



Virginia Department of Rail and Public Transportation

Transit Funding and Reforms

DRAFT – Subject to Change Based on December 3 TSDAC Meeting

Status Update to the Commonwealth Transportation Board

December 4, 2018

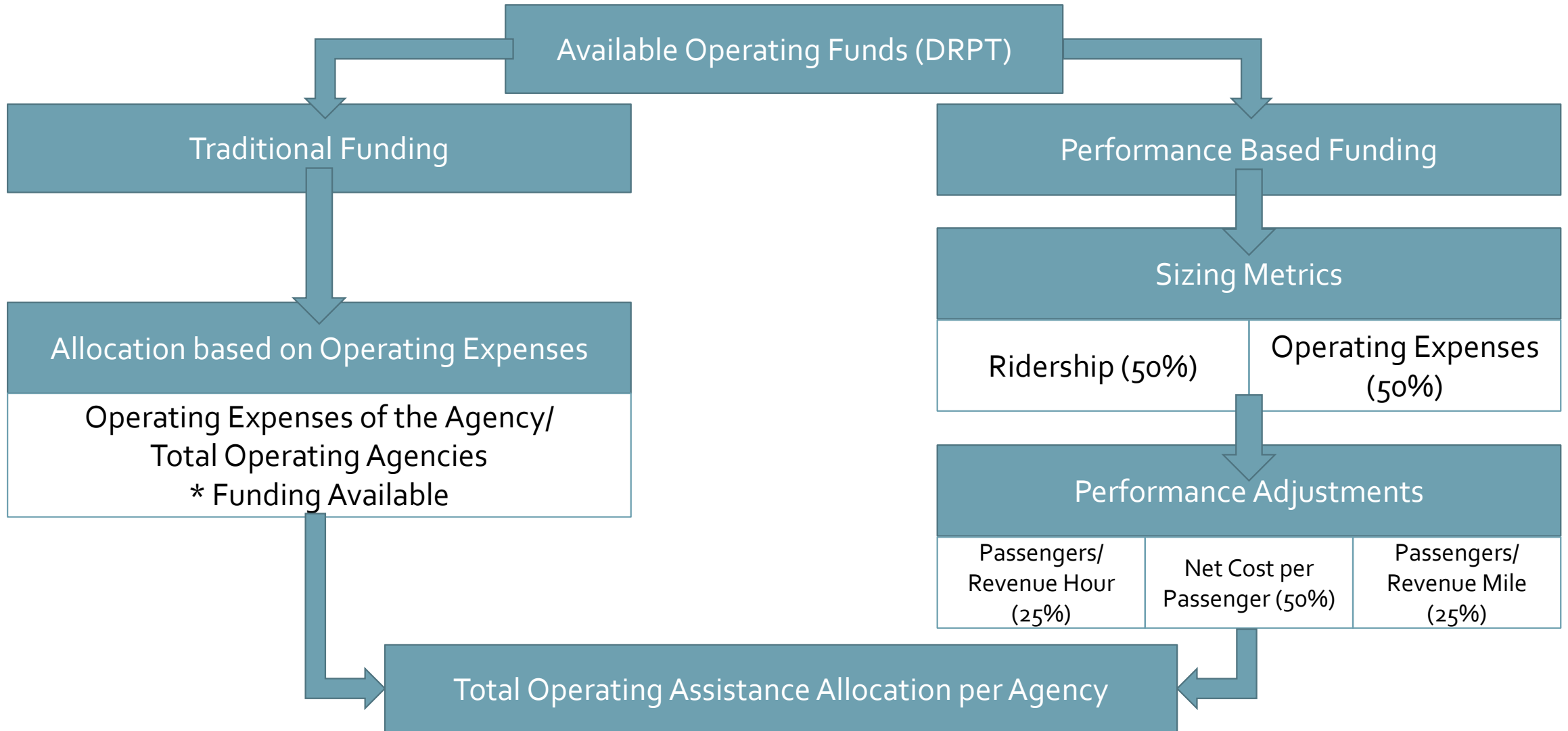
Jennifer DeBruhl
Chief of Public
Transportation

