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Division of Transit & Rail

**5310 and 5311 Funding Distribution Policy  
TRAC Subcommittee, December 2016**



# Agenda

- Introductions
- November meeting summary & approve notes
- Topics for Discussion
  - Jurisdictions served and local investment
  - System size
  - Developing a formula
- Summary & Next Steps



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## Items of Note

- CASTA member conference call (12/12)
- CDOT website containing project materials
- CDOT presentation to Transportation Commission T&I Committee (1/19)



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# November Meeting Summary

- Discussion about guiding policies (fair and equitable, reward performance, transparent, etc)
  - Focus on fair and equitable
    - Several comments local funding source and amount
    - Several comments on size of service area or jurisdictions served
- Categorization framework
  - How to define a large, small, very small agencies
  - Discussion about “resort” agencies



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## November Meeting Summary (cont)

- Discussion about approach CDOT should take for FY18 if don't reach new policy in time
  - Equal reduction
  - Increase size of pot by taking from capital
  - Phase out 80/20 split



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# **DISCUSSION FRAMEWORK**



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## In General...

- Simplicity is good, *but* Colorado has diverse transit systems
- A formula is a good tool, *but*
  - Some subjective assessment will be needed
- Some grouping of systems needs to continue *but*
  - There is not agreement on how to classify systems



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## In General...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.





