

Rhode Island Public Transit Authority
Senate Committee on Finance
May 11, 2023



RIPTA at a Glance

- RIPTA's mission is to provide **safe, reliable and cost effective transit service** with a **skilled team** of professionals responsive to our customers, the environment, and **committed to transit excellence.**
- 56 years of statewide service
- Fixed-Route, Paratransit (Ride Program) and Flex Service
- Serves 37 of 39 RI communities
- Operates 7 days a week



Financial Challenges

- Federal Relief Funds Being Depleted
- **Fiscal Cliff: \$40M annually**
- Transit Master Plan: \$260M annually
- System-wide Free Fare: \$24M+ annually
- Electric Fleet: Additional \$1.5M - \$2M per bus w/infrastructure
- Competitive Wages & Benefits
- Gas Tax Revenue Decreasing

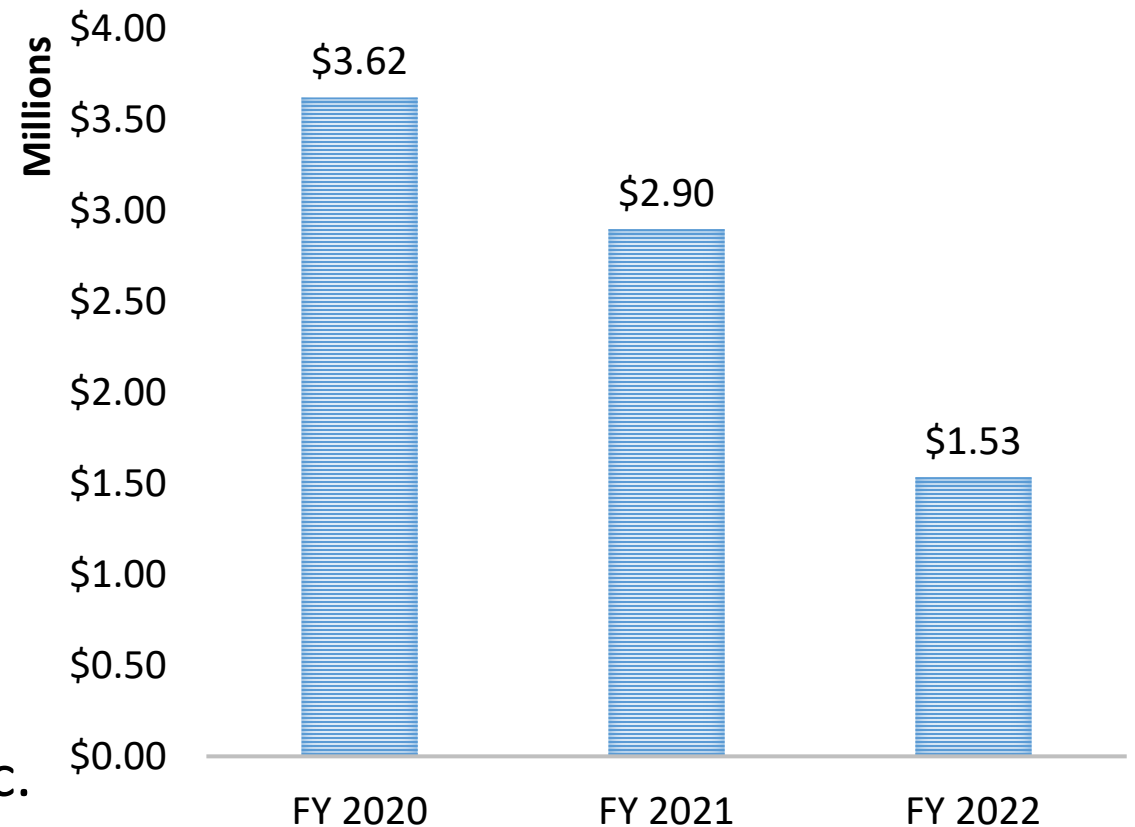


Impacts of COVID-19

COVID-19 Pandemic had a severe negative impact on RIPTA

- **Ridership declined** by approximately 50%.
- Passenger **revenue declined** as a result.
- As employers embraced remote work and businesses shut down across the state, employees drove less. This resulted in a **significant decrease** in gas tax revenue.
- Gas tax revenue has nearly recovered, and passenger revenue continues to increase.
- **Federal relief funding played a vital role** in offsetting the financial impact of the pandemic.

AVERAGE MONTHLY LOSS



Federal Relief Funding

RIPTA has received \$128.9M in federal relief funding from three relief bills

- Funds are being used to support operations; offsetting losses brought on by the pandemic
- All relief funds are expected to be exhausted in FY 2025
- RIPTA is facing losses of more than \$40M annually **beginning in less than 16 months**



