

Chapter 3: Project Selection Criteria and Method of Distributing Funds

Background

To identify potential recipients the State is assisted by regional transportation coordinators. There are coordinators in the western, ~~central~~ and eastern parts of the State. The coordinators work with most of the transportation-related agencies in their respective areas, and, thus, help OTD in identifying and assisting all potential recipients. In addition, these coordinators serve as the area coordinator for the §5310 program. Through joint efforts with the Section 5310 program, we are able to identify potential recipients for both programs.

Section 5310, 5311, ~~5316, and 5317~~ program information is disseminated to potential recipients in various ways. A notice seeking proposals to participate in the §5310, §5311, ~~§5316, and §5317~~ programs is published annually (each December **or early Spring**) in statewide newspapers. However, it is noted that Sections 5310, ~~5316 and 5317~~ will require a Coordinated Plan (“Public Transit Coordinated Plan”) before applications for funding can be considered. Application Guidelines and Checklists have been prepared to assist applicants in applying for all funds. The application guidelines for §5310 **is are** attached as Appendix C and §5311 guidelines are attached as Appendix A while the guidelines for the Public Transit Coordinated Plan is Appendix J. In addition, applicants are required to meet with all transportation providers (public, private, etc.) in their service area. ~~as well as advertise for and hold a public hearing~~ **A public hearing will be held if significant changes in services or fares** to afford an opportunity for public comment. Awareness of public transportation is promoted with a public transportation conference, which is always heavily publicized and well attended. Also, regional coordinators assist in disseminating information to potential recipients. Project Managers will speak at various functions/meetings throughout the Commonwealth, which will allow opportunities to inform the public of these programs. ~~Kentucky Public Transit Association held a mini-~~

~~conference in October 19, 2006. At this conference KYTC/OTD gave a detailed briefing and instructions on how to develop and submit a Public Transit Coordinated Plan.~~ When possible each Project Manager attends the public hearings and coordination meetings and works closely with each agency to ensure that each application is complete and submitted on time.

In addition to the Public Transit Coordinated Plan selection process for Sections 5310, ~~5316 and 5317~~, the selection and internal review process involves several different personnel levels. The personnel levels include the Area Coordinator, Project Manager/**Internal Policy Analyst**, and the Public Transit Branch Manager/Staff Assistant, with final funding approval by the Executive Director of the Office of Transportation Delivery. If a potential subrecipient is eligible (i.e., a public State agency, local public body, transit authorities under KRS 96A or private-nonprofit organization), certain criteria have been met, and there are funds available, consideration will be given for funding assistance. Criteria considered include:

1. The need for the service(s),
2. **Maintenance of Effort (MOE), fair and equitable**
3. Efforts at coordination,
4. Financial and management capabilities, **(unspent grants)**
5. Locally developed Coordinated Plan Project Rankings
6. Quality of the operating plan, rider-ship projections and the amount of local support.
7. Correlate with regional coordination plan implementation strategies;
8. Address gaps in current service provisions for targeted communities;
9. Make use of available resources and leverage resources to the extent possible;
10. Facilitate coordination across public-private, inter-agency and geographic boundaries;
and
11. Coordinate with other Federal and/or state programs;

The §5310 program is administered through a “Lead Agency/Coordinated Plan” process.

The Lead Agency/Coordinated Plan is the applicant for all eligible agencies in a specific area or region and submits the application for the entire area. This allows the Cabinet to deal with several agencies/applications instead of over 100 while, at the same time, increases coordination opportunities. The majority of the Lead Agencies are “co-mingled” systems, i.e., they receive §5311 assistance and abide by all the regulations and requirements encompassing that program, including Title VI, DBE, EEO, etc. Once KYTC/OTD receives the application the Project Manager reviews the application for compliance with OTD/FTA rules and regulations. After the

application review is complete, Project Manager refers to Local Coordinated Plan ranking criteria within the application. The Project Manager will determine if there are more requests for funding than funds available. If there are more requests for funding than funds available the Project Manager will develop his own rankings based on funding and available and performance measure such as long range feasibility and sustainability compared to other projects to ensure a fair and competitive process.

Section 5311 applicants for New Start must have completed a feasibility study which includes identification of estimated costs and funding options and must be approved by the Office of Transportation Delivery establishing the need for public transportation in the area. Areas considering public transit in their area may apply for funding for a feasibility study during the annual Section 5311 application cycle.

