



**COLORADO**

**Department of Transportation**

Division of Transit & Rail

**5310 and 5311 Funding Distribution Policy  
TRAC Subcommittee, January 2017**



**COLORADO**

**Department of Transportation**

Division of Transit & Rail

2

# Agenda

- Introductions
- Subcommittee Business
- Survey Results
- Recap
- Topics for Discussion
  - Productivity and efficiency
  - Categorizing: what we have learned
  - Creating a funding methodology
    - Understanding the latitude
    - Discussion of factors
- Summary & Next Steps



**COLORADO**

Department of Transportation

Division of Transit & Rail

3

# Subcommittee Business

- December meeting minutes
- CASTA membership meeting recap
- Upcoming TRAC and Transportation Commission presentation
  - T&I Subcommittee
    - January 18, 3:15 for 45 minutes
    - Memo and slides can be sent later this week
  - TRAC
    - January 13, around 2:30



**COLORADO**

**Department of Transportation**

Division of Transit & Rail

# Survey Results



**COLORADO**

Department of Transportation

Division of Transit & Rail

5

## A Recap...

- Simplicity is good, *but* Colorado has diverse transit systems
- An easy-to-use methodology (formula) is a good goal, *but*
  - Some subjective assessment will be needed
- We are getting a better understanding of how to group systems *but*
  - Consensus is needed system classifications



**COLORADO**

Department of Transportation

Division of Transit & Rail

6

## Recap...continued

- Equity is important for CDOT, and Title VI considerations
- Stability in funding is important
- Factors identified for discussion:
  - **Jurisdictions served**
  - **Local investment**
  - **Levels of service or measures of system size**
  - **Productivity and efficiency**
  - System or network connectivity
  - Highway congestion / air quality
  - Trip purposes: commute and human service trips rank high

There is agreement on the top four. More discussion is needed on others.



**COLORADO**  
Department of Transportation  
Division of Transit & Rail

5311 Funding Distribution Subcommittee

# **PRODUCTIVITY AND COST EFFICIENCY**



# Productivity & Efficiency Questions

- How do Colorado transit systems do?
- What role should productivity and efficiency have in awards?
  - A factor in awards: e.g., top quartile gets bonus points
  - A factor in determining eligibility for funding: if service doesn't meet minimums, no funding.





**COLORADO**

Department of Transportation

Division of Transit & Rail

9

# Productivity and Efficiency

- Measuring productivity
  - Riders per Hour - Riders per Mile
- Measuring cost efficiency
  - Cost per Hour - Cost per Mile - Cost per Rider
  - Subsidy Rider rider
- Other factors are important
  - Average trip length (2 miles versus 20 miles?)
  - Level of service (Door-thru-door DR, Deviated FR, FR, gondola)



