



Transit Service Delivery Advisory Committee

April 1, 2025



Today's Agenda

- Introductions
- Approval of October 8, 2024 Meeting Minutes
- Statewide Transit Performance
- Review of MERIT Operating and Capital Policies and Processes
- Open Discussion
- Public Comment
- Wrap Up/Next Steps
- Adjourn

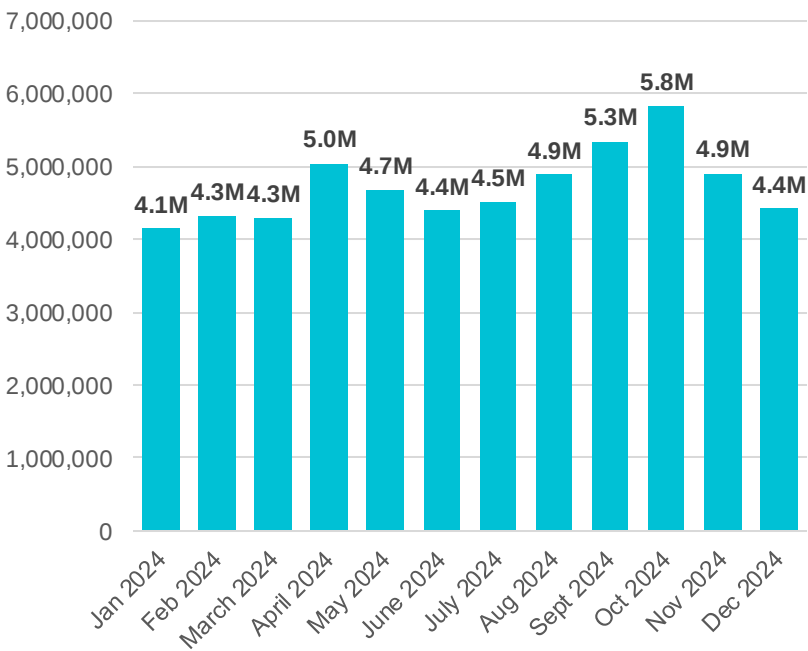
Introductions

Approval of October 8, 2024 Meeting Minutes

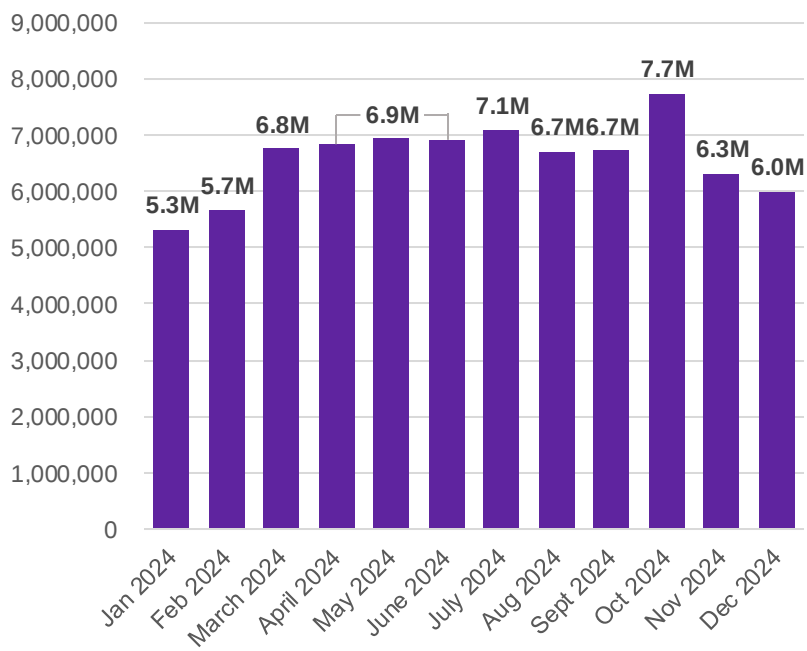
Statewide Transit Performance

Statewide Transit Ridership

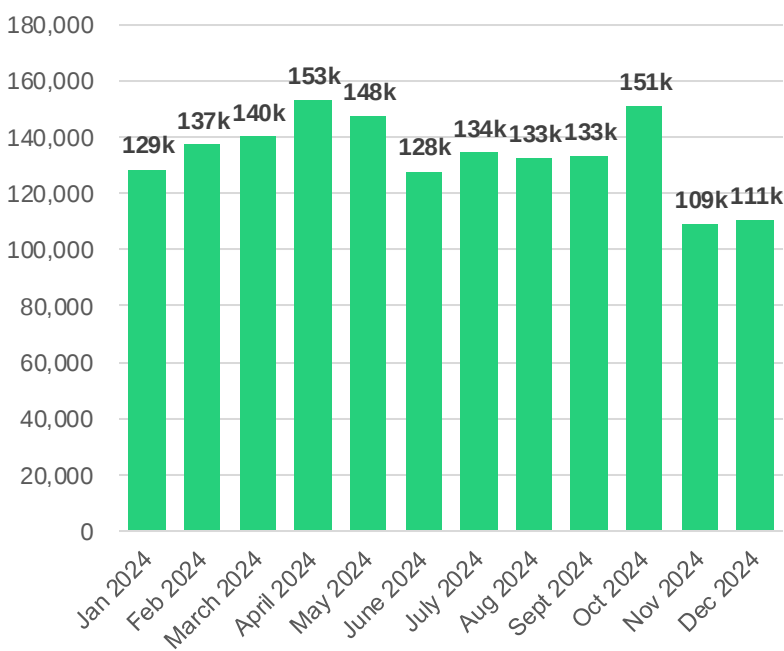
Statewide Transit Ridership – January 2024 to December 2024



