Regional FTA Caucus
December 12, 2017 • 10:30 a.m. – 12:00 p.m.
PSRC Conference Room • 1011 Western Avenue, Suite 500 • Seattle, WA 98104

10:00  1. **Welcome and Introductions** – Melissa Cauley, Chair
10:05  2. **Public Comment**
10:10  3. **Action:** Approve Meeting Summary*

Approve summary for the Regional FTA Caucus meeting held October 10, 2017.

10:15  4. **Discussion:** Project Selection Task Force Update*

Kelly McGourty, PSRC, will provide an update on recent 2018 Project Selection Task Force discussions. The Caucus will be asked to provide feedback on additional information to be provided to the Task Force regarding the minimum floor threshold and the issue of purchased services, as well as addressing the integration of transit projects with the local system within the FTA Regional competition criteria.

11:10  5. **Discussion:** FTA Project Tracking and Progress Reports Update

Sarah Gutschow, PSRC, will provide an update on the on-going project tracking of FTA-funded projects, including information from PSRC’s October 2017 Progress Reports for FTA-funded projects.

11:20  6. **Other Business**

11:25  7. **2018 Regional FTA Caucus Meetings**

Next Meeting:
January 9, 2017, 10:30 a.m.-12:00 Noon

11:30  8. **Adjourn**

*Supporting materials attached

For more information, contact Sarah Gutschow at (206) 587-4822 or sgutschow@psrc.org or Kelly McGourty at (206) 971-3601 or kmcgourty@psrc.org.
Meeting held on October 10, 2017

Attendance:
Melissa Cauley, Community Transit & Chair
Melinda Adams, Everett Transit
Dawn Erickson, Everett Transit
Matthew Graves, Pierce County Ferry System
Dave Morrison, King County
Eric Irelan, King County
Monica Overby, Sound Transit
Gabrielle Sivage, City of Seattle
Barb Hunter, Pierce Transit (via phone)
Jeff Davidson, Kitsap Transit (via phone)
Kirste Johnson, Sound Transit (via phone)
Krishan Aggerwal, WSDOT – Ferries (via phone)
Sarah Gutschow, PSRC
Kelly McGourty, PSRC
Monica Adkins, PSRC

Welcome, Introductions, Public Comment
Public comment was provided by Alex Tsimmerman.

Approval of Meeting Summary
The summary for the August 29, 2017 meeting was approved.

Discussion: 2018 FTA Project Selection Process
Kelly McGourty, PSRC, led a continuing discussion on the key elements identified in the 2018 FTA Project Selection memorandum. The Caucus provided feedback on elements of the FTA Regional competition, including the project selection schedule, limitations on grant applications, and the project evaluation criteria, including project readiness and project types. Regarding the schedule, the Caucus’s preference is to not allow the same project to be submitted into both the regional FHWA and regional FTA competitions. The Caucus consensus was to not set funding limits on applications to the regional FTA competition, and the Caucus supported transitioning the project readiness criterion to a risk assessment, with fewer points. No additional topics were proposed for revision.

For more information, contact Kelly McGourty at (206) 971-3601

Discussion: FTA Project Progress Reports
Sarah Gutschow, PSRC, provided information and instructions for completing PSRC’s October 2017 Progress Reports for FTA-funded projects. She said that to ensure the accuracy of the information in the completed progress reports, after the meeting PSRC would be sending each transit agency detailed funding and scope information for its currently active projects. The deadline for submitting the progress reports was then extended to October 31, 2017.

For more information, contact Sarah Gutschow at (206) 587-4822

Next Meeting – December 12, 2017
The Project Selection Task Force will be convened this fall, to provide direction and make recommendations on the policies and procedures for the 2018 project selection process. The Regional FTA Caucus and other PSRC committees are asked to provide feedback on a few key elements of the project selection process, as input to the Task Force discussions. The following provides background information on the key elements to be reviewed by the Project Selection Task Force.

**ADMINISTRATIVE DETAILS**

**Funding years to program**

Description:
Two years of funding will be distributed – FFY 2021, 2022. Per direction from FHWA/FTA and as discussed during the last cycle, PSRC will continue to build and maintain a full 4-year TIP (2019-2022).

**Funding Estimates**

Description:
Funding estimates will be determined by the Project Selection Task Force, in coordination with WSDOT, FHWA and FTA. Note that these funds extend beyond the FAST Act. *Per consultation with the above agencies, the recommendation is to use the most recent allocation year of 2017 as the estimate for FFY 2021-2022 funds. This is somewhat conservative, given that we anticipate modest increases in formula funding through the life of the FAST Act, but takes into consideration the uncertainty of a new federal transportation act in this timeframe.***

**Policy Focus**

Description:
The Project Selection Task Force will be asked to recommend retention of the policy focus of support for centers and the corridors that serve them, utilizing the existing centers framework. As a reminder, this is implemented in the following manner:

- FTA Regional Competition - centers are defined as regional growth centers and manufacturing/industrial centers as identified in VISION 2040, centers as designated through countywide processes, town centers, and other locally identified centers *(for the 2018 process, existing designated centers are presumed).*

*The Task Force recommends retention of the policy focus as described above.*

**Contingency Lists**

Description:
No changes are anticipated to be made to this process, to adopt prioritized list of contingency projects for all competitions.

