Article 21 - Transportation

The table below shows the **CHANGES** reflected in the new transportation plan that yields the additional $50 million in annual funding by FY 2019.

<table>
<thead>
<tr>
<th>Transportation Funding Plan</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Resources Changes from Previous Plans</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Fines/Fees: Inspection, Good Driving</td>
<td>$5.4</td>
<td>$5.4</td>
<td>$5.4</td>
<td>$5.4</td>
<td>$5.4</td>
</tr>
<tr>
<td>Gas Tax: Index to inflation every 2 years</td>
<td>$-</td>
<td>$4.2</td>
<td>$4.1</td>
<td>$8.2</td>
<td>$8.2</td>
</tr>
<tr>
<td>General Revenues: Transfer of MV Fines &amp; Fees, Net of Current GR Debt Service Plan</td>
<td>$(2.8)</td>
<td>$(0.7)</td>
<td>$13.7</td>
<td>$22.3</td>
<td>$24.1</td>
</tr>
<tr>
<td>DOT: Gas Tax Freed Up from Debt Service Plan: Beyond DOT Structural Budget Fix</td>
<td>$2.9</td>
<td>$9.8</td>
<td>$20.5</td>
<td>$28.4</td>
<td>$29.7</td>
</tr>
<tr>
<td>Other Capital Sources: Unallocated Prior GO Bonds, New RICAP Allocations</td>
<td>$23.0</td>
<td>$13.0</td>
<td>$4.0</td>
<td>$4.0</td>
<td>$4.0</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>$28.4</strong></td>
<td><strong>$31.6</strong></td>
<td><strong>$47.7</strong></td>
<td><strong>$68.3</strong></td>
<td><strong>$71.4</strong></td>
</tr>
</tbody>
</table>

| **Expenditures Changes from Previous Plans** |         |         |         |         |         |
| RI Turnpike and Bridge: Dedicate 3.5 cents of gas tax | $14.7 | $14.6 | $14.6 | $14.5 | $14.4 |
| RI Public Transit Authority: 5% All Fines and Fees deposited | $- | $2.5 | $3.8 | $4.4 | $4.4 |
| **Subtotal** | **$14.7** | **$17.2** | **$18.3** | **$18.9** | **$18.8** |

| **Net New Infrastructure Funding for DOT** | **$13.7** | **$14.4** | **$29.4** | **$49.4** | **$52.6** |

(in millions)

**New Fines/Fees:**
- Increases inspection sticker fee from $39 to $55
- Adds a $25 surcharge to the good driving dismissal fee

**Gas Tax:**
- Indexes the gasoline tax to CPI every other year, rounded to the nearest cent
- Each cent is worth approximately $4.1 million

**General Revenues:**
- Transfers increasing amount of fees currently collected by the DMV and deposited as general revenues to the Highway Maintenance account for transportation uses
- Combination of transferred DMV fees and amount of general revenues already assumed for debt service

**DOT Freed Up Gas Tax:**
- Represents unallocated resources made available from debt service being shifted from gas tax; above and beyond the amount needed for historical structural operating deficits

**Other Capital Sources:**
- Utilizes $25 million of unallocated bond proceeds to bridge funding gap while DMV fee transfers from general revenues are increased
- Provides additional RICAP funds to stabilize annual balance into fund

**Turnpike and Bridge Authority:**
- Transfers 3.5 cents of gasoline tax to the Turnpike and Bridge Authority to be used in lieu of tolls for operations and maintenance of its bridges
- No changes in ownership of bridges
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Public Transit Authority:
- Transfers 5 percent of funding from surcharges and MV fees to RIPTA for use as operational support
- Equates to almost $2 million in FY 2016 and grows with increases in incoming revenues

Transportation Funding Process

- 2011 Assembly established a transportation fund to get off borrowing for federal match
  - Funded through incremental increases of license and registration fees
  - Incremental increases began in FY 2014 and will reach their peak in FY 2016
  - Approximately $20 million annually; With additional RICAP it covers borrowing
- 2012 Assembly
  - Adopted Governor’s initiative to restructure outstanding general obligation bond debt service to make payment amounts more consistent
  - Also agreed with plan to fund incrementally increasing amounts of debt service from general revenue; in order to free up gas tax resources and solve structural deficits from declining gas tax revenues - Plan provides for over $42 million from general revenues by FY 2019
  - Transferred ownership and authority to toll Sakonnet River Bridge to the Turnpike and Bridge Authority
- 2013 Assembly created Joint Commission to study Transportation Funding
  - Commission meetings from September -December
  - Findings submitted on January 15
- Legislators proposes 2014-H 7325/ 2014-S 2335
  - Bills used a variety of current sources and new sources to provide funding to RIPTA and DOT
  - Propose governance changes to Turnpike and Bridge
  - Establish future commissions
  - Propose ownership changes to bridges
- House Finance Committee passes Article 21 of 2014-H 7133
  - Includes elements proposed by House, Senate and other stakeholders
  - Removes toll on Sakonnet
  - Indexes gasoline tax to grow with inflation every two years
  - Utilizes limited new fines and fees, redirects future general revenue and current capital sources to ensure $50 million annually by 2018 for transportation projects as well as new funding for RIPTA and RITBA