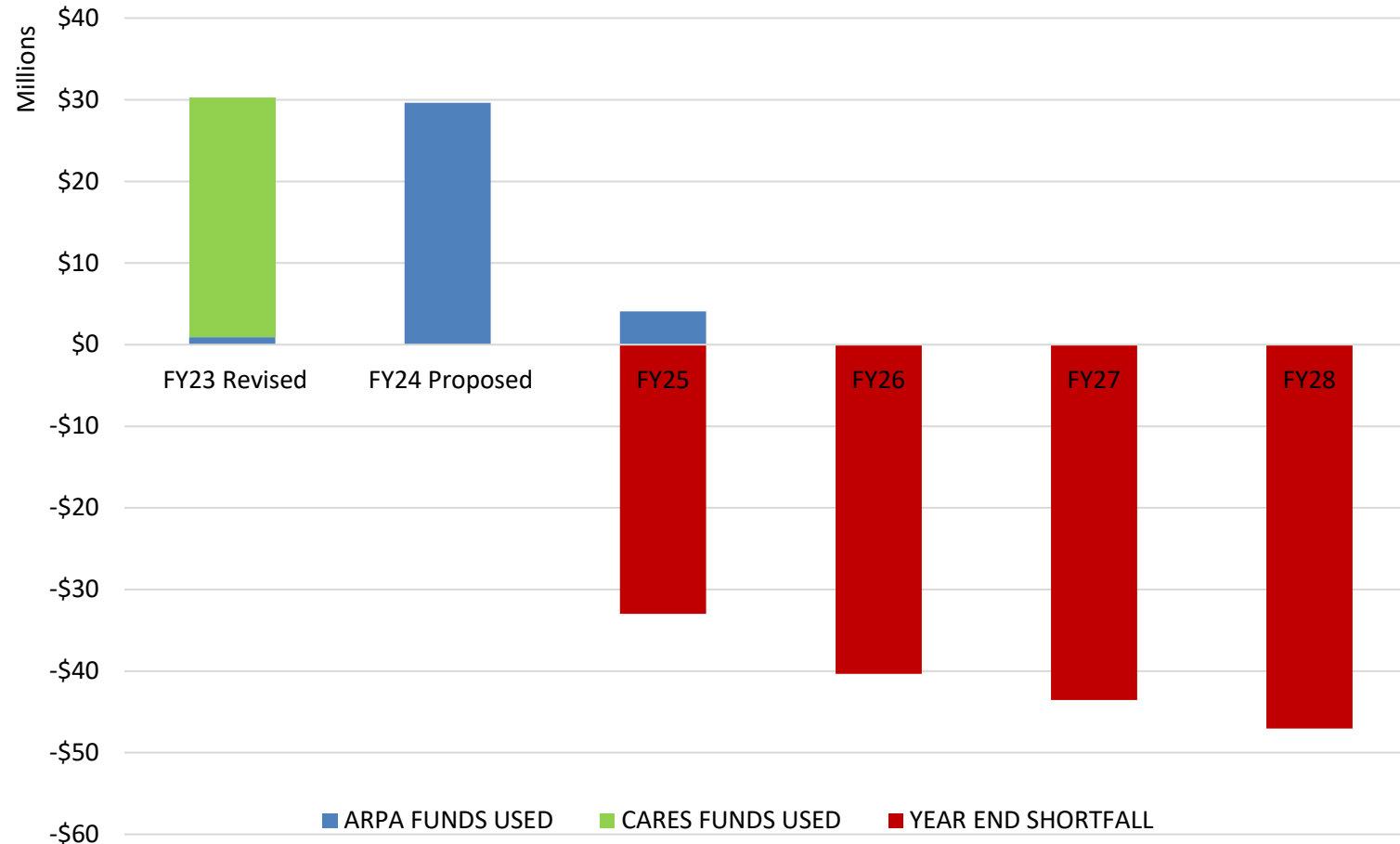
Federal Relief Funding

	Allocation	Obligation	Expended	Balance
CARES	\$92,233,702	\$92,233,702	\$72,049,166	\$20,184,536
CRRSSA	\$769,136	\$769,136	\$190,616	\$578,520
ARPA	\$35,720,217	\$35,720,217	\$2,184,851	\$33,535,366
Total	\$128,723,055	\$128,723,055	\$74,424,633	\$54,298,422

- To date, the Authority has received \$128.7 million and has obligated all funds
- 58% of those funds have been expended thus far
- Remaining \$54 million will be spent between FY 2023 and 2024, with the balance drawn upon in early FY 2025

Fiscal Cliff

Deficits of \$40M annually expected when relief funds are exhausted



Major Service Reductions & Layoffs

What happens if RIPTA is not fully funded by FY 25?

- **MAJOR LAYOFFS:** 400 employees
- **Routes 6, 16, 23, 40, 58, 64, 68 and 73** would be **eliminated**
- **ALL** Park-N-Ride/Express routes **eliminated**
 - **Routes QX, 9X, 10X, 12X, 24L, 59X, 61X, 65X, and 95X**
- 50% of **Flex Zones** **eliminated**
- **Reduction** in service **SPAN AND FREQUENCY STATEWIDE**
 - **Routes 1, 20, 21, 22, 78, 31, 54, 55, 56, 57, 60, 66, 67, 72 and 92**
- **ALL** supplemental **Providence school trips** **eliminated**
- **ALL Sunday** bus service **eliminated**
- **ALL Holiday** bus service **eliminated**
- **Summer** beach bus service **eliminated**
- **Elimination** of some **paratransit service** on ADA corridors
- Transit Master Plan **on hold**
- Major service reductions would diminish passengers' overall ability to move around the state **leading to further reductions** in ridership and **additional deficits**