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# **JURISDICTIONS SERVED AND LOCAL INVESTMENT**

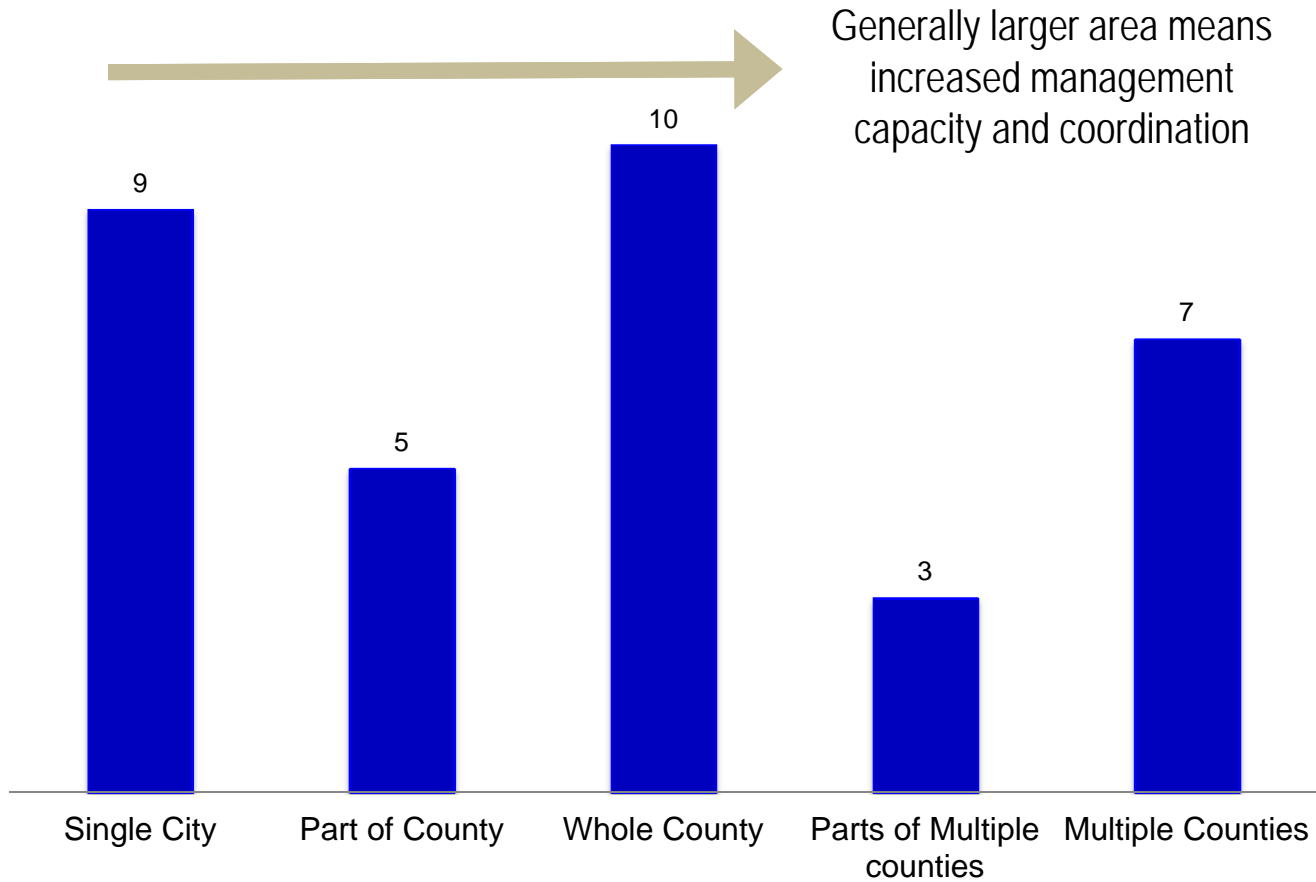


# Jurisdictions Served

- The number of jurisdictions served may be more useful than land area.
- Value of agencies serving multiple jurisdictions
  - Do they provide regional services, helping to connect rural residents to urban centers?
  - Do they consolidate grant applications and share transit management capacity?
  - Do they build local match and /or blend human services funds to match transit funds?

