

# Baseline Research on Allowable In-Kind and Local Match Sources

## FINAL REPORT

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## **Foreword**

The purpose of this report is to document the research findings on sources of funds used to match Federal Transit Administration (FTA) awards, with particular focus on sources of in-kind match and non-Department of Transportation federal funds. This report provides recipients, subrecipients, and awarding agencies, including the Federal Transit Administration (FTA), a high-level overview of what sources of matching funds have been used across the country. It incorporates information gathered from a survey of state DOTs, case studies, extensive discussion with FTA, and field experience of the authors. As always, recipients should work with FTA to ensure their local match is eligible and is adequately documented.

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## 1. Introduction

Increasing uncertainties about federal and state transit funding availability have led state DOTs and their subrecipients, typically small urban and rural transit operators, to look for more ways of leveraging the available funding sources. Identifying a broader range of revenue resources has become increasingly important to coordinate federal funding for transit projects.

The difficulties in documenting in-kind as a source of local match has been discussed for years. Each in-kind match situation can be unique and as a result, determining eligibility of in-kind can be challenging. The uncertainty of eligibility makes budgeting difficult and leads to instability for transit programs.

The ability to use non-U.S. Department of Transportation funds as match to FTA programs began under the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) in 2005. Since then, federal regulations have been evolving and more non-USDOT federal funding programs have become eligible as match to FTA awards. A few programs have been explicitly named in federal regulations and guidance as eligible match. However, more programs are not named but have been successfully used by FTA recipients and subrecipients as match to FTA awards. FTA, through collaboration with the Coordinating Council on Access and Mobility (CCAM), have been reaching out to a broad range of federal agencies to identify these eligible programs with a top-down approach. A bottom-up approach that survey successful examples of using non-USDOT programs as match would inform and complement FTA's efforts in this regard.

Besides in-kind and non-USDOT programs, other sources of match to FTA awards are plenty. Some sources may be less known to recipients and subrecipients. Prior studies have made attempts to identify sources of match to FTA awards, the last TRB study dating back to 2011. An update of such a list of eligible sources has been overdue.

The objectives of this research are three-fold:

1. First, this research intends to generate a guidebook for state DOTs and their subrecipients in how to properly use in-kind match in order to maximize their utilization of available FTA funds
2. Second, this research intends to assemble a list of non-USDOT federal funding programs, which have been used successfully by state DOTs and their subrecipients as match to FTA awards
3. Third, this research intends to assemble a list of sources of local match to FTA awards

This report documents research findings that address the three abovementioned objectives. The Research Team has also developed a guidebook for using in-kind match, titled "Use of In-Kind as Match for Federal Transit Administration Awards". Intended as an easy-to-use reference tool, the Guidebook was created as a standalone document.

## 2. Research Approach

To achieve the research objectives, the Research Team took a comprehensive approach to collect data from various sources, analyze such data, document findings, seek FTA review feedback, and finalize research products.

### 2.1.Literature Review

The Research Team started out with a literature review of relevant laws, FTA guidance, and prior studies on using in-kind and other sources of local match. Literature review findings are documented in Section 3 of this report.

### 2.2.Online Survey of State DOTs

Then the Research Team implemented an online survey of all 50 state Departments of Transportation (DOTs) to gather data on the following areas:

- sources of local match used by each state DOT for FTA awards
- types of in-kind match used by each state DOT for FTA awards
- sources of non-USDOT federal funds used by each state DOT as match to FTA awards

The survey instrument can be found in Appendix A.

DOTs of the following states responded to the survey:

- Arizona
- California
- Idaho
- Indiana
- Illinois
- Iowa
- Kansas
- Louisiana
- Maine
- Michigan
- Montana
- Nebraska
- New Hampshire
- New Mexico
- North Carolina
- Ohio
- Oregon
- Pennsylvania
- Tennessee
- Utah
- Vermont
- West Virginia
- Wisconsin
- Wyoming

Survey responses have been summarized in Section 3. Each state’s individual response can be found in Appendix D.

### 2.3.Outreach to FTA

The Coordinating Council on Access and Mobility (CCAM), a partnership of federal agencies working to improve mobility for disadvantaged population, maintains and continuously updates a database of federal programs for transportation. The Research Team maintained regular contact with FTA representatives in the CCAM to exchange each other’s latest efforts in identifying non-USDOT federal programs eligible as match to FTA awards.

After the Research Team drafted the In-Kind Match Guidebook, they met with FTA Headquarters to discuss the Guidebook and received review comments from the FTA Headquarters and Regional Offices.

Throughout the research, the Research Team maintained regular contact with the FTA Headquarters and Regional Offices for data collection, research coordination, and deliverable review comments.

### **FTA Regional Office Interviews**

The Research Team interviewed all ten FTA Regional Offices for this study. The interview focused on the Regional Offices' experience reviewing and approving application with in-kind match and non-USDOT federal funds as match. The Research Team also asked for suggestions of case studies from each Region. Appendix B is the interview guide the Research Team used for the FTA Regional Office interviews. Findings from the interviews have been incorporated in the In-Kind Guidebook and in Section 3.

### **Outreach to the Coordinating Council on Access and Mobility**

Besides conducting phone interviews with all ten FTA Regional Offices, the Research Team reached out to the Coordinating Council on Access and Mobility (CCAM), a partnership of federal agencies working to improve mobility for disadvantaged population. The CCAM maintains and continuously updates a database of federal programs for transportation. The CCAM has also been identifying non-USDOT federal programs eligible as match to FTA awards, which may eventually lead to publication of new FTA guidance on this matter. The Research Team maintained regular contact with FTA representatives in the CCAM to exchange each other's latest efforts in identifying non-USDOT federal programs eligible as match to FTA awards.

### **FTA Review of Draft In-Kind Guidebook**

The Research Team sought FTA's review and comments on the draft In-Kind Guidebook in order to ensure the guidance provided complies with FTA regulations. The Research Team posted specific questions in the draft Guidebook shared with the FTA. The FTA Liaisons for this study coordinated the review and comment process within the FTA, including program management and legal staff from both the FTA Headquarters and Regional Offices. The Research Team incorporated FTA's comments as appropriate. FTA indicated two issues raised in the draft Guidebook require further review:

- 1) Whether publicly accessible right-of-way for bus stops, e.g. a bus stop at the parking lot of a shopping center, can be used as in-kind;
- 2) Whether third-party provided transit service used as in-kind must comply with FTA requirements.

The Research Team seeks the Panel's guidance on whether and how to address these issues in the Guidebook before FTA could determine what the correct practices should be.

## **2.4. Case Studies**

From the survey responses and FTA Regional Office interviews, the Research Team identified a number of transit agencies, MPOs, and state DOTs for more in-depth case studies. The case studies provide real-world, first-hand examples of using in-kind match and non-USDOT federal programs. These cases help

illustrate federal requirements with elaborate contexts that transit executives and grant managers can easily relate to. Section 8 document the case study process and summarizes the key findings.

The Research Team completed six case studies, representing different types of in-kind match and geographic diversity. Use of non-USDOT federal funds as match is studied in one case study.

**Table 1 Case Studies Conducted**

<b>Case Study Entity</b>	<b>Entity Description</b>	<b>In-Kind and/or Non-USDOT Federal Program Studied</b>
OATS, Inc.	A non-profit that provides transportation service in 87 of Missouri’s 114 counties	Labor, rental space
Missoula Ravalli Transportation Management Association	A non-profit that provides and coordinates transportation service in Missoula, Ravalli, and Lake counties in Montana	Land and buildings
Lemhi Ride	A transportation service program provided by a non-profit for the Salmon, ID area	Goods and services
Apache Transit	A tribal transit service that serves the San Carlos Apache Tribe Reservation in southeastern Arizona	Indirect costs, labor, Temporary Assistance for Needy Families (TANF)
West Virginia Department of Transportation	State DOT of West Virginia	Intercity bus
Potomac Rappahannock Transportation Commission	Public transit system in Prince William County, VA	Vanpool

## **2.5. Research Products Development**

Two products were developed for this research: a guidebook for using in-kind match, “Use of In-Kind as Match for Federal Transit Administration Awards”, and this research documentation report.

Based on the findings from the abovementioned research, the Research Team developed a guidebook on using in-kind match, which explains federal requirements, lays out best practices and common pitfalls, and provides case studies for each major type of in-kind match. The guidebook was developed for a targeted audience of state DOTs and small, rural transit operators. The guidebook is a standalone document that can be used as a desktop reference tool for grant administrators.

This report documents the research approach as well as key research findings in all three major areas of this research: (1) in-kind match (2) use of non-USDOT federal funds as match to FTA awards (3) sources of match to FTA awards. This report is a comprehensive documentation of this research project.

### 3. Summary of Key Research Findings

This section summarizes the key findings from the research.

#### 3.1. Eligible Sources of FTA Funding Match

All funding used to match FTA awards must come from non-USDOT sources, except for Federal Lands Highway Program funds. No FTA program funds can be used as a source of match for other FTA programs, even when the funds are contract revenue. Federal loan programs such as Transportation Infrastructure Finance and Innovation Act (TIFIA) or Railroad Rehabilitation & Improvement Financing (RRIF) count as federal sources even though they are often repaid with local or state funds.

Depending on the award program, FTA permits the use of the following as match: cash (or in-kind contribution); non-farebox revenues from transit operations (e.g., advertising and concession revenues); amounts received under a service contract with a state, local, or private social service agency or organization; undistributed cash surpluses; replacement or depreciation cash funds; reserves available in cash; new capital; revenue bond proceeds (capital only); transportation development (toll) credits; program income generated from an earlier award; non-USDOT Federal funds if authorized by the originating program to be used for transportation; funds used to purchase vanpool vehicles by private providers of public vanpools (capital match only); and in-kind match for intercity bus service.

##### 3.1.1. Code of Federal Regulations (CFR)

Title 2 of the U.S. Code of Federal Regulations, Part 200 – *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), sets forth the rules and regulations that recipients and subrecipients of Federal Awards must follow. The specific sections of the Uniform Guidance that address in-kind and other sources of match for FTA awards are identified below.

##### 2 CFR Part 200.306 Cost sharing or matching

“(b) For all Federal awards, any shared costs or matching funds and all contributions, including cash and third party in-kind contributions, must be accepted as part of the non-Federal entity's cost sharing or matching when such contributions meet all of the following criteria:

- (1) Are verifiable from the non-Federal entity's records;
- (2) Are not included as contributions for any other Federal award;
- (3) Are necessary and reasonable for accomplishment of project or program objectives;
- (4) Are allowable under Subpart E—Cost Principles of this part (see section below on general costs of government);
- (5) Are not paid by the Federal Government under another Federal award, except where the Federal statute authorizing a program specifically provides that Federal funds made available for such program can be applied to matching or cost sharing requirements of other Federal programs;

- (6) Are provided for in the approved budget when required by the Federal awarding agency; and
- (7) Conform to other provisions of this part, as applicable.”

This section of the Uniform Guidance describes the general characteristics of costs that a recipient or subrecipient can use to meet the matching requirements for Federal Awards.

### ***2 CFR Part 200.444 General costs of government***

(a) For states, local governments, and Indian Tribes, the general costs of government are unallowable (except as provided in §200.474 Travel costs). Unallowable costs include:

- (1) Salaries and expenses of the Office of the Governor of a state or the chief executive of a local government or the chief executive of an Indian tribe;
- (2) Salaries and other expenses of a state legislature, tribal council, or similar local governmental body, such as a county supervisor, city council, school board, etc., whether incurred for purposes of legislation or executive direction;
- (3) Costs of the judicial branch of a government;
- (4) Costs of prosecutorial activities unless treated as a direct cost to a specific program if authorized by statute or regulation (however, this does not preclude the allowability of other legal activities of the Attorney General as described in §200.435 Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements); and
- (5) Costs of other general types of government services normally provided to the general public, such as fire and police, unless provided for as a direct cost under a program statute or regulation.

The “General Provisions for Selected Items of Cost” sections 200.420 through 200.475 in Subpart E of the Uniform Guidance identifies certain types of costs and specifies if that cost is generally allowable or unallowable to be charged to a Federal Award. The general costs of government, as identified above, represent a cost type that is not allowable. As is discussed in Section 2, such general costs of government cannot be claimed as in-kind match.

### ***3.1.2. FTA Circulars***

The latest circulars for Section 5307, Section 5310, and Section 5311 indicate the eligible sources of matching funds.

### ***FTA Circular 9030.1E, Urbanized Area Program Circular: Program Guidance and Application Instructions, Chapter III General Program Information, Sections 7. Local Share of Project Costs and 8. Additional Sources of Local Share***

- a. Cash from nongovernmental sources other than revenues from providing public transportation services;
- b. Non-farebox revenues from the operation of public transportation service, such as the sale of advertising and concession revenues. A voluntary or mandatory fee that a college, university, or

similar institution imposes on all its students for free or discounted transit service is not farebox revenue;

- c. Amounts received under a service agreement with a state or local social service agency or private social service organization;
- d. Undistributed cash surpluses, replacement or depreciation cash funds, reserves available in cash, or new capital;
- e. Amounts appropriated or otherwise made available to a department or agency of the government (other than the Department of Transportation) that are eligible to be expended for transportation; and
- f. In-kind contribution such as the market value of in-kind contributions integral to the project may be counted as a contribution toward local share.
- g. Revenue bond proceeds
- h. Transportation development credits (formerly referred to as toll revenue credits)
- i. Program income
- j. Social Security Act, Temporary Assistance for Needy Families block grant funds
- k. Federal Lands Transportation Program (FLTP)
- l. Providers of public transportation by vanpool
- m. Other federal funds (as an example, the Circular named Community Development Block Grant funds administered by the Department of Housing and Urban Development, which may be used to provide local share for FTA programs subject to certain conditions)
- n. Joint development
- o. In-kind contributions of real estate property

This section of Circular 9030.1E describes the specific types of costs that a recipient or subrecipient can use to meet the matching requirements for its Section 5307 Federal Awards.

***FTA Circular 9040.1G Formula Grants for Rural Areas: Program Guidance and Application Instructions, Ch. III General Program Information, Section 4. Federal/Local Matching Requirements:***

“e. Sources of Local Match. Under Subsection 5311(g)(3), a local match for the remainder of net project costs

- 1) may be provided from an undistributed cash surplus, a replacement or depreciation cash fund or reserve, a service agreement with a state or local social service agency or a private social service organization, or new capital;
- 2) may be derived from amounts appropriated or otherwise made available to a department or agency of the government (other than DOT) that are eligible to be expended for transportation; or
- 3) notwithstanding subparagraph (2), may be derived from amounts made available to carry out the Federal Lands Highway Program established by Section 202 of Title 23.

f. Intercity Bus. In the case of intercity bus projects that will utilize the in-kind match provision codified in 49 U.S.C. 5311(g)(3)(D).

g. Cost Incurred by Providers of Public Transportation by Vanpool. MAP-21 amends section 5323(i) “Government Share of Costs for Certain Project” to include a paragraph that permits FTA to allow a recipient to count, as part of their local match for a capital project, funds used to purchase vanpool vehicles by private providers of public vanpool (including funds from fare revenues above operating expenses but not including any funding from federal, state, or local government sources). For the costs to be eligible for a recipient's local share, the recipient and the provider must have entered into a legally binding agreement requiring the provider to use the rolling stock in the recipient’s service area.

h. Examples of nonfederal sources that may be used for any or all of the local share include:

- (1) state or local appropriations;
- (2) dedicated tax revenues;
- (3) private donations;
- (4) net income generated from advertising and concessions; and
- (5) in-kind match.

Recipients may count noncash shares such as donations, volunteered services, or in-kind contributions toward the local match only if the recipient formally documents the value of each noncash share, and if this value represents a cost that would otherwise be eligible under the project. The net project cost must include the value of any in-kind contributions included in net project cost to the extent it is used as local match. States should reference Federal Administrative Rules for Grants and Cooperative Agreements, 49 CFR parts 18 and 19, for more information.

Recipients may use funds from other federal agencies (non-DOT) for the entire local match if the other agency makes the funds available to the recipient for the purposes of the project. The only DOT funds that states can use as local match for Section 5311 projects are from the Federal Lands Highway Program authorized at 23 U.S.C. 204. A state cannot use Section 5310 or other FTA funds as match for Section 5311 program funds. Even though funds are made available to the rural transit provider through a service agreement with a state or local social service agency or private social service organization, FTA funds may not be used as match because they are derived from a DOT program.”

