Staff Presentation to the House Finance Committee
May 7, 2015

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 systems
Department of Transportation

- Approximately 1,100 road miles
  ≈ Approximately 3,300 lane miles
- 877 state owned bridges
  ≈ 172 structurally deficient – 20%
  ≈ 162 functionally obsolete – 21%
  ≈ 52 posted (weight restricted) – 6%
  ≈ 2 closed – 0.3%

2014 Assembly Changes

- Article 21 2014-H 7133
  ≈ Transfers new revenue sources
  ≈ DMV fees deposited as general revenues
  ≈ Into the Highway Maintenance account for DOT operations
2014 Assembly Changes

- Increase inspection fee from $39 to $55
- $25 surcharge for good driving dismissal
  - Provided to DOT in FY 2015

2014 Assembly Changes

- Establishes a schedule to transfer transportation related fees from DMV to DOT
  - Deposited as general revenues
  - Worth $52.8 million
**Article 21 – Transportation**

- Current law; 25% transferred in FY 2016, 75% in FY 2017, all fees transferred in FY 2018

<table>
<thead>
<tr>
<th></th>
<th>FY 2016 (25%)</th>
<th>FY 2017 (75%)</th>
<th>FY 2018 (100%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$13.2</td>
<td>$39.6</td>
<td>$52.8</td>
</tr>
</tbody>
</table>

(in millions)

---

**Article 21 – Transportation**

- Heard on March 31
- Delays the transfer of fees collected by DMV to DOT
- Transportation Related fees
  - Worth $52.8 million
  - Titles, inspections, registrations
- Phased in transfer enacted by 2014 Assembly
**Article 21 – Transportation**

- FY 2016 transfer would be eliminated
- Remaining transfers made pursuant to current law
- Budget assumes use of $13.2 million as general revenues in FY 2016
- Lost fees offset by $20 million from Rhode Island Capital Plan funds

**Article 21 – Transportation**

- Fees were to be used for operations
- Currently, RICAP and surcharges enacted by 2012 Assembly used for state match
- RICAP cannot be used for operating
- RICAP is limited; approx. $150 million
  - Enacted: 25% of all RICAP
  - Recommended: 35% of all RICAP
### DOT Operating Sources

<table>
<thead>
<tr>
<th>Source</th>
<th>Current Plan</th>
<th>Governor FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gasoline Tax*</td>
<td>$27.7</td>
<td>$27.7</td>
</tr>
<tr>
<td>Emission Inspections</td>
<td>$11.8</td>
<td>$11.8</td>
</tr>
<tr>
<td>Rental Car Surcharge</td>
<td>$3.0</td>
<td>$3.0</td>
</tr>
<tr>
<td>Good Driving Dismissal</td>
<td>$0.4</td>
<td>$0.4</td>
</tr>
<tr>
<td>Surcharges (2012)</td>
<td>-</td>
<td>$16.8</td>
</tr>
<tr>
<td>DMV Fees (2014)</td>
<td>$13.2</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total (In millions)</strong></td>
<td><strong>$56.1</strong></td>
<td><strong>$59.7</strong></td>
</tr>
</tbody>
</table>

*Excludes debt service and transfers

### 2014 Assembly Changes

- Indexes gasoline tax
  - Consumer Price Index
  - Every other year
  - Rounded to the nearest cent
2014 Assembly Changes

- Transferred 3.5 cents of gasoline tax to the Turnpike and Bridge Authority
  - Used in lieu of tolls
  - For operations and maintenance of the bridges under the Authority’s purview

2014 Assembly Changes

- Transfers 5.0 percent of funding from Highway Maintenance Account to RIPTA
  - Support operations beginning in FY 2016
  - Initially projected to be approximately $2.7 million
  - Grow with increasing amounts of revenue in fund
**Article 21 – Transportation**

- Removal of $13.2 million results in loss of $0.6 million for RIPTA
- FY 2016 deficit projected at $5.0 million
  - Includes $1.7 million debt service paid from general revenues

**Federal Highway Projects**

- Construction and repair for highways, roads and bridges
- Safety improvements
- Resurfacing
- Drainage and lighting improvements
**Fund Sources**

