



U.S. Department
of Transportation

**Federal Transit
Administration**

CIRCULAR

FTA C 8100.1C

September 1, 2008

**Subject: PROGRAM GUIDANCE FOR METROPOLITAN PLANNING AND STATE
PLANNING AND RESEARCH PROGRAM GRANTS**

1. PURPOSE. This circular is a re-issuance of program guidance and application instructions for applying for grants under the Metropolitan Planning Program (MPP) and the State Planning and Research Program (SPRP) authorized at 49 U.S.C. 5305.
2. CANCELLATION. This circular, when final, will cancel Federal Transit Administration (FTA) Circular 8100.1B, "Program Guidance and Application Instructions for Metropolitan Planning Grants," dated October 25, 1996, and revokes Circular 8200.1, "Program Guidance and Application Instructions for State Planning and Research Program Grants," dated December 27, 2001.
3. AUTHORITY.
 - a. Federal Transit Laws, Title 49, United States Code, Chapter 53.
 - b. 49 CFR 1.51.
4. WAIVER. FTA reserves the right to waive any provision of this circular to the extent permitted by Federal law or regulation.
5. FEDERAL REGISTER NOTICE. In conjunction with publication of this circular, a Federal Register notice was published on July 23, 2008 (73 FR 42898) addressing comments received during the development of the circular.
6. AMENDMENTS TO THE CIRCULAR. FTA reserves the right to update this circular due to changes in other revised or new guidance and regulations that undergo notice and comment, without further notice and comment on this circular.
7. ACCESSIBLE FORMATS. This document is available in accessible formats upon request. To obtain paper copies of this circular as well as information regarding these accessible formats, telephone FTA's Administrative Services Help Desk at 202-366-4865.

/S/ Original Signed by _____

James S. Simpson
Administrator

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OPI: Office of Planning and
Environment

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SECTION 5305 PROGRAM CIRCULAR

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CHAPTER I

INTRODUCTION AND BACKGROUND

1. THE FEDERAL TRANSIT ADMINISTRATION (FTA). FTA is one of ten modal administrations within the U.S. Department of Transportation (DOT). Headed by an Administrator who is appointed by the President of the United States, FTA functions through a Washington, DC, headquarters office, 10 regional offices, and five metropolitan offices that assist transit agencies in all 50 States, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, Northern Mariana Islands, and American Samoa, and in Federally Recognized Indian Tribes.

Through FTA, the Federal government provides financial assistance to develop new public transportation systems and to improve, maintain, and operate existing systems. FTA grant recipients are responsible for managing their programs according to Federal requirements, and FTA is responsible for ensuring that grantees follow Federal statutory and administrative requirements.

Public transportation includes buses, subways, light rail, commuter rail, monorail, passenger ferry boats, trolleys, inclined railways, people movers, and vans. Public transportation can be either fixed-route or demand-response service.

2. AUTHORIZING LEGISLATION. The Safe, Accountable, Flexible, Efficient Transportation Equity Act, a Legacy for Users (SAFETEA-LU) (PL. 109-059) signed into law August 10, 2005, authorized \$286.4 billion in guaranteed funding for Federal Surface Transportation Programs (STPs) over six years through FY 2009, including \$52.6 billion for Federal transit programs.
3. HOW TO CONTACT FTA. With few exceptions, FTA manages its programs through its regional and metropolitan offices. These offices provide financial assistance to FTA grantees and oversee grant implementation for most FTA programs. Certain programs are the responsibility of FTA headquarters. You should direct inquiries to either the regional or metropolitan office responsible for your geographic area.

To find your Regional Office, please visit FTA's website at, <http://www.fta.dot.gov>, or contact FTA Headquarters at the following address and phone number:

Federal Transit Administration
1200 New Jersey Avenue SE
Washington, DC 20590
Office of Communications and Congressional Affairs
Phone: 202-366-4043
Fax: 202-366-3472

4. GRANTS.GOV. The Grants.gov website is one of 24 Federal cross-agency E-government initiatives designed to improve access to government services and simplify the grants management process by means of the Internet. Grants.gov enables grant-making agencies

and the grant community to work together to make grants management easier and more efficient for everyone. Led by the U.S. Department of Health and Human Services (HHS), along with Federal grant-makers including 26 agencies, 11 commissions, and several States, Grants.gov is the one website for information on all Federal competitive grant opportunities. More information about Grants.gov is available at: <http://www.grants.gov>. FTA posts competitive grant opportunities on Grants.gov. FTA recognizes that most grantees will use the Transportation Electronic Award and Management (TEAM) system to submit their grant applications.

5. **DEFINITIONS.** All definitions in 49 U.S.C. 5302(a) apply to this circular, as well as the following definitions. These definitions are provided for the use of this circular:
- a. **Activity:** An item of cost in a work program associated with a specific study (or portion of a study) as identified in Appendix B of this circular.
 - b. **Consolidated Planning Grant (CPG) Program:** A program in which FTA and Federal Highway Administration (FHWA) metropolitan planning funds are combined in a single grant. FTA and FHWA funding to support statewide transportation planning also may be combined in a CPG.
 - c. **Congestion Mitigation and Air Quality Improvement Program (CMAQ):** A program that provides funds for projects that reduce congestion and/or improve air quality. The purpose of the CMAQ program is to fund transportation projects or programs that will contribute to attainment or maintenance of the national ambient air quality standards (NAAQS) for ozone, carbon monoxide (CO), and particulate matter (PM).
 - d. **Designated Recipient (DR):** An entity designated in accordance with the planning process under 49 U.S.C. 5303, 5304, and 5306 by the chief executive officer of a State, responsible local officials, and publicly owned operators of public transportation, to receive and apportion amounts under 49 U.S.C. 5336 that are attributable to Transportation Management Areas (TMAs) identified under 49 U.S.C. 5303; or a State or regional authority if the authority is responsible under the laws of a State for a capital project and for financing and directly providing public transportation. 49 U.S.C. 5307(a)(2).
 - e. **Disadvantaged Business Enterprise (DBE):** A for-profit small business concern that is (1) at least 51 percent owned by one or more individuals who are both socially and economically disadvantaged or, in the case of a corporation, in which 51 percent of the stock is owned by one or more such individuals; and (2) whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.
 - f. **Long-range Statewide Transportation Plan:** The State's official, statewide, multimodal transportation plan covering a period of no less than 20 years, developed through the statewide transportation planning process.

- g. Master Agreement: The official FTA document containing substantially all FTA and other cross-cutting Federal requirements applicable to the FTA recipient and its project. The Master Agreement is generally revised annually. The Master Agreement is incorporated by reference and made part of each FTA grant, cooperative agreement, and amendment thereto.
- h. Metropolitan Planning Area (MPA): The geographic area determined by agreement between the Metropolitan Planning Organization (MPO) for the metropolitan area and the Governor of the State, within which the metropolitan transportation planning process is carried out.
- i. Metropolitan Planning Program (MPP): The Federal financial assistance provided by FTA, under 49 U.S.C. 5305(d), to support work activities necessary to conduct the federally required metropolitan transportation planning process.
- j. Metropolitan Planning Organization (MPO): The policy board of an organization created and designated to carry out a metropolitan area's transportation planning process.
- k. Metropolitan Transportation Plan (MTP): The official multimodal transportation plan addressing no less than a 20-year planning horizon that is developed, adopted, and updated by the MPO for an MPA through the metropolitan transportation planning process.
- l. Planning Funds (PL): The financial assistance provided by FHWA to support work activities necessary to conduct the federally required metropolitan planning process.
- m. Project: All the transportation and transportation-related planning work within the State for the fiscal year in which FTA has awarded an MPP grant.
- n. Project Task Budget: The document submitted with a State's MPP application to FTA. This document summarizes the aggregate costs of completing all work programs described in all UPWPs submitted by MPOs within the State.
- o. Recipient: An organization receiving financial assistance directly from Federal awarding agencies to carry out a project or program.
- p. State Planning and Research Program (SPRP): Federal financial assistance provided by FTA under 49 U.S.C. 5305(e) to support work activities necessary to conduct the federally required statewide transportation planning.
- q. State: Each of the 50 States, the District of Columbia, and Puerto Rico, all of which have at least one urbanized area (UZA).
- r. State Transportation Improvement Program (STIP): A statewide prioritized listing/program of federally-funded transportation projects covering a period of four years that is consistent with the Long-Range Statewide Transportation Plan, MTPs, and

Transportation Improvement Program (TIP), and required for projects to be eligible for funding under Title 23 of the U.S. Code and 49 U.S.C. Chapter 53.

- s. Subagreement: The mechanism, such as a subgrant or another instrument, employed by the State to award or transfer MPP funds to the individual MPOs.
- t. Subrecipient: Any entity that receives FTA financial assistance as a pass-through from another entity, e.g., an MPO receiving MPP assistance directly from the State.
- u. Task: The aggregate of all activities of a specified type of planning work undertaken by all MPOs throughout the State. This definition is particularly applicable to budgeting that uses Appendix B of this circular.
- v. Transportation Electronic Award and Management (TEAM): FTA's electronic grant making process for grant award and management. TEAM is FTA's system of record for grant program delivery.
- w. Transportation Improvement Program (TIP): A prioritized listing/program of transportation projects covering a period of four years that is developed and formally adopted by an MPO as part of the metropolitan transportation planning process, consistent with the MTP, and required for projects to be eligible for funding under Title 23 of the U.S. Code and 49 U.S.C. Chapter 53.
- x. Transportation Management Area (TMA): (1) An urbanized area (UZA) with a population over 200,000 (as determined by the latest decennial census) or (2) another area when TMA designation is requested by the Governor and the MPO (or affected local officials), and officially designated by the Administrators of the FHWA and FTA. The TMA designation applies to the entire Metropolitan Planning Area(s) (MPA).
- y. Unified Planning Work Program (UPWP): A program of work identifying the planning priorities and activities to be carried out within an MPA during the next one or two-year period. At a minimum, a UPWP includes a description of the planning work and resulting products, the organization that will be responsible for performing the work, time frames for completing the work, the cost of the work, and the source(s) of funds.
- z. Urbanized Area (UZA): A geographic area with a population of 50,000 or more, as designated by the Bureau of the Census.
- aa. Work Element: The planning activity to be undertaken in the UPWP.
- bb. Work Program: A periodic statement of proposed work elements and estimated costs that document the eligible activities to be undertaken with MPP assistance during the next one or two-year period by the State's subrecipients (MPOs). Same as a UPWP (See Chapter I, Section 5.y., of this circular).

6. **PROGRAM HISTORY**. Since 1966, FTA has provided financial assistance to States and local public bodies to support a variety of planning activities. The MPP and SPRP reflect the long-standing emphasis on a multimodal approach to transportation planning, program development, and funding, as well as all planning requirements of recent authorizations.

The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) (Pub. L. 102–240, 105 Stat. 1914, Dec. 18, 1991) restructured FTA’s planning assistance programs. ISTEA established both statutory formula and discretionary planning assistance programs and separated planning programs for MPOs from planning programs for States. This landmark legislation emphasized the multimodal eligibility for FTA and FHWA planning funds to be used to support any transportation planning activities. The Transportation Equity Act for the 21st Century (TEA–21) (Pub. L. 105–178, June 9, 1998) and more recent legislation, SAFETEA–LU (Pub. L. 109–59, August 10, 2005), continue the above planning assistance programs along with the separate planning programs for MPOs and States. However, SAFETEA–LU reorganizes the location of the MPP and SPRP in Title 49 of the U.S. Code. The MPP, formerly codified at 49 U.S.C. 5303(g), and the SPRP, formerly codified at 49 U.S.C. 5313(b), are now both codified at 49 U.S.C. 5305.

As a result of the changes that SAFETEA–LU made to the requirements for metropolitan transportation planning (49 U.S.C. 5303) and statewide transportation planning (49 U.S.C. 5304), FTA and FHWA revised the joint FTA/FHWA Metropolitan Transportation Planning and Statewide Transportation Planning regulations that govern the MPP and the SPRP at 23 CFR Part 450 (adopted by FTA at 49 CFR Part 613), with a Final Rule published in the Federal Register (72 FR 7224, Feb. 14, 2007). The changes to the regulations also incorporate changes initiated by TEA–21. The revised regulations provide the procedural foundation for fully implementing the planning provisions set forth in legislation that govern the development of MTPs and TIPs for urbanized areas, long-range statewide transportation Plans, and STIPs, and the regulations for Management and Monitoring Systems. In general, the revised regulations will make the Metropolitan Transportation Planning and Statewide Transportation Planning regulations consistent with current statutory requirements.

