



United States
Department of Transportation

American Recovery and Reinvestment Act

Federal Transit Administration

Transit Capital Assistance

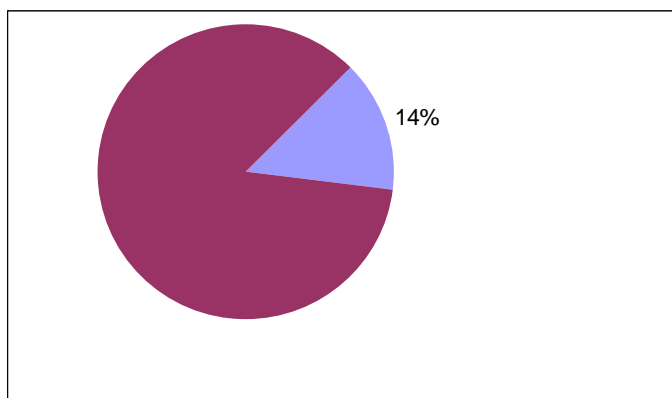
Program Performance Plan



Funding

Funding: \$6,900,000,000

Percentage of DOT total Recovery Act funding:



Type: Formula and Discretionary Grant funding

Period of Availability: Two years (through 2010)

Time line for announcing:

Date	Announcement
March 2009	FTA announced the apportionments of Transit Capital Assistance (TCA) formula funds for urbanized areas and for rural areas in the Federal Register
March 2009	The availability of discretionary TCA funds for Tribal Transit grants was announced in the Federal Register
March 2009	The availability of discretionary TCA funds for Energy Reduction (TIGGER) grants was announced in the Federal Register.
August 2009	Project selections for discretionary grants.
September 2009	Formula funds reapportioned from those areas not obligating at least 50% of their allocation will be reapportioned by FTA
September 2009	Formula funds reapportioned from those areas not obligating at least 50% of their allocation will be reapportioned by FTA.
March 2010	Formula funds from any area that has not obligated 100% of their allocation will be reapportioned.

Amount allotted for administrative cost:	\$44,200,000
Amount allotted for distribution:	\$6,855,800,000

Program Description

Program objectives: To support the capital needs of public transportation systems in both urbanized and rural areas. To make investments that reduces the overall energy use and greenhouse gas emissions of transit systems.

Public benefits: Federal capital investments in transit infrastructure translate into transportation services to individuals who do not have vehicles, persons with disabilities, people with low income, and senior citizens to have basic mobility for access to employment, basic services, and leisure locations. Investment in transit infrastructure also 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.

Project level activities: Activities in this program include:

- buses, vans, rail cars, and other vehicles for service in public transportation, either as replacement for existing vehicles or for expansion of fleets
- construction or rehabilitation of maintenance facilities or administrative buildings
- construction or rehabilitation of rail track, tunnels, elevated structures, or stations
- purchase of equipment, such as generators, maintenance shop equipment, radios, security cameras, or computers maintenance and repair of vehicles, rail track, rail stations, maintenance facilities, or administration buildings.

Funding determination: There are formulas for two of the four sub-programs that support transit infrastructure. Formulas are defined in legislation and are based on data collected in FTA's National Transit Database. Data for all agencies that receive funds from the FTA is collected in this database. Technical factors including passenger miles, vehicle revenue miles, number of vehicles in maximum revenue service, and population of service area are used to match the amount of funding to local transit needs.

Project selection criteria: 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. Regional offices also review projects for compliance with all necessary federal requirements such as: civil rights, planning regulations, and National Environmental Policy Act.

Funding decisions made by: US DOT, State, 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 of this program, which may ultimately include over 600 grantees and over 1,000 separate grants, will be a challenge to prevent misuse of funds.

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. Additionally, some grantees may have limited capacity to develop reports, particularly for Section 1512 reporting, in terms of projects rather than 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 apportionment of formula funds in the Federal Register. The apportionment allocated funds to urbanized areas over 200,00 in population; to urbanized areas under 200,000 in population within that State, and again to each State for all of the non-urbanized areas within that State.

