



MERIT Program Review

Operating & Capital Assistance

October 6, 2025



Agenda

- MERIT Program Review Policy Goals
- Feedback from TSDAC
 - Capital Assistance
 - Operating Assistance
- Additional Analysis
- Next Steps

MERIT Program Review Policy Goals

Policy Goals

- Simplification and Transparency – The current MERIT formula is very complicated and difficult for grantees to understand. The use of trends creates anomalies in allocations where good performance is not always rewarded.
- Outcome Focused – Adds a secondary performance review process that is decoupled from the sizing review. Sizing has performance built in by evaluating ridership, vehicle revenue hours, and vehicle revenue miles.
- Operational Efficiency – To incentivize doing more with the scarce resources available to Commonwealth transit agencies.

Evaluate the public policy goals, not the individual outcomes, as many variables impact allocations from year to year.

Updated Timeline and Progress To-Date

Steps Completed To-Date:

- **March 2025:**
 - CTB Rail and Transit Subcommittee: Process Kickoff
- **April 2025:**
 - TSDAC: MERIT Operating & Capital Review Discussion
- **May 2025:**
 - TSDAC: Update on MERIT Operating & Capital Review
- **July 2025:**
 - CTB: Briefing on proposed ideas for MERIT Operating & Capital Changes
 - TSDAC: Briefing on proposed ideas for MERIT Operating & Capital Changes, Discussion, and Feedback
- **August 2025:**
 - TSDAC: Briefing on refined MERIT Operating & Capital Changes
- **September 2025:**
 - One-on-One meetings with TSDAC Members, Transit Service Providers, and other Stakeholders

Next Steps:

- **October 2025:**
 - TSDAC: Review of feedback from stakeholders, proposed refinements, discussion, and feedback
 - October 7, 2025: Release for 45-day Public Comment
- **November 2025:**
 - November 21, 2025: End of 45-day Public Comment
 - TSDAC: Review Public Comment and provide final review and feedback on proposed changes
- **December 2025:**
 - TSDAC: Review Public Comment and provide final review and feedback on proposed changes
 - CTB: Presentation of proposed changes to CTB Workshop
- **January 2026:**
 - CTB: Vote on adoption of proposed changes

CTB-TSDAC-DRPT Roles and Responsibilities

Roles and responsibilities of CTB, TSDAC, and DRPT must be consistent with § 33.2-214.4

CTB

- Sets priorities and adopts policies for implementation of the MERIT Operating formula and MERIT Capital prioritization process consistent with state code

TSDAC

- Consults with DRPT and stakeholders to develop formula concepts and advises on MERIT Operating Assistance policy improvement

DRPT

- Develops technical guidance and definitions for implementation of the MERIT Operating formula. Runs the formula annually, analyzes outcomes, and recommends changes as needed

Feedback from TSDAC

Feedback from TSDAC

- Feedback on proposed modifications to MERIT Capital and Operating Assistance Programs was solicited from TSDAC members through several meetings:
 - July 2025 TSDAC Meeting
 - August 2025 TSDAC Meeting
 - Small group meetings with TSDAC members:
 - VTA
 - CTAV
 - VACo
 - VML
 - Other Agency Meetings
 - NVTC
 - PRTC

Feedback on Capital Assistance Proposed Changes

Proposed Changes	TSDAC Feedback
Develop additional subcategories for project types to better align with scoring methodologies • New State of Good Repair (SGR) subcategories for SGR with Asset Condition Score and SGR without Asset Condition Score • New Major Projects subcategories for MAJ Expansion and MAJ-SGR • New scoring methodology for MAJ-SGR projects	• No major concerns with formalizing subcategories to align with existing DRPT scoring processes
Score all vehicle expansion projects under MIN (regardless of number of expansion vehicles purchased)	• Simplifies process and allows for same match ratio for all vehicle expansion projects
Restructure incentive points • Remove incentive point categories for zero-emissions technology, innovation, and safety & comfort • Add incentive points for good grants management (Project Progress and Project Closeout)	• If incentive point categories are not producing desired results, removing these categories may make sense • For new Project Progress incentive points, the timing of vehicle procurements may result in agencies not having an invoice within 2 years of grant award
Switch to biennial application cycle for Major Projects	• Need to consider alignment with other funding cycles • Not having applications every year could cause loss of momentum with funding partners