Statewide Transit Operating Funds

- Effective July 1, 2019
- 100% of Statewide Operating Funds:
 - Allocated on the basis of service delivery factors
 - Made available for public comment at least one year before application
- Current Factors:
 - Passengers Per Revenue Hour
 - Passengers Per Revenue Mile
 - Net Cost Per Passenger
- WMATA exempt from process



Current Operating Assistance Allocation Methodology



TSDAC Policy Objectives

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



Key Data Challenges with Performance Measurement



- Data Availability
 - Is the data already collected and reported?
 - If not, where will the data be sourced from?
 - What is the incremental burden of data collection and who bears it?
- Reliability, Consistency, and Timeliness of Data
 - Developing agreed-upon standards for core measures
 - Divergent data collection procedures
 - Obtaining consistent data on a regular basis over time
 - Can data be validated?

Possible Metrics for Performance Funding Allocation

- Cost Metrics
- Delivered Service Metrics
- Ridership
- Service Area Characteristics
 - Characteristics of an agency's service area, such as total size or population growth could be compared, but are not influenced by to transit service performance



Sizing vs. Performance

- Sizing Metrics – Designed to account for relative scale and scope of operations of diverse agencies
 - Sizing metrics have the greatest impact on the allocation of funding
- Performance Metrics – Adjust allocations to reward agency performance as compared to statewide averages



Alignment of Potential Sizing Metrics with Policy Objectives

Sizing Metric	Promotes Fiscal Responsibility	Incentivizes Efficient Operations	Supports Robust Transit Service	Rewards Higher Patronage	Promotes Mobility	Supports Social Safety Net	Data Exists
Cost							✓
Operating Cost	✓	✓					✓
Revenue Hours			✓		✓		✓
Revenue Miles			✓		✓		✓
Peak Vehicles			✓				
Peak Vehicle Seats			✓				
Ridership				✓	✓		✓
Passenger Miles Traveled				✓	✓		Partial



Sizing Metrics for Commuter Rail

- Based on share of commuter rail Passenger Miles Traveled, Revenue Vehicle Hours and Revenue Vehicle Miles relative to statewide totals
- Based on current statistics, commuter rail funding pool would equal 10.9% of total revenue available

	Percentages	Total Revenue	Commuter Rail Share
PMT	33%	\$30,198,544	\$8,284,370.56
RVH	33%	\$30,198,544	\$471,680.47
RVM	33%	\$30,198,544	\$1,097,007.01
Total	100%	\$90,595,632	\$9,853,058.04
Percentage Share			10.9%

- VRE allocation in FY19 was 11% of total revenue available
- Performance-adjustment factors would be applied to calculate VRE's final allocation



Alignment of Potential Performance Metrics with Policy Objectives

Performance Metric	Promotes Fiscal Responsibility	Incentivizes Efficient Operations	Supports Robust Transit Service	Rewards Higher Patronage	Promotes Mobility	Supports Social Safety Net	Data Exists for All Agencies
<i>On-Time Performance</i>		✓			✓		
<i>Passenger Load Factor</i>		✓		✓	✓		
<i>Cost per Revenue Vehicle Hour</i>	✓	✓					✓
<i>Passengers per Revenue Hour</i>				✓	✓		✓
<i>Cost per Revenue Vehicle Mile</i>	✓	✓					✓
<i>Passengers per Revenue Mile</i>				✓	✓		✓
<i>Passenger Miles per Vehicle Revenue Mile</i>		✓		✓	✓		
<i>Net Cost Per Passenger</i>	✓	✓					✓
<i>Operating Cost per Passenger</i>	✓	✓					✓

