



MERIT Program Review

Operating & Capital Assistance

November 12, 2025

Agenda

- MERIT Program Review Rationale, Timeline and Progress to Date
- MERIT Operating Assistance
 - Current Formula
 - Program Challenges and Goals of Review
 - Evaluation Process
 - Proposed Formula Methodology
 - Estimated Allocations
 - Proposed Administrative Definition Changes
 - Alternate Allocation Approaches for Future Consideration
- MERIT Capital Assistance Proposed Program Changes
- Next Steps

MERIT Program Review Rationale, Timeline and Progress to Date

Legislative Requirements of Program Review

Use of the Commonwealth Mass Transit Fund (§ 33.2-1526.1)

- 24.5% of the funds shall be allocated to support operating costs of transit providers and shall be distributed by the Board on the basis of service delivery factors, based on effectiveness and efficiency as established by the Board. Such measures and their relative weight shall be evaluated every three years and shall be finalized 6 months prior to the fiscal year of implementation.

Statewide Prioritization for the Commonwealth Mass Transit Fund (§ 33.2-214.4)

- DRPT, in conjunction with TSDAC, shall develop a process for the distribution of the funds allocated pursuant to subdivision D 1 of [§33.2-1526.1](#) and the incorporation by transit systems of the service delivery factors set forth therein into their transit development plans.
- Before redefining any component of the service delivery factors, the Board shall consult with the Director of DRPT, TSDAC, and interested stakeholders, and shall provide for a 45-day public comment period. <https://law.lis.virginia.gov/vacode/33.2-1526.1/>

Policy Considerations for MERIT Capital and Operating

- Stronger, more meaningful emphasis on performance-based metrics
- Standardized verification of effective agency asset utilization and need
- Additional incentives to promote operational efficiency, route optimization/innovation, and good grants management practices
- Develop metrics to evaluate the return on investment
- Incorporation of nation-wide best practices where appropriate

Goals:

1. Strive to remain best in class in our review/scoring/award of grant funds.
2. Deliver the most value and best outcomes for our customers as efficiently as possible.

CTB-TSDAC-DRPT Roles and Responsibilities

Roles and responsibilities of CTB, TSDAC, and DRPT must be consistent with § 33.2-214.4

CTB

- Sets priorities and adopts policies for implementation of the MERIT Operating formula and MERIT Capital prioritization process consistent with state code

TSDAC

- Works with DRPT and stakeholders to develop formula concepts and makes recommendations for MERIT Operating Assistance policy improvement

DRPT

- Develops technical guidance and definitions for implementation of the MERIT Operating formula

Updated Timeline and Progress To-Date

Steps Completed To-Date:

- **March 2025:**
 - CTB Rail and Transit Subcommittee: Process Kickoff
- **April 2025:**
 - TSDAC: MERIT Operating & Capital Review Discussion
- **May 2025:**
 - TSDAC: Update on MERIT Operating & Capital Review
- **July 2025:**
 - CTB: Briefing on proposed ideas for MERIT Operating & Capital changes
 - TSDAC: Briefing on proposed ideas for MERIT Operating & Capital changes
- **August 2025:**
 - TSDAC: Briefing on refined MERIT Operating & Capital changes
- **September 2025:**
 - One-on-One meetings with TSDAC Members, Transit Service Providers, and other Stakeholders
- **October 2025:**
 - TSDAC: Review of feedback from stakeholders, proposed refinements, discussion, and feedback
 - October 7, 2025: Release for 45-day Public Comment

Next Steps:

- **November 2025:**
 - Webinar to review proposed MERIT Operating & Capital proposed changes
 - November 21, 2025: End of 45-day Public Comment
 - TSDAC: Review Public Comment and provide final review and feedback on proposed changes
- **December 2025:**
 - TSDAC: Review Public Comment and provide final review and feedback on proposed changes
 - CTB: Presentation of proposed changes to CTB Workshop
- **January 2026:**
 - CTB: Vote on adoption of proposed changes

MERIT Review Resources and Public Comment

- For information on the 2025 MERIT Capital and Operating Assistance Program review process, and all associated materials and presentations, please visit the [TSDAC page on the DRPT Website](https://drpt.virginia.gov/transit-service-delivery-advisorycommittee-tdac):

<https://drpt.virginia.gov/transit-service-delivery-advisorycommittee-tdac>

- Public Comment period opened on October 7, 2025. **Comments will be accepted through 5:00pm on November 21, 2025**, and can be sent to Zach Trogon, Chief of Public Transportation. Comments can be sent to drptpr@drpt.virginia.gov or 600 East Main Street, Suite 2102, Richmond, VA 23219.

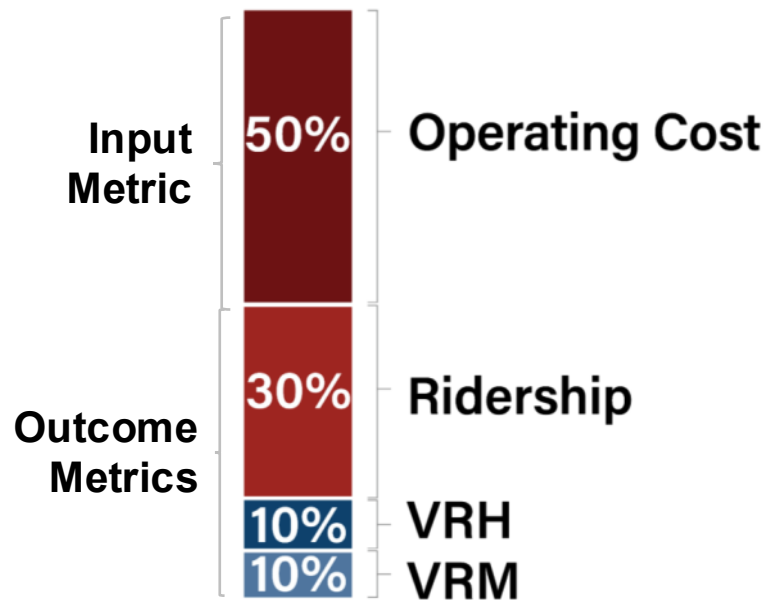
MERIT Operating Assistance: Current Formula

Current MERIT Operating Allocation Approach

CURRENT FORMULA

STEP 1: Sizing Metric

STEP 2: Performance (Trend) Adjustments



Redistribution - Return to Step 1

MERIT funding for each agency capped at 30% of prior year Operating Cost

Pax = Passengers

VRH = Vehicle Revenue Hour

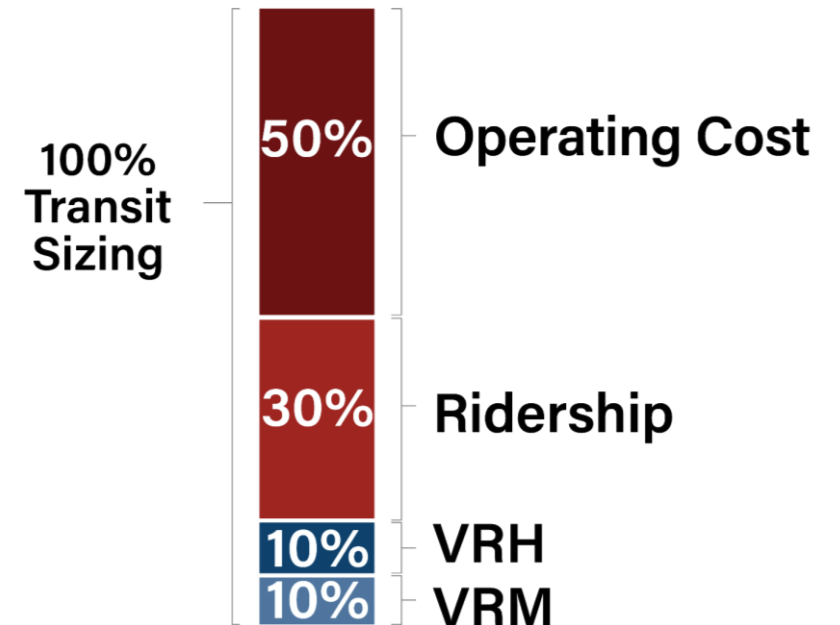
VRM = Vehicle Revenue Mile

Vehicle Revenue Hours and Miles include deadhead hours and miles for Commuter Bus service

MERIT Operating Assistance Formula: Sizing Metric

- **Step 1: Sizing Metric**

- A size-weight factor is calculated with a combination of metrics set at specific weights
 - Operating Cost – 50%
 - Ridership – 30%
 - Vehicle Revenue Hours (VRH) – 10%*
 - Vehicle Revenue Miles (VRM) – 10%*
- This metric was introduced to account for the relative size of a transit agency in terms of the amount of service provided



* For Commuter Bus routes that are uni-directional and greater than 20 miles, deadhead hours and miles are included in the VRH and VRM performance metrics

MERIT Operating Assistance Formula: Performance Adjustments

- **Step 2: Performance Adjustments**

- The size-weight is adjusted by five performance metrics – Creates “Size-Performance Weights”
 - Using 3 years of historic data + most recent year (4 years total)
 - Compares performance trends of each agency to the statewide average trend
- Performance Metrics in CTB policy:
 1. Passengers per Vehicle Revenue Hour (Pax/ VRH)
 2. Passengers per Vehicle Revenue Mile (Pax/ VRM)
 3. Operating Cost per Vehicle Revenue Hour (Cost/ VRH)
 4. Operating Cost per Vehicle Revenue Mile (Cost/ VRM)
 5. Operating Cost per Passenger (Cost/Pax)

$$\begin{array}{l} \text{Available} \\ \text{State} \\ \text{Operating} \\ \text{Assistance} \\ \text{Funds} \end{array} \times \left[\begin{array}{l} 20\% \times \text{Pax/ VRH SP-Weight} \\ 20\% \times \text{Pax/ VRM SP-Weight} \\ 20\% \times \text{Cost/ VRH SP-Weight} \\ 20\% \times \text{Cost/ VRM SP-Weight} \\ + 20\% \times \text{Cost/ Pax SP-Weight} \end{array} \right]$$

Agency Funding Allocation

MERIT Operating Assistance Formula: Funding Cap

- **Step 3: Funding Cap**
 - **A 30% cap is set on the operating assistance allocations to each agency**
 - The cap was based on FY18 audited expense information and was reviewed as part of the 2022 program review with TSDAC
 - This 30% threshold was informed by the highest operating assistance grant received under the FY19 allocation methodology
 - **Funds remaining after the cap are redistributed to agencies that have received initial allocations below their cap**
 - These funds are redistributed to agencies below this cap proportional to their Agency Funding Allocation ensuring that all available funds are distributed annually

Program Challenges and Goals of Review

MERIT Operating Assistance – Program Challenges and Goals of Review

Challenges

Input Focused

Elements of current program allocate funds based largely on inputs (costs) rather than outputs (service levels; ridership)

Incentivizing Performance of All Operators

Very large and very small agencies with different operational goals must compete in the same space

Formula Complexity

Makes the program difficult for grantees and decision makers to understand

Annual Variability

Data inputs change annually, making it difficult for staff and transit agencies to run predictive models

Goals of Review

Emphasize **outcome focused metrics** vs. input focused metrics

Emphasize **operational efficiency** to incentivize resource optimization

Prioritize **simplification** and **transparency**

Look for ways to ensure year-over-year **predictability**

Potential Approach(es)

Shift weights away from operating cost to ridership and service metrics

Add a separate performance allocation. Sizing has performance basis in ridership, VRH & VRM use

Replace trend analysis as it creates anomalies in which good performance is not always rewarded

Limit significant year-over-year swings in allocations

More Specifically..

The current formula..	The proposed formula..
Due to its mathematical complexity does not allow agencies to have any meaningful impact on allocation through performance improvement • 4 sizing (50% cost, an input measure) • 5 performance metrics that <u>adjust allocation up/down based on 3-year trends</u>	• Simplifies with fewer metrics allowing agencies to focus on and manage those metrics: • 4 sizing: cost, ridership, VRH, VRM* (65% outcome measures) • 3 performance: 50% cost efficiency, 50% service efficiency* <u>Significant outcome measures in sizing and a clean performance set-aside provide for a formula that, as a whole, is performance based</u> <u>*performance or outcome focused measures</u>
Is 100% performance TREND based. Trends are highly sensitive to external factors, e.g., pandemic & less sensitive to performance improvement measures • 20% weight of each metric dilutes impact of any single metric & makes tracing impact on allocations difficult	• Uses an absolute measure of performance and weighs outcome measures highly in sizing • Includes a clean 5% set aside (as opposed to allocation adjustment) that minimizes unfair advantage due to intrinsic factors e.g., location, zero fare, university etc.
High weight of cost has led to unintended results where performance improvements (such as lowering cost) can end up causing a reduction in allocation	• Retains cost in sizing to account for regional/modal differences but reduces its weight to mitigate unintended results and focus on performance and outcomes

Evaluation Process

Developing and Evaluating Scenarios

Data Inputs

- Only data already collected and verified by DRPT was applied
- Other data (like population or vehicle counts) was excluded due to collection and reliability issues

Scenario Definition

- More than 30 separate scenarios developed
- Each tested changes individually and in combination (e.g., adjusting size-weights alone vs. combined with change in performance metrics)

Scenario Analysis

- Each scenario was rated according to policy goals
- Scenarios with negative or unintended impacts were removed from consideration

Short-listing

- DRPT leadership and staff evaluated outcomes to narrow down the list
- Promising scenarios were evaluated based on their average impact over FY24–26

Approaches Tested

Approach	Description	Policy Goal(s) Addressed	# Scenarios Evaluated
Adjust Size-Weight	Test different weights for sizing metrics focused on <u>reducing weight of Operating Cost</u>	Outcome-Focused	6
Eliminate Iteration	Formula math simplification	Simplification	2
Revised Performance-Based Allocation	Retain trend analysis and add another <u>measure to reward absolute performance</u>	Operational Efficiency	4
Introduce Performance Set-Aside	Introduce a <u>performance set-aside</u> for the absolute performance measure w/ <u>wo trend analysis</u>	Transparency, Simplification	5
Adjust Funding Caps	Test different caps to limit growth in allocation over prior years	Predictability	2
Combination Approaches	Various combinations of Approaches 1-5	Multiple Goals	15+

Over 35 Scenarios Evaluated in Total

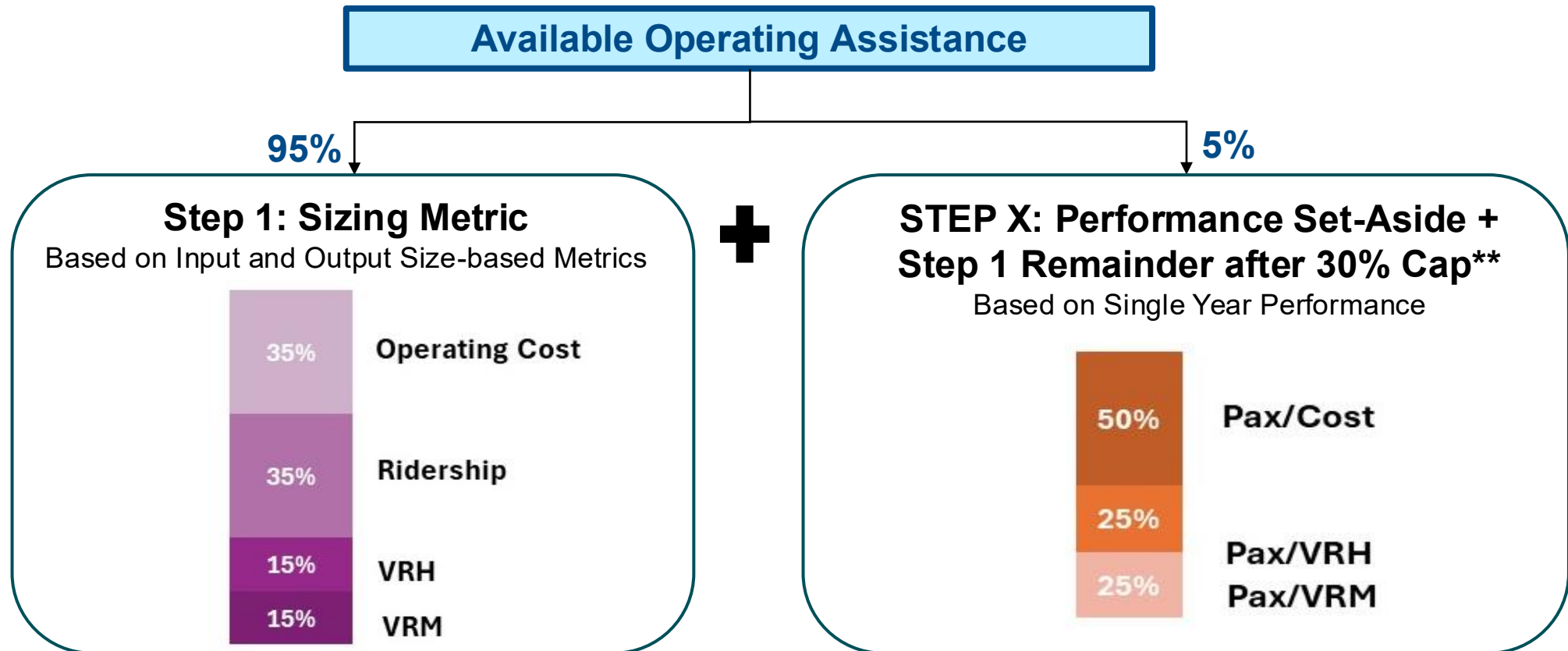
Proposed Formula Methodology

Revising Approach to Align with Policy Goals

Goals of Review	Features of Proposed Approach
Outcome Focused Metrics	• Prioritize ridership, VRM, and VRH • Retain cost to reflect regional/modal differences in cost structures
Simplification & Transparency	• Set aside share of funding for performance-based incentive • Remove iterative calculations and trend adjustments • Use single-year performance data
Operational Efficiency	• Combine sizing and performance incentives to maximize resource use

3 of 4 Identified Goals Achieved

Proposed Formula



Pax = Passengers

VRH = Vehicle Revenue Hour*

VRM = Vehicle Revenue Mile*

* Includes deadhead for Commuter Bus services

**MERIT funding for each agency capped at 30% of prior year Operating Cost

Proposed Formula: Sizing Metric

- **Step 1: Sizing Metric**

- A size-weight factor is calculated with a combination of metrics set at specific weights
 - Operating Cost – 35%
 - Ridership – 35%
 - Vehicle Revenue Hours (VRH) – 15%*
 - Vehicle Revenue Miles (VRM) – 15%*
- This metric was introduced to account for the relative size of a transit agency in terms of the amount of service provided
- 95% of available Operating Revenues are distributed based on the relative sizing metric for each agency
- A 30% cap is set on the operating assistance allocations to each agency after the sizing metric distribution is complete
 - Funds remaining after the cap is applied are added to the pool of funding available performance set aside in Step 2



* For Commuter Bus routes that are uni-directional and greater than 20 miles, deadhead hours and miles are included in the VRH and VRM performance metrics

Proposed Formula – Performance Set-Aside

- **Step 2: Performance Set Aside Distribution**

- The size-weight is adjusted by three performance metrics – Creating “Size-Performance Weights”
 - Using 1 year of performance data for the most recently reported and audited Fiscal Year
 - An alternate version uses 3-year average performance data
 - Compares direct performance metrics of each agency to the statewide average
- Proposed Performance Metrics:
 1. Passenger per Cost (Pax/Cost) – 50%
 2. Passengers per Vehicle Revenue Hour (Pax/ VRH) – 25%
 3. Passengers per Vehicle Revenue Mile (Pax/ VRM) – 25%
- 5% of available operating revenues plus any funds remaining after the 30% cap is applied in Step 1 are distributed based on the performance adjusted sizing metric for each agency

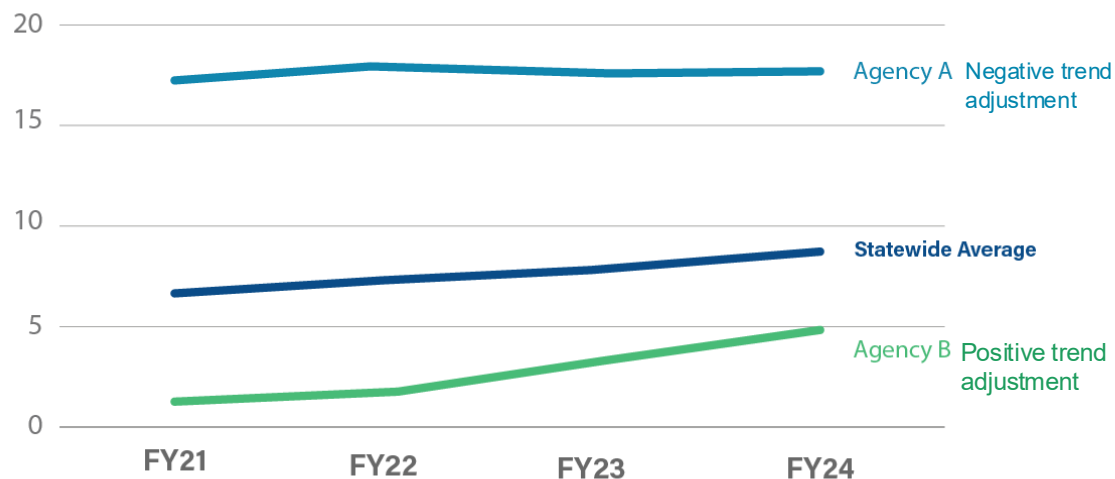


Performance Trend Adjustment vs. Direct Performance Measurement

TREND ADJUSTMENT

- Rewards movement of performance metrics that beats statewide trends
- Agency trends are compared to statewide average trends to compute **relative** direction of change over time: **improving, steady or declining**
- Does not measure performance relative to others

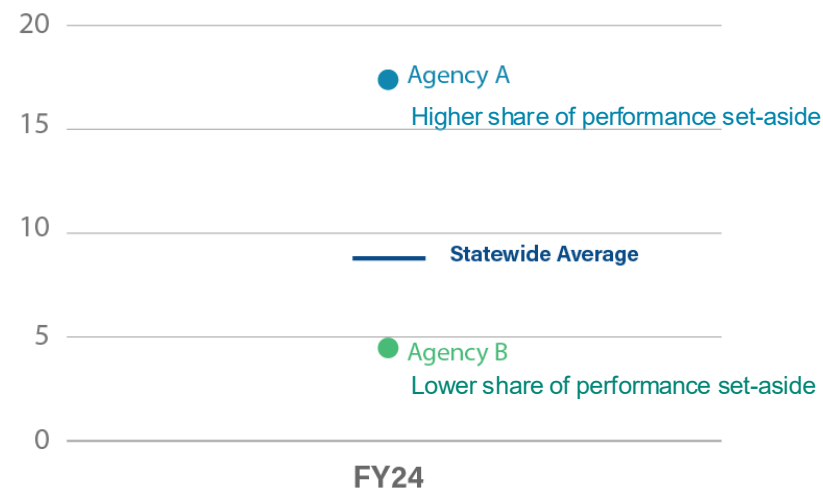
Trend Comparison
Riders per Hour - 4 Years



DIRECT PERFORMANCE MEASUREMENT

- Individual data points that quantify how well a transit system is performing relative to others
- Agencies compared directly on specific metrics to determine **higher vs. lower** performance outcomes.

Direct Metric Comparison
Riders per Hour - 1 Year



Proposed Formula – Funding Cap

- **Step 3: Funding Cap**
 - **A 30% cap is set on the operating assistance allocations to each agency**
 - The cap was based on FY18 audited expense information and was reviewed as part of the 2022 program review with TSDAC
 - This 30% threshold was informed by the highest operating assistance grant received under the FY19 allocation methodology
 - **Funds remaining after the cap are distributed via the Performance Set Aside Distribution to agencies that have received initial allocations below their cap**

Estimated Allocations

Estimating Allocation Impacts

- Historic data applied in next few slides estimates how funds would have been allocated in past years if the proposed formula were in effect
 - This helps to indicate how allocations could generally shift based on changes to formula
 - Estimates average allocations for 3-year period, FY24-FY26
- Future allocations will be based on future data
 - Formula changes are proposed to take effect in FY28, which will apply FY26 annual data
- Future allocations may differ materially from historic summaries due to:
 - Change total amount of MERIT Operating Assistance distributed by the Commonwealth
 - Changes in statewide total operating and performance metrics applied in formula
 - Changes in individual agency operating and performance metrics
 - Changes in transit operator performance relative to other operators

Evaluate the public policy goals, not the individual outcomes, as many variables impact allocations from year to year.

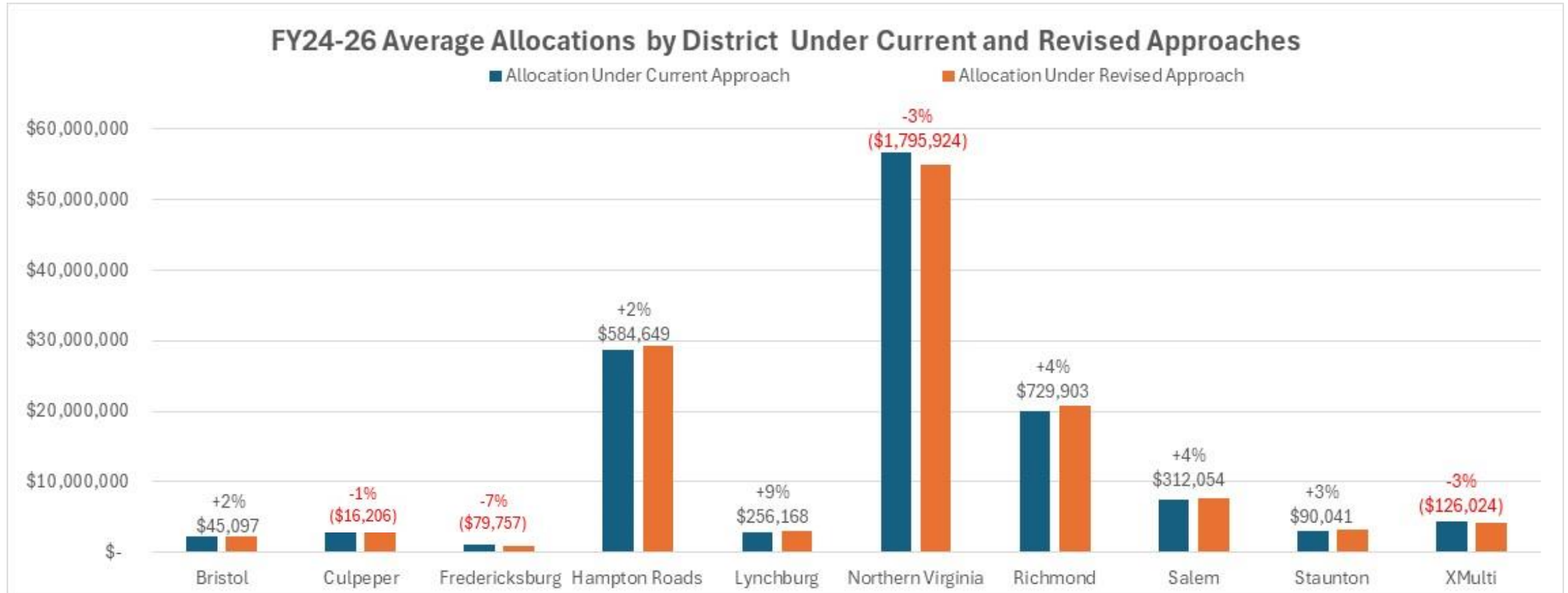
Proposed Formula Estimated Allocations

FY 24-26 Average by District

Construction District	Average Allocation According to Current Approach	Average Allocation According to Revised Approach	Difference	% Difference
BY DISTRICT				
Bristol	\$ 2,257,448	\$ 2,302,545	45,097	2%
Culpeper	\$ 2,971,812	\$ 2,955,606	(16,206)	-1%
Fredericksburg	\$ 1,071,485	\$ 991,728	(79,757)	-7%
Hampton Roads	\$ 28,692,231	\$ 29,276,880	584,649	2%
Lynchburg	\$ 2,772,386	\$ 3,028,554	256,168	9%
Northern Virginia	\$ 56,728,252	\$ 54,932,328	(1,795,924)	-3%
Richmond	\$ 20,052,091	\$ 20,781,994	729,903	4%
Salem	\$ 7,455,197	\$ 7,767,251	312,054	4%
Staunton	\$ 3,142,870	\$ 3,232,912	90,041	3%
XMulti	\$ 4,404,644	\$ 4,278,619	(126,024)	-3%

Proposed Formula Estimated Allocations

FY 24-26 Average by District



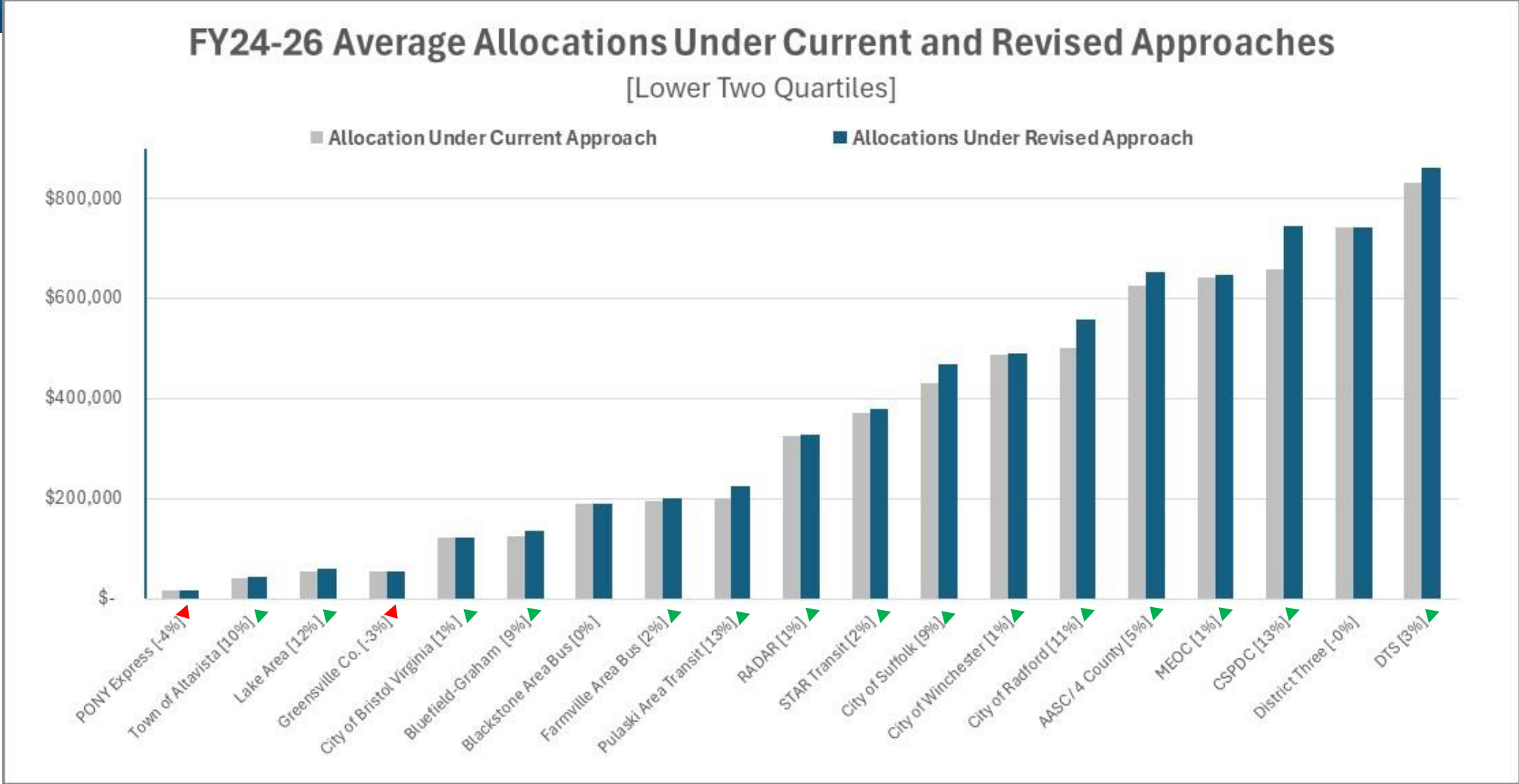
Proposed Formula Estimated Allocations

*FY 24-26 Average by
Agency*

Recipient (Eligible Agency)	Average Allocation According to Current Approach	Average Allocation According to Revised Approach	Difference	% Difference
AASC / Four County Transit	\$ 625,123	\$ 653,355	28,233	5%
City of Bristol Virginia	\$ 121,344	\$ 122,090	746	1%
District Three Public Transit	\$ 742,893	\$ 742,472	(422)	0%
Mountain Empire Older Citizens, Inc.	\$ 642,600	\$ 647,500	4,900	1%
Town of Bluefield-Graham Transit	\$ 125,489	\$ 137,128	11,640	9%
Charlottesville Area Transit	\$ 2,971,812	\$ 2,955,606	(16,206)	-1%
FRED / Fredericksburg Regional Transit	\$ 1,071,485	\$ 991,728	(79,757)	-7%
City of Suffolk	\$ 430,651	\$ 468,027	37,376	9%
Greensville County	\$ 54,768	\$ 53,339	(1,430)	-3%
Hampton Roads Transit	\$ 25,537,379	\$ 26,045,102	507,722	2%
STAR Transit	\$ 371,187	\$ 379,554	8,367	2%
Town of Chincoteague	\$ 17,019	\$ 16,376	(643)	-4%
Williamsburg Area Transit Authority	\$ 2,281,227	\$ 2,314,484	33,256	1%
Danville Transit System	\$ 832,019	\$ 860,800	28,781	3%
Farmville Area Bus	\$ 196,264	\$ 200,739	4,475	2%
Greater Lynchburg Transit Company	\$ 1,703,062	\$ 1,921,935	218,873	13%
Town of Altavista	\$ 41,042	\$ 45,080	4,038	10%
Loudoun County	\$ 3,666,512	\$ 3,580,872	(85,640)	-2%
NVTC - Arlington County	\$ 6,007,985	\$ 6,308,168	300,183	5%
NVTC - City of Alexandria	\$ 9,299,604	\$ 9,245,879	(53,725)	-1%
NVTC - City of Fairfax	\$ 1,591,498	\$ 1,620,218	28,720	2%
NVTC - Fairfax County	\$ 25,729,693	\$ 24,112,896	(1,616,798)	-6%
PRTC	\$ 8,187,110	\$ 7,438,451	(748,658)	-9%
City of Petersburg	\$ 1,198,959	\$ 1,180,832	(18,127)	-2%
Greater Richmond Transit Company	\$ 18,853,132	\$ 19,601,162	748,030	4%
Blacksburg Transit	\$ 3,483,121	\$ 3,483,121	(0)	0%
City of Radford	\$ 501,124	\$ 556,824	55,701	11%
Greater Roanoke Transit Company	\$ 3,271,540	\$ 3,502,448	230,908	7%
Pulaski Area Transit	\$ 199,411	\$ 224,857	25,445	13%
Central Shenandoah PDC	\$ 657,710	\$ 745,223	87,513	13%
City of Harrisonburg Dept. of Public Transportation	\$ 1,997,493	\$ 1,997,493	0	0%
City of Winchester	\$ 487,667	\$ 490,196	2,528	1%
Bay Aging	\$ 1,190,937	\$ 1,186,282	(4,655)	0%
Blackstone Area Bus	\$ 189,468	\$ 189,468	0	0%
JAUNT	\$ 1,563,531	\$ 1,400,499	(163,033)	-10%
Lake Area	\$ 53,873	\$ 60,192	6,319	12%
RADAR	\$ 324,336	\$ 329,195	4,859	1%
VRT	\$ 1,082,499	\$ 1,112,984	30,485	3%

Current and Proposed Formula Est. Allocations (1)

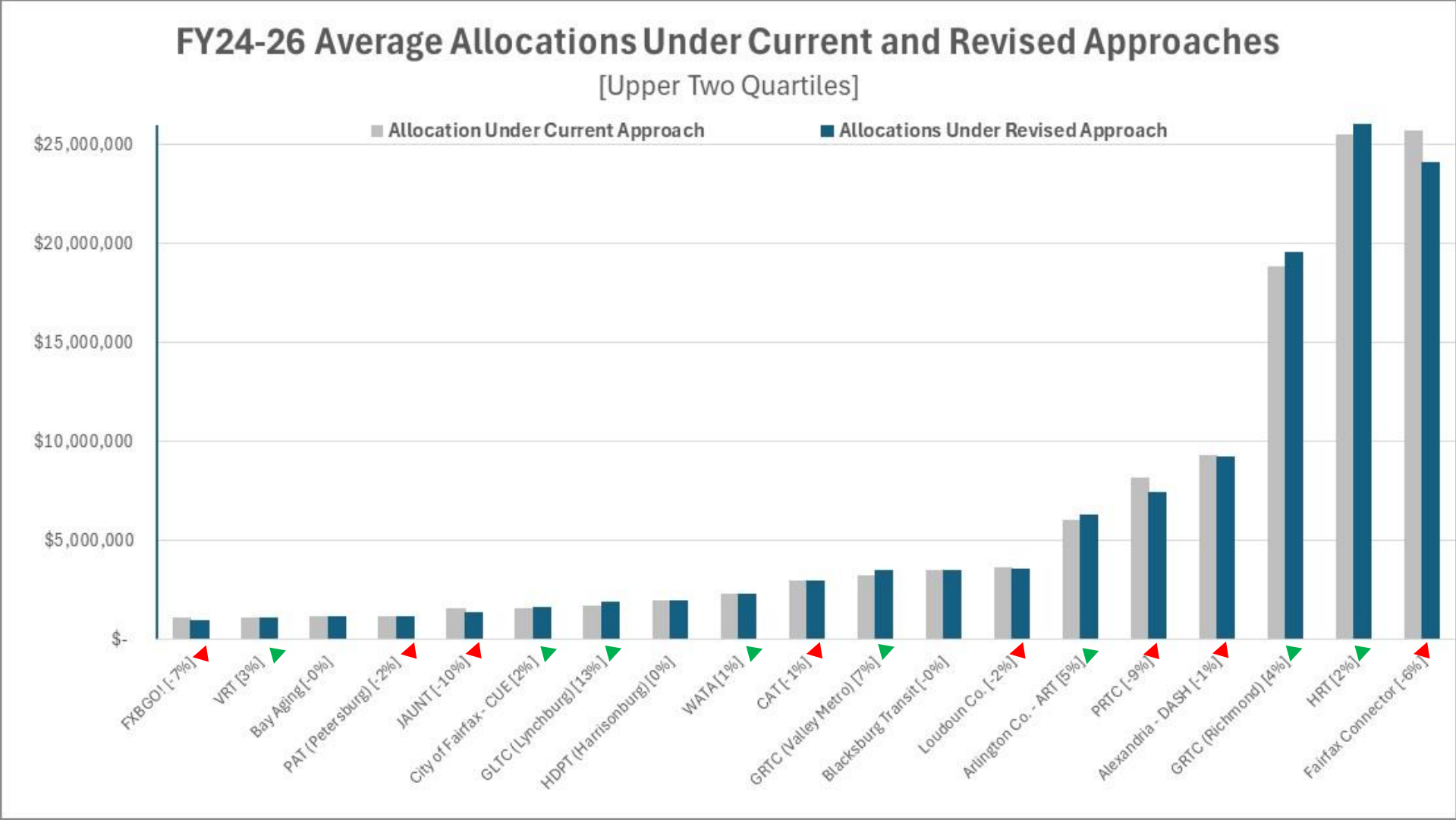
FY 24-26 Average by Agency



32	Large Urban	(672,207)	-0.61%
	Small Urban/Rural	672,207	3.60%

Current and Proposed Formula Est. Allocations (2)

FY 24-26 Average by Agency



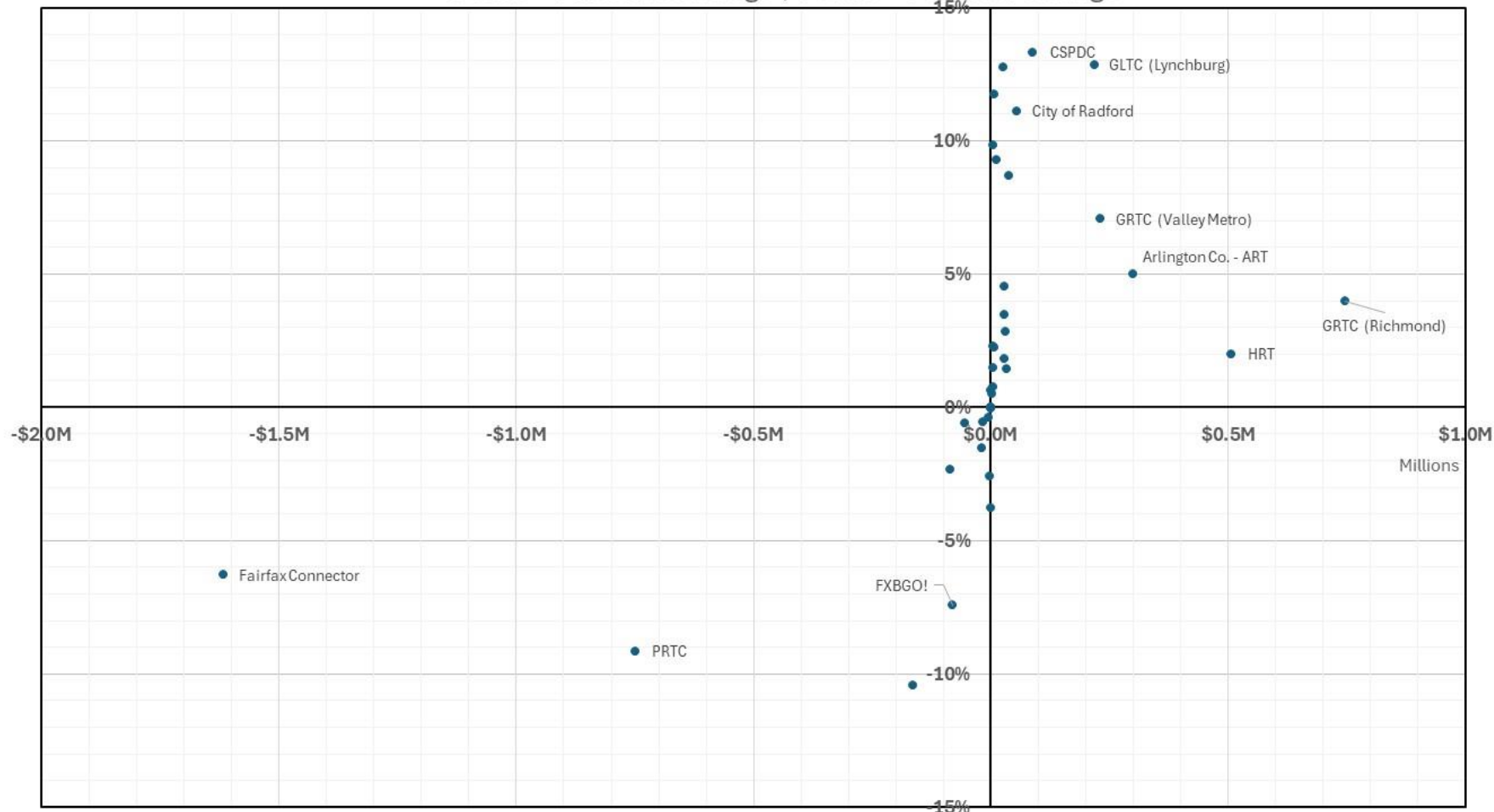
Large Urban	(672,207)	-0.61%
Small Urban/Rural	672,207	3.60%

Current and Proposed Formula Estimated Allocation Comparison

FY 24-26 Average by Agency

FY24-26 Average Allocation Comparison Between Current and Revised Approaches

X-Axis = Amount Change ; Y-Axis = Percent Change



Operating Assistance Proposed Administrative Definition Changes

Performance Measure Methodology

- **This change impacts the following performance metrics:**
 - Passengers per Hour (Riders/Vehicle Revenue Hour)
 - Passengers per Mile (Riders/Vehicle Revenue Mile)
- **Current:** The performance metrics passengers/mile and passengers/hour are calculated using adjusted vehicle revenue hour (VRH) and vehicle revenue mile (VRM) sizing metrics that include deadhead hours and miles for uni-directional commuter routes greater than 20 miles
- **Proposed:** DRPT proposes that the performance metrics “Passengers per Hour” and “Passengers per Mile” will be calculated using unadjusted vehicle revenue hour (VRH) and vehicle revenue mile (VRM) sizing metrics that do not include deadhead hours and miles for uni-directional commuter routes greater than 20 miles

Operating Cost Metrics

- **Current:** The MERIT – Operating Assistance Technical Guide ([link](#)) currently defines two separate Operating Cost metrics used in the Operating Assistance Formula, defined below:
 - **Operating Cost for System Sizing (Reimbursable Expenses on Application):** Most recent audited operating cost available, less depreciation, less expenses for projects funded by other DRPT programs that do not expand transit operations, and less non-transit related expenses.
 - **Operating Cost for Performance Metrics:** Total operating costs less depreciation, ineligible costs, and less non-transit related expenses.
- **Proposed:** DRPT proposes using the “Operating Cost for Performance Metrics” for both the Sizing and Performance Set Aside Distribution steps in the formula

Alternative Operating Assistance Allocation Approaches for Future Consideration

Alternative MERIT Operating Assistance Allocation Approaches for Future Consideration

- **Tiered Allocations by Mode (motor bus, paratransit, commuter bus, etc.)**
 - Need standardized methodology for allocating administrative/overhead costs by mode
 - Need approach to partition revenues into tiers
- **Tiered Allocations by Transit Agency Type (Large Urban, Small Urban/Rural)**
 - Need standardized procedures for reporting performance measures
 - Need to account for agencies that provide multiple types of services
 - Need approach to partition revenues into tiers
- **Passenger Miles Traveled (PMT)**
 - Need additional time and budget resources for new approaches to collecting PMT data (e.g., cameras)
 - PMT data is currently only collected for 12 out of 38 eligible agencies; rough estimate, limited sampling of rides
 - For analytical purposes, DRPT "synthesizes" PMT data for remaining 26 agencies
- **Locally Derived Income (LDI)**
 - Need operating fund source data by agency and associated time/effort for data collection and verification.
- **Cost of Living**
 - Need approach to isolate agencies by service areas with distinct cost of living

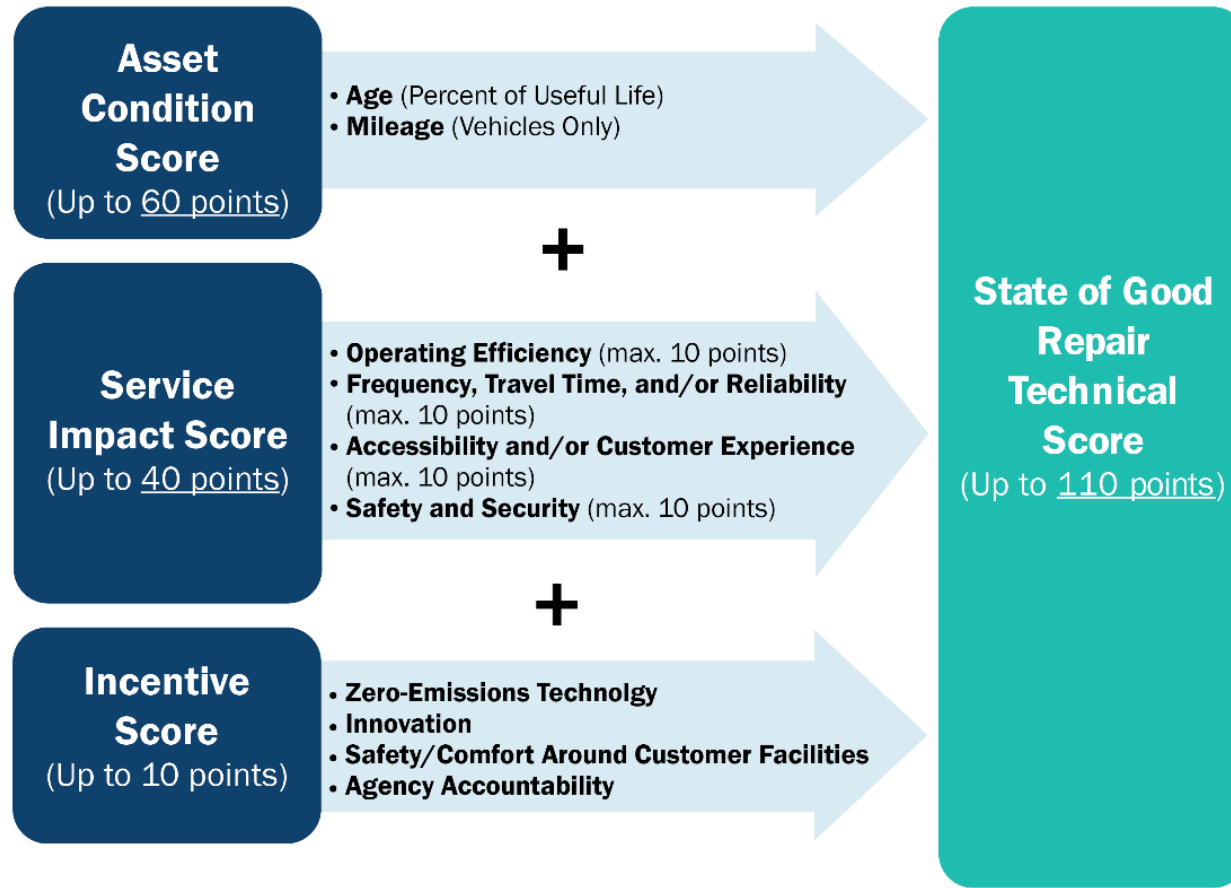
MERIT Capital Assistance Proposed Program Changes

MERIT Capital Assistance Program Review

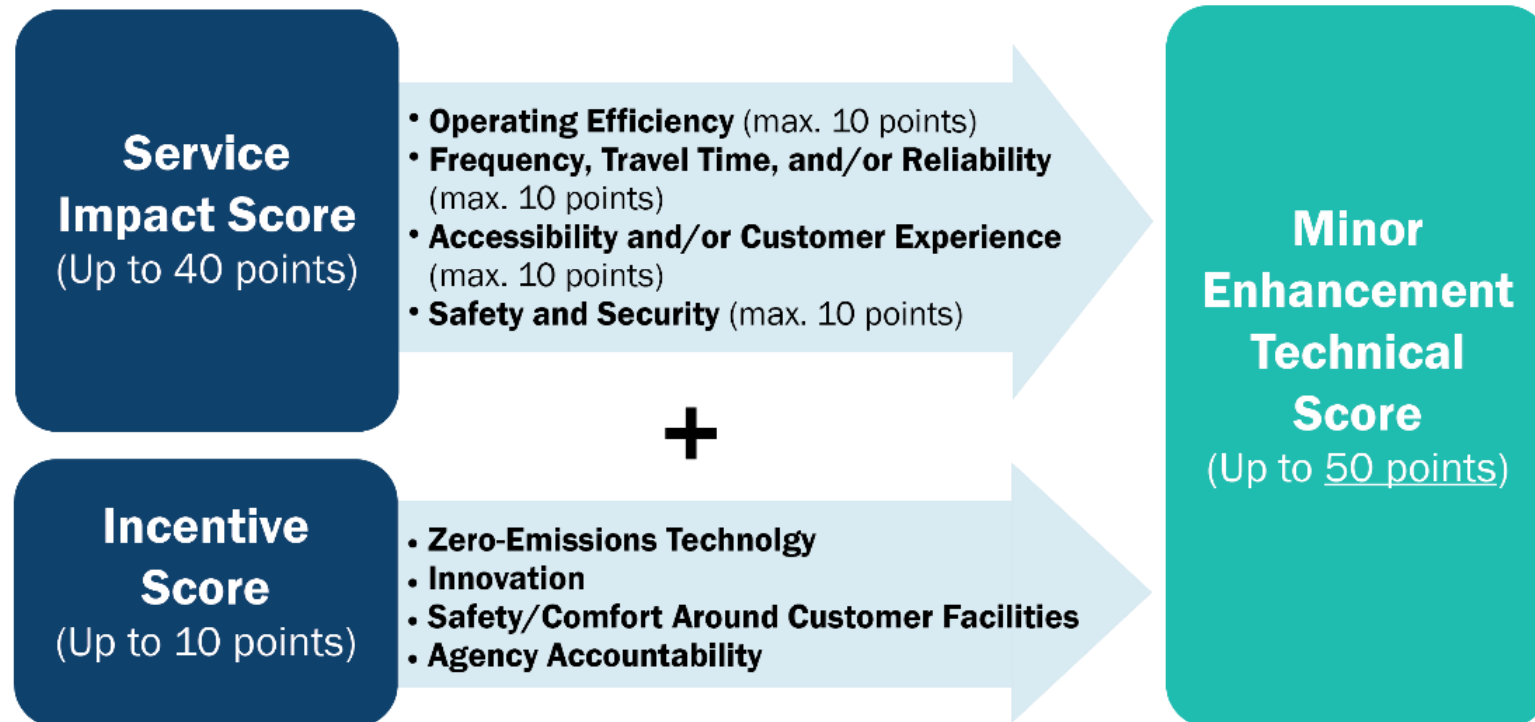
DRPT reviewed the existing framework and scoring methodology for MERIT Capital Assistance Projects, which classifies projects into three categories:

	State of Good Repair	• Replace or rehab existing asset <u>and</u> project cost $\leq$ \$3M	68% maximum state match
	Minor Enhancement	• Add capacity or new assets <u>and</u> project cost $\leq$ \$3M • Expansion vehicle purchase of $\leq$ 5 vehicles or 5% fleet (greater of) • All projects for engineering and design	68% maximum state match
	Major Expansion	• Add, expand, or improve services or facilities <u>and</u> project cost $>$ \$3M • Expansion vehicle purchase of $>$ 5 vehicles or 5% fleet (greater of)	50% maximum state match

State of Good Repair (SGR) Scoring



Minor Enhancement (MIN) Scoring



Major Expansion (MAJ) Scoring

- Six factor areas are used to prioritize projects, as designated by state legislation and in line with SMART SCALE
- DRPT has designated quantifiable objectives and measures to analyze each project's projected performance benefits relative to its cost to the state

Factor Area	Objective	Measure
Congestion Mitigation	Reduce delay, improve transportation system reliability, and encourage transit use	Change in peak-period transit ridership attributed to the project
Economic Development	Support existing economies and enhance opportunity for economic development	Project consistency with regional and local economic development plans and policies, and support for local development activity
Accessibility	Enhance worker and overall household access to jobs and other opportunities, and provide multiple and connected modal choices	Project improvement in accessibility to jobs
		Disadvantaged population (low-income, minority, or limited English proficiency) within walking distance of project
Safety	Address multimodal safety concerns and improve transit safety and security	Project contribution to improving safety and security, reducing risk of fatalities or injuries
Environmental Quality	Reduce emissions and energy consumption by providing modal choices, and minimize natural resources impacts	Reduction in emissions resulting from project
Land Use	Improve consistency of the connection between local comprehensive plans and land use policies with transit investments	Transit supportive land use served by the project

MERIT Capital Assistance Review - Key Findings

- In general, the scoring methodologies prioritize and fund capital projects in alignment with DRPT goals
- Some projects don't fit neatly into existing categories/scoring methodologies
 - SGR projects without clear estimated service life are scored with MIN
 - Projects >\$3M that replace or rehab an existing asset are scored under MAJ
- Vehicle expansion project scoring and match ratio is different for projects adding more than 5 vehicles or 5% fleet
- Some incentive scoring categories may not be achieving intended results

MERIT Capital Assistance Proposed Improvements

The review identified proposed improvements to the program methodology to better align with project types, simplify processes, and incentivize good grants management.

Proposed Improvements

Project Categorization and Scoring:

1. Add subcategories for State of Good Repair (SGR) projects (SGR with Asset Condition Score and SGR without Asset Condition Score)
2. Add subcategories for Major Expansion (MAJ) projects (MAJ Expansion and MAJ-SGR)
3. Develop new scoring methodology for MAJ-SGR projects

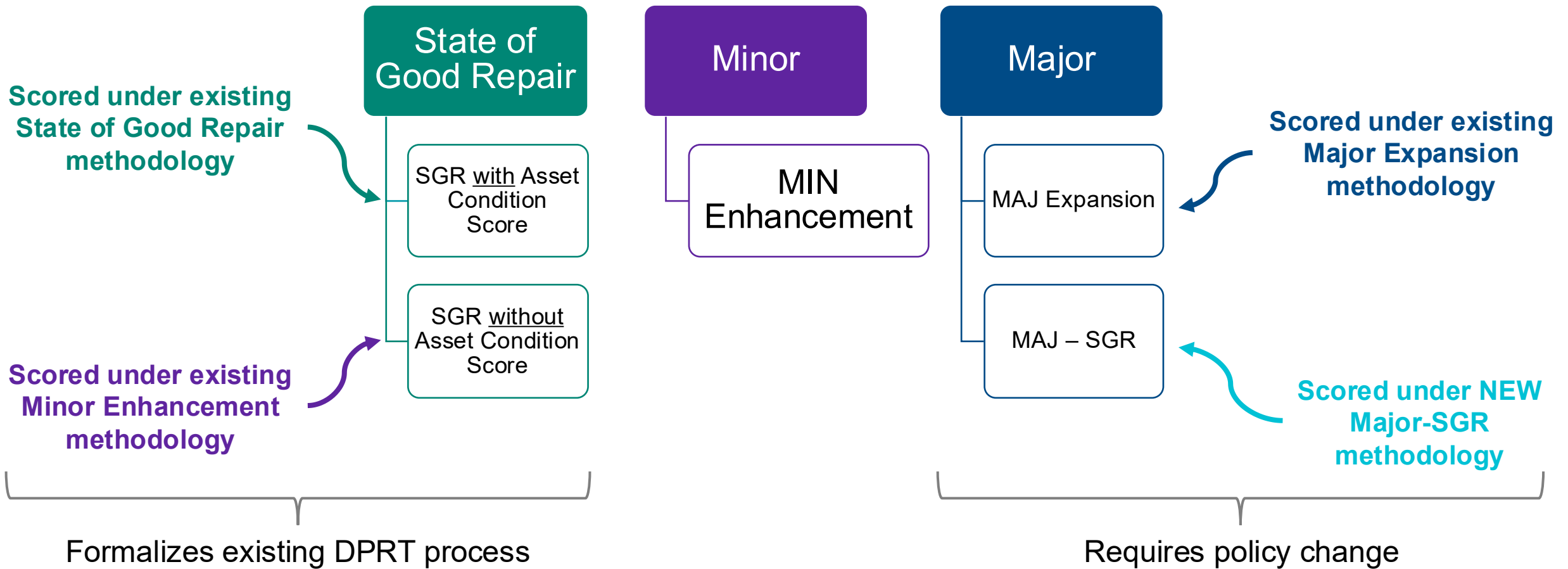
Project Definition:

1. Eliminate 5 vehicle or 5% of fleet threshold and score all vehicle expansion projects under the Minor Enhancement (MIN) project type

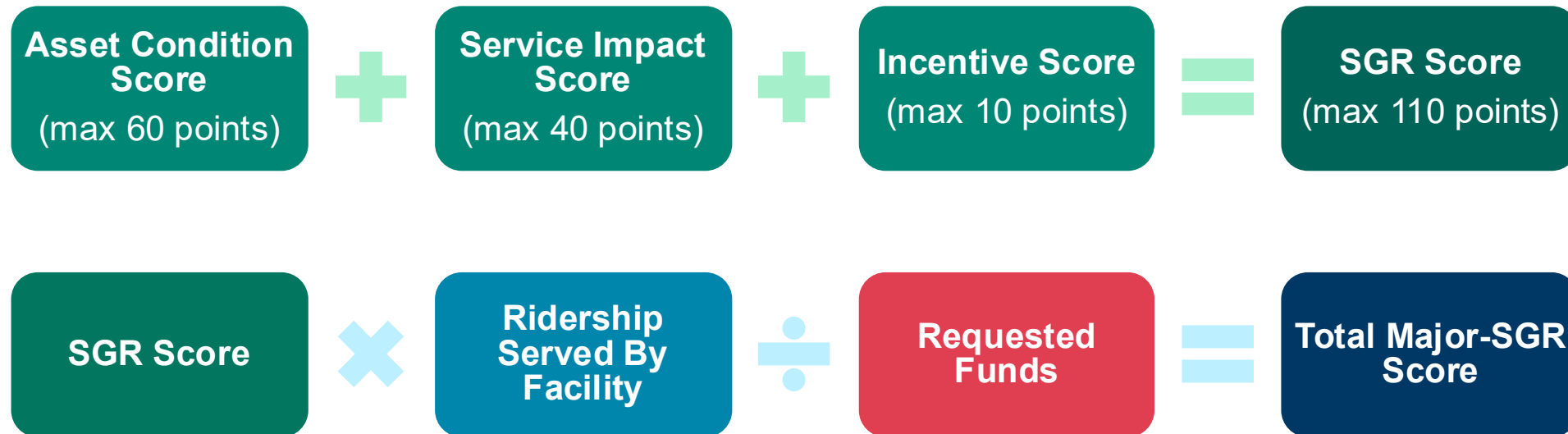
Incentive Points:

1. Eliminate underutilized incentive categories and categories where incentive points aren't achieving desired result
2. Add categories to incentivize agencies on good grants management

Proposed New Subcategories



Proposed Major-SGR Scoring

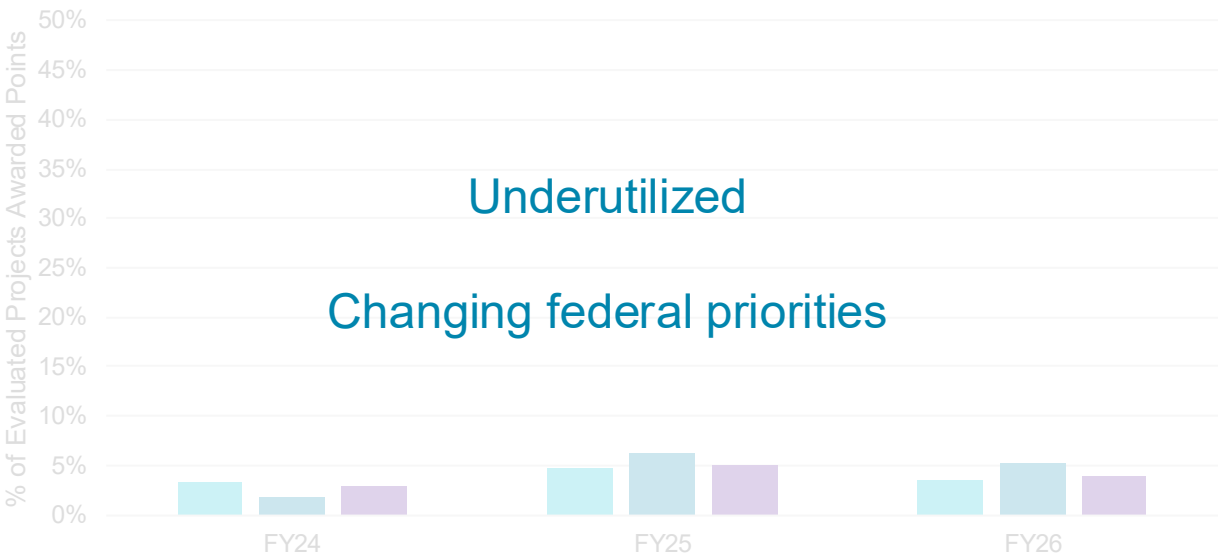


- Scored similar to State of Good Repair category
- Cost factored into score to incentivize cost efficient projects
- Ridership factored into score to normalize for size (and cost) of facility

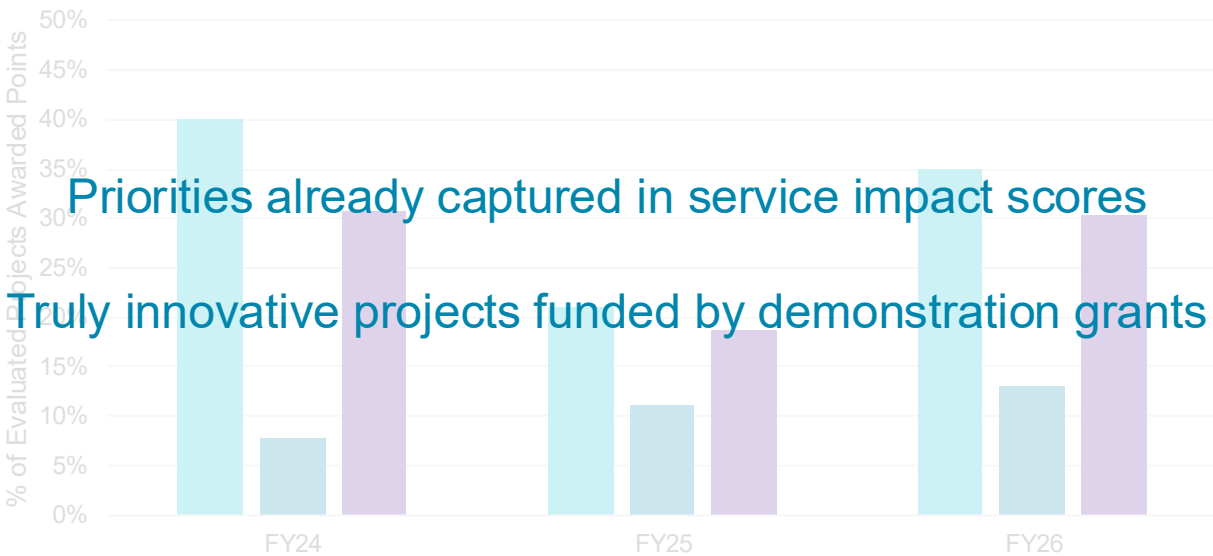
Current Incentive Scoring

SGR MIN ALL

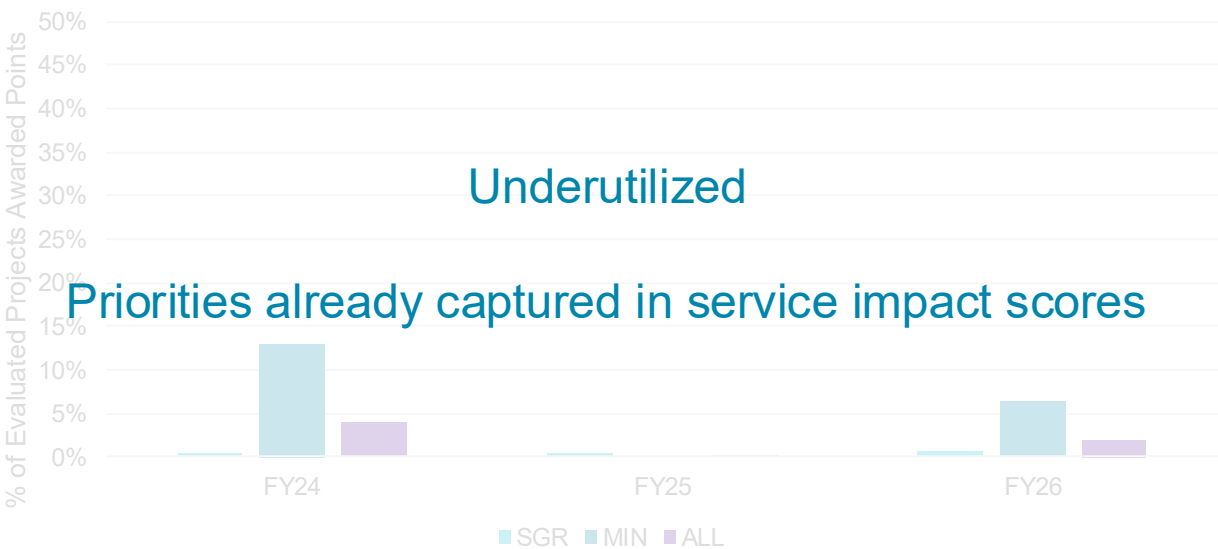
Zero-Emissions Technology



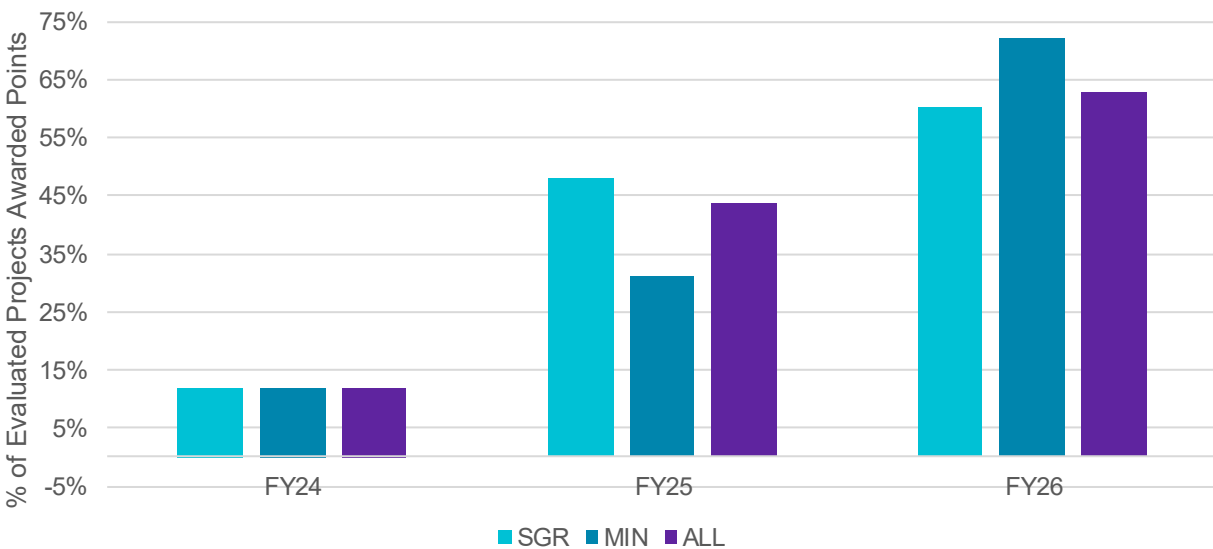
Innovation



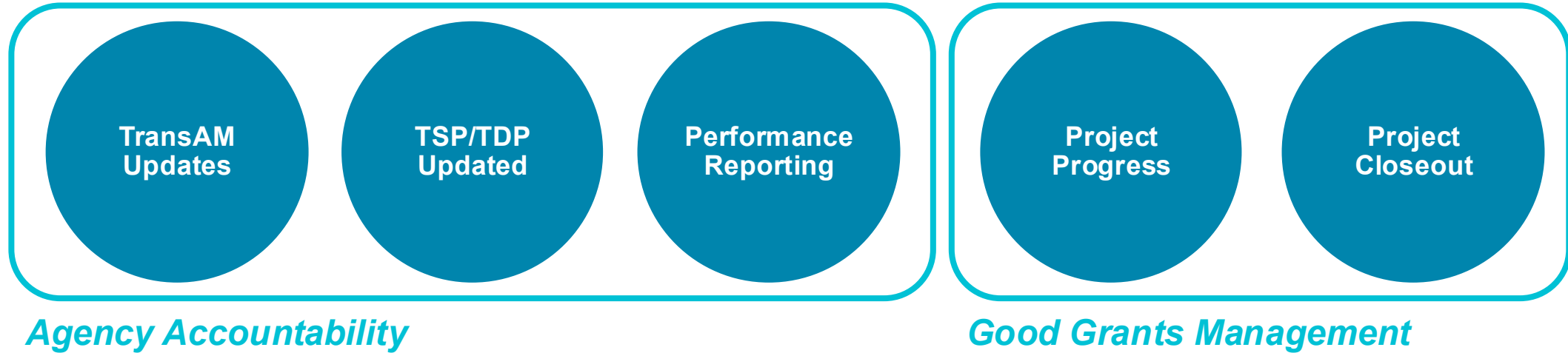
Safety and Comfort



Agency Accountability



Proposed Incentive Scoring



- Continue to incentivize the 3 existing Agency Accountability criteria
- Add 2 new Good Grants Management incentive criteria
 - **Project Progress:** Award to agencies that have no projects >2 years old with no claims/invoices against them
 - Incentivizes agencies to show progress is being made on already funded projects
 - **Project Closeout:** Award to agencies that have no projects >90 days expired
 - Incentivizes agencies to closeout projects in a timely manner
- Award 2 points for each of the 5 criteria (up to 10 points total)

Next Steps

Next Steps

- **November 2025:**
 - November 21, 2025: End of 45-day Public Comment
 - November 24, 2025: TSDAC meeting to review Public Comment and provide final review and feedback on proposed changes
- **December 2025:**
 - CTB: Presentation of proposed changes to CTB Workshop
- **January 2026:**
 - CTB: Vote on adoption of proposed changes



Questions?