

Rhode Island Public Transit Authority

Governor's FY 2021 Revised,
FY 2022 and Capital Budget Recommendations
House Finance Committee
May 26, 2021

Organization and Structure

- Quasi-public agency
- Established in 1966
- 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
 - 1,600 weekend
- 59 statewide fixed routes
 - Routes range from 2.5 miles to 45.5 miles
- Fleet
 - 240 buses
 - 89 paratransit vans and
 - 17 flex vans

Fares

- Fares
 - One-way: \$2.00
 - 1-day pass: \$6.00
 - 7-day pass: \$25.00
 - 10-ride pass: \$20.00
 - Monthly pass: \$70.00
 - Effective March 1, 2016

Ridership – *Passengers*



CARES Act

- CARES Act adopted in March 2020, provides \$104.4 million for transit projects
 - DOT - \$13.3 million
 - RIPTA - \$91.2 million
- Uses of funds are flexible
 - No matching requirement
 - Operating and capital expenses
 - Reimbursements for expenses occurred starting January 20, 2020
 - Available until expended

CARES Act

- Additional \$7.2 million of CARES Act funding will be needed to cover greater than expected revenue losses

Fiscal Year	Budgeted Amount	Actual*	Diff.
FY 2020	\$10.9	\$10.9	\$-
FY 2021 Gov.	\$18.4	\$25.6	\$7.2
FY 2022 Gov.	\$10.7	\$10.7	-
Balance	\$51.3	\$44.1	\$(7.2)

**FY 2021 projected expenses as of April 2021
\$ in millions*

American Rescue Plan Act

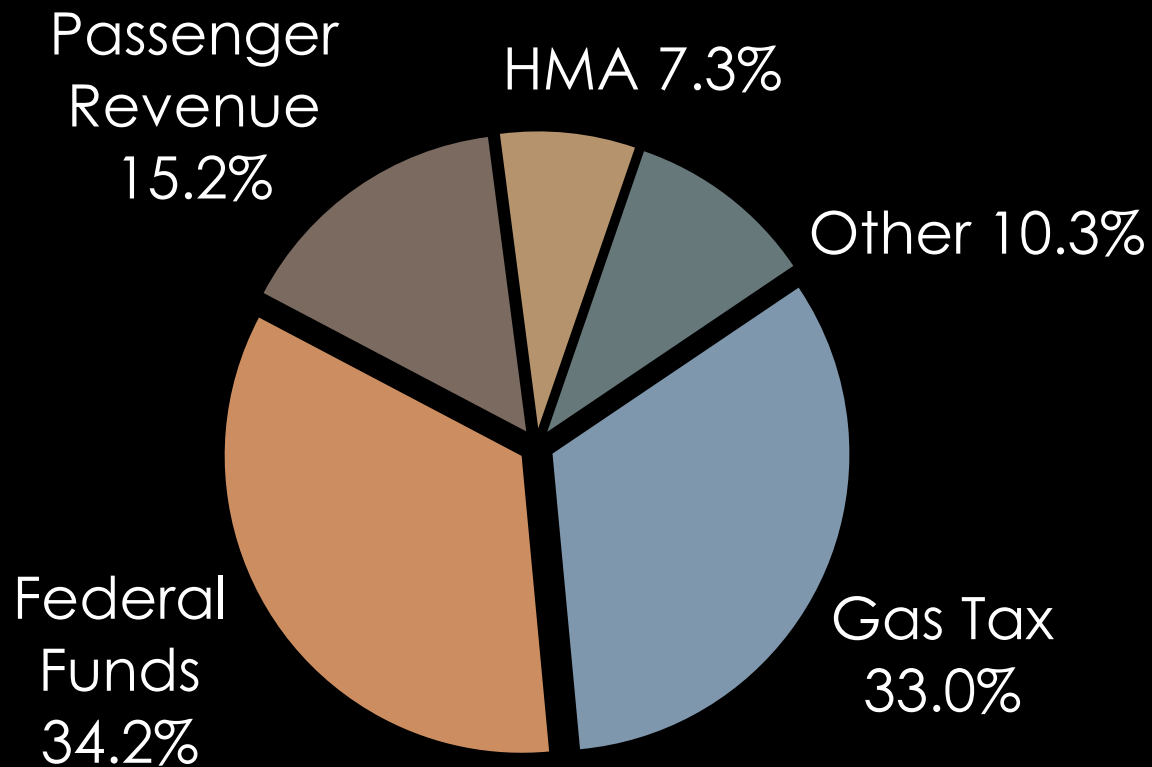
- Act adopted in March 2021 includes \$39.5 billion for transit agencies
 - Available for use through Sept. 30, 2024
 - Allocation is based on existing formula grant programs
- Preliminary estimate to Rhode Island is \$35 million
 - RIPTA and DOT
 - Waiting on guidance from FTA
 - Funds are not assumed in recommended budgets

