Revenue and Prioritization: State Transit Funding Efforts

Report on the progress of the Transit Service Delivery Advisory Committee and Transit Capital Projects Revenue Advisory Board

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State Funding is an Important Source of VRE Revenues

VRE revenues from the State vary from year to year.

- FY2017, 27 percent of VRE revenues from State

VRE uses State funding to:
- Meet local match for Federal funds (20% match required)
- Cover Rail Access Fees
- Fund capital projects

Source: Virginia Railway Express
In 1986, the Transportation Trust Fund (TTF) was established with 8.4 percent of the total funds to transit.

By 1999, the General Assembly increased transit’s share to 14.7 percent.

In FY 2008, the CTB first allocated the Transportation Capital Project Revenue (CPR) bonds to transit projects (minimum 20 percent transit share - $60 million annually)

CTB elected to allocate an additional $50 million a year of CPR bond funds to match Federal PRIIA for WMATA.

In 2015, HB 1887 redistributed a portion of the new revenues generated from HB 2313 to the Mass Transit Account ($40 million/year)

In 2018, CPR Bonds will expire, with final funding available to FY 2019
Transportation CPR Bonds: $3 billion over 10 years

- Capital Project Revenue (CPR) bonds provide 40 percent of the entire state transit capital program with over $110 million in annual revenues
- Funding from CPR revenues used for
  - Transit capital projects (vehicles, facilities, equipment)
  - Match to federal funds, revenue sharing funding, statewide or regional projects
  - $50 million a year for 10 years to match WMATA PRIIA federal funds
- Over 45% of the CPR bonds have been allocated to transit initiatives
  - $600 M transit minimum
  - $500 M State of Good Repair for WMATA
  - $225 M to the Dulles Metrorail Project
  - $41 M to the fixed guideway initiatives

Source: Department of Rail and Public Transportation
Created the Transit Capital Revenue Advisory Board “RAB” to:

1. Examine impacts of revenue loss from CPR Bond expiration
2. Identify possible sources of replacement revenue
3. Develop methodology for prioritization (ala SmartScale)

Technical support to be provided by Transit Service Delivery Advisory Committee (TSDAC)

RAB Membership

- CTB Member Marty Williams (Chair)
- Fairfax County Supervisor Jeff McKay (Vice Chair)
- Former Delegate Tom Rust
- Fredericksburg Mayor Mary Katherine Greenlaw
- Former Virginia Beach City Manager, Jim Spore
- Dr. James Toscano of Norfolk
- GM of Greater Lynchburg Transit, Josh Baker
Initial Findings: Capital Needs Exceed Projected Revenue by $1.1B/10 yrs

Source: Department of Rail and Public Transportation
Impact of Revenue Loss:
75+ Percent is to Northern Virginia Transit

Transit Capital Funding Needs
(By Agency FY2017-2026)

Source: Department of Rail and Public Transportation
Even if State only funds SGR: Deficit Is Still Projected

Source: Department of Rail and Public Transportation
• For New Transit Projects or Expansion
  – Develop a prioritization process based on an objective and quantifiable analysis
  – Factor relative to cost
  – Consider congestion mitigation, economic development, accessibility, safety, environmental quality, and land use

• For State of Good Repair
  – Develop a proposal within the capital asset tiers (matching rate)
  – Based on need and anticipated state participation level and revenues
Initial Prioritization Proposal

Source: Department of Rail and Public Transportation
Next Steps: RAB & TSDAC

- Identify and evaluate potential options for increasing transit capital revenue
- Fully develop the prioritization methodologies (quantitative/qualitative measures and propose weighting measures)
- Test prioritization processes with a sample of actual projects
- Develop an allocation methodology and determine the appropriate application of the current tiering methodology

Report to General Assembly due August 2017
Areas of Ongoing Discussions

• Feasibility and packaging of revenue proposal
• Overall Prioritization “ask”
  – Problem to fix?
  – Loss of predictability of annual state capital funds
  – Administrative burden and cost of evaluation
  – Alignment with other evaluation programs
  – Scope and scale of “expansion projects”

Upcoming meetings:
TSDAC – January and February
RAB - March
Question Contact:

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