



Virginia Department of Rail and Public Transportation

Transit Funding and Reform Update

House Appropriations Transportation Subcommittee
January 21, 2019

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MERIT
(HB 1539-2018)

Statewide Operating Assistance

Statewide Transit Capital Prioritization

Urban Transit Agency Strategic Plans

WMATA Reforms



Making Efficient • Responsible Investments In Transit

Operating: TSDAC Policy Objectives

- Promote fiscal responsibility
- Incentivize efficient operations
- Support robust transit service
- Reward higher patronage
- Promote mobility
- Support a social safety net
- Use data that exists for all agencies

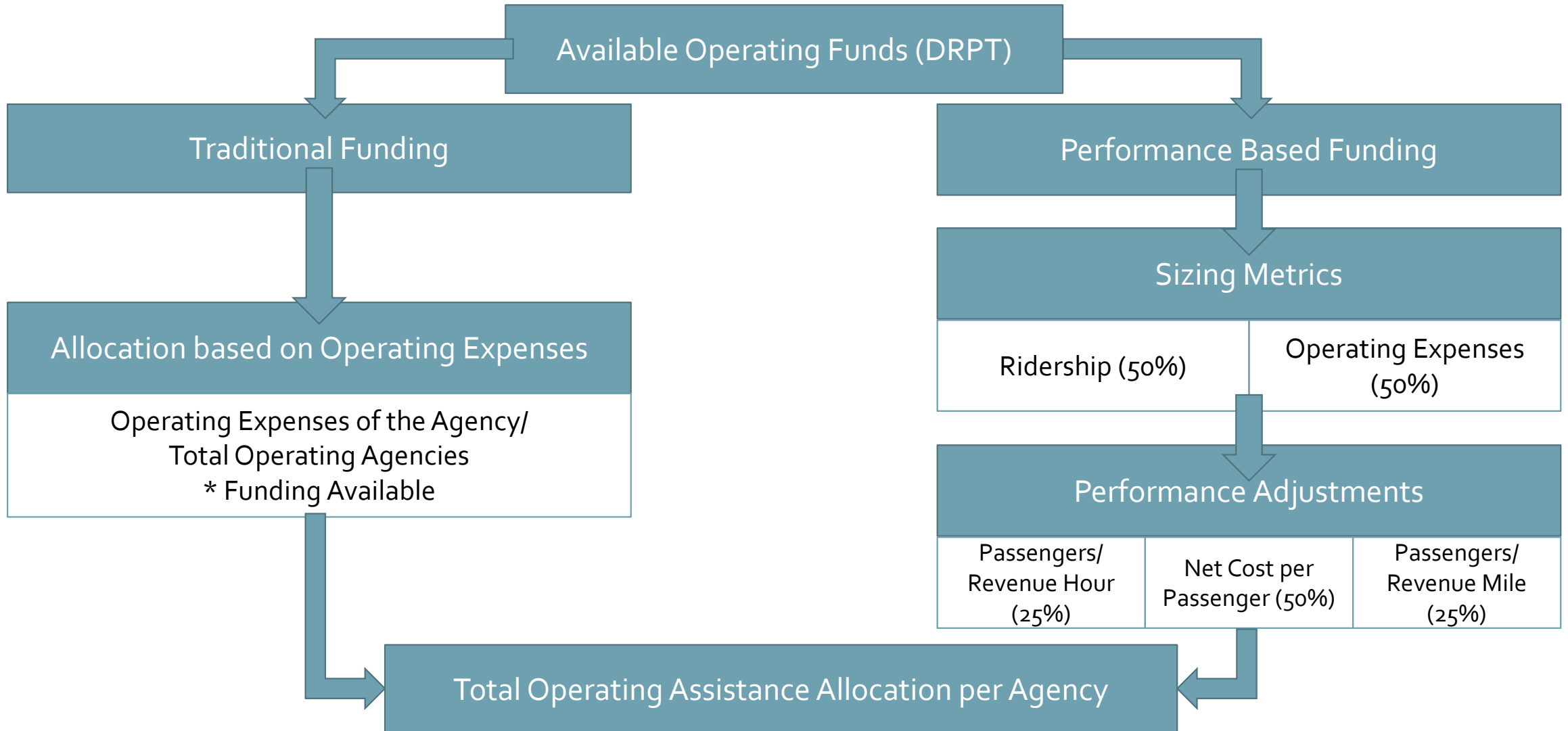


Statewide Transit Operating Funds

- Effective July 1, 2019
- 100% of Statewide Operating Funds:
 - Allocated on the basis of service delivery factors
- Builds upon the work that began with TSDAC and legislation dating back to 2011
- Current Factors:
 - Passengers Per Revenue Hour
 - Passengers Per Revenue Mile
 - Net Cost Per Passenger



