



## **DEPARTMENT OF TRANSPORTATION**

### **Federal Transit Administration**

#### **FTA Fiscal Year 2018 Apportionments, Allocations, Program Information and Guidance**

**AGENCY:** Federal Transit Administration (FTA), DOT.

**ACTION:** Notice.

**SUMMARY:** This notice provides priorities for programs in fiscal year (FY) 2018, announces the full-year apportionments and allocations for grant programs, provides contract authority, and describes plans for several competitive programs.

**FOR FURTHER INFORMATION CONTACT:** For general information about this notice contact Kimberly Sledge, Director, Office of Transit Programs, at (202) 366-2053. Please contact the appropriate FTA Regional Office for any specific requests for information or technical assistance. FTA Regional Office contact information is available on FTA's website: [www.transit.dot.gov](http://www.transit.dot.gov). An FTA headquarters contact for each major program area is included in the discussion of that program in the text of this notice. FTA recommends stakeholders subscribe on FTA's website [www.transit.dot.gov](http://www.transit.dot.gov) to receive email notifications when new information is available.

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#### **I. Overview**

This document contains important information about FTA programs, statutes (49 U.S.C. 5301, et. seq.) and policy priorities. In addition, this document provides notice to stakeholders that FTA is apportioning the full Fiscal Year (FY) 2018 authorized contract authority through September 30, 2018 for FTA formula and competitive programs pursuant to Division L-Transportation, Housing and Urban Development, and Related Agencies Appropriations Act (Pub. L. 115-141).

For each FTA program, FTA has provided information on the FY 2018 authorized funding levels, the basis for apportionment or allocation of funds, requirements specific to the program, the period of availability of funds, and other program information. A separate section provides information on pre-award authority as well as other requirements and guidance applicable to FTA programs and grant administration. Finally, the notice includes a reference to tables on FTA's website that show new contract authority apportioned and made available through September 30, 2018.

Information in this document includes references to the existing FTA program guidance and circulars. Some information in FTA's guidance documents and circulars may have been superseded by new provisions in the Fixing America's Surface Transportation (FAST) Act, but these guidance documents and circulars remain a resource for program management in most areas. FTA intends to revise the guidance and circulars, as appropriate.

#### **II. FY 2018 Funding for FTA Programs**

**A. Funding Based on Division L-Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2018**

Division L-Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2018 (Pub. L. 115-141) (“Consolidated Appropriations Act, 2018”) makes funding available through September 30, 2018. Current funding availability for each program is identified in section IV of this notice and in Table 1 located on FTA’s FY 2018 Apportionment web page: [www.transit.dot.gov/funding/apportionments](http://www.transit.dot.gov/funding/apportionments).

**B. Oversight Takedown**

49 U.S.C. 5338(f) (all subsequent statutory references are to title 49, United States Code) provides for the following oversight takedowns of FTA programs: 0.5 percent of Metropolitan and Statewide Planning funds, 0.75 percent of Urbanized Area Formula Grant funds, 1 percent of Fixed Guideway Capital Investment Grants funds, 0.5 percent of Formula Grants for the Enhanced Mobility of Seniors and Individuals with Disabilities funds, 0.5 percent of Formula Grants for Rural Areas funds, 1 percent of State of Good Repair Formula Grants funds, 0.75 percent for Grants for Buses and Bus Facilities funds, and 1 percent of Capital and Preventive Maintenance Projects for grants to the Washington Metropolitan Area Transit Authority. The funds are used to provide necessary oversight activities, such as oversight of the construction of any major capital project receiving Federal transit assistance; to conduct State Safety Oversight, drug and alcohol, civil rights, procurement systems, management, planning certification, and financial management reviews and audits; evaluations and analyses of grantee-specific problems and issues; for salaries and benefits of FTA employees performing certain

oversight activities; and to generally provide technical assistance and correct deficiencies identified in compliance reviews and audits.

## **C. FY 2018 Formula Apportionments: Data and Methodology**

### ***1. Apportionment Tables***

FTA publishes apportionment tables on its web site for each program that reflect the funding level in the full-year appropriations act less oversight take-downs, as applicable. Tables displaying the funds available to eligible states, tribes, and urbanized areas have been posted to <http://www.transit.dot.gov/funding/apportionments>. This website contains a page listing the apportionment and allocation tables for FY 2018, links to prior year formula apportionment notices and tables, and the National Transit Database (NTD) and Census data used to calculate the FY 2018 apportionments.

### ***2. National Transit Database (NTD) and Census Data Used in the FY 2018***

#### ***Apportionments***

Consistent with past practices, the calculations for Sections 5307, 5311, including 5311(j) (Tribal Transit), 5329, 5337, and 5339 rely on the most-recent transit service data reported to the NTD, which for FY 2018 is the 2016 report year. In some cases, where an apportionment is based on the age of the system, the age is calculated as of September 30, 2017, the last day before FY 2018 began. Recipients or beneficiaries of either Section 5307 or 5311 funds are required to report to the NTD. Additionally, several transit operators report to the FTA's NTD on a voluntary basis. For the 2016 report year, the NTD includes data from 953 reporters in urbanized areas, 925 of which reported

operating transit service. The NTD also includes data from 1,478 providers of rural transit service, which includes 126 Indian Tribes providing transit service.

The 2010 Census data is used to determine population and population density for Sections 5303, 5305, 5307 and 5339 as well as rural population and rural land area for the 5311 program. The formulas for Sections 5307, 5311, and 5311(j) include tiers where funding is allocated based on the number of persons living in poverty, and the Section 5310 formula program allocates funding based on the population of older adults and people with disabilities. The Census Bureau no longer publishes decennial census data on persons living in poverty and persons with disabilities. As a result, since FY 2013, FTA has used the data for these populations available via the Census' American Community Survey (ACS). The NTD and Census data that FTA used to calculate the apportionments associated with this notice can be found on FTA's Web site:

[www.transit.dot.gov/funding/apportionments](http://www.transit.dot.gov/funding/apportionments)

The FY 2018 apportionments use data on low-income persons, persons with disabilities, and older adults from the 2011-2015 ACS five-year data set, which was published in December 2016. This data represents the most recent five-year ACS estimates that are available as of October 1 for the year being apportioned. As was the case in prior years, data on low-income persons comes from ACS Table B17024, "Age by Ratio of Income to Poverty in the Last Twelve Months," and data on people with disabilities under 65 years old comes from ACS Table S1810, "Disability Characteristics." Data on older adults (over 65 years old) comes from ACS Table B01001, "Sex by Age."

### **III. FY 2018 Program Highlights and Changes**

## **A. Streamlining Activities**

This past year FTA has reviewed its existing regulations and guidance and other agency actions to evaluate their continued necessity and determine whether they are crafted effectively to solve current problems. FTA's review was based on the principle that there should be no more requirements than necessary, and those requirements should be straightforward, clear, and designed to minimize burdens. Once issued, these requirements should be reviewed periodically and revised to ensure that they continue to meet the needs for which they originally were designed, remain cost-effective, and remain cost-justified. As a part of this review, FTA also considered input from external stakeholders that was provided in response to the Department's Notice of Review of Policy, Guidance and Regulation (82 FR 26734 (June 8, 2017)) and Notification of Regulatory Review (82 FR 45750 (Oct. 2, 2017)). Because of these reviews and external input, FTA has implemented the following:

### ***1. Risk-Based Federal Financial and Milestone Progress Reporting and Review***

Beginning on October 1, 2017, FTA implemented a risk-based policy on how frequently recipients must submit milestone progress reports (MPRs) and Federal Financial Reports (FFRs) for awarded grants. Under the new policy, all grants of \$2 million or less that are awarded to recipients located in urbanized areas over 200,000 in population should be reported annually rather than quarterly unless a specific risk is identified for that grant. FTA has identified the awards that meet this criterion and has switched them from a quarterly to an annual reporting cycle. As FTA reviews new draft applications in FY 2018, we will assign a quarterly or an annual reporting cycle for the award based on this criterion. This policy change will reduce the grant reporting burden



by approximately 13,000 reports for FTA recipients while allowing FTA to prioritize reviewing MPRs and FFRs for higher risk grants.

## ***2. Real Estate Appraisal and Review Appraisal Submissions***

All real property transactions must be undertaken in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Uniform Act or URA), 42 U.S.C. 4601 et seq., and 49 CFR part 24, the implementing regulation. This includes requirements for appraisals and review appraisals as described in FTA 5010.1E Award Management Requirements. Additionally, Circular 5010.1E requires recipients to provide appraisals and review appraisals to FTA for review and concurrence for acquisitions and dispositions or property condemnation of more than \$500,000, or in-kind contributions and land exchanges of any value before federal assistance is expended, or when the value is used as non-federal share. To reduce the burden on FTA recipients, FTA has increased the threshold to \$1,000,000 for which appraisals and review appraisals for acquisition, disposition or property condemnations must be submitted to FTA for review. In-kind contributions and land exchanges of any value must still be submitted to FTA for review and concurrence. This change will reduce required submissions to FTA by 20 percent, saving about 50 total weeks of review time. FTA will make page-edits to Circular 5010.1E circular subsequent to this notice to document this change. FTA notes that all appraisals regardless of value must be compliant with 49 CFR 24.103. FTA may choose to review any appraisal or review appraisal used in an FTA assisted award when circumstances warrant or as part of a periodic review. The recipient must maintain documentation that supports valuation decisions in the parcel files.

### ***3. Updates to Triennial Review and State Management Reviews***

For FY 2018, FTA has made updates and process changes to its Triennial and State Management Reviews. These changes are based on feedback received from our recipients, review contractors, and colleagues and are also part of FTA's ongoing commitment to improve consistency and transparency in its oversight reviews. We anticipate that these changes will result in a more efficient review process that provides our recipients with a clearer understanding of what is expected during a Triennial or State Management Review, how FTA reviewers determine compliance, and why a finding of deficiency is made.

The Grantee Information Request (GIR) package is now called the Recipient Information Request (RIR) package. The FTA has redesigned the RIR to significantly reduce the level of effort required for completion by the recipient. The updated RIR package consists of:

**Recipient Profile Information:** Basic information about the recipient that FTA uses to better understand the recipient's institutional and operating structure, and to help determine applicability of oversight requirements.

**Recipient Information Request:** A list of documents and answers to specific questions that the FTA needs to begin assessing a recipient's compliance with the basic requirements identified in the Comprehensive Review Guide. The FTA is moving away from the narrative responses required in previous years. Once FTA's contractors begin reviewing the requested documentation, the recipient may be asked to provide answers to additional targeted questions on a case-by-case basis.

Changes to the Comprehensive Review Guide:

The FTA undertook a “back to basics” exercise with the Triennial and State Management Review Guide, known as the Comprehensive Review Guide, to identify the minimum compliance requirements and the optimal methods for assessing compliance. The key to this effort was ensuring that all questions were directly related to specific, citable, written requirements. This new guide clearly articulates what is expected of recipients and exactly how FTA will determine compliance. The guide can be accessed at <https://www.transit.dot.gov/oversight-policy-areas/fy18-comprehensive-review-guide>.

#### ***4. Online Dialogue on Definition of Federal Project***

The current definition of a “Federal” project is defined in the FAST Act, Pub. L. 114-94 as, “any highway project, public transportation capital project, or multimodal project that, if implemented as proposed by the project sponsor, would require approval by any operating administration or secretarial office within the Department of Transportation.” The FTA is now examining how it defines “Federal” project and the effects of that definition on project implementation. To learn more, the FTA is conducting an online dialogue to help identify potential opportunities to expedite investments in transit infrastructure through the exclusion of certain projects or project elements from potentially burdensome Federal requirements. FTA intends to review the relevant thresholds for defining whether a project or project element qualifies as federally funded, which determines whether it is subject to various Federal requirements, reviews, and oversight.

Through this online dialogue, the FTA will pose a series of questions and invite States, transit agencies, transit operators, and other stakeholders to submit comments and responses on this topic.

The online dialogue will be open through [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER] FTA will provide a link to the online dialogue through email, social media, and its Website.

### ***5. Emergency Relief Docket***

On February 2, 2018 FTA announced the establishment of an Emergency Relief Docket for calendar year 2018. See <https://www.gpo.gov/fdsys/pkg/FR-2018-02-02/pdf/2018-02083.pdf> for more information. After an emergency or major disaster, if FTA requirements impede a grantee or subgrantee's ability to respond to the emergency or major disaster, a grantee or subgrantee may submit a request for temporary relief from FTA administrative and statutory requirements. A grantee or subgrantee seeking relief must submit a petition for waiver of FTA requirements at [www.regulations.gov](http://www.regulations.gov) for posting in the docket (FTA-2018-0001). For additional information on the Emergency Relief Docket, please contact the appropriate FTA Regional Office.

### ***6. Cancellation of Circulars***

As part of FTA's ongoing review of requirements, FTA has identified several circulars that should be cancelled. Information in these circulars is either no longer applicable or found in other guidance documents.

<b>Circular Number</b>	<b>Circular Name</b>
2710.6	Section 15 Accounting and Reporting Release Number 1
2710.7	Section 15 Accounting and Reporting Release Number 2
4715.1A	Human Resource Programs (Section 20) Application and Project Management Guidelines
7008.1A	Financial Capacity Policy
7020.1	Cross-Border Leasing Guidelines
9045.1	New Freedom Program Guidance and Application Instructions
9050.1	The Job Access and Reverse Commute (JARC) Program Guidance and Application Instructions

Under the Administrative Procedure Act (APA) (5 U.S.C. § 553(b)), an agency may waive the normal notice and comment procedure if it finds, for good cause, that it would be impracticable, unnecessary, or contrary to the public interest. Additionally, 5 U.S.C. § 553(d) provides that an agency may waive the 30-day delayed effective date upon finding of good cause.

Circulars 2710.6 and 2710.7 are interpretations of the uniform system of accounts and records and reporting system required by Section 15 of the Urban Mass Transportation Act of 1964 (UMTA Act), as amended, that was replaced by the Uniform Systems of Accounts (USOA). FTA finds, for good cause, that notice and comment for cancelling this guidance is unnecessary because the USOA was subject to notice and comment at 81 FR 70260. Further, the delayed effective date is unnecessary because the cancellation was already made effective by the adoption of the USOA.

Circular 4715.1A provides guidance on applying for Federal financial assistance and managing projects awarded under Section 20 of the UMTA Act, which was codified under the FAST Act at 49 U.S.C. § 5314. FTA is cancelling this circular because human resource grants are now covered under Circular 6100.1E, Research, Technical Assistance, and Training Programs: Application Instructions and Program Management Guidelines, which was published in the Federal Register (78 FR 47514) on August 13, 2014 with a request for public comment. FTA finds, for good cause, that notice and comment for cancelling this circular is unnecessary because it was replaced by guidance that was subject to notice and comment. Further, the delayed effective date is unnecessary because the cancellation was already made effective by the notice of availability of the Circular 6100.1E at 80 FR 19396.

Circular 7008.1A defines the basis upon which FTA will make the determination of financial capacity of grantees required under 49 U.S.C. § 5309 and in reviewing Transportation Improvement Plans (TIPs). Additionally, the circular provides guidance for grantees making the required self-certifications of financial capacity under 49 U.S.C. § 5307. FTA is cancelling this circular because these programs are now covered under Circular 9030.1E, Urbanized Area Formula Program: Program Guidance and Application Instructions, which was published on January 16, 2014 (79 FR 2930) and addressed comments received during the development of the circular. FTA finds, for good cause, that notice and comment for cancelling this circular is unnecessary because it was replaced by guidance that was subject to notice and comment. Further, the delayed effective date is unnecessary because the cancellation was already made effective by the publication of the notice of availability in the Federal Register.

Circular 7020.1 sets forth cross-border leasing guidelines, which allow grantees to lease FTA-funded transit equipment from a foreign entity. However, the American Jobs Creation Act of 2004 eliminated the tax benefits associated with such transactions, thereby rendering the vast majority of cross-border leases unprofitable. Thus, FTA is cancelling this circular, which is no longer utilized. FTA finds, for good cause, that notice and comment for cancelling this circular is unnecessary because it is outdated and unutilized. Similarly, the delayed effective date is unnecessary because the circular is no longer in use.

Circulars 9045.1 and 9050.1 include guidance and application instructions for the New Freedom Program and the Job Access and Reverse Commute Program. Both programs were repealed by MAP-21. Therefore, FTA is cancelling the corresponding

circulars. FTA finds, for good cause, that notice and comment for cancelling these circulars is unnecessary because these programs are no longer authorized. The statutory language does not require interpretation to carry out its intent, and comments cannot alter the guidance given the explicit mandate. Further, the delayed effective date is unnecessary because the cancelation of the circulars was already made effective by statute.

Accordingly, FTA finds good cause under 5 U.S.C. §§ 553(b)(3)(B) and (d)(3) to waive notice and opportunity for comment and the delayed effective date for all cancelled circulars.

## **B. Policy Priorities**

As FTA implements its programs, it is particularly focused on the following policy priority areas.

### ***1. Safety***

Federal transit law requires States with rail transit systems operating within their jurisdictions to establish a State Safety Oversight (SSO) program that must be certified by the FTA by April 15, 2019 (49 U.S.C. 5329(e)). The FTA is prohibited by law (49 U.S.C. 5329(e)(3)) from obligating any funds to any transit agency within a State that fails to obtain certification by the deadline. The FTA recommends that States submit their complete SSO program certification applications no later than September 30, 2018. For more information on the certification requirements, please visit the FTA Web site: [www.transit.dot.gov/regulations-and-guidance/safety/transit-safety-oversight-tso](http://www.transit.dot.gov/regulations-and-guidance/safety/transit-safety-oversight-tso).

