

## FY2020 TRANSPORTATION PROGRAM

<b>Fund Source</b>	<b>FY 2019 AS PASSED</b>	<b>FY 2020 AS PASSED</b>	<b>Increase (Decrease)</b>	<b>Percent Change</b>
<b>STATE (TFund)</b>	<b>251,072,742</b>	<b>258,077,167</b>	<b>7,004,425</b>	<b>2.8%</b>
<b>FEDERAL</b>	<b>318,917,135</b>	<b>319,991,164</b>	<b>1,074,029</b>	<b>0.3%</b>
<b>LOCAL/OTHER</b>	<b>4,604,357</b>	<b>4,341,911</b>	<b>(262,446)</b>	<b>(5.7%)</b>
<b>TIB FUND</b>	<b>13,202,337</b>	<b>13,297,387</b>	<b>95,050</b>	<b>0.7%</b>
<b>GO BONDS</b>	<b>2,400,000</b>	<b>0</b>	<b>(2,400,000)</b>	<b>(100.0%)</b>
<b>CENTRAL GARAGE FUND</b>	<b>20,684,524</b>	<b>20,112,038</b>	<b>(572,486)</b>	<b>(2.8%)</b>
<b>TOTAL</b>	<b>610,881,095</b>	<b>615,819,667</b>	<b>4,938,572</b>	<b>0.8%</b>

The FY2020 Transportation Budget is \$615.8 million. This is an increase of \$5 million (1 percent) from FY2019.

State funds (TF + TIB) increased by \$7.1 million (2.7 percent). The increase results from an increase in Transportation Fund (TF) revenue over prior year. This budget utilizes no new transportation revenues or bonds. It is balanced to the January 2019 current law consensus revenue forecast. This is consistent with the Governor's goal of making Vermont affordable.

The budget is fiscally constrained to our best estimate of available federal funds. In late 2015, Congress passed a new Federal Transportation authorization titled "Fixing America's Surface Transportation", or FAST Act. The FAST Act is estimated to provide an additional \$100 million plus to Vermont over the five-year period FFY2016 – FFY2020. Available formula-based FHWA apportionments in FFY2019 increased by \$5 million over the prior year, to \$213.6 million. Overall Federal funds increased by \$1.1 million (0.3 percent) over FY2019.

This budget optimally allocates available transportation resources in a manner that best supports VTrans' vision of a safe, reliable and multimodal transportation system that promotes Vermont's quality of life and economic wellbeing. It emphasizes safety, preservation and maintenance of the existing transportation system, economic development, and energy efficient transportation choices.

Growing Vermont's economy requires a 21<sup>st</sup> Century infrastructure. This budget makes sound investments in our infrastructure that will grow the Vermont economy not only by directly supporting jobs in the construction industry, but also by supporting other important economic sectors. Recent years' record level investment in our infrastructure are yielding positive results. Since 2008, we have experienced an overall improvement in pavement quality and in the condition of our structures. In 2008, Vermont ranked near the bottom of all states – 45<sup>th</sup> in the nation – for numbers of structurally

deficient bridges. By 2016 we improved that ranking to 13<sup>th</sup>. Our percentage of structurally deficient highway bridges has declined from 18.4 percent in 2008 to 4.8 percent in 2018. We have also made progress at improving our pavement conditions. The percentage of pavements rated in very poor condition declined from a high of 36 percent in 2008 to only 13 percent in 2018, a slight decline (2 percent) from 2017. To continue these gains this budget will advance 93 bridge and culvert projects in 70 communities, perform preventive maintenance on numerous additional structures, and improve more than 200 miles of State highways.

VTrans continues to emphasize the safety of our transportation system and its users through a solid budget for maintenance and operations. We have enhanced our safety focus by creating a new Operations and Safety Bureau within the Highway Division that includes our Office of Highway Safety which contains the Governor's Highway Safety Program and Highway Safety Data and Analysis and the Transportation Systems Management and Operations Section (TSMO) that continues their oversight over traffic operations, intelligent transportation systems, and traffic research. With a five-year annual average of 61 highway fatalities and hundreds of incapacitating injuries on our highways each year because of crashes, VTrans and all of state government continue to work collaboratively to reduce the number of preventable crashes. Enhancing the safety of our transportation system helps protect Vermont's population.

