



Testimony in Support of HJR 6020 & H 5405 – Funding for RIPTA

House Committee on Finance

May 21, 2025

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The Economic Progress Institute (EPI) strongly supports Representative Alzate’s HJR6020 and Rep. Morales’ H5405, both of which aim to ensure that the Rhode Island Public Transit Authority (RIPTA) has the funding it needs to maintain existing services.

Rhode Islanders deserve affordable, reliable public transportation. Yet, RIPTA has a projected budget deficit of \$32.6 million for fiscal year 2026. This budget deficit will cause route closures, job loss, and make it more difficult for us to hire and retain good drivers. The deficit would also make it nearly impossible for thousands of Rhode Island workers, students, seniors, and the disabled to get where they need to go. **Rep. Alzate’s HJR6020** would allocate the \$32.6 million necessary to sustain RIPTA’s services.

EPI is also in strong support of Representative Morales’ H 5405, which would create a permanent funding source for RIPTA by establishing a restricted receipt account for the benefit of the RIPTA, funded by sales taxes collected from ride-share companies. Rideshares in recent years have increasingly become popular and have been demonstrated to have a negative impact on bus fare revenue. The Metropolitan Area Planning Council of Massachusetts estimated that the average rideshare ride represented an average of 35 cents in lost bus fare revenue.

Time and time again, it has been proven that a dependable transportation system boosts economic competitiveness, attracts investment, and helps ensure that the general population can meet their basic needs, all while creating more sustainable communities.¹ Furthermore, maintaining and expanding public transportation reduces congestion, improves air quality, and enhances the reliability of cars and trucks as congestion-related traffic decreases.² To foster a thriving economy and sustainable environment, it is essential to invest in RIPTA to provide competitive wages, shield communities from fare increases, and preserve and expand services and operational hours.³ Funding RIPTA is especially important considering the cost of cars has significantly increased in recent years. According to the American Public Transportation Association, individuals who use public transit save more than \$13,000 a year, or \$1,100 a

¹ <https://data.bts.gov/stories/s/Transportation-as-an-Economic-Indicator/9czv-tjte/#:~:text=Transportation%20plays%20a%20vital%20role,activity%20in%20its%20own%20right.>

² <https://t4america.org/portfolio/la-transit-strike/>

³ <https://rhodeislandcurrent.com/2025/01/18/mckees-proposed-budget-leaves-public-transit-advocates-fuming-over-riptas-32m-deficit/>



month, compared to those who drive. Additionally, since 2019 the cost of purchasing a new car has increased by 30% and the cost of purchasing a used car has increased by 40%.⁴

I also urge the committee members to **consider public transit funding in the broader context of all transportation funding**. As the members of the House Finance Committee know, the car-tax phase-out was not a one-time event, and in the enacted FY2025 budget includes \$234.7 million to make local governments whole from the loss of revenue from the phase-out. This is an *annual* and *indefinite* appropriation, and the entirety of the appropriation subsidizes car owners, so they need not pay the tax. The phase-out and the annual appropriation do not provide the benefit of tax relief to *all* Rhode Islanders. It provides no relief for the approximately 9% of Rhode Island households without any available vehicles.⁵ For rental-occupied households, this rate is 21.5%, according to United States Census Bureau data.

If we are subsidizing car owners with \$234.7 million from General Revenue funds each year, we should think about doing more to subsidize non-car owners, as well as car owners who would prefer to use public transportation more often than they do.

Failure to fully fund RIPTA's budget shortfall will cause significant harm to the economy and the workers who depend on public transit to earn their livelihoods. We strongly urge you to pass HJR-6020 and H 5405.

⁴ <https://www.apta.com/research-technical-resources/research-reports/transit-savings-report/>

⁵ <https://www.census.gov/acs/www/about/why-we-ask-each-question/vehicles/#:~:text=Occupied%20Housing%20Units%20with%20No,Data%20Profiles/Housing%20Characteristics>