TSDAC Meeting

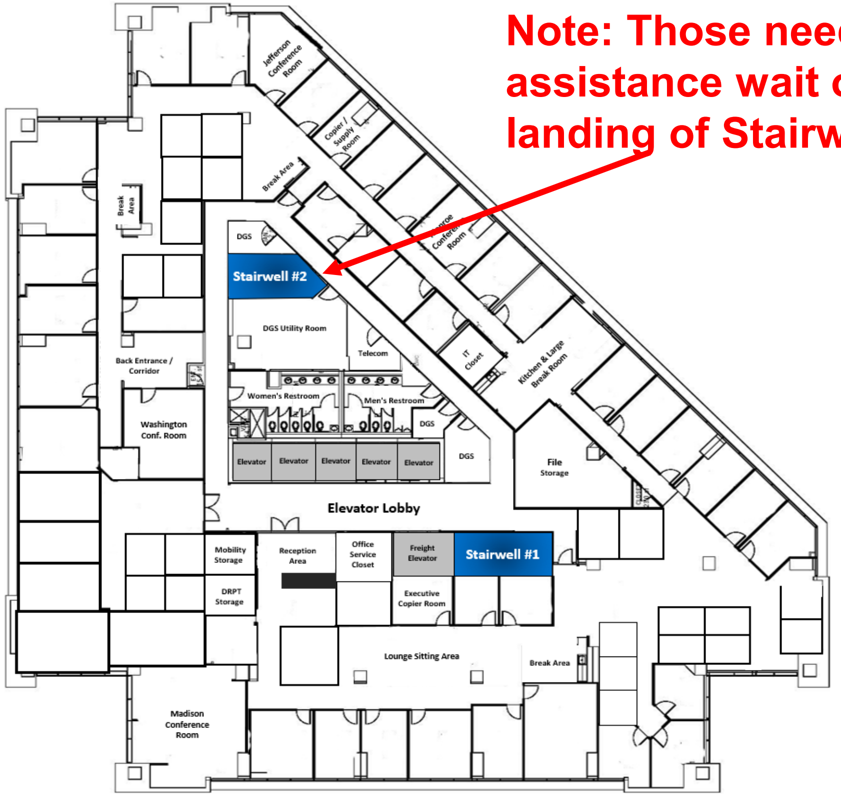
June 2, 2026

VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION

Today's Agenda

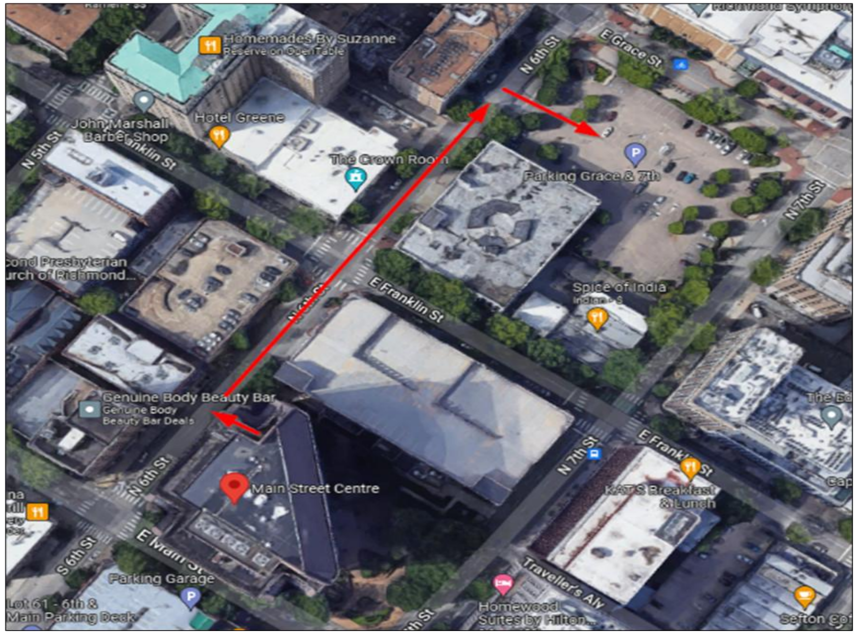
- Welcome and Introductions (Chair)
- Safety Briefing
- Approval of Minutes from May 12, 2026 Meeting
- Comments from DRPT Director
- Recap from May Meeting and Cohort Workshops
- TRIP Policy Recommendations
- MERIT Operating Policy Decision #3: Performance and Stability Fund Recommendations
- Next Meeting

