

# STATE MANAGEMENT PLAN

## SECTION 5311 PROGRAM NONURBANIZED AREA FORMULA PROGRAM INCLUDING RTAP

## STATE OF NEW JERSEY



May 2013

## TABLE OF CONTENTS

### GENERAL OVERVIEW

Introduction and Overview .....	6
Definitions.....	7
Programs Goals and Objectives.....	8
State Role in Program Administration .....	8
Local Public Involvement .....	10

### COORDINATION

Overview.....	11
United We Ride.....	11
Required Elements of a Plan.....	12
History of Coordination – Early Years 1980 through 1997.....	13
Interagency Coordination – 1997 through 2007.....	14

### ELIGIBILITY AND ELIGIBLE ASSISTANCE CATEGORIES

Eligible Subrecipients.....	15
Eligible Services and Service Areas .....	16
Capital Expenses .....	17
Operating Expenses.....	17
Project Administration .....	17
Local Match Requirement and Eligibility .....	18
State Contribution .....	18

### PROJECT SELECTION CRITERIA AND METHOD OF DISTRIBUTING FUNDS

Program Notification.....	19
Application Review.....	19
Technical Capacity.....	20
Funding Distribution .....	20
Application Instructions and Approval Process.....	21
Section 5311 Timeline Chart.....	22
Transfer of Funds.....	23

### INTERCITY BUS

Intercity bus.....	24
--------------------	----

### STATE ADMINISTRATION AND TECHNICAL ASSISTANCE

General.....	25
Administrative Expenses.....	26

### RURAL TRANSIT ASSISTANCE PROGRAM

Program Objectives.....	27
Program Delivery.....	27
Technical Training and Scholarship Programs.....	27

### CIVIL RIGHTS

Non-Discrimination.....	28
Title VI Program Requirements.....	29

Equal Employment Opportunity Requirements.....	30
Disadvantaged Business Enterprise Program Requirements.....	30
Section 504 and ADA Reporting .....	31

**STATE PROGRAM MANAGEMENT**

Equipment Management .....	31
Title to Vehicles.....	32
Transfer of Property .....	32
Vehicle Useful Life and Replacement Standards .....	32
Disposition.....	33
Vehicle Insurance.....	34
Vehicle Destroyed or Damaged .....	34
Maintenance.....	34
Procurement and Third Party Contracting.....	35
Satisfactory Continuing Control .....	35

**FINANCIAL MANAGEMENT**

Financial Records .....	36
Allowable Costs.....	36
Budget Revisions .....	36
Audits .....	37
Closeout .....	38

**REPORTING REQUIREMENTS**

Annual Program of Projects Status Reports .....	39
Financial Status Reports .....	39
Federal Funding Accountability and Transparency Act (FFATA).....	39
Charter Service Report .....	39
DBE Reports .....	39
Subrecipient Quarterly Reports.....	39
NTD Reports.....	39

**OTHER PROVISIONS**

Charter Service .....	41
Private Sector Participation.....	42
Labor .....	42
School Transportation .....	43
Buy America .....	43
Pre-Award and Post-Delivery Review.....	44
New Model Bus Testing .....	44
Safety .....	44
Drug-Free Workplace.....	44
Drug and Alcohol Abuse .....	45
Commercial Driver’s License .....	45
Restriction on Lobbying.....	45
Protection of the Environment.....	45
Clean Air Act .....	46

**EXHIBIT A – Vehicle Inspection Form**

**EXHIBIT B – Vehicle Quarterly Reports**

This State Management Plan (SMP) describes the State of New Jersey's policies and procedures in administering the Federal Transit Administration's (FTA) Section 5311 program. In New Jersey, NJ TRANSIT administers the FTA's Section 5311 Program. The SMP has been filed with the FTA Regional Office. Updates to the SMP shall be incorporated and submitted to FTA whenever NJ TRANSIT significantly changes its management of the program, applies for a new grant, or when the FTA requires new program requirements.

Recent revisions made to this document since the last Federal Transit Administration State Management Review in 2009 include the following:

May 2013

- Under Reporting Requirements on page 39 added Federal Funding Accountability and Transparency Act (FFATA) requirement. The FFATA requires that as federal grants are awarded certain details of sub-awards greater than \$25,000 be reported on [www.rsrs.gov](http://www.rsrs.gov).

June 2012

- Under Maintenance on page 34 removed the reference to old Exhibit A this exhibit has been removed from document. Exhibit was NJ TRANSIT's preventive maintenance guidelines. NJ TRANSIT's current preventative maintenance guidance located at <http://www.njcttp.org/resources/>.
- Under Equipment Management on page 35 added new requirement subrecipients with active non-vehicle equipment must sign yearly certification of use.

February 2012

- Under Local Match Requirement and Eligibility on page 18 added in-kind match must be noted in governing board or Freeholder resolution.
- Under Funding Distribution on page 20 changed annual amount available from two year to the year of apportionment.
- On the Timeline Chart on page 22 updated to reflect application mailings to Jan-April and DBE reports due semiannual reports not quarterly.
- Under Transfer of Funds (Flex Funds) on page 23 added all funding sources that can be flexed into Section 5311 program.
- Under Technical Training and Scholarship Programs on page 27 clarified that scholarship reimbursement must be made in accordance to Rutgers/NTI policy.
- Under DBE program requirements on page 30 clarified for operating and capital contracting opportunities.
- Under Equipment Management on page 31 added language that subrecipients must have a written maintenance plan for every capital item with a cost of \$5,000 per unit.
- Under Title to Vehicles on page 32 revised language to make it clearer.
- Vehicle useful life and Replacement Standards on page 33 updated vehicle descriptions.
- Under Audits on page 37 correct days audit required form 120 to 180 days and added language that audit can be submitted to NJT in electronic format.
- Added Quarterly Vehicle Reports on page 39 and Exhibit C Sample reporting forms and instructions
- Under NTD reports on page 39 added RU-23 requirement for urban subrecipients.

## **STATE MANAGEMENT PLAN**

This State Management Plan (SMP) describes the State of New Jersey's policies and procedures in administering the Federal Transit Administration's (FTA) Section 5311 Program. In New Jersey NJ TRANSIT administers the FTA's Section 5311 Program. This SMP has been filed with the FTA Regional Office. Updates to the SMP shall be incorporated and submitted to FTA whenever NJ TRANSIT significantly changes its management of the Program, or when the FTA requires new Program requirements.

The primary purpose of this State Management Plan is to provide information to the public regarding the administration of New Jersey's Section 5311 Program and to serve as the basic document that FTA can reference to review NJ TRANSIT'S administration of the Section 5311 Program. Applicants can contact NJ TRANSIT'S Local Programs and Minibus Support Unit, in writing for technical information or general assistance in completing an application for FTA Section 5311 funds. Comments regarding any revisions or any suggestions or inquiries regarding this SMP should be forwarded to:

NJ TRANSIT  
Local Programs and Minibus Support Unit  
One Penn Plaza East, 4<sup>th</sup> Floor  
Newark, New Jersey 07105  
ATTN: Director  
(973) 491-7372  
GRANT5311@NJTRANSIT.COM

## **GENERAL OVERVIEW**

### **INTRODUCTION AND OVERVIEW**

In a society which places great value on the ability to have access and mobility, rural residents often find themselves at a disadvantage when it comes to the availability of public transportation. Rural residents, especially elderly individuals, people with disabilities and individuals with low incomes, want to retain opportunities to actively participate in all of life's pursuits including but not limited to education, employment, entertainment, medical treatment, nutrition, shopping, therapy and volunteer work. The lack of availability and expense of travel often fosters social and economic isolation.

The Section 5311 Program was established in 1978 and provided public transportation funds for services in areas with populations of less than 50,000. Federal funding for rural transportation remained fairly constant through 1991. Funding for the program increased when reauthorized under the Intermodal Surface Transportation Efficiency Act (ISTEA). ISTEA also introduced support for intercity bus service as a requirement under the rural program and formally authorized the Rural Transportation Assistance Program (RTAP), which had initially been enacted through appropriations acts back in 1987. In 2005, Congress enacted SAFETEA-LU. Although funding for this Program nationally was again increased the 2000 census reduced the eligible rural area in New Jersey and the allocation to the State was reduced significantly. SAFETEA-LU introduced the requirement that projects funded with Section 5310, Section 5316 and Section 5317 funds be derived from a locally developed, coordinated public transit-human services transportation plan ("coordinated plan"). Although that requirement is not officially part of Section 5311, the FTA and the State of New Jersey strongly encourage all Section 5311 subrecipients be a part of the "coordinated plan" process.