This section of Circular 9040.1G describes the specific types of costs that a recipient or subrecipient can use to meet the local matching requirements for its Section 5311 Federal Awards.

***FTA Circular 9070.1G, Enhanced Mobility of Seniors and Individuals with Disabilities, Chapter III General Program Information, Section 16 Federal/Local Matching Requirements:***

“...The local share may be provided from an undistributed cash surplus, a replacement or depreciation cash fund or reserve, a service agreement with a state or local service agency or private social service organization, or new capital. Some examples of these sources of local match include: state or local appropriations; dedicated tax revenues; private donations; revenue from service contracts; transportation development credits; and net income generated from advertising and concessions.

Noncash share such as donations, volunteered services, or in-kind contributions is eligible to be counted toward the local match as long as the value of each is documented and supported, represents a cost which would otherwise be eligible under the program, and is included in the net project costs in the project budget.

Income from contracts to provide human service transportation may be used either to reduce the net project cost (treated as revenue) or to provide local match for Section 5310 operating assistance. In either case, the cost of providing the contract service is included in the total project cost. No FTA program funds can be used as a source of local match for other FTA programs, even when used to contract for service. All sources of local match must be identified and described in the grant application at the time of grant award.

In addition, the local share may be derived from federal programs that are eligible to be expended for transportation, other than DOT programs, or from DOT's Federal Lands Highway program. Examples of types of programs that are potential sources of local match include: employment, training, aging, medical, community services, and rehabilitation services."

This section of Circular 9070.1G describes the specific types of costs that a recipient or subrecipient can use to meet the local matching requirements for its Section 5310 Federal Awards.

### **3.1.3. Previous TRB Research**

Two previous TRB research projects examined sources of funding that can be used as match to FTA programs. A 2009 TCRP study (TCRP Report 129), *Local and Regional Funding Mechanisms for Public Transportation*, investigated all local and regional funding mechanism for public transportation at the time. The study compiled a list of funding sources at the local and regional levels, including the most commonly used sources and some innovative sources. A 2011 NCHRP study (NCHRP 20-65 Task 27), *Innovative Financing Techniques and Best Practices for Providing Match on Federal Transit Administration Projects*, built a list of innovative funding sources as local match. The Research Team combined the two lists of local funding sources and surveyed all 50 state DOTs about their use of those sources. The survey results are summarized in the next section.

### **3.1.4. State DOT Survey Results: Sources of Matching Funds**

24 state DOTs reported the sources of match to FTA awards. The table below also summarizes how many state DOTs reported use of each source. This table includes sources of contract revenue received from providing transportation services to other entities.

**Table 2 Survey Results – Sources of Matching Funds**

Source of Funds		Number of States Reported Use of Each Source	Source
Non-Farebox Operating Revenue	Advertising	20	State DOT Survey
	Concession Revenues	6	State DOT Survey
	Long term leases of existing assets (e.g. air rights, public property)	1	State DOT Survey
	Right-of-Way Leasing	0	State DOT Survey
	Contract or Purchase-of-Service Revenues	17	State DOT Survey
Fees	Access Fees	0	State DOT Survey
	Business License Fees	0	State DOT Survey
	Car Rental Fees	1	State DOT Survey
	Community Facility Districts	0	State DOT Survey
	Congestion and Cordon Pricing	0	State DOT Survey
	Driver License and ID Card Fees	2	State DOT Survey
	Emissions Fees	0	State DOT Survey
	Impact Fees	0	State DOT Survey
	Mortgage or real estate transfer fees	0	State DOT Survey
	Parking Fees	2	State DOT Survey
	Traffic camera fees	0	State DOT Survey
	Utility Fees/Taxes	1	State DOT Survey
	Vehicle miles traveled fees	0	State DOT Survey
	Vehicle Fees (title, registration, tags, and inspection)	4	State DOT Survey
	Vehicle Lease Taxes and Fees	1	State DOT Survey
Taxes	General Revenues	16	State DOT Survey
	General Sales Taxes	7	State DOT Survey
	Sales Taxes (variable base of goods and services, e.g. motor fuels)	8	State DOT Survey
	Property Taxes (real property, including vehicles)	11	State DOT Survey
	Casino/lottery tax	1	State DOT Survey
	Cigarette tax	1	State DOT Survey
	Corporate Franchise Taxes	0	State DOT Survey
	Local option taxes	5	State DOT Survey
	Mortgage recording tax	0	State DOT Survey
	Oil company taxes	0	State DOT Survey
	Petroleum business tax	0	State DOT Survey
	Payroll/income tax	0	State DOT Survey
	Room/Occupancy Taxes	2	State DOT Survey
	Special Assessment Districts	2	State DOT Survey
	Transportation improvement district	3	State DOT Survey
Value capture (assessment districts and tax increment financing)	0	State DOT Survey	

Source of Funds		Number of States Reported Use of Each Source	Source
Bond & Loan Proceeds	General Obligation (GO) Bonds	2	State DOT Survey
	Private Activity Bonds (PABs)	0	State DOT Survey
	Tax Credit Bonds	0	State DOT Survey
	ARRA Bonds	0	State DOT Survey
	Grant Anticipation Notes	1	State DOT Survey
	GARVEE Bond	1	State DOT Survey
	Revenue Anticipation Notes (RANs)	0	State DOT Survey
	Certificates of Participation (COPs)	0	State DOT Survey
	State infrastructure banks	2	State DOT Survey
	Tax exempt market	0	State DOT Survey
Private Contribution	Corporate sponsorship	5	State DOT Survey
	Donations	18	State DOT Survey
	Employer contributions for operating costs	4	State DOT Survey
	Public private partnerships/joint development	4	State DOT Survey
Federal Program Funds & In-Kind	Non-USDOT federal funds	15	State DOT Survey
	Volunteer efforts	11	State DOT Survey
	In-kind contributions (e.g. labor, land, facility, intercity bus, etc.)	17	State DOT Survey
	Transportation development credits (formerly known as toll credits)	6	State DOT Survey
	Federal Lands Transportation Program funds	0	State DOT Survey
	Tribal Transportation Program funds	3	State DOT Survey
Other - Survey Respondent Specified	Other (respondent specified: coal severance tax)	1	State DOT Survey
	Other (respondent specified: profit from the state lottery)	1	State DOT Survey
	Other (respondent specified: traffic violation fines)	1	State DOT Survey
	Other (respondent specified: bake sale)	1	State DOT Survey
	Other (respondent specified: university fee)	2	State DOT Survey

### 3.2. Use of In-Kind Match

In-kind match refers to donations, volunteer efforts, and in-kind contributions to an award project. In-kind match is eligible as long as the value of the match is documented and supported, represents a cost that would otherwise be eligible under the program, and is included in the net project costs in the project budget.

As found by a 2011 NCHRP research, NCHRP 20-65 Task 27, one of the most productive sources of in-kind match is real estate. Many agencies own real estate that was acquired without federal funding and are trying to improve (add facilities to) that real estate with federal funds. The market value of the real estate can often more than provide the total match for the project. Street closures and certain rights of way may also provide highly valued local match opportunities. Carefully and fully accounting for staff

costs involved in a project and the use of federally approved cost allocation plans to capture overhead expense are other methods of increasing in-kind match.

### **3.2.1. Real Property as In-Kind Match**

FTA Circular 5010.1E on Award Management Requirements provides guidance on using real property as in-kind contribution:

- The in-kind contribution allowance will be based on the current market value as independently appraised. Appraisals and review appraisals for property being donated, regardless of appraised value, must be submitted to the FTA regional or metropolitan office for concurrence.
- Credit can only be allowed for the value of the portion of real property used or consumed by the project. If part of a larger parcel is to be used as non-federal share and the remaining sub-parcel is intended to be used at a future date for future share, the recipient is cautioned to clearly indicate the limits of the sub-parcel to be used as non-federal share and the appraised amount associated with the sub-parcel.
- If federal assistance were used to purchase the property, only the non-federal share of such property may be counted as the value of the in-kind contribution.

### **3.2.2. In-Kind Match for Intercity Bus**

Another eligible source of in-kind match is private operator costs in providing intercity bus services. FTA Circular 9040.1G provides guidance on how to use this source of in-kind match. Section VIII.5. of Circular 9040.1G states that in the case of an intercity bus project that includes both feeder service and an unsubsidized segment of intercity bus service to which the feeder service connects, the match to FTA awards may be derived from the costs of a private operator for the unsubsidized segment of intercity bus service as an in-kind match for the operating costs of connecting rural intercity bus feeder service funded under 5311(f). Circular 9040.1G further requires that:

- To qualify as in-kind match, the private operator must agree in writing to the use of the costs of the private operator for the unsubsidized segment of intercity bus service as an in-kind match;
- Fare revenue of the private operator for the unsubsidized segment must be subtracted from the total cost to operate the unsubsidized segment to determine the eligible amount of in-kind match;
- In its award application, the state must provide proper documentation of the private operator costs to be used as in-kind match.

### **3.2.3. Other In-Kind Match Sources**

Besides real property and intercity bus, staff time and equipment are also used by several recipients and subrecipients. FTA Circulars do not individually address these sources of in-kind match. These sources are eligible as long as the value of each is documented and supported, represents a cost that would otherwise be eligible under the award program, and is included in the net project costs in the project budget. The Research Team developed a guidebook with guidance on using these sources as in-kind match based on this research.

### 3.2.4. Previous Studies of Use of In-Kind Match

NCHRP 20-65 Task 27 conducted case studies of several states' practice of using innovative funding strategies for transit, which include discussions of in-kind match. This Section A.2.4. summarizes the case studies in NCHRP 20-65 Task 27:

- California uses in-kind matching for many projects. Under a pilot program, the FTA allowed funds used by a private carrier such as Greyhound on a mainline service to be applied as an in-kind match for the 5311(f) Intercity Bus Program. The state DOT can use Greyhound capital costs as a match for operating costs as long as the DOT isn't subsidizing Greyhound's operating costs. Additionally, agencies who are funded from non-federal fund sources can allocate their time for planning, marketing, and other administrative functions as match for federally funded projects. California has not used land as in-kind match because issues with valuation are very labor intensive and they do not have the technical expertise to manage these issues.
- Des Moines DART uses in-kind locally funded labor that is associated with hourly maintenance employees. Sometimes awards administered by the DOT, where land is used as part of the match, list the appraised value of the land for in-kind match.
- New Hampshire finds there is a real challenge getting clear guidance from FTA on the eligibility and calculation guidelines for in-kind matching funds. Several small recipients use donated office space, equipment, and time for in-kind matching funds. They do not use land for in-kind matching funds because they do not have that many construction projects, and they do not have much land that the state already owns. Some projects would not have been possible without in-kind matching, and they have been able to get some small expansions of service as a result in rural areas where there isn't any local cash match available.
- Staff time in Oregon is a cash match. Their agencies use in-kind volunteers and use a documentation procedure to report in-kind matching funds on a quarterly basis. Using in-kind match for land is more formalized because the valuation has to be documented and the FTA is rigorous about rights-of-way and agreements. The State DOT contributed a substantial amount of property along the freeway for a transit property.
- Texas uses in-kind matching for staff time and land. Many agencies are affiliated with a city or a county and they get some of the services, accounting, auditing, IT, free of charge (i.e., without contributing transit revenue) and use those services as in-kind staff time. The DOT uses staff time to match MPO awards. The DOT finds in-kind matching beneficial because it is not costing agencies any money, and the agencies do not have to go to their boards or city councils to get something passed or go through a lot of hoops with special reporting.

### 3.2.5. State DOT Survey Results: Use of In-Kind Match

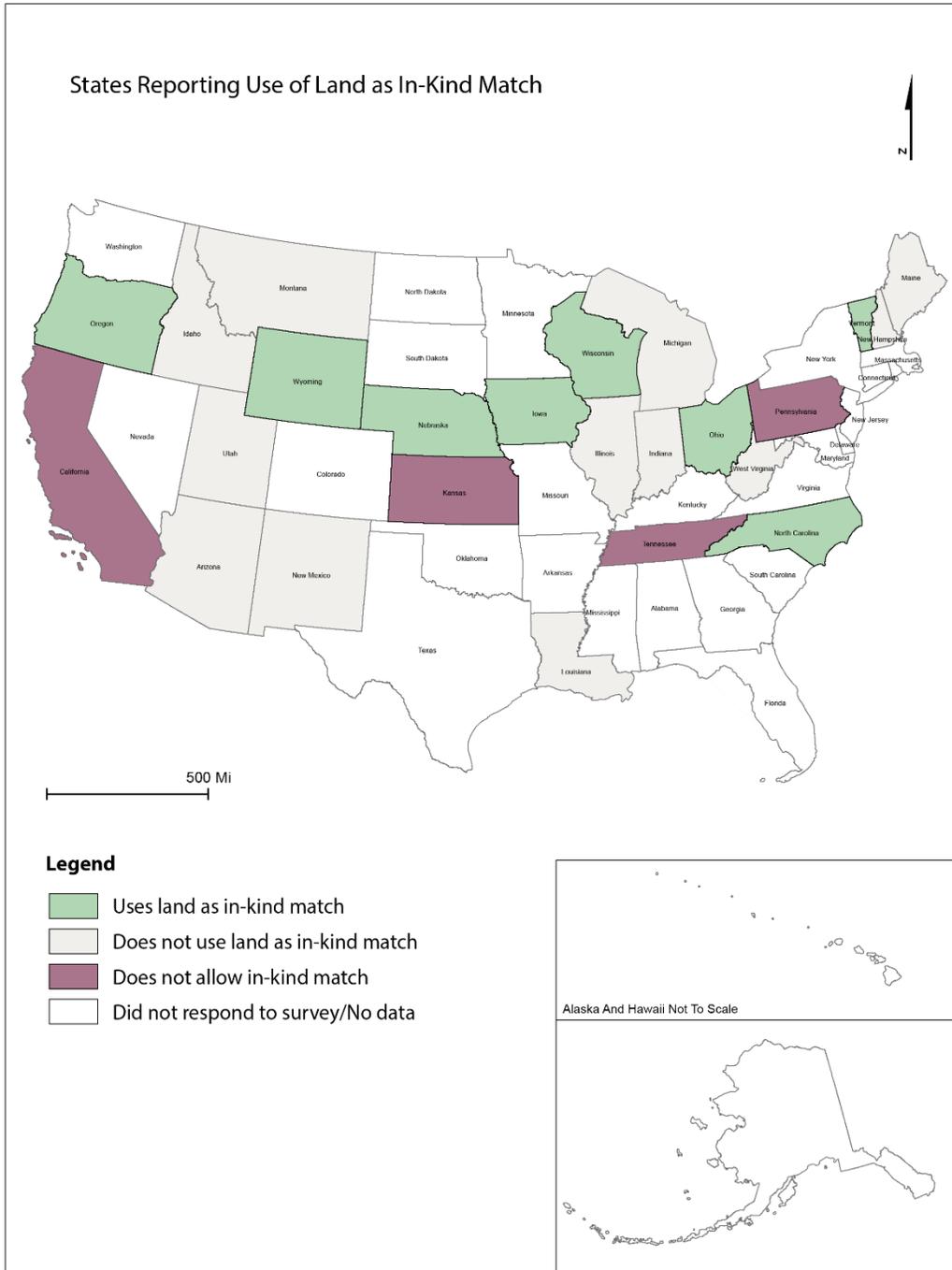
Survey responses from 24 state DOTs have shown what types of in-kind match have been successfully used in the past. The table below summarizes how many state DOTs reported use of each type of in-kind match.

