

Department of Transportation

Governor's FY 2021 Revised,
FY 2022 and Capital Budget Recommendations
House Finance Committee
May 26, 2021

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 - Repealed department divisions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

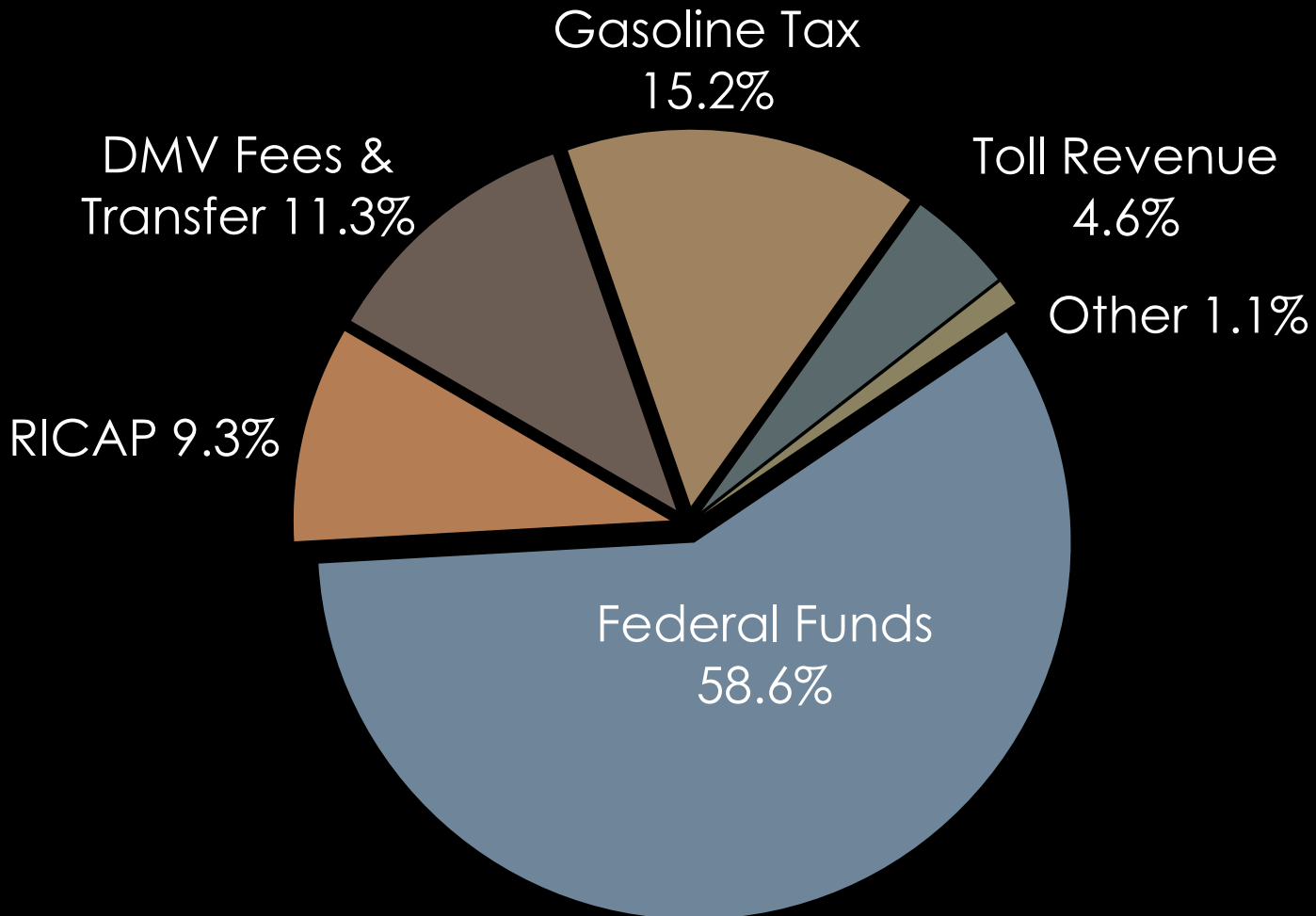
- Federal law requires statewide transportation improvement plan covers a period of no less than 4 yrs.
 - Department's plan known as RhodeWorks covers a 10-year period
 - Changes are adopted
 - Appropriately coordinate, communities and constituents can have annual inputs
- Federal regulations require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