Continuing Section 5311 subrecipients are exempt from submitting any studies except in the event of a proposed ~~major service expansion~~ **major capital project**. Continuing Section 5311 subrecipients complete a grant application and must demonstrate that they are eligible to continue to receive funding. However, because Section 5311 funds are used primarily for operations and the funds are critical to maintaining continuous services, KYTC/OTD generally considers Section 5311 subrecipients eligible for funding from year to year, unless the annual application, KYTC/OTD on-site review, or other circumstances demonstrate that an agency is no longer eligible. These circumstances include, but are not limited to, an agency's transition from Section 5311 to Section 5307 funds, elimination of general public service, or determination by KYTC/OTD that an agency no longer meets state or federal requirements for receiving grant funds.

As the direct recipient of Federal funds, OTD will electronically submit an application for §5311, §5310, ~~§5316, and §5317~~ grant funds to the FTA Region IV Office in Atlanta for Federal approval. OTD will apply for Federal formula funding designated for Kentucky in the annual USDOT allocation published in the Federal Register. OTD will develop a Program of Projects as part of the overall §5311, §5310, ~~§5316, §5317~~ grants submitted electronically. Applicants

for funding assistance must be included in the grant's Program of Projects as a sub-grantee. New or unexpected projects can be added through a Federal grant amendment. As part of the Federal approval process. **FTA will send, if applicable,** notification ~~will be sent~~ to the U.S. Department of Labor for comments and approval. The Program of Projects includes information on unions in the sub-grantee transit areas.

Funding Criteria For Section 5310

The Section 5310 funds are available for reimbursement of expenditures incurred in association with approved capital expenses. The project application to the State must contain the necessary project supporting documentation as outlined in the Application Package and Instructions for FTA Section 5310 Capital Assistance Program (See Appendix C).

The following documentation is required:

- Applicant's request for equipment purchase or purchase of services;
- Information about the proposed project **including Operating for projects beyond ADA;**
- Certification of source and availability of the agency's, twenty (20%) percent local match, and sufficient operational funds; and
- Certification that all statutory and program requirements have been met.

Specific criteria will be published in the annual application for funding.

Funding Criteria for Section 5311

The Section 5311 funds are available for reimbursement of expenditures incurred in providing public transportation services in non-urbanized areas, applicants must meet the following conditions:

- Submit a completed application to the KYTC/OTD;
- Meet KYTC/OTD eligibility criteria as stated in Chapter 2 of this Plan;
- Application approved for funding; and
- Contract between the applicant and KYTC/OTD.

The project application to the KYTC/OTD must contain the necessary project supporting documentation as outlined in the State Proposal/Application Packet and Instructions for the KYTC/OTD Section 5311 Program (See Appendix A). At a minimum, applications for Section 5311 program funding shall consist of three parts:

- Project Description
- Project Budget
- Certification Requirement

The project description provides general descriptive information about the applicant and outlines what the public transportation program will accomplish and how it will approach the management of resources and operations. The project budget identifies anticipated budget based on line item for administrative, operating, technical assistance and/or capital items. The certification requirements are necessary to receive federal funds. The following application process should be adhered to while developing an application for public transportation assistance.

Project Description

The Project Description should outline the public transportation program operations and finances clearly and its relationship to the local and state public transportation goals. The Project Description serves as the basis for the application as well as an annual program operations report. New applicants shall submit a completed feasibility study in addition to completing a formal application. A project description shall include the following:

- Description of agency mission, objectives and impact within the geographic area(s) to be served;
- Scope of Service;
- Description of routes, service and service frequency, ridership, farebox recovery and route mileage;
- Anticipated contracts for special services;

- ~~Three-~~ **Two-** year projection of administrative, operational, **three year** capital and technical assistance/ ~~planning needs~~;
- Intended charter services in accordance with FTA's Charter Regulations;
- An explanation of how the proposed project compares to applicant's previous year's project;
- The impact of the proposed project (i.e. number of persons benefiting, expected achievements) and
- Description of public involvement.

