

Transportation 101:

Federal Transit Administration Grant Programs

SEPTEMBER 2018

Agenda

Overview

FTA Funding Overview

Review of Formula Programs

Review of Discretionary Programs

Concluding Notes



Overview

FTA grant programs are utilized to subsidize capital used to provide public transportation.

FTA grants - *except in limited circumstance (which we will go through)* – are **not** used:

- To subsidize operating costs
- Directly subsidize a users cost

The FTA program, its rules, processes and procedures are set up and established to subsidize the acquisition of capital used in the provision of public transportation services.

FTA funds are handled as direct grants, where as FHWA reimburses State's expenses



FTA Funding Overview

There are two types of grant programs:

- Discretionary
- Formula

Discretionary – Grants made through a competitive process. Each grant program has its own set of criteria, eligibilities, and rules. Discretionary funds may be subject to annual appropriations

Formula Funds – Formula funds are a set amount of funds that are distributed annually. Formula funds are guaranteed.

Types of FTA Funding

Formula

[Urbanized Areas Formula Grants \(5307\)](#)

[Enhanced Mobility for Seniors & Individuals with Disabilities \(5310\)](#)

[Rural Area Formula Grants \(5311\)](#)

[Bus-Bus Facility Formula \(5339\)](#)

[State of Good Repair \(5337\)](#)

Discretionary

[-Bus-Bus Facility Investment Program](#)

[-Capital Investment Grants \(New Starts\)](#)

[-Low and No Emission Program \(Low-No\)](#)

[-Mobility on Demand Sandbox](#)

[-Transit Oriented Development Planning Grants](#)

[-Access and Mobility Partnership Grants](#)

[-Commuter Rail Positive Train Control Grants](#)

5307 Urban Area Formula – Overview

In general, urban area formula funds (more commonly known as 5307 funds) are the prime source of FTA funds allocated to transit agencies in areas above 200,000

5307 funds are generally provided for capital projects, but in some circumstances, funds can be used for operating

Grants are not ever used as passenger subsidy unless used for Job Access Reverse Commute (JARC) Projects

5307 Grants require local entities to cover at least 20% of the project cost.

5307 Urban Area Formula - Eligibilities

Capital Projects

Assent Management

Mobility Management

Job Access Reverse Commute Programs

Services Contracted through FTA Capital Cost of Contracting Policy

5307 Urban Area Formula – Funding Allocation

Each year funding is allocated to a region through its designated recipient.

The amount of funding allocated to a designated recipient is determined through a formula that includes a variety of factors including:

- fixed guideway vehicle revenue miles
- fixed guideway passenger miles
- Bus vehicle revenue miles
- Bus passenger miles
- Population & population density

Funding for a region may increase or decrease year to year based upon the data submitted by a region to the National Transit Database

5307 Urban Area Formula – Project Selection

Designated recipients are in charge of gathering NTD from regional providers as well as distributing funds to other agencies. Designated recipients are responsible for administering grants in the region.

Designated recipients, in effect, control how FTA funds are spent in a region. While their authority is simply to administer the funds for the regions, in almost every way, designate recipients control who can access FTA funds and how they are spent

The relationship between the designated recipient and other stakeholders in a region is different from region to region.

One way smaller agencies can assume more control is by becoming a direct recipient. However, designated recipients control establishing other public providers in the region as direct recipients. This allows those agencies defined as direct recipients to receive FTA funds directly and places all responsibilities on them.

Designated recipients provide a program of projects (POP) which is a list of projects proposed by a designated recipient in cooperation with a Metropolitan Planning Organization to be funded from the urbanized area's Section 5307 apportionment. The POP is a living list that can be altered as needed

5307 Urban Area Formula – Use for Operating Expenses

In General, 5307 grants are for capital expenses only. However, funds may be used for operating assistance under limited conditions:

Recipients in UZAs with populations of fewer than 200,000 may use Section 5307 funds for operating assistance. There is no limitation on the amount of their apportionment that recipients in these UZAs may use for operating assistance.

