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Division of Transit & Rail

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DATE: July 12, 2019

TO: Transit & Rail Advisory Committee

FROM: Qing Lin, Programming Unit Manager

SUBJECT: DTR Fiscal 19/20 Budget and 2020 FTA-5311 Redistribution Proposals

Purpose

This memo is intended to keep the TRAC informed about the DTR fiscal year 2019/2020 budget revenues and seek input on the proposals on the 2020 FTA-5311 funding distribution.

Action

CDOT is seeking TRAC committee's feedback and directions on the proposals on the 2020 FTA-5311 funding distribution.

Background

1. In 2018, the Transportation Commission approved a six year FTA-5311 operating funds distribution methodology (from 2018 to 2023, please see attachment 1). Based on this formula plan, most agencies will receive 3% increase each year to finally arrive at the year 6 level, except Durango and several other agencies who would receive reductions to achieve overall fairness. This methodology included \$1 million each year being reserved for capital projects, largely awarded for vehicle replacements.
2. In April 2019, CDOT conducted 2020 Admin/Operating/Mobility Management call, and received \$11 million in FTA-5311 admin & operating requests which exceeded the \$9.1 million of the formula distribution amount estimated for year 3 (2020) of the methodology.
3. FTA subsequently announced the apportionment and FTA-5311 funds were increased to \$13 million, an total increase of 9%, rather than the normal 2% increase.
4. Besides the increases from federal funding source, CDOT also received significant additional state transit funds (SB267, Multi-Modal and Settlement) of \$90 million in the SFY2020. Please see Table 1 for 2020 Transit Revenues.
5. The amount of available transit funding in SFY2020 provides opportunities and challenges, regarding how CDOT can effectively distribute the funds to the local agencies. These challenges are requiring CDOT to rethink the distribution methodology developed few years ago.

Details

In an effort to better distribute these funding and provide more operating funding assistance to the local transit providers, CDOT DTR staff are proposing three options to distribute the FTA-5311 funds. Please refer to Table 2 for FTA-5311 Redistribution Proposals.

Key Benefits (if applicable)

Option 1 stays at the same level as the last year with a slight increase for operating assistance, as envisioned by the methodology. This option does not pass the revenue increase, along for admin and operating uses, but retains more funding for capital uses.

Option 2 reduces the half of the capital uses for 5311 and increases the state admin and operating assistance. The option does help offset the increased state administration cost for oversight and compliance (NTD Reporting, Asset Management requirements, State management Plan/Review, etc). A half million (\$0.5 million) in capital funds are retained for capital projects. Capital projects would be funded by other state sources.

Option 3 Removes the capital uses by backfilling with other state capital funds and accelerates the operating assistance substantially to the year 6 level. This option shifts FTA funds to focus on Admin/Operating projects while utilizing the state funds for capital projects. It would help CDOT to apply FTA funds quickly, and closeout FTA 5311 grants in 18 months, rather than 36 months.

Options and Recommendations (if applicable)

CDOT is seeking input on these distribution proposals.

Next Steps (if applicable)

Based on feedback from TRAC, CDOT will (re-)calculate distribution amounts, as appropriate, for 5311 sub-recipients over a multi-year period.

Attachments

- 1) FTA-5311 REDISTRIBUTION METHODOLOGY
- 2) TABLE 1 CDOT 2020 TRANSIT REVENUES
- 3) TABLE 2 FTA-5311 REDISTRIBUTION PROPOSALS