

ARIZONA DEPARTMENT OF TRANSPORTATION

Public Transportation Division  
State Management Plan

Parts I and II

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Arizona Department of Transportation  
Public Transportation Division  
206 South 17th Avenue, MD 340 B  
Phoenix, AZ 85007

Public Transportation Division Management Plan

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ARIZONA DEPARTMENT OF TRANSPORTATION

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Public Transportation Division Management Plan

ARIZONA DEPARTMENT OF TRANSPORTATION

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# Part I. Overview of Division Programs and Activities

## A. Purpose

This binder documents the management activities of the Arizona Department of Transportation Public Transportation Division. It is primarily an internal document and for use by the Federal Transit Administration (FTA), explaining what the Public Transportation Division does and how those responsibilities are carried out. It serves two primary functions:

- It serves as a reference document for the management of the various programs. It can be used for new employees to get a broad understanding of the programs and as a tool for cross-training current employees.
- It fulfills the Federal Transit Administration's requirement for a **State Management Plan (SMP)**, documenting the administration and management of the various transit programs.

ADOT's Public Transportation Division is responsible for insuring a multimodal approach is taken to the problems of mobility, congestion and air quality in the State, for providing technical assistance on transit and related services, and for administering a variety of federal grant programs. It also serves as the State Oversight Agency for light rail.

Part I of this document provides a description of the ADOT Public Transportation Division, including its organization and staffing, the overall funding, and the programs for which it is responsible. Part II provides a detailed description of the management plan for the transit programs. The Federal Transit Administration requires a document known as the "State Management Plan" for the Section 5310 Special Needs for Elderly Individuals and Individuals with Disabilities Program, the Section 5311 Rural Public Transportation Program, the Section 5316 Job Access and Reverse Commute Program, and the Section 5317 New Freedom Program. For completeness, the ADOT Public Transportation Division has also chosen to document management of other federal grant funds in the State Management Plan, even though not specifically required to be addressed in the State Management Plan. These other grant sources include Section 5303 Metropolitan Planning Grants, Section 5304 Statewide Planning and Research Grants, and Surface Transportation Program flexible funds transferred from the Federal Highway Administration. The State Management Plan is part two of this management plan.

The State Management Plan is accompanied by a set of appendices. The appendices include the complete Handbooks (with applications) for the 5310, 5311, 5316 and 5317 Programs, and key documents for these programs. These Handbooks are provided to potential grantees to assist them in understanding the grant programs and program requirements, to provide the information necessary to complete applications for funding under these programs, and to provide sub-recipients with guidance in the ongoing management of their projects.

In addition, as the State Oversight Agency for light rail, ADOT's Public Transportation Division is required to maintain a document known as "System Safety Program Standards", describing the policies, objectives, responsibilities, and procedures used to provide rail transit agency safety and

security oversight. The ADOT's Public Transportation Division works closely with Valley Metro Rail, Inc., the rail transit agency in Phoenix in complying with the requirements of the new 49 CFR Part 659, describing the required safety and security compliance and oversight activities for light rail systems. Valley Metro Rail, Inc. is responsible for adopting specific safety and security plans for their rail system. The Program Standards and Policies document identifies procedures, processes, guidelines, and responsibilities for the implementation, oversight, and enforcement of the State Safety Oversight program for the rail fixed guideway system in Arizona. Specific safety and security plans are not included as access to these documents is restricted.

The contents of this binder are updated regularly.

- Handbooks and Applications are issued yearly, with any changes made to reflect changes in state or federal regulations
- The State Management Plan is reviewed on an annual basis to ensure that any new federal regulations are reflected in the Plan
- The State Management Plan is substantially revised approximately every six years, or upon re-authorization of the federal transportation funding bill
- The System Safety Program Standards for light rail safety oversight comply with the new 49 CFR Part 659. It is reviewed and updated annually and then submitted to the FTA.

## B. Overview of ADOT Public Transportation Division

The ADOT Public Transportation Division has multiple functions, including its FTA grant administrative responsibilities. These functions include:

- Administering Federal transit programs which provide local transit systems with capital and operating assistance
- Providing technical assistance and expertise to local transit agencies and decision makers
- Coordinating and funding transit and rail planning efforts in rural and urban areas
- Serving as the State Safety Oversight Agency for light rail
- Ensuring a multi-modal approach to the problems of mobility, congestion and air quality throughout the state

Public transportation serves a variety of functions in Arizona. It gives mobility to persons without access to an automobile and to those who don't drive. It provides important links between rural communities and metropolitan areas.

In urban areas, transit is important in reducing traffic congestion and air pollution by providing an alternative to the single occupant vehicle. It supports Arizona's economy by providing employers with a more mobile workforce and enhances tourism by offering visitors transportation options.

ADOT's Public Transportation Division supports all of these functions through eight major programs and a variety of special projects, as listed below. Each of these programs is described in more detail within this introductory chapter.

- Section 5311-Rural Transportation Program
- Section 5311 (b)(3) – Rural Transit Assistance Program
- Section 5310 - Elderly Individuals and Individuals with Disabilities Program
- Section 5303 and 5304 - Transportation Planning Programs
- Section 5316 - Job Access and Reverse Commute Program
- Section 5317 - New Freedom Program
- Light Rail Safety Oversight
- Special Projects and Other Activities

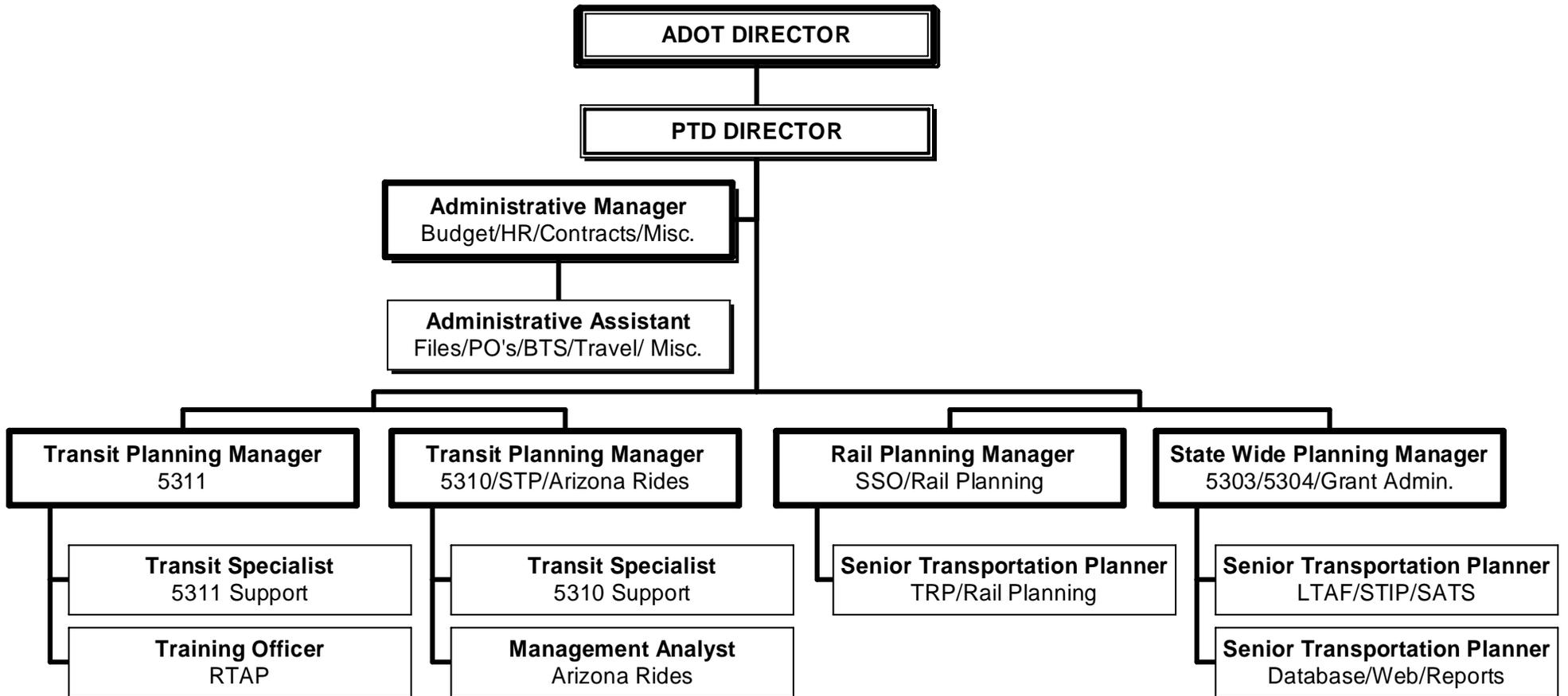
There are two other programs that ADOT Public Transportation Division administers:

- The Public Transportation Division hosts the ADOT Travel Reduction Program – part of the State's effort to meet trip reduction ordinance requirements within Maricopa County.
- The Transit Automated Program System (TAPS), also known as TAPS, is a database designed for asset management and used to track transit information for grantees in the 5310 and 5311 programs. While developed as a special project, it has grown into a tool used for ongoing monitoring of the capital assets funded through these programs.

## C. Organization and Staffing

The ADOT Public Transportation Division consists of a staff of 13 members. The Public Transportation Division Director supervises the Division and reports directly to the Director of ADOT. The following figure shows the organization and roles of ADOT Public Transportation Division personnel.

## Public Transportation Division Organizational Chart



## D. Funding

The ADOT Public Transportation Division administers or distributes funding from a variety of state and federal sources. This chart shows the current level of funding from each of the primary sources:

- FTA Formula Funds for Section 5303/5304, 5310, 5311, 5316, and 5317 are allocated to the state using population-based formulas.
- Surface Transportation Program (STP) Flexible Funding Federal Highway Funds, which can be “flexed” to support public transportation activities. The State Transportation Board has made these funds available to support the Section 5311 Program and Section 5310 Program, and typically they fund capital purchases. STP funding is determined annually by the State Transportation Board.
- Valley Metro Rail, Inc. provides ADOT light rail safety funding to ensure state safety oversight of the light rail system.
- State of Arizona allocated match funding.
- LTAF II (Local Transportation Fund II) is funded through an allocation of Powerball proceeds after each FY. These funds, when available, are passed through to cities, towns, and counties for use for transit program related expenses (if allocated more than \$2,500) utilizing an application process through ADOT.

