

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

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 - Repealed department divisions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

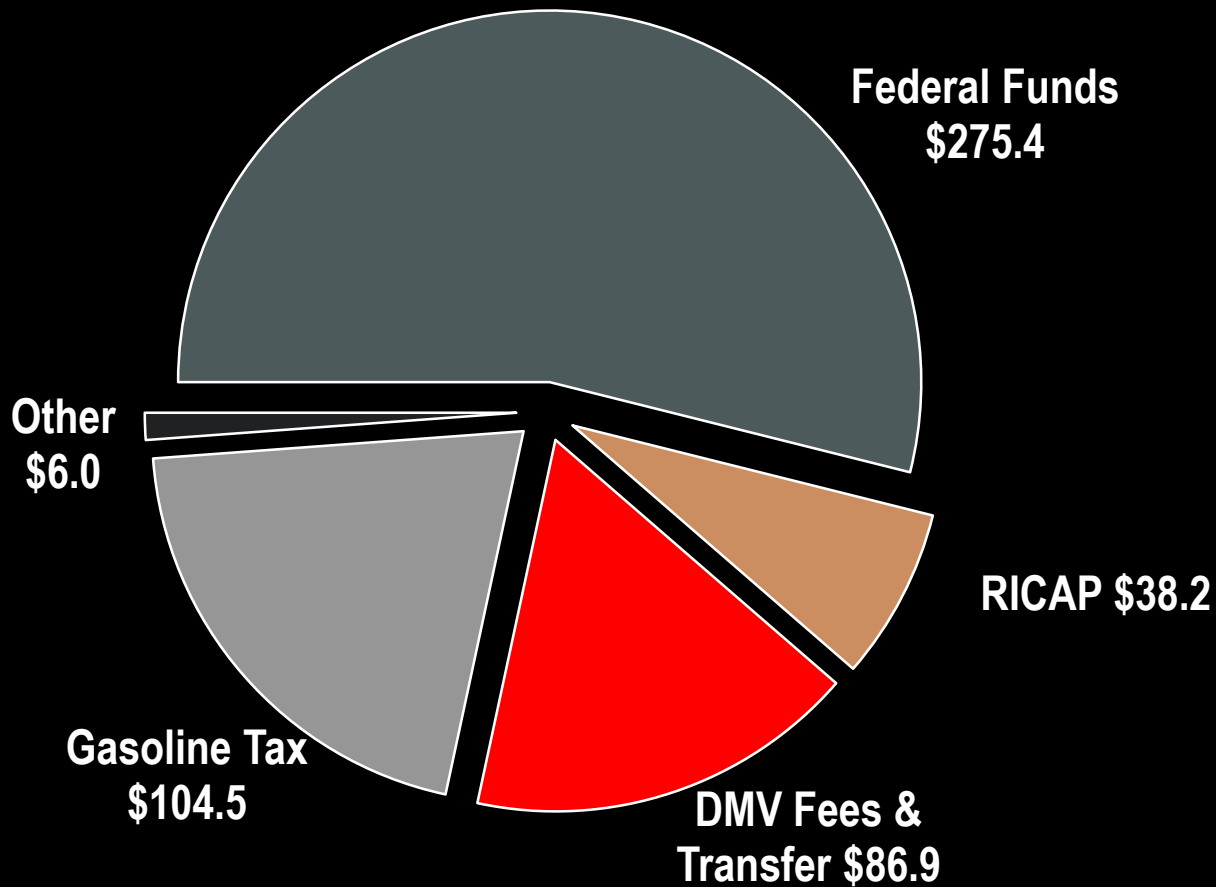
Reorganization

- 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

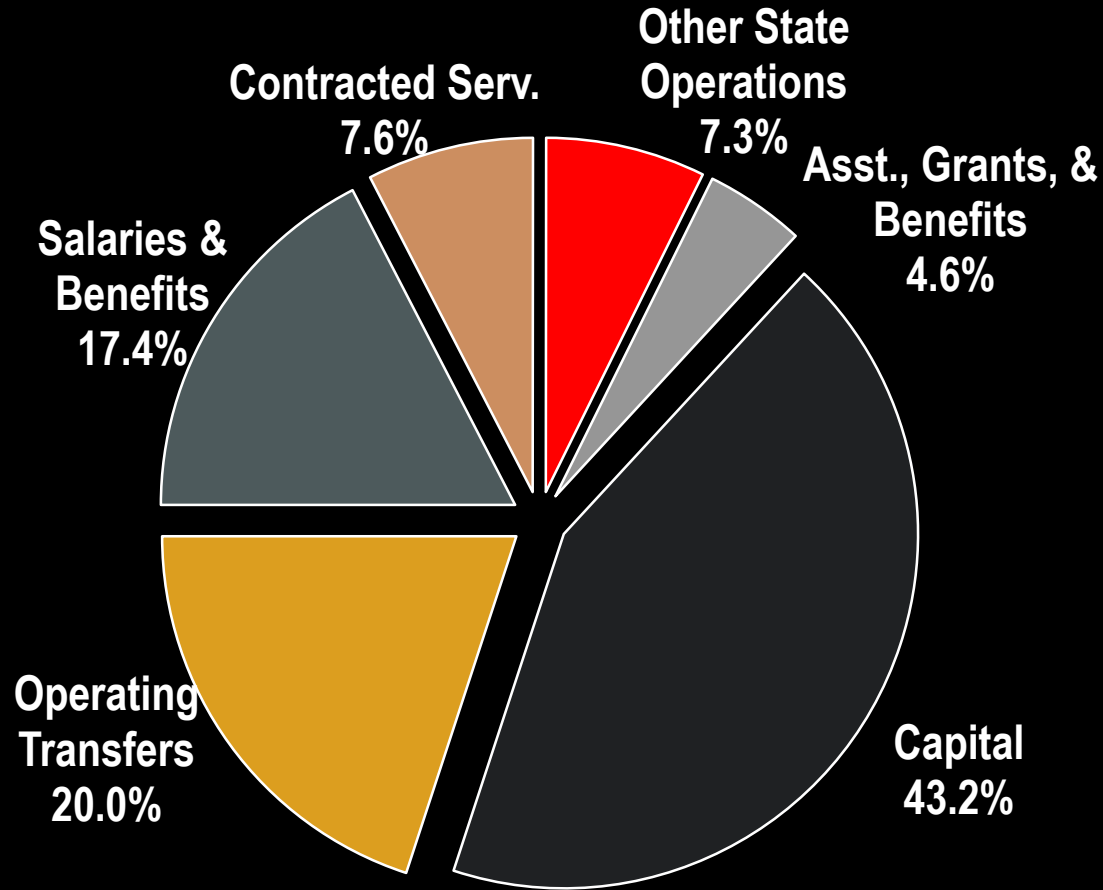
	FY 2017 Enacted	FY 2017 Gov. Rev.	Chng./ Enacted	FY 2018 Gov. Rec.	Chng./ Enacted
Federal Funds	\$272.4	\$271.5	\$(0.9)	\$275.4	\$3.0
Restricted Receipts	0.2	3.6	3.4	3.2	3.0
Other Funds	205.9	259.3	53.4	231.9	26.1
Total <i>(in millions)</i>	\$478.5	\$534.5	\$56.0	\$510.5	\$32.0
FTE	701.0	741.0	40.0	775.0	74.0

FY 2018 Recommendation



in millions

Recommendation 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

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

Other Funds – Article 21

- 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 2017 Enacted	FY 2017 Gov. Rev.	FY 2018 Gov. Rec.	FY 2018 Change
Inspection Stickers	\$11.0	\$11.0	\$12.1	\$1.2
Title Fees	9.1	9.1	8.4	(0.8)
Rental Car Surcharge	3.2	3.2	3.0	(0.1)
Good Driving Dismissal	0.4	0.4	0.4	-
License/Reg. Transfer	37.1	37.1	46.1	9.1
License & Registration Surcharges	19.1	19.1	16.8	(2.3)
Total <i>(in millions)</i>	\$79.8	\$79.8	\$86.9	\$7.1

