# ALABAMA DEPARTMENT OF TRANSPORTATION

**LOCAL TRANSPORTATION BUREAU**

**Public Transit Section**

**FEDERAL TRANSIT ADMINISTRATION**

**FEDERAL FISCAL YEAR 2022**

**CARES Act and Section 5307**

**Instructions**

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**Dissemination Date: July 23, 2021**

**Due Date:** **August 31, 2021**

**General Instructions**

This application package contains information and application forms for the **Federal Transit Administration (FTA) CORONAVIRUS AIDE, RELIEF, & ECONOMIC SECURITY (CARES) Act of 2020** Grant Application**.** The Alabama Department of Transportation (ALDOT) will have primary responsibility for administering this stimulus funding. Section 5307 recipients subject to ALDOT administration, will be eligible applicants under this program. **CARES Act grantees must meet specified Federal and State requirements under Section 5307 program.**

The application package also contains information and application forms for the **Federal Transit Administration (FTA) Section 5307 Public Transportation Programs**. The Alabama Department of Transportation (ALDOT) administers Alabama's Urban Transit Program (49 USC Section 5307) for the Federal Transit Administration (FTA). Federal rural and urban area transit funds are provided to eligible applicants following submission and approval of a grant application.

According to **FTA Circular 9030.1E**, the purpose of the Section 5307 program is to support public transportation for people living in any urbanized area (UZA) as designated by the Bureau of the Census. A UZA consists of a core area and the surrounding densely populated area with a total population of 50,000 or more, with boundaries fixed by the Bureau of the Census.

**Required Exhibits**

The CARES Act and Section 5307 program application comprises several narrative exhibits. These exhibits are described in detail in the following pages. The required exhibits in the application must appear in the order listed on the **Checklist.** Examples of several of the required exhibits are found in the application package. You may use the blank forms included with this application to aid in developing the required exhibits.

**General Program Information and Requirements**

Applicants are encouraged to review the most current ***State Management Plan*** at <https://www.dot.state.al.us/programs/PublicTransportationProgram.html> and visit the FTA Website at <https://www.transit.dot.gov/> to access current circulars and review the most current Master Agreement and other pertinent documents relating to the Section 5307 public transportation programs before proceeding.

Applications must be for eligible services, eligible service areas, eligible recipients, and eligible expenses, and must be properly matched. Applicants must also assure compliance with conditions placed on recipients of federal funds. These include, but are not limited to, transit service coordination, civil rights, private enterprise participation, compliance with safety and drug free workplace regulations, and competitive procurement of goods and services paid for with federal grant funds.

**Match:** The Section 5307 program permits required match to be derived from other unrestricted federal funds. Contract revenues from social service agencies may also be used as local match in the Section 5307 Program. Non-cash items such as donations of goods and services, volunteered services or in-kind contributions are eligible as local match for project expenses only if the value of each is formally documented and supported. Recipients may use funds from other Federal agencies (non-DOT) for the entire local match if the other agencies make the funds available to the recipient for the purposes of the project. The only DOT funds that States can use as local match for Section 5307 projects are from the Federal Lands Highway Program cited in 49 U.S.C. 5307(g)(3). Section 5310 or other FTA funds cannot be used as match for Section 5307 program funds.

Even though funds may be available to rural and urban transit providers through third party transportation service agreements with state agencies, local social service agencies and/or private social service organizations, FTA funds may not be used as match because they are derived from other DOT programs. Such funds may, however, be treated as farebox revenue. An acceptable combination of local funding (private or public) should be identified and committed to provide the required non-federal share. Applicants are not authorized to place liens on federally funded capital equipment in order to borrow funds to be used as local match.

**CARES Act Program Threshold Requirements**

Section 5307 funds must be used for the provision of public transportation in nonurbanized areas that is provided on a regular and continuing basis. Public transportation is surface “transportation by a conveyance that provides regular and continuing general or special transportation to the public, but does not include school bus, charter, or intercity bus or rail transportation” (49 U.S.C. 5302(a)(10)).

A urban transit provider may design its Section 5307 funded services to maximize use by members of the general public who are transportation-disadvantaged. Transportation disadvantaged people include elderly people and people with disabilities. Coordinated human service transportation that primarily serves elderly people and people with disabilities, but that is not restricted from carrying other members of the public, is open to the general public, and is advertised as public transportation service, are eligible under this program. Transportation services may not be designed exclusively to serve the transportation requirements of social service agencies or other specific agencies without regard for the mobility needs of the community as a whole.

