



GREATER MINNESOTA TRANSIT ADVISORY COMMITTEE

Office of Transit and Active Transportation

November 12, 2020

Agenda

Time	Topic
1:00-1:15	Welcome & Purpose of the Transit Advisory Committee
1:30-2:00	Discussion of COVID 19 Impact on Operations- Noel Shughart
2:00-2:45	Greater Minnesota Transit Program Review and Path Forward- Mark Nelson
2:45-3:15	Indirect Costs under 2 CFR 200- Tori Nill
3:15-3:30	Open Discussion

Purpose of the Transit Advisory Committee

- Involve all transit providers in statewide transit investment decisions
 - Discuss tradeoffs among competing objectives
 - Establish Priorities

Today's Objectives

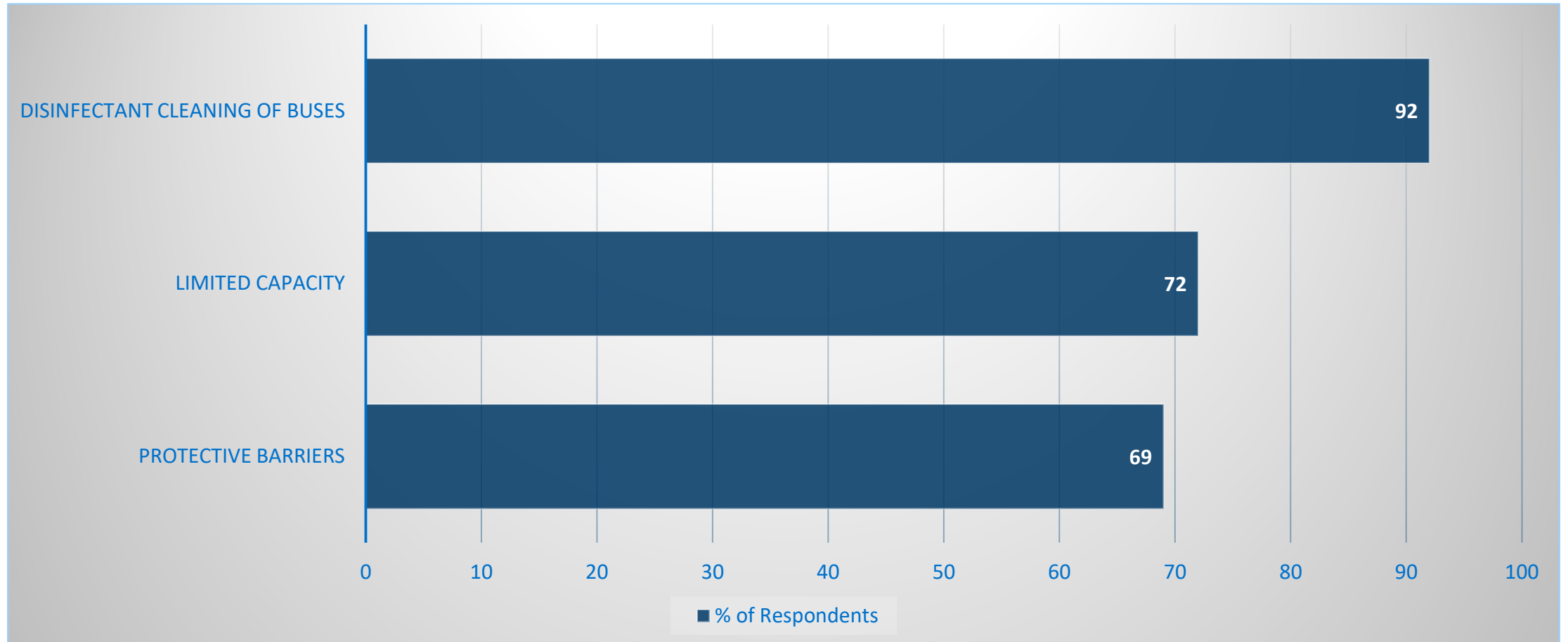
- Review the impacts of the Covid-19 pandemic and what this means for the future.
- Share the latest state revenue trends and projections
- Re assess the Greater Minnesota Transit Program
- Discuss a path forward for addressing indirect costs



