



Virginia Department of Rail and Public Transportation

State Transit Reforms

Update to House Appropriations Committee

October 15, 2018

Jennifer Mitchell
Director

Statewide Transit Capital Prioritization



- Effective July 1, 2019
- Separate WMATA funding is not subject
- State of Good Repair
 - Based on transit asset management principles, including federal requirements for Transit Asset Management
- Major Expansion
 - Based on SMART SCALE factors:
 - Congestion mitigation
 - Economic development
 - Accessibility
 - Safety
 - Environmental quality
 - Land use

Capital Prioritization: Policy Process

- Coordination with Transit Service Delivery Advisory Committee
- Extensive outreach to MPOs, transit agencies, and local governments
- Worked from the framework from the Revenue Advisory Board report (principles approved by CTB in July 2017)
 - State of Good Repair/Minor Enhancement – 80% of program funding
 - Board can use discretion to shift funds from Major Expansion to State of Good Repair
 - Establishment of a single matching rate across asset types, with State of Good Repair/Minor Enhancement matched at a higher rate than Major Expansion
 - Maintain current rate of minimum four percent local match

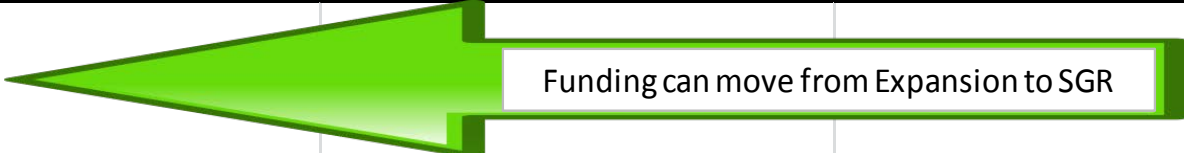



Project Types

- **State-of-Good Repair (SGR):** Projects/programs to replace or rehabilitate an existing asset
 - Includes acquiring assets/technology to serve current functions
- **Minor Enhancement:** Projects/programs to add capacity, new technology, or a customer enhancement meeting the following:
 - Project costs less than \$2 million, OR
 - Expansion vehicles: less than 5 vehicles or less than 5% of fleet
- **Major Expansion:** New projects/programs that add, expand, or improve service (greater than \$2 million)



Transit Capital Program Structure

	State of Good Repair and Minor Enhancement (80%)		Expansion (20%)
	SGR (90-95%)	Minor Enhancement (5-10%)	
	 		
Funding Level	Minimum funding level (floor) for SGR Funding can be moved from expansion to SGR based on need		Funding level to be determined based on review of needs, funding can be moved to SGR but not from SGR to expansion
State Match Rate	68% single rate	68% single rate	up to 50%



Urban Transit Agency Strategic Plans



- CTB approval of guidelines and implementation plan by December 1, 2018
- Major Components:
 - Assessment of state of good repair needs
 - Review of the performance of fixed-route bus service
 - Evaluation of opportunities to improve operating efficiency of the transit network
 - Examination and identification of opportunities to share services where multiple transit providers' services overlap
 - Examination of opportunities to improve service in underserved areas
- No agency shall be penalized for not submitting a strategic plan provided that they are in compliance with phased implementation

Next Steps: Capital Prioritization and Strategic Plans

- September 10th: Draft CTB policies and guidelines released for 45-day public comment period
- October 30th: Action on CTB policy for Capital Prioritization and Strategic Planning
- December 1st: Call for Projects for Prioritization in FY2020 Six-Year Improvement Program

