

Governor's FY 2019 Budget: Capital Issues and Requested Amendments

Staff Presentation to the House Finance Committee
May 23, 2018

Introduction

- Capital Budget
 - RICAP
 - Related amendments
 - Article 5 - GO Bond projects recap
 - Article 16 - Other debt recap
 - Related Amendments
- Other requested amendments
 - Vital records
 - Public rail

Capital

- FY 2019 – FY 2023
- \$4.9 billion outlays
 - Average \$975.2 million per year
 - \$1,232.2 million from financing \$3,643.9 million from current revenue
- \$388.3 million in new GO and revenue bond debt approvals

Capital Budget Funding



Assembly Role

- Appropriate pay-go (Articles 1 & 10)
- Approve General Obligation Bond referenda
 - Voters approve or reject
 - Debt service automatic
- Other Financing (Kushner)
 - Approve or reject resolution
 - Generally appropriate debt service

Project Considerations

- Does the project need to be done
- Is the project ready to be done
 - When will it start
 - Is it well thought through and ready for funding/financing
 - When will it be complete

Funding Considerations

- Should a project be financed or pay-go
 - Rhode Island Capital Plan funds available as pay-go for all or part of project
 - More pay-go equals less future debt service

Funding Considerations

- State's overall debt structure
 - Net tax supported debt would decrease by \$120.9 million to \$1,648.5 million
 - Had dropped to \$1.3 billion in FY 2003 after use of tobacco bonds to defease debt
 - Past practice indicates it will be higher as more projects are added

Funding Considerations – Debt Ratios

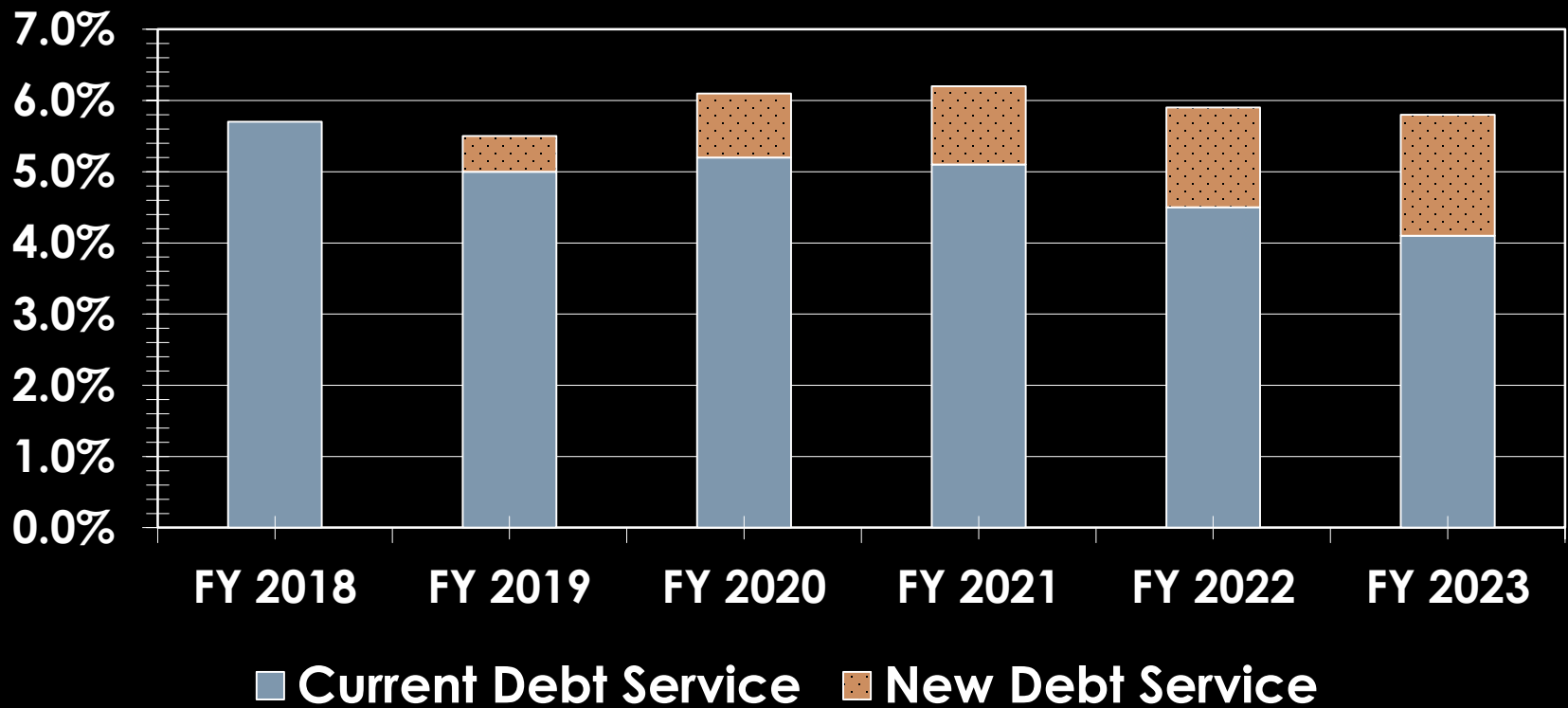
- Debt as a percent of personal income would decrease from 3.2% in FY 2017 to 2.4% into FY 2023
- Likely to be higher based on projects being added
 - Does not assume any new referenda will go before voters in November 2020 or 2022
 - Same as last year but departure from past practice