This circular uses the joint FTA/FHWA Metropolitan Transportation Planning and Statewide Transportation Planning regulations at 23 CFR Part 450 as the foundation for its program guidance. Within the regulation, Subpart C addresses metropolitan transportation planning and programming, and Subpart B addresses statewide transportation planning and programming. FTA encourages grantees and stakeholders to refer to the regulations for a complete description of the planning provisions of the metropolitan and statewide transportation planning programs and a list of Federal requirements. You can find the online version at:

http://www.fta.dot.gov/planning/metro/planning_environment_2977.html

7. **PLANNING EMPHASIS AREAS**. At the discretion of the Secretary, FTA and FHWA may jointly establish a planning emphasis area (PEA) to advance national goals as established by Federal law to reflect FTA and FHWA priorities and to respond to congressional direction established through the appropriations process. PEAs are intended

to highlight subjects that should be addressed in FTA and FHWA funded planning programs. PEAs are designed to encourage the application of planning assistance to studies addressing national goals and priorities, in addition to goals and priorities directly benefiting local transportation operations or otherwise serving State and local needs. Upon request, FTA regional offices and FHWA division offices will provide the most current PEAs, which remain in effect until superseded by newer PEAs.

CHAPTER II

METROPOLITAN PLANNING PROGRAM

1. PROGRAM OVERVIEW. The Metropolitan Planning Program (MPP) is a major source of Federal financial assistance to help urbanized areas (UZAs) plan for the development, improvement, and effective management of their multimodal transportation systems. MPP funds are available to carry out the metropolitan transportation planning process and meet the transportation planning requirements of the joint Federal Transit Administration (FTA)/Federal Highway Administration (FHWA) planning regulations. In general, MPP grants are available to assist States, authorities of the States, Metropolitan Planning Organizations (MPOs), and local governmental authorities with: preparing transportation plans and programs; planning, engineering, designing, and evaluating a public transportation project; and conducting technical studies related to public transportation. In carrying out the metropolitan transportation planning process, the MPO, the State(s), and the public transportation operator(s) shall cooperatively determine their mutual responsibilities. They must also clearly identify these responsibilities in written agreements between the MPO, the State(s), and the public transportation operator(s) serving the Metropolitan Planning Area (MPA) (23 CFR 450.314).

Under the planning provisions of the Safe, Accountable, Flexible, Efficient Transportation Equity Act, a Legacy for Users (SAFETEA-LU), the State is the Designated Recipient (DR) and is the only entity eligible to apply for and receive MPP and State Planning and Research Program (SPRP) assistance directly from FTA. Although FTA makes MPP grants directly to States, the State is required by law to distribute these funds to each UZA, or portion of a UZA, within the State, according to a formula developed by the State in cooperation with the MPO and approved by FTA. Under the MPP program, only an MPO is eligible to receive MPP assistance directly from the State. The State recipient enters into subagreements with subrecipients, consistent with applicable requirements of law.

2. ELIGIBILITY.
 - a. Overview. FTA makes MPP grants directly to States, the District of Columbia, and Puerto Rico, each of which has at least one UZA. FTA first apportions MPP assistance to each State. The State then allocates its MPP assistance to the MPOs in its UZAs based on a formula developed by the State in cooperation with the MPOs and approved by FTA. After the State executes its MPP grant agreement with FTA, the State then transfers its MPP assistance to the MPO by a subagreement to support the MPO's transportation planning activities, as set forth in the Unified Planning Work Program (UPWP).
3. BOUNDARIES OF METROPOLITAN PLANNING AREAS. The State's subagreement with each MPO must require the MPO to focus planning activities on the transportation needs covering the area within the established boundaries of the MPO's MPA. The MPO and the governor determine by agreement the boundaries of an MPA. At a minimum, the

MPA must include the existing UZA and the contiguous area expected to become urbanized within the next 20 years. A full discussion of factors affecting determination of the MPA is provided in 23 CFR Part 450.312 adopted by FTA at 49 CFR Part 613, as amended by 72 FR 7224, Feb. 14, 2007.

- a. Eligible Grant Activities. The MPO must use its MPP assistance to support work elements and activities resulting in balanced and comprehensive intermodal transportation planning for the movement of people and goods in the metropolitan area. Comprehensive transportation planning is not limited to transit planning or surface transportation planning, but also encompasses the relationships among land use and all transportation modes, without regard to the programmatic source of Federal assistance. Eligible work elements or activities for MPP and SPRP funds include, but are not limited to:
- (1) Studies relating to management, planning, operations, capital requirements, and economic feasibility;
 - (2) Evaluation of previously funded projects;
 - (3) Peer reviews and exchanges of technical data, information, assistance, and related activities in support of planning and environmental analysis among MPOs and other transportation planners;
 - (4) Work elements and related activities preliminary to and in preparation for constructing, acquiring, or improving the operation of facilities and equipment. This includes the planning for “livability” features such as improved pedestrian and bicycle access to the station and shops and community services in the station area, incorporating arts and artistic design in stations and surrounding areas, and other improvements that enhance the usability and community-friendliness of the transit system environment;
 - (5) Systems planning and corridor-level alternative analysis;
 - (6) Development of 20-year transportation plans, short-range transportation improvement programs (TIPs), and UPWPs;
 - (7) Safety, security, and emergency transportation and evacuation planning;
 - (8) Coordinated public transit human services transportation planning;
 - (9) Transportation and air quality planning and conformity analysis;
 - (10) Public participation in transportation planning;
 - (11) Multimodal facilities planning;
 - (12) Plan, engineer, design, and evaluate a public transportation project;

- (13) Computer hardware and software needed to support planning work; and
- (14) Participation in educational programs for technical staff, as well as executive and board leadership. The cost of certain influencing activities associated with obtaining grants, contracts, cooperative agreements, or loans is not eligible for reimbursement under the MPP and SPRP. The Common Rule, “New Restrictions on Lobbying” published in the Federal Register (55 FR 6736, Feb. 26, 1990), including definitions, and the Office of Management and Budget (OMB) “Government-wide Guidance for New Restrictions,” govern lobbying with respect to certain grants, contracts, cooperative agreements, and loans. For an exhaustive list of eligible and ineligible activities, see OMB Circular Number A-87 “Cost Principles for State, Local and Indian Tribal Governments,” at: <http://www.whitehouse.gov/omb/circulars/a087/a087-all.html>.

- b. Work Element Implementation. The MPO may use its own staff, contract with the State, or enter into third party contracts to carry out planning work elements and activities, on the condition that each third party contract complies with the requirements imposed on States by Department of Transportation (DOT) regulations, “Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments,” (common grant management rule) at 49 CFR Part 18, and the current version of FTA Circular 4220.1, “Third Party Contracting Requirements” and any revisions to the requirements.

The common grant management rule’s definition of “local government” specifically covers each MPO, whether or not the MPO is incorporated as a non-profit corporation under State law. Consequently, the State is authorized to direct the MPO to follow either State procedures or to follow the Federal procedures at 49 CFR Part 18, amended as necessary by specific Federal statutes, Executive Orders, and any implementing regulations. For further discussion of third party procurement requirements, see Chapter 1, Section 7.c.(1) of this circular.

- 4. UNIFIED PLANNING WORK PROGRAM (UPWP). A UPWP consists of transportation planning projects within a metropolitan area for which Federal assistance is sought. Typically, a UPWP is focused on a single metropolitan area and is developed by the MPO within that area. For a UPWP outline, see Appendix A of this circular.
 - a. MPP grant assistance is based on the activities described in the UPWP. Although the MPO generally has the primary responsibility for preparing the UPWP for its metropolitan area, developing the UPWP is the joint responsibility of the MPO, State DOTs or other State departments, public transportation operator(s), and other planning or operating agencies authorized to carry out transportation and related planning and implementation within metropolitan areas. Specifically, all planning and implementing agencies (such as State DOTs, transit authorities, and airport operators) must be an integral part of the planning process and participate in the development of the UPWP.

A State's grant application to FTA for MPP assistance must reflect the planning activities described in the UPWPs prepared by MPOs within the State.

- b. The UPWP should be an integrated, and thus, unified, planning work program; it should contain a detailed description of all planning activities and transportation planning work for the next one to two-year period and delineate major work elements, activities, products, and schedule for completing the activities. The UPWP should contain all multimodal comprehensive planning activities, as well as planning studies related to specific transit, highway, bike/pedestrian, aviation, freight, railway, port, and harbor activities. Transportation planning support activities, such as land use, socio-economic factors, and population estimates, also should be included.
- c. The UPWP should describe the objectives, methodology, products, and agency responsibilities for the specific projects. The UPWP should also use narrative and funding terms to describe the degree to which the various work elements or activities are intermodal. Work elements or activities may be accomplished by sharing the total item costs among the Federal, State, and local participants. The proportionate distribution of Federal assistance assigned will be determined cooperatively for each work element or activity by the appropriate Federal operating administrations. This may result in proportional funding of an entire UPWP, provided that the MPO, State, and public transportation operators agree.
- d. The UPWP should also identify any transportation planning activities in the region to be financed with assistance derived from the SPRP, the Urbanized Area Formula Program, and other FTA programs listed previously in this chapter, or Federal assistance derived from FHWA Planning (PL) Funds and other FHWA programs (such as Congestion Mitigation and Air Quality Improvement Program (CMAQ) or Surface Transportation Program (STP)) to ensure that all planning in the metropolitan area for which Federal assistance is being requested is fully coordinated with the State, FTA, and FHWA.
- e. The UPWP should also clearly identify any incomplete work elements or activities financed with Federal planning assistance awarded in previous fiscal years as carryover activities, irrespective of the funding source.
- f. A simplified statement of work may be submitted in lieu of a UPWP by an MPO in an UZA not designated as a Transportation Management Area (TMA), but only if approved by the State, FTA, and FHWA. If permitted to submit a simplified statement of work, the MPO, in cooperation with the State and transit operators, must prepare the statement of work with a description of the major activities to be performed during the next one or two-year period, who (i.e., State, MPO, public transportation operator, local government, or consultant) will perform the work, the resulting products, and a summary of the total amounts and sources of Federal and matching funds. If a simplified statement of work is used, it may be submitted as part of the State's planning work program, in accordance with 23 CFR Part 420.

- g. FTA will review the draft UPWPs and approve them individually or as a part of the State's consolidated request for MPP assistance. In reviewing a UPWP, FTA evaluates the following:
- (1) The UPWP's relevance to studies or planning activities needed to implement the metropolitan transportation plan (MTP) and TIP development requirements;
 - (2) Eligibility of each task for FTA financial assistance; and
 - (3) Inclusion of tasks reflecting multimodal transportation planning in the metropolitan area.

5. MPP ASSISTANCE: FORMULA AND NOTIFICATION.

- a. Notification. MPP apportionments to States are published in the Federal Register annually, after the President has signed the DOT Appropriations Act for the fiscal year. FTA usually publishes apportionments during the first quarter of the Federal fiscal year. For information on FTA annual apportionment notices, see FTA's website at: http://www.fta.dot.gov/funding/grants_financing_38.html.
- b. Authorization. The formulas for apportioning MPP funds are established by statute. Under the formula established by SAFETEA-LU at 49 U.S.C. 5305(g), 82.72 percent of the amounts authorized for Section 5305 is allocated to the MPP.
- c. Formulas. SAFETEA-LU has divided MPP authorizations into two categories; the Act designates 80 percent for allocation among MPOs in accordance with the formula described in 49 U.S.C. 5305(d) to support metropolitan planning, including provisions for private enterprise participation. The remaining 20 percent of the MPP authorization is designated for apportionment to States by the Secretary to provide supplemental assistance funding to MPOs. FTA combines the basic and supplemental MPP assistance for each State when FTA publishes its annual apportionment notice in the Federal Register.
- d. Basic and Supplemental MPP Assistance and Formula Allocation Among MPOs.
 - (1) In accordance with 49 U.S.C. 5305(d), FTA apportions 80 percent of the available MPP assistance to the States, based on the ratio equal to the population in each State's UZAs, divided by the total population in UZAs in all the States, as shown by the latest available decennial census prepared by the Bureau of the Census. If necessary, FTA is required to make adjustments to that formula to ensure that each State is apportioned a minimum amount of 0.5 percent of this 80 percent basic assistance.
 - (2) Consistent with 49 U.S.C. 5305(d), FTA then apportions the remaining 20 percent of the MPP assistance to the States to supplement funding for MPP activities in MPOs in larger metropolitan areas that have more complex transportation issues

and needs. FTA's administrative formula for apportioning the remaining 20 percent focuses on the relative size of these larger metropolitan areas. Only States that have a UZA with a population greater than one million are eligible to receive supplemental MPP assistance.

