



COLORADO

Department of Transportation

Division of Transit & Rail

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DATE: July 10, 2020
TO: Transit & Rail Advisory Committee (TRAC)
FROM: David Krutsinger, Director, Division of Transit & Rail
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SUBJECT: Colorado Transit Agencies Financial Needs Survey Results

Purpose

This memo reports the survey results to TRAC on Transit Agencies Financial Needs

Action

CDOT is looking for comments and suggestions from TRAC

Background

1. The transit industry has been hit hard by the COVID-19 pandemic. With drastically reduced ridership and operating budget, transit agencies are facing unprecedented challenges.
2. In order to understand and respond to the new crisis and reality, CDOT proposed a survey about the financial status of transit agencies and solicited TRAC input during the TRAC June meeting. Per the recommendation and comments received from the TRAC, a Transit Agencies Financial Needs Survey was issued on 6/17/2020 and closed on 6/24/2020.
3. CDOT has analyzed the responses from the survey and assessed the transit agencies' current and anticipated financial situation.

Details

1. The survey received diverse responses from 48 agencies across the state, which covered a range of agency sizes, from very large to very small, from urbanized areas to rural areas, from sub-recipients of FTA-5311 to FTA-5310 and FTA-5307.
2. Funding shortfalls, maintaining appropriate safety standards and adequate staff/fleet resources, and sustaining ridership are the three major challenges Colorado transit agencies are facing.
3. More than \$43 million revenue loss was reported through the survey, which represented 22% of rural transit budgets and 39.5% of urban transit budgets.
4. A majority of transit agencies are experiencing 41-50% decrease in ridership for the year.
5. Over \$5.5 million of the transit agency budgets have been spent on COVID response equipment, like cleaning supplies, face masks, and related staff/maintenance expenditures.
6. 60.4% of the agencies reported finishing 2020 without significant layoffs or furloughs, while the rest of 40% will have to make difficult or very difficult decisions reducing their force or staff hours.
7. 68.8% of the respondents said they will need to maintain their agency's current balance between admin & operating (A/O) and capital expenditures, while almost 23% of agencies reported that they will need to sacrifice or defer capital spending and spend more on admin and operating (A&O).
8. Nearly half of respondents indicated consideration of new service models and are strategizing innovative service models as a result of COVID-19, versus another half of the agencies found difficulties in considering new service models.
9. Over two-thirds of respondents were either unsure or not planning to apply for 2021 CCCP in August while slightly under one-third of the agencies were planning to apply for capital funds.

10. Two-thirds of agencies responded that their agency's budget impacts either might or will affect their ability to meet local match requirements.
11. Other indications from the survey will be explained further in CARES Act Phase II Memo and SB267 Transit Project Memo.
12. A separate Transit Asset Metrics memo also explains that up to \$10 Million reduction in the August Capital Call (CCCP) may be supportable for one year to make more operating funds available during the pandemic.

Next Steps

Overall, the survey results indicate the limited transit program resources are extremely important to support and maintain essential /standard levels of transit services during the pandemic. The funding and programming decisions need to be made carefully and comprehensively. Exploring other creative match options will relieve a tremendous amount of stress on local transit agencies for the next year or two.

Based on local feedback, CDOT staff have re-evaluated our existing funding sources and are returning to TRAC and TC with additional recommendation for CARES Act Phase II Distribution and SB267 project list recommendation.

At this point, CDOT recommends releasing the 2021 CCCP NOFA in August 2020 as planned (schedule-wise), to continue providing some capital assistance to Colorado transit agencies for support of the capital needs during the pandemic. Based on the survey results, CDOT is considering a reduction of up to \$10 Million in funds available for small capital (typically vehicle replacements) to potentially make more money available for critical admin & operating needs. A more specific recommendation would be brought to TRAC at a special meeting in August.

Attachments

- Attachment 1- Survey Results Presentation
- Attachment 2 - CDOT Survey Summary Report