



Special Transportation Fund (STF)

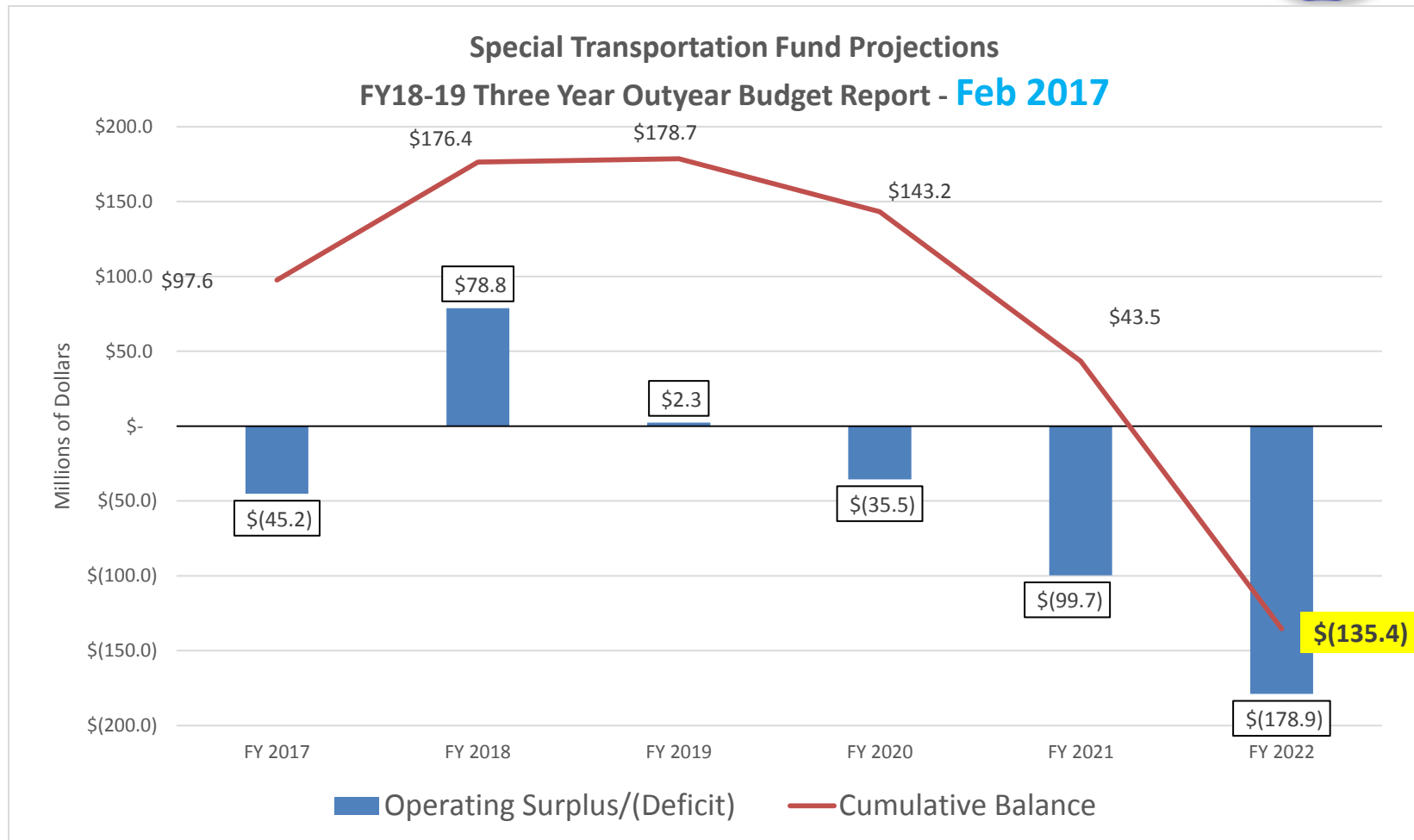
Department of Transportation Operating and Capital Budget Impacts