- (3) Each State must allocate its total MPP assistance (Basic and Supplemental) to its MPOs consistent with the formula the State has developed with its MPOs and approved by FTA. Allocation of the Basic portion of MPP assistance to MPOs must take place no later than 30 days after the date of apportionment.

e. Availability of MPP Assistance.

- (1) Grant Awards. The funds apportioned under the MPP will remain available for FTA to obligate to recipients for four fiscal years, which includes the year of apportionment plus three more years. Any apportioned funds that remain unobligated at the end of this period will revert to FTA for reapportionment under the program (the same principles apply to SPRP assistance).
- (2) Draw Down of Federal Funds Conditioned Upon UPWP Approval. As a general rule, an applicant for financial assistance under any of FTA's grant programs must first demonstrate compliance with all applicable Federal requirements before FTA will award a grant to that applicant. FTA may make an exception, however, for an MPP grant to a State. In this instance, FTA may choose to award a grant requiring FTA and FHWA express approval before FTA and FHWA have approved each UPWP within the State. However, FTA does not allow the State to draw down MPP assistance obligated under the grant to support planning expenses of an MPO without an approved UPWP. Once FTA and FHWA approve that MPO's UPWP, the State may then begin to draw down MPP assistance under the affected grant for reimbursement of the MPO's planning expenses.
- (3) Pre-award Authority to Spend MPP Funds. If a State has not executed a grant agreement with FTA, the State may spend its own funds under pre-award authority for MPP work contained in an approved UPWP. The MPP work will be eligible for FTA assistance after FTA approves a grant including the apportionment funding that includes the MPP work already undertaken. FTA will allow pre-award authority only if a planning study has been approved in the UPWP. FTA will only provide retroactive MPP assistance to support work that is eligible for MPP assistance. An MPO may incur costs for MPP work before receiving its MPP allocation from the State, yet remain eligible for reimbursement when its MPP assistance is ultimately made available. The same principles also apply to SPRP assistance.

6. GRANT AGREEMENT.

a. Characteristics of the Grant Agreement. FTA has developed a streamlined grant agreement with the following characteristics:

- (1) Notification of Award. This section sets forth the specifics pertaining to the particular grant application. For MPP grants, the DR is always the State. The project description will cover all MPP work elements and activities to be carried out within the State. The total project cost will cover all MPP work elements and activities within the State for which the specific grant will provide funding. The local share will be the total local share the State is obligated to provide for all the MPP work elements and activities within the State for which the specific grant will provide funding.
- (2) Master Agreement. Each fiscal year, FTA provides a copy of the Master Agreement to each grant applicant to use with all grant programs that may interest the grant applicant. FTA incorporates by reference the Master Agreement for a specific fiscal year and makes it part of the grant agreement. The Master Agreement is essentially a compilation of all requirements imposed on FTA grant programs by various Federal statutes, regulations, Executive Orders, and FTA directives used for all FTA grant programs. Requirements within the Master Agreement not otherwise applicable to the MPP will not be imposed by the Master Agreement.
- (3) Special Conditions or Requirements. Any special conditions or requirements placed on a particular grant agreement will be set forth within the grant agreement in the Transportation Electronic Award and Management (TEAM) grant processing system. **Note:** Failure to fulfill a special condition or requirement pertaining to a specific work element or activity can delay drawing down MPP assistance to support that work element or activity.

b. Transmission of the Grant Agreement. FTA and the State execute the grant agreement electronically through the TEAM grant processing system.

7. ADMINISTRATION OF MPP GRANTS. Each State is responsible for ensuring that each MPO within its jurisdiction complies with those Federal requirements affecting MPO operations.

a. Federal Role in MPP Administration.

- (1) FTA Headquarters Offices are responsible for:
 - (a) Providing overall MPP policy and program guidance;
 - (b) Apportioning funds annually to the States;

- (c) Developing and implementing financial management procedures;
 - (d) Initiating and managing program support activities;
 - (e) Supporting and completing fund transfers for the Consolidated Planning Grant (CPG) program and non-CPG program; and
 - (f) Conducting national program reviews and evaluations.
- (2) The FTA regional offices have the day-to-day responsibility for administering the MPP. Regional Office responsibilities include:
- (a) Working with States to implement the annual or two-year planning grant program or CPG program;
 - (b) Reviewing and approving the State's allocation formulas;
 - (c) Reviewing and approving the State's MPP grant or CPG applications;
 - (d) Approving the State's annual Certifications and Assurances;
 - (e) Reviewing and approving any revisions to the planning work conducted within the State;
 - (f) Obligating funds;
 - (g) Providing oversight of the State's management responsibilities;
 - (h) Providing overall management; and
 - (i) Reviewing the State's management of its MPP grants as circumstances warrant.
- (3) Before making MPP assistance available to the State, FTA regional offices and FHWA division offices will review the draft UPWP from each TMA and, at FTA and FHWA's discretion, review draft UPWPs from non-TMA MPOs. FTA and FHWA will approve the UPWPs individually or as part of the State's consolidated request for metropolitan planning assistance. The State may either submit UPWPs or simplified statements of work submitted by MPOs for areas with 200,000 or less population.

b. State Role in MPP Administration.

- (1) General Responsibilities. The State may select any entity to administer its MPP program. Normally a State DOT or another State agency manages the State's MPP grants. The State role includes:

- (a) Notifying eligible local entities of the availability of MPP assistance;
 - (b) Determining how MPP assistance should be allocated to each MPO, which is a formula developed with its MPOs and approved by FTA;
 - (c) Reviewing UPWP work tasks;
 - (d) Forwarding its MPP application to FTA;
 - (e) Providing the necessary Certifications and Assurances;
 - (f) Ensuring compliance with Federal requirements by all subrecipients;
 - (g) Monitoring the MPOs' project activity; and
 - (h) Overseeing project audit and grant closeout.
- (2) State Subagreements with MPOs. Before providing MPP assistance to an MPO, the State and MPO must enter into a written subagreement stating the terms and conditions of the provision of MPP assistance. In general, the MPO is authorized to follow State procedures in managing its MPP work, except when express Federal statutes, Executive Orders, or regulations apply. Accordingly, the State must ensure that every subagreement with an MPO includes all applicable requirements imposed by Federal statutes, Executive Orders, and implementing regulations. The Master Agreement, which FTA incorporates by reference into the grant agreement between FTA and the State, identifies these requirements.

At the request of the MPO, the State may carry out planning work elements or activities directly for the MPO. Additionally, the State reimburses MPOs for work activity vouchers from FHWA and/or FTA's planning program funding.

- (3) General Management Requirements. DOT's Common Rule for States and Local Government (49 CFR Part 18) establishes basic grant management requirements for the State. To the extent that State procedures do not conflict with other Federal statutes, Executive Orders, or implementing regulations applicable to the MPP, the Common Rule specifically permits the State to use its own procurement, financial management, and property management procedures in administering its MPP assistance.
- (a) The Common Rule also authorizes a local government subrecipient of a State to use the State's procurement, financial management, and property management procedures. For purposes of the Common Rule, an MPO is specifically designated as a "local government," even if the MPO qualifies as a non-profit corporation under State law. Consequently, because an MPO is the State's subrecipient of MPP assistance, the MPO is authorized to administer its MPP assistance in accordance with State procedures, but only if

they do not conflict with other Federal statutes, Executive Orders, or implementing regulations applicable to the MPP.

- (b) The Master Agreement, which FTA incorporates by reference in the grant agreement, sets forth the basic requirements pertaining to an MPP grant. Additionally, in the current version of FTA Circular 5010.1, “Grant Management Guidelines,” provides project management guidelines for nearly all FTA programs. Circular 5010.1 provides basic guidance on financial status and milestone/narrative progress reporting that is particularly useful in managing the MPP. The circular’s provisions offer guidance in program management.
- c. Special Management Requirements for the MPP Program. This circular does not repeat all management requirements applicable to the MPP, but it does contain compliance guidance within the context of the MPP structure for certain management requirements of special significance to FTA.
 - (1) Third Party Contracts. A third party contract is a contract financed with Federal assistance between a DR, pass-through recipient or subrecipient, and a third party contractor for project work elements or activities. A third party contractor may be a general contractor, a consultant, or another entity (usually in the private sector) but is not a subrecipient that receives pass-through funding from the recipient to implement its project. A third party subcontract is a subcontract entered into by the third party contractor and another contractor for project work. The current version of FTA Circular 4220.1, “Third Party Contracting Requirements,” is a useful guide for third party contracting procedures.
 - (a) In the case of the MPP program, the State is the DR/grantee, and the MPO is its subrecipient. A contractor engaged to perform project work directly for either the State or subrecipient is a third party contractor. A contractor engaged by the third party contractor is a third party subcontractor.
 - (b) In the case of the MPP, the procurement, execution, audit, and closing of third party contracts are basic MPO responsibilities, for which the State, as well as the MPO, is responsible.
 - (c) Notably, neither the State nor the MPO may impose State or local preference provisions in third party procurements. The State must also ensure that each purchase order or other third party contract includes all requirements imposed on States by specific Federal statutes, Executive Orders, and their implementing regulations.
 - (d) A subagreement in which the State (as the DR) passes MPP assistance through to the MPO (as a subrecipient) is not a third party contract. When entering into any third party contract, however, the MPO, as the subrecipient of the State, must comply with State procurement procedures and other specific

Federal statutory, Executive Order, and regulatory requirements specifically imposed on the MPP.

- (2) Disadvantaged Business Enterprises (DBE). DOT regulations on participation by DBEs in certain FTA programs require recipients and subrecipients of specific amounts of Federal transportation assistance to establish DBE goals on contracts (and third party contracts) with subcontracting opportunities. For further information on FTA's DBE requirements, see DOT's DBE regulations (49 CFR Part 26).
- (3) Allowable Costs. OMB Circular A-87, "Cost Principle for State, Local, and Indian Tribal Governments," provides Federal guidelines for allowable costs for grantees and subrecipients that are State or local governments.

d. Financial Management.

- (1) State Financial Management Systems. The Common Rule requires a State to spend and account for grant funds in accordance with State laws and procedures for spending and accounting State funds. Fiscal control and accounting procedures of the State, as well as its subrecipients and cost-type contractors, must be sufficient to:
 - (a) Permit preparation of all reports required by Federal law and regulation as a result of the MPP project; and
 - (b) Permit tracking of funds to a level of spending adequate to confirm that such funds have not been used in violation of the restrictions and prohibitions applicable to the MPP program.
- (2) FTA Payment Procedure. FTA makes all payments by the Automated Clearing House (ACH) method of payment, regardless of the amount. The State makes payments under the Electronic Clearing House Operation (ECHO) system, using its assigned ECHO Control Number (ECN). The State must comply with the ECHO requirements contained in the ECHO System Operations Manual, "Guidelines for Disbursements," used for FTA Projects. In general:
 - (a) The State may draw down cash only when project purposes require immediate disbursement of funds;
 - (b) The State must disburse the funds drawn down within three days. FTA may revoke or suspend the State's access to the ECHO system, or FTA may invoke other remedies if the State fails to spend the Federal funds within three days of their receipt or return the funds to FTA within a reasonable period or if the State will not or cannot establish procedures that will reduce the amount of time between cash advances and disbursement;

- (c) The State must report cash disbursements and balances on the annual Financial Status Report (FSR) in the grant;
 - (d) The State must provide for control and accountability of all project funds consistent with Federal requirements and procedures for use of the ECHO system;
 - (e) The State may not draw down funds for a project that would exceed the amount obligated by FTA or the current available balance for that project; and
 - (f) The State shall limit drawdowns to eligible project costs and ensure that subrecipients also follow applicable financial requirements. If the State violates this requirement, the State must remit interest as required by U.S. Department of Treasury regulations, "Rules and Procedures for Funds Transfers," 31 CFR Part 205.
- (3) State Financial Records. FTA does not maintain detailed financial records on individual MPP projects. The State (and its subrecipient MPOs) must maintain financial records, supporting documentation, and all other records pertaining to an MPP grant, and these records should be available for review by FTA and DOT. Besides specific data on project expenditures, the State's financial records should adequately document the computation of the Federal share and the provision of the required local share for each project. These records must be kept readily available for inspection by authorized DOT representatives or the Comptroller General of the United States for a period of three years. The retention period starts on the date the State submits its final FSR (OMB SF-269A) to FTA and DOT. If any litigation, claim, or audit is started before the expiration of the three-year period, the records must be retained beyond three years, until all litigation, claims, or audit findings involving the records have been resolved.
- (4) Audit. The State is responsible for ensuring that audits are performed pursuant to the requirements of the Single Audit Act of 1984, 31 U.S.C. 7501, the Common Grant Rule, and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
- (5) Closeout. The State should initiate project closeout with MPOs immediately after the MPO has spent all its MPP assistance. The State should similarly initiate grant closeout with FTA immediately after the State finishes all activities covered by its (aggregate) Project Task Budget. The State is required to submit a final FSR (OMB SF-269A) and a final Project Task Budget at the time of project closeout.
- (a) The State's subagreement with an MPO should specify a reasonable time (generally one year) in which the MPO must complete its planning work elements and activities. Although this circular gives the State a great deal of flexibility, it is not FTA's intention that grants be continually revised or

amended in ways that will excessively prolong the life of the grant, and thereby result in a large number of active grants.

