TSDAC Meeting

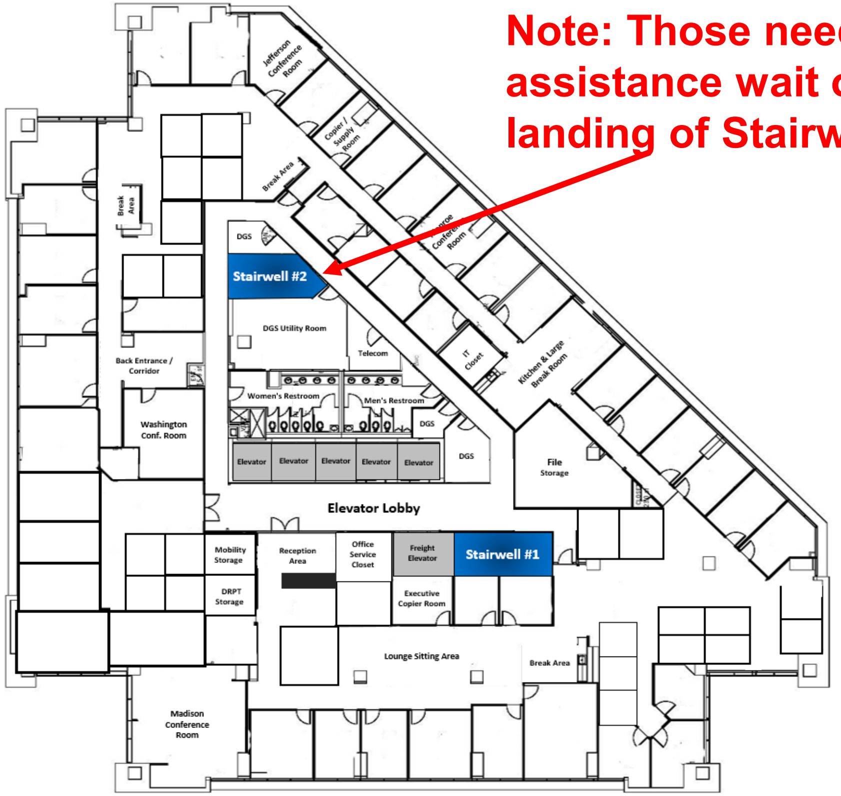
March 10, 2026

DRPT
VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION

Today's Agenda

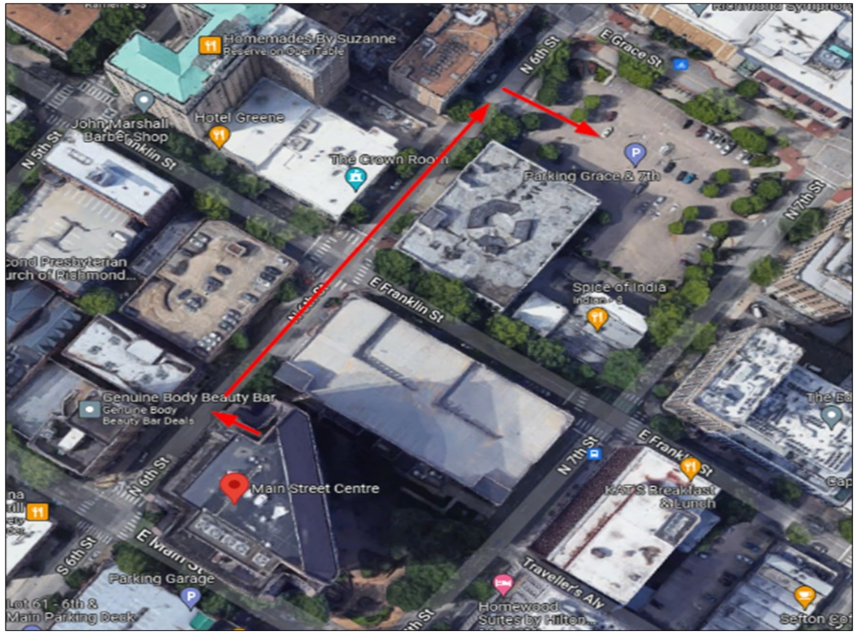
- Welcome and Introductions (Chair)
- Safety Briefing
- Approval of Minutes from January 20, 2026 Meeting
- Comments from DRPT Director
- Legislative Update
- New Timeline and Schedule
- TSDAC Survey Responses
  - Administrative Changes Recap
  - Capital Changes Recap
  - Observations from 2025 review
- MERIT Operating Assistance
  - Introduce Cohort Concept
  - Cohort Scenarios
  - Discussion
- Next Meeting

DRPT Safety Briefing (600 East Main Street, 21st Floor)



Note: Those needing assistance wait on the landing of Stairwell 2.