Project Budget

A detailed project budget will be included with the application. Budget information will include but may not be limited to:

- Itemization of personnel, salaries, and fringes;
- Itemized budget expenditures for capital, operating and administrative needs; and
- Proposed revenues and matching funds arrangements

Certification Requirements

All applicants must include the ~~following~~ certifications and assurances **listed in the attached Application Checklists** in order to receive federal funds for the purpose of providing rural public transportation:

PART I PLANNING & PROGRAMMING

~~1. Project Description~~

- ~~Updated Project Description/Maintenance~~
- ~~Fixed route/supplemental ADA Paratransit~~
- ~~Deviated or Flexible Fixed Route _____~~
- ~~Demand Response _____~~
- ~~Inter-City Bus Assurance/Description _____~~
- ~~Incidental Services/Cost Recovery _____~~
- ~~(vehicles and facility)~~
- ~~Updated Equipment/Rolling Stock/Real Property~~
- ~~Inventory Listing _____~~
- ~~Maps of Service Area _____~~
- ~~Operating Authority Certificate _____~~
- ~~Articles of Incorporation (up to date) _____~~
- ~~Legal Name Form _____~~
- ~~Updated Policy on Drug/Alcohol Policy _____~~
- ~~List of Safety Sensitive Employees _____~~

- ~~HSTD Involvement/Participation~~
- ~~Job Access/Reverse Commute Involvement~~
- ~~New Freedom Initiative Involvement~~
- ~~Low Income Population for Service Area~~
- ~~Disabled Population for Service Area~~
- ~~RTAP Needs~~
- ~~Training Conducted during current and two (2) past fiscal years~~
- ~~Status of open 5311/5309 capital projects~~
- ~~STIP/TIP~~
- 2. Project Justification**
 - ~~Benefits/Changes/Impact~~
 - ~~Personnel~~
 - ~~Relationship to Community~~
 - ~~Local Support Letters~~
 - ~~Budget~~
 - ~~Inaccessible Vehicle Purchase~~
- 3. Goals and Objectives**
 - ~~Administrative Only Projects~~
- 4. Project Budget(s)**
 - ~~Separate Pages for Each Budget~~
 - ~~Detailed Backup (including In Kind/Intercity)~~
 - ~~Non Emergency Medicaid Detail~~
 - ~~Indirect line item~~
 - ~~DBE/WBE Goal ()~~
 - ~~RTAP Budget(s)~~
- 5. Purchase Requirements**
 - ~~Annual Equipment Certification~~
 - ~~Agency Purchase Procedures (one-time only)~~
 - ~~Vehicle/Equipment/Facility Specifications~~
 - ~~Procurement Information Certification~~
 - ~~Milestone Schedules~~
- 6. Planning**
 - ~~Monitoring Agency(s) (Board, Commission, State, ADD, etc.)~~
 - ~~Two One Year Budgets~~
 - ~~Three Year Capital Budget~~
 - ~~Population of service area by county~~
 - ~~Community Development Projects Description~~
 - ~~Transportation Enhancement (TE) Projects~~

PART II COMPLIANCE

- 1. Coordination Meeting**
 - ~~Certified Mail/Returned Receipts~~
 - ~~Providers Notified/Copy of Letter~~
 - ~~Participants/Summary~~
- 2. Public Hearing (Full Application)**
 - ~~Copy of Advertisement/Proof of Publication~~
 - ~~Participants/Analysis/Transcript~~
 - ~~LEP accommodations~~
- 3. Private Sector Participation**
 - ~~Dates/Early Notification/Consultation~~
 - ~~Documentation~~

- ~~-Description of Proposals Received~~
- ~~-Rationale for Inclusion/Exclusion~~
- ~~-Methods for Periodic Service Review~~
- ~~-True Cost Comparison Methodology~~
- ~~-Local Public/Private Service Criteria~~
- ~~-Complaints/Resolutions~~
- ~~-Written Local Complaint Process~~

~~4. Intergovernmental Review~~

- ~~-First Time Applications~~

~~5. Civil Rights Assurances~~

- ~~-One Time Title VI Documentation (this is what is on ours)~~
- ~~-Annual (is on ours and not "local") Local Civil Rights Assurance~~
- ~~-Affirmative Action Plan (50 or + employees)~~
- ~~-LEP Access Plan~~

~~6. Protection of Environment~~

- ~~-Statement~~
- ~~-Evaluation of Floodplain (if applicable)~~

~~7. Elderly and Persons with Disabilities~~

- ~~-Hearing (if service for disabled changed)~~
- ~~-One Time 504 Certification~~
- ~~-Status Report on Service for Disabled (2011)~~
- ~~-Disabled Assurance~~
- ~~-Certification of Equivalent Service~~
~~(Inaccessible vehicle purchase)~~

~~8. Charter/School Bus Operations~~

- ~~-Charter Nonapplicable/Compliance Certification~~
- ~~-School Bus Nonapplicable/Compliance Certification~~