Revenue Sources

Governor	FY 2021	FY 2022
Gasoline Tax*	\$39.5	\$42.5
Federal Funds	29.0	33.4
Federal Funds – CARES Act	18.4	10.7
Passenger Revenue	17.7	19.6
Paratransit/Other	9.9	12.5
Highway Maintenance Account	9.6	9.5
RIDE Program	0.6	0.7
Pass-through Funding	3.6	-
Total	\$128.2	\$128.8

**Adjusted to include November 2020 estimated yield
\$ in millions*

FY 2022 Revenue Sources



Passenger Revenue

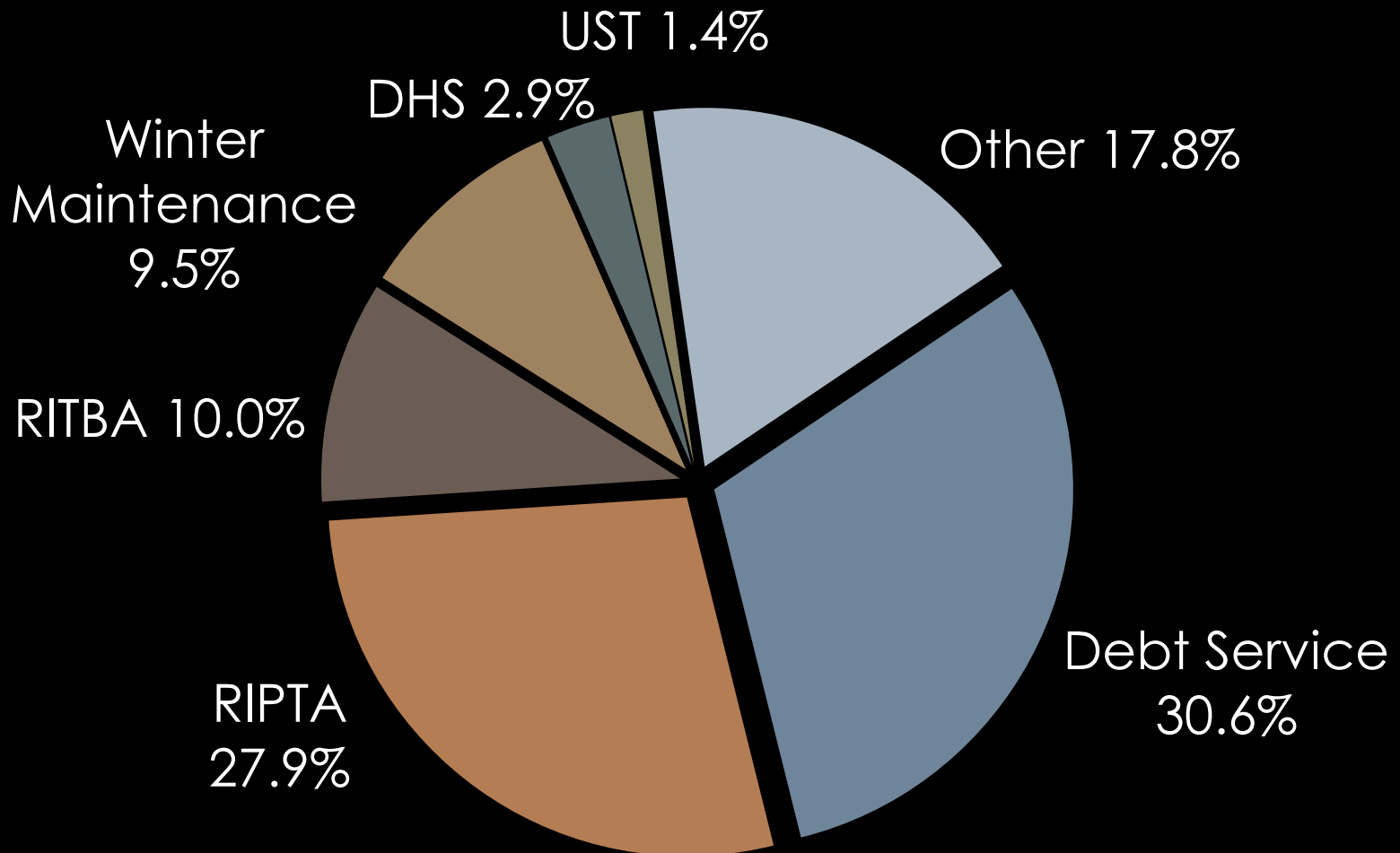
Sources	FY 2021	FY 2022	% Change
Farebox	\$5.2	\$5.9	13.9%
Student/University Passes	3.0	3.2	6.2%
Monthly Passes	2.7	3.1	13.9%
Rlte Care (Medicaid)	2.6	3.0	13.9%
Senior Rides	2.5	2.5	-
Other Passes	1.6	1.9	13.9%
Total	\$17.7	\$19.6	10.6%

