

Urbanized Areas Formula Grant Programs Guidance (C 9050.1A) Training

FTA Office of Program Management

Session #2: Planning and Program-Level Requirements

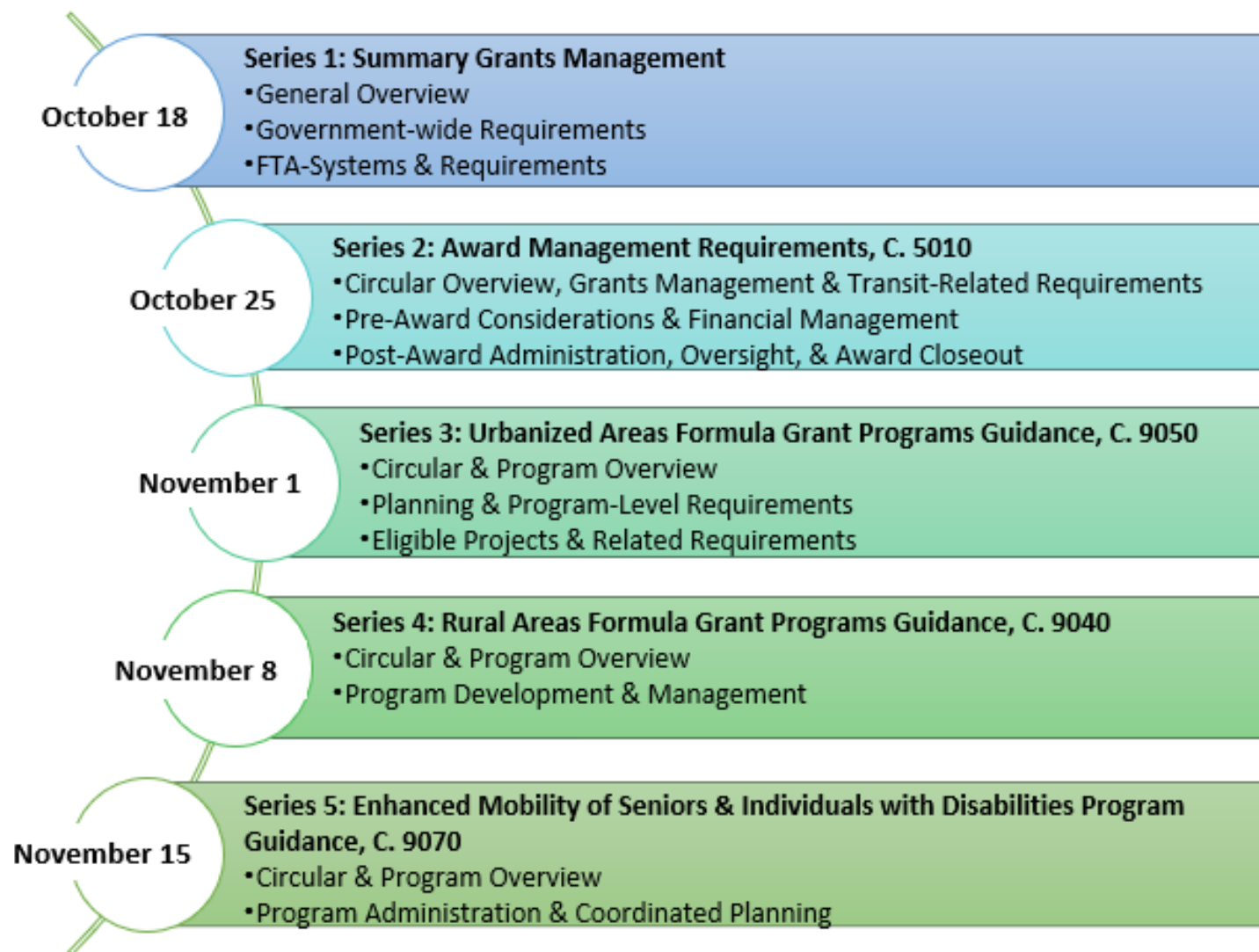


Disclaimer

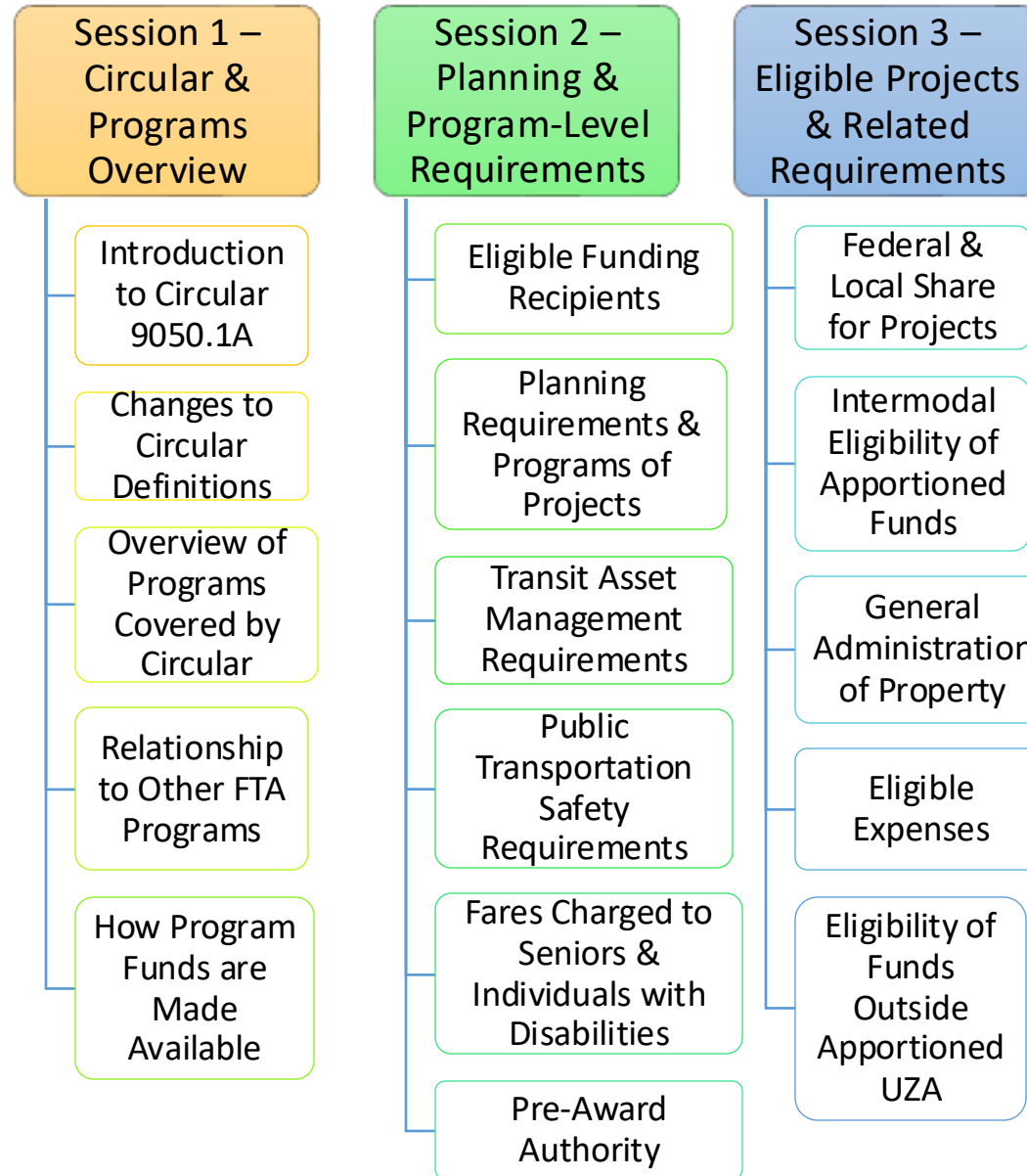
The contents of this presentation do not have the force and effect of law and are not meant to bind the public in any way. This presentation is intended only to provide clarity to the public regarding existing requirements under the law or agency policies. Recipients and subrecipients should refer to FTA's statutes and regulations for applicable requirements.