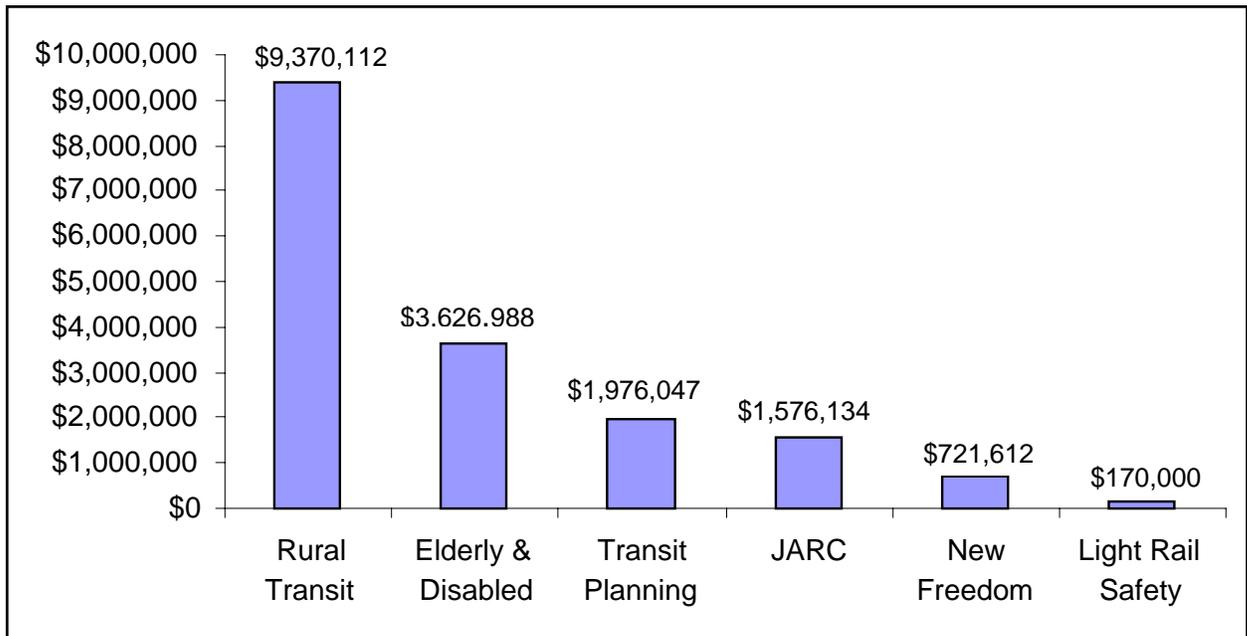
### Division Funds Administered in FY 07

FTA Formula	\$ 14,843,092
STP Flex	\$ 6,500,000
Light Rail Transit	\$ 170,000
State	\$ 74,700
Total Annual	\$21,587,792
LTAF II*	\$18,000,000
Total FY 06	\$39,587,792

\* LTAF II Funds can significantly change from year to year. The FY2006 LTAF II distribution was over \$5.2 million.

The funding received from state and federal sources is used to support each of the ADOT Public Transportation Division’s primary programs. The chart on the next page shows the funds allocated to each program in 2007.

## Transit Program Funding FY 07\*



\* The above program funding does not include \$4,072,199 in STP Flex funding distributed to the MPO's and \$74,700 in state transit funding.

## E. Programs

### Transportation Planning (Section 5303 & 5304)

The Transportation Planning program administers or distributes federal funds available to aid in metropolitan and rural transportation planning.

#### Metropolitan Transportation Planning

The Federal Transit Administration Section 5303 program provides approximately \$1,600,000 annually to fund and to provide financial assistance to Metropolitan Planning Organizations (MPOs). There are currently five MPOs in the state which receive Section 5303 funds: Maricopa Association of Governments (MAG), Pima Association of Governments (PAG), Yuma Metropolitan Planning Organization (YMPO), Flagstaff Metropolitan Planning Organization (FMPO) and Central Yavapai Metropolitan Planning Organization (CYMPO).

Section 5303 funding is allocated to the MPOs based on an FTA-approved formula, which considers population and provides 80% of the planning funds. The MPOs must provide the remaining 20% as matching funds.

MPOs utilize the transit planning funds to support the costs of preparing long-range transportation plans and transit improvement projects for their local area. MPOs must consider a number of

factors in developing their transit plans such as intermodal access, metro roads, environmental effects, and enhancement of transit services. They must coordinate with State air quality agencies in metro areas that are in non-attainment for ozone or carbon monoxide.

ADOT's Public Transportation Division distributes the available funding and encourages MPOs to conduct balanced and comprehensive intermodal transportation planning and studies.

### **5303 Distribution of Funds in FY '07**

MPO	Distribution
MAG	\$1,245,656
PAG	\$308,698
YMPO	\$40,686
FMPO	\$25,803
CYMPO	\$26,550

### **Statewide Transportation Planning**

The FTA Section 5304 funds are apportioned annually to the states for use in rural planning and research. ADOT administers approximately \$300,000 a year to provide technical assistance to communities for rural transit planning. These funds might be used to study the need for public transit services in a community or to assist in revising service plans where transit services already exist.

### **Elderly Individuals and Individuals with Disabilities Program (Section 5310)**

The Section 5310 Program, also known as Elderly Individuals and Individuals with Disabilities Transportation, is a federal grant program sponsored by the Federal Transit Administration (FTA). Unlike its companion Section 5311 (Rural Public) Program, the 5310 Program focuses primarily on capital assistance to its grantees.

The ADOT Public Transportation Division procures vehicles and related communications equipment on behalf of grantees. ADOT and the grantee jointly hold title to these vehicles, with ADOT as lien-holder, for four years or 100,000 miles, whichever occurs first.

Eligible recipients for 5310 are private non-profit (PNP) and public agencies, which serve the elderly (age 60 and over) and persons with disabilities of any age. PNPs form the core of the program, and many Tribal governments and related Tribal community agencies participate annually. In all, over 150 provider-agencies are assisted with funds from the 5310 Program.

Starting life in the early 1980s with a fledgling 10 to 15 vehicles per year and a budget of approximately \$300,000, the program has grown to over 90 vehicles per grant. With the aid of additional funds from the Surface Transportation Program (STP) Flexible Fund program, jointly funded by the Federal Highway Administration (FHWA) and FTA, the current ADOT 5310 budget is over \$3 million.

The Section 5310 Program has over 300 vehicles active in the field—either on lien or still providing useful “primary” service past lien. Many additional older vehicles live on to provide important back-up service for their operators.

## **Rural Transportation Program (Section 5311)**

The Section 5311 Rural Transportation Program provides capital, administrative and operating assistance for public transportation programs in rural and small urban areas.

As administrator for the 5311 program, the ADOT Public Transportation Division funds 15 cities and towns and three Tribal governments to operate rural transit systems at the local level. Approximately 2.7 million miles of passenger service are provided annually to more than 800,000 passengers in communities throughout the state.

Funding for rural transit services comes from several sources:

- Federal Transit Administration Section 5311 Rural Transportation Formula Funds
- Surface Transportation Program Flexible Funds
- LTAF II Funds and other local funds

In addition, FTA Section 5304 Planning funds for rural communities and the Rural Transit Assistance Program are used to support the development of public transit services in rural communities. Public Transportation Division staff combine these sources to provide a coordinated program of rural transit planning, research, training, technical assistance, operations support and capital funding.

Federal Transit Administration Section 5311 funding supports capital expenditures, operating expenses, and administrative expenses. A local match is required with the amount varying by program. They may be used for general public transit services in rural areas (those areas with less than 50,000 in population). The FTA apportionment funding is allocated to states on a population-based formula. The ADOT Public Transportation Division awards the funds to participating systems through an annual competitive application process.

Under this program, each state is required to spend fifteen percent of its annual Section 5311 apportionment “to carry out a program to develop and support intercity bus transportation,” unless the Governor certifies that the intercity bus service needs of the State are being met adequately. Arizona uses its full apportionment to support operating costs of several intercity services in Arizona. Many of the rural transit services in Arizona are intercity in nature and these are considered for funding along side other Section 5311 services.

## **Rural Transit Assistance Program (Section 5311 (b)(3))**

In addition to providing funding, Public Transportation Division staff provides technical support, training and planning assistance to the eligible rural transit providers in the Section 5310 and 5311 Programs. Through the Rural Transit Assistance Program, transit providers receive training in the areas of operations, maintenance, drug and alcohol program supervision, safety and security, ADA requirements and marketing. A regular program of training is provided to both public transit and in key areas for staff development, along with technical assistance.

## **Job Access and Reverse Commute Program (Section 5316)**

The Job Access and Reverse Commute (JARC) program provides formula funding to States and Designated Recipients to support the development and maintenance of job access projects designed to transport welfare recipients and eligible low-income individuals to and from jobs and activities related to their employment, and for reverse commute projects designed to transport residents of urbanized and other than urbanized areas to suburban employment opportunities.

ADOT is responsible for implementing the statewide JARC program for rural (less than 50,000 population) and small urbanized (50,000 to 199,99 population) regions of the state.

The program provides funding for capital, operating, and planning projects through a competitive application process managed by ADOT with assistance from Council of Governments (COG's) and Metropolitan Planning Organization (MPO) offices.

## **New Freedom Program (Section 5317)**

The New Freedom program provides formula funding for new public transportation services and public transportation alternatives beyond those required by the Americans with Disabilities Act of 1990 that assist individuals with disabilities with transportation, including transportation to and from jobs and employment support services.

ADOT is responsible for implementing the statewide New Freedom program for rural (less than 50,000 population) and small urbanized (50,000 to 199,99 population) regions of the state.

The program provides funding for capital and operating projects through a competitive application process managed by ADOT with assistance from Council of Governments (COG's) and Metropolitan Planning Organization (MPO) offices.

## **F. Special Projects and Other Activities**

### **Special Projects**

The ADOT Public Transportation Division undertakes special projects as needed. The following special projects are currently being administered:

- **Arizona Rides** - the President's Executive Order directing government agencies to insuring coordination among human service agencies providing transportation and public transit systems. In response to the national initiative ADOT's Public Transportation Division is taking the lead in supporting Arizona's multi-departmental effort, known as *Arizona Rides*. This initiative is supported by the Governor's own Executive Order.
- **Regional Transit Connector Service (RTCS)** – RTCS is a set of four pilot projects to study and showcase the need for transit connections from rural communities to services in large urban centers. The Regional Transit Connector projects demonstrate the needs of smaller, outlying communities for transportation connections to critical medical,

employment, nutrition and shopping services available only in larger urban centers. This program utilizes a blend of federal, state and local funds and was developed by the ADOT Public Transportation Division in financial partnership with the cities of Flagstaff and Phoenix. It represents a unique collaborative multi-jurisdictional effort between ADOT, Valley Metro/Regional Public Transportation Authority (RPTA), Pima and Maricopa Counties.

The four pilot connector routes are Ajo-Gila Bend to Phoenix, Wellton to Yuma, rural Coconino County to Flagstaff, and Green Valley to Tucson. This past spring, the Ajo-Gila Bend Connector (to Phoenix) was inaugurated after a four-year hiatus.