### ***2. Positive Train Control (PTC)***

On May 31, 2017, FTA and the Federal Railroad Administration (FRA) jointly announced the allocation of \$197 million for projects to install

positive train control (PTC) systems on commuter railroads and other passenger-rail related facilities. As authorized under Section 3028 of the Fixing America's Surface Transportation (FAST) Act, these funds are available to assist in financing the installation of PTC systems required under 49 U.S.C. 20157. All funding allocated under this program has been obligated ahead of the September 30, 2018 statutory deadline. Costs associated with the installation of PTC are also eligible under FTA's formula programs, including the Urbanized Area Formula Program (49 U.S.C. 5307) and the State of Good Repair Program (49 U.S.C. 5337).

### ***3. Automation***

Transit automation is a critical area of emerging technology with the capability to enhance and transform public transportation. FTA is developing a transit automation research initiative as one of the mobility innovation projects to explore the value and challenges of transit automation innovative technologies. FTA is currently exploring the use of automation technologies in transit bus operations. Key research activities include developing a transit automation strategic plan; growing stakeholder partnerships/engagements to increase understanding of transit automation use cases; fielding demonstrations to identify promising solutions; and exploring the human factors associated with adoption of transit automation approaches. Potential benefits of transit bus automation may include: increased passenger/operator safety; operational efficiencies; expanded transit capacity; fuel efficiencies; service effectiveness; and rider satisfaction. More information on Shared Mobility can be found at: <https://www.transit.dot.gov/regulations-and-guidance/shared-mobility-faqs-eligibility-under-fta-grant-programs>.



#### **4. Value Capture**

Current law includes a definition of “value capture” to mean “recovering the increased property value to property located near public transportation resulting from investments in public transportation.” (49 U.S.C. 5302(24)). Value capture financing strategies include, but are not limited to, land value taxes, tax increment financing, special assessment districts, transportation utility fees, development impact fees, negotiated extractions, transit-oriented development, air rights, and joint development. FTA encourages the use of value capture strategies that contribute to the operation, maintenance, or expansion of public transportation services. Revenue generated by value capture is considered by FTA as local funding and can be used as the local share towards the funding of capital projects and operating costs eligible under Chapter 53 of title 49, United States Code. FTA is updating its program circulars and website to include additional guidance on the use of value capture financing strategies.

#### **5. Transit Asset Management Plans**

A transit provider’s initial Transit Asset Management (TAM) plan must be completed no later than October 1, 2018. A provider may submit in writing to FTA a request to extend this deadline. FTA must receive a request to extend the deadline before the deadline occurs and will consider all requests on a case-by-case basis. See 49 CFR Part 625 for more information about the requirements for TAM plans.

#### **6. Bus Testing (49 U.S.C. 5318)**

The Federal Transit Administration (FTA) is required to maintain a bus testing facility to test bus models purchased with Federal funding assistance. Any new model of a vehicle/bus to be used in public transportation revenue service and purchased with FTA

funds must be tested at this bus testing facility. Fees for bus testing are shared: FTA funds 80 percent of the fees and the entity having the vehicle tested pays 20 percent of the fees.

In 2016, FTA issued a regulation to implement minimum performance standards, a scoring system, and a pass/fail threshold for new model transit buses procured with FTA financial assistance authorized under 49 U.S.C. Chapter 53 (49 CFR part 655). The standards and scoring system address the following categories: structural integrity, safety, maintainability, reliability, fuel economy, emissions, noise, and performance. Buses must meet a minimum performance standard in each of these categories to receive an overall passing score and be eligible for purchase using FTA financial assistance. Buses can achieve higher scores with higher performance in each category, and the final rule establishes a numerical scoring system based on a 100-point scale so that buyers can more effectively compare vehicles.

The Consolidated Appropriations Act, 2018 provides \$5 million for the operation and maintenance of the bus testing facility authorized under 49 U.S.C. 5318. This is a \$2 million increase over previous annual appropriation amounts. Additionally, the Act provides an additional \$2 million for certain grantees receiving funds under 49 U.S.C. 5312(h) to operate and maintain a facility to conduct the testing of low or no emission vehicle new bus models using the standards established pursuant to section 5318.

FTA's website has additional information, resources, and a link to sign up for email notices about the Bus Testing Program at: [www.transit.dot.gov/research-innovation/bus-testing](http://www.transit.dot.gov/research-innovation/bus-testing).

### C. FY 2018 Competitive Program Funding

FTA's competitive grants programs and the FY 2018 authorized funding levels are identified in the chart below. FTA selects projects for funding after issuance of a Notice of Funding Opportunity. Additional information about each competitive program is in Section III of this notice.

<b>FY 2018 Competitive Programs</b>	<b>Statute 49 U.S.C.</b>	<b>2018 Authorized Funding Level (in millions)</b>
<b>Innovative Coordinated Access and Mobility Grants</b>	<b>FAST Section 3006(b)</b>	<b>\$3.25</b>
<b>Tribal Transit</b>	<b>5311(c)(1)(A)</b>	<b>\$5.0</b>
<b>Grants for Buses and Bus Facilities Competitive Program</b>	<b>5339</b>	<b>\$366.29</b>
<b>Low or No Emission Grants Competitive Program</b>	<b>5339</b>	<b>\$84.45</b>
<b>Pilot Program TOD Planning</b>	<b>MAP-21 Section 2005(b)</b>	<b>\$10.00</b>

Note: The Grants for Buses and Bus Facilities and Low or No Emission Grants programs received funding in addition to the authorized levels; \$161,446,000 and \$29,450,000, respectively.

### IV. FY 2018 Program-Specific Information

#### A. Metropolitan Planning Program (49 U.S.C. 5303 and 5305(d))

Section 5305(d) authorizes Federal funding to support a cooperative, continuous, and comprehensive planning program for transportation investment decision-making at the metropolitan area level. The specific requirements of metropolitan transportation planning are set forth in 49 U.S.C. 5303 and further explained in 23 CFR part 450, as incorporated by reference in 49 CFR part 613, Planning Assistance and Standards. The State DOTs are the designated recipients of Metropolitan Planning Programs (MPP) and State Planning and Research Program (SPRP) funds allocated by FTA, which are then

sub-allocated to Metropolitan Planning Organizations (MPOs) for planning activities that support the economic vitality of the metropolitan area. The Secretary has the discretion to award MPP and SPRP assistance to States, authorities of States, (MPOs), and local governmental authorities.

Each MPO must establish specific performance targets against system performance measures issued by U.S. DOT), and use these in tracking progress towards attaining critical outcomes. The MPO must coordinate with States and transit providers in setting these targets. MPOs must provide a system performance report that evaluates progress in meeting the performance targets in comparison with the system performance identified in prior reports.

MPP funding must support work resulting in balanced and comprehensive intermodal transportation planning for the movement of people and goods in the metropolitan area. Comprehensive transportation planning is not limited to transit planning or surface transportation planning, but also encompasses the relationships among land use and all transportation modes, without regard to the programmatic source of Federal assistance. MPP funds may be used for studies relating to management, mobility management, planning, operations, capital requirements, economic feasibility, performance-based planning, safety, and transit asset management. Funds may also be used to develop or update the metropolitan planning agreements. Funds may also be used to evaluate previously funded projects or to conduct peer reviews and exchanges of technical data, information, or assistance, among MPOs and other transportation planners. Funds may be also used for planning for multimodal transportation access to transit facilities; system planning: scenario planning; corridor-level alternative analysis;

development of federally required documents; safety, security and emergency transportation planning; coordinated public transit human services transportation planning; and public participation in the transportation planning, including the development of the Public Participation Plan. An exhaustive list of eligible work activities is provided in FTA Circular 8100.1C, Program Guidance for Metropolitan Planning and State Planning and Research Program Grants, dated September 1, 2008.

*For more information or questions on the Metropolitan Planning program, please contact Victor Austin at (202) 366-2996 or victor.austin@dot.gov.*

### ***1. Authorized Amounts***

Federal transit law authorizes \$112,664,897 in FY 2018 to provide financial assistance for metropolitan planning needs under Section 5305.

### ***2. FY 2018 Funding Availability***

In FY 2018 under the Consolidated Appropriations Act, 2018, \$112,664,897 is available to the Metropolitan Planning Program (Section 5305(d)) to support metropolitan transportation planning activities set forth in Section 5303. The total amount apportioned for the Metropolitan Planning Program to States for use by MPOs in urbanized areas (UZAs) is \$112,101,573 as shown in the table below, after the deduction for oversight (authorized by Section 5338).

<b>Metropolitan Planning Program</b>	
Total Appropriation available	\$112,664,897
Oversight Deductions .....	(563,324)
Total Apportioned .....	\$112,101,573

### ***3. Basis for Formula Apportionment***

Of the amounts authorized in Section 5305, 82.72 percent is made available to the Metropolitan Planning Program. As a subset of the Metropolitan Planning Program funds, FTA apportions eighty percent to the states by statutory formula based on the most recent decennial Census for each State's UZA population. The remaining 20 percent is provided to the States based on an FTA administrative formula to address planning needs in larger, more complex UZAs. The amount published for each State includes this supplemental allocation.

### ***4. Requirements***

The States allocate Metropolitan Planning funds to MPOs in UZAs or portions thereof to provide funds for planning projects included in a one or two-year program of planning work activities (the Unified Planning Work Program, or UPWP) that includes multimodal systems planning activities spanning both highway and transit planning topics. Each State has either reaffirmed or developed, in consultation with its MPOs, an allocation formula among MPOs within the State, based on the 2010 Census. The allocation formula among MPOs in each State may be changed annually, but any change requires approval by the FTA Regional Office before grant approval. Program guidance for the Metropolitan Planning Program is found in FTA Circular 8100.1C, *Program Guidance for Metropolitan Planning and State Planning and Research Program Grants*, dated September 1, 2008.

### ***5. Period of Availability***

The Metropolitan Planning program funds apportioned in this notice are available for obligation during FY 2018 plus three additional fiscal years. Funds apportioned in FY

2018 must be obligated in grants by September 30, 2021. Any FY 2018 apportioned funds that remain unobligated at the close of business on September 30, 2021, will revert to FTA for reappportionment under the Metropolitan Planning Program.

#### ***6. Other Program Information***

The planning programs provide funding and procedural requirements to metropolitan areas and States for multimodal transportation planning that is cooperative, continuous, and comprehensive, resulting in long-range plans and short-range programs of projects that reflect transportation investment priorities. The planning programs are jointly administered by FTA and the Federal Highway Administration (FHWA), which provides additional funding. Several changes established by the FAST Act to Sections 5303 and 5304 are noted below:

New emphasis is placed on intercity transportation, including intercity buses and intermodal facilities that support intercity transportation, and commuter vanpool providers. The selection and role of the transit representation on MPO policy boards in large urbanized areas is clarified. MPOs in urbanized areas designated as transportation management areas must include officials of agencies that administer or operate major modes of transportation, as well as representatives of public transit operators, on MPO policy boards.

The representative of public transit shall be selected per the bylaws or enabling legislation of the MPO, and the representative of public transit may also serve as a representative of a local municipality on the MPO board. For additional information please reference the Final Rule on Statewide and Nonmetropolitan Transportation Planning and Metropolitan Transportation Planning (81 FR 34050, May 27, 2016).

The scope of the planning process adds two new planning factors, in addition to the eight pre-existing factors established under prior law. The two new factors are: 1) improve the resiliency and reliability of the transportation system, and reduce the vulnerability of the existing transportation infrastructure to natural disasters, and 2) enhance travel and tourism. MPOs and State DOTs should provide public ports, intercity bus operators and employer-based commuting programs with a reasonable opportunity to comment on transportation plans. Plans must place greater emphasis on the congestion management process. MPOs that serve a Transportation Management Areas (TMAs) with a population of 1 million or more must prepare a congestion management performance plan, while TMAs with a population less than 1 million may prepare a congestion management plan. MPOs that serve transportation management areas must address congestion management through a process that provides for safe and effective integrated management and operation of the multimodal transportation system based on cooperatively developed metropolitan-wide strategies.

The long-range statewide transportation plan and metropolitan transportation plan must include a description of the performance measures and performance targets. State DOTs and MPOs are also required to provide a system performance report evaluating the condition and performance of the transportation system.

In the Final Rule on Statewide and Nonmetropolitan Transportation Planning and Metropolitan Transportation Planning (81 FR 34050), FHWA and FTA make the statewide, metropolitan, and nonmetropolitan transportation planning regulations consistent with current statutory requirements. The final rule establishes the following:

- 1) a new mandate for States and MPOs to take a performance-based approach to planning



and programming; 2) a new emphasis on the nonmetropolitan transportation planning process, by requiring States to have a higher level of involvement with nonmetropolitan local officials and providing a process for the creation of Regional Transportation Planning Organizations (RTPOs); 3) implementation of the aforementioned statutory requirement for a structural change to the membership of the larger MPOs; 4) a new framework for voluntary scenario planning; 5) a new authority for the integration of the planning and environmental review processes; and 6) a process for programmatic mitigation plans.

Among the most significant changes is the new mandate for a performance-based planning process: MPOs and State DOTs must establish performance targets that address forthcoming U.S. DOT-issued national performance measures that are based on the goals outlined in the legislation—safety, infrastructure condition, congestion reduction, system reliability, economic vitality, environmental sustainability, reduced project delivery delays, transit safety, and transit asset management. MPOs also must coordinate their performance targets, to the maximum extent practicable, with performance targets set by FTA grantees under the new performance measure requirements for safety and state of good repair. Transportation Improvement Programs (TIPs) must include a description of the anticipated progress toward achieving the performance targets resulting from implementation of the TIP. After May 27, 2018, a State's and MPO's long-range plans, STIPs, and TIPs must reflect performance targets and plans per the provisions of the final rule.

**B. State Planning and Research Program (49 U.S.C. 5304 and 5305(e))**

This program provides financial assistance to States for statewide transportation planning and other technical assistance activities, including supplementing the technical assistance program provided through the Metropolitan Planning program and planning support for non-urbanized areas. The specific requirements of Statewide transportation planning are set forth in 49 U.S.C. 5304 and further explained in 23 CFR part 450 as referenced in 49 CFR part 613, Planning Assistance and Standards. State DOTs are required to reference performance measures and performance targets within the Statewide Planning process. This funding must support work resulting in balanced and comprehensive intermodal transportation planning for the movement of people and goods and has the same eligibilities as MPP funds.

*For more information or questions on the State Planning and Research program, please contact Victor Austin at (202) 366-2996 or victor.austin@dot.gov.*

***1. Authorized Amounts***

Federal transit law authorizes \$23,535,414 in FY 2018, to provide financial assistance for statewide planning and other technical assistance activities under Section 5305. As specified in law, this represents the 17.28 percent of the amounts available for Section 5305 that are allocated to the Statewide Planning and Research program.

***2. FY 2018 Funding Availability***

In FY 2018 under the Consolidated Appropriations Act, 2018, \$23,535,414 is for the State Planning and Research Program (Section 5305(e)). The total amount apportioned for the State Planning and Research Program (SPRP) is \$23,417,737 as shown in the table below, after the deduction for oversight (authorized by Section 5338).

<b>Statewide Transportation Planning Program</b>	
Total Appropriation available	\$23,535,414
Oversight Deductions .....	(\$117,677)
Total Apportioned .....	\$23,417,737

States' apportionments for this program are displayed in Table 2.

### ***3. Basis for Formula Apportionment***

Of the amount authorized for Section 5305, 17.28 percent is allocated to the State Planning and Research program. FTA apportions funds to States by a statutory formula that is based on the most recent decennial Census data available, specifically, the State's UZA population as compared to the UZA population of all States.

### ***4. Requirements***

Funds are provided to States for Statewide transportation planning programs. These funds may be used for a variety of purposes such as planning, technical studies and assistance, performance-based planning, demonstrations, and management training. In addition, a State may authorize a portion of these funds to be used to supplement Metropolitan Planning funds allocated by the State to its UZAs, as the State deems appropriate. Program guidance for the State Planning and Research program is found in FTA Circular 8100.1C, *Program Guidance for Metropolitan Planning and State Planning and Research Program Grants*, dated September 1, 2008.

### ***5. Period of Availability***

The State Planning and Research program funds apportioned in this notice are available for obligation during FY 2018 plus three additional fiscal years. Accordingly, funds apportioned in FY 2018 must be obligated in grants by September 30, 2021. Any

FY 2018 apportioned funds that remain unobligated at the close of business on September 30, 2021 will revert to FTA for reapportionment under the State Planning and Research program.

**C. Urbanized Area Formula Program (49 U.S.C. 5307)**

The Urbanized Area Formula Program provides financial assistance to designated recipients in urbanized areas (UZAs) for capital investments in public transportation systems, planning, job access and reverse commute projects, and, in some cases, operating assistance. FTA apportions funds for this program through a statutory formula. Of the amount authorized for Section 5307 each year, \$30 million is set aside for the competitive Passenger Ferry Grant Program (Ferry program), as authorized under 49 U.S.C. 5307(h). The Ferry program offers financial assistance to public ferry systems in urbanized areas for capital projects. Projects are selected annually through a funding competition. Additionally, 0.5 percent will be apportioned to eligible States for State Safety Oversight (SSO) Program grants, and 0.75 percent will be set aside for program oversight. Further information on the 0.5 percent apportionment to States for the State Safety Oversight Program is provided in section IV.M. of this notice.

*For more information or questions on the Urbanized Area Formula Program, contact Tara Clark at (202) 366-2623 or tara.clark@dot.gov. For more information on the Ferry Program, contact Vanessa Williams at (202) 366-4818 or vanessa.williams@dot.gov.*

***1. Authorized Amounts***

Federal transit law authorizes \$5,279,690,721 in FY 2018 to provide financial assistance for urbanized areas under Section 5307.

