Meeting Date: March 17, 2026
Consent Agenda: Expansion Service Funding Allocation Framework

EXECUTIVE SUMMARY:

GRTC periodically considers requests for new or expanded transit services. These services vary in the extent to which they provide regional benefit versus localized benefit to a specific jurisdiction, corridor, employer, or site. This proposal establishes a standardized framework to guide funding responsibility for service expansions based on where a proposed service falls along a regional–local spectrum. Adoption of this framework promotes consistency, transparency, fiscal stewardship, and clear expectations for partners, while preserving flexibility and ensuring that all decisions remain funding dependent.

POLICY PROPOSAL:

The Board is asked to adopt the Expansion Service Funding Allocation Framework, which includes:

- Evaluation of expansion services along a regional–local spectrum
- Tiered funding responsibility bands tied to the level of regional versus local benefit
- Case-by-case review and recommendation by the Development Committee
- Confirmation that implementation is funding dependent and does not obligate funding
- Annual review and update of the framework

RECOMMENDATION:

That the Board of Directors approve the Expansion Service Funding Allocation Framework establishing a regional–local spectrum, tiered funding responsibility bands, Development Committee-based case-by-case review, annual review, and funding-dependent implementation for service expansions at GRTC.

_____ _____
Ellen Robertson, Secretary Date
GRTC Board of Directors

Attachment A: Expansion Service Funding Allocation Framework

I. Purpose

To establish a consistent and transparent approach for allocating funding responsibility for expanded transit services at GRTC based on the degree of regional versus localized benefit.

II. Applicability

This framework applies to new transit service expansions, enhancements to existing services requiring additional funding, pilot or demonstration services, and employer-, institution-, or jurisdiction-supported services administered by GRTC. This framework does not replace the annual budget process or create an obligation to fund any service.

III. Guiding Principles

• Benefit Alignment: Funding responsibility should align with primary beneficiaries of the service.

• Transparency and Consistency: Decisions should follow clearly defined criteria and be applied consistently across proposals.

• Shared Responsibility Where Appropriate: Services with mixed regional and local benefit may require shared funding contributions.

• Flexibility: The framework allows case-by-case evaluation to account for unique circumstances.

• Fiscal Stewardship: All services remain subject to funding availability and financial sustainability.

IV. Regional–Local Spectrum

A. Primarily Regional Services: Multi-jurisdictional services that improve system connectivity, regional mobility, or regionwide equity and access goals.

Funding implication: Eligible for a higher proportion of regional funding participation, subject to availability and policy.

B. Mixed Regional and Local Services: Services that provide meaningful regional outcomes while delivering concentrated benefits to specific jurisdictions or partners.

Funding implication: Shared funding responsibility between regional sources and benefiting local jurisdictions or partners.

C. Primarily Local or Partner-Specific Services: Services focused on a single jurisdiction, corridor, employer, or site with limited systemwide impact.

Funding implication: Greater funding responsibility assigned to the benefiting jurisdiction(s) or business or institutional partner(s).

V. Tiered Funding Responsibility Bands

• Tier 1 – Regional Priority: 70–100% Regional / 0–30% Local or Partner

• Tier 2 – Shared Responsibility: 40–60% Regional / 40–60% Local or Partner

• Tier 3 – Local or Partner Priority: 0–30% Regional / 70–100% Local or Partner

VI. Evaluation Criteria

Placement on the spectrum and recommended funding split are determined using a holistic assessment that may include geographic scope and jurisdictional coverage; anticipated ridership; integration with the existing GRTC transit network; equity and access outcomes; primary beneficiaries; consistency with adopted plans; funding availability; and sustainability considerations. No single criterion is determinative.

VII. Review and Approval Process

1. Staff assess proposed expansion services using the framework definitions and criteria.

2. The Development Committee reviews each proposal on a case-by-case basis, determines spectrum placement, identifies the applicable tier, and recommends a funding split.

3. Recommendations are forwarded to the Board or delegated authority for approval in accordance with GRTC governance and budget policies.

VIII. Funding Dependency

Adoption of this framework does not obligate funding. All expansion services remain contingent upon funding availability, execution of required agreements, and approval through authorized GRTC budget and funding processes.

IX. Annual Review

The framework will be reviewed at least annually by the Development Committee and updated as needed, subject to Board approval.

X. Effective Date

The framework becomes effective upon Board approval and applies to all applicable expansion service proposals considered thereafter.

Attachment B: Committee Decision Matrix (Full)

Purpose

This matrix is used by the Development Committee to determine tier placement and recommend a funding split within the applicable tier range. Recommendations reflect a holistic assessment and are documented for transparency.

Step 1: Tier Placement

• Tier 1: Service primarily advances regional connectivity, equity, or system performance across multiple jurisdictions.

• Tier 2: Service meaningfully serves both regional and localized needs.

• Tier 3: Service primarily serves a single jurisdiction, corridor, employer, or site.

Step 2: Funding Split Adjustment Factors

The Development Committee considers the following factors to adjust the recommended funding split within the tier range:

• Geographic and Market Reach: Multi-jurisdictional service increases regional share; single-site service decreases it.

• Primary Beneficiary: Regionwide riders increase regional share; partner-specific benefit decreases it.

• System Integration: Core GRTC network integration increases regional share; limited integration decreases it.

• Equity and Access Impact: Regionwide equity benefits increase regional share.

• Service Origination: Identified in adopted regional or GRTC plans increases regional share; partner-initiated services decrease it.

• Funding Availability and Risk: Availability of dedicated regional funds increases regional share; high sustainability risk decreases it.

Step 3: Percentage Recommendation Guidance

• Tier 1: 85–100% Regional for strong regional outcomes; 70–85% when benefits are regionally significant but locally concentrated.

• Tier 2: 55–60% Regional when regional benefits slightly outweigh local; 50% when balanced; 40–45% when local benefits slightly outweigh regional.

• Tier 3: 20–30% Regional for integration or pilot justification; 10–20% for limited regional relevance; 0–10% for minimal regional benefit.

Step 4: Documentation Requirement

Each Development Committee recommendation shall include:

• Assigned tier

• Recommended funding split

• Brief written justification referencing evaluation criteria

• Identification of funding sources

• Statement that implementation is funding dependent

Suggested committee report language: The Development Committee evaluated the proposed service using the Expansion Service Funding Allocation Framework and decision matrix and recommends a funding split of __% regional and __% local or partner, subject to funding availability and required approvals.