

Rhode Island Public Transit Authority

Governor's FY 2025 Revised, FY 2026 and
Capital Budget Recommendations

Staff Presentation to the House Finance
Subcommittee on Environment/Transportation
March 11, 2025

Organization and Structure

- Quasi-public agency
- Established in 1964
- Responsible:
 - Fixed route bus service and
 - Americans with Disabilities Act paratransit service operations
- Governed by 9-member Board of Directors
 - 8 are appointed by the Governor
 - DOT Director or designee

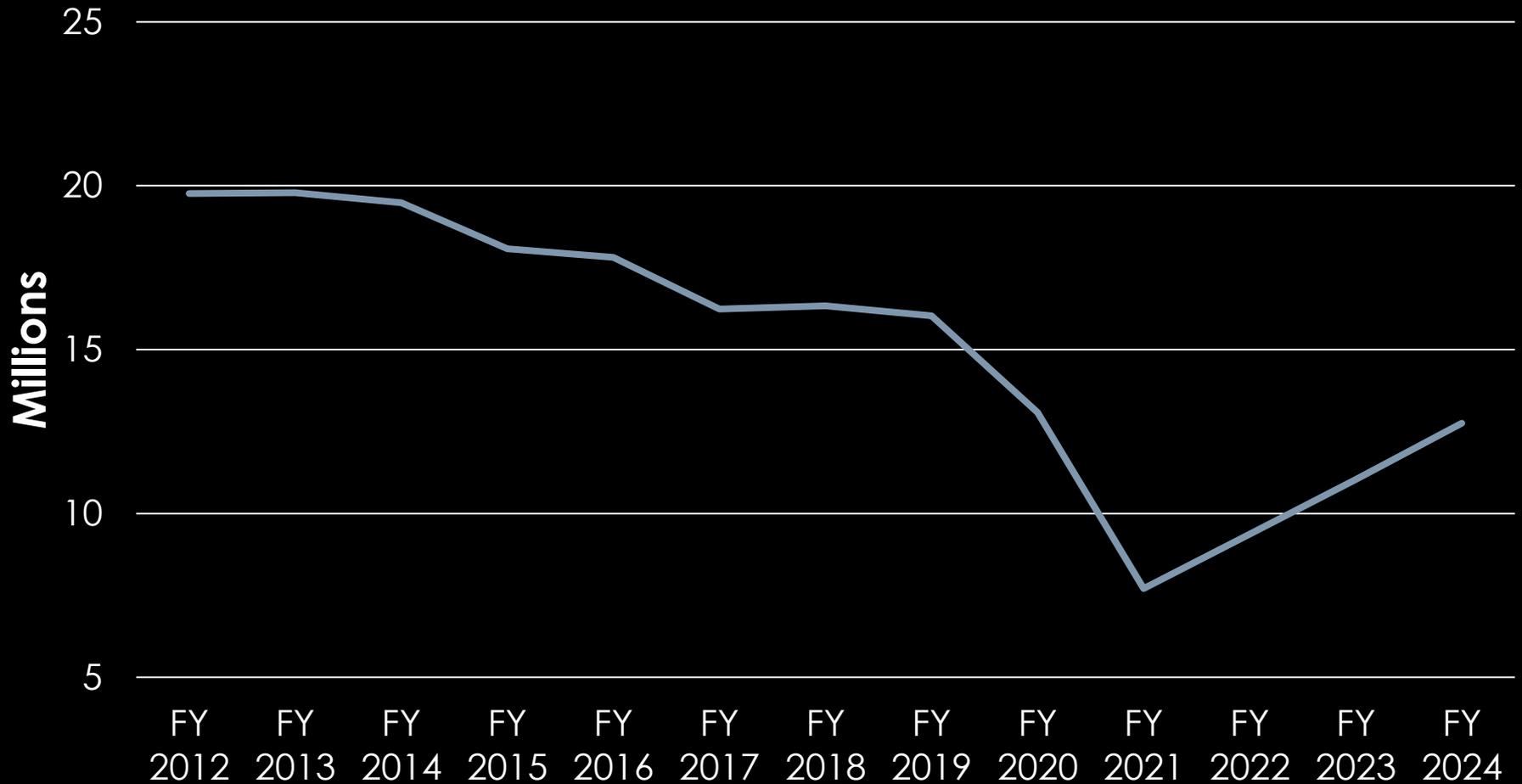
Organization and Structure

- Services - 1,436 square miles
 - Operates 2,700 daily trips
 - 1,600 weekend
 - 59 statewide fixed routes
 - Routes range from 2.5 miles to 45.5 miles
- Fleet
 - 230 buses
 - 96 paratransit vans
 - 20 flex vans

Fares

- Fares
 - Wave Smart Collection
 - Fully implemented January 2022
 - Wave card or mobile app
 - Riders will not pay more than 1-day pass or monthly amount
 - One-way: \$2.00
 - 1-day pass: \$6.00
 - Monthly pass: \$70.00
 - Effective March 1, 2016

