

# Department of Transportation

Governor's FY 2018 Revised,  
FY 2019 and Capital Budget Recommendations  
House Finance Committee  
April 12, 2018

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# Department of Transportation

- Central Management
  - Director's Office and Legal
- Management and Budget
  - Financial oversight and administration
- Infrastructure Engineering
  - Design and construction of all transportation projects
- Infrastructure Maintenance
  - Maintain state highways, bridges, roadsides, pavement, and drainage system

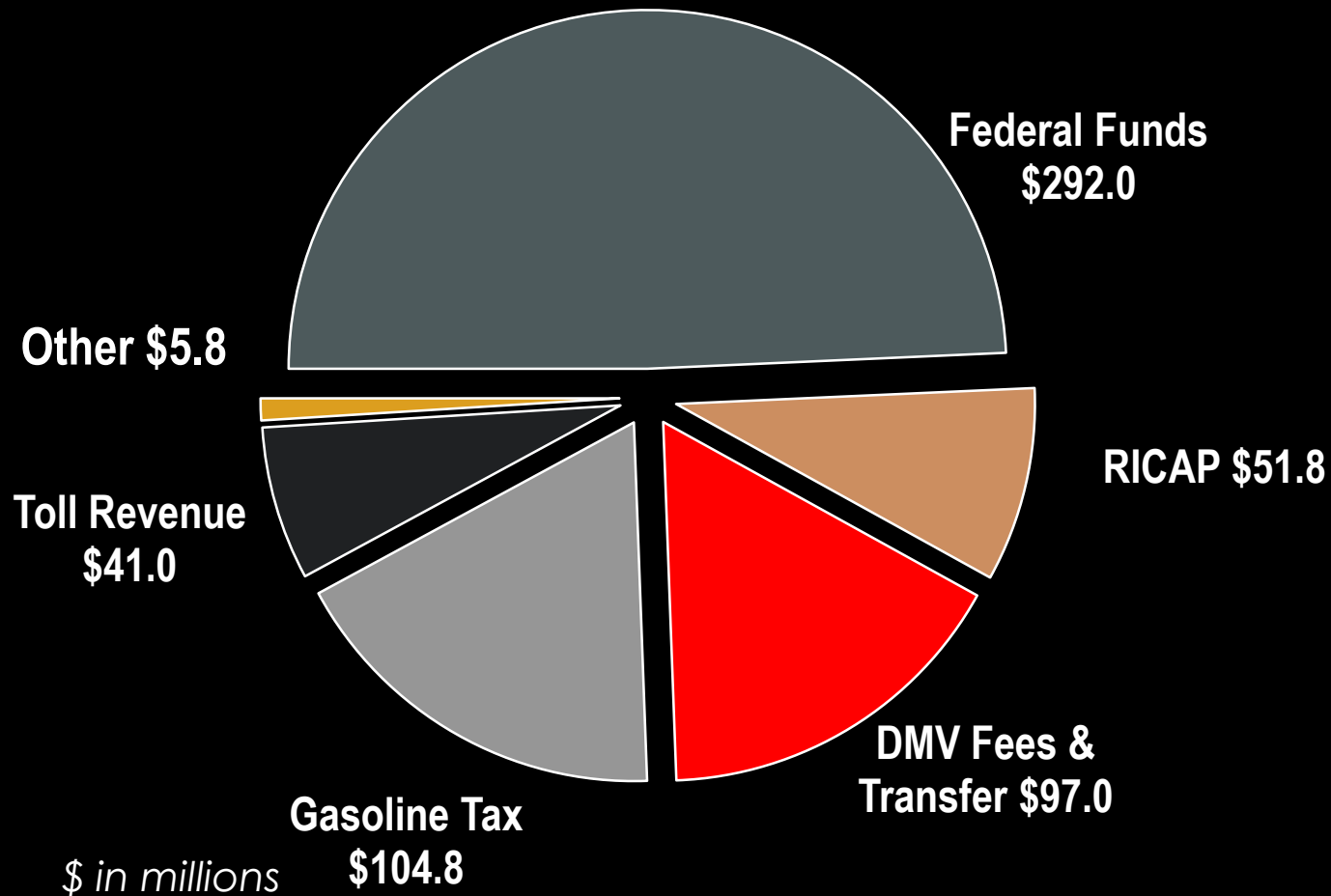
# 2015 Assembly

- Article 15 of 2015-H 5900, Sub. A, aa
  - Repealed department divisions
  - Required finance, planning, project management and others
    - As director deems necessary
  - Required department to be organized in accordance with a project management-based program
  - Utilize an asset management system
    - To manage and deliver projects from conception to completion