Funding Considerations – Debt Service

Fiscal Year	Net Tax Supported Debt Service*	Pct. of Revenues
2018	\$219.7	5.7%
2019	\$217.5	5.5%
2020	\$246.4	6.1%
2021	\$259.8	6.3%
2022	\$248.7	5.9%
2023	\$249.8	5.8%

*\$ in Millions

Debt Service as Percent of Useable Revenues



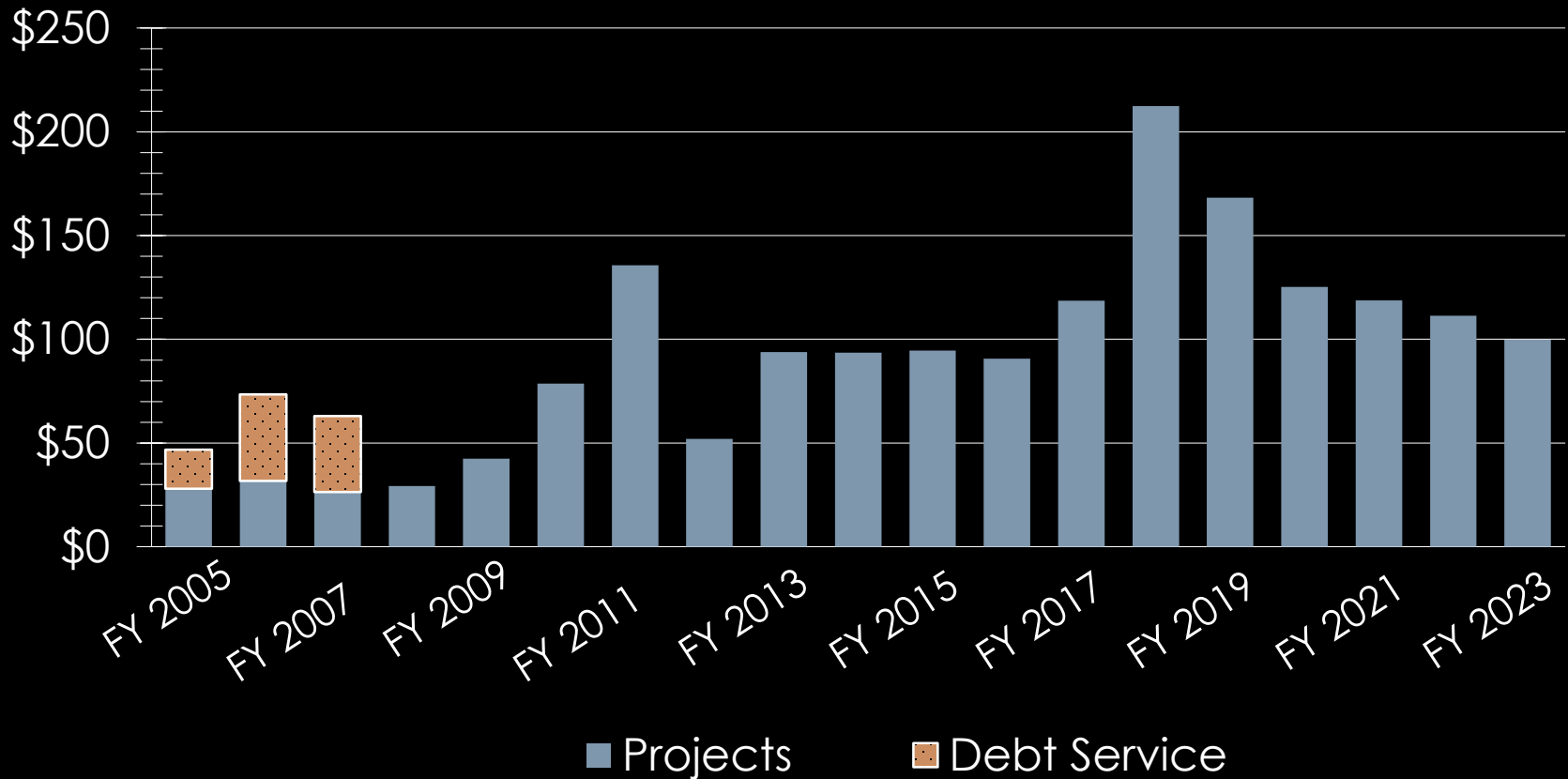
Rhode Island Capital Plan Funds

- 1990 Assembly set up the “rainy day” fund to ensure adequate cash and budget reserves
- Voter referendum in November 1992
- Largest source of state funded pay-go
- State spending limited to 97.0% of general revenues
 - FY 2013 was end of 5-year move from 98.0%

Rhode Island Capital Plan Funds

- Remainder goes to Budget Stabilization & Cash Reserve Account
- When that reaches 5.0%, excess flows to the capital account
- Previously used mostly to pay debt
- Voters amended constitution in 2006 to limit use for projects only
- Dedication of pay-go sources to capital lessens need to issue debt

Rhode Island Capital Plan Funds



Rhode Island Capital Plan Funds

- Resources in the Fund have grown over time
- Being used for its intended purpose: lowering the state's borrowing needs
 - Annual \$27.2 million is being used in lieu of borrowing to match federal transportation funds

Rhode Island Capital Plan Funds

- \$623.4 million for FY 2019 – FY 2023
- Approximately \$125 million annually
 - 31% for Transportation
 - 21% for Higher Education
- \$11.9 million in approved plan replaced with proposed GO bonds for “Green Economy” projects
 - State Rec, Dam Repair, Fort Adams

Rhode Island Capital Plan Funds

- Improvements for state buildings
 - Courts, prisons, hospitals
- State facilities
 - Dams, piers, parks
- Designed to extend the life of facilities
 - Prevent the need for costly replacements

Rhode Island Capital Plan Funds

