



TSDAC Meeting

October 19, 2026



Today's Agenda

- Welcome and Introductions (Chair)
- Approval of Minutes from the July 7, 2026 Meetings
- Comments from DRPT Director
 - Recap of 2026 & Look Ahead
- MERIT Capital: Program Framework and Formula Pilot
- Draft CY 2027 Work Plan
- Wrap Up and Discussion

Approval of Minutes from July 7, 2026 TSDAC Meeting

Comments from the DRPT Director

Recap of 2026 & Look Ahead

Recap of 2026 & Look Ahead

TSDAC Membership Changes

- Paula Melester (CSPDC/BRITE) appointed to TSDAC
- Jim Dyke departs TSDAC
- Garland Williams (CAT) appointed to TSDAC

2026 Engagement Summary:



MERIT Capital: Program Framework and Formula Pilot

MERIT Capital – What We Heard in 2026

- While the new MERIT Operating formula helps address better funding **predictability** and **stability** for routine operating expenses, MERIT Capital funding remains uncertain given the discretionary nature of the program
- From the Southern Environmental Law Center's Public Comments:
 - *While DRPT's proposed changes to the MERIT Operating Program attempt to reduce the variations in allocations from year to year that make it difficult for transit agencies to plan and budget operating expenses, there does not appear to be any proposal to address the exact same problem in the MERIT Capital Program. If anything, the problem is more severe for capital funding, and year-to-year allocations hamper the ability to make needed investments to maintain state of good repair and to expand services*

MERIT Capital – What We Heard in 2026

- From the Virginia Transit Association's Comments:
 - ***Provide DRPT with greater flexibility to pilot innovative approaches***—either directly or in partnership with transit agencies—that have the potential to make public transportation more efficient, effective, reliable, and responsive to the communities it serves.
 - ***Improve the administration of the MERIT Capital Program through greater use of multi-year funding commitments.*** Providing additional opportunities for multi-year commitments would help transit agencies and their state, regional, and local funding partners better plan for major capital investments and deploy limited resources more efficiently over multiple fiscal years.
 - ***Establish a streamlined capital funding allocation for minor capital needs.*** DRPT should consider dedicating a small portion of the annual MERIT Capital Program allocation to a direct, formula-based capital allocation for transit agencies, potentially based on each agency's share of MERIT Operating funding. Agencies could use these funds for routine, low-cost capital needs—such as computers, office equipment, tools, and other minor equipment purchases—without requiring these relatively small expenditures to compete through the full capital grant process. Such an approach could reduce administrative burdens for both DRPT and transit agencies while allowing the competitive MERIT Capital Program to remain focused on larger and more consequential capital investments.

MERIT Capital – What We Heard in 2026

- On October 13, 2026 the CTB passed a resolution that acknowledges the need for more **reliable** and **predictable** transit funding streams to support long-term planning and “directs DRPT to explore and pilot innovative methods for allocating MERIT Capital funds, engage stakeholders proactively, and provide the Board with regular updates on this work.”

Potential MERIT Capital Funding Framework

CMTF Funding Structure*

Formula Programs

MERIT Operating Formula

- Large Urban
- Small Urban
- Rural

MERIT Capital Formula

- Urban

Discretionary Programs

Other Discretionary Programs

- TRIP
- MERIT Special

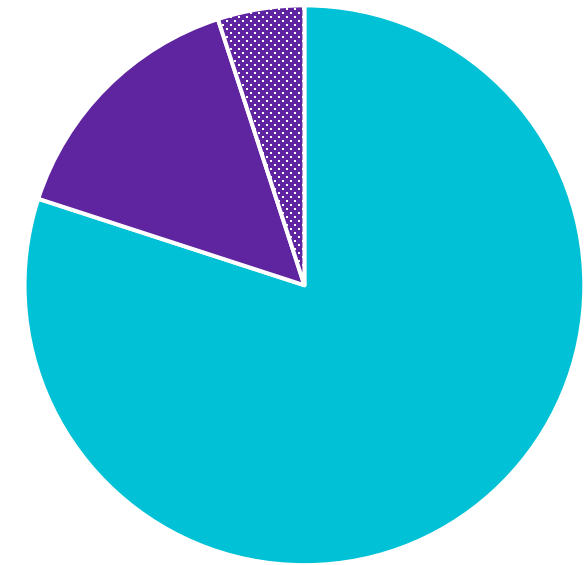
MERIT Capital Discretionary

- Rural
- Construction-only**

*Excludes WMATA and VRE allocations

**All transit agencies will be eligible to apply for DRPT discretionary programs

Hypothetical MERIT Capital Revenue Distribution



- Urban Formula
- Construction Discretionary
- Rural Discretionary

More Predictable, Responsive & Timely Funding

Formula Project	FYXX - \$10M	FYXX - \$12M	FYXX - \$14M	FYXX - \$16M
Vehicle Replacement	\$5M	\$6M	\$7M	\$8M
IT Hardware	\$1M	\$1M	\$2M	\$2M
Shop Equipment	\$1M	\$1M	\$1M	\$1M
Facility Rehab (Non-Construction)	\$3M	\$4M	\$4M	\$5M