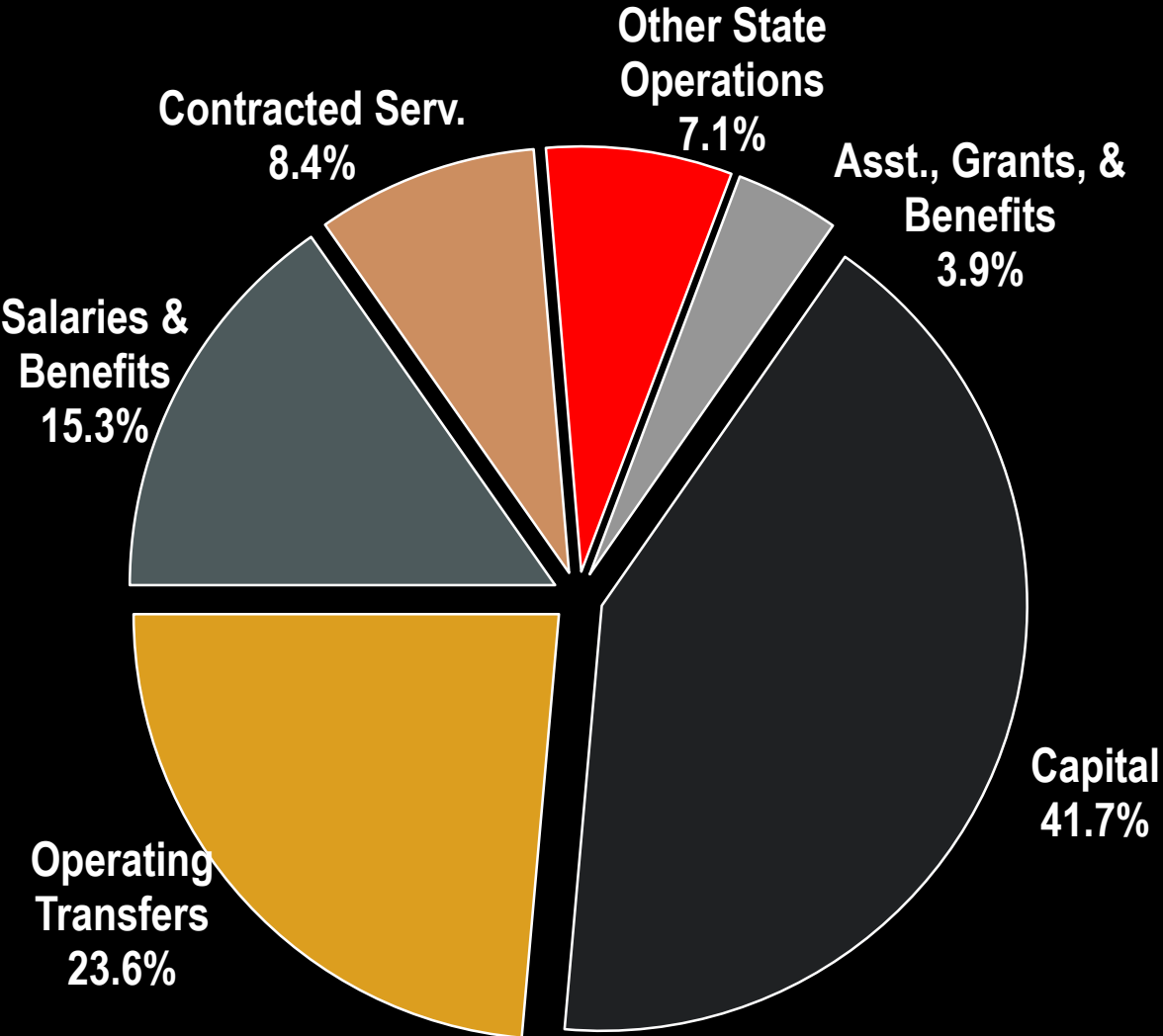
# Summary by Fund

	FY 2018 Enacted	FY 2018 Gov. Rev.	Chng./ Enacted	FY 2019 Gov. Rec.	Chng./ Enacted
Federal Funds	\$285.4	\$291.0	\$5.6	\$292.0	\$6.6
Restricted Receipts	3.2	3.1	(0.1)	3.0	(0.1)
Other Funds	225.5	301.0	75.5	297.4	71.9
<b>(\$ in millions) Total</b>	<b>\$514.1</b>	<b>\$595.0</b>	<b>\$81.0</b>	<b>\$592.4</b>	<b>\$78.4</b>
<b>FTE</b>	<b>775.0</b>	<b>775.0</b>	<b>-</b>	<b>795.0</b>	<b>20.0</b>

# FY 2019 Recommendation



# Recommendation by Category



# Federal Funds – FAST Act

- Federal gas tax is 18.4 cents per gallon
  - Unchanged since 1993
- Revenue is deposited into the Federal Highway Transportation Trust Fund
  - Allocated by FHWA to states
- Fixing America's Surface Transportation
  - December 2015
  - Five year authorization for transportation
    - FFY 2016 – FFY 2021
- State will receive an average of \$231 million annually

