

## Virginia Department of Rail and Public Transportation April 2026 TSDAC Meeting Minutes

### Attendees

John McGlennon- Chair	Cindy Mester- Vice Chair	Brian Booth	Kate Mattice	Noelle Pinkard
Ray Smoot	Paula Melester	Mariia Zimmerman- DRPT	Allan Fye-DRPT	Grant Sparks- DRPT
Zach Trogdon- DRPT	Andy Wright- DRPT	Evan Tuten- DRPT	Tiffany Dubinsky- DRPT	Dan Sonenklar - DRPT

### Opening & Administrative Summary

- **Call to Order & Introductions**
  - Meeting called to order by Chair John McGlennon, representing Virginia Association of Counties.
  - Opening remarks included recognition of TSDAC membership and purpose.
- **Opening Remarks by Chair**
  - Chair emphasized need to use meeting time efficiently given scope of decisions ahead.
  - Noted agenda is structured around:
    - Achieving policy alignment where possible
    - Clarifying current positions on key transit issues
    - Advancing unresolved policy areas for continued work
- **Administrative & Safety Briefing (DRPT)**
  - Meeting held at DRPT headquarters, Richmond (21st floor, 600 East Main Street).
  - Safety and logistics overview provided:
    - Restroom locations identified
    - First aid and AED equipment available on site
    - Staff trained in emergency response present
  - Emergency evacuation procedures reviewed:
    - No elevator use during evacuation
    - Designated evacuation meeting point at 6th & Grace Street parking area
    - Staff will provide directional support during evacuation if needed
  - Shelter-in-place procedures also outlined in case of severe weather or other emergencies
  - Note that emergency drills were scheduled for the day
- **Approval of Prior Meeting Minutes**

- Minutes from March 10 meeting presented for approval.
- Motion made and seconded to approve minutes.
- Motion carried unanimously; March minutes approved.
- **Director's Opening Comments (DRPT)**
  - Director expressed appreciation for TSDAC members' service and engagement.
  - Recognized members' roles in representing multiple constituencies and stakeholder groups.
  - Emphasized importance of continued outreach and collaboration between meetings.
  - Noted meeting focus on advancing cohort-based transit policy framework.
- **Policy Direction & Meeting Framing**
  - DRPT outlined intent to:
    - Develop more predictable and stable transit funding allocations
    - Improve transparency for local and regional transit agencies
    - Link funding considerations to performance outcomes (e.g., ridership, customer experience, efficiency, revenue growth)
  - Acknowledged that changes may affect agencies differently, with both gains and tradeoffs expected.
  - Emphasized need for:
    - Simple, transparent policy design
    - Flexibility for unusual or emergency circumstances (e.g., disasters, labor disruptions)
    - Equity considerations across rural and urban transit providers
- **Legislative & Budget Update**
  - HB200 signed into law on April 6, modifying the TRIP program structure.
  - Additional policy and definition work expected in coming months.
  - State budget still pending final action; revenue conditions reported as stable.
  - Continued monitoring of related labor legislation underway.
- **Work Plan & Timeline Overview**
  - DRPT outlined upcoming policy development schedule leading to October CTB action.
  - Focus areas for current meeting:
    - Finalizing cohort framework
    - Introducing sizing metrics
    - Previewing additional policy decisions
  - Multiple working sessions scheduled with transit agencies and stakeholders.

- Additional engagement planned through VTA sessions and regional outreach.
- Public comment period to overlap with September CTB meeting.
- Final recommendations to be presented for CTB action in October.
- **Public Comment & Engagement Tools**
  - DRPT launched public comment submission form on TSDAC webpage.
  - Feedback tracking system was established to consolidate stakeholder input.
  - Ongoing engagement efforts underway with agencies and regional partners.
- **Policy Development & Cohort Framework - Cohort Naming, Communication, and Conceptual Clarity**
  - Members raised concerns regarding **confusion in terminology and messaging** around “agency designation” and cohort definitions.
  - Consensus emerged that the discussion is not about dividing transit systems, but rather:
    - **Allocating funding by geographic area types**, not by individual agencies.
    - Emphasis should be on **census-based or federal geographic designations** (e.g., FTA/urbanized areas) rather than transit system type.
  - Key clarification established:
    - Funding is being allocated to **rural, small urban, and large urban areas as geographic cohorts**, not to categories of transit agencies themselves.
    - Individual agencies exist within those geographic cohorts but are not the basis of allocation at this stage.
  - Members emphasized importance of aligning terminology with:
    - **Census designations / urbanized area definitions**
    - Federal frameworks (e.g., FTA urbanized and rural classifications)
  - Strong agreement that **cost structure differences across geography are a central justification** for cohorting.
  - Concern noted that agencies should not be disadvantaged due to classification if they operate within higher-cost environments (e.g., small jurisdictions within large urbanized regions).
  - **Key Policy Understanding Confirmed**
    - Cohort structure is defined by:
      - Geographic/area type classification (rural, small urban, large urban)
      - Not agency size or organizational structure

