



Puget Sound Regional Council

Transportation Policy Board's FTA Funding Working Group Agenda

Date: February 27, 2023, from 2:00 p.m.-3:30 p.m.

Hybrid Meeting – PSRC Board Room – 1011 Western Avenue, Seattle, 98104

Guest link to observe webinar:

<https://psrc-org.zoom.us/j/89537770187?pwd=N29QaktpZnozazNXMzhhY1krUHllZz09>

1. Brief Summary of Fifth Meeting / Introduction for Final Meeting* (2:00)

Overview of discussion and next steps from the February 8th meeting, and the charge for today's meeting.

2. Final Recommendation and Next Steps* (2:15)

Staff will review the updated materials illustrating the impacts of the modified proposal discussed at the last meeting. Also attached for review and discussion is the proposed approach for identifying and monitoring the use of funds from the equity formula distribution as described at the last meeting, and a high-level draft of the recommendation report that will be transmitted to the boards.

The working group will be asked to make a final recommendation on a revised FTA funding methodology, for transmittal to the Transportation Policy Board at their March 9th meeting.

3. Adjourn (3:30)

*Supporting materials attached

For more information, contact Kelly McGourty, Director of Transportation Planning, at (206) 971-3601 or KMcGourty@psrc.org.

Other Formats:

- Sign language, and communication material in alternative formats, can be arranged given sufficient notice by calling 206-464-7090, TTY Relay 711
- العربية | Arabic, 中文 | Chinese, Deutsch | German, Français | French, 한국어 | Korean, Русский | Russian, Español | Spanish, Tagalog, Tiếng Việt | Vietnamese, visit <https://www.psrc.org/contact/language-assistance>



Puget Sound Regional Council

Transportation Policy Board FTA Funding Working Group

February 8, 2023, from 9:00 a.m.-11:00 a.m.

MEETING SUMMARY

Introductions

Working group members present: Councilmember Kim Daughtry, Lake Stevens; Councilmember Ben Zarlingo, Everett; Councilmember Ryan Mello, Pierce County; Councilmember Kristina Walker, Tacoma; Councilmember Kate Kruller, Tukwila; Mayor Mary Lou Pauly, Issaquah; Patty Rubstello, Washington State Ferries; Michelle Allison, King County; Kimberly Farley, Sound Transit; Hester Serebrin, Transportation Choices Coalition; Councilmember John Clauson, City of Port Orchard (Kitsap Transit alternate).

Staff present: Josh Brown, Kelly McGourty, PSRC; Peter Heffernan, King County; John Howell, Cedar River Group.

Summary of Previous Working Group Meeting

John Howell, Cedar River Group, provided a brief summary of the February 8th meeting, as well as a recap of the discussions to date.

Overview of Materials

Kelly McGourty and Craig Helmann, PSRC, briefly reviewed the materials provided as part of the agenda packet, including the updated options for an equity formula distribution.

Discussion of Proposals and Methodologies

Members discussed the various options presented for distributing funds via an equity formula, which varied in the travel shed around bus, rail and ferry stops. Members also discussed the two hybrid options on the table, which varied in the percentage splits between an earned share and an equity formula distribution – 76/24% or 86/14%.

The majority of working group members preferred the 86/14% proposal, along with an equity formula that expanded the travel shed to 1 mile around rail stops. Further, all members agreed that a different methodology was required to accommodate both WSF and Pierce County Ferries.

Regarding a modification to the equity formula for the two ferry operators, Josh proposed that they be provided the percentages that roughly equal the amount of regional funding they receive under the current process from the preservation set-aside – these were expressed as

approximately 4.5% for WSF and 0.3% for Pierce County Ferries. Members indicated they would like to see the results of this approach at the next meeting.

There were seven working group members who expressed support for the 86/14% allocation model, and three members expressing preference for the 76/24% proposal. There was discussion and agreement that the views of those not supporting the majority recommendation would be shared in a minority report.

Working group members also discussed the staff suggestions for how to identify and monitor the use of the funds to improve equity. There was overall support for the proposal, and additional suggestions included setting a baseline and criteria to determine success.

Next Steps

Staff will send a calendar poll to the working group to set the date for a final meeting to conclude the work, anticipated to be of shorter duration. At that time staff will provide the final figures based on the discussion at this meeting, as well as draft messaging on the recommendation to the board to include the minority opinion.

FINAL DRAFT PROPOSAL
86% EARNED SHARE / 14% EQUITY FORMULA DISTRIBUTION

The table below illustrates the impacts of the draft proposal compared to the existing process.

