

TRAC FASTER Redistribution Sub-Committee Meeting #2 Minutes

Date Held: Friday, March 14, 2014
Time Held: 1:30 –3:00 PM
Location: CDOT Headquarters, 3rd Floor Aspen Conf. Room and by Telephone/Web Conference

Subcommittee Attendees (“Y” if present):

Y Rob Andresen, Grants Mgr, CDOT-DTR	Y Tom Mauser, Transit Section Mgr, CDOT
Y David Averill, Plng & Infrastructure, CDOT	Y Ryan Mulligan, RTD Syst. Plng/FasTracks
Y Craig Blewitt, Mountain Metro Transit	Y Kurt Ravenschlag, General Mgr, TransFort
John Elias, RTD Syst. Plng/FasTracks	Ann Rajewski, Co Exec-Director, CASTA
Y Matthew Helfant, DRCOG	Y Marissa Robinson, R4 Liaison, CDOT-DTD
Y Mark Imhoff, Director, CDOT-DTR	Y Vince Rogalski, Gunnison Valley TPR/STAC
Y Will Jones, Greeley Transit	Mark Rogers, CDOT Region 3
Y Lizzie Kemp, CDOT Region 1/FasTracks	Y Mike Timlin, Bus Services, CDOT
Y Lenna Kottke, Special Transit	Y Leah Ware, Mgr., DTD/DTR Business Ofc.
Y David Krutsinger, Rail & Spec Proj, CDOT	Y Elena Wilken, Co Exec Director, CASTA
Y Tracey MacDonald, Sr. Transit Plnr, CDOT	Kathy Young, Mesa County/GVT

Additional Copies:

Jeff Sudmeier, Sr. Planner, CDOT DTD	Y Michele Martinson, Tr. Technician II, DTR
Lisa Streisfeld, Region Planner, CDOT R2	Y John Valerio, Transit Planner, DTR
Matt Muraro, Region Planner, CDOT R5	Chuck Attardo, Region Planner, CDOT R1
Karen Schneiders, Region Plnr., CDOT R4	

Agenda:

Welcome / Introductions
 Review of Meeting #1 Minutes & Action Items
 FTA & FASTER Distribution Data
 Policy Perspectives, Key Questions, and Discussion
 Next Meeting
 Adjournment

Welcome / Introductions

Members of the subcommittee introduced themselves and David Krutsinger gave an overview of the meeting goals: (1) Work with existing data on FASTER history to understand the context for redistribution principles, (2) Use different perspectives to explore pros/cons of different distributions and the rationale for them, and (3) Generate ideas for further discussion in future meetings.

Review of Meeting #1 Minutes & Action Items

Minutes of Meeting #1 had been prepared, but not fully distributed, so the next meeting will revisit this before accepting those minutes as final.

FTA & FASTER Distribution Data

Division of Transit & Rail (DTR) staff reviewed existing and historical data for both FTA and FASTER

dollars administered by the Division. In a “typical year” the Division administers \$30 to \$32 Million in revenues, \$15 Million from FASTER, and the remainder from the various FTA programs (5304, 5310, 5311, etc). The total is closer to \$30 Million per year without any prior-year carry-over dollars. Bar charts were presented, showing that each of the 15 planning regions receives money roughly in proportion to their population. The urban areas are a little lower than their population share, and this is reflected in a slightly higher share going to resort areas of the state frequented by urban populations for recreation.

Tracey MacDonald and Michele Martinson noted that some refinements should be reflected for Upper Front Range (UFR) and Eastern, because NECALG is shown 100% in UFR, but really serves mostly the Eastern Transportation Planning Region (TPR). Similarly refinements for the Chaffee Shuttle should be reflected with more for San Luis Valley TPR and less for Central Front Range TPR.

David Krutsinger reported on a similar presentation given to CDOT’s Statewide Plan Team (SWPT), who is conducting the 2040 Statewide Transportation Plan update. Comments from region planners around the state emphasized the importance of transit in rural areas on two counts: (1) with long distances, biking and walking are not as good alternatives to driving as they are in urban areas where distances are shorter, and (2) despite “economic growth” in resort areas affordable housing continues to be located long distances from the job sites.

