

REVENUE PROJECTIONS

Long-Range Transportation Plan

State of Rhode Island



**MOVING
FORWARD** **RI**
2040

PREPARED FOR

Statewide Planning Program
Division of Planning
Rhode Island Department of Administration

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Introduction

Understanding how much revenue will be available for future projects and programs is crucial to understanding the magnitude of the funding gap. This report provides revenue projections for transportation funding through 2040 using the 2018-2028 State Transportation Improvement Program as a starting point.

The Statewide Transportation Improvement Program (STIP) is a list of transportation projects that Rhode Island intends to implement using Federal and State transportation funds. It is produced by the State Planning Council, acting as the single statewide Metropolitan Planning Organization (MPO).

For a project to make use of these funds, it must be included in the STIP. Federal law requires that the State present a four-year program at a minimum, and that the four-year program must be fiscally constrained. Fiscal constraint demonstrates the anticipated local and federal funding that can be reasonably expected to be available over the four-year timeframe, and shows that the projects to be funded over the four years do not exceed available funds.

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Federal Funding Programs

This section includes descriptions of the U.S. Federal Transportation Programs as indicated in the 2018-2027 Statewide Transportation Improvement Program. These Programs are all funded through the Fixing America's Surface Transportation Act (FAST Act) five-year transportation authorization, passed in December 2015.

Federal Highway Administration Funds

The Federal Highway Administration (FHWA) is a division of the U.S. Department of Transportation, tasked with managing highway transportation across the country. The agency has two main programs, the Federal-Aid Highway Program and the Federal Lands Highway program. It oversees the use of Federal funds used to construct and maintain the National Highway System (NHS) – the main strategic network of highways in Rhode Island, including interstate highways and other principal arterial roads. Unless otherwise specified, all federal funds come from the lump sum formula-based federal apportionment for Rhode Island. The rules

governing the lump sum apportionment and individual federal programs are specified in the FAST Act.¹

National Highway Performance Program

The National Highway Performance Program (NHPP) is a broad category of funding. It is used for programs and projects geared toward achievement of national performance goals for improving infrastructure condition, transportation safety, mobility and freight movement on the NHS. Up to 50 percent of NHPP funds may be transferred annually to specified FHWA programs (National Highway Freight, Surface Transportation Block Grant, Highway Safety Improvement, Congestion Management and Air Quality and Transportation Alternatives Programs).

Surface Transportation Block Grant

The Surface Transportation Block Grant Program (STBG) is a highly flexible funding program. STBG funds can be used for projects to preserve and improve the conditions and performance on any Federal-Aid highway, bridge and tunnel projects on any public road, for pedestrian and bicycle projects, and transit capital projects. A portion of Rhode Island's STBG apportionment must be obligated to urban and suburban areas in proportion to their relative share of the state population. STBG funds also include the set-aside for the Transportation Alternatives Program. Up to 50 percent of STBG funds may be transferred annually to specified FHWA programs (NHPP, National Highway Freight, Highway Safety Improvement, Congestion Management and Air Quality, and Transportation Alternatives Programs).

Transportation Alternatives

Transportation Alternatives (TA) was a standalone program in previous Federal transportation law, but is now a set-aside within the Surface Transportation Block Grant program. Eligible projects include pedestrian and bicycle facilities, recreational trails, safe routes to school projects, improvements to historic transportation facilities, and vegetation management and environmental mitigation related to storm water and habitat connectivity. There is a required set-aside of funds from the TA funding specifically for recreational trails, which is administered by the Rhode Island Department of Environmental Management. Up to 50 percent of TA funds may be transferred annually to specified FHWA programs (NHPP, STBG, National Highway Freight, Highway Safety Improvement, and Congestion Management and Air Quality Programs). However, suballocated funds for the recreational trails program are not transferable.

¹ US Department of Transportation. 2016. *Fixing America's Surface Transportation Act of "FAST Act."* Federal Highway Administration. URL: <https://www.fhwa.dot.gov/fastact/factsheets/>. Accessed 8/8/18.

US Department of Transportation. 2018. *FTA Program Fact Sheets under the FAST Act.* Federal Transit Administration. URL: <https://www.transit.dot.gov/funding/grants/fta-program-fact-sheets-under-fast-act>. Accessed 8/8/18.

Highway Safety Improvement Program

The Highway Safety Improvement Program (HSIP) is geared toward achieving significant reductions in traffic fatalities and serious injuries on all public roads. It is based on a data-driven and strategic approach to highway safety improvement and is generally limited to infrastructure improvements. Up to 50 percent of HSIP funds may be transferred annually to specified FHWA programs (NHPP, STBG, TA, National Highway Freight, and Congestion Management and Air Quality Programs). HSIP can fund 90 percent of eligible projects, with a 10 percent state match.

Railway Highway Crossings Program

The Railway Highway Crossings Program is a set-aside from the HSIP program. It provides funds to reduce fatalities, injuries and crashes at grade crossings where highways and railways intersect. These funds may not be transferred to other programs. The federal government covers 90 percent of the cost of eligible projects, with a 10 percent state match.

Metropolitan Planning

Metropolitan Planning set-aside funding is made available out of many of the various federal funding programs specifically for metropolitan and statewide planning activities. These funds support the development of long range transportation plans and the STIP, and are also used to conduct and coordinate research activities. Metropolitan Planning funds may not be transferred to other programs.

Congestion Management Air Quality Program

The Congestion Management Air Quality Program (CMAQ) provides resources for state and local governments to develop transportation projects and programs that help meet the requirements of the federal Clean Air Act. Funding is intended to reduce congestion and improve air quality for areas that do not meet National Ambient Air Quality Standards (NAAQS) for ozone, carbon monoxide or particulate matter. These areas are known as non-attainment areas. Currently, Rhode Island is in attainment for all NAAQS, but receives an apportionment of CMAQ funds that are mainly used for transit service subsidy. Up to 50 percent of CMAQ funds may be transferred annually to specified FHWA programs (NHPP, STBG, TA, HSIP, and the National Highway Freight Program).

National Highway Freight Program

The National Highway Freight Program (NHFP) contributes to the efficient movement of freight on the National Highway Freight Network. Projects must be identified in a freight investment plan. The program limits funding for intermodal or freight rail projects to ten percent of the annual apportionment. Up to 50 percent of

NHFP funds may be transferred annually to specified FHWA programs (NHPP, STBG, TA, HSIP, and CMAQ).

Federal Transit Administration

The Federal Transit Administration (FTA) provides funds that support a variety of public transportation activities. They are generally calculated through specified formulae.

Urbanized Area Formula (FTA 5307)

The Urbanized Area Formula is apportioned to urbanized areas and can be used for vehicle purchases, facility upgrades, maintenance activities, transit planning and to defray some of the cost of providing ADA complimentary paratransit service. Formula 5307 accounts for approximately 80 percent of the Rhode Island Public Transit Authority (RIPTA) maintenance program and most capital investments. The federal match for eligible projects and programs is 80 percent, though the federal share may be 90 percent for the cost of vehicle-related equipment attributable to compliance with the Americans with Disabilities Act and the Clean Air Act, or for projects or portions of projects related to bicycles. The federal share may not exceed 50 percent of the net project cost of operating assistance. Apportioned funds remain available for the year apportioned and five years beyond that time.

Growing State and High-Density States Formula (FTA 5340)

The Growing State and High-Density States Formula apportions additional funds to the urbanized and nonurbanized area programs for growing and dense states. Rhode Island is currently the second most densely populated state in the U.S. Funding rules are the same as for FTA 5307.

Enhanced Mobility for Adults and People with Disabilities (FTA 5310)

FTA 5310 funds are apportioned to the urbanized area for projects that support transportation for the elderly and disabled. The federal share may be used for up to 80 percent the cost of capital projects and 50 percent for operating assistance. Funds are apportioned based on Census data as follows: 60 percent to large urbanized areas, 20 percent to small urbanized areas, and 20 percent to rural areas. Funds may be transferred from small urbanized or rural areas to large urbanized areas, but not the other way around.

