Federal Transportation Funding: Fiscal Year 2023 Discretionary Grant Preparation Checklist for Prospective Applicants

Over $32 billion is available to the U.S. Department of Transportation (DOT) in new fiscal year 2023 Budget Authority to provide competitive grant funding to local governments, metropolitan planning organizations, transit agencies, Tribal governments, U.S. Territories, and state departments of transportation. Some grant programs created in the Bipartisan Infrastructure Law (BIL) are also available to non-profit organizations, academic institutions, and private businesses that are doing work to advance community infrastructure projects, improve safety and economic development, or help to transition to a clean energy and more climate resilient future.

This checklist was created by DOT to help local governments prepare for the year ahead and chart a strategic pathway to take advantage of these historic infrastructure investments to build good projects well. Except for any statutes and regulations cited, the contents of this document do not have the force and effect of law and are not meant to bind prospective applicants or the public in any way. This document is intended only to provide clarity regarding existing requirements under the law or agency policies.

Preparation Tips for FY 2023 DOT Grant Application Success

1. **Coordinate Between Agencies and Stakeholders.** Within your local government, ensure that finance, procurement, planning, and public works departments are working in alignment to submit grant applications, successfully execute grant agreements, and deliver projects. This requires early and continuous coordination between local government and community stakeholders and with regional and state or other third-party implementation partners to ensure that projects are set up for success.

2. **Get Familiar with the DOT Calendar of Funding Opportunities** to see when different programs will be open and closed for applications.

   o Review NOFOs carefully. Each program's Notice of Funding Opportunity (NOFO) typically provides additional resources, webinars, and frequently asked questions specific to that program to provide information on program eligibility, grant application requirements, and other useful information. The program page may also contain information on past grant recipients to help better understand the types of projects and applications selected for funding in previous years.

   o Prioritize and align projects and applications. It may not serve your community well to submit multiple applications for a single Notice of Funding Opportunity such that you are competing against yourself. Think about which projects may be the readiest for funding, which may be the highest priority based on locally defined needs, or which may be the best fit for Federal funding versus other types of local or state funding.

   o Check out the ROUTES Applicant Toolkit for Competitive Funding Programs at USDOT. Created for rural applicants, this toolkit is useful to any organization unfamiliar with the DOT grant process.

3. **Budget for and Secure Your [Non-Federal Match](#).**

    o   In preparing and finalizing city or agency budgets, think about the needs that may arise during the coming year. Sponsors should develop a budget that demonstrates how the budget will be funded in full. As a condition for receiving funding, most DOT programs require a 10 percent or 20 percent non-Federal match. Where may this match funding come from? What processes and timing are needed to confirm financial commitments as part of grant applications or if selected for a grant award? What steps can be taken in advance to ensure this process goes smoothly and your community doesn't miss out on the chance to apply or find itself unable to finalize a grant award? These are questions that cities or agencies should consider when trying to secure a non-Federal match.

    o   The DOT Navigator provides additional information to help [understand non-Federal match requirements](#) and those programs that provide match flexibility:

        ▪   [Justice40 non-Federal match flexibility](#)

        ▪   [Tribal government cost share flexibility](#)

        ▪   [Rural cost share analysis](#)

    o   Look at program-specific NOFOs. Each program's NOFO describes its specific match requirements, including the percentage required, what can be considered as non-Federal match, and if there are any waivers. If the FY 2023 NOFO is not yet out for the program that you may be interested in applying to, check the previous year's NOFO, as it may likely be similar since Congress often dictates these requirements.

    o   Consider strategies that may make communities in your region more competitive for funding. Some metropolitan areas, for instance, have begun to create pooled funding sources that localities can tap when a city applies for a project that supports broader regional goals.

4. **Ensure Your Project Is on the TIP/STIP.**

    o   Federally funded transportation projects are typically included in [metropolitan](#) and/or [statewide transportation improvement programs](#) (TIPs/STIPs). TIPs/STIPs usually cover a 4-year period of upcoming projects and are developed by the MPO and state DOT, respectively. These also can include planning or engineering studies or other pre-application technical analysis, such as a [benefit-cost analysis](#) that may be required to prepare a project for construction. If these studies are not included in the TIP/STIP, identify how they may be locally funded so that projects have the required documents to be competitive for Federal grants.

    o   [Contact your metropolitan planning organization and state department of transportation](#) to explore how and when your project can be included in the TIP/STIP. This will often entail a TIP/STIP amendment. Even if not a DOT program requirement to access the funds, your project's inclusion in the TIP/STIP and other comprehensive transportation documents facilitates better outcomes for your community.

5. **Get [Ready to Apply for and Administer Federal Funding](#)**

    o   Ensure that your organization is [registered with Grants.gov](#) and the System for Award Management (SAM) and has an active Unique Entity Identifier (UEI) number. Is the information provided to Sam.gov current? If there have been personnel changes in your agency, be sure that

the staff contact, phone number, and email are up to date. Start the registration process early, as the SAM.gov process can take many weeks.

- o If you receive funding, be familiar with the Federal [2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements](#) that govern all DOT awards. This includes specifics for reporting, tracking, and monitoring financial systems and grant activities that differ from state or local requirements.

- o Be prepared for additional requirements. DOT grants are generally reimbursable funding, so plan and budget accordingly. Each program may have additional restrictions on eligible and allowable costs and activities. Lobbying is not an allowable cost, nor can DOT funds typically be used as a non-Federal match for other programs.

- o Involve [small and disadvantaged business enterprises](#) in projects and applications. Are there opportunities to strengthen the participation of these types of firms in your grant application to help build community wealth? Are you familiar with your [state's DBE resources](#)? Do these types of businesses need additional support within your community to have the capacity necessary to administer or receive Federal funding, i.e., they are also subject to 2 CFR 200?

6. **Know your [Justice40 designated Census Tracts](#)**, as many discretionary grant programs give additional consideration to projects that benefit J40 census tracts. Find out [which areas in your community qualify as J40 census tracts](#) according to Federal disadvantaged community tools, and which of the [39 DOT J40-covered programs](#) may be especially beneficial to your community.

7. **Prepare Your Capital Project's [Benefit-Cost Analysis](#) (BCA).**

- o The [DOT Navigator provides guidance on how to conduct BCAs](#), and a list of the DOT capital grant programs for which they are required. The BCA is a systematic process for identifying, quantifying, and comparing expected benefits and costs of a capital investment. Are there BCAs you should be funding and executing in 2023 to prepare a construction project for a 2024 application?

8. **Budget for [Meaningful Public Involvement.](#)**

- o DOT is looking for grant proposals informed by meaningful public involvement, in addition to a commitment to meaningful public involvement in the project delivery phase. DOT grant funds can be used to support a range of public involvement activities to ensure that the community is fully represented in the planning and project delivery process. [DOT created this FAQ](#) to provide more information about eligible and allowable activities that can be worked into grant applications.

9. **Build a Strong Workforce Development and Labor Plan.**

- o Establish a strong workforce development and labor plan and then highlight these efforts in your grant applications. Most DOT discretionary grants include selection criteria associated with creating good jobs and expanding workforce opportunities. DOT created a [workforce and labor plan checklist](#) that provides a number of suggestions for how to strengthen these provisions.

10. **Understand NEPA and Other Federal Requirements as You Consider Whether to Seek Funding**

- o DOT grant recipients must comply with a number of important civil rights and labor requirements, such as [Title VI](#), the [Americans with Disabilities Act](#), and, for capital projects, the

[Davis Bacon Act](#) and [Buy America](#) are especially important provisions that may have different standards than state or local wage or procurement requirements.

o Any transportation project that receives Federal funding must comply with the [National Environmental Policy Act of 1969 (NEPA)](#). This process involves several environmental planning policies and regulations that must be followed before the purchase of any right of way or other real estate.

o For highway projects, contact your state department of transportation, and for transit projects, your [Federal Transit Administration's Regional Office](#), as they are important NEPA implementation partners and may be able to advise on whether the project should be state sponsored.

o Reach out to [DOT staff in regional or division offices](#), if needed, or visit the DOT Navigator for NEPA technical resources such as:

  ▪ [NEPA | Environmental Review Toolkit](#)

  ▪ [Real Estate Acquisition Guide for Local Public Agencies](#)

  ▪ [Federal-Aid Essentials for Local Public Agencies: Right-of-Way](#)