

# FASTER Transit Redistribution

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## **TRAC SUBCOMMITTEE MEETING #2**

**MARCH 14, 2014**

# Agenda for Meeting #2

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- Welcome & Introductions 1:30-1:40
- Review Minutes & Action Items 1:40-1:50
- FTA and FASTER Distribution Data 1:50-2:10
- Policy Perspectives, Key Questions  
& Discussion 2:10-2:50
- Next Meeting 2:50-3:00
- Adjourn 3:00

# Goals for Meeting #2

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- Work with existing data / FASTER history to begin interpreting the principles of asset management, ridership, connectivity, and streamlining grant process.
- Use different perspectives to explore pros / cons of different distributions and rationale for them.
- Generate ideas for further discussion in future meetings.

# Review of Minutes & Action Items

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**PRIOR MEETING: 2/24/2014**

# Review of Minutes & Action Items

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- Clarification / Edits to the Minutes?
- Status of 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 5311 & 5310 operating requests?	Mauser, Andresen

# FTA & FASTER Distribution Data

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**TOTAL ANNUAL DTR FUNDING  
FASTER DISTRIBUTION**

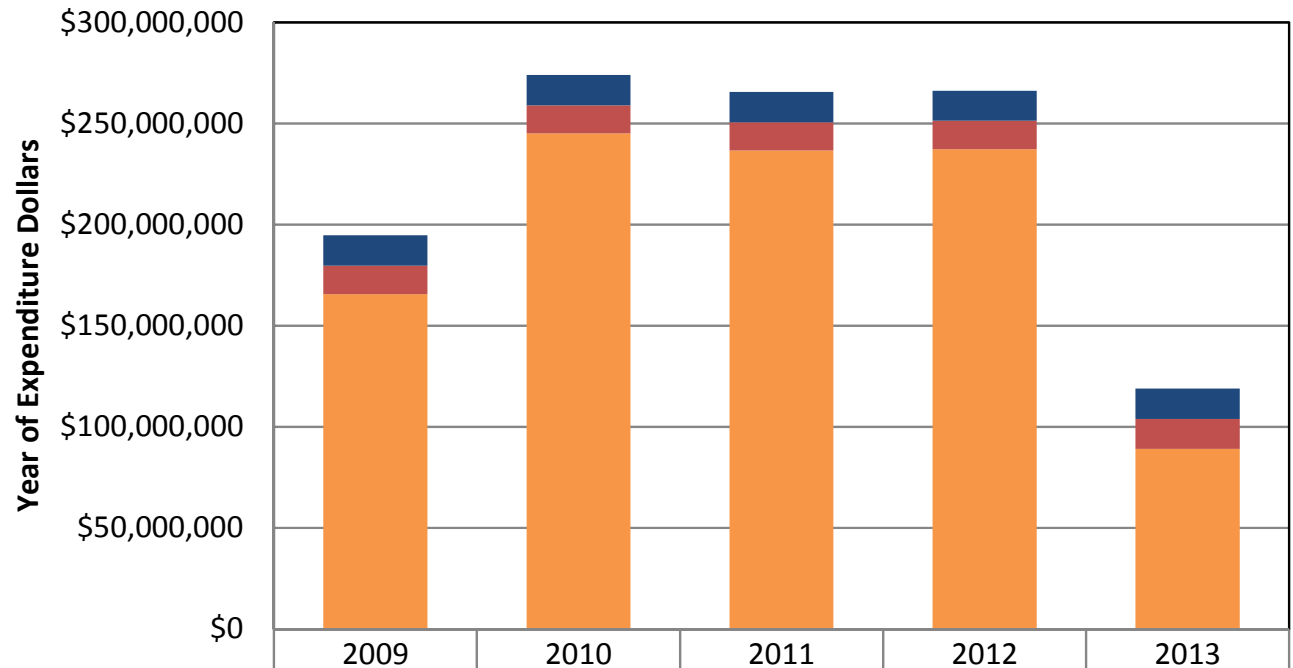
## FASTER Funds In Perspective

FASTER: 5.5 – 12.5%

Non Urban: 5.1 – 12.4%

Urban: 75.0 – 89.1%

### Federal & State Grant Funding



	2009	2010	2011	2012	2013
State FASTER	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000
FTA Non-Urban	\$14,091,110	\$13,930,631	\$13,958,587	\$13,986,974	\$14,758,819
FTA Urban	\$165,675,024	\$245,036,379	\$236,659,523	\$237,252,324	\$89,208,707

# Typical Annual DTR Funding Overall

(In Millions of \$)

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Source	CDOT Admin	Transit Agency Admin	Planning	Operating	Capital	Total
FTA 5310	\$0.30	\$0	\$0	\$0.30	\$3	\$3.60
FTA 5311	\$1	\$0.30	\$0	\$3.90	\$5.40	\$10.60
FTA 5304	\$0	\$0	\$0.30	\$0	\$0	\$0.30
FTA 5339	\$0	\$0	\$0	\$0	\$2.30	\$2.30
<b>Subtotal</b>	<b>\$1.30</b>	<b>\$0.30</b>	<b>\$0.30</b>	<b>\$4.20</b>	<b>\$10.70</b>	<b>\$16.80</b>
FASTER Local	\$0	\$0.50	\$0	\$0	\$4.50	\$5
FASTER Statewide	\$1.50	\$1	\$0.50	\$3	\$4	\$10
<b>Subtotal</b>	<b>\$1.50</b>	<b>\$1.50</b>	<b>\$0.50</b>	<b>\$3.00</b>	<b>\$8.50</b>	<b>\$15.00</b>
<b>Grand Total</b>	<b>\$2.8</b>	<b>\$1.8</b>	<b>\$0.8</b>	<b>\$7.2</b>	<b>\$19.2</b>	<b>\$31.8</b>



# Typical Annual DTR Funding Overall

(% of previous page \$31.8 M Total)

