State of Transit in Rural Virginia

Commonwealth Transportation Board

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DRPT
VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION



State of Transit in Rural Virginia

- No CTB action
- Overview of rural transit in Virginia, Commonwealth and Federal funding, the challenges facing rural providers, and DRPT strategies to sustain rural transit

What Does Rural Transit Look Like?

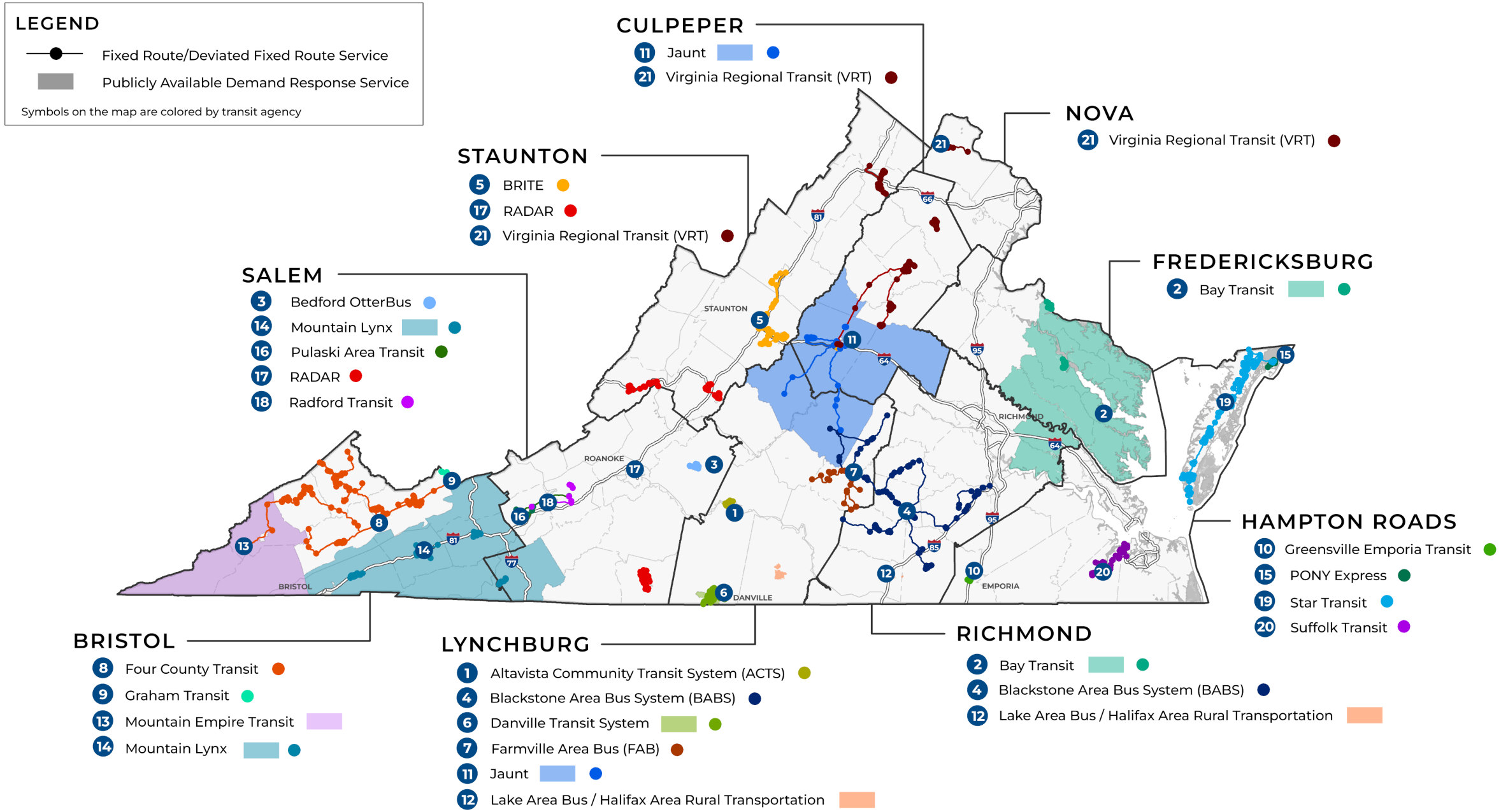
- **Public Transportation**
  - Available to the public covering large geographic areas
    - Deviated fixed-route
    - Include complementary paratransit, with some demand-response service
  - Serves as commuter service in some rural areas to major employers in nearby urban centers
    - ex: Afton Express and Jaunt Connect in Charlottesville region
- **Specialized Transportation for Individuals with Disabilities or Seniors**
  - Is a “lifeline service” and available only to eligible populations
    - Critical in rural communities where there are often few other options
  - Demand-response service often operating door-to-door