Nonurbanized Area Formula (FTA 5311)

FTA 5311 funds support transit service in rural areas and make connections between rural and urban areas. These funds generally are used to support rural service in Rhode Island at a 50 percent share of costs. The federal share is 80 percent for

capital projects and 50 percent for operating assistance. The FAST Act states that 83.15 percent of FTA 5311 funds are apportioned based on land area and population in rural areas, while the remainder is apportioned based on land area, revenue-vehicle miles and low-income individuals in rural areas.

Rural Transportation Assistance Program (FTA 5311(b)(3))

Rural Transportation Assistance Program funds are used to provide technical support for rural transit service providers.

State of Good Repair / High Intensity Fixed Guideway (FTA 5337)

High Intensity Fixed Guideway funds provide capital assistance for maintenance, replacement and rehabilitation projects for existing high intensity fixed guideway and high intensity bus systems to maintain a state of good repair. High intensity fixed guideway refers to a public transportation facility using and occupying a separate right-of-way exclusive for public transportation, using rail, a fixed catenary (overhead wire) electrical system or is used for passenger ferry or bus rapid transit systems. Examples of fixed guideway public transport systems include light rail systems, commuter rail, and bus rapid transit operating in dedicated transit lanes. Funding may also be used to develop Transit Asset Management Plans. The federal share is 80 percent of project costs. The FAST Act stipulates that 97.15 percent of FTA 5337 funds are intended for fixed-guideway systems in urbanized areas, while 2.85 percent of funds are for high-intensity motorbus systems.

National Highway Traffic Safety Administration

Funds from the National Highway Traffic Safety Administration (NHTSA) are used for the implementation of countermeasures to address driver behavioral issues related to motor vehicle crashes. It includes such categories as occupant protection, impaired driving, distracted driving, young and older drivers, motorcyclists, pedestrians, bicyclists and traffic records data systems. NHTSA funds are not used for capital projects. NHTSA funds are not shown in the projection graphics.

Federal Grants and Bonds

Some funding becomes available on a less regular basis or through a competitive selection process. These cannot be easily projected into the future, but Rhode Island has been successful in obtaining these to date and will continue to be competitive applying for and receiving such funds in the future.

TIGER Grants

Transportation Improvement Generating Economic Recovery (TIGER) grants are a national, competitive grant program that provides targeted investment to increase safety, create jobs and modernize infrastructure. For example, Rhode Island was

awarded a TIGER grant for \$20M to replace, rehabilitate and improve bridges and alleviate bottleneck conditions along Route 37 in Cranston and Warwick. In the most recent award solicitation, TIGER has been awarded to projects such as multimodal freight, complete streets, interstate safety, bus rapid transit and transit station revitalization.

GARVEE Bonds

Grant Anticipation Revenue Vehicle (GARVEE) bonds are backed by future federal transportation funds allocated to Rhode Island. A portion of the annual federal highway apportionment is used to pay GARVEE bond debt service. These bonds allow an injection of capital to support immediate needs, and have been a key part of the bridge replacement, reconstruction and maintenance currently underway.

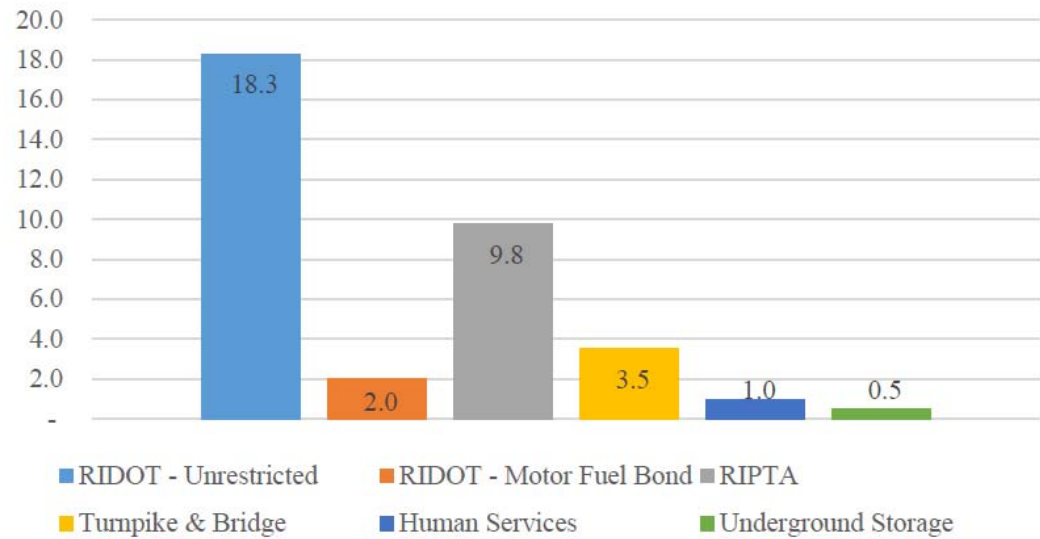
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Rhode Island State Funding

Gas Tax

State tax on motor vehicle fuel is one of the main local sources of transportation funding. It is statutorily divided between RIDOT, RIPTA, the Rhode Island Turnpike and Bridge Authority (RITBA), Rhode Island Department of Human Services (RIDHS) and the Underground Fuel Tank Storage Program. Gas tax funds are used for a wide variety of programs and to provide matching funds for federal programs. The state gas tax is currently \$0.34 per gallon, with an additional penny assessed to fund the underground storage tank fund. State law stipulates that it rise by one cent every other year (it will rise to \$0.35 per gallon in 2020). Figure 3-1 shows the statutory distribution of the tax.

Figure 3-1: Rhode Island Motor Fuel Tax Distribution



Source: RIDOT. 2018. 2018 Transportation Asset Management Plan. April 30, 2018.

Rhode Island Capital Plan

Rhode Island Capital Plan (RICAP) funds are restricted to capital projects only and are constitutionally prohibited from use for debt service payments. The state may also allocate a portion of RICAP funds towards RIPTA capital projects.

Rhode Island Highway Maintenance Account

The 2011 Transportation Investment and Debt Reduction Act created the Rhode Island Highway Maintenance Account (RIHMA). All funds collected for vehicle licenses, motor vehicle registrations and surcharges are to be deposited to the RIHMA, and all funds are to be used to provide the State match to federal transportation funds.

Toll Revenue

Electronic truck tolling began at two locations in July 2018. RIDOT anticipates annual revenue of approximately \$44.8M, though this revenue target is not anticipated to be realized until 2020 when the entire automatic tolling system comes online. Tolling is only for freight vehicles and is limited to the I-95 corridor. This toll revenue is a central component of the RhodeWorks Program, which funds an expanded and accelerated program for replacement, reconstruction, maintenance and operation of Rhode Island bridges.

State Bonds

Rhode Island voters on occasion approve bonds for specific spending purposes. The current state bonds are listed below. These may be extended with future voter or legislative actions, and/or new bonds may be issued for other or similar initiatives.

Transit Hub Bond

Rhode Island voters approved a \$35M bond for Mass Transit Hub Infrastructure in 2014. This funding primarily focused on the Providence Intermodal Transit Center.

Rhode Island Green Economy Bond

Rhode Island voters approved a \$35 million bond in 2016 to support investment in water quality, land cleanup, farmland, recreational facilities and open space. It included \$10M dedicated to expanding the State's bikeway network, and was awarded to the Rhode Island Department of Environmental Management to support new pathways and improved safety and connectivity.

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2018-2040 Revenue Projections

This section presents revenue projections over the duration of the Long Range Transportation Plan.

Methodology & Assumptions

This revenue forecast presents a basic straight-line projection of average revenues as projected in the 2018-2021 STIP for federal and state revenue sources, and increases these values year-over-year using inflationary adjustments. For federal revenue, this adjustment is calculated at 2.7 percent per year from 2022-2027 (per conversations with RIDOT) and 2.1 percent from 2028 through 2040, which aligns with 2016-2020 federal spending on major programs such as the NHPP, STBG, HSIP and CMAQ. Additional trends have been indicated to show a high growth rate of three percent and low growth rate of one percent.