- Article 1 includes multi-year projects
- Funds automatically re-appropriate to allow for project continuity
- Timing and amounts often revised
- Each project is an appropriation limited to identified use
 - Asset protection projects allow for additional flexibility

Rhode Island Capital Plan Funds

FY 2017 Final	\$161,678,166
FY 2017 Actual	118,568,191
Difference	\$(43,112,975)
FY 2018 Enacted	\$180,408,445
FY 2018 Revised	212,363,453
Difference	\$31,955,008

Rhode Island Capital Plan Funds

- Governor's budget assumptions as submitted

Fiscal Year	2018	2019	2020	2021	2022	2023
Bal. Forward	\$151.9	\$53.8	\$2.2	\$(6.1)	\$(5.8)	\$5.5
Budget Reserve	114.3	116.7	116.8	119.1	122.6	123.6
Total Available	\$266.2	\$170.6	\$119.0	\$113.0	\$116.7	\$129.1
Minus Projects	(212.4)	(168.3)	(125.2)	(118.8)	(111.3)	(99.8)
Balance	\$53.8	\$2.2	\$(6.1)	\$(5.8)	\$5.5	\$29.3

Rhode Island Capital Plan Funds

- Governor's recommendation contains numerous revisions to prior spending plan
 - New projects
 - Some current year issues
 - Changes to funding plans, schedules, totals and mix of sources

Quonset Industrial Park

- New \$14.0 million RICAP project
 - \$4.0 million for FY 2019 & FY 2020
 - \$6.0 million for FY 2021
- To develop heavier shipping capacity for the ship building industries
- Voters previously approved G.O. Bonds for infrastructure at Quonset

1996	2004	2016
\$72.0	\$48.0	\$50.0
\$ In Millions		

Quonset Industrial Park

- FY 2019: Utility relocation - \$4.0 million
 - Water, gas, electricity, telephone, waste water & storm drainage
- FY 2020: Dredge - \$4.0 million
 - Deep water channel from the international shipping lanes
 - Already permitted for October 2019
- FY 2021: Pier construction - \$6.0 million
 - Interchange pier to facilitate movement from vessels