Assemble at 6th & Grace Street



In Case of Evacuation

AED & First Aid Kit

AEDs – outside Madison conference room and in Main Kitchen

First Aid Kit – Located in kitchen areas.

Fire Extinguishers & Alarms

Fire Extinguishers – Located in the Kitchen, and near Stairwells.

Security & Active Shooter

If you See something, Say something

Flee. Hide. Fight.

Remote Participation

Be aware of phishing emails and scams.

Know your medical emergency and evacuation strategies.

Approval of the Minutes from January 20, 2026

Comments from the DRPT Director

Legislative Update

House Bills of Interest
Not including failed legislation

HB 25 (Anthony) – Railroad safety; minimum train crew used in movement of freight.

- Passed both House and Senate, sent to the Governor's desk

HB 200 (McQuinn) – Transit Entities, certain; funding and administration.

- Reported from Senate Finance and Appropriations, on full Senate floor

HB 330 (McClure) – Signs & advertisements adjacent to certain highways; signs affixed to real property owned by WMATA.

- Passed both House and Senate, sent to the Governor's desk

HB 547 (Helmer) – Private companies providing public transportation services; employee protections.

- Passed both Senate and House, sent to the Governor's desk

HB 564 (Reid) – Bus obstruction monitoring systems; parking, stopping, and standing enforcement.

- Passed both House and Senate, sent to the Governor's desk

Senate Bills of Interest
Not including failed legislation

SB 191 (Williams Graves) - Railroad safety; minimum train crew used in movement of freight.

- Passed both Senate and House, sent to the Governor’s desk

SB 583 (Salim) - Bus obstruction monitoring systems; parking, stopping, and standing enforcement.

- Passed both Senate and House, sent to the Governor’s desk

SB 731 (Salim) - Private companies providing public transportation services; employee protections, report.

- Passed House and Senate, awaiting both chambers to agree on a substitute

HB 200 (McQuinn)
Transit Entities, certain; funding and administration

- Changes the Transit Ridership Incentive Program
  - Simplifies programmatic requirements
  - Improves the administration of the program by reducing various funding limitations
  - Opens the regional connectivity subprogram to non-urbanized areas
  - Adds "innovative approaches to micromobility, paratransit, and other specialized transportation"
  - Adds that the CTB, in conjunction with TSDAC, shall establish the program guidelines every three years
- Removes a quarterly report written by DRPT on the Secretary of Transportation’s efforts to work with DC and Maryland to reform WMATA
- Extends by one year to 2028 a sunset clause on HB 285 (2024), which delegates the approval process for bus shelters on VDOT-owned rights-of-way from the Department of General Services to the local building official

House Adopted Budget
Items of Note

Title	FY27	FY28	Description
HJ 28 Study of Hampton Roads Public Transit	$300,000 (GF)	-	Provides funding through the General Fund to support the HJ28 joint subcommittee to study public transit systems to ensure it meets needs of the Hampton Roads region
Demolition of Parking Garage at Huntington WMATA Station	*Language only*	-	Provides $10M from the Transportation Partnership Opportunity Fund to support the demolition of a parking garage at the Huntington Metrorail Station
Promote Transit-Oriented Development Near Stations	*Language only*	-	Requires DRPT, with help from the Department of Housing and Community Development, to conduct a statewide study to plan, promote, and identify opportunities for transit-oriented development around existing and proposed transit and rail stations.
Authorize Use of Reserve Funds in Event of Federal Government Shutdown	*Language only*	-	Gives DRPT the authority to use funds from its reserve balance to provide short-term loans to recipients of 5310 (Human Service Providers) or 5311 (Rural Transportation) funding in the event of a government shutdown

Senate Adopted Budget
Items of Note

Title	FY27	FY28	Description
WMATA Efficiency Reporting	*Language only*		Requires WMATA to produce a capital plan, financial plan, and an annual report, as well as identify cost savings. Requires DRPT to review the cost savings and efficiency efforts and report to the General Assembly on these efforts.
Streamlining Bus Services	*Language only*		Requires DRPT to study the feasibility of consolidating a select group of Northern Virginia public transportation providers into a single unified regional bus system.
Transit Capital Assistance	-	$19,000,000 (GF)	$19M from the General Fund for a one-time public transportation capital investments.
Opportunities for Transit-Orientated Development	*Language only*		Requires DRPT, with help from the Department of Housing and Community Development, to conduct a statewide study to plan, promote, and identify opportunities for transit-oriented development around existing and proposed transit and rail stations.
Northern Virginia Transportation - Parking Study*	*Language Only*		Requires the Secretary of Transportation to study the feasibility of a regional paid parking sales tax in the NVTC service area.
Limitation on Agencies Issuing Loans*	*Language Only*		Prohibits a state agency from making loans to non-state entities unless specifically authorized in the appropriations act.

