

Regional Programming
Guidelines for
**Federal Transit
Formula Funds**



Approved by the MAG Regional Council on June 26, 2019

100. GUIDING PRINCIPLES

The MAG Regional Programming Guidelines for Federal Transit Administration (FTA) Formula Funds shall comply with all federal laws. The Guidelines will be reviewed and updated for compliance as new state and federal laws are adopted, or as deemed necessary by Regional Council.

The MAG Regional Programming Guidelines for FTA formula funds will incorporate policy direction, as appropriate, from Regional Council approved MAG Transportation Plans.

The MAG Regional Programming Guidelines for Federal Transit Formula Funds and changes to the Guidelines will be approved through the MAG Committee Process including the Transit Committee, the Transportation Review Committee, the Management Committee, the Transportation Policy Committee, and the Regional Council. Please see Appendix A: MAG Committee Structure Chart.

The MAG Regional Programming Guidelines for Federal Transit Formula Funds, including 5307, 5309, 5310, 5337-FGM, 5337-HI, 5339, CMAQ, and STBGP-AZ, are applicable to federal formula funds received from the Federal Transit Administration, and flexed Federal Highway Administration (FHWA) Surface Transportation Block Grant Program (STBGP) funds from the Arizona Department of Transportation (ADOT).

The MAG Regional Programming Guidelines for FTA formula funds will abide by federal guidance regarding federal and local shares depending on funding and project type.

FTA formula funds will be used within the period of apportionment. Funds flexed from FHWA, have an extended period of availability, however due to the deficit at the federal level, it is the region's goal to follow the same guidelines as FTA formula apportionments and program them within the appropriate years.

Transit operators and recipients of federal funds are required to work with MAG and the City of Phoenix, the designated grant recipient, to submit information for the Short Range Transit Plan/Transit Service Inventory Report/Transit Asset Management Plan. The information is necessary to make informed programming decisions for a comprehensive, coordinated, transparent, data driven process.

It is recognized that the Regional Public Transportation Authority (RPTA) is the agency designated to manage the Transit Life Cycle Program (TLCP).

200. PUBLIC TRANSPORTATION SUPPORTED BY THE REGIONAL TRANSPORTATION PLAN

201. Regional Transportation Plan

The MAG Regional Transportation Plan (RTP) that was approved in 2003 established the Transit Life Cycle Program (TLCP) that is supported by the regional half-cent sales tax/public transportation fund (PTF), federal funds from transit formula accounts, farebox receipts, transit discretionary awards, and ‘flexed’ highway funds from Congestion Mitigation Air Quality (CMAQ) and state Surface Transportation Block Grant Program (STBGP-AZ). Since the initial approval, the RTP has been updated several times.

202. Transit Life Cycle Program

The TLCP is a 20 year (2006-2026) program that includes:

- Fleet replacement for all transit services – State of Good Repair Program: rural, local, regional, Express, RAPID, Bus Rapid Transit, vanpools, and dial-a-ride/paratransit). Buses funded under the Transit Life Cycle Program include any buses currently in the system as of January 1, 2019.
- Construction and acquisition of high capacity and light rail transit corridors, including associated park and rides, transit centers, maintenance facility upgrades and vehicles.
- Regional transit expansion program: Expansion of regional public transportation service including capital, procurement, and operations.
- Regional Park and Rides identified from the 2000 Regional Park and Ride Study. Please note, locations and scopes may have been modified since 2000; no additional regional park and rides have been added.
- Regional Transit Centers as identified in the 2003 RTP. Please note, locations and scopes may have been modified since 2003; no additional regional transit centers have been added.
- Regional operations and maintenance facilities to support an expanded regional transit system, including new and upgraded bus facilities, paratransit facilities, rural and vanpool facilities.
- Local routes that are identified to turn into supergrid routes in the TLCP. Refer to the latest version of the TLCP for route detail.
- ADA service, which is the service required by the Americans with Disabilities Act (ADA) for all areas within $\frac{3}{4}$ mile of a fixed route; and alternative transportation services for ADA certified passengers.
- Bus stop improvements Safety and Security.
- Intelligent Transportation System projects including fare collection and communication systems.

