

FY 2017 TRANSPORTATION PROGRAM

Fund Source	FY 2016 As Passed	FY 2017 Budget	Increase (Decrease)	Percent Change
STATE (TFund)	235,321,208	249,073,779	13,752,571	6%
FEDERAL	342,305,346	326,665,494	(15,639,852)	-5%
LOCAL/OTHER	4,694,285	4,833,982	139,697	3%
TIB FUND	13,498,587	12,269,376	(1,229,211)	-9%
CENTRAL GARAGE FUND	20,309,560	19,731,787	-577,773	-3%
TOTAL	616,128,986	612,574,418	(3,554,568)	-0.6%

The FY2017 Transportation Budget is \$613 million. This is a relatively small decrease from FY2016 of \$3.6 million (0.6%). State funds (TF + TIB) increased by \$12.5 million (5%) over FY2016.

The FY2017 budget is fiscally constrained to our best estimate of available federal funds. Congress recently 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. And recently enacted Federal FFY2016 transportation appropriations act is estimated to provide an increase of approximately \$10 million in available formula-based FHWA funding over FFY2015 levels. The FAST Act provides greater certainty and reduced risk with respect to future funding levels.

With regard to State funds, this budget includes passage of a Transportation fee bill estimated to yield \$10 million additional transportation revenues beginning in FY2017. We are hopeful that this increase will be sufficient to meet the increased match needs associated with the passage of the FAST Act. An additional \$900,000 reduction in Transportation Funds appropriated to Public Safety will occur for FY2017 – from \$22.75 million to \$21.15 million.

This budget optimally allocates available transportation resources in a manner that best supports VTrans’ vision of a safe, efficient 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.

A strong economy requires a 21st Century infrastructure. This budget makes sound investments in our infrastructure that will support the economy not only by directly supporting jobs in the construction industry, but also by supporting other important economic sectors. Several recent years of 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 – 45th in the nation – for numbers of structurally deficient bridges. By the end of 2014 we improved that ranking to 17th. Our percentage of structurally deficient highway bridges has declined from 16.1% in December 2008

to 6.6% in December 2015. 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 15 percent in 2015, which is a slight increase from 13% in 2014. To continue these gains this budget will advance the repair or replacement of more than 140 bridges, perform preventive maintenance on more than 25 structures, and improve more than 200 miles of pavement.

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 through the recently created Office of Highway Safety which contains the Governor's Highway Safety Program and Highway Safety Data and Analysis. In addition, the recently established Transportation Systems Management and Operations Section will oversee 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 as a result of crashes, VTrans and all of state government continue to work collaboratively to reduce the number of preventable crashes.

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. This budget funds over \$31 million in public transit including new buses for expansion and bus replacements, new investments in bus arrival information, and some expansion of the intercity bus network. To continue our vision of boosting tourism and mobility along the western corridor, this budget invests \$8.6 million to the rail line to improve track, bridges 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 funds over \$10 million in bicycle and pedestrian infrastructure, and makes significant investments in our state airports to return them to a state of good repair and to foster public/private partnerships that add jobs in Vermont's growing aviation economy.

The traveling public needs a reliable transportation system, yet a number of 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 process to maximize the return on our taxpayers' investment. The Asset Management and Performance Bureau will manage data and performance of infrastructure assets, and develop budgets to maintain our assets. As we seek to improve the efficiency and increase innovation we established an Office of Performance, Innovation and Efficiency in our Finance and Administration Division.

Even as we improve the safety and performance of the system for today's users, we continue to look to the future by 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 FY2017 Budget:

- \$28.9 million for the Department of Motor Vehicles. This is a \$1.9 million increase (7 percent) over FY2016. This budget is primarily a maintenance of effort budget and will ensure the continuation of DMV services and offerings at all current locations. The budget will also support the relocation of the mobile operation in White River Junction to a new leased space. DMV continues to exceed customer expectations, achieving a 94% customer favorability rating from July 2014 to June 2015. Average wait times also continue to exceed established goals in two of our offices. Ninety-two percent (92%) of our customers at the Rutland and Springfield offices received services in an average time of 30 minutes or less. Other DMV offices experienced rates of 70% to 88%. In FY2015 the DMV branch offices experienced a 13% increase in customers (56,687) and an 11% increase in transactions (47,081). This increase can be attributed to the REAL ID license requirements. DMV is also responsible for collecting an estimated \$321 million in taxes and fees during FY2017. 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. These enforcement efforts enhance highway safety and protect our infrastructure. DMV has state and federal performance expectations that must be met regarding the number of commercial vehicles inspected and weighed throughout Vermont.
- \$111.1 million for paving. This is an \$11.1 million increase (11 percent) over FY2016. This paving budget demonstrates our continued commitment to improve the condition of the state's highway network. A robust paving program is essential to maintaining the State's existing infrastructure, and supporting Vermonters' safety and mobility. This funding will improve over 200 miles of state highway through traditional resurfacing, district leveling and preventive maintenance treatments. These investments will continue our record of improvements to pavement conditions. The percentage of pavements rated in very poor condition has declined from a high of 36 percent in 2008 to 15 percent in 2015; which is 2 percent higher than the 2014 pavement condition.
- \$105.1 million for bridges. This is an \$11.1 million decrease (10 percent) from FY2016, and is the seventh consecutive year that planned bridge spending has topped \$100 million. The decrease is attributed to reduced levels of available federal funds, and the completion of Irene-related bridge projects. Planned spending on interstate bridges is up \$9 million (20 percent). Planned spending in state bridges is down \$17 million (34 percent). Funding for town highway bridges is down \$3 million (13 percent) from FY2016, which funds 21 town highway bridge projects that are ready for construction and 14 additional projects under development. Recent efforts and funding have allowed VTrans to exceed its performance goals in Interstate, State and Town Highway Bridge Programs which prepares us well to manage future investments in our aging bridge population. This budget funds major construction on 68 bridges and large culverts, and preventive maintenance work on dozens more structures.
- \$31.1 million for roadway. This is a \$12.3 million decrease (28 percent) from FY2016. The roadway budget includes approximately \$5.5 million in construction funds for continued Irene repair work, consisting of improvements to several corridors that were impacted by Irene and the repair of multiple, individual storm damaged sites. The remainder of the funding for the program is primarily infrastructure related for such projects as roadway reconstruction, culvert

replacement, and slope/ledge repair/removal. Significant projects include the start of construction activities on the Charlotte US Route 7 reconstruction project, construction activities on Circumferential Highway Alternatives projects including the Essex Crescent Connector, as well as several culvert and slope projects that will serve to both stabilize existing infrastructure and improve safety.

- \$17.4 million for traffic and safety. This is a \$620,000 decrease (3 percent) from FY2016. Highway safety activities for this program are identified through the Highway Safety Improvement Program and the Strategic Highway Safety Plan. As crash data across the state indicates changing trends, this budget will look to refine the partnerships, coalitions and strategies associated with highway safety in those areas. Through this refinement, VTrans and other highway safety partners statewide will take steps to reduce crashes through collaborative approaches. Safety projects anticipated in FY2017 include multiple traffic signal and intersection improvements across the state, a roundabout in Hartford, centerline rumble stripe installations, and a continued emphasis on traffic sign upgrades and pavement markings on the interstate, state, and Class 1 & 2 Town Highways.
- \$2.6 million for park-and-ride facilities. This is a \$73,000 decrease (3 percent) from FY2016. This year's budget proposal includes funds for scoping two park & ride facilities. It also includes construction funds for five park & ride facilities. Of these, two are new facilities and three are being enlarged and/or upgraded. All told this will result in the addition of over 159 spaces. There is also funding included for seven other projects under design and a line item for new project opportunities that arise. It also includes continued funding of \$250,000 for the municipal park & ride program.
- \$10.1 million for bicycle and pedestrian facilities. This is a \$3.9 million increase (64 percent) from FY2016. Funding should increase in future years as newly awarded projects become ready for construction. The budget funds construction for 35 bicycle and pedestrian projects and four projects funded through the Safe Routes to School program. Funding is included to continue construction on the 92-mile Lamoille Valley Rail Trail and to continue the design of 46 other bicycle and pedestrian and Safe Routes to School projects. State funding for non-federal projects including municipal sidewalks is doubled from \$150,000 to \$300,000. This program was created last year to achieve cost efficiencies by eliminating federal requirements. It also includes design of a statewide project to resurface the Delaware and Hudson Rail Trail and a line item for new projects to be awarded. The Agency will continue planning and integrating these facilities into the State's overall transportation strategy.
- \$4.6 million for transportation alternatives. This is a \$192,000 decrease (4 percent) from FY2016. This budget funds enhancement and transportation alternatives projects that previously received grants and are now ready to proceed. It includes work on 45 projects, including construction funding for 26 projects, and advancement of two scoping studies. It also includes a line item for new projects to be awarded.
- \$550,000 for rest areas. This is a \$75,000 decrease (12 percent) from FY2016. This budget primarily funds preservation, preventative maintenance, and repair projects at State rest areas – not 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.

