



MERIT and TRIP Program Review

VTA Conference
May 19-20, 2026



Today's Agenda

- Overview of TSDAC and the 2026 Program Review Schedule
- TRIP Policy Recommendations
- MERIT Operating Program Review
 - Policy Decision #1: Revenue Cohorting (Recap)
 - Policy Decision #2: Recommended Sizing Metric Weights by Cohort (Recap)
 - Policy Decision #3: Performance and Stability Fund
- Next Steps

Overview of TSDAC and the 2026 Program Review Schedule

Overview of TSDAC

- The Transit Service Deliver Advisory Committee (TSDAC) is responsible for advising DRPT on the process for distributing MERIT Operating and Transit Ridership Incentive (TRIP) Program funds to transit agencies in the Commonwealth
- TSDAC is required to meet at least annually and must review these programs at least every 3 years. Membership includes:
 - Two (2) members appointed by VTA
 - One (1) member appointed by CTAV
 - One (1) member appointed by VML
 - One (1) member appointed by VaCO
 - Three (3) members appointed by the Director of DRPT
- The required three-year review started in 2025 and has continued into 2026

TSDAC Timeline and Schedule



MERIT Operating

- Finalize Capital Policy Recommendations
- Introduce Cohort Concept

- Finalize Cohorts
- Introduce Sizing Metric Concept

- FY27 Draft SYIP Review
- Finalize Sizing Metric
- Introduce Performance & Stability Fund Concept

- Finalize Performance & Stability Fund

- Finalize MERIT Operating Policy Recommendations
- Begin CTB briefings for MERIT Operating Policy Changes

Transit Ridership Incentive Program (TRIP)

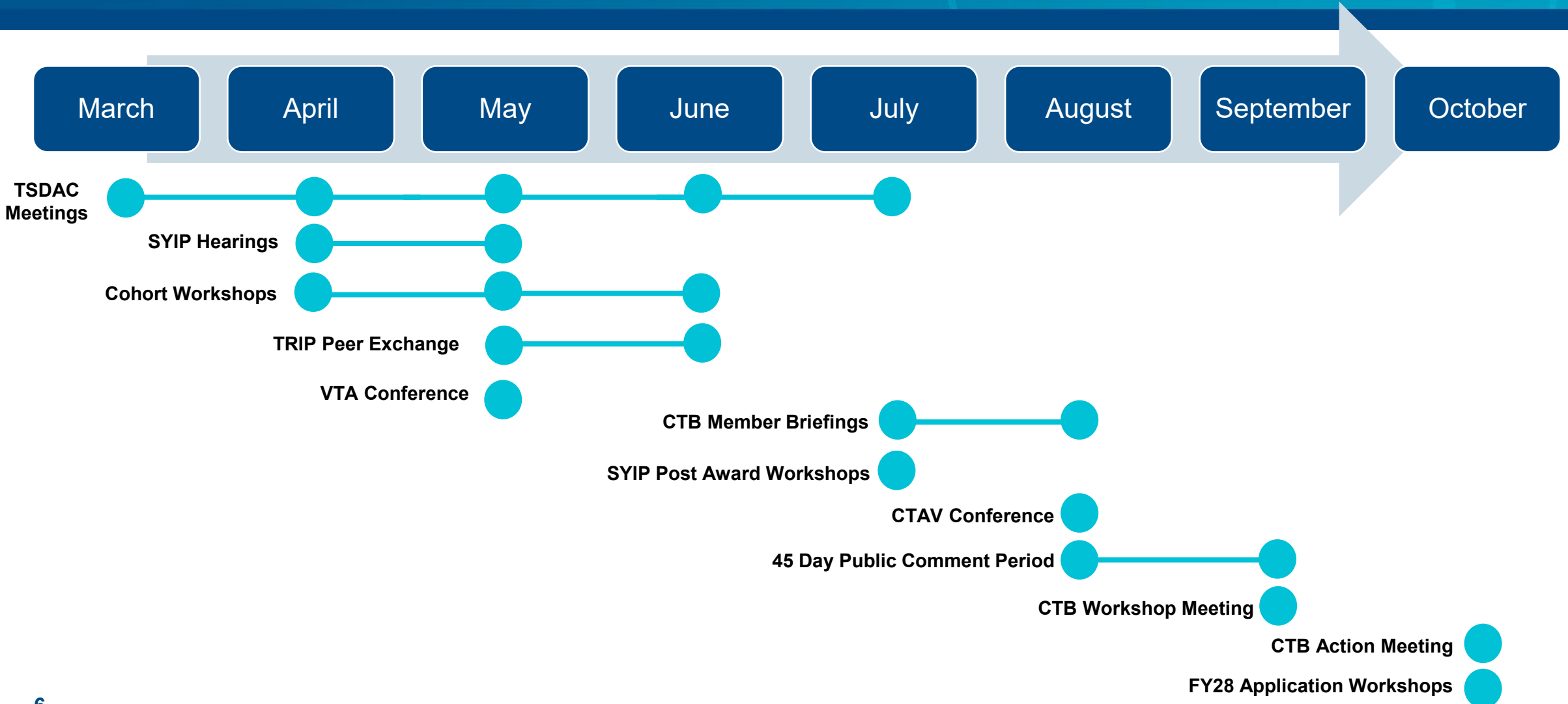
- Review Current TRIP Policy and Legislative Changes

- Introduce Proposed TRIP Policy Changes and Definitions

- Refine Proposed TRIP Policy Changes

- Finalize TRIP Policy Recommendations
- Begin CTB briefings for TRIP Policy Changes

Outreach Schedule



TRIP Policy Recommendations

TRIP has new enabling legislation

Text:

- A. The Board shall establish the Transit Ridership Incentive Program (the Program) to promote improved transit service across the Commonwealth by encouraging the identification and establishment of routes of regional significance; supporting the establishment of programs to reduce the impact of fares on low-income individuals; encouraging innovative approaches to micromobility, paratransit, and other specialized transportation; and supporting local, regional, and state entities in improving the accessibility and safety of transit bus passenger facilities.
- B. The Board shall, in conjunction with the Transit Service Delivery Advisory Committee, establish guidelines for the implementation of the Program and review such guidelines, at a minimum, every three years.
- &c.

