

Department of Transportation

Governor's FY 2016 Revised,
FY 2017 and Capital Budget Recommendations
House Finance Committee
April 13, 2016

Department of Transportation

- Central Management
 - Director's Office and Legal
- Management and Budget
 - Financial oversight and administration
- Infrastructure Engineering
 - Design & 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 - Repealed department divisions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 & 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 & deliver projects from conception to completion

Reorganization

- Phase I
 - Develop a proj. management methodology
 - Develop job descriptions for new positions
- Phase II
 - Defining performance metrics
 - End in June 2016
- Phase III
 - Adding staffing organizational development work
 - Training and defining goals
 - Start in July 2016

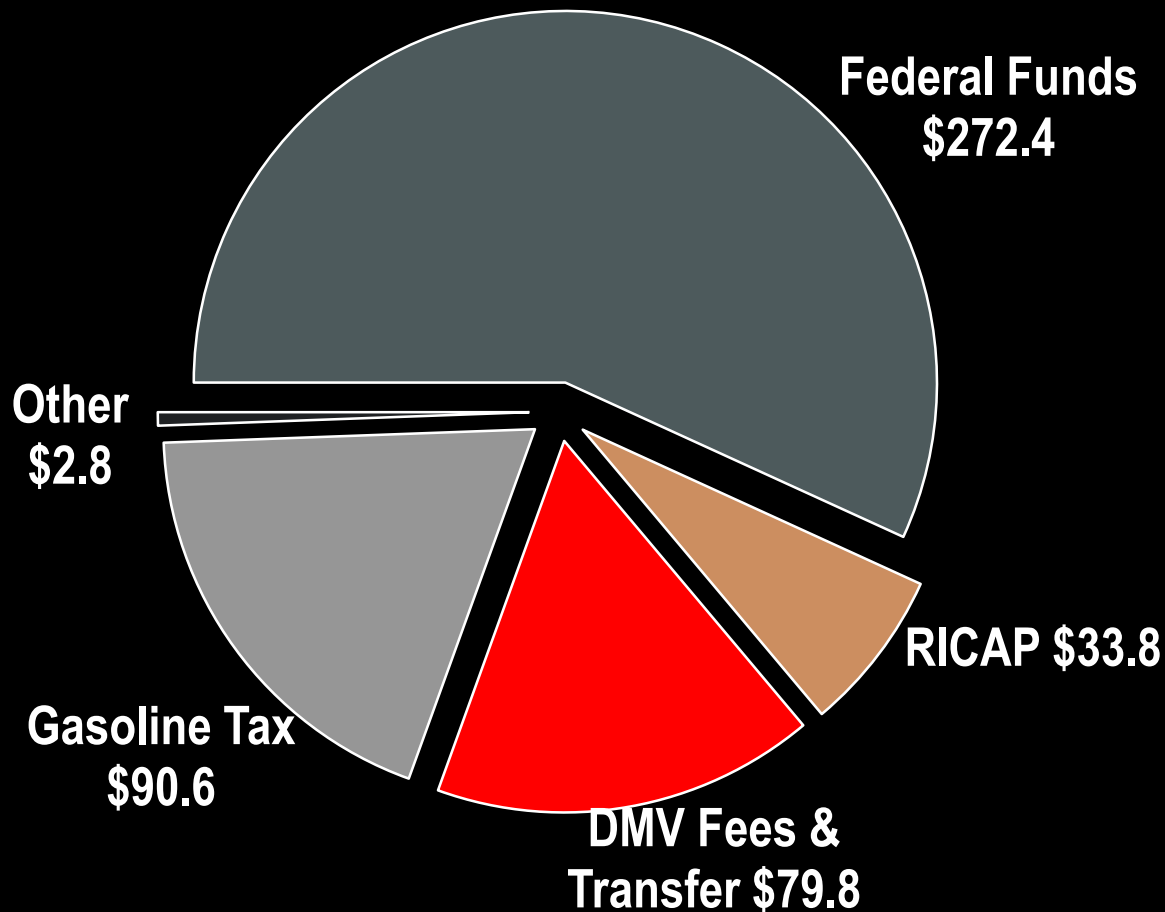
Internal Audit Consolidation

- Audit staff assists management with objective and independent evaluation
 - Financial audits
 - Performance audits
 - Review of program integrity
- RhodeWorks: 2016-H 7409, Sub. A, aa
 - Transferred staff to Department of Administration
 - 8.0 positions were transferred in March 2016

