

**DEPARTMENT OF TRANSPORTATION****Federal Transit Administration****Notice of FTA Transit Program Changes, Authorized Funding Levels and Implementation of Federal Public Transportation Law as Amended by the Fixing America's Surface Transportation (FAST) Act and FTA Fiscal Year 2016 Apportionments, Allocations, Program Information and Interim Guidance**

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

**ACTION:** Notice.

**SUMMARY:** This notice announces changes in the Federal Transit Administration (FTA) programs in accordance with Federal public transportation law by the Fixing America's Surface Transportation (FAST) Act, which authorizes surface transportation programs of the Department of Transportation (DOT) for Federal fiscal years (FY) 2016 through 2020. This notice provides preliminary implementation instructions and guidance for the new and revised programs in FY 2016, announces the apportionment for programs authorized and funded with FY 2016 contract authority, and describes future plans for several discretionary programs. The notice also includes locations of FY 2016 apportionment tables and unobligated (or carryover) funds allocated under the discretionary programs from prior years.

**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 Web site: [www.fta.dot.gov](http://www.fta.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 that stakeholders subscribe on FTA's Web site ([www.fta.dot.gov](http://www.fta.dot.gov)) to receive email notifications when new information is available.

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**I. Overview**

This document contains important information and interim guidance about new FTA programs and changes to existing FTA program statutes (49 U.S.C. 5301, *et seq.*) as amended by the Fixing America's Surface Transportation (FAST) Act (Pub. L. 114-94), signed by President Obama on December 4, 2015 and effective on October 1, 2015.

In addition, this document provides full year apportionments for FTA formula and discretionary programs that are available in FY 2016 pursuant to the *Consolidated Appropriations Act, 2016* (Pub. L. 114-113) (FY 2016 Appropriations Act). It also contains information on how FTA plans to administer its transit programs in FY 2016 and how funds appropriated and allocated prior to FY 2016 will be treated.

This notice highlights important changes to FTA programs, including new discretionary programs. It describes definitional changes and cross-cutting requirements, identifies repealed programs and provides specific information about FTA's statutory programs as amended by the FAST Act.

For each FTA program, FTA has provided information on the FAST Act authorized funding levels for FY 2016, the basis for apportionment or allocation of funds, requirements specific to the program, period of availability of funds, and other program information. A separate section provides information on pre-award authority and other requirements and guidance applicable to FTA programs and grant

administration. Finally, the notice includes references to tables on FTA's Web site that show amounts apportioned under the FAST Act, and approximately \$1.04 billion in unobligated or carryover funding available in FY 2016 from prior years under certain discretionary programs carried out in accordance with prior authorization acts.

Information in this document includes references to the existing FTA program guidance and circulars. Some information may have been superseded by new provisions in the 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, with an opportunity for public comment where necessary.

## II. FY 2016 Funding for FTA Programs

### A. Federal Transit Law as Amended by the FAST Act Authorization and FY 2016 Appropriations

The FAST Act is the new five-year surface transportation authorization that provides FTA an authorization level of \$11.78 billion in FY 2016 and a total of \$61.56 billion from FY 2016 through FY 2020. The FAST Act realigns several transit programs, provides significant funding increases specifically for bus and bus facilities, creates several new discretionary programs and changes several cross-cutting requirements. The law continues and expands FTA authority to strengthen the safety of public transportation systems throughout the United States.

The FY 2016 Appropriations Act makes appropriations at the full-year level for FY 2016 through September 30, 2016. In section 5301 of title 49, United States Code, Congress specifies that funding is available for the development and revitalization of public transportation systems. Current funding availability for each program is identified in section IV of this notice and in Table 1 located on FTA's FY 2016 Apportionment Web page.

### B. Oversight Takedown

The FAST Act modifies section 5338(f)<sup>1</sup> to provide for the following oversight takedowns of FTA programs: 0.5 percent of Metropolitan and Statewide Planning funds, 0.75 percent of Urbanized Area Formula funds, 1 percent of Fixed Guideway Capital Investment funds, 0.5 percent of Formula Grants for the Enhanced Mobility of Seniors and Individuals

with Disabilities, 0.5 percent of Formula Grants for Rural Areas, 1 percent of State of Good Repair Formula funds, 0.75 percent for Grants for Buses and Bus Facilities, and 1 percent of Capital and Preventive Maintenance Projects for Washington Metropolitan Area Transit Authority funds. 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 reviews and audits, as well as evaluations and analyses of grantee-specific problems and issues; and to generally provide technical assistance and correct deficiencies identified in compliance reviews and audits.

### C. Previously Authorized Funding

Funds allocated or apportioned in FY 2013 through 2015 that remain unobligated and for which the program has been repealed or its activities have been consolidated with other programs under Chapter 53 will continue to be subject to the program and eligibility requirements that existed prior to the enactment of FAST and to new cross-cutting requirements found in section III.D. of this notice. These programs are as follows:

- Section 5312, Research, Development, Demonstration and Deployment
- Section 5313, Transit Cooperative Research Program
- Section 5314, Technical Assistance and Standards Development
- Section 5322, Human Resources and Training

For programs that are continued under FAST with amendments, the provisions of the FAST Act now apply to all unobligated funds from FY 2015 and prior years, as well as to FY 2016 funds. These programs are:

- Section 5305 Planning Programs
- Section 5307 Urbanized Area Formula Grants
- Section 5309 Fixed Guideway Capital Investment Grants
- Section 5310 Formula Grants for the Enhanced Mobility of Seniors and Individuals with Disabilities
- Section 5311 Formula Grants for Rural Areas
- Section 5339 Grants for Buses and Bus Facilities
- Section 20005(b) of MAP-21, Pilot Program for Transit-Oriented Development Planning

## II. FAST Act and FY 2016 Appropriations: Highlights of Changes

The FAST Act furthers several important goals of the DOT, including safety, state of good repair, performance, innovation and program efficiency. The FAST Act continues FTA's expanded authority to strengthen the safety of public transportation systems throughout the United States. The Act also continues to emphasize restoring and replacing the Nation's aging public transportation infrastructure. The level of overall funding is increased for transit projects by 17 percent over the five-year authorization. Most notable is the increase to the Bus program where funding increased 62.5 percent in FY 2016 and nearly 90 percent over the five-year timeframe. In addition, the Bus Discretionary Grant program is reinstated and includes a set-aside for low or no emission vehicles and facilities.

### A. Focus Areas

#### 1. Safety Authority

The FAST Act amends 49 U.S.C. 5329 to provide FTA with expanded authority to strengthen the safety of public transportation systems throughout the United States by developing safety standards for the public transportation industry and granting FTA the authority to administer temporary Federal safety management and oversight if a State Safety Oversight Program is not being carried out in accordance with section 5329, has become inadequate to ensure the enforcement of Federal safety regulation, or is incapable of providing adequate safety oversight consistent with the prevention of substantial risk of death, or personal injury. If there is a failure to develop an adequate State Safety Oversight Program, FTA may withhold Federal funding from the State safety oversight program and from the urbanized area or State in which the rail transit system overseen by the State Safety Oversight Agency is located. Additional information on FTA's safety authority and the requirements under section 5329 can be found in section IV.M. of this notice.

#### 2. Transit Award Management System (TrAMS)

FTA's Transportation Electronic Award and Management (TEAM) system closed for grant making and grant management on November 30, 2015. TEAM is currently available on a read-only basis and FTA is planning to transition to the Transit Award Management System (TrAMS) on February 16, 2016.

<sup>1</sup> All references to "section" herein refer to sections of Chapter 53 of Title 49 of the United States Code, unless otherwise specifically stated.

When deployed, TrAMS will offer a more efficient, user-friendly, and flexible tool to award and manage grants and cooperative agreements. It will provide more useful grant information and will strengthen the integrity and consistency of the grant award and management processes.

FTA will continue to provide training and technical assistance on using TrAMS. Training will include live webinars as well as training videos and guidance and technical assistance documents. Information on upcoming training will be posted at <http://www.fta.dot.gov/TrAMS>.

Recipient and grant award information and attachments as of November 30, 2015 will migrate from TEAM into TrAMS. Individual user account information and TEAM user roles (as of November 30, 2015) will also migrate into TrAMS. Once TrAMS is deployed, recipients will be able to manage TEAM awarded grants as well as create new applications in TrAMS for FY 2016 and prior year funding.

As reports contain cumulative information, FTA waived submission of monthly (for certain grantees) and quarterly reporting requirements for December, January, and February. The first monthly milestone progress reports (MPR) and Federal Financial Reports (FFR) will be due in TrAMS by March 30, 2016. The MPR and FFR reports for quarterly reporters will be due in TrAMS by April 30, 2016.

### 3. Between Car Barriers for Rail Systems

All rail systems operating in a level-boarding environment must have between car barriers. FTA's Acting Administrator issued a Dear Colleague letter related to between car barriers on September 15, 2015. See: [http://www.fta.dot.gov/newsroom/12910\\_16573.html](http://www.fta.dot.gov/newsroom/12910_16573.html).

The Acting Administrator's letter focused on light rail systems, but rapid rail, commuter rail, and automated guideway systems are also required to have between car barriers. Specifically, 49 Code of Federal Regulations (CFR) sections 38.63, 38.85, 38.109, and 38.173 require between car barriers. Generally the requirement is, "Where vehicles operate in a high-platform, level-boarding mode, devices or systems shall be provided to prevent, deter or warn individuals from inadvertently stepping off the platform between cars." The regulations do not prescribe a particular type of between car barrier. Rather, they state that suitable devices include pantograph gates, chains, and motion detectors. The purpose of this provision is to stop an individual from mistaking the gap between cars for an

open vehicle door and then stepping off the platform. It should be noted the regulations do not define what constitutes a "high platform," but the regulatory text links "high-platform" to "level-boarding mode" and must be considered in conjunction with other key parts of the regulations, which clearly point to the relationship between platform height and entrance to the vehicle floor. In a level-boarding/platform environment without between-car barriers, the hazard of falling to the track bed exists whenever a rail system operates trains of more than one car. This represents a physical risk to the traveling public as well as a financial risk to a transit agency.

### 4. Public Transportation Innovation

The FAST Act continues to emphasize innovation and renames FTA's research program at 49 U.S.C. 5312 to "Public Transportation Innovation". Innovation has been a focus area for both the DOT and FTA for a number of years. Most recently, FTA launched the XPEDITE Innovation initiative, which was an online dialogue that sought industry input on a number of innovation areas from technology advances to financing and project delivery. FTA's research program will continue to build on this effort, along with major departmental initiatives such as Beyond Traffic and Ladders of Opportunity with a significant emphasis on technology trends that increase public transportation efficiency, effectiveness and enhance the quality of customer travel. FTA research goals are to promote innovation through projects of national significance that improve our nation's public transportation operations, infrastructure, and the travelers' experience in three focus areas: Safety, asset innovation/management, and mobility. Under 49 U.S.C. 5312, as amended by the FAST Act, three categories of projects are authorized: Research; innovation and development; and demonstration, deployment and evaluation. FTA research projects achieve public transportation innovation goals by utilizing one or more of the following strategic directions:

- Enhancing equitable and accessible mobility for everyone
- Extending public private partnerships
- Ensuring public transportation efficiency, safety and reliability
- Enabling seamless, effective integration across transportation modes and applications, and;
- Expanding customer satisfaction and value.

FTA's research and innovation activities harness thought leadership and promising practices as directed in 49 U.S.C. 5312 through contracts and cooperative agreements across states, academic institutions, transportation providers, and private and nonprofit organizations.

### 5. Innovative Procurement (Section 3019)

Section 3019 of the FAST Act clarifies and emphasizes the ability of FTA recipients to enter into cooperative procurements and creates a pilot program. FTA will issue guidance in the near future related to cooperative procurement schedules, the Pilot Program for Nonprofit Cooperative Procurements, and the Joint Procurement Clearinghouse.

Additionally, Section 3019 modifies and clarifies FTA's leasing requirements and eligibility. See changes for lease requirements in the cross-cutting section III.D.4 of this Notice.

### 6. Tribal Transportation Self-Governance Program (Title 23 Federal-Aid Highways Program)

Section 1121 of the FAST Act establishes a Tribal Transportation Self-Governance Program (Self Governance) at 23 U.S.C. 207. The Self-Governance Program establishes specific criteria for determining eligibility for a tribe to participate in the program. DOT will implement this program in consultation with tribal representatives and other interested stakeholders. More information about this program will be provided at a later date.

