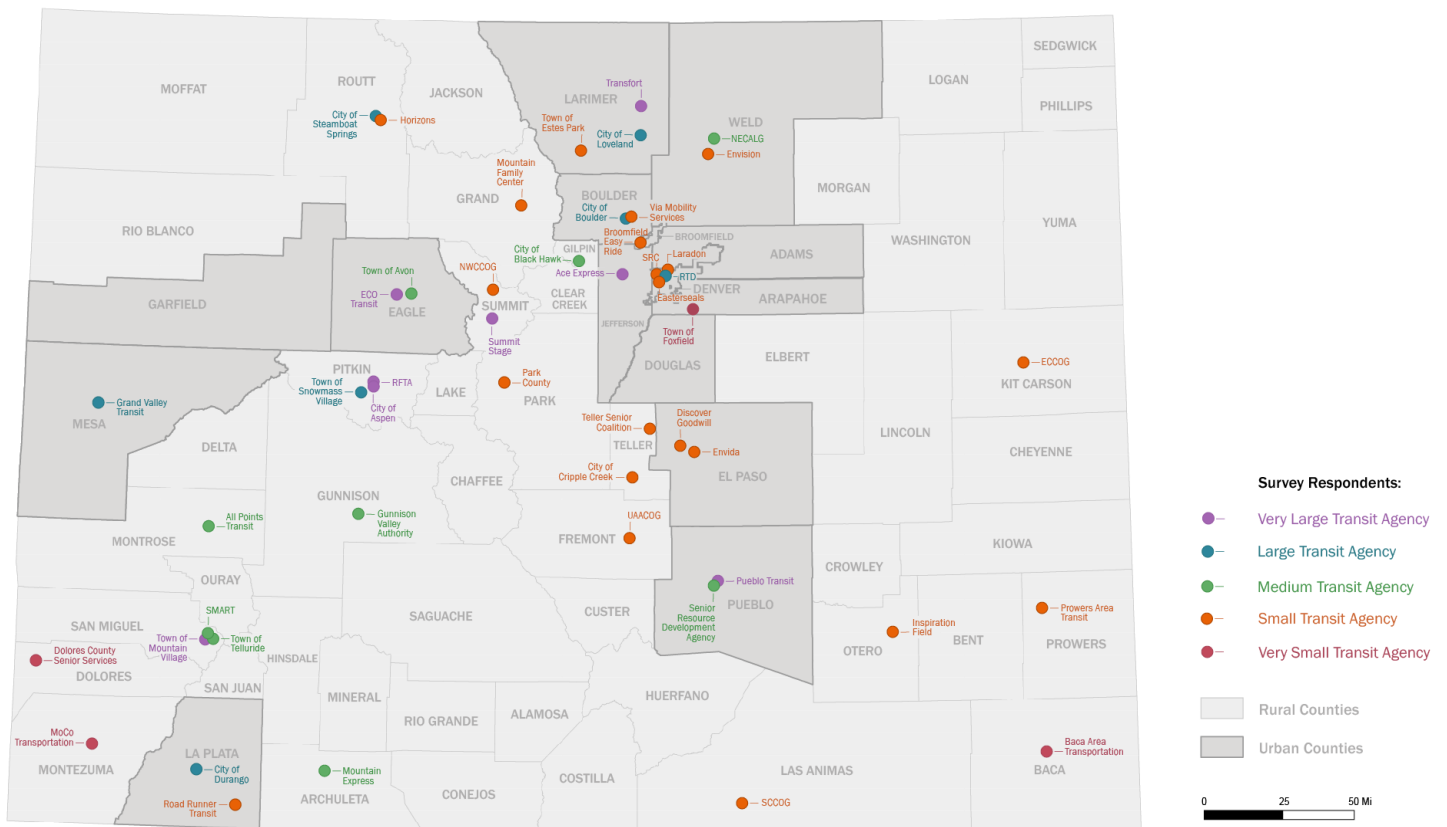


Colorado Transit Agency Financial Needs Survey Results

Executive Summary

CDOT sent a statewide survey on 6/17/2020 in an effort to understand perspectives from local transit providers on their reactions to the impacts of COVID-19 and respective outlooks on funding for operations. CDOT looks to use this feedback to assess agencies' current and anticipated financial situation, in order to appropriately provide support through existing funding sources and additional emergency funds, such as Phase II of the CARES Act. The survey closed on 6/24/2020.

48 agencies responded to the survey questions across the state:



*Per SB 267, urban for this map is defined as >50,000 population as of 2015, rural ≤50,000.

TRANSIT AGENCY	CARES ACT PHASE I APPORTIONMENT	PRIMARY FUNDING SOURCE	SURVEY RESPONDENT
SIZE: VERY LARGE			
Roaring Fork Transportation Authority (RFTA)	\$5,234,501	FTA-5311	X
Eagle County (ECO Transit)	\$2,173,600	FTA-5311	X
Summit County (Summit Stage)	\$1,806,918	FTA-5311	X
Aspen, City of	\$1,230,648	FASTER	X
Vail, Town of	\$916,092	FASTER	
Mountain Village, Town of	\$643,357	FTA-5311	X
-----	\$12,005,115	-----	-----
-----	-	-----	-----
Ace Express Coaches LLC	---	FASTER	X
Pueblo, City of (Pueblo Transit)	---	FTA-5307	X
Fort Collins, City of (Transfort)	---	FTA-5307	X
SIZE: LARGE			
Breckenridge, Town of	\$733,953	FTA-5311	
Steamboat Springs, City of	\$614,315	FTA-5311	X
Snowmass Village, Town of	\$586,502	FTA-5311	X
Winter Park, Town of	\$378,106	FTA-5311	
Durango, City of	\$367,658	FTA-5311	X
-----	\$2,680,535	-----	-----
-----	--	-----	-----
Boulder, City of	---	FTA-5307	X
Loveland, City of	---	FTA-5307	X
Mesa County (Grand Valley Transit)	---	FTA-5307	X
Regional Transportation District (RTD)	---	FTA-5307	X
SIZE: MEDIUM			
Northeastern Colorado Assn of Local Govts (NECALC)	\$287,952	FTA-5311	X
Crested Butte, Town of (Mountain Express)	\$268,023	FTA-5311	X
Montrose County (All Points Transit)	\$244,556	FTA-5311	X
Gunnison Valley Rural Transportation Authority	\$236,228	FTA-5311	X
Avon, Town of	\$228,279	FTA-5311	X
Glenwood Springs, City of	\$217,391	FTA-5311	