Summary by Fund

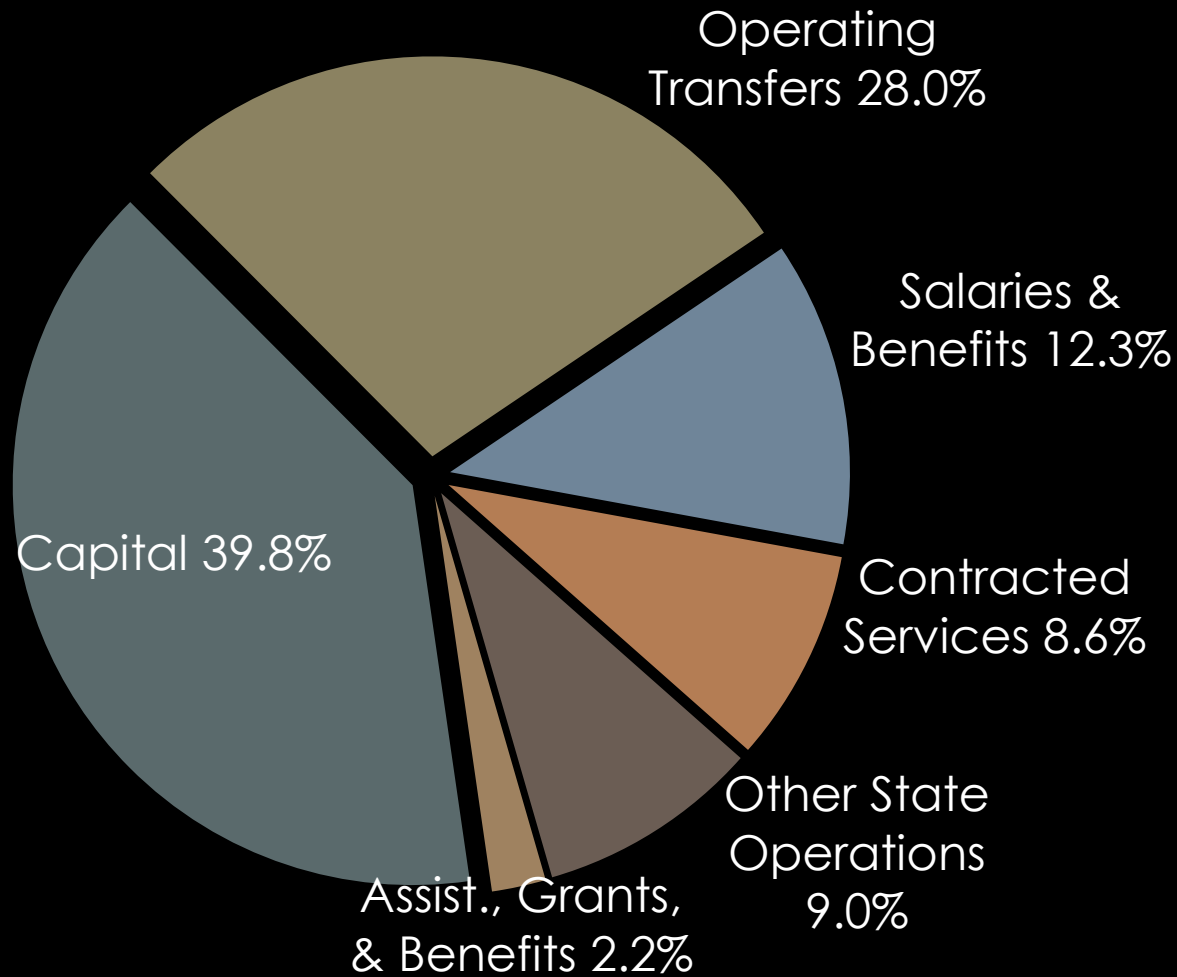
	FY 2021 Enacted	FY 2021 Gov.	Chg./ Enacted	FY 2022 Gov.	Chg./ Enacted
Federal Funds	\$339.4	\$409.1	\$69.7	\$451.3	\$111.9
Restricted Receipts	2.7	2.6	(0.1)	2.6	(0.1)
Other Funds	265.2	279.6	14.3	316.8	51.6
Total	\$607.3	\$691.3	\$83.9	\$770.7	\$163.3
FTE	755.0	755.0	-	755.0	-

\$ in millions

FY 2022 Governor



FY 2022 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

Federal Discretionary Grants

- Awarded on a competitive basis for specific project - state match is required

Projects	Discretionary Awards	Total Project Cost
Route 37 Project	\$40.8	\$62.2
Newport Pell Ramps	20.0	66.1
Providence Viaduct	60.3	250.0
Washington Bridge	25.0	71.3
Route 146	65.0	150.0
Route 4 – Planning	2.0	-
Total	\$213.1	\$599.6