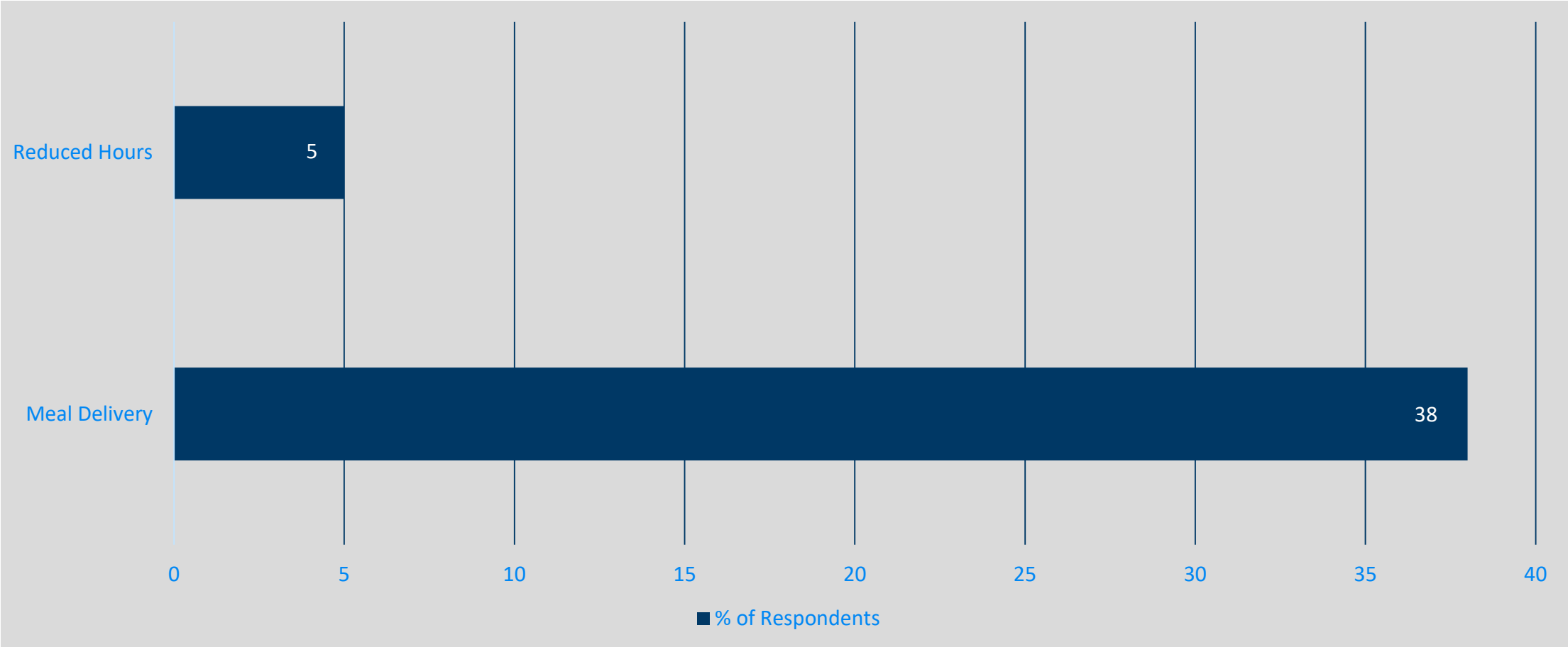
Review of Covid-19 Impact

- Created a survey asking systems for information regarding COVID-19 impact and mitigation strategies COVID-19 Impact Survey
 - 26 responses out of a possible 34 received
 - Questions included: capacity changes, disinfecting/barrier strategies, other COVID-19 impacts (i.e. staffing, advertising)
- Melinda Estey and Darrell Washington gathered data on transit's role in food security and transit service levels.

Safety Strategies



Service Strategies



Survey Themes

- Discouragement of Trips

- Yes, especially during initial “stay at home” executive order
- Pulled back on advertising
- Resumed full service when colleges re-opened
- Health questionnaire asked when calling for a ride. Customer will get redirected to county public health dept. if answer to any question is ‘Yes.’ County public health will give further clearance and set up the ride if needed after additional inquiries.

- Barriers

- Entire fleet to almost entire fleet now with barriers
- Creative solutions...

- Reasons for No Barriers

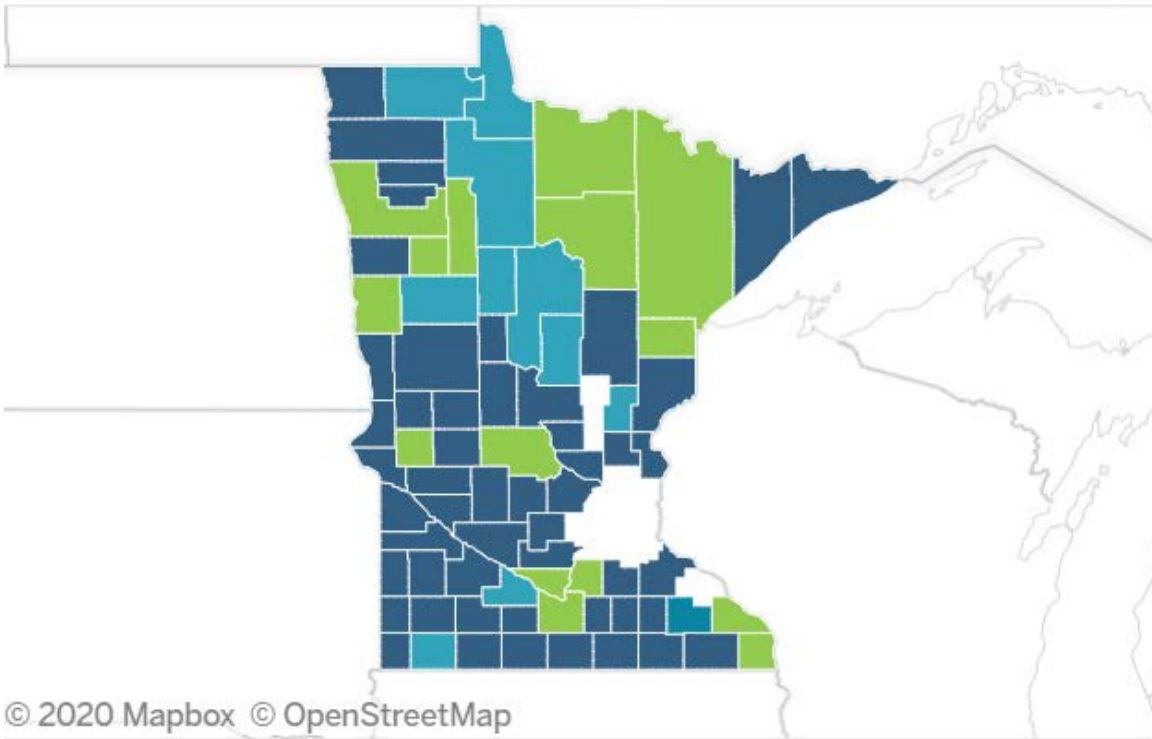
- Safety Concerns/creating obstacles
- Rely on PPE
- Cost Concerns (i.e. No Available installer)