- Federal Highway Administration Funds
  - Before 2012 - $40.0 million of G.O. bonds as 20% state match for approximately $200 million annually
  - Generated through $80.0 million bond referenda during election years
  - No referenda on 2014 ballot for match
  - Part of pay-go initiative

**FHWA Source**

- 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
  - MAP – 21
  - Was set to expire in September 2014
  - Short term fix in July 2014
FHWA Source

- Funded states at the enacted level
- Current authorization expires May 31
- Without Congressional action federal program will be reduced
- Contract authority decreased
  - $70.6 million in FY 2015
  - $61.0 million in FY 2016

Fund Sources

- Other Federal Funds
  - Approximately $95 million in FY 2016
  - Grant funding from National Highway Transportation Safety Administration
  - Federal Transit Authority
Fund Sources

- Land Sale Revenue
- FY 2016 - $1.5 million
  - Derived from the sale of department land
  - Funds used for equipment and other purchases for new materials testing lab

Fund Sources

- I-195 Land Sale Revenue
- FY 2016 - $9.3 million
  - Derived from the sale of parcels made available from relocation of I-195
  - I-195 Commission purchased parcels
  - DOT uses revenue for project costs
  - Parcels sold and developed according to plans developed by the Commission
Fund Sources

- Gasoline Tax – FY 2016
  - Derived from 34.0 cents per gallon
  - Approximately $145 million
  - Deposited into Intermodal Surface Transportation Fund
  - Distribution to transportation entities contained in statute

Gasoline Tax Proceeds (Cents)

<table>
<thead>
<tr>
<th>Entity</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Transportation</td>
<td>19.25</td>
</tr>
<tr>
<td>Public Transit Authority</td>
<td>9.75</td>
</tr>
<tr>
<td>Turnpike &amp; Bridge Authority</td>
<td>3.5</td>
</tr>
<tr>
<td>Elderly Transportation - DHS</td>
<td>1.0</td>
</tr>
<tr>
<td>Environmental Protection Fee</td>
<td>0.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>34.0</strong></td>
</tr>
</tbody>
</table>
Gasoline Tax

- Gas tax revenue is a declining source
- Restricted due to availability
  - Increasing debt service costs due to reliance on bonding for match
  - Less available for operations
  - Impact on personnel
  - Impact on assets
    - Litter removal, grass mowing, highway lighting

Gasoline Tax

- Gasoline tax is assessed at both the federal and state level
- Levied on a per gallon basis
- Yields have decreased in the past decade
  - Economic downturn
  - High unemployment
  - Lower consumption
### Gasoline Tax Buying Power

<table>
<thead>
<tr>
<th>FY</th>
<th>Per Penny</th>
<th>Change</th>
<th>% Change</th>
<th>CPI</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>$4,834,986</td>
<td>$ -</td>
<td>-</td>
<td>3.0%</td>
</tr>
<tr>
<td>2006</td>
<td>4,805,619</td>
<td>(29,367)</td>
<td>(0.6%)</td>
<td>3.8%</td>
</tr>
<tr>
<td>2007</td>
<td>4,707,603</td>
<td>(98,016)</td>
<td>(2.0%)</td>
<td>2.6%</td>
</tr>
<tr>
<td>2008</td>
<td>4,513,744</td>
<td>(193,859)</td>
<td>(4.0%)</td>
<td>3.7%</td>
</tr>
<tr>
<td>2009</td>
<td>4,327,710</td>
<td>(186,034)</td>
<td>(3.8%)</td>
<td>1.4%</td>
</tr>
<tr>
<td>2010</td>
<td>4,289,568</td>
<td>(38,142)</td>
<td>(0.8%)</td>
<td>1.0%</td>
</tr>
<tr>
<td>2011</td>
<td>4,210,324</td>
<td>(79,244)</td>
<td>(1.6%)</td>
<td>2.0%</td>
</tr>
<tr>
<td>2012</td>
<td>4,205,959</td>
<td>(4,365)</td>
<td>(0.1%)</td>
<td>2.9%</td>
</tr>
<tr>
<td>2013</td>
<td>4,137,712</td>
<td>(68,247)</td>
<td>(1.4%)</td>
<td>1.8%</td>
</tr>
<tr>
<td>2014</td>
<td>4,168,974</td>
<td>32,162</td>
<td>0.7%</td>
<td>1.9%</td>
</tr>
</tbody>
</table>

