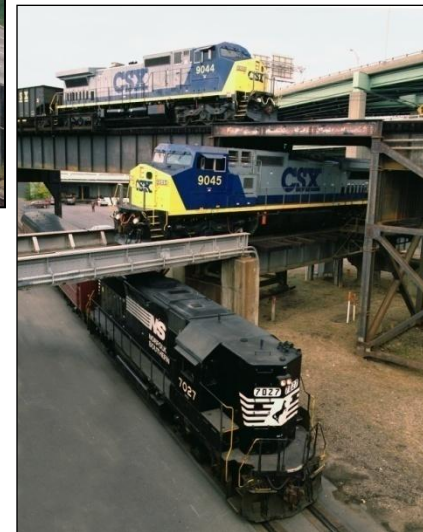


**VACO Meeting
Impacts of House Bill 2313 (Chapter 766) –
Funding for Rail and Public Transportation**

**Thelma Drake
Director
August 16, 2013**

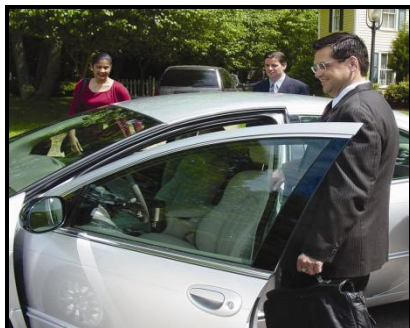
DRPT Customers

(Grantees)



- ❑ 54 Transit Systems
- ❑ 55 Human Service Operators
- ❑ 1 Commuter Rail Operator (VRE)
- ❑ 18 Transportation Demand Management Agencies – car pools/van pools
- ❑ 9 Shortline Railroads
- ❑ 2 Class I Freight Railroads (CSX, NS)
- ❑ 1 Intercity Passenger Rail Operator (Amtrak)
- ❑ 115 Private Companies currently participating in Telework!VA – transitioning tax credit

DRPT is a resource and a funding partner



Grant Programs

State Programs

- Operating Assistance**
- Capital Assistance**
- Demonstration
- Technical Assistance
- Public Transportation Intern
- TDM /Commuter Assistance
- Transportation Efficiency Improvement Funds (TEIF)**
- Senior Transportation Program
- Telework!VA
- Rail Preservation
- Rail Industrial Access
- Rail Enhancement
- Intercity Passenger Rail Operating and Capital Fund (IPROC)**

Federal Transit Administration Programs

- Sec. 5303 MPO Planning
- Sec. 5304 State Planning
- Sec. 5307 Urban Transit Formula Assistance
- Sec. 5339 Bus and Bus Facilities
- Sec. 5310 Elderly & Disabled
- Sec. 5311 Rural Transit Formula Grants
- Sec. 5316 Job Access/Reverse Commute
- Sec. 5317 New Freedom

Large urban systems receive Federal Transit Funds directly

Maximize Capacity of Existing Roadways



Transportation Funding Bill HB2313

□ Impact to DRPT

- \$300 million for the Dulles Metrorail Corridor Extension (VDOT Funds)
 - \$100 million per year for three years
- Designated revenue source for Intercity Passenger Rail Operating and Capital Fund (IPROC) – Approx. \$44.3M in the first year to \$56.5M in fifth year
 - First time intercity passenger rail has had dedicated funding
- Increase of transit funding
 - Approximately \$66.5M in the first year to \$84.1M in fifth year
- Funding .3% increase statewide sales and use tax increase
 - .125% Dedicated to Rail and Transit:
 - .075% Transit (60%)
 - .05% IPROC (40%)

Market Place Fairness Act (Internet Sales Tax)

- ❑ If Congress passes the MFA the sales tax will go into the TTF which means 14.7% additional to transit – approximately \$20M
- ❑ If Congress fails to pass MFA the alternative funding will go into the HMOF and transit will not receive additional funds

Regional Revenues and Authority

- ❑ Redefinition of applicable planning districts to be a population of 1.5M or more, 1.2M or more registered vehicles and **15M or more transit riders per year**. Currently only 2 regions meet this definition – NoVa and Hampton Roads. However, this will apply to any region that meets this criteria
 - 0.7% additional sales tax