Rhode Island Relies on RIPTA

"We so badly need MORE public transportation - not less!" - *Barbara R.*

"I am a person with a disability and the bus is the only way I can get anywhere." - *Aimme B.*

"Please consider the people who really need you...the people who are on a limited budget and need to take the bus. Please act in the interest of these people and urge the governor to support RIPTA." - *Jobelle A.*

"With the price of gas going up and the impact of global warming getting worse, I want to strongly encourage you to maintain and expand RIPTA. Strong, enlightened public policy values mass transit." - *Warren H.*

"The working class in this state are being squeezed so tight as it is. To burden those who commute is unacceptable." - *Mary M.*

"I depend upon RIPTA for all my shopping and social contacts." - *E. Felaco*

RIPTA Is NOT Alone

Other agencies are facing the same issue

- Chicago Regional Transportation Authority: \$730M annual budget gap
- Philadelphia's Southeastern Pennsylvania Transportation Authority: \$269M
- Bay Area Rapid Transit: \$300M
- Washington Metropolitan Area Transit Authority: \$750M
- Our MBTA neighbor: \$236M

THE FUTURE OF WHAT'S HAPPENING NOW

For Mass Transit Agencies, a Fiscal Cliff Looms (Part II)

Continuing our coverage of how large city transit systems are faring fiscally since the pandemic, we take a look at Philadelphia, New York City and Chicago.

June 27, 2022 • Jake Blumgart



An RTA transit train moves through downtown Chicago. (Shutterstock)

Editor's note: This is a second in a series on big city transit and the financial problems they face. [Part one](#) looks at Washington, D.C.; Boston; and Los Angeles.

America's largest transit agencies are in crisis. The trend towards remote work has gutted ridership and, in turn, the fares that have long provided a large portion of their operations budget. Now with white collar commuters not return to the office full time, if at all, the biggest U.S. cities are facing a fiscal cliff.

For some systems — like [Washington D.C.](#), [Boston](#), and [Los Angeles](#) — that reckoning comes next year. For other transit heavy regions, the crisis will unfold more slowly. In this installment, TransitCenter analyzed the numbers for New York, Philadelphia, and Chicago and talked with [Governing](#) about why the fiscal cliffs in these cases have been delayed. Overall ridership statistics come from the website [TransitRecovery.com](#), which draws on data from the National Transit Database.



MANAGEMENT

US: City Transit Systems Begin to Peer Over the Fiscal Cliff

Virtually all big-city transit agencies are facing a fiscal cliff, and no one has figured out a clear path forward.

By Jared Brey
Source: Governing (TNS)

March 1, 2023



Feb. 28—In Brief:

* Bay Area Rapid Transit (BART) is facing \$300 million budget deficits every year after pandemic-era federal relief dries up due to lost ridership.

* Planners are considering a regionwide transit-funding ballot measure for 2026.

* Other transit agencies around the country are facing similar budget shortfalls and a dearth of easy solutions as they expect ridership to recover very slowly.

For Bay Area Rapid Transit, fare revenue used to be a point of pride.

In the years before the COVID-19 pandemic, BART had a higher farebox recovery ratio — a measure of how much of the annual budget is covered by rider fares — than all the other transit providers in the region and most other transit systems across the country. It was a sign of the system's health as well as the city's: People wanted to ride the trains, and the region was organized well enough that they were useful. But the pandemic inaugurated a drastic drop in ridership that is likely to last, as more employers, especially those in the tech industry, shift to remote work.

BART carried 418 million riders in 2019, and fewer than 35 million in 2022; its operating ratio dropped over the same period from 71 percent to 21 percent. A region that was built around one of the strongest downtown job centers anywhere now has the highest rate of remote work and the slowest downtown recovery in the country, says Alicia Trost, BART's chief communications officer.

"That dynamic duo of highest and slowest is — what's the right adjective? — it's very detrimental to our future. It is forcing us to invert our funding model," Trost says.

Like almost every other big transit system in the U.S., BART is now facing a fiscal cliff, the moment when the federal government's enormous pandemic financial relief for transit



LATEST IN MANAGEMENT

Management
[GoTriangle, Triangle Family Services host event focused on shared challenges](#)
March 28, 2023

Management
[FTA makes \\$212.3 million available in emergency relief funds](#)
Federal Transit Administration (FTA)
March 28, 2023

Management
[GERMANY: Survey: Majority of Germans think mass transport strike is justified](#)
March 28, 2023

Management
[Gov. Healey appoints Phillip Eng to be MBTA GM](#)
Micha Wanel-Libman
March 27, 2023

Management
[GA: MARTA says it's open to Atlanta expansion program audit](#)
March 27, 2023

Federal Funding

FTA formula funding to RIPTA increased from \$42.4M to \$47.4M with infrastructure bill