Recipients in UZAs with populations of 200,000 or more may not use Section 5307 funds for operating assistance unless identified by FTA as being eligible. Public transportation operators that operate 100 or fewer buses in fixed route service during peak service hours may use a limited and variable percentage of their UZA's 5307 apportionment for operating assistance. Operating assistance caps for eligible operators are published by FTA in the Federal Register.

5307 Urban Area Formula Grants – Key Takeaways

5307 grants are primarily used for capital expenses except for limited occasions

The amount a region receives alters from year to year based upon the amount of service provided – Adding revenue miles and passenger miles increases the amount a region receives. The value of a revenue mile varies but are roughly worth .49\$ a revenue mile for areas over 1 million and .60\$ a revenue mile for areas between 200,000 and 1 million

Designated recipients control who gets funding and for what, absent a letter designating an entity a direct recipient.

Small Transit Intensive Cities (STIC) Program

A provision in the FTA Urbanized Area Formula program (Section 5307) to distribute funds to urbanized areas under 200,000 population. Under the formula for STIC, funds are apportioned to urbanized areas (UZA) with a population less than 200,000 that meet or exceed the average level of service for all UZAs with populations between 200,000 and 1,000,000. The UZAs must operate at a level of service equal to or above the industry average level of service for all UZAs with a population of at least 200,000 but not more than 999,999, in one or more of six performance categories:

1. Passenger miles traveled per vehicle revenue mile,
2. Passenger miles traveled per vehicle revenue hour
3. Vehicle revenue miles per capita,
4. Vehicle revenue hours per capita,
5. Passenger miles traveled per capita, and
6. Passengers per capita.

5307 – Urban Formula Links

[FTA 5307 Circular](#)

[Annual Apportionments](#)

[5307 Fact Sheet](#)

5310 - Enhanced Mobility for Seniors & Individuals with Disabilities

Type of Funding: Formula

Who Gets Funding:

Small Urban/Rural Areas: States for the purpose of assisting private nonprofit groups in meeting transportation needs of the elderly and persons with disabilities.

Large Urban (over 200,000): Designated Recipient

Allocation: Based on impacted population vs. rest of population

Funding eligibility: Funds can be used for capital and in some instances operating costs of providing dedicated services for seniors and individuals with disabilities.

Match: The federal share of eligible capital costs may not exceed 80 percent, and 50 percent for operating assistance.

5310 - Enhanced Mobility for Seniors & Individuals with Disabilities

- buses and vans
- wheelchair lifts, ramps, and securement devices
- transit-related information technology systems, including scheduling/routing/one-call systems
- mobility management programs
- acquisition of transportation services under a contract, lease, or other arrangement
- Nontraditional Section 5310 project examples include:
 - travel training
 - volunteer driver programs
 - building an accessible path to a bus stop, including curbs-cuts, sidewalks, accessible pedestrian signals or other accessible features
 - improving signage, or way-finding technology
 - incremental cost of providing same day service or door-to-door service
 - purchasing vehicles to support new accessible taxi, rides sharing and/or vanpooling programs
 - mobility management programs

5311 Rural Assistance Program

This program provides capital, planning, and operating assistance to states to support public transportation in rural areas with populations less than 50,000

Type of Funding: Formula

Who Gets Funding: State DOTs

Allocation: Based on impacted population vs. rest of population

Funding eligibility: Eligible activities include planning, capital, operating, job access and reverse commute projects, and the acquisition of public transportation services.

Match: The federal share of eligible capital costs may not exceed 80 percent, and 50 percent for operating assistance.

Notes:

Each state must spend no less than 15 percent if its annual apportionment for the development and support of intercity bus transportation, unless it can certify, after consultation with intercity bus service providers, that the intercity bus needs of the state are being adequately met.

Includes set-aside for tribal transit formula (\$20 million) and discretionary (\$5 million) grants

5339 Bus-Bus Facility (formula)

Type of Funding: Formula

Who Gets Funding: Eligible Recipients include designated recipients that operate fixed route bus service or that allocate funding to fixed route bus operators; and State or local governmental entities that operate fixed route bus service that are eligible to receive direct grants under 5307 and 5311.

