



August 25, 2025

Rhode Island Public Transit Authority  
Board of Directors  
705 Elmwood Avenue  
Providence, RI 02907

Dear Members of the Board,

On behalf of the McKee administration and the Rhode Island Public Transit Authority (RIPTA or the Authority), we are writing ahead of the Board meeting on August 28 to present a new budget framework designed to close the remaining deficit and strengthen the Authority's financial foundation.

For multiple fiscal years, RIPTA has faced significant challenges, including the winding down of federal pandemic aid and ridership levels that have not fully recovered to pre-pandemic numbers. Even prior to the pandemic, the Authority experienced difficult ridership patterns and stagnant fare revenue. As Governor and as Chief Executive Officer of RIPTA, we recognize that these trends have created a difficult position for the Authority. Our new budget framework is designed to begin realigning the Authority with available resources while modernizing service to best meet the needs of students, employees, employers, and Rhode Islanders who rely on transit most.

### ***A New Budget Framework***

Our proposal better balances new, RIPTA-focused revenue with a service realignment in response to ridership patterns. The proposal addresses each component of the [letter](#) provided to the Board on August 7. The proposal includes:

- **Preventing elimination of routes** to protect core services and implementing fewer, more targeted service reductions informed by demand data. The scaled-back service reductions generally focus on the highest-cost, lowest-performing routes and frequencies to achieve necessary savings while minimizing rider impact and avoiding layoffs.
- **Increasing advertising revenue and federal funding reimbursements** by more than \$2.5 million annually, in line with recommendations from RIPTA's efficiency study.
- Achieving \$2.4 million in **additional efficiencies and cost savings** through targeted reductions in administrative and management positions and strategic staff reassignments, streamlining operations and strengthening the Authority's financial management.

- Creating a **comprehensive, multi-year fare adjustment plan** to ensure sufficient revenue is available to sustain service in future years. Standard fares have not been adjusted in fifteen years and have not kept pace with inflation, while monthly passes and transfer fares have remained unchanged for nine years.
- Providing a **one-time \$3-million advance of federal funding** from the State to RIPTA to support the implementation of the above measures and enable exploration of additional federal programs. The funding will be provided through the Congestion Mitigation and Air Quality Improvement (CMAQ) program. The CMAQ program currently funds a project in the State Transportation Improvement Plan. To keep that project fully funded, the Governor's revised budget will replace the temporarily advanced funds with a reallocation from RIPTA's capital budget.

The remaining service adjustments under the new framework are carefully guided by data and rider demand. Post-pandemic travel patterns, including hybrid work arrangements, have left some routes underutilized. To address these shifts while minimizing impacts on riders and achieving meaningful budget savings, the proposal generally focuses reductions on higher-cost, low-ridership segments, off-peak hours, and peripheral routes, while maintaining essential services for the riders who depend on them.

This new budget framework also safeguards core services, ensuring that transit remains reliable for the Rhode Islanders who rely on it most. Including:

- **Continuing to protect the RId e Anywhere program for Rhode Islanders with disabilities**, ensuring no reductions to this vital premium service for individuals and families who depend on it.
- **Maintaining services for Providence public school students** who rely on RIPTA to get to and from school each day. The new budget framework also **ensures routes to the state's colleges and universities remain in place**.

### *Continuing to Strengthen and Modernize Public Transit*

In addition, the Governor's Office and RIPTA are continuing to advance critical initiatives that will deliver significant, lasting improvements for the Authority.

- Expanding Partnerships: RIPTA will continue leveraging and expanding employer partnerships to strengthen revenues, expand workforce access, and reinforce transit's role in economic development. A central element of this is the Wave to Work commuter benefits program, which helps employers provide their employees with convenient, affordable transit options. This program continues to grow, with new partners such as Omni Hotel and Miriam Hospital joining a roster of employers who recognize the value of public transit. This program complements other recent initiatives, like new service to Amazon and refined Route Qx trips to Electric Boat, illustrate how small, targeted adjustments can maximize resources while meeting employer and employee needs. Additionally, by aligning with

major employers and organizations like the Rhode Island Football Club, the Authority is creating opportunities for new riders to experience public transit in ways that meet their daily needs. RIPTA will also seek to expand the U-Pass program to institutions of higher education not yet participating and to build new partnerships with entities like tourism districts.

- Streamlining Licensing and Training: RIPTA has streamlined training and commercial driver's license (CDL) requirements by partnering with the Rhode Island Institute for Labor Studies & Research to offer a compensated CDL permit test training program. This initiative removes barriers and strengthens the driver pipeline, and RIPTA will continue these efforts to ensure a steady supply of qualified drivers.
- Building A New, Multimodal Transit Center: We are moving forward with the design and construction of a new state-of-the-art transit center, relocating the central transit hub from Kennedy Plaza to a modern, intermodal facility directly connected to the Providence Train Station. The new center will offer passengers a secure, well-lit, climate-controlled environment with enhanced passenger amenities. Designed to minimize transfers and maximize efficiency, its direct connection to the train station will make travel more convenient and encourage increased ridership. The center will help RIPTA grow ridership, attract new customers, and bolster public transit across the state.

Overall, our new proposal stabilizes the Authority's finances, modernizes operations, realigns service deliberately and sustainably, and protects core services—all without asking more of the taxpayer. It embodies our shared commitment to ensuring a fiscally responsible, efficiently managed, and rider-focused transit system for Rhode Islanders.

We urge the Board to consider and adopt our new budget framework at the earliest opportunity.

Sincerely,



Daniel J. McKee  
Governor



Christopher Durand  
Chief Executive Officer  
Rhode Island Public Transit Authority