FY2026 Service and Financial Plan: Final Technical Memorandum

TO:	John Andoh, Executive Director, El Paso Transportation Authority (ETA) Reyna Mayorga, Transportation Planner, ETA Jesus Cerna, Transit Planner, ETA EPATS Board Members
FROM:	Michael J. Walk, Research Scientist, Texas A&M Transportation Institute (TTI) Jimmy Cardenas, Assistant Research Scientist Christina Bune, Research Specialist V, TTI Kelly Blume, Associate Research Scientist, TTI David Galicia, Research Scientist, TTI
DATE:	September 18, 2025
PROJECT:	Task Order No. 3: FY2026 Service and Financial Plan
SUBJECT:	FY2026 Service and Financial Plan: Final Technical Memorandum

Table of Contents

Executive Summary (Michael) 4
1. Introduction 8
2. ETA FY2026 Service Plan 9
3. Cost Forecasting 14
- Operational Cost Forecasting 14
  - Operational Cost Contingency 14
  - Startup Cost and Flat Fee 14
  - Fixed-Route Bus 15
  - ADA Paratransit 16
  - Vanpool 18
  - Gold Route Intercity Bus 19
  - Administrative and Planning Cost Forecasting 19
- Capital Cost Forecasting 21

4. Revenue Forecasting 22
- General Assumptions 22
- Forecasting Fares 24
  - Fixed-Route Bus 24
  - ADA Paratransit 25
  - Vanpool 25
  - Gold Route Intercity Bus 26
- Applying Federal Revenue 26

Fixed-Route Bus 26
ADA Paratransit 26
Vanpool 26
Gold Route 26
Administrative and Planning Costs 27
Applying State Revenue 27
Summary and Local Share 27
5. Cost and Contribution Allocation 31
Fixed-Route Bus 31
Phase 1: Route GIS Analysis 31
Phase 2: Annual Revenue Hours Forecasting 32
Phase 3: Cost and Contribution Allocation 34
ADA Paratransit 34
Phase 1: ADA Paratransit Population GIS Analysis 34
Phase 2: Cost and Contribution Allocation 35
Administration and Planning 35
Summary of Initial Contributions 36
Applying the Fund Balance and Final Results 37

LIST OF TABLES

Table 1. Summary of Final FY2026 Contribution Amounts 5
Table 2. Assumed FY2026 Service Plan – Overview 9
Table 3. Assumed FY2026 Fixed-Route Bus Service Plan – Weekday Service Details 11
Table 4. Assumed FY2026 Fixed-Route Bus Service Plan – Saturday Service Details 11
Table 5. Assumed FY2026 Fixed-Route Bus Service Plan – Sunday Service Details 12
Table 6. Forecasted FY2026 Revenue Hours per Service and Month 13
Table 7. Service Allocation Percentage by Forecasted Annual Vehicle Revenue Hours 14
Table 8. Startup Cost and Flat Fee Allocation 14
Table 9. Forecasted Fixed-Route Bus Operational Costs 15
Table 10. Forecasted ADA Paratransit Operational Costs 17
Table 11. Gold Route Purchased Transportation Cost Data 19
Table 12. ETA Transit Staff 20
Table 13. ETA Labor Cost Allocation 21
Table 14. FY26 Planning Expenses 21
Table 15. State and Federal Grant Sources (Excluding Grants for Capital Projects) 23
Table 16. Fixed-Route Bus Fare Forecast Details 25
Table 17. FY2026 Forecasted ADA Paratransit Ridership and Fares by Month 25
Table 18. Summary of Grant Funds Usage (Excluding Grants for Capital Projects) 28
Table 19. Local Share for Each Service 29
Table 20. Summary of FY2026 Financial Plan Costs and Revenues (Excluding Capital Projects) 30
Table 21. Directional Route Miles Within Member Cities 32
Table 22. Forecasted Annual Revenue Miles Operated Within Member City Boundaries 33
Table 23. Initial FY2026 Fixed-Route Bus Cost and Contribution Allocations 34
Table 24. ADA Paratransit Service Area Population Within Member Cities 35
Table 25. Initial FY2026 ADA Paratransit Cost and Contribution Allocations 35
Table 26. Initial FY2026 Administrative and Planning Cost and Contribution Allocations 36
Table 27. Summary of Initial Contributions 37
Table 28. Adjusted FY2026 Contributions after Applying the Fund Balance 38

LIST OF FIGURES

Figure 1. Excerpt from Appendix F of FTA 5311 Circular 16
Figure 2. Year 1 Cost Structure for MTM's Eligibility and Quality Assurance Contract 18

EXECUTIVE SUMMARY (MICHAEL)

The Texas A&M Transportation Institute (TTI) produced the fiscal year (FY) 2026 financial plan and contribution amounts for member jurisdictions of the El Paso Transportation Authority (ETA), which is governed by the Board of Directors of El Paso Area Transportation Services, LGC (EPATS). TTI presented the FY2026 financial plan and contribution amounts to the Board of Directors at the July 30, 2025, EPATS Board meeting. This memo provides EPATS members and stakeholders with a full understanding of TTI's methodology and assumptions. (FY2026 runs from October 2025 through September 2026.)

Key takeaways include:

- **New Contractors:** The FY2026 financial plan assumes fixed-route bus and Americans with Disabilities Act (ADA) paratransit will be operated by the contractor(s) selected from ETA's recent procurements. The financial plan assumes Transdev is the operations and maintenance contractor for both fixed-route bus and ADA paratransit and that MTM is the eligibility and quality assurance contractor for ADA paratransit.
- **Fixed-Route Bus:**
  - Forecasted annual revenue hours for fixed-route bus decreased by 2 percent due to Route 84 no longer operating.
  - Despite the decrease in forecasted revenue hours, the forecasted operational cost of fixed-route bus increased by 3 percent due to the anticipated cost structure of the new contractor.
- **ADA Paratransit:**
  - Forecasted annual revenue hours for ADA paratransit decreased by 48 percent, better aligning the forecasted revenue hours with recent service trends and projected demand.
  - The ADA paratransit service area continues to include the City of Socorro, given ETA's bus routes still operate through Socorro, even though passengers cannot board or get off within Socorro's city limits.
  - The decrease in revenue hours led to a significant decrease in the forecasted operational cost of ADA paratransit—dropping by 29 percent after accounting for the costs for all contractors (i.e., Transdev and MTM). (Note that this decrease reflects a year-over-year reduction in the *forecasted* cost, not the actual cost. In reality, the forecasted cost in FY2025 was an overestimation.[1])
- **Administrative and Planning Costs:** Several administrative and planning costs increased in FY2026 due to typical cost increases (e.g., inflation and cost-of-living), resulting in a 5 percent increase in forecasted administrative and planning costs.
- **Fund Balance:** Heading into FY2026, ETA is projected to have a $996,891 fund balance (i.e., contributions that have not yet been spent). This fund balance was applied to FY2026 contributions, reducing total contributions needed in FY2026 by 45 percent vs. FY2025.

[1] FY2025 actual expenses for ADA paratransit have not yet closed and are, therefore, not yet available.

- **Overall:**
  - The forecasted cost of EPATS service (including fixed-route bus, ADA paratransit, and administrative and planning) decreased $519,400 (seven percent) from $7.54 million in FY2025 to $7.02 million in FY2026, reflecting a more modest forecast of ADA paratransit costs.
  - FY2026 initial contributions (i.e., contributions needed *before* the fund balance was applied) would have increased by 45 percent from $1.1 million in FY2025 to $1.6 million. The increase in initial contributions was due to the lack of CMAQ funding (which only requires 20 percent non-federal share), causing the use of other federal grant funds that have higher rates of non-federal share.
  - After applying the fund balance, total contributions decreased in FY2026 by 45 percent from $1.1 million in FY2025 to about $606,000.
  - Changes in individual member contribution amounts vary because member contributions are determined by the member's share of service.

Forecasted final contributions are displayed in Table 1. Total contributions for each member are shown in the rows of the table between lines 34 and 43, labeled *EPATS Service Total*.