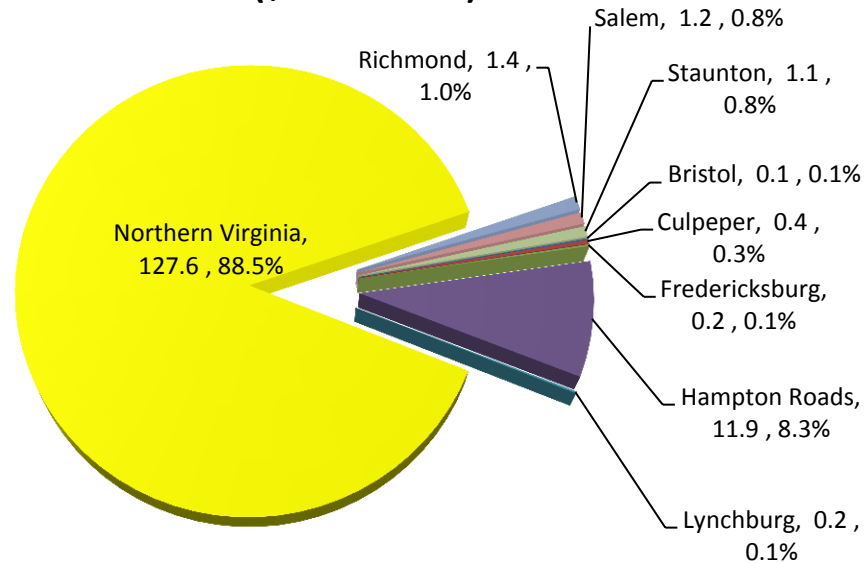
- ❑ Regions that have a population of 2M or more, 1.7M or more registered vehicles and **50M or more transit riders a year** can also charge: (currently only NoVa meets this definition)
 - \$0.15/100 grantors tax
 - 2% transient occupancy tax

- ❑ Hampton Roads now will collect 2.1% gas tax but can only be used for road construction and cannot be used for transit

Transit State Capital Funding By District - FY

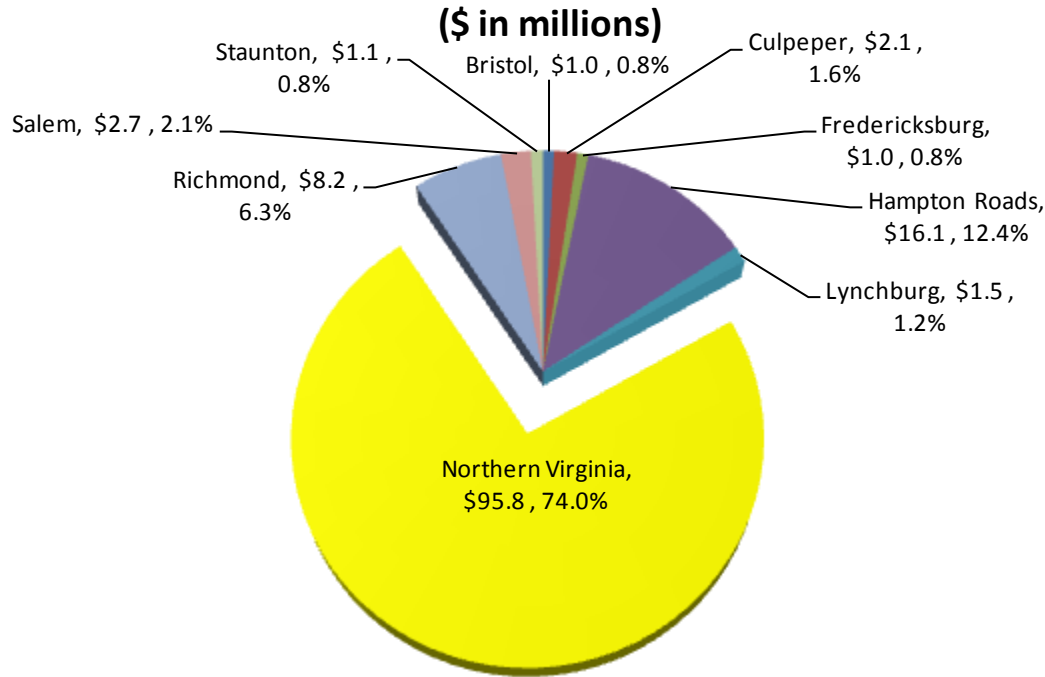
2014

(\$ in millions)



