

# Rhode Island Public Transit Authority

Governor's FY 2019 Revised,  
FY 2020 and Capital Budget Recommendations  
House Finance Committee  
April 9, 2019

---

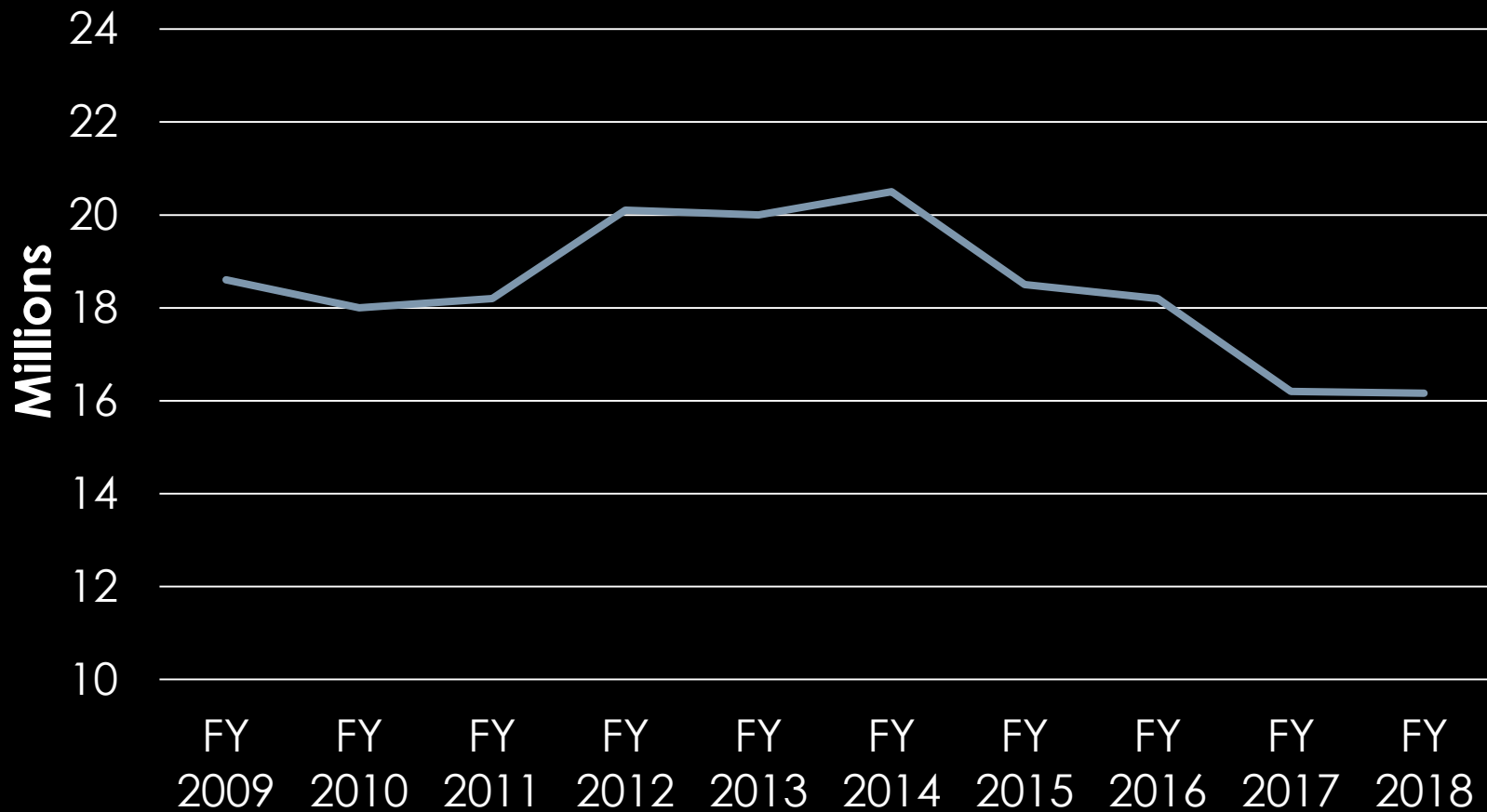
# Organization and Structure

- Quasi-public agency
- Established in 1964
- 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
- 53 statewide fixed routes
  - Routes range from 2.5 miles to 45.5 miles
- Fleet of 221 buses, 95 paratransit vans and 17 flex vans
- Fares
  - One-way: \$2.00
  - Monthly pass: \$70.00
    - Effective March 1, 2016

