



**State Fiscal Note for Bill  
Number: 2020-H-7499**

**Date of State Budget Office Approval:**

**Date Requested:** Friday, February 28, 2020

**Date Due:** Monday, March 9, 2020

<i>Impact on Expenditures</i>		<i>Impact on Revenues</i>	
FY 2020	\$0	FY 2020	\$0
FY 2021	\$4,987,953	FY 2021	\$0
FY 2022	\$3,122,573	FY 2022	\$0

**Explanation by State Budget Office:** The legislation assigns the responsibility for all maintenance of sidewalks along state highways to the State of Rhode Island.

**Comments on Sources of Funds:** Maintenance costs are paid from gasoline tax proceeds and Highway Maintenance Account receipts. The Highway Maintenance Account collects many of the vehicle and driver fees collected by the Division of Motor Vehicles. These are both considered 'Other Funds' rather than general revenue.

**Summary of Facts and Assumptions:** This fiscal note assumes that "maintenance" as used in the legislation is defined to include snow removal and other seasonal tasks. The legislation is not clear in this aspect, and if it is interpreted to exclude snow removal the fiscal impact will be much smaller.

Here, the approach is to calculate the staffing levels needed for winter storm response and assume that this workforce will be in place to handle other sidewalk maintenance work (vegetation removal, crack-sealing, patching, and other repairs) through the rest of the year. In the past, RIDOT has had difficulty hiring temporary winter staffing whether in the form of individual workers or contracted vendors. RIDOT Highway Maintenance Division estimates that one crew of two workers could clear snow from fifteen miles of sidewalks during a 12-hour shift in a 24-hour period. The State has 585 miles of sidewalk along state highways (2016 RIDOT ADA Transition Plan). Clearing this volume would require 39 shifts to respond to each event. If the department aimed to clear all sidewalks within 72 hours of the end of snowfall, 13 crews could work three shifts each. With 10% absenteeism, this would be 29 frontline workers. By job class, this workforce would be 23 Highway Maintenance Operator I positions, six Highway Maintenance Operator II positions, and one Road Maintenance Supervisor (Roads). The FY 2022 labor costs are estimated with a 2% COLA applied to the FY 2021 labor costs. Total personnel costs assume that the value of benefits provided is equal to 80% of salaries and wages.

To estimate overtime costs, the Budget Office assumes that each winter has 15 storm events and during the subsequent 72-hour periods 2/3 of the hours worked would be treated as overtime, paid out at 'time-and-a-half'.

Labor in FY 2021:  
 $(23 * \$44,595 + 6 * \$49,273 + 1 * \$53,691)$  straight-time \* 1.80 benefits multiplier  
 +  
 $(3 * 12)$  hours worked \* (2/3) portion overtime \* 0.5 'time and a half' \* ((23 \*

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Friday, March 13, 2020

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State of Rhode Island  
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$\$44,595 + 6 * \$49,273$  annual salaries / 1820 hours per year ) \* (26/29) back out  
 absenteeism factor \* 15 storm events  
 =  
 \$2,592,187

Labor in FY 2022:  
 $(23 * \$44,595 + 6 * \$49,273 + 1 * \$53,691)$  straight-time \* 1.02 COLA \* 1.80  
 benefits multiplier  
 +  
 $(3 * 12)$  hours worked \* (2/3) portion overtime \* 0.5 'time and a half' \* 1.02 COLA  
 \*  $(23 * \$44,595 + 6 * \$49,273)$  straight-time \* (26/29) back out absenteeism factor \*  
 15 storm events  
 =  
 \$2,644,031

Each of the 13 crews would need specialized equipment. RIDOT Highway Maintenance Division estimates the cost of each sidewalk plow at \$25,000, and each crew would need truck and trailer valued at \$70,000 to transport the equipment. With a minimum spare ratio of 12%, the department would purchase fifteen of each. Here the Budget Office assumes that the fleet is bought whole in the first year and incurs 5% of replacement value in annual fuel and maintenance expenses.

Equipment in FY 2021:  
 $(\$25,000 + \$70,000) * 15 * 1.05 = \$1,496,250$

Equipment in FY 2022:  
 $(\$25,000 + \$70,000) * 15 * 0.05 = \$71,250$

The primary costs of the maintenance effort would be personnel and equipment. However, there will be additional costs incurred in supplies and materials for repairs, and potentially insurance and legal costs for new areas of liability for the department. 'Slip and fall' accidents can be an expensive risk to prepare for. The Budget Office estimates that 15% of the program operating budget would go to a combination of supplies and overhead. An additional \$500,000 in the first year will allow the department to contract out needed sidewalk rehabilitation projects so that the equipment can work more effectively to clear snow.

Supplies and Overhead in FY 2021:  
 $15\% * (\$2,592,187 + \$71,250) + \$500,000 = \$899,516$

Supplies and Overhead in FY 2022:  
 $15\% * (\$2,644,031 + \$71,250) = \$407,292$

All figures assume the effective date of the legislation is July 1, 2020.

*Summary of Fiscal Impact:*

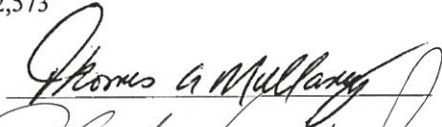
FY 2021 Labor, Equipment, Supplies and Overhead:  
 $\$2,592,187 + \$1,496,250 + \$899,516 = \$4,987,953$

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FY 2022 Labor, Equipment, Supplies and Overhead:  
 $\$2,644,031 + \$71,250 + \$407,292 = \$3,122,573$

Budget Office Signature:   
Fiscal Advisor Signature: 