Quonset Industrial Park

- Electric Boat announced \$700+ million expansion in May 2018
 - Selected as prime contractor on Columbia Class submarines
 - Currently producing 2 Virginia Class subs annually
 - Anticipates adding 1,300 jobs over 10 years
 - Median wage \$60,000
 - Commerce Corporation approved incentives
 - \$2.0 million Rebuild RI Tax Credits
 - \$18.0 million sales tax exemption

Board of Elections Building

- \$15.7 million from RICAP funds for current BOE building to be used by Office of State Medical Examiners
 - \$0.5 million in FY 2018 for engineering work & asset protection projects
 - *Not previously appropriated*

	FY 2018	FY 2019	FY 2020
Governor: RICAP	\$510,000	\$7,175,000	\$8,000,000

Board of Elections Building

- Board of Elections operations staff would move to DOA
 - In space currently occupied by Contractors' Registration & Licensing Board
 - CRLB would move to Warwick in same facility with Fire Marshal and State Building Code Commission – Gov. Article 3
- Timing issues
 - Move would have to be very soon or wait until after elections

DCYF Training School

- Governor recommends \$4.8 million
 - Generators
 - \$550,000 for FY 2018
 - \$3.5 million for new female dormitory outside of training school
 - Community placement
 - Not sited yet – Solicitation issued and due 5/30

Fiscal Year	Amount (in millions)
2018	\$0.6
2019	\$1.9
2020	\$1.7
2021-23	\$0.6

RI School for the Deaf

- Construction of new facility in 2010
 - RIDE reports there have been security & functionality issues since new facility opened
- Governor recommends \$50,000 annually for new asset protection project
 - Repair keyless locking system
 - Improve emergency television alert system
 - Improve camera security system
 - Update teaching kitchen

Higher Education Center

- \$4.0 million from RICAP to replicate public-private model being used at Westerly Center in northern RI
 - RICAP would be used over FY 2019 & FY 2020
- Northern RI chosen as location based on interest from CVS, Amica & AAA
 - Intent is for anchor tenants & other private support to pay 50% of total cost

Higher Education Center

- \$2.0 million from general revenues in FY 2017 & FY 2018 as part of lease agreement
- \$2.0 million from RICAP to outfit facility
- GO bonds for brownfield remediation

Westerly Higher Education Center	
Royce Family Fund	\$1.8
Washington Trust	0.1
Westerly Comm. Credit Union	0.1
Roberts Foundation	0.1
Town of Westerly	0.3
State Brownfield Grant-DEM	0.7
Other Private	0.0
General Revenues	2.0
RICAP	2.0
Total	\$7.0

URI Fine Arts Center

- URI request: \$68.7 million from RICAP & \$4.5 million from private funding
 - Enacted budget includes \$1.0 million from RICAP for initial work
- Governor: \$12.0 million from RICAP
 - \$56.7 million less than requested
 - Intended to fund first phase of HVAC system replacements and exterior envelope repairs
 - URI has indicated that programming of funding would not allow project to move forward

URI Fine Arts Center

5-Year	URI	Source
2007 - 2011	\$42.8	GO Bonds
2008 - 2012	\$42.3	GO
2009 - 2013	\$64.9	GO & RICAP
2010 - 2014	\$65.5	GO & RICAP
2011 - 2015	\$65.5	RICAP
2012 - 2016	\$65.4	GO & RICAP
2013 - 2017	\$65.4	GO & RICAP
2014 - 2018	\$66.6	GO & RICAP
2015 - 2019	\$74.1	GO & RICAP
2016 - 2020	\$84.2	GO & RICAP
2017 - 2021	\$71.5	GO & RICAP
2018 - 2022	\$68.7	RICAP & Private

- 5-Year plans assumed project would go on ballot in later years
- Replaced with planning money
- Then RICAP

URI Fine Arts Center

- Governor requested amendment to advance all funding to FY 2019 & FY 2020
 - \$6.4 million for FY 2019 & \$4.6 million for FY 2020
 - Total remains the same
 - Still intended to only fund first phase of work

Department of Corrections

- Correctional Facilities Study - \$1.1 million
 - FY 2018 - study inmate classifications & facility building designs
 - \$0.9 million more than approved plan based on bid proposals received
 - DOA was lead on RFP process and approved bid proposal

