Proposed MERIT & TRIP Policy Changes

CTB Workshop

September 15, 2026

DRPT

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MERIT/TRIP Policy Change Briefing

- No action by CTB on MERIT or TRIP policies at September meeting
- DRPT will seek CTB approval on policy changes for the MERIT Capital, MERIT Operating, and TRIP programs at the October CTB meeting.
- Policy Changes will take effect for the FY2028 funding cycle that opens in December 2026

Acronym Guide

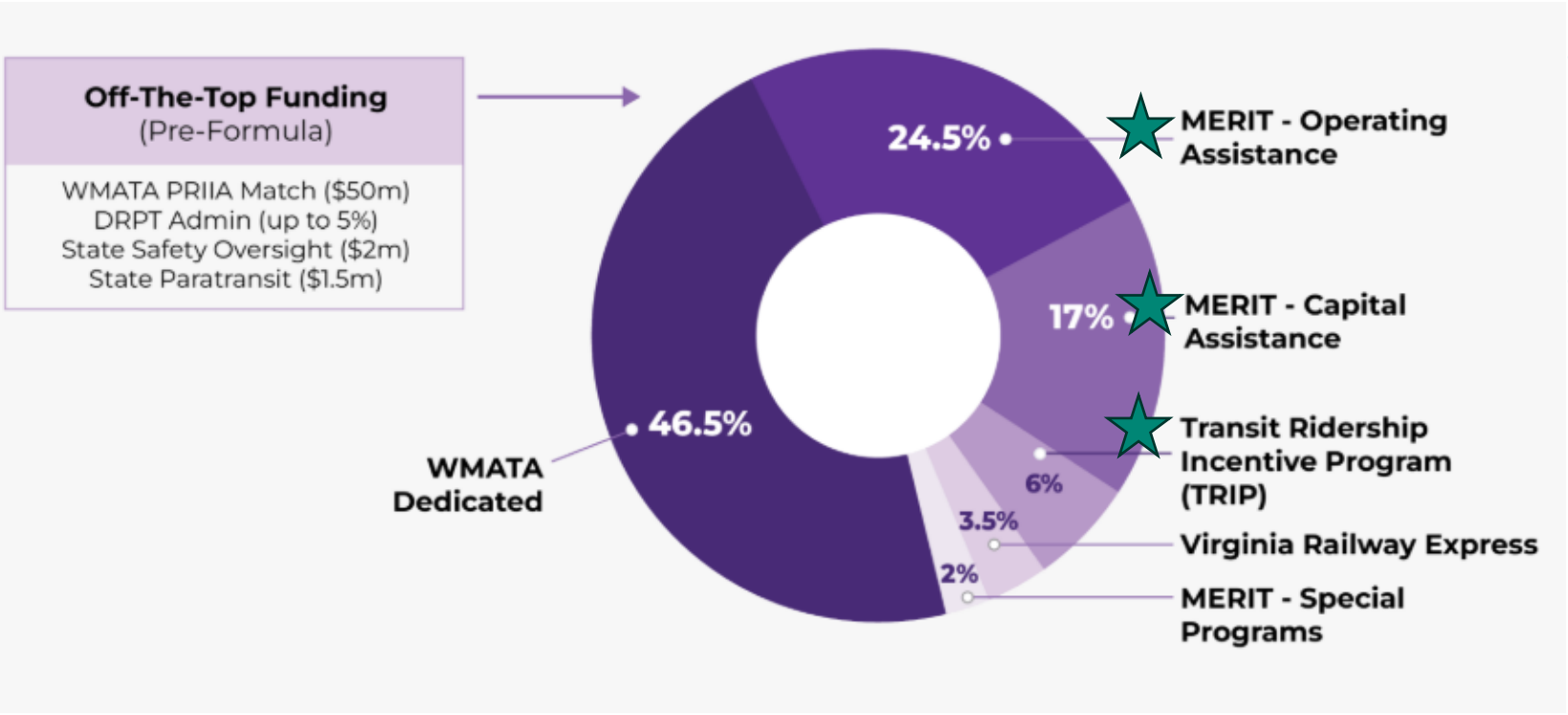
- MERIT: Making Efficient and Responsible Investments in Transit
- TRIP: Transit Ridership Incentive Program