San Miguel Authority for Regional Transp. (SMART)	\$182,560	FTA-5311	X
Telluride, Town of	\$146,155	FTA-5311	X
Black Hawk, City of	\$108,353	FTA-5311	X
Senior Resource Dev. Agency, Pueblo, Inc. (SRDA)	\$29,070	FTA-5310	X
-----	\$1,948,568	-----	-----
-----	--	-----	---

SIZE: SMALL

SoCoAA (Road Runner Transit)	\$154,285	FTA-5311	X
Via Mobility Services*	\$150,465	FTA-5310	X
South Central Council of Governments (SCCOG)	\$114,697	FTA-5311	X
Seniors' Resource Center, Inc. (SRC)	\$98,325	FTA-5310	X
Estes Park, Town of	\$94,975	FTA-5311	X
Upper Arkansas Area Council of Governments (UAACOG)	\$74,696	FTA-5311	X
Prowers County (Prowers Area Transit)	\$70,675	FTA-5311	X
Cripple Creek, City of	\$62,073	FTA-5311	X
Clear Creek County	\$61,201	FTA-5311	
Lake County	\$51,922	FTA-5311	
Neighbor to Neighbor Volunteers	\$48,407	FTA-5311	
Bent County	\$44,448	FTA-5311	
East Central Council of Governments (ECCOG)	\$38,518	FTA-5311	X
Teller Senior Coalition	\$37,929	FTA-5311	X
Park County	\$15,390	FTA-5311	X
Disability Services, Inc. (Envida, Amblicab)*	\$12,976	FTA-5310	X
-----	\$1,130,981	-----	-----
-----	--	-----	---
Broomfield, City and County of (Broomfield Easy Ride)	---	FTA-5310	X
Discover Goodwill	---	FTA-5310	X
Easterseals Colorado	---	FTA-5310	X
Envision	---	FTA-5310	X

Horizons Specialized Services	---	FTA-5310	X
Inspiration Field	---	FTA-5310	X
Laradon Hall Society for Exceptional Children and Adults	---	FTA-5310	X
Mountain Family Center (Grand County Council on Aging)	---	FTA-5310	X
Northwest Colorado Council of Governments (NWCCOG)	---	FTA-5310	X
SIZE: VERY SMALL			
Archuleta County	\$34,876	FTA-5311	
Dolores County	\$33,525	FTA-5311	X
Montezuma County	\$29,141	FTA-5311	X
La Junta, City of	\$26,601	FTA-5311	
-----	\$124,142	-----	-----
-----	---	-----	---
Baca Area Transportation	---	FTA-5310	X
Foxfield, Town of	---	Not a direct transit provider	X

**Rural services only of these largely urban serving agencies*

Note: Size of transit agency based on CARES Act Phase I apportionment, 2020 Transit Services Budget, and average funding award amount (State and FTA) received 2016-2020.

Informational responses were collected and contained important findings to aid CDOT future funding and programming decisions. The key concerns of transit agencies are listed below.

- The top three major challenges are: (1) funding shortfalls, (2) maintaining appropriate safety standards and adequate staff/fleet resources, and (3) sustaining ridership.
- There is an anticipated sharp budget drop in Colorado for transit agencies in 2020, and also significant ridership declines. More than \$43 million in revenue losses were identified through responses to this survey.
- From most agencies' standpoint, 2021 revenue looks worse than 2020. It is difficult for agencies to balance and maintain spending between admin & operating (A&O) and capital needs.
- Colorado transit agencies have spent a significant amount of resources (more than \$5.5 million from the survey) on COVID response equipment, like cleaning supplies, face masks, and associated staffing /maintenance costs.
- Transit agencies in Colorado approve of CDOTs CARES Act Phase I Distribution approach and appreciate the work and services CDOT has provided during the pandemic.
- Some suggestions were collected for CARES Act Phase II distribution, such as, agencies who shut down services may not need the second phase funding; or, allow CARES Act Formula to be based on population.
- Some transit agencies confirmed difficulty meeting match requirements for the future consolidated capital call for projects (CCCP) while some are on the fence whether or not they will be able to provide local match for projects.

Overall, the survey results indicate the limited transit program resources are extremely important to support, and to maintain basic/standard levels of transit services during the pandemic. 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.

Detailed Response Analysis

Q1. What are the three biggest challenges your agency is facing? How do you think CDOT can help?

1. Funding shortfalls: lost revenue, uncertainty around local match sources, decreased sales tax

The majority of agencies acknowledged that securing Phase II CARES funding ASAP is going to prove critical. Several agencies noted a preference for applying Phase II CARES funding directly toward recovering lost revenue or local match funding, if possible.

