

March 17, 2021



Around the Country in 120 Days:

Studying Other MPO's 5307
Suballocation Formulas

Methodology



We obtained information from the FTA regarding comparable Urbanized Areas (“UZAs”) that suballocate 5307 funds to other transit agencies



We looked at their respective formulas/processes



We interviewed seven UZAs- Atlanta, Orlando, Los Angeles, Washington, D.C., Kansas City, Indianapolis and Cincinnati



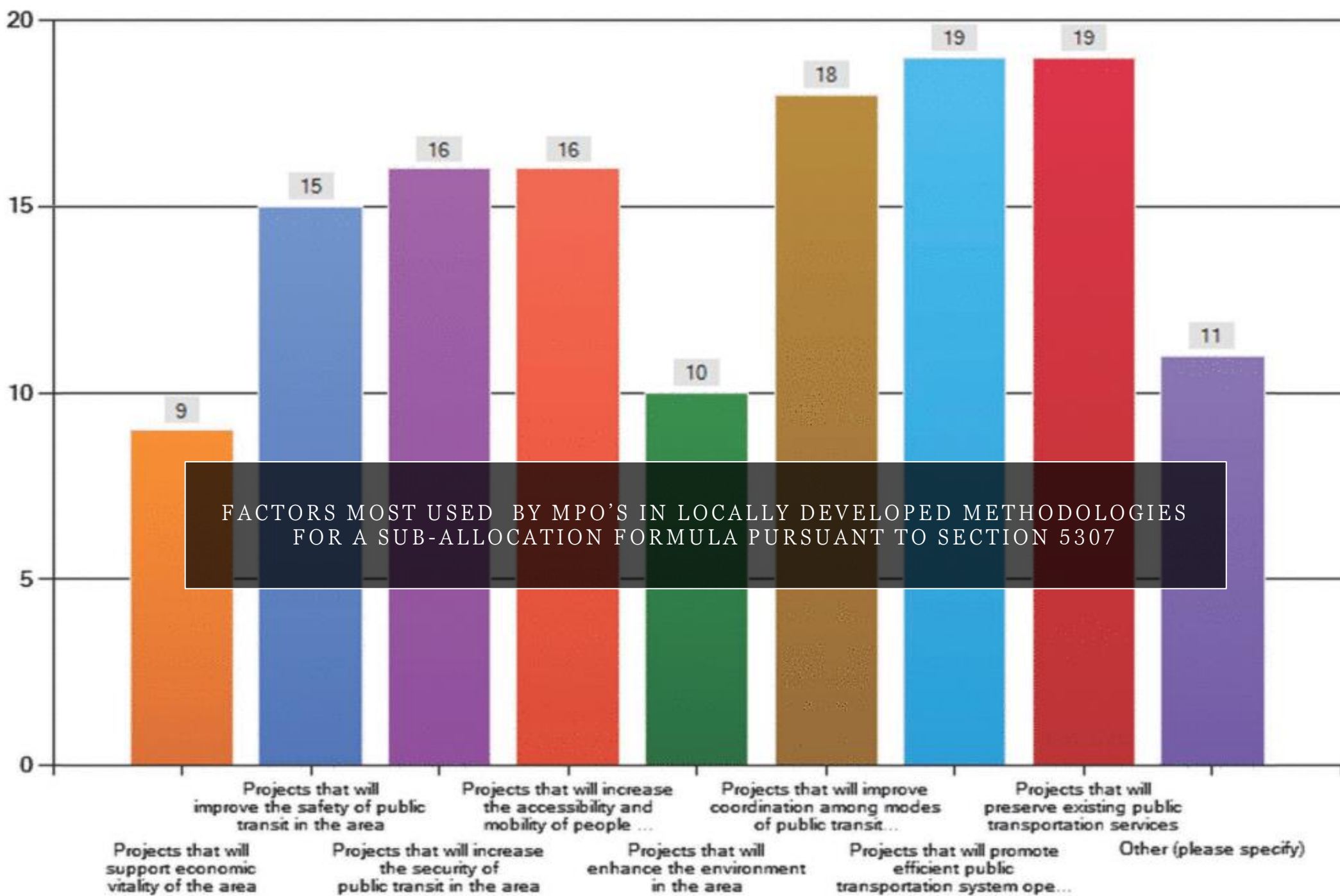
Generally, here is what we found (and there will also be specifics)

MPOS GOALS FOR PUBLIC TRANSIT DIFFER DEPENDING ON A VARIETY OF UNIQUE REGIONAL FACTORS THAT IMPACT THE WAYS IN WHICH MPO RESIDENTS NEED AND WANT TO TRAVEL AROUND AND ACROSS THE MPO. THE LOCAL MPOS BOARD AND CONSTITUENTS ARE BEST POSITIONED TO DETERMINE A SUB-ALLOCATION FORMULA THAT WILL SERVE THOSE AGREED-UPON GOALS.