DRPT Safety Briefing (600 East Main Street, 21st Floor)



Note: Those needing assistance wait on the landing of Stairwell 2.

Assemble at 6th & Grace Street



In Case of Evacuation

AED & First Aid Kit

AEDs – outside Madison conference room and in Main Kitchen

First Aid Kit – Located in kitchen areas.

Fire Extinguishers & Alarms

Fire Extinguishers – Located in the Kitchen, and near Stairwells.

Security & Active Shooter

If you See something, Say something

Flee. Hide. Fight.

Remote Participation

Be aware of phishing emails and scams.

Know your medical emergency and evacuation strategies.

Approval of the Minutes from May 12, 2026

Comments from the DRPT Director

Recap from May Meeting and Outreach Feedback

VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION

May TSDAC Meeting Recap

- Reviewed input from Round 1 of Cohort Workshops
- Identified recommended MERIT Operating sizing metric weights for each cohort:

Cohort	Operating Cost	Ridership	Revenue Hours	Revenue Miles
Rural	50%	20%	15%	15%
Small Urban	45%	25%	15%	15%
Large Urban	40%	30%	15%	15%

- Discussed the MERIT Operating Performance and Stability Fund concepts. Identified recommendations for the Performance and Stability Fund framework:
  - Cohorting revenues in the Performance and Stability Fund: Large Urban (81%), Small Urban (12%), and Rural (7%)
  - Allowing agencies to exceed their 30% cap through Performance funding
- Identified recommended project and applicant eligibility requirements for each TRIP subcategory

Outreach Feedback

Rural Cohort Workshop: May 18th

- Good attendance: 23 transit agency staff representing 14 of 19 Rural transit agencies
- No questions of concern. A couple clarifying questions were captured
- Interactive polling suggested that rural agencies have a preference on using cost efficiency and cost effectiveness measures over productivity measures

Small Urban Cohort Workshop: May 18th

- Good attendance: 10 transit agency staff representing 7 of 9 Small Urban transit agencies
- Very few questions, but no one raised any concerns about the recommendations
- Interactive polling suggested that small urban agencies have a preference on using cost efficiency and cost effectiveness measures over productivity measures

