



## Current State Issues with Implementing Federal Transit Administration (FTA) Section 5310 and Section 5311 Programs

### DETAILS

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## NATIONAL COOPERATIVE HIGHWAY RESEARCH PROGRAM

Subject Areas: IA Planning and Administration; VI Public Transit

Responsible Senior Program Officer: Christopher W. Jenks

# Research Results Digest 320

## CURRENT STATE ISSUES WITH IMPLEMENTING FEDERAL TRANSIT ADMINISTRATION (FTA) SECTION 5310 AND SECTION 5311 PROGRAMS

This digest summarizes the findings from NCHRP Project 20-65(11). The digest was prepared by KFH Group, Inc., Bethesda, MD, in association with Cambridge Systematics, Inc., Chevy Chase, MD.

### RESEARCH BACKGROUND

The public transit sections of the 50 state departments of transportation (DOTs) manage the Federal Section 5310 (S.5310) and Section 5311 (S.5311) programs on behalf of the FTA. This delegated authority has created many challenges for state DOTs—challenges that are likely to increase during the implementation phase of SAFETEA-LU.

### Research Objectives

The objectives of this research project were to identify and prioritize current issues facing state DOTs in the management and administration of their S.5311 and S.5310 programs and explore options for addressing these issues. These objectives were accomplished by

- Surveying the state DOTs to identify the issues being faced as they manage the S.5310 and S.5311 programs,
- Prioritizing the issues to identify those most important to address, and
- Developing options for addressing each of the key issues.

It is intended that the research results will contribute to ongoing discussions with

FTA staff on how to improve the ongoing and expanding administration of the programs. As such, there are two audiences for the report:

1. State DOTs and their national forums (e.g., Multi-State Technical Assistance Program (MTAP), FTA State Manager Meetings)—The report should be useful in building a national action agenda by documenting the issues state DOTs face in administering the S.5311/S.5310 programs and prioritizing which are most critical or pressing.
2. FTA—The report should lead to a better understanding by FTA of which issues are most important to the state DOTs as they are given more administrative responsibilities for FTA-funded programs.

### Summary Conclusions

Based on the research, the most important issues facing state program managers involve their expanding responsibilities with respect to managing FTA programs, particularly with implementation of SAFETEA-LU. The increased workloads associated with these expanding roles

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and responsibilities are coupled with current staff shortages in the transit sections of most state DOTs. Overall, most states do not feel they have the staff resources needed to adequately manage the federal transit programs. Further, state options for hiring staff are limited and constrained, even with the availability of additional federal funds.

The highest priority issues that are of concern to the states as a whole included the following:

- The core functions of state DOT public transit sections are increasing.
- SAFETEA-LU requirements for coordinated planning and project selection requirements will increase state workload.
- State options and funding for hiring new transit staff are limited.
- States need maximum flexibility in complying with coordinated planning and project selection process required for S.5310.

When the states were asked to identify the one most important issue facing their particular state, the most important issues include the following:

- Transfer of federal program administration from FTA to states stretches state DOT staff capabilities.
- State DOT staff find it difficult to remain current and knowledgeable about the rules and regulations of the large number of federal grant programs, in addition to the state programs, that they administer.
- SAFETEA-LU requirements for coordinated planning and project selection requirements will increase state workload.
- States need maximum flexibility in complying with coordinated planning and project selection process required for S.5310.

In order to effectively administer the federal programs, states would like maximum flexibility in how they use the funds (within the legislative constraints). Other things that would make it easier for them to administer the programs include more training on federal grant requirements and improved communications with FTA regional and headquarters offices.

## RESEARCH PROCESS

### Background Research

In order to compile a list of potential state issues for inclusion in the survey effort, the research team

conducted background research and consulted with a variety of industry representatives.

**Conferred with industry stakeholders.** Background research on potential issues began by conferring with project panel members and selected members of American Association of State Highway and Transportation Officials' (AASHTO) Standing Committee on Public Transportation (SCOPT) and Multi-State Technical Assistance Program (MTAP). Selected individuals were contacted by phone, e-mail, or both.

**Reviewed previous efforts at issue identification.** In addition to contacting selected stakeholders, the research team reviewed a variety of materials, including the results of a January 15, 2002, survey conducted by AASHTO. This review included a streamlined list of issues identified in the survey that were discussed during the 2002 Biloxi, MS, SCOPT meeting. The list expanded over time and most of the items resolved. However, in 2005, a revised version of outstanding issues was distributed prior to the 2005 State Program meeting.

The research team also reviewed historical information on MTAP administrative issues, the FTA–AASHTO Communications Enhancement Initiative handout presented at the 2005 State Program Managers meeting, and the FTA-proposed guidelines to implement SAFETEA-LU—*Elderly Individuals and Individuals With Disabilities, Job Access and Reverse Commute (JARC), New Freedom Programs, and Coordinated Public Transit-Human Services Transportation Plans: Notice of Public Meeting, Interim Guidance for FY06 Implementation and Proposed Strategies for FY07*, and comments to the docket on the proposed guidelines [FTA-2006-24037]. No formal notes are available from the 2005 State Program Managers meeting, although during the consultation with selected state DOT program managers, participants drew on the discussions at that meeting to identify current and pressing issues that should be considered in this study.

### Detailed Survey Plan

The research team then developed a detailed survey plan and reached consensus among project panel members on how the issues will be identified and prioritized. The detailed survey plan included survey methods (how the data will be collected and the format of the questionnaire), survey questions (what data will be collected), target

audience (who will receive it at each state DOT and how to encourage participation), and how issues would be prioritized, data analyzed and reports generated.

## Survey of State DOTs

### *Survey Instrument*

The survey was used to collect data on issues in nine general categories. Respondents were asked to rank how important each issue is in their state as well as to provide comments and potential solutions for dealing with the issue. In addition to the issues listed on the survey, respondents were asked to list additional issues that may have been missed. State program managers were asked to select **one issue** as most important *within each category* and then at the end, **one issue** as the most important *overall*.

### *Survey Process*

The web-based survey instrument was sent to the state program managers for S.5310 and S.5311 in late summer 2006. The data were collected through

a web-based survey that resided on a third-party web-site. Since this project was undertaken for SCOPT, AASHTO sent an e-mail to the SCOPT members requesting the participation of their state, with the URL link to the on-line survey. State DOT staff was able to complete the questionnaire on-line, review their responses, and then submit them on-line. To ensure confidentiality, states had access to the responses for their state only. Ultimately, the survey was completed by 43 program managers from 36 state DOTs.

## RESEARCH RESULTS

### List of Issues

Based on the background research, a review of the previous surveys, discussions with key industry representatives, and comments to the docket on proposed implementation of SAFETEA-LU, a preliminary list of 36 issues that states face in managing the S.5311 and S.5310 programs was developed (Table 1). These included both current issues as well as potential issues that might result from SAFETEA-LU. This list provided the basis for the survey.

