

Good afternoon.

I wish to submit the following to the public comments concerning the proposed update and changes to MERIT operating and capital assistance.

When the funding formulas were first introduced (several years ago), our understanding was that performance measures and cost control would have a greater impact on the funding results. Measures such as revenue miles and revenue hours would have a greater influence when controlled and reduced to streamline service costs while providing the same service to the public. This was not the case. We focus on cost control and have always felt this was unfair.

We understand that we are a very small part of the system but our population deserves the same transportation opportunities as the rest of Virginia. They definitely need it more. We appreciate the funding and assistance that DRPT provides to us, we would not exist without it.

We support the proposed changes to the MERIT operating and capital assistance program and formula. This is a much needed change.

Thank you for your consideration.

**Joe Ratliff
Division Director of Transportation
Appalachian Agency for Senior Citizens
Four County Transit**

November 14, 2025

Mr. Trogden,

Bay Transit:

After review of the proposed formulas Alt. 1 single year performance would be more advantageous for Rural Transit companies with door-to-door service like Bay Transit.

Alt 2 is going to be more advantageous for a fixed route system because of passengers per vehicle revenue hour and passenger per vehicle revenue mile.

Bay transit would propose that Alt 1 is implemented.

Thank you

David Fols

October 17, 2025

I am pulling a two pager together about the MERIT changes and I have a (most likely a few more) question.

What is the average increase and decrease from the performance adjustment for the current operating formula and the proposed operating formula?

Second question.

Since the proposed formula is actually two separate formulas, 95% based on sizing and 5% based on performance. Let's say an agency gets \$95,000 based on the sizing portion. Can that amount be reduced due to poor performance compared to the statewide average ie they end up with \$92,000 or will the separate 5% performance formula only increase an agencies support allocated from the sizing formula?

Danny Plaughter, Virginia Transit Association, October 9, 2025

Response—Zach Trogdon, October 16, 2025

This is difficult to answer as the proposed formula is structured differently from the current formula. As you know, the current formula works by determining an allocation according to the sizing factor and then that amount is adjusted up or down when the performance trend adjustment factors are applied. The data we ran in our scenarios showed that the average impact across all agencies from the current formula over the past three was -1.7%, meaning that agencies sizing allocations decreased by that percentage. We have attached a spreadsheet that shows these calculations and you can see that there is a lot of variability in impacts each year.

The proposed formula only increases an agency's sizing allocation. However, this sizing allocation is being computed off of 95% of the funding available and the percentages applied to each of the sizing factors have been changed from the current formula. We can say that the math shows an average increase of 3.7% across all agencies with the proposed formula, but it is not really possible to compare the two given the formula differences.

I will mention something we have said in other engagements is that the vast majority of an agency's allocation is determined by the sizing factor calculation (which also uses performance-based criteria) and changes in those factors are going to be the most noticeable versus changes in the performance adjustments. The proposed formula, while structured differently, is not fundamentally changing the current approach and is

instead intended to make the process simpler and more performance-based while better rewarding good performance overall.

Thank You

I sat through Monday's TSDAC and feel a little better about the new MERIT formula. However, in the presentation, the consultant had only run numbers of a handful of agencies, not all. During our board retreat last month we discussed whether they could run our numbers. Can you ask them to do so?

Matthew Scalia, Williamsburg Area Transit, October 8, 2025

Response (Aaron Clark, October 9, 2025):

Please see the attached slides. WATA was included on the projections, but they weren't highlighted. I missed it too until I got my hands on a copy of the presentation.

I drew a quick box around the WATA numbers on slides 13, 18, 19, and 20 for reference. Please let me know if you want to discuss further!

Response (Dan Sonenklar, October 9, 2025):

If the amount is the same for all scenarios presented, that means that WATA is hitting the 30% cap in each approach. That applies to handful of agencies in the state.

Good morning, and thank you for reaching out. I refrained from speaking during the meeting as I was waiting for the Public Comment period and did not want to interrupt.

It would be helpful for us to meet with the appropriate stakeholders to discuss how the proposed changes may affect Loudoun County. Unfortunately, while the charts presented during yesterday's TSDAC meeting were factual, they did not reflect the full picture. The presentation showed Loudoun with a 2%–3% decrease in funding based on the three-year average of state operating funding (\$3.6M). In reality, Loudoun is receiving \$4.6 million in state operating assistance in FY26. Based on the presentation charts, the reduction in funding from FY26 to FY27 will therefore be closer to 25% (approximately \$1M) under the proposed formula scenarios.

