

Rhode Island Public Transit Authority

Governor's FY 2018 Revised,
FY 2019 and Capital Budget Recommendations
House Finance Committee
April 12, 2018

Organization and Structure

- Quasi-public agency
- Established in 1964
- Responsible:
 - Fixed route bus service and
 - Americans with Disabilities Act paratransit service operations
- Governed by an 8-member Board of Directors
 - 7 are appointed by the Governor
 - DOT Director or designee

Organization and Structure

- Services
- 1,436 square miles
- Operates 2,800 daily trips
- 54 statewide fixed routes
 - Routes range from 2.5 miles to 45.5 miles
- Fleet of 232 buses and trolleys and 123 paratransit vans
- Fares
 - One-way: \$2.00
 - Monthly pass: \$70.00
 - Effective March 1, 2016

Ridership – *Passengers*

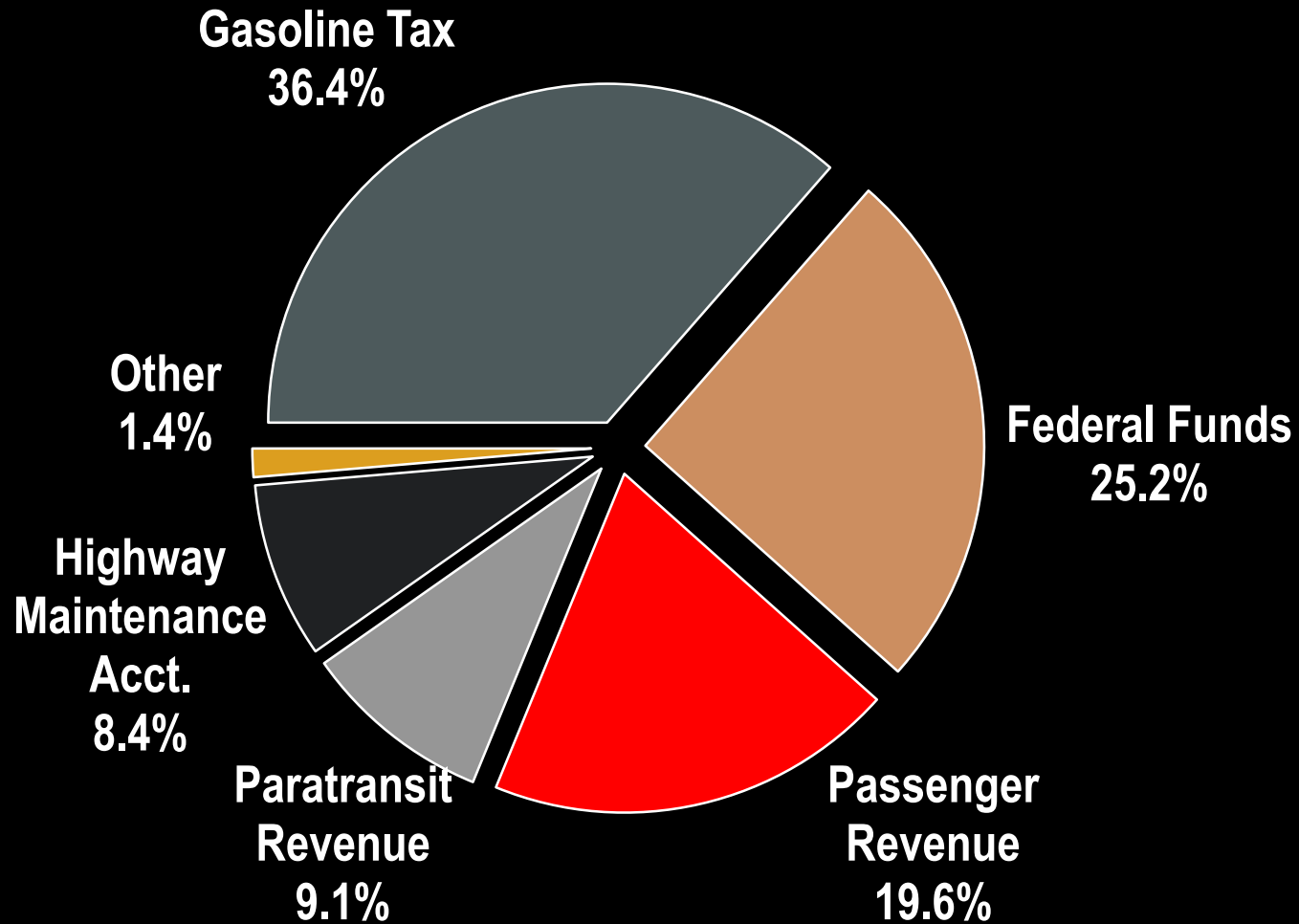


Revenue Sources

Governor	FY 2018	FY 2019
Gasoline Tax	\$43.2	\$43.0
Federal Funds	30.0	29.7
Passenger Revenue	22.8	23.1
Paratransit Revenue	11.0	10.7
Highway Maintenance Account - 5.0%*	8.8	9.9
Other	1.6	1.6
<i>(\$ in millions)</i> Total	\$117.5	\$117.9

*Includes an additional \$5.0 million

FY 2019 Revenue Sources



Gasoline Tax Proceeds (cents)

Entity	Share
Department of Transportation	19.25
<i>Public Transit Authority</i>	9.75
Turnpike and Bridge Authority	3.5
Elderly Transportation (DHS)	1.0
Environmental Protection Fee	0.5
Total	34.0

Gasoline Tax Proceeds

<i>Fiscal Year</i>	<i>Per Penny Yield*</i>	<i>RIPTA Share</i>	<i>Total Funding*</i>
2010	\$4.185	9.75	\$40.8
2011	\$4.268	9.75	\$41.6
2012	\$4.206	9.75	\$41.0
2013	\$4.137	9.75	\$40.3
2014	\$4.236	9.75	\$41.3
2015	\$4.396	9.75	\$42.9
2016	\$4.479	9.75	\$43.7