It was noted that current grant partners are a subset of all providers in the state. Some do not apply because they have plenty of resources currently to be entirely self-funded. Some do not apply because they do not have the financial resources to chase grants. Others do not apply because they have been traditionally funded by other human-services sources. There is a \$50 Million difference *per year* when comparing all providers (\$130 M in annual operations not including RTD) and current grant partners (\$80 M in annual operations not including RTD).

The review of the FTA and FASTER data concluded with these key findings:

- Who gets selected is based as much on local conditions outside CDOT’s sphere of influence, as the process/structure for review within CDOT’s sphere of influence;
- Rates of past participation determine what share of money/match rate is expected;
- Guiding principles are important for all of us to hold up as a target, a direction in which to aim, and know those principles do not necessarily guarantee results (i.e. exact distributions)

Policy Perspectives, Key Questions, and Discussion

Three major policy perspectives were used to explore pros/cons of different distribution rationales:

1. MPACT 64 / Large New Funding Perspective
2. State Transit Plan / 2040 Planning Horizon Perspective
3. Intercity & Regional Bus Plan / “Regional” Operations Perspective

For each perspective, distribution questions were posed for discussion purposes. This was followed by data and analysis. Key discussion bullets are listed below.

MPACT 64 / Large New Funding Perspective

- MPACT 64 discussions to-date are draft proposals, and did not reflect any “final” agreement among political leaders.

- MPACT 64 has an emphasis for the vast majority of funds (84%) to flow directly to transit agencies by formula.
- In contrast, nearly 100% of FASTER funds are in competitive, discretionary “local” and “statewide” pools.
- With new money, it is easier to allocate larger amounts of money to urban regions, especially Denver, Colorado Springs, and Fort Collins, reflecting their population. With smaller amounts of FASTER money, similar shares of money being awarded to urban regions is more acutely felt by rural / smaller providers.
- Inter-Regional and Regional services represent 12% of the draft MPACT 64 pool of funds.
- If anything close to President Obama’s proposed budget is realized, significant new funding would flow to all states, including Colorado.
- Senate Bill 228 in Colorado may offer a similar opportunity, at least for years 2017-2021.

State Transit Plan / 2040 Planning Horizon Perspective

- The State Transit Plan has at least four additional goals/principles/strategy areas guiding long-term planning and project delivery. These are (1) coordination/communication, (2) environmental, (3) safety & security, and (4) economic vitality.
- Bus fleet rehab/replacement/condition backlog has eased in recent years with the infusion of ARRA money and this will help trends through 2018, but by 2025 the vehicle needs backlog is expected to grow again.
- This may relate to the bulk of recent fleet replacements being medium and small vehicles.
- Transit Plan staff are hearing the call for “more operating assistance” despite the prevalent need for vehicle replacements. Subcommittee members suggested several reasons for the apparent conflict between what vehicle data are showing and the opinions being expressed:
 - Operating deficits are every year. Vehicle replacements are every 5-10 years.
 - ARRA money helped recently, but won’t be there in the future.
 - MAP-21 has also changed the funding picture and the funding gap for vehicles is just starting to become more clear
- Asset Inventory Project will improve the ability to understand & forecast fleet/vehicle needs.
- It was the opinion of those present that Senate Bill 228 does not preclude operating assistance
- \$1 Million in FASTER money doesn’t go very far against all operating budget needs statewide
- Subcommittee members stated that it is not helpful to making progress with policy makers for *some* operating assistance, by showing a “black hole” of such overall operating need.
- The subcommittee affirmed, based on current FASTER funding levels, that FASTER should not be used to shore-up operations funding gaps for local services.
- Subcommittee members also urged caution when using TPR/region numbers. For instance in “Denver” 75-80% of funds flow to RTD, and it is important to remember the 20-25% flowing to agencies like VIA Mobility. Mountain Metro Transit and SRC have a similar share-ratio in Colorado Springs.

Intercity & Regional Bus Plan / “Regional” Operations Perspective

- There are \$21.5 Million in total inter-city, inter-regional, and regional bus needs statewide.
- This includes recent “expressions of interest” solicited by and submitted to DTR.
- Of the total above, and after already considering CDOT’s IX bus service, \$4.6 Million in needs remains in “priority”, “essential”, and “secondary” categories. Subcommittee members requested the backup for these lists.