Policy Goals for Transit Funding

- Big Picture
  - DRPT annually allocates a fixed amount of operating funding to 39 agencies
    - CTB policy includes a cap of 30% total operating support for any one transit agency in a fiscal year
  - Transit looks different across the Commonwealth and directly reflects the needs of the community being served
    - Rural Communities – access to healthcare and vital services across large geographic areas
    - Small Urban – service to colleges and universities as well as small cities
    - Large Urban – focus on congestion relief, high-capacity transit corridors, regional mobility, and economic/climate benefits
- Primary Policy Goals
  - Stability – ensure transit agencies continue to provide vital service and enable improved multi-year fiscal programming
  - Incentivize Good Performance – focus on maximizing operational efficiency, rewarding ridership growth, and improving the customer experience

Commonwealth Mass Transit Fund (CMTF)

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- § 33.2-1526 establishes the Commonwealth Mass Transit Fund (CMTF).
- § 33.2-1526.1 defines how CMTF funding is distributed to DRPT transit programs; authorizes the CTB to establish policies for each program.
- DRPT is bringing forward recommended policies changes for three (3) of its transit funding programs for CTB consideration:
  1. MERIT Operating Assistance
  2. MERIT Capital Assistance
  3. Transit Ridership Incentive Program (TRIP)

Making Efficient and Responsible Investments in Transit (MERIT)

CTB Role in Prioritizing CMTF Funding

- § 33.2-1526 establishes the Commonwealth Mass Transit Fund (CMTF).
- § 33.2-1526.1 defines how CMTF funding is distributed and authorizes CTB to establish policies for each program.
- § 33.2-214.4 develops a framework for how the CTB and DRPT shall prioritize the use of CMTF funding, specifically MERIT Capital and MERIT Operating funding programs, including minimum three-year review of program policies.
- § 33.2-214.4 and § 33.2-1526.3 require the Transit Service Delivery Advisory Committee (TSDAC) to assist DRPT in the review of these program policies

- February 2026 – CTB provided DRPT with additional time to 1) examine/propose changes to the MERIT Operating formula, 2) conduct further engagement with TSDAC and stakeholders, and 3) present proposed formula and policy changes to CTB for adoption in October 2026

Stakeholder Engagement Summary

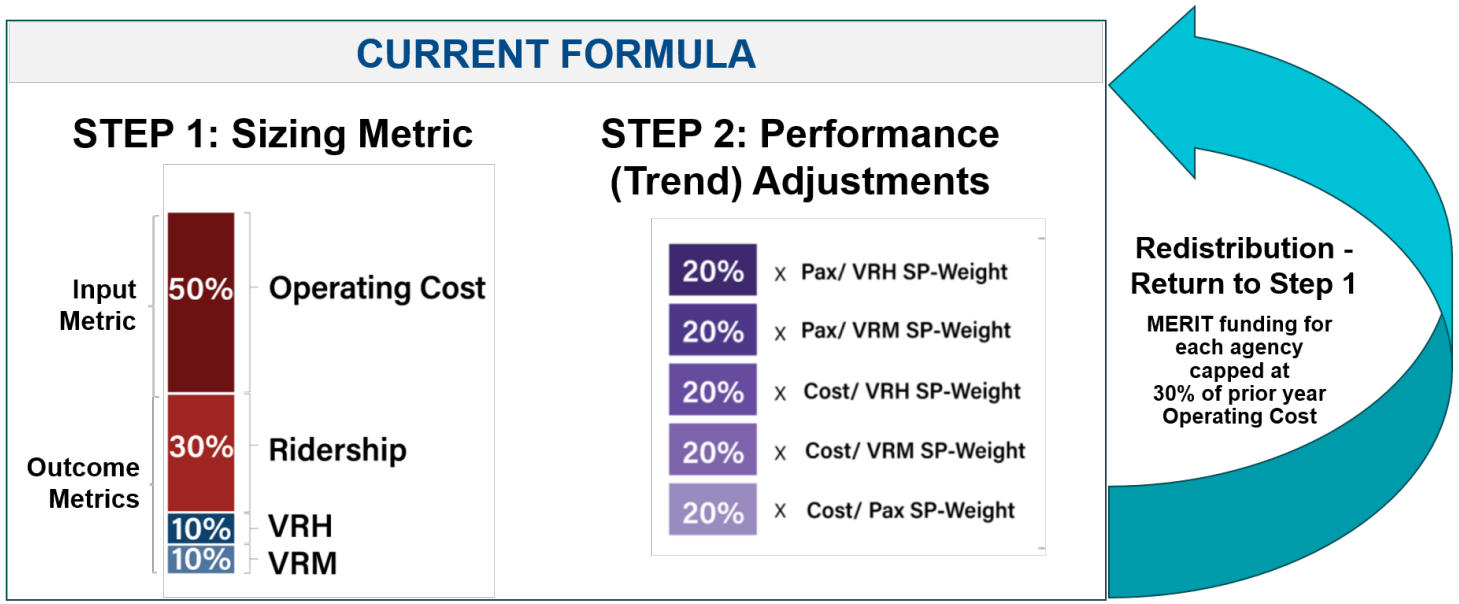
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2025 – 2026 Stakeholder Engagement

