State of Rhode Island and Providence Plantations

Executive Summary

Fiscal Year 2014

Lincoln D. Chafee, Governor

Transportation

Transportation

Summary

The transportation function provides for the maintenance and construction of a quality infrastructure which reflects the transportation needs of the citizens of Rhode Island. The function is implemented by the Department of Transportation (DOT) through its core programs, transportation development and maintenance. Transportation development includes construction and design, traffic management, environmental and intermodal planning, capital programming, bridge rehabilitation/replacement, and highway safety. The DOT maintenance section engages in the routine maintenance of state highways, bridges, and associated roadsides and highway appurtenances.

In FY 1994, Rhode Island established the Intermodal Surface Transportation Fund (ISTF) to provide financing for transportation expenditures from dedicated user-related revenue sources. This dedicated highway fund establishes a direct relationship between transportation project financing and the end-users of the projects, with the goal of establishing a stable revenue stream capable of financing the projects on a pay-as-you-go basis.

For FY 2013 and FY 2014, the Intermodal Surface Transportation Fund (ISTF) is supported by 32.5 of Rhode Island’s 33.0-cent per gallon gasoline tax. Gasoline tax receipts finance operating and debt service expenditures of the Department of Transportation, as well as specific portions of transportation-related expenditures of the Rhode Island Public Transit Authority (RIPTA) and the Department of Human Services (formerly the Department of Elderly Affairs). The revenue generated by the state’s gasoline tax is allocated to these recipients on an individual cent basis. State law governs the distribution of the cents to the agencies. As of FY 2010, there is no longer any contribution to the general fund from the gasoline tax. The anticipated current and upcoming fiscal year revenue collection for the gasoline tax was established at each Revenue Estimating Conference; however, as there is no longer an impact on general revenue receipts, the Conference is no longer determining the gasoline tax estimate. The Office of Revenue Analysis within the Department of Revenue has provided the estimates for FY 2013 and FY 2014. The Office of Revenue Analysis estimates gasoline tax collections on a cent per gallon revenue yield. This yield is the basis for the development of budgets for the various gasoline tax supported operations.

Since the inception of this funding mechanism for transportation activities, there have been numerous revisions to the allocation plan. Each change has been initiated in order to direct more revenues to transportation operations rather than to the general fund. There was a change to the disbursement schedule in the enacted FY 2010 Budget, which increased the RIPTA allocation and the total gasoline tax by two cents, and an increase to the Department of Transportation of one cent, with an offsetting reduction and elimination of the allocation of gasoline tax directed to the general fund.

Starting in FY 2009, 0.5 of the State's 1.0-cent per gallon environmental protection regulatory fee collected by distributors of motor fuel when the product is sold to owners and/or operators of underground storage tanks has been recommended to support the Rhode Island Public Transit Authority (RIPTA).

Transportation

Current Law Gasoline Tax Allocation (in cents)

Recipient	2008	2009	2010	2011	2012	2013	2014
DOT	20.75	20.75	21.75[3]	21.75	21.75	21.75	21.75
RIPTA	7.25[1]	7.25	9.75[4]	9.75	9.75	9.75	9.75
General Fund	1.0[1]	1.0	0.0[3]	0.0	0.0	0.0	0.0
DEA/DHS	1.0	1.0	1.0[5]	1.0	1.0	1.0	1.0
Underground Storage Tank-DEM	1.0	0.5[2]	0.5	0.5	0.5	0.5	0.5
Total:	31.0	31.0	33.0	33.0	33.0	33.0	33.0

[1] *One additional cent was recommended for RIPTA with an offsetting reduction in the allocation of gasoline tax directed to the general fund starting in FY 2006 to finance a market survey of non-transit users and a management study of the agency*
[2] *Starting in FY 2009, 0.5 of the 1.0 cent Underground Storage Tank fee was recommended for allocation to RIPTA*
[3] *Starting in FY 2010, 1.0 of the remaining cent distributed to the General Fund was recommended to finance Department of Transportation operations*
[4] *Starting in FY 2010, 2.0 new cents of gasoline tax were added to the total for 33.0 cents now collected; the additional two centers were allocated to finance RIPTA*
[5] *Starting in 2010, 1.0 cent formerly directed to DEA was now sent to DHS*