Circular Rollout Training Schedule

Each Friday from October 18 through November 15, 2024, FTA will post a series of prerecorded videos addressing summary grants management information and highlight the requirements outlined in each of the revised circulars - 5010, 9050, 9040, and 9070.

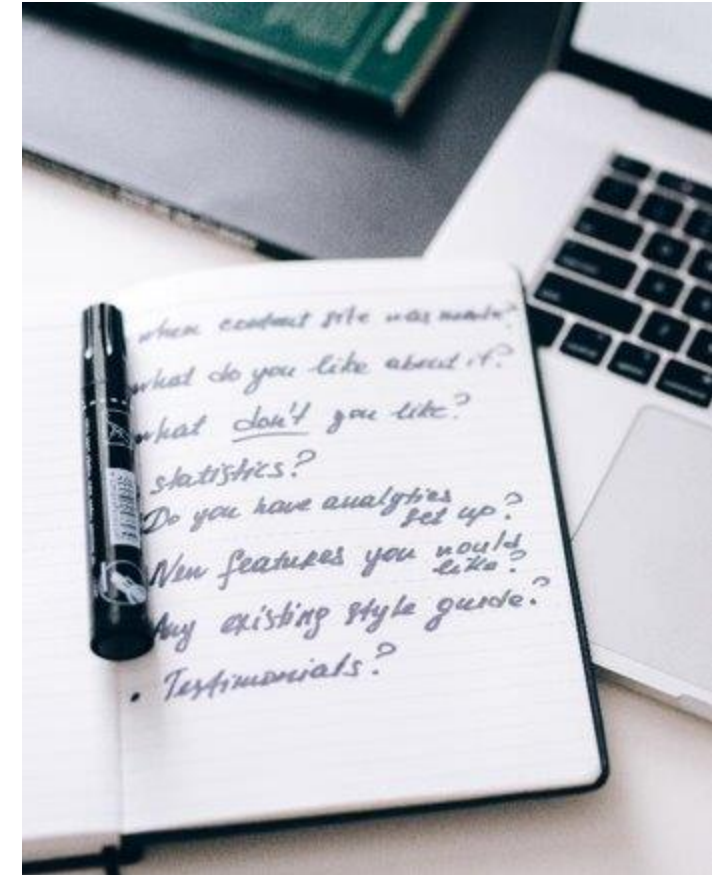


Circular 9050 Training Series



The “Route” Ahead - Session #2 Agenda

- Welcome and Introduction of Speakers
- Eligible Funding Recipients
 - FTA Formula Funding Distribution Structure
 - Recipient Designation
 - Designated Recipient and State Roles
 - Direct Recipients, Subrecipients, and Contractors
- Metropolitan Planning Requirements and Program of Projects Development
- Transit Asset Management Requirements
- Public Transportation Safety Requirements
- Fares Charged to Seniors and Individuals with Disabilities
- Pre-Award Authority



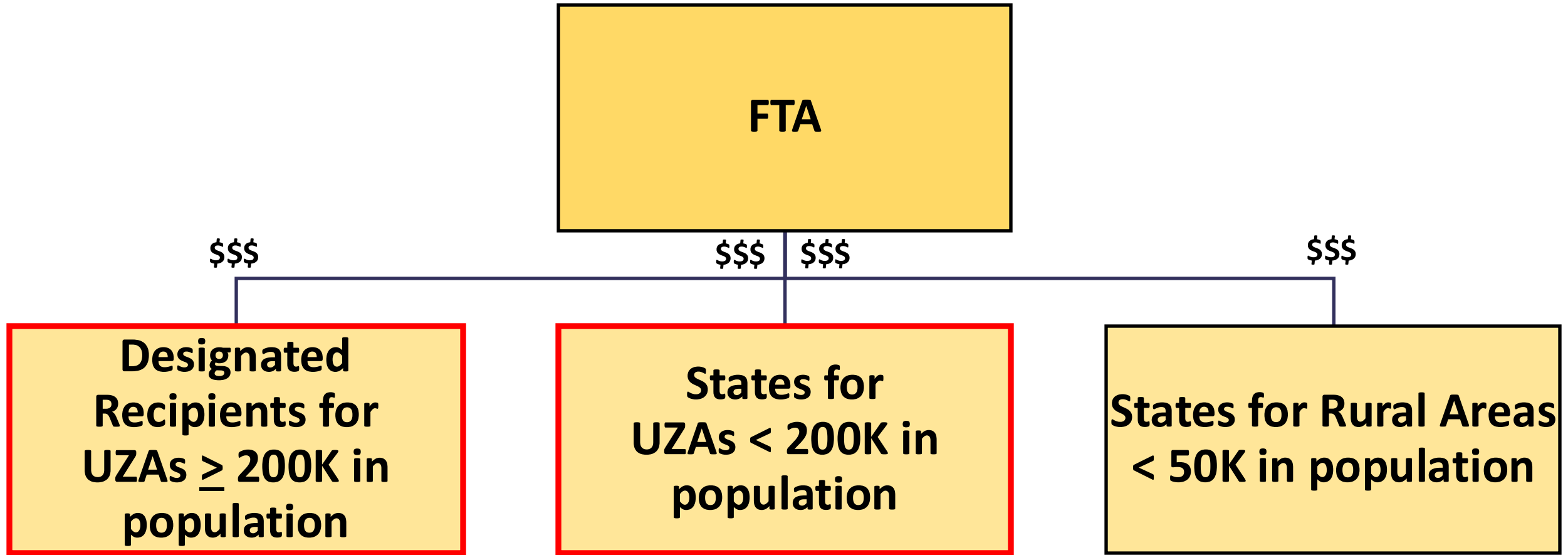
Eligible Funding Recipients – Chapter II

