

Transportation
 Coordinator - Patrick Mellon
 Office of Fiscal Analysis

	Page #	Analyst	Actual FY 24	Appropriation FY 25	Agency Requested		Governor Recommended		% Diff Gov - App FY 26
					FY 26	FY 27	FY 26	FY 27	
Special Transportation Fund									
Department of Motor Vehicles	2	PM	67,767,013	77,351,548	86,090,356	82,729,674	77,570,955	78,270,955	0.28
Department of Transportation	5	PM	816,093,260	964,814,174	1,120,827,871	1,144,340,921	990,148,566	987,570,704	2.63
Total - Special Transportation Fund			883,860,273	1,042,165,722	1,206,918,227	1,227,070,595	1,067,719,521	1,065,841,659	2.45
Cannabis Regulatory Fund									
Department of Motor Vehicles	2	PM	522,583	522,583	540,135	540,135	-	-	(100.00)
Department of Transportation	5	PM	549,991	550,000	850,000	850,000	-	-	(100.00)
Total - Cannabis Regulatory Fund			1,072,574	1,072,583	1,390,135	1,390,135	-	-	(100.00)
Total - Appropriated Funds			884,932,847	1,043,238,305	1,208,308,362	1,228,460,730	1,067,719,521	1,065,841,659	2.35

Department of Motor Vehicles DMV35000

Permanent Full-Time Positions

Fund	Actual FY 24	Appropriation FY 25	Agency Requested		Governor Recommended		% Diff Gov-App FY 26
			FY 26	FY 27	FY 26	FY 27	
Special Transportation Fund	591	591	591	591	601	601	1.69
Cannabis Regulatory Fund	7	7	7	7	-	-	(100.00)

Budget Summary

Account	Actual FY 24	Appropriation FY 25	Agency Requested		Governor Recommended		% Diff Gov-App FY 26
			FY 26	FY 27	FY 26	FY 27	
Personal Services	46,341,942	57,600,854	59,908,240	60,280,558	54,499,261	54,499,261	(5.38)
Other Expenses	18,851,458	18,957,262	21,056,429	20,666,429	19,078,262	19,778,262	0.64
Equipment	468,756	468,756	4,801,011	1,458,011	668,756	668,756	42.67
Other Current Expenses							
DMV Modernization	1,788,057	-	-	-	3,000,000	3,000,000	n/a
Commercial Vehicle Information Systems and Networks Project	316,800	324,676	324,676	324,676	324,676	324,676	-
Agency Total - Special Transportation Fund	67,767,013	77,351,548	86,090,356	82,729,674	77,570,955	78,270,955	0.28
Personal Services	522,583	522,583	540,135	540,135	-	-	(100.00)
Agency Total - Cannabis Regulatory Fund	522,583	522,583	540,135	540,135	-	-	(100.00)
Total - Appropriated Funds	68,289,596	77,874,131	86,630,491	83,269,809	77,570,955	78,270,955	(0.39)

Account	Governor Recommended	
	FY 26	FY 27

Policy Revisions

Transfer Driver Training Program from the Department of Aging and Disability Services

Personal Services	244,500	244,500
Other Expenses	21,000	21,000
Total - Special Transportation Fund	265,500	265,500
Positions - Special Transportation Fund	3	3

Background

The Driver Training Program provides free special equipment evaluation, driver training, and license certification for people with physical disabilities who may require special adaptive equipment to operate a motor vehicle. According to the Department of Aging and Disability Services (ADS), in FY 24 the program served 278 clients. Of these, 143 clients completed the program, 43 were actively receiving services, and 92 had requested services.

PA 11-44 transferred the program from DMV to the newly established Bureau of Rehabilitative Services (now ADS). The Governor's Recommended Budget transfers the program back to DMV, including three positions, three modified vehicles, and associated funding (this is an equal transfer of positions and dollars from the General Fund to the Special Transportation Fund).

Governor

Transfer funding of \$265,500 and three positions in both FY 26 and FY 27 to move the Driver Training Program from the Department of Aging and Disability Services within the General Fund to the Department of Motor Vehicles within the Special Transportation Fund.