2017	\$4.417	9.75	\$43.1

**\$ in millions*

Passenger Revenue

Sources	FY 2018	FY 2019
Farebox	\$6.6	\$6.7
Student/University Passes	5.1	5.1
Monthly Passes	3.9	4.0
Rlte Care	2.5	2.6
Senior Rides	2.5	2.5
Other Passes	2.1	2.2
<i>(\$ in millions)</i> Total	\$22.8	\$23.1

RI Public Transit Authority

2014 Assembly Change

- Allocated 5.0% of funding from Highway Maintenance Account to RIPTA
 - Support operations beginning in FY 2016
 - Grow with increasing amounts of revenue in account
 - FY 2016 - \$2.7 million
 - FY 2017 - \$4.0 million
 - FY 2018 - \$4.3 million
- Part of overall plan to dedicate more money to transportation

Article 8, Section 3 – Highway Maintenance Account

- Hearing held on February 13

	2014 Assembly	2017 Assembly	Article 8 Proposal
FY 2016	25%	25%	25%
FY 2017	75%	50%	50%
FY 2018	100%	80%	60%
FY 2019		100%	100%

- 2017 Assembly also provided RIPTA with an additional \$5.0 million
 - Reinstate bus pass program & cover debt

Article 8, Section 3 – Highway Maintenance Account

- Reduces transfer of fees collected by DMV to Highway Maintenance Account
 - From 80% to 60%
- FY 2018 Revised Budget assumes additional revenues of \$10.3 million from proposal
- 100% transfer for FY 2019
 - Permanently excludes duplicate license fees from transfer
 - Expected uptick in duplicates from REAL ID

Reporting Requirement

- 2017 Assembly required Authority to convene coordinating council
 - Develop recommendations for sustainable funding
 - Free-fare program for low income seniors and persons with disabilities
- Recommendations must be submitted by November 1, 2018
 - Speaker of the House
 - Senate President