~~9. Opinion of Counsel~~

- ~~-Letter from Counsel~~

~~10. Labor~~

- ~~-Letter to KYTC~~

~~11. Authorizing Resolution~~

- ~~-Executed Resolution~~

~~12. Local Share Resolution~~

- ~~-Executed Resolution~~

~~13. Standard Local Assurances~~

- ~~-Executed Assurance~~

~~14. Listed Regulatory Assurances~~

- ~~-Executed Assurance~~

~~15. DBE/WBE Policy Statement~~

- ~~-Executed Statement~~

~~16. Drug Free Workplace Act (#'s would change, if this is correct)~~

- ~~-Executed Certification~~

~~16. Lobbying Certification~~

- ~~-Executed Certification~~

~~17. Incidental Services Certification~~

- ~~-Executed Certification~~

~~18. Federally Required Model Clauses~~

- ~~-Executed Certification of Compliance~~

**KENTUCKY TRANSPORTATION CABINET
OFFICE OF TRANSPORTATION DELIVERY
SECTION 5311 (CFDA #20.509) APPLICATION GUIDELINES
RURAL AREA FORMULA GRANTS
SFY 2015 APPLICATION CHECKLIST**

AGENCY NAME/DBA (both)	DUNS#	Congressional District
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PART I PLANNING & PROGRAMMING

	<u>PAGE</u>	<u>CABINET</u>
	<u>#</u>	<u>USE</u>
1. Project Description		<u>ONLY</u>
-Updated Project Description (Routes, Fares, Hours, Days, etc.) (Please include Rural Public, JARC, Appalachian, & Intercity Bus, etc.)	_____	_____
-Appalachian Counties listed (if applicable)	_____	_____
-HSTD/NEMT Involvement/Participation	_____	_____
- Vehicle/Facility/Equipment Maintenance Plans	_____	_____
-Fixed Route/Supplemental ADA Paratransit	_____	_____
-Deviated or Flexible Fixed Route	_____	_____
-Demand-Response	_____	_____
-InterCity Bus Assurance and Description	_____	_____
-Incidental Services/Cost Recovery (Facilities, Charter, Meals, etc.)	_____	_____
-Updated Equipment/Rolling Stock/Real Property Inventory Listing	_____	_____
-Maps of Service Area for <u>each service</u>	_____	_____
-Operating Authority Certificate	_____	_____
-Articles of Incorporation/Transit Authority/Local Gov (current)	_____	_____
-Legal Name Form	_____	_____
-Updated Drug & Alcohol Policy	_____	_____
-List of Safety Sensitive Employees (w/o SS#)	_____	_____
-Low Income Population for Service Area	_____	_____
-Disabled Population for Service Area	_____	_____
-Training Conducted during current and one (1) past fiscal year	_____	_____
-Status of open 5311/5309/5339 capital projects	_____	_____

2. Project Justification

- Benefits/Changes/Impact _____
- Personnel _____
- Relationship to Community _____
- Local Support Letters _____
- Inaccessible Vehicle Purchase _____

3. Project Budget(s)

- Separate Budget for each applicable service (operating, administrative, JARC, Appalachian, Intercity) _____
- Separate Detailed Backup for Each Line Item on each budget _____
- Explain Non-Emergency Medicaid Involvement in Detail _____
- Indirect Line Item (Approved Non Profit Rate Agreement) _____
- DBE/WBE Goal (5%) _____
- In-Kind Backup Documentation/Justification _____
- RTAP Needs & Budget(s) _____
- Source(s) of Contract Revenue w/ Description of Service Provided _____

4. Purchase Requirements

- Annual Equipment Certification _____
- Agency Purchase Procedures (one-time only) _____
- Vehicle/Equipment/Facility Specifications _____

5. Planning

- Monitoring Agency(s) (Board, Commission, State, ADD, etc.) _____
- Studies & Dates _____
- Two One-Year Operating Budgets _____
- Three One-Year Capital Budget _____
- Population of Service Area by County _____
- Community Development Projects Description _____

PART II COMPLIANCE

1. Coordination Meeting

- Certified Mail/Returned Receipts _____
- Providers Notified/Copy of Letter _____
- Participants/Summary _____

2. Public Hearing (If necessary)

- Copy of Advertisement/Proof of Publication _____
- Participants/Certified Verbatim Transcript _____
- LEP accommodations _____

