City of Alexandria, Virginia
FY 2027 Proposed Operating Budget & CIP
Budget Questions & Answers

April 6, 2026

Question:
How does the level of City spending on DASH drive the amount of state revenue received at Northern Virginia Transportation Commission (NVTC)?

Response:

The City's investment to DASH drives the system's productivity (total ridership, ridership per mile, ridership per hour). These metrics plus the operating costs for DASH and DOT are fed into a formula which determines how much transit funds the Virginia Department of Rail and Public Transportation (DRPT) allocates to NVTC. This formula establishes how much funding Alexandria receives relative to other localities.

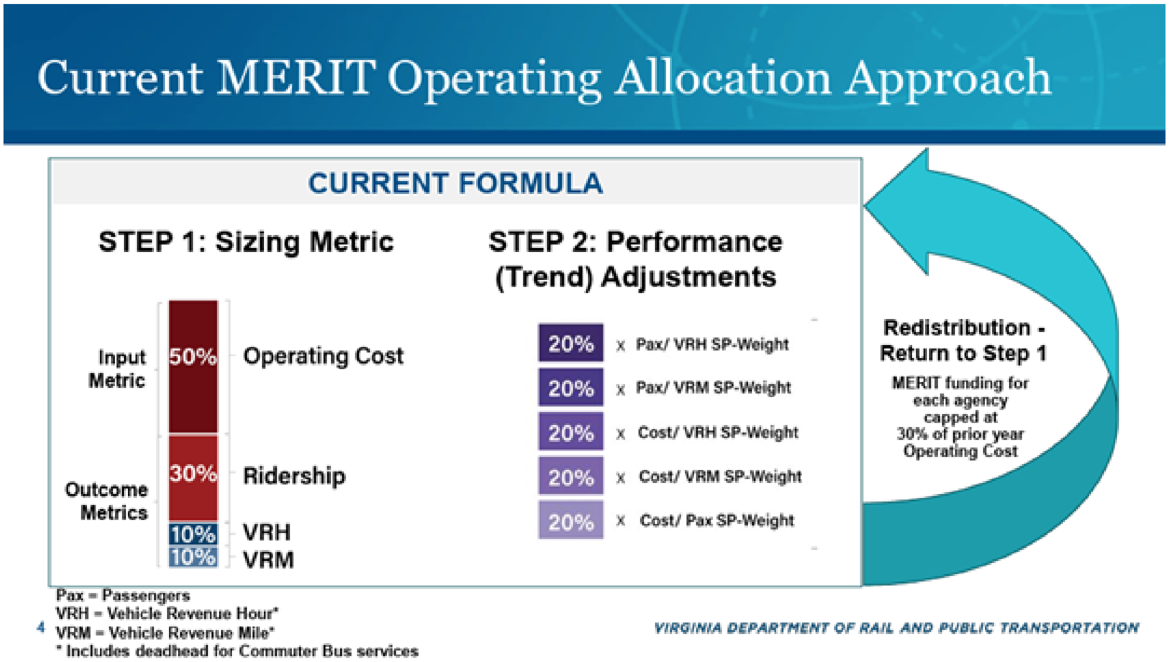
The funding allocation process and formula is summarized below:

Step 1 – Sizing Metric: The funding allocation process begins by calculating each agency's size-weight, which measures its relative "size" compared to other agencies. This is done using four metrics—operating cost (50%), ridership (30%), vehicle revenue hours (10%), and vehicle revenue miles (10%)—and dividing each agency's metric by the statewide total, then applying the specified weights. These size-weights are then normalized so that the sum of all agencies' size-weights equals 100% statewide.

Step 2 – Performance (Trend) Adjustments: Next, the performance adjustment modifies each agency's normalized size-weight based on five performance metrics: passengers per vehicle revenue hour/mile and operating cost per vehicle revenue hour/mile/passenger. Trends over the past three years plus the most recent year are compared to statewide trends. For ridership-based metrics, size-weights are multiplied by the trend factor; for cost-based metrics, an inverse function is used to reward efficiency. These adjusted size-performance weights are normalized again, weighted equally (20% each), summed, and multiplied by total available funding to determine the agency's final operating assistance allocation.

Step 3: Funding Allocations: At this stage, each agency has 5 normalized size-performance weight factors. These factors are multiplied by their weight (20% for each performance metric), summed, and multiplied by total available funding. This sum is the agency's total operating assistance allocation.

The DRPT Technical Guidance explains the funding allocation process in detail.



The City's transit investments directly influence the amount of state funding awarded by establishing the local match and increasing the scale of eligible expenditures, which in turn drives the level of state funds allocated through NVTC programs. The City's investment in DASH also drives system productivity (ridership and efficiency metrics) and, together with DASH and DOT Paratransit operating costs, feeds into the DRPT formula that determines Alexandria's share of statewide funding relative to other localities.

In FY25, the City funded $34.4 million towards DASH and approximately $2.2 million towards DOT Paratransit, resulting in $10.4 million of State funds awarded to NVTC.
Please note that this formula itself is currently under review for modification, which City and DASH staff are actively involved in.