

Department of Transportation

Governor's FY 2019 Revised,
FY 2020 and Capital Budget Recommendations
House Finance Committee
April 9, 2019

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 - Repealed department divisions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

Transportation Improvement Program

- Federal law requires statewide transportation improvement plan covers a period of no less than 4 yrs.
 - Department's plan known as RhodeWorks covers a 10 yr. period
 - Changes are adopted
 - Appropriately coordinate, communities and constituents can have annual inputs
- Federal regulations require first 4 yrs. to be fiscally constrained
 - Projects in plan may not exceed anticipated funding

Transportation Improvement Program

- Most recent approved plan was adopted in December 2017
 - 10 amendments have been added
- In January 2019, Department requested major revisions
 - Classified as amendment #11
 - Significantly redistributed funding to projects
 - Cover increased construction costs
 - Aligned projects with resources
 - Amendment was rescinded

Transportation Improvement Program

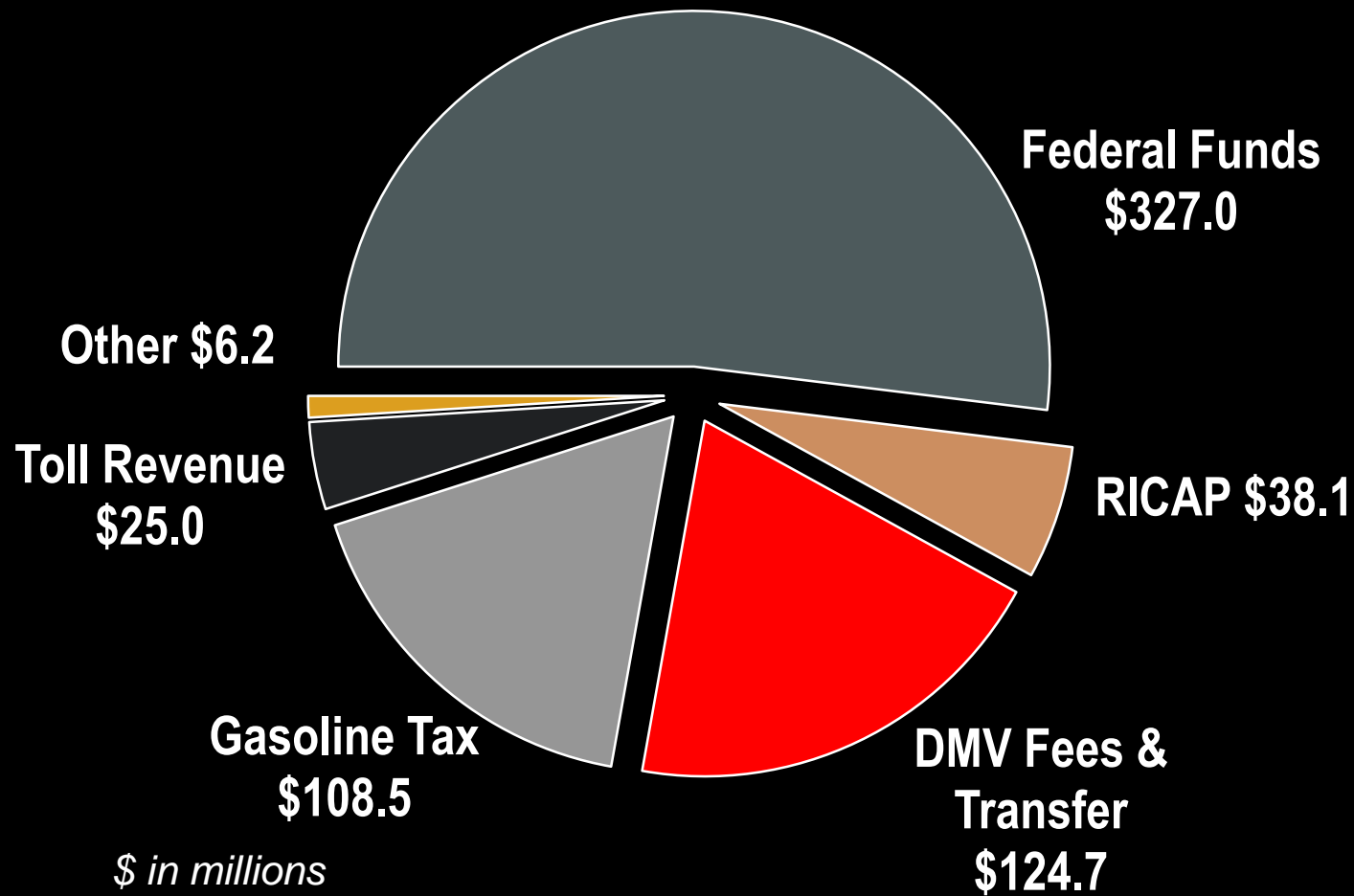
- Department was awarded a \$70.0 million federal grant
 - Funds are not included in the budget
- Federal regulation requires funds must be allocated to project(s) in Transportation Improvement Program
 - Department in process of formulating amendment to Statewide Planning Council
 - Public hearing process will be conducted