# Ridership – *Passengers*

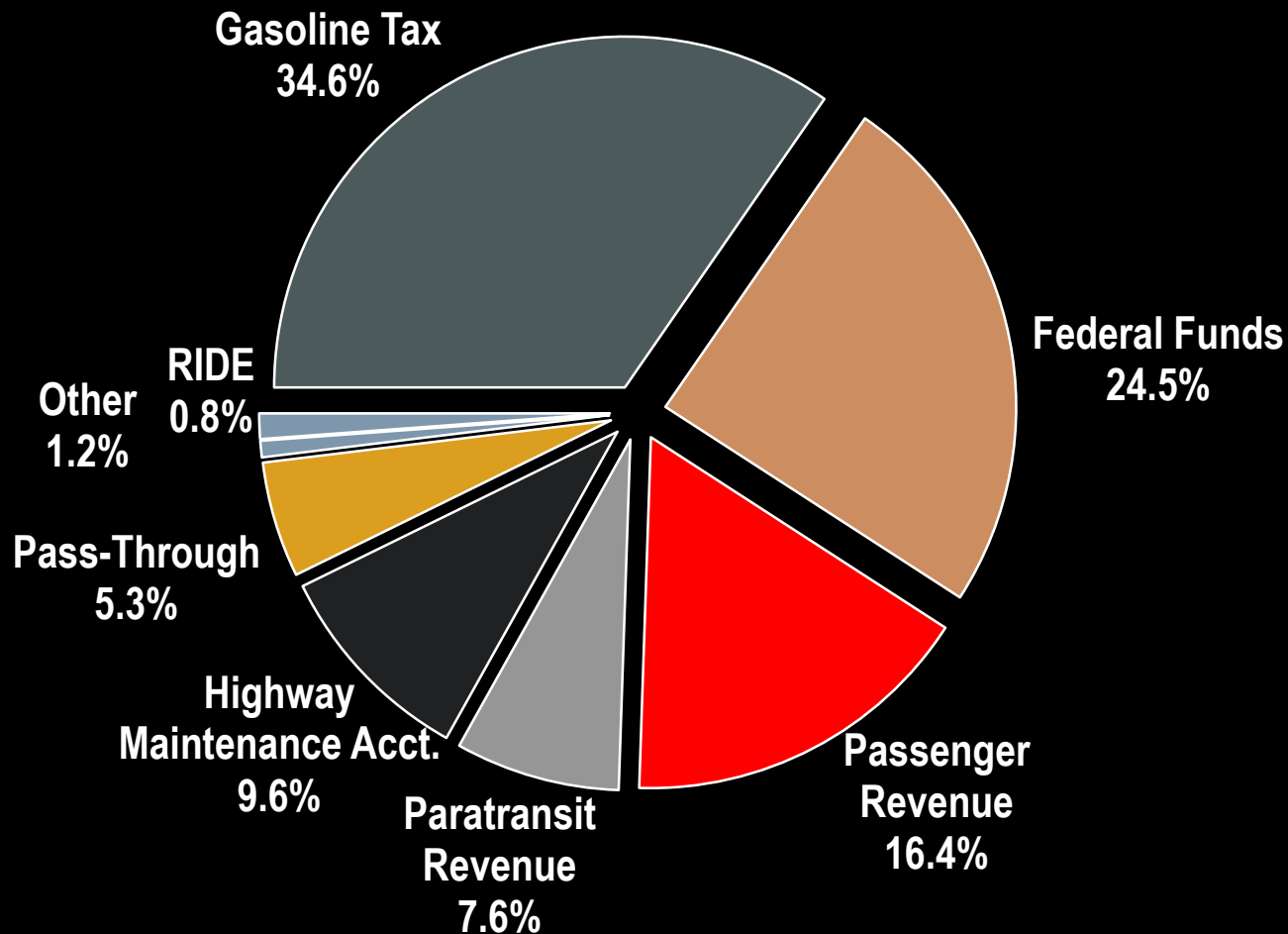


# Revenue Sources

<b>Governor</b>	<b>FY 2019</b>	<b>FY 2020</b>
Gasoline Tax*	\$46.3	\$46.5
Federal Funds	31.5	32.9
Passenger Revenue	21.3	22.0
Paratransit Revenue	10.6	10.2
Highway Maintenance Account	9.9	12.9
Pass-through Funding	9.5	7.1
RIDE Program	1.0	1.0
Other	1.6	1.6
<b>Total</b>	<b>\$131.8</b>	<b>\$134.1</b>