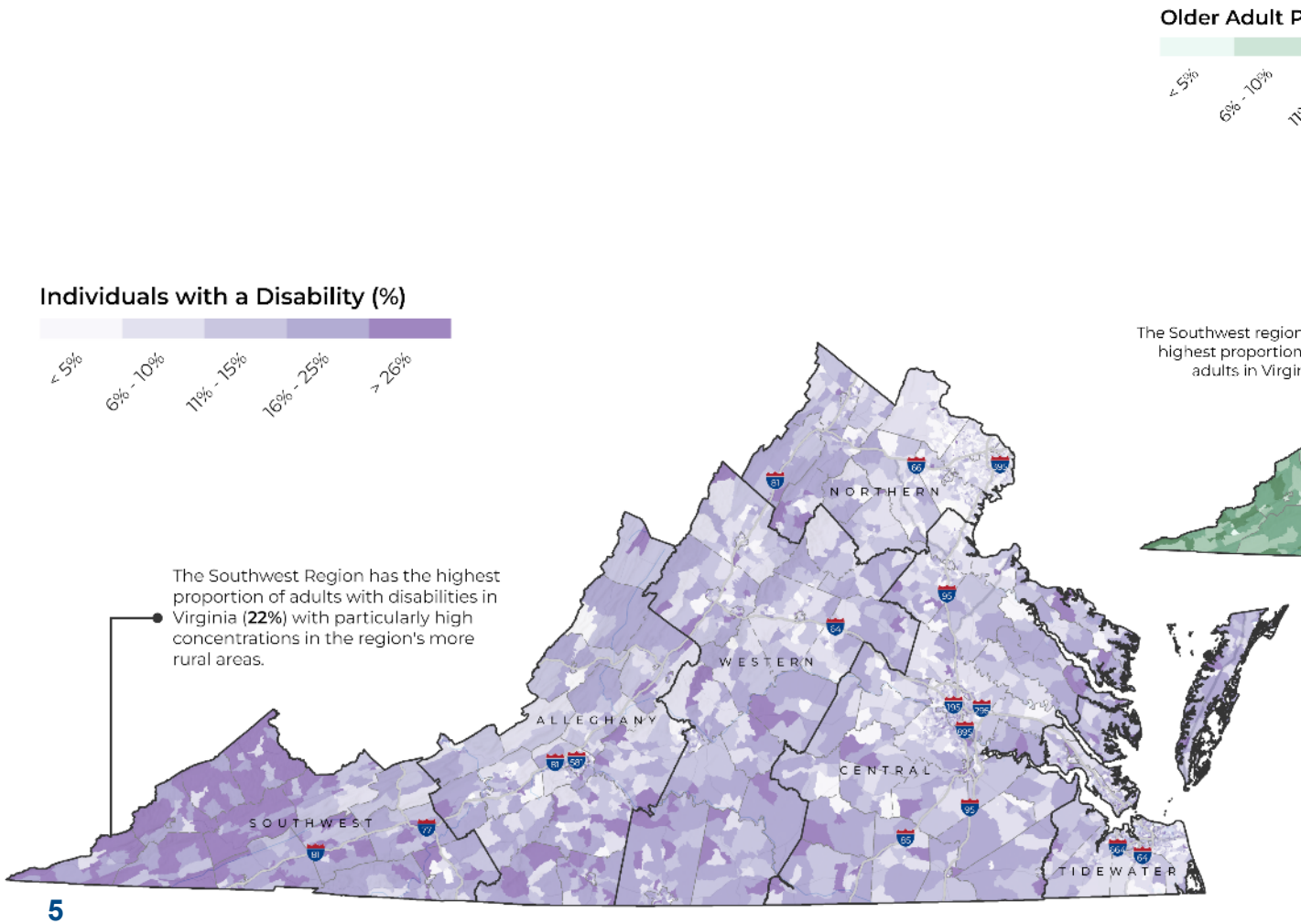


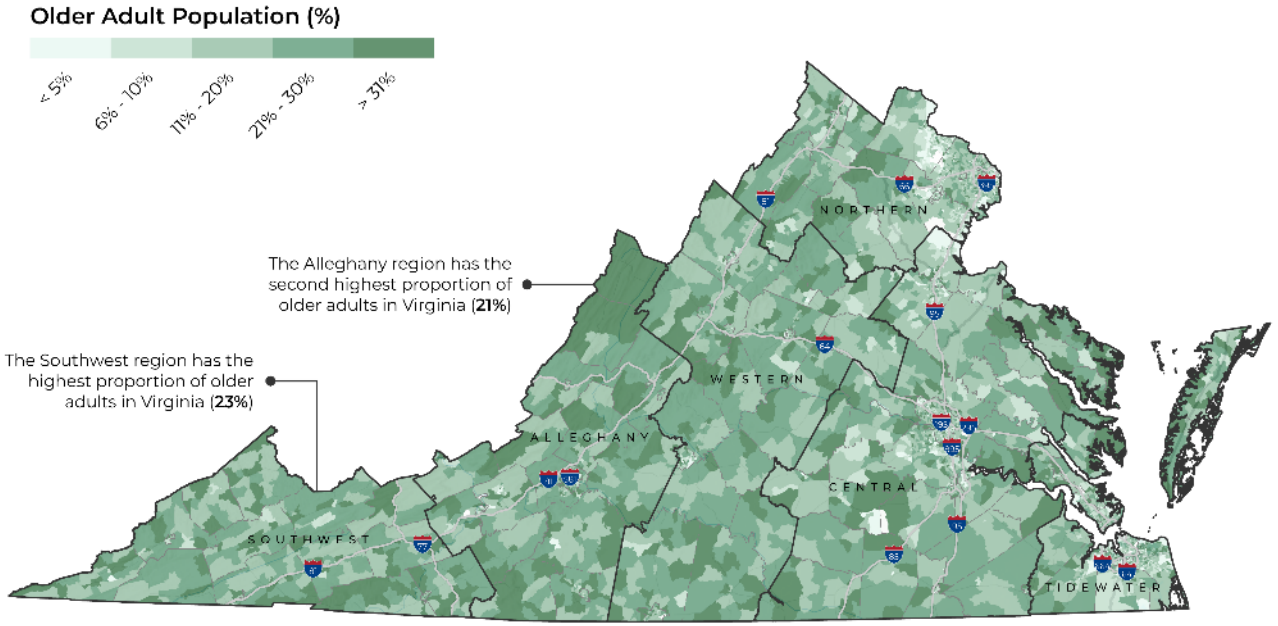


Rural Transit Agencies by VDOT District



Where Are Populations with the Greatest Transit Needs in Virginia Concentrated?





Who Provides Transit in Rural Virginia?

- Area Agencies on Aging
- Cities, Counties, and Towns
- Human Service Providers
- Non-Profit Organizations
- Planning District Commissions
- Transportation District Commissions











How Do We Fund Rural Transit?

- **Section 5311 (Federal Formula Grants for Rural Areas)** funding allocation ($23.1M for FY26)
  - Based on non-urbanized population and land area with the remainder on amount of service offered and low-income population
  - DRPT allocates to rural transit providers – can be used for operating and capital costs
    - Operating funds require a 50% non-federal match
    - Capital funds require a 20% non-federal match
  - 15% of State's § 5311 allocation goes to Virginia Breeze
- **Section 5310 (Enhanced Mobility of Seniors and Individuals with Disabilities)** provides funding to urban and non-urban areas but includes funding targeted to rural areas
  - State and local providers provide matching funds for these services
  - The rural apportionment for Virginia in FY26 is $2.5M
- Rural agencies are eligible for **State MERIT Operating and Capital** programs, and **Transit Ridership Incentive Program** funding
- **State Demonstration funding** assists rural providers in starting new services and piloting new technology
- **State Technical Assistance** program funds rural service feasibility studies





Growth of Rural Transit

- **New Service**
  - Bedford Otter Bus started service in 2023 as a demonstration project, first entered DRPT's operating assistance program in FY27
  - ShenGo, Bay Transit Express, MetGo (MEOC Transit) launched microtransit services
- **Potential Future Expansion (Feasibility Studies)**
  - Giles and Rockingham counties completed in 2024
