



STATE OF CONNECTICUT

DEPARTMENT OF TRANSPORTATION

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NEWINGTON, CONNECTICUT 06131-7546



Office of the
Commissioner

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October 29, 2015

The Honorable Benjamin Barnes
Secretary
Office of Policy and Management
450 Capitol Avenue
Hartford, Connecticut 06106

Dear Secretary Barnes:

Subject: Fiscal Year (FY) 2017 Budget Options

As requested, the Department of Transportation (Department) has reviewed its FY 2017 Appropriations Budget to identify areas for reduction totaling 5 percent, should it become necessary to reduce the Department's budget. The Department strongly advocates that the enacted levels of appropriation, combined with our requested Technical Adjustments, reflect what is required to continue to provide best-in-class transportation services to the citizens of Connecticut, and to meet the challenges of implementing the "Let's Go CT" Transportation plan that was legislated in the 2015 session. Although the Department does not recommend reductions to its appropriated funds, the following items are submitted for consideration in the event it becomes unavoidable.

Rail Operations: An "across the board" Metro-North (MNR) fare increase of 4 percent, effective October 1, 2016, would provide additional revenue of approximately \$6,558,000 in FY 2017, and therefore, reduce the Rail subsidy by a similar amount. These revenue estimates include differential fare credit revenue and assume no MNR New York State increase. Of note, this option would be in addition to the one (1) percent fare increases scheduled to be implemented January 1, 2017 and January 1, 2018, in accordance with CGS Sec.13b-78m.

Budget Reduction of \$6,558,000 in Rail Operations appropriation

Bus Operations: A bus fare increase of \$.05 (from \$1.50 to \$1.55) effective October 1, 2016, would yield a net 3.3 percent increase in revenue, thus a corresponding reduction in subsidy payments of \$803,603 for FY 2017.

Budget Reduction of \$803,603 in Bus Operations appropriation

ADA Paratransit Program: ADA Paratransit services for the disabled are mandated as parallel service to fixed-route bus service. By federal policy, fares on the ADA system cannot exceed twice the fares on the bus system. A fare increase effective October 2016 of 3.3 percent will yield an increase in revenue and thus a corresponding reduction in subsidy of \$4,617 for FY 2017.

Budget Reduction of \$4,617 in ADA Paratransit Program appropriation

Non-ADA Dial-A-Ride Program: The elimination of the Non-ADA Dial-a-Ride Program effective July 1, 2016 would result in savings of \$576,361 in FY 2017. This program provides funding for local dial-a-ride services in selected areas and is not required by federal mandate.

Budget Reduction of \$576,361 in Non-ADA Dial-A-Ride appropriation

Delay hiring of Let's Go CT! positions: Delaying the scheduled hiring of some of the positions authorized in FY 2017 for the Let's Go CT! initiative would achieve savings in Personal Services. The FY 2017 enacted budget includes funding for eighty-nine new positions that were added in FY 2016; and an additional seventy-four positions - with thirty-eight positions funded as of July 1, 2016 and thirty-six positions funded as of January 1, 2017. If nineteen of the positions that are scheduled to start as of July 1, 2016 are delayed until October 1, 2016, estimated savings in Personal Services of \$184,367 could be achieved. Also, if eighteen of the positions that are scheduled to start as of January 1, 2017 are delayed until April 1, 2017, estimated savings in Personal Services of \$157,955 could be achieved.

Budget Reduction of \$342,322 in Personal Services

Reduce Rest Areas Schedule for All Locations /or Closure of Select Locations: In effort to reduce costs and maximize utilization of staffing, the Department presents for consideration that either the overnight closure of all seven statewide Rest Areas or complete closure of three selected facilities, would result in significant savings in Personal Services Overtime costs. *(Of note, these options should be reviewed separately, so as not to overstate cost savings.)*

Operation of all seven rest areas on a "24/7" basis requires a total of twenty-eight attendant positions, if all three daily shifts are to be covered primarily on "Regular" time. Presently (as of October 2015), the Department's thirteen filled Rest Area Attendant positions must be supplemented by several higher-paid Transportation Maintainer positions, and a significant amount of overtime is incurred in order to cover the 24/7 operation of all seven rest area locations.