- Each cohort will apply **distinct evaluation and allocation measures**, which will be defined in the next policy phase.
- Members confirmed:
  - Current step is only establishing **fund distribution among cohorts**
  - The **performance metrics and sizing formulas will be addressed in subsequent policy decisions**
- **Predictability and Stability Feedback**
  - Strong and consistent feedback across stakeholders emphasized:
    - Need for **predictable and stable funding allocations**
    - Importance for long-term transit planning, budgeting, and capital programming
  - DRPT noted that a **performance and stabilization framework (“stability fund”)** will be further developed and discussed in subsequent meetings.

---

### Policy Decision 1A – Cohort Definition (Slide 30–32)

#### Summary of Considerations

- Purpose of cohorting:
  - Establish **natural geographic groupings** for applying customized goals and funding metrics.
- Key constraints and considerations:
  - Data limitations, particularly lack of consistent **operating cost by mode** across all agencies.
  - Large urban agencies collect more detailed federal data than rural/small urban systems.
  - Opportunity exists through ongoing **performance data study** to improve data granularity in future cycles.
- DRPT also emphasized coordination with other funding streams:
  - Example: federal **FTA Section 5311 rural formula funding**
  - DRPT serves as intermediary for rural federal transit funds
  - Decisions in this program may have **cross-program impacts**

#### Recommendation on Cohort Definition (Policy Decision 1A)

- DRPT recommends defining three cohorts:
  - Rural
  - Small urban
  - Large urban
- Cohort assignment based on:
  - **Area served**, consistent with FTA and census definitions
  - Not agency size or governance structure
- Agencies serving multiple areas:
  - Assigned based on **predominant service area**

- Examples noted: District 3 / Mountain Empire Transit; CSPDC / BRITE
- Proposed governance approach:
  - Cohort definitions reviewed every **three years or following decennial census**, whichever occurs first
  - Allows for stability while maintaining flexibility for demographic change

### Discussion Highlights – Policy Decision 1A

- Members emphasized importance of:
  - Clear communication distinguishing **geography vs. agency identity**
  - Avoiding confusion between system type and geographic cohorting
- Clarification reinforced:
  - Cohorts define **funding pools and evaluation structure**, not operational classification of agencies
- Straw vote conducted:
  - Broad support expressed for Policy Decision 1A
  - Consensus to proceed with rural / small urban / large urban geographic cohort structure
  - Strong emphasis placed on communication clarity going forward

---

### Policy Decision 1B – Revenue Allocation Across Cohorts (Slides 34–35)

#### Framework Overview

- DRPT presented distribution of total operating revenues across cohorts:
  - Rural: 8%
  - Small Urban: 12%
  - Large Urban: 80%
- Recommendation includes:
  - Locking percentages in place for **three-year policy cycle**
  - Revisiting at minimum every three years or following decennial census

#### Analytical Considerations

- Allocation recommendation based on:
  - Multi-factor review (not a single metric approach)
  - Historical trends in:
    - Operating cost
    - Ridership
    - Revenue hours
    - Revenue miles
- Observed patterns:
  - Rural: smaller share of funding but higher proportional service coverage needs
  - Small urban: relatively stable across metrics, with ridership variability in university-centered systems

- Large urban: highest operating cost share, but lower proportional service metrics per dollar due to system complexity
- DRPT emphasized:
  - Recommendation is **not purely formula-driven**, but a balanced policy judgment incorporating multiple factors and statewide program constraints

### Key Policy Context

- DRPT manages multiple overlapping operating funding programs:
  - Allocation decisions must be considered in the context of **statewide transit funding portfolio**
- Rural funding pressure noted:
  - Increasing demand for service expansion and new system startups
  - Existing federal rural transit funding is largely flat
- Emerging trends:
  - Expansion of rural microtransit and demand-responsive service models
  - Pipeline of new rural transit systems expected over next several years