***Not a DRPT-specific Item**

Transportation Funding
WMATA, Transit, and Rail Funds

- House Budget

FY27 General Funds Support

$153M for WMATA operating, to be used over the full biennium

- Senate Budget

Northern Virginia regional data center sales and use tax surcharge

Northern Virginia regional transient occupancy tax increase

Statewide data center sales and use tax revenues, distributed through CTF

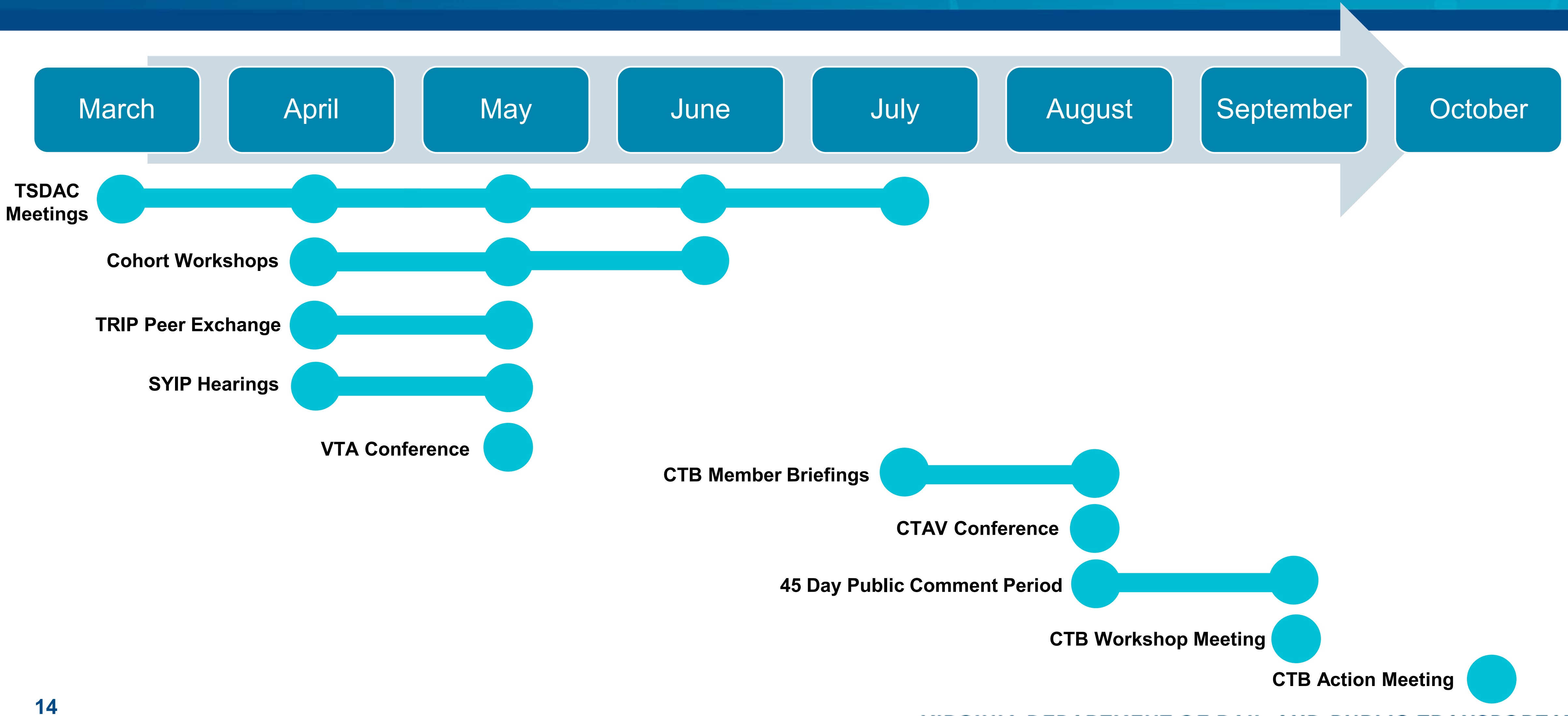
$205.7M (est.) over the biennium for WMATA