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 - \$2.7 million
 - FY 2017 - \$4.0 million
 - FY 2018 - \$4.3 million
- Part of overall plan to dedicate more money to transportation

RI Public Transit Authority

- 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)

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)

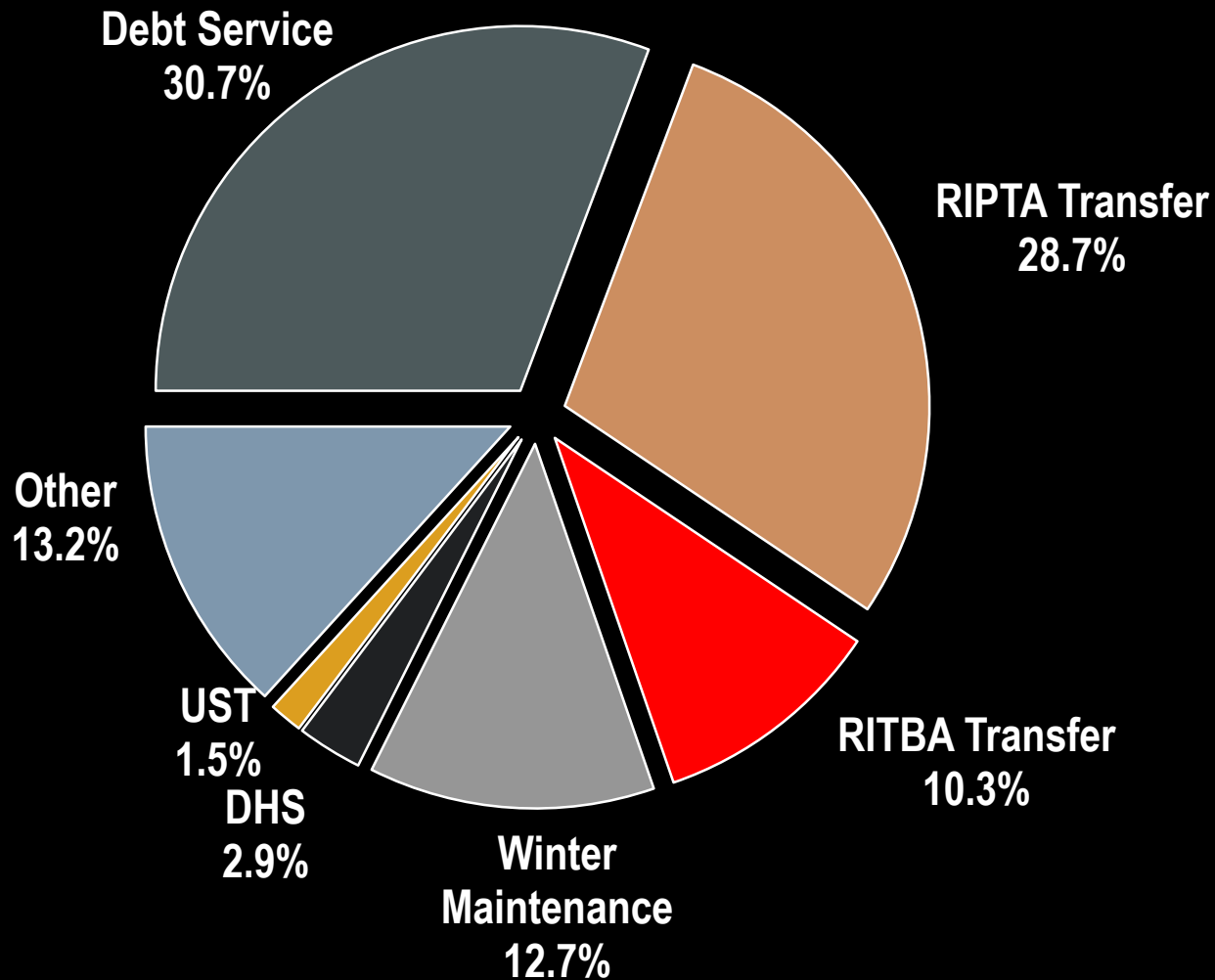
	Gas	Diesel
<i>Rhode Island</i>	34.0	34.0
Connecticut	39.9	41.7
Maine	30.0	31.2
Massachusetts	26.5	26.5
New Hampshire	23.8	23.8
Vermont	30.5	32.0
New England Average	30.4	33.0
U.S. Average	30.3	30.0