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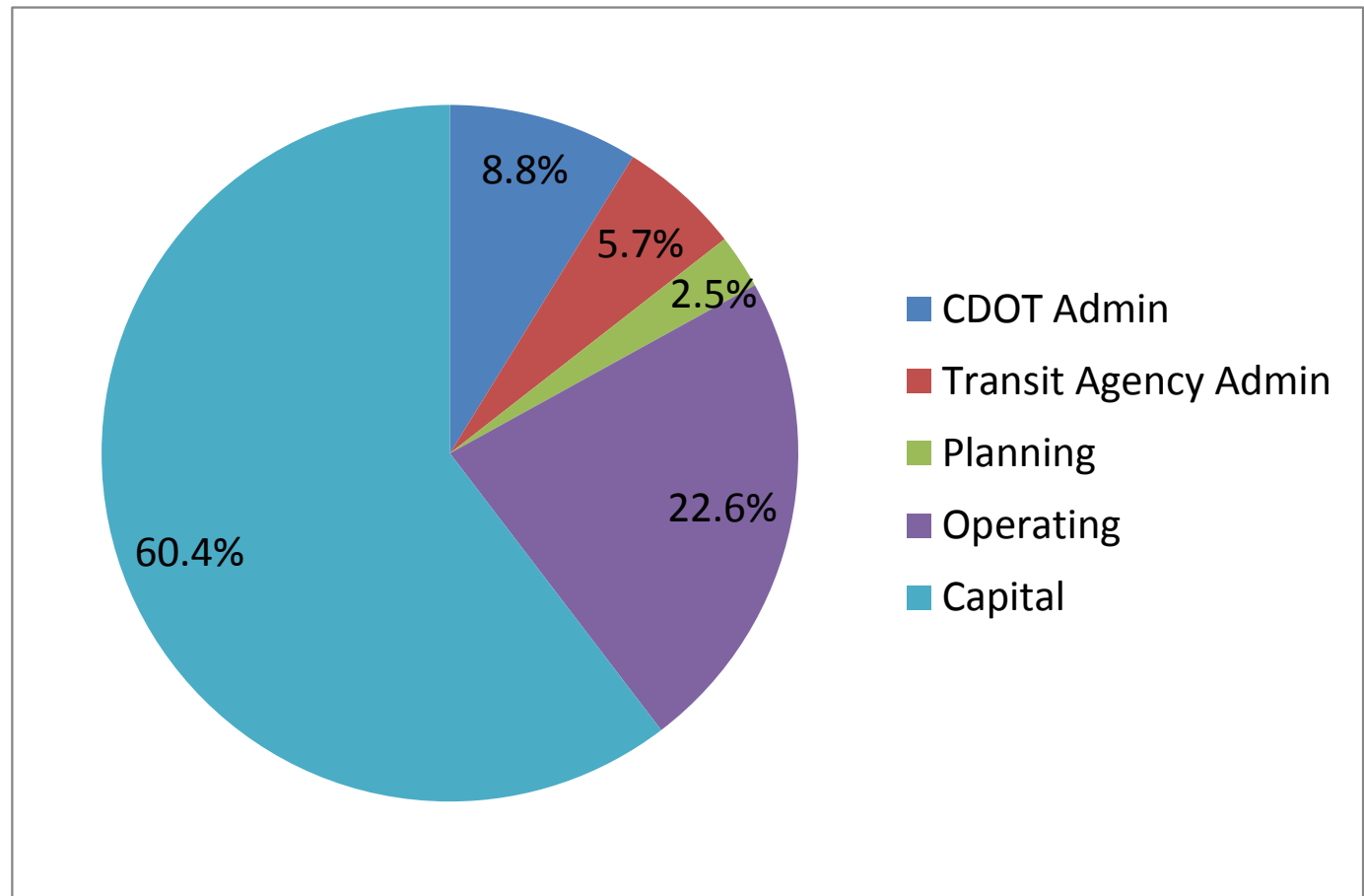
Source	CDOT Admin	Transit Agency Admin	Planning	Operating	Capital	Total
FTA 5310	0.9%	0.0%	0.0%	0.9%	9.4%	11.3%
FTA 5311	3.1%	0.9%	0.0%	12.3%	17.0%	33.3%
FTA 5304	0.0%	0.0%	0.9%	0.0%	0.0%	0.9%
FTA 5339	0.0%	0.0%	0.0%	0.0%	7.2%	7.2%
<b>Subtotal</b>	<b>4.1%</b>	<b>0.9%</b>	<b>0.9%</b>	<b>13.2%</b>	<b>33.6%</b>	<b>52.8%</b>
FASTER Local	0.0%	1.6%	0.0%	0.0%	14.2%	15.7%
FASTER Statewide	4.7%	3.1%	1.6%	9.4%	12.6%	31.4%
<b>Subtotal</b>	<b>4.7%</b>	<b>4.7%</b>	<b>1.6%</b>	<b>9.4%</b>	<b>26.7%</b>	<b>47.2%</b>
<b>Grand Total</b>	<b>8.8%</b>	<b>5.7%</b>	<b>2.5%</b>	<b>22.6%</b>	<b>60.4%</b>	<b>100.0%</b>

# Non-Urban FTA + FASTER Fund Distribution

Typical distribution  
shown using years  
2010-2014

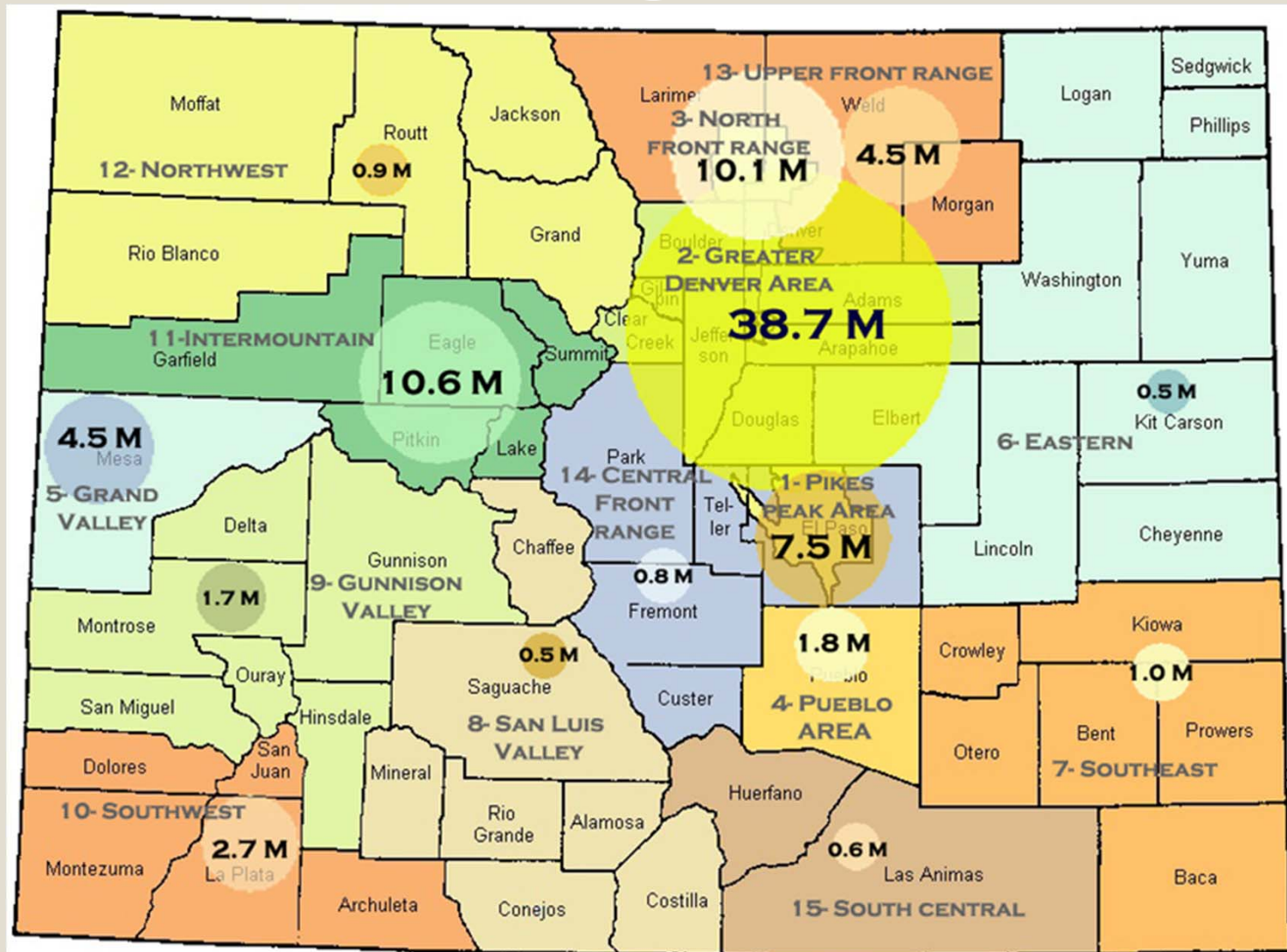
Fund Source	FTA	FASTER	FTA & FASTER
CDOT Admin	7.7%	10.0%	8.8%
Agency Admin	1.8%	10.0%	5.7%
Planning	1.8%	3.3%	2.5%
Operating	25.0%	20.0%	22.6%
Capital	63.7%	56.7%	60.4%

## Non-Urban FTA + FASTER Chart



# Statewide & Local FASTER by TPR

Fiscal Years 2010-2015, Millions of Dollars (\$86 M total)



