MEMORANDUM

To: Joint Fiscal Committee Members
From: Nathan Lavery, Fiscal Analyst
Date: September 14, 2012
Subject: Grant Request

Enclosed please find four (4) items that the Joint Fiscal Office has received from the administration.

JFO #2578 – Request to establish one limited service position in the Department of Children and Families. This position will lead the rollout of a new commodity food ordering system that will allow recipients to better manage school food programs, menus, and budgets. [JFO received 9/11/12]

JFO #2579 – In-kind donation of $25,000 worth of services from State Smart Transportation Initiative (SSTI) to the Vermont Agency of Transportation. SSTI will support the preparation of a comprehensive transportation funding study required under Section 40 of Act 153. The amount of this donation is an estimate of the value of SSTI’s work. No funding will be provided directly to, or flow through, the State of Vermont. [JFO received 9/14/12]

JFO #2580 – $77,800 worth of land donated by Sarah Scharfenaker and Tom Koehne to the Vermont Department of Fish & Wildlife. This amount represents the value of 37 acres of land to be added to the Calendar Brook Wildlife Management Area. [JFO received 9/14/12]

JFO #2581 – Request to establish twenty-three (23) limited service positions in the Department of Vermont Health Access. These positions will work to design and implement the Health Services Enterprise System, with the intention of modernizing and replacing existing systems with an interoperable, digital, real-time health IT network. [JFO received 8/20/12]

Please review the enclosed materials and notify the Joint Fiscal Office (Nathan Lavery at (802) 828-1488; nlavery@leg.state.vt.us) if you have questions or would like an item held for Joint Fiscal Committee review. Unless we hear from you to the contrary by September 28 we will assume that you agree to consider as final the Governor’s acceptance of these requests.
STATE OF VERMONT
FINANCE & MANAGEMENT GRANT REVIEW FORM

Grant Summary: To support the preparation of a legislative study per 2012 Act 153 Sec. 40. SSTI will provide a national perspective, expertise and facilitation.

Date: 9/6/2012

Department: AOT - Policy and Planning 8100002200

Legal Title of Grant: Technical Assistance Grant for Vermont Transportation Funding Study

Federal Catalog #: N/A

Grant/Donor Name and Address: State Smart Transportation Initiative (SSTI) 1180 Observatory Drive, Suite 7122, Madison, WI 53706

Grant Period: From: 7/1/2012 To: 2/1/2013

Grant/Donation: The value of the study is estimated at $25,000.00. No funding will pass through the State.

<table>
<thead>
<tr>
<th>SFY 1</th>
<th>SFY 2</th>
<th>SFY 3</th>
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<th>Comments</th>
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Position Information: # Positions Explanation/Comments

Additional Comments: No fiscal effect on the State.

Department of Finance & Management
Secretary of Administration
Sent To Joint Fiscal Office

(Initial)
(Initial)

Sent To Joint Fiscal Office
9/12/12 Date 9/12/12

RECEIVED
SEP 14 2012

JOINT FISCAL OFFICE
Memorandum

To: Jason Aronowitz
From: Joe Segale, PE/PTP
Vermont Agency of Transportation
Policy and Planning Section Manager
Date: August 23, 2012
Subject: Request for Grant Acceptance

Please find attached a State of Vermont Request for Grant Acceptance (Form AA-1), Notice of Award, Grant Agreement and Scope of Work from the State Smart Transportation Initiative (SSTI) for technical assistance in support of the Vermont Transportation Funding Study, a summer study required in Section 40 of Act 153.

SSTI promotes transportation practices that advance environmental sustainability and equitable economic development, while maintaining high standards of governmental efficiency and transparency. SSTI is housed at the University of Wisconsin and operates in three ways:

- As a community of practice, where participating agencies can learn together and share experiences as they implement innovative smart transportation policies.
- As a source of direct technical assistance to the agencies on transformative and replicable smart transportation reform efforts.
- As a resource to the wider transportation community, including local, state, and federal agencies, in its effort to reorient practice to changing social and financial demands.