Coordinating Council

Rhode Island Human Services Transportation Coordinating Council

- 12 Members
 - RI Public Transit Authority
 - Division of Elderly Affairs
 - RIPTA Riders Alliance
 - Executive Office of Health & Human Services
 - Crossroads
 - Office of Veterans Affairs
 - Long Term Care Coordinating Council
 - BHDDH

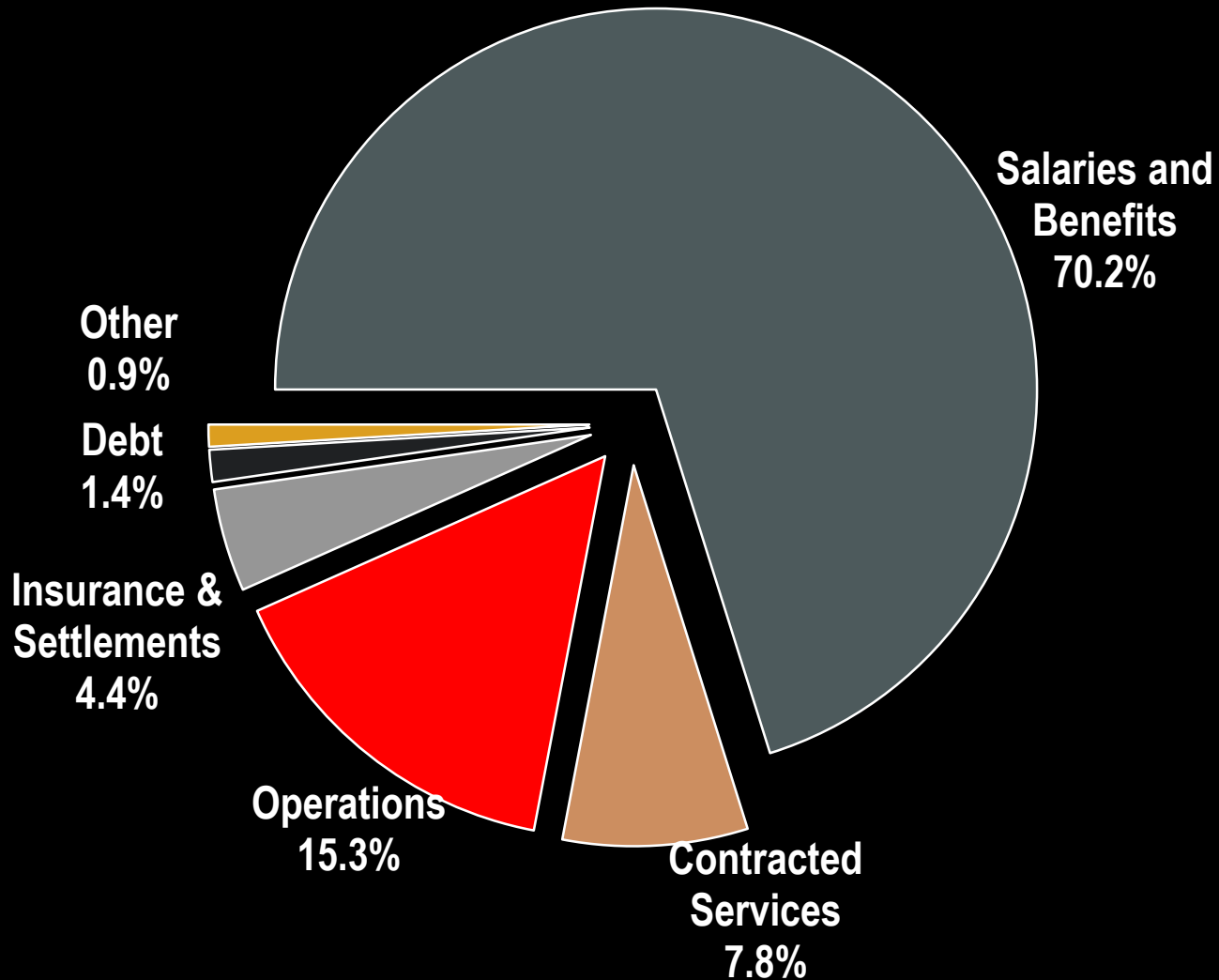
Coordinating Council

- Council has met twice: January 29th and March 5th
- Created two working groups
 - Communications
 - Tasked with gathering information on transportation assistance programs
 - Bus Pass Program Funding
 - Tasked with developing recommendations for appropriate and sustainable funding