\$ in millions

Other Funds

- 2014 Assembly
 - Transferred and new revenue sources
 - Increased inspection fee from \$39 to \$55
 - \$25 surcharge for good driving dismissal
 - Established a schedule to transfer transportation related fees from DMV to DOT
 - Indexed gasoline tax
 - Every other year, rounded to nearest cent
 - Plan to address transportation funding
 - RIPTA receives 5% of HMA funding

Other Funds

- 2017 Assembly provided RIPTA with additional \$5.0 million
 - Reinstated bus pass program & cover debt
 - Originally for only two years
 - \$5.0 million made permanent by 2019 Assembly
- Authority's share of funds in FY 2022
 - Estimated to be \$9.5 million
 - Fixed \$5.0 million
 - 5% share = \$4.5 million

Article 2, Sec. 7 – Highway Maintenance Fund

- CARES Act adopted in March 2020
 - FTA grants allocated through formula
 - RI received \$104.6 million
 - RIPTA - \$91.2 million + DOT - \$13.3 million
- Article 2 allows “federal coronavirus relief funds” count toward the fixed \$5.0 million minimum allocation
 - DOT’s share of FTA CARES funds would go to RIPTA to pay “transit expenses”
 - Would free up \$7.1 million of HMA
 - Can be used as state match for capital projects

Highway Maintenance Account

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021 Rev.	FY 2022 Gov.
Balance Forward	\$3.6	\$30.4	\$66.0	\$73.7	\$76.6	\$28.6	\$1.7
New Receipts	57.2	71.8	77.7	101.0	97.6	96.3	93.8
5% Collection Cost			-	-	(4.9)	(4.8)	(4.7)
Available	\$60.9	\$102.2	\$143.6	\$174.7	\$169.3	\$120.1	\$90.8
Expenses	\$30.4	\$36.2	\$69.9	\$98.1	\$140.7	\$118.4	\$87.1
Balance	\$30.4	\$66.0	\$73.7	\$76.6	\$28.6	\$1.7	\$3.7

\$ in millions

Gasoline Tax Proceeds

- Gasoline Tax – FY 2022
 - Derived from 35.0 cents per gallon
 - Approximately \$152 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

Gasoline Tax

- 2014 Assembly amended disposition 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 – 2 cents so far
 - Every other year, rounded to nearest cent
 - FY 2016 – one cent increase
 - FY 2018 – adjustment not enough
 - FY 2020 – increased one cent
 - FY 2022 – adjustment not enough

Gasoline Tax

Disposition	Cents
DOT	20.25
RIPTA	9.75
Turnpike and Bridge	3.5
DHS	1.0
UST Fund	0.5
Total	35.0