$291.7M increase to the Commonwealth Transportation Fund, uplifting the transit and rail sub-funds, over the biennium

New TSDAC Timeline and Schedule

	March	April	May	June	July
	March 10 (Today)	*April 14*	*TBD*	*TBD*	*TBD*
MERIT Operating	• Finalize Capital Policy Recommendations • Introduce Cohort Concept	• Finalize Cohorts • Introduce Sizing Metric Concept	• FY27 Draft SYIP Review • Finalize Sizing Metric • Introduce Performance & Stability Fund Concept	• Finalize Performance & Stability Fund	• Finalize MERIT Operating Policy Recommendations • Begin CTB briefings for MERIT Operating Policy Changes
Transit Ridership Incentive Program (TRIP)		• Review Current TRIP Policy and Legislative Changes	• Introduce Proposed TRIP Policy Changes	• Refine Proposed TRIP Policy Changes	• Finalize TRIP Policy Recommendations • Begin CTB briefings for TRIP Policy Changes

Outreach Schedule



TSDAC Survey Responses

Administrative Changes Recap

Proposed Improvements
Performance Metric Methodology 1. "*Passengers per Hour*" and "*Passengers per Mile*" metrics will be calculated using unadjusted vehicle revenue hour (VRH) and vehicle revenue mile (VRM) sizing metrics that <u>do not</u> include deadhead hours and miles for uni-directional commuter routes greater than 20 miles
Operating Cost Metric 1. Use "*Operating Cost for Performance*" (i.e. total operating cost less depreciation and ineligible costs) for the Sizing Metric in the formula

- ✓ TSDAC indicated no concerns with these changes. One clarifying question was answered.
- ✓ DRPT will reflect these changes in FY27 MERIT Operating Assistance allocations

Capital Changes Recap

Proposed Improvements
Project Categorization and Scoring: 1. Add subcategories for State of Good Repair (SGR) projects (SGR with Asset Condition Score and SGR without Asset Condition Score) 2. Add subcategories for Major Expansion (MAJ) projects (MAJ Expansion and MAJ-SGR) 3. Develop new scoring methodology for MAJ-SGR projects
Project Definition: 1. Eliminate 5 vehicle or 5% of fleet threshold and score all vehicle expansion projects under the Minor Enhancement (MIN) project type
Incentive Points: 1. Eliminate underutilized incentive categories and categories where incentive points aren’t achieving desired result 2. Add categories to incentivize agencies on good grants management

- TSDAC indicated no questions/concerns with these changes
- DRPT will reflect these changes in FY28 MERIT Capital Assistance allocations (pending CTB approval)

Observations from 2025 Review

Need	Why?
Simplification	The current formula is difficult to understand for transit partners and decision-makers (i.e. performance adjustments, trends, reiterations)
Transparency	The process for developing formula concepts and making refinements needs more clarity
Predictability	Year-over-year variations in Operating Assistance allocations makes it difficult to plan and budget
Collaborative	Need for dedicated time to discuss formula concepts and desired outcomes in an effort to reduce unintended consequences
Rewarding	The formula should reward agencies that meet criteria deemed as important to the industry and the Commonwealth

Cohort Concept

MERIT Operating Assistance: Cohorting Concept

Advantages of Cohorting

- Allows the Commonwealth to customize goals for transit service delivery based on agency size/type -- not “one size fits all.”
- Transit agencies will “compete” for state operating funds with similar systems
- Allows for the introduction of more advanced data into the formula for urban systems
- Modeled after FTA funding apportionments:
  - Population < 50,000 = Rural
  - Population is 50,000 – 200,000 = Small Urban
  - Population is +200,000 = Large Urban

As defined in 49 USC 5307 and 49 USC 5311

Agency Designations by FTA Urban/Rural Area

Large Urban (LU) (10)

- Alexandria DASH
- ART
- FFX Connector
- Fairfax CUE
- LC Transit
- GRTC
- HRT
- PAT
- Valley Metro
- PRTC

Small Urban (SU) (9)