## **2. FY 2018 Funding Availability**

In FY 2018 under the Consolidated Appropriations Act, 2018, \$5,279,690,721 is available for the Urbanized Area Formula program. The total amount apportioned to urbanized areas (UZAs) is \$5,228,378,222, which includes the addition of amounts apportioned to UZAs pursuant to the Section 5340 Growing States and High-Density States Formula factors. This amount to UZAs excludes the set-aside of \$30 million for the Ferry program, apportionments under the State Safety Oversight Program, and oversight (authorized by Section 5338), as shown in the table below:

<b>Urbanized Area Formula Program</b>		
Total Appropriation available .....	a/	\$4,726,907,174
Oversight Deduction.....		-35,451,804
State Safety Oversight Program.....		-23,634,536
Ferry Discretionary Program.....		-30,000,000
5340 High Density States.....	b/	282,825,570
5340 Growing States.....	b/	214,714,305
Reapportioned Funds		1,816,904
<b>Total Apportioned .....</b>		<b>\$5,137,177,613</b>

a/ Includes 1.5 percent set-aside for Small Transit Intensive Cities Formula

Table 3 displays the amounts apportioned under the Urbanized Area Formula Program.

b/ Includes technical corrections to fix FY 2017 errors.

## **3. Basis for Formula Apportionment**

FTA apportions Urbanized Area Formula Program funds based on statutory formulas. Congress established four separate formulas to apportion available funding: the Section 5307 Urbanized Area Formula Program formula, the Small Transit Intensive Cities (STIC) formula, the Growing States and High Density States formula, and a formula based on low-income population.

Consistent with prior apportionment notices, Table 3 shows a total Section 5307 apportionment for each UZA, which includes amounts apportioned under each of these

formulas. Detailed information about the formulas is provided in Table 4. For technical assistance purposes, the UZAs that receive STIC funds are listed in Table 6. FTA will provide breakouts of the funding allocated to each UZA under these formulas upon request to the FTA Regional Office.

FTA has calculated dollar unit values for the formula factors used in the Urbanized Area Formula Program apportionment calculations. These values represent the amount of money each unit of a factor is worth in this year's apportionment. The unit values change each year, based on all data used to calculate the apportionments, as well as the amount appropriated by Congress for the apportionment. The dollar unit values for FY 2018 are displayed in Table 5. To replicate the basic formula component of a UZA's apportionment, multiply the dollar unit value by the appropriate formula factor (i.e., the population, population x population density), and when applicable, data from the NTD (i.e., route miles, vehicle revenue miles, passenger miles, and operating cost).

*a. Section 5307 – Urbanized Area Formula*

For UZAs between 50,000 and 199,999 in population, the Urbanized Area Formula is primarily based on population and population density. For UZAs with populations of 200,000 or more, the formula is based on population and population density, as well as a combination of bus revenue vehicle miles, bus passenger miles, bus operating costs, fixed guideway vehicle revenue miles, and fixed guideway route miles, either within the UZA or attributable to the UZA. The Urbanized Area Formula is defined in 49 U.S.C. 5336. Consistent with Section 5336(b), FTA has included 27 percent of the fixed guideway directional route miles and vehicle revenue miles from eligible urbanized area transit

systems, but which were attributable to rural areas outside of the urbanized areas from which the system receives funds.

*b. Small Transit Intensive Cities (STIC) Formula*

Under the STIC formula, FTA apportions 1.5 percent of the funds made available for Section 5307 to UZAs that are under 200,000 in population and have public transportation service that operates at a level equal to or above the industry average for UZAs with a population of at least 200,000, but not more than 999,999. STIC funds are apportioned based on six performance categories: passenger miles traveled per vehicle revenue mile, passenger miles traveled per vehicle revenue hour, vehicle revenue miles per capita, vehicle revenue hours per capita, passenger miles traveled per capita, and passengers per capita. In FY 2019, the STIC set aside will increase from 1.5 percent to 2 percent.

The data used to determine a UZA's eligibility under the STIC formula and to calculate the STIC apportionments was obtained from the NTD for the 2016 reporting year. Because performance data change with each year's NTD reports, the UZAs eligible for STIC funds and the amount each receives may vary each year. UZAs that received funding through the STIC formula for FY 2018 are listed in Table 6.

*c. Section 5340 – Growing States and High Density States Formula*

FTA also apportions funds to qualifying UZAs and States according to the Section 5340 Growing States and High Density States formula, as shown in Table 3. More information on this program and its formula is found in Section IV.P. of this notice.

*d. Low-Income Population*

Of the amount authorized and appropriated for the Urbanized Area Formula Program in each year, 3.07 percent is apportioned based on low income population. As specified in statute, FTA apportions 75 percent of the available funds to UZAs with a population of 200,000 or more. Funds are apportioned based on the ratio of the number of low income individuals in each UZA to the total number of low income individuals in all urbanized areas of that size. FTA apportions the remainder of the funds (25 percent) to UZAs with populations of less than 200,000, per an equivalent formula. The low-income populations used for this calculation were based on the American Community Survey (ACS) data set for 2011-2015. This information is updated by the Census Bureau annually.

***4. Requirements***

To comply with or maintain compliance with the Clean Air Act (CAA) or the Americans with Disabilities Act (ADA) of 1990, the maximum Federal share for the Urbanized Area Formula Program, including the Passenger Ferry Program, is 85 percent for the net project cost of acquiring vehicles (including clean-fuel or alternative fuel). The maximum Federal share is 90 percent of the net project cost for acquiring vehicle-related equipment or facilities (including clean-fuel or alternative-fuel vehicle-related equipment or facilities) for complying with or maintaining compliance with the CAA or ADA.

Program guidance for the Urbanized Area Formula Program is found in FTA Circular 9030.1E, Urbanized Area Formula Program: Program Guidance and Application Instructions, dated January 16, 2014, and is supplemented by additional information and changes provided in this notice and that may be posted to the Urbanized Area Formula



Grants program web page. FTA is in the process of updating the program circular to incorporate changes resulting from FAST Act amendments to 49 U.S.C. 5307.

#### ***5. Period of Availability***

Funds made available under the Urbanized Area Formula Program are available for obligation during the year of apportionment plus five additional years. Accordingly, funds apportioned in FY 2018 must be obligated by September 30, 2023. Any FY 2018 apportioned funds that remain unobligated at the close of business on September 30, 2023 will revert to FTA for reapportionment under the Urbanized Area Formula Program.

Funds allocated under the Passenger Ferry program follow the same period of availability as Section 5307. Accordingly, funds allocated in FY 2018 must be obligated by September 30, 2023. Any of the funds allocated in FY 2018 that remain unobligated at the close of business on September 30, 2023 will revert to FTA for reallocation under the Passenger Ferry program.

#### **D. Fixed Guideway Capital Investment Grants Program (49 U.S.C. 5309)**

The Capital Investment Grants (CIG) Program includes four types of eligible projects: New Starts projects, Small Starts projects, Core Capacity Improvement projects, and Programs of Inter-related Projects. Funding is provided for construction of: 1) new fixed guideway systems or extensions to existing fixed guideway systems such as rapid rail (heavy rail), commuter rail, light rail, trolleybus (using overhead catenary), cable car, passenger ferries, and bus rapid transit operating on an exclusive transit lane for the majority of the corridor length during peak periods that also includes features that emulate the services provided by rail fixed guideway, including defined stations, traffic signal priority for public transit vehicles, and short headway bi-directional service for a

substantial part of weekdays and weekends; 2) corridor-based bus rapid transit service that does not operate on an exclusive transit lane but includes features that emulate the services provided by rail fixed guideway, including defined stations, traffic signal priority for public transit vehicles, and short headway bi-directional services for a substantial part of weekdays; 3) projects that expand the capacity by at least 10 percent in an existing fixed guideway corridor that is at capacity today or will be in five years; and 4) programs of two or more interrelated projects as described above that have logical connectivity with one another and will all begin construction in a reasonable timeframe.

*For more information about the Capital Investment Grant program contact Elizabeth Day, Office of Capital Project Development, at (202) 366–5159 or [elizabeth.day@dot.gov](mailto:elizabeth.day@dot.gov). For information about published allocations contact Eric Hu, Office of Transit Programs, at (202) 366–0870 or [eric.hu@dot.gov](mailto:eric.hu@dot.gov)*

### ***1. Authorized Amounts***

Federal transit law authorizes \$2,301,785,760 in FY 2018, to provide financial assistance under Section 5309.

### ***2. FY 2018 Funding Availability***

In FY 2018 under the Consolidated Appropriations Act, 2018, \$2,650,010,000 is available to the Fixed Guideway Capital Investment Grants Program. The Consolidated Appropriations Act, 2018 requires of the amounts made available, \$2,252,508,586 to be obligated by December 31, 2019. The funds are allocated in the following manner: \$1,506,910,000 for New Starts projects; \$715,700,000 for Core Capacity projects; \$400,900,000 for Small Starts projects; and \$26,500,000 for Oversight. These amounts are based on allocating the \$2.64 billion in new budget authority and \$5.05 million from

recovered and unobligated Section 5309 Bus and Bus Facilities funds that were appropriated from FY 2000 thru FY 2005. The total amount available for projects is \$2,623,509,990 as shown in the table below, after the deduction for oversight (authorized by Section 5338).

<b>Fixed Guideway Capital Investment Grants Program</b>	
Total Appropriation available .....	\$2,650,010,000
Oversight Deduction.....	(26,500,000)
*Total Apportioned .....	\$2,623,510,000

\* Of the total amount apportioned, \$2,252,508,586 shall be obligated by December 31, 2019.

### ***3. Basis for Allocation***

Funds are allocated on a competitive basis and subject to program evaluation.

### ***4. Requirements***

Projects become candidates for funding under the Capital Investment Grant Program by successfully completing steps in the process defined in Section 5309 and obtaining a satisfactory rating under the statutorily-defined criteria. For New Starts and Core Capacity Improvement projects, the steps in the process include project development, engineering, and construction. For Small Starts projects, the steps in the process include project development and construction. For programs of interrelated projects, the steps in the process depend on the combination of project types included.

### ***5. Period of Availability***

The Fixed Guideway Capital Investment Grant program funds apportioned in this notice are available for obligation during FY 2018 plus three additional fiscal years. Accordingly, funds apportioned in FY 2018 must be obligated in grants by September 30,

2021, except \$2,252,508,586 that must be obligated by December 31, 2019. All funds must be disbursed by the recipient by September 30, 2026.

**E. Formula Grants for the Enhanced Mobility of Seniors and Individuals with Disabilities Program (49 U.S.C. 5310)**

The Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program provides formula funding to states and urbanized areas for meeting the transportation needs of older adults and people with disabilities when the public transportation service provided is unavailable, insufficient, or inappropriate to meet these needs. The program aims to improve mobility for seniors and individuals with disabilities by removing barriers to transportation service and expanding transportation mobility options. The Pilot Program for Innovative Coordinated Access and Mobility Program (Pilot Program)– was established by Section 3006(b) of the FAST Act. The purpose of the program is to assist in financing innovative projects for the transportation disadvantaged that improve the coordination of transportation services and non-emergency medical transportation (NEMT) services, including, for example, the deployment of coordination technology, and projects that create or increase access to community One-Call/One-Click Centers.

*For more information or questions on the Enhanced Mobility of Seniors and Individuals with Disabilities program, please contact Kelly Tyler at (202) 366–3102 or [kelly.tyler@dot.gov](mailto:kelly.tyler@dot.gov).*

***1. Authorized Amounts***

Federal transit law authorizes \$273,840,764 in FY 2018 to provide formula funding to states for meeting the transportation needs of older adults and people with disabilities. The law also authorizes \$3.25 million for the competitive Pilot Program.

## **2. FY 2018 Funding Availability**

In FY 2018 under the Consolidated Appropriations Act, 2018, \$127,772,132 is available for projects under the Section 5310 formula program after the oversight deduction as shown in the table below.

<b>Formula Grants for the Enhanced Mobility of Seniors and Individuals with Disabilities Program</b>	
Total Appropriation available .....	\$273,840,764
Oversight Deduction.....	(1,369,204)
Total Apportioned (Formula).....	\$272,471,560
Innovative Coordinated Access and Mobility Pilot Program .....	3,250,000
<b>Total Apportioned .....</b>	<b>\$275,721,560</b>

## **3. Basis for Formula Apportionment**

Sixty percent of the funds are apportioned among designated recipients for urbanized areas with a population of 200,000 or more individuals. Twenty percent of the funds are apportioned among the States for urbanized areas with a population of at least 50,000 but less than 200,000. Twenty percent of the funds are apportioned among the States for rural areas, defined as areas with a population less than 50,000. Census Data on Older Adults and People with Disabilities is used for the Section 5310 program apportionments. FY 2018 Apportionments Table 8 displays the amounts apportioned under the Enhanced Mobility of Seniors and Individuals with Disabilities Program.

Under the Section 5310 formula, funds are allocated using Census data on older adults (i.e., persons 65 and older) and people with disabilities. However, beginning in 2010, the Census Bureau stopped collecting this demographic information as part of its decennial census. Data on seniors and people with disabilities is now only available from

the American Community Survey (ACS), which is conducted and published on a rolling basis. FTA's FY 2018 Section 5310 apportionments incorporate ACS data published in December 2016. Data on seniors comes from the ACS 2011-2015 five-year data set, Table B01001, "Sex by Age." Data on persons with disabilities comes from the ACS 2011-2015 five-year data set, Table S.1810, "Disability Characteristics."

#### ***4. Requirements***

At least 55 percent of program funds must be used on traditional Section 5310 projects such as buses and vans; wheelchair lifts, ramps, and securement devices; or transit-related information technology systems including scheduling/routing/one-call systems. Mobility management programs are also defined as capital projects for purposes of this provision. The acquisition of transportation services under a contract, lease, or other arrangement is also eligible; both the capital and operating costs associated with contracted service are eligible capital expenses for purposes of this provision. The capital eligibility of acquisition of services is limited to the Section 5310 program. The remaining 45 percent of a recipient's 5310 funds may be used for capital expenses or operating assistance.

##### ***a. Eligible Recipients***

Eligible recipients include States for rural and small urban areas and designated recipients chosen by the Governor of the State for large urban areas; or a State or local governmental entity that operates a public transportation service. For urbanized areas less than 200,000 in population and in the rural areas, the State is the designated recipient for Section 5310. Current Section 5310 designations remain in effect until changed by the Governor of a State by officially notifying the appropriate FTA Regional

Administrator of re-designation. A State or local governmental entity that operates a public transportation service may be a direct recipient for Section 5310 funds.

For urbanized areas over 200,000 in population, the recipient charged with administering the Section 5310 Program must be officially designated in accordance with the planning process, by the Governor of a State, responsible local officials, and publicly owned operators of public transportation prior to grant award (See the definition of designated recipient, 49 U.S.C. 5302(4)). Designated recipients are responsible for administering the program. Eligible subrecipients include State or local governmental authorities, private nonprofit agencies, and operators of public transportation that receive a grant indirectly through a recipient. For the 55 percent of funds that must be used for capital projects, eligible subrecipients include private nonprofit organizations as well as State or local governmental authorities that are either approved by the State to coordinate services for seniors and people with disabilities, or which certify to the Governor that no nonprofit organizations are readily available in the area to provide the service.

*b. Local Match*

Capital assistance is provided at 80 percent Federal share; 20 percent local share. Operating assistance requires a 50 percent local match. Funds provided under other Federal programs (other than those of the DOT, except for the Federal Lands Transportation Program) may be used as local match for funds provided under Section 5310, and revenue from service contracts may be used as local match.

*c. Planning and Consultation*

The coordinated planning provision requires that all projects be included in the local coordinated human service-public transportation plan. The plan must be developed and

adopted with representation from seniors, individuals with disabilities, representatives of public, private, nonprofit transportation and human services providers, and other members of the public.

*d. State and Project Management Plans*

States, designated recipients, and State or local governmental entities that operate a public transportation service that are responsible for implementing the Section 5310 program are required to document their approach to managing the program. The Management Plans serve as the basis for FTA management reviews of the program, and provide public information on the administration of the programs.

*e. Program of Projects (POP)*

Designated recipients are required to develop a Program of Projects (POP) with the grant application and submit it to the FTA Regional Office. The POP should be developed with respect to the coordinated plan, long range plan, and the transportation improvement plan. For additional guidance in developing the required POP, see Chapter IV of the FTA Circular 9070.1G, *Enhanced Mobility of Seniors and Individuals with Disabilities Program Guidance and Application Instructions*, dated July 7, 2014.

***5. Period of Availability***

The Enhanced Mobility of Seniors and Individuals with Disabilities program funds apportioned in this notice are available for obligation during FY 2018 plus two additional fiscal years. Accordingly, funds apportioned in FY 2018 must be obligated in grants by September 30, 2020. Any FY 2018 apportioned funds that remain unobligated at the close of business on September 30, 2020, will revert to FTA for reapportionment among the States and urbanized areas.



## ***6. Other Program Information***

A State may transfer apportioned funds between small urbanized areas and rural areas if it can certify that the needs are being met in the area to which the funds were originally apportioned. The State can transfer the funds (rural and small urbanized area) to any area within the state if a statewide program for Section 5310 is established. Section 5310 funds may not be transferred to other FTA programs. However, Section 5310 funds apportioned to large urbanized areas may not be transferred to other areas. Section 5310 program recipients may partner with meal delivery programs such as the Older Americans Act (OAA)-funded meal programs (to find local programs, visit: [www.Eldercare.gov](http://www.Eldercare.gov)) and the USDA Summer Food Service Program <http://www.fns.usda.gov/sfsp/summer-food-service-program-sfsp>. Transit service providers receiving 5310 funds may coordinate and assist in providing meal delivery services on a regular basis if this does not conflict with the provision of transit services.