### 7. Discretionary Programs

The FAST Act continues several discretionary programs that were authorized under MAP-21 and creates new ones. FTA is in the process of developing criteria and program guidance for the discretionary programs, which will be published in Notices of Funding Availability (NOFA). These include:

#### a. Transit-Oriented Development Planning Pilot Program (Section 20005(b) of MAP-21)

This discretionary pilot program for transit-oriented development (TOD) planning grants continues with no changes from what was included under MAP-21 and is authorized for \$10 million for FY 2016. Eligible activities include comprehensive planning in corridors with proposed New Starts, Small Starts, or Core Capacity projects. The comprehensive plans should enhance economic development, ridership, and other goals; facilitate

multimodal connectivity and accessibility; increase access to transit hubs for pedestrian and bicycle traffic; enable mixed-use development; identify infrastructure needs associated with the project; and include private sector participation. A NOFA will be published announcing the amount of funding available, application procedures, project and applicant eligibility, and relevant selection criteria. For more information or questions on this program, please contact *Ben Owen at 202-366-5602 or Benjamin.Owen@dot.gov.*

b. Passenger Ferry Grant Program (49 U.S.C. 5307)

Of the amount authorized for Section 5307 each year, \$30 million is set aside for the competitive discretionary Passenger Ferry Grant Program. Eligible projects are capital projects including ferries, terminals, and related infrastructure. FTA will allocate FY2016 funds for the discretionary passenger ferry competition to specific projects submitted in response to a NOFA published August 3, 2015. A Notice of Award will be published in the **Federal Register** announcing project selections. Awards will also be posted to FTA's Web site. For more information about this program, please contact *Vanessa Williams at 202-366-4818 or Vanessa.Williams@dot.gov.*

c. Innovative Coordinated Access and Mobility Pilot Program (49 U.S.C. 5310)

Section 3006(b) of the FAST Act created a new discretionary pilot program for innovative coordinated access and mobility. The \$2 million program is open to Section 5310 recipients and subrecipients to assist in financing innovative projects for the transportation disadvantaged that improve the coordination of transportation services and non-emergency medical transportation (NEMT) services. Examples of eligible projects include the deployment of coordination technology, and projects that create or increase access to community One-Call/One-Click Centers. A NOFA will be published announcing the amount of FY 2016 funding available, application procedures, project and applicant eligibility, and relevant selection criteria. A report is required by December 31 of each year on the pilot program. The report will include a detailed description of the activities carried out under the pilot program, and an evaluation of the program, including an evaluation of the performance measures. For more information about this program, please

contact *Danielle Nelson at 202-366-2160 or Danielle.nelson@dot.gov.*

d. Public Transportation on Indian Reservations (49 U.S.C. 5311(j))

The Tribal Transit program continues to be a set-aside from the Rural Areas Formula program and includes a \$5 million competitive discretionary grant program. Eligible projects are planning, capital and operating. FTA will publish a NOFA announcing FY 2016 funding, application procedures, project and applicant eligibility, and relevant selection criteria. For more information or questions on this program, please contact *Elan Flippin at (202) 366-3800 or elan.flippin@dot.gov.*

e. Buses and Bus Facilities Competitive Grants (49 U.S.C. 5339(b))

The FAST Act authorizes a discretionary bus and bus facilities program in 49 U.S.C. 5339. In FY 2016 a total of \$213 million is available to carry out the 5339(b) Bus and Bus Facilities Competitive Grant Program. Eligible capital projects include projects to replace, rehabilitate, lease, and purchase buses and related equipment and projects to purchase, rehabilitate, construct or lease bus-related facilities. FTA will publish a NOFA announcing the amount of FY 2016 funding available, application procedures, project and applicant eligibility, and relevant selection criteria. *For more information about the Bus and Bus Facilities competitive grants discretionary program, contact Sam Snead, Office of Transit Programs, at (202) 366-1089 or Samuel.Snead@dot.gov.*

f. Low or No Emission Grants (49 U.S.C. 5339(c))

The FAST Act authorizes a total of \$55 million for the 5339(c) Low or No Emissions Program (Low-No Program). Eligible projects or program of projects include the acquisition and leasing of low or no emission vehicles, constructing and leasing facilities and rehabilitating or improving existing facilities to accommodate low or no emission vehicles. FTA will publish a NOFA announcing the amount of FY 2016 funding available, application procedures, project and applicant eligibility, and relevant selection criteria. *For more information about the Low or No Emission discretionary program, contact Sam Snead, Office of Transit Programs, at (202) 366-1089 or Samuel.Snead@dot.gov.*

FTA's research office will continue to implement and evaluate the MAP-21-authorized FY 2013-2015 resources available through the Low or No

Emission Deployment Program (49 U.S.C. 5312). FTA expects to announce the final research deployment grants (FY 2015; \$22.5M) in the summer of 2016. *For more information about the MAP-21-authorized Low or No Emission discretionary research program, contact Sean Ricketson, Office of Research, Demonstration and Innovation, at (202) 366-6678 or sean.ricketson@dot.gov.*

g. Positive Train Control (Section 3028)

Section 3028 of the FAST Act authorizes grants for positive train control. The discretionary program authorizes funding for FY 2017, and funds will be used for the installation of positive train control systems as required under 49 U.S.C. 20157, which states that Class I railroad carriers and each entity providing regularly scheduled intercity or commuter rail passenger transportation shall submit to the Secretary of Transportation a revised plan for implementing a positive train control system by December 31, 2018. The Federal Railroad Administration (FRA) will issue the Notice of Funding Availability and select the recipients of the positive train control grants. FTA will administer the grants once the allocations to recipients are announced.

*B. Definitional Changes and New Definitions*

Section 3002 of the FAST Act amended section 5302 to provide new definitions and to amend existing definitions that clarify eligibility and requirements within FTA's programs. Unless otherwise stated, these definitions apply across all FTA programs, and are effective with all funds obligated as of the date of this notice even if the funds were appropriated in earlier fiscal years. Several important definitional changes include:

1. Associated Transit Improvement

The term associated transit improvement means, with respect to any project or an area to be served by a project, projects that are designed to enhance public transportation service or use and that are physically or functionally related to transit facilities.

A few minor changes were noted in the definition of associated transit improvement. The word *functional* has been added as a description to landscaping and streetscaping. Also, a sentence was restructured to clarify the definition of bicycle access in (1)(E) to read *bicycle access, including bicycle storage shelters and parking facilities and the installation of equipment for transporting bicycles on public transportation vehicles.*

## 2. Capital Project

Several sections under the definition of capital project have been amended. Leasing equipment or a facility for use in public transportation no longer is subject to regulations that the Secretary prescribes or a cost effectiveness test. (See changes to leasing in the cross-cutting requirements section of this Notice).

The construction of space for commercial uses, including the outfitting of commercial space is now an eligible expense as a part of a joint development project. Language was removed stating that construction of space for commercial uses *does not* include outfitting of commercial space (other than intercity bus station or terminal) or a part of a public facility not related to public transportation.

A new provision was added for non-fixed route paratransit transportation services. It retains the eligibility for grant recipients to use up to 10 percent of a recipient's annual formula apportionment under sections 5307 and 5311 for the provision of non-fixed route Americans with Disabilities (ADA) complementary paratransit services at an 80 percent Federal share. Additionally, recipients now may use up to 20 percent of the amounts apportioned under sections 5307 and 5311 for ADA complementary paratransit service at an 80 percent Federal share if the recipient demonstrates that the recipient meets at least two of the following requirements: (I) Provides an active fixed route travel training program that is available for riders with disabilities, (II) provides that all fixed route and paratransit operators participate in a passenger safety, disability awareness, and sensitivity training class on at least a biennial basis, or (III) has memoranda of understanding in place with employers and the American Job Center to increase access to employment opportunities for people with disabilities.

The definition of a capital project now specifically includes associated transit improvements and technological changes or innovations to modify low or no emission vehicles (as defined in section 5339(c)) or facilities.

## 3. Value Capture and Value Capture Revenue

The term "value capture" is a new term in the FAST Act that has been in practice for several years. Value capture is a financing strategy for recovering the increased property value from property located near public transportation resulting from investments in public transportation. Under section 5323(s), a

recipient of assistance may use the revenue generated from value capture financing mechanisms as local matching funds for capital projects and operating costs eligible under Chapter 53 of title 49, United States Code. FTA will issue subsequent guidance on implementing this provision.

### *C. Repealed and Consolidated Programs in FTA's Authorization*

The FAST Act focuses on improving the efficiency of grant program operations by consolidating certain programs and repealing other programs. For programs that expired on September 30, 2015, no new funding is authorized beyond fiscal year 2015. However, unobligated funds appropriated or authorized in FY 2015 and prior years remain available for obligation (for the established period of availability when appropriated or allocated) and expenditure, and follow program-specific requirements established under prior authorizations. In addition, there are new cross-cutting requirements under the FAST Act found in section III.D of this notice that apply to all grants obligated in FY 2016.

#### 1. Research, Development, Demonstration and Deployment Program (49 U.S.C. 5312)

Formerly the Research, Development, Demonstration, and Deployment Program, the FAST Act amends 49 U.S.C. 5312 and renames this section, which authorizes FTA's research program, to "Public Transportation Innovation." While maintaining the authority for research, development, demonstration, deployment, and evaluation activities as previously authorized in section 5312, the Low or No Emission Vehicle Deployment Program (Lo-No Deployment Program) is no longer authorized as a discretionary research-funded activity; however, FTA is currently in the process of evaluating eligible proposals submitted in response to the NOFA published on September 24, 2015 (closed on November 23, 2015) and anticipates allocating the FY 2015 appropriations to selected projects in the summer of 2016. FTA also continues to work with the recipients of the FY 2013–2014 Lo-No Deployment program to implement and evaluate vehicle and facilities projects. And, while no longer eligible in the research program, grantees can compete under the new discretionary authority found in the Bus and Bus Facilities program (section 5339) specifically for Low and No Emission vehicle and facility projects in FY 2016.

#### 2. Transit Cooperative Research Program (49 U.S.C. 5313)

The FAST Act repeals section 5313 and moves the authority for the cooperative research program to section 5312 (49 U.S.C. 5312(i)) as described above.

#### 3. Technical Assistance and Standards Development (49 U.S.C. 5314)

Formerly Technical Assistance and Standards Development, the FAST Act amends 49 U.S.C. 5314 to include new authority and renames the section to "Technical Assistance and Workforce Development." In addition to funding technical assistance and standards development, this section now authorizes FTA's workforce development activities and the National Transit Institute (NTI), both formerly found in section 5322.

Of particular note, this section now authorizes recipients under sections 5307, 5337, and 5339 to 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.

#### 4. Bicycle Facilities (49 U.S.C. 5319)

Section 5319—Bicycle facilities has been repealed. This section had permitted a higher Federal share of up to 95 percent for bicycle access and other bicycle capital projects. However, capital projects for bicycle access, including bicycle storage shelters and parking facilities and the installation of equipment for transporting bicycles on public transportation vehicles remains eligible at an 80 percent Federal share.

#### 5. Human Resources and Training (49 U.S.C. 5322)

The FAST Act repeals section 5322 and moves the authority for human resources and training to section 5314, as described above.

### *D. Cross-Cutting Programmatic Requirements and Changes*

The following cross-cutting requirements apply to all FTA programs as of the date of this notice.

#### 1. Metropolitan and Statewide Planning

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. There are six changes noted below. These requirements will not go into effect until FTA and FHWA complete a rulemaking process and issue further guidance. The amendments to sections 5305 and 5304:

- Place new emphasis on intercity transportation, including intercity buses and intermodal facilities that support intercity transportation, and commuter vanpool providers; and
- Clarify the selection and role of the transit representation on Metropolitan Planning Organization (MPO) policy boards in large urbanized areas. 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 according to 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 Policy Guidance on Metropolitan Planning Organization (MPO) Representation Published on July 2, 2014, at [http://www.fta.dot.gov/documents/Transit\\_Rep\\_Fed\\_Register.pdf](http://www.fta.dot.gov/documents/Transit_Rep_Fed_Register.pdf).

- The scope of the planning process should improve the resiliency and reliability of the transportation system, in addition to the eight pre-existing goals established under MAP-21, and reduce the vulnerability of the existing transportation infrastructure to natural disasters.

- 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.

- Place greater emphasis on the congestion management process. MPOs that serve transportation management areas shall develop a congestion management plan with input from employers, private and public transit providers, transportation management associations, and organizations that provide low-income individuals transportation access to jobs and job related services.

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

performance of the transportation system.

In addition to changes in sections 5303 and 5304, FTA notes the Metropolitan and Statewide planning processes continue to emphasize 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. By October 1, 2017, the DOT is to provide Congress with a report evaluating the effectiveness of performance-based planning and assessing the technical capacity of MPOs in smaller areas to undertake performance-based planning.

## 2. Provision of Non-Fixed Route Paratransit Under ADA

The FAST Act amended the definition of capital projects relative to Americans with Disabilities Act (ADA) complementary paratransit services in 49 U.S.C. 5302. Specifically, grant recipients that are in compliance with applicable requirements of the ADA, including both fixed route and demand responsive service, may continue to expend up to 10 percent of the recipient's annual formula apportionment under sections 5307 and 5311 for ADA complementary paratransit service at an 80 percent Federal share. In addition, grant recipients may now expend up to 20 percent of the recipient's annual formula apportionment under sections 5307 and 5311 for ADA complementary paratransit service, at an 80 percent Federal share, if the recipient provides evidence to the applicable FTA Regional office that it meets at least two of the following requirements:

(1) Provides an active fixed-route travel training program that is available for riders with disabilities.

(2) Provides that all fixed route and paratransit operators participate in a passenger safety, disability awareness,

and sensitivity training class on at least a biennial basis.

(3) Have memoranda of understanding in place with employers and the American Job Center to increase access to employment opportunities for people with disabilities.

Eligibility for using formula funds at an 80 percent Federal share for ADA service is contingent on compliance with ADA requirements for both fixed route and demand responsive service. FTA recipients must certify compliance with the ADA annually, and are subject to compliance review activities conducted by FTA to monitor compliance and correct deficiencies.

## 3. Buy America

The FAST Act amended the Buy America requirements to provide for a phased increase in the domestic content for rolling stock. For FY16 and FY17, the cost of components and subcomponents produced in the United States must be more than 60 percent of the cost of all components. For FY18 and FY19, the cost of components and subcomponents produced in the United States must be more than 65 percent of the cost of all components. For FY20 and beyond, the cost of components and subcomponents produced in the United States must be more than 75 percent of the cost of all components. There is no change to the requirement that final assembly of rolling stock must occur in the United States. FTA will be issuing guidance on the implementation of the phased increase in domestic content in the near future.

## 4. Leasing

The FAST Act amends the definition of Capital project in section 5302 to remove the requirement that leasing equipment or a facility for use in public transportation is subject to regulations limiting those leases to those that are more cost effective than purchase or construction. FTA will therefore no longer enforce 49 CFR part 639 Capital Leases. Recipients should therefore refer to leasing eligibility under 2 CFR part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, specifically part 200.465 *Rental costs of real property and equipment*.

Although the regulatory requirements are eliminated, section 3019 of the FAST Act requires all recipients of capital leases to submit to FTA, no later than 3 years after the date on which the lease was entered, a report evaluating the overall costs and benefits of leasing rolling stock and comparing the expected short-term and long-term

maintenance costs of leasing versus buying rolling stock.

Although already eligible under FTA's programs, section 3019 of the FAST Act emphasizes that power sources separately installed in and removed from a zero emission vehicle may be acquired through capital lease.