**Table 3 Survey Results – Use of In-Kind Match**

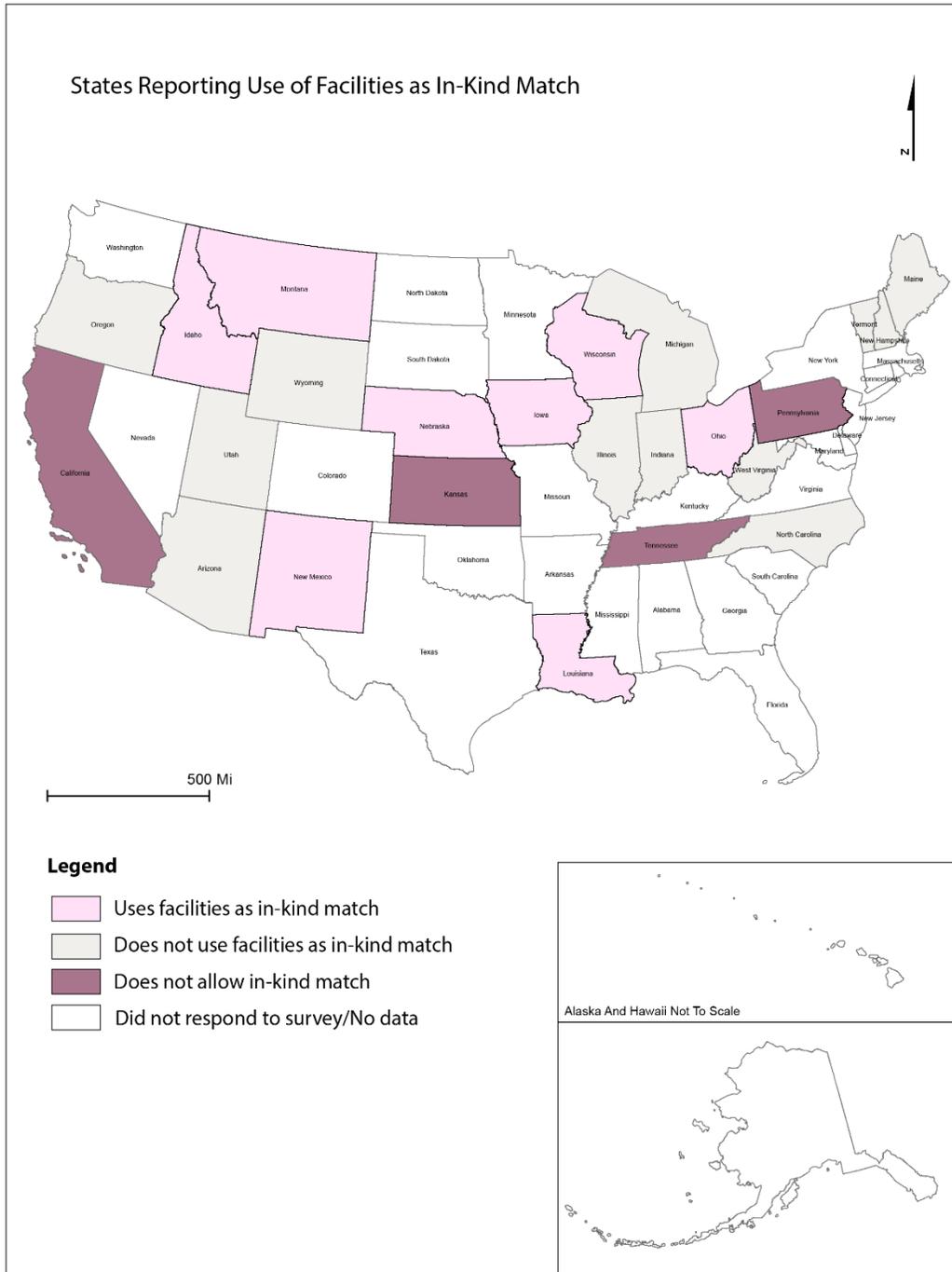
<b>Type of In-Kind Match</b>	<b># of States Reported Use</b>	<b>Source</b>
Land	8	State DOT Survey
Facilities	8	State DOT Survey
Staff Support Provided by Other Agencies	11	State DOT Survey
Volunteer	13	State DOT Survey
Vehicle	3	State DOT Survey/FTA Regional Office
Intercity bus service	15	State DOT Survey
Other (specified by respondent: vehicle maintenance)	1	State DOT Survey
Other (specified by respondent: advertising)	1	State DOT Survey
Other (specified by respondent: insurance)	1	State DOT Survey
Other (specified by respondent: licensing)	1	State DOT Survey
Other (specified by respondent: steel)	1	FTA Regional Office
Other (specified by respondent: gravel)	1	FTA Regional Office

The following maps show the states reporting use of each type of in-kind match.

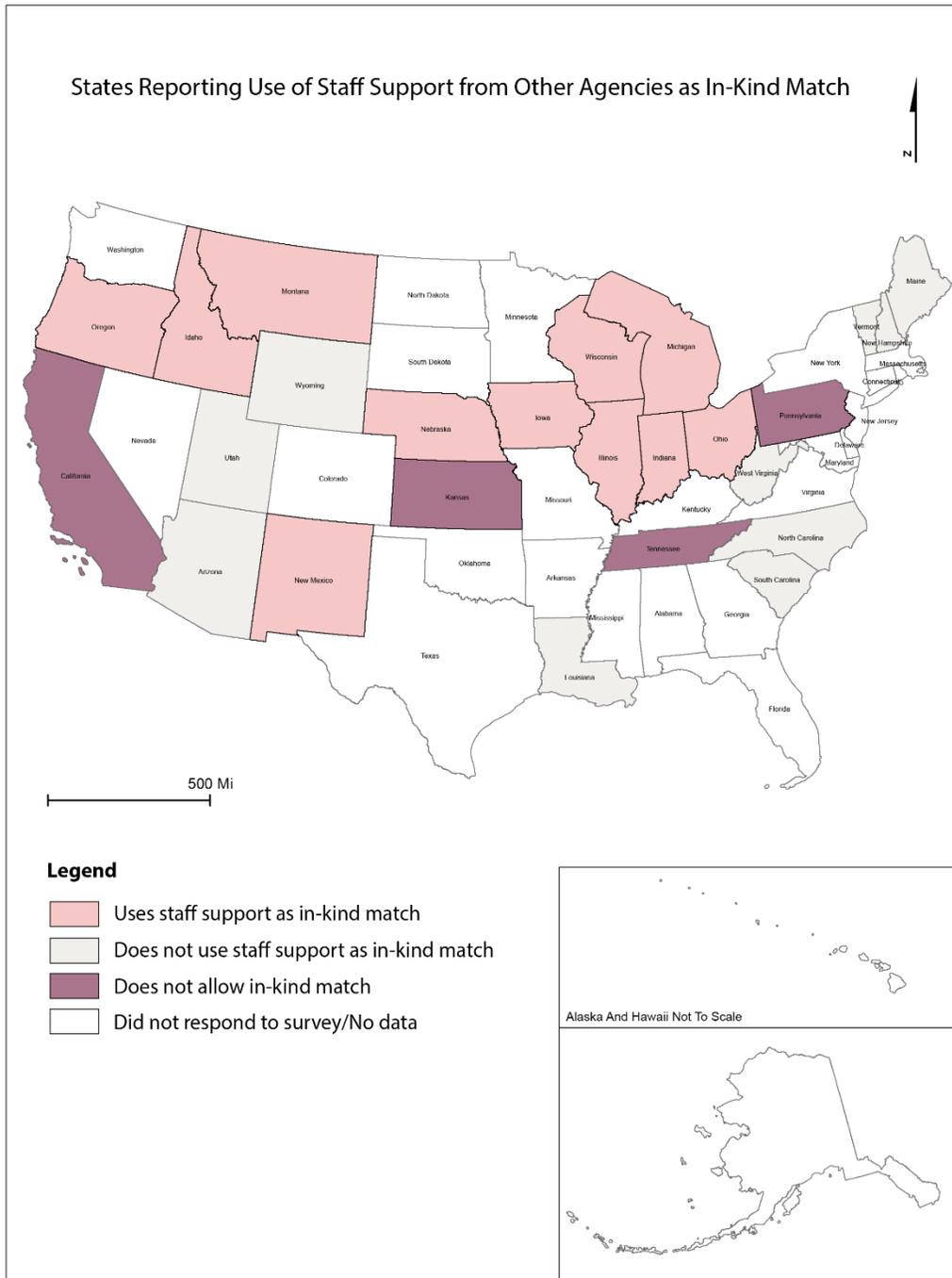
**Figure 1 States Reporting Use of Land as In-Kind Match**



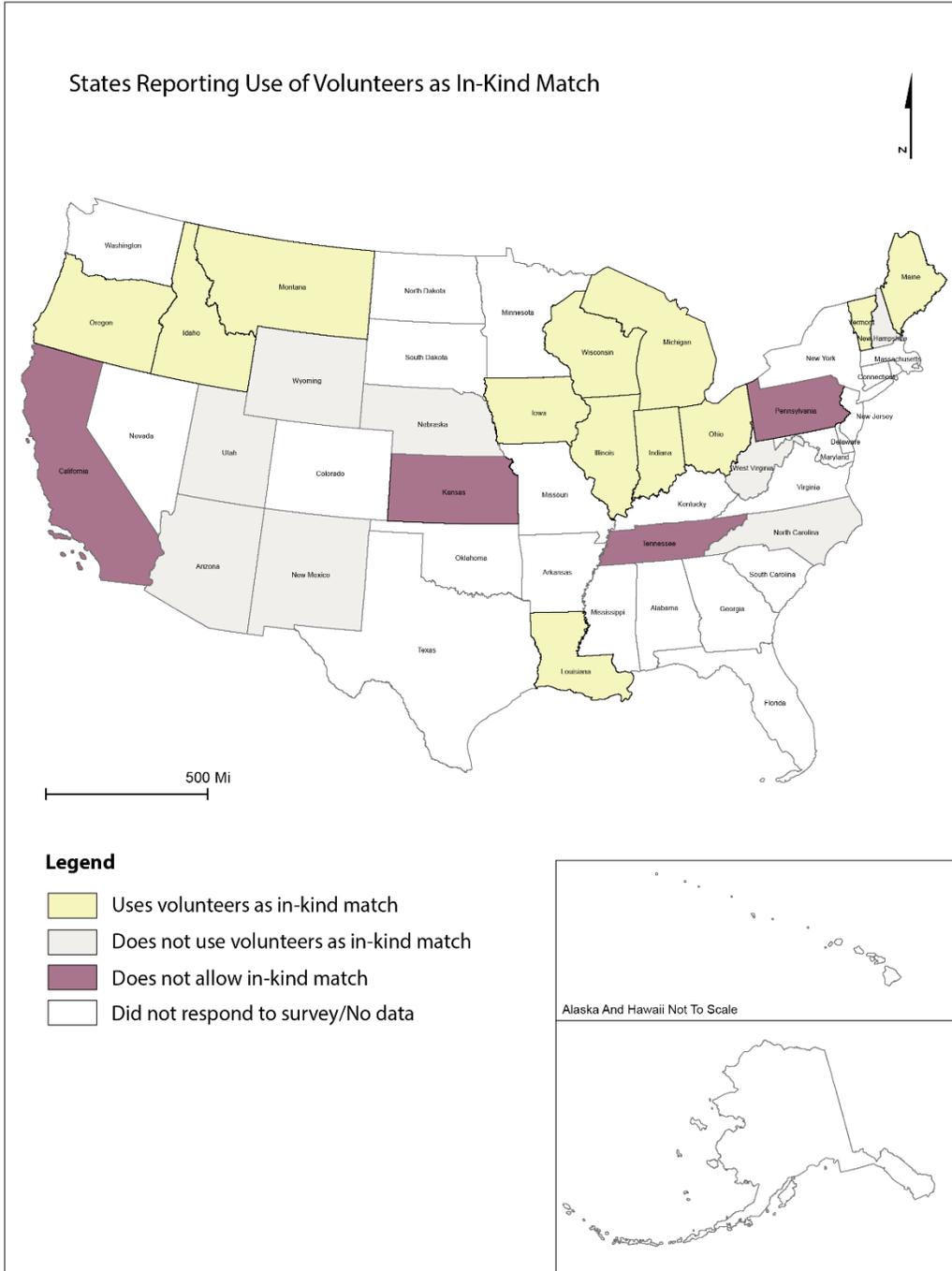
**Figure 2 States Reporting Use of Facilities as In-Kind Match**



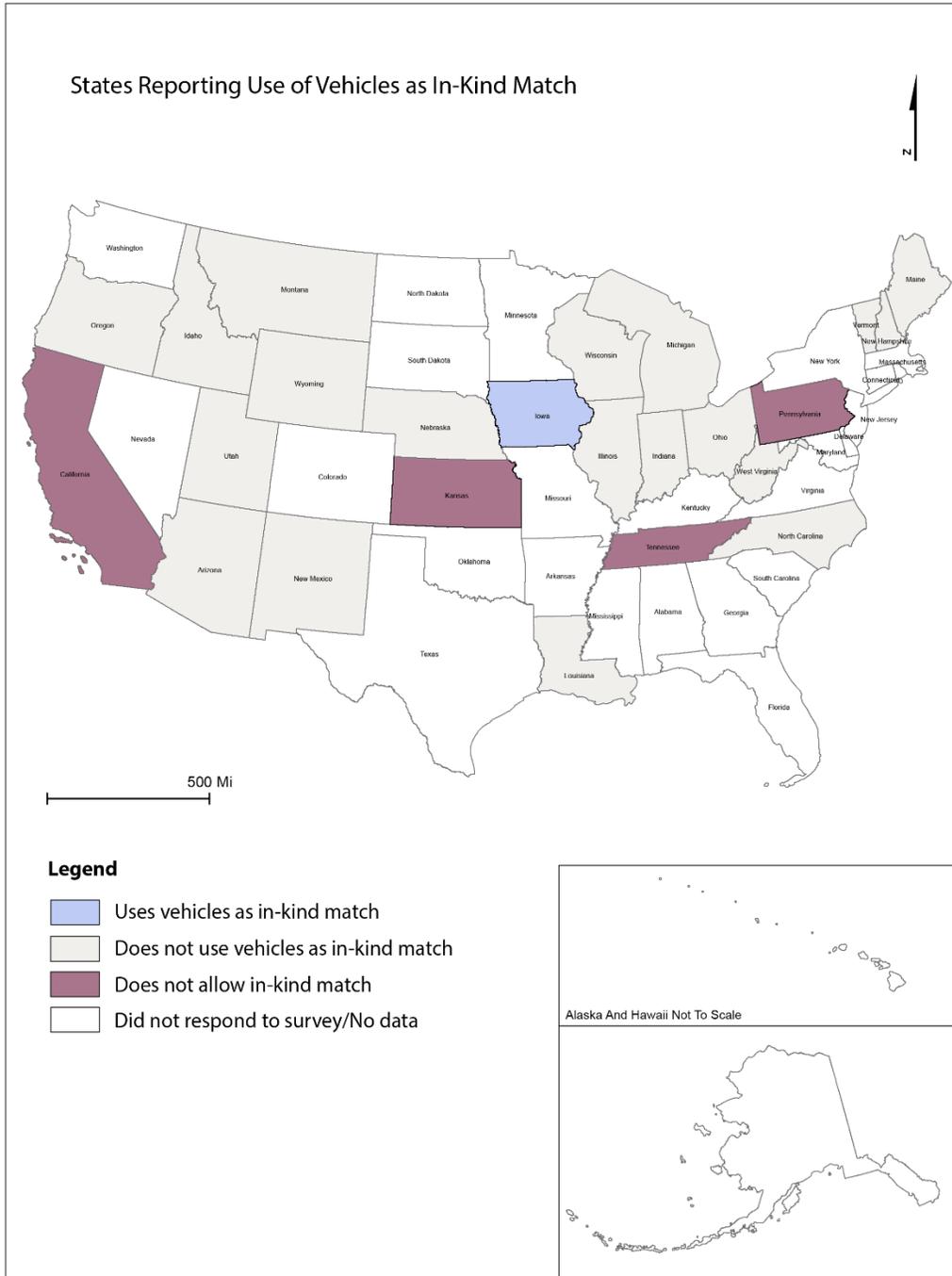
**Figure 3 States Reporting Use of Staff Support from Other Agencies as In-Kind Match**