**10 Year Change**  $(665,112)  (14.4%)  24.1%

### Regional Gasoline Taxes

<table>
<thead>
<tr>
<th>State</th>
<th>Gas Tax (Cents)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Connecticut</td>
<td>49.3</td>
</tr>
<tr>
<td><strong>Rhode Island</strong></td>
<td><strong>34.0</strong></td>
</tr>
<tr>
<td>Vermont</td>
<td>32.2</td>
</tr>
<tr>
<td>New England Average</td>
<td>32.0</td>
</tr>
<tr>
<td>Maine</td>
<td>31.5</td>
</tr>
<tr>
<td>National Average</td>
<td>31.1</td>
</tr>
<tr>
<td>Northeast Average</td>
<td>30.9</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>26.5</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>19.6</td>
</tr>
</tbody>
</table>
**Gasoline Tax Proceeds**

- Reasons for decline are mix of positive and negative
  - More fuel efficient vehicles
  - Higher use of public transportation
  - Tax is linked to consumption, not price
    - Affected by economic activity
  - Higher the price, lower the consumption
  - Overall – a declining revenue source

**Gasoline Tax Expenditures**

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

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Cost (Millions)</th>
<th>Hours of Operation</th>
<th>Cost per Hour</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$18.8</td>
<td>401</td>
<td>$46,883</td>
</tr>
<tr>
<td>2012</td>
<td>8.0</td>
<td>162</td>
<td>49,382</td>
</tr>
<tr>
<td>2013</td>
<td>13.7</td>
<td>482</td>
<td>28,446</td>
</tr>
<tr>
<td>2014</td>
<td>14.4</td>
<td>437</td>
<td>33,002</td>
</tr>
<tr>
<td>2015 Spent</td>
<td>24.3</td>
<td>673</td>
<td>36,056</td>
</tr>
<tr>
<td><strong>5-year Avg.</strong></td>
<td><strong>$15.8</strong></td>
<td><strong>431</strong></td>
<td><strong>$38,754</strong></td>
</tr>
</tbody>
</table>

### Debt Service

- **General Obligation Bond Debt Service**
  - FY 2015 - $46.2 million
  - FY 2016 - $46.0 million

- **GARVEE Bond Debt Service**
  - Around $50 million per year from federal funds
  - Two cents of DOT’s share of gasoline tax
    - FY 2015 - $8.6 million
    - FY 2016 - $8.5 million
Gasoline Tax Proceeds

- Total of $143.2 million for all of transportation in FY 2016
  - DOT - $82.3 million
  - RIPTA - $41.7 million
  - Turnpike & Bridge - $15.0 million
  - Elderly Transportation - $4.3 million

FY 2015 Revised Recommendation

<table>
<thead>
<tr>
<th>(In millions)</th>
<th>Enacted</th>
<th>Governor</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Funds</td>
<td>$352.1</td>
<td>$271.0</td>
<td>($81.1)</td>
</tr>
<tr>
<td>Gas Tax</td>
<td>132.1</td>
<td>132.1</td>
<td>-</td>
</tr>
<tr>
<td>Res. Receipts</td>
<td>12.4</td>
<td>1.0</td>
<td>(11.4)</td>
</tr>
<tr>
<td>Other</td>
<td>28.6</td>
<td>43.8</td>
<td>15.2</td>
</tr>
<tr>
<td>Total</td>
<td>$525.1</td>
<td>$447.9</td>
<td>($77.2)</td>
</tr>
</tbody>
</table>
FY 2015 Revised Recommendation

- 752.6 full-time equivalent positions
  - Consistent with enacted
  - 667.8 average filled
  - Steadily declined since July
- 651.0 filled
  - As of April 4th
  - 101.6 less than enacted
  - 13.5% unfilled