- Request for CDOT to lobby for continued and increased State and Federal transit funding opportunities, particularly heading into 2021 and beyond. (*i.e.*, “CDOT needs a strong position and education regarding transit services and the braiding of funds to support access in a broad community sense.”)
- Request for CDOT to be flexible with grant expenditure deadlines, and expedite grant reimbursement processes or purchase assistance to offset cash-flow challenges for larger capital investments.
- Request for CDOT to reconsider its 5311 redistribution policy and reallocate funds between grants, if possible.

2. Maintaining appropriate safety standards; maintaining adequate staff and fleet resources

The majority of agencies expressed concerns over adhering to social distancing and upholding a safe environment for both agency staff and riders. Several agencies mentioned the strain of attracting qualified staff during hiring freezes, attracting volunteer staff to return to work, and overcoming a lack of affordable staff housing close to the workplace. Some agencies are experiencing a thin spread of staff and fleet resources while providing more 1:1 (driver: passenger) or other “at-less-than-typical-vehicle-capacity” trips.

- Request for CDOT to provide an official guide regarding best practice protocols (*i.e.*, health and safety procedures, list of recommended supplies tailored to transit operations) to supplement general information published by the CDC and the Governor’s office. Note: Several respondents indicated that CASTA’s weekly informational calls have been helpful in providing informal guidance up to this point.
- Request for CDOT to provide additional PPE and driver barriers to help offset high unbudgeted emergency supplies expenditures; bulk orders distributed by CDOT could be overall less expensive.
- Request for CDOT to temporarily lease or loan out vehicles in order to adequately meet demand for 1:1 or minimized rider capacity trips.

3. Mitigating fear and encouraging sustainable levels of ridership

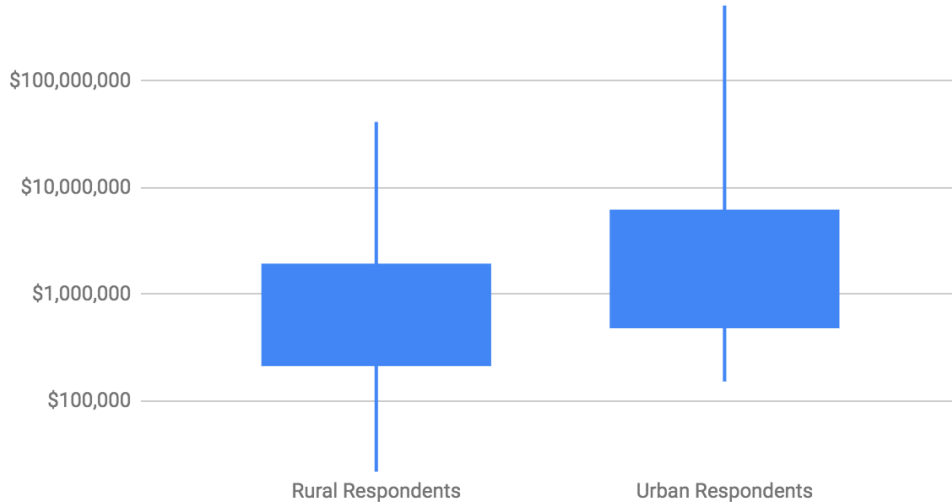
The majority of agencies reported concerns over how to address public anxiety about the use of public transit as COVID-19 continues to persist. Many agencies acknowledge that this is a national and global issue extending beyond the CDOT scale. Many agencies insisted they look to encourage increased ridership as statewide Safer-at-Home orders relax, but are cautious to act too quickly. Note: some agencies expressed special concern over how to develop outreach and service strategies sensitive to the needs of senior populations at higher risk of exposure to COVID-19.

Q2. At the beginning of 2020, how much did your agency plan (budget) to spend on transit services for the whole year?

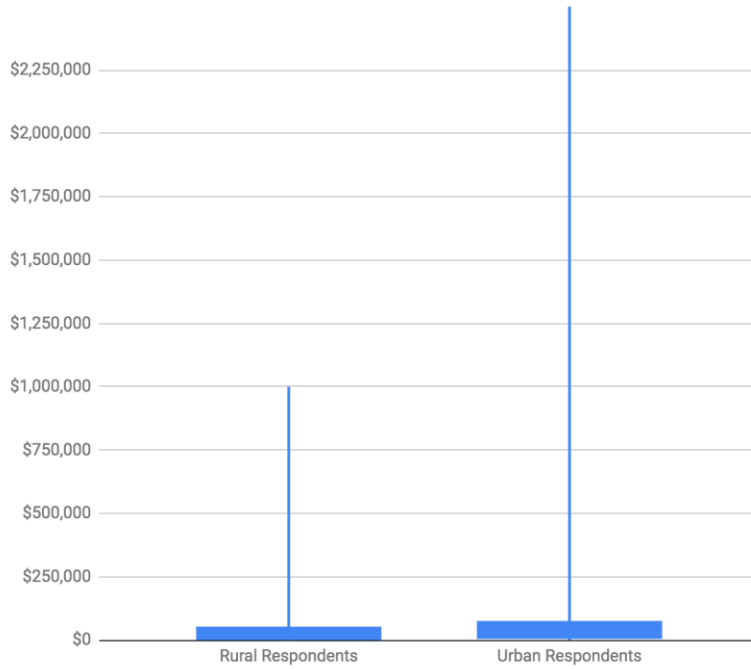
	RURAL RESPONDENTS	URBAN RESPONDENTS
Minimum	\$21,698	\$152,000
Median	\$627,093	\$2,099,067
Maximum	\$41,300,000	\$510,000,000
TOTAL	\$79,953,489	\$612,690,254

Q3. In 2020, how much in additional or unplanned expenditures (not in your agency budget) do you estimate your agency will spend on COVID response for things like cleaning supplies, face masks, sneeze guards, etc?