The TLCP does not include:

- Operations for local routes.
- Operations for light rail or other high capacity fixed guideway modes.
- Operations for vanpool services.
- Operations for non-ADA paratransit or alternative transportation services.
- Preventive maintenance.
- Expansion of local public transportation since 2003, including fleet purchase, replacements, and operations.
- Expansion of non-ADA paratransit/dial-a-ride service since 2003, including fleet purchase, replacements, and operations.
- Bike or pedestrian connections.

300. PROGRAMMING PROJECTS FOR A NEW MAG TRANSPORTATION IMPROVEMENT PROGRAM

Through the MAG Committee process starting at the MAG Transit Committee, MAG programs transit projects to be funded with federal funds via the MAG Transportation Improvement Program while working cooperatively with MAG member agencies, the designated grant recipient (City of Phoenix), and the transit operators in the region: City of Phoenix, Regional Public Transportation Authority (RPTA), Valley Metro Rail (METRO), City of Glendale, City of Scottsdale, and the City of Peoria. The MAG TIP and RTP are updated biennially.

The Transit Life Cycle Program (TLCP) is updated annually and the projects are programmed using federal and Public Transportation Funds (PTF). The program is updated as a coordinated effort between RPTA and METRO, working with the member agencies in the region. It reflects the principles and goals as stated in the Regional Transportation Plan (RTP) and plans for funding of regional routes, capital projects and bus replacements according to its stated guiding principles.

When developing a new TIP and RTP, MAG/City of Phoenix will work with member agencies and collect information that goes into the Short Range Transit Plan/Transit Service Inventory Report/Transit Asset Management Plan. This information will be made available at the beginning of the fiscal year when programming a new TIP and RTP.

When developing a new TIP and RTP, RPTA will submit a project list from the TLCP to MAG.

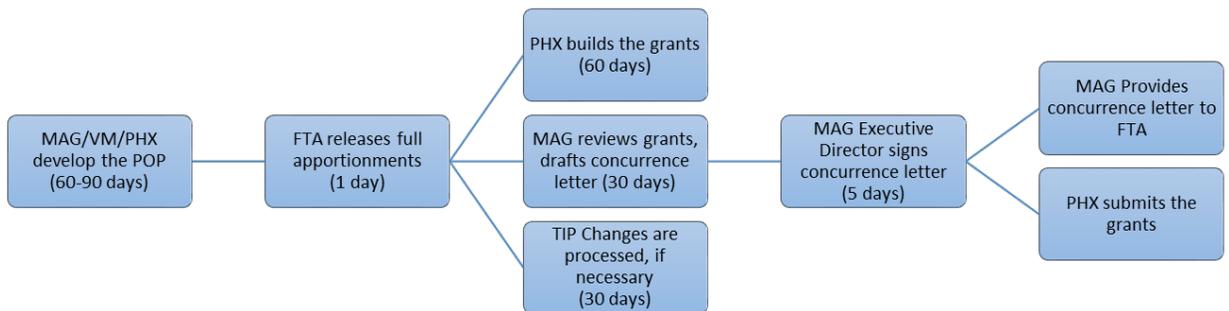
MAG will take the information from the Short Range Transit Plan/Transit Service Inventory Report/Transit Asset Management Plan and the project list from the TLCP. A draft listing of projects will be produced and reviewed with the MAG Transit Committee. Based on estimate funding levels of federal funds and the draft listings of projects, a calculation will be made to determine funding available for the Regional Competitive Evaluation Process, Section 700.

If funding is available for the Regional Competitive Evaluation Process (Section 700), that process will move forward.

Projects that are classified as TIP amendments that modify the work scope of a project, must be first approved by the modal technical committee (e.g., Street, Active Transportation, ITS, Safety, Transit) from which the project was first programmed and then proceed through an approval process that includes the Transportation Review Committee, the Management Committee, the Transportation Policy Committee and the Regional Council. All other TIP amendments and Administrative Modifications will begin the approval process at the Transportation Review Committee and include the policy committees as listed above Project changes that are classified as clerical corrections do not require additional approval actions.

400. TRANSIT PROGRAM OF PROJECTS (POP)

The Transit Program of Projects, or POP, is a list of transit projects for a given fiscal year, that is reconciled with the actual Federal apportionments and allocations that are approved by Congress. The schedule for MAG to move forward with a Transit Program of Projects is dependent on Congressional action. See typical POP Process below.