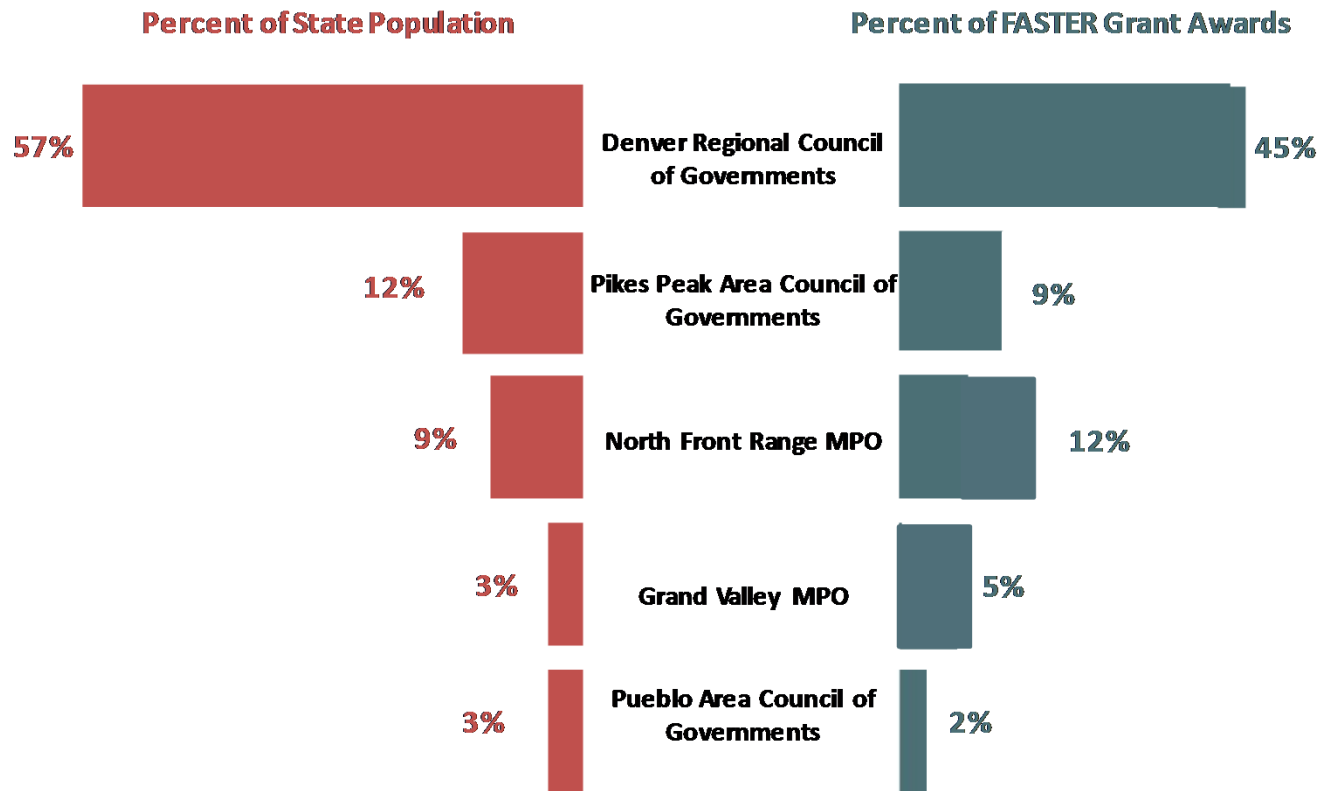
# Statewide & Local FASTER by TPR

Fiscal Years 2010-2015, Millions of Dollars (\$86 M total)

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## FASTER Distribution 2010-2015

Grants by Urban Regions



# Statewide & Local FASTER by TPR

Fiscal Years 2010-2015, Millions of Dollars (\$86 M total)

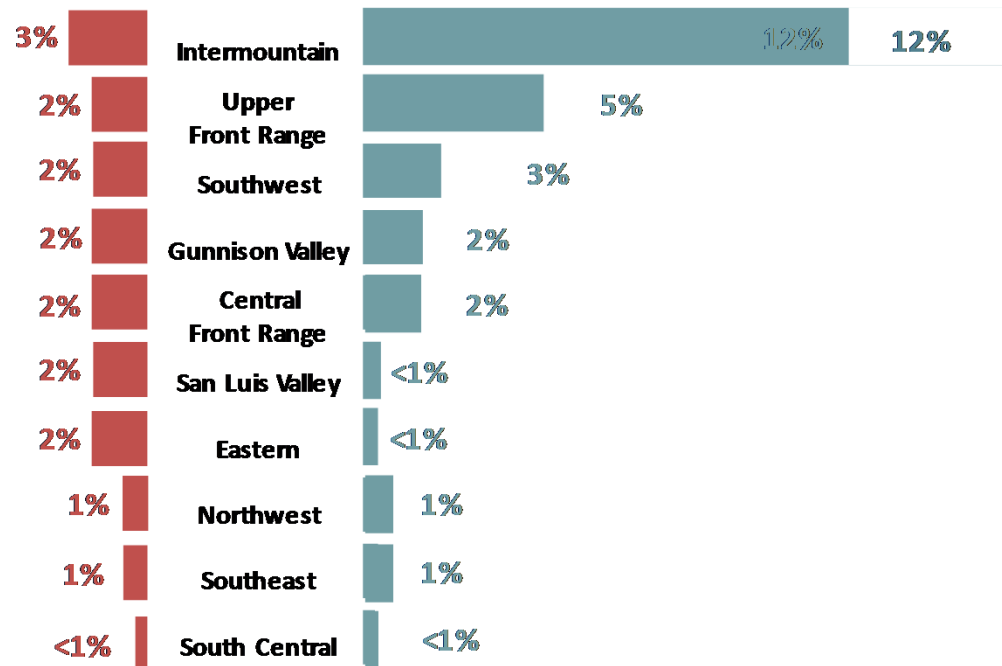
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## FASTER Distribution 2010-2015