Primary Changes:

1. Regional connectivity projects now open to non-urbanized areas
2. Adds "innovative approaches to micromobility, paratransit, and other specialized transportation"
3. CTB, in conjunction with TSDAC, shall establish the program guidelines every three years

Summary of TRIP Changes



Regional Connectivity

- ✓ No longer restricted to urban areas



Zero and Reduced Fare

- ✓ Considering program improvements



Enhanced Mobility Innovation

- ✓ New program category



Passenger Amenities and Safety

- ✓ Combined Passenger Amenities and Public Safety

What We Heard

- TRIP has changed over time in response to changing needs.
- TRIP provides additional funding for passenger amenity and public safety projects.
- TRIP has provided capital and operating support for regionally significant services.
- Most comments focused on TRIP Zero and Reduced Fare, including
 - Request for continued support for systems operating without fares
 - Request for improved support for rural agencies considering zero fare operations

Who is eligible to receive TRIP funding?

Eligible Recipients

- Public transit providers who receive state operating assistance pursuant to 33.2-1526.1 D 1
- Metropolitan Planning Organizations
- Planning District Commissions
- Other statewide or regional bodies.

Anyone missing?

TRIP Regional Connectivity

“encouraging the identification and establishment of routes of regional significance”

Eligible Projects

The improvement or expansion of routes or service areas with regional significance, including:

- i. Capital projects such as the establishment of bus-only lanes, implementation of integrated fare collection, transit signal priority, or enhanced passenger amenities.
- ii. Operating projects such as enhancements to service frequencies or expansions of areas served.

What is regionally significant?

Routes or service areas that address regional travel needs as described in a plan or study at a regional level.

- ✓ Permits applicants to define significance as appropriate for their region
- ✓ Agnostic to service mode
- ✓ Ensures regional coordination and support by making project identification in a regional plan or study the limiting factor

TRIP Zero and Reduced Fare

“supporting the establishment of programs to reduce the impact of fares on low-income individuals”

Eligible Projects

- i. the provision of subsidized or fully free passes to low-income populations
- ii. the elimination of fares on high-capacity corridors, establishing ‘zero fare zones’ (net fares, less the cost of fare collection)
- iii. deployment of an entirely zero fare system (net fare, less the cost of fare collection)
- iv. fare policy planning

DRPT Recommendation #3

DRPT is currently considering request to provide funding for the continuation of systemwide zero-fare programs. Thoughts? Thumbs Up/Down. Support or do not support? Why?

TRIP Enhanced Mobility Innovation

“encouraging innovative approaches to micromobility, paratransit, and other specialized transportation”

Eligible Projects Could Include

- Regional mobility hubs to coordinate services
- Innovative approaches to first/last mile connections
- Innovative approaches to supporting the mobility of older adults or people with disabilities

What does ‘innovative’ mean to *your* agency within this program?

What are some examples of other projects that could be eligible under this program?

Program Concepts

Innovation: Test ‘proof of concept’ for new technologies (DRPT Grant Application Handbook)

Micromobility: Small, lightweight human-powered or electric vehicles operated at low speeds. (VDOT)

Paratransit: Comparable transportation service required by the ADA for individuals with disabilities who are unable to use fixed route transportation (FTA)

Specialized Transportation: Eligibility-restricted transportation services for targeted populations, including older adults and people with disabilities. (DRPT CHSM)

TRIP Passenger Amenities and Safety

“supporting local, regional, and state entities in improving the accessibility and safety of transit bus passenger facilities”

Eligible Projects

- Improving bus stops
- Improving other passenger facilities
- Adding new bus stops
- Passenger facility planning
- Safety equipment
- Safety programming & training
- Safety planning

No Changes Recommended

Mentimeter Questions

- Rank each trip category from most to least essential for your agency.
- Rank each TRIP category from most to least at expectation to incentivize ridership



MERIT Operating Program Review

Administration Priorities: MERIT Operating

PREDICTABLE

Minimize year-over-year fluctuations in allocations in an effort to allow for better planning and budgeting at the local level. Wherever possible, lock-in inputs and measures to be revisited by TSDAC every 3-years.