TABLE 1. SUMMARY OF FINAL FY2026 CONTRIBUTION AMOUNTS

Line	Service / Member	Service Data	Annual Total Operational Cost	Local Contribution	Adjusted Local Contribution[1] (Fund Balance Applied)	Adjusted Local Contribution[2] Ratio
1	***Fixed-Route Bus***	**Revenue Miles**	**$4,223,000**	**$822,600**	**$311,000**	
2	City / Local Members	138,442	$727,500	$141,700	$53,600	
3	Anthony	18,157	$95,400	$18,600	$7,000	
4	Clint	9,455	$49,700	$9,700	$3,700	
5	Horizon City	73,103	$384,100	$74,800	$28,300	
6	San Elizario	16,647	$87,500	$17,000	$6,400	**$0.39 per mile**
7	Village of Vinton	21,080	$110,800	$21,600	$8,200	
8						
9						
10	El Paso County (miles not assigned to members)	665,210	$3,495,500	$680,900	$257,400	
11						
12	***ADA Paratransit***	**ADA Service Area Population**	**$1,706,700**	**$334,000**	**$126,300**	
13	City / Local Members	35,880	$410,800	$80,400	$30,400	
14	Anthony	4,360	$49,900	$9,800	$3,700	
15	Clint	1,595	$18,300	$3,600	$1,400	**$0.85 per capita**
16	Horizon City	18,598	$212,900	$41,700	$15,700	
17	San Elizario	9,522	$109,000	$21,300	$8,100	
18	Village of Vinton	1,805	$20,700	$4,000	$1,500	
19						
20						

Line	Service / Member	Service Data	Annual Total Operational Cost	Local Contribution	Adjusted Local Contribution[1] (Fund Balance Applied)	Adjusted Local Contribution[2] Ratio
21	El Paso County (pop. not assigned to members)	113,205	$1,295,900	$253,600	$95,900	
22						
23	***Admin & Planning Costs***	**Sum of Fixed Route + ADA Costs**	**$1,092,700**	**$446,100**	**$168,600**	
24	City / Local Members	$1,138,218	$209,700	$85,600	$32,300	
25	Anthony	$145,323	$26,800	$10,900	$4,100	
26	Clint	$67,941	$12,500	$5,100	$1,900	
27	Horizon City	$597,040	$110,000	$44,900	$17,000	**$0.15 per dollar of costs**
28	San Elizario	$196,480	$36,200	$14,800	$5,600	
29	Village of Vinton	$131,436	$24,200	$9,900	$3,700	
30						
31						
32	El Paso County (service not assigned to members)	$4,791,441	$883,000	$360,500	$136,300	
33						
34	***EPATS Service Total (sum Above)***		**$7,022,500**	**$1,602,800**	**$605,700**	**$0.09 per dollar of costs[3]**
35	City / Local Members		$1,348,100	$307,800	$116,200	
36	Anthony		$172,100	$39,300	$14,800	
37	Clint		$80,500	$18,400	$6,900	
38	Horizon City		$707,100	$161,400	$61,000	
39	San Elizario		$232,700	$53,200	$20,100	
40	Village of Vinton		$155,700	$35,500	$13,400	
41						
42						
43	El Paso County (service not assigned to members)		$5,674,400	$1,295,000	$489,500	
44						
45	***Vanpool (net cost)***		**$1,091,900**	**$371,600**	**$371,600**	
46	***Gold Route***		**$1,776,900**	**$14,300**	**$14,300**	
47						
48	**All Transit Service Total (34 + 45 + 46)**		**$9,891,200**	**$1,988,600**	**$991,700**	
49	**Total for El Paso County Transit (43 +45 + 46)**		**$8,543,200**	**$1,680,900**	**$875,400**	

Notes:
Values in table are rounded to nearest $100 and some values may not sum as expected.
[1] Adjusted local contributions reflect the contributions from each member *after* the fund balance is applied to the needed local share, reducing each member's initial contribution by about 62 percent.
[2] Contribution ratios show members how the contribution amount was calculated for each cost type. Fixed-route bus contributions are calculated based on miles; ADA paratransit contributions are calculated based on population; and administrative and planning contributions are calculated based on allocated costs.
[3] The contribution ratios for EPATS Service Total is calculated as contribution amount divided by total operational cost assigned to the member. The total contribution ratio averages to $0.09 per operational cost dollar.

Other key notes for EPATS consideration:

- TTI assumed that activity line-item budgets in El Paso County's Section 5311 and State Rural grants could be amended based on the recommendations in this financial plan. (For example, TTI may recommend moving funds from the administration line-item budget to the operating assistance line-item budget.)
- El Paso County had balances available from prior year federal grants that will not necessarily be available in future fiscal years. The FY2026 financial plan uses about 1.5 years of annual federal and state grant funds. Therefore, the FY2027 financial plan may require more local contributions to maintain the service.
- This financial plan excludes capital costs, which are an essential part of transit operations (e.g., vehicles, equipment, and facilities). TTI highly recommends that capital costs be included in future financial plans and that EPATS members' contributions include an allocation of the local share of capital costs.
- The financial plan documented in this memo is an *estimate* of FY2026 costs and revenues. Any deviation from the assumptions contained within this document may cause variances from TTI's forecasts.

1. INTRODUCTION

On behalf of the El Paso Transportation Authority (ETA), which is governed by the El Paso Area Transportation Services, LGC (EPATS), Texas A&M Transportation Institute (TTI) provided technical assistance to produce a financial plan for fiscal year (FY) 2026 based on planned services and expenses. The financial plan includes forecasted costs, forecasted revenues, and forecasted local share allocated to ETA members using a transparent and replicable methodology.

TTI presented the financial plan at the EPATS Board meeting on July 30, 2025. No comments received during the Board meeting required changes to the FY2026 financial plan presented. Therefore, this technical memorandum (memo) contains the same information as was presented to the Board on July 30, 2025, albeit with more detail and one minor change: TTI updated the cost and fare revenue forecasting methodology for the Gold Route. This change has **no impact on members' contribution amounts to EPATS service** and **no impact on ETA's request for County funds** while improving the validity of the cost and revenue forecast.[2]

This memo contains the remaining sections so ETA members and stakeholders can understand how TTI calculated the final contribution amounts:

- Section 2: ETA FY2026 service plan.
- Section 3: Cost Forecasting.
- Section 4: Revenue Forecasting.
- Section 5: Cost and Contribution Allocation.

Sources of data are specified in footnotes whenever they are available. Much of the information came from ETA staff – particularly ETA's transit planners and the El Paso County grant accountant.

This memo is accompanied by two attachments:

- Attachment A: A Microsoft Excel Workbook containing virtually all of the calculations described in this memo.
- Attachment B: A PDF summary of the final costs and contributions allocated to members. This attachment was prepared for the July 30, 2025, board meeting and was updated in September 2025.

[2] In short, the original July 30, 2025, Gold Route cost and fare forecast likely over-estimated both values. The revised forecasts in this memo decrease the cost of the Gold Route by $108,009 and decrease fares by $11,913.

2. ETA FY2026 SERVICE PLAN

Table 2 displays the service plan TTI assumed will be in place for FY2026. As the table shows, FY2026 service will be a continuation of FY2025 services with no significant changes from what was operating at the end of FY2025.

TABLE 2. ASSUMED FY2026 SERVICE PLAN – OVERVIEW

ETA Service	FY2026 Assumptions
Fixed-route bus service	ETA will continue operating the current fixed routes on the same days, for the same service spans, and at the same headways. Routes include 10, 20, 30, 31, 40, and 50. Fixed routes will no longer stop inside the Socorro city limits; however, this will not affect the cost of the service. The City of Socorro may vote to join ETA at a future time.
ADA paratransit service	ETA will continue operating the ADA paratransit service that was implemented August 1, 2024. ADA paratransit will continue operating within the Socorro city limits, even though fixed route bus service will discontinue inside Socorro. However, TTI reduced forecasted revenue hours and miles to better align these forecasts with observed demand to date.
Vanpool program	ETA will continue the current Vanpool program. (This is not an EPATS-supported service, but it relies on the same federal and state grants that EPATS-supported services do.)
Intercity bus service	Continue the current Gold Line service. (This is not an EPATS-supported service, but it relies on the same federal and state grants that EPATS-supported services do.)

Table 3, Table 4, and Table 5 provide more detail about the assumed FY2026 fixed-route bus service plan. (These details are also contained on the *RouteSummary+MonthlyCost* tab of Attachment A.) The tables contain several transit terms, which are defined as follows:

- Span: refers to the hours of operation for a route or service—essentially the times when the route or service "opens" and "closes" for business.
- Approx. Headway: refers to the average number of minutes scheduled between fixed-route buses during the day and time period in question.
- Approx. Cycle Time: refers to the average amount of time it will take for a fixed-route bus to complete a round trip as scheduled. The cycle times shown include driving time plus estimated time boarding passengers but do not include recovery time. (Recovery time is built into the calculation of total revenue hours.)
- Round Trips: refers to the number of scheduled round trips fixed-route buses make in a given day.

- Daily Revenue Service Totals: hours refers to the daily total revenue hours operated by fixed route buses on the route in a given day. Miles refers to the daily total revenue miles operated by fixed-route buses on the route in a given day. Speed is calculated from miles and hours.
- Peak Vehicles: refers to the number of buses needed at peak operation of the route. (Does not include spare buses needed in the fleet to accommodate maintenance.)

