Department of Transportation

Governor’s FY 2017 Revised, FY 2018 and Capital Budget Recommendations
House Finance Committee
April 12, 2017
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
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- Repealed department divisions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
Reorganization

- **Phase I**
  - Develop a proj. management methodology
  - Develop job descriptions for new positions

- **Phase II**
  - Define performance metrics
  - Ended in June 2016

- **Phase III**
  - Adding staffing organizational development work
  - Training and defining goals
  - Started in July 2016
## Summary by Fund

<table>
<thead>
<tr>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Federal Funds</td>
<td>$272.4</td>
<td>$271.5</td>
<td>$(0.9)</td>
<td>$275.4</td>
<td>$3.0</td>
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<tr>
<td>Restricted Receipts</td>
<td>0.2</td>
<td>3.6</td>
<td>3.4</td>
<td>3.2</td>
<td>3.0</td>
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<tr>
<td>Other Funds</td>
<td>205.9</td>
<td>259.3</td>
<td>53.4</td>
<td>231.9</td>
<td>26.1</td>
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<td><strong>Total (in millions)</strong></td>
<td><strong>$478.5</strong></td>
<td><strong>$534.5</strong></td>
<td><strong>$56.0</strong></td>
<td><strong>$510.5</strong></td>
<td><strong>$32.0</strong></td>
</tr>
<tr>
<td>FTE</td>
<td>701.0</td>
<td>741.0</td>
<td>40.0</td>
<td>775.0</td>
<td>74.0</td>
</tr>
</tbody>
</table>
FY 2018 Recommendation

Federal Funds $275.4
RICAP $38.2
DMV Fees & Transfer $86.9
Gasoline Tax $104.5
Other $6.0

*in millions*
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
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
# Other Funds — Surcharges/Transfers

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Inspection Stickers</td>
<td>$11.0</td>
<td>$11.0</td>
<td>$12.1</td>
<td>$1.2</td>
</tr>
<tr>
<td>Title Fees</td>
<td>9.1</td>
<td>9.1</td>
<td>8.4</td>
<td>(0.8)</td>
</tr>
<tr>
<td>Rental Car Surcharge</td>
<td>3.2</td>
<td>3.2</td>
<td>3.0</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Good Driving Dismissal</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
<td>-</td>
</tr>
<tr>
<td>License/Reg. Transfer</td>
<td>37.1</td>
<td>37.1</td>
<td>46.1</td>
<td>9.1</td>
</tr>
<tr>
<td>License &amp; Registration Surcharges</td>
<td>19.1</td>
<td>19.1</td>
<td>16.8</td>
<td>(2.3)</td>
</tr>
<tr>
<td><strong>Total (in millions)</strong></td>
<td><strong>$79.8</strong></td>
<td><strong>$79.8</strong></td>
<td><strong>$86.9</strong></td>
<td><strong>$7.1</strong></td>
</tr>
</tbody>
</table>
2014 Assembly Change

- Allocated 5.0% of funding from Highway Maintenance Account to RIPTA
  - Support operations beginning in FY 2016
  - Grow with increasing amounts of revenue in account
    - FY 2016 - $2.7 million
    - FY 2017 - $4.0 million
    - FY 2018 - $4.3 million
- Part of overall plan to dedicate more money to transportation
Governor recommends additional expenditures of $3.1 million from Highway Maintenance Account to RIPTA

- Resources to finance Authority’s bus purchases
  - $2.9 million in FY 2018
  - $0.2 million in FY 2019
- Additional funds above current share of 5.0%
- TIP would be amended to reflect this expenditure
Article 4, Section 3 – HMA

- Requires transfer of 0.5% of Highway Maintenance Account receipts to DMV
  - Fund salary/benefit costs of DMV staff
  - HMA resources estimated at $86.9 million for FY 2018 - 0.5% equates to $0.4 million
- Budget assumes savings of $0.5 million from proposal
  - Effectively a shift in resources from DOT
- Hearing was held on February 28th
# 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 and 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 (cents)