State revenue sources have been projected at one percent growth per conversations with RIDOT. Some revenue streams are held flat, such as toll revenues, the rates for which are set by law, are not indexed to inflation, and would require additional legislative action to rise in the future. Additional revenue trends have been indicated showing a high growth rate of two percent and a low growth rate of one-half percent.

Where funding levels for various revenue sources indicated in the fiscally-constrained 2018-2021 STIP showed values that appeared to be outliers, these were

left out of the baseline averages used to calculate the revenue projection trend. By nature, some State and Federal revenue sources are highly variable. Some funding programs may even occur only once.

A trendline for the baseline averages was also projected for both State and Federal revenues based on 10-year-ahead U.S. inflation projections, calculated with data from the Survey of Professional Forecasters for the eight fiscal quarters from 2016 through the second fiscal quarter of 2018, the average of which is 2.23 percent. This helps answer the question of whether projected State and Federal revenues are keeping pace with projected long-term inflation.

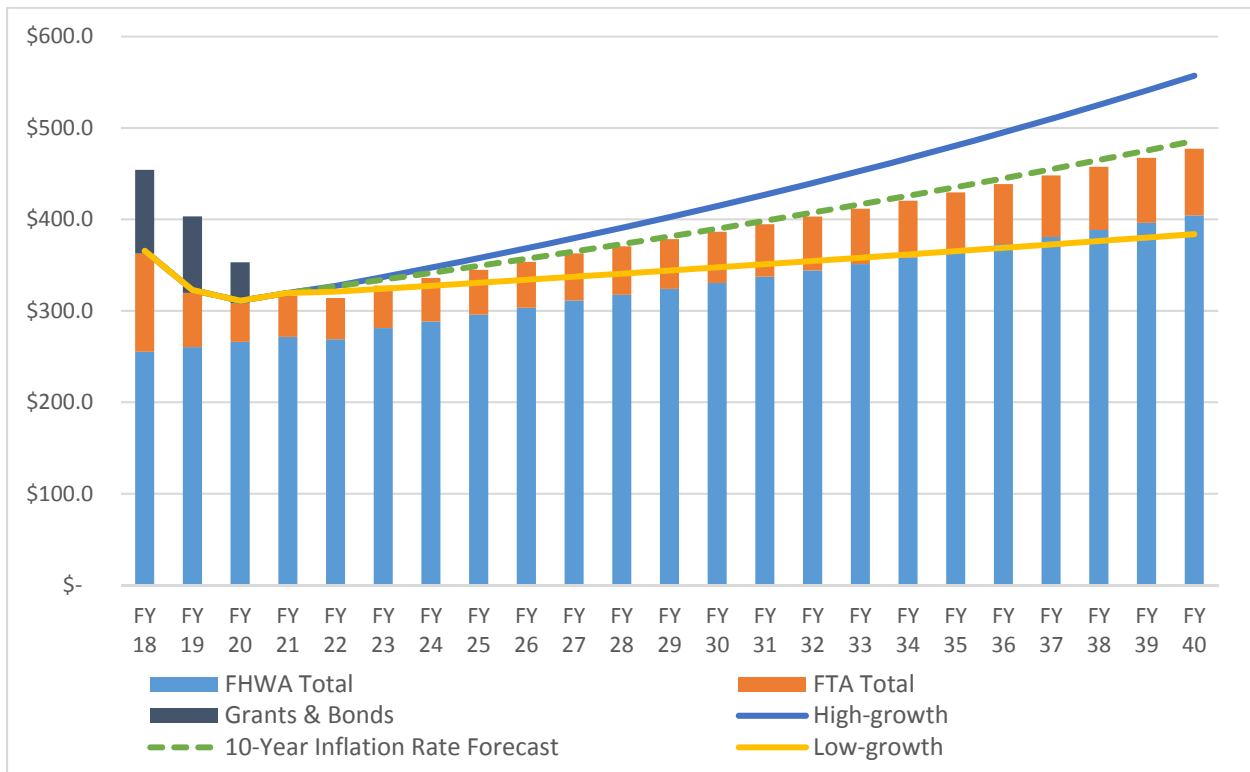
These revenue projections assume no major change in State or Federal transportation policy or funding. They do not consider possible future economic downturns which can substantially decrease available tax revenues, as was the case in 2008 and subsequent years. Further, these projections do not reflect the potential impact of disruptive technologies such as widespread electric vehicle adoption, which would have a deleterious effect on gas tax revenues at both the Federal and State level. Finally, the projections contemplate any additional revenue sources that may be available to Rhode Island.

Federal Programs

This report projects funding for FHWA and FTA dollars as reflected in the most recent STIP. In addition to the 2.7 & 2.1 percent projection agreed with RIDOT for federal funding projections, higher and total projections of 3 percent and 1 percent have also been calculated. At the 2.7/2.1 percent level, FHWA programs would be anticipated to be funded at \$404.3M by 2040, and FTA programs at \$73.0M. Figure 4-1 depicts all three projections for federal funding, as well as 2.23 percent long-range projected inflation. Grants and bonds are shown where funded in the fiscally constrained STIP years, but are not projected into the future.

Note that FY 2018-2021 are not projected, but are instead what was written into the fiscally-constrained STIP years.

Figure 4-1 Federal Transportation Funding Projection 2018-2040



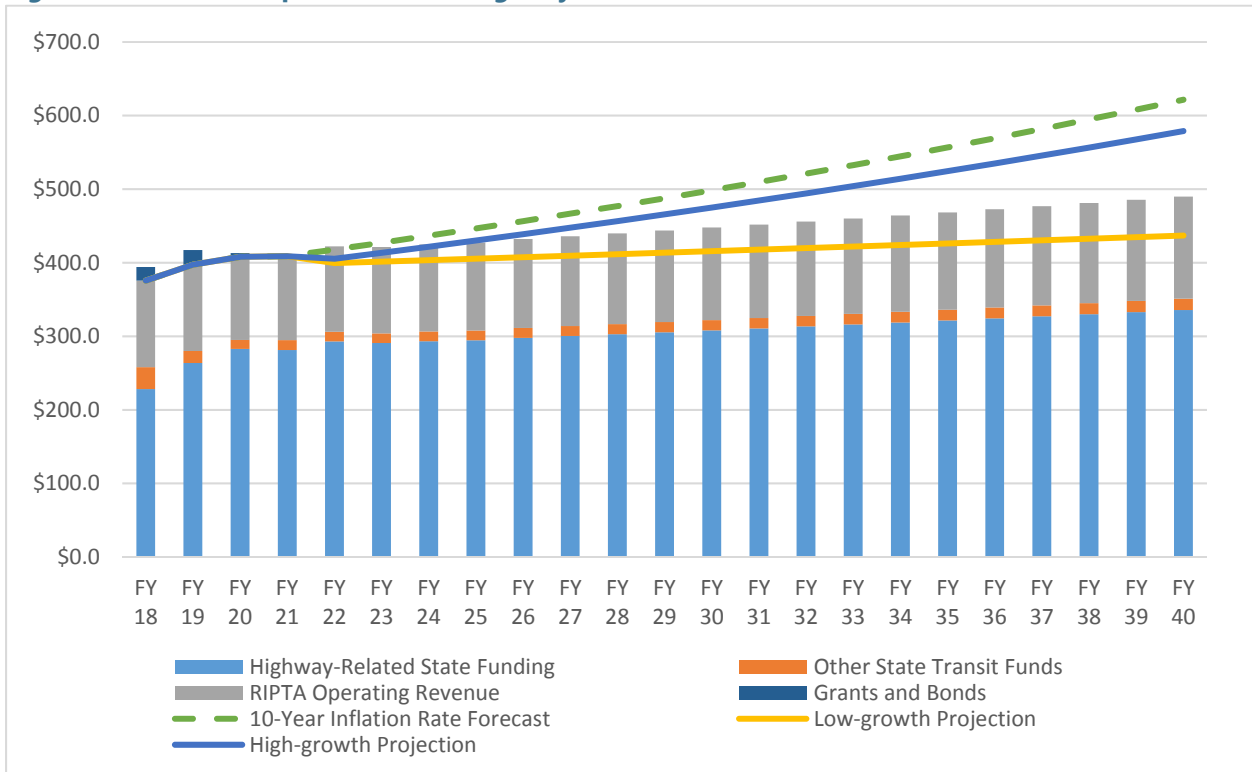
State Programs

This report projects RI State funding, including gas tax, the RI Highway Maintenance Account, Toll Revenue, RICAP, and RIPTA operating revenue sources. Per discussions with RIDOT, State revenues have been projected at one percent, which is less than inflation. High (2.0 percent) and low (0.5 percent) projections have also been calculated. At the one percent growth level, State highway-related funds would be \$335.6M, and State and RIPTA transit revenue would be \$154.3M.