3. Private Sector Participation

- Dates/Early Notification/Consultation _____
- Documentation
 - Description of Proposals Received _____
 - Rationale for Inclusion/Exclusion _____
 - Methods for Periodic Service Review _____
 - True Cost Comparison Methodology _____
 - Complaints/Resolutions _____
 - Written Local Complaint Process _____

4. Intergovernmental Review

- First-Time Applications _____

5. Civil Rights Assurances

- One Time Title VI Documentation _____
- Annual Civil Rights Assurance _____
- Affirmative Action Plan (50 or + employees) _____
- LEP Access Plan _____

SECTION 5311 SFY 2015 APPLICATION CHECKLIST
Page 5

-Executed Certification _____

18. Incidental Services Certification

-Executed Certification _____

19. Federally Required and Model Contract Clauses

- Signed Signature Page #52 _____

20. Transit Agency Safety Plan Certification

-Executed Certification _____

Agency Signature Title Date

State/OTD Project Manager Signature Title Date

****All elements must be checked or marked N/A by the Project Manager for an application to receive State and Federal approval.**

Project Selection and Evaluation Criteria

All applications under the Public Rural Transit Program (Section 5311) are **reviewed** ~~rated and prioritized based on~~ **first by the Project Manager reviewing grant completeness of application, assessing transit needs and previous year performance.** A baseline formula may be utilized. The formula may include, but not limited to: **ridership, mileage, fleet, rural counties served/population, and economically deprived counties.** Annual adjustments can be made based on such factors as **excess revenues, unspent funds, fixed routes/para transit services and financial needs.** ~~Specific criteria will be published in the annual application for funding.~~

Funds made available under Section 5311 should augment rather than replace existing sources of transportation funds. ~~An applicant shall not be penalized if the failure to maintain previous levels of financial support for the project is due to:~~

- ~~• A federal or state decision that reduces, or has the effect of reducing, available levels of financial support; or~~
- ~~• Local circumstances, as determined by KYTC Office of Transportation beyond the control of the applicant.~~

Section 5316 and Section 5317

Large Urbanized Area Appropriations

~~Designated Recipients (“DR”) in urbanized areas will administer the competitive selection process and prioritize projects under Section 5316 and 5317. DRs in urbanized areas may elect to utilize the same process as that identified for small urbanized and rural areas (recommended to foster greater coordination between areas), or may elect to develop a selection process of their own choosing. Regardless of the direction taken, assurance must still be made that the process is consistent with the locally developed plan. DRs in large urbanized areas may elect to become direct applicants and funding recipients of FTA, and subscribe to all associated Federal requirements including contracting with local subrecipients and adhering to Federal reporting responsibilities.~~

~~Small Urbanized and Rural Area Appropriations~~

~~The Office of Transportation Delivery (OTD), within the KYTC, is the direct recipient of Federal funds for all populations under 200,000 for §5316 Program for the Job Access Reverse Commute (JARC); and §5317 Program for the New Freedom Initiative grant.~~

~~• Section 5316 Program for Job Access and Reverse Commute~~

- ~~○ Funds allocated by formula~~
- ~~○ Provide transportation for Welfare recipients and low income individuals to have job access and reverse commute~~
- ~~○ Locally developed Human Service Transportation Coordinated Plan~~
- ~~○ Non DOT Federal funds can be used as match~~

~~The Project Manager shall take the Coordinated Plan rankings and incorporate into a statewide ranking at the state level.~~

~~• Section 5317 Program for New Freedom Initiative~~

- ~~○ Funds allocated by formula for associated capital and operating costs~~
- ~~○ To provide services and facility improvements beyond requirements by American with Disabilities Act (ADA)~~
- ~~○ Funds allocated by population of persons with disabilities~~
- ~~○ Locally developed Human Service Transportation Coordinated Plan~~
- ~~○ Allows 10% of funding for planning, administration and technical assistance~~
- ~~○ Any Service not operational on August 10, 2005 or Any Service that did not have an identified funding source as of August 10, 2005~~

~~For administration and management purposes, OTD has divided the public transit projects in the State between six seven (7) Project Managers. The Project Manager shall take the Coordinated Plan rankings and incorporate into a statewide ranking at the state level.~~

~~A notice seeking proposals to participate in §5310, §5316, and §5317, is published annually (each December) in statewide newspapers. In addition, applicants are required to meet with all transportation providers (public, private, non profit, etc.) in their service area.~~

~~Prospective recipient must advertise the public hearing and allow the public to comment on the proposal.~~