- (b) FTA places a high priority on closing out grants for which work or activity has ceased for more than a year. If small amounts of funds (less than 5 percent of Federal funds in the grant) remain in an inactive subagreement, the State should ask FTA to deobligate the remaining funds and close out the grant upon mutual agreement between the State and FTA that the funds are no longer needed.
- (6) Reporting Requirements.
- (a) Planning Status Reports. Each time an MPO submits a new UPWP for which it seeks Federal assistance to the State, FTA, or FHWA, a status report on any outstanding federally-assisted planning work elements or activities outstanding should accompany that UPWP. The State then prepares a summary of these planning status reports for submission with the State's (aggregate) Project Task Budget.
 - (b) Annual Financial and Program Status Reports. Annually, the State must submit an FSR (SF-269A) for each active grant along with the State's September 30 program status report. This FSR is due 30 days after the end of the Federal fiscal year. FTA may request more frequent reporting when circumstances warrant.
 - (c) Title VI Report. The current version of FTA Circular 4702.1, "Title VI and Title VI-Dependent Guidelines for FTA Recipients," requires each State to submit a Title VI compliance report (updated every three years) to its FTA Regional Civil Rights Officer showing how the State and its subrecipients will comply with Title VI of the Civil Rights Act of 1964, as amended.
 - (d) DBE Reports. Because the State must pass through all MPP assistance to its MPOs, the State must obtain DBE programs and annual DBE goals from each MPO receiving \$250,000 or more in MPP assistance for one year. The State must submit semiannual progress reports on its DBE contracting activities and those of its subrecipients that meet or exceed the \$250,000 threshold. If the State includes in its goal calculations those subrecipients that receive less than \$250,000, the DBE contracting activities of these subrecipients must be reported annually. States and MPOs should consult DOT regulations on DBE participation in projects financed with DOT assistance, located at 49 CFR Part 26.
 - (e) Reports on Nondiscrimination on Basis of Disabilities. DOT regulations prohibiting discrimination on the basis of disabilities in federally-assisted programs at 49 CFR Part 27, which also requires States to submit compliance reports.

- e. State Management of MPP Grants. With the enactment of ISTEA (and then continuing with Transportation Equity Act for the 21st Century (TEA-21) and SAFETEA-LU), FTA apportions MPP assistance and awards grants to each State; the State then provides the MPP assistance to MPOs for transportation planning in their MPAs. For information on the role of the Federal and State governments in the administration of MPP Grants, see Chapter II, Section 7.a. and b., of this circular.
- (1) Although the State is responsible, in cooperation with the MPOs, for developing a formula for the suballocation of MPP assistance to various UZAs, FTA must approve the formula. FTA expects the State's MPP formula to recognize relative population size, transportation needs, and problems of individual areas, as well as ensuring a minimum amount of MPP funding for each UZA.
 - (2) Because FTA issues a single MPP grant to each State, the State assumes the role of grant applicant on behalf of its subrecipient, MPOs, in interacting with FTA; that is, the State must submit the MPP grant application to FTA on behalf of its MPOs. The State's (aggregate) Project Task Budget in its MPP grant application is usually compiled from information in the various final UPWPs. Specifically, FTA expects the State to prepare an aggregate summary of all the proposed work elements and activities in all its metropolitan areas, in accordance with the framework of Appendix B of this circular. Apart from the Project Task Budget, FTA also expects the State to submit information about how it will allocate MPP assistance to its MPOs and specify the organization that will be responsible for completing each work element or activity.
 - (3) Although FTA may rely on the States to perform the necessary reviews of the UPWPs, the FTA Regional Office reserves the right to review and approve all individual metropolitan UPWPs (in addition to the mandatory FTA review of UPWPs covering metropolitan areas with populations of more than 200,000, or areas classified as nonattainment or maintenance areas for transportation-related pollutants).
 - (4) The State must distribute all MPP assistance to its MPO subrecipients in accordance with the State's federally-approved formula. The State does this by entering into subagreements with each MPO. At an MPO's request, a State may use MPP assistance to perform selected planning work elements or activities for the MPO. Although the State may not use any MPP assistance for administrative expenses, the State may use FHWA SPRP assistance to support its costs connected with administering and managing the MPP.
 - (5) The State, as the applicant to FTA for an MPP grant, and later as the recipient, must comply with all grant application requirements of this circular. Consequently, the State is responsible for ensuring that each subrecipient of MPP assistance, such as an MPO, complies with those Federal requirements that apply to subrecipients. Although FTA does not specify the documentation a State must

obtain from the individual MPO subrecipients, the State must show support for the certifications, assurances, and other reporting requirements it makes to FTA as a DR.

8. ROLE OF THE DESIGNATED RECIPIENTS (DRs) AND METROPOLITAN PLANNING ORGANIZATION IN ALLOCATING FUNDS.

- a. Role of the DR for Section 5307 Funds: Under FTA's Urbanized Formula grant program (49 U.S.C. 5307), Congress has provided that the DR(s) is the entity selected by the State's chief executive officer, responsible local officials, and publicly owned operators of public transportation to "receive and apportion" the amounts made available by Congress and FTA to a TMA, or a State, or regional authority if the authority is responsible under the laws of the State for a capital project and for financing and directly providing public transportation. See 49 U.S.C. 5307(a)(2)(A)(B). Section 5307 further provides that the DR, after consideration of comments and views of the public, prepares the final program of projects (POP) for the amounts available to the DR(s). See 49 U.S.C. 5307(c).
- b. Role of the MPO: Under 49 U.S.C. 5303(d), an MPO, designated by agreement of the Governor and local elected officials that together represent at least 75 percent of the affected population (including the largest incorporated city based on population) or in accordance with State or local law, is the forum for cooperative decisionmaking. Composed of local elected officials, appropriate State officials, and officials of public agencies that operate major modes of transportation in the region, the MPO is responsible for the development and adoption of the long range transportation plan and the shorter term TIP. The TIP must include every capital and operating project for which assistance will be requested from FTA or FHWA. Upon approval by the MPO, the TIP must be approved by the Governor and is subsequently included in a STIP that FTA and FHWA jointly approve. (See 49 U.S.C. 5303(j)(1)(d), 49 U.S.C. 5304(g)(6) and 23 U.S.C. 135(g)(6)).

Sections 5303 and 5307 of Title 49 U.S. Code specify the roles of the MPO and the DR respectively. While the MPO develops and adopts the TIP, the DR has the primary responsibility to develop the POP for the Section 5307 funds apportioned to its TMA for inclusion in the TIP. The MPO and the DR have to work cooperatively to develop the TIP and agree on how Section 5307 funds will be spent. FTA Circular 9030.1, "Urbanized Area Formula Program: Program Guidance and Application Instructions," includes more information on the role of the DR and MPO regarding Section 5307 funds.

- c. Role of the DR for Section 5305 (MPP) Funds: As stated earlier, for purposes of this circular, the State is the DR of the MPP funds and must work cooperatively with the MPO in determining a formula for distributing these funds among MPOs in the State. FTA must review and approve that formula.

9. RELATIONSHIP TO OTHER DOT PROGRAMS.

- a. FTA Programs. The following is a brief discussion of other FTA grant programs that can be used to fund metropolitan transportation planning activities.
- (1) State Planning and Research Program (SPRP) (49 U.S.C. 5305(e)). In addition to funding State and local transportation needs, the SPRP provides funds for planning studies. Chapter III of this circular provides detailed information on this program. The SPRP can provide financial assistance through States to their MPOs to aid in the preparation of fiscally constrained plans and TIPs that guide the use of Federal capital assistance resources. The plans and programs should reflect the goals and objectives of State and local officials and citizens.
 - (2) Urbanized Area Formula Program (49 U.S.C. 5307). Funds may be used for any planning work element or activities eligible for MPP assistance. The statute establishes the Federal match for planning assistance under this program at 80 percent of the project cost. For UZAs under 200,000 in population, FTA makes funds available to the Governor or the Governor's designee(s) for distribution. For UZAs over 200,000 in population (designated as TMAs), funds are available to a local DR(s). See the current version of FTA Circular 9030.1 for more information on this program.
 - (3) Capital Investment Grants (49 U.S.C. 5309). Capital Investment Grants provide capital assistance for fixed guideway modernization, construction and extension of new fixed guideway systems, bus and bus related equipment, and construction projects. States and local public bodies within urbanized, or nonurbanized areas, are eligible to receive grants derived from the Capital Program, but may not use the funds for planning activities. The Alternatives Analysis Program (Section 5339), as authorized by SAFETEA-LU and described below, serves this purpose. Planning is no longer an eligible activity under Section 5309, with the exception of Before and After studies for New Starts and Small Starts. See the current version of FTA Circular 9300.1, "Capital Investment Program Guidance and Application Instructions," for more information.
 - (4) Alternative Analysis Program (49 U.S.C. 5339). Under the Alternatives Analysis Program, FTA may make funding available to States, authorities of the States, MPOs, and local governments. The government share of the cost of a funded activity may not exceed 80 percent of the cost of the activity. Eligible projects include planning and corridor studies supportive of the adoption of locally preferred alternatives within the fiscally constrained MTP for that area. Alternatives Analysis programming must be shown in the UPWP for MPOs with responsibility for that area. For further discussion of the UPWP, see Chapter II, Section 4 of this circular.
 - (5) Job Access and Reverse Commute (JARC) Program (49 U.S.C. 5316). The JARC program provides assistance for public transportation projects that develop and

maintain transportation services that transport welfare recipients and eligible low income individuals to and from jobs and activities that pertain to their employment. FTA apportions JARC funds directly to large UZAs and to the States for small UZAs and nonurbanized areas. A recipient may use up to 10 percent of its JARC apportionment to fund program administration, planning, and technical assistance. To find guidance for the JARC program, see the current version of FTA Circular 9050.1, "The Job Access and Reverse Commute (JARC) Program Guidance and Application Instructions." This program is part of the Coordinated Public Transit Human Services Transportation Plan (Coordinated Plan) discussed further in Chapter II, Section 9.b., of this circular.

- (6) New Freedom Program (49 U.S.C. 5317). SAFETEA-LU's New Freedom Program provides new public transportation services and public transportation alternatives, in addition to those required by the Americans with Disabilities Act (ADA), to assist individuals with disabilities with transportation, including transportation to and from jobs and employment support centers. A State may use up to 10 percent of its New Freedom apportionment to fund program administration, planning, and technical assistance. To find guidance for the New Freedom Program, see the current version of FTA Circular 9045.1, "New Freedom Program Guidance and Application Instructions." This program is part of the Coordinated Plan discussed further in Chapter II, Section 9.b., of this circular.
- (7) Elderly Individuals and Individuals with Disabilities Program (49 U.S.C. 5310). The Elderly Individuals and Individuals with Disabilities program (Section 5310) provides Federal assistance to States, which in turn distribute the funds to private, non-profit organizations (and in certain circumstances, public bodies). Subrecipients often use Section 5310 program funds to buy vehicles and related equipment to provide special transit services to elderly individuals and individuals with disabilities. The State may use up to 10 percent of its total fiscal year apportionment to fund program administration, planning, and technical assistance. The 10 percent that is eligible to fund program administration costs, including planning, may be funded at a 100 percent Federal share. To find guidance for this program, see the current version of FTA Circular 9070.1F, "Elderly Individuals and Individuals with Disabilities Program Guidance and Application Instructions." This program is part of the Coordinated Plan discussed further in Chapter II, Section 9.b., of this circular.
- (8) Nonurbanized Area Formula Program (49 U.S.C. 5311). This program provides funds to the States for public transportation projects in small urban and nonurbanized areas. The State may use up to 15 percent of these funds for planning activities, as well as for State administration and technical assistance. See the current version of FTA Circular 9040.1F, "Nonurbanized Area Formula Program Guidance and Grant Application Instructions," for more information on this program.