5. Project Management Oversight

The FAST Act amended the project management oversight statute, 49 U.S.C. 5327, to specify that FTA conduct a review of a grantee's compliance with its approved project management plan for a major capital project on a quarterly basis, rather than monthly, unless the grantee is not in compliance with the project management plan and the project is at risk of running over budget and behind schedule, in which case FTA may conduct more frequent reviews. Section 5327 also requires a grantee for a major capital project to submit quarterly updates of the project budget and schedule. These changes in oversight practice will apply to all major capital projects.

6. Incremental Costs of Art and Non-Functional Landscaping Prohibited

The FAST Act makes ineligible the incremental costs of incorporating art or non-functional landscaping into facilities, including the costs of an artist on a design team.

7. Use of Geographic Preferences in Hiring

Section 415 of Title IV of the FY2016 Consolidated Appropriations Act continues the provision in Section 418 of the Consolidated and Further Continuing Appropriations Act, 2015, Public Law 113-235 that FTA is prohibited from using appropriated funds for the year to implement, administer or enforce section 18.36(c)(2) of title 49, Code of Federal Regulations, for construction hiring purposes. Section 18.36(c)(2) prohibits the use of statutorily or administratively imposed in-State or local geographical preferences in the evaluation bids or proposals. The provisions of 49 CFR 18.36(c)(2) have been recodified in substantially similar form at 2 CFR 200.319(b). Although Congress did not address the change in codification in Section 415, FTA believes that Congress intended to apply section 415 to grants subject to 2 CFR 200.319(b). FTA will

administer Section 415 in accordance with this intent.

Please note, however, that Section 192 of the FY2016 Consolidated Appropriations Act provides that FTA may assist a contract under title 49 of the United States Code that utilizes a geographic, economic, or any other hiring preference on a contract or construction project with which the Department of Transportation is assisting, only if the grant recipient certifies the following: (1) That except with respect to apprentices or trainees, a pool of readily available but unemployed individuals possessing the knowledge, skill, and ability to perform the work that the contract requires resides in the jurisdiction; (2) that the grant recipient will include appropriate provisions in its bid document ensuring that the contractor does not displace any of its existing employees in order to satisfy such hiring preference; and (3) that any increase in the cost of labor, training, or delays resulting from the use of such hiring preference does not delay or displace any transportation project in the applicable Statewide Transportation Improvement Program or Transportation Improvement Program. FTA will provide additional guidance on these provisions in the near future.

II. 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, Statewide Transportation Planning; Metropolitan Transportation Planning. State Departments of Transportation (DOTs) are direct recipients of 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 metropolitan transportation planning process must establish a performance-based approach in which the MPO will develop specific performance targets that address transportation system performance

measures (to be issued by U.S. DOT), where applicable, to use in tracking progress towards attaining critical outcomes. These performance targets will be established by MPO's in coordination with States and transit providers. MPOs will provide a system performance report that evaluates the progress of the MPO in meeting the performance targets in comparison with the system performance identified in prior reports.

This funding must support work elements and activities 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. Eligible work elements or activities include, but are not limited to studies relating to management, mobility management, planning, operations, capital requirements, and economic feasibility; evaluation of previously funded projects; peer reviews and exchanges of technical data, information, assistance, and related activities in support of planning and environmental analysis among MPOs and other transportation planners; work elements and related activities preliminary to and in preparation for constructing, acquiring, or improving the operation of facilities and equipment; development of coordinated public transit human services transportation plans. 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 about the Metropolitan Planning Program, contact Victor Austin, Office of Planning and Environment at (202) 366-2996 or victor.austin@dot.gov.

1. Authorized Amounts

The FAST Act authorizes \$108.14 million in FY 2016, \$110.35 million in FY 2017, \$112.66 million in FY 2018, \$115.05 million in FY 2019 and \$117.49 million in FY 2020 to provide financial assistance for metropolitan planning needs under section 5305.

Fiscal year	2016	2017	2018	2019	2020
Funds Authorized .....	\$108,141,510	\$110,347,597	\$112,664,897	\$115,053,393	\$117,492,524

The table above shows the funding amounts authorized for the Metropolitan Planning Program.

2. FY 2016 Funding Availability

In FY 2016, \$108,141,510 is available for the period October 1, 2015 through September 30, 2016 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 \$107,600,802 as shown in the table below, after the deduction for oversight (authorized by section 5338).

**METROPOLITAN PLANNING PROGRAM—  
FY 2016**

Total Appropriation .....	\$108,141,510
Oversight Deductions .....	(540,707)
<b>Total Apportioned .....</b>	<b>107,600,803</b>

3. Basis for Formula Apportionment

The FAST Act did not change the funding formula. Of the amounts authorized in section 5305, 82.72 percent is made available to the Metropolitan Planning program. Eighty percent of the funds are apportioned on a statutory basis to the States 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 the supplemental allocation.

4. Requirements

The State allocates 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 their 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 2016 plus three additional fiscal years. Accordingly, funds apportioned in FY 2016 must be obligated in grants by September 30, 2019. Any FY 2016 apportioned funds that remain unobligated at the close of business on September 30, 2019, will revert to FTA for reapportionment under the Metropolitan Planning program.

*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. 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, *Statewide Transportation Planning; Metropolitan Transportation Planning; Final Rule*. State DOTs are required to reference performance measures and performance targets within the Statewide Planning process. This funding must support work elements and activities resulting in balanced and comprehensive intermodal transportation planning for the movement of people and goods. 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. For more information, contact *Victor Austin, Office of Planning and Environment at (202) 366-2996 or victor.austin@dot.gov*.

1. Authorized Amounts

FAST authorizes \$22,590,490 in FY 2016, \$23,051,336 in FY 2017, \$23,535,414 in FY 2018, \$24,034,364 in FY 2019 and \$24,543,893 in FY 2020 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 authorized for section 5305 that are allocated to the Statewide Planning and Research program, as shown below.

Fiscal year	2016	2017	2018	2019	2020
Funds Authorized .....	\$22,590,490	\$23,051,336	\$23,535,414	\$24,034,364	\$24,543,893

2. FY 2016 Funding Availability

In FY 2016, \$22,590,490 is available for the period October 1, 2015 through September 30, 2016 to the State Planning and Research Program (section 5305(e)). The total amount apportioned for the State Planning and Research Program (SPRP) is \$22,477,537 as shown in the table below, after the deduction for oversight (authorized by section 5338).

**STATEWIDE PLANNING PROGRAM—FY  
2016**

Total Appropriation .....	\$22,590,490
Oversight Deductions .....	(112,953)

**STATEWIDE PLANNING PROGRAM—FY  
2016—Continued**

Total Apportioned .....	22,477,537
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States' apportionments for this program are displayed in Table 2.

3. Basis for Formula Apportionment

The FAST Act did not change the funding formula. Of the amount authorized in 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, and 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, 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 2016 plus three additional fiscal years. Accordingly, funds apportioned in FY 2016 must be obligated in grants by September 30, 2019. Any FY 2016 apportioned funds that remain unobligated at the close of business on September 30, 2019 will revert to FTA for reapportionment under the State Planning and Research program.

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

Section 5307 authorizes Federal assistance for capital, planning, job access and reverse commute projects, and, in some cases, operating assistance

for public transportation in urbanized areas. An urbanized area (UZA) is an area with a population of 50,000 or more that has been defined and designated as such by the U.S. Census Bureau. Program funds are apportioned to urbanized areas through a statutory formula. In addition, \$30 million is allocated each year under this program to passenger ferry projects through a discretionary funding competition.

For more information about the Urbanized Area Formula Program, contact *Tara Clark, Office of Transit Programs, at (202) 366-2623 or tara.clark@dot.gov.*

1. Authorized Amounts

The FAST Act authorizes \$4,538,905,700 in FY 2016, \$4,629,683,814 in FY 2017,

\$4,726,907,174 in FY 2018, \$4,827,117,606 in FY 2019 and \$4,929,452,499 in FY 2020 to provide financial assistance for urbanized areas under section 5307. Of the amount authorized and appropriated for section 5307 in each year, \$30 million is set aside for the competitive discretionary Passenger Ferry Grant Program, 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 Passenger Ferry Discretionary Program is provided in section III of this notice. Further information on the 0.5 percent apportionment to States for the State Safety Oversight Program is provided in section IV.N. of this notice.

Fiscal year	2016	2017	2018	2019	2020
Funds Authorized .....	\$4,538,905,700	\$4,629,683,814	\$4,726,907,174	\$4,827,117,606	\$4,929,452,499

2. FY 2016 Funding Availability

A total of \$4,538,905,700 is available for the section 5307 program for FY 2016. The total amount apportioned to urbanized areas is \$4,911,077,833 which includes the addition of amounts apportioned to UZAs pursuant to the Section 5340 Growing States and High Density States Formula factors. This amount excludes the set-aside for the Passenger Ferry Discretionary Program, apportionments under the State Safety Oversight Program, and oversight (authorized by section 5338), as shown in the table below:

URBANIZED AREA FORMULA PROGRAM—FY 2016

Total Appropriation .....	<sup>a</sup> \$4,538,905,700
Oversight Deduction .....	(34,041,793)
Ferry Discretionary Program .....	(30,000,000)
State Safety Oversight Program .....	(22,694,529)
Section 5340 High Density States .....	263,964,457
Section 5340 Growing States .....	194,943,998
Total Apportioned .....	4,911,077,833

<sup>a</sup>Includes 1.5 percent set-aside for Small Transit Intensive Cities Formula.

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

3. Basis for Formula Apportionment

FTA apportions Urbanized Area Formula Program funds based on statutory formulas. Congress established four separate formulas that are used to apportion portions of the 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.

The FAST Act did not make changes to the apportionment formula for FY 2016 through 2018. Section 5336(h) states that 3.07 percent of section 5307 funds available are for apportionment are allocated on the basis of low-income persons residing in urbanized areas, with 25 percent of these funds allocated to areas below 200,000 in population and the remaining 75 percent allocated to areas 200,000 and over in population. The percentage of funds allocated on the basis of Small Transit Intensive Cities (STIC) factor remains 1.5 percent.

However, the STIC factor will increase to 2.0 percent in FY 2019. Finally, The 0.5 percent takedown for State Safety Oversight grant program still applies.

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 breakdowns of the funding allocated to each UZA under these formulas upon request to the FTA Regional Office.

a. Section 5307—Urbanized Area Formula

For UZAs between 50,000 and 199,999 in population, the section 5307 formula is based on population and

population density. For UZAs with populations of 200,000 and more, the formula is based on a combination of bus revenue vehicle miles, bus passenger miles, bus operating costs, fixed guideway vehicle revenue miles, and fixed guideway route miles, as well as population and population density. The Urbanized Area Formula is defined in 49 U.S.C. 5336.

To calculate a UZA's FY 2016 apportionment, FTA used population and population density statistics from the 2010 Census and validated mileage and transit service data from transit providers' 2014 National Transit Database (NTD) Report Year (when applicable). 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. 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 of the data used to calculate the apportionments, as well as the amount appropriated by Congress for the apportionment. The dollar unit values for FY 2016 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).

#### b. Small Transit Intensive Cities Formula

Under the STIC formula, FTA apportions 1.5% 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 on the basis of one or more of 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% to 2%.

The data used to determine a UZA's eligibility under the STIC formula and to calculate the STIC apportionments was obtained from the NTD reports for the 2014 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 2016 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. For fiscal year 2016 FTA apportions \$194,943,998 to UZAs in Growing States and \$263,964,457 to UZAs in High Density States. More information on this program and its formula is found in section IV.P. of this notice.

#### d. Low-Income Population

The FAST Act does not change the formula factor for low-income population. Of the amount authorized and appropriated for the Urbanized Area Formula Program in each year, 3.07 percent is apportioned on the basis of low income population. A total of \$139,344,405 has been apportioned to UZAs based on this formula for FY 2016, as described below.

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, according to an equivalent formula. The low income populations used for this calculation were based on the American Community Survey (ACS) data set for 2009–2013. This information is updated by the Census Bureau annually.

#### 4. Eligible Expenses

Eligible activities include planning, engineering design and evaluation of transit projects and other technical transportation-related studies; capital investments in bus and bus-related activities such as replacement of buses, overhaul and rebuilding of buses; crime prevention and security equipment; construction of maintenance and passenger facilities; and capital investments in new and existing fixed guideway systems including rolling stock, overhaul and rebuilding of vehicles, track, signals, communications, and computer hardware and software. All preventive maintenance and some Americans with Disabilities Act complementary paratransit service costs are considered capital costs. For urbanized areas with populations less than 200,000, operating assistance is an eligible expense. In areas over 200,000 in population, operating assistance is an eligible expense if the special rule (100 Bus Rule) at 49 U.S.C. 5307(a)(2) applies. Job Access and Reverse Commute activities remain eligible under the program.

In addition, recipients may now use up to one-half of one percent of their section 5307 funds to support workforce development activities at an 80 percent Federal share; the eligible workforce development activities are defined in section 5314; see Section IV.K. of this notice for more information. This provision is new in section 5314 and is in addition to the one-half of one percent that recipients may use for training activities with the National Transit Institute.

#### 5. Requirements

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 section 5307 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.

Key program requirements and changes that apply to all programs are addressed in section III.D. of this notice, “Cross-Cutting Programmatic Requirements and Changes.” The following subsections outline several important program requirements and changes that apply specifically to the Urbanized Area Formula Program.

In FY 2016, FTA will apportion funds to a new large UZA for which a designated recipient has not yet been selected. These funds will become available for grants once FTA has received documentation of the selection of a designated recipient (for the Lake Tahoe UZA identified in section 5303(r) Bi-State Metropolitan Planning Organization).

#### 6. Period of Availability

Funds made available under Section 5307 are available for obligation during the year of apportionment plus five additional years. This is unchanged under the FAST Act. Accordingly, funds apportioned in FY 2016 must be obligated in grants by September 30, 2021. Any FY 2016 apportioned funds that remain unobligated at the close of business on September 30, 2021 will revert to FTA for reapportionment under the Urbanized Area Formula Program.