# Other Funds – Article 21

- Article 21 of 2014-H 7133, Sub. A, aa
  - Transferred new revenue sources
  - DMV fees deposited as general revenue
  - Into Highway Maintenance Account for DOT operations
  - Increased inspection fee from \$39 to \$55
  - \$25 surcharge for good driving dismissal



# Other Funds – Article 21

- Article 21 of 2014-H 7133, Sub. A, aa
  - Established a schedule to transfer transportation related fees from DMV to DOT
    - 25.0 percent in FY 2016
    - 75.0 percent in FY 2017
    - 100.0 percent in FY 2018 and thereafter
  - Indexed gasoline tax
    - Every other year, rounded to nearest cent
  - Part of larger plan to address transportation funding and long term maintenance issues
- RIPTA receives 5%

# Article 8, Section 3 – Highway Maintenance Account

- Hearing held on February 13

	2014 Assembly	2017 Assembly	Article 8 Proposal
FY 2016	25%	25%	25%
FY 2017	75%	50%	50%
FY 2018	100%	80%	60%
FY 2019		100%	100%

- 2017 Assembly also provided RIPTA with an additional \$5.0 million
  - Reinstate bus pass program & cover debt

# Article 8, Section 3 – Highway Maintenance Account

- Reduces transfer of fees collected by DMV to Highway Maintenance Account
  - From 80% to 60%
- FY 2018 Revised Budget assumes additional revenues of \$10.3 million from proposal
- 100% transfer for FY 2019
  - Permanently excludes duplicate license fees from transfer
  - Expected uptick in duplicates from REAL ID

# Article 8, Section 3 – Highway Maintenance Account

	FY 2016	FY 2017
Prior Year Receipts	\$ -	\$26.8
New Receipts	57.2	71.8
<b>Available</b>	<b>\$57.2</b>	<b>\$98.6</b>
Spent	\$30.4	\$36.2
<b>Balance</b>	<b>\$26.8</b>	<b>\$62.4</b>

*\$ in millions*

# Other Funds – Surcharges/Transfers

Source	FY 2018 Enacted	FY 2018 Rev.	Chng. to Enacted	FY 2019 Gov.	Chng. to Enacted
Inspection Stickers	\$12.2	\$11.6	(\$0.6)	\$11.6	(\$0.5)
Title Fees	8.4	10.5	2.2	10.7	2.4
Rental Car Surcharge	3.0	3.2	0.1	3.2	0.2
Good Driving Dismissal	0.4	0.5	0.1	0.5	0.1
License/Reg. Transfer	40.4	30.9	(9.5)	51.5	11.1
License & Reg. Surcharges	16.8	19.4	2.5	19.4	2.5
<b>(\$ in millions) Total</b>	<b>\$81.2</b>	<b>\$76.0</b>	<b>(\$5.2)</b>	<b>\$97.0</b>	<b>\$15.8</b>

# Gasoline Tax Proceeds (cents)

Entity	Share
<i>Department of Transportation</i>	<b>19.25</b>
Public Transit Authority	9.75
Turnpike and Bridge Authority	3.5
Elderly Transportation (DHS)	1.0
Environmental Protection Fee	0.5
<b>Total</b>	<b>34.0</b>

# Gasoline Tax Proceeds (cents)

	Gas	Diesel
<b><i>Rhode Island</i></b>	<b>34.0</b>	<b>34.0</b>
Connecticut	39.9	41.7
Maine	30.0	31.2
Massachusetts	26.5	26.5
New Hampshire	23.8	23.8
Vermont	30.7	32.0
<b>New England Average</b>	<b>30.7</b>	<b>31.5</b>
<b>U.S. Average</b>	<b>33.6</b>	<b>35.4</b>