Transit Service Delivery Advisory Committee	Appointment Body
John McGlennon (Chair), James City County	Virginia Association of Counties
Cindy Mester (Vice Chair), City of Falls Church	Virginia Municipal League
Dr. Ray Smoot, CTB	DRPT
Paula Melester, BRITE	DRPT
Brian Booth, Blacksburg Transit	Community Transportation Association of Virginia
Kate Mattice, NVTC	Virginia Transit Association
Noelle Pinkard, Hampton Roads Transit	Virginia Transit Association

- DRPT engaged every transit agency in the Commonwealth during this process, along with outreach to the Virginia Association of MPOs, Virginia Association of Counties and Virginia Municipal League
- 13 TSDAC Meetings, Seven Virtual Stakeholder Workshops, and Three In-Person Stakeholder Workshops
- Formal 45-day Public Comment period from August 3 – Sept 18, 2026
  - DRPT will report on any public comments submitted at the October CTB meeting

Existing MERIT Operating Formula



Pax = Passengers
VRH = Vehicle Revenue Hour*
VRM = Vehicle Revenue Mile*
* Includes deadhead for Commuter Bus services

- One size fits all
- Complex formula loop until all revenue is allocated
- No clear performance metrics for agencies to work towards

Stakeholder Feedback Themes

Need for…	Because…
Simplification	The current formula is difficult to understand for transit partners and decision-makers (i.e. performance adjustments, trends, reiterations)
Transparency	The process for developing formula concepts and making refinements needs more clarity
Predictability	Year-over-year variations in Operating Assistance allocations makes it difficult to plan and budget
Collaborative	Need time to discuss formula concepts and desired outcomes in an effort to reduce unintended consequences
Rewarding	The formula should reward agencies that meet performance criteria aligned with CTB and administration policy goals

Transit Ridership Incentive Program (TRIP)

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Transit Ridership Incentive Program (TRIP)

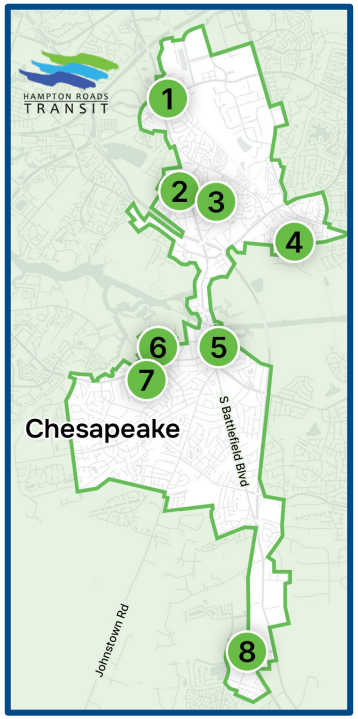
- **2020:** Established to support projects that promote increased ridership in urban areas and reduce barriers to transit use for low-income individuals.
- **2023-2026:** Legislature amended to promote improved transit service across the Commonwealth through:
  1) Identification and establishment of routes of regional significance
  2) Establishment of programs to reduce the impact of fares on low-income individuals
  3) Supporting local, regional, and state entities in improving the accessibility and safety of transit bus passenger facilities (added 2023)
  4) Encouraging innovative approaches to micromobility, paratransit, and other specialized transportation (added 2026)

Projects Funded by TRIP

- **Chesapeake Microtransit Zone** (Hampton Roads Transit)
  - App-enabled demand-response service
  - Connects Chesapeake residents to 4 bus routes
  - FY26: Over 1,600 trips with an 11-minute average wait

- **Afton Express Commuter Bus** (BRITE Bus)
  - Connects Central Shenandoah Valley to jobs in Charlottesville
  - Replaced 23,725 single-occupancy vehicle trips in 2025









- **Glebe Road Bus Stop Improvements** (Arlington Transit)

- **Zero-Fare Passes** (Fairfax Connector)
  - Eligible participants include older adults, lower-income adults, and Metro Access users.