In New Jersey, NJ TRANSIT administers the Section 5311 Program. New Jersey's Section 5311 Program makes available project administration, operating and capital assistance including short-range planning mobility management activities. From the start, the State of New Jersey has stressed the need for the coordination of funding sources and/or services in order to maximize the effects of this grant program. That remains especially true today in light of the new requirements under SAFETEA-LU.

More information on the Section 5311 Program and the requirements that the State of New Jersey must follow can be found in the FTA circular 9040.1F which can be reviewed at [http://www.fta.dot.gov/documents/FTA\\_C\\_9040.1F.pdf](http://www.fta.dot.gov/documents/FTA_C_9040.1F.pdf) .

## Definitions

- a. **Application** is the annual application submitted by a qualified public agency or non-profit organization to NJ TRANSIT, the administrator of the statewide program, requesting specific funding for a specific activity to meet their particular service need. The information contained in the application is the basis for which a review is conducted to determine eligibility and inclusion in the final grant to the federal government.
- b. **Capital Equipment or Facilities** include vehicles, vehicle related equipment and facilities that have a multi-year usable life.
- c. **Consultation** means one party confers with another identified party in accordance with an established process and, before taking action, considers that party's views and periodically informs that party about action(s) taken.
- d. **Elderly Individual/Senior Citizens** is defined, for the purposes of the program, any person 60 years of age or older. At a minimum, the federal circular requires all persons 65 years or older. In New Jersey, in order to standardize the age requirement with other state-funded programs New Jersey defines elderly individual as anyone 60 years of age or older.
- e. **Human Service Transportation** means transportation services provided by or on behalf of a human service agency to provide access to agency services and/or to meet the basic, day-to-day mobility needs of transportation-disadvantaged populations, especially individuals with disabilities, elderly individuals and people with low incomes.
- f. **Intercity Bus Service** means regularly scheduled bus service for the general public that operates with limited stops over fixed routes connecting two or more urban areas not in close proximity, that has the capacity for transporting baggage carried by passengers, and that makes meaningful connections with scheduled intercity bus service to more distant points, if such service is available.
- g. **Locally Developed Coordinated Public Transit-Human Services Transportation Plan "coordination plan"** means a plan that identifies the transportation needs of people with disabilities, elderly individuals, and people with low incomes, provides strategies for meeting those local needs, and prioritizes transportation services for funding and implementation. In New Jersey, each county is required to develop a plan and each county has named a designated lead to facilitate and oversee the planning process.
- h. **Local Government** includes a county, municipality, city, town, township, special district, council of governments (whether or not incorporated as a private nonprofit organization under State law), regional or interstate government entity, or any agency or instrumentality thereof.
- i. **Mobility Management** consists of short-range planning and management activities and projects for improving coordination among public transportation and other transportation-service providers carried out by a recipient or subrecipient through an agreement entered into with a person, including a government entity, under 49 U.S.C. Chapter 53. Mobility management does not include operating public transportation services.
- j. **Non-profit Organization** means a corporation or association determined by the Secretary of the Treasury to be an organization described by 26 U.S.C. 501c which is exempt from taxation under 26 U.S.C. 501 (a) or one which has been determined under State law to be non-profit and for which the designated State agency has received documentation certifying the status of the non-profit organization.
- k. **Other Than Urbanized (Nonurbanized) Area** means any area outside of an urbanized area. The term "nonurbanized area" includes rural areas and urban areas under 50,000 in population not included in an urbanized area.
- l. **People with Disabilities** is defined as any individual who by reason of illness, injury, age, congenital malfunction, or other permanent or temporary incapacity or disability is unable or has great difficulty in utilizing regular fixed route mass transit facilities or services.

- m. **Public Transportation** means surface transportation by a conveyance that provides regular and continuing general or special transportation to the public, but does not include school bus, charter, or intercity bus transportation or intercity passenger rail transportation provided by AMTRAK.
- n. **Recipient** means a State or Indian tribe that receives a Federal transit program grant directly from the Federal Government.
- o. **Rural Area** means an area with low population and density outside the boundaries of an urban area. However, the term rural is commonly used to refer to all areas other than urbanized areas and is so used in this State Management Plan.
- p. **Subrecipient** is a State or local governmental authority, a non-profit organization, or operator of public transportation or intercity bus service that receives Federal transit program grant funds indirectly through a recipient.

## **PROGRAM GOALS AND OBJECTIVES**

General goals for New Jersey's Section 5311 Program are to:

- Increase mobility of New Jersey residents living in areas of less than 50,000 population by enhancing the access of people in nonurbanized areas to health care, shopping, education, employment, public services, and recreation;
- Encourage development, maintenance, improvement and use of public transportation systems in non-urbanized areas to meet the specific needs of each locale;
- Encourage and facilitate the most efficient use of all transportation funds used to provide passenger transportation in nonurbanized areas through the coordination of programs and services;
- Administer the program consistent with the Section 5311 Program requirements.

The following objectives have been established to meet these goals:

- Meet, at a minimum, the needs of the transportation disadvantaged in identified nonurbanized areas.
- Increase the number of coordinated transportation services in non-urbanized areas.

## **ROLES AND RESPONSIBILITIES**

### **STATE ROLE IN PROGRAM ADMINISTRATION**

The Governor of New Jersey has designated NJ TRANSIT as having the requisite legal, financial, and staffing capabilities to receive and administer Federal funds under the Section 5311 program. NJ TRANSIT is the grantee for all Section 5311 funds within the State of New Jersey and applies on behalf of subrecipients. NJ TRANSIT is the nation's largest statewide transit agency providing bus, rail and light rail services of over 850,000 daily trips on 260 bus routes, 10 commuter rail lines, and 3 light rail lines. NJ TRANSIT links major points in New Jersey, New York and Philadelphia, serving 164 rail stations, 61 light rail stations and over 19,000 bus stops. The Commissioner of the New Jersey Department of

Transportation is Chairperson of NJ TRANSIT'S Board of Directors ensuring coordination between the two agencies.

Administration of the Section 5311 Program is placed in the Local Programs and Minibus Support Unit which the Community Mobility Unit brings a variety of community transit based programs all under the Capital Planning and Programs Department. The Local Programs and Minibus Support Unit also administers the Section 5310 (Elderly and Persons With Disabilities) grant program, the state casino revenue tax funded Senior Citizens and Disabled Resident Transportation Program, and a variety of other grants that impact local transit services. Various other departments within NJ TRANSIT support the administration of the program.

The Local Programs Support Unit will administer the Section 5311 program in conformance with the provision of FTA C9040.1F and with the broad direction defined by the statewide goals and objectives. Other units within NJ TRANSIT which support the Local Programs and Minibus Support Unit in the administration of the Section 5311 grant are Bus Operations Fleet and Support Equipment which assists in reviewing vehicle specifications; as well as the Capital Programs and Administration which assists in the preparation of grant applications to FTA, initiation of grant closeouts, and submittal of quarterly progress reports to FTA.

NJ TRANSIT monitors local projects; ensures that all program activities are included in a statewide transportation improvement program (STIP); and oversees project audit and closeouts. NJ TRANSIT certifies to the FTA annually that the state and subrecipients have met or will meet all Federal requirements.

Under the authority of the U.S. Department of Transportation regulations, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, "49 C.F.R. Part 18 (sometimes referred to as the common rule), NJ TRANSIT relies on its own laws and procedures in the areas of financial management systems, equipment, and procurement for itself and its public body subrecipients.

As the grant recipient NJ TRANSIT'S major responsibilities as the administrator of the project and manager of federal funds are as follows:

- Document the State's procedures in a State management Plan (SMP);
- Notify eligible local entities of the availability of the program;
- Ensure integration and coordination among diverse transportation modes and providers;
- Solicit applications;
- Review applications and approve for inclusion into a Program of Projects;
- Forward the annual Program of Projects and grant application to the FTA;
- Establish and maintain a record keeping system for overall program accountability;
- Certify eligibility of applicants and project activities;
- Monitor local project activities;
- Oversee project audit and closeout; and
- File a National Transit Database (NTD) report each year for each subrecipient.

