

## MEMORANDUM

**To:** Members of the Commonwealth Transportation Board

**From:** Mariia Zimmerman, Director  
Virginia Department of Rail and Public Transportation

**Date:** February 11, 2026

**Subject:** Request for Revised Board Action Timeline

The Virginia Department of Rail and Public Transportation is seeking CTB approval to revise the previously scheduled Board action for the MERIT (Making Efficient and Responsible Investments in Transit) operating and capital assistance review. This revision does **not** alter the timeline for implementation.

### Background:

- The MERIT operating assistance methodology is used to allocate funding to 38 transit agencies across the Commonwealth.
- MERIT capital assistance uses a prioritization process to allocate funding for statewide capital projects for the same agencies.
- WMATA and VRE are excluded from this process.
- DRPT, with assistance from the Transit Service Delivery Advisory Committee (TSDAC), reviews MERIT every three years.

### January Recommendation:

- DRPT will present a formal recommendation to the Board at its **April** meeting with a CTB vote scheduled for **May**.
- Any approved changes will be implemented as part of the **Fiscal Year 2028 Six-Year Improvement Program**, which opens for applications in **December 2026**.

### Updated Recommendation:

- DRPT will present a formal recommendation to the Board at its **September** meeting, with a CTB vote scheduled for **October**.
- Any approved changes will still be implemented as part of the **Fiscal Year 2028 Six-Year Improvement Program**, which opens for applications in **December 2026**.

### Benefits of Revised Timeline:

- Provides TSDAC with additional time to complete its work.
- Allows DRPT to conduct further outreach and engagement with the transit industry and the public.
- Enables DRPT and TSDAC to incorporate updated **April 2026 performance data** to better inform the impacts of proposed changes.



# COMMONWEALTH of VIRGINIA

## Commonwealth Transportation Board

Nicholas Donohue  
Chairperson

1221 East Broad Street  
Richmond, Virginia 23219

(804) 482-5818

*Agenda item # 7*

### RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

February 17, 2026

#### MOTION

**Made By:** Ms. Sellers, **Seconded By:** Dr. Smoot

**Action:** Motion Carried, Unanimously

#### **Title: Making Efficient and Responsible Investments in Transit Program Review**

**WHEREAS**, subdivision D of 33.2-1526.1 of the Code of Virginia requires the Commonwealth Transportation Board to evaluate DRPT's transit operating assistance methodology (Making Efficient and Responsible Investments in Transit/MERIT) every three years with changes implemented at least six months prior to the fiscal year of implementation; and

**WHEREAS**, any changes require consultation with the Virginia Department of Rail and Public Transportation (DRPT), the Transit Service Delivery Advisory Committee (TSDAC), and interested stakeholders and a 45-day public comment period, before being considered for approval; and

**WHEREAS**, Section 33.2-214.4 of the Code of Virginia provides that the Commonwealth Transportation Board shall develop a prioritization process for statewide capital projects funded pursuant to subdivision C of 33.2-1526.1 of the Code of Virginia; and

**WHEREAS**, DRPT and a team of consultants started the three-year review of both the MERIT operating formula and capital assistance prioritization process in March 2025 and worked with TSDAC and multiple stakeholders from March through November 2025; and

**WHEREAS**, any changes the Commonwealth Transportation Board approves prior to December 31, 2026, will go into effect with the Fiscal Year 2028 Six Year Improvement Plan; and

**WHEREAS**, DRPT found the following challenges to the current operating assistance formula: it is input-heavy (50% operating cost) and not fully aligned with performance goals; trend-based adjustments are complex with multiple metrics moving independently, neutralizing each other; performance impact is diluted after multiple redistributions; multi-factor trend adjustments make allocations unpredictable and highly variable year to year which impedes transit operators' ability to develop multi-year plans; and the program structure lacks transparency and general understanding and does not consistently reward efficiency; and

**WHEREAS**, DRPT found the following challenges to the current capital assistance formula: some projects do not fit neatly into existing categories and scoring methodologies; vehicle expansion projects can have different match ratios and scoring methodologies based on the number of vehicles requested; and some incentive scoring categories are not achieving intended results; and