Outline

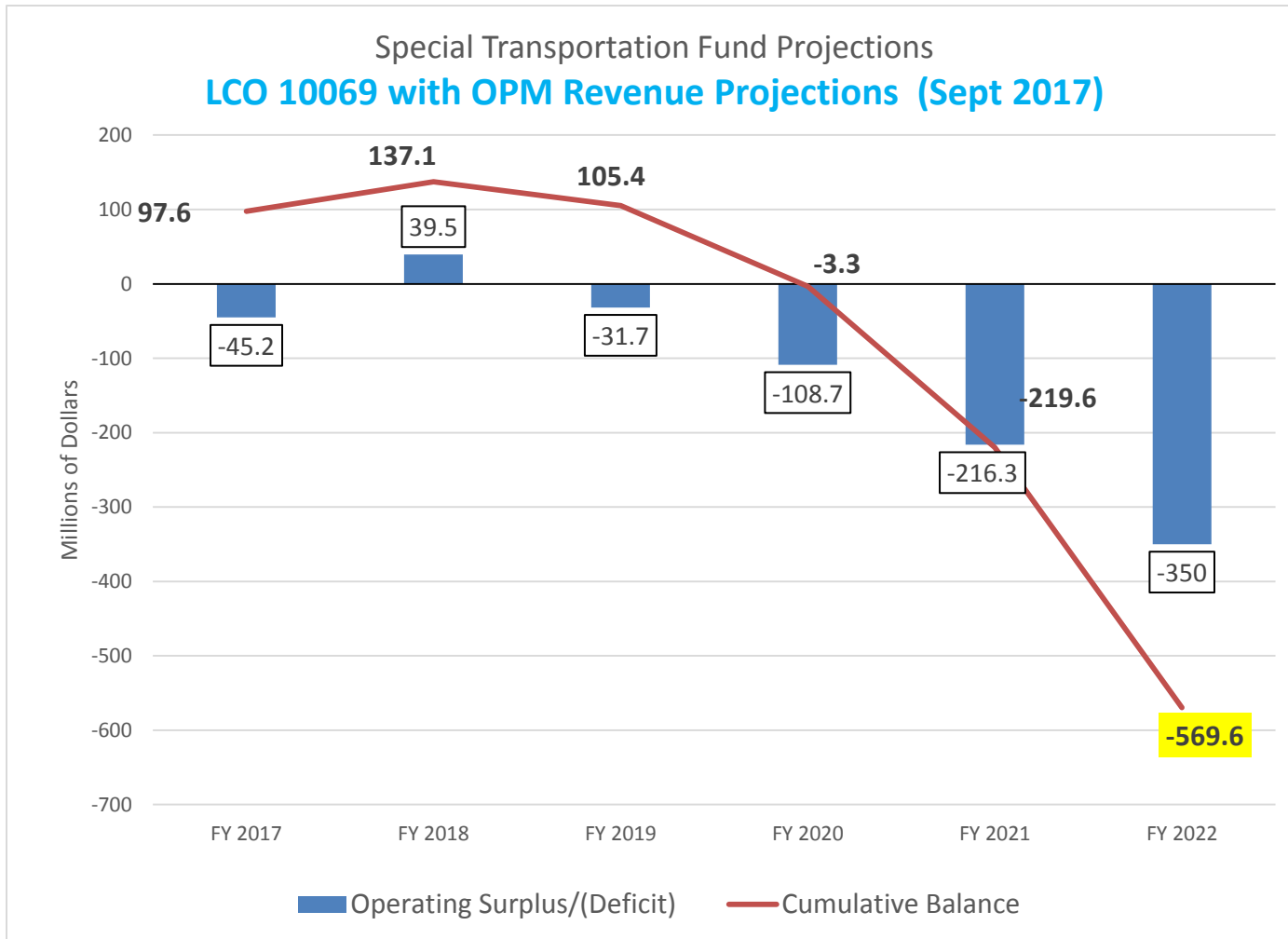


- STF condition – February to present
- Reasons for STF shortfall
- Short and long term problem
- Operating budget impacts
- Capital program impacts
- STF after budget actions