**COLORADO**

Department of Transportation

Division of Transit & Rail

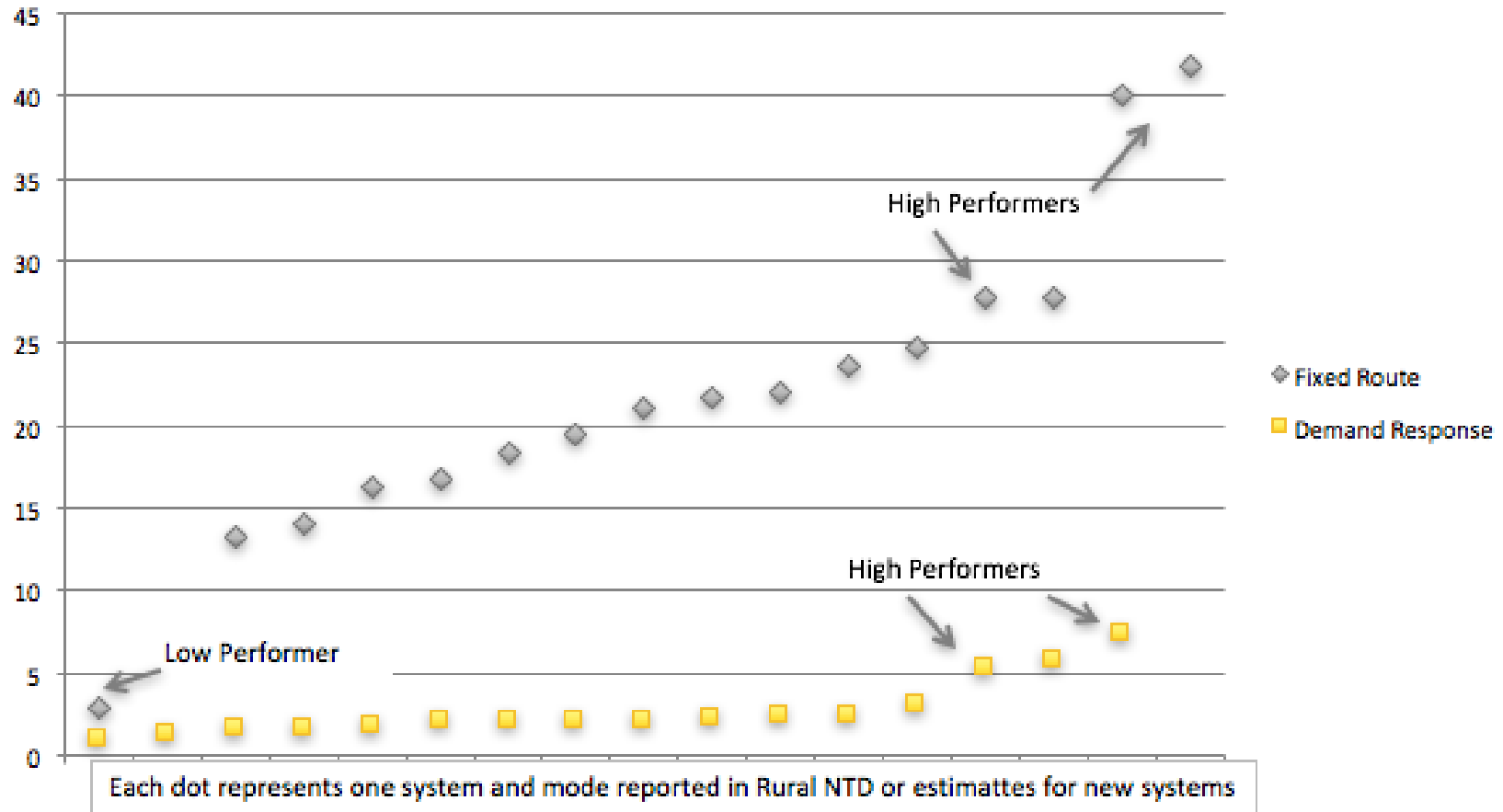
10

# Range of Performance

- The diversity of Colorado transit services is shown in the performance measures.
  - Varying modes and average trip lengths result in different metrics.
  - CO systems do a good job in:
    - Matching need with service type
    - Operating cost efficient and productive services

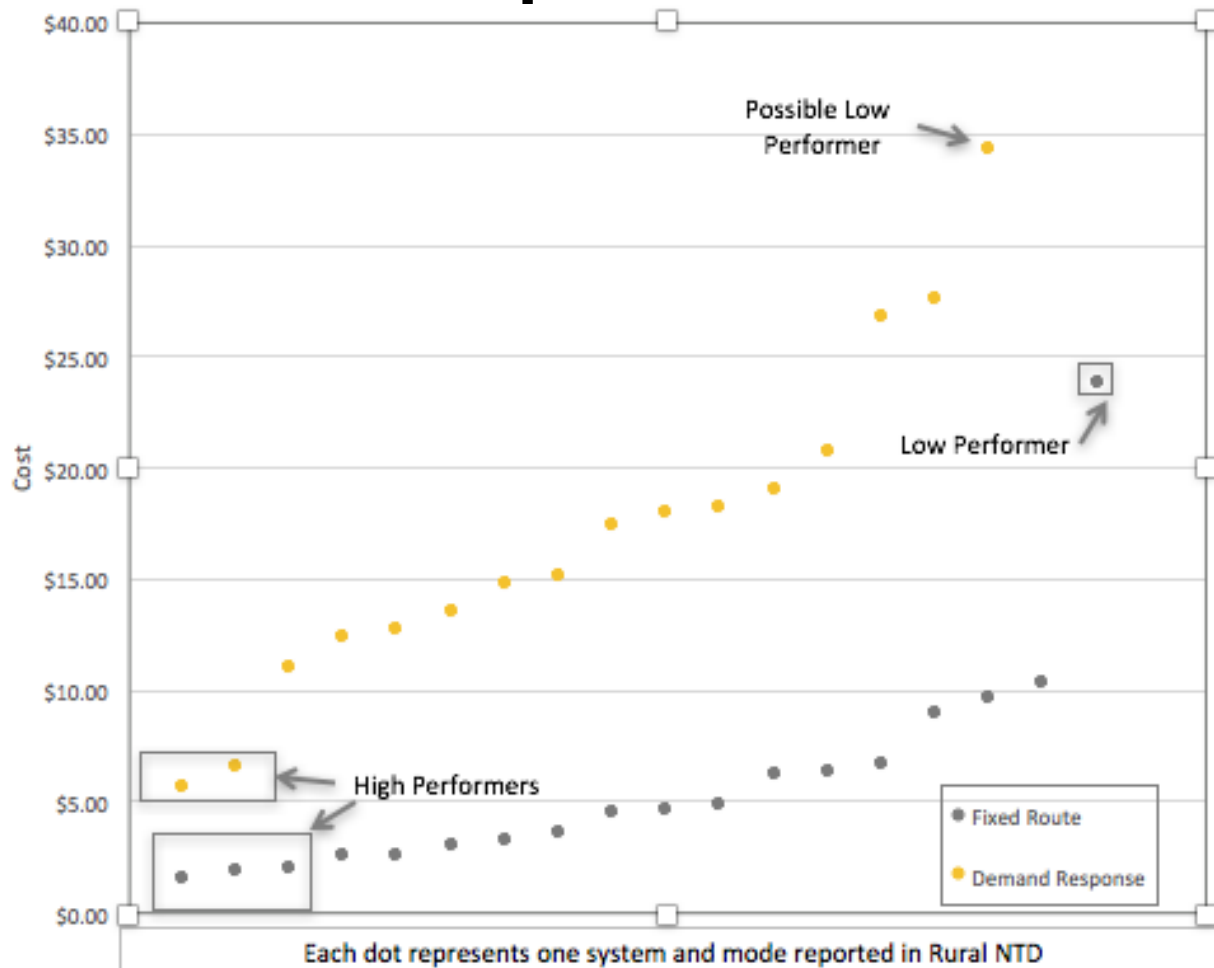


# Riders per Hour





# Cost per Rider





**COLORADO**

Department of Transportation

Division of Transit & Rail

13

# CDOT Thinking



- Colorado systems are doing great!
- Perhaps productivity and efficiency standards are best treated as a threshold requirement
- Perhaps consider other types of “performance” measures (e.g., jurisdictions served, human service funding, etc)
- CDOT’s goal is a comprehensive network. This is best accomplished by supporting local decisions on productivity and efficiency.



**COLORADO**  
Department of Transportation  
Division of Transit & Rail

5311 Funding Distribution Subcommittee

# **CATEGORIES - WHAT WE HAVE LEARNED**



**COLORADO**

Department of Transportation

Division of Transit & Rail

15

## Analysis Shows

- CO transit systems are strong performers
  - Although many struggle financially
- The concept of funding levels by size is solid.
- Awards have been more skewed by time in the 5311 program than we realized
- Many grantees will be affected, so the transition discussion is quite important.