- Capacity Constraints

- Buses operating at 50% capacity
- Seating is staggered

Food Delivery Service

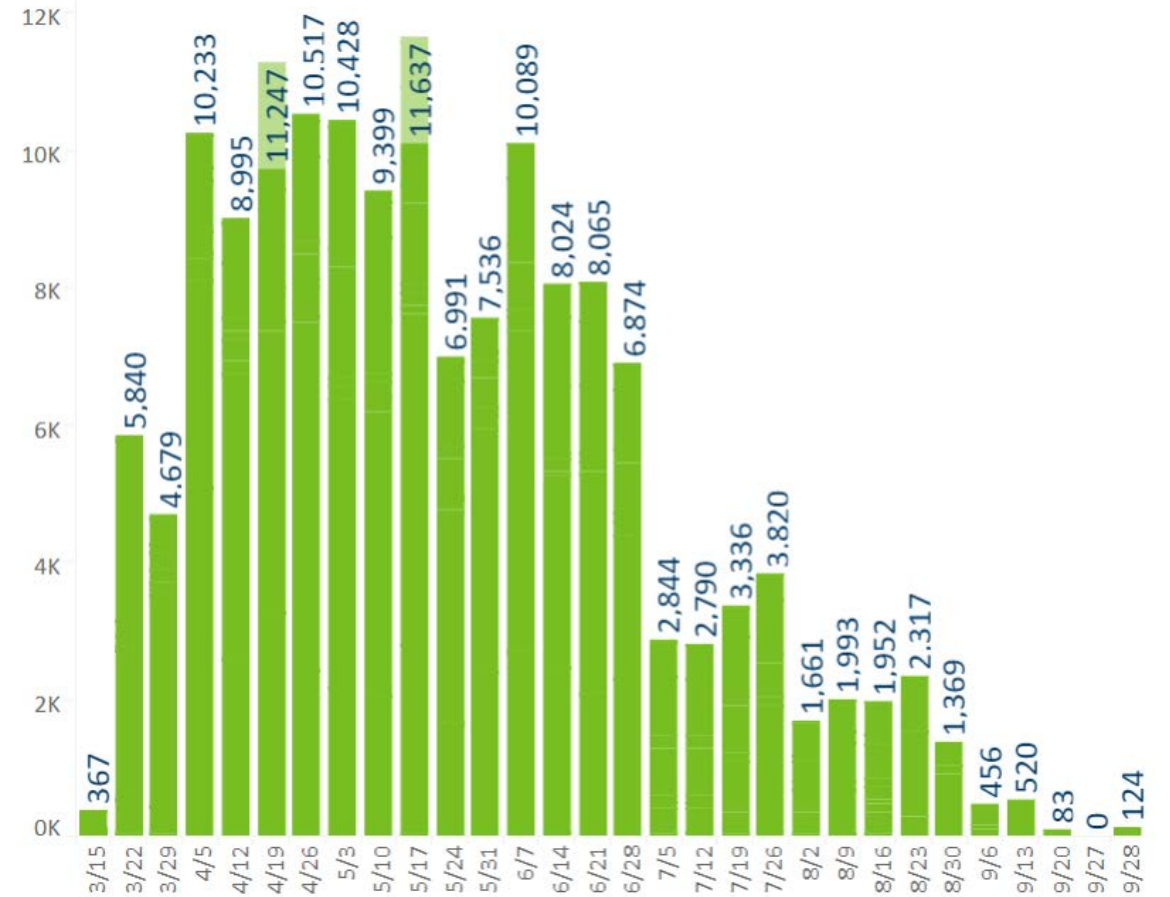
County Coverage Area



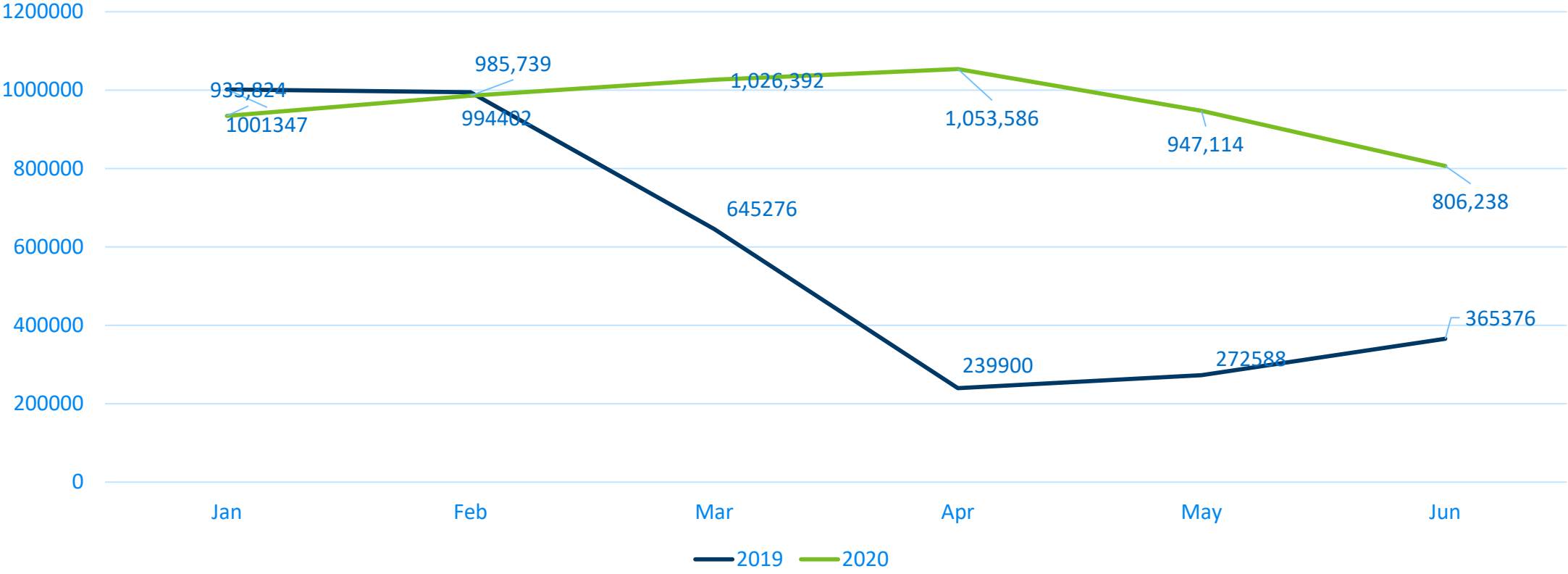
What portion of transit systems in the county are providing services?



