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Agency of Transportation

MEMORANDUM

TO: Senator Westman, Chair, Senate Transportation
FROM: Jayna Morse, Agency of Transportation
DATE: February 7, 2025
RE: Immediate Impacts to The Transportation Program By Deviation From The Governor's As Recommended SFY'26 Budget

DocuSigned by:

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This memo describes the significant programmatic impacts if there is deviation from the Governor's As Recommended SFY'26 budget. This list totals \$23.54M, exceeding the \$20.250M amount to accommodate additional real penalties the Agency would incur if projects that are under contract are delayed.

These impacts are ordered by division/department.

Department/ Division	Impact
DMV	\$1.0M
F&A	\$1.0M
DMF	\$3.9M
PPAID	\$5.14M
HWY	\$12.5M
Total	\$23.54M

DMV - \$1.0M

Review satellite customer service locations and hours as well as customer service hours at primary branch locations.

F&A - \$1.0M

Utilize position management strategies to effectuate a reduction in salaries and benefits costs.





DMF - \$3.9M

Winter Maintenance: \$1.9M

1. Reduce salt usage by 15% (Ten-year average 131,260 tons/FY.) \$1.4 M.
2. Reduce winter overtime by 15%, \$500K

Impact: Seasonally dependent, could result in operating on the lean side of the Agency's Snow and Ice Control (SIC) plan, network users will notice immediately. May experience slower commute times, more slide offs.

Mowing - \$400K

Impact: By delaying this maintenance, consumer complaints increase, and external pressures result in mowing later in the season at higher costs.

Reduce purchasing materials (stone, culverts, gravel, etc. by 25%) - 600K

Impact: The Division is currently not meeting internal best management practices. Example: The same culverts are inspected year after year, with little headway made on replacing failing ones over the past 10 years.

Reduce payments to CG - \$1.0M

Impact: Although the Agency can close a year in the negative in the Central Garage ISF, this would delay lifecycle replacements, resulting in higher costs in the future for replacements and repairs.

PPAID - \$5.14M

Environmental Policy & Sustainability - \$750,000

1. There is currently \$3,000,000 in CRP funding in the FY26 EPS budget, with \$750K TF to match those funds.
2. These funds could be used for public EVSE (the vendor pays the match) or transferred to Public Transit (providers would pay the match).

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Rail - \$3M

Project	Description	T Fund Reduction
Amtrak-Montreal AMTK(2) 22G315	Montreal station study	\$100,000
WHITE RIVER JUNCTION STATION ROOF REPAIRS	Cupola	\$260,000
CAVENDISH STP 2032(11) 15G154	Resurface crossing	\$52,030
CAVENDISH STP 2032(12) 24G024	Improve grade crossing	\$23,650
CHESTER GMRC(32) 17G097	BR124	\$124,000
COVENTRY WCRL(35) 17G125	Rehab BR568	\$117,800
RUTLAND PLAT(7) 24G027	Improve station platform	\$988,590
STATEWIDE 09G378	Rail Passenger Marketing	\$50,000
BARNET WCRL(26) 15G151	BR527	\$164,982
BARNET WCRL(27) 16G209	BR528	\$183,916
COVENTRY-HARTFORD WCRL(29) 21G289	WCRL BR Grant	\$110,000
ST. JOHNSBURY WCRL(28) 17G116	Rehab BR540	\$104,874
STATEWIDE 18G344	State Rail Plan	\$49,877
WALLINGFORD GMRC(31) 16G202	Rehab BR145	\$670,281
TOTAL		\$3,000,000

Impacted projects would be shifted, at minimum, to SFY27. Deviation from the Governor’s Recommended SFY’26 budget:

1. Eliminates the ability to move the Montreal project forward to the next phase of the study.
2. Cuts the Rutland platform project.
3. Delays repairs on bridges which would result in rerouting rail traffic flow if a bridge experiences an emergency closure.

The State of Vermont owns the 4 railroads lines and has an obligation to keep them at a safe operating level.

The rail budget historically has been \$15M to \$20M in state funds. With construction inflation at 40% and wages/benefit/indirect costs going up significantly every year, the purchasing power of the funding available is significantly diminished compared to prior years. Deviating from the Governor’s Recommended SFY’26 budget will bring the rail state fund line down to just over \$11M, an additional 20% cut in state funds.