The Department of Transportation provides services through four programs: Central Management, Management and Budget, Infrastructure Engineering, and Infrastructure Maintenance. Primary funding for Rhode Island transportation and highway construction spending is provided through the Federal Highway Administration (FHWA). Federal highway funding is provided through the Highway Trust Fund and other sources, as appropriated and allocated by Congress through transportation authorization legislation. Typically, these authorization provisions extend five to six years, allowing for mid-range capital planning at the state level. The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), which was passed in August 2005, authorized funding for highway construction, highway safety programs, mass transit operations, and other surface transportation projects over a five-year period, from 2005 to 2009. The Act expired in 2009, but was extended by Congress for one year in 2010. In subsequent years, SAFETEA-LU was extended for short periods with minor adjustments to the substantive provisions.

In June 2012, Congress approved a new two-year transportation authorization, called Moving Ahead for Progress in the 21st Century (MAP-21). MAP-21 shifts the Federal planning and project model toward performance measurements. The limited time of the authorization is an improvement over short-term extensions, but a two-year authorization still requires the state to make assumptions when projecting the availability of future Federal resources. MAP-21 intends to create a streamlined and performance-based surface transportation program and builds on and refines many existing highway, transit, bike, and pedestrian programs and policies.

Transportation

MAP-21 sets forth the following goals:

- Strengthen America's highways
- Establish performance-based programs
- Create jobs and support economic growth
- Support the Department of Transportation's aggressive safety agenda
- Streamline Federal highway transportation programs
- Accelerate project delivery and promotes innovation

The Highway Trust Fund (HTF) is the source of funding for most MAP-21 programs. The HTF includes the Highway Account, which funds highway and intermodal programs, and the Mass Transit Account. Federal motor fuel taxes are the primary source of income for the HTF. MAP-21 extends highway-user fees (Federal gas tax and other related taxes), generally at the rates that were in place when the legislation was enacted, through September 30, 2016. It also extends provisions for full or partial exemption from highway-user taxes and provisions for deposit of almost all of the highway-user taxes into the HTF through September 30, 2016.

In MAP-21, the metropolitan and statewide transportation planning processes are continued and enhanced to incorporate performance goals, measures, and targets into the process of identifying needed transportation improvements and project selection. Requirements for a long-range plan and a short-term Transportation Improvement Program (TIP) continue, with the development of the Long-Range Transportation Plan (LRTP) incorporating the performance plans required by the Act for certain programs. The TIP must also be developed to make progress toward established performance targets and must include a description of the anticipated achievements.

Overall, MAP-21 includes an array of provisions designed to increase innovation and improve efficiency, effectiveness, and accountability in the planning, design, engineering, construction and financing of transportation projects. Prior to MAP-21, Rhode Island received one-half of one percent of all funds allocated to states nationwide as a result of the Federal funding formula. With the advent of MAP-21, the FFY 2013 allocations to states are based upon a three-year average of funds received during FFY 2009 through FFY 2011. For FFY 2014, there is a 1.4 percent escalator for all state funding levels.

The DOT Highway Improvement Program (HIP) includes highway and intermodal projects that utilize Federal funds administered by the FHWA that are typically funded with 80.0 percent Federal funding and 20.0 percent State matching funds. Prior to FY 2013, the State had traditionally matched Federal highway funds with General Obligation bonds, which were approved by the voters as referenda questions at the November general election every two years. Debt service on the General Obligation bonds issued was paid with gas tax revenue. As a result of continued borrowing, less gas tax revenue remained available each year for operations and maintenance costs.

As a solution to the structural deficit and increasing debt service impact, Governor Chafee proposed shifting existing license and registration fees to transportation purposes over five years as part of his FY 2012 Budget proposal (Article 22). However, the Article 22 included in the FY 2012 Budget as Enacted, passed by the General Assembly, did not shift any existing registration and license fees, but instead increased registration and license fees and dedicated those new revenues to transportation purposes. The Article created the Rhode Island Highway Maintenance Trust Fund and prescribed a three-year, phased increase in registration and license fees, beginning in FY 2014 (July 2013). Two-year registrations and drivers licenses would each be increased by $30 ($10 per year for three-years), while one-year registrations would be increased by $15 ($5 per year for three-years).