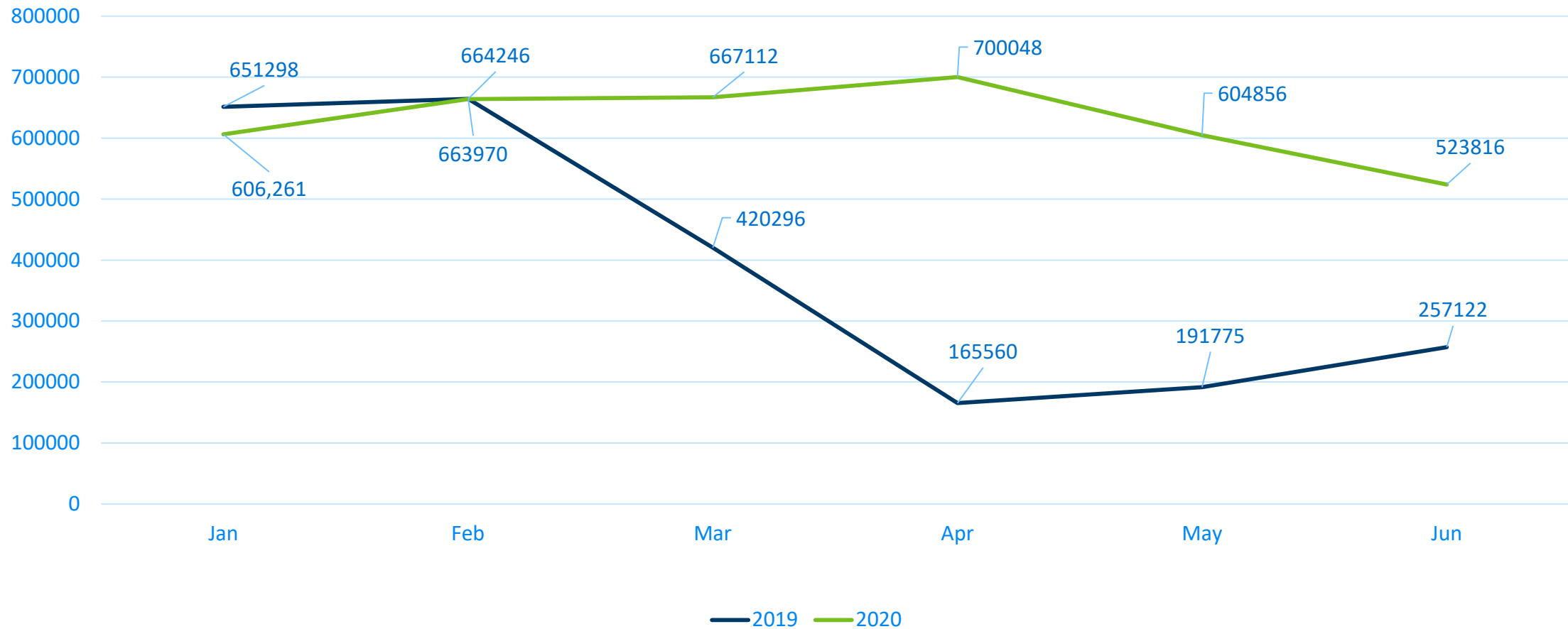
Meals Delivered by Week



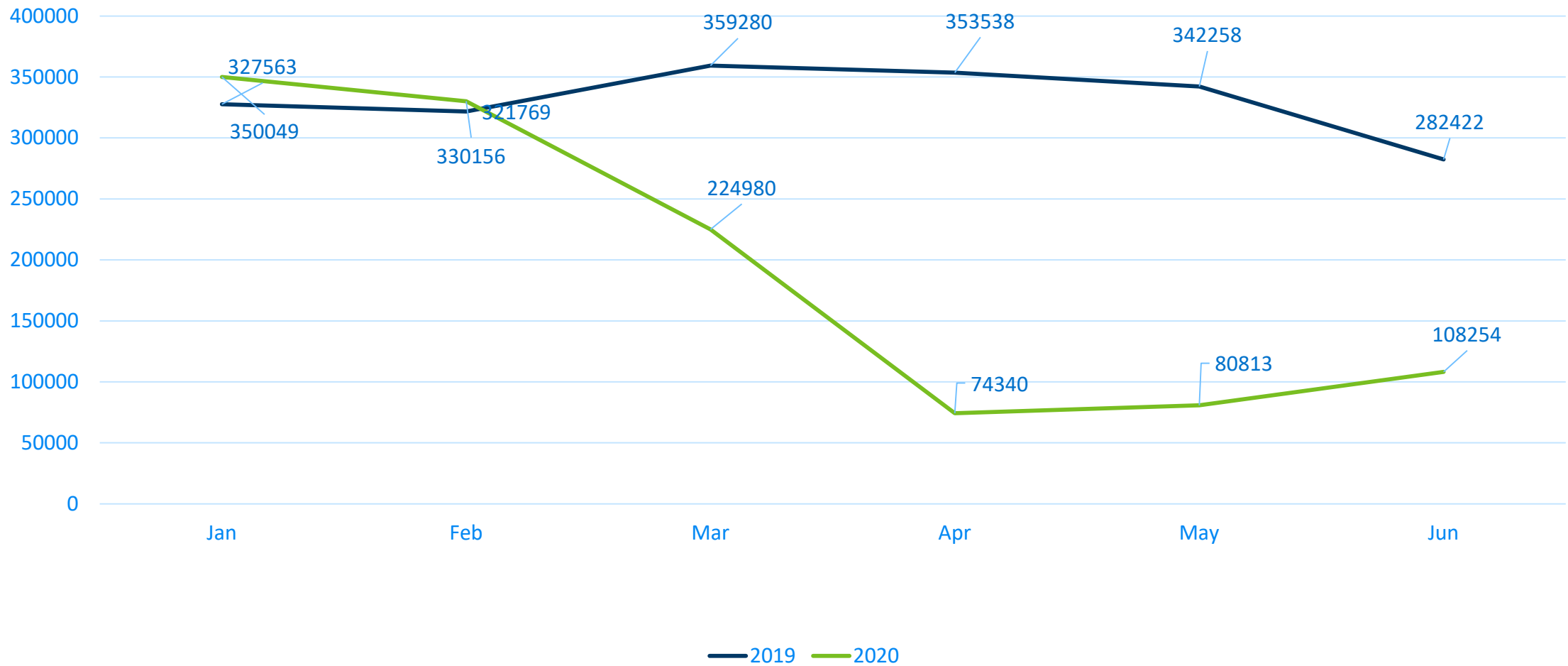
Greater Minnesota Transit Ridership



5307 Ridership



5311 Ridership



COVID Strategy Questions

- What do you think the “New Normal” will be for transit?
When?
- What long term changes would you make to your systems based on experience with COVID?