~~Applications for these programs are due by April 1st of the following year. Executive Director/Staff Assistant assigns Project Managers to different areas throughout the state. The Project Manager reviews every application and Coordinated Plan for each agency that has applied for funds. In the review process, the Project Manager is primarily interested in the transportation needs of the area and does not consider the grantsmanship, race, color, or national origin of the clients to be served.~~

~~If a potential recipient is eligible, certain criteria must be met, and if funds are available, consideration will be given for funding assistance.~~

~~Review Process~~

- ~~• Checklist for Application and Coordinated Plan each Section (5316, 5317)~~
- ~~• Appropriate notification procedures have been followed~~
- ~~• Ranking Criteria population, aging, mileage, services, vehicles or capital projects~~
- ~~• Project Manager's recommendation~~
- ~~• Performance measures~~

~~Criteria to be considered include: the need for the service(s), efforts at coordination, the financial and management capabilities, the quality of the operating plan, ridership projections, and the amount of local support.~~

~~Initiatives Identified~~

- ~~• National Job Access/Reverse Commute
 - ~~○ Department of Employment moving individuals from welfare to work by means of transportation~~
 - ~~○ Prevent long term dependence on welfare~~~~
- ~~• National New Freedom Initiative Not included in a plan prior to August 10, 2005
 - ~~○ Expand numbers and types of riders served~~
 - ~~○ Local goals and objectives~~
 - ~~○ Paratransit comparable transportation required by ADA~~~~
- ~~• Kentucky Program Money Follows the Person (MFP)
 - ~~○ Moving Recipients from long term care to community living~~
 - ~~○ Support movement toward self sufficiency~~~~

~~Once KYTC/OTD receives the application the Project Manager reviews the application for compliance with OTD/FTA rules and regulations. After the application review is complete, Project Manager refers to Local Coordinated Plan ranking criteria within the application. The Project Manager will determine if there are more requests for funding than funds available. If~~

~~there are more requests for funding than funds available the Project Manager will develop his own rankings based on funding and available and performance measure such as long range feasibility and sustainability compared to other projects to ensure a fair and competitive process using the following criteria:~~

Degree of project contention

~~Is the project one that is potentially divisive, could be both time-consuming, and complicated to pursue?~~

Core versus peripheral issue

~~Is the project addressing a keystone issue or one that is relatively minor and has limited overall value? Depending on the range of impact of the project could dictate whether it is an action worth taking sooner rather than later.~~

Time

~~Is the project addressing an immediate and pressing issue or one that is more long term? Issues with immediate and significant impact may be more desirable than those that are long term in nature.~~

Scope of Impact

~~Does the project affect a small, inconsequential aspect of human service transportation or is the impact more significant? The more significant the issue, the more challenging and greater the potential rewards.~~

Scope of effort

~~Does the project tax the technical and time resources of the agencies and individuals involved? Would it require outside help in the form of a consultant or other outside expert? Far reaching projects requiring significant effort may be challenging to implement, but a successful outcome could be enormously useful.~~

Method of Distributing Funds

KYTC/OTD shall make funds available for capital, operating and administrative, planning assistance to projects in ~~non-urbanized~~ rural areas. The budget submitted by the subrecipient through the application process shall define the category and amount of funds the subrecipient wishes to receive. Any variation shall require prior approval from KYTC/OTD.

Approved subrecipients have funds disbursed on a reimbursement basis. Invoices are submitted to KYTC/OTD on a monthly basis at a minimum for Sections 5310, 5311, ~~5316~~ and ~~5317~~ approved expenses. Capital expenses are reimbursed to the subrecipient at approved federal or state share once the capital has been received and is verified as operational by the

subrecipient or KYTC/OTD, as appropriate. All funds paid to recipients for expenditures are on a reimbursement basis only. **KYTC/OTD may allow, on a case by case basis, state reimbursement simultaneous with a wire transfer to the vendor, with the coordination of the transit systems banking institution.**

Eligible project costs under the Section 5311 Program shall be determined in accordance with OMB Circular A-87-A122, **2 CFR Part 200, Subparts A-F**, FTA Circular 9040.1F **G** (as amended) and guidance issued by FTA/KYTC. Project expenditures shall be categorized as capital, operating, or administrative expenses.