Accordingly, eligible public transportation providers, State Departments of Transportation, and Metropolitan Planning Organizations began submitting grant applications to FTA for grant awards of those 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. In both redistributions, funds from urbanized areas are only redistributed to other urbanized areas, and funds from rural areas are only redistributed to other rural areas.

On March 23 and March 24, 2009, FTA issued a Notice of Funding Availability (NOFA) for both the ARRA Tribal Transit and ARRA Transit Investment for Greenhouse Gas Reduction and Energy Reduction subprograms, respectively. Proposals are due to FTA by May 22, 2009. FTA anticipates announcing project selections under each of these subprograms by the late summer or early Fall of 2009.

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 TCA formula allocation..	September 2009	Accomplish on time
5	3 rd 1201 ARRA reporting	November 2009	Accomplish on time
6	Reapportionment of remaining TCA formula allocation.	March 2010	Accomplish on time
7	Return un-obligated funds to U.S. Treasury	October 2010	Accomplish on time

Anticipated Results

Expected Outcome

By FY 2015, without ARRA funding, the average condition of the transit bus fleet would be expected to decline further from the 3.01 level to below 3.00, for an average condition of “fair” for the entire transit bus fleet. With ARRA funding, the average condition of the transit bus fleet is expected to rise to 3.24.

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 bus fleet of over 70,000 vehicles was 3.01. As recently as 2003, the average condition had been 3.11. Pre-existing levels of

Federal investment in replacing bus fleets were proving inadequate for stabilizing the average condition of the bus fleet, particularly since formula funds may be used for any eligible purpose and cannot be targeted towards improving the condition of the bus fleet. It is hoped that the infusion of recovery money will provide sufficient resources to reverse this trend and raise the average condition of the fleet up to the 3.24 level.

	2009	2010	2011	2012
Target set prior to ARRA	3.24	3.24	3.24	3.24
New target set with ARRA	3.24	3.24	3.24	3.24
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 traditional FTA grantees under the existing urbanized and non-urbanized formula programs.
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 OST 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	Transit Capital Assistance funds will be allocated to current FTA grant 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 or State Management Review program which assesses compliance with all regulations and procedures. In addition FTA will be conducting reviews of Tribal grant recipients using new oversight procedures being developed for the

tribal transit portion of the non-urbanized area formula program. There are ongoing reviews by the FTA Office of Civil Rights compliance with Federal and Departmental requirements.

Estimated Start Date	Estimated Completion Date
March 2009	March 2012

Results of recent program assessment / evaluation:

The program conducted a program assessment in conjunction with the Office of Management and Budget for formula grants in 2004, research in 2006, and state grants 2007. All were rated effective. The recommendations were to improve program oversight and make funding sources more flexible and easier to apply for.

Improvement(s) made: Ongoing policy and guidance to address issues as they are identified. Although this program was rated effective, two weaknesses were identified. FTA is considering program changes in the next reauthorization to make the programs more flexible and simplify their structure. Funding to support additional program oversight activities will also be requested.

Estimated Start Date	Estimated Completion Date
2004	2007

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 to ensure compliance.

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	FTA fully reviews grant proposals and insures that they meet planning, environmental, and other Federal requirements. Job creation is not a requirement but will be tracked and publicized on the FTA web site to encourage grantees to maximize job creation.
For program or project outputs	FTA Quarterly milestone and financial status reviews.
For other public benefits	FTA is working to better characterize the benefits of transit to the public. These are discussed in agency reports.

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:

Projects funded by these grants support transit system expansion, maintenance and asset renewal to serve existing and new transit users. These transit riders might otherwise be driving, using non-renewable energy, and contributing more greenhouse gas emissions and pollution to the atmosphere.

Complying with National Environmental Policy:

FTA staff ensures that all major projects are compliance with National Environmental Project Act requirements before they are awarded.

Complying with National Historic Preservation Standards:

No project is cleared for funding if there is an unresolved National Historic Preservation Act issue.

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.