

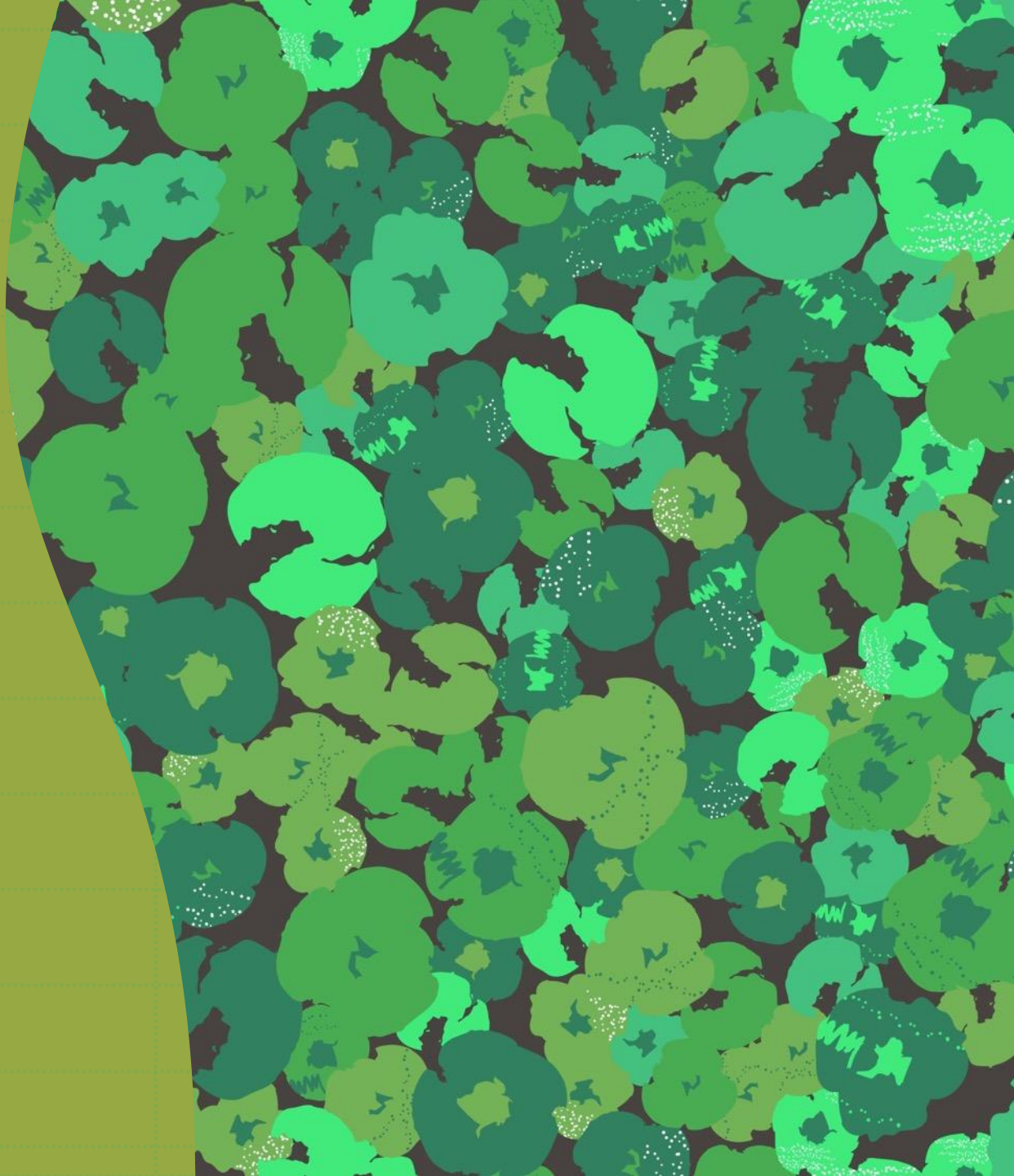
AzTA Federal Update

Tuesday, April 4 2023

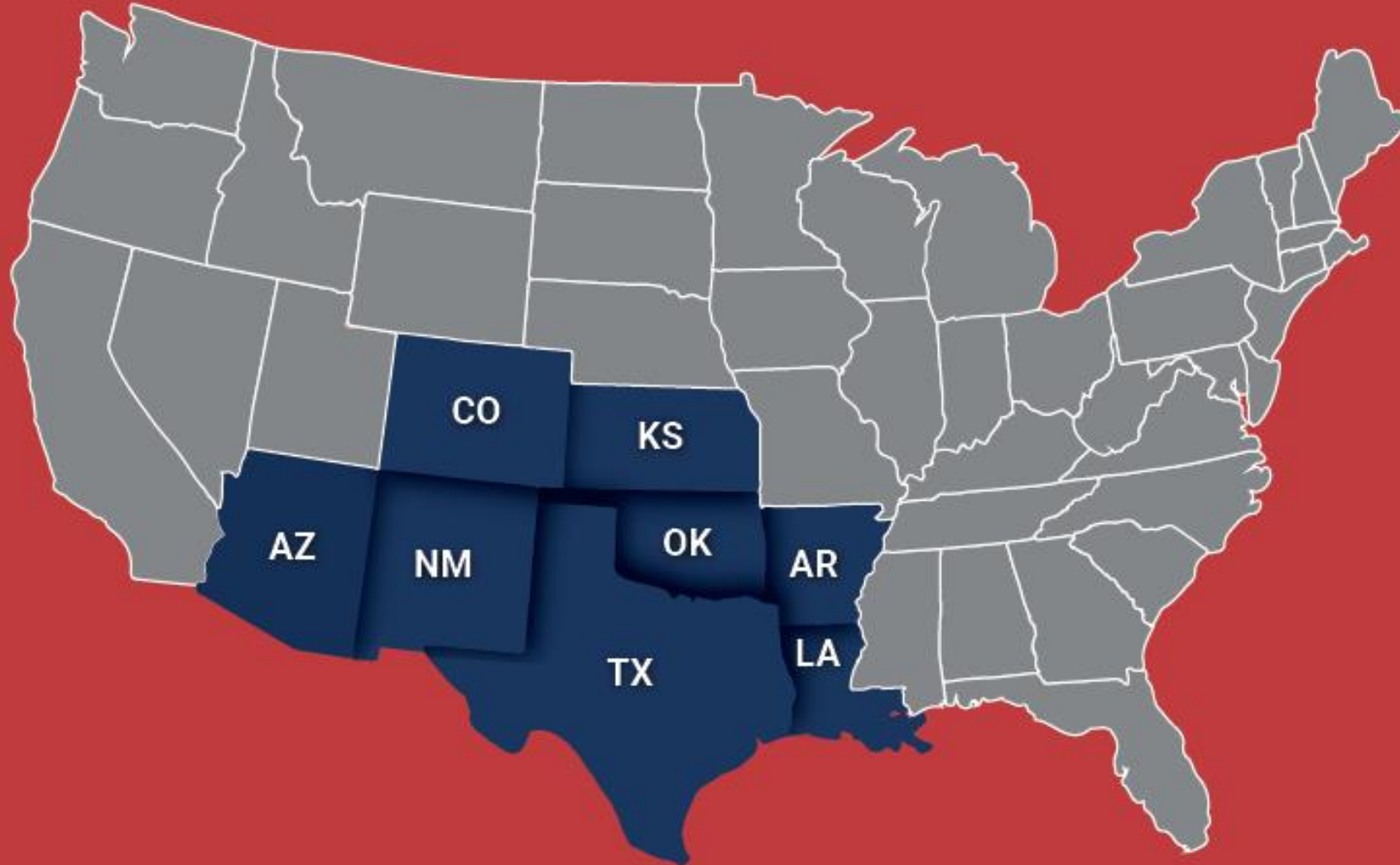
Rich Sampson

Executive Director

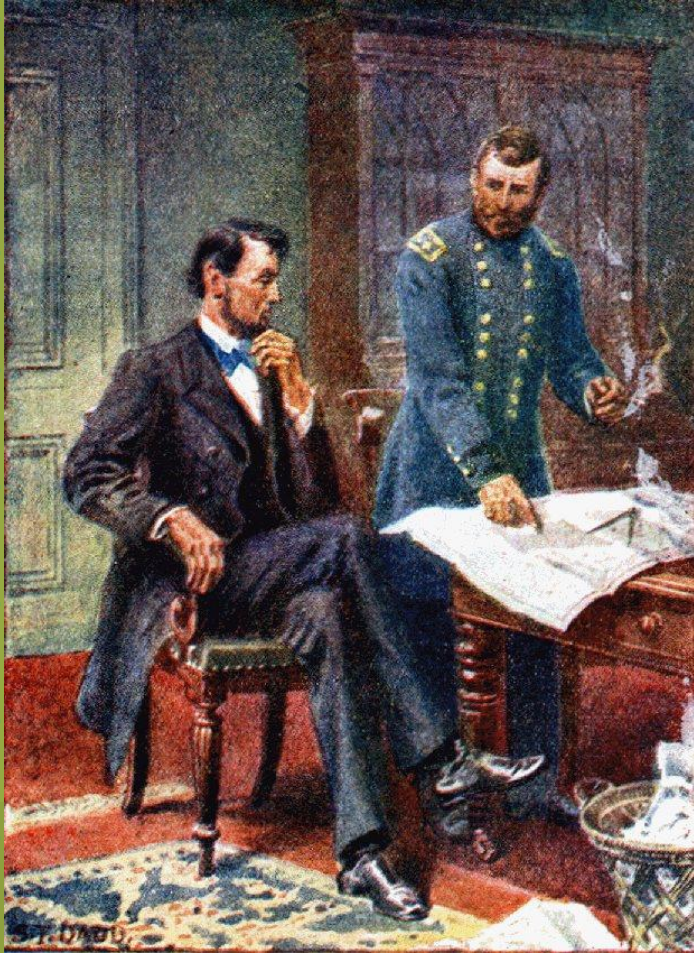
South West Transit Association



THE SWTA NATION



Historic Context



“The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty and we must rise with the occasion. As our case is new, we must think anew and act anew...”

— Abraham Lincoln

SMALL VEHICLE DELIVERY DELAYS

**12-24 month
avg. delay in
delivery**

Primarily due to production challenges involving computer chip components, deliveries of cutaway and minivan vehicles most often used for rural demand-response & urban paratransit services are currently delayed between one & two years from procurement date. Additionally, these vehicles compete with personal and commercial vehicle markets while fixed-route buses generally are an exclusive market for transit. Also, manufacturers assign lower priority to transit orders than other fleet vehicles such as ambulance and highway.