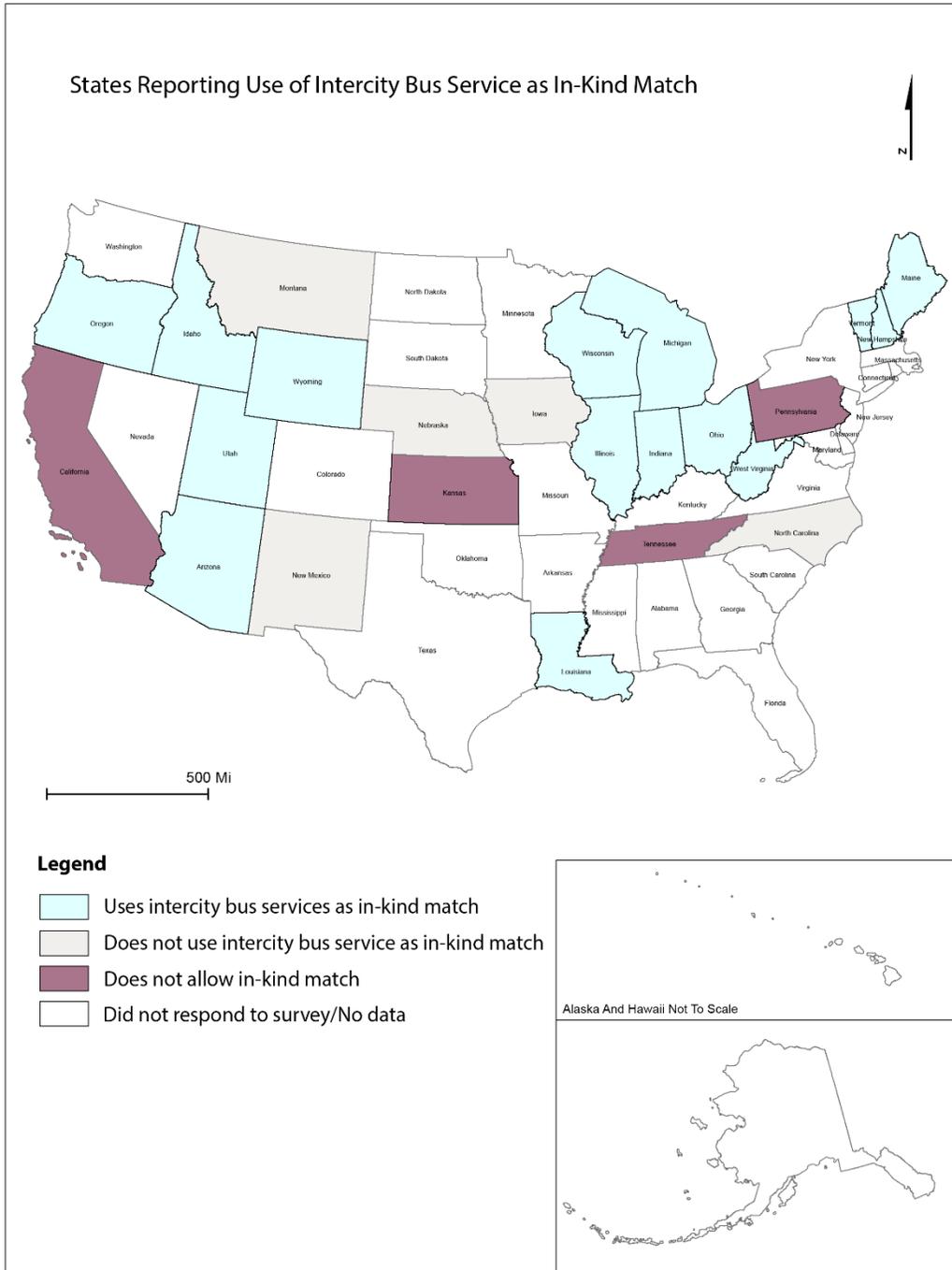
**Figure 4 States Reporting Use of Volunteers as In-Kind Match**



**Figure 5 States Reporting Use of Vehicles as In-Kind Match**



**Figure 6 States Reporting Use of Intercity Bus Service as In-Kind Match**



Besides federal regulations, some states have additional requirements for their subrecipient that intend to use in-kind match. Here is a list of reported state requirements:

- One state does not allow in-kind match for Section 5310 subrecipients
- Two states only allow intercity bus in-kind match

- One state sets a 50% maximum in-kind match requirement
- One state limits in-kind match to 15% of total grant amount
- One state caps the value of volunteer drivers at \$15/hour and the value of meeting participants at \$35/hour
- Four states (CA, PA, TN, KS) do not allow in-kind match

The Research Team developed an in-kind match guidebook, which is a standalone document that could be used as a desktop reference tool for transit grant managers. The guidebook lays out federal requirements of use of in-kind in easy-to-understand language and provide case studies to help illustrate those requirements.

### **3.3. Use of Non-USDOT Federal Funds as Match to FTA Awards**

The ability to use non-U.S. Department of Transportation funds as match to FTA programs began under the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) in 2005 when non-DOT match funds were approved for Section 5310, Section 5311, and for the former Section 5316 (Job Access Reverse Commute) and former Section 5317 (New Freedom) programs. Under the Moving Ahead for Progress in the 21<sup>st</sup> Century Act (MAP-21), some Section 5316 and 5317 eligible activities were melded into the expanded Section 5310 program, and the non-DOT match allowance expanded to include the Section 5307 program. (National Aging and Disability Transportation Center, 2017).

2 CFR 200.306 states that federal funds cannot be used as match to another federal award, except where the federal statute authorizing a program specifically provides that federal funds made available for such program can be applied to matching or cost sharing requirements of other federal programs.

Explicitly or implicitly, Federal Transit Law allows many federal transit programs, including but not limited to 5307, 5310, 5311, 5316, and 5317, to accept other federal program funds as match if the other federal program allows its funds to be used as match. FTA leaves the determination of whether another agency's funding may be used as match for FTA programs to that agency. Under the laws and regulations governing that funding, however, that funding must be eligible for use in public transportation projects. (FTA, "Local Matching Funds Frequently Asked Questions", 2017).

Eligibility of several non-USDOT federal programs as match to FTA grants is expressly stated in FTA regulations and/or program guidance. A number of non-DOT federal programs that have been successfully used by recipients and sub-recipients were found and documented in this research. At the time this report was developed, FTA, through collaboration with the Coordinating Council on Access and Mobility (CCAM), has been reaching out to a broad range of federal agencies to identify and document eligible non-USDOT programs that can be used as match to FTA awards. The Research Team met with the FTA liaisons on CCAM and received an update on the progress of that effort. The documented findings in this report includes the non-USDOT programs that CCAM identified to be eligible as match to FTA awards. FTA and/or CCAM may provide further guidance in the near future.

### 3.3.1. Examples of Non-USDOT Federal Programs Eligible as Match to FTA Programs

#### ***Older Americans Act Title III B***

To maximize flexibility of funding and to enhance services to older adults, Older Americans Act (OAA) recipients have the option to use Title III B funds to meet the match requirements for programs administered by the FTA. Administration for Community Living publishes a Frequently Asked Questions page (ACL, OAA FAQs, 2017) on its website on implementation of OAA. It is important to note that any proposed use of OAA funds (including funds that would be used as match for FTA programs) must be consistent with the terms and conditions of the award/contract, including all applicable Older Americans Act provisions and uniform award administration rules (45 CFR Parts 74 and 92). A local transportation provider receiving Title III funds for transportation services may only use such funds for the transport of seniors (and caregivers who are escorting seniors). Such services must be part of the overall comprehensive system of services in the planning and service area. (Sec. 303(c)(2)). State and area agencies on aging remain fully responsible for administration and oversight of OAA funds, notwithstanding FTA's acceptance of any OAA funds under award/contract as cost sharing or matching.

For clarity, if OAA funds are to be used to match FTA funds, the project must: meet all specific terms and conditions of the OAA award; align with the intent of the OAA; comply with all applicable Federal, State and local legislation; and be allowed by statute to be counted as matching contributions by the Federal agency (FTA). (ACL, OAA FAQs, 2017; FTA, FAST Act Section 5310 Program Fact Sheet, unspecified date).

#### ***USDA Summer Food Service Program***

Section 5310 program recipients may coordinate and assist in providing meal delivery services on a regular basis if they do not conflict with the provision of transit services. Meal delivery services funded by USDA Summer Food Service Program, as well as OAA, are expressly permitted in the Section 5310 Fact Sheet. Funds from Program sponsoring organizations may be used as local match to FTA grants. (FTA, 5310 Circular 9070.1G, 2014; FTA, FAST Act Section 5310 Program Fact Sheet, unspecified date).

#### ***Temporary Assistance for Needy Families***

Federal Transit Laws expressly authorize Temporary Assistance for Needy Families (TANF) Section 401 et seq. of the Social Security Act, 42 U.S.C. 601 et seq. for use as local share in Section 5307, Section 5310, Section 5311, Section 5316, and Section 5317. (FTA, 5307 Circular 9030.1E, 2014; FTA, "Local Matching Funds Frequently Asked Questions", 2017).

#### ***Medicaid (Including NEMT)***

As a part of public transit-human services transportation coordination, transit agencies can earn contract revenue by providing Medicaid NEMT. The state health and human services department that is responsible for Medicaid is also responsible for defining the requirements for each state's Medicaid NEMT program. The state Medicaid agency may contract directly with transportation providers, including transit agencies, to provide Medicaid NEMT; or the state Medicaid agency may contract with a state or regional broker that then subcontracts with transportation providers, including transit agencies, to provide Medicaid NEMT. In the context of Medicaid NEMT, a transportation broker is an entity that manages and maintains customer eligibility information, coordinates the scheduling of trips, and purchases transportation services from public, private, or non-profit transportation providers. Transit

agencies may use Medicaid NEMT revenues as local match for FTA grants. The final report of NCHRP 20-65 Task 64 “Health and Human Services (particularly Medicaid) Revenue as Match” provides a detailed examination of the requirements and constraints of using Medicaid as match to FTA awards.

### 3.3.2. Federal Programs Providing Transportation Assistance

Many other federal agencies, such as the Department of Health and Human Services, the Department of Housing and Urban Development, the Department of Education, the Department of Veteran Affairs, among others, award funding for transportation projects. A GAO report published in 2012 identified a total of 80 federal programs authorized to fund transportation services. It should be noted that those 80 programs identified in GAO’s 2012 report<sup>1</sup> are authorized to fund transportation services, but it needs further determination whether funding from those programs can be used as match to FTA programs. FTA is currently working with other federal agencies to update the list of federal programs authorized to fund transportation services.

### 3.3.3. Findings of Non-USDOT Federal Programs Used as Match to FTA Awards

The Research Team compiled a list of non-USDOT federal programs having been used to match FTA Awards. The findings are from a number of different sources, including FTA regulation and guidance, a prior NCHRPT study, survey responses from 24 state DOTs, and FTA Regional Office interviews. The table below summarizes the findings<sup>2</sup>.

**Table 4 Survey Results – Non-USDOT Federal Programs Funding Used as Match to FTA Awards**

Non-USDOT Federal Program	Federal Agency Grantor	Source
Medicaid (including Non-Emergency Medical Transportation)	Department of Health and Human Services	State DOT Survey (17 States)
Older Americans Act Title IIIB Supportive Services Funds	Department of Health and Human Services	State DOT Survey (14 States)
Community Development Block Grant	Department of Housing and Urban Development	State DOT Survey (8 States)
Social Service Block Grant	Department of Health and Human Services	State DOT Survey (5 States)
Temporary Assistance for Needy Families	Department of Health and Human Services	State DOT Survey (5 States)
Community Services Block Grant	Department of Health and Human Services	State DOT Survey (5 States)
Grants for Supportive Services and Senior Centers	Department of Health and Human Services	State DOT Survey (4 States)
Centers for Independent Living	Department of Education	State DOT Survey (4 States)

<sup>1</sup> Government Accountability Office, *Transportation-Disadvantaged Populations: Federal Coordination Efforts Could Be Further Strengthened*, June 20, 2012 <https://www.gao.gov/products/GAO-12-647>

<sup>2</sup> This list does not exhaust all federal programs that have been used as match to FTA awards. Some other eligible programs may not have been discovered through this research.

<b>Non-USDOT Federal Program</b>	<b>Federal Agency Grantor</b>	<b>Source</b>
Child Care and Development Fund	Department of Health and Human Services	State DOT Survey (2 States)
Head Start	Department of Health and Human Services	State DOT Survey (2 States)
Programs for American Indian, Alaskan Native and Native Hawaii Elders	Department of Health and Human Services	State DOT Survey (2 States)
State Health Insurance Program	Department of Health and Human Services	State DOT Survey (2 States)
Independent Living State Grants	Department of Education	State DOT Survey (2 States)
Home and Community Base Waiver	Department of Health and Human Services	State DOT Survey (1 State)
Job Corps	Department of Labor	State DOT Survey (1 State)
Welfare to Work for States and Locals	Department of Labor	State DOT Survey (1 State)
Workforce Investment Act Adult Services Program	Department of Labor	State DOT Survey (1 State), NCHRP 20-65 Task 64
Summer Food Service Program	Department of Agriculture	Coordinating Council on Access and Mobility
Development Disabilities Grants	Department of Health and Human Services	NCHRP 20-65 Task 64
Children and Families Title XX Social Services Block Grant	Department of Health and Human Services	NCHRP 20-65 Task 64
Senior Community Service Employment Program	Department of Labor	NCHRP 20-65 Task 64
Vocational Rehabilitative Grants	Department of Education	NCHRP 20-65 Task 64
Resident Opportunities and Self-Sufficiency Program	Department of Housing and Urban Development	NCHRP 20-65 Task 64
Veterans Medical Care	Department of Veteran Affairs	NCHRP 20-65 Task 64
Veterans Transportation and Community Living Initiative	Department of Veteran Affairs	NCHRP 20-65 Task 64
Other (respondent specified: National Park Service funds <sup>3</sup> )	Department of the Interior	State DOT Survey (1 State)
Other (respondent specified: EPA Diesel Emission Reduction Act)	Environmental Protection Agency	State DOT Survey (1 State)
Other (respondent specified: EB-5 Immigrant Investor Program)	Department of Homeland Security	FTA Regional Office
Other (respondent specified: New Market Tax Credit)	Department of the Treasury	FTA Regional Office
Other (respondent specified: AmeriCorps <sup>4</sup> )	AmeriCorps	FTA Regional Office

<sup>3</sup> In Maine, the National Park Services charges visitors a transportation fee, which is used to match FTA 5311 funds for transit operation.

<sup>4</sup> By the time this report was written, an FTA Regional Office has granted preliminary approval for the use of funds from this program as match to FTA awards, but it was still pending final approval by FTA.

None of the survey respondents noted additional state requirements in using non-USDOT federal funds as match to FTA awards, as long as the sponsoring federal agency allows it and the subrecipient comply to all applicable regulations.

## Reference

NCHRP 20-65 Task 64, *Guidebook on Health and Human Services Revenue as Public Transit Local Match*, work in progress.

NCHRP 20-65 Task 27, *Innovative Financing Techniques and Best Practices for Providing Match on Federal Transit Administration Projects*, Final Report, April 2011

[http://onlinepubs.trb.org/onlinepubs/nchrp/docs/NCHRP20-65\(27\)\\_FR.pdf](http://onlinepubs.trb.org/onlinepubs/nchrp/docs/NCHRP20-65(27)_FR.pdf)

TCRP Report 129, *Local and Regional Funding Mechanisms for Public Transportation*, 2009

<http://www.trb.org/Publications/Blurbs/160356.aspx>

Federal Transit Administration, Circular 5010.1E July 2017

<https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/regulations-and-guidance/fta-circulars/58051/5010-1e-circular-award-management-requirements-7-21-2017.pdf>

Federal Transit Administration, Circular 9030.1E, January 16, 2014

[https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/FINAL\\_FTA\\_circular9030.1E.pdf](https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/FINAL_FTA_circular9030.1E.pdf)

Federal Transit Administration, Circular 9070.1G, July 7, 2014

[https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/C9070\\_1G\\_FINAL\\_circular\\_4-20-15%281%29.pdf](https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/C9070_1G_FINAL_circular_4-20-15%281%29.pdf)

Federal Transit Administration, Circular 9040.1G, November 24, 2014

[https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/FTA\\_Circular\\_9040\\_1Gwith\\_index\\_-\\_Final\\_Revised\\_-\\_vm\\_10-15-14%281%29.pdf](https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/FTA_Circular_9040_1Gwith_index_-_Final_Revised_-_vm_10-15-14%281%29.pdf)

2 CFR 200.306 Cost sharing and matching

<https://www.gpo.gov/fdsys/pkg/CFR-2014-title2-vol1/xml/CFR-2014-title2-vol1-sec200-306.xml>

2 CFR 200.444 General Costs of Government

<https://www.gpo.gov/fdsys/pkg/CFR-2014-title2-vol1/xml/CFR-2014-title2-vol1-sec200-444.xml>

49 CFR 18.24 Matching or cost sharing

<https://www.gpo.gov/fdsys/pkg/CFR-2009-title49-vol1/xml/CFR-2009-title49-vol1-sec18-24.xml>

National Aging and Disability Transportation Center (NADTC), *Section 5307, 5310, and 5311: Using Non-DOT Funds for Local Match*, March 31, 2017,

<http://www.nadtc.org/news/blog/section-5307-5310-and-5311-using-non-dot-funds-for-local-match/>

Federal Transit Administration, *Local Matching Funds Frequently Asked Questions*, last updated on December 21, 2017, <https://www.transit.dot.gov/funding/procurement/third-party-procurement/local-matching-funds>

Administration of Community Living, *Older Americans Act Frequently Asked Questions*, last modified on November 8, 2017 <https://www.acl.gov/about-acl/authorizing-statutes/older-americans-act>

Federal Transit Administration, *Fact Sheet: Enhanced Mobility of Seniors and Individuals with Disabilities, Chapter 53 Section 5310*  
[https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/funding/grants/37971/5310-enhanced-mobility-seniors-disabled-fact-sheet\\_0.pdf](https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/funding/grants/37971/5310-enhanced-mobility-seniors-disabled-fact-sheet_0.pdf)

Government Accountability Office, *Transportation-Disadvantaged Populations: Federal Coordination Efforts Could Be Further Strengthened*, June 20, 2012  
<https://www.gao.gov/products/GAO-12-647>

## **Appendix A. State Department of Transportation Survey Questionnaire**

## State Department of Transportation Survey Questionnaire<sup>5</sup>

This survey is part of the research project, National Cooperative Highway Research Program (NCHRP) 20-65 Task 75 “Baseline Research on Allowable In-Kind and Local Match Sources.” The goal of the research is to develop a resource guide for state transit administrators and their subrecipients, which provides (1) a list of eligible sources of match to Federal Transit Administration (FTA) programs, including non-USDOT federal programs, and (2) detailed guidance on using in-kind contributions as match.