Virginia Agencies



WMATA



VRE

Agencies	Jan 2024	Feb 2024	March 2024	April 2024	May 2024	June 2024	July 2024	Aug 2024	Sept 2024	Oct 2024	Nov 2024	Dec 2024	Total
Virginia Agencies	4,145,959	4,315,366	4,297,568	5,042,731	4,676,698	4,390,153	4,511,440	4,884,296	5,341,916	5,827,866	4,905,143	4,419,335	56,758,471
VRE	128,540	137,284	140,182	153,139	147,561	127,770	134,350	132,607	133,247	150,972	109,026	110,625	1,605,303
WMATA	5,324,597	5,660,243	6,759,533	6,856,539	6,930,758	6,916,793	7,089,451	6,710,201	6,717,554	7,742,372	6,320,579	6,005,122	79,033,742
All Agencies + VRE + WMATA	9,599,096	10,112,893	11,197,283	12,052,409	11,755,017	11,434,716	11,735,241	11,727,104	12,192,717	13,721,210	11,334,748	10,535,082	137,397,516

Statewide Ridership Comparison: Year-to-Year

Ridership for all public transit agencies totaled over 137 million in Calendar Year (CY) 24.

- 19% higher than CY23

Transit ridership for Virginia Agencies in CY24 was 14% higher than CY23 and 94% of pre-pandemic CY19 levels.

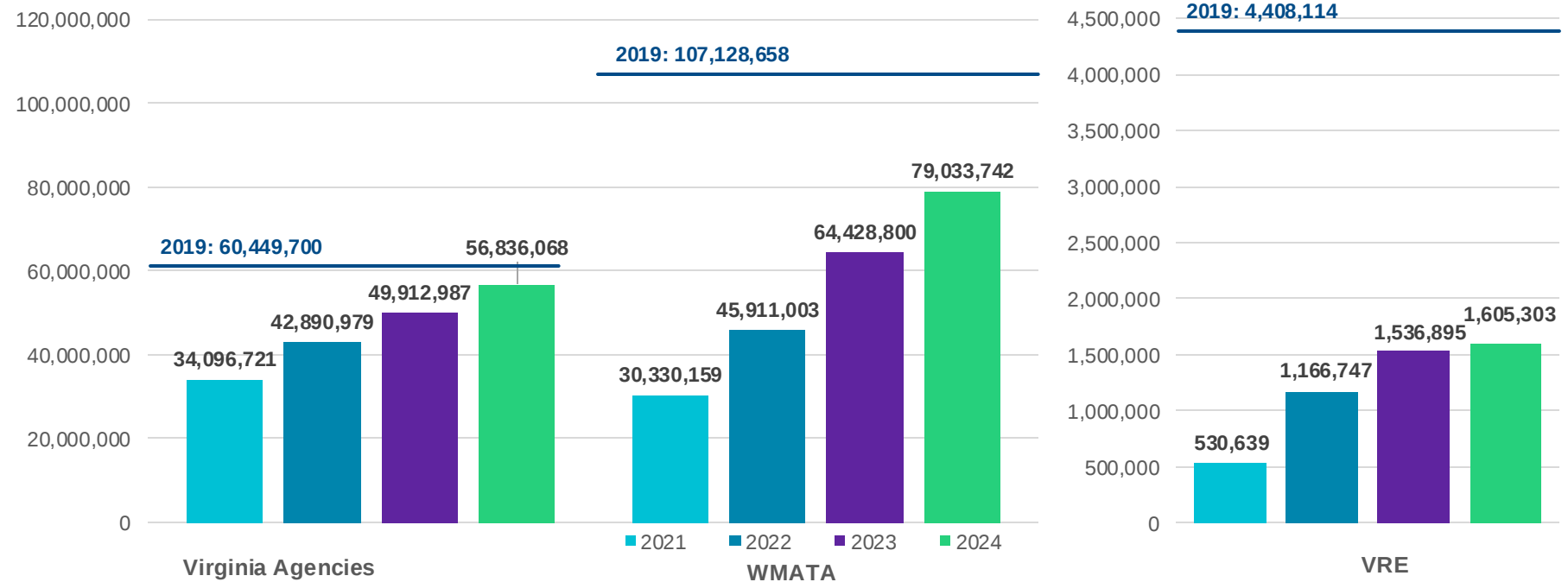
- Bus ridership was 14% higher than CY23

Ridership for WMATA in CY24 was 23% higher than CY23 and 74% of pre-pandemic CY19 levels.