Bus Ridership – *Passengers*

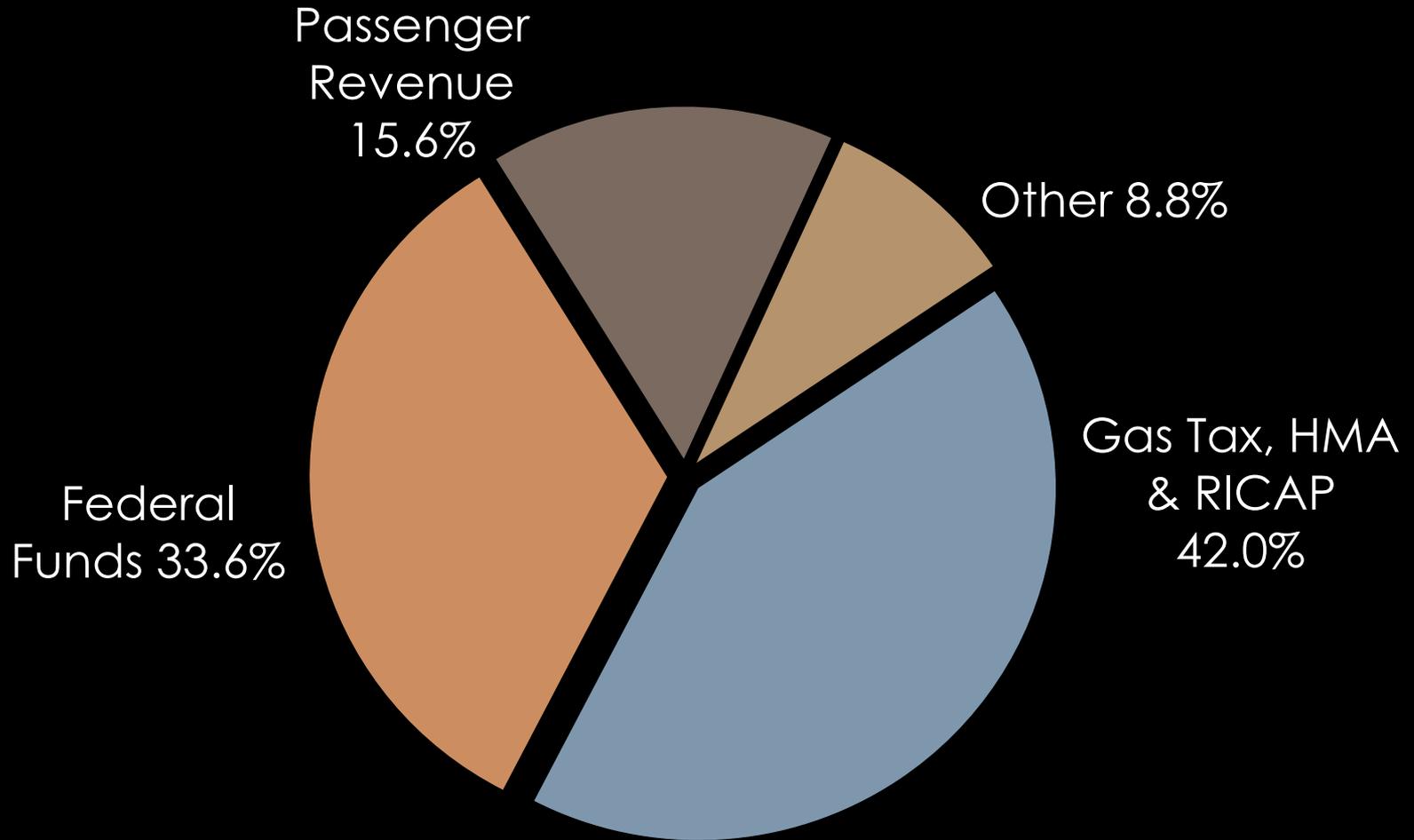


Revenue Sources

	FY 2025	FY 2026	Chg.
Gasoline Tax*	\$42.5	\$41.4	\$(1.1)
Federal Funds	41.0	42.9	1.9
Federal – Stimulus Funds	13.4	-	(13.4)
Passenger Revenue	19.7	19.9	0.2
RI Capital Plan Funds	1.1	1.6	0.5
Highway Maintenance Acct.*	10.3	10.6	0.4
ARPA – State Fiscal Recovery	15.0	-	(15.0)
Pass-Through Funding	1.4	1.4	-
Other(RIDE, card sales, & ads)	9.9	9.8	(0.1)
Total	\$154.3	\$127.6	\$(26.6)

*\$ in millions; *reflects updated estimates*

Recommended Sources



Gasoline Tax Proceeds

- Gasoline Tax
 - Derived from 39.0 cents per gallon
 - Approximately \$166 million
 - **RIPTA's Share = \$41 million – 9.75 cents**
 - Deposited into Intermodal Surface Transportation Fund
 - Small portion into the Underground Storage Tank Trust Fund
 - Distribution to transportation entities contained in statute are made

Gas Tax Disposition

Entities	FY 2026 Current Law: Cents per Gallon	Total Proceeds