The objectives of this survey are (1) to collect information about what sources of funds are used by state DOTs’ subrecipients as match to FTA programs, (2) to learn about the current practices in using in-kind and non-USDOT federal funds as match, and (3) to identify candidates of transit agencies or metropolitan planning organizations for more in-depth case studies.

If you have any questions about this survey, please do not hesitate to contact Viktor Zhong by email, [viktor.zhong@aecom.com](mailto:viktor.zhong@aecom.com), or phone, 703-340-3068.

Your cooperation is much appreciated in providing the information requested in this survey.

1. Below is a list of potential sources of match to FTA programs. Please indicate which sources have been used by your subrecipients.

- Advertising
- Concession Revenues
- Long term leases of existing assets (e.g. air rights, public property)
- Right-of-Way Leasing
- Contract or Purchase-of-Service Revenues (by human service agencies, school/universities, private organizations, etc.)
- Access fees
- Business License Fees
- Car Rental Fees
- Community facility districts
- Congestion and cordon pricing
- Driver license fees

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<sup>5</sup> This survey was conducted with SurveyMonkey®, an online survey platform.

- Emissions Fees
- Impact fees
- Mortgage or real estate transfer fees
- Parking Fees
- Traffic camera fees
- Utility Fees/Taxes
- Vehicle miles travelled fees
- Vehicle Fees (title, registration, tags, and inspection)
- Vehicle Lease Taxes and Fees
- Other fees
- General Revenues
- General Sales Taxes
- Sales Taxes (variable base of goods and services, e.g. motor fuels)
- Property Taxes (real property, includes vehicles)
- Casino/lottery tax
- Cigarette tax
- Corporate Franchise Taxes
- Local option taxes
- Mortgage recording tax
- Oil company taxes
- Petroleum business tax
- Payroll/income tax
- Room/Occupancy Taxes
- Special Assessment Districts
- Transportation improvement district
- Value capture (assessment districts and tax increment financing)

- Other taxes
- General Obligation (GO) Bonds
- Private Activity Bonds (PABs)
- Tax Credit Bonds
- ARRA Bonds
- Grant Anticipation Notes
- GARVEE Bond
- Revenue Anticipation Notes (RANs)
- Certificates of Participation (COPs)
- State infrastructure banks
- Tax exempt market
- Corporate sponsorship
- Donations
- Employer contributions for operating costs
- Public private partnerships/joint development
- Non-USDOT federal funds
- Volunteer efforts
- Other in-kind contributions (e.g. labor, land, facility, intercity bus, etc.)
- Transportation development credits (formerly known as toll credits)
- Federal Lands Transportation Program funds
- Tribal Transportation Program funds
- Other (please specify if other sources have been used as match to FTA programs)

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2. Please indicate if your subrecipients have used any of the following types of resources as in-kind match.

- Land
- Facilities
- Staff Support Provided by Other Agencies
- Volunteer
- Vehicle
- Intercity bus service
- Others (please specify)

3. In addition to federal regulations, does your state have any requirements, restrictions, and/or policies on using in-kind match? If so, what are they?

In your responses to the following Questions 4-12, please indicate if your subrecipients have used grant revenue from any of the following federal programs as match to FTA programs. Please specify the names of any programs not listed below. If your subrecipients received revenue from providing transportation services through contracts with public agencies or private organizations and used the contract revenue as match to FTA programs, for the purpose of responding to Questions 4-12, please do not consider federal funds that made up part of such contract revenue.

4. Do your subrecipients use funding from any of the following programs administered by the U.S. Department of Health and Human Services as match to FTA funds?

- Older Americans Act Title IIIB Supportive Services Funds
- Social Service Block Grant

- Child Care and Development Fund
- Head Start
- Refugee and Entrant Assistance Discretionary Grants
- Refugee and Entrant Assistance State Administered Programs
- Refugee and Entrant Targeted Assistance
- Refugee and Entrant Assistance Voluntary Agency Programs
- State Development Disabilities Council and Protection & Advocacy
- Temporary Assistance to Needy Families
- Community Services Block Grant
- Promoting Safe and Stable Families
- Developmental Disabilities Projects of National Significance
- Grants for Supportive Services and Senior Centers
- Programs for American Indian, Alaskan Native and Native Hawaii Elders
- Medicaid (including Non-Emergency Medical Transportation)
- State Health Insurance Program
- Home and Community Base Waiver
- Community Health Centers
- Healthy Communities
- HIV Care Formula Program
- Maternal and Child Health Block Grant
- Rural Health Care Network
- Rural Health Care Outreach Program
- Health Start Initiative
- Ryan White Care Act Programs
- Substance Abuse Prevention and Treatment Block Grant
- Prevention and Texas Block Grant

Other (please specify funding program names)

5. Do your subrecipients use funding from any of the following programs administered by the U.S. Department of Housing and Urban Development as match to FTA funds?

- Community Development Block Grant
- Housing Opportunities for Persons with AIDS
- Supportive Housing Program
- Revitalization of Severely Distressed Public Housing
- Other (please specify funding program names)

6. Do your subrecipients use funding from any of the following programs administered by the U.S. Social Security Administration as match to FTA funds?

- Temporary Assistance for Needy Families
- Other (please specify funding program names)

7. Do your subrecipients use funding from any of the following programs administered by the U.S. Department of Agriculture as match to FTA funds?

- Food Stamp, Employment, and Training Program
- Other (please specify funding program names)

8. Do your subrecipients use funding from any of the following programs administered by the U.S. Department of Education as match to FTA funds?

- Voluntary Public School Choice
- Assistance for Education of All Children with Disabilities—IDEA
- Centers for Independent Living
- Independent Living for Older Individuals Who Are Blind
- Independent Living State Grants
- Supported Employment Services for Individuals with Most Significant Disabilities
- Vocational Rehabilitative Grants
- Other (please specify funding program names)

9. Do your subrecipients use funding from any of the following programs administered by the U.S. Department of Interior as match to FTA funds?

- Indian Employment Assistance
- Indian Employment, Training, and Related Services
- Other (please specify funding program names)

10. Do your subrecipients use funding from any of the following programs administered by the U.S. Department of Labor as match to FTA funds?

- Black Lung Benefits
- Senior Community Services Employment Program
- Job Corps
- Migrant and Seasonal Farm Worker
- Native American Employment and Training
- Welfare to Work Grants for Tribes
- Welfare to Work for States and Locals
- Work Incentive Grants
- Workforce Investment Act Adult Services Program
- Workforce Investment Act Adult Dislocated Worker Program
- Workforce Investment Act Youth Activities Program
- Homeless Veterans Reintegration Program
- Veterans Employment Program
- Other (please specify funding program names)

11. Do your subrecipients use funding from any of the following programs administered by the U.S. Department of Veteran Affairs as match to FTA funds?

- Automobiles and Adaptive Equipment
- Homeless Provider Grants
- Veterans Medical Care Benefits
- Ticket to Work Program
- Other (please specify funding program names)

12. Please indicate other federal agencies, if any, from which funding has been used as FTA match, and the name(s) of the funding program(s):

13. In addition to federal regulations, does your state have any requirements, restrictions, and/or policies on using non-USDOT federal funds as match to FTA programs? If so, what are they?

14. If your subrecipients received revenue from providing transportation services to other entities through contracts and used the contract revenue as match to FTA programs, please indicate the funding sources of such contract revenue.

15. As part of this research, the Research Team will conduct case studies of transit agencies to gather best practices in using in-kind match and non-USDOT federal funds as match to FTA programs. Could you please recommend one or more transit agencies or metropolitan planning organizations that have successfully used in-kind and/or non-USDOT federal funds as match to FTA programs? Please provide the agency names and whether they have successful experience in using in-kind match, or non-USDOT federal funds, or both.

16. Please indicate your affiliation and contact information:

Name

Affiliation

Title

Email Address

Phone Number

## **Appendix B. FTA Regional Office Interview Guide**

## FTA Regional Office Interview Guide

This interview is part of the research project, National Cooperative Highway Research Program (NCHRP) 20-65 Task 75 “Baseline Research on Allowable In-Kind and Local Match Sources”. The goal of the research is to develop a resource guide for state transit administrators and their subrecipients, which provides (1) a list of eligible sources of local match to Federal Transit Administration (FTA) programs, including non-USDOT federal programs eligible as local match to FTA programs, and (2) detailed guidance on using in-kind contributions as local match.

The objectives of this interview are to collect information about use of non-traditional revenue sources, including in-kind contributions and non-USDOT federal funds, as local match to FTA programs.

Your cooperation is much appreciated in providing the information requested in this survey.

### In-Kind Match

1. What sources of in-kind contributions have been successfully used by recipients and/or subrecipients as local match in your region? Please indicate if any of the following in-kind contributions have been successfully used.

- Land
- Office space
- Staff time
- Vehicles
- Non-vehicle major equipment
- Intercity bus service
- Other; please specify: \_\_\_\_\_

2. What are the benefits, administrative burdens, and other challenges that the recipients and subrecipients in your region face when using each of the following in-kind contributions as local match? In what situations have (sub)recipients wanted to use in-kind match but found it difficult to do so?

Type of In-Kind Contribution	Benefits, Administrative Burden, and Other Challenges
Land	
Office space	
Staff time	
Vehicles	
Non-vehicle major equipment	
Intercity bus service	
Other; please specify: _____	

3. Are there any opportunities for FTA recipient and/or subrecipients to expand the use of in-kind match?
  
4. Do you have any suggestions of recipients and/or subrecipients to expand the use of in-kind match?

### Non-USDOT Federal Funds

5. What non-USDOT federal funds have been successfully used by recipients and/or subrecipients as local match in your region? Please indicate if any of the following non-USDOT federal funds have been successfully used and name other programs not listed below.

Department of Health and Human Services

Older Americans Act Title IIIB Supportive Services Funds

Other(s); please specify funding program name(s): \_\_\_\_\_

Department of Housing and Urban Development

Community Development Block Grant

Other(s); please specify funding program name(s): \_\_\_\_\_

Social Security Administration

Temporary Assistance for Needy Families

Other(s); please specify funding program name(s): \_\_\_\_\_

Department of Agriculture

Please specify funding program name(s): \_\_\_\_\_

Department of Education

Please specify funding program name(s): \_\_\_\_\_

Department of the Interior

Please specify funding program name(s): \_\_\_\_\_

Department of Labor

Please specify funding program name(s): \_\_\_\_\_

Department of Veterans Affairs

Please specify funding program name(s): \_\_\_\_\_

Other Federal Agency(ies)

Please specify funding program name(s): \_\_\_\_\_

### Sources of Other Non-Traditional Revenue Sources Used as FTA Match

6. What non-traditional revenue sources are being used in your FTA Region as match?

## Suggestions of Case Studies

7. As part of this research, the Research Team will conduct case studies of transit agencies to gather best practices in using in-kind match and non-USDOT federal funds as local match. Could you please recommend one or more transit agencies that have successfully used in-kind and/or non-USDOT federal funds as local match? Please provide the agency names and whether they have successful experience in using in-kind match, or non-USDOT federal funds, or both.

## **Appendix C. Case Study Outline**

## Case Study Outline

### 1. Introduction

This section lays out the following background information on the organization studied:

- Nature of the organization, e.g. a public transit authority, a county/city department, a metropolitan planning organization, a private nonprofit, a state department of transportation
- Characteristics of the transit and/or paratransit services that it provides, including
  - Type of services offered
  - Scale of operations, e.g. fleet size, ridership, annual budget
- Major sources of funding: federal, state, and local
- Federal funding recipient status
  - Designated recipient or subrecipient
  - Large, small, or non-urbanized area recipient

### 2. Use of In-Kind Match

This section applies if the case study addresses use of in-kind match.

#### 2.1. Description of the In-Kind Resource

This subsection describes the nature of the in-kind resources used and how they were or have been used as match to FTA grants. Topics to be addressed here may include the followings:

- Description of the in-kind resources used
- Description of the entities that provided the in-kind resources and their relationships to the organization studied
- Actions required to get FTA approvals or stay in compliance with FTA rules
- Management of the in-kind resource throughout the duration of the grant

#### 2.2. Benefits of the Use of In-Kind

This subsection documents the benefits of using in-kind as experienced by the organization studied, which may include additional funding leveraged, improved coordination and synergy with other organizations, increased amount of service, and rising ridership.

#### 2.3. Challenges of the Use of In-Kind

This subsection documents the challenges of using in-kind as experienced by the organization studied:

- Compliance challenges
  - Compliance questions arisen and resolutions
  - Audit findings and corrective actions
- Administrative burden (extra staff time and/or costs)

### **3. Use of Non-USDOT Federal Funds as FTA Match**

This section applies if the case study addresses use of non-USDOT federal funds as match to FTA grants.

#### **3.1. Description of the In-Kind Resource**

This subsection describes the non-USDOT federal program(s) used as match to FTA grants. Topics to be addressed here may include the followings:

- Description of the non-USDOT federal program(s), including
  - Program name and enabling legislation
  - Eligible activities
  - Requirements and/or restrictions regarding being used as match to FTA grants
- History of applying the program funding to match FTA grants
  - Federal and state authorities consulted
  - Approvals required, and actions required to obtain the approvals
- Ongoing compliance activities throughout the duration of the grants

#### **3.2. Benefits of the Use of In-Kind**

This subsection documents the benefits of using in-kind as experienced by the organization studied, which may include additional funding leveraged, improved coordination and synergy with other organizations, increased amount of service, and rising ridership.