Department of Corrections

- High Security Renovations - \$1.0 million
- New project recommended for FY 2019
 - Improve operating efficiencies through module combination & other renovations
 - Linked to proposal to save \$1.5 million in overtime savings in FY 2019

Department of Corrections

- Medium Infrastructure - \$31.6 million
 - Kitchen, dining, laundry, admin & shift command areas, parking lot, roof, HVAC
 - \$3.4 million more than DOC requested
 - To reflect cost escalation with Governor's shift of funding to later years
 - Project has been delayed multiple times
 - Consistent issue with movement of DOC projects

Emergency Management Building

- EMA requests \$8.3 million to refurbish state-owned building in Warwick
 - Would retain current space in Command Readiness Center as alternate SEOC
- Approved plan assumes portion of CRC would be transferred to EMA
 - RI National Guard moving its personnel to new Joint Force Headquarters Building
- Governor includes \$0.2 million from RICAP funds for feasibility study only

Local Roads & Infrastructure

- DOT requested \$120 million from RICAP as part of 10-yr. plan
 - Pavement repair, resurfacing & crack sealing
 - Other transportation asset protection
- Governor includes \$10.0 million
 - FY 2019 only
 - \$3.5 million intended for 2 local projects
 - Tar Bridge and Hawkins Street Bridge
 - Remaining \$6.5 million planned to be used for state paving projects

Local Roads & Infrastructure

- DOT indicates that combining Tar and Hawkins St. Bridges creates efficiencies and cost savings
 - Streamlines coordination with state projects
 - Providence share anticipated to be \$1.5 million
- Request for RICAP is to avoid displacement of other DOT bridge projects

RICAP –Amendment Request

- Middletown Armory Land Transfer
 - GBA adds \$700,000 from RICAP in FY 2018 to purchase over 6 acres of land adjacent to armory
 - Approval required from FAA, RIAC, and DOT
 - Land purchase requires state funds
 - Once land is transferred, National Guard Bureau will provide \$2.9 million to construct additional armory & storage space

RICAP Amendment Request

- Temporary parking during construction of new Garrahy Courthouse garage
 - I-195 Redevelopment Commission land
 - \$600,000 for FY 2018
- Fort Adams Sailing Improvements
 - \$180,000 more for \$2.0 million total in FY 2018

RICAP Amendment Request

- Defense Economy Community Reinvestment Program
 - \$300,000 in FY 2019
 - To study legal issues, perform hydraulic capacity & condition assessments of infrastructure
 - To support efforts on Aquidneck Island for potential transfer of Navy infrastructure to local governments and/or public & private entities
- Appropriateness of RICAP not apparent
 - Prior similar recommendation for \$200,000 from general revenues not enacted

New Requested Debt – GO November 2018

Project	Amount	Annual Debt
Rhode Island School Buildings	\$250.0	\$20.7
URI Narragansett Bay Campus	45.0	3.6
RIC Horace Mann Hall	25.0	2.0
Green Economy & Clean Water	48.5	3.9
Total	\$368.5	\$30.2

*Assumes 5% rate and 20 year term
Data in millions*

Article 5, Question 1

- Proposes \$250.0 million of general obligation bonds be submitted to voters on November ballot
 - Supports school construction and renovation projects
 - Funding to be disbursed over 5 years
 - No more than \$100 million could be issued in any year

Article 5, Question 1

- Capital budget assumes \$50 million annually for 5 years
- Task Force recommended \$500 million total, \$250 million each 2018 and 2022
 - Budget documents are silent on a second ballot measure
 - No referenda for any project beyond 2018

Article 5, Question 2

- URI Narragansett Bay Campus
 - \$45.0 million for the 1st phase of a comprehensive renewal of the campus
 - Based on planning study done in FY 2016
 - Renovate or replace buildings, laboratories, & infrastructure
 - Improvements to waterfront research vessel dock, roadways, & walkways
 - Request included \$85.0 million

Article 5, Question 2

- URI Narragansett Bay Campus
 - Annual debt service - \$3.6 million
 - Total cost - \$73.5 million
 - Assuming 5% and 20-year term
 - Supported by general revenues
 - Called “initial” phase but no additional phases contemplated in Governor’s five year plan