Current Operating Assistance Allocation Methodology

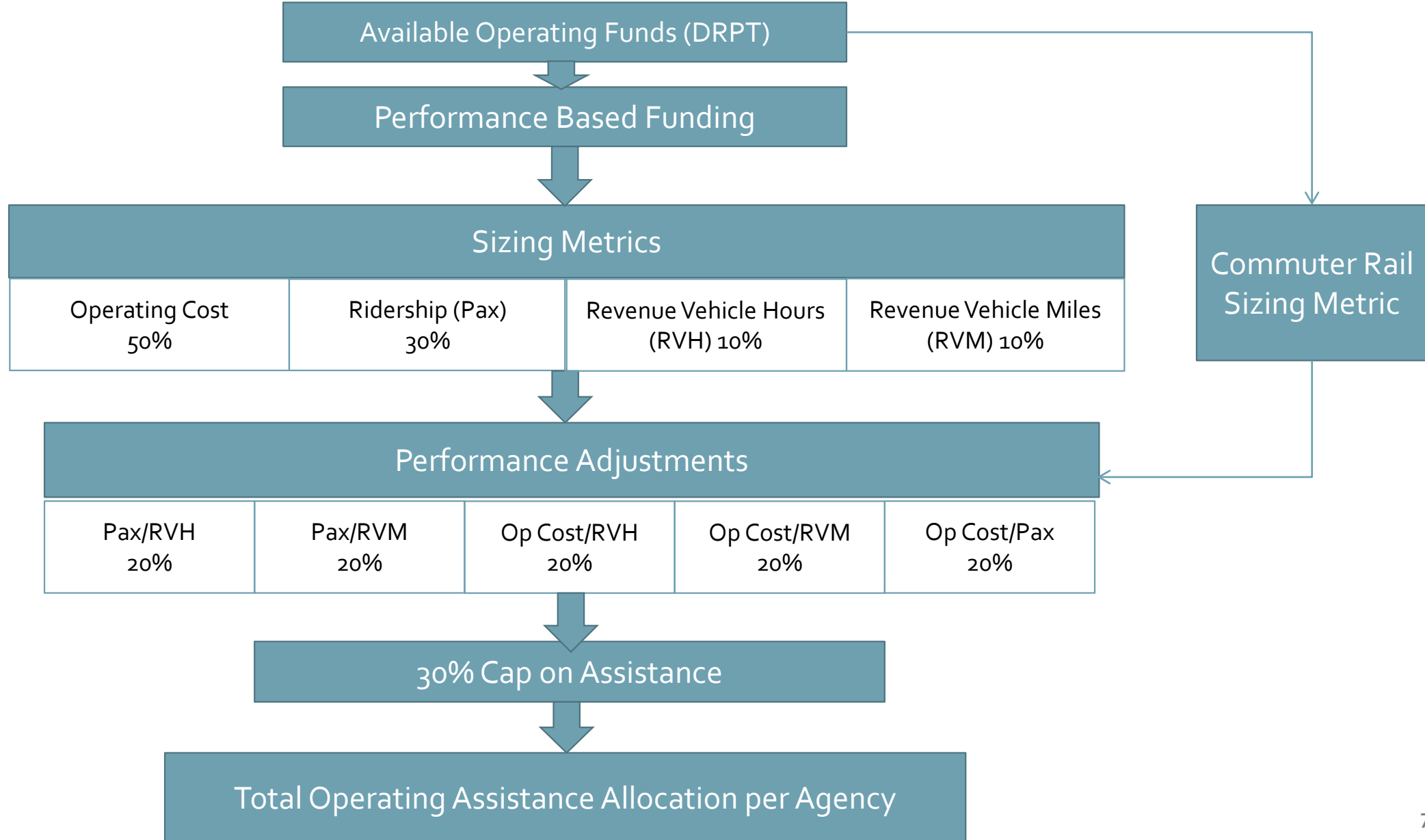


Operating Assistance: Current Status

- Draft CTB Policy:
 - Coordinated with TSDAC
 - Final briefing to CTB at January Meeting
- Draft Guidance Document:
 - Provides definitions for all metrics to ensure consistency in calculation
 - Released for public comment on December 20th
 - Comment period open for 45 days (until February 3rd)