#### **3.3. Challenges of the Use of In-Kind**

This subsection documents the challenges of using non-USDOT federal funds as match to FTAA grants, as experienced by the organization studied:

- Compliance challenges
  - Compliance questions arisen and resolutions
  - Audit findings and corrective actions
- Administrative burden (extra staff time and/or costs)

## **Appendix D. Survey Response by State**

## Arizona

Question	Response
Sources of Match Used in Your State	<ul style="list-style-type: none"> <li>• Advertising</li> <li>• General Revenues</li> <li>• General Sales Taxes</li> <li>• Transportation improvement district</li> <li>• Non-USDOT federal funds</li> <li>• Volunteer efforts</li> <li>• In-kind contributions (e.g. labor, land, facility, intercity bus, etc.)</li> </ul>
Types of In-Kind Match Used in Your State	<ul style="list-style-type: none"> <li>• Volunteer</li> <li>• Intercity bus service</li> </ul>
State Requirements for Using In-Kind Match in Addition to Federal Rules	<ul style="list-style-type: none"> <li>• None</li> </ul>
Non-USDOT Federal Programs Used in Your State as Match to FTA Awards	<ul style="list-style-type: none"> <li>• Older Americans Act Title IIIB Supportive Services Funds</li> <li>• Social Service Block Grant</li> <li>• Temporary Assistance to Needy Families</li> <li>• Community Services Block Grant</li> <li>• Medicaid (including Non-Emergency Medical Transportation)</li> <li>• Community Development Block Grant</li> <li>• Temporary Assistance for Needy Families</li> <li>• Centers for Independent Living</li> </ul>
Funding Sources of Contract Revenue	<ul style="list-style-type: none"> <li>• No response</li> </ul>

## California

Question	Response
Sources of Match Used in Your State	<ul style="list-style-type: none"><li>• Transportation development credits (formerly known as toll credits)</li></ul>
Types of In-Kind Match Used in Your State	<ul style="list-style-type: none"><li>• None</li></ul>
State Requirements for Using In-Kind Match in Addition to Federal Rules	<ul style="list-style-type: none"><li>• As of now we do not allow in-kind match because uses toll credit which is similar to in-kind match</li></ul>
Non-USDOT Federal Programs Used in Your State as Match to FTA Awards	<ul style="list-style-type: none"><li>• None</li></ul>
Funding Sources of Contract Revenue	<ul style="list-style-type: none"><li>• No response</li></ul>

## Idaho

Question	Response
Sources of Match Used in Your State	<ul style="list-style-type: none"> <li>• Advertising</li> <li>• Concession Revenues</li> <li>• Contract or Purchase-of-Service Revenues (by human service agencies, school/universities, private organizations, etc.)</li> <li>• General Revenues</li> <li>• Local option taxes</li> <li>• Donations</li> <li>• Non-USDOT federal funds</li> <li>• Volunteer efforts</li> <li>• In-kind contributions (e.g. labor, land, facility, intercity bus, etc.)</li> </ul>
Types of In-Kind Match Used in Your State	<ul style="list-style-type: none"> <li>• Facilities</li> <li>• Staff Support Provided by Other Agencies</li> <li>• Volunteer</li> <li>• Intercity bus service</li> </ul>
State Requirements for Using In-Kind Match in Addition to Federal Rules	<ul style="list-style-type: none"> <li>• Must be clearly documented with methodology of how the amount was calculated</li> </ul>
Non-USDOT Federal Programs Used in Your State as Match to FTA Awards	<ul style="list-style-type: none"> <li>• Older Americans Act Title IIIB Supportive Services Funds</li> <li>• Medicaid (including Non-Emergency Medical Transportation)</li> </ul>
Funding Sources of Contract Revenue	<ul style="list-style-type: none"> <li>• Private businesses (i.e. Molina, EICAP.)</li> </ul>

## Indiana

Question	Response
Sources of Match Used in Your State	<ul style="list-style-type: none"> <li>• Advertising</li> <li>• Contract or Purchase-of-Service Revenues (by human service agencies, school/universities, private organizations, etc.)</li> <li>• General Revenues</li> <li>• General Sales Taxes</li> <li>• Other taxes</li> <li>• Donations</li> <li>• Non-USDOT federal funds</li> <li>• Volunteer efforts</li> <li>• In-kind contributions (e.g. labor, land, facility, intercity bus, etc.)</li> </ul>
Types of In-Kind Match Used in Your State	<ul style="list-style-type: none"> <li>• Staff Support Provided by Other Agencies</li> <li>• Volunteer</li> <li>• Intercity bus service</li> </ul>
State Requirements for Using In-Kind Match in Addition to Federal Rules	<ul style="list-style-type: none"> <li>• None</li> </ul>
Non-USDOT Federal Programs Used in Your State as Match to FTA Awards	<ul style="list-style-type: none"> <li>• Older Americans Act Title IIIB Supportive Services Funds</li> <li>• Grants for Supportive Services and Senior Centers</li> <li>• Medicaid (including Non-Emergency Medical Transportation)</li> </ul>
Funding Sources of Contract Revenue	<ul style="list-style-type: none"> <li>• No response</li> </ul>

## Illinois

Question	Response
Sources of Match Used in Your State	<ul style="list-style-type: none"> <li>• Advertising</li> <li>• Contract or Purchase-of-Service Revenues (by human service agencies, school/universities, private organizations, etc.)</li> <li>• General Revenues</li> <li>• Grant Anticipation Notes</li> <li>• Donations</li> <li>• Volunteer efforts</li> <li>• In-kind contributions (e.g. labor, land, facility, intercity bus, etc.)</li> <li>• Transportation development credits (formerly known as toll credits)</li> </ul>
Types of In-Kind Match Used in Your State	<ul style="list-style-type: none"> <li>• Staff Support Provided by Other Agencies</li> <li>• Volunteer</li> <li>• Intercity bus service</li> </ul>
State Requirements for Using In-Kind Match in Addition to Federal Rules	<ul style="list-style-type: none"> <li>• No response</li> </ul>
Non-USDOT Federal Programs Used in Your State as Match to FTA Awards	<ul style="list-style-type: none"> <li>• Older Americans Act Title IIIB Supportive Services Funds</li> <li>• Social Service Block Grant</li> <li>• Child Care and Development Fund</li> <li>• Head Start</li> <li>• Temporary Assistance to Needy Families</li> <li>• Grants for Supportive Services and Senior Centers</li> <li>• Medicaid (including Non-Emergency Medical Transportation)</li> <li>• Independent Living State Grants</li> </ul>
Funding Sources of Contract Revenue	<ul style="list-style-type: none"> <li>• DHS State Temporary Assistance to Needy Families, HFS 50/50 Program, Human Services agencies not-for-profit</li> </ul>

Iowa

Question	Response
Sources of Match Used in Your State	<ul style="list-style-type: none"> <li>• Advertising</li> <li>• Concession Revenues</li> <li>• Long term leases of existing assets (e.g. air rights, public property)</li> <li>• Contract or Purchase-of-Service Revenues (by human service agencies, school/universities, private organizations, etc.)</li> <li>• Parking Fees</li> <li>• Vehicle Fees (title, registration, tags, and inspection)</li> <li>• Property Taxes (real property, includes vehicles)</li> <li>• Other taxes</li> <li>• Donations</li> <li>• Employer contributions for operating costs</li> <li>• Public private partnerships/joint development</li> <li>• Non-USDOT federal funds</li> <li>• In-kind contributions (e.g. labor, land, facility, intercity bus, etc.)</li> </ul>
Types of In-Kind Match Used in Your State	<ul style="list-style-type: none"> <li>• Land</li> <li>• Facilities</li> <li>• Staff Support Provided by Other Agencies</li> <li>• Vehicle</li> </ul>
State Requirements for Using In-Kind Match in Addition to Federal Rules	<ul style="list-style-type: none"> <li>• None</li> </ul>
Non-USDOT Federal Programs Used in Your State as Match to FTA Awards	<ul style="list-style-type: none"> <li>• Older Americans Act Title IIIB Supportive Services Funds</li> <li>• Head Start</li> <li>• Medicaid (including Non-Emergency Medical Transportation)</li> <li>• Home and Community Base Waiver</li> <li>• Community Development Block Grant</li> <li>• Job Corps</li> <li>• EPA DERA grant</li> </ul>
Funding Sources of Contract Revenue	<ul style="list-style-type: none"> <li>• Indicated above</li> </ul>

## Kansas

Question	Response
Sources of Match Used in Your State	<ul style="list-style-type: none"> <li>• Advertising</li> <li>• Concession Revenues</li> <li>• Contract or Purchase-of-Service Revenues (by human service agencies, school/universities, private organizations, etc.)</li> <li>• Sales Taxes (variable base of goods and services, e.g. motor fuels)</li> <li>• Property Taxes (real property, includes vehicles)</li> <li>• Room/Occupancy Taxes</li> <li>• Corporate sponsorship</li> <li>• Public private partnerships/joint development</li> <li>• Non-USDOT federal funds</li> <li>• Transportation development credits (formerly known as toll credits)</li> <li>• Bake sales; private citizen donations; CDBG funds; state dollars.</li> </ul>
Types of In-Kind Match Used in Your State	<ul style="list-style-type: none"> <li>• Do not allow in-kind match in our program at this time</li> </ul>
State Requirements for Using In-Kind Match in Addition to Federal Rules	<ul style="list-style-type: none"> <li>• Do not allow in-kind match in our transit program at this time.</li> </ul>
Non-USDOT Federal Programs Used in Your State as Match to FTA Awards	<ul style="list-style-type: none"> <li>• Community Services Block Grant</li> <li>• Grants for Supportive Services and Senior Centers</li> <li>• Medicaid (including Non-Emergency Medical Transportation)</li> <li>• Community Development Block Grant</li> <li>• Centers for Independent Living</li> </ul>
Funding Sources of Contract Revenue	<ul style="list-style-type: none"> <li>• No response</li> </ul>

## Louisiana

Question	Response
Sources of Match Used in Your State	<ul style="list-style-type: none"> <li>• General Revenues</li> <li>• Sales Taxes (variable base of goods and services, e.g. motor fuels)</li> <li>• Property Taxes (real property, includes vehicles)</li> <li>• Non-USDOT federal funds</li> </ul>
Types of In-Kind Match Used in Your State	<ul style="list-style-type: none"> <li>• Facilities</li> <li>• Volunteer</li> <li>• Intercity bus service</li> </ul>
State Requirements for Using In-Kind Match in Addition to Federal Rules	<ul style="list-style-type: none"> <li>• No additional state requirements.</li> </ul>
Non-USDOT Federal Programs Used in Your State as Match to FTA Awards	<ul style="list-style-type: none"> <li>• Older Americans Act Title IIIB Supportive Services Funds</li> <li>• Community Services Block Grant</li> <li>• Medicaid (including Non-Emergency Medical Transportation)</li> <li>• Community Development Block Grant</li> </ul>
Funding Sources of Contract Revenue	<ul style="list-style-type: none"> <li>• This is rare, but occasionally we have a rural nursing home that contracts with the 5311 provider for transit services. These contracted funds are paid by the nursing home.</li> </ul>

## Maine

Question	Response
Sources of Match Used in Your State	<ul style="list-style-type: none"> <li>• Contract or Purchase-of-Service Revenues (by human service agencies, school/universities, private organizations, etc.)</li> <li>• Property Taxes (real property, includes vehicles)</li> <li>• General Obligation (GO) Bonds</li> <li>• Corporate sponsorship</li> <li>• Donations</li> <li>• Employer contributions for operating costs</li> <li>• Public private partnerships/joint development</li> <li>• Non-USDOT federal funds</li> <li>• Volunteer efforts</li> <li>• In-kind contributions (e.g. labor, land, facility, intercity bus, etc.)</li> <li>• Private grants, i.e. Susan B. Koman, John T. Gorman Foundation</li> </ul>
Types of In-Kind Match Used in Your State	<ul style="list-style-type: none"> <li>• Volunteer</li> <li>• Intercity bus service</li> </ul>
State Requirements for Using In-Kind Match in Addition to Federal Rules	<ul style="list-style-type: none"> <li>• No response</li> </ul>
Non-USDOT Federal Programs Used in Your State as Match to FTA Awards	<ul style="list-style-type: none"> <li>• Social Service Block Grant</li> <li>• Child Care and Development Fund</li> <li>• Temporary Assistance to Needy Families</li> <li>• Community Services Block Grant</li> <li>• Medicaid (including Non-Emergency Medical Transportation)</li> <li>• Community Development Block Grant</li> <li>• Temporary Assistance for Needy Families</li> <li>• National Park Service<sup>6</sup></li> </ul>
Funding Sources of Contract Revenue	<ul style="list-style-type: none"> <li>• NEMT for MaineCare (Medicaid) Brokerage</li> </ul>

<sup>6</sup> In Maine, the National Park Services charges visitors a transportation fee, which is used to match FTA 5311 funds for transit operation

## Michigan

Question	Response
Sources of Match Used in Your State	<ul style="list-style-type: none"> <li>• Advertising</li> <li>• Concession Revenues</li> <li>• Contract or Purchase-of-Service Revenues (by human service agencies, school/universities, private organizations, etc.)</li> <li>• Vehicle Fees (title, registration, tags, and inspection)</li> <li>• General Revenues</li> <li>• Sales Taxes (variable base of goods and services, e.g. motor fuels)</li> <li>• Property Taxes (real property, includes vehicles)</li> <li>• State infrastructure banks</li> <li>• Donations</li> <li>• Employer contributions for operating costs</li> <li>• Public private partnerships/joint development</li> <li>• Non-USDOT federal funds</li> <li>• Volunteer efforts</li> <li>• In-kind contributions (e.g. labor, land, facility, intercity bus, etc.)</li> <li>• Transportation development credits (formerly known as toll credits)</li> <li>• The registration fees and gas tax are for state use only - we provide the majority of the match required, with the exception of New Freedom operating activities, and a small portion of 5311 operating expenses. The rest of the categories are used by the Subrecipients.</li> </ul>
Types of In-Kind Match Used in Your State	<ul style="list-style-type: none"> <li>• Staff Support Provided by Other Agencies</li> <li>• Volunteer</li> <li>• Intercity bus service</li> </ul>
State Requirements for Using In-Kind Match in Addition to Federal Rules	<ul style="list-style-type: none"> <li>• Subrecipients must document how they calculated the value of the in kind service.</li> </ul>
Non-USDOT Federal Programs Used in Your State as Match to FTA Awards	<ul style="list-style-type: none"> <li>• Funds flow through the Michigan Department of Health and Human Services, we are unsure of the specific funding source.</li> <li>• Money flows through Michigan Veterans Affairs and we are unsure of the specific source.</li> </ul>
Funding Sources of Contract Revenue	<ul style="list-style-type: none"> <li>• No response</li> </ul>

## Montana

Question	Response
Sources of Match Used in Your State	<ul style="list-style-type: none"> <li>• Advertising</li> <li>• Concession Revenues</li> <li>• Contract or Purchase-of-Service Revenues (by human service agencies, school/universities, private organizations, etc.)</li> <li>• Car Rental Fees</li> <li>• Property Taxes (real property, includes vehicles)</li> <li>• Transportation improvement district</li> <li>• Other taxes</li> <li>• Donations</li> <li>• Volunteer efforts</li> <li>• In-kind contributions (e.g. labor, land, facility, intercity bus, etc.)</li> </ul>
Types of In-Kind Match Used in Your State	<ul style="list-style-type: none"> <li>• Facilities</li> <li>• Staff Support Provided by Other Agencies</li> <li>• Volunteer</li> <li>• Advertising, vehicle maintenance, licensing, insurance</li> </ul>
State Requirements for Using In-Kind Match in Addition to Federal Rules	<ul style="list-style-type: none"> <li>• Max amount cannot exceed 15% of total grant.</li> </ul>
Non-USDOT Federal Programs Used in Your State as Match to FTA Awards	<ul style="list-style-type: none"> <li>• Programs for American Indian, Alaskan Native and Native Hawaii Elders</li> <li>• Medicaid (including Non-Emergency Medical Transportation)</li> <li>• State Health Insurance Program</li> <li>• Temporary Assistance for Needy Families</li> </ul>
Funding Sources of Contract Revenue	<ul style="list-style-type: none"> <li>• Private or State funds</li> </ul>

## Nebraska

Question	Response
Sources of Match Used in Your State	<ul style="list-style-type: none"><li>• Contract or Purchase-of-Service Revenues (by human service agencies, school/universities, private organizations, etc.)</li><li>• Sales Taxes (variable base of goods and services, e.g. motor fuels)</li><li>• Donations</li><li>• In-kind contributions (e.g. labor, land, facility, intercity bus, etc.)</li></ul>
Types of In-Kind Match Used in Your State	<ul style="list-style-type: none"><li>• Land</li><li>• Facilities</li><li>• Staff Support Provided by Other Agencies</li></ul>
State Requirements for Using In-Kind Match in Addition to Federal Rules	<ul style="list-style-type: none"><li>• None</li></ul>
Non-USDOT Federal Programs Used in Your State as Match to FTA Awards	<ul style="list-style-type: none"><li>• Medicaid (including Non-Emergency Medical Transportation)</li></ul>
Funding Sources of Contract Revenue	<ul style="list-style-type: none"><li>• No response</li></ul>

## New Hampshire

Question	Response
Sources of Match Used in Your State	<ul style="list-style-type: none"> <li>• Advertising</li> <li>• Contract or Purchase-of-Service Revenues (by human service agencies, school/universities, private organizations, etc.)</li> <li>• Local option taxes</li> <li>• GARVEE Bond</li> <li>• Corporate sponsorship</li> <li>• Donations</li> <li>• Non-USDOT federal funds</li> <li>• In-kind contributions (e.g. labor, land, facility, intercity bus, etc.)</li> <li>• Transportation development credits (formerly known as toll credits)</li> </ul>
Types of In-Kind Match Used in Your State	<ul style="list-style-type: none"> <li>• Volunteer</li> <li>• Intercity bus service</li> </ul>
State Requirements for Using In-Kind Match in Addition to Federal Rules	<ul style="list-style-type: none"> <li>• We cap the value of Volunteer Drivers at \$15/hour and the value of meeting participants at \$35/hour.</li> </ul>
Non-USDOT Federal Programs Used in Your State as Match to FTA Awards	<ul style="list-style-type: none"> <li>• Older Americans Act Title IIIB Supportive Services Funds</li> <li>• Temporary Assistance to Needy Families</li> <li>• In order to be eligible as match, the services must meet the criteria stated in 2 CFR Part 215.23 (OMB Circular A-110)</li> <li>• Medicaid</li> </ul>
Funding Sources of Contract Revenue	<ul style="list-style-type: none"> <li>• No response</li> </ul>

