



## COMMONWEALTH of VIRGINIA

### *Commonwealth Transportation Board*

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*Agenda item # 13*

### **RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD**

**July 21, 2021**

#### **MOTION**

**Made By: Ms. Hynes, Seconded By: Mr. Johnsen**

**Action: Motion carried, unanimously**

#### **Title: Policy for the Implementation of the Transit Ridership Incentive Program**

**WHEREAS**, Section §33.2-1526.3 of the *Code of Virginia* was passed by the Virginia General Assembly in the 2020 legislative session to establish the Transit Ridership Incentive Program (TRIP) as part of the Omnibus Transportation Bill; and

**WHEREAS**, TRIP was created to promote improved regional transit service in urbanized areas of the Commonwealth (with an urban population in excess of 100,000) and to reduce barriers to transit use for low-income individuals; and

**WHEREAS**, shortly after the conclusion of the 2020 General Assembly, the coronavirus pandemic introduced a plethora of unprecedented operational challenges to Virginia transit providers, impacted patterns of commuting, and accentuated the need for equitable transit access; and

**WHEREAS**, the Department of Rail and Public Transportation has consulted with the Virginia Transit Association and other stakeholders to gather input to develop the TRIP policy;

**NOW THEREFORE BE IT RESOLVED**, the Commonwealth Transportation Board (Board) hereby adopts the following policy to govern the structure and prioritization of projects for TRIP Regional Connectivity funding pursuant to §33.2-1526.3 of the *Code of Virginia*.

1. For the purposes of review and prioritization, TRIP regional connectivity projects will be classified into the following four eligible project types:
  - The improvement and expansion of routes with regional significance
  - The implementation of integrated fare collection
  - The development and implementation of regional subsidy models
  - The creation of bus-only lanes on routes of regional significance
  
2. The following entities are eligible for TRIP regional connectivity funding:
  - Small and Large Urban transit agencies that serve regions with urbanized populations in excess of 100,000
  - Transportation District Commissions
  - Public Service Corporations
  - Local governments
  - Private nonprofit transit providers
  
3. The Commonwealth recognizes the need for both state and local funding commitments to establish transit services. Therefore, TRIP regional connectivity funding can be applied to a project for a maximum of five years with the state share decreasing over time. Projects may be eligible for funding beyond the initial five year commitment based on performance and availability of funding.
  
4. Candidate TRIP projects should be supported by planning, either at the regional or corridor level, that documents the regional travel demand and establishes an operational approach to serve regional travel needs, including congestion mitigation.
  
5. Projects to fund transit operations, bus only lanes, and integrated fare collection will be evaluated using a technical assessment that gauges a project’s ability to meet the legislatively defined goals of TRIP. The table below depicts the scoring criteria and their associated weights that will be used for prioritization. Projects to support regional subsidy models and integrated fare collections will be considered based on regional studies and recommendations from regional bodies.

| Scoring Category                                 | Measure   | Measure Weight |
|--|---|----------------|
| Congestion Mitigation                            | <ul style="list-style-type: none"> <li>● Change in system-wide and peak period transit ridership attributed to the project</li> </ul>               | 60%            |
| Regional Connectivity and Regional Collaboration | <ul style="list-style-type: none"> <li>● Increase in regional connectivity to community and employment centers attributed to the project</li> </ul> | 30%            |

|                     |   |             |
|---------------------|---|-------------|
|                     | <ul style="list-style-type: none"> <li>• Project’s ability to heighten access to other modes of transportation</li> <li>• All involved localities’ involvement and commitment to the deployment of the project</li> </ul> |             |
| Cost Per Passenger  | <ul style="list-style-type: none"> <li>• Cost of the project related to the predicted ridership increase attributed to the project</li> </ul>   | 10%         |
| <b>Total Score:</b> |   | <b>100%</b> |

6. Per subdivision C of §33.2-1526.3 of the *Code of Virginia*, the regional connectivity funds will be distributed based on a five-year rolling average, ensuring that each region receives their proportionate share over the five-year period.
7. Agencies awarded TRIP regional connectivity funding will report quarterly on project progress toward attaining established project goals and performance metrics.
8. A project that has been selected for TRIP funding must be rescored and the funding decision reevaluated if there are significant changes to either the scope or cost of the project.
9. Selected regional routes projects may be eligible for continuation upon expiration of the initial pilot. Decisions to extend funding will be based on availability of funding and project performance.

**NOW THEREFORE BE IT FURTHER RESOLVED**, the Commonwealth Transportation Board hereby adopts the following policy to govern the structure, scoring, and prioritization of projects for Zero Fare and Low Income TRIP funding pursuant to §33.2-1526.3 of the *Code of Virginia*.

1. For the purposes of review and prioritization, TRIP zero fare and low income projects will be classified into the following three eligible types:
  - The provision of subsidized or fully free passes to low-income populations
  - The elimination of fares on high-capacity corridors, establishing ‘zero fare zones’ (net fares, less the cost of fare collection)
  - The deployment of an entirely zero fare system (net fare, less the cost of fare collection)
2. The entities eligible for TRIP Zero Fare and Low Income funding include:
  - Transportation District Commissions
  - Public Service Corporations
  - Local governments
  - Private nonprofit transit providers

Applications focused on the provision of zero-fare corridors or zero-fare systems should be submitted by the organization providing the service.