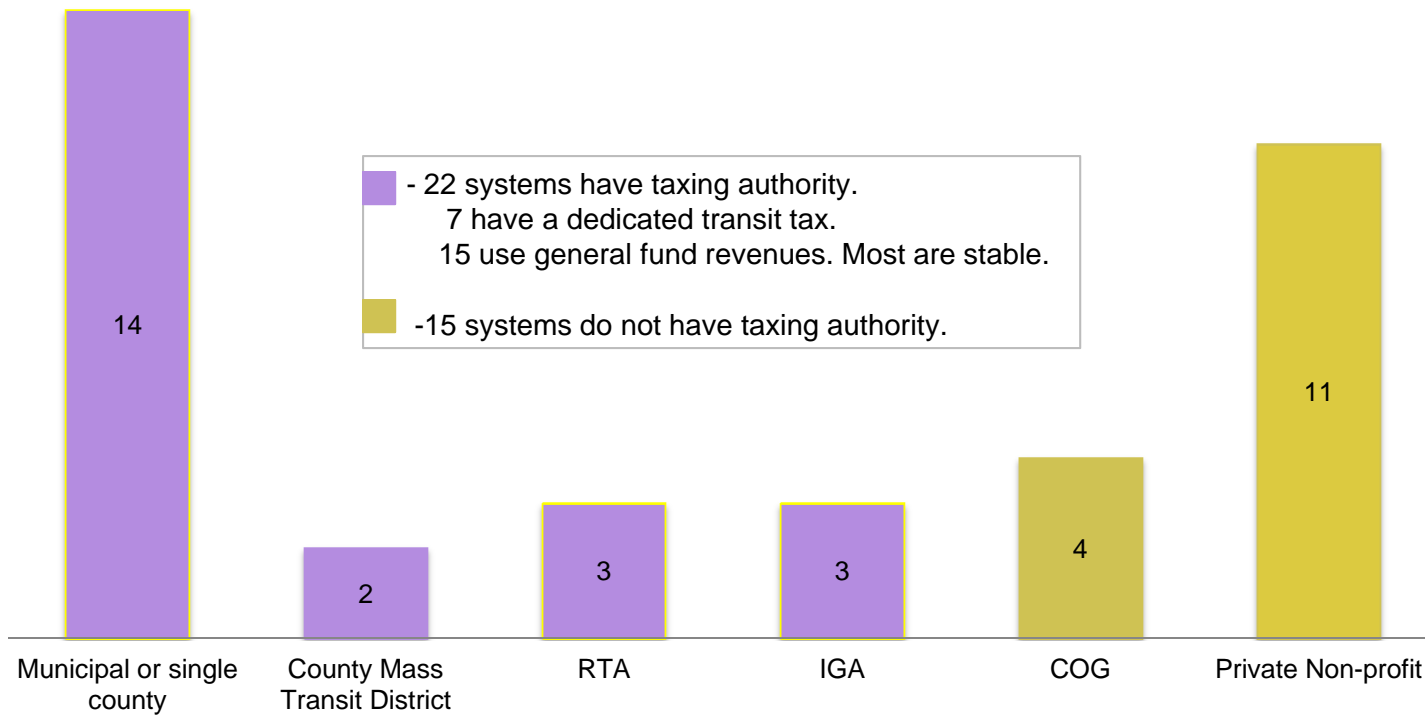


### Transit System Service Areas





### Governance and Funding





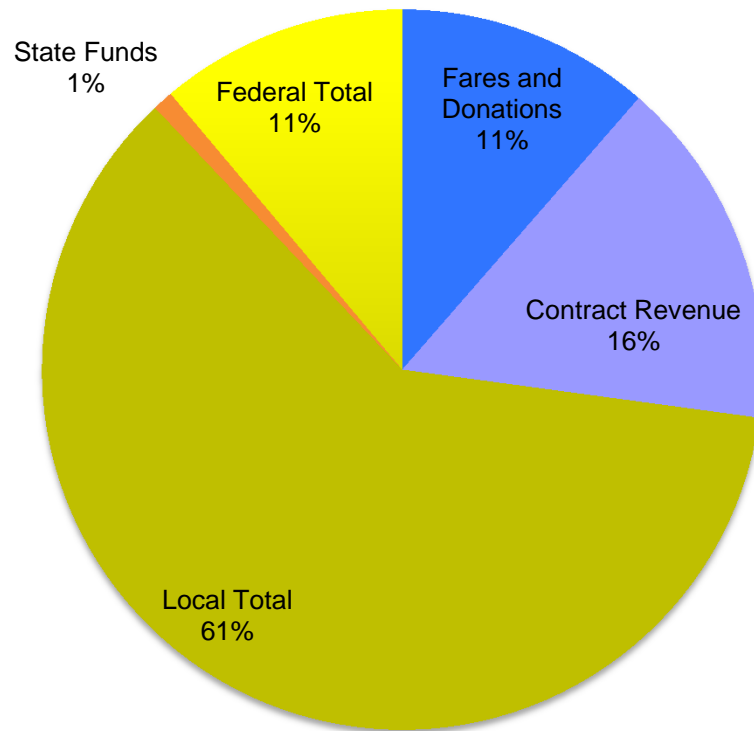
# Local Match

- P-N-Ps are popular for transit services
  - Can blend fund sources
  - Can serve across jurisdictional bounds
  - Do not have taxing authority
- Municipal and county operations often prefer non-dedicated taxes
  - Flexibility
  - Additional small cities have dedicated taxes – such as Fraser and Sterling
  - Large system 5311 funding has been fairly stable