STF Forecast - February



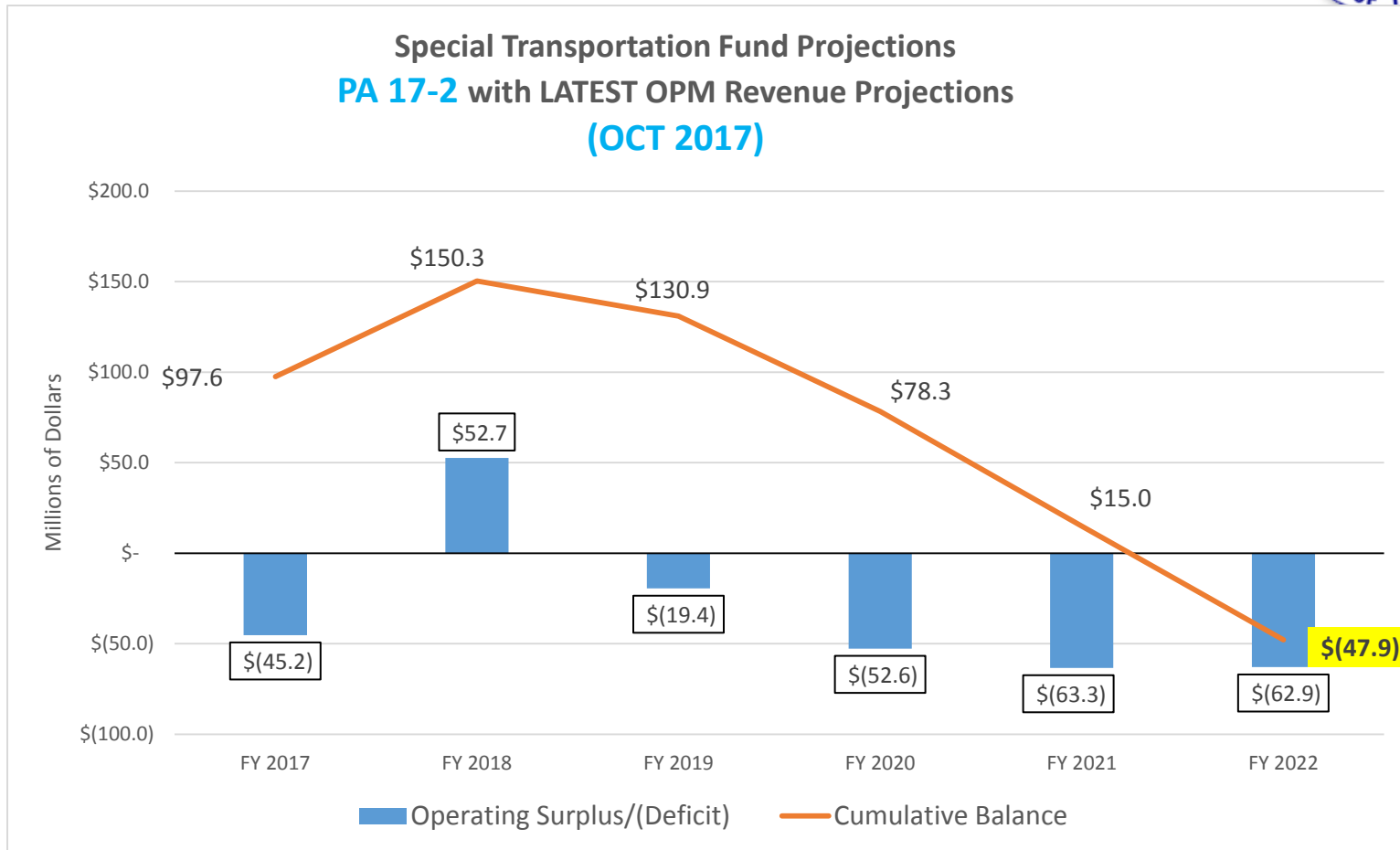
STF Forecast - September



STF Forecast - October