SSTI members include nineteen state departments of transportation, including VTrans.

Section 40 of Act 153 requires completion of a comprehensive transportation funding study to be completed by VTrans in conjunction with the Committee on Transportation Funding and the Legislative Joint Fiscal Office. It also allows the agency to contract with consultants to provide expert assistance to the committee. SSTI will be providing expert assistance as outlined in the memorandum of agreement and scope of work.

The study will be managed by VTrans and SSTI’s participation will be funded entirely by a $25,000 grant from the Rockefeller Foundation directly to SSTI. There will be no funds provided directly to, or through VTrans or any other state agency.

Thank you for your consideration and please contact me with any questions or comments at 828-3968 or joe.segale@state.vt.us.

Attachments
STATE OF VERMONT REQUEST FOR GRANT (*) ACCEPTANCE  (Form AA-1)

BASIC GRANT INFORMATION

<table>
<thead>
<tr>
<th>1. Agency:</th>
<th>Agency of Transportation</th>
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<tr>
<td>2. Department:</td>
<td>Policy, Planning and Intermodal Development</td>
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<td>3. Program:</td>
<td>Policy and Planning Section</td>
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<td>4. Legal Title of Grant:</td>
<td>Technical Assistance Grant for Vermont Transportation Funding Study</td>
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<tr>
<td>5. Federal Catalog #:</td>
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6. Grant/Donor Name and Address:
   State Smart Transportation Initiative (SSTI)
   1180 Observatory Drive
   Suite 7122
   Madison, WI 53706

7. Grant Period:
   From: 7/1/2012  To: 2/1/2013

8. Purpose of Grant:
The services provided by SSTI will support the preparation of a legislative summer study required in Section 40 of Act 153. SSTI will provide a national perspective and scan of revenue generation and cost reduction strategies, provide subject matter expertise and help facilitate committee discussion on study topics, and assist in the development of the final funding report. The value of SSTI's services is estimated at approximately $25,000.

9. Impact on existing program if grant is not Accepted:
   None. We will lose the opportunity to bring in a national perspective on the funding issue.

10. BUDGET INFORMATION

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<tr>
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<td>$</td>
</tr>
<tr>
<td>Grant (source)</td>
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<td>$</td>
<td>$</td>
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<tr>
<td>Total</td>
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<td>$</td>
<td>$</td>
<td>No fiscal effect on the state</td>
</tr>
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</table>

Appropriation No:  
Amount:  
$  

AUG 27 2012

Department of Finance & Management
Version 1.6_4/1/2011  Page 1 of 3
### PERSONAL SERVICE INFORMATION

11. Will monies from this grant be used to fund one or more Personal Service Contracts? □ Yes □ No
   If “Yes”, appointing authority must initial here to indicate intent to follow current competitive bidding process/policy.

   Appointing Authority Name: Not Applicable
   Agreed by: ___________________ (initial)

12. Limited Service Position Information:

<table>
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<th># Positions</th>
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</tr>
<tr>
<td><strong>Total Positions</strong></td>
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12a. Equipment and space for these positions:
   □ Is presently available. □ Can be obtained with available funds.

### AUTHORIZATION AGENCY/DEPARTMENT

I/we certify that no funds beyond basic application preparation and filing costs have been expended or committed in anticipation of Joint Fiscal Committee approval of this grant, unless previous notification was made on Form AA-1PN (if applicable):

<table>
<thead>
<tr>
<th>Signature</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brian K. Sears, Secretary of Transportation</td>
<td>8/17/13</td>
</tr>
<tr>
<td>Chris Cole, Director Policy, Planning and Intermodal Development</td>
<td>8/23/13</td>
</tr>
</tbody>
</table>

### SECRETARY OF ADMINISTRATION

Approved: ___________________ (Secretary or designee signature) Date: 8/4/13

### ACTION BY GOVERNOR

Check One Box:

□ Accepted

(Governor’s signature) Date: 1/12/13

□ Rejected

### DOCUMENTATION REQUIRED

<table>
<thead>
<tr>
<th>Required GRANT Documentation</th>
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<tbody>
<tr>
<td>□ Request Memo</td>
</tr>
<tr>
<td>□ Dept. project approval (if applicable)</td>
</tr>
<tr>
<td>□ Notice of Award</td>
</tr>
<tr>
<td>□ Grant Agreement</td>
</tr>
<tr>
<td>□ Grant Budget</td>
</tr>
<tr>
<td>□ Notice of Donation (if any)</td>
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<tr>
<td>□ Grant (Project) Timeline (if applicable)</td>
</tr>
<tr>
<td>□ Request for Extension (if applicable)</td>
</tr>
<tr>
<td>□ Form AA-1PN attached (if applicable)</td>
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* The term “grant” refers to any grant, gift, loan, or any sum of money or thing of value to be accepted by any agency.
Brian R. Searles  
Secretary of Transportation  
Vermont Agency of Transportation  
One National Life Drive - 5th Floor  
Montpelier, VT 05633-5001  

Re: Notice of Technical Assistance Grant Award  

Dear Secretary Searles:

The State Smart Transportation Initiative (SSTI) is pleased to inform you that the Vermont Agency of Transportation (VTrans) has been selected to receive a grant of technical assistance from our organization. The grant will provide staff from SSTI to assist in a study of Vermont’s transportation funding needs and revenue options. Housed at the University of Wisconsin and administered through the University’s Center on Wisconsin Strategy, SSTI provides in-depth, no-cost technical assistance to state departments of transportation. SSTI has selected the VTrans revenue study for a technical assistance grant because it promises to further innovative yet pragmatic transportation strategies that will provide people with more efficient, less expensive transportation options—and help Vermont save money and maintain its infrastructure.

As you know, the Vermont Legislature recently passed a transportation bill (H.770) requiring the completion of a comprehensive transportation funding study. To be completed by VTrans, in conjunction with the Committee on Transportation Funding and the Legislative Joint Fiscal Office, this study must: 1) estimate revenues over the next five years, 2) estimate transportation funding needs and gaps for different scenarios, 3) estimate costs for each scenario and related funding gap, and 4) evaluate potential new state revenue sources.

SSTI’s technical assistance grant will:
1. Provide a national perspective and scan of revenue generation and cost reduction strategies.
2. Provide subject matter expertise and help facilitate committee discussion on study topics, including new revenue sources and their implementation structures, requirements and challenges.
3. Assist in the development of the final funding report through review, comment and contribution as appropriate.

SSTI looks forward to working with VTrans, the Committee on Transportation Funding and other Vermont agencies on this important project.

Sincerely,

Eric Sundquist, SSTI Managing Director
MEMORANDUM OF AGREEMENT
BETWEEN
STATE SMART TRANSPORTATION INITIATIVE, AND
VERMONT AGENCY OF TRANSPORTATION

1. PURPOSE: The purpose of this Memorandum of Agreement (MOA) is for the State Smart Transportation Initiative (SSTI)\(^1\), and the Vermont Agency of Transportation (VTrans) to establish a mutual framework governing the relationships, responsibilities, and activities involved in a study of Vermont’s transportation funding needs and revenue options (the Project).

2. BACKGROUND: As in many states, Vermont’s long-term transportation aspirations far outstrip the funding it anticipates through its current revenue stream, which relies on the gas-tax. The Vermont Legislature addressed this challenge by requiring the completion of a revenue study as part of the 2012 Transportation Bill (H.770). In conjunction with the Committee on Transportation Funding, VTrans must: 1) estimate revenues over the next five years, 2) estimate transportation funding needs and gaps for different scenarios, 3) estimate costs for each scenario and related funding gap, and 4) evaluate potential new state revenue sources.

SSTI research with other states has identified practices that may lead to a more sustainable transportation funding strategy than reliance on the gas tax. The practices may raise revenue and/or reduce costs, e.g., through demand management, and they may operate at the state and/or local levels. SSTI will share this national perspective, help facilitate Committee discussion, and review documented revenue options in support of the VTrans revenue study. To advance policy and practice within the broader transportation community, SSTI and VTrans will share the results of this technical assistance project through a webinar to be developed and offered by SSTI.