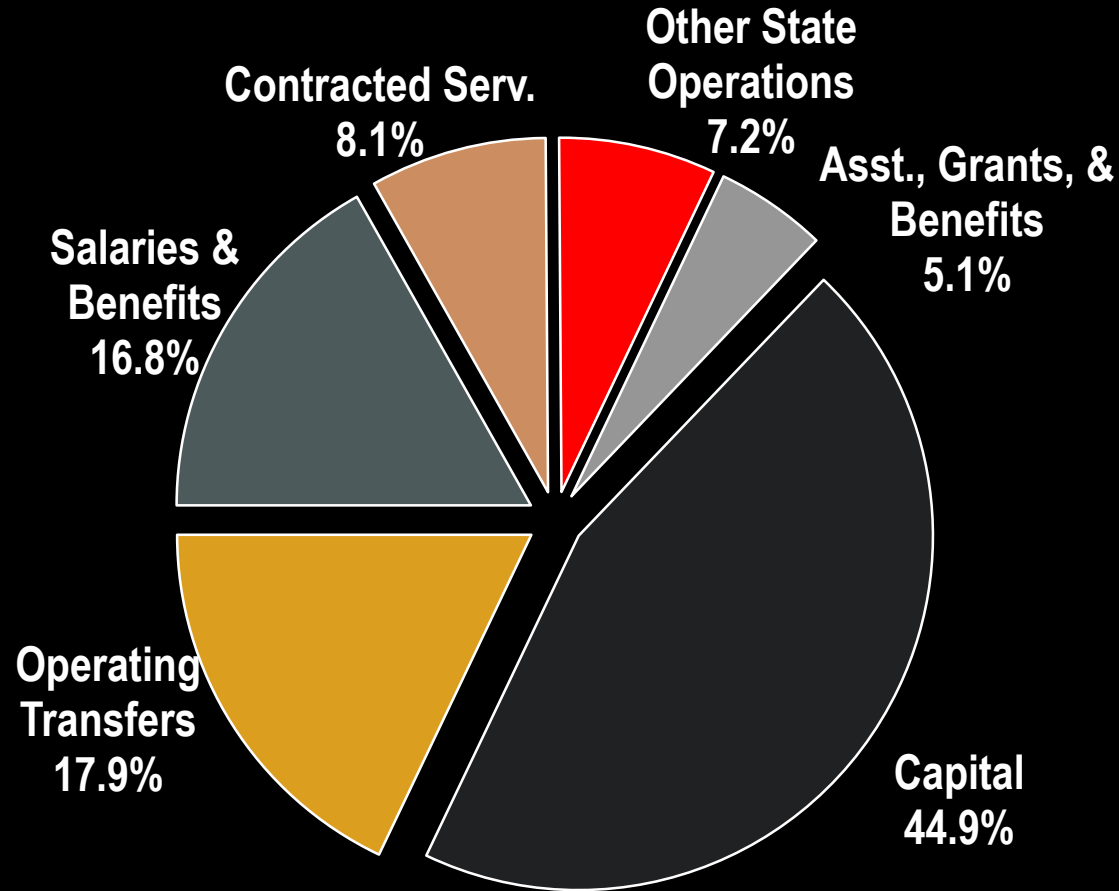
Summary by Fund

	FY 2016 Enacted	FY 2016 Gov. Rev.	Chng./ Enacted	FY 2017 Gov. Rec.	Chng./ Enacted
Federal Funds	\$263.6	\$274.3	\$10.6	\$272.4	\$8.8
Restricted Receipts	1.0	0.2	(0.8)	0.2	(0.8)
Other Funds	199.2	208.4	9.2	206.9	7.7
Total (in millions)	\$463.8	\$482.9	\$19.0	\$479.5	\$15.6
FTE	752.6	752.0	(0.6)	741.0	(11.6)