Transportation

The General Assembly also included an annual allocation from the Rhode Island Capital Plan (RICAP) fund in the FY 2012 Budget as Enacted to supplement the revenue generated by the new fees. These two funding sources combined would eliminate General Obligation bond borrowing to match Federal highway funding by FY 2016. The General Assembly accelerated the replacement of General Obligation bond financing in the FY 2013 Budget as Enacted by including an additional $20.0 million in RICAP funds; this eliminated the need for a final $20.0 million transportation bond referendum in November 2012.

The HIP implements DOT's capital program as identified in the State's TIP. The TIP is a listing of transportation projects that the state plans to finance over a four-year period from Federal highway and transit funds. Federal law requires that all projects utilizing Federal transportation funds shall appear in a TIP adopted by the State Planning Council and approved by the Governor.

In Rhode Island, the TIP is the product of extensive public outreach to all communities, public interest groups, and citizens throughout the state by the agencies involved in transportation planning and project implementation. Following extensive public solicitation for the current TIP, highway projects are selected by a twenty-seven member public body, known as the Transportation Advisory Committee (TAC), using criteria based on six major categories: mobility benefits; cost effectiveness; economic development; environmental impact; degree of support to local and state goals and plans; and safety/security/technology. Certain projects are reviewed by special public committees prior to selection for the TIP by the TAC. The transportation air quality subcommittee, assisted by DOT and DEM staff, conducts a solicitation and evaluation of Congestion Mitigation and Air Quality (CMAQ) proposals, a TAC subcommittee reviews new bicycle/pedestrian projects, and the RIDOT Advisory Committee solicits and evaluates applications for funds earmarked for Transportation Enhancements.

FY 2004 marked the beginning of a major effort on the part of Rhode Island government to address the rebuilding and modernization of the State's transportation systems. In December 2003, the State completed the first of a three-part bond transaction which authorized $709.6 million and programmed $704.0 million for five major infrastructure projects to be completed over an 8 ½ year period. This undertaking includes two financing mechanisms. The majority of the costs ($598.4) have been financed through Grant Anticipation Revenue Vehicle bonds (GARVEE).

GARVEE is a program approved by Congress that allows states to borrow funds, which are then backed and repaid by the annual allocation of Federal Highway Administration construction funds. The remaining costs ($105.6 million) were provided through Motor Vehicle Tax Revenue Bonds. These bonds are financed through a two-cent dedication of the Department's gasoline tax allocation. The State issued a third series of both the GARVEE and Motor Fuel Bonds program in 2009. With the established funding sources in place to meet the financing requirements of this borrowing, this program will have no fiscal impact to the State and offer no financial exposure to taxpayers other than the pledging of the FHWA and gas tax funds to repay the bonds. The projects financed under this program were the I-195 Relocation, Washington Bridge Reconstruction, a new Sakonnet River Bridge and the Quonset Rt. 403 construction. Also financed was the completion of the Freight Rail Improvement Program.

Transportation

Project	Total Cost	GARVEE Funding	Other Funding	GARVEE Funding Projected Through FY 2013
Route 195 Relocation (the I-Way)	$620.6	$383.4	$237.3	$371.1
Phase II, Route 403	201.7	116.5	85.2	116.5
New Sakonnet River Bridge	242.0	142.5	99.5	142.5
New Washington Bridge	68.5	68.5	0.0	60.1
Freight Rail Improvement Project (FRIP)	235.2	39.6	195.5	39.6
Total	**$1,368.0**	**$750.5**	**$617.5**	**$729.8**

*$ in millions. Totals may vary due to rounding.