HB 200 (McQuinn)
Transit Entities, certain; funding and administration

- § 33.2-1526.3 incorporates the changes from HB 200 in the Transit Ridership Incentive Program (TRIP):
  - Simplifies programmatic requirements and reduces various funding limitations
  - Allows rural agencies to apply for all project types
  - Adds a new "innovative approaches to micromobility, paratransit, and other specialized transportation“ project type
  - Adds that the CTB, in conjunction with TSDAC, shall establish the program guidelines and review those guidelines every three years

TRIP: Proposed Policy

- DRPT recommends the following policy changes to being the program in alignment with 2026 legislative changes:
  a) Expand applicant pool to include local governments and tribes with state or federal recognition
  b) Define ‘routes of regional significance’ as transit services that address regional travel needs as described in a regional plan or study
  c) Add ‘other transit-dependent populations’ to the provision of transit passes
  d) Establish guidance for the new ‘Enhanced Mobility Innovation’ category
  e) Remove ‘trainings’ as DRPT provides specific funding sources for trainings through other programs

TRIP Funding Opportunities

Regional Connectivity

Identify, establish, or improve routes of regional significance

- Regionally significant transit services
- Frequency or service enhancements
- Bus-only lanes
- Regional fare integration

Zero and Reduced Fare

Establish programs to reduce the impact of fares on low-income individuals

- Providing reduced or zero fare passes
- Removing fares on corridors or zones
- Eliminating fares across a system
- Fare policy planning

Enhanced Mobility Innovation

Encourage innovative approaches to micromobility, paratransit, and specialized transportation

- Connecting transit with micromobility
- Innovations in specialized transportation
- Improve coordination between specialized transportation and public transit

Passenger Amenities and Safety

Improving the accessibility and safety of transit bus passenger facilities

- Installing bus stops
- Bus stop improvements
- Passenger facility planning
- Safety equipment, programs, planning

MERIT Capital

MERIT Capital: Proposed Policy

- DRPT recommends some minor policy changes that help address administrative challenges in the program:
  1. **Project Categorization and Scoring**: Add additional project sub-categories to formalize the difference between Major Expansion projects and Major State of Good Repair (SGR) projects. Develop a new scoring methodology for Major SGR projects.
  2. **Project Definitions:** Clarify language that defines how vehicle expansion projects are scored.
  3. **Incentive Scoring:** Remove underutilized incentive scoring categories and add new incentive scoring categories for good grants management.

- Opportunities
  - Identify innovative, strategic approach to allocate MERIT Capital Funding that supports improved grants management and timely project delivery.
  - Collaborate with TSDAC, transit agencies, transit stakeholders, and OAG.
  - Periodic updates to CTB.

MERIT Operating

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MERIT Operating: Current Challenges & Solutions

Challenge	Proposed Solution
• The current formula does not address the diversity of transit services and geographic areas served but rather deploys a “one size fits all” approach to allocating funds to each transit agency.	• Customizing metrics and associated metric weights based on areas served by transit which share similar operating cost challenges and needs (i.e. Large Urban, Small Urban, and Rural areas)
• A single-year of data for cost, ridership, hours and miles is used for the Sizing Metric which leads to unpredictable year-over-year allocations.	• Incorporate a 3-year average dataset into the Sizing Metric, which will serve as a base allocation for each agency
• Trend-based Performance Adjustments do not always reward agencies for good performance and they are also more sensitive to industry-wide disruptions.	• Remove trend-based Performance Adjustments and implement a Performance Allocation model that rewards agencies for good performance

MERIT Operating: Proposed Policy

Step 1

- Reserve 5% of total annual MERIT Operating funds for the creation of a Performance Fund and split the remaining 95% of revenues by area type to be used for Base Allocations: Large Urban (81%), Small Urban (12%), and Rural (7%)
  - These allocations align with historic funding levels for transit agencies within the 3 cohorts