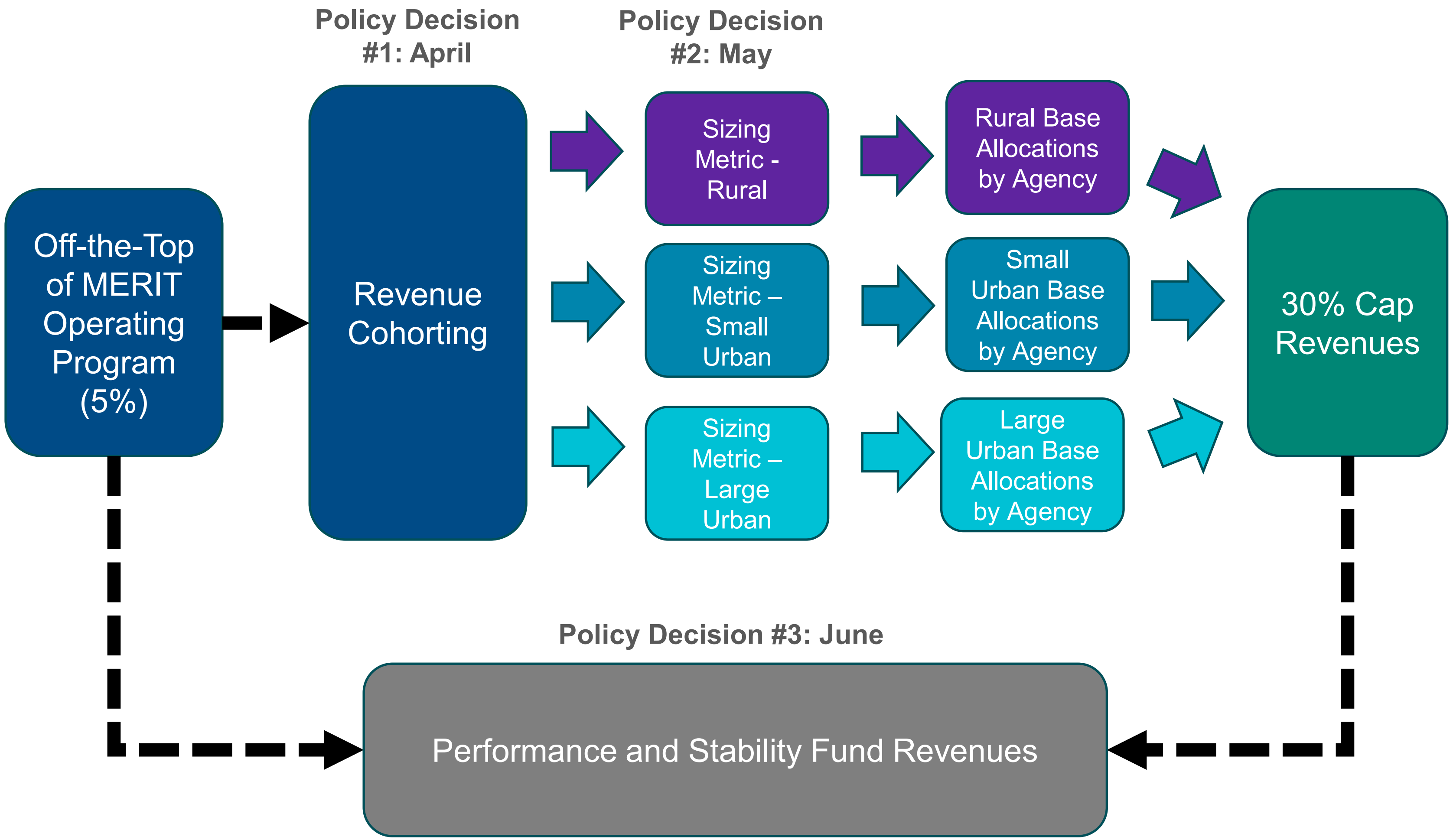
- WinTran
- FXBGO
- Bristol Transit
- Blacksburg Transit
- CAT
- HDPT
- WATA
- GLTC
- BRITE*

Rural (19)

- Chincoteague
- GET
- BABS
- Lake Country
- Farmville
- Alta Vista
- DTS
- Pulaski
- Four County
- MET Go
- Bluefield
- RADAR
- STAR
- VRT
- Jaunt
- Suffolk
- Radford
- Bay Transit
- District III*

