COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Nicholas Donohue
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Agenda item # 4

RESOLUTION
OF THE
COMMONWEALTH TRANSPORTATION BOARD

October 13, 2026

MOTION

Made By: Dr. Smoot, **Seconded By:** Mr. Payne
Action: Motion Carried, Unanimously

Title: Policy for the Implementation of State Transit Capital Prioritization

WHEREAS, Section 33.2-214.4 of the Code of Virginia provides that the Commonwealth Transportation Board (the Board) shall develop a prioritization process for capital projects funded pursuant to subdivision C of 33.2-1526.1 of the Code of Virginia through the Making Efficient and Responsible Investments in Transit (MERIT) program; and

WHEREAS, the Department of Rail and Public Transportation (DRPT) has consulted with the Transit Service Delivery Advisory Committee (TSDAC) in the development of this prioritization process; and

WHEREAS, the DRPT has solicited input from localities, metropolitan planning organizations, transit authorities, and other stakeholders in the development of the prioritization process; and

WHEREAS, the Board's priority for transit capital investment is to allocate funds in order to attain and maintain a state of good repair for transit assets, while also supporting needs beyond state of good repair that would enhance transit utilization, efficiency, and reduce congestion; and

WHEREAS, DRPT received feedback from TSDAC, transit agencies, and funding partners across the Commonwealth that they value the Board providing reliable and predictable operating and capital funding to support strategic long-term financial planning;

NOW THEREFORE BE IT RESOLVED, the Board directs the Director of DRPT to examine and pilot innovative approaches to allocate MERIT Capital funding through a combination of formula and/or discretionary grants, to engage proactively with TSDAC, transit agencies, and industry stakeholders, and to provide the Board with periodic updates.

BE IT FURTHER RESOLVED, the Board hereby adopts the following policy and process to govern the structure, scoring, and prioritization of projects for capital funding pursuant to subdivision C of 33.2-1526.1 of the Code of Virginia:

BE IT FURTHER RESOLVED, the Board hereby directs the Director of DRPT to take all actions necessary to implement and administer this policy and process, including, but not limited to, preparation of technical guidance and outreach consistent with this resolution.

1. For the purposes of review and prioritization, transit capital projects will be classified into three categories:

    a. State of Good Repair – Capital projects or programs to replace or rehabilitate an existing asset organized into three sub-categories;
        i. State of Good Repair with Asset Condition: the replacement or rehabilitation of existing assets that have a documented in-service date and a state accepted estimated service life (ESL).
        ii. ii. State of Good Repair without Asset Condition: the replacement or rehabilitation of existing assets that do not have a documented in-service date or state accepted estimated service life (ESL).
        iii. Major State of Good Repair: the replacement of transit infrastructure and facilities with a total cost exceeding $3 million.

    b. Minor Enhancement – Capital projects or programs that add capacity or include the purchase of new assets meeting the following criteria: Total project cost of less than $3 million, or all expansion vehicle projects, or all projects for engineering and design;

    c. Major Expansion – Capital projects or programs to add, expand, or improve transit services or facilities, with a total cost exceeding $3 million,
        - In the rare instance that a project submitted for DRPT funding fits the definition of a Major Expansion project based solely on total project cost, but does not add, expand, or improve transit services or facilities, the DRPT Director shall determine the appropriate project category for project evaluation.

2. The MERIT Capital Program will provide a minimum of 80% of the annual allocation to State of Good Repair and Minor Enhancement projects and a maximum of 20% available for Major Expansion projects.

3. To provide predictability and to ensure projects are funded at a level sufficient to move forward, State of Good Repair with and without Asset Condition and Minor Enhancement projects will be matched at a maximum state match rate of 68% of total project cost. Major State of Good Repair and Major Expansion projects will be funded at a maximum state match rate of 50% of total project cost, providing applicants with funding that can be leveraged against other state and federal funding programs. Local matching funds, at a minimum of 4% of total project cost, are required for all transit capital projects except those that have been awarded federal discretionary grant funding. DRPT may allow for a lower local match for a capital project that has been awarded funding through a federal discretionary grant program.

4. DRPT may recommend to the Board an allocation of capital funding reserved to provide matching funds for projects awarded federal discretionary grants throughout the fiscal year. Projects will be evaluated using the MERIT prioritization methodology and allocations reported to the Board when the reserve funds are utilized.

5. State of Good Repair projects with Asset Condition will be evaluated considering asset condition (up to 60 points), service impact (up to 40 points), and incentive scoring (up to 10 points). The asset condition score depends upon the asset's age at the time of application. For vehicles, the asset condition score is the average of the age and mileage-based scoring tables. For non-vehicle assets, only the age score is used.