Summary by Fund

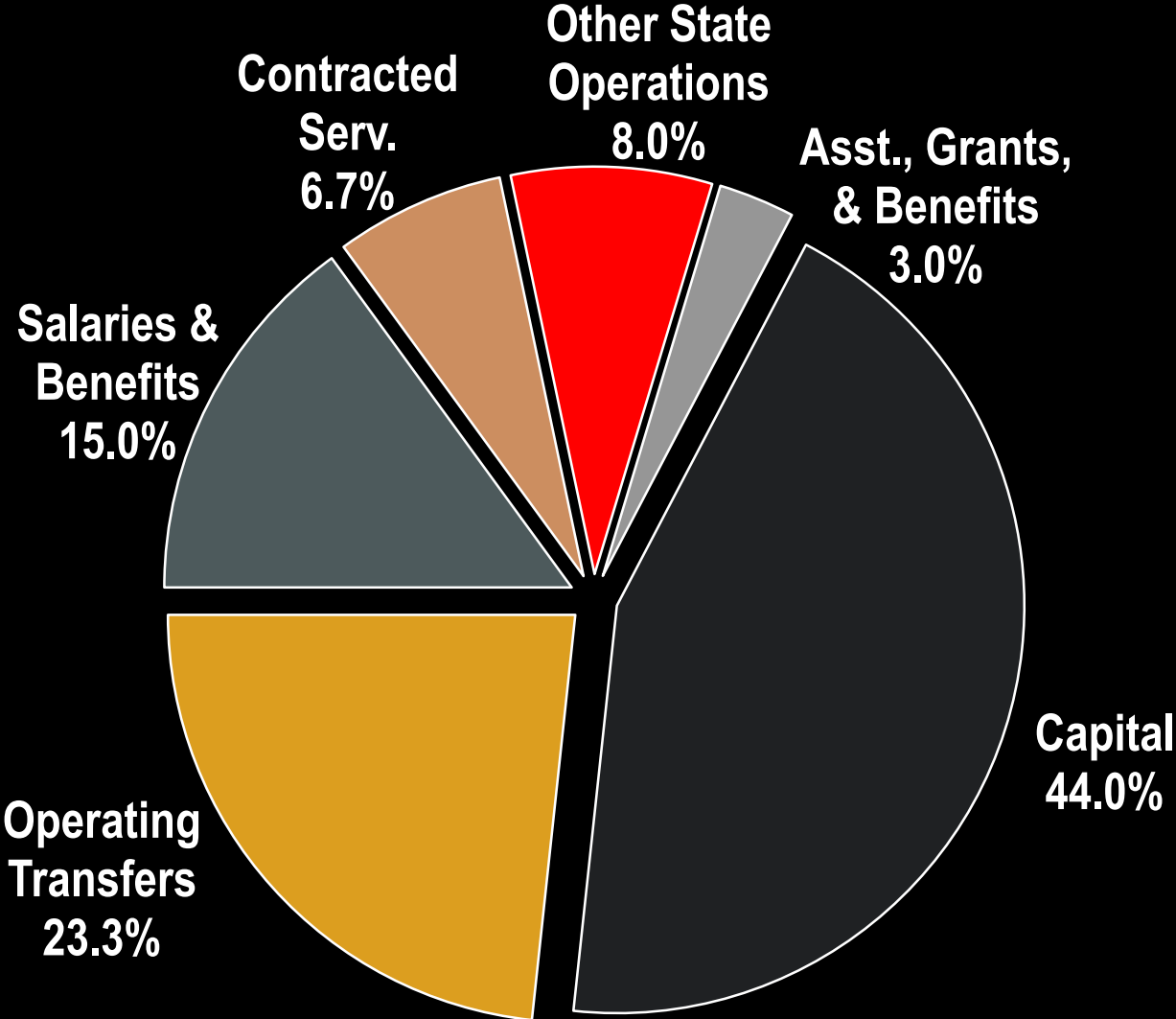
	FY 2019 Enacted	FY 2019 Gov. Rev.	Chng./ Enacted	FY 2020 Gov. Rec.	Chng./ Enacted
Federal Funds	\$299.5	\$324.5	\$25.0	\$327.0	\$27.5
Restricted Receipts	3.0	3.0	-	3.0	-
Other Funds	288.4	304.9	16.4	299.5	11.0
Total	\$591.0	\$632.4	\$41.4	\$629.5	\$38.5
FTE	755.0	755.0	-	785.0	30.0