Proposed Operating Assistance Allocation Methodology



Operating Assistance: Outcome



- 30 Agencies receive some benefit ; 9 transit agencies negatively impacted
- Any losses due to new formula are **no more than 2%** of the agency's total operating budget
- **Unanimous** Approval by TSDAC
- Inclusive and Transparent Process
 - Significant Outreach (i.e. webinars)
 - Live Streaming of all meetings
 - Public Comment allowed
- Formula based on Stakeholder Involvement and Feedback
 - Relies on current data collected

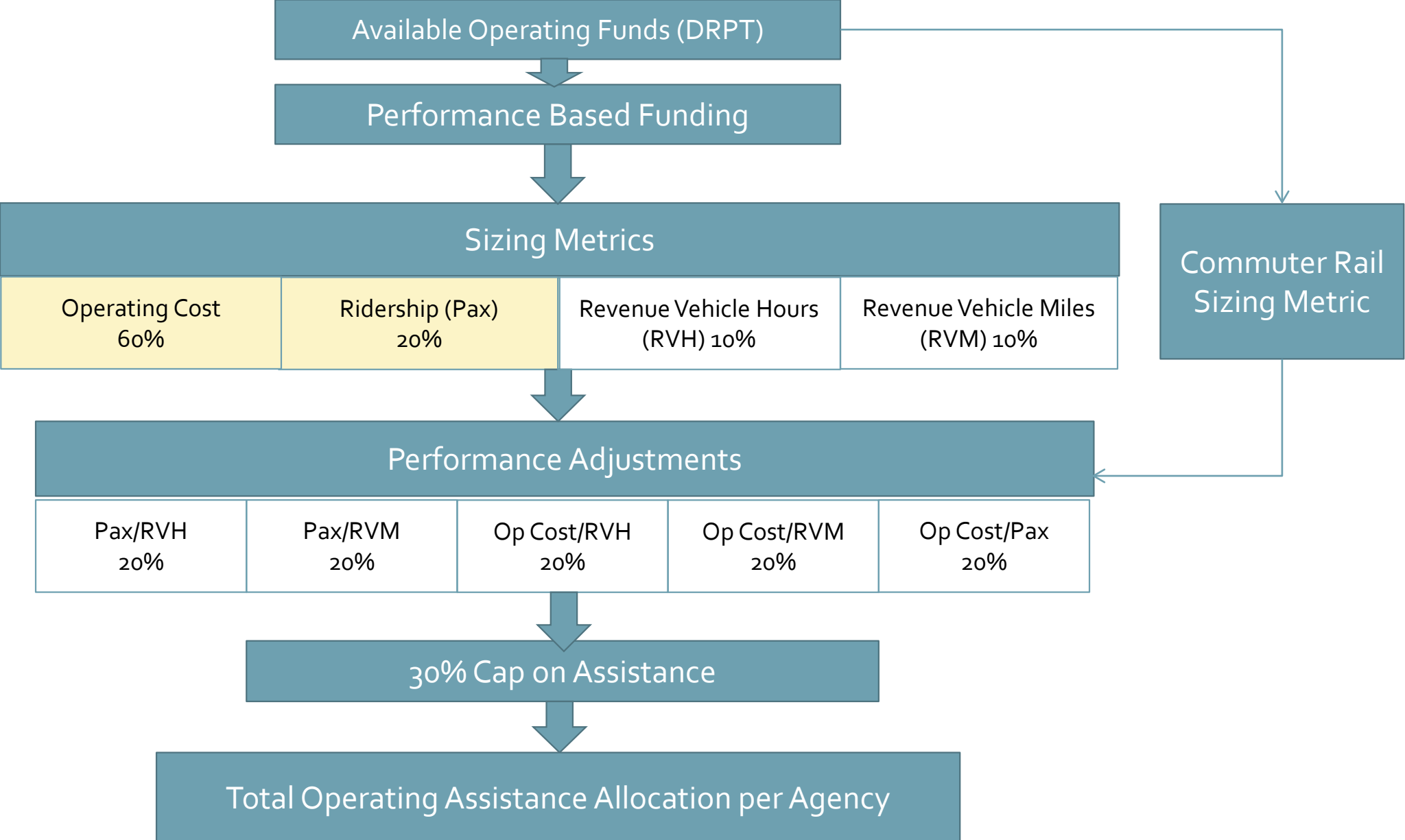
Agency	Difference (Current to Proposed)	2019 Total Operating Cost	Difference as % of Total Operating Budget
Hampton Roads Transit	(\$614,179)	\$102,966,489	-1%
NVTC - Fairfax County	(\$1,374,732)	\$96,347,460	-1%
NVTC - VRE	\$281,351	\$63,740,809	0%
Greater Richmond Transit Company	\$862,241	\$52,786,248	2%
PRTC	(\$655,103)	\$30,894,700	-2%
NVTC - City of Alexandria	\$207,066	\$18,650,612	1%
NVTC - Arlington County	\$55,448	\$17,416,295	0%
Loudoun County	(\$134,983)	\$16,332,299	-1%
Blacksburg Transit	(\$19,444)	\$8,746,218	-0.2%
Greater Roanoke Transit Company	\$292,992	\$9,337,288	3%
Greater Lynchburg Transit Company	\$23,222	\$8,277,373	0%
Charlottesville Area Transit	\$42,553	\$8,191,944	1%
Williamsburg Area Transit Authority	\$157,321	\$7,735,506	2%
City of Harrisonburg Dept. of Public Transportation	(\$100,116)	\$5,286,663	-2%
JAUNT	\$17,594	\$6,890,132	0%
NVTC - City of Fairfax	(\$94,717)	\$3,904,707	-2%
FRED / Fredericksburg Regional Transit	\$6,469	\$5,129,628	0%
City of Petersburg	\$28,112	\$3,123,294	1%
VRT	\$87,857	\$3,297,948	3%
Bay Aging	\$128,055	\$3,241,443	4%
Danville Transit System	\$77,634	\$2,518,170	3%
District Three Public Transit	\$39,996	\$2,075,520	2%
City of Radford	\$45,931	\$1,554,784	3%
AASC / Four County Transit	\$98,955	\$1,720,747	6%
Mountain Empire Older Citizens, Inc.	\$163,768	\$1,782,594	9%
RADAR	\$120,103	\$1,238,184	10%
Central Shenandoah PDC	(\$4,771)	\$1,377,891	-0.3%
City of Winchester	\$17,035	\$971,200	2%
City of Suffolk	\$19,236	\$1,468,609	1%
Farmville Area Bus	\$23,074	\$724,600	3%
Greene County Transit, Inc.	\$46,771	\$1,113,924	4%
STAR Transit	\$52,109	\$854,600	6%
Pulaski Area Transit	\$35,920	\$604,403	6%
City of Bristol Virginia	(\$641)	\$458,370	-0.1%
Blackstone Area Bus	\$33,718	\$481,750	7%
Town of Bluefield-Graham Transit	\$17,822	\$325,750	5%
Lake Area	\$12,599	\$173,939	7%
Town of Altavista	\$5,062	\$100,950	5%
Town of Chincoteague	\$1,507	\$86,473	2%

