

**RESOLUTION
OF THE
COMMONWEALTH TRANSPORTATION BOARD**

March 21, 2019

MOTION

Made By: Seconded By: Action:

Title: Policy for the Implementation of Performance Based State Transit Operating Allocation

WHEREAS, Section 33.2-1526.1 of the *Code of Virginia* provides that the Commonwealth Transportation Board shall allocate thirty-one percent of the Commonwealth Mass Transit Fund to support operating costs of transit providers; and

WHEREAS, Section 33.2-1526.1 of the *Code of Virginia* provides that the Commonwealth Transportation Board shall establish service delivery factors, based on effectiveness and efficiency, to guide the relative distribution of such funding; and

WHEREAS, the Department of Rail and Public Transportation has consulted with the Transit Service Delivery Advisory Committee in the development of this performance based allocation process; and

WHEREAS, the Transit Service Delivery Advisory Committee adopted the following policy objectives to guide their deliberations: promoting fiscal responsibility, incentivizing efficient operations, supporting robust transit service, rewarding higher patronage, promoting mobility, supporting a social safety net, and utilizing data that exists for all agencies; and

WHEREAS, the Commonwealth Transportation Board adopted Strategic Planning Guidelines on October 30, 2018, which are intended to guide urban transit agencies through an evaluation of their services that would ultimately improve system performance over time; and

WHEREAS, the Department of Rail and Public Transportation has solicited input from localities, metropolitan planning organizations, transit authorities, and other stakeholders in the development of the performance based allocation process; and

NOW THEREFORE BE IT RESOLVED, the Commonwealth Transportation Board hereby adopts the following policy for the allocation of operating funding pursuant to subdivision C of 33.2-1526.1 of the *Code of Virginia*:

1. For the purposes of system sizing the following metrics will be applied:

Bus Systems:

Operating Cost (50%)

Ridership (30%)
Revenue Vehicle Hours (10%)
Revenue Vehicle Miles (10%)

2. A ~~funding pool~~separate sizing metric shall be created, for the purpose of allocating funds to commuter rail systems based on the performance of commuter rail systems, relative to all other modes on the basis of:

Passenger Miles Traveled (33%)
Revenue Vehicle Hours (33%)
Revenue Vehicle Miles (33%)

3. For the purpose of performance adjustment the following metrics will be applied to all systems:

Passengers per Revenue Vehicle Hour (20%)
Passengers per Revenue Vehicle Mile (20%)
Operating Cost per Revenue Vehicle Hour (20%)
Operating Cost per Revenue Vehicle Mile (20%)
Operating Cost per Passenger (20%)

4. In order to ensure an even distribution of funding, the share of state operating assistance will be capped at 30% of an agency's operating cost. Unallocated balances remaining after applying the cap will be run through the performance based formula to ensure full allocation of the available operating funding.

5. Agencies that receive an increase in state assistance as a result of the performance based formula are encouraged to invest the increased allocation into sustaining and expanding service options.

BE IT FURTHER RESOLVED, the Board recognizes the potential impacts associated with implementation of this policy and hereby adopts the following policy for the allocation of operating funding for fiscal year 2020 only:

1. For the purposes of system sizing the following metrics will be applied in FY2020:

Bus Systems:

Operating Cost (60%)
Ridership (20%)
Revenue Vehicle Hours (10%)
Revenue Vehicle Miles (10%)

2. ~~The Transit Service Delivery Advisory Committee encouraged the Board to consider a second transition year in FY2021.~~Supplemental assistance will be provided for FY2020 to any

mass transit provider that receives a reduction in operating assistance as a direct result of the implementation of the performance based allocation methodology. The impact will be determined by comparing FY20 allocations under the prior formula to the FY20 allocations under the new formula. The supplemental assistance shall not exceed \$3 million.

BE IT FURTHER RESOLVED, the Board hereby directs the Director of the Department of Rail and Public Transportation to take all actions necessary to implement and administer this policy and process, including, but not limited to preparation of program guidance and outreach consistent with this resolution.

BE IT FURTHER RESOLVED, the Board hereby directs the Director of the Department of Rail and Public Transportation to analyze the outcomes of this process on an annual basis and to revisit the process at least every three years, in consultation with the Transit Service Delivery Advisory Committee, transit agencies, metropolitan planning organizations, and local governments prior to making recommendations to the Commonwealth Transportation Board.