## Light Rail State Safety Oversight

The ADOT Public Transportation Division is designated as the State Safety Oversight Agency for light rail projects within Arizona, establishing state safety and security standards for light rail transit systems as designated in 49 CFR Part 659. The safety and security oversight responsibilities for light rail systems are documented in the “System Safety Program Standards”, a document addressing nine key elements, including:

- Program Management
- Development of Standards
- Oversight of Rail Transit Agency Internal Safety and Security Review
- Three-year Review
- Accident Notification
- Investigation
- Corrective Actions
- System Safety Program
- Security Plan

PTD staff provides safety and security oversight for the operation of Valley Metro Rail, Inc.’s LRT system. This system, now under construction, is currently Arizona’s only light rail project. The System Safety Program Standards are now being developed and will be implemented for pre-revenue testing and opening day of service in December, 2008.

Valley Metro Rail, Inc. is the Rail Transit Agency and as such is responsible for preparing the System Safety Program Plan and System Security Plan. Access to these documents is restricted. The ADOT Public Transportation Division and Valley Metro Rail, Inc. work closely to assure that the Federal standards of safety and security are met.

## TAPS: Asset Management

The Transit Automated Programs Systems, also known as TAPS, is a database used by the Public Transportation Division for supporting the Section 5310 & 5311 Federal Transit Administration

Grant programs. Although originally a special project, TAPS now is an ongoing tool used in these programs. It includes:

- Vehicle Inspection Reports
- Vehicle Lien Information
- Budget and Funding Information
- Performance Statistics.

Asset management programs are vital to public agencies to provide thorough accounting of their assets. TAPS provides a systematic approach to collecting and interpreting data, thereby providing funding recipients with accurate and fair evaluations of their asset management.

TAPS also provides:

- Automated ADOT lien vehicle inspection process.
- Improved quality and quantity of Section 5310 and 5311 Annual Report data for use in prioritizing new vehicle awards and grant funding.

## **LTAf II**

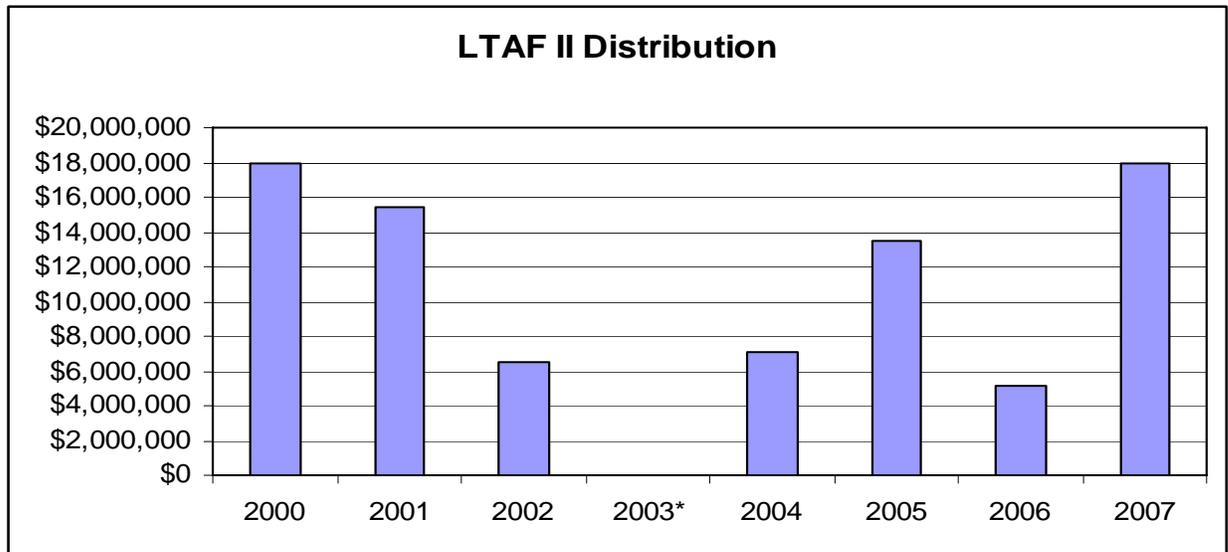
Local Transportation Assistance Fund II (LTAf II) is a state-funded program designed to provide local communities with additional transit assistance. ADOT's Public Transportation Division administers this program.

Originally based on Vehicle License Tax revenues, the formulation of the fund is now Powerball lottery proceeds.

When the state's Powerball proceeds reach a certain threshold, the excess revenue up to a capped amount is allocated to cities, towns and counties for public transportation purposes based upon their relative population. (If any individual distribution is less than \$2,500, there is no specific use requirement for transit.) In 2003, after a few years of declining revenues, an unforeseen "spike" in Powerball lottery enabled the State to award over \$7 million in LTAf II funds to qualifying local governments. In 2005, there was another spike in the Powerball contribution to the fund, enabling a statewide distribution of \$13.5 million. This was followed by a decline in 2006 with a statewide distribution in the amount of \$5.3 million. This up-and-down dynamic has been typical of recent years' LTAf II funding. These funds, when available, are distributed to cities, towns and counties through an application process during the first and second quarter of the fiscal year.

In rural communities with Section 5311 programs, these funds may be used to assist with these transit programs' operations and capital needs, including local matching funds for federal grants. While not available directly to private-non-profit groups and Tribal Governments, these entities can approach their local jurisdictions to establish a partnership in order to request LTAf II distributions to match the capital funds these agencies bring into their communities. Unlike many federal transit grants, LTAf II has few limitations on use (capital, operations, and planning are all permitted), as long as the funds are spent on "public" or publicly endorsed "special needs" transportation such as that provided by Section 5310 recipients.

\*LTAF II funding may or may not be available in any given year as was the case in 2003 with no distribution and current legislative initiatives may place a cap on future revenue allocations into the fund.



## Travel Reduction Program

The Public Transportation Division is host to ADOT's travel reduction program effort. The objective of this program is to meet trip reduction ordinance requirements within Maricopa County and to establish a culture of alternative travel and work place options throughout the Department. The Governor of Arizona, through the Department of Administration and the Department of Environmental Quality, has mandated that each state department strive for a minimum of 20 percent employee participation in these varieties of trip-reduction programs. Through transit ridership, carpooling and vanpooling, bicycle and pedestrian programs, telecommuting options, alternative work schedules, teleconferencing and other methods, ADOT is contributing to improvements in air quality and traffic congestion throughout the state.

## Part II. STATE MANAGEMENT PLAN

### A. Overview of State Management Plan

The State Management Plan documents the procedures of the State of Arizona in managing and utilizing federal funds to assist public, private for-profit and private non-profit passenger transportation systems in Arizona. The Arizona Department of Transportation (ADOT) Public Transportation Division manages the programs described in this document.

A variety of financial assistance programs are received from the Federal Transit Administration and managed by the ADOT Public Transportation Division (PTD). A prerequisite for receiving FTA financial assistance requires each state to have an approved State Management Plan on file with their FTA Regional Office.

Arizona's State Management Plan documents the State's objectives, policies, procedures and administrative guidelines for FTA programs administered by the State. The primary programs are the Section 5310 Program for the special needs of elderly individuals and individuals with disabilities, the 5311 Program for Rural Public Transportation, the 5316 Job Access and Reverse Commute Program, and the 5317 New Freedom Program. Other programs include Sections 5303 and 5304 planning grant programs, and the Rural Transit Assistance Program (RTAP). Surface Transportation Program (STP) flexible funds are another major fund source. The STP funds are approved by the State Transportation Board for transfer from the Federal Highway Administration to the FTA for Arizona's federal transit programs, including those not directly administered by ADOT. In addition, Arizona State funds augment the overall program.

ADOT Public Transportation Division also serves as the State Safety Oversight Agency for light rail services within Arizona, establishing state safety and security standards for light rail transit systems. A separate and freestanding plan, the ADOT Program Standards and Procedures, is being prepared to document the State's policies, procedures, and processes for light rail safety and security oversight. ADOT's role as State Safety Oversight Agency is described briefly in this State Management Plan as it is an FTA program and an important part of the ADOT Public Transportation Division responsibility.

Valley Metro's LRT system, now under construction, is currently the state's only light rail project for which PTD staff is responsible under state statute to provide safety and security oversight for the operation of the system. This program is now being developed for implementation of pre-revenue testing and opening day of service in December, 2008.

For the purposes of this State Management Plan, the State of Arizona is the primary recipient of federal funds. From the federal perspective, sub-recipients are public agencies and private transit operators that receive FTA funds through grants administered by the State. In this State Management Plan these sub-recipients may also be referred to as "applicants" or "grantees." In the Handbook sections of this State Management Plan binder, the words "recipients" and "sub-recipients" may be used interchangeably to describe agencies awarded grants through ADOT's application processes. In other words, federal sub-*recipients* are one and the same as ADOT *recipients*.

## B. General Transit Program Information

### Transit Program Goals and Objectives

This plan describes the procedures the ADOT Public Transportation Division follows to:

- ensure that Arizona qualifies for its full share of Federal transit funding;
- ensure that all program recipients comply with all Federal program guidelines and regulations;
- ensure a fair and equitable distribution of program funds to eligible recipients;
- cooperate with local, regional, and private sector agencies to encourage and promote adequate, cost-effective public transportation services; and,
- actively promote the coordination of public transit and human service transportation networks.

The ADOT Public Transportation Division maintains goals and objectives for its major programs, including Sections 5310 and 5311 that are specific to the purposes and requirements of those programs. These goals and objectives are further described in individual program handbooks (See Appendix A: Section 5311 Handbook and Application and Appendix D: Section 5310 Handbook and Application).

### Roles and Responsibilities

#### Federal Transit Administration (FTA)

The FTA provides overall policy and program guidance. The FTA is responsible for apportioning funds annually to the State; developing and implementing financial management procedures; initiating and managing program support activities; and conducting national program review and evaluation. The FTA regional offices have day-to-day responsibility for administration of the program.

#### The Arizona Department of Transportation (ADOT)

ADOT has been designated by the Governor to administer the Section 5303, 5304, 5310, 5311, 5316, and 5317 programs in Arizona. The ADOT Public Transportation Division administers and provides oversight for the FTA programs, as well as the Rural Transit Assistance Program, and other federal grant programs such as Surface Transportation Program funds that have been “flexed” to support Arizona’s transit programs.

To administer these programs the ADOT Public Transportation Division works with regional Transportation Planning Agencies (in Arizona these are Metropolitan Planning Organizations and rural Councils of Governments) and directly with sub-recipients. ADOT Public Transportation Division duties include assistance throughout the grant process, as well as subsequent monitoring of successful applicants. The ADOT Public Transportation Division also provides information, oversight, and technical assistance to Arizona communities, transportation planning agencies, transit agencies, and intercity carriers.

## **Transportation Planning Agencies**

In Arizona the responsibilities of Transportation Planning Agencies are assumed by regional government organizations: Metropolitan Planning Organizations (MPOs) in the urban areas, and regional Council of Governments (COGs) in rural areas.