- ❑ The Transit Service Delivery Advisory Committee (TSDAC) is currently working on the metrics to dispurse capital funding July 1, 2014. This chart does not reflect the new funding – just \$160M FY13 funding

Transit State Operating Funding By District - FY 2014



- ❑ Charts reflect FY14 funding without the new funding because the performance model is not complete – Goal is to provide the additional \$73.5M by December 2013. This is a 46% increase from FY13 to FY14. New Transit funding accounts for \$66.5M of the increase

HB 2313 Estimated Revenues Rail and Transit

(\$ in millions)

Growing Revenue Source

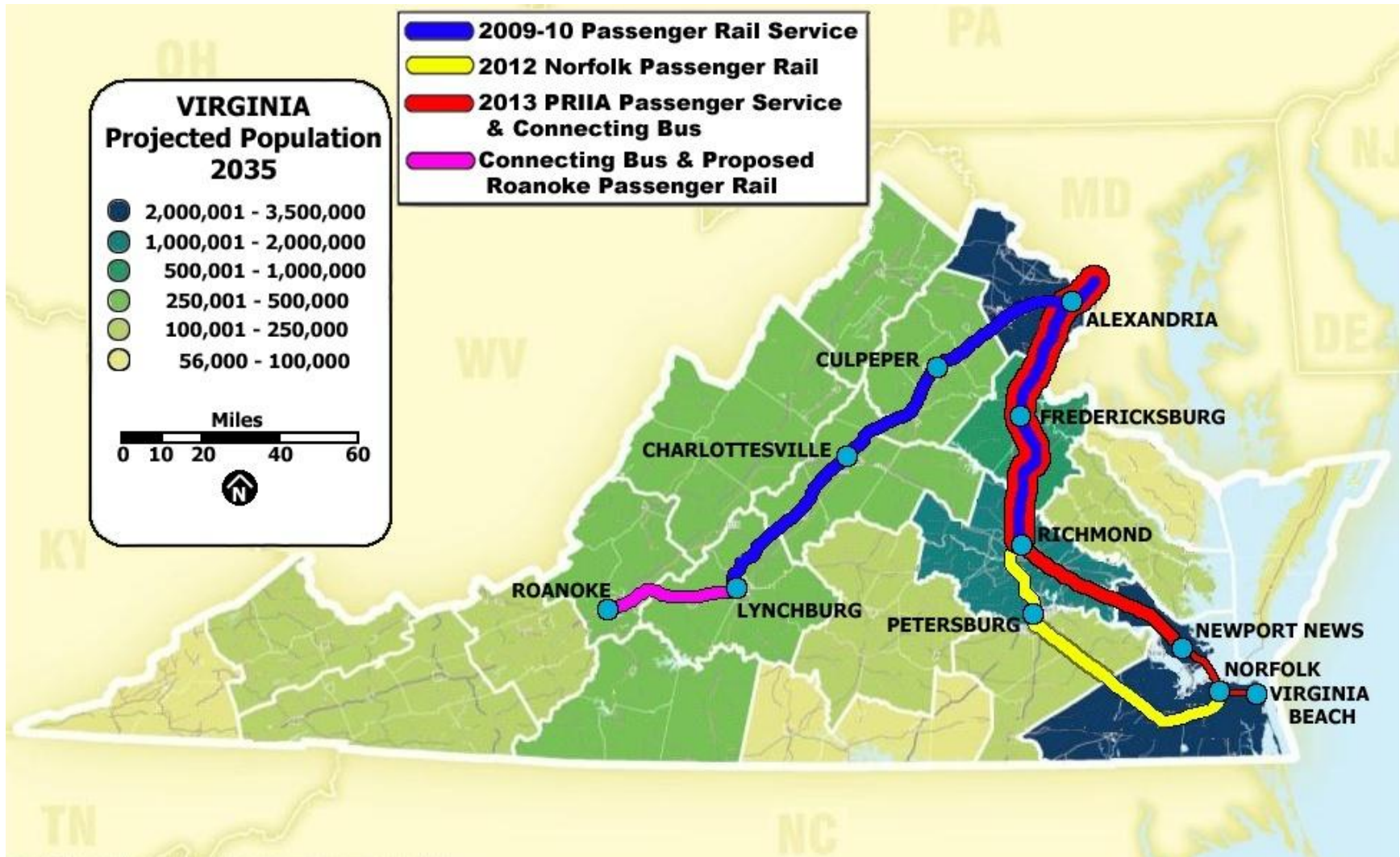
	FY 14	FY 15	FY 16	FY 17	FY 18	Total
IPROC	44.3	50.2	52.2	54.2	56.1	257.0
Mass Transit Trust	66.5	75.3	78.3	81.3	84.1	385.5
Total without MEA	110.8	125.5	130.5	135.5	140.2	642.5
MEA (Mass Transit)	21.3	24.1	25.1	26.1	27.0	123.6
Total with MEA	132.1	149.6	155.6	161.6	167.2	766.1

