

DEPARTMENT OF TRANSPORTATION  
FEDERAL TRANSIT ADMINISTRATION

JUSTIFICATION STATEMENT

**49 U.S.C. SECTION 5317-NEW FREEDOM PROGRAM**

This justification statement is associated with a request for revision of a currently approved information collection.

A. Justification

1. CIRCUMSTANCES THAT MAKE THE COLLECTION NECESSARY.

The Federal Transit Administration (FTA) provides financial assistance to States, local governments, private nonprofit organizations and public transportation authorities through 49 U.S.C. Section 5317-New Freedom Program.

The provisions of 49 U.S.C. Section 5317, 49 C.F.R. Part 18, the Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments (the Common Grant Rule), and prudent administration of federal grant funds dictate that grantor agencies review applications for federal assistance to assure eligibility and other criteria, as appropriate, and monitor approved projects to ensure timely expenditure of federal funds by grant recipients. Information collected under this program is structured to comply with federal mandates. The reporting requirements are submitted by recipients in three stages: the application stage, the project management stage and the project evaluation stage.

Application Stage

FTA must determine the applicant's eligibility to receive program funds. In making the determination, FTA must receive: a) information on the applicant; b) the purpose for the requested funds; and c) the amount of federal funds requested or needed. Applicants must submit:

- a. Authorizing Resolution. This information is necessary to assure FTA that the individuals involved represent the organization seeking federal assistance and are empowered to enter into contracts on the organization's behalf.
- b. Opinion of Counsel. This information ensures that the applicant has the legal capacity to carry out the project and that there is no outstanding litigation that would encumber the federal government upon project approval.

In addition, each application must include:

- a. Project Budget. FTA must know how much federal financial assistance is required, the amount and sources of local funds available for this project, and the specific

elements and associated costs for each.

- b. Project Description. Federal funding is limited to certain categories of transit projects. The project description enables FTA to determine whether funding of the proposed project is allowable under federal transit law and the Common Grant Rule.
- c. Project Milestone Schedule. This document consists of milestone dates for major activities and an overall project completion date. Milestone dates are provided for such events as bid advertisement, bid award, and contract completion.
- d. List of Labor Unions. This document is used by the Department of Labor in making the certification of labor protective arrangements required for JARC Grants.
- e. Environmental Exhibit. This documentation includes a proposed classification of each activity line item in accordance with FHWA/FTA Environmental Impact and Related Procedures, as required by 23 C.F.R. Parts 771.115 and 771.117. A majority of the projects meet the criteria for a categorical exclusion. For each of these projects, proposed classifications and supporting documentation must be submitted. For those projects that do not meet the criteria for a categorical exclusion, an Environmental Assessment or Environmental Impact Statement may need to be submitted as required by the National Environmental Policy Act.
- f. Public Hearing Notice Transcript. When a capital project under 49 U.S.C. Section 5317 will have a substantial impact on a community or on the mass transit service of the community, grant applicants must provide an opportunity for a public hearing to obtain the views of citizens on the proposed project(s). Notices of a hearing must include a brief description of the proposed project(s) and be published in a newspaper circulated in the affected area. 49 U.S.C. Section 5323(b) requires that when such a hearing is held that a transcript submission provides a record of the public's concerns to verify that the comments were taken into consideration during project development.
- g. Coordination Activities. In the application stage, grantees are required to provide information describing their coordinated transportation planning process and evidence of approval by their transit operators.

Annual Certifications and Assurances. Before FTA may award a federal grant, the applicant must provide FTA with all certifications and assurances required by federal laws and regulations for the applicant or project. A grant applicant must sign the appropriate certifications and assurances each year for all anticipated grant applications during that particular fiscal year.

### Project Management Stage

The reporting requirements under this stage are necessary to ensure the proper and timely expenditure of federal funds within the scope of the approved project. The requirements comply with the Common Grant Rule and are contained in FTA Circular 5010.1D, "Grant Management Requirements" and may also be included in sections of the grant contract.

These reporting requirements are:

- a. Milestone/Progress Reports (QPR). These narrative reports are required quarterly for areas over 200,000 populations and annually for areas less than 200,000. They define problems and milestone achievements are reported to FTA. The reports greatly reduce the need for on-site visits by staff.
- b. Cost Allocation Plan. These narrative reports are required of state or local agencies desiring reimbursement for indirect administrative expenses incurred in connection with a capital grant. The Cost Allocation Plan is necessary to properly determine those indirect costs attributable to capital grants.
- c. Federal Financial Reports (FFRs). These quantitative reports are required quarterly for areas over 200,000 and annually for areas under 200,000. They provide a financial picture of project activity. The reports include information regarding obligations, payments, receipts, and other pertinent financial data required to ensure proper expenditure of federal funds.
- d. Reports of Significant Events. Unforeseen events that impact the schedule, cost, capacity, usefulness or purpose of the project should be reported to FTA immediately after detection and then reflected in the next quarterly progress report.
- e. Pre-award and Post-delivery Rolling Stock Audits. The audits are required to be performed by FTA grantees purchasing rolling stock. These audits are intended to ensure compliance with various requirements, such as Buy America, and to detect any vehicle defects while the vehicle is under warranty. Grantees certify compliance with the audit requirements under the implementing rule that was published in September 1991.