Funding eligibility: Capital projects to replace, rehabilitate and purchase buses, vans, and related equipment, and to construct bus-related facilities, including technological changes or innovations to modify low or no emission vehicles or facilities

Match: The federal share of eligible capital costs may not exceed 80 percent

5337 – State of Good Repair

The State of Good Repair grants program provides financial assistance to public transit agencies that operate rail fixed-guideway and high-intensity motorbus systems for the maintenance, replacement, and rehabilitation of capital assets, along with the development and implementation of transit asset management plans.

Type of Funding: Formula

Who Gets Funding: State and local government authorities in urbanized areas with rail fixed guideway and high intensity motorbus systems that have been in operation for at least 7 years

Allocation: Based on statutory formula

Funding eligibility: Projects that maintain, rehabilitate, and replace capital assets, as well as projects that implement transit asset management plans.

Match: The federal share of eligible capital costs may not exceed 80 percent

Review of Discretionary Programs

- Bus-Bus Facility Investment Program
- Capital Investment Grants (New Starts)
- Low and No Emission Program (Low-No)
- Mobility on Demand Sandbox
- Transit Oriented Development Planning Grants

Of the discretionary grants – Bus-Bus Facility, Mobility on Demand Sandbox, and Low and No Emission Program are the only FTA discretionary programs many innovative solutions are eligible for

Bus-Bus Facility Investment Program

Provides funding through a competitive allocation process to states and transit agencies to replace, rehabilitate, and purchase buses and related equipment and to construct bus-related facilities. The competitive allocation provides funding for major improvements to bus transit systems that would not be achievable through formula allocations.

Type of Funding: Competitive

Who Is Eligible: Eligible recipients include designated recipients that operate fixed route bus service or that allocate funding to fixed route bus operators; state or local governmental entities

Funding Eligibility: Capital projects to replace, rehabilitate and purchase buses, vans, and related equipment, and to construct bus-related facilities, including technological changes or innovations to modify low or no emission vehicles or facilities.

Match: The federal share of eligible capital costs may not exceed 80 percent

Amount Available: ~\$366 million/year

Low-No Emission Vehicle Program

Provides funding through a competitive process to states and transit agencies to purchase or lease low or no emission transit buses and related equipment, or to lease, construct, or rehabilitate facilities to support low or no emission transit buses. The program provides funding to support the wider deployment of advanced propulsion technologies within the nation's transit fleet.

Type of Funding: Competitive

Who Is Eligible: Eligible recipients include designated recipients that operate fixed route bus service or that allocate funding to fixed route bus operators; state or local governmental entities

Funding Eligibility: purchasing or leasing low- or no-emission buses, acquiring low- or no-emission buses with a leased power source, constructing or leasing facilities and related equipment (including intelligent technology and software) for low- or no-emission buses, constructing new public transportation facilities to accommodate low- or no-emission buses, rehabilitating or improving existing public transportation facilities to accommodate low- or no-emission buses

Match: The federal share of eligible capital costs may not exceed 85-90 percent

Amount Available: ~\$85 million/year

Capital Investment Grants (New Starts)

This is FTA's primary grant program for funding major transit capital investments, including heavy rail, commuter rail, light rail, streetcars, and bus rapid transit. It is a discretionary grant program unlike most others in government.

Instead of an annual call for applications and selection of awardees by the Federal Transit Administration (FTA), the law requires that projects seeking CIG funding complete a series of steps over several years to be eligible for funding. For New Starts and Core Capacity projects, the law requires completion of two phases in advance of receipt of a construction grant agreement

For a complete discussion of the CIG process and the evaluation criteria, please see [FTA's Policy Guidance](#).

Mobility on Demand Sandbox

FTA Research program where that projects that promote innovative business models to deliver high quality, seamless and equitable mobility options for all travelers

-Not an annual competition

Type of Funding: Competitive

Who Is Eligible: Eligible recipients are providers of public transportation, including public transit agencies, state/local government DOTs, and federally recognized Indian tribes. Each recipient must identify one or more strategic project partner(s) with a substantial interest and involvement in the project.