OPERATOR SHORTAGES

**Openings =
missed trips &
↓ reliability**

As COVID has reset labor availability and pay trends, transit is experiencing operator shortages at systems of all sizes. While many agencies have increased pay and benefits and offered other incentives, unfilled driver & operator positions are leading to service impacts such as late or cancelled trips and existing workforce are working longer shifts or more overtime. Competition from private sector employers make offering attractive wages difficult for transit providers with limited budget flexibility.

LIMITED LOCAL MATCH

**"We can buy
buses but can't
afford to run
them"**

Especially in rural communities and smaller urban areas, attracting local investment that's required to match federal funding has always been a challenge. That reality was enhanced by emergency COVID funding from federal programs. While needed & welcome to respond to the initial & unexpected emergence of COVID, many localities have redirected funding previously assigned to transit systems to cover other budgetary needs. Additional federal funds requiring match compound the difficulty in lining-up new matching funds.

OLDER VEHICLES MEAN MORE UPKEEP COSTS

**More
maintenance
hamstrings
budgets**

Although maintenance professionals at transit agencies do expert work in keeping their vehicle fleets on the road far longer than expected, the cost of materials and labor time to maintain older vehicles grows with every day and every mile in service. The longer these systems wait for delivery of already-ordered vehicles or cannot advance new procurement due to absent local match means trip reliability goes down and operating budgets become strained, potentially leading to service cuts down the road.