- Bus ridership was 20% higher than CY23
- Heavy rail (Metro) was 23% higher than CY23

VRE ridership in CY24 was 4% higher than CY23.

**Ridership Comparison: Year-to-Year
Calendar Years 2021 to 2024**



Mode	2021	2022	2023	2024	2024 vs 2021	2024 vs 2022	2024 vs 2023
Virginia Agencies	34,096,721	42,890,979	49,912,987	56,836,068	67%	33%	14%
VRE	530,639	1,166,747	1,536,895	1,605,303	203%	38%	4%
WMATA	30,330,159	45,911,003	64,428,800	79,033,742	161%	72%	23%
All Agencies + VRE + WMATA	64,957,519	89,968,729	115,878,682	137,475,113	112%	53%	19%

Review of MERIT Operating and Capital Policies and Processes

Legislative Requirements of Program Review

Use of the Commonwealth Mass Transit Fund (§ 33.2-1526.1)

- 24.5% of the funds shall be allocated to support operating costs of transit providers and shall be distributed by the Board on the basis of service delivery factors, based on effectiveness and efficiency as established by the Board. Such measures and their relative weight shall be evaluated every three years and shall be finalized 6 months prior to the fiscal year of implementation.

Statewide Prioritization for the Commonwealth Mass Transit Fund (§ 33.2-214.4)

- DRPT, in conjunction with TSDAC, shall develop a process for the distribution of the funds allocated pursuant to subdivision D 1 of § 33.2-1526.1 and the incorporation by transit systems of the service delivery factors set forth therein into their transit development plans.
- Before redefining any component of the service delivery factors, the Board shall consult with the Director of DRPT, TSDAC, and interested stakeholders, and shall provide for a 45-day public comment period.

MERIT Capital Assistance Program History

- **Development of the MERIT – Capital Assistance program CTB policy**

- In 2018 – DRPT worked with TSDAC and consultants to develop a project prioritization method
- The prioritization policy was designed to favor projects that:
 1. Achieve the statewide policy objective of maintaining a state of good repair (SGR) of existing assets
 2. Have the greatest impact on the delivery of public transit services
- Introduced program sub-categories and new maximum state match rates:
 - **State of Good Repair (SGR)** – 68% of total cost
 - **Minor Enhancements (MIN)** – 68% of total cost
 - **Major Expansions (MAJ)** – 50% of total cost
- Eligible recipients: all public transit service providers
 - No WMATA as of FY17, and no VRE as of FY25
- 2022: Program review and update
 - Changed project categorization and scoring parameters slightly

MERIT Capital Assistance Prioritization Process

- 1. DRPT solicits project applications from December 1 – February 1**
- 2. Projects are screened for eligibility and readiness**
- 3. Eligible projects are filtered into 3 categories, by project type:**
 - State of Good Repair (SGR), Minor Enhancements (MIN), and Major Expansions (MAJ)
- 4. Consistent with CTB policy, projects are scored according to the methodology outlined in the [FY26 Transit Capital Assistance Technical Documentation](#) posted on the DRPT website**
- 5. Projects are ranked according to scoring**
- 6. Funding is allocated to those that meet or exceed the scoring threshold for each category**
 - NOTE: Recommendations are proposed to the CTB in April with action in June

MERIT - Capital Assistance Project Types

State of Good Repair (SGR)

[up to 68% state match]

Projects that replace or rehabilitate an existing asset, excluding major capital construction projects with a total cost over \$3 million

- Replacement/ Rehabilitation of a specific existing asset

Example SGR Projects:

Replacement Revenue Vehicles
Replacement Support Vehicles

Minor Enhancements (MIN)

[up to 68% state match]

Projects that add capacity or include the purchase of new assets meeting the following criteria:

- Total project cost is \$3 million or less
- All Projects for engineering and design of infrastructure or facilities

Example MIN Projects:

New On-board Camera System
New Facility Security Gates

Major Expansions (MAJ)

[up to 50% state match]

