

## **Road to Affordability Q & A**

### **What made the Agency come to the conclusion that realigning its priorities is necessary?**

Vermont has an aging transportation infrastructure that demands greater and more costly attention than in the past. The amount the Agency spends on unscheduled, emergency repairs is increasing. Bridge, culvert and road repair are competing with new roadway construction projects for limited funds.

To maintain future budgets that can successfully include important new roadway projects, Vermont must first step back and preserve its existing assets so that they do not deteriorate to the point that they require major reconstruction and become a financial drain on the entire system.

For several years, VTrans has been developing a more scientific means to manage our assets so that we provide the right treatment at the right time to extend the life of our assets and minimize cost. We have not completed that system, but it is clear that we need to invest more in our existing assets to ensure that they do not deteriorate further and require proportionately more money to bring them up to acceptable standards. In the foreseeable future, there is not enough money available to do this and invest in new roadway capacity at the rate previously planned.

### **Is the condition of our highway infrastructure so bad that you need to make such a change?**

The Agency has \$1.5 billion in highway, bridge and culvert projects already identified and under development. At our current pace of spending \$60 million annually on roadway projects and \$50 million annually on structures like bridges and culverts, it will take about 15 years to complete everything on our books. And this does not account for inflation or needs that will surface between now and the year 2022. Vermonters want us to make headway in the area of repairs and safety improvements to our existing transportation system. To do that, a greater focus on system preservation is needed.

### **Are Vermont's bridges and roads unsafe?**

No. The Agency's top priority is safety, and the system is monitored accordingly. We do manage to keep our highways and bridges safe, but the way we do it is not cost effective. Too much money is spent fixing roads and bridges that have fallen into disrepair, leaving us with too few dollars to spend on preventative maintenance. Providing the right treatment at the right time before our assets fall into disrepair can cost-effectively extend the life of our roads and bridges and prevent them from developing serious problems that require either expensive treatment or replacement.

That said, if we choose to ignore the pressing needs to fix, preserve and maintain our existing network, Vermont might see what other states and provinces have experienced:

collapsing culverts and crumbling bridges. If Vermont acts now, we will limit our exposure to such tragedies. While realigning VTrans priorities may mean an inconvenience for some communities, it will signify a much stronger commitment to safety for all Vermonters.

**How much difference will increased funding for bridges, roads and culverts really make? Won't the price of new-capacity projects just escalate if you wait to do them, costing taxpayers even more?**

The cost savings associated with preventative maintenance more than makes up for this increase. Examples are...

- A \$100,000 investment in a culvert 20 feet below the Interstate today will save over \$1 million for replacement construction and detours tomorrow.
- A \$100,000 investment in a new bridge deck membrane today will save over \$1 million for deck replacement tomorrow.
- A \$1 million investment in the pavement of a good roadbed today will save over \$5 million in costly reconstruction in the future.
- Preventative maintenance done today also eliminates future aggravation and delays for the traveling public and freight haulers.

Also, if we do not act to preserve and maintain our bridges, culverts and roads today, we will have no money for large projects in the future because all of our transportation money will be spent on replacing existing infrastructure that we failed to fix today.

**Can't you solve this financial problem simply by eliminating the Circ?**

No. Chittenden County has a unique set of transportation needs that requires some new capacity. If we do not make transportation improvements in Chittenden County we will exacerbate existing issues and simply push problems into the future. That said – new roadway segments will be set to realistic timetables that recognize the pressing need to maintain and preserve our existing infrastructure.

In fact, eliminating any one, single project does not solve the financial problem. We need to look at our entire network to ensure that we have the right balance of system preservation and new capacity.

**Does this change any of the Governor's commitments?**

No. The Governor is still strongly committed to a transportation solution for Chittenden County – in whatever form the Circ-Williston EIS concludes – and both the Bennington and Morristown bypasses. We just have to set realistic timetables for their construction. Over the next few years, VTrans will look to move new capacity projects forward based on availability of state revenue and additional federal funding.

**The agency has made promises to a number of towns; are you now renegeing on those promises?**

We acknowledge that the Agency has over promised. Our entire new roadway segment program is getting a second look, and adjustments may be made. The timetable for all new capacity projects will be adjusted to reflect both available funding and their place in the Agency's priority system.