SSTI is housed at the University of Wisconsin, where it is administered through the University’s Center on Wisconsin Strategy. It is a unique source of in-depth, no-cost technical assistance to state departments of transportation.

3. SERVICES TO BE PROVIDED BY SSTI: SSTI will provide technical research assistance as described by the attached scope of work. SSTI will also assist VTrans in determining, which, if any, revenue strategies would be practical to pursue. If additional work is required to advance the project, SSTI and VTrans will amend this Memorandum of Agreement to address the broadened scope. SSTI shall cover all monetary costs of the work it performs on the Project as described by the attached Scope of Work, including staff work by SSTI and the costs of any consultants retained by SSTI under the project. VTrans shall not be required to provide any financial support for consultants or staff retained by SSTI.

\(^1\) The State Smart Transportation Initiative (SSTI) is a project of the Center on Wisconsin Strategy, which is a research center at the University of Wisconsin-Madison.
4. RESPONSIBILITIES OF VTRANS: As detailed in the attached scope of work, VTrans or its designees will compete the following tasks required for completion of the study: 1) revenue and cost estimates, 2) transportation funding scenarios, 3) Committee on Transportation Funding meeting development, and 4) draft working papers and reports. Upon request, VTrans will make existing reports, manuals, organizational information and other documents available to SSTI as reasonably required for completion of the Project. The VTrans Secretary and staff will respond to appropriate questions related to the Project posed by SSTI, by phone or e-mail or in person in a timely manner. VTrans acknowledges that it is responsible for any costs incurred by VTrans in the completion of the Project that extend beyond those associated with the consulting services of SSTI. The Project aims to document information of strategic impact for DOT CEOs, and the VTrans Secretary will actively engage with SSTI as part of the Project. In addition, VTrans staff will participate in a 1-hour webinar on the Project at a mutually-agreeable time, and hosted by SSTI.

5. PROJECT TIMELINE: All parties will strive to meet the following timeline, and to notify other parties if impediments arise.

- Early August 2012: SSTI documents the national context on transportation funding strategies, including an assessment of best-available information on how reauthorization policies might affect federal fund allocations.

- Mid-August 2012: SSTI attends Committee on Transportation Funding meeting, and helps facilitate discussion of revenue projections and verification of scenarios.

- September 2012: SSTI provides information on new revenue sources, including implementation structures, requirements and challenges.

- Mid-October 2012: SSTI attends Committee on Transportation Funding meeting, and helps facilitate discussion of revenue source analysis and initial recommendations.

- Mid-January 2013: Completion of final report detailing revenue estimates, scenarios and options, including review, comment and contribution by SSTI as appropriate.

6. WORK PRODUCT AND DELIVERABLES: The Project will produce 1) a memo documenting the national context on transportation funding strategies, 2) a memo on new revenue sources, 3) facilitation of two Transportation Funding Committee meetings, 4) review and comments on revenue forecast scenarios, gap analysis working paper, cost/revenue options working paper, draft report and final report, 5) webinar on Project findings and results (Deliverables). VTrans shall own all rights in the Deliverables prepared for VTrans by SSTI, and shall have the right to freely use, reproduce and disseminate the Deliverables. SSTI also retains the right to freely use, reproduce and disseminate the Deliverables, and in addition shall retain all rights in the underlying data and work product used to generate the Deliverables, including the right to prepare scholarly publications from such data and work product.
7. DEFAULT AND TERMINATION: The parties to this MOA acknowledge that the ability of SSTI to perform the services anticipated under this MOA depends upon the full and timely cooperation of all parties. Should any impediments arise that prevent timely completion of the Project and Deliverables, the parties involved shall seek in good faith to resolve the impediments. Any party to this MOA, however, has the right to withdraw from the Project and be relieved of any further responsibilities upon thirty (30) days written notice to the other parties, should unresolved impediments prevent the completion of the Project or Deliverables within a reasonable time frame.
8. COMMUNICATIONS AND COORDINATION REPRESENTATIVES: To provide for consistent and effective communication, the parties shall each appoint a principal representative to serve as its central point of contact on matters relating to this MOA. The principal representatives for this MOA are listed below.