Source: American Petroleum Institute includes state surcharges

Gasoline Tax Proceeds

- Gasoline Tax – FY 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

FY 2018 Gas Tax Expenditures



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
- Primary source of revenue is tolls on Newport Bridge

RI Turnpike & Bridge Authority

- 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

<i>Changes to Enacted</i>	<i>FY 2017</i>	<i>FY 2018</i>
Salaries and Benefits	\$(0.4)	\$8.2
RhodeWorks - GARVEE Debt	6.9	11.4
Vehicle & Equipment Purchases/Rental	27.9	7.0
Immediate Action Projects	6.3	6.3
Highway Improvement Projects	3.1	(7.0)
Winter Maintenance Operations	-	(1.7)
3 rd Party Reimbursement	3.4	3.0
RIPTA and RITBA	2.9	3.2
All Other	5.9	1.7
Total Changes	\$56.0	\$32.0
Total Governor's Recommendation	\$534.5	\$510.5

Full-Time Equivalent Positions

Full-Time Positions	FTEs	Chg to Enacted
Enacted Authorization	701.0	-
FY 2017 Rev. Req./Gov.	741.0	40.0
FY 2018 Req./Gov.	775.0	74.0
FY 2016 Average filled	630.9	(70.1)
FY 2017 YTD average filled	636.8	(64.2)
Filled as of April 1, 2017	647.0	(54.0)

Full-Time Equivalent Positions



Staffing Recommendation

- 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

Position	Agency	% Time	Cost
Deputy Director	URI	100%	\$0.2
Chief of Staff	EOHHS	100%	0.2
Policy Analyst	Office of the Governor	100%	0.1
Executive Counsel	Office of the Governor	100%	0.2
Programming Services Officer	Office of the Governor	100%	0.1
Total <i>(in millions)</i>			\$0.8

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 – 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

RhodeWorks – Reporting

- 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

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 2016 Reported
Design contracts awarded	\$10.2M
Design contracts completed	\$6.6M
Construction contracts awarded	\$112.7M
Expected final cost of construction contracts >\$500K	\$72.8M
Total number of workers	2,082
Number of RI workers	1,330

RhodeWorks – Reporting

Report	Due By	Date Submitted
January - March 2017	April 30, 2017	
October - December 2016	January 30, 2017	January 30, 2017
July - September 2016	October 30, 2016	October 30, 2016
April - June 2016	July 30, 2016	July 29, 2016
January – March 2016	April 30, 2016	April 29, 2016

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

	On Budget % (by Value)	On Time % (by Value)	Contract Value of Projects in Constr.	On Budget % (by Projects)	On Time % (by Projects)	# of Projects in Constr.
FFY 13-14*	37%	37%	\$121.4	50%	50%	4
FFY 2015*	53%	68%	28.9	67%	67%	6
FFY 2016	100%	94%	108.2	100%	97%	34
Total			\$258.5			44