# Investment in CO Transit

## 2014 Rural NTD Report





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# **SYSTEM SIZE**

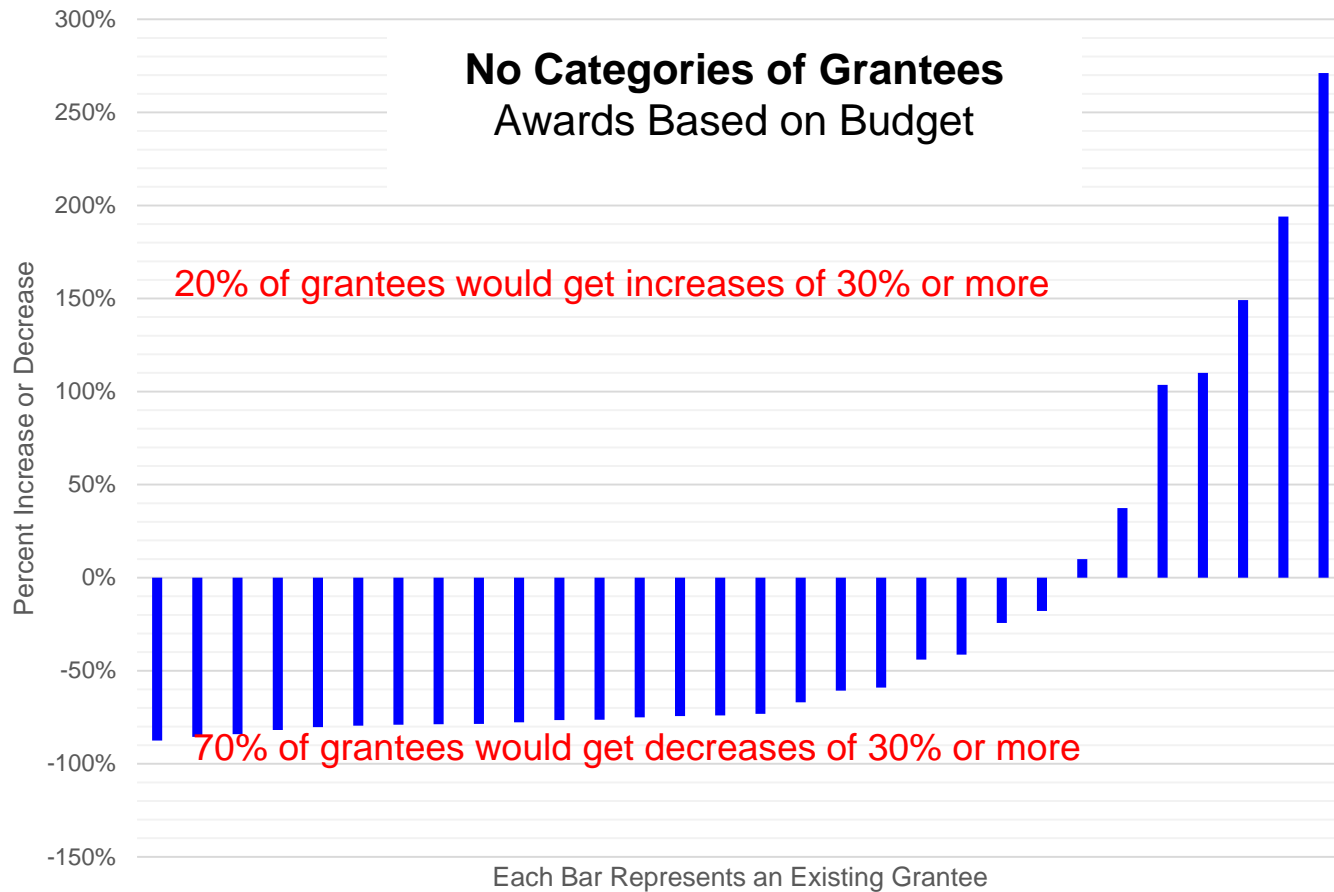


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# If everyone had an equal share of budget funded...what would happen?







# Categories

- Using categories of systems can provide:
  - A means for smaller or poorer areas to get 50/50 funding for critical services (equity)
  - A means to address lack of 5311 funds
  - A framework so communities know what to expect
- What method of categorization is going to help achieve this?