Funds allocated under the Passenger Ferry discretionary program follow the same period of availability as section 5307. Accordingly, funds allocated in FY 2016 must be obligated in grants by September 30, 2021. Any of the funds allocated in FY 2016 that remain unobligated at the close of business on September 30, 2021 will revert to FTA for reallocation under the Passenger Ferry program.

#### 7. What's New and Other Program Highlights

##### a. Special Rule for Operating Assistance in Large Urbanized Areas

The FAST Act amended the special rule at 49 U.S.C. 5307(a)(2) to add demand response service. The special rule allows recipients in urbanized areas with populations of 200,000 or above and those that operate 100 or fewer buses in fixed route service or demand response, excluding ADA complementary paratransit service, during peak hours, to receive a grant for operating assistance subject to a maximum amount per system as explained below:

i. Public transportation systems that operate a minimum of 76 buses and a maximum of 100 buses in fixed route

service or demand response, excluding ADA complementary paratransit service, during peak service hours may receive operating assistance in an amount not to exceed 50 percent of the share of the apportionment that is attributable to such systems within the urbanized area, as measured by vehicle revenue hours.

ii. Public transportation systems that operate 75 or fewer buses in fixed route service or demand response, excluding ADA complementary paratransit service, during peak service hours may receive operating assistance in an amount not to exceed 75 percent of the share of the apportionment that is attributable to such systems within the urbanized area, as measured by vehicle revenue hours.

iii. A list of eligible recipients and their maximum operating assistance amounts for FY 2016 is shown in Table 3–A. FTA identified the systems eligible to use this provision and their maximum amounts for FY 2016 using data from the NTD for reporting year 2014. Operating assistance requires a 50 percent local match.

In accordance with section 5307(a)(2), FTA has calculated a fixed annual cap on operating assistance for each eligible agency that provides service in a large UZA. The cap is determined by dividing the UZA's apportionment by the total number of vehicle revenue hours reported from all public transportation operators and from all transit modes in the UZA, and then by multiplying this quotient by the number of bus vehicle revenue hours operated in the UZA by the eligible system. The result is the proportional share of the apportionment that is attributable to the qualifying system, as measured by vehicle revenue hours. This cap is calculated based on the FY 2016 apportionment for an eligible provider's UZA. Eligible systems operating in more than one UZA over 200,000 in population will receive separate operating caps from each UZA in which the system operates. The FY 2016 Apportionment Table 3A includes all eligible general public demand response operators.

In determining the amount of operating assistance available for specific systems in urbanized areas under the Special Rule, public transportation systems may execute a written agreement with one or more other public transportation systems within the urbanized area to allocate funds by a method other than by measuring vehicle revenue hours. Systems within the urbanized area may combine their individual operating assistance caps and allocate the combined funds using a method that is

agreed upon by all of the systems. The method used should be documented in a written agreement, signed by all parties, and transmitted to FTA as a part of the split letter.

**b. Equipment and Facilities Maintenance**

Section 5307(c) is amended to require recipients to maintain equipment and facilities in accordance with the recipient's transit asset management plan.

**c. Associated Transit Improvements**

Designated recipients in UZAs with populations of 200,000 or more are no longer required to expend not less than one percent of the section 5307 funds apportioned to the UZA be set aside for associated transit improvements. Designated recipients must still submit an annual report listing projects carried out in the preceding year with these funds as part of the Federal fiscal year's final quarterly progress report in TrAMS. The report should include the following elements: (1) Grantee name; (2) UZA name and number; (3) FTA project number; (4) associated transit improvement category; (5) brief description of improvement and progress towards project implementation; (6) activity line item code from the approved budget; and (7) amount awarded by FTA for the project. The list of associated transit improvement categories and activity line item (ALI) codes may be found in the table of Scope and ALI codes in TrAMS.

It is the responsibility of the recipients in a UZA to identify associated transit improvement projects that will receive funding from the Urbanized Area Formula Program.

**d. Increased Cap on Spending for ADA Paratransit Service**

As under previous authorizations, recipients that are in compliance with the requirements of the ADA may use 10 percent of their annual formula apportionment for ADA paratransit service, funded at an 80 percent Federal share. The FAST Act increases the spending cap for ADA paratransit service to 20 percent of a recipient's annual formula apportionment under certain conditions. See sections III.D. and V.D for more information on this provision.

**e. Eligibility for Safety Certification Training**

Effective May 2015, FTA established an Interim Safety Certification Training Program. Recipients of section 5307 funds are permitted to use not more

than 0.5 percent of their formula funds under the Urbanized Area Formula Program to pay not more than eighty percent of the cost of participation for an employee who is directly responsible for safety oversight to participate in public transportation safety certification training. The interim program will remain in place until the effective date of the final rule. FTA published a Notice of Proposed Rulemaking (NPRM) for this program on December 3, 2015. Comments were due on February 1, 2016.

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

The Capital Investment Grant (CIG) Program includes four types of eligible projects—New Starts projects, Small Starts projects, Core Capacity Improvement projects, and Programs of Interrelated 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 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 of an existing fixed guideway corridor that is at capacity today or will be in five years; and (4) programs of two or more projects as described above that have logical connectivity with one another and will all begin construction in a reasonable timeframe.

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. New Starts and Core Capacity Improvement projects receive construction funds from the program through a full funding grant agreement (FFGA) that defines the scope of the project and specifies the total multi-year Federal commitment to the project.

Small Starts projects receive construction funds through a single year grant or an expedited grant agreement that defines the scope of the project and specifies the Federal commitment to the project.

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*. For

information about published allocations contact Eric Hu, Office of Transit Programs, at (202) 366-0870 or *eric.hu@dot.gov*.

1. Authorized Amounts

The FAST Act authorizes \$2,301,785,760 for FY 2016 through FY 2020 for the Capital Investment Grant program.

Fiscal year	2016	2017	2018	2019	2020
Funds Authorized .....	\$2,301,785,760	\$2,301,785,760	\$2,301,785,760	\$2,301,785,760	\$2,301,785,760

2. FY 2016 Funding Availability

Although the program is authorized at \$2,301,785,760 for FY 2016, the Appropriations Act makes \$2,177,000,000 available for the section 5309 program for FY 2016. After the oversight deduction, \$2,155,230,000 is available for eligible projects under the program.

NAME OF PROGRAM—FY 2016

Total Appropriation .....	\$2,177,000,000
Oversight Deduction .....	(21,770,000)
<b>Total Apportioned .....</b>	<b>2,155,230,000</b>

3. Basis for Allocation

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

4. Eligible Expenses

See beginning of section D above.

5. Requirements

FTA will be completing a rulemaking and interim policy guidance documents for the Capital Investment Grant program to implement the changes made in FAST. Project sponsors should reference the FTA Web site at *www.fta.dot.gov* for the most current Capital Investment Grant program policy guidance to learn what is required to enter and advance through the program. Grant-related guidance is found in FTA Circular 9300.1B, Capital Investment Grant Program Guidance and Application Instructions, November 1, 2008; and C5200.1A, Full Funding Grant Agreement Guidance, December 5, 2002, which will be updated in the future to incorporate the changes made by the FAST Act.

6. Period of Availability

The FAST Act shortened the period of availability for section 5309 capital investment grant program funds from five years to four years, which is the fiscal year in which the amount is made available plus three additional years.

Therefore, funds for a project identified in FY 2016 must be obligated for the project by September 30, 2019. Section 5309 funds that remain unobligated after four fiscal years to the projects for which they were originally designated may be made available for other section 5309 projects.

7. What's New and Other Program Highlights

a. New Starts and Core Capacity

The FAST Act amended the Capital Investment Grant Program (CIG) by changing slightly the eligibility parameters for New and Small Starts projects as described below, allowing joint intercity rail/public transportation projects to be eligible, limiting the maximum CIG share for New Starts projects to 60 percent, and clarifying how Programs of Interrelated Projects are to be evaluated and rated.

Under 49 U.S.C. 5309, as amended by the FAST Act, New Starts projects are defined as projects with a total capital cost of \$300 million or greater or that are seeking \$100 million or more in section 5309 funding. Previously, these thresholds were \$250 million and \$75 million respectively. Eligible New Starts projects are new fixed-guideway systems, such as rapid rail (heavy rail), commuter rail, light rail, streetcars, trolleybus (using overhead catenary), cable car, passenger ferries, and fixed guideway bus rapid transit, or an extension of any of these systems. Fixed guideway bus rapid transit is defined as operating on an exclusive transit lane for the majority of the corridor length and 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.

Small Starts projects are defined as projects with a total capital cost less than \$300 million and that are seeking

less than \$100 million in section 5309 funding. Previously, these thresholds were \$250 million and \$75 million respectively. Eligible Small Starts projects are those mentioned for the New Starts program, as well as corridor-based bus rapid transit projects that do not operate on a separated fixed guideway but include 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. The previous authorization also required substantial, bi-directional service on weekends for corridor-based bus rapid transit projects but the FAST Act amended 49 U.S.C. 5309 to remove that requirement.

Core Capacity Improvement projects are defined as substantial, corridor-based investments in existing fixed guideway systems that are at capacity today or will be in five years. A Core Capacity Improvement project must increase the capacity of the existing fixed guideway system in the corridor by at least 10 percent. Core Capacity projects cannot include elements designed to maintain a state of good repair. This was not changed from the eligibility under MAP-21.

Additionally, the FAST Act amends section 5309 to define a Program of Interrelated Projects as the simultaneous development of two or more New Starts projects, Small Starts projects, or Core Capacity projects or any combination thereof. The projects in the Program must have logical connectivity to one another and construction must begin on the projects in the Program in a reasonable timeframe. Programs of Interrelated Projects may also include non-federally funded projects, which can count as match toward the overall Program. FTA is required to evaluate and rate a Program of Interrelated Projects as a whole rather than rating the individual projects in the Program. The FAST Act amended the evaluation

criteria in 49 U.S.C. 5309(i) that FTA must use when developing the ratings, indicating that if the Program of Interrelated Projects includes a combination of project types, the New Starts criteria should be used. Annually FTA must review the Program of Interrelated Projects to ensure it is adhering to its schedule.

The number of steps in the process for projects has not changed. 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. FTA must evaluate and rate projects seeking section 5309 funding according to statutorily defined criteria at various steps in the process. There is a new provision that allows for an optional early rating for Small Starts projects after the completion of the National Environmental Policy Act (NEPA). FTA will implement amendments to 49 U.S.C. 5309 through rule-making and future policy guidance, which will be developed through a notice and comment process.

b. Expedited Project Delivery for Capital Investment Grants Pilot Program

The FAST Act repealed the pilot program with a similar name authorized under MAP-21 and replaced it with this new pilot program at section 3005(b) of the Fast Act. Eligible projects for the pilot program include New Starts, Small Starts, or Core Capacity improvement projects that have not yet received a full funding grant agreement. However the definitions of New Starts, Small Starts, and Core Capacity differ slightly from those used in the Capital Investment Grant program.

A New Starts project under the pilot program is defined as a project with a total capital cost of \$300 million or greater or that is seeking \$75 million or

more in funding from the pilot program. A Small Starts project under the pilot program is defined as a project with a total capital cost less than \$300 million and that is seeking less than \$75 million in funding from the pilot program. A Core Capacity Improvement project under the pilot program is defined as a substantial, corridor-based investment in an existing fixed guideway system that is at capacity today or will be in five years. The Core Capacity Improvement project must increase the capacity of the existing fixed guideway system in the corridor by at least 10 percent. It can include elements designed to maintain a state of good repair.

The FAST Act allows for up to eight projects to be selected for the pilot program. Projects must be supported at least in part through a public-private partnership, but must be operated and maintained by employees of an existing provider of fixed guideway or bus rapid transit services in the area. The maximum Federal funding provided to projects selected for the pilot program is 25 percent.

The FAST Act also requires that FTA determine a proposed pilot project is justified based on its mobility improvements, environmental benefits, congestion relief, economic development effects, and estimated ridership and that it is supported by an acceptable degree of local financial commitment. FTA will publish guidance in a future **Federal Register** notice describing the process for project sponsors to apply to FTA for consideration as a pilot project.

*E. Enhanced Mobility of Seniors and Individuals With Disabilities Program (49 U.S.C. 5310)*

The Enhanced Mobility of Seniors and Individuals with Disabilities Program provides formula funding apportioned to direct recipients: States

for rural (under 50,000) and small urban areas (50,000–200,000); and designated recipients chosen by the Governor of the State for large urban areas (populations of 200,000 or more); or a State or local governmental entity that operates a public transportation service. The 5310 program provides capital and operating assistance for improving the mobility for seniors and individuals with disabilities by removing barriers to transportation service and expanding transportation mobility options. This program supports transportation services planned, designed, and carried out to meet the special transportation needs of seniors and individuals with disabilities in all areas.

This program provides funds to: (1) Serve the special needs of transit-dependent populations beyond traditional public transportation service, where public transportation is insufficient, inappropriate, or unavailable; (2) projects that exceed the requirements of the Americans with Disabilities Act (ADA); (3) project that improve access to fixed route service and decrease reliance on complementary paratransit; and (4) projects that are alternatives to public transportation. For more information about the section 5310 program, contact *Danielle Nelson, Office of Transit Programs, at (202) 366-2160 or Danielle.Nelson@dot.gov.*

1. Authorized Amounts

The FAST Act authorizes \$264,949,400 in FY 2016, \$271,208,388 in FY 2017, \$277,090,764 in FY 2018, \$283,146,188 in FY 2019 and \$289,074,688 in FY 2020 for the Enhanced Mobility of Seniors and Individuals with Disabilities formula program. These amounts include funding for the discretionary pilot program as shown below.