Department of Transportation	24.25	\$102.9
RI Public Transit Authority	9.75	41.4
RI Turnpike and Bridge	3.50	14.9
DHS - Elderly Transportation	1.00	4.2
Underground Storage Tank	0.50	2.1
Total	39.00	\$165.5

\$ in millions

Passenger Revenue

Sources	FY 2024 Actual	FY 2025 Budget	Year-to-Date*	YTD vs Budget	FY 2026
Farebox	\$7.0	\$7.4	\$4.4	\$(0.5)	\$7.5
Student/ Univer. Passes	4.6	4.5	1.5	(1.5)	4.5
Monthly Passes	3.1	3.2	2.3	0.2	3.2
Rlte Care (Medicaid)	1.4	1.4	0.7	(0.2)	1.4
Senior Ride	2.3	2.5	1.8	0.1	2.5
Other Passes	0.7	0.7	0.4	-	0.7
Total	\$19.1	\$19.7	\$11.2	\$(2.0)	\$19.9

\$ in millions *Through February 2025

Infrastructure Investment & Jobs Act

FFY	Federal Acts	Formula Funds	Chg. to FFY 2021	Additional Match
2021	Fixing America's Surface Transportation Act	\$35.0		
2022	Infrastructure Investment & Jobs Act	\$47.1	\$12.0	\$3.0
2023		\$48.8	\$13.8	\$3.4
2024		\$49.1	\$14.1	\$3.5
2025		\$50.1	\$15.1	\$3.8
2026		\$51.3	\$16.2	\$4.1
Total Additional Match				\$17.8

