

TRANSITIONING TO A MULTI-YEAR PROGRAM FOR GREATER MINNESOTA TRANSIT

Purpose

- Improve the transparency of investment decisions. Articulate impact of these decisions on Greater Minnesota Transit service and asset condition over time.
- Establish multi-year funding certainty for transit providers
- Allow for a more collaborative decision making process. Include transit service providers in establishment of funding priorities based on discussion of trade-offs over four years.
- Align investments with Five Year Plans (5311), Transit Development Plans (5307), and the Greater Minnesota Transit Investment Plan.

WHAT IS BEING PROPOSED?

The overall approach would be to move away from annual solicitation and toward a multi-year program. Investments would be broken down by category

Operations: Establish baseline operations budgets for all service providers for the 2020-2023. Budgets would be based on current year plus inflation. Eliminate annual solicitation for operations. Make operations the highest priority, holding it harmless over the four years to the extent that revenue is available. Baseline operations budget would only be modified if new services are added or existing services are reduced.

Asset Management:

- **Vehicles.** Conduct a multi (2 to 4) year solicitation for revenue vehicle replacement. (Target is less than or equal to 10% beyond useful life benchmark)
- **Facilities.** Conduct 4 year solicitation for maintenance facilities, operation centers, etc.. Establish standard criteria for statewide prioritization of projects.

New Service Expansion: Conduct annual or biennial solicitation for new service. Establish standard criteria for statewide prioritization of projects.

Enhancements: Conduct annual solicitation for system enhancements. Enhancements may include scheduling and dispatch software, web development, marketing services, staffing

Regional Transportation Coordinating Councils: Fund the implementation of this multi-agency initiative to streamline service delivery.

HOW WILL FUNDING LEVELS BE SET?

MnDOT maintains a four year forecast of both state and federal funds for transit. For 2019 through 2022, this amounted to \$456M. Estimates for 2023 are forthcoming. If we establish that operations is held harmless that amount will set aside and the balance will be considered the four-year fiscally constrained budget. Determining budget levels for each investment category will require the following:

1. Further define investment categories. Determine eligible projects/expenditures within each category.
2. OTAT and transit services providers will collaboratively consider tradeoffs among all other investment categories; vehicles, facilities, new services and enhancements, considering anticipated outcomes for a various scenarios.
3. OTAT and transit services providers will collaboratively consider revisions to local share requirements. Options would include, modifying local share consistently across all grant programs, linking local share requirements to investment categories or scaling the local share based the size of the system. Similar to the investment category tradeoff discussion, multiple scenarios and resulting outcomes will be considered.

DATA/INPUTS NEEDED

- Completion of Five Year Plans for 5311 systems
- Accurate and Current Transit Development Plans/10-Year Capital Investment Plans for 5307 systems
- Cost estimates for Activities Defined as “Enhancements”
- Accurate Vehicle Inventory Data
- Historic Data on Facility Investments
- Updated Unit Cost Estimates for New Services