The debt service on the GARVEE bonds to be paid through the FHWA allocation in FY 2013 and FY 2014 is $48.4 million each year and is reflected in the Department's operating budget as a Federal fund source. The gas-tax funded debt service on the Motor Fuel Tax revenue bonds totals $8.3 million in FY 2013 and FY 2014, which is paid using 2.0 cents of total gas tax revenues. An amendment to the original GARVEE approval (as granted by Article 36 of the FY 2004 budget as enacted), which allowed $9.6 million of the GARVEE bond authorization approved for the Washington Bridge project to be applied to the Sakonnet River Bridge project was adopted as part of Article 7 of the FY 2013 Budget as Enacted. The total GARVEE borrowing would remain unchanged; the $9.6 million in authorization would shift between projects.

On February 17, 2009, Congress passed an economic stimulus bill, the American Recovery and Reinvestment Act (ARRA), which provided Rhode Island with $137.0 million in additional highway funding with no required state match for highway infrastructure investment, which has been spent over three years for sixty-six separate projects throughout Rhode Island including highway, road and bridge repair, pavement resurfacing, as well as enhancement projects, such as lighting and drainage improvements.

The continued emphasis towards a more balanced multimodal transportation system extends to statewide mass transit programs. Operating assistance of $40.5 million in FY 2013 and $40.6 million in FY 2014 to the Rhode Island Public Transit Authority will be financed from a 9.25 cent allocation of the gasoline tax, as well as an additional 0.5 of the 1.0 cent Underground Storage Tank fee. Another cent of the gasoline tax not included in the Department of Transportation budget supports the efforts of the Department of Human Services to streamline and enhance elderly and handicapped transportation services. Much of this allocation is transferred to RIPTA to underwrite pass programs for the elderly and to finance compliance costs statewide associated with Americans with Disabilities Act requirements.

The revised FY 2013 budget for the Department of Transportation totals $467.3 million, including $316.5 million in Federal funds, $149.9 million in other funds, and $1.0 million in restricted receipts. This represents a $44.3 million decrease in all funds from the FY 2013 enacted budget. Federal funds decrease by a total of $45.9 million, while restricted receipts increase by $11,497 from the enacted budget. Other funds for the Department increase by a total of $1.6 million from the enacted budget. The other funds total includes gasoline tax expenditures for the Department, RIPTA, and GARVEE/Motor Fuel Revenue Bonds, as well as Rhode Island Capital Plan Fund appropriations, land sale proceeds, nonland surplus property revenues and other miscellaneous receipts.

The revised FY 2013 estimated revenue available within the ISTEA fund is $136.8 million, which represents the revised per penny gasoline tax yield estimate of $4,155,025, as well as a carry forward from FY 2012 totaling $1.7 million and an additional $2.1 million from 0.5 cent of the 1.0 cent Underground Storage Tank fee. Gasoline tax funds within the Department of Transportation total $96.1 million, $47.3

million is recommended for the operations of the Department, $40.5 million is the operating transfer to finance RIPTA, and $8.3 million is associated with the GARVEE/Motor Fuel Revenue Bonds program. Gasoline tax funds within the Department increase by $323,540 from the enacted budget. The increase is a result of $1.7 million in carry forward funds offset primarily due to a revision in the gasoline tax estimate. The original estimate used in the FY 2013 Enacted Budget was $4,213,320 per penny. The estimate provided by the Office of Revenue Analysis has revised the per penny gasoline tax down to $4,155,025, a decrease of $58,295 per penny.

Other adjustments to the total gasoline tax appropriation for the Department include projected transfers to the Department of Administration to finance transportation related general obligation bond debt service costs of $34.4 million for DOT. Due to the projected deficit caused by the continued pressure on the Department's budget with increasing debt service, and declining gasoline tax, general revenue will be used to fund $8.0 million of the Department's debt service for FY 2013. In addition, RIDOT received $2.0 million through the Build America Bond rebates that will be used to reduce the amount of gasoline tax used for debt service. Lastly, in April 2012, a major refunding and restructuring of transportation debt was completed that will greatly help level payments over time, eliminating the "spikes" that have caused additional pressure on the shrinking gas tax revenues for the Department. The debt service adjustment to the Department represents an increase of $105,435 from the enacted budget. Please note that debt service is reflected within the Department of Administration's budget.