Fiscal year	2016	2017	2018	2019	2020
5310 Formula Grants .....	\$262,949,400	\$268,208,388	\$273,840,764	\$279,646,188	\$285,574,688
Discretionary Pilot Program .....	2,000,000	3,000,000	3,250,000	3,500,000	3,500,000
5310 Total .....	264,949,400	271,208,388	277,090,764	283,146,188	289,074,688

2. FY 2016 Funding Availability

In FY 2016, \$262,949,400 is available for formula funding and \$2,000,000 for the discretionary pilot program. Total available funding for the section 5310 Program for FY 2016 is \$263,634,653 after the oversight deduction as shown in the table below.

SECTION 5310 FORMULA PROGRAM—FY 2016

Total Appropriation .....	\$262,949,400
Oversight Deductions (oversight 0.5%) .....	(1,314,747)
Total Apportioned .....	261,634,653
Discretionary Pilot Program	2,000,000

SECTION 5310 FORMULA PROGRAM—FY 2016—Continued

Total Apportioned .....	263,634,653
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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 their 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 their rural areas, areas with a population less than 50,000. Census Data on Older Adults and People with Disabilities is used for the Section 5310 Enhanced Mobility of Older Adults and People with Disabilities Apportionments. To view the Section 5310 table which displays the amounts apportioned under the Enhanced Mobility of Seniors and Individuals with Disabilities Program click here: [http://www.fta.dot.gov/12853\\_13935.html](http://www.fta.dot.gov/12853_13935.html).

Under the section 5310 formula, funds are allocated using Census data on seniors (*i.e.*, persons 65 and older) and people with disabilities. However, beginning in 2010, the Census Bureau stopped collecting this demographic information on 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 2016 section 5310 apportionments incorporate ACS data published in December 2014. Data on seniors comes from the ACS 2009–2013 five-year data set, Table B01001, "Sex by Age". Data on persons with disabilities comes from the ACS 2009–2013 five-year data set, Table S.1810, "Disability Characteristics."

#### 4. Eligible Expenses

At least 55 percent of program funds must be used on capital or "traditional" 5310 project such as buses and vans; wheelchair lifts, ramps, and securement devices; transit-related information technology systems including scheduling/routing/one-call systems; and mobility management programs. The acquisition of transportation services under a contract, lease, or other arrangement is also eligible. Both capital and operating costs associated with contracted service are eligible capital expenses. User-side subsidies are considered one form of eligible arrangement. Funds may be requested for contracted services covering a time period of more than one year. The capital eligibility of acquisition of services is limited to the section 5310 program.

The remaining 45 percent is for additional "traditional" and other "nontraditional" projects. This includes projects eligible under the former 5317 New Freedom program, described as: Capital and operating expenses for new

public transportation services and alternatives beyond those required by the ADA, designed to assist individuals with disabilities and seniors.

#### 5. Requirements

##### 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.

In 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 definition of designated recipient, 49 U.S.C. 5302(4)). Designated recipients are responsible for administering the program. Responsibilities include: Notifying eligible local entities of funding availability; developing project selection processes; determining project eligibility; developing the program of projects; and ensuring that all subrecipients comply with Federal requirements.

Although FTA will only award grants to the eligible recipients for the program, there are other entities eligible to receive funding as subrecipients. These include private nonprofit agencies, public bodies approved by the state to coordinate services for seniors and people with disabilities, or public bodies which certify to the Governor that no nonprofit organizations or associations are readily available in an area to provide the service.

##### b. Local Match

The matching requirements for this program remain the same; capital assistance is provided on an 80 percent Federal share, 20 percent local share. Operating assistance requires a 50 percent match. Funds provided under other Federal programs (other than those of the DOT, with the exception of the Federal Lands Transportation Program and Tribal Transportation Program established by sections 202 and 203 of title 23 U.S.C.) may be used for

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.

FTA requires the following elements, at a minimum, be included in the plans:

- i. An assessment of available services that identifies current transportation providers (public, private, and nonprofit);
- ii. An assessment of transportation needs for individuals with disabilities and seniors;
- iii. Strategies, activities, and/or projects to address the identified gaps between current services and needs, as well as opportunities to achieve efficiencies in service delivery; and,
- iv. Priorities for implementation based on resources (from multiple program sources), time, and feasibility for implementing specific strategies and/or activities identified.

Additionally, 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. Recipients must certify that projects were selected from this process and must make reference to the plan in the program of projects, which is described below.

##### d. State and Project Management Plans

FTA will continue to require States, designated recipients, and State or local governmental entities that operate a public transportation service who are responsible for implementing the section 5310 program to document their approach to managing the program. The primary purposes of Management Plans are to serve as the basis for FTA management reviews of the program, and to 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, recipients can use 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.

6. Period of Availability

For Enhanced Mobility of Seniors and Individuals with Disabilities Program funds apportioned under this notice, FTA has administratively set the period of availability to three years, which includes the year of apportionment plus two additional years. Accordingly, funds apportioned in FY 2016 must be obligated in grants by September 30, 2018. Any FY 2016 apportioned funds that remain unobligated at the close of business on September 30, 2018 will revert to FTA for reapportionment among the States and urbanized areas.

7. What's New and Other Program Highlights

Under the FAST Act, 49 U.S.C. 5310(a) is amended to allow a State or local governmental entity that operates a public transportation service and is eligible to receive direct grants under 5311 or 5307 to be a direct recipient for Section 5310 funds.

The FAST Act amends Section 5310 to require FTA to collect best practices for dissemination to the public transportation industry related to innovation, program models, new service delivery options, performance measure findings, and transit cooperative research program reports. FTA will undertake these activities through the National Aging and Disability Transportation Center (NADTC).

Recipients may continue to use a competitive selection process to select projects, but it is not required. 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. There are no administrative or statutory provisions to

permit transferring section 5310 funds to other FTA programs nor is there a provision for large urbanized areas to transfer their funds to the State.

Section 5310 program recipients may continue to partner with meal delivery programs such as the 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 as long as 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. FTA is in the process of updating the program circular to incorporate changes resulting from the FAST Act.

Section 3006(b) of the FAST Act creates a new discretionary pilot program for innovative coordinated access and mobility that is discussed in section III of this notice. The Federal share is 80% for capital projects and 50% for operating assistance. Match can come from other Federal (non-DOT) funds. A report will be made available by December 31 of each year on the pilot program. The report will include a detailed description of the activities carried out under the pilot program, and an evaluation of the program, including an evaluation of the performance measures.

In addition, Section 3006(c) of the FAST Act includes Coordinated Mobility, which requires that FTA implement recommendations made by the Interagency Transportation Coordination Council on Access and Mobility (CCAM) 2005 Report to the President relating to the implementation of Executive Order No. 13330 (49 U.S.C. 101) including publishing an updated

strategic plan and developing a cost-sharing policy. The cost-sharing policy must be developed in compliance with applicable Federal laws for use by grantees of Federal programs funded by members of the CCAM. The cost allocation model developed under this section will facilitate local coordination efforts and include: Eligibility requirements; service delivery requirements; and reimbursement requirements.

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

The Rural Areas program provides formula funding to States and Indian tribes for the purpose of 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 operators of public transportation services, including intercity bus companies. Indian Tribes are also eligible direct recipients under section 5311, both for funds apportioned to the States and for projects apportioned or selected to be funded with funds set aside for a separate Tribal Transit Program. For more information about the Formula Grants for Rural Areas program, contact *Marianne Stock, Office of Transit Programs, at (202) 366-2677 or [Marianne.stock@dot.gov](mailto:Marianne.stock@dot.gov)*.

1. Authorized Amounts

The FAST Act authorizes \$619,956,600 in FY 2016, \$632,355,120 in FY2017, \$645,634,578 in FY2018, \$659,322,031 in FY2019, and \$673,299,658 in 2020 to provide financial assistance for rural areas under section 5311.

Fiscal year	2016	2017	2018	2019	2020
Funds Authorized .....	\$619,956,000	\$632,355,120	\$645,634,578	\$659,322,031	\$673,299,658

In addition to the funds made available to States under section 5311, approximately 16 percent of the funds authorized for the new section 5340 Growing States and High Density States formula factors will be apportioned to States for use in rural areas.

Funding for oversight, the Rural Transportation Assistance Program (RTAP), Tribal Transit Program, and the Appalachian Development Public Transportation Assistance Program will

be deducted before amounts are apportioned to the States.

2. FY 2016 Funding Availability

In FY 2016, \$619,956,000 is available for the section 5311 program for the period October 1, 2015 through September 30, 2016.

FORMULA GRANTS FOR RURAL AREAS PROGRAM—FY 2016

Total Appropriation .....	\$619,956,000
Oversight Deductions .....	(3,099,780)
RTAP Takedown .....	(12,399,120)
Tribal Takedown .....	(35,000,000)
Appalachian Takedown .....	(20,000,000)
Section 5340 Growing States .....	77,353,084
Total Apportioned .....	626,810,184

Table 12 displays the amounts apportioned to the States under the Formula Grants for Rural Areas Program.

### 3. Basis for Formula Apportionment

The FAST Act made no changes to the formula for the Rural Areas Program. FTA apportions section 5311 funds to the states by a statutory formula using the latest available U.S. decennial census data. The majority of rural formula funds (83.15 percent) are apportioned based on land area and population factors. In this first tier, no state may receive more than 5 percent of the amount apportioned on the basis of land area. The remaining rural formula funds (16.85 percent) are apportioned based on land area, vehicle revenue miles, and low-income individuals factors. In this second tier, no state may receive more than 5 percent of the amount apportioned on the basis of 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 according to 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 Rural Module of the National Transit Database (NTD) 2014 Report Year was used for this apportionment, including data from directly-reporting Indian tribes. Data from public transportation systems that reported to the Annual (Urbanized Area) Module, and that was not attributable to an urbanized area, was also included. The section 5311 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. Eligible Expenses

The section 5311 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 section 5311 funds are in addition to

those awarded to the State under section 5305 and must be used specifically for rural areas' needs. Job access and reverse commute projects are also eligible under this program.

#### a. Intercity Bus Transportation

Each State must continue to spend no less than 15 percent of its annual Rural Areas Formula 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 being met. FTA continues to encourage consultation with other stakeholders, such as communities affected by loss of intercity service. The FAST Act amended the intercity bus service match requirement in 49 U.S.C. 5311(g)(3) and now allows 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 or not offset by revenue from such service to be used as in-kind local match for the intercity bus projects. FTA will update the Section 5311 program circular to include this change.

#### b. State Administration

The FAST Act did not change the amount available to States for administration, planning, and technical assistance. States may elect to use up to 10 percent of their apportionment at 100 percent Federal share to administer the section 5311 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. Eligibility for Safety Certification Training

Recipients of section 5311 funds are permitted to use not more than 0.5 percent of their formula funds under the Rural Areas program to pay not more than eighty percent of the cost of participation for an employee who is directly responsible for safety oversight to participate in public transportation safety certification training. Safety certification training program requirements are established in accordance with section 5329.

### 5. Requirements

The program requirements under this section are generally unchanged, with the exception of the cross-cutting

requirements mentioned in section III.D. of this notice and specific subsections outlined below.

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 section 5311 capital projects and 62.5 percent of the sliding scale capital match ratio for operating projects. This is not changed under the current authorization.

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 Rural Areas Program is found in FTA Circular 9040.1G, *Formula Grants for Rural Areas: Program Guidance and Application Instructions*, dated October 24, 2014, and is supplemented by additional information and changes provided in this notice and that may be posted to FTA's section 5311 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. 5311.

The following subsections outline several important program requirements and changes that apply specifically to the section 5311 program.

### 6. Period of Availability

Section 5311 funds remain available to states for obligation for three Federal fiscal years, beginning with the year of apportionment plus two additional years. The Rural Areas program funds apportioned in this notice are available for obligation during FY 2016 plus two additional years. Any FY 2016 apportioned funds that remain unobligated at the close of business on September 30, 2018 will revert to FTA for reapportionment under the Rural Areas program.

### 7. What's New and Other Program Highlights

Revenue from the sale of advertising and concessions may be used as local match. The capital and operating costs, with no revenue offset, of an unsubsidized portion of privately provided intercity bus service that connects feeder service can be used as in-kind local match for the intercity bus projects.



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

This program is not changed in the FAST Act and continues to provide 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) contact *Marianne Stock, Office of Transit Programs, at (202) 366-2677 or marianne.stock@dot.gov.*

1. Authorized Amounts

The Fast Act authorizes a two percent takedown from the funds appropriated

for section 5311 for RTAP. Of this amount, 15 percent is reserved for the National RTAP program. The remainder is available for allocation to the States.

The Fast Act authorizes the following amounts to carry out this program for fiscal years 2016–2020.

Fiscal year	2016	2017	2018	2019	2020
Funds Authorized .....	\$12,399,120	\$12,647,102	\$12,912,692	\$13,186,441	\$134,659,93

2. FY 2016 Funding Availability

In FY 2016, \$12,399,120 is available for the section 5311 RTAP program. After the reservation for the National RTAP program, a total of \$10,539,252 is available for allocation to the States, as shown in the table below.

**RURAL TRANSPORTATION ASSISTANCE PROGRAM—FY 2016**

Total Appropriation .....	\$12,399,120
National RTAP .....	– 1,859,868
Total Apportioned .....	10,539,252

Table 12 shows the FY 2016 RTAP allocations to the States.

3. Basis for Formula Apportionment

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

4. Eligible Expenses

Eligible 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.

5. Requirements

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 Rural Areas Formula Program, but also may support the rural components of the section 5310 program.

6. Period of Availability

The section 5311 RTAP funds apportioned in this notice are available for obligation in FY 2016 plus two additional years, consistent with that established for the section 5311 program.

7. What’s New and Other Program Highlights

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 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 TRB 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 continues as a take-down under the section 5311 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 States and their allocation are shown in the Rural Areas Formula program table posted on FTA’s Web site under the FY 2013 Apportionments page. For more information about the Appalachian Development Public Transportation Assistance Program, contact *Marianne Stock, Office of Transit Programs, at (202) 366-2677 or marianne.stock@dot.gov.*

1. Authorized Amounts

The FAST Act authorizes \$20 million in each of FY 2016 through FY 2020 as a take-down under the section 5311 program to support public transportation in the Appalachian region.