Funding Eligibility: Eligible activities include all activities leading to the demonstration of the innovative MOD and transit integration concept, such as planning and developing business models, obtaining equipment and service, acquiring/developing software and hardware interfaces to implement the project, and operating the demonstration.

Match: The federal share of eligible capital costs may not exceed 80 percent

Amount Available: ~\$8 million/year

Access and Mobility Partnership Grants

HSCR grants supports innovative strategies in the coordination of human services transportation to provide more effective and efficient transportation services to seniors, individuals with disabilities, and low-income individuals.

Not an annual competition

Type of Funding: Competitive

Who Is Eligible: state and local governmental entities, providers of public transportation, private or nonprofit organizations

Funding Eligibility: These funds may funds finance operating and capital project expenditures to develop and deploy projects that improve transportation services for targeted populations through methods that effectively and efficiently coordinate human services transportation

Match: The federal share of eligible capital costs may not exceed 80 percent

Amount Available: ~\$6 million/year

Pilot Program for Transit-Oriented Development Planning

The Pilot Program for TOD Planning helps support FTA's mission of improving public transportation for America's communities by providing funding to local communities to integrate land use and transportation planning with a new fixed guideway or core capacity transit capital investment.

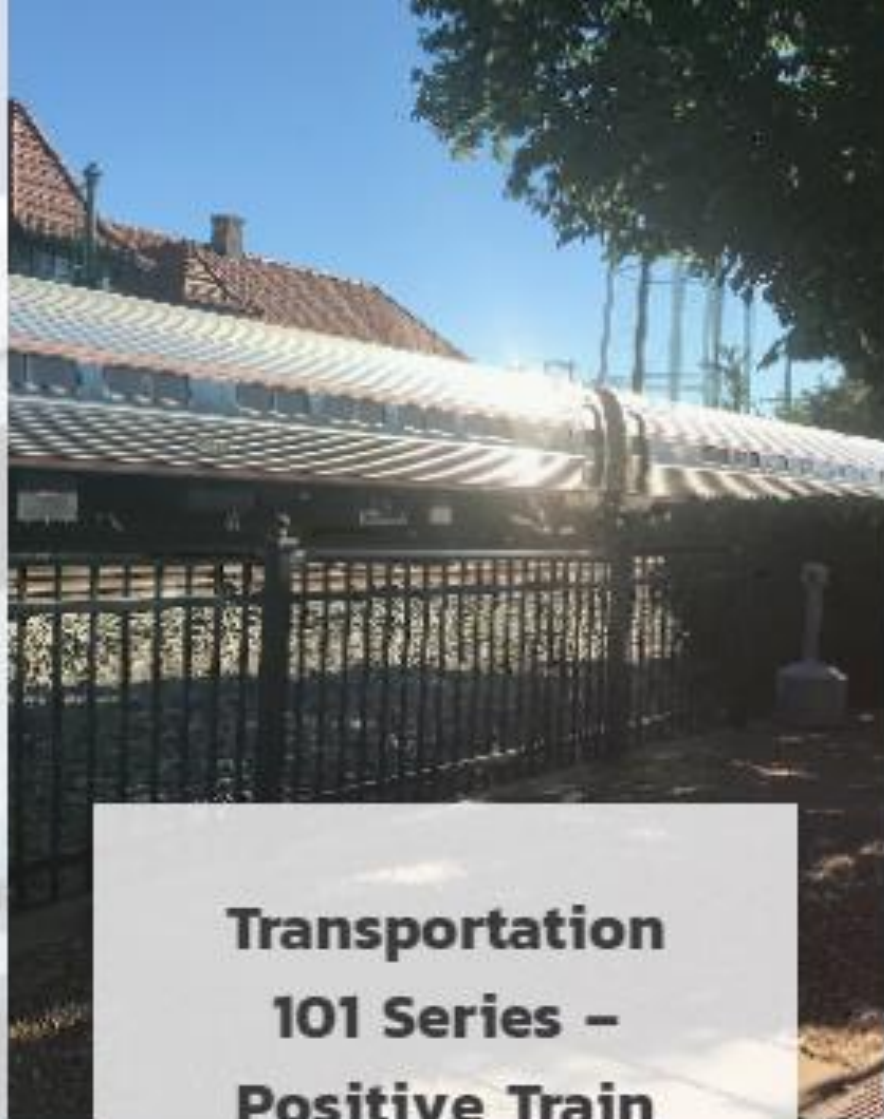
Type of Funding: Competitive

Who Is Eligible: Any comprehensive planning work proposed for funding under this program must be associated with an eligible transit capital project. Applicants and eventual grant recipients under this program must be FTA grantees as of the publication date of the NOFO. A proposer must either be the project sponsor of an eligible transit capital project as defined above or an entity with land use planning authority in an eligible transit capital project corridor. Evidence of a partnership between these two types of entities will be required unless the applicant has both responsibilities. Please refer to the NOFO for further information.

Funding Eligibility: Funding is to be used to integrate land use and transportation planning in new fixed guideway and core capacity transit project corridors. As required by statute, any comprehensive planning funded through the pilot program must examine ways to improve economic development and ridership, foster multimodal connectivity and accessibility, improve transit access for pedestrian and bicycle traffic, engage the private sector, identify infrastructure needs, and enable mixed-use development near transit stations. **Match:** The federal share of eligible capital costs may not exceed 80 percent

Amount Available: ~\$25 million/year

Commuter Rail Positive Train Control Grants



**Transportation
101 Series –
Positive Train
