

TRANSITIONING TO A MULTI-YEAR PROGRAM FOR GREATER MINNESOTA TRANSIT

Transit Advisory Committee

February 4, 2019

- ▶ Defining the Challenge
- ▶ A Proposed Strategy to Address the Challenge
- ▶ Questions for the Advisory Committee
- ▶ Setting the Path Forward

AGENDA FOR TODAY

\$17,686,155

- ▶ Second Solicitation for Vehicles and Facilities Closed on January 15
- ▶ Vehicles: \$3.0m
- ▶ Facilities: \$2.85m
- ▶ Fiscal Impact: \$5.85m total award. Uncommitted fund balance now \$11.83m

SHORT TERM: SECOND SOLICITATION

Discussion

- ▶ Improve the transparency of investment decisions
- ▶ Establish multi-year funding certainty for transit providers
- ▶ Allow for a more collaborative decision making process. Include transit service providers in the establishment of funding priorities based on discussion of trade-offs over a multi-year period
- ▶ Better align investments with Five Year Investment Plans (5311) and Transit Development Plans (5307)

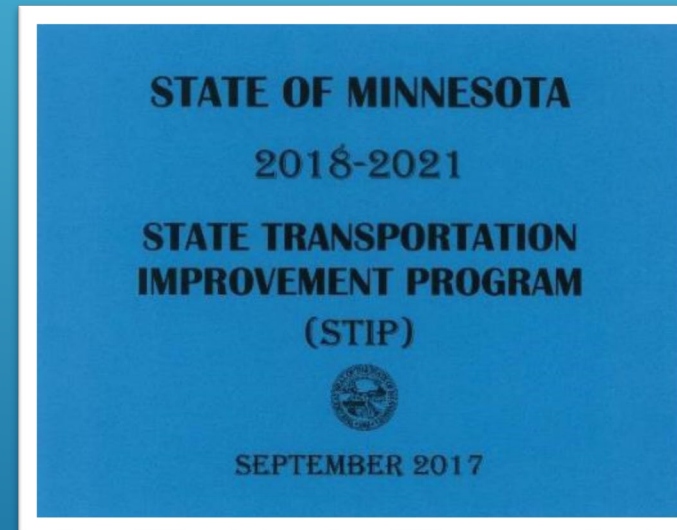
LONG TERM: IMPROVE OUR PROCESS

THE MODEL

Capital Highway Investment
Plan (CHIP)
10-years



State Transportation Improvement
Program (STIP)
4-years



- ▶ Investments more transparent to legislature
 - ▶ Articulate impact of funding cuts in real terms.
 - ▶ Demonstrate benefits of additional funding.
- ▶ Allow for greater certainty for transit providers to plan
- ▶ Allow for more transparent revisions to annual programs as available funding increases/decreases

BENEFITS OF A MULTI YEAR PROGRAM

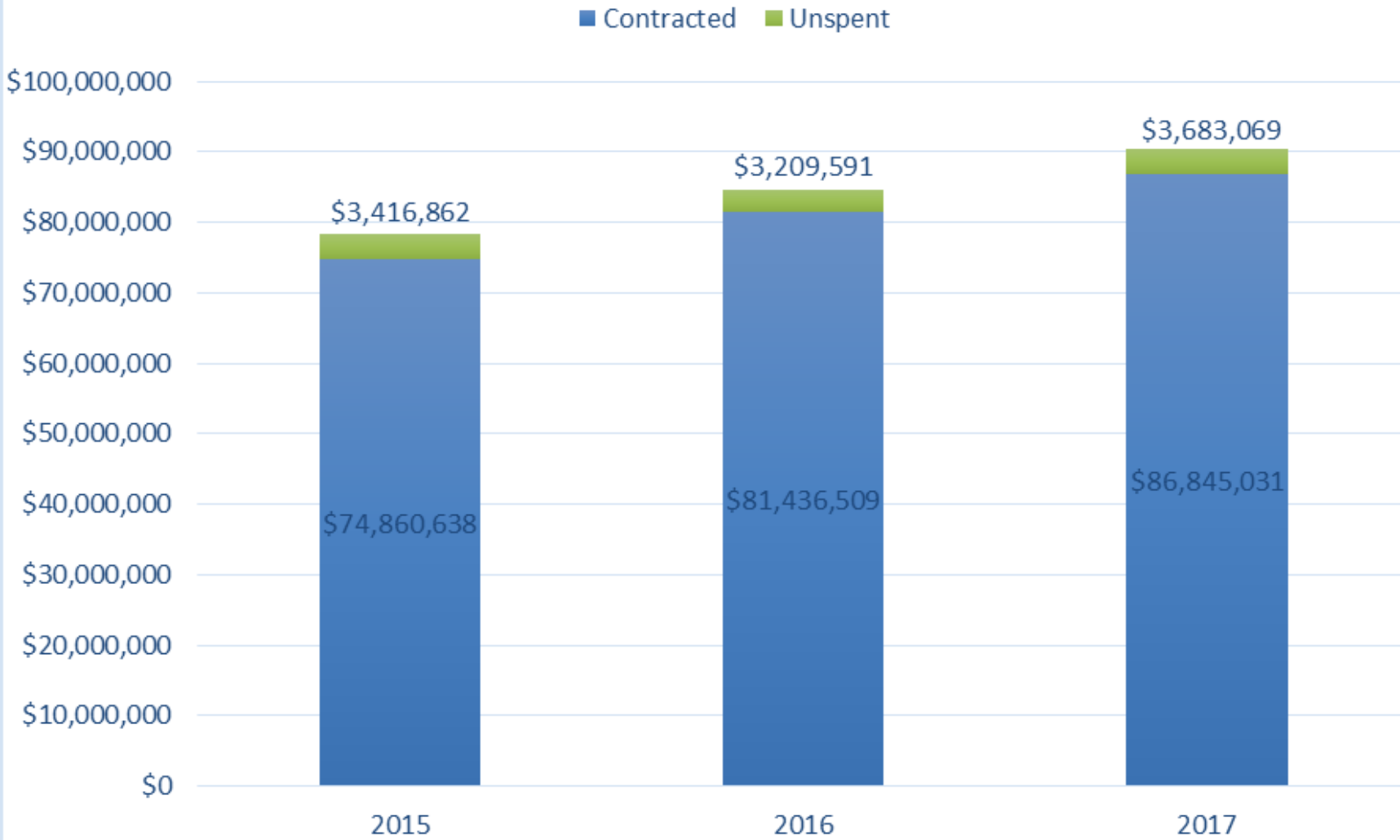
- ▶ Operations
- ▶ Asset Management
 - ▶ Vehicles
 - ▶ Facilities
- ▶ Service Expansion
- ▶ Enhancements –To be discussed today