FY 2015 Revised Recommendation

- Salaries and Benefits - $1.8 million less
  - Funds $2.1 million COLA
  - Includes $0.6 million of medical savings
  - Increases turnover
- FHWA Projects - $70.6 million less
  - Reflects revised award and expenditures
  - Ongoing projects
FY 2015 Revised Recommendation

- NHTSA grants - $1.8 million less
  - DUI enforcement, seatbelt usage and speeding
- Commuter Rail - $3.1 million less
  - Revised expenditures from Federal Transit Administration
  - Used for development of South County Commuter Rail project

Winter Maintenance – FY 2015

<table>
<thead>
<tr>
<th>Category</th>
<th>Enacted</th>
<th>Governor</th>
<th>Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Materials</td>
<td>$6.0</td>
<td>$9.0</td>
<td>$11.1</td>
</tr>
<tr>
<td>Vendors</td>
<td>4.5</td>
<td>5.7</td>
<td>8.5</td>
</tr>
<tr>
<td>Personnel</td>
<td>1.0</td>
<td>1.7</td>
<td>2.6</td>
</tr>
<tr>
<td>Repairs</td>
<td>2.2</td>
<td>2.2</td>
<td>1.8</td>
</tr>
<tr>
<td>All Other</td>
<td>0.6</td>
<td>0.5</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$14.3</strong></td>
<td><strong>$19.1</strong></td>
<td><strong>$24.3</strong></td>
</tr>
</tbody>
</table>

In Millions
FY 2015 Winter Maintenance - $24.3 M

- Materials - $11.1 million
  - Salt, sand and liquid de-icers
- Contracting - $8.5 million
  - Approximately 300 contracted plows
- Personnel - $2.6 million
  - Maintenance division overtime
- Repairs & Other - $2.1 million
  - Equipment repairs and fuel

FY 2016 Recommendation

- Governor recommends $458.9 million
  - $66.3 million less than enacted
    - $88.5 million less from federal funds
    - $11.4 million less from restricted receipts
    - $33.6 million more from other sources
**FY 2016 Changes to Enacted**

<table>
<thead>
<tr>
<th>FY 2015 Enacted</th>
<th>$525.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Highway Projects</td>
<td>(83.3)</td>
</tr>
<tr>
<td>Salaries and Benefits</td>
<td>1.8</td>
</tr>
<tr>
<td>Maintenance Operations</td>
<td>6.6</td>
</tr>
<tr>
<td>Commuter Rail</td>
<td>3.8</td>
</tr>
<tr>
<td>Interstate 195 Relocation</td>
<td>(8.6)</td>
</tr>
<tr>
<td>Highway Drainage</td>
<td>3.7</td>
</tr>
<tr>
<td>All Other Changes</td>
<td>9.8</td>
</tr>
<tr>
<td><strong>Total Changes</strong></td>
<td>(66.2)</td>
</tr>
</tbody>
</table>

**FY 2016 Governor** $458.9

*In millions*

**FY 2016 Recommendation**

- FHWA projects - $130.2 million
  - $83.3 million less than enacted
  - Revised award and planned expenditures
  - Consistent with Transportation Improvement Program
  - Assumes no significant federal changes to state funding
FY 2016 Recommendation

- Salaries and Benefits - $74.8 million
  - $1.8 million more than enacted
  - Funds $3.6 million for COLA

- Filled positions
  - FY 2012 average filled - 713.2
  - FY 2013 average filled - 698.6
  - FY 2014 average filled - 686.0
  - FY 2015 average filled - 667.8
  - Current Filled - 651.0

FY 2016 Recommendation

- Maintenance Operations - $13.5 million
  - $6.6 million more than enacted
  - Increases expenses to historical levels
    - Removal of litter, trash, sand and graffiti
    - Landscaping
    - Smaller scale repairs and resurfacing
FY 2016 Recommendation

- Commuter Rail - $23.8 million
  - $3.8 million more than enacted
  - Revised award from Federal Transit Administration
  - Used for development of South County Commuter Rail project
  - Other track improvements
  - Potential future stops