\$ in millions

FY 2020 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 – Highway Maintenance Account

Hearing held on February 27

- Provides RI Public Transit Authority with \$5.0 million of HMA for FY 2020
 - Authority receives 5.0% of funds beginning in FY 2016
- Requires DOT to reimburse DMV for salary & benefit costs of employees involved in collection of fees going into account
 - FY 2020 budget assumes cost of \$4.5 million

Article 8 – Highway Maintenance Account

	2014 Assembly	2017 Assembly	2018 Assembly
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 – FY 18/19 only
 - Reinststate bus pass program & cover debt
 - Reporting requirement

Highway Maintenance Account

	FY 2016	FY 2017	FY 2018	FY 2019 Rev.	FY 2020 Rec.
Prior Year Receipts	\$3.6	\$30.4	\$66.0	\$73.7	\$40.0
New Receipts	57.2	71.8	77.7	97.0	97.0
Available	\$60.9	\$102.2	\$143.6	\$170.7	\$137.0
Expenditures*	\$30.4	\$36.2	\$69.9	\$130.7	\$129.2
Balance	\$30.4	\$66.0	\$73.7	\$40.0	\$7.8

\$ in millions

**FY 2020 recommendation includes \$4.5 million in Department of Revenue's budget*

Gasoline Tax Proceeds

- Gasoline Tax – FY 2020
 - Derived from 35.0 cents per gallon
 - Approximately \$159 million
 - Deposited into Intermodal Surface Transportation Fund
 - Small portion into the Underground Storage Tank Trust Fund
 - Distribution to transportation entities contained in statute are made

Article 8 – Gasoline Tax

- 2014 Assembly amended disposition of gasoline tax
 - Shifted 3.5 cents from DOT's share to Turnpike and Bridge Authority
 - Allowed Authority to continue operating Sakonnet River Bridge without toll
 - Indexed gasoline tax to CPI & dedicated future increases to DOT
 - Every other year, rounded to nearest cent
 - FY 2016 - first year increase
 - FY 2018 - adjustment not enough to increase tax

Article 8 – Gasoline Tax

- Governor dedicates half of projected cent increase to RIPTA
 - \$2.3 million based on est. yield per penny