Recipients may establish new routes that serve critical community needs at any time. [FTA’s charter rule](https://www.transit.dot.gov/regulations-and-guidance/access/charter-bus-service/charter-bus-service-regulations-0) at 49 CFR 604.3(c)(1) defines charter service as the exclusive use of a bus or van for a negotiated price. If a recipient provides exclusive transportation for schoolchildren to meal sites, and the service is funded by a third-party, such service would be categorized as a charter service. Although normally prohibited under FTA formula funding, charter service is eligible for COVID-19 response for up to 45 days from the beginning of each state of emergency incident period. For charter services lasting longer than 45 days, the recipient should submit a request to the [Emergency Relief Docket](https://www.transit.dot.gov/funding/grant-programs/emergency-relief-program/emergency-relief-docket).

**Service provided under contract to a social service agency will usually be public transportation, not charter service, if the service is under the control of the subrecipient, is open door, and the subrecipient can put any rider on the vehicle in addition to the agency’s clients. The regulation should not discourage Section 5307 subrecipients from using FTA funded equipment in coordinated systems, or from providing service under contract to social service agencies if the requirements of the regulation are met.**

Section 5307 funds must be used to support public transportation in urbanized areas. If an applicant receives both Section 5307 and 5311 funding to provide public transportation to urbanized and surrounding nonurbanized areas, these applicants should use the Section 5311 funds only to assist the nonurbanized portion of those localities. In such cases, ALDOT will require the subrecipient to develop a cost allocation plan with allocated costs to the respective programs.

All grant recipients must demonstrate that they have the requisite fiscal and managerial capability, and legal authority, to receive the federal funds applied for and to carry out the project for which funds are sought.

**There is no local matching requirements for stimulus funds awarded under the CARES Act program. Federal funds equaling 100 percent of estimated total project costs will be awarded by ALDOT.**

**FEMA Statement or other Federal Agency Statement:** Recipients must indicate in the application that the project has neither applied for nor received funding from FEMA or any other Federal Agency. Recipients must indicate any transit related expenses reimbursed by FEMA or another Federal Agency regardless if their applicable. Please include the following statement:

*The Recipient agrees that if it receives Federal funding from the Federal Emergency Management Agency (FEMA) or through a pass-through entity through the Robert T. Stafford Disaster Relief and Emergency Assistance Act, a different Federal agency, or insurance proceeds for any portion of a project activity approved for FTA funding under this Grant Agreement, it will provide written notification to FTA, and reimburse FTA for any Federal share that duplicates funding provided by FEMA, another Federal agency, or an insurance company.*

**CARES Act Obligation Requirements**

Congress has mandated that **CARES Act** funds must be obligated as soon as possible, consistent with the goals of economic stimulus. Funds are available until expended. There is no lapse date to obligate funds available under the **CARES Act**. Transit systems are encouraged to spend funds and be expeditious to respond to local needs.

By obligation, FTA means that a state has submitted a completed program of projects that has met all requirements and that FTA has executed a project agreement with the state. Thus, all obligation deadlines associated with the **CARES Act** relate to ALDOT; there are no contractual, spending, or obligations and deadlines associated with subrecipients. ALDOT, however, expects all successful applicants to meet the spirit of the **CARES Act** legislation and carry-out the project in a timely and efficient manner.

**Eligible 100% CARES Act Operating, Capital, and ADA Paratransit Assistance**

* There is **no limit** on the amount of **CARES Act** funds that may be used for operating, or capital expenses. For vehicle capital requests, it is required that an agency must first purchase one vehicle within regular grant before they qualify to order one vehicle within CARES Act resulting a “Buy one Get one” pattern.
* There is **no limit** on the amount of **CARES Act** funds that may be used for paratransit service.
* Lost revenue is an eligible expense under the **CARES Act**. To implement this provision, FTA will reimburse any eligible expenses that occurred on or after January 20, 2020, including eligible expenses that would have otherwise been paid for by the lost revenue. This includes all the expenses normally eligible under the Formula Grants for Urbanized Areas Program (Section 5307) that occurred on or after January 20, 2020, at a 100% Federal share. It also includes reimbursing for any net operating expenses (after subtracting farebox revenues), for all Urban Area recipients.
* All net operating expenses (after subtracting fare revenues from the eligible operating expenses) are eligible under Section 5307 for all recipients in urban areas that are incurred on or after January 20, 2020, including the following:
* Provision of transit service, including but not limited to:
  + Driver and other operations worker salaries
  + Fuel
  + Supplies (including personal protective equipment (PPE) and cleaning supplies)
* Administrative leave for operations employees (including employees performing maintenance): Administrative leave is an administratively authorized absence from duty without loss of pay or reduction in an employee’s available leave. In the context of the COVID-19 public health emergency, administrative leave could include, but is not limited to, leave for an employee who is not required to work due to a reduction in service or leave for a worker who is quarantined after potential exposure to an individual infected with COVID-19.