*\*Adjusted to include UST funds  
\$ in millions*

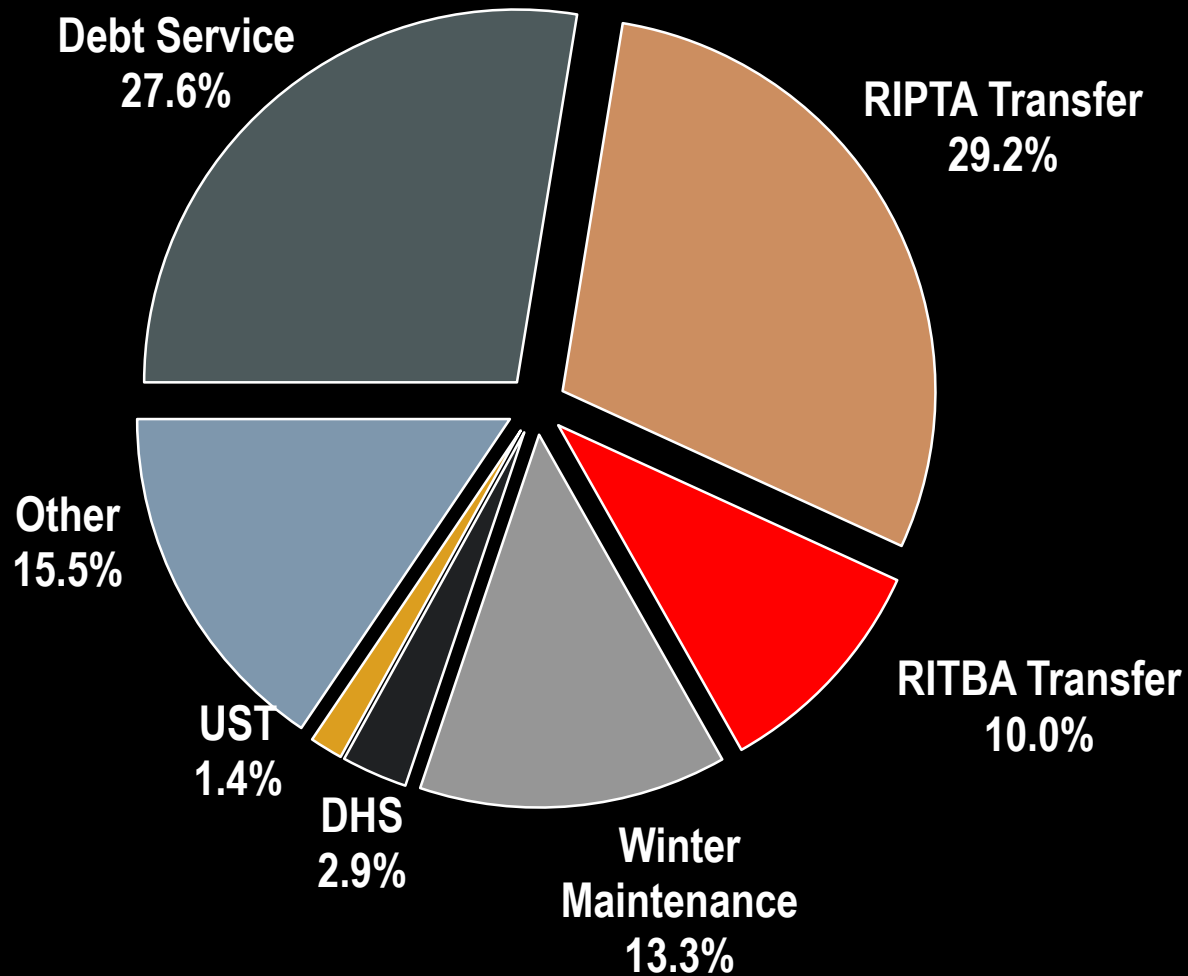
# FY 2020 Revenue Sources



# Gasoline Tax Proceeds

- Gasoline Tax – FY 2020
  - Derived from 35.0 cents per gallon
  - Approximately \$159 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 2020 Gas Tax Expenditures





