

Transportation Governance and Finance: A 50-State Review of State Legislatures and Departments of Transportation (A Joint Project of the National Conference of State Legislatures and the AASHTO Center for Excellence in Project Finance, 2011.)

Excerpt Re Vermont

Vermont

Organizational Facts

Legislature Vermont General Assembly

Structure: Bicameral, partisan

Chambers: Senate (30 members)

House (150 members)

Session: Annual, approximately January – May

Estimated no. of bills in 2011: 750

Department of Transportation

Vermont Agency of Transportation (VTrans or AOT)

FTE: (No data)

Leadership: Transportation Board; Secretary

Organizational structure: Mainly by functional activity

Statewide Transportation System Statistics

Roads and bridges Total highway, road and street lane miles: 29,672 (2009); miles of tolled roadway: 12 (2009); bridges: 2,712 (2010); toll bridges and tunnels: 1 shared with New Hampshire (2009)

Transit Trips per year (all transit modes): Approximately 2.3 million (2008)

Rail Freight rail route-miles: 590 (2008)

Aviation Airports (total): 122; public-use: 16; state-owned: 10 (2008)

Enplanements per year: 705,091 (2009)

Legislative-DOT Collaboration and Communication

Mainly formal and through DOT leadership. The heads of the various divisions of VTrans testify before the House and Senate Transportation Committees at the beginning of each session to provide an overview of agency activities and to discuss its annual multi-year transportation program, which includes a recommended budget and describes project priorities. In February, VTrans counsel typically transmits to legislative counsel other proposed legislation; agency officials with relevant expertise then testify before the transportation committees about each proposal.

Legislative committees frequently solicit testimony from VTrans officials on transportation-related bills and other specific issues that may arise. VTrans also communicates through required written reports. The responsibilities of the director of the Policy, Planning and Intermodal Development Division include state and federal legislative relations.

DOT Leadership Appointments and Requirements

The seven members of the Transportation Board are appointed to three-year terms by the governor, with the advice and consent of the Senate and within statutory requirements for party affiliation and restrictions pertaining to

conflicts of interest. The governor must, so far as is possible, appoint members “whose interests and expertise lie in various areas of the transportation field” (Vt. Stat. Ann. tit. 19, §3). The board provides appellate review of various VTrans decisions and rulings, has original jurisdiction over certain claims and conducts public hearings.

The secretary of transportation is appointed by the governor, with the advice and consent of the Senate, and serves at the pleasure of the governor (Vt. Stat. Ann. tit. 19, §7).

Other Legislative Oversight of the DOT

Legislative Oversight Mechanisms Ongoing oversight by one or more legislative committees; reporting requirements; legislative requests for information. VTrans is obligated to report on major transportation-related developments during the interim to the General Assembly’s Joint Transportation Oversight Committee. Since the annual transportation budget process is detailed and the state is small enough, the legislative transportation committees are able to review progress on nearly all active projects.

Legislative Program Evaluation Office In the past, the Legislative Council conducted programmatic audits and evaluations of state agencies and departments, but does not do so at this time. Among other duties, permanent council staff continue to be responsible for legal and general research as well as review of agency rules. No legislative office is now tasked with conducting program evaluations of state agencies. The Joint Fiscal Office, however, does conduct audits that at times contain programmatic elements. The State Auditor of Accounts, a statewide elected officer, also conducts audits that sometimes contain programmatic components.

Sunset Review Sunsets are at the General Assembly’s discretion, and their structure varies on an individual basis. VTrans has not been subject to the sunset process.

Legislation and Regulation

Transportation Governance Statutes Vt. Stat. Ann. tit. 19, §2 to §10l, §12a and §12b

Administrative Rules Review Legislative review of proposed rules by a joint bipartisan committee; a committee vote opposing a rule does not prohibit its adoption but assigns the burden of proof in any legal challenge to the executive agency.

Transportation Planning and Capital Program Management

Transportation Planning Process Annually, VTrans proposes to the General Assembly a multi-year transportation program containing a proposed project list. VTrans takes the lead in the transportation planning process (see Vt. Stat.

Ann. tit. 19, §10b and §10g), but all projects must be approved by the General Assembly. In formulating the transportation program, VTrans is required by statute to use a numerical grading system to assign a priority rating to paving, road, bridge, safety and traffic operation projects, and to provide a description of how the ratings were assigned. The system requires consideration of asset management factors, the priority rating from regional planning commissions and the state’s one MPO, economic impact, and cultural and social effects on surrounding communities. VTrans also voluntarily uses this system to prioritize projects in other modes. State law also requires VTrans to coordinate efforts with the Climate Change Oversight Committee and local and regional planning entities.