# The Decisions Are Difficult

- There is too little funding
- CDOT values transparency and equity, with defensible grant award decisions.
  - Striving for internal consistency:
    - Reinforces the need for changing how funds are awarded.
    - Means those systems that have been in the program the longest will be impacted the most.
- The challenge is to identify the mechanisms to best support transit service development and related policies.





**COLORADO**

Department of Transportation

Division of Transit & Rail

# Updated Size Categories

	Revenue Miles	Systems	Riders	Systems
<b>Small</b>	< 100,000 miles	12	<20,000	11
<b>Medium</b>	101,000 - 200,000	8	20,000 - 100,000	10
<b>Large</b>	200,000 - 999,000	10	100,000 - 1,000,000	9
<b>Very Large</b>	> 1,000,000	4	>1,000,000	4

	Cost	Systems	Revenue Hours	Systems
<b>Small</b>	< 500,000	14	< 7,500	13
<b>Medium</b>	500,000 - 1,500,000	10	7,501 - 25,000	8
<b>Large</b>	1,500,000 - 5,000,000	7	25,001 - 50,000	9
<b>Very Large</b>	> 5,000,000	3	> 50,000	4



# Systems by Size

SMALL	MEDIUM	LARGE	VERY LARGE
Wet Mountain	SRDA	San Miguel Co. RTA (←)	Vail (←)
Dolores Co. Seniors	City of Cripple Creek	Town of Breckenridge	ECO
Canyon City GAC	SCCOG	<i>Black Hawk/Central City</i>	Summit Stage
<i>Archuleta County</i>	SUCAP (plus 5310)	Durango T	Mtn Village Tram & Bus**
Montezuma Co. Seniors	<i>Rural Larimer-Weld service</i>	Town of Winter Park	RFTA**
City of La Junta	<i>Estes Park</i>	Steamboat Springs Transit	
<i>Teller County (was 5310)</i>	GVTA	Snowmass	
Neighbor-to-Neighbor	All Points Transit (→)		
ECCOG	Glenwood Ride		
Prowers County (→)	NECALG →)		
SRC	CB Mountain Express		
Via (→)			

\*\* Could also each be counted as a "group of one" as they are quite different from the others.

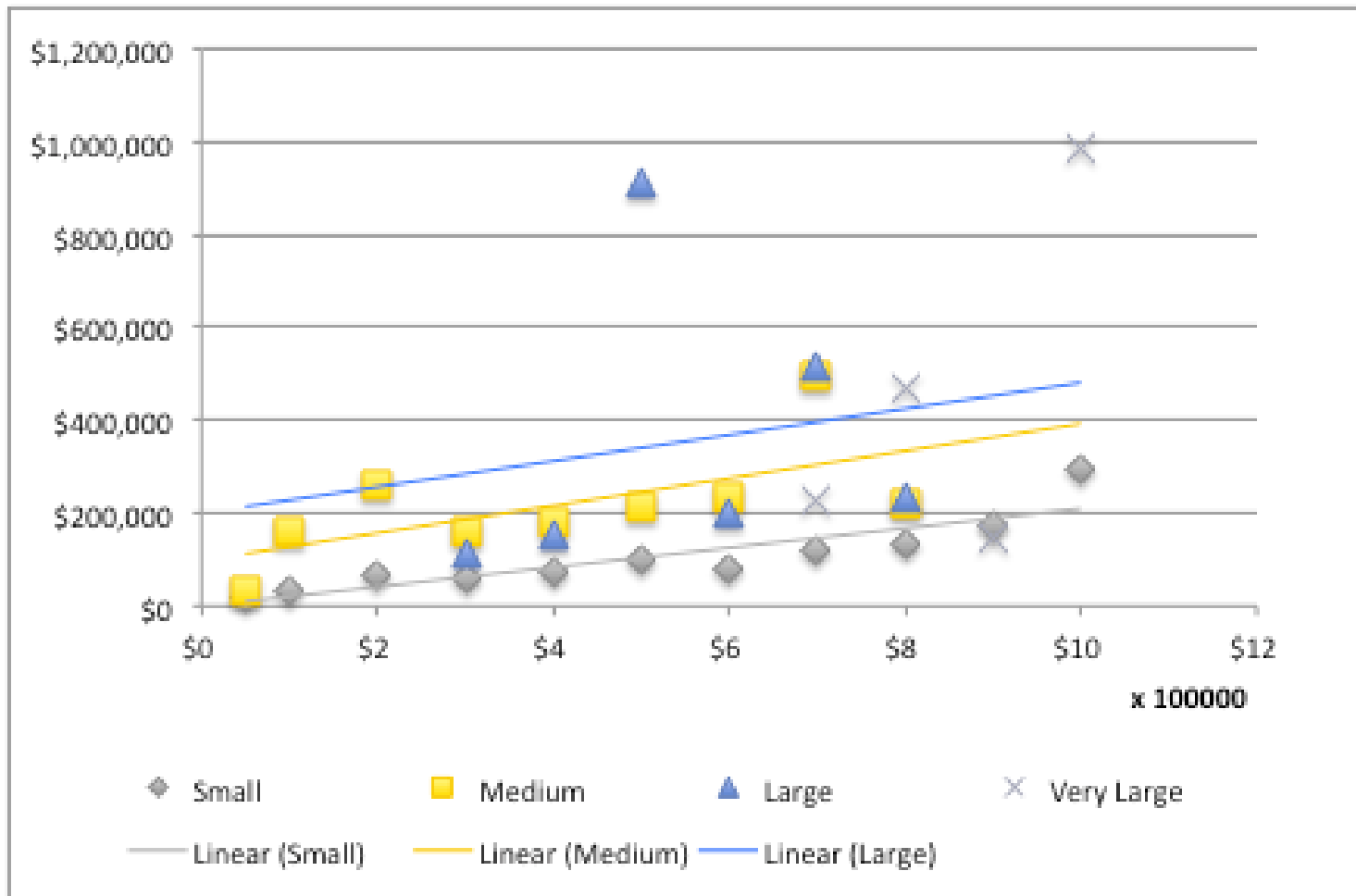


# Grantees, Awards, Percent

SMALL	MEDIUM	LARGE	VERY LARGE
<b>Amount and Percent of Last Grant Awards</b>			
\$1,161,000	\$1,923,000	\$2,127,000	\$1,833,000
16%	27%	30%	26%
<b>Number of Recipients in Last Cycle</b>			
10	9	6	4
<b>Number of Recipients Anticipated Next Cycle and Proposed Funding</b>			
12	11	7	4
\$1,200,000	\$2,000,000	\$2,125,000	\$1,850,000
17%	28%	30%	26%