FY 2017 Sources (In millions)



Recommendation by Category



Federal Funds

- 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
 - Moving Ahead for Progress (MAP-21)
 - Authorization expired

Federal Funds – FAST Act

- Fixing America's Surface Transportation
 - December 2015
 - Five year authorization for transportation
 - FFY 2016 – FFY 2021
- State would receive an average of \$231 million annually
 - Average of \$20 million more (In RhodeWorks)
- Construction & repair for highways, roads and bridges
- Safety improvements
- Resurfacing

Other Funds – Article 21

- 2014 Assembly adopted 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

- 2014 Assembly adopted 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

Source	FY 2016 Enacted	FY 2016 Gov. Rev.	FY 2017 Gov. Rec.	FY 2017 Change
Inspection Stickers	\$11.8	\$11.3	\$11.0	\$(0.8)
Title Fees	9.3	9.3	9.1	(0.2)
Rental Car Surcharge	2.9	3.1	3.2	0.2
Good Driving Dismissal	0.4	0.4	0.4	-
License/Reg. Transfer	13.0	12.3	37.1	24.0
License & Registration Surcharges (FY 2013 – FY 2016)	16.8	19.1	19.1	2.2
Total <i>(in millions)</i>	\$54.3	\$55.4	\$79.8	\$25.4

Gasoline Tax Proceeds (cents)

Entity	Share
<i>Department of Transportation</i>	19.25
Public Transit Authority	9.75
Turnpike and Bridge Authority	3.5
Elderly Transportation (DHS)	1.0
Environmental Protection Fee	0.5
Total	34.0

Gasoline Tax Proceeds (cents)

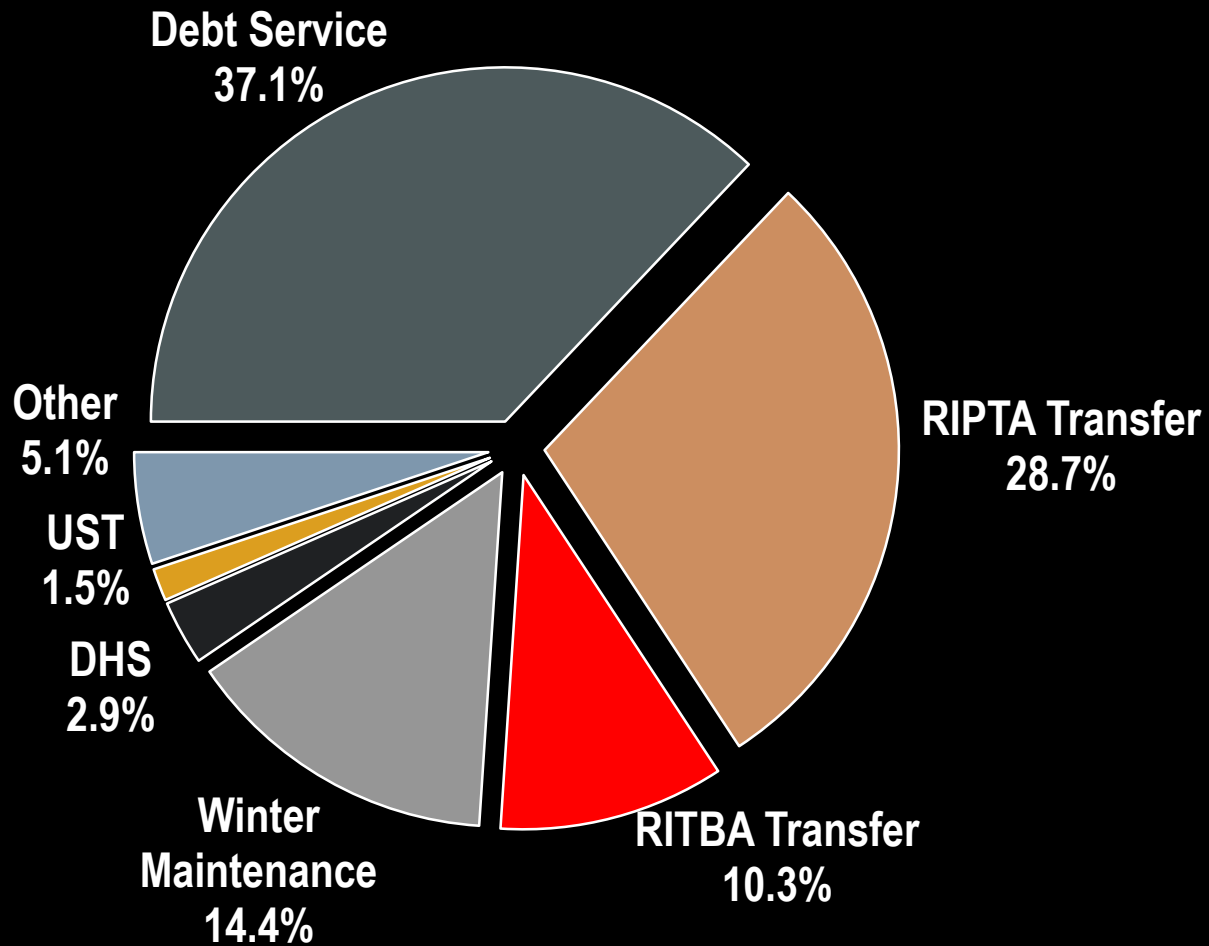
	Gas	Diesel
<i>Rhode Island</i>	34.0	34.0
Connecticut	37.5	50.3
Maine	30.0	31.2
Massachusetts	26.5	26.5
Vermont	30.7	32.0
New England Average	30.4	33.0
U.S. Average	30.3	30.0

