

FY2026 GOVERNOR'S
RECOMMENDED BUDGET

POLICY, PLANNING &
INTERMODAL
DEVELOPMENT

OVERVIEW

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AGENCY OF TRANSPORTATION

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%
Total PPAID Programs	149,788,193	152,561,669	2,773,476	1.85%

Policy & Planning

- 230 municipalities actively engaged in regional and statewide Transportation Planning Initiative
- Processed 51 I 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

	FY2025 As Passed	FY2026 Gov. Rec.	Change % Inc./Dec.	
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.
	53,140,225	52,695,234	-0.84%	

- 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.

POLICY PLANNING & RESEARCH

Section	SFY25	SFY26 Proposed	Change SFY25-26
Policy & Planning	\$2,514,761	\$2,487,690	-\$27,071
Public Outreach	\$261,792	\$182,089	-\$79,703
Mapping	\$681,088	\$728,319	\$47,231
Act 250 and Sec 1111 Permits	\$1,075,936	\$1,047,184	-\$28,752
Research	\$1,433,439	\$1,429,721	-\$3,718
RPC TPI Grants	\$2,188,773	\$2,188,772	-\$1
MPO Pass Through	\$4,983,768	\$5,530,993	\$547,225
General Administration	\$912,296	\$1,452,848	\$540,552
Total	\$14,051,853	\$15,047,615	\$995,763

- Policy & Planning \$27k reduction due to staff turnover
- Public Outreach – \$79k decrease elimination of 1 FTE
- Mapping - \$47k increase for software upgrades & temp position
- Sec. 1111/Act 250 - \$28k decrease due to Automation Project concluding development stage
- MPO Pass Through - \$547k increase. CCRPC direct recipient of FHWA funding. AOT does not have authority to dictate how much they budget annually
- General Administration - \$540k increase due to addition of 1 FTE, increased operational and administrative costs for Division

ENVIRONMENTAL POLICY AND SUSTAINABILITY

Funding Source	SFY 2025 As Passed	SFY 2026 Proposed	% Change
State Transportation Funds	\$531,909	\$389,377	-26.80%
Federal Funds	\$7,900,327	\$8,150,226	3.16%
Local/Other	1,177,537	\$952,544	-19.11%
Interdepartmental Transfer		\$21,860	
Totals	\$9,609,773	\$9,514,007	-1.00%

- State: SFY 25 as passed included second half of the MBUF match (\$350k); SFY 26 does not include MBUF
- Federal: SFY 25 included 2nd half of MBUF Grant (\$1.4m) and ~ \$1m more in NEVI, but did not include any CRP (SFY 26 CRP = \$3m)
- Local/Other: Decrease due to decrease in NEVI between SFY 25 and Proposed SFY26
- Interdepartmental Transfer: Funds for FEMA Grant Management
- FY26 EPS proposal includes approximately \$7.5m federal funds for Electric Vehicle Charging Infrastructure; currently paused

ENVIRONMENTAL POLICY AND SUSTAINABILITY

Infrastructure Investment & Jobs Act (IIJA)

Funding Levels, Current Deployment Status

New USDOT Program Modifications;

Executive Order 14154 of January 20, 2025

NEVI (Electric Vehicle Infrastructure Program):

- Total IIJA Appropriation \$21M
- Total Approved Obligations to date \$63K
 - \$20M+ unobligated and paused

Carbon Reduction Program:

- Total IIJA Appropriation \$32M
- Total Approved Obligations to date \$3.5M
- \$8M Transferred to Surface Transportation Block Grant
 - \$20.5M+ unobligated

PROTECT (Hazard Mitigation):

- Total IIJA Appropriation \$37M
- Total Approved Obligations to date \$21M
 - \$16M unobligated