### Stakeholder Discussion

- Concerns raised:
  - Potential impact of shifting allocations on large urban funding stability
  - Impact of locking allocations for three years amid evolving service demands
  - Risk of reducing flexibility as new rural systems come online
- Counterpoints noted:
  - Rural systems often lack alternative funding sources
  - Some rural and small urban agencies face structural limitations in generating local revenue
  - Urban areas may have broader revenue tools or funding alternatives
- Additional considerations raised:
  - Importance of avoiding unintended service reductions due to marginal funding changes
  - Need to ensure stability for agencies entering the system mid-cycle
- Members emphasized need for:
  - Transparency in rationale for allocation shifts
  - Clear explanation of tradeoffs across cohorts

### Preliminary Consensus / Direction

- General acceptance that:
  - Proposed allocation reflects historical averages and current system dynamics
- Ongoing concern remains regarding:
  - Justification for shift in distribution (particularly within large urban vs rural shares)
- Suggestion raised for alternative split scenario:

- 7% rural / 12% small urban / 81% large urban as a possible compromise baseline
- No final vote taken on Policy Decision 1B; discussion continued toward refinement and synthesis with next policy elements

### Additional Discussion: Discretionary Funds, Funding Flexibility, and System Impacts

- Discussion returned to the potential availability of **discretionary funds across various programs** that could be used to address unusual or transitional circumstances in the transit system.
- The creation of a **new transit agency was characterized as an “unusual circumstance”**, raising the possibility that such funds could be strategically deployed to support system transition and implementation.
- There was acknowledgment that **DRPT may be able to accommodate flexibility over the next three-year period**, potentially making a compromise approach workable as the system evolves and outcomes become clearer.
- Flexibility was emphasized as important given:
  - Anticipated **growth in rural transit demand**, particularly for microtransit and paratransit services.
  - The need to ensure **multiple funding streams (regional, federal, and state) work in tandem** to support service delivery.
- Participants noted that while the system is being designed with structure and discipline, it should also maintain **periodic review points (at least every three years)** to avoid over-correction or excessive restructuring.
- There was broad agreement on the importance of **funding stability and predictability**, balanced with the need for adaptability as conditions change.
- It was reiterated that:
  - The system is not being designed in isolation from broader fiscal realities, including uncertain federal funding trajectories.
  - Current recommendations are a response to **observed funding stagnation and increasing operating pressure**, particularly in rural systems.
- A key shared concern was that **transit funding growth has not kept pace with demand**, particularly in rural areas where operating requests are increasingly difficult to meet compared to urban systems.
- Members emphasized the importance of **coordinated advocacy for increased transit funding**, including engagement with partners and others involved in legislative processes.

- The group discussed the importance of **predictability in allocation formulas**, while recognizing that improved transparency may strengthen the case for expanding overall funding (“making the pot bigger”).
- It was noted that earlier assumptions in policy development did not fully anticipate **system expansion dynamics (e.g., new transit systems emerging)**, which could have implications for future funding advocacy and formula design.
- DRPT emphasized that **policy clarity is a prerequisite for running meaningful fiscal impact analyses**, and that the group is now reaching a point where more detailed modeling can be completed.
- There was recognition that **interim funding distribution decisions** have modest impacts in isolation, but could shift meaningfully depending on:
  - Redistribution after reaching the 30% cap
  - The structure of performance-based funding pools
  - Future revenue growth scenarios
- A preliminary **straw vote discussion around a 7/12/81 allocation scenario** was introduced as a way to test directionality rather than finalize decisions.
- Initial sentiment indicated:
  - General openness to the concept
  - A desire to see modeled impacts of a 1% shift before full endorsement
  - Recognition that differences between scenarios may be modest but still meaningful in aggregate distribution effects
- The discussion concluded with agreement to:
  - Run additional **data analysis on allocation scenarios and cap impacts**
  - Further evaluate how unused funds might flow into a **performance and stability fund structure**
  - Continue iterative refinement of policy recommendations rather than finalize decisions prematurely
- It was emphasized that the process is **intentionally iterative**, with each decision building a foundation for the next phase of policy design.

### **Large Urban Cohort Discussion – Key Observations & Policy Questions**

- Large urban agencies operate in high population, high employment, high congestion environments and generally have greater opportunity to influence ridership through service design (e.g., system redesigns).
- These agencies tend to have higher metrics across cost, ridership, hours, and miles compared to other cohorts.
- Most large urban agencies have access to regional funding sources:
  - Northern Virginia, Hampton Roads, and Richmond benefit from regional transit funding mechanisms (with some distinctions in operating vs. capital eligibility).