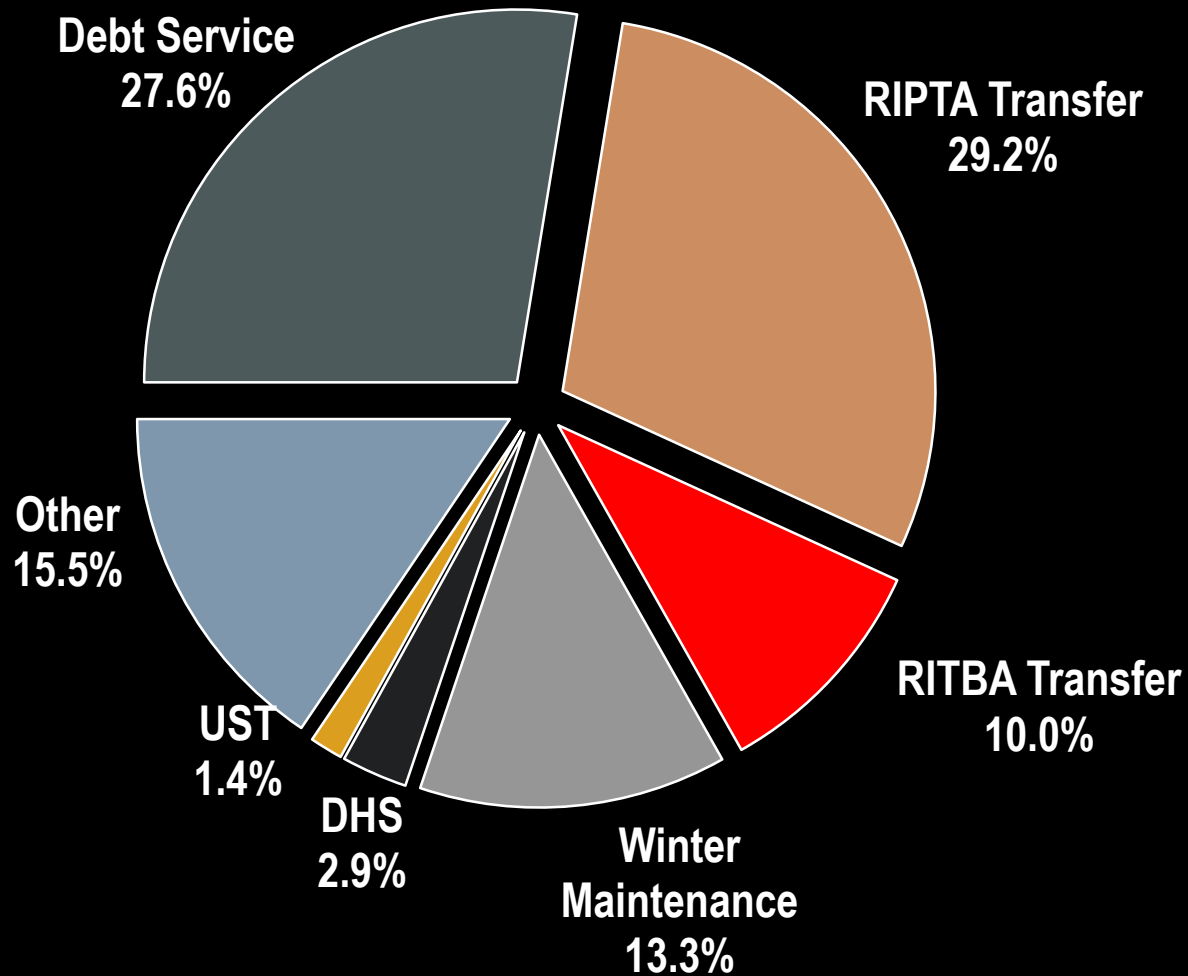
Disposition	FY 2018	FY 2019	Current Law	Art. 8	Chg.
DOT	19.25	19.25	20.25	19.75	(0.5)
RIPTA	9.75	9.75	9.75	10.25	0.5
Turnpike & Bridge	3.5	3.5	3.5	3.5	-
DHS	1.0	1.0	1.0	1.0	-
UST Fund	0.5	0.5	0.5	0.5	-
Total (in cents)	34.0	34.0	35.0	35.0	-

Gasoline Tax Proceeds

<i>Fiscal Year</i>	<i>Per Penny Yield*</i>	<i>RIPTA Share</i>	<i>Total Funding*</i>
2011	\$4.268	9.75	\$41.6
2012	\$4.206	9.75	\$41.0
2013	\$4.137	9.75	\$40.3
2014	\$4.236	9.75	\$41.3
2015	\$4.396	9.75	\$42.9
2016	\$4.479	9.75	\$43.7
2017	\$4.417	9.75	\$43.1
2018	\$4.493	9.75	\$43.8

*\$ in millions

FY 2020 Gas Tax Expenditures



Gasoline Tax – Regional (cents)

	Gas	Diesel
Rhode Island	34.0	34.0
Connecticut	43.5	43.9
Maine	30.0	31.2
Massachusetts	26.5	26.5
New Hampshire	23.8	23.8
Vermont	31.8	32.0
New England Average	31.6	31.9
U.S. Average	34.2	36.3

Source: American Petroleum Institute includes state surcharges as of October 1, 2018

Article 8 – Impact

	Current Law	Article 8	Diff.
Gasoline Tax			
DOT	\$91.9	\$89.7	(\$2.3)
RIPTA	\$44.3	\$46.5	\$2.3
HMA			
RIPTA	\$4.9	\$9.9	\$5.0
DMV - Staffing	-	4.5	4.5
Projects in Art. 1	-	0.5	0.5
DOT	92.2	82.1	(10.1)
Total HMA	\$97.0	\$97.0	-
DOT	\$184.1	\$171.7	(\$12.4)
RIPTA	\$49.1	\$56.4	\$7.3

\$ in millions

Recommended Changes

Changes to Enacted	FY 2019	FY 2020
Centralized Services	\$1.1	\$1.0
Salaries and Benefits	(0.9)	6.6
Pawtucket/Central Falls Train Station	6.5	6.5
Route 37 Corridor Project	5.0	15.0
Highway Improvement Projects	11.4	0.9
Winter Maintenance Operations	0.9	1.3
RI Public Transit Authority	2.7	2.8
RI Turnpike & Bridge Authority	1.0	0.2
Maintenance Operations	10.7	5.8
Other	2.8	(1.7)
Total Changes	\$41.4	\$38.5

