

NOTICE OF FUNDING AVAILABILITY
for Federal Transit Administration Grants for 2014 and 2015

June 28, 2013

Persons Interested in Transit Grants for Rural and Small Urbanized Areas:

I am writing to announce the availability of federal financial assistance for calendar years 2014 and 2015 for three programs funded by the Federal Transit Administration (FTA) and administered by the Division of Transit and Rail (DTR) of the Colorado Department of Transportation (CDOT). It is important to note that this NOFA and the associated application materials contain some significant changes from past years. The federal authorizing legislation for the FTA programs, Moving Ahead for Progress in the 21st Century (MAP-21), has made some significant revisions to these three programs. Even those who have been long-time recipients of these program funds should note these changes.

The three programs described in this NOFA are listed below and described in greater detail later:

- 1) Section 5310: specialized transportation services for elderly persons and persons with disabilities in (a) nonurbanized areas and (b) small urbanized areas
- 2) Section 5311: general public transportation in nonurbanized areas
- 3) Section 5311(f): Intercity Bus (ICB) services assisting nonurbanized areas

Geographical and Expense Categories

There are three geographical eligibility categories associated with FTA programs:

- Large urbanized areas (UZAs) are those over 200,000 population. For Colorado these are the metropolitan areas of Denver/Aurora, Fort Collins and Colorado Springs (and their contiguous suburban areas)
- Small urbanized areas are those between 50,000 and 200,000 population. Colorado's small UZAs are Boulder, Grand Junction, Greeley, Longmont, Louisville/Lafayette/Erie, and Pueblo.
- Nonurbanized (rural) areas are those with a population less than 50,000 (all areas outside UZAs).

Please note that these are Census-designated areas based on contiguous areas of dense population; they don't necessarily follow city boundaries; these boundaries have changed since the last CDOT application, in response to changes in the 2010 Census. If unsure where your service area lies, please contact John Valerio, CDOT Transit Planner, (303) 757-9769 or john.valerio@state.co.us.

There are three eligible expense categories in these FTA programs:

- **Operating expenses** are considered those costs directly related to system operations (e.g., fuel, salaries and fringe benefits of drivers, dispatchers and mechanics, vehicle insurance, and licenses).
- **Project Administrative expenses** are overhead costs (e.g., salaries of the project director and bookkeeper, marketing expenses, office supplies, and facility and equipment rental).
- **Capital expenses** are procurements of equipment with a life over 1 year and a value over \$5,000 (e.g., vehicles, radios, computer hardware, maintenance equipment, vehicle rehabilitation, maintenance or storage facilities, and bus shelters.)

How and when to apply

This NOFA pertains only to applications for the three programs listed above and only for applications requesting funding for Operating expenses and Project Administrative expenses (including Mobility Management). There will be a separate NOFA for those requesting funding for capital expenses later in the summer. That **capital** NOFA will be for the following programs:

- 1) Section 5311 general public transportation in nonurbanized areas
- 2) Section 5311(f) Intercity Bus (ICB) services assisting nonurbanized areas
- 3) Section 5310 specialized transportation services for elderly persons and persons with disabilities in (a) nonurbanized and (b) small urbanized areas
- 4) Section 5339 for public transportation in (a) nonurbanized and (b) small urbanized areas
- 5) State FASTER funding for specialized and public transportation projects in large urbanized areas, small urbanized areas, and nonurbanized areas.

An electronic application form (Word document with embedded Excel spreadsheets) is being provided with which to request funding for Operating expenses and Project Administrative expenses. It will be made available on the DTR website at <http://www.coloradodot.info/programs/transitandrail/transit>

It was CDOT's intent to make the application available within DTR's new web-based portal interface. However, in revising the previous application package to reduce its size and remove programs repealed by MAP-21, CDOT and its technical development contractor have encountered technical challenges and glitches. CDOT will soon be beta testing the new web-based application with a few local agencies, but since CDOT cannot ensure there are no further problems with this web-based application, it will instead ask all other local agencies to use the Word application. If beta testing has a positive outcome, others may be given the opportunity to apply using the web-based format. DTR expects to make a decision on the availability of the web-based application no later than July 30th.

The electronic application (in Word) must be received at CDOT by the due date. CDOT can accept scanned versions of the signed Certs and Assurances. **If** you choose to submit original hard copies of the signature pages they will need to be **postmarked** by the due date. It is recommended that these important original documents be sent via certified mail or through a private carrier (e.g., Fed Ex) for adequate tracking.

The grant application will be available no later than June 28, 2013. According to the CDOT Rules governing these programs, the application deadline can be no fewer than 45 days after the funding application is issued. Therefore, the completed application document must be received by CDOT no later than 5 pm Monday, August 12, 2013 (and the signature pages postmarked by that date). By Rule, there can be no exception to this deadline.

Funding period and amounts available

FTA funds are made available to states on a federal fiscal year basis (October 1-September 30). CDOT offers that year's grants to local agencies on a calendar year basis, since that is the fiscal year of most local agencies. The application is set for a two-year time period in order to reduce the amount of time spent on application writing, given that not a lot changes from year to year. At the time CDOT makes these funds available it does not yet know how much funding will be available; in fact, in recent years Congress has not passed a full-year appropriations bill until

many months after October 1. Therefore, CDOT must make its best estimate of the amount of available funding—usually basing it on the amount appropriated the previous fiscal year.

CDOT estimates the following amounts to be available for FY 14:

Section 5310 for small urbanized areas	\$ 983,000
Section 5310 for nonurbanized areas	\$ 529,000
Section 5311 for nonurbanized areas	\$10,635,000
Section 5311(f) for intercity bus for Section 5311)	\$1,595,000 (represents 15% of the above amount

FTA Program Descriptions

Section 5310

- Provides funding to meet the specialized transportation needs of elderly individuals and individuals with disabilities. Historically these funds were only available for capital expenses. However, previous legislation made the funds available for mobility management projects (addressing mobility needs in an area using a variety of strategies), and MAP-21 now allows states to use no more than 45% of their Section 5310 funding for operating expenses.
- CDOT is concerned that the amount available for operating expenses is very small, particularly if numerous organizations apply, and that using 45% for operating will greatly diminish the ability of local agencies to obtain needed capital equipment. (More information on this topic will be provided within the application.)
- Historically only private non-profit organizations have been eligible recipients. However, governmental entities are eligible recipients under one of the two following conditions: (a) they certify to the state that no non-profit corporations or associations are readily available in an area to provide the service, **or**, (b) they are approved by the state as the lead agency to coordinate services for elderly individuals and individuals with disabilities in their area.
- CDOT no longer administers funds for projects in large UZAs. MAP-21 directs the Section 5310 funds for those areas to the designated recipient of FTA funds in those areas. Any organizations in large UZAs who are interested in Section 5310 should contact their MPO for guidance. DRCOG already did call for projects

Section 5311

- Provides financial assistance for public transportation programs in nonurbanized (rural) areas. Funds may be used for operating, project administrative, or capital expenses.
- Service must be open to any member of the public for any trip purpose. Service can be offered either on a fixed route or demand responsive basis.
- Eligible applicants include governmental entities and private non-profit organizations. Commercial entities cannot be applicants or recipients of funds but can receive funds through service contracts with eligible recipients and can lease federally funded equipment from eligible recipients.

Section 5311(f)

- This program is a subset of the Section 5311 program, offering funding for Intercity Bus (ICB) services, which typically are fixed-route, regularly-scheduled services for the general public that

operate with limited stops connecting two or more urban areas not in close proximity. ICB service has the capacity for transporting baggage carried by passengers and makes meaningful connections with scheduled ICB service to more distant points (e.g., with Greyhound).

- The FTA requires that states commit at least 15% of their Section 5311 to ICB purposes but provides a procedure whereby a state can request a waiver to this 15% requirement.
- The FTA allows states to award 5311(f) funds directly to commercial entities, and Colorado has chosen to do so. Public and private nonprofit organizations are also eligible recipients.

Please note that with the passage of MAP-21 the Section 5316 (JARC--Job Access and Reverse Commute) and Section 5317 (New Freedom) programs were repealed—though they were designated as eligible services under the Section 5310 and 5311 programs. Therefore, CDOT will not accept any new applications for JARC or New Freedom projects, but it will continue to fund existing projects with unspent funds from prior years and may continue those projects under Sections 5310 or 5311.

Matching Requirements

The FTA programs require local matching funds, as follows:

- Awards for operating expenses require a 50% local match. More specifically, federal awards for operating expenses cannot exceed 50 percent of the net operating deficit; the net operating deficit is the total operating cost minus operating revenue (e.g., fares, rider donations, advertising revenue).
- Awards for Project Administration and Capital Expenses require a 20% local match.
- Section 5311 allows up to 50 percent of the match to come from non-FTA federal sources. The local share also can be from federal sources *indirectly* as contract revenue. These funds may be treated as local funds, even if the original source is another federal program.
- Volunteered services or in-kind contributions can be counted toward the local match.

Project Administration

It is important to note that all three programs, regardless of the amount awarded, bring with them a variety of federal and state requirements and regulations. For example:

- All Section 5311 recipients must implement detailed FTA Drug and Alcohol Testing requirements, which are different and more demanding than existing non-FTA requirements
- Reimbursements for operating and project administration expenses must be submitted monthly and include full documentation

Some of these requirements are more fully described in the application. Applicants should be aware of the burden of such requirements. In particular, requests for small amounts of funding (generally speaking, \$25,000 or less) are discouraged, given the administrative burden.

Application Prerequisites

An important prerequisite to project eligibility is the requirement that the services to be provided under any grant must be consistent with the State's Long Range Transportation Plan (LRTP) and with the Regional Transportation Plan (RTP) for that area.

Section 5310 funding requires the applicant to have participated in a locally developed **Human Service Transportation Coordination Plan** that identifies the transportation needs of individuals with disabilities, older adults, and people with disabilities; provides strategies for meeting those local needs; and prioritizes transportation services for funding and implementation.

Potential applicants unsure of whether their proposed project is included in these documents should contact John Valerio at 303-757-9769 or john.valerio@state.co.us

From time to time CDOT has received applications from organizations that were not fully aware of all program applicability or project eligibility requirements and were subsequently denied funding. CDOT recognizes the frustration of spending considerable time developing an application, only to have it dismissed or receiving a failing score. Therefore:

CDOT strongly urges any organization that is considering submittal of an application to CDOT for the first time or has not received FTA funding through CDOT for at least five years first contact CDOT to describe and discuss their proposed project with Eric Ellis at 303-757-9766 as early in the process as possible.

Application Process and Timing

CDOT conducts a two-year application process in order to reduce the paperwork burden on grantees, given that most programs don't undergo a lot of changes.

The procedures for evaluating applications and awarding funds from the FTA programs are set forth in formally adopted Rules and Regulations. Rules and Regulations can be accessed from the CDOT website at <http://www.coloradodot.info/programs/transitandrail/transit>.

CDOT plans to announce the operating and project administration awards under these three grant programs in during the last week September, 2013. Projects are expected to begin services January 1. Those that do not expect to do so should develop a schedule and contact Eric Ellis.

Please contact me with any questions or concerns.

Thank you,

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