*Legacy

RhodeWorks – Reporting

- 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

Vehicles and Equipment

- 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

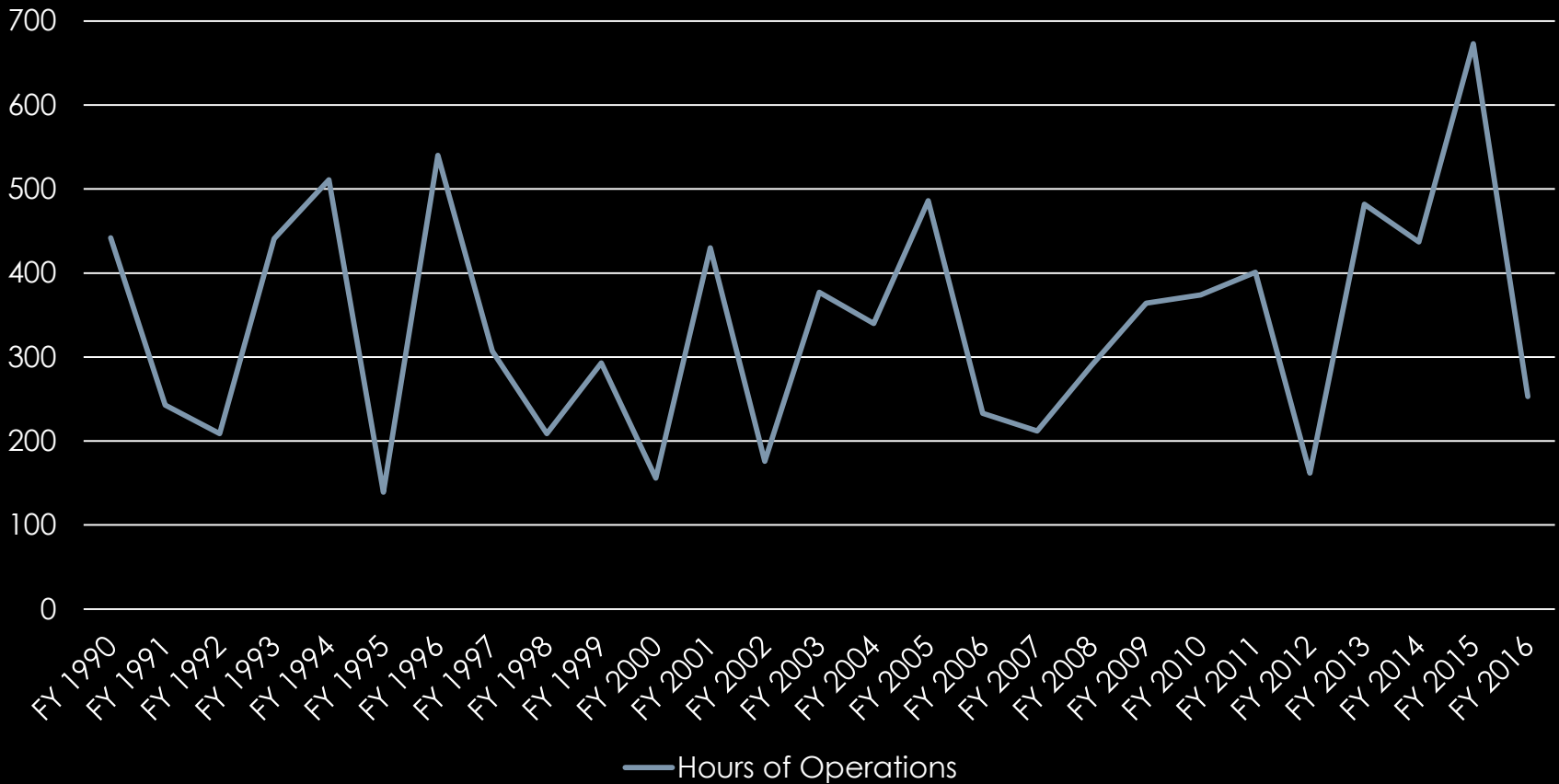
	FY 2017 Enacted	FY 2017 Gov. Rev.	FY 2018 Gov. Rec.	Chng.
Materials	\$8.3	\$8.3	\$6.6	\$(1.7)
Vendors	7.9	7.9	7.9	-
Repairs	2.2	2.2	2.2	-
All Other	0.5	0.5	0.5	-
Total <i>(in millions)</i>	\$18.9	\$18.9	\$17.2	\$(1.7)

Excludes salary and benefit costs

- Year to date expenditures total \$12.2 million

Winter Maintenance Operations

Hours of Operations



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

Capital Recommendation

- \$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

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

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

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