3. The Commonwealth recognizes the need for both state and local funding commitments to establish transit services. Therefore, TRIP zero fare and low income funding can be applied to a project for a maximum of three years. For multi-year projects, the state’s contribution would decrease and the local share would increase over the funding period. For agencies already committed to zero fare operations in FY22, allocations may be adjusted by the Board to reflect the early commitment to implementation.
4. Successfully enacting system-wide zero fare operations relies on a strong financial commitment from the service provider and its community. To ensure the success of these projects, all system-wide zero fare applicants must commit to an additional year of operation beyond the project agreement with DRPT where the funding recipient provides one hundred percent (100%) of project expenses.
5. Projects prioritized for funding should be supported by planning, either at the regional or corridor level that documents an evaluation of zero-fare policies and establishes an approach to meet community needs through the implementation of new fare policies.
6. The table below depicts the scoring criteria and their associated weights that will be used for reviewing TRIP zero fare and low income project types.

| Scoring Criteria                          | Measure  | Measure Weight |
|---|--|----------------|
| Impact on Ridership                       | <ul style="list-style-type: none"> <li>• Predicted change in system wide transit ridership attributed to the project</li> </ul>  | 30%            |
| Applicant Commitment                      | <ul style="list-style-type: none"> <li>• The identification of community partnerships</li> <li>• support from involved localities</li> <li>• options for continued funding upon expiration of TRIP funds</li> <li>• duration of funding and willingness to participate in a step down funding structure</li> </ul> | 30%            |
| Implications for Equity and Accessibility | <ul style="list-style-type: none"> <li>• Provision of planning documentation and/or existing research that identified areas of high need</li> <li>• metric of low income</li> </ul>  | 30%            |

|                                |   |             |
|--------------------------------|---|-------------|
|                                | <ul style="list-style-type: none"> <li>• description of how this project will benefit marginalized communities and areas of high need</li> <li>• capability to increase access to large employment and community centers</li> </ul> |             |
| Project Schedule and Readiness | <ul style="list-style-type: none"> <li>• Description of project’s ability to be quickly implemented with relatively low startup costs</li> </ul>  | 10%         |
| <b>Total Score:</b>            |   | <b>100%</b> |

7. In order to appropriately measure the performance of selected projects and to ensure proper reporting, funding recipients will report quarterly on project progress to DRPT.
8. A project that has been selected for TRIP funding must be rescored and the funding decision reevaluated if there are significant changes to either the scope or cost of the project.
9. Selected zero fare and low income projects may be eligible for continuation upon expiration of the initial pilot. Decisions to extend funding will be based on availability of funding and project performance

**BE IT FURTHER RESOLVED**, the methodology may continue to evolve and improve based upon advances in technology, data collection, and reporting tools, and to the extent that any such improvements modify or affect the policy set forth herein, they shall be brought to the Board for review and approval in addition to the five-year requirement to meet with the Board and revise the guidelines.

**BE IT FURTHER RESOLVED**, the Board hereby directs the Director of the Department of Rail and Public Transportation to take all actions necessary to implement and administer this policy, including, but not limited to preparation of program guidance and outreach consistent with this resolution.

**NOW THEREFORE BE IT FURTHER RESOLVED**, the Board hereby directs the Director of the Department of Rail and Public Transportation to analyze the outcomes of this process on an annual basis and to revisit the process at least every five years, in consultation with transit agencies, metropolitan planning organizations, and local governments prior to making recommendations to the Commonwealth Transportation Board.

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## CTB Decision Brief

### Policy for the Implementation of the Transit Ridership Incentive Program

**Issue:** HB 1414 was passed during the 2020 General Assembly Session. This legislation provided dedicated funding to the creation of the Transit Ridership Incentive Program. This program has two distinct goals: 1) improving the regional connectivity of urban areas with population in excess of 100,000 and 2) increasing the ridership and accessibility of transit throughout the Commonwealth, specifically for low income populations. This policy provides the framework for the implementation of the program including eligibility requirements and evaluation criteria.

**Facts:** Section 33.2-1526.1 of the *Code of Virginia* (Code) established that six percent of the Commonwealth Mass Transit Fund must be allocated to the Transit Ridership Incentive Program. Section 33.2-1526.3 of the Code stipulates that the Department of Rail and Public Transportation shall develop guidelines for the program, pursuant to the regulations provided in the legislation and subject to the approval of the Commonwealth Transportation Board.

In March 2020, the COVID-19 pandemic introduced new challenges to transit operators throughout the Commonwealth. FY 21 TRIP funds were distributed to support more immediate operational needs, due to newfound costs and the loss of revenue. This deferment of the program start date permitted DRPT to conduct an expansive outreach process, despite COVID-19 challenges, to inform the development of policy materials. A webinar was held on November 18, 2020 and a Request for Ideas (RFI) was distributed to all of DRPT's funding recipients. This RFI gathered information on potential concepts for funding, gauged agency interest, and was accompanied by an interactive webinar to outline the program parameters and the purpose of the RFI. Two focus groups, one focusing on regional connectivity and the other focusing on zero fare and low income projects, were held after the collection of RFI responses. These discussions with stakeholders, coupled with the RFI responses, framed the development of this policy.

The CTB was briefed on this effort in May and the policy was made available for public comment for 30 days. DRPT received comments from six entities prior to the comment period closing on June 18<sup>th</sup>. The comments were reviewed and adjustments made in either the CTB policy or the Program Application Guidelines (which have also been available for public comment). Additionally, DRPT staff has followed up with commenters to specifically address the feedback received.

**Recommendation:** DRPT recommends that the CTB approve the Policy for the Implementation of the Transit Ridership Incentive Program (TRIP)

**Action Required by CTB:** Approve the Policy for the Implementation of the Transit Ridership Incentive Program (TRIP) which will allow DRPT to move forward to solicit applications for FY22 funding.

**Options:** Approve, Deny, or Defer