## **LOCAL PUBLIC INVOLVEMENT**

NJ TRANSIT has a long established group known as the Special Services Citizens Advisory Committee, formed primarily to provide input on public transit accessibility issues and the state casino revenue tax funded transportation program (Senior Citizens and Disabled Resident Transportation Assistance Program). This committee is made up of elderly individuals and people with disabilities as well as coordinated human services transportation providers making it an ideal vehicle to review Section 5311 issues.

In addition, throughout the year reports and presentations are made at regular meetings of the Council On Special Transportation (C.O.S.T. – [www.njcost.com](http://www.njcost.com)), local County Transportation Citizens Advisory Committees, and various organizations either providing or provided human services transportation. Presentations are also made as needed at Metropolitan Planning Organizations and relevant subcommittees.

The yearly state transportation conference held every April in Atlantic City, TransAction Conference, jointly sponsored by NJ TRANSIT, NJDOT, C.O.S.T. and the County Transportation Association (CTA) is also used as a forum to disseminate information about the Section 5311 Program. This conference brings together transit operators, planners, consumers, social service agency and State agency representatives.

All twenty-one counties in New Jersey belong to one of three Metropolitan Planning Organization's (MPO's). The Transportation Improvement Program (TIP) is a planning document that describes how federal transportation funds will be used in MPO areas. The state's transportation capital improvement program (STIP) identifies multi-modal transportation projects that use federal, state, and local government funds from all MPO areas in the State. The STIP is the product of a collaborative transportation planning process. The final product becomes a project scheduling and funding document.

## **COORDINATION**

### **OVERVIEW**

Federal transit law, as amended by SAFETEA-LU, requires that projects selected for funding under the Section 5310, Jobs Access and Reverse Commute (JARC – Section 5316) and New Freedom (Section 5317) programs be derived from a locally developed, coordinated public transit-human services transportation plan and that the plan be developed through a process that includes representatives of public, private, and non-profit transportation and human services providers and participation by members of the public.

The locally developed, coordinated public transit-human services transportation plan (“coordinated plan”) identifies the transportation needs of people with disabilities, elderly individuals, and people with low incomes, provides strategies for meeting those local needs, and prioritizes transportation services for funding and implementation. In New Jersey the locally “coordinated plans” are developed by the twenty-one (21) counties in the State. In addition, each of the Metropolitan Planning Organization’s (MPO’s) either has or is in the process of developing a regional coordinated public transit-human services transportation plan based upon the county plans as well as additional information and public input. This process commenced in 2004 under the State’s United We Ride effort. The FTA expects public transit systems funded under both the Section 5307 and Section 5311 formula programs to participate in the local planning process for coordinated public transit-human service transportation. NJ TRANSIT also expects all Section 5311 subrecipient to participate in their local planning process.

### **UNITED WE RIDE**

In February of 2004, the Governor of the State of New Jersey approved representatives from a state interagency committee consisting of the NJ Department of Human Services, NJ TRANSIT and the NJ Department of Labor to attend the United We Ride (UWR) Leadership Forum in Washington DC. In the spirit of the UWR federal Initiative, New Jersey’s interagency committee reconstituted itself and became recognized as the New Jersey Council on Access and Mobility (NJCAM), mirroring that of their federal counterparts. The Council expanded its membership to include representatives from the Departments of Health and Senior Services, Corrections, Education and the Department of Labor’s Division of Vocational Rehabilitation (DVR), the Department of Human Service’s Division of Disability Services (DDS), Division of Developmental Disabilities (DDD), Division of Mental Health Services (DMHS), Division of Youth and Family Services (DYFS), Division Family Development (DFD), Division of Medical Assistance & Health Services (DMAHS) and NJ TRANSIT’S Access Link and the Rutgers Voorhees Transportation Center.

As the year 2005 came to an end, the NJCAM sponsored two one-day workshops. These workshops were held to introduce to local stakeholders the Framework for Action Community Self-Assessment process ([www.unitedweride.gov/FFA-Communities.pdf](http://www.unitedweride.gov/FFA-Communities.pdf)) and to kick-off the county based “coordination plan” process needed to secure Section 5310, JARC and New Freedom formula grant dollars as outlined in the federal transportation legislation, SAFETEA-LU.

In April 2006, the Commissioner of NJ Department of Transportation and the Executive Director of NJ TRANSIT sent a letter to each of the 21 counties in New Jersey asking that they designate a lead person who would serve as the point of contact for the “coordination plan” process. The role of the designated lead was to be the facilitator at the county level that would bring together the relevant stakeholders and oversee the development of the “coordinated plan”.

In November 2006, a second annual United We Ride work session was held. At that meeting the designated leads and stakeholder teams from each county attended and the elements of the “coordinated plan” was presented and discussed by representatives of the FTA, NJ TRANSIT and the NJ Department of Human Services.

On October 26, 2007 Governor Corzine signed Executive Order No. 87 creating officially a New Jersey Council on Access and Mobility. This Executive Order has since expired.

## **REQUIRED ELEMENTS OF A PLAN**

In New Jersey, all grant projects shall be derived from a county developed coordinated plan that at a minimum includes the following elements at a level consistent with available resources and the complexity of the local institutional environment:

1. An assessment of available services that identifies current transportation providers (public, private, and non-profit). In New Jersey, the Council on Access and Mobility has developed a survey tool which the counties are strongly encouraged to use. The advantage of using the same survey across the State is to encourage uniformity in developing a Statewide inventory of services;
2. An assessment of transportation needs for people with disabilities, elderly individuals, and people with low incomes. This assessment can be based on the experiences and perceptions of the planning partners or on more sophisticated data collection efforts, and gaps in service;
3. Strategies, activities, and/or projects to address the identified gaps between current services and needs, as well as opportunities to achieve efficiencies in service delivery; and
4. Priorities for implementation based on resources from multiple program sources, time, and feasibility for implementing specific strategies and/or activities identified.

In New Jersey, each county can approach the development of a “coordinated plan” with some degree of flexibility depending upon available staff, time, funding and other resources. Some of the strategies to be considered in the development of the plan are:

1. Community planning session. A county or its designee may choose to conduct a local planning session with a diverse group of stakeholders in the community. Such a session would be intended to identify needs based on personal and professional experiences, identify strategies to address the needs, and set priorities. This process can be done in one meeting or over several sessions with the same group.
2. Self-assessment tool. The Framework for Action: Building the Fully Coordinated Transportation System, developed by the FTA helps stakeholders realize a shared perspective and build a roadmap for moving forward together. In New Jersey, the State encourages counties to utilize the Framework for Action at an initial stakeholder meeting before developing a “coordinated plan”.
3. Focus Groups. A county or its designee could choose to conduct a series of focus groups within communities that provides opportunity for greater input from a greater number of representatives, including transportation agencies, human service providers, and passengers. This information can be used to inform the needs analysis in the community. Focus groups also create an opportunity to begin an ongoing dialogue with community representatives on key issues, strategies, and plans for implementation.

4. Survey. The county or its designee may choose to conduct a survey to evaluate the unmet transportation needs with a community and/or available resources. The State of New Jersey NJCAM has developed a survey tool which focuses primarily on inventorying existing resources and encourages counties or their designee to expand upon that survey to better access unmet needs as needed. The State of New Jersey also encourages the county or its designee to work closely with Transportation Management Associations (TMA's) and/or other organizations with survey experience.
5. Detailed study and analysis. A county or its designee may decide to conduct a complex analysis using inventories, interviews, IS mapping, and other types of research strategies. Usually, such detailed studies will be considered after an initial "coordination plan" has been developed and a strategy has been identified that needs more in depth planning before funding and implementation can take place.

The projects selected for funding under the Section 5310, JARC and New Freedom programs according to FTA circulars for each program must be derived from a locally developed, coordinated public transit-human services transportation plan that was developed through a process that includes representatives of public, private, and non-profit transportation and humans services providers and participation by members of the public. The requirement for developing the local "coordination plan" is intended to improve services for people with disabilities, elderly individuals, and people with low incomes. The stakeholder group for the local planning process should invite members from each of the targeted populations. In the State of New Jersey it is expected that Section 5311 projects will also be developed through this same planning process.

In New Jersey, NJ TRANSIT as the designated recipient will consider a plan official when the governing body of the county has adopted it. The planning process should be considered an ongoing process and it should be understood that the stakeholders should be consulted periodically to review the status of the plan. Plans will need to be updated periodically and in conjunction with a schedule mutually agreed upon by NJ TRANSIT, the three MPO's in the State and the Counties.