With few exceptions, the same State agency administers both the Section 5310 and Section 5311 programs. Given that the MPP and the SPRP programs complement each other and have many parallels, FTA encourages State agencies to consider all planning, capital, and operating resources together and to coordinate the use of those resources across FTA programs.

- (9) Paul S. Sarbanes Transit in the Parks Program (transit in the parks)—formerly Alternative Transportation in the Parks and Public Lands (Section 5320). The transit in the parks program, 49 U.S.C. 5320, was established by SAFETEA-LU. Its purpose is to enhance the protection of national parks and Federal lands, and increase the enjoyment of those visiting them. The program makes available FTA assistance toward capital and planning expenses in projects designed to improve alternative transportation systems in parks and public lands. Eligible applicants are Federal land management agencies and State, tribal, and local governments with jurisdiction over land in the vicinity of an eligible area. FTA carries out the program in consultation with the Department of the Interior and other Federal land management agencies. To be eligible for funding under this program, project and strategies must come from the applicable transportation planning process.
- b. Relationship to the Locally Developed, Coordinated Public Transit-Human Services Transportation Plan (Coordinated Plan). Three FTA programs—Elderly Individuals and Individuals with Disabilities (Section 5310), Job Access and Reverse Commute (JARC) (Section 5316), and New Freedom (Section 5317)—require that eligible projects be derived from a locally developed Coordinated Plan. FTA expects public transit systems funded under both the Section 5307 and Section 5311 formula programs to participate in the local planning process for coordinated public transit-human service transportation in those areas applying for funds under Sections 5310, 5316, or 5317.

The Coordinated Plan should be prepared through a process that is consistent with the applicable metropolitan or statewide planning process. Transit service and demographic information developed and used in the broader metropolitan and statewide processes can provide a useful starting point for the more detailed review that will take place in preparing the Coordinated Plan. Similarly, the extensive public participation and stakeholder consultation provisions of metropolitan and statewide planning can provide a useful context and basis for the more focused local public involvement involved in preparing the Coordinated Plan. For these reasons, FTA strongly encourages coordination and consistency between the local coordinated public transit-human services transportation plan and metropolitan or statewide transportation planning processes, as described in 23 CFR Part 450 and 49 CFR Part 613. For more information on the Coordinated Plan, see Chapter V of FTA program Circulars 9045.1 (New Freedom), 9050.1 (JARC) or 9070.1 (Section 5310). Although the Coordinated Plan may be developed within or outside the metropolitan or statewide transportation planning processes, the development of that plan must be consistent with applicable metropolitan or statewide transportation planning processes, as well as the MTP or Long-Range Statewide Transportation Plan. Individual projects derived from the

Coordinated Plan that will request FTA or FHWA funding must be incorporated into the TIP and STIP. As appropriate, the entire Coordinated Plan should be referenced within the applicable MTP or Long-Range Statewide Transportation Plan.

- c. Related FHWA Administered Programs. The following is a brief discussion of FHWA administered flexible fund programs that can be used to support metropolitan and statewide transportation planning processes. For information on these programs, see the FHWA website at: <http://www.fhwa.dot.gov/safetealu/factsheets.htm>.
- (1) Surface Transportation Program (STP) (23 U.S.C. 133, 104(b)(3), & 140). The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) established the STP, and TEA-21 and SAFETEA-LU continued the program as a source of flexible funding for surface transportation planning, highway, and/or transit research. FTA grantees may use these funds for planning purposes in support of project development. The State Department of Transportation (State DOT) and FHWA must approve the use of STP funds for planning purposes.
 - (2) Congestion Mitigation and Air Quality Improvement Program (CMAQ) (23 U.S.C. 149(a)). The CMAQ Program may be used for either highway or transit projects, including planning activities undertaken in support of projects intended to meet air quality standards. FHWA or FTA may administer these funds for eligible transit projects. The MPO, State DOT, FTA, and FHWA must approve the use of CMAQ funds for planning purposes.
 - (3) FHWA Metropolitan Planning Program (23 U.S.C. 104 (f)). FHWA's metropolitan planning funds (PL), similar to FTA's MPP funds, may be used for all transportation planning purposes in metropolitan areas. PL and MPP funds may be combined to finance any transportation work elements or activities in an MPO's UPWP through a Consolidated Planning Grant.
 - (4) FHWA State Planning and Research Program (23 U.S.C. 505). FHWA's Statewide Planning and Research program (SPR) is a close counterpart to FTA's SPRP. FHWA SPR funds may be used for statewide transportation planning and research for all modes and for administrative expenses associated with the State's planning program.
- d. Pooled Funds. For a discussion on pooled funds, see Chapter III, Section 7(10) of this circular.

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CHAPTER III

STATE PLANNING AND RESEARCH PROGRAMS

1. PROGRAM OVERVIEW. The State Planning and Research Program (SPRP) is a source of Federal financial assistance to the States to meet the planning requirements of the joint Federal Transit Administration (FTA)/Federal Highway Administration (FHWA) planning regulations for statewide transportation planning. This program provides financial assistance to States for statewide transportation planning and other technical assistance activities including supplementing the technical assistance program provided through the Metropolitan Planning Program (MPP), planning support for nonurbanized areas, training and educational programs, and human resource programs. FTA makes SPRP grants directly to States, and, as with the MPP, the State is the Designated Recipient (DR) for this program.

The Governor of each State must designate a State recipient for its SPRP funds. Generally, grants under the SPRP are available to assist States, authorities of the States, Metropolitan Planning Organizations (MPOs), and local governmental authorities with developing transportation plans and programs, planning and evaluating public transportation projects, and conducting technical studies relating to public transportation.

- a. The joint FTA/FHWA planning regulations at 23 CFR Part 450 elaborate on the following fundamental principles that apply to statewide transportation planning:
 - (1) Within each State, a Long-Range Statewide Transportation Plan must be produced.
 - (2) Within each State, State Transportation Improvement Programs (STIPs), incorporating Transportation Improvement Programs (TIPs) or including TIPs by reference, must be produced. SPRP is a major source of Federal financial assistance to the States to meet these and other transportation planning requirements. Regulations set forth at 23 CFR 450.200 fully discuss the scope of the Statewide Transportation Planning process.
2. ELIGIBILITY.
 - a. Applicant Eligibility. FTA apportions SPRP assistance to each State. The State then allocates its SPRP assistance to planning agencies on a formula developed by the State in cooperation with the entities and approved by FTA. After the State executes its SPRP grant agreement with FTA, the State may decide to transfer some of its SPRP assistance to the MPO or beneficiary by subagreement to support public transportation and public transportation-related activities.
 - b. Eligible Grant Activities. SPRP grants can be used to cover the cost of administering the statewide transportation planning, MPP, or both. SPRP grants are available for direct labor or for contracts to undertake the balanced and comprehensive planning, engineering, design, and evaluation of public transportation projects and for

transportation planning studies involving modes other than transit when performed as part of the metropolitan transportation planning process. SPRP funds may be used for Metropolitan planning activities authorized under 49 U.S.C. 5303.

Eligible activities include, but are not limited to:

- (1) Development of Long-range Statewide Transportation Plans and STIPs;
 - (2) Joint development planning;
 - (3) Training and educational activities; and
 - (4) Human resource program activities.
- c. See Chapter II, Section 3(a) of this circular for additional activities eligible to receive SPRP funding.

3. SPRP ASSISTANCE: FORMULA AND NOTIFICATION.

- a. Notification. SPRP apportionments to the States are published in the Federal Register annually after the President has signed the Department of Transportation (DOT) Appropriations Act for the fiscal year. FTA usually publishes apportionments in the first quarter of each fiscal year. For information on FTA annual apportionment notices, see FTA's website at: http://www.fta.dot.gov/funding/grants_financing_38.html.
- b. Authorization. Amounts authorized for the SPRP program are established by statutory formula. Under the formula established by SAFETEA-LU at 49 U.S.C. 5305(g), 17.28 percent of the amounts authorized for Section 5305 are allocated to the SPRP. A State, as it considers appropriate, may authorize part of the amount made available under the SPRP to be used to supplement the amounts made available under the MPP for that State.
- c. Formulas. FTA apportions SPRP assistance to the States, based on the ratio equal to the population in each State's urbanized areas (UZAs), divided by the total population in UZAs in all the States, as shown by the latest available census prepared by the Bureau of the Census. However, a State must receive at least 0.5 percent of the amount annually apportioned.
- d. Availability of SPRP Assistance.
 - (1) Grant Awards. The funds apportioned under the SPRP will remain available for FTA to obligate to recipients for four fiscal years, which includes the year of apportionment plus three more years. Any apportioned funds that remain unobligated at the end of this period will revert to FTA for reapportionment under the program (the same principles apply to MPP assistance).

- (2) Pre-award Authority. If a State has not executed a grant agreement with FTA, the State may expend its own funds under pre-award authority for SPRP work contained in an approved Unified Planning Work Program (UPWP). The SPRP work will be eligible for FTA assistance after FTA approves a grant including the apportionment funding. FTA will only provide retroactive SPRP assistance to support work that is eligible for SPRP assistance. A State may incur costs for SPRP work before receiving its SPRP allocation from FTA, yet remain eligible for reimbursement when its SPRP assistance is ultimately made available.

4. STATE PLANNING AND STATEWIDE PLANNING ACTIVITIES.

- a. Subrecipient Eligibility. For the purposes of 49 U.S.C. 5305, MPOs, local governmental authorities, and operators of public transportation systems are eligible subrecipients for grants to fund statewide planning activities.
- b. FTA Review. FTA encourages the State Department of Transportation (State DOT) to include the State's Work Program in its application to FTA. In reviewing a State's Work Program, FTA evaluates the following:
 - (1) Relevance of the proposed activities to develop and maintain an appropriate technical and policy level needed to implement the State's 20-year transportation plan and STIP requirements; and
 - (2) Eligibility of each task for FTA financial assistance.
- c. Funding Ratio. The Federal share for eligible planning activities is 80 percent. The locality or the State must provide the remaining 20 percent cost in cash or in-kind contributions.
- d. Budget Scope and Activity Line Item (ALI) Codes. The Scope Code for statewide planning is 441-00. For a sample project budget scope with ALI codes, see Appendix B of this circular. Line item codes remain the same for both statewide and metropolitan planning.

5. TRAINING ACTIVITIES.

- a. Eligible Grant Activities. A fellowship under this subsection may not be for more than one year of training in an institution that offers a program applicable to the public transportation industry. The recipient of a grant for fellowship shall select an individual based on demonstrated ability and for the contribution the recipient can reasonably expect the individual to make to an efficient public transportation operation.
- b. Subrecipient Eligibility. For purposes of 49 U.S.C. 5315, States, local governmental authorities, and operators of public transportation systems are eligible subrecipients for fellowships to train personnel employed in managerial, technical, and professional positions in the public transportation field.