Mindful of our continuing energy challenges and our need to drive down our carbon footprint, this transportation budget proposal continues to invest significantly in all modes of transportation including our railroads, public transit systems, airports, and bicycle and pedestrian facilities, as well as adding new investments for electric vehicle (EV) charging equipment and a new program that will provide \$2 million for electric vehicle purchase incentives for low and moderate income Vermonters. This budget funds \$37 million in public transit including new buses for expansion and bus replacements, including two electric buses, and increased transit services including additional funding for opioid treatment transportation. To continue our vision of boosting tourism and mobility along the western corridor, this budget continues ongoing investments in the rail line to improve track, bridges, station platforms and crossings which increase safety and efficiencies which will bring us closer to our goal of delivering passenger rail service between Rutland and Burlington. The budget also begins investing a \$20 million Federal grant to rehabilitate and upgrade 31 rail bridges along the western corridor between Rutland and Hoosick, NY. The budget also funds over \$13 million in bicycle and pedestrian infrastructure and continues investments in our state airports. By providing critical transportation options and an EV purchase incentive program funded at \$1.5 million, the objectives of protecting Vermont's vulnerable population, reducing carbon emissions through promotion of vehicle electrification, and enhancement of economic development will be advanced.

The traveling public needs a reliable transportation system, yet numerous bridges, culverts and pavements have exhausted their useful life. We recognize the critical importance of our transportation assets and are incorporating asset management planning into our project prioritization selection and processes to maximize the return on our taxpayers' investment. The Asset Management Bureau manages data and performance of infrastructure assets, and develops budgets to help maintain our assets. We continue to work to improve efficiency and increase innovation through continuous improvement initiatives such as LEAN and Business Process Improvement.

Even as we improve the safety and performance of the system for today's users, we continue to look to the future by ensuring a sustainable infrastructure - leaving our current transportation in a better overall condition for future Vermonters, building greater resilience into the roadway network, and by fostering a culture of continuous improvement, customer service and innovation throughout the Agency.

**Program Highlights of the FY2020 Budget:**

- \$33.2 million for the Department of Motor Vehicles. This is a \$1.8 million increase (6 percent) over FY2019. The increase results from three key areas: increased Information Technology project costs, cost associated with de-centralization of customer service positions creating a career ladder, and increases in statewide allocations. This is essentially a 'maintenance of effort' budget that helps ensure the continuation of DMV services and offerings at all current locations. DMV is responsible for collecting more than \$340 million annually in taxes and fees. The Department continues to modernize its Systems and processes to better service the needs of Vermonters and decrease risk related to very outdated and unsupported systems. In FY2018 the number of transactions processed through the internet increased by 8.6% over last year. The dollar amount collected online increased by 9%. DMV prides itself on provide exceptional customer service. Creating a career ladder allows us to better manage our work ques and transactions amongst higher skilled employees in order to positively affect our customer service numbers. Overall average wait time across the state is 16 minutes; which is an increase from 12 minutes last fiscal year. For all branch offices, 81% of our customers reached a service counter in 30 minutes or less, ranging from 62% to 95% on any given day at any given branches. FY2018 the percentage of customers served in 30 minutes or less ranged from 62% to 95%. DMV is also part of the overall Agencies efforts to enhance and protect Vermont's infrastructure and the safety of the individuals utilizing the transportation network. The Governor has designated DMV as the lead agency for enforcement of regulations dealing with commercial motor vehicles as well as the enforcement of state vehicle size and weight regulations.
- \$100.7 million for Paving. This is an \$3.5 million decrease (3 percent) from FY2019. Paving continues to be one of the Agency's primary focus areas and is recognized as a key program for ensuring a safe and reliable transportation system. The Paving Program is funded at approximately \$101 million in FY2020, which will continue to support a reduction in the amount of poor and very poor highway mileage while providing funding for preventive maintenance treatments that will improve or maintain highway segments in good or fair condition. Based on 2018 pavement data 13% of the VTrans managed highway system is in very poor condition, which is below the performance target of 25%. The proposed budget will fund construction of 48 projects while another 24 projects are anticipated to have expenditures associated with preliminary engineering. The proposed level of investment will result in the preservation and rehabilitation of over 150 miles of State and Class 1 Town Highway mileage through innovative practices and budget optimization. VTrans is planning to level an additional 71 miles of State Highway by using a combination of District Leveling and Federal Paving strategies. In addition to these projects, there are eight (8) statewide line items with funding in FY2020 to address additional infrastructure needs.