It should also be noted that the Agency has made promises about renovation and safety projects that it has not been able to deliver as quickly as towns would like. Any adjustments the Agency makes to limit funds available for new roadway projects will shorten the time it takes us to keep some of our other promises.

**Does the reconstruction or widening of an existing road like Route 7 count as new capacity? Are you cutting funding for these projects as well?**

No. There are places like Route 7 through Pittsford and Brandon where segments of the existing road have reached a point where reconstruction is needed to improve the roadbed or to address safety concerns. In these places, reconstruction or widening is needed to preserve and maintain existing parts of the transportation network. These projects are not considered new capacity, but like all projects their construction timeline will be based on where they fall in our prioritization system and available funds.

That said, we will be evaluating all projects to make sure that their design will give us the "best bang for the buck." In other words, to stretch transportation dollars for best use, we need to focus on essential design characteristics to fulfill intended project purpose without unnecessary, additional amenities.

**Define unnecessary amenities.**

Decorative street lighting, fancy sidewalks or curbing, and the undergrounding of utilities are all examples of amenities that increase the cost of a transportation project but have nothing to do with the safety and proper functioning of the transportation network.

**The latest federal highway bill gave Vermont an additional \$60 million per year and you just raised DMV fees, didn't this provide you with all the money you need?**

Unfortunately, no. The additional money is a tremendous help. But Vermont's transportation needs far exceed the additional money we received. A portion of the new federal money Vermont will receive over the next four years will come in the form of earmarks that do not always align with Vermont's priorities.

To be clear, we will use all available federal funds as intended but this will still leave Vermont with significant unmet need that cannot be solved in the near term. In addition, we need state dollars to not only match federal funds but to fulfill transportation

requirements, such as many of our maintenance functions, which do not qualify for use of federal funds.

As for the new DMV fees, the decrease in Transportation Fund revenues over the past year have pretty much negated the anticipated benefits of the fee increases, making state dollars that much more critical to the equation.

**Would you have to realign your priorities if the Legislature stopped using the Transportation fund to pay for other things?**

The JTOC transfer of transportation revenue was 41.8 million when Gov. Douglas took office. The Governor has reduced the amount to about \$35.6 million. The Governor is committed to reducing the amount further, which will help, but VTrans is under no illusion that the state's fiscal picture will allow the JTOC transfer to be eliminated anytime soon.

**If you don't have enough money, why aren't you looking to increase revenue?**

Vermonters are already taxed significantly, and many believe their income, property and gas taxes are too high. We are not proposing any additional taxes. We believe we can make significant headway towards meeting our transportation needs by placing a greater emphasis on preserving and maintaining our existing assets.

**Lots of states bond to increase available Transportation revenue, is Vermont considering bonding?**

Long-term bonding is a debt-related issue wherein we must pay later for work done today, along with the associated interest & financing costs. Given Vermont's demographics – our number of workers is decreasing while our number of older citizens is increasing – we must be very careful not to over-extend our commitments that would reduce our bond rating and increase today's cost of borrowing.

**What happens if the Legislature doesn't agree with realignment of priorities?**

The Legislature, with our support, last biennium enacted a statute that requires VTrans to develop a prioritization system for managing the State's transportation assets. A commitment to effective maintenance of existing infrastructure is the first step in the management of the State's transportation assets.

**Why did you choose to reduce new capacity projects, couldn't the money be found someplace else?**

The Agency's transportation mission includes more than just roadway issues. Items such as public transit and rail operations have significant importance to Vermonters, and serious cuts to these programs would also affect economic development efforts. Serious

cuts to town programs would put an undue burden on municipalities struggling with the same type of revenue issues that face the State. We must recognize these needs as well.

Significant decreases in other categories of the transportation budget that have little or nothing to do with the preservation would not provide sufficient dollars to fill the gap in unmet needs for preservation.

**Will the construction industry be negatively impacted by this realignment of priorities?**

No. The realignment will actually apply a higher percentage of our transportation dollars to construction activity. Focusing on preservation of the existing system limits the money spent on development and engineering of new roadway projects on a yearly basis.