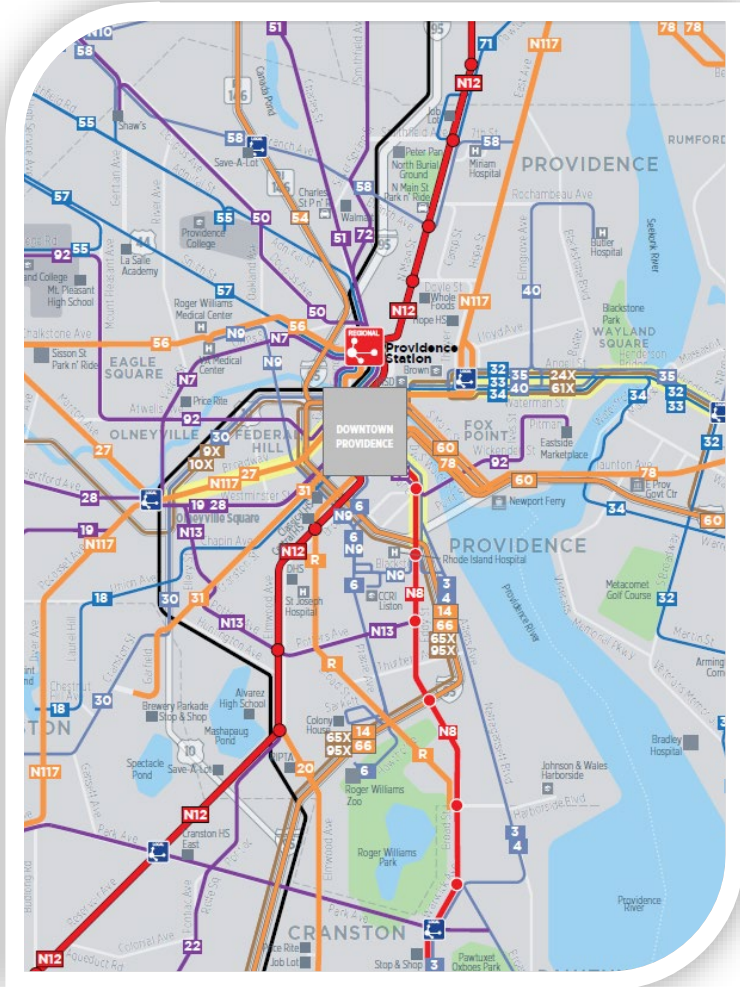
- Funds support capital expenses and maintenance
- **Funds CANNOT be used to support operations or resolve fiscal cliff**
- President's budget includes a proposal for additional flexibility, but does not provide additional funds above current authorizing levels

Majority of new funding is through discretionary programs

- RIPTA has applied for \$108M in funds since the law was passed



Key Projects



- **High-Capacity Transit Corridor Study (RAISE \$0.9M)**
 - Central Falls-Warwick CCRI
 - Downtown-TF Green
- **Safe Streets and Roads for All (USDOT \$5M)**
 - 31 Cities and Towns part of award
 - Remaining 8 invited to join
- **Newport-Middletown Electrification (RAISE \$22.4M)**
 - Buses deploying out of Middletown garage
- **R-Line Electrification (\$22.8M from various sources)**
 - State's first electric bus in-line charging station
 - 14 electric buses
 - 5 depot chargers
- **CCRI Warwick Enhanced Bus Service (FTA \$1.1M)**
 - New passenger infrastructure and expanded service to South County

RICAP Funding

- Successful discretionary award applications are dependent on committed RICAP match
- RIPTA has seen an unprecedented increase in RICAP funding from the General Assembly with over \$24M between fiscal years 2023 and 2024
- These new funds are helping to leverage increased funding available under the infrastructure law
- RIPTA is putting these funds to work on key projects including electrification and improvements to passenger facilities

Projects	FY 2023	FY2024
Outstanding: Raise - Rapid Bus Network	\$2,188,000	\$0
Outstanding: Raise - Bust Stop Improvements	\$6,250,000	\$0
Outstanding: Low/No Emission	\$1,250,000	\$0
Outstanding: 265 Rehab	\$5,528,515	\$0
High-Capacity Transit Corridor Study	\$225,000	\$0
Newport Electrification	\$5,592,700	\$0
Upcoming Project: Security Fencing	\$240,000	\$0
Upcoming Project: Trench Drain	\$20,000	\$0
Other ongoing projects	\$250,000	\$0
Grant Opportunity 2024: RAISE Planning	\$0	\$2,188,000
Grant Opportunity 2024: RAISE Capital	\$0	\$6,250,000
Grant Opportunity 2024: Low/No Emission	\$0	\$2,000,000
Grant Opportunity 2024: Bus and Bus Facilities	\$0	\$6,000,000
IIJA Increase: Support Facilities	\$250,000	\$250,000
IIJA Increase: Passenger Facilities	\$100,000	\$100,000
IIJA Increase: East Side Tunnel	\$797,220	\$797,220
IIJA Increase: Security	\$23,480	\$23,480
Total Projects	\$22,714,915	\$17,608,700

RIPTA Driver Shortage

Driver Recruitment

- 84% of transit agencies having difficulty hiring drivers
- RIPTA is **short 44 drivers**
- Exploring all avenues to improve outcomes
- RIPTA would also **need additional funds** to increase wages and benefits to **compete in a tight labor market**, but that would be in conjunction with the Union (number not currently available)



The RIPTA Record

RIPTA outperforms similar agencies across the country in almost every key performance indicator.