**Table 1** List of issues

#### **Programmatic Issues**

1. Transfer of federal program administration from FTA to states stretches state DOT staff capabilities.
2. Administration of a large number of grant agreements creates a burden for states.
3. Development of State Management Plans (SMP) often duplicates state statutes or regulations.
4. Charter Bus regulations need to be more flexible.
5. Disadvantaged Business Enterprise (DBE) requirements and reporting are confusing and burdensome.
6. Federal Motor Carrier Safety Administration (FMCSA) regulations on interstate travel as related to public transit are difficult to understand and reconcile with state rules.
7. Title VI and Equal Employment Opportunity (EEO) provisions and reporting requirements are confusing and not understood by many subgrantees.
8. The S.5311(f) Intercity Bus program and intercity certification requirements are difficult to meet.

#### **Federal Grant Administration**

##### *Oversight*

1. Findings during the FTA State Management Reviews have resulted in more oversight of subgrantees.
2. The large numbers of federal oversight reviews are time consuming and too frequent.
3. It's difficult for state DOT staff to keep on top of the rules and regulations of the large number of federal grant programs, in addition to state programs they administer.

##### *Communications/Consistency*

1. States need more direct communications with S.5311/S.5310 FTA program staff at the headquarters office.
2. States need better working relationships and communications with FTA staff at the regional offices.
3. FTA regional offices provide program guidance that is inconsistent.

(continued)

**Table 1** (Continued)**State Grant Administration**

1. Cuts in state budgets are reducing the number of public transit division staff.
2. The core functions of state DOT public transit sections are increasing.
3. State options and funding for hiring new transit staff are limited.

**Funding Issues**

1. Non-federal funds that can be used to match Federal S.5311 and S.5310 programs are lacking.
2. It is difficult to define the eligible sources of local matching funds.
3. There is a need to maximize the ability of the states to flex funds from one federal program to another.

**SAFETEA-LU Issues**

1. SAFETEA-LU restructures some FTA programs to give more administrative responsibility to the states.
2. FTA allowances for state administrative funds for the S.5311/S.5310 program are not sufficient to administer the programs.
3. SAFETEA-LU coordinated planning and project selection requirements will increase workload.
4. SAFETEA-LU requirement to report S.5311 data under National Transit Database (NTD) will increase workload.
5. SAFETEA-LU requirement for separate funding under S.5311 for Indian Tribes will increase workload.
6. SAFETEA-LU potential use of S.5310 for operating subsidies could increase workload.
7. SAFETEA-LU potential requirement for security and emergency preparedness plans could increase workload.

**Procurement**

1. The process of procuring vehicles is difficult.
2. Federal procurement rules are burdensome.
3. Inclusion of FTA-required clauses is difficult to monitor and oversee.

**Training**

1. State staff need more training in order to conduct effective oversight.
2. States need to provide more training for subgrantees.

**Planning**

1. The State Transportation Improvement Program (STIP) is time consuming and not much benefit to the S.5311/S.5310 programs—amendments and adjustments are too frequent and difficult.
2. States need maximum flexibility in complying with coordinated planning and project selection process required for S.5310.
3. States need assistance to integrate S.5310 competitive selection process with new JARC and New Freedom programs.

**Technology**

1. States need to assist local operators in implementing ITS and other technologies.

The issues were grouped into the following nine categories:

1. **Programmatic Issues**—related to the basic structure of the S.5310 and S.5311 programs. The requirements associated with these issues would generally be set in legislation.
2. **Federal Grant Administration**—related to federal administrative requirements that affect how well state DOTs can administer the program.
3. **State Grant Administration**—dealing with state administrative constraints and actions that

affect how well state DOTs can administer the program.

4. **Funding Issues**—dealing with funding levels or use of funds.
5. **SAFETEA-LU Issues**—dealing with issues states anticipate with implementation of SAFETEA-LU with respect to the S.5311/S.5310 programs.
6. **Procurement**—dealing with procurement on the state and local levels.
7. **Training**—related to training needs on the state and local levels.

8. **Planning**—related to planning requirements (old and new).
9. **Technology**—related to state and local technology needs.

Surveys were received from 43 respondents, representing 36 state DOTs. The respondents generally are involved in both the S.5310 and S.5311 programs (83%) with only a few involved in only the S.5311 program (9.5%) or only the S.5310 program (7.1%).

## Survey Results

A discussion of the issues is presented below within each category, including how the respondents prioritized each issue and suggested option(s) for improvement. From the states' perspective, the most important issues address changes anticipated with implementation of SAFETEA-LU where DOTs expect increased responsibilities as well as the need to read and digest newly adopted rules/circulars.

## Programmatic

This section includes issues related to the basic structure of the Federal S.5310 and S.5311 programs. Generally, these issues involve things that are harder to resolve, often requiring changes to federal legislation. Since the programs are undergoing changes based on SAFETEA-LU, some of these issues may be transitory. Specific issues with SAFETEA-LU are identified in a separate section (below).

### *Programmatic Issues Identified*

**Transfer of federal program administration from FTA to states stretches state DOT staff capabilities.** Over the past two decades, the FTA has been transferring administrative responsibility for many of its programs to the states. Further, as new federal programs are being introduced (e.g., JARC, New Freedom, United We Ride), the states have been expected to take on the administrative oversight role for these programs. While this shift has allowed for more state and local control and increased flexibility in operating the programs (which is good), it also has increased the states' role in public transit grants management and subgrantee monitoring, thus increasing the workload on existing staffs. Most states feel that they have limited staff for the

management of these new administrative requirements. As recognized in the research conducted under NCHRP Project 20-65(7), "Evaluation of States' Ability to Have Adequate Staff Resources to Implement Federal Public Transportation Programs" (published as *NCHRP RRD 314*), state DOT transit staff are stretched to the limit of their capacity. Partly this is due to the increased responsibilities placed on these staff and partly this is due to a reduction in staff levels. Research under Project 20-65(7) concluded that, overall, most states do not have the staff resources needed to adequately manage the federal transit programs. Further, state options for hiring staff are limited and constrained, even with the availability of additional federal funds. And, while there is little reported turnover, state DOTs have difficulty attracting new staff to transit positions and may be headed for a crisis as staff members retire.

**DBE requirements and reporting are confusing and burdensome.** While states indicate that the Unified Certification Process for DBEs should help, there is confusion concerning when the DBE requirements apply and what needs to be reported. There is a great deal of confusion regarding when the threshold for DBE program requirements and reporting applies. Some states felt that because the state is the grantee for the S.5311 program, if the statewide program exceeds the threshold that invokes the DBE requirement, then all S.5311 subrecipients in the state are required to have a DBE program. Some states report that the Civil Rights Officers in the FTA regional offices seem unable to provide guidance to the states. There is also a feeling that the DBE rules are difficult in rural areas where there are few, if any, DBE vendors. This may be due to the lack of responsiveness of DBE vendors—perhaps tied to the cumbersome process required to become certified.