- DRPT has no desire to micromanage small capital projects but instead wants to support our transit agencies in project delivery by focusing on technical assistance and oversight
- Transit agencies will have a more **reliable** source of capital funding and will have the ability to **shift funding** between line items (with DRPT approval) to address unforeseen capital needs.
 - *Example: Agency X programmed \$200,000 for Spare Parts in their FY29 capital formula grant but their HVAC unit experienced a catastrophic failure and needs replacement ASAP. Agency X immediately shifts \$200,000 from Spare Parts to Facility Rehab in their grant*

Overview of MERIT Capital Formula Pilot

Pilot Highlights

- DRPT has engaged eight (8) transit agencies to help test the proof of concept for a hypothetical capital formula program
- DRPT will build a pilot universe in WebGrants to test workflows and data integrity
- Intent is to “go live” with the pilot universe in late 2026 or early 2027 and test application submission & reviews, contract execution & amendments, and claim submission & approvals.
- DRPT will solicit feedback from pilot agencies and will report back to TSDAC

Formula Pilot Agencies

Greater Richmond Transit Company

Alexandria DASH

Blacksburg Transit

Valley Metro

OmniRide

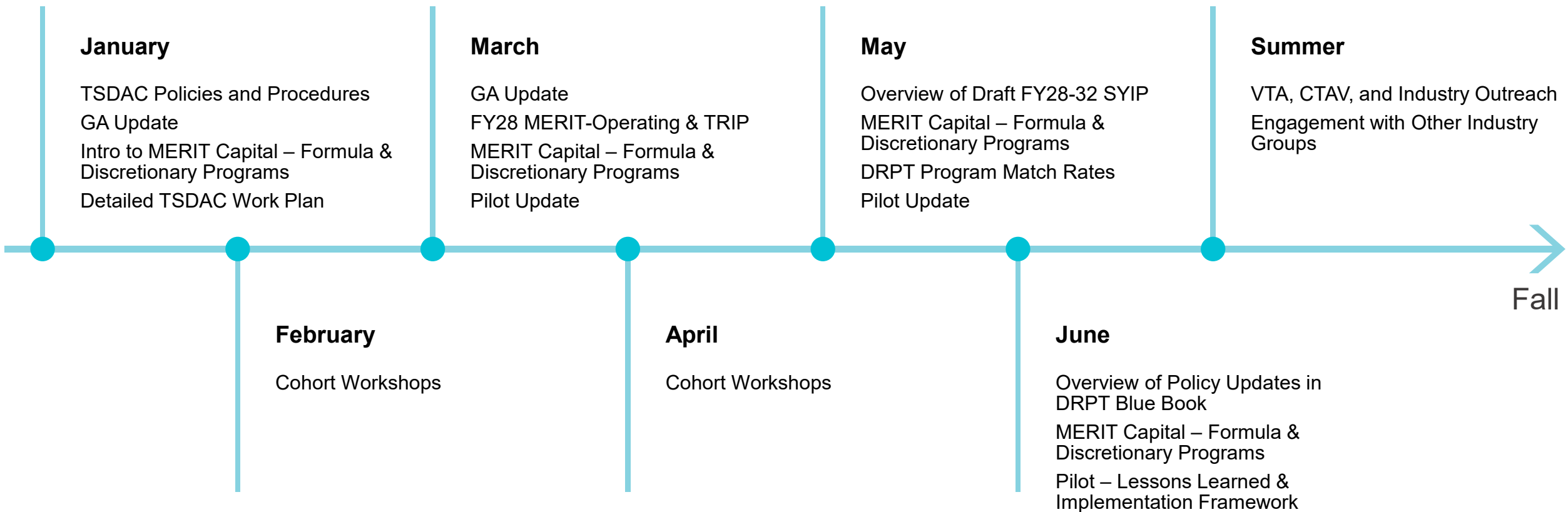
Williamsburg Area Transit Authority

Greater Lynchburg Transit Company

CSPDC/BRITE

Draft TSDAC CY 2027 Work Plan

TSDAC Draft CY27 Work Plan



Wrap Up and Discussion

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Next Steps

- Work on TSDAC Policies and Procedures framework with OAG
- Identify dates for CY27 TSDAC Meetings
 - DRPT staff will follow-up with TSDAC members to identify dates