Step 2

- Base Allocations defined via a sizing metric customized by area type to better address the unique operating performance and cost trends within each cohort
- Maintains existing state operating subsidy cap at 30% of an agency's **audited** operating expenses

Step 3

- All agencies will be eligible to receive additional allocations via the Performance Fund
- Metrics used for determining Performance Allocations will be customized by area type
- DRPT Director will have the discretion to recommend Stability Funding for any agency that experiences *significant* anomalies in the formula. Stability Funding would **not** be utilized to guarantee a certain level of funding and if used, this will be reported to the CTB and noted in the SYIP

Proposed Policy: MERIT Operating

95% of total MERIT operating funding

Base Allocation (Guaranteed)

LARGE URBAN
40% Cost, 30% Ridership, 15% Hours, 15% Miles

SMALL URBAN
45% Cost, 25% Ridership, 15% Hours, 15% Miles

RURAL
50% Cost, 20% Ridership, 15% Hours, 15% Miles

- 3-year average dataset
- Subject to 30% cap

+

Performance Allocation (Conditional)

LARGE URBAN
Riders/Hour, Riders/Mile, PMT/Hour, PMT/Mile

SMALL URBAN
Riders/Hour, Riders/Mile, PMT/Mile

RURAL
Cost/Hour, Cost/Mile, Cost/Rider

- 1-year dataset
- Agencies receive proportional performance allocation if above 60th percentile in any metric

5% of total MERIT operating funding

Conclusion and Next Steps

Conclusion and Next Steps

- On July 7, 2026, TSDAC voted unanimously (with one abstention) to support DRPT's policy recommendations for the TRIP, MERIT Capital, and MERIT Operating programs
- TSDAC Chair, John McGlennon, issued a letter to the CTB confirming TSDAC's support for these policy recommendations
- DRPT will seek CTB approval on policy changes for the MERIT Capital, MERIT Operating, and TRIP programs at the October CTB meeting.
- If approved, policy changes will be effective starting with the FY28 grant cycle

Resources

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Agency Designations by FTA Area Type

Large Urban (10)

Agency Name	CTB District
ART	NoVA
DASH	NoVA
Fairfax Connector	NoVA
Fairfax CUE	NoVA
LC Transit	NoVA
GRTC	Richmond
HRT	Hampton Roads
PAT	Richmond
Valley Metro	Salem
OmniRide	NoVA

Small Urban (9)

Agency Name	CTB District
Blacksburg Transit	Salem
BRITE*	Staunton
Bristol Transit	Bristol
CAT	Culpeper
FXBGO	Fredericksburg
GLTC	Lynchburg
HDPT	Staunton
WATA	Hampton Roads
WinTran	Staunton

*Serves multiple FTA areas. Predominat area identified in table

Agency Designations by FTA Area Type

Rural (20)

Agency Name	CTB District
Alta Vista	Lynchburg
BABS	Lynchburg, Richmond
Bay Transit	Fredericksburg, Richmond
Bedford	Lynchburg
Bluefield	Bristol
Chincoteague	Hampton Roads
District III*	Bristol
DTS	Lynchburg
FAB	Lynchburg
Four County	Bristol

Agency Name	CTB District
GET	Hampton Roads
Jaunt	Culpeper, Lynchburg
Lake Country	Lynchburg, Richmond
Mountain Empire	Bristol
Pulaski	Salem
RADAR	Salem, Staunton
Radford	Salem
STAR	Hampton Roads
Suffolk	Hampton Roads
VRT	Culpeper, Staunton, NoVA

*Serves multiple FTA areas. Predominat area identified in table

Map of Transit Agencies in Virginia

Public Transportation in Virginia by VDOT District

BRISTOL
- 8 Bristol Virginia Transit (BVT)
- 15 Four County Transit
- 17 Graham Transit
- 26 Mountain Empire Transit
- 27 Mountain Lynx

CULPEPER
- 10 Charlottesville Area Transit (CAT)
- 23 Jaunt
- 38 Virginia Regional Transit (VRT)

FREDERICKSBURG
- 16 FXBGO!
- 4 Bay Transit
- 37 Virginia Railway Express (VRE)

HAMPTON ROADS
- 20 Greensville Emporia Transit (GET)
- 21 Hampton Roads Transit (HRT)
- 30 PONY Express
- 34 Star Transit
- 35 Suffolk Transit
- 39 Williamsburg Area Transit Authority (WATA)

