

VANPOOL SECTION 5307 PROGRAM

RECOMMENDATIONS FOR THE USE OF FUNDS

Introduction: In 2013 GWRC entered into a Memorandum of Understanding (MOU) with the Potomac and Rappahannock Transportation Commission (PRTC) and the Northern Virginia Transportation Commission (NVTC) to form the Vanpool Alliance, an organization dedicated to reporting the passenger and mileage data from Regional vanpools to the National Transit Data Base (NTD), thereby providing a new revenue stream of Section 5307 funds from the Federal Transit Administration (FTA) to the three Alliance members.

The Alliance program is generating between \$5 and \$6 million annually, of which GWRC will receive a little less than 25% in any given year, or about \$1.25 million per year. These funds do not require a match. The funds are apportioned annually and must be obligated to a project within five years. In FTA accounting the funds are “first in, first out,” meaning that the oldest funds are always obligated first.

Because of the unique nature of the Vanpool Alliance and how these funds are derived, the funds are subject to the rules and procedures governing the Washington Metropolitan Area Transportation Authority’s (WMATA) use of Section 5307 funds. To actually draw the funds down for use in specific projects, PRTC will act as the grantee, while GWRC and/or FRED (or potentially other entities) may act as sub-grantees. In essence, for the purpose of these funds, GWRC and FRED will have much the same relationship with PRTC as they currently have with DRPT.

The purpose of this paper is to provide regulatory guidance, observations and recommendations to the GWRC Board on how these new funds might be used going forward. FTA Circular 9030E, January 16, 2014, is the basis for the regulatory guidance. That Circular is attached to this document.

Regulatory Guidance: 5307 funds are primarily intended as transit capital funds, so it is important to begin by defining what these funds **cannot** be used for, after which a listing of eligible uses is provided, along with clarifications as needed.

Ineligible Uses of the 5307 Funds: First the funds cannot be used for the general operating expenses of transit systems. Again 5307 funds are transit funds, and so may not be used for highway or intersection improvements in general, except as projects are specifically shown to benefit a public transit service. The same rule applies to bike paths, sidewalks and park and ride lots, where the funds cannot be used, unless a specific benefit to a transit service can be shown. Administration of the GWRideConnect Transportation Demand (TDM) Program is also an **ineligible** use of these funds.

Eligible Uses of the 5307 Funds: Broadly speaking these 5307 funds can be used for direct transit capital improvements, such as purchase of expansion or replacement buses, passenger rail rolling stock and improvements, facilities and related equipment and appurtenances. This broad category would include bicycle and pedestrian facilities, or highway facilities, which specifically benefit a transit service. In the case of bike paths, an improvement must be within three miles of a transit service; sidewalks must be

within one-half mile. In the case of park and ride lots, where a commuter bus or VRE service exists, the funds could be used for lot expansion and passenger sheltering, etc.

The funds can also be used for “preventive maintenance,” to maximize the useful life of the transit physical plant. “Preventive maintenance” includes essentially all maintenance costs associated with transit services.

The funds can be used for general planning, as a supplement to PL, Rural and Section 5303 funds, and/or as a replacement for some RSTP funds, currently used to fund FAMPO’s annual Unified Planning Work Program (UPWP). The total UPWP currently runs about \$2 million in a typical year.

Observations: Seven observations are taken from the above, as follows:

First, this is a new undertaking for GWRC, and it involves a new level of regulatory oversight. Therefore it would seem both prudent and logical to keep the program as simple and straight forward as possible, particularly at the outset.

Second, another important point to consider is that the new funds will only amount to \$1.25 million per year, and they have a “shelf-life” of five years before they lapse. Therefore investing in comparatively larger, more complex and more expensive projects, like facilities construction, rail service improvements, bike paths or park and ride lot expansions, would, because of lapsing, appear risky, and, while not always adequate, other funding sources are available for these purposes.

Third, DRPT has a bus replacement program which is to date capable of meeting FRED’s needs and is expected to be sufficient for the foreseeable future. Moreover FRED staff state that their current maintenance facility is adequate for the long term. FRED does however need assistance with buses for service expansions requested by local governments and for shelter development. VRE and VDOT may also require assistance with passenger shelters at park and ride lots. Therefore setting aside some funds for these purposes may be advisable.

Fourth, as shown above, these 5307 funds cannot be used to administer GWRideConnect, even though GWRideConnect is responsible for forming and maintaining the nearly 400 vanpools in the Region, and these very vanpools generate these new 5307 funds. It seems advisable that a method be identified to leverage a portion of these 5307 funds, such that they can be put to use in an eligible activity and swapped for other funds like CMAQ which can be used to supplement GWRideConnect’s modest budget. This could be done by using a portion of these 5307 funds to help fund FAMPO’s UPWP, and to trade for a like amount of funds which can be used to help administer the GWRideConnect program. FAMPO will gain funding to supplement its UPWP, and/or to free up other funds currently financing the UPWP in order to help fund capital improvements. GWRC will gain by being able to supplement the highly cost-effective GWRideConnect program.

Fifth, it is well known that transit services for the aged, the disabled and the transit dependent are severely oversubscribed in the Region, and these services are very expensive for FRED to provide in rural

areas of the Region. It would appear advisable, then, to find a way to utilize a portion of these funds to supplement existing resources for these purposes.

Sixth, the use of a portion of these 5307 funds to charge to “preventive maintenance,” and to therefore help supplement FRED services in rural areas noted above, and/or to reduce local contributions.

Seventh and finally, since all five local governments are full members of GWRC, it seems advisable that these funds should be used in a manner which will have benefits for as much of the George Washington Region as possible.

Recommendations: Staff has four recommendations for the first year use of these new funds as follows:

Recommendation 1: Provide a to-be-determined amount to FRED for preventive maintenance new buses for new services, shelters and other capital needs as determined by GWRC. Part of these funds can be used to free up existing local funds and/or to help support rural services.

Recommendation 2: Pursue a change in FTA policy in order to allow the administration of TDM programs like GWRideConnect to be paid for with Section 5307 funds.

Recommendation 3: Revisit the above allocation recommendations after the first year, with the goal of setting longer term allocation policy.

Recommendation 4: Beginning in 2021, provide a negotiated amount to FAMPO for planning, to be swapped for an equal amount of CMAQ to help support GWRideconnect.