500. TRANSPORTATION PROGRAMMING PRIORITIES

1. Provide services and improvements as required by law.
2. Provide funding for support services for grant management to the designated recipient, the City of Phoenix.
3. Fund Preventive Maintenance/Operations/Complementary ADA Service.
 - Preventive maintenance funding for the Phoenix-Mesa UZA is distributed based on approved methodology outlined in Section 600.
 - Avondale-Goodyear UZA utilizes some of the annual apportionment for operating assistance at 50% federal match. See Section 800 for additional information.

4. Support the Transit Life Cycle Program (TLCP) capital bus program.
5. Support the TLCP capital facility program.
6. Support the other TLCP projects as the program is updated.
7. Fund additional projects through a collaborative process by assessing regional transit needs, implementing elements of adopted regional efforts, and meeting regional performance based criteria. See Section 700 for additional information.

600. PREVENTIVE MAINTENANCE DISTRIBUTION METHODOLOGY FOR 5307 FORMULA FUNDS

On May 25, 2011, the MAG Regional Council approved the current methodology for programming Preventive Maintenance (PM) for the MAG region. The annual amount allocated for PM is 25 percent (%) of the annual apportionment of 5307 PHXMSA funds.

The PM distribution methodology first distributes the amounts between the bus and rail program based on operating expense, then distributes funds for bus operators based on a combination of passenger miles traveled (PMT) and vehicle revenue miles (VRM). Passenger miles are weighted by 10 percent and vehicle revenue miles are weighted by 90 percent. The distribution methodology is updated annually using the most recent NTD published data.

Step 1: Find amount to program for Preventive Maintenance (PM)

$$PM = \text{Phoenix-Mesa 5307 Apportionment} \times 25\%$$

Step 2: Find % Allocation Rail PM

$$\% \text{ Allocation Rail PM} = \frac{\$ \text{ Valley Metro Rail Operating Expense}}{\$ \text{ Total Regional Operating Expense}}$$

Step 3: Find \$ Allocation Rail PM

$$\$ \text{ Allocation Rail PM} = \% \text{ Allocation Rail PM} \times PM$$

Step 4: Find % Allocation Bus PM

$$\% \text{ Allocation Bus PM} = \frac{\$ \text{ Sum of Bus Operators Operating Expenses}}{\$ \text{ Total Regional Operating Expense}}$$

Step 5: Find % Suballocation per Bus Operator

$$\% \text{ Suballocation per Bus Operator} = \frac{\text{Bus Operator } [(PMT \times 10\%) + (VRM \times 90\%)]}{\text{Total All Bus Operator } [(PMT \times 10\%) + (VRM \times 90\%)]}$$

Step 6: Find \$ Suballocation per Bus Operator

$$\$ \text{ Suballocation per Bus Operator} = \% \text{ Allocation per Operator} \times PM$$

Small Transit Operators Eligible for Operating Assistance in Large Urbanized Areas may choose to

utilize Operating Assistance in lieu of PM.¹ This option does not change the agency's allocation or the regional allocation formula for PM. Complementary ADA Service may be awarded on a case by case basis in lieu of PM. Transit operators shall not have more than two year's worth of PM funding in awarded grants.

¹ Per FTA, Eligible operators are public entities that operate fixed route bus service with 100 or fewer buses in maximum peak hour service, and that operate transit service in a UZA.

700. "PRIORITY 7" PROJECTS (PHOENIX-MESA UZA)

Any project request that is not part of Priorities 1 - 6 are addressed through Priority 7. Also included as part of Priority 7 are: a) any bus expansion vehicle, b) advancement of replacement vehicles, c) change in vehicle types for replacement vehicles (i.e. 40' standard to 60'), d) cost increases of replacement vehicles due to special requests related to specs and/or technology that is not part of the standard fleet, e) projects that fit within the definition of Job Access and Reverse Commute (JARC).

701. REGIONAL COMPETITIVE EVALUATION PROCESS

The Phoenix-Mesa UZA will conduct a Regional Competitive Evaluation Process to program remaining Federal Transit Funds, when available. The process will be initiated every two years, consistent with the Regional Transportation Improvement Programming (TIP) cycle or as necessary, per the recommendation of the Transit Committee. The application will be made available on the MAG website.