VTrans: Joe Segale, 802.828.3968, Joe.Segale@state.vt.us
SSTI/UW: Mary Ebeling, 608.263.4744, mebeling@ssti.us

9. EXECUTION IN COUNTERPARTS

This MOA may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

10. ACCEPTANCE OF AGREEMENT:

Date

Joel Rogers, Director
Center on Wisconsin Strategy

Date

Brian Searles, Secretary
Vermont Agency of Transportation

Date

[Name]
University of Wisconsin-Madison office of research and sponsored programs
Vermont Transportation Funding Study Scope of Work

July 16, 2012

1) Committee Meeting 1: Study Kick-off meeting (Conducted on June 8)
   a) Scope review, committee roles, VTrans/JFO roles etc (PP)

2) Estimate revenues over next five years [H.770(c)(1)]
   a) Estimate transportation and TIB fund revenues over the next five years, taking into account motor vehicle fuel efficiency mandates and trends. (WG)
   b) Identify and analyze other factors likely to impact transportation and TIB fund revenues and transportation infrastructure spending in the future. (WG, SSTI-Document national context, how might reauthorization policies affect VT federal funds, etc)
   c) Develop high, medium and low revenue forecast scenarios (WG, SSTI-review, comment on reasonableness)

3) Estimate funding needs and gaps for different scenarios [H.770(c)(2)]
   a) Develop cost estimates of needs (WG)
   b) Define preliminary scenarios to be refined with input from committee at Meeting 2 (WG, SSTI – provide suggestions on defining scenarios). Examples of scenarios:
      i) Scenario 1: Base needs – achieve performance targets for bridge and roadway system preservation, complete Irene recovery
      ii) Scenario 2: Middle ground between base needs and achieving all strategic plan goals
      iii) Scenario 3: Fully achieve all strategic plan goals
   c) Working Paper to summarize Tasks 2 and 3 (PP, SSTI – Review, comment, contribute as appropriate)

4) Committee Meeting 2 (August 17): Review revenue projections and verify/finalize scenarios (SSTI – attend meeting in Montpelier and help facilitate. The Secretary suggested that we should plan for a longer meeting (maybe 4 hours?) to have enough time to get into the details. Will need to consider how best to structure the meeting)

5) Estimate costs for each scenario and related funding gap (WG, SSTI-Review and comment)

6) Evaluate potential new state revenue sources [H.770(c)(3)] (WG, SSTI-Suggest new revenue sources, help evaluate funding potential, identify implementation structures, requirements, and challenges)
   a) Estimate the amount of funds that would be generated from each new and modified revenue source, and identify implementation structures, requirements, and challenges.
      i) Modifications to optimize existing state revenue sources
      ii) Mileage Based User Fees
      iii) Other sources?
   b) Working Paper to summarize Tasks 4 and 5 (PP, SSTI – Review, comment, contribute as appropriate)
7) **Committee Meeting 3 (Early October):** Review Results of Revenue Source Analysis, Initial Recommendations. (SSTI – attend meeting in Montpelier and help facilitate.)

8) **Draft Report** (PP, SSTI – Review, comment, contribute as appropriate)

9) **Committee Meeting 4 (Early December):** Review Draft Report (SSTI – attend meeting in Montpelier and help facilitate.)

10) **Final Report (January 15, 2012)** (PP, SSTI – Review, comment, contribute as appropriate)

The tasks listed in this scope of work will be performed by members of the Working Group (WG) and staff from the State Smart Transportation Initiative (SSTI) as indicated in the parentheses adjacent to each task description.

The Working Group consists of staff from:

- VTrans staff from Policy and Planning (PP); Finance and Admin (FA), Project Development (PDD), and Operations (OPS);
- Agency of Administration staff (AA); and
- Legislative Joint Fiscal Office staff (JFO);