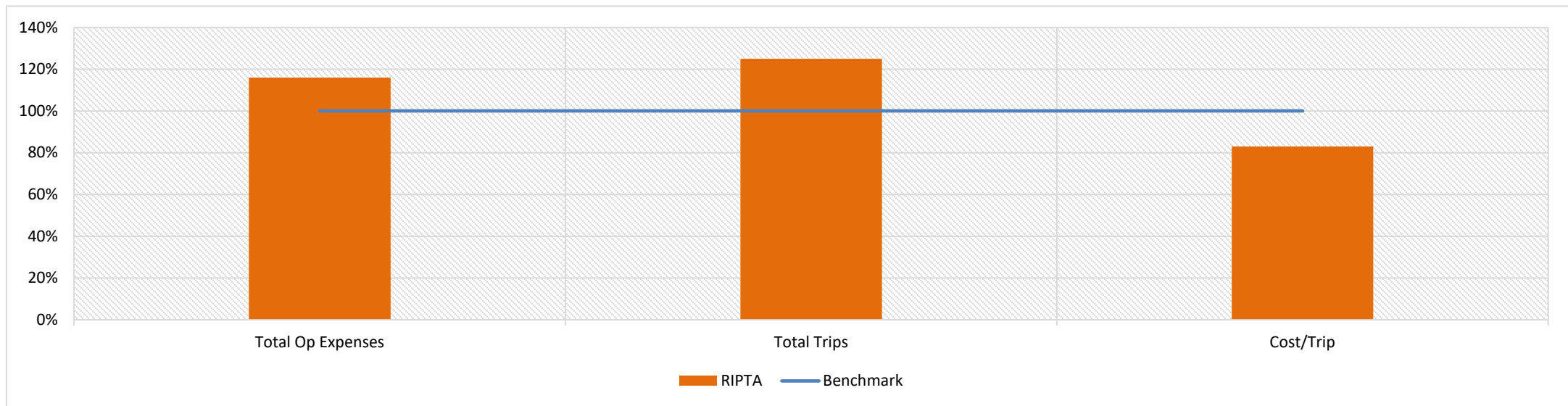
Despite a chronic lack of funding, RIPTA

- provides more trips,
 - in a larger area,
 - at a more effective cost per trip
- than other transit agencies that serve similar population areas or provide statewide service anywhere in America.**



Nationwide Comparison

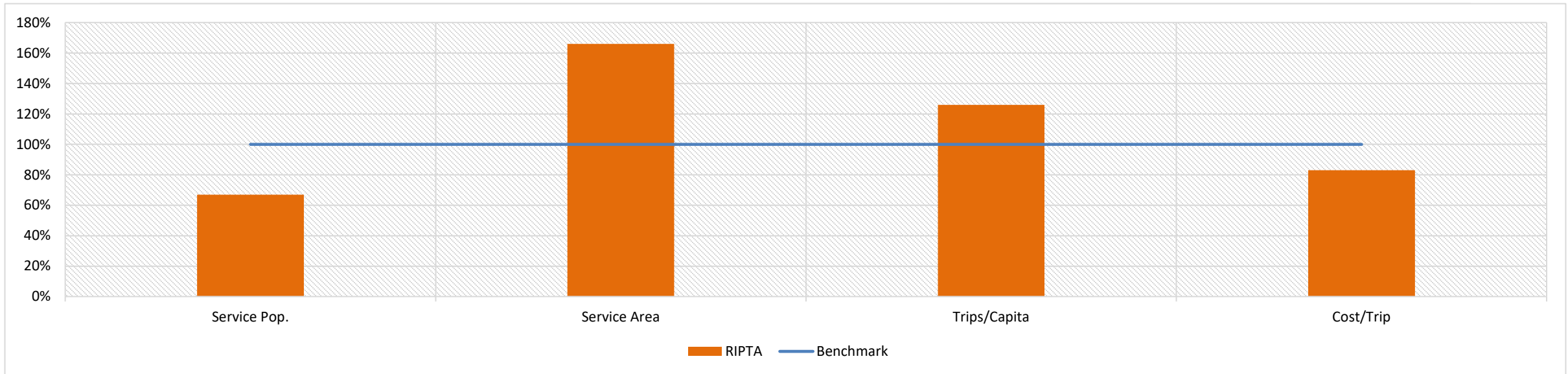
RIPTA outperforms similar agencies across the country in almost every key performance indicator.



While RIPTA **has higher operating expenses** than its peers, **more trips** are provided resulting in **a lower, more cost-effective** cost per trip.

