

Project No. NCHRP 20-65 Task 66

NCHRP 20-65 Task 66 State and Local Use of Administrative Resources Provided by the Federal Transit Administration

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Abstract

This report documents and presents the results of a study of how administrative resources for Federal Transit Administration (FTA) programs are utilized by State Departments of Transportation. The purpose of the study is to help justify the promotion of efficient and effective approaches to program management at the State Departments of Transportation oversight level. Research documents current practices for using Federal funds for various expenses including salaries, travel, operating expenses, and contracting. Research results and innovative practices identified in the report are provided for State FTA program managers to consider as potential administrative approaches that would be an aid to program management. The innovative approaches included in the report identify how other States utilize funds to meet the ongoing expenses of program management including the use of technology, staffing strategies, and other opportunities.

Executive Summary

State Departments of Transportation operate under specific guidelines that allow certain expenses to be charged to Federal programs. Not all State transit agencies are Departments of Transportation. However, we are using the term to collectively refer to the State agencies that are responsible for administering FTA programs. Budgetary decision makers are asking questions about how States are using Federal Transit Administration (FTA) funds identified in 49 USC Chapter 53. The research and documentation of promising practices outlined in this report is needed to document current practices and clarify whether or not States are using Federal funds for various expenses including salaries, travel, operating expenses, and contracting. The research also addresses the percentage of funding used from FTA programs. The results among the various DOTs vary, but some consistent patterns that are apparent and reveal opportunities for uniform movement in FTA program administration at the State level.

Research reports previously conducted by AASHTO's Standing Committee on Public Transportation have focused on issues directly associated with this research. Those studies have revealed problematic factors experienced by State DOTs in the administration of FTA programs including: (1) increasing State responsibility for administering transit programs; (2) increasing responsibilities for other core public transit functions; and, (3) staffing levels that have remained consistent or decreased in size despite large increases in Federal funding. A report conducted under NCHRP 20-65 Task 11, produced comparable findings with respect to issues associated with management of FTA Sections 5310 and 5311 programs.

Neither of the previously conducted research reports provides insight into a State's use of its administrative funds. The current research and findings included within this NCHRP 20-65 Task 66 report add to the information revealed through previous research, because previous reports have not examined trends and practices pertaining to how States use administrative funds.

The analysis was conducted through a national online survey effort of State Departments of Transportation followed by an interview process focused on promising practices that were revealed through the survey. Promising practices are those activities implemented by State DOTs that have innovative characteristics that create administrative and funding efficiencies and could be replicated by other DOTs. In total, 30 State DOTs provided information about how FTA program administration funds are spent and the impact that those funds have on public transit.

State DOTs indicated a trend of stable staff sizes. Similar to findings of previous reports, the overriding challenges in administration of Sections 5310 and 5311 programs pertain to the combination of limited funding with increasing requirements for monitoring and compliance oversight. The current research indicates that due to hiring freezes or State-imposed reductions in staff sizes, the majority of DOTs are handling more responsibilities with the same or fewer staff.

Staffing strategies range from keeping all administrative duties in-house and not using contractors, to contracting out to private contractors, contractors from universities or colleges, or using State Transit Associations to supplement in-house DOT staff. The majority of DOTs continue to keep administrative duties for RTAP, Section 5310, and Section 5311 in-house and do not use contractors.

Through the FTA Sections 5310 and 5311 programs, State DOTs are permitted to use up to 10% of the State's total allocation for program administration. Approximately half of State DOT FTA program administration staff are funded through a combination of FTA and State funding sources. Another third of States fund FTA program administration entirely with FTA funds, and the remaining States indicated that they fund program administration staff time entirely through State funding sources. The vast majority of States indicate that, without the allocation of FTA funds for program administration, the transit program would be forced to rely on State budgets and would most likely struggle to exist at its current level.

Of the State DOTs that use FTA funds for State administrative expenses, most use 100% of the allowable FTA administrative funds. Seven State DOTs are not using the allowable Federal apportionment of Section 5310 funds for administration and three others are only using a portion of the allowable apportionment. Similarly, most State DOTs use 100% of the allowable Federal Section 5311 program funds for State administration. Only three State DOTs use none of the available administrative funds on State administration duties. Nine others use a portion of the available funds for State administration duties.

The most common practices and trends identified among participating State DOTs as identified through the research are as follows:

- Approximately 23% of participating State DOTs have experienced a decrease in staff size over the past five years. Reductions are most often a result of retirements, State-imposed hiring freezes, or organizational restructuring. Approximately 64% of State DOT staff sizes have remained steady over the past five years.
- Staff loss is a major factor for State DOTs as most managers consider that it will take as much as two years for an employee to become proficient at administering FTA Grant programs.
- Most State DOTs are using the full 10% allowable to administer the Sections 5311 and 5310 programs, and, although nearly half are using a combination of State and Federal dollars, they would struggle to continue administering FTA programs without Federal funding.
- Contractors and State Transit Associations services are commonly used to assist staff with the administration of the Rural Transit Assistance Program (RTAP), Section 5311, and Section 5310.
- Common challenges in the administration of the Section 5310 Program tend to be a result of how State DOTs manage the appropriations as a result of MAP-21 changes in allocation apportionment rules for rural and urban areas. In addition, subrecipients struggling to meet compliance requirements, including coordinated transportation plans and Transit Asset Management, which create additional administrative work for the State DOTs as they assist subrecipients.
- Common challenges in the administration of the Section 5311 Program also include limited funding and increased compliance monitoring requirements.

- State DOT staff project that the requirements for compliance monitoring, asset management, and safety will continue to increase and their staffing levels will remain the same, at best. Several State DOTs have implemented or are planning to implement new software programs to reduce the administrative burden of the grant application process and/or asset monitoring and safety.

Common approaches to meeting Federal requirements and State priorities with limited administrative funding and staff sizes that were revealed through the research included:

- State Programs have evolved to meet FTA requirements and State priorities. However, some State-imposed restrictions and increasing Federal requirements stress State capacities.
- Developing strategies and approaches to maintain State compliance with FTA regulations is an ongoing effort.
- Administrative aspects of the Section 5310 and 5311 grants programs are challenging because States have no ability to enforce Statewide Coordinated Transportation Plan requirements among other communities or agencies. State DOT program administration is increasingly complex with significant increases in workloads associated with additional administrative reporting and monitoring requirements.
- Rural Transit Assistance Program (RTAP) continues to be a valuable technical assistance tool, particularly with regard to assisting grant subrecipients in understanding and complying with emerging Federal requirements including Title VI, TAM and SGR.
- Sufficient resources and the challenge of addressing future requirements or programs are an overarching trend of the next five years.

Creative approaches to administering the FTA State programs are apparent in the survey responses; however, it would be inappropriate to indicate that one State DOT has a better program, practice or model than another State since there are fifty ways to administer the Section 5310 and Section 5311 programs. The research effort was intended to document how the various State DOTs use administrative funds and describe current State practices, as well as any innovative management models in the use of administrative funds. It is not meant as a comparison or endorsement of one practice over another. Rather, results will ultimately provide Section 5311 and 5310 Program Managers with more options for FTA program administration and provide meaningful information for budgetary decision makers.

The report discusses innovative programs that stand out as offering different and innovative approaches, as follows:

- Minnesota's *Transit for Our Future Initiative* is a strategy for preserving, expanding, and contracting public transit services based on available resources.
- Idaho's *Workforce Transportation Initiative* puts a strong emphasis on developing economic opportunity for citizens of Idaho by providing transportation options and promoting the knowledge of those options to employers and employees.

- New Mexico's Performance Measures and Section 5311 Funding Distribution Index was created with the overall goal to maximize operational funds and minimize administrative expenses, and to address funding constraints or the distribution of additional funds.
- West Virginia's Pre-Trip Inspection System, which provides an electronic trail of pre-trips but also provides time checks, making sure drivers are taking sufficient time to conduct the inspections.
- Pennsylvania's Regional Community Transit Systems regionalization/consolidation project to reduce administrative costs and control cost increases for transit agencies by offering financial incentives for agencies that consolidate.
- Montana's designation of Managers as Regional Planners rather than Program Managers, which was implemented because the DOT wanted local sub-recipients to be able to have one point of contact in regards to all transit programs within their agency.
- Utah's in-house-developed transit software which was developed to offer a simple to use, online program for sub-recipients to apply for FTA program funds and submit reports, and for State DOT staff to retain grant and sub-recipient performance related documents.
- New Jersey's 5311 Innovation Grant to identify methods of spending down older, unused grants through a competitive application process focused on developing more efficient route deviation transit in rural areas.
- New Jersey's S-RIDES system which helps NJ TRANSIT track and manage its Federal awards and handle the compliance aspects of each grant. Web S-RIDES is an application where subrecipients input performance reports and NJ TRANSIT staff review reports.

The findings and conclusions revealed through this research project provide valuable insights for budget decision makers at State DOTs and the Federal Transit Administration. However, the report also investigates the fact that the analysis conducted has limitations. Some of the limitations include: (1) the need to limit survey questions to a number which would gather the information needed to meet the goals of the research, but would be respectful of the respondents' time and workload; (2) the lack of data from States that did not participate; (3) each individual State's specific economic conditions that may have impacted administrative and oversight decisions; and (4) survey questions that did not investigate common subrecipient findings of non-compliance and gaps in training needs. The compliance and training topics were beyond the primary focus of the project; however, identification of trends in those areas could lead to sharing of important information across all States and improvements in overall program administrative efficiency and effectiveness.

1 Introduction

1.1 Background and Purpose of Task 66 Project

Most state-administered Federal Transit Administration (FTA) programs contain provisions that permit the designated administrative agency to use up to 10% of apportioned amounts to assist in financing administrative expenses. However, little is known about how much of the funding and for what purposes the funding is actually used by the States.

Studying how States use administrative resources could help justify the promotion of more efficient and effective approaches to FTA program management. Thus, the purpose of this research is to:

- Document current practices on whether State DOTs use allowable administrative funds and at what levels;
- Determine whether the use of administrative funds vary by apportionment levels (i.e., do States with lower formula apportionments use administrative funds differently than States with larger apportionments); and
- For States that use administrative funds, determine what activities are supported (administration, planning, technical assistance, or management/development of coordination programs public transit/human service agency programs).

Documenting and studying how the administrative portion of Federal funds are used by the various State DOTs will provide Section 5311 and 5310 program managers with more dynamic approaches to FTA program administration and provide meaningful information for budgetary decision makers.

Additionally, the research documents the amount of State administrative funds that are utilized (i.e., the FTA grant program may allow for 10% for State administrative expenses, but the State only utilizes 5%) and the amount/percentage for the various types of expenses. Findings also show some similar practices that are useful for implementation by all States.

A systematic investigation into how these funds are spent answers among other questions the following:

- Is this funding adequate to administer and ensure compliance with the Federal program?
- If not, what percentage does it provide?
- Is the funding being supplemented by the State and if so, what funding sources are being used?
- Has the State DOT elected to pass some of its administrative funds on to its subrecipients for local administration of the Section 5311 grant?
- Has the State DOT decided to use less than the allowable 10% and divert the remaining funding to the subrecipients for eligible activities such as capital replacement or operating assistance?"

This report documents the findings of the research and describes current State DOT practices and innovative management models in the use of administrative funds. Ultimately, the study documents

how administrative funds for administration of the FTA programs are being used and provides information on the tools, technology, staffing strategies and opportunities that are employed by the various States in the administration of the Section 5311 and 5310 Programs. These various models provide insights into the implementation of creative strategies for States to employ in meeting the Federal program requirements while operating cost effective and efficient programs.

1.2 Description of Approach and Report Structure

The systematic investigation into how these funds are spent will answer, among other questions, the following:

- Is this funding adequate to administer and ensure compliance with the Federal program?
- If not, what percentage does it provide?
- Is the funding being supplemented by the State and if so, what funding sources are being used?" "Has the State DOT elected to pass some of its administrative funds on to its subrecipients for local administration of the Section 5311 grant?
- Has the State DOT decided to use less than the allowable 10% and divert the remaining funding to the subrecipients for eligible activities such as capital replacement or operating assistance?"
- What has been the change in staff levels at the designated administrative agency and what is the cause of the increase/decrease?
- If no Federal administration funds are used, how are these activities financed?
- What are the roles of contractors, if any?

The NCHRP 20-65 Task 66 Committee affirmed that this research is designed to be a documentation of practices, not a comparative assessment of best practices among State agencies.

The survey was developed with review and comments from the NCHRP 20-65/Task 66 Committee. All fifty states were surveyed via email with an electronic survey and participation was encouraged by the research team to obtain the highest participation rate. Transit agency heads and program managers, where identified, were used as the points of contact for the distribution of the survey and verification of survey data; however, each State had the option to designate a point of contact for the survey and any follow-up and research verification questions.

2 Literature Review: History of Federal Regulations and State Program Management

Complying with all of the Federal requirements that accompany Section 5311 and 5310 funds obligates the States to have a robust administrative structure to address and ensure compliance with the various laws and regulations that governs these dollars. These laws and regulations present many challenges to the State transit administering agencies. All States must perform some level of each of the administrative activities required by the Federal regulations, but the level of effort can vary widely because of staff size and responsibilities. Federal Transit Administration (FTA) ensures the compliance with these administrative requirements through a State Management Review conducted for all States every three years.

2.1 Purpose

Through the literature review, the research team sought to identify State Management Plans, a plan required by FTA in which a State Department of Transportation (DOT) must document its management practices for each of the FTA programs; previous industry research related to the topic; and citations in Federal regulations that provide information about funding allocation and possible management methods that can be employed by State DOTs as part of their FTA grant program administration duties. The research team used the information identified through the literature review as a resource and reference for current Federal legislation and common State practices as it developed surveys and interview topics.

2.2 Background

FTA has a long history working with the States as a partner in the management and administration of selected FTA programs, most notably the Formula Grants for Rural Areas Program, codified at 49 U.S.C. 5311 (Section 5311). While not the first FTA program managed by the States, Section 5311 overwhelmingly is the largest in terms of Federal funds apportioned. For example, the national Section 5311 program apportionment for FY 2016 was \$626,810,184, compared to \$261,634,653 for the Section 5310 program for the same year. State DOTs are typically designated by the Governor of their respective States for implementing and administering the program; a transit division, office, or section within the State DOT typically has responsibility for this program administration. The designation process overwhelmingly results in a transit section or division within a state DOT being delegated administrative responsibility for program administration. However, this is not always the case. For example, in Georgia, the Governor has delegated responsibility for Section 5310 administration to the Georgia Department of Human Resources. In NJ, RI, and MD, responsibility for program administration is delegated to the statewide transit agencies in each of these States.

Section 313(a) of the Federal Public Transportation Act of 1978 (Pub L. 95–599) created Section 5311 (then known as Section 18 of the Urban Mass Transportation Act (49 U.S.C. App. 1601 *et seq.*)) and

provided public transportation funds for services in areas with populations of less than fifty thousand. Section 313(d) of this Act created an option for the Secretary of U.S. DOT to permit a State to use apportioned funds for program administration:

(d) The Secretary may permit an amount, not to exceed 15 per centum of the amount apportioned, to be used by each State for administering this section and for providing technical assistance to recipients of funds under this section. Such technical assistance may include project planning, program development, management development, coordination of public transportation programs (public and private), and such research as the State may deem appropriate to promote effective means of delivering public transportation service in areas other than urbanized areas.

The authority to use up to 15% of Section 5311 funds for program administration continued from program inception until 2012, when the Moving Ahead for Progress in the 21st Century Act (MAP-21; Pub. L. 112-141 (2012)) reduced this amount to 10%.

The Enhanced Mobility of Seniors and Individuals with Disabilities Program, established in 1975 and codified at 49 U.S.C. 5310 (Section 5310), is an older but smaller State administered program and differs somewhat from the Section 5311 program in that no allowance for State administrative expenses was included in the enabling legislation. Designed initially to provide capital assistance to nonprofit corporations that served elderly individuals and persons with disabilities in areas where existing public transportation resources were unavailable, insufficient, or inappropriate, the program has grown in scope and complexity over the last 25 years. Some of the key highlights of this expansion are noted in Table 1.

Table 1. Key Expansion Elements in the Section 5310 Program, 1991 – Present

| Year Authorized | Key Expansion of Program Elements | Citation |
|-----------------|--|---|
| 1991 | Public agencies permitted to be eligible recipients | Section 3021, Intermodal Surface Transportation Efficiency Act (ISTEA), 1991 |
| 1991 | Eligible projects expanded to include the acquisition of transportation services under a contract, lease, or other arrangement | Section 3021, Intermodal Surface Transportation Efficiency Act (ISTEA), 1991 |
| 2005 | Planning requirement to ensure that the projects selected for inclusion in a State's Program of Projects were derived from a locally developed, coordinated public transit-human services transportation plan (effective 2007) | Section 3012, Safe, Accountable, Flexible, Efficient Transportation Equity Act - A Legacy for Users (SAFETEA-LU), Public Law 109-59, 2005 |

| Year Authorized | Key Expansion of Program Elements | Citation |
|-----------------|---|---|
| 2005 | Pilot program in seven States to allow up to 33 percent of apportioned funds to be used for operating costs (effective 2006) | Section 3012, Safe, Accountable, Flexible, Efficient Transportation Equity Act - A Legacy for Users (SAFETEA-LU), Public Law 109-59, 2005 |
| 2012 | Change in allocation formula so that 60 % of funds apportioned to large urbanized areas, 20 % to small urbanized areas (part of Governor's apportionment), and 20 % to rural areas | Section 20009, Moving Ahead for Progress in the 21st Century Act (MAP-21) (Public Law 112-141), 2012 |
| 2012 | Cancellation of New Freedom and incorporation of New Freedom projects in Section 5310 with minimum floor (55%) establish for "traditional" projects. This provision now allowed up to 45% of funding to be used for operating expenses. | Section 20009, Moving Ahead for Progress in the 21st Century Act (MAP-21) (Public Law 112-141), 2012 |

With this expansion has come the recognition that States would benefit from a provision that would allow administration to be an eligible project expense. In FTA Circular 9070.1E, effective October 1, 1998, FTA stated that up to \$25,000 or 10% of the State's total fiscal year apportionment, whichever is greater, may be used as the Federal share of program administration costs. Additionally, FTA noted that the funds were not associated with, or intended to be expended strictly on, the support of a single Section 5310 grant; States could accumulate administrative funds, provided the funds were spent within a three-year period.

With the issuance of FTA Circular 9070.1F, effective May 1, 2007, changes in Section 5310 administrative funding brought the program in line with practices for the Section 5311 program. A State was permitted to use up to 10% of the State's total fiscal year apportionment and the administrative costs could be funded at 100% Federal share.

On December 4, 2015, President Obama signed into law the Fixing America's Surface Transportation Act, or FAST Act. The law provides long-term funding certainty for surface transportation, meaning States and local transit systems can plan with confidence that they will have a Federal partner over the next five years. The FAST Act will continue the eligibility of using 10% of the State's fiscal year apportionment of Section 5310 allocations for administration, planning, and technical assistance of the program. The eligible allocation for administrative funds from the Section 5311 allocation is also unchanged by the FAST Act and remains at 10% of the State's total allocation.

2.3 Summary Review of FTA Program Circulars

Current Requirements and Eligible Uses of Administrative Funds

Material in this section has been drawn directly from the two most recent program circulars: FTA Circular 9040.1G, dated October 24, 2014 and FTA Circular 9070.1G, dated June 6, 2014.

Section 5311 Rural Public Transportation

The Governor designates a State agency that will have the principal authority and responsibility for administering the Section 5311 program. Specifically, the role of the State agency is to:

- Document the State's procedures in a State Management Plan (SMP);
- Notify eligible local entities of the availability of the program;
- Plan for future transportation needs and ensure integration and coordination among diverse transportation modes and providers;
- Solicit applications;
- Develop project selection criteria;
- Review and select projects for approval;
- Forward an annual program of projects and grant application to FTA;
- Certify eligibility of applicants and project activities;
- Ensure compliance with federal requirements by all subrecipients;
- Monitor local project activity;
- Oversee project audit and closeout; and
- File an NTD report each year for itself and each subrecipient.

Additionally, FTA notes that the State agency has the following additional oversight roles:

- Provide for appropriate technical assistance for rural areas;
- Ensure that there is a fair and equitable distribution of program funds within the State, including funds to Indian tribes;
- Ensure a process whereby private transit operators are provided an opportunity to participate, including private providers of public transportation services, through service agreements with operators of public transportation services or as subrecipients;
- Expend funds for the support of intercity bus transportation to the extent required by law; and
- Provide for maximum feasible coordination of public transportation services assisted by FTA with transportation services assisted by other federal programs.

Allowable administrative costs may include, but are not limited to:

- Administration
 - Salaries
 - Overhead expenses
 - Supplies and office equipment used to administer the program

- Technical Assistance
 - Program planning
 - Program development
 - Development of vehicle and equipment specifications
 - Management development
- Planning and Research
 - Coordination of public transportation programs (public and private for-profit and nonprofit)
 - Other research as the State may deem appropriate to promote effective means of delivering public transportation service in rural areas

Any of the activities listed above may be funded at 100% Federal share; no local share is required for these expenses. However, when a State passes through administrative funds to a lower tier subrecipient to conduct any of these activities, the State may elect to impose a local share requirement.

FTA also provides some guidance on the related uses of project administration funds and Rural Technical Assistance Program (RTAP) (49 U.S.C. 5311(b)(3)) funds. RTAP is a source of funding to assist in the design and implementation of training and technical assistance projects and other support services tailored to meet the needs of transit operators in nonurbanized areas. States may use RTAP funds to support nonurbanized transit activities in four categories: training, technical assistance, research, and related support services.

In addition, in accordance with 49 U.S.C. 5329(e)(6)(C)(iv), a recipient may use up to 0.5% of the Section 5311 apportionment to pay for safety certification training for employees directly responsible for safety oversight at an 80% Federal share.

Section 5310 Enhanced Mobility for Seniors and Individuals with Disabilities

The State agency designated by the Governor of the State has the authority and responsibility for administering the Section 5310 program in urbanized areas under 200,000 in population and rural areas. The designated recipient of Section 5310 funds in urbanized areas over 200,000 in population has the authority and responsibility for administering the Section 5310 program in those areas.

The State's responsibilities include the following:

- Document the State or designated recipient's procedures in a State Management Plan (SMP) or Program Management Plan (PMP);
- Plan for future transportation needs and ensure integration and coordination among diverse transportation modes and providers;
- Develop project selection criteria consistent with the coordinated planning process;
- Notify eligible local entities of funding availability;
- Solicit applications from potential subrecipients;
- Determine applicant and project eligibility;
- Certify that allocations of funds to subrecipients are made on a fair and equitable basis;

- Submit an annual Program of Projects (POP) and grant application to FTA;
- Ensure subrecipients comply with Federal requirements;
- Certify that all projects are included in a locally developed, coordinated public transit-human service transportation plan developed and approved through a process that included participation by seniors; individuals with disabilities; representatives of public, private, and nonprofit transportation and human service providers; and other members of the public;
- Certify that to the maximum extent feasible, services funded under Section 5310 are coordinated with transportation services assisted by other federal departments and agencies;
- Ensure that at least 55% of the area's apportionment is used for traditional Section 5310 projects carried out by the eligible subrecipients as described in Section 5 of Chapter III of FTA Circular 9070.1G; and
- Oversee project audit and closeout.

Up to 10% of the recipient's total fiscal year apportionment may be used to fund program administration costs including administration, planning, and technical assistance for projects funded under this program.

Other elements about the use of project administration funds important to this research include:

- The agency designated by the Governor to manage the Section 5310 program can pass through administrative funds to subrecipients at 100% Federal share; and
- Designated agencies have pre-award authority to incur administrative costs for Section 5310 (as long as projects have met all FTA statutory, procedural, and contractual requirements) may accumulate funds over a multi-year project to expend on on-going activities, and may spend funds throughout the period of obligation (year of apportion plus two additional years).

Allowable administrative costs may include, but are not limited to:

- General administrative and overhead costs
 - Staff salaries
 - Office supplies
 - Development of specifications for vehicles and equipment
 - Indirect costs, consistent with OMB guidance (2 CFR part 200)
- Technical assistance, and planning activities, including allocations to subrecipients to support the local coordinated planning process
- Pass-through to subrecipients for administration, planning, or technical assistance purposes

Other FTA Programs That Can be Used for Administrative Expenses

States and other grantees can also charge project administration to Section 5307, 5309, and 5339 for specific projects. For example, a State DOT that purchases buses with Section 5339 funds could charge the cost of letting and administering that contract to the grant.

Administrative activities of a State DOT pertaining to the immediate accomplishment or oversight of a Section 5339 project are eligible. Project administration costs must be directly associated with

administering the capital project. While there is no cap, the costs must be allowable, reasonable, allocable, in accordance with the applicable federal cost principles (2 CFR part 200), and properly supported. Eligible project administration costs must be identified in a grant application.

Additionally, some State transit administrative expenses can be charged to FTA State Planning and Research Program (SPRP) grants. SPRP grants can be used to cover the cost of administering the statewide transportation planning, Metropolitan Planning Program (MPP), or both. SPRP grants are available for direct labor or for contracts to undertake the balanced and comprehensive planning, engineering, design, and evaluation of public transportation projects and for transportation planning studies involving modes other than transit when performed as part of the metropolitan transportation planning process. Eligible activities include, but are not limited to: (a) development of long-range statewide transportation plans and State Transportation Improvement Programs (STIP); (b) joint development planning; (c) training and educational activities; and (d) human resource program activities.

2.4 Summary Review of Research Documents

Research is conducted and reported under the National Cooperative Highway Research Program, through a task requested by AASHTO's Standing Committee on Public Transportation. Many reports focus on the issues associated with a State's responsibilities in managing the Section 5310 or Section 5311 programs.

One of the most interesting studies, developed shortly after the passage of SAFETEA-LU, which significantly increased State DOT administration responsibilities, as well as added two new State-administered programs, was a project undertaken as NCHRP 20-65 Task 7. This report cited the following factors as being problematic for most state DOTs in the administration of FTA programs:

- *Increasing State responsibility for administering transit programs* – State DOTs noted the increased responsibilities associated with management of the Job Access/Reverse Commute Program (Section 5316, now repealed and incorporated into the Section 5311 and 5307 programs) and the New Freedom program (Section 5317, now repealed and incorporated into the Section 5310 program).
- *Increasing responsibilities for other core public transit functions* – State DOTs noted that other functional responsibilities, such as rail safety, increased drug and alcohol requirements, human service coordination, bus and rail safety and security, consolidated planning grants, welfare-to-work program issues, and non-emergency medical transportation, have been undertaken without corresponding increases in staffing levels.
- *Staffing levels have decreased despite large increases in Federal funding* – In perhaps the study's most unexpected finding, most State DOTs reported decreases in staffing levels despite the fact that Federal funding for Federal programs more than doubled during the study period.

Another report, prepared by the same authors as Task 7 under NCHRP 20-65 Task 11, produced comparable findings with respect to issues associated with the management of two primary State-administered programs – Section 5310 and Section 5311. The report notes the problematic nature of “the expanding role of the States and the increasing workload” that is coupled with the reality of current staffing capacities in most States.

Neither report provides insight into a State’s use of its administrative funds.

Other NCHRP projects have examined specific functional areas of Federal program administration. For example, NCHRP 20-65 Task 33 details varying State practices with respect to oversight of the Federal auditing process (formerly OMB Circular A-133, now 2 CFR part 200.500) and state audit procedures.¹ While the report outlines best practices, the report does not specifically address if any of these best practices are funded with FTA administrative funds.

In a report discussing issues that have confronted virtually every State DOT in the last five years, researchers examined how Buy America regulations have severely limited procurement options in state DOT purchases of smaller vehicles used in demand response services. Potential changes to the regulations, as well as the development of various procurement strategies, were put forth in the report’s recommendations. However, the document does not suggest use of a State’s administrative funds to finance any of the potential strategies outlined in the report.

Other Research

In June 2014, the Government Accountability Office issued a report that examined: (a) FTA’s funding, oversight, and other support for rural transit program; (b) changes in services, ridership, and costs since 2009; and (c) challenges that rural and tribal transit providers face and possible actions to address them. While not specifically dealing with issues relating to State transit agencies that administer FTA grants, the report does mention problems that arise in the administration of the Section 5311 program. For example, transit systems interviewed by the GAO noted that:

- *Rural transit operates over a wide range of environmental conditions that present challenges such as:*
 - *Driver recruitment and retention;*
 - *Effecting planning; and*
 - *Marketing.*
- *Service coordination remains a difficult task, particularly as it relates to Medicaid.*
- *Scalability of FTA compliance and oversight regulations, with recognition that rural providers have fewer resources to address compliance.*
- *Lack of capital funding.*

ExpectMore.gov, whose content is developed by the U.S. Office of Management and Budget, is a program that uses a standardized performance measurement (known as the Program Assessment

Rating Tool or PART). FTA's State-administered programs were assessed using PART in 2007, and this evaluation produced an "Effective" performance rating. The synopsis included a statement that "FTA will continue to improve program oversight of the recipients and request additional funding to support improved oversight activities."

2.5 Summary Review of State Management Plans

The State Management Plan (SMP) is a document that describes a State's policies and procedures for administering the State-managed portions of FTA's Section 5311, 5310, 5316, 5317 and 5339 programs. Each State is required to have an approved SMP on file with the appropriate FTA regional office and to update it regularly to incorporate any changes in program management or new requirements. A State may include the required SMP for each Federal program in a single document or separate documents. States that have expended all of their Section 5316 (Job Access and Reverse Commute) and Section 5317 (New Freedom) funds from SAFETEA-LU may remove those programs from their SMPs. The State must provide an opportunity for review by stakeholders when it develops a new plan or significantly revises an existing plan.

The SMP is intended to facilitate both State management and FTA oversight by documenting the State procedures and policies for administering each Federal program in a single reference. At minimum, the SMP must include the State objectives, policies, procedures, and administrative requirements, in a format readily accessible to potential subrecipients, State staff, FTA, and the public.

While FTA does not prescribe a format for the SMP, the plan must address the topics outlined in the appropriate FTA grant Circular. Appendix A contains the various SMP plan requirements. SMPs are somewhat similar in nature since they all must contain these required elements; however, States have the ability to develop the State-administered programs to meet their individual needs as long as the required elements are addressed and they are within the grant guidelines. The State, at its discretion, can include other information pertinent to the grant administration in the plan. Requirements for the SMP plans for Sections 5316 and 5317 have not been included since some States have expended all of these funds.

Website samples of individual State Management Plans can be found in the Appendix. Many State Management Plans are posted on the various State DOT websites. These Plans provide additional information and insight into support the State survey results included in Section 3 of this report.

2.6 Relevance of Literature Review Findings to the Project

As discussed earlier in this section, previous research has been conducted regarding the issues associated with some aspects of a State's responsibilities in managing the Section 5310 or Section 5311 programs; in some instances, the reports directly deal with issues associated with this research. Previous research reports provide insight into specific challenges faced by State DOTs in the administration of Section 5310 and 5311 programs but none has examined trends and practices pertaining to how States

use administrative funds. This research, therefore, was designed to focus precisely on the previously unexamined trends and practices developed by State DOTs to administer FTA programs. Regulatory changes incurred with authorization of SAFETEA-LU and MAP-21 brought about changes in allocation amounts and requirements as well as changes in the State DOT's level of discretion in granting funds. The survey and interview efforts included in this research sought to reveal trends in how State DOTs have resolved the new requirements such as using contractors to administer certain programs when State staff was insufficient, or redirecting training funds previously used for State DOT staff toward new administrative duties associated with regulatory requirements.

3 Survey Results: Use of State DOT Section 5311 Administrative Funds

3.1 Purpose

The research team deployed a national survey to State Departments of Transportation (DOT) Transit Managers who administer Federal Transit Administration (FTA) Sections 5310, 5311, and 5311(f) programs. Given the flexibility and latitude that FTA provides regarding the eligible uses for administrative funds, State transit organizations have employed a variety of financial measures in the State approach of the Section 5310 and 5311 programs. However, States operate under various State administrative rules as well as differing economic conditions that impact what expenses are eligible to be charged to the Federal program.

For example, Pennsylvania invests over \$1.5 billion annually in public transportation – ranking fourth in the nation in direct support for public transportation. At least eight other States also provide enough State funding to provide for all administrative responsibilities associated with FTA programs. The majority of States, however, must use a portion or all of the FTA administrative funding allowance for program administration because State policy and/or economic conditions do not provide enough State resources to fund FTA program administration responsibilities.

The survey effort was intended to document how the various States use these funds and describe current State practices, as well as any innovative management models in the use of administrative funds. It is not meant as a comparison or endorsement of one practice over another. Rather, results will ultimately provide Section 5311 and 5310 Program Managers with more options for FTA program administration and provide meaningful information for budgetary decision makers.

3.2 Methodology

State DOT Rural Transit Program Managers from all 50 States were invited to participate in the national survey effort. The surveys were received between February 1, 2016 and April 7, 2016.

The survey response rate was 60% (30 of 50 State DOT Program Managers participated).

In order to facilitate a straightforward and user-friendly survey process, the research team created and deployed an online survey to enable the Program Managers from each State DOT to submit electronically a response. The NCHRP Task 20-65 Panel reviewed and provided guidance on the content and distribution methods of the survey.

The approach for administering the electronic survey involved the following four steps:

Step 1: Develop an electronic survey that is direct and to the point, but still provides the information necessary for research.

Step 2: Reach out to State DOT contacts to verify that the DOT contact list includes the most appropriate person to answer rural bus fleet questions.

Step 3: Make at least two attempts via electronic reminders to obtain completed surveys from each identified State DOT Transit Office Program Manager.

Step 4: Follow-up with telephone interviews to non-responding States, as necessary.

The data collected from electronic survey results were aggregated for analysis. Common practices and trends were then organized by category, as follows:

- Common Practices in State DOT Program Administration
 - Staffing Trends
 - Staffing Strategies
- Use of Available Funds to Administer Programs
 - Distribution of Sections 5310 and 5311 Program State Administration Funds
 - Importance of FTA Sections 5310 and 5311 Administrative Funds to State Transit Program
 - Expected impact if FTA funds for Administration of Section 5310 and 5311 Programs were not Available
 - Funding Challenges in Administration of Section 5310 and 5311 Programs

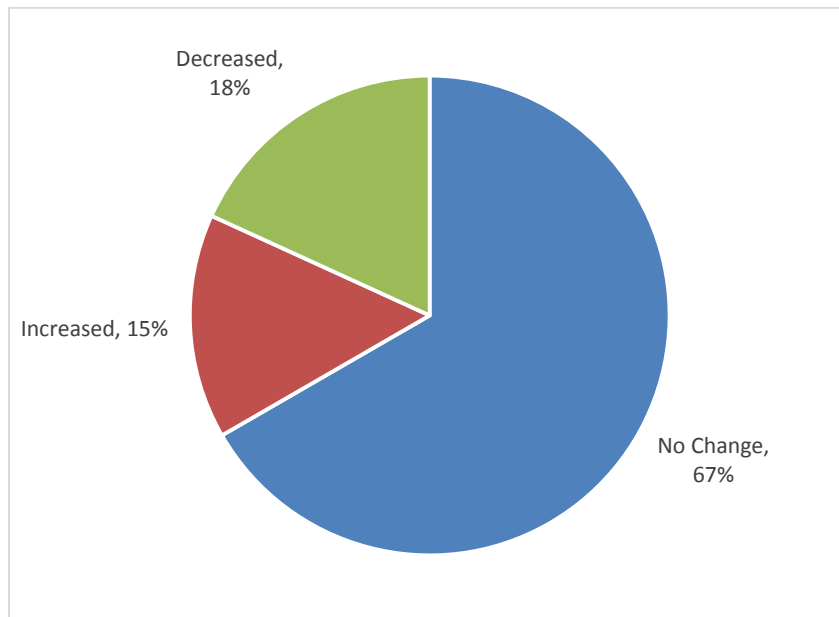
3.3 Survey Results Summary

The following paragraphs, charts and tables provide a summary of the State DOT Program Manager survey results. The survey instrument is available for reference in the Appendix. The Appendix also includes a quick “at a glance” reference that lists, by state, the key survey results.

Common Practices in DOT Program Administration

Staffing Trends

The average staff size among survey respondents was 12.4 employees. The majority of State DOTs (67%) have experienced little or no change in staffing levels during the past five years. However, 18% of States have experienced a decrease in staffing levels. Another 15% have had increases in staffing levels.

Exhibit 1: State DOT Staff Size Trends for FTA Administered Programs**Time Needed to Become Proficient in Administration of FTA Grants**

It is important to consider the time it would take for an employee new to the position to become proficient in the administration of a grant program.

- Half (50%) of State DOT Managers indicated that *1 to 2 years* are necessary to train an individual to proficiency in program management.
- Another 41% feel that it would take more time, *2 to 3 years*.
- In addition, 9% feel that an individual would need *3 to 10 years* of experience.

Vacant Positions at State DOTs

Approximately 35% of State DOTs had vacant positions at the time of the survey. The predominant reasons for vacant positions and/or decreases in the size of the staff in the State DOT were as follows:

- Significant attrition of staff over the past decade
- State employee hiring freezes
- Reassignment of staff away from the DOT due to a State agency reorganization

The following table lists a comparison by State of trends in staffing levels and vacant positions.

Table 2: State DOT Staff Sizes, Trends, and Vacant Positions

| State | Number of Employees Staffing FTA Administered Programs | Trend in the past 5 years of the Number of State-paid Individuals/Employees | % of Vacant Positions (Regardless of Funding Source) |
|----------------|--|---|--|
| Alaska | 4.5 | No Change | 0% |
| Arkansas | 13 | Increased | 0% |
| California | 20 | Decreased | 0% |
| Florida | 30 | Decreased | 0% |
| Georgia | 10 | No Change | 0% |
| Hawaii | 5 | No Change | 40% |
| Idaho | 6 | Decreased | 17% |
| Indiana | 6 | No Change | 0% |
| Louisiana | 13 | No Change | 0% |
| Maine | 4 | No Change | 0% |
| Massachusetts | 15 | Increased | 0% |
| Maine | 4 | No Change | 0% |
| Michigan | 29 | No Change | 0% |
| Minnesota | 28 | Increased | 0% |
| Mississippi | 13 | No Change | 8% |
| Missouri | 4 | Decreased | 0% |
| Montana | 7 | Decreased | 14% |
| New Jersey | 18 | No Change | 11% |
| New Mexico | 11 | No Change | 0% |
| New York | 34 | Increased | 29% |
| North Carolina | 26 | No Change | 4% |
| North Dakota | 4.5 | No Change | 0% |
| Ohio | 17 | Decreased | 19% |
| Oklahoma | 8 | No Change | 13% |
| Pennsylvania | 13 | No Change | 0% |
| Rhode Island | 4 | No Change | 0% |
| South Dakota | 3.3 | No Change | 0% |
| Utah | 3 | Decreased | 0% |
| Vermont | 5.5 | No Change | 0% |
| West Virginia | 10 | No Change | 10% |
| Wyoming | 5 | No Change | 0% |

Staffing Strategies

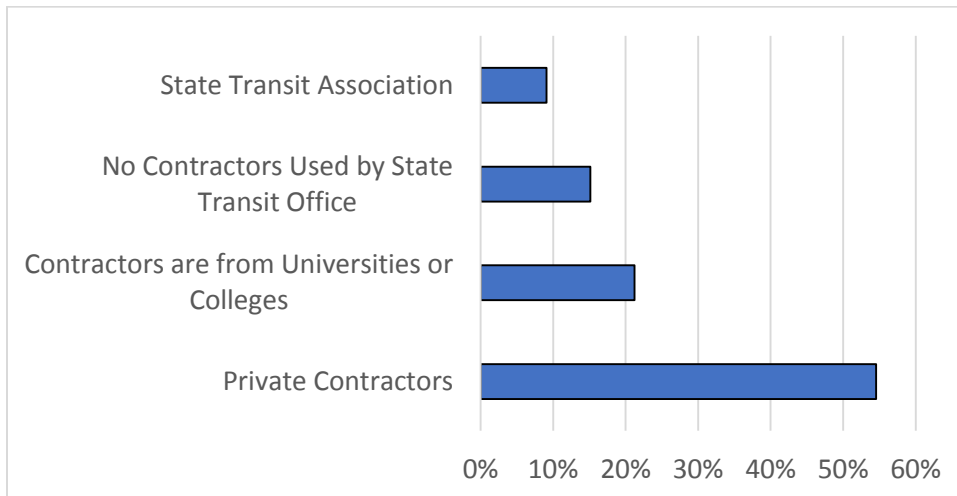
The combination of limited funding with increasing requirements for monitoring and compliance oversight make the administration of Section 5310 and 5311 Programs challenging. Common strategies to meeting the program administration requirements within the limited available funding included reorganization of the State transit staff responsibilities, and the use of outside private contractors,

contractors from universities or colleges, and State Transit Associations. Some of the noteworthy staffing strategies mentioned by respondents included:

- Michigan consolidated procurement awards (RFP and IFB) to a single staff person and assigned compliance reviews to another staff person.
- Massachusetts has hired compliance, RTAP and engineering vendors to help administer the Federal programs.
- Montana has gone to Regional Transit Planners rather than Program Managers in a successful effort to streamline compliance monitoring and technical assistance to subrecipients.
- North Carolina has a new organizational structure. The new structure includes a Compliance Manager who will oversee all compliance and procurement activities.
- Rhode Island created a facilities maintenance work team, which resulted in a soft reorganization and hired compliance staff.
- West Virginia hired a contractor to assist in oversight activities and develop tools/conduct training for subrecipients to aid in meeting grant requirements.

Exhibit 2 illustrates the distribution of how State DOTs use contractor services in the administration of the RTAP program. For example, Massachusetts has hired RTAP contractors to help administer FTA rural programs. As illustrated, the majority of State DOTs that use contractor services for the RTAP program use private contractors. Others States contract with private contractors. Nearly 15% of State DOTs do not use contractors. Approximately 21% of DOTs contract with universities or colleges for administration of the RTAP program. Approximately three percent (3%) of the DOTs that use colleges or universities to administer RTAP actually use a combination of colleges/universities and private contractors. The State Transit Association administers the RTAP program for less than 10% of the participating DOTs.

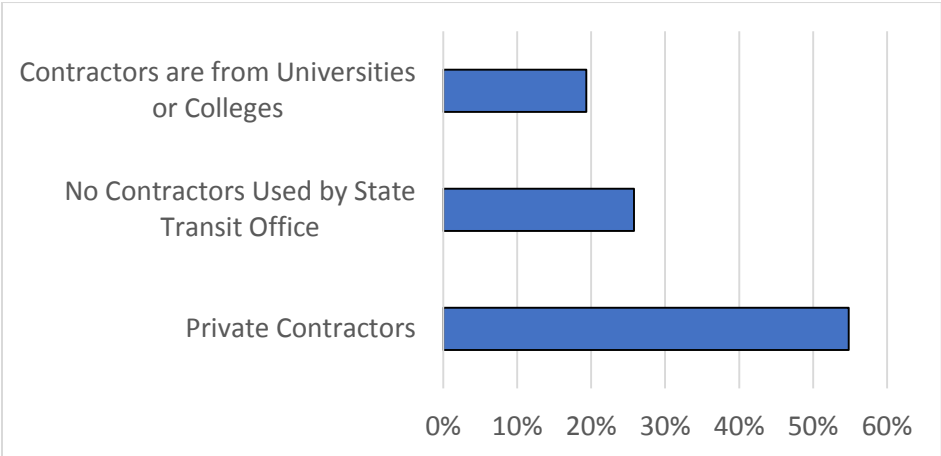
Exhibit 2: Contracting for RTAP Program Administration



Section 5311

Exhibit 3 illustrates the distribution of how State DOTs use contractor services in administration of the Section 5311 program. As indicated in the chart, more than half of participating States use private contractors for the administration of the Section 5311 program (55%), while 25% do not use contractors. Approximately 19% of State DOTs contract with universities or colleges; nearly 30% of the participating DOTs that contract with universities or colleges are using a combination of private contractors and universities or colleges.

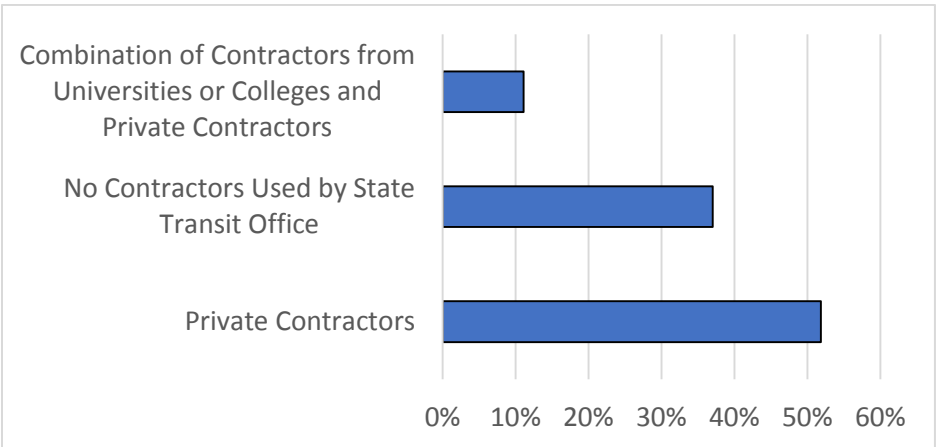
Exhibit 3: Contracting for Section 5311 Program Administration



Section 5310

The distribution of the use of contractor services for administration of the Section 5310 program is similar to that of the Section 5311 program (Exhibit 4). As indicated in the chart, 52% of DOTs use private contractors for the administration of the Section 5310 program. Another 37% of DOTs do not use contractors, and 11% of DOTs use a combination of contractors from universities or colleges and private contractors.

Exhibit 4: Contracting for Section 5310 Program Administration

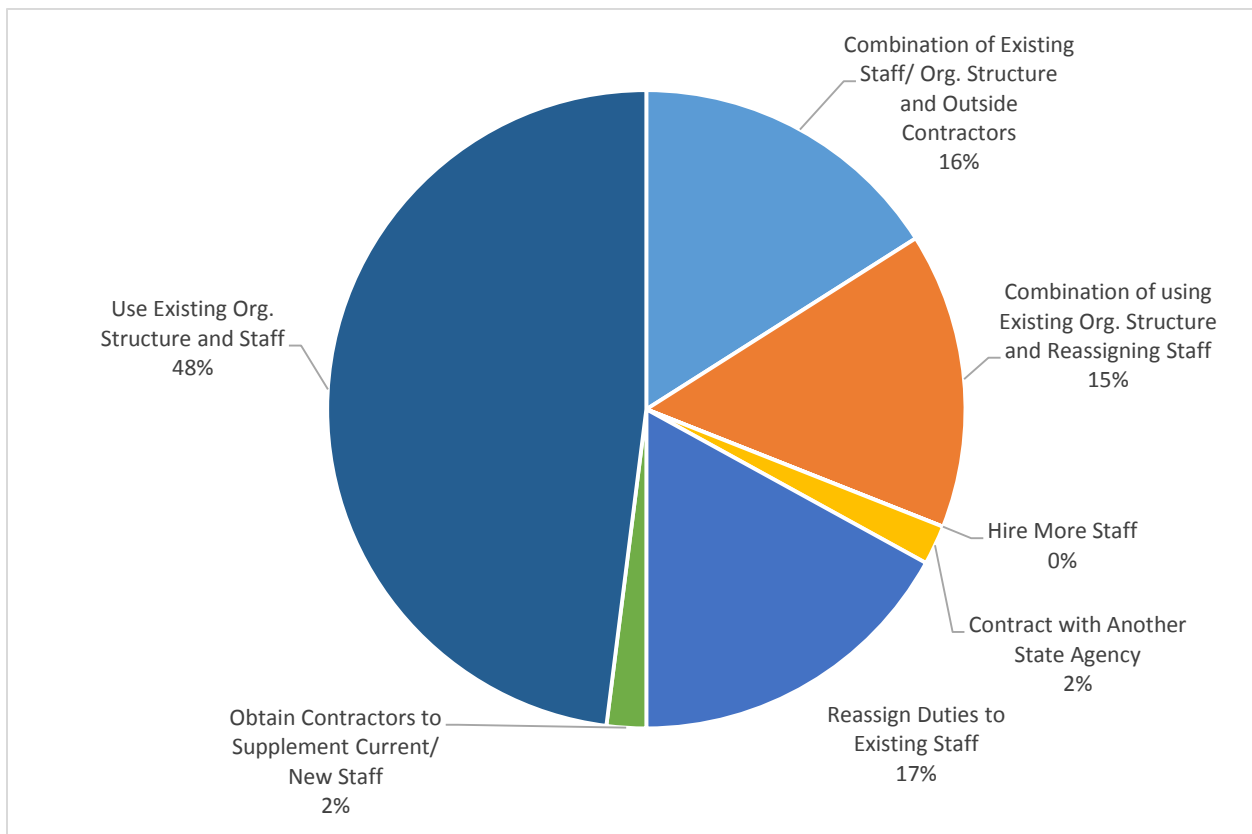


Strategies for Accommodating Transit Asset Management and Safety Requirements

As illustrated in Exhibit 5, nearly half (48%) of State DOTs indicated that the existing organizational structure and staff would be used to accommodate the Transit Asset Management (effective October 1, 2016) and Safety Requirements. Another 17% of State DOTs will reassign current and new duties and responsibilities to existing staff to accommodate for the pending Federal requirements.

Approximately two percent of State DOTs plan to obtain contractors to supplement current staff in the effort to meet Federal requirements. The same percentage of respondents (2%) will rely on staff from a partnering State agency. None was planning to hire additional staff. Fifteen percent will use a combination of the existing organizational structure and reassigning existing staff. Nine percent of Offices will use a combination of the existing organizational structure, reassignment of existing staff, and outside contractors. Seven percent of Offices will use a combination of the existing organizational structure and outside contractors.

Exhibit 5: Planned Approach to Accommodating the Pending Federal TAM and Safety Requirements



Use of Available Funds to Administer Programs

The number of individuals providing staffing for the FTA State-administered transit programs ranges from 34 employees in New York to three in Utah. The average staff size among survey respondents was 12.7 employees.

Survey results indicate that 46% of State DOT FTA program administration staff are funded through a combination of FTA and State funding sources. Another third of States fund FTA program administration staff time entirely with FTA funds, and the remaining States indicated that they fund program administration staff time entirely through State funding sources.

Distribution of Sections 5310 and 5311 Program State Administration Funds

Section 5310

The Enhanced Mobility of Seniors and Individuals with Disabilities Program was established in 1975 and codified at 49 U.S.C. 5310 (Section 5310). In FTA Circular 9070.1E, effective October 1, 1998, FTA stated that up to \$25,000 or 10% of the State's total fiscal year apportionment, whichever is greater, may be used as the Federal share of program administration costs. With the issuance of FTA Circular 9070.1F, effective May 1, 2007, changes in Section 5310 administrative funding permitted a State to use up to 10% of the State's total fiscal year apportionment and the administrative costs could be funded at 100% Federal share. The following tables provide a side-by-side comparison of how each participating State DOT uses and distributes available Federal Section 5310 administrative funds. States are listed alphabetically.

Survey results confirm that the majority of State DOTs are using all of the allowable Federal apportionment of Section 5310 funds (10% of the total annual apportionment) for program administrative costs. The exceptions are as follows:

- Nine State DOTs (Georgia, Vermont, Rhode Island, Montana, Mississippi, New Mexico, North Dakota, Pennsylvania, and Florida) are using none (\$0) of the Federal apportionment for State administrative funds.
- Ohio is using 92% of its allowable Federal apportionment for program administration.
- Massachusetts is using 75% of its allowable Federal apportionment for program administration.
- Idaho is using 10% of its allowable Federal apportionment for program administration.
- Indiana is using 3% to 5% of its allowable Federal apportionment for program administration.

Table 2: Distribution of the Federal Section 5310 State Program Management Apportionments by Administrative Category

| State | Number of Section 5310 Subrecipients | State uses Section 5310 State Administrative Funds (Yes/No) | Approximate % of the Allowable Administrative Cap for Section 5310 Funds Currently Used for State Administrative Expenses | Distribution by Administrative Category | | | |
|----------------|--------------------------------------|--|---|---|--------|-----------------|--------------------------|
| | | | | Salaries | Travel | Office Expenses | Contractor or Consultant |
| Alaska | 21 | Yes | 100% | 100% | 0% | 0% | 0% |
| Arkansas | 146 | Yes | 100% | 95% | 5% | 0% | 0% |
| California | 187 | Yes | 100% | 95% | 5% | 0% | 0% |
| Florida | 185 | No | N/A | N/A | N/A | N/A | N/A |
| Georgia | 12 | No | N/A | N/A | N/A | N/A | N/A |
| Hawaii | 18 | Yes | 100% | 90% | 10% | 0% | 0% |
| Idaho | 4 | Yes | 10% | 90% | 10% | 0% | 0% |
| Indiana | 75 | Yes | 3% to 5% | 50% | 0% | 0% | 50% |
| Louisiana | 76 | Yes | 100% | 70% | 20% | 5% | 5% |
| Massachusetts | 30 | Yes | 75% | 75% | 0% | 0% | 25% |
| Minnesota | 72 | Yes | 100% | 84% | 1% | 15% | 0% |
| Mississippi | 43 | No | N/A | N/A | N/A | N/A | N/A |
| Missouri | 191 | Yes | 100% | 60% | 10% | 5% | 25% |
| Montana | 22 | No | N/A | N/A | N/A | N/A | N/A |
| New Jersey | 124 | Yes | 100% | 85% | 0% | 5% | 10% |
| New Mexico | 20 | No | N/A | N/A | N/A | N/A | N/A |
| New York | 254 | Yes | 100% | 50% | 0% | 0% | 50% |
| North Carolina | 58 | Yes | 100% | 50% | 15% | 5% | 30% |
| North Dakota | 28 | No | N/A | N/A | N/A | N/A | N/A |

| | | | | | | | |
|----------------------|-----|-----|------|-----|-----|-----|-----|
| Ohio | 246 | Yes | 92% | 84% | 2% | 5% | 9% |
| Pennsylvania | 60 | No | N/A | N/A | N/A | N/A | N/A |
| Rhode Island | 2 | No | N/A | N/A | N/A | N/A | N/A |
| South Dakota | 20 | Yes | 100% | 80% | 20% | 0% | 0% |
| Utah | 40 | Yes | 100% | 45% | 11% | 4% | 40% |
| Vermont | 8 | No | N/A | N/A | N/A | N/A | N/A |
| West Virginia | 66 | Yes | 100% | 70% | 10% | 15% | 5% |
| Wyoming | 5 | Yes | 100% | 40% | 40% | 10% | 10% |

N/A = Not Applicable

States that were able to provide the information needed for the table and for the States at a Glance report were included in both sections. If only partial data was provided, the State will appear only in the States at a Glance report.

Table 3: Distribution of the Federal Section 5310 State Program Management Apportionments by Program Management Category

| State | Number of Section 5310 Subrecipients | State uses Section 5310 State Administrative Funds (Yes/No) | Approximate % of Allowable Administrative Cap for Section 5310 Funds Currently Used for State Administrative Expenses | Distribution by Program Management Activity | | | | | |
|----------------|--------------------------------------|---|---|---|----------------|---------------|-------------|----------|------------|
| | | | | 5310 Compliance | 5310 Technical | 5310 Planning | 5310 Safety | 5310 TAM | 5310 Other |
| Alaska | 21 | Yes | 100% | 30% | 0% | 10% | 0% | 0% | 60% |
| Arkansas | 146 | Yes | 100% | 100% | 0% | 0% | 0% | 0% | 0% |
| California | 187 | Yes | 100% | 15% | 75% | 10% | 0% | 0% | 0% |
| Florida | 185 | No | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Georgia | 12 | No | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Hawaii | 18 | Yes | 100% | 90% | 10% | 0% | 0% | 0% | 0% |
| Idaho | 4 | Yes | 10% | 50% | 0% | 15% | 15% | 20% | 0% |
| Indiana | 75 | Yes | 3% to 5% | 65% | 25% | 10% | 0% | 0% | 0% |
| Louisiana | 76 | Yes | 100% | 60% | 10% | 5% | 15% | 10% | 0% |
| Massachusetts | 30 | Yes | 75% | 50% | 25% | 0% | 0% | 25% | 0% |
| Minnesota | 72 | Yes | 100% | 50% | 10% | 30% | 5% | 5% | 0% |
| Mississippi | 43 | No | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Missouri | 191 | Yes | 100% | 90% | 5% | 5% | 0% | 0% | 0% |
| Montana | 22 | No | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| New Jersey | 124 | Yes | 100% | 40% | 40% | 7% | 4% | 4% | 5% |
| New Mexico | 20 | No | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| New York | 254 | Yes | 100% | 50% | 0% | 4% | 1% | 15% | 30% |
| North Carolina | 58 | Yes | 100% | 40% | 30% | 10% | 10% | 10% | 0% |
| North Dakota | 28 | No | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Ohio | 246 | Yes | 92% | 45% | 20% | 15% | 5% | 15% | 0% |

| State | Number of Section 5310 Subrecipients | State uses Section 5310 State Administrative Funds (Yes/No) | Approximate % of Allowable Administrative Cap for Section 5310 Funds Currently Used for State Administrative Expenses | Distribution by Program Management Activity | | | | | |
|----------------------|--------------------------------------|---|---|---|----------------|---------------|-------------|----------|------------|
| | | | | 5310 Compliance | 5310 Technical | 5310 Planning | 5310 Safety | 5310 TAM | 5310 Other |
| Pennsylvania | 60 | No | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Rhode Island | 2 | No | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| South Dakota | 20 | Yes | 100% | 90% | 10% | 0% | 0% | 0% | 0% |
| Utah | 40 | Yes | 100% | 10%**** | 10% | 10% | 10% | 10% | 10% |
| Vermont | 8 | No | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| West Virginia | 66 | Yes | 100% | 10% | 0% | 0% | 0% | 0% | 0% |
| Wyoming | 5 | Yes | 100% | 30% | 30% | 15% | 25% | 0% | 0% |

N/A = Not Applicable

**** Only estimates are available

States that were able to provide the information needed for the table and for the States at a Glance report were included in both sections. If only partial data was provided, the State will appear only in the States at a Glance report.

Section 5311

Section 313(a) of the Federal Public Transportation Act of 1978 created Section 5311 and provided public transportation funds for services in areas with populations of less than fifty thousand. Section 313(d) of this Act created an option for the Secretary of the U.S. DOT to permit a State to use apportioned funds for program administration. The authority to use up to 15% of Section 5311 funds for program administration continued from program inception until 2012, when the Moving Ahead for Progress in the 21st Century Act (MAP-21) reduced this amount to 10%.

According to survey results, nearly every participating State DOT uses at least a portion of available Section 5311 Funds for State administrative expenses. In summary, the survey respondents use the funds for in the following ways:

- Eighteen States use 100% of the allowable Federal Section 5311 program funds for State administrative expenses.
- Two States use 75% to 99% of the allowable Federal Section 5311 program funds for State administrative expenses.
- Two States use 26% to 50% of allowable Federal Section 5311 program funds for State administrative expenses.
- Eight States use 0% to 25% of allowable Federal Section 5311 program funds for State administrative expenses.

Table 5 outlines the distribution of Federal Section 5311 program administration funds by expense category and program management activity. Distribution categories include the following administrative categories associated specifically with administration of FTA programs:

- Salaries of State DOT staff
- Program administration related travel by State DOT staff
- Office supplies used in the administration of FTA programs
- Contractors used to administer or assist in the administration of FTA programs

The Management Categories included in Table 6 refer to the following administrative duties:

- Monitoring Section 5311 subrecipient compliance with Section 5311 regulations.
- Providing technical assistance to Section 5311 subrecipients as part of program administration.
- Providing planning assistance for Section 5311.
- Administration of Section 5311 Federal regulations pertaining to Safety, Transit Asset Management, and Other.

Table 5: Distribution of Federal Section 5311 State Program Administration Funds by Administrative Category

| State | Number of Section 5311 Subrecipients | | | Total Section 5311 Subrecipients | State uses Section 5311 State Admin. Funds (Yes/No) | Approx. % of the Allowable Administrative Cap for Section 5311 Funds Currently Used for State Administrative Expenses | Distribution by Administrative Category | | | |
|----------------|--------------------------------------|---------|------|----------------------------------|---|---|---|--------|--------|--------------------------|
| | Tribal | 5311(f) | 5311 | | | | Salaries | Travel | Office | Contractor or Consultant |
| Alaska | 0 | 2 | 12 | 14 | Yes | 100% | 50% | 25% | 0% | 25% |
| Arkansas | 0 | 2 | 9 | 11 | Yes | 100% | 95% | 3% | 0% | 2% |
| California | 0 | 25 | 90 | 115 | Yes | 100% | 95% | 3% | 0% | 2% |
| Florida | ** | 2 | 67 | 69 | No | 0% | N/A | N/A | N/A | N/A |
| Georgia | 0 | 2 | 112 | 114 | Yes | 100% | 50% | 10% | 10% | 30% |
| Hawaii | 0 | 0 | 3 | 3 | Yes | 100% | 90% | 10% | 0% | 0% |
| Idaho | 2 | 1 | 14 | 17 | Yes | 10% | 70% | 10% | 10% | 10% |
| Indiana | 0 | 2 | 43 | 45 | Yes | 3% to 5% | 50% | 0% | 0% | 50% |
| Louisiana | 0 | 1 | 35 | 36 | Yes | 50% | 70% | 15% | 5% | 10% |
| Massachusetts | 0 | 1 | 4 | 5 | Yes | 75% | 75% | 0% | 0% | 25% |
| Michigan | 0 | 1 | 67 | 68 | Yes | 47% | 100% | 0% | 0% | 0% |
| Minnesota | 2 | 3 | 34 | 39 | Yes | 100% | 85% | 4% | 6% | 5% |
| Mississippi | 1 | 1 | 18 | 20 | Yes | 100% | 75%**** | 10% | 3% | 5% |
| Missouri | 0 | 3 | 32 | 35 | Yes | 25% | 90% | 5% | 5% | 0% |
| Montana | 4 | 5 | 31 | 40 | Yes | 100%*** | 0% | 0% | 0% | 0% |
| New Jersey | 0 | 1 | 15 | 16 | Yes | 100% | 83% | 5% | 5% | 7% |
| New Mexico | 0 | 0 | 20 | 20 | Yes | 100% | 50% | 15% | 10% | 25% |
| New York | 1 | 9 | 51 | 61 | Yes | 100% | 50% | 2.50% | 0.5% | 47% |
| North Carolina | ** | 2 | 81 | 83** | Yes | 100% | 50% | 15% | 10% | 25% |
| North Dakota | 4 | 2 | 26 | 32 | Yes | 21% | 85% | 5% | 10% | 0% |
| Ohio | 0 | 2 | 34 | 36 | Yes | 24% | 19% | 2% | 5% | 74% |

| State | Number of Section 5311 Subrecipients | | | Total Section 5311 Subrecipients | State uses Section 5311 State Admin. Funds (Yes/No) | Approx. % of the Allowable Administrative Cap for Section 5311 Funds Currently Used for State Administrative Expenses | Distribution by Administrative Category | | | |
|---------------|--------------------------------------|---------|------|----------------------------------|---|---|---|--------|--------|--------------------------|
| | Tribal | 5311(f) | 5311 | | | | Salaries | Travel | Office | Contractor or Consultant |
| Oklahoma | 0 | 14 | 20 | 34 | Yes | 100% | 43% | 5% | 2% | 50% |
| Pennsylvania | 0 | 5 | 23 | 28 | No | 0% | N/A | N/A | N/A | N/A |
| Rhode Island | 0 | 0 | 0 | 0 | No | 0% | N/A | N/A | N/A | N/A |
| South Dakota | ** | 1 | 22 | 23 | Yes | 80% | 60% | 10% | 10% | 0% |
| Utah | 0 | 2 | 4 | 6 | Yes | 100% | 45% | 11% | 4% | 40% |
| Vermont | 0 | 2 | 8 | 10 | Yes | 100% | 94% | 4% | 2% | 0% |
| West Virginia | 0 | 2 | 11 | 13 | Yes | 100% | 50%**** | 5% | 10% | 10% |
| Wyoming | 1 | 5 | 40 | 46 | Yes | 100% | 50% | 30% | 10% | 10% |

* The remaining 7% of administrative funding by Administrative category is spent on conferences and workshops.

** Number of tribal transit subrecipients was not indicated.

***Montana spends its Federal allocation on indirect costs but did not specify to which administrative category those indirect costs apply.

**** Distribution amounts by category are approximate.

States that were able to provide the information needed for the table and for the States at a Glance report were included in both sections. If only partial data was provided, the State will appear only in the States at a Glance report.

Table 6: Distribution of Federal Section 5311 State Program Administration Funds by Management Category

| State | Number of Section 5311 Subrecipients | | | Total Section 5311 Subrecipients | State uses Section 5311 State Admin. Funds (Yes/No) | Approx. % of the Allowable Administrative Cap for Section 5311 Funds Currently Used for State Admin. Expenses | Distribution by Program Management Activity | | | | | |
|----------------|--------------------------------------|---------|------|----------------------------------|---|---|---|----------------|---------------|-------------|----------|------------|
| | Tribal | 5311(f) | 5311 | | | | 5311 Compliance | 5311 Technical | 5311 Planning | 5311 Safety | 5311 TAM | 5311 Other |
| Alaska | 0 | 2 | 12 | 14 | Yes | 100% | 40% | 10% | 20% | 10% | 20% | 0% |
| Arkansas | 0 | 2 | 9 | 11 | Yes | 100% | 83% | 17% | 0% | 0% | 0% | 0% |
| California | 0 | 25 | 90 | 115 | Yes | 100% | 10% | 70% | 20% | 0% | 0% | 0% |
| Florida | ** | 2 | 67 | 69 | Yes | 0% | N/A | N/A | N/A | N/A | N/A | N/A |
| Georgia | 0 | 2 | 112 | 114 | Yes | 100% | 0% | 0% | 80% | 20% | 0% | 0% |
| Hawaii | 0 | 0 | 3 | 3 | Yes | 100% | 85% | 5% | 5% | 0% | 5% | 0% |
| Idaho | 2 | 1 | 14 | 17 | Yes | 10% | 50% | 25% | 5% | 15% | 5% | 0% |
| Indiana | 0 | 2 | 43 | 45 | Yes | 3% to 5% | 75% | 15% | 5% | 3% | 2% | 0% |
| Louisiana | 0 | 1 | 35 | 36 | Yes | 50% | 60% | 10% | 5% | 15% | 10% | 0% |
| Massachusetts | 0 | 1 | 4 | 5 | Yes | 75% | 50% | 25% | 0% | 0% | 25% | 0% |
| Michigan | 0 | 1 | 67 | 68 | Yes | 47% | 45% | 35% | 10% | 5% | 5% | 0% |
| Minnesota | 2 | 3 | 34 | 39 | Yes | 100% | 60% | 10% | 20% | 5% | 5% | 0% |
| Mississippi | 1 | 1 | 18 | 20 | Yes | 100% | 25% | 15% | 10% | 20% | 30% | 0% |
| Missouri | 0 | 3 | 32 | 35 | Yes | 25% | 95% | 5% | 0% | 0% | 0% | 0% |
| Montana | 4 | 5 | 31 | 40 | Yes | 100%*** | 0% | 0% | 0% | 0% | 0% | 0% |
| New Jersey | 0 | 1 | 15 | 16 | Yes | 100% | 40% | 40% | 9% | 6% | 5% | 0% |
| New Mexico | 0 | 0 | 20 | 20 | Yes | 100% | 40% | 5% | 10% | 10% | 10% | 25%* |
| New York | 1 | 9 | 51 | 61 | Yes | 100% | 50% | 0% | 5% | 5% | 10% | 30% |
| North Carolina | ** | 2 | 81 | 83** | Yes | 100% | 30% | 30% | 20% | 10% | 10% | 0% |
| North Dakota | 4 | 2 | 26 | 32 | Yes | 21% | 100% | 0% | 0% | 0% | 0% | 0% |
| Ohio | 0 | 2 | 34 | 36 | Yes | 24% | 55% | 10% | 15% | 10% | 10% | 0% |

| State | Number of Section 5311 Subrecipients | | | Total Section 5311 Subrecipients | State uses Section 5311 State Admin. Funds (Yes/No) | Approx. % of the Allowable Administrative Cap for Section 5311 Funds Currently Used for State Admin. Expenses | Distribution by Program Management Activity | | | | | | |
|---------------|--------------------------------------|---------|------|----------------------------------|---|---|---|----------------|---------------|-------------|----------|------------|-----|
| | Tribal | 5311(f) | 5311 | | | | 5311 Compliance | 5311 Technical | 5311 Planning | 5311 Safety | 5311 TAM | 5311 Other | |
| Oklahoma | 0 | 14 | 20 | 34 | Yes | 100% | 100% | 0% | 0% | 0% | 0% | 0% | 0% |
| Pennsylvania | 0 | 5 | 23 | 28 | No | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Rhode Island | 0 | 0 | 0 | 0 | No | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| South Dakota | 0 | 1 | 22 | 23** | Yes | 80% | 50% | 25% | 25% | 0% | 0% | 0% | 0% |
| Utah | 0 | 2 | 4 | 6 | Yes | 100% | 60% | 10% | 10% | 10% | 10% | 10% | 0% |
| Vermont | 0 | 2 | 8 | 10 | Yes | 100% | 98% | 0% | 2% | 0% | 0% | 0% | 0% |
| West Virginia | 0 | 2 | 11 | 13 | Yes | 100% | 10% | 30% | 30% | 30% | 0% | 0% | 0% |
| Wyoming | 1 | 5 | 40 | 46 | Yes | 100% | 50% | 10% | 10% | 20% | 10% | 0% | 0% |

* New Mexico spends 25% of its allocation for “Other” which consists of Grants, Finance and Procurement.

** Number of Tribal Transit subrecipients in Florida, North Carolina, and South Dakota was not provided.

*** Montana uses 100% of its FTA Section 5311 administrative fund Federal allocation on indirect costs but did not specify the percentage allowed for each type of indirect cost.

States that were able to provide the information needed for the table and for the States at a Glance report were included in both sections. If only partial data was provided, the State will appear only in the States at a Glance report.

State Safety Oversight Program (SSO) and Transit Asset Management (TAM)

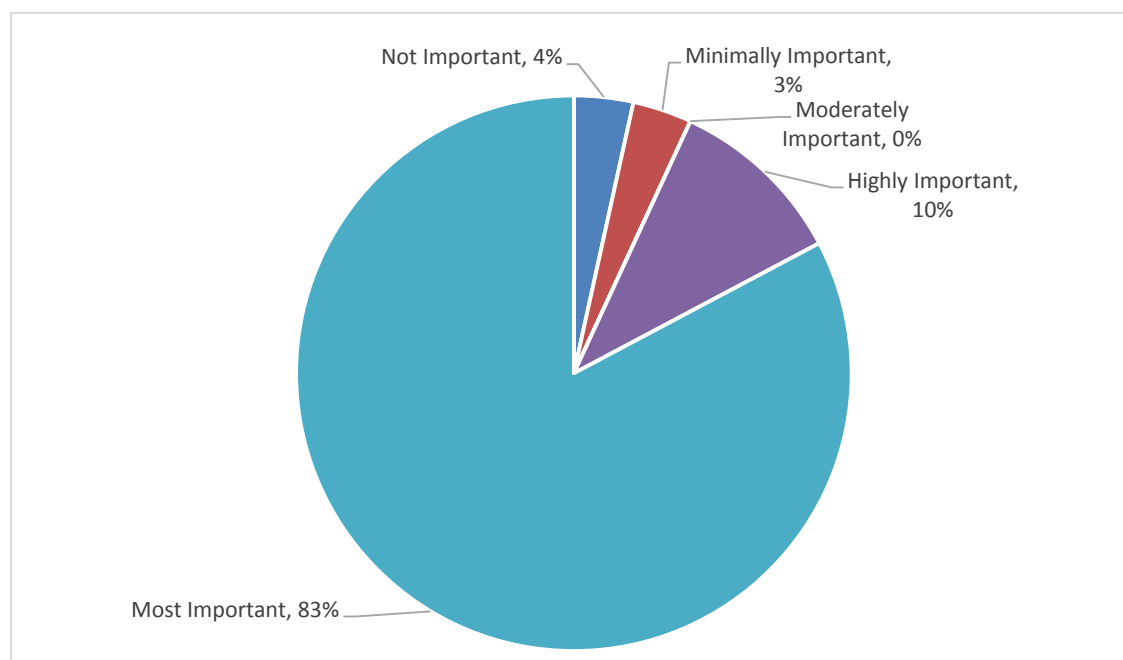
Sixty-seven percent of participating State DOTs administer the State Safety Oversight (SSO) Program. More than half (53%) of the State DOTs that administer the SSO program use the allowable FTA program administration funding.

To meet SSO and TAM requirements (as of October 2016), all of the survey respondents will need to add TAM and Safety monitoring procedures to the administration of FTA programs. For approximately 36% of respondents, insufficient administrative funding to meet the TAM and Safety monitoring requirements is a concern.

Importance of FTA Section 5310 and 5311 Program Administration Funds

As indicated in Exhibit 6, the majority of participating State DOT Transit Offices (27 of 29 respondents) ranked the importance of FTA Section 5310 and 5311 administrative funds as *Most Important* or *Highly Important* to the State's transit program. One State did not participate in this portion of the survey.

Exhibit 6: Importance of FTA Section 5310 and 5311 Program Administration Funds



Participants also describe how the reduction of Section 5311 State administrative funds from 15% to 10% has had an impact on administration of the Section 5311 program. The primary impact of the reduction in 5311 State Administrative funds has been that State DOTs were forced to make reductions in the amount of compliance and technical assistance oversight available to the subrecipients from the DOT. Another commonly cited impact for States that were using the total allowable Section 5311 administrative dollars was a reduction in the amount of training that DOT staff could attend. At least one State, Alaska, also had to reduce funding that was previously available to subrecipients for planning and training activities. The table in the Appendix provides the State-by-State responses.

State DOTs were asked how they would fund administrative expenses if Section 5310 and Section 5311 administrative funds were not available. State DOTs that use at least a portion of the administrative funds indicated a serious impact to the transit program and did not identify any other funds that would be available to replace FTA program administrative allocations. In fact, without Federal administrative funds, State DOTs would put a much more significant burden on the State budget. Moreover, for those State DOTs that pass along the administrative funds to the subrecipients, the impact of losing Section 5311 or 5310 administrative funds would reduce the available funding for the transit operators. The table in the Appendix provides the State-by State responses.

Challenges in Administration of the Sections 5310 and 5311 Programs

There are similar challenges in administering the Section 5310 and 5311 Programs, as listed by each State DOT. The overriding theme from States is that it is challenging to administer programs that have limited funding but increasing requirements for monitoring and compliance oversight. The most common challenges include procurement, compliance and oversight responsibilities, securing local match, and keeping up with new programs and Federal requirements. Specific challenges most frequently identified by States are as follows:

- Limited funding due to the 60/20/20 formula, which removed most of the State DOT's discretion in funding allocations to subrecipients.
- MAP-21 funding eligibility increased the complexity and amount of the workload for compliance monitoring.
- Coordinated transportation planning requirements have limited available funding for implementing and coordinating the plans.
- Compliance and oversight requirements for asset management was particularly challenging for Section 5310 program subrecipients that may not be trained in transit asset management requirements because transportation is only one of their many functions.
- Building transportation coordinating councils is challenging because of the lack of interest from other agencies.
- Securing local match is a challenge for subrecipients from year to year, and State program administrators are unable to award Federal funds if local match is not available.

3.4 Common Approaches to Meet Federal Requirements and State Priorities

Use of Technology to Improve Cost Effectiveness and Efficiency

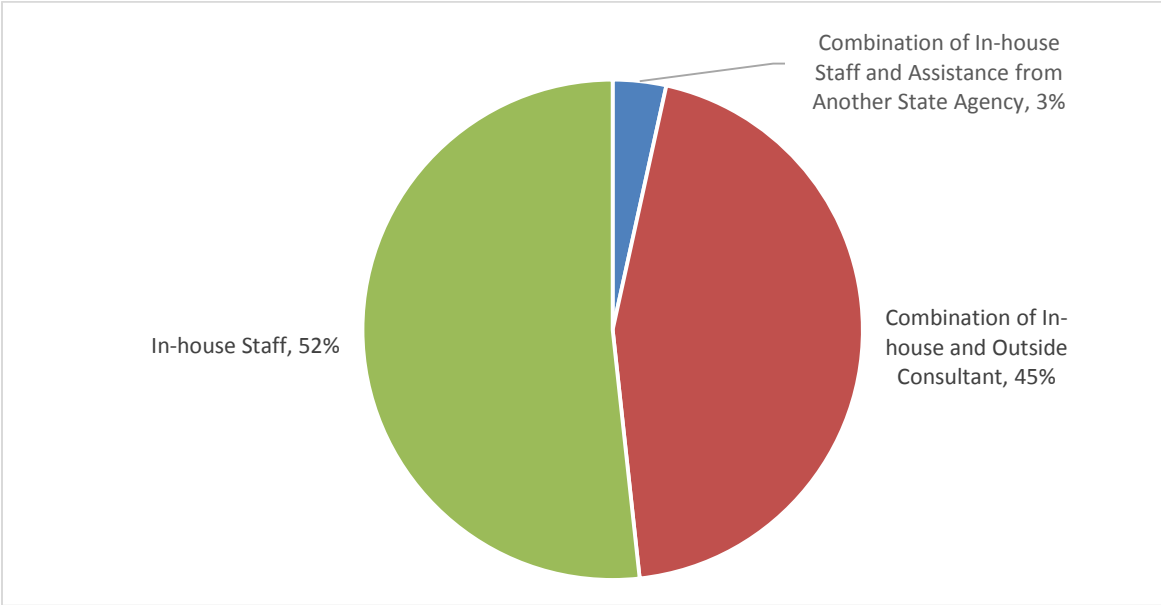
The use of software to improve efficiency in program administration is a common trend among State DOTs. In fact, 68% of participating State DOTs indicated that they have implemented technology applications and programs to improve the cost effectiveness and efficiency of FTA grant program administration. The following list illustrates common approaches from State DOTs that are using technology to improve efficiency and cost effectiveness:

- Fifty-two percent (52%) of participating State DOTs use an electronic grants management to automate and streamline grants management of the FTA programs, including the application, invoicing, and reporting processes.
- Twenty-four percent (24%) of participating State DOTs that cited technology as a tool to improve efficiency and cost effectiveness are using software for performance reporting (including ridership, budget, and maintenance data) and assets to track and monitor subrecipient performance.
- Twenty-four percent (24%) of State DOTs that cited technology as a tool to improve efficiency have developed in-house software for records organization and management and/or claims processing to reduce errors and streamline the process. This includes Pennsylvania DOT, which recently added a Section 5311 iPad application to assist in compliance reviews.

Subrecipient Compliance Reviews

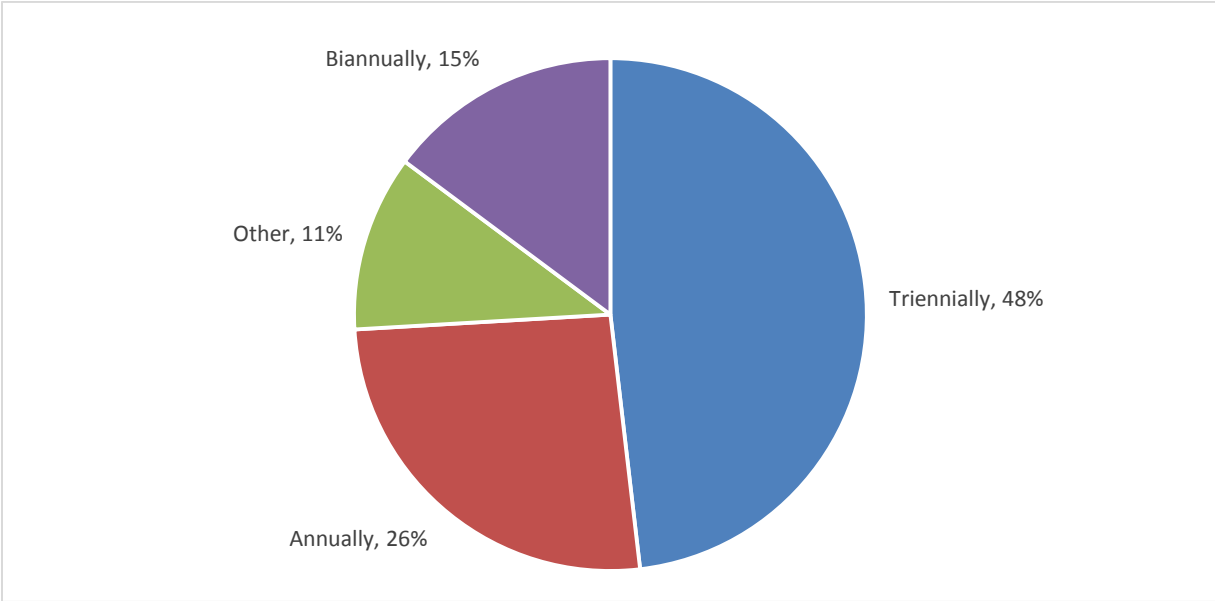
The use of technology also pertains to common approaches to meeting compliance review and monitoring requirements, although many States are also using contractors to fulfill this responsibility. The participating States are nearly evenly split on the use of a combination of in-house staff and outside contractors to complete compliance reviews (45%) or strictly using in-house staff for this purpose (52%). One State DOT is using a combination of in-house staff and assistance from another State agency to conduct compliance reviews. While the survey did not provide an opportunity for States to elaborate on how outside contractors are used in this process, a sample of participating State DOTs indicated that in some cases the desk review is conducted by in-house staff and the field audit and service observations are conducted by consultants. Exhibit 7 illustrates the results of the approach to meeting compliance assessment/review requirements.

Exhibit 7: Use of In-house Staff or Contractors for Compliance Reviews



As illustrated in Exhibit 8, 48% of State DOTs complete FTA subrecipient compliance reviews every three years. Several States divide the total number of systems by three and conduct one-third of the reviews each year so that each transit agency is reviewed at least once every three years. Approximately 15% of State DOTs perform subrecipient compliance reviews biannually. In addition, a significant portion of State DOTs, 26%, conduct subrecipient compliance reviews on an annual basis, which is more often than the minimum requirement from the FTA. Eleven percent of participating States indicated another process for scheduling compliance reviews including combinations of random compliance reviews along with quarterly financial compliance reviews.

Exhibit 8: Frequency of Conducting FTA Subrecipient Compliance Reviews



Use of Contractors

The following table lists the State DOTs that do and do not use contractor services, and, if applicable, the percent to which contractor services are used. For the purpose of this research, contractor services is defined according to 2 CFR Part 200 which uses the term contractor universally to identify an entity that has been selected to provide a good or service to a recipient or subrecipient. As indicated in the table, approximately 83% of State DOTs use contractor services at least 1% and as much as 40%. On average, State DOTs use contractor services at 12%.

Table 7: Use of Contractor Services by State DOTs

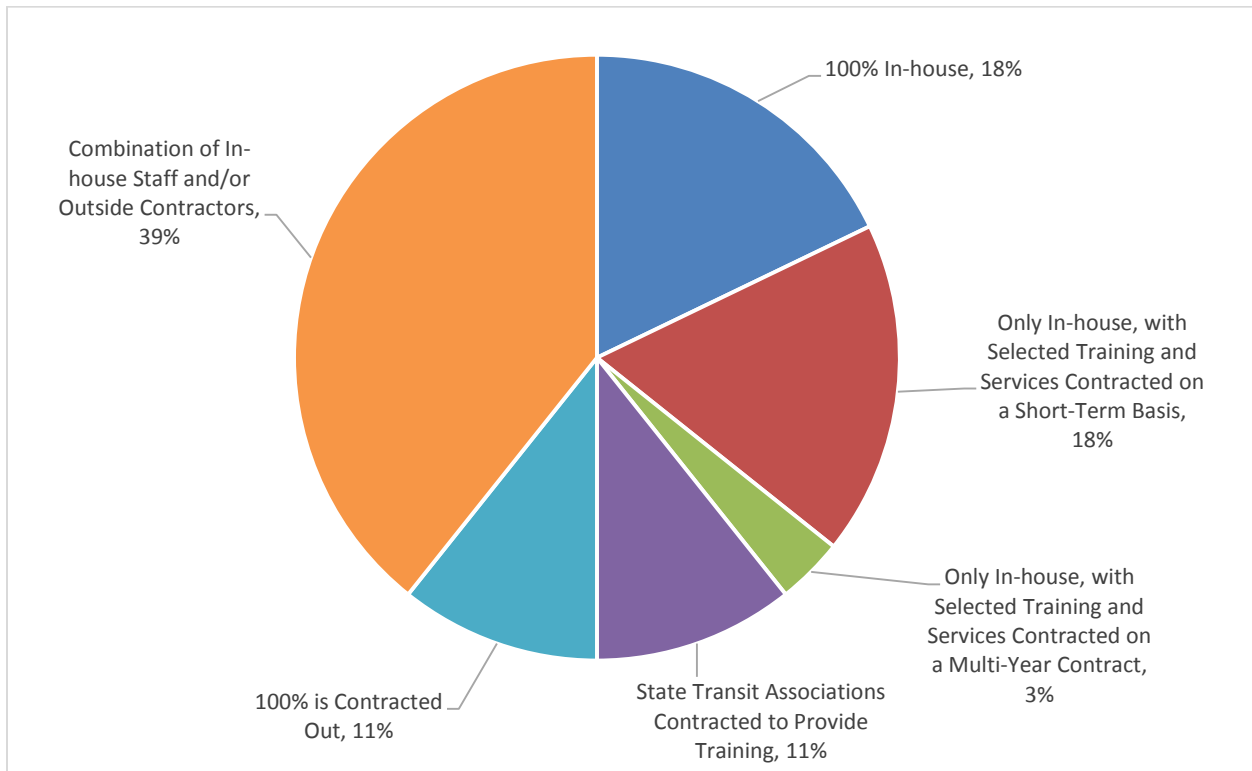
| State | Does State DOT use Contractor Services? | Percentage that State DOT Uses Contractors |
|-----------------|---|--|
| Alaska | Yes | 15% |
| Arkansas | No | 0% |
| California | Yes | 10% |
| Florida | Yes | 34% |
| Georgia | Yes | 10% |
| Hawaii | No | 0% |
| Idaho | Yes | 5% |
| Indiana | Yes | 10% |
| Louisiana | Yes | 10% |
| Massachusetts | Yes | 25% |
| Maine | Yes | 5% |
| Michigan | Yes | 1% |
| Mississippi | No | 0% |
| Minnesota | Yes | 10% |
| Missouri | Yes | 25% |
| Montana | No | 0% |
| North Carolina* | Yes | N/A |
| North Dakota | Yes | 5% |
| New Jersey | Yes | 14% |
| New Mexico | Yes | 25% |
| New York | Yes | 30% |
| Ohio | Yes | 19% |
| Oklahoma | Yes | 10% |
| Pennsylvania | Yes | 5% |
| Rhode Island | Yes | 1% |
| South Dakota | No | 0% |
| Utah | Yes | 40% |
| Vermont | Yes | 1% |
| West Virginia | Yes | 15% |
| Wyoming | Yes | 10% |

*The North Carolina State DOT uses contractor services but did not disclose the percentage.

State DOT Training with Limited Availability of Administrative Funds

The Rural Transit Assistance Program (RTAP) is a key source of training for subrecipients. Approximately 39% of State DOTs are using a combination of in-house Staff and outside contractors to administer the RTAP program. Another 18% of State DOTs are administering the RTAP program in-house. Others that are performing some, but not all of the RTAP duties in-house are using contracted services on a short-term basis (18%) or on a multi-year contractual basis (3%) for selected trainings and services; and 11% contract with State Transit Associations to provide RTAP training. Finally, 11% of State DOTs indicated that total administration and operation of the RTAP program is contracted out.

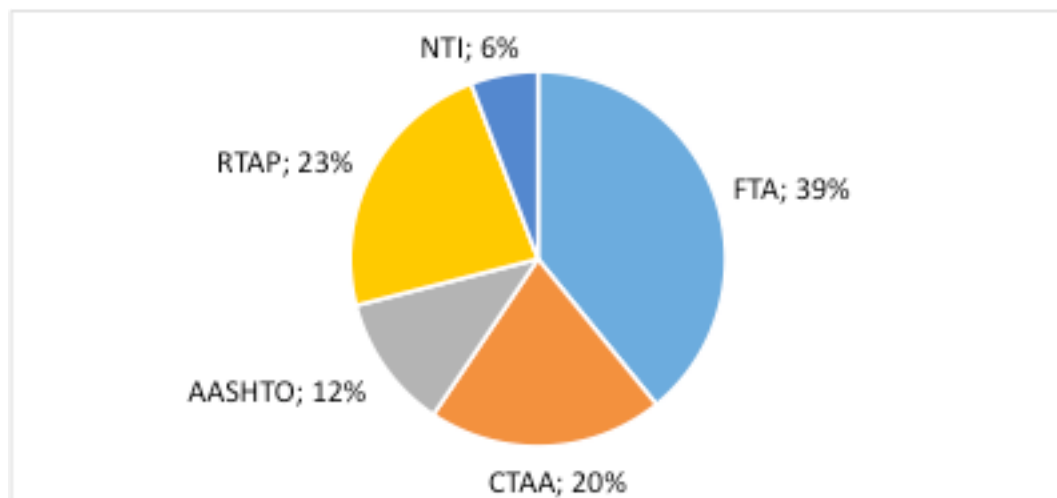
Exhibit 9: Use of Contractors for the RTAP Program



State DOTs frequently indicated that with limited funding available for program administration, including the decrease in available Section 5311 funds from 15% to 10% under MAP-21, training for DOT staff and transit agency managers is increasingly difficult to budget. Several States have moved to webinar training formats whenever possible. The surveys asked State DOTs to indicate their top three sources for technical assistance products, classes, and conferences that are already being provided to the State DOT. They most often identified training and assistance provided by the Federal Transit Administration (FTA), the Community Transportation Association of America (CTAA), the National Transit Institute (NTI), National Rural Transit Assistance Program (NRTAP), and American Association of State Highway and Transportation Officials (AASHTO). The distribution of responses is provided in Exhibit 10. Other resources that were mentioned by State DOTs include the Transportation Research Board (TRB),

the American Public Transportation Association (APTA), specialized contractors, State conferences, the Transit Cooperative Research Program (TCRP), and the Multi-State Technical Assistance Program (MTAP).

Exhibit 10: Top Rated Training and Technical Assistance Resources



Although it was not expressly asked through the survey, two State DOTs mentioned that they have improved administrative cost efficiency and effectiveness by shifting from classroom training for subrecipients to webinar trainings. While the webinar approach may improve cost efficiency of providing training, no attempt was made to measure actual effectiveness because this was anecdotal information but could be a subject worth pursuing if webinars become an increasingly popular means of training.

Meeting Transit Asset Management and State Safety Oversight Requirements

With increasing emphasis on Transit Asset Management (TAM), State of Good Repair (SGR), and State Safety Oversight (SSO) from the Federal Transit Administration, State DOTs and local transit systems are faced with the additional administrative and oversight responsibilities. The majority (67%, or 20 out of 30 respondents to the survey question) of State DOTs participating in the survey administer the SSO Program. Funds not used for administrative funds can be used for other grant eligible activities.

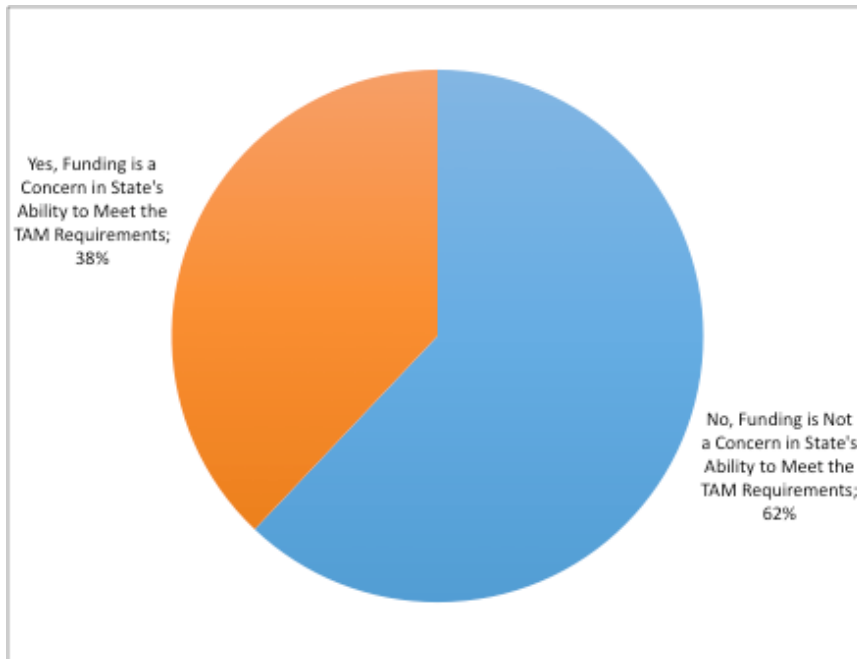
None of the surveyed DOTs plans to hire additional staff to accommodate the additional TAM and National Public Transportation Safety Plan (“Safety”) responsibilities. Most States are taking a multi-faceted approach. At the time of the survey, approximately half (51%) of State DOTs plan to add or have already incorporated TAM and Safety responsibilities to existing staff within the existing organizational structure. Therefore, for the majority of DOTs, the additional asset monitoring and planning requirements will be added to the responsibilities of existing State DOT staff with no growth or change in staffing levels. Similarly, another 16% of State DOTs will not add staff or contractors, but will reassign duties so that existing staff will handle TAM and Safety responsibilities in addition to existing duties. An

additional 2% of State DOTs plan to use some type of software program (either specifically designed for the TAM program, or a generic program that can be modified, to create a TAM program that does not put a significant burden on State DOT staff.

More than a quarter (27%) of State DOTs plan to obtain contractors to supplement the current DOT staff assigned to TAM and Safety responsibilities. The use of contractors in this situation may be a result of either current hiring caps or freezes in the individual State, or, because of the ever increasing cost of overhead and benefits, it is more cost effective to contract out these tasks. In addition at least one State, Wyoming DOT, will use a contract with another State agency, Wyoming Department of Health, for monitoring responsibilities. Contracting with another State agency for different administrative responsibilities has previously been used by other States, most often for procurement tasks.

As illustrated in Exhibit 11, when asked if the level of funding available (either Federal or State) for the State DOT a concern in meeting Transit Asset Management and Safety requirements, the majority of State DOTs (62%) indicated that funding is not a concern and the remaining 38% indicated that funding is a concern. However, in follow-up discussions with participating DOTs, it is possible that this percentage of States that are not concerned about funding levels is somewhat skewed by the working assumption that no additional funding is available and, therefore, the State DOTs will develop a suitable approach for handling the additional responsibilities when they have no other choice. Data could also be skewed by the States that have not yet resolved the issue of how the National Safety program will be administered.

Exhibit 11: Funding Level Concern for Meeting TAM and Safety Requirements



Summary

Opportunities

FTA has provided the greatest flexibility possible in the administration of the Section 5310 and 5311 grants leaving many aspects of the programs, as long as they fall with the grant guidelines, to the development of the States. The flexibility has provided individual State DOTs with opportunities to tailor programs to meet the needs of their States. Flexibility has also encouraged creative and innovative administration of program funds.

For those States with a strong State-funded transit counterpart, multiple solutions exist to further their State's public transit programs. For example, Pennsylvania invests over \$1.5 billion annually in public transportation – ranking fourth in the nation in direct support for public transportation, which enables them to provide citizens with multiple public transportation options.

However, lack of State funding does not stop States that are not as well funded from providing exemplary projects. Some States have seized the opportunity to offer significant technical assistance programs to subrecipients enabling them to provide safe, efficient and reliable transportation.

Staffing Strategies

As the responses indicate, the State DOTs have implemented a variety of steps to ensure adequate staffing to meet the program requirements. There does not appear to be one or two best staffing strategies. Rather, State DOTs are implementing various methods that meet their individual needs. State restrictions including but not limited to hiring freezes and policies that limit State employee travel create boundaries on the approaches of the State DOTs to address staffing needs.

Software to Assist with Program Management

Over 50 % of the survey respondents indicated that they are using or implementing grants management or other types of electronic means to administer the FTA programs. Listed below are the various approaches that the State DOTs have used software (such as programs for reporting performance measures and assets, to compliance monitoring, and even pre-trip inspection reports) to enhance their ability to manage the grants and assist subrecipients in completing grants and fulfilling requirements:

- Alaska – Implemented electronic Grants Management Program.
- California – Implemented electronic Grants Management Program.
- Louisiana – Implemented new software for tracking financial data, ridership, and vehicle maintenance on subrecipients and implemented a new online application to apply for FTA programs.
- Indiana – Implemented electronic files and documents.
- Louisiana – Participating in the LaGov system (Louisiana Resource Planning System). which includes a Grants management, accounts payable and accounts system.
- Mississippi – Developed a Grants Management software.

- Missouri – Developed grants management software.
- Minnesota – Implemented Grants Management software.
- Missouri – Automated applications/forms.
- North Dakota – Acquired a Grants Management/Invoicing Software.
- New Jersey – Implemented S-RIDES, which is a grant and ridership database for internal and external users.
- New Mexico – Implemented electronic Grant Management and performance system.
- New York – Developed a web-based Section 5310 application process and an internal database to track grant awards, state budgets, grant revisions, contracts and payments and milestones in one place.
- Ohio – Submission of Section 5311 applications through a web-based database.
- Oklahoma – Processes claims through an online management system, reducing errors and streamlining processes which improves monitoring abilities of subrecipients and provides the ability to produce various financial and performance reports.
- Rhode Island – Upgraded its paratransit division scheduling software and is moving toward a data-driven management approach.
- Utah – Developed in-house transit software.

State DOTs are using many different methods to address FTA grant management requirements and to enhance the various State transit programs, each unique and innovative to their particular State's needs and characteristics. Innovation in a particular State may not always be seen as innovation in another. However, any new ideas, methods, or practices which improve how a State implements and administers a program that benefits the State or its subrecipients, should be recognized. The variety of these approaches demonstrates the range of innovations and creative solutions currently employed across the country. States must always keep in mind the goals of their individual States and be responsive to those needs and their citizens.

4 Trends and Common Practices in DOT Program Administration

Stressing State Capacities

State programs have evolved to meet FTA requirements and State priorities. However, some State-imposed restrictions along with the increasing Federal requirements are stressing State administrative capacities.

Each Governor of the 50 States has determined what agency will administer the FTA funded programs. While the States share some similarities, each administering agency has been organized based on State prerogatives. While most programs reside within the State Departments of Transportation, some programs are housed in a separate State agency. For example, Virginia's transit programs are housed under the Virginia Department of Rail and Public Transportation, which comes under the umbrella of the Virginia Department of Transportation, and Rhode Island's programs which are located in the Rhode Island Public Transit Authority. The survey indicates that most state staffing levels have remained the same for the last five years, although five States have experienced a decrease in staff and six have shown an increase. Additionally, several States including, Georgia, Hawaii, Massachusetts, Mississippi, Montana, New Jersey, New York, Ohio, Oklahoma, and West Virginia have staff vacancy rates of 10% and above. Most States indicate that it takes between one and three years to become proficient in the management of FTA grants. In the Section 5310 program, 31% (Exhibit 6) of the States use private contractors or contractors from universities and colleges. In the Section 5311 program, 35% (Exhibit 5) of the States use private contractors or contractors from colleges and universities to assist in carrying out their responsibilities under these FTA grant programs.

Overall, for many States, the reduction in the Section 5311 State administrative funds has not had a severe impact; however, a third of the State DOTs expressed concern about having sufficient resources to address any new Federal regulations. The loss of this funding did curtail or limit some activities such as oversight or flexibility in program administration. States are particularly concerned about the additional burden of the implementing the new Transit Asset Management (TAM) and National Public Transportation Safety Program requirements. Some States indicated that they had sufficient staff; however, ideally, a few States (Georgia, Massachusetts, Ohio, and Rhode Island) would like to have between one and six additional staff members to address current or new requirements.

As indicated in Exhibit 8, the majority of participating State DOT Transit Offices ranked the importance of the FTA Section 5310 and 5311 administrative funds as *Highly Important* to the State's transit programs. A few States such as Rhode Island use minimal Federal dollars for State administrative expenses. Rhode Island did indicate that they were considering using more administrative funding resources given the new TAM and Safety requirements. Florida is unique in that it has available funding for administrative expenses through the State Transportation Trust Fund (STTF). Fifteen State programs noted that State budgets may be able to fund the State DOT program administrative duties in some form if there were no Federal money available; however, ten of those States indicated that it would be

extremely difficult to have a State DOT without the Federal funds. While many States have rebounded from the financial difficulties of 2008, several, such as Alaska and West Virginia, are experiencing budget difficulties because of the downturn in the energy sector. Removal of FTA administrative funding would further hinder these recovering State economies.

Many States have indicated that hiring freezes, restriction on out-of-State travel, and new monitoring and reporting retirements present challenges in the administration of the FTA programs. Additionally, the State DOTs are subject to State programs and initiatives. For example, as required by State Law, the Washington State Department of Transportation (WSDOT) reviews the Public Transportation Division's existing grant programs every other year. The purpose of this review is to determine the programs' effectiveness and whether the methods used to award funds result in a fair and equal distribution of the grants. The review also helps WSDOT staff revise their grant award and oversight process. Staff from organizations representing public transportation interests are invited to participate in the Grant Program Advisory Committee (G-PAC) as members or subject experts to review application and evaluation criteria, distribute information about the program, and evaluate WSDOT's grant administration processes. The process is documented in the Washington State Department of Transportation State Management Plan for Federal Transit Administration Public Transportation Programs (March 2012).

Additionally, State laws may limit how a State agency administers the FTA programs. In Iowa, according to the Iowa State Management Plan for the Administration of Funding and Grants (November 2014), only the designated urban and regional transit systems established under Chapter 324A of the Code of Iowa are eligible to receive the State and Federal transit assistance funds administered by the Iowa Department of Transportation. Agencies other than the designated single administrative agency may benefit from State or Federal transit assistance funding by contracting to purchase services from the designated agency, or to provide service under the auspices of that agency, depending on local policies. Any such subcontracts must assure that services will be operated open to the general public and provide for a coordination of the transit services with other transit services provided either directly by the designated agency or by other subcontractors.

State Compliance with FTA Regulations are an Ongoing Effort

With retirements, staff turnovers, staffing levels that are up and down due to State policies, economic conditions, vacancies, and the length of time it takes to train new staff to proficiency, complying with Federal requirements remains an ongoing challenge. With new TAM and National Public Transportation Safety Program requirements and revisions in "Award Management Requirements" Circular (FTA C 5010.1E) on the horizon, State offices expressed concerns about having the resources to implement these requirements and any changes to the current FTA circulars brought about by policy or the Fixing America's Surface Transportation (FAST) Act.

According to the survey, States indicated that the following FTA regulations consume the most resources or are the most difficult to implement:

- Procurement,
- Transit Asset Management,
- Monitoring,
- Oversight and Technical assistance;
- Drug and Alcohol;
- Title VI and Americans with Disabilities Act;
- National Transit Database Reporting;
- Title VI;
- Disadvantage Business Enterprise,
- Intercity Bus;
- Financial and Program Management;
- Job Access and Revers Commute and New Freedom Program changes;
- Safety; and
- TEAM/TrAMS.

As can be noted from this list, the complexity of these issues creates ongoing challenges for States.

In the State Management Review Workshop Workbook, Fiscal Year 2013, the FTA oversight tracking system, OTrak, indicates the following deficiencies or findings where the State-managed FTA programs are not compliant with FTA requirements in FY 2008 – 2012:

- Charter Bus 1%;
- Project Management 2%;
- Equal Employment Opportunity 2%;
- Lobbying 3%;
- Drug and Alcohol/Drug Free Workplace Act 6%;
- Financial Management 6%;
- Americans with Disabilities 6%;
- Title VI 8%;
- DBE 8%;
- Asset Management 10%;
- Program Management 13%;
- Grant Administration 16%; and
- Procurement 18%.

In many cases, the findings mirror those regulations that consume the most resources or are the most demanding to implement. The percentages are of the total number of findings or deficiencies. Totals do not equal 100% because of rounding. A State could be deficient in multiple categories.

Significant resources are devoted to compliance both at the State DOT and subrecipient levels. Some States have indicated that they are using webinars instead of in-person trainings to reduce cost but still provide training on the grant requirements. Several States indicated that the FTA State Management

Review Workshops were very beneficial in helping to achieve and maintain FTA Program compliance. Overall, given the FTA requirements and the added layer of State laws, regulations and policies State DOTs are subject to, State DOTs appear to be conscientious in the administration of the FTA State-administered programs maximizing available administrative funding by employing grant efficiencies while creatively assisting subrecipients in meeting their grant obligations.

States have found a variety of resources to assist them in compliance efforts. States have indicated that the following have proven to be the most valuable resources:

- FTA, FTA State Management Review Workshops;
- National Transit Institute (NTI) courses;
- Rural Technical Assistance Program (RTAP);
- American Association of State Highway and Transportation Officials (AASHTO)/Standing Committee on Public Transportation (SCOPT) and its Multi-State Technical Assistance Project (MTAP);
- Community Transportation Association of America (CTAA);
- American Public Transit Association (APTA), and
- Transportation Research Board's National Conference on Rural Public and Intercity Bus transportation.

States find some of these resources to be more useful than others based on their state programs. One State noted that contractors that specialize in certain FTA requirements such as drug and alcohol were also very educational. California indicated that their State Association (calACT) meetings were extremely important not only for the training provided, but also for the networking opportunities that, in their opinion, are valuable to “many, many subrecipients.”

Additionally, States indicated that the most valuable technical assistance products/classes/conferences that should be provided to the State DOT were financial management and project oversight, vehicle procurement, and grants management. Also, they suggested that technical assistance with TAM and National Public Transportation Safety Plan would be valuable. One State suggested a FTA Transit 101 class for new employees, and another State suggested a FTA Rules and Regulations Academy for State programs with regular updates and materials. AASHTO already offers an MTAP-sponsored Fundamentals of Public Transportation Course through the University of Wisconsin-Milwaukee, which is available online or can be taught for one or multiple States in a region (more information is available at <http://scopt.transportation.org/Pages/FundamentalsofPublicTransportation.aspx>).

Challenging Administrative Aspects of the Section 5310 and 5311 Grants Programs Exist

Section 5310 and 5311 programs remain cornerstones to access in nonurbanized areas and for those needing specialized transportation. For some States, the allocation of the Section 5310 funds that they received makes it very difficult to have an impact in an individual State given its needs.

A challenging aspect of the Section 5310 program is the Statewide Coordinated Transportation Plan requirement, which the States have no ability to enforce directly or influence other funding sources to coordinate within those communities or agencies. Some States have spent time building regional transportation councils in response to this requirement, which requires a lot of effort by all concerned parties to be successful.

States also feel that with the additional eligible funding activities added by MAP-21, such as the addition of New Freedom eligible items, the complexity and workload associated with the grant have increased. Other States find that non-traditional applicants such as private non-profit agencies struggle and have little experience with many of the FTA requirements.

One State indicated that with a “small staff and many regulatory and oversight responsibilities that are continually increasing, just keeping up with the new programs, policies, and regulations for new and revised circulars is somewhat overwhelming.” While the statement was written about the Section 5310 program, several States echoed this sentiment for both Section 5310 and 5311. Some States are devoting time to webinars and in-person trainings to implement the changes at both the State and subrecipient levels.

States conduct oversight for the Section 5310 program at various intervals ranging from quarterly to every four to five years. Most States conduct the reviews triennially. Most States are either conducting the reviews using in-house staff or a combination of in-house staff and contractors. Georgia indicated that it uses the Georgia Department of Human Services for Section 5310 oversight, which is unique among the survey respondents.

The Section 5311 program has many aspects that require documentation, oversight, familiarity with the grant regulations, and the ability to explain and implement them both at the State and local levels. Some States have indicated that limited Federal and local match funds are issues in the program. As a strategy to handle these funding limitations, Alaska noted that it is currently consolidating transit systems in neighboring communities under their Section 5311 program in hopes of reducing costs and expanding services.

Several States cited providing oversight of subrecipients as a challenge. Many States are concerned that local transit providers lack the administrative resources to ensure compliance with the Federal requirements. This concern directly relates to issues with oversight compliance and verification of documentation. Subrecipients often cannot send more than one staff member to trainings given the size of their administrative staffs. State DOTs spend a great deal of time training and retraining due to staff turnovers at the subrecipient level to ensure compliance. Although it was not included in this study, a topic for future research may be identification of recurring noncompliance findings/areas and sharing those findings with other State DOTs.

Both at the subrecipient and State levels, program requirements regarding DBE, Drug and Alcohol, Procurement, ADA and Title VI particularly stress agencies with limited staff. Some State transit offices have turned to contractors to assist in complying with these regulations. As the final regulations

regarding TAM and Safety are issued, these too may be added to the list. The new Safety Plan regulations may also be a particular challenge for Section 5310 recipients who may be unfamiliar with this type of requirement.

Overall, many States find it difficult to keep track of the compliance requirements and program changes brought about by circular changes, new policies and procedures, and new Federal legislation. State DOTs are also subject to many changing State policies and procedures, such as when a new governor brings his or her own priorities or policies that may differ from the previous executive. Several States also stated that National Transit Database (NTD) reporting was proving a challenge at both the State and subrecipient levels.

Furthermore, Rhode Island indicated that the intercity consultation requirement is presenting a duplicative issue for them. FTA Circular 9040.1G describes the many steps that a State must undertake to demonstrate that it has consulted with the intercity bus carriers. Unlike States where private intercity providers have withdrawn service, Rhode Island has maintained an effective balance of public and private service making the process of complying with intercity consultation requirements a duplication of the State's network of providers.

Oversight of the Section 5311 program is also conducted at various intervals. A few States indicated that they factor in risk assessment when determining the frequency of the reviews. The risk assessment may include, but is not limited to, performance on past reviews, audit reports, or non-compliance with Federal and/or State requirements and regulations. Nearly all States conduct the on-site reviews annually, biannually or triennially. Montana indicated that it conducts quarterly oversight and a compliance review every three years while Georgia indicated that some aspects of oversight are ongoing on a daily, weekly, or monthly basis at the local level to ensure compliance with FTA regulations. North Dakota indicated that it conducts a procurement review each year. North Dakota is also employing part-time employees to inspect all vehicles and facilities every two years under the Section 5311 program.

Most States use a combination of in-house staff and contractors. Some States like Idaho or Vermont only use in-house staff. Wyoming indicated that it receives assistance from the Wyoming Department of Health in oversight of the 5311 program.

Diligent attention to the regulations is critical to the successful implementation of the Section 5310 and 5311 programs as these activities form a major portion of the FTA's State Management Reviews program.

Rural Transit Assistance Program (RTAP) is a Valuable Technical Assistance Tool

The Rural Transit Assistance Program (49 U.S.C. 5311(b)(3)) provides a source of funding to assist in the design and implementation of training and technical assistance projects and other support services tailored to meet the needs of transit operators in nonurbanized areas. States may use RTAP funds to support nonurbanized transit activities in four categories: training, technical assistance, research, and related support services. State RTAP funding is allocated to the States based on an administrative

formula. There is no Federal requirement for a local match (RTAP requirements are described on the program website at: www.transit.dot.gov/funding/grants/rural-transportation-assistance-program-5311b3).

As noted in the FTA 9040 Circular, Page IX-3 11/24/2014,

“providers of specialized transportation in urbanized areas, such as Section 5310 funded agencies, as well as public transit operators in small urbanized areas, have many of the same training and technical assistance needs as transit providers in rural areas. FTA permits participation by these providers in RTAP sponsored activities, at the state’s discretion, so long as the activities are primarily designed and delivered to benefit rural transit providers.”

Because of this flexibility in the RTAP program, State DOTs can deliver trainings and other products to a wide audience, maximizing the use of Federal funding.

The administration of the RTAP program varies from State to State. A little over a third of the survey respondents use a combination of in-house and outside contractors. The following are a few examples.

Arkansas operates its RTAP program through the Arkansas Transit Association, which provides 100% of its training. Similarly, 90% of New Mexico’s RTAP training is provided through the New Mexico Transit Association. Mississippi, Oklahoma and South Dakota, to name just a few, provide their RTAP programs in-house.

In Pennsylvania, the total administration and operation of the RTAP program is contracted out. PennTRANS was established in 1989 in partnership with the Pennsylvania Department of Transportation, through RTAP and Penn State University. In 2001, the Pennsylvania Public Transportation Association (PPTA) stepped in to take over the program. PennTRANS offers extensive targeted training programs emphasizing the development of skills needed to operate in today’s transit environment and technical assistance (<https://pentrans.org>).

The Kansas RTAP program has offered services since 1987 through the Kansas University Transportation Center, which is located at the University of Kansas. It offers a variety of services to Kansas rural and specialized transit agencies including a quarterly newsletter, regular trainings, video and publications lending library and technical assistance.

Idaho administers its program in-house with selected training and services contracted out on a short-term basis. Idaho faces mobility issues because a large portion of the population lives in rural areas. The RTAP program provides significant and specific support with a focus on stimulating mobility in rural areas, which is also integral to the development and implementation of I-way, Idaho’s vision for a statewide system (<http://ctai.org>).

States also use RTAP funds for the following activities:

- Provide scholarships to conferences and out-of-State trainings;

- Provide technical assistance to subrecipients, such as assistance addressing Federal Drug and Alcohol regulatory requirements;
- Provide safety roadeos;
- Organize multi-state conferences;
- For transit associations to develop and coordinate conferences, manage trainings and update their websites; and
- Develop the transit annual report.

West Virginia, for example, used RTAP funding to develop the Safety Information Directed to Effective Response (SPIDER) handbook to assist transit and specialized transportation systems with ensuring the safe operation of their transportation programs.

Insufficient Resources and Shifting Federal Requirements

State DOTs believe that new Federal regulations will continue to stretch the abilities of the Offices to stay on top of the current and proposed regulations. State DOTs will also have to assist subrecipients in meeting the new or changed grant obligations.

Michigan believes that there will be a continued shifting of compliance monitoring from the Federal government to the States. Several States echoed this by indicating that there would be increased responsibility placed upon existing staff, and additional compliance, oversight and reporting with limited administrative funds. Alaska is concerned that there will be a trade-off in decreased compliance of current regulations so that the DOT can provide safety or asset management plans. California believes that the State DOTs will have to find ways to deliver funds and contracts more efficiently to deal directly with compliance.

The required National Public Transportation Safety Plans will create an additional workload for the State offices as will the development of TAM plans. Until the final regulations are issued and implemented it will be difficult to determine the workload that these requirements will generate at both the State and subrecipient level.

Several States commented that trends within the next five years may include:

- Performance based measurements;
- The need to train new personnel because of impending retirements; and/or
- A possible State DOT reorganization.

A few more States have contracted staff and created new software programs to manage more efficiently.

One trend that appears unlikely to change within the next five years is Federal regulatory compliance reviews. While the reviews are a core aspect of program administration, complying with and preparing for the extensive requirements of these reviews is time consuming and further burdens agency staff.

One State was subject in the past year and a half to seven FTA compliance reviews. It is important to note, that not only are State DOTs subject to FTA reviews, but they are also subject to State reviews.

Overall, what the future will hold for the FTA State administrative program is difficult to predict. The FAST Act reauthorizes the surface transportation programs through Fiscal Year 2020 so reauthorization will be a topic during this period. The FAST Act may be replaced by another program with new or consolidated programs or be extended with program changes or no changes at all. States are also unable to predict how general economic conditions may affect the State's ability to provide local match or additional funding. How the State of Good Repair, TAM and National Public Transportation Safety Plan requirements will impact the 5310 and 5311 programs is difficult to ascertain until they are fully implemented.

State-Funded Transit Programs

Although the scope of the study did not include State-funded transit programs, it is important to note that many States augment the Federal transit funds. According to the AASHTO Standing Committee on Public Transportation Survey of State Funding, Final Report 2016 using FY 2014 data,

“Of the 51 DOTs that responded to the survey, five reported not providing state funding for transit in FY 2014. Of those programs providing state transit funding, 32 States reported specific funding amounts for capital expenditures accounting for 23.4% of all transit funding. Thirty-five States reported specific funding amounts for operating expenditures accounting for 57.8% of transit funding; 18 States reported funding amounts that were not restricted in their use (18.4%), and six States reported funding for miscellaneous activities accounting for 0.4% of transit funding.” In FY 2014, “Seven DOTs account for 99% of all funding increases: Illinois, New York, Massachusetts, Minnesota, Pennsylvania, District of Columbia, and Florida. Nineteen States showed a decline in funding and 12 showed no change in funding levels, including five States that do not fund public transit.”

As the AASHTO Standing Committee on Public Transportation Survey of State Funding demonstrates that the use of State funding parallels the FTA programs and are often administered in conjunction with them. This is the case in Ohio and Pennsylvania. In California, the office that administers the State grants is Program Policy Management and is separate from the office that administers the Section 5310 and 5311 programs. California's State grants come from various State funding sources. Some States such as West Virginia provide part of the local match needed for operating and capital assistance and administer the State funds alongside the Federal dollars. The AASHTO survey also illustrates the fluctuations in the economic health or priorities of the various States. Additional research would be required to ascertain how the States treat the State-funded transit programs differently or the same as the State-administered FTA programs.

Summary of Future Trends in Managing FTA Transit Programs

It is not surprising that survey findings reveal several similar practices and trends that are used by all States. The most common practices and trends identified among participating State DOTs are as follows:

- Eighteen percent of participating State DOTs have seen a decrease in staff size over the past five years. Reductions are most often a result of retirements, State-imposed hiring freezes, or organizational restructuring.
- Staff loss is a major factor for State DOTs as most managers consider that it will take as much as two years for an employee to become proficient at administering FTA Grant programs.
- Most State DOTs are using the full 10% allowable to administer the Sections 5311 and 5310 programs and, although nearly half are using a combination of State and Federal dollars, they would struggle to continue administering FTA programs without Federal funding.
- Contractors and State Transit Administration services are commonly used to assist staff with the administration of the Rural Transit Assistance Program (RTAP), Section 5311, and Section 5310.
- Common challenges in the administration of the Section 5310 Program tend to be a result of the changes to Section 5310 appropriations and how State DOTs manage the appropriations as a result of MAP-21. In addition, subrecipients struggling to meet compliance requirements, including coordinated transportation plans and Transit Asset Management creates additional administrative work for the State DOTs as they assist subrecipients.
- Common challenges in the administration of the Section 5311 Program also include limited funding and increased compliance monitoring requirements.
- State DOT staff project that the requirements for monitoring and asset management will continue to increase and their staffing levels will remain the same, at best. Several State DOTs have implemented or are planning to implement new software programs to reduce the administrative burden of the grant application process and/or asset monitoring.

5 Innovative Approaches to FTA Grant Program Management

Creative approaches to administering the FTA State programs are apparent in the survey responses. The sections below discuss programs that offer different approaches to Section 5310 and Section 5311 program administration. They were selected based on the following criteria:

1. Does the State DOT demonstrate an innovative use of the FTA administrative funding?
2. Is it probable that the innovative program could be helpful to the majority of other State DOTs?
3. Are the resources required to implement the program likely to be available to most or all State DOTs?
4. Does it appear that the intended results of the innovative program were achieved (or are being achieved) in the near-term following implementation?
5. Have the results of the program benefited the transit operators, passengers or potential passengers, and the State DOT staff?

However, it should be noted that each State DOT works within a very unique context of agencies, transit operators, governance, and other factors, and one State's administrative strategies may not work for another State.

Minnesota's Transit for Our Future Initiative

The Minnesota Transit Office is located within the Minnesota Department of Transportation, reporting to the Commissioner of Transportation through the Assistant Commissioner responsible for the Modal Planning and Program Management Division.

MnDOT's strategies for preserving, expanding and contracting public transit services based on available resources were developed in 2011 as part of the Greater Minnesota Public Transit Investment Plan. The Investment Plan led to a refined process that MnDOT now uses to evaluate annual applications for – and determine allocation of – approximately \$96 million of dedicated state and federal public transit funding. Growing from the Plan is the Transit for Our Future (TFF) initiative, which centers on attaining greater operational, administrative, and cost efficiencies to provide better service and expand opportunities for travel. With a goal to improve customer access and service availability, TFF involves multiple strategies to balance accessibility and efficiency within and between the dozens of public transit systems across Minnesota.

MnDOT is actively encouraging Minnesota's many public transit systems, which together provide service to every county, to further enhance service and maximize efficiencies. Guiding principles for this process are the 3C strategies for success: a combination of Coordination, Cooperation and Consolidation. Systems are encouraged to implement one or more of these processes.

The efficiencies being developed through Transit for Our Future's 3C strategies require innovative actions that pull together new alliances and various resources, on local, regional, and statewide levels. While these solutions may not be solely driven by State or even local government, they sometimes

require policy changes to support greater flexibility for enhanced services. To date, the successes aligned to these strategies are numerous with significant efficiency and cost savings at city and/or county and state levels.

Among its many successes, the TFF program has seen the merger of the City of Dawson and Montevideo into the Prairie Five system. The City of Benson will become a part of this program in August 2016. TriValley CAC has merged with Mahnmen County, and SMART Transit now administers and operates transit in Mower, Steele, Waseca County, and Freeborn County. Rolling Hills (Semcac) is providing service for the City of Stewartville with expanded service in Olmstead County. Paul Bunyan Transit (Beltrami/Bemidji) is providing dispatch service for Hubbard County. A few projects were successful only in the short term. As an example, two programs shared a staff person for compliance management; however, when the grant ended, the shared staff was discontinued.

A key challenge to this process lies in the willingness of local transit organizations to engage in the concepts of TFF. MnDOT forced no transit system to participate and there is no timetable. Typically, the local organizations realized the efficiency advantages available from working or consolidating with neighboring systems. They also understand how better service results for their constituents when boundaries between transit systems are removed.

MnDOT noted that early in the process there appeared to be reluctance to embrace the concept; however, as the process progressed, they found that caution was replaced by a welcoming attitude and a desire to accomplish the improvement.

The learning curve for the subrecipients varied greatly based on what they hope to accomplish. For example, it does not take long for a couple of transit agencies to establish a shared position to be an expert in procurement. However, it takes a long time for two transit agencies to consolidate, especially if one is unionized and one is not, or if it takes the original governing bodies a while to agree on representation on a joint powers board.

Additionally, MnDOT pays close attention to the internal costs of administering Greater Minnesota's public transit program. To achieve better efficiencies, MnDOT's Office of Transit is migrating to a new grant management software that should provide a better tool for delivering funds to and overseeing Greater Minnesota public transit providers.

The Transit for Our Future initiative took 6-9 months to develop. MnDOT has been implementing it for almost four years and will continue to do so until there are no remaining benefits to obtain. They have provided TFF grants to assist transit providers engaged in coordination, cooperation, and consolidation activities totaling about \$1.65 million in State funds. All Section 5311 subrecipients are eligible to participate. At the time of this report, Minnesota had 34 Section 5311 subrecipients.

Idaho's Workforce Transportation Initiative

The Idaho Public Transportation Office is located within the Idaho Transportation Department (ITD), under the Chief Operating Officer, in the Division of Engineering Services, in the Contracting Services Section. The ITD has a total of 14 FTA Section 5311 and one (1) FTA Section 5311(f) subrecipient, four (4) Section 5310 sub recipients, and two (2) tribal transit systems.

The Idaho Public Transportation Economic Development Program, also known as Share the Ride Idaho, came about through transit office staff working with businesses in Idaho and understanding that a robust public transportation program is an essential component for both rural and urban communities. The Office has also put a strong emphasis on developing economic opportunity for the citizens of Idaho through our work as a Transportation Department. The hope is to provide transportation options that will serve both current and prospective employers and employees. The overall goal of the project is to promote knowledge of all forms of public transportation that are available to employers and employees throughout Idaho, and act as an economic driver to job growth and job creation throughout the state.

Currently, ITD is in year two of its Economic Development Program, which is preparing for the launch of our Idaho's Workforce Transportation Initiative. On May 1, 2016, the Public Transportation Office awarded two grants to local economic development groups to perform Outreach Coordinator functions in Northern Idaho and East Idaho. ITD has partnered with ACHD Commuteride in the Boise area to house a ridesharing platform called www.SharetheRideIdaho.com, which will be launched later this year. This will provide a platform for our Workforce Transportation Outreach Coordinators to work with employers and employees on what commute options are available for them or could potentially be started in their area.

The Workforce Initiative has taken roughly four months to develop, and it is scheduled to take place for an initial term of 12 months beginning in 2016. The cost for implementing the Workforce Initiative is roughly \$185,960. The Economic Development Program initiatives are funded through a portion of the State's Section 5311 allocation for administration. The program is in line with eligible activities outlined in FTA circular 9040.1G, such as coordinating programs for Public Transportation organizations and promoting effective means of delivering public transportation services. The ITD does not receive State funding for administration of the initiatives.

This program, when implemented, will work directly as a conduit to help employers attract and retain employees, while promoting healthy and active transportation options. There is also the potential for wellness programs and employee morale programs to develop from this initial outreach. For employees, lower cost transportation options may become available, which can also promote active and healthy lifestyles.

New Mexico's Performance Measures and the Section 5311 Funding Distribution Index

The New Mexico Transit Bureau is part of New Mexico Department of Transportation's (NMDOT) Transit and Rail Division. This Division reports to the Deputy Cabinet Secretary who in turn answers to the NMDOT Cabinet Secretary.

In 2009, the NMDOT Transit Bureau developed performance measures and the Section 5311 Funding Distribution Index to assist in the administration of the Section 5311 program. At the time of this report, there were 21 Section 5311 subrecipients and four Section 5311(f) subrecipients in the State. The overall goal of this project was to maximize operational funds (funded at 50% federal/50% local) and minimize

the administration expenses (funded at 80% federal/20% local), and to provide a transparent method to address issues such as funding constraints or the distribution of additional funds.

One challenge was to ensure that systems were evaluated among comparable peer systems. To address systems with different fleet sizes, such as a system with five or less vehicles versus one that operates 20 or more vehicles, the NMDOT Transit Bureau developed umbrella policies in addition to the performance indicators. To address these concerns and to allow for sufficient time for feedback, the Bureau used the following performance indicators:

1. Federal Fiscal Year (FFY) Section 5311 Ridership
2. Total Administration/Operations (A/O) Ratio Based on FFY Award
3. Cost Per Passenger Trip Based on FFY Ridership and FFY Expended Total A/O Budget
4. FFY Total A/O Cost Per Vehicle Mile
5. FFY Regional Transportation Planning Organization Prioritization
6. Percent FFY A/O Federal Award Expended
7. Percent of Total State Section 5311 Ridership FFY; Percent of State Total FFY; Federal Section 5311 A/O Award Ratio

Prior to awarding federal transit grant funds, New Mexico's rural transit providers are sent their individual data to review and provide comments. After data validation, transit providers are ranked in each performance indicator and the ranks are added up to create a composite Section 5311 Transit Funding Index Rank. The Section 5311 Transit Funding Index Rank then places the transit providers into groups that reflect their performance. Transit providers were also provided technical assistance to enable them to improve their performance measures. The Bureau develops funding decisions based on available funding and an applicant's Transit Funding Index Rank.

Apart from the final Section 5311 Transit Funding Index Rank, all providers are targeted at a maximum Administration/Operations ratio (A:O ratio) based on the size of their respective FY vehicle fleets regardless of funding source for the vehicles. Systems are divided into the following categories:

- Five transit vehicles or less: Maximum A:O ratio of 0.80
- Six to 10 transit vehicles: Maximum A:O ratio of 0.75
- 11 to 20 transit vehicles: Maximum A:O ratio of 0.70
- 21 to 30 transit vehicles: Maximum A:O ratio of 0.65
- 31 transit vehicles or more: Maximum A:O ratio of 0.60

All providers receiving a total Federal administration and operating award over \$500,000, but less than \$1,000,000 were limited to a maximum A:O ratio of 0.6. Providers receiving a total Federal administration and operating award of \$1,000,000 or more were limited to a maximum A:O ratio of 0.5.

In FY 2009, some systems were spending as much as \$1.09 on administrative expenses for every \$1.00 on operating expenses. At this time, the State average was \$0.50 for every \$1.00. With the implementation of this program, this was reduced to an average of \$0.39 in FY2011 and in FY 2016, an even greater reduction to \$0.23 of administration for every \$1.00 of operations was realized—a 54% decrease in administrative costs borne by the Section 5311 program. This was achieved mainly through operational efficiencies and the established performance measures. Additionally, New Mexico found that the 5311 recipients were able to budget better leaving fewer funds remaining on contracts at the end of the fiscal year because of this program.

As performance by the systems has increased, the Bureau has seen a need to modify the A:O ratio targets. For the FY 2018 transit application process, the Bureau will significantly reduce the A:O ratio allowed by 0.25 across all fleet-size categories for all rural transit systems.

Currently, New Mexico is generating the performance data manually, but within the next year, they plan to implement an electronic Grants Management and Performance System (eGMPS). This will make the Section 5311 Funding Distribution Index more automated, reducing staff time and the possibility of errors.

No additional expense was incurred to implement the project since internal staff was used to create and monitor the program. Overall, the Bureau believes the Section 5311 Funding Distribution Index provides an equitable, transparent and data-driven system that aids them in making any federal transit funding reductions or increases and assists the transit providers to increase performance.

West Virginia's Pre-Trip Inspection System

The West Virginia Division of Public Transit, part of the West Virginia Department of Transportation, is a State agency that was created by State Code in the early 1990s. The Division reports to the DOT Secretary.

The Division implemented a pre-trip inspection system for its 11 Section 5311 subrecipients. The system provides an electronic trail of pre-trips but also provides time points making sure drivers are taking sufficient time to conduct the inspections. Additionally, it helps the mechanics track needed repairs and preventive maintenance, ensuring that they are performed within FTA guidelines, a component of satisfactory continuing control. It also accurately tracks mileage, which aids in the reports needed for the National Transit Database (NTD). The system also contributes to the Division's emphasis on safety.

While not using Section 5311 administrative funds for this project, a major goal of the project was to assist the Division in grant compliance. The upfront funding for the pre-trip inspection system was 5311 capital funds with the State providing the entire local match. Section 5311 systems were not required to participate in the program and, as an operating expense; the systems were responsible for a monthly maintenance fee. Some systems opted to pay the monthly fee for the GPS portion of the system, which allowed them to track not only where the driver was, but also their speed. This process gives the system a chance to confirm or refute a complaint that a driver was going too fast or that they were not at a pick up point at the designated time. These systems have aided in operational efficiencies and enhanced

customer service. Because of the cost, some recipients choose not to obtain GPS. On-site training was provided to each 5311 system.

All 5311 recipients participated in the pre-trip system. The Division is in the processing of bidding out and upgrading the system. A budget of approximately \$350,000 has been set aside for the project, and the State will again provide the local match. West Virginia believes that it will continue to assist in ensuring accurate NTD reporting, on-time preventive maintenance, and repair tracking and will become part of the Division's required safety plan.

Pennsylvania's Regional Community Transit Systems

At the time of this report, there were 60 Section 5310 recipients, 23 Section 5311 recipients, and five Section 5311(f) recipients operating in Pennsylvania. Consolidation has become a key tool for transit agencies and local municipalities as they try to control costs while maintaining service. Transit agencies have been faced with severe funding issues over the past decade. Every five to seven years, costs exceed available operating dollars, and transit systems are faced with making service cuts, implementing fare increases or raising additional funds to meet needs for their fixed route services. In 2007, the State General Assembly passed Act 44, which gave public transportation a dedicated and growing funding source for operating funds. Act 89 of 2013 increased and stabilized capital funding, but transit agencies still need to manage their systems to be sustainable into the future.

In human service transportation, PennDOT recognized the cycle of costs growing at a rate higher than funding sources and worked to develop a plan to help contain cost growth for longer-term sustainability. The Human Service Transportation Coordination Planning Study required by Act 44 was conducted in cooperation with the Departments of Aging and Public Welfare and the Office of the Budget. The study made several controversial findings that PennDOT needed to improve management quality and hire more qualified professional transit managers, and that the small and mid-size transit systems have significant administrative functions and costs that are duplicative across systems. The study recommended regional transit system consolidation as a way of reducing duplicative administration costs and improving management quality. A regional public transportation system would also be in a better position to plan for and meet both local and regional travel needs.

Since 2009, PennDOT has worked with transit agencies to conduct regionalization/consolidation studies when requested. The 2011 PA Transportation Funding Advisory Committee recommended PennDOT study regionalization to reduce administrative costs and control cost increases for transit agencies and local entities. Act 89 of 2013 included a waiver of local match requirements for five years equal to savings achieved through consolidation as an incentive for consolidation and regionalization of transit systems.

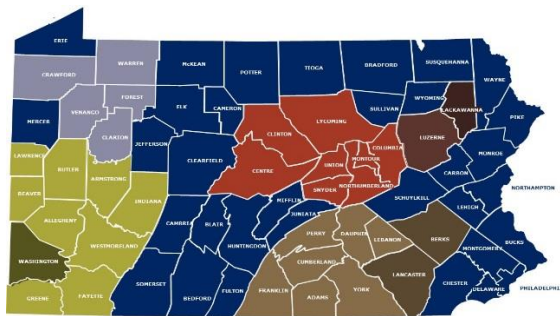
Requests for a regionalization or consolidation studies are initiated locally, and PennDOT works with transit agencies, local funders, and elected officials to conduct studies. The studies normally consist of two phases: the first phase analyzes the operating and financial profiles of agencies, current governance and operational structures and potential financial impacts; the second phase examines options for implementation of a regional system that includes the following items:

- Integrated service;
- Fare;
- Facility and fleet plans;
- Financial and organizational impacts, and
- A plan for implementation.

After these studies, PennDOT asks the local elected officials and transit agencies if they want to move forward with a critical issues discussion, and PennDOT provides technical assistance to overcome any issues identified in these discussions. The key assumptions of these studies is that the existing service levels will be maintained and that the reductions in administrative costs will be attained through efficiencies, attrition, and eliminating duplicate positions. In addition, existing labor contracts are maintained.

The map below shows the areas that have been or currently are under study.

Exhibit 12: Pennsylvania Areas Currently Under Study



The following counties have consolidated in some way:

- Lackawanna and Luzerne Counties – each individual county consolidated their respective fixed route and shared ride services.
- York County and Adams County – York County merged its fixed route and shared ride operations with Adams County’s to create the York Adams Transportation Authority.
- York County’s rabbitransit has taken over management of shared ride services for Northumberland County and Cumberland County. In addition, rabbitransit will be managing shared ride service for Columbia County beginning on January 1, 2016. These management agreements have allowed all of the agencies to save money through consolidated call centers and better, more efficient service delivery.
- Washington County and Washington Rides have consolidated the fixed route and shared ride services under one entity.
- Red Rose and BARTA (Lancaster and Berks Counties) came together as the South Central Transportation Authority in December 2014 and have taken advantage of the local match waiver by saving over \$900,000 annually.

The following consolidations are in some stage of consideration:

- South Central – Eight counties in south central PA are in discussion to determine if they want to consolidate. This involves three fixed route systems (CAT, YATA, and Lebanon) and two shared ride only counties (Perry and Franklin). Potential savings are estimated at \$2.5 million annually.
- Venango and Crawford Counties – The county commissioners in Venango County recently voted to regionalize with Crawford County. The Crawford Area Transportation Authority would manage both systems.

Montana’s Designation of Managers as Regional Planners Rather than Program Managers

The Montana Department of Transportation Transit Section (MDT Transit) is located within the Grants Bureau of the Rail, Transit and Planning Division at the Montana Department of Transportation. Currently, the Transit Section has seven staff; one position was vacant at the time of the interview. There were 31 Section 5311 recipients, 22 Section 5310 recipients, five Section 5311(f) recipients, and four Tribal Transit recipients.

Prior to SAFETEA-LU, the MDT Transit had program managers for all of the major transit programs that the State administered. The MDT made the change over to regional planners at the beginning of the new transportation bill. Regional planners at that time became responsible for all grant programs within their region. There was a learning curve and all existing staff relied on the other expert staff to help each other through the transition. In the beginning, it was difficult but the staff responded very well. Staff became more familiar with the programs and the transition eventually provided a “bigger picture” of transit in Montana.

The MDT Transit implemented the transition because it wanted local subrecipients to be able to have one point of contact in regards to all transit programs within their agency. It also provided MDT better cross training when staff moved on to other jobs or retired.

Today, all regional planners are responsible for administering all transit programs within their region. However, MDT Transit still has a staff person that is the expert on procurement, drug and alcohol, civil rights, and facilities that is able to be the point of contact and provide additional help to the regional planner when needed.

The biggest challenge was in the transition to getting all staff trained on all of the transit programs when they initially were only responsible for a specific program. The major success would be that now MDT Transit has staff that are cross-trained in all aspects of transit and can assist on any issue when needed. Additionally, staff meetings are more meaningful with all the managers discussing common issues. Furthermore, MDT Transit believes that all of its subrecipients are pleased with the regional planner approach since they do not have to call multiple program managers for assistance, as was the case prior to this transition.

Utah's In-House Developed Transit Software

In Utah, the Governor designated the Utah Department of Transportation (UDOT) to oversee the Federal Transit Administration Programs. The Public Transit Team (PTT) is a small division within Program Development at UDOT. The PTT manages and oversees the following FTA Programs: Section 5310 (40 subrecipients), Section 5311 (six subrecipients), and FTA Section 5339 (Small Urban and Statewide Rural Areas).

The original goal of the transit software was to develop a simple to use, online program for subrecipients to apply for FTA program funds, retain related subrecipient documents, and provide a web portal for subrecipient reporting. The UDOT PTT was looking for an electronic method to send subrecipient notices, receive applications, and reduce the amount of paper copies at the time of review. That goal was accomplished and more; modules have been added to PTT to address user and administrative needs.

Currently, PTT staff and subrecipients use the software on a daily basis. The Department of Technology Services (DTS) makes minor changes and updates, as needed. During the development of software, DTS staff needed training on how to use Oracle, so the consultant agreed to train staff, in trade for making the changes, so that DTS staff could maintain the software and do minor updates.

The challenge at first was that UDOT PTT was not sure what the result would look like. A key factor for success was in hiring a consultant who knew how to listen to staff and program what they wanted. Another challenge for the PTT staff was that while working on the software, the American Recovery and Reinvestment Act (ARRA) was implemented and became the priority, and staff did not have the proper amount of time to test the software.

The cost of the software development was approximately \$450,000. Implementation was minimal, mainly consisting of staff time. Annual cost to maintain PTT varies currently from \$80,000 to \$200,000, depending on updates necessary to meet requirements of FTA guidance. The Department of Technology Services pays maintenance costs.

Subrecipients have been very receptive and have liked using the software. Because of the simplicity, most subrecipients learn to use the system quickly. Overall, the software has been a positive addition for the PTT staff and subrecipients.

New Jersey's Innovation Grant

In identifying methods of spending down older grant funds, NJ Transit developed the Innovation Grant. The agency's FTA Section 5311 Innovation Grant is a designation of a portion of unused funding allocated to Section 5311 eligible counties, which is available to these counties on a competitive application basis. The objective is to provide funding to promote integration of community transit services and NJ Transit bus and rail services in rural counties.

Project applications must meet the extensive and specific standards as outlined by NJ Transit in order to be eligible for competitive review.

Only direct operating expenses for the provision of vehicle services including driver salary and benefits, fuel, vehicle parts and maintenance labor or the cost of contract operated service are eligible. Operating expenses including operations management, dispatch and training are not eligible expenses. It is assumed that the transit system will be able to provide these direct operating support services within the context of the existing service or through other grant funding sources.

The applicant must demonstrate the financial capability to provide the required 25% match, which must be used in combination with the NJ Transit 25% match to support half of the direct operating expenses for the proposed service.

A maximum of \$200,000 (including the applicant's 25% match) will be made available to a single project. At the time of this report, there were 15 Section 5311 subrecipients operating in New Jersey. Out of the 13 eligible counties in the State, three projects were awarded and implemented by the spring of 2016. The challenge of collecting the necessary local matching funds prevented more counties from applying for the funds.

The service must meet a minimum threshold of four passenger trips per revenue hour at the end of the initial service period. Services not meeting the minimum operating standard will not be eligible for continued funding in the next year.

New Jersey's S-RIDES System

As administrators of several Federal Transit Administration grant programs as well as the State of New Jersey Senior Citizen and Disabled Resident Assistance Program (SCDRTAP or commonly referred to as casino revenue), it is NJ Transit's responsibility to ensure satisfactory continuing control of its programs and Federal assets. NJ Transit does this through requiring grant subrecipients to submit ridership reports, maintenance reports, milestone reports and by NJ Transit staff performing maintenance/vehicle inspections as well as on-site program reviews. In 2007, the S-RIDES system was developed to help NJ Transit track and manage its Federal awards. Although this web-based system was originally developed as a database for FTA awarded vehicle, its functionality has been expanded.

Currently, there are two versions of S-RIDES, the internal version that NJ Transit staff uses in administering these grants and an external component that subrecipients use. Having this system in place has helped NJ Transit in administering its programs and handling the compliance aspect of each grant.

Web-S-RIDES is an application that was designed for NJ Transit's 140 subrecipients to input reports, including quarterly ridership and maintenance for vehicles and monthly ridership for operating and quarterly milestone reports for Mobility Management projects. These reports are submitted online to NJ Transit via the external S-RIDES system, after which NJ Transit reviews and either approves or denies the reports. If a report is approved, the information then synchronizes into the internal component of the system. The application allows the users the option to either type in the information or import data put together by other applications electronically (Route Match, Trapeze etc.).

As of 2014, subrecipients can also submit Section 5310 grant application online via S-RIDES, and then the applications are synchronized into the internal component of the system. This process allows NJ Transit to capture all agency data, including service area, vehicle inventory, DUNS number, MVC corporation code, ridership data, maintenance policies, driver training, locations of garages, contacts, and policies. Once applications are submitted, the entire process continues on S-RIDES, including scoring to approving projects, creating the Program of Projects, sending out inclusion and exclusion letters, and finally administering the award.

NJ Transit is able to use this system as a database for all FTA capital and operating awards, approve and deny Ridership and Maintenance Reports from subrecipients, send reminders when Certificates of Insurance are due, manage agency contacts, manage Third Party Agreements, and more. Although NJ Transit uses portions of the system for all programs, Section 5310 is the only grant that is included from start to finish. NJ Transit hopes to continue to enhance this system and eventually include all grants.

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Appendix A: State Administrative Funds Survey

The purpose of NCHRP 20-65 Task 66 is to explore how State transit organizations are using State administrative funds for the administration of the FTA programs and to provide information on the tools, technology, staffing strategies and opportunities that are employed by the various States in the administration of the Sections 5311 and 5310 Programs. The inventories of each State's Transit Office should provide your office with ideas and insights into how other States administer their FTA grant programs given the ever increasing demand on limited financial resources both at the Federal and State levels. Thank you for taking your valuable time to complete this survey.

Please complete and submit the following survey to the best of your ability by February 12, 2016. If you have questions or concerns, please contact Zach Kincade at zkincade@rlsandassoc.com or (937) 299-5007.

Name of Person Completing the Survey: _____

Phone Number: _____ Email: _____

State Transit Office

1. Is your State Transit Office part of your State's DOT?

Yes

No

a. If your State's Transit Office is not located within the DOT, in what State agency is it located?

State Transit Office Personnel

2. Regardless of funding sources, if the Governor of your State asked how many [State-paid individuals](#) provide staffing for the FTA State administered programs, how many employees would that be?

3. In the past 5 years, your [State-paid individuals/employees](#) have:

- Increased
- Decreased
- Stayed the same

4. Please describe the reason(s) for any changes in your State-paid positions during the past 5 years.

Regardless of funding sources, how many of these positions are filled (i.e., current number of employees in your transit office)?

Regardless of funding sources, how many of these positions are vacant?

5. Using this chart, please indicate the number of Full Time Equivalents (FTEs), rounded to the nearest quarter FTE or portions of FTEs assigned to these areas. **

Individuals working approximately 25% of their time on procurement (0 – 520 hours/year) = 0.25

Individuals working approximately 50% of their time on procurement (521 – 1040 hours/year) = 0.50

Individuals working approximately 75% of their time on procurement (1041 – 1560 hours/year) = 0.75

Individuals working approximately 100% of their time on procurement (1561 – 2080 hours/year) = 1.0

If your staff is based on a cost allocation plan, using the chart provided, indicate the number of transit employees.

| FTA or State Program | FTA Funds Only | State Funds Only | Both FTA and State funds | Other* |
|---|----------------|------------------|--------------------------|--------|
| A. Urban Area Programs (Sections 5307 and 5340) | | | | |
| B. Fixed Guideway (5309) | | | | |
| C. Enhanced Mobility of Seniors and Individuals with Disabilities (Section 5310) | | | | |
| D. Section 5311 Grants including Appalachian Development Public Transportation Assistance (Overall Program) | | | | |
| E. Tribal (5311) | | | | |
| F. Rural Transit Assistance Program (5311) | | | | |
| G. Planning (Sections 5303, 5304, and 5305) | | | | |
| H. Bus and Bus Facilities (Section 5339) | | | | |
| I. Safety (Section 5329) | | | | |
| J. Transit Asset Management (Section 5320) | | | | |
| K. Other (Please Specify) | | | | |
| TOTALS | | | | |

*Please describe in the appropriate row what your State Transit Office considers “Other” funds.

**The total number should equal the total number of employees as stated in question number 2.

6. Using the chart below, please indicate the number of Full Time Equivalents (FTEs), rounded to the nearest quarter FTE or portions of FTEs assigned to these areas. **

Individuals working approximately 25% of their time on procurement: (0 – 520 hours/year) = 0.25

Individuals working approximately 50% of their time on procurement: (521 – 1040 hours/year) = 0.50

Individuals working approximately 75% of their time on procurement: (1041 – 1560 hours/year) = 0.75

Individuals working approximately 100% of their time on procurement: (1561 – 2080 hours/year) = 1.0

If you staff based on a cost allocation plan, using the chart provided, indicate the number of transit employees.

| FTA or State Program | FTA Funds Only | State Funds Only | Both FTA and State funds | Other* |
|--|----------------|------------------|--------------------------|--------|
| A. State Contracts Procurements | | | | |
| B. Oversight of Subrecipients Procurements | | | | |
| C. Civil Rights, including DBE, ADA, Title VI, Environmental Justice | | | | |
| D. Compliance | | | | |
| E. Coordination | | | | |
| F. Intercity | | | | |
| G. Ridesharing/Van pooling | | | | |
| H. State Transit Programs | | | | |
| I. Other (Please Specify) | | | | |
| TOTALS | | | | |

*Please describe in the appropriate row what your State Transit Office considers "Other" funds.

**The total number should equal the total number of employees as stated in question number 2.

7. Ancillary Services

| Ancillary Services Provided to the State Transit Office <i>By Other Divisions/Offices of the DOT</i> | Are you Required to Reimburse the DOT Division/Office Providing the Ancillary Services? | | |
|--|---|----|----------------------|
| | Yes | No | Service not provided |
| Financial | | | |
| Human Resources | | | |
| Legal | | | |
| Civil Rights | | | |
| Communications/Public Affairs | | | |
| Planning | | | |
| Procurement | | | |
| Real Estate | | | |
| Other: _____ | | | |

| Ancillary Services Provided to the State Transit Office <i>By Other State agencies</i> | Are you Required to Reimburse the State Agency Providing the Ancillary Services? | | |
|--|--|----|----------------------|
| | Yes | No | Service not provided |
| Financial | | | |
| Human Resources | | | |
| Legal | | | |
| Civil Rights | | | |
| Communications/Public Affairs | | | |

| | | | |
|--------------|--|--|--|
| Planning | | | |
| Procurement | | | |
| Real Estate | | | |
| Other: _____ | | | |

8. Does your State Transit Office use contractor services?

Yes

No

a. If contractor services are used, please indicate the percentage that the State Transit Office use contractors.

_____ %

9. In your opinion, how long does it take an individual with no transit grant background to become proficient in the administration of FTA grants?

- Less than 12 months
- 1 to 2 years
- 2 to 3 years
- Other: _____

10. What FTA regulation(s) consume the most of your State Transit Office’s resources or is the most difficult to implement?

11. If you could choose only three resources, what would be the three most valuable technical assistance products/classes/conferences that are already being provided to your State Transit Office (For example: RTAP, FTA, CTAA, AASHTO, etc.)? Why?

12. Please describe the single most valuable technical assistance product/class/conference that should be provided to your State Transit Office. Why?

13. Please describe any State prohibitions such as limitations on hiring, travel, or use of contractors that are imposed by your state and how they impact the administration of the FTA programs.

Sections 5310 and 5311 State Administrative Funds

14. How many Section 5310 subrecipients does your state currently have?

15. Does your State use Section 5310 State administrative funds?

Yes

No (skip to question number 17)

16. Of the Section 5310 administrative funds currently available to your transit office, approximately what percentage is currently being used for state administrative expenses?

17. Using the following categories, please estimate the percentage of Section 5310 administrative funds spent on each of these categories. Total should equal 100%.

| Category | Percentage of total Section 5310 administrative funds spent |
|------------------------------|---|
| Salaries and Fringe Benefits | |
| Travel | |
| Office Expenses | |
| Contractor Services | |
| Other: _____ | |

| Category | Percentage of total Section 5310 administrative funds spent |
|---|---|
| Compliance Monitoring of Subrecipients | |
| Technical Assistance Projects Beyond RTAP | |
| Planning | |
| Safety | |
| Transit Asset Management (TAM) | |
| Other: _____ | |

18. How many Section 5311 subrecipients does your state currently have?

| Subrecipient by Program | Number of Subrecipients |
|---------------------------------|-------------------------|
| Section 5311 | |
| Intercity Bus (Section 5311(f)) | |
| Tribal | |

19. Does your State use Section 5311 state administrative funds?

Yes

No (Skip to question number 23)

20. Of the Section 5311 administrative funds currently available to your State Transit Office, approximately what percentage is currently being used for state administrative expenses?

21. Using the following categories, please estimate the percentage of Section 5311 administrative funds spent on each of these categories. The total should equal 100%.

| Category | Percentage of total Section 5311 administrative funds spent |
|------------------------------|---|
| Salaries and Fringe Benefits | |
| Travel | |
| Office Expenses | |
| Contractor Services | |
| Other: _____ | |

| Category | Percentage of total Section 5311 administrative funds spent |
|---|---|
| Compliance Monitoring of Subrecipients | |
| Technical Assistance Projects Beyond RTAP | |
| Planning | |
| Safety | |
| Transit Asset Management (TAM) | |
| Other: _____ | |

22. On a scale of 1 to 5, with 5 being most important, please rate how important FTA Sections 5310 and 5311 administrative funds are to your State’s transit program.

1 2 3 4 5

23. Please describe how the State Transit Office would fund administrative expenses if Section 5310 and Section 5311 administrative expenses were not available.

24. Please describe any effect(s) the reduction of Section 5311 state administrative funds from 15% to 10% has had on your Section 5311 program.

25. How frequently does your State Transit Office conduct Section 5310 oversight/compliance reviews?

26. How are the Section 5310 oversight/compliance reviews conducted? (Select all that apply.)

- By in-house staff
- By outside contractors/consultants
- Other (please describe)

27. How frequently does your State Transit Office conduct Section 5311 oversight/compliance reviews?

28. How are the Section 5311 oversight/compliance reviews conducted? (Select all that apply.)

- By in-house staff
- By outside contractors
- Other (please describe)

29. In the administration of the Sections 5310 and 5311 programs, what is the most challenging aspect(s) for your State's transit office?

Section 5310:

Section 5311:

30. How does your State administer the Rural Transit Assistance Program?

- 100% of the administration and operation is conducted in-house.
- Only in-house, with selected training and services contracted out on a short-term basis (contracts are let as needed).
- Only in-house, with selected training and services contracted out on an on-going (multi-year contract) basis.
- Contracting training (all or in part) with the State Transit Association. If you use the State Transit Association to provide your training, what percentage do they provide?
_____ %
- Total administration and operation of the program is contracted out.
- Combination of in-house staff and/or outside [contractors](#).

31. Contractors are: (select all that apply)

For RTAP:

- Not used by the State Transit Office
- Contractors are from universities or colleges
- Contractors are private contractors
- Other (please describe): _____

For the Section 5311 Program:

- Not used by the State Transit Office
- Contractors are from universities or colleges
- Contractors are private contractors
- Other (please describe): _____

For the Section 5310 Program:

- Not used by the State Transit Office
- Contractors are from universities or colleges
- Contractors are private contractors
- Other (please describe): _____

32. Does your State administer the State Safety Oversight (SSO) program?

Yes

No

33. Does your office use the FTA funding available for the State administration of the SSO Program?

- Yes
- No

34. When implementing the new Transit Asset Management and Safety requirements, our office plans to (Select all that apply):

- Use existing organizational structure and staff to accommodate the new requirements
- Reassign existing staff
- Hire more staff
- Contract with another state agency
- Obtain outside contractors
- Obtain contractors to supplement current or new staff
- Other (please describe)

35. Is the level of funding available (either Federal or State) for the State Transit Office a concern in meeting Transit Asset Management and Safety requirements?

- Yes
- No

36. What trends do you foresee in the next five years in regards to State administrative issues (i.e., new Federal requirements or programs, retirements, etc.)?

37. What are the top three programs or actions your organization has implemented that have been cost effective or resulted in efficiencies in the administration of the FTA grant programs, for example, new organizational structures, more efficient ways to conduct compliance reviews, etc.

1. _____
2. _____
3. _____

Appendix B: States-At-A-Glance Quick Reference

ALASKA

State Transit Office Personnel: 4.5

Number of Filled positions: 4.5

Number of Vacant positions: 0

The Number of employees for the State DOT has stayed the same for the last five years.

Number of 5310 Recipients: 21

Number of 5311 Recipients: 12

Number of 5311(f) Recipients: 2

Funding for State Office: Combination of federal and state funds

Percent of administrative funds currently being used for state administrative purposes:

- **Section 5310:** 100%
- **Section 5311:** 100%

Percent State DOT uses contractors: 15%

How is the Rural Transit Administration Program (RTAP) administered: Combination of in-house staff and/or outside contractors

The FTA regulation(s) that consumes most of your office's resources or is the most difficult to implement: Procurement and the new Asset Management regulations

Promising Practices: 1. Subrecipient compliance reviews and the training provided as part of these reviews; 2. Electronic Grants Management Program; 3. Management Concepts training

ARKANSAS

State DOT Personnel: 13

Number Filled positions: 13

Number of Vacant positions: 0

The Number of employees for the State DOT has increased in the last five years.

Number of 5310 Recipients: 146

Number of 5311 Recipients: 9

Number of 5311(f) Recipients: 2

Funding for State Office: Not provided

Percent of administrative funds currently being used for state administrative purposes:

- **Section 5310:** 100%
- **Section 5311:** 100%

Percent State DOT uses contractors: Do not use contractors.

How is the Rural Transit Administration Program (RTAP) administered: Contracting training (all or in part) with the State Transit Association

The FTA regulation(s) that consumes most of your office’s resources or is the most difficult to implement: Monitoring, oversight and technical assistance

Promising Practices: 1. Leadership support, empowerment and open information exchange; 2. Additional staffing to fulfill FTA requirements; 3. Records organization and management

CALIFORNIA

State DOT Personnel: 20

Number Filled positions: 20

Number of Vacant positions: 0

The Number of employees for the State DOT has decreased in the last five years.

Number of 5310 Recipients: 187

Number of 5311 Recipients: 90

Number of 5311(f) Recipients: 25

Funding for State Office: Combination of federal and state funds

Percent of administrative funds currently being used for state administrative purposes:

- **Section 5310:** 100%
- **Section 5311:** 100%

Percent State DOT uses contractors: 10%

How is the Rural Transit Administration Program (RTAP) administered: Contracting training (all or in part) with the State Transit Association

The FTA regulation(s) that consumes most of your office’s resources or is the most difficult to implement: Drug and Alcohol, Title VI and Americans with Disabilities Act

Promising Practices: 1. Electronic Grants Management; 2. Procurement Process Improvements;
3. Contracting out services

FLORIDA

State DOT Personnel: 30

Number Filled positions: 30

Number of Vacant positions: 3

The Number of employees for the State DOT has decreased in the last five years.

Number of 5310 Recipients: 185

Number of 5311 Recipients: 67

Number of 5311(f) Recipients: 2

Funding for State Office: State funds only

Percent of administrative funds currently being used for state administrative purposes:

- **Section 5310:** Zero
- **Section 5311:** Zero (Florida uses the State Administrative funds to provide technical resources to its subrecipients. Florida does not use those funds for FDOT Personnel or project administration.)

Percent State DOT uses contractors: 34%

How is the Rural Transit Administration Program (RTAP) administered: Combination of in-house staff and/or outside contractors

The FTA regulation(s) that consumes most of your office's resources or is the most difficult to implement: Oversight

Promising Practice: New Triennial Review Process

GEORGIA

State DOT Personnel: 14

Number Filled positions: 12

Number of Vacant positions: 2

The Number of employees for the State DOT has stayed the same for the last five years.

Number of 5310 Recipients: 12

Number of 5311 Recipients: 112

Number of 5311(f) Recipients: 2

Funding for State Office: Combination of federal and state funds

Percent of administrative funds currently being used for state administrative purposes:

- **Section 5310:** Zero
- **Section 5311:** 100%

Percent State DOT uses contractors: 10%

How is the Rural Transit Administration Program (RTAP) administered: Combination of in-house staff and/or outside contractors

The FTA regulation(s) that consumes most of your office's resources or is the most difficult to implement: FTA oversight to subrecipients and managing paper processes

Promising Practice: Not provided

HAWAII

State DOT Personnel: 5

Number Filled positions: 3

Number of Vacant positions: 2

The Number of employees for the State DOT has stayed the same for the last five years.

Number of 5310 Recipients: 18

Number of 5311 Recipients: 3

Number of 5311(f) Recipients: 0

Funding for State Office: Combination of federal and state funds

Percent of administrative funds currently being used for state administrative purposes:

- **Section 5310:** 100%
- **Section 5311:** 100%

Percent State DOT uses contractors: Contractors are not used.

How is the Rural Transit Administration Program (RTAP) administered: 100% of the administration and operation is conducted in-house.

The FTA regulation(s) that consumes most of your office's resources or is the most difficult to implement: Compliance and Oversight

Promising Practice: Not provided

IDAHO

State DOT Personnel: 6

Number Filled positions: 5

Number of Vacant positions: 1

The Number of employees for the State DOT has decreased in the last five years.

Number of 5310 Recipients: 4

Number of 5311 Recipients: 14

Number of 5311(f) Recipients: 1

Number of Tribal Recipients: 2

Funding for State Office: FTA and limited State funding for capital as provided by the ITD Board.

Percent of administrative funds currently being used for state administrative purposes:

- **Section 5310:** 10%
- **Section 5311:** 10%

Percent State DOT uses contractors: 5%

How is the Rural Transit Administration Program (RTAP) administered: Only in-house, with selected training and services contracted out on a short-term basis (contracts are let as needed).

The FTA regulation(s) that consumes most of your office’s resources or is the most difficult to implement: Grant Management – allowable versus unallowable expenses, manuals, updates, and process management

Promising Practices: 1. Public Transportation Economic Development Program; 2. Public Transit Safety Program; 3. Public Transit Outreach Program

INDIANA

State DOT Personnel: 6

Number Filled positions: 6

Number of Vacant positions: 0

The Number of employees for the State DOT has stayed the same for the last five years.

Number of 5310 Recipients: 75
Number of 5311 Recipients: 43
Number of 5311(f) Recipients: 2

Funding for State Office: INDOT uses 100% of Federal funds (Sections 5310 and 5311) for direct costs and State funds for indirect costs.

Percent of administrative funds currently being used for state administrative purposes:

- **Section 5310:** 3 – 5%
- **Section 5311:** 3 – 5%

Percent State DOT uses contractors: 10%

How is the Rural Transit Administration Program (RTAP) administered: Total administration and operation of the program is contracted out

The FTA regulation(s) that consumes most of your office’s resources or is the most difficult to implement: NTD Reporting

Promising Practices: 1. Technology (Electronic files and documents); 2. New reporting forms for sub-grantees; 3. Reimbursing intercity bus operators by cost per mile in lieu of operating cost

LOUISIANA

State DOT Personnel: 13
 Number Filled positions: 13
 Number of Vacant positions: 0

The Number of employees for the State DOT has stayed the same for the last five years.

Number of 5310 Recipients: 76
Number of 5311 Recipients: 35
Number of 5311(f) Recipients: 1

Funding for State Office: Not provided

Percent of administrative funds currently being used for state administrative purposes:

- **Section 5310:** 100%
- **Section 5311:** 50%

Percent State DOT uses contractors: 10%

How is the Rural Transit Administration Program (RTAP) administered: Combination of in-house staff and/or outside contractors.

The FTA regulation(s) that consumes most of your office’s resources or is the most difficult to implement: Drug and alcohol, Title VI and DBE

Promising Practices: 1. Implemented new software for tracking financial, ridership, and vehicle maintenance data on subrecipients; 2. Implemented a new online application to apply for FTA programs; 3. LaGov system (Louisiana Resource Planning System) – Grants management, accounts payable and accounts

MASSACHUSETTS

State DOT Personnel: 15

Number Filled positions: 13

Number of Vacant positions: 0

The Number of employees for the State DOT has increased in the last five years.

Number of 5310 Recipients: 30

Number of 5311 Recipients: 4

Number of 5311(f) Recipients: 1

Funding for State Office: Combination of federal and state funds

Percent of administrative funds currently being used for state administrative purposes

- **Section 5310:** 75%
- **Section 5311:** 75%

Percent State DOT uses contractors: 25%

How is the Rural Transit Administration Program (RTAP) administered: Combination of in-house staff and/or outside contractors.

The FTA regulation(s) that consumes most of your office’s resources or is the most difficult to implement: Compliance, site visits, intercity bus

Promising Practices: 1. Hiring a compliance vendor to perform compliance reviews; 2. More resources added to department; 3. Hiring RTAP and engineering vendors to help administer the federal programs

MAINE

State DOT Personnel: 4

Number Filled positions: 4

Number of Vacant positions: 0

The Number of employees for the State DOT has stayed the same for the last five years.

Number of 5310 Recipients: 9

Number of 5311 Recipients: 9

Number of 5311(f) Recipients: 4

Funding for State Office: Combination of federal and state funds

Percent of administrative funds currently being used for state administrative purposes:

- **Section 5310:** 100%
- **Section 5311:** 100%

Percent State DOT uses contractors: 5%

How is the Rural Transit Administration Program (RTAP) administered: Combination of in-house and/or outside contractors.

The FTA regulation(s) that consumes most of your office’s resources or is the most difficult to implement: Bus procurement

Promising Practices: 1. Wrote a strategic transit plan; 2. Hired outside consultant to help implement; 3. Revised the State Management Plan

MICHIGAN

State DOT Personnel: 29

Number Filled positions: 29

Number of Vacant positions: 0

The Number of employees for the State DOT has stayed the same for the last five years.

Number of 5310 Recipients: 61

Number of 5311 Recipients: 67

Number of 5311(f) Recipients: 1

Funding for State Office: Combination of federal and state funds

Percent of administrative funds currently being used for state administrative purposes:

- **Section 5310:** 0%

- **Section 5311:** 47% (of the eligible amount for administration.)

Percent State DOT uses contractors: 1%

How is the Rural Transit Administration Program (RTAP) administered: Total administration and operation of the program is contracted out.

The FTA regulation(s) that consumes most of your office's resources or is the most difficult to implement: Procurement, Drug and Alcohol

Promising Practices: 1. Consolidated procurement awards (RFP and IFB) to one staff person and compliance reviews to one other person; 2. University assistance in measuring and improving transit best practices; 3. Transfers of RTAP and some training to transit associations

MINNESOTA

State DOT Personnel: 28
Number Filled positions: 28
Number of Vacant positions: 0

The Number of employees for the State DOT has increased during the last five years.

Number of 5310 Recipients: 72
Number of 5311 Recipients: 34
Number of 5311(f) Recipients: 3
Number of Tribal Recipients: 2

Funding for State Office: Combination of federal and state funds

Percent of administrative funds currently being used for state administrative purposes

- **Section 5310:** 100%
- **Section 5311:** 100%

Percent State DOT uses contractors: 10%

How is the Rural Transit Administration Program (RTAP) administered: Only in-house, with selected training and services contracted out on a short-term basis (contracts are let as needed)

The FTA regulation(s) that consumes most of your office's resources or is the most difficult to implement: Procurement, DBE

Promising Practices: 1. Transit for Our Future initiative – encouraged cooperation, coordination and consolidation among 5311 subrecipients; 2. Grants management software; 3. Service studies to assist with consolidations of willing Section 5311 subrecipients

MISSISSIPPI

State DOT Personnel: 13

Number Filled positions: 12

Number of Vacant positions: 1

The Number of employees for the State DOT has stayed the same for the last five years.

Number of 5310 Recipients: 43

Number of 5311 Recipients: 18

Number of 5311(f) Recipients: 1

Number of Tribal Recipients: 1

Funding for State Office: Not provided

Percent of administrative funds currently being used for state administrative purposes

- **Section 5310:** No
- **Section 5311:** 100%

Percent State DOT uses contractors: Not used

How is the Rural Transit Administration Program (RTAP) administered: 100% of the administration and operation is conducted in-house

The FTA regulation(s) that consumes most of your office’s resources or is the most difficult to implement: 5310, specifically oversight requirements; Construction management; 4220 Third Party Contracting/Procurement

Promising Practices: 1. Working closer with the other DOT Divisions to manage construction/renovation projects and for technology; 2. Grants management software development; 3. Procurement oversight checklist and concurrent process

MISSOURI

State DOT Personnel: 4

Number Filled positions: 4

Number of Vacant positions: 0

The Number of employees for the State DOT has decreased in the last five years.

Number of 5310 Recipients: 191
Number of 5311 Recipients: 32
Number of 5311(f) Recipients: 3

Funding for State Office: FTA only

Percent of administrative funds currently being used for state administrative purposes

- **Section 5310:** 100%
- **Section 5311:** 25%

Percent State DOT uses contractors: 25%

How is the Rural Transit Administration Program (RTAP) administered: Total administration and operation of the program is contracted out.

The FTA regulation(s) that consumes most of your office’s resources or is the most difficult to implement: Asset Management and safety

Promising Practices: Hiring consultants to conduct compliance reviews; 2. Automation of applications/forms; 3. Efficient staff

MONTANA

State DOT Personnel: 7
Number Filled positions: 6
Number of Vacant positions: 1

The Number of employees for the State DOT has decreased in the last five years.

Number of 5310 Recipients: 22
Number of 5311 Recipients: 31
Number of 5311(f) Recipients: 5
Number of Tribal Recipients: 4

Funding for State Office: Combination of federal and state funds

Percent of administrative funds currently being used for state administrative purposes

- **Section 5310:** 0% All funds are used for capital.
- **Section 5311:** 100%

Percent State DOT uses contractors: Not used

How is the Rural Transit Administration Program (RTAP) administered: 100% of the administration and operation is conducted in-house.

The FTA regulation(s) that consumes most of your office’s resources or is the most difficult to implement: National Transit Database reporting

Promising Practices: 1. Regional Transit Planners rather than Program Managers; 2. Motor Carrier Services handles vehicle inspections; 3. 5311/5310 Compliance Review Process

NEW JERSEY

State DOT Personnel: 18

Number Filled positions: 16

Number of Vacant positions: 2

The Number of employees for the State DOT has stayed the same for the last five years.

Number of 5310 Recipients: 124

Number of 5311 Recipients: 15

Number of 5311(f) Recipients: 1

Funding for State Office: Combination of federal and state funds

Percent of administrative funds currently being used for state administrative purposes:

- **Section 5310:** 100%
- **Section 5311:** 100%

Percent State DOT uses contractors: 14%

How is the Rural Transit Administration Program (RTAP) administered: Combination of in-house staff and/or outside contractors.

The FTA regulation(s) that consumes most of your office’s resources or is the most difficult to implement: Title VI and National Transit Database reporting

Promising Practices: 1. Electronic Tool S-RIDES – Grant, ridership database for internal and external users; 2. Providing webinars with RTAP funding as opposed to in person training; 3. Identifying methods to spend down older grants; e. i: innovation GRANT left over Section 5311 funding

NEW MEXICO

State DOT Personnel: 11

Number Filled positions: 11
 Number of Vacant positions: 0

The Number of employees for the State DOT has stayed the same for the last five years.

Number of 5310 Recipients: 20
Number of 5311 Recipients: 21
Number of 5311(f) Recipients: 4

Funding for State Office: Combination of Federal and state funds

Percent of administrative funds currently being used for state administrative purposes:

- **Section 5310:** 0% (All funds are granted to subrecipients)
- **Section 5311:** 100%

Percent State DOT uses for contractors: 25%

How is the Rural Transit Administration Program (RTAP) administered: Contracting training (all or in part) with the State Transit Association which provides 90% of the training.

The FTA regulation(s) that consumes most of your office’s resources or is the most difficult to implement: Vehicle and Facility Procurement and Procurement in general; Emerging: Transit Asset Management, Safety and TrAMS

Promising Practices: 1. Implementing performance measures/funding distribution index; 2. Comprehensive oversight program, safety program, and training and technical assistance program; 3. Implemented electronic grant management and performance system

NEW YORK

State DOT Personnel: 34
 Number Filled positions: 24
 Number of Vacant positions: 10

The Number of employees for the State DOT has stayed the same for the last five years.

Number of 5310 Recipients: 254
Number of 5311 Recipients: 51
Number of 5311(f) Recipients: 1
Number of Tribal Recipients: 1

Funding for State Office: Combination of federal and state funds

Percent of administrative funds currently being used for state administrative purposes:

- **Section 5310:** 100%
- **Section 5311:** 100%

Percent State DOT uses contractors: 30%

How is the Rural Transit Administration Program (RTAP) administered: Only in-house, with selected training and services contracted out on a short-term basis (contracts are let as needed).

The FTA regulation(s) that consumes most of your office’s resources or is the most difficult to implement: Procurement, Civil Rights and program changes such as JARC/NF

Promising Practices: 1. Developed a web-based 5310 application process; 2. Developed an internal database to track grant awards, state budgets, grant revisions, contracts and payments and milestones in one place; 3. Provide more guidance and technical assistance through webinars and resources posted on NYSDOT PTB website

NORTH CAROLINA

State DOT Personnel: 26

Number Filled positions: 25

Number of Vacant positions: 1

The Number of employees for the State DOT has stayed the same for the last five years.

Number of 5310 Recipients: 58

Number of 5311 Recipients: 81

Number of 5311(f) Recipients: 2

Funding for State Office: Combination of federal and state funds

Percent of administrative funds currently being used for state administrative purposes

- **Section 5310:** 100%
- **Section 5311:** 100%

Percent State DOT uses contractors: Not provided.

How is the Rural Transit Administration Program (RTAP) administered: Combination of in-house staff and/or outside contractors.

The FTA regulation(s) that consumes most of your office’s resources or is the most difficult to implement: Financial and program management

Promising Practices: 1. New organizational structure; 2. Combining compliance with site visits and streamlining contractor activities; 3. New 5-year budget plan

NORTH DAKOTA

State DOT Personnel: 4.5

Number Filled positions: 4.5

Number of Vacant positions: 0

The Number of employees for the State DOT has stayed the same for the last five years.

Number of 5310 Recipients: 28

Number of 5311 Recipients: 26

Number of 5311(f) Recipients: 2

Number of Tribal Recipients: 4

Funding for State Office: Combination of federal and state funds

Percent of administrative funds currently being used for state administrative purposes:

- **Section 5310:** 0%
- **Section 5311:** 21%

Percent State DOT uses contractors: 5%

How is the Rural Transit Administration Program (RTAP) administered: Combination of in-house and/or outside contractors

The FTA regulation(s) that consumes most of your office’s resources or is the most difficult to implement: Civil Rights Program Areas

Promising Practices: Acquired a Grants Management/Invoicing Software – a cost savings is not yet known

OHIO

State DOT Personnel: 17

Number Filled positions: 13

Number of Vacant positions: 4

The Number of employees for the State DOT has decreased in the last five years.

Number of 5310 Recipients: 246

Number of 5311 Recipients: 34

Number of 5311(f) Recipients: 2

Funding for State Office: Combination of federal and state funds

Percent of administrative funds currently being used for state administrative purposes:

- **Section 5310:** 92%
- **Section 5311:** 23.5%

Percent State DOT uses contractors: 18.75%

How is the Rural Transit Administration Program (RTAP) administered: Only in-house, with selected training and services contracted out on an on-going (multi-year contract) basis.

The FTA regulation(s) that consumes most of your office’s resources or is the most difficult to implement: Procurement, DBE, Title VI, Safety/Security Oversight

Promising Practices: 1. 5311 applications are submitted through a web-based database; 2. Developed internal grant monitoring and balancing procedure; 3. Coordination of the DBE/Title VI requirements with another ODOT office

OKLAHOMA

State DOT Personnel: 8

Number Filled positions: 7

Number of Vacant positions: 1

The Number of employees for the State DOT has stayed the same for the last five years.

Number of 5310 Recipients: ODOT does not administer the Section 5310 program

Number of 5311 Recipients: 20

Number of 5311(f) Recipients: 14

Funding for State Office: FTA only

Percent of administrative funds currently being used for state administrative purposes

- **Section 5310:** Yes but the amount was not provided
- **Section 5311:** 100%

Percent State DOT uses contractors: 10%

How is the Rural Transit Administration Program (RTAP) administered: 100% of the administration and operation is conducted in-house.

The FTA regulation(s) that consumes most of your office’s resources or is the most difficult to implement: 5311 Program

Promising Practices: 1. Claims processing are managed through online management system, reducing errors and streamlining processes; 2. Online systems improves monitoring abilities of subrecipients; 3. Online system allows ability to produce various financial and performance reports

PENNSYLVANIA

State DOT Personnel: 13

Number Filled positions: 13

Number of Vacant positions: 0

The Number of employees for the State DOT has stayed the same for the last five years.

Number of 5310 Recipients: 60

Number of 5311 Recipients: 23

Number of 5311(f) Recipients: 5

Funding for State Office: Combination of federal and state funds

Percent of administrative funds currently being used for state administrative purposes

- **Section 5310:** 0% (All administrative activities are funded with State funding only.)
- **Section 5311:** 0% (All administrative activities are funded with State funding only.)

Percent State DOT uses contractors: 5%

How is the Rural Transit Administration Program (RTAP) administered: Total administration and operation of the program is contracted out

The FTA regulation(s) that consumes most of your office’s resources or is the most difficult to implement: DBE, Procurement, Drug and Alcohol and Title VI

Promising Practices: 1. Statewide Asset Management Tool was created (Capital Planning Tool); 2. 5311 IPAD Application to assist in compliance reviews; 3. Working on putting our Private Non-Profit application on Share Point

RHODE ISLAND

State DOT Personnel: 4

Number Filled positions: 4

Number of Vacant positions: 0

The Number of employees for the State DOT has stayed the same for the last five years.

Number of 5310 Recipients: 2
Number of 5311 Recipients: 0
Number of 5311(f) Recipients: 0

Funding for State Office: Combination of federal and state funds

Percent of administrative funds currently being used for state administrative purposes:

- **Section 5310:** 0%
- **Section 5311:** 0%

Percent State DOT uses contractors: 1%

How is the Rural Transit Administration Program (RTAP) administered: Only in-house, with selected training and services contracted out on a short-term basis (contracts are let as needed).

The FTA regulation(s) that consumes most of your office’s resources or is the most difficult to implement: Subrecipient compliance

Promising Practices: 1. Created a facilities maintenance work team (soft reorganization); 2. Hired compliance staff; 3. Paratransit division scheduling software upgrade and move toward data- driven management approach

SOUTH DAKOTA

State DOT Personnel: 3.3
 Number Filled positions: 3.3
 Number of Vacant positions: 0

The Number of employees for the State DOT has stayed the same for the last five years.

Number of 5310 Recipients: 20
Number of 5311 Recipients: 22
Number of 5311(f) Recipients: 1

Funding for State Office: Combination of federal and state funds

Percent of administrative funds currently being used for state administrative purposes:

- **Section 5310:** 100%
- **Section 5311:** 80%

Percent State DOT uses contractors: Not used.

How is the Rural Transit Administration Program (RTAP) administered: 100% of the administration and operation is conducted in-house.

The FTA regulation(s) that consumes most of your office’s resources or is the most difficult to implement: NTD, TEAM/TrAMS, procurement

Promising Practice: We went from yearly to once every three-year compliance reviews.

UTAH

State DOT Personnel: 3
 Number Filled positions: 3 (There are an additional 2 contract positions)
 Number of Vacant positions: 0
 The Number of employees for the State DOT has decreased in the last five years.

Number of 5310 Recipients: 40
Number of 5311 Recipients: 4
Number of 5311(f) Recipients: 2

Funding for State Office: FTA funds only

Percent of administrative funds currently being used for state administrative purposes:

- **Section 5310:** 100%
- **Section 5311:** 100%

Percent State DOT uses contractors: 40%

How is the Rural Transit Administration Program (RTAP) administered: Contracting training (all or in part) with the State Transit Association

The FTA regulation(s) that consumes most of your office’s resources or is the most difficult to implement: Late guidance with new bills

Promising Practices: 1. In-house developed transit software; 2. Contracting additional employees to handle workload

VERMONT

State DOT Personnel: 5.5
 Number Filled positions: 5.5

Number of Vacant positions: 0

The Number of employees for the State DOT has stayed the same for the last five years.

Number of 5310 Recipients: 8

Number of 5311 Recipients: 8

Number of 5311(f) Recipients: 2

Funding for State Office: Combination of federal and state funds

Percent of administrative funds currently being used for state administrative purposes:

- **Section 5310:** 0%
- **Section 5311:** 100%

Percent State DOT uses contractors: 1%

How is the Rural Transit Administration Program (RTAP) administered: Only in-house, with selected training and services contracted out on a short-term basis (contracts are let as needed)

The FTA regulation(s) that consumes most of your office's resources or is the most difficult to implement: Civil Rights

Promising Practices: We encouraged and succeeded in forging the merger of two sets of grant sub-recipients into consolidated systems

WEST VIRGINIA

State DOT Personnel: 10

Number Filled positions: 9

Number of Vacant positions: 1

The Number of employees for the State DOT has stayed the same for the last five years.

Number of 5310 Recipients: 66

Number of 5311 Recipients: 11

Number of 5311(f) Recipients: 2

Funding for State Office: FTA funds only

Percent of administrative funds currently being used for state administrative purposes:

- **Section 5310:** 100%
- **Section 5311:** 100%

Percent State DOT uses contractors: 15%

How is the Rural Transit Administration Program (RTAP) administered: Combination of in-house staff and/or outside contractors.

The FTA regulation(s) that consumes most of your office’s resources or is the most difficult to implement: Bus safety

Promising Practices: 1. Have established a schedule for conducting 5311 reviews; 2. Hired a contractor to assist in oversight activities and develop tools/conduct training for subrecipients to aid in meeting grant requirements; 3. Division conducts all major capital purchases (vehicle, facility, equipment) on behalf of its subrecipients including a computerized pre-trip inspection system

WYOMING

State DOT Personnel: 5

Number of Filled positions: 5

Number of Vacant positions: 0

The Number of employees for the State DOT has stayed the same for the last five years.

Number of 5310 Recipients: 5

Number of 5311 Recipients: 40

Number of 5311(f) Recipients: 5

Number of Tribal Recipients: 1

Funding for State Office: Combination of federal and state funds

Percent of administrative funds currently being used for state administrative purposes:

- **Section 5310:** 100%
- **Section 5311:** 100%

Percent State DOT uses contractors: 10%

How is the Rural Transit Administration Program (RTAP) administered: Combination of in-house staff and/or outside contractors

The FTA regulation(s) that consumes most of your office’s resources or is the most difficult to implement:

5311

Promising Practices: 1. Webinar training vs. in person classroom settings 2. Contracted with the Wyoming Department of Health on monitoring 3. Reorganized sub-recipient checklists for monitoring.

Appendix C: State Management Plan Requirements

| 5310 State Management Plan Requirements (FTA C 9070.1G 6/6/14) | 5311 State Management Plan Requirements (FTA C 9040.1G 10/24/14) | 5339 State Management Plan Requirements (FTA C 5100.1 5/18/15) |
|---|---|---|
| <p>A. Program Goals and Objectives. Describe the philosophy and policy underlying the recipient’s management of the Section 5310 program. Include a description of any process that exists for establishing long-term goals for providing transportation services to seniors and people with disabilities in the recipient’s area, including the process for long range planning and consultation with elected officials.</p> <p>B. Roles and Responsibilities. Specify the agencies designated to administer the Section 5310 program. Explain the respective roles and responsibilities of the recipients and their subdivisions, other recipient agencies or review boards, local governments, private providers, local applicants, and other involved parties.</p> <p>C. Coordination. Describe how the recipient coordinates with other agencies at the state or designated recipient level</p> | <p>A. Program Goals and Objectives. Describe the philosophy and policy underlying the state’s management of the Section 5311 program. Include a description of any process that exists for tracking the program goals for 49 U.S.C. 5311 in Chapter II Section 2 of 9040.1G Circular and establishing long-term goals for providing rural public transportation in rural areas of the state, including the state’s process for long-range planning and consultation with rural elected officials.</p> <p>B. Roles and Responsibilities. Specify the agency designated by the Governor to administer the Section 5311 program. Explain the respective roles and responsibilities of the state agency and its subdivisions, other state agencies or review boards, local governments, private providers, local applicants, and other involved parties. Include a brief discussion of the statewide long-range</p> | <p>A. Program Goals and Objectives. Describe the philosophy and policy underlying the recipient’s management of the Section 5339 program. Include a description of any process that exists for establishing long-term goals for replacing buses, bus equipment, and bus facilities for grant recipients.</p> <p>B. Roles and Responsibilities. Specify the agencies designated to administer the Section 5339 Program. Explain the respective roles and responsibilities of the recipients and their subdivisions, other recipient agencies or review boards, local governments, private providers, local applicants, and other involved parties</p> <p>C. Coordination. Describe how the recipient coordinates with other agencies at the state or designated recipient level and encourages and enhances coordination at the project level. This could include a</p> |

- and encourages and enhances coordination at the project level. This could include a description of any recipient-level coordinating mechanisms, legislation, review boards, and state or designated recipient policies that encourage or mandate coordination at the local level.
- D. **Eligible Subrecipients.** Describe which entities are eligible to apply for funds, and describe any recipient eligibility requirements that are more restrictive than federal eligibility.
- E. **Local Share and Local Funding Requirements.** Describe any recipient policies on provision of local matching share. Include a description of any programs which provide matching funds for Section 5310.
- F. **Project Selection Criteria and Method of Distributing Funds.** A competitive selection process is not required; whether or not the recipient engages in a competitive process, the recipient should describe the recipient's criteria for selecting projects and distributing funds among various applicants.
- transportation planning process.
- C. **Coordination.** Describe how the state coordinates with other agencies at the state level, and encourages and enhances coordination at the project level. This could include a description of any state level coordinating mechanisms, legislation, review boards, and state policies that encourage or mandate coordination at the local level.
- D. **Eligible Subrecipients.** Describe which entities may apply to the state for funds as subrecipients and what kinds of projects the state may conduct itself as primary recipient. Identify any way in which state eligibility is more restrictive than federal eligibility. Describe methods for participation by other entities, including private for-profit providers such as taxicab companies or intercity bus operators.
- E. **Eligible Services and Services Areas.** Describe eligible services and service areas, including any limitation the state imposes in addition to federal rules. The definition of transit service area is a state and
- description of any recipient-level coordinating mechanisms, legislation, review boards, and state or designated recipient policies that encourage or mandate coordination at the local level.
- D. **Eligible Subrecipients.** Describe which entities are eligible to apply for funds, and describe any recipient eligibility requirements that are more restrictive than federal eligibility.
- E. **Local Share and Local Funding Requirements.** Describe any recipient policies on provision of local matching share. Include a description of any programs which provide matching funds for Section 5339.
- F. **Project Selection Criteria and Method of Distributing Funds.** The National Distribution funds may be transferred to the Section 5307/5311(c) programs or be distributed by the state using a process of their choosing. The state has the flexibility to allocate funding amongst small UZAs using a process of their choosing. A competitive selection process is not required; whether or not the

Whether the recipient uses a formula for allocation, imposes its own limitations on use of the funds, or uses an entirely discretionary selection process, the plan should explain the policy rationale and the methods used. This description should include the recipient's procedures for (1) assuring equity of distribution of benefits among eligible groups within the state or urbanized areas, as required by Title VI of the Civil Rights Act; (2) assuring that projects were included in a locally developed coordinated plan; and (3) documenting evidence that the local coordinated plan was developed and approved in cooperation with stakeholders, including individuals with disabilities and seniors utilizing transportation services.

- G. Annual Program of Projects Development and Approval Process.** Describe the recipient's process and timetable for soliciting, reviewing, and approving applications for local projects to be included in the state's annual POP for Section 5310. The SMP/PMP may

local decision. Include here any state policies and procedures related to the provision of service to destinations outside the state.

- F. Eligible Assistance Categories.** Describe eligible assistance categories, particularly when more explicit or more restrictive than federal categories. Include any restrictions on eligible expenses and the state's policy on allocation of costs between administrative, operating, planning, and capital expenses.
- G. Local Share and Local Funding Requirements.** Describe the state's policies on provision of local share. Include any state programs which provide matching funds for Section 5311.
- H. Project Selection Criteria and Method of Distributing Funds.** Describe the state's criteria for selecting projects and distributing funds fairly and equitably among various applicants for funding, including tribal governments and other entities serving Native American populations. Whether the state uses a formula for allocation, imposes its

recipient engages in a competitive selection process, the recipient should describe in its SMP/PMP the criteria for selecting projects and distributing funds among various applicants. Whether the recipient uses a formula for allocation, imposes its own limitations on use of the funds, or uses an entirely discretionary selection process, the plan should explain the policy rationale and the methods used.

- G. Annual Program of Projects Development and Approval Process.** Describe the recipient's process and timetable for soliciting, reviewing, and approving applications for local projects to be included in the state's annual program of projects (POP) for Section 5339. The SMP/PMP may include instructions to potential subrecipients on how to prepare local project applications.
- H. Transfer of Funds.** The state has the flexibility to transfer funds between small UZAs based on their own defined process. The national distribution funds may be transferred between small UZAs, large UZAs, and rural areas.

- include instructions to potential subrecipients on how to prepare local project applications.
- H. **State Administration.** Planning, and Technical Assistance. Describe how the recipient uses Section 5310 funds within the 10 percent limitation for administration, planning, and technical assistance. Also describe additional resources including planning, technical, and management assistance the recipient makes available to local areas and/or subrecipients.
- I. **Transfer of Funds.** Describe any policy the state has for transferring funds between rural and small urbanized areas, or to any area of the state if the state has a statewide program for meeting the objectives of Section 5310.
- J. **Private Sector Participation.** Describe the recipient's procedures for providing for maximum feasible participation by private providers of public transportation.
- K. **Civil Rights.** Describe how the recipient meets federal civil rights requirements and monitors subrecipients to ensure compliance with own limitations on use of the funds (e.g., capital only), or uses an entirely discretionary selection process, the plan should explain the policy rationale and the methods used. This description should cover the state's procedures for assuring equity of distribution of benefits among groups within the state, as required by Title VI of the Civil Rights Act of 1964. Describe the state's procedures for coordinating with the metropolitan planning organization (MPO) responsible for project selection in any designated transportation management area within the state.
- I. **Intercity Bus Transportation.** Describe the state's procedures for implementing Section 5311(f), which requires the state to expend no less than 15 percent of its annual apportionment for the support of intercity bus transportation, unless the Governor certifies that the state's intercity bus service needs are adequately met. Describe the state's process for consultation with private intercity bus operators, and any other public
- Describe any policy the state has for transferring funds between rural, small UZAs and large UZAs, or to any area of the state if the state has a statewide program for meeting the objectives of Section 5339.
- I. **Civil Rights.** Describe how the recipient meets federal civil rights requirements and monitors subrecipients to ensure compliance with the requirements of Title VI, Equal Employment Opportunity (EEO), and Disadvantaged Business Enterprise (DBE). The management plan must include the program-specific Title VI requirements detailed in Chapter VI, "Other Provisions," including the recipient's efforts to assist minority applicants and to include subrecipients serving significant minority populations. (Inclusion in the SMP/PMP may satisfy certain requirements for one-time submissions in the civil rights areas.)
- J. **Section 504 and ADA Reporting.** Describe the recipient's method for monitoring subrecipients' compliance with Section 504 and ADA regulations and for processing the

- the requirements of Title VI, Equal Employment Opportunity (EEO), and Disadvantaged Business Enterprise (DBE). The management plan must include the program-specific Title VI requirements detailed in Chapter VIII, "Other Provisions," including the recipient's efforts to assist minority applicants and to include subrecipients serving significant minority populations. (Inclusion in the SMP/PMP may satisfy certain requirements for one-time submissions in the civil rights areas.)
- L. **Section 504 and ADA Reporting.** Describe the recipient's method for monitoring subrecipients' compliance with Section 504 and ADA regulations and for processing the plans, reports, and certifications submitted to it under the provisions of those regulations.
- M. **Program Measures.** Describe the recipient's method for collecting and reporting the data for program measurement described in Chapter II and VI of the 9070.1G circular.
- N. **Program Management.** Describe how the recipient administers its participation process in connection with a certification that needs are adequately met. Describe the state's process for assessing intercity bus mobility needs in the state. Also, if the in-kind provision is used for local match, the state must document the process used to validate the source of the in-kind match, and the unsubsidized segment of the intercity bus service.
- J. **Annual Program of Projects Development and Approval Process.** Describe the state's process and timetable for soliciting, reviewing, and approving applications for local projects to be included in the state's annual program of projects for Section 5311. The SMP may include instructions to potential subrecipients on how to prepare local project applications.
- K. **Funds Transfers.** Describe any policy the state has for transferring Section 5307 and/or 5311 apportionments between small urbanized and rural areas, or for transferring Section 5310 projects (fiscal year 2012 and prior) to Section 5311 subrecipients for plans, reports, and certifications submitted to it under the provisions of those regulations.
- K. **Program Management.** Describe how the recipient administers its program management responsibilities in such areas as procurement, financial management, property management, vehicle use, maintenance and disposition, accounting systems, audit, and closeout. In addition, include any procedures for management or financial reviews and project monitoring or on-site reviews. Describe any standards set by the recipient for matters such as productivity, cost-effectiveness, or service standards. Detail any other reporting requirements.
- L. **Other Provisions.** Describe the process by which the recipient complies with other federal requirements such as environmental protection, Buy America (see Chapter V) provisions, pre-award and post-delivery reviews, restrictions on lobbying, prohibition of exclusive school transportation, and drug and alcohol testing, including the state's

program management responsibilities in such areas as procurement, financial management, property management, vehicle use, maintenance and disposition, accounting systems, audit, and closeout. In addition, include any procedures for management or financial reviews and project monitoring or on-site reviews. Describe any standards set by the recipient for matters such as productivity, cost effectiveness, or service standards. Detail any reporting requirements.

O. Other Provisions.

Describe the process by which the recipient complies with other federal requirements such as environmental protection, Buy America provisions, pre-award and post-delivery reviews, restrictions on lobbying, prohibition of exclusive school transportation, and drug and alcohol testing, including the state's procedures for monitoring compliance by subrecipients.

administration. Effective with fiscal year 2013 funds, Section 5310 funds may not be transferred to Section 5311.

L. State Administration and Technical Assistance.

Describe the planning resources and technical and management assistance the state makes available to local areas. Also describe how the state uses Section 5311 funds within the 10 percent limitation for administration, planning, technical assistance, and research. Distinguish between the use of funds for state administration and the state Rural Transportation Assistance Program (RTAP) allocation, and describe any additional resources used for these purposes.

M. State RTAP. Describe the state's procedures for administering its state RTAP funds, including project selection criteria, any local match requirements imposed by the state, goals and objectives, and methods for involving operators in program development and implementation.

N. Private Sector

Participation. Describe the state's procedures for providing for maximum

procedures for monitoring compliance by subrecipients. 5. MANAGEMENT PLAN REVISIONS. All recipients must have an SMP/PMP approved by

feasible participation by private providers of public transportation.

- O. **Civil Rights.** Describe how the state meets federal civil rights requirements and monitors subrecipients to ensure compliance with the requirements of Title VI, Equal Employment Opportunity (EEO), and Disadvantaged Business Enterprise (DBE). The SMP must include the program-specific Title VI requirements detailed in Chapter XI, “Other Provisions,” including the state’s efforts to assist minority applicants and to include subrecipients serving significant minority populations.
 - P. **Maintenance.** Describe any maintenance plans and procedures required of subrecipients for vehicles and facilities, including maintenance of ADA accessibility features.
 - Q. **Charter Rule.** Describe the state’s procedures for complying with the charter regulation (49 CFR part 604). Include the process used to ensure subrecipients are in compliance with the charter regulation, and any agreements the state has with registered charter providers.
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- R. **Section 504 and ADA Reporting.** Describe the state's method for monitoring subrecipients' compliance with Section 504 and ADA regulations and for processing the plans, reports, and certifications submitted to it under the provisions of those regulations.
- S. **NTD Reporting.** Describe the state's method for collecting and reporting the data elements specified in the annual NTD reporting mandate, as required by 49 U.S.C. 5335(b).
- T. **State Program Management.** Describe how the state administers its program management responsibilities in such areas as procurement, financial management, property management, vehicle use, maintenance and disposition, accounting systems, audit, and closeout. In addition, include any state procedures for management or financial reviews and project monitoring or on-site reviews. Describe any standards set by the state for matters such as productivity, cost-effectiveness, or service standards. Detail any state reporting requirements.
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U. Other Provisions.

Describe the process by which the state complies with other federal requirements such as the employee protection provisions of Section 5333(b); NEPA and other federal environmental laws, regulations, and executive orders; Buy America provisions; pre-award and post-delivery reviews; prohibition of exclusive school transportation; and drug and alcohol testing, including the state's procedures for monitoring compliance by subrecipients.