- \$98.8 million for Bridge Programs. This is an \$3.3 million increase (3 percent) over FY2019. The SFY20 budget supports 93 programmed projects, not including maintenance related activities, serving more than 70 different communities. These projects include 41 projects funded for construction and 52 projects funded for development and evaluation. The bridge programs include funding of projects to address critical large (greater than 6 feet in diameter) culverts with 5 projects going to construction and 8 projects under development and evaluation. Construction of three (3) Design/Build Projects on the Interstate System in Georgia, South Burlington and Rockingham began in 2017. Georgia and South Burlington are complete. Rockingham replaces two long bridges on I-91 and will be under construction through 2020. Two complex projects developed using the Construction Manager/General Contractor (CM/GC), an accelerated project delivery process, are currently in construction. The North Hero – Grand Isle drawbridge and the Middlebury tunnel projects which started construction in the spring of 2018. Both projects will be under construction for multiple years and together account for \$35 million in spending in FY2020. Increased use of Accelerated Bridge Construction techniques has reduced overall bridge costs and has allowed VTrans to deliver projects more quickly.
- \$48.8 million for Roadway. This is a \$3.2 million decrease (6 percent) from FY2019. The proposed budget will fund construction of 24 projects while another 43 projects are anticipated to have expenditures associated with preliminary engineering and/or Right-of-Way and are identified in the Front of Book. The Program includes a wide range of project scopes, such as major roadway reconstruction projects on US Route 2 in Waterbury, US Route 7 in Brandon, and Market Street in South Burlington. Additionally, the Champlain Parkway and Essex Crescent Connector construction funding will increase the capacity of the transportation system within these communities. The Roadway Program also includes asset driven projects such as ledge and slope stabilization activities, and small culvert replacements and drainage improvements. In total, there are approximately 15 culvert/drainage projects, 23 ledge removal/slope stabilization projects, 25 roadway/intersection reconstruction projects and four (4) miscellaneous projects; which include project scopes such as stormwater flow restoration projects and enhancement projects.
- \$20.9 million for Traffic and Safety. This is a \$590,000 decrease (2.7 percent) from FY2019. The proposed budget will fund construction of 26 projects, including the diverging diamond interchange in Colchester, while another 12 projects are anticipated to have expenditures associated with preliminary engineering and/or right-of-way. Of the 38 projects, there are 25 intersection improvement projects, eight (8) sign replacement projects, four (4) pavement marking projects, and one (1) High Risk Rural Road (Systemic Local Roads Safety) project. In addition to specific infrastructure projects, there is additional funding for line items which focus on upgrading pavement markings, sign replacements, High Risk Rural Roads (Systemic Local Roads Safety), the Highway Safety Improvement Program, information plazas, the Governor's Highway Safety Program and the Strategic Highway Safety Plan. The collection and assortment of projects within the Traffic & Safety Program reinforce the Agency's continued emphasis on safety, infrastructure improvement, traffic sign and signal upgrades, and pavement marking upgrades on the Interstate, State, and Class 1 & 2 Town Highways.
- \$2.7 million for Park-and-Ride Facilities. This is a \$1.2 million decrease (30 percent) from FY2019. The decrease is attributed to the completion of the Colchester facility. This program is an important investment considering the number of Vermonters and visitors to the state that strive

to travel as efficiently and economically as possible, all while minimizing impacts to the environment. This year's budget proposal includes funds for 11 projects and several statewide line items. The statewide line items address both current and future infrastructure, providing funding for future state park and ride project opportunities, and investments in electric vehicle charging. The budget funds construction activities for four (4) park & ride facilities in Cambridge, Royalton, St. Johnsbury, and Williston as well as paving at one existing facility, the location of which is still to be determined. Also included in the budget are design activities for five (5) facilities including new facilities in Williamstown and Berlin at Exit 6, and upgrades to facilities in Berlin at Exit 7, Thetford and Manchester. There is also a scoping project for a new park & ride facility in the Barton-Orleans area and a scoping project finishing up for a new park & ride facility along the gateway to the Islands near Exit 17.