FTA Section 5307, 5337, and 5339(a) Formula
Funding Distribution Structure

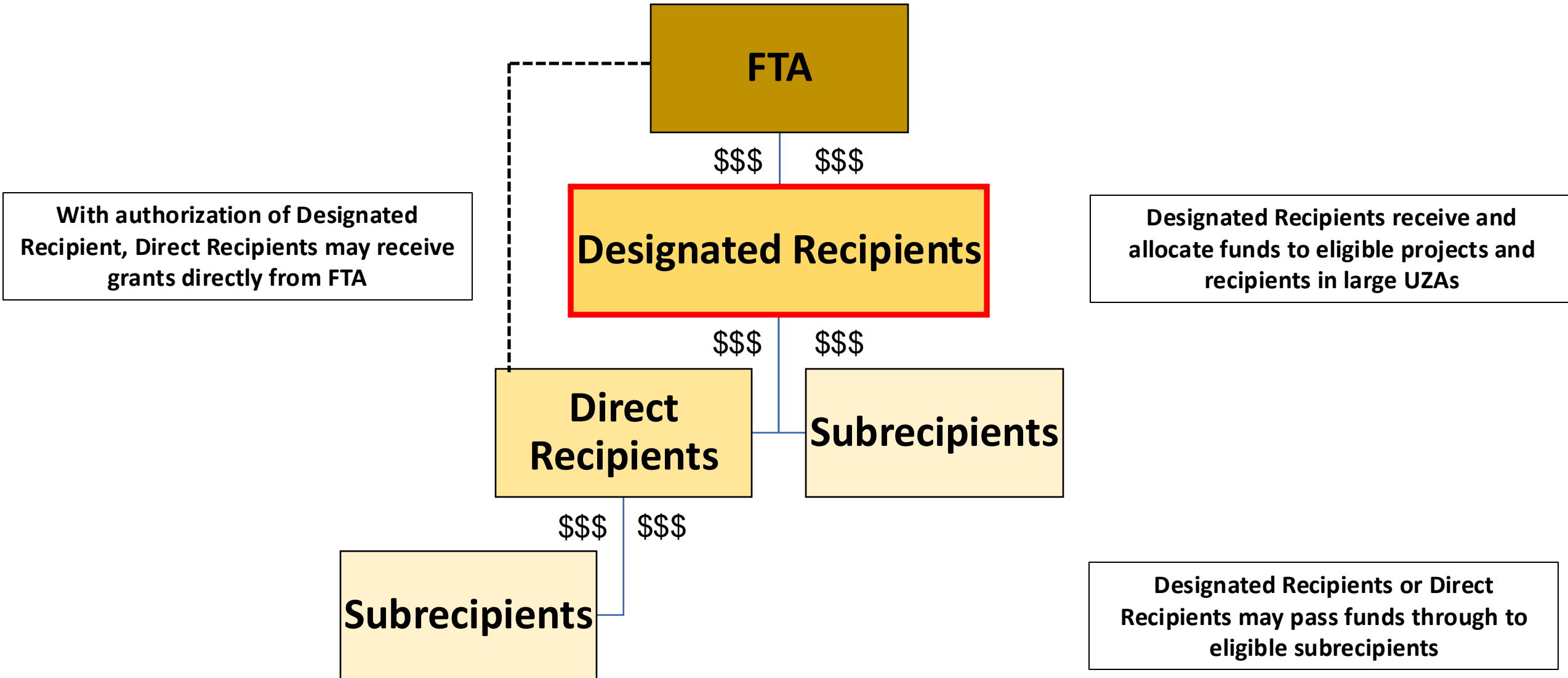


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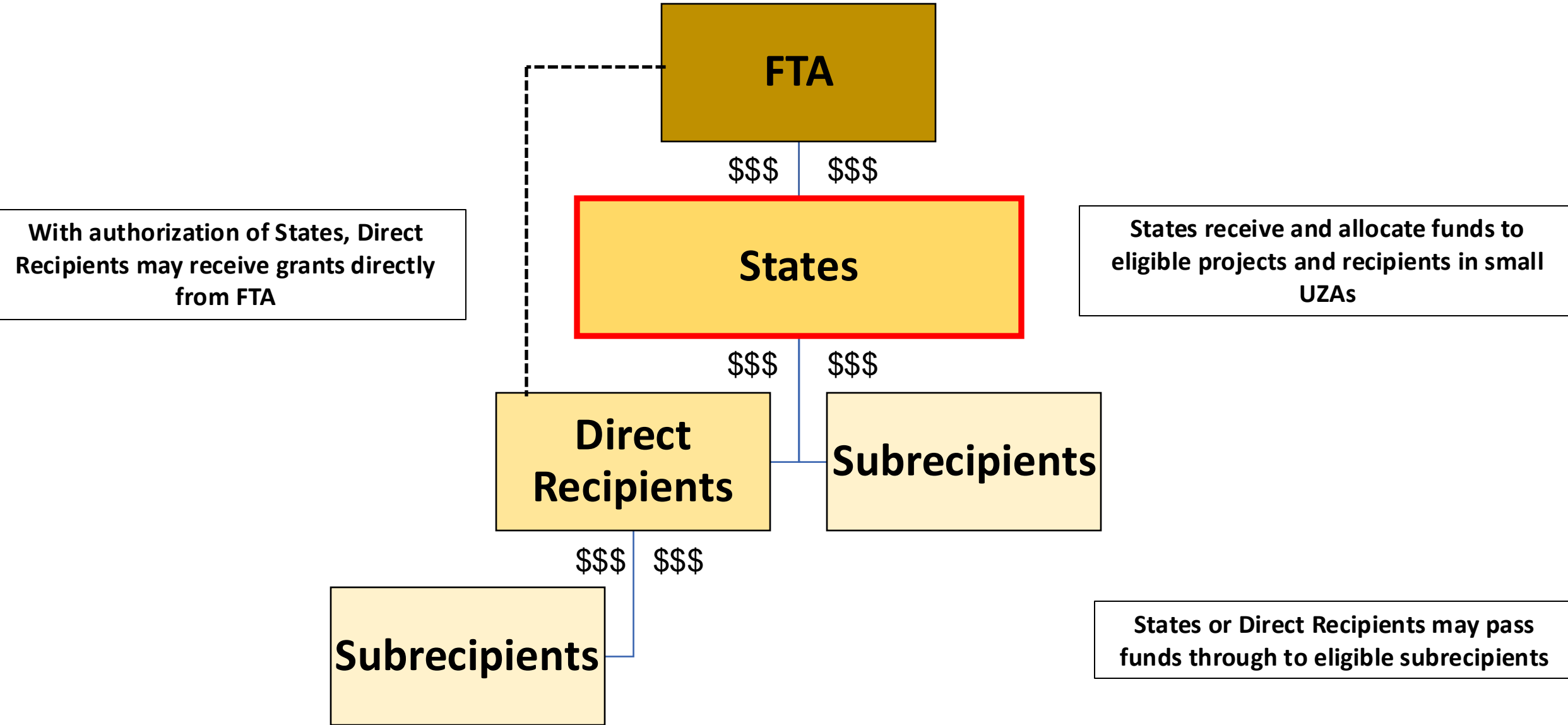
FTA Formula Funding Distribution Structure