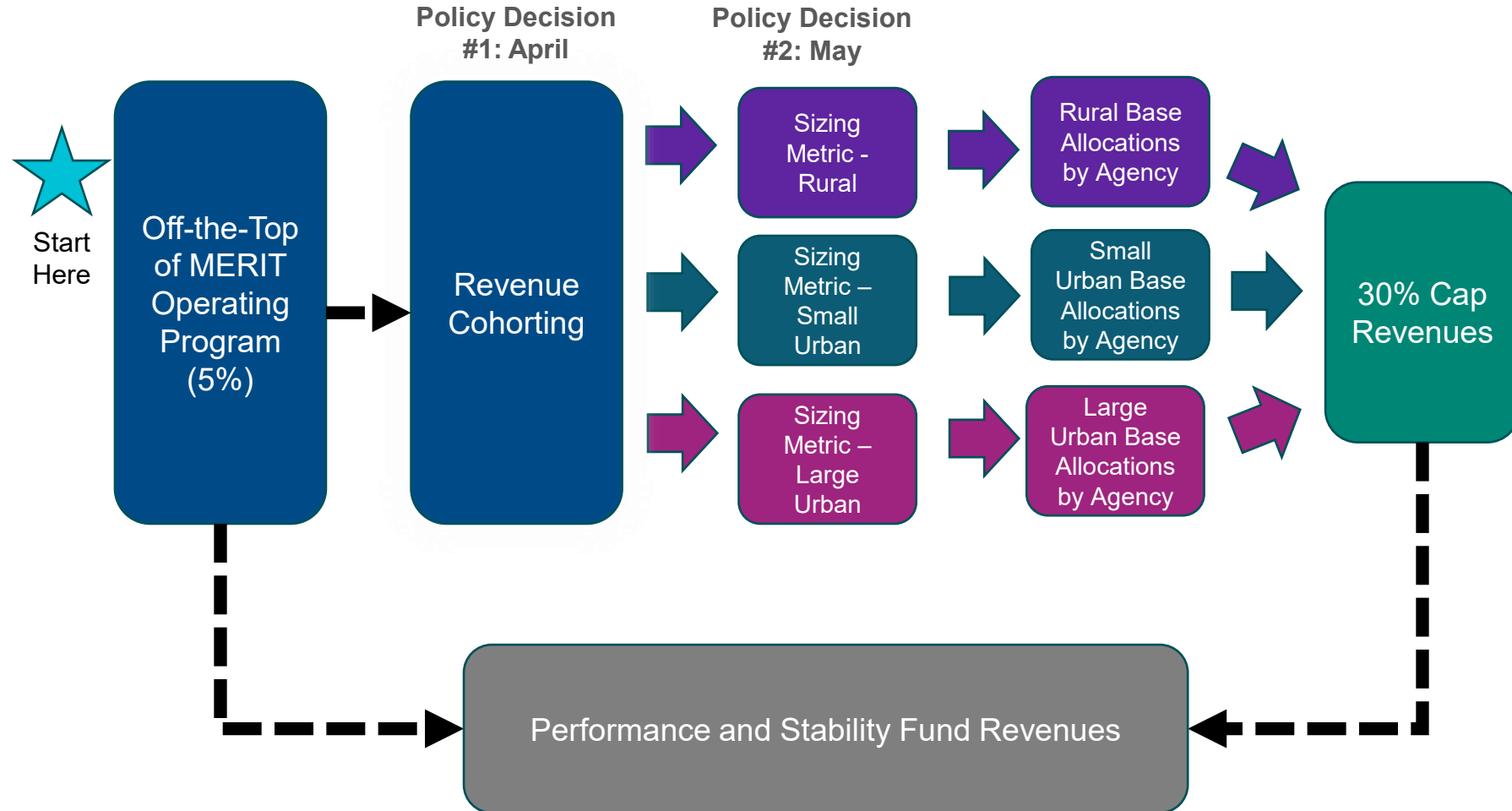
TAILORED OBJECTIVES

Policy objectives and their associated measures should be different by area type, not by the size of the agency. Align the measures used for each area type/cohort with the type of service provided in those areas.

SIMPLE AND TRANSPARENT

The math behind the formula should be easy to understand for transit agency staff and decision-makers alike. Data associated with the formula should be simple enough to be posted for public consumption.

Full Cohorting Conceptual Process



Conceptual Process: Single Cohort

Base Allocations (95% of Revenues)

Sizing Metric

Operating Cost: X%
Ridership: X%
Revenue Hours: X%
Revenue Miles: X%

- Capped at 30% of Agency Operating Expenses
- Utilizes 3-year average data

Performance and Stability Allocations (5% of Revenues)

Performance Metrics

Metric #1: X
Metric #2: X
Metric #3: X

- Performance funding available for all rural agencies (no cap)
- Utilizes single year data
- Stability funding provided to agencies who experience formula anomalies

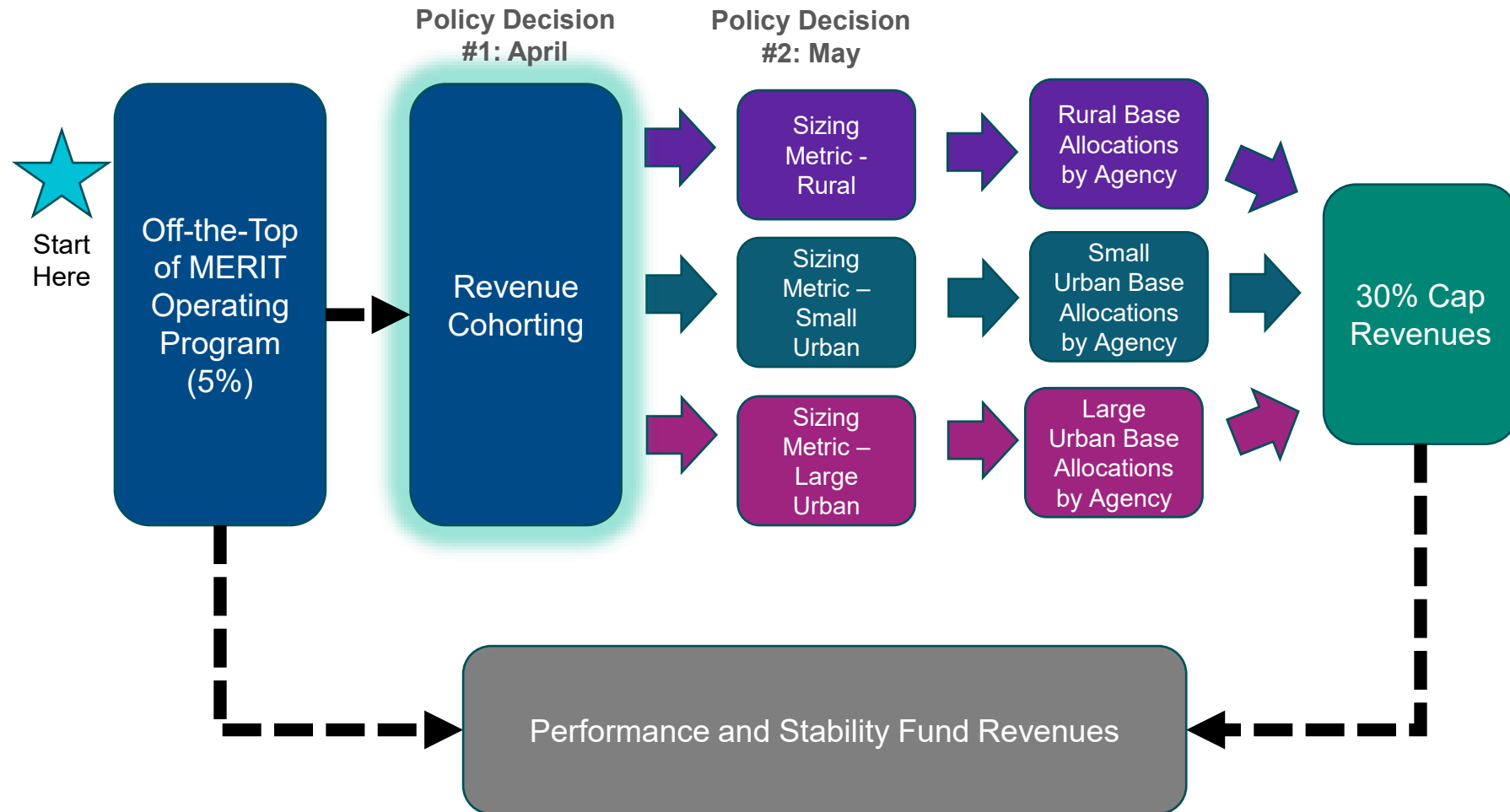
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Total Allocations by Agency