Fiscal year	2016	2017	2018	2019	2010
Funds Authorized .....	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000

2. FY 2016 Funding Availability

A total of \$20,000,000 is available for the Appalachian Development program for FY 2016, as shown below.

**APPALACHIAN DEVELOPMENT PUBLIC TRANSPORTATION ASSISTANCE PROGRAM—FY 2016**

Total Appropriation .....	\$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 can be used for purposes consistent with section 5311 to support public transportation in the

Appalachian region. Funds can be applied for in the State's annual section 5311 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 October 24, 2014.

5. Period of Availability

Section 5311 Appalachian program funds are available for three years, which includes the year of apportionment plus two additional years, consistent with that established for the section 5311 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 discretionary grant program. It is funded as a takedown from funds made available for the section 5311 program. Formula factors include vehicle revenue miles and the number of low-income individuals residing on tribal lands (American Indian Areas, Alaska Native Areas, and Hawaiian Home Lands). More information on the Discretionary program can be found in section III.6 of this notice. Eligible direct recipients are Federally recognized Indian tribes and Alaskan Native Villages providing public transportation in rural areas. The TTP funds are to be allocated for grants to eligible recipients for any purpose eligible under section 5311, which includes capital, operating, planning, job access and reverse commute projects. For more information about the Tribal Transit Program contact *Elan Flippin, Office of Transit Programs at (202) 366-3800 or elan.flippin@dot.gov*.

1. Authorized Funding

Under the FAST Act, \$35 million is authorized in in each of FY 2016–FY 2020. Five million will be allocated on a competitive basis and \$30 million will be allocated by formula.

2. FY 2016 Funding Availability

In FY 2016, \$30,000,000 is made available by formula as shown in the table below.

FORMULA GRANTS FOR PUBLIC TRANSPORTATION ON INDIAN RESERVATIONS PROGRAM—FY 2016

Total Appropriation .....	\$30,000,000
Total Apportioned .....	30,000,000

3. Basis for Allocation

Funding is allocated by formula and distributed to eligible Indian tribes providing public transportation on tribal lands. The formula apportionment shown in Table 9 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 2009–2013 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 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 section 5311 to support public transportation on Indian Reservations in rural areas. Funds allocated under the discretionary 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 discretionary 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 direct recipients of section 5311 funds. This reporting requirement has and 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 2016 formula apportionments, tribes should have submitted their reports to the NTD no later than April 30, 2015; voluntary reporting to the NTD is also encouraged. Additionally, to be considered for the FY 2017 formula apportionment funds, tribes need to submit their reports to the NTD no later than April 30, 2016. 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

Funding for the TTP is available for three years, which includes the year of apportionment or allocation plus two additional years, consistent with that established for the section 5311 program. Any FY 2016 formula funds that remain unobligated at the close of business on September 30, 2018 will revert to FTA for reapportionment under the TTP.

6. What's New and Other Program Highlights

The FAST Act establishes a Tribal Transportation Self Governance Program (Self Governance). The Self Governance Program establishes specific criteria for determining eligibility for a tribe to participate in the program. DOT will develop rulemaking and the implementation of this program in consultation with tribal representatives and other interested stakeholders. See section III. 6 of this notice for more information.

The funds set aside for the TTP are not meant to replace or reduce funds that Indian tribes receive from States through the section 5311 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 section 5311 application or 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.

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, and expects to offer several workshops in FY2016. FTA has also expanded its technical assistance to tribes receiving

funds under this program. In FY15, 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. FTA completed fifteen assessments in FY15, and expects to do a similar number in FY 2016. 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. These workshops and assessments received exemplary feedback from Tribal Transit Leaders, and provided FTA with invaluable opportunities to learn more about tribal transit leaders' perspectives, and honor the sovereignty of tribal nations. FTA

will post information about upcoming workshops to its Web site 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. A list of regional tribal transit liaisons can be found on FTA's Web site at <http://www.fta.dot.gov/1309415845.html>. Tribes are encouraged to work directly with their regional tribal transit liaison. For more information about the Tribal Transit Program, please contact *Elan Flippin* at [elan.flippin@dot.gov](mailto:elan.flippin@dot.gov) or 202-366-3800.

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

Section 5312 is FTA's research program. Within this section, the FAST Act authorizes several different activities that comprise 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 (Lo-No Component Testing program) (49 U.S.C. 5312(h)); and (c) a Transit Cooperative Research Program (49 U.S.C. 5312(i)).

For more information about the Public Transportation Innovation program, contact *Mary Leary, Office of Research, Demonstration and Innovation at (202) 366-4052 or mary.leary@dot.gov*

1. Authorized Funding

The FAST Act authorizes \$48 million for FY 2016 through FY 2020 for the Public Transportation Innovation program as shown in the table below, \$28 million from the Mass Transit Account of the Highway Trust Fund and \$20 million from General Fund appropriations.

Fiscal year	2016	2017	2018	2019	2020
Public Transportation Innovation .....	\$48,000,000	\$48,000,000	\$48,000,000	\$48,000,000	\$48,000,000

2. FY 2016 Funding Availability

In FY 2016, \$28,000,000 is available for the Public Transportation Innovation program as shown in the table below.

**PUBLIC TRANSPORTATION INNOVATION—FY 2016**

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
Total Apportioned .....	28,000,000

3. Basis for Allocation of Funds

Section 5312 funds are allocated according to the authorized purposes and amounts described above, and then remaining amounts are subject to discretionary allocations where not specifically authorized. For FY 2016, FTA intends to fund projects and activities in support of three major areas: Asset Innovation and Management, Mobility, and Safety. Projects may be selected through Notices of Funding Availability (NOFA) or Requests for Proposals (RFPs). Potential recipients can register to receive notification of funding availability under this program on [Grants.gov](http://Grants.gov).

4. Eligible Expenses

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.

5. Requirements

The Government share of the cost of a project carried out under FTA's Research, 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 Lo-No Component Testing Program, 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 April 10, 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 during FY 2016.

6. Period of Availability

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

7. What's New and Other Program Highlights

The FAST Act amends 49 U.S.C. 5312 to create a new voluntary Lo-No Component Testing Program, which is separate and apart from the Bus Testing Program (Section 5318) and is authorized at \$3 million annually.

The annual Research Report on projects, evaluations, and benefits will be posted to FTA's Web site rather than submitted to the Congress.

Section 6019(b) of the FAST Act establishes new requirements for annual modal research plans in 49 U.S.C. 6501. This section requires FTA to submit its comprehensive annual modal research plan to the Assistant Secretary for Research and Technology for review and approval prior to expending funds.

Pursuant to the Small Business Innovation Development Act, a portion of the 5312 funds must be set aside for the Department's SBIR program 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.

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

The Technical Assistance and Workforce Development program, 49 U.S.C. 5314, provides assistance to: (1) Carry out technical assistance activities that enable more effective and efficient delivery of transportation services, foster compliance with Federal laws, and improve public transportation service; (2) develop standards and best

practices for the transit industry; and (3) address public transportation workforce needs through research, outreach, training and the implementation of a frontline workforce grant program, and conduct training and educational programs in support of the public transportation industry.

Section 5314 is funded from the Highway Trust Fund and is authorized at \$9 million a year for all five years, with \$5 million of that amount specifically set-aside for a National Transit Institute. FAST authorizes an additional \$5 million from the General Fund that is subject to annual appropriations; for FY 2016, there are no additional appropriations from the General Fund leaving a balance of \$4 million to fund all technical assistance,

standards development, and workforce development activities.

For more information about the Technical Assistance and Workforce Development program, contact *Betty Jackson, Office of Research, Demonstration and Innovation at (202) 366-4052 or Betty.Jackson@dot.gov.*

1. Authorized Amounts

The FAST Act authorizes \$14 million for each of FY 2016 through FY 2020 for the Technical Assistance and Workforce Development program as shown in the table below. \$9 million is authorized from the trust fund. Of this amount \$5 million is for the National Transit Institute (NTI). An additional \$5 million is authorized to be appropriated from the General Fund of the Treasury.

Fiscal year	2016	2017	2018	2019	2020
Technical Assistance and Workforce Development .....	\$14,000,000	\$14,000,000	\$14,000,000	\$14,000,000	\$14,000,000

2. FY 2016 Funding Availability

In FY 2016, \$9,000,000 is available for Technical Assistance and Workforce Development as shown in the table below.

**TECHNICAL ASSISTANCE AND WORKFORCE DEVELOPMENT—FY 2016**

Technical Assistance, Standards Development & Human Resource Training	\$4,000,000
National Transit Institute .....	5,000,000
<b>Total Appropriated .....</b>	<b>\$9,000,000</b>

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 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 activities include the development of voluntary and consensus-based standards and best practices by the industry to include 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, minorities

in public transportation activities; (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 discretionary frontline workforce development program as required in the authorization. Should FTA allocate funds for these purposes, it will advertise the available funding in a Notice of Funding Availability (NOFA) on Grants.gov and on its Web site. FTA will be issuing additional guidance in the coming months on how grantees can utilize their formula funds in support of these eligible activities.

5. Requirements

a. Federal Share

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.

3. Basis for Allocation of Funds

Under section 5314, \$5 million is available for the NTI. The remaining \$4 million will be allocated in support for both FTA and USDOT strategic goals for technical assistance, standards development, and workforce development. Projects may be selected through Notices of Funding Availability (NOFA) 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 into cooperative agreements, contracts, or other agreements to award funds and manage the projects carried out under this section.

4. Eligible Expenses

Eligible expenses include activities involving (a) Technical Assistance; (b) Standards Development; and (c) Human Resources and Training, to include Workforce Development programs and activities.

There is no match requirement for the National Transit Institute.

b. Non-Government Share

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, "Grants 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 Program: Application Instructions and Program Management Guidelines" dated April 10, 2015. All research recipients are required to work with FTA to develop approved Statements of Work.

5. Period of Availability

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

6. What's New and Other Program Highlights

Under 49 U.S.C. 5314(b)(4), recipients may use no more than one-half of one percent (0.5%) of their section 5307, 5337 and 5339 funds to support workforce development activities. In addition, 49 U.S.C. 5314(c)(4) allows recipients to use no more than one-half of one percent (0.5%) of their 5307, 5337, and 5339 funds to attend NTI training. Both provisions allow recipients to use these funds to pay up to 80 percent of the cost of training. This amounts to approximately \$36 million in formula funds that grantees can use to support workforce development activities and another \$36 million that can be used to support NTI training activities. For more information about the NTI, contact Faith Hall, *Office of*

*Research, Demonstration and Innovation at (202) 366-9055 or Faith.Hall@dot.gov.*

FTA is required to publish 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.

*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 as a result of an emergency or major disaster. No funding was provided in the FY 2016 Appropriations Act for this program.

In the event of a publicly declared emergency or disaster, eligible expenses will 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 in the United States or on an Indian reservation that the Secretary determines is in danger of suffering serious damage or has suffered serious damage as a result of an emergency. Additional information on eligible expenses and the process for applying for ER Program funding can be found in FTA's *Emergency Relief Manual: A Reference Manual for States & Transit Agencies on Response and Recovery from Declared Disasters and FTA's Emergency Relief Program (49 U.S.C. 5324)*, which was published on October 5, 2015.

While Congress did not provide funding for this program in FY 2016, recipients of FTA funding affected by a declared emergency or disaster are authorized to use funds apportioned under sections 5307 and 5311 for emergency purposes. Recipients are advised that formula funds used for emergency purposes will not be

replaced or restored in the event that funding is subsequently made available through FTA under the ER Program or by Federal Emergency Management Agency (FEMA).

In the event of a disaster affecting a public transportation system, the affected recipient should contact their FTA Regional Office as soon as practicable to determine whether Emergency Relief 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 section 5324 funding (if appropriated) or 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. Additional information about the Emergency Relief program and FTA's response to Hurricane Sandy is available on the FTA Web site at [www.fta.dot.gov/emergencyrelief](http://www.fta.dot.gov/emergencyrelief). For more information, contact Adam Schildge, *Office of Program Management*, at 202-366-0778 or [adam.schildge@dot.gov](mailto:adam.schildge@dot.gov).

*M. Public Transportation Safety Program (49 U.S.C. 5329)*

Section 5329(e)(6) of 49 U.S.C. 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. For more information, contact Maria Wright, *Office of Safety Review* at (202) 366-5922 or [maria1.wright@dot.gov](mailto:maria1.wright@dot.gov).

1. Authorized Amounts

Year	2016	2017	2018	2019	2010
Funds Authorized .....	\$22,694,529	\$23,148,419	23,634,536	24,135,588	24,647,262

2. FY 2016 Funding Availability

In FY 2016, \$22,694,529 is available for the State Safety Oversight (SSO) program. The total amount allocated for the SSO program is as shown in the table below.

**PUBLIC TRANSPORTATION SAFETY PROGRAM—FY 2016**

Total Appropriation .....	\$22,694,529
Total Apportioned .....	\$22,694,529

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 which apportioned SSO Formula Grant Program FY13 and FY14 funds (Vol. 79, No. 46/Monday, March

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%) of available funds based rail transit system vehicle passenger miles (PMT), vehicle revenue miles (VRM), and directional route miles (DRM), twenty percent (20%) of available funds equally to each eligible State, and twenty percent (20%) based on the number of rail transit systems.

4. Requirements

FTA requires each applicant to demonstrate in its grant application that its proposed grant activities will develop, lead to, or carry out an 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 FY13 and FY14 funds (Vol. 79, No. 46/Monday, March 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 2016

funds that remain unobligated at the close of business on September 30, 2018 will revert to FTA for reapportionment under the SSO Formula Grant Program.

6. What's New and Other Program Highlights

Under the FAST Act, section 5329 provides for a temporary Federal assumption of rail transit safety oversight, under certain circumstances. This section also authorizes FTA to issue restrictions and prohibitions to address unsafe conditions or practices, and to withhold funds for non-compliance with safety requirements.

