

**Funding Objectives and Criteria for the FTA Section 5311 Program of Projects Service  
Coordination Committee (SCC)**

**I. Funding Principles for the Section 5311 Program**

The funding principles are intended to guide our funding decisions and establish the basis for developing the project review criteria and process. The funding principles for the Section 5311 program are as follows:

1. *Maintain existing needed transit services:* Dedicates capital and operating funds for essential projects and programs in an effort to maintain needed existing transit services.
2. *Provide and maintain a flexible program:* Assures that the program of projects continues to be developed through a cooperative, consensus building process between the SCC and the Section 5311 applicants. Also assures that the program goals and criteria are reviewed each year and revised if necessary.
3. *Continue efforts to decrease an operator's dependence on Section 5311 funds for transit operations:* Given that Section 5311 funds are an unstable fund source, continued reliance on Section 5311 funds year after year for operating assistance may result in fluctuations in an operator's service levels. Therefore, we will require that applicants requesting Section 5311 funds for operating purposes actively seek other fund sources and document their efforts. The SCC will make efforts to assist these applicants to find alternative fund sources to support their transit operations.
4. *Maintain Timely Use of Funds Policy:* The Caltrans policy requires that all FTA Section 5311 funds be obligated within 2 years of programming or the funds will be lost to the region. In order to avoid lost funds to the region, the SCC will confirm project readiness with sponsors at 12 months and 18 months of programming and reprogram funds before they are lost to the region.

**II. Project Evaluation Criteria**

**A. Project Screening Criteria**

The project screening criteria are intended to eliminate projects that do not meet minimum program standards. Each project proposed for the Section 5311 program of projects will be initially screened by HCAOG staff for completeness and technical accuracy based on the following criteria:

1. *Availability to the general public.* Section 5311 funded services may be designed to maximize use by members of the general public who are transportation disadvantaged persons, including elderly and disabled persons, however such services should be open to the general public, or part of an array of public transit services, such as ADA complimentary services.
2. *Availability of alternative fund sources to fund the proposed project(s).* Given that it is our policy to encourage operators to maximize federal funds, an operator that has alternative fund sources for a project would not necessarily be excluded from being part of the Section 5311 program of projects. An operator that has an available alternative fund source may be asked to use its other fund source(s) to overmatch the proposed project if Section 5311 funds are limited. On the regional level we will

develop a program of projects that maximizes our regional apportionment of Section 5311 funding and the Section 5311 state discretionary reserve funding.

3. *Identified and documented need for a project.* The need for a particular project must be adequately documented and justified on the Section 5311 project justification sheets (**Attachment A**) (e.g., if an operator is requesting funds to replace a vehicle, the existing vehicle to be replaced must meet the asset replacement age). If the applicant prepares a Short Range Transit Plan (SRTP), Regional Transportation Development Plan (TDP) the project should be identified and justified in the plan.
4. *Project readiness.* The applicant must be prepared to submit an application for the project and be ready to implement/construct the project in the year indicated in the program of projects. If funds for a project are not applied for in the year they are programmed, future programming of federal funds for that project could be jeopardized.

## **B. Project Funding Criteria – Priorities**

For projects that pass the screening criteria, the project funding criteria will be used to determine the relative need and funding priority of those projects. The proposed funding criteria, in priority order, are as follows:

### *Priority #1 - Basic Capital Requirements/Fleet Expansion*

Transit capital projects, which are essential to sustain, replace, rehabilitate, or expand the existing bus fleet (e.g., vehicle replacement, backup vehicles, equipment and facility replacement).

### *Priority #2 – Operating Assistance for Existing Transit Services*

Eligible operating assistance for existing transit services. For operators requesting operating assistance for more than one year, the increase in the Section 5311 subsidy will be limited to the past year's cost plus an annual inflation adjustment. In addition, agencies applying for Section 5311 operating assistance must document all current and proposed efforts to find alternative fund sources.

### *Priority #3 – Preventive Maintenance*

Preventative maintenance for existing transit services in the non-urbanized service area. For operators requesting preventative maintenance (PM) for more than one year, the increase in the Section 5311 subsidy will be limited to the past year's cost plus an inflation adjustment. Applicants will be required to document PM costs associated with the non-urbanized service area.

### *Priority #4 – Capital and Operating Assistance for Service Expansions*

Transit capital and/or operating assistance to provide service expansions where an identified and definite need exists. As part of our programming process, agencies which request capital and operating assistance for service expansions must document the need for expanded services. If an applicant prepares a SRTP, the justification for any expanded services should be included in the plan.

### *Priority #5 – Service Enhancement Transit Capital Items*

Service enhancement transit capital items increase the quality of existing transit services (e.g., bus shelters, transfer facilities, bicycle facilities, etc.).

It may happen that two or more projects will rank evenly on this criterion, but there will not be adequate funding for all of the projects. These issues can be resolved through negotiations with the applicants in

the consensus building process. In these instances the SCC and the applicants should take into account additional project-specific information, which includes project readiness, geographic equity, number of years a project has been proposed, and amount of matching funds to be applied toward the project.

#### *Priority #6 – Transit Planning Assistance*

Planning assistance projects must be included in the Overall Work Program of the Regional Transportation Planning Agency and can support efforts to: (1) develop transportation plans and programs; (2) plan, engineer, design, and evaluate a public transportation project; and (3) conduct technical studies relating to public transportation.

### **III. Fund Programming and Project Review Process**

The steps in developing the regions' Section 5311 program of projects are outlined as follows.

The HCAOG will issue a Call for Projects every year, and will adopt a one-year program. The SCC will forward a recommended project list constrained to the available funds. The 5311 projects will only be added to the Transportation Improvement Plan (TIP) when agreements are in place and actual funds are apportioned by Caltrans.

#### **A. Call for Projects (Annual)**

- HCAOG receives an estimate of available Section 5311 funding from Caltrans. HCAOG notifies all potential Section 5311 applicants of the amount of Section 5311 funds available and requests that projects be submitted for consideration of funding.
- For each proposed project, applicants complete and submit Section 5311 Project Justification Sheets and any additional justification information as needed.
- HCAOG reviews proposed projects and develops a preliminary program of projects. The SCC will review proposals and forward a recommendation to the HCAOG Board.
- When actual revenues are apportioned by Caltrans, HCAOG will work with the applicants to make adjustments (if needed). Caltrans will add the projects to the TIP.

Operators are responsible for submitting their own applications to Caltrans.