Outreach Feedback

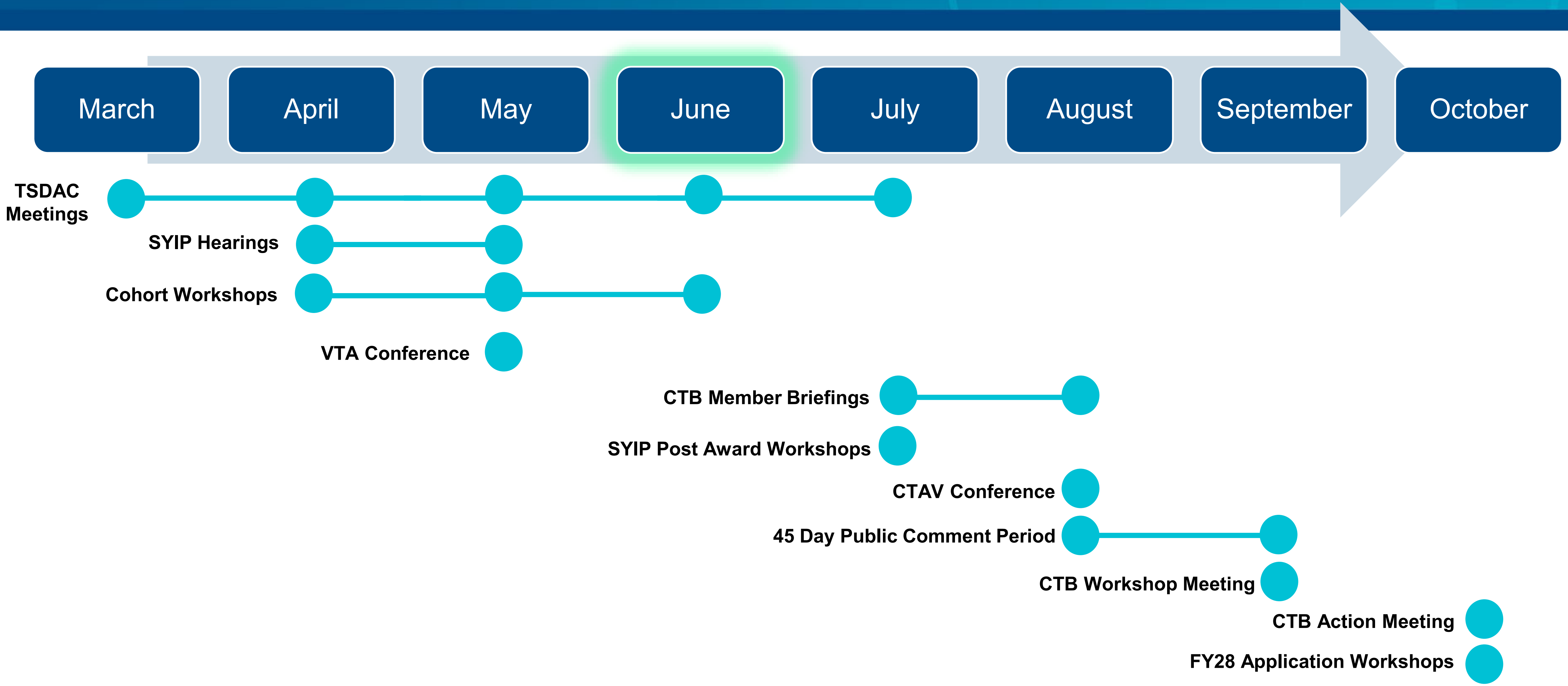
VTA Conference Sessions: May 19-20

- DRPT facilitated two (2) sessions at the Virginia Transit Association (VTA) Conference in Fredericksburg
- Both sessions were well-attended. Most attendees were Large Urban/Small Urban transit agency staff or consultants
- Questions raised about the binary nature of the Performance Funding and how DRPT will continue to incentivize agencies that are consistent good performers
- Questions about using additional data in the formula (ex: population)
- No significant concerns were raised with the recommendations
- Interactive polling suggested that urban agencies have a preference on using productivity measures over cost efficiency and cost effectiveness measures

TSDAC Timeline and Schedule

	March	April	May	June	July
	March 10	*April 14*	*May 12*	*June 2*	*July 7*
MERIT Operating	• Finalize Capital Policy Recommendations • Introduce Cohort Concept	• Finalize Cohorts • Introduce Sizing Metric Concept	• FY27 Draft SYIP Review • Finalize Sizing Metric • Introduce Performance & Stability Fund Concept	• Finalize Performance & Stability Fund	• Finalize MERIT Operating Policy Recommendations • Begin CTB briefings for MERIT Operating Policy Changes
Transit Ridership Incentive Program (TRIP)		• Review Current TRIP Policy and Legislative Changes	• Introduce Proposed TRIP Policy Changes and Definitions	• Refine Proposed TRIP Policy Changes	• Finalize TRIP Policy Recommendations • Begin CTB briefings for TRIP Policy Changes

Outreach Schedule



TRIP Policy Recommendations

Summary of DRPT Policy Recommendations

#	TRIP Policy Recommendations	Program Framework For inclusion in FY28 grant cycle.	Program Details For inclusion after FY28 grant cycle.	Status
1	**Expanded Program Eligibility**	Add local governments.		
2	**Regional Connectivity**	Rural providers now eligible. Define regional significance. Capital and operating eligible projects.		
3	**Zero and Reduced Fare**	Add transit-dependent individuals.	Examine ongoing support for systemwide zero-fare efforts.	
4	**Enhanced Mobility Innovation**	Program concepts and projects.		
5	**Passenger Amenities and Safety**	Combine former categories.		