The largest contributions to State highway-related revenues come from the gas tax, the RI Highway Maintenance Account and RICAP. Gas tax would contribute \$108.8M to highway funds in 2040, and \$53.2M to transit. Tolling is expected to yield \$44.8M by 2040 – this would hold static from 2020 to 2040 as altering the toll rates would require legislative approval. For RIPTA operating revenue, the largest contributions are from gas tax and passenger revenue (\$29.6M). Figure 4-2 depicts projections for state highway, state transit and RIPTA operating revenue, as well as 2.23 percent long-range projected inflation and high- (2 percent) and low (0.5 percent) growth projections.

Note that FY 2018-2021 are not projected, but are instead what was written into the fiscally-constrained STIP years.

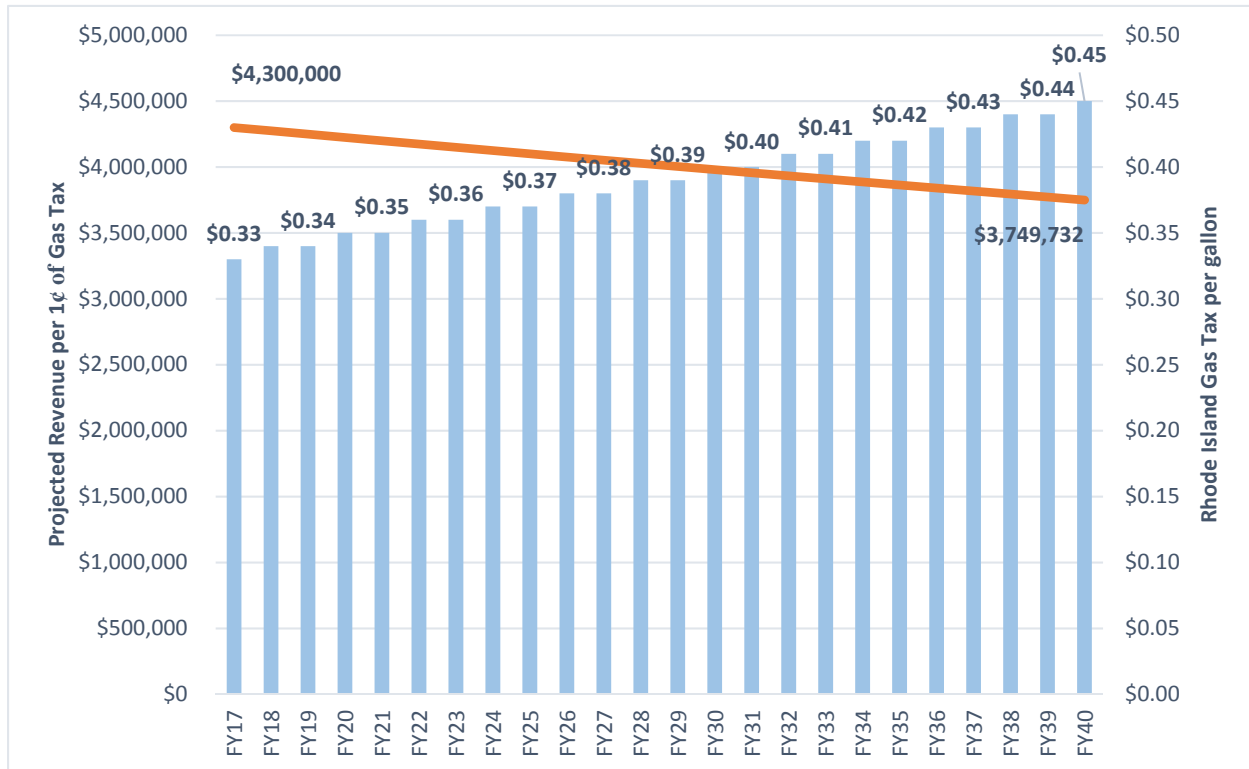
Figure 4-2 State Transportation Funding Projection 2018-2040



Gas Tax

Rhode Island depends heavily on the gas tax for much of its local transportation funding. These projections anticipate growth in gas tax revenue through 2040, though this is likely to not keep pace with inflation. In Rhode Island, the gas tax in 2018 is 34 cents per gallon, plus a penny for the Underground Storage Tank Program. Rhode Island state law mandates that the gas tax rise one cent every two years. One penny of gas tax is estimated to raise about \$4.3 million in revenue currently. This is projected to fall to around \$4.1 million per penny by 2025. Figure 4-3 extrapolates this trend out through 2040.

Figure 4-3 Rhode Island Gas Tax / Projected Revenue per Penny of Tax



Source: Projected from data 2017-2025 data indicated in the FY18-21 STIP.

The per-penny gas tax revenue in Rhode Island is falling even though the tax rises every other year because this biennial rise does not keep pace with anticipated inflations, and because cars have become increasingly more fuel efficient. Efficient vehicles consume less fuel per mile, which translates to less gas tax revenue. Federal corporate average fuel efficiency standards (in terms of miles driven per gallon of fuel, or MPG) have become more stringent in recent years, meaning that the overall fleet efficiency of cars sold in the U.S. has been required to improve. This trend is difficult to project, as the policy toward increased fuel efficiency is in flux at the federal level.

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Conclusions & Trends to Consider

The projections in this report are based on a 2.7/2.1 percent annual projection of inflation for Federal revenue sources, and one percent inflation for State revenue sources. It is quite likely that one percent growth would not keep up with inflation for State revenues, and possible that projected Federal revenue may also fall short of inflation.

Rhode Island gets most of its state-derived funding from two main sources – the gas tax and the Highway Maintenance Account (vehicle licenses, registrations and surcharges), and will continue to do so into the future. The third largest anticipated state revenue source is tolling, which at present is limited to trucks on the I-95 corridor and is statutorily limited to a fixed amount.

Gas Tax

Rhode Island depends heavily on the gas tax for much of its local transportation funding. This is problematic in that the gas tax – even with its biennial one-cent rise – may not be able to keep pace with inflation, meaning that the purchasing power of the gas tax will decrease over time. Another threat to gas tax proceeds comes from electric vehicles and increased fuel efficiency. While only a small portion of the vehicle fleet in the U.S. at present, electric vehicles are expected to become much more widely available. These vehicles would use far less or no fuel, and thus pay little

or no gas tax. All major manufacturers now provide at least one model of electric or plug-in hybrid electric vehicle.

Increased fuel efficiency in most vehicles has been a trend pushed by Federal policy in recent years, though this is in now in flux. If the trend continues, the result would be less fuel purchased, and therefore reduced gas tax revenue.

For more information on Electric Vehicles, see the Trends Report of the Long Range Transportation Plan.