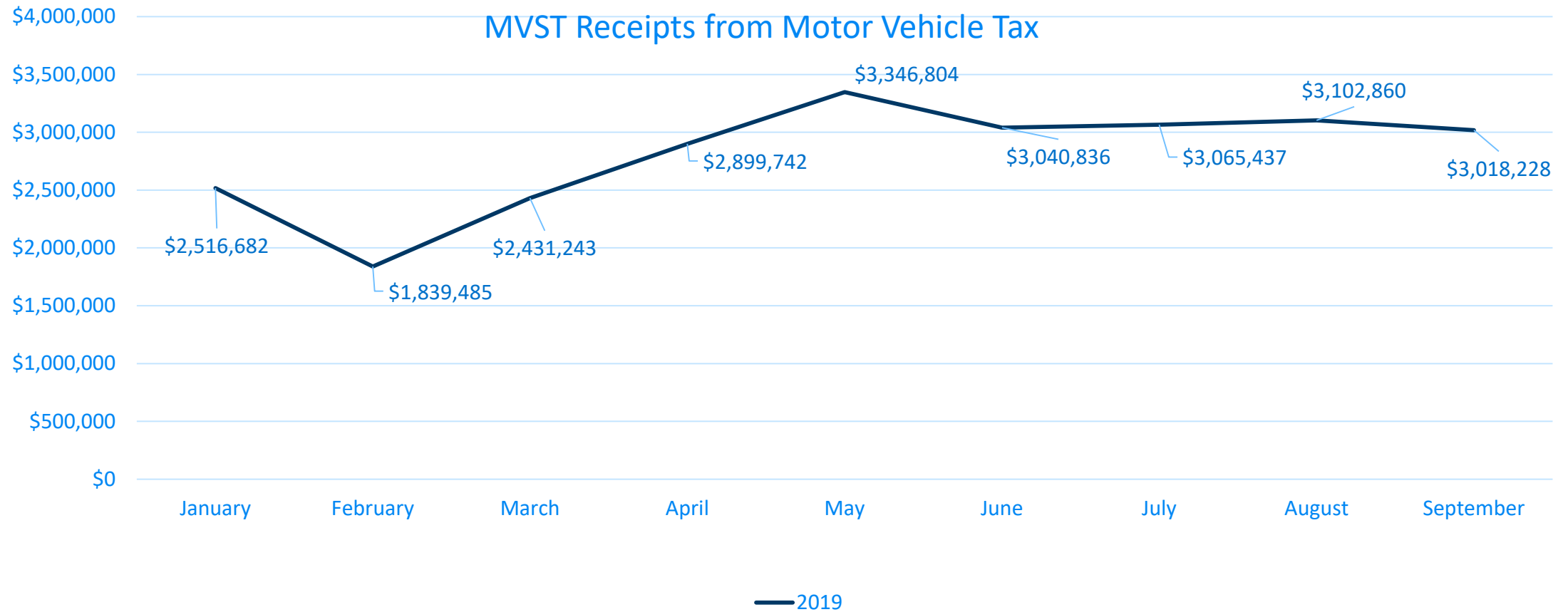
State Revenue Trends & Projections

State Revenue Sources

- General fund: \$16.8M
 - Set at the direction of the Legislature
- Motor Vehicles Sales Tax: \$75M
 - Formula, based on % of Motor Vehicle Sales Tax and Motor Vehicle Lease Sales Tax.
- Federal Funding: \$34M per year (all sources)