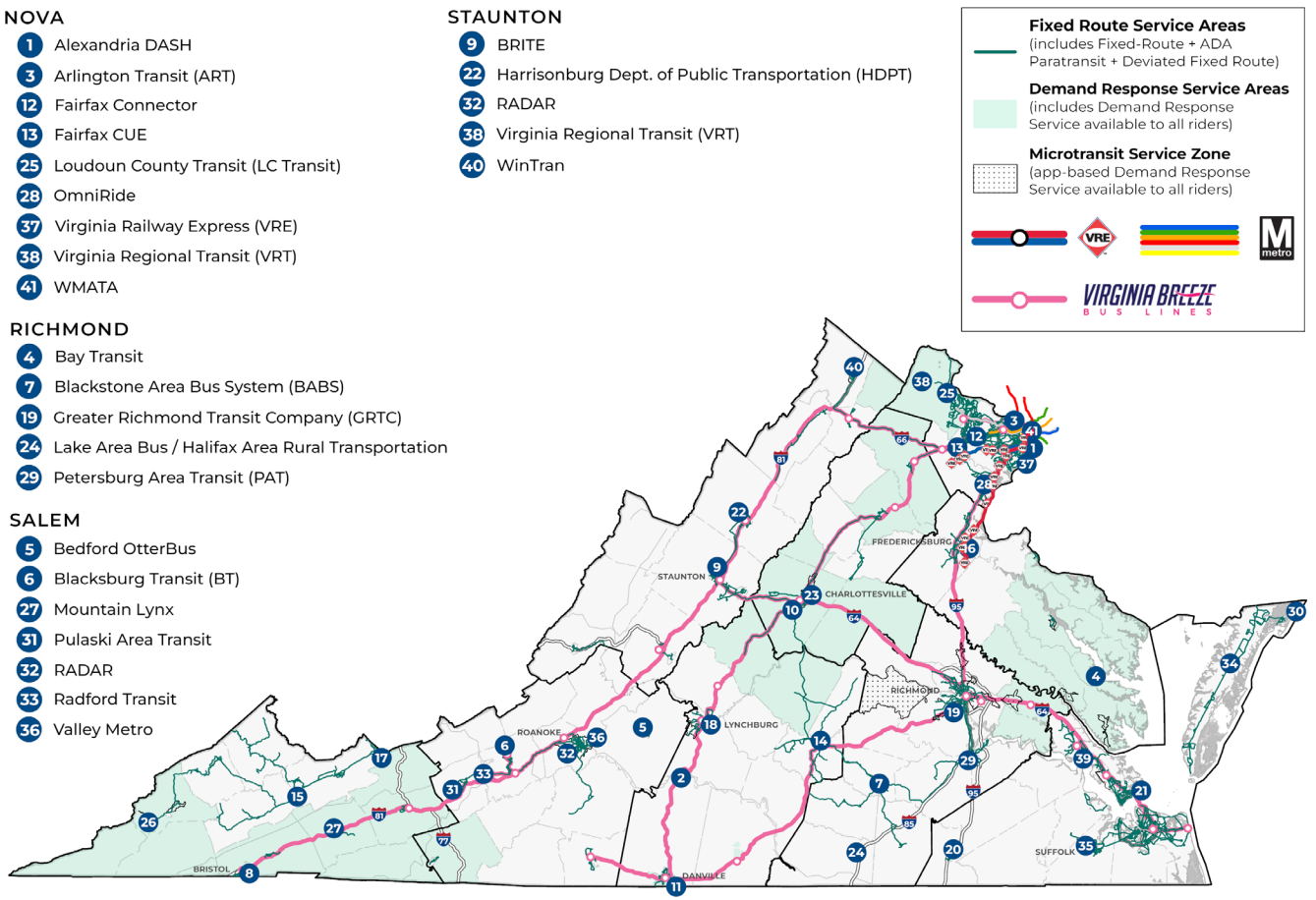
LYNCHBURG
- 2 Altavista Community Transit System (ACTS)
- 7 Blackstone Area Bus System (BABS)
- 11 Danville Transit System
- 14 Farmville Area Bus (FAB)
- 18 Greater Lynchburg Transit Company (GLTC)
- 23 Jaunt
- 24 Lake Area Bus / Halifax Area Rural Transportation

