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CHAPTER II. PROGRAM SUMMARY, GOALS, AND OBJECTIVES

INTRODUCTION

This chapter contains a summary of the FTA Section 5311 Program, how it is administered, a review of the available funding, and the Program's goals and objectives. It also contains a discussion of INDOT's role and responsibilities for the Program and how the Section 5311 program coordinates with other FTA programs. Manual users should read this chapter to gain an understanding of the Program's history and background and its purpose in supporting public transportation in nonurbanized areas.

SECTION 5311 PROGRAM SUMMARY

Section 5311 Program funding is for other than Urbanized (Nonurbanized) Areas, which means any area outside of an urbanized area. The term "nonurbanized area" includes rural areas and urban areas under 50,000 in population not included in an urbanized area.

The nonurbanized formula assistance program for public transportation is authorized by 49 U.S.C. § 5311 (Federal Transit Act of 1964, as amended, <http://www.gpo.gov/fdsys/granule/USCODE-2011-title49/USCODE-2011-title49-subtitleIII-chap53-sec5311>). The Federal Transit Administration (FTA), on behalf of the Secretary of Transportation, apportions the funds appropriated annually to the Governor of each state for public transportation projects in nonurbanized areas. The Governor, in turn, has designated the Indiana Department of Transportation (INDOT), Office of Transit, as the responsible state agency for program administration. The statutory formula is based solely on the

nonurbanized population of the states. Each state prepares an annual program of projects, which must provide for fair and equitable distribution of funds within the state, including Indian reservations, and must provide for maximum feasible coordination with transportation services assisted by other Federal sources.

Program funds may be used for capital and operating. And, the state must use fifteen percent of its annual apportionment to support intercity bus service, unless the Governor certifies that the intercity bus needs of the state are adequately met. The state may also use up to fifteen percent of its annual apportionment for planning and technical assistance activities to existing grantees and program applicants. INDOT, for example, may fund feasibility studies for prospective grantees from this fund.

A separate annual allocation to the state under Section 5311(h), the Rural Transit Assistance Program (RTAP) may be used only for training, technical assistance, research, and related support activities.

The maximum Federal share for capital is 80 percent of the total project costs. The maximum Federal share for operating assistance is 50 percent of the net operating costs.

Eligible recipients include state agencies and local units of governments authorized under state law to provide and carry out a local public transportation project (please see **Chapter II** or a definition of eligible projects).

SECTION 5311 PROGRAM GOALS

Congress has found that “significant public transportation improvements are necessary to achieve national goals for improved air quality, energy conservation, international competitiveness, and mobility for elderly individuals, individuals with disabilities and economically disadvantaged individuals in urban and rural areas of the United States.” The national goals of the nonurbanized formula program are:

- ◆ To enhance the access of people in nonurbanized areas to health care, shopping, education, employment, public services, and recreation;
- ◆ To assist in the maintenance, development, improvement, and use of public transportation systems in rural and small urban areas;
- ◆ To encourage and facilitate the most efficient use of all Federal funds used to provide passenger transportation in nonurbanized areas through the coordination of programs and services;
- ◆ To assist in the development and support of intercity bus transportation; and
- ◆ To provide for the participation of private transportation providers in nonurbanized transportation to the maximum extent feasible.

In addition to these program goals, the FTA wants to ensure that all Americans, including those who live in nonurbanized areas, have access to transit to meet basic mobility needs.

Section 5311 funding is allocated to the states based on funding contained in the Federal transportation authorization bills, which generally approve funding for a two-year period. The current authorization,

Moving Ahead for Progress in the 21st Century (MAP-21) continues several important goals that were previously supported by the Safe Accountable Transportation Equity Act-A Legacy for Users (SAFETEA-LU). It also gives significant new authority to the FTA to strengthen the safety of public transportation systems in the United States which will be addressed later in this Manual.

MAP-21 makes substantial structural changes in state-administered FTA programs. One of these major changes is the elimination of the Job Access and Reverse Commute Program (JARC) and the incorporation of these funds into the State Section 5311 apportionments. Projects previously eligible for JARC funding are now specifically eligible under Section 5311. Another major change to the Section 5311 Program is in the allocation of funding to the individual states. Funds are now allocated to the states using, in part, a service measure (revenue miles) in addition to population and land area data.

The goal of Indiana’s transportation system includes providing transit service throughout the state to meet the needs of transit users. The State’s role in the delivery of transit service is supported by the Section 5311 Program, which provides operating and capital assistance as well as program assistance for the Intercity Bus transportation program and the Federal Rural Transportation Assistance Program (RTAP). The mission of the Indiana Department of Transportation’s Office of Transit is to help people and communities meet their mobility needs by supporting safe, responsive, efficient, and environmentally sound transit services.

STATE 5311 PROGRAM OBJECTIVES:

The INDOT Section 5311 Program objectives are as follows:

- ◆ Increase availability of public transit for Indiana's population that enhances access to health care, shopping, education, employment, public services, and recreation;
- ◆ Encourage and support increased coordination of transit service with various public resources that maximizes transportation efficiencies and benefits for Indiana;
- ◆ Alleviate transportation barriers as well as improve mobility opportunities for elderly persons, people with disabilities, economically disadvantaged persons, and any other populations that may have transportation disadvantages;
- ◆ Implement cost effective strategies and performance measures for subrecipient transit systems that maximize the Federal and State investment in transit;
- ◆ Maintain a state commitment to public transportation;
- ◆ Manage federal transit programs to ensure subrecipient compliance with pertinent federal and state regulations;
- ◆ Provide necessary planning and technical assistance to subrecipient transit system to ensure success with meeting local transit needs; and
- ◆ Ensure a successful Intercity Bus program, which promotes the participation of private providers in both the development and provision of transit services in Indiana.