Policy Decision #1: Revenue Cohorting (Recap)

Full Cohorting Conceptual Process

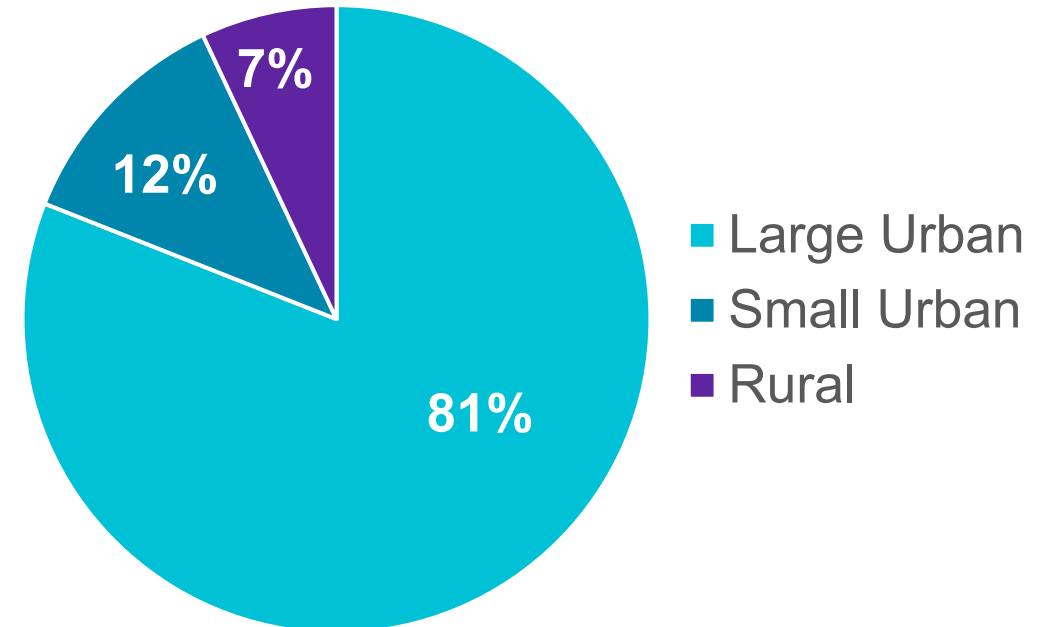


Revenue Cohorting

Key Question:

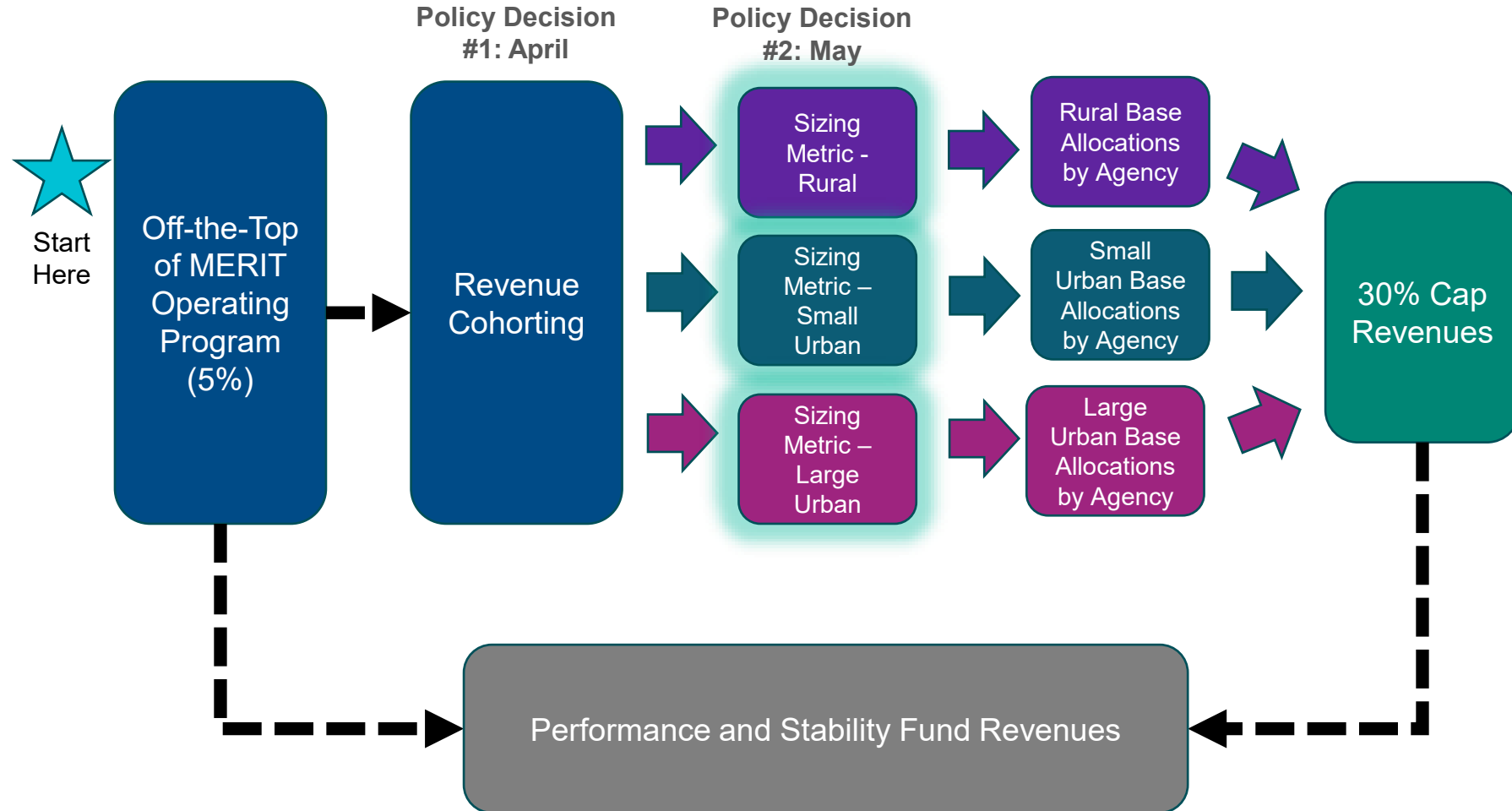
How do we divide the total amount of Transit Operating revenues coming from the three (3) different cohorts?

