



Oregon

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TO: Public Transit Technical Advisory Committee

FROM: Martin W. Loring Administrator
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SUBJECT: Agenda Item E (b): New Federal Programs Implementation

Discussion Draft: Implementation Plan for New Freedom, JARC and 5310 Pilot Program

The purpose of this paper is to discuss how Public Transit Division (PTD) proposes to implement the new Federal Transit Administration programs defined by SAFETEA-LU: New Freedom (§5317), Job Access and Reserve Commute (JARC, §5316) and the §5310 Pilot Program. Implementation of these programs will require two related actions:

- implementing the new planning requirements (discussed in more detail in separate paper)
- **implementing the project selection and funding process (discussed in this paper)**

***Recommendation:* Include the new funds in the existing Public Transportation Discretionary Grant Program.**

SAFETEA-LU appropriates four years of funding: 2006 through 2009. PTD proposes to include the new funds in the established 2007-2009 Public Transit Discretionary Grant Program. The discretionary grant program will be designed to accommodate the new programs' goals and requirements.

Exception: The staff is investigating the need to have a one-time limited JARC project solicitation for period of July 2006 through June 30, 2007. (See below.)

Discussion:

Staff considered the following issues when evaluating the options for implementing the new programs.

- What is the best way to implement the new programs? Should we use our existing discretionary programs, or should we change our discretionary programs?
- How does PTD meet short turnaround times?
- How do we inform and engage the human service partners for the required plan?

- Do we need to sustain the existing JARC projects, originally selected by a variety of local processes?

The two implementation options considered by the staff include:

- Using the current discretionary grant program design, or
- Distributing the new funds through separate, targeted programs.

In considering the pros and cons of each option, the staff considered issues as time related to program policy development, preparation of materials, development of public education, and project solicitation and selection, and local community need for stability and consistency in program implementation.

There are several compelling reasons to include the new funds in the existing discretionary grant program:

- The discretionary grant program is designed to accommodate a variety of different kinds of funds, and is well known to the transit stakeholders.
- The new funds will enhance the current discretionary grant program. The important aspect of the new programs is their purpose, not the amounts of funds (which are relatively small). The purposes of each new program are very similar to the established discretionary grant program priorities.
- The discretionary grant program design allows the various sources of funds to be allocated in a flexible manner: in many cases, a specific project may be funded with two or more sources of funds. ODOT staff chooses the most appropriate source for the specific project and applicant. Including the new funds in the existing program will enhance this opportunity, and make the funds go further.
- Coordinating funding – “removing stovepipes” is one of the goals of transportation coordination. Bringing the funds together in consolidated discretionary grant program is one means to meet the goals of coordination at the state level.

The reasons for not recommending developing separate grant programs for the new money include:

- Insufficient time and staff resources;
- Loss of flexibility in use of funds to get as much service from dollars as possible;
- Requires local partners to propose projects to multiple programs; and
- Potential loss of coordination.

Specific Implementation Recommendations for Each New Program: Job Access/Reverse Commute (JARC; §5316)

Short Term-Project Preservation Recommendation: Several of the current JARC projects are receiving funds from TriMet. Future funding for these projects will transition to the JARC funds allocated to the non-urban areas. Staff is researching the impacts of the change in funds available for these projects. At this time, it appears that projects can operate until the

next grant solicitation period, but the analysis is not yet complete. There may need to be an interim process to solicit preservation projects in the small urban and rural areas. Staff will report further at the May 2006 meeting.

Long-term recommendation. ODOT plans to use the JARC funds to provide the opportunity to finance projects benefiting low income individuals to access additional work opportunities. The FTA is currently defining project eligibility criteria; such criteria will be built into the Discretionary Grant program as it becomes available.

The JARC funds will be included in the single entry discretionary grant program; allocation of these funds will be to appropriate eligible operating or capital projects as identified by the application review and approval process. Since ODOT may have additional funds available for a similar purpose and at the same match rate, the JARC funds will add flexibility in the Discretionary Grant Program, especially where more funds are needed to finance qualified projects with merit.

Formula Grants for Special Needs of Elderly Individuals and Individuals with Disabilities (\$5310) Pilot Program

Oregon is one of several pilot project states who are being allowed to use up to 33% of each annual apportionment for operations at a 50/50% match rate. ODOT plans to use the Pilot Program funds to increase the opportunity to finance operating projects benefiting the elderly and individuals with disabilities. The Pilot Program funds will be included in the discretionary grant program; allocation of these funds will be to appropriate eligible operating projects as identified by the application review and approval process.

Since ODOT has state funds available for the same purpose and at the same match rate, the actual amount of 5310 funds to be used in the Pilot Program is unknown, and may range from none up to the limit allowed by the federal law. The Pilot program will require ODOT to participate in a data collection and reporting activity to assess the effectiveness of using the 5310 funds for operations.

New Freedom (\$5317)

ODOT plans to use the New Freedom Program funds to increase the opportunity to finance projects benefiting individuals with disabilities. The FTA is currently defining project eligibility criteria; such criteria will be included when available. Allocation of the funds will be to appropriate eligible capital and operating projects as identified by the application review and approval process. Since ODOT has state funds available for a similar purpose and at the same match rates, the New Freedom funds will provide additional flexibility in the Discretionary Grant Program.

Description of Single Entry Discretionary Grant Program.

ODOT Public Transit Discretionary Grant Program has coordinated several sources of state and federal funds in a “single-entry” funding opportunity for many years¹. This approach has allowed maximum coordination of funds available and administrative process.

Program applicants do not apply for a specific source of funding; they apply for projects that they describe in terms of type, need, coordination, cost, match and public support. Since there are more project applications than funds, the projects that are selected for funding are only those that are highly qualified in accordance with the program criteria.

Current program goals encourage communities to build services that all community members may use, with an emphasis on people who are elderly, people with disabilities and people with low-incomes. To the extent possible in a constrained funding environment and escalating costs, the program design encourages projects that coordinate resources to creatively expand the availability and quality of services.

Once the projects have been approved for funding, the PTD staff determines which source of funding to apply to the specific project. The decision is based on the type of project, the applicant, the amount and source of match and other factors such as community relationships and coordination.

Benefits to this consolidated program design are to:

- Reduce the number of independent grant program solicitations, thereby reducing the overall time and cost of implementation.
- Remove barriers to coordinated services, communities can apply for a “holistic” menu to support their needs without “shopping” the project to various grant programs.
- Stimulate options to bring “outside” matching opportunities to the community that increase the public transportation program.

¹ The grant program is fully described in the State Management Plan, see pages 9-11.