LOCAL MPOS ARE CONSIDERED TO BE THE MOST KNOWLEDGEABLE LOCAL EXPERT ON HOW TO ESTABLISH TRIP REPORTING METHODOLOGY THAT IS REASONABLE AND THAT WILL ENSURE THE HIGHEST FEDERAL FORMULA FUNDING ALLOCATION FOR THE UZA FOR SECTION 5307 FUNDS

THE MPO HAS A BASIS FOR DEVELOPING FUTURE SCENARIOS FOR POPULATION AND UZA BOUNDARY CHANGES BASED ON ASSUMED FUTURE CENSUS RESULTS AND A PROCESS FOR EVALUATING THE POTENTIAL IMPACT ON FUNDING

Why FTA guidance
allows for local
discretion in sub-
allocating 5307
funds



Developing an appropriate 5307 sub-allocation formula depends on an MPOs most important goals

Data is from the Transit Cooperative Research Program's 2014 Book on Sub-Allocating FTA Section 5307 Funding among Multiple recipients in metropolitan areas



Top three rationale for MPOs developing sub-allocation formulae is to support projects with the following criteria:

Preserve existing public transit

Promote efficient public transportation

Improve coordination among modes of public transit

CRTPO Planning Guidelines (2019)–

to be used for collective decision-making regarding transportation planning issues and challenges



Supporting an enhanced transportation network within the region, other parts of the State and Upstate South Carolina



Protecting and enhancing the region's economic drivers and ensuring parity across the region in consideration of those economic drivers



Integrating land use considerations that are consistent with local vision and community design plans, and health and environmental requirements