#### **HISTORY OF COORDINATION – EARLY YEARS 1980 THROUGH 1997**

The requirement for coordination and the development of a coordination plan for human services transportation is not a new concept in New Jersey. The current requirement under SAFETEA-LU is built upon and reinforces previous efforts in New Jersey.

In January of 1980, a Governor's Task Force on Transportation Services for Senior Citizens and Persons with Disabilities issued a report entitled "Coordinating Specialized Transportation Services in New Jersey." The Task Force identified eighteen major sources of social service transportation funds administered by four different state agencies and twelve of their sub-divisions. The need for a transportation component in order to fulfill a specific social program goal and objective had created many small transportation units which addressed the needs of individual programs oriented towards not only senior citizens and persons with disabilities but the very young, the unemployed, the poor and others who lacked mobility.

It was these costly fragmented transportation services at the local level that lead the Governor's Task Force to endorse the concept of coordination as a means of improving or expanding non-traditional transportation services to the transportation disadvantaged. At the time, the concept of coordination was impossible to achieve because of both real and perceived barriers, such as a funding source losing accountability, client mixing, and/or regulation restrictions.

The Task Force recommended the establishment of an interdepartmental advisory group, which would continue to examine ways to coordinate programs and funding. Other major recommendations were:

- 1) The Department of Transportation should establish an Office for Coordinated Transportation and assume a lead role in coordinating social service and paratransit operations in the State;
- 2) A Transportation Coordination Office should be established in each of the twenty-one counties; and
- 3) Coordination efforts of specialized transportation at the state and local level must include mass transportation services;

There were sixteen other recommendations, which focused on the concepts of cooperation, coordination and consolidation.

As this report was completed there were two other events unfolding, which ultimately lead to the implementation of many of the Task Force's recommendations. The first event was the creation of NJ TRANSIT, which had been occurring simultaneously during the life of the Governor' Task Force. The second was the potential for state funding which could serve as the glue for the various programs and funding sources with the broadening of the allowable uses of a casino revenue tax fund.

In May of 1981 the responsibility for administering several specialized transportation grants originally housed at NJDOT were transferred to NJ TRANSIT and a newly created Office of Special Services. At the time three FTA (formerly UMTA) administered grant programs; Section 5310, Section 5311 and FAUS Transfer (discontinued program) as well as the state administered Reduced Fare Program were transferred to NJ TRANSIT. Of those four programs, the three FTA grants were to be administered by the newly created NJ TRANSIT Office of Special Services. The Reduced Fare Program was relocated to NJ TRANSIT bus operations.

A few months after the creation of this Office, in November of 1981, voters approved a constitutional amendment to permit casino tax revenues to be used for transportation services for senior citizens and disabled residents. It then took two additional years for the Senior Citizen and Disabled Resident Transportation Assistance Act to be signed into law in January 1984. This legislation created a special transportation assistance program and designated NJ TRANSIT'S Office of Special Services as administrator.

Today, NJ TRANSIT provides technical assistance and program oversight to twenty-one (21) county coordinated paratransit systems, fourteen Section 5311 rural transit systems, over 20 Section 5316 (JARC) employment transportation services and over one hundred (100) agencies under the Section 5310 program.

### **INTERAGENCY COORDINATION – 1997 THROUGH 2007**

In 1997, the Work First New Jersey (WFNJ) welfare reform program served as the catalyst for a statewide inter-agency effort to improve access and mobility for low income and other transit dependent populations. A partnership emerged between the New Jersey Department's of Human Services (DHS), Transportation (DOT), Labor (DOL), NJ TRANSIT and the NJ State Employment and Training Council (SETC), which initiated a coordinated community transportation planning process. That process was instrumental in the development of Community Transportation Plans and securing needed funds by blending program monies to support new or expanded programs that previously limited access to employment in each of the 21 counties. New Jersey began addressing access and mobility limitations by

implementing 5 collaborative transportation programs. Free monthly bus/rail passes became available through the WorkPass Program and alternatives to public transit were implemented through the Transportation Block Grant Program to active TANF recipients participating in work related activities. Post-TANF recipients were eligible to receive seven free months of bus/rail passes under the Get A Job: Get A Ride and the Extended WorkPass Programs. If public transportation was inaccessible, beneficiaries were offered the opportunity to participate in the Transportation Plus Grant alternative program. Additionally, local inter-agency transportation steering committees were established to continue discussing ways to enhance transportation services.

In 1999, New Jersey utilized their established local collaborative effort to solicit project proposals when the Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21) was enacted, creating the Job Access and Reverse Commute (JARC) Federal Transportation Grant. JARC regulations permitted the use of federal funds {such as Medicaid and Temporary Assistance to Needy Families (TANF)} to be used as local match for FTA programs.

## **ELIGIBILITY ELIGIBLE ASSISTANCE CATEGORIES**

### **ELIGIBLE SUBRECIPIENTS**

Eligible recipients for Section 5311 funding may be state agencies; local public bodies and agencies thereof; private non-profit organizations; operators of public transit systems; and Indian Tribes and groups. In New Jersey there are seventeen designated rural areas based upon county boundaries. There are no funds made available under this program for projects in Bergen, Essex, Hudson or Union County which have no nonurbanized areas identified within their boundaries. The remaining 17 counties are eligible areas. Private for-profit operators of transit or paratransit services may participate in the program through contracts with eligible subrecipients.

Subrecipients are responsible for reading, understanding, and complying with all the federal and state regulations related to the Section 5311 program. A subrecipient's major responsibilities as the administrator of the project and manager of federal funds are as follows:

- Provide continuous managerial direction to the project.
- Provide, either directly or by contract, adequate inspection and supervision by qualified professionals of all work in process;
- Assure that the project conforms to grant agreements, applicable statutes, codes ordinances, and safety standards.
- Monitor the project work plan so that schedules are being met.
- Keep expenditures within the latest approved project budget.
- Ensure compliance with all federal, state and program requirements by consultants, contractors, and subcontractors working under approved third party contacts or interagency agreements, including procurement standards and labor regulations.
- Request reimbursement to NJ TRANSIT for project expenses.
- Prepare all pertinent financial as well as performance reports on the project.

- Establish and maintain a record keeping system for use in site visits, audits and overall program accountability.

### **ELIGIBLE SERVICES AND SERVICE AREAS**

The purpose of Section 5311 assistance is the provision of public transportation services and maximum feasible coordination with other rural transportation services. Public transportation is defined to mean mass transportation by bus, rail, or other conveyance, either publicly or privately owned, which provides service to the general (not including charter or sightseeing or exclusive school bus service) or special transportation to the public on a regular and continuing basis. Public transportation services funded by Section 5311 may be designed to maximize usage by transportation disadvantaged persons, providing that the general public is afforded an equal opportunity to utilize the transportation services established. Coordinated human service transportation that primarily serves elderly individuals and people with disabilities, but that is not restricted from carrying other members of the public, is open to the general public if it is advertised as public transportation services.

A rural transit provider may use a Section 5311 vehicle for non-passenger transportation on an occasional or regular basis, such as package delivery, if this incidental use does not result in a reduction of service quality or availability of public transportation service. The purpose of the Section 5311 Program is to support public transportation for people living in any area outside of an urbanized area designated by the Bureau of the Census. Areas not currently within the urbanized area are eligible for Section 5311 funding. Since the goal of Section 5311 is to enhance the overall mobility of people living in nonurbanized areas, Section 5311 projects may include transportation to and from urbanized areas.

In New Jersey there are eligible service areas in seventeen of the twenty-one counties in the State. New Jersey has placed a strong emphasis on the county as the lead coordinating body for transportation planning. As a result, NJ TRANSIT encourages the coordination of service with other transit operations, especially if it is part of a locally developed “coordinated plan”. However, in some counties the small urban and rural area is limited, and in such cases when no interest is shown by the county, a municipality and/or social service agency may apply directly for funding. In such cases the subrecipient must request a one time resolution from the county government endorsing the service proposal and become a participating stakeholder in the local “coordinated plan” process.

NJ TRANSIT encourages subrecipients providing services under Section 5311 to feed existing NJ TRANSIT bus and/or rail services that serve other non-urban, urban or interstate locations. Such services open up many additional opportunities and dramatically increase the mobility of the non-urban/rural resident.

