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Agency of Transportation

TO: Joint Fiscal Committee, Joint Transportation Oversight Committee

FROM: Candace Elmquist, Chief Financial Officer, Transportation

DATE: September 12, 2025

SUBJECT: FY2026 Transportation Fund Rescission Plan - 32 V.S.A. § 704(b)(1) - Addendum

This addendum provides additional context on items contained within the FY2026 Transportation Fund Rescission Plan submitted on September 10, 2025.

- **Line 2 – \$270K – Reduce carryforward approved for FY2026 highways projects above estimates from the VTrans Project Information Navigation System (VPINS)**
 - Within the Agency of Transportation’s FY2025 to FY2026 carryforward request to the Secretary of Administration, \$270K was requested within the Program Development Division for non-federal match for Highways projects above and beyond the original request of the Chief Engineer, based on VPINS estimates as of mid-July. Highways Division project managers utilize the VPINS (VTrans Project Information Navigation System) application to track and project costs for their projects and all project managers verified project estimates prior to the mid-July snapshot of need. In the absence of inclusion within the rescission plan, these funds would have been held by the Highways Division, for use if FY2026 project expenditures exceed the mid-July 2025 estimates.
- **Line 3 – \$2M – Delay Springfield garage project**
 - The fiscal year 2026 Transportation Program included a Springfield garage project for \$2.2M Transportation Funds and \$300K Transportation Infrastructure Bond Funds. The current Springfield garage was constructed in 1980 as a 4-bay pre-engineered building. The structure is currently undersized to house the equipment being used today as the trucks have all increased in size over time. Currently, two tandem axle trucks fit in the 4-bay garage. Additionally, the 4-person bridge maintenance crew does office functions out of a trailer next to the bay building due to space constraint. The project as approved in the FY2026 Transportation Program would have constructed a new 6-bay garage for the two existing trucks and would have moved trucks from other garages to utilize the additional space and rehabilitated the original 1980 building for an office space for the bridge crew.
 - The inclusion of this project at \$2M of Transportation Fund savings in the rescission plan reflects sunk costs in engineering design and delay of the project for a future budget year. In the absence of inclusion within the rescission plan, the Agency of Transportation would likely have recommended this project for delay until a budget future year during legislative session because the Agency was made aware that the City of Springfield is extending a new water line to the project site, under a separate highways project. This project would not have been started until completion of the City’s work.
- **Line 4 – \$85K – Delay Rutland Snow Removal Equipment (SRE) building improvements**
 - Within the Agency of Transportation’s FY2025 to FY2026 carryforward request to the Secretary of Administration, \$85K was requested within the Transportation Buildings appropriation for running water and sewer lines to the Snow Removal Equipment (SRE) building at the Rutland Airport, and constructing a new bathroom at the site, for employee convenience.

- **Line 5 – \$575K – Reduce demand-driven equipment servicing and purchasing at Central Garage**
 - This reduction reflects the purchase of 4 fewer dump/plow trucks by Central Garage on behalf of the Maintenance Division in FY2026. All dump/plow trucks maintained by Central Garage are on an eight-year replacement cycle, supported by an intent to purchase 27 dump/plow trucks per year. The actual number of dump/plow trucks purchased annually varies based on the delivery schedule; the combination of the current delivery schedule and the reduction proposed in the rescission will equate to 16 dump/plow trucks purchased in FY2026. It is estimated that this level of purchasing will leave 11 dump/plow trucks beyond their eight-year lifespan in FY2026, however Central Garage staff are prepared to execute more maintenance work on these dump/plow trucks to extend their lifespan. It is expected that all routes will be maintained at the current levels, either through the work of Central Garage staff or the cycling in of spare vehicles.
- **Line 6 – \$415K – Reduction in tree cutting**
 - This item reflects an elimination of funds budgeted for contracted tree cutting in FY2026 while maintaining all in-house tree cutting activities. The Agency of Transportation tree cutting program clears trees which would touch the pavement if they were to fall. In FY2025, \$430K was spent on contracted tree cutting, however the majority of tree cutting (over 80%) was accomplished in-house.
- **Line 7 – \$300K – Reduction of preventative culvert maintenance projects**
 - This is a reduction in preventative culvert maintenance projects. Preventative culvert maintenance projects are completed by Maintenance Districts; Districts identify culverts needing maintenance and complete the work prior to a highways paving project. Preventative culvert maintenance projects reduce the likelihood that a highways paving project would pave over a failing culvert. In the absence of this item's inclusion in the rescission plan, all culvert projects completed with these funds would not have had a highways paving project scheduled for FY2026.
- **Line 8 – \$200K – Reduction of contracted mowing services**
 - This is a reduction in contracted mowing services for FY2026 in May/June 2026. For the summer of 2025, the Agency of Transportation spent \$1.25M on contracted mowing services, which included mowing well-beyond the 'clear zone', which the Agency of Transportation considers to be the bare minimum for mowing. The 'clear zone' is enough space on the highway so a driver can see the side and have a reaction time. This reduction for summer 2026 will not impact mowing of the 'clear zone' and therefore will not result in a safety issue.
- **Line 9 – \$150K – Return or repurpose of devices purchased for the Vermont Asset Management Information System (VAMIS)**
 - The Agency of Transportation had purchased iPads in an attempt to transition truck drivers from pen and paper reporting for trip logs and winter salt reporting and to the use of Vermont Asset Management Information System (VAMIS) for these purposes. For this coming winter season, VAMIS will not be utilized by truck drivers trip logs and winter salt reporting. iPads purchased will be repurposed – when feasible – for other employees. For this coming winter season, Maintenance will be piloting turning functionality on with the company that provides GPS tracking software in trucks for trip logs and winter salt reporting.