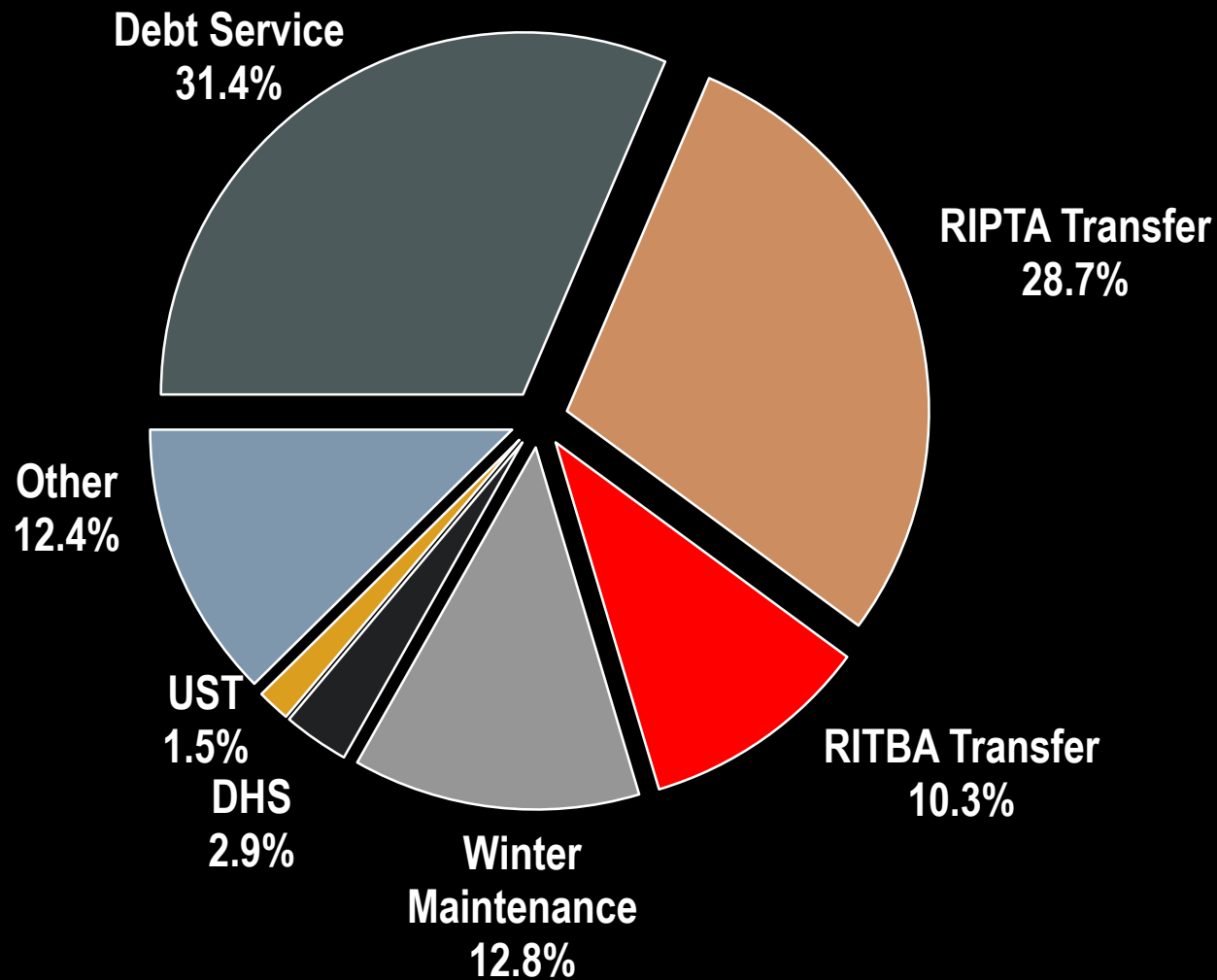
*Source: American Petroleum Institute includes state surcharges*

# Gasoline Tax Proceeds

- Gasoline Tax – FY 2019
  - Derived from 34.0 cents per gallon
  - Approximately \$151 million
  - Deposited into Intermodal Surface Transportation Fund
    - Small portion into the Underground Storage Trust Fund
  - Distribution to transportation entities contained in statute are made



# FY 2019 Gas Tax Expenditures



# RI Turnpike & Bridge Authority

## 2014 Assembly Change

- Transferred 3.5 cents of gasoline tax to the RI Turnpike and Bridge Authority
  - Used in lieu of Sakonnet Bridge tolls
  - For operations and maintenance of the bridges under the Authority's purview
- Primary source of revenue is tolls on Newport Bridge

# Article 10, Section 8 – RITBA

- February 7<sup>th</sup> hearing
- \$1.5 million from Rhode Island Turnpike and Bridge Authority by June 30, 2018
- RITBA operates & maintains 4 bridges:
  - Mount Hope
  - Jamestown Verrazzano
  - Newport Pell, and
  - Sakonnet River
- Governor proposed \$2.6 million transfer for FY 2018 – not enacted

# Article 10, Section 8 – RITBA

- Primary source of revenue is tolls on Newport Bridge
- 2014 Assembly allocated 3.5 cents of the gasoline tax to the Authority
  - No toll on Sakonnet River Bridge
  - No state support prior to this
- Receipts from gasoline tax
  - \$15.4 million in FY 2015
  - \$15.7 million in FY 2016
  - \$15.5 million in FY 2017

# Recommended Changes

<i>Changes to Enacted</i>	<i>FY 2018</i>	<i>FY 2019</i>
Centralized Services	\$3.7	\$3.8
Salaries and Benefits	1.4	3.8
RhodeWorks - GARVEE Debt	(0.2)	33.8
Highway Improvement Projects	64.4	12.4
Local Roads and Infrastructure	-	10.0
Winter Maintenance Operations	(3.0)	(0.7)
Utility Permit	-	0.5
RIPTA and RITBA	(1.8)	(0.9)
Maintenance Operations	12.3	16.7
Other Expenditures	4.2	(1.0)
<b>Total Changes</b>	<b>\$81.0</b>	<b>\$78.4</b>
<b>Total Governor's Recommendation</b>	<b>\$595.0</b>	<b>\$592.4</b>