Expenditures

	FY 2018	FY 2019	Chng.	%age Chng.
Salaries and Benefits	\$79.3	\$82.8	\$3.5	4.4%
Contracted Services	10.0	9.3	(0.7)	-7.3%
Operations	17.2	18.1	0.9	5.0%
Debt	1.6	1.4	(0.2)	-9.8%
Insurance and Settlements	7.5	5.2	(2.4)	-31.5%
All Other	1.2	1.1	(0.1)	-7.8%
<i>(\$ in millions)</i> Total	\$116.9	\$117.9	\$1.0	0.9%

FY 2019 Expenditures



Expenses – Insurance

Insurance and Settlements

- Authority is self insured
 - Auto liability
 - Property damage and
 - Workers' compensation claims
- Expenditures fluctuate:
 - \$3.8 million in FY 2014
 - \$5.2 million in FY 2015
 - \$4.4 million in FY 2016
 - \$4.8 million in FY 2017

Staffing

- Budgeted for 829.0 positions
- 35 non-union members
- Union members belong to:
 - 618 – Bus Operations/Maintenance
 - 618 A – Street and Shop Supervisors
 - 808 – General Clerical and Administrative

Staffing

- Two of three union contracts expired on June 30, 2016
 - 618 – Bus Operations/Maintenance
 - 618 A – Street and Shop Supervisors
- Reached agreement in summer 2017
 - 1.0% for FY 2017 - \$0.4 million
 - 2.0% for FY 2018 - \$0.9 million
 - 3.0% for FY 2019 - \$1.3 million
- Costs are included in budgets

Expenses – *Salaries & Benefits*

- FY 2019 budget includes \$82.8 million for salary/benefit costs of 829.0 positions
 - FY 2018 to FY 2019 reflects an increase of \$3.5 million or 4.4% increase
 - Largely for settled contracts
- Currently in negotiation with 808 – General Clerical and Administrative
 - 52 employees
- 804.0 FTE positions filled
 - 97% filled to budget

Expenses – Overtime

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	Yr. to Date*
Salaries/Wages	\$38.4	\$38.9	\$40.1	\$41.1	\$41.9	\$28.9
Overtime	6.8	7.4	7.8	8.0	8.4	5.3
(\$ in millions) Total	\$45.2	\$46.4	\$47.9	\$49.1	\$50.3	\$34.2
Overtime as a % of salaries/wages	17.8%	19.1%	19.4%	19.4%	20.2%	18.4%
Overtime share of total	15.1%	16.1%	16.2%	16.2%	16.8%	15.6%

* Through February 28, 2018

Expenses – Overtime

- Time and half
 - Over 8 hours per day
 - Over 40 hours per week
- Double time
 - On 7th consecutive day of working
 - After 12th hour of any day working
- Reported an average loss of 3 drivers per month

Expenses – *Benefits*

- Employee Benefits
- Defined pension benefit plan
- Health care benefits consistent with state employees
 - Co-shares and waivers are same for non-represented; but different for union
- Employees moved to the 2014 benefit plan upon settlement of contract
 - Effective January 1, 2018

FY 2019 Expenses

2014 Health Benefit Plan

- Deductibles
 - \$250 individuals/\$500 families
- Increased co-pays for office visits and prescription drugs