- **Line 10 – \$421K – Cancellation of the technology project to automate functions prescribed under 19 V.S.A. § 1111**
 - Within the Agency of Transportation’s FY2025 to FY2026 carryforward request to the Secretary of Administration and within the fiscal year 2026 budget, there was a combined \$421K for the continuation of a technology project to automate functions prescribed under 19 V.S.A. § 1111. This technology project, known as the ‘Section 1111 Automation project’, began in earnest with coordination between the Agency of Transportation, the Agency of Digital Services, and the selected contractor in 2021. The goal of the project was to simplify the way in which customers apply for highway access permits with the Agency and standardize the review and approval of permit applications. The project would have impacted 500-600 highway access applications received by the Agency of Transportation annually in four categories of applications – annual, commercial, residential, and utility relocation.
 - While significant staffing efforts, and sunk costs, were devoted to this project since inception, the selected contractor struggled to implement the full business needs of the Agency. With this item’s inclusion in the rescission plan, Agency of Transportation staff will maintain the same processing time of applications while eliminating the need to put in significant overtime hours on this project that may not have reached completion.
- **Line 11 – \$500K – Delay Rutland rail platform project**
 - The fiscal year 2026 Transportation Program included a Rutland rail platform project for \$988,590 Transportation Funds. This project would have stabilized the elevated concrete platform within the Rutland Amtrak station, which is currently the only ADA-compliant platform within the station and has experienced deterioration since construction in the 1980s. The Agency of Transportation recently completed a temporary stabilization effort on the platform, including the replacement of a deteriorated steel beam and addition of other temporary supports which will stabilize the platform for the next few years. The inclusion of this project at \$500K of Transportation Fund savings in the rescission plan reflects design work which will continue in FY2026 with delay of construction for a future budget year.
- **Line 12 – \$100K – Reduction in state match funds for 5339 Federal Transit Administration (FTA) Capital Projects**
 - State match need for 5339 FTA Capital Projects, which is a requirement of grant agreements with transit agencies for bus and facility procurements, varies based on funding splits between state and local match and the related delivery schedule. Based on the most recent capital delivery schedule information, the Agency of Transportation is projecting \$100K less of a state match need for 5339 FTA Capital Projects in FY2026. The inclusion of this item in the rescission plan will not result in any changes in services routes or changes to existing grant agreements with transit agencies.
- **Line 13 – \$230K – Projected savings from travel and conference participation suspension effective 8/1/2025**
 - On July 30, 2025, Secretary Flynn suspended most travel until further notice. The Agency of Transportation’s total FY2025 travel and conference participation expenses were \$1M, with over 75% reimbursable by the Federal Highway Administration. The \$230K of Transportation Funds identified in the rescission plan are estimated by departmental-ID (deptID) prior year spending and federal reimbursement history.

FY2026 Transportation Fund Rescission Plan - 32 V.S.A. § 704(b)(1) - Addendum

- **Line 14 - \$2.254M – projected position management savings in FY2026 beyond vacancy savings reflected in the FY2026 as passed budget**
 - We will not be able to avoid reductions in AOT staff positions. Many of these reductions will be achieved by ending limited-service positions early via Reduction in Force (RIF). In 2022, the Agency requested 26 limited-service positions to support an anticipated increase in work and projects due to the passage of the Infrastructure Investment and Jobs Act (IIJA). This increase in work and projects has not been realized as fully anticipated due to inflationary factors outside of the Agency's control. A number of these positions have been vacant for over a year, with others recently vacated. We will also use vacancy savings from classified positions that will be vacated throughout the fiscal year and not refilled. These are known upcoming departures. A limited number of classified positions will be eliminated as well.