	Existing Process		DRAFT PROPOSAL	% change from Existing
Earned Share Distribution by Agency (86% of Total)	\$478.4	Percentage of Earned Share Total	\$478.4	0.0%
<i>Community Transit</i>	\$30.2	6.3%	\$30.2	0.0%
<i>Everett Transit</i>	\$2.3	0.5%	\$2.3	0.0%
<i>King County Metro</i>	\$218.4	45.7%	\$218.4	0.0%
<i>Pierce County Ferries</i>	\$2.7	0.6%	\$2.7	0.0%
<i>Pierce Transit</i>	\$16.5	3.5%	\$16.5	0.0%
<i>City of Seattle</i>	\$1.9	0.4%	\$1.9	0.0%
<i>Sound Transit</i>	\$154.0	32.2%	\$154.0	0.0%
<i>Washington State Ferries</i>	\$42.3	8.9%	\$42.3	0.0%
<i>External Agency: Kitsap Transit</i>	\$3.3	0.7%	\$3.3	0.0%
<i>External Agency: Skagit Transit</i>	\$1.0	0.2%	\$1.0	0.0%
<i>External Agency: Intercity Transit</i>	\$5.6	1.2%	\$5.6	0.0%
Regional Distribution (14% of Total)	\$77.9		\$77.9	0.0%
Regional Competition	\$41.7		n/a	--
Preservation Set-Aside	\$34.2	Percentage of Regional Total*	Equity Formula Distribution**	
<i>Community Transit</i>	\$2.2	2.9%	\$11.7	15.0%
<i>Everett Transit</i>	\$0.2	0.3%	\$2.8	3.6%
<i>King County Metro</i>	\$15.9	21.0%	\$33.6	43.1%
<i>Pierce County Ferries</i>	\$0.2	0.3%	\$0.2	0.3%
<i>Pierce Transit</i>	\$1.2	1.6%	\$11.0	14.1%
<i>City of Seattle</i>	\$0.1	0.1%	\$2.5	3.2%
<i>Sound Transit</i>	\$11.2	14.8%	\$12.9	16.6%
<i>Washington State Ferries</i>	\$3.1	4.1%	\$3.2	4.1%
Minimum Floor Adjustment <i>(additional adjustment for Everett Transit, Pierce County Ferries, Seattle to bring them up to 1% of the earned share total)</i>	\$2.0		n/a	--
Total Estimated Funding	\$556.3		\$556.3	

* The Preservation set-aside amount has been distributed using each agency's earned share percentages. The percentages shown here reflect the proportion of total regional funding that is distributed to each agency via the preservation formula set-aside (minus the minimum floor adjustment amount).

** The proposed equity formula distribution is based on the following parameters:

- equity populations within 1/2 mile of all bus stops;
- equity populations within 1 mile of rail stops;
- hard coded percentages for WSF and Pierce County Ferries based on the distribution percentages of the Preservation Set-Aside from the regional portion of funding in the existing process

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Attachment 2: IDENTIFYING THE USES AND SUBSEQUENT REPORTING OF THE EQUITY FORMULA DISTRIBUTION

Staff has been asked to develop options for consideration that would ensure the funds to be distributed via an equity allocation formula are used to improve equity and demonstrably support PSRC's identified equity focus area populations. The staff proposal is provided below, with minor edits as proposed during the February 8th Working Group meeting. (Proposed changes are in italics below.)

Step 1 – Project Identification

Once the distribution formula is determined, each agency must identify specific projects and amounts that are forwarded to the PSRC boards for final approval. At the point of project submittal, staff suggests each agency provide a description of how the project supports and improves equity.

Staff will work with the Transportation Operators Committee to identify the specific level of detail to be provided for each project. At the time the project list is ready for recommendation to the Transportation Policy Board, this information will be made available for review.

Step 2 - Monitoring

PSRC has several ongoing monitoring efforts related to transit and equity data. Staff suggests that the tracking of transit ridership and service by PSRC's equity focus areas to the extent feasible continue and be reported in the RTP Performance Dashboard. Further, PSRC produces an annual Transit Integration Report – while this report is intended to describe coordination efforts amongst the region's transit agencies, a section could be added related to improving equity and trends over time.

Staff will work with the Transportation Operators Committee to identify a baseline and specific metrics against which future success will be monitored. At the time of the project recommendations noted above, a recommendation on this process will be made to the Transportation Policy Board.

DRAFT REPORT-OUT NOTES

Overall Approach

- There was agreement to revisit the long-standing allocation methodology for PSRC's FTA funds.
- There was strong agreement on the need to improve service to historically underserved populations and to equitably distribute federal funding, in line with PSRC's equity focus populations – people of color, people with low incomes, seniors, youth, people with disabilities and people with limited English proficiency.
- The methodology should honor the fiscal needs and commitments made by the region's transit agencies – i.e., agencies have built assumptions about FTA funding into their budgets and made commitments to the public based on those assumptions; the funding should focus on equity while preserving the earned share distribution.
- The methodology should focus on local service needs and not just high-capacity transit.

The Proposal

The recommended distribution methodology maintains the existing earned share methodology (86% of the total funds), but for the remaining portion of funds – approximately 14% in total – a new approach is recommended to focus more precisely on equity.

- The earned share distribution supports equity by reinvesting in and maintaining the current system. The transit agencies report that their allocation of resources is already driven by equity policies.
- The proposed equity formula distribution is a focused and intentional methodology that looks at all transit service being provided to the region's equity populations and distributes funds accordingly:
 - Funds are distributed not based on the type and amount of service provided by each transit agency, but rather by the proportion of the region's equity population groups being served.
 - The methodology considers equity populations within a ½ mile walkshed of all bus stops and a 1-mile walkshed of all rail stops.
 - Due to the unique nature of their waterfront service locations, ferry providers are provided funding based on what they would have received in formula-based funding under the existing methodology.
 - Further, it is recommended that how the funds are used and the equity outcomes into the future should be monitored over time.

Minority Report

The recommendation was not unanimous. A few members would prefer that a larger share of the funding be distributed via the equity formula rather than the earned share formula (24% vs 14%). Reasons included:

- The Bipartisan Infrastructure Law (BIL) provided a large and unexpected increase in funding, and there is an opportunity to reinvest in new ways.
- The earned share formula rewards established agencies and services and does not support smaller agencies seeking to grow that need additional funding.
- The equity formula will provide that opportunity to invest in local transit.