The Non-Federal Match Dilemma



**40% Increase in
Federal Formula
Funds**



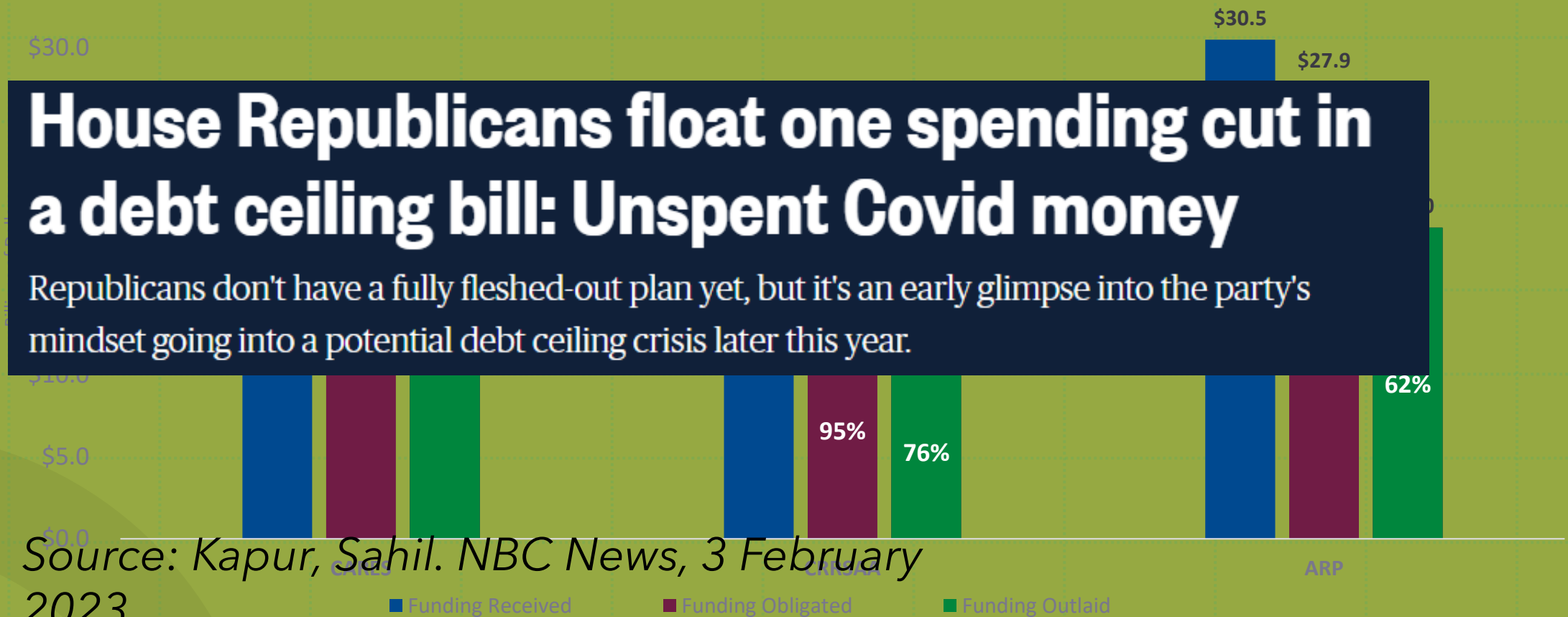
**Need to Increase
Non-Federal Match
By Same Percentage**