**Administration of a large number of grant agreements creates a burden for states.** Because of the way the federal programs are structured, the states often have separate grant agreements with each subgrantee under various federal programs (each program and set of grant agreements follow different federal rules and are tied to separate federal grants). Even though many states have coordinated public transit operators that receive funds under the S.5311, S.5310, JARC, and state programs, the states have to enter into multiple grant agreements with each subgrantee/operator. This creates a huge administrative

burden on the states; one that is increasing with new, separate grants under the New Freedom and state-wide JARC programs. This burden is felt especially when grants are being closed-out. This issue is exacerbated with implementation of the SAFETEA-LU statute since FTA can no longer allow states to transfer S.5310 funds to S.5311 unless the projects are selected under the S.5310 program rules. In other words, FTA can no longer allow the transfer of S.5310 to S.5311 to supplement their S.5311 program as the law previously permitted.

Another administrative burden is created in the use of federal funds from various transit programs for state-level administrative activities. Some states report that while FTA circulars indicate funds can be transferred to a single program for ease of administration, in some cases FTA has not allowed transfer from S.5310 to S.5311 for ease of administration. And, in fact, under SAFETEA-LU, states may combine program administration funds available to them into one administrative account at the state level but the state must use funds from each program (S.5310, S.5311 and the new S.5316 programs) only for costs associated with administering that program. Since the states (and FTA) must still track the funds attributable to each program separately, a combined administrative cost pool is of little benefit to the states.

**The S.5311(f) Intercity Bus program and intercity certification requirements are difficult to meet.** The states would like a better definition of what it means to “consult with intercity services providers” as well as standards and/or guidelines for developing Intercity Bus contacts. Often states find it difficult to generate interest in the program by private operators because of the match requirements. Yet, it is not accurate to certify that all intercity bus needs are being met. One state expressed the feeling that it seems inherently unfair that Intercity carriers are allowed to eliminate service without input or consultation with the states and yet the states are required to consult with the same operators before the governor can certify that intercity needs are being met.

**Charter Bus regulations need to be more flexible.** The opinion was expressed that the charter bus regulations need to be more flexible, and better defined, when applied to the S.5311 operators. Charter rules ignore the reality in rural communities where the transit services are a community asset and often the only option to serve community groups as it is difficult to recruit qualified private charter

operators. It is perceived that often charter regulations prevent local entities from providing much needed transportation to other agency and governmental entities. While the service may actually be allowable under the charter exceptions, the perception that it might not be eligible, or the extraordinary effort required to get a waiver, discourages rural systems from providing the services. Some states suggest that FTA should consider waivers for smaller vehicles, particularly in rural areas. Some states wanted to have authority to grant waivers, while others feel this authority would further burden their already over-worked staff.

**Title VI and EEO provisions and reporting requirements are confusing and not understood by many subgrantees.** States indicate that the Title VI and EEO regulations are not clear and many of their rural operators do not understand the requirements. There is a feeling that the rules are more appropriate for larger, urban operators. Most often, the states rely on self-certification by subrecipients and, because of lack of resources, often do little to monitor this requirement addressing it only if a complaint is received.

**Development of State Management Plans often duplicates state statutes or regulations.** SMPs could be useful documents but it is hard to keep them updated (because of staff constraints) and they often duplicate policies and procedures included in state statutes and regulations. While some states view developing the SMPs as “meeting the federal requirements,” many states see the SMP as a good tool to explain state and federal DOT policies to management and local elected officials. They also see the SMPs as good communication tools between the states and FTA. However, FTA does not have an independent process to review and “approve” the SMP until they conduct the State Management Review. This lack of a formal review process creates a false sense to the states that their SMP/management policies are approved when they have not.

**Federal Motor Carrier Safety Administration regulations on interstate travel as related to public transit are difficult to understand and reconcile with state rules.** States have difficulty understanding and complying with FMCSA requirements for FTA grantees. Again, states expressed the need for detailed and clear regulations—they generally do not understand what the requirements are under FMCSA and what and when they apply to the FTA programs.

**Table 2** Programmatic issues—ratings and ranking

	Average Rating of Importance <i>1—least important</i> <i>5—most important</i>	Percent of Respondents Rating Issue as the Most Important Programmatic Issue in State
<b>Transfer of Federal Program Administration from FTA to States stretches State DOT staff capabilities</b>	<b>3.73</b>	<b>28.2%</b>
DBE requirements and reporting are confusing and burdensome.	3.63	23.1%
Administration of a large number of grant agreements creates a burden for States.	3.23	17.9%
The S. 5311(f) Intercity Bus program and intercity certification requirements are difficult to meet.	2.90	12.8%
Charter bus regulations do not reflect realities of the rural operating environment and are too inflexible when dealing with S.5311 operators.	3.05	7.7%
Title VI and EEO provisions and reporting requirements are confusing and not understood by many grantees.	3.33	7.7%
The SMPs are not useful tools for managing the programs on the State level.	2.60	2.6%
FMCSA regulations concerning interstate travel by public transit vehicles are difficult to understand and reconcile with State rules.	3.08	0.0%

### *State DOT Priorities*

The issues above are listed in the ranked order of importance expressed by the state DOTs. Table 2 presents the average ratings for each issue and the percentage of the respondents that viewed that issue as the one most important programmatic issue in their state. Clearly, the most important issue from the states' perspective is their ability to deal with increasing program administration requirements within state budgets and staffing levels.

### *Options for Improvements in Federal Program Structure*

**Provide maximum flexibility to streamline grant administration.** It is felt that if states are given maximum flexibility in how they administer the programs, then the staff needed could be minimized. For example, if funds could be flexed easily, the states may be able to streamline the grant application and reduce the number of grant agreements thereby reducing the staff resources dedicated to this process. However, it is recognized that the SAFETEA-LU statutes place clear restrictions on what FTA can allow in terms of flexibility. The law requires that states track the transferred funds separately. Further, SAFETEA-LU places additional restriction on the transfer of S.5310 to S.5311 (a state must now

use the S.5310 funds it transfers to S.5311 only for S.5310 program purposes). Additionally, many states indicated that FTA needs to allow and encourage streamlined grantee monitoring, rather than viewing monitoring as a “one size fits all” solution for all states.

**Clarify intercity bus consultation.** States need clear guidance from FTA on what is an acceptable consultation process. One state suggests that FTA should clarify that the consultation process should not give the intercity carriers veto power over the states. Some states suggest that FTA reduce or eliminate match requirements for rural areas—or allow passenger fares or intercity carrier operating costs to be considered as a match for this program.

**Modify charter bus rules in rural areas.** States indicated the need for more flexibility in the charter bus rules in rural areas, where there is a need to make some accommodation for the use of rural transit vehicles for community development activities and use by other funding partners. Some respondents suggested that charter bus rules should apply only to urban systems. Others suggested having a separate charter rule that would permit rural transit operators to provide charter service in their service area only and/or limit the service time (e.g., to no more than six continuous hours). The suggestion was made to more clearly define “charter” in the regulations.