# Undistributed Savings

- FY 2018 enacted budget includes \$25.0 million of statewide savings
  - Undistributed in DOA's budget
- Governor's revised budget has proposals that total \$25.0 million
  - Not all repeat in FY 2019
- Department of Transportation
  - FY 2018 revised - \$0.5 million
  - FY 2019 - \$0.5 million

# Undistributed Savings

- Statewide Planning
- Shifts staffing costs of \$0.5 million from general revenues to gasoline tax
  - Staff time associated with development of Transportation Improvement Plan
  - Supports 4.3 full-time equivalent positions
- Savings are included in DOA's budget

# Centralized Services

- 2017 Assembly authorized establishment of internal service funds for centralized services
  - Information technology, capital asset management & maintenance, & HR
- Costs previously budgeted in DOA
  - Methodology on distribution needs review
  - Long term impacts and transparency concerns



# Centralized Services

- Governor's budget allocates costs to user agencies

Other Sources	FY 2018	FY 2019
Information Technology	\$2,929,054	\$3,054,647
Human Resources	753,600	763,623
<b>Total</b>	<b>\$3,682,654</b>	<b>\$3,818,270</b>

*\*Previously deducted from federal funds and gasoline tax proceeds directly*

# Staffing

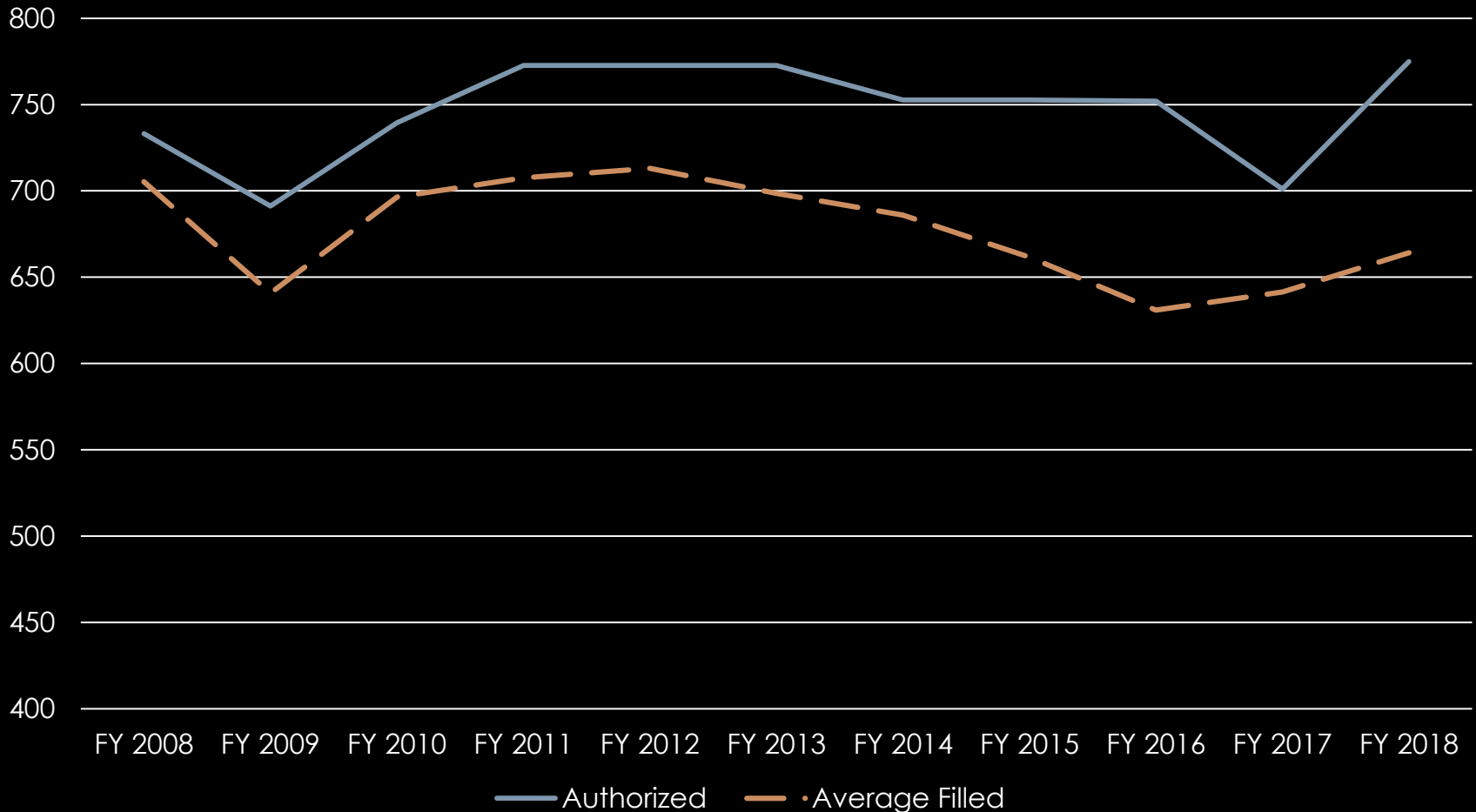
## *Full-Time Equivalent Positions*

Full-Time Positions	FTEs	Chg. to Enacted
Enacted Authorized	775.0	-
FY 2018 Gov. Rev.	775.0	-
FY 2019 Request	820.0	45.0
FY 2019 Governor	795.0	20.0
FY 2019 Funded FTE	765.9	(9.1)
Filled as of March 31	656.6	(118.4)
FY 2017 Average Filled	641.4	(133.6)