There are currently five urbanized areas (as defined by the US Census Bureau) with designated MPOs in Arizona. The urbanized areas are centered in the cities of the Phoenix metropolitan area, Tucson, Yuma, Flagstaff, and Prescott. Each of the Metropolitan Planning Organizations are recipients of Section 5303 planning assistance and are responsible for coordination of FTA programs with their respective planning areas. Requests for FTA funding from within an urbanized area are submitted to the MPO for inclusion in the MPOs Transportation Improvement Program (TIP). The MPO staff reviews each application for coordination, conformity and fiscal constraint in relation to TIP goals and objectives.

For rural areas, the ADOT Public Transportation Division works with the COGs to complete transportation planning functions using FTA Section 5304 Statewide Transportation Planning Program funds. These efforts include transit feasibility studies, short-range transit development plans, capital project assessments, and special studies that include a statewide rural transit needs study and statewide rail inventory and assessment. The COGs primary role is to assist ADOT Public Transportation Division in coordination and outreach with local agencies and transit providers. ADOT Public Transportation Division takes the lead on coordinating the completion of transit development plans with the COGs and local agencies, and these plans are integrated into the State Transportation Improvement Program (STIP).

## **Transit Planning**

ADOT is responsible to assist regions in the development and maintenance of transit plans that identify the overall public and specialized transit needs in the region and the level of service required to meet these needs. This information will be incorporated into the Transit Element of the State Transportation Improvement Program (STIP).

ADOT has coordinated the preparation of the transit plans for each of the applicable rural Council of Governments planning areas within the State. The plans provide a five-year ‘road map’ to address the transportation needs and coordination of public transportation and specialized transportation services for the elderly and disabled in the regions. In addition, they address the most efficient and effective management and funding programs for public transportation. These plans include an assessment of local transit needs within a five-year “horizon,” achievable coordination and consolidation opportunities and a significant public involvement process. Ad-hoc Technical Advisory Committees have been established in each of the four areas. These committees provide additional opportunities to network with social service agencies involved with provision of human service programs which have transportation-related components.

In addition, ADOT provides two types of planning assistance. First, the Public Transportation Division participates in the preparation of Small Area Transportation Studies to assure that these overall transportation studies consider the transit mode. Second, the Public Transportation Division will assist local entities in developing specific transit plans. These plans can be an initial effort to evaluate and plan for transit service in a community or a routine update to re-assess the direction of the transit system, address changing conditions (such as community growth or new or changing

employment locations), or address the need for new regional connections. Strong transit systems change as the community changes. As a result, the Public Transportation Division anticipates that grantees will do regular planning. To find out what sort of planning assistance is available to your community, contact the Section 5311 Section Manager.

Existing grantees are expected to do some routine planning as part of the management of the system. The preparation of a three-year plan that identifies what the system expects to occur in the upcoming three years is a useful management tool for both the grantee and ADOT. This helps all parties to know what is coming and efficiently utilize resources. A Three-year Transit Plan is one of the contract deliverables for grantees.

### **Transportation Providers**

Transportation providers (both public and private agencies) apply for funding through a process that varies depending on the program, and is defined further in the Program Handbooks, which are included in the larger binder housing this section and titled “State Management Plan,” but additionally intended as stand-alone documents to assist applicant-providers in accessing programs of interest. The providers are responsible for working with the ADOT Public Transportation Division and their local MPO or COG to meet all application requirements. If granted funding, they are required to fulfill a series of federal conditions of grantees as further defined later in this document and in individual program handbooks. These requirements include record keeping, financial disclosures, civil rights protections, and monitoring (See Appendices A and D).

Successful Section 5311 program grantees are also required to establish a Transit Advisory Committee that meets quarterly. This committee must include the agency transit manager, as well as representation from the elderly and disabled community, local businesses, local elected government officials, and the general public. Both Section 5310, 5311 grantees may be required to participate in regional or local coordination councils or committees developed in support of the *Arizona Rides* initiative.

## **Federal Program Overview**

### **Section 5303, Metropolitan Transportation Planning Program**

Section 5303 funds provide financial assistance to states and local public bodies to support planning in Metropolitan areas. There are currently five MPOs in the State of Arizona that receive metropolitan planning funding including the Maricopa Association of Governments (MAG), the Pima Association of Governments (PAG), Yuma Metropolitan Planning Organization (YMPO), Flagstaff Metropolitan Planning Organization (FMPO) and Central Yavapai Metropolitan Planning Organization (CYMPO).

Specifically, the Section 5303 Program provides financial assistance, through the states, to MPOs to support the costs of preparing long-range transportation plans and financially feasible transit improvement projects. Section 5303 Program assistance is used to conduct balanced and comprehensive intermodal transportation planning and technical studies for the movement of people and goods in the metropolitan area.

The State allocates the Section 5303 funds to the MPOs based on an FTA-approved formula developed by the State in cooperation with MPOs. The formula considers population and related factors.

### **Section 5304, Statewide Transportation Planning Program**

Section 5304 funds ADOT Public Transportation Division's technical assistance for rural public transportation planning and research. Examples of Section 5304 Program funded projects and support include statewide planning and technical assistance, new system development and demonstration projects for eligible non-urbanized communities (including regional rural to urban connector systems), planning and technical assistance related to the ADOT's Small Area Transportation Studies (SATS), as well as program administration.

### **Section 5310, Elderly Individuals and Individuals with Disabilities Program**

Section 5310 funds projects providing transportation services to persons who are elderly (age 60 and over) and persons with disabilities for whom mass transportation services are unavailable, insufficient or inappropriate. Eligible projects provide capital assistance (primarily vehicles and communications equipment) to agencies providing specialized transportation to the elderly and people with disabilities. These agencies are generally private non-profit agencies. However local government units, including Tribal governments and related community agencies, have strong participation in the Program as well. This program is available to agencies statewide, through an application process managed on ADOT's behalf by the MPOs in urbanized areas and COGs in rural areas.

### **Section 5311, Rural Public Transportation Program**

Section 5311 funds mass transportation projects serving the general public in rural and small urban areas. Section 5311 funds may be used to support transit capital expenses, administrative and operating expenses. Rural and small urban areas include everything outside of areas defined as urbanized (greater than 50,000 population) by the US Census. Generally, counties represented by COGs in Arizona meet this definition of rural. Counties represented by Metropolitan Planning Organizations are predominantly urban as defined by the US Census Bureau. However, census defined urbanized areas are usually not coterminous with county borders so the rural portions of Maricopa, Pima, Yuma, and Coconino Counties therefore may be eligible for funding from the 5311 Program. While Section 5311 funding is limited to projects serving non-urbanized area transportation needs, projects may include transportation to and from urbanized areas. Application for 5311 funds is through an annual application process managed by the ADOT Public Transportation Division.

In addition, under this program each state is required to spend fifteen percent of its annual Section 5311 apportionment "to carry out a program to develop and support intercity bus transportation," unless the Governor certifies that the intercity bus service needs of the State are being met adequately. Arizona uses its full apportionment to support operating costs of several intercity services in Arizona. Many of the rural transit services in Arizona are intercity in nature and these are considered for funding along side other Section 5311 services.

### **Section 5311(b)(3) Rural Transit Assistance Program**

The Rural Transit Assistance Program (RTAP) is intended to be a broad and flexible program of training, technical assistance, research, and other support services for non-urbanized transit. The ADOT Public Transportation Division receives an annual allocation to develop and implement training and technical assistance programs in conjunction with the State's administration of the Section 5311 Program. In Arizona, RTAP funds are used to provide 5311 grantees with small training budgets as a part of their annual 5311 grant. The remaining funds are used to sponsor annual training conferences and provide scholarships for eligible transit providers in the Section 5310 and 5311 programs. An RTAP committee consisting of transit managers assists ADOT in developing the annual RTAP program. The committee includes representatives of 5310 and 5311 managers, meets quarterly, and its members network with other providers so they can represent a wide range of views.

### **Section 5316 Job Access and Reverse Commute Program**

Section 5316 funds are provided to assist states and localities in developing new or expanded transportation services that connect welfare recipients and other low income persons to jobs and other employment related services. ADOT is responsible for implementing the statewide JARC program for rural (less than 50,000 population) and small urbanized (50,000 to 199,99 population) regions of the state. JARC funds provide capital, operating, and planning assistance for services, equipment, facilities, and associated capital maintenance items related to providing access to jobs. ADOT utilizes appropriate rural Council of Governments (COG) and small urban Metropolitan Planning Organization (MPO) offices to assist with dissemination of information and the screening of applicants during the annual statewide application process.

### **Section 5317 New Freedom Program**

Section 5317 assistance provides funds for services and facility improvements that address the transportation needs of persons with disabilities. Funds are available to support capital and operating expenses of new public transportation service targeted toward people with disabilities or public transportation alternatives that go beyond those required by the ADA. ADOT is responsible for implementing the statewide New Freedom program for rural (less than 50,000 population) and small urbanized (50,000 to 199,99 population) regions of the state. ADOT utilizes appropriate rural Council of Governments (COG) and small urban Metropolitan Planning Organization (MPO) offices to assist with dissemination of information and the screening of applicants during the annual statewide application process.

### **Other Federal Funds**

The ADOT Public Transportation Division administers certain other FTA funds. The State Transportation Board makes a portion of Surface Transportation Program (STP) funding available for use in funding transit programs statewide. The emphasis for ADOT's portion of this funding allocation is designed to meet the needs for rural and specialized transportation. The funds augment the Section 5310 and 5311 programs, and are awarded to the Section 5310 and Section 5311 applicants demonstrating a need for additional capital assistance, e.g. facilities, vehicles or other equipment.

In addition to flexing STP funding, ADOT works cooperatively to assure that Federal Transit Administration funds are effectively used. The staff of the Public Transportation Division will, as needed, work through the Governor's office to transfer funds between FTA programs or to assist new urban areas in making the transition between the 5311 and 5307 programs.

## Eligible Grantees

Eligible recipients of federal funds administered by the State vary by program, and include State agencies, local public bodies and agencies thereof, Tribal governments and related Tribal communities, private nonprofit organizations (PNP's) and operators of public transportation services. Eligible agencies are required to meet various Federal, State, and Transportation Planning Area requirements. The eligible services, service areas, categories of assistance, applications process, and requirements are described generally below, and in the Handbooks for the 5310 and 5311 programs in further detail (See Appendices A and D). Arizona generally follows the Federal rules for program and grantee eligibility. Specific eligibility criteria for each program are noted below:

### Section 5303/5304

Section 5303 Metropolitan Transportation Planning Grant funds are administered by MPOs and may be re-granted to local public bodies and agencies by the MPO or used internally for planning efforts. Section 5304 funds are administered by the State for planning activities in rural areas, for specific planning projects. ADOT uses these funds to work with public agencies and COGs to complete transit-planning studies.