Program Guidance is found in FTA Circular 9070.1G, *Enhanced Mobility of Seniors and Individuals with Disabilities Program Guidance and Application Instructions*, dated July 7, 2014. Section 3006(b) of the FAST Act created a new competitive pilot program for innovative coordinated access and mobility that is discussed above. The Federal share is 80 percent for capital projects. Local Match of 20 percent can come from other Federal (non-DOT) funds.

### **F. Formula Grants for Rural Areas Program (49 U.S.C. 5311)**

The Formula Grants for Rural Areas program provides formula funding to States and Indian tribes for supporting public transportation in areas with a population of less than

50,000. Funding may be used for capital, operating, planning, job access and reverse commute projects, and State administration expenses. Eligible sub-recipients include State and local governmental authorities, Indian Tribes, private non-profit organizations, and private intercity bus companies. Indian Tribes are also eligible direct recipients under the Formula Grants for Rural Areas program, both for funds apportioned to the States and for projects apportioned or selected to be funded with funds set aside from the Tribal Transit Program.

*For more information about the Formula Grants for Rural Areas program, please contact Élan Flippin at (202) 366-3800 or [elan.flippin@dot.gov](mailto:elan.flippin@dot.gov).*

### ***1. Authorized Amounts***

Federal transit law authorizes \$577,721,886 in FY 2018 to provide financial assistance for rural areas under the Formula Grants for Rural Areas program, including funds for Section 5340 Growing States.

### ***2. FY 2018 Funding Availability***

In FY 2018 under the Consolidated Appropriations Act, 2018, \$577,721,886 is for the Rural Area Programs. The total amount apportioned to the program is \$659,737,385 as shown in the table below, after the additional appropriation of \$85,243,672 for the Section 5340 Growing States and oversight deduction (authorized by Section 5338).

<b>Grants for Rural Areas Formula Program</b>	
Total Appropriation available .....	\$577,721,886
Oversight Deduction.....	(3,228,173)
5340 Growing States.....	85,243,672
<b>Total Apportioned .....</b>	<b>\$659,737,385</b>

### ***3. Basis for Formula Apportionment***

FTA apportions the Formula Grants for Rural Areas program funds to states by a statutory formula using the latest available U.S. decennial census data. Most of the Formula Grants for Formula Grants for Rural Areas program funds (83.15 percent) are apportioned based on land area and population factors. In the first tier, no state may receive more than 5 percent of the amount apportioned based on land area. The remaining funds (16.85 percent) are apportioned based on land area, vehicle revenue miles, and low-income individual factors. In the second tier, no state may receive more than 5 percent of the amount apportioned based on land area, or more than 5 percent of the amounts apportioned for vehicle revenue miles. In addition to funds made available under Section 5311, FTA adds amounts apportioned based on rural population per the growing states formula factors of 49 U.S.C. 5340 to the amounts apportioned to the states under the Section 5311 formula. Before FTA apportions Section 5311 funds to the states, FTA subtracts funding from the total available amounts for the Appalachian Development Transportation Assistance Program, the Tribal Transit Program, the Rural Transportation Assistance Program (RTAP), and FTA oversight activities.

Data from the National Transit Database (NTD) 2016 Report Year was used for this apportionment, including data from directly-reporting Indian tribes. Data from public transportation systems that reported as urbanized area systems, but that was not attributable to an urbanized area, was also included. The Formula Grants for Rural Areas program includes three takedowns: the Appalachian Development Public Transportation Assistance Program; the Rural Transit Assistance Program (RTAP); and the Tribal Transit Program. These separate programs are described in the sections that follow.

#### ***4. Requirements***

The Formula Grants for Rural Areas program provides funding for capital, operating, planning, job access and reverse commute projects, and administration expenses for public transit service in rural areas under 50,000 in population. The planning activities undertaken with Formula Grants for Rural Areas program funds are in addition to those awarded to the State under Section 5305 and must be used specifically for the needs of rural areas.

##### ***a. Intercity Bus Transportation***

Each State must spend no less than 15 percent of its annual Formula Grants for Rural Areas program apportionment for the development and support of intercity bus transportation, unless it can certify, after consultation with affected intercity bus service providers, that the intercity bus service needs of the State are adequately met. FTA encourages consultation with other stakeholders, such as communities affected by loss of intercity service. The cost of an unsubsidized portion of privately provided intercity bus service that connects feeder service, including all operating and capital costs of such service whether offset by revenue from such service may be used as in-kind local match for the intercity bus projects. FTA is updating the Formula Grants for Rural Areas program circular to include this change.

##### ***b. State Administration***

States may elect to use up to 10 percent of their apportionment at 100 percent Federal share to administer the Formula Grants for Rural Areas program and provide technical assistance to subrecipients. Technical assistance includes project planning, program and management development, public transportation coordination activities, and research the

State considers appropriate to promote effective delivery of public transportation to rural areas.

*c. Other Requirements*

The Federal share for capital assistance is 80 percent and for operating assistance is 50 percent, except that States eligible for the sliding scale match under FHWA programs may use that match ratio for Formula Grants for Rural Areas program capital projects and 62.5 percent of the sliding scale capital match ratio for operating projects.

Each State prepares an annual program of projects, which must provide for fair and equitable distribution of funds within the States, including Indian reservations, and must provide for maximum feasible coordination with transportation services assisted by other Federal sources.

Additional program guidance for the Formula Grants for Rural Areas program is found in FTA Circular 9040.1G, *Formula Grants for Rural Areas: Program Guidance and Application Instructions*, dated November 24, 2014, and is supplemented by additional information that may be posted to FTA's web page.

***5. Period of Availability***

The Formula Grants for Rural Areas program funds apportioned in this notice are available for obligation during FY 2018 plus two additional fiscal years. Accordingly, funds apportioned in FY 2018 must be obligated in grants by September 30, 2020. Any FY 2018 apportioned funds that remain unobligated at the close of business on September 30, 2020, will revert to FTA for reapportionment under the Formula Grants for Rural Areas program.

## ***6. Other Program Information***

Revenue from the sale of advertising and concessions may be used as local match.

### **G. Rural Transportation Assistance Program (49 U.S.C. 5311(b)(3))**

This program provides funding to assist in the design and implementation of training and technical assistance projects, research, and other support services tailored to meet the needs of transit operators in rural areas.

*For more information about Rural Transportation Assistance Program (RTAP), please contact Élan Flippin at (202) 366-3800 or [elan.flippin@dot.gov](mailto:elan.flippin@dot.gov).*

#### ***1. Authorized Amounts***

There is a two percent takedown from the funds made available for RTAP. Of the two percent takedown, 15 percent is reserved for the National RTAP program. The remainder is available for allocation to the States.

Federal Transit Law authorizes \$12,912,692 in FY 2018 to provide technical assistance.

#### ***2. FY 2018 Funding Availability***

Under the Consolidated Appropriations Act, 2018 \$12,912,692 is available for the RTAP Program. The total amount apportioned for RTAP is \$10,975,788 as shown in the table below, after the deduction for National RTAP.

<b>Rural Transit Assistance Program (RTAP)</b>	
Total Appropriation available .....	\$12,912,692
National RTAP.....	(1,936,904)
Total Apportioned .....	\$10,975,788

### ***3. Basis for Formula Apportionment***

FTA allocates RTAP funds to the States by an administrative formula. First, FTA allocates \$65,000 to each State (\$10,000 to each territory), and then allocates the balance based on rural population in the 2010 census.

### ***4. Requirements***

Eligible RTAP expenses include the design and implementation of training and technical assistance projects, research, and other support services tailored to meet the needs of transit operators in rural areas. States may use the funds to undertake research, training, technical assistance, and other support services to meet the needs of transit operators in rural areas. These funds are to be used in conjunction with a State's administration of the Formula Grants for Rural Areas program, but also may support the rural components of the Section 5310 program.

### ***5. Period of Availability***

The RTAP funds apportioned in this notice are available for obligation during FY 2018 plus two additional fiscal years. Accordingly, funds apportioned in FY 2018 must be obligated in grants by September 30, 2020.

### ***6. Other Program Information***

The National RTAP project is administered by cooperative agreement and re-competed at five-year intervals. In July of 2014, FTA awarded a cooperative agreement to the Neponset Valley Transportation Management Association to administer the National RTAP Program. The National RTAP projects are guided by a project review board that consists of managers of rural transit systems and State DOT RTAP programs. National RTAP resources also support the biennial Transportation Research Board

National Conference on Rural Public and Intercity Bus Transportation and other research and technical assistance projects of a national scope.

**H. Appalachian Development Public Transportation Assistance Program (49 U.S.C. 5311(c)(2))**

This program is a take-down under the Formula Grants for Rural Areas program to provide additional funding to support public transportation in the Appalachian region. There are sixteen eligible States that receive an allocation under this provision. The State allocations are shown in the Formula Grants for Rural Areas program table posted on FTA's website on the FY 2018 Apportionments page.

*For more information about the Appalachian Development Public Transportation Assistance Program, please contact Élan Flippin at (202) 366-3800 or [elan.flippin@dot.gov](mailto:elan.flippin@dot.gov).*

***1. Authorized Amounts***

Federal transit law authorizes \$20 million in each of FY 2016 through FY 2020 as a take-down under the Formula Grants for Rural Areas program to support public transportation in the Appalachian region.

***2. FY 2018 Funding Availability***

Under the Consolidated Appropriations Act, 2018, \$20 million is available.

<b>Appalachian Development Public Transportation Assistance Program</b>	
Total Appropriation available .....	\$20,000,000
Total Apportioned .....	\$20,000,000



### ***3. Basis for Formula Apportionment***

FTA apportions the funds using percentages established under Section 9.5(b) of the Appalachian Regional Commission Code (subtitle IV of title 40). Allocations are based in general on each State's remaining estimated need to complete eligible sections of the Appalachian Development Highway System as determined from the latest percentages of available cost estimates for completion of the System. Such cost estimates are produced at approximate five-year intervals. Allocations contain upper and lower limits in amounts determined by the Commission and are made in accordance with legislative instructions.

### ***4. Requirements***

Funds apportioned under this program may be used for purposes consistent with the Formula Grants for Rural Areas program to support public transportation in the Appalachian region. Funds can be applied for in the State's annual Formula Grants for Rural Areas program grant.

Appalachian program funds that cannot be used for operating may be used for a highway project under certain circumstances. States should contact their regional office if they intend to request a transfer. Additional information about the requirements for this section can be found in Chapter VII of FTA Circular 9040.1G, *Formula Grants for Rural Areas: Program Guidance and Application Instructions*, dated November 24, 2014.

### ***5. Period of Availability***

The Appalachian program funds apportioned in this notice are available for obligation during FY 2018 plus two additional fiscal years, consistent with that established for the Formula Grants for Rural Areas program.

**I. Formula Grants for Public Transportation on Indian Reservations Program (49 U.S.C. 5311(j))**

The Public Transportation on Indian Reservations Program, or Tribal Transit Program (TTP), totals \$35 million, of which \$30 million is for a formula program and \$5 million is for a competitive grant program. It is funded as a takedown from funds made available for the Formula Grants for Rural Areas program. Formula factors include vehicle revenue miles and the number of low-income individuals residing on tribal lands (defined as American Indian Areas, Alaska Native Areas, and Hawaiian Home Lands). Eligible direct recipients are Federally recognized Indian tribes and Alaskan Native Villages providing public transportation in rural areas. The TTP funds are allocated for grants to eligible recipients for any purpose eligible under Formula Grants for Rural Areas program, which includes capital, operating, planning, and job access and reverse commute projects.

*For more information about the Tribal Transit Program contact Douglas Moore, Office of Transit Programs at (202) 366-0876 or douglas.moore@dot.gov.*

***1. Authorized Amounts***

Federal transit law authorizes \$35 million in FY 2018 (\$30 million for formula and \$5 million for the competitive program) to provide assistance to the tribes. Under the Consolidated Appropriations Act, 2018, \$30 million is available through September 30, 2018 for the formula program and \$5 million for the competitive program.

## ***2. FY 2018 Funding Availability***

In FY 2018, \$30 million is for the formula program as shown below.

<b>Formula Grants for Public Transportation on Indian Reservations Program</b>	
Total Appropriation available .....	\$30,000,000
Total Apportioned .....	\$30,000,000

<b>Public Transportation on Indian Reservations Program Competitive Grants</b>	
Total Appropriation available .....	\$5,000,000
Total Apportioned .....	\$5,000,000

## ***3. Basis for Formula Apportionment***

Funding is allocated by formula and distributed to eligible Indian tribes providing public transportation on tribal lands. The formula apportionment shown in Table 10 is based on a statutory formula which includes three tiers. Tiers 1 and 2 are based on data reported to NTD by Indian tribes; Tier 3 is based on 2010–2014 American Community Survey data. The three tiers for the formula are: Tier 1—50 percent based on vehicle revenue miles reported to the NTD; Tier 2—25 percent provided in equal shares to Indian tribes reporting at least 200,000 vehicle revenue miles to the NTD; Tier 3—25 percent based on Indian tribes providing public transportation on tribal lands (American Indian Areas, Alaska Native Areas, and Hawaiian Home Lands) on which more than 1,000 low income individuals reside. If more than one eligible tribe provides public transportation services on tribal lands in a single Tribal Statistical Area, and the tribes cannot determine

how to allocate Tier 3 funds, FTA will allocate the funds based on the relative portion of transit (as defined by unlinked passenger trips) operated by each tribe, as reported to the National Transit Database.

#### ***4. Requirements***

Formula funds apportioned under this program can be used for purposes consistent with the Formula Grants for Rural Areas program to support public transportation on Indian Reservations in rural areas. Funds allocated under the competitive program must be used consistent with the tribe's proposal and the allocation notice published in the Federal Register, which is used to announce the selected projects. Eligible recipients under both the competitive and formula program include federally-recognized Indian tribes or Alaska native villages, groups, or communities as identified by the U.S. Department of the Interior Bureau of Indian Affairs (BIA). A tribe must have the legal, financial and technical capabilities to receive and administer Federal funds.

Section 5335 requires NTD reporting for all recipients of Section 5311 funds. This reporting requirement continues to apply to the Tribal Transit Program. Tribes that provide public transportation in rural areas are reminded to report annually so they are included in the TTP formula apportionments. To be considered in the FY 2018 formula apportionments, tribes should have submitted their reports to the NTD no later than April 30, 2016; voluntary reporting to the NTD is also encouraged. Additionally, to be considered for the FY 2019 formula apportionment funds, tribes need to submit their reports to the NTD no later than April 30, 2017. Tribes needing assistance with reporting to the NTD should contact the NTD Helpline at 1-888-252-0936 or [NTDHelp@dot.gov](mailto:NTDHelp@dot.gov).

#### ***5. Period of Availability***

The TTP program funds apportioned in this notice are available for obligation during FY 2018 plus two additional fiscal years. Accordingly, funds apportioned in FY 2018 must be obligated in grants by September 30, 2020. Any FY 2018 apportioned funds that remain unobligated at the close of business on September 30, 2020, will revert to FTA for reappropriation under the TTP program.

#### ***6. Other Program Information***

Section 207 of title 23, United States Code establishes a Tribal Transportation Self-Governance Program (Self Governance Program). The Self Governance Program will establish specific criteria for determining eligibility for a tribe to participate in the program. A Negotiated Rulemaking to implement this program in consultation with tribal representatives and other interested stakeholders is under development.

The funds set aside for the TTP are not meant to replace or reduce funds that Indian tribes receive from States through the Formula Grants for Rural Areas program but are to be used to enhance public transportation on Indian reservations and transit serving tribal communities. Funds allocated to Indian tribes by the States may be included in the State's Formula Grants for Rural Areas program application or maybe awarded by FTA in a grant directly to the Indian tribe. FTA encourages Indian tribes intending to apply to FTA as direct recipients to contact the appropriate FTA Regional Office at the earliest opportunity.

All TTP grantees must comply with all applicable Federal statutes, regulations, executive orders, FTA circulars, and other Federal requirements in carrying out the project supported by the FTA grant. To assist tribes with understanding these requirements, FTA regularly conducts Tribal Transit Technical Assistance Workshops.

FTA has also expanded its technical assistance to tribes receiving funds under this program. In FY 2015, FTA implemented the Tribal Transit Technical Assistance Assessments initiative. Through these assessments, FTA collaborates with tribal transit leaders to review processes and identify areas in need of improvement and then assist with solutions to address these needs – all in a supportive and mutually beneficial manner. These assessments include discussions of compliance areas pursuant to the Master Agreement, a site visit, promising practices reviews, and technical assistance from FTA and its contractors. FTA will post information about upcoming workshops to its website and will disseminate information about the reviews through its Regional offices. FTA has regional tribal transit liaisons in each of the FTA Regional Offices that are available to assist tribes with applying for and managing FTA grants. Tribes are encouraged to work directly with their regional tribal transit liaison.

#### **J. Public Transportation Innovation (49 U.S.C. 5312)**

Public Transportation Innovation is FTA's research program with the overarching statutory goal to improve public transportation. The law specifies research focus areas, including providing more effective and efficient public transportation service; mobility management; system capacity; advanced vehicle design; asset maintenance; construction and project management; environment and energy efficiency; and safety improvements. FTA may make grants, enter contracts, cooperative agreements, and other agreements to carry out the research, development, demonstration, and deployment projects, including research and technology of national significance to public transportation.