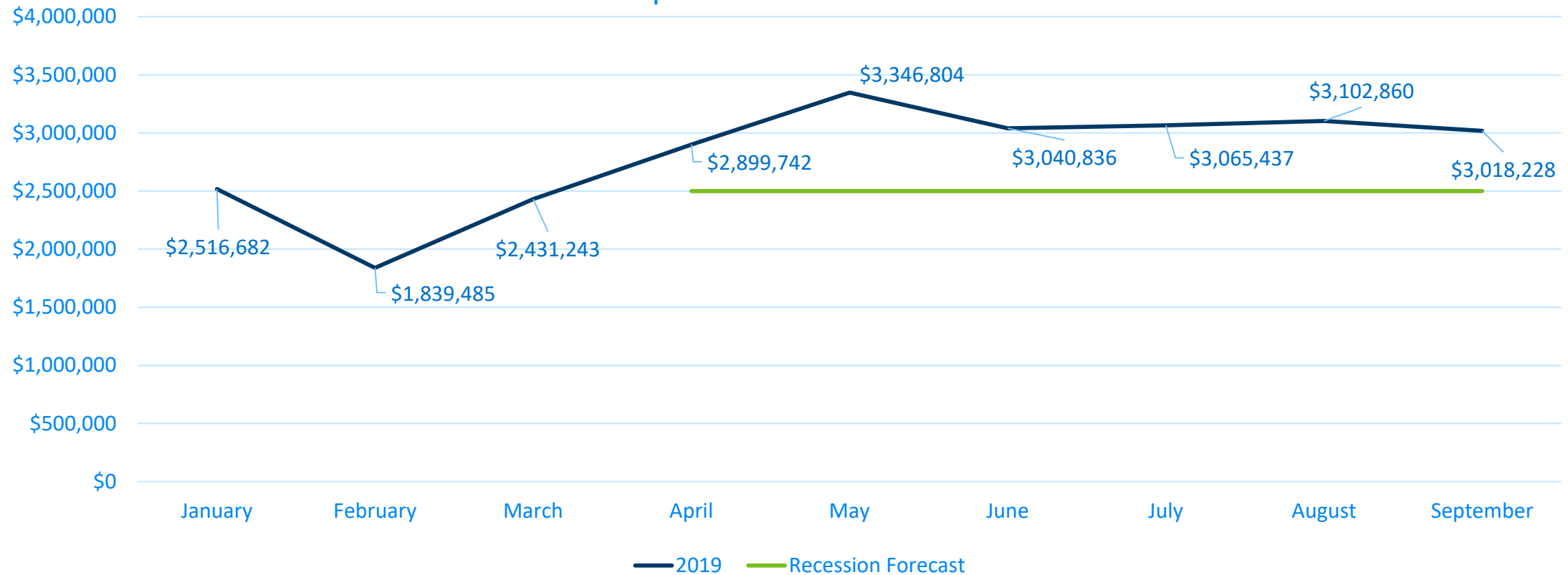
Based on Fiscal Year 2019 Actuals

2019 MVST Receipts from Motor Vehicle Tax

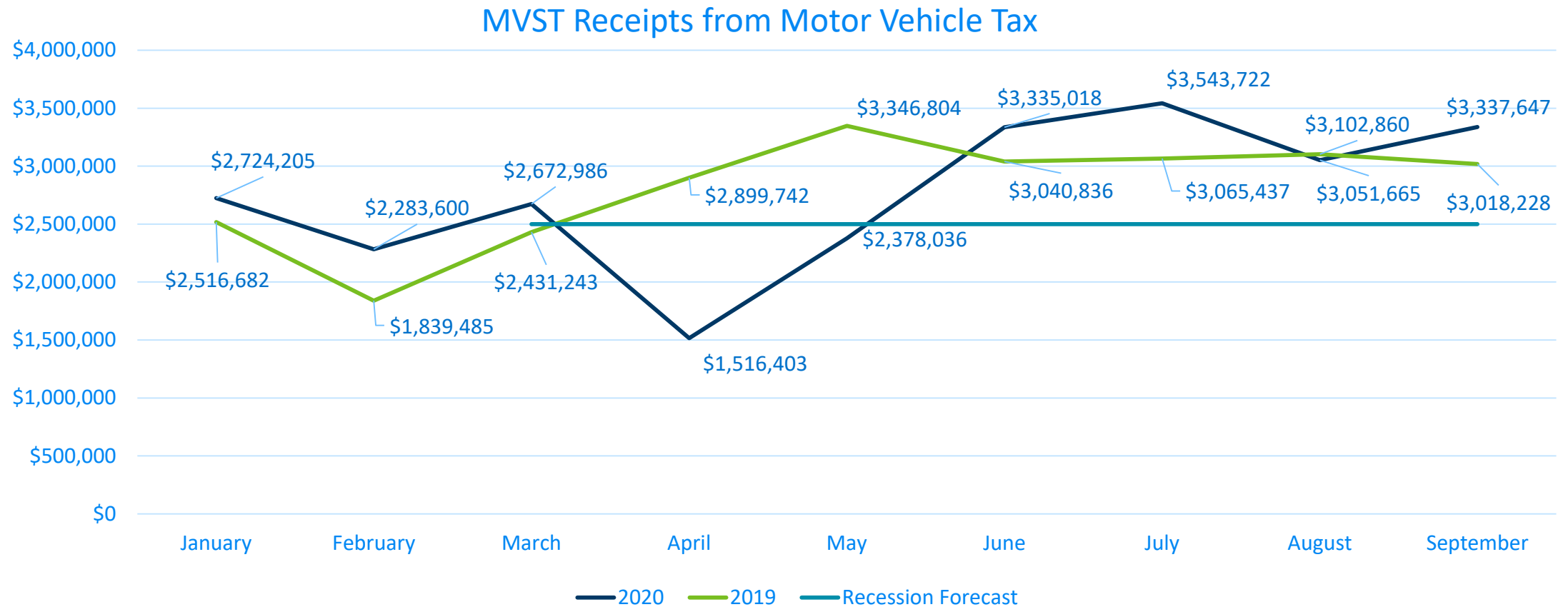


2020 Recession Forecast

MVST Receipts from Motor Vehicle Tax



2020 MVST Receipts from Motor Vehicle Tax



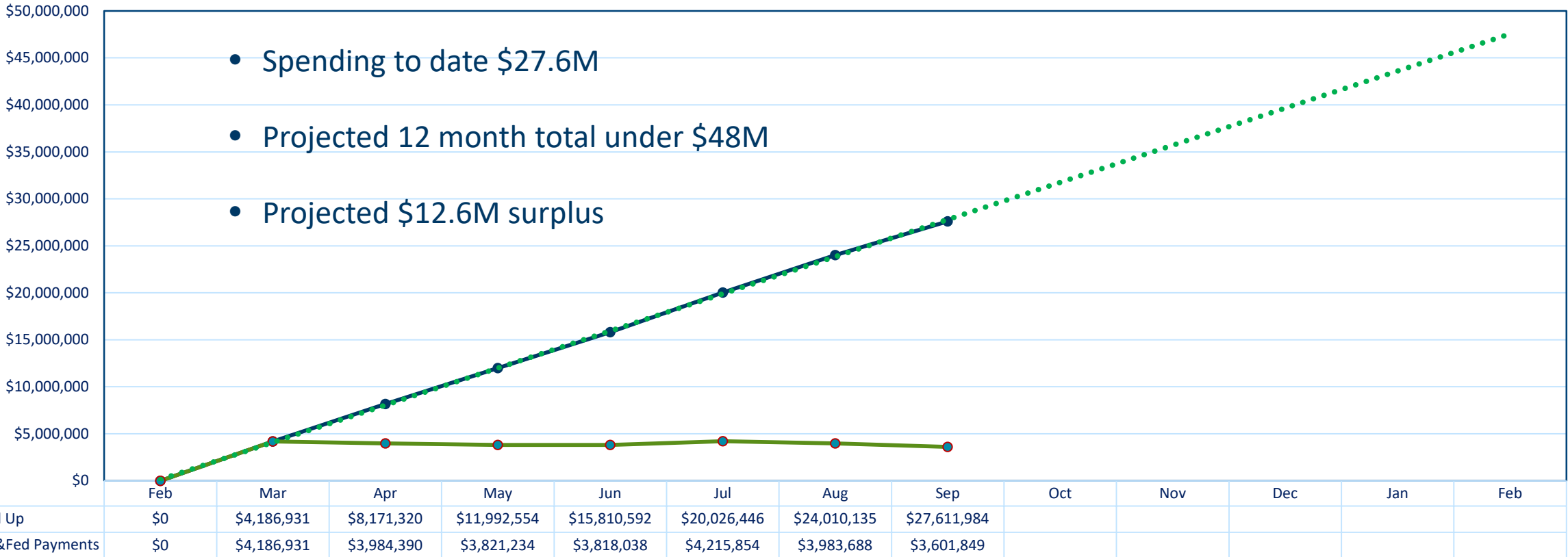
Rural Transit Spending