State Administration and Technical Assistance

Each program allows a percentage of the apportioned funds to be used by the state to administer a program for costs including administration, planning and technical assistance. The amounts allowed for state administration of each program are:

- Section 5310 - up to 10%
- Section 5311 - up to ~~15%~~ **10%**
- ~~Section 5316~~ — up to 10%
- ~~Section 5317~~ — up to 10%

FTA allows all or a portion of the administrative funds for §5310, ~~§5316~~ and ~~§5317~~ to be combined to support activities (such as coordinated planning) that are common to all three programs. KYTC/OTD may combine program administration funds into one administrative account, so long as use is associated with administering §5310, §5311, ~~§5316~~ and ~~§5317~~ programs.

Section 5310

Section 5310 funding guidelines are based on an equal weighted average of the elderly/disabled populations within a region as percentages of the state's overall elderly/disabled populations.

Section 5316

~~Section 5316 funding guidelines are based on the low income population within a region as a percentage of the state's overall low income population.~~

~~Percentages apply only for Small Urbanized and Rural Area funding. Large Urbanized Areas received their funding directly from FTA.~~

Section 5317

~~Section 5317 funding guidelines are based on the disabled population within a region as a percentage of the state's overall disabled population. Percentages apply only for Small Urbanized and Rural Area funding.~~

Deobligated Funds

Funds that are deobligated from an approved program of projects remain available to KYTC/OTD and subrecipients for reobligation during the period that the funds were originally available to KYTC/OTD.

If deobligated funds from a program are available at the close of the project year, KYTC/OTD considers previously identified "alternate" projects as approved by the KYTC/OTD during initial allocation as well as special requests from subrecipients. Requests must be in writing. Allocation of deobligated project funds is limited to the availability of funds.

Transfer of Federal Funds

The Governor of the Commonwealth of Kentucky or his designee (KYTC/OTD) may transfer funds from the §5307 Program from non-urbanized areas under 200,000 population. Funds from the §5311 Program may also be transferred to §5307 systems with populations under 200,000. The Transportation Cabinet staff will determine the need for flexibility to utilize both funding sources. KYTC/OTD will consult effected area transit providers when considering

transfer decisions. When §5307 funds are transferred to §5311, all §5311 requirements apply. KYTC/OTD may transfer §5310 to the §5311 or §5307 programs if the funds will remain unobligated at the beginning of the 90-day period before the end of the Federal fiscal year. Surface Transportation Programs (STP), congestion Mitigation and Air Quality (CMAQ) funds, and other eligible flexible funds may be transferred from the Federal Highway Administration to the §5311 or §5310 programs for capital needs. Cabinet staff would make this decision with local area transit providers, the area MPO, and the State Highway Engineer's office with the Cabinet Secretary having the final approval. All contractual, procurement and payment procedures would be according to State and Federal guidelines. Notification to FTA of the intent to transfer funds will be in accordance with FTA Circulars 9040.F-1G-proposed and 9070.1FG.

KYTC/OTD will follow all of the requirements of 9040.1F regarding the transfer of funds.

Transfer of Federal Funds §5317

~~A State may transfer New Freedom funds apportioned to it for rural or small urbanized areas to apportionments under Section 5311(e) or 5307, or both. The purpose of the transfer provision, however, is not to supplement the resources available under the State's Section 5311 or Section 5307 apportionments. Transfer to Section 5311 or Section 5307 is permitted, but not required. FTA will also award stand-alone New Freedom grants to the State. Stand-alone grants facilitate the State's ability to recover and reprogram New Freedom Program funds within the period of availability if they are not expended for the projects the State originally selected. If the State does choose to transfer the funds into the Section 5311 or Section 5307 programs, FTA has established a scope code (647) for New Freedom projects included within a Section 5311 or 5307 grant. Although New Freedom funds can be transferred to Section 5307 for award directly to a small urbanized area recipient in a Section 5307 grant, the grant should only include funding and activities for the New Freedom project(s). States may combine funds from multiple programs in a consolidated Section 5311 grant, but the State must track, manage, and report on each program's funds separately within the consolidated grant.~~

~~One purpose for transferring New Freedom Program funds to Section 5311 is to allow federally recognized Indian tribes, which are eligible direct recipients under the Section 5311 program but not under the other programs, to apply directly to FTA for funds allocated to them under the State's competitive selection process for New Freedom. Similarly, transferring New Freedom funds to Section 5307 allows direct recipients of Section 5307 grants in small urbanized areas, to apply directly to FTA for funds competitively awarded under the State's New Freedom Program.~~