Overnight Closure of Rest Areas (Reduced operation) - Closing the seven statewide Rest Areas during the overnight hours of 10:00 p.m. to 6:00 a.m. and re-aligning staff shift coverage would result in estimated net annual savings of \$439,680 in Personal Services overtime costs. Operating the Rest Areas for two shifts per day with existing staff will still require some overtime; however, it is anticipated that coverage of all shifts could be achieved by the thirteen currently filled Rest Area Attendants (Salary group TC-09) on regular and overtime, no longer requiring shift coverage by Maintainers (TC-13

and TC-14), allowing for the redeployment of these higher paid maintenance staff. If implemented, the traveling public would continue to have parking access in the overnight hours, and portable toilet facilities could be provided for use while buildings were closed. Also, the rest areas could remain open overnight during select holiday weekends when increased travel was anticipated.

Net Budget Reduction of \$439,680 (\$465,216 savings in Personal Services, offset by additional \$25,536 required in Other Expenses)

Closure of Three Rest Area Locations: Closing three of the seven state-maintained Rest Area locations would result in estimated annual savings in Personal Services Overtime costs of \$682,269. The closure of three rest areas would reduce the number of locations to be operated to four, and change overall coverage requirements from one hundred forty-seven to eighty-four shifts per week. It is anticipated that coverage of all weekly shifts could be achieved by the thirteen currently filled Rest Area Attendants, no longer requiring shift coverage by Maintainers, thereby achieving savings in Personal Services Overtime costs, and allowing for the redeployment of the higher paid maintenance staff.

Rest areas in Middletown (I-91 NB), Wallingford (I-91 SB), and Southington (I-84 EB) would be suggested as candidates for closure, based on their location within the central part of the state. Continued operation of the rest areas closer to the state borders Danbury (I-84 EB), North Stonington (I-95 SB), and West Willington (I-84 EB and WB) is preferred, as they are welcome centers and facilitate tourism within the state.

If implemented, access to the paved surfaces at the closed facilities would be maintained, however building access and alternate toilet facilities would not be available. The buildings would be winterized and secured; electrical connections to the facilities would be maintained, and illumination would continue to be provided throughout the parking areas.

Budget Reduction of \$682,269 in Personal Services

Pay-As-You-Go Transportation Projects: In effort to achieve reduction options that total 5 percent of agency appropriations, the Department offers for consideration to reallocate a portion of funding in the Pay-As-You-Go Transportation Projects account by transferring \$21,302,665 out of the appropriations budget in FY 2017 and establishing a Bond Authorization of \$21,302,665 in FY 2017, although as a business matter this is difficult to justify. It would be critical that if this item were to be implemented, the Bond Authorization must be included on the first Bond Commission agenda of the year so that funding is available early to meet the ongoing needs of the program. This option can only be implemented if funding is provided in the Bond Authorization. Elimination of funding from the Pay-As-You-Go Transportation Projects appropriation without corresponding increase in Bond funding would significantly hinder the Department's ability to perform essential highway and bridge maintenance and renewal operations that provide for the continued safety of the traveling public.

Budget Reduction of \$21,302,665 in Pay-As-You-Go Transportation Projects/Bond authorization

Listed below are options the Department is pursuing, in an effort to increase revenues, although it should be noted that fee increases, which require updated legislation, have been met with resistance in the past.

Increase Permit Fees for Oversize/Overweight Vehicles: The Department proposes increases to permit fees and annual fees for Oversize/Overweight Vehicles traveling on State roads. The proposed updates to the subject fees, which have not changed since 1992, will generate an estimated increase in annual revenue of \$750,000.

Revenue increase of \$750,000

Sponsorship Program for Rest Areas: The Department is pursuing efforts to develop a Rest Area Advertising and Sponsorship program, within Federal Highway Administration guidelines. Estimated potential annual income, based on the experience of other states, is as much as \$250,000.

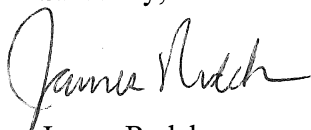
Revenue increase of \$250,000

Sponsorship Program for CHAMP Vehicles: The Department is also pursuing the feasibility of a sponsorship program to offset a portion of the operating costs of the Connecticut Highway Assistance Motorist Program (CHAMP). Estimated annual income, based on the experience of other states, could be as much as \$120,000.

Revenue increase of \$120,000

The Department is available to discuss these options, including their potential impacts, with you and your staff. If you should have any questions, please contact Mr. Robert Card, Bureau Chief of Finance and Administration, at (860) 594-2201.