Grants by Planning Region

Percent of State Population

Percent of FASTER Grant Awards

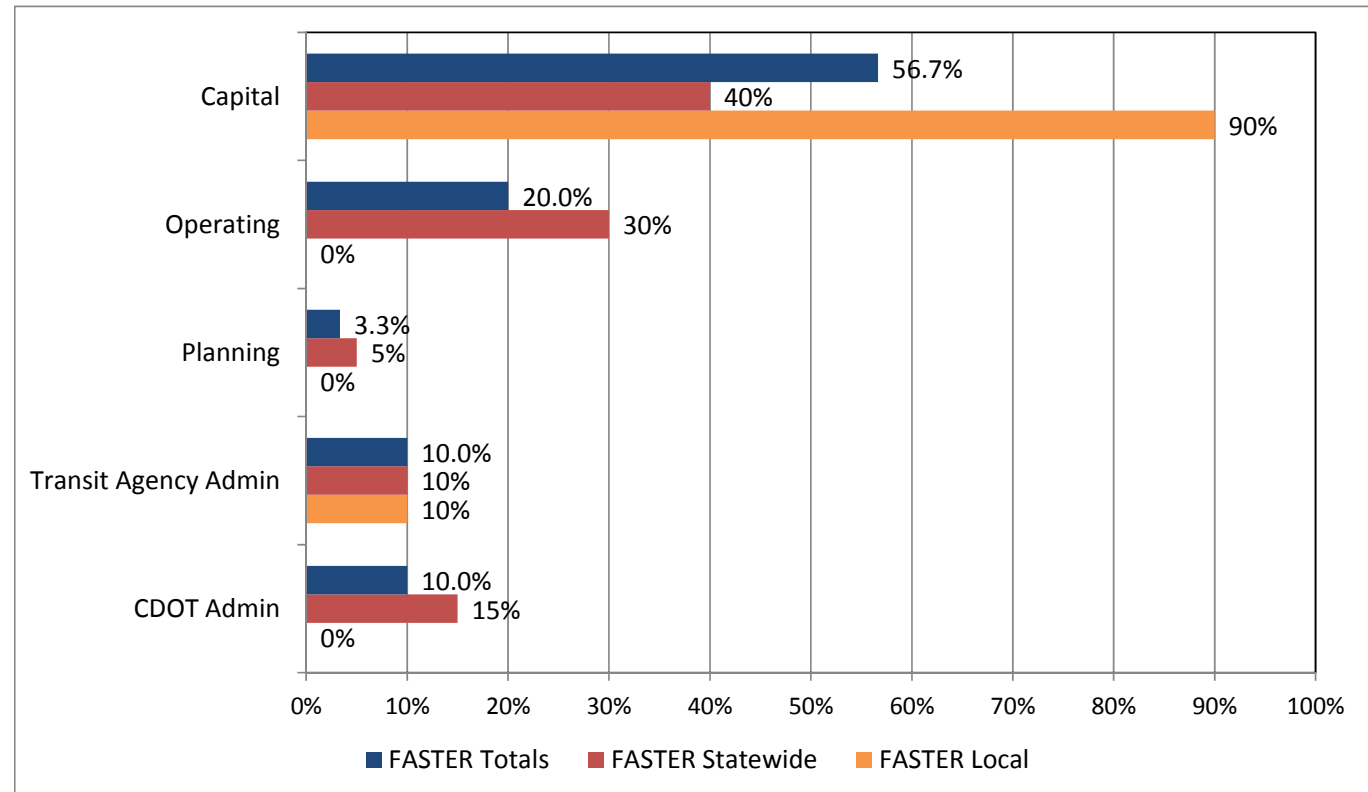


Note: some further refinement needed for NECALG in Upper Front Range and Eastern TPRs, as well as Chaffee Shuttle in San Luis Valley and Central Front Range TPRs.

## FASTER Summary

- Local pool is more proscriptive towards capital uses
- Statewide pool is more flexible
- Operating info shown is the Interregional Express Bus Service

## Typical FASTER Distribution by Local and State Fund Pools



# Lessons Learned about FASTER Transit Funding Distributions So Far...

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## **FASTER Transit funding distributions are based on...**

- Who applies
  - Who has local match
  - Who has project readiness
  - How many applicants there are & what match rate is promised
- 1. 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**
  - 2. Rates of past participation determine what share of money/match rate is expected**
  - 3. 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 guarantee results**

# Policy Perspectives, Key Questions & Discussion

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**MPACT 64 PERSPECTIVE  
STATE TRANSIT PLAN PERSPECTIVE  
INTERCITY & REGIONAL BUS PERSPECTIVE**



# MPACT 64 Perspective

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# MPACT 64 Perspective

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## MPACT 64

- **Metro Mayors Caucus: 7 Denver Metro Counties**
  - **Progressive 15: 15 counties in Northeastern Colorado**
  - **Action 22: 22 counties in south & southeast Colorado**
  - **Club 20: 20 counties on Colorado's Western Slope**
  - **Transportation for Colorado**
- 
- **64 Counties in the State of Colorado**

# MPACT 64 Or “New” Funding Perspective

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- **Key Questions**

- If a statewide ballot measure is passed with transit funding, how do the funds get distributed fairly?
- Is fairness with “new” funds different from fairness for existing funds? If so, why? What does that tell us?
- If future “fairness” standards are applied to existing funding sources, what would that look like?
- How do transit funds relate to other projects, like managed lanes (which buses operate in) and bike / ped facilities (which connect first and last mile)?
- How are funds most effectively used to deliver the best statewide transit system possible? What do “best” and “statewide” mean?

# MPACT 64 Perspective

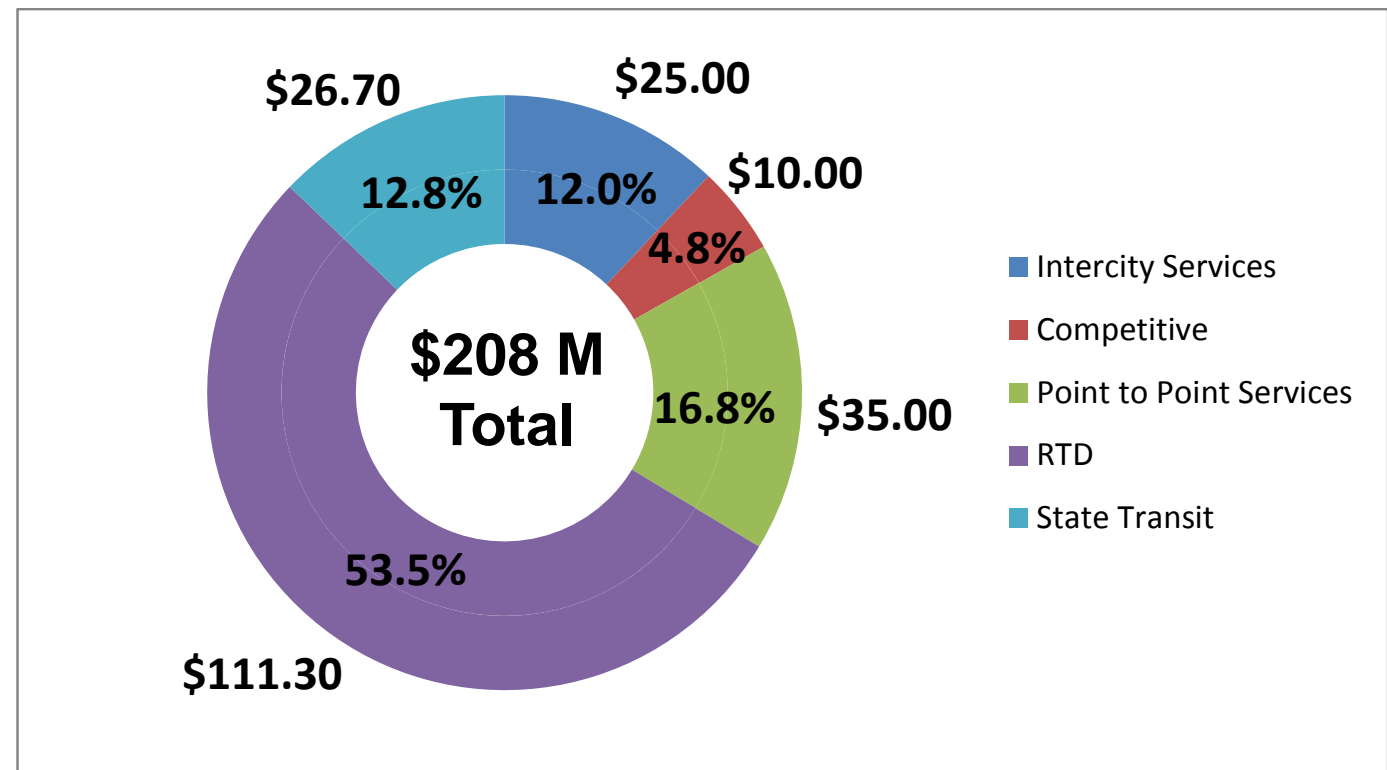
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- **Policy Themes...So Far...**
  - Multi-modal: highways, transit, bike/pedestrian elements
  - Highway Money (2/3<sup>rd</sup>s)
    - ✦ Split 60 % to CDOT, 40 % to City & County Governments
    - ✦ Formula based on HUTF
  - Transit Money (1/3<sup>rd</sup>)
    - ✦ Split 16 % to CDOT, 84% direct to Transit Agencies & Local Gov'ts by Formula
    - ✦ Flexible: not specified as “capital” or “operating”
    - ✦ Everyone gets a piece of the proverbial funding pie
    - ✦ 84% Formula Based
    - ✦ 16% Competitive / State Distributed w/ “performance” monitoring
  - Bicycles & Pedestrians...Not Exactly Worked Out...Proposed 2%
    - ✦ 66% Highway, 32% Transit, 2% Bike/Pedestrian?
    - ✦ 67% Highway, 31% Transit, 2% Bike Pedestrian?
    - ✦ No Bicycle & Pedestrian “set aside”...Inclusion in each of highway & transit “competitive” pool?