  - Page, New Kent, and Charles City counties completed in 2025
- **Need for connections to suburban/urban areas**
  - Commuter Services (i.e. Afton Express)
  - Non-Emergency Medical Transportation
- **Growing aging and disabled populations**





Challenges in Meeting Rural Transit Needs

- **Rural transit providers are generally facing:**
  - Increasing costs, additional providers, and rural service models that combine to create challenges in stretching current rural funding
    - Salaries and wages: +50%, driven by driver shortages and a competitive labor market
    - Motor fuels and lubricants: +35%, rural routes mean longer trip lengths and more deadhead miles
    - Insurance: +31%
  - Larger percentage of vehicles that are being kept in service longer creating higher maintenance and operating pressures
  - Lengthy trips with limited-service hours and vehicles
  - Administrative capacity issues for applying to grants and satisfying federal reporting requirements
- In FY27, DRPT operating projects alone will consume over 96% **of new federal formula funding that is intended for both capital and operating**
- Starting in FY29, there will be a **gap of roughly $5.5M annually** between federal revenues and needs

How has DRPT Responded to the Challenges?

- Provide Technical Assistance (i.e. planning, marketing)
- Convene Peer Learning and CEO Roundtables
- Improve Regional Collaboration Through Workshops
- Prioritize §5311 Funding for Operating Expenses
- Continue to Leverage Federal Discretionary Funding

DRPT's Rural Transit Strategies Moving Forward

- Explore Additional Funding Streams for Virginia Breeze
- Increase State and Local Match for Capital Projects*
- Extend Minimum Useful Life of Certain Buses
- Explore More Cooperative Procurements
- Leverage Other State-Controlled Federal Formula Funding
- Expand Eligibility to Transit Ridership Incentive Program*

** Requires CTB approval*

Questions?

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