Response to Capital Assistance Feedback

- Modifications to proposed changes based on TSDAC feedback:
 - DRPT will look to include exemptions in internal process for reasons outside of agency's control for why an agency may not meet requirements for Project Progress incentive points (i.e., vehicle procurement timing)
 - DRPT will retain annual cycle for all MERIT Capital Assistance projects

Feedback on Operating Assistance Proposed Changes

1. **Concern with only including one year of data in Performance calculation**

- Catastrophic event one year could potentially impact Performance funding allocation

2. **Concern that commuter bus operators may be more significantly impacted than other services**

- Commuter buses serve fewer riders that travel longer distances compared to local bus. Increased weight of ridership in sizing without accounting for passenger miles traveled (PMT) is an unfavorable assessment of value of this transit service
- Including deadhead miles & hours increases Sizing but reduces Performance allocation
- Excluding cost of state-funded services from the operating costs to use only reimbursable expenses in Sizing calculation understates the size of agencies with significant state-funded services, e.g., commuter bus in Express Lanes corridors

3. **No significant progress has been made to address data limitations identified during the MERIT Review in 2018**

- Lack of data such as PMT limits ability to explore more significant changes to the formula

Responses to Operating Assistance Feedback

- 1. Evaluate pros and cons of 1-year vs 3-year average Performance data**
 - Impact of 1-year versus 3-year average Performance data
- 2. Conduct additional analysis of administrative policy changes**
 - Impact of operating cost assumptions on Sizing
 - Impact of deadhead miles and hours for commuter bus on Sizing and Performance
- 3. Conduct study to evaluate and inform future data collection needs**
 - Study will identify currently available data, data needs, and assess best practices for collecting data

