

State of Vermont
Agency of Administration
Office of the Secretary
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Montpelier, VT 05609-0201

Sarah Clark, Secretary

May 19, 2026

Senator Richard Westman
Representative Matt Walker
115 State Street
Montpelier, VT 05633

Via email

Dear Senator Westman and Representative Walker:

The Administration is sending letters to the committees of conference for H.933 (the miscellaneous tax bill), H.949 (the yield bill) and to you as the Chairs of the House and Senate Committees on Transportation regarding H. 944 (the Transportation Bill). As already outlined in our letter sent to the committee of conference on H.951, these bills are all linked based on their impact on our education reform discussions. The Governor wants to be up front: this means any, or all, of these bills could initially be vetoed to ensure we have all the levers we need to address education transformation.

As you know, our Transportation Fund (T-Fund), like so many other systems, faces increasing fiscal pressures and funding gaps. Some of these pressures are out of our control, such as federally driven inflation – which is contributing to an estimated \$4 million in increased project costs in CY27 – Congress having yet to announce reauthorization of the Federal Highway Trust Fund, as well as continued transition to electric and more fuel-efficient vehicles. And some of it is the result of decisions to divert transportation revenue to other areas of government.

The Agency of Transportation has done significant work to absorb increased costs and slowing revenue by adjusting the construction schedules, improving efficiency of processes, and most recently, reductions in force. But it hasn't been enough, and cutting further is not a sustainable approach, especially given the critical importance of maintaining safe infrastructure across the state.

We appreciate the Legislature's partnership to begin making some necessary structural changes, including keeping about \$20M in the T-Fund that would have been transferred to the Vermont State Police under the historic "JTOC Funding Transfer."



We must continue to make commonsense structural changes. That's why the Governor proposed a plan to keep the T-fund whole over the next five years by phasing out the current transfer of Purchase and Use Tax funds away from the T-Fund (where they belong) and into the Education Fund.

Therefore, we urge the Committee to amend the current version of H.944 to achieve this plan to allow the T-Fund to be kept whole in the coming years, keeping transportation dollars used for transportation demands.

We also urge you to remove the bonding proposal in Sections 13 & 14 of the Senate passed version. This section requires the Agency to propose multiple, complex versions of our FY 2028 transportation programs – including with and without bonding, and a comparison of costs and timelines to do projects with and without bonding. This is not a functional approach to budgeting for an Agency with a nearly \$1B budget. The Agency has an alternative reporting proposal that could provide a similar level of insight being sought under the Senate proposal but that is far more manageable. Our team is prepared to provide these details.

Finally, we have concerns with the provisions of Section 56 — legislative report on third-party (Carfax and others) vehicle history reports. This section charges the Agency with a consumer protection function for which it has no data, expertise or authority. We request you remove this provision and seek relevant testimony with recommendations from the Attorney General's Office of Consumer Protection, industry, and economic development experts.

This is a critical time to ensure the T-Bill keeps us focused on our core mission and moves us to a more stable and sustainable model. With these requested changes, we can work together to make sure it does that.

Sincerely,



Sarah Clark
Secretary of Administration



Joe Flynn
Secretary of Transportation

cc: The Honorable Jill Krowinski, Speaker of the House of Representatives
The Honorable Phil Baruth, President Pro Tempore of the Senate