Within this section are three distinct programs: (a) a Research, Development, Demonstration, Deployment, & Evaluation program (49 U.S.C. 5312(b-e)); (b) a Low or

No Emission Vehicle Component Assessment Program (LoNo-CAP) (49 U.S.C. 5312(h)); and (c) a Transit Cooperative Research Program (49 U.S.C. 5312(i)). Eligible recipients can be departments, agencies, and governmental agencies, including Federal Laboratories; state and local entities; providers of public transportation; private or non-profit organizations; institutions of higher education; and technical community colleges – each program area has specific requirements relating to the type of organization that may receive a grant or enter an agreement.

The types of research eligible for funding are broad, and include opportunities to enhance public transportation operational effectiveness and efficiency; improve services; leverage new types of vehicle technologies; utilize transformative technologies to improve public transportation; field new mobility models; and support increased safety.

*For more information about the Public Transportation Innovation program, contact Edwin Rodriguez, Office of Research, Demonstration and Innovation at (202) 366-0671 or [edwin.rodriguez@dot.gov](mailto:edwin.rodriguez@dot.gov).*

*For more information on the LoNo-CAP program, please contact Sam Yimer at (202) 366-1321 or [samuel.yimer@dot.gov](mailto:samuel.yimer@dot.gov) or visit: <https://www.transit.dot.gov/research-innovation/lonocap>.*

### ***1. Authorized Amounts***

Federal transit law authorizes \$28 million in contract authority for FY 2018 for the Public Transportation Innovation program and an \$20 million subject to congressional additional appropriations.

### ***2. FY 2018 Funding Availability***

In FY 2018 under the Consolidated Appropriations Act, 2018, \$28,000,000 is for the Public Transportation Innovation program. The total amounts apportioned to each subcomponent of the program is shown below in the table.

<b>Public Transportation Innovation Program</b>	
Research, Development, Demonstration, Deployment, & Evaluation.....	\$20,000,000
Low or No Emission Vehicle Component Testing.....	3,000,000
Transit Cooperative Research Program (TCRP).....	5,000,000
<b>Total Apportioned.....</b>	<b>\$28,000,000</b>

### ***3. Basis for Allocation***

Public Transportation Innovation funds are allocated according to the authorized purposes and amounts described above, and then remaining amounts are subject to competitive allocations where not specifically authorized. The Secretary may make grants and enter contracts, cooperative agreements, and other agreements for research, development, demonstration, and deployment projects, and evaluation of research and technology of national significance to public transportation, that the Secretary determines will improve public transportation. For FY 2018, FTA intends to fund projects and activities consistent with its research priorities of mobility innovation, infrastructure, and safety. Projects may be selected through Notices of Funding Opportunity (NOFO), or Requests for Proposals (RFPs), or sole-sourced. FTA awards to a diverse set of recipients and issues different types of research agreements, including grants, cooperative agreements, contracts, or interagency agreements. Potential recipients can register to receive notification of funding availability under this program on Grants.gov.



FTA awards an annual cooperative agreement to the National Academies of Science to administer the TCRP. FTA solicited proposals for the LoNo-CAP in Fall 2016.

Awards were made to Auburn University and The Ohio State University in September 2017 for \$1.5 million each. Both facilities expect to begin testing in the late December 2018/January 2019 timeframe.

Per the statute, FTA only considered proposals from “institutions of higher education” as defined in section 1002 of title 20, U.S.C., the Higher Education Act of 1965. Eligible institution(s) of higher education must have capacity to carry out transportation-related advanced component testing and evaluation, with laboratories capable of testing and evaluation, and direct access to or a partnership with a testing facility capable of emulating real-world circumstances to test low or no emission components.

LoNo-CAP differs from the Bus Testing Program (Section 5318) in that LoNo-CAP testing is voluntary with a 50/50 shared fee structure (FTA pays 50 percent of the testing fees, the entity requesting the testing pays 50 percent of the fees). Additionally, LoNo-CAP will only test components, and it will not assign passing or failing scores. The LONO component testing performed under LoNo-CAP complements the Section 5318 Bus Testing Program, under which FTA will continue to test complete buses as a condition of eligibility for FTA grant funding. Eligible activities under LoNo-CAP include testing and assessing voluntarily submitted LoNo components for transit buses, publishing the results of these LoNo component assessments, and preparing an annual report to Congress summarizing the results of the component assessments. For more

information on the LoNo-CAP program, visit <https://www.transit.dot.gov/research-innovation/lonocap>.

### ***Requirements***

Eligible expenses include activities involving (a) research, innovation, development, demonstration, deployment, evaluation; (b) low or no emission vehicle component testing; and (c) transit cooperative research.

The Federal share of the cost of a project carried out under FTA's Research, Innovation, Development, Deployment, and Demonstration program shall not exceed 80 percent; the remaining 20 percent of the costs can be met with in-kind resources. In some cases, FTA may require a higher non-Federal share if FTA determines a recipient would obtain a clear and direct financial benefit from the project, or if the non-Federal share is an evaluation factor under a competitive selection process.

However, for the LoNo-CAP, the Government share is 50 percent; the remaining 50 percent of the costs will be paid by amounts recovered through the fees established by the testing facilities. There is no match requirement for the TCRP.

Application instructions and program management guidelines are set forth in FTA Circular C 6100.1E, Technology Development and Deployment, "Research, Technical Assistance and Training Program: Application Instructions and Program Management Guidelines" dated May 11, 2015.

All research recipients are required to work with FTA to develop approved Statements of Work. FTA will be updating the Circular for the Research Program.

#### ***4. Period of Availability***

FTA establishes the period in which the funds must be obligated to each project. If the funds are not obligated within that period of time, they revert to FTA for reallocation under the program.

#### ***5. Other Program Information***

FTA publishes an annual Research Report on projects, evaluations, and benefits of its research portfolio. The FY2017 report can be accessed on FTA's website at <https://www.transit.dot.gov/research-innovation/fta-reports-and-publications>. Section 6019(b) of the FAST Act establishes new requirements for annual modal research plans in 49 U.S.C. 6501.

For the new LoNo-CAP (5312(h)), FTA solicited proposals in Fall 2016, finalized selections, and made two awards in 2017. LoNo-CAP differs from the Bus Testing Program (Section 5318) in that LoNo-CAP testing is voluntary; it will only test components, and it will not assign passing or failing scores. The LoNo component testing performed under LoNo-CAP complements the Section 5318 Bus Testing Program, under which FTA will continue to test complete buses as a condition of eligibility for FTA grant funding. Eligible activities under LoNo-CAP include testing and assessing voluntarily submitted Lo-No components for transit buses, publishing the results of these LoNo component assessments, and preparing an annual report to Congress summarizing the results of the component assessments.

TCRP is a cooperative effort of three organizations: FTA; the National Academies, acting through the Transportation Research Board (TRB); and the Transit Development Corporation, Inc. (TDC), a nonprofit educational and research organization established

by the American Public Transportation Association (APTA). FTA funds the TCRP through a cooperative agreement. The TCRP is governed by an independent board, the TCRP Oversight and Project Selection (TOPS) Committee. The TOPS Committee sets priorities to decide what research studies will be undertaken and annually selects projects. The FY 2018 selected projects can be found at [http://onlinepubs.trb.org/onlinepubs/tcrp/docs/TCRP\\_AnnounceFY2018.pdf](http://onlinepubs.trb.org/onlinepubs/tcrp/docs/TCRP_AnnounceFY2018.pdf).

*For more information about TCRP, please contact Faith Hall at (202) 366-9055 or [faith.hall@dot.gov](mailto:faith.hall@dot.gov).*

Pursuant to the Small Business Innovation Development Act, a portion of the 5312 funds must be set aside for the Department's Small Business Innovation Research Program (SBIR) to address high priority research that will demonstrate innovative, economic, accurate, and durable technologies, devices, applications, or solutions to significantly improve current transit-related service, including transit vehicle operation, safety, infrastructure and environmental sustainability, mobility, rider experience, or broadband communication. Information on current and past SBIR projects can be found on the DOT SBIR Website: <https://www.volpe.dot.gov/work-with-us/small-business-innovation-research>

#### **K. Technical Assistance and Workforce Development (49 U.S.C. 5314)**

The Technical Assistance and Workforce Development program, 49 U.S.C. 5314, has three types of programs: technical assistance and standards development; human resources and training; and the National Transit Institute. FTA funds projects across these areas to achieve statutory goals to assist the public transportation industry to more effectively and efficiently provide public transportation service; development standards

and best practices; provide specific technical assistance in several areas, including complying with the Americans with Disabilities Act and human services transportation coordination as well as meeting the transportation needs of older adults. Key focus areas for human resources and training are employment training; outreach to aid in recruiting public transportation workers, especially to increase employment for certain targeted groups; frontline workforce development; and advanced training for new and emerging technology areas such as low and no emission bus maintenance. The National Transit Institute's goal is to develop and conduct training and educational programs for Federal, State, and local transportation employees and others engaged in public transportation work.

*For more information or questions about the Technical Assistance and Workforce Development programs, please contact Edwin Rodriguez, Office of Research, Demonstration, and Innovation at (202) 366-0671 or edwin.rodriguez@dot.gov.*

### **1. Authorized Amounts**

Federal Transit law authorizes \$9 million in contract authority for the Technical Assistance and Workforce Development Program and an additional \$5 million subject to congressional appropriations.

### **2. FY 2018 Funding Availability**

In FY 2018 under the Consolidated Appropriations Act, 2018, \$14 million is for the Technical Assistance and Workforce Development program as shown in the table below.

<b>Technical Assistance and Workforce Development</b>	
Total Appropriation available .....	\$14,000,000
Total Appropriated....	\$14,000,000

### ***3. Basis for Allocation***

Under the Technical Assistance and Workforce Development Program, funds are available for the NTI and to support the FTA and USDOT strategic plan for technical assistance, standards development, and workforce development. Projects may be selected through sole source, Notices of Funding Opportunity (NOFO) or Requests for Proposals (RFPs). Potential recipients can register to receive notification of funding availability under this program on Grants.gov. Once selected, FTA enters cooperative agreements, grants, contracts, or other agreements to award funds and manage the projects carried out under this section.

### ***4. Requirements***

Eligible expenses include activities involving: (a) technical assistance; (b) standards development; and (c) human resources and training, including workforce development programs and activities. Eligible technical assistance activities may include activities to support: (a) compliance with the ADA; (b) compliance with coordinating planning and human services transportation; (c) meeting the transportation needs of elderly individuals; (d) increasing transit ridership in coordination with MPOs and other entities, particularly around transit-oriented development; (e) addressing transportation equity with regard to the effect that transportation planning, investment, and operations have for low-income and minority individuals; (f) facilitating best practices to promote bus driver safety; (g): compliance with Buy America requirements and pre- and post-award audits; (h) assisting with the development and deployment of low and no emission vehicles or components for vehicles; (i) and other technical assistance activities that are necessary to advance the interests of public transportation.

Eligible standards development activities include the development of voluntary and consensus-based standards and best practices by the industry including those needed for safety, fare collection, intelligent transportation systems, accessibility, procurement, security, asset management, operations, maintenance, vehicle propulsion, communications, and vehicle electronics.

Eligible human resources and training activities include (a) employment training programs; (b) outreach programs to increase employment for veterans, females, individuals with disabilities, and minorities in public transportation; (c) research on public transportation personnel and training needs; (d) training and assistance for veteran and minority business opportunities; and (e) consensus-based national training standards and certifications in partnership with industry stakeholders. FTA funding directly allocated for these eligible purposes must be done through a competitive frontline workforce development program as required by Section 5314. Should FTA allocate funds for these purposes, it will advertise the available funding in a Notice of Funding Opportunity (NOFO) on Grants.gov and on its website. In the meantime, recipients of funds under Sections 5307, 5337, and 5339 may use 0.5 percent of their available funds to pay for workforce development activities (up to an 80 percent Federal share). There is a separate eligibility to use 0.5 percent of available funds under the sections above for training at the National Transit Institute.

The Government's share of the cost of a project carried out using a grant under this section shall not exceed 80 percent. However, for the human resources and training, including the Innovative Public Transportation Frontline Workforce Development Program, the Government's share cannot exceed 50 percent. The Federal share for other

types of awards will be stated in the agreement. In some cases, FTA may require a higher non-Federal share if FTA determines a recipient would obtain a clear and direct financial benefit from the project, or if the non-Federal share is an evaluation factor under a competitive selection process.

The non-Government share of the cost of a project carried out under these sections (Technical Assistance and Standards and Technical Assistance and Training) may be derived from in-kind contributions as defined in the most current version of FTA Circular 5010, “Award Management Guidelines” found on FTA's Circular Web page at <http://www.fta.dot.gov/circulars>. Application instructions and program management guidelines are set forth in FTA Circular 6100.1E, “Research, Technical Assistance and Training Programs: Application Instructions and Program Management Guidelines” dated May 11, 2015.

All recipients of Section 5314 funds are required to work with FTA to develop approved statements of work. There is no match requirement for the National Transit Institute.

#### ***5. Period of Availability***

FTA establishes the period in which the funds must be obligated to each project. If the funds are not obligated within that time, they revert to FTA for reallocation under the program. However, the \$5 million of general funds for technical assistance and training funds appropriated by congress in the consolidated appropriations Act, 2018 must be obligated by September 30, 2018 or no longer available and returned to the U.S. Treasury.

#### ***6. Other Program Information***



FTA publishes an annual report to Congress on the technical assistance and standards activities that receive assistance under this section. Additionally, FTA must report annually on the Frontline Workforce Development Program. FTA reports can be found on FTA's web page at [www.transit.dot.gov](http://www.transit.dot.gov).

**L. Public Transportation Emergency Relief Program (49 U.S.C. 5324)**

FTA's Emergency Relief (ER) Program is authorized to provide funding for public transportation expenses incurred because of an emergency or major disaster. The Further Additional Supplemental Appropriations for Disaster Relief Requirements Act, 2018 (Division B, Subdivision 1 of Pub. L. 115-123) provides \$330 million for this program for transit systems affected by Hurricanes Harvey, Irma, and Maria in 2017. FTA will provide more information about the allocation of these funds under a separate Federal Register notice.

Funds appropriated for this program are used to assist in responding to a publicly declared emergency or disaster. Eligible expenses include emergency operating expenses, such as evacuations, rescue operations, and expenses incurred to protect assets in advance of a disaster, as well as capital projects to protect, repair, reconstruct, or replace equipment and facilities of a public transportation system that the Secretary determines is in danger of suffering serious damage or has suffered serious damage because of an emergency. Additionally, transit agencies in the affected areas may request relief from certain FTA administrative and regulatory requirements for costs incurred in support of evacuations, rescue efforts, and the efficient shut down and resumption of transit services during and after the storm. Requests for relief from these requirements

may be submitted to FTA's Emergency Relief Docket at <https://www.regulations.gov/>. The docket number for calendar year 2018 is FTA-2018-0001.

FTA also encourages transit agencies in affected areas to become familiar with FTA's Emergency Relief Program Manual, available at [transit.dot.gov/emergencyrelief](http://transit.dot.gov/emergencyrelief). When funding is made available by Congress through FTA's Emergency Relief Program, or at FEMA's direction, FTA will work with agencies to assess the impacts of the storm, including emergency operations and any potential damages to transit rolling stock or facilities.

Recipients of FTA funding affected by a declared emergency or disaster are also authorized to use funds apportioned under Sections 5307 and 5311 for emergency purposes under the provisions of FTA's Emergency Relief Program. Recipients are advised that formula funds disbursed to a grantee for emergency purposes will not be replaced or restored if funding is subsequently made available through FTA under the ER Program or by the Federal Emergency Management Agency (FEMA).

In the event of a disaster affecting a public transportation system, the affected recipient should contact its FTA Regional Office as soon as practicable to determine whether Emergency Relief Program funds are available, and to notify FTA that it plans to seek reimbursement for emergency operations and/or repairs that have already taken place or are in process. If Emergency Relief funds are unavailable, the recipient may seek reimbursement from FEMA. Properly documented costs for which the grantee has not received reimbursement from FEMA may later be reimbursed by grants made either from Emergency Relief Program funding (if appropriated) or from Sections 5307 and

5311 program funding, once the eligible recipient formally applies to FTA for reimbursement and FTA determines that the expenses are eligible for emergency relief.

More information on the Emergency Relief Program and FTA's response to Hurricane Sandy is available on the FTA website at <https://www.transit.dot.gov/funding/grant-programs/emergency-relief-program/emergency-relief-program>. *For more information or questions on this program, please contact John Bodnar at (202) 366-9091 or john.bodnar@dot.gov.*

#### **M. State Safety Oversight Formula Program (49 U.S.C. 5329)**

The State Safety Oversight Formula Program provides funding to support States with rail fixed guideway public transportation systems (rail transit systems) to develop and carry out State Safety Oversight (SSO) Programs consistent with the requirements of 49 U.S.C. 5329. Federal transit law requires States with rail transit systems operating within their jurisdictions to establish a State Safety Oversight (SSO) program that must be certified by the Federal Transit Administration (FTA) by April 15, 2019. The FTA is prohibited by law from awarding any funds to any transit agency within a State that fails to obtain certification by the deadline. The FTA recommends that States submit their complete SSO program certification applications no later than September 30, 2018. For more information on the certification requirements, please visit the FTA Web: [www.transit.dot.gov/regulations-and-guidance/safety/transit-safety-oversight-tso](http://www.transit.dot.gov/regulations-and-guidance/safety/transit-safety-oversight-tso).