*Serves multiple areas

Full Cohorting Conceptual Process

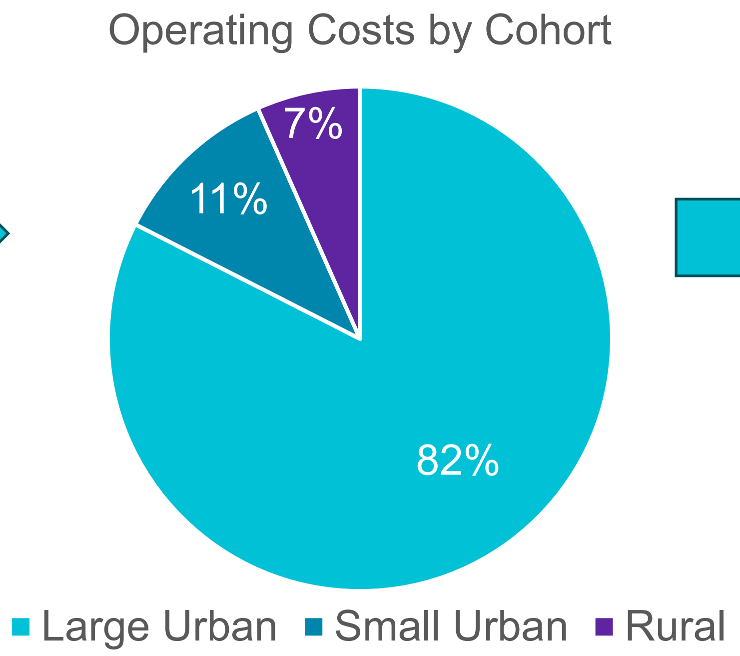


Step 1: Revenue Cohorting Process

NUMBERS ARE NOT ACTUAL – FOR DISCUSSION PURPOSES ONLY

1. Cohorts are defined (ex: Large Urban (LU), Small Urban (SU), or Rural)
2. Metric is defined to split total MERIT Operating Assistance revenues among cohorts (ex: Total costs by cohort)
3. Total revenues available x share of defined metric = available revenue by cohort

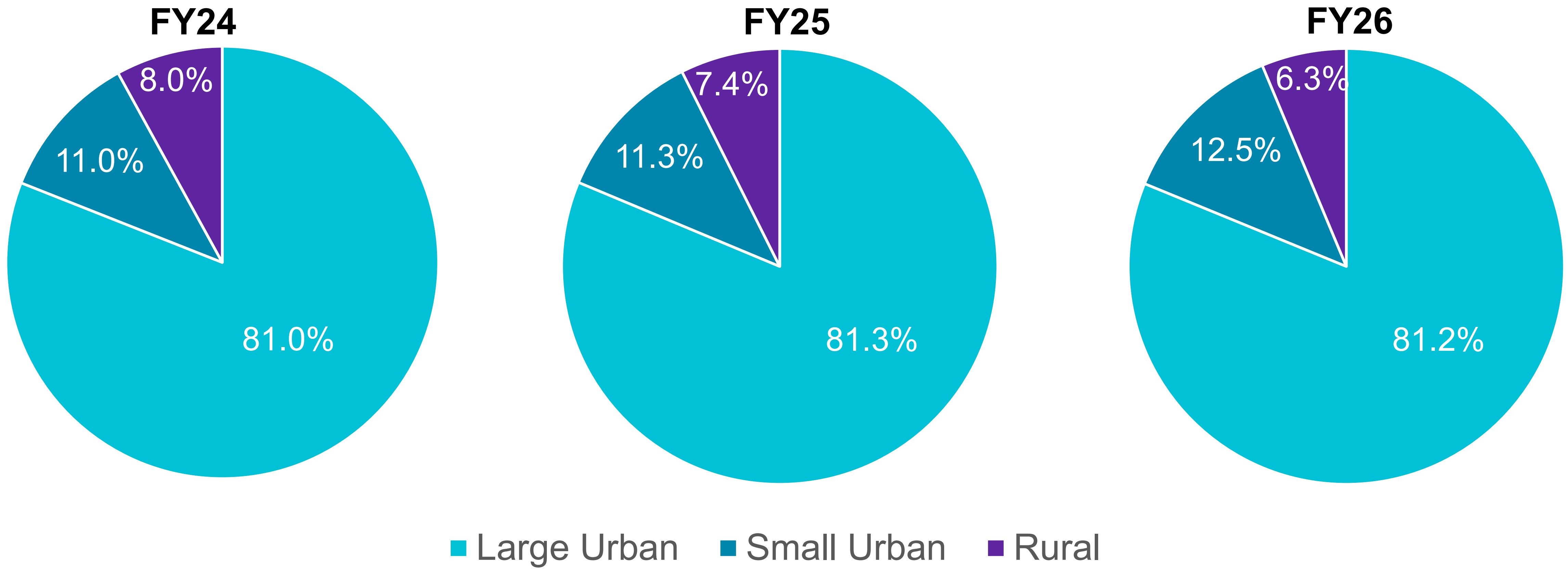
Total Operating Costs
- Total LU Cost: $480M
- Total SU Cost: $63M
- Total Rural Cost: $38M