**Review of SMPs by FTA.** FTA should establish procedures to review and approve SMPs as they are updated and submitted by the states.

## Federal Grant Administration

Many states are struggling to manage the S.5310 and S.5311 programs in a manner that is compliant with federal regulations. This group of issues includes federal administrative requirements and actions that affect the ability of state DOTs to administer the programs. Generally these issues are addressed in the FTA guidance(s) that govern the programs or in administrative procedures established by FTA or the state transit units.

In addition to the increased duties and responsibilities faced by state DOT staff, the two overriding issues that seem to dominate discussions on this topic include the increased subgrantee monitoring that FTA expects states to perform and the need for improved information sharing and communications between FTA and the state program managers.

### *Federal Grant Administration Issues Identified*

Issues were identified as either pertaining to (1) federal oversight of the states and the need for state monitoring of subrecipients or (2) communication and working relationships between the state DOTs and FTA.

### *Oversight*

**It is difficult for state DOT staff to remain knowledgeable and current on the rules and regulations of the large number of federal grant programs, in addition to state programs they administer.** Keeping up with changes in federal regulations and knowing when these changes are coming is very challenging for state DOT staff administering federal transit programs. It takes a long time for staff to learn the various program requirements and how they are implemented. One conference every 2 years is not enough training to ensure that state program staff has the information they need to manage the programs.

**Findings during the FTA State Management Reviews have resulted in more oversight of subgrantees.** Recent State Management Reviews conducted by FTA have consumed a great deal of state staff time and effort and have changed the ways that many states manage their S.5311 and S.5310 programs. In most cases, these changes have resulted

in more oversight of subgrantees. There is a perception that this shift has placed the state program managers in the role of “enforcer” rather than “facilitator.” State oversight and monitoring visits to subgrantees are valuable, but difficult to accomplish with staff constraints; state DOTs think visits to local grantees are important and useful but time consuming. They also report that being required to spend additional time on oversight has decreased time that can be spent on more supportive activities such as technical assistance.

**The large numbers of federal oversight reviews are time consuming and too frequent.** FTA conducts oversight reviews of state DOTs in a variety of areas including drug and alcohol, rail safety, financial management reviews, and State Program Management Reviews. Some states indicate that these reviews consume a significant amount of staff time for preparation, participation, and follow-up/resolution of issues.

### *Communications/Consistency*

**States want to strengthen their working relationships and communications with FTA staff at the regional offices.** Some state DOTs see a need to foster better working relationships with staff in the FTA regional offices; others indicate they have a good working relationship with their regional office. Some states report that FTA regional office staff is not responsive to questions, telling them to “read the circular” rather than having a discussion or interpreting the content of the circular. It sometimes is difficult to get opinions or interpretation of program rules in writing.

**FTA regional offices provide program guidance that is inconsistent. Some state DOTs report that the FTA regions lack consistency in the interpretation of the regulations.** This has resulted in differences in program management among the states. A system to better track responses by FTA regional offices to state DOT information inquiries on S.5311/S.5310 program requirements would be beneficial. States have requested that FTA prepare written responses to programmatic questions, especially when getting interpretations from regional staff.

**States need more direct communications with S.5311/S.5310 FTA program staff at the headquarters office.** The state DOTs have expressed an interest in having direct communications with FTA headquarters staff as issues come up—rather than going through the regional office staff.

**Table 3** Federal grant administration issues—ratings and ranking

	Average Rating of Importance <i>1—least important</i> <i>5—most important</i>	Percent of Respondents Rating Issue as the Most Important Federal Grant Administration Issue in State
<i>Oversight</i>		
<b>State DOT staff find it difficult to stay on top of the rules and regulations of the large number of federal grant programs, in addition to the State programs, that they administer.</b>	<b>3.56</b>	<b>43.6%</b>
Findings from the FTA State Management Reviews have required States to focus more effort on oversight of grantees.	3.69	20.5%
The large number of federal oversight reviews are time consuming and too frequent.	2.92	5.1%
<i>Communications and Consistency</i>		
Better working relationships and communications between the State DOTs and the <i>FTA Regional</i> office staff would improve management of the S.5311/S.5310 programs.	3.44	15.4%
FTA regional offices provide inconsistent program guidance.	3.05	10.3%
Direct communications between the State DOTs and the S.5311/S.5310 FTA program staff at <i>FTA headquarters</i> would improve management of the programs.	3.03	5.1%

### *State DOT Priorities*

The issues above are listed and ranked in order of importance as expressed by the state DOTs. Table 3 presents the average ratings for each issue and the percentage of the respondents that viewed that issue as the one most important grant administration issue in their state. The most important issue from the states' perspective is the increased focus on grantee oversight that has been created as a result of the FTA State Management Reviews. This increase in compliance monitoring is coupled with the states' difficulty in staying informed of the many federal and state rules and regulations that govern the programs they administer.

### *Options for Improvements in Federal Grant Administration*

**Improve federal guidelines/written materials on program requirements.** States would find it easier to implement federal rules and regulations if the federal materials were easier to read and understand. Easy-to-read “What’s Your Responsibility” type of publications on a variety of program requirements, such as DBE, Title VI, EEO, Buy American, and FMCSA would be beneficial. Also, it needs to

be clear that for state administered programs, the States are standing in the shoes of FTA for reporting thresholds; states should not be considered the grantee of one large project/grant, but rather the grant administrator for multiple smaller grants. This would avoid misperception of the thresholds and reporting requirements.

**Provide more frequent training for state DOT staff.** Training of state staff is needed on a regular basis, at least annually. Suggestions were made that this training be provided on a regional level or using technology to arrange for teleconferences, webcasts, and/or interactive sessions. It is anticipated that additional training will be needed in the short-term as state staff retire/turnover and as new guidances are issued implementing SAFETEA-LU.

**Balance oversight/monitoring with assistance to improve service.** Some states suggest that FTA should curtail somewhat their expectations regarding oversight, while others feel that states should continue to dedicate all resources needed to monitor subrecipients. Clearly, there needs to be a balance. While monitoring of grantee compliance is important, state staffs need to use their limited time during local site visits to balance time monitoring compliance with time working with local agencies to identify

ways to improve service and coordinate efforts with other local agencies.

**Coordinate FTA state reviews.** State DOTs suggest that FTA may be able to coordinate the various federal oversight reviews—maybe consolidate the reviews into one large review and maybe reduce the cycle to every 5 to 6 years.

**Improve communications between state transit staff and FTA.** One suggestion is to provide customer service training for FTA staff to improve responsiveness to state program managers. FTA and regional office staff could visit each state annually to discuss transit program issues in the state. Some avenue or protocols should be established so that states could confer directly with staff at FTA headquarters when needed; these should be clearly delineated and communicated to both the states and the FTA regional offices.