### Section 5310

Eligible applicants for Section 5310 assistance include:

- Private-non-profit (PNP) corporations when publicly operated mass transportation services are unavailable, insufficient, or inappropriate
- Governmental authorities
  - approved by the State to coordinate services for elderly individuals and individuals with disabilities; or
  - certifying to Arizona Department of Transportation that no nonprofit corporation is readily available in an area to provide the needed service.
- Tribal governments and related Tribal community agencies

Arizona has a strong tradition of working with private non-profit corporations to assure that appropriate services are available to meet the mobility needs of people who are elderly or have disabilities and these entities remain a focus of the program. With the signing of SAFETEA-LU and the advent of Arizona Rides, ADOT is extending application eligibility for the Section 5310 Program to its State agency and Arizona Rides partners to support the coordinated delivery of transportation services in the areas of behavioral health, developmental and other disabilities, aging services, low income and jobs access.

Historically, ADOT's State agency partners have supported many of the "traditional" Section 5310 providers, e.g., independent private non-profit corporations, in many aspects of these entities' operations, including vehicle matching funds, drivers' salaries and maintenance. ADOT is working closely with its partners at the council of government and state levels to develop effective mechanisms that provide for both coordinated transportation services and effective support from various state agencies.

### **Section 5311, 5311(f) and RTAP**

Eligible grantees for the Section 5311 Program are generally local public bodies and agencies, Tribal governments and related Tribal communities, and operators of public transportation services. Private non-profit organizations are eligible applicants under federal regulations, but the State of Arizona requires evidence of financial capacity and managerial skill equivalent to that of public agencies to ensure project accountability. All 5311 grantees are eligible for RTAP funding, which may be included in their annual 5311-budget award. In addition to these eligible grantees, private intercity bus operators are also eligible to receive 5311(f) Intercity Bus funding.

### **Section 5316 and 5317**

Eligible grantees for the Section 5316 and 5317 program include private non-profit organizations, state or local governmental authority, and operators of public transportation services including private operators of public transportation services.

## **Local Share and Local Funding Requirements**

A local match is required for federally funded projects. In general, federal funds are available on an 80% match basis for capital projects, 80% for administrative assistance and a 50% match for operating assistance. An exception to these match ratios exists for the Section 5310 and 5311 programs. As authorized by SAFETEA-LU, Arizona is eligible to utilize the sliding scale match ratio under FHWA programs for Section 5311 operating projects and Section 5310/5311 capital projects. The sliding scale match allows identified states with large areas of public lands to utilize an increased federal share for their eligible transit programs. The Public Transportation Division has the option to use a 94%/6% match ratio for capital projects and a 58%/42% match ratio for operating projects based on the match rates in Section 120(b)(2) of Title 23 and the Federal-State match ratio agreement between FHWA and ADOT. Use of the increased federal share will be determined by assessing state need through applicant operating and capital funding requests and the forecast of new program starts against growing agencies moving into the 5307 program.

## Local Match Requirements

	Minimum Local Share	Maximum Federal Share
Planning	20%	80%
Administration: (5311)	20%	80%
Operating: (5311)	50%	50%
Capital: 5311	20%	80%
Capital: 5310 (1)	20%	80%
Capital (STP flex)(2)	5.7%	94.3%
FHWA Sliding Scale Operating (2)	42%	58%
FHWA Sliding Scale Capital (2)	6%	94%

(1) For the 5310 program, an additional 1% is charged to the agency by the State for procurement costs.

(2) Match ratio contingent on amount of requests - % to be determined by the program manager.

### Program match ratios are as follows:

#### Section 5303/5304

A local match of 20% is required.

#### Section 5310

A local match of 20% is required for the capital cost, plus a 1% fee charged the provider-agency by the State for procurement administration, resulting in a total agency match of 21%. The local match must be in cash.

#### Section 5311

The Section 5311 Program has separate match ratios for different parts of the program:

- **Capital Expenses:** A minimum of 6% local match is required of the net capital cost for eligible facilities and equipment. Budgeted match ratio will be determined by the program manager and local match must be in cash.
- **Administrative Expenses:** A minimum of 20% match is required for eligible administrative expenses.
- **Operating Expenses:** At least 42% of an operating net deficit must be matched from local funds. The program allows funds received from service agreements with state or local public or private agencies to be used as match, even though the original source of such funds may have been from another federal program, so long as the federal program allows it. Certain in-kind match (e.g. volunteer drivers) may be substituted for cash.
- **Drug and Alcohol Compliance:** A local match of 20% is required for expenses associated with meeting the FTA drug and alcohol compliance regulations.

### Section 5316

- **Capital & Planning Expenses:** A minimum of 20% local match is required of the net cost of the activity plus a 1% administration fee if vehicle is purchased under the Section 5310 state procurement process. This local match must be in cash. All of the local share must be provided from sources other than Federal DOT funds.
- **Operating Expenses:** Local share for eligible operating costs shall be no less than 50% of the net operating costs. All of the local share must be provided from sources other than Federal DOT funds.

### Section 5317

- **Capital Expenses:** A minimum of 20% local match is required of the net cost of the activity plus a 1% administration fee if vehicle purchased under the Section 5310 state procurement process. This local match must be in cash. All of the local share must be provided from sources other than Federal DOT funds.
- **Operating Expenses:** Local share for eligible operating costs shall be no less than 50% of the net operating costs. All of the local share must be provided from sources other than Federal DOT funds.

### STP Flexible Funds

STP funds are provided at a maximum allowable federal-to-local match ratio of 94.3/5.7%. Within these limits, the actual match ratio for a given project is determined at the discretion of the ADOT Public Transportation Division Program Manager.

### Program and Service Coordination

It is a stated goal of Arizona's public transit program that all recipients of Federal Transit Administration grants will coordinate and cooperate with other programs operating or planning to establish transportation system in their service areas.

On the state level, the ADOT Public Transportation Division works with other State agencies in the Department of Economic Security and the Department of Human Services, Arizona Health Care Cost Containment System (AHCCCS), as well as with Tribal governments and related Tribal community agencies, to coordinate the program service and funding objectives. Representatives of these agencies are invited to participate on committees, which review, screen and rank the FTA Section 5310 and 5311 Program applications. In addition, ADOT Public Transportation Division is taking a lead role in *Arizona Rides*, the statewide effort to improve coordination between human service transportation and public transportation services.

ADOT also coordinates the public transit program through MPOs and COGs, and the annual application process for 5310 and 5311 funds. Applicants for FTA transportation programs must coordinate their proposed service plans at the local level. For Section 5311 grantees, this is accomplished through their respective Transportation Advisory Committees (TACs) in non-

urbanized areas and MPOs in urbanized areas of Arizona, as well as COGs and regional and local coordination councils for both Section 5310 and 5311 providers.

In addition, State transportation program requirements call for local agencies, particularly those submitting applications, to provide reasonable notice to transportation providers (includes private for profit, private nonprofit, and public agencies) regarding proposed and/or changes in transit services. Due to the number and complexity of service areas and providers in Pima and Maricopa Counties, the specific notification requirement is waived for Section 5310 applicants in these regions. Nevertheless, in the interests of coordination, it is suggested that an applicant attempt to notify any other known providers in its service area that may have an interest (conflicting or otherwise) in their proposed service. Private transportation providers are encouraged to participate in order that they may present their views concerning the development of local plans and programs. This coordination effort is examined during the Section 5310 and Section 5311 application review processes.

With respect to FTA Section 5303/5304, the ADOT Public Transportation Division develops a single State grant application and work program each year in its role as coordinator with the non-urbanized areas and MPOs.

## **Private Sector Participation**

Private-for-profit and private non-profit transit operators are given the opportunity to participate in the planning and implementation of projects to the maximum extent feasible. Private operators are invited to participate in the Transportation Advisory Committees for local public transit operators. Applicants are required to certify that transit providers in the area, including private-for-profit operators fair and timely opportunity to participate to the maximum extent feasible in the planning and provision of proposed transit services. Specific applicant requirements are discussed in the 5310 and 5311 Handbooks.

## **C. State Program Management**

### **Overall Program Administration**

ADOT is the State agency designated by the Governor to administer the Federal Transit Administration's grant programs. ADOT receives a formula allocation of funds annually which is then utilized to administer the programs. ADOT's general responsibilities for the grant programs include:

- Establish and document the State's procedures in the State Management Plan.
- Effectively manage FTA funds, and complete all FTA reports.
- Develop project selection procedures in accordance with FTA requirements, and manage annual grant application processes.
- Provide program information and technical assistance for project development, implementation and operation to local and regional government agencies and transit providers.

- Monitor all grant recipients through project completion, overseeing projects by audits and site visits, and monitor project close out.
- Encourage and facilitate the most efficient use of all federal funds used to provide passenger transportation through the coordination of programs and services.
- Coordinate vehicle purchases through competitive bid.
- Integrate FTA programs administered by ADOT including the Section 5310, Section 5311, Section 5316, Section 5317, Rural Transit Assistance Program (RTAP), Transportation Planning Program Sections 5303 and 5304.
- Assist in the development and support of intercity bus transportation.
- Facilitate coordination between its grantees and other local transportation providers.
- Stay apprised of federal regulations by attending State, national, and FTA sponsored conferences.

## **Program of Projects – Application, Selection, and Funding**

ADOT is responsible for administering all FTA funds received, whether used by ADOT to support the ADOT Public Transportation Division programs or granted to sub-recipient grantees. (See Appendix O for Program of Planning Projects) The State Transportation Board has no role in the direct oversight of FTA expenditures and the program of planning projects does not require Board concurrence. The programs for which ADOT grants funds to other agencies through a competitive application process (Sections 5310, 5311, 5316, and 5317) are described in greater detail than other federal programs. All FTA programs require documentation of proposed budget by line item in a Program of Projects, as discussed further below.

### **Section 5303/5304**

For the Section 5303 urbanized planning grants, ADOT Public Transportation Division requests Unified Work Programs (UWP's) from MPOs; reviews, comments, and requests any needed changes; and finalizes the 5303 UWP by September of each year. For Section 5304, ADOT Public Transportation Division completes a UWP based on on-going projects and local agency priorities solicited from COGs. This is packaged together with the Section 5303 portion of the grant for submission to FTA as a unified Program of Projects by October. There is no formal selection or application process for 5303 funds, but local and regional governments do request planning studies that, with ADOT Public Transportation Division concurrence, are funded through this source.

### **Section 5310**

The Section 5310 Program is administered by the ADOT Public Transportation Division and coordinated on ADOT's behalf at the regional level by Arizona's four regional Councils of Government (COGs) and five Metropolitan Planning Organizations (MPOs). These regional agencies assist in the identification and prioritization of applications and make recommendations to ADOT.