#### Project Evaluation Stage

The reporting requirement under this stage is necessary to assess program effectiveness for the federal government. This electronic database report is collected annually from grantees and provides information regarding how the project is performing in achieving national program objectives. Information is provided regarding increases or enhancements related to geographic coverage, service quality, and/or service times that impact the availability of transportation services for individuals with disabilities; additions or changes to environmental infrastructure, technology, and vehicles that impact transportation services for individuals with disabilities; and actual or estimated number of rides provided for individuals with disabilities as a result of the New Freedom projects implemented. This information permits federal evaluation of the program.

#### 2. HOW, BY WHOM, AND FOR WHAT PURPOSE THE INFORMATION IS TO BE USED AND CONSEQUENCES IF THE INFORMATION IS NOT COLLECTED.

The reports are submitted to the appropriate program office, usually within an FTA regional office, to determine the applicant's eligibility for funding and subsequently, the grantee's progress in implementing and completing project activities. The information

submitted ensures FTA's compliance with applicable federal laws and the Common Grant Rule. In addition, without these reports, significant resources and manpower would be necessary to conduct on-site inspections.

3. CONSIDERATION OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN AND ANY TECHNICAL OR LEGAL OBSTACLES TO REDUCING BURDEN.

FTA's electronic grant making and management system is a paperless, electronic grant application, review, approval, acceptance and management process. All grants and periodic reports are submitted electronically. Grantees also use the electronic system for signature of annual certifications and assurances.

4. DESCRIBE EFFORTS TO IDENTIFY DUPLICATION. SHOW SPECIFICALLY WHY ANY SIMILAR INFORMATION ALREADY AVAILABLE CANNOT BE USED OR MODIFIED FOR USE FOR THE PURPOSES DESCRIBED IN ITEM 2.

The reports are project specific and the information is not available elsewhere. There is no duplication.

5. METHODS USED TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES.

The information collected does not involve small business.

6. CONSEQUENCES TO FEDERAL PROGRAMS OR POLICY ACTIVITIES IF INFORMATION WAS NOT COLLECTED OR COLLECTED LESS FREQUENTLY, AS WELL AS ANY TECHNICAL OR LEGAL OBSTACLES TO REDUCING THE BURDEN.

If these and other reports were required less frequently, additional site visits by agency staff would be required to ensure compliance with program objectives.

7. SPECIAL CIRCUMSTANCES THAT REQUIRE THE COLLECTION TO BE CONDUCTED IN A MANNER INCONSISTENT WITH 5 CFR 1320.6.

The information collected is consistent with the guidelines in 5 CFR 1320.6.

8. EFFORTS TO CONSULT WITH PERSONS OUTSIDE THE AGENCY TO OBTAIN THEIR VIEWS.

FTA has worked with grantees on reporting requirements in shaping its reporting system and offers an opportunity for all grantees to comment on its methodologies.

A 60-day Federal Register notice was published on March 6, 2013, (page 14620), soliciting comments prior to submission to OMB. No comments were received from that notice. The 30-day Federal Register notice was published on May 17, 2013 (page 29203).

9. EXPLAIN ANY DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS, OTHER THAN REMUNERATION OF CONTRACTORS OR GRANTEES.

No payment is made to respondents.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED BY RESPONDENTS.

There is no assurance of confidentiality regarding these submissions.

11. ADDITIONAL JUSTIFICATION FOR QUESTIONS OF A SENSITIVE NATURE.

None of the information is of a sensitive nature.

12. ESTIMATE OF THE HOUR BURDEN OF THE COLLECTION AND ANNUALIZED COST TO RESPONDENTS.

<u>Requirements</u>	<u># of Annual Submissions</u>	<u>Burden hours per Submission</u>	<u>Total Burden hours</u>
<b><u>Application Stage</u></b> <i>(includes all of the following)</i>	<b>209</b>	50	10,450
Authorizing/Resolution			
Opinion of Counsel			
Project Description			
Project Budget			
Project Justification			
Public Hearing Notice			
Project Milestones			
List of Labor Unions			
Environmental Exhibit			
Total			10,450
<b><u>Project Management Stage</u></b> <i>(includes all of the following)</i>	<b>704</b>	156	109,824
Progress Report			
Financial Status Report			
Cost Allocation Plans			
Total			109,824
<b><u>Annual Evaluation Report</u></b>	<b>209</b>	45	9405
Total			9405
<b>Grand Total</b>			<b>129,679</b>

All burden hour estimates are based on a comprehensive review of the requirements associated with the New Freedom Program, discussions with appropriate headquarters and regional staff, and discussions with and informal surveys of respondents.