Changes in Vehicle Ownership and Licensed Drivers

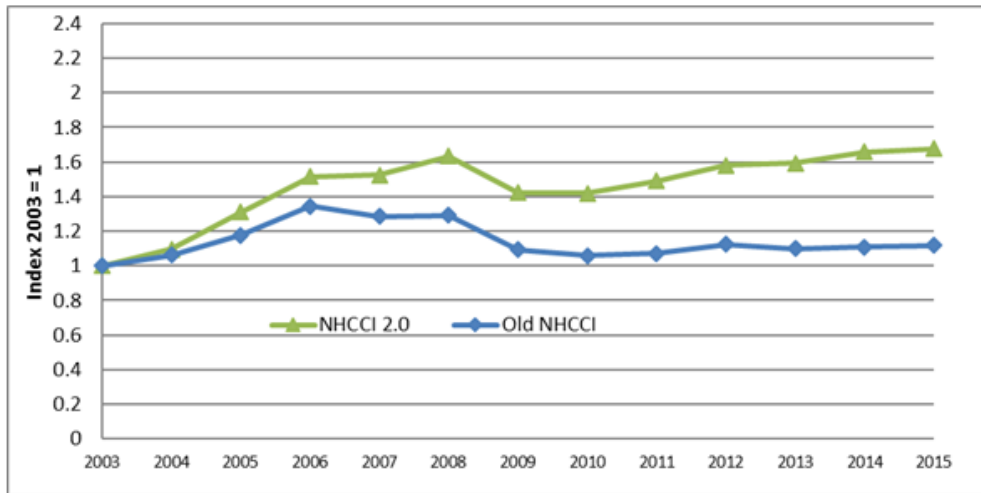
The RI Highway Maintenance Account funds come from vehicle licenses, registrations and surcharges. These are all based on the numbers of drivers in the state and the number of privately-owned vehicles. Two related trends are significant. First, younger people are driving less than their earlier generations. This means that there may be fewer licensed drivers owning fewer cars in the future. Second, there has been some speculation that the introduction of connected/autonomous vehicles may be built upon a model of mobility-as-a-service, like ride hailing companies today. This would also decrease the numbers of licensed drivers and private vehicles, impacting this revenue source. For more information on connected and autonomous vehicles, see the Trends Report of the Long Range Transportation Plan.

National Highway Construction Cost Index

The National Highway Construction Cost Index (NHCCI) measures average changes in the price of highway construction costs over time. Figure 5-1 demonstrates that the NHCCI shows an approximate 70 percent increase in construction costs from 2003 to 2015. This is meaningful because most transportation spending for capital projects requires construction and materials, and keeping up with the costs of future construction is a challenge if revenues do not keep pace with inflationary factors, much less construction inflation that may be notably higher than general inflation. The net effect of not keeping pace is that future dollars will purchase less in terms of finished transportation projects.

Also note that the trend noted in Figure 5-1 does not include the recent implementation of tariffs on steel and aluminum, which are having widespread impacts on construction costs. Observationally, price estimates for steel on construction projects in Rhode Island have jumped 15 percent in the last year. Current best practices are to maintain this assumption moving forward as steel and aluminum pricing remain volatile. Over time, this pattern may not hold, but is another factor driving construction costs upward.

Figure 5-1 National Highway Construction Cost Index (2003-2015)



Source: Federal Highway Administration, National Highway Construction Cost Index. URL: <https://www.fhwa.dot.gov/policy/otps/nhcci/desc.cfm>. Accessed 4/13/18.

Future Grants & Bonds

Due to the high level of variability, it is difficult to project future grant awards or the bond issuance. However, it should be noted that these funding mechanisms have been very helpful over the years to accomplish Rhode Island’s transportation goals.

For Federal grant programs, Rhode Island should work to have transportation projects and initial project costs prepared for a variety of funding pools outside of the fiscally-constrained STIP. These types of projects make for good proposals when federal funds become available. It is also generally important that Rhode Island aggressively pursues grant resources when they are available and not pass up the opportunity to be considered for funding.

Bonding has also been important for Rhode Island. Recent successes such as the Rhode Island Green Economy Bond and the Transit Hub Bond indicate that well-crafted bond mechanisms can be successful with Rhode Island voters.

Additional Revenue Mechanisms

This projection looked primarily at traditional transportation funding mechanisms and anticipated future revenue. Rhode Island depends heavily on federal transportation funding and gas tax revenue. States that are looking to do more for their transportation systems are finding ways to rely less on federal funds and expand their options for local, regional and state resources. These take a variety of forms, from mileage-based fees to variable road pricing, dynamic parking pricing, congestion pricing, more widespread tolling and local sales taxes devoted to transportation. This report does not review these options in detail, but it will be important for Rhode Island to consider future revenue sources to achieve its transportation goals.