The Major Steps in the Application Process are as follows:

- At the beginning of each calendar year, ADOT Public Transportation Division issues Program Handbook and Application packets to the regional COGs and MPOs for distribution to interested parties. COGs and MPOs notify interested parties of funding availability and make the handbooks available to interested parties (See Appendix D: 5310 Handbook).
- Seven regional workshops are held in January. The workshops are organized by the COGs and MPOs with assistance from ADOT Public Transportation Division staff (See Appendix E: 5310 Announcements).
- Regional review committees are organized at the COG/MPO level and utilized to screen local applicants, and make recommendations to ADOT regarding regional priorities. These meetings are typically held in February or the second month of the quarter in which applications are submitted to ADOT.
- Review committees judge and rank each application using a common set of selection criteria. ADOT uses this same set of criteria in prioritizing applications, and ensures that criteria are uniformly applied between regions. The quantitative and qualitative measures that influence each criterion are further detailed in the program handbook and application at Part II Program Description, Section E Application Process, Project Selection Criteria. Selection criteria are:
  - Need for Proposed Equipment (20%)
  - Effectiveness and Use of Equipment (20%)
  - Coordination of Transportation Resources and Services (25%)
  - Financial and Management Capability (20%)
  - Accessibility, Safety and Training Programs (15%)
- The Department then prioritizes applications from grantees within a statewide context, including consideration of equitable distribution of funds and funding for Native American Tribal Governments and related communities, and makes final application to the FTA in a Program of Projects in April or the beginning of quarter following local application submittal to ADOT.
- ADOT provides COGs/MPOs preliminary notification of their region's recommended award status immediately following statewide submittal to the FTA.
- FTA informs ADOT of its final approval of the submitted Program of Projects, typically mid-summer or otherwise within 60 days of the Department's submittal.
- ADOT notifies COGs/MPOs of final approval of projects (See Appendix E: 5310 Announcements). COGs and MPOs subsequently inform applicants of their award standing.

### Section 5311

The Section 5311 Program is administered by the ADOT Public Transportation Division, which provides material directly to project applicants through outreach to cities, regional government agencies, and other interested agencies.

The Major Steps in the Application Process are as follows:

- Each December, ADOT Public Transportation Division issues a letter to cities, counties, Tribal governments and related Tribal communities, COGs, MPOs, prior recipients, and other government agencies announcing the annual 5311 program. Interested agencies are invited to request an application package or to call ADOT Public Transportation Division program staff for additional information (See Appendix B: 5311 Program and Workshop Announcement).
- In January, ADOT Public Transportation Division issues Program Handbook and Application packets to interested parties (See Appendix A: 5311 Handbook).
- Four regional application workshops are held in January. The ADOT Public Transportation Division organizes the workshops, with the assistance of local and regional governments. The locations vary from year to year in an attempt to provide maximum opportunity to participate (See Appendix B: 5311 Announcements).
- ADOT Public Transportation Division works with project applicants to determine eligibility and to complete applications by late February. Applications that are not complete at time of submission may be rejected.
- Councils of Governments review and comment on each application received from their planning area.
- An advisory review panel consisting of individuals with rural transit knowledge interviews each applicant, usually in March. The review panel consists of representatives of MPOs, COGs, local or county governments, and transit planning agencies. Inclusion of representatives of the Department of Economic Security ensures that the elderly and disabled are represented.
- Applications are evaluated based on current performance, contract deliverables (in case of current projects) and on the following evaluation and selection criteria that are linked to the ADOT goals. Quantitative and qualitative measures that influence each criterion are detailed in the program handbook and application at Part II, Program Description, Section F Project Selection Criteria.
  - Appropriateness and Effectiveness of Service (20%)
  - Coordination of Service (20%)
  - Financial/Management Capability (30%)
  - Local Commitment to Transit (15%)
  - Accessibility, Safety & Training (15%)
- The review panel ranks the applicants, and submits their recommendations to ADOT Public Transportation Division staff for review.
- ADOT Public Transportation Division staff discusses project scope and budget with each applicant starting in April, and makes final award determinations based on project ranking, COG comments and agency considerations.
- ADOT submits the proposed budgets to FTA in a Program of Projects by June. Staff includes RTAP grants in project budgets, and also submits proposed 5311(f) Intercity

projects. ADOT Public Transportation Division staff informs Grantees of their award status at that time.

- FTA informs ADOT of its final approval of the submitted Program of Projects, typically mid-summer or otherwise within 60 days of the Department's submittal.

Tribal governments and related Tribal communities will be able to be direct recipients to the FTA under SAFETEA-LU provisions. All Tribal governments and related Tribal communities currently use the State process; none are direct recipients of FTA funds.

### **Section 5316/5317**

The Section 5316/5317 Programs are administered by the ADOT Public Transportation Division and coordinated on ADOT's behalf at the regional level by Arizona's four regional Councils of Government (COGs) and five Metropolitan Planning Organizations (MPOs). These regional agencies assist in the identification and prioritization of applications and make recommendations to ADOT.

The Major Steps in the Application Process are as follows:

- On or about January 1 of each year, following Congressional release of new program funding allocations in the Federal Register, ADOT provides notification of funds to regional planning agencies. The Department then holds grant application workshops co-hosted by COGs and MPOs in all designated planning regions of the state, typically in conjunction with those held for other State administered FTA Programs (e.g., Section 5310 (Elderly & Disabled) and Section 5311 (Rural Public) Transportation), and may coordinate with Large Urbanized area (>200,000 population) MPOs or their region's designated recipients regarding these workshops. As a component of SAFETEA-LU-required open and competitive process, COGs and MPOs are utilized to provide local public notification of these events and available funds.
- Following these workshops, applicants are given from 4 to 6 weeks (based on COG or MPO deadlines) to complete and submit applications. These regional planning offices then screen local applications utilizing ADOT evaluation criteria published in each Program's annual "...Handbook and Application" and available online at [www.azdot.gov/ptd](http://www.azdot.gov/ptd) (then Grant Programs link) and submit preliminary regional rankings to ADOT on or before May 15. Project evaluation criteria for each program is as follows:

### **Section 5316**

- Addresses current work related transportation needs of low income individuals (25%)
- Effective Utilization of equipment or service (25%)
- Supports local and regional coordination plan (25%)
- Management Capability (25%)

**Section 5317**

- Addresses the need for new public transportation service targeted at the disabled or provides alternatives that are beyond those required by the ADA (25%)
  - Effective utilization of equipment or service (25%)
  - Supports local and regional coordination plan (25%)
  - Management capability (25%)
- The Department makes final determination, based on available grant budget and statewide need considerations, of recommended award submittal to FTA in late Spring or Summer of the same year.
  - Unless approved otherwise by FTA, TEAM and ECHO electronic grant and funds management system administration is the responsibility of ADOT. These processes are similar to other grants.
  - Upon indication by FTA approval(s) of the statewide application, ADOT notifies the regional planning offices of the federal determination of grant awards. The COGs and MPOs, in turn, notify awardees that funding is imminent and that appropriate steps should be taken to secure local matching funds. (Note: prospective applicants are recommended to begin this process even before final award notification)
  - Where the regional planning agencies (COGs and MPOs) are utilized to assist with local program administration, ADOT will forward funds to appropriate COGs and MPOs, under contractual agreement, for ultimate dissemination to subrecipients (original applicants). In some instances, these subrecipients' local match—or certification of prior spending of local (and federal-equivalent) portions—is required “up front” as a pre-requisite for initial ADOT conveyance of funds to COGs and MPOs. The regional planning agencies submit invoices to ADOT on a quarterly basis—or more or less frequent as agreed—requesting remittance of program funds for these purposes. The Department provides oversight of this process and may over-ride regional administration if/when it deems necessary. COGs and MPOs report quarterly on rudimentary program(s) progress and annually in summary reporting to ADOT. In some instances, ADOT may directly administer grants for a particular region(s).
  - As appropriate and directed by FTA, ADOT reports on grants' program-of-projects and funds administration progress based, in part, on the above communication with COGs and MPOs regarding their local administration of programs.

**Method of Distribution of Funds to Grantees**

All operating and administrative payments made under the Section 5311 program are on a cost reimbursement basis, up to the authorized amounts described in the grantee's contract with ADOT. Reimbursement to grantees requires submission of information in a uniform format specified by ADOT Public Transportation Division, with full description and information required to verify the billing. Only expenses incurred during the contract period can be reimbursed. Invoices for

reimbursement of operating and non-operating expenses are submitted to ADOT Public Transportation Division on a monthly basis. ADOT may impose a five percent reduction of federal reimbursement for billings and reports submitted more than 30 calendar days after the end of the monthly billing period, or more than 60 days after the end of the final billing period.

ADOT may choose to utilize the regional planning agency (COG or MPO) under contract for pass-through funds distribution and provide local intermediate administration of the 5316 and 5317 programs, in which case most subrecipient invoicing would occur through these regional offices. In these instances, invoicing from the COGs and MPOs may be on a different time schedule than is typical of direct subrecipient-to-ADOT 5311 invoicing.

The Section 5310 program is used to fund vehicle purchases procured by the State and then provided to successful applicants. Section 5310 funds are therefore not distributed directly to grantees. The only financial transactions are remittance by the grantee to ADOT of required local matching funds and related administrative expenses, in advance of drawdown by the Department of federal funds and subsequent equipment delivery to the grantee. Depending on type of award, however, ADOT may occasionally choose to have subrecipients procure their own equipment.

Under the section 5316/5317 capital projects, vehicle purchases will be conducted using either the Section 5310 or 5311 process. Grantees with vehicle requirements that match specifications under the Section 5310 program will utilize the bulk procurement conducted by the state. Those grantees that have vehicle requirements that do not match the state procurement will utilize the Section 5311 process on a cost reimbursement basis. In these cases, grantees must follow all Federal and State procurement requirements as outlined in the Section 5311 Handbook/Application and the ADOT Public Transportation Division Capital Procurement Handbook.

## **Project Review and Oversight**

### **Financial Management**

ADOT Public Transportation Division, in conjunction with the Fiscal Operations Group of ADOT, maintains a system of accounting and internal controls to assure an accurate and timely cash flow to local projects. Reporting is particularly important for 5311 Grants that include the reimbursable expenses of grantees.

Uniform reporting is required of all Sections 5303/5304, 5310, 5311, 5316, and 5317 projects with a separate project code established for each grant. The project codes are established per State of Arizona standard accounting and record keeping procedures immediately upon notification of grant approval. The ADOT Public Transportation Division and the Fiscal Operations Group perform financial reconciliation monthly.

Each Section 5311 sub-recipient is responsible for accurate and complete disclosure of its expenditures and revenues within thirty days of the end of each month. Appropriate reimbursement of eligible expenses for each 5311 operating project is made by ADOT within thirty days from receipt of requisition.