Proposed Transition Plan for FY20

- § 33.2-1526.1 – Provides for a one year notification prior to implementation of new measures by Board
- Legislative change applies to FY20 funding
- Request to phase implementation to help mitigate potential negative impacts late in the budget cycle
- Modified metrics would apply to FY20 funding only
- TSDAC has requested consideration of an additional transition year in FY21



Proposed Operating Assistance Allocation Methodology – FY2020



Statewide Transit Capital Prioritization



- Effective July 1, 2019
 - Annual grant period now open until February 1, 2019
- Coordination with TSDAC
- Worked from the Revenue Advisory Board report (principles approved by CTB in July 2017)
 - 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 minimum local matching for four percent

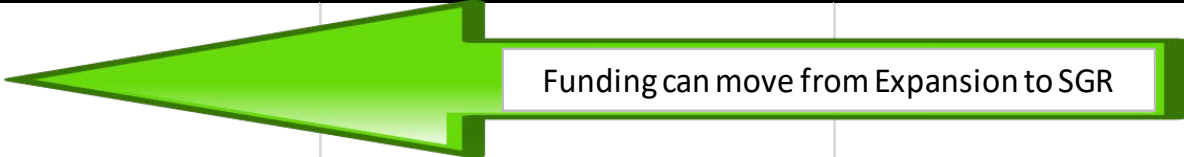



Project Types

- 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 five vehicles or less than five percent 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 approved of guidelines and implementation plan in October 2018
- Major Components:
 - Assessment of state of good repair needs
 - Review 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

WMATA Reforms



- Board Governance:
 - Reduce the Board to eight participating members limiting role of alternates
 - **CTB to withhold 20 percent of state funds for non-compliance**
- Labor Costs:
 - Limit the total Virginia operating subsidy to a three percent yearly increase
 - **CTB to withhold 35 percent of state funds for non-compliance**
- Operating Improvements:
 - Strategic Plan requirement
 - Creation of a Capital Improvement Program covering six-year period
 - **CTB to withhold 20 percent of state funds for non-compliance**



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