

To: Members of the House Transportation Committee

From: Gwynn Zakov, Municipal Policy Advocate gzakov@vlct.org

Date: February 16, 2022

Re: Transportation Funding and Local Governments

I am writing on behalf of the 246 member cities and towns of the Vermont League of Cities and Towns to thank you for your continued commitment to local government and advocating for the transportation needs at the local level and in your communities.

VLCT has not yet asked to testify in your committee this session because we wanted to first understand how the new federal funding and the multitude of new programs might impact local governments. It has become clear to us that it will take many more months for the full impact and implication of the Infrastructure Improvement and Jobs Act (IIJA) to be understood, and much longer for it to be fully funded and implemented. VLCT would like to take this opportunity to respond to the governor's recommended proposal by respectfully requesting that the committee increase funding to local programs for FY23.

The governor's proposed transportation budget as it relates to local programs shows modest investments in local transportation infrastructure. The largest increase in funding is in the Town Highway Bridge Program, which would see a \$14.9 M increase. This 97% increase over FY22 is wholly due direct funding from the Infrastructure Investment and Jobs Act (IIJA) for local bridge programs that was guaranteed by Congress, and is an allocation that the Agency of Transportation cannot adjust. Beyond that one significant investment, the financial commitments to all other local programs lag behind and don't seem to benefit from the significant funding coming to the state via the IIJA.

We understand that substantial investments to the state's highway and transportation systems are vital and we support the large increases proposed for traffic and safety, paving, roadway, and transportation alternatives programs. However, we strongly believe that increases to local road funding should follow, especially given this once-in-a-generation influx of federal funding.

We also urge you to consider increases to general Town Highways Aid, Town Highway Structures and Class 2 Roadway programs. Our preferred funding increase would be to Town Highway Aid because all towns and cities benefit from this flexible funding source. Many communities have voiced concerns that their roads – particularly Class 3 roads that receive no state program funding beyond general Town Highway Aid – are suffering from a lack of investment from the state. VLCT would certainly support an increase to the Class 2 and Structure programs because, year after year, the demands for funding and applications received far outweigh the money that is available. We understand that the statutory funding formulas do help to guarantee local governments a certain level of funding each fiscal year.



When more money is made available from the federal government ,and that money is flexible enough to be used for local programs, we urge you to fund above the statutory minimums.

Thank you for the opportunity to comment on local funding levels for FY23. We would be happy to testify before your committee either in person or virtually if the committee wishes.