### **CAPITAL EXPENSES**

Capital expenses include the acquisition, construction and improvement of public transit facilities and equipment needed for an efficient and coordinated public transportation system. Where FTA allows certain cost to be capitalized or treated as operating expenses, the state may determine which of those costs it will allow subrecipients to capitalize. Capital expenses include, but are not limited to:

- Buses, minibuses, vans or other paratransit vehicles;
- Radios and communications equipment;
- Wheelchair lifts and securements;
- Passenger shelters, bus stop signs, park and ride lots and similar passenger amenities;

Facilities to provide access for bicycles to transit facilities or equipment for transporting bicycles on transit vehicles;  
Vehicle rehabilitation;  
Preventive maintenance, defined as all maintenance costs;  
Extended warranties which do not exceed industry standards;  
Operational support such as computer hardware and software  
Construction or rehabilitation of transit facilities  
Installation costs, vehicle procurement, testing, inspection and acceptance costs;  
Lease of equipment or facilities when lease is more cost effective than purchase;  
The introduction of new technology, through innovative and improved products, into public transportation including ITS; and  
Mobility management consisting of short-range planning, management activities and projects for improving coordination among public transportation and other transportation service providers.

Historically, very few vehicles are purchased under this program. In light of that, NJ TRANSIT, whenever possible, will purchase vehicle equipment on behalf of the subrecipient as part of the Section 5310 procurement package. This centralized purchasing allows for better compliance with federal procurement rules and allows for better pricing through bulk purchasing.

### **OPERATING EXPENSES**

Operating expenses are those costs directly related to systems operations. Operating expenses include, but are not limited to:

- Salaries and Fringe Benefits (drivers, mechanics, and dispatchers, etc.)
- Licenses
- Contract Services (work and labor provided by outside organizations)
- Maintenance and repairs
- Replacement parts which do not meet the criteria for capital items
- Materials consumed (fuel, oil, etc.)
- Miscellaneous Expenses (uniforms, etc.)

**Net Operating Expenses:** Expenses that remain after operation revenues are subtracted from eligible operation expenses. At minimum operating revenue must include farebox revenues. Farebox revenues includes fares paid by riders who are later reimbursed by a human service agency, or other user-side subsidy arrangements, but do not include payments made directly to the transit provider by human service agencies. However purchase of transit passes or other fare media for clients would be considered farebox revenue.

### **PROJECT ADMINISTRATION**

In New Jersey, subrecipient administration expenses are considered non-operating expenses. Administration expenses are those associated with administering the transportation service provided. Administration expenses include, but are not limited to:

- Salaries and Fringe Benefits (director, secretary, bookkeeper)
- Standard Overhead (Indirect Costs)
- Facilities and equipment rental
- Office supplies
- Training and Travel
- Marketing Expenses
- Drug and Alcohol Testing

Audit and Legal Expenses  
Insurance premiums or payments to a self-insurance reserve  
Interest on short-term loans for operating assistance (if approved by NJ TRANSIT)

**LOCAL MATCH REQUIREMENT AND ELIGIBILITY**

The eligible local share for a Section 5311 grant must be from non-FTA sources of funding and can include any local or state funds, purchase of service contracts or unrestricted federal funds.

Federal funds are unrestricted when a federal agency permits its funds to match Section 5311 funds. Project applicants are responsible for identifying unrestricted federal funds because they are held accountable by the other federal agencies involved. Local funds used to match unrestricted federal funds must be treated as unrestricted federal funds.

Income from contracts to provide human service transportation may be used to offset the cost of providing the service or as local match for Section 5311 operating assistance. The manner in which a local subrecipient applies income from human services agencies to a local project, that is, whether it is treated as local match, or is used to offset operating expenses--will affect the calculation of net operating expenses and, therefore, the amount of Section 5311 operating assistance the project is eligible to receive. A state's method of sub-allocating its apportionment among its local subrecipients is a discretionary action. A state may not prohibit a local recipient from using income from Human Service agency contracts as local match for Section 5311 funds as a matter of law. However, New Jersey allocates funds based upon census population so if a subrecipient uses Human Service agency contracts as match it will reduce the local funds needed as match but will not necessarily increase the federal Section 5311 funds available. New Jersey will consider the degree to which a local subrecipient demonstrates local financial commitment to a project from resources other than local funds as a rating factor in its discretionary allocation decisions.

In-kind contributions, volunteer services and donations are eligible as part of the local match. Such non-cash sources of local match are eligible only if the value of each is formally documented and included as part of a formal resolution from the governing body submitting the application.

The actual amount that any applicant may receive is limited by the maximum participation rates established for federal and state assistance. The maximum federal and state funding ratio is as follows:

Operating Expenses:	Federal 50%	Local 50%
Administration Expenses:	Federal 80%	Local 20%
Capital Expenses:	Federal 80%	Local 20%
Capital (Bicycle Projects):	Federal 90%	Local 10%

**STATE CONTRIBUTION**

In New Jersey, in order to encourage local transit, NJ TRANSIT has historically provided one half of the local match since the program began in 1979. As a result, in New Jersey, the funding ratio in practice has been as follows:

Operating Expenses:	Federal 50%	State 25%	Local 25%
Administration Exp.:	Federal 80%	State 10%	Local 10%
Capital Expenses:	Federal 80%	State 10%	Local 10%

Although NJ TRANSIT as matter of policy is committed to the provision of one-half the local match, the provision of that match is contingent upon the NJ TRANSIT Board of Directors approving funds annually.

## **PROJECT SELECTION CRITERIA and METHOD of DISTRIBUTING FUNDS**

### **PROGRAM NOTIFICATION**

NJ TRANSIT establishes the annual program level based on federal formula allocations. This information is included in FTA's annual federal register notice after the annual federal transportation appropriations bill becomes law. All rural areas that are eligible Section 5311 subrecipient's is notified directly by NJ TRANSIT of the availability of funds. NJ TRANSIT will notify each MPO of its annual allocation through the TIP process.

### **APPLICATION REVIEW**

NJ TRANSIT'S Local Programs and Minibus Support Unit has stated as one of its goals the establishment of a designated coordinated provider of service for each county in the state. It is NJ TRANSIT'S policy to give priority to these agencies for Section 5311. NJ TRANSIT works closely with each coordinated transportation provider. The designated coordinated provider can differ from the designated lead in the "coordination plan" process; however, the "coordination plan" should identify the lead provider for Section 5311 service. NJ TRANSIT will make available to each of the designated coordinated transportation providers, municipalities, where applicable, or other interested parties an application package. The application must be completed and returned to NJ TRANSIT. NJ TRANSIT will remain flexible regarding time of submission of applications to accommodate local needs and to allow new projects to be initiated at any time. Applications will be reviewed by NJ TRANSIT'S Local Programs and Minibus Support Unit.

NJ TRANSIT will only approve one Section 5311 application per designated nonurbanized area before considering additional applications from a designated area. Additional applications from a designated area will also be considered if allocated funds to a particular designated area are not fully utilized by an approved applicant. All applicants approved must secure a one-time resolution from the appropriate governing body in the service area. At a minimum, the needs of the transportation disadvantaged in those areas should be met and the project should increase the adequacy, efficiency and effectiveness of transit services in those areas. Once a particular project within a designated area is approved the annual application to support that ongoing project is given a priority over new requests.

On occasion the level of funding requested may be greater than the funds allocated and will be weighed against the level and type of service to be provided and compared to the amount of funding apportioned to the applicant county. NJ TRANSIT staff will determine whether the project warrants use of discretionary funds, if requested. Also, applications will be compared to similar applications already approved. Past experience with an applicant will be considered. A resolution from the County Board of Chosen Freeholders Board of Directors of a Non-Profit Organization or Local Town Council authorizing the application and the commitment of local match will be required. In the application, each applicant is also required to comply with all standard FTA's Section 5311 assurances. Intention to comply with the guidelines and assurances will be of the utmost importance when reviewing and application for approval.

An approved Program of Projects will be forwarded to the FTA and each grantee will enter into a contract with NJ TRANSIT containing the terms and condition for receiving Section 5311 funds. Because NJ TRANSIT is responsible for administration of the Section 5311 as well as Section 5310, Section 5316, Section 5317 and state casino revenue tax funding for transportation, the agency requires coordination of transit services provided through these programs. Existing coordinated transportation systems or agencies working in cooperation with other transportation providers are given preference for funds available under the Section 5311 programs.