**Eligible CARES Act Project Capital**

**CARES Act funds may be used for capital projects.** Capital projects may include:

**Capital – Vehicle Purchase**

* Proposals for capital projects to address documented vehicle inventory needs will be limited to Replacements
* Vehicles may be purchased either through the State, or ALDOT approved local procurement process.
* Preferences for vehicle capital projects are to:
  + - Replace vehicles for existing service.
    - Develop or provide new intercity service.
* ALDOT will use the following evaluation criteria in reviewing vehicle purchase capital requests:
  + - Meeting the program objectives
    - Supporting the State emphasis
    - Need and purpose
    - Local coordination efforts
    - Local and regional support
    - Project continuation and commitment
    - Financial management
    - Vehicle need and effectiveness
    - Vehicle maintenance plan
    - Vehicle inventory plan
    - Vehicle storage/security plan
    - Driver qualification and training

**Other Transit Capital Equipment**

* Other capital equipment related to the efficient and effective operation of urbanized and nonurbanized area public transportation may be funded under the **CARES Act** program. Such equipment may include, but not necessarily be limited to:
* Passenger amenities (bus stop shelters, benches, etc.)
* Security systems
* Vehicle enhancements
* AV training equipment and materials
* Office equipment
* ITS technologies’
* Two-way mobile communications
* Shop and related maintenance equipment
* Other capital
* Applicants should refer to the appropriate program circular for eligible capital equipment under FTA programs. ALDOT will use the following evaluation criteria in reviewing capital requests:
* Meeting the program objectives
* Supporting the State emphasis
* Need and purpose
* Financial management
* Equipment management

**Section 5307 Program Threshold Requirements**

Section 5307 funds must be used for the provision of public transit in urbanized areas on a regular and continuing basis.

Services may be designed to maximize usage of the service by transportation disadvantaged persons as long as there is no restriction on public use of the service. Transportation services may not be designed exclusively to serve the transportation requirements of social service agencies or other specific agencies without regard for the mobility needs of the community as a whole.

**Services Ineligible for Reimbursement**: Charter, sightseeing, and exclusive school bus services are not eligible services under the Section 5307 Program.

**Charter Service:** FTA grantees are prohibited from using federally funded equipment and facilities to provide charter service except on an incidental basis and when one or more of applicable exceptions as set forth in the charter service regulation at 49 CFR 604.9 (b) applies. Charter service is an allowable activity on an incidental basis if the applicant successfully completes the charter public notice requirements and no “willing and able” private charter providers are available. Applicants must reference Federal Transit Act, as amended 49 CFR 604.11(c). Please refer to the **Appendix** for more details on Charter Service.

**Funding Ratios:**

**5307 CARES Act Grant-**

Operations expense less farebox is 100% federally funded.

Vehicle Capital is based on Buy one in 5307 Regular grant at 80%/20% get one 100% in 5307 CARES Act grant.

**5307 Regular Grant-**

Preventative Maintenance is 80% federally funded.

Planning is 80% federally funded.

Vehicle Capital is based on Buy one 5307 Regular grant at 80%/20% get one 100%.

Non-Vehicle Capital is 80% federally funded.

**Other Capital Projects:**

**Capital Projects:** All capital projects are funded at the 80/20 Federal to local match ratio unless otherwise specified (please see “Bicycle Racks and Access” below).

**Transit Facilities:** Transit Facilities are funded at the 80/20 Federal to local match ratio.

* Proposals for capital projects to address facility needs include:
  + - Renovations of existing transit facilities
* Proposals in this category will be grouped (for consideration of funding) using a multi-year phasing. The phases are divided as such:
  + - Phase 1- Preliminary planning and design
    - Phase 2- Environmental analysis
    - Phase 3- Construction and project completion
* Due to the complexities of the environmental process, projects that are unlikely to be considered a Categorical Exclusion and require further study, analysis, or tests to determine existing conditions shall be presented to FTA for review before being consider for funding. ALDOT will use the following evaluation criteria in reviewing transit facilities requests:
  + - Meeting the program objectives
    - Supporting the State emphasis
    - Need and purpose
    - Service design and or justification
    - Financial management
    - Connectivity and coordination
    - Local and regional support
    - Project continuation and commitment

**Clean Air Act (CAA) or Americans with Disabilities Act (ADA) Equipment and/or Facilities:** The federal share for vehicle-related equipment and/or facilities required by the Clean Air Act (CAA) or the ADA is 80%.