*The Task Force recommends retention of the contingency list procedures.*

**Project Selection Schedule**

Description:
For the 2016 project selection process, the FTA earned share funding distribution and the FHWA regional competition were conducted in 2016, while the FTA regional funding competition was held in 2017. In previous project selection processes, the FTA earned share distribution and the FTA and FHWA competitions were all held in the same year. For the 2018 project selection process, we will be
2018 PROJECT SELECTION
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returning to the previous schedule of holding the FTA regional and FHWA regional competitions concurrently. Committee members have expressed the concern that holding the FTA regional competition at the same time as the FHWA regional competition is awkward in the circumstance of transit agencies submitting applications for the same project to both competitions; further, this practice in the past has caused concern at the Regional Project Evaluation Committee deliberations. However, conducting the FTA earned share and FTA regional competition in different years extends the project selection process, requiring additional PSRC staff time and resources.

Discussion:
To address the above concerns, the Committee will discuss two potential options: holding the FTA regional competition before the FHWA competition, or prohibiting transit agencies from submitting the same project to both competitions. The consensus of the Caucus is to prohibit transit agencies from submitting the same project to both competitions. As in past cycles, both regional competitions will be conducted concurrently, but PSRC will evaluate the timing of application deadlines and recommendation meetings and will prepare a draft schedule for review.

Number of regional applications
Description:
There is no current limit on the total number of applications submitted for the FTA Regional Competition.

Discussion:
PSRC will take a sense of the committee on this topic for feedback to the Task Force. Additional data on this topic is provided in Table 1 at the end of this section. No changes were proposed by the committee.
The Task Force recommends retaining the existing process for the number of applications for the regional competition, as described above.

Funding Limits
Description:
Committee members have expressed interest in discussing setting limits on the maximum amount requested in the regional competition, either by project or by agency, to ensure equity in the process.

Discussion:
PSRC will take a sense of the committee on this topic for feedback to the Task Force. Additional data on amounts requested and awarded over the last few cycles is provided in Tables 2 and 3 at the end of this section. The consensus of the Caucus was to not set funding limits for the applications.
The Task Force recommends no funding limits for the FTA regional applications, but does recommend as part of the process ensuring that transit projects are integrated with the local system; refer to the criteria section.

SET-ASIDES

Preservation Set-Aside
Description:
The preservation set-aside has been in place since 2012, and was reduced in 2016 from 50% of the regional portion of the FTA funds to 45%. The set-aside is a fixed amount taken from the regional portion of the STE UZA funds and distributed to transit agencies in the STE UZA using the earned
share distribution formula. The rationale for the set-aside is the continuing need for preservation investments and the priority given to these activities in Transportation 2040. The use of PSRC’s FTA funds for preservation allows an increased flexibility in the use of local funds for transit operations. Each transit agency in the STE UZA recommends projects that meet the FTA’s State of Good Repair definition. Per Caucus agreement, preventative maintenance is also included as an eligible activity for the set aside.

**Discussion:**
PSRC will take a sense of the committee on this topic for feedback to the Task Force – specifically, whether to continue the set-aside at current levels and whether to make any modifications to the eligibility criteria. Additional data on the amount of Earned Share and Preservation Set-aside funds used for preservation projects is provided in Figure 1 at the end of this section. The committee discussed the topic of the preservation set-aside, and there was not unanimous consensus on how to proceed. Some agencies supported retaining as is, and some supported a reduction. The committee was reminded that the definition of preservation was expanded beyond FTA’s State of Good Repair definition to include preventative maintenance activities.

*The Task Force recommends retaining the FTA preservation set-aside at 45%.*

**Minimum Floor Adjustment**

**Description:**
Since 2003, transit agencies in the STE UZA that earn less than 1% of the total of the earned share portion of funds have received a minimum floor adjustment to bring the earned share amounts for these agencies up to the 1% amount. The adjustment is taken from the regional portion of the funds within the STE UZA and applied to these agencies for their earned share distribution. The rationale for this adjustment is to facilitate future planning for these agencies by allowing them to rely on a certain amount of FTA funding each year as a safety net for a basic level of investment. As part of the 2016 project selection process, this amount was capped at the amount identified from the final 2015 FTA allocations.