Additionally, due to projected deficits at RIPTA, the Governor recommends that debt service on outstanding RIPTA general obligation bonds be funded with $1.6 million of general revenue in FY 2013 to supplement gas tax revenue generally used for debt service. A total of $2.1 million represents the financing of Human Resources, Purchasing, and Information Technology positions that have been consolidated within the Department of Administration for employees who work at DOT but whose costs are budgeted in DOA. The total transfer amount of these positions represents a decrease of $100,237 from the FY 2013 enacted budget. The Governor recommends a slight deficit of $12,975 for the end of FY 2013 to be carried forward into FY 2014 based on current motor fuel tax estimates.

A total recommendation of $26.7 million in FY 2013 from the Rhode Island Capital Plan Fund finances the Pawtucket-Central Falls Train Station Study, the Replacement of Maintenance Trucks and Capital Equipment, Salt Storage Facilities and Maintenance Facility improvements and fire alarms, and construction on the Portsmouth, East Providence and Cherry Hill Facilities. Included in the Capital Plan Fund are RIPTA projects for the Elmwood Avenue Expansion Project, Land and Buildings project, HVAC improvements and roof replacement at the Newport facility, High Speed Fueling and Fluid Monitoring upgrades, a Cash Room Security Project, along with upgrades for Fixed Route and Paratransit Cameras. Additionally, as previously mentioned, $20.0 million in Rhode Island Capital Plan funds are included for the Highway Improvement Program. The total increase is $2.0 million compared to the FY 2013 enacted level.

Other funds changes also include a $505,786 decrease from the sale of land associated with the I-195 relocation project in order to reflect current project schedules. A total of $19.9 million for the sale of land from the reconstruction of I-195 is expected to take place in FY 2013. A total of $4.3 million in other land sales is expected in FY 2013. The Department estimates collecting $125,000 in FY 2013 from a maintenance fee for outside advertising. Estimates increase by $25,000 from the enacted budget. Revenue raised in FY 2013 is recommended to be used for operating expenses within RIDOT's Division of Engineering that do not qualify for Federal reimbursement.

Federal funds decrease by a total of $45.9 million from the enacted budget. The majority of the decrease from the enacted budget is due to the Federal Highway Program projects. These expenditures are projected to decrease by $53.8 million from the enacted level due to funding levels through MAP-21. Therefore, the

Transportation

DOT has been conservative in their construction scheduling as the construction budget of the Department is driven by the availability of funding.

Additionally, there is a decrease attributable to the infrastructure investment stimulus funds from the American Recovery and Reinvestment Act of 2009. Expected expenditures on highway projects decrease $1.1 million from the enacted level. The Department has made commitments for all funds and expects to expend the remaining funds by the end of FY 2013.

The overall decrease in Federal funds is offset by several increasing Federal grants, such as a $1.1 million increase in National Highway Safety Administration grants to correct actual Federal grants anticipated in FY 2013 and an increase of $6.4 million in Federal Transit funds associated with the fixed guideway (commuter rail) project. National Highway Safety Administration grants total $5.6 million while Federal Transit grants total $9.0 million. GARVEE debt service is deducted from the total estimated obligation authority estimate for the Federal highway fund, and totals $48.4 million in the revised FY 2013 budget. The revised FY 2013 budget includes a total of $12.0 million related to personnel costs associated with the GARVEE program and general obligation bonds within the federal funds category.

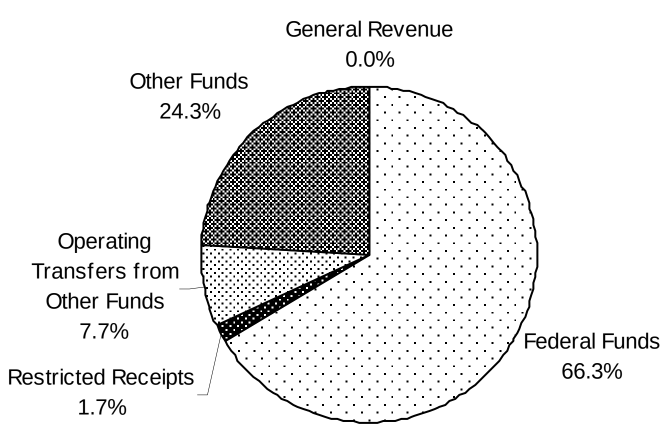
For the Department of Transportation, the Governor recommends 772.6 FTE positions for FY 2013. The enacted budget included 772.6 positions.