2020 Transit Services Budget



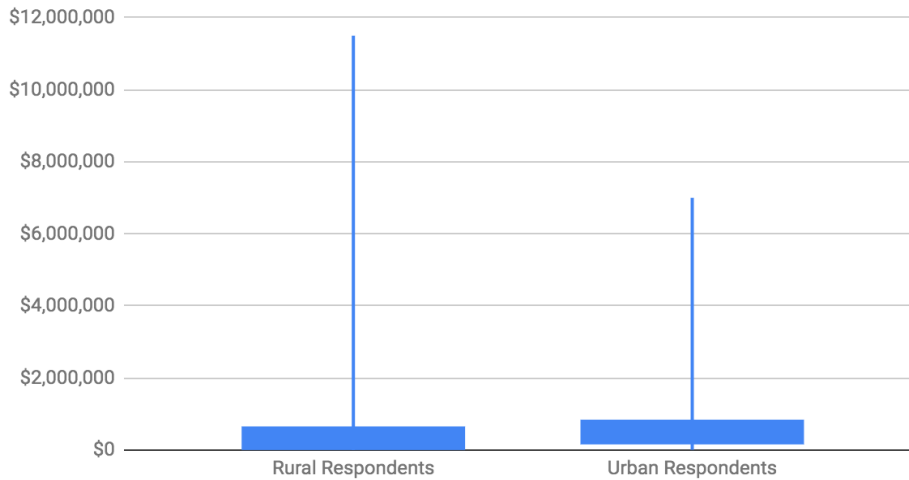
2020 Un-budgeted COVID-19 Supplies Cost



	RURAL RESPONDENTS	URBAN RESPONDENTS
Minimum	\$0	\$0
Median	\$15,000	\$16,000
Maximum	\$1,000,000	\$2,500,000
TOTAL	\$17,22,650	\$3,822,000

Percent change increase from COVID-19 expenditures, relative to 2020 Transit Services Budget:

2020 Financial Shortfall



	RURAL RESPONDENTS	URBAN RESPONDENTS*
Minimum	0.0%	0.0%
Median	1.4%	1.4%
Mean	11.8%	3.3%
Maximum	200.0%	13.0%
Standard Deviation	39.8%	4.0%

**Excludes urban providers receiving FTA-5307 funds*

Q4. Of your original 2020 budget, how much revenue will your agency lose in 2020 (what is the \$ value of the shortfall)?

	RURAL RESPONDENTS	URBAN RESPONDENTS
Minimum	\$0	\$5,000
Median	\$88,500	\$397,000
Maximum	\$11,500,000	\$7,000,000
Total	\$20,841,050	\$22,996,037

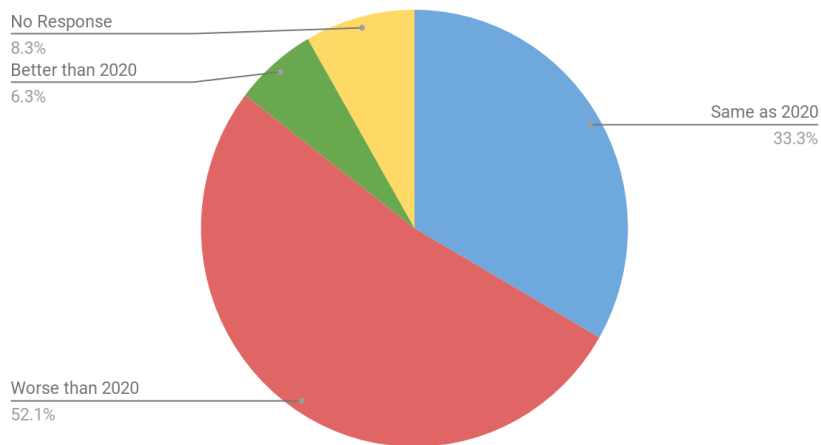
Percent change loss from financial shortfall, relative to 2020 Transit Services Budget:

	RURAL RESPONDENTS	URBAN RESPONDENTS*
Minimum	0.0%	1.2%
Median	19.8%	30.8%
Mean	23.5%	43.1%
Maximum	100.0%	100.0%
Standard Deviation	22.1%	39.5%

*Excludes urban providers receiving FTA-5307 funds

Q5. What are your expectations for your 2021 budget: same as 2020, worse than 2020, better than 2020, other? Please describe. If known, what will be your agency's revenue shortfall in 2021?