The Transit Committee may request a Competitive Evaluation Process during the non-TIP Programming years, however, it is recommended that the process is not conducted more than once a year. In the event it is necessary to program a balance of funds subject to FTA obligation and/or utilization deadlines, the Committee may recommend:

- Funding additional projects submitted during the evaluation process but not initially chosen;
- Increasing funding of awarded projects;
- Allocating additional resources to regional Preventive Maintenance;
- Other options subject to MAG Regional Council approval.

702. TRANSIT SERVICE INVENTORY

In lieu of a Competitive Process, the Transit Committee may elect to request that MAG work with Valley Metro to review the Short Range Transit Plan/ Transit Service Inventory Report/Transit Asset Management Plan to identify projects for programming. In such cases, projects identified will be taken discussion and consideration at the Transit Committee. The process will be initiated every two years, consistent with the Regional Transportation Improvement Programming (TIP) cycle, or as necessary, per the recommendation of the Transit Committee. The process will focus funding implementation of on-going and existing regional planning efforts at Valley Metro and MAG.

703. NON-TLCP BUS CAPITAL

Bus expansion purchases will be programmed for replacement so long as the route remains in service. Any discontinuation or significant change in service will require the agency work through the TSPM/SRTP and competitive process. These buses remain outside the Transit Life Cycle Program.

800. AVONDALE-GOODYEAR UZA

The utilization of Avondale-Goodyear (AVN-GDY) UZA Federal Transit Funds will be discussed during working group meetings comprising members of the AVN-GDY UZA. The interested members will conduct a sub-regional discussion with general guidelines and adhering to Arizona Open Meeting Laws under A.R.S. § 38-431. Recommendations from the working group would be reviewed by the Transit Committee and recommended to MAG Regional Council for approval. Additional guidelines may be evaluated and established as the UZA’s Transit planning and network becomes more established.

The UZA must expend at least 1 percent of its annual 5307 apportionment, plus any funding received through discretionary or competitive award programs, on security. To meet this requirement, \$50,000, with at least a 20 percent local match, will be made available each year for projects that fall within the safety and security conditions as described in Section 803.

<i>Expense Category</i>	<i>Amount</i>
<i>Program Administration Costs</i>	up to 10%
<i>Operating Assistance (as federally eligible)</i>	50% federal match
<i>Transit Security</i>	at least 1%
<i>Associated Transit Improvements</i>	\$400k annual
<i>Capital Needs/Rolling Stock</i>	balance of apportionment

801. Program Administration Costs

Up to 10% of the recipient’s total fiscal year apportionment may be used to fund program administration costs including administration, planning, and technical assistance.

802. Operating Assistance

Current FTA regulations allow for UZA’s with populations less than 200,000 to utilize a 50% federal match for operating assistance.

803. Transit Security

FTA Circular 9030.1E considers Crime Prevention and Security Projects to be eligible expenses. Eligible capital projects related to crime prevention and security activities include, but are not limited to:

- Increased lighting in or adjacent to a public transportation system.
- Increased camera surveillance of an area in or adjacent to a public transportation system.
- Providing emergency telephone lines in or adjacent to a public transportation system to contact law enforcement or security personnel.
- Any other capital project intended to increase security and safety of public transportation.

Eligible public transportation security operating assistance projects (for UZAs with a population of 200,000 or less) include, but are not limited to:

- Staff salaries for personnel exclusively involved with security;
- Contracts for security services; and
- Any other operation projects intended to increase the security and safety of an existing or planned public transportation system.

804. Associated Transit Improvements (ATI's)

Per FTA Circular 9030.1E, an Associated Transit Improvement (ATI) is a project designed to enhance public transportation service or use and that is physically or functionally related to transit facilities. As defined in 5302(1), eligible ATI projects are: historic preservation, rehabilitation, and operation of historic public transportation buildings, structures, and facilities (including historic bus and railroad facilities) intended for use in public transportation service; bus shelters; landscaping and streetscaping, including benches, trash receptacles, and street lights; pedestrian access and walkways; bicycle access, including bicycle storage facilities and installing equipment for transporting bicycles on public transportation vehicles; signage; or enhanced access for persons with disabilities to public transportation.