\$ in millions

Stimulus Funds

	CARES Act 3/2020	CRRSAA 12/2020	ARPA 3/2021	Total
Awards	\$92.2	\$0.8	\$35.7	\$128.7
FY 2020 Actual	\$10.9	\$-	\$	\$10.9
FY 2021 Actual	34.1	-	-	34.1
FY 2022 Actual	16.0	-	-	16.0
FY 2023 Actual	18.7	-	6.7	25.4
FY 2024 Actual	10.6	-	14.9	25.5
FY 2025 Revised	-	-	13.4	13.4
Total	\$90.3	\$-	\$34.9	\$125.2
Balance	\$1.9	\$0.8	\$0.8	\$3.4

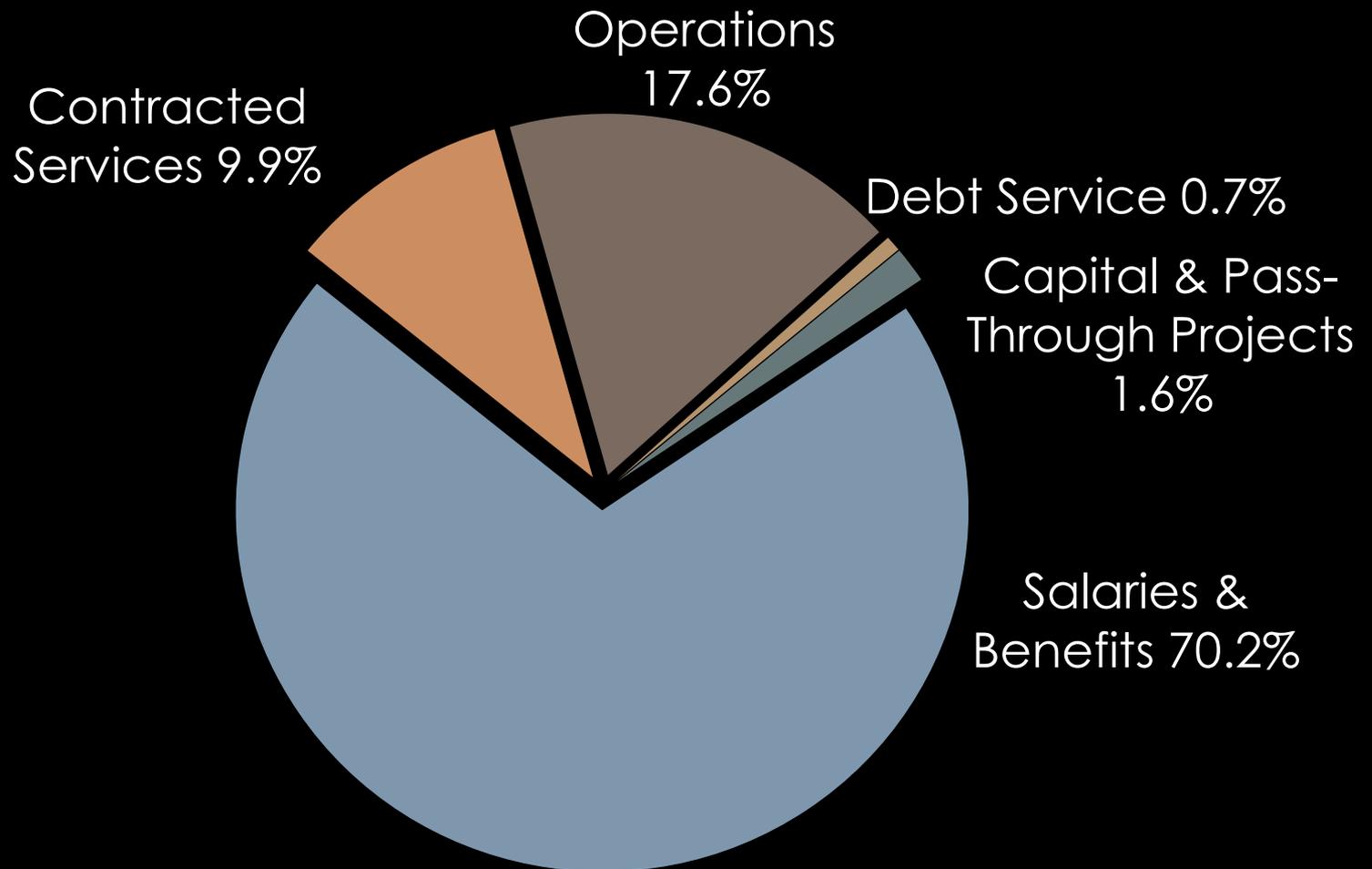
\$ in millions

Expenditures

	FY 2025	FY 2026	Chg.	% Chg.
Salaries and Benefits	\$108.0	\$111.8	\$3.8	3.5%
Contracted Services	13.5	15.7	2.2	16.5%
Operations	28.3	28.0	(0.3)	-1.1%
Debt Service	1.1	1.1	-	-2.3%
Pass-Through Projects	1.4	1.4	-	-
Capital Match	1.1	1.1	-	2.5%
Total Expenses	\$153.4	\$159.2	\$5.7	3.7%

\$ in millions

FY 2026 Category



Expenses – *Salaries & Benefits*

- Two union contracts expire 6/30/25
 - Street and Shop Supervisors
 - Bus Operations/Maintenance
 - February 2024 Authority reopened contract to address driver shortage
 - New drivers wage: \$21.71 to \$25.33 per hour
 - Top pay step for existing drivers: \$1.00 per hour increase
- One union contract expires 6/30/26
 - General Clerical and Administrative

Expenses – Salaries & Benefits

	FY 2025 Enacted	FY 2025/ 2026	Chg.	Filled Feb.
Non-Union	57.0	61.0	4.0	50.0
<i>Unions</i>				
618 – Bus Operations Maintenance	705.0	714.0	9.0	691.0
618A – Street & Shop Supervisors	59.0	62.0	3.0	57.0
808 – General Clerical & Admin	52.0	59.0	7.0	50.0
Subtotal – Unions	815.0	835.0	19.0	799.0
Total	873.0	896.0	23.0	849.0