**Where Does
Additional Match
Come From?**

COVID-19 Public Transit Funding

95 Percent of Funds Obligated and 76 Percent Outlaid

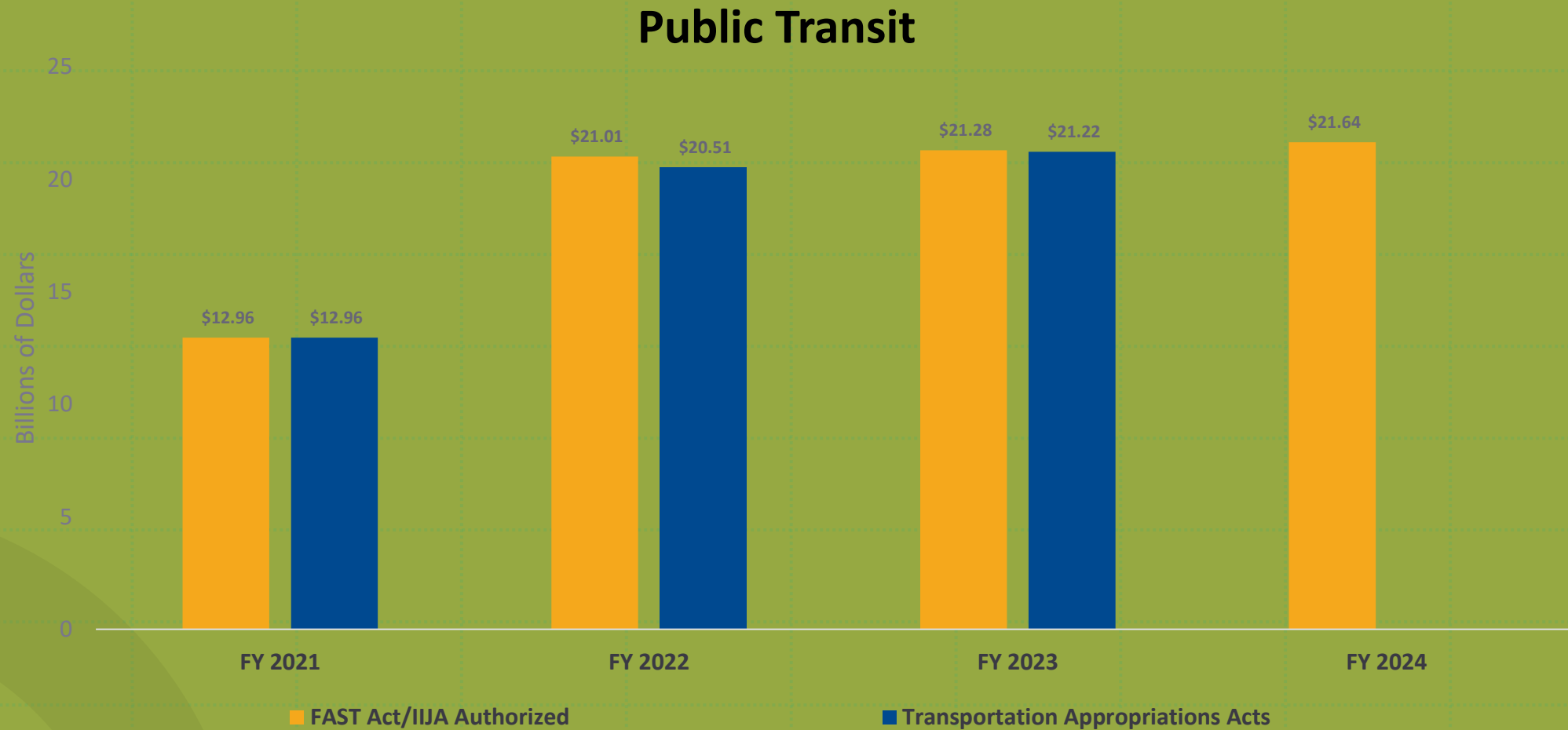


House Republicans float one spending cut in a debt ceiling bill: Unspent Covid money

Republicans don't have a fully fleshed-out plan yet, but it's an early glimpse into the party's mindset going into a potential debt ceiling crisis later this year.

Source: Kapur, Sahil. NBC News, 3 February 2023

Transportation (THUD) Appropriations Act



IIJA 2022 Competitive Grant Awards

Program	Eligible Projects	Amounts	Award Date
All Stations Accessibility Program (ASAP) (FY 2022 – FY 2023)	<ul style="list-style-type: none"> Upgrading accessibility of Legacy Rail systems for people with disabilities 	\$686 million	Dec. 19
Rural Transportation Grants (FY 2022)	<ul style="list-style-type: none"> Improve and expand surface transportation infrastructure in rural areas 	\$274 million	Dec. 21
FTA Ferry Programs (FY 2022)	<ul style="list-style-type: none"> Purchasing and rehabilitating passenger ferries, including electric or now-emitting ferries and ferries that serve rural areas 	\$384 million	January 26
Mega Grants (FY 2022)	<ul style="list-style-type: none"> Transit projects that are part of an eligible project 	\$1.2 billion	January 31
Total		\$8.0 billion	

IIJA 2022-2023 Pending NOFOs

Program	Eligible Projects	Amounts	Application Deadline
Federal-State Partnership for Intercity Passenger Rail (NEC) (FY 2022 – FY 2023)	<ul style="list-style-type: none"> • Intercity passenger rail projects on the Northeast Corridor 	\$9 billion	March 27
FTA Bus and Bus Facilities Grants (FY 2023)	<ul style="list-style-type: none"> • Replacing, rehabilitating, or purchasing buses, equipment, and facilities 	\$469 million	April 13
FTA Low and No Emission Bus Grants (FY 2023)	<ul style="list-style-type: none"> • Purchasing or leasing low- or no-emission buses and facilities 	\$1.2 billion	April 13
Federal-State Partnership for Intercity Passenger Rail (NN) (FY 2022)	<ul style="list-style-type: none"> • Intercity passenger rail projects on the National Network 	\$4.6 billion	April 21
Total		\$21.8 billion	

IIJA 2023 Upcoming NOFOs

Program	Eligible Projects	Amounts	Opening Date
Reconnecting Communities Pilot Program (FY 2023)	<ul style="list-style-type: none">• Mitigating highways or other transportation facilities that create community barriers	TBD	Late Spring
Railroad Crossing Elimination Grants (FY 2023)	<ul style="list-style-type: none">• New grade-crossing improvement projects (including commuter rail)	TBD	Summer
Consolidated Rail Infrastructure and Safety Improvements (CRISI) (FY 2023)	<ul style="list-style-type: none">• Improving intercity passenger and freight rail systems	TBD	Fall
Strengthening Mobility and Revolutionizing Transportation (SMART) Program (FY 2023)	<ul style="list-style-type: none">• Projects focused on technology that improves transportation efficiency and safety in communities	TBD	Fall
Culvert Aquatic Organism Passage (AOP) (FY 2023)	<ul style="list-style-type: none">• Replacement, removal, and repair of culverts or weirs	TBD	Winter 2023-2024

Inflation Reduction Act (IRA)