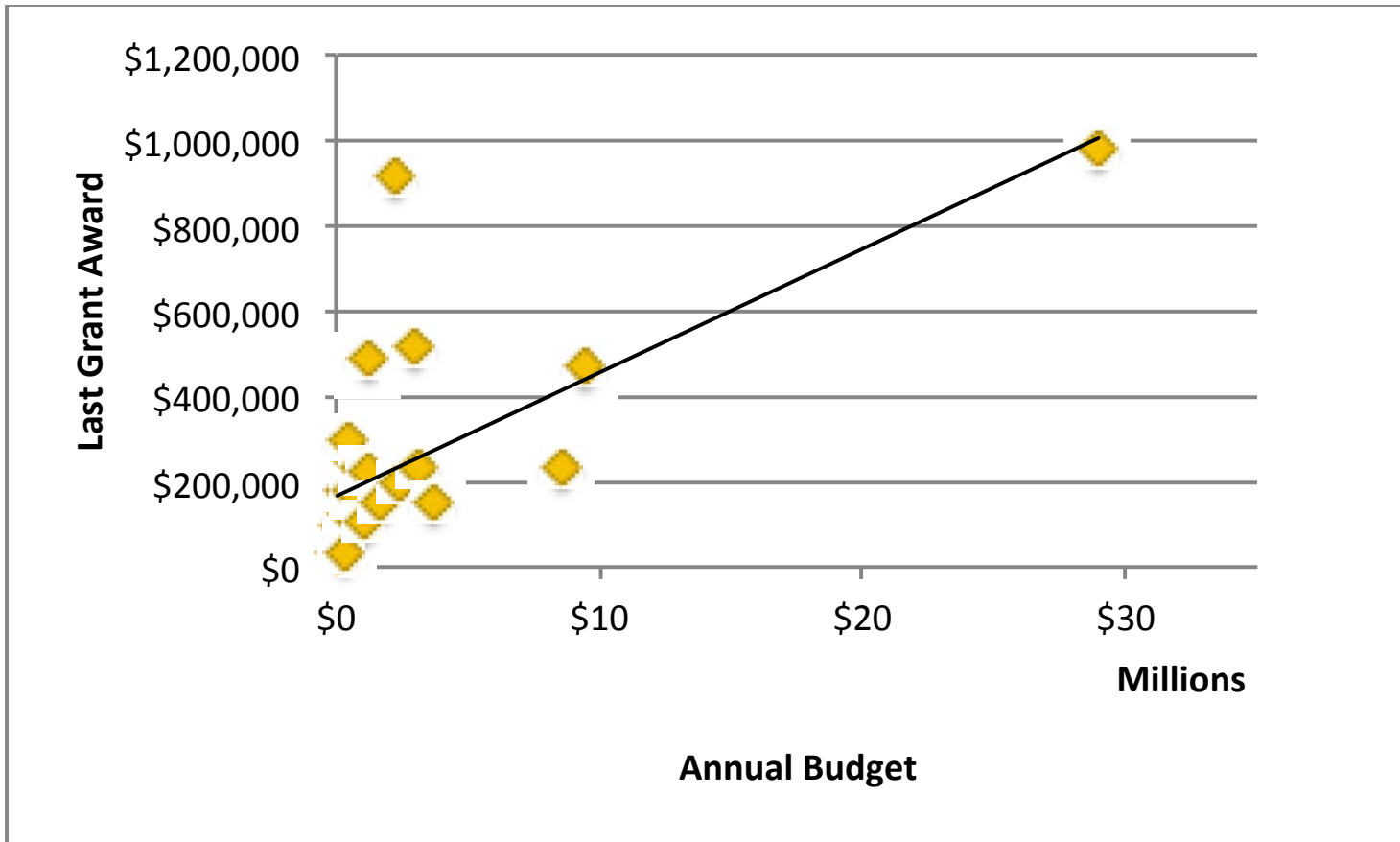


# Last Awards by System Size



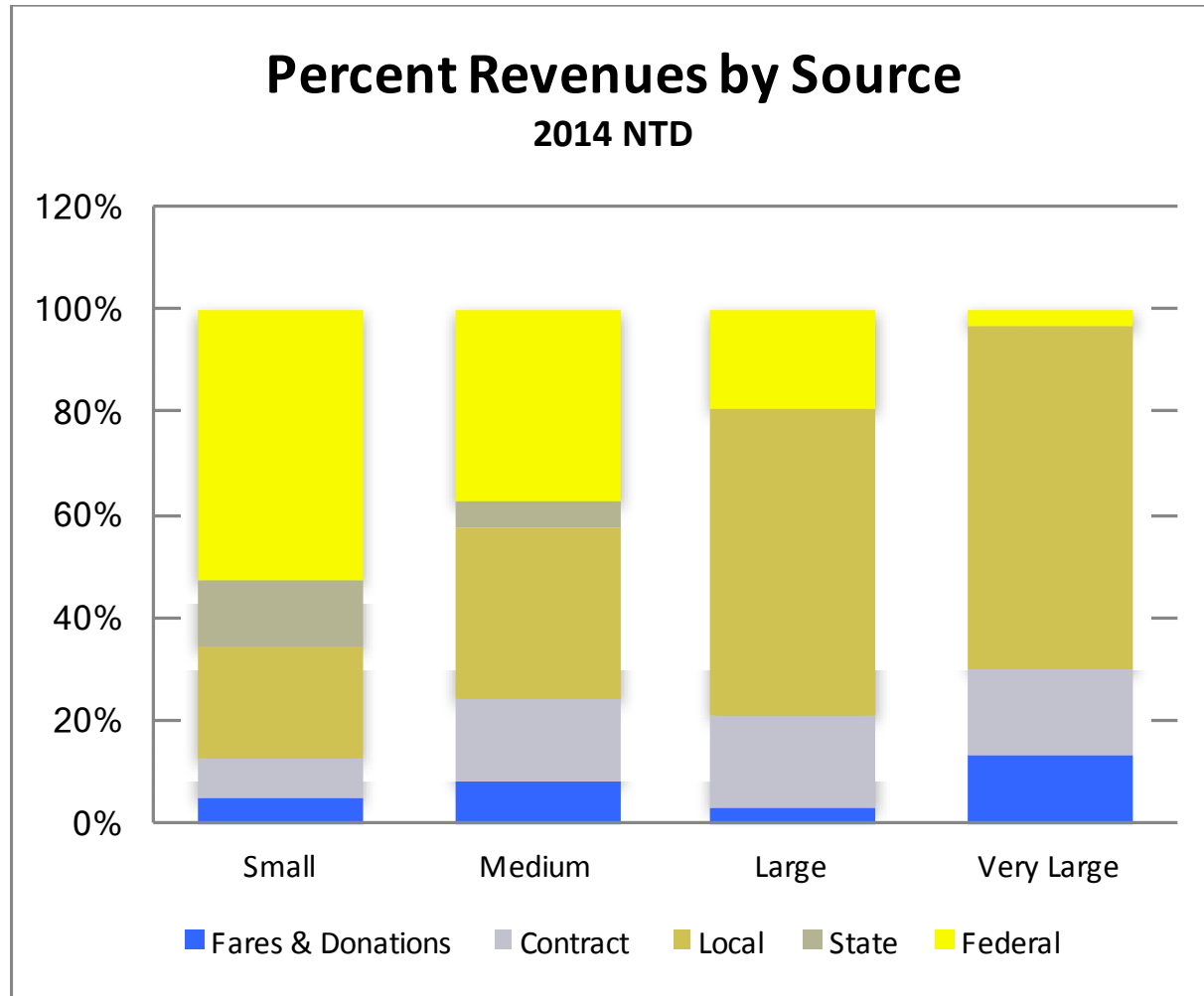


# Grant Awards by Budget





# Funding by System Size





**COLORADO**

**Department of Transportation**

Division of Transit & Rail

23

5311 Funding Distribution Subcommittee

# **CREATING A FUNDING METHODOLOGY**



**COLORADO**

Department of Transportation

Division of Transit & Rail

24

# CDOT's Perspective

- Ideally the methodology is:
  - Fair
  - Simple
  - Responsive to changes in grantees and service levels
  - Reviewed about every 3 years
- Methodology provides stable funding
- Methodology covers majority of funding, but some can be allocated based on other factors
- Some CDOT discretion in awards is desired





# Potential Ways to Build a Methodology

- Two ways of distributing funding were described at the last meeting:
  - A base level of funding plus points for other factors
  - A sliding scale that looked at level of service or budget
- The subcommittee requested numbers to make concepts concrete
- The following graphs illustrate how funding might be split among grantees under different methodologies.



**COLORADO**

Department of Transportation

Division of Transit & Rail

26

## **\*\*Conceptual\*\* Methodologies**

- Base Funding Plus Points
- Level of Service (Miles and Hours)
- Percent of Budget



# Conceptual Methodology – Base Funding Plus Points

- Determine base funding
  - Funding divided among four categories (based on last year’s funding)