Account	Governor Recommended	
	FY 26	FY 27

Transfer Cannabis Costs into the Special Transportation Fund

Personal Services	540,135	540,135
Total - Special Transportation Fund	540,135	540,135
Positions - Special Transportation Fund	7	7
Personal Services	(540,135)	(540,135)
Total - Cannabis Regulatory Fund	(540,135)	(540,135)
Positions - Cannabis Regulatory Fund	(7)	(7)

Background

PA 21-1 JSS, *An Act Concerning Responsible and Equitable Regulation of Adult-Use Cannabis*, legalized recreational cannabis use for adults 21 years of age or older. Recreational cannabis sales began in January 2023.

The Governor's Recommended Budget moves the Cannabis Regulatory Fund (CRF) and the Prevention and Recovery Services Fund (PRSF) expenditures to the General Fund (GF) and the Special Transportation Fund (STF). This affects 11 agencies, 94 positions, and an appropriation of \$12.8 million in FY 26 and FY 27 across the GF and the STF.

DMV cannabis expenditures are for seven positions to support the administrative license suspension program for drug-impaired drivers.

Governor

Transfer funding of \$540,135 and seven positions in both FY 26 and FY 27 for cannabis regulatory and enforcement duties from the Cannabis Regulatory Fund to the Special Transportation Fund.

Current Services

Adjust Funding to Reflect Current Requirements

Personal Services	(6,000,000)	(6,000,000)
Other Expenses	100,000	800,000
Equipment	200,000	200,000
DMV Modernization	3,000,000	3,000,000
Total - Special Transportation Fund	(2,700,000)	(2,000,000)

Background

The Governor's Recommended Budget adjusts various DMV accounts to reflect current requirements as described below.

- Reduces Personal Services to better reflect historical spending patterns and anticipated staffing levels. DMV has consistently underspent its initial Personal Services appropriation in recent years and is projected to do so again in FY 25 due primarily to vacancies.
- Increases the DMV Modernization account to support ongoing and new efforts including the implementation of digital mobile identification and licensing. Funding for DMV's multiyear modernization program has come through a variety of sources including a \$3 million ARPA allocation (fully expended in FY 24), carry forward, the state's IT Capital Investment Program, and direct appropriations.
- Increases the Other Expenses and Equipment accounts to reflect anticipated requirements.

Governor

Reduce funding by \$2.7 million (net) in FY 26 and \$2 million (net) in FY 27 to reflect current agency requirements.

Annualize the Cost of Existing Wage Agreements

Personal Services	2,113,772	2,113,772
Total - Special Transportation Fund	2,113,772	2,113,772
Personal Services	17,552	17,552
Total - Cannabis Regulatory Fund	17,552	17,552

Background

The Governor's Recommended Budget provides funding of \$124.4 million in FY 26 and FY 27, across nine appropriated funds, to reflect current wage-related adjustments resulting from existing wage agreements.

Account	Governor Recommended	
	FY 26	FY 27

Governor

Provide funding of \$2,113,772 in both FY 26 and FY 27 in the Special Transportation Fund, and \$17,552 in both FY 26 and FY 27 in the Cannabis Regulatory Fund to reflect this agency's increased wage costs.

Totals

Budget Components	Governor Recommended	
	FY 26	FY 27
FY 25 Appropriation - TF	77,351,548	77,351,548
Policy Revisions	805,635	805,635
Current Services	(586,228)	113,772
Total Recommended - TF	77,570,955	78,270,955
FY 25 Appropriation - CRF	522,583	522,583
Policy Revisions	(540,135)	(540,135)
Current Services	17,552	17,552
Total Recommended - CRF	-	-

Positions	Governor Recommended	
	FY 26	FY 27
FY 25 Appropriation - TF	591	591
Policy Revisions	10	10
Total Recommended - TF	601	601
FY 25 Appropriation - CRF	7	7
Policy Revisions	(7)	(7)
Total Recommended - CRF	-	-

Department of Transportation DOT57000

Permanent Full-Time Positions

Fund	Actual FY 24	Appropriation FY 25	Agency Requested		Governor Recommended		% Diff Gov-App FY 26
			FY 26	FY 27	FY 26	FY 27	
Special Transportation Fund	3,567	3,567	3,567	3,567	3,567	3,567	-