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

The State of Good Repair program (SGR) provides capital assistance for maintenance, replacement, and rehabilitation projects of existing high intensity fixed guideway and high intensity motorbus systems to maintain a state of good repair. Additionally, SGR grants are eligible for developing and implementing Transit Asset Management plans. Estimates from the 2010 National State of Good Repair Assessment identified an \$86 billion backlog in deferred maintenance and replacement needs, a backlog that continues to grow. This program

provides funding for the following fixed guideway transit modes: Rapid rail (heavy rail), commuter rail, light rail, hybrid rail, monorail, automated guideway, trolleybus (using overhead catenary), aerial tramway, cable car, inclined plane (funicular), passenger ferries, and bus rapid transit. Fixed-route bus capital projects for services operating on high-occupancy-vehicle (HOV) facilities are also funded through High Intensity Motorbus tier of this program.

FTA published the State of Good Repair program guidance, FTA Circular 5300.1, State of Good Repair Grants Program: Guidance and Application Instructions, on January 28, 2015. The circular can be accessed at [www.fta.dot.gov/circulars](http://www.fta.dot.gov/circulars). For more information about the SGR program, contact *Eric Hu, Office of Transit Programs, at (202) 366-0870 or eric.hu@dot.gov*.

1. Authorized Amounts

The FAST Act authorizes \$2,507,000,000 for FY 2016, \$2,549,670,000 for FY 2017, \$2,593,703,558 for FY 2018, \$2,638,366,859 for FY 2019, and \$2,683,798,369 for FY 2020 for the State of Good Repair program.

Fiscal year	2016	2017	2018	2019	2020
Funds Authorized .....	\$2,507,000,000	\$2,549,670,000	\$2,593,703,558	\$2,638,366,859	\$2,683,798,369

2. FY 2016 Funding Availability

In FY 2016, \$2,507,000,000 is available for the State of Good Repair program. After a one percent oversight takedown, the total amount allocated for the State of Good Repair program is \$2,481,930,000 as shown in the table below.

STATE OF GOOD REPAIR PROGRAM—  
FY 2016

Total Appropriation .....	<sup>a</sup> \$2,507,000,000
Oversight Deductions .....	-25,070,000
Total Apportioned .....	2,481,930,000

<sup>a</sup> Total appropriation includes \$2,435,550,500 for the High Intensity Fixed Guideway Formula and \$71,449,500 for the High Intensity Motorbus Formula.

Table 15 shows the FY 2016 State of Good Repair Program formula apportionments to eligible urbanized areas.

3. Basis for Formula Apportionment

FTA allocates State of Good Repair program funds according to a statutory

formula. Funds are apportioned to urbanized areas with high intensity fixed guideway and high intensity motorbus systems that have been in operation for at least seven years. This means that only segments of high intensity fixed guideway and motorbus systems that entered into revenue service on or before September 30, 2008 are included in the formula, as identified in the NTD.

The law requires that 97.15 percent of the total amount authorized for the State of Good Repair program be apportioned to urbanized areas with “High Intensity Fixed Guideway” systems. The apportionments to urbanized areas with “High Intensity Fixed Guideway” systems are determined by two equal elements: (1) The proportion of the amount an urbanized area would have received in FY 2011 to the total amount apportioned to all urbanized areas in FY 2011 using new fixed guideway definition; (2) the proportion of vehicle revenue miles of an urbanized area to the total vehicle revenue miles of all urbanized areas and the proportion of directional route miles of an urbanized

area to the total directional route miles of all urbanized areas. High Intensity Motorbus systems will receive the remaining 2.85 percent of the total amount authorized for the State of Good Repair program, and the apportionments to urbanized areas are based on vehicle revenue miles and directional route miles.

Vehicle revenue miles and directional route miles attributable to an urbanized area must be placed in revenue service at least 7 years before the first day of the fiscal year. A threshold level of more than one mile of high intensity fixed guideway is required in order to receive State of Good Repair funds. Therefore, urbanized areas reporting one mile or less of fixed guideway mileage under the NTD are not included. FTA will apportion funds to designated recipients in the UZAs (see section IV. C. of this notice for more information about designated recipients; FTA will apportion section 5337 funds to the section 5307 designated recipient for the UZA) with high intensity fixed guideway systems operating at least 7 years. The designated recipients will

then allocate funds as appropriate to recipients that are public entities in the urbanized areas and provide split letters to the FTA. FTA can make grants to direct recipients after sub-allocation of funds.

4. Eligible Expenses

Eligible activities include projects that maintain, rehabilitate, and replace transit assets, as well as projects that implement Transit Asset Management plan. Additionally, training and workforce activities authorized under 49 U.S.C. 5314(b) and (c) are eligible for the State of Good Repair funds, and the funds are limited to 1 percent of the total amount that apportioned to the recipient (0.5 percent for each of the authorized activities).

5. Requirements

In addition to the program guidance found in the circular, all recipients will need to certify that they will comply with the forthcoming rule issued under section 5326 for the Transit Asset Management plan, and SGR projects will need to be included in recipients' Transit Asset Management plans. This requirement is subject to FTA rulemaking and will become effective only after the rule is issued.

6. Period of Availability

The State of Good Repair Program funds apportioned in this notice are available for obligation during FY 2016 plus three additional years. Accordingly, funds apportioned in FY 2016 must be obligated in grants by September 30, 2019. Any FY 2016 apportioned funds that remain unobligated at the close of business on September 30, 2019 will revert to FTA for reapportionment under the State of Good Repair Program.

7. What's New and Other Program Highlights

High intensity motorbus funds may be used for any project eligible under section 5337(b)(1). Therefore, these funds may be used to maintain rail fixed guideways as well as to maintain high intensity motorbus equipment and facilities

Recipients may now use up to one-half of one percent of their section 5307 funds to support workforce development activities at an 80 percent Federal share; the eligible workforce development activities are defined in Section 5314; see Section IV. K. of this notice for more information. This provision is new in section 5314 and is in addition to the one-half of one percent that recipients may use for

training activities with the National Transit Institute.

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

The section 5339 program provides funding to replace, rehabilitate, and purchase buses and related equipment as well as construct bus-related facilities.

Additional guidance on the section 5339(a) formula program can be found in FTA Circular 5100.1, which was published on May 18, 2015. This circular will be updated to reflect the amendments to section 5339 by the FAST Act. Information on the 5339(b) Buses and Bus Facilities Competitive Grant Program and the Section 5339(c) Low or No Emission Bus Competitive Grant Program will be published in a forthcoming Notice of Funding Availability. For more information about the Bus and Bus Facilities program, contact *Sam Snead, Office of Transit Programs, at (202) 366-1089 or samuel.snead@dot.gov.*

1. Authorized Amounts

The FAST Act authorizes a total of \$695,800,000 for FY 2016, \$719,960,000 for FY 2017, \$747,030,000 for FY 2018, \$777,020,000 for FY 2019 and \$808,650,000 for FY 2020 for the section 5339 Program, as shown below.

Fiscal year	2016	2017	2018	2019	2020
5339(a) Formula Program .....	\$427,800,000	\$436,360,000	\$445,519,476	\$454,964,489	\$464,609,736
5339(b) Bus Discretionary .....	213,000,000	228,600,000	246,514,000	267,059,980	289,044,179
5339(c) Low or No Emission Discretionary .....	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000
Section 5339 Total .....	695,800,000	719,960,000	747,033,476	777,024,469	808,653,915

2. Funding Availability

In FY 2016, \$427,800,000 is available for the section 5339(a) Bus and Bus Facilities formula program. After the 0.75 percent take-down for oversight, \$424,591,500 is available to be apportioned to States and urbanized areas.

GRANTS FOR BUSES AND BUS FACILITIES—FY 2015

Total Appropriation (Formula) .....	\$427,800,000
Oversight Deduction .....	(3,208,500)
Total Apportioned (Formula) .....	424,591,500
Total Appropriation (Discretionary) .....	268,000,000
Oversight Deduction .....	(2,010,000)

GRANTS FOR BUSES AND BUS FACILITIES—FY 2015—Continued

Total to be Allocated (Discretionary) .....	265,990,000
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Table 17 shows the FY 2015 Bus and Bus Facilities formula apportionments to States, Territories, and urbanized areas.

3. Basis for Allocation

Section 5339(a) Bus and Bus Facility formula program funds are apportioned to States, territories, and designated recipients based on a statutory formula. Under the National Distribution, each State is allocated \$1.75 million and each territory is allocated \$500,000 for use anywhere in the State or territory. The remainder of the available funding is then apportioned for UZAs based on

population, vehicle revenue miles and passenger miles using the same apportionment formula and allocation process as section 5307. Funds for UZAs under 200,000 in population are apportioned to the State through a section 5339(a) Governor's Apportionment 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.

4. Eligible Expenses

Eligible capital projects continue to include projects to replace, rehabilitate, and purchase buses and related equipment, and projects to construct bus-related facilities.

Recipients may now use up to one-half of one percent of their section 5307 funds to support workforce development activities at an 80 percent Federal share; the eligible workforce development activities are defined in Section 5314; see Section IV. K. of this notice for more information. This provision is new in section 5314 and is in addition to the one-half of one percent that recipients may use for training activities with the National Transit Institute.

#### 5. Requirements

The FAST Act modifies the definition of eligible recipients under Section 5339(a) to now include local governmental entities that operate fixed route bus service. Accordingly eligible recipients now include (1) designated recipients that allocate funds to fixed route bus operators, (2) States, and (3) local governmental entities that operate fixed route bus service and are direct recipients of Section 5307 funding. Eligible subrecipients continue to 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. Consistent with the application of other changes under the FAST Act, this change to the definition of eligible recipients applies to funding apportioned in previous fiscal years that remains available for obligation.

The requirements of section 5307 apply to recipients of section 5339 funds within an urbanized area. The requirements of Section 5311 apply to recipients of section 5339 funds within rural areas. For additional program requirements, refer to FTA Circular 5100.1.

#### 6. Period of Availability

The Bus and Bus Facilities Formula Program funds apportioned in this notice are available for obligation during FY 2016 plus three additional years. Accordingly, funds apportioned in FY 2016 must be obligated in grants by September 30, 2019. Any FY 2016 apportioned funds that remain unobligated at the close of business on September 30, 2019 will revert to FTA for reapportionment under the Bus and Bus Facilities Formula Program.

Discretionary program funds authorized under section 5339(b) and (c) (Bus and LoNo) follow the same period of availability: Year of allocation plus three additional years.

#### 7. What's New and Other Program Highlights

##### a. Cost Effective Capital Investment Pilot Program (49 U.S.C. 5339(a)(9))

Although it does not provide additional funding, as authorized under section 5339(a)(9), FTA is establishing a pilot program to allow designated recipients in urbanized areas between 200,000 and 1 million in population to elect to pool their section 5339(a) 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 2016 must submit a request to establish a State Pool to the FTA section 5339 Program Manager, Samuel Snead, ([samuel.snead@dot.gov](mailto:samuel.snead@dot.gov)) by March 31, 2016. The request must identify the urbanized areas that will participate in the pool for FY 2016, and must include a letter from each participating designated recipient, and from any affected eligible recipients of 5339(a) funds within the urbanized area, indicating their intention to participate in this pooling provision for FY 2016. 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. A designated recipient for a multistate area may participate in only one State Pool. A State that does not establish a State Pool in FY 2016 may choose to begin participating in this provision in a future fiscal year, but should be aware that the benefits of pooling program funds will be diminished over a shorter duration.

For FY 2016, 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 2016 through 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, provided that 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 2016. 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.

##### b. Program Management Plans

As a result of the changes to the definition of eligible recipients under the FAST Act, designated recipients are no longer required to obligate grants on behalf of entities that are eligible direct recipients of Section 5307 funds. Accordingly, FTA no longer requires designated recipients to maintain program management plans (PMPs) if they do not manage any sub-awards of section 5339 funds.

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

The FAST Act continues the use of formula factors to distribute additional funds to the section 5307 and section 5311 programs for Growing States and High Density States. FTA will continue to publish single urbanized and rural apportionments that show the total



amount for 5307 and 5311 programs that includes section 5340 apportionments for these programs.

1. Authorized Amounts  
The FAST Act authorizes \$536,261,539 for FY 2016, \$544,433,788 for FY 2017, \$552,783,547 for FY 2018,

\$561,315,120 for FY 2019 and \$570,032,917 for FY 2020 for the Growing States and High Density States Formula factors, as shown below:

Fiscal year	2016	2017	2018	2019	2020
Growing States .....	\$272,297,082	\$279,129,509	\$286,132,747	\$293,311,066	\$300,668,843
High Density States .....	263,964,457	265,304,279	266,650,800	268,004,054	269,364,074
Total Funds Authorized .....	536,261,539	544,433,788	552,783,547	561,315,120	570,032,917

2. FY 2016 Funding Availability

In FY 2016, \$536,261,539 is available for apportionment in accordance with the formula factors prescribed for Growing States and High Density States set forth in section 5340 for FY 2016. The FAST Act did not change the funding formula.

GROWING STATES AND HIGH DENSITY STATES FORMULA FACTORS—FY 2016

Total Appropriation .....	\$536,261,539
Total Apportioned .....	536,261,539

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 on the basis of 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 on the basis of 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 section 5311 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 (these are the same States that qualified under SAFETEA-LU and based on 2000 Census data). 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 on the basis of an individual urbanized area's population relative to the population of all urbanized areas in that State.

Q. Washington Metropolitan Area Transit Authority Grants

Under the FY 2016 Appropriations Act, \$150 million is available for the period October 1, 2015 through September 30, 2016 for grants to the Washington Metropolitan Area Transit Authority (WMATA). After the one percent oversight takedown, \$148.5 million is available for obligation. Such funding is authorized under section 601 of the Passenger Rail Investment and Improvement Act of 2008. See Public Law 110-432, Division B, Title VI.

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY GRANTS—FY 2016

Total Appropriation .....	\$150,000,000
Oversight Deduction .....	(1,500,000)
Total Apportioned .....	148,500,000

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.