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Appendix – Revenue Tables



Rhode Island Federal Funds Projections 2018-2040

Federal - FHWA	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34	FY 35	FY 36	FY 37	FY 38	FY 39	FY 40
Railway Highway Crossings	\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.23	\$ 1.27	\$ 1.30	\$ 1.33	\$ 1.37	\$ 1.41	\$ 1.44	\$ 1.47	\$ 1.50	\$ 1.53	\$ 1.56	\$ 1.59	\$ 1.63	\$ 1.66	\$ 1.70	\$ 1.73	\$ 1.77	\$ 1.81	\$ 1.84
National Highway Performance Program	\$ 128.6	\$ 131.4	\$ 134.4	\$ 134.4	\$ 135.77	\$ 139.44	\$ 143.20	\$ 147.07	\$ 151.04	\$ 155.12	\$ 158.37	\$ 161.70	\$ 165.09	\$ 168.56	\$ 172.10	\$ 175.71	\$ 179.40	\$ 183.17	\$ 187.02	\$ 190.95	\$ 194.96	\$ 199.05	\$ 203.23
Surface Transportation Block Grant	\$ 61.1	\$ 62.2	\$ 63.7	\$ 63.7	\$ 64.37	\$ 66.11	\$ 67.89	\$ 69.72	\$ 71.61	\$ 73.54	\$ 75.08	\$ 76.66	\$ 78.27	\$ 79.91	\$ 81.59	\$ 83.31	\$ 85.05	\$ 86.84	\$ 88.66	\$ 90.53	\$ 92.43	\$ 94.37	\$ 96.35
Transportation Alternatives	\$ 3.3	\$ 3.3	\$ 3.3	\$ 3.3	\$ 3.39	\$ 3.48	\$ 3.57	\$ 3.67	\$ 3.77	\$ 3.87	\$ 3.95	\$ 4.04	\$ 4.12	\$ 4.21	\$ 4.30	\$ 4.39	\$ 4.48	\$ 4.57	\$ 4.67	\$ 4.77	\$ 4.87	\$ 4.97	\$ 5.07
Highway Safety Improvement Program	\$ 18.0	\$ 18.2	\$ 18.5	\$ 18.5	\$ 18.79	\$ 19.30	\$ 19.82	\$ 20.36	\$ 20.91	\$ 21.47	\$ 21.92	\$ 22.38	\$ 22.85	\$ 23.33	\$ 23.82	\$ 24.32	\$ 24.83	\$ 25.36	\$ 25.89	\$ 26.43	\$ 26.99	\$ 27.55	\$ 28.13
Planning	\$ 6.3	\$ 6.3	\$ 6.4	\$ 6.4	\$ 6.52	\$ 6.70	\$ 6.88	\$ 7.06	\$ 7.25	\$ 7.45	\$ 7.61	\$ 7.77	\$ 7.93	\$ 8.10	\$ 8.27	\$ 8.44	\$ 8.62	\$ 8.80	\$ 8.98	\$ 9.17	\$ 9.36	\$ 9.56	\$ 9.76
Congestion Management Air Quality	\$ 10.8	\$ 11.0	\$ 11.2	\$ 11.2	\$ 11.35	\$ 11.65	\$ 11.97	\$ 12.29	\$ 12.62	\$ 12.97	\$ 13.24	\$ 13.52	\$ 13.80	\$ 14.09	\$ 14.39	\$ 14.69	\$ 15.00	\$ 15.31	\$ 15.63	\$ 15.96	\$ 16.30	\$ 16.64	\$ 16.99
Other Federal Non-Formula Distribution/Resdistribution	\$ 25.6	\$ 25.6	\$ 25.6	\$ 25.0	\$ 26.2	\$ 26.3	\$ 26.5	\$ 27.0	\$ 27.3	\$ 28.1	\$ 28.5	\$ 28.8	\$ 29.2	\$ 29.6	\$ 30.0	\$ 30.4	\$ 30.8	\$ 31.2	\$ 31.7	\$ 32.1	\$ 32.5	\$ 33.0	
National Highway Freight Program	\$ 6.6	\$ 7.5	\$ 8.3	\$ 8.3	\$ 7.9	\$ 8.10	\$ 8.31	\$ 8.54	\$ 8.77	\$ 9.01	\$ 9.19	\$ 9.39	\$ 9.58	\$ 9.79	\$ 9.99	\$ 10.20	\$ 10.42	\$ 10.63	\$ 10.86	\$ 11.09	\$ 11.32	\$ 11.56	\$ 11.80
FHWA SUBTOTAL	\$ 261.5	\$ 266.7	\$ 272.6	\$ 272.0	\$ 275.5	\$ 281.1	\$ 288.2	\$ 295.8	\$ 303.3	\$ 311.1	\$ 317.5	\$ 323.9	\$ 330.5	\$ 337.2	\$ 344.1	\$ 351.1	\$ 358.2	\$ 365.5	\$ 373.0	\$ 380.6	\$ 388.3	\$ 396.2	\$ 404.3
Federal - FTA	\$ 6.0	\$ 4.3	\$ 4.3	\$ 3.4	\$ 4.13	\$ 4.24	\$ 4.35	\$ 4.47	\$ 4.59	\$ 4.71	\$ 4.84	\$ 4.97	\$ 5.11	\$ 5.24	\$ 5.38	\$ 5.53	\$ 5.68	\$ 5.83	\$ 5.99	\$ 6.15	\$ 6.32	\$ 6.49	\$ 6.66
FTA 5337 - Fixed Guideway	\$ 6.0	\$ 4.3	\$ 4.3	\$ 3.4	\$ 4.13	\$ 4.24	\$ 4.35	\$ 4.47	\$ 4.59	\$ 4.71	\$ 4.84	\$ 4.97	\$ 5.11	\$ 5.24	\$ 5.38	\$ 5.53	\$ 5.68	\$ 5.83	\$ 5.99	\$ 6.15	\$ 6.32	\$ 6.49	\$ 6.66
FTA 5307 - Urbanized Area Formula	\$ 76.8	\$ 25.0	\$ 25.5	\$ 28.0	\$ 26.88	\$ 27.60	\$ 28.35	\$ 29.11	\$ 29.90	\$ 30.71	\$ 31.54	\$ 32.39	\$ 33.26	\$ 34.16	\$ 35.08	\$ 36.03	\$ 37.00	\$ 38.00	\$ 39.03	\$ 40.08	\$ 41.16	\$ 42.27	\$ 43.42
FTA 5339 - Bus and Bus Facilities	\$ 9.7	\$ 24.3	\$ 6.4	\$ 6.4	\$ 7.68	\$ 7.89	\$ 8.10	\$ 8.32	\$ 8.54	\$ 8.77	\$ 9.01	\$ 9.25	\$ 9.50	\$ 9.76	\$ 10.02	\$ 10.29	\$ 10.57	\$ 10.86	\$ 11.15	\$ 11.45	\$ 11.76	\$ 12.08	\$ 12.40
FTA 5310 - Elderly/Disabled	\$ 4.1	\$ 1.0	\$ 1.1	\$ 1.1	\$ 1.08	\$ 1.11	\$ 1.14	\$ 1.17	\$ 1.20	\$ 1.24	\$ 1.27	\$ 1.30	\$ 1.34	\$ 1.37	\$ 1.41	\$ 1.45	\$ 1.49	\$ 1.53	\$ 1.57	\$ 1.61	\$ 1.66	\$ 1.70	\$ 1.75
FTA 5311 - Rural Formula (inc. RTAP)	\$ 3.3	\$ 0.9	\$ 1.0	\$ 1.0	\$ 0.97	\$ 0.99	\$ 1.02	\$ 1.05	\$ 1.08	\$ 1.11	\$ 1.14	\$ 1.17	\$ 1.20	\$ 1.23	\$ 1.26	\$ 1.30	\$ 1.33	\$ 1.37	\$ 1.41	\$ 1.44	\$ 1.48	\$ 1.52	\$ 1.56
FHWA CMAQ Funds	\$ 7.6	\$ 3.8	\$ 3.8	\$ 5.4	\$ 4.45	\$ 4.57	\$ 4.69	\$ 4.82	\$ 4.95	\$ 5.08	\$ 5.22	\$ 5.36	\$ 5.51	\$ 5.66	\$ 5.81	\$ 5.97	\$ 6.13	\$ 6.29	\$ 6.46	\$ 6.64	\$ 6.82	\$ 7.00	\$ 7.19
FTA SUBTOTAL	\$ 107.4	\$ 59.4	\$ 42.0	\$ 45.2	\$ 45.2	\$ 46.4	\$ 47.7	\$ 48.9	\$ 50.3	\$ 51.6	\$ 53.0	\$ 54.4	\$ 55.9	\$ 57.4	\$ 59.0	\$ 60.6	\$ 62.2	\$ 63.9	\$ 65.6	\$ 67.4	\$ 69.2	\$ 71.1	\$ 73.0
Federal - NHTSA	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.1	\$ 3.1	\$ 3.1	\$ 3.2	\$ 3.2	\$ 3.2	\$ 3.2	\$ 3.3	\$ 3.3	\$ 3.3	\$ 3.4	\$ 3.4	\$ 3.4	\$ 3.4	\$ 3.5	\$ 3.5	\$ 3.5	\$ 3.6	\$ 3.6
FEDERAL TOTAL	\$ 371.9	\$ 329.1	\$ 317.6	\$ 320.2	\$ 320.7	\$ 327.5	\$ 335.8	\$ 344.7	\$ 353.6	\$ 362.7	\$ 370.5	\$ 378.3	\$ 386.4	\$ 394.6	\$ 403.0	\$ 411.6	\$ 420.4	\$ 429.4	\$ 438.6	\$ 447.9	\$ 457.5	\$ 467.3	\$ 477.3

Grants and Bonds ^c	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34	FY 35	FY 36	FY 37	FY 38	FY 39	FY 40
TIGER Grant	\$ 6.6	\$ 6.6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GARVEE Bond Proceeds	\$ 85.0	\$ 77.0	\$ 45.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GRANTS AND BONDS SUBTOTAL	\$ 91.6	\$ 83.6	\$ 45.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES:
 a. FY 2018-2021 values come directly from the State Transportation Improvement Program FFY 2018-2027, as amended through April 16, 2018.
 b. The baseline value to be projected forward for each revenue program is an average of the 2018-2021 funding levels as stated in the STIP. However, values were left out of the baseline average if they appeared to be unique outliers (e.g. 2018 FTA Urbanized Area Funding).
 c. Grants and bonds have only been shown when awarded as indicated in the STIP. Other opportunities will arise for Rhode Island to act on additional awards or bond sales in the future, however there is no way to know when this will happen or how much.