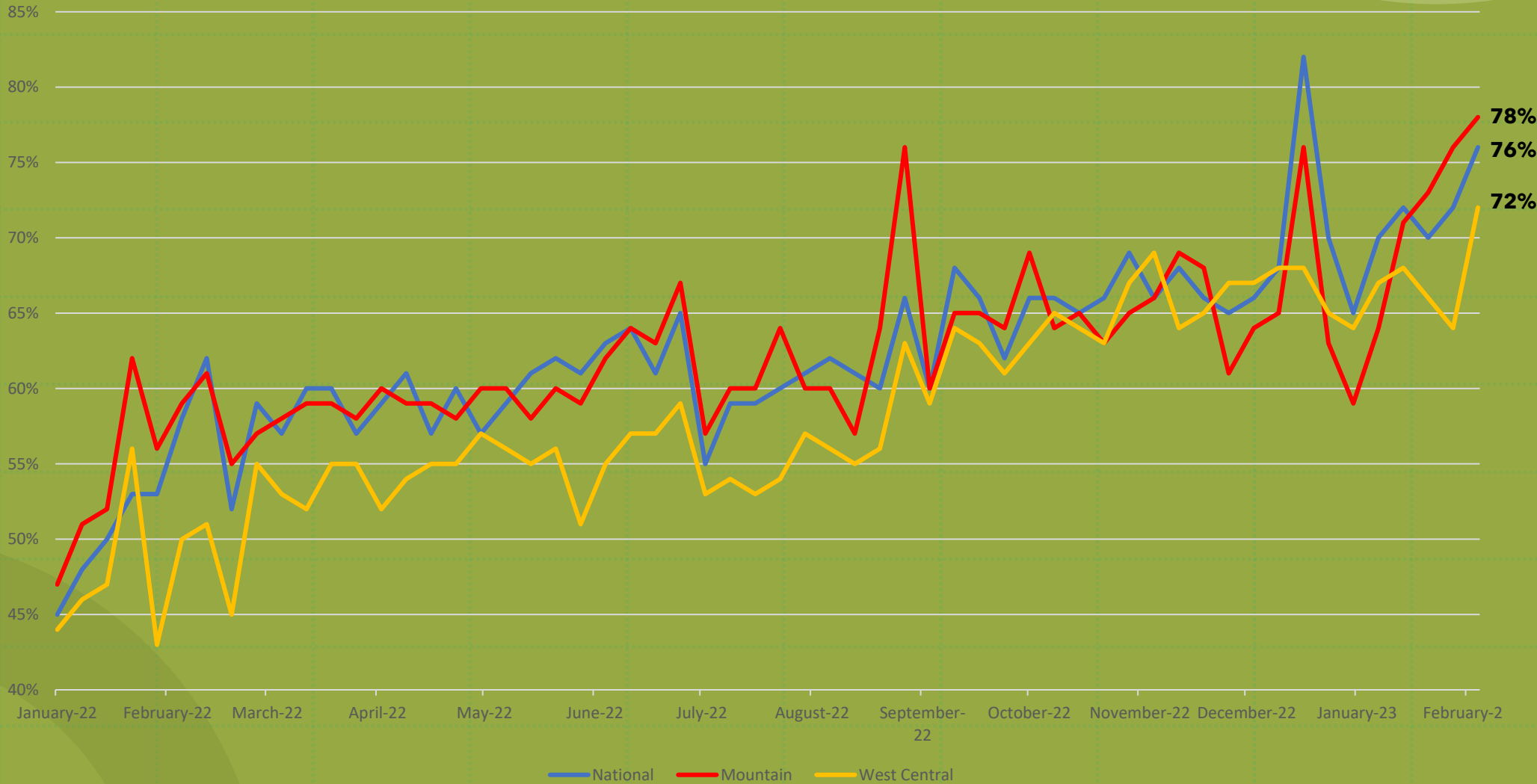
✓ Extends and Creates Clean Vehicle & Fuel Tax Credits

- ❖ Extends Alternative Fuel Excise Tax Credits
- ❖ Restructures Alternative Fuel Infrastructure Tax Credit
- ❖ Creates Commercial Clean Vehicle Tax Credit

✓ Provides New Climate & Equity Investments

- ❖ EPA Greenhouse Gas Reduction Fund (\$27 billion)
- ❖ DOT Neighborhood Access and Equity Grants (\$3 billion)
- ❖ DOT Low-Carbon Transportation Materials Grants (\$2 billion)

Public Transit Ridership Recovery



2023-2024 SWTA Legislative Priorities

Ensure

Ensure Annual Transit Appropriations Match Authorized Levels

Provide

Provide Relief for Vehicle Shortages and Employee Hiring

Explore

Explore Updates to Non-Federal Match Requirements, Especially for Rural Providers