# Article 8 – Highway Maintenance Account

- Hearing held on February 27
- HMA was created by 2013 Assembly
  - Receives specific surcharges and other revenues as appropriated
    - Phased in increases of surcharge from FY 2014 through FY 2016
    - Vehicle registration and licenses
  - Designed to be used as partial state match for federal funds in lieu of state issuing general obligation bonds

# Article 8 – Highway Maintenance Account

- Provides RI Public Transit Authority with \$5.0 million of HMA for FY 2020
  - Authority receives 5.0% of funds beginning in FY 2016
- Requires DOT to reimburse DMV for salary & benefit costs of employees involved in collection of fees going into account
  - FY 2020 budget assumes cost of \$4.5 million

# Article 8 – Highway Maintenance Account

	<b>2014 Assembly</b>	<b>2017 Assembly</b>	<b>2018 Assembly</b>
FY 2016	25%	25%	25%
FY 2017	75%	50%	50%
FY 2018	100%	80%	60%
FY 2019		100%	100%

- 2017 Assembly also provided RIPTA with an additional \$5.0 million – FY 18/19 only
  - Reinststate bus pass program & cover debt
  - Reporting requirement

# Reporting Requirement

- 2017 Assembly required Authority to convene coordinating council
  - Develop recommendations for sustainable funding
    - Free-fare program for low income seniors and persons with disabilities
- Recommendations must be submitted by November 1, 2018
  - Speaker of the House
  - Senate President

# Reporting Requirement

## Rhode Island Human Services Transportation Coordinating Council

- 12 Members
  - RI Public Transit Authority
  - Division of Elderly Affairs
  - RIPTA Riders Alliance
  - Executive Office of Health & Human Services
  - Crossroads
  - Office of Veterans' Affairs
  - Long Term Care Coordinating Council
  - BHDDH

# Reporting Requirement

- Created two working groups
  - Communications
    - Tasked with gathering information on transportation assistance programs
  - Bus Pass Program Funding
    - Tasked with developing recommendations for appropriate and sustainable funding
- Council met 6 times
- Report submitted on December 31
  - About two months late

# Reporting Requirement

- Recommendations
  - Sustainable Funding
    - New permanent source of funding is needed
    - \$4.4 million from HMA or additional 1 cent of gasoline tax
  - Options discussed but not recommended
    - Increase fare for paying customers
    - Reduce service
    - Pursue efficiencies within existing programs

# Reporting Requirement

- Recommendations
  - Communications, Coordination and Technology Integration
    - Implement new tech. to increase boarding speed & improve system reliability for services provided
  - Mobility Management
    - Establish mobility manager to coordinate agencies and private org. providing transportation assistance



# Article 8 – Gasoline Tax

- 2014 Assembly amended disposition of gasoline tax
  - Shifted 3.5 cents from DOT's share to Turnpike and Bridge Authority
    - Allowed Authority to continue operating Sakonnet River Bridge without toll
  - Indexed gasoline tax to CPI & dedicated future increases to DOT
    - Every other year, rounded to nearest cent
    - FY 2016 - first year increase
    - FY 2018 - adjustment not enough to increase tax

# Article 8 – Gasoline Tax

- Governor dedicates half of projected cent increase to RIPTA
  - \$2.3 million based on est. yield per penny

<b>Disposition</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>Current Law</b>	<b>Art. 8</b>	<b>Chg.</b>
DOT	19.25	19.25	20.25	19.75	(0.5)
RIPTA	9.75	9.75	9.75	10.25	0.5
Turnpike & Bridge	3.5	3.5	3.5	3.5	-
DHS	1.0	1.0	1.0	1.0	-
UST Fund	0.5	0.5	0.5	0.5	-
<b>Total (in cents)</b>	<b>34.0</b>	<b>34.0</b>	<b>35.0</b>	<b>35.0</b>	<b>-</b>

