

**FAQ's about 5311 Funding Distribution**  
**Proposed Policy Changes in Colorado**  
September 2016

**1. What is the driving factor for this effort? Please describe how CDOT sees the current status as well as the future issues that you see coming.**

The most immediate concern is there is no funding available for new entrants. In recent years CDOT has distributed all of the funding it has available for operating projects. CDOT has heard from at least six agencies that intend to request an operating grant in the next few years. There is not a good policy basis to deny funding to eligible applicants. Federal program requirements and Title VI (Civil Rights) require that all eligible populations be served.

Additionally, CDOT desires a distribution method that is transparent. Many of the decisions that shape the current funding arrangement were made by incremental decision over the last two decades. Because so many decisions occurred in the past, there is very little transparency in current operating awards. Other than a policy priority on stability of funding (i.e. same as last year plus inflation adjustments), there is little basis now to explain why one agency receives a relatively large award, while another similar agency—similar in size and operating characteristics—receives a much smaller grant.

Lastly, CDOT desires to discuss the opportunity to include performance as part of the 5311 funds distribution process. Performance-based management is encouraged by both State and Federal policy.

**2. Has there been any transportation commission direction on how to prioritize transit funding distribution?**

The Commission was very involved in establishing policy for the FASTER transit program that dedicated funds for local and statewide purposes. However, the Commission has not been involved in policy for distributing FTA funds. DTR first discussed the current issue with the Transportation Commissioners on September 14<sup>th</sup> and they requested follow up meetings to provide input on policy development.

**3. How does this effort dovetail with the FTA review from 2015?**

There is no direct connection between the 2015 FTA review and this effort to evaluate the 5311 distribution policy. However, as part of the review, the FTA did request that CDOT update its State Management Plan (SMP), the document that describes the state's policies and procedures for administering the state-managed federal programs. This current effort can be viewed as an update to the 5311 portion of the SMP.

**4. Would CDOT consider using a combination of formula and merit for this distribution?**

Yes, CDOT is open to considering any variety of methodologies to arrive at a distribution that is equitable, fair, and transparent.

**5. Please outline the process for approving this policy: (ie STAC > TRAC > TC). Who are the stakeholders and how are they involved?**

CDOT will first work with affected stakeholders, our Grant Partners, to discuss the policies, criteria, and methodologies associated with this effort. Following that, CDOT will then engage the Statewide Transportation Advisory Committee (STAC), the Transit and Rail Advisory Committee (TRAC), the Transit and Intermodal Committee of the Transportation Commission, and finally the full Transportation Commission. This issue will be discussed at multiple meetings in each of these policy bodies during the course of the project. This will be an iterative process where feedback from Grant Partners will inform discussions at higher levels and vice versa.

**6. How will you present this to the Transportation Commission? Will you include information on the impact to the highway system?**

DTR will discuss many policy issues related to the 5311 distribution with the Transportation Commission, the transit impacts on the highway system being one of them. Because of the purposes of FTA's programs for rural public transportation, congestion mitigation is not a key factor in decision-making. Transportation Commission policy at the State level has focused on connectivity, ridership, and vehicle/facility asset condition.

**7. How will CDOT go about developing the value statements embedded in the policy? Specifically, selecting some communities over others?**

CDOT will engage with stakeholders (ie, Grant Partners) and CDOT policy bodies to identify the value statements embedded in the distribution of federal transit program funding. Based on this policy framework, CDOT will develop criteria that guide the distribution of federal funds in a fair and equitable way. CDOT will then develop a transparent methodology based on the criteria. Any discussion of which communities will be affected will not occur until much later in the process.

**8. The increase in funding came from including performance measures in the 5311 formula. How is this federal policy reflected in the state distribution for 5311?**

As defined in the US Code, the formula for 5311 is based on four factors: land area, population, vehicle revenue miles, and low income population. The vast majority of the formula—88 percent—is based on land area. Vehicle revenue miles accounts for 5 percent of the formula. Currently, revenue miles is not reflected in the state distribution of 5311. However, it has been proposed as one of the criteria to use in a future formula.