Budget Summary

Account	Actual FY 24	Appropriation FY 25	Agency Requested		Governor Recommended		% Diff Gov-App FY 26
			FY 26	FY 27	FY 26	FY 27	
Personal Services	199,281,277	231,453,386	241,976,271	241,976,271	236,076,271	236,076,271	2.00
Other Expenses	65,814,075	57,534,586	67,314,988	67,384,697	63,984,586	63,984,586	11.21
Equipment	2,102,963	1,376,329	2,991,674	3,958,906	1,376,329	1,376,329	-
Minor Capital Projects	613,716	449,639	600,000	600,000	449,639	449,639	-
Other Current Expenses							
Highway Planning And Research	4,686,570	3,060,131	3,665,131	3,665,131	3,060,131	3,060,131	-
Rail Operations	231,583,406	284,183,528	363,749,356	373,951,572	316,004,297	314,803,218	11.20
Bus Operations	163,507,463	261,931,227	299,258,750	309,815,576	293,209,174	291,832,391	11.94
ADA Para-transit Program	40,449,546	40,449,564	54,539,043	56,202,110	51,982,687	51,982,687	28.51
Non-ADA Dial-A-Ride Program	576,361	576,361	576,361	576,361	576,361	576,361	-
Pay-As-You-Go Transportation Projects	38,908,422	18,028,794	20,381,414	20,435,414	18,054,208	18,054,208	0.14
Port Authority	400,000	400,000	400,000	400,000	-	-	(100.00)
Transportation Asset Management	5,798,832	3,000,000	3,004,254	3,004,254	3,004,254	3,004,254	0.14
Other Than Payments to Local Governments							
Transportation to Work	2,370,629	2,370,629	2,370,629	2,370,629	2,370,629	2,370,629	-
Grant Payments to Local Governments							
Town Aid Road Grants - TF	60,000,000	60,000,000	60,000,000	60,000,000	-	-	(100.00)
Agency Total - Special Transportation Fund	816,093,260	964,814,174	1,120,827,871	1,144,340,921	990,148,566	987,570,704	2.63
Other Expenses							
Other Expenses	549,991	550,000	850,000	850,000	-	-	(100.00)
Agency Total - Cannabis Regulatory Fund	549,991	550,000	850,000	850,000	-	-	(100.00)
Total - Appropriated Funds	816,643,251	965,364,174	1,121,677,871	1,145,190,921	990,148,566	987,570,704	2.57

Account	Governor Recommended	
	FY 26	FY 27

Policy Revisions

Reduce Rail Subsidy by Increasing Fares and Fees

Rail Operations	(11,579,499)	(22,550,698)
Total - Special Transportation Fund	(11,579,499)	(22,550,698)

Background

The Governor's Recommended Budget reduces the state's rail subsidy by increasing fares and parking lot fees. Specifically, it (1) increases rail fares by 5% on July 1, 2025, and by an additional 5% on July 1, 2026, and (2) increases parking fees by 25% at state-owned rail stations which include Stamford, Bridgeport, West Haven, Fairfield Metro, Berlin, Meriden, and Wallingford. The fare increase is expected to generate \$10.4 million in FY 26 and \$21.4 million in FY 27, while the parking fee increase is projected to

Account	Governor Recommended	
	FY 26	FY 27

generate \$1.1 million each year. Fares were last increased by 4.5% on 11/1/2023 and parking lot fees have not changed since the current locations have opened between 2000 and 2018.

Rail Fares Change History	
Date Implemented	Increase
1/1/2016	1%
12/1/2016	6%
1/1/2018	1%
11/1/2023	4.5%
7/1/2025 (proposed)	5%
7/1/2026 (proposed)	5%

Source: OPM Budget Documents

Governor

Reduce the STF subsidy by \$11,579,499 in FY 26 and \$22,550,698 in FY 27 by increasing (user-based) rail fares and parking fees.