\$ in millions

Centralized Services

- 2017 Assembly authorized establishment of internal service funds for centralized services
 - Information technology, capital asset management & maintenance, & human resources
- Costs previously budgeted in DOA
 - 2018 Assembly included costs in user agency budgets
 - Final FY 2018 & FY 2019 budget

Centralized Services

All Sources	FY 2019 Enacted	FY 2019 Revised	Chg. to Enacted	FY 2020	Chg. to Enacted
IT	\$3.1	\$3.2	\$0.1	\$3.0	\$-
HR	0.8	1.8	1.0	1.8	1.0
Facilities	0.5	0.5	-	0.5	-
Total	\$4.4	\$5.5	\$1.1	\$5.4	\$1.0

\$ in millions

- There appears to be some disconnect with amounts showing as spent and budget expectation

Staffing

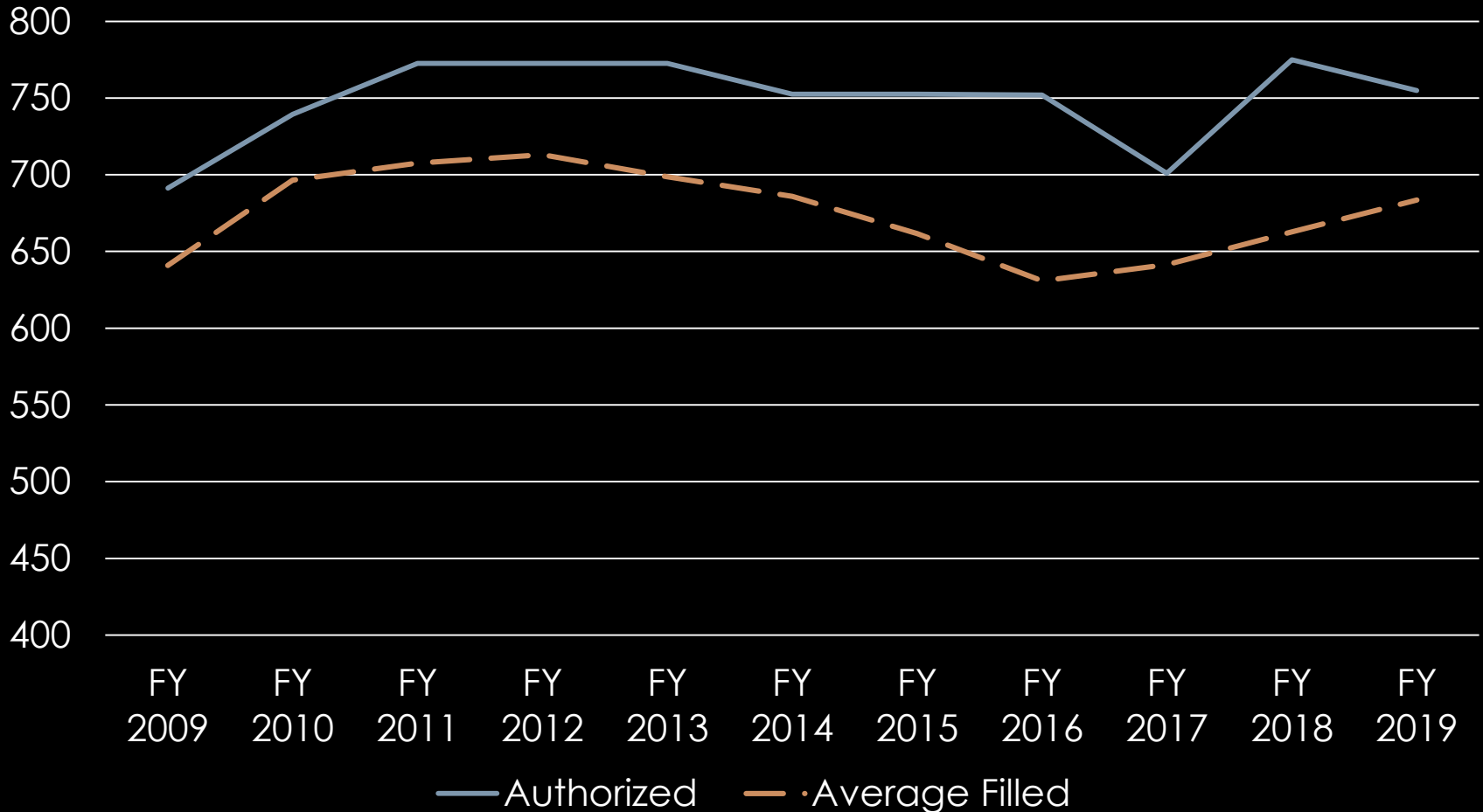
Full-Time Equivalent Positions

Full-Time Positions	FTE	Chng. to Enacted
Enacted Authorized	755.0	-
FY 2019 Gov. Rev.	755.0	-
FY 2020 Request	755.6	0.6
FY 2020 Governor	785.0	30.0
FY 2020 Funded FTE	747.2	(7.8)
Filled as of March 30	699.0	(56.0)
FY 2018 Average Filled	662.7	(92.3)