Section 5311 sub-recipients receive reimbursement for no more than the amount of the grant total as specified in their contract. A credit balance (capital funds only) in a project at the end of a fiscal

year represents funds that have not been utilized. These funds are recalculated for redistribution the following year.

For the purpose of posting invoices and processing remittance to vendors, regulations state that program draw downs cannot occur prior to actual expenditure. For this purpose, and to ensure adequate funds for timely payment to vendors, ADOT typically requests recipients of awarded equipment under the Section 5310, 5316, and 5317 program to remit local matching funds to ADOT well in advance of actual delivery of equipment. This activity may occur from one to several months prior to delivery.

The FTA requires ADOT to perform financial audits of all grant programs. These audits include tests to assure conformance with various FTA and Office of Management and Budget (OMB) grant management requirements and the procurement requirements of these agencies and of the State of Arizona.

A financial audit is required of grantees each year an agency receives over \$300,000 a year in federal financial assistance in accordance with OMB Circular A-133. An annual financial audit of the grantee is not required where the State procures vehicles directly for grantees, as in the case of the Section 5310 program and for some capital projects in the Section 5316/5317 programs.

### **State Administration Expenses**

ADOT claims a certain portion of FTA grant sources to pay for the administration costs of the program. Information by program is detailed below:

- Section 5303: No State administrative costs may be incurred for this program.
- Section 5304: The State charges eligible grant administrative expenses up to 15% of total costs, as allowed by FTA regulations.
- Section 5310: Up to \$25,000 or 10% of the State's total fiscal year apportionment, whichever is greater, is used by the State as the federal share of program administrative costs. Arizona requires a minimum 1% match by grantees on the total procurement cost of vehicles to augment FTA administrative funds.
- Section 5311: The State takes up to the allowed 15% of its apportioned funds to administer the program and to provide technical assistance to local recipients.
- Section 5316: The state takes 10% of its non-urbanized area apportionment funds for state administration.
- Section 5317: The state takes 10% of its non-urbanized area apportionment funds for state administration.
- RTAP: No State administrative costs are incurred for this program.
- STP Flexible Funds: For the Section 5310 Program, at the Program Manager's discretion at the time of FTA application, up to 10% of the total allocation may be used for State administration of the Program.

## Project Monitoring and Review

### *a. Section 5303*

Each Section 5303 recipient submits for reimbursement on a monthly or quarterly basis for study related expenditures. The divisions oversight function is to ensure the MPOs expenditures are tied to specific study projects identified in their overall work plan.

### *b. Section 5304*

Section 5304 projects may be managed directly by ADOT or by the local government agency requesting the funding. In either circumstance, ADOT staff participates in advisory committee meetings, playing an active role in project guidance. For directly managed projects, ADOT is responsible for procurement of services. When funds are passed through to a local entity, ADOT provides support for the procurement process, to assure it meets Federal guidelines. The ADOT Public Transportation Division monitors the expenses for planning projects on a monthly or quarterly basis.

### *c. Section 5310*

The ADOT Public Transportation Division conducts annual monitoring of equipment and grantees. This oversight consists of an annual vehicle inspection and reporting visit. These are carried out with the assistance of the Equipment Services Division of ADOT. Grantees take their vehicles to a regional ADOT maintenance facility for inspection, where the vehicle receives a thorough review and ADOT or COG representatives review maintenance records (See Appendix K: TAPS Forms). The service data and inspection information is then updated in the TAPS system.

In-depth recipient reviews of Section 5310 grantees are conducted periodically, no less than once every three years. This is done through an agency mail-back review process and the grantee self-certifies that they continue to meet all compliance requirements (See Appendix K: TAPS Forms). Additional on-site or regional subrecipient follow-up reviews are conducted to assess the local program implementation at a more detailed level. These regional technical assistance workshops focus on compliance issues and provide staff a forum for one-on-one contact with grantees to further address specific issues of mutual interest or concern.

These on-site or regional meetings provide ADOT with the opportunity to assist its recipients on technical, management, or compliance matters. The sessions focus on vehicle use, maintenance, insurance, and safety. Representative topics include:

- Recent program changes affecting sub-recipients (administrative and service)
- Compliance with Work Scope (from sub-recipient's original application/contract with ADOT)
- FTA Requirements, including
  - Americans with Disabilities Act (ADA) including ADA Service Provisions;
  - Civil Rights;
  - Title VI;
  - Equal Employment Opportunity (EEO); and

- Disadvantaged Business Enterprise (DBE) participation.
- Ancillary use of equipment for other purposes such as general public transportation or meal delivery;
- Charter Bus Regulations and School Bus aspects of FTA compliance
- Vehicle Use, in accordance with application contract with State, including use, insurance compliance, i.e., is the vehicle still being used in accordance with the description in the recipient's original or approved-revised application?
- Vehicle Maintenance & Safety
- Program Management: written internal organization, policies and procedures
- Financial management: procedures, recent audits, etc.
- With the assistance of COGs and MPOs, ADOT conducts regional application workshops in January of each year. Additional regional workshops organized through Section 5311 and the RTAP Program are also held annually, or more often if needed, to address compliance and training issues for all grantees.

*d. Section 5311*

ADOT requires the following annual documentation from FTA fund recipients:

Product	Due Date
Transit Advisory Committee Minutes	January April July October
DBE Report	May
Three Year Implementation Plan Schedule	With application
Single Audit Report	Due 6 months after the transit provider's agency fiscal year end.

On-site recipient reviews are scheduled annually statewide to assist with program monitoring. These reviews provide ADOT with the opportunity to assist its recipients on technical or management matters. These site visits are conducted annually with a random schedule, and ADOT typically gives recipient agencies two weeks notice prior to their occurrence.

Recipient reviews provide inquiry into a number of areas with a focus on vehicle use, maintenance, insurance, safety, and program audit financial issues. Other areas of interest include:

- Recent program changes
- Americans with Disabilities Act (ADA)
- Vehicle Use
- Marketing
- 3-Year Transit Plan Schedule
- Planning and Coordination Issues
- Training
- Safety & Security Evacuation Plan
- Continuing Control of FTA Funded Facilities
- Compliance with work scope
- Financial Management with Audit Findings
- Vehicle Maintenance Plan
- Procurement Documentation
- Ridership Statistics
- Program Management – written internal organization, policies and procedures

*e. Section 5316 and Section 5317*

When feasible, ADOT will utilize the regional planning agencies (COG's and MPO's) to assist with the annual monitoring of equipment and grantee compliance requirements. Monitoring of equipment includes an annual vehicle inspection conducted at ADOT maintenance yards throughout the state. ADOT and regional planners collect inspection and service data and review maintenance records for updating in the TAPS system. Additional regional follow-up reviews are conducted to assess the local program implementation at a more detailed level. These regional technical assistance workshops focus on compliance issues and provide staff a forum for one-on-one contact with grantees to further address specific issues of mutual interest or concern.

These regional meetings provide ADOT with the opportunity to assist its recipients and regional planning agencies on technical, management, or compliance matters. The sessions focus on plan implementation, operations, vehicle use, maintenance, insurance, and safety. Representative topics include:

- Recent program changes affecting sub-recipients (administrative and service)
- Compliance with Work Scope (from sub-recipient's original application/contract with ADOT)
- FTA Requirements, including
  - Americans with Disabilities Act (ADA) including ADA Service Provisions;
  - Civil Rights;
  - Buy America
  - Lobbying
  - Equal Employment Opportunity (EEO); and
  - Disadvantaged Business Enterprise (DBE) participation.
- Charter Bus Regulations and School Bus aspects of FTA compliance

- Vehicle Use, in accordance with application contract with State, including use, insurance compliance, i.e., is the vehicle still being used in accordance with the description in the recipient's original or approved-revised application?
- Vehicle Maintenance & Safety
- Program Management: written internal organization, policies and procedures
- Financial management: procedures, recent audits, etc.

## FTA Reports

### Section 5303/5304

ADOT Public Transportation Division prepares a quarterly progress report and a quarterly financial report on the Section 5303/5304 via the Transportation Electronic Award and Management System (TEAM) to FTA. These reports are submitted within 30 days of the end of the quarter. Unforeseen events that impact the schedule, cost, capacity, usefulness or purpose of the project are also reported to FTA immediately.

### Section 5310

Annual Program Status Reports on the ADOT 5310 Program are prepared by ADOT Public Transportation Division and submitted electronically to the FTA on its TEAM system at the close of the operative federal fiscal year. They include a narrative and summary of status of the program of projects. An annual Financial Status Report, prepared in conjunction with the Fiscal Operations Group, is also prepared.

### Section 5311

Annual Program Status Reports on the ADOT 5311 Program are prepared by ADOT Public Transportation Division and submitted to the FTA at the close of the operative federal fiscal year. They include a narrative and summary of status of the program of projects. Additionally, the ADOT Public Transportation Division reports on RTAP in the same report. An annual Financial Status Report, prepared in conjunction with the Fiscal Operations Group, is also prepared.

### Section 5316/5317

Annual Program Status Reports on the ADOT 5316 and 5317 Program are prepared by ADOT Public Transportation Division and submitted electronically to the FTA on its TEAM system at the close of the operative federal fiscal year. They include a narrative and summary of status of the program of projects. An annual Financial Status Report, prepared in conjunction with the Fiscal Operations Group, is also prepared.

### Title VI Report

The ADOT Civil Rights Administrator files an annual report to the FTA Regional Office regarding the State's efforts to assure grantees' compliance with Title VI.

### DBE Report

The ADOT Civil Rights Administrator files annual contracting activity reports to FTA. All sub-recipients, even those not meeting the threshold, are required to calculate the DBE participation rate and submit these to ADOT Public Transportation Division. ADOT Public Transportation Division requires sub-recipients to obtain certifications from contractors that they are a DBE, if applicable.

### Project Closeout Reports

When grant funds are expended by 90 percent, ADOT Public Transportation Division prepares for project closeout by reconciling all expenditures, revising the program of projects, and if necessary, submitting a budget revision via TEAM.

When 100 percent of the grant funds are expended, ADOT Public Transportation Division and the Fiscal Operations Group will initiate project closeout by verifying a zero balance, submitting final milestones, submitting the final financial status report and requesting close out via TEAM to FTA.

### Procurement

Procurement procedures used by ADOT Public Transportation Division and its grantees comply with applicable State law and Federal requirements contained in FTA Circular 4220.1E. Every January the ADOT Public Transportation Division downloads the most recent federal clauses and certifications from the FTA website to be included in the bid packet and purchase order.