Reduce Bus Subsidy by Increasing Fares and Fees

Bus Operations	-	(6,175,575)
Total - Special Transportation Fund	-	(6,175,575)

Background

The Governor's Recommended Budget reduces the state's bus subsidy by increasing fares and fees beginning July 1, 2026. Specifically, it (1) increases the standard bus fare, from \$1.75 to \$2.00, for both CTtransit and transit districts, generating \$4.8 million in FY 27, and (2) increases the per-semester fee, from \$40 to \$50, for the U-PASS program, generating \$1.4 million in FY 27.

Bus Fare Change History	
Date Implemented	Amount
1/1/2012	\$1.30
1/1/2014	\$1.50
12/1/2016	\$1.75
7/1/2026 (proposed)	\$2.00

Source: OPM Budget Documents

Governor

Reduce the STF subsidy by \$6,175,575 in FY 27 by increasing (user-based) bus fares and fees.

Eliminate the Connecticut Port Authority Subsidy

Port Authority	(400,000)	(400,000)
Total - Special Transportation Fund	(400,000)	(400,000)

Background

The Connecticut Port Authority (CPA) is a quasi-public agency established on July 1, 2015, to, among other things, market and coordinate the development of the state's ports and harbors. Major programs and projects of the CPA include the redevelopment of the State Pier in New London and the administration of the Small Harbor Improvement Projects Program (SHIPP), a competitive grant program for projects not related to the state's three deepwater ports. Beginning in FY 16, DOT was appropriated funds to subsidize the establishment of the CPA. The subsidy was increased to \$400,000 in FY 17 and has remained at that amount each year up through the current biennium. The CPA uses this annual appropriation to support operating expenses.

Governor

Reduce funding by \$400,000 in both FY 26 and FY 27 to eliminate DOT's subsidy to the Connecticut Port Authority.

Fund Town Aid Road Grants through Bond Authorizations

Town Aid Road Grants - TF	(60,000,000)	(60,000,000)
Total - Special Transportation Fund	(60,000,000)	(60,000,000)

Background

The Town Aid Road (TAR) grant program provides funds to every Connecticut municipality for a variety of purposes, including construction, reconstruction, improvements and maintenance of local roads and bridges, various other traffic and planning improvements and operating funding for public transportation services. Since FY 14 (PA 13-247) the Secretary of OPM has

Account	Governor Recommended	
	FY 26	FY 27

authority to approve the use of TAR funds by a municipality for other purposes. Annual payments, which are based on a statutory formula that considers population and road mileage, have traditionally been split in half, with the first payment issued in July and the second in January. No local match is required.

The Governor's Recommended Budget funds TAR through bond authorizations, as had been regularly done prior to the FY 24 and FY 25 Budget, rather than through STF appropriations. The proposed annual amount is unchanged from recent years at \$60 million.

Governor

Eliminate Town Aid Road appropriations of \$60 million in both FY 26 and FY 27 and instead fund the program through bond authorizations.

Transfer Cannabis Costs into the Special Transportation Fund

Other Expenses	550,000	550,000
Total - Special Transportation Fund	550,000	550,000
Other Expenses	(550,000)	(550,000)
Total - Cannabis Regulatory Fund	(550,000)	(550,000)

Background

PA 21-1 JSS, *An Act Concerning Responsible and Equitable Regulation of Adult-Use Cannabis*, legalized recreational cannabis use for adults 21 years of age or older. Recreational cannabis sales began in January 2023.

The Governor's Recommended Budget moves the Cannabis Regulatory Fund (CRF) and the Prevention and Recovery Services Fund (PRSF) expenditures to the General Fund (GF) and the Special Transportation Fund (STF). This affects 11 agencies, 94 positions, and an appropriation of \$12.8 million in FY 26 and FY 27 across the GF and the STF.

DOT cannabis expenditures are for marketing and outreach efforts, which include billboards, TV, radio, and social media as well as for Drug Recognition Expert (DRE) training for law enforcement officers. The DRE expenses represent the state's share of matching federal grants. DOT administers these programs in its role as the federally recognized Highway Safety Office for Connecticut.

Governor

Transfer funding of \$550,000 in both FY 26 and FY 27 for cannabis regulation, education, and training duties from the Cannabis Regulatory Fund to the Special Transportation Fund.