Expectations for 2021 Budget



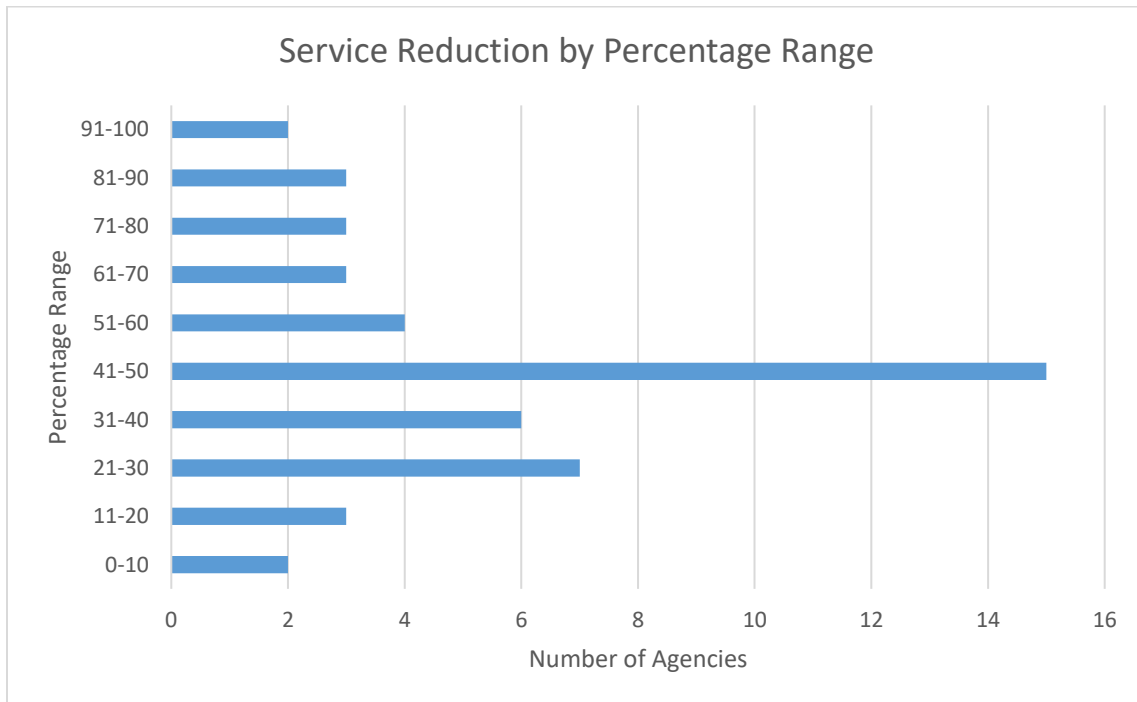
- The severity and duration of the impacts of COVID-19 are difficult to reasonably estimate at this time.
- Projecting the level of transit service needed to support ridership demand in 2021 is difficult to reasonably estimate at this time.
- Lack of revenue will continue until there is a vaccine and/or official restrictions are changed.

Note: Received an insufficient number of responses to give an accurate estimate of 2021 revenue shortfall.

Q6. Given COVID effects on your agency, what is the new estimate for riders in 2020? Please answer in either of the two following formats: (1) I expected 100,000 riders for the year, but now expect only 60,000, OR (2) 40% drop in ridership for the year.

Of the 48 agencies that responded to this survey:

- 15 agencies reported between a 41-50 percent decrease in ridership for the year.
- 7 agencies reported a decrease in ridership was between 21-30 percent.
- 6 agencies reported decrease in ridership was between 31-40 percent



Q7. How would you characterize your agency's staffing plan going forward, compared to the beginning of 2020?

Of the 48 responses from our transportation agencies:

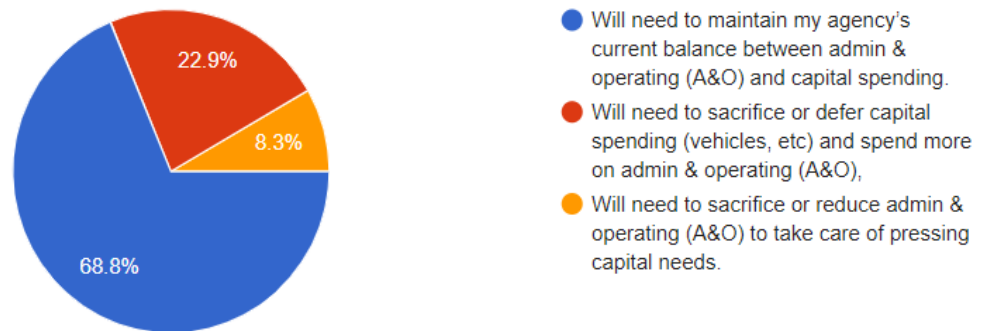
- 60.4% of the agencies reported finishing 2020 without significant layoffs or furloughs.
- 29.8% of the agencies reported finishing 2020 having made difficult staffing decisions with 5-20% reduction in their force or staff hours.
- 10.4% of the agencies reported finishing 2020 having made extremely difficult decisions with greater than 20% reduction in force or staff hours.

Q8. How would you characterize your agency’s financial needs for the remainder of 2020 and through 2021?

The transportation agencies were asked to characterize their financial needs for the remainder of 2020 and through 2021.

- 68.8 % of the respondents said they will need to maintain their agency's current balance between admin & operating (A&O) and capital spending.
- Almost 23% of agencies reported that they will need to sacrifice or defer capital spending and spend more on admin and operating (A&O).
- A little over 8% of agencies reported that they will need to sacrifice or reduce admin & operating (A&O) to take care of pressing capital needs.

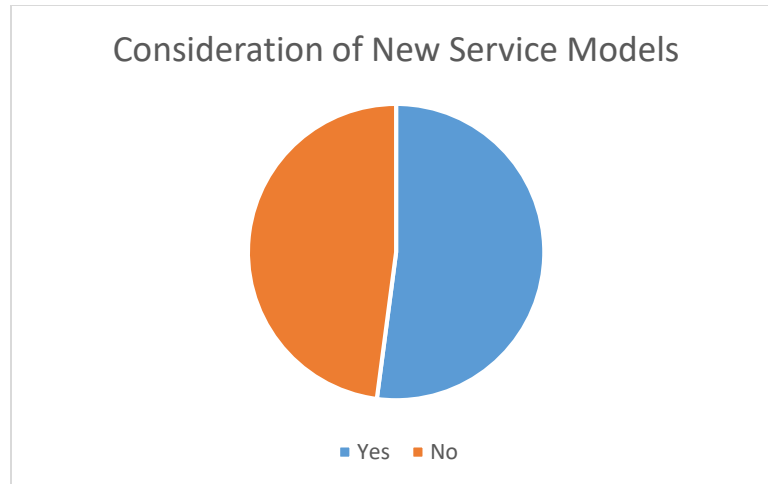
48 responses



Q9. Are you considering any new service models or new delivery strategies as a result of COVID (i.e. on-demand service, different vehicle types, etc.)?