- \$13 million for Bicycle and Pedestrian Facilities. This is an \$2.2 million increase (20 percent) over FY2019. The Agency remains committed to offering municipalities the opportunity to manage projects at the local level, and the Agency continues to leverage federal and state funds so that communities can deliver transportation infrastructure improvements on the local level. The program will provide funding for 47 projects in 36 different communities. Of the 47 projects, it is anticipated that 27 will be under construction and the remainder will be under development and evaluation in the design and right-of-way project phases. Included is funding to support the Vermont Youth Conservation Corps (VYCC), the operation of the Bike Ferry by Local Motion and funding to the Vermont Association of Snow Travelers (VAST) to rehabilitate more of the Lamoille Valley Rail Trail (LVRT). In addition to these projects there are several statewide line items to address both infrastructure and education needs.
- \$3.3 million for Transportation Alternatives. This is a \$330,000 decrease (9 percent) from FY2019. This budget funds 35 projects in 27 different communities. Of these 35 projects, it is anticipated that 21 will be under construction and 14 will be under design and/or in the Right of Way phase. There are twelve (12) projects related to environmental mitigation related to clean water and/or stormwater concerns, and the remaining twenty-three (23) are related to bicycle and pedestrian facilities.
- \$680,000 for Rest Areas. This is an \$65,000 decrease (9 percent) from FY2019. This budget primarily funds preservation, preventative maintenance, and repair projects for buildings and pavements at State rest areas. This program does not fund any operating costs. These funds will be used for improvements to a variety of building components including exterior wall systems, exterior doors, windows, roofing, heating systems, cooling systems, mechanical controls, septic tanks, leach fields, generators, lighting and controls, fire/security alarms, security cameras and equipment, flooring, and walkways and sidewalks.
- \$93.9 million for Maintenance. This is a \$6 million increase (7 percent) over FY2019. The increase is largely driven by the need to restore \$1.6 million that was cut from the FY2019 budget last session, a 15% increase in salt costs, staff salaries and benefits and other fixed operating costs, and a reorganization that transferred the Office of Highway Safety from Program Development to Maintenance. This budget provides for basic maintenance and operation activities to preserve the condition, safety, and resilience of our roadway network. A well-maintained highway network

supports Vermont's economy, minimizes costs to taxpayers, and provides mobility for all of Vermont's residents and visitors.

- \$33.8 million for Public Transit. This is a \$4.8 million increase (17 percent) over FY2019. This budget supports VTrans' goal to safely provide energy efficient travel options and protect Vermont's vulnerable population. The overall public transit program is geared towards continuing efforts to strengthen a statewide, integrated public transit system to meet general public, intercity and human-service transportation needs. The Federal Transit Administration (FTA), which funds much of the transit program, requires a high level of coordination among the various facets of the program in order to achieve maximum service and utility. We have completed our fourth year of the city-to-city bus routes run by Premier Coach, from Colchester to Albany, NY and between Rutland and White River Junction (WRJ) as well as the Greyhound service connecting Springfield, MA and WRJ. We are now in our second year of providing extensive connections between Manchester/Bennington to Albany modal stations (air, rail, transit), ran the Capital Shuttle year-round and enhanced routes to accommodate the many changes in state office locations between Montpelier and Berlin. The absence of transit earmarks and the programmed amount of capital funding requires continued use of capital funds flexed from the FHWA to the FTA. We continue to be successful in receiving competitive awards: \$2,080,000 for a bus facility in Bradford. This will provide new support for the bus routes in eastern Vermont. We were also awarded \$407,064 to purchase small electric buses to use for Montpelier area transportation. We submitted one competitive grant to help with a transit program for opioid recovery, which was recently awarded. The buses from previous competitive awards, electric buses in Burlington and the 18 new buses across the state have been bid and ordered. The FY2020 capital funding will support Vermont's ongoing efforts to maintain a fleet of vehicles that are safe and in good working order, a high priority for VTrans and the FTA. It will also allow the continued growth of mobility options for both residents and visitors to Vermont. The new AVL project (Automatic Vehicle Locator) is now underway which will provide information in real time as to the arrival of the bus following pilot projects. Being able to see when a bus will arrive will greatly enhance the mobility options outside of population centers
  