Who is eligible to receive TRIP funding?

- Recipients of MERIT – Operating Assistance
- Metropolitan Planning Organizations
- Planning District Commissions
- Other statewide or regional bodies
    - Ex. Regional Transportation Authorities, Area Agencies on Aging, etc.

DRPT Recommendation #1

- + other local governments, including tribes with federal or state recognition
    - (projects must have nexus with public transportation).

TRIP Regional Connectivity

"… encouraging the identification and establishment of routes of regional significance;"

What We Heard

1. Support program eligibility for urban and rural providers.
2. Support recognition of varied regional priorities.
3. More popular among urban agencies, but many rural agencies were previously ineligible.
4. Desire stable, long-term funding.

DRPT Recommendation #2

Routes of regional significance are public transit routes or service areas that address regional travel needs as described in a plan or study at a regional level.

Eligible projects are those that identify, establish, or improve of routes of regional significance, including:

i. Capital projects such as the establishment of bus-only lanes, implementation of integrated fare collection, or enhanced passenger amenities.
ii. Operating projects such as enhancements to service frequencies or expansions of areas served.

TRIP Zero and Reduced Fare

"…supporting the establishment of programs to reduce the impact of fares on low-income individuals;"

What We Heard

1. General agreement that zero and reduced fare programs are best at incentivizing ridership.
2. Rural cohort found zero and reduced fare programs more essential than urban cohorts.
3. A diverse array of local, regional, public, and private sources support zero and reduced fare programs in addition to TRIP.
4. Request for additional state assistance for fare-free transit systems.
5. Request to improve support for rural agencies considering transitioning to fare-free service.

DRPT Recommendation #3

Eligible Projects:

i. the provision of subsidized or fully free passes to low-income or other transit-dependent populations
ii. the elimination of fares on high-capacity corridors, establishing 'zero fare zones' (net fares, less the cost of fare collection)
iii. deployment of an entirely zero fare system (net fare, less the cost of fare collection)
iv. fare policy planning

Further Examination: After upcoming grant cycle, study feasibility of providing additional assistance specific to fare-free systems and potential for cohort-based guidance.

TRIP Enhanced Mobility Innovation

"... encouraging innovative approaches to micromobility, paratransit, and other specialized transportation;"

What We Heard

1. New program concept, scored as least essential.
2. Interest in restricted-eligibility microtransit services

DRPT Recommendation #4

Eligible Projects:

i. Innovative approaches to micromobility, including
   - Capital or operating projects that improve first or last-mile connections to public transportation.

ii. Innovative approaches to specialized transportation, including
   - Capital or operating projects, including for software, that improve the coordination of specialized or other human service transportation services.
   - Other innovative approaches to supporting the mobility of older adults, people with disabilities, or other groups with special transportation needs.

TRIP Passenger Amenities and Safety

"…supporting local, regional, and state entities in improving the accessibility and safety of transit bus passenger facilities."

What We Heard

1. Most essential TRIP category.
2. Most eligible projects also eligible for funding through MERIT – Capital.

DRPT Recommendation #5

Eligible Projects:

i. the improvement or addition of bus stops
ii. the improvement of other bus passenger facilities
iii. bus stop or passenger facility planning
iv. public safety equipment, planning, programming, or training

Summary of DRPT Policy Recommendations

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3	**Zero and Reduced Fare**	Add transit-dependent individuals.	Examine ongoing support for systemwide zero-fare efforts.	
4	**Enhanced Mobility Innovation**	Program concepts and projects.		
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MERIT Operating Policy Decision #3