FY 2016 Recommendation

- Interstate 195 Relocation Land Sale
  - $10.7 million, $8.6 million less than enacted
  - Freed up parcels of land purchased by EDC through bond issuance - $42 million
  - Proceeds used for project costs
  - Reflects projected use of proceeds for project costs
  - I-195 Commission in charge of future sales
FY 2016 Recommendation

- Highway Drainage
  - $3.7 million of new funding
  - Department must annually inspect and clean as required the state’s 25,000 catch basins
  - Pursuant to the state’s stormwater permit
  - Department of Justice has cited the state for being out of compliance with the permit

FY 2016 Recommendation

- Funding derived from a dedicated portion of the Highway Maintenance Account
- Identified in the FY 2016 recommendation
- Ongoing dedication is not specified
  - Tied to amount in fund
  - Flat level
- Possible impacts of non-compliance
  - Currently unclear
FY 2016 Recommendation

● All Other Changes
  ◆ $9.8 million more than enacted
  ◆ Reflects revisions to capital plan
  ◆ Increase to GARVEE bond debt service
  ◆ Vehicle and winter maintenance
  ◆ Adjustments to transfers to RIPTA and Turnpike & Bridge

Capital Development Plan

● $3,484.9 million total project costs
● $1,474.1 million for FY 2016 - FY 2020
● Includes projects in the Highway Improvement Program
  ◆ Large scale projects
  ◆ Apponaug circulator
  ◆ Providence viaduct
Capital Development Plan

- Department asset protection projects
  - Maintenance facilities
  - Salt storage
- Two new projects
  - Warren Yard Replacement
  - Highway Drainage Preservation

Capital Development Plan – (In millions)

<table>
<thead>
<tr>
<th>Project</th>
<th>Status</th>
<th>Cost</th>
<th>Financing</th>
<th>End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drainage Preservation</td>
<td>New</td>
<td>$9.5</td>
<td>DMV Fees</td>
<td>Perpetual</td>
</tr>
<tr>
<td>Warren Yard Replacement</td>
<td>New</td>
<td>$0.8</td>
<td>RICF</td>
<td>FY 2019</td>
</tr>
<tr>
<td>Portsmouth Facility</td>
<td>Revised</td>
<td>$5.3</td>
<td>GO Bonds, RICF</td>
<td>FY 2017</td>
</tr>
<tr>
<td>Equipment Replacement</td>
<td>Revised</td>
<td>$31.4</td>
<td>RICF, Gas Tax, State Fleet</td>
<td>Perpetual</td>
</tr>
</tbody>
</table>
## Capital Development Plan – (In millions)

<table>
<thead>
<tr>
<th>Project</th>
<th>Status</th>
<th>Cost</th>
<th>Financing</th>
<th>End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cooperative Maint. Facility</td>
<td>Revised</td>
<td>$5.0</td>
<td>RICF</td>
<td>FY 2018</td>
</tr>
<tr>
<td>Maint. Fac. Asset Protec.</td>
<td>Revised</td>
<td>$4.4</td>
<td>RICF, GO Bonds</td>
<td>Perpetual</td>
</tr>
<tr>
<td>Train Station Repairs</td>
<td>Revised</td>
<td>$2.0</td>
<td>RICF</td>
<td>Perpetual</td>
</tr>
<tr>
<td>Providence Station</td>
<td>Ongoing</td>
<td>$35.9</td>
<td>GO Bonds, FHWA</td>
<td>FY 2019</td>
</tr>
</tbody>
</table>

## Capital Development Plan – (In millions)

<table>
<thead>
<tr>
<th>Project</th>
<th>Status</th>
<th>Cost</th>
<th>Financing</th>
<th>End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highway Imp. Program</td>
<td>Ongoing</td>
<td>$3,484.9</td>
<td>MV surchgs. FHWA, RICF</td>
<td>Perpetual</td>
</tr>
<tr>
<td>Commuter Rail</td>
<td>Ongoing</td>
<td>$171.5</td>
<td>MBTA, FTA GO Bonds</td>
<td>Perpetual</td>
</tr>
<tr>
<td>East Providence</td>
<td>Ongoing</td>
<td>$4.9</td>
<td>GO Bonds, RICF</td>
<td>FY 2015</td>
</tr>
</tbody>
</table>
### Capital Development Plan – (In millions)