## MPACT 64: If there were new and larger transit funding sources:

- 0.7% (7/10ths) → \$624 M/year
- 1/3<sup>rd</sup> to Transit → \$208 M/year
- Input factors:
  - Population
  - Revenue Miles
  - Revenue Hours
  - Passenger

## DRAFT Ideas from MPACT 64 Discussions (\$ are in millions, Total \$208 M)



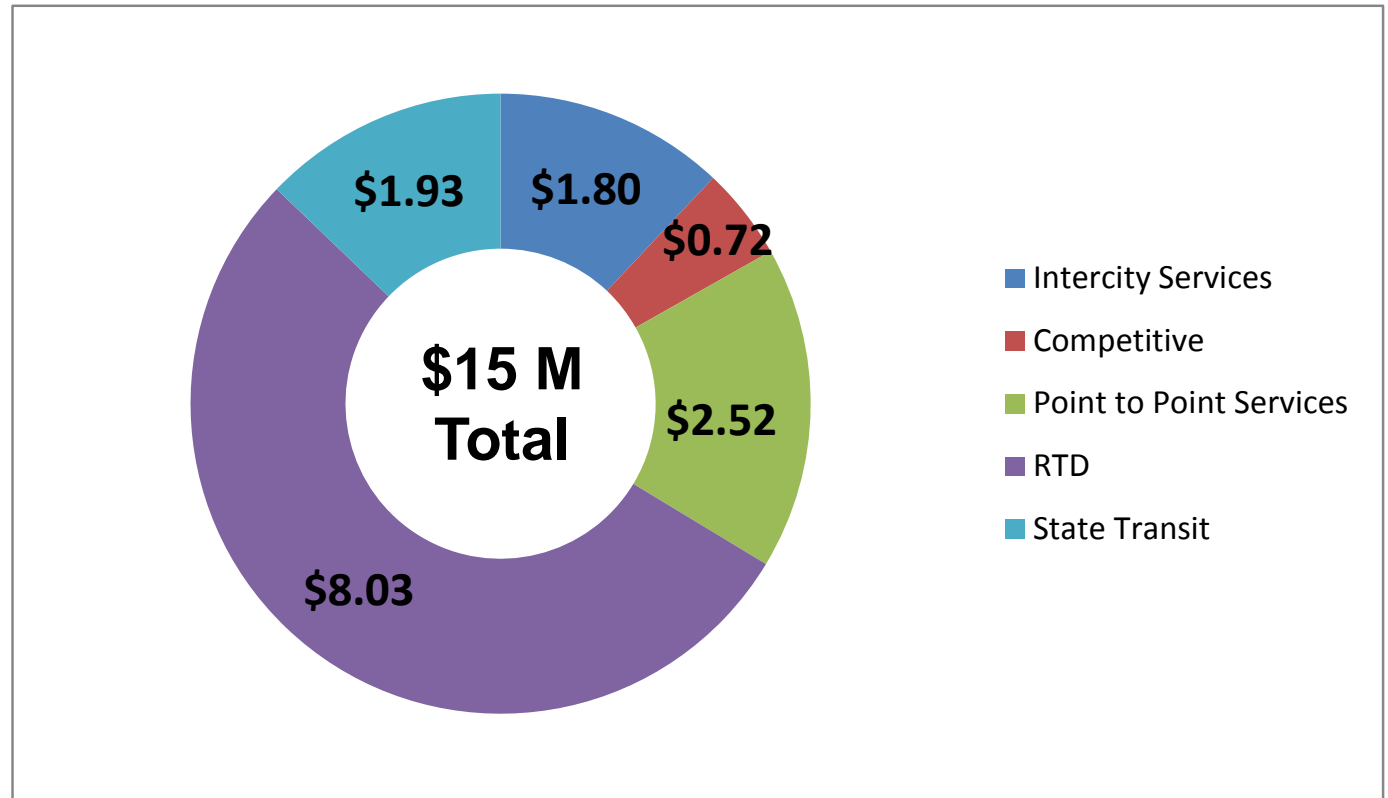
## Comparison to Current (FY15)

Category	Typical FASTER Distrib.	MPACT -Based Distrib.
Intercity	\$3.00	\$1.80
Competitive	\$7.00	\$1.35
Point to Point Services	\$0.00	\$2.52
RTD Region	\$0.00	\$8.03
State Transit	\$0.00	\$1.93

\*Admin not separated

## If MPACT 64 Ratios were Applied to FASTER...

(\$ are in millions, Total \$15 M)



# Statewide Transit Plan Perspective

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# State Transit Plan Perspective

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- **Start from existing experience**
- **4 Redistribution principles apply**
  - System Preservation: Asset Management Plans & Vehicle Condition
  - System Utilization: Ridership
  - Mobility/Accessibility/Connectivity: Population Served
  - Streamline Grants Process
- **4 More goal areas in Statewide Transit Plan**
  - System Development: Coordination, Communication
  - Environmental Stewardship: Minimize Emissions/GHG+Energy Use
  - Safety & Security: Incidents/Fatalities & Safety Plans
  - Economic Vitality: Employment Served & Tourists Served



# State Transit Plan Perspective

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- **Key Questions**

- What does a statewide perspective bring to the question of fairness?
- Does a 20-25 year planning horizon affect “fairness”? If so, how?
- What do goals, objectives, and performance measures mean to the question of fair distributions, now and over time?
- How can performance measures best be used to achieve “good” aspirations and be flexible as conditions change without falling into the trap of becoming a regulatory stick or becoming inflexible?
- How are capital, coordination, and operating goals balanced?