<table>
<thead>
<tr>
<th>State</th>
<th>Gas</th>
<th>Diesel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rhode Island</td>
<td>34.0</td>
<td>34.0</td>
</tr>
<tr>
<td>Connecticut</td>
<td>39.9</td>
<td>41.7</td>
</tr>
<tr>
<td>Maine</td>
<td>30.0</td>
<td>31.2</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>26.5</td>
<td>26.5</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>23.8</td>
<td>23.8</td>
</tr>
<tr>
<td>Vermont</td>
<td>30.5</td>
<td>32.0</td>
</tr>
<tr>
<td><strong>New England Average</strong></td>
<td><strong>30.4</strong></td>
<td><strong>33.0</strong></td>
</tr>
<tr>
<td><strong>U.S. Average</strong></td>
<td><strong>30.3</strong></td>
<td><strong>30.0</strong></td>
</tr>
</tbody>
</table>

*Source: American Petroleum Institute includes state surcharges*
Gasoline Tax Proceeds

- Gasoline Tax – FY 2018
  - Derived from 34.0 cents per gallon
  - Approximately $155 million
  - Deposited into Intermodal Surface Transportation Fund
    - Small portion into the Underground Storage Trust Fund
  - Distribution to transportation entities contained in statute are made
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
Governor proposes Article 1 Section 17
- Transfer of $2.6 million from RI Turnpike and Bridge Authority by June 30, 2018

FY 2018 recommended budget includes $15.9 million

Receipts from gasoline tax
- $15.4 million in FY 2015
- $15.7 million in FY 2016

Hearing held on February 28th
## Recommended Changes

<table>
<thead>
<tr>
<th>Changes to Enacted</th>
<th>FY 2017</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Benefits</td>
<td>$(0.4)</td>
<td>$8.2</td>
</tr>
<tr>
<td>RhodeWorks - GARVEE Debt</td>
<td>6.9</td>
<td>11.4</td>
</tr>
<tr>
<td>Vehicle &amp; Equipment Purchases/Rental</td>
<td>27.9</td>
<td>7.0</td>
</tr>
<tr>
<td>Immediate Action Projects</td>
<td>6.3</td>
<td>6.3</td>
</tr>
<tr>
<td>Highway Improvement Projects</td>
<td>3.1</td>
<td>(7.0)</td>
</tr>
<tr>
<td>Winter Maintenance Operations</td>
<td>-</td>
<td>(1.7)</td>
</tr>
<tr>
<td>3rd Party Reimbursement</td>
<td>3.4</td>
<td>3.0</td>
</tr>
<tr>
<td>RIPTA and RITBA</td>
<td>2.9</td>
<td>3.2</td>
</tr>
<tr>
<td>All Other</td>
<td>5.9</td>
<td>1.7</td>
</tr>
<tr>
<td><strong>Total Changes</strong></td>
<td><strong>$56.0</strong></td>
<td><strong>$32.0</strong></td>
</tr>
<tr>
<td><strong>Total Governor’s Recommendation</strong></td>
<td><strong>$534.5</strong></td>
<td><strong>$510.5</strong></td>
</tr>
</tbody>
</table>
### Full-Time Equivalent Positions

<table>
<thead>
<tr>
<th>Full-Time Positions</th>
<th>FTEs</th>
<th>Chg to Enacted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enacted Authorization</td>
<td>701.0</td>
<td>-</td>
</tr>
<tr>
<td>FY 2017 Rev. Req./Gov.</td>
<td>741.0</td>
<td>40.0</td>
</tr>
<tr>
<td>FY 2018 Req./Gov.</td>
<td>775.0</td>
<td>74.0</td>
</tr>
<tr>
<td>FY 2016 Average filled</td>
<td>630.9</td>
<td>(70.1)</td>
</tr>
<tr>
<td>FY 2017 YTD average filled</td>
<td>636.8</td>
<td>(64.2)</td>
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<tr>
<td>Filled as of April 1, 2017</td>
<td>647.0</td>
<td>(54.0)</td>
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</tbody>
</table>
Governor recommends $80.2 million in FY 2017 and $88.9 million in FY 2018
  - FY 2017 rev. is $0.4 million less and FY 2018 rec. is $8.2 million more than enacted
Governor recommends staffing of 741.0 in FY 2017 and 775.0 in FY 2018
  - 40.0 more in FY 2017 and 74.0 more in FY 2018 than enacted
  - Project managers, highway & bridge maintenance operations, & administrators for new divisions
# Staffing – Cost Allocation