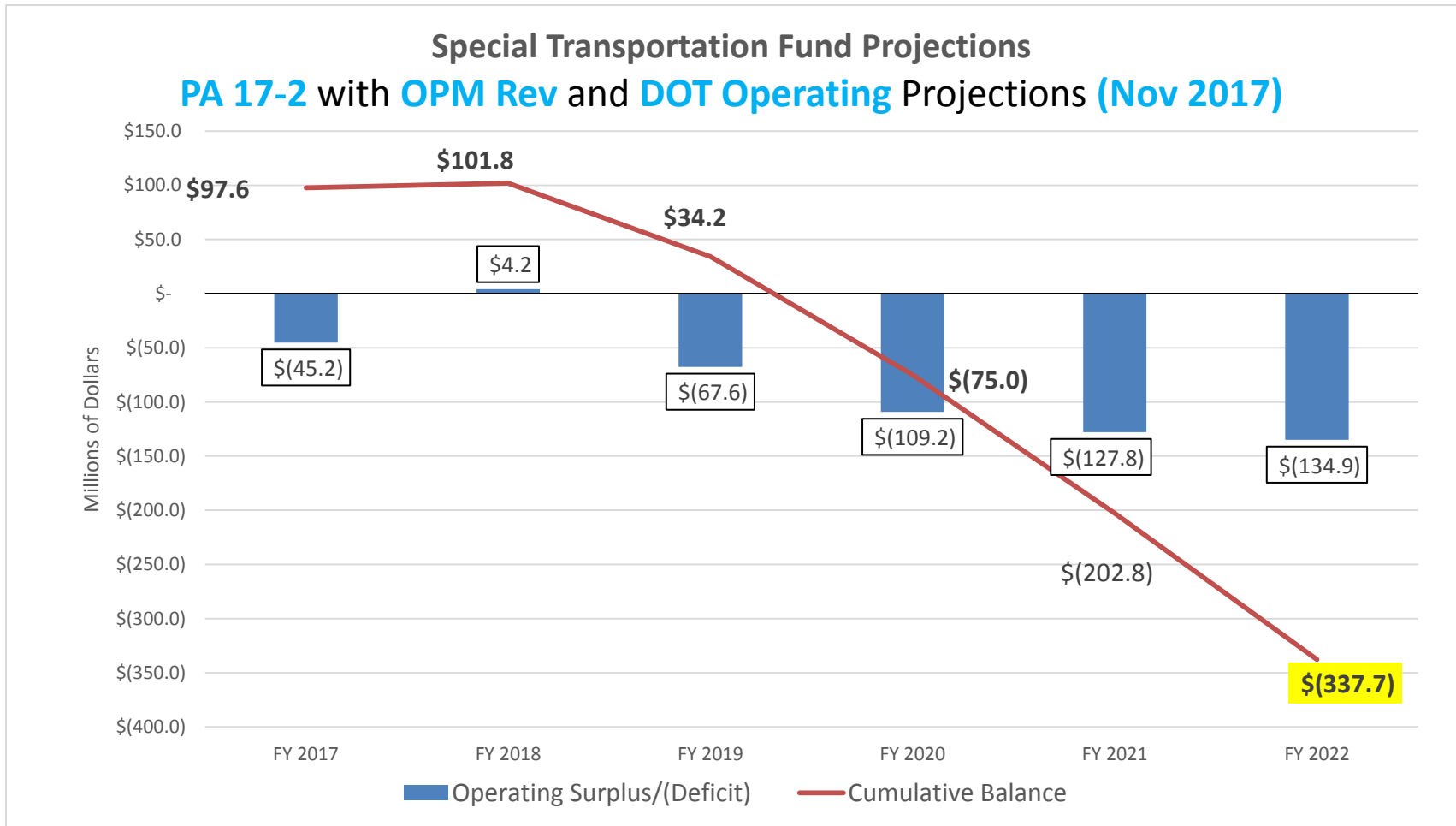


Special Transportation Fund Projections
PA 17-2 with LATEST OPM Revenue Projections
(OCT 2017)