- c. Funding. An individual fellowship may not exceed the lesser of \$65,000 or 75 percent of:
 - (1) Tuition and other charges to the fellowship recipient;
 - (2) Additional costs incurred by the training institution and billed to the grant recipient; and
 - (3) The regular salary of the fellowship recipient for the period of the fellowship to the extent the salary is actually paid or reimbursed by the grant recipient.
 - d. National Transit Institute (NTI) Training. Besides training activities under 49 U.S.C. 5305, States and public transportation authorities are eligible for education and training funds under 49 U.S.C. 5315. The statute allows use of not more than 0.5 percent of the amounts made available for a fiscal year beginning after 1991, to a State or public transportation authority in the State to carry out formula grants (49 U.S.C. 5307) or capital investments grants (49 U.S.C. 5309), with the approval of the Secretary, to pay not more than 80 percent of the cost of tuition and direct educational expenses related to educating and training State and local transportation employees under this section through grants and contracts with public and private agencies, other institutions, individuals, and the institute.
 - e. Budget Scope and Activity Line Item (ALI) Codes. The Scope Code for training is 441-30. For sample scope codes and ALI codes, see Appendix B of this circular.
6. HUMAN RESOURCE PROGRAM ACTIVITIES.
- a. Eligible Grant Activities. Eligible activities authorized by 49 U.S.C. 5322 include projects that address the human resource needs as they apply to public transportation activities. Human resource projects likely to be funded are those that fulfill the agency's transportation human resource goals.
 - (1) Eligible projects include, but are not limited to:
 - (a) Employment training programs;
 - (b) Outreach programs that increase the number of minorities and females employed in public mass transportation activities;
 - (c) Research on public transportation personnel and training needs; and
 - (d) Training and assistance for minority business opportunities.
 - (2) Examples of funded projects include:

- (a) Transit agencies' technical assistance programs to enhance the participation of Disadvantaged Business Enterprise (DBE) in transit-related projects and other contracting opportunities;
 - (b) Career development/employment programs to increase the diversity of minorities and women in the workforce;
 - (c) Training programs for disadvantaged youths to obtain entry-level employment and training in skilled crafts; and
 - (d) Implementation of transit projects for Native American tribes and organizations.
- b. Subrecipient Eligibility. Local governments, educational institutions, and non-profit organizations are eligible subrecipients for human resource activities.
- c. Funding Ratio. The applicable Federal/non-Federal split for the Section 5305 planning programs applies unless waived by the Secretary. FTA encourages cost sharing on projects involving non-public applicants, as well as the provision of local matching funds by public bodies to the maximum extent feasible.
- d. Budget Scope. The Scope Code for human resources is 441–20. For a sample project budget scope and ALI codes, see Appendix B of this circular.

7. RELATIONSHIP TO SELECTED OTHER DOT PROGRAMS.

- a. FTA Programs. The following is a brief discussion of FTA programs that can be used to fund statewide transportation and planning activities:
- (1) Metropolitan Planning Program (49 U.S.C. 5305(d)). The MPP provides financial assistance through States to their MPOs to aid in the preparation of plans and fiscally constrained TIPs which guide the use of Federal capital assistance resources. The plans and programs reflect a variety of State and local objectives, as well as national priorities. The MPP provides funds for planning studies to address State and local transportation needs. Chapter II of this circular provides detailed information specifically on this program.
 - (2) Urbanized Area Formula Program (49 U.S.C. 5307). See Chapter II, Section 9 (a)(2) of this circular for program description.
 - (3) Nonurbanized Area Formula Program (49 U.S.C. 5311). See Chapter II, Section 9 (a)(8) of this circular for program description.
 - (4) Job Access and Reverse Commute (JARC) Program (49 U.S.C. 5316). See Chapter II, Section 9 (a)(5) of this circular for program description.

- (5) New Freedom Program (49 U.S.C. 5317). See Chapter II, Section 9 (a)(6) of this circular for program description.
- (6) Elderly Individuals and Individuals with Disabilities Program (49 U.S.C. 5310). See Chapter II, Section 9 (a)(7) of this circular for program description.

Note: With few exceptions, the Section 5310 and Section 5311 programs are administered by the same State agency. Because the MPP and SPRP programs complement each other and have many parallel provisions, FTA encourages State agencies to consider these two planning assistance programs together and coordinate them to the extent possible.

- (7) Paul S. Sarbanes Transit in the Parks Program—formerly Alternative Transportation in the Parks and Public Lands (Section 5320). See Chapter II, Section 9 (a)(9) of this circular for program description.
- (8) Relationship to the Locally Developed Coordinated Public Transit Human Services Transportation Plan (Coordinated Plan). The 5310, 5316, and 5317 programs require a locally developed Coordinated Plan for project funding. See Chapter II, Section 9 (b) of this circular for program description.
- (9) Related FHWA Administered Programs. The following is a brief discussion of flexible FHWA administered programs. Funding for these programs can be used for Statewide Planning and Research Programs (SPR). For information on these programs, see the FHWA website at:
<http://www.fhwa.dot.gov/safetealu/factsheets.htm>.
 - (a) Surface Transportation Program (STP) (23 U.S.C. 133, 104(b)(3),140). See Chapter II, Section 9 (c)(1) of this circular for program description.
 - (b) Congestion Mitigation and Air Quality Improvement Program (CMAQ) (23 U.S.C. 149). See Chapter II, Section 9 (c)(2) of this circular for program description.
 - (c) FHWA Metropolitan Planning Program (PL) (23 U.S.C. 104(f)). See Chapter II, Section 9 (c)(3) of this circular for program description.
 - (d) FHWA State Planning and Research Program (SPR) (23 U.S.C. 505). See Chapter II, Section 9 (c)(4) for program description.
- (10) Pooled Funds. To promote transportation systems that maximize mobility and accessibility and minimize transportation impacts on the human and natural environment, State transportation planning agencies may, in cooperation with MPOs, choose to pool funds. These pooled funds can be used to fund research that is of mutual interest and benefit and addresses the transportation needs of areas with critical needs or that support a broader, more comprehensive, statewide need.

National pooled fund studies focus on solving problems of national significance. Usually FTA or FHWA headquarters offices administer these studies either in cooperation with States, MPOs, or both. The State, MPO, or both fund these studies by contributing FTA planning and research funds, with or without matching funds.

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CHAPTER IV

CONSOLIDATED PLANNING GRANTS

1. CONSOLIDATED PLANNING GRANT (CPG) PROGRAM. The Federal Transit Administration (FTA) and the Federal Highway Administration (FHWA) offer States the option of participating in the CPG program. The CPG program allows the States and Metropolitan Planning Organizations (MPOs) to merge FTA metropolitan or statewide planning funds with FHWA Planning (PL) funds to provide States support for both highway and transit planning activities in single consolidated grants. States/MPOs have the option to transfer planning funds to either FTA or FHWA to be awarded and administered for metropolitan or statewide planning purposes. This CPG program fosters a cooperative effort between the Federal agencies and the participating States to streamline the delivery of their planning programs providing the flexibility in the use of planning funds.

FTA and FHWA continue to distribute metropolitan planning and statewide planning funds according to each agency's statutory formulas that the States will distribute to MPOs by formulas that meet the legislative factors for each category of funds in 23 U.S.C. 104(f)(4) and 49 U.S.C. 5305(d)(2). Each State will continue to develop its own distribution formula, in consultation with the MPOs, which FTA or FHWA must approve for their respective programs.

States/MPOs will decide whether planning funds will be consolidated for administration under FTA or FHWA. The designated "Lead Grant Agency" will have day-to-day responsibility for grant administration, such as work program changes, allowable cost determination, or audit processing. In all cases, the "Lead Grant Agency" will coordinate and solicit input from the other agency on major issues, such as work program approval and grant closeout. FTA metropolitan and statewide planning funds to be used in CPG grants must be transferred from the regular metropolitan and statewide planning program codes to the appropriate metropolitan and statewide codes designated in the Transportation Electronic and Award and Management (TEAM) system.

Under the CPG program, States can report metropolitan planning expenditures (to comply with the Single Audit Act) for both FTA and FHWA under the Catalog of Federal Domestic Assistance (CFDA) number for FTA's Metropolitan Planning Program (MPP) (20.505). Additionally, for States with an FHWA Metropolitan Planning (PL) fund-matching ratio greater than 80 percent, the State can waive the 20 percent local share requirement, with FTA's concurrence, to allow FTA funds used for metropolitan planning in a CPG to be granted at the higher FHWA rate. For some States, this Federal match rate can exceed 90 percent.

In the FHWA July 19, 2007, Memorandum, "INFORMATION: Fund Transfers to Other Agencies and Among Title 23 Programs," at <http://www.fhwa.dot.gov/legregs/directives/policy/fundtrans20070719.htm>, FHWA outlines provisions contained in sections 1108, 1119(b), 1935 and 1936 of Public Law 109-59, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy

for Users (SAFETEA-LU) and expanded the transferability of funds to other agencies and among programs. This memorandum consolidates processes and procedures for transfers between FHWA and FTA. Sample transfer request forms are included in the memorandum, and Attachment 2 of the memorandum includes details of program specifications, eligible activities, and any specific program considerations. States interested in transferring planning funds between FTA and FHWA should contact the FTA Regional Office or FHWA Division Office for more detailed procedures.

2. BENEFITS OF THE CPG TO THE STATES AND MPOS.

- a. No SF-424 (standard Federal application) is required. FTA and FHWA will accept the metropolitan (and statewide) planning work programs as the grant application for both FTA planning funds. FTA will not require a separate SF-424 from the State under the CPG.
- b. Elimination of separate FTA and FHWA budget detail. Under the CPG, FTA will not require a separate FTA and FHWA budget document with activity line items (ALIs) for work program activities, such as long range planning or Transportation Improvement Program (TIP) development. When needed for programmatic, not budget review purposes by FTA or FHWA, this activity information will be obtained from the work program documents. Financial data (scope level) will come from the funding summaries at the end of the Unified Planning Work Program (UPWP), thereby eliminating the potential for budget revisions. This also saves the States and MPOs from having to prepare individual budgets.
- c. Expedited authorization of work. States/MPOs will have to wait for only one source of funds, not both, to be made available at the beginning of their program period. As long as any planning funds (FTA or FHWA) are available to the "Lead Grant Agency," those funds can be used for any of the work. Work will be authorized based on availability of combined FHWA and FTA funds. This should lessen, if not eliminate, the need to use FTA's Letter of No Prejudice or FHWA's Advance Construction provisions, given that some funds (FHWA or FTA) should always be available at the beginning of the work program period.
- d. Elimination of multiple budget ALIs in TEAM. TEAM will show only the combined FHWA/FTA funding programmed for each State. Budget ALIs will be reported for total funding. By using data at this aggregate level, it will not be necessary for transfers among work program line items to be entered into TEAM.
- e. Simplified work activity, accounting and billing. The State/MPO will not need to identify which categories of fund(s) are budgeted for specific work program activities in the UPWP. Similarly, UPWP expenditures will not need to be tracked by source of funds and work program line items. The MPO requests for reimbursement will not need to indicate the source of the Federal funds claimed. The State's bill will need to specify only a funding source to be drawn down.

- f. One Federal oversight agency. The “Lead Grant Agency” will have responsibility for day-to-day grant program support activities. Draft and final work programs and progress and financial reports will need to be submitted to the “Lead Grant Agency” only, which will also handle other administrative matters, such as work program changes, allowable cost determination, and audit processing. FTA and FHWA will retain their responsibility for program management and oversight, including the review of the UPWP and UPWP amendments. The FHWA Division Office and the FTA Regional Office will coordinate review of the final reports and mutually determine whether the grant is ready to be closed by the FTA region. Therefore, States/MPOs will need to work with only one Federal agency on administrative issues.
- g. Simplified procedures for fund carryover/grant extension options. In non-CPG States, FHWA funds in previous grants (work programs) may be released and reprogrammed, upon request of the State, in new work programs at any time. Unexpended balances from FTA grants that exceed the four-year period of availability will lapse to the State if deobligated. FTA will work with States that elect to participate in the CPG on a case-by-case basis to close out previous FTA planning grants without the lapsing of funds. In CPG States, FHWA funds transferred to FTA will be administered by FTA and will remain in an open grant in the TEAM system until either the funds are disbursed or if any funds remaining will not be spent then they will be deobligated. The goal of the CPG program is to have only one combined FTA/FHWA grant to which all incurred cost will be charged during the State’s or MPO’s program period. This will reduce the number of open grants and the associated accounting and paperwork burden. States’ participants in the CPG have the option to treat the CPG grants as one-year grants with a new project and grant created for each year’s work program or amend the original grant to include several successive years’ work programs. For example, the original grant could, through successive amendments, extend over the life of the reauthorization legislation. (Note that SAFETEA–LU restructured FTA accounts. Beginning in FY2006, CPG program funds are trust funded and new grants had to be established for CPG program funds. Grants can be amended in subsequent years.)
- h. Consolidated reporting. The State will submit periodic progress and financial reports to only the “Lead Grant Agency” instead of to both FHWA and FTA. Reporting annually is the required minimum, but it could be more frequent as agreed to by the field offices. Under the CPG program, progress and financial reports submitted by the State and MPO just need to specify the amount of total Federal funds that have been expended on specific activities and will not have to specify how much FHWA and FTA funds have been spent on activities. MPO reports will be submitted through States in accordance with State procedures. Similarly, products produced with the consolidated funds would only need to be submitted to the lead administrative Federal agency.
- i. Continuing/combined subgrant agreements. States can enter into continuing agreements with MPOs that cover FTA and FHWA funded planning and then issue annual letters requesting transfer of each year’s funding. This eliminates the need for annual negotiations and legal review of subgrant agreements.