## New Mexico

Question	Response
Sources of Match Used in Your State	<ul style="list-style-type: none"> <li>• Advertising</li> <li>• Contract or Purchase-of-Service Revenues (by human service agencies, school/universities, private organizations, etc.)</li> <li>• General Revenues</li> <li>• Local option taxes</li> <li>• Donations</li> <li>• Non-USDOT federal funds</li> <li>• In-kind contributions (e.g. labor, land, facility, intercity bus, etc.)</li> <li>• Tribal Transportation Program funds</li> </ul>
Types of In-Kind Match Used in Your State	<ul style="list-style-type: none"> <li>• Facilities</li> <li>• Staff Support Provided by Other Agencies</li> </ul>
State Requirements for Using In-Kind Match in Addition to Federal Rules	<ul style="list-style-type: none"> <li>• No in-kind match for Section 5310 program. Section 5311 in-kind match allowed on a case-by-case hardship basis.</li> </ul>
Non-USDOT Federal Programs Used in Your State as Match to FTA Awards	<ul style="list-style-type: none"> <li>• Temporary Assistance to Needy Families</li> <li>• Programs for American Indian, Alaskan Native and Native Hawaii Elders</li> <li>• Medicaid (including Non-Emergency Medical Transportation)</li> <li>• State Health Insurance Program</li> <li>• Temporary Assistance for Needy Families</li> </ul>
Funding Sources of Contract Revenue	<ul style="list-style-type: none"> <li>• NEMT</li> <li>• National Park Service funds<sup>7</sup></li> <li>• Tribal Transit</li> <li>• contracts with local universities</li> </ul>

<sup>7</sup> The Atomic City Transit partners with the National Park Service to provide shuttle service between a nearby community and two locations within the Bandelier National Monument. The partnership started as a service contract in the first year of operation. Then it became a cooperative agreement between ACT and the NPS. NPS charges a transportation fee as part of the park entrance fee, which is used to partially fund the shuttle service, with the remaining funded by local sources. However, ACT currently does not use the NPS funds as match to FTA awards.

## North Carolina

Question	Response
Sources of Match Used in Your State	<ul style="list-style-type: none"><li>• Vehicle Fees (title, registration, tags, and inspection)</li><li>• Other fees</li><li>• Sales Taxes (variable base of goods and services, e.g. motor fuels)</li><li>• Property Taxes (real property, includes vehicles)</li><li>• Non-USDOT federal funds</li></ul>
Types of In-Kind Match Used in Your State	<ul style="list-style-type: none"><li>• Land</li></ul>
State Requirements for Using In-Kind Match in Addition to Federal Rules	<ul style="list-style-type: none"><li>• Prefer not to use them as difficult to oversee - primarily use on intercity bus and facilities</li></ul>
Non-USDOT Federal Programs Used in Your State as Match to FTA Awards	<ul style="list-style-type: none"><li>• Older Americans Act Title IIIB Supportive Services Funds</li><li>• Medicaid (including Non-Emergency Medical Transportation)</li></ul>
Funding Sources of Contract Revenue	<ul style="list-style-type: none"><li>• No response</li></ul>

## Ohio

Question	Response
Sources of Match Used in Your State	<ul style="list-style-type: none"> <li>• Advertising</li> <li>• General Revenues</li> <li>• General Sales Taxes</li> <li>• Sales Taxes (variable base of goods and services, e.g. motor fuels)</li> <li>• Donations</li> <li>• Non-USDOT federal funds</li> <li>• Volunteer efforts</li> <li>• In-kind contributions (e.g. labor, land, facility, intercity bus, etc.)</li> <li>• Transportation development credits (formerly known as toll credits)</li> </ul>
Types of In-Kind Match Used in Your State	<ul style="list-style-type: none"> <li>• Land</li> <li>• Facilities</li> <li>• Staff Support Provided by Other Agencies</li> <li>• Volunteer</li> <li>• Intercity bus service</li> <li>• in-kind benefits for volunteers,</li> </ul>
State Requirements for Using In-Kind Match in Addition to Federal Rules	<ul style="list-style-type: none"> <li>• Be approved through application process.</li> </ul>
Non-USDOT Federal Programs Used in Your State as Match to FTA Awards	<ul style="list-style-type: none"> <li>• Older Americans Act Title IIIB Supportive Services Funds</li> <li>• Grants for Supportive Services and Senior Centers</li> <li>• Medicaid (including Non-Emergency Medical Transportation)</li> </ul>
Funding Sources of Contract Revenue	<ul style="list-style-type: none"> <li>• Those checked above under Human Services</li> </ul>

## Oregon

Question	Response
Sources of Match Used in Your State	<ul style="list-style-type: none"> <li>• Advertising</li> <li>• Concession Revenues</li> <li>• Contract or Purchase-of-Service Revenues (by human service agencies, school/universities, private organizations, etc.)</li> <li>• General Revenues</li> <li>• Property Taxes (real property, includes vehicles)</li> <li>• Cigarette tax</li> <li>• Donations</li> <li>• Volunteer efforts</li> <li>• In-kind contributions (e.g. labor, land, facility, intercity bus, etc.)</li> <li>• ID cards issued by DMV. This is similar to driver license fees.</li> <li>• Gas tax collected for non-highway use. We unofficially call this the "lawn mower" fund.</li> <li>• Contract/lease revenue for part of a building.</li> <li>• In some cases, we interline with Greyhound and use virtual match.</li> <li>• We receive Federal Lands Access Program funds, but view the FTA funds as match for that grant rather than the other way around.</li> </ul>
Types of In-Kind Match Used in Your State	<ul style="list-style-type: none"> <li>• Land</li> <li>• Staff Support Provided by Other Agencies</li> <li>• Volunteer</li> <li>• Intercity bus service</li> </ul>
State Requirements for Using In-Kind Match in Addition to Federal Rules	<ul style="list-style-type: none"> <li>• There is a maximum of 50% in-kind match. Subrecipients must have proper documentation using a valuation we approve.</li> </ul>
Non-USDOT Federal Programs Used in Your State as Match to FTA Awards	<ul style="list-style-type: none"> <li>• Older Americans Act Title IIIB Supportive Services Funds</li> <li>• Medicaid (including Non-Emergency Medical Transportation)</li> <li>• Not sure about Medicaid or Social Services. Older Americans Act (but not sure if it's the title mentioned).</li> <li>• Not sure about TANF.</li> <li>• Not sure if used as match, but Highly Rural Veterans Transportation.</li> <li>• University fees.</li> </ul>
Funding Sources of Contract Revenue	<ul style="list-style-type: none"> <li>• No response</li> </ul>

## Pennsylvania

Question	Response
Sources of Match Used in Your State	<ul style="list-style-type: none"> <li>• Advertising</li> <li>• Vehicle Lease Taxes and Fees</li> <li>• General Revenues</li> <li>• General Sales Taxes</li> <li>• Subrecipients receive the majority of their FTA local (non-state) match from municipal and county government which contribute funds from their general revenues.</li> <li>• PennDOT subrecipients receive most of their local match from the state. PA uses a variety of funding sources to fund public transportation. They include a portion of sales taxes, toll revenue, profit from the state lottery, vehicle lease fees, and certain traffic violation fines.</li> </ul>
Types of In-Kind Match Used in Your State	<ul style="list-style-type: none"> <li>• None</li> </ul>
State Requirements for Using In-Kind Match in Addition to Federal Rules	<ul style="list-style-type: none"> <li>• Subrecipients are not allowed to use in-kind match to match state funding. Since our subrecipients receive the majority of their local match from the state I am not aware of any instances of our agencies using in-kind local match.</li> </ul>
Non-USDOT Federal Programs Used in Your State as Match to FTA Awards	<ul style="list-style-type: none"> <li>• No response</li> </ul>
Funding Sources of Contract Revenue	<ul style="list-style-type: none"> <li>• No response</li> </ul>

## Tennessee

Question	Response
Sources of Match Used in Your State	<ul style="list-style-type: none"><li>• Advertising</li><li>• Contract or Purchase-of-Service Revenues (by human service agencies, school/universities, private organizations, etc.)</li><li>• General Revenues</li></ul>
Types of In-Kind Match Used in Your State	<ul style="list-style-type: none"><li>• None</li></ul>
State Requirements for Using In-Kind Match in Addition to Federal Rules	<ul style="list-style-type: none"><li>• We don't allow in-kind match.</li></ul>
Non-USDOT Federal Programs Used in Your State as Match to FTA Awards	<ul style="list-style-type: none"><li>• Medicaid (including Non-Emergency Medical Transportation)</li></ul>
Funding Sources of Contract Revenue	<ul style="list-style-type: none"><li>• Medicaid, offices on aging, TN dept of labor, TN dept of corrections</li></ul>

## Utah

Question	Response
Sources of Match Used in Your State	<ul style="list-style-type: none"> <li>• Advertising</li> <li>• General Revenues</li> <li>• General Sales Taxes</li> <li>• Sales Taxes (variable base of goods and services, e.g. motor fuels)</li> <li>• Local option taxes</li> <li>• Special Assessment Districts</li> <li>• Donations</li> <li>• In-kind contributions (e.g. labor, land, facility, intercity bus, etc.)</li> </ul>
Types of In-Kind Match Used in Your State	<ul style="list-style-type: none"> <li>• Intercity bus service</li> <li>• Other than ICB, in-kind match is disallowed as a project still needs cash total to be met.</li> </ul>
State Requirements for Using In-Kind Match in Addition to Federal Rules	<ul style="list-style-type: none"> <li>• No response</li> </ul>
Non-USDOT Federal Programs Used in Your State as Match to FTA Awards	<ul style="list-style-type: none"> <li>• Older Americans Act Title IIIB Supportive Services Funds</li> <li>• Community Services Block Grant</li> <li>• Community Development Block Grant</li> </ul>
Funding Sources of Contract Revenue	<ul style="list-style-type: none"> <li>• No response</li> </ul>

## Vermont

Question	Response
Sources of Match Used in Your State	<ul style="list-style-type: none"> <li>• Advertising</li> <li>• Contract or Purchase-of-Service Revenues (by human service agencies, school/universities, private organizations, etc.)</li> <li>• Driver License Fees</li> <li>• Vehicle Fees (title, registration, tags, and inspection)</li> <li>• Other taxes</li> <li>• State infrastructure banks</li> <li>• Corporate sponsorship</li> <li>• Donations</li> <li>• Employer contributions for operating costs</li> <li>• Volunteer efforts</li> <li>• In-kind contributions (e.g. labor, land, facility, intercity bus, etc.)</li> <li>• other tax is gas tax which in Vermont includes a small sales tax in addition to gas tax</li> </ul>
Types of In-Kind Match Used in Your State	<ul style="list-style-type: none"> <li>• Land</li> <li>• Volunteer</li> <li>• Intercity bus service</li> </ul>
State Requirements for Using In-Kind Match in Addition to Federal Rules	<ul style="list-style-type: none"> <li>• No</li> </ul>
Non-USDOT Federal Programs Used in Your State as Match to FTA Awards	<ul style="list-style-type: none"> <li>• Older Americans Act Title IIIB Supportive Services Funds</li> <li>• Medicaid (including Non-Emergency Medical Transportation)</li> </ul>
Funding Sources of Contract Revenue	<ul style="list-style-type: none"> <li>• Some schools and medical facilities</li> </ul>

## West Virginia

Question	Response
Sources of Match Used in Your State	<ul style="list-style-type: none"> <li>• Advertising</li> <li>• Contract or Purchase-of-Service Revenues (by human service agencies, school/universities, private organizations, etc.)</li> <li>• Parking Fees</li> <li>• General Revenues</li> <li>• Property Taxes (real property, includes vehicles)</li> <li>• Casino/lottery tax</li> <li>• Other taxes</li> <li>• Donations</li> <li>• Non-USDOT federal funds</li> <li>• In-kind contributions (e.g. labor, land, facility, intercity bus, etc.)</li> <li>• proceeds from coal severance tax, non-emergency medical transportation,</li> </ul>
Types of In-Kind Match Used in Your State	<ul style="list-style-type: none"> <li>• Intercity bus service</li> </ul>
State Requirements for Using In-Kind Match in Addition to Federal Rules	<ul style="list-style-type: none"> <li>• We only allow the intercity bus operators to use in-kind as match.</li> </ul>
Non-USDOT Federal Programs Used in Your State as Match to FTA Awards	<ul style="list-style-type: none"> <li>• Older Americans Act Title IIIB Supportive Services Funds</li> <li>• Social Service Block Grant</li> <li>• Medicaid (including Non-Emergency Medical Transportation)</li> <li>• Community Development Block Grant</li> <li>• Temporary Assistance for Needy Families</li> <li>• Welfare to Work for States and Locals</li> <li>• Workforce Investment Act Adult Services Program</li> </ul>
Funding Sources of Contract Revenue	<ul style="list-style-type: none"> <li>• IIIB</li> </ul>

## Wisconsin

Question	Response
Sources of Match Used in Your State	<ul style="list-style-type: none"> <li>• Advertising</li> <li>• Contract or Purchase-of-Service Revenues (by human service agencies, school/universities, private organizations, etc.)</li> <li>• Utility Fees/Taxes</li> <li>• General Revenues</li> <li>• Property Taxes (real property, includes vehicles)</li> <li>• Other taxes</li> <li>• General Obligation (GO) Bonds</li> <li>• Corporate sponsorship</li> <li>• Donations</li> <li>• Non-USDOT federal funds</li> <li>• Volunteer efforts</li> <li>• In-kind contributions (e.g. labor, land, facility, intercity bus, etc.)</li> <li>• Tribal Transportation Program funds</li> <li>• State transit funding.</li> </ul>
Types of In-Kind Match Used in Your State	<ul style="list-style-type: none"> <li>• Land</li> <li>• Facilities</li> <li>• Staff Support Provided by Other Agencies</li> <li>• Volunteer</li> <li>• Intercity bus service</li> </ul>
State Requirements for Using In-Kind Match in Addition to Federal Rules	<ul style="list-style-type: none"> <li>• N/A</li> </ul>
Non-USDOT Federal Programs Used in Your State as Match to FTA Awards	<ul style="list-style-type: none"> <li>• Older Americans Act Title IIIB Supportive Services Funds</li> <li>• Centers for Independent Living</li> <li>• It is possible some of these sources are utilized by subrecipients, but we do not request this level of detail of match sources.</li> </ul>
Funding Sources of Contract Revenue	<ul style="list-style-type: none"> <li>• Contract revenue is treated as program revenue and not considered local match.</li> </ul>

## Wyoming

Question	Response
Sources of Match Used in Your State	<ul style="list-style-type: none"> <li>• Advertising</li> <li>• General Revenues</li> <li>• General Sales Taxes</li> <li>• Property Taxes (real property, includes vehicles)</li> <li>• Room/Occupancy Taxes</li> <li>• Special Assessment Districts</li> <li>• Transportation improvement district</li> <li>• Donations</li> </ul>
Types of In-Kind Match Used in Your State	<ul style="list-style-type: none"> <li>• Land</li> <li>• Intercity bus service</li> </ul>
State Requirements for Using In-Kind Match in Addition to Federal Rules	<ul style="list-style-type: none"> <li>• No response</li> </ul>
Non-USDOT Federal Programs Used in Your State as Match to FTA Awards	<ul style="list-style-type: none"> <li>• Social Service Block Grant</li> <li>• Medicaid (including Non-Emergency Medical Transportation)</li> <li>• Community Development Block Grant</li> <li>• Centers for Independent Living</li> <li>• Independent Living State Grants</li> </ul>
Funding Sources of Contract Revenue	<ul style="list-style-type: none"> <li>• No response</li> </ul>

## **Appendix E. Case Study Summary**

## OATS, Inc.

OATS, Inc. (OATS Transit) is a private nonprofit corporation that provides public transit service in 87 of Missouri's 114 counties. It was founded in 1971 to provide transportation service to seniors. In 1980 when it became a subrecipient of Section 5311 funds, it opened its doors to the general public. It provides approximately 1.5 million rides a year.

