

GRTC Transit System

Board Action Item

Meeting Date: April 19, 2022

Item Title: FY2023 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](#)”

The plan is an annual requirement, identifying how GRTC plans to spend CVTA funds in the upcoming fiscal year. Similar to the FY2022 plan, the FY2023 plan recommends prioritizing funds towards maintenance of service, local match for capital projects for the next fiscal year and planning studies. GRTC coordinated with PlanRVA and the regional partners throughout the plan development. A parallel study was also underway in coordination with the jurisdictions identifying micro transit opportunities around the region. Efforts to prioritize micro transit pilots and fixed route expansion will continue in the next fiscal year. Any prioritized expansion will be dependent on future approval and the availability of operator and mechanic staffing levels. GRTC recommends using FY2022 CVTA funds for FY2023 expenditures to ensure the funds have accrued for expenses.

As of March 2022, GRTC proposed FY2023 operational expenses equal \$63.7M and proposed Capital plan expenses equal \$17.9M. 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 FY2023 Budget and Spend Plan.

GRTC’s Regional Public Transportation Plan for FY2023 addresses the following priorities:

- Ensure the stability and maintenance of transit operations at the levels operated in FY2022;
- Prioritize the return of transit operations to pre-pandemic service levels.

- 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 FY2024.

FY2023 CVTA TRANSIT FUNDING:

GRTC recommends using FY2022 CVTA revenues to fund the FY2023 plan. The total estimated FY2022 CVTA transit funding to have accrued by June 30, 2022, is \$27,165,000. GRTC has estimated that the total funding need from CVTA generated revenues for FY2023 operational and capital expenses is \$22,222,423. GRTC recommends restricting the remaining estimated fund balance of \$4,942,577 in CVTA into a reserve. The total estimated FY2023 CVTA transit funding to have accrued by June 30, 2023, is \$28,935,000. GRTC recommends restricting the FY2023 funds into a reserve for future use in the next years plan.

GRTC recommends the following priorities for investment of the CVTA Transit Funds for FY2023.

1. Maintain Existing Fixed Route and Paratransit Services: Allocate \$21.4 million of FY2023 CVTA funds.
2. Fund key capital needs: Allocate \$407,423 of FY2023 CVTA funds for matching federal and state grants.
3. FY2024 Regional Public Transportation Plan - \$200,000
4. Phase II Micro Transit Implementation- \$200,000

The table below summarizes the GRTC FY2023 budget funding needs to be supported from FY2022 CVTA dedicated transit revenues.

	FY 2023
Support for Existing Operations	\$21,415,000
Support for Capital to Leverage State and Federal Grants	\$407,423
Development of FY2024 Regional Transportation Plan	\$200,000
Phase II Micro Transit Implementation	\$200,000
Total FY2023 CVTA Revenues Budgetary Requirements	\$27,165,000
Rolling Reserve Total	\$4,942,577

RECOMENDATION:

Staff recommends that the Board of Directors support the GRTC FY2023 Regional Public Transportation Plan and direct GRTC CEO to advance the plan to the Full CVTA Board for approval of:

- FY2022 CVTA dollars to fund the estimated need of \$22,222,423 for operating and capital needs identified above in FY2023;
- Placement of the remaining balance of \$4,942,577 of FY2022 dollars into a restricted reserve;
- Placement of all FY2023 CVTA funds projected at \$28.9 million into a reserve for approvals by the GRTC and CVTA Boards.

Eldridge F. Coles, Secretary
GRTC Board of Directors

Date