<table>
<thead>
<tr>
<th>Project</th>
<th>Status</th>
<th>Cost</th>
<th>Financing</th>
<th>End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salt Storage Facilities</td>
<td>Ongoing</td>
<td>$13.6</td>
<td>GO Bonds, RICF</td>
<td>FY 2020</td>
</tr>
<tr>
<td>Pawtucket-CF Train Study</td>
<td>Ongoing</td>
<td>$3.1</td>
<td>RICF, FTA Local</td>
<td>FY 2016</td>
</tr>
</tbody>
</table>

### Department of Transportation
**Governor's FY 2015 and FY 2016 Recommendations**

Staff Presentation to the House Finance Committee
May 7, 2015
Organization and Structure

- Quasi-public agency
- Established in 1964
- Responsible for fixed-route bus service and Americans with Disabilities Act paratransit service operations
- Governed by an 8 member Board of Directors
Organization and Structure

- **Service**
  - 1,436 square miles
  - 3,000 daily trips
  - Routes range from 2.5 miles to 45.5 miles
  - 54 fixed routes statewide

- **Fares**
  - One-way: $2.00
  - Monthly pass: $62.00

Organization and Structure

- **Budgeted for 817.0 positions**
  - Currently 802.0 filled

- **31 non-union; Union members belong to:**
  - 618 - Bus Operators/Maintenance
  - 618 A - Street & Shop Supervisors
  - 808 - Administrative

- **Fleet of 235 fixed-route buses**
- **135 paratransit vans**
  - Includes RIde and ADA trips
**Ridership - Passengers**

- FY 2010: 18.0 million
- FY 2011: 18.2 million
- FY 2012: 20.1 million
- FY 2013: 20.0 million
- FY 2014: 20.5 million
  - Totals includes 0.6 to 0.7 million passengers annually on RIder paratransit vehicles

**Background**

- Governor recommended and Assembly approved debt service payments be funded with general revenues for 3 years
  - FY 2013 - $1.6 million
  - FY 2014 - $1.7 million
  - FY 2015 - $1.8 million
- Governor’s FY 2016 budget includes
  - FY 2016 - $1.7 million
**Background**

- Recently finished a complete operational analysis
  - Routes
  - Number of stops
  - Frequency of stops
  - Across-the-board savings initiatives
  - Overall efficiencies

**Results**

- New routes
- Express routes
- Scheduling improvements
- Route realignments
- Frequency of routes
FY 2016 Revenue Sources

- Gasoline Tax
  - $41.7 million
  - Based on a per penny yield of $4.3 million
  - 9.75 cent share
  - Approximately 40% of all revenue sources
  - Based on Department of Revenue estimate included in Transportation budget

Gasoline Tax Proceeds (Cents)

<table>
<thead>
<tr>
<th>Entity</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Transportation</td>
<td>19.25</td>
</tr>
<tr>
<td>Public Transit Authority</td>
<td>9.75</td>
</tr>
<tr>
<td>Turnpike &amp; Bridge Authority</td>
<td>3.5</td>
</tr>
<tr>
<td>Elderly Transportation - DHS</td>
<td>1.0</td>
</tr>
<tr>
<td>Environmental Protection Fee</td>
<td>0.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>34.0</strong></td>
</tr>
</tbody>
</table>
# Gasoline Tax Proceeds

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Per Penny Yield*</th>
<th>RIPTA Share</th>
<th>Total Funding*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$4.513</td>
<td>7.25</td>
<td>$32.7</td>
</tr>
<tr>
<td>2009</td>
<td>$4.327</td>
<td>7.75</td>
<td>$42.2</td>
</tr>
<tr>
<td>2010</td>
<td>$4.185</td>
<td>9.75</td>
<td>$40.8</td>
</tr>
<tr>
<td>2011</td>
<td>$4.268</td>
<td>9.75</td>
<td>$41.6</td>
</tr>
<tr>
<td>2012</td>
<td>$4.206</td>
<td>9.75</td>
<td>$41.0</td>
</tr>
<tr>
<td>2013</td>
<td>$4.137</td>
<td>9.75</td>
<td>$40.3</td>
</tr>
<tr>
<td>2014</td>
<td>$4.169</td>
<td>9.75</td>
<td>$40.6</td>
</tr>
</tbody>
</table>