From the responses from the transportation agencies it was fairly evenly split between those agencies who are considering new service models or new delivery strategies as a result of COVID.

- 25 respondents said they are considering new service models
- 23 respondents said they are not currently considering new service models or delivery strategies at this time.



Of the responses to this particular question there were some notable responses:

- Appropriate service reductions are very difficult to gauge and implement, especially with vehicle capacity limited to maintain social distancing (i.e. a bus that normally seats 27 passengers can only accommodate 10 passengers during COVID) and not knowing if or when ridership demand is coming back.
- For deviated fixed routes, the agency has decreased the number of routes and increased the frequency of service. They are filling in gaps with demand response, using smaller vehicles when possible. They are looking at service options for additional smaller vehicles to help with flexibility on NEMT Medicaid trips, anticipating operational changes that may be necessary due to the brokerage model.
- Much is yet to be determined in terms of how they function as an agency going forward but given that their population is considered medically fragile and vulnerable, their service delivery will reflect the most conservative approaches and will likely be among the last to return to pre-COVID models and systems.
- if the society continue to stay safer at home with virtual programming, there will be very much reduced transit service going forward and may not need as many vehicles in the fleet

As is evident in their responses, many transportation agencies are having to strategize innovative service models and delivery strategies as a result of COVID-19.

Q10. How have CARES Act Phase I funds helped with your 2020 budget?

There were many positive responses for how CARES Act Phase I funds have helped transportation agencies with their 2020 budget.

There were some responses from 5310 HS providers, but we will not be analyzing these responses for the purposes of this survey.

From the rest of the responses, there were some notable positive responses.

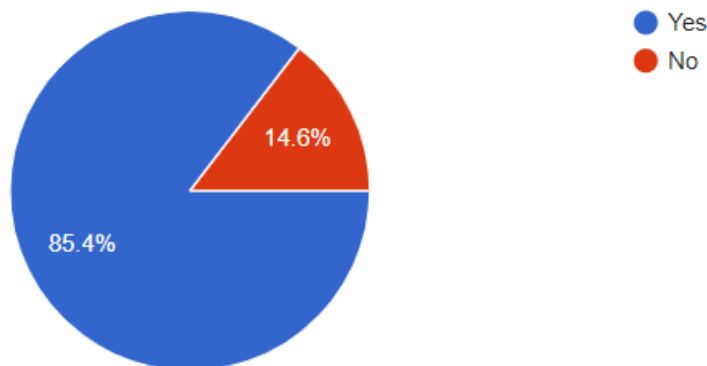
- CARES Act funding has helped sustain employee’s payroll and purchases of fuel and vehicle maintenance costs. It has also helped offset losses in revenues so that they can retain our full time staff, but unfortunately have to let go of their seasonal staff.
- CARES funding has allowed transit staff to remain working full time and avoid service cuts, while the rest of the City has implemented citywide 20% mandatory furlough.
- Phase I CARES Act funding has been huge for them. Without the funding, they would have had to cut our service even further, or worse, cancel it entirely for 2020. The CARES Act has allowed them to be able to both invest in PPE/driver protections while also salvaging a pretty significant portion of their season.

Q11. Were there any shortcomings with the CARES Act Phase I distribution? If so, what were they?

The majority of transportation agencies that responded said there were no shortcomings with the CARES Act Phase I distribution. One agency noted that CDOT did an excellent job of expediting the allocation and distribution of CARES Act funding, which relieved a tremendous amount of stress on grantees struggling to maintain service and keep employees healthy. The overall impression from the responses seemed to suggest that the first phase of the CARES Act funding distribution was efficiently distributed with very little disputes noted in the process.

Q12. The CARES Act Phase I distribution was approximately 17% of each agency’s budget. Phase II would deliver approximately 12%, for an approximate total of 29% of each agency’s budget. For CARES Act Phase II distribution, do you support using the same methodology as the CARES Act Phase I?

48 responses



Of the 48 responses received approximately 84% of the respondents support using the same methodology as the CARES Act Phase I. Only approximately 15% of the respondents do not support the same methodology as the CARES Act Phase I. Please see further concerns/suggestions captured in the below Question 13.

Q13. Do you have any comments on CARES Act Phase II distribution, to make distribution more fair, more responsive to local conditions?