Assumed Revenue Distribution Among Cohorts



Policy Decision #2: Sizing Metrics by Cohort (Recap)

Full Cohorting Conceptual Process

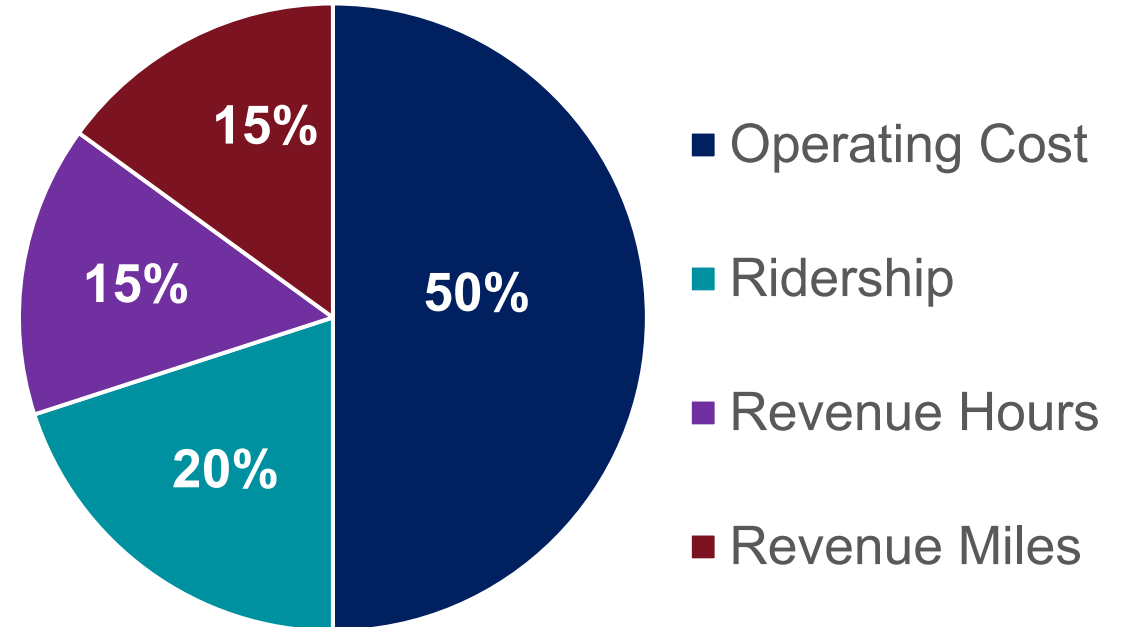


Sizing Metrics: Rural Cohort

Key Question:

What should the factor weights be for the Rural Cohort Sizing Metric?

Assumed Sizing Metric Weights:
Rural Cohort

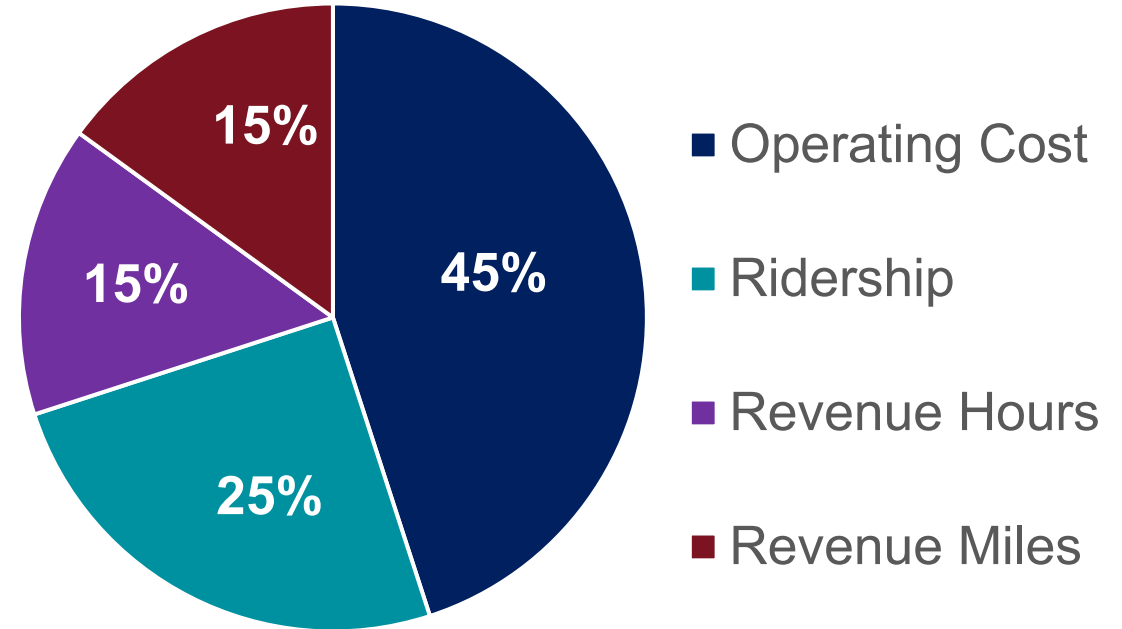


Sizing Metrics: Small Urban Cohort

Key Question:

What should the factor weights be for the Small Urban Cohort Sizing Metric?