Formula Funding Distribution Structure for Large UZAs



Formula Funding Distribution Structure for Small UZAs



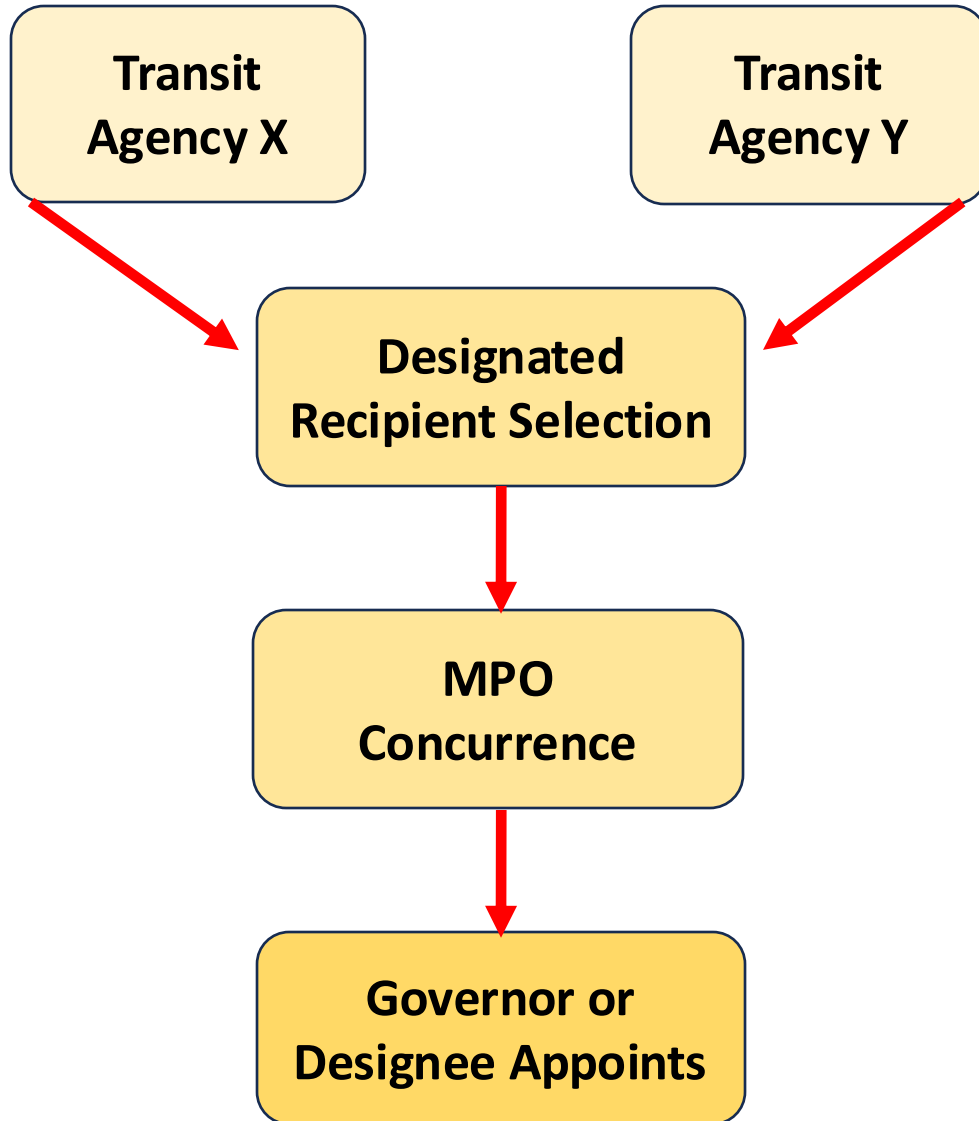
Eligible Funding Recipients – Chapter II

Recipient Designation



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Recipient Designation for Large UZAs



- Encourage selection of a single Designated Recipient for each large UZA and for all types of formula funds [i.e., 5307, 5337, 5339(a)] to streamline administration of programs
- Selection of multiple Designated Recipients not precluded
- Ultimately appointed by Governor or Governor's designee and multi-state UZAs need agreement from each
- Concurrence from public transit providers in UZA and metropolitan planning organization (MPO)
- Section 5339(a) Designated Recipients either must operate fixed-route bus service or allocate funds to fixed-route bus operators

Eligible Funding Recipients – Chapter II

Designated Recipient and State Roles in
Program Administration



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Designated Recipient and State Roles in Program Administration

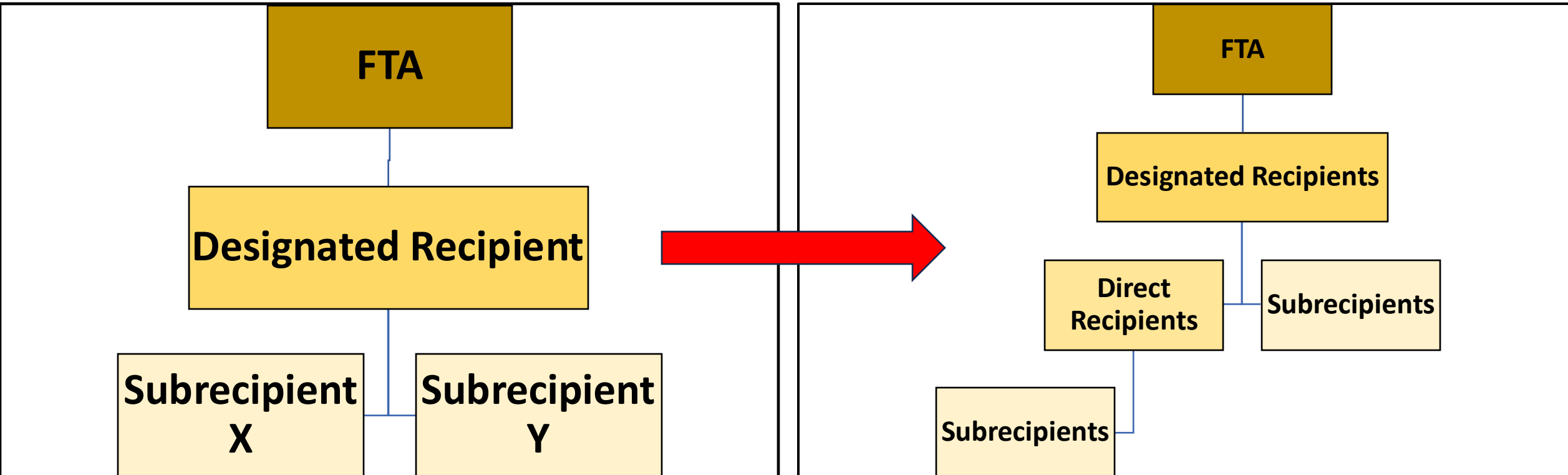
- Receive and apportion funds to eligible projects and recipients in UZA (conveyed through ‘split’ or ‘apportionment’ letter to FTA)
- Develop program of projects (POP) with Section 5307 and 5339(a) funds that includes suballocation of funds to Direct Recipients or Subrecipients and project descriptions and corresponding costs
- Ensure POP meets program requirements and coordinate with Metropolitan Planning Organization (MPO) to ensure projects in POP are derived from the metropolitan planning process and included in MPO planning and project programming products (e.g., MTP, TIP)
- Sub-allocation of funds to recipients is a local decision based on regional priorities in coordination with MPO



Change To Eligible Section 5339(a) Recipients

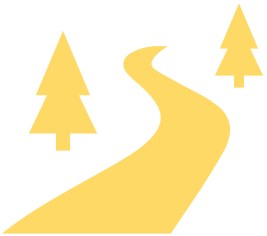
Prior to FAST Act (Pre-FY 2016)

Since FAST Act (Post-FY 2016)



- Prior to FY 2016, only Section 5339(a) Designated Recipients and States could be Direct Recipients
- Beginning with FY 2016, Designated Recipients and States may suballocate funds to other Direct Recipients to make their own grants

Changes To Section 5307 Program-Level Expenditure Requirements



- **Associated Transit Improvements (ATIs)**
 - Projects that are designed to enhance public transportation service or use and that are physically or functionally related to transit facilities
 - Before FAST Act: Minimum 1% expenditure on ATIs in large UZAs
 - Since FAST Act: No minimum expenditure requirement, but recipients may continue to expend funds on ATIs
- **Public Transportation Security Projects**
 - Minimum 1% expenditure in all UZAs
 - Unless decide and certify it is unnecessary
- **Public Transportation Safety Projects**
 - Minimum 0.75% expenditure in large UZAs
 - Must be applied to each recipient