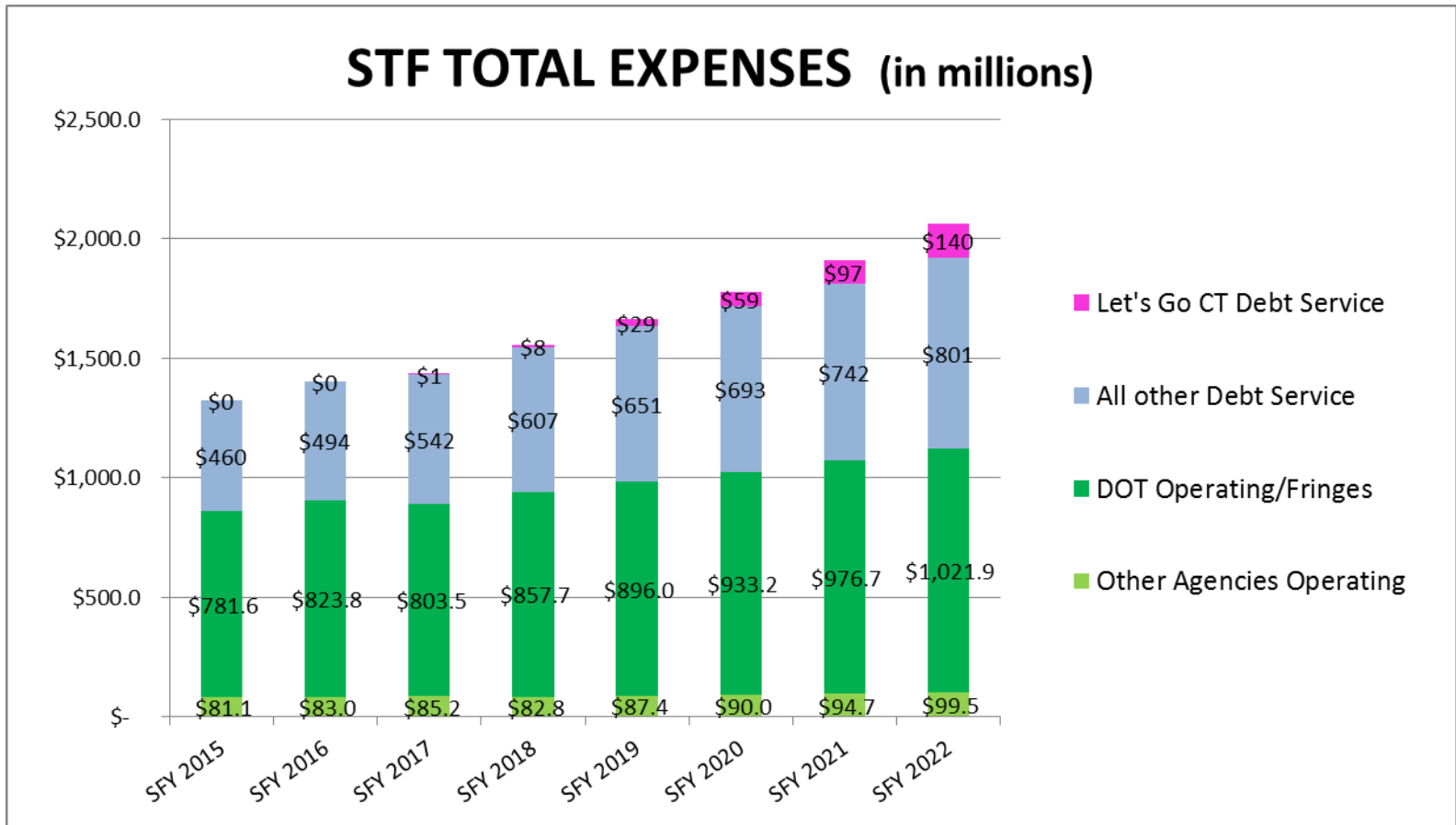


STF Forecast -- November

DOT Expenses forecast through June 2017



The major contributor to STF Total Expenditure Increases is Debt Service although DOT and Other Agency operating expenses are also growing



Growth in STF Expenditures FY15 – FY22



| Description | Projected Growth (millions) | % |
|--------------------------|------------------------------------|----------|
| Existing Debt Service | \$341,032,944 | 74% |
| DOT Operating/Fringes | \$240,349,414 | 31% |
| Other Agencies Operating | \$18,404,018 | 23% |
| Let's Go CT Debt Service | \$139,944,933 | n/a |