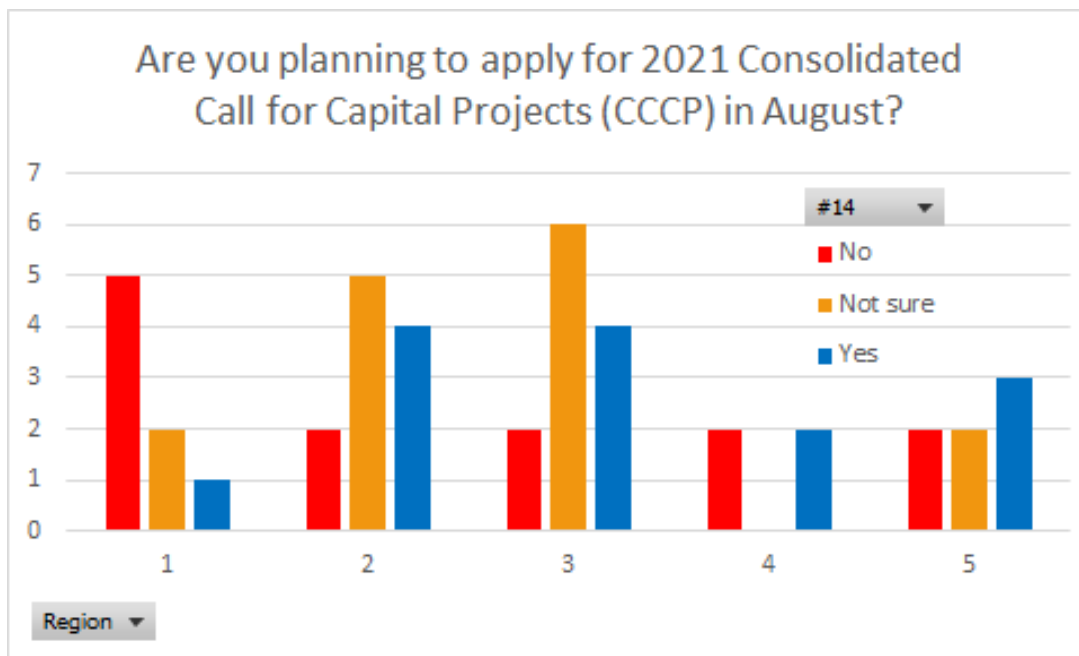
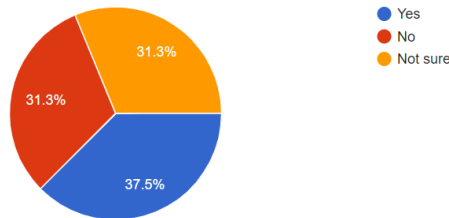
A majority of respondents, 39, had no comment or indicated that the distribution was already fair. Nine had some concerns with the distribution. The primary concerns/suggestions were:

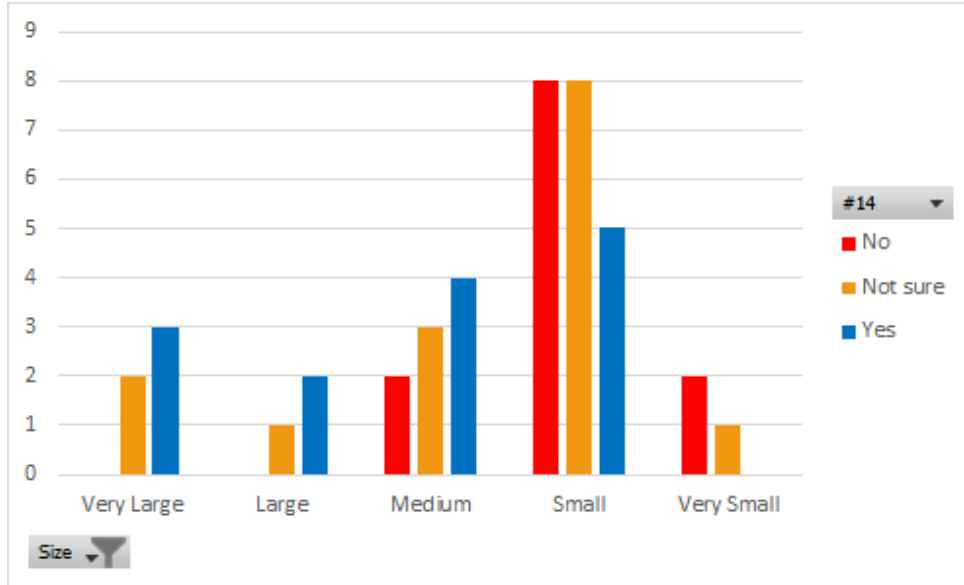
- Some agencies did not need the full 17% of the first phase while others needed more
- Had greater funding concerns for 2021 rather than this year
- Phase II distribution should consider an agency's LOS during Colorado's "Stay at home order" and their revised transit expense budget for 2020
- Phase II distribution should not be awarded if phase I funds have not been expended
- Upfront cost/payment for contract transit services should be reimbursed at monthly intervals to keep everyone on par
- It would be best to opt in municipalities without having a collaborative agreement with municipalities through DOLA
- Consider CARES Act 5307 funding shares to other transit providers in Denver/Boulder UZA
- Allow CARES formula to be based on population

Q14. Are you planning to apply for the 2021 Consolidated Call for Capital Projects (CCCP) in August?

Answers were fairly split with over half of respondents either unsure or not planning to apply for 2021 CCCP in August while 18 said yes.