- State and Federal Payments for Rural Transit from Mar 2020-Feb 2021
 - Federal CARES: \$39.6M
 - State Payments: \$20.9M
- Roughly \$5M a month to support rural transit
- 100% of Operating Deficit covered by state/federal funds through February of 2021

Rural Transit Spending

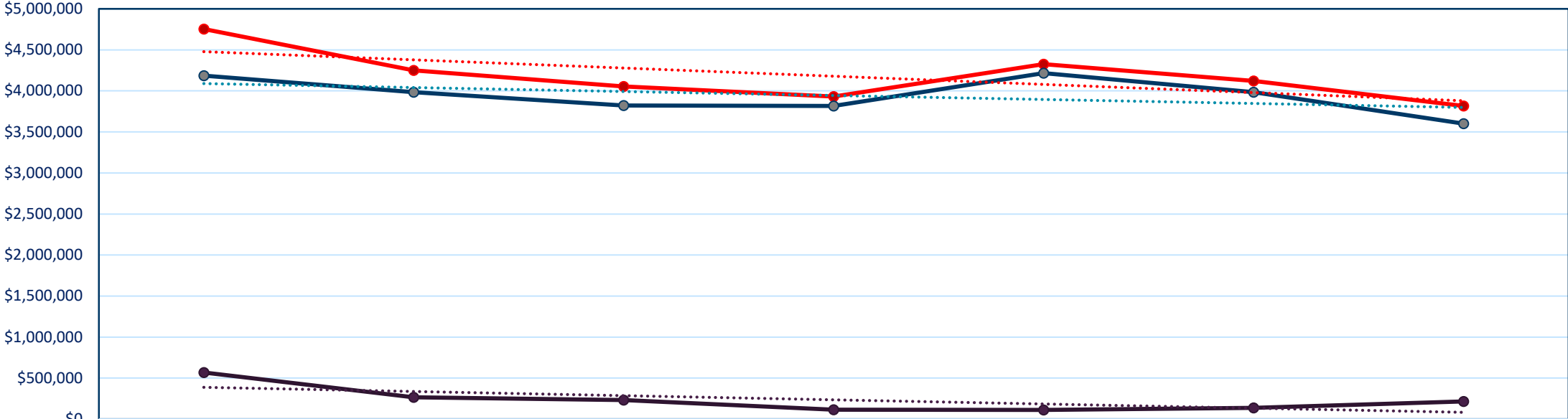
Rural Transit Actual and Projected Spending