*For more information or questions on the Public Transportation Safety program, please contact Maria Wright at (202) 366-5922 or maria.l.wright@dot.gov.*

#### ***1. Authorized Amounts***

Federal transit law authorizes \$23,634,536 in FY 2018 to provide funding to support States in developing and carrying out the SSO Program.

### ***2. FY 2018 Funding Availability***

In FY 2018 under the Consolidated Appropriations Act, 2018, \$23,634,536 is available for the State Safety Oversight (SSO) Formula program as shown in the table below.

<b>State Safety Oversight Formula Program</b>	
Total Appropriation available .....	\$23,634,536
Total Appropriated.....	\$23,634,536

### ***3. Basis for Formula Apportionment***

FTA will continue to allocate funds to the States by an administrative formula, which is detailed in the **Federal Register** notice apportioning SSO Formula Grant Program FY 2013 and FY 2014 funds (Mar. 10, 2014). Grant funds for the SSO program are apportioned to eligible States using a three-tier formula based on statutory requirements, which apportion sixty percent (60 percent) of available funds based on rail transit system passenger miles (PMT), vehicle revenue miles (VRM), and directional route miles (DRM), twenty percent (20 percent) of available funds equally to each eligible State, and twenty percent (20 percent) based on the number of rail transit systems in each state.

### ***4. Requirements***

FTA requires each applicant to demonstrate in its grant application that its proposed grant activities will develop, lead to, or carry out a State Safety Oversight program that meets the requirements under 49 U.S.C. 5329(e). Grant funds may be used for program operational and administrative expenses, including employee training activities. Please

see the Federal Register notice which apportioned SSO Formula Grant Program FY 2013 and FY 2014 funds (79 FR 13380, Mar. 10, 2014) for more information.

#### ***5. Period of Availability***

SSO Formula Grant Program funds are available for the year of apportionment plus two additional years. Any FY 2018 funds that remain unobligated at the close of business on September 30, 2020 will revert to FTA for reapportionment under the SSO Formula Grant Program.

#### ***6. Other Program Information***

Section 5329 authorizes FTA to temporarily assume oversight of a rail transit safety system, under certain circumstances. FTA also has the authority to issue restrictions and prohibitions to address unsafe conditions or practices. On August 11, 2016, FTA published a final rule to set procedures for FTA's administration of the Public Transportation Safety Program. The final rule provides procedures whereby FTA may: (1) require a recipient to use Chapter 53 funds to correct safety violations identified by the Administrator or a State Safety Oversight Agency before such funds are used for any other purpose, or (2) withhold up to 25 percent of funds apportioned under 49 U.S.C. 5307 from a recipient when the Administrator has evidence that the recipient has engaged in a pattern or practice of serious safety violations, or has otherwise refused to comply with the Public Transportation Safety Program, or any regulation or directive issued under those laws for which the Administrator exercises enforcement authority for safety.

## **N. State of Good Repair Program (49 U.S.C. 5337)**

The State of Good Repair Program provides financial assistance to designated recipients in Urbanized Areas (UZAs) with fixed guideway and high intensity motorbus systems for capital investments that maintain, rehabilitate, and replace aging transit assets and bring fixed guideway and high intensity motorbus systems into a state of good repair. FTA apportions funds for this program through a statutory formula using data reported to the National Transit Database (NTD).

*For more information or questions on the State of Good Repair program, please contact Eric Hu at (202) 366-0870 or [eric.hu@dot.gov](mailto:eric.hu@dot.gov).*

### **1. Authorized Amounts**

Federal transit law authorizes \$2,593,703,558 in FY 2018 for the State of Good Repair Program.

### **2. FY 2018 Funding Availability**

In FY 2018 under the Consolidated Appropriations Act, 2018, \$2,993,703,558 is for the State of Good Repair Program. This amount includes additional funds appropriated in the amount of \$400 million. The total amount apportioned is \$2,963,766,522 after the deduction for oversight as shown in the table below.

<b>State of Good Repair Program</b>	
Total Appropriation available .....	\$2,993,703,558
Oversight Deduction.....	(29,937,036)
Total Apportioned .....	\$2,963,766,522

### **3. Basis for Formula Apportionment**

FTA apportions State of Good Repair Program funds per a statutory formula. Funds are apportioned to urbanized areas with fixed guideway or high intensity motorbus

systems that have been in operation for at least seven years. This means that only segments of fixed guideway and high intensity motorbus systems that entered revenue service on or before September 30, 2010 are included in the formula, as identified in the NTD. Funds apportioned to urbanized areas with fixed guideway are determined by two equal elements: (1) a fixed proportion, based on the proportion an urbanized area would have received in FY 2011 to the total amount apportioned to all urbanized areas in the FY 2011 Fixed Guideway Modernization program using the fixed guideway definition defined in prior law; and (2) a variable proportion, based on the proportion of vehicle revenue miles and directional route miles attributed to an urbanized area relative to all urbanized areas, with revenue miles weighted for 60 percent of this element and directional miles weighted for 40 percent of this element. Funds apportioned to urbanized areas with motorbus systems are 60 percent based on revenue miles and 40 percent based on route miles that attributed to an urbanized area relative to all urbanized areas. The fixed guideway tier is apportioned 97.15 percent of the total appropriation, and the remaining 2.85 percent is apportioned to the high-intensity motorbus tier.

#### ***4. Requirements***

In addition to the program guidance found in the FTA Circular 5300.1, “State of Good Repair Grants Program: Guidance and application Instructions,” all recipients must comply with the regulation at 49 CFR part 625, issued under the authority of Section 5326 for the Transit Asset Management plan (TAM).

#### ***5. Period of Availability***

The State of Good Repair Program funds apportioned in this notice are available for obligation during FY 2018 plus three additional years. Accordingly, funds apportioned in

FY 2018 must be obligated in grants by September 30, 2021. Any FY 2018 apportioned funds that remain unobligated at the close of business on September 30, 2021 will revert to FTA for reappointment under the State of Good Repair Program.

#### ***6. Other Program Information***

In July 2016, FTA published a Final Rule (49 CFR part 625) for Transit Asset Management (81 FR 48890, July 26, 2016). Grantees must have a TAM plan in place by October 1, 2018. Beginning in FY 2019 all projects funded under the State of Good Repair Program must appear in the investment prioritization of the grantee's TAM plan.

#### **O. Grants for Buses and Bus Facilities Program (49 U.S.C. 5339)**

The Grants for Buses and Bus Facilities Program provides financial assistance to states, local governmental entities that operate fixed route bus service, and designated recipients for capital investments in public transportation systems to replace, rehabilitate, lease, and purchase buses and related equipment and to construct bus-related facilities, including technological changes or innovations to modify low or no emission vehicles or facilities. Funding is provided through Section 5339(a) formula allocations and Section 5339(b) competitive grants. A sub-program, the Section 5339(c) Low- or No-Emission Vehicle Program, provides competitive grants for bus and bus facility projects that support low and zero-emission vehicles.

*For more information or questions on the Grants for Buses and Bus Facilities Formula Program, please contact John Bodnar at (202) 366-9091 or john.bodnar@dot.gov. For information or questions regarding the competitive Buses and Bus Facilities Infrastructure Investment Program please contact Mark G. Bathrick at (202) 366-9955 or mark.bathrick@dot.gov. For information or questions regarding the*



*competitive Low or No Emissions Grant Program, contact Tara Clark at (202) 366-2623 or tara.clark@dot.gov.*

### ***1. Authorized Amounts***

Federal transit law authorizes, \$445,519,476 for the formula program, \$246,514,000 for the Bus competitive program, and \$55,000,000 for the Low or No Emissions program in FY 2018 to provide financial assistance for the Grants for Buses and Bus Facilities Program.

### ***2. Funding Availability***

In FY 2018 under the Consolidated Appropriations Act, 2018, \$654,623,476 is available for the Grants for Buses and Bus Facilities Formula Program, \$84,450,000 for the Low or No Emission Grants (competitive) Program, and \$407,960,000 for the Grants for Buses and Bus Facilities (competitive) Program. These amounts represent additional funds appropriated in the amount of \$209,104,000; \$29,450,000; and 161,446,000, respectively. The amounts apportioned after the 0.75 percent take-down for oversight are shown in the table below.

<b>Grants for Buses and Bus Facilities (Formula)</b>	
Total Appropriation (Formula) available .....	\$654,623,476
Oversight Deduction.....	(4,909,676)
Total Apportioned (Formula).....	\$649,713,800
<b>Grants for Buses and Bus Facilities (Low or No Emission (Competitive))</b>	
Total Appropriation (Low or No Emission) available .....	\$84,450,000
Total to be Allocated (Low or No Emission)..	\$84,450,000
<b>Grants for Buses and Bus Facilities (Bus Competitive)</b>	

Total Appropriation (Bus Competitive) available .....	492,410,000
Oversight Deduction.....	(3,693,075)
Low or No Emission Grants (Competitive).....	(84,450,000)
Allocation to Projects under FY 2017 Competition (April 5, 2018)...	(37,973,775)
<b>Total to be Allocated (Bus Competition) .....</b>	<b>\$366,293,150</b>

### ***3. Basis for Formula Apportionment***

Section 5339(a) Buses and Bus Facilities Program formula funds are apportioned to States, territories, and designated recipients based on a statutory formula. Under the National Distribution, each State is allocated \$3.5 million and each territory is allocated \$1 million for use anywhere in the State or territory for fiscal years 2018. The remainder of the available funding is then apportioned to UZAs based on population, vehicle revenue miles, and passenger miles using the same apportionment formula and allocation process as the Urbanized Area Formula Program. Funds for UZAs under 200,000 in population are apportioned to the State for allocation to eligible recipients within such areas of the State at the Governor's discretion. Funds for UZAs with populations of 200,000 or more are apportioned directly to one or more designated recipient(s) within each UZA for allocation to eligible projects and recipients within the UZA.

FTA allocates funds under the competitive Section 5339(b) and 5339(c) programs on an annual basis based on a notice of funding opportunity, which contains detailed guidance on applicant eligibility, project eligibility, evaluation criteria, and application requirements.

### ***4. Requirements***

Eligible recipients for Section 5339(a) formula grants include: (1) designated recipients that allocate funds to fixed route bus operators, and (2) States and local governmental entities that operate fixed route bus service. Eligible subrecipients include public agencies or private nonprofit organizations engaged in public transportation, including those providing services open to a segment of the general public as defined by age, disability, or low income. The definition of eligible recipients applies to funding apportioned in previous fiscal years that remain available for obligation. The requirements of the Urbanized Area Formula Program apply to recipients of Section 5339 funds within an urbanized area. The requirements of Formula Grants for Rural Areas program apply to recipients of Section 5339 funds within rural areas.

Under prior law, only designated recipients were eligible direct recipients of Section 5339(a) funds. Given that State and local government entities that operate fixed route service are now eligible direct recipients of Section 5339(a) funds, FTA does not require designated recipients to maintain program management plans (PMPs) if they do not manage any sub-awards of Section 5339 funds.

For additional program requirements, refer to FTA Circular 5100, “Buses and Bus Facilities Formula Program: Guidance and Application Instructions.”

#### ***5. Period of Availability***

The Bus and Bus Facilities Program formula funds apportioned in this notice are available for obligation during FY 2018 plus three additional years. Accordingly, funds apportioned in FY 2018 must be obligated in grants by September 30, 2021. Any FY 2018 apportioned funds that remain unobligated at the close of business on September 30, 2021 will revert to FTA for reapportionment under the Buses and Bus Facilities Formula

Program. Competitive program funds authorized under Sections 5339(b) and 5339(c) follow the same period of availability and reapportionment policy.

#### ***6. Other Program Information***

Although it does not provide additional funding, as authorized under Section 5339(a)(9), FTA has established a pilot program to allow designated recipients in urbanized areas between 200,000 and 1 million in population to elect to pool their Buses and Bus Facilities Program formula allocations with other designated recipients within their respective states. The purpose of this provision is to allow for the transfer of formula funding within a State in a manner that supports the transit asset management plans of the participating designated recipients. A State that intends to participate in this pilot program beginning in FY 2019 (October 1, 2018) must submit a request to establish a State Pool to its FTA Regional Office by August 31, 2018. The request must identify the urbanized areas that will participate in the pool for FY 2019, and must include a letter from each urbanized area's participating designated recipient, and from any affected eligible recipients of Section 5339(a) funds within the urbanized area, indicating their intention to participate in this pooling provision for FY 2019. An urbanized area that participates in a State Pool must contribute its entire Section 5339(a) apportionment for the fiscal years in which it participates in the pool. For a multi-state area, designated recipient for a multistate area may participate in only one State Pool. FY 2019 is the last year that a State may establish a State Pool. For FY 2019, the request must specify the proposed distribution of the pooled funding and must provide a detailed explanation of how this distribution will support the transit asset management plans of each participating designated recipient, including any eligible recipients to which the designated recipient

will allocate funding. Upon approval, FTA will make the requested amounts of program funding available to the urbanized areas as directed in the request. A State that elects to participate in this pilot program will be required to develop an allocation plan for the period of fiscal years 2019 and 2020 that ensures that a designated recipient participating in the State's pool receives under the program an amount of funds that equals the amount of funds that would have otherwise been available to the designated recipient for that period pursuant to the formulas provided. The amounts in the State Pool will be apportioned separately from funds apportioned to the State under the Governor's Apportionment for urbanized areas under 200,000 in population, and will be made available directly by FTA to the participating urbanized areas, as directed in the approved allocation plan. An allocation plan may be revised for future fiscal years, if it remains compliant with the requirement to ensure equity over the period the pool is in effect. Approved requests to establish a State Pool for the specified UZAs will remain in effect until cancelled at the request of the State or one or more designated recipients. If a State or designated recipient elects to end its participation in this pooling provision in any future fiscal year, FTA will adjust the formula allocations so that the total amount that each affected urbanized area has received over the fiscal years in which it participated, plus the following apportionment, equals the amount it would have received over this period had it not participated in the State pool. Adjustments will be made using the formula apportionment factors used for each of the affected fiscal years. After the pools are determined, FTA will publish a supplementary table showing the participating UZAs, the State total, and the amounts for each UZA for FY 2019. In future years, the States must provide the amounts determined by August 31 (in an updated allocation plan), so

that FTA can publish the breakdowns and make the funds available in the Apportionment Notice.

**P. Growing States and High Density States Formula Factors (49 U.S.C. 5340)**

Federal transit law authorizes the use of formula factors to distribute additional funds to the Section 5307 Urbanized Area Formula program and Section 5311 Formula Grants for Rural Areas program programs for growing states and high density states. FTA will continue to publish single urbanized and rural apportionments that show the total amount for Section 5307 and 5311 programs that includes Section 5340 apportionments for these programs.

*For more information or questions on this program, please contact Tara Clark at (202) 366-2623 or tara.clark@dot.gov.*

***1. Authorized Amounts***

Federal transit law authorizes \$ 552,783,547 for apportionment in FY 2018 for the Growing States and High Density States Formula factors.

***2. FY 2018 Funding Availability***

Under the Consolidated Appropriations Act, 2018, \$ 582,783,547 is for the Growing States and High Density States formula. This amount represents additional appropriated funds in the amount of \$30 million.

<b>Growing States and High Density States Formula Factors</b>	
Growing States.....	\$286,132,747
High Density States.....	296,650,800
Total Apportioned.....	\$582,783,547

### ***3. Basis for Formula Apportionment***

Under the Growing States portion of the Section 5340 formula, FTA projects each State's 2025 population by comparing each State's apportionment year population (as determined by the Census Bureau) to the State's 2010 Census population and extrapolating to 2025 based on each State's rate of population growth between 2010 and the apportionment year. Each State receives a share of Growing States funds based on its projected 2025 population relative to the nationwide projected 2025 population.

Once each State's share is calculated, funds attributable to that State are divided into an urbanized area allocation and a non-urbanized area allocation on the basis of the percentage of each State's 2010 Census population that resides in urbanized and non-urbanized areas. Urbanized Areas receive portions of their State's urbanized area allocation based on the 2010 Census population in that urbanized area relative to the total 2010 Census population in all urbanized areas in the State. These amounts are added to the Urbanized Area's Section 5307 apportionment.

The States' rural area allocation is added to the allocation that each State receives under the Formula Grants for Rural Areas program.

The High Density States portion of the Section 5340 formula are allocated to urbanized areas in States with a population density equal to or greater than 370 persons per square mile. Based on this threshold and 2010 Census data, the States that qualify are Maryland, Delaware, Massachusetts, Connecticut, Rhode Island, New York and New Jersey. The amount of funds provided to each of these seven States is allocated on the basis of the population density of the individual State relative to the population density of all seven States. Once funds are allocated to each State, funds are then allocated to

urbanized areas within the States based on an individual urbanized area's population relative to the population of all urbanized areas in that State.

### **Q. Washington Metropolitan Area Transit Authority Grants**

Section 601 of the Passenger Rail Investment and Improvement Act of 2008 (PRIIA) authorized an aggregate amount of \$1.5 billion to be available in increments over 10 fiscal years beginning in fiscal year 2009 to assist the Washington Metropolitan Transit Authority (WMATA) in implementing its Capital Improvement Program and preventive maintenance projects.

*For more information or questions on the Washington Metropolitan Area Transit Authority Grants program, please contact Eric Hu at (202) 366-0870 or [eric.hu@dot.gov](mailto:eric.hu@dot.gov) or Corey Walker at (202) 219-3562 or [corey.walker@dot.gov](mailto:corey.walker@dot.gov).*

#### ***1. Authorized Amounts***

Section 601 of PRIIA authorizes \$150,000,000 in FY 2018.

#### ***2. FY 2107 Funding Availability***

Under the Consolidated Appropriations Act, 2018, \$150,000,000 is available. The total amount available is \$ 148,500,000 after the deduction for oversight as shown in the table below.