Legislative Role in Transportation Planning

The House and Senate Transportation Committees receive VTrans' proposed transportation program each January and solicit testimony from VTrans officials before voting to approve it in the annual transportation bill. The General Assembly adopts the program and the VTrans budget, except as specifically modified in the bill. If the governor certifies a transportation project as essential to the state's economic infrastructure, a committee of legislators may approve the project without explicit authorization through an enacted transportation program. Otherwise, no money can be spent on any project unless it is included in the transportation program, which requires legislative approval.

Funding and Finance

Budgeting and Appropriations Annual budget; fiscal year begins July 1.

Bonding or Pay-as-You-Go The state uses predominantly pay-as-you-go financing, with some bonding. All financing methods, including bonding, require legislative approval.

State-Level Funding Provided for DOT Budgets

FY 2011 (approved): \$217.4 million

FY 2010: \$178.4 million

FY 2009: \$187.2 million

FY 2008: \$192.9 million

Allocation of Federal Transportation Funds to the DOT

Federal transportation funds are allocated to VTrans as a state legislative appropriation at agency, program and project-specific levels. VTrans' annual proposed budget details funding sources on a project-by-project basis (including total funds spent to date and funding needed for completion), but by general statute, the agency has broad discretion to re-allocate funds in certain circumstances.

Allocation of State Transportation Funds to the DOT

As with federal funds, state transportation funds are allocated to VTrans as a state legislative appropriation at agency, program and project-specific levels.

Traditional State Funding and Finance for Highways

Fuel taxes; additional sales taxes on gasoline or diesel; motor vehicle/rental car sales taxes; vehicle registration/license/title fees; truck weight fees; interest income; general obligation bonds; revenue bonds. General funds have on occasion been transferred to the transportation fund when needed, but this is an exception to the general rule.

State Funding and Finance for Other Modes

Transit, rail and aviation: Funded by the same sources as highways through the Transportation Fund.

No state funds are dedicated by mode; all transportation-related revenues go into one multimodal Transportation Fund to support the AOT budget and are available to support highways, transit, rail and aviation. The state has no ports or toll bridges.

Innovative Transportation Funding and Finance

State infrastructure bank (federally capitalized); design-build (authorized in statute); tapered matching; advance construction; toll credits or "soft match."

Dedicated/Restricted State Funds and Revenues

By statute, transportation-related revenues are deposited into the Transportation Fund and reserved primarily for the VTrans budget, though not restricted by mode (Vt. Stat. Ann. tit. 19, §§11 et seq.). One exception is the statutory dedication of a portion of the gasoline tax to the Fish and Wildlife Fund and the Department of Forests, Parks and Recreation (Vt. Stat. Ann. tit. 23, §3106). Another is an allocation of a portion of the motor vehicle purchase and use tax to the Education Fund (1998 Vt. Acts, Act 60). A third exception is an allocation of a portion of total Transportation Fund revenues to non-VTrans state government functions. This allocation is part of the annual political process, with the governor's budget proposing an amount and the General Assembly responding. This allocation has generally decreased each year.

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DOT Authorized to Retain Surplus Funds

Yes and no. Revenues in excess of appropriations are credited to the Transportation Fund, although the annual transportation bill may provide a contingency for their expenditure. State law gives the administration the authority to carry forward any unspent state fund appropriations into the next fiscal year. Unspent federal appropriations lapse and must be reappropriated. The administration may not re-allocate any excess transportation revenue or unspent appropriations to non-transportation purposes.

Legislative Approval Required to Move Funds Between Projects

No legislative approval is required. By statute, VTrans has the authority to re-allocate funds in the event of cost overruns, project delays and emergency projects. In such cases, VTrans must notify the Joint Fiscal Office and legislative members in affected districts.

Transportation Funding Allocations through Local Aid

State transportation funds are legislatively appropriated to towns for highways or public transit assistance by a statutory formula based on road mileage. State aid is provided for town highway bridges according to a program plan based on applications submitted by towns. There are also annual appropriations for grants to municipalities for highway structures and roadway improvements (Vt. Stat. Ann. tit. 19, §306).