# State Transit Plan Perspective

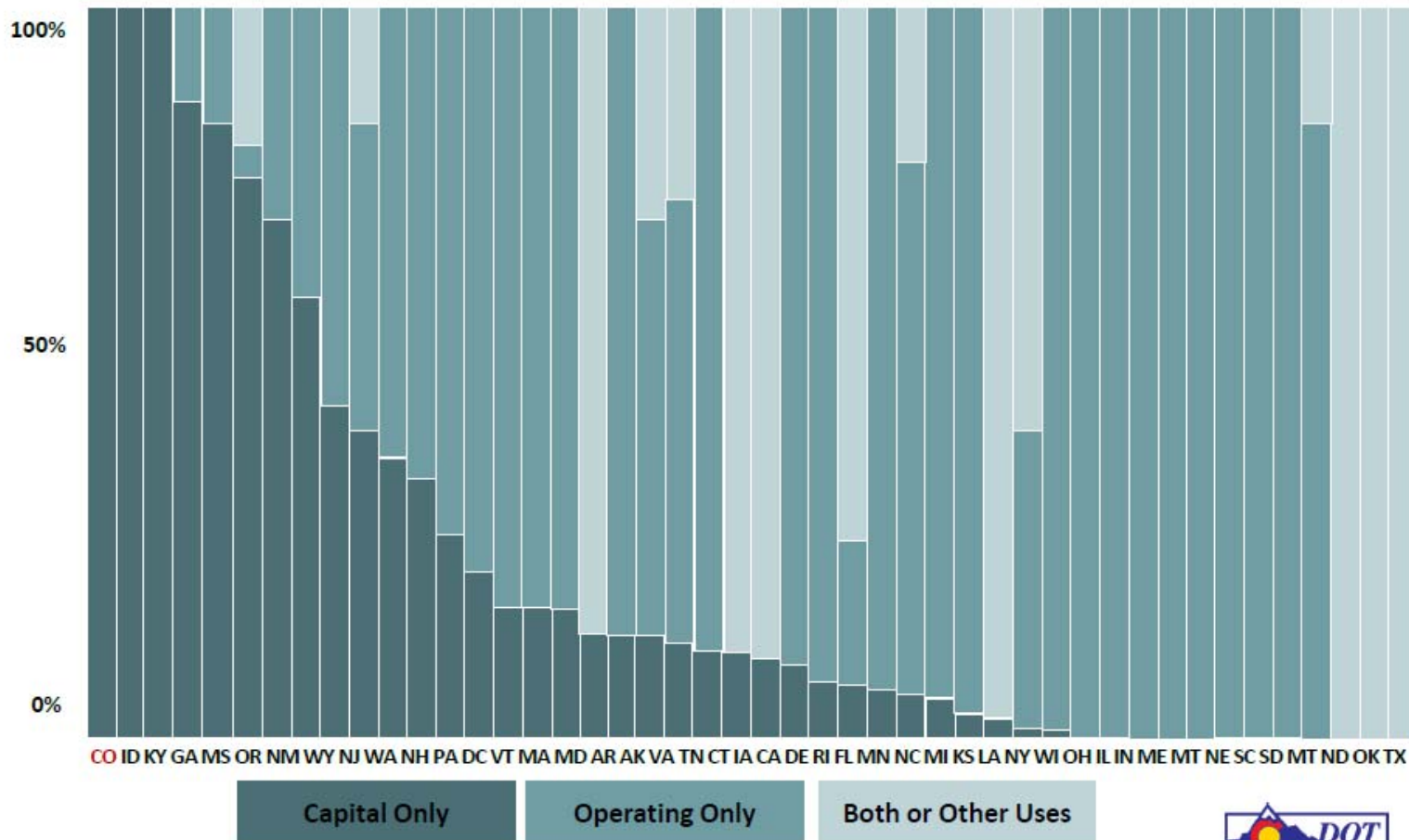
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- ~\$80 Million Statewide in annual Operating Expenditures (OPEX) by Transit Agencies seeking funding outside the RTD Region
- ~\$130 Million Statewide in Total OPEX outside RTD
- \$11 Million FASTER available total after IX, and including RTD as an eligible recipient for FASTER
  - \$5 Million Local, currently envisioned for non-RTD bus replacement
  - \$6 Million Statewide, currently programmed for capital, incl. RTD
  - *Hypothetically* if \$1-\$2 Million were flexed to overall OPEX assistance, it represents <1% to 2.5% of OPEX outside RTD

# AASHTO Survey of State Transit Funding 2012



## National Transit Funding State Funding Eligible Uses (Percent of State Funding)



# Fleet Condition Tool: Transit Economics & Requirements Model (TERM)-Lite

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- Tool for states that is a scaled-version (lite) of FTA national model for state-of-good-repair (SGR) reporting.
- Preliminary use by CDOT with a 526-vehicle sample vs 630+ vehicles known from State Transit Plan
  - Data available as of July 2013
  - Data represent only those reporting to National Transit Database (NTD)
  - Data represent non-urban buses only, excluding gondolas
  - Two scenarios:
    - ✦ (1)overly-pessimistic with backlog that had to be overcome and,
    - ✦ (2)closer to reality to test normal replacements going forward

# TERM-Lite (Continued)

## Input Assumptions

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- **Life Cycle Costs:**
  - Allowed for rehabs at 80% of original useful on articulated, 40' coaches, 35' coaches, and over the road buses.
  - Rehab costs assumed to be 50% of replacement cost
  - Everything else was a default setting (useful life, annual cap. maintenance cost, etc.)
- **Inflation:**
  - Inflation Assumption = Year of Expenditure
  - Inflation Rate = 3%
  - Sensitivity Factor = 100%

# TERM-Lite (Continued)

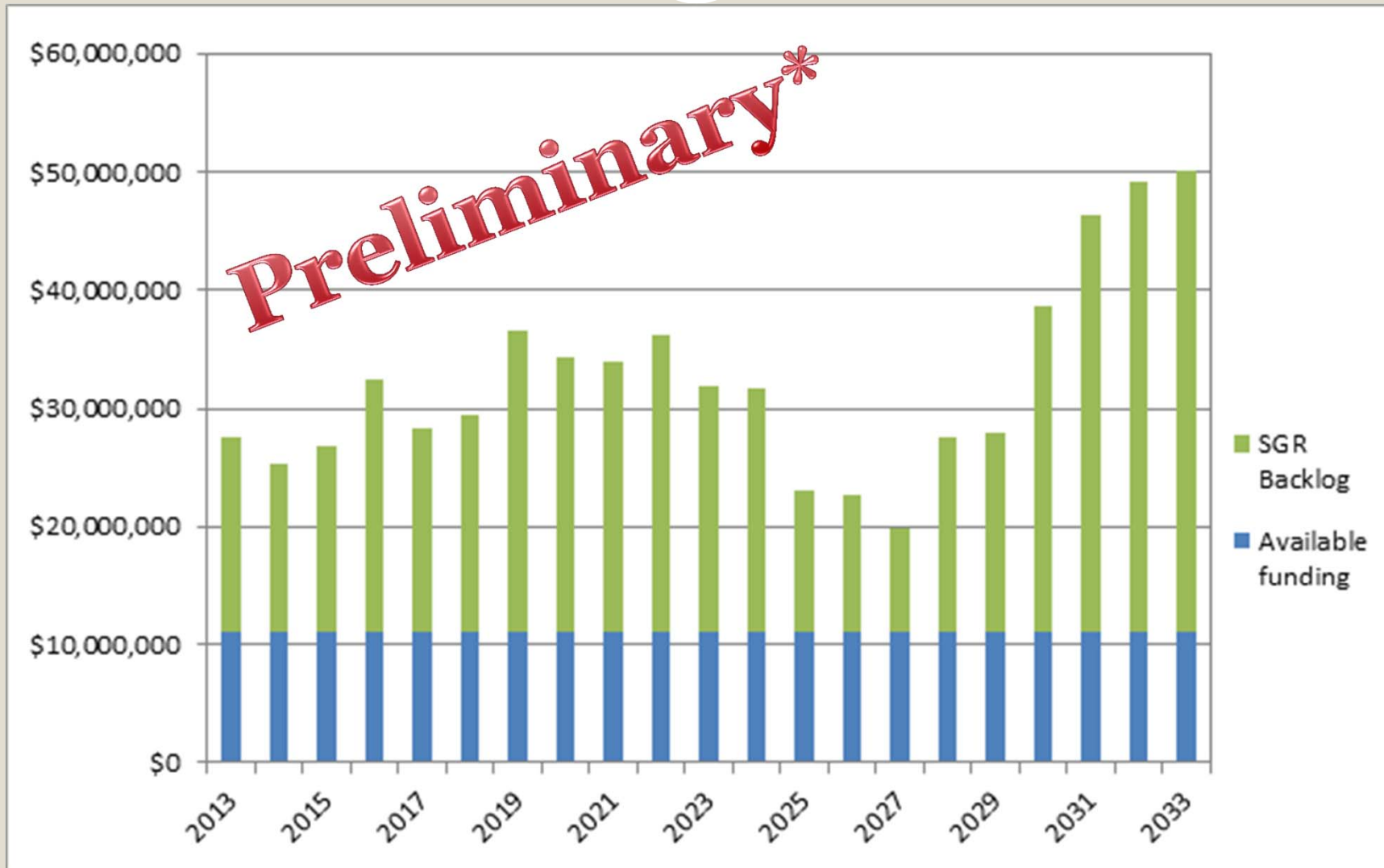
## Input Assumptions

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- **Expenditure Constraints(all in years 1-20)**
  - \$5,000,000 local FASTER, per year
  - \$1,800,000 combined 5311/5310
  - \$1,200,000 5339 Statewide/Rural
  - \$930,000 5339 Small Urban
- **Sub-total = \$8,930,000 available in "grants"**
  - +\$2,089,000 in assumed local match
- **Total available for modeling purposes = \$11,019,000**