- \$9.2 million for Aviation. This is a \$4.6 million decrease (33 percent) from FY2019. The decrease is the result of the recent completion of some large Federal Aviation Administration (FAA) grant awards. Vermont's aviation assets remain in relatively stable, good condition. The focus in FY2020 will be continuing the level of investment for improvements as well as continuing to maintain the current infrastructure with a focus on safety improvements and state of good repair of state-owned assets. VTrans continues to work with the FAA on federally eligible projects that are funded at a 90% federal and 10% state fund match. The Morrisville-Stowe State Airport will see paving of the safety areas on the ends of the runway which will allow a surface for increased safety for aircraft using the runway. Design work will begin as well for a parallel taxiway on the north end which will tie into the new safety area paving. Franklin County State Airport will see design work and permitting to extend the runway and taxiway on the south end. FY2020 will also focus on acquiring easements to complete maintenance activities to get our beacons all back on line and runway approach surfaces free from obstructions. This budget also includes continued support for Vermont's major commercial service airport – Burlington International (BTV) – which is municipally owned.

- \$34.9 million for Rail. This is a \$5.3 million increase (18 percent) over FY2019. This budget will continue to focus on the Western Corridor projects with the goal to extend the Amtrak Ethan Allen passenger train from Rutland to Burlington. This corridor has seen installation of continuous welded rail (CWR), tie upgrades, bridge upgrades, crossing upgrades, and the final SAFTEA-LU designated funds for rail and signal upgrades to improve the movement of people and freight. Vermont received a TIGER VII grant which will contribute \$10 million of Federal funds toward the \$26.3 million project for completing the remaining 12 miles of old stick rail on the Western Corridor. This grant also covers additional siding projects to allow for freight trains to pull off and allow for passenger trains, passenger platforms to be built and tie and surfacing work for the entire line between Burlington and Rutland to allow for increased passenger train speeds. The Grant also allows for the use of additional FHWA funds to increase the safety at many rail/highway grade crossings. The final TIGER VII projects are in the FY2020 budget. More crossings and other parts of the project like sidings and ballast work will be performed over the next couple of years with a project completion at the end of 2020. Vermont was just notified that we have received a \$20 million grant through the US DOT BUILD grant program, and \$2 million for safety improvements to the NECR. The BUILD grant is for bridge work along the Western Corridor that will improve bridge structures between Rutland and Hoosick, NY to 286,000 lbs.
- \$908,000 for Transportation Building Facilities. This is a \$670,000 decrease (42 percent) from FY2019. Funds will be used to begin construction of a 10-bay garage in St. Albans and development of plans for a salt shed in Island Pond.
- \$63.6 million for Town Highway Programs. This is a \$5.7 million decrease (8 percent) from FY2019. This decrease is attributed to a \$6 million decrease (66 percent) in the Municipal Mitigation Assistance Program (MMAP). MMAP is where the Agency funds grants for the Clean Water Initiative, and the decrease stems from a reduction in FHWA funds (\$4M) and the absence of Capital Bill (bonds) funding of \$2.4 million that was included in FY2019. Town Highway Bridges funding increased by \$510,000 (4%) over FY2019. Town Highway bridges is anticipated to rebound to more traditional levels in upcoming fiscal years, and overall bridge structural deficiencies has declined significantly in recent years to only 5 percent. Other changes are described below:
  - *Town Highway Programs:* This budget level funds the following Town Highway Programs: Town Highway Structures Program \$6.3 million, Town Highway Class 2 Program at \$7.6 million, Town Highway Aid for Non-Federal Disasters (the former Town Highway Emergency Program) at \$1.15 million, Town Highway Aid for Federal Disasters at \$180,000, and Class 1 Supplemental Program at \$128,750. Funding for the Town Highway Aid program increase by \$680,000 (2.6%) to \$26.7 million, Town Highway Public Assistance Grants funding decreased by \$919,000 (18%) because of anticipated lesser amount of Emergency and Relief and Assistance (ERAF) funding need associated with FEMA Irene projects.
  - *Town Highway Bridges:* Funding for town highway bridges increased by \$510,000 (4 percent) over FY2019. This budget funds 11 town highway bridge projects for construction and 17 additional projects under development. Funding largely reflects the project pipeline and project readiness. The Administration remains committed to improving Vermont's town highway system.