**Improve consistency of FTA interpretations.** To improve consistency with which the program requirements are interpreted, more training of FTA regional staff or maybe having them get confirmation from headquarters on interpretations that are not straightforward could be considered. A mechanism to capture guidance provided by regional office staff and distribute these interpretations to all states could be developed. A weblined where questions could be submitted directly to FTA headquarters program staff and answers distributed to all states and FTA regional offices could be established.

## State Grant Administration

This group of issues deals with state administrative constraints and actions that affect how well state DOTs can administer the program.

### *State Grant Administration Issues Identified*

**The core functions of state DOT public transit sections are increasing.** In addition to increased responsibilities for managing new and expanding FTA public transit grant programs, general state oversight responsibilities for all transit programs have increased substantially. States have taken on a number of new functions including rail safety for new projects, increased drug and alcohol requirements, human service coordination, bus and rail safety and security, consolidated planning grants, motor carrier safety requirements, welfare to work program issues and non-emergency medical transportation. In addition,

state transit staffs are taking on new responsibilities for state-sponsored initiatives such as park and ride, commuter programs, and Intelligent Transportation Systems (ITS) initiatives.

**State options and funding for hiring new transit staff are limited.** Some states indicate that it is very difficult to obtain new classified, permanent state positions, but not as difficult to hire contract, part-time, or limited service temporary positions. Other states indicate that it is not possible to add any non-career positions and/or union issues make it difficult to contract out staff functions.

**Cuts in state budgets are reducing the number of public transit division staff.** As state budgets have tightened in recent years, public transit sections of the state DOTs have come under increasing pressure to reduce staffing levels. Hiring is frozen at many state DOTs and as staff leave they cannot be replaced. In many cases, state public transit managers report that even with the availability of increased FTA administrative funding, they are not able to hire needed staff.

### *State DOT Priorities*

The issues above are listed in the ranked order of importance expressed by the state DOTs. Table 4 presents the average ratings for each issue and the percentage of the respondents that viewed that issue as the one most important state grant administration issue in their state. The most important issue appears to be that core functions expected of the states are expanding while the staffing levels are not.

### *Options for Improvements in State Grant Administration*

**Increase state staff.** There is a general feeling that if the states are going to take over responsibility for administering the federal programs, they need to have more staff. A number of states suggested that FTA require that states add additional full-time equivalent (FTE) staff positions. While this probably is impractical, it was suggested that the FTA could address the need for transit staff with the governors on a nationwide basis, perhaps at a governor's conference or through the National Governors Association.

**Streamline grant administration and facilitate consolidated grant agreements.** Some states are moving toward one grant agreement for each transit operator which include all state and federal program requirements and clauses. These often have a consol-

**Table 4** State grant administration issues—ratings and ranking

	Average Rating of Importance <i>1—least important</i> <i>5—most important</i>	Percent of Respondents Rating Issue as the Most Important State Grant Administration Issue in State
<b>The core functions of State DOT public transit sections are increasing.</b>	<b>4.38</b>	<b>51.3%</b>
State options and funding for hiring new transit staff are limited.	4.26	28.2%
Cuts in State budgets are reducing the number of public transit division staff.	3.23	20.5%

idated application and associated grant agreements. However, given the differences in federal programs, these consolidated applications and grant programs are difficult to develop. Some states suggest that all state transit programs be consolidated on the federal level in the next reauthorization rather than continuing with a variety of siloed federal programs.

## Funding

### *Funding Issues Identified*

**There is a need to maximize the ability of the states to flex funds from one federal program to another.** States view being able to transfer funds among federal programs as a means of streamlining their program management and as a way to tailor the federal programs to address the needs in their state. Some flexing is allowed but some states would like the flex options expanded and the process simplified. For example, S.5311 funds can be transferred to the S.5307 program for small urban areas but not to JARC, S.5310, or New Freedom. So that, while S.5310 funds can be transferred to S.5311, S.5311 funds cannot be transferred to S.5310. Some states

feel that this limits their ability to use federal funds to best meet the needs in their states and will increase program management activities, especially in states with relatively small programs (where flexing could allow for consolidated grant agreements).

**Non-federal funds that can be used to match Federal S.5311 and S.5310 programs are lacking.** Federal funds are increasing under the S.5310 and S.5311 programs but the state DOTs report problems with securing non-federal funding both on the state and local levels.

**It is sometimes difficult to define the eligible sources of local matching funds.** States would like better guidance on what funding sources are eligible to be used as the non-federal match for S.5311/S.5310 projects.

### *State DOT Priorities*

The issues above are listed in the ranked order of importance expressed by the state DOTs. Table 5 presents the average ratings for each issue and the percentage of the respondents that viewed that issue as the one most important funding issue in their state. While the need for more funding (particularly

**Table 5** Funding issues—ratings and ranking

	Average Rating of Importance <i>1—least important</i> <i>5—most important</i>	Percent of Respondents Rating Issue as the Most Important Funding Issue in State
<b>There is a need to maximize the ability of States to flex funds from one federal program to another.</b>	<b>3.38</b>	<b>52.6%</b>
Non-federal funds that can be used to match Federal S.5311 and S.5310 program funds are limited.	3.34	31.6%
It is difficult to define eligible sources of local matching funds.	2.50	15.8%

for the non-federal match) is acknowledged from the states' perspective, the most important issue is having the ability to flex funds from one federal program to another on the state level.

### *Options for Improvements in Funding*

**Improving flex process.** States would like FTA to make the flex process as easy as possible for the states. However, allowing full flexibility in transferring funds is constrained by legislation.

**Decrease matching ratio.** Although this option is not possible within the SAFETEA-LU legislation, some states suggest decreasing the non-federal match for operating under S.5311 (and S.5310).

## SAFETEA-LU

SAFETEA-LU restructures FTA programs to transfer even more administrative responsibility to the states. Under the new law, states will continue to administer the current formula programs under S.5311, S.5310, S.5307 (Small Urban), and S. 5313 (Planning). In addition, programs under S.5316 (JARC Program) and S.5317 (New Freedom Program) will be state-administered with program funds provided as formula grants to the states. These new programs will have a significant affect on the management of S.5311 and S.5310 programs at the state level, since SAFETEA-LU requires coordination between the JARC program, New Freedom Program, and S.5310. Beginning in FY 2007, projects funded under S.5310, S.5316, and S.5317 have to be included in a *locally developed coordinated public transit-human services transportation plan*.

In addition to the need to assist local areas in developing coordinated plans, other SAFETEA-LU provisions that affect S.5311 include:

- The requirement to report S.5311 data under NTD
- The new strengthened charter bus rules
- New separate funding under S.5311 for Indian Tribes
- Further move toward “purchase of service” under the S.5310 capital program
- Requirements for increased public involvement and increased consultation with the private operators (Intercity)
- Potential FTA requirement for security and emergency preparedness plans
- Various changes in the non-federal share requirements (percentages and sources of funds)

The issues below are specifically related to issues states anticipate with implementation of SAFETEA-LU with respect to the S.5311/S.5310 programs. Some are mentioned in other sections, but generally warrant additional discussion.