\$ in millions

Gasoline Tax Proceeds

- Gasoline Tax – FY 2022
 - Derived from 35.0 cents per gallon
 - Approximately \$152 million
 - Deposited into Intermodal Surface Transportation Fund
 - Small portion into the Underground Storage Tank Trust Fund
 - Distribution to transportation entities contained in statute are made

FY 2022 Gas Tax Expenditures

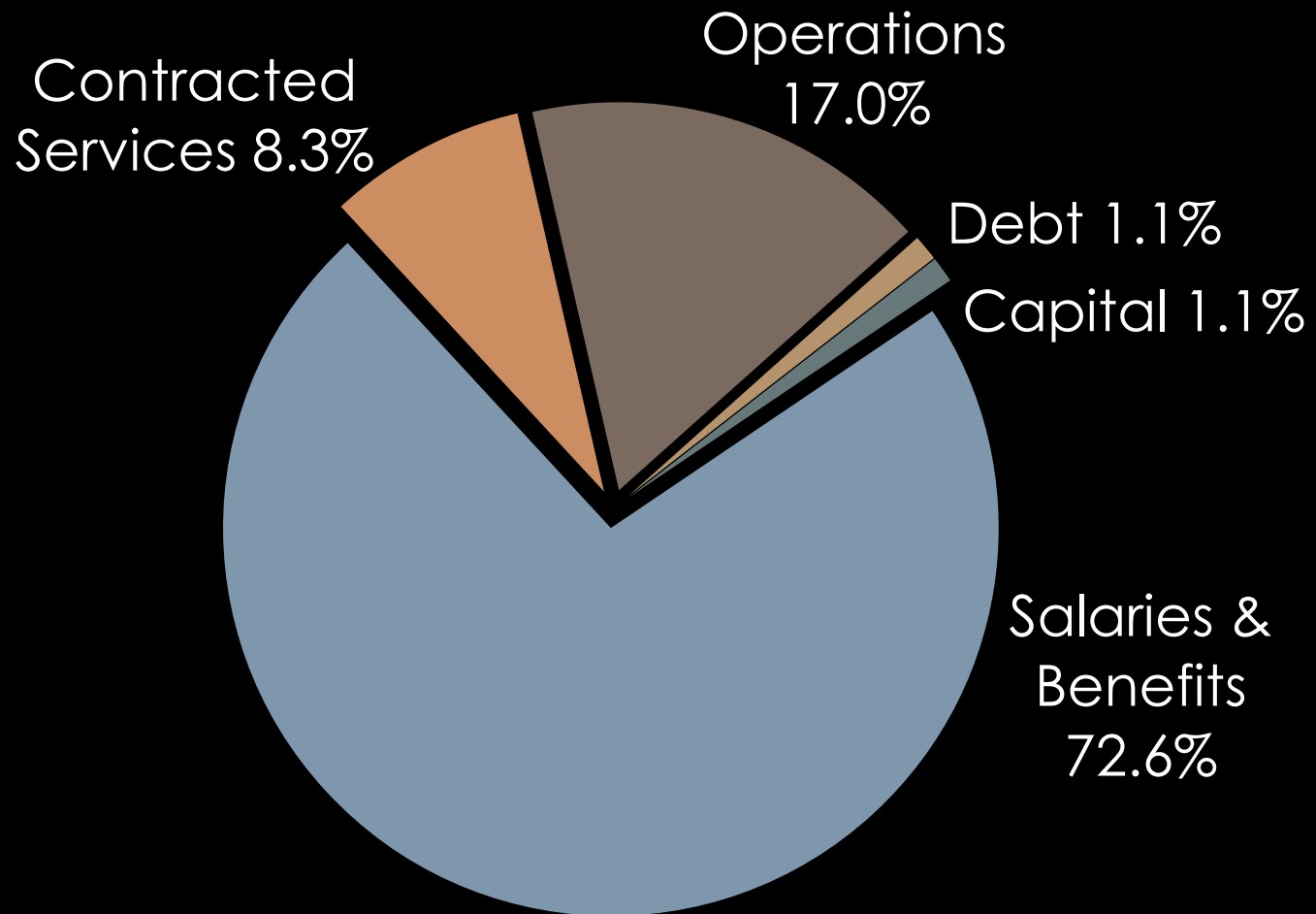


Expenditures

	FY 2021	FY 2022	Change	%age Chg.
Salaries and Benefits	\$88.8	\$91.8	\$3.0	3.3%
Contracted Services	9.5	10.5	1.0	10.4
Operations	17.4	17.1	(0.3)	-2.0%
Debt	1.5	1.4	(0.2)	-10.7%
Insurance & Settlements	5.5	4.4	(1.1)	-19.7
Pass-Through Projects	3.6	-	(3.6)	-100%
Capital Match	1.2	1.4	0.1	10.1
Total	\$127.6	\$126.5	\$(1.1)	-0.8%

\$ in millions

FY 2022 Category



Expenses – *Insurance*

- Authority is self insured
 - Auto liability
 - Property damage and
 - Workers' compensation claims
- Governor recommends \$5.5 million for FY 2021 and \$4.4 million for FY 2022

Fiscal Year	2017	2018	2019	2020
Expenses	\$4.8	\$5.8	\$5.2	\$3.0

\$ in millions

Staffing

- Budgeted for 865 positions
- 50 non-union members
 - 5 more than previously budgeted
 - 3 positions for project management, 1 information technology director and 1 claims director
 - 39 filled as of April 2021
- Union members belong to:
 - 618 – Bus Operations/Maintenance
 - 618 A – Street and Shop Supervisors
 - 808 – General Clerical and Administrative

Staffing

- Two of three contracts extended through FY 2022
 - 618 – Bus Operations/Maintenance