**Discussion:**
PSRC will take a sense of the committee on this topic for feedback to the Task Force – specifically, whether to continue the minimum floor adjustment and how to determine the definition of a minimum floor agency. Additional information on minimum floor funding amounts and usage can be found in Figures 2, 3, and 4 at the end of this section. The committee discussed the topic of the minimum floor adjustment, and while there was consensus to retain the set-aside, there was not consensus regarding how to define a minimum floor agency. The Task Force will be provided information regarding the 1% amounts and the current cap to 2015 levels, as well as information on different options related to purchased service.

*The Task Force recommends retaining the minimum floor set-aside, capped at 2015 levels, with the additional consideration of purchased service; additional information on purchased service is requested to be brought back for the December meeting. Please see the attachment for the proposal for FY2021-2022 funds.*

**PROJECT EVALUATION CRITERIA**

Future committee discussions will be held regarding details of the project evaluation criteria, however, to date no significant changes have been requested or deemed necessary. Two topics that have arisen for current discussion are how to evaluate project readiness in project applications and whether to consider project types when scoring applications.
**Project Readiness**

**Description:**
As in previous project selection processes, project readiness was incorporated into the criteria for FTA 2017 regional competition projects. For this criteria, projects were scored based on the number of prerequisites that had already been completed or were underway for the phase being requested. Committee members have expressed the concern that projects requesting funds for later years would receive lower scores because they had fewer prerequisites completed or underway.

**Discussion:**
This has been an ongoing topic of discussion on how to address project readiness in applications submitted for future years of funding. PSRC will come back at a future meeting with more information on how the project readiness scoring criteria may impact project recommendation outcomes. There is consensus to reduce the point value of the project readiness criterion, and revise the evaluation to more of a risk / feasibility assessment. In addition, the PSRC project tracking program will be enhanced to the extent possible, with more regular updates on the status of projects, well in advance of any obligation deadline. Staff will work with the committees over the next few months to prepare more detailed options for consideration.

**Consideration of Project Types**

**Description:**
The FTA regional competition currently has one set of scoring criteria for all project types, rather than separate criteria for different categories of projects.

**Discussion:**
At a future meeting, the Committee will be asked to review the types of projects submitted to the regional competition. Additional information on the types of projects submitted to and awarded in previous FTA regional competitions can be found in Tables 4 and 5 at the end of this section. The consensus of the Caucus is not to make any revisions to the process to address different project types.

**Remaining Criteria**

No significant changes to the evaluation criteria have been requested or deemed necessary thus far in discussions with the committee. The Task Force will discuss the project evaluation criteria in December, including project readiness. In addition, three particular criteria items have been requested for further discussion by the Task Force:

- The incorporation of equity;
- Addressing safety issues, in particular whether or not the project selection process for PSRC funds is adequately addressing the goals of Target Zero; and
- Ensuring transit projects are integrated with the local system (both local transit and roadway systems)

PSRC will share with the Task Force an explanation of what is already included in the application process and existing criteria, and at this time has no proposed revisions. This information will be reviewed with the Caucus, and presented to the Task Force in December.
The following tables and charts provide additional data to inform the discussion of key project selection elements.

### Number of regional applications

**Table 1: Number of FTA Regional Competition Applications and Awards (2014 and 2017)**

<table>
<thead>
<tr>
<th>Project Sponsors</th>
<th>2014 FTA Competition</th>
<th>2017 FTA Competition</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Applications</td>
<td>Number of Funded Projects</td>
</tr>
<tr>
<td>City of Seattle</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Community Transit</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Everett Transit</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>King County DOT (Marine)</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>King County/Metro</td>
<td>4</td>
<td>1</td>
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<tr>
<td>Pierce Transit</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Sound Transit</td>
<td>2</td>
<td>2</td>
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<tr>
<td>Sumner</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>University of Washington</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Washington State Ferries</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>15</strong></td>
<td><strong>8</strong></td>
</tr>
</tbody>
</table>

### Funding Limits

**Summary of Regional FTA Requests (2014 & 2017)**

- Available funding:
  - 2014 - $28.72 M
  - 2017 - $32.27 M
- 30 requests, which varied from $162 K to $12.1 M
- Average request was $5.3 M in 2014 and $4.7 M in 2017
  - 2014 - Three agencies represented 50% of funding requested
  - 2017 - Three agencies represented 52% of funding requested

**Table 2: Number of Applications, by Amount Requested (2014 and 2017)**

<table>
<thead>
<tr>
<th>Amount Requested</th>
<th>Number of Applications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $1 M</td>
<td>23%</td>
</tr>
<tr>
<td>$1 to $5 M</td>
<td>27%</td>
</tr>
<tr>
<td>$5 to $10 M</td>
<td>37%</td>
</tr>
<tr>
<td>Over $10 M</td>
<td>13%</td>
</tr>
</tbody>
</table>