**9. How much funding is going to Bustang from 5311(f) that used to go to the 5311 program?**

None of the 5311(f) intercity funds go to Bustang, which is funded out of FASTER funds. As required by the FTA, the state sets aside 15 percent of 5311 funds to sustain the intercity bus network. This money is awarded to private intercity bus carriers and non-profits to operate intercity bus routes which must make a "meaningful connection" to the national network.

**10. How does CDOT plan for the interaction between the new 5311 policy and the new 5310 policy? Do you have a sense of how agencies will change their grant strategy with the new policies in place?**

CDOT recognizes that changes in the 5310 program may affect the 5311 program. For instance, if CDOT eliminates operating projects as an eligible activity, some of those organizations may seek 5311 funding. As part of this redistribution project, CDOT plans to evaluate how changes in one program may affect other federal programs.

**11. This new policy seems to pull transit out of the transportation planning process, while we have worked so hard to bring transit into the transportation planning process. Is this true? If this is not true, please explain how it is tied to the planning process.**

CDOT completed its Statewide Transit Plan in 2014 that identified transit goals at a statewide level. CDOT does not view this effort as a deviation from that plan or a substitute for it. Rather, this effort is a way to convert the high-level goals in the Plan into real-world actions. "System Preservation and Expansion" is the first goal listed in the Statewide Transit Plan, with three of the supporting goal statements as follows: (1) Expand transit services based on a prioritization process, (2) Allocate resources toward both preservation and expansion, and (3) Identify grant and other funding opportunities to sustain and further transit services statewide.

**12. Which agencies are potential 'new' agencies? How much do you anticipate these agencies requesting? How long does an agency stay in the 'new' pot?**

There are several agencies that have approached CDOT about obtaining an operating grant in the next couple of years: Archuleta County, Telluride, rural Weld County, Bent County, Black Hawk City, Estes Park, and Woodland Park.

CDOT cannot comment on the size of an award to one of these agencies until we see the request. However, most of these agencies are small and would offer limited services. Currently, the smallest operating award CDOT gives is around \$75,000. CDOT does not have a policy around how long a new agency stays "new" and therefore hopes to develop a policy during this project.

**13. Once the potential new players are included, what is the revised shortfall?**

CDOT estimates the shortfall to be between \$500,000 and \$1.5 million, annually. Additionally, there are two agencies – Winter Park and Clear Creek County – that received an operating award for the first time in 2016. These awards were very small given the size of their operation and we expect them to request more funding.

**14. What is the chain of command for this project? Who does what within the DTR/other CDOT staff?**

Mark Imhoff, as Director of the Division of Transit & Rail, is ultimately responsible for the project and is supported by his staff. The project lead is Jeff Sanders who regularly coordinates with other staff members.

**15. Who developed the proposed formula?**

There is no proposed formula. CDOT is still in the process of developing criteria that would be used in any kind of methodology or formula. CDOT did develop five "scenarios" that used a variety and combination of several different criteria. However, CDOT staff warned that the

scenarios should not be interpreted as policy options, but rather as tools to explore the consequences of including or excluding various criteria.

**16. How are CDOT staff coordinating with other departments within CDOT? Specifically, using the planners to verify with Statewide plan, the PR staff to put together your public process and the government relations staff for the policy questions.**

CDOT plans to work with our colleagues in the Division of Transportation Development (DTD) Statewide Planning team, to include Region Planning staff, and Policy and Communications Office staff. Consultant assistance will support the effort. Policy development will occur through interaction with the STAC, TRAC, and Transportation Commission. The Transit & Rail Advisory Committee (TRAC) includes representatives of CASTA, ColoRail, COPIRG, and many transit agency representatives (rural, resort, small urban, large urban) who are expected to communicate through their memberships and organizations.

**17. Can COTRAMS data be used for the spreadsheets?**

Yes, COTRAMS data can be used in the process. Like all other data sources, to the extent the data are available and useful, they will be used to develop the distribution methodology.

**18. Would it be possible for CDOT to provide FTA 5311 circular training for agencies?**

Yes, CDOT and/or FTA will consider such training in upcoming events such as Transit Town Halls and CASTA Conferences.