TABLE 3. ASSUMED FY2026 FIXED-ROUTE BUS SERVICE PLAN – WEEKDAY SERVICE DETAILS

Route/Service Information				Span			Approx. Headway (mins.)		Approx. Cycle Time (mins.)		Round Trips	Daily Revenue Service Totals			Peak Vehicles
Route #/ Service	Service Plan	Start Date	Effective Through	Start	Stop	Hrs.	Peak	Off-Peak	Peak	Off-Peak		Hours	Miles	Speed	
10	Current	10/1/25	9/30/26	6:17 AM	7:21 PM	13.1	43	91	86	86	13	18.9	415.9	22.0	2
20	Current	10/1/25	9/30/26	5:30 AM	8:20 PM	14.8	55	55	90	90	16	28.4	522.8	18.4	2
30	Current	10/1/25	9/30/26	5:30 AM	7:25 PM	13.9	52	52	100	100	15	26.0	599.4	23.1	2
31	Current	10/1/25	9/30/26	5:00 AM	8:15 PM	15.3	60	60	110	110	15	30.0	559.1	18.6	2
40	Current	10/1/25	9/30/26	5:45 AM	6:42 PM	13.0	99	99	94	94	7	11.6	344.4	29.8	1
50	Current	10/1/25	9/30/26	5:45 AM	6:30 PM	12.8	60	60	115	115	13	20.0	194.0	9.7	2

TABLE 4. ASSUMED FY2026 FIXED-ROUTE BUS SERVICE PLAN – SATURDAY SERVICE DETAILS

Route/Service Information				Span			Approx. Headway (mins.)		Approx. Cycle Time (mins.)	Round Trips	Daily Revenue Service Totals			Peak Vehicles
Route #/ Service	Service Plan	Start Date	Effective Through	Start	Stop	Hrs.	Peak	Off-Peak			Hours	Miles	Speed	
10	Current	10/1/25	9/30/26	5:42 AM	7:21 PM	13.7	43	91	86	13	18.9	415.9	22.0	2
20	Current	10/1/25	9/30/26	7:00 AM	4:23 PM	9.4	95	95	90	6	9.2	195.3	21.3	1
30	Current	10/1/25	9/30/26	8:00 AM	4:40 PM	8.7	105	105	100	5	8.7	197.9	22.8	1
31	Current	10/1/25	9/30/26	8:00 AM	5:30 PM	9.5	115	115	110	5	9.5	184.7	19.4	1
40	Current	10/1/25	9/30/26	7:00 AM	6:06 PM	11.1	99	99	94	7	11.6	344.4	29.8	1
50	Current	10/1/25	9/30/26	7:00 AM	5:55 PM	10.9	60	60	115	11	16.0	155.2	9.7	2

TABLE 5. ASSUMED FY2026 FIXED-ROUTE BUS SERVICE PLAN – SUNDAY SERVICE DETAILS

Route/Service Information				Span			Approx. Headway (mins.)		Approx. Cycle Time (mins.)	Round Trips	Daily Revenue Service Totals			Peak Vehicles
Route #/ Service	Service Plan	Start Date	Effective Through	Start	Stop	Hrs.	Peak	Off-Peak			Hours	Miles	Speed	
10	Current	10/1/25	9/30/26											
20	Current	10/1/25	9/30/26	7:00 AM	4:23 PM	9.4	95	95	90	6	9.2	195.3	21.3	1
30	Current	10/1/25	9/30/26	8:00 AM	4:40 PM	8.7	105	105	100	5	8.7	197.9	22.8	1
31	Current	10/1/25	9/30/26	8:00 AM	5:30 PM	9.5	115	115	110	5	9.5	184.7	19.4	1
40	Current	10/1/25	9/30/26											
50	Current	10/1/25	9/30/26	7:00 AM	5:55 PM	10.9	60	60	115	8	16.0	155.2	9.7	2

The fixed-route bus service plan above, when operated for the entirety of FY2026, generates a forecasted 41,285 revenue hours (a 2 percent decrease from FY2025).

For ADA paratransit, TTI did not continue the revenue hour forecasting methods utilized in prior annual service plans, because previous fiscal years have significantly overestimated ADA paratransit ridership and revenue hours.[3] Therefore, for FY2026, TTI collected monthly ADA paratransit revenue hour data from ETA (see the *ADA Ridership* tab of Attachment A). TTI then generated a linear forecast of monthly revenue hours based on the trends observed from January 2025 through May 2025, which was a period of time where monthly demand has been steadily, but not dramatically, increasing. The linear forecast for revenue hours (and for ridership, which is discussed in the revenue forecasting section) produced more reasonable values compared to prior forecasts. The results of TTI's new method forecasted 11,517 revenue hours for ADA paratransit (a 48 percent decrease from FY2025). Table 6 displays the forecasted revenue hours per service and month.

TABLE 6. FORECASTED FY2026 REVENUE HOURS PER SERVICE AND MONTH

Month	Fixed-Route Bus	ADA Paratransit	All EPATS
Oct-25	3,570	761	4,331
Nov-25	3,283	798	4,080
Dec-25	3,570	833	4,403
Jan-26	3,509	870	4,379
Feb-26	3,165	907	4,073
Mar-26	3,478	940	4,419
Apr-26	3,435	977	4,412
May-26	3,417	1,013	4,430
Jun-26	3,435	1,050	4,485
Jul-26	3,570	1,086	4,656
Aug-26	3,417	1,123	4,540
Sep-26	3,435	1,159	4,595
Total	**41,285**	**11,517**	**52,803**

[3] Prior service plans did not have existing ADA paratransit demand data; instead, TTI used industry-standard tools to forecast unknown levels of demand.

3. Cost Forecasting

Operational Cost Forecasting

The first step in developing the financial plan is forecasting the operational cost of each service in the service plan. This section describes the methodology TTI used to forecast operational costs.

TTI assumed FY2026 will have a single contracted provider for fixed-route bus and ADA paratransit service, based on the anticipated award and startup of what has been referred to as the "Big RFP." (The "Big RFP" sought proposals for both fixed-route bus and demand response service.) This single-contractor assumption is different from FY2025, which contained several changes in the contractor and pricing of service throughout the fiscal year.

Operational Cost Contingency

TTI applied a 10 percent contingency factor to all unknown future operational costs for purchased transportation (i.e., for the direct costs of paying contractors for fixed-route bus and ADA paratransit services).

Startup Cost and Flat Fee

The BAFO pricing form from Transdev states a startup cost of $15,500 applied to the first month of service and a monthly flat fee of $153,814.26 for fixed-route bus and ADA paratransit service. To allocate this cost across these two modes, TTI used FY2026 forecasted vehicle revenue hours (Table 7).

Table 7. Service Allocation Percentage by Forecasted Annual Vehicle Revenue Hours

Service	Annual Vehicle Revenue Hours	Percentage
Fixed-Route	41,285	78.2%
ADA Paratransit	11,517	21.8%
Total	**52,803**	**100.0%**

The percentage allocation of annual vehicle revenue hours for fixed-route and ADA paratransit service was applied to the startup costs and flat fee to produce the results in Table 8.

Table 8. Startup Cost and Flat Fee Allocation

Service	Percentage	Startup Cost	Flat fee
Fixed-Route	78.2%	$12,119.08	$120,263.72
ADA Paratransit	21.8%	$3,380.92	$33,550.54
Total	**100.0%**	**$15,500.00**	**$153,814.26**

Fixed-Route Bus

Cost of Purchased Transportation

For fixed-route bus service operated by Transdev, TTI based price assumptions from the BAFO pricing form and from the forecasted annual vehicle revenue hour allocations.

- $57.19 per fixed-route bus revenue hour.
- $12,119 in startup costs that will be incurred in October 2025.
- $120,264 flat fee per month.

Table 9 displays the forecasted annual revenue hours and costs for each of the fixed routes, including the projected start-up costs associated with the Big RFP. Details of the monthly forecasted costs per route can be found on the *RouteSummary+MonthlyCost* tab of Attachment A.

Table 9. Forecasted Fixed-Route Bus Operational Costs

Route / Cost Item	Revenue Hours	Revenue Miles	Cost	Cost with Contingency[1]
10	5,910	130,167	$338,021	$371,823
20	8,370	156,764	$478,685	$526,554
30	7,687	177,025	$439,639	$483,602
31	8,818	165,124	$504,301	$554,732
40	3,615	107,797	$206,750	$227,425
50	6,884	66,775	$393,696	$433,066
Flat Fee[2]	N/A	N/A	$1,443,165	$1,587,481
Startup[3]	N/A	N/A	$12,119	$13,331
Total	**41,285**	**803,652**	**$3,816,376**	**$4,198,013**

Notes:
[1] The contingency rate is 10 percent.
[2] The monthly flat fee allocation to fixed-route bus is $120,264.
[3] The allocated startup costs are associated with the new contractor initiating service as awarded under the Big RFP. $12,119 is applied only to month 1 of the financial plan (October 2025).

Capital Cost of Contracting

When performing the revenue forecast, TTI treated a portion of the cost of a purchased transportation contract as reimbursable under the capital share rate for Federal Transit Administration (FTA) grants (typically 80 percent federal share). TTI calculated the capital cost of contracting portion of the Transdev-provided services as 40 percent of the contract cost, using contract Type 1[4] found in FTA's 5311 Circular (FTA C 9040.1H), replicated below as Figure 1.

[4] Type 1 is a service contract in which the contractor provides maintenance and transit service; the recipient (El Paso County) provides the vehicles.

FIGURE 1. EXCERPT FROM APPENDIX F OF FTA 5311 CIRCULAR

Bus- and Paratransit-Related Contract Services Type of Contract	Percent of Contract Eligible for 80 Percent Federal Share (Section 5311)	Percent of Contract Eligible for 80 Percent Federal Share (Section 5339(a))
1. Service Contract (contractor provides maintenance and transit service; grant recipient provides vehicles)	40 percent	0 percent
2. Service Contract (contractor provides transit service only; recipient provides vehicles and maintenance)	0 percent	0 percent
3. Vehicle Maintenance Contract (contractor provides maintenance; grant recipient provides vehicles and transit service)	100 percent	0 percent
4. Vehicle Lease Contract (contractor provides vehicles; grant recipient provides maintenance and transit service)	100 percent	100 percent
5. Maintenance/Lease Contract (contractor provides vehicles and maintenance; grant recipient provides transit service)	100 percent	See note below table
6. Turnkey Contract (contractor provides vehicles, maintenance, and transit service)	50 percent	
7. Vehicle/Service Contract (contractor provides vehicles and transit service; grant recipient provides maintenance)	10 percent	10 percent

Source: FTA Circular 9040.1H Table IV-1, p. IV-124.