- Petersburg and Roanoke lack comparable regional funding access.
- Unionization is more prevalent in the large urban cohort, introducing potential cost implications, especially in light of evolving collective bargaining frameworks.
- Mode diversity is most pronounced in this cohort, including:
  - Fixed route, demand response, paratransit, commuter bus
  - BRT, light rail, and ferry services

### Key Policy Questions Raised

- What should the appropriate sizing metric weights be for large urban agencies?
- How should differing modes be treated given varying cost structures and service outputs (e.g., commuter bus vs. light rail)?
- Should ridership carry greater weight due to higher population and congestion levels?
  - If increased, adjustments must be made across cost, hours, or miles since weights must total 100%.
- Zero-fare systems were noted as increasing ridership without affecting operating cost, revenue hours, or miles—raising additional considerations for comparability.

### Discussion Themes from Participants

- Concern that ridership weighting may not be appropriate for *sizing* (as opposed to performance), since service size is largely driven by hours and miles rather than passenger volume.
- Observation that each cohort has a distinct structural advantage:
  - Rural: lifeline service orientation and rural funding dynamics
  - Small urban: mixed effects due to university-centric systems and heterogeneity
  - Large urban: regional funding access and modal complexity
- Broader concern raised about whether ridership should meaningfully define “size” versus being better suited for performance evaluation.

---

### Interactive Exercise – Cohort Weighting Exercise Results

Participants were asked to allocate 100% weights across:

- Operating cost
- Ridership
- Revenue hours
- Revenue miles

#### Rural Cohort Results

- Operating cost decreased from 50% → ~40%
- Ridership decreased significantly from 30% → ~14%
- Revenue hours and miles increased in emphasis
- Observation: shift away from ridership toward service output measures

#### Small Urban Cohort Results

- Relatively modest changes overall:

- Operating cost decreased (50% → ~39%)
- Ridership slightly decreased (30% → ~26%)
- Hours and miles slightly increased
- Overall pattern remained close to current structure

### Large Urban Cohort Results

- Operating cost remained the dominant metric but decreased slightly (50% → ~44%)
- Ridership decreased (30% → ~24%)
- Revenue hours and miles increased modestly
- General pattern: continued prioritization of cost, followed by ridership, then service outputs

### Facilitated Reflections on Results

- Cost consistently remained the primary driver across cohorts, though reduced in all scenarios.
- Ridership generally declined in importance across cohorts.
- Hours and miles increased slightly as proxies for service provision.
- Concern noted that emphasizing operating cost reinforces its role as a stabilizing “anchor” metric in allocation outcomes.

---

### Conceptual Clarification – Sizing vs. Efficiency

- Clarified that the exercise is focused on **sizing metrics**, not efficiency or performance evaluation.
  - Sizing determines relative agency share within cohorts.
  - Efficiency considerations will be addressed later through performance mechanisms.
- Key distinction emphasized:
  - This phase answers: *“How big is an agency relative to others?”*
  - Not: *“How well is the agency performing?”*
- Sizing metrics are expected to drive approximately **90–95% of total funding allocation**, with:
  - Remaining share tied to performance and stability mechanisms
  - Potential spillover funds subject to later policy design

---

### Policy Decision #3 Preview – Performance & Stability Fund

- Purpose: balance predictability with performance-based incentives.
- Represents approximately **5% baseline funding set aside**, plus additional spillover from allocation caps.
- Intended to:
  - Reward efficiency and effectiveness
  - Maintain system stability and mitigate volatility

### Key Design Considerations

- Likely need for a simplified set of performance measures (potential “STIC-style” model referenced).
- Data limitations constrain introduction of new metrics.
- Must carefully manage unintended consequences:
  - Especially for small urban systems with high variability and university-driven ridership
  - Potential competition effects between similarly sized systems in different regions

### **Ongoing Questions**

- How large is the performance pool in practice and is it sufficient to meaningfully influence behavior?
- How will spillover funds interact with competitive dynamics across agencies?
- How to ensure both “performance” and “stability” objectives are balanced effectively?

---

### **Next Steps & Engagement Plan**

- Cohort workshops scheduled (April 23 and April 28):
  - Large urban (split: Northern Virginia vs. rest of Virginia)
  - Small urban cohort workshop
  - Rural cohort workshop
- Workshops will replicate today’s exercise in a broader stakeholder setting.
- TISDAC members may attend with coordination to avoid quorum issues; participation limited to observation.
- DRPT to return in May meeting with:
  - Early scenario-based allocation estimates
  - Feedback synthesis from workshops
- June meeting targeted for more refined modeling and policy direction clarity.
- Stakeholder input will also be gathered through SIP district hearings and related outreach.

Next TSDAC meeting is Tuesday May 12, 2026 at the DRPT office, 600 East Broad Street, Suite 2102, Richmond, VA 23219 from 9:30 am to 2:30 pm