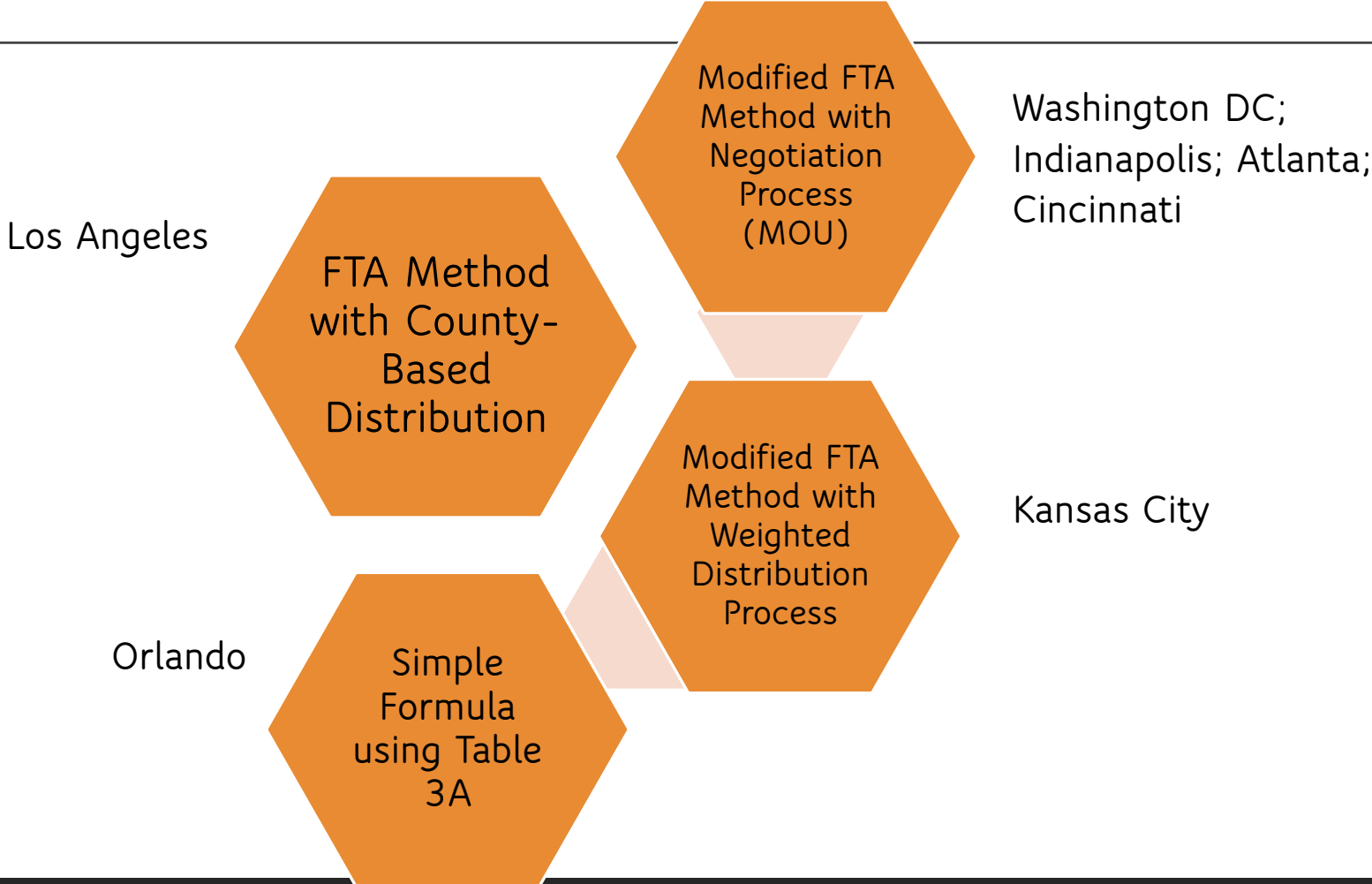


Considering multi-modal transportation needs as well as vehicular road use



Using facts, data, public input and collaborative effort to plan our transportation system by looking to the future while acknowledging and responding to current needs; and staying nimble to incorporate emerging and disruptive technologies

A Range of Different Approaches to Suballocation



Each Approach Contemplates

Local Investment: That each transit agency which is eligible for 5307 funds will be able to make the appropriate match.

Actual and appropriate projects are lined up for capital expense and operating expense: Recognition that funds which aren't used (approx. 5 years), subject to be returned to the FTA; many have a clawback mechanism that requires a return of funds to the UZA if they aren't used within a period of time

Reporting responsibility: There are civil and criminal penalties that may be assessed for inaccurate reporting or misuse of any federal transit funds including 5307 funds

A willingness to negotiate with the MPO/Others in the UZA – Developing a formula that works for the MPO and UZA depends on a willingness to enter into an agreement to benefit all

Features of UZAs and 5307 Funding

- ❖ Formula type
- ❖ Brief description of each UZAs' transit systems
- ❖ Designated / Direct / Subrecipient relationships
- ❖ Memorandum of Understanding
- ❖ Special Characteristics



Modified FTA
Method with
Negotiation
Process (MOU)

- Atlanta
- Cincinnati
- Indianapolis
- Washington, DC

Modified FTA Method with Negotiation Process (MOU)

- **Atlanta**

- Atlanta UZA population 4.5M (2010)
- Atlanta Regional Transit Link (The ATL) is the Sect. 5307 designated recipient;
- Modified Federal Formula developed through Transit Operators Work Group (TOWG)
- Atlanta Regional Commission (ARC, Atlanta MPO) - 0.25%
- The ATL (Designated Recipient) - 0.75%
- Low Income is set aside for competitive Call for Projects by ATL&ARC
- Remaining Fund shares calculated by Federal Formula to County Level.
- Large Operators are Direct Recipients
(Metropolitan Atlanta Rapid Transit Authority (MARTA), ARC, City of Atlanta, and other counties are Sect. 5307 direct recipients;)
- Calculated Shares must be accepted and match documented by each Operator within 45 days
- Funds not accepted or forfeited (>45days) are redistributed among remaining Operators.
- Unused Prior Year monies are subject to recall and redistribution by consensus of the TOWG or by The ATL.