BUDGET GROWTH FY1997 – FY2017



| | FY1997 | FY2017 | % |
|------------------|--------|--------|------|
| Operating Budget | \$288M | \$620M | 215% |
| Capital Budget | \$150M | \$900M | 600% |

Problem Statement



- **Short Term: Inability to sell bonds**
 - STF Bond proceeds are fully expended
 - Additional Bond proceeds are required to meet existing capital project expenses – up to \$1B capital payment obligations in FY18
 - Current year and cumulative STF deficits prevent bond sales – Cumulative projected deficit over \$300M through 2022 so immediate operating and capital reductions are required
- **Longer Term: Existing Revenue Levels insufficient to support STF**
 - Rising Debt Service associated with past debt is eroding available STF revenue.
 - Decreasing Revenue Estimates combined with Increasing Operating Costs making the problem worse
 - Revenue to Debt Service coverage ratios headed lower, risking Bond Rating
 - Operating and Capital Reductions alone cannot solve the long term problem

DOT Budget Impacts without New Revenue



Implement a series of operating budget cuts beginning in FY19

Significantly reduce capital program beginning in the upcoming construction season

Operating Budget Actions



DOT Administrative Impacts

- Reduction in DOT Staffing – currently 423 vacancies (14%)

Highway and Bridge Impacts

- Reduction in PAYGO road and bridge paving and maintenance work
- Completely close Rest Areas
- Reduced maintenance staff will impact service levels for snow events and routine maintenance

Bus Impacts

- Eliminate Non-ADA local bus service subsidies
- 15% Bus Fare Increase FY 2019
- Transit District 15% Subsidy Cut FY 2019
- Transit District 50% Subsidy cut FY 2021
- Additional CMAQ subsidy for CTfastrak
- 5% Bus service reduction in FY 2021

Operating Budget Actions



Rail Impacts

- 10% Rail Fare Increase FY 2019
- 5% Rail Fare Increase FY 2021
- 5% Rail Fare Increase FY 2022
- Metro-North Non-Service Expense Reductions FY 2019
- No Weekend and Some Off-Peak Service Reductions - Danbury, Waterbury and New Canaan Rail Lines FY 2019
- 50% Reduction in Shoreline East Service FY 2019

Capital Program Principles



- Fund ongoing (already awarded) **construction** projects
- Ensure **match of all federal funds**
- Fund ongoing **phase-funded** federal projects, to avoid payback obligations
- Award new projects ONLY if funded with federal funds or essential for safety/state of good repair
- Eliminate approximately \$2.0 billion of \$2.8 billion of **Let's Go CT! Ramp Up** authorizations
- Fund **core DOT** projects and programs, **eliminate local**/municipal funding
 - Reduced – Federalized LOTCIP
 - No local bridge projects
 - No STF funded Town Aid Road

Capital Projects Going Forward



Highway and Bridge

- Bridge Repairs @ \$25m/yr
- Pavement; VIP @ \$54m/yr plus Preservation @ \$25m/yr
- Gold Star NB Bridge(Phase 1) @ \$104m
- East Haddam Swing Bridge @\$ 38m (in lieu of \$55m rehab project)
- Charter Oak Repairs @ \$10m (in lieu of larger Charter Oak Bridge Interchange project) Note: If Federal INFRA Grant is awarded, full project will be funded
- Waterbury Bridges (I-84 & CT 8) @ \$180m
- \$10.4m/year for Equipment Procurements for the Highway and Bridge Maintenance fleet

Capital Projects Going Forward



Highway and Bridge

- LOTCIP: 100% State Funded in 2018, revised to STP-Urban in 2019-22 at 80/20
- Local Bridge included only for projects with a fully executed agreement
- Town Aid Road Payments to Municipalities – only the portion out of GO Bonds
- Facility funds for Roof Repairs
- Environmental Compliance Funds for Tank Replacements and other Mandated Activities
- Funds for PE/RW/Mods, Safety Program, Guiderail, Illumination, some Signing