Transportation Funding Bill

HB2313 - Impact on Rail Programs

- ❑ Provides sufficient funding to continue and expand regional passenger train service in Virginia that connects to the Northeast Corridor
 - Unfunded balance of \$162 million from last year is now funded
 - Includes trains that originate in Lynchburg, Richmond (2), Norfolk, and Newport News (2)
 - With the new funding, Virginia will not be faced with ceasing intercity passenger rail operations in the State and will continue to keep all six trains running when federal law changes on October 1, 2013
- ❑ Provides capital funds for Intercity Passenger Rail Projects
 - Extension of passenger train service to Roanoke
 - Addition of trains 2 & 3 for Norfolk-Washington route
 - Track Performance Improvements
 - Newport News-Richmond
 - Richmond-Washington

Virginia Regional Amtrak Passenger Service Projected Population Areas



State Sponsored Conventional Speed Train Service



Lynchburg Service 2009



Richmond Service 2010



Norfolk Service 2012

AMTRAK
VIRGINIA SM



Next Stop
Roanoke!

Virginia High Speed Rail Programs

- ❑ Richmond to Washington, DC
- ❑ Richmond to Raleigh
- ❑ Richmond to Norfolk

All studies, no dedicated federal construction funding is currently available

- ❑ 11 miles of third track in the Quantico area under construction to be completed by September 30, 2017. \$75 million ARRA award.