 - 618 A – Street and Shop Supervisors
- Third Union 808: LIUNA
 - Covers ~60 positions
 - Current contract through June 30, 2022

Expenses – *Salaries & Benefits*

- FY 2022 budget includes \$91.8 million for salary/benefit costs of 865 positions
 - FY 2022 reflects an increase of \$3.0 million or 3.3% over FY 2021
- Negotiated contracts
 - 2%, 2%, and 3% for 618 and 618A
 - FY 2020 – FY 2022
 - Except for paratransit drivers
 - Drivers: 3%, 2%, 2%
- 810 positions filled
 - 93.6% filled to budget

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 bus driver vacancies as of 4/21
 - 30 vacancies
 - All from paratransit
 - As meal sites and centers were closed

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

Expenses – *Benefits*

- State offering 3 medical plans
 - Pursuant to negotiated contract, eff. 1/1/19
- Among provisions of contract
 - Increased co-pays for office visits
 - Deductibles
 - \$500 to \$1,500 for individual
 - \$1,000 to \$3,000 for family
- RIPTA transitioned its employees to state's current plans
 - Offering one plan – Anchor Plus
 - Administered by Blue Cross Blue Shield

Expenses – Benefits

	Below \$43,498		\$53,498-\$102,840		Over \$102,840	
	Ind.	Family	Ind.	Family	Ind.	Family
Cost of Premium	\$8,233	\$22,980	\$8,233	\$22,980	\$8,233	\$22,980
State's Share	80%	85%	80%	80%	75%	75%
State Pays	\$6,586	\$19,533	\$6,586	\$18,384	\$6,175	\$17,235
Employee's Share	20%	15%	20%	20%	25%	25%
Employee Pays	\$1,647	\$3,477	\$1,647	\$4,596	\$2,058	\$5,745

