

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION SECTION 5307/5339 PROGRAM MANAGEMENT PLAN

CALENDAR YEAR 2022 NOTES

May 31, 2022

In this 2022 cycle, Section 5307 funding will be available to support operational expenses of public transportation operators, nonprofit agencies, and local public bodies for existing services only, not expansion service.

Program Income

Subrecipients and vendors will need to agree on how program income will need to be accounted for. As a reminder, program income cannot be used for match in the same year it is earned. There are two options:

- Income is provided to the subrecipients. Subrecipients should properly account for these funds and can use these funds as local match for the following year's reimbursable expenses.
- Income is deducted from a monthly invoice. This will, of course, decrease the invoice submitted by the vendor. However, in this scenario, program income cannot be saved and then utilized as local match for the following year's service.

Schedule for 2022

The schedule may change, but we anticipate maintaining regular meetings with subrecipients/vendors. For some, these are monthly that may transition to quarterly as the program evolves. Anticipate an in-person oversight meeting sometime in the third or fourth quarter of 2022. This will likely be preceded by a request for documents that we will then utilize to review the program.

Budget for CY2023

Information for the federal funding for CY2023 will be provided to each subrecipient. With the passage of the Investment in Infrastructure and Jobs Act (IIJA), federal funding for Section 5307 was increased. Subrecipients should be prepared, however, to use the amount of federal funding for CY2022 as the amount for CY2023 for the purposes of budget.

Local Match for 2023

In 2022, the entire program is covered by ARPA grant funds, including local match. For service in calendar year 2023, however, the local match will need to be provided by the subrecipient. We may require the subrecipient's provide a letter from the County Commissioners confirming local match for calendar year 2023 prior to execution of the grant agreement for CY2023.

We encourage all subrecipients to also plan to include funds for capital purchases, such as vehicles / equipment. A good rough estimate for capital replacement would be approximately \$25,000, if the subrecipient / vendor will be seeking federal Section 5339 funds for vehicle / equipment replacement.

Program Income in CY2022

Program income earned in CY2022 that is not used for transit expenses for the year should be transferred to the county for future transit expenses.

Service Modifications

Subrecipients and vendors should coordinate when service modifications are decided. The subrecipient may decide to defer or approve all decisions made by the vendor but the vendor should be coordinating with the subrecipient, including informing them of any potential service modifications.

Administrative Fees Waived

IPTC will not charge an administrative charge for the 2022 grant. IPTC will review the program over the next two years to understand administrative burden and discuss with providers over the next two years.

Urbanized Area Boundaries

Census 2020 final UZA boundaries may shift from the number of persons within an area to the number of households within an area. The impact of this change upon Department of Transportation and Federal Transit Authority operations is currently unknown.

Section 5339 Call for Projects

As announced in an email to all subrecipients, the call for projects for Section 5339 funds was cancelled for CY2022. IndyGo anticipates rolling the CY2022 funds into CY2023. We anticipate the annual funding amount level for \$400,000 federal funds with a required 20% local match.

Section 5339 funds are for vehicles and equipment for eligible recipients. IndyGo believes the Section 5339 funds will be awarded similar to Section 5310, with an annual call for projects. The application will likely be different, given the background of the subrecipients.

Transition Notes

The Indianapolis Metropolitan Planning Organization finalized an Urban Transit Funding Transition Study in February of 2021 that detailed the recommended transition process from Formula 5311 funding to Formula 5307 and 5339 funding. This study can be found at <https://www.indympo.org/whats-completed/regional-plans/transit-plans>. In February 2021 IndyGo was selected to be the direct recipient to assist the subrecipients. This recommendation also included the process for establishing subrecipients and vendors.

Local Match

According to the study, “the FTA has previously opined that acquiring a prospective bidder to provide the local match is not an example of an open market procurement consistent with FTA policy.”

According to the study, such a requirement would limit competition (pg43, Urban Transit Funding Transition Plan). Service contract revenue (Program Income) must flow directly to the subrecipient, rather than be earned by the vendors and applied as local match during the vendor’s application.

National Transit Database Reporting

Every year, recipients of federal funding are required to submit reports to the National Transit Database (NTD). Because of the transition from rural to urban in the middle of the year, subrecipients and vendors should be accurately reporting trips that are rural using the same reporter ID / name (likely the vendor's) as under Section 5311. For urban trips, those should be reported under the new reporter ID / name (the county).

If there are any questions about NTD reporting, please do not hesitate to reach out.

Drug and Alcohol Testing and Reporting

Subrecipients and vendors should continue to utilize the INDOT drug and alcohol testing program for CY2022. In early 2023, subrecipients will need to submit their reports to DAMIS for CY2022. New logins will be needed for the subrecipients in early 2023.