



**State Fiscal Note for Bill
Number: 2023-H-5525**

Date of State Budget Office Approval: Wednesday, May 31, 2023

Date Requested: Monday, May 15, 2023

Date Due: Thursday, May 25, 2023

<i>Impact on Expenditures</i>		<i>Impact on Revenues</i>	
FY 2023	\$0	FY 2023	\$0
FY 2024	\$903,000	FY 2024	(\$23,220)
FY 2025	\$903,000	FY 2025	(\$23,220)

Explanation by State Budget Office:

This bill would require the Governor’s Workforce Board (GWB) to work with the Rhode Island Public Transit Authority (RIPTA) and the Division of Motor Vehicles (DMV) to develop a program to assist RIPTA in hiring and retaining drivers. The Department of Labor and Training (DLT) and RIPTA would conduct an outreach program to ensure a diverse applicant pool. DLT would provide specialized instruction, resources, and information to assist applicants. The GWB would issue certificates of participation to program participants that would be used to waive all commercial driver’s license (CDL) fees.

Comments on Sources of Funds:

Expenditures would be from general revenue. Foregone revenue would be a mix of general revenue, funding devoted to the Highway Maintenance Account (HMA), and funding collected from the technology surcharge fee placed in a restricted receipt account devoted to DMV information technology projects.

Summary of Facts and Assumptions:

According to RIPTA’s FY 2023 Financial Plan, as of June 30, 2022, RIPTA had 26 vacancies out of 123 budgeted positions for the Para-Transit F/T Van Operator class and 17 vacancies out of 413 budgeted positions for the Full Time Bus Operator class. All RIPTA drivers must start as paratransit drivers and cannot become fixed-route bus drivers until they have served for at least six months. Over the course of a year, it could be conservatively assumed that RIPTA would face double the number of point-in-time vacancies, for a total of 86.

DLT estimates personnel costs of about \$43,000 beginning in FY 2024. This includes an existing Chief position from the Governor’s Workforce Board who would spend approximately 20% of their time at a cost of \$28,000 to develop and operate the program. Staff from the Business Affairs division, approximately 5% and 2.5% for 2 positions at a cost of \$13,000, would review and process invoices and manage the financial aspects of the program. Also included in this total is a budgetary rate of 15.34% for indirect costs of approximately \$2,000.

DLT also estimates operational costs of \$10,000 per program participant. Using the assumption of 86 annual vacancies and assuming that every vacancy was filled by a program participant, that would result in increased expenditures of \$903,000.

Some program participants may already have a CDL but lack the necessary passenger endorsement. In that case the fees to be waived would be an update at \$22.50, a written test at \$10, and a skills test at \$102.50. If the program participant does not have a CDL costs to be waived would include \$12.50 for an application,

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\$72.50 for a commercial learner's permit, \$72.50 for a new CDL, \$10 for a written test, and \$102.50 for a skills test. Most of the fee amounts would be collected as general revenue, but \$30 of the license fee would go to the HMA and \$2.50 from each fee would go to the DMV IT restricted receipt account.

Conservatively assuming all 86 program participants do not have CDLs and would need \$270 worth of fees waived, this would result in a revenue loss of \$23,220.

Summary of Fiscal Impact:

The Budget Office estimates this bill will result in increased expenditures of \$903,000 and decreased revenues of \$23,220 beginning in FY 2024.

Budget Office Signature: _____



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Fiscal Advisor Signature: _____