# Staffing

FY 2019 Governor Recommendation		
	DOT	Statewide
Gross Salaries (in millions)	\$54.6	\$1,117.1
Turnover (in millions)	(2.0)	(42.9)
Turnover %	3.7%	3.8%
Turnover FTE	29.1	592.2
FY 2019 FTE recommended	795.0	15,426.5
Funded FTE	765.9	14,834.3
Filled as of March 31	656.6	13,849.4
Funded but not filled	109.3	984.9

# Full-Time Equivalent Positions



# Staffing Recommendation

- Governor recommends \$88.3 million in FY 2018 and \$90.6 million in FY 2019
  - FY 2018 revised is \$1.4 million more and FY 2019 recommendation is \$3.8 million more than enacted
- Governor recommends staffing of 775.0 in FY 2018 and 795.0 in FY 2019
  - FY 2019 is 20.0 more than enacted
    - Adds 45.0 new positions consistent with request
    - Eliminates 25.0 unidentified positions

# Staffing Recommendation

Division	Number of Positions	Costs
Bridge and highway maintenance	32.0	\$1,758,602
Project managers	5.0	500,376
Finance	3.0	185,894
Stormwater and Transit	5.0	407,903
<b>Total</b>	<b>45.0</b>	<b>\$2,852,775</b>

# Overtime – Transportation

- Governor recommends \$5.6 million from gasoline tax
- 75% is for Maintenance Division
  - Includes overtime for winter maintenance operations
- Expenditures
  - \$4.0 million in FY 2016
  - \$4.4 million in FY 2017

# RhodeWorks

- Assembly adopted legislation
  - 2016-H 7409, Substitute A, as amended
  - Allows Department to toll large commercial vehicles
  - Issue \$300 million of new Grant Anticipation Revenue Vehicle (GARVEE) bonds
  - Refinance existing GARVEE



# RhodeWorks – GARVEE Debt

- GARVEE Refinancing
  - Worked with Budget Office, Commerce Corporation and bond counsel
  - Refinanced \$224.9 million in June 2016
    - Free up \$129 million (FY 2016 – FY 2018)
    - \$11.3 million of long term debt incurred
- New GARVEE
  - \$300 million issuance occurred in Oct. 2016
  - Recommendation includes debt service payment for debt authorized
    - \$23.6 million for FY 2018
    - \$57.5 million for FY 2019

# RhodeWorks – Reporting

- Legislation adopted required quarterly reports
  - Progress and implementation
    - Due within 30 days of the close of each fiscal quarter
    - Posted on Department's website
    - Office of Management and Budget, House and Senate fiscal advisors
  - Since adoption of law, 8 reports have been published
    - All on time
      - Next one is due April 30<sup>th</sup>

# RhodeWorks – Reporting

- Reporting requirement:
  - Construction/design contracts greater than \$500K:
    - Planned to be advertised and expected award date
    - Expected substantial completion date
    - Expected final costs
    - Total number of workers employed through contracts and number with RI address

# RhodeWorks – Reporting

Requirements	FFY 2017 Reported
Design contracts awarded	\$273.0
Design contracts completed	\$29.4
Construction contracts awarded	\$123.7
Expected final cost of construction contracts >\$500K	\$252.8
Total number of workers	1,328
Number of RI workers	971

*\$ in millions*

# RhodeWorks – Implementation

- Issued RFP for design/build operate/maintain of tolling program
  - Including gantry design
- Reduction of consultant/soft costs
- Accountability
  - More than 200 signs posted throughout state
- Maintenance Improvements
  - Cleaned 1,748 drainage structures
  - New in-house striping crew

# On-Time and On Budget Performance

	On Budget % (by Value)	On Time % (by Value)	Contract Value of Projects in Constr.	On Budget % (by Projects)	On Time % (by Projects)	# of Projects in Constr.
FFY 2016	95%	89%	\$104.2	90%	90%	20
FFY 2017	100%	99%	393.9	100%	96%	24
<b>Total</b>			<b>\$498.1</b>			<b>44</b>

*December 2017 report*

# RhodeWorks – Reporting

- FFY 2018 Construction Program – 55 projects
  - Original target – 25 would be advertised by April – total estimate of \$78.2 million
    - 20 met advertising dates set
  - Of those that met dates
    - 12 were original estimated at \$30.1 million
    - Low bids at \$26.6 million
      - \$3.6 million less