# Gasoline Tax Proceeds

<b><i>Fiscal Year</i></b>	<b><i>Per Penny Yield*</i></b>	<b><i>RIPTA Share</i></b>	<b><i>Total Funding*</i></b>
2011	\$4.268	9.75	\$41.6
2012	\$4.206	9.75	\$41.0
2013	\$4.137	9.75	\$40.3
2014	\$4.236	9.75	\$41.3
2015	\$4.396	9.75	\$42.9
2016	\$4.479	9.75	\$43.7
2017	\$4.417	9.75	\$43.1
2018	\$4.493	9.75	\$43.8

\*\$ in millions

# Article 8 – Impact

	Current Law	Article 8	Diff.
<b>Gasoline Tax</b>			
DOT	\$91.9	\$89.7	(\$2.3)
RIPTA	\$44.3	\$46.5	\$2.3
<b>HMA</b>			
RIPTA	\$4.9	\$9.9	\$5.0
DMV - Staffing	-	4.5	4.5
Projects in Art. 1	-	0.5	0.5
DOT	92.2	82.1	(10.1)
<b>Total HMA</b>	<b>\$97.0</b>	<b>\$97.0</b>	<b>-</b>
<b>DOT</b>	<b>\$184.1</b>	<b>\$171.7</b>	<b>(\$12.4)</b>
<b>RIPTA</b>	<b>\$49.1</b>	<b>\$56.4</b>	<b>\$7.3</b>

*\$ in millions*

# Passenger Revenue

Sources	FY 2019	FY 2020	% Chng.
Farebox	\$6.0	\$6.1	1.7%
Student/University Passes	3.9	4.0	2.6%
Monthly Passes	3.6	3.7	2.8%
Rlte Care (Medicaid)	2.8	3.1	10.7%
Senior Rides	2.5	2.5	-
Other Passes	2.5	2.7	8.0%
<b>Total</b>	<b>\$21.3</b>	<b>\$22.0</b>	<b>3.8%</b>