V. FTA Policy and Procedures for FY 2016 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. As a new grantee, it is easy to 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, 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 planning project must have been included in a Unified Planning Work Program (UPWP); a section 5310 project must have been included in a coordinated public transit-human services transportation plan (coordinated plan) and selected by the designated recipient before incurring expenses; 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 is: (1) For design and environmental review, the date of the authorization of formula funds or the date of the announcement of the discretionary allocation of funds for the project; and (2) for property acquisition, demolition, construction, and acquisition of vehicles, equipment, or construction materials for projects that qualify for a categorical exclusion pursuant to 23 CFR 771.118(c), the date of the authorization of formula funds or the date of the announcement of the

discretionary allocation of funds for the project; and (3) for property acquisition, demolition, construction, and acquisition of vehicles, equipment, or construction materials for projects that require a categorical exclusion pursuant to 23 CFR 771.118(d), an environmental assessment, or an environmental impact statement, the date that FTA completes the environmental review process required by NEPA and its implementing regulations 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). For projects that qualify for a categorical exclusion pursuant to 23 CFR 771.118(c), if a project is subsequently found not to qualify for this CE, it will be ineligible for FTA assistance. FTA recommends that a grant applicant 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. In particular, 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), (c)(9), (c)(10), (c)(12), or (c)(13) applies. 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 section 5312 Public Transportation Innovation projects or section 5314 Technical Assistance and Workforce Development. 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:

- i. 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.
- ii. All FTA statutory, procedural, and contractual requirements must be met.
- iii. 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.
- iv. 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.
- v. The Federal amount of any future FTA assistance awarded to the grantee for the project will be determined on the basis of 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.
- vi. For funds to which the pre-award authority applies, the authority expires with the lapsing of the fiscal year funds.
- vii. 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.
- viii. Planning, Environmental, and Other Federal requirements.

All Federal grant requirements must be met at the appropriate time for the project to remain eligible for Federal funding. The growth of the Federal transit program has resulted in a growing number of inexperienced grantees who find compliance with Federal planning and environmental laws increasingly challenging.

FTA has modified its approach to pre-award authority, and the date that costs may be incurred is as follows. For design and environmental review, costs

may be incurred as of the date of the authorization of formula funds or the date of the announcement of the discretionary allocation of funds for the project. For property acquisition, demolition, construction, and acquisition of vehicles, equipment, or construction materials for projects that require a categorical exclusion pursuant to 23 CFR 771.118(d), an environmental assessment, or an environmental impact statement, costs may be incurred as of the date that FTA completes the environmental review process required by NEPA and its implementing regulations (*i.e.*, through issuance of a Section 771.118(d) categorical exclusion determination, a Finding of No Significant Impact (FONSI), or a Record of Decision (ROD)). For pre-award authority triggered by the completion of the NEPA process, the completion of planning and air quality requirements is a prerequisite, as those activities are completed prior to conclusion of the environmental review process.

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 projects that qualify for a categorical exclusion pursuant to 23 CFR 771.118(c), if a project is subsequently found not to qualify for this CE, it will be ineligible for FTA assistance. For all other projects, compliance with NEPA and other environmental laws and executive orders (*e.g.*, protection of parklands, wetlands, and historic properties) must be completed before State or local funds are spent on implementation activities, such as site preparation, construction, and acquisition, for a project that is expected to be subsequently funded with FTA funds.

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.

ix. 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.

x. 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 Grant Program (New and Small Starts Projects and Core Capacity Projects)

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, and Buy America. FTA encourages project sponsors to discuss the procurement of vehicles with FTA in regards 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. That exception is 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 and 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, and vehicle purchases upon completion of the environmental review process, FTA will not make a grant to reimburse the sponsor for real estate activities, vehicle purchases or purchases of long lead items conducted under pre-award authority until the project receives its construction grant. This is to ensure that Federal funds are not risked on a project whose advancement into construction is still not yet assured.

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

NEPA requires that major 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, either to support an FTA finding of no significant impact (FONSI) or to demonstrate that the action is categorically excluded (*i.e.*, CE) from the more rigorous level of NEPA review. 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 upon initiation of 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 New and Small Starts and Core Capacity Project 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 Grant program projects (New or Small Starts or Core Capacity) undertaking activities not covered under automatic pre-award authority. LONPs may be issued for formula and discretionary 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.

### C. FY 2016 Annual List of Certifications and Assurances

The FY 2016 Certifications and Assurances and Master Agreement must be used for all grants and cooperative agreements awarded in FY 2016, once available. All recipients with active projects will be required to sign the FY 2016 Certifications and Assurances within 90 days of the FY 2016 Certifications and Assurances being made available in TrAMS.

### D. Civil Rights Requirements

#### 1. Disadvantaged Business Enterprise (DBE)

The DOT Disadvantaged Business Enterprise (DBE) program is an affirmative action program designed to combat discrimination and its continuing effects by providing contracting opportunities on federally-funded highway, transit, and airport projects for small businesses owned and controlled by socially and economically disadvantaged individuals. Recipients are required to report to FTA their transit vehicle manufacturer awards. Recipients must do this within thirty

(30) days of making the award and must submit: (1) The name of the successful bidder; and (2) the total dollar value of the contract. Recipients must report this information at the time the purchase is finalized. In other words, report the award when the recipient knows who the vehicle manufacturer will be and the exact amount of the contract award. Please remember that only certified transit vehicle manufacturers (TVM) can bid and receive FTA-funded vehicle procurements. Recipients may check the list of certified TVMs by visiting the FTA TVM Web page at [http://www.fta.dot.gov/12326\\_5626.html](http://www.fta.dot.gov/12326_5626.html) or checking with a regional civil rights officer. In addition, for joint and cooperative procurements, each FTA recipient must separately report the information when they or a subrecipient execute a purchase order for the specific number of vehicles being purchased. This required information must be submitted to FTA on agency letterhead to the regional civil rights officer. FTA will work to develop an electronic process for tracking transit vehicle purchases in FY 2016.

#### 2. 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 on carrying out the regulatory requirements. For recipients in urbanized areas of 200,000 or more in population and with 50 or more fixed-route vehicles in peak service, the recipient 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. Recipients also must conduct a fare equity analysis for all fare increases or decreases prior to implementing a fare change. Furthermore, an environmental justice analysis is not a substitute for a Title VI service equity analysis triggered by a major service change or fare change. As recipients prepare their budgets, it is vitally important that an appropriate major service change or fare change analysis is completed prior to taking the proposed action. Should you have any questions, please refer to 4702.1B, utilize the webinars posted on FTA's Title VI Web page, and contact your Regional Civil Rights Officer.

#### 3. Americans with Disabilities Act (ADA)

Effective July 13, 2015, DOT revised its rules under the ADA and section 504 of the Rehabilitation Act of 1973, as amended, specifically to provide that transportation entities are required to

make reasonable modifications to policies, practices, and procedures to avoid discrimination and ensure that their programs are accessible to individuals with disabilities. Recipients must have a process in place for making decisions and providing reasonable modifications under the ADA to their policies and practices, as set forth in 49 CFR 37.169. Recipients are reminded that this rulemaking also revised the longstanding local complaint process requirements in 49 CFR 27.13, adding additional elements that must be part of the local process. For example, recipients must now sufficiently advertise to the public the process for filing a disability-related complaint (such as on their Web sites) and communicate their response to the complainant. On November 4, 2015, FTA issued ADA Circular 4710.1, which provides guidance to recipients on carrying out the existing provisions of the ADA and section 504, including those involving reasonable modification and local complaint processing.

#### 4. Equal Employment Opportunity

FTA's nondiscrimination statute found at 49 U.S.C. 5332 prohibits discrimination on the basis of sex. Other Federal statutes such as Title VI and Title VII of the Civil Rights Act of 1964 have been interpreted to prohibit discrimination on the basis of gender identity, including transgender status and nonconformity with gender stereotypes. Therefore, FTA interprets section 5332 to also include gender-identity discrimination.

### E. Consolidated Planning Grants (CPG)

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 CPG eliminates 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 Single Audit Act) 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. Current guidelines are included in Federal Highway Administration Memorandum dated July 12, 2007, "Information: Final Transfers to Other Agencies that Administer Title 23 Programs."

For further information on CPGs, contact Ann Souvandra, Office of Budget and Policy, FTA, at (202)366-0649.

#### 1. Grant Application Procedures

All applications for FTA funds should be submitted to the appropriate FTA Regional Office. All applications are filed electronically. As noted in Section III of this notice, beginning on February 16, 2016, FTA will use the TrAMS system as a replacement for TEAM. FTA regional staff is responsible for working with grantees to review and process grant applications. In order for an application to be considered complete and 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:

i. 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 Web site at (<https://www.sam.gov>).

ii. 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, you will need to go to the Dun & Bradstreet Web site at <http://fedgov.dnb.com/webform/> to obtain the number.

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

iv. Recipient's Civil Rights submissions are current and approved.

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

vi. 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.

vii. The project is listed in a currently approved Transportation Improvement Program (TIP); Statewide Transportation

Improvement Program (STIP), or Unified Planning Work Program (UPWP).

viii. All eligibility issues are resolved.

ix. Required environmental findings are made.

x. 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.

xi. Major Capital Projects as defined by 49 CFR 633 Project Management oversight must document FTA has reviewed the project management plan and provided approval.

xii. 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 discretionary 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) provide a valid DUNS number in its application; 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, including the CCR, ORCA, and EPLS. 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 program trends, to 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 can 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 can make grants to eligible direct recipients, other than the designated recipient(s), recipients are reminded that documentation must be on file to support the (1) 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 2016. Further, split letters and/or suballocation letters (Governor's Apportionment letters), must also be on file to support grant applications from direct recipients. If this information has been uploaded to a recipient's profile in TEAM, it will be migrated into TrAMS. Once suballocation letters for FY 2016 funding are finalized they should also be uploaded into TrAMS.

#### 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 their 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. Formula Apportionment Data and Methodology

FTA is publishing apportionment tables on its Web site for each program that reflects the full year appropriations less oversight take-downs, as applicable. Tables displaying the funds available to eligible states, tribes, and urbanized areas have been posted to <http://www.fta.dot.gov/apportionments>. This Web site contains a page listing the apportionment and allocation tables for FY 2016 as well as links to prior year formula apportionment notices and tables and the NTD and Census data used to calculate the FY 2016 apportionments.

#### 2. National Transit Database and Census Data Used in the FY 2016 Apportionments

Consistent with past practices, the calculations for sections 5307, 5311, including 5311(j) (Tribal Transit), 5329, 5337, and 5339 programs rely on the most-recent transit service data reported to the National Transit Database (NTD), which in this case is the 2014 report year. In some cases where an apportionment is based on the age of the system, the age is calculated as of September 30, 2015, which was the last day before FY 2016 began. Any recipient or beneficiary of either the section 5307 or section 5311 program funds is required to report to the NTD. Additionally, a number of transit operators report to the NTD on a voluntary basis. For the 2014 report year, the NTD includes data from 864 reporters in urbanized areas, 825 of which reported operating transit service. The NTD also includes data from 1,420 providers of rural transit service, which includes 130 Indian Tribes providing transit service.

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 Section 5311. The formulas for sections 5307, 5311, and 5311(j) include tiers where funding is allocated on the basis of the number of persons living in poverty, and the section 5310 formula program allocates funding on the basis of 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 13, FTA has been using 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.fta.dot.gov/apportionments](http://www.fta.dot.gov/apportionments).

The FY 2016 apportionments use data on low-income persons, persons with disabilities, and older adults from the 2009–2013 ACS five-year data set, which was published in December 2014. This data represent the most recent five-year ACS estimates that are available as of October 1st 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." For the FY 2016 apportionments, FTA is using data on older adults (over 65 years old) from ACS Table B01001, "Sex by Age" after determining that the ACS table used in prior fiscal years (ACS Table S.0103, "People over 65 in the United States") did not include data for all urbanized areas.

#### 3. Grant Reporting

Recipients of FTA funds are reminded that all FTA grantees are required to report on their grants and that it is critical to ensure reports demonstrate that reasonable progress is being made on the project. At a minimum, all awards require a Federal Financial Report (FFR) and a Milestone Progress Report (MPR) on an annual basis, with some reports required quarterly or monthly depending on the recipient and the type of projects funded under the grant. The requirements for these reports and other reporting requirements can be found in FTA Circular 5010.1D, Grant Management Requirements, dated August 27, 2012. 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.

#### 4. Inactive Grants and Grant Closeout

In FY 2016, FTA will continue to focus on inactive grants and grants that do not comply with reporting requirements. If appropriate, FTA will take action to close out and deobligate funds from these grants if reasonable progress is not being 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 take action to ensure its grants do not impact the DOT from receiving a “clean audit” opinion on its annual financial statement.

In October of 2015, FTA identified a list of grants that were awarded on or prior to September 30, 2012 and have had no funds disbursed since September 30, 2014 or have never had a disbursement. FTA Regional Offices will be contacting grant recipients with grants that meet this 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.

#### 5. American Recovery and Reinvestment Act (ARRA) Transportation Investments Generating Economic Recovery (TIGER) Grants

Recipients of open ARRA TIGER grants should be aware that, as a matter of law, all remaining ARRA funds MUST be disbursed from grants by the end of the 5th FY after funds were obligated. (See 31 U.S.C. 1552.) For FTA ARRA TIGER projects, that requirement takes effect at the end of FY 2016. Accordingly, once ECHO closes for disbursements in late September 2016, all remaining funds within FTA ARRA TIGER funded grants will no longer be

available to the grantee. These undisbursed funds will be deobligated from the grant. Even if a grantee has incurred costs or disbursed funds prior to the close of ECHO, if the grantee has not actually drawn down the funds by the time ECHO closes, FTA will be unable to reimburse the grantee. Therefore, grantees with open ARRA TIGER grants must ensure project activities are completed and all funds are drawn down before ECHO closes by late September 2016. This deadline does not apply to TIGER grants that are not funded by ARRA.

**Therese W. McMillan,**

*Acting Administrator.*

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