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 - 2/25
 - 11 vacancies
 - -30 fixed routes
 - +19 paratransit

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 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
 - State subsidy deposited monthly
 - Administered by Via Benefits

Expenses – Benefits

- Retiree Health – RIPTA
 - Authority offered Health Reimbursement Arrangement (HRA) to its eligible retirees
 - Effective January 1, 2016
 - Eligible retiree receives \$225/month
 - Spouse receives \$125/month
 - Budget includes \$1.1 million only for current expenses
 - \$72.9M unfunded OPEB liability as of June 30, 2024
 - \$9.1 million higher than prior year

Expenses – Benefits

	FY 2024	FY 2023	FY 2022	FY 2021
Total Unfunded Liability	\$72.9	\$63.8	\$64.7	\$73.9
Actuarially Determined Contribution	\$7.2	\$6.4	\$7.4	\$6.9
Pay-Go Contribution	\$1.1	\$0.8	\$2.0	\$2.5
Contribution Deficiency	\$6.1	\$5.6	\$5.4	\$4.4
Covered Employee Payroll	\$48.8	\$49.2	\$47.6	\$46.0
ADC as % of Payroll	14.6%	13.0%	15.5%	15.0%
Pay-go as % of Payroll	2.35%	1.70%	4.31%	5.45%
State OPEB Contribution	4.52%	4.48%	5.28%	5.49%

\$ in millions

Pension Contribution

- Authority had not been making its full actuarially required contribution (ARC) in a timely way
 - Used excess funds and other sources in 2021 to pay off \$10.5 million it had accrued
 - Full and timely ARC payments made since
 - 2022 -2024: \$9.3 million average
 - On target to make required 2025 contribution
- Total unfunded liability - \$85.1 million
 - 66.2% funded