NOVA
- 1 Alexandria DASH
- 3 Arlington Transit (ART)
- 12 Fairfax Connector
- 13 Fairfax CUE
- 25 Loudoun County Transit (LC Transit)
- 28 OmniRide
- 37 Virginia Railway Express (VRE)
- 38 Virginia Regional Transit (VRT)
- 41 WMATA

RICHMOND
- 4 Bay Transit
- 7 Blackstone Area Bus System (BABS)
- 19 Greater Richmond Transit Company (GRTC)
- 24 Lake Area Bus / Halifax Area Rural Transportation
- 29 Petersburg Area Transit (PAT)

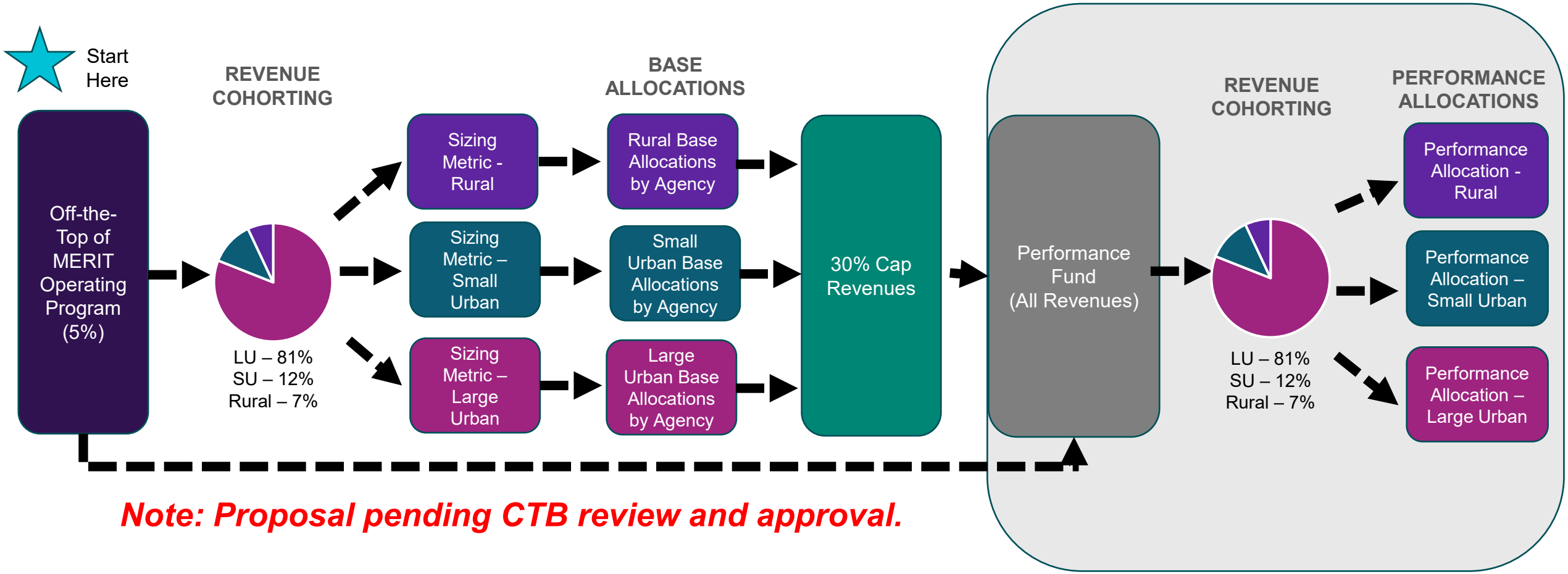
SALEM
- 5 Bedford OtterBus
- 6 Blacksburg Transit (BT)
- 27 Mountain Lynx
- 31 Pulaski Area Transit
- 32 RADAR
- 33 Radford Transit
- 36 Valley Metro

STAUNTON
- 9 BRITE
- 22 Harrisonburg Dept. of Public Transportation (HDPT)
- 32 RADAR
- 38 Virginia Regional Transit (VRT)
- 40 WinTran



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Proposed Full Cohorting Conceptual Process (Funding Flow)



Note: Proposal pending CTB review and approval.

For additional background and context, please visit the DRPT TSDAC webpage.