Staffing

FY 2020 Governor Recommendation		
	DOT	Statewide
Gross Salaries (in millions)	\$56.0	\$1,249.1
Turnover (in millions)	(2.7)	(42.9)
Turnover %	4.8%	3.4%
Turnover FTE	37.8	529.0
FY 2020 FTE recommended	785.0	15,413.1
Funded FTE	747.7	14,884.1
Filled as of March 30	699.0	14,131.4
Funded but not filled	48.2	752.8

Full-Time Equivalent Positions



Staffing

Fiscal Year	Enacted	Gov. Rev.	Final	Final Chng. to Gov.	Actual	Final Chng. to Actual
2019	\$87.6	\$86.7				
2018	\$86.9	\$88.3	\$79.8	\$(8.5)	\$69.8	\$10.0
2017	\$80.7	\$80.2	\$70.2	\$(10.0)	\$67.8	\$2.4
2016	\$74.9	\$75.7	\$75.7	\$-	\$64.1	\$11.6
2015	\$73.1	\$71.3	\$71.3	\$-	\$65.0	\$6.3

\$ in millions

Staffing Recommendation

- Governor recommends \$86.7 million in FY 2019 and \$94.2 million in FY 2020
 - FY 2019 revised is \$0.9 million less and FY 2020 recommendation is \$6.6 million more than enacted
- Governor recommends staffing of 755.0 for FY 2019 and 785.0 for FY 2020
 - FY 2019 revised is consistent with enacted
 - FY 2020 recommendation adds 30.0 new positions

Staffing Recommendation

Program Areas	Number of Positions	Costs
Construction & Project Managers	20.0	\$1,797,103
Maintenance	7.0	534,117
Other	3.0	273,443
Total	30.0	\$2,604,663

Overtime – Transportation

- Governor recommends \$7.8 million from gasoline tax for overtime
- 82% is for Maintenance Division
 - Includes overtime for winter maintenance operations
- Expenditures
 - \$5.8 million in FY 2018
 - \$4.4 million in FY 2017
 - \$4.0 million in FY 2016

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
 - No state support prior to this
- Primary source of revenue is tolls on Newport Bridge

RI Turnpike & Bridge Authority

- Receipts from 3.5 cents share of gasoline tax

Fiscal Year	Amount
2020 Gov. Rec.	\$15,890,235
2019 Revised	\$16,699,593
2018	\$15,726,416
2017	\$15,460,948
2016	\$16,677,148
2015	\$15,358,922

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
- GARVEE
 - \$300 million issuance occurred in Oct. 2016
- Recommendation includes debt service
 - \$57.5 million each for FY 2019 & FY 2020

Current Debt Payments

FY	2003 & 2016 GARVEE	Gas Tax	Total
2020	\$57.5	\$43.6	\$101.2
2021	\$57.5	\$50.8	\$108.3
2022	\$57.5	\$46.7	\$104.3
2023	\$57.5	\$45.9	\$103.4
2024	\$57.5	\$41.3	\$98.8
2025	\$42.5	\$37.7	\$80.2
2026	\$42.5	\$37.0	\$79.5
2027	\$42.5	\$33.7	\$76.2

FY	2003 & 2016 GARVEE	Gas Tax	Total
2028	\$42.5	\$22.8	\$65.3
2029	\$42.5	\$16.4	\$58.9
2030	\$42.5	\$16.4	\$58.9
2031	\$42.5	\$6.9	\$49.4
2032		\$6.9	\$6.9
2033		\$3.1	\$3.1
2034		\$1.6	\$1.6

\$ in millions

- Does not include proposed \$200M new GARVEE

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, 12 reports have been published
 - All on time
 - Next one is due April 30th

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 2018 Reported	Route 6/10 Interchange*	Total
Design contracts awarded	\$10.0	\$21.9	\$31.9
Design contracts completed	\$16.3	\$-	\$16.3
Construction contracts awarded	\$296.2	\$225.7	\$521.9
Expected final cost of construction contracts >\$500K	\$265.6	\$-	\$265.6
Total number of workers	1,064	408	1,472
Number of RI workers	723	246	969