**WHEREAS**, during the 45-day comment period, some rural transit agencies voiced support for the formula changes, most of the public comment received voiced a desire for additional time to evaluate the proposed changes and to have more direct involvement in the process; and

**WHEREAS**, TSDAC approved a resolution at its November 2025 meeting requesting more time from the Commonwealth Transportation Board to provide for a full evaluation of proposed adjustments and is continuing to meet in 2026 to advance this work while seeking more DRPT engagement across the Virginia transit industry; and

**WHEREAS**, DRPT will receive updated transit operating and capital data in April 2026 allowing the agency an important opportunity to test and evaluate the impacts of potential formula changes; and

**NOW THEREFORE BE IT RESOLVED**, the Commonwealth Transportation Board will delay action on the MERIT operating assistance formula and capital assistance prioritization process changes to no later than its October 2026 meeting for implementation starting with the Fiscal Year 2028 Six Year Improvement Program; and

**BE IT FURTHER RESOLVED**, the Commonwealth Transportation Board directs DRPT to provide a formal recommendation to the Board no later than its September 2026; and

**BE IT FURTHER RESOLVED**, that the Making Efficient and Responsible Investments in Transit Program Review resolution, approved by the Commonwealth Transportation Board on January 6, 2026, is superseded by this revised resolution and is hereby rescinded.

#####

## **CTB Decision Brief**

### **Making Efficient and Responsible Investments in Transit Program Review**

**Issue:** The Code of Virginia requires that the CTB evaluate DRPT's transit operating assistance methodology ("MERIT Operating Assistance") every three years. Any changes require consultation with DRPT, TSDAC, and interested stakeholders, and shall provide for a 45-day public comment period, before being considered for approval.

**Facts:** DRPT and a team of consultants kicked off a three-year MERIT operating and capital review in March 2025 meeting and consulting with the TSDAC and multiple stakeholders from March through November 2025. Below is an overview of DRPT's evaluation of the challenges of the current MERIT operating and capital assistance methodologies:

#### **Current MERIT Operating Assistance Formula Challenges**

- Current formula is input-heavy (50% operating cost) and not fully aligned with performance goals.
- Trend-based adjustments are complex with multiple metrics moving independently, neutralizing each other.
- Performance impact is diluted after multiple redistributions.
- Multi-factor trend adjustments make allocations unpredictable and highly variable year to year.
- Program structure lacks transparency and does not consistently reward efficiency.

#### **Current MERIT Capital Assistance Prioritization Process Challenges**

- Some projects do not fit neatly into existing categories/scoring methodologies.
- Vehicle expansion projects can have different match ratios and scoring methodologies based on number of vehicles requested.
- Some incentive scoring categories do not achieve intended results.

The 45-day public comment concluded on November 20, 2025. While some rural transit agencies voiced support for the formula changes, the majority of public comment voiced a desire for additional time to evaluate the proposed changes and more direct involvement in the process. One transit agency, OmniRide, voiced strong opposition to the changes. In response to public comment received, TSDAC passed a resolution at the November 2025 meeting requesting additional time to study the issue.

TSDAC and DRPT feel that additional analysis of more current ridership data would provide invaluable information to better determine the potential impacts of proposed changes to the MERIT formula. Updated information provided by the transit agencies will not be available until April 2026 so additional time is being sought to enable that analysis and more public outreach to ensure any proposed changes are fully understood.

This resolution supersedes the January 6, 2026 resolution passed by the CTB.

**Recommendation:** In light of the TSDAC resolution and its ongoing work throughout the first half of 2026 as well as the addition of further data points in April 2026 to assist with the evaluation of any potential changes, DRPT recommends delaying action on any proposed MERIT operating and capital changes until October 2026. This timeline requires DRPT to propose a formal recommendation for formula changes no later than the September 2026 CTB Workshop Meeting. This additional time does not delay implementation of MERIT changes that will take effect in the FY 2028 grant cycle.

**Action Required by CTB:** The CTB will be presented with a resolution for a formal vote, directing DRPT to submit its recommendations for MERIT operating formula and capital prioritization process changes no later than the September 2026 CTB Workshop Meeting.

**Result, if Approved:** If approved, the recommended MERIT operating formula and capital assistance prioritization process changes will be effective for DRPT's FY 2028 grant allocations.