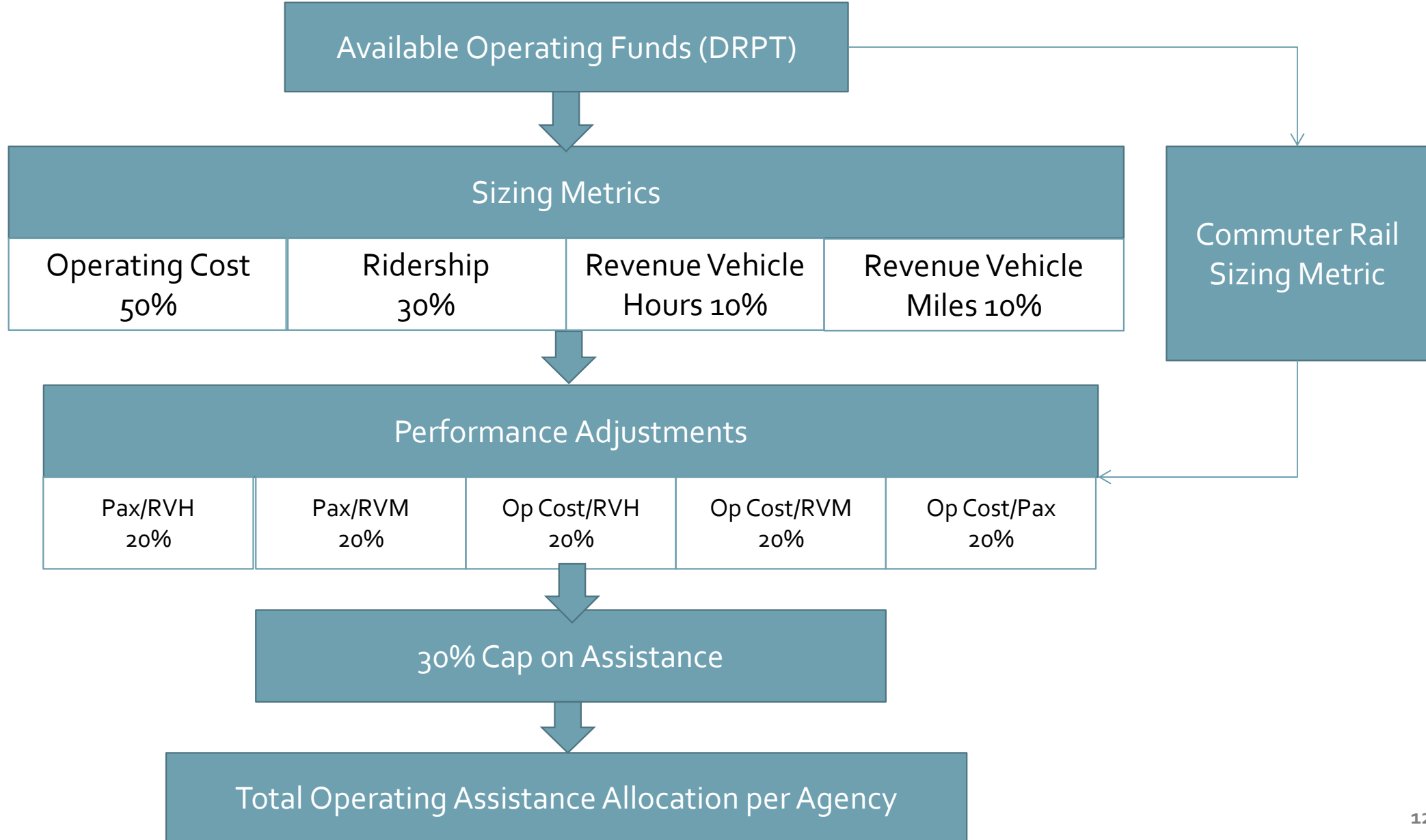


Capped Allocations as a % of Agency Operating Cost



- Current FY 19 allocations range from 18% to 32% of each agency's total Operating Costs with an average of 22%
- A cap limiting state funding as a percentage of O&M costs of an agency provides for:
 - Similar proportions of state funding across agencies
 - Limiting large swings in funding for individual agencies
- 30% cap is proposed, based on high end of FY 19 allocations
 - Only 1 agency above 30% in FY19 (Harrisonburg, 32%)
- Funds above the cap would be reallocated through the formula