Assumed Sizing Metric Weights:
Small Urban Cohort

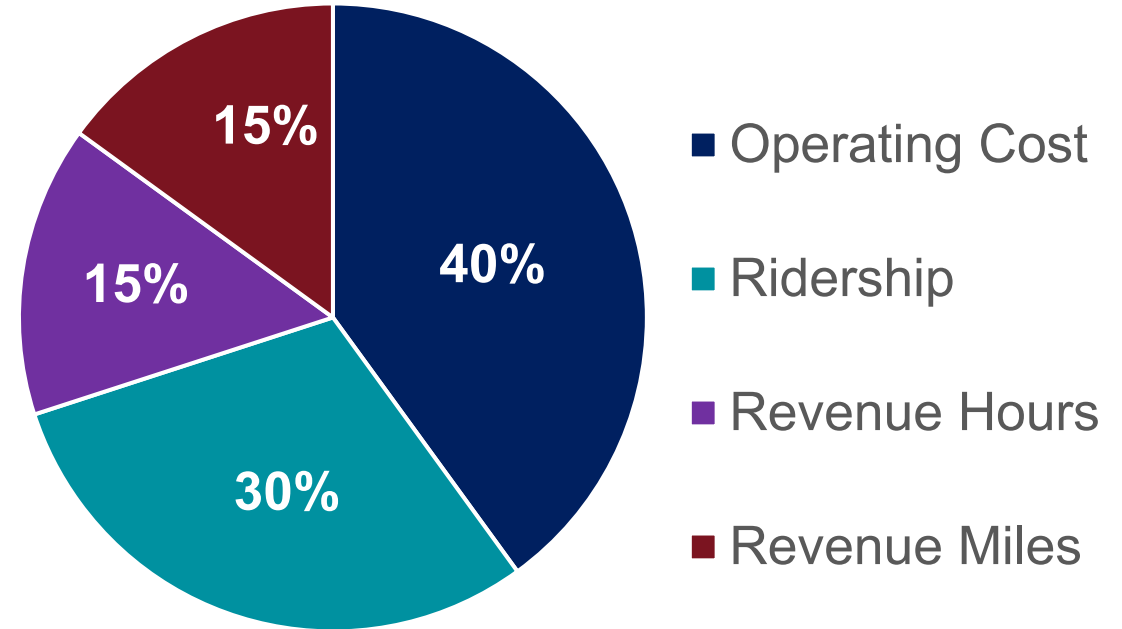


Sizing Metrics: Large Urban Cohort

Key Question:

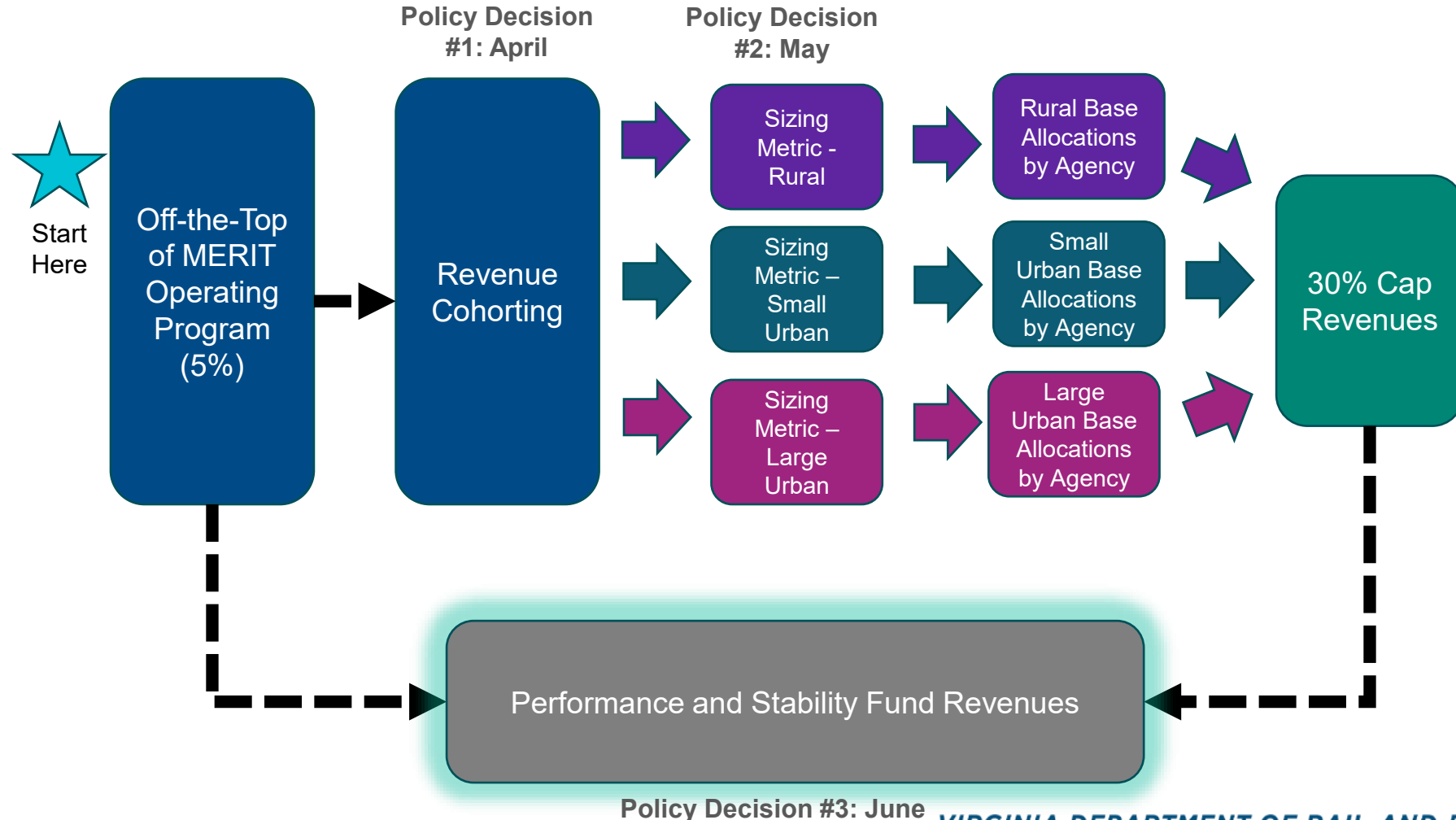
What should the factor weights be for the Large Urban Cohort Sizing Metric?

Assumed Sizing Metric Weights:
Large Urban Cohort



Policy Decision #3: Performance and Stability Fund

Full Cohorting Conceptual Process



New Formula Conceptual Process: Rural

Base Allocations (95% of Rural Revenues)

Rural Sizing Metric

Operating Cost: 50%
Ridership: 20%
Revenue Hours: 15%
Revenue Miles: 15%

- Capped at 30% of Agency Operating Expenses
- Utilizes 3-year average data

+

Performance and Stability Allocations (5% of Rural Revenues)

Rural Performance Metrics

Metric #1: ?
Metric #2: ?
Metric #3: ?