<b>Washington Metropolitan Area Transit Authority Grants</b>	
Total Appropriation available .....	\$150,000,000
Oversight Deduction.....	(1,500,000)
Total Apportioned .....	\$148,500,000

#### ***3. Basis for Allocation***

The funding is authorized under Section 601, Authorization for Capital and Preventive Maintenance Projects for Washington Metropolitan Area Transit Authority, of



the Passenger Rail Investment and Improvement Act of 2008, (Public Law 110-432) Division B, Title VI.

#### ***4. Requirements***

Grants may be provided for capital and preventive maintenance expenditures for WMATA after it has been determined that WMATA has placed the highest priority on investments that will improve the safety of the system, including, but not limited, to fixing the track signal system, replacing 1000 series railcars, installing guarded turnouts, buying equipment for wayside worker protection, and installing rollback protection on cars that are not equipped with the safety feature. FTA will communicate further program requirements directly to WMATA. The maximum Federal share for each project shall be for 50 percent of the net project cost of the project, and matching funds shall be provided in cash from sources other than Federal funds or revenues from the operation of public transportation systems.

#### ***5. Period of Availability***

Funds appropriated for WMATA under Section 601 PRIIA shall remain available until expended.

### **V. FTA Policy and Procedures for FY 2018 Grants**

#### **A. Automatic Pre-Award Authority to Incur Project Costs**

##### ***1. Caution to New Grantees***

While FTA provides pre-award authority to incur expenses before grant award for formula programs, it recommends that first-time grant recipients NOT utilize this automatic pre-award authority without verifying with the appropriate FTA Regional Office that all pre-requisite requirements have been met. Commonly, a new grantee may

misunderstand pre-award authority conditions and be unaware of all of the applicable FTA requirements that must be met in order to be reimbursed for project expenditures incurred in advance of grant award. FTA programs have specific statutory requirements that are often different from those for other Federal grant programs with which new grantees may be familiar. If funds are expended for an ineligible project or activity, or for an eligible activity but at an inappropriate time (e.g., prior to NEPA completion), FTA will be unable to reimburse the project sponsor and, in certain cases, the entire project may be rendered ineligible for FTA assistance.

## ***2. Policy***

FTA provides pre-award authority to incur expenses before grant award for certain program areas described below. This pre-award authority allows grantees to incur certain project costs before grant approval and retain the eligibility of those costs for subsequent reimbursement after grant approval. The grantee assumes all risk and is responsible for ensuring that all conditions are met to retain eligibility. This pre-award spending authority permits an eligible grantee to incur costs on an eligible transit capital, operating, planning, or administrative project without prejudice to possible future Federal participation in the cost of the project. In this notice, FTA provides pre-award authority through the authorization period of the FAST Act (October 1, 2015 through September 30, 2020) for capital assistance under all formula programs, so long as the conditions described below are met. FTA provides pre-award authority for planning and operating assistance under the formula programs without regard to the period of the authorization. All pre-award authority is subject to conditions and triggers stated below:

### ***a. Operating, Planning, or Administrative Assistance***

FTA does not impose additional conditions on pre-award authority for operating, planning, or administrative assistance under the formula grant programs. Grantees may be reimbursed for expenses incurred before grant award so long as funds have been expended in accordance with all Federal requirements, would have been allowable if incurred after the date of award, and the grantee is otherwise eligible to receive the funding. In addition to cross-cutting Federal grant requirements, program specific requirements must be met. For example, a State of Good Repair Formula Grants project on or after October 1, 2018 must be included in the grantee's certified TAM Plan, a planning project must be included in a Unified Planning Work Program (UPWP); a Section 5310 project be included in a coordinated public transit-human services transportation plan (coordinated plan) and selected by the designated recipient before incurring expenses and expenditures on State Administration expenses under State Administered programs must be consistent with the State Management Plan (as defined in FTA Circular 9040.1G, Chapter 6). Designated recipients for Section 5310 have pre-award authority for the ten percent of the apportionment they may use for program administration.

*b. Transit Capital Projects*

For transit capital projects, the date that costs may be incurred varies depending on the type of activity and its potential to have a significant impact on the human and natural environment as described under conditions in section 3 below. Before an applicant may incur costs when pre-award authority has not been granted, it must first obtain a written Letter of No Prejudice (LONP) from FTA. To obtain an LONP, a grantee must submit a

written request accompanied by adequate information and justification to the appropriate FTA regional office, as described in section 4 below.

*c. Public Transportation Innovation, Technical Assistance and Workforce Development*

Unless provided for in an announcement of project selections, pre-award authority does not apply to Public Transportation Innovation projects or Section 5314 Technical Assistance and Workforce Development projects. Before an applicant may incur costs for activities under these programs, it must first obtain a written Letter of No Prejudice (LONP) from FTA. To obtain an LONP, a grantee must submit a written request accompanied by adequate information and justification to the appropriate FTA headquarters office. Information about LONP procedures may be obtained from the appropriate headquarters office.

**3. *Conditions***

The conditions under which pre-award authority may be utilized are specified below:

- a.* Pre-award authority is not a legal or implied commitment that the subject project will be approved for FTA assistance or that FTA will obligate Federal funds. Furthermore, it is not a legal or implied commitment that all items undertaken by the applicant will be eligible for inclusion in the project.
- b.* All FTA statutory, procedural, and contractual requirements must be met.
- c.* No action will be taken by the grantee that prejudices the legal and administrative findings that the Federal Transit Administration must make in order to approve a project.

*d.* Local funds expended by the grantee after the date of the pre-award authority will be eligible for credit toward local match or reimbursement if FTA later makes a grant or grant amendment for the project. Local funds expended by the grantee before the date of the pre-award authority will not be eligible for credit toward local match or reimbursement. Furthermore, the expenditure of local funds or the undertaking of certain activities that would compromise FTA's ability to comply with Federal environmental laws (e.g., project implementation activities such as land acquisition, demolition, or construction before the date of pre-award authority) may render the project ineligible for FTA funding.

*e.* The Federal amount of any future FTA assistance awarded to the grantee for the project will be determined based on the overall scope of activities and the prevailing statutory provisions with respect to the Federal/local match ratio at the time the funds are obligated.

*f.* For funds to which the pre-award authority applies, the authority expires with the lapsing of the fiscal year funds.

*g.* When a grant for the project is subsequently awarded, the grant and the Federal Financial Report in TrAMS must indicate the use of pre-award authority.

*h.* Environmental Requirements.

All Federal environmental grant requirements must be met at the appropriate time for the project to remain eligible for Federal funding. Designated recipients may incur costs for design and environmental review activities for all projects from the date of the authorization of formula funds or the date of the announcement of the competitive allocations of funds for the project.

For projects that qualify for a categorical exclusion (CE) pursuant to 23 CFR 771.118(c), designated recipients may start activities and incur costs for property acquisition, demolition, construction, and acquisition of vehicles, equipment, or construction materials from the date of the authorization of formula funds or the date of the announcement of the competitive allocation of funds for the project. FTA recommends that a grant applicant considering a (CE) pursuant to 23 CFR 771.118(c) contact FTA's Regional Office for assistance in determining the appropriate environmental review process and level of documentation necessary before incurring costs for property acquisition, demolition, construction, and acquisition of vehicles, equipment, or construction materials. If FTA subsequently finds that a project does not qualify for this CE, it will be ineligible for FTA assistance. FTA encourages grant applicants to contact FTA's Regional Office before exercising pre-award authority for projects to which it believes a CE at 23 CFR 771.118(c)(8), (9), (10), (12), or (13) applies.

For all other non-Capital Investment Grant projects that do not qualify for a CE under 23 CFR 771.118(c), grant applicants may take action and incur costs for property acquisition, demolition, construction, and acquisition of vehicles, equipment, or construction materials from the date that FTA completes the environmental review process required by NEPA and its implementing regulations, 23 U.S.C. 139, and other environmental laws by its issuance of a Section 771.118(d) categorical exclusion determination, a Finding of No Significant Impact (FONSI), or a Record of Decision (ROD).

- i.* Planning and other requirements.

Formula funds must be authorized or appropriated and earmarked project allocations published or announced before pre-award authority can be considered.

The requirement that a project be included in a locally-adopted Metropolitan Transportation Plan, the metropolitan transportation improvement program and federally-approved statewide transportation improvement program (23 CFR part 450) must be satisfied before the grantee may advance the project beyond planning and preliminary design with non-federal funds under pre-award authority. If the project is located within an EPA-designated non-attainment or maintenance area for air quality, the conformity requirements of the Clean Air Act, 40 CFR part 93, must also be met before the project may be advanced into implementation-related activities under pre-award authority triggered by the completion of the NEPA process. For a planning project to have pre-award authority, the planning project must be included in a MPO-approved Unified Planning Work Program (UPWP) that has been coordinated with the State.

*j.* Federal procurement procedures, as well as the whole range of applicable Federal requirements (e.g., Buy America, Davis-Bacon Act, and Disadvantaged Business Enterprise) must be followed for projects in which Federal funding will be sought in the future. Failure to follow any such requirements could make the project ineligible for Federal funding. In short, this increased administrative flexibility requires a grantee to make certain that no Federal requirements are circumvented through the use of pre-award authority.

*k.* All program specific requirements must be met. For example, projects under Section 5310 must comply with specific program requirements, including coordinated planning.

Before incurring costs, grantees are strongly encouraged to consult with the appropriate FTA Regional office regarding the eligibility of the project for future FTA funds and for questions on environmental requirements, or any other Federal requirements that must be met.

***4. Pre-Award Authority for the Fixed Guideway Capital Investment Grants Program***

Projects proposed for Section 5309 Capital Investment Grant (CIG) program funds are required to follow a multi-step, multi-year process defined in law. For New Starts and Core Capacity projects, this process includes three phases: project development (PD), engineering, and construction. For Small Starts projects, this process includes two phases: PD and construction. After receiving a letter from the project sponsor requesting entry into the PD phase, FTA must respond in writing within 45 days whether the information was sufficient for entry. If FTA's correspondence indicates the information was sufficient and the New Starts, Small Starts or Core Capacity project enters PD, FTA extends pre-award authority to the project sponsor to incur costs for PD activities. PD activities include the work necessary to complete the environmental review process and as much engineering and design activities as the project sponsor believes are necessary to support the environmental review process. Upon completion of the environmental review process with a ROD, FONSI, or CE determination by FTA for a New Starts, Small Starts, or Core Capacity Improvement project, FTA extends pre-award authority to project sponsors to incur costs for as much engineering and design as needed to develop a reasonable cost estimate and financial plan for the project, utility relocation, and real property acquisition and associated relocations for any property acquisitions not already



accomplished as a separate project for hardship or protective purposes or right-of-way under 49 U.S.C. 5323(q).

For Small Starts projects, upon completion of the environmental review process and confirmation from FTA that the overall project rating is at least a Medium, FTA extends pre-award authority for vehicle purchases. Upon receipt of a letter notifying a New Starts or Core Capacity project sponsor of the project's approval into the engineering phase, FTA extends pre-award authority for vehicle purchases as well as any remaining engineering and design, demolition, and procurement of long lead items for which market conditions play a significant role in the acquisition price. The long lead items include, but are not limited to, procurement of rails, ties, and other specialized equipment, and commodities.

Please contact the FTA Regional Office for a determination of activities not listed here, but which meet the intent described above. FTA provides this pre-award authority in recognition of the long-lead time and complexity involved with purchasing vehicles as well as their relationship to the "critical path" project schedule. FTA cautions grantees that do not currently operate the type of vehicle proposed in the project about exercising this pre-award authority. FTA encourages these sponsors to wait until later in the process when project plans are more fully developed. FTA reminds project sponsors that the procurement of vehicles must comply with all Federal requirements, including, but not limited to, competitive procurement practices, the Americans with Disabilities Act, Disadvantaged Business Enterprise program requirements and Buy America. FTA encourages project sponsors to discuss the procurement of vehicles with FTA in regard to Federal requirements before exercising pre-award authority. Because there is not a

formal engineering phase for Small Starts projects, FTA does not extend pre-award authority for demolition and procurement of long lead items. Instead, this work must await receipt of a construction grant award or an expedited grant agreement.

*a. Real Property Acquisition*

As noticed above, FTA extends pre-award authority for the acquisition of real property and real property rights for fixed Guideway Capital Investment Grant projects (New or Small Starts or Core Capacity) upon completion of the environmental review process for that project. The environmental review process is completed when FTA signs an environmental Record of Decision (ROD) or Finding of No Significant Impact (FONSI), or makes a Categorical Exclusion (CE) determination. With the limitations and caveats described below, real estate acquisition may commence, at the project sponsor's risk. For FTA-assisted projects, any acquisition of real property or real property rights must be conducted in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) and its implementing regulations, 49 CFR part 24. This pre-award authority is strictly limited to costs incurred:

(i) To acquire real property and real property rights in accordance with the URA regulation; and (ii) to provide relocation assistance in accordance with the URA regulation. This pre-award authority is limited to the acquisition of real property and real property rights that are explicitly identified in the final environmental impact statement (FEIS), environmental assessment (EA), or CE document, as needed for the selected alternative that is the subject of the FTA-signed ROD or FONSI, or CE determination. This pre-award authority regarding property acquisition that is granted at the completion of the environmental review process does not cover site preparation, demolition, or any

other activity that is not strictly necessary to comply with the URA, with one exception – namely when a building that has been acquired, has been emptied of its occupants, and awaits demolition poses a potential fire safety hazard or other hazard to the community in which it is located, or is susceptible to reoccupation by vagrants. Demolition of the building is also covered by this pre-award authority upon FTA’s written agreement that the adverse condition exists. Pre-award authority for property acquisition is also provided when FTA makes a CE determination for a protective buy or hardship acquisition in accordance with 23 CFR 771.117(d)(12). Pre-award authority for property acquisition is also provided when FTA completes the environmental review process for the acquisition of right-of-way as a separate project in accordance with 49 U.S.C. 5323(q). When a tiered environmental review in accordance with 23 CFR 771.111(g) is used, pre-award authority is NOT provided upon completion of the first-tier environmental document except when the Tier-1 ROD or FONSI signed by FTA explicitly provides such pre-award authority for a particular identified acquisition. Project sponsors should use pre-award authority for real property acquisition relocation assistance with a clear understanding that it does not constitute a funding commitment by FTA. FTA provides pre-award authority upon completion of the environmental review process for real property acquisition and relocation assistance to maximize the time available to project sponsors to move people out of their homes and places of business, in accordance with the requirements of the URA, but also with maximum sensitivity to the circumstances of the people so affected.

*b. Reimbursement of Costs Incurred under Pre-Award Authority*

Although FTA provides pre-award authority for property acquisition, long lead items, demolition, utility relocation, and vehicle purchases upon completion of the environmental review process, FTA does not award Federal funding for these activities conducted under pre-award authority until the project receives a Capital Investment Grants program construction grant. This is to ensure that Federal funds are not risked on a project whose advancement into construction is not yet assured.

*c. National Environmental Policy Act (NEPA) Activities*

NEPA requires that certain projects proposed for FTA funding assistance be subjected to a public and interagency review of the need for the project, its environmental and community impacts, and alternatives to avoid and reduce adverse impacts. Projects of more limited scope also need a level of environmental review (to determine whether there are significant environmental impacts) or confirmation that a categorical exclusion (CE) applies. FTA's regulation titled "Environmental Impact and Related Procedures," at 23 CFR part 771 states that the costs incurred by a grant applicant for the preparation of environmental documents requested by FTA are eligible for FTA financial assistance (23 CFR 771.105(e)). Accordingly, FTA extends pre-award authority for costs incurred to comply with NEPA regulations and to conduct NEPA-related activities, effective as of the earlier of the following two dates: (1) the date of the Federal approval of the relevant STIP or STIP amendment that includes the project or any phase of the project, or that includes a project grouping under 23 CFR 450.216(j) that includes the project; or (2) the date that FTA approves the project into the project development phase of the CIG program. The grant applicant must notify the FTA Regional Office to initiate the Federal environmental review process in accordance with the "Dear Colleague" letter from the

FTA Administrator dated February 24, 2011. NEPA-related activities include, but are not limited to, public involvement activities, historic preservation reviews, Section 4(f) evaluations, wetlands evaluations, endangered species consultations, and biological assessments. This pre-award authority is strictly limited to costs incurred to conduct the NEPA process and associated engineering, and to prepare environmental, historic preservation and related documents. When a New Starts, Small Starts, or Core Capacity project is granted pre-award authority for the environmental review process, the reimbursement for NEPA activities conducted under pre-award authority may be sought at any time through Section 5307 (Urbanized Area Formula Program) or the flexible highway programs (STP and CMAQ). Reimbursement from the Section 5309 CIG program for NEPA activities conducted under pre-award authority is provided only for expenses incurred after entry into the project development phase and only once a construction grant agreement is signed. As with any pre-award authority, FTA reimbursement for costs incurred is not guaranteed.

*d. Other Activities Requiring Letter of No Prejudice (LONP).*

Except as discussed in paragraphs i through iii above, a CIG project sponsor must obtain a written LONP from FTA before incurring costs for any activity not covered by pre-award authority. To obtain an LONP, an applicant must submit a written request accompanied by adequate information and justification to the appropriate FTA Regional Office, as described in B below.