\$ in millions

**Design/build project*

On-Time and On Budget Performance

Active Projects by FFY	Contract Value	Project Value % on Budget	Project Value % on Time	# of Projects	On Budget % by # of Projects	On Time % by # of Projects
2016	\$62.9	64%	40%	11	73%	73%
2017	525.3	100%	99%	30	100%	97%
2018	70.2	100%	100%	30	100%	100%
Total	\$658.2			71		

\$ In millions

- Does not reflect projects that have not been awarded
 - Notice to proceed is required for projects to be considered “active”

Maintenance

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

Maintenance

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

Federal Fiscal Year	FHWA Number of Bridges	Structurally Deficient	Percent Structurally Deficient
2018	780	180	23.1%
2017	778	181	23.3%
2016	772	192	24.9%
2015	766	178	23.2%

Winter Maintenance Operations

	FY 2019 Enacted	FY 2019 Revised	Chng.	FY 2020 Gov. Rec.	Chng.
Materials	\$7.2	\$8.1	\$0.9	\$8.1	\$0.9
Vendors	7.6	7.6	-	7.9	0.3
Repairs	1.8	1.8	-	1.9	0.1
All Other	0.5	0.4	-	0.5	-
Total	\$17.1	\$18.0	\$0.9	\$18.4	\$1.3