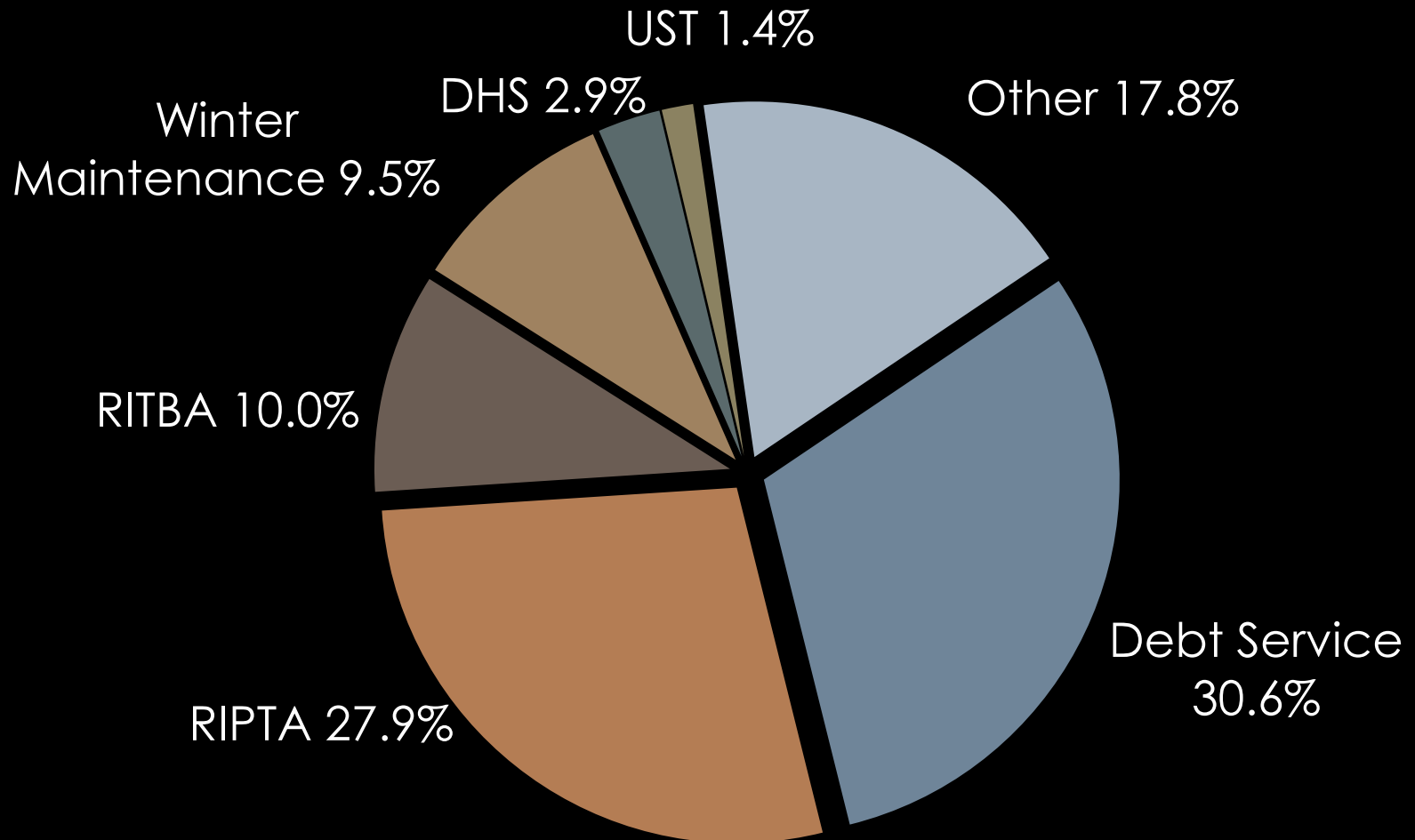
in cents

Gasoline Tax – Regional (cents)

	Gas	Diesel
Rhode Island	35.0	35.0
Connecticut	35.8	44.6
Maine	30.0	31.2
Massachusetts	26.5	26.5
New Hampshire	23.8	23.8
Vermont	30.2	32.0
New England Average	30.2	32.2
U.S. Average	36.4	37.5

Source: American Petroleum Institute includes state surcharges as of July 1, 2020

FY 2022 Gas Tax Expenditures



DOT – Debt Payments

FY	Gas Tax*	GARVEE Bonds	Total
2021	\$41.7	\$65.5	\$107.2
2022	\$43.2	\$65.8	\$109.0
2023	\$42.7	\$65.8	\$108.5
2024	\$37.7	\$65.8	\$103.5
2025	\$33.9	\$62.4	\$96.3
2026	\$33.5	\$62.4	\$95.9
2027	\$24.0	\$62.4	\$86.4
2028	\$16.4	\$62.4	\$78.9

FY	Gas Tax*	GARVEE Bonds	Total
2029	\$16.4	\$62.4	\$78.9
2030	\$16.4	\$62.4	\$78.9
2031	\$6.9	\$62.4	\$69.3
2032	\$6.9	\$19.9	\$26.8
2033	\$3.1	\$19.9	\$23.0
2034	\$1.6	\$19.9	\$21.5
2035	\$0.6	\$19.9	\$20.5

\$ in millions

**Does not include newly approved G.O. bonds*

Staffing Recommendation

- Governor recommends \$93.0 million in FY 2021 and \$95.1 million in FY 2022
 - FY 2021 rev. is \$4.6 million more and FY 2022 Governor is \$6.6 million more than enacted
- Governor recommends 755.0 FTE for both FY 2021 and FY 2022
 - Consistent with enacted
 - 69.0 positions vacant as of May 8, 2021
 - 30.0 from Voluntary Retirement Incentive Program
 - 11.0 vacancies May 9, 2020