Grantee	Current Formula	Sizing + Performance Adjustment (Single Year Performance)		Sizing + Performance Adjustment (3-Year Average Performance)	
		\$ Difference	% Difference	\$ Difference	% Difference
AASC / Four County Transit	\$ 625,123	\$ 28,233	5%	\$ 28,965	5%
City of Bristol Virginia	\$ 121,344	\$ 746	1%	\$ 69	0%
District Three Public Transit	\$ 742,893	\$ (422)	0%	\$ (2,859)	0%
Mountain Empire Older Citizens, Inc.	\$ 642,600	\$ 4,900	1%	\$ 4,900	1%
Town of Bluefield-Graham Transit	\$ 125,489	\$ 11,640	9%	\$ 11,689	9%
Charlottesville Area Transit	\$ 2,971,812	\$ (16,206)	-1%	\$ (10,810)	0%
FRED / Fredericksburg Regional Transit	\$ 1,071,485	\$ (79,757)	-7%	\$ (90,110)	-8%
City of Suffolk	\$ 430,651	\$ 37,376	9%	\$ 45,014	10%
Greensville County	\$ 54,768	\$ (1,430)	-3%	\$ (1,673)	-3%
Hampton Roads Transit	\$ 25,537,379	\$ 507,722	2%	\$ 555,628	2%
STAR Transit	\$ 371,187	\$ 8,367	2%	\$ 8,367	2%
Town of Chincoteague	\$ 17,019	\$ (643)	-4%	\$ (816)	-5%
Williamsburg Area Transit Authority	\$ 2,281,227	\$ 33,256	1%	\$ 33,256	1%
Danville Transit System	\$ 832,019	\$ 28,781	3%	\$ 38,715	5%
Farmville Area Bus	\$ 196,264	\$ 4,475	2%	\$ 4,475	2%
Greater Lynchburg Transit Company	\$ 1,703,062	\$ 218,873	13%	\$ 262,189	15%
Town of Altavista	\$ 41,042	\$ 4,038	10%	\$ 4,038	10%
Loudoun County	\$ 3,666,512	\$ (85,640)	-2%	\$ (78,929)	-2%
NVTC - Arlington County	\$ 6,007,985	\$ 300,183	5%	\$ 289,886	5%
NVTC - City of Alexandria	\$ 9,299,604	\$ (53,725)	-1%	\$ (78,968)	-1%
NVTC - City of Fairfax	\$ 1,591,498	\$ 28,720	2%	\$ 6,235	0%
NVTC - Fairfax County	\$ 25,729,693	\$ (1,616,798)	-6%	\$ (1,796,128)	-7%
PRTC	\$ 8,187,110	\$ (748,658)	-9%	\$ (792,055)	-10%
City of Petersburg	\$ 1,198,959	\$ (18,127)	-2%	\$ (19,151)	-2%
Greater Richmond Transit Company	\$ 18,853,132	\$ 748,030	4%	\$ 794,362	4%
Blacksburg Transit	\$ 3,483,121	\$ (0)	0%	\$ (0)	0%
City of Radford	\$ 501,124	\$ 55,701	11%	\$ 61,085	12%
Greater Roanoke Transit Company	\$ 3,271,540	\$ 230,908	7%	\$ 248,736	8%
Pulaski Area Transit	\$ 199,411	\$ 25,445	13%	\$ 25,532	13%
Central Shenandoah PDC	\$ 657,710	\$ 87,513	13%	\$ 84,161	13%
City of Harrisonburg Dept. of Public Transporta	\$ 1,997,493	\$ 0	0%	\$ 0	0%