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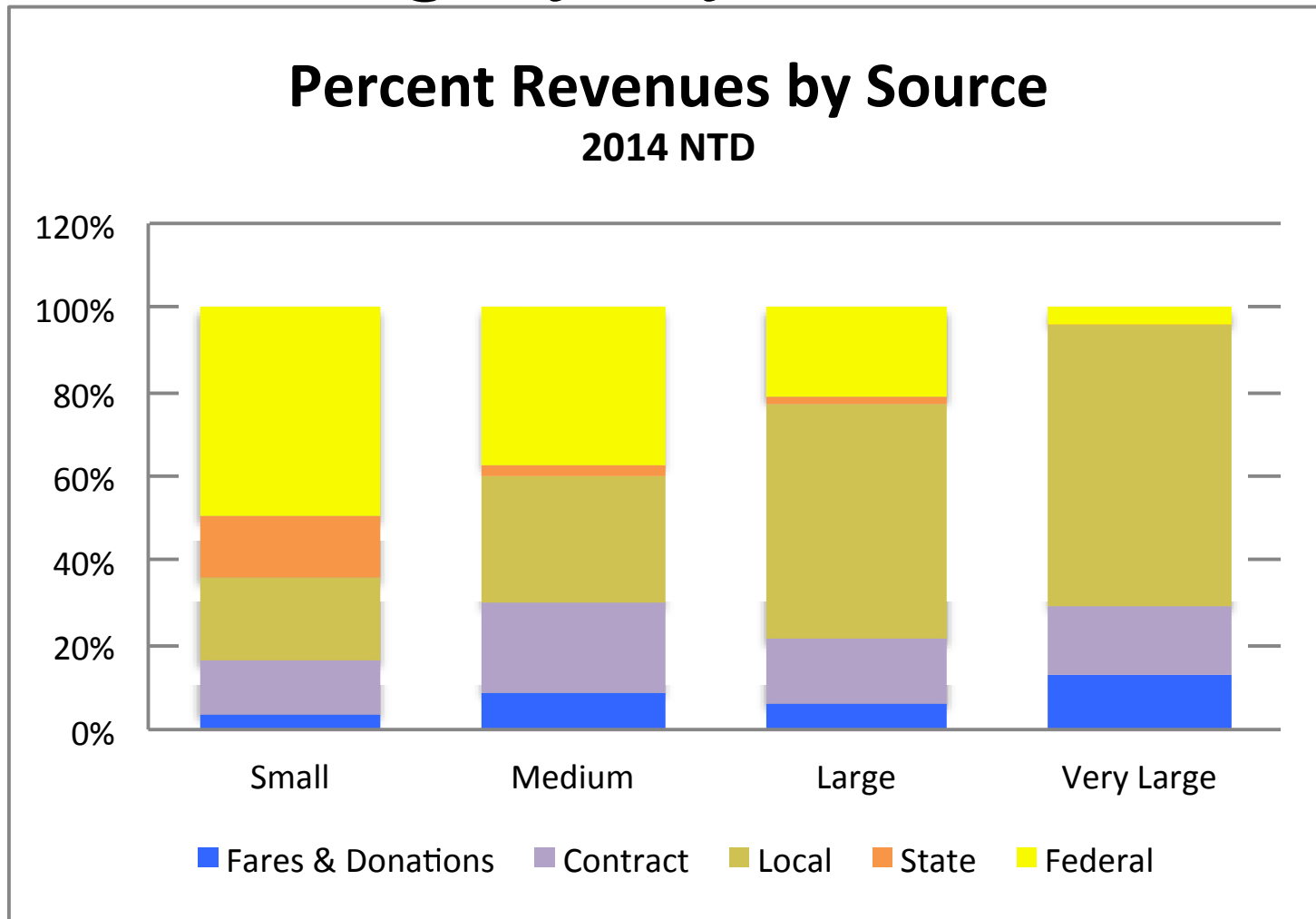
# Exploring Category Options

	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	< 5,000	11
<b>Medium</b>	500,000 - 1,500,000	10	5,000 - 20,000	12
<b>Large</b>	1,500,000 - 5,000,000	7	20,000 - 50,000	10
<b>Very Large</b>	> 5,000,000	3	> 50,000	4