# Maintenance

- Maintenance Division
  - Personnel
  - Operations
  - Electricity – highway lighting
  - Equipment maintenance
  - Winter maintenance



# Maintenance

- Approximately 1,100 road miles
- Approximately 2,900 lane miles
- Inspects of all bridges
  - Federal Highway Administration National Bridge Inventory

Federal Fiscal Year	FHWA Number of Bridges	Structurally Deficient	Percent Structurally Deficient
2017	778	181	23%
2016	772	192	25%
2015	766	178	23%

# Vehicles and Equipment

- Governor recommends a total of \$29 million in both FY 2018 and FY 2019
  - Purchase vehicles and equipment
  - Replace Maintenance Division's existing fleet
  - Heavy trucks, sweepers, loaders, backhoes and tractors
  - Perform more operations in-house

# Winter Maintenance Operations

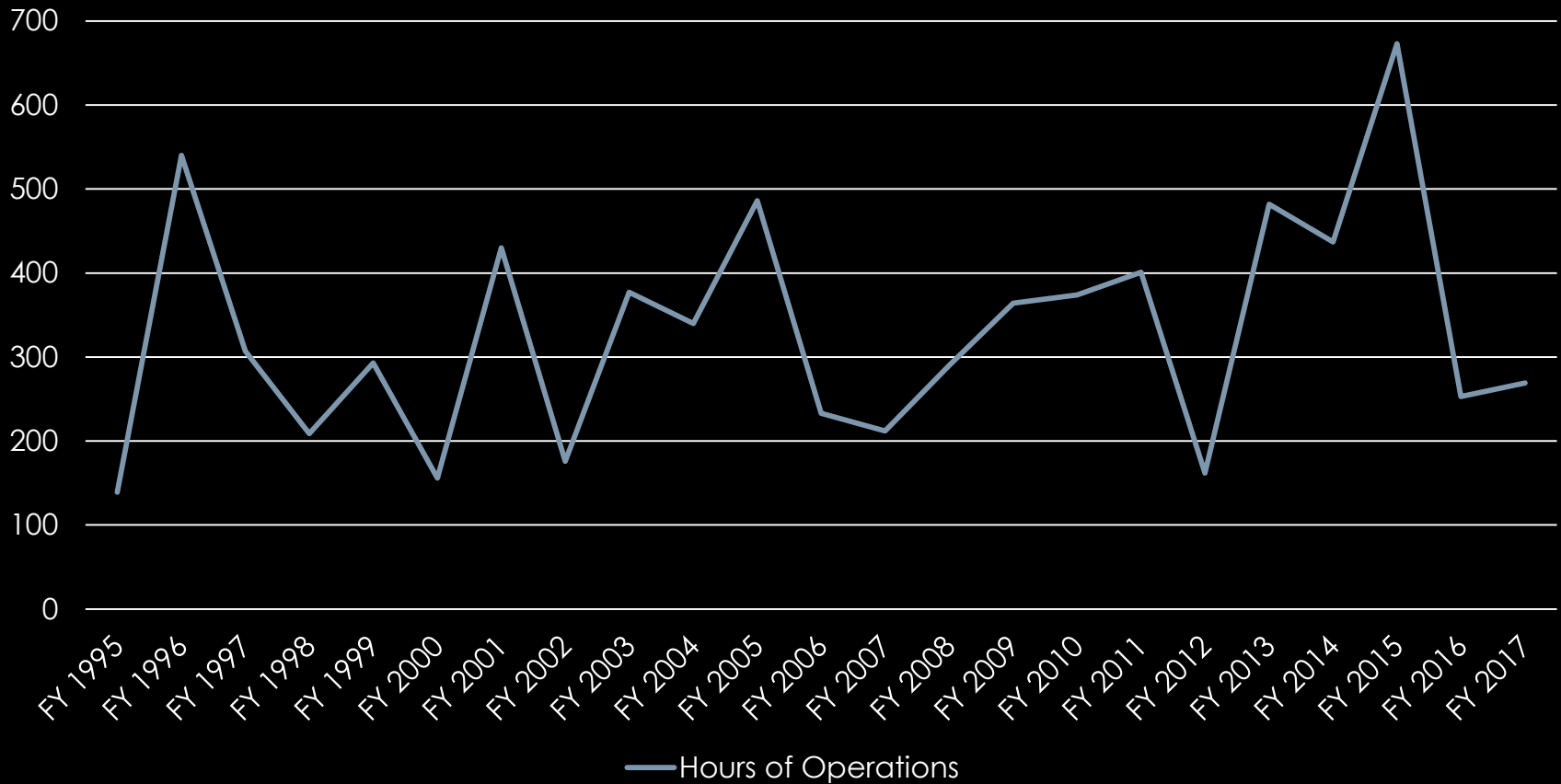
	FY 2018 Enacted	FY 2018 Revised	Chng.	FY 2019 Gov. Rec.	Chng.
Materials	\$6.6	\$6.4	(\$0.2)	\$6.6	\$-
Vendors	7.9	7.7	(0.2)	7.6	(0.3)
Repairs	2.2	1.8	(0.4)	1.8	(0.4)
All Other	0.5	(1.7)	(2.2)	0.5	-
<b>(\$ in millions) Total</b>	<b>\$17.2</b>	<b>\$14.2</b>	<b>(\$3.0)</b>	<b>\$16.6</b>	<b>(\$0.7)</b>