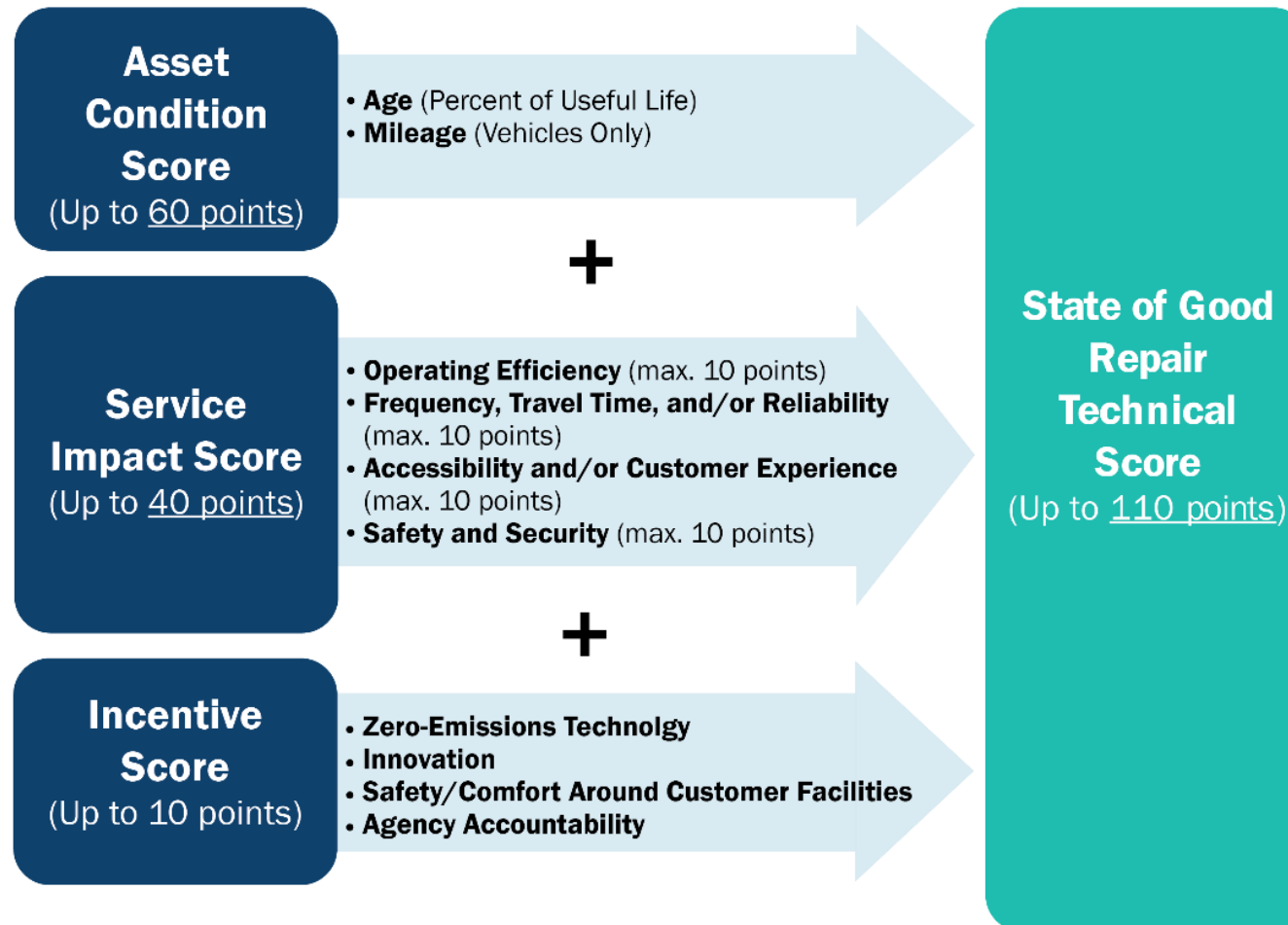
Projects to add, expand, or improve transit services or facilities, with:

- Total project cost exceeding \$3 million
- All projects that include the replacement of an entire existing facility

Example MAJ Projects:

New Bus Rapid Transit (BRT) Infrastructure
New Maintenance/ Operations Facility

State of Good Repair (SGR) Scoring: CTB Policy



Minor Enhancement (MIN) Scoring: CTB Policy



Scoring for SGR + MIN Projects: "Service Impact Score"

Primary Project Types	Secondary Project Types	Operating Efficiency	Frequency, Travel Time and/or Reliability	Accessibility and/or Customer Experience	Safety and Security	Total Default Score
Admin/Maintenance Facilities	Supports Operations	High Impact	Medium Impact	Low Impact	Medium Impact	25
Admin/Maintenance Facilities	Non-Operational	Low Impact	Low Impact	Low Impact	Medium Impact	15
Capital Finance Strategies	All	High Impact	High Impact	High Impact	Medium Impact	36
Customer Facilities	Transit Centers/Stations	Medium Impact	Medium Impact	High Impact	Medium Impact	28
Customer Facilities	Bus Stop/Shelter Improvements	Low Impact	No Impact	High Impact	High Impact	23
Maintenance Equipment & Parts	Vehicle and Vehicle Support Equipment	High Impact	High Impact	Medium Impact	Medium Impact	32
Maintenance Equipment & Parts	Property and Facilities	Medium Impact	Low Impact	Low Impact	High Impact	22
System Infrastructure	All	High Impact	Medium Impact	Medium Impact	Medium Impact	28
Technology/Equipment	Onboard Systems—ITS/Communications	Medium Impact	Medium Impact	High Impact	Medium Impact	28
Technology/Equipment	Operations Support	Medium Impact	Medium Impact	Medium Impact	Medium Impact	24
Technology/Equipment	Onboard Systems—Safety	No Impact	No Impact	Medium Impact	High Impact	16
Technology/Equipment	Administrative	Low Impact	Low Impact	Low Impact	Low Impact	12
Vehicles	Revenue Vehicles	High Impact	High Impact	High Impact	High Impact	40
Vehicles	Overhaul/Engine Replacement	High Impact	High Impact	Medium Impact	High Impact	36
Vehicles	Support Vehicles	Medium Impact	Medium Impact	Low Impact	Low Impact	18