ADOT has a Section 5311 Capital Procurement Handbook detailing the combined requirements for FTA grantees that directly procure goods and services. This Handbook was developed by ADOT Public Transportation Division to assist 5311 grantees in meeting State and federal requirements when purchasing vehicles and related equipment using federal funds (See Appendix L: Capital Procurement Handbook)

Federal and State procurement regulations must be followed to ensure compliance with open-bid/competition procedures, Buy America provisions, Pre-Award and Post-Delivery Audit clauses, Federal Motor Vehicle Safety Standards (FMVSS), Debarment and Lobbying assurances, and other applicable industry standards and limits. Successful bidders will be compliant with all Federal Civil Rights statutes and regulations, including Title VI, Section 19 of the Federal Transit Act (age and sex discrimination), EEO (Title VII of the Civil Rights Act of 1964), DBE and ADA requirements. In addition, applicable Federal assurances regarding Lobbying, Debarment and Suspension are required to be eligible for ADOT contracts.

### Section 5310/5316/5317

ADOT procures vehicles for its Section 5310 recipients and Section 5316 and 5317 recipients depending on vehicle specifications. Subsequent to ADOT's submittal of the statewide application to the USDOT-FTA on behalf of the selected recipients, the ADOT Public Transportation Division begins a vehicle procurement process for the subject year's Program-of-Projects or list of awarded recipients.

ADOT funding of vehicles is subject to Federal procurement regulations, which include Buy America provisions for purchases over \$100,000. For these purchases, ADOT and its vendor-manufacturer must certify that a certain percentage of vehicle components are manufactured--and final vehicle assembly occurs--in the United States. Prior to delivery by the manufacturer/vendor to ADOT, Department inspectors—typically including PTD and Equipment Service personnel—review vehicles on the assembly line and a completed pilot vehicle for adherence to ADOT specifications. Vehicle inspections are performed by the ADOT Equipment Services Division upon shipment to ADOT, and prior to recipient delivery, to further insure that Federal and State specification requirements are met.

### Section 5311

The ADOT Public Transportation Division Capital Procurement Handbook is distributed to 5311 grantees, as they are responsible for directly procuring vehicles and other goods and services. The Handbook documents a step-by-step process for procurement activities. Required forms must be completed before ADOT will approve reimbursement. The Capital Procurement Handbook will also be used by those Section 5316 and 5317 grantees directly procuring their own vehicles and all 5311 procurement requirements must be met prior to reimbursement by ADOT.

### Vehicle Ownership, Title, Disposition

Inventories of vehicle contracts are kept up-to-date via annual reports filed with ADOT, and incorporated into project database files for program management use. COGs assist ADOT with annual vehicle inspections in rural areas, while ADOT verifies urban recipient compliance. ADOT uses the Transit Automated Programs System (TAPS) management systems to track the capital investment and lien history on vehicles and, among other tasks, “flag” agencies that may be due for vehicle replacement. This assists the State in ascertaining the condition of the transit “fleet” and help determine what current and future strategic actions are most beneficial to ensure overall fleet service viability (see Appendix E: TAPS Forms).

ADOT holds a lien (federal % portion) on grant award equipment acquired with grant funds. Vehicle liens are retained for a minimum of either:

- 4 years or 100,000 miles for vans (up to 15 passengers);
- 5 years or 200,000 miles for mini buses (up to 30 passengers); and
- 7 years or 400,000 miles for buses (over 30 passengers or 30 feet).

ADOT holds the original title as it is made out in the name of the recipient agency. This procedure enables ADOT to automatically release the vehicle within the time limit of the lien period. This lien enables ADOT to retrieve the vehicle if the agency discontinues operations or fails to fulfill contractual requirements (See Appendices L-2: Application for Certificate of Title sample and L-3: Notice of Lien Filing sample).

## D. Compliances and Assurances

All local and State applicants must comply with various Federal requirements. These compliances and assurances, which are required to be signed by an authorized public official, are part of a formal application when submitted to the ADOT Public Transportation Division. If a local application is approved, these compliances become a part of the sub-recipient project contract. Local applicants are also required to submit an opinion of counsel indicating the statutory authority of the applicant to apply for and receive a Federal grant, along with a resolution of the applicant's governing body to authorize the applicant to file the application and assurances, and to execute a grant agreement with the FTA.

The ADOT Public Transportation Division, when submitting State grant applications to FTA, is also required to execute certifications and assurances both on behalf of the State and with respect to local applicants. ADOT annually agrees to comply with all requirements of the Annual List of Certifications and Assurances for Federal Transit Administration Grants and Cooperative Agreements.

The following summarizes the major areas of compliance:

### **Civil Rights**

There are three areas of Civil Rights requirements with which grantees must be familiar and comply:

- Title VI (of the Civil Rights Act of 1964)
- Equal Employment Opportunity (EEO)
- Disadvantaged Business Enterprise (DBE)

Grantees must certify compliance with all applicable civil rights and equal employment laws throughout at application and through the period of receipt of federal funding in annual reports. Compliance is checked during annual site visits. Full description of these requirements is detailed in Program Handbooks.

### **Title VI Nondiscrimination**

Title VI of the Civil Rights Act of 1964 prohibits discrimination on the basis of race, color, and national origin. Related law further prohibits discrimination on the basis of age or gender. Grant sub-recipients receiving funds or goods from the Federal government through ADOT are required to submit certain information to the ADOT Public Transportation Division annually to track compliance with these laws. These requirements are detailed in the program Handbooks.

### **Equal Employment Opportunity (EEO)**

Section 19 of the Federal Transit Act states that "No person in the United States shall on the grounds of race, color, creed, national origin, gender or age or be excluded from participation in, or denied the benefits of, or be subject to discrimination under any project, program, or activity funded in whole or in part through financial assistance under this Act. The provisions of this section shall

apply to employment and business opportunities, and shall be considered to be in addition to and not in lieu of the provisions of Title VI of the Civil Rights Act of 1964.”

The State of Arizona certifies to the FTA that State and grantee compliance with Equal Employment Opportunity (EEO) regulations is achieved and maintained. ADOT may require from its recipients any documentation necessary to ensure that they do not discriminate on the basis, of race, color, creed, national origin.

### **Disadvantaged Business Enterprises (DBE)**

All recipients (grantees and contractors, where applicable) must adhere to the requirements of 49 CFR Part 26 as amended, “Participation by Disadvantaged Business Enterprises in Department of Transportation Programs.”

The Arizona Department of Transportation’s policy is to ensure nondiscrimination in the award and administration of DOT-assisted contracts in its highway, transit and airport financial assistance programs. Grantees are required to make assurances that they meet DBE program requirements.

## **Section 504 and Americans with Disabilities Act**

All ADOT recipients of vehicles and other FTA grant assistance must comply with the Americans with Disabilities Act of 1990, transportation service and equipment provisions in subsequent regulations in 1991, and amendments thereto. The ADA was enacted by Congress as a national mandate for the elimination of discrimination against individuals with disabilities. In addition, any new construction of public-access facilities must have appropriate features incorporated to enhance accessibility by persons who are mobility-impaired. The Public Transportation Division checks compliance with all ADA statutes during site visits to grant recipients.

## **Drug and Alcohol Requirements**

### **Drug Free Workplace Policy:**

The Drug-Free Workplace Policy is part of the federal government’s effort to eliminate the use of illegal and controlled substances from the workplace. The regulations affect all federal government agencies, their contractors and their direct grant recipients and/or subcontractors.

The Arizona Department of Transportation has adopted a Drug & Alcohol-Free Workplace Policy. In addition to the Department, sub-recipients which receive FTA funds must comply with the regulations contained in 49 CFR Part 40, procedures for transportation workplace drug testing programs and 49 CFR Part 655, Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations.

Safety sensitive functions are defined as those employees who operate revenue vehicles (whether or not in revenue service), operate a non-revenue service vehicle when required to be operated by a holder of a Commercial Driver’s License, control the movement or dispatch of the vehicles, and maintain vehicles (unless in the case of the Rural Public Transportation programs 5311, 5307 or 5309 in an area less than 200,000 in population and contracts out such services), security personnel who carry firearms, and supervisors who could perform any of the above responsibilities. ADOT

additionally passes on its Drug-Free Workplace policy requirement to grantees. In the case of Section 5310, this functions as the grantee's primary compliance requirement.

### **Substance Abuse Testing Program:**

Section 5311 transportation operators must test employees who perform safety sensitive functions for the use of five prohibited drugs: marijuana, cocaine, opiates, phencyclidine, and amphetamines and for alcohol. There are potentially six conditions under which testing is mandatory:

- Pre-employment and/or Pre-duty
- Reasonable Cause
- Post – Accident
- Random

Should the agency choose to retain the employee who refuses to test or has a positive drug or alcohol test result, the following additional conditions require testing of the employees:

- Return-to-Duty
- Follow-up-Testing

### **Reporting Procedures**

Transportation operators must certify compliance and submit reports to ADOT on an annual basis as per 49 CFR Part 40.

### **Drug and Alcohol Program Compliance**

ADOT requires all 5311 program recipients to comply with FTA drug and alcohol program standards identified in ADOT guidelines. Program recipients must provide evidence of compliance and remain current in all required training. ADOT will provide required training, oversight, and compliance monitoring for all program components.

### **Other Provisions**

#### **Section 533(b) Labor provisions**

ADOT Public Transportation Division maintains a list of existing transportation providers and submits to the Department of Labor with each application to the FTA.

#### **Environmental protection**

Grantees submit to ADOT an environmental survey for all construction projects to certify compliance with environmental protection requirements.

### **School Transportation Grantees**

Under FTA's school bus requirements, set out under 49 U.S.C. 5323(f) and 49 CFR Part 605, recipients may not engage in school bus operations exclusively for the transportation of students. These provisions derive from 49 U.S.C. 5302(a), which authorizes FTA assistance for mass transportation, but specifically excludes school bus service from such federal assistance. Section 605.3 of the regulation allows grantees to provide "tripper" service, which is mass transit service modified to accommodate the needs of school students and personnel.

### **Charter Bus Rule**

Under FTA's charter service regulation, 49 CFR Part 604, recipients are barred from providing charter service using FTA-funded equipment or facilities if there is at least one willing and able private operator. Fund recipients must indicate if they intend to provide charter service at anytime during the contract year. If so, a public notification process is required, with specific requirements that must be met.

Monitoring of this rule is included in on-site-visit reviews. Trip records, contracts, income statements, and marketing materials will be reviewed for any evidence of chartering in the absence of authority to do so. Lack of compliance will result in disciplinary action and a plan of correction.

### **Consultation Compliance**

In January 2004, the Arizona Rural Transportation Advocacy Council and the Arizona State Transportation Board adopted Arizona's Rural Consultation Process to seek greater input in the State's planning and programming processes. Confirmation of the Consultation Process was warranted to FTA on May 6, 2006. As required by 23 CFR450.212(i), the state reviewed and solicited comments from non-metropolitan local officials and other interested parties for a period of not less than 60 days regarding the effectiveness of the consultation process and proposed modifications within 2 years of process implementation and will be duplicated, thereafter, at least once every 5 years. Specific requests for comments are directed to the State association of counties, State municipal league, regional planning agencies, or directly to non-metropolitan local officials.