### *SAFETEA-LU Issues Identified*

**SAFETEA-LU coordinated planning and project selection requirements will increase workload.** SAFETEA-LU requires coordination between the JARC program, New Freedom Program, and S.5310. Beginning in FY 2007, projects receiving S.5310, S.5316, and/or S.5317 funds will have to be included in a *locally developed coordinated public transit-human services transportation plan*. States are very concerned about how they are going to meet this requirement and the effect it will have on their ability to manage their other duties. While FTA has made it clear that the states are not responsible for developing the local coordinated plans, states will have to assure that projects funded under their state grant are derived from an acceptable local plan. And, although they believe the local planning process is beneficial, many states have never been involved in local planning processes and do not see local planning initiatives as part of their mission or core responsibility.

**SAFETEA-LU restructures some FTA programs to give more administrative responsibility to the states.** As discussed above, under SAFETEA-LU, states will continue to administer the current formula programs under S.5311, S.5310, in conjunction with S.5307 (Small Urban), and S.5313 (Planning). In addition, programs under S.5316 (JARC) and S.5317 (New Freedom Program) will become state-administered with funds under these programs provided as flexible formula grants to the states. This will add significantly to the responsibilities of most state public transit divisions and the new programs will have significant affects on the management of S.5311 and S.5310 programs on the state level. Creation of new programs at the state level require significant resources; some states are looking at the cost effectiveness of the programs and considering delaying implementation of new programs so they can devote time to implementing new projects in the existing programs.

**SAFETEA-LU potential requirement for security and emergency preparedness plans could increase workload.** While some states already have plans in place for their S.5311 operators, many are still struggling with this issue. Many feel that such a

requirement is pending and that FTA’s position on whether such plans will be required has not been clearly communicated. Regardless, they would like to be given a simple consistent model.

**FTA allowances for state administrative funds for the S.5311/S.5310 programs are not sufficient to administer the programs.** States may use up to 15% of their annual S.5311 apportionment and up to 10% of their annual S.5310 apportionment (no non-federal share beginning in FY06) to administer, plan, and provide technical assistance. In some smaller states, this amount does not cover one full-time staff person. While some states indicate that this is not an issue for them (either because they are unable to hire for unrelated reasons or because current staff can absorb the workload), others feel that the administrative funding percentages are not sufficient to cover the cost of administering the programs.

**SAFETEA-LU requirement to report S.5311 data under NTD will increase workload.** States report that extending the NTD reporting requirement to S.5311 grantees will increase their workload, particularly sorting out how agencies receiving funds under multiple transit grants should report. Many feel that NTD reporting will be worthwhile if the numbers prove to be useful.

**SAFETEA-LU potential use of S.5310 funds for operating subsidies could increase workload.** While many states like the ability to use S.5310 funds to subsidize operating costs, they are concerned about

the increase in administrative burden and monitoring that might be required. Some states have allowed “purchase of service” type arrangements in the past under their S.5310 programs and have incorporated the management/oversight of service operations into their grant management activities. States that have restricted their S.5310 program to capital only would experience a greater change if operating subsidies were required under S.5310. However, under SAFETEA-LU, the operating subsidy program is only a pilot (confined to a limited number of states) and is voluntary. It should be noted that states that have allowed “purchase of service” arrangements under S.5310 in the past are mixed in their reviews but most find that the benefits to the community outweigh the work involved.

**SAFETEA-LU requirement for separate funding under S.5311 for Indian Tribes will increase workload.** This was not a major issue in most states.

#### *State DOT Priorities*

The issues above are listed in the ranked order of importance expressed by the state DOTs. Table 6 presents the average ratings for each issue and the percentage of the respondents that viewed that issue as the one most important issue related to SAFETEA-LU implementation in their state. While the increase in grant administration responsibility is clearly on the minds of the state DOTs, the most important is the new coordinated planning and project

**Table 6** SAFETEA-LU issues—ratings and ranking

	Average Rating of Importance <i>1—least important</i> <i>5—most important</i>	Percent of Respondents Rating Issue as the Most Important SAFETEA-LU Issue in State
<b>SAFETEA-LU requirements for coordinated planning and project selection requirements will increase State workload.</b>	<b>4.36</b>	<b>52.8%</b>
SAFETEA-LU restructures some FTA programs to give more administrative responsibility to the States.	3.81	22.2%
SAFETEA-LU requirement for security and emergency preparedness plans will increase State workload.	3.83	11.1%
FTA allowances for State administration funds for the S.5311/S.5310 programs are not sufficient to administer the programs.	2.53	5.6%
SAFETEA-LU requirement to report S.5311 data under the NTD will increase State workload.	3.78	5.6%
SAFETEA-LU potential use of S.5310 for operating subsidies could increase State workload.	2.89	2.8%
SAFETEA-LU requirement for separate funding under S.5311 for Indian Tribes will increase State workload.	2.22	0.0%

selection requirement under S.5310, New Freedom, and JARC.

*Options for SAFETEA-LU Improvements*

**Provide more planning funds.** A popular suggestion by the states is for FTA to provide more funds for coordinated planning, particularly for those states that want to outsource their planning efforts.

**Implement coordinated plan requirements incrementally.** Some states suggested that FTA implement the plan requirements over a longer period of time, giving them the opportunity to test the value of the effort. It is acknowledged that this is not possible under the current legislation.

**Develop a simple model safety and security plan.** States would like FTA to provide a clear explanation of any requirements for safety and security plans in small urban and rural areas, including a simple model plan that meets that requirement.

**Increase administrative allowances.** Some states would like FTA to increase the administrative percentages for S.5311 and S.5310, particularly in smaller States with smaller staffs. Others think that the S.5310 percentage should be 15% to mirror S.5311.

**NTD direct reporting.** Many states expressed their opinion that FTA should limit the data elements reported by S.5311 operators under NTD to the seven basic elements specified in SAFETEA-LU. Some states felt that S.5311 subrecipients should report NTD data directly to FTA. If this is not possible, allow states to report aggregate data rather than for each subrecipient.

**Procurement**

*Procurement Issues Identified*

**The process of procuring vehicles is difficult.** The states that do a statewide procurement often feel

that they don't have the expertise in-house to conduct procurements. The states that have subgrantees procure their own vehicles often feel they do not have the time or expertise to oversee the process.

**Federal procurement rules are burdensome.** The process of complying with both federal and state procurement regulations is difficult. Federal procurement rules are geared toward large urban operators and are difficult for smaller operators, with less experience, to understand and follow. A number of states mentioned how difficult it is to comply with the Buy America provisions.

**Inclusion of FTA-required clauses is difficult to monitor and oversee.** Grantees are required to include specific FTA-required clauses in FTA-funded procurements addressing lobbying, suspension/debarment, Title VI, and Buy America provisions. Some states find that updating these federal clauses is time consuming and staff and subgrantees often don't understand them.