Responsibility for evaluation and approval for each project is the responsibility of NJ TRANSIT. All local public transportation projects submitted by Section 5311 eligible applicants are evaluated by NJ TRANSIT based upon five primary criteria:

1. The level of planning reflected and the ability of the proposed project to meet identified local transportation needs.
2. The level of coordination among the existing transportation providers in the area,
3. The level of coordination between human service agencies and the public transportation applicant,
4. Adequacy of service to the transportation disadvantaged especially senior citizens and people with disabilities,
5. Reasonableness of existing and proposed level of service to the general public.

### **TECHNICAL CAPACITY**

In reviewing an application and during the life of the project all Section 5311 applicants must demonstrate the technical capacity to carry out the services proposed. At a minimum the applicant must be able to:

- Demonstrate the financial ability to perform and deliver the service applying for and awarded.
- Demonstrate the adequate level of staffing and grant experience and knowledge to comply with all FTA grant requirements.
- Demonstrate the adequate level of staffing and operational experience needed in delivering the service as per grant award.
- Demonstrate the adequate level of staffing and maintenance experience for performing required maintenance on vehicles used or purchased for this service.
- Demonstrate the adequate level of vehicles including back-up vehicles to perform the service under this program.
- Demonstrate a driver training program to ensure safe and reliable service to all passengers.
- Demonstrate that the service provided is not duplicating other services funded under FTA or other funding sources. All FTA subrecipients must be part of the local Human Service Coordination Transportation plan.
- Demonstrate there are written procedures and policies for operations, grant administration and FTA reporting requirements.

For those services currently operating that do not meet the minimum technical capacity requirements outlined above, NJ TRANSIT will work with the subrecipient to establish milestones to reach adequate technical capacity.

## **FUNDING DISTRIBUTION**

After state administrative funds are set aside, all remaining funds will be distributed to eligible applicants on a formula basis. Federal regulation stresses the need to distribute Section 5311 funds in a fair and equitable manner. NJ TRANSIT'S formula to distribute funds is based on the nonurbanized population living in each county. Each county is allocated a percentage of Section 5311 funds equal to the percentage of the state's non-urbanized population living in that county.

The annual amount apportioned to an approved applicant will remain available to that applicant for the year in which it is apportioned by NJ TRANSIT. After that time, NJ TRANSIT reserves the right either to reapportion unobligated funds according to the formula described above or to distribute these funds as discretionary to other ongoing or new projects.

## **APPLICATION INSTRUCTIONS AND APPROVAL PROCESS**

Since NJ TRANSIT is responsible for administration of the FTA Section 5310, Section 5311, Section 5316 (Jobs Access), Section 5317 (New Freedom) and state casino revenue funding for transportation, the agency has historically encouraged coordination of transit services provided through these programs. Existing coordinated transportation systems or agencies working in cooperation with other transportation providers are given preference for funds available under the Section 5311 program. All subrecipients must, at a minimum, participate in the locally developed "coordination plan" process and be willing to participate as a stakeholder.

Subrecipients must complete a Section 5311 application in order to apply for program funds. Applications are made available annually. Applicants can contact NJ TRANSIT'S Local Programs and Minibus Support Unit by phone, email or in writing, for technical information or general assistance in completing an application for FTA Section 5311 funds. As part of the application the subrecipients must provide:

### **PROJECT DESCRIPTION**

The application should include sufficient information to evaluate the eligibility of the proposed project, and the subrecipient's legal, financial, technical, and managerial capability to implement the project, and maintain any project property.

### **CERTIFICATION AND ASSURANCES**

The subrecipients must sign the certifications and assurances required of each grantee (except those applicable only to direct grantees), and all those applicable to the particular project (for example, the lobbying certification if the application exceeds \$100,000). NJ TRANSIT will use FTA's annual notice as a model and obtain certifications and assurances from subrecipients annually using the most recent FTA notice to ensure that all required certifications and assurances are obtained and are worded accurately. Since certifications and assurances are sent annually and most Section 5311 are ongoing projects, subrecipients in the Section 5311 program will usually submit their annual certifications and assurances separately from their application.

### **COORDINATION**

The subrecipients must describe how FTA assisted services are or will be coordinated with social service agencies and private transportation providers in the service area. (See section on Coordinated Public Transit-Human Service Coordination Plan)

### **BUDGET**

Each application must contain a line item budget for Project Administration, Operating and Capital funds being requested as well as information on the source of the match dollars.

Applications will be reviewed based upon the stated goals and objectives of this program, an applicants prior record of compliance and proof that the applicant is a participant in the "coordinated plan" process at the local level.

### **SECTION 5311 TIMELINE CHART**

The State Management Plan establishes a general timeline, which will be used as an approximate guide to the application process. The Section 5311 grant development schedule is as follows:

---

---

#### **APPLICATIONS**

---

---

<b>October 1 or later</b>	Receive allocation figures from FTA
<b>January/April</b>	Mail application packages and allocation to applicants.
<b>May</b>	Applicants must submit completed application to NJ TRANSIT.
<b>May/June</b>	Local Programs Support Unit reviews applications for content and completeness.  Regional Program Administrator reviews grant applications and select projects for approval.  NJ TRANSIT prepares state program of projects.

---

---

#### **AGREEMENTS (LEASES)**

---

---

<b>June or after NJT Board Action</b>	Mail subrecipients agreements to sign.  Subrecipients return signed agreements and sub-contracts.
<b>July or Return of Agreement</b>	Executed agreement and reimbursement forms mailed to subrecipients if initial application is reviewed and complete.

---

---

#### **REPORTING**

---

---

<b>Monthly</b>	The subrecipient shall submit an Expenditure Report, Reimbursement Request form with supporting documentation of actual expenses incurred and the corresponding Service Report form.
<b>Semi-Annually</b>	DBE Reports Due to NJ TRANSIT
<b>Annual</b>	Submit National Transit Database Reports
<b>No later than 180 days after the close of the subrecipient's fiscal year.</b>	The subrecipient shall deliver an annual audit report to the Director of Local Programs Support Unit.  Local Programs and Minibus Support Unit initiates grant closeout.

**TRANSFER OF FUNDS**

**Flexible Funding Programs - Transfer of Funds**

NJ TRANSIT will allow the transfer of Section 5310 funds to a local Section 5311 project as long as the transferred funds are used for eligible Section 5310 projects. However, such a transfer will only be considered in extraordinary situations. Flexible funds from the Federal Aid Highway Programs, Section 5309 and CMAQ may be transferred to the Section 5311 program for use by the State. Unlike transfers between transit programs, under which funds retain their original purposes, flexible funds transferred to the Section 5311 program will be treated as Section 5311 funds and all program requirements will be applicable. The funds are available for obligation by the State for two additional years after the year in which they are transferred.

The FTA allows funds to be transferred between small urbanized and non-urbanized areas as well as allows Section 5310, 5316 or 5317 funds to be transferred to Section 5307 and S5311 programs. NJ TRANSIT has not historically transferred funds between programs but will consider on a case by case basis.

Flexible funds are legislatively-specified funds that may be used for either transit or highway purposes. This provision was first included in the Intermodal Surface Transportation Efficiency Act of 1999 (ISTEA), was continued with the Transportation Equity Act for 26 the 21 Century (TEA-21)<sup>st</sup>, and is included in SAFETEA-LU. Flexible funds allow a local area to choose to use certain federal surface transportation funds based on local planning priorities, not on a restrictive definition of program eligibility. Flexible funds include FHWA Surface Transportation Program (STP) and Congestion Mitigation and Air Quality Improvement Program (CMAQ) funds and FTA Urban Formula Funds.

FHWA funds transferred to FTA have provided a substantial new source of funds for local transit projects. When FHWA funds are transferred to FTA, they are transferred to one of three programs: Urbanized Area Formula Program (5307), Nonurbanized Area Formula Program (Section 5311 program); and Elderly and Persons with Disabilities Program (Section 5310 program). Once they are transferred to FTA for a transit project, the funds are administered as FTA funds and take on all the requirements of the FTA program. Transferred funds may use the same non-federal matching share that the funds would have if they were used for highway purposes and administered by FHWA.

In New Jersey, the decision on the transfer of flexible funds is made by the MPO. The decision to transfer funds should flow from the transportation planning process and the priorities established for an area as part of the planning process.

For the FTA Section 5310, 5311 and/or local 5307 programs the funds transferred from FHWA can be drawn from the following sources:

**Surface Transportation Program (STP).** STP is the largest source of funds from FHWA. Funding is at 80 percent Federal share and may be used for all projects eligible for funds under current FTA programs excluding operating assistance.