ADA PARATRANSIT

COST OF PURCHASED TRANSPORTATION

For ADA paratransit service operated by Transdev, TTI used the following price assumptions, aligned with the BAFO pricing form and the forecasted annual vehicle revenue hour allocations.

- $52.23 per ADA paratransit revenue hour.
- $33,551 monthly fixed fee (excluding start-up).
- $3,381 in startup costs that will be incurred in October 2025.

Table 10 displays the forecasted ADA paratransit costs. Details of the monthly forecasted cost of ADA paratransit can be found on the *ADASummary+MonthlyCost* tab of Attachment A.

TABLE 10. FORECASTED ADA PARATRANSIT OPERATIONAL COSTS

Service / Cost Item	Revenue Hours	Cost	Cost with Contingency[1]
ADA Paratransit Service	11,517	$601,558	$661,714
Flat Fee[2]	N/A	$402,606	$442,867
Startup[3]	N/A	$3,381	$3,719
Total	**22,276**	**$1,007,546**	**$1,108,300**

Notes:
[1] The contingency rate is 10 percent.
[2] The flat fee allocated to ADA paratransit is $33,551.
[3] The allocated startup costs are associated with the new contractor initiating service as awarded the Big RFP. $3,381 is applied only to month 1 of the financial plan (October 2025).

CAPITAL COST OF CONTRACTING

When performing the revenue forecast, TTI treated a portion of the cost of a purchased transportation contract as reimbursable under the capital share rate for FTA grants (typically 80 percent federal share). TTI calculated the capital cost of contracting portion of the Transdev-provided services as 40 percent of the contract cost, using contract Type 1[5] found in FTA's 5311 Circular (FTA C 9040.1H), replicated above as Figure 1.

ELIGIBILITY AND QUALITY ASSURANCE

ETA has procured the services of an ADA paratransit eligibility and quality assurance provider (MTM). TTI used MTM's Proposer Follow-up Interview/Questions and Revised Pricing document to forecast the expense at $598,346 based on the sum of the Year 1 price structure shown in Figure 2.

[5] Type 1 is a service contract in which the contractor provides maintenance and transit service; the recipient (El Paso County) provides the vehicles.

FIGURE 2. YEAR 1 COST STRUCTURE FOR MTM'S ELIGIBILITY AND QUALITY ASSURANCE CONTRACT

Year 1

Fixed Fee		Per Month	Annual
Project Manager		$11,306.12	$135,673.42
Data Analyst		$0.00	$0.00
Quality Coordinator		$6,199.58	$74,394.97
Complaint Resolution Specialist		$0.00	$0.00
Facility		$4,800.00	$57,600.00
Technology		$1,617.08	$19,404.91
General and Administrative		$916.96	$11,003.50
Employee Related		$221.76	$2,661.14
Start-up		$11,840.64	$142,087.65
Overhead/Profit		$6,265.37	$75,184.48
Variable	**Hourly Rate**	**Hours**	**Annual**
Mobility Assessment Evaluator (MAE)	$42.73	1880	$80,336.00

VANPOOL

TTI included Vanpool in the financial plan, however, no Vanpool costs were included in the contributions from EPATS members except for El Paso County.

TTI calculated the annual total cost of Vanpool in FY2026 based on observed annual cost growth from FY2024 to FY2025. Although FY2025 is not yet complete, data through May 2025[6] indicate a projected FY2025 cost of $2,909,126,[7] which is a 16 percent increase over the actual FY2024 cost of $2,512,012.[8] The same 16 percent cost growth was applied to the expected FY2025 cost (i.e., $2,909,126) to calculate FY2026 cost of Vanpool, resulting in $3,369,017. However, ETA is not billed for the full cost of the Vanpool service. Instead, Enterprise bills ETA for the cost of service less fares and passenger out-of-pocket expenses, which typically are a consistent ratio to the full cost of Vanpool. To forecast FY2026 revenue from fares and passengers, TTI first projected FY2025 revenue from fares and passengers. Although FY2025 is not yet complete, data through May 2025 indicate the projected FY2025 revenue to be $1,998,354.[9] To forecast FY2026 revenue from fares and passengers, TTI calculated the ratio of projected FY2025 Vanpool revenue to Vanpool expenses, which equaled 68.7 percent. TTI assumed the ratio would be the same in FY2026, resulting in a forecasted net operational cost of $1,054,752.[10] (See the *Vanpool* tab of Attachment A for the all the steps used in this calculation.)

[6] Monthly vanpool data through May 2025 are contained in the *Vanpool Data* tab of Attachment A.
[7] Based on an average monthly cost of $242,427 for the first 8 months of FY2025, provided by ETA staff.
[8] Based on data from ETA's Full Reporting Workbook from October 2023 to September 2024.
[9] Based on an average monthly revenue of $166,530 for the first 8 months of FY2025, provided by ETA staff.
[10] Projected FY2026 cost = $3,369,017. Projected ratio of revenue to cost = 68.7 percent; 31.3 percent is the next cost. 31.3 percent of $3,369,017 = $1,054,752.

As allowed under FTA grants, TTI treated a portion of the cost of Vanpool purchased transportation as reimbursable under the capital share rate for FTA 5311 grants (80 percent federal share). That portion was determined by the amount indicated in Enterprise invoices as *Capital* in FY2025, which is 53.8 percent[11] or $567,015. The remaining $487,737 was treated as an operating expense (50 percent federal share).

Gold Route Intercity Bus

TTI included the Gold Route in the financial plan; however, no Gold Route costs are included in the contributions from EPATS members except for El Paso County.

TTI forecasted the FY2026 purchased transportation cost of the Gold Route by forecasting the purchased transportation cost per revenue hour, including the Gold Route contractor's rate and fuel costs. TTI first used data from FY2023 and FY2024 to calculate the actual purchased transportation cost per revenue hour for both years, which was $263.91 and $270.70, respectively.[12] TTI then generated a linear growth forecast using those two years.[13] Table 11 displays the resulting FY2025 and FY2026 projected costs per hour and annual purchased transportation costs based on 6,120 revenue hours per year (revenue hours have not changed historically). The resulting forecasted purchased transportation cost for the Gold Route was $1,739,804. Details of TTI's Gold Route cost forecast can be found on the *GoldRte-new* tab of Attachment A.

Table 11. Gold Route Purchased Transportation Cost Data

Data Element	FY2023	FY2024	FY2025[1]	FY2026[1]
Purchased Transportation Cost per Revenue Hour	$263.91	$270.70	$277.49	$284.28
Revenue Hours	6,120	6,120	6,120	6,120
Purchased Transportation Cost	$1,615,130	$1,656,688	$1,698,246	$1,739,804

Note: [1] FY2025 and FY2026 cost per revenue hour values are linear projections based on FY2023 and FY2024. TTI assumed revenue hours would remain constant. FY2025 and FY2026 purchased transportation cost is calculated as the projected cost per hour multiplied by revenue hours.

None of Gold Route cost is treated as capital cost of contracting, because this grant activity is not available under the Section 5311(f) intercity bus program.

Administrative and Planning Cost Forecasting

TTI categorized FY2026 administrative and planning costs into two groups: grant funded and locally funded. Grant funded administrative and planning expenses are those expenses for which ETA will seek reimbursement under federal or state grants. Locally funded expenses are those expenses that will be 100 percent funded by member contributions. Details of admin and planning costs can be found on the *AdminCosts* tab of Attachment A.

[11] Calculated based on actual capital vs. operating expenses per Enterprise invoices for Oct 2024 – May 2025.
[12] Purchased transportation cost and revenue hour data were obtained from El Paso County's reduced reporting workbook (for FY2023) and from El Paso County's PTN-128 commuter bus report (for FY2024).
[13] TTI recognizes that a linear trend from two years is problematic; however, more data points for the Gold Route were not available at the time of finalizing the financial plan.

Grant funded administrative and planning expenses included the following cost categories:

- ETA staff labor and other administrative costs for transit planning and management services, including four new positions expected in the last six months of the fiscal year.
- Staff development / travel.
- External auditor fees.
- Strategic planning expenses (e.g., grant funded planning studies).
- Business operating costs.

Locally funded administrative and planning expenses included the following cost categories:

- Legal services for ETA.
- Costs associated with administrative services provided by the Rio Grande Council of Governments (RIOCOG).
- Marketing expenses for ETA.
- Strategic planning expenses (e.g., locally funded planning studies).