Source: American Petroleum Institute includes state surcharges

Gasoline Tax Proceeds

- Gasoline Tax – FY 2017
 - Derived from 34.0 cents per gallon
 - Approximately \$147 million
 - Deposited into Intermodal Surface Transportation Fund
 - Distribution to transportation entities contained in statute are made

FY 2017 Gas Tax Expenditures



Turnpike & Bridge Authority

2014 Assembly Change

- Transferred 3.5 cents of gasoline tax to the Turnpike and Bridge Authority
 - Used in lieu of Sakonnet Bridge tolls
 - For operations and maintenance of the bridges under the Authority's purview
- FY 2017 recommended budget includes \$15.2 million

RI Public Transit Authority

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 - \$2.8 million
 - FY 2017 - \$4.0 million
- Part of overall plan to dedicate more money to transportation

FY 2017 Changes to Enacted

<i>FY 2016 Enacted</i>	\$463.8
Salaries and Benefits	\$5.8
Highway Projects	8.3
Commuter Rail	(7.1)
Winter Maintenance	3.5
I-195 Relocation Land	(7.8)
Highway Drainage	1.3
Maintenance	12.5
All Other	(0.9)
Total Changes	\$15.6
FY 2017 Gov. Rec.	\$479.5

Full-Time Equivalent Positions

Full-Time Positions	FTEs	Chg to Enacted
Enacted Authorization	752.6	-
FY 2016 Rev. Req./Gov.	752.0	(0.6)
FY 2017 Req./Gov.	741.0	(11.6)
FY 2015 Average filled	661.6	(91.0)
FY 2016 YTD average filled	631.2	(121.4)
Filled as of April 2, 2016	632.0	(120.6)

Full-Time Equivalent Positions



Staffing Recommendation

- Governor recommends \$75.7 million in FY 2016 and \$80.7 million in FY 2017
 - Reclassify 40 existing vacant positions as maintenance positions, including
 - Bridge maintenance and highway maintenance
 - Continuous recruiting – Filled some from within
 - Increase operations
 - Drainage, road striping, and bridge maintenance
 - Net savings of \$1.1 million in FY 2016 and \$0.6 million in FY 2017