  - Further divided among agencies within each category
- Add points for:
  - Jurisdictions served
  - If regional service is provided
  - Amount of human service funding
  - Level of employment transportation



# Base Funding Plus Points Illustration

	<u>Base</u>	<u>Extras*</u>				<u>Extra \$</u>	<u>Total</u>
		Juris	Rg Serv	Emp	HS\$		
Agency A	\$50,000					\$0	\$50,000
Agency B	\$50,000	1	1			\$50,000	\$100,000
Agency C	\$100,000	2				\$50,000	\$150,000
		*each "extra" is worth \$25k					

- Thoughts
  - A lot of CDOT subjectivity (creating categories, funding allocated between and within categories, extras)
  - Are the “extras” the right ones and weighted properly?



## Conceptual Methodology – Level of Service

- Available funding divided among four categories based on last year's funding
  - Small: \$1,200,000
  - Medium: \$2,000,000
  - Large: \$2,125,000
  - Very Large: \$1,850,000
- Within categories, funding allocated based on miles and hours (50/50)



# Level of Service Illustration

<b>Available:</b>	<b>\$ 200,000</b>					
	<u>Rev Miles</u>	<u>% of Total</u>	<u>Rev Hrs</u>	<u>% of Total</u>	<u>Avg Mi+Hrs</u>	<u>Funding</u>
Agency A	25,000	0.17	1,000	0.09	0.13	\$25,362
Agency B	50,000	0.33	4,500	0.39	0.36	\$72,464
Agency C	75,000	0.50	6,000	0.52	0.51	\$102,174
<b>Total</b>	<b>150,000</b>	<b>1.00</b>	<b>11,500</b>	<b>1.00</b>	<b>1.00</b>	<b>\$200,000</b>

- **Thoughts**
  - CDOT subjectivity in creating categories and allocating funding between categories
  - Should miles/hours be evenly distributed?