Proposed Operating Assistance Allocation Methodology

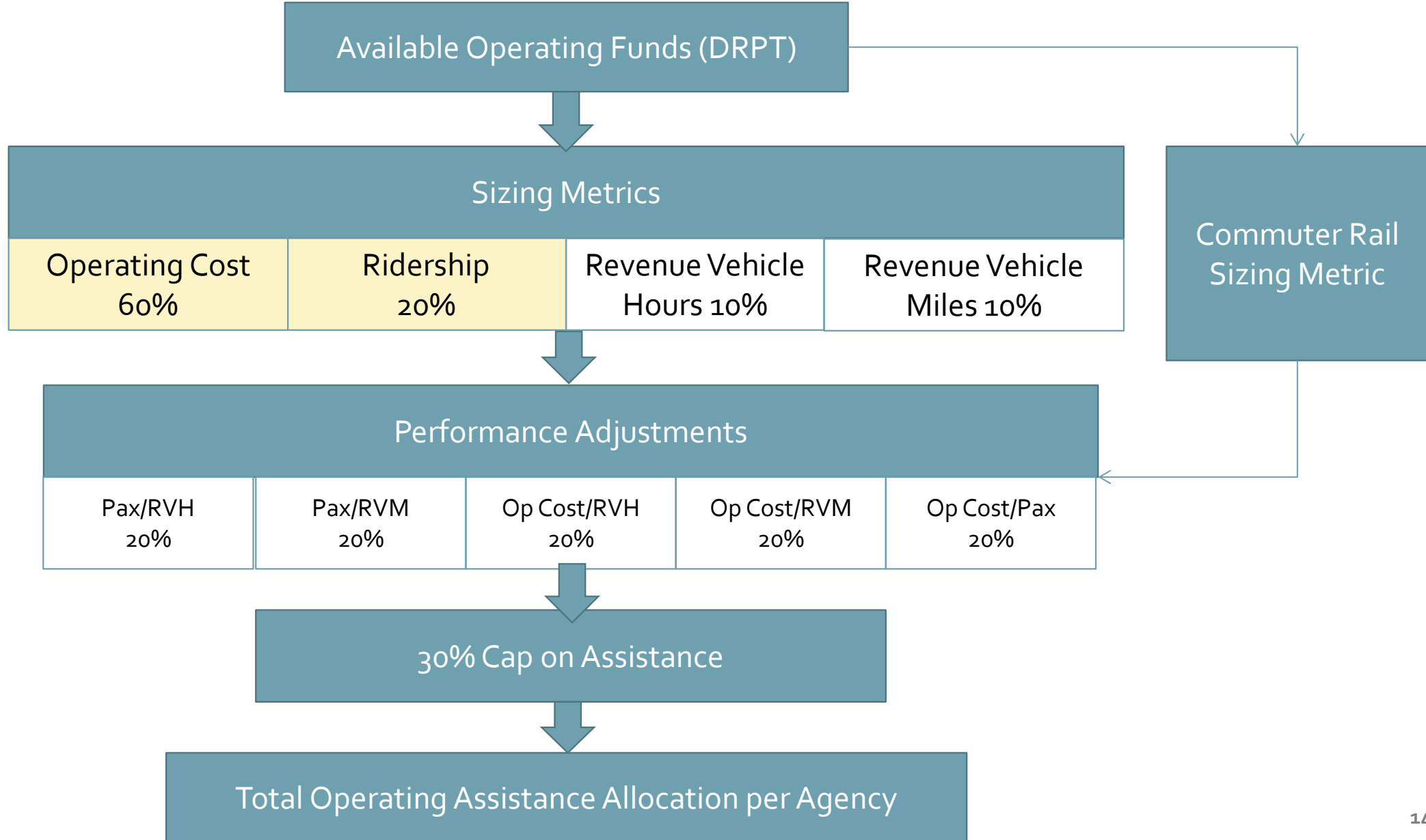


Transition Plan for FY20



- § 33.2-1526.1 – Provides for a one year notification prior to implementation of new measures by Board
- Legislative change applies to FY20 funding (exception provided for FY19 only)
- Request to phase implementation to help mitigate potential negative impacts late in the budget cycle
- Modified metrics would apply to FY20 funding only

Proposed FY 20 (Transition) Operating Assistance Allocation Methodology



Operating Assistance Next Steps

- December 4th — Workshop briefing on operating allocation
- December 20th — Release draft operating allocation policy for public comment
- December/January — Legislator outreach on draft CTB policy for operating allocation
- January 15th — Workshop briefing on draft CTB policy for operating allocation
- February 20th — Action on CTB policy for operating allocation





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