Article 5, Question 2

- RIC Horace Mann Hall
 - \$25.0 million to renovate Hall
 - Part of the College's Academic Building Renovations Phase II
 - Request for \$45.0 million for new student services building, campus roadway & walkway improvements, & Horace Mann Hall
 - Voters approved \$50.0 million in November 2012 for phase I
 - Renovation of Craig Lee, Gaige, Fogarty Life Sciences Building, repurposing of Adams Library

Article 5, Question 2

- RIC Horace Mann Hall
 - Annual debt service - \$2.0 million
 - Total cost - \$40.9 million
 - Assuming 5% and 20-year term
 - Supported by general revenues

Article 5, Question 3

- Green Economy and Clean Water Bond
 - \$48.5 million for ten different projects
 - Nine are for the DEM, two are new
 - One is for the Infrastructure Bank
 - Invest in recreational and economic facilities
 - Adapt to changing weather conditions
 - Protect coastline, dams, and drinking water
 - Support small farmers
 - Protect open space and clean up contaminated brownfields

Article 5, Question 3

2018 Green Economy & Clean Water Projects	Amount	Debt Service
Coastal Resiliency & Public Access	\$5.0	\$0.4
Capital for Clean Water and Drinking Water	6.1	0.5
Wastewater Treatment Facility Improvements	5.0	0.4
Dam Safety	4.4	0.4
State Recreation Projects Program	10.0	0.7
State Bikeway Development Program	5.0	0.4
Brownfield Remediation & Development	4.0	0.3
Local Recreation Projects	5.0	0.4
Access to Farmland	2.0	0.2
Local Open Space	2.0	0.2
Total	\$48.5	\$3.9

\$ in millions

Article 5, Question 3

- 2016 voters approved \$35.0 million of Green Economy bonds:

Green Economy Projects - 2016	
Historic State Park Development	\$4.0
State Open Space	4.0
Brownfields Remediation	5.0
Local Rec. Development Grants	5.0
Local Open Space	4.0
State Bikeway Development	10.0
Stormwater Pollution Prevention	3.0
Total	\$35.0

\$ in millions

Article 5, Question 3

Previously Approved Bonds with Remaining Funds as of 5/18		
Project	Approved	Balance
State Recreation/Historic Parks - 2016	\$4.0	\$1.5
State Bikeways - 2016	10.0	-
Brownfields - 2014/2016	10.0	2.6
Local Recreation Projects - 2016	5.0	-
Access to Farmland - 2012/2014	7.5	1.6
Local Open Space – 2012/2016	4.5	0.2
Total	\$41.0	\$5.9

\$ in millions

Article 5, Question 3

- Dam Safety - \$4.4 million
 - Funds would be used for the repair of “high hazard” state owned dams at various recreational and management areas operated by DEM
 - Supplants \$4.8 million of previously approved RICAP funds
 - \$350,000 less over same period

Fiscal Year	2018	2019	2020	2021	2022	Total
Approved RICAP	\$2.4	\$1.5	\$1.25	\$1.0	\$1.0	\$7.1
Governor						
RICAP	\$2.4	\$ -	\$ -	\$ -	\$ -	\$2.4
Bond	-	1.1	1.1	1.1	1.1	4.4
Total	\$3.7	\$1.6	\$2.0	\$2.0	\$2.0	\$6.8

Article 5, Question 3

- State Recreational Facilities
 - \$8.5 million of \$10.0 million is for this project in Governor's Capital Plan through post 2023
 - Replaces \$6.0 million approved through FY 2022
 - Comparable funding until post - FY 2023

Fiscal Year	2018	2019	2020	2021	2022	2023	Post 2023	Total
Aprv. RICAP	\$3.7	\$1.6	\$1.9	\$2.1	\$2.0	\$ -	\$ -	\$11.3
Governor								
RICAP	\$3.7	\$1.6	\$ -	\$ -	\$ -	\$ -	\$ -	\$5.3
Bond	-	-	2.0	2.0	2.0	2.0	0.5	8.5
Total	\$3.7	\$1.6	\$2.0	\$2.0	\$2.0	\$2.0	\$0.5	\$13.8

Article 5, Question 3

- Fort Adams
 - \$1.5 million of \$10.0 million is for this project in Governor's Capital Plan through 2023
 - Replaces \$1.2 million approved through FY 2022
 - Comparable funding annually