*State DOT Priorities*

The issues above are listed in the ranked order of importance expressed by the state DOTs. Table 7 presents the average ratings for each issue and the percentage of the respondents that viewed that issue as the one most important issue related to procurement in their state. The most important issue for the state DOTs is monitoring the procurement process conducted by grantees to ensure that they conform to federal procurement rules including the FTA-required clauses.

*Options for Improvements to Procurement*

**Exempt small vehicles from Buy America.** A number of states suggested that FTA exempt small vehicles from the Buy American requirements. Alternatively, it was suggested that the FTA could cer-

**Table 7** Procurement issues—ratings and ranking

	Average Rating of Importance <i>1—least important</i> <i>5—most important</i>	Percent of Respondents Rating Issue as the Most Important Procurement Issue in State
<b>Inclusion of the FTA-required clauses is difficult to monitor and oversee.</b>	<b>3.61</b>	<b>44.4%</b>
The federal procurement rules are burdensome.	3.42	38.9%
The process for procuring vehicles is difficult.	2.94	16.7%

tify manufacturers and monitor the process from the federal level. However, it should be recognized that the Buy America requirements are statutory and this would require a legislative change.

**Better materials and training on procurement process.** States suggested that it may be possible to prepare simple explanations and checklists on the procurement process to help local and state agencies. This is especially needed for federal clauses—could there be an annual publication (perhaps posted on-line) of the updated federally required clauses along with a clear explanation of when they are applicable and what they mean?

## Training

### *Training Issues Identified*

**State staff needs more training in order to do effective oversight.** State DOT front-line staff need more, and ongoing, training on federal program requirements. Training is a challenge. It is especially important given the recent retirements, yet difficult to make time for with current staff shortages. Also, out of state travel is often constrained for state employees. Many states expressed a need to have FTA sponsor or partner in the training.

**States need to provide more training for subgrantees.** The subgrantees often do not understand the compliance issues/clauses. The Rural Technical Assistance Program (RTAP) is a potential avenue to provide this training but the perception is that it would be inappropriate to use RTAP training courses to discuss federal and state program requirements. Also limited travel budgets and the limited local staff make it difficult for transit managers to attend.

### *State DOT Priorities*

The issues above are listed in the ranked order of importance expressed by the state DOTs. Table 8 pre-

sents the average ratings for each issue and the percentage of the respondents that viewed that issue as the one most important issue related to training. State DOTs see a need for both training of state staff and training of subgrantees on program requirements.

### *Options for Improvements in Training*

**Provide more FTA training on federal programs.** Many states expressed a need to have FTA sponsor or partner in the training; some suggested a need for more training in TEAM. The training courses should be well advertised. It was suggested that FTA may want to partner with TRB, AASHTO, American Public Transportation Association (APTA), and Community Transportation Association of America (CTAA) to provide coordinated training. Regional training may work better than national workshops given the limited travel budgets. Also, web-based courses, webinars, and on-line-tutorials may be useful.

**Increase FTA regional staff technical assistance.** FTA could allow their regional staff more time and resources to provide on-site technical assistance or training to individual states.

## Planning

### *Planning Issues Identified*

**States need maximum flexibility in complying with coordinated planning and project selection process required for S.5310.** As discussed above, states are concerned about how they will be able to comply with the new coordinated planning and project selection requirements for S.5310 (New Freedom and JARC). They would like flexibility in determining what constitutes an acceptable locally developed coordinated plan so they can tailor the plans to the size and nature of the community. Some believe that the coordinated plan requirements proposed to date are better suited to urban areas than to

**Table 8** Training issues—ratings and ranking

	Average Rating of Importance <i>1—least important</i> <i>5—most important</i>	Percent of Respondents Rating Issue as the Most Important Training Issue in State
<b>State staff need more training in order to oversee grantees.</b>	<b>3.83</b>	<b>58.3%</b>
States need to provide more training to grantees.	3.50	41.7%



small remote communities. States need to be able to develop guidelines for the planning process based on the level of funding available, the level of cooperation from human service agencies, and the size of the community.

**States need assistance to integrate the S.5310 competitive selection process with new JARC and New Freedom.** Similarly, it is not yet clear how the S.5310 competitive selection process, which is well established in many states, should be integrated into the selection process for the two new programs. Some states continue to view their S.5310 program as a stand-alone program, while others intend to coordinate the programs on the state level (at least administratively).

**The STIP is time consuming and not much benefit to the S.5311/S.5310 programs—amendments and adjustments are too frequent and difficult.** Many states find the STIP not to be of benefit in managing the S.5311 and S.5310 programs; some question whether the process is a planning tool or a programming document that duplicated other financial systems in place. Further, the number of STIP amendments required is seen as excessive and requiring an inordinate amount of staff resources.

*State DOT Priorities*

The issues above are listed in the ranked order of importance expressed by the state DOTs. Table 9 presents the average ratings for each issue and the percentage of the respondents that viewed that issue as the one most important issue related to planning in their state. The most important current issue for

the State DOTs is meeting the new coordinated planning requirements.

*Options for Planning Improvements*

**Allow states flexibility in the planning process.** To the extent possible, it was suggested that FTA should allow states to be flexible in determining what constitutes an acceptable coordinated plan. This would allow states to tailor the planning requirements to the size and nature of the community.

**Changes to the STIP amendment process.** Several suggestions were made that could reduce the number of STIP amendments in order to streamline the FTA amendment to more closely mirror the FHWA process. For example, could FTA allow the project costs to increase by a certain percentage above the amount listed in the STIP rather than requiring an amendment (similar to what FHWA allows)? Does FTA have to require a STIP amendment when funds are transferred between programs?

**Technology**

*Technology Issue Identified*

**States need to assist local operators in implementing ITS and other technologies.** It is important that local systems take advantage of technology improvements. However, states often do not have the staff expertise to assist them and local capabilities to support technology applications is often lacking.

*Options for Technology Improvements*

**More federal funding and technical assistance.** It may help to have more federal funding

**Table 9** Planning issues—ratings and ranking

	Average Rating of Importance <i>1—least important</i> <i>5—most important</i>	Percent of Respondents Rating Issue as the Most Important Planning Issue in State
<b>States need maximum flexibility in complying with coordinated planning and project selection process required for S.5310.</b>	4.06	44.4%
States need guidance on how to integrate the S.5310 competitive selection process with the new JARC and New Freedom programs.	3.69	36.1%
The STIP is time consuming and not much benefit to the S.5311/S.5310 program - amendments and adjustments are too frequent and difficult.	3.81	19.4%

**Table 10** Technology issues—ratings and ranking

	<b>Average Rating of Importance</b> <i>1—least important</i> <i>5—most important</i>	<b>Percent of Respondents Rating Issue as the Most Important Technology Issue in State</b>
States need to assist local transit operators in implementing ITS and other technologies.	3.17	na

available for technology applications in rural areas and the technical assistance to support these efforts on the local and state levels. (See Table 10.)