**Bicycle Racks and Access:** The Federal share may be 90 percent for those capital projects used to provide access for bicycles to transit facilities, or to install racks or other equipment for transporting bicycles on transit vehicles.

**Capacity and Legal Authority:** All grant recipients must demonstrate that they have the requisite fiscal and managerial capability, and legal authority, to receive the federal funds applied for and to carry out the project for which funds are sought.

**Technical Assistance**

Technical Assistance is available to any Applicant for CARES Act, and Section 5307 funds through ALDOT and The UAH Office of Public Transportation. Applicants may request technical assistance from their Regional Manager or for 5307(f) ALDOT by phone or email using the Contact Information listed below.

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| --- | --- | --- |
| Lauren Heikkinen  UAH-OPT  North Regional Manager  [heikkinenl@dot.state.al.us](mailto:heikkinenl@dot.state.al.us)  256-658-9691 | Addie Balch  UAH-OPT  Central Regional Manager  [balcha@dot.state.al.us](mailto:balcha@dot.state.al.us)  870-692-2388 | Chandra Middleton  UAH – OPT  South Regional Manager  [middletonc@dot.state.al.us](mailto:middletonc@dot.state.al.us)  251-923-6687 |

**General Instructions and Format of the Application**

The forms and required exhibits included in this package provide the Alabama Department of Transportation with the information necessary to ensure compliance with State and Federal requirements. The required submissions must be complete, correct and in order. Applicants should be aware that there are severe penalties and sanctions for furnishing false information in order to obtain federal grants.

**Only One (1) Application per Agency**

Submit only one (1) application per agency, even if the agency will be applying for assistance at multiple locations. If there are multiple locations, it will be necessary to submit multiple originals of some Exhibits (one for each location).

**Completed Checklist Is Required**

* The completed application package must be submitted in the order listed on the **Checklist**. Attachments/Supporting documents must be inserted directly after question. All pages are to be numbered in whole numbers and in sequence of checklist including support documents.
* The completed application must be securely clipped (**no staples, binders or dividers, please**) and include original signatures.
* On the **Checklist**, enter the page number corresponding to each Exhibit and return the **Checklist** with your application to ensure all Exhibits are included in the correct order. Supporting documents should be in sequence of checklist and directly after question.
* The completed **Checklist** will be placed at the front of the Application following the cover page.

**Application Format**

* Use a clip or rubber band to attach pages together.
* All pages should be on 8.5ʺ x 11ʺ paper.
* Number all pages consecutively in whole numbers (example: 1, 2, 3, etc.) including support documents.
* Text should be printed on one side of the paper.

**Address all documents within application to:**

Mr. Bradley B. Lindsey, P. E.

State Local Transportation Engineer

Local Transportation Bureau

Alabama Department of Transportation

1409 Coliseum Boulevard

Montgomery, Alabama 36110

**Public Hearing**

A Public Hearing is required and must be published at least 7 days prior to the public hearing. (see Exhibit for details).

**Signatures**

Information should be typed and signed in the appropriate areas. All signatures must be the originals of the authorized official for the applicant organization or agency (for example, mayor, county commission chairman, or executive director). Signatures are requested to be in **BLUE INK**.

**Grant Application Submission Process**

1. A digital copy of the complete grant application must be submitted to your Regional Manager via email by close of business on the due date. Regional Managers will review grant applications ONE TIME prior to the due date.
2. Regional Managers will review and approve the completed grant application. Applications needing corrections will be returned to the Agency for revisions.
3. Once the grant application review has been completed and the application has been approved, the Regional Manager will provide the Agency with a copy of the Regional Manager’s Grant Review Checklist as well as a copy of the Agency’s SAMs report.
4. Regional Manager will write and submit one application approval letter per application to ALDOT for signature.
5. The Agency will then attach the Regional Manager’s Grant Review Checklist and SAMs report to their printed grant application with original signatures and mail it to:

Mr. Bradley B. Lindsey, P. E.

State Local Transportation Engineer

ATTN: Randy Stroup

Local Transportation Bureau

Alabama Department of Transportation

1409 Coliseum Boulevard

Montgomery, Alabama 36110

**Application Due Date**

Applications must be submitted by email to the Agency’s Regional Manager no later than **5:00 PM on** **August 31, 2021.**