<table>
<thead>
<tr>
<th>Position</th>
<th>Agency</th>
<th>% Time</th>
<th>Cost (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deputy Director</td>
<td>URI</td>
<td>100%</td>
<td>$0.2</td>
</tr>
<tr>
<td>Chief of Staff</td>
<td>EOHHS</td>
<td>100%</td>
<td>0.2</td>
</tr>
<tr>
<td>Policy Analyst</td>
<td>Office of the Governor</td>
<td>100%</td>
<td>0.1</td>
</tr>
<tr>
<td>Executive Counsel</td>
<td>Office of the Governor</td>
<td>100%</td>
<td>0.2</td>
</tr>
<tr>
<td>Programming Services Officer</td>
<td>Office of the Governor</td>
<td>100%</td>
<td>0.1</td>
</tr>
<tr>
<td><strong>Total (in millions)</strong></td>
<td></td>
<td></td>
<td><strong>$0.8</strong></td>
</tr>
</tbody>
</table>
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 next three years
    - $11.3 million of long term incurred
    - Last payment in 2022

- **New GARVEE**
  - $300 million issuance occurred in Oct. 2016
  - Recommendation includes debt service payment for debt authorized
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, 4 reports have been published
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

<table>
<thead>
<tr>
<th>Requirements</th>
<th>FFY 2016 Reported</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design contracts awarded</td>
<td>$10.2M</td>
</tr>
<tr>
<td>Design contracts completed</td>
<td>$6.6M</td>
</tr>
<tr>
<td>Construction contracts awarded</td>
<td>$112.7M</td>
</tr>
<tr>
<td>Expected final cost of construction contracts &gt;$500K</td>
<td>$72.8M</td>
</tr>
<tr>
<td>Total number of workers</td>
<td>2,082</td>
</tr>
<tr>
<td>Number of RI workers</td>
<td>1,330</td>
</tr>
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</table>
## RhodeWorks – Reporting

<table>
<thead>
<tr>
<th>Report</th>
<th>Due By</th>
<th>Date Submitted</th>
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<tbody>
<tr>
<td>January - March 2017</td>
<td>April 30, 2017</td>
<td></td>
</tr>
<tr>
<td>October - December 2016</td>
<td>January 30, 2017</td>
<td>January 30, 2017</td>
</tr>
<tr>
<td>July - September 2016</td>
<td>October 30, 2016</td>
<td>October 30, 2016</td>
</tr>
<tr>
<td>April - June 2016</td>
<td>July 30, 2016</td>
<td>July 29, 2016</td>
</tr>
</tbody>
</table>
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 1,425 drainage structures
  - New in-house striping crew
## On-Time and On Budget Performance

<table>
<thead>
<tr>
<th></th>
<th>On Budget % (by Value)</th>
<th>On Time % (by Value)</th>
<th>Contract Value of Projects in Constr.</th>
<th>On Budget % (by Projects)</th>
<th>On Time % (by Projects)</th>
<th># of Projects in Constr.</th>
</tr>
</thead>
<tbody>
<tr>
<td>FFY 13-14*</td>
<td>37%</td>
<td>37%</td>
<td>$121.4</td>
<td>50%</td>
<td>50%</td>
<td>4</td>
</tr>
<tr>
<td>FFY 2015*</td>
<td>53%</td>
<td>68%</td>
<td>28.9</td>
<td>67%</td>
<td>67%</td>
<td>6</td>
</tr>
<tr>
<td>FFY 2016</td>
<td>100%</td>
<td>94%</td>
<td>108.2</td>
<td>100%</td>
<td>97%</td>
<td>34</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>$258.5</strong></td>
<td></td>
<td></td>
<td><strong>44</strong></td>
</tr>
</tbody>
</table>

*Legacy
FFY 2017 Construction Program – 42 projects

- Original target – 17 would be advertised by April – total estimate of $57.1 million
  - 7 met advertising dates set
  - Various delays: change of scope, right of way issues and TIP amendment

- Of 7 that met dates – original estimate of $24.7 million
  - Low bids at $18.2 million
    - $6.5 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 - 2016 National Bridge Inventory
    - 776 bridges, longer than 20 ft.
      - 181 or 23% were classified as structurally deficient
    - 2015 - 764 bridges with 177 or 23% were structurally deficient
      - 12 more town/city built bridges
Governor recommends a total of $35 million in both FY 2017 and FY 2018

- Purchase/rental of vehicles and equipment
- Replace Maintenance Division’s existing fleet
- Heavy trucks, sweepers, loaders, backhoes and tractors
- Perform more operations in-house
## Winter Maintenance Operations