- \$91.6 million for maintenance. This is a \$4.5 million increase (5 percent) over FY2016. The increase is largely attributed to increases in material costs, equipment costs, and personnel costs. This budget also reflects a continuation of basic maintenance and other activities to preserve the condition, safety and resilience of our roadway network. A strong commitment to the maintenance of the State's existing infrastructure is vital to addressing travelers' needs and to economically and effectively managing the State's transportation assets. This budget recognizes the importance of ensuring our Transportation District crews' continued ability to adequately respond to snowfall and weather-related emergencies.
- \$31.2 million for public transit. This is a \$4.1 million increase (15 percent) over FY2016. The increase reflects the need to begin ordering replacement vehicles. Existing Public Transit earmarks for vehicle replacement have been fully expended and we now have to use capital funds. The Administration's ongoing commitment to enhancing mobility for an aging population and efforts to reduce our carbon footprint through advanced commuter runs requires an investment in replacement and expansion of capital equipment. This investment in public transit has brought us to a yearly ridership of just under 5 million. Transit expansion highlights include the increased frequencies on successful routes, new inter-city routes and additional service to new state complex in Waterbury. The continued investment in technology should bring advanced information about bus arrivals and departures in real time and some experimental car and bus hailing services in the rural areas. All of these should enhance mobility, reduce environmental impact and assist with economic development. VTrans is continuing to review the State's public transportation system in collaboration with transit providers to identify ways to improve system efficiencies through route integration, operational improvements, and consideration of organizational restructuring.
- \$20.0 million for aviation. This is a \$5.3 million increase (36 percent) over FY2016. The increase is predominantly federal funds (\$4.2 million) and the associated state match (\$467,000). This budget funds an FAA mandate to finalize the correction of deficient runway safety area at the Rutland Southern Vermont Regional Airport, numerous improvements at the Newport Airport and Middlebury Airport. Discretionary grants for these airports have been made available due to federal sequestration. The FY2017 budget will further repair aging infrastructure to include runway and taxiway pavement, hangars, efficiency upgrades, and improve approach airspace. The Aviation program continues to make significant strides toward closing the operating deficit at the general aviation airports.
- \$33.9 million for rail. This is a \$1.3 million decrease (4 percent) from FY2016. This budget invests \$4.1 million of State and Federal funds for track and bridge upgrades on the Western Corridor from Burlington to Rutland which will allow increased efficiencies, train speeds and track safety. We are also focusing on crossing improvements and safety upgrades by investing \$4.5 million on 12 crossings on the Western Corridor which will install new safety equipment and increased train speeds. This budget continues our support for the current Vermonter and the Ethan Allen Amtrak services and also continues to invest in the expansion of the Ethan Allen service to Burlington. The FY2017 budget will help advance several critical rail projects

including: the construction of bridge 219 in Pittsford, and continuing to upgrade our structures to the 286,000 pound national freight industry standard.

- \$2 million for transportation building facilities. This is level funded from FY2016. Funds will be used for the next phase of a renovation/reconstruction project at the White River Jct. garage facility, the construction of a salt depot at the former Sharon I-89 southbound rest area, a roof replacement at the Dummerston Garage, and a hazardous materials remediation project at the Central Garage facility in Berlin. This budget also funds continued development and design of maintenance facilities, garage heating system replacements, and the installation of above-ground fuel storage tanks.
- \$76.8 million for town highway programs. This is a \$27 million decrease (26 percent) from FY2016. This decrease is attributed to a \$23 million decrease in FEMA Public Assistance Grants associated with Irene and 2013 disasters, and \$3.2 million decrease to Town Highway Structures associated with a one-time budget adjustment that shifted \$3.2 million from FY2015 to FY2016. This program is fully restored to the usual annual level of appropriation. Otherwise, funding for town highway programs has decreased by a net \$400,000 from FY2016. Other changes are described below:
 - *Town Highway Programs:* This budget level funds the Town Highway Aid program at \$26 million, sustaining the FY2013 increase of \$1 million (4 percent) which had not been increased since FY2005. Town Highway Aid for Non-Federal Disasters (the former Town Highway Emergency Program) is level funded at the FY2016 level of \$1.15 million. Funding for Town Highway Aid for Federal Disasters is reduced by \$160,000 (11 percent – from \$1.44 million to \$1.28 million). Unexpended State match budgeted in prior years is estimated to be sufficient to match available federal funds in this program. Funding for the Town Highway Structures is level funded at \$6.3 million, sustaining the FY2013 increase of \$500,000 (7 percent) over FY2012. The Town Highway Class 2 Program funding is increased by \$400,000 (5.5%) to \$7.6 million, and Class 1 Supplemental Grant Program is level funded at \$128,750.
 - *Town Highway Bridges:* Funding for town highway bridges is decreased by \$2.9 million (13 percent) from FY2016. This budget funds 21 town highway bridge projects that are ready for construction and 14 additional projects under development. Funding largely reflects the project pipeline and project readiness. The Administration remains committed to improving Vermont's town highway system, and the Tri-State Annual Report comparing town highway assets across Maine, New Hampshire, and Vermont is a testament to this fact.