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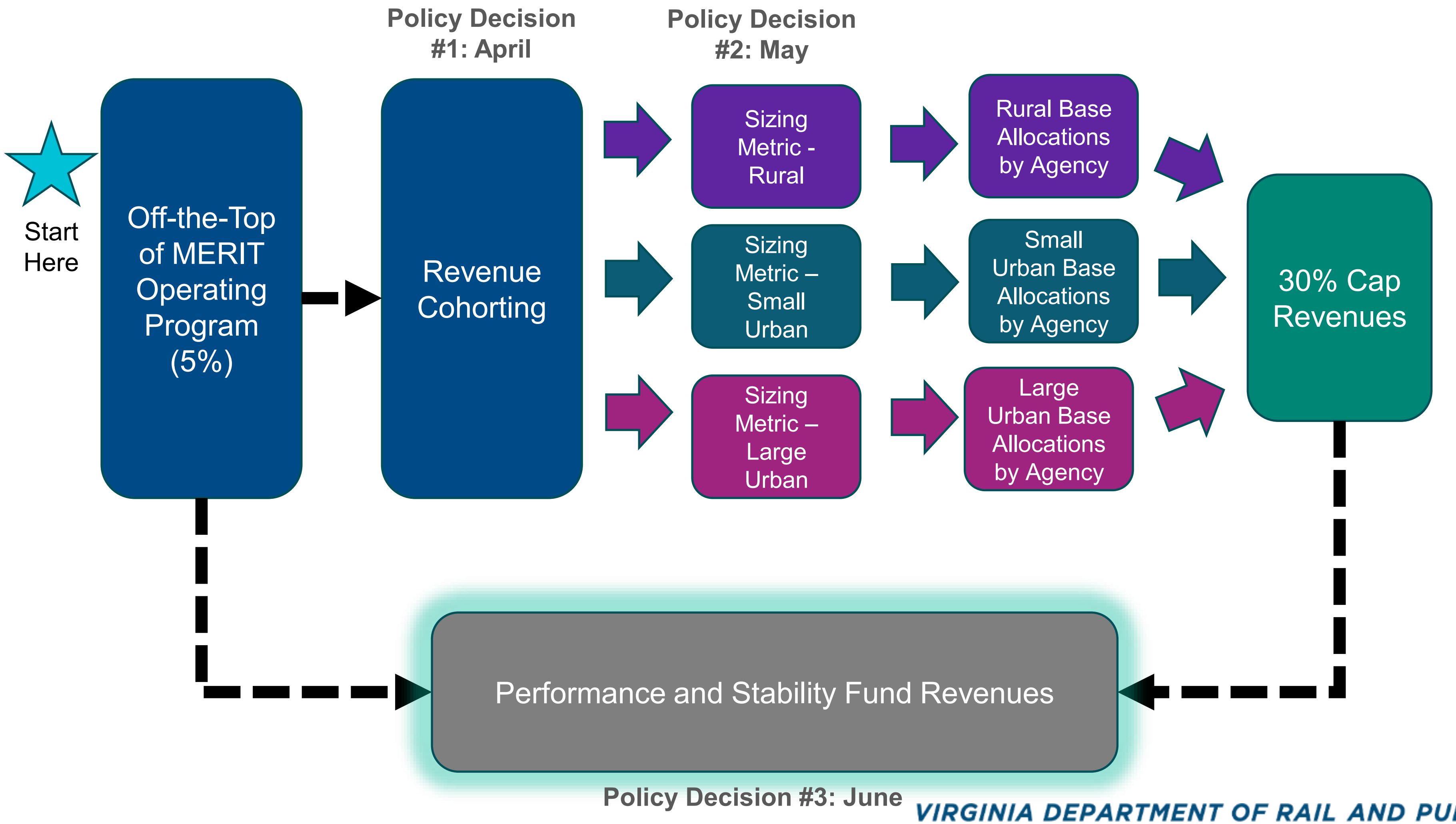
Full Cohorting Conceptual Process



New Formula Conceptual Process: Rural

Base Allocations
(95% of Rural Revenues)

Rural Sizing Metric

Operating Cost: 50%
Ridership: 20%
Revenue Hours: 15%
Revenue Miles: 15%

- Capped at 30% of Agency Operating Expenses
- Utilizes 3-year average data

+

Performance and Stability Allocations
(5% of Rural Revenues)

Rural Performance Metrics

Metric #1: ?
Metric #2: ?
Metric #3: ?