**B. Letter of No Prejudice (LONP) Policy**

*1. Policy*

LONP authority allows an applicant to incur costs on a project utilizing non-Federal resources, with the understanding that the costs incurred subsequent to the issuance of the LONP may be reimbursable as eligible expenses or eligible for credit toward the local match should FTA approve the project at a later date. LONPs are applicable to projects and project activities not covered by automatic pre-award authority. The majority of LONPs will be for Section 5309 Capital Investment Grants program projects undertaking activities not covered under automatic pre-award authority. LONPs may be issued for formula funds beyond the life of the current authorization or FTA's extension of automatic pre-award authority; however, the LONP is limited to a five-year period, unless otherwise authorized in the LONP. Receipt of Federal funding under any program is not implied or guaranteed by an LONP.

### ***2. Conditions and Federal Requirements***

The conditions and requirements for pre-award authority specified in section V.4.ii and V.4.iii above apply to all LONPs. Because project implementation activities may not be initiated before completion of the environmental review process, FTA will not issue an LONP for such activities until the environmental review process has been completed with a ROD, FONSI, or CE determination.

### ***3. Request for LONP***

Before incurring costs for project activities not covered by automatic pre-award authority, the project sponsor must first submit a written request for an LONP, accompanied by adequate information and justification, to the appropriate regional office and obtain written approval from FTA. FTA approval of an LONP is determined on a case-by-case basis. Federal funding under the Fixed Guideway Capital Investment

Grants program is not implied or guaranteed by an LONP. Specifically, when requesting an LONP, the applicant shall provide the following items:

- a.* Description of the activities to be covered by the LONP.
- b.* Justification for advancing the identified activities. The justification should include an accurate assessment of the consequences to the project scope, schedule, and budget should the LONP not be approved.
- c.* Allocated level of risk and contingency for the activity requested.

### **C. FY 2018 Annual List of Certifications and Assurances**

The FY 2018 Certifications and Assurances and Master Agreement must be used for all grants and cooperative agreements awarded in FY 2018. All recipients with active projects are required to sign the FY 2018 Certifications and Assurances within 90 days of publication.

### **D. Civil Rights Requirements**

#### ***1. Civil Rights Overview***

Recipients must carry out provisions of the Americans with Disabilities act (ADA) of 1990, Section 504 of the Rehabilitation Act of 1973, as amended, and the U.S. DOT's implementing regulations at 49 CFR parts 27, 37, 38, and 39. FTA's ADA Circular (4710.1) provides guidance for carrying out the regulatory requirements of the ADA. In addition, recipients must regularly prepare and submit civil rights program plans and reports to establish voluntary compliance and document policies and practices in the areas of Title VI, DBE and EEO. The current status of civil rights programs can be found on each recipient's Civil Rights Information page of TrAMS. New program plans and program updates can be submitted there as well. Prior to submitting an application for

funding, recipients should consult with FTA Circulars and guidance and submit the following programs, as applicable:

- a. Title VI of the Civil Rights Act of 1964: The U.S. DOT's Title VI implementing regulations are found in 49 CFR part 21. FTA's Title VI Circular (4702.1B) provides guidance for carrying out the regulatory requirements.
- b. Disadvantaged Business Enterprise (DBE) program and triennial goal: The U.S. DOT's DBE implementing regulations are found in 49 CFR part 26 and provide guidance for carrying out the regulatory requirements and developing the triennial DBE goal.
- c. Title VII of the Civil Rights Act of 1964, Equal Employment Opportunity (EEO): The U.S. DOT's EEO implementing regulations are found in 49 CFR part 21. FTA's EEO Circular (4704.1A) provides guidance for carrying out the regulatory requirements.

## ***2. Title VI of the Civil Rights Act of 1964***

Recipients in urbanized areas of 200,000 or more in population and with 50 or more fixed-route vehicles in peak service must conduct a service equity analysis for all service changes that meet the recipient's definition of "major service change" prior to implementing the service change. A service equity analysis is also required for all New Start, Small Start, or other new fixed guideway capital projects, and must be completed six months prior to implementing revenue service. Recipients also must conduct a fare equity analysis for all fare increases or decreases prior to implementing a fare change and for changes to fare media, such as a transition to a cashless fare system. Recipients that



do not meet the abovementioned threshold of 200,000 or more in population and 50 fixed route vehicles in peak service (i.e., small transit providers) are not required to conduct a service or fare equity analysis but should review their policies and practices to ensure their service and fare changes do not result in disparate impacts on the basis of race, color, or national origin. For guidance, see Title VI Circular 4702.1B at <https://www.transit.dot.gov/title6>. Should you have any questions, please contact your Regional Civil Rights Officer.

### ***3. Disadvantaged Business Enterprise Program – Transit Vehicle***

#### ***Manufacturers***

Recipients exercising pre-award authority are expected to comply with the Disadvantaged Business Enterprise (DBE) regulations. The Department of Transportation's DBE program helps small businesses owned by socially and economically disadvantaged individuals to compete in the marketplace, and is designed to support the people who create jobs—our nation's entrepreneurs. When procuring vehicles, 49 CFR 26.49(a) requires that transit vehicle manufacturers “must establish and submit for FTA's approval an annual overall percentage goal” and “may make the certification required by this section if you have submitted the goal this section requires and FTA has approved it or not disapproved it.”

Recipients are advised that it is not sufficient to accept a certification stating that “FTA has not disapproved” of a TVMs DBE goal. Rather, Recipients must ensure that the TVM has submitted a goal to FTA and FTA has either approved it or not disapproved it. A recipient may request from FTA verification that a TVM has submitted a DBE goal to FTA for its review. Please email your Regional Civil Rights Officer regarding your

request and FTA will respond via email within five business days. Furthermore, to assist with TVM certification compliance, FTA maintains a web posting of all certified TVMs located at <https://www.transit.dot.gov/TVM>

Finally, FTA takes the position that failure by a Recipient to verify a TVM's eligibility to bid on an FTA-assisted contract prior to award cannot be cured after award of the contract and will likely result in FTA declining to provide Federal funding for the vehicle procurement.

Furthermore, recipients are also reminded of the requirement in 49 CFR 26.49(a)(4), which states that “FTA recipients are required to submit within 30 days of making an award, the name of the successful bidder, and the total dollar value of the contract in the manner prescribed in the grant agreement.” Recipients are to report to FTA all vehicle purchases, post-production alterations, and retrofit procurements within the 30 days of award. Vehicles purchased solely for personal use and/or purchased “off the lot” do not need to be reported.

#### **E. Consolidated Planning Grants**

FTA and FHWA planning funds under both the Metropolitan Planning and State Planning and Research Programs can be consolidated into a single consolidated planning grant, awarded by either FTA or FHWA. The Consolidated Planning Grants (CPG) eliminate the need to monitor individual fund sources, if several have been used, and ensures that the oldest funds will always be used first.

Under the CPG, States can report metropolitan planning program expenditures (to comply with the Uniformed Guidance 2 CFR 200, subpart F) for both FTA and FHWA under the Catalogue of Federal Domestic Assistance number for FTA's Metropolitan

Planning Program (20.505). Additionally, for States with an FHWA Metropolitan Planning (PL) fund-matching ratio greater than 80 percent, the State can waive the 20 percent local share requirement, with FTA's concurrence, to allow FTA funds used for metropolitan planning in a CPG to be granted at the higher FHWA rate. For some States, this Federal match rate can exceed 90 percent.

States interested in transferring planning funds between FTA and FHWA should contact the FTA Regional Office or FHWA Division Office for more detailed procedures. The FHWA Order 4551.1 dated August 12, 2013, on "Funding Transfers to Other Agencies and Among Title 23 Programs" provides guidance and more detailed information.

*For further information on CPGs, contact Ann Souvandara, Office of Budget and Policy, FTA, at (202) 366-0649 or [ann.souvandara@dot.gov](mailto:ann.souvandara@dot.gov).*

## **F. Grant Application Procedures**

All applications for FTA funds should be submitted to the appropriate FTA Regional Office. All applications are filed electronically. FTA continues to award and manage grants and cooperative agreements using the Transit Award Management System (TrAMS). Information on accessing and using TrAMS, including a list of FTA points of contact for the system, can be found on FTA's website at <http://www.transit.dot.gov/TrAMS>.

FTA regional staff are responsible for working with grantees to review and process grant applications. For an application to be considered complete and ready for FTA to assign a Federal Award Identification Number (FAIN), enabling submission in TrAMS, and submission to the Department of Labor (when applicable), the following

requirements must be met:

1. Recipient has registered in the System for Award Management (SAM) and its registration is current. If your agency is not registered or needs to ensure it is current, visit the SAM website at (<https://www.sam.gov>).

2. Recipient's contact information, including Dun and Bradstreet Data Universal Numbering System (DUNS), is correct and up-to-date. If requested by phone (1-866-705-5711), DUNS is provided immediately. If your organization does not have a DUNS, please visit the Dun & Bradstreet Web site at <http://fedgov.dnb.com/webform> to obtain the number.

3. Recipient has properly submitted its annual certifications and assurances.

4. Recipient's Civil Rights submissions are current.

After October 1, 2018, the grantee has a Transit Asset Management plan in place that meets the requirements of 49 CFR Part 625, or is covered by a compliant Group Plan.

5. Documentation is on file to support recipient's status as either a designated recipient (for the program and area) or a direct recipient.

6. Funding is available, including any flexible funds included in the budget, and split letters or suballocation letters on file (where applicable) to support amount being applied for in grant application.

7. The project is listed in a currently approved Transportation Improvement Program (TIP); Statewide Transportation Improvement Program (STIP), or Unified Planning Work Program (UPWP).

8. All eligibility issues are resolved.

9. Required environmental findings are made.

10. The application contains a well-defined scope of work, including at least one project with accompanying project narratives, budget scope and activity line item information, Federal and non-Federal funding amounts, and milestones.

11. Major Capital Projects as defined by 49 CFR part 633 “Project Management Oversight” must document FTA has reviewed the project management plan and provided approval.

12. Milestone information is complete, or FTA determines that milestone information can be finalized before the grant is ready for award. FTA will also review status of other open grants' reports to confirm financial and milestone information is current on other open grants and projects.

Before FTA can award grants for competitive projects and activities, notification must be provided to the House and Senate authorizing and appropriations committees. Other important issues that impact FTA grant processing activities are discussed below.

*a. System for Award Management (SAM) Registration and Dun and Bradstreet Universal Numbering System (DUNS) Number.*

Each applicant or recipient of Federal Funds is required to: (1) Be registered in SAM before submitting its application; (2) have a valid DUNS number; and (3) continue to maintain an active SAM registration with current information at all times during which it has an active award or an application or plan under consideration by the Federal Transit Administration (FTA). FTA will not make an award to an applicant until the applicant has complied with all applicable DUNS and SAM requirements and, if an applicant has not fully complied with the requirements by the time the FTA is ready to make a Federal

award, FTA may determine that the applicant is not qualified to receive a Federal award and use that determination as a basis for making a Federal award to another applicant.

The System for Award Management (SAM) <https://www.sam.gov/portal/SAM/> is the Official U.S. Government system that consolidated the capabilities of many systems. There is no fee to register or use this site. Entities may register and update their information at no cost directly from the above site. SAM registration (formerly CCR registration) needs to be renewed at least annually.

*b. Award Budgets—Scope Codes and Activity Line Items (ALI) Codes; Financial Purpose Codes*

FTA uses the Scope and Activity Line Item (ALI) Codes in the award budgets to track disbursements, monitor program trends, report to Congress, and to respond to requests from the Inspector General and the Government Accountability Office (GAO), as well as to manage grants. The accuracy of the data is dependent on the careful and correct use of codes.

*c. Designated and Direct Recipients Documentation*

For its formula programs, FTA primarily apportions funds to the designated recipient in the large UZAs (areas over 200,000), or for areas under 200,000 (small UZAs and rural areas), it apportions the funds to the Governor, or its designee (e.g., State DOT). Depending on the program and as described in the individual program sections found in Section IV of this notice, further suballocation of funds may be permitted to eligible recipients who may then apply directly to FTA for the funding (direct recipients), so long as the required documentation is on file.

For the programs in which FTA may make grants to eligible direct recipients, other

than the designated recipient(s), recipients are reminded that documentation must be on file to support: (1) the status of the recipient either as a designated recipient or direct recipient; and (2) the allocation of funds to the direct recipient.

Documentation to support existing designated recipients for the UZA must also be on file at the time of the first application in FY 2018. Further, split letters and/or suballocation letters (Governor's Apportionment letters), must also be on file to support grant applications from direct recipients. Once suballocation letters for FY 2018 funding are finalized they should be uploaded into TrAMS.

The Direct Recipient is required to upload to TrAMS a copy of the suballocation letter (Letter) indicating their allocation of funding [for the appropriate fund program] when the applicant transmits their application for initial review. The letter must be signed by the Designated Recipient, or as applicable in accordance with their planning requirements. If there are two Designated Recipients, both entities must sign the Letter. The Letter must: 1) indicate the allocations to the respective Direct Recipients listed in the letter; 2) incorporate language above the signatories to reflect this agreement; and 3) make clear that the Direct Recipient will assume any/all responsibility associated with the award for the funds. When drafting the letter, Designated Recipients may use the template language below:

“As identified in this Letter, the Designated Recipient(s) authorize the reassignment/reallocation of [enter fund source; e.g. Section 5307 funds] to the Direct Recipient(s) named herein. The undersigned agree to the amounts allocated/reassigned to each direct Recipient. Each Direct Recipient is responsible for its application to the

Federal Transit Administration to receive such funds and assumes the responsibilities associated with any award for these funds.”

## **2. *Payments***

Once a grant has been awarded and executed, requests for payment can be processed. To process payments, FTA uses ECHO-Web, an Internet accessible system that provides grantees the capability to submit payment requests on-line, as well as receive user-IDs and passwords via email. New applicants should contact the appropriate FTA Regional Office to obtain and submit the registration package necessary for set-up under ECHO-Web.

## **3. *Oversight***

FTA is responsible for conducting oversight activities to help ensure that grants recipients use FTA Federal financial assistance in a manner consistent with its intended purpose and in compliance with regulatory and statutory requirements. FTA conducts periodic oversight reviews to assess grantee compliance with applicable Federal requirements. Each Urbanized Area Formula Program recipient is reviewed every three years, (also known as FTA’s Triennial Review); and States and state-wide public transportation agencies are reviewed periodically to assess the management practices and program implementation of FTA state-wide programs (e.g., Planning, Rural Areas, Enhanced Mobility of Seniors and Individuals with Disabilities Programs). Other more detailed reviews are scheduled based on an annual grantee oversight assessment. Important objectives of FTA’s oversight program include, but are not limited to: determining grantee compliance with Federal requirements; identifying technical assistance needs, and delivering technical assistance to meet those needs; spotting



emerging issues with grantees in a forward-looking fashion; recognizing when there is a need for more in-depth reviews in the areas of procurement, financial management, and civil rights; and identifying grantees with recurring or systemic issues.

#### **4. *Technical Assistance***

As noted throughout the notice, FTA continues to rely on several of the existing program circulars for general program guidance. FTA is continuing to update the program circulars, with an opportunity for notice and comment (where warranted), to reflect amendments to chapter 53 of title 49, U.S.C. made by the FAST Act. In the meantime, if you have any questions, please do not hesitate to contact FTA. FTA headquarters and regional staff will be pleased to answer your questions and provide any technical assistance you may need to apply for FTA program funds and manage the grants you receive. At its discretion, FTA may also use program oversight consultants to provide technical assistance to grantees on a case by case basis. This notice and the program guidance circulars previously identified in this document may be accessed via the FTA Web site at [www.fta.dot.gov](http://www.fta.dot.gov)

### **G. Grant Management**

#### **1. *Grant Reporting***

Recipients of FTA funds are reminded that all FTA grantees are required to report on their grants. It is critical to ensure reports demonstrate that reasonable progress is being made on projects. At a minimum, all awards require a Federal Financial Report (FFR) and a Milestone Progress Report (MPR) on an annual basis. Some reports are required quarterly depending on the recipient and the type of projects funded under the grant and FTA's risk-based reporting policy that went into effect on October 1, 2017. The

requirements for these reports and other reporting requirements can be found in the latest version of FTA Circular 5010. FTA staff, auditors, and contractors rely on the information provided in the FFR and MPR to review and report on the status of both financial and project-level activities contained in the grant. It is critical that recipients provide accurate and complete information in these reports and submit them by the required due date. Failure to report and/or demonstrate reasonable progress on projects can result in suspension or premature close-out of a grant.

## 2. *Inactive Grants and Grant Closeout*

In FY 2018 FTA will continue to focus on identifying and working with recipients to close inactive grants. If appropriate, FTA will act to close out and deobligate funds from these grants if reasonable progress is not made. The efficient use of funds will further FTA's fulfillment of its mission to provide efficient and effective public transportation systems for the nation. As inactive grants continue to be an audit finding within the DOT, FTA must act to ensure its grants do not prevent the DOT from receiving a "clean audit" opinion on its annual financial statements.

In October 2017, FTA identified a list of grants that were awarded on or prior to September 30, 2014 and have had no funds disbursed since September 30, 2016 or have never had a disbursement. FTA Regional Offices will be contacting grant recipients with grants that meet these criteria to notify them that FTA intends to close the grant and deobligate any remaining funds unless the grantee can provide information that demonstrates that the projects funded by the grant remain active and the grantee has a realistic schedule to expedite completion of the projects funded in the grant.

In addition, FTA will work to identify any grants that may be subject to Grants Oversight and New Efficiency (GONE) Act reporting in October 2018. The GONE Act requires Federal agencies to report active awards whose period of performance end date is two or more years prior to the end of the fiscal year. For FY 2018, this means any active award with a period of performance end date on September 30, 2016 or prior. FTA plans to work with recipients whose awards are in this category to close the awards or modify the award to extend the period of performance, as necessary.

Issued in Washington, DC.

**K. Jane Williams,**

*Acting Administrator.*

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