*Excludes salary and benefit costs*

- Year to date expenditures total \$12.8 million

# Winter Maintenance Operations

Hours of Operations



# Immediate Action Projects

- Approved 10-year TIP assumes \$60.0 million for emergency projects
  - Must be done for safety reasons
  - Generally identified after inspections are conducted
- \$7.0 million from HMA for FY 2018
- \$6.0 million from gas tax for FY 2019
  - Bristol, Cranston, Foster, Glocester, Hopkinton, North Kingstown, Pawtucket, Scituate and Tiverton

# Highway Drainage Systems

- Responsible for 25,000 stormwater catch basins and other connected structures
  - 3 consultants working on completing inventory
    - Get a sense of what basin systems needs are
    - Inspected 8,600 catch basins
  - RI DOT crew inspected and cleaned 1,607
    - Purchased catch basin cleaning trucks in FY 2017 and FY 2016
- Previously reported inspecting/cleaning 10% annually
  - First quarter of FFY 2018; reported 40%

# Highway Drainage Systems

- Consent Decree
  - Requires maintain storm drains and address pollutants
  - Requires DOT to sample and inspect certain discharge points
  - Implement street sweeping tracking system
    - Document date/location of roads that are swept
- RhodeWorks 10-yr. plan includes \$132.8 million to address drainage improvements
  - Compliance with Federal Clean Water Act

# Capital Recommendation

- \$5,372.9 million total project costs
- \$2,555.1 million for FY 2019 – FY 2023
- Includes projects in the Transportation Improvement Plan
  - Highway Improvement Program
  - Mass Transit Hub Infrastructure
  - Pawtucket/Central Falls Train Station
  - Maintenance Facilities
  - Salt Storage



# Capital Recommendation

Projects	5 Yr. Total	Project Total
Local Roads and Infrastructure	\$10.0	\$10.0
Interstate 95 Viaduct	125.0	127.9
Highway Improvement Program	2,342.3	5,018.9
Pawtucket/Central Falls Train Station	20.6	35.5
Capital Equipment Replacement	20.0	37.3
Commuter Rail	11.7	83.6
Mass Transit Hub	16.5	35.7
Salt Storage & Maintenance Fac.	9.0	24.0
<b>(\$ in millions) Total</b>	<b>\$2,555.1</b>	<b>\$5,372.9</b>

# Local Roads & Infrastructure

- Department requested \$120.0 million from RI Capital Fund as part of 10-yr. plan
  - Pavement repair, resurfacing & crack sealing
  - Other transportation asset protection projects
- Governor recommends \$10.0 million in FY 2019
  - Department has identified two projects totaling \$3.5 million
    - Tar Bridge and Hawkins Street Bridge
  - Remaining \$6.5 million will be used for pavement projects

# Pawtucket/Central Falls Train Station

- Recommends \$40.0 million including from \$31.1 million federal funds
  - Pawtucket/Central Falls – connecting to Providence and Boston
  - Infrastructure: 2 platforms, pedestrian overpass, bus drop-off access and parking
    - Scheduled completion date – December 2020
- Since 2001, Pawtucket Foundation has investigated potential for a multi-modal transportation center

# Mass Transit Hub

- Governor recommends \$35.7 million in total project costs
  - 2014 voters approved \$35.0 million
  - \$0.7 million from federal funds – used for planning
  - \$0.6 million from GO bonds for legal
    - Pre-development agreement
    - Request for Proposals
  - Expand and improve state's transit hubs
  - Providence AMTRAK, Kennedy Plaza and Garrahy Courthouse

# Mass Transit Hub

## Project Update

- Issued request for qualifications in June 2016
- Received 4 proposals in October 2016
  - One firm later dropped
- March 2017
  - Anticipated RFP going out spring 2017
  - Contract would be awarded in fall 2017
- March 2018
  - Project is in draft RFP stage
  - Minimum of 6 months before contract can be awarded

# Routes 6 & 10 Reconstruction

- Built in 1950s
  - Bridges are structurally deficient (7 out of 9)
- Routes 6 and 10 Reconstruction
  - Reduce congestion
  - Address deterioration of bridges
  - Offer multi-modal options for travelers
- Project Update
  - Finalized procurement
    - Selected 6-10 Constructors Joint Venter
      - Project's design/build contractor
  - Final design/construction was approved 3/29

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