Fiscal Year	2018	2019	2020	2021	2022	2023	Total
Approved RICAP	\$0.3	\$0.3	\$0.3	\$0.3	\$0.3	\$ -	\$1.5
<i>Governor</i>							
RICAP	\$0.3	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.3
Bond	-	0.3	0.3	0.3	0.3	0.3	1.5
Total	\$0.3	\$0.3	\$0.3	\$0.3	\$0.3	\$0.3	\$1.8

Article 16 – Debt Management Act Joint Resolution

- Enacted in 1994
- Subsequently amended to increase Assembly's approval role
- Ensures that debt with a state tie was not issued without legislative review
- Result of Commission chaired by Rep. Linda Kushner

Article 16 – Debt Management Act Joint Resolution

- Public Debt Management Act
- Certain quasi-public agencies are exempt:
 - Infrastructure Bank
 - Rhode Island Housing & Mortgage Finance Corporation
 - Rhode Island Health & Educational Building Corporation

Article 16 – Debt Management Act Joint Resolution

Project	Amount	Annual Debt	Source
URI Repaving, Hardscape, Landscape	\$11.0	\$0.9	Gen. Rev., tuition, fees
URI Utility Infrastructure Phase I	6.5	0.5	Gen. Rev., tuition, fees
URI Fire Safety Auxiliary Phase II	2.3	0.2	Fees
Total	\$19.8	\$1.6	
<i>Assumes 5% rate and 20 year term \$ in millions</i>			

New Article: Convention Center Authority

- Authorizes Convention Center Authority to borrow \$4.3 million from Infrastructure Bank's Energy Efficiency Fund
- Total project cost of \$5.0 million
 - \$0.7 million rebate from National Grid
 - 10 energy efficiency improvement projects
 - Convention Center and Dunkin Donuts Center
 - All projects to be done within 1 year
 - Expected to decrease energy consumption by 29%

New Article: Convention Center Authority

- 2015 Assembly created Energy Efficient Buildings Fund
 - Seeded with unused federal stimulus & Regional Greenhouse Gas Initiative proceeds
 - To provide technical, funding and administrative support to public entities
 - To make energy efficient and renewable energy upgrades
 - Public buildings and infrastructure

New Article: Convention Center Authority

- Financing assumptions:
 - Interest rate of 4.0% and 11 years
 - \$0.5 million in annual debt service
 - Energy & maintenance savings expected to meet or exceed
 - \$0.1 million for cost of issuance
- Terms of lease between state & Authority
 - In the event Authority is running an operating deficit and cannot cover annual debt service payment, state covers shortfall

New Article: Convention Center Authority

Terms	Total
Principal	\$4.3
Interest*	0.7
Cost of Issuance	0.1
Total	\$5.1
*assumes 4% rate and a 11 year term	
\$ in millions	

New Article: Convention Center Authority

- State support
 - RICAP for asset protection projects
 - General revenues for debt service

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
RICAP	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0
Debt Service	21.4	24.5	26.0	26.0	24.3
Total	\$22.4	\$25.5	\$27.0	\$27.0	\$25.3
\$ in Millions					

New Article: Eleanor Slater Hospital Reorganization

- Authorizes the state to borrow \$22.0 million to finance a portion of \$49.9 million project
 - Project costs increased substantially
 - \$27.9 million from RICAP funds
- Repairs needed to meet Jt. Commission on Accreditation of Healthcare Organizations (JCAHO) requirements
 - Hospital has full accreditation until 9/2020

New Article: Eleanor Slater Hospital Reorganization

- Governor's budget as submitted recommends \$23.8 million from RICAP
 - \$7.9 million in FY 2018, \$11.8 million in FY 2019 and \$4.1 million in FY 2020
 - Reorganize hospital operations for BHDDH
 - Renovations
 - Roosevelt Benton
 - Regan

New Article: Eleanor Slater Hospital Reorganization

	FY 2018	FY 2019	FY 2020	FY 2021	Total
Gov. Original RICAP	\$7.9	\$11.8	\$4.1	-	\$23.8
New Plan					
RICAP	\$7.9	\$ -	\$16.0	\$4.0	\$27.9
COPS	-	22.0	-	-	22.0
Total	\$7.9	\$ 22.0	\$16.0	\$4.0	\$49.9

Annual debt service - \$2.1 million assumes 5% rate & 15 year term

\$ in millions

New Article: Eleanor Slater Hospital Reorganization

Terms	Total
Principal	\$22.0
Interest*	10.9
RICAP	27.9
Total	\$60.8
*assumes 5% rate and a 15 year term	
\$ in millions	