Total MERIT Operating Revenues Available: $100M
- LU Revenues: $100M x 82% = $82M
- SU Revenues: $100M x 11% = $11M
- Rural Revenues: $100M x 7% = $7M

Cohorting Scenarios

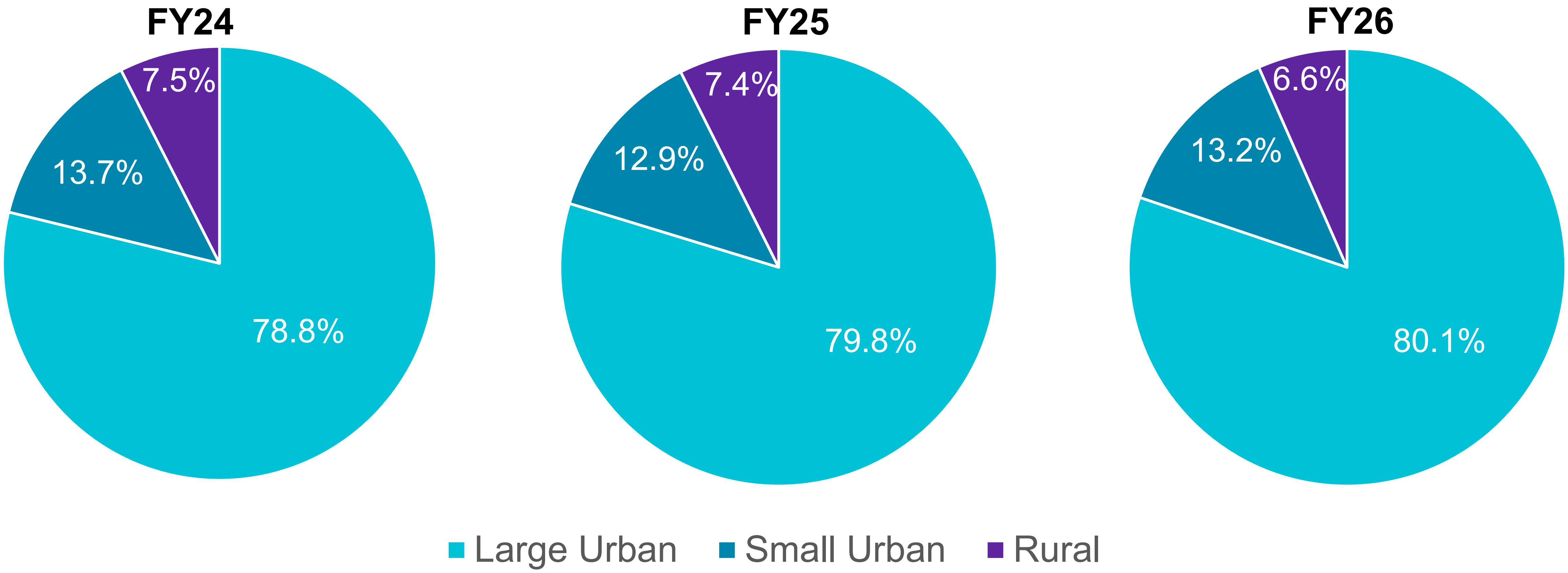
FY24, 25, 26 MERIT Operating Allocations



Actual MERIT Operating Assistance allocations by agency type from each of the last 3-years