Eligible Funding Recipients – Chapter II

Direct Recipients, Subrecipients, and
Contractors



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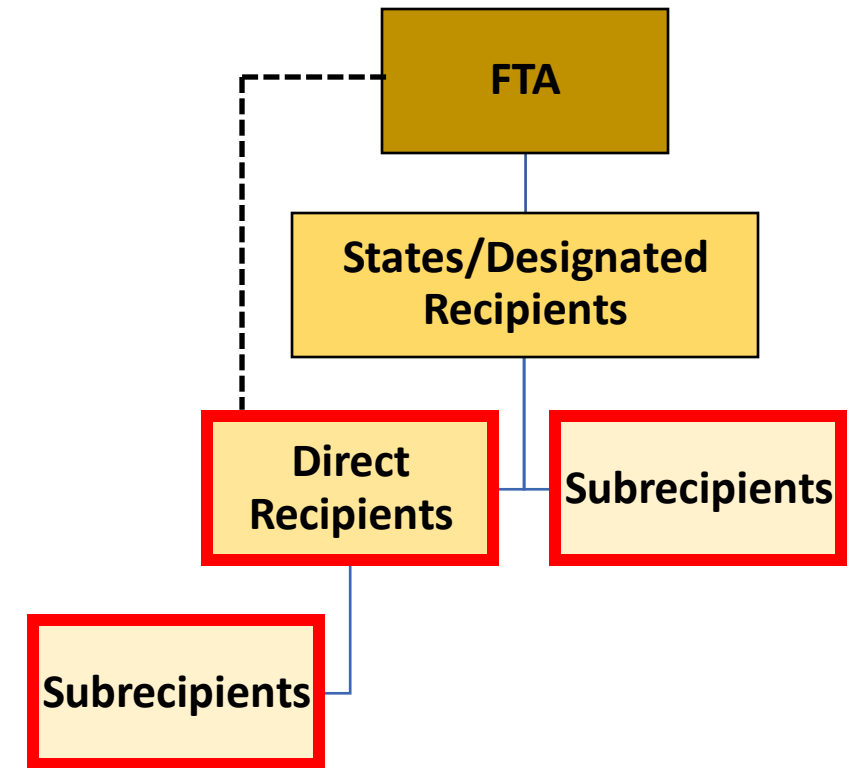
Direct Recipients and Subrecipients

- Direct Recipient (i.e., Grantee):

- Public entity authorized by State or Designated Recipient to apply for and receive funds directly from FTA
- Assumes all responsibilities under a grant agreement and is subject to FTA oversight, including reporting requirements and compliance reviews (e.g., triennial review)

- Subrecipient:

- State, Designated Recipient, or another Direct Recipient may pass funds through to another entity and assumes all responsibility under grant agreement for Subrecipient's use of funds
- Subrecipient agreement required
- Must be public entity otherwise eligible to be Direct Recipient OR private nonprofit operator of public transportation for Section 5339(a) funds or for the purposes of carrying out eligible job access and reverse commute (JARC) projects under Section 5307



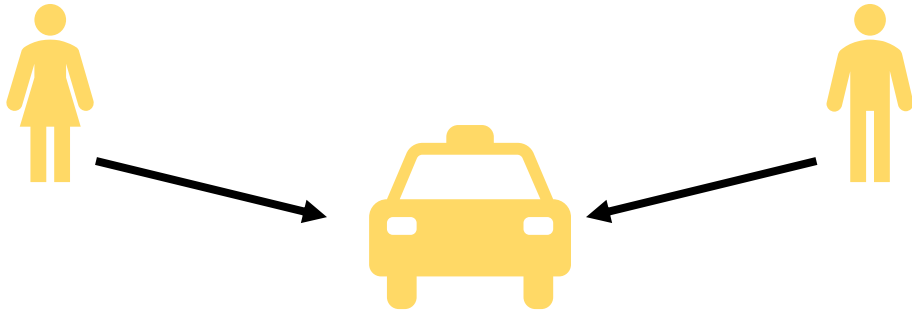
Addition of Guidance on Private Operators of Public Transportation as Contractors



- Private for-profit operators of public transportation are not eligible Direct Recipients or Subrecipients of Section 5307, 5337, or 5339(a) funds
- Eligible recipients may enter into contracted service arrangement with private operators
 - Private taxi companies
 - Transportation network companies (TNCs)
 - Other operators
- Must provide 'shared ride' service (not 'exclusive ride') and be open to the general public or a segment of the general public defined by age, disability, or low income to be eligible
- Must comply with same Federal requirements for service the recipient would provide itself (e.g., Americans with Disabilities Act)

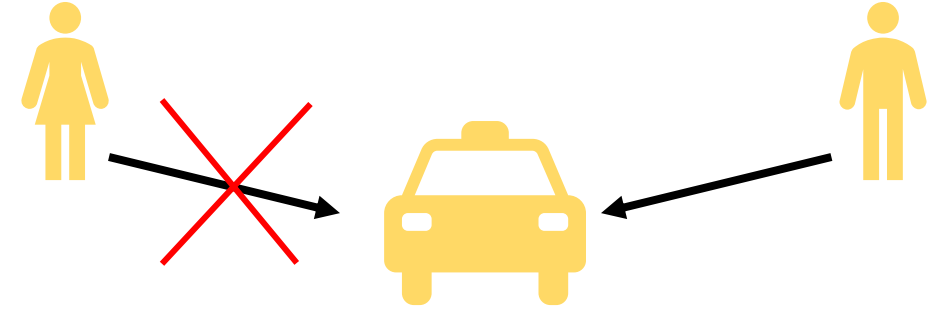
Shared Ride vs. Exclusive Ride

Shared Ride



- Open to accommodating 2 or more passengers who are not otherwise traveling together in vehicle at same time on a regular basis during period of funded service
- May not be reserved for exclusive use by individuals or private groups and must not require consent from passengers to accommodate additional passengers

Exclusive Ride



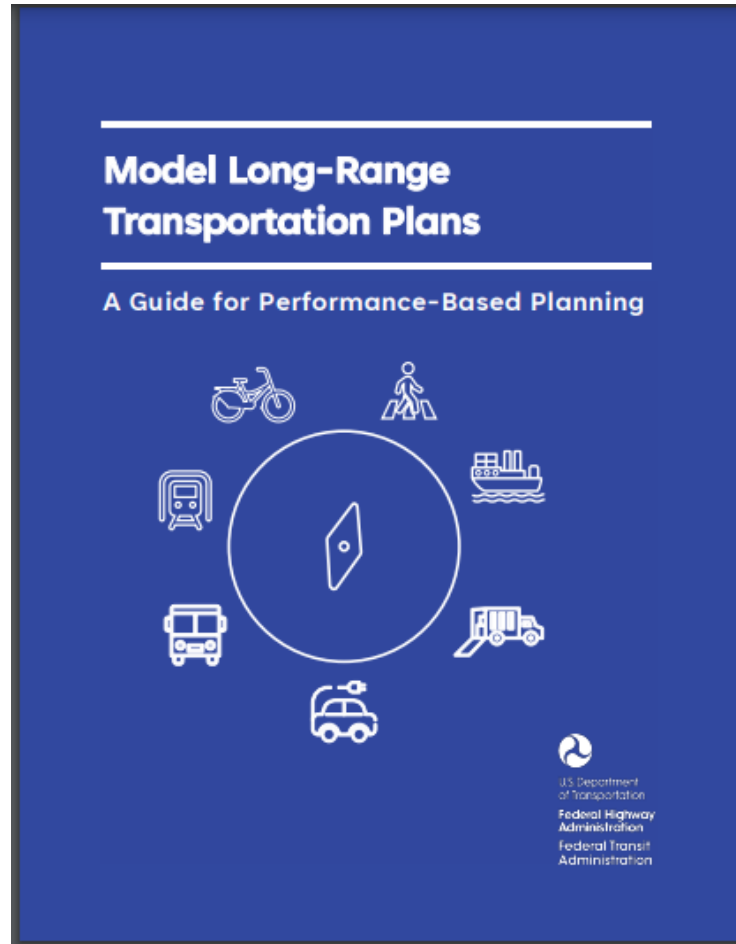
- Restricted to being open to only one passenger in vehicle at a time during period of funded service
- Reserved for exclusive use by individuals or private groups or requires consent from passengers to accommodate additional passengers