ETA Labor and Other Administrative Costs

ETA labor costs include both new, current, and anticipated staff. Budgeted salaries and benefits costs are listed in Table 12, as provided by ETA staff.[14]

Table 12. ETA Transit Staff

Position Title	Labor & Fringe Cost
Executive Director	$211,344
Transit Operations Program Manager	$112,532
Transit Planning Program Manager	$132,755
Transit Administrative Specialist	$77,582
Mobility Manager[1]	$50,501
Transit Finance Program Manager[1]	$55,661
Grant and Contract Compliance Specialist[1]	$45,883
Transit Operations Specialist[1]	$56,236
Total EPCT Labor Costs	**$742,494**

Note: [1] These positions are projected to be filled for six months of the fiscal year.

Total ETA labor costs and other administrative expenses came to $742,500 (rounded). This includes four newly established positions, indicated by a note in Table 9. These roles are anticipated to be active for only six months of the fiscal year and have been budgeted at 50% of their projected annual cost.

Because ETA administrative labor costs benefit all ETA services (including fixed-route bus, ADA paratransit, Vanpool, and the Gold Route), TTI allocated ETA administrative labor costs to each service using an estimate of the share of staff time spent on each service, shown in Table 13.

[14] ETA staff provided all salary and fringe projections in a documented titled Budget Impact Transit – ReOrg.

TABLE 13. ETA LABOR COST ALLOCATION

Service	Approximate Staff Labor %
Fixed-Route Bus	40%
ADA Paratransit	50%
EPATS Total	90%
Van Pool	5%
Gold Route	5%
Total	100%

Because 90 percent of the ETA labor and other administrative costs are allocable to EPAPTS services, $668,250 is included in the EPATS contributions. The remainder of these administrative expenses were assigned to Vanpool and Gold Route and were not part of the EPATS contributions.

OTHER ADMINISTRATIVE AND PLANNING

TTI included the following other administrative and planning expenses in the financial plan:

- TTI set estimated legal services fees to $72,000, based on input from ETA.
- RIOCOG is serving as the fiscal agent for EPATS and providing some administrative services. ETA staff instructed TTI to set the RIOCOG fee in FY2026 to $55,000[15] (an increase of $5,000 from FY2025).
- TTI set estimated marketing expenses to $70,000, based on input from ETA.
- TTI assumed the planning expenses shown Table 14.

TABLE 14. FY26 PLANNING EXPENSES

Planning Item	FY2026 Expense
TTI Task Order #10: Demand Response Community Planning (Grant Funded)	$42,210
TTI Task Order #3: FY26 Financial Planning (Locally Funded)	$2,766
TTI Task Order #4: Ad-Hoc Technical Assistance (Locally Funded)	$87,541
Total Other Admin/Planning	**$132,517**

ETA's budget for FY2026 also includes $20,000 in staff development and travel, $35,000 in professional fees for external audit services, and $40,000 in business operating costs which includes a portion of central service costs provided by El Paso County.

CAPITAL COST FORECASTING

The plan does not include any capital costs related to capital asset acquisitions (i.e., vehicles, shelters, and equipment, and facilities). Note that TTI strongly recommends that ETA begin the process of developing a capital reserve fund to help fund the eventual replacement or rehabilitation of ETA's capital assets.

[15] Based on fee as reported to us by RIOCOG.

4. Revenue Forecasting

ETA has access to three main types of revenue that can be applied to transit expenses: (1) federal, (2) state, and (3) local, including fares. El Paso County is the recipient of all federal and state grants used for transit. No federal or state grants used in this financial plan flow directly through the ETA or ETA members (other than El Paso County).

The federal grant programs included in the FY2026 financial plan consist of:

- Section 5311 Formula Grants for Rural Areas, referred to as *5311*. These grants are from the FTA and are administered and distributed to Texas's rural areas by the Texas Department of Transportation (TxDOT).
- Section 5311(f) Intercity Bus Grants, referred to as *5311(f)*. These grants are from the FTA and are administered and distributed by TxDOT.

The Congestion Mitigation and Air Quality Grants (CMAQ) grant funds reflected in the 2025 financial plan are projected to be fully exhausted by the end of FY2025. Therefore, this revenue source is not included in the 2026 financial plan.

The state grant programs included in the FY2025 financial plan consist of:

- Texas State Rural Funds, referred to as *Texas State.* These grants are administered and distributed by TxDOT to rural areas in Texas; the grants are funded from state revenues.
- New Mexico Funds, referred to as *New Mexico State.* New Mexico DOT utilizes their state funds as match to the 5311(f) funding for the Gold Route. However, these funds are not remitted to El Paso County.

General Assumptions

TTI adhered to the following general assumptions and principles when applying revenues to forecasted costs.

- The federal and state grant revenue available is based on all known grant agreements currently active with El Paso County. Table 15 displays details of the assumed $7.95 million in operational grant revenues available from federal and state sources managed by El Paso County as of the end of June 2025. Grant funds are identified by their funding year, program, and activity. TTI worked with El Paso County accounting staff to forecast the amount of funds that would be used in the remainder of FY2025 (from July, August, and September billings). That amount was subtracted from the funds available, resulting in an estimated $6.64 million in grant funds available to be applied to FY2026 operational expenses.

TABLE 15. STATE AND FEDERAL GRANT SOURCES (EXCLUDING GRANTS FOR CAPITAL PROJECTS)

Grant Fiscal Year	Grant Source	Grant Activity	Budgeted Grant Funds[1]	Funds Available as of June 2025	Projected FY25 Use[2]	Projected FY26 Available
FY24	Planning	Planning Grant	$270,000	$218,030	$175,820	$42,210
FY25	5311	5311 Operating	$1,276,855	$1,276,855	$263,686	$1,013,169
		5311 Capital Cost of Contracting	$1,341,840	$1,341,840	$0	$1,341,840
		5311 Project Administration	$0	$0	$0	$0
	5311(f)	5311(f) Intercity Bus Operating	$676,068	$281,690	$281,690	$0
	State	Texas State Operating	$280,385	$240,021	$172,701	$67,320
		Texas State Administration	$834,541	$795,059	$417,271	$377,788
FY26	5311	5311 Operating	$1,073,283	$1,073,283	$0	$1,073,283
		5311 Capital Cost of Contracting	$998,402	$998,402	$0	$998,402
		5311 Project Administration	$424,322	$424,322	$0	$424,322
	5311(f)	5311(f) Intercity Bus Operating	$676,068	$676,068	$0	$676,068
	State	Texas State Operating	$157,077	$157,077	$0	$157,077
		Texas State Administration	$471,231	$471,231	$0	$471,231
	Total		**$8,480,072**	**$7,953,878**	**$1,311,168**	**$6,642,710**

Notes:

Unless otherwise stated, values are based on a spreadsheet provided by El Paso County accounting staff in June 2025 and updated in August 2025 in collaboration with TTI.

[1] Values represent federal or state funds budgeted in the current grant agreement. Local match is excluded from these values.

[2] Projected use was calculated by TTI and El Paso County staff either based on known future billings or based on average past billings.

- Funds from older grants are used first.
- 5311(f) funds cannot be applied to administrative expenses.
- TTI attempted to maximize the use of 5311 grant funds. This approach includes the following steps:
    - TTI assumed 80 percent federal share in applicable capital cost of contracting when 5311 funds are applied to expenses. FTA's capital cost of contracting provisions allow federal capital assistance (80 percent reimbursement) for up to 40 percent of the Transdev contract costs.
    - TTI assumed 80 percent federal share in capital cost of contracting for the Enterprise-operated Vanpool service, which will be reimbursed mainly using 5311 funds. As discussed in the Vanpool section above, ETA can request federal capital assistance (80 percent reimbursement) for a portion of the contract cost (the contract cost excludes the fares retained by Enterprise).
    - Eligible administrative expenses are reimbursed at 80 percent federal share using 5311 funds.
    - A portion of administrative costs were elected by ETA staff to be 100% locally funded. These include: Legal Fees, RIOCOG Fiscal Admin Fee, Marketing/Website/Printing, and a portion of some planning expenses.
    - Eligible operating expenses are reimbursed at 50 percent federal share after reducing the operating expenses by fares received.[16]
- Although the grants have existing balances in each activity line item (see Table 15), TTI assumed that the funds could be moved freely from one activity line item to another.[17]

Forecasting Fares

Fixed-Route Bus

TTI forecasted the fares for FY2026 fixed-route bus services using FY2025 fixed-route bus reported fares to date in a Microsoft Excel workbook[18] used by El Paso County to prepare their data for submission to PTN-128. The forecast utilized the 9 months of fares reported in the workbook for all fixed-route bus services.

Based on the information entered in the workbook, TTI calculated the average monthly fares collected for each service group and then multiplied the average monthly fare by the number of months TTI expected the service group to collect fares in FY2026. In addition, ETA offers free fares on TCEQ Ozone Action Days. ETA staff estimated 20 free fare days accordingly. Table 16 displays the details of these steps.

[16] Fares are applied to fixed-route bus, ADA paratransit, and Gold Route. They are not applied to Vanpool, because they are already accounted for in how TTI calculated the Vanpool expenses eligible for grant funding.
[17] El Paso County would need to execute an amendment to their grant budgets based on the final financial plan.
[18] EPC-ReducedReportingWorkbook_v1.1-FY2024-toEPC.xlsx.