There is no additional Federal Funding for High Speed Rail today

Transportation Funding Bill HB2313 – Impact on Transit

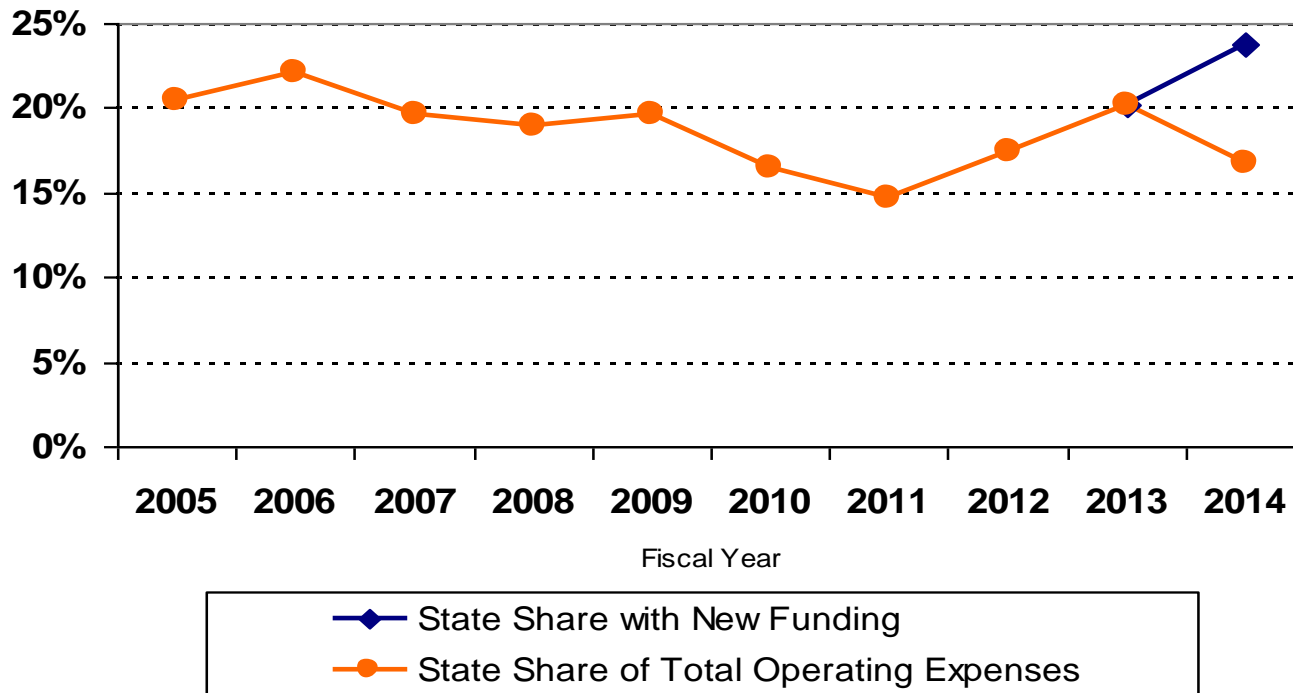
- ❑ Increase in state share of transit operations
 - FY 14 will be 24% operating subsidy with the new funding compared to 17% in FY13
 - Intended to supplement new service as well as relieving the local share which has grown in recent years

- ❑ Capital funds increased by approximately \$19 M a year
 - Allows the Commonwealth to establish fixed levels of capital funding for different categories of assets; thereby, allowing transit providers a stable and reliable source of capital funding

Public Transportation Operations Funding

17% of Total Costs; 24% with New Funding

Public Transportation Operating Funds



Transit Performance Metrics

2013 Legislation for DRPT

SB1140

- ❑ SB1140 is the result of a legislative study (SJR297) passed in 2011
 - Study was done to address two issues
 1. To determine level of funding needed to support transit
 2. To show the value of transportation choices
- ❑ The legislation keeps the current allocation formula in place for the first \$160 million
- ❑ All funds thereafter will have a new allocation formula applied
 - New allocation formula to be established by a Transit Service Delivery Advisory Committee along with DRPT Director
 - Committee is formed and has met several times since April
- ❑ The CTB will re-evaluate the metrics, with public input and General Assembly oversight, every three years, followed by a one year notice prior to implementation of any changes
- ❑ Local governments and local transit operators will continue to make their own decisions with respect to their operations
- ❑ Establish a reserve fund to stabilize match ratios for capital expenses and allow capital funds to be flexed into operating assistance to stabilize year to year fluctuations
- ❑ Require a local match and maintenance of effort

Goal of Performance Metrics is Two Fold

1. Show need additional transit funding
2. Show the value of transit as part of our transportation system

Transit Service Delivery Advisory Committee(TSDAC)

- ❑ Has been meeting since April.
- ❑ Comprised of both transit associations: Virginia Transit Association (VTA) and Community Transit Association of Virginia (CTAV)
- ❑ Virginia Association of Counties (VaCo): chair and Virginia Municipal League (VML): vice-chair
- ❑ Department of Rail and Public Transportation (DRPT), which includes the Richmond Area CTB Member

New Transit Funding

- ❑ \$73.5M increase FY13-FY14

- ❑ \$66.5M from HB 2313

Not dispersed until new metrics are developed

- ❑ December 2013 – FY14 Operating Increase

- ❑ July 2014 – Increased Capital funding

Decision Process – Three Phases

Phase I

The Committee has agreed on short-term transition metrics

- ❑ 2 Year Transition Period FY14 and FY15 (new funding only – existing operating funds of \$160M is based on operating expenses only)
 - Performance Metrics based on:
 - Net cost per rider (50%)
 - Customers per revenue hour (25%)
 - Customers per revenue mile (25%)
 - Systems will be sized equally based on ridership and operating costs – sized relative to all transit operators eligible for state assistance
 - Performance based on percent change between FY11 and FY12 for FY14 for the additional funding
 - Goal provides new funding no later than December 20, 2013
 - All transit data has been sent by the transit operators and DRPT is currently scrubbing the data
 - Any change 10% or greater will need to be explained by August 15, 2013
 - Not meeting the reporting requirements make a transit system ineligible for FY14 additional funding