In FY 2014, recommended expenditures from all sources for transportation activities total $469.9 million, a decrease of $41.7 million from the FY 2013 enacted budget.

The following chart illustrates departmental expenditures by source of financing for FY 2014.

This chart does not include general obligation bond expenditures, GARVEE expenditures, and GARVEE debt service payments, with the exception of personnel costs financed by the GARVEE program and general obligation bonds.

How it is Financed



The other funds source represents 24.3 percent of the FY 2014 budget for the Department, or $114.0 million. This represents an increase of $9.6 million from the FY 2013 enacted budget. Other funds include total gasoline tax expenditures of $98.9 million, of which $50.0 million represents the Department of

Transportation budget, $38.5 million is budgeted for RIPTA's allocation of the gasoline tax, with an additional $2.1 million for the 0.5 cents of the Underground Storage Fee allocated to RIPTA beginning in FY 2010, and $8.3 million is budgeted for the Motor Fuel Bond allocation of the gasoline tax.

The total estimated receipts for the ISTEA fund in FY 2014 are $135.4 million, which represents a gasoline tax yield estimate of $4,165,364 per penny of the gasoline tax. The total gasoline tax budget within the Department of Transportation represents a decrease of $3.0 million from the FY 2013 enacted budget. Included in the FY 2013 gasoline tax budget for the Department is a general obligation bond debt service payment of $29.6 million, a decrease of $4.7 million from the FY 2013 enacted budget.

Due to continued pressure on the Department's budget with increasing debt service, and declining gasoline tax revenue as compared to previous years, general revenue will be used to fund $10.0 million of the Department's debt service for FY 2014. In addition, RIDOT received $2.0 million through the Build America Bond rebates that will be used to reduce the amount of gasoline tax used for debt service. Based on the refunding and restructuring of debt in April 2012, the debt service adjustment to the Department represents a decrease of $2.7 million from the enacted budget. Similar to FY 2013 and due to projected deficits at RIPTA, the Governor recommends that debt service on outstanding RIPTA general obligation bonds be funded with $1.7 million of general revenue in FY 2014 to supplement gas tax revenue generally used for debt service. A total of $2.1 million represents reductions to the Department's allocation of the gasoline tax in order to finance Human Resources, Purchasing, and Information Technology positions consolidated within the Department of Administration. The transfer represents a decrease of $96,346 from the FY 2013 enacted budget.

The FY 2014 recommendation includes Rhode Island Capital Plan Fund expenditures totaling $36.1 million, of which $1.5 million is for Salt Storage facilities, $104,000 for the RIPTA Land and Buildings project, $776,210 for Maintenance Facilities, $1.8 million for the Portsmouth Facility, $1.0 million for the Replacement of Maintenance Trucks and Capital Equipment, $300,000 for Maintenance and Repairs at three train stations, and $600,000 is recommended for the conversion of the former RIPTA maintenance facility on Elmwood Avenue to a cooperative maintenance facility for RIDOT heavy equipment and RIPTA buses. Similar to FY 2013, $20.0 million in Rhode Island Capital Plan funds are included for the Highway Improvement Program.

Lastly, the Governor recommends $10.0 million in Rhode Island Capital Plan Fund financing towards a Local Roads and Streetscape Program in FY 2014. The purpose of a State-funded Local Roads Program is to improve the condition of local roads through a streamlined process to allow local communities to select the roads most in need of resurfacing, and to implement these projects on a local level. Funding for this program will be formula driven and will allocate available funds based on mileage within each municipality, in conjunction with other criteria developed to provide a reasonable minimum to each of Rhode Island's 39 cities and towns.