ESTABLISHING INVESTMENT CATEGORIES

- ▶ Establish a four year baseline operations budget for each Transit Agency
- ▶ Hold harmless by making this the “first draw” of eligible funds.
- ▶ Allow for increases through “Enhancement” and “New Service” solicitations.
- ▶ Baseline Operations: \$ 374.54M (State and Federal)

HOLDING OPERATIONS BUDGETS HARMLESS

Operating Contracted & Unspent Amounts



| | Operations | | Vehicles | | Facilities | | New Services | | Enhancements | |
|------|------------|-----|----------|-----|------------|-----|--------------|-----|--------------|-----|
| 2020 | \$ | TBD | \$ | TBD | \$ | TBD | \$ | TBD | \$ | TBD |
| 2021 | \$ | TBD | \$ | TBD | \$ | TBD | \$ | TBD | \$ | TBD |
| 2022 | \$ | TBD | \$ | TBD | \$ | TBD | \$ | TBD | \$ | TBD |
| 2023 | \$ | TBD | \$ | TBD | \$ | TBD | \$ | TBD | \$ | TBD |

WHAT IT WOULD LOOK LIKE

Projected State and Federal Funds Available: \$ **476.90M** (excluding small urban)

| State Fiscal Year | Available Grantable State Funds | | Available Grantable Federal Funds | | | |
|-------------------|---------------------------------|--------------------------|---|---|-------------------|---|
| | Transit General Fund | GMTA Fund (Transit MVST) | Section 5311 - Rural Transit Assistance | Section 5339 - Capital Bus and Bus Facilities | Flexible FHWA STP | Direct Approp. to Small Urbans - Section 5307 |
| 20 | \$16,633,000 | \$72,000,000 | \$14,819,000 | \$2,438,000 | \$8,000,000 | \$8,839,000 |
| 21 | \$16,521,000 | \$76,000,000 | \$14,819,000 | \$2,438,000 | \$8,000,000 | \$8,839,000 |
| 22 | \$16,408,000 | \$79,000,000 | \$14,819,000 | \$2,438,000 | \$8,000,000 | \$8,839,000 |
| 23 | \$16,308,000 | \$83,000,000 | \$14,819,000 | \$2,438,000 | \$8,000,000 | \$8,839,000 |
| | \$65,870,000 | \$310,000,000 | \$59,276,000 | \$9,752,000 | \$32,000,000 | \$35,356,000 |

STATE AND FEDERAL FUNDING: 2020-2023

Discussion

- ▶ Vehicles
 - ▶ Currently validating statewide inventory
 - ▶ Based on age and type of vehicle, OTAT will estimate cost to keep 100% of vehicles within service life each year.
- ▶ Facilities
 - ▶ Consider historic investment trends

ESTABLISHING INVESTMENT LEVELS AND MAKING TRADE-OFFS

- ▶ Service Expansion
 - ▶ Review and refine prioritization criteria
- ▶ Enhancements
 - ▶ Define category and establish prioritization criteria

ESTABLISHING INVESTMENT LEVELS AND
MAKING TRADE-OFFS

- ▶ Operations

- ▶ Using 2019 as baseline, add annual inflation to set annual budget for 2020 through 2023
- ▶ Baseline would be subject to increase

- ▶ Vehicles: 2 to 4 Years?