Current Services

Adjust Funding for Rail Operations to Reflect Revenue and Spending Trends

Rail Operations	43,372,309	53,142,429
Total - Special Transportation Fund	43,372,309	53,142,429

Background

The Rail Operations account is used to fund state subsidies related to the New Haven Line, Shore Line East, and Hartford Line. Currently, these lines are operating as follows (numbers are approximate):

- New Haven Line service is 100% of pre-COVID (2019) levels and ridership is 79%.
- Shore Line East service is 50% of pre-COVID levels and ridership is 29%.
- Hartford Line service is 111% of pre-COVID levels and ridership is 112%.

Governor

Provide funding of \$43,372,309 in FY 26 and \$53,142,429 in FY 27 to recognize expense growth across the rail lines including station costs and overhead and operating payments to the service providers.

Adjust Funding for Bus Operations to Reflect Revenue and Spending Trends

Bus Operations	31,277,947	36,076,739
Total - Special Transportation Fund	31,277,947	36,076,739

Account	Governor Recommended	
	FY 26	FY 27

Background

The Bus Operations account represents the state's operating subsidy for bus services including CTtransit, express bus services, microtransit, and services provided by transit districts. This account also funds the State Matching Grant Program (MGP) for municipal dial-a-ride services.

The Governor's Recommended Budget adjusts this account for current revenue and spending trends and maintains services at current levels. Bus ridership is at approximately 84% of pre-COVID levels. A separate proposal to raise fares is described above.

Governor

Provide funding of \$31,277,947 in FY 26 and \$36,076,739 in FY 27 to reflect current revenue and spending trends.

Adjust Funding for ADA Paratransit Services to Reflect Revenue and Spending Trends

ADA Para-transit Program	11,533,123	11,533,123
Total - Special Transportation Fund	11,533,123	11,533,123

Background

The Americans with Disabilities Act (ADA) Paratransit Program is designed to meet the ADA service criteria established by the federal government to provide transportation accessibility services in all areas with local fixed transit routes. Services must be provided within $\frac{3}{4}$ of a mile of a fixed bus route or rail station, at the same hours and days, for no more than twice the regular fixed route fare, and individuals must be found eligible by a Connecticut regional ADA service provider.

Governor

Provide funding of \$11,533,123 in both FY 26 and FY 27 to reflect projected ridership in the ADA Paratransit Program.

Adjust Funding to Reflect Current Requirements

Personal Services	(5,900,000)	(5,900,000)
Other Expenses	5,900,000	5,900,000
Total - Special Transportation Fund	-	-

Background

In recent years, DOT has consistently underspent its initial Personal Services appropriation and exceeded its initial Other Expenses appropriation due to both vacancies and increases in expenses for items such as electricity, highway supplies, and fleet repair. Typically, this issue has been resolved through mid-year transfers subject to the Finance Advisory Committee process.

Governor

Reallocate \$5.9 million in both FY 26 and FY 27 from the agency's Personal Services account to its Other Expenses account to reflect historical spending patterns.

Annualize Cost of Existing Wage Agreements

Personal Services	10,522,885	10,522,885
Rail Operations	27,959	27,959
Pay-As-You-Go Transportation Projects	25,414	25,414
Transportation Asset Management	4,254	4,254
Total - Special Transportation Fund	10,580,512	10,580,512

Background

The Governor's Recommended Budget provides funding of \$124.4 million in FY 26 and FY 27, across nine appropriated funds, to reflect current wage-related adjustments resulting from existing wage agreements.

Governor

Provide funding of \$10,580,512 in both FY 26 and FY 27 to reflect this agency's increased wage costs.

Totals

Budget Components	Governor Recommended	
	FY 26	FY 27
FY 25 Appropriation - TF	964,814,174	964,814,174
Policy Revisions	(71,429,499)	(88,576,273)
Current Services	96,763,891	111,332,803
Total Recommended - TF	990,148,566	987,570,704
FY 25 Appropriation - CRF	550,000	550,000
Policy Revisions	(550,000)	(550,000)
Total Recommended - CRF	-	-