- Three scenarios were presented and the subcommittee considered, but did not have a strong opinion or recommendation at this time:
 - Operating assistance only to “priority services”
 - Operating assistance to a mix of “priority” and “essential” services
 - Operating assistance to a mix of “priority”, “essential”, and “secondary” services
- It was suggested that the proportion of ridership traveling locally vs. regionally be considered.
- With \$1 Million as the example, priority services could be funded at 50% local match, the mix of *all* priority and essential services at 72% local match, and the three-way mix of *all* priority / essential / secondary services at 88% local match.
- Based on both the Statewide Transit Plan perspective and the Intercity & Regional Bus Plan perspective, the subcommittee agreed with a suggestion to limit current requests for operating assistance to regional services, noting that the rest of FASTER should continue to focus on capital projects.

Next Meeting

The schedule was reviewed, with the goal to arrive at a recommendation in approximately two more meetings. The subcommittee asked DTR to frame specific policy recommendations / choices, and to clarify the “charge” of the subcommittee in this regard. Mark Imhoff noted that without the data from today’s meeting it would have been harder to see how re-distribution ideas might play out in the future. Mark re-stated that the Transportation Commission’s charge to DTR and the subcommittee is to find distribution methods that rely more on data and conscious decision-making, and not on past “spread the peanut butter” formula distributions to the five regions.

It was discussed that scenarios would be offered at the next meeting (March 24th), for discussion and evaluation. The fourth meeting (April 10th) would be used to get to a recommendation. Subcommittee members advised DTR to keep it as simple as possible. Operating assistance, as an eligible expense, is an expectation of the subcommittee members. Two points were raised for the subcommittee to consider on operating assistance:

1. The distinction between IX and regional bus operating assistance is the local funding share. The Transportation Commission is concerned about CDOT being left “holding the bag” if a local grant partner backs out of their share of funding.
2. Senate Bill 228 money, while potentially substantial, would be difficult to imagine being allowed for operating uses since it would only be available for five years.

Additional items for future discussion were offered:

- Set-asides or “stipends” for larger transit agencies: RTD, MMT, Transfort, and possibly RFTA
- In return for stable, predictable funding for larger agencies, such set-asides might exclude recipient agencies from the “local” pool. That would help smaller agencies to have the necessary resources for bus replacements.
- FASTER funding being used as match for FTA funding should only be done by exception, to make the dollars go further, and to reinforce the idea of partnerships.
- Tiering by agency size, by local sales/property tax receipts could be used to provide logic for allowing exceptions for very small agencies and other special circumstances. This was labeled as “means testing”. DTR uses a form of this already, but not to this extent.
- The subcommittee stated that keeping FASTER funding principles as simple as possible is important.

- As one possible scenario, consider using federal funding first, then spreading around and plugging in the gaps using FASTER funds.
- It was suggested that the Transportation Commission be asked to consider FASTER for operating assistance or other flexible uses first just as a principle. Subsequently, the Transportation Commission could consider individual requests as applications / requests are made thereafter.
- A 20% local matching share may or may not be the right number in the long term if needs are high and the money isn't going far enough.

Requests / Action Items

Start	Complete	Action	Lead(s) for Response
2/24/2014	3/7/2014	Set future meetings, approx. every 2 weeks	Krutsinger
2/24/2014	3/14/2014	Show how all DTR funds add up as background information for this discussion	Andresen, MacDonald
2/24/2014	2/25/2014	Provide "Your CDOT Dollar" Link	Krutsinger
2/24/2014		Any unfunded 5310 & 5311 operating requests?	Mauser, Andresen
3/14/2014		Provide the resulting "weights" among riders, hours, miles implied by slide 21 MPACT 64	Krutsinger, Kemp
3/14/2014		Verify 2013 bar data re: all FTA funds to Colorado being >\$100 Million lower than any prior year	Andresen, RTD
3/14/2014		Provide the "charge" to the subcommittee by posing policy questions sooner before the next meeting re: scenarios. Hoping for mix of formula-only, discretionary/competitive – only, and both.	DTR
3/14/2014		Revise allocation bar charts for UFR & Eastern (re-allocate NECALG more to Eastern) and SLV & CFR (re-allocate Chaffee Shuttle more to SLV).	Martinson
3/14/2014		Provide project lists showing "priority", "essential", and "secondary" from the Inter City & Regional Bus plan	Timlin
3/14/2014		When issues have been vetted well, draft new screening/selection criteria for future call-for-projects	Averill, Mauser