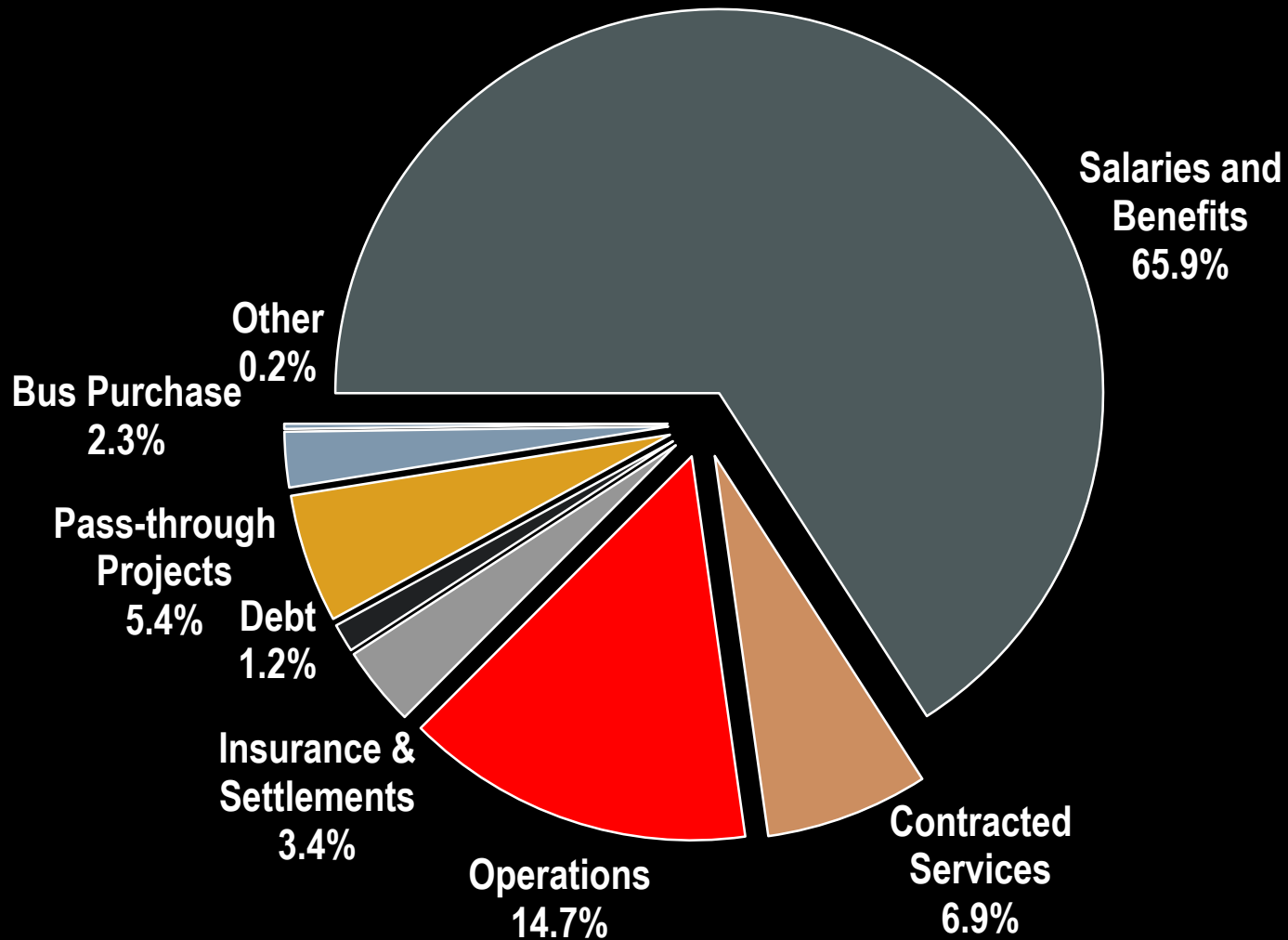
*\$ in millions*

# Expenditures

	<b>FY 2019</b>	<b>FY 2020</b>	<b>Chng.</b>	<b>%age Chng.</b>
Salaries and Benefits	\$83.8	\$86.9	\$3.2	3.8%
Contracted Services	9.8	9.1	(0.8)	-8.0%
Operations	18.7	19.4	0.8	4.0%
Debt	1.4	1.6	0.2	10.7%
Insurance & Settlements	4.7	4.4	(0.3)	-6.4%
Pass-Through Projects	9.5	7.1	(2.3)	-24.7%
Bus Purchase	-	3.1	3.1	100%
Other	0.8	0.3	(0.5)	-63.2
<b>Total</b>	<b>\$128.7</b>	<b>\$131.9</b>	<b>\$3.2</b>	<b>2.5%</b>

*\$ in millions*

# FY 2020 Expenditures



# Expenses – Insurance

## Insurance and Settlements

- Authority is self insured
  - Auto liability
  - Property damage and
  - Workers' compensation claims
- Expenditures fluctuate:
  - \$5.8 million in FY 2018
  - \$4.8 million in FY 2017
  - \$4.4 million in FY 2016
  - \$5.2 million in FY 2015



# Staffing

- Budgeted for 842 positions
- 41 non-union members
- Union members belong to:
  - 618 – Bus Operations/Maintenance
  - 618 A – Street and Shop Supervisors
  - 808 – General Clerical and Administrative

# Staffing

- Two of three union contracts expired on June 30, 2016
  - 618 – Bus Operations/Maintenance
  - 618 A – Street and Shop Supervisors
- Reached agreement in summer 2017
  - Covers FY 2017 through FY 2019
- Third Union 808
  - Covers ~60 positions
  - Current contract through June 30, 2022

# Expenses – *Salaries & Benefits*

- FY 2020 budget includes \$86.9 million for salary/benefit costs of 842 positions
  - FY 2020 reflects an increase of \$3.2 million or 3.8% increase over FY 2019
    - Anticipates an increase for contracts that will expire on June 30, 2019
    - Adds funding for 10 new drivers
      - Overtime anticipated to decrease
- 810 positions filled
  - 96.2% filled to budget

# Expenses – Overtime

	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>Yr. to Date*</b>
Salaries/Wages	\$40.1	\$41.1	\$41.9	\$44.0	\$30.4
Overtime	7.8	8.0	8.4	8.1	5.5
Benefits	29.6	29.8	31.9	34.4	19.1
<b>Total</b>	<b>\$77.5</b>	<b>\$78.9</b>	<b>\$82.2</b>	<b>\$86.5</b>	<b>\$55.0</b>
Overtime as a % of salaries/wages	19.4%	19.4%	20.2%	18.4%	18.1%
Overtime share of salaries/benefits	10.1%	10.1%	10.2%	9.4%	10.1%