Control –
October 2nd
2:00PM EDT –**

Funding Guidelines

Buy America

Vehicles and materials purchased, leased, contracted for use and acquired must be assembled in the US and made with steel from the United States. Exemptions apply for mini-vans and limited waivers are available if Buy America products are not readily available.

13(c) labor protections

FTA law that requires employee protections must be certified by the Department of Labor and in place before federal transit funds can be released to a mass transit provider. Under 13(c) FTA recipients are not allowed to use funds in an effort to downsize their workforce.

Drug & Alcohol

FTA policy that mandates testing of drivers for drugs & alcohol

Safety and Asset Management

Policies that establish asset management and safety training protocols and procedures

ADA requirements/Title VI Requirements

Policies that require services can be provided to individuals with disabilities and equitable services are provided

Policies to Consider

Support existing funding opportunities:

- MoD Sandbox
- Smart Cities/Advance Deployment Grants (FHWA & DOT grant programs)

Create new funding opportunities

- Discretionary grant program focused on innovative service delivery

Make changes to existing programs/procedures

- Create/Expand incentive tier of apportionment formula to reward agencies with highly effective services
- Allow private sector greater access to Federal transit funds
- Create FTA policy for contracting with MoD providers

Encourage innovation through more appropriate regulation

- Develop a regulatory scheme for MoD providers that recognizes MoD business models but respects intent of underlying policies (i.e. Buy America, 13c, ADA, Drug Alcohol)

Why your organization should join CoaST?

The Coalition for Smarter Transportation is the only organization dedicated solely to providing advocacy, education, and outreach regarding smarter transportation policies at the Federal, State, and local level.

Who Should Join?

- ▶ Private sector mobility company

- ▶ Municipal governments

- ▶ Transportation stakeholders

- ▶ Universities, and;

- ▶ Other transportation organizations dedicated to the cause.

What Do We Offer? How Can We Help You Achieve Your Goals

CoaST provides education, outreach, and advocacy for Federal, State, and local policies that improve our transportation system through high-performing and innovative projects and programs including support for State/local advocacy campaigns and proliferation of best practices.

But that's not all....CoaST realizes that in some cases, the will to enact Smarter Transportation policy is there, technical assistance is what is needed. That is why we have amassed experts from around the world to help implement and execute Smarter Transportation, whether you are a local government looking for help implementing the best in smarter transportation policies or if you are looking for best practices in delivering smarter transportation solutions, we can help you. CoaST provides these resources a number of ways, many of which are only open to our Members.