Metropolitan Planning Requirements and Program of Projects Development– Chapter V



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Pre-Award Metropolitan and Statewide Planning Requirements



- To access Section 5307, 5337, and 5339(a) funds, recipients must participate in metropolitan and statewide planning processes, as applicable
- FTA-assisted capital and operating projects must be product of these processes as reflected in applicable federally required transportation plans and improvement programs (e.g., MTP, TIP/STIP)
- FTA-assisted planning projects must be included in MPO's Unified Planning Work Program (UPWP)
- Conception and prioritization of projects to be driven by performance-based approach
- Project selection and funding allocations to recipients to be determined by State or Designated Recipient in cooperation with MPO, as applicable
- MPOs for large UZAs must include representation from providers of public transportation on the MPO's governing body

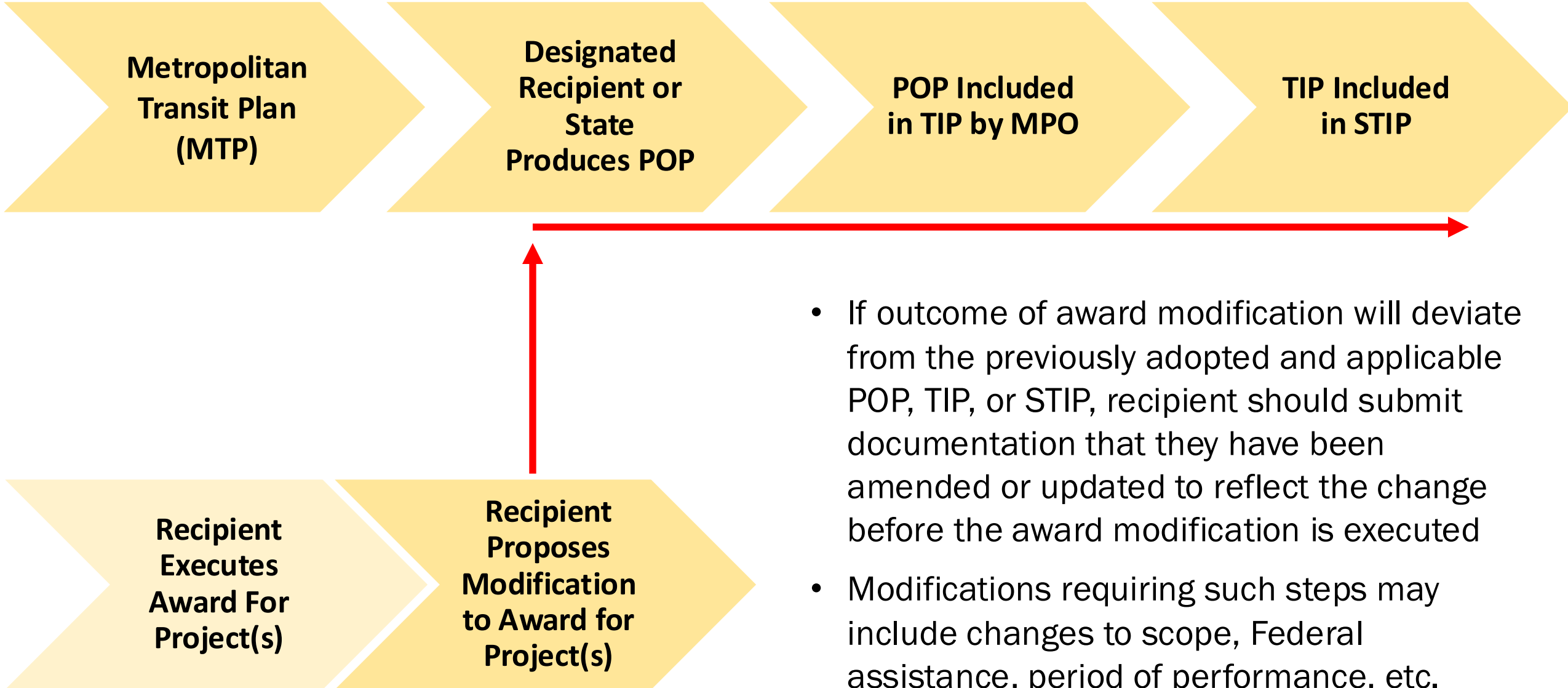
Relationship Between Program of Projects and Metropolitan Planning Products

- **Program of Projects [Required for Sections 5307 and 5339(a)]:**
 - POP produced/approved by Designated Recipient or State in cooperation with other recipients in UZA and in accordance with the outcomes of the metropolitan planning process
 - Demonstration of compliance with program requirements (e.g., minimum expenditure requirements)
 - Public participation requirements
- **Transportation Improvement Program (TIP):**
 - Produced/approved by MPO in cooperation with Designated Recipient, with participation by other recipients in UZA
 - Program of Projects must be included in TIP and be derived from or consistent with Metropolitan Transportation Plan (MTP)
 - Public participation requirements (may be used to satisfy those for the POP)
- **Statewide Transportation Improvement Program (STIP):**
 - Produced/approved by State(s) in cooperation with MPO
 - Incorporates TIPs produced/approved by MPOs
 - In small UZAs, TIPs may take place of POP once adopted by the State in the STIP

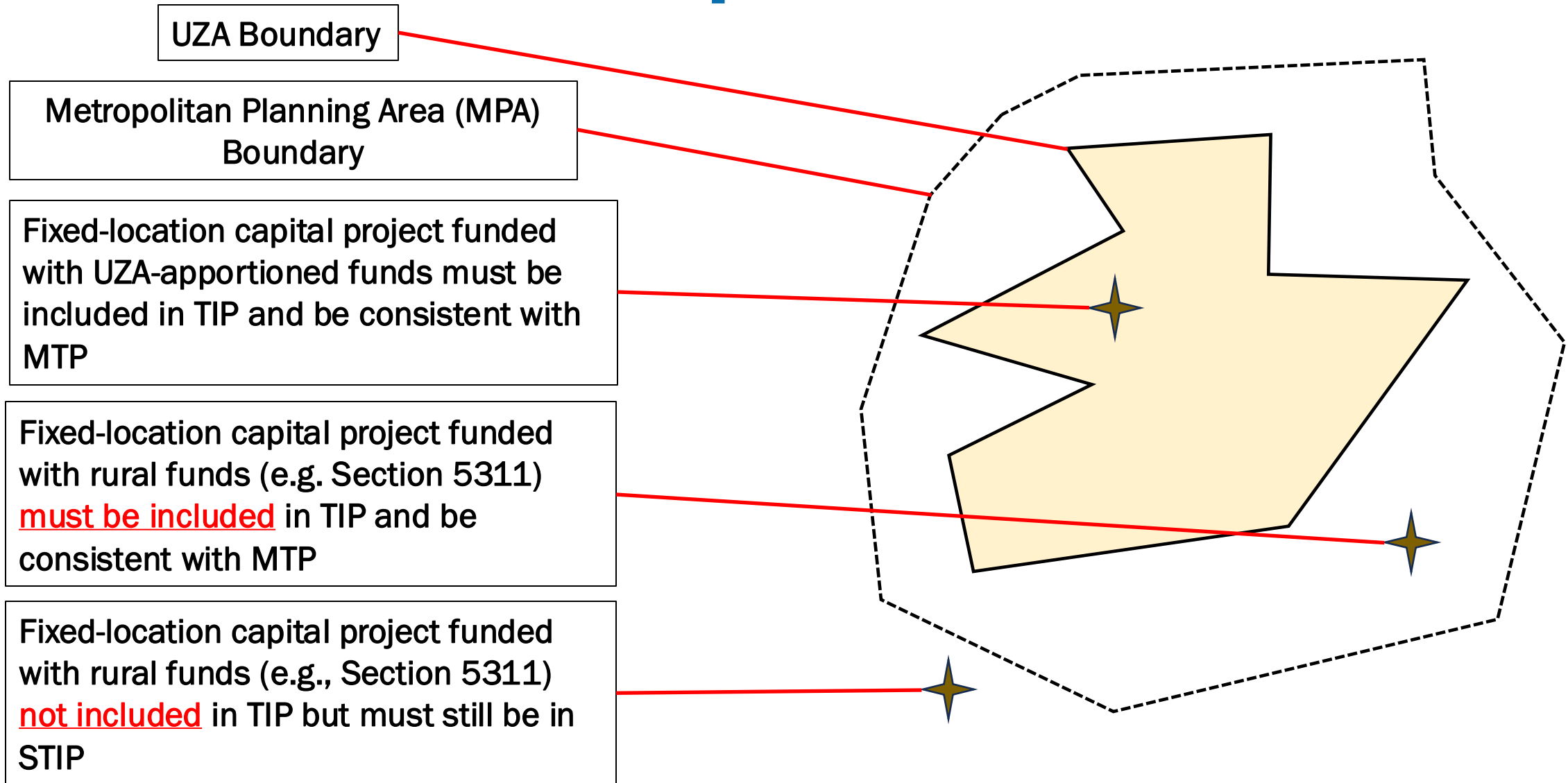
Relationship Between Program of Projects and Metropolitan Planning Requirements