Capital Projects Going Forward



Public Transportation

- All Projects associated with the Walk Bridge Program
- Hartford Line Construction (New Haven to Hartford)
- Locomotive Overhauls
- 60 M8 rail cars for New Haven Line to address ridership growth
- 16 New Coaches for Hartford Line to replace leased equipment
- SAGA Bridge Repairs
- New Haven Line Signal System Replacement
- New Haven Line Network Infrastructure
- New Haven Rail Yard Projects
- Waterbury Branch Signalization

Capital Projects Under Review for Suspension or Deferral



Generally

- 100% state funded projects will be reviewed for suspension or deferral (unless required to maintain base state of good repair) – this includes many **Let's Go CT Ramp Up projects**, FIF-Road and FIF-Bridge projects, as well as many 100% state funded Public Trans projects.
- Limit Design work and Rights-of-way acquisitions for 100% state funded Construction projects – this will likely mean stopping existing Consultant Design agreements. Some additional expenses will be necessary to bring design to logical stopping point.

Capital Projects Under Review for Suspension or Deferral



Highway and Bridge

- State Bridges currently rated in fair condition, excluded @ \$77m
- Hartford Interchange 29 @ Charter Oak Bridge (unless Federal grant approved)
- Woodbridge CT 15 West Rock (Heroes) Tunnel
- Norwalk 7/15 Interchange
- Hartford I-84 Viaduct
- Middletown Route 9 Signals/Bridges
- Waterbury 8/84 Interchange (Mixmaster)
- West Hartford, I-84 Construct Operational Lanes EB & WB
- I-95 Widening between Stamford to Bridgeport
- I-95 Widening from the Baldwin Bridge to the Gold Star Bridge
- Danbury, Reconstruct I-84 between Exits 3 & 8
- Gold Star Bridge NB (Phase 2)
- Maintenance Facility Rehabs and Replacements
- Renovate District 1 HQ Building in Rocky Hill
- Salt Shed Roof replacements and wetland remediation

Capital Projects Under Review for Suspension or Deferral



Highway and Bridge

- Town Aid Road Payments to Municipalities - portion from STO Bonds
- Local Bridge projects without a fully executed agreement
- Pavement; VIP underfunded by \$21m/yr and Preservation by \$25 m/yr
- Signing Preservation (underfunded by \$15m/year)
- Community Connectivity Program
- Expanded Trail/Alternative Mobility Program
- Innovative Bridge Program
- Minimally Funded Miscellaneous Needs: Emergency Projects, Construction Claims, Asset Management , MS-4 Compliance, Alternative Contracting Expansion
- Highways Over-programming (approximately \$500m). Projects included in Over-programming may advance if other projects, on the Go List are delayed, leaving a hole in the federal program.

Capital Projects Under Review for Suspension or Deferral



Public Transportation

- Hartford Line—PE and Con—Phase 3b—Double tracking (Hartford - Springfield), including additional stations PE and Con (North Haven, Newington, West Hartford, Windsor, and Enfield)
- Café Car Conversion (10 cars)
- Clinton Railroad Station
- Merritt 7 Railroad Station (PE and Con)
- New Haven Railroad Station Parking Garage(PE and Con)
- Stamford Railroad Station Parking Garage (PE and Con)
- Stamford Railroad Station Pedestrian Bridge(PE and Con)
- Orange Railroad Station
- Madison Railroad Station – Pedestrian Bridge and Parking Garage
- Bridgeport Barnum Railroad Station
- Cos Cob Bridge Repairs

