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Public Transit Fund Distribution

Barbara Donovan

Public Transit Program Manager

Agency of Transportation

[barbara.donovan@vermont.gov](mailto:barbara.donovan@vermont.gov)

802-828-2828

Thank you for asking me here today to testify to the request to change the method by which Public Transit federal and state funds are distributed, Sec. 15. 24 V.S.A. § 5091. This section previously described a formula by which to distribute the various types of transit funding that the state received. This funding was a recommendation by an early Public Transit Policy Plan published in 2000. It was never implemented except to assure that no provider was getting less than they had previously received.

It did not seem appropriate to have a formula in statute which was not followed. Therefore, I requested that it be removed and the following language changes were recommended:

Sec. 15. 24 V.S.A. § 5091(i) is amended to read:

(i) ~~To implement~~ The Agency of Transportation shall distribute State and federal funds to public transit systems through an annual competitive program that implements the public transportation policy goals set forth in section 5083 of this title and 19 V.S.A. § 10f, the Agency of Transportation shall use the following formula for distribution of operating funds to public transit systems: and achieves, where possible, geographic balance in funding.

I recommended that rather than repeat the funding goals in this section, it just refer to the goals section in § 5083. DECLARATION OF POLICY. That led to the changes listed in that section.

#### § 5083. DECLARATION OF POLICY

(a) It shall be the State's policy to make maximum use of available federal funds for the support of public transportation. State operating support funds shall be included in Agency

operating budgets to the extent that funds are available. State policy shall support the maintenance of existing public transit services and creation of new services including, ~~in order of precedence,~~ the following goals:

(1) Provision for basic mobility for transit-dependent persons, as defined in the current public transit policy plan of January 15, 2000, including meeting the performance standards for urban, suburban, and rural areas. The density of a service area's population is an important factor in determining whether the service offered is fixed route, demand-response, or volunteer drivers.

(2) Expanding public transit service in rural areas and increasing ridership statewide.

(3) Access to employment, including creation of demand-response service.

~~(3)~~(4) Congestion mitigation to preserve air quality, decrease greenhouse gas emissions, and the sustainability of sustain the highway network.

These recommendations align with VTrans current activity. We request applications each year in the spring for any public transit activity. Once they are received, they are reviewed and analyzed, compared to the projections made for Asset Management for buses and facilities. Further reviews of compliance, ridership, and costs are made of existing services and plans for new services to determine where to make the investments. Geographic balance is assessed before final decisions are made. These decisions are reviewed with the proposers, further refinements are recommended and then final reconciliations are done with budget constraints and various planning activities before final awards are made.

\* \* \* Public Transit Funding \* \* \*

Sec. 14. 24 V.S.A. § 5083 is amended to read:

§ 5083. DECLARATION OF POLICY

(a) It shall be the State's policy to make maximum use of available federal funds for the support of public transportation. State operating support funds shall be included in Agency operating budgets to the extent that funds are available. State policy shall support the maintenance of existing public transit services and creation of new services including, ~~in order of precedence,~~ the following goals:

(1) Provision for basic mobility for transit-dependent persons, as defined in the current public transit policy plan ~~of January 15, 2000~~, including meeting the performance standards for urban, suburban, and rural areas. The density of a service area's population is an important factor in determining whether the service offered is fixed route, demand-response, or volunteer drivers.

(2) Expanding public transit service in rural areas and increasing ridership statewide.

(3) Access to employment, including creation of demand-response service.

~~(3)~~(4) Congestion mitigation to preserve air quality, decrease greenhouse gas emissions, and ~~the sustainability of~~ sustain the highway network.

~~(4)~~(5) Advancement of economic development objectives, including services for workers and visitors that support the travel and tourism industry. Applicants for "new starts" in this service sector shall demonstrate a high level of locally derived income for operating costs from fare-box recovery, contract income, or other income.

(b) The Agency of Transportation shall evaluate proposals for new public transit service submitted by providers in response to a notice of funding availability, by examining feasibility studies submitted by providers. The feasibility studies shall address criteria set forth in the most recent public transit policy plan.

(c) The Agency, in cooperation with the Public Transit Advisory Council, shall adopt appropriate performance and service standards for transit systems receiving federal or State assistance. The Agency of Transportation shall provide guidance, training, funding, and technical assistance to transit systems in order to meet the performance and service standards established.

(d) The Agency of Transportation shall provide written guidance, funding, and technical assistance in the preparation of financial and management plans for public transit systems for each fiscal year. To provide a foundation for financial stability and reliability in the provision of transportation services to the public, the Agency of Transportation shall, in cooperation with the Public Transit Advisory Council, establish both short and long-range fiscal, operating, and capital investment plans to support the goals outlined in this section and regional transportation development plan proposals and regional plans as required by section 5089 of this title.

Sec. 15. 24 V.S.A. § 5091(i) is amended to read:

(i) ~~To implement~~ The Agency of Transportation shall distribute State and federal funds to public transit systems through an annual competitive program that implements the public transportation policy goals set forth in section 5083 of this title and 19 V.S.A. § 10f, the Agency of Transportation shall use the following formula for distribution of operating funds to public transit systems: and achieves, where possible, geographic balance in funding.

~~(1)(A) 10 percent based on the percentage of the State's population of elders (persons age 60 and above) in each of the designated transit service areas;~~

~~(B) 10 percent based on the percentage of the State's youth population (persons ages 12 through 17) in each of the designated transit service areas;~~

~~(C) 10 percent based on the percentage of the State's population of people who have limited physical mobility in each of the designated transit service areas; [Repealed]~~

~~(D) 10 percent based on the percentage of the State's population of people who are in poverty in each of the designated transit service areas;~~

~~(E) 10 percent based on the percentage of the State's households lacking access to an automobile in each of the designated transit service areas.~~

~~(2) 20 percent of operating funds shall be based on need for employment transportation, as measured by the percentage of the State's employed persons residing in each of the designated transit service areas, using data developed by the Vermont Department of Labor. [Repealed.]~~

~~(3) 15 percent of operating funds shall be based on the need for congestion mitigation and air quality, as measured by the percentage of the State's overall population living in high density areas in each of the designated transit service areas, using data from the U.S. Bureau of the Census. [Repealed.]~~

~~(4) 15 percent of the operating funds shall be based on need for economic development transportation, as measured by the percentage of the State's jobs in each of the designated transit service areas, using data developed annually by the Vermont Department of Labor. [Repealed.]~~