Expenses – Debt Service

- Debt Service - \$1.1 million
 - Share of debt service for GO bonds
 - State general revenues used from FY 2013 through FY 2017 total \$6.7 million
 - 2017 Assembly provided additional HMA to cover debt for FY 2018 & FY 2019
 - 2019 Assembly permanently provided Authority \$5.0 million from HMA
 - Debt payment
 - Elderly/disabled free bus pass

Capital Recommendation

Projects	Status	5 Yr. Total	Total
College Hill Bus Tunnel	Revised	\$-	\$22.5
Kingston Station Mobility Hub	Revised	3.4	5.7
Land and Buildings	Revised	127.6	257.7
Bus Purchases	Ongoing	160.9	341.9
Paratransit Vehicles	Ongoing	20.2	46.9
Pawt. Bus Hub Transit Corridor	Ongoing	-	5.9
Pawt. Bus Hub Passenger Facility	Ongoing	1.5	5.0
Prov. High-Capacity Transit Corridor Study	Ongoing	0.5	1.7
Total		\$314.1	\$687.2

\$ in millions

Capital – *Bus Purchases*

- Governor recommends \$160.9 million in 5-year period to purchase 127 buses
 - \$128.7 million from federal funds and \$32.2 million from Authority sources
 - Buses being replaced have or will have exceeded their useful lives
 - Defined by Federal Transit Administration regulations
- Match previously provided by DOT's share of highway maintenance funds
 - \$4.8 million for FY 2025 and \$4.6 million for FY 2024

Land and Buildings

- Governor recommends \$127.6 million in 5-year period for Land & Buildings
 - \$109.1M fed. funds & \$18.5M RICAP
 - Improvements
 - Transit hubs
 - Park and ride facilities
 - Bus stops
 - Increase security measures in facilities
 - Project cost of \$257.7M
 - \$140.5M less than approved
 - Reflects an expected level of federal funds

Pawtucket/CF Bus Hub Passenger Facility

- 2023 Assembly provided \$5.0 million from RI Capital Plan Fund
 - \$1.5M in FY 2024 and \$3.5M in FY 2025
 - Enhance Pawt. Bus Hub & Transit Corridor
 - Passenger restrooms
 - Customer service area
 - Pawtucket police substation
- Governor recommends \$5.0 million
 - \$3.5M for FY 2025 and \$1.5M for FY 2026
 - Completion expected in late fall/early winter 2026

Mass Transit Hub

- 2014 voters - \$35M Mass Transit Hub
 - \$14.5 million spent through FY 2024
 - Several RFPs issued
 - Land acquisition, parking lot for Pawtucket/ CF Train Station, legal & preparing RFPs
- Providence Transit Center – *location?*
 - Restrooms, interior waiting space, customer service center, retail & dining space
 - P-3 for development of project
 - Long-term viability, including maintenance & daily operations of facility

Efficiency Study

FY 2025 GOVERNOR'S PROPOSAL

- \$10.0M from ARPA
 - Requires review of all operations
 - Ridership and administration to identify efficiencies
 - Submit report by January 1, 2025