The annual respondents used to calculate total annual burden includes the number of annual applicants who must submit quarterly and annual reports and the active grants from previous years.

Estimate of the cost to respondents:

The number and complexity of applications submitted each year vary considerably and there is a wide variance in the level of effort required. A majority of applications are, however, simple and straightforward. The figures below are representative of a straightforward application meeting all of the criteria for federal funding.

Application Stage:

We estimate that it takes approximately 50 person-hours to develop and submit an application to FTA for review. Since FTA expects to receive approximately 209 applications per year, the total hours required are estimated to be 10,450 hours (50 hrs. x 209 applications = 10,450 hrs.). Although various personnel are involved in the development of an application, the average salary is estimated to be \$33 per hour. Therefore, the cost to the respondents is computed at \$344,850 (10,450 hrs. x \$33 = \$344,850).

Project Management Stage:

Staff time devoted to the preparation of project management reports takes approximately 156 hours at an average salary of \$30 per hour or \$4,680 per report. There are 704 reports annually; therefore, the cost is estimated to be \$3,294,720 (704 reports x \$4,680 per report = \$3,294,720).

Evaluation Stage:

There are approximately 209 applicants that are required to submit an annual evaluation report and we estimate that it will take approximately 45 burden hours per submission. Therefore, the cost is estimated to be \$282,150 (209 applications x 45 hours = 9,405 hours x \$30 per hour = \$282,150).

The grand total cost to the respondent for both the application, program management and evaluation stage is \$3,921,720.

13. ESTIMATE OF TOTAL ANNUAL COST BURDEN TO RESPONDENTS OR RECORDKEEPERS RESULTING FROM THE COLLECTION OF INFORMATION (NOT INCLUDING THE COST OF ANY HOUR BURDEN SHOWN IN ITEMS 12 AND 14).

There are no additional costs beyond that shown in items 12 and 14.

14. ESTIMATE OF THE ANNUALIZED COST TO THE FEDERAL GOVERNMENT.

The cost is calculated as follows:

Application Stage:

Experience indicates that it takes approximately 14 person-hours to review each application received by FTA. It should be noted that this figure assumes that the application is: 1) complete, 2) fundable and 3) non-controversial. More complex projects or programs of projects would consume additional time.

Although reviewed by several different staffers, from secretaries to the Regional Administrator, we estimate that the average grade level of the reviewers is GS-12/step 5, paid \$32 per hour. Since FTA expects to receive and review approximately 209 applications per year, the cost to the federal government is \$93,632 (14 hours x 206 applications = 2,926 hours x \$32 = \$93,632).

Project Management Stage:

Individuals managing projects throughout FTA vary from GS-9 to GS-14; however, in looking at the averages it can take a GS-13 (average salary, \$40 per hour) about ½ hour per report for review. There are approximately 704 projects requiring reports annually. The cost to the federal government is \$14,080 (1/2 hr. x 704 submissions = 352 hours x \$40 = \$14,080).

Annual Evaluation Stage:

FTA collects grantee performance information annually. Grantees are required to collect the information and provide data to FTA staff via its TEAM system. There is a single FTA staff member (GS-13) working approximately 45 hours in gathering the information and developing the report. The cost to the federal government is \$1,800 (45 hours x \$40 = \$1,800).

15. EXPLAIN REASONS FOR CHANGES IN BURDEN, INCLUDING THE NEED FOR ANY INCREASES.

The total burden for this request is 129,679 hours, an increase of 7,305 hours from the previous request of 122,374 hours. The increase in burden is due to an increase in the number of submissions for this request.

16. PLANS FOR TABULATION AND PUBLICATION FOR COLLECTIONS OF INFORMATION WHOSE RESULTS WILL BE PUBLISHED.

FTA does not plan to publish the results of the information collected for statistical use.

17. IF SEEKING APPROVAL NOT TO DISPLAY THE EXPIRATION DATE FOR OMB APPROVAL, EXPLAIN THE REASONS.

There is no reason not to display the expiration date of OMB approval.

18. EXPLAIN ANY EXCEPTIONS TO THE CERTIFICATION STATEMENT IDENTIFIED IN ITEM 19 OF OMB FORM 83-I.

There are no exceptions.