High Impact: 10 pts
Medium Impact: 6 pts
Low Impact: 3 pts
No Impact: 0 pts

Scoring for SGR + MIN Projects: "Incentive Score"

Criteria	Points	DRPT Incentive Points: SGR and MIN Projects Incentives for projects that satisfy DRPT Goals (Not to exceed 10 points total per project)
Zero-Emissions Technology	5 Points, if project includes <u>one of the following</u> :	• Procurement of Zero-Emissions Vehicles, or • Installation of Zero-Emissions Infrastructure
Innovation	5 Points, if project includes <u>one of the following</u> :	• Installation of Real-Time Departure/Arrival Information, or • Automated Data Collection, Scheduling and Dispatch technology acquisition, or • Utilization of Transit Signal Priority, or • Installation of safety technology, or • Mobile Ticketing
Safety and Comfort Around Customer Facilities	5 Points, if project includes <u>one of the following</u> :	• Enhanced Lighting at Transit Stations or Stops, or • Enhancements for Pedestrians/Accessibility connecting passengers to Transit, or • Projects that include benches or shelters
Agency Accountability	5 point, if <u>all requirements are met</u> :	• Compliance with State Asset Mgmt Requirements (TransAM Updates on time) • Compliance with State Strategic Planning Requirements (TSP/TDP Up to Date) • Compliance with State Capital Planning Requirements (5-year Capital Budgets) • Compliance with State Performance Reporting (On-time reporting in OLGA)

Major Expansion (MAJ) Scoring: CTB Policy

- Six prioritization criteria are utilized to prioritize projects, in line with SMART SCALE
- DRPT has designated quantifiable and objective measure to analyze each project's projected performance benefits relative to its cost to the state

Criteria	Objective	Measure
Congestion Mitigation	Reduce delay, improve transportation system reliability, and encourage transit use	Change in peak-period transit ridership attributed to the project
Economic Development	Support existing economies and enhance opportunity for economic development	Project consistency with regional and local economic development plans and policies, and support for local development activity
Accessibility	Enhance worker and overall household access to jobs and other opportunities, and provide multiple and connected modal choices	Project improvement in accessibility to jobs
		Disadvantaged population (low-income, minority, or limited English proficiency) within walking distance of project
Safety	Address multimodal safety concerns and improve transit safety and security	Project contribution to improving safety and security, reducing risk of fatalities or injuries
Environmental Quality	Reduce emissions and energy consumption by providing modal choices, and minimize natural resources impacts	Reduction in CO2 resulting from project
Land Use	Improve consistency of the connection between local comprehensive plans and land use policies with transit investments	Transit supportive land use served by the project

MERIT – Capital Assistance Program Challenges

- Short Review Period
 - All reviews, QCs, setting funding thresholds, and updates must be done within about 4 weeks
 - This does not allow enough time for an in-depth review once applications are submitted
- Project Eligibility – Very Broad
 - Codifying categories of ineligible capital projects could be helpful
- Construction projects need more comprehensive process
 - SGR Construction – Minor and Major
 - Expansion Construction – Minor and Major

MERIT Operating Assistance Program History

- **Development of the MERIT – Operating Assistance program CTB policy**
 - Prior to 2015, state operating assistance was allocated solely based on operating expenses. Changes were made in FY15 to incorporate performance metrics.
 - In 2018 – DRPT worked with TSDAC, consultants, and stakeholders to develop a methodology for implementing a performance-based state transit operating allocation formula.
 - The methodology attempted to balance the need for reliable annual funding as well as the availability and reliability of performance data to support the six policy goals TSDAC identified:
 1. Promote Fiscal Responsibility
 2. Support Robust Transit Service
 3. Improve Transit Patronage
 4. Incentivize Efficient Operations
 5. Promote Mobility
 6. Support Social Safety Net

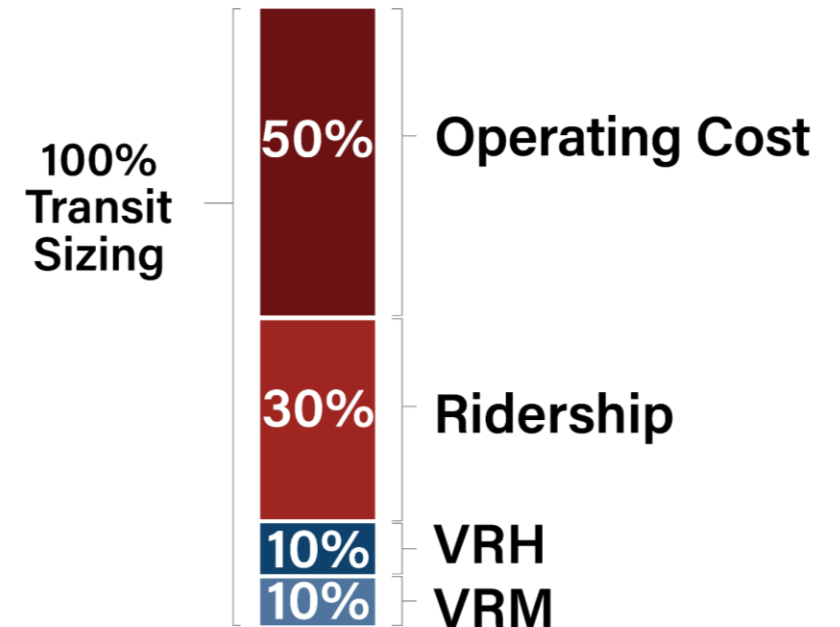
MERIT Operating Assistance Formula Process