FY 2019 REGIONAL FORMULA FUND SUBALLOCATION BREAKDOWN

Eligible Recipient	5307 Suballocation		5337 Suballocation			5339	Total
	5307	5340	Fixed Guideway	VRM	DRM	Suballocation	Suballocation
ARC	\$ 332,136	\$ -					\$ 332,136
Cherokee	\$ 764,978	\$ 145,149				\$ 122,394	\$ 1,032,521
City of Atlanta	\$ 262,162	\$ -					\$ 262,162
Cobb	\$ 4,893,774	\$ 707,765		\$ 181,934	\$ 328,088	\$ 741,800	\$ 6,853,361
Coweta	\$ 276,304	\$ 61,946				\$ 46,539	\$ 384,789
CPACS	\$ 42,179	\$ -				\$ 6,438	\$ 48,617
Douglas	\$ 778,919	\$ 93,793				\$ 126,988	\$ 999,700
Fayette	\$ 294,453	\$ 66,015					\$ 360,468
Forsyth	\$ 526,353	\$ 118,006					\$ 644,359
Gwinnett	\$ 4,662,285	\$ 805,678		\$ 574,149	\$ 666,270	\$ 710,496	\$ 7,418,878
Henry	\$ 772,230	\$ 133,237				\$ 126,645	\$ 1,032,112
MARTA	\$ 47,637,612	\$ 2,064,031	\$ 55,464,725	\$ 312,424	\$ 227,138	\$ 4,032,037	\$ 109,737,967
<i>Clayton</i>	\$ 1,193,270	\$ 267,526				\$ 175,945	\$ 1,636,741
<i>DeKalb</i>	\$ 3,697,226	\$ 828,903				\$ 518,599	\$ 5,044,728
<i>Fulton</i>	\$ 4,315,873	\$ 967,601				\$ 631,556	\$ 5,915,030
<i>MARTA Service</i>	\$ 38,431,243	\$ -	\$ 55,464,725	\$ 312,424	\$ 227,138	\$ 2,705,937	\$ 97,141,467
Paulding	\$ 372,630	\$ 83,542					\$ 456,172
Rockdale	\$ 262,323	\$ 58,812					\$ 321,135
Xpress	\$ 3,880,164	\$ -		\$ 1,052,563	\$ 314,627	\$ 578,509	\$ 5,825,863
Low Income Comp.	\$ 2,682,964	\$ -	\$ -				\$ 2,682,964
Total*	\$ 68,441,466	\$ 4,337,974	\$ 55,464,725	\$ 2,121,070	\$ 1,536,123	\$ 6,491,846	\$ 138,393,204

* Totals in this slide will not match previous slide totals for each program because they do not include jurisdictions outside of ATL 13 County Region. For suballocation table of full 23-county UZA please refer to the handout in your Board Notebook.

Modified FTA Method with Negotiation Process (MOU)

- **Cincinnati**

- Cincinnati UZA population is 2.1 M (2010)
- Southern Ohio Regional Transportation Authority (SORTA), City of Cincinnati, Butler, Warren, Clermont, TANK (Northern KY)); are Designated Recipients
- Census and NTD data from each operator used to calculate share based on federal formula
- Pop of County with no service shared among remaining agencies
- Totals for each operator adjusted to equal annual FTA award.
- Formal MOU requires:
 - local matching funds annually;
 - Funds must be obligated within 5 years;
 - Any unobligated funds are allocated to other agencies per MOU

Cincinnati

	FY 20 Section 5307	FY 20 Section 5339	FY 20 Section 5337	Totals
BCRTA	\$2,060,006	\$237,136	\$0	\$2,297,142
CTC	\$1,345,887	\$158,299	\$0	\$1,504,186
SORTA	\$11,728,096	\$1,544,041	\$11,741	\$13,283,878
TANK	\$4,245,379	\$525,795	\$0	\$4,771,174
WCTS	\$844,959	\$0	\$0	\$844,959
	\$20,224,327	\$2,465,271	\$11,741	\$22,701,339

Modified FTA Method with Negotiation Process (MOU)

- **Indianapolis**
 - The Indianapolis UZA population is 1.4M (2010)
 - Indianapolis Public Transportation Corporation (IndyGo) is the designated recipient
 - Central Indiana Regional Transportation Authority (CIRTA) is a direct recipient
 - Currently, IndyGo and CIRTA meet annually to negotiate CIRTA share.
 - Based on pending 2020 Census, Indianapolis is studying formulas for sharing 5307 and increasing reporting from neighboring counties.
 - Current recommendation is to limit loss to IndyGo to 10% and share difference with other agencies
 - Final MOU is not yet adopted

Modified FTA Method with Negotiation Process (MOU)

- Washington, D.C. – Why it isn't a helpful comparison:

- The Washington, D.C.-MD-VA UZA population is 4.5M (2010)
- 3 large transit operators (Washington Metropolitan Area Transit Authority (WMATA), Rappahannock Transportation (VRE), and Maryland Transit Administration (MTA) are all designated recipients and share Fixed Guideway funding based on Federal Formula
- WMATA is a Federal Authority, and its member jurisdictions are required to fund the local match for WMATA
- Other Bus Operators in the UZA report their data to NTD; but have not taken any FTA funding
 - Additional FTA funding due to this reporting reduces the member jurisdictions local share to operate WMATA
- COVID Pandemic and availability of Federal Funds for 100% operating generated a request from bus operators for a share of these funds.
- WMATA initially utilized the federal formula with population counted twice (all by WMATA and additional shares by each county)
- The resulting funding recommendation were then further negotiated to provide additional support to the Other Bus Operators for the CARES Funding.
- WMATA keeps all federal funding; but is crediting the shares due each member by reducing their operating support to WMATA while CARES and CRRSA funding is available.



Whose Head is Spinning? Time for a Break?

FTA Method with County Based Distributions

- Los Angeles UZA

FTA Method with County-based distributions

- **Los Angeles**

- Los Angeles UZA population is 12.1M (2010)
- Southern California Association of Governments (SCAG), the MPO, is the Section 5307 designated recipient
- Federal Formula is used to calculate shares to each County
- Counties and operators are direct recipients; 23+ sub-recipients across the Los Angeles UZA
- Each County then utilizes a local formula to share among operators in the County
- Los Angeles County uses the formula 1/3 share (ridership and fare revenue), 1/3 share VRM, 1/3 share Fleet size
- Orange, Riverside, San Bernardino; Ventura counties negotiate shares based on need;
- Low-income component is distributed based on general population using GIS defining the exact figures
- A formal MOU documents process

Los Angeles, UZA

SUMMARY FULL YEAR						
FY 2020 FTA SECTION 5307 INTER-COUNTY ALLOCATION						
	LOS ANGELES	ORANGE	SAN BERNARDINO	RIVERSIDE		GRAND TOTAL
Rail (Metrolink)	\$14,990,296	\$5,104,741	\$1,823,665			\$21,918,702
Los Angeles Fixed Guideway	\$27,902,900					\$27,902,900
Total Fixed Guideway	\$42,893,196	\$5,104,741	\$1,823,665	\$0		\$49,821,602
Bus Incentive	\$24,290,444	\$2,862,894	\$211,819	\$45,139		\$27,410,296
Basic Bus Capital	\$175,886,743	\$39,195,735	\$5,989,348	\$65,114		\$221,136,940
Growing States	\$8,931,213	\$2,381,231	\$591,091	\$0		\$11,903,534
Low-Income	\$6,693,084	\$1,223,224	\$242,319	\$0		\$8,158,627
Reconcile of FTA Diff (1)	(\$274)	(\$33)	(\$12)	\$0		(\$319)
Total	\$258,694,405	\$50,767,792	\$8,858,229	\$110,254		\$318,430,680

(1) In FY 2019, the Seattle UZA was inadvertently given the 5307 commuter rail floor of the 5307 fixed guideway incentive tier and not credited for the full amount they were to receive. As a result, \$11,040 is being credited to Seattle for this oversight and UZAs that received fixed guideway money were deducted based on their share of the money they received under this tier to represent what they should have received in the FY 2019 apportionment.

LA County Distribution

Los Angeles County							
Transit Operator		5307 Allocation	5337 Allocation	5339 Allocation	5337 and 5339 Allocation Total	5337 and 5339 swap with 5307	Adjusted 5307 Total
Antelope Valley		\$247,692	\$535,868	\$32,821	\$568,689	\$568,689	\$816,381
Arcadia		\$376,617		\$49,904	\$49,904	\$49,904	\$426,521
Claremont		\$125,025		\$16,566	\$16,566	\$16,566	\$141,591
Commerce		\$714,940		\$94,734	\$94,734	\$94,734	\$809,674
Culver City		\$4,997,775		\$406,400	\$406,400	\$406,400	\$5,404,175
Foothill		\$21,562,730	\$3,264,249	\$2,402,937	\$5,667,186	\$5,667,186	\$27,229,916
Gardena		\$6,711,320		\$354,462	\$354,462	\$354,462	\$7,065,782
LADOT		\$11,391,606	\$709,316	\$1,040,142	\$1,749,458	\$1,749,458	\$13,141,064
La Mirada		\$139,031		\$18,422	\$18,422	\$18,422	\$157,453
Long Beach		\$15,163,420	\$150,741	\$1,771,598	\$1,922,339	\$1,922,339	\$17,085,759
Montebello		\$4,043,197		\$535,749	\$535,749	\$535,749	\$4,578,946
Metro Operations*		\$170,960,458	\$89,647,697	\$18,909,942	\$108,557,639	(\$13,670,199)	\$157,290,259
Norwalk		\$2,637,849		\$192,573	\$192,573	\$192,573	\$2,830,422
Redondo Beach		\$707,004		\$93,682	\$93,682	\$93,682	\$800,686
Santa Clarita		\$1,627,196		\$215,614	\$215,614	\$215,614	\$1,842,810
Santa Monica		\$13,705,415	\$70,391	\$1,311,390	\$1,381,781	\$1,381,781	\$15,087,196
Torrance		\$3,583,130		\$402,640	\$402,640	\$402,640	\$3,985,770
Tri Agencies (Foothill/AVTA/LADOT)		\$0			\$0	\$0	\$0
	Sub-total	\$258,694,405	\$94,378,262	\$27,849,576	\$122,227,838	\$0	\$258,694,405

*Metro's 5307 Allocation includes \$8,931,213 of Growing States

Simple Formula
Method using
Table 3A

- Orlando UZA

Simple Formula Method using Table 3A

- **Orlando**
 - The Orlando UZA population is 1.5M (2010)
 - Central Florida Regional Transportation Authority (LYNX) is the designated recipient
 - Lake County and FDOT/SunRail are direct recipients
 - Orlando UZA provides FDOT/SunRail the Federal Formula Share for Fixed Guideway (Commuter Rail)
 - Lake County's Share is based on the % of Vehicle Revenue Hours (VRHs) published in FTA Table 3a (Annual Apportionment)
 - The remaining funds remain with LYNX
 - No formal MOU
 - SunRail and LYNX have cost sharing agreements to share the revenue for transfers

Orlando

Agency	Total Share	Factor
SunRail	\$ 10,416,580.47	Commuter Rail Floor
Lake County	\$ 502,202.30	1.534% VRH Share
LYNX	\$ 21,818,132.22	Remainder
Total	\$ 32,736,915.00	

Modified FTA
Method with
Weighted
Distribution
Process

- Kansas City

Modified Method with Weighted Distribution Process

- **Kansas City**

- Kansas City UZA population is 1.5M (2010)
- Locally Developed Weighted Formula
- Fixed Guideway and Bus Incentive Funds calculated by Federal Formula and provided to earning operator
- 0.5% held out for Vanpool Program operated by Kansas City Area Transit Authority (KCATA)
- Remainder shared based on formula:
 - 65% Federal Formula Calculated Share by Operator
 - 25% 3yr Average Local Funding by Operator
 - 10% Ridership by Operator

Kansas City

	65% Federal 25% Local 10% Ridership
Missouri	
KCMO	\$ 9,972,042
Gladstone	115,743
NKC	63,952
Liberty	116,761
Raytown	129,821
Blue Springs	231,251
Riverside	14,412
Subtotal Missouri KCATA	\$ 10,643,982
Independence	781,547
Other Missouri UZA Communities	904,255
Total Missouri	\$ 12,329,784
Kansas	
KCK	1,612,980
Johnson County	3,058,289
Total Kansas	\$ 4,671,269
Total Transit	\$ 17,001,053

- KCATA provides service to several towns by agreement and these towns are reflected in the calculations.

Summary of Methods Other Than Modified FTA with Negotiation Process (MOU)

Los Angeles (FTA Method w/ County Based Distributions)

- Federal Formula to County Level
- Local Formula in each County to Share with Agencies

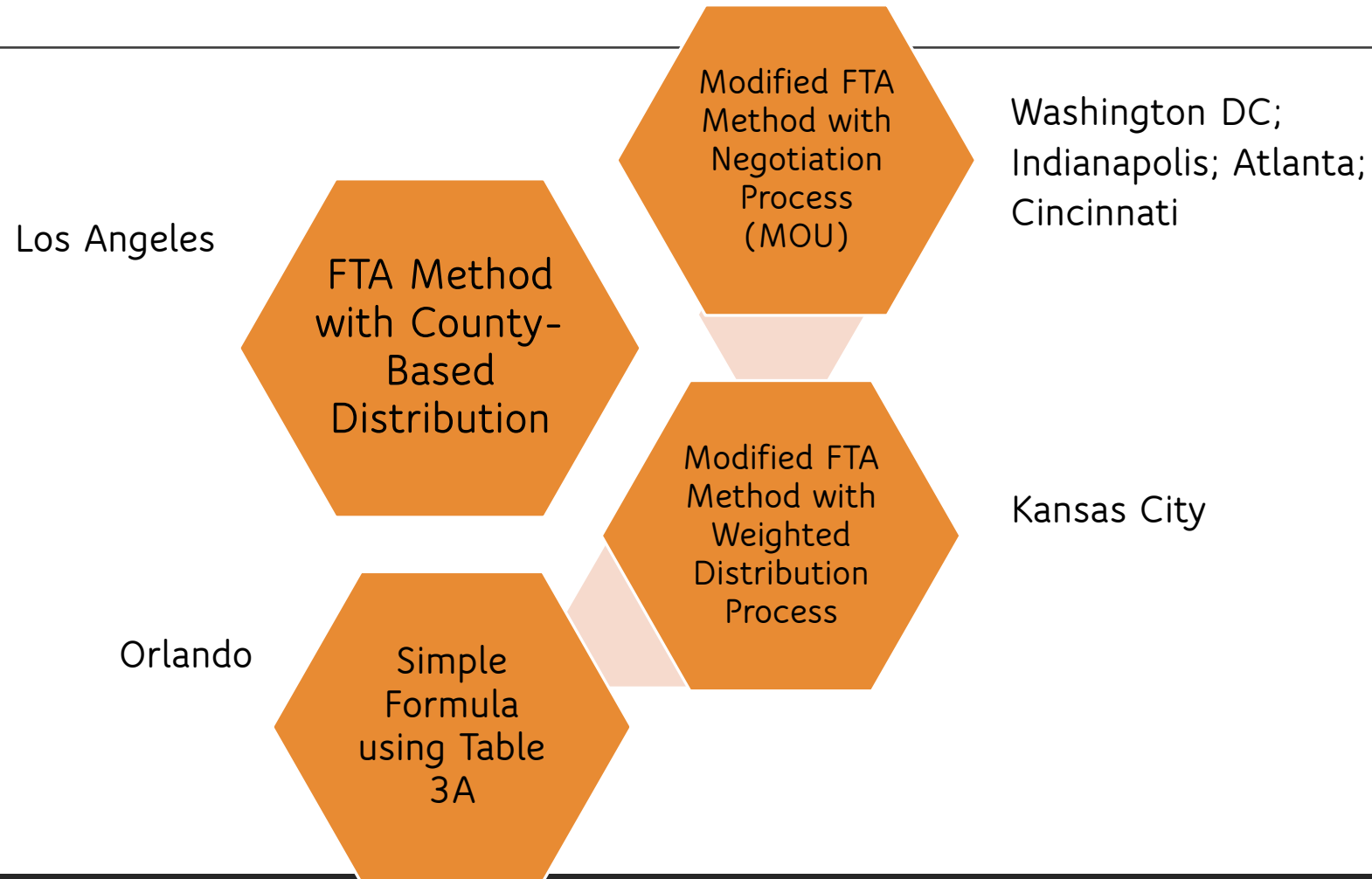
Orlando (Simple Formula based on Table 3a)

- Fixed Guideway shared first
- Lake Co Based on % VRH
- Remainder to LYNX

Kansas City (FTA Modified with Weighted Distribution)

- Fixed Guideway and Bus Incentive via Federal Formula
- 0.5% held out for Vanpool Program
- Remainder shared based on formula:
 - 65% Federal Formula Calculated Share by Operator
 - 25% 3yr Average Local Funding by Operator
 - 10% Ridership by Operator

A Range of Different Approaches to Suballocation – Where to from Here?



March 17, 2021

WMTA

Indy Go

KCATA

SCAG

Around the Country in 120 Days:

Studying Other MPO's 5307
Suballocation Formulas