TABLE 16. FIXED-ROUTE BUS FARE FORECAST DETAILS

Description	Value	Notes
FY25 Fares Reported	$113,282	Per FY2025 EPC-ReducedReportingWorkbookv1.1 (Sep 2024-May 2025)
Months Reported	9	
Avg Monthly Fare	$12,587	
Est Months for FY2025	12	Assumes Free Fare Summer x 4 months: July - Oct (Oct 2024 and Jul-Sep 2025)
Projected FY2025 Fares	**$151,043**	Est Timeframe of Collection: Oct 2025 – Sep 2026
Estimated Fares Per Day	$414	
Est Number of Free Fare Days	20	Free fares offered on Ozone Action Days
Less Est Value of Free Fare Days	**($8,276)**	
Total Estimated Fixed Route Fares	**$142,767**	Total Fares Less Free Fare Days

Note: Values in table are rounded to the nearest dollar.

ADA PARATRANSIT

TTI forecasted ADA paratransit fares using a linear forecast based on known ADA paratransit ridership from January 2025 to May 2025. Ridership data provided by ETA staff included a breakdown of $2.00 regular-fare trips and $5.00 premium-fare trips for the same timeframe. TTI used this data to forecast the estimated number of trips per fare type and multiplied each by the applicable fare amount to calculate total estimated fares. The forecast estimates approximately 58% of trips pay premium fare. Details are provided in Table 17 below. (Also see the *ADA Ridership* tab of Attachment A.)

TABLE 17. FY2026 FORECASTED ADA PARATRANSIT RIDERSHIP AND FARES BY MONTH

Month	Total Est Trips	Est Reg-Fare Trips	Est Premium-Fare Trips	Total Est Fares
Oct-25	**770**	303	467	$3,093
Nov-25	**835**	333	502	$3,345
Dec-25	**898**	361	537	$3,589
Jan-26	**963**	391	572	$3,841
Feb-26	**1,029**	420	609	$4,093
Mar-26	**1,087**	446	641	$4,320
Apr-26	**1,152**	476	676	$4,572
May-26	**1,215**	504	711	$4,816
Jun-26	**1,281**	534	747	$5,068
Jul-26	**1,344**	562	782	$5,312
Aug-26	**1,409**	592	817	$5,565
Sep-26	**1,474**	621	853	$5,817
Total	**13,457**	5,543	7,914	$53,431

Note: Ridership data in table is rounded to the nearest integer; however, fare calculations are based on raw non-rounded ridership values.

VANPOOL

TTI forecasted Vanpool fares by examining what proportion of Vanpool costs are covered by fares. Using FY2025 Vanpool data reported to date, TTI found that fares covered about 68.7 percent of the purchased transportation costs. TTI assumed that 68.7 percent would remain consistent, covering 68.7 percent of the projected $3.37 million in FY2026 Vanpool costs, resulting in $2.31 million in fares. As stated in the

Operational Cost Forecasting section, fares were excluded from the annual purchased transportation cost, because Enterprise only bills the County based on the contract cost less collected fares. (See the *Vanpool* tab of Attachment A.)

Gold Route Intercity Bus

TTI calculated the Gold Route's forecasted fares by first forecasting FY2025 and FY2026 ridership. In FY2025 through May 2025 (9 months), the Gold Route carried 28,182 riders, which, when annualized amounts to 37,576 riders. TTI set FY2026 ridership to be the same as FY2025 to provide a conservative estimate of ridership and fare revenue. TTI then calculated the FY2024 average fare per rider to be $2.98.[19] (FY2024 is the latest fiscal year with complete data.) Assuming the average fare per rider would remain consistent, TTI multiplied the projected FY2026 ridership of 37,576 by the estimated fare per rider of $2.98, resulting in an FY2026 fare forecast of $111,916. (See the *GoldRte-new* tab of Attachment A.)

Applying Federal Revenue

Fixed-Route Bus

TTI applied federal and state revenue to the Fixed Route Bus service expenses in the following sequence:

- 80 percent share of capital cost of contracting using 5311 capital cost of contracting funds.
- 50 percent share of net operating cost[20] using 5311 operating funds.
    - 50 percent non-federal share of net operating costs using Texas State Rural funds.

ADA Paratransit

TTI applied federal and state revenue to the Fixed Route Bus service expenses in the following sequence:

- 80 percent share of capital cost of contracting using 5311 capital cost of contracting funds.
- 50 percent share of net operating cost[21] using 5311 operating funds.
    - 50 percent non-federal share of net operating costs using Texas State Rural funds.

Vanpool

TTI applied federal revenue to the Vanpool service in the following sequence:

- 80 percent share of the capital cost of contracting using 5311 capital cost of contracting funds.
- 50 percent share of the net operating cost of the service using 5311 operating funds.

Gold Route

TTI applied federal revenue to the Gold Route by using all of the estimated 5311(f) funding available in the anticipated FY2026 project grant agreement to apply to the route's forecasted operating expenses (i.e., $676,068).

[19] Based on data reported to PTN-128.
[20] Net operating cost is operating cost less fares.
[21] Net operating cost is operating cost less fares.

Administrative and Planning Costs

For administrative and planning costs charged to federal grants, TTI applied 5311 project administration funds at 80 percent federal share. Costs that were 100 percent locally funded received no federal funds.

Applying State Revenue

The financial plan reflects state revenue from two different sources: New Mexico State and Texas State. New Mexico funds are only for use on the Gold Route and are managed by New Mexico DOT. Texas State funds were applied towards the non-federal share of operating costs for fixed-route bus and ADA paratransit services. Texas State grants are divided into two activity line items: (1) Operating and (2) Administration. As noted previously, TTI applied the Texas State funds towards the non-federal share of 5311 operating funds for fixed-route bus and ADA paratransit.

Summary and Local Share

Table 18 displays a summary of the grant funding applied to expenses. The table takes the original grant data (found in Table 15) and then adds columns to show how much revenue from each grant program was applied to expenses in the FY2026 financial plan. Table 18 also displays the total balances for each grant (after summing line items, if applicable). The balance column gives ETA information about what budget amendments are needed to best utilize the available federal and state grants.

New Mexico provides the state funds reported as match for the 5311(f) grant. Since there is no financial transaction related to the New Mexico State funds, those revenues are not reflected in Table 18. In addition, the CMAQ funding is expected to be exhausted and no longer available for use in FY2026. Consequently, those funds are not represented in Table 18 either.

TABLE 18. SUMMARY OF GRANT FUNDS USAGE (EXCLUDING GRANTS FOR CAPITAL PROJECTS)

Grant Fiscal Year	Grant Source	Grant Activity	Budgeted Grant Funds[1]	Funds Available as of June 2025	Projected FY25 Use[2]	Projected FY26 Available	Used[3]	Balance[4]
FY24	**Planning**	Federal Planning Grant	$270,000	$218,030	$175,820	$42,210	$42,210	$0
FY25	**5311**	5311 Operating	$1,276,855	$1,276,855	$263,686	$1,013,169	$1,013,169	$0
		5311 Capital Cost of Contracting	$1,341,840	$1,341,840	$0	$1,341,840	$1,341,840	$0
		5311 Project Administration	$0	$0	$0	$0	$0	$0
		Total FY25 5311						**$(0)**
	5311(f)	5311(f) Intercity Bus Operating	$676,068	$281,690	$281,690	$0	$0	$0
	State	Texas State Operating	$280,385	$240,021	$172,701	$67,320	$445,108	$(377,788)
		Texas State Administration	$834,541	$795,059	$417,271	$377,788	$0	$377,788
		Total FY25 Texas State						**$0**
FY26	**5311**	5311 Operating	$1,073,283	$1,073,283	$0	$1,073,283	$1,036,169	$37,114
		5311 Capital Cost of Contracting	$998,402	$998,402	$0	$998,402	$809,792	$188,610
		5311 Project Administration	$424,322	$424,322	$0	$424,322	$650,046	$(225,724)
		Total FY26 5311						**$1,199,207**
	5311(f)	5311(f) Intercity Bus Operating	$676,068	$676,068	$0	$676,068	$676,068	$0
	State	Texas State Operating	$157,077	$157,077	$0	$157,077	$628,308	$(471,231)
		Texas State Administration	$471,231	$471,231	$0	$471,231	$0	$471,231
		Total FY26 Texas State						**$(0)**
	Total	**All Sources**	**$8,480,072**	**$7,953,878**	**$1,311,168**	**$6,642,710**	**$6,642,710**	**$0**

Notes:

[1] Values represent federal or state funds budgeted in the current grant agreement. Local match is excluded from these values.

[2] Projected use was calculated by TTI and El Paso County staff either based on known future billings or based on average past billings.

[3] Used amounts show how much of each grant was applied to expenses in the FY2026 financial plan.

[4] Balance displays the amount remaining in each grant and activity line item. For Section 5311 and Texas State grants, the key is that the total grant balance is not negative. Non-zero balances in individual line items suggest what changes need to be made to existing grant agreement budgets. Negative balances show that funds should be added to the line item. Positive balances show that funds should be removed from the line item.

After all federal and state revenues were applied to forecasted costs, TTI then calculated the remaining balance left (i.e., the local share) needed to fund each service. Table 19 displays the remaining local share for each service.