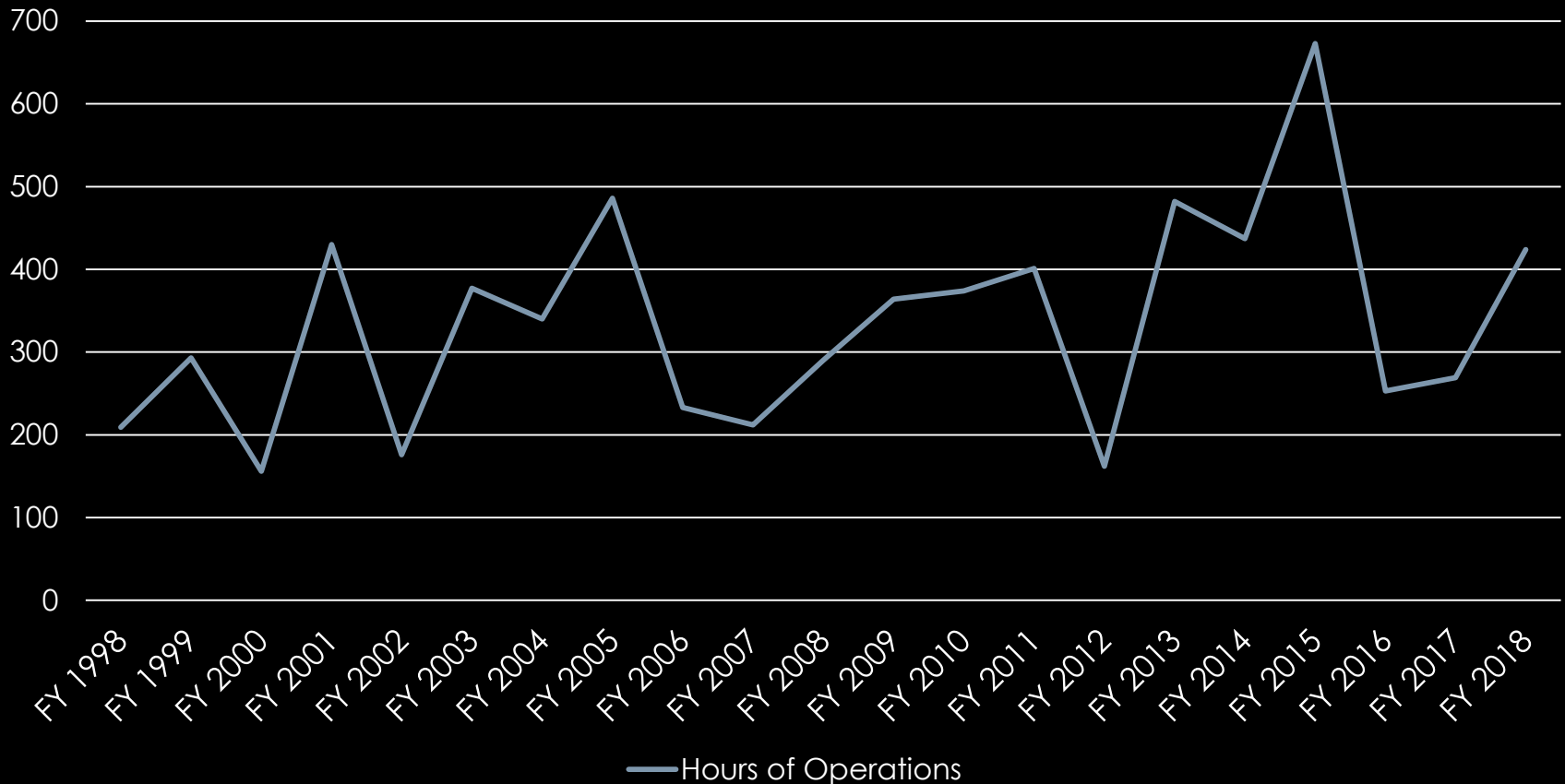
\$ in millions

Excludes salary and benefit costs

- Year to date expenses total \$11.1 million
 - April 8, 2019

Winter Maintenance Operations

Hours of Operations



Highway Drainage Systems

- Responsible for stormwater catch basins and other connected structures
 - Hired 3 consultants to get a sense of what basin systems needs are
 - Previously assumed 25,000 drainage and structure
 - Report completed identified 34,000
 - RI DOT crew inspected and cleaned 6,825
 - Purchased catch basin cleaning trucks in FY 2017 and FY 2016
- Previously reported inspecting/cleaning 10% annually
 - FFY 2018; reported 27%

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

- \$5,807.1 million total project costs
- \$2,566.6 million for FY 2020 – FY 2024
- Includes projects in the Transportation Improvement Program
 - Highway Improvement Program
 - Mass Transit Hub Infrastructure
 - Pawtucket/Central Falls Train Station
 - Maintenance Facilities
 - Salt Storage

Capital Recommendation

Projects	5 Yr. Total	Project Total
Bike Facilities Maintenance	\$4.0	\$4.0
Capital Equipment Replacement	35.3	61.7
Highway Improvement Program	2,460.0	5,546.2
Pawtucket/Central Falls Train Station	26.0	38.3
Commuter Rail	12.6	91.8
Mass Transit Hub	15.5	35.0
Salt Storage & Maintenance Fac.	11.1	25.8
IT Investment Strategy	2.1	4.3
Total	\$2,566.6	\$5,807.1

\$ in millions

Bike Facilities Maintenance

- Governor recommends \$4.0 million
 - \$2.0 million each from gasoline tax and highway maintenance funds
 - Repave bike paths throughout state
 - Constructed more than 20 years
 - DEM maintains bike paths & performs minor repairs
 - Larger scale improvements
 - Repaving are responsibilities of DOT

Pawtucket/Central Falls Train Station

- Recommends \$38.3 million including from \$33.9 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

Pawtucket/Central Falls Train Station

- Contract for design/building has been awarded
- Department anticipates construction starting summer 2019
 - Has obtain all but one permit
- Project completion
 - Bus Hub – December 31, 2020
 - Train Station – July 1, 2022

Route 37 Corridor Project

- Rehabilitate Route 37
 - Replacement and/or rehab. 15 bridges and culverts
 - Improvements to Pontiac Avenue westbound exit ramp
- In August 2018, awarded \$20.0 million federal grant
- Governor recommends \$5.0 million for FY 2019 and \$15.0 million for FY 2020

Mass Transit Hub

- Governor recommends \$35.0 million in total project costs
 - 2014 voters approved \$35.0 million
 - \$1.2 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
- Currently in procurement process

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

Mass Transit Hub

Project Update

- August 2018
 - Predevelopment agreement by end of 2018
 - Design work to begin January 2019
 - Construction would start in fall 2019
- March 2019
 - In procurement process

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
 - Temporary bypass completed in Nov. 2018
 - Partial demolition of Hartford Avenue & Plainfield Street bridges
 - Huntington Viaduct began

Route 95 North Viaduct

- Rebuilding interchange and replace 4 of 5 bridges
 - Structurally deficient
- Estimated project cost \$250 million
 - Approved Transportation Improvement Program includes \$120 million from federal funds
- Department requests \$130 million from RI Capital Plan funds
- Governor's plan includes only \$120.0 million

2019-H 5883

- Joint resolution pursuant to Public Debt Management Act – No hearing yet
 - Authorizing issuance of \$200 million through Grant Anticipation Revenue Vehicle (GARVEE) to fund Route 95 North Viaduct
 - Backed by future federal funds increases
 - Annual debt service would be \$16.9 million
 - Not to exceed 15 years
- Third time state would issue GARVEE
 - 2003 – \$710 million for 5 major projects
 - 2016 – \$300 million for bridge replacement

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