- j. Single Federal match ratio. States with differing FTA and FHWA match ratios have the option to use the higher matching ratio.
 - k. Consolidated single audit reporting. Expenditures of FHWA funds transferred to FTA can be reported under FTA's CFDA number(s), and expenditures of FTA funds transferred to FHWA can be reported under FHWA's CFDA number.
3. PROJECT BUDGET INFORMATION. When FTA administers the CPG program, the format of the budget should include: scope code, description, and project budget. The scope code 443-00-Consolidated Planning Grant and the ALI 44.31.99-FHWA/FTA Metro/State Planning should be used in preparing the budget. The budget should include the combined FHWA and FTA metropolitan and statewide planning funds. (For additional information on combined FHWA/FTA funding, see Chapter IV, Section 2.d. of this circular.)
4. CONTACT INFORMATION. States interested in participating in the CPG program between FTA and FHWA should contact the FTA Regional Office or FHWA Division Office for more detailed procedures. For further information, phone the FTA Office of Budget and Policy at 202-366-4050, or the FHWA Office of Planning, Environment, and Realty at 202-366-0106.

CHAPTER V

APPLICATION INSTRUCTIONS

1. GENERAL. Following enactment of the annual Department of Transportation (DOT) Appropriations Act, the Federal Transit Administration (FTA) apportions Metropolitan Planning Program (MPP) and State Planning and Research Program (SPRP) assistance to each State, which the State in turn distributes to its recipients. Until FTA awards an MPP or SPRP grant to the State, the State cannot obtain that MPP or SPRP assistance. Because the State obtains MPP and SPRP assistance directly from FTA, the State must submit its application and all supporting documentation directly to FTA. Metropolitan Planning Organizations (MPOs), authorities of the States, and local governmental authorities seeking MPP or SPRP assistance must submit sufficient documentation to the State for it to prepare and submit an adequate planning program application to FTA.

FTA has not imposed requirements on the State in selecting the entities to apply for the State's MPP or SPRP grant. Usually, the State DOT administers the State's MPP and SPRP grant. FTA also does not mandate uniform procedures by which States must process requests for assistance. A State may establish its own application procedures for MPOs, authorities of the States, and local governmental authorities seeking MPP and SPRP assistance, on condition that those procedures do not prevent the State from providing program assistance promptly to its recipients. To expedite MPP and SPRP grant awards, however, FTA recommends that all application procedures conform to the guidance in this chapter pertaining to grant applications and reviews. FTA's Transportation Electronic Award and Management (TEAM) system is used for processing grant applications and approvals.

2. MPO APPLICATION TO THE STATE. The MPOs and other entities seeking planning assistance should submit applications for MPP or SPRP assistance to the State along with sufficient documentation for the State to make the Certifications and Assurances required for an MPP and SPRP grant award to the State. An MPO seeking MPP assistance for planning work elements or activities involving an urbanized area (UZA) of more than 200,000 population or a nonattainment or maintenance area for transportation pollutants must also submit a copy of its draft and final Unified Planning Work Program (UPWP) to the appropriate FTA Regional Office and Federal Highway Administration (FHWA) Division Office for review and approval, as well as to the State. Each State has its own process for reviewing MPO applications for MPP assistance.
3. STATE APPLICATION TO FTA.
 - a. The State agency designated as the MPP and/or SPRP recipient must submit its application electronically to the appropriate FTA Regional Office.
 - b. FTA encourages States to submit one combined application for both the MPP and SPRP annually. This will result in a single planning grant that includes both Metropolitan and State planning activities.

- c. State (aggregate) Project Task Budget for Planning.
- (1) The State Project Budget should summarize the approved planning tasks and budgeted amounts from the UPWPs submitted by MPOs within the State, as well as the planning activities undertaken in areas of the State outside the UZA. The tasks included should reflect all MPP and SPRP funded activities from the metropolitan UPWPs for which assistance is being sought.
 - (2) The State Project Budget should include planning activities undertaken in non-urbanized areas of the State, which will constitute the basis for an applicant incurring obligations and FTA making disbursement of project assistance. This budget should broadly identify tasks in order to minimize the need for post grant approval actions such as budget revisions and grant amendments.
 - (3) The sample Project Task Budget and task descriptions in Appendix B represent a uniform set of categories. The State must prepare the State (aggregate) Project Task Budget in a format similar to that of Appendix B. This may require aggregation of UPWP tasks for budget preparation.
- d. Project Budget. The funds for planning, human resources, and training will have individual scope codes and must be in separate budgets with the associated Activity Line Item (ALI) for the State's application to FTA (see Appendix B for samples). The chapters in the circulars for activities other than planning, e.g., Human Resources, provide the scope codes that are used in a project budget. Appendix B provides ALI codes in sample budgets. The most current codes are for all project scopes, and activities can be viewed on the FTA website at:
http://www.fta.dot.gov/funding/grants_financing_91.html.
- e. Cost Allocation Plan/Indirect Cost Proposal. If indirect costs (overhead) are to be charged to the project, the State must provide a cost allocation plan or indirect cost proposal to support those cost charges. Before FTA may reimburse the State for indirect charges, the plan or proposal must be provided and approved by the cognizant Federal agency assigned to the State (which is not FTA). The State should notify FTA if the State intends to charge indirect costs to a project, but has not prepared a cost allocation plan/indirect cost proposal. Information on preparing the cost allocation plan or indirect proposal is contained in the current version of FTA Circular 5010.1, "Grant Management Guidelines," which is available at
http://www.fta.dot.gov/laws/leg_reg_circulars_guidance.html.
- f. Local Share. Unless an exception is made to the State's local share requirement, the State must make a commitment in the application to provide the entire 20 percent local share of the total project cost of its entire MPP or SPRP grant request. Each commitment must specify whether the local matching share consists of cash, in-kind services, or a combination of both.

- g. Transportation Electronic Award and Management (TEAM). FTA provides a streamlined electronic interface between grantees and FTA that allows complete electronic grant application submission, review, approval, and management of all grants. Designated Recipients (DRs) may inquire about the status of grants, file their required quarterly financial status and narrative progress reports, and make annual Certifications and Assurances through the TEAM system.
- h. Certifications and Assurances. To receive a grant under Section 5305, the designated State agency must annually assure FTA that the State and subrecipients meet certain requirements. In this regard, the State applicant is responsible to FTA for both its own and its subrecipients' compliance with the requirements of the Certification and Assurances applicable to the specific project, even though some requirements must be fulfilled by the subrecipient or another entity. For this reason, the State applicant should obtain sufficient documentation from all subrecipients to support those certifications and assurances the State applicant must provide to FTA. The State should maintain adequate files documenting the basis for all assurances that it makes to FTA.

Each fiscal year, FTA publishes the required Certifications and Assurances in the Federal Register and updates them in the TEAM system. This notice indicates which Certifications and Assurances apply to all grantees or to certain kinds of awards, and which are required for grants under specific sections.

As noted in Chapter V, Section 3.g., of this circular, grant recipients can provide, electronically in TEAM, each Certification and Assurance that will apply to the applicant's grants for the particular year. The Certifications and Assurances appear in TEAM where a grant applicant's authorized representative may "pin" and submit the certifications appropriate to the applicant.

4. ACKNOWLEDGMENT OF APPLICATION. FTA's electronic award and management system will provide notification if the application has been successfully submitted. Because FTA cannot assign a grant number until it has determined that the application is complete, State applicants should also notify FTA that a submission has been made.
5. GRANT APPROVAL. When a grant application has been approved, FTA notifies the applicant electronically through the TEAM system. Chapter II of this circular discuss this grant agreement more fully.

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APPENDIX A

OUTLINE OF THE UPWP

This outline is not intended to be all-inclusive or prescriptive. Rather, it provides one possible general framework for the description of work elements and activities to be accomplished in the implementation of the local planning process in the Unified Planning Work Program (UPWP).

- a. The following outline suggests a general structure for a UPWP:
 - (1) Introduction. The introduction should include a discussion of items such as the purpose of the UPWP, the agencies participating in the UPWP, the time frame(s) used in the UPWP, and generally how the UPWP was developed and unified for the entire metropolitan area. The UPWP should include a discussion in broad terms of the status of all planning in the metropolitan area, both comprehensive and transportation, and major overall issues and objectives the UPWP. Finally, it should list the specific products of the UPWP.
 - (2) Overview of the UPWP Work Elements Objectives. The UPWP should address the various planning work elements to be accomplished in the metropolitan area and based upon the metropolitan plan. This discussion should include the following:
 - (a) A discussion of the area's important transportation issues;
 - (b) A description of all proposed transportation and transportation-related planning work elements or activities, including related State Department of Transportation (State DOT) or transit authority corridor planning work elements or activities, regardless of funding sources; and
 - (c) A description of transportation-related air quality planning work elements or activities, regardless of funding sources and regardless of the entity that conducts the work elements or activities.
 - (3) The UPWP should address both current and long-term planning issues for each work element or activity and should, where appropriate, consider the interaction of short and long-range issues. Particular attention should be given to the impact of short-term decisions on long-term costs and benefits. Within the overall framework of the work program, the elements of the program must meet the requirements of the individual Federal operating administrations to be eligible for funding.
 - (4) The UPWP should include any active work elements or activities carried forward from prior years, as well as any work elements or activities to be financed from the Urbanized Area Formula Program (49 U.S.C. 5307) or other Federal Transit Administration (FTA) or Federal Highway Administration (FHWA) programs.

- (5) The UPWP should include a description of specific work elements and activities to be performed during the next one or two years to carry out each specific planning work element or activity. For each work element or activity, the following items should be discussed:
 - (a) Description and objectives of the work element or activity;
 - (b) Previous Work;
 - (c) Methodology;
 - (d) Schedule for completing the activities or work elements;
 - (e) Tangible products expected within the timeframe of the UPWP;
 - (f) Entity responsible for work element or activity;
 - (g) Cost and funding source (financial responsibility);
- (6) Proposed Budget using the format of the Project Task Budget in Appendix B of this circular.
 - (a) The Project Task Budget should show the total project budget and all amounts of Federal assistance funds, including carryover funds, and local share funds from State and local sources that are allocated to each work element or activity included in the UPWP. It should also include amounts the MPO intends to provide to other entities, such as transit operators and local county governments, each of which would have at least one corresponding work activity. Appendix B provides a sample format and an explanation of the technical activities.

APPENDIX B

SAMPLE BUDGETS AND ACTIVITY LINE ITEMS

MPP Sample Project Task Budget

<u>SCOPE CODE</u>		<u>PROJECT BUDGET</u> ¹
<u>ALI</u>	<u>ACTIVITY</u>	
442-00	Metropolitan Transportation Planning	
44.21.00	Program Support and Administration	\$174,600
44.22.00	General Development and Comprehensive Planning	127,400
44.23.00	Long Range Transportation Planning	100,000
44.24.00	Short Range Transportation Planning	165,000
44.25.00	Transportation Improvement Program (TIP)	20,000
44.27.00	Other Activities	0
	TOTAL	\$587,000

SPRP Sample Project Task Budget

<u>SCOPE CODE</u>		<u>PROJECT BUDGET</u> ¹
<u>ALI</u>	<u>DESCRIPTION</u>	
441-00	Statewide Planning	
44.21.00	Program Support and Administration	\$174,600
44.22.00	General Development and Comprehensive Planning	127,400
44.23.00	Long Range Transportation Planning (To include EIS)	0
44.24.00	Short Range Transportation Planning	165,000
44.25.00	Transportation Improvement Program (TIP)	20,000
	TOTAL	\$487,000

¹ Federal Transit Administration (FTA) funds plus State and local match. FTA's Transportation Electronic Award and Management (TEAM) system is available on FTA's website.

Activity Line Items

The following Activity Line Item (ALI) codes are used for both metropolitan and State planning.