**Congestion Mitigation and Air Quality Improvement (CMAQ) Program.** CMAQ funds are used to support transportation projects in air quality nonattainment areas. A CMAQ project must contribute to the attainment of the national ambient air quality standards by reducing pollutant emissions from transportation sources.

**Interstate Substitute Funds.** While these Highway funds are eligible for transit use, they are limited to the construction and improvements of fixed guideways, the purchase of rolling stock (buses) and other transportation equipment, and any other project eligible under FTA's Section 5309 capital grant program.

**FHWA Earmark.** Several transit projects are earmarked under TEA-21 as high-priority projects. FHWA asked that they be administered by FTA. FHWA earmarked funds through FY 1999 were transferred into the Section 5309 program. Beginning in FY 2000, these earmarks were transferred to FTA's formula programs only.

## **FHWA Funding - CMAQ or STP**

### **Description**

The allocation of CMAQ and STP funding is determined by the regional Metropolitan Planning Organizations (MPOs) through the Transportation Improvement Program (TIP) planning process and not by NJ TRANSIT or NJDOT. Upon identification and inclusion in the TIP by the appropriate MPO, NJ TRANSIT and NJDOT will take the appropriate actions to include these funds in the State Transportation Improvement Program (STIP). Once these actions are completed NJ TRANSIT will apply for the funds directly to the FTA on behalf of the designated subrecipients and will administer the program in accordance with the rules of the program to which the funds are flexed.

### **Schedule**

Ongoing as projects are programmed in the STIP and approved by the FHWA and FTA.

### **Key Steps**

1. MPO Programming: Regional MPOs approve the allocation of STP and CMAQ funds to transit projects within the region through adoption or amendment of the region's TIP.
2. MPO Notification to NJ TRANSIT of STP or CMAQ Funds: MPO should ensure STP and/or CMAQ projects are included in their TIP and then MPO should send a notification to NJ TRANSIT regarding federal funding award.
3. NJ TRANSIT Notification to NJDOT to revise the STIP: When the grantee requests that CMAQ or STP funds be flexed, NJ TRANSIT notifies NJDOT amend the STIP to include projects.
4. NJ TRANSIT request to FTA to flex FHWA Funds: It is NJ TRANSIT'S expectation

that most projects will be flexed (transferred) by NJ TRANSIT to the FTA and drawn down by subrecipients through NJ TRANSIT as the grant administrator.

## **INTERCITY BUS**

Under Section 5311 states are required to spend a portion of their apportionment "to carry out a program for the development and support of intercity bus transportation." The percentage required by the statute was phased in from not less than 5% in fiscal year 1992 and not less than 10% in fiscal year 1993, to not less than 15% in fiscal year 1994 and thereafter. A state is not required to expend the specified percentage of its apportionment for an intercity bus program "in any fiscal year in which the Governor certifies to the Secretary that the intercity bus service needs of the state are being adequately met". A new certification must be made each year that the state does not program the required percentage of funds. In many States, intercity bus service is a vital link between otherwise isolated rural communities and the rest of the nation. The federal government has stated that there are three objectives under the intercity program. They are: 1) to support the connection between nonurbanized areas and the larger regional or national system, 2) to support services to meet the intercity travel needs of residents in nonurbanized areas and 3) to support the infrastructure of the intercity bus network through planning, marketing and capital investment.

As a statewide transit agency, NJ TRANSIT reviews and considers transit needs in the state. NJ TRANSIT communicates on a continuing basis with the various Metropolitan Planning Organization (MPO's) Transportation Management Associations (TMA's), County Transportation Association (CTA) and Council on Special Transportation (C.O.S.T). NJ TRANSIT will solicit input from these organizations as needed in determining whether or not to request a certification from the Governor.

In addition, it is important to allow an opportunity for private companies to consider providing intercity service in New Jersey. There is presently only one nationwide intercity bus carrier operating within the United States: Greyhound Lines Incorporated. However, there are a number of smaller carriers that operate on a regional or local basis. NJ TRANSIT has identified over 40 members of the American Bus Association as well as over 20 current contracted providers with NJ TRANSIT. Additional companies are identified through websites of private intercity bus operators and the Russell's Official National Motor Coach Guide. NJ TRANSIT will periodically consult with the companies and organizations cited above to solicit potential intercity bus needs. However, any intercity bus needs identified must be weighed against any negative impacts the redirection of funds from previously approved ongoing projects will have. Should a proposal be submitted, a review will be conducted to determine based upon a hierarchy of needs, if the nonurbanized (5311) transit providers in the state have a greater funding need than intercity bus providers.

At least once every three years NJ TRANSIT will:

1. Identify intercity bus providers in the State;
2. Invite all operators to submit comments and to attend an information session to discuss the Section 5311 (f) program and advertise the process in various newspapers throughout the State;
3. Provide an period of time no less than 30 days after the meeting for operators to submit proposals;
4. Access the results of the consultation and application process and make a determination if the State's intercity service needs are adequately being met.
5. Include information on the coordinated public transit-human services transportation plans and encourage their participation at the local level;

If after consultation with the various organizations in the state no intercity bus needs can be identified, NJ TRANSIT will request the Governor to certify to the FTA that the intercity bus service needs of the state are being adequately met.

## **STATE ADMINISTRATION AND TECHNICAL ASSISTANCE**

### **GENERAL**

The basic grant management requirement for local governments are contained in the Department of Transportation (U.S. DOT) regulations, "Uniform Administrative Requirement for Grants and Cooperative Agreements to State and Local Governments, "49 C.F.R. Part 18. This common grants management rule is referred to as the "common rule." The comparable U.S. DOT rule for private nonprofit organizations is "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations, "49 C.F.R. Part 19. The provision of these rules apply except where inconsistent with Federal statutes or authorizing legislation.

The common rule identifies three areas in which the administrative requirements for subrecipients which are public bodies may differ from Federal requirements for local government grantees: equipment management, procurement, and financial management systems. The basic intent in these areas is to provide greater flexibility to the states in standardizing the management of related state and Federal programs. Part 19 does not allow states to pass down state procedures in these three areas to subrecipients which are nonprofit organizations as Part 18 permits for subrecipients which are public bodies. However, so long as the state procedures are not inconsistent with Part 19, the state may apply the same procedures for all its subrecipients.

As long as NJ TRANSIT'S procedures are not inconsistent with Part 19, NJ TRANSIT may apply the same procedures for all its subrecipients. In addition, NJ TRANSIT may use procedures which are more restrictive than Part 19, but in the case of nonprofit organizations, NJ TRANSIT procedures may not be more permissive than Part 19.

NJ TRANSIT will enter into a written agreement with each subrecipient stating the terms and conditions of assistance by which the project will be undertaken and completed.

### **ADMINISTRATIVE EXPENSES**

NJ TRANSIT will allocate up to a maximum of 15% of each year's apportionment for the administration of the program and for state and local technical assistance. When deemed necessary a small amount of discretionary funds will be set aside from each year's apportionment for special projects or to provide assistance where a marginal amount of funding will provide additional benefits to insure a project's success. However, discretionary funds will not be set aside if the unavailability of those funds would jeopardize the continuing success of ongoing projects.

Allowable administrative costs include salaries, overhead expenses, supplies and office equipment used to administer the program. NJ TRANSIT can make, on occasion, a portion of the state Administration funds (not to exceed 15 percent of Administrative funds) available to local projects for consulting services. The Local Program and Minibus Support Unit staff and/or consultants can assist subrecipients with the following:

1. Project planning, user surveys, ridership estimates, demand estimates, routes and schedules, equipment needs, cost and revenue estimates;
2. Coordinating Section 5311 public and human service transportation services;
3. Grant preparation;
4. Vehicle selection, procurement and maintenance;
5. Training drivers and other staff;
6. Developing a marketing strategy;
7. Project management assistance;
8. Development of policies and procedures.

Local transit and paratransit operators wishing to request funding for technical assistance from NJ TRANSIT staff or consultants should generally follow the steps describe below

1. Submit a letter of intent to apply for technical assistance; and submit a scope of services which includes: Statement of problem(s) to be solved; listing of tasks that will be completed to alleviate problems(s); and amount of funds needed to complete.
1. NJ TRANSIT Local Programs and Minibus Support staff reviews the scope of services; and makes recommendation for approval, revision, or rejection.