- Performance funding available for all rural agencies (no cap)
- Utilizes single year data
- Stability funding provided to agencies who experience formula anomalies

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Total Allocations by Agency

New Formula Conceptual Process: Small Urban

Base Allocations (95% of Small Urban Revenues)

Small Urban Sizing Metric

Operating Cost: 45%
Ridership: 25%
Revenue Hours: 15%
Revenue Miles: 15%

- Capped at 30% of Agency Operating Expenses
- Utilizes 3-year average data

+

Performance and Stability Allocations (5% of Small Urban Revenues)

Small Urban Performance Metrics

Metric #1: ?
Metric #2: ?
Metric #3: ?

- Performance funding available for all rural agencies (no cap)
- Utilizes single year data
- Stability funding provided to agencies who experience formula anomalies

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Total Allocation by Agency

New Formula Conceptual Process: Large Urban

Base Allocations (95% of Large Urban Revenues)

Large Urban Sizing Metric

Operating Cost: 40%
Ridership: 30%
Revenue Hours: 15%
Revenue Miles: 15%

- Capped at 30% of Agency Operating Expenses
- Utilizes 3-year average data

+

Performance and Stability Allocations (5% of Large Urban Revenues)

Large Urban Performance Metrics

Metric #1: ?
Metric #2: ?
Metric #3: ?

- Performance funding available for all rural agencies (no cap)
- Utilizes single year data
- Stability funding provided to agencies who experience formula anomalies

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Total Allocation by Agency

Transit Performance Measures

Metric Type	Definition	Performance Measures
Cost Efficiency	Measures how efficiently a system is run regardless of passenger usage	<ul style="list-style-type: none"> • Operating Cost/Revenue Hour • Operating Cost/Revenue Mile
Cost Effectiveness	Compares the cost of providing service to outcomes resulting from service provision	<ul style="list-style-type: none"> • Operating Cost/Passengers
Productivity	Measures how many passengers are served per unit of service	<ul style="list-style-type: none"> • Passengers/Revenue Hours • Passengers/Revenue Miles
Service Utilization	Examines the passenger load of transit service	<ul style="list-style-type: none"> • Passenger Miles Traveled (PMT)/Revenue Hour • Passenger Miles Traveled (PMT)/Revenue Mile

Performance Concept Example

Measure	Pax/Hr	Pax/Mi	Cost/Hr	Cost/Mi	
Threshold for Performance Funding	Target: ≥ 10	Target: ≥ 3	Target: ≤ 75	Target: ≤ 10	Targets Hit
Agency A	9	4	85	9	2
Agency B	13	1	92	11	1
Agency C	11	2	68	8	3

ACTIVITY: Identifying Performance Metrics

- Taking into account all of these considerations, please take a few minutes to scan the QR code and answer the following questions:
 - 1) Which Performance Metrics does your agency currently track?
 - 2) Please rank Performance Metric categories for including in the MERIT Operating Formula
 - 3) Are there any additional metrics that you'd like DRPT to include in the future?
- Results will be anonymous



Stability Concept

Considerations for Stability Funding

- Reminder that we will need to run the full formula in order to identify anomalies.
- The proposed formula helps address stability by (1) utilizing a 3-year average in the Sizing Metric and (2) removing trend adjustments. However, there may still be anomalies.
- Stability funds should provide a backstop to cover anomalies in the formula, not a guarantee of a certain level of allocation.
- An agency's allocation should not significantly decline relative to overall MERIT Operating funding if their output/outcome metrics (ridership, hours, miles) remain relatively steady.

Stability Funding Framework

After the full MERIT Operating formula has been run, DRPT will look for anomalies using a set of questions as a guide. If anomalies are identified, DRPT will contact the agency for more information and discussion.

Example 1: Agency A's transit service is contracted out to a private provider. Agency A rebids their service contract and issues a new contract that includes a 15% increase in the cost per mile. Will Agency A need Stability funding?

Stability Considerations

Did an agency's allocation decline?

Did an agency's allocation decline at a rate greater than the total MERIT Operating revenues?

Did an agency's allocation decline at a rate greater than the agency's service output metrics (Revenue Hours/Revenue Miles)?

Stability Funding Framework

Example 2: Agency B experienced a catastrophic weather event that caused them to suspend service for an extended period of time. As a result, their hours, miles, and ridership declined significantly. Will Agency B need Stability funding?

Example 3: Agency C is a small agency and their Executive Director left for another job. Agency C was unable to fill the position for many months, so their costs went down but their service levels were not impacted. Will Agency C need Stability funding?

Stability Considerations

Did an agency's allocation decline?

Did an agency's allocation decline at a rate greater than the total MERIT Operating revenues?

Did an agency's allocation decline at a rate greater than the agency's service output metrics (Revenue Hours/Revenue Miles)?

Discussion

Proposed Sizing Metric Weights: Rural

Disclaimer: Sizing Metric Allocations based on 95% of total FY27 MERIT Operating revenues. Figures are illustrative and should not be compared to actual allocations in SYIP