1. DRPT solicits operating applications from December 1 – February 1
2. Staff review audited financials/GL, as well as agency budgets, and make necessary adjustments
3. Transit staff validate performance metrics submitted by transit agencies.
4. Consistent with CTB policy, agency expenses and performance metrics are incorporated into the performance-based formula outlined in the [FY26 Transit Operating Assistance Technical Documentation](#) posted on the DRPT website
5. MERIT Operating Assistance funding is allocated to each transit agency in the SYIP

MERIT Operating Assistance Formula: CTB Policy

- **Step 1: Sizing Metric**

- A size-weight factor is calculated with a combination of metrics set at specific weights
- This metric was introduced to account for the relative size of a transit agency
- If the statewide sum of agency size-weights does not equal 100%, then the ratios are normalized such that the statewide sum of size-weights for all agencies totals 100%



MERIT Operating Assistance Formula: CTB Policy

- **Step 2: Performance Adjustments**

- The size-weight is adjusted by five performance metrics – Creates “Size-Performance Weights”
 - Using 3 years of historic data + most recent year (4 years total)
 - Compares performance trends of each agency to the statewide trend
- Performance Metrics in CTB policy:
 1. **Passengers per Vehicle Revenue Hour (Pax/ VRH)**
 2. **Passengers per Vehicle Revenue Mile (Pax/ VRM)**
 3. **Operating Cost per Vehicle Revenue Hour (Cost/ VRH)**
 4. **Operating Cost per Vehicle Revenue Mile (Cost/ VRM)**
 5. **Operating Cost per Passenger (Cost/Pax)**

$$\begin{array}{l} \text{Available} \\ \text{State} \\ \text{Operating} \\ \text{Assistance} \\ \text{Funds} \end{array} \times \left[\begin{array}{l} 20\% \times \text{Pax/ VRH SP-Weight} \\ 20\% \times \text{Pax/ VRM SP-Weight} \\ 20\% \times \text{Cost/ VRH SP-Weight} \\ 20\% \times \text{Cost/ VRM SP-Weight} \\ + 20\% \times \text{Cost/ Pax SP-Weight} \end{array} \right]$$

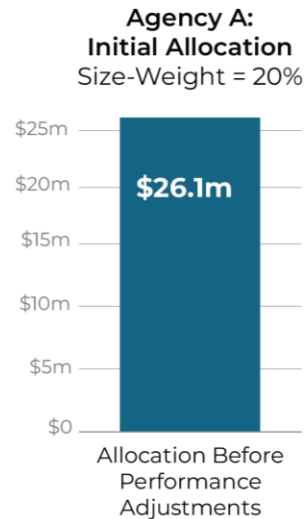
Agency Funding Allocation

MERIT Operating Assistance Formula: CTB Policy

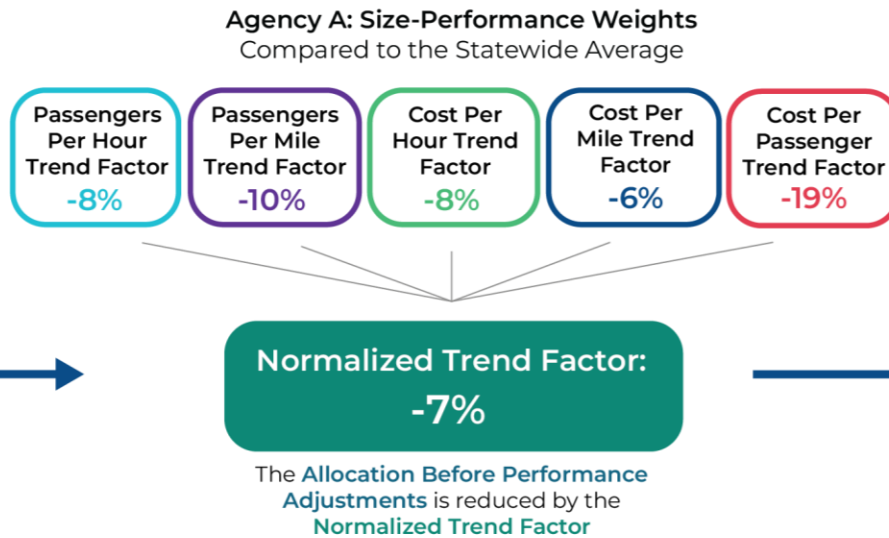
- **Step 3: Funding Cap**
 - **A 30% cap is set on the operating assistance allocations to each agency**
 - The cap was based on FY18 audited expense information and was reviewed as part of the 2022 program review with TSDAC
 - This 30% threshold was informed by the highest operating assistance grant received under the FY19 allocation methodology
 - **Funds remaining after the cap are redistributed to agencies below their cap**
 - After applying this cap to the operating assistance allocation, an unallocated funding pool remains
 - These funds are redistributed to agencies below this cap proportional to their Agency Funding Allocation ensuring that all available funds are distributed annually