Clarification on Award Amendments



Clarification on Geography of Metropolitan Planning Requirements



Other Program of Projects Changes/Clarifications

- Substitute Projects in Grant Application
 - Recipients with more than one subrecipient may include substitute projects in grant application
 - Costs not initially included in grant budget
 - Must meet same requirements as other projects (e.g., NEPA, civil rights)
 - If previously funded project postponed or dropped, may include substitute project in grant budget
- Associated Transit Improvements (ATIs) Reporting
 - Recipients operating in large UZAs required to submit annual report to FTA listing Section 5307-funded projects, or elements thereof, funding ATIs from the previous fiscal year
 - Because the required information is captured in TrAMS during application process, FTA does not require a separate report



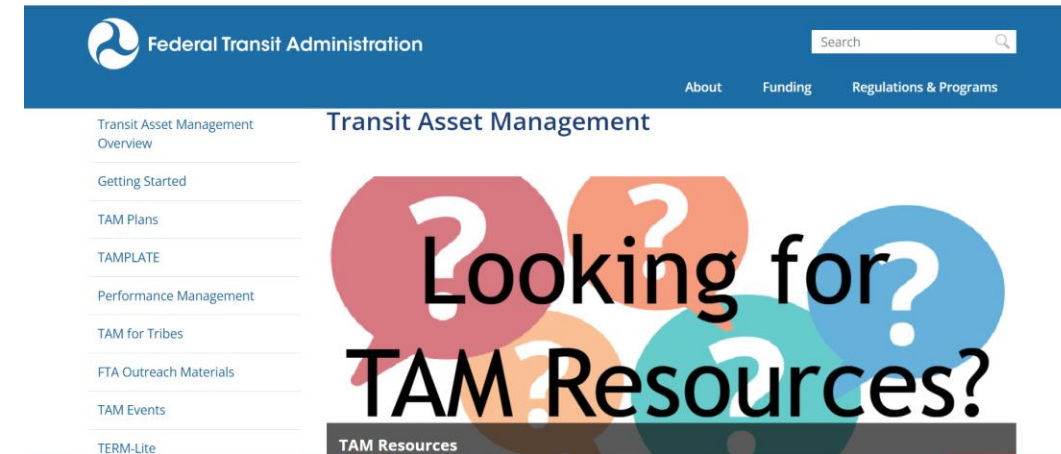
Transit Asset Management Requirements – Chapter V



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Recipient Transit Asset Management Responsibilities

- Transit Asset Management (TAM)
 - Assists nation's transit systems in assessing their capital needs and prioritizing capital investments to achieve a state of good repair
 - State of Good Repair (SGR): The condition in which a capital asset is able to operate at a full level of performance
 - TAM provisions at 49 U.S.C. 5326 applicable to all FTA recipients
- Recipient TAM Plan and Reporting Requirements
 - Each FTA recipient and subrecipient must develop a TAM plan or participate in a group TAM plan that includes an asset inventory with condition assessments that are reported to FTA and an investment prioritization
 - Each FTA recipient must also annually set and report to FTA performance targets based on performance measures developed from SGR standards detailed at 49 CFR 625.41



Tiers For TAM Plan Requirements

| Tier | Element | Brief Description |
|---------------|---|--|
| Tier I and II | 1. An inventory of asset | A register of capital assets and information about those assets. |
| | 2. A condition assessment of inventoried assets | A rating of the assets' physical state; to be completed for assets an agency has direct capital responsibility for; should be at a level of detail sufficient to monitor and predict performance of inventoried assets |
| | 3. Description of a decision support tool | An analytic process or tool that (1) assists in capital asset investment prioritization and/or (2) estimates capital needs over time <i>does not necessarily mean software</i> |
| | 4. A prioritized list of investments | A prioritized list of projects or programs to manage or improve the SGR of capital assets |

| | | |
|-------------|----------------------------------|---|
| Tier I only | 5. TAM and SGR policy | A TAM policy is the executive-level direction regarding expectations for transit asset management; a TAM strategy consists of the actions that support the implementation of the TAM policy |
| | 6. Implementation strategy | The operational actions that a transit provider decides to conduct, in order to achieve its TAM goals and policies |
| | 7. List of key annual activities | The actions needed to implement a TAM plan for each year of the plan's horizon |
| | 8. Identification of resources | A summary or list of the resources, including personnel, that a provider needs to develop and carry out the TAM plan |
| | 9. Evaluation plan | An outline of how a provider will monitor, update, and evaluate, as needed, its TAM plan and related business practices, to ensure the continuous improvement |

• Tier I Transit Providers

- Must develop and carry out their own plan
- Plan must include each element listed under 49 CFR 625.25(b)
- Recipients that operate:
 - Rail public transportation service
 - More than 100 vehicles across all fixed-route modes
 - More than 100 vehicles in one non-fixed-route mode

• Tier II Transit Providers

- Do not meet criteria above under Tier I
- Must develop and carry out their own plan or participate in a group plan
- Plan must include each element listed under 49 CFR 625.25(b)(1) through (4)

Use of Section 5337 Funds and TAM Plan



- All Section 5337-funded projects must be included in recipient TAM plan
- Recipients required to certify they have implemented TAM plan according to FTA's final implementing rule at 49 CFR Part 625
- Section 5307- and 5339(a)-funded projects may be but are not required to be included in recipient TAM plan

Public Transportation Safety Requirements– Chapter V



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Federal Transit Administration

Public Transportation Agency Safety Plan (PTASP) Requirements

| Section 5307 Recipients in Small UZAs | Section 5307 Recipients in Large UZAs |
|---|--|
| Processes and activities related to Safety Management System (SMS) implementation | |
| Process and timeline for conducting annual review and update of the ASP | |
| Assignment of adequately trained safety officer who reports directly to the general manager, president, or equivalent officer | |
| Requirement that ASP and subsequent updates be developed in cooperation with frontline transit worker representatives | |
| | Risk reduction program for transit operations to improve safety performance by reducing the number and rates of safety events, injuries, and assaults on transit workers |
| Safety performance targets based on safety performance measures established by the National Safety Plan | Same as for small UZA except targets must be set by a joint labor-management Safety Committee for the safety risk reduction program |
| Comprehensive safety training program for operations transit workers and those directly responsible for safety that includes de-escalation training, safety concern identification and reporting training, and refresher training, as necessary | Same as for small UZA except training program must include maintenance personnel |
| Requirement that ASP and any updates be signed by Accountable Executive and approved by board of directors (or equivalent entity) | Same as for small UZA except must be approved by the Safety Committee, followed by the board of directors (or equivalent entity) |

Additional PTASP Requirements for Rail Transit Agencies

- Emergency preparedness and response plan and procedures
- Any policies and procedures regarding rail transit workers on the roadway the rail transit agency has issued
- Agency's policies and procedures developed in consultation with the State Safety Oversight Agency to provide access and required data for the State Safety Oversight Agency's risk-based inspection program
- More detailed information and guidance on ASP is available on FTA's [PTASP webpage](#).