Projections vs. Inflation

	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34	FY 35	FY 36	FY 37	FY 38	FY 39	FY 40
FEDERAL TOTAL	\$ 371.9	\$ 329.1	\$ 317.6	\$ 320.2	\$ 327.3	\$ 334.6	\$ 342.1	\$ 349.7	\$ 357.5	\$ 365.5	\$ 373.6	\$ 382.0	\$ 390.5	\$ 399.2	\$ 408.1	\$ 417.2	\$ 426.5	\$ 436.0	\$ 445.7	\$ 455.7	\$ 465.8	\$ 476.2	\$ 486.9

L RTP 2037 Revenue Projections

	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34	FY 35	FY 36	FY 37	FY 38	FY 39	FY 40
FEDERAL - FHWA	\$ 254.5	\$ 259.6	\$ 265.4	\$ 271.3	\$ 277.5	\$ 273.5	\$ 273.5	\$ 272.7	\$ 291.2	\$ 297.7	\$ 304.3	\$ 310.4	\$ 316.6	\$ 322.9	\$ 329.4	\$ 336.0	\$ 342.7	\$ 349.5	\$ 356.5	\$ 363.7			
FEDERAL - FTA	\$ 107.4	\$ 55.6	\$ 42.0	\$ 42.0	\$ 42.4	\$ 42.9	\$ 42.3	\$ 42.8	\$ 43.4	\$ 43.9	\$ 44.6	\$ 45.2	\$ 45.8	\$ 46.5	\$ 47.2	\$ 47.9	\$ 48.5	\$ 49.2	\$ 50.0	\$ 50.7			
FEDERAL TOTAL	\$ 361.9	\$ 315.2	\$ 307.4	\$ 313.3	\$ 319.9	\$ 316.4	\$ 315.7	\$ 315.5	\$ 334.6	\$ 341.6	\$ 348.9	\$ 355.6	\$ 362.4	\$ 369.4	\$ 376.6	\$ 383.8	\$ 391.2	\$ 398.8	\$ 406.5	\$ 414.3			
TIGER Grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GARVEE Bond Proceeds	\$ 85.0	\$ 77.0	\$ 45.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GRANTS AND BONDS TOTAL	\$ 85.0	\$ 77.0	\$ 45.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Low-growth Projections

Assumed funding growth rate 1.0%

	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34	FY 35	FY 36	FY 37	FY 38	FY 39	FY 40
FEDERAL TOTAL	\$ 371.9	\$ 329.1	\$ 317.6	\$ 320.2	\$ 325.5	\$ 328.8	\$ 332.1	\$ 335.4	\$ 338.8	\$ 342.1	\$ 345.6	\$ 349.0	\$ 352.5	\$ 356.0	\$ 359.6	\$ 363.2	\$ 366.8	\$ 370.5	\$ 374.2	\$ 377.9	\$ 381.7	\$ 385.5	\$ 389.4

High-growth Projections

Assumed funding growth rate 3.0%

	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34	FY 35	FY 36	FY 37	FY 38	FY 39	FY 40
FEDERAL TOTAL	\$ 371.9	\$ 329.1	\$ 317.6	\$ 320.2	\$ 332.0	\$ 341.9	\$ 352.2	\$ 362.8	\$ 373.6	\$ 384.9	\$ 396.4	\$ 408.3	\$ 420.5	\$ 433.2	\$ 446.2	\$ 459.5	\$ 473.3	\$ 487.5	\$ 502.2	\$ 517.2	\$ 532.7	\$ 548.7	\$ 565.2

Key Assumptions and Resources

Assumed federal funding growth rate 2018-2027 2.7% per feedback from RIDOT Division of Planning
 Assumed federal funding growth rate 2028-2040 2.1% per feedback from RIDOT Division of Planning, aligns with projected FAST Act funding

	2016	2017	2018	2019	2020	
NHPP	22,323	22,828	23,262	23,741	24,236	2.1%
STBG	11,163	11,424	11,668	11,876	12,137	2.1%
HSIP	2,226	2,275	2,318	2,36	2,407	2.0%
CMAQ	2,309	2,36	2,405	2,449		2.0%

Source: https://www.fhwa.dot.gov/fastact/factsheets/

10-Year Inflation Rate Forecast

2.23% 10-year-ahead inflation forecast. Survey of Professional Forecasters (average 2016-Q2 2018).
 URL: https://www.philadelphiafed.org/research-and-data/real-time-center/survey-of-professional-forecasters/historical-data/inflation-forecasts

Rhode Island State Funds Projections 2018-2040

Assumed state funding growth rate 1.00%

Highway-Related State Funding

Funding source	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34	FY 35	FY 36	FY 37	FY 38	FY 39	FY 40
Gas Tax ^a	88.7	88.3	91.9	91.2	90.9	91.8	92.8	93.7	94.6	95.6	96.5	97.5	98.5	99.4	100.4	101.4	102.5	103.5	104.5	105.6	106.6	107.7	108.8
Rhode Island Capital Plan (RICAP) Funds	30.6	30.6	27.2	27.2	29.2	29.5	29.8	30.1	30.4	30.7	31.0	31.3	31.6	31.9	32.2	32.6	32.9	33.2	33.6	33.9	34.2	34.6	34.9
RICAP for Maintenance Facility	4.8	4.2	4.3	4.3	14.7	10.2	10.2	9.0	10.0	10.0	10.1	10.2	10.3	10.4	10.5	10.6	10.7	10.8	10.9	11.0	11.2	11.3	11.4
RICAP for Pavement Projects	0	20	20	20	20.2	20.4	20.6	20.8	21.0	21.2	21.4	21.7	21.9	22.1	22.3	22.5	22.8	23.0	23.2	23.5	23.7	23.9	24.2
Rhode Island Highway Maintenance Account	78.1	86.7	87.5	87.7	85.9	86.7	87.6	88.5	89.3	90.2	91.1	92.0	93.0	93.9	94.8	95.8	96.7	97.7	98.7	99.7	100.7	101.7	102.7
Land Sales	3.4	1	1	1	1.6	1.6	1.6	1.7	1.7	1.7	1.7	1.7	1.7	1.8	1.8	1.8	1.8	1.8	1.9	1.9	1.9	1.9	1.9
Toll Revenue ^c	\$ 9.5	\$ 22.4	\$ 44.8	\$ 44.8	44.8	44.8	44.8	44.8	44.8	44.8	44.8	44.8	44.8	44.8	44.8	44.8	44.8	44.8	44.8	44.8	44.8	44.8	44.8
Third Party Funding	\$ 1.0	\$ 2.5	\$ 1.0	\$ -	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Project Closeout Funds	\$ 8.0	\$ 5.0	\$ 5.0	\$ 5.0	5.8	5.9	5.9	6.0	6.0	6.1	6.2	6.2	6.3	6.4	6.4	6.5	6.5	6.6	6.7	6.7	6.8	6.9	6.9
Prior Year Funds	\$ 4.0	\$ 3.0	\$ -	\$ -	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Highway-Related State Funding	\$ 228.1	\$ 263.7	\$ 282.7	\$ 281.2	\$ 293.1	\$ 290.9	\$ 293.3	\$ 294.5	\$ 297.9	\$ 300.3	\$ 302.9	\$ 305.4	\$ 308.0	\$ 310.7	\$ 313.3	\$ 316.0	\$ 318.7	\$ 321.5	\$ 324.2	\$ 327.0	\$ 329.9	\$ 332.7	\$ 335.6

Paratransit Revolving Loan Fund	\$ 1.9	\$ 0.5	\$ 0.5	\$ 0.5	0.48	0.49	0.49	0.50	0.50	0.51	0.51	0.52	0.52	0.53	0.53	0.54	0.54	0.55	0.55	0.56	0.56	0.57	0.58
Local funds	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07
State Vehicle Match	\$ 0.1	\$ 6.2	\$ 4.5	\$ 4.2	5.01	5.06	5.11	5.16	5.21	5.27	5.32	5.37	5.42	5.48	5.53	5.59	5.64	5.70	5.76	5.82	5.87	5.93	5.99
RIDOT Funds	\$ 0.1	\$ -	\$ 1.0	\$ 1.5	0.65	0.65	0.66	0.67	0.67	0.68	0.69	0.69	0.70	0.71	0.71	0.72	0.73	0.74	0.74	0.75	0.76	0.77	0.77
RICAP for Transit	\$ 0.9	\$ 4.4	\$ 0.8	\$ 0.8	0.85	0.86	0.87	0.88	0.89	0.90	0.90	0.91	0.92	0.93	0.94	0.95	0.96	0.97	0.98	0.99	1.00	1.01	1.02
RIPTA Operating Funds ^d	\$ 27.0	\$ 5.2	\$ 5.5	\$ 6.5	5.80	5.86	5.91	5.97	6.03	6.09	6.15	6.22	6.28	6.34	6.40	6.47	6.53	6.60	6.66	6.73	6.80	6.87	6.93
Total Other State Funding for Transit	\$ 30.0	\$ 16.3	\$ 12.3	\$ 13.6	\$ 12.8	\$ 13.0	\$ 13.1	\$ 13.2	\$ 13.4	\$ 13.5	\$ 13.6	\$ 13.8	\$ 13.9	\$ 14.1	\$ 14.2	\$ 14.3	\$ 14.5	\$ 14.6	\$ 14.8	\$ 14.9	\$ 15.1	\$ 15.2	\$ 15.4