Note: May not add up to 100% due to rounding

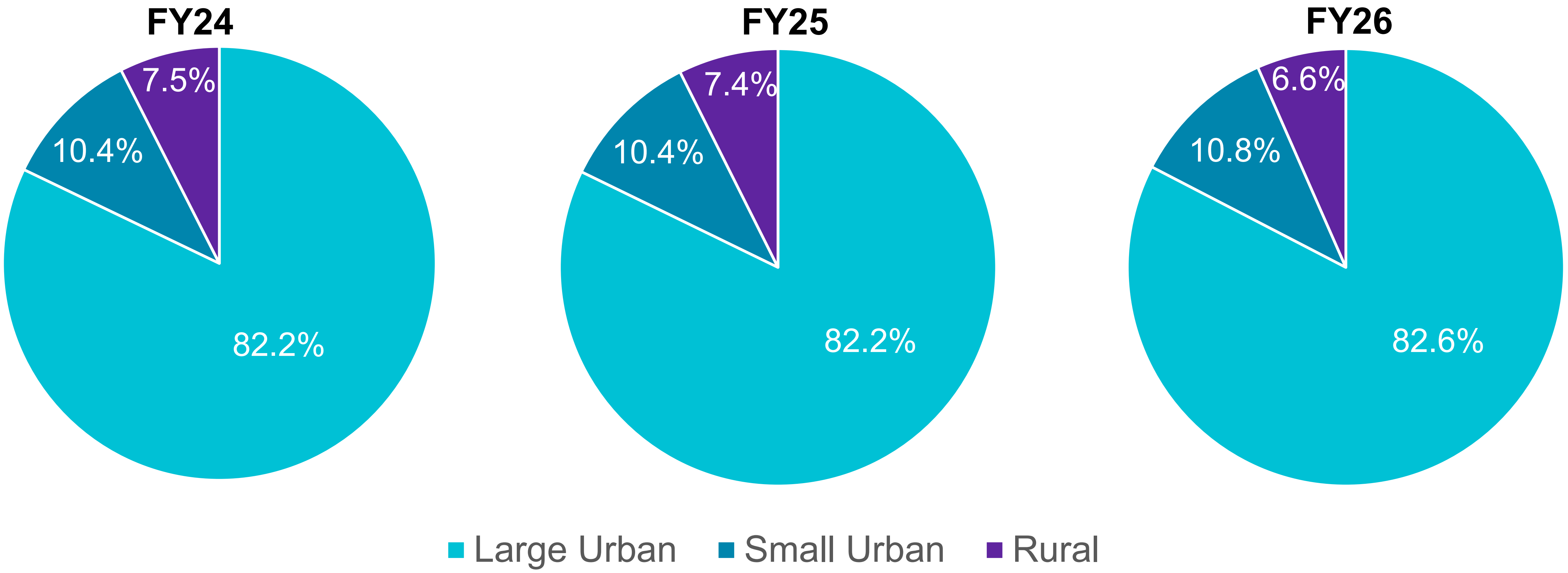
FY24, 25, 26 Sizing Metric



Actual Sizing Metrics (50% Expenses, 30% Ridership, 10% VRM, 10%VRH) by agency type from each of the last 3-years

Note: May not add up to 100% due to rounding

FY24, 25, 26 Total Operating Costs



Actual operating costs by agency type from each of the last 3-years (i.e. Cost for Performance)

Note: May not add up to 100% due to rounding

Conclusions

- A cohorting model can simplify the formula and simultaneously lead to very little change in terms of agency allocations

- Percentages could be defined in CTB policy that split total available revenues among cohorts in an effort to provide more stability and predictability

- Future refinements to the formula would focus on the sizing metric (Policy Decision #2) within each cohort, leading to more focused and collaborative conversations with transit providers on policy objectives

Discussion

Next Steps

VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION

Next Steps

	March	April	May	June	July
	March 10 (Today)	*April 14*	*TBD*	*TBD*	*TBD*
MERIT Operating	• Finalize Capital Policy Recommendations • Introduce Cohort Concept	• Finalize Cohorts ★1 • Introduce Sizing Metric Concept	• FY27 Draft SYIP Review • Finalize Sizing Metric ★2 • Introduce Performance & Stability Fund Concept	• Finalize Performance & Stability Fund ★3	• Finalize MERIT Operating Policy Recommendations • Begin CTB briefings for MERIT Operating Policy Changes
Transit Ridership Incentive Program (TRIP)		• Review Current TRIP Policy and Legislative Changes	• Introduce Proposed TRIP Policy Changes	• Refine Proposed TRIP Policy Changes	• Finalize TRIP Policy Recommendations • Begin CTB briefings for TRIP Policy Changes

★ = Policy Decisions

Next Steps

Action Items for TSDAC Members:

- Reach out to DRPT to schedule 1-on-1 meetings, as needed
- Meet with agencies/partners you represent to get feedback on the concept discussed at today's meeting
  1. Does TSDAC support advancing the cohort concept?
  2. Does TSDAC support using 'Total Operating Costs' as the metric to cohort revenues or something else?
  3. Is there a preference to either identify revenue cohorting percentages in policy (to be revisited by TSDAC ever few years) or re-calculate the revenue cohort metric on an annual basis?
- Send DRPT list of questions prior to April meeting <u>no later than March 24th</u>

Action Items for DRPT:

- Finalize TSDAC meeting dates for May 12, June 2, and July 7
- Answer TSDAC questions and facilitate 1-on-1 meetings