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Materials</td>
<td>$8.3</td>
<td>$8.3</td>
<td>$6.6</td>
<td>$(1.7)</td>
</tr>
<tr>
<td>Vendors</td>
<td>7.9</td>
<td>7.9</td>
<td>7.9</td>
<td>-</td>
</tr>
<tr>
<td>Repairs</td>
<td>2.2</td>
<td>2.2</td>
<td>2.2</td>
<td>-</td>
</tr>
<tr>
<td>All Other</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total (in millions)</strong></td>
<td><strong>$18.9</strong></td>
<td><strong>$18.9</strong></td>
<td><strong>$17.2</strong></td>
<td><strong>$(1.7)</strong></td>
</tr>
</tbody>
</table>

*Excludes salary and benefit costs*

- Year to date expenditures total $12.2 million
Winter Maintenance Operations

Hours of Operations

- Hours of Operations

- FY 1990 to FY 2016
Immediate Action Projects

- Approved 10-year TIP assumes $58.0 million for emergency projects
  - Must be done for safety reasons
  - Generally identified after inspections are conducted
- Governor recommends $12.6 million in both yrs. from Highway Maintenance Account
  - $4.5 million in current year will be used to repair five bridges along Routes 6 and 10
Highway Drainage Systems

- Responsible for 25,000 stormwater catch basin systems and other connected structures
  - Annually inspect and clean approx. 10%
  - In process of completing inventory
  - Get a sense of what basin systems needs are
  - 6 catch basin cleaning trucks were purchased in FY 2016
    - $1.1 million, $185,000 each
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 $112 million to address drainage improvements
  - Compliance with Federal Clean Water Act
$5,673.6 million total project costs
$2,596.1 million for FY 2018 – FY 2022
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

<table>
<thead>
<tr>
<th>Projects</th>
<th>5 Year Total</th>
<th>Project Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highway Improvement Program</td>
<td>$2,436.6</td>
<td>$5,368.5</td>
</tr>
<tr>
<td>Pawtucket/Central Falls Train Station</td>
<td>21.3</td>
<td>35.6</td>
</tr>
<tr>
<td>Capital Equipment Replacement</td>
<td>25.0</td>
<td>39.2</td>
</tr>
<tr>
<td>Commuter Rail</td>
<td>66.6</td>
<td>161.1</td>
</tr>
<tr>
<td>Mass Transit Hub</td>
<td>32.0</td>
<td>35.7</td>
</tr>
<tr>
<td>RI Travel Plaza and Transit Hub</td>
<td>4.5</td>
<td>9.0</td>
</tr>
<tr>
<td>Salt Storage and Maintenance Facilities</td>
<td>10.2</td>
<td>24.6</td>
</tr>
<tr>
<td><strong>Total (in millions)</strong></td>
<td><strong>$2,596.1</strong></td>
<td><strong>$5,673.6</strong></td>
</tr>
</tbody>
</table>
Pawtucket/Central Falls Train Station

- Recommends $35.6 million including from $31.1 million federal funds
  - Pawtucket/Central Falls – connecting to Providence and Boston
  - Infrastructure: 2 siding tracks, 2 platforms, pedestrian overpass, bus drop-off access and parking
- Since 2001, Pawtucket Foundation has investigated potential for a multi-modal transportation center
RI Travel Plaza & Transit Hub

- Recommends $9.0 million from federal funds
  - Planning, design and construction of a multimodal travel plaza
  - Serve RITPA bus riders
  - Provide rest areas with full amenities
- Project will not be going forward
- Department will upgrade an existing rest stop in Richmond
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
  - Expand and improve the state’s transit hubs
    - Providence AMTRAK, Kennedy Plaza and Garrahy Courthouse
Mass Transit Hub

Project Update

- Issued request for qualifications in June 2016
- Proposals are under evaluation
  - Received 4 proposals in October 2016
    - One firm has dropped
- Department anticipates request for proposals going out this spring
  - Contract would be awarded in fall 2017
Routes 6 & 10 Reconstruction

- Built in 1950s
  - Bridges are structurally deficient (8 out of 11)
- Routes 6 and 10 Reconstruction
  - Reduce congestion
  - Address deterioration of bridges
  - Offer multi-modal options for travelers
- Project Update
  - Issued request for qualifications
  - Proposals are under review
  - Issue request for proposals in May
  - Plans to award contract in fall 2017
Department of Transportation

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