Staffing

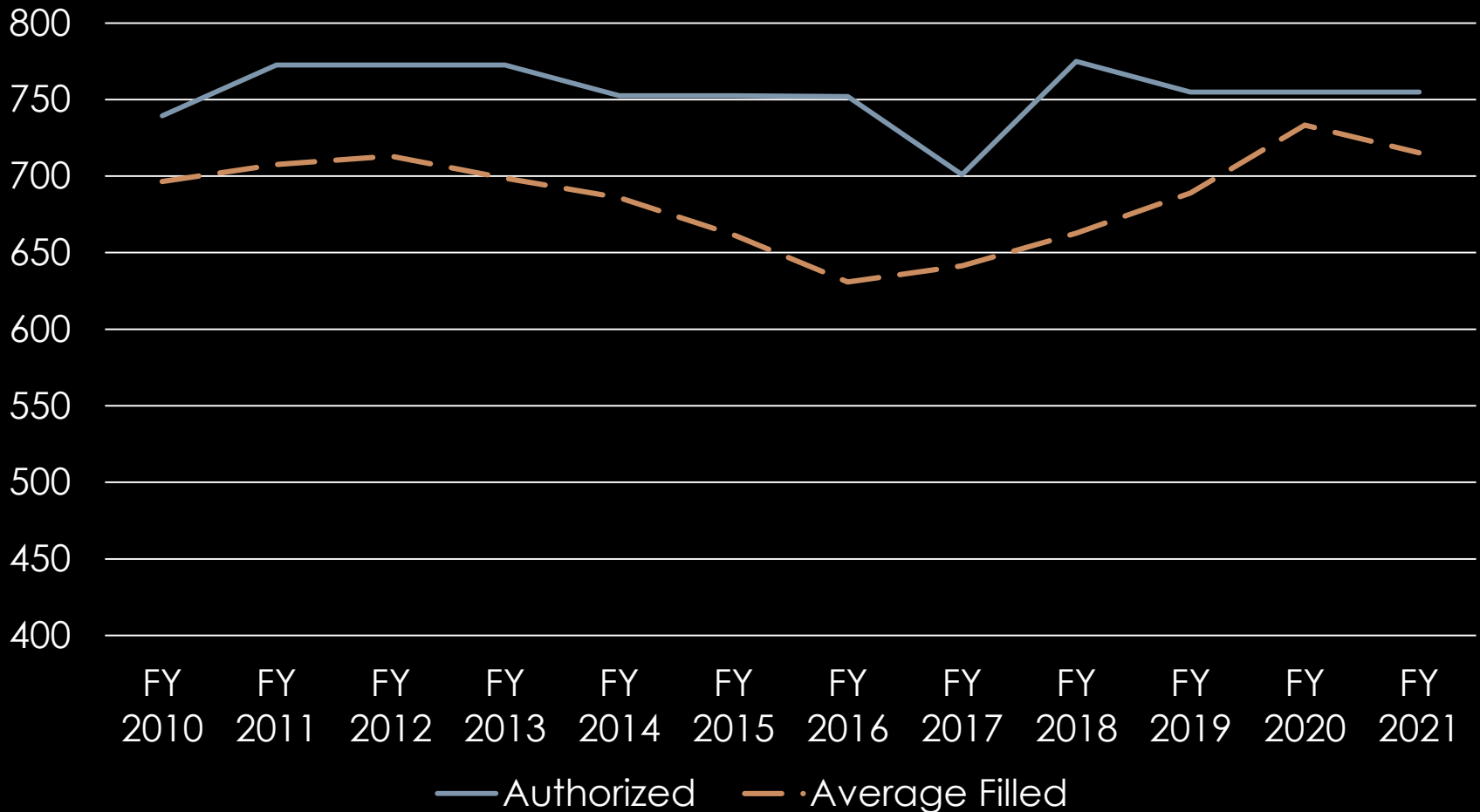
Fiscal Year	Enacted	Gov. Rev.	Final	Final Chg. to Gov.	Actual	Final Chg. to Actual
2021	\$88.5	\$93.0				
2020	\$91.6	\$92.0	\$88.5	\$(3.5)	\$81.9	\$6.6
2019	\$87.6	\$86.7	\$81.7	\$(5.0)	\$79.4	\$2.3
2018	\$86.9	\$88.3	\$79.8	\$(8.5)	\$78.9	\$0.9
2017	\$80.7	\$80.2	\$70.2	\$(10.0)	\$73.2	\$(3.0)
2016	\$74.9	\$75.7	\$75.7	\$-	\$68.2	\$7.5
2015	\$73.1	\$71.3	\$71.3	\$-	\$69.8	\$1.5

\$ in millions

Staffing

FY 2022 Governor Recommendation		
	DOT	Statewide
Gross Salaries (in millions)	\$53.8	\$1,153.8
Turnover (in millions)	(0.9)	(55.4)
Turnover %	1.7%	4.8%
Turnover FTE	12.9	724.9
FY 2022 FTE recommended	755.0	15,089.2
Funded FTE	742.1	14,364.3
Filled as of May 8	686.0	13,756.1
Funded but not filled	56.1	608.2

Full-Time Equivalent Positions



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 gas tax

Fiscal Year	Amount
2022 Gov.	\$15,232,455
2021 Rev.	\$14,194,278
2020	\$14,473,165
2019*	\$17,107,396
2018	\$15,726,416
2017	\$15,460,948
2016	\$16,677,148
2015	\$15,358,922

**Includes \$0.9 million from a one-time payment received in October 2018*

COVID Relief Funds

Federal Acts	Awarded
Coronavirus Aid, Relief, & Economic Security (CARES)	\$13.3
Consolidated Appropriations Act	54.3
Omnibus Appropriations Act for FFY 2021	63.2
Total	\$130.8

\$ in millions

Impact to Gas Tax and HMA

	Nov. 2019 Est.	FY 2020 Actual	Diff.	Nov. 2020 Est.	Nov./ Nov. Diff.	2-Yr. Impact
Gas Tax	\$161.2	\$144.7	\$(16.5)	\$141.9	\$(19.3)	\$(35.8)
HMA	102.5	97.6	(5.0)	96.3	(6.3)	(11.2)
Total	\$263.8	\$242.3	\$(21.5)	\$238.2	\$(25.5)	\$(47.0)

Entity	Impact of \$(47.0)
DOT	\$(31.4)
RIPTA	(10.5)
TBA	(3.6)
DHS	(1.0)
UST	(0.5)

\$ in millions

Federal Match Changes

<i>(\$ in millions)</i>	Amount
HMA and Gas Tax 2-yr. Impact	\$(31.4)
General Obligation Bonds	71.7
FY 2021 Enacted – RICAP Removed	(30.0)
Governor – Additional RICAP	53.5
Gas Tax/Motor Fuel Residual	21.1
Consolidated Appropriations Act	54.3
Omnibus Appropriations FFY 2021 – Match for additional Federal Funds	(12.6)
CARES Act – Art. 2 of 2021-H 6122	7.1
Total	\$133.8
20% Match for ~ \$670 million of Projects	

Revenue Bonds

- Capital budget assumes \$40.0 million new revenue bonds for 2022 Assembly approval
 - Match federal funds received
 - Debt service supported by gas tax
 - Annual debt service of \$3.3 million
 - Extends use of 2.0-cent for debt
- Debt from 2003 project is lower
 - \$27.6 million outstanding principal from 2003 authorization

RhodeWorks

- 2016 Legislation
 - Allows Department to toll large commercial vehicles
 - Issue \$300 million of new Grant Anticipation Revenue Vehicle (GARVEE) bonds
 - Refinance existing GARVEE

RhodeWorks – Reporting

- Legislation required quarterly reports
 - Progress and implementation
 - Due within 30 days after quarter close
 - Posted on Department's website
 - Office of Management and Budget, House and Senate fiscal advisors
 - Since adoption of law, 21 reports have been published
 - All on time
 - Next one is due July 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 2020 Reported
Design contracts awarded	\$13.7
Design contracts completed	\$46.8
Construction contracts awarded	\$385.2
Expected final cost of construction contracts >\$500K	\$207.9
Total number of workers	3,664
Number of RI workers	2,307

\$ in millions

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
2017	\$362.3	94%	80%	5	80%	40%
2018	42.5	65%	100%	4	75%	100%
2019	165.3	91%	91%	13	92%	92%
2020	326.3	100%	100%	13	100%	100%
2021	42.3	100%	100%	6	100%	100%
Total	\$938.7			41		

\$ In millions

- Exclude projects that have not been awarded
 - Notice to proceed is required 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
 - FHWA National Bridge Inventory

FF Year	FHWA # of Bridges	Structurally Deficient	% Structurally Deficient
2020	770	142	18.4%
2019	779	174	22.3%
2018	780	180	23.1%
2017	778	181	23.3%
2016	772	192	24.9%
2015	766	178	23.2%

Winter Maintenance Operations

	FY 2021 Enacted	FY 2021 Revised	Chg.	FY 2022 Gov. Rec.	Chg.
Materials	\$4.1	\$7.1	\$3.0	\$5.6	\$1.5
Vendors	5.4	3.4	(2.0)	3.4	(2.0)
Repairs	1.9	1.9	-	1.9	-
All Other	1.6	1.6	0.1	1.6	-
Total	\$13.0	\$14.0	\$1.1	\$12.4	\$(0.5)

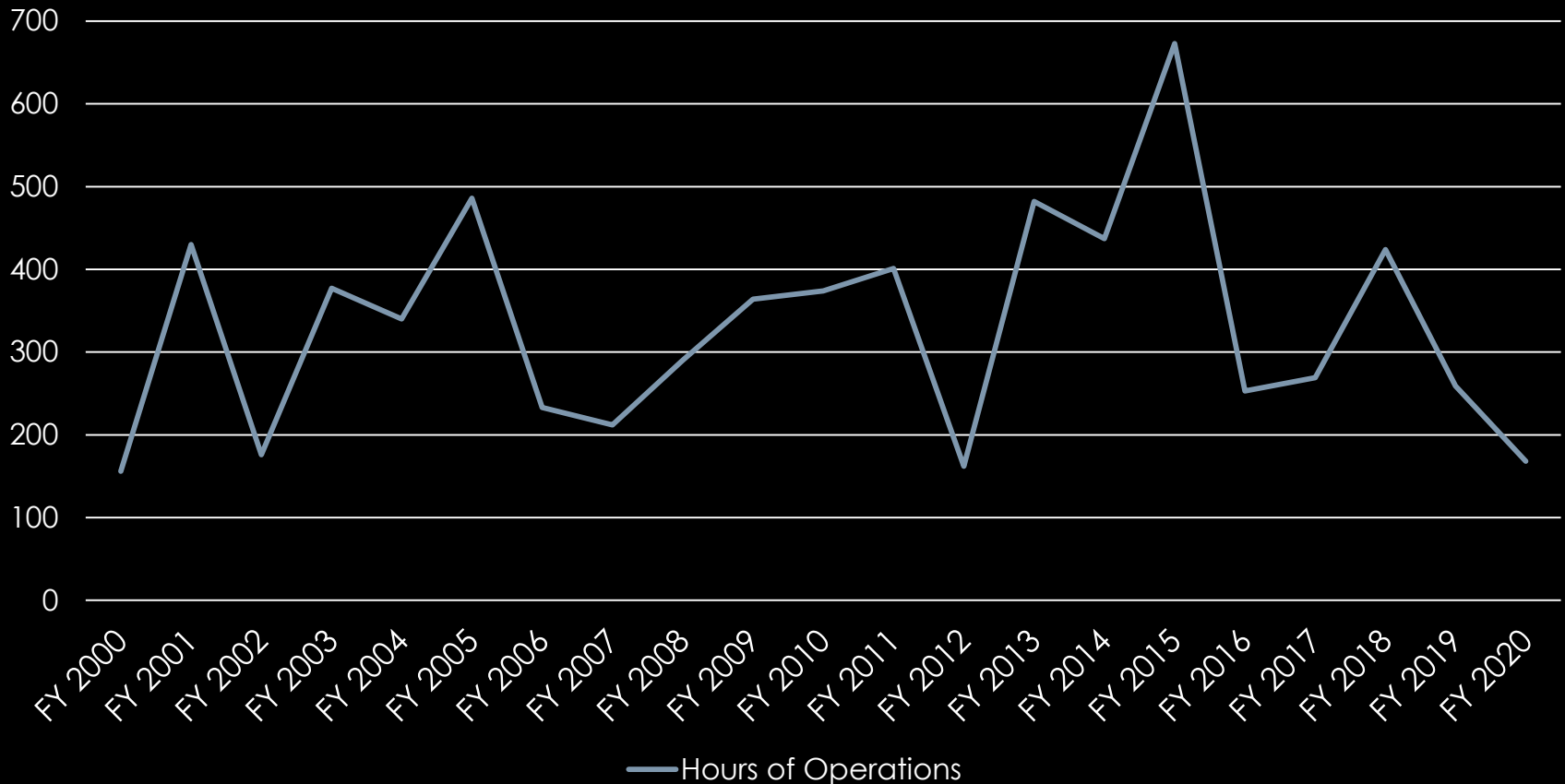
\$ in millions

Excludes salary and benefit costs

- Year to date expenses total \$11.7 million
 - May 13, 2021

Winter Maintenance Operations

Hours of Operations



Capital Recommendation

- \$7,048.8 million total project costs
- \$2,849.4 million for FY 2022 – FY 2026
- 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
Mass Transit Hub	\$28.0	\$44.4
State Funded Projects	155.0	338.3
Highway Improvement Program	2,594.3	6,434.7
Pawtucket/Central Falls Train Station	5.0	45.0
Capital Equipment Replacement	35.3	70.0
Commuter Rail	10.6	74.8
Salt Storage & Maintenance Fac.	12.1	27.8
IT Investment Strategy	9.1	13.9
Total	\$2,849.4	\$7,048.5

\$ in millions

Mass Transit Hub

- 2014 voters approved \$35.0 million Mass Transit Hub Infrastructure project
 - *“...to fund enhancements and renovations to mass transit hub infrastructure throughout Rhode Island to improve access to multiple intermodal sites, key transportation, healthcare, and other locations.”*

Mass Transit Hub

Project Recent Timeline

- 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
- July 2019
 - Issued request for proposal - cancelled
- Working with RIPTA & other stakeholders

Mass Transit Hub

Project Recent Timeline

- In 2020, DOT indicated request for proposal was cancelled
- January 2021
 - Selected a design consultant
 - Advertise for construction in fall 2021 to start in spring 2022
- \$1.2 million of the \$35.0 million has been spent through FY 2021
 - Legal and preparing RFP

Mass Transit Hub

Project Recent Timeline

- Issued request for qualifications - 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
 - Stated project is in draft RFP stage
 - Minimum of 6 mo. before contract award

H 6122, Art. 1, Sec. 18 – Extension of Previous Bond Authorizations

- After 7 years unissued bonds automatically extinguish without action to extend them
- Section 18 proposes to extend unissued general obligation bond amount of \$20.0 million through June 30, 2023
 - Capital budget uses funds
 - \$19.0 million in FY 2023
 - \$1.0 million in FY 2024

State Funded Projects

- Capital budget includes \$155.0 million in 5-yr. plan from HMA for State Funded Projects
 - Emergency road and bridge repairs
 - Drainage improvements
 - Consent decree with U.S. Department of Justice
- These projects do not qualify for federal match

Pawtucket/Central Falls Train Station

- Recommends \$45.0 million including from \$36.6 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 – 2022
- Since 2001, Pawtucket Foundation has investigated potential for a multi-modal transportation center

Highway Improvement Program

- Highway Improvement Program
- Capital budget includes \$197.8 million from RI Capital Plan funds in 5-yr. plan
 - Pay-go funding to match federal funds
 - Previously, used general obligation bonds
 - \$80.0 million every two years
 - Over reliance on debt
 - \$53.5 million above annual allocation
 - \$28.5 million in FY 2022
 - \$25.0 million in FY 2023

I-95 Northbound Viaduct

- Interstate 95 Northbound Viaduct
 - Third most traveled interstate in New England
 - Carries 200,000+ vehicles per day
- Rebuilding interchange
 - Reconstruct and replacing 5 bridges
 - Structurally deficient
 - Construct 3 new bridges
- Estimated project cost \$265.0 million
 - \$15.0 million more than previous estimate

Route 37 Corridor Project

- Rehabilitate Route 37
 - Replacement and/or rehab. 15 bridges and culverts
 - Improvements to Pontiac Avenue westbound exit ramp
- Total project cost of \$62.2 million
 - In August 2018, awarded \$20.0 million federal discretionary grant
- Governor recommends \$10.0 million for FY 2021 and \$9.0 million for FY 2022

Routes 6 & 10 Reconstruction

- Built in 1950s
 - Bridges are structurally deficient (5 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
 - Demolition of Hartford Avenue & Plainfield Street bridges
 - Huntington Viaduct began

Washington Bridge

- Washington Bridge Repairs
 - Constructed in 1969
 - Carries 70,000+ vehicles per day along I-195
- Project
 - Replace westbound section of bridge
 - Realignment ramps
 - Adding more lanes to reduce congestion
- Total project cost of \$71.3 million
 - \$56.0 million from federal funds
 - \$25.0 million from discretionary grant

Route 146 Reconstruction

- Awarded \$65.0 million federal grant to reconstruction Route 146
 - Replacing multiple bridges
 - Reconstruct interchange at Sayles Hill Road
 - Repaving
 - Adding safety improvements
- Estimated project cost of \$150 million

Department of Transportation

- FY 2020 Audit Findings
 - Inadequate controls over IST Fund collections
 - Insufficient controls over monitoring, reconciliation, overages/shortages, legislative review
 - Transportation Infrastructure Reporting
 - Control over identification of transportation infrastructure assets need further improvement
 - Format of enacted budget to facilitate budgetary control
 - Not enough information

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