- Spending to date \$27.6M
- Projected 12 month total under \$48M
- Projected \$12.6M surplus



Rural Transit Spending

Monthly Expense and Revenue Tracking That Determine State & Federal Payments



	Mar	Apr	May	Jun	Jul	Aug	Sep
Expenses	\$4,754,446.21	\$4,251,178.65	\$4,053,260.72	\$3,932,812.74	\$4,326,866.71	\$4,121,117.35	\$3,817,960.24
Revenues	\$567,515.43	\$266,788.95	\$232,027.19	\$114,774.80	\$111,012.35	\$137,429.06	\$216,111.34
State&Fed Payments	\$4,186,931	\$3,984,390	\$3,821,234	\$3,818,038	\$4,215,854	\$3,983,688	\$3,601,849

Operating Expenses - Revenues = State&Fed Payments



Greater Minnesota Public Transit Four Year Program

	Operations	Vehicle Replacement	Facilities/ Large Cap	New Services*	RTCC	Marketing and Technology
2020	\$ 92.07M	\$ 8.00M	\$ 5.00M	\$ 3.50M	\$.50M	\$ 3.00M
2021	\$ 95.14M	\$ 9.00M	\$ 6.00M	\$ 3.50M	\$.50M	\$ 2.00M
2022	\$ 99.03M	\$ 9.00M	\$ 6.00M	\$ 3.50M	\$.50M	\$ 2.00M
2023	\$ 102.32M	\$ 9.00M	\$ 6.00M	\$ 3.50M	\$.50M	\$ 2.00M

How Does COVID affect our priorities?

- Are there categories that require additional funding?
- Are there categories that should receive less funding?

Operating Grant-\$187M Second Year of Two-Year Grants

- Rural Transit: CARES ACT/State Funds will cover 100% of Operating Deficit through February 2021.
- Revert to local share
- Solicitation for 2022-2023 will be released in Spring/Summer of 2021.

New Service- \$7M Two-Year Grants

- Awarded for 2020 and 2021.
- Solicitation for 2022-2023 will be released in Spring/Summer of 2021.

Vehicle Replacement- \$9M

- Solicitation Recently Complete
 - \$4.5M Awarded to Small Urban Systems (10% local match required)
 - \$4.5M Awarded to Rural Systems (10% Local Match Required)
 - Additional \$4.5M Awarded to Rural Systems through 5339 Competitive Grant.
(no local match required)

Facilities and Large Cap- \$6M

- SMART/Cedar Valley: New Facility in Owatonna
- Rainbow Rider: New Facility in Alexandria
- Currently reviewing applications for 2024 and 2025.

Marketing and Technology- \$2M identified for 2021



Technology Assessment & Marketing Pilot Program

Greater Minnesota Transit Technology Plan (8/2020-4/2021)

- The purpose of this project is to work with rural, Tribal, and small urban transit providers throughout Greater Minnesota to develop a Greater Minnesota Public Transit Technology Plan that identifies current technologies, gaps and solutions at the system level.
 - Assess and evaluate current system-level transit technology;
 - Build an understanding of options for system-level technology investments;
 - Identify technology goals and objectives;
 - Chart a path for technology growth

Rural Transit Marketing Pilot (1/2020-12/2020)

- Participants include; Brown County Heartland Express, Minnesota River Valley Transit, Prairie Lakes, Prairieland Transit, TRUE Transit, UCAP, Wantonwan Transit
- Provides opportunity to develop an individualized marketing plan that includes setting goals and objectives, identifying target markets and selecting marketing strategies.
- Currently in the implementation phase, which includes media buys, graphic design and printing, rebranding, social media marketing, photography, website updates and community outreach opportunities.

Marketing Activities

- Developing Digital Ads
- Designing Brochures and Posters
- Advertising “buys”
- Planning around rebranding
- Website Redesign

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Indirect Costs Under 2 CFR 200

Uniform Guidance – 2 CFR 200

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

- Purpose
 - Establishes uniform requirements for financial, administrative, and audit components for federal grants and cooperative agreements
 - Applies to pre-award and post award activities
 - Establishes cost principles for determining allowable costs incurred by non-federal entities under Federal awards

Responsibilities of the PTE

200.331 Requires PTEs to identify the following when granting federal funds to a subrecipient:

- A federally negotiated indirect cost rate (NICRA);
- If no such rate exists, *either*
 - A rate negotiated between the PTE and the subrecipient; *or*
 - A de minimis indirect cost rate (10% of Modified Total Direct Costs)

Revised Language – PTE Responsibilities

Now 200.332 – Requires PTEs to identify:

- A federally negotiated indirect cost rate (NICRA)
- If no such rate exists, the PTE must determine the appropriate rate *in collaboration with the subrecipient*, which is either:
 - a negotiated rate between the PTE and the subrecipient
 - *A negotiated rate between another PTE (ex: DHS) and the subrecipient*
 - The de minimis indirect cost rate (10% of Modified Total Direct Costs)
- The PTE must not require the de minimis if the subrecipient has a NICRA
- Subrecipients can elect to use the cost allocation method to account for indirect costs in accordance with 200.405(d)

Affirmation of Options

Based on 200.332 *Requirements for PTE*, MnDOT recognizes that subrecipients may recover indirect costs through one of the following ways:

- A federally approved indirect cost rate negotiated between the subrecipient and the federal government
- A negotiated indirect cost rate between MnDOT and the subrecipient
- A negotiated indirect cost rate between another PTE and the subrecipient
- The de minimis indirect cost rate (10% MTDC)
- Subrecipients can elect to use the cost allocation method to account for indirect costs in accordance with 200.405(d) *Direct cost allocation principles*

Thank you

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