1. Program Support and Administration (44.21.00). Include basic overhead, program support, and general administrative costs directly chargeable to the FTA project; examples include direct program support, administration, interagency coordination, citizen participation, public information, local assistance, and Unified Planning Work Program (UPWP) development. (If direct program administrative and support costs are included in each work or activity, do not enter them a second time in this category).
2. General Development and Comprehensive Planning (44.22.00). Include only the costs of activities specifically emphasizing regional policy and system planning for non-transportation functional areas, plus the development and maintenance of related data collection and analysis systems, demographic analysis and non-transportation modeling, and forecasting activity; examples include land use, housing, human services, environmental and natural resources, recreation and open space, public facilities, and utilities.
3. Long Range Transportation Planning (LRTP)—Metropolitan & Statewide (44.23.00).
 - a. Long Range Transportation Planning (LRTP)—System Level. Include only the costs of activities specifically emphasizing long range transportation system planning and analysis; examples include long range travel forecasting and modeling including appropriate data base development and maintenance for transportation in the entire metropolitan area or State, system analysis, sketch planning, system plan development, reappraisal or revision, and all long-range Transportation System Management (TSM) activities.
 - b. Long Range Transportation Planning (LRTP)—Project Level. Include only the costs of examples include corridor and subarea studies, cost effectiveness studies, feasibility and location studies, and the preparation of related draft environmental impact studies.
4. Short Range Transportation Planning (SRTP) (44.24.00). Include only the costs of activities specifically emphasizing short range transportation system or project planning and analysis proposed in the next three to five years; examples include management analyses of internal operations such as management/administration, maintenance, personnel, and labor relations; service planning including appropriate data base development and maintenance; Transportation Development Plan (TDP) preparation; financial management planning, including alternative farebox policies; and all short range Transportation System Management (TSM) activities including vanpool/ridesharing, high occupancy vehicles, parking management.
5. Transportation Improvement Program (TIP) (44.25.00). Include only the costs of activities specifically emphasizing TIP development and monitoring.

6. Other Activities (44.27.00). Include only the costs of those activities whose primary emphasis is unrelated to the specific types of activities described above.

HUMAN RESOURCE PROGRAM

<u>SCOPE CODE</u>	<u>DESCRIPTION</u>	<u>PROJECT BUDGET</u>
<u>ALI</u>		
441-20	Human Resource Program	
2X.10.00	Personnel—Direct Labor	\$30,000
2X.13.00	Stipends—Student	7,000
2X.14.00	Stipends—Administrative Staff & Teachers	7,000
2X.20.00	Travel	3,000
2X.50.00	Contractual Services	5,000
2X.40.00	Equipment	2,000
2X.49.00	Supplies (Expendable Items)	2,000
2X.70.00	Other Direct Project Related Costs	3,000
2X.71.00	General Administrative Costs	2,000
2X.74.00	Conferences: Workshops/Seminars; Speakers' Honorariums; Meetings; Open House Other Direct Expenses	2,500
2X.74.00	Indirect Costs—Overhead (*Denotes excluded activity line items (ALIs))	<u>1,500</u>
	TOTAL	\$65,000

FTA's TEAM system is available on FTA's website.

TRAINING PROGRAM

<u>SCOPE CODE</u>	<u>DESCRIPTION</u>	<u>PROJECT BUDGET</u>
<u>ALI</u>		
441-30	Training Program	
50.10.00	Travel	\$5,000
50.20.00	Tuition/Fees	15,000
50.30.00	Housing/Meals	<u>4,000</u>
	TOTAL	\$24,000

FTA's TEAM system is available on FTA's website.

APPENDIX C

REFERENCES

- a. Federal Transit Laws, Title 49, United States Code, Chapter 53.
- b. Federal-aid Highway and Surface Transportation Laws, Title 23, United States Code.
- c. Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users, (SAFETEA-LU) (Pub. L. 109-59, 119 Stat. 1144, August 10, 2005).
- d. Transportation Equity Act for the 21st Century (TEA-21) (Pub. L. 105-178, 112 Stat. 107, June 9, 1998).
- e. Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) (Pub. L. 102-240, 105 Stat. 1914, Dec. 18, 1991).
- f. Federal Public Transportation Act of 1978 (Pub L. 95-599, Nov. 6, 1978).
- g. Americans with Disabilities Act of 1990, as amended, 42 U.S.C. 12101 et seq.
- h. Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000d.
- i. Clean Air Act, as amended, 42 U.S.C. 7401 et seq.; specifically, limitations on Federal assistance added by the Clean Air Act Amendments of 1990, 42 U.S.C. 7506(a).
- j. National Environmental Policy Act of 1969, as amended, 42 U.S.C. 4321 et seq.
- k. Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 794.
- l. Section 106 of the National Historic Preservation Act, 16 U.S.C. 470f.
- m. Single Audit Act of 1984, 31 U.S.C. 7501.
- n. Lobbying disclosure provisions of 31 U.S.C. 1352.
- o. Federal Highway Administration (FHWA) regulations, "Program Management and Coordination," 23 CFR Part 420.
- p. Joint FHWA/FTA regulations, "Planning Assistance and Standards," 23 CFR Part 450 and 500, 49 CFR Part 613 (specifically, Subpart B "Statewide Transportation Planning," and Subpart C "Metropolitan Transportation Planning and Programming").
- q. Joint FHWA/FTA regulations, "Environmental Impact and Related Procedures," 23 CFR Part 771.
- r. Executive Order 12898 on "Environmental Justice" dated February 11, 1994.

- s. Department of Labor Guidelines, “DOL Guidelines, Section 5333(b), Federal Transit law,” 29 CFR Part 215.
- t. Department of Housing and Urban Development regulations, “Community Development Block Grants,” 24 CFR Part 570.
- u. Department of Treasury regulations, “Rules and Procedures for Funds Transfers,” 31 CFR Part 205.
- v. Environmental Protection Agency regulations, “Requirements for Preparation, Adoption, and Submittal of Implementation Plans,” 40 CFR Part 51 (specifically, Subpart T, “Conformity to State or Federal Implementation Plans of Transportation Plans, Programs, and Projects Developed, Funded or Approved under Title 23 U.S.C. or the Federal Transit Act”).
- w. Environmental Protection Agency regulations, “Determining Conformity of Federal Actions to State or Federal Implementation Plans,” 40 CFR Part 93.
- x. DOT regulations, “Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments” (“common grant management rule”), 49 CFR Part 18.
- y. DOT regulations, “New Restrictions on Lobbying,” 49 CFR Part 20.
- z. DOT regulations, “Participation by disadvantaged business enterprises in Department of Transportation financial assistance programs,” (DBE regulations), 49 CFR Part 26.
- aa. DOT regulations, “Nondiscrimination on the basis of disability in programs or activities receiving Federal financial assistance,” 49 CFR Part 27.
- bb. DOT regulations, “Governmentwide Debarment and Suspension (Nonprocurement),” 49 CFR Part 29.
- cc. DOT regulations, “Procedures for transportation workplace drug testing programs,” 49 CFR Part 40.
- dd. DOT regulations, “Seismic Safety,” 49 CFR Part 41.
- ee. FTA regulations, “Capital Leases,” 49 CFR Part 639.
- ff. FTA regulations, “Buy America Requirements,” 49 CFR Part 661.
- gg. Office of Management and Budget (OMB) Circular A–133, “Audits of States, Local Governments, and Non-Profit Organizations,” June 23, 2003.
- hh. OMB Circular A–87, “Cost Principles for State, Local, and Indian Tribal Governments,” codified at 2 CFR Part 225, Aug. 31, 2005.

- ii. Current FTA Circular 4220.1, “Third Party Contracting Requirements.”
- jj. Current FTA Circular 4702.1 “Title VI and Title VI—Dependent Guidelines for FTA Recipients.”
- kk. Current FTA Circular 4704.1, “Equal Employment Opportunity Program Guidelines for Grant Recipients.”
- ll. Current FTA Circular 5010.1, “Grant Management Guidelines.”
- mm. Current FTA Circular 9030.1, “Urbanized Formula Program Guidance and Application Instructions.”
- nn. Current FTA Circular 9040.1, “Nonurbanized Area Formula Program Guidance and Grant Application Instructions.”
- oo. Current FTA Circular 9045.1, “New Freedom Program Guidance and Application Instructions.”
- pp. Current FTA Circular 9050.1, “The Job Access and Reverse Commute (JARC) Program Guidance and Application Instructions.”
- qq. Current FTA Circular 9070.1, “Elderly Individuals and Individuals with Disabilities Program Guidance and Application Instructions.”
- rr. Current FTA Circular 9400.1, “Design and Art in Transit Projects.”
- ss. Current FTA Circular 9500.1, “Intergovernmental Review of FTA Planning, Capital and Operating Programs and Activities.”
- tt. FTA Notice “Policy Statements on Local Share Issues,” 57 FR 30880 (1992).
- uu. General Services Administration (GSA), “Excluded Parties List System,” www.epls.gov.
- vv. Current FTA Master Agreement FTA.
- ww. FTA ECHO-Web System Operations Manual, <http://www.fta.dot.gov/documents/ECHOWebGranteeUserManual.pdf>.

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APPENDIX D

FTA REGIONAL AND METROPOLITAN CONTACT INFORMATION

<u>Office</u>	<u>Area Served</u>	<u>Contact Information</u>
Region I	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont	Transportation Systems Center Kendall Square 55 Broadway, Suite 920 Cambridge, MA 02142-1093 Phone: 617-494-2055 Fax: 617-494-2865
Region II	New York and New Jersey	One Bowling Green Room 429 New York, NY 10004-1415 Phone: 212-668-2170 Fax: 212-668-2136
Region III	Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, and West Virginia	1760 Market St Suite 500 Philadelphia, PA 19103-4124 Phone: 215-656-7100 Fax: 215-656-7260
Region IV	Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, Puerto Rico, South Carolina, Tennessee, and U.S. Virgin Islands	230 Peachtree Street NW Suite 800 Atlanta, GA 30303 Phone: 404-865-5600 Fax: 404-865-5605
Region V	Illinois, Indiana, Minnesota, Michigan, Ohio, and Wisconsin	200 W Adams St. Suite 320 Chicago, IL 60606 Phone: 312-353-2789 Fax: 312-886-0351
Region VI	Arkansas, Louisiana, New Mexico, Oklahoma, and Texas	819 Taylor St. Room 8A36 Forth Worth, TX 76102 Phone: 817-978-0550 Fax: 817-978-0575
Region VII	Iowa, Kansas, Missouri, and Nebraska	901 Locust, Suite 404 Kansas City, MO 64106 Phone: 816-329-3920 Fax: 816-329-3921

<u>Office</u>	<u>Area Served</u>	<u>Contact Information</u>
Region VIII	Colorado, Montana, North Dakota, South Dakota, Utah, and Wyoming	12300 W Dakota Ave. Suite 310 Lakewood, CO 80228-2583 Phone: 720-963-3300 Fax: 720-963-3333
Region IX	Arizona, California, Hawaii, Nevada, Guam, American Samoa, and Northern Mariana Islands	201 Mission St. Room 1650 San Francisco, CA 94105-1839 Phone: 415-744-3133 Fax: 415-744-2726
Region X	Alaska, Washington, Oregon, and Idaho	Jackson Federal Building 915 Second Ave, Suite 3142 Seattle, WA 98174-1002 Phone: 206-220-7954 Fax: 206-220-7959
Lower Manhattan Recovery Office	Lower Manhattan	One Bowling Green, Room 436 New York, NY 10004 Phone: 212-668-1770 Fax: 212-668-2505
New York Metropolitan Office	New York Metropolitan Area	One Bowling Green, Room 428 New York, NY 10004-1415 Telephone: 212-668-2201 Fax: 212-668-2136
Philadelphia Metropolitan Office	Philadelphia Metropolitan Area	1760 Market Street, Suite 510 Philadelphia, PA 19103-4124 Telephone: 215-656-7070 Fax: 215-656-7269
Chicago Metropolitan Office	Chicago Metropolitan Office	200 West Adams Street Suite 2410 (24th floor) Chicago, IL 60606 Telephone: 312-886-1616 Fax: 312-886-0351
Los Angeles Metropolitan Office	Los Angeles Metropolitan Area	888 S. Figueroa, Suite 1850 Los Angeles, CA 90012 Telephone: 213-202-3950 Fax: 213-202-3961
Washington, DC Metropolitan Office	Washington, DC Metropolitan Area	1990 K Street NW Suite 510 Washington, DC 20006 Telephone: 202-219-3562/3565 Fax: 202-219-3545

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