Phase II

- ❑ FY15 funding is based on a 3 year average (FY11, FY12, and FY 13) of performance data
 - Most likely will be the same as FY14

- ❑ Performance data is critical – must be consistent, certifiable, easily verifiable and provided to DRPT on time. Four years of data is necessary to develop a three year rolling average

Topics Under Discussion

- ❑ Exceptional Transit Performance
 - The goal is financial incentives to encourage each transit operator to perform
 - The challenge is how to reward top performers and operators who have consistently been improving performance
 - The transition model provides an incentive as compared to the state average

- ❑ Congestion Mitigation/Transit dependant populations
 - Should this be a factor outside of existing grant opportunities and special programs?
 - **Working Groups** being formed to explore these issues
 - completion date 3/28/14

Phase III Actions

Ongoing Work for Future Year Allocations

- ❑ Evaluate the existing performance based allocation model
- ❑ Analyze the metrics to determine the metrics' ease, use and effectiveness in sizing transit systems
- ❑ Create a **working group** comprised of transit operations to create methods and standards to review and analyze data – completion date March 28, 2014
- ❑ Research processes that could be used to reward exceptional performance and determine if this should be a factor
- ❑ Issue a report on the assessment of data collection methods and technology used by transit providers – March 31, 2014
- ❑ Conduct an analysis of indirect input vs. direct output metrics to determine their ease of use and effectiveness in sizing transit systems – March 31, 2014
- ❑ Final Report of the working group comprised of transit operators developing the data collection methods and standards – December 31, 2014
- ❑ DRPT to establish an accountability policy to ensure that data is collected, certified and reported by the transit grantee. Policy issued – December 31, 2014

Ongoing Discussion

❑ Capital Asset Tiers

- **Replacement and Expansion Vehicles** – cost of replacement or expansion rolling stock including line inspection, farebox, radios, and surveillance cameras. Aftermarket installation of farebox, radios, and surveillance cameras would also be covered under this tier. This tier also includes vehicle tracking hardware and software and scheduling hardware and software. Rebuilds and mid-life repower of rolling stock are also included in this tier.
 - **Infrastructure/Facilities** – cost of real estate used for a transit purpose and items you build or install such as facilities, bus shelters, signage, and surveillance/security equipment for facilities. Rehabilitation or renovation of infrastructure and facilities would also be included in this tier.
 - **Other** – all support vehicles, shop equipment, spare parts, hardware and software not related to vehicle tracking or scheduling hardware and software, project development, office furniture and other equipment, and handheld radios.
- ❑ Funds allocated for debt service and lease payments will be included in the tier that applies to the capital asset tier that is being leveraged.

Work in process to determine appropriate percentages

SB1140 TENTATIVE MILESTONE SCHEDULE FOR PHASE ONE

- ❑ **July 29, 2013** - TSDAC meeting to finalize operating and capital allocation plans
- ❑ **August 15, 2013** - Public Comment Period Begins
- ❑ **September 18, 2013** – Commonwealth Transportation Board (CTB) Presentation of Draft SB1140 Recommendations
- ❑ **September 18, 2013** – Public Hearing (Richmond)
- ❑ **September/October, 2013**- Senate Committee on Finance, House Appropriations Committee, and Senate and House Committees on Transportation briefings
- ❑ **September 30, 2013** – Public Comment Period Ends
- ❑ **October 16, 2013** – CTB – SB1140 Action
- ❑ **October 16, 2013** – SYIP amendment for FY14 operating funds

NOTE: Meeting dates and times with the Senate and House Finance Committees are forthcoming.

The committee will meet at least annually.

The legislation is designed to allow for revisions as necessary.



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