	Current Allocation			Proposed Allocation			Difference (%)	Difference (\$)
	Cost	50%		Cost	50%			
	Ridership	30%		Ridership	20%			
	Revenue Hours	10%		Revenue Hours	15%			
	Revenue Miles	10%		Revenue Miles	15%			
	Share of Funding (%)	Base Allocation (\$)	Capped Funding (\$)	Share of Funding (%)	Base Allocation (\$)	Capped Funding (\$)		
Town of Chincoteague	0%	\$ 19,659	\$ -	0%	\$ 18,329	\$ -	-6.8%	\$ (1,330)
Greensville County	1%	\$ 55,763	\$ -	1%	\$ 55,362	\$ -	-0.7%	\$ (401)
Town Of Blackstone/ Blackstone Area	2%	\$ 161,373	\$ 32,424	2%	\$ 161,373	\$ 53,342	0.0%	\$ -
Lake Country Area Agency on Aging	1%	\$ 90,008	\$ -	1%	\$ 91,538	\$ -	1.7%	\$ 1,530
Farmville Area Bus	3%	\$ 224,779	\$ 56,950	3%	\$ 224,779	\$ 25,529	0.0%	\$ -
Town of Altavista	1%	\$ 53,039	\$ 3,691	1%	\$ 53,039	\$ 1,153	0.0%	\$ -
Danville Transit System	11%	\$ 993,566	\$ -	10%	\$ 920,638	\$ -	-7.3%	\$ (72,927)
Pulaski Area Transit	2%	\$ 202,432	\$ -	2%	\$ 216,871	\$ -	7.1%	\$ 14,439
AASC / Four County Transit	7%	\$ 636,755	\$ -	7%	\$ 633,070	\$ -	-0.6%	\$ (3,685)
Mountain Empire Older Citizens, Inc.	7%	\$ 640,269	\$ -	7%	\$ 645,752	\$ 7,833	0.9%	\$ 5,482
Town of Bluefield-Graham Transit	1%	\$ 136,109	\$ -	1%	\$ 133,504	\$ -	-1.9%	\$ (2,605)
RADAR UHSTS	4%	\$ 325,331	\$ -	4%	\$ 324,529	\$ -	-0.2%	\$ (802)
STAR Transit	5%	\$ 421,376	\$ -	5%	\$ 417,263	\$ -	-1.0%	\$ (4,113)
Virginia Regional Transit	12%	\$ 1,132,658	\$ -	12%	\$ 1,143,670	\$ -	1.0%	\$ 11,012
JAUNT, Inc.	11%	\$ 982,651	\$ -	11%	\$ 1,006,682	\$ -	2.4%	\$ 24,031
City of Suffolk	5%	\$ 482,718	\$ -	5%	\$ 486,767	\$ -	0.8%	\$ 4,049
City of Radford	7%	\$ 634,450	\$ -	7%	\$ 626,889	\$ -	-1.2%	\$ (7,562)
Bay Aging	12%	\$ 1,136,397	\$ -	13%	\$ 1,198,413	\$ -	5.5%	\$ 62,016
Town of Bedford	0%	\$ 32,584	\$ -	0%	\$ 31,737	\$ -	-2.6%	\$ (847)
District Three Public Transit	8%	\$ 775,231	\$ -	8%	\$ 752,152	\$ -	-3.0%	\$ (23,078)
TOTAL	100%	\$ 9,137,147	\$ 93,065	100%	\$ 9,142,356	\$ 87,857		

Proposed Sizing Metric Weights: Small Urban

Disclaimer: Sizing Metric Allocations based on 95% of total FY27 MERIT Operating revenues. Figures are illustrative and should not be compared to actual allocations in SYIP

	Cost	50%		Cost	45%	
	Ridership	30%		Ridership	25%	
	Revenue Hours	10%		Revenue Hours	15%	
	Revenue Miles	10%		Revenue Miles	15%	
	Share of Funding (%)	Base Allocation (\$)	Capped Funding (\$)	Share of Funding (%)	Base Allocation (\$)	Capped Funding (\$)
City of Winchester	3%	\$ 494,285	\$ -	3%	\$ 522,625	\$ -
Fredericksburg Regional Transit	6%	\$ 995,995	\$ -	6%	\$ 1,021,962	\$ -
City of Bristol Virginia	1%	\$ 110,288	\$ -	1%	\$ 122,948	\$ -
Town of Blacksburg	25%	\$ 4,008,129	\$ -	24%	\$ 3,798,013	\$ -
Charlottesville Area Transit	21%	\$ 3,326,241	\$ -	21%	\$ 3,350,958	\$ -
City of Harrisonburg Dept. of Public Transportation	13%	\$ 2,099,018	\$ -	13%	\$ 2,060,542	\$ -
Williamsburg Area Transit Authority	14%	\$ 2,172,851	\$ -	14%	\$ 2,171,112	\$ -
Greater Lynchburg Transit Company	12%	\$ 1,859,313	\$ -	12%	\$ 1,943,432	\$ -
Central Shenandoah PDC	5%	\$ 757,103	\$ -	5%	\$ 831,629.69	\$ -
TOTAL	100%	\$ 15,823,221	\$ -	100%	\$ 15,823,221	\$ -

Difference (%)	Difference (\$)
5.7%	\$ 28,341
2.6%	\$ 25,967
11.5%	\$ 12,659
-5.2%	\$ (210,116)
0.7%	\$ 24,717
-1.8%	\$ (38,475)
-0.1%	\$ (1,739)
4.5%	\$ 84,120
9.8%	\$ 74,527

Proposed Sizing Metric Weights: Large Urban

Disclaimer: Sizing Metric Allocations based on 95% of total FY27 MERIT Operating revenues. Figures are illustrative and should not be compared to actual allocations in SYIP

Cost	50%
Ridership	30%
Revenue Hours	10%
Revenue Miles	10%

Cost	40%
Ridership	30%
Revenue Hours	15%
Revenue Miles	15%



	Share of Funding (%)	Base Allocation (\$)	Capped Funding (\$)	Share of Funding (%)	Base Allocation (\$)	Capped Funding (\$)	Difference (%)	Difference (\$)
NVTC - City of Alexandria	9%	\$ 9,260,765	\$ -	9%	\$ 9,307,327	\$ -	0.5%	\$ 46,562
NVTC - Arlington County	6%	\$ 5,933,153	\$ -	6%	\$ 5,919,916	\$ -	-0.2%	\$ (13,237)
NVTC - City of Fairfax	1%	\$ 1,523,496	\$ -	1%	\$ 1,500,183	\$ -	-1.5%	\$ (23,313)
NVTC - Fairfax County	23%	\$ 24,830,292	\$ -	23%	\$ 24,678,782	\$ -	-0.6%	\$ (151,510)
County of Loudoun	4%	\$ 4,365,864	\$ -	4%	\$ 4,446,631	\$ -	1.8%	\$ 80,767
Greater Richmond Transit Company	19%	\$ 20,411,958	\$ -	19%	\$ 20,542,168	\$ -	0.6%	\$ 130,210
Hampton Roads Transit	25%	\$ 26,945,888	\$ -	25%	\$ 26,845,349	\$ -	-0.4%	\$ (100,539)
City of Petersburg	1%	\$ 1,145,325	\$ -	1%	\$ 1,163,817	\$ -	1.6%	\$ 18,492
Greater Roanoke Transit Company	3%	\$ 3,444,141	\$ -	3%	\$ 3,590,086	\$ 39,688	4.2%	\$ 145,945
PRTC	8%	\$ 8,945,862	\$ -	8%	\$ 8,772,797	\$ -	-1.9%	\$ (173,065)
TOTAL	100%	\$ 106,806,745	\$ -	100%	\$ 106,767,057	\$ 39,688		