Sincerely,



James Redeker
Commissioner

Enclosure

cc: Mr. Paul Potamianos, Office of Policy and Management
Ms. Patti Maroney, Office of Policy and Management
Mr. John Jaramillo, Office of Policy and Management

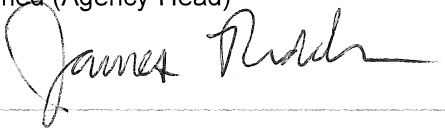
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OFFICE OF POLICY & MANAGEMENT
OFFICE OF THE SECRETARY

Agency Option Submission

Department of Transportation

Signed (Agency Head) 	Title Commissioner	Date 10/29/15
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Fund	Agency Priority	Adjustment Title	2017 Cost Adjustments	2017 Revenue Adjustments
12001 - Special Transportation Fund				
	1	Increase Permit fees for Oversize/Overweight Vehicles	0	(750,000)
	2	Sponsorship program for Rest Areas	0	(250,000)
	3	Sponsorship program for CHAMP vehicles	0	(120,000)
	4	Eliminate Non-ADA Dial-A-Ride Program	(576,361)	0
	5	ADA Para-transit Program - Reduce Subsidy by Increasing Fares and Revenue	(4,617)	0
		Bus Operations - Reduce Subsidy by Increasing Bus Fares and Revenue	(803,603)	0
		Rail Operations - Reduce Subsidy by increasing Rail Fares and revenue	(6,558,000)	0
	6	Delay hiring of Let's Go CT! positions	(342,322)	0
	7	Closure of 3 Rest Area locations	(682,269)	0
		Overnight closure of all seven Rest Areas	(439,680)	0
	8	Reallocate Pay-As-You-Go Transportation Projects account to Capital Program	(21,302,665)	0
	Total		(30,709,517)	(1,120,000)
Total			(30,709,517)	(1,120,000)

Department of Transportation

12001 - Special Transportation Fund

Adjustment Type:

Revenue

Agency Title:

Increase Permit fees for Oversize/Overweight Vehicles

Agency Description:

The Department is proposing increases to permit fees and annual fees for Oversize/Overweight Vehicles traveling on State roads. The proposed updates to the subject fees, which have not changed since 1992, will generate an estimated increase in annual revenue of \$750,000.

Agency Priority:

1

System ID:

4970

SID		Agency 2017
Revenue		
		(750,000)
Total Revenue		(750,000)

Department of Transportation

12001 - Special Transportation Fund

Adjustment Type:

Revenue

Agency Title:

Sponsorship program for Rest Areas

Agency Description:

The Department is pursuing efforts to develop a Rest Area Advertising and Sponsorship program, within FHWA guidelines. Estimated potential annual income, based on the experience of other states, is as much as \$250,000.

Agency Priority:

2

System ID:

4971

SID		Agency 2017
Revenue		
		(250,000)
Total Revenue		(250,000)

Department of Transportation

12001 - Special Transportation Fund

Adjustment Type:

Reductions

Agency Title:

Sponsorship program for CHAMP vehicles

Agency Description:

The Department is pursuing the feasibility of a sponsorship program to offset a portion of the operating costs of the Connecticut Highway Assistance Motorist Program (CHAMP). Estimated annual income, based on the experience of other states, could be as much as \$120,000.

Agency Priority:

3

System ID:

4972

SID		Agency 2017
Revenue		
		(120,000)
Total Revenue		(120,000)

Department of Transportation

12001 - Special Transportation Fund

Adjustment Type:

Reductions

Agency Title:

Eliminate Non-ADA Dial-A-Ride Program

Agency Description:

The elimination of the Non-ADA Dial-a-Ride Program effective July 1, 2016 would result in savings of \$576,361 FY 2017. This program provides funding for local dial-a-ride services in selected areas, and is not required by federal mandate.

Agency Priority:

4

System ID:

4964

SID		Agency 2017
Financials		
12379 - Non-ADA Dial-A-Ride Program		(576,361)
Total Financials		(576,361)

Department of Transportation

12001 - Special Transportation Fund

Adjustment Type:

Reductions

Agency Title:

ADA Para-transit Program - Reduce Subsidy by Increasing Fares and Revenue

Agency Description:

ADA Paratransit services for the disabled are mandated as parallel service to fixed-route bus service. By federal policy, fares on the ADA system cannot exceed twice the fares on the bus system. A fare increase effective October 2016 of 3.3% will yield an increase in revenue and thus a corresponding reduction in subsidy of \$4,617 for FY 2017.