Regarding the sizing component, Loudoun County downsized its transit operations during the pandemic (pre-FY23), as reflected in the chart below, and then ramped services back up in FY24 to accommodate the new Metrorail stations. As a result, Loudoun experienced decreased state operating funds in FY24 and FY25 due to reduced service levels in FY22 and FY23, followed by an increase in FY26 due to the expansion of service in FY24. In FY23, Loudoun

applied for and received a TRIP grant to help offset the loss of state operating assistance; however, that TRIP funding ends in FY27. The chart below provides a visual representation of the projected decline in state funding in FY27.



	State Operating Assistance (SOA)	SOA % of operating budget	TRIP Grant - State Portion	Total State Funding (SOA + TRIP)	Total Operating Budget	Total Local Tax Funding (operating budget less SOA & TRIP)	Total Service
FY 2023	\$ 5,207,681	26%	\$ 2,343,115	\$ 7,550,796	\$ 19,723,577	\$ 12,172,781	108,351
FY 2024	\$ 3,156,033	12%	\$ 1,794,489	\$ 4,950,522	\$ 25,358,185	\$ 20,407,663	160,389
FY 2025	\$ 3,226,579	12%	\$ 1,533,698	\$ 4,760,277	\$ 26,233,305	\$ 21,473,028	166,804
FY 2026	\$ 4,616,923	15%	\$ 940,070	\$ 5,556,993	\$ 30,891,441	\$ 25,334,448	203,036
FY 2027	\$ 3,600,000	10%	\$ 639,439	\$ 4,239,439	\$ 36,263,818	\$ 32,024,379	220,326

Projected based on TSDAC presentation

Projected in county budget

Lastly, I would like to state that I concur with the point that all operating expenses should be considered when using the sizing formula and offsetting revenues should be left out of the sizing formula.

Scott Gross, Loudoun County Transit, October 7, 2025

Response-Sarah Husain, October 9, 2025

Hi Scott—

Thanks for chatting with me a few days back; I am following up via email as promised.

As discussed, the numbers in the slide presented do not represent an estimated future allocation. The \$3.67 million under “Current Formula” is an average of what Loudoun County received for FY24, FY25, and FY26 (\$3.2m, \$3.2m, and \$4.6m respectively).

The two columns to the right show the difference in what you would have received during those same fiscal years (FY24-FY26) under two scenarios:

- "Sizing + Performance Adjust (Single Year Performance)" highlights the difference in average actual allocations from FY24-26 and what the average of what the allocations would have been in FY24-26 under the new formula with one year of performance data.
- “Sizing + Performance Adjust (3-Year Average Performance)” is similar, but highlights the difference under the new formula with an average of the past 3 years of performance data.

Grant line	Current Formula	Single • Performance Adjustment (Single Year Performance)		Single • Performance Adjustment (3-Year Average Performance)	
		\$ Difference	% Difference	\$ Difference	% Difference
AAAC / 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%	\$ 11,889	9%
Charlottesville Area Transit	\$ 2,971,812	\$ (16,206)	-1%	\$ (10,810)	0%
FRID / Fredericksburg Regional Transit	\$ 1,071,485	\$ (79,757)	-7%	\$ (90,110)	-8%
City of Suffolk	\$ 438,651	\$ 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	\$ 218,973	13%	\$ 262,189	15%
Town of Altavista	\$ 41,042	\$ 4,038	10%	\$ 4,038	10%
Loudoun County	\$ 3,666,512	\$ (85,640)	-2%	\$ (78,529)	-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	\$ 748,070	4%	\$ 794,362	4%
Blacksburg Transit	\$ 3,483,121	\$ (0)	0%	\$ (0)	0%
City of Radford	\$ 501,124	\$ 56,701	11%	\$ 61,005	12%
Greater Roanoke Transit Company	\$ 3,271,540	\$ 230,908	7%	\$ 248,736	8%
Pulaski Area Transit	\$ 199,411	\$ 26,445	13%	\$ 25,532	13%
Central Shenandoah POC	\$ 657,710	\$ 87,513	13%	\$ 94,161	13%
City of Harrisonburg Dept. of Public Transport	\$ 1,997,493	\$ 0	0%	\$ 0	0%
City of Winchester	\$ 487,667	\$ 2,628	1%	\$ 4,790	1%
Bay Aging	\$ 1,190,937	\$ (4,656)	0%	\$ (5,226)	0%
Blackstone Area Bus	\$ 189,468	\$ 0	0%	\$ 0	0%
JAUJNT	\$ 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

VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION

As you noted, Loudoun County's FY26 allocation reflects a very different operation from your FY24 and FY25 allocations-- while the three-year average worked well for most transit agencies, the \$3.67 million was concerning to you.

One additional note: the MERIT Operating process for FY27 is remaining the same -- any changes that are proposed as part of this process would not go into effect until FY28.

We discussed internally about trying to provide a future year projection but unfortunately, there are too many variables to provide a confident number.

Thanks in advance for your patience in returning your email--please let us know if this does not address your concerns or you would like to discuss further.