Maintenance

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

Maintenance

- Approximately 1,100 road miles
- Approximately 3,300 lane miles
- Inspects of all bridges
 - Federal Highway Administration - 2015 National Bridge Inventory
 - 764 bridges, longer than 20 ft.
 - 177 or 23% classified as structurally deficient

Winter Maintenance Operations

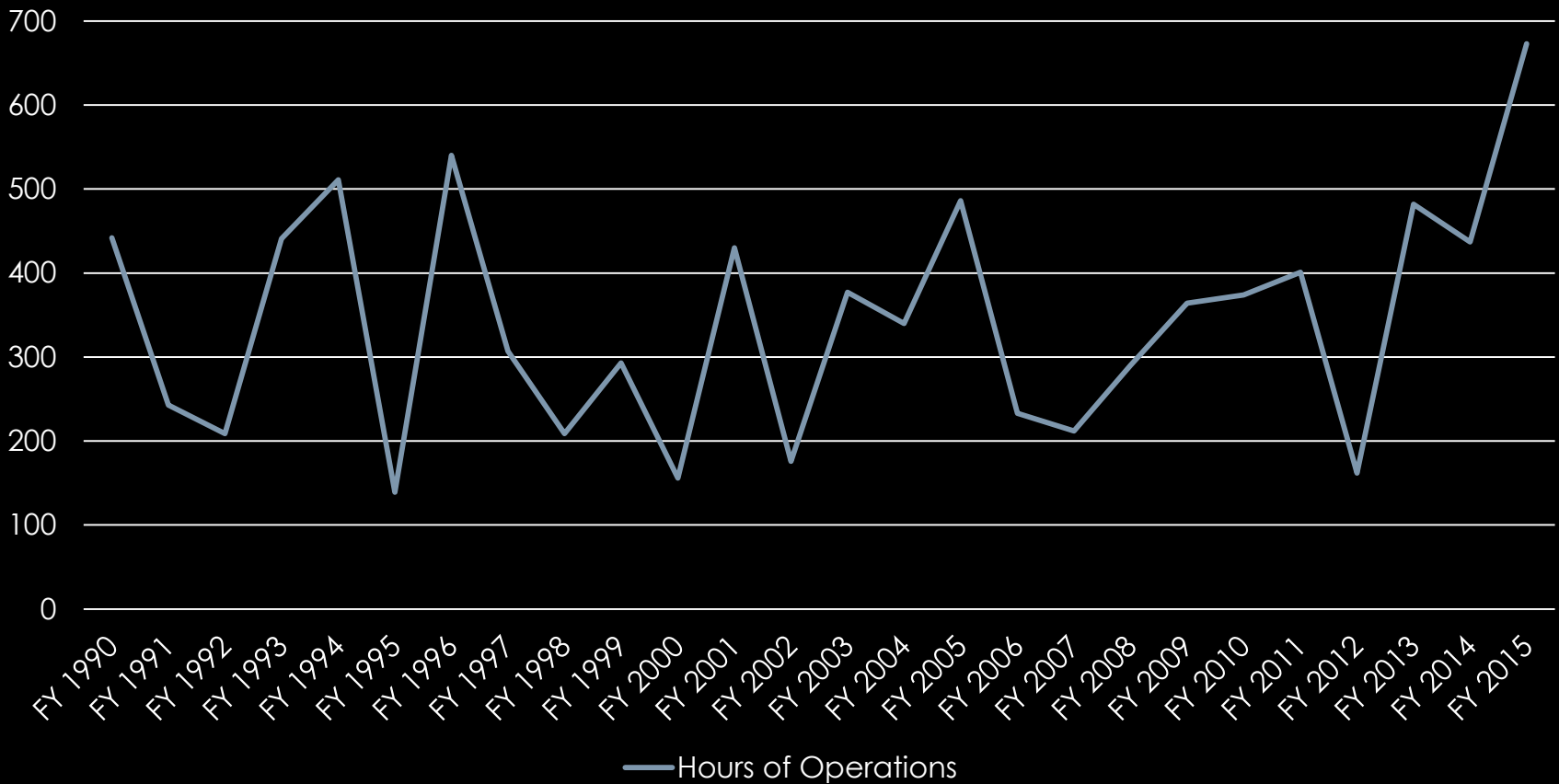
	FY 2016 Enacted	FY 2016 Gov. Rev.	Chng.	FY 2017 Gov. Rec.	Chng.
Materials	\$7.4	\$8.1	\$0.6	\$8.3	\$0.9
Vendors	5.4	7.7	2.3	7.9	2.5
Repairs	2.2	2.2	-	2.2	-
All Other	0.4	0.5	0.1	0.5	0.1
Total <i>(in millions)</i>	\$15.5	\$18.4	\$3.0	\$18.9	\$3.5