*In millions

---

# FY 2016 Revenue Sources

<table>
<thead>
<tr>
<th>Fund Source</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gasoline Tax</td>
<td>$41.7</td>
</tr>
<tr>
<td>Federal Funds</td>
<td>20.4</td>
</tr>
<tr>
<td>Passenger Revenue</td>
<td>19.4</td>
</tr>
<tr>
<td>Paratransit Reimbursement</td>
<td>12.1</td>
</tr>
<tr>
<td>Highway Maintenance Account</td>
<td>2.7</td>
</tr>
<tr>
<td>Other Sources</td>
<td>1.8</td>
</tr>
<tr>
<td><strong>Total Sources</strong></td>
<td><strong>$98.1</strong></td>
</tr>
</tbody>
</table>

(In millions)
FY 2016 Revenue Sources

- Gasoline Tax: 42%
- Federal Funds: 21%
- Passenger Revenue: 20%
- Paratransit: 13%
- Highway Acct.: 3%
- Other: 2%

FY 2016 Passenger Revenue

<table>
<thead>
<tr>
<th>Source</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farebox</td>
<td>$6.2</td>
</tr>
<tr>
<td>R1te Care</td>
<td>1.9</td>
</tr>
<tr>
<td>RIPTIKS/15 Ride pass/Upass</td>
<td>4.2</td>
</tr>
<tr>
<td>Monthly Passes</td>
<td>4.6</td>
</tr>
<tr>
<td>Senior Rides</td>
<td>2.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$19.4</strong></td>
</tr>
</tbody>
</table>

(In millions)
FY 2016 Passenger Revenue

- Farebox 32%
- RIte Care 10%
- RIPTIKS/15 Ride/Upass 21%
- Monthly Passes 24%
- Senior Rides 13%

Expenditures

<table>
<thead>
<tr>
<th>In millions</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries &amp; Benefits</td>
<td>$70.0</td>
<td>$72.5</td>
<td>$2.5</td>
</tr>
<tr>
<td>Operations</td>
<td>15.0</td>
<td>15.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Contracted Services</td>
<td>9.8</td>
<td>10.2</td>
<td>0.4</td>
</tr>
<tr>
<td>Insurance &amp; Settlements</td>
<td>4.1</td>
<td>3.9</td>
<td>(0.2)</td>
</tr>
<tr>
<td>All Other</td>
<td>0.9</td>
<td>1.1</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$99.9</strong></td>
<td><strong>$103.1</strong></td>
<td><strong>$3.2</strong></td>
</tr>
</tbody>
</table>
FY 2016 Expenses

- Contract negotiations have been completed for unions
  - Covers fiscal years 2014 through 2016
- Salaries and Benefits
  - $72.5 million
  - Includes 2.5 percent raises
  - Increased health insurance co-payments

FY 2016 Expenses

- Employee Benefits
  - Defined pension benefit plan
  - Health care benefits consistent with state employees
    - Co-shares and waivers are same for non-represented; but different for union
    - Progressive increases for co-shares over life of contract
**FY 2016 Expenses**

**Employee Benefits**
- Funds pay-go portion of Other Post Employment Benefits (OPEB)
  - Increased assessment for spousal coverage
  - Co-shares are different, included in collective bargaining

**FY 2016 Expenses**

**Retiree Health - RIPTA**
- Since early 2000’s
- Existing retirees pay nothing for themselves if they take the lowest cost plan
  - Value Plan for younger than 65
  - Medicare Advantage if 65 or older
- Retiree pays the extra cost if they take the higher cost plan
FY 2016 Expenses

- Retiree Health - RIPTA
  - Spouses pay the same co-share as the active employee rate for health benefits
    - 16 percent of plan
  - Plus the difference in cost if they take the higher price plan
  - For employees hired after October of 2013 the spouse will pay 50% of the premium of either the lower or higher price plan