# Average Annual Bus Replacement Need is \$30-\$35 Million per year to Stave off Growing Backlog

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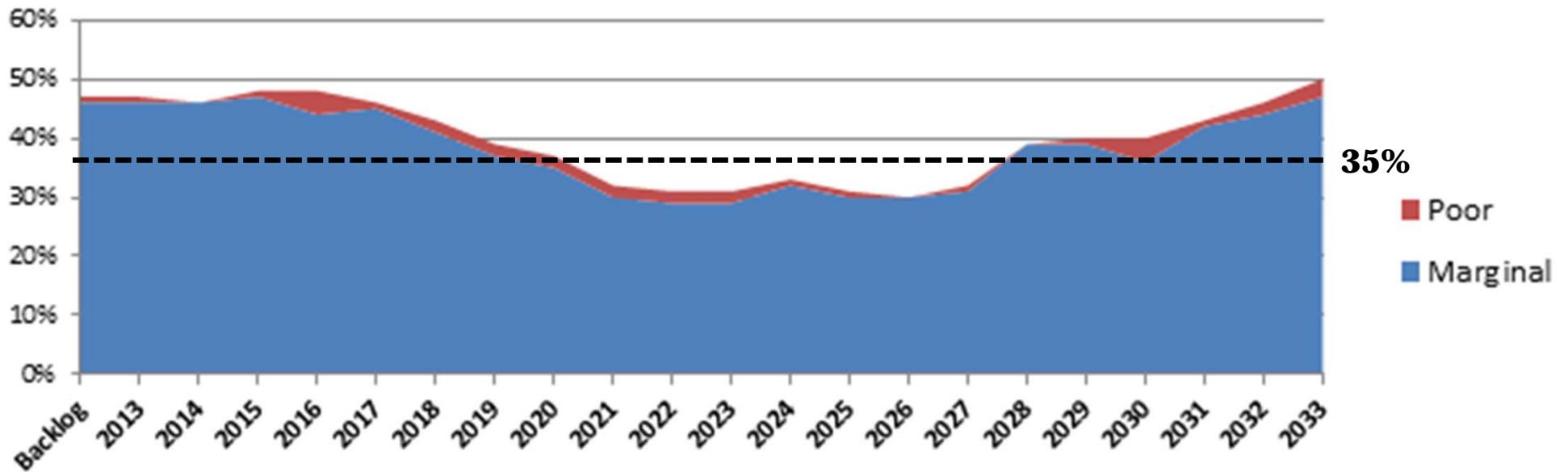
\*Asset Inventory Project will provide a more thorough & complete picture

# What Would Meeting Goal of No More than 35% Poor or Marginal Bus Condition Statewide Look Like?

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**Preliminary\***

### Assets in Marginal or Poor Condition



\*Asset Inventory Project will provide a more thorough & complete picture



# Preliminary Bus Replacement Results

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- Not enough FTA + FASTER money to cover the bus replacement backlog. Some years worse than others.
- Redistributing \$1 Million/year to operating assistance doesn't change the "need more money" result above
- FASTER capital is 80% of total capital need (working policy)...20% match required...Is this the right match?
- Will SB 228 money be available, beginning in 2017?  
\$20 M/yr x 5 yrs = \$100 M would solve a lot of backlog

# Hypothetical Scenarios For Discussion Purposes Only

**\$6 Million yearly**  
(**\$5 M Local all goes to bus replacement**)

**\$1 Million to Operations**  
(**Hypothetical Example for Discussion**)

Transp. Planning Region	Historic FASTER % 2010-2015	Future Estimated (1,000s of \$)
DRCOG	45%	\$2,700
PPACG	9%	\$540
NFRMPO	12%	\$720
GVMPO	5%	\$300
PACOG	2%	\$120
Intermountain	12%	\$720
Upper FR	5%	\$300
Southwest	3%	\$180
Gunnison	2%	\$120
Central FR	2%	\$120
San Luis Valley	0%	\$20
Eastern	0%	\$20
Northwest	1%	\$60
Southeast	1%	\$60
South Central	0%	\$20

Transp. Planning Region	Historic FASTER % 2010-2015	Future Estimated (1,000s of \$)
DRCOG	45%	\$450
PPACG	9%	\$90
NFRMPO	12%	\$120
GVMPO	5%	\$50
PACOG	2%	\$20
Intermountain	12%	\$120
Upper FR	5%	\$50
Southwest	3%	\$30
Gunnison	2%	\$20
Central FR	2%	\$20
San Luis Valley	0%	\$3
Eastern	0%	\$3
Northwest	1%	\$10
Southeast	1%	\$10
South Central	0%	\$3

# FASTER Funding through 2040 Lenses

## for 10 Rural TPR's in Year of Expenditure \$

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Transportation Planning Region	2040 Estimated Revenues	2040 Maintenance-Level Operating Expenditures	\$1 Million FASTER Per historic Distribution \$730 Urban \$270 Rural	% of OPEX covered by \$1 M FASTER Distribution	2040 OPEX Deficit	% of OPEX Deficit covered by \$1 M FASTER Distribution
Intermountain	\$103,900,000	\$120,100,000	\$120,000	0.1%	\$16,100,000	0.7%
Upper FR	\$2,900,000	\$3,400,000	\$50,000	1.5%	\$482,000	10.4%
Southwest	\$3,500,000	\$4,200,000	\$30,000	0.7%	\$615,000	4.9%
Gunnison	\$10,400,000	\$13,300,000	\$20,000	0.2%	\$2,900,000	0.7%
Central FR	\$836,000	\$1,000,000	\$20,000	2.0%	\$246,000	8.1%
San Luis Valley	\$403,000	\$629,000	\$3,000	0.5%	\$225,000	1.5%
Eastern	\$1,800,000	\$2,400,000	\$3,000	0.1%	\$573,000	0.6%
Northwest	\$4,700,000	\$5,200,000	\$10,000	0.2%	\$549,000	1.8%
Southeast	\$367,000	\$528,000	\$10,000	1.9%	\$160,000	6.3%
South Central	NA	NA	\$3,000	NA	NA	NA
<b>Totals</b>	<b>\$129,100,000</b>	<b>\$151,100,000</b>	<b>\$270,000</b>	<b>0.2%</b>	<b>\$21,900,000</b>	<b>1.2%</b>

# Intercity & Regional Bus Perspective

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# Intercity & Regional Bus Perspective

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- **\$ 21.5 Million in Total Identified Needs**
  - \$3.0 Million in Interregional Express Service
  - \$2.0 Million in Regional High Priority Service Needs
  - \$1.6 Million in Essential Service Needs
  - \$1.0 Million in Regional Secondary Service Needs
  - \$13.9 Million in other service needs
- **Key Questions**
  - Work only from Intercity & Regional Bus Report List?
  - What of \$15 M is the “right” allocation to operating assistance?
  - How to balance Priority vs. Essential vs. Other Service Needs?