Expenses – *Benefits*

- Retiree Health – State Employees
 - Pre-2008
 - Co-shares were in place but close to zero
 - No spousal coverage
 - Plan's price was subsidized by offering it at the active rate
 - Post-2008
 - Allowed to buy plan at 100% of cost
 - Must have at least 20 years of service & be age 59 to be eligible for state subsidy
 - 20% cost share of actual plan
 - No subsidy for spousal coverage

Expenses – *Benefits*

- 2012 Assembly adopted legislation establishing a Medicare exchange for eligible retirees
- Offer a wider array of health benefit choices
- State set up a Health Reimbursement Arrangement (HRA) for each retiree & deposits state subsidy into account each month
 - Administered by OneExchange

Expenses – *Benefits*

- Retiree Health – RIPTA
 - Effective January 1, 2016
 - Authority offered Health Reimbursement Arrangement (HRA) to its eligible retirees
 - Eligible retiree receives \$225/month
 - Spouse receives \$125/month
- Includes \$2.1 million for pay-go portion of OPEB
- \$67.7 million - total unfunded liability
 - Actuarial valuation date 7/1/2016

Expenses – Debt

Debt - \$1.4 million

- RIPTA's share of debt service for general obligation bonds
 - State general revenues used from FY 2013 through FY 2017
 - \$6.7 million total
- 2017 Assembly provided Authority with additional resources from HMA to cover debt

Expenses – Contracted Services

- Contracted Services - \$9.3 million
 - ADA operations
 - Legal services
 - Actuarial studies
 - Auditing services
 - Environmental services
 - Project support

Projections

- Authority's requests in October 2017
 - Projected surplus of \$0.7 million in FY 2018
 - Projected deficit of \$0.5 million in FY 2019
- Governor's recommended budgets
 - Showed surplus of \$0.6 million in FY 2018
 - Showed surplus of \$21,593 in FY 2019
- February 2018
 - Projecting a surplus of \$1.0 million in the current year – FY 2018

Capital Recommendation

Projects	Status	5 Yr. Total	Total
Warwick Bus Hub	New	\$1.3	\$1.3
Bus Purchases	Revised	47.1	172.7
Enterprise Software	Revised	1.3	3.6
Land and Buildings	Revised	6.2	23.8
College Hill Bus Tunnel	Ongoing	9.6	9.6
Providence Transit Connector	Ongoing	14.6	17.0

Capital Recommendation

Projects	Status	5 Yr. Total	Total
Pawtucket Bus Hub and Transit Connector	Ongoing	4.7	7.1
Fixed Route & Paratransit Cameras	Ongoing	-	1.3
IT Redundancy	Ongoing	0.9	1.9
Paratransit Vehicles	Ongoing	12.3	37.6
<i>(\$ in millions)</i> Total		\$101.5	\$282.6

Warwick Bus Hub

- Authority requested \$1.3 million from RI Capital Plan funds and federal funds
- Construct a new bus hub to serve CCRI Knight Campus in Warwick
 - Benches, shelters, real-time arrival signs, lighting, roadway & landscaping improvements
- Governor concurs with total request; however, assumes use of RIPTA sources

Capital – College Hill Bus Tunnel

College Hill Bus Tunnel

- Governor recommends \$9.6 million from RICAP, federal funds & RIPTA sources
 - Make structural and drainage repairs and safety improvements
 - Tunnel was built in 1914 and last renovated in 1992
 - More than 300 trips are made daily through tunnel

Capital – *Pawtucket Bus Hub*

- Pawtucket Bus Hub and Transit Corridor
- Governor recommends \$7.1 million from RICAP, federal funds and local sources
 - To build a transit hub
 - Adjacent to new commuter rail station on Pawtucket/Central Falls border
 - Include 6 to 8 bus berths, shelters, real-time bus information, ticket vending machines, waiting space and restrooms

Capital – *Bus Purchases*

- Approved plan includes \$3.1 million from Highway Maintenance Account
 - Provide resources for RIPTA to finance its bus purchases
- Governor's 5-year plan includes \$47.1 million for purchases
 - No state support beyond approved amount
 - Assumes \$13.4 million from Authority's sources for matching requirements

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