**COLORADO**

Department of Transportation

Division of Transit & Rail

31

# Conceptual Methodology – Percent of Budget

- Sliding scale: Percent of budget
  - 50% for small systems
  - 30% for medium systems
  - 15% for large systems
  - 3-4 % for very large systems



# Percent of Budget Illustration

	<u>Category</u>	<u>% of Budget</u>	<u>Budget</u>	<u>Funding</u>
Agency A	Small	50%	150,000	75,000
Agency B	Medium	30%	600,000	180,000
Agency C	Large	15%	2,000,000	300,000
Agency D	Very Large	4%	12,000,000	420,000

- Thoughts
  - CDOT subjectivity in categorizing and determining % of budget for each category
  - Simplest to understand



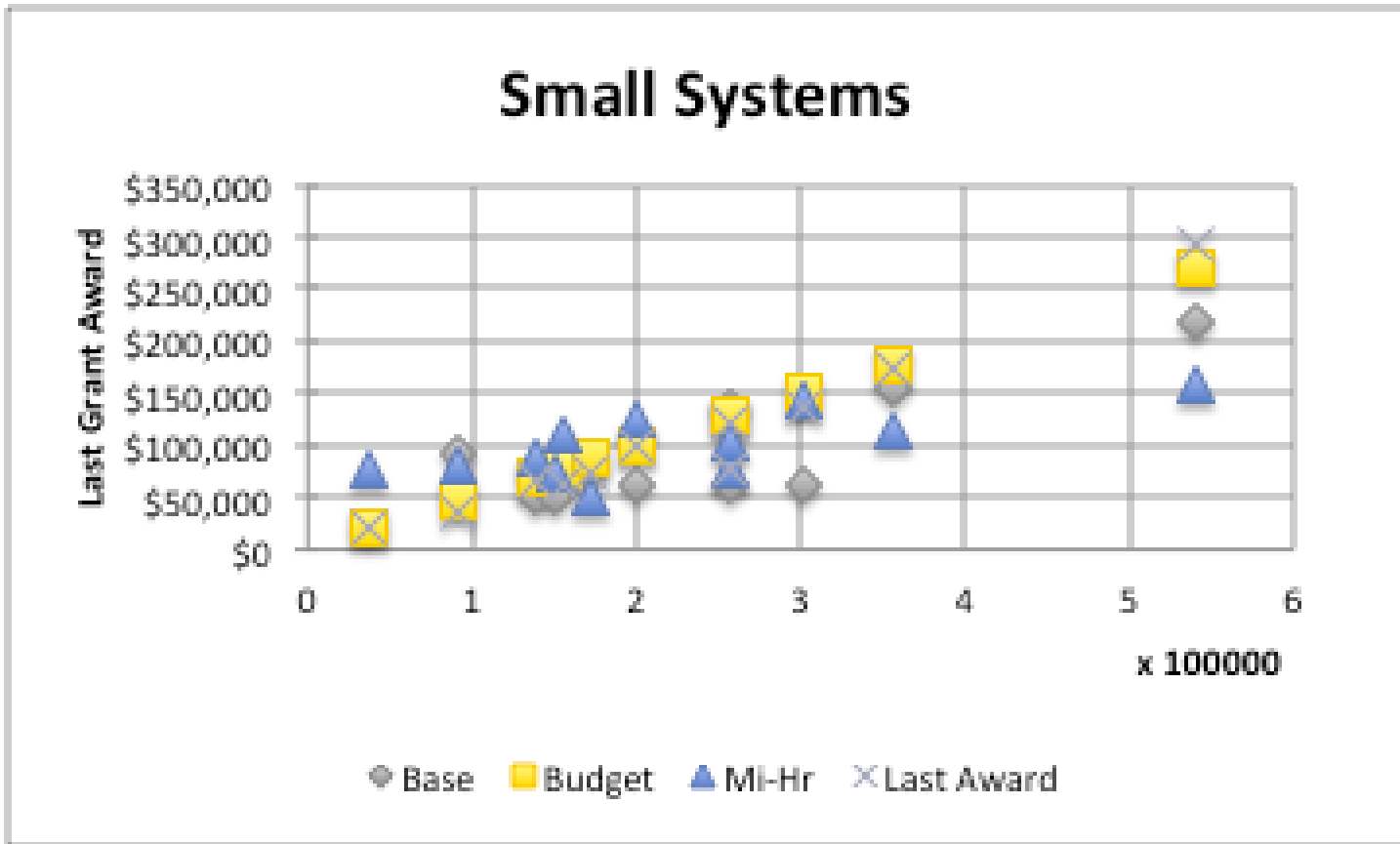


# Grantees, Awards, Percent

SMALL	MEDIUM	LARGE	VERY LARGE
<b>Amount and Percent of Last Grant Awards</b>			
\$1,161,000	\$1,923,000	\$2,127,000	\$1,833,000
16%	27%	30%	26%
<b>Number of Recipients in Last Cycle</b>			
10	9	6	4
<b>Number of Recipients Anticipated Next Cycle and Proposed Funding</b>			
12	11	7	4
\$1,200,000	\$2,000,000	\$2,125,000	\$1,850,000
17%	28%	30%	26%