Agency Priority:

5

System ID:

4962

SID		Agency 2017
Financials		
12378 - ADA Para-transit Program		(4,617)
Total Financials		(4,617)

Department of Transportation

12001 - Special Transportation Fund

Adjustment Type:

Reductions

Agency Title:

Bus Operations - Reduce Subsidy by Increasing Bus Fares and Revenue

Agency Description:

A fare increase of \$.05, from \$1.50 to \$1.55, effective October 1, 2016 will yield a net 3.3% increase in revenue and thus a corresponding reduction in subsidy of \$803,603 for FY 2017. The following Chart is a history of CT Transit fare increases since 1983.

CT Transit Fare Increase History

Effective Date of Increase

Previous Rate New Rate Percentage Increase

8/20/1983 \$ 0.60 \$ 0.75 25%

9/1/1992 \$ 0.75 \$ 0.85 13%

4/1/1994 \$ 0.85 \$ 0.95 12%

10/30/1995\$ 0.95 \$ 1.00 5%

1/4/2004 \$ 1.00 \$ 1.10 10%

1/1/2005 \$ 1.10 \$ 1.25 14%

1/1/2012 \$ 1.25 \$ 1.30 4%

1/1/2014 \$ 1.30 \$ 1.50 15%

Agency Priority:

5

System ID:

4961

SID		Agency 2017
Financials		
12175 - Bus Operations		(803,603)
Total Financials		(803,603)

Department of Transportation

12001 - Special Transportation Fund

Adjustment Type:

Reductions

Agency Title:

Rail Operations - Reduce Subsidy by increasing Rail Fares and revenue

Agency Description:

An "across the board" Metro-North (MNR) fare increase of 4%, effective October 1, 2016 would provide additional revenue of approximately \$6,558,000 in FY 2017, and therefore reduce the Rail subsidy by a similar amount. The revenues generated from the fare increases include differential fare credit revenue and assumes no MNR New York State increase.
Of note, the 4% fare increase option above is in addition to the fare increases of 1.00% scheduled to be implemented January 1, 2017 and 2018, in accordance with CGS Sec.13b-78m.

New Haven Line Fare Increase History 1996-2016 CT only

Effective date % Increase

1/1996 5.00%

1/1997 5.00%

1/1998 5.00%

7/2003 15.00%

1/2005 5.50%

1/2012 5.25% (includes 1.25% per Sec 13b-78m)

1/2013 5.00% (includes 1.00% per Sec 13b-78m)

1/2014 5.00% (includes 1.00% per Sec 13b-78m)

1/2015 1.00% (per Sec 13b-78m)

1/2016 1.00% (per Sec 13b-78m)

Agency Priority:

5

System ID:

4963

SID		Agency 2017
Financials		
12168 - Rail Operations		(6,558,000)
Total Financials		(6,558,000)

Department of Transportation

12001 - Special Transportation Fund

Adjustment Type:

Reductions

Agency Title:

Delay hiring of Let's Go CT! positions

Agency Description:

In effort to reduce costs for Fiscal Year 2017, delaying the scheduled hiring of some of the positions authorized in FY 2017 for the Let's Go CT! initiative would achieve savings in Personal Services. The FY 2017 enacted budget includes funding for 89 new positions that were added in FY2016; and an additional 74 positions - with 38 positions funded as of 7/1/2016 and 36 positions funded as of 1/1/2017.
If 19 of the positions that are scheduled to start as of 7/1/2016 are delayed until 10/1/2016, estimated savings in Personal Services of \$184,367 could be achieved.
Also, if 18 of the positions that are scheduled to start as of 1/1/2017 are delayed until 4/1/2017, estimated savings in Personal Services of \$157,955 could be achieved.

Agency Priority:

6

System ID:

4965

SID		Agency 2017
Financials		
10010 - Personal Services		(342,322)
Total Financials		(342,322)

Department of Transportation

12001 - Special Transportation Fund

Adjustment Type:

Reductions

Agency Title:

Closure of 3 Rest Area locations

Agency Description:

In effort to reduce costs and maximize utilization of staffing, the Department presents for consideration that closing 3 of the 7 state-maintained Rest Area locations would result in estimated annual savings in Personal Services Overtime costs of \$682,269. (Of note, this option must be reviewed separately from the option to close all facilities overnight so as not to overstate cost savings.)

Operation of all seven rest areas on a "24/7" basis requires a total of 28 attendant positions, if all three daily shifts are to be covered primarily on "Regular" time. Presently (as of October 2015), the Department's 13 Rest Area Attendant positions are supplemented by several higher paid DOT Maintainer positions, and a significant amount of overtime is incurred in order to cover the 24/7 operation of all seven rest area locations.