New Article: Eleanor Slater Hospital Reorganization

- Multiple versions of this project over past decade
- Different combinations of new and reused space

5-Year Plan	Total Cost
FY 2019 – FY 2023 GBA	\$49.9
FY 2019 – FY 2023	\$23.8
FY 2018 – FY 2022	\$5.7
FY 2017 – FY 2021	\$1.0
FY 2016 – FY 2020	\$3.2
FY 2015 – FY 2019	\$22.9
FY 2014 – FY 2018	\$38.4
FY 2013 – FY 2017	\$36.1
FY 2012 - FY 2016	\$28.2
FY 2011 – FY 2015	\$29.0

New Article: Eleanor Slater Hospital Reorganization

- FY 2011 - \$29.0 million
 - To downsize from 5 buildings to 3
- FY 2012 - \$28.2 million
 - Consolidation plan
- FY 2013 - \$36.1 million
 - New building & demolish Varley building
- FY 2014 - 38.4 million
 - New 81k sq. foot building with 150 beds

New Article: Eleanor Slater Hospital Reorganization

- FY 2015
 - Assembly approved \$22.9 million for new 94K sq. foot, 140-bed psychiatric hospital
 - Late in budget process, BHDDH change order increased costs to \$57.6 million
- FY 2016
 - BHDDH requested \$60.0 million
 - Governor did not recommend request pending study of needs of the hospital
 - Included only prior spending on the project

New Article: Eleanor Slater Hospital Reorganization

- FY 2017
 - BHDDH requested \$12.5 million
 - Gov./Final budget includes \$1.0 million for feasibility study
- FY 2018
 - Feasibility study not pursued
 - BHDDH requested \$21.0 million
 - Budget includes \$5.7 million for repairs to Regan and Benton facilities

New Article: Eleanor Slater Hospital Reorganization

Building	<u>Pre-Reorg:</u>		<u>Post-Reorg:</u>	
	Units	Patients	Units	Patients
Regan	2	46	4	83
Meyer	5	63	Facilities to be closed	
Pinel	1	20		
Benton	Training School		2	46
Zambarano	6	91	6	91
Total	14	220	12	220

Project Considerations

- Does the project need to be done
- Is the project ready to be done
 - When will it start
 - Is it well thought through and ready for funding/financing
 - When will it be complete

Funding Considerations

- Should a project be financed or pay-go
 - Rhode Island Capital Plan funds available as pay-go for all or part of project
 - More pay-go equals less future debt service

Other Requested Amendments

- Article 7: Vital Records
 - Requested on April 20
- New Article: Public Rail
 - Requested on April 10

Article 7 – Vital Records

- Authorizes chief of Office of Vital Records to assess surcharges
 - Certified copies of: birth, fetal death and marriage
 - Surcharges not to exceed:
 - \$5.00 for mail-in
 - \$3.00 for duplicate
 - \$2.00 for walk-in at municipal halls or Department of Health

Article 7 – Vital Records

Vital Records	Current Fees	Max. add-on
Certificate of: birth, fetal death, and marriage	\$20.00	\$5.00
Duplicate of certificate	\$15.00	\$3.00

- Surcharges estimated to generate \$0.6 million annually for IT Investment Fund
 - Reimburse costs for implementation of an Electronic Statewide Registration System
 - Then receipts go to general revenues

Article 7 – Vital Records

- Electronic Statewide Registration System
 - Estimated project costs \$1.7 million
- Current system is paper based
- Annual Records
 - 9,000 deaths
 - 750 fetal deaths
 - 5,500 induced terminations of pregnancy
 - 6,500 for marriage

New Article: RI Public Rail Corporation

- National Railroad Passenger Corp. (AMTRAK)
 - Requires state to fully indemnify it for use of its rights-of-way
- 2010 Assembly adopted resolution
 - Allowed DOT through Rail Corporation to obtain \$200 million liability insurance
 - For all commuter rail operations
 - State obtained self-insured retention policy of \$7.5 million

New Article: RI Public Rail Corporation

- Article increases liability insurance policy from \$200 million to \$295 million
 - Comply with federal requirements
- Clarifies deductible remains no more than \$7.5 million
- Amends 2010 resolution to remove geographic limitation
 - Essentially extends indemnification to include Pawtucket/Central Falls Train Station Project

Pawtucket/Central Falls Train Station

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

Governor's FY 2019 Budget: Capital

Staff Presentation to the House Finance Committee
May 23, 2018