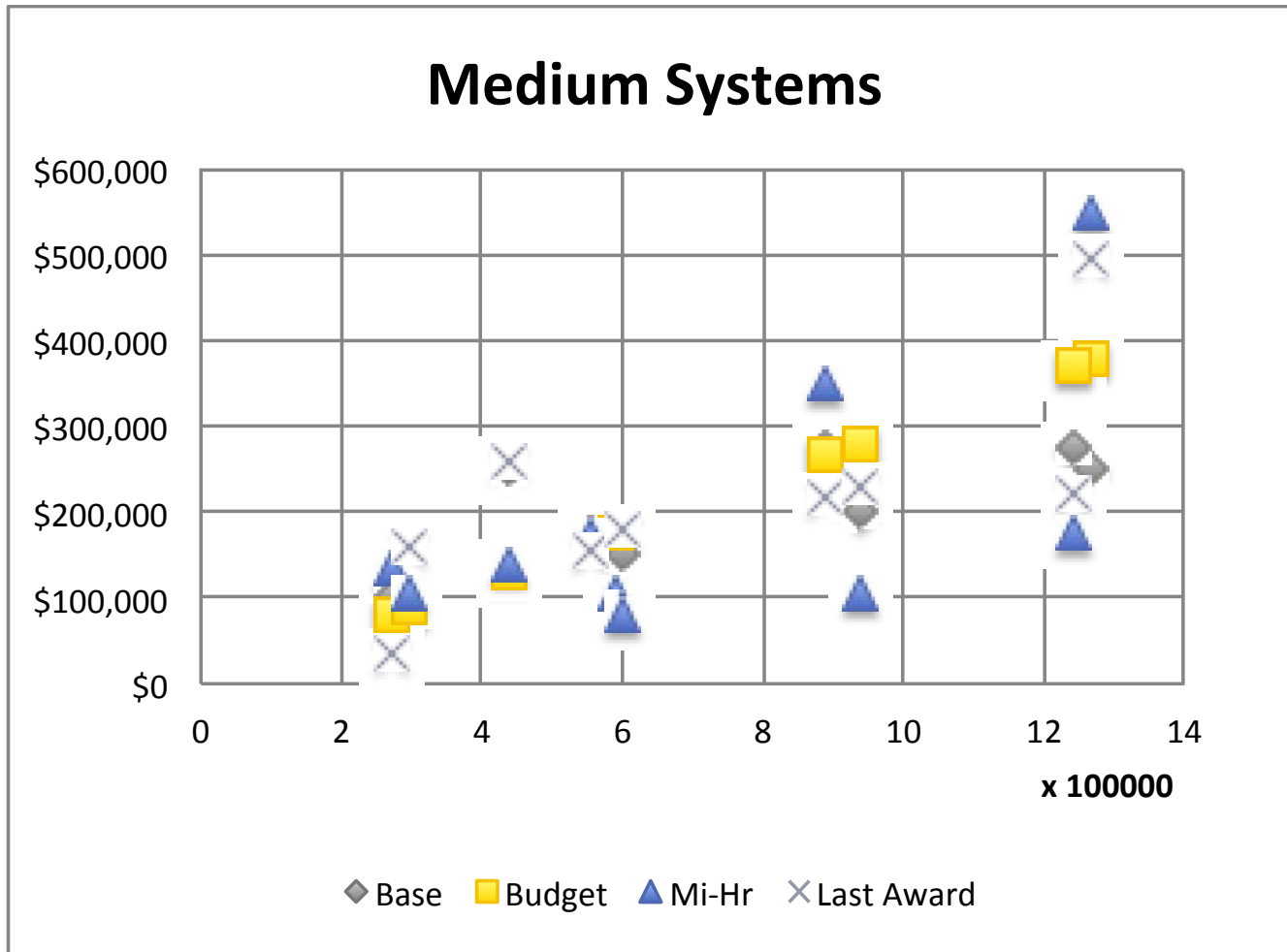


# Draft Funding Options - Small



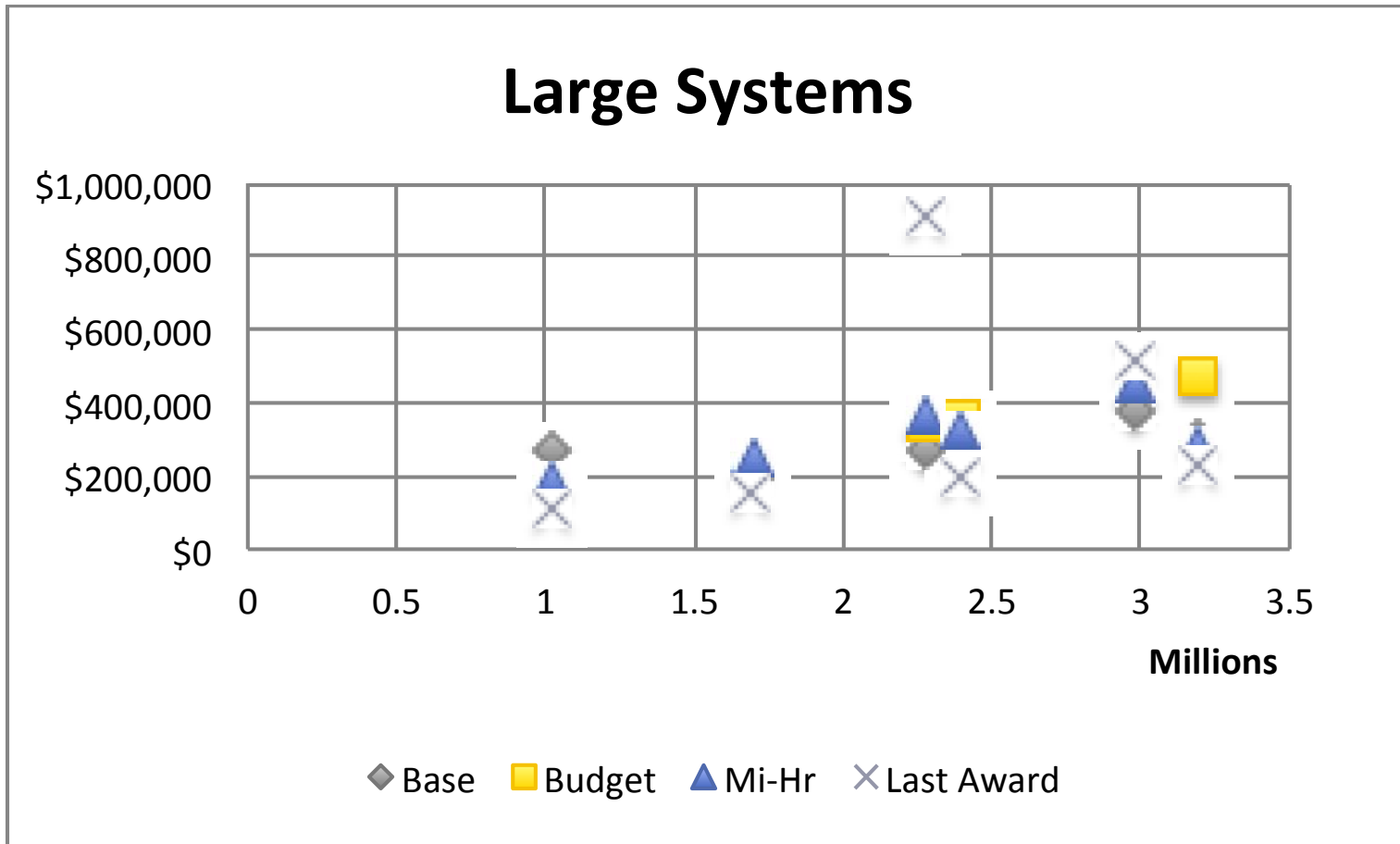


# Draft Funding Options - Medium



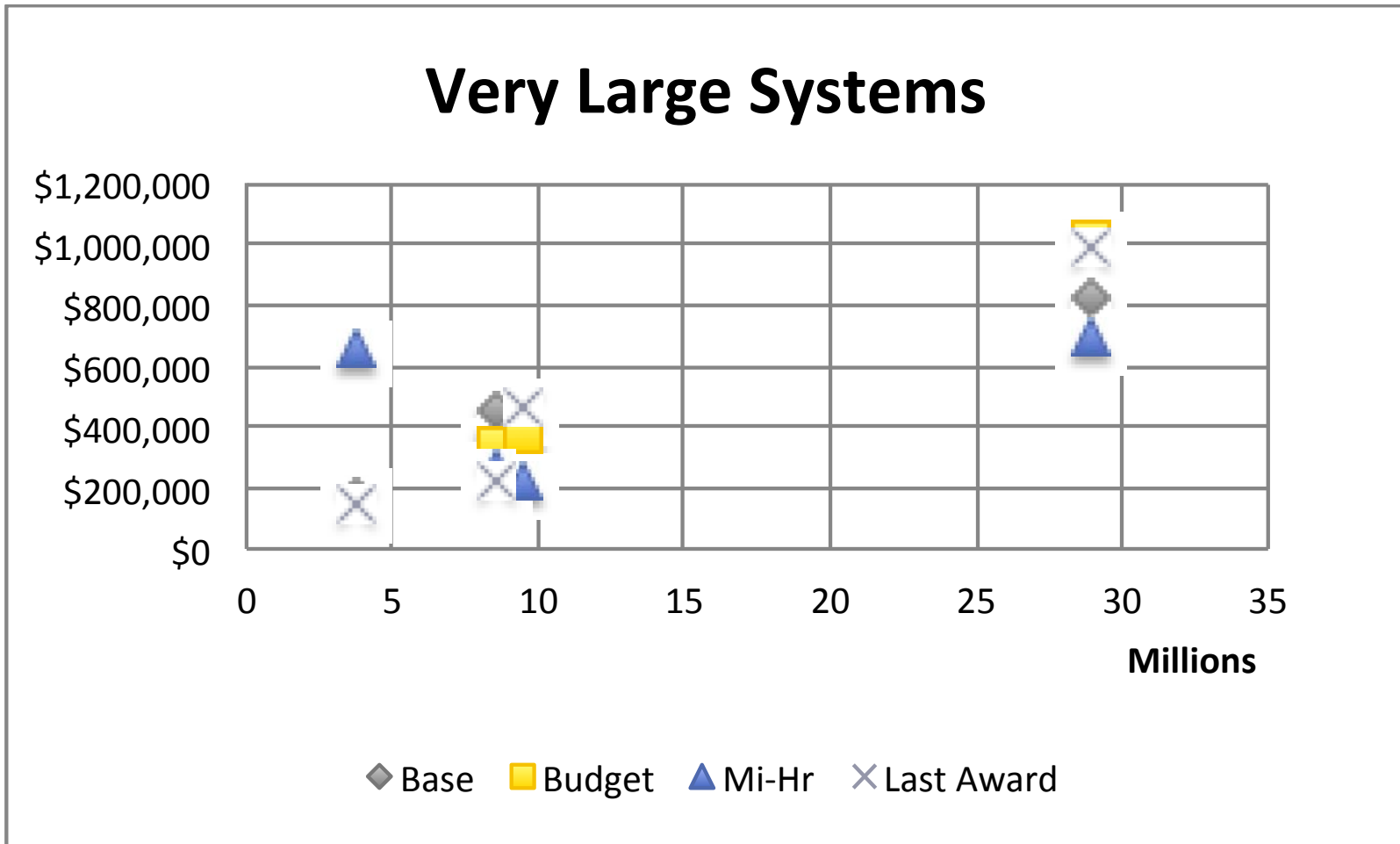


# Draft Funding Options - Large





# Draft Funding Options – Very Large





**COLORADO**

Department of Transportation

Division of Transit & Rail

38

# Thoughts

- Varying the numbers shows that:
  - Changing the factors does not change the fundamentals of what is needed to provide a consistent funding policy.
  - There is not much latitude in the way funding is allocated.
  - There is no “sweet spot”.
  - One particular set of factors:
    - May reflect Colorado transit systems better than another.
    - May assist Colorado in achieving specific policy objectives



**COLORADO**

Department of Transportation

Division of Transit & Rail

39

## Thoughts, continued

- The easiest approach is as a percent of budget, and this is closest to current awards.
- As systems grow, it is imperative that they develop local funding support.
- It may be more useful to look not at the impacts on the largest and most stable systems but rather on the more fragile systems in poorer areas.



**COLORADO**  
Department of Transportation  
Division of Transit & Rail

5311 Funding Distribution

# **NEXT STEPS**





**COLORADO**

Department of Transportation

Division of Transit & Rail

41

# Transition Plan

- The transition will likely be important to many systems
- How long a transition period should be allowed?
  - Those systems that get an increase can only do so as the systems that decrease decline.
  - Should CDOT use a maximum % annually?
  - Should it be related to the political processes needed to get new funding?
- How important is discretion in this process?