TABLE 19. LOCAL SHARE FOR EACH SERVICE

Cost Type	Fixed-Route Bus Total	ADA Paratransit	EPATS Total	Vanpool	Gold Route Intercity Bus	Total Transit Program
Operating	$486,767	$245,284	$732,051	$243,868	$0	$975,919
Capital Cost of Contracting	$335,841	$88,664	$424,505	$113,403	$0	$537,908
Administration & Planning	N/A	N/A	$446,147	$14,304	$14,304	$474,755
Total Local Share	$822,608	$333,498	$1,602,703	$371,575	$14,304	$1,988,582

Note: Values in table are rounded and may not total as expected.

TTI then allocated the amount of local share needed for fixed-route bus and ADA paratransit to the members of EPATS using the methodology discussed in Section 5. Vanpool and Gold Route local share will be contributed by El Paso County only.

Table 20 displays a summary of the costs and revenues in the FY2026 financial plan.

TABLE 20. SUMMARY OF FY2026 FINANCIAL PLAN COSTS AND REVENUES (EXCLUDING CAPITAL PROJECTS)

Financial Plan Element	Fixed-Route Bus	ADA Paratransit	EPATS Total	Vanpool	Gold Route	Transit Program Total
Costs						
Annual Purchased Transportation Cost	$4,198,013	$1,108,300	$5,306,313	$1,054,752	$1,739,804	$8,100,869
Annual Other Operating Costs	$25,000	$598,346	$623,346	$0	$0	$623,346
Annual Administrative & Planning Costs			$1,092,761	$37,125	$37,125	$1,167,011
ECPT Labor - Grant Funded			$668,244	*$37,125*	*$37,125*	*$742,494*
Other Admin Costs - Grant Funded			$137,210	*$0*	*$0*	*$137,210*
Other Admin Costs - Locally Funded			$287,307	*$0*	*$0*	*$287,307*
Total Costs	**$4,223,013**	**$1,706,646**	**$7,022,421**	**$1,091,876**	**$1,776,929**	**$9,891,226**
Revenues						
Fares Applied	$142,767	$53,431	$196,198	$0	$111,916	$308,114
Federal Revenue Applied	$2,543,885	$959,604	$4,150,103	$720,302	$698,889	$5,569,294
5311	*$2,543,885*	*$959,604*	$4,107,893	*$720,302*	*$22,821*	*$4,851,016*
5311(f)					*$676,068*	*$676,068*
Planning Grant			$42,210			*$42,210*
Texas State Revenue Applied	$713,753	$359,663	$1,073,416	$0	$0	$1,073,416
New Mexico State Revenue Applied	$0	$0	$0	$0	$951,820	$951,820
Total Revenue	**$3,400,405**	**$1,372,698**	**$5,419,717**	**$720,302**	**$1,762,625**	**$7,902,644**
Local Share Required	**$822,608**	**$333,948**	**$1,602,703**	**$371,575**	**$14,304**	**$1,988,582**

5. Cost and Contribution Allocation

The $1,602,703 in local share needed for EPATS service will be contributed by the members of EPATS. The amount of local share allocated to each EPATS member is referred to as the member's *contribution.*

In general, each member's contribution is proportional to the amount of service that is operating within the member's jurisdictional boundaries. For example, if 5% of the service is operating within the boundaries of Member A, Member A's contribution would be 5% of the total required local share.

As a part of allocating contributions, TTI also allocates costs to jurisdictions to help clearly communicate the true cost of the service operating within the jurisdiction. TTI calculated the allocation of costs and contributions separately for the three different cost and service types in the FY2026 financial plan:

- Fixed-route bus: costs and contributions are allocated based on estimated revenue miles within the jurisdiction.
- ADA paratransit: costs and contributions are allocated based on estimated ADA paratransit demand. Because not enough demand data exist to perform this analysis using actual ADA paratransit trips, jurisdiction population is used as a proxy for demand.
- Administrative and planning: costs and contributions for administrative and planning activities were allocated based on the jurisdiction's sum of fixed-route bus and ADA paratransit costs.

Fixed-Route Bus

TTI calculated each member's fixed-route bus contribution using a three-phase process.

Phase 1: Route GIS Analysis

TTI analyzed the route traces to determine how much of each route's alignment falls within each member city. Steps included:

- Mapping each route in operation in FY2026 using GIS software. As noted in Section 0, there are no plans to make fixed-route bus service changes in FY2026.
- Determining how much of each route's directional route mileage (i.e., round trip mileage) falls within each member city's boundaries. Directional route mileage that falls outside of a member city's boundaries were assigned to El Paso County.[22]
- For each route, turning the number of miles per member city into a percentage of miles per member city.

The results, displayed in Table 21, show how many directional route miles of each route falls within each member city. (The calculations can also be seen on the *Revenue Miles Estimations FY26* tab of Attachment A.)

[22] The means that any route miles within the City of El Paso, the County of El Paso, and other areas (including incorporated and unincorporated areas) that are not member cities are assigned to El Paso County.

TABLE 21. DIRECTIONAL ROUTE MILES WITHIN MEMBER CITIES

Route Name	Total Miles	Horizon City	% of Total	San Elizario	% of Total	Vinton	% of Total	Anthony	% of Total	Clint	% of Total
Route 10 ANTHONY / CANUTILLO	31.62					5.12	16.19%	4.41	13.95%		
Route 20 MONTANA VISTA	33.73										
Route 30 HORIZON CITY	41.07	6.62	16.11%								
Route 31 HORIZON CITY	36.60	9.88	27.00%								
Route 40 FABENS / TORNILLO	48.22									3.52	7.29%
Route 50 MISSION TRAIL	26.14			6.52	24.93%					0.62	2.38%

Note: Values in table may be rounded. Miles not assigned to a member city are, in practice, assumed to be assigned to El Paso County.

PHASE 2: ANNUAL REVENUE HOURS FORECASTING

The next phase is to forecast the number of revenue miles[23] in each member city based on how often the bus will be operating in FY2026. Steps included:

- Multiplying each route's percentage of miles per member city (from Table 21) by the route's forecasted annual revenue miles (from Table 9), resulting in a forecast of the route's annual revenue miles per member city. For example, 4.41 percent of Route 10's miles fall within the boundaries of Anthony (see Table 21). TTI forecasted that Route 10 will operate 130,167 revenue miles in FY2026 (see Table 9), so 4.41 percent of Route 10's 130,167 annual revenue miles were assigned to Anthony (18,157 miles).
- Summing up the route-level annual forecasted revenue miles per member city to calculate the total annual revenue miles per member city.
- Assigning to El Paso County any revenue miles that fall outside of current EPATS members' jurisdictions (not shown in the table below).

[23] Annual revenue miles represents the total mileage accrued by each route making all the planned round trips in a year.

Table 22 contains the results of these calculation steps. (The calculations can also be seen on the Revenue Miles Estimations FY26 tab of Attachment A.)

TABLE 22. FORECASTED ANNUAL REVENUE MILES OPERATED WITHIN MEMBER CITY BOUNDARIES

Route Name	Total Annual Miles	Horizon City Miles	San Elizario Miles	Vinton Miles	Anthony Miles	Clint Miles
Route 10 ANTHONY / CANUTILLO	130,167	0	0	21,080	18,157	0
Route 20 MONTANA VISTA	156,764	0	0	0	0	0
Route 30 HORIZON CITY	177,025	28,527	0	0	0	0
Route 31 HORIZON CITY	165,124	44,576	0	0	0	0
Route 40 FABENS / TORNILLO	107,797	0	0	0	0	7,863
Route 50 MISSION TRAIL	66,775	0	16,647	0	0	1,592
Total	**803,652**	73,103	16,647	21,080	18,157	9,455
Proportion of Service (% of Rev. Miles)	**100%**	9.1%	2.1%	2.6%	2.3%	1.2%

Note: Values in table may be rounded. Miles not assigned to a member city are, in practice, assigned to El Paso County.

Phase 3: Cost and Contribution Allocation

TTI then calculated two key variables to allocate fixed-route bus costs and contributions: operational cost per revenue mile and local contribution per revenue mile. TTI calculated operational cost per revenue mile by dividing the forecasted operational cost of fixed-route bus ($4,223,013) by forecasted fixed-route bus revenue miles (803,652), resulting in $5.25 per revenue mile. TTI calculated local contribution per revenue mile by dividing the forecasted fixed-route bus contributions needed ($822,608) by forecasted fixed-route bus revenue hours (803,652), resulting in $1.02. TTI then calculated the forecasted fixed-route bus operational cost and contribution per member by multiplying the number of fixed-route bus revenue miles within each member (see Table 22) by the operational cost per revenue mile and local contribution per revenue mile. Table 23 displays the cost and contribution allocation results for fixed-route bus before applying the ETA fund balance (discussed in the Section titled *Applying the Fund Balance*).

Table 23. Initial FY2026 Fixed-Route Bus Cost and Contribution Allocations

Member	Revenue Miles	Annual Total Operational Cost ($5.25 per mile)	Local Contribution ($1.02 per mile)
City / Local Members Total	**138,442**	**$727,483**	**$141,708**
Anthony	18,157	$95,412	$18,585
Clint	9,455	$49,682	$9,678
Horizon City	73,103	$384,140	$74,827
San Elizario	16,647	$87,477	$17,040
Village of Vinton	21,080	$110,773	$21,578
El Paso County	**665,210**	**$3,495,530**	**$680,900**
Total	**803,652**	**$4,223,013**	**$822,608**

Note: Values in table may be rounded. Contributions are *initial* contribution values prior to applying the fund balance.

