

The background of the slide is a photograph of a modern transit station with a glass and metal structure, a bus, and people waiting. The image is overlaid with a semi-transparent green filter. In the top right corner, there is a green hamburger menu icon. In the top left corner, there is a short green horizontal line.

# **Green Mountain Transit 2026 House Transportation TBill**

**Amy Brewer, Chair, Board of Commissioners**  
**Clayton Clark, General Manager**  
**Nick Foss, Finance Director**  
**Chris Damiani, Planning Director**

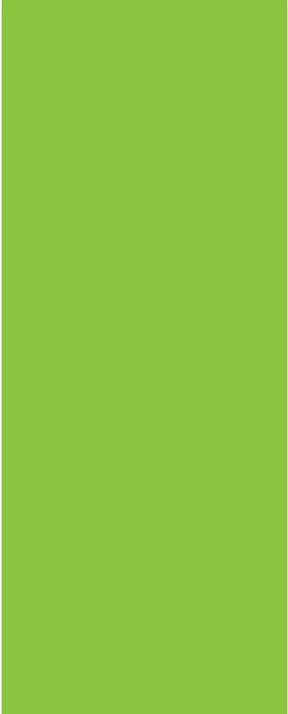


# Testimony Roadmap

- 
- News and Updates - Clayton
  - FY27 and FY28 Financial Overview - Nick
  - Fare Revenue – Chris
  - Moving Forward - Clayton

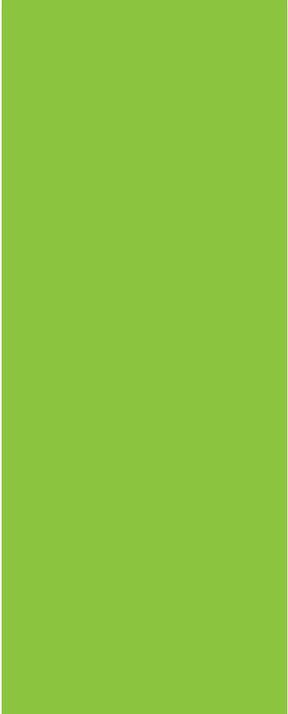


# FY27 = Urban Only

- 
- Franklin/Grand Isle service transferred 1/1/26
  - Washington/Lamoille service to transfer 7/1/26



# Electric Battery Buses

- 
- November 2025 battery recall put out of service
  - Manufacturer has been onsite at GMT reconfiguring onboard charging systems
  - GMT cautiously optimistic that these buses will return to service by the end of the month
  - We will explore options for final order

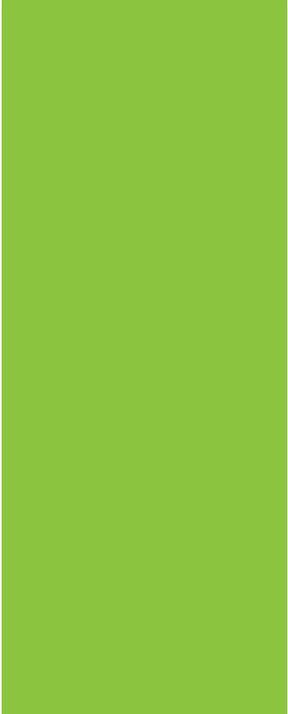


# Route Performance Report

- 
- All but 1 urban route meeting economic performance indicators
    - Anticipate this route ending FY27
  - 2.2M rides/year
    - 44% of state ridership for 21% of cost

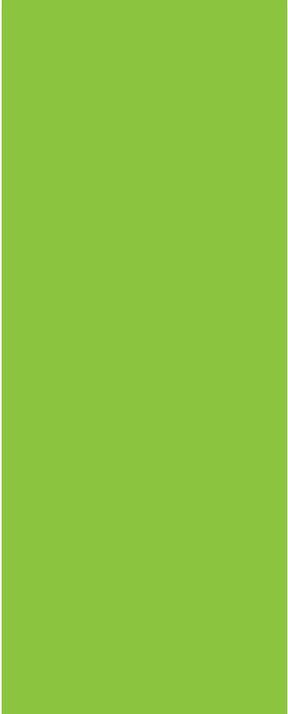


# Previous Cost Reductions

- 
- Reduced service by 19% in FY25/26
  - Reduction of 22% driver FTEs
  - Elimination of 4 non-union positions



# Federal Performance Awards

- 
- \$2.2M/year in performance based federal awards
  - 4 of 6 performance awards achieved (13% of small transit agencies receive 4 or more)
    - Transit availability, usage, and efficiency
  - Initial reductions = More Competitive
  - Further reductions = Less Competitive



# Federal Surface Transportation Bill

- 
- Current expires 9/30/26
  - ~65% operating and >80% capital
  - Outcomes range from cataclysmic to sustainable

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# Financial Outlook

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# GMT is not alone...

 **Planetizen**  
25 YEARS IN PLANNING

NEWS ▾ EXCLUSIVES ▾ VIDEO ▾ JOBS ▾ TRAINING ▾

## The Wave of Transit 'Fiscal Cliffs,' Explained

Covid and inflation played a role. But for many agencies, the crisis goes much deeper.

 **PBS NEWS WEEKEND**

## Public transit systems 'on the edge of a cliff' amid funding shortfalls

Sep 28, 2025 5:40 PM EST

NEWS

## Harrisburg public transit nearing fiscal cliff as Gov. Shapiro pushes for budget deal

Updated: Jun. 02, 2025, 9:03 p.m. | Published: Jun. 02, 2025, 8:27 p.m.

 **KQED** Sign In

NEWS

## Campaign to Avert Bay Area Public Transit Death Spiral Gets Underway

 **AP**

WORLD ▾ U.S. ▾ POLITICS ▾ SPORTS ▾ ENTERTAINMENT ▾ BUSINESS ▾ SCIENCE ▾ FACT CHECK ▾ ODDITIES ▾ MO

Presidents Day: What's closed? Nancy Guthrie search NASCAR Daytona 500 Olympic curling controversy Lunar New Year

U.S. NEWS

## Illinois has a \$770M hole in the transit budget that could leave commuters stranded

# Public Transit is facing an inflection point!

# What is causing this?



Lasting Inflationary pressures – wages, benefits, comm. Insurance, etc.



Temporary funding solutions (COVID, CRRSSA, ARPA) are running out



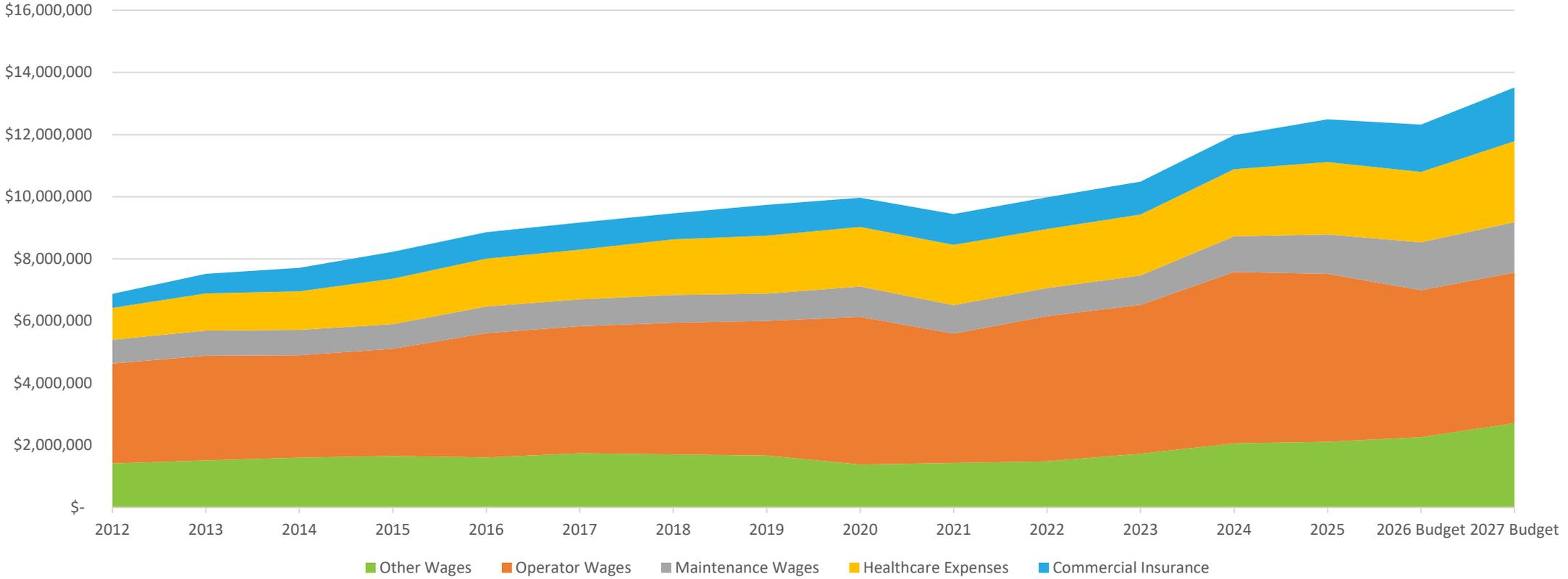
Rural Transfer: Operationally Positive/Financially Challenging



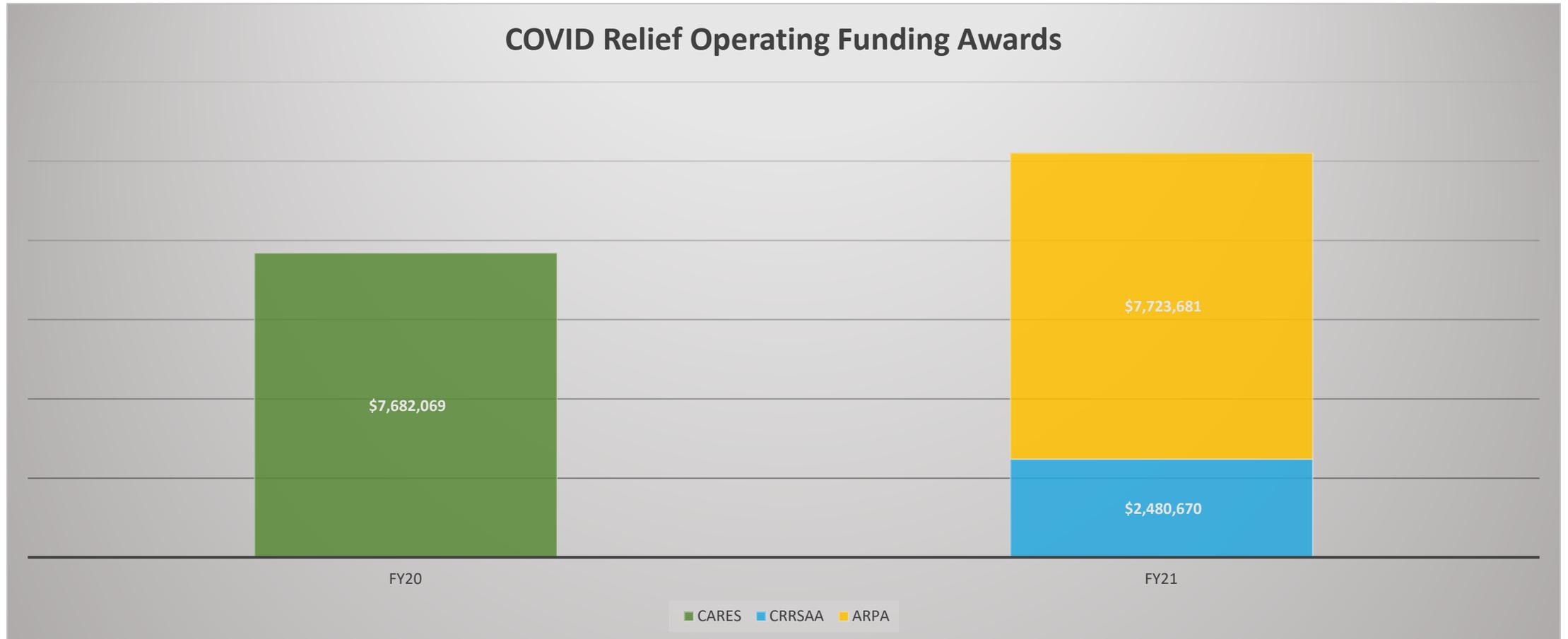
ADA costs have experienced same inflationary pressures

# ...Inflationary Pressures

EXPENSE TRENDS

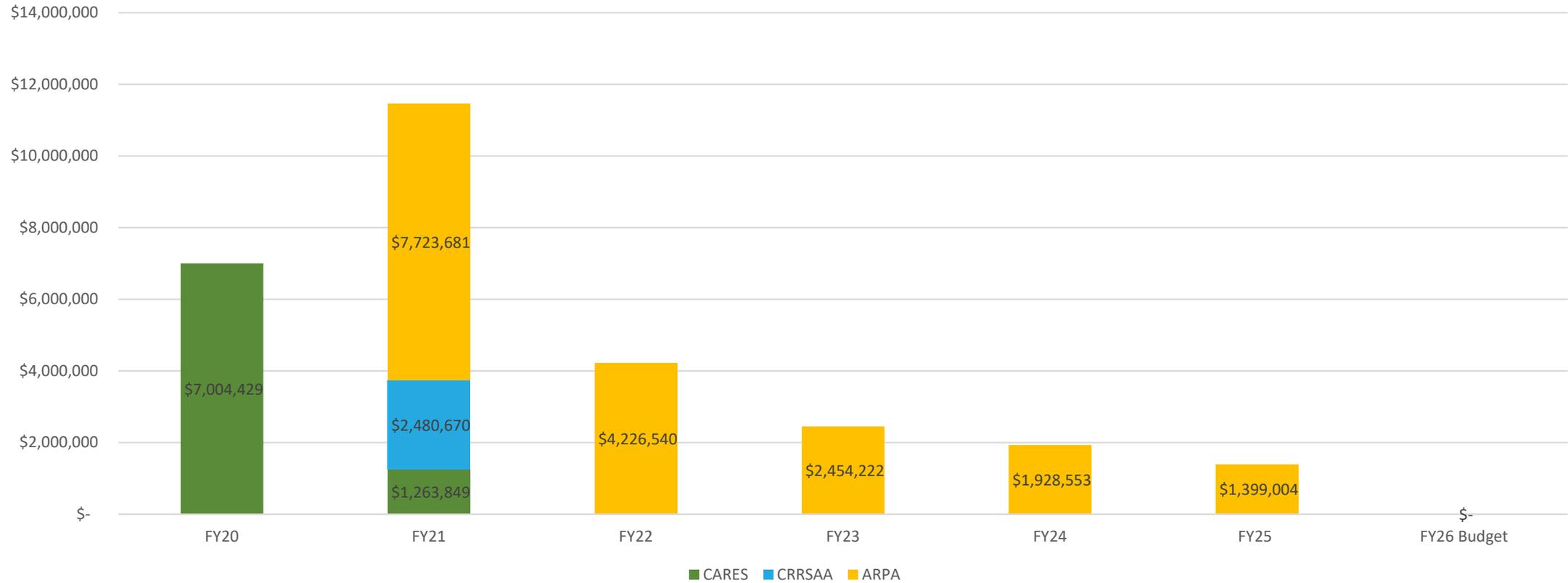


# ...Temporary Funding Solutions



# ...That are not sustainable

COVID Relief Fund Balances  
(Year-End)



# RURAL TRANSFER

## Rural Transfer is occurring in two distinct phases:

1. **Franklin & Grand Isle (FGI)** – transferred to RCT as of January 2nd, 2026
2. **Washington County**– transferring to TVT, expected to be as of July 1st, 2026

## Financial Impact:

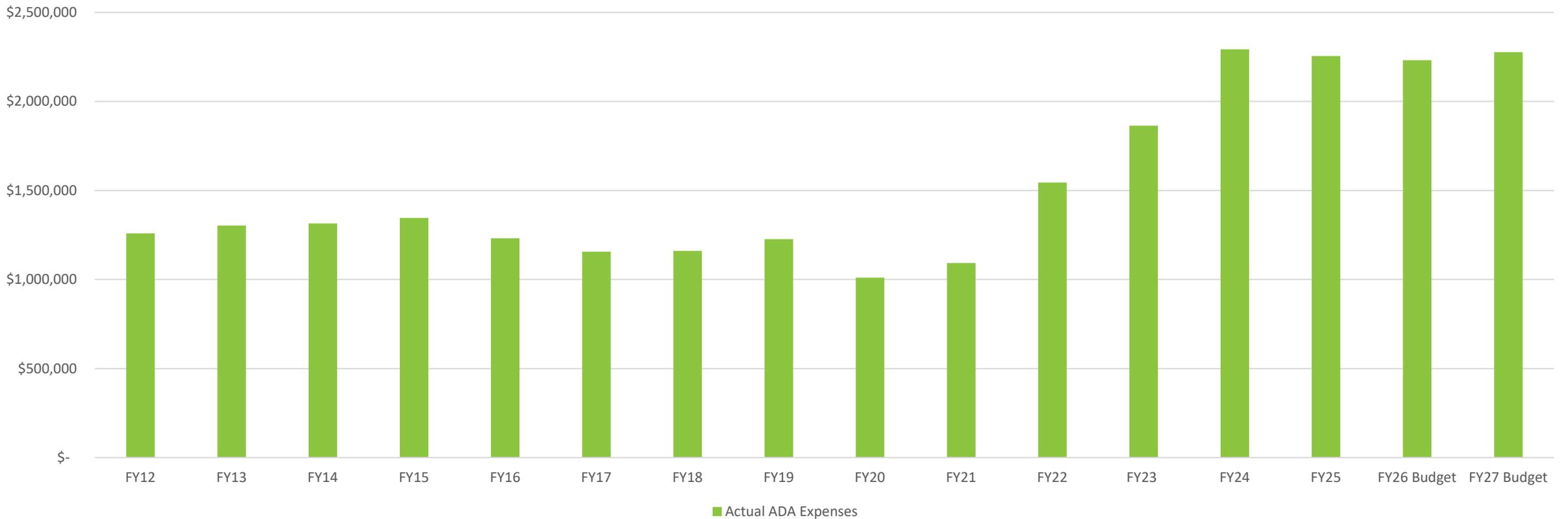
\$ 456,861	<b>Admin Allocation</b> <i>Full-time Employees work allocation, including wages and benefits</i>
\$ 210,000	<b>Loss of Maintenance Income</b> <i>Funds gained from servicing Rural buses and/or other maintenance needs</i>
\$ 239,706	<b>Loss of Rural Funding Sources</b> <i>Comprised of Fed, State, and Local funding made out to fund employee wages and benefits, along with some special projects</i>
\$ 264,758	<b>Two Full-time Employees Shifting to Urban</b> <i>Including Wages and benefits</i>
<u>\$ 1,171,325</u>	<b>Added Costs</b>

## Positive Outlook:

- The ability to refocus efforts solely on Urban service.
- Shift resources toward service improvement
- Capacity to reimagine GMT for the future

# ...ADA COSTS REMAIN A CHALLENGE

ADA EXPENSE TRENDS



# FY27 Outlook

- Using remaining federal 5307 reserves to fund expense growth largely driven by rural transfer
- Use of reserves sets up larger deficits in FY28
- Service reductions to balance current deficit could be roughly 7%-10% of budgeted pay hours
- Staff has identified several saving initiatives to cover portion of deficit
  - FTE reductions
  - Link Service in-sourcing

## Revenues

Federal, State and Local Revenues	\$18,679,009	\$17,341,360	\$1,337,649	8%
Operating Revenues	\$2,306,148	\$2,228,241	\$77,907	3%
<b>Total Revenues</b>	<b>\$20,985,156</b>	<b>\$19,569,601</b>	<b>\$1,415,556</b>	<b>7%</b>

## Expenses

Salaries & Wages	\$9,180,934	\$8,534,852	\$646,082	8%
Personnel Taxes & Benefits	\$4,169,513	\$3,664,608	\$504,905	14%
General & Administrative	\$2,302,018	\$1,998,497	\$303,521	15%
Operations	\$53,600	\$48,600	\$5,000	10%
Planning	\$524,000	\$524,000	\$0	0%
Vehicle & Building Maintenance	\$2,584,137	\$2,539,378	\$44,759	2%
Contractors	\$2,690,223	\$2,232,321	\$457,902	21%
Marketing	\$136,320	\$70,320	\$66,000	94%
Other	\$186,000	\$222,966	(\$36,966)	-17%
<b>Total Expenses</b>	<b>\$21,826,745</b>	<b>\$19,835,541</b>	<b>\$1,991,203</b>	<b>10%</b>
Cost Allocations	\$0	\$265,941	(\$265,941)	-100%
<b>Balance</b>	<b>(\$841,588)</b>	<b>\$0</b>	<b>(\$841,588)</b>	

Updated Deficit = **\$560K**

# FY28 Outlook

- Deficit driven by 9% reduction in revenues due to loss of one-time federal funds and 3% increase in expenses
- Projected \$2.7M increase in deficit only if FY27 deficit is solved by permanent cost reductions
- One-time revenue solution for FY27 increases deficit to \$3.2M

	Draft FY28 Operating Budget	DRAFT FY27 Operating Budget Adj.	\$ Change between Draft FY28 & FY27	% Change between Draft FY28 & FY27
<u>Revenues</u>				
Federal, State and Local Revenues	\$16,568,053	\$18,579,009	(\$2,010,956)	-11%
Operating Revenues	<u>\$2,339,112</u>	<u>\$2,306,148</u>	<u>\$32,964</u>	<u>1%</u>
<b>Total Revenues</b>	<b>\$18,907,165</b>	<b>\$20,885,156</b>	<b>(\$1,977,991)</b>	<b>-9%</b>
<u>Expenses</u>				
Salaries & Wages	\$9,540,933	\$9,233,952	\$306,981	3%
Personnel Taxes & Benefits	\$4,382,191	\$4,147,224	\$234,967	6%
General & Administrative	\$2,376,108	\$2,302,018	\$74,090	3%
Operations	\$48,600	\$53,600	(\$5,000)	-9%
Planning	\$524,000	\$524,000	\$0	0%
Vehicle & Building Maintenance	\$2,635,493	\$2,584,137	\$51,356	2%
Contractors	\$2,322,507	\$2,276,967	\$45,540	2%
Marketing	\$136,320	\$136,320	\$0	0%
Other	<u>\$200,000</u>	<u>\$186,000</u>	<u>\$14,000</u>	<u>8%</u>
<b>Total Expenses</b>	<b>\$22,166,152</b>	<b>\$21,444,218</b>	<b>\$721,934</b>	<b>3%</b>
Cost Allocations	\$0	\$0	\$0	0%
<b>Balance</b>	<b>(\$3,258,987)</b>	<b>(\$559,062)</b>	<b>(\$2,699,925)</b>	

# Balanced Budget Scenario



FY27 deficit of \$560K results in a roughly 10% reduction in current budgeted pay hours and a reduction of roughly 1 driver position



FY28 deficit of \$2.7M would result in a roughly 30% reduction in current budgeted pay hours and a reduction of roughly 11 driver positions

# Risks to Service Reductions

- “Funding Loss Spiral” could occur if these reduction occur in the following ways:

## 1. Loss of STIC Factors – Performance Awards

- GMT is in the top 13% of Urban transit agencies receiving 4 out of 6 factors

2025 Apportionment

Base	\$ 2,399,870
STIC	\$ 2,050,020
Total:	\$ 4,449,890

- Loss of STIC factors would add another \$2M to deficit resulting in roughly 50% reduction in budgeted pay hours and loss of 22 driver positions

## 2. Reductions in local support

- GMT is scheduled to receive \$4.2M of local funds from its urban members and local partners in FY27, which could be at risk if large reductions in service take place
- Loss of these funds would put the entire system at risk as local funds are used to leverage local match for GMT’s direct and indirect federal grants

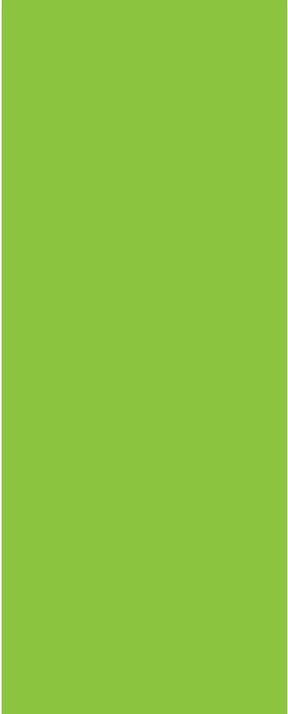


# Response to FY28 Fiscal Gap

- 
- Start public process of eliminating ~\$3M in service in August 2026



# Widespread Reductions of Heavily Used Service

- 
- Nearly all riders to be impacted by decreased frequency
  - Reduction/elimination of non-peak service and weekends
  - Reduction in LINK

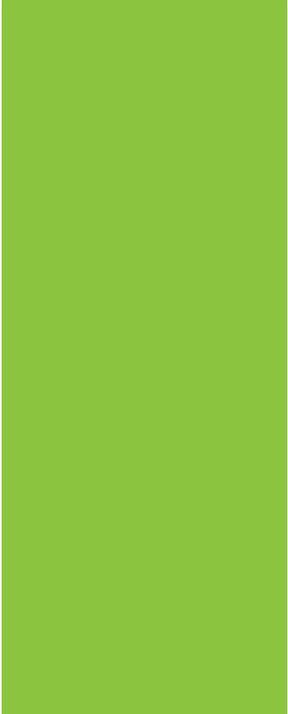


# Potential Pathway

- 
- Increase FY27 funding to delay service reduction process until after election and Surface Transportation Bill



# Statutory Request

- 
- Add language to charter to allow GMT to negotiate local match outside formula for assessment, critical for obtaining non-governmental funding and matching service costs to payees



# Increase in Fare Revenue

- 
- GMT looking to increase fare revenue from 10% to 15%
  - Fare revenue includes unlimited access agreements

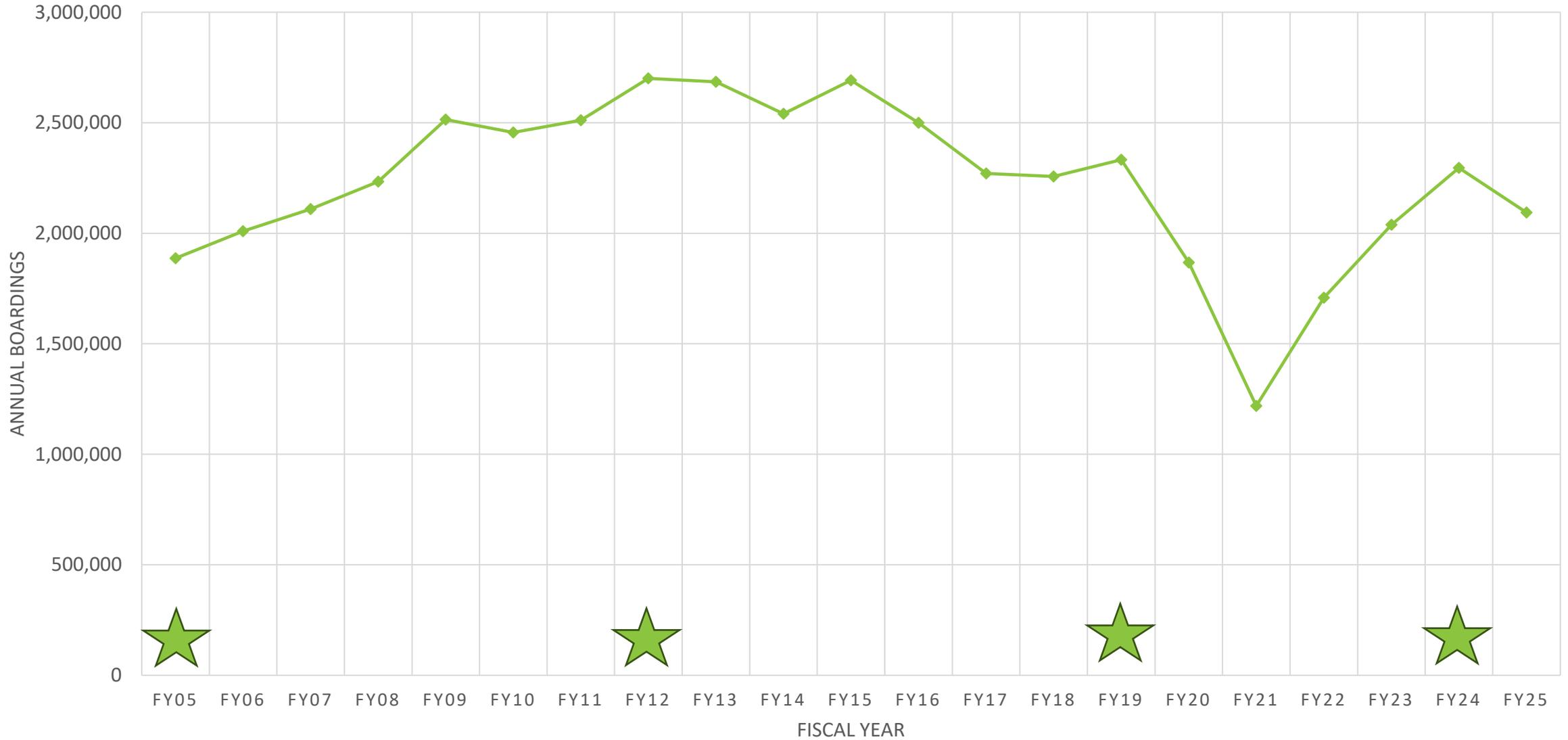
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# GMT Ridership & Fare Data

House Transportation Committee  
February 17, 2026

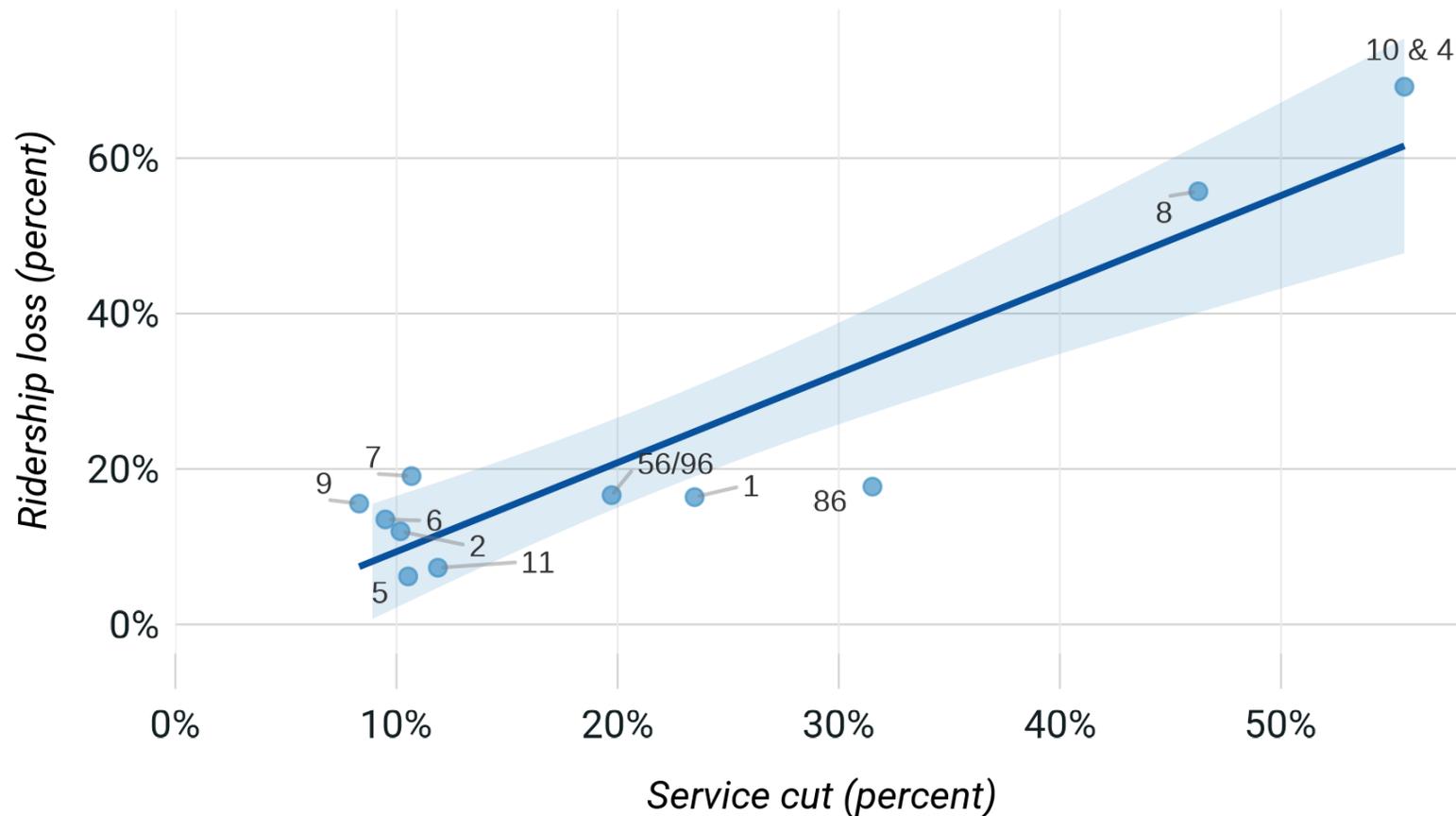


# GMT URBAN RIDERSHIP FY 05- FY 25



# Routes with larger service cuts experience larger ridership losses

*On average, a 10% service cut is associated with an 11.5% decline in ridership.*



Note: OLS with 95% CI;  $R^2 = 0.85$ ; proportions (0.10 = 10%); each point = route.

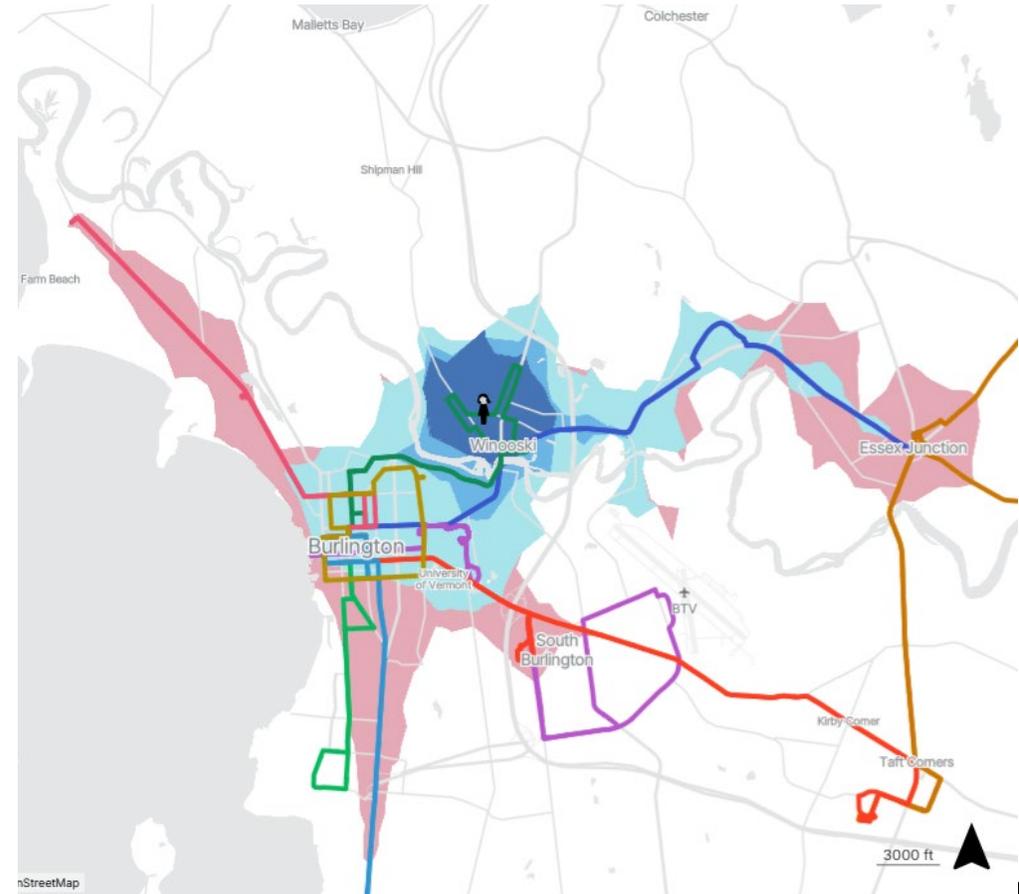
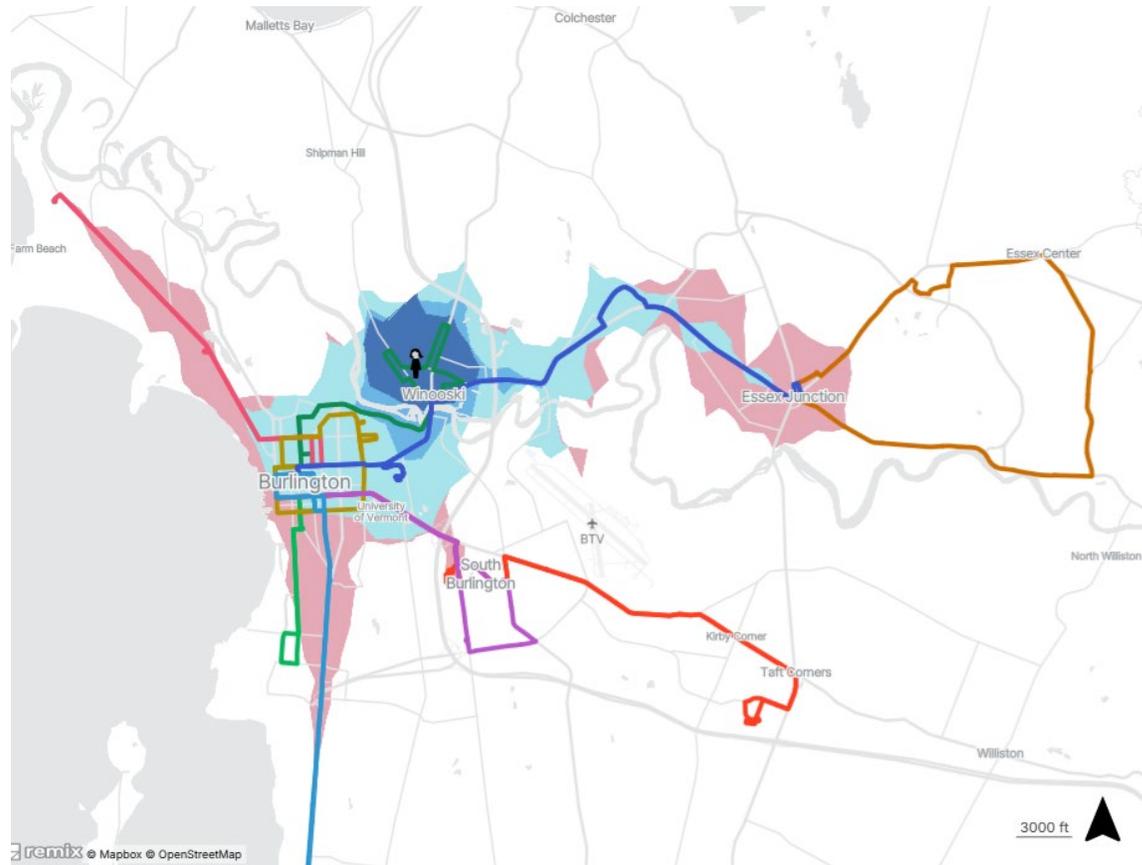
# Access to Jobs

TRAVEL TIME

- 15 min
- 30 min
- 45 min
- 60 min

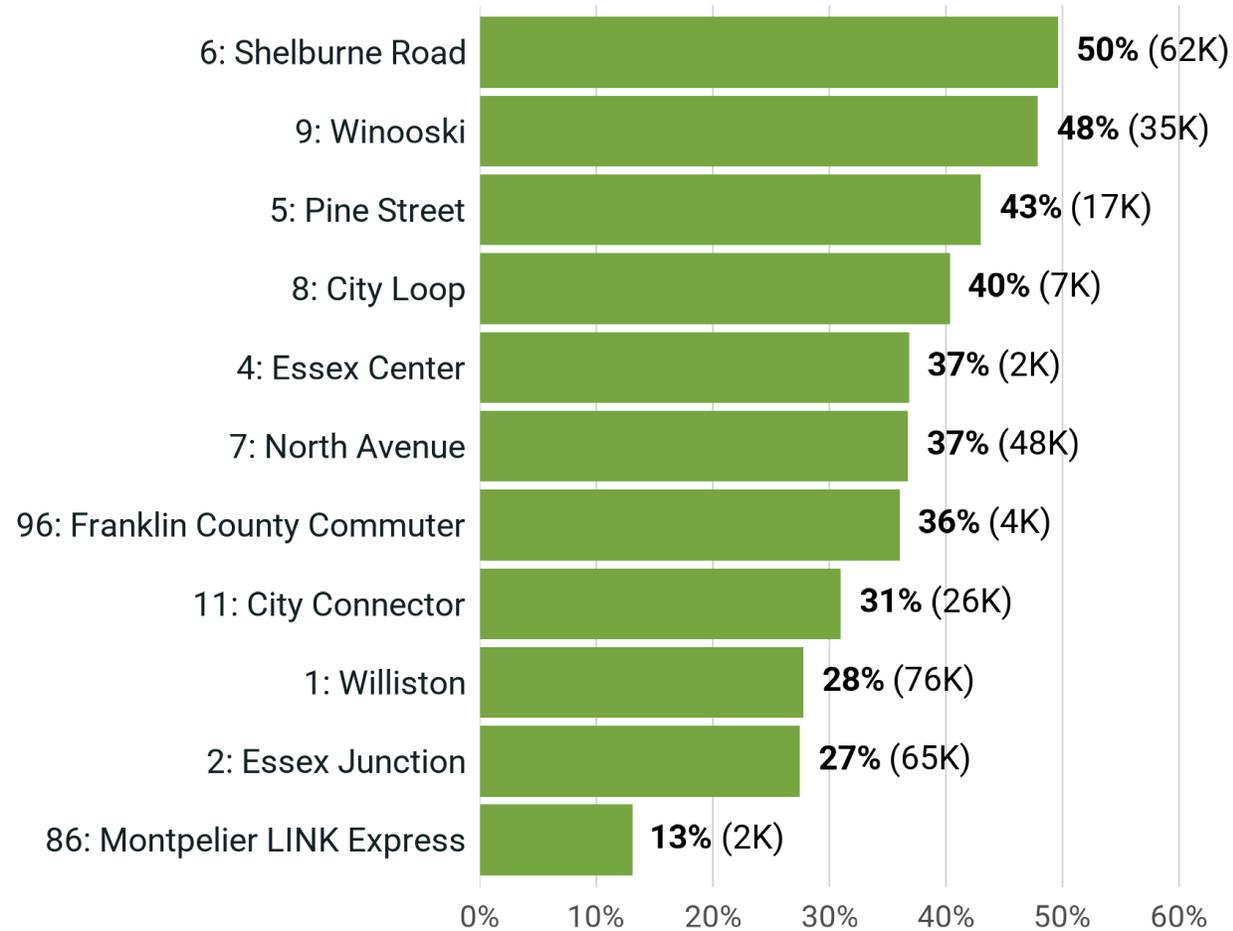
## Current Service

## Pre Service Reductions



# GMT routes with the most vulnerable riders

*Share of Discount and Voucher riders by route in FY26*



Note: Route 96 totals include ridership from former Route 56 following route consolidation.

# FY26- FY 25 Ridership by Vehicle Hour



# Ridership Fare Type Categories

## School, University, or Employee Sponsored



## General Public Rides: Technology Enabled



## Fare Cap Ridership



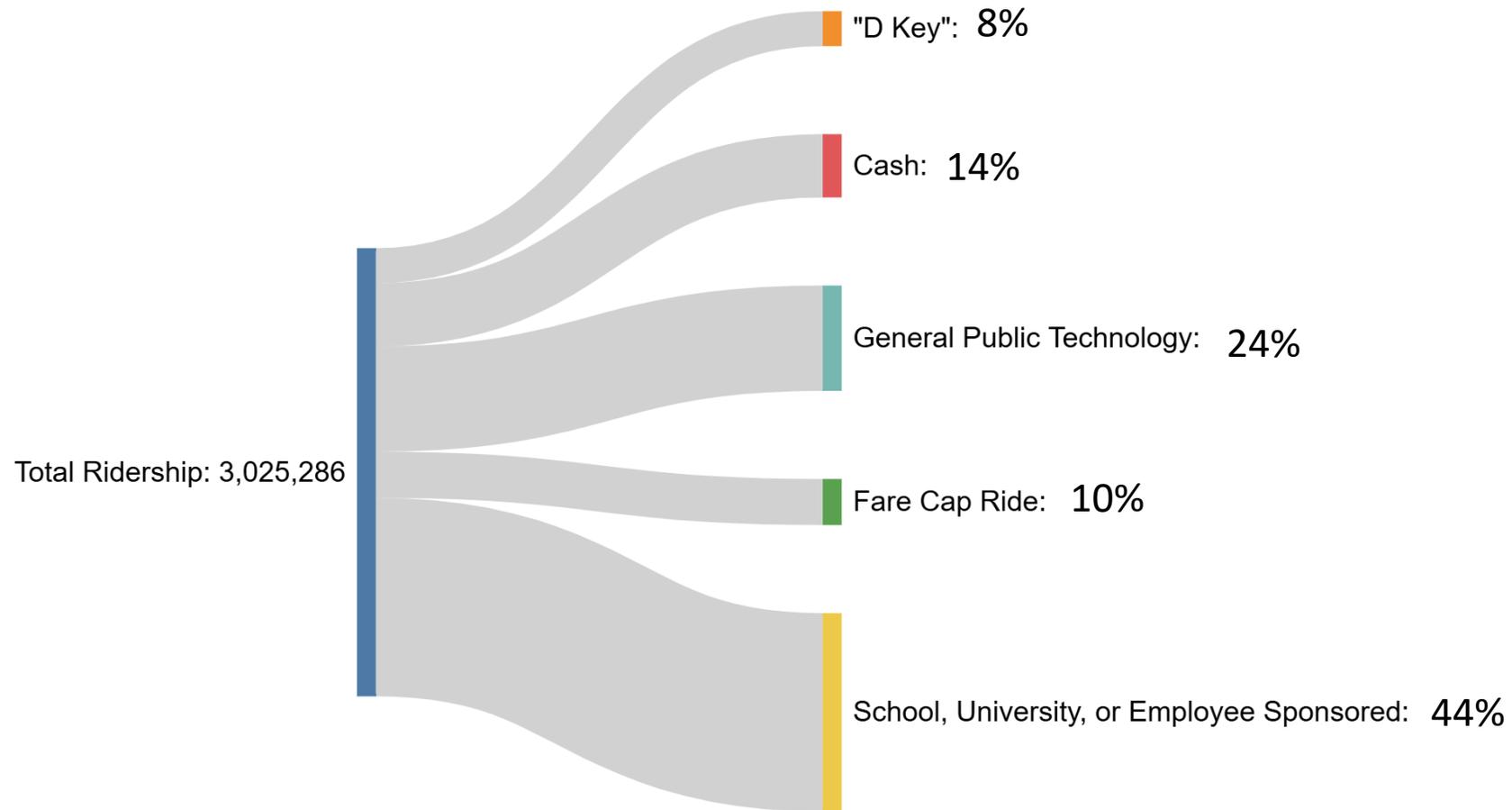
## Cash Ridership



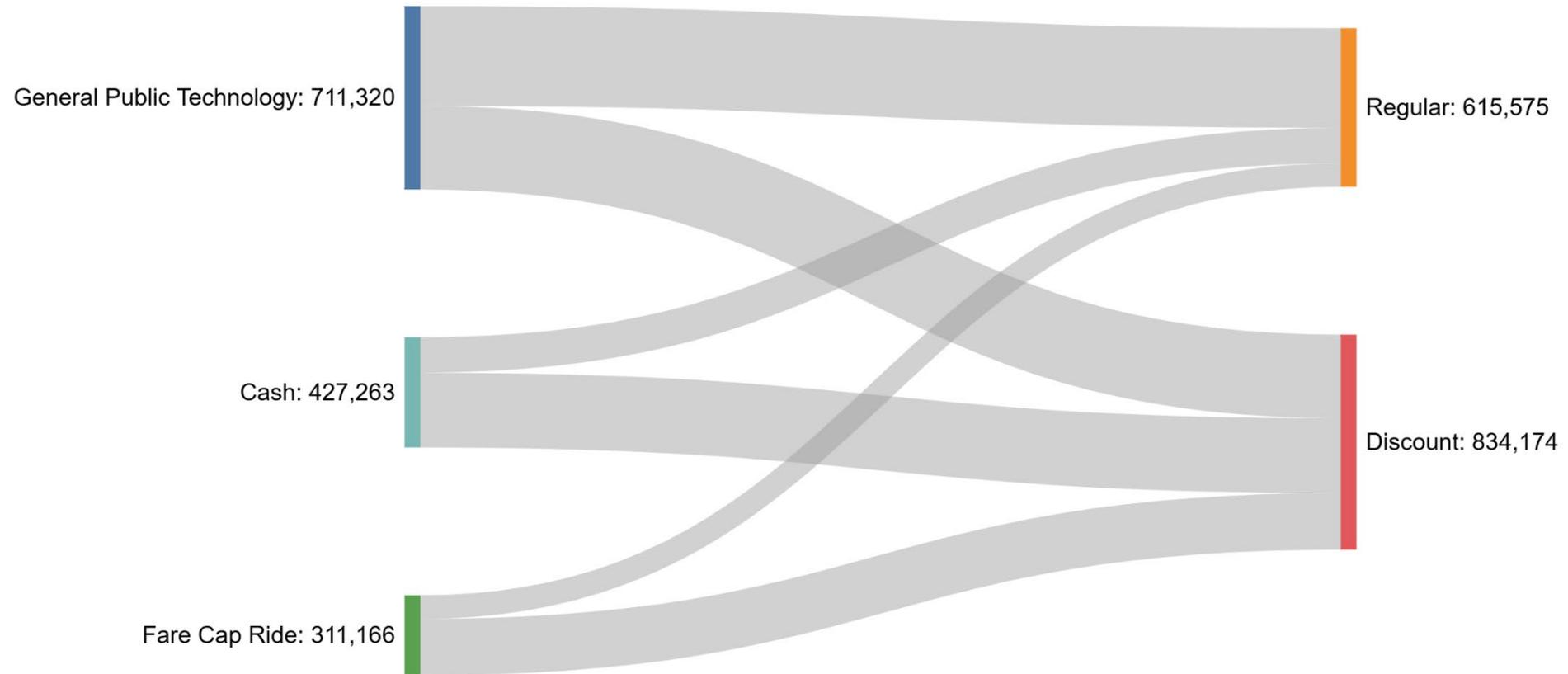
## Single Fare Voucher



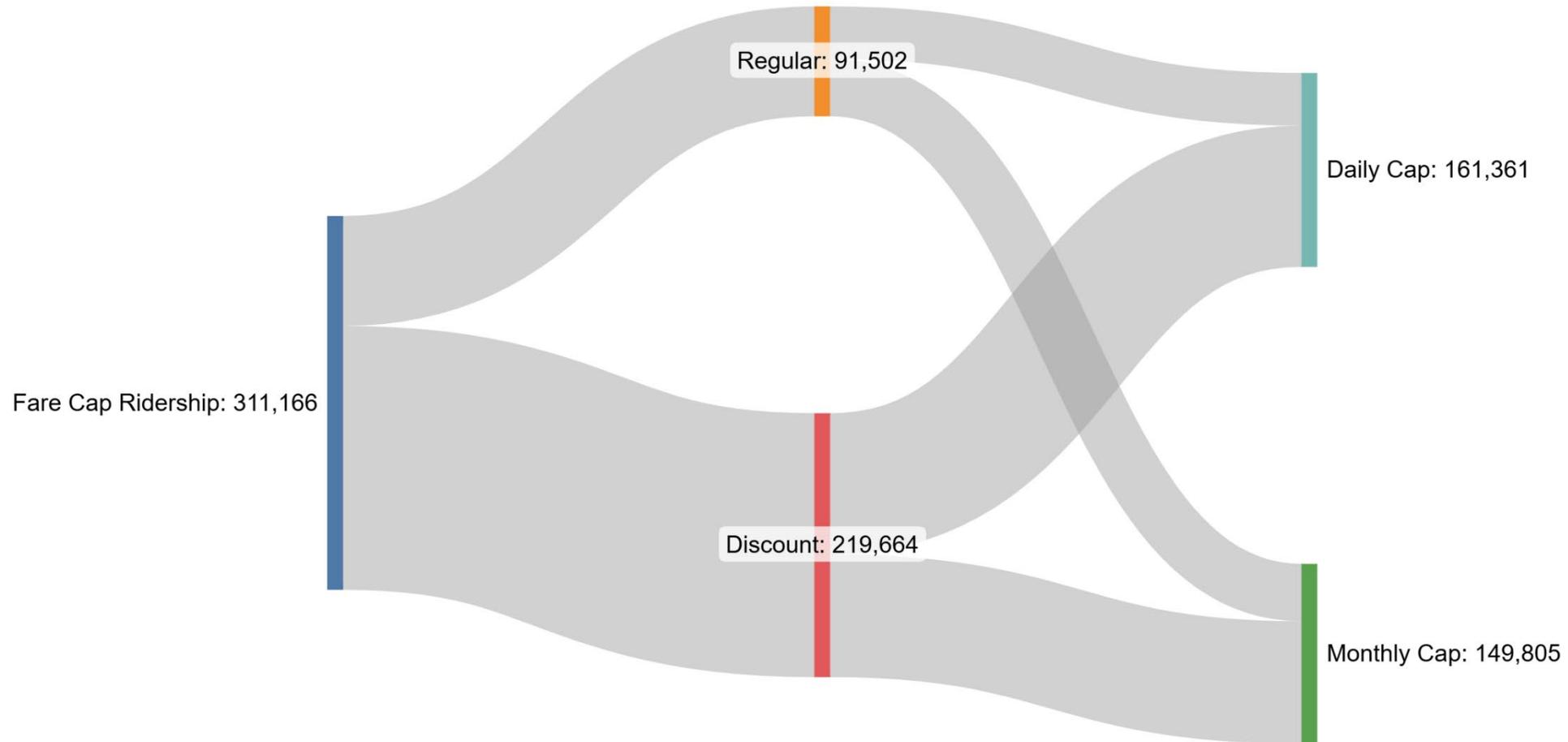
# Fare Type July 2024 to December 2025



# Regular Vs. Discount Fare

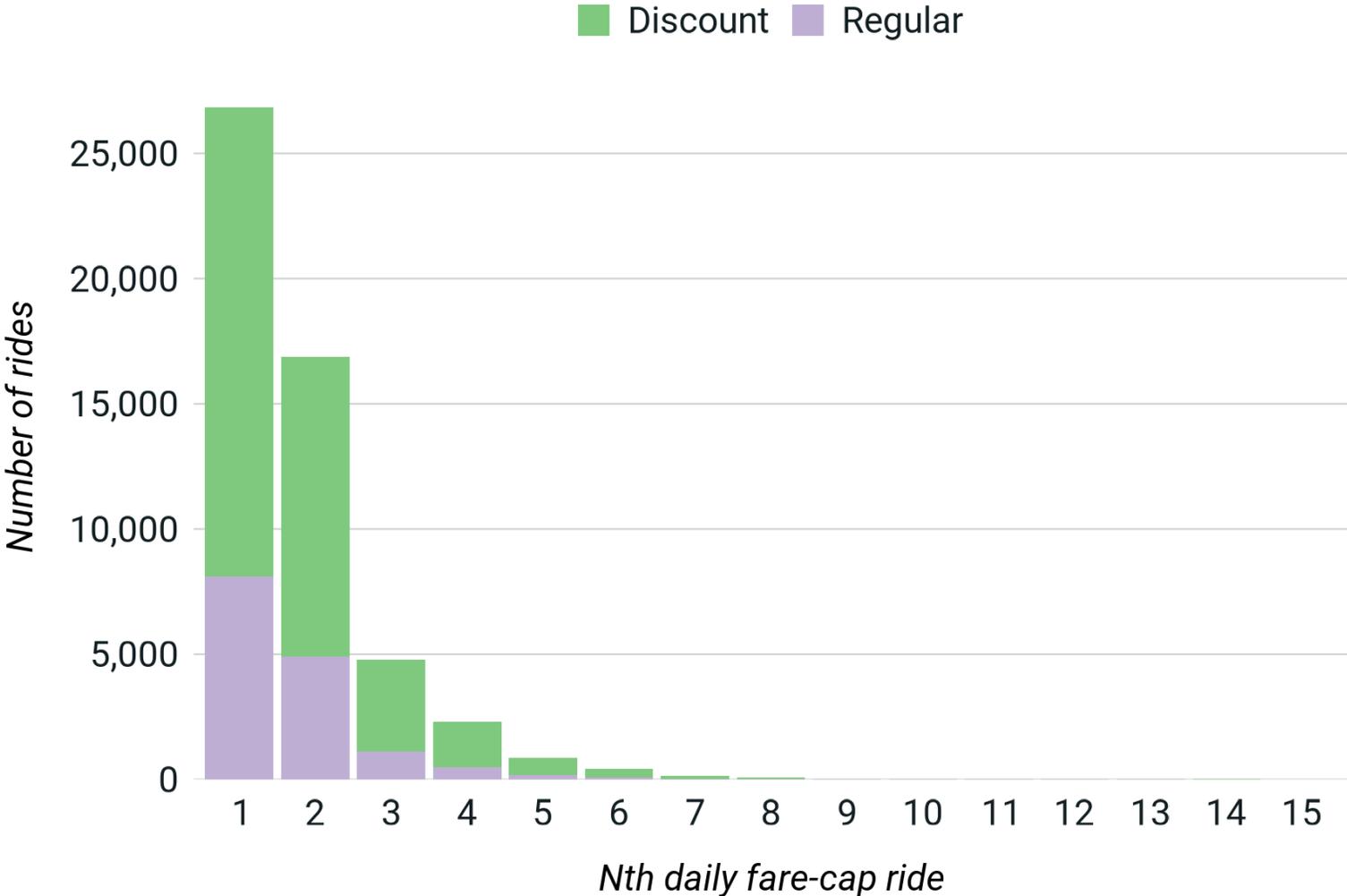


# Daily Vs. Monthly Fare Cap

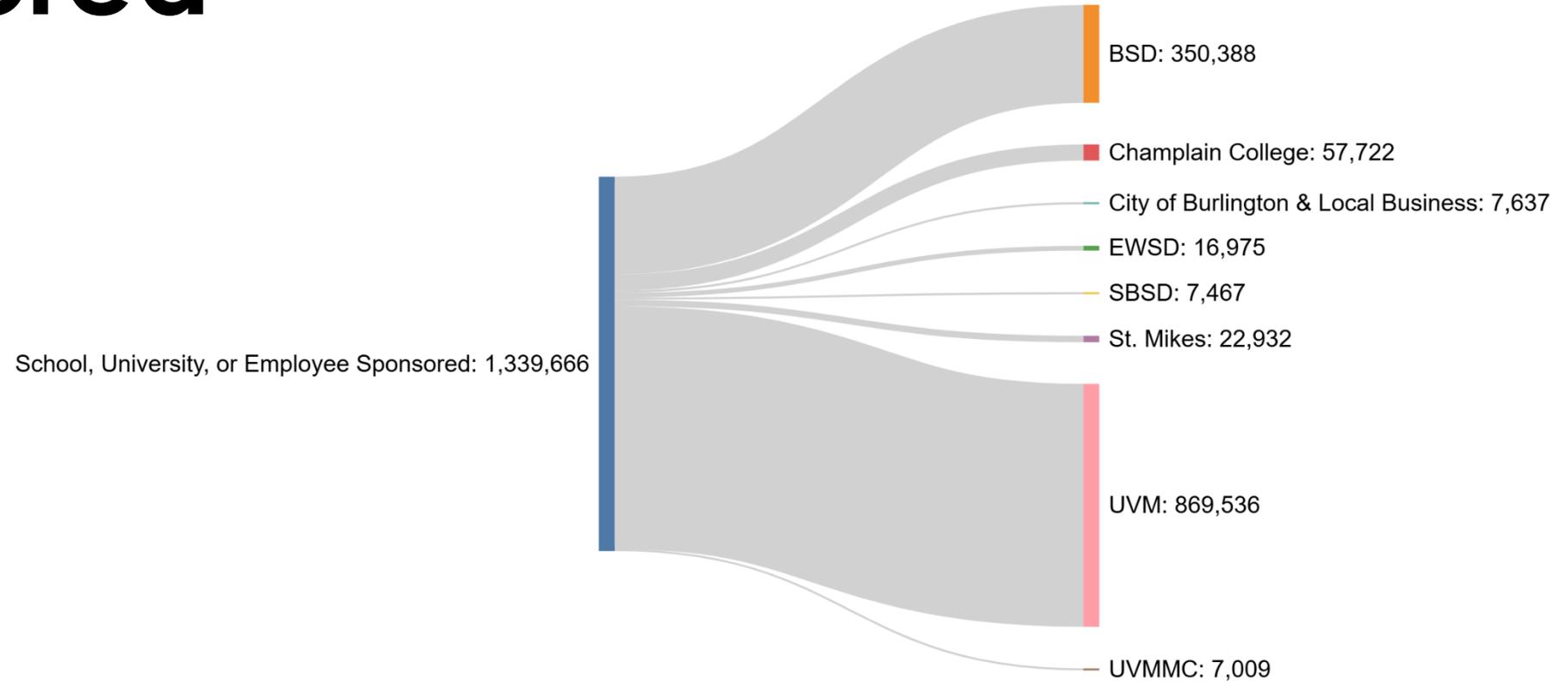


# Distribution of daily fare cap rides

Out of 52,345 fare-capped rides, July 2025–January 2026

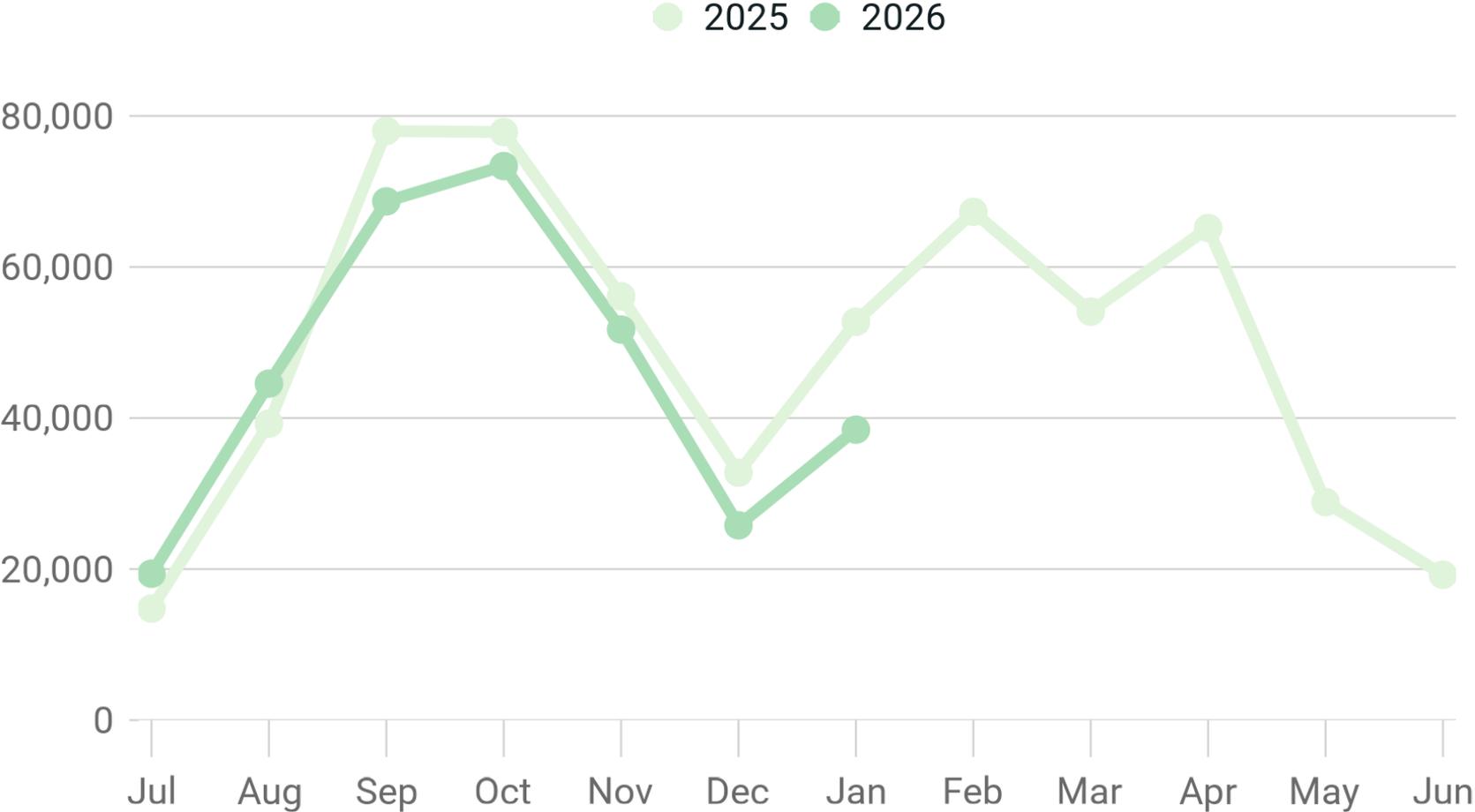


# School, University, or Employee Sponsored



# UVM Ridership over time

*FY26 compared to FY25*

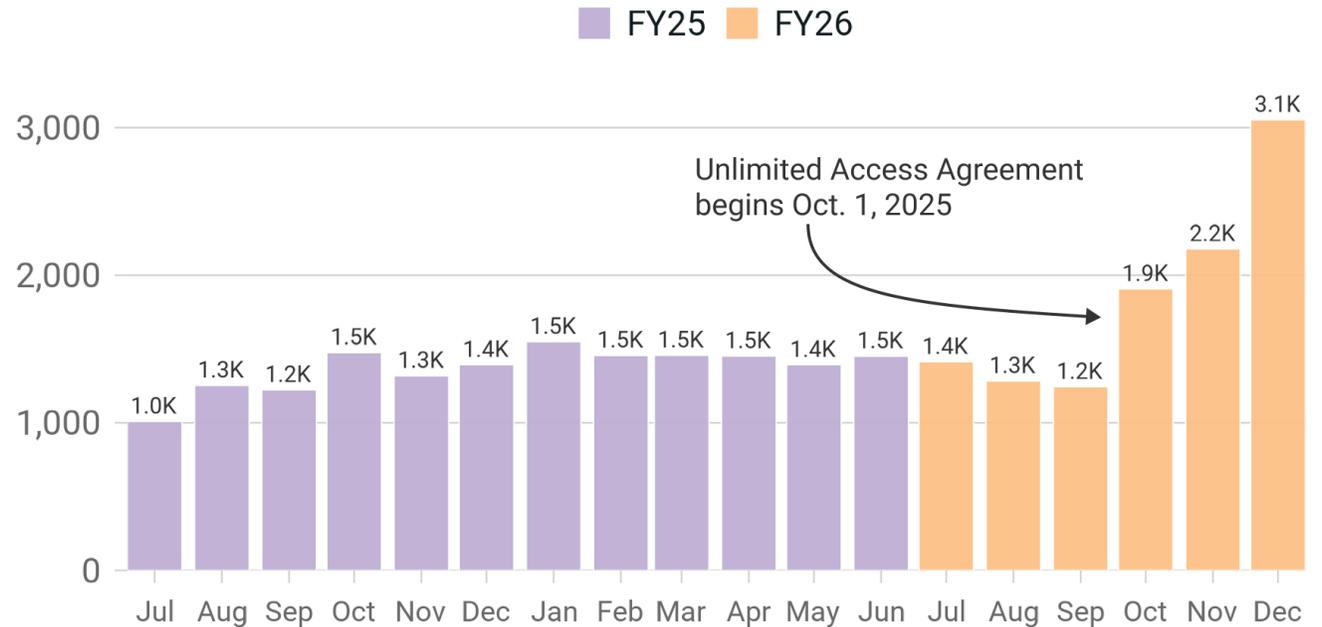


# UVMCC

- Unlimited Access Agreement starts
- Routes 2,1, and 86 are top 3 used by this group

## UVMCC Ridership

Number of fare transactions, July 2024-December 2025



Note: Riders are classified as UVMCC based on their email address.

Chart: Green Mountain Transit



# Questions?