FY 2025 ENACTED BUDGET

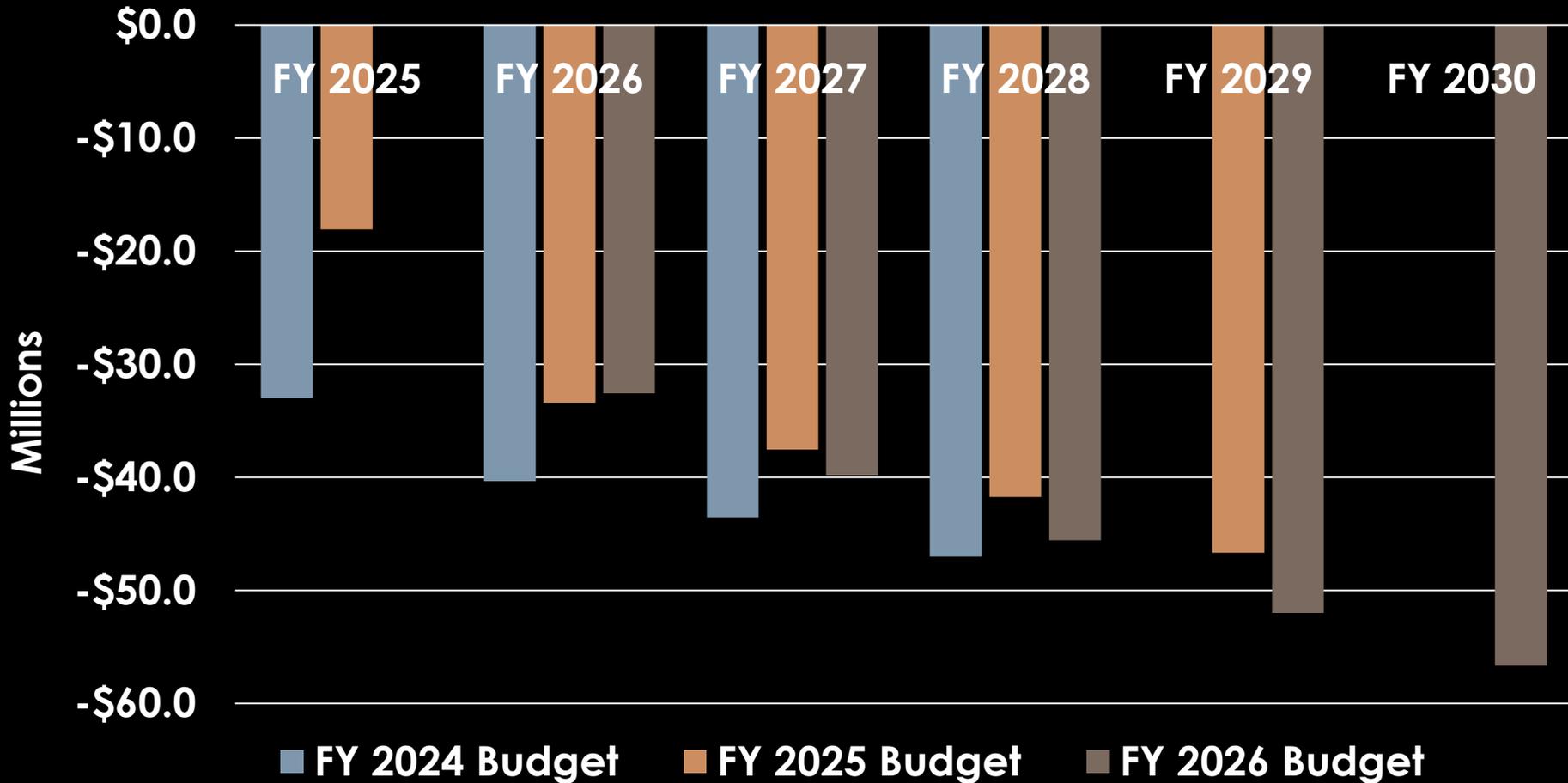
- \$15.0M from ARPA
 - Report Governor proposed to be submitted by March 1, 2025
 - Extra time and funding
 - Change in management
 - Avoid service cuts

Efficiency Study

- Authority noted scope of study was revised and provided timeline
 - February 11: Issued request for proposals
 - Responses are due March 13

Deliverables	RIPTA Timeline	Assuming April 1 Start
Draft memorandum detailing peer agency & best practices review	~30 days	May 1
Draft memorandum on performance assessment	~ 45 days	May 16
Draft assessment of Transit Master Plan recommendations	~ 75 days	June 15
Final Report & associated documentations	TBD	TBD

Authority's Projected Deficits



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