ADA Paratransit

Typically, ADA paratransit costs and contribution allocations would be based on actual trip demand within each member city; however, because TTI was unable to obtain actual geocoded trip data from Transdev, TTI used population data as proxy for trip demand.[24] TTI calculated each member's ADA paratransit cost and contribution allocation using a two-phase process.

Phase 1: ADA Paratransit Population GIS Analysis

Using 2024 population data obtained from ArcGIS, TTI calculated the population of the north,[25] east, and south ADA paratransit service areas.[26] The total population of all three service areas was 149,085. Then, TTI calculated the ADA paratransit service area population within each member city (see Table 24). Note that, any population not assigned to a member city is ultimately assigned to El Paso County (not shown in the table below). (The calculations can also be seen on the *Revenue Miles Estimations FY26* tab of Attachment A.)

[24] In future allocations, TTI recommends using actual ADA paratransit trip data to allocate ADA paratransit costs and contributions.
[25] Also referred to in the ADA paratransit plan as the "west" service area.
[26] The service ADA paratransit service area is the geography within ¾-mile of ETA fixed routes excluding any area that falls within the City of El Paso. See https://tamu.maps.arcgis.com/apps/mapviewer/index.html?webmap=7357ee6daf654e96816e743240bda921.

TABLE 24. ADA PARATRANSIT SERVICE AREA POPULATION WITHIN MEMBER CITIES

ADA Paratransit Service Area	Total Population	Horizon City	San Elizario	Vinton	Anthony	Clint
North	17,495			1,805	4,360	
East	12,355					
South	119,235	18,598	9,522			1,595
Total	**149,085**	**18,598**	**9,522**	**1,805**	**4,360**	**1,595**

Note: Values in table may be rounded. Population not assigned to an incorporated area is, in practice, assigned to El Paso County.

PHASE 2: COST AND CONTRIBUTION ALLOCATION

TTI then calculated two key variables to allocate ADA paratransit costs and contributions: (1) operational cost per capita and (2) local contribution per capita. TTI calculated operational cost per capita by dividing the forecasted ADA paratransit operational cost ($1,706,646) by the ADA paratransit service area population (149,085), resulting in $11.45 per capita. TTI calculated local contribution per capita by dividing the forecasted ADA paratransit contributions needed ($333,948) by the ADA paratransit service area population (149,085), resulting in $2.24 per capita. TTI then calculated the forecasted ADA paratransit operational cost and contribution for each member by multiplying the ADA paratransit population within each member city by the cost per capita and contribution per capita values. Table 25 displays the cost and contribution results for ADA paratransit before applying the ETA fund balance (discussed in the Section titled *Applying the Fund Balance*).

TABLE 25. INITIAL FY2026 ADA PARATRANSIT COST AND CONTRIBUTION ALLOCATIONS

Member	Population	Annual Total Operational Cost ($11.45 per capita)	Local Contribution ($2.24 per capita)
City / Local Members Total	**35,880**	**$410,735**	**$80,371**
Anthony	4,360	$49,911	$9,766
Clint	1,595	$18,259	$3,573
Horizon City	18,598	$212,900	$41,659
San Elizario	9,522	$109,003	$21,329
Village of Vinton	1,805	$20,663	$1,500
El Paso County	**113,205**	**$1,295,911**	**$253,578**
Total	**149,085**	**$1,706,646**	**$333,948**

Note: Values in table may be rounded. Contributions are *initial* contribution values prior to applying the fund balance.

ADMINISTRATION AND PLANNING

TTI calculated each member's administration and planning contribution based on the share of service costs (i.e., fixed-route bus and ADA paratransit costs) that were allocated to the member. In the first step, TTI calculated an admin and planning cost to service cost ratio by dividing total forecasted admin and planning costs ($1,092,761) by the total forecasted service costs for fixed-route bus and ADA paratransit

($4,223,013 for fixed-route bus + $1,706,646 for ADA paratransit = $5,929,660), resulting in an admin and planning cost to service cost ratio of $0.18. This ratio means that every member is assigned $0.18 in admin and planning costs for each dollar of allocated service costs. TTI then calculated the admin and planning contribution ratio by dividing the total admin and planning contributions needed ($446,147) by the total forecasted admin and planning costs ($1,092,761), resulting in $0.41. This ratio means that every member pays $0.41 for each dollar of allocated admin and planning costs. Table 26 displays the cost and contribution allocation results for admin and planning costs before applying the ETA fund balance (discussed in the Section titled *Applying the Fund Balance*).

TABLE 26. INITIAL FY2026 ADMINISTRATIVE AND PLANNING COST AND CONTRIBUTION ALLOCATIONS

Member	Allocated Service Costs (sum of fixed-route bus and ADA paratransit)	Allocated Admin and Planning Cost ($0.18 per dollar of service costs)	Local Contribution ($0.41 per dollar of admin and planning costs)
City / Local Members Total	**$1,138,218**	**$209,759**	**$85,639**
Anthony	$145,323	$26,781	$10,934
Clint	$67,941	$12,521	$5,112
Horizon City	$597,040	$110,027	$44,921
San Elizario	$196,480	$36,209	$14,783
Village of Vinton	$131,436	$24,222	$9,889
El Paso County	**$4,791,441**	**$883,002**	**$360,508**
Total	**$5,929,660**	**$1,092,761**	**$446,147**

Note: Values in table may be rounded. Contributions are initial contribution values prior to applying the fund balance.

SUMMARY OF INITIAL CONTRIBUTIONS

Table 27 displays the initial contributions for all three cost types, pulling the final column from each of Table 23, Table 25, and Table 26 . Note that the data in the data have not yet had the fund balance applied (see the following section) and have not been rounded to the nearest $100. (All allocation results can be found on the *AllocationSummary-Master* tab of Attachment A.)

TABLE 27. SUMMARY OF INITIAL CONTRIBUTIONS

Member	Fixed-Route Bus Contribution ($1.02 per mile)	ADA Paratransit Contribution ($2.24 per capita)	Admin and Planning Contribution ($0.41 per dollar of admin and planning costs)	Total Contribution
City / Local Members Total	**$141,708**	**$80,371**	**$85,639**	**$307,718**
Anthony	$18,585	$9,766	$10,934	$39,286
Clint	$9,678	$3,573	$5,112	$18,362
Horizon City	$74,827	$41,659	$44,921	$161,408
San Elizario	$17,040	$21,329	$14,783	$53,152
Village of Vinton	$21,578	$1,500	$9,889	$35,510
El Paso County	**$680,900**	**$253,578**	**$360,508**	**$1,294,986**
Total	**$822,608**	**$333,948**	**$446,147**	**$1,602,703**

Note: Values have been rounded to the nearest dollar.

APPLYING THE FUND BALANCE AND FINAL RESULTS

After all the initial contributions were calculated using the methods described above, TTI was then directed by ETA staff to determine the forecasted ETA fund balance[27] at the start of FY2026 and to apply the forecasted ETA fund balance to the initial FY2026 contributions. TTI first worked with staff at the COG to determine the fund balance for each fiscal year. After accounting for FY2023, FY2024, and FY2025 contributions, expenses, and anticipated expenses, TTI determined the forecasted ETA fund balance heading into FY2026 to be $996,891.03, which is equal to 62.2 percent of the $1,602,703 (before rounding) in total needed contributions from members. Details of the fund balance analysis are contained on the *Fund Balance* tab of Attachment A.

To apply the fund balance to forecasted contributions, TTI discounted each contribution as initially calculated in Table 23, Table 25, and Table 26) by 62.2 percent, resulting in the adjusted contributions shown in Table 28. (All allocation results can be found on the *AllocationSummary-Master* tab of Attachment A.)

[27] The *fund balance* refers to the amount of money contributed by members that has not yet been spent on ETA expenses.

TABLE 28. ADJUSTED FY2026 CONTRIBUTIONS AFTER APPLYING THE FUND BALANCE

Member	Fixed-Route Bus Adjusted Contribution ($0.39 per revenue mile)	ADA Paratransit Adjusted Contribution ($0.85 per capita)	Admin and Planning Adjusted Contribution ($0.15 per dollar of admin and planning costs)	Total Adjusted Contribution
City / Local Members Total	**$53,600**	**$30,400**	**$32,300**	**$116,200**
Anthony	$7,000	$3,700	$4,100	$14,800
Clint	$3,700	$1,400	$1,900	$6,900
Horizon City	$28,300	$15,700	$17,000	$61,000
San Elizario	$6,400	$8,100	$5,600	$20,100
Village of Vinton	$8,200	$1,500	$3,700	$13,400
El Paso County	**$257,400**	**$95,900**	**$136,300**	**$489,500**
Total	**$311,000**	**$126,300**	**$168,600**	**$605,700**

Note: Values in table are rounded to the nearest $100. Contributions shown are calculated after applying the fund balance to initial contributions.

A summary of the cost and contribution allocations is also contained in Attachment B.