MAP-21 Impacts on the Section 5311 Program

The current funding for Federal surface transportation programs, including the Federal Transit Administration's (FTA's) Section 5311 Program, is authorized in the Federal Transportation Authorization bill entitled Moving Ahead for Progress in the 21st Century, or MAP-21.

MAP-21 continues several important goals that were previously supported by the Safe Accountable Transportation Equity Act-A Legacy for Users (SAFETEA-LU). It also gives significant new authority to the Federal Transit Administration (FTA) to strengthen the safety of public transportation systems in the United States.

MAP-21 makes substantial structural changes in state-administered FTA programs, as follows:

- ◆ Section 5310: The Elderly Individuals and Individuals with Disabilities Program that once was awarded directly to the states to distribute on a statewide competitive basis, has been converted to a formula program with 80 percent of the funding now directed at urbanized areas.
- ◆ Section 5316: The Job Access and Reverse Commute Program (JARC) has been eliminated as a separate program. JARC funds are now allocated to the states as part of their Section 5311 apportionment. Projects previously eligible for JARC funding are now specifically eligible under Section 5311.
- ◆ Section 5317: The New Freedom Program has been eliminated. There is a presumption that Section 5310 funded projects can meet needs previously funded under this program.
- ◆ Section 5311: Funds are now allocated to the states using, in part, a service measure (revenue miles) in addition to population and land area data.

Another MAP-21 impact to the Section 5311 Program was the implementation of the Section 5339 Program, which replaced the Section 5309 Bus and Bus Facilities Program. Section 5339 provides capital funding to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities. Funds are allocated to the states, and these funds are eligible to be transferred by the States to supplement urban and rural formula grant programs. In Indiana, Section 5339 funds are awarded through the annual Section 5311 grant application process (see the 5311/5339 Application on the INDOT website, <http://www.in.gov/indot/2436.htm>, and also further discussed in **Chapter III** of this manual) for Section 5311-eligible capital projects.

INDOT's administration of the Section 5311 Program in Indiana is set forth in the policies and procedures contained in this manual.

Coordination with Other Programs

SAFETEA-LU set forth a foundation for coordination with other Federal programs. MAP-21 continued this path, and FTA regional offices are available to work with states to address regional coordinated transportation concerns and initiatives. FTA encourages state DOT's to work with their counterparts at state human service agencies, to participate with other states in regional initiatives, and to assist local recipients and subrecipients of Sections 5307, 5310, or 5311 funds to participate in coordinated systems at the local level, along with recipients of funds from the programs of DHHS and other Federal and state programs. Section 5311, RTAP, and Federal transportation planning funds provided to the state may be used in various ways to support eligible activities related to the development and administration of

coordinated activities at the state and local level.

FTA also encourages state DOT participation in other interagency efforts such as the state Rural Development Councils.

INDOT Role in Program Administration

To the extent permitted by law, FTA gives the states maximum discretion in designing and managing the Section 5311 program to meet nonurbanized public transportation needs. Where possible, FTA defers to states and state instrumentalities in developing program standards, criteria, procedures, and policies in order to provide the states flexibility to standardize their management of FTA assistance and related state programs. U.S. DOT regulations and requirements set forth in 2 CFR 200 referred to as the "Super Circular" (and previously contained in "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments," 49 CFR. Part 18, or the "common rule") permit states to rely on their own laws and procedures instead of Federal procedures in the areas of financial management systems, equipment, and procurement and may pass these procedures down to subrecipients which are public entities.

The Governor designates a state agency that will have the principal authority and responsibility for administering the Section 5311 program. The Governor has designated INDOT as the state agency responsible for the administration of the Section 5311 program. INDOT's roles include: documenting the state's procedures in a state management plan; notifying eligible local entities about the availability of the program; soliciting applications; developing project selection criteria; reviewing and selecting projects for approval; forwarding

an annual program of projects and grant application to FTA; certifying eligibility of applicants and project activities; ensuring compliance with Federal requirements by all subrecipients; monitoring local project activity by both scheduled and unannounced site visits; and overseeing project audit and closeout. In addition, the state agency may carry out a project directly.

In administering the program, INDOT is also responsible for the following:

- ◆ Providing for appropriate technical assistance for nonurbanized areas;
- ◆ Ensuring that there is a fair and equitable distribution of program funds within the state;
- ◆ Ensuring a process whereby private transit operators are provided an opportunity to participate to the maximum extent feasible;
- ◆ Expending funds for the support of intercity bus transportation to the extent required by law; and

- ◆ Providing for maximum feasible coordination of public transportation services assisted by FTA with transportation services assisted by other Federal sources.

INDOT must include its Section 5311 apportionment, along with all other Federal highway and transit funds, in a Statewide Transportation Improvement Program (STIP) approved by FTA and the Federal Highway Administration (FHWA). FTA subsequently obligates Section 5311 funds and any flexible funds transferred to Section 5311 based on the program of projects included in the state's Section 5311 grant application. Before the state may expend Federal funds on behalf of a subrecipient, the state must enter into an agreement with the subrecipient, and the subrecipient must have met all statutory and program requirements. The state certifies to FTA annually that the state and subrecipients have met, or will meet, all Federal requirements.