Support

Support All Forms of Additional Revenue for Transportation

Create

Create New & Innovative Programs to Prepare for the Future

Investigate

Investigate Updates to Charter Service Regulations

Policy Topics For Monitoring

Ridership Data
Returning to
Current Levels for
Formula Allocations,
NTD

Electric Bus: Spare
Ratios

CDL Difficulties

Drug Testing
Updates



Questions?

rsampson@swta.org

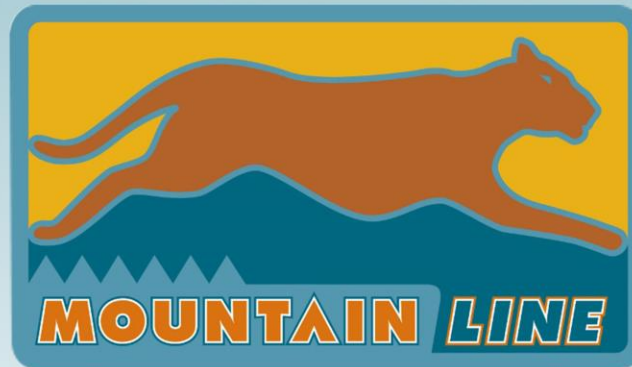
225.270.0855



SWTA's 2023 Summer
University Conference

August 13-16

Wichita, KS



Legislative Update

Heather Dalmolin,
Mountain Line CEO and General Manager



Getting you where you want to go



Federal Priorities

- **Ensure Annual Transit Appropriations Match Authorized Levels:**

The 5-year funding levels authorized in the Infrastructure Investment & Jobs Act (IIJA)/Bipartisan Infrastructure Law (BIL) sets the stage for substantial support and improvement of transit systems of all sizes across the country. Congress needs to honor these levels each year in the appropriations process.

- **Provide Relief for Vehicle Shortages and Employee Hiring:**

The impacts of COVID have left long-lasting imprints on the ability of transit providers to procure new vehicles and hire additional front-line staff. Specific policy and regulatory mechanisms such as flexible changes, updates, or waivers to Buy America(n) requirements, **the Commercial Driver's License (CDL) process, drug and alcohol testing procedures**, housing programs and more can ease the burden on transit agencies in maintaining and expanding service.

- **Spare Ratio Flexibility**

The adoption and transit to zero emission vehicles is challenging transit agencies and creating concerns about service resiliency. **Support spare ratio flexibility that recognizes growing pains associated with adopting EVs**, a new and emerging technology. In addition, spare ratio flexibility should be clearly communicated to transit systems consistently from both FTA headquarters and regional FTA offices.

- **Support All Forms of Additional Revenue for Transportation:**

Due to federal gas tax rates that have remained unchanged for a generation, the Highway Trust Fund and its Mass Transit Account are often insolvent, **requiring infusions of unrelated revenue by the Congress**. Options include raising the gas tax as well as initiation of vehicle miles traveled (VMT) strategies to allow electric and hybrid vehicles to contribute, along with other ideas.



Getting you where you want to go



State Priorities

- **State Funding for Transit:**

Make the case for the State of Arizona to make available reoccurring funding that can be used by transit across the state to drawdown and keep federal funding in Arizona.

- **Electric Rate Structure for Public Agencies: (ongoing)**

Advocate for the setting of public agency or non-profit electric rates that will facilitate and support the transition to electric fleets; reduce or remove peak/on-demand rates for public agencies.

- **Timely Distribution of Federal Funding: (ongoing)**

Collaborate with other transit agencies across the state to request the Arizona Department of Transportation distributes transit infrastructure funds in a timely fashion with a fair and transparent process.

- **Transit Laws Advocacy: (ongoing)**

Advocate for the State of Arizona to support transit operations through laws like Yield to Bus, Transit Operator Assault, and Transit Signal Priority.



Getting you where you want to go



Local Priorities

- **Codify Transit and Adopt Transit Plans:**

Advocate for transit and inclusion of transit planning methods and features in City development plans and codes, including bus pass credits, bus operating contributions, bus lanes, bus stop investments, pedestrian crossings and bike lanes, and signal priorities.