City of Winchester	\$ 487,667	\$ 2,528	1%	\$ 4,790	1%
Bay Aging	\$ 1,190,937	\$ (4,655)	0%	\$ (5,226)	0%
Blackstone Area Bus	\$ 189,468	\$ 0	0%	\$ 0	0%
JAUNT	\$ 1,563,531	\$ (163,033)	-10%	\$ (167,571)	-11%
Lake Area	\$ 53,873	\$ 6,319	12%	\$ 6,671	12%
RADAR	\$ 324,336	\$ 4,859	1%	\$ 3,685	1%
VRT	\$ 1,082,499	\$ 30,485	3%	\$ 31,476	3%

Not a significant difference in overall outcomes between Single-Year and 3-Year Average Performance

Alt. A: 3-Year Average Performance Scenario

All allocations are average of FY24, 25 and 26

All agencies receiving greater/less than \$500K or greater/less than 5% of their current allocation are highlighted in green/red

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Change Relative to Current Formula Allocations for Single Year and 3-Year Average Performance Data

Orange dots represent deviation (\$/%) from current allocation under the proposed Sizing + Performance formula when applying 3-year average performance data



1. Comparison of 1-Year vs 3-Year Performance Data

1-Year Performance Data Scenario	3-Year Performance Data Scenario
Catastrophic event impacts Sizing Metric for 95% of funds for <u>one year</u> in both scenarios	
More significant impact of catastrophic event on <u>5% Performance Allocation calculation</u> in a single year	<u>Smooths out</u> impact of one year with a catastrophic event to the <u>5% Performance Allocation calculation</u>
Catastrophic event impacts Performance Allocation calculation for 5% of funds for only <u>one year</u>	Catastrophic event impacts 5% Performance Allocation calculation for <u>three years</u>
Rewards improved performance due to strategic changes in service (i.e., changes to route alignment to improve performance) in next year's 5% Performance Allocation	Impact of improvement in performance will take three years to be fully rewarded in 5% Performance Allocation

 Using 3-year average to calculate performance does not address the significantly larger impact of the same single year metrics on sizing.

Small benefit of smoothing out negative impact to 5% of the allocation is countered by disbenefits noted and additional administrative complexity.