FY 2016 Expenses

- Retiree Health – State Employees
  - Pre 2008
  - Co-shares were in place but close to zero
  - No spousal coverage
    - Plan’s price was subsidized by offering it at the active rate
FY 2016 Expenses

- Retiree Health – State Employees
  - Post 2008
- State employees allowed to buy plan at 100% of cost
- Must have at least 20 years of service and be age 59 to be eligible for state subsidy
  - 20 percent cost share of actual plan
  - No subsidy for spousal coverage

FY 2016 Expenses

- Operating expenses - $15.5 million
  - Fuel and maintenance
  - RIde program expenses and ADA
  - Historically, operating expenditures included RIPTA’s share of debt service for general obligation bonds
    - State general revenues used in FY 2013, FY 2014 and FY 2015
    - Governor also includes general revenue for debt service payment in FY 2016
FY 2016 Expenses

- Contracted Services - $10.2 million
  - ADA operations – approximately $7 million
  - Legal services
  - Actuarial studies
  - Auditing services
  - Environmental services
  - Project support

FY 2016 Expenses

- Insurance and Settlements- $3.9 million
  - Insurance - $2.5 million
    - Worker’s compensation
    - Self Insurance reserve
  - Settlements - $1.4 million
    - Slip and falls
    - Accidents
Projections

- FY 2015
  - Deficit of $1.4 million
  - Includes only pay go portion of OPEB liability - $1.9 million
  - Total liability is $7.2 million if calculated on an actuarial basis
    - Same way that the state determines its liability

- FY 2016
  - Deficit of $5.0 million
  - Includes general revenue for debt service
  - Includes only pay go portion of OPEB
    - $1.9 million for pay-go
    - $7.3 million total liability
  - Does not include $0.6 million reduction from Article 21
FY 2016 – FY 2020 Capital Projects

- One new project - $1.4 million
  - Provide backup and disaster recovery for the Authority’s computerized systems
  - Protect the Authority’s data by providing offsite redundancy
    - Electrical failure
    - Other conditions that could lead to the loss of stored data

FY 2016 – 2020 Capital Plan

<table>
<thead>
<tr>
<th>Project</th>
<th>Status</th>
<th>Cost</th>
<th>Financing</th>
<th>End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT Redundancy</td>
<td>New</td>
<td>$2.3</td>
<td>Federal RIPTA</td>
<td>FY 2015</td>
</tr>
<tr>
<td>Bus Purchases</td>
<td>Revised</td>
<td>$134.8</td>
<td>GO Bonds, Federal</td>
<td>Perpetual</td>
</tr>
<tr>
<td>Bus Rapid Transit</td>
<td>Revised</td>
<td>$3.3</td>
<td>Federal, Local, RIPTA</td>
<td>FY 2015</td>
</tr>
<tr>
<td>Project</td>
<td>Status</td>
<td>Cost</td>
<td>Financing</td>
<td>End Date</td>
</tr>
<tr>
<td>------------------------</td>
<td>------------</td>
<td>-------</td>
<td>-------------</td>
<td>----------</td>
</tr>
<tr>
<td>Security Cameras</td>
<td>Ongoing</td>
<td>$2.3</td>
<td>Federal RIPTA</td>
<td>FY 2015</td>
</tr>
<tr>
<td>Enterprise Software</td>
<td>Ongoing</td>
<td>$2.1</td>
<td>Federal RIPTA</td>
<td>FY 2016</td>
</tr>
<tr>
<td>Land and Buildings</td>
<td>Ongoing</td>
<td>$10.5</td>
<td>Federal RICF</td>
<td>FY 2020</td>
</tr>
</tbody>
</table>

**FY 2016 – 2020 Capital Plan**

<table>
<thead>
<tr>
<th>Project</th>
<th>Status</th>
<th>Cost</th>
<th>Financing</th>
<th>End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paratransit Vehicles</td>
<td>Ongoing</td>
<td>$30.0</td>
<td>Federal RIPTA</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Intelligent Transportation</td>
<td>Ongoing</td>
<td>$9.9</td>
<td>Federal RIPTA</td>
<td>FY 2015</td>
</tr>
</tbody>
</table>
Staff Presentation to the House Finance Committee
May 7, 2015