The AVN-GY UZA has elected to make up to \$400,000 of federal 5307 monies available annually, contingent upon local match. Planning Studies and design are eligible activities. Right of way acquisition is cost prohibitive and therefore is not an eligible activity with federal funds; any right of way acquisitions will be the responsibility of the local agency(ies). Projects must have at least 60 percent design complete before they can apply for construction funds for the project.

805. Capital Needs/Rolling Stock/Other

Members of the AVN-GY UZA will work collaboratively to program funds for additional needs such as capital facilities, rolling stock, planning studies, etc.

900. Programming OF TRANSIT FEDERALLY FUNDED NON-TLCP PROJECTS:

Applies to Non-TLCP projects.

- a. Before federal funds may be programmed within the next two fiscal years of the TIP, the lead agency must develop a project work schedule that demonstrates a reasonable expectation of project implementation. The timeline should be consistent with the standard development timeline of federally funded projects of similar complexity.
- b. Submit a commitment letter signed by the Lead Agency (City/County/Town/Community/RPTA) manager or designee and copies of the current draft of the agency's CIP that demonstrate local funding for the project.

901. PROJECT DEFERRALS

- a. **Type of action.** Project deferrals are TIP amendments.
- b. **First time deferrals.** Agencies may defer a project one time without justification. The year to be deferred to will be determined in coordination with MAG staff and will be based on the availability of federal funding in the year to be programmed, the status of the project and the minimum time needed to complete the project. Typically this will not exceed two years.
 - If the project has already submitted a commitment letter and project schedule, an updated commitment letter and project schedule will be required in order to defer a project.
- c. **Approval actions for first time deferrals.** The Approval of a first time deferral will begin at the Transportation Review Committee and will include the Management Committee, the Transportation Policy Committee and the Regional Council.
- d. **Additional deferrals.** Additional deferrals require the successful completion of the approval process identified in appeals process.

902. PROJECT APPEALS PROCESS

- a. **Purpose.** The purpose of the appeals process is to provide project sponsors with the opportunity to halt the deletion of projects or in cases where the project has previously been deferred, to request a second deferral for the project.
- b. **Appeals request.** To request an appeal, the project sponsor must send an e-mail or provide other written notice to MAG staff.
- c. **Appeals Schedule.** Beginning at the modal technical committee from which the project originated and proceeding through the Transportation Review Committee, the Management Committee and the Regional Council, the project sponsor will provide a presentation and

written documentation supporting their appeals request. The hearing committees will then engage in a question and answer session with the project sponsor and take action on whether to approve or disapprove the request. A written record on the question and answer session, as well as the action of the committee, will be provided to all subsequent committees hearing the appeal.

- d. **Presentation Requirements.** The presentation will be provided by the member agency staff and will accomplish the following:
 - i. Identification and explanation of specific problems or issues beyond the control of the agency other than financial issues that have caused the delay (e.g., the actions of outside actors), failure to achieve a required milestone or need to defer the project.
 - ii. Demonstration of financial commitment (e.g., staff time, funds) by the agency to develop the project prior to the rescheduling or deletion decision.
 - iii. A revised schedule and plan that addresses the specific issues identified.
 - iv. If a project has been previously deferred, demonstration that the previous cause of delay has been addressed and/or explanation of why the revised approach will address the problem causing the delay.
- e. **“Beyond the control of the agency”.** For the purpose of the hearing the phrase “beyond the control of the agency” refers to actions for which a project sponsor does not have decision making authority – e.g., the actions of third parties such as utility companies, railroads, property owners, the courts, other governmental agencies; and reviewing agencies who may fail to provide timely reviews and approvals. Actions also not under the control of a sponsor also include issues that could not have been reasonably anticipated when the project was initiated such as the discovery archaeological artifacts, hazardous materials, or impacts to endangered or threatened species in areas where none of these issues had been encountered or known to exist previously.

Actions within the control of a sponsoring agency may not be used to justify an appeal. These include the allocation of funding and staff time, project management, scheduling decisions, and the coordination of the project with other projects in the agency’s boundaries such as developer or other agency projects.

MAG Smoothed Urbanized Area