2. Additional Analysis of Administrative Policy Changes

Administrative Policy Alternatives Tested

- Alt. B: Performance Excludes Deadhead
 - Sizing: Include deadhead hours and miles
 - Performance: Exclude deadhead hours and miles
- Alt. C: Sizing Applies Total Cost of Operations
 - Sizing: Switch to Performance cost data
 - Performance: Continue to use Performance cost data
- Alt. D: Combination of Variations A, B and C

Grantee	Current Formula	Sizing + Performance Adjustment (Single Year Performance)		Sizing + Performance Adjustment (Performance w/o Deadhead)	
		\$ Difference	% Difference	\$ Difference	% Difference
AASC / Four County Transit	\$ 625,123	\$ 28,233	5%	\$ 27,656	4%
City of Bristol Virginia	\$ 121,344	\$ 746	1%	\$ 670	1%
District Three Public Transit	\$ 742,893	\$ (422)	0%	\$ (1,234)	0%
Mountain Empire Older Citizens, Inc.	\$ 642,600	\$ 4,900	1%	\$ 4,900	1%
Town of Bluefield-Graham Transit	\$ 125,489	\$ 11,640	9%	\$ 11,606	9%
Charlottesville Area Transit	\$ 2,971,812	\$ (16,206)	-1%	\$ (18,731)	-1%
FRED / Fredericksburg Regional Transit	\$ 1,071,485	\$ (79,757)	-7%	\$ (80,899)	-8%
City of Suffolk	\$ 430,651	\$ 37,376	9%	\$ 36,971	9%
Greensville County	\$ 54,768	\$ (1,430)	-3%	\$ (1,447)	-3%
Hampton Roads Transit	\$ 25,537,379	\$ 507,722	2%	\$ 468,155	2%
STAR Transit	\$ 371,187	\$ 8,367	2%	\$ 8,367	2%
Town of Chincoteague	\$ 17,019	\$ (643)	-4%	\$ (659)	-4%
Williamsburg Area Transit Authority	\$ 2,281,227	\$ 33,256	1%	\$ 33,256	1%
Danville Transit System	\$ 832,019	\$ 28,781	3%	\$ 37,573	5%
Farmville Area Bus	\$ 196,264	\$ 4,475	2%	\$ 4,475	2%
Greater Lynchburg Transit Company	\$ 1,703,062	\$ 218,873	13%	\$ 216,199	13%
Town of Altavista	\$ 41,042	\$ 4,038	10%	\$ 4,038	10%
Loudoun County	\$ 3,666,512	\$ (85,640)	-2%	\$ (77,565)	-2%
NVTC - Arlington County	\$ 6,007,985	\$ 300,183	5%	\$ 287,406	5%
NVTC - City of Alexandria	\$ 9,299,604	\$ (53,725)	-1%	\$ (57,170)	-1%
NVTC - City of Fairfax	\$ 1,591,498	\$ 28,720	2%	\$ 26,208	2%
NVTC - Fairfax County	\$ 25,729,693	\$ (1,616,798)	-6%	\$ (1,649,996)	-6%
PRTC	\$ 8,187,110	\$ (748,658)	-9%	\$ (648,675)	-8%
City of Petersburg	\$ 1,198,959	\$ (18,127)	-2%	\$ (19,000)	-2%
Greater Richmond Transit Company	\$ 18,853,132	\$ 748,030	4%	\$ 743,617	4%
Blacksburg Transit	\$ 3,483,121	\$ (0)	0%	\$ (0)	0%
City of Radford	\$ 501,124	\$ 55,701	11%	\$ 55,541	11%
Greater Roanoke Transit Company	\$ 3,271,540	\$ 230,908	7%	\$ 228,593	7%
Pulaski Area Transit	\$ 199,411	\$ 25,445	13%	\$ 25,432	13%
Central Shenandoah PDC	\$ 657,710	\$ 87,513	13%	\$ 86,592	13%
City of Harrisonburg Dept. of Public Transporta	\$ 1,997,493	\$ 0	0%	\$ 0	0%
City of Winchester	\$ 487,667	\$ 2,528	1%	\$ 2,216	0%
Bay Aging	\$ 1,190,937	\$ (4,655)	0%	\$ (5,313)	0%
Blackstone Area Bus	\$ 189,468	\$ 0	0%	\$ 0	0%
JAUNT	\$ 1,563,531	\$ (163,033)	-10%	\$ (163,886)	-10%
Lake Area	\$ 53,873	\$ 6,319	12%	\$ 6,314	12%
RADAR	\$ 324,336	\$ 4,859	1%	\$ 4,595	1%
VRT	\$ 1,082,499	\$ 30,485	3%	\$ 29,551	3%



Not a significant difference in overall outcomes with adjustment to remove deadhead miles and hours for performance calculation for commuter bus systems

Alt. B: Performance Excludes Deadhead

All allocations are average of FY24, 25 and 26



Small improvement in outcomes for PRTC

All agencies receiving greater/less than \$500K or greater/less than 5% of their current allocation are highlighted in green/red

Grantee	Current Formula	Sizing + Performance Adjustment (Single Year Performance)		Sizing + Performance Adjustment (Total Cost for Sizing)	
		\$ Difference	% Difference	\$ Difference	% Difference
AASC / Four County Transit	\$ 625,123	\$ 28,233	5%	\$ 23,660	4%
City of Bristol Virginia	\$ 121,344	\$ 746	1%	\$ 0	0%
District Three Public Transit	\$ 742,893	\$ (422)	0%	\$ (5,655)	-1%
Mountain Empire Older Citizens, Inc.	\$ 642,600	\$ 4,900	1%	\$ 4,900	1%
Town of Bluefield-Graham Transit	\$ 125,489	\$ 11,640	9%	\$ 11,273	9%
Charlottesville Area Transit	\$ 2,971,812	\$ (16,206)	-1%	\$ (30,498)	-1%
FRED / Fredericksburg Regional Transit	\$ 1,071,485	\$ (79,757)	-7%	\$ (63,866)	-6%
City of Suffolk	\$ 430,651	\$ 37,376	9%	\$ 33,842	8%
Greensville County	\$ 54,768	\$ (1,430)	-3%	\$ (1,585)	-3%
Hampton Roads Transit	\$ 25,537,379	\$ 507,722	2%	\$ 313,365	1%
STAR Transit	\$ 371,187	\$ 8,367	2%	\$ 8,367	2%
Town of Chincoteague	\$ 17,019	\$ (643)	-4%	\$ (727)	-4%
Williamsburg Area Transit Authority	\$ 2,281,227	\$ 33,256	1%	\$ 33,256	1%
Danville Transit System	\$ 832,019	\$ 28,781	3%	\$ 39,187	5%
Farmville Area Bus	\$ 196,264	\$ 4,475	2%	\$ 4,475	2%
Greater Lynchburg Transit Company	\$ 1,703,062	\$ 218,873	13%	\$ 230,444	14%
Town of Altavista	\$ 41,042	\$ 4,038	10%	\$ 4,038	10%
Loudoun County	\$ 3,666,512	\$ (85,640)	-2%	\$ (122,027)	-3%
NVTC - Arlington County	\$ 6,007,985	\$ 300,183	5%	\$ 244,739	4%
NVTC - City of Alexandria	\$ 9,299,604	\$ (53,725)	-1%	\$ (70,904)	-1%
NVTC - City of Fairfax	\$ 1,591,498	\$ 28,720	2%	\$ 26,981	2%
NVTC - Fairfax County	\$ 25,729,693	\$ (1,616,798)	-6%	\$ (1,794,322)	-7%
PRTC	\$ 8,187,110	\$ (748,658)	-9%	\$ (349,160)	-4%
City of Petersburg	\$ 1,198,959	\$ (18,127)	-2%	\$ (20,876)	-2%
Greater Richmond Transit Company	\$ 18,853,132	\$ 748,030	4%	\$ 764,467	4%
Blacksburg Transit	\$ 3,483,121	\$ (0)	0%	\$ (0)	0%
City of Radford	\$ 501,124	\$ 55,701	11%	\$ 57,794	12%
Greater Roanoke Transit Company	\$ 3,271,540	\$ 230,908	7%	\$ 217,108	7%
Pulaski Area Transit	\$ 199,411	\$ 25,445	13%	\$ 25,035	13%
Central Shenandoah PDC	\$ 657,710	\$ 87,513	13%	\$ 136,868	21%
City of Harrisonburg Dept. of Public Transportation	\$ 1,997,493	\$ 0	0%	\$ 0	0%
City of Winchester	\$ 487,667	\$ 2,528	1%	\$ 885	0%
Bay Aging	\$ 1,190,937	\$ (4,655)	0%	\$ 18,991	2%
Blackstone Area Bus	\$ 189,468	\$ 0	0%	\$ 0	0%
JAUNT	\$ 1,563,531	\$ (163,033)	-10%	\$ (164,582)	-11%
Lake Area	\$ 53,873	\$ 6,319	12%	\$ 6,068	11%
RADAR	\$ 324,336	\$ 4,859	1%	\$ 14,284	4%
VRT	\$ 1,082,499	\$ 30,485	3%	\$ 26,069	2%

Not a significant difference in overall outcomes with adjustment to use total instead of reimbursable cost for sizing with a few notable exceptions

Improvement in outcomes for Fredericksburg

Notable improvement in outcomes for PRTC and CSPDC

All agencies receiving greater/less than \$500K or greater/less than 5% of their current allocation are highlighted in green/red

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Alt. C: Sizing Applies Total Cost of Operations

All allocations are average of FY24, 25 and 26

Grantee	Current Formula	Sizing + Performance Adjustment (Single Year Performance)		Sizing + Performance Adjustment (All Alternatives)	
		\$ Difference	% Difference	\$ Difference	% Difference
AASC / Four County Transit	\$ 625,123	\$ 28,233	5%	\$ 23,904	4%
City of Bristol Virginia	\$ 121,344	\$ 746	1%	\$ 0	0%
District Three Public Transit	\$ 742,893	\$ (422)	0%	\$ (8,679)	-1%
Mountain Empire Older Citizens, Inc.	\$ 642,600	\$ 4,900	1%	\$ 4,900	1%
Town of Bluefield-Graham Transit	\$ 125,489	\$ 11,640	9%	\$ 11,282	9%
Charlottesville Area Transit	\$ 2,971,812	\$ (16,206)	-1%	\$ (27,646)	-1%
FRED / Fredericksburg Regional Transit	\$ 1,071,485	\$ (79,757)	-7%	\$ (75,225)	-7%
City of Suffolk	\$ 430,651	\$ 37,376	9%	\$ 40,959	10%
Greensville County	\$ 54,768	\$ (1,430)	-3%	\$ (1,841)	-3%
Hampton Roads Transit	\$ 25,537,379	\$ 507,722	2%	\$ 328,059	1%
STAR Transit	\$ 371,187	\$ 8,367	2%	\$ 8,367	2%
Town of Chincoteague	\$ 17,019	\$ (643)	-4%	\$ (908)	-5%
Williamsburg Area Transit Authority	\$ 2,281,227	\$ 33,256	1%	\$ 33,256	1%
Danville Transit System	\$ 832,019	\$ 28,781	3%	\$ 37,946	5%
Farmville Area Bus	\$ 196,264	\$ 4,475	2%	\$ 4,475	2%
Greater Lynchburg Transit Company	\$ 1,703,062	\$ 218,873	13%	\$ 270,458	16%
Town of Altavista	\$ 41,042	\$ 4,038	10%	\$ 4,038	10%
Loudoun County	\$ 3,666,512	\$ (85,640)	-2%	\$ (107,521)	-3%
NVTC - Arlington County	\$ 6,007,985	\$ 300,183	5%	\$ 224,271	4%
NVTC - City of Alexandria	\$ 9,299,604	\$ (53,725)	-1%	\$ (99,340)	-1%
NVTC - City of Fairfax	\$ 1,591,498	\$ 28,720	2%	\$ 1,725	0%
NVTC - Fairfax County	\$ 25,729,693	\$ (1,616,798)	-6%	\$ (1,987,921)	-8%
PRTC	\$ 8,187,110	\$ (748,658)	-9%	\$ (300,795)	-4%
City of Petersburg	\$ 1,198,959	\$ (18,127)	-2%	\$ (22,726)	-2%
Greater Richmond Transit Company	\$ 18,853,132	\$ 748,030	4%	\$ 804,550	4%
Blacksburg Transit	\$ 3,483,121	\$ (0)	0%	\$ (0)	0%
City of Radford	\$ 501,124	\$ 55,701	11%	\$ 61,371	12%
Greater Roanoke Transit Company	\$ 3,271,540	\$ 230,908	7%	\$ 232,375	7%
Pulaski Area Transit	\$ 199,411	\$ 25,445	13%	\$ 25,106	13%
Central Shenandoah PDC	\$ 657,710	\$ 87,513	13%	\$ 137,025	21%
City of Harrisonburg Dept. of Public Transport	\$ 1,997,493	\$ 0	0%	\$ 0	0%
City of Winchester	\$ 487,667	\$ 2,528	1%	\$ 2,801	1%
Bay Aging	\$ 1,190,937	\$ (4,655)	0%	\$ 17,970	2%
Blackstone Area Bus	\$ 189,468	\$ 0	0%	\$ 0	0%
JAUNT	\$ 1,563,531	\$ (163,033)	-10%	\$ (169,695)	-11%
Lake Area	\$ 53,873	\$ 6,319	12%	\$ 6,408	12%
RADAR	\$ 324,336	\$ 4,859	1%	\$ 12,854	4%
VRT	\$ 1,082,499	\$ 30,485	3%	\$ 26,315	2%

Not a significant difference in overall outcomes with applying all variations to the base Sizing + Performance formula

Improvement in outcomes for Fredericksburg

Notable improvement in outcomes for PRTC and CSPDC

All agencies receiving greater/less than \$500K or greater/less than 5% of their current allocation are highlighted in green/red

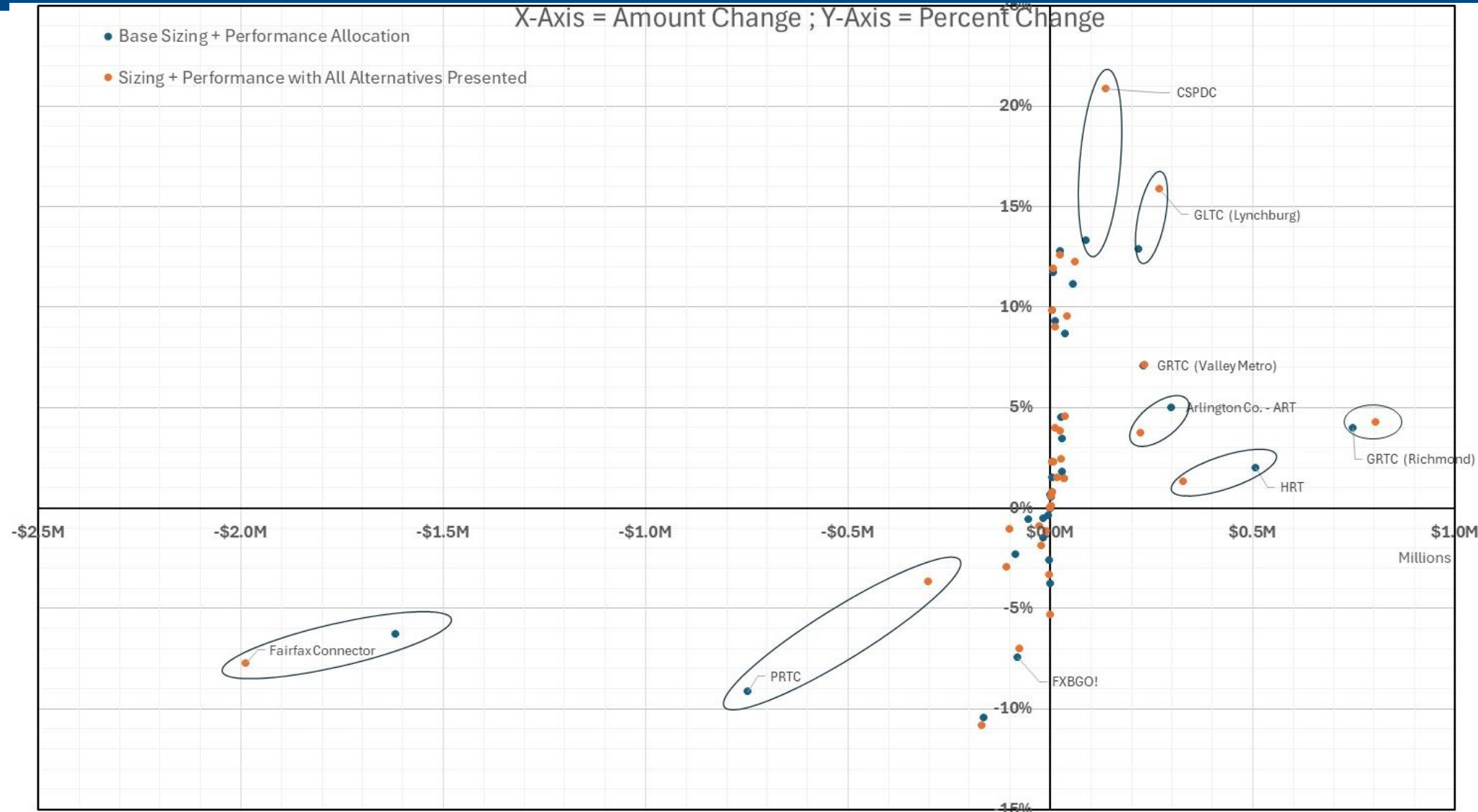
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Alt. D: Combination of Variations A, B and C

All allocations are average of FY24, 25 and 26

Change Relative to Current Formula Allocations for Sizing+ Performance with no/all Adjustments Presented

Orange dots represent deviation (\$/%) from current allocation under the proposed Sizing + Performance formula with 3-year average performance data and adjustments made to deadhead miles/hours and sizing cost



Summary of Alternative Approaches

None of the alternatives tested deviate notably from the baseline Sizing + Performance scenario in terms of allocations at the district level

- **A:** Averaging Performance over 3 years vs. a single year does not meaningfully change allocations
- **B:** Calculating Performance excluding deadhead hours and miles does not meaningfully change allocations
- **C:** Using total cost for Sizing instead of reimbursable expenses makes a notable difference for agencies with subsidized services whose costs are excluded from existing Sizing calculation
- **D:** In combination, the change in cost for Sizing accounts for ~90% of the change in allocations under the alternative approaches

Next Steps

Next Steps

- **October 2025:**
 - TSDAC: Review of feedback from stakeholders, proposed refinements, discussion, and feedback
 - October 7, 2025: Release for 45-day Public Comment
- **November 2025:**
 - November 21, 2025: End of 45-day Public Comment
 - TSDAC: Review Public Comment and provide final review and feedback on proposed changes
- **December 2025:**
 - TSDAC: Review Public Comment and provide final review and feedback on proposed changes
 - CTB: Presentation of proposed changes to CTB Workshop
- **January 2026:**
 - CTB: Vote on adoption of proposed changes