# Funding by System Size





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# PERFORMANCE MEASURES

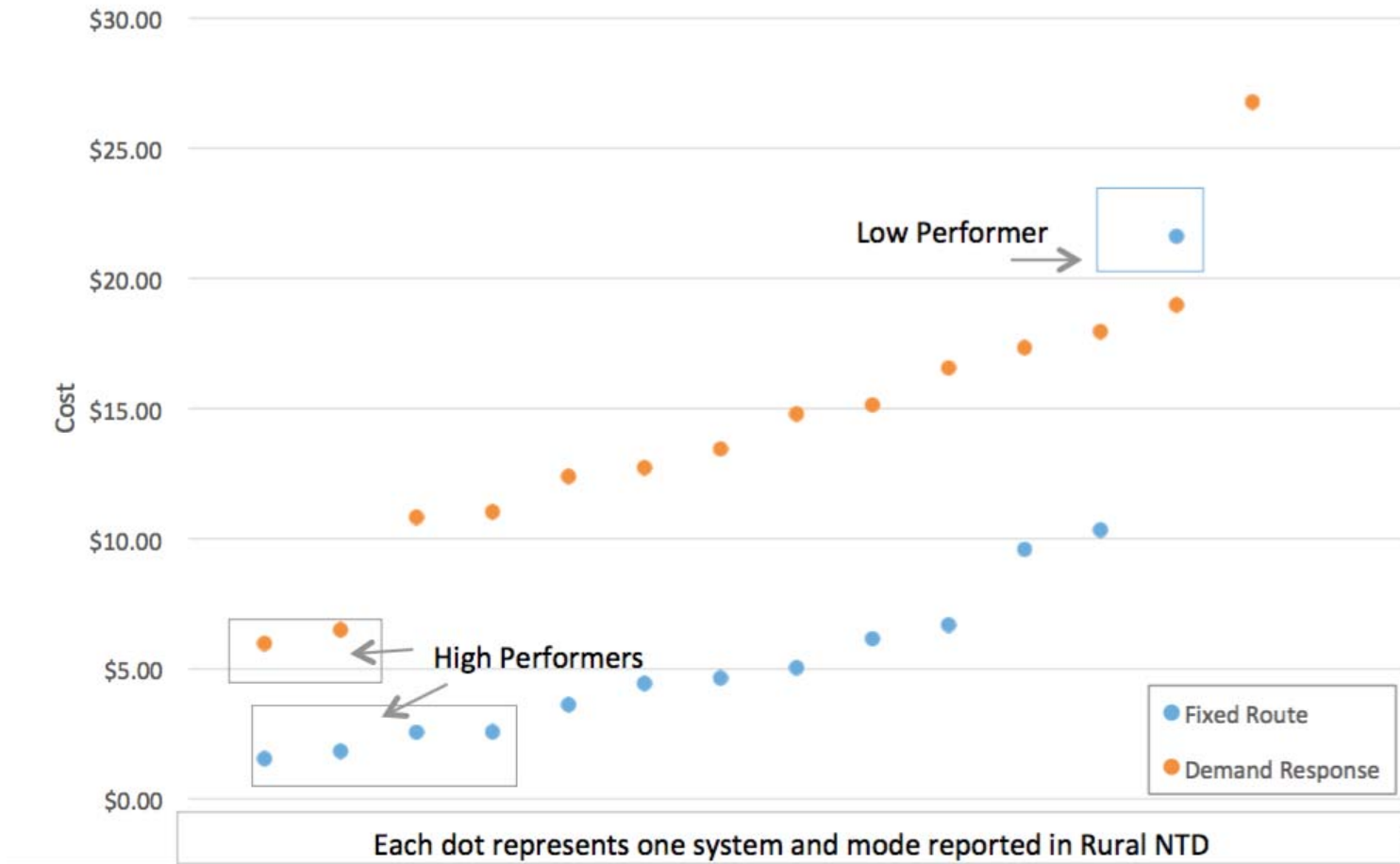


# Performance Standards

- Findings:
  - Overall CO systems perform well
  - May not be helpful in differentiating funding levels
  - Agreement is needed on definitions
- Will still need to consider:
  - How much weight should be given to performance?
  - For systems with more than one mode, is it useful to consider performance of each mode?



# Cost per Passenger Data





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## More on Performance Standards

- CDOT is cleaning the data and adding proposed systems to the mix
- This topic will be covered in depth at a later point.



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5311 Funding Distribution

# **DEVELOPING A FORMULA**





# CDOT's Perspective: Ideally

- Formula is:
  - Fair
  - Simple
  - Responsive to changes in grantees and service levels
  - Reviewed about every few years
- Formula provides stable funding
- Formula covers majority of funding, but some is allocated based on other factors



# Potential Ways to Build a Formula

## Base Funding

- Allocation based on size (small to very large) *plus*
- Allocations for items such as:
  - Jurisdictions served
  - Service connecting communities
  - Local investment
  - Efficiency & productivity
  - % workers commuting by transit or serving congested highways
- Address coordination efforts & financial need separately

## Sliding Scale

- Majority of funds allocated on size measure(s) such as budget, hours of service, or population served
  - Allocate funds based on sliding scale with small systems getting maximum and smaller amounts as system size increases
- Formula or subjective?
  - Coordination efforts, jurisdictions served, local investment, providing regional services, employment transportation



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# Next Steps

- January 11<sup>th</sup>, 3:00 is next meeting