TRANSITIONING TO A MULTI-YEAR PROGRAM FOR GREATER MINNESOTA TRANSIT

Transit Advisory Committee
February 4, 2019
AGENDA FOR TODAY

- Defining the Challenge
- A Proposed Strategy to Address the Challenge
- Questions for the Advisory Committee
- Setting the Path Forward
$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
Discussion
LONG TERM: IMPROVE OUR PROCESS

- 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)
THE MODEL

Capital Highway Investment Plan (CHIP)
10-years

State Transportation Improvement Program (STIP)
4-years
BENEFITS OF A MULTI YEAR PROGRAM

- 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
ESTABLISHING INVESTMENT CATEGORIES

- Operations
- Asset Management
  - Vehicles
  - Facilities
- Service Expansion
- Enhancements – To be discussed today
HOLDING OPERATIONS BUDGETS HARMLESS

- 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)
Operating Contracted & Unspent Amounts

- **2015**: $3,416,862 (Contracted) + $74,860,638 (Unspent)
- **2016**: $3,209,591 (Contracted) + $81,436,509 (Unspent)
- **2017**: $3,683,069 (Contracted) + $86,845,031 (Unspent)
### WHAT IT WOULD LOOK LIKE

<table>
<thead>
<tr>
<th></th>
<th>Operations</th>
<th>Vehicles</th>
<th>Facilities</th>
<th>New Services</th>
<th>Enhancements</th>
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<tbody>
<tr>
<td>2020</td>
<td>$</td>
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<td>$</td>
<td>TBD</td>
<td>$</td>
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12
Projected State and Federal Funds Available: $476.90M (excluding small urban)

<table>
<thead>
<tr>
<th>State Fiscal Year</th>
<th>Available Grantable State Funds</th>
<th>Available Grantable Federal Funds</th>
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<tbody>
<tr>
<td></td>
<td>Transit General Fund</td>
<td>GMTA Fund (Transit MVST)</td>
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<tr>
<td></td>
<td>Section 5311 - Rural Transit Assistance</td>
<td>Section 5339 - Capital Bus and Bus Facilities</td>
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<td>20</td>
<td>$16,633,000</td>
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<td>$65,870,000</td>
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**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
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?
How should we define enhancements?

Should we move forward as one Advisory Committee or split between the rural (5311s) and the small urban systems?
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!