Nationwide Comparison

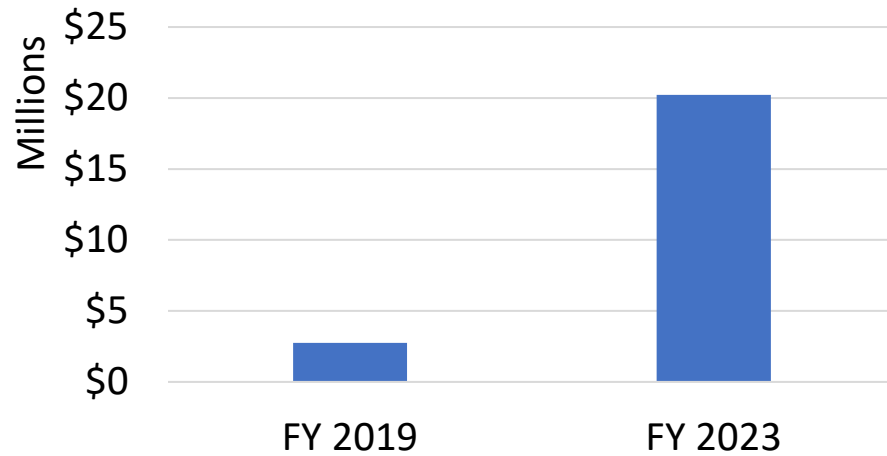
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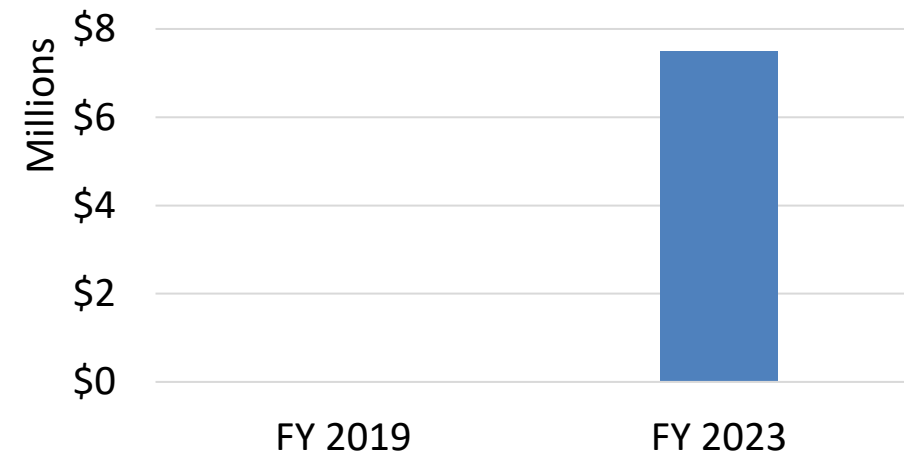
Despite having a **smaller service population**, RIPTA provides **more trips/capita** across a **larger service area** and at a **more efficient cost per trip**.

Improved Finances Since FY19

State Match



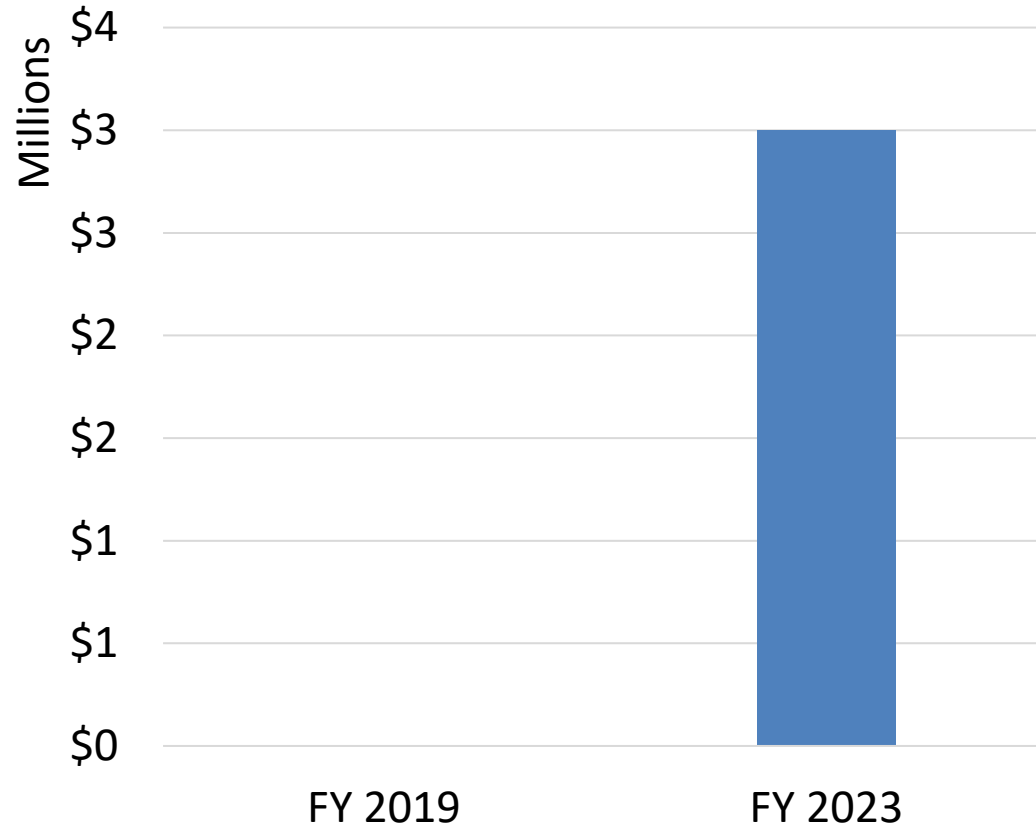
Available Line of Credit



- RIPTA received \$2.7M in FY 2019
 - Unable to leverage federal funds and discretionary opportunities
- Governor's amended budget for FY 2023 calls for \$20M