A total of $2.5 million in other funds is from estimated land sale revenues. Additionally, DOT will receive $43.0 million through the land sale associated with the relocation of the I-195 project, which will be used and spread out over a number of years. In FY 2014, the Department estimates using $12.3 million from the I-195 land sale revenue. The remaining other funds for the Department is comprised of $300,000 for outdoor advertising and non-land surplus property collections for the budget year.

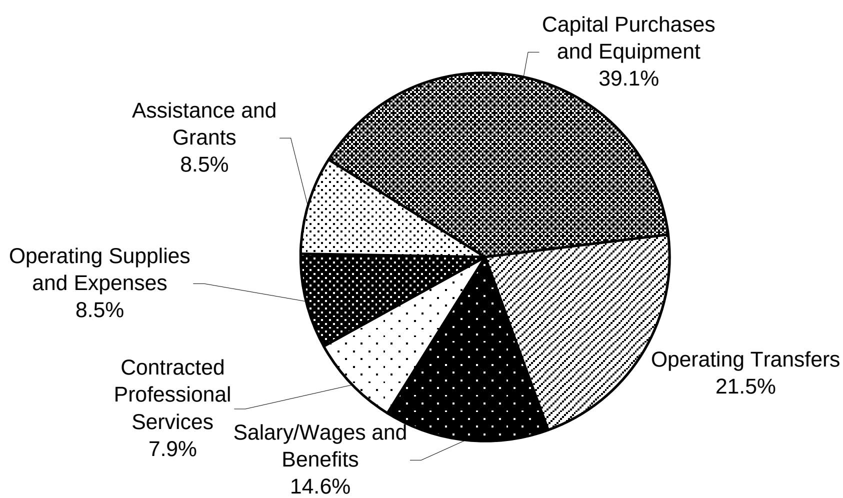
The total budget for Federal grants for the department represents 66.3 percent of the budget, or $311.8 million, including $223.9 million in federal highway funds, a total of $48.4 million is GARVEE debt service payments from Federal highway funds, $1.0 million has been budgeted to account for personnel costs transferred to the GARVEE construction program, and $1.8 million represents personnel costs allocated to general obligation bonds. Other Federal grants for the Department are comprised of a total of $7.6 million in Federal Transit funds and $5.8 million in National Highway Safety funds. Federal Transit funds increase by $5.0 million in FY 2014 from the enacted level. National Highway Safety funds increase by $3.1 over the FY 2013 enacted budget to correct actual Federal grants anticipated in FY 2014.

Restricted receipts represent 1.7 percent of the total budget or $8.0 million. The majority of the funds will come from the Highway Maintenance Trust Fund, which are budgeted as a restricted receipt account for the first time in FY 2014.

For FY 2014 the Governor recommends 772.6 FTE positions for the Department of Transportation, which represents no changes from the FY 2013 enacted budget.

The following chart illustrates departmental expenditures on an all funds basis by category of expenditure for FY 2014.

How it is Spent



The capital category of expenditure represents 39.1 percent of the total Department budget. Capital consists primarily of Federal highway dollars located within the Engineering program for infrastructure construction costs. Available funding drives the projections for the Department of Transportation.

A total of 22.5 percent represents personnel costs of the Department, which includes contract services. Initiated in FY 2008, the Department's Federal indirect cost recovery plan allows a portion of personnel, as well as contract services and operating costs to be eligible for federal reimbursement. A total of $19.1 million of personnel and contract services costs are located within the Maintenance program where the source of funding is the gasoline tax.

The category of operating transfers represents 21.5 percent of all funds total spending for DOT, which includes the pass-through gasoline tax and underground storage tank fund revenue for RIPTA of $40.6 million, and $48.4 million which is paid for the GARVEE bonds through an operating transfer of federal highway funds.

Transportation

The operating category represents 8.5 percent of all funds total spending for the Department with 54.8 percent of the category representing Maintenance activities, which include pavement repair, crack sealing, pothole repair, litter collection, vehicle fleet maintenance, street and sidewalk sweeping, signage, highway light maintenance, and bridge washing. Snow and ice removal operations also fall under the management of this program.

Assistance, grants, and benefits represent 8.5 percent of the FY 2014 budget and consist primarily of Federal Highway Administration and Federal Transit Administration grant funds.