- Yes – 18 (37.5%)
- No – 15 (31.3%)
- Unsure – 15 (31.3%)

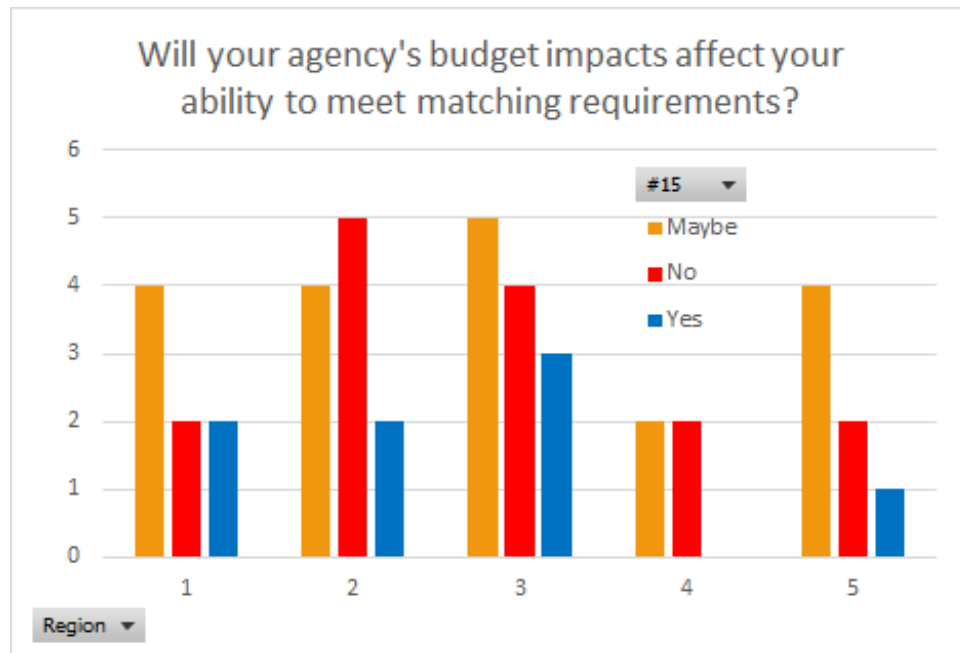
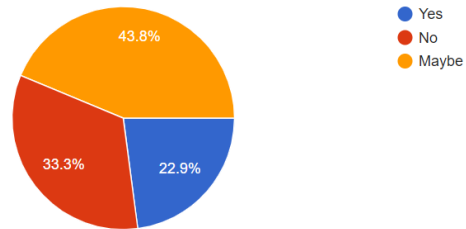


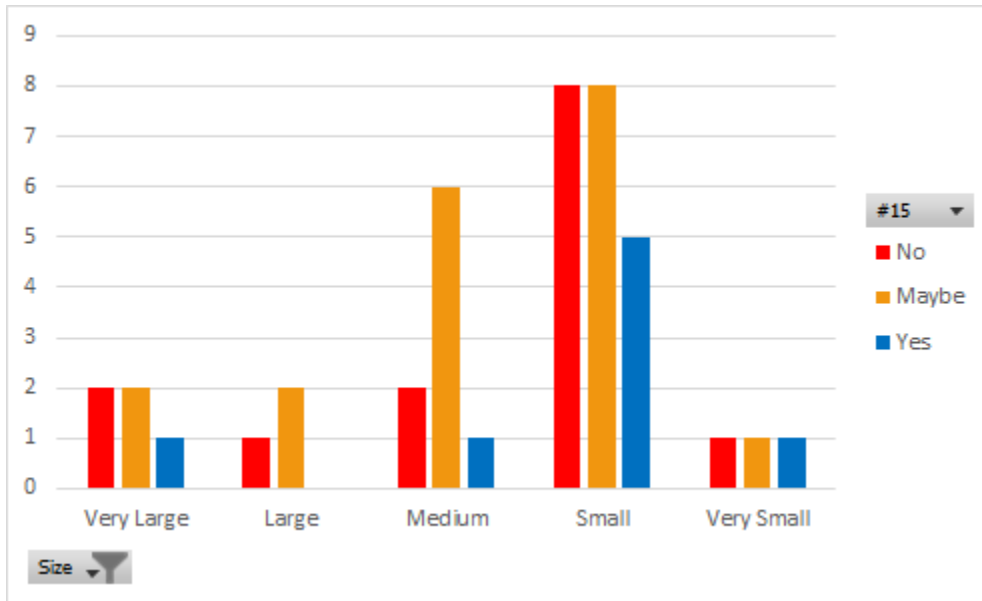


Q15. Will your agency's budget impacts affect your ability to meet matching requirements?

Two-thirds of respondents said that their agency’s budget impacts either might or will affect their ability to meet matching requirements. Only a third, 16 of the 48 responses, indicated that it would not affect their ability to meet the match requirements.

- Yes – 11 (22.9%)
- No – 16 (33.3%)
- Maybe – 21 (43.8%)





Q16. Do you have any comments on the 2021 CCCP?

Of the 48 responses of the survey, 38 had no comments on the 2021 CCCP. Eight agencies had concerns meeting the match or recommended requiring a lower match. One agency expressed concerns of eligibility for supplemental grants and the last comment recommended that there be flexibility of purchasing and expediting the vehicle procurement and delivery processes, especially if agencies have a service model change due to COVID (for CCCP and CARES ACT II).

Q17. Do you have any other suggestions for CDOT, in terms of funding and distribution?

35 agencies were supportive of the process thus far or had no additional suggestions for CDOT in terms of funding and distribution. The primary concerns for the 13 agencies that responded to the question had the following concerns/suggestions:

- Further exploring how transit agencies in Colorado are funded
- Funding programs that could help support and maintain basic/standard levels of transit service during the pandemic
- Extend or add flexibility to grant expenditure deadlines for funded service expansion and capital projects
- More information and resources for funding applications and processes
- Maintain as much flexibility as possible
- Concerns of delays in CCCP contracts and funding
- Additional help and flexibility with long term capital replacement
- More concerns for the following year if social distancing is required but demand rises

Next Steps

Share the survey results, associated memos, and discuss draft/working recommendations

Seek funding decisions / actions in August 2020.