Illustration of 3-Step Operating Formula Process

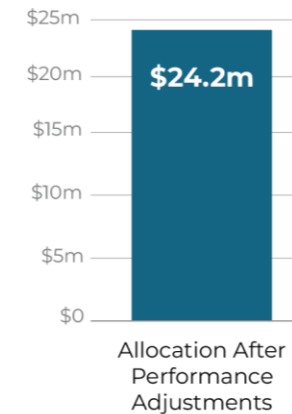
Step 1: Transit Sizing



Step 2: Performance Adjustments



Agency A: Performance Adjusted Allocation



Step 3: 30% Cap Redistribution

Agency A: Performance Adjusted + Redistributed Allocation

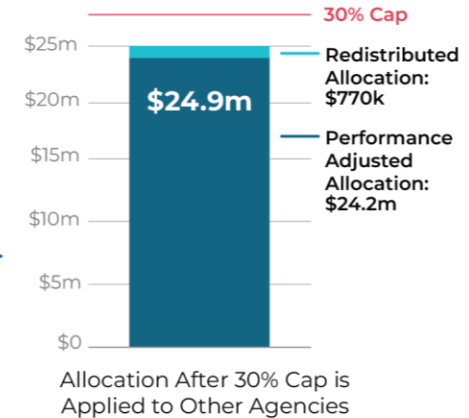
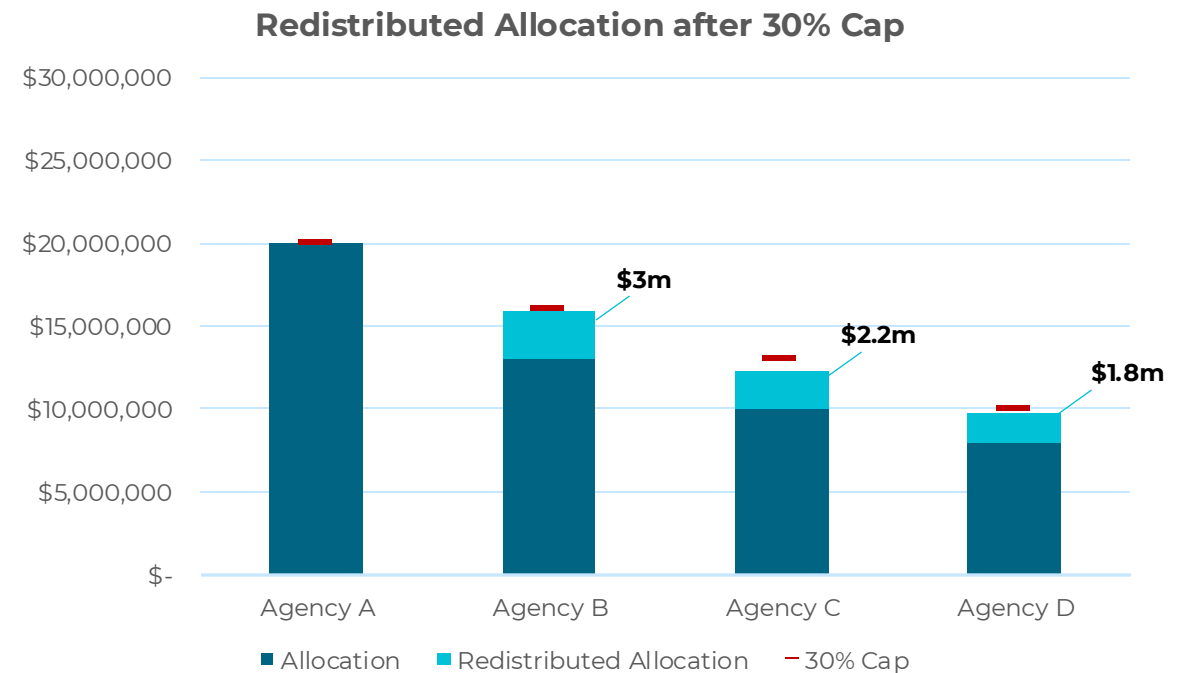
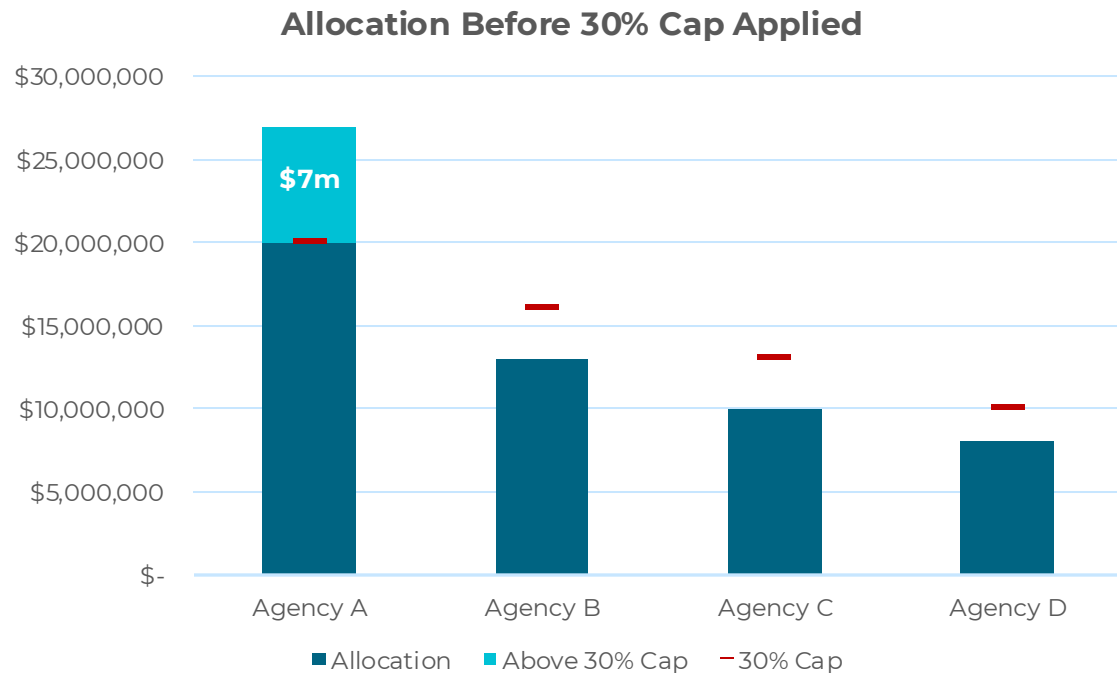


Illustration of Impacts of the 30% Cap on Allocations

- Funds exceeding the 30% in the initial run are distributed to other agencies that have not hit their cap



MERIT – Operating Assistance Program Challenges

- Formula complexities make the program difficult for grantees and decision makers to understand
- Required data inputs change annually, making it difficult for staff and transit agencies to run predictive models
- The use of performance measures must accommodate all agencies
 - Very large and very small agencies with different operational goals must compete in the same space
 - It would be interesting to test scenarios that include different formulas for urban and rural providers

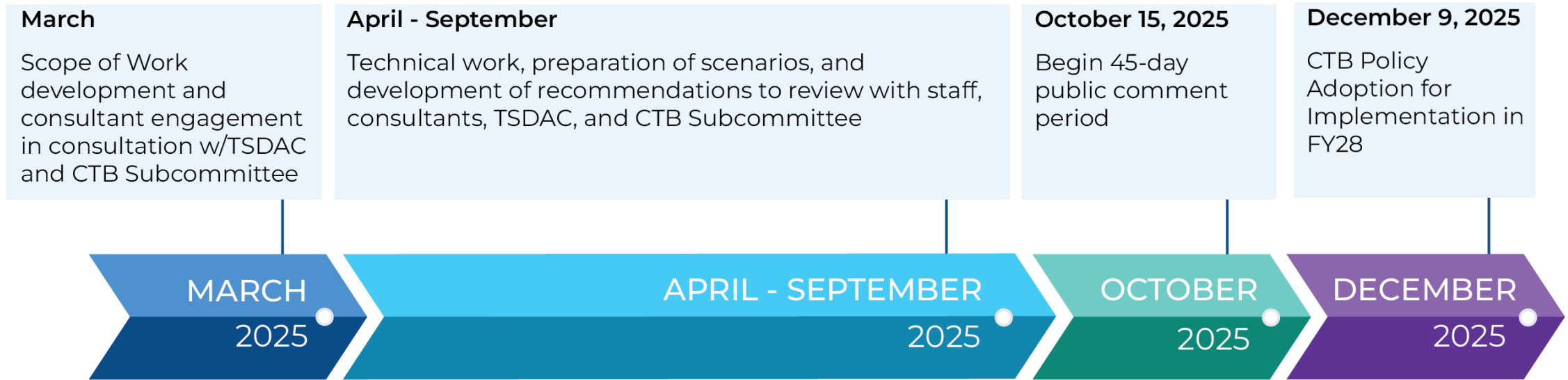
Policy Considerations for MERIT Capital and Operating

- Stronger, more meaningful emphasis on performance-based metrics
- Standardized verification of effective agency asset utilization and need
- Additional incentives to promote operational efficiency, route optimization/innovation, and good grants management practices
- Develop metrics to evaluate the return on investment
- Incorporation of nation-wide best practices where appropriate

Goals:

1. Strive to remain best in class in our review/scoring/award of grant funds.
2. Deliver the most value and the best outcomes for our customers as efficiently as possible.

Timeline for MERIT Capital and Operating Review



Open Discussion

Public Comment

Wrap Up/Next Steps