Age of Asset Relative to Service Life	Points	Mileage of Vehicle Relative to Service Life	Points
< 80% of ESL Age	0	< 80% of ESL Mileage	0
80-89.9% of ESL Age	25	80-89.9% of ESL Mileage	25
90-99.9% of ESL Age	30	90-99.9% of ESL Mileage	30
0-9.9% > ESL Age	35	0-9.9% > ESL Age	35
10-19.9% > ESL Age	40	10-19.9% > ESL Mileage	40
20-29.9% > ESL Age	45	20-29.9% > ESL Mileage	45
30-39.9% > ESL Age	50	30-39.9% > ESL Mileage	50
40-49.9% > ESL Age	55	40-49.9% > ESL Mileage	55
50% or more > ESL Age	60	50% or more > ESL Mileage	60

Service impact considers the asset impact on service (direct or indirect), and to what extent an asset affects the rider experience and system efficiency. Points for service impact will be awarded in four categories, with up to 10 points awarded per category:

- Service Frequency, Travel Time and/or Reliability – Speeds up transit routes or allows for increased frequency. Significant impact on reliability either through preventing breakdowns or removing vehicles from mixed traffic.
- Operating Efficiency – Provides for a significantly more cost-effective service.

- Service Accessibility and/or Customer Experience – Implements a significant improvement in a customer's ability to access the system or a significant improvement in the ease of use of the system.
- Safety and Security – Provides a significant improvement in safety or security.

Service impact scoring is primarily qualitative based on project type and takes into consideration specific project features and characteristics. Projects will automatically receive the minimum score for the criteria based on the default values with high = 10, medium = 6, and low =3.

Primary Project Types	Secondary Project Types	Operating Efficiency	Frequency, Travel Time and/or Reliability	Accessibility and/or Customer Experience	Safety and Security	Total Default Score
Admin/Maintenance Facilities	Supports Operations	High Impact	Medium Impact	Low Impact	Medium Impact	25
Admin/Maintenance Facilities	Non-Operational	Low Impact	Low Impact	Low Impact	Medium Impact	15
Customer Facilities	Transit Centers/Stations	Medium Impact	Medium Impact	High Impact	Medium Impact	28
Customer Facilities	Bus Stop/ Shelter Improvements	Low Impact	No Impact	High Impact	High Impact	23
Capital Finance Strategies	All	High Impact	High Impact	High Impact	Medium Impact	36
Maintenance Equipment & Parts	Vehicle and Vehicle Support Equipment	High Impact	High Impact	Medium Impact	Medium Impact	32
Maintenance Equipment & Parts	Property and Facilities	Medium Impact	Low Impact	Low Impact	High Impact	22
System Infrastructure	All	High Impact	Medium Impact	Medium Impact	Medium Impact	28
Technology/Equipment	Onboard Systems—ITS/Communications	Medium Impact	Medium Impact	High Impact	Medium Impact	28
Technology/Equipment	Operations Support	Medium Impact	Medium Impact	Medium Impact	Medium Impact	24
Technology/Equipment	Onboard Systems—Safety	No Impact	No Impact	Medium Impact	High Impact	16
Technology/Equipment	Administrative	Low Impact	Low Impact	Low Impact	Low Impact	12
Vehicles	Revenue Vehicles	High Impact	High Impact	High Impact	High Impact	40
Vehicles	Overhaul/Rebuild	High Impact	High Impact	Medium Impact	High Impact	36

Vehicles	Support Vehicles	Medium Impact	Medium Impact	Low Impact	Low Impact	18

Incentive scoring prioritizes specific statewide goals and program requirements, and allows for further differentiation in project scores. Two incentive points are awarded to 5 factors within two criteria areas: Agency Accountability and Good Grants Management.

Criteria	**Points**	**DRPT Incentive Points: SGR and MIN Projects** *Incentives for projects that satisfy DRPT Goals*
Good Grants Management	2 Points for Each Requirement Met:	- Project Progress - Agency is making good progress toward implemented awarded capital projects - Project Closeout - Agency has closed out completed projects
Agency Accountability	2 Points for Each Requirement Met:	- Compliance with State Asset Management Requirements (WebGrants Updates) - Compliance with State Strategic Planning Requirements (TSP/TDP Documents Up to Date) - Compliance with State Performance Reporting (On-time reporting)

6. State of Good Repair projects without an Asset Condition will be evaluated considering just the service impact and incentive scoring methodology that is applied to State of Good Repair with Asset Condition.