Anchor plus Plans, effective 2021 calendar year

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*

- 2013 Assembly established a Medicare exchange for eligible retirees
 - Effective October 1, 2014
- Wider array of health benefit choices
- Health Reimbursement Arrangement (HRA) for each retiree & deposits state subsidy into account each month
 - Administered by Via Benefits (formerly OneExchange)

Pension Contribution

- Authority had not been making timely full actuarially required contribution

Fiscal Year	Actuarially Required Contribution	Actual Contribution	Pension Payable	Diff. from Prior Year
2014	\$7,328,560	\$6,502,787	\$1,788,204	\$-
2015	\$7,379,362	\$6,346,787	\$1,788,204	\$-
2016	\$8,125,339	\$6,897,285	\$2,363,523	\$575,319
2017	\$8,644,772	\$5,591,223	\$4,594,823	\$2,231,300
2018	\$7,514,778	\$4,594,823	\$7,514,778	\$2,919,955
2019	\$7,519,341	\$4,413,561	\$10,620,558	\$3,105,780
2020	\$8,722,771	\$8,838,896	\$10,504,433	\$(116,125)

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
- \$71.3 million - total unfunded liability
 - June 30, 2020
 - \$3.8 million less from prior year

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 total \$6.7 million
- 2017 Assembly provided additional resources from HMA to cover debt for FY 2018 and FY 2019
- 2019 Assembly permanently provided Authority \$5.0 million from HMA
 - Debt payment
 - Elderly/disabled free bus pass

Expenses – Contracted Services

- Contracted Services - \$10.5 million
 - ADA operations
 - Legal services
 - Actuarial studies
 - Auditing services
 - Environmental services
 - Project support

Capital Recommendation

Projects	Status	5 Yr. Total	Total
Bus Purchases	Revised	\$91.3	\$198.8
Land and Buildings	Revised	19.0	47.1
College Hill Bus Tunnel	Ongoing	9.5	9.6
Enterprise Software	ongoing	2.5	3.6
Farebox Upgrade	Ongoing	-	6.1
IT Redundancy	Ongoing	1.0	1.9
Paratransit Vehicles	Ongoing	14.4	28.6
Pawtucket Bus Hub & Transit Corridor	Ongoing	-	8.6

Capital Recommendation

Projects	Status	5 Yr. Total	Total
Providence Transit Connector	Ongoing	-	17.3
URI Mobility Hub	Ongoing	8.8	8.8
Warwick Bus Hub	Ongoing	1.3	1.3
Total		\$147.7	\$331.6

\$ in millions

URI Mobility Hub

- Governor recommends \$8.8 million to construct new bus hub at URI Kingston Campus
 - \$7.0 million from federal funds
 - Matching funds of \$1.8 million from HMA, RICAP and available capital funds from URI
 - Project to improved access within & around campus by bus, bike or foot
 - Bus berths with shelters, interior waiting space, restrooms & bicycle racks

Capital – *Bus Purchases*

- Governor recommends \$91.3 million for purchases in 5-year plan
 - Assumes \$13.6 million from DOT's share of highway maintenance funds
- Approved plan had assumed \$25.2 million from DOT
 - Expressed difficulty in securing additional match
 - Decrease gas tax yield and less HMA
 - Provided \$3.8 million in FY 2020
 - \$0.7 million more than previously assumed

Capital – Pawtucket Bus Hub

Pawtucket Bus Hub and Transit Corridor

- Governor recommends \$8.6 million from RICAP, federal funds and local sources
 - Transit hub
 - Adjacent to new commuter rail station on Pawtucket/Central Falls border
 - Includes bus berths, shelters, real-time bus information and ticket vending machines
 - Construction underway scheduled completion of May 2022
 - Open for service in July 2022

Capital – *Warwick Bus Hub*

- Authority requests \$1.3 million from federal funds and Authority's sources
 - Consistent with approved plan
- 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 request

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

Audit Findings

- Operating and long-term liability metrics warrant enhanced oversight by state
 - Ensure sustainability and availability of public transit service
- Recommendation
 - Explore options to address liability funding issues facing Authority
 - Pension liability
 - Retiree health care

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