

PACTS Funding Framework Task Force

June 27, 2022

9:30–11:00 am

Meeting Notes

At its May meeting, the Policy Board established the Funding Framework Task Force for the purpose of reviewing the PACTS Transportation Funding Framework and making recommendations for improvement.

Funding Framework Background

- It is one responsibility of PACTS to allocate FHWA and FTA funding, totaling approximately \$27 million annually.
- PACTS had scoring criteria for FHWA projects, but had no similar criteria-based process for FTA funding.
- PACTS developed the Transportation Funding Framework to allocate all transportation funding based on a series of metrics aligned with regional priorities. The framework was adopted in April 2021.

Transit Funding

- Section 5307 and 5337 funding are allocated to the region's transit agencies via the Five-Year Capital and Operating Plan (FYCOP). The FYCOP is based on individual agencies needs and subsequent negotiation.
- Section 5310 and 5339 have in the past been allocated to MaineDOT, but will remain with the region beginning in 2022 to simplify the administration of the funds.
- Beginning in 2023, 12 percent of Section 5307 funding (approximately \$1.3 million annually) will be set aside for system enhancement projects, to be scored via the framework.
- Beginning in 2023, operating funds will be allocated via the framework or some other criteria-based process.
- Staff see an opportunity to allocate all of the region's transit funding, not just operations, through a criteria-based process, and will seek direction from the Executive Board to begin developing such a process. A criteria-based process will ensure funding is allocated according to regional goals and priorities.
- There is precedent for a criteria-based approach in the region: Section 5337 funding is allocated according to directional route miles.

Pandemic Relief Funding

- PACTS received \$53 million in CARES Act funding and \$8.1 million in ARPA funding.
- The Policy Board was supportive of two complementary strategies for these funds:
 - Offsetting fare revenue shortfalls to maintain pre-pandemic service levels
 - Investing in system and service improvements to stimulate ridership recovery
- Approximately 85 percent of CARES funding went to offsetting fare revenue shortfalls.
- At its August 2021 meeting, the Policy Board voted to use the CARES funding to offset projected fare revenue shortfalls through December 2023. Remaining funding provided relief only through April 2023.
- At that same meeting, the Policy Board voted to use the funding framework to allocate the region's ARPA funding to projects that support long-term ridership recovery and capital investment needs.
 - At its March meeting, the Policy Board approve funding for seven projects and approximately \$1 million for Casco Bay Lines and NNEPRA operations and maintenance.

ARPA Split Letter

- At its May meeting, the Policy Board reviewed a letter from BSOOB Transit, Casco Bay Lines, NNEPRA, and South Portland Bus Service regarding the outstanding ARPA split letter.
- The letter requested a few technical changes to the split letter and a review of the Transportation Funding Framework.
- The board considered several technical changes to the letter and assembled the Funding Framework Task Force to review the framework.

Group discussion:

- Some felt the split letter should be signed as soon as possible.
- Some felt progress needed to be made on the framework review process before they would be comfortable signing.
- Some felt additional technical changes needed to be made before they would be comfortable signing.

The Transit Task Force will meet to resolve any remaining technical issues with the split letter.