\* Through February 28, 2019

# Expenses – Overtime

- Time and half
  - Over 8 hours per day
  - Over 40 hours per week
- Double time
  - On 7<sup>th</sup> consecutive day of working
  - After 12<sup>th</sup> hour of any day working
- Reported bus driver vacancies as of March 2019
  - 11 vacancies
    - 7.0 fixed routes
    - 4.0 paratransit

# 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 has not transitioned its employees to state's current plans
  - 2014 Health Benefit Plan
    - Deductibles: \$250 individuals/\$500 families

# 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*

- 2012 Assembly adopted legislation establishing a Medicare exchange for eligible retirees
- Offer a wider array of health benefit choices
- State set up a Health Reimbursement Arrangement (HRA) for each retiree & deposits state subsidy into account each month
  - Administered by OneExchange

# 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 \$2.4 million for pay-go portion of OPEB
- \$72.1 million - total unfunded liability
  - Actuarial valuation date 7/1/2017

# Expenses – Debt

Debt - \$1.6 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 Authority with additional resources from HMA to cover debt for FY 2018 and FY 2019
- Governor recommends use of HMA for additional year

# Expenses – Contracted Services

- Contracted Services - \$9.1 million
  - ADA operations
  - Legal services
  - Actuarial studies
  - Auditing services
  - Environmental services
  - Project support

# Expenses – Projects

- Authority and DOT are state designees for Federal Transit Authority funds
- Recommendations include fed. & local funds of \$9.5 million for FY 2019 & \$7.1 million for FY 2020 passed through RIPTA
  - Funding for three projects:
    - Downtown Providence Transit Connector
    - Pawtucket Transit Hub
    - Quonset Express
      - Pilot program to bring bus service to business at Quonset Business Park

# Projections

- Authority's requests in October 2018
  - Projected surplus of \$0.4 million in FY 2019
  - Projected surplus of \$25,000 in FY 2020
- Governor's recommended budgets
  - Showed surplus of \$3.1 million in FY 2019
  - Showed surplus of \$2.2 million in FY 2020
- February 2019
  - Projecting a surplus of \$1.5 million in the current year – FY 2019
    - Largely from \$2.7 million gasoline tax
      - Upward revision to estimate and one-time payment received in October

# Capital Recommendation

Projects	Status	5 Yr. Total	Total
Bus Purchases	Revised	\$80.0	\$186.4
Enterprise Software	Revised	2.5	4.8
Farebox Upgrade	Revised	2.8	7.1
Land and Buildings	Revised	20.4	50.9
Pawtucket Bus Hub and Transit Connector	Revised	-	8.9
Providence Transit Connector	Revised	6.6	19.1
Warwick Bus Hub	Revised	1.3	1.3

# Capital Recommendation

Projects	Status	5 Yr. Total	Total
College Hill Bus Tunnel	Ongoing	8.6	9.6
Fixed Route & Paratransit Cameras	Ongoing	-	2.3
IT Redundancy	Ongoing	1.0	1.9
Paratransit Vehicles	Ongoing	10.4	38.0
<b>Total</b>		<b>\$133.5</b>	<b>\$330.1</b>

*\$ in millions*



# Capital – *Bus Purchases*

- Approved plan includes \$3.1 million from Highway Maintenance Account
  - Provide resources for RIPTA to finance its bus purchases
- Governor recommends \$186.4 million for purchases
  - Assumes \$22.0 million from Authority's sources for matching requirements
  - \$80.0 million in 5-year period
    - \$6.6 million from Volkswagen settlement funds

# Capital – Pawtucket Bus Hub

- Pawtucket Bus Hub and Transit Corridor
- Governor recommends \$9.0 million from RICAP, federal funds and local sources
    - To build a transit hub
      - Adjacent to new commuter rail station on Pawtucket/Central Falls border
    - Include 6 to 8 bus berths, shelters, real-time bus information and ticket vending machines
    - Construction underway scheduled completion of December 2020

# Capital – *Warwick Bus Hub*

- Authority requests \$1.3 million from RI Capital Plan funds and federal funds
  - Approved plan assumes Authority sources for matching requirements
- 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

# Rhode Island Public Transit Authority

Governor's FY 2019 Revised,  
FY 2020 and Capital Budget Recommendations  
House Finance Committee  
April 9, 2019

---