The closure of 3 rest areas would reduce the number of locations to be operated to 4, and change overall coverage requirements from 147 to 84 shifts per week. It is anticipated, (provided some staff are reassigned locations) that coverage of all weekly shifts can be achieved by the 13 Rest Area Attendants (Salary group TC-09), no longer requiring shift coverage by Maintainers (TC-13 and TC-14). This would achieve savings in Personal Services Overtime costs, and also allow for the redeployment of the higher paid maintenance staff.

Rest areas in Middletown (I-91 NB), Wallingford (I-91 SB) and Southington (I-84 EB) would be suggested as candidates for closure, based on their location within the central part of the state. Continued operation of the rest areas closer to the state borders (Danbury (I-84 EB), North Stonington (I-95 SB) and West Willington (I-84 EB and WB)) is preferred, as they are welcome centers and facilitate tourism within the state. Of note, the average daily traffic (ADT) of all 7 rest areas in the state are relatively small, varying from 500 to 2,200 vehicles per day according to the latest traffic counts (2011).

If implemented, access to the paved surfaces at the closed facilities would be maintained, however building access and alternate toilet facilities would not be available. The buildings would be winterized and secured; electrical connections to the facilities would be maintained, and illumination would continue to be provided throughout the parking areas.

Agency Priority:

7

System ID:

4969

SID		Agency 2017
Financials		
10010 - Personal Services		(682,269)
Total Financials		(682,269)

Department of Transportation

12001 - Special Transportation Fund

Adjustment Type:

Reductions

Agency Title:

Overnight closure of all seven Rest Areas

Agency Description:

In effort to reduce costs and maximize utilization of staffing, the Department presents for consideration that closing the seven statewide Rest Areas during the overnight hours of 10:00 p.m. to 6:00 a.m., and re-aligning staff shift coverage, would result in estimated annual savings of \$439,680 in Personal Services overtime costs, and Maintainers currently covering shifts could be re-deployed. (Of note, this option must be reviewed separately from the option to completely close three facilities, so as not to overstate cost savings.)

Operation of all seven rest areas on a "24/7" basis requires a total of 28 attendant positions, if all three daily shifts are to be covered primarily on "Regular" time. Presently (as of October 2015), the Department's 13 Rest Area Attendant positions must be supplemented by several higher paid DOT Maintainer positions, and a significant amount of overtime is incurred in order to cover the 24/7 operation of all seven rest area locations.

The overnight closure of all seven rest areas reduces coverage requirements from three shifts per day to two shifts per day at each location. With existing staff, operating the Rest Areas for two shifts per day will still require some overtime; however it is anticipated, (provided some staff are reassigned to a different location) that coverage of all shifts can be achieved by the 13 Rest Area Attendants (Salary group TC-09) on regular and overtime, no longer requiring shift coverage by Maintainers (TC-13 and TC-14). This will achieve savings in Personal Services Overtime costs, and also allow for the redeployment of the higher paid maintenance staff.

Estimated annual Overtime savings of \$465,216 are offset by an additional \$25,536 in Other Expenses, required to fund the cost to provide portable toilets at each location, for a total estimated net savings of \$439,680.

Agency Priority:

7

System ID:

4967

SID		Agency 2017
Financials		
10010 - Personal Services		(465,216)
10020 - Other Expenses		25,536
Total Financials		(439,680)

Department of Transportation

12001 - Special Transportation Fund

Adjustment Type:

Reductions

Agency Title:

Reallocate Pay-As-You-Go Transportation Projects account to Capital Program

Agency Description:

In effort to achieve 5% reduction to agency appropriations, the Department offers for consideration to reallocate a portion of funding in the Pay-as-you-go Transportation Projects account by transferring \$21,302,665 out of the appropriations budget in FY 2017, and establishing a Bond Authorization \$21,302,665 in FY 2017. It is critical that if this item is implemented, the Bond Authorization must be included on the first Bond Commission agenda of the year so that funding is available early to meet the ongoing needs of the program.

NOTE: This reduction option can only be implemented if funding is provided in the Bond Authorization. Elimination of funding from the Pay-as-you-go Transportation Projects appropriation without corresponding increase in Bond funding would significantly hinder the Department's ability to perform essential highway and bridge maintenance and renewal operations that provide for the continued safety of the traveling public.

Impact of Proposal: As a business matter, this option is difficult to justify. This reallocation option reduces the funding required in the Operating Budget, while providing funds for the Pay-as-you-go Transportation Projects in the Capital Program.

Agency Priority:

8

System ID:

4966

SID		Agency 2017
Financials		
12518 - Pay-As-You-Go Transportation Projects		(21,302,665)
Total Financials		(21,302,665)