RAIL PROGRAM

FY25 to FY26 funding highlights

Section	SFY25	SFY26 Proposed	Change SFY25-26
State funds	\$15,690,849	\$15,067,696	-\$623,153
FRA grant funds	\$14,737,275	\$18,169,313	\$3,432,038
FEMA funded projects	\$4,900,418	\$6,767,969	\$1,867,551
Railroads match funds for grants	\$0	\$6,318,291	\$6,318,291

Tri-State Rail Grant (VT,NH,ME) continuously welded rail replacement project (\$5M Fed/\$5M NECR)
Rail safety upgrades for Amtrak Vermonter

- Rail Program relies on applying for federal discretionary grants from the Federal Railroad Administration(FRA). Either CRISI or BUILD (no dedicated funding per year)
- Final BUILD grant project is included in FY26. This was a 5-year project to upgrade 29 bridges to 286,000lbs capacity between Rutland and Hoosick, NY.
- Budget includes VT share of Amtrak Vermonter and Ethan Allen trains services.
- FRA Corridor ID program allows for future grant applications for passenger rail routes. VT has 2 eligible routes. Funding included for phase II of Corridor ID program.
- Majority of FEMA projects are from 2023 storm and are longer term mitigation projects.
- Program includes Amtrak Platform projects at White River Jct, Bellows Falls and Rutland City.
- Amtrak to Montreal is progressing. Budget includes funding of the next preliminary design phase.
- Top 20 priority bridge projects are included in FY26 budget

RAIL PROJECTS INCLUDED IN FY26 POTENTIAL JTOC CUT RISK

PROJECTS ELIMINATED	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
	Subtotal	\$1,716,070
PROJECTS DELAYED	DESCRIPTION	T FUND REDUCTION
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
	Subtotal	\$1,283,930

Total \$3,000,000

- Amtrak to Montreal is a priority project in Statewide Rail Plan. Funding needed for next phase. This is a commitment VT has made with Amtrak, QC and NY for cost share.
- White River Jct station roof repair. Roof has a temporary patch waiting for this project.
- Rail Crossings are in top 15 priority projects.
- Bridge projects are in the top 20 priority bridge projects.
- Rutland platform is in disrepair and needs upgrades to meet ADA requirements.
- Statewide rail plan is a requirement from FRA every 5 years. Currently in progress.
- Coventry-Hartford project is needed to prepare a grant application. 15 bridges are in need of repair to meet 286,000lbs capacity.

AVIATION PROGRAM

	SFY25	SFY26 Proposed	% Change
FAA Grant Funds	16,073,389	5,943,032	-63.00%
State T-Funds	5,766,122	7,474,433	29.60%
Totals	21,839,511	13,417,465	-38.60%
Statewide Line Items			
Operations	1,316,225	1,500,000	13.90%
Facilities	750,000	825,000	10%
Admin	1,410,815	3,000,287	112.60%
Civil Air Patrol Grant	60,000	60,000	0%
Statewide Pavement Maintenance	31,400	52,500	67%

- Aviation's federally funded projects are prioritized using a FAA endorsed Capital Improvement Plan for Vermont's airports.
- On a yearly basis, federal projects are refined based on FAA funding and prioritization. **Safety is the top priority for FAA funding.**
- 28 Federal projects proposed for FY26 in 8 towns (Highgate, Morristown, Berlin, Clarendon, Bennington, Coventry, Springfield)
- Morrisville/Stowe - 1050 ft. Taxiway extension and 45,000 sq.ft. Apron expansion.
- Middlebury Fuel Farm construction (T-Fund) – Split between SFY25 and SFY26.
- NEK International in Coventry - Terminal Construction beginning in SFY25, ending in SFY26.
- Aviation Facilities – costs associated with utilities, maintenance and construction for state-owned aviation facilities.
- Aviation Operations – costs associated with providing aviation public with safe and compliant airports.
- Aviation Admin – Increase due to separation of program from rail, added personnel,

AVIATION PROJECTS INCLUDED IN FY26 POTENTIAL JTOC CUT RISK

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	