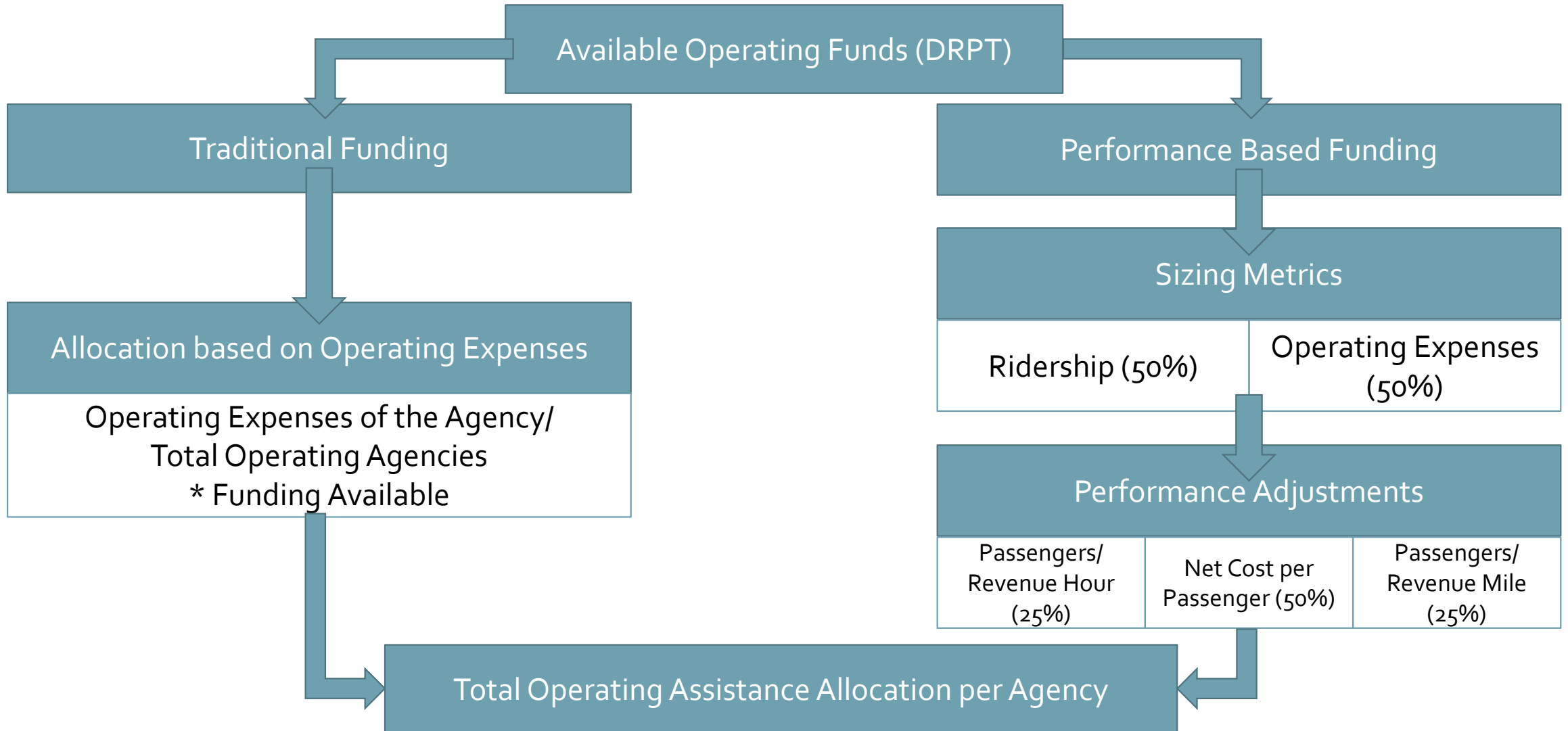


Statewide Transit Operating Funds

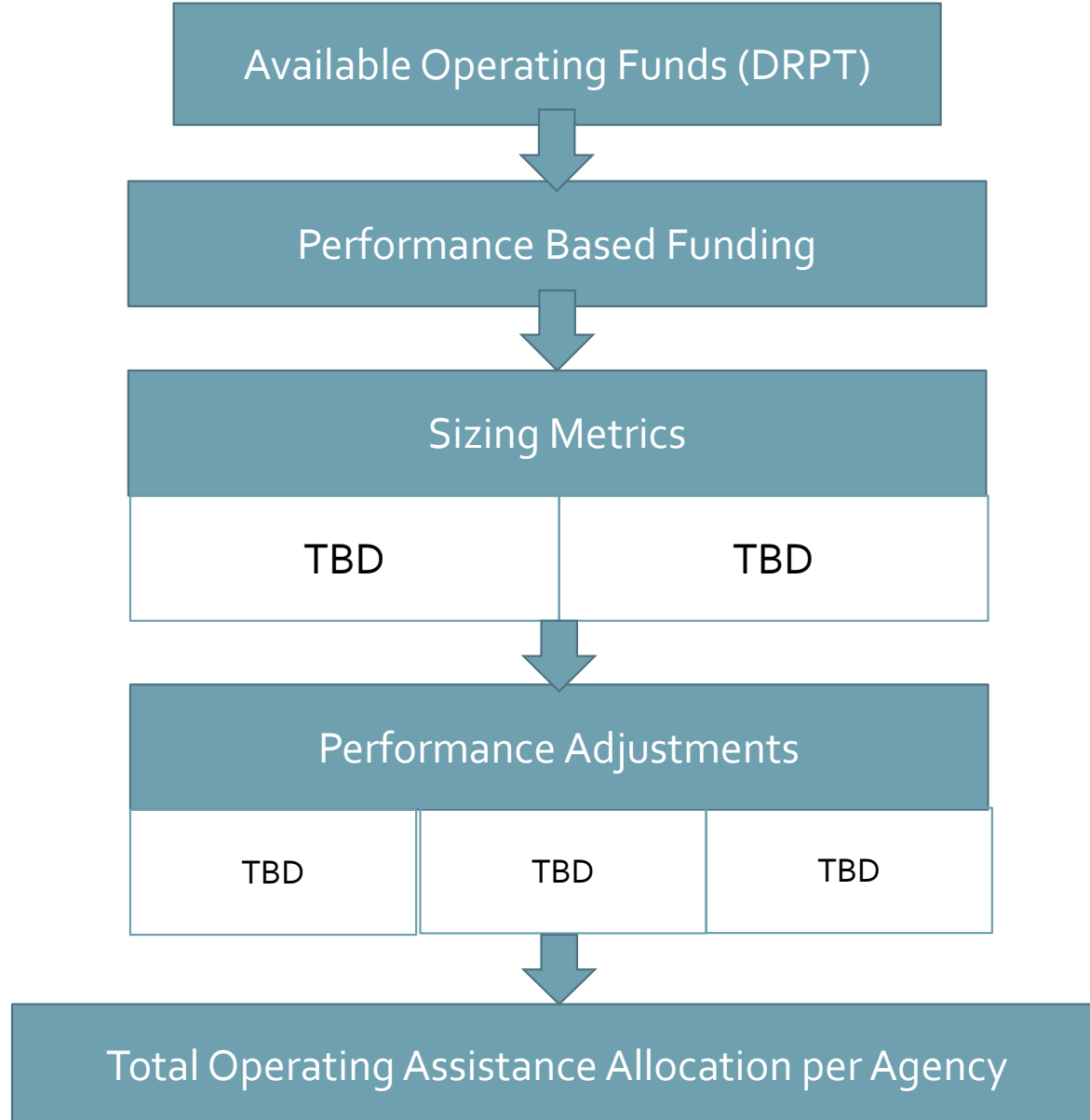
- Effective July 1, 2019
- 100% of Statewide Operating Funds
 - Allocated on the basis of service delivery factors
- Current Factors:
 - Passengers Per Revenue Hour
 - Passengers Per Revenue Mile
 - Net Cost Per Passenger
- Coordination with TSDAC underway
- Separate WMATA funding is not subject to this distribution process



Current Operating Assistance Allocation Methodology



New Operating Assistance Allocation Methodology



Next Steps: Operating Allocation

- October-December: Coordination with TSDAC
- December 4th: CTB Workshop briefing on operating allocation
- December 20th: Release draft operating allocation policy for public comment
- January 15th: CTB Workshop briefing on draft CTB policy for operating allocation
- February 20th: Action on CTB policy for operating allocation
- June 2019: Policy Incorporated into FY 2020 Six-Year Improvement Program



Master Equipment Leasing Program



- Preliminary Findings:
 - Existing program limited to state agencies only
 - New transit capital specific revolving loan fund would need to be created by statute or policy
 - DRPT as borrower would affect statewide debt capacity
 - Commonwealth would need to hold title of vehicles
 - Borrowing increases overall costs that may remain more effective under direct grant support
- Report to General Assembly and Governor due November 1st



Virginia Department of Rail and Public Transportation

State Transit Reforms

Update to House Appropriations Committee

October 15, 2018

Jennifer Mitchell
Director