Capital Projects Under Review for Suspension or Deferral



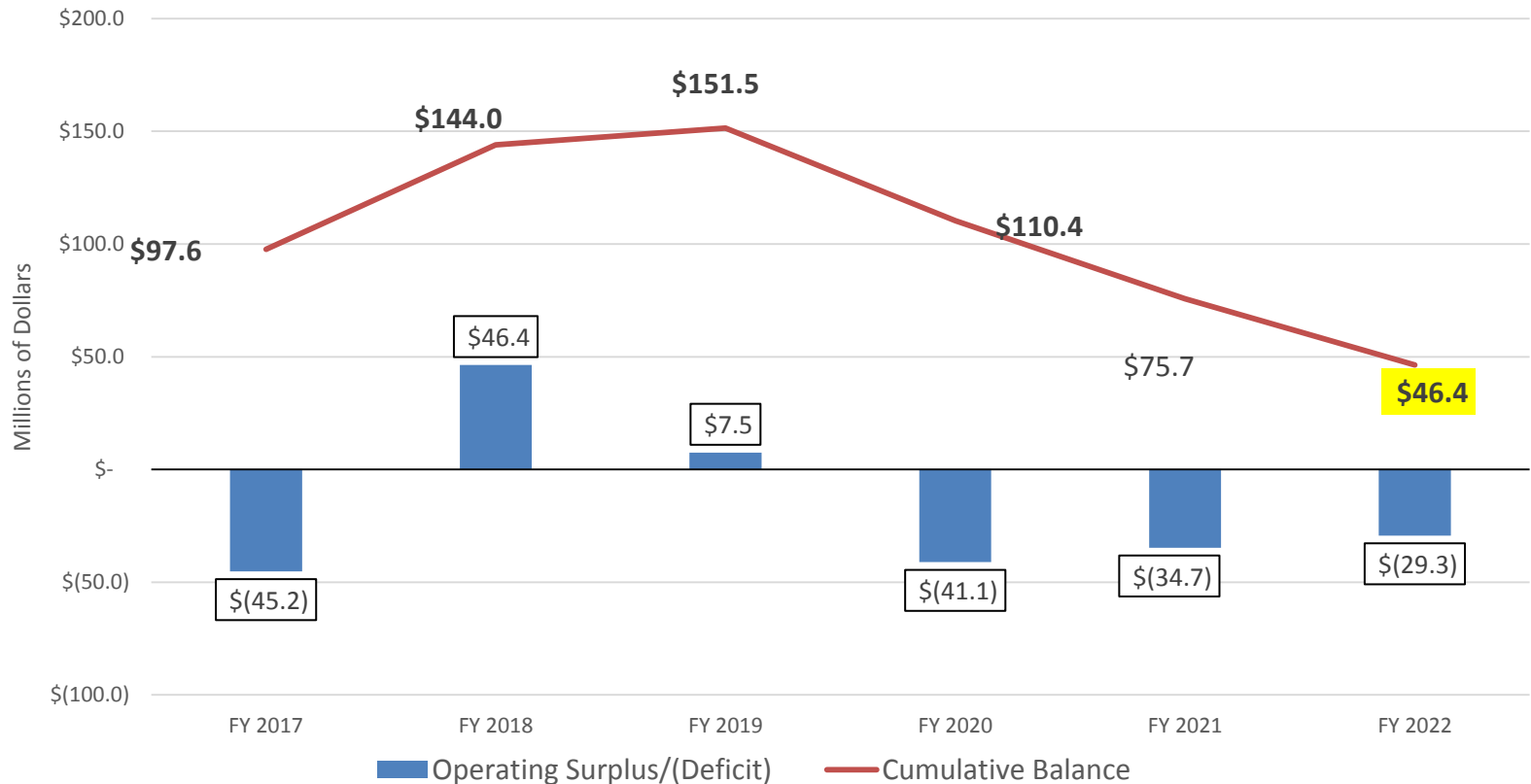
Public Transportation

- New Canaan Branch Improvements
- New Haven Line Customer Service Initiative
- New Haven Line – Rail Maintenance Facility Improvements
- Replacement of Rail Cars on Shore Line East, Waterbury and Danbury Lines
- Off System Bridge Repairs
- Middletown Swing Bridge Repairs
- Greater New Haven Transit District (GNHTD) New Maintenance Facility
- Estuary TD New Maintenance Facility
- Norwalk TD Facility Improvements
- Greater Hartford Transit District (GHTD)- Union Station Improvements
- Greater Bridgeport Transit Authority (GBTA) – Facility Improvements
- Bus Service Expansion Fleet

STF Forecast – December 2017



Special Transportation Fund Projections
 Based on Table 8 including Expenditure Reductions (Dec 2017)





THANK YOU