- ▶ Facilities: 4 Years?

- ▶ Enhancements: Annual?

- ▶ Service Expansion: Annual?

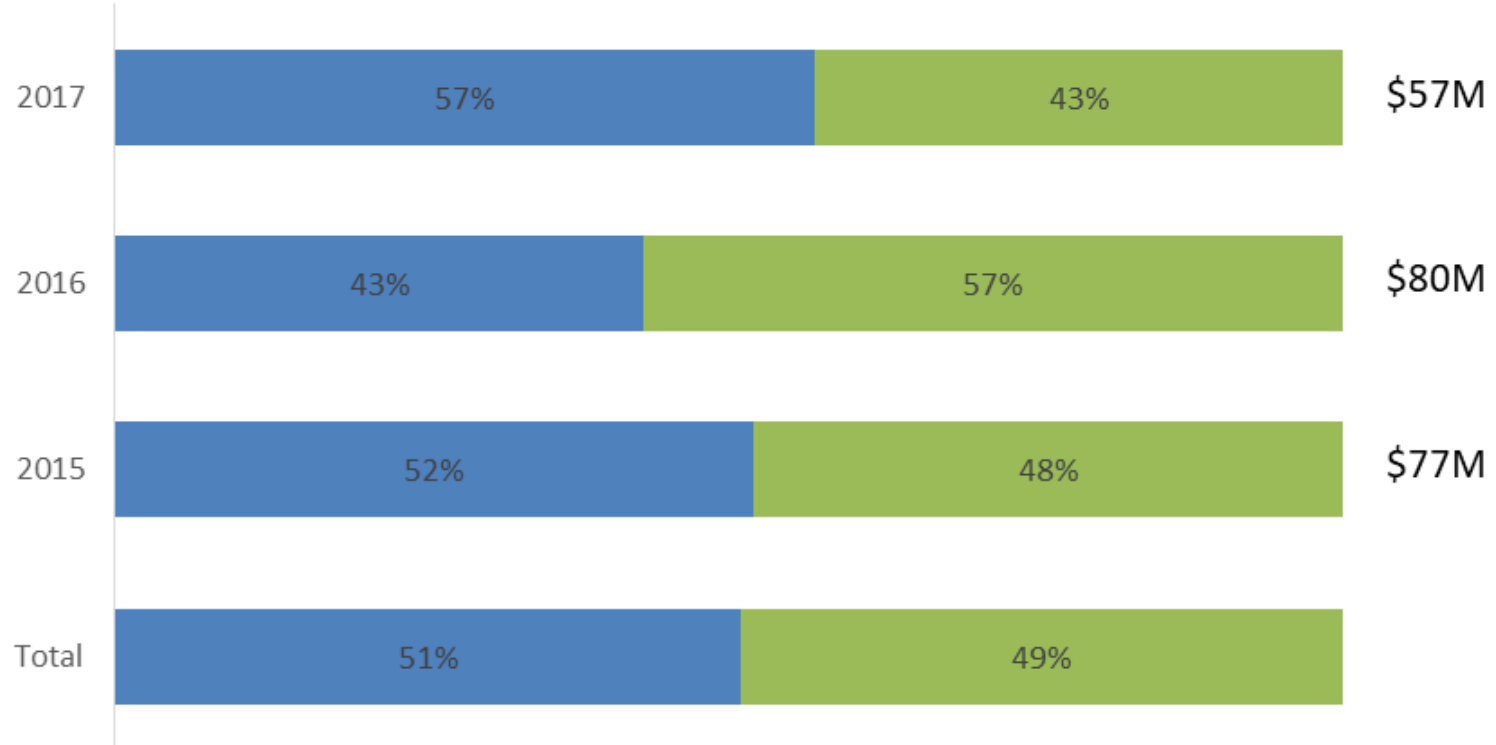
FREQUENCY OF SOLICITATIONS

- ▶ How should we define enhancements?
- ▶ Should we move forward as one Advisory Committee or split between the rural (5311s) and the small urban systems?

Discretionary Funds

■ Section 5307 ■ Section 5311

Discretionary Funds =
Transit GF, GMTA Fund,
Sec. 5339, FHWA STP



- ▶ Meeting #2- February
 - ▶ Further define investment categories, eligibility, and prioritization criteria
 - ▶ Consider trade-offs between investment categories and establish 4 year funding levels
- ▶ Meeting #3- March
 - ▶ Consider revisions to local share requirements



THANK YOU!