## **RURAL TRANSIT ASSISTANCE PROGRAM**

### **Program Objectives**

The objectives of New Jersey's Rural Transit Assistance Program (RTAP) are to promote the safe and effective delivery of public transportation in non-urbanized areas and to make more efficient use of public and private resources; to foster the development of state and local capacity for addressing the training and technical assistance needs of the rural/small urban transportation community; and to improve the quality of rural/small urban transportation through the development of training and technical assistance resource materials.

NJ TRANSIT has expanded RTAP using state funds to include all operators receiving FTA Section 5310, Section 5316, Section 5317 funding as well as funding from the State of New Jersey's Senior Citizen and Disabled Resident Transportation Assistance Program (Casino Revenue Program) and human service transportation providers. This expansion of the program is made possible through funding under the State's Senior Citizen and Disabled Resident Transportation Assistance Program.

### **Program Delivery**

The program features driver, dispatcher, mechanic, management and other support staff member training including support and sponsorship of the annual New Jersey State Paratransit Driver Rodeo. In addition, a portion of the program is dedicated to technical support for transit research, information sharing and the publication of a quarterly newsletter.

The objectives of the driver training program are to provide professional paratransit/community transit operator training and to provide advice and guidance to local trainers when providing training. The objectives of the Management and Technical Training are to enhance the knowledge and professionalism of rural and small transit providers who are subrecipients of Section 5310, Section 5311, Section 5316 (JARC) and Section 5317 (New Freedom) and State Casino Revenue funds.

### **Technical Training and Scholarship Programs**

Management training is composed of workshops and scholarships for technical training. NJ TRANSIT has entered into a contract with the National Transit Institute to administer the day to day scheduling and administering of classes and workshops. In order to better disseminate information on scheduled training a website has been established, the New Jersey Community Transportation Training Program at [www.njcttp.org](http://www.njcttp.org). NJ TRANSIT administers the scholarship program to assist operators in offsetting the cost of receiving educational, professional and technical training. Scholarship eligibility is determined as follows, in order of priority; Transit organizations providing transit services in non-urbanized areas receiving Section 5311 funding; transit organizations operating vehicles purchased through the FTA Section 5310 program; other FTA funded programs and transit organizations providing transit services to senior citizens and people with disabilities with funding through the Casino Revenue Program. Finally, other human service providers not directly funded through FTA or Casino Revenue Programs but identified as providers in the "coordinated plan" can attend on a space available basis.

Applications may be submitted for any training course, workshop or conference that is being held within the continental United States, but not in New Jersey, during the calendar year of application. NJ TRANSIT Local Programs and Minibus Support Unit through NTI reserves the right to approve or disapprove any or all applicants. Determination of event eligibility will be based on the program's content, and its usefulness to the applicant agency, its relationship to the goals of the RTAP program and the availability of funds.

All travel arrangements for each scholarship will be the responsibility of the subrecipient agency or individual. However, exceptions to this rule will be granted on an as needed basis if necessary. All scholarships will be made according to Rutgers University - NTI training and travel reimbursement policies.

Following attendance at/in the program, the scholarship subrecipient is required to prepare a summary report of the program attended. The report must be submitted within 30 days of attendance to the program. Failure to comply will result in ineligibility of the agency/individual to receive future scholarships.

Applicants who qualify for a scholarship will fall into one of the following award categories:

Category I	under \$500
Category II	\$500 - \$1,500
Category III	Above \$1,500

In order to assure an equitable distribution of the limited scholarship funds, no eligible organization or agency shall be able to receive more than two Category II scholarships or more than one Category III scholarship within a calendar year. If NJ TRANSIT RTAP determines the need is great, it has the option of awarding more than five scholarships for that particular program/event. The scholarship match shall be 20% of the total cost of Category I. The scholarship match shall be \$100 or 20% of the total cost, whichever is greater, of Categories II and III. The National Transit Institute works closely with the NJCTTP Review Committee which is composed of operators throughout the state and works with NJ TRANSIT and NTI to identify training needs in the state.

## **CIVIL RIGHTS**

### **NONDISCRIMINATION**

49 U.S.C. § 5332 states that "a person [defined broadly] may not be excluded from participating in, denied a benefit of, or discriminated against under, a project, program, or activity receiving financial assistance [from FTA] because of race, color, creed, national origin, sex, or age."

At NJ TRANSIT, the Assistant Executive Director (AED) of Diversity Programs is responsible for Title VI, DBE, and EEO. The AED of Diversity Programs reports directly to the Executive Director. The Local Programs and Minibus Support Unit is responsible for monitoring Section 5310 and 5311 subrecipients for compliance with Title VI, DBE and EEO. The office works directly with the AED of Diversity Programs on these matters.

NJ Transit and all subrecipients of FTA assistance are responsible for compliance with all civil rights requirements applicable to transit related projects including the nondiscrimination prohibitions of 49 U.S.C. § 5332, and of Title VI of the Civil Rights Act of 1964, as amended; the Equal Employment Opportunity (EEO) requirements of Title VII of the Civil Rights Act of 1964, as amended and 49 U.S.C. 5332 and any implementing requirements FTA may issue; Nondiscrimination on the basis of sex including requirements of Title IX of the Education Amendments of 1972 and 49 CFR part 25, and with any implementing directives that DOT or FTA may promulgate. Nondiscrimination on the basis of age including requirements of the Age Discrimination Act of 1975, as amended 42 U.S.C. 6101 et seq. and implementing regulations; Nondiscrimination on the basis of disability including requirements under Section 504 of the Rehabilitation Act of 1973, as amended, and the Americans with Disabilities Act of 1990, as amended (ADA) and Disadvantaged Business Enterprise (DBE) to the extent required by Federal law.

### **TITLE VI PROGRAM REQUIREMENTS**

Title VI of the 1964 Civil Rights Act, Section 601 states: No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be

subjected to discrimination under any program or activity receiving Federal financial Assistance. The Title VI Circular (4702. 1A) effective May 2007 established new requirements for NJ TRANSIT to document and monitor their FTA subrecipients compliance to Title VI.

NJ TRANSIT will require that subrecipients annually sign the nondiscrimination assurance included in FTA's notice of Certifications and Assurances. NJ TRANSIT shall submit its assurance to FTA and shall retain assurances from subrecipients.

Each agency in their application to NJ TRANSIT must provide the estimated number of minority group persons in its service area. It is not envisioned that an organization be required to do a detailed head count or use elaborate means to gather the information. Using the most recent US Census data for an agency's service area would be sufficient in providing this information.

NJ TRANSIT will review a demographic profile of the State of New Jersey by county to ensure transportation needs of low income and minority populations are considered in the provision of service and grant selection process.

In this area subrecipient responsibilities are:

- The subrecipient must sign annually certifications and assurances pertaining to Civil Rights. Once awarded a FTA award all subrecipients must sign the FTA annual Certifications and Assurances yearly.
- The subrecipient must have a method for public notification of Title VI rights and procedures that the public may follow to file a Title VI complaint. Subrecipients who provide transportation services must disseminate the following information to their passengers through measures that can include, but cannot be limited to a posting on the agency's website.

- \*The agency operates transportation programs without regard to race, color, or national origin;

- \*The public can request additional information about the subrecipient

- \*There are procedures that can be taken if a person feels they have been discriminated against.

- The subrecipient must have written procedures for receiving, tracking, investigating, responding to Title VI complaints and record keeping of such complaints. NJ TRANSIT shall maintain for itself and its subrecipients a description of any complaints alleging discrimination in service delivery filed within the past year together with a statement of status or outcome of each such complaint. All information must be retained for a minimal of three years.
- The subrecipient must ensure access to their transportation programs for those passengers with Limited English Proficiency (LEP).
- The subrecipient must document that they sought out the viewpoints of minority, low-income and LEP populations in the course of conducting public outreach and involvement activities. NJ TRANSIT is required to monitor such outreach done by their subrecipients. Outreach can be done by advertising programs in the local newspaper and regular public meetings, or doing outreach at community based organizations, and making sure there is a channel for feedback from community groups.

## **EQUAL EMPLOYMENT OPPORTUNITY REQUIREMENTS.**

NJ TRANSIT and any subrecipient agrees to comply, and assures the compliance of itself and each third party contractor with all equal employment opportunity EEO requirements of Title VII of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000e) and 49 U.S.C. 5332 and any implementing requirements FTA may issue.

All