- RIPTA has long struggled with cash flow. A line of credit provides a tool to smooth cash flows and ensure all obligations are met in a timely fashion

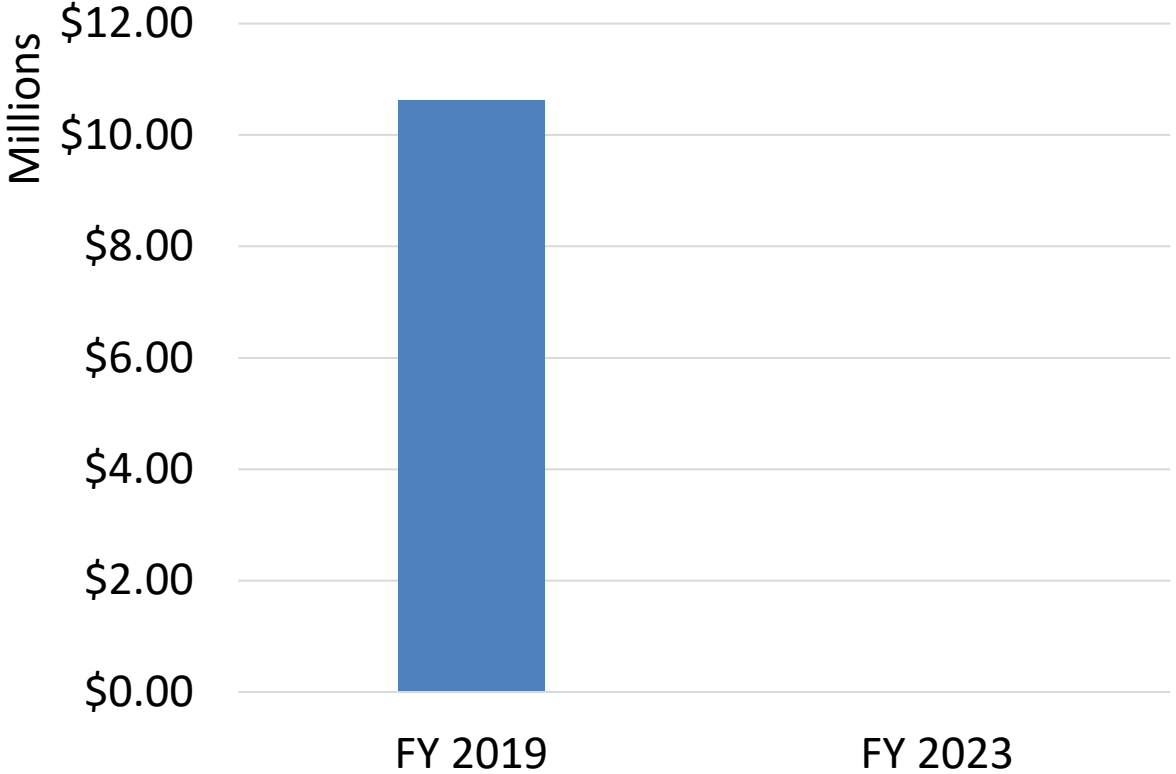
Legal Reserve



Target reserve level is \$5M

- Conducted claims study to develop a new strategy
- Strategy set goal for funding of claims and reserve for extraordinary circumstances
- Reserve is 60% funded (\$3M)
 - Would reduce interest expense on larger settlements

Pension Payable



Pension is current and well funded (67%)

- Due to cash flow issues, RIPTA had fallen behind on its pension contributions
- Payable had reached over \$10M
- Established plan to resolve over a five-year period
- Received notice from state that we were owed \$8.4M in pharmacy rebates
 - \$6M was transferred to RIPTA
 - Remainder stayed with state to cover healthcare claim timing
 - \$6M was put towards payable and remaining payable was resolved in accordance to original plan

Community Progress

Engaging with all communities to see how RIPTA can help with mobility needs

- 5 community vans delivered in FY 22
 - Westerly, Foster, Cumberland, Pawtucket and CCAP
 - Additional vans for rural communities will be ordered soon
- Identify unserved/underserved areas, including New Shoreham, Little Compton
- Develop community partnerships to fund service
 - Newport Hop-On Hop-Off Service
- Pineapple Pass Program
 - Collaborative effort with the Rhode Island Department of Labor & Training and the Rhode Island Hospitality Association, the program enabled the hospitality association to provide bus passes to more than 500 restaurant and hotel employees.



ride free!
**BELLEVUE
TROLLEY** 
67

MAY 27-OCTOBER 31, 2022
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Transit Master Plan

Rhode Island adopted its first-ever Transit Master Plan, Transit Forward RI 2040, in December of 2020. The plan identifies five initiatives to transform transit in Rhode Island:

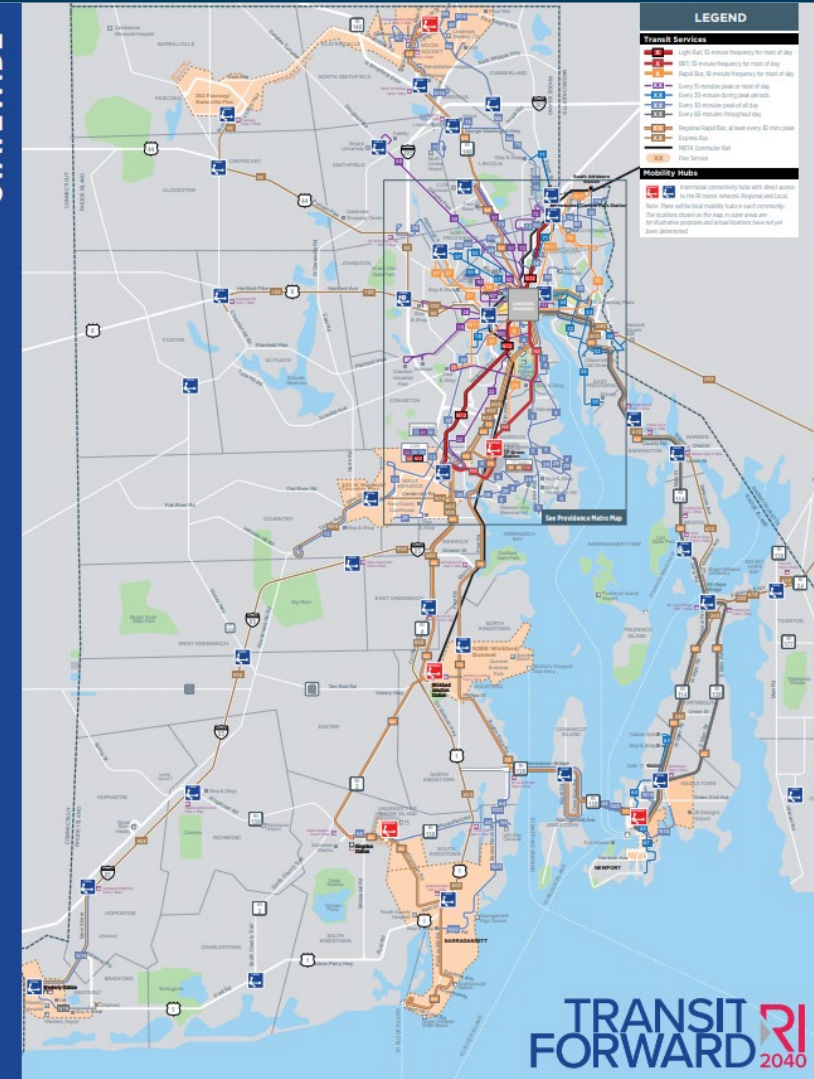
- Improve existing services
- Expand service to new areas
- Develop High Capacity Transit
- Improve access to transit
- Make service easier to use



Transit Master Plan Implementation

- NEW Wave Smart Fare Technology
- NEW Routes 16, 23 and 68
- NEW Downtown Transit Connector (DTC)
 - Service every 5 minutes between RI Hospital, Kennedy Plaza and Providence Station on Routes 3, 4, 51, 54, 58, and 72
- Flex Service Expansion
 - 281 Woonsocket Flex expanded to Manville
- Route 10x Expansion
 - New Park-N-Ride service in Foster
- Route 13 restructured to serve CCRI Warwick

TRANSIT FORWARD RI SERVICES STATEWIDE



Dorrance Street Transit Center

- Governor McKee announced the launch of a nationwide RFP for a new, innovative, downtown transit center in January
- Project is well-received. Pre-bid meeting was attended remotely by interested parties from across the country.
- Lots of momentum
- Featured in local and industry publications

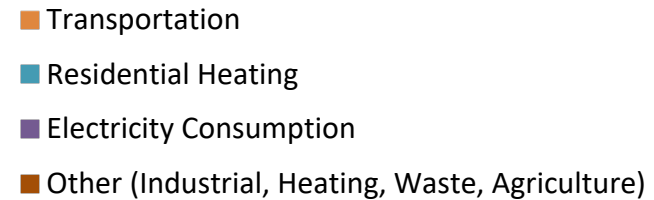


Meeting Climate Goals

40% of Rhode Island's greenhouse emissions are from vehicles

- In 2018, first three electric buses arrive in RI
- Additional 14 electric vehicles will join fleet
- State's first electric bus in-line charging station is underway

TOP EMITTERS



Meeting Climate Goals

- Awarded over \$27.5M federal and state funds to electrify the Newport Garage and incorporate clean energy and resiliency
 - Over \$22 million from USDOT
 - \$1.5M from OER
 - \$4M from Senator Reed
- Renewable energy solar farm collaboration
 - Solar installation on a brownfield in East Providence
 - Saving the Authority over \$250,000 annually
 - Commitment to sustainable clean energy



Summary

Despite historically tight budgets RIPTA has

- Outperformed similar agencies across the country
- Continued to perform during the pandemic
- Improved its financial condition
- Is preparing for Rhode Island's transit future **today**

Continuing to provide a world-class transit system for Rhode Island is not possible with our current funding stream.

Our fixed-route and paratransit passengers, staff and Rhode Island are counting on your help.