0.75% Section 5307 Safety Set-Aside



- Recipients of Section 5307 funds apportioned to large UZAs must expend a minimum of 0.75% of their allocation of funds on safety-related projects
- Applicable to all funds authorized under Bipartisan Infrastructure Law (BIL - enacted November 15, 2021) and any prior-year unobligated funds
- Applies to each recipient for each FY of apportionment with **no** exemption via certification that it is unnecessary, but **does not** have to be applied to each individual grant made with Section 5307 funds
- Cannot merely be satisfied as total expenditure for UZA as a whole
- **Safety Is a Goal and Not Specific Type of Project or Expense**
 - Wide variety of expenses could be identified as safety-related
 - Could be integral to activities already otherwise proposed by recipients

0.75% Section 5307 Safety Set-Aside

- Recipients serving more than one large UZA encouraged to spend minimum 0.75% in each but not required
- Does not apply to individual subrecipients → For recipients with multiple subrecipients, requirement may be met as a collective whole
- Can be satisfied as a capital or planning activity or through operating assistance (if recipient is otherwise eligible)
- Some safety expenditures may be used to support 1% minimum expenditure requirement for security-related projects and vice versa
- **Relationship to Risk Reduction Safety Performance Targets:**
 - If recipient does not meet targets established by Safety Committee, then
 - Must allocate the safety set-aside available in the following FY to projects reasonably likely to assist in meeting the performance targets



Exemption from PTASP Requirements



- 49 CFR 673.11(f) exempts agencies operating passenger ferries regulated by U.S. Coast Guard and rail fixed-guideway service regulated by Federal Railroad Administration from PTASP requirement for those modes
- Agencies only operating those modes → No PTASP required at all
- If no PTASP required → Exempt from 0.75% safety expenditure requirement in large UZAs
- Agencies operating those modes + other modes → PTASP required for other modes and safety expenditure requirement still applicable

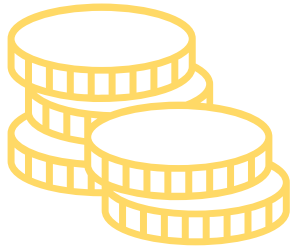
Clarification on Half Fare Requirement – Chapter VI

Fares Charged to Seniors and Individuals with Disabilities

- Requirement
 - For transportation service that uses or involves a facility or equipment financed under Section 5307 or 5339(a)
 - Recipient must certify that the fares charged to seniors or individuals with disabilities or presenting a Medicare card during nonpeak hours are not more than 50 percent of the peak-hour fare
- Applicability to Services Provided
 - Fixed-Route Services Only:
 - That operate during both peak and off-peak hours,
 - For which the operator has not defined peak hours, or
 - That operate with reduced fares during both peak and off-peak periods
 - **Does Not Include:** Demand-response services, services that operate only during peak hours or only during off-peak hours, or services that do not use Section 5307 or 5339(a)-funded equipment or are not operated out of Section 5307 or 5339(a)-funded facilities



Fares Charged to Seniors and Persons With Disabilities



- **Peak vs. Off-Peak Service**
 - Some recipients' systems may not be large enough or demand may not be strong enough to define peak hours
 - If no peak hours defined, all operational time is “non-peak”
 - No more than half the fare may be charged during all operational times
- **Applicability to Fare Structures**
 - Must offer on single-trip base fare when paid in cash or using media that pay the fare of the single trip (smart cards or apps)
 - Recipients **not required** to offer half-fare versions of multi-trip passes and other multi-trip fare media
- **[National Aging and Disability Transportation Center \(NADTC\)](#) offers helpful resource to navigate half-fare requirements**

Pre-Award Authority– Chapter V

Undertaking Projects in Advance

- **Pre-Award Authority**
 - Allows recipients to incur certain project costs before award and retain reimbursement eligibility after award approval
 - Recipient responsible for compliance with any conditions and risk and may not prejudice future FTA financial participation
 - Circular clarifies announcements and notifications for pre-award authority, as well as what triggers pre-award authority for certain types of expenses
- **Announcement and Notification of Pre-Award Authority**
 - Automatic Pre-Award Authority: List of permissible activities and conditions for pre-award authority outlined annually in FTA's Annual Apportionment Notice
 - Letter of No Prejudice (LONP): If activities or programs not covered by these announcement mechanisms, pre-award authority must be approved via LONP

**Recipient Completes
Necessary Pre-Award
Project Requirements**

**Recipient Incurs
Eligible Project Costs**

**Recipient Executes
Award for Project**

**Recipient is
Reimbursed for Pre-
Award Project Costs**

More on Pre-Award Authority for Formula Programs

| Notification Mechanism | Typical Activities Covered | Applicable FTA Funding Fiscal Year(s) |
|--|---|---|
| FTA Annual Apportionment Notice in <i>Federal Register</i> | Operating Assistance | Costs may be incurred irrespective of Federal funding authorization* |
| | Planning | |
| | Capital Projects that meet criteria for c-list Categorical Exclusion (CE) | Costs may be incurred through full period of Federal funding authorization* |
| | Capital Projects requiring higher level environmental review class of action than c-list CE | Costs may be incurred through full period of Federal funding authorization with completion of environmental review process |
| Letter of No Prejudice (LONP) (Provided on a project-specific and case-by-case basis by FTA when requested and if approved) | Capital Projects proposed to use future FTA funding allocations not covered by automatic pre-award authority with completion of necessary environmental review process | As specified in LONP (may extend beyond current Federal funding authorization) |

*The current Bipartisan Infrastructure Law authorization covers October 1, 2021, through September 30, 2026

Next Steps

Additional Trainings: GovDelivery notices will be distributed through FTA email

Shared Mailbox

FTACircularUpdate2024@dot.gov

Resources

Learn More:

- [Award Management Requirements \(5010\) Circular](#)
- [Urbanized Areas Formula Grant Programs Guidance \(9050\) Circular](#)
- [Rural Areas Formula Grant Programs Guidance \(9040\) Circular](#)
- [Enhanced Mobility of Seniors and Individuals With Disabilities Program Guidance \(9070\) Circular](#)

FTA Mission, Vision, Values



Mission

Improve America's Communities through Public Transportation



Vision

A Better Quality of Life for All Built on Public Transportation Excellence

Values

Service

Provide reliable, transparent, responsive, and anticipatory services to meet stakeholder needs

Integrity

Commitment to the highest professional and ethical standards

Innovation

Foster new ideas, concepts, and solutions for improved outcomes

Sustainability

Optimize decisions, resources, and systems to make long-term positive impacts on the environment, infrastructure, and safety

Equity

Remove barriers for systemically underserved communities to access all aspects of economic, social, and civic life

Thank you!

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