



United States
Department of Transportation

American Recovery and Reinvestment Act

Federal Transit Administration

Fixed Guideway Infrastructure

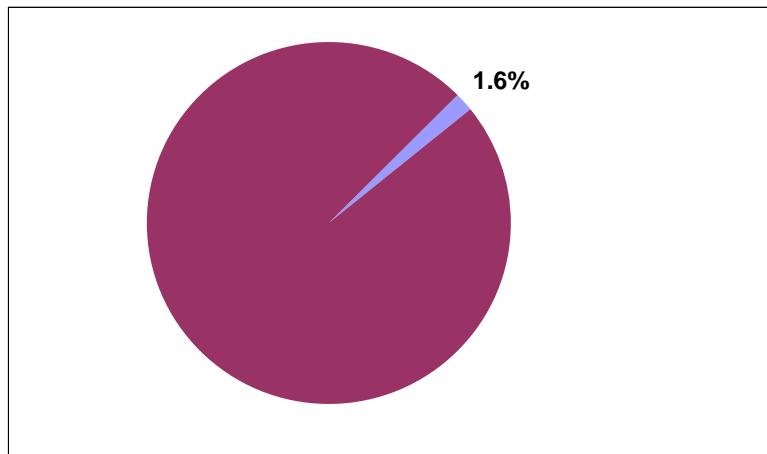
Program Performance Plan



Funding

Funding: \$750,000,000

Percentage of DOT total Recovery Act funding:



Type: Formula Grant funding

Period of Availability: Two years (through 2010)

Time line for announcing:

Date	Announcement
March 2009	FTA announced the Recovery Act apportionments in the Federal Register
September 2009	50 percent of Fixed Guideway Infrastructure Investment (FG) Program funds obligated.
March 2010	Remaining FG funds (second 50 percent) obligated in a grant
September 2010	FG funds allocated in the 2 nd redistribution obligated

Amount allotted for administrative cost: \$7,500,000

Amount allotted for distribution: \$742,500,000

Program Description

Program objectives:

Provide capital assistance for the modernization of existing fixed guideway systems such as heavy rail, commuter rail, light rail, monorail, trolleybus, aerial tramway, inclined plane, cable car, automated guideway transit, ferryboats, and that portion of motor bus service operated on exclusive or controlled rights-of-way, and high-occupancy-vehicle (HOV) lanes.

Public benefits:

Investment in transit fixed guideway infrastructure translates into transportation alternatives that contribute to the livability of our cities and communities by reducing air pollution, reducing congestion during peak commuting periods, and promoting urban land use patterns that reduce energy use). These transportation services also provide basic mobility to individuals who do not have vehicles, persons with disabilities, people with low income, and senior citizens for access to employment, basic services, and leisure locations

Project level activities:

The rehabilitation and modernization of fixed guideway transit system.

Funding determination:

There is a seven-tiered formula that is used to allocate FG funds. The Recovery Act funding was only enough to fully fund tiers 1-3 and partially fund tier 4. Accordingly, the funds were distributed to the older transit systems that were in operation during 1997. In order to qualify for fixed guideway funds an area must have a fixed guideway system that is at least one mile in length and seven years old. Formula factors also include vehicle revenue miles and fixed guideway miles.

Project selection criteria:

Recovery Act eligibility is limited to capital costs. Project selection is up to the local planning process, but project eligibility is reviewed by FTA regional offices prior to grant approval. The regions also review projects for compliance with all necessary Federal requirements such as: civil rights, planning regulations, and the National Environmental Protection Act.

Funding decisions made by:

US DOT, Region/MPO/District and Local Government

Contracting vehicle(s):

Contracting in this Program is done exclusively by the grant recipients. The grant recipients may use a wide variety of contracting vehicles, consistent with Federal, state and local regulations, depending on the nature of the activity being contracted and other local decision-making factors.

Primary recipients: Local Government, Quasi-Public Nonprofit Institutions

Beneficiaries: General Public

Significant program challenges and mitigation strategies:

Challenge 1: FTA faces a statutory deadline of September 1, 2009, by which time each of the approximately 250 areas that were allocated Transit Capital Assistance (TCA) formula funds must have obligated at least 50% of their allocation, or face losing a portion of their allocation. This requires challenging levels of staff resources for technical assistance in grant preparation and for grant processing to ensure that each allocated area is able to obligate 50% of its allocations by September 1, 2009. Additionally, the normal FTA grant approval process includes extensive reviews before award and obligation of the grant, including outside review by the Department of Labor.

Challenge 2: Additional layers of grant application review by the Office of the Secretary of Transportation and the Office of Management and Budget have been added to FTA's normal grant-making process for ARRA grants. These reviews have significantly slowed down FTA's ability to obligate grants, and significantly jeopardize the ability of allocated areas to obligate 50% or more of their allocation by September 1, 2009, even with timely submittal of a grant application by mid-June.

Challenge 3: Oversight - preventing misuse of funds with existing oversight resources.

Challenge 4: Grant recipients are required under Section 1201 and Section 1512 of the Recovery Act to make various reports relating to transit projects. FTA and its grantees have historically conducted activities relating to formula grants only in terms of the total grants, rather than projects. Clear and consistent guidance will need to be developed for defining what constitutes a "project" in terms of transit grants.

Mitigation strategies:

FTA is seeking to mitigate these challenges by using hiring authorities to rehire retired former FTA employees to increase our staff capacity for technical assistance and grant processing. FTA has also advised its grantees that grant applications for at least 50% of each area's allocation should be submitted by mid-June, and must absolutely be submitted by July 1, 2009 in order to allow adequate time for review of the grant application (including Department of Labor review) to ensure that it will be possible to make an award and obligate the grant by September 1, 2009. FTA is also raising concerns with officials in OST and OMB on the approval process, and perhaps seeking exemption from these reviews for recovery grants of formula funds. FTA is meeting internally to make guidance recommendations to OST and OMB for reporting required under ARRA for transit grant recipients.

Program Activities

Summary of implementation process:

On March 5, 2009, FTA published the allocation of formula funds in the Federal Register to urbanized areas with fixed guideway transit service. Accordingly, eligible public transportation providers, State Departments of Transportation, and Metropolitan Planning Organizations in those areas began submitting grant applications to FTA for formula funds.

By September 1, 2009, grant recipients in each allocated area must receive grant awards for at least 50 percent of the area's initial allocation. Any portion of the 50 percent that is not obligated by this date will be redistributed to those that were able to obligate at least 50% of their allocation.

By March 5, 2010, all of the allocated funds must be awarded in grants. Any allocated funds that have not yet been awarded by this time will be redistributed by FTA to those areas that were able to get all their allocated funds allocated in grants.

On September 30, 2010, all funds not obligated in an approved grant will be returned by FTA to the US Treasury.

Once a grant award is made, the grant recipient is able to spend the amount of the grant on the eligible activities listed in the grant, and then apply to FTA for reimbursement of those expenditures as they are made. Grant recipients must make quarterly financial status reports and quarter milestone progress reports to FTA on their progress in carrying out the activities listed in the grant. Grant recipients must also comply with the reporting requirements in Section 1201 and Section 1512 of the Recovery Act.

September 30, 2015 is the last day for grant recipients to receive reimbursement of an eligible expenditure under an ARRA grant.

Milestones:

	Milestone	Date	Anticipated Accomplishment
1	Apportionment of funds	March 2009	Accomplished
2	1 st 1201 ARRA reporting	May 2009	Accomplish on time

3	2 nd 1201 ARRA reporting	August 2009	Accomplish on time
4	Reapportionment of unobligated funds from first 50 percent of areas allocation.	October 2009	Accomplish on time
5	3 rd 1201 ARRA reporting	February 2010	Accomplish on time
6	Reapportionment of remianing unobligated funds.	March 2010	Accomplish on time
7	Return un-obligated funds to U.S. Treasury	September 2010	Accomplish on time

Anticipated Results

Expected Outcome:

By FY 2015, without ARRA funding, the average condition of the transit rail fleet would be expected to remain steady at about 3.51, where it has remained for several years. With ARRA funding, the average condition of the transit rail fleet is expected to rise to 3.55.

Measure:

Condition – stabilize and improve the condition of the rail fleet which is measured using a scale of 1(poor), 2 (marginal), 3 (fair), 4 (good), and 5 (excellent).

Explanation of measure:

In the last year for which data is available, 2006, the average condition of the Nation's rail fleet of nearly 20,000 vehicles was 3.51. The average condition of the rail fleet has fluctuated between as low as 3.48 and as high as 3.54 over the previous five years. Pre-existing levels of Federal investment in this formula program were proving inadequate for stabilizing the average condition of the rail fleet, particularly since formula funds may be used for any eligible purpose and cannot be targeted towards improving the condition of the rail fleet. It is hoped that the infusion of recovery money will provide sufficient resources to lift the

average condition of the fleet up above the 3.55 level and sustain it above that level for several years.

	2009	2010	2011	2012
Target set prior to ARRA	3.55	3.55	3.55	3.55
New target set with ARRA	3.55	3.55	3.55	3.55
Measure Frequency:	Annually Reported by Fiscal Year			
	Higher is better			

Risk Management & Evaluation

Risk:

The Department of Transportation created a common risk management protocol for each of its Recovery Act programs to follow. It includes (1) completing a risk assessment to identify risks, (2) completing a risk profile to assess risks, (3) developing a risk mitigation strategy to address identified risks, and (4) participating in a validation and testing process to ensure that risks are being addressed. Recovery Act funded programs will be fully absorbed in FTA's established risk-management process and may even enhance that process with additional program-specific risk management actions.

General Risk	FTA has a long-standing oversight program, and funds are being distributed to projects under the existing fixed guideway program guidelines.
Reporting Risk	FTA currently requires quarterly grant reporting and plans to utilize existing financial management systems to the extent possible. Furthermore, FTA will work with the rest of the Department on developing new systems as needed. Agency reporting efforts have not been finalized and no decision has been made on the reporting system for Section 1201 data.
Human Resources Risk	FTA has identified a team of highly qualified staff from across the agency with many years of experience in transit who are now working on Recovery Act efforts. Additional staff, including retired former staff that are being hired for key positions to support Recovery Act.
Grants Risk	Recovery Act Fixed Guideway funds will be allocated to current FTA Fixed Guideway program recipients. These grantees are familiar with FTA's grant program and the Federal requirements associated with receiving FTA resources. In addition, FTA will closely

	monitor quarterly financial status reports and milestone reports for Recovery Act grants. FTA is also providing real time guidance and training to Recovery Act grant recipients through participation in conferences, webinars and outreach sessions. FTA also has an agency recovery site www.fta.dot.gov/recovery , which includes Recovery Act program guidance for grantees.
Procurement Risk	FTA has not issued any requests for proposals in support of Recovery Act activities to date. FTA will issue new task orders under existing contracts that will include the necessary Recovery Act requirements in support of program management and oversight activities.
Budget/Financial Risk	New Treasury accounts have been established so that Recovery Act funds are not co-mingled with non-Recovery Act funds. FTA has established unique accounting codes to separate and track Recovery Act funds in financial management systems, and grantees cannot mix Recovery Act program funds with non-Recovery Act funds in a single grant.
Systems Risk	FTA has incorporated Recovery Act-specific codes in its grants management system and identified a better method to use the accounting system to manage and control funds.
Audit/Investigations Risk	FTA has developed standard operating procedures for grant making, grant management and oversight; and, will continue to follow A-133 guidance to address internal control weaknesses that may be identified.
Performance Risk	FTA will use existing oversight procedures including project management oversight, financial management oversight, procurement reviews, and triennial reviews. In addition, FTA will continue its grant management activities such as monitoring quarterly milestone progress reports and financial status reports.

Planned program assessment / evaluation:

Recipients are evaluated once every three years under the FTA Triennial Review program which assesses compliance with all regulations and procedures. There are ongoing reviews by the FTA Office of Civil Rights compliance with Federal and Departmental requirements including ADA, DBE, EEO, and Title VI.

Estimated Start Date	Estimated Completion Date
March 2009	March 2012

Results of recent program assessment / evaluation:

The Fixed Guideway program conducted a program assessment in cooperation with the Office of Management and Budget in 2004 which the program was rated effective. The primary recommendation was to evaluate ways to increase transit ridership across the country. In addition, FTA was to review its grant processes to ensure they were as efficient as possible.

In April 2009, FTA released the “Rail Modernization Study: A Report to Congress.” It found that one-third of the largest rail systems assets are either in “marginal” or “poor” condition and found a state-of-good-repair backlog of approximately \$50 billion (2008 dollars) for these systems.

Improvement(s) made: FTA developed several programs, such as United We Ride and A Ridership Tool Kit, to help grantees build ridership.

Estimated Start Date	Estimated Completion Date
2004	2008

Accountability & Transparency

Scheduling reviews:

Triennial reviews of all recipients once every three years.

All elements are reviewed, many on a comprehensive basis with some aspects audited on a spot check basis. This includes civil rights requirements, and National Transit Database Reporting, as well as all other legislative requirements that are pertinent to oversight of grantee accountability.

Communicating with recipients:

FTA regional office staff maintain regular communications with recipients by providing technical assistance on grant applications; reviewing quarterly reports; providing oversight through FTA oversight contractors, site visits, and where applicable participating in key decision points.

Communicating with public and stakeholders:

FTA will insure that the extensive public outreach required by Federal transportation planning legislation is carried out. FTA maintains a web site that posts Recovery Act project information so the public can track results on both an aggregate and a project level. Abuse of Federal funds can be reported to the FTA through our complaint hotline - complaints are aggressively investigated. FTA issues occasional press releases as needed.

Collecting and validating project-level data:

Reviewing submissions through electronic grant processing system and 1201 reporting system. Data will be validated by FTA staff.

Ensuring best use of federal funds:

For jobs creation and retention	The tiered funding system directs Recovery Act funds to the older transit agencies that will spend most of these funds on maintenance activities.
For program or project outputs	FTA studies have shown that the older transit agencies have a greater percentage of their capital assets that are in poor condition. Funding improvements at these agencies will do the most to improve average asset conditions.
For other public benefits	The top tiers in the apportionment formula represent the biggest urban transit systems. These areas have urban development patterns that rely on transit service. Maintaining fixed guideway transit in these areas provides the maximum public benefit.

Holding program managers and recipients accountable:

Program Managers	Staff negotiates annual goals with management on which personal performance evaluations are based. Recovery Act performance goals may be incorporated into these agreements.
Primary and Secondary Recipients	Quarterly reporting requirements, project review meetings, milestone progress reporting, and financial status reporting.

Compliance & Results

Reducing environmental impacts:

In general, better transit service as supported by well-maintained fixed-guideway systems attracts riders and potentially decreases the impact of automobile use by replacing it with less energy-intensive multi-passenger modes of transportation.

Complying with National Environmental Policy:

FTA will only fund major projects that have passed through the National Environmental Policy Act process. Smaller projects do not necessarily require NEPA clearance.

Complying with National Historic Preservation Standards:

FTA staff checks for grantee compliance with all Departmental and Federal regulations.

Holding recipients accountable for energy efficiency and/or green building standards:

FTA does not fund projects in grants without documented compliance with the National Environmental Policy Act. In addition, FTA is reporting the environmental status and all environmental actions taken on Recovery Act funded projects.