- Performance funding available for all agencies (no cap)
- Utilizes single year data
- Stability funding provided to agencies who experience significant formula anomalies

=

Total Allocations by Agency

New Formula Conceptual Process: Small Urban

Base Allocations (95% of Small Urban Revenues)

Performance and Stability Allocations (5% of Small Urban Revenues)

Small Urban Sizing Metric

Operating Cost: 45%
Ridership: 25%
Revenue Hours: 15%
Revenue Miles: 15%

- Capped at 30% of Agency Operating Expenses
- Utilizes 3-year average data

+

Small Urban Performance Metrics

Metric #1: ?
Metric #2: ?
Metric #3: ?

- Performance funding available for all agencies (no cap)
- Utilizes single year data
- Stability funding provided to agencies who experience significant formula anomalies

=

Total Allocation by Agency

New Formula Conceptual Process: Large Urban

Base Allocations
(95% of Large Urban Revenues)

Large Urban Sizing Metric

Operating Cost: 40%
Ridership: 30%
Revenue Hours: 15%
Revenue Miles: 15%

- Capped at 30% of Agency Operating Expenses
- Utilizes 3-year average data

+

Performance and Stability Allocations
(5% of Large Urban Revenues)

Large Urban Performance Metrics

Metric #1: ?
Metric #2: ?
Metric #3: ?

- Performance funding available for all agencies (no cap)
- Utilizes single year data
- Stability funding provided to agencies who experience significant formula anomalies

=

Total Allocation by Agency

Policy Decision #3

- 3c: What should be the performance metrics and associated targets for the Rural cohort?
- 3d: What should be the performance metrics and associated targets for the Small Urban cohort?
- 3e: What should be the performance metrics and associated targets for the Large Urban cohort?
- 3f: Should performance targets be set in policy or dynamic year-over-year?
- 3g: Defining the framework for Stability funding

Performance Funding

Transit Performance Measures

Metric Type	Definition	Performance Measures
Cost Efficiency	Measures how efficiently a system is run regardless of passenger usage	• **Operating Cost/Revenue Hour** • **Operating Cost/Revenue Mile**
Cost Effectiveness	Compares the cost of providing service to outcomes resulting from service provision	• **Operating Cost/Passengers**
Productivity	Measures how many passengers are served per unit of service	• **Passengers/Revenue Hours** • **Passengers/Revenue Miles**
Service Utilization	Examines the passenger load of transit service	• **Passenger Miles Traveled (PMT)/Revenue Hour** • **Passenger Miles Traveled (PMT)/Revenue Mile**

Performance Concept Example

Measure	Measure 1	Measure 2	Measure 3	
Threshold for Performance Funding	Target: A	Target: B	Target: C	Targets Hit
Agency A	X	✓	X	1
Agency B	✓	X	X	1
Agency C	✓	X	✓	2

Performance Metric Considerations

Defining Performance Metrics

- Need to focus on which metrics are most suitable for the *cohort area*, not for specific agencies
- Metrics should be used to incentivize good/better performance
- The more metrics selected, the less funding will be available per target surpassed

Defining Performance Targets

- Need to identify targets that could act as reach goals for agencies rather than the average
- Only agencies that surpass targets will receive Performance funding

Policy Decision #3c: What should be the performance metrics for the Rural cohort?

- DRPT recommends using the following performance metrics for the Rural cohort:
  - Cost per Hour
  - Cost per Mile
  - Cost per Passenger

- DRPT recommends utilizing a 60th percentile target for each metric to determine which agencies will receive Performance funding.

Policy Decision #3d: What should be the performance metrics for the Small Urban cohort?