~~Transfer of Federal Funds §5316~~

~~Transfer between Funding Categories: A State may use funds apportioned for small urbanized and rural areas for projects serving another area of the State, if the chief executive officer of the State certifies that all of the objectives of JARC are being met in the specified areas. For example, if all objectives of the JARC program are being met in rural areas, funds designated for rural areas may be transferred to urbanized areas of less than 200,000 in population. Funds apportioned to small urbanized and rural areas may also be transferred for use anywhere in the State including large urbanized areas, if the State has established a statewide program for meeting JARC program goals. There is no authority to transfer funds apportioned to large urbanized areas to small urbanized or rural areas.~~

~~Transfer to Other FTA Programs:~~

~~A State may transfer JARC funds apportioned to it for rural or small urbanized areas to apportionments under Section 5311(e) or 5307, or both. The purpose of the transfer provision, however, is not to supplement the resources available under the State's Section 5311 or Section 5307 apportionments. Transfer to Section 5311 or Section 5307 is permitted, but not required. FTA will also award stand-alone JARC grants to the State. Stand-alone grants facilitate the State's ability to recover and reprogram JARC program funds within the period of availability if they are not expended for the projects the State originally selected. If the State does choose to~~

~~transfer the funds into the Section 5311 or Section 5307 programs, FTA has established a scope code (646) for JARC projects included within a Section 5311 or 5307 grant. Although JARC funds can be transferred to Section 5307 for award directly to a small urbanized area recipient in a Section 5307 grant, the grant should only include funding and activities for the JARC project(s). States may combine funds from multiple programs in a consolidated Section 5311 grant, but the State must track, manage, and report on each program's funds separately within the consolidated grant.~~

~~One purpose for transferring JARC program funds to Section 5311 is to allow Federally recognized Indian tribes, which are eligible direct recipients under the Section 5311 program but not under the other programs, to apply directly to FTA for funds allocated to them under the State's competitive selection process for JARC. Similarly, transferring JARC funds to Section 5307 allows direct recipients of Section 5307 grants in small urbanized areas, to apply directly to FTA for funds competitively awarded under the State's JARC program.~~

Intercity Bus Program

KYTC/OTD shall program 15% of the Section 5311 funds **(not including RTAP or Appalachian)** for the Intercity Bus Program. KYTC/OTD as needed will consult with private intercity operators. KYTC/OTD will evaluate the need and continue to assess the Kentucky Greyhound abandoned lines. KYTC will continue to review the transit applications for the intercity bus mobility needs and funding requests. Both operating and capital intercity bus funding request are eligible. KYTC/OTD Project Manager will assess the intercity bus needs in their respective areas and recommend to the Public Transit Branch Manager/Staff Assistant the funding requests.

State Rural Transit Assistance Program (RTAP)

SECTION 5311(b) (2)

The Rural Transit Assistance Program (RTAP) is a broad and flexible program of training, technical assistance, research, and other support services for non-urbanized area operators. It provides a source of funding to assist in the design and implementation of training and technical assistance programs tailored to meet the specific needs of non-urbanized transit operators.

Providers of specialized transportation and public transit operations in urbanized areas may

participate in RTAP sponsored activities, as long as the designed activities benefit rural transit providers. The objectives of RTAP are:

1. To promote the safe and effective delivery of public transportation in rural areas;
 2. To make more efficient use of public and private resources;
 3. To foster the development of state and local abilities to address the training and technical assistance needs of the rural transportation community;
 4. To improve the quality of information and technical assistance available through the development of training and technical assistance resource materials;
 5. To facilitate peer-to-peer self help through the development of local networks of transit professionals;
 6. To support the coordination of public, private, specialized, and human service transportation services; and
 7. To build a national data base of the small urban and rural public transportation industry.
- This program may finance the transit employee in attending conferences, workshops, in or

out-of-state training sessions, and direct technical assistance. KYTC/OTD can incorporate new training programs into the program schedule as the schedule permits.

KYTC/OTD administers RTAP funding through a selection committee. RTAP Committee is comprised of Office of Transportation Delivery Executive Director, one KYTC/OTD employee, and a member of each of the five Kentucky RTAP regions. Appendix B contains a map of the five RTAP regions. The Kentucky Public Transit Association votes upon committee selection every ~~three~~ two years. RTAP Committee meets and determines the selection criteria, local match requirements, and is the decision making body in determining project selection.

Any applicant wishing to complete an RTAP application must comply with the guidelines and directions detailed in Appendix B.