# Interregional Express Bus Expenditures

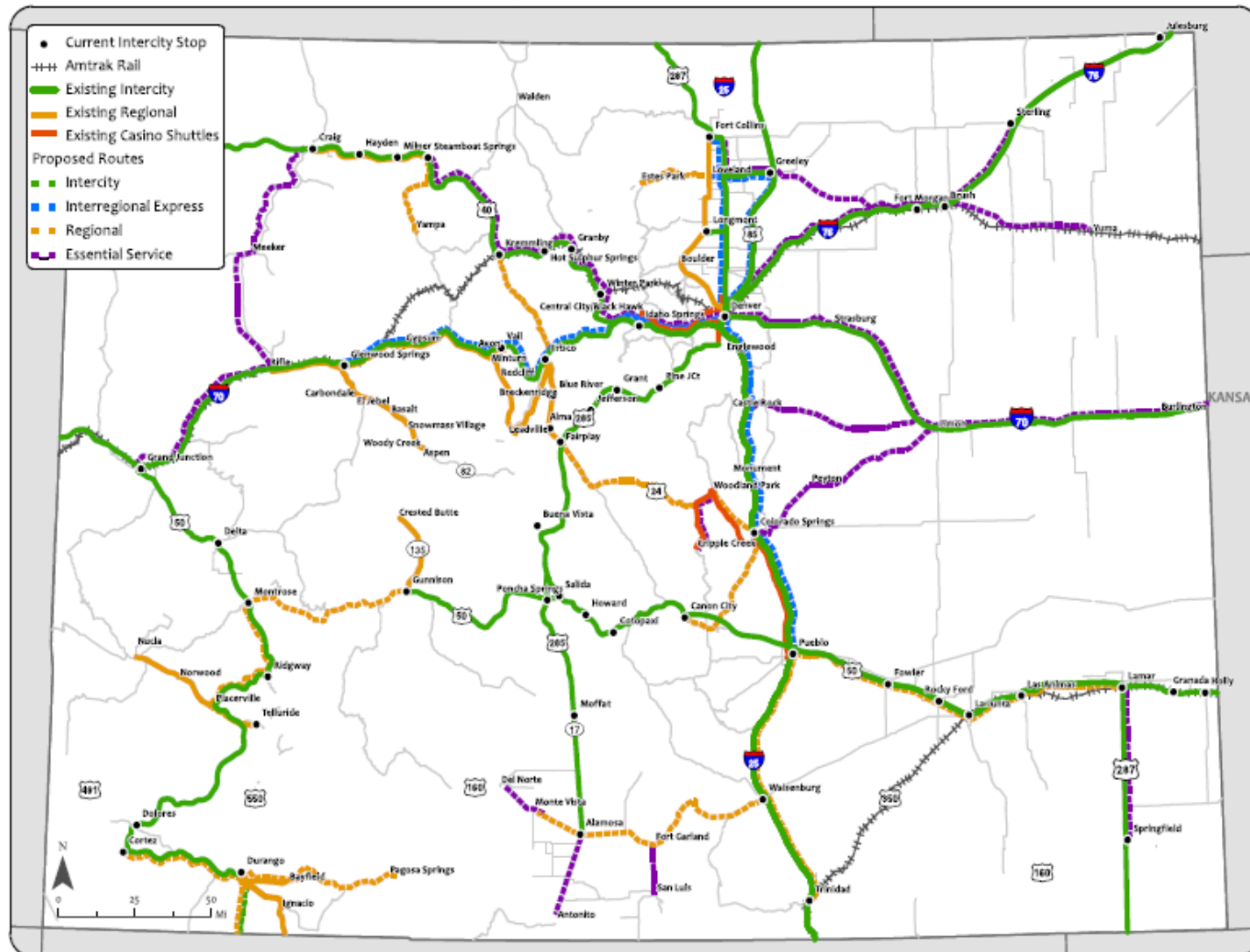
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- **\$3 Million Allocated Across 4 Regions:**
  - \$1.2 Million/yr Fort Collins/NFR – Denver/DRCOG (39%)
  - \$1.4 Million/yr Colorado Springs/PPACG – Denver (48%)
  - \$0.4 Million/yr Glenwood/IMTPR – Denver/DRCOG (13%)

# Statewide Intercity & Regional Bus Perspective

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Existing and Proposed Statewide Routes



# Statewide Intercity & Regional Bus Perspective

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## Hypothetical Scenarios - For Discussion Only

- **\$4 Million – Fund IX plus \$1M/year in “Priority Services”**
  - \$3 Million IX (see above)
  - \$ 350,000 FLEX: Fort Collins to Longmont (requires add'l 50% local match)
  - \$ 350,000 RFTA-ECO connection (requires add'l 50% local match)
  - \$ 300,000 ECO/Vail – Summit connection (requires add'l 50% local match)
- **\$4 Million – Fund IX plus \$1M/year in “Priority” and “Essential Services”**
  - \$3 Million IX (see above)
  - \$ 550,000 Priority Services (requires additional 72% local match)
  - \$ 450,000 Essential Services (requires add'l 72% local match)
- **\$4 Million – Fund IX plus Tier \$1M in Services**
  - \$3 Million IX (see above)
  - \$ 0.44 Million to “Priority Services” (requires up to add'l 88% local match)
  - \$0.22 Million to Regional Second Priority (requires up to add'l 88% local match)
  - \$0.36 Million to “Essential Services” (requires up to add'l 88% local match)



# Operating

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- Needs to be consistent year to year
- No starter/demonstration approach w/ “cliff” at yr 3
- **FASTER** not indexed to inflation or growth.
  - Dealing with inflation must come from growth in rider/fare revenue or growth in local/other sources
- Operating for expansion only (“maintenance of effort” principle)
- Performance measures...how do those fit?
- How do you tier this?
  - 20+ riders/ hour → fixed route?
  - 10-20 riders / hour → demand response / flex route?
  - <10 riders / hour → rural “essential services”?

# Summary of Policy Perspectives, p. 1 of 2

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- In a typical year, FASTER funds are 9% of the total combined Federal and State funds available to Colorado transit agencies.
- The needs statewide exceed funding availability = gap!
  - Gap of \$22 to \$52 Million/year for non-urban bus operations by 2040
  - Gap of ~\$20 Million/year for state-of-good-repair non-urban bus replacement
  - Gap of \$18.5 Million/year for intercity & regional bus needs
- Without inflation or growth adjustment, FASTER funds will lose 3-3.5% “buying power” per year on average. Local funds will make up for this somewhat, but still a net “leakage” of 0.5-1.0% loss in net buying power *per year in each region*.
- State population and transit use are growing

# Summary of Policy Perspectives, p. 2 of 2

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- **22.6% of Funds, FTA + FASTER, administered by CDOT are operating funds today...**
  - Of those 58% are federal FTA funds
  - Of those 42% are FASTER funds for the IX service
- **FASTER Funds In Perspective**
  - 84% of the population (urban) receives 73% of funds
  - 16% of the population (rural) receives 27% of funds
  - Rural resort areas, visited by urban populations, is the difference
- **If \$1 Million were Allocated to Operating Assistance**
  - It represents <1% to 2.5% of Non-RTD Operating Expenditures now
  - It would represent 0% to 1% of Non-RTD OPEX by 2040

# Next Meeting

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**REVIEW OVERALL SCHEDULE &  
DATES OF UPCOMING MEETINGS**

**SUGGEST ITEMS FOR AGENDA**

# Overall Schedule

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Month	Action
February	Initiate subcommittee
March	Subcommittee develops recommendation <ul style="list-style-type: none"><li>- Meeting #2 March 14, 1:30-3:00 PM</li><li>- Meeting #3 March 24, 10-11:30 AM</li><li>- Meeting #4 April 10, 10-11:30 AM</li></ul>
April	Policy Options Workshops, April 8-18 <sup>th</sup> Full STAC consideration, April 11 <sup>th</sup> Full TRAC consideration, April 11 <sup>th</sup>
May	CDOT Transportation Commission Workshop
June	CDOT Transportation Commission Approval
July	Draft Call for Projects
August/ September	Release Call for Projects

You Are Here



# Suggested Items for Meeting Agendas

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- **Concluding Remarks from Subcommittee Members**
  - Can we develop a recommendation in two more meetings?
  - Headed in the right direction?
  - Trust in the process? If any concerns, what will help?
- **Summarize Discussion**
  - Action Items for Future Meetings?
  - Additional outreach, presentations, communication

# Adjournment

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**THANK YOU!**