RIPTA Operating Revenue

Funding source	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34	FY 35	FY 36	FY 37	FY 38	FY 39	FY 40
Passenger Revenue	\$ 26.2	\$ 26.5	\$ 23.5	\$ 23.8	24.75	24.99	25.24	25.49	25.75	26.01	26.27	26.53	26.80	27.06	27.33	27.61	27.88	28.16	28.44	28.73	29.02	29.31	29.60
Gas Tax	\$ 44.3	\$ 43.9	\$ 43.9	\$ 43.9	44.44	44.89	45.34	45.79	46.25	46.71	47.18	47.65	48.12	48.61	49.09	49.58	50.08	50.58	51.09	51.60	52.11	52.63	53.16
State Highway Fund Revenue	\$ 5.5	\$ 5.9	\$ 4.3	\$ 4.3	5.09	5.14	5.19	5.24	5.29	5.34	5.40	5.45	5.51	5.56	5.62	5.67	5.73	5.79	5.85	5.90	5.96	6.02	6.08
Advertising	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	0.52	0.53	0.53	0.54	0.54	0.55	0.55	0.56	0.57	0.57	0.58	0.58	0.59	0.59	0.60	0.61	0.61	0.62	0.63
Federal Reimbursements	\$ 27.9	\$ 29.3	\$ 30.0	\$ 30.8	29.77	30.07	30.37	30.67	30.98	31.29	31.60	31.92	32.24	32.56	32.89	33.22	33.55	33.88	34.22	34.56	34.91	35.26	35.61
Other	\$ 13.3	\$ 11.3	\$ 10.6	\$ 10.6	11.58	11.69	11.81	11.93	12.05	12.17	12.29	12.41	12.54	12.66	12.79	12.92	13.05	13.18	13.31	13.44	13.58	13.71	13.85
All RIPTA Operating Revenue	\$ 117.6	\$ 117.4	\$ 112.9	\$ 114.0	\$ 116.1	\$ 117.3	\$ 118.5	\$ 119.7	\$ 120.9	\$ 122.1	\$ 123.3	\$ 124.5	\$ 125.8	\$ 127.0	\$ 128.3	\$ 129.6	\$ 130.9	\$ 132.2	\$ 133.5	\$ 134.8	\$ 136.2	\$ 137.6	\$ 138.9

Summary of State Funding

Funding source	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34	FY 35	FY 36	FY 37	FY 38	FY 39	FY 40
Highway-Related State Funding	\$ 228.1	\$ 263.7	\$ 282.7	\$ 281.2	293.1	290.9	293.3	294.5	297.9	300.3	302.9	305.4	308.0	310.7	313.3	316.0	318.7	321.5	324.2	327.0	329.9	332.7	335.6
Other State Transit Funds	\$ 30.0	\$ 16.3	\$ 12.3	\$ 13.6	12.8	13.0	13.1	13.2	13.4	13.5	13.6	13.8	13.9	14.1	14.2	14.3	14.5	14.6	14.8	14.9	15.1	15.2	15.4
RIPTA Operating Revenue	\$ 117.6	\$ 117.4	\$ 112.9	\$ 114.0	116.1	117.3	118.5	119.7	120.9	122.1	123.3	124.5	125.8	127.0	128.3	129.6	130.9	132.2	133.5	134.8	136.2	137.6	138.9
Total State Funding	\$ 375.7	\$ 397.4	\$ 408.0	\$ 408.8	\$ 422.1	\$ 421.2	\$ 424.9	\$ 427.4	\$ 432.1	\$ 435.9	\$ 439.8	\$ 443.7	\$ 447.7	\$ 451.8	\$ 455.8	\$ 459.9	\$ 464.1	\$ 468.3	\$ 472.5	\$ 476.8	\$ 481.1	\$ 485.5	\$ 489.9

Grants and Bonds^e

RI Green Economy Bond	\$ 6.5	\$ 2.7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transit Hub Bonds	\$ 12.0	\$ 17.0	\$ 5.0	\$ 1.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and Bonds Total	\$ 18.5	\$ 19.7	\$ 5.0	\$ 1.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES:

- a. FY 2018-2021 values come directly from the State Transportation Improvement Program FFY 2018-2027, as amended through April 16, 2018.
- b. Gas tax revenue is projected to grow at 1 percent. This roughly matches the revenue growth rate realized through the one-cent increase in state gas tax mandated in even years.
- c. Toll revenue is slow to come online in 2018 and is not projected to meet its anticipated \$44.8M target until FY20. It is projected to hold at \$44.8M from that point forward, as raising the toll rate is not indexed to inflation and requires legislative action
- d. The baseline value to be projected forward is an average of the 2018-2021 funding levels as stated in the STIP. However, values were left out of the baseline average if they appeared to be unique outliers (e.g. 2018 RIPTA Operating Funds)
- e. Grants and bonds have only been shown when awarded as indicated in the STIP. Other opportunities will arise for Rhode Island to act on additional awards or bond sales in the future, however there is no way to know when this will happen or how much

Low-growth Projection

Assumed funding growth rate 0.5%

STATE TOTAL	\$ 375.7	\$ 397.4	\$ 408.0	\$ 408.8	\$ 399.5	\$ 401.5	\$ 403.5	\$ 405.5	\$ 407.5	\$ 409.5	\$ 411.6	\$ 413.6	\$ 415.7	\$ 417.8	\$ 419.9	\$ 422.0	\$ 424.1	\$ 426.2	\$ 428.3	\$ 430.5	\$ 432.6	\$ 434.8	\$ 437.0
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High-growth Projection

Assumed funding growth rate 2.0%

STATE TOTAL	\$ 375.7	\$ 397.4	\$ 408.0	\$ 408.8	\$ 405.4	\$ 413.5	\$ 421.8	\$ 430.2	\$ 438.8	\$ 447.6	\$ 456.6	\$ 465.7	\$ 475.0	\$ 484.5	\$ 494.2	\$ 504.1	\$ 514.2	\$ 524.4	\$ 534.9	\$ 545.6	\$ 556.6	\$ 567.7	\$ 579.0
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Projections vs. Inflation

STATE TOTAL	\$ 375.7	\$ 397.4	\$ 408.0	\$ 408.8	\$ 417.9	\$ 427.3	\$ 436.8	\$ 446.5	\$ 456.5	\$ 466.7	\$ 477.1	\$ 487.7	\$ 498.6	\$ 509.7	\$ 521.1	\$ 532.7	\$ 544.6	\$ 556.7	\$ 569.1	\$ 581.8	\$ 594.8	\$ 608.1	\$ 621.6
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NOTES:

- a. This projection based on long-range inflation estimates costs for all State funding categories, even those with little or less responsiveness to inflationary pressures (such as toll and gas tax revenue). In reality, these could not keep pace with inflation unless legislative action were taken to index these to inflation.

10-Year Inflation Rate Forecast

2.23% 10-year-ahead inflation forecast. Survey of Professional Forecasters (average 2016-Q2 2018).
URL: <https://www.philadelphiafed.org/research-and-data/real-time-center/survey-of-professional-forecasters/historical-data/inflation-forecasts>

L RTP 2037 Revenue Projections

	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34	FY 35	FY 36	FY 37	FY 38	FY 39	FY 40
Transportation 2037 State Funding Total	\$ 218.6	\$ 256.6	\$ 256.7	\$ 260.0	\$ 259.1	\$ 258.1																	