7. Major State of Good Repair projects will be evaluated based on Asset Condition score, service impact score, and incentive scoring that is applied to State of Good Repair with Asset Condition, ridership impacted by the project, the cost of the project, and based on the information included in the project application.

8. Minor Enhancement projects will be evaluated considering the same service impact and incentive scoring methodology that is applied to State of Good Repair projects without an Asset Condition.

9. Major Expansion projects will be evaluated based upon the following factor areas identified in 33.2-214.4 of the Code of Virginia: congestion mitigation, economic development, accessibility, safety, environmental quality, and land use.

10. The factors specified in 33.2-214.4 of the Code of Virginia will be measured and weighted according to the following metrics:

Category	**Measure**	**Measure Weight**

Congestion Mitigation	Change in peak period transit system ridership attributed to the project	100%
Economic Development	Project consistency with regional and local economic development plans and policies, and support for local development activity	100%
Accessibility	Project improvement in accessibility to jobs	50%
	Disadvantaged population (low-income, minority, or limited English proficiency) within walking distance of project	50%
Safety	Project contribution to improving safety and security, reducing risk of fatalities or injuries	100%
Environmental Quality	Reduction in daily vehicle miles traveled resulting from project	100%
Land Use	Transit supportive land use served by the project	100%

11. Candidate Major Expansion projects will be scored based on the factors and weights identified above, the cost of the project, and based on the information included in the project application.

12. The final score for Major Expansion projects will be determined by calculating the anticipated benefits relative to the amount of funding requested pursuant to 33.2-1526.1 of the Code of Virginia.

13. A project that has been selected for transit capital funding (state of good repair, minor enhancement, or major expansion) must be rescored and the funding decision reevaluated if there are significant changes to either the scope or cost of the project.

BE IT FURTHER RESOLVED, the methodology may continue to evolve and improve based upon advances in technology, data collection, and reporting tools, and to the extent that any such improvements modify or affect the policy and process set forth herein, they shall be brought to the Board for review and approval.

BE IT FURTHER RESOLVED, the Board hereby directs DRPT to take all actions necessary to implement and administer this policy and process, including, but not limited to preparation of program guidance and outreach consistent with this resolution.

BE IT FURTHER RESOLVED, the Board hereby directs the Director of DRPT to analyze the outcomes of this process on an annual basis and to revisit the process at least every three years, in consultation with TSDAC, transit agencies, metropolitan planning organizations, and local government prior to making recommendations to the Board.

BE IT FURTHER RESOLVED, that the Policy for the Implementation of State Transit Capital Prioritization approved by the Board on October 25, 2022, is superseded by this revised policy and is hereby rescinded.

# # #

CTB Decision Brief
Policy for the Implementation of State Transit Capital Prioritization

Issue: HB 1539 (2018 General Assembly Session) requires DRPT to review the State Transit Capital Prioritization policy framework every three years, in consultation with the Transit Service Delivery Advisory Committee (TSDAC). Since the last update in 2022, DRPT has identified proposed improvements to the program methodology to better align project categories with actual project types, simplify the application and scoring process, and incentivize good grants management practices among transit agencies.

Facts: Section 33.2-214.4 of the Code of Virginia provides that the Commonwealth Transportation Board shall develop a prioritization process for capital projects funded pursuant to subdivision C of 33.2-1526.1 of the Code of Virginia. DRPT presented proposed policy changes to TSDAC on July 7, 2026, and received unanimous endorsement (with one abstention) on the following changes:

- *Project categorization and scoring:* new subcategories for State of Good Repair projects (SGR with Asset Condition Score, SGR without Asset Condition Score, and Major SGR) along with a new scoring methodology for Major SGR projects that factors requested funding and ridership served into the score.
- *Project definition:* elimination of the 5-vehicle/5%-of-fleet threshold, so that all vehicle expansion projects are scored under the Minor Enhancement project type regardless of fleet size.
- *Incentive points:* elimination of underutilized incentive categories that are not achieving their intended result, and addition of a new category to incentivize agencies on good grants management.

Additionally, the resolution reflects feedback from TSDAC, transit agencies, and funding partners emphasizing the need for reliable and predictable transit funding to support long-term planning. It directs DRPT to explore and pilot innovative methods for allocating MERIT Capital funds, engage stakeholders proactively, and provide the Board with regular updates on this work.

Recommendation: DRPT recommends that the CTB approve the Policy for the Implementation of State Transit Capital Prioritization.

Action Required by CTB: Approve the Policy for the Implementation of State Transit Capital Prioritization.

Options: Approve, Deny, or Defer.