Getting you where you want to go



Federal Funding Efforts

- Contracted legislative liaison
- Form a relationship with staff members
- Participate in meetings in DC and locally
 - Give them visuals and leave behinds
- Invite them to see our projects
- Provide Updates – show graphics, talk about success, be responsible



Getting you where you want to go



Leave Behinds

CONNECTING
FLAGSTAFF

Kaspar HQ Master Plan & Electrification



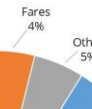
Fiscal Year 2022 Annual Report

July 2021 – June 2022

Mountain Line Leadership

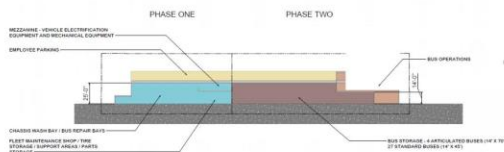
Heather Dalmolin
Chief Executive Officer/General Manager
Kate Morley
Deputy General Manager

Revenue Sources:
Total \$15,523,854.00



CONNECTING
FLAGSTAFF

Kaspar HQ Master Plan & Electrification



Phase 1: \$14M
Phase 2: \$21M



Fully hybrid Fleet currently
ZEB Plan completed 2019
- Fast charging at DCC
- Top off at HQ each night
2 electric buses ordered

\$1.6M for chargers and construction at HQ
-obligating

Partnership with APS
- Incremental cost difference paid by APS
- Provide data and logo and bus
Working on rate structures

Vanpool:
Commuters sharing a vehicle and saving on fuel and vehicle operating costs

ecoPASS:
An employer-based and residential bulk discount transit pass program

- Locked on the ground-level master plan for the Mountain Line headquarters facility to inform how the current space can best be used for future fleet and operations needs given that many customer service and administrative functions will relocate to the new Downtown Connection Center in 2024.
- Received more than \$6 million in federal funding to construct a Commercial Drivers License (CDL) training and testing course on the Northern Arizona University Campus.
- Developed creative ways to mitigate the impacts of a nationwide transit driver shortage, including procuring a new software to offer more flexible scheduling options and forming new partnerships to assist with driver recruitment.



Artist rendering of the new Downtown Connection Center

Getting you where you want to go

Mountain Line • Flagstaff: 3773 N. Kaspar Drive • Flagstaff, AZ 86004 • 928.679.8900 • www.mountainline.az.gov

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Getting you where you want to go



2022 State Funding Effort

- Contracted legislative liaison
- Establish a relationship – cast a wide net
- Met with them at the State Capitol
 - Gave them visuals and leave behinds
- Provided an introduction, shared story of success
- Had a clear project/objective
 - Included the significance and regional impact



Getting you where you want to go



Leave Behinds

DOWNTOWN CONNECTION CENTER


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City of Flagstaff \$15Million
 FTA* \$19Million
Arizona \$ 6Million
Total Cost: \$40Million

* FTA= Federal Transit Administration

Vision: Revitalize prime downtown lot into a multimodal connection center with capacity for electric buses, long-term service expansion and regional transportation services compatible with Rio de Flag flood control project.





Mountain Line Leadership

Heather Dalmolin
Chief Executive Officer/General Manager

Kate Morley
Deputy General Manager

Mountain Line is governed by a Board of Directors comprised of members from the City of Flagstaff, Coconino County, Northern Arizona University, and Coconino Community College.

Revenue Sources:
Total \$12,462,319.00

Mountain Line by the Numbers

- 28 buses (All hybrid-electric, 6 articulated)
- 8 paratransit vans
- 164 Bus Stops (including 10 shared stops with Northern Arizona University)
- 78 Bus Shelters (including 10 shared shelters with NAU)
- 2 Connection Centers (Downtown Flagstaff and Flagstaff Mall)
- 3 maintenance shops, Bus Storage Facility, Automated Bus Wash

Programs include:

Mountain Line: Fixed route bus service on nine routes

Paratransit: Service for those unable to use the fixed route bus system – via paratransit vehicles or taxis

Mountain Express: Seasonal service between Flagstaff and Arizona Snowbowl


Travel Training: Free program that teaches individuals and groups how to navigate the transit system

Vanpool: Commuters sharing a vehicle and saving on fuel and vehicle operating costs


ecoPASS: An employer-based and residential bulk discount transit pass program

Transit Tax - 29.5 cents on a \$100 purchase.


ECONOMIC IMPACTS



Historically, Mountain Line contributes \$12M to local economy




170 local jobs



\$1 of local funding leverages \$3.23 from outside sources

93% OF RESPONDENTS AGREE MOUNTAIN LINE IS A VALUABLE SERVICE IN A 2019 COMMUNITY SURVEY





Getting you where you want to go



What we learned?

- Need to build a relationship
- Don't just go to ask for funding
- Follow up
- Say thank you

Questions?



Getting you where you want to go