**Summary of Regional FTA Recommendations (2014 & 2017)**

- 16 awards, which varied from $162 K to $7.8 M
- Average award was $3.6 M in 2014 and $4.0 M in 2017
### 2018 PROJECT SELECTION
#### KEY ELEMENTS

<table>
<thead>
<tr>
<th></th>
<th>Percent of Awards</th>
<th>Percent of Funding</th>
</tr>
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<tbody>
<tr>
<td>Less than $3 M</td>
<td>31%</td>
<td>12%</td>
</tr>
<tr>
<td>$3 to $5 M</td>
<td>31%</td>
<td>27%</td>
</tr>
<tr>
<td>Over $5 M</td>
<td>38%</td>
<td>61%</td>
</tr>
</tbody>
</table>

**Preservation Set-Aside**

- Earned share funding represents 88% of the total, with some sources specifically for preservation activities.
- In addition to the set-aside funding, 45% of the total Earned Share funds in FFY 2016 were used for preservation projects.

**Figure 1: FFY 2016 STE UZA Funding Distribution by Source and Process (in millions)**

**Minimum Floor Adjustment**

- The total minimum floor amount has increased from $1.43 M in 2012 to $1.76 M in 2016.
- In 2016, the three minimum floor agencies used their earned share funding for:
  - Everett Transit - Preservation/Maintenance = 93%, Vehicle/Equipment = 7%
  - City of Seattle - Preservation/Maintenance = 100%
  - Pierce County Ferry - Preservation/Maintenance = 30%, Vehicle/Equipment = 70%
    - Note: Pierce County Ferry funds were all programmed to Pierce Transit in 2016, so Pierce Transit earned share funding was used here as a proxy.
- **Additional information on minimum floor funding will be provided at the meeting, as available.**

**Figure 2: STE UZA Earned Share Earnings by Agency (2012-2016)**
Figure 3: STE UZA Minimum Floor Set-aside Amounts (2004-2016)

Figure 4: STE UZA Annual Minimum Floor Funds by Agency (2004-2016)
Consideration of Project Types

For the 2014 and 2017 FTA Regional competitions, project sponsors applied for the following types of projects:

<table>
<thead>
<tr>
<th>Table 4: Project Applications, by Project Type (2014 and 2017)</th>
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</thead>
<tbody>
<tr>
<td>Percent of Applications</td>
</tr>
<tr>
<td>Capital</td>
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<tr>
<td>Planning</td>
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<td>Vehicle/Equipment</td>
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</table>

In 2014 and 2017, funds were awarded for the following types of projects:

<table>
<thead>
<tr>
<th>Table 5: Awarded Projects, by Project Type (2014 and 2017)</th>
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<tr>
<td>Percent of Awards</td>
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<tr>
<td>Capital</td>
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<td>Planning</td>
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<td>Vehicle/Equipment</td>
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PURCHASED SERVICE / MINIMUM FLOOR DEFINITION

For the funds distributed as part of the 2018 project selection process (FFY 2021-2022) the calculation to determine whether an agency has met the requirements for meeting the minimum floor requirement – i.e., earnings are less than 1% of the total earned share for the year – will be based on an evaluation of all service for which the agency is an owner.

There are several ownership and operational models by which transit service is provided in the region. For each transit service, the following models will be considered:

1) An agency owns the service (e.g., owns the vehicles, is responsible for maintenance, etc.), operates the service, and reports the service as their own to the NTD;

2) An agency owns the service, contracts to another agency to operate the service, but reports the service as their own to the NTD;

3) An agency owns the service, contracts to another agency to operate the service, and does not report the service as their own to the NTD;

4) An agency does not own the service, but rather purchases service from another transit operator, and does not report the service as their own to the NTD.

For the purposes of the minimum floor calculation, scenarios 1-3, in which there is ownership of any given service, will be taken into consideration. As such, during the annual adjustment process for FFY 2021 and FFY 2022 funds, transit agencies will be asked to provide information on each of their respective services and how they fall into the categories above. PSRC will use the data provided to adjust the disaggregation tool and determine if the 1% threshold is met.

The current policies and procedures for the minimum floor adjustment remain in place through 2020, as they were adopted as part of the 2016 Policy Framework for PSRC’s Federal Funds.
Unified calendar for the Transportation Operators Committee (TOC), Special Needs Transportation Committee (SNTC) and Regional FTA Caucus

2018 Meeting Schedule

<table>
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<th>January</th>
<th>April</th>
<th>July</th>
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**TOC** Planned Meeting

**TOC** Hold for a meeting, if needed

**SNTC** Special Meeting Date

**SNTC** Hold for meeting, if needed

*All FTA Caucus meeting dates are to be held for the meeting but may be cancelled, as needed*