

GRTC Transit System

Board Action Item

Meeting Date: May 18, 2021

Item Title: FY2022 Regional Public Transportation Plan

BACKGROUND:

In the Spring of 2020, the Virginia General Assembly passed House Bill 1541 which created the Central Virginia Transportation Authority (CVTA) and enacted dedicated sales and fuel taxes to support transportation improvements within the Greater Richmond Region (Planning District 15). The legislation includes a provision that 15% of the new revenues for the CVTA should go toward public transportation through GRTC. The legislation directs GRTC to develop a plan, in collaboration with the Richmond Regional Transportation Planning Organization (RRTPO), for regional public transportation within Planning District 15.

“The GRTC shall develop a plan for regional public transportation within Planning District 15 in collaboration with the Richmond Regional Transportation Planning Organization in conformance with the guidelines required by [§33.2-286](#)”

GRTC has led the development of this plan in close coordination with staff from around the region. The RRTPO Public Transportation Working Group, an ad hoc group of staff representing the City of Richmond, Chesterfield County, Hanover County, and Henrico County, has been deeply involved in development of this plan. Also, this plan has been guided by previous planning work that has preceded it, including the Greater RVA Transit Vision Plan (Phase 1 and Phase 2), the GRTC Transit Development Plan, and the Richmond Transit Network Plan. Throughout the process, consultants from Michael Baker International and Jarrett Walker + Associates have supported GRTC and its regional partners through financial analysis, network design, service planning, and policy guidance.

Given the relatively short time frame from the creation of CVTA and the need for this plan to determine the use of transit funds, GRTC expects that this inaugural plan will be a first step toward a longer process of regional transit planning.

As of May 2021, GRTC proposed FY2022 operational expenses equal \$63.2M and proposed Capital plan expenses equal \$30.9 M. The operational and capital expenses will be funded through revenues from Federal, State, Regional, Local, and Self-Generated sources. GRTC is still in the process of a Zero-Based budgeting process to identify new operational efficiencies prior to finalizing and adopting the FY2022 Budget and Spend Plan in June 2021.

GRTC’s Regional Public Transportation Plan for FY2022 addresses the following priorities:

- Ensure the stability and maintenance of transit operations at the levels operated in FY2021;

- Prioritize capital requirements to maintain assets in a state of good repair and to provide targeted rider and business efficiencies and improvements;
- Advance planning studies for operational and capital mobility priorities and needs in the RVA region; and
- Prepare for expansion and innovation initiatives in FY2023.

FY2022 CVTA TRANSIT FUNDING:

In FY2021, CVTA revenues dedicated to GRTC are expected to accrue at \$20.3 million through June 30, 2021. Out of the FY2021 revenues, \$200,000 has already been approved and allocated for the development of the GRTC FY2022 Regional Public Transportation Plan. GRTC will budget the remaining \$20.1 million from FY2021 CVTA transit revenues to support GRTC’s operating and capital plans in FY2022.

GRTC has estimated that the total funding need from CVTA generated revenues for FY2022 operational and capital expenses is \$21,231,485. As the total estimated FY2021 CVTA transit funding as shown in the prior paragraph is expected to fall short of this need, GRTC plans to use Federal Covid-19 relief funding to cover the difference between FY2021 CVTA Generated transit revenues and the identified FY2021 budgetary need.

Based on public feedback and in collaboration with the TPO Public Transportation Working Group and individual CVTA member jurisdictions, GRTC recommends the following priorities for investment of the CVTA Transit Funds for FY2022.

1. Maintain Existing Fixed Route and Paratransit Services: Allocate \$20.1 million of FY2021 CVTA funds.
2. Fund key capital needs: Allocate \$698,099 of FY2021 CVTA funds for matching federal and state grants.
3. Fund a Regional Study of Potential On-Demand Services: Allocate \$200,000 of FY2021 CVTA funds.
4. FY2023 Regional Public Transportation Plan: Allocate \$200,000 of FY2021 CVTA funds to support continued regional transit planning.

The table below summarizes the GRTC FY2022 budget funding needs to be supported from FY2021 CVTA dedicated transit revenues.

	FY 2022
Support for Existing Operations	\$20,133,386
Support for Capital to Leverage State and Federal Grants	\$698,099
Development of FY2023 Regional Public Transportation Plan	\$200,000
Prioritization of Regional On-Demand Services	\$200,000
Total FY2022 CVTA Revenues Budgetary Requirements	\$21,231,485
FY2021 CVTA Projected Revenues Dedicated to GRTC	\$20,100,000
Projected support required from COVID Relief Funds	\$1,131,485

Regional CVTA generated funding dedicated for transit during the FY2022 period (July 1, 2021 – June 30, 2022) is expected to be reach approximately \$28.1 M. GRTC recommends restricting all FY2022 CVTA collected revenues for transit into a reserve for use in FY2023 which will then be used to maintain transit service and to strategically advance regional mobility priorities during that fiscal year. This will establish an annual rolling reserve of CVTA funds for the stability of ongoing transit services and planning year over year.

RECOMMENDATION:

Staff recommends that the Board of Directors support the GRTC FY2022 Regional Public Transportation Plan and direct GRTC CEO to advance the plan to the Full CVTA Board for approval of use FY2021 CVTA dollars to fund the estimated need of \$21,231,485 for operating and capital needs identified above in FY2022 and the placement of all FY2022 CVTA funds projected at \$28.08 million into a reserve for approvals by the GRTC and CVTA Boards.

Eldridge F. Coles, Secretary
GRTC Board of Directors

Date