	-25.31%	Capital funds reduced to cover other activities
GMT-Urban	3,500,000	4,000,000	14.29%	
Other	2,613,705	3,872,200	48.15%	VTrans Admin, Planning, MTI, Go VT, etc.
	<b>53,140,225</b>	<b>52,695,234</b>	<b>-0.84%</b>	

- 8% increase in Ridership across all providers in SFY 2023.
- 6 Microtransit Pilots in operation (Morrisville, Windsor, Manchester, Middlebury, Derby/Newport, and Brattleboro)
- Awarded another \$2.3M in federal funds for additional facility “fit-ups” to accommodate eBus operations.
- Currently have the vehicles and/or funding in place for 65 electric transit vehicles. FFY 2025 competitive grant app will focus on non-electric vehicle needs.
- Mobility and Transportation Innovation (MTI) grant program awarded \$1.27M in federal funds for transportation demand management (TDM) projects. Derived from \$3M in special one-time Carbon Reduction Program funds (FY’24) to support additional MTI projects.
- MVRTD (Rutland) opened a new transit facility.
- TVT received RAISE grant for Middlebury Facility. 100% federal.
- Transitioning GMT Rural service to adjacent providers (RCT and TVT) will improve efficiencies and potentially reduce operations cost by over \$1M.

# FINANCE AND ADMINISTRATION, TRANSPORTATION BUILDINGS, AND TRANSPORTATION BOARD

	<b>FY2025</b>	<b>FY2026</b>	<b>Change</b>	<b>Change</b>
	<b>As Passed</b>	<b>Gov Rec</b>	<b>Inc./ (Dec.)</b>	<b>%</b>
<u>FINANCE &amp; ADMINISTRATION</u>	24,558,595	26,545,463	1,986,868	8.1%
<u>TRANSPORTATION BUILDINGS</u>	2,825,000	2,500,000	(325,000)	-11.5%
<u>TRANSPORTATION BOARD</u>	200,097	204,171	4,074	2.0%

## Finance & Administration

- Reverted two limited-term service positions allocated because of IIJA

## Transportation Buildings

- FY2026 Gov Rec reflects AOT 5-year plan to invest \$2.5M annually into facility infrastructure replacement and maintenance

# DEPARTMENT OF MOTOR VEHICLES

	<b>FY2025</b>	<b>FY2026</b>	<b>Change</b>	<b>Change</b>
	<b>As Passed</b>	<b>Gov Rec</b>	<b>Inc./ (Dec.)</b>	<b>%</b>
<u>DEPT. OF MOTOR VEHICLES</u>	47,262,896	49,518,301	2,255,405	4.8%

- Third party contract needs including FAST M&O, automated testing system, online scheduling system, Imaging, Driver Tutorials, CVIEW, and NMVTIS: +\$1.93M
- Shift of personnel to permanent positions and concurrent elimination of 14 limited-term service positions while maintaining vacancy savings rate: -\$1.17M
- Core Modernization Project – Driver Service's go-live date is November 11, 2025.
- E-Permitting is currently in the implementation phase

# TOWN HIGHWAY PROGRAMS

	FY2025	FY2026	Change	Change
	As Passed	Gov Rec	Inc./((Dec.))	%
TOWN HIGHWAY BRIDGES	45,334,278	37,793,406	(7,540,872)	-16.6%
TH STRUCTURES	8,016,000	7,200,000	(816,000)	-10.2%
TH CLASS 2 ROADWAY PROGRAM	8,858,000	8,600,000	(258,000)	-2.9%
TH - NONFEDERAL DISASTERS	1,150,000	1,150,000	0	0.0%
TH - FEDERAL DISASTERS	180,000	4,000,000	3,820,000	2122.2%
TH AID PROGRAM	29,532,753	30,418,736	885,983	3.0%
TH CLASS 1 SUPPLEMENTAL GRANTS	128,750	128,750	0	0.0%
TH VERMONT LOCAL ROADS	481,452	481,452	0	0.0%
MUNICIPAL MITIGATION ASSISTANCE PROGRAM	7,143,000	6,893,000	(250,000)	-3.5%
PUBLIC ASSISTANCE GRANTS	1,250,000	0	(1,250,000)	-100.0%
<b>Total "Town Highway" Programs</b>	<b>102,074,233</b>	<b>96,665,344</b>	<b>(5,408,889)</b>	<b>-5.3%</b>

- All Town Highway program funding meets the statutory requirements of 19 VSA 306
- TH – Federal Disasters reflects the first 270 days of an FHWA emergency which is 100% federally funded
- Starting in FY2026, Public Assistance funds received from FEMA through DPS will be spent in the applicable division appropriation, with spending authority requested at the time of the disaster