Excludes salary and benefit costs

- Year to date expenditures total \$10.3 million

Winter Maintenance Operations

Hours of Operations



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
- Governor's revised budget includes \$125,000
 - Purchase 6 catch basin cleaning trucks

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

RhodeWorks

- 10-year capital (TIP – accelerates replacement & reconstruction of state bridges) and operating
 - FFY 2016 through FFY 2025
 - Comprehensive initiative
 - Reduce percentage of deficient bridges
 - Improves surface transportation
- Increased funding
 - Pavement
 - Maintenance

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 Update

- GARVEE Refinancing
 - Working with Budget Office, Commerce Corporation & bond counsel
 - Refinancing to occur by June 15, 2016
- New GARVEE
 - Developing required documentation
 - Issuance to occur in FFY 2016
 - By October 2016

RhodeWorks

- Legislation was adopted after the Governor submitted budget but before all documents complete
- Governor's Capital Budget was adjusted to include funding
 - \$300 million from GARVEE
 - \$172.4 million from toll revenues
 - \$133.8 million from GARVEE refinance and increased federal funds
- Future capital budget will show integration of sources with other projects

Capital Recommendation

- \$5,853.8 million total project costs
- \$3,284.7 million for FY 2017 – FY 2021
- Includes projects in the Transportation Improvement Plan
 - Highway Improvement Program
 - Routes 6 and 10 Reconstruction
 - Mass Transit Hub Infrastructure
 - Maintenance Facilities
 - Salt Storage

Capital Recommendation

Projects	5 Year Total	Project Total
Highway Improvement Program	\$1,913.8	\$4,154.9
Routes 6 & 10 Reconstruction	650.0	800.0
Other (Bridges, Paving Projects)	545.5	606.2
Commuter Rail	93.6	173.5
Mass Transit Hub	43.5	44.7
Capital Equipment Replacement	24.5	40.0
Salt Storage & Maintenance Facilities	13.8	34.6
Total <i>(in millions)</i>	\$3,284.7	\$5,853.9

Routes 6 & 10 Reconstruction

- Built in 1950s
 - Bridges are structurally deficient (8 out of 11)
- Governor's Capital budget includes \$800 million - \$400 million from federal funds
 - Other federal transit funds are expected
- Routes 6 and 10 Reconstruction
 - Reduce congestion
 - Address deterioration of bridges
 - Offer multi-modal options for travelers

Routes 6 & 10 Reconstruction

- Working to complete federal application
 - Fostering Advancements in Shipping & Transportation for the Long-Term Achievement of National Efficiencies (FASTLANE) Grant Program
 - To secure \$150.0 million – Competitive
 - Application due 4/14
- Series of public workshops
 - Scheduled through April 13
 - 4 locations: Johnston, Warwick, Prov. & Cranston
- Other transit federal funding expected

Mass Transit Hub

- Governor recommends \$44.7 million in total project costs
 - 2014 voters approved \$35.0 million
 - Expand & improve the state's transit hubs
 - Providence AMTRAK, Kennedy Plaza and Garrahy Courthouse
- Received \$9.0 million new federal (TIGER) grant
- To Date:
 - Preliminary draft concepts/no design
 - Estimated construction to start in spring 2019

Capital Equipment Replacement

- Governor's Capital Budget includes \$40.0 million in total project
 - Replacement of heavy trucks, sweepers, loaders, backhoes and tractors
- Recommended budget includes \$0.1 million for fleet study
 - Considering a lease-based program
 - Department reported delay

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