It has divided its service area into eight regions, each with its own facility, employs almost 700 drivers and operates a fleet of over 800 buses. Its FY2019 operating budget is \$28 million.

FTA funds account for approximately 35 percent of its total revenue, including in-kind. The FTA percentage accounts for 42 percent of its cash operating revenue. The balance of cash funding is contract revenue from contracts with area agencies on agency and the provision of non-emergency medical transportation.

Approximately 20 percent of the match for its \$10 million in Section 5311 operating expenses comes from in-kind services. OATS Transit has a network of approximately 500 volunteers who take reservations, serve as rider helpers, fundraise for bus match, and promote OATS Transit to the communities in which they live. They advocate at the city, county, and state level. The volunteers track hours using an OATS Transit provided form which they mail to OATS Transit which retallies the numbers and enters the time into a spreadsheet. For the hourly rate, OATS Transit uses the value of volunteer time as calculated by the Independent Sector, a national membership organization of nonprofits, foundations, and corporations that supports the charitable sector. The rate as of the writing of this report is \$24.96 per hour. OATS Transit also uses the time of its volunteer board of directors as in-kind for administration.

Another source of in-kind is the donated value of printed bus schedules in local newspapers. OATS Transit has found that the smaller papers in the state are committed to local community news and are willing to print bus schedules at no charge. Based on column inches and each newspaper's rate, the printed schedules are valued at approximately \$100,000 a year.

Other sources of in-kind are donated office and parking space and donated professional services.

OATS Transit is facing challenges with its volunteer program. Over the past ten years, it has experienced a decline in volunteers from 1,200 to 500 due to a shift in demographics. As the current volunteers age and become less able to perform some of the tasks, fewer young people are willing to step into those roles. Plus, dispatching and scheduling software is replacing the work performed by volunteers. OATS Transit is meeting the challenges head on. As volunteers are no longer needed to serve as reservationists, OATS Transit reassigns them to marketing and rider assistance. It is looking into hiring a volunteer coordinator to recruit additional volunteers and develop meaningful tasks for them. Also, it is evaluating whether in the long run its current model may no longer be feasible. Although OATS Transit remains committed to having a volunteer program; just what that program looks like in ten years is being evaluated.

## Missoula Ravalli Transportation Management Association

The Missoula Ravalli Transportation Management Association (MR TMA) serving Missoula, Ravalli, and Lake counties in Montana. It provides public demand-response service and administers carpooling, vanpooling, ride matching and guaranteed ride home programs.

in 2004, MR TMA used FTA funds to build a transit facility on the campus of the University of Montana. The facility has a public transfer center, offices, and a 438-space parking lot. Both the University bus system (UDASH) and the Missoula Urban Transportation District (Mountain Line), the local Section 5307 recipient, serve the transit center.

Instead of donating the land, the University entered into a long-term lease with MR TMA for \$1.00 a year as rent for 20 years. MR TMA used the net present value of the appraised value of the 20-year lease as local match. MR TMA owns the building. The University owns the land. FTA has an interest in the building but not the land.

The lease with the University contains an automatic renewal for another 20 years. The 40 years covers the useful life of the building. If the University breaks the lease, it will be required to buy out any unamortized FTA interest in the building.

MR TMA recommendations for recipients using land as in-kind: clearly lay out the requirements with FTA; understand what FTA will accept or not accept; hire the right, qualified appraiser; and have an open line of communication with FTA representatives.

## Lemhi Ride

Lemhi County Economic Development Association, a nonprofit agency formed by Lemhi County, operates Lemhi Ride, the demand response public transportation service for the Salmon, Idaho, area. Lemhi Ride operates four buses with six part-time drivers on weekdays from 8:00 am to 5:00 pm.

In addition to providing cash match, the County provides insurance and maintenance service at no cost to the agency, which uses these services as in-kind. The County also provides a discount on fuel but Lemhi Ride chooses to not use the discount as in-kind due the administrative burden of tracking the discount.

As the County's insurer is not able to break out the cost of insuring the four buses from the balance of the County's fleet, Lemhi Ride uses a quote for what it would cost for insurance for in-kind. For maintenance, the County mechanic tracks the time spent working on the buses. Lemhi Ride uses the mechanic's fully loaded hourly rate (wage and fringe) to calculate the amount of in-kind each month. Lemhi Ride pays for parts, oil, and lubricants. The in-kind totals to approximately \$3,000 a year for insurance and \$2,400 a year for maintenance.

Besides in-kind, Lemhi Ride also uses Medicaid contract revenue as match.

## San Carlos Apache Tribe

The San Carlos Apache Tribe in southeastern Arizona operates route-deviation service on the San Carlos Apache Tribe Reservation and to adjacent communities. The reservation encompasses 1.8 million acres in multiple counties, including Graham, Gila, and Pinal counties, and is sparsely populated. Transit service started in 2003 with one driver and one van, and has grown to 14 full-time drivers, 11 routes, and 26 vehicles.

Transit service, which is branded as Apache Transit, is provided to reservation residents and to the general public. The Tribe ensures all individuals who may be considered elders, disabled, low income, employed, or others needing and/or wanting transit services, have access to transit services. Routes serve areas on and off the reservation for multiple reasons including: employment, medical services, shopping, and recreation. Transit service operates along the US 60/70 corridor east to Safford and west to Globe/Miami, and serves the Reservation districts of San Carlos, Gilson Wash, Seven Mile Wash, Peridot, and Bylas.

Apache Transit is administered by the department called “Nnee Bich’o Nii,” “Helping the People” in Apache. The same department administers the Tribe’s Temporary Assistance for Needy Families (TANF) program.

The Tribe supports its transit program with Tribal Transit Program funds, Section 5311 funds administered by the Arizona Department of Transportation (ADOT), contract revenue, TANF funds, and in-kind. No tribal funds support the program. The Tribe elects to be the direct recipient of ADOT-administered Section 5311 funds.

Of its total fiscal year 2019 capital and operating budget of \$2,336,167, \$350,282 is in-kind and \$93,163 is TANF funds.

In-kind includes indirect costs and volunteer labor, primarily from the Tribe’s TANF program’s Employment Training Project. The Tribe, which has an indirect cost rate agreement with the US Department of the Interior, does not seek reimbursement for all indirect costs from the FTA awards so it is able to use uncharged indirect costs as in-kind. The TANF Program has developed a training project for TANF participants to gain work experience with various departments and projects, including Transit. Transit uses training program participants to clean and maintain vehicles, facilities, and grounds in good working order, and perform non-confidential secretarial and dispatch functions. Training program participants are not paid when they first start receiving training. These participants, when not paid, are required to complete timesheets and a “volunteer form” to track time spent on activities related to the transit program. As the training program participants gain more experience and obtain a certain level of required skills, they will be compensated for their work with TANF funds.

The Tribe overcame several challenges when developing the use of in-kind for its transit program. Tribal accounting rules require a separate budget for each award resulting in six separate transit budgets. To effectively manage the individual award budgets and in-kind, the Tribe develops and maintains a master

transit budget which enables it to track and manage the revenues and expenses of the whole transit program. The Tribe needed to determine which costs, such as insurance, were paid directly and which were in the indirect cost pool so as not to double charge the FTA awards. The Tribe developed a record-keeping system to track in-kind outside the accounting system. Transit staff also educated the finance department and treasurer on the use of in-kind.

## West Virginia Department of Transportation

The West Virginia Department of Transportation Division of Public Transit (DPT) uses unsubsidized connecting intercity bus service operated by Greyhound Lines, Inc. as in-kind for intercity feeder service. The feeder service operates along Interstate 77 (I-77) between Charleston and Parkersburg, West Virginia, and along I-79 between Charleston and Morgantown, West Virginia, and serves rural communities along the route. In Charleston, the service connects to Amtrak and to Greyhound service north to Detroit, Michigan, and south to Jacksonville, Florida. The I-77 service continues to Cleveland, Ohio, where it feeds connections to interlined service in Parkersburg, West Virginia, and Cambridge and Cleveland, Ohio. In Morgantown, West Virginia, the I-79 service feeds interlined service to Pittsburgh, Pennsylvania, and Washington, DC. Other Section 5311-funded service, though not classified as intercity bus service, connects to the service.

The feeder service is operated by Barons Bus, a private for-profit intercity bus operator, as a subrecipient. The connecting service is operated by Greyhound Lines, Inc. The feeder service is “interlined” with Greyhound, that is, the service appears in Greyhound’s reservation system and a rider can purchase a ticket for the whole trip, including the feeder service. Barons Bus uses the Greyhound ticketing system. Data are provided through a third-party platform that allows seamless ticketing across intercity bus providers. Reservations and ticketing are seamless both from the Barons Bus and Greyhound websites, a great convenience for riders. Riders can also purchase tickets at staffed Barons Bus and Greyhound stations.

The I-79 service is branded as I-Ride 79. The buses are wrapped. The I-77 service is branded as Barons Bus.

The I-79 service started with one round trip originating in Charleston. Now two round trips operate, originating in Charleston and Morgantown.

Annually, the DPT sends a notice that applications for intercity bus service are available to Barons Bus, Greyhound, American Bus Association (ABA), and United Bus Operators of America (UBOA), and posts a notice on its website. DPT coordinates its intercity bus efforts with the adjacent states of Ohio, Maryland, Pennsylvania, and Virginia.

Barons Bus, as the applicant, works with Greyhound to develop the schedules and to identify in-kind match. In its application to DPT, Barons Bus describes the feeder and connecting service, identifies the locations served by each, and provides the cost of the connecting service which is used as in-kind. Only those Greyhound runs that connect with the feeder service are used. DPT uploads the information provided by Barons Bus to its application to FTA.

## Potomac Rappahannock Transportation Commission

The Potomac Rappahannock Transportation Commission (dba OMNIRIDE) uses the capital cost of vanpool acquisitions and leases by private providers of vanpools as “credits” for capital projects.

An extensive network of privately-operated vanpools operates in Northern Virginia. In July 2012, OMNIRIDE, the Northern Virginia Transportation Commission (NVTC), and the George Washington Regional Commission (GWRC) established the Northern Virginia Vanpool Incentive Program, which does business as the Vanpool Alliance, to support vanpools operating on interstates 66 and 95. The objectives of the program are to:

- Increase vanpooling in Northern Virginia
- Provide governmental assistance in the form of marketing, compiling vanpool rates, providing ride-matching services, and providing a monthly payment to each vanpool owner/ operator as a consideration for assembling and submitting statistical data for National Transit Database (NTD) reporting
- Increase FTA formula earnings for the program sponsors

The use of credits from the vanpool program was an unanticipated additional benefit of starting the program.

The Virginia Department of Rail and Public Transportation (VDRPT) provided \$1.605 million of matched USDOT Congestion Mitigation Air Quality (CMAQ) and USDOT Regional Surface Transportation Program (RSTP), as well as \$1.5 million residual VDRPT Transportation Efficiency Improvement Fund (TEIF) funds needing 50 percent match and \$0.312 million of 100 percent state funding as seed money. The match was provided by OMNIRIDE and NVTC, which were paid back as the program generated additional apportionment.

OMNIRIDE administers the program with a staff of three. Two positions are funded by OMNIRIDE. One position, which is focused on vanpools in the I-66 corridor during the current construction project, is paid by the state. The vanpool software allows for ride-matching. OMNIRIDE also uses the rideshare matching service, Commuter Connections, run by the Metropolitan Washington Council of Governments. The current budget for the program is approximately \$1.6 million a year. OMNIRIDE uses local funds to administer the program, enabling the use of 100 percent of the vanpool credits to be used as match for federal.

A program advisory board of staff of the three commissions meets twice a year to develop the annual budget and review program products, administrative rules, and revenue calculations.

Currently, over 400 vanpools participate in the program. OMNIRIDE recruits participants through radio, wrapped vans, fairs, and the Vanpool Alliance and OMNIRIDE websites.

A vanpool driver receives \$200 a month if data for the annual NTD report are reported. Vanpool drivers along I-66 drivers receive an additional \$200 to promote vanpool use during construction. Drivers have direct access to on-line reporting software.

In 2015, OMNIRIDE started filing data for the vanpool program to NTD. In 2016, vanpool operations provided 62 million passenger miles at an operating cost of \$6.9 million.

OMNIRIDE has an inventory of van operators that participate in the Vanpool Alliance. For owned vans, depreciation is the match. OMNIRIDE uses straight-line depreciation over the useful life of the vehicle as defined by FTA (four years). For the leased vans, OMNIRIDE uses the capital cost of contracting for turnkey contracts (50 percent). The vanpool program provides approximately \$2 million a year in potential credits.

To date, OMNIRIDE has used credits for the purchase of six replacement over-the-road coaches for use in commuter service. Fredericksburg Regional Transit will use the GWRC share of the vanpool program apportionment and credits to buy buses.

Because of the success of the program, VDRPT is setting up a vanpool program that will enable other areas of the state to benefit from the credits and apportionments.

As OMNIRIDE was one of the first recipients to take advantage of vanpool credits, it worked with FTA for two years before submitting its first application with credits to determine what projects the credits could be used for and how to treat depreciation and lease payments. OMNIRIDE also experienced challenges in setting up NTD reporting. Originally, NTD wanted the 400 vanpool providers to report individually. Eventually, NTD allowed OMNIRIDE to file one report for all the providers. An additional challenge for OMNIRIDE was settling on a formula to allocate the vanpool program apportionment and credits between the three commissions.

In addition to the vanpool credits, the vanpool program has increased the amount of Sections 5307 and 5339 funds apportioned to OMNIRIDE and the other two commissions. The vanpool program provides OMNIRIDE a greater apportionment of Sections 5307 and 5339 funds than its own operations.

## **Appendix F. FTA Regional Office Interviews**

The Research Team conducted phone interviews with all FTA Regional Offices. The interviews focused on each Regional Office's experience reviewing and approving applications with in-kind and non-USDOT federal funds as match.

### **In-Kind Match**

Providing matching funds can be challenging, especially for small urban and rural recipients. In-kind match, if available, helps solve that problem. With in-kind match, it may be possible for recipients to fund a project with essentially 100% federal funds.

Use of in-kind match varies across region. Land, office space, staff time, and intercity bus are the most commonly used types of in-kind match. Using in-kind match requires a certain level of technical capacity to understand federal requirements and prepare application in compliance. Due to the regulatory complexity, improper use of in-kind is common.

Determination of the value of in-kind match has been cited most often as a major challenge. For example, when land is claimed as in-kind match, the recipient must provide appraisal of the land value. The appraisal shall be conducted within six months of the grant application. Otherwise, it will lapse, and a new appraisal must be conducted. Such requirements add to the administrative and financial burden of a recipient. And it requires thoughtful planning and coordination to comply with federal requirements and minimize costs.

Another major challenge is that using in-kind match may trigger federal compliance requirements that are not otherwise required. When a resource, such as asset, service, or labor time, is claimed as in-kind match, federal requirements may apply to such resource. For example, when a piece of land is used as in-kind match, a federal interest will be vested in the property. As a result, the recipient must comply with federal requirements in managing and disposal of the land. The FTA is entitled to its fair share of any appreciation, or exposed to its fair share of any depreciation, of the land value at disposal. Federal interest in property to some extent deters the use of property as match.

Detailed findings with regards to in-kind match have been incorporated in the In-Kind Guidebook. The Regional Offices expressed a consensus that more guidance would encourage more and better use of in-kind match.

### **Non-USDOT Federal Funds Used as Match**

Use of non-USDOT federal funds as match to FTA awards concentrates in a few programs named in federal circulars, including the Older Americans Act Title IIIB and Temporary Assistance for Needy Families. Besides those programs, Community Development Block Grant is another commonly used federal program as match to FTA awards.

The FTA Regional Offices have approved use of other federal programs on a case-by-case basis. These programs are not named in federal circulars. There has been little guidance on their eligibility and how to apply them. Individual FTA recipients, based on their situation and needs, have made specific attempts to match federal funds available to them. Such practices can be replicated in applicable

situations and benefit more transit operators. This research project aims to develop a list of such eligible federal programs and the FTA Regional Office interviews helped populate this list with successful past experience. The programs we found through this research are numerous. The Research Team was not able to research and provide guidance on eligibility of each program and how to apply them as match to FTA awards, which would be a valuable topic for further research and documentation.

Findings of eligible federal programs have been incorporated in Section 3.2 of this report.