



COLORADO

Department of Transportation

Division of Transit & Rail

4201 East Arkansas Ave, Suite 227
Denver, CO 80222

September 9, 2016

RE: 5310/5311 Distribution Methodology

Dear: Transit Agency Grant Partners,

The Colorado Department of Transportation is providing an update on the intent to make modifications to the current process for distributing Federal Transit Administration funds. This change would affect the FTA Section 5310 and 5311 programs, excluding 5311(b)3, RTAP, and 5311(f), Intercity Bus programs. Small changes are expected to be implemented for the April 2017 call-for-projects, effective for administrative and operating contracts as of January 1, 2018, to allow eligible new entrants to receive some level of funding. Larger programmatic changes require more time to cooperatively find long term fair and equitable solutions, and would not take effect before January 1, 2019.

The goal of this endeavor is to evaluate the current funding distribution methodology, and develop a revised methodology utilizing criteria that distributes rural operating funds in a fair and equitable manner, that rewards good performance, and provides stable funding through a transparent process. When this is accomplished, CDOT and FTA's overall mission of promoting a comprehensive, stable, efficient statewide transit system will be better fulfilled.

CDOT is in the midst of the early steps of the process. Written notice was first provided December 1, 2015. General discussion occurred during Transit Town Halls in March/April 2016. Since then focus group/working group efforts have started evaluating various criteria for potential use in a distribution methodology which will continue to be developed over the coming months. With that early work, it has become clear that even logical criteria taken independently without a comprehensive methodology (geographic area, population, revenue vehicle miles, revenue hours, and ridership) would suggest dramatic effects (50% or more) in fund allocations to certain individual agencies.

CDOT is taking to heart the sensitivity of potential reductions in funding for any agency, and are examining the process going forward to come to an agreeable conclusion. There will be ample opportunities for all stakeholders to provide input on the criteria and forthcoming methodology. There will be a status report given at the CASTA Conference later this month; including the process going forward, and an invitation to participate. In addition, any changes to the funding methodology will include planning for a transition period that will phase in any changes, allowing grant partners to adapt to any changes in funding levels over a period of time.

CDOT's approach, as has been done in the past, is first to work with our Grant Partners to solidify an approach that works for representative operators (rural, resort, small urban). CDOT will engage CASTA and CDOT advisory councils (STAC and TRAC) early for preliminary reactions and input, then later for endorsement on a draft set of recommendations. Finally, CDOT will take the staff recommendations and relevant endorsements to the Transportation Commission's Transit & Intermodal Committee for further review, input and, finally, full Transportation Commission approval. As needed, this will be an iterative process through STAC, TRAC, and the TC T&I Committee.

CDOT's expectation is that a short term interim approach to allow new rural entrants into the funding distribution will be implemented by March 2017 for the 2018 distribution of funds, followed by further discussion for a long term approach to be enacted for future years. Please provide any feedback to Jeff Sanders (jeffrey.sanders@state.co.us) with your comments. He is supported by a team of DTR staff to be responsive to all grant partner / transit agency interests. Thank you.

Sincerely,


Mark Imhoff

Director - Division of Transit & Rail