Aviation - \$1M

Project	Description	Original T Fund	Reduction	Revised Total
STATEWIDE	Reduce Aviation Operations	\$1,500,000	\$200,000	\$1,300,000
STATEWIDE	Reduction in Aviation Facilities	\$825,000	\$157,780	\$667,220
Morristown AV-FY22-003	Delay of Phase 3 Morrisville Project	\$218,334	\$118,000	\$100,334
Middlebury AV-FY23-006	Delay in Middlebury Fuel Farm Project	\$385,720	\$382,720	\$3,000
Highgate AV-FY25-007	Delay Avigation Easement for Franklin County Maintenance Area	\$72,000	\$33,000	\$39,000
Coventry AV-FY23-002	Delay Avigation Easement for Knapp Maintenance Area	\$67,000	\$33,500	\$33,500
Morristown ACV-FY25-013	Delay Morristown Property Acquisition	\$80,000	\$75,000	\$5,000
			\$1,000,000	

Public Transit - \$390,000

1. In SFY 24, the providers crossed the \$10M mark for local fund contributions, equaling or surpassing the amount of state funds in the overall transit budget for the 1st time.
2. When funds are constrained like this, operations are prioritized over capital investments, extending the useful life of vehicles and deferring facility improvements.
3. The statewide fleet metric for Federal Transit Administration (FTA) State of Good Repair goals is no more than 20% of our fleet should be in “poor” condition. Approximately 30% of all fleet vehicles are currently in “poor” condition. This is the highest staff have seen this metric since 2007.
4. If cuts from Public Transit are needed, they would come from these capital (vehicles & facilities) categories:

VPINS #	Description	T Funds Budgeted
96K362	Capital – Elderly & Disabled 20.513	\$ 50,000
12K396	Capital - Facilities 20.509 comp, form.	\$ 275,000

5. The Limited-Service Position currently within Public Transit is functioning as a ½ FTE with the person occupying the position planning to depart near the end of FY25. \$65K was budgeted for this position in FY26.





Highway- \$12.5M

Projects: \$11.9M Paving, 600K Roadway reductions

District Leveling: \$7.7M reduced to \$2.5M

Impact:

1. The paving program would go from approximately \$100 million to approximately \$59 million.
2. District Leveling needs to be maintained at \$2.5M to fund Band-Aid repairs because so many paving projects will be delayed.
3. The Roadway program would be reduced by 3 million dollars.
4. All projects listed below would be delayed at least one year

Given what projects already have contracts executed and the type of projects that use TF monies, there are no other options aside from these projects.

Project Name	TF - SFY'26	FY 26 Cost	Total Const. Cost	
Paving				
Barre Town - Orange STP PS 23(1)	\$ 1,264,719.13	\$ 6,684,562.00	\$ 6,684,562.00	Bid
Orange- Topsham STP FPAV (56)				
CHELSEA-WASHINGTON STP FPAV(70)	\$ 661,769.00	\$ 3,497,722.00	\$ 3,997,722.43	EST
HINESBURG-SOUTH BURLINGTON STP PS25(8)	\$ 771,989.92	\$ 4,080,285.00	\$ 4,830,285.26	EST
SHELDON-ENOSBURG STP FPAV(68)	\$ 526,731.48	\$ 2,783,993.00	\$ 3,533,992.59	EST
THETFORD-FAIRLEE STP FPAV(64)	\$ 598,495.79	\$ 3,163,297.00	\$ 3,912,596.51	EST
BARRE CITY STP 2961(3)	\$ 265,920.60	\$ 1,405,500.00	\$ 1,805,500.00	EST
BRATTLEBORO NH PC25(5)	\$ 209,507.40	\$ 1,107,333.00	\$ 2,107,333.07	EST
BRATTLEBORO STP PC25(6)	\$ 510,758.64	\$ 2,699,570.00	\$ 5,099,570.16	EST
BRATTLEBORO-PUTNEY STP PS25(11)	\$ 646,688.25	\$ 3,418,014.00	\$ 5,968,014.46	EST
ESSEX-FAIRFAX STP FPAV(85)	\$ 655,769.28	\$ 3,466,011.00	\$ 4,166,011.50	EST
KILLINGTON - STOCKBRIDGE ER STP 022-1(25)	\$ 662,200.00	\$ 3,500,000.00	\$ 30,929,195.81	EST
DLEV(TBD)	\$ 5,200,000.00	\$ 5,200,000.00	\$ 5,200,000.00	
Sub Total	\$ 11,974,549.50	\$ 41,006,287.00	\$ 78,234,783.79	EST
Roadway				
PITTSFORD - BRANDON NH 019-3(494)	\$ 567,600.00	\$ 3,000,000.00	\$ 23,311,717.84	EST
Total	\$ 12,542,149.50	\$ 44,006,287.00	\$ 101,546,501.63	