### SUMMARY CONCLUSIONS

The public transit sections of the 50 state DOTs manage the Federal S.5310 and S.5311 programs on behalf of the FTA. Given the continued expansion of duties and responsibilities in managing these pro-

grams, this has created many challenges for state DOTs, challenges that are likely to increase during the implementation phase of SAFETEA-LU. Table 11 presents a summary of how the state transit managers rated the importance of each of the issues in their state, with “5” being the most important and “1” being the least important. Table 12 presents the overall rankings of the issues by the state program managers, with the percentage of respondents that rated each issue as the one most important issue in their state.

**Table 11** Summary ratings of issues

	<b>Average Rating of Importance</b> <i>1—least important</i> <i>5—most important</i>
<b>The core functions of State DOT public transit sections are increasing.</b>	<b>4.38</b>
<b>SAFETEA-LU requirements for coordinated planning and project selection requirements will increase State workload.</b>	<b>4.36</b>
State options and funding for hiring new transit staff are limited.	4.26
<b>States need maximum flexibility in complying with coordinated planning and project selection process required for S.5310.</b>	<b>4.06</b>
SAFETEA-LU potential requirement for security and emergency preparedness plans could increase State workload.	3.83
<b>State staff need more training in order to oversee grantees.</b>	<b>3.83</b>
SAFETEA-LU restructures some FTA programs to give more administrative responsibility to the States.	3.81
The STIP is time consuming and not much benefit to the S.5311/S.5310 program - amendments and adjustments are too frequent and difficult.	3.81
SAFETEA-LU requirement to report S.5311 data under the NTD will increase State workload.	3.78
<b>Transfer of Federal Program Administration from FTA to States stretches State DOT staff capabilities.</b>	<b>3.73</b>
Findings from the FTA State Management Reviews have required States to focus more effort on oversight of grantees.	3.69
States need guidance on how to integrate the S.5310 competitive selection process with the new JARC and New Freedom programs.	3.69
DBE requirements and reporting are confusing and burdensome.	3.63
<b>Inclusion of the FTA-required clauses is difficult to monitor and oversee.</b>	<b>3.61</b>
<b>State DOT staffs find it difficult to stay on top of the rules and regulations of the large number of federal grant programs, in addition to the State programs, that they administer.</b>	<b>3.56</b>
States need to provide more training to grantees.	3.50

(continued)

Table 11 (Continued)

	Average Rating of Importance <i>1—least important</i> <i>5—most important</i>
Better working relationships and communications between the State DOTs and the <i>FTA</i>	3.44
<i>Regional</i> office staff would improve management of the S.5311/S.5310 programs.	
The federal procurement rules are burdensome.	3.42
<b>There is a need to maximize the ability of States to flex funds among federal programs.</b>	<b>3.38</b>
Non-federal funds that can be used to match Federal S.5311 and S.5310 program funds are limited.	3.34
Title VI and EEO provisions and reporting requirements are confusing and not understood by many grantees.	3.33
Administration of a large number of grant agreements creates a burden for States.	3.23
Cuts in State budgets are reducing the number of public transit division staff.	3.23
States need to assist local transit operators in implementing ITS and other technologies.	3.17
FMCSA regulations concerning interstate travel by public transit vehicles are difficult to understand and reconcile with State rules.	3.08
Charter bus regulations do not reflect realities of the rural operating environment and are too inflexible when dealing with S.5311 operators.	3.05
FTA regional offices provide inconsistent program guidance.	3.05
Direct communications between the State DOTs and the S.5311/S.5310 FTA program staff at <i>FTA headquarters</i> would improve management of the programs.	3.03
The process for procuring vehicles is difficult.	2.94
The large number of Federal oversight reviews are time consuming and too frequent.	2.92
The S. 5311(f) Intercity Bus program and intercity certification requirements are difficult to meet.	2.90
SAFETEA-LU potential use of S.5310 for operating subsidies could increase State workload.	2.89
The SMPs are not useful tools for managing the programs on the state level.	2.60
FTA allowances for State administration funds for the S.5311/S.5310 programs are not sufficient to administer the programs.	2.53
It is difficult to define eligible sources of local matching funds.	2.50
SAFETEA-LU requirement for separate funding under S.5311 for Indian Tribes will increase State workload.	2.22

Issues in **Bold** were ranked as most important in their respective category.

## Issue Priorities

Clearly, the most important issues center on the fact that responsibilities of the state DOTs have been expanding and continue to expand with respect to managing FTA programs under SAFETEA-LU. Under reauthorization, the number of state-administered transit programs is increasing (with the formularization of JARC and the New Freedom programs) and there are clear expectations, both in the law and any resulting FTA regulations, that these new programs will be coordinated with the S.5310 and S.5311 programs. This is exacerbated by the fact that other core functions of the state transit managers are increasing; state funding and state transit programs are expanding along with new federal initiatives.

This expanding role and increasing workload is coupled with the reality of current staffing capacities in most states. Overall, most states do not feel they have the staff resources needed to adequately manage the federal transit programs. Further, state options for hiring staff are limited and constrained, even with the availability of additional federal funds, and state DOTs have difficulty attracting new staff to transit positions and may be headed for a crisis as staff members retire.

## Improvements

If states are going to administer the federal programs, they feel that they need the maximum amount

**Table 12** Summary of issues—relative rankings

	<b>Percent of Respondents Rating Issue as the Most Important Overall Issue in State</b>
Transfer of Federal Program Administration from FTA to States stretches State DOT staff capabilities.	11.1%
State DOT staff find it difficult to stay on top of the rules and regulations of the large number of federal grant programs, in addition to the State programs, that they administer.	11.1%
SAFETEA-LU requirements for coordinated planning and project selection requirements will increase State workload.	11.1%
States need maximum flexibility in complying with coordinated planning and project selection process required for S.5310.	11.1%
DBE requirements and reporting are confusing and burdensome.	8.3%
State options and funding for hiring new transit staff are limited.	8.3%
Non-federal funds that can be used to match Federal S.5311 and S.5310 program funds are limited	8.3%
SAFETEA-LU restructures some FTA programs to give more administrative responsibility to the States.	5.6%
Administration of a large number of grant agreements creates a burden for States.	2.8%
The large number of federal oversight reviews are time consuming and too frequent.	2.8%
Better working relationships and communications between the State DOTs and the FTA Regional office staff would improve management of the S.5311/S.5310 programs.	2.8%
The core functions of State DOT public transit sections are increasing.	2.8%
Cuts in State budgets are reducing the number of public transit division staff.	2.8%
The process for procuring vehicles is difficult.	2.8%
States need guidance on how to integrate the S.5310 competitive selection process with the new JARC and New Freedom programs.	2.8%

of flexibility in how they use the funds (within the legislative constraints). For example, the ability to flex funds between programs may allow them to consolidate and streamline the grant application process and grant agreements. Or, flexibility in complying with the coordinated planning requirement will allow them

to tailor the planning process to the nature and size of their local communities.

Other things that would make it easier for them to administer the programs include more training on federal grant requirements and improved communications with FTA regional and headquarters offices.

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