Peer Call: State Allocation of Section 5310/5311 Funding

February 8, 2018, 2:00-3:00 PM ET
Panelists

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• *Facilitator* - Liz Taylor, Assistant Director, National RTAP, etaylor@nationalrtap.org
Section 5310 – Texas

- 2 year cycle, 12 month budgets, grant period 16 months
- Applications and grants management in Intelligrants (eGrants)
- Funds allocated over the 25 districts using formula:
  - 25% of the total is divided equally
  - 75% allocated based on number of 5310 population in small urban/rural area divided by total number of state’s small urban/rural 5310 population
- Awards to subrecipients by district based on project merit
- Funds not used may be shifted to other districts, on merit
- Residual funds from previous years are considered for any district, based on merit
- Approx. 1/3 of small urban funds transferred to rural each year
• Field staff score project applications based on the Regional Public Transit Human Services plan and the result of regional public involvement meetings
• Field staff do not score applications of districts that they represent (or have represented)
• Scores based on a 100 point scale. No cut off by point value to qualify for funds. Priority given to existing service.
• Local match available in form of Transportation Development Credits for up to 20% for capital projects. Most subrecipients take advantage of this.
• Local match is required for operating expenses.
Section 5310 – Michigan

- Annual application cycle
- Funds allocated throughout state (split small urban and rural):
  - 55% of 5310 funds are for traditional 5310 projects.
  - Remaining funds go to continuation of New Freedom (NF) activities
  - If funds remain, they go to additional 5310 projects, e.g. replacement of vehicles purchased with local funds, expansion vehicles, other capital and expansion activities
- Applications are evaluated using criteria, per application instructions. Projects determined to be eligible are then prioritized using a specific priority listing.
Michigan does have state match for capital, but operating is locally matched only (Federal 50% / Local 50%).

Capital contracts are for a 3-year period, while operating, mobility management, and marketing are for a 1-year period.

New Freedom (NF) Activities:
- Projects applied for through rural and small urban NF are selected through a competitive review process.
- If funds insufficient for all eligible projects, contracts are awarded based on the review and ranking by the MDOT OPT staff using predetermined criteria.
- Projects are funded starting with the highest-ranking project based on the priority rank listing.
Section 5310 – Discussion

• How does your state allocate its Section 5310 funds?

• Do you fund capital expenses only, capital and operating, expenses, or vehicles only?

• What was the impact in your state from the 5310 changes in MAP-21?

• Does your state flex Federal Highway Administration funds and if so, what do you use it for?
• Coordinated call for 5311, 5339, and 5304 funds occurs every two years, alternating with 5310.
• Transportation Development Credits are available for local 20% match, when match is required.
• Allocation occurs as follows:
  o Intercity Bus: not less than 15% of federal 5311 allocation
  o Administrative code states that not more than $20,104,352 will go to transit districts.
  o 65% need based, weighing pop. as 75% and land area 25%
  o 35% is performance based (in good standing, no compliance issues / deficiencies) based on local funds for op. expenses, ridership per VRM, and VRM related to op. expense.
• No award to a transit district will be less than 90% of the previous award (pending fund availability). Consideration is given to changes in service area, natural disaster, etc.
• Amount in excess of statutory $20,104,352 (minus intercity):
  o Not more than 10% goes to rural discretionary funds for one time award, pro rata, or merit based. Can also be used to address changes in transit district boundaries.
  o Any remaining goes to Total Vehicle Mile allocation, based on proportion of total vehicle miles to total for all areas.
• Changes to an area from Census may get funding adjustment.
• Scoring is done by field staff, with the staff who represent districts abstaining from scoring those applications.
Section 5311 – Michigan

Operating
• An annual budget must be submitted by eligible agency with application in Public Transportation Management System. Eligible agencies receive 18.5% of eligible operating cost.
• State provides majority of match through local bus operating program. Currently provides just under 40% of eligible operating expenses for rural agencies. Rest of match is through a local millage, local general funds, or other types of local funds.

Capital
• We do not use 5311 for capital unless for JARC activity. We flex FHWA Surface Transportation Program funds to 5311/5310 programs, allocated to rural agencies by their rural task force.
Intercity – 5311(f)
- 15% of apportioned 5311 funds are used for intercity bus, both operating and capital.

Office of Passenger Transportation (OPT) Administration
- Very small portion of 5311 funds are for staff administration. Staff are required to track activities for two weeks every quarter to ensure activities are Section 5311 eligible.

Operating and Capital for JARC Activities
- Continuing JARC activities, including operating and mobility management, are eligible under 5311. Applicants submit annual application. Only projects that are continuation are considered.
Section 5311 – Discussion

• How does your state allocate its Section 5311 funds?

• Does your state still fund JARC activities?

• Does your state do “super grants” for 5310 and 5311?

• What is your application cycle for 5310 and 5311, and if you recently changed from annually to every 2 years, or vice versa, why and how did you do it?
MTAP State Program Manager Resources

• AASHTO’s MTAP offers resources for state program managers
• Reports from recent calls and webinars at: mtap.transportation.org/training-and-technical-resources/53105311-program-managers/
• December 2016 Call on State Distribution of 5310:
  o Do states transfer 5310 money to 5311? If so, how do states ensure funding is utilized strictly for elderly and disabled?
  o Are states allowing for operating assistance with 5310? If so, have they had issues with tracking, invoicing, reporting, etc.?
  o Do states allow purchase of service with 5310 funds?
  o For multi-year vehicle contracts, how have states written Buy America requirements into the specifications as they change each year?
  o What are the challenges if providers receive both 5310 & 5311?
Thank You

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Recording, slides, and handout will be posted at nationalrtap.org/Peer-Program/Peer-Calls. Transcripts available upon request.