- DRPT recommends using the following performance metrics for the Small Urban cohort:
  - Passengers per Hour
  - Passengers per Mile
  - Passenger Miles Travelled per Mile

- DRPT recommends utilizing a 60^{th} percentile target for each metric to determine which agencies will receive Performance funding.

Policy Decision #3e: What should be the performance metrics for the Large Urban cohort?

- DRPT recommends using the following performance metrics for the Large Urban cohort:
  - Passengers per Hour
  - Passengers per Mile
  - Passenger Miles Traveled per Mile
  - Passenger Miles Traveled per Hour

- DRPT recommends utilizing a 60th percentile target for each metric to determine which agencies will receive Performance funding.

Policy Decision #3f: Should performance targets be set in policy or dynamic year-over-year?

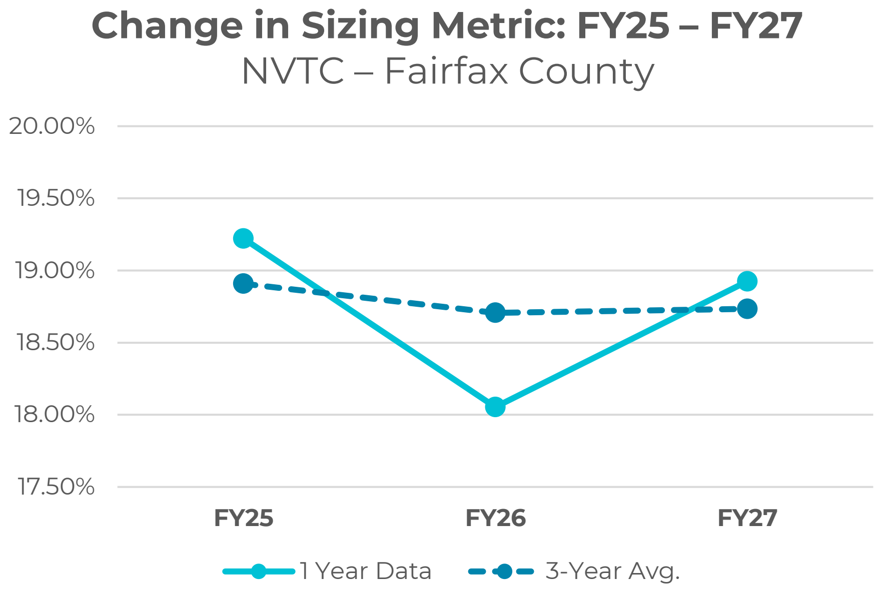
- DRPT recommends setting performance targets in policy, to be reviewed by TSDAC and DRPT at least every three years.

- Identifying performance targets in policy will provide more transparency to our transit agencies as targets will not move year-over-year

Stability Funding

Stability Considerations

- By incorporating a *3-year average in the Sizing Metric*, all agencies will have more stable cost, ridership, hours, and miles metrics under the new formula
- Stability funding could apply to the following primary circumstances:
  - Operating costs drop due to labor or administrative circumstances by output metrics stay the same or in increase
  - Natural disasters or other unpredictable events that specifically impact a small number of agencies
- If this had been applied between FY20 and FY27:
  - This would have impacted less than 5 agency allocations across all years
  - The average financial implication would have been under $500k each time



Policy Decision #3g: Defining the Framework for Stability Funding

- DRPT will run the full formula each year and then look for significant anomalies
- If significant anomalies are apparent, DRPT will work closely with the transit agency with the anomaly to better understand the underlying data and potential need for stability funding
- If stability funding is needed, policy will provide the DRPT Director the authority to recommend the use of stability funding
- DRPT will clearly identify to TSDAC, stakeholders, and the CTB any recommendations for stability funding and the rationale for using it

Discussion

Recap

Recap of DRPT Policy Recommendations

#	Policy Recommendations – MERIT Capital	Status
0	Add new subcategories to MERIT Capital and develop new scoring methodology for MAJ-SGR	✓
0	Remove 5 vehicle or 5% fleet threshold for MAJ projects in MERIT Capital policy and score all vehicle expansion projects as MIN	✓
0	Remove underutilized incentive categories and add good grants management incentive category in MERIT Capital policy	✓

Recap of DRPT Policy Recommendations

#	Policy Recommendations – MERIT Operating	Status
1a	Cohorts will be defined as Rural, Small Urban, and Large Urban. The list of agencies by cohort will be revisited every 3 years or following a decennial census, whichever comes first.	✓
1b	Total MERIT Operating revenues will be apportioned as follows: Rural (7%), Small Urban (12%), Large Urban (81%). These apportionment percentages will be reviewed at least every 3 years.	✓
2a	Use a three (3) year average dataset for operating costs, vehicle revenue miles (VRM), vehicle revenue hours (VRH), and ridership in the Sizing Metric.	✓
2b	Sizing Metric Weights for Rural Cohort: 50% Cost, 20% Ridership, 15% Revenue Miles, 15% Revenue Hours	✓
2c	Sizing Metric Weights for Small Urban Cohort: 45% Cost, 25% Ridership, 15% Revenue Miles, 15% Revenue Hours	✓
2d	Sizing Metric Weights for Large Urban Cohort: 40% Cost, 30% Ridership, 15% Revenue Miles, 15% Revenue Hours	✓

Recap of DRPT Policy Recommendations (cont'd)

#	Policy Recommendations – MERIT Operating	Status
3a	Cohorting the Performance and Stability Fund revenues using the same distribution percentages as defined in Policy Decision #1b	✓
3b	Allow agencies who hit their 30% cap in the Sizing Metric to be eligible for Performance funding	✓
3c	Utilize Cost per Hour, Cost per Mile, and Cost per Passenger as the performance metrics for the Rural cohort. Utilize a 60th percentile target for each metric to determine which agencies will receive Performance funding.	
3d	Utilize Passengers per Hour, Passengers per Mile, and Passenger Miles Travelled per Mile as the performance metrics for the Small Urban cohort. Utilize a 60th percentile target for each metric to determine which agencies will receive Performance funding.	
3e	Utilize Passengers per Hour, Passengers per Mile, Passenger Miles Travelled per Hour, and Passenger Miles Travelled per Mile as the performance metrics for the Large Urban cohort. Utilize a 60th percentile target for each metric to determine which agencies will receive Performance funding.	

Recap of DRPT Policy Recommendations (cont'd)

#	Policy Recommendations – MERIT Operating	Status
3f	DRPT recommends setting performance targets in policy, to be reviewed by TSDAC and DRPT at least every three years.	
3g	DRPT will run the MERIT operating formula to identify potential significant anomalies. If significant anomalies are identified, DRPT will work with the agency that experienced that anomaly to better understand the underlying data and need for Stability funding. The DRPT Director will have the discretion to provide Stability funding and will report the use of such funding to TSDAC, stakeholders, and the CTB.	

Recap of DRPT Policy Recommendations

#	Policy Recommendations – TRIP Program	Status
1	Expanded eligibility to all local governments	
2	Regional Connectivity - definitions and program guidance	
3a	Zero and Reduced Fare – definitions and program guidance	
3b	Zero and Reduced Fare - request to consider ongoing support for systemwide zero-fare efforts	
4	Enhanced Mobility Innovation – definitions and program guidance	
5	Passenger Amenities and Safety – retain eligible project types and program guidance	

Next Steps

Next Steps

Action Items for TSDAC Members:

- Meet with agencies/partners you represent to get feedback on what was discussed at today's meeting and prepare to make final policy recommendations on the MERIT Operating and TRIP programs at the July TSDAC meeting.

Action Items for DRPT:

- Conduct one (1) virtual Stakeholders Workshop prior to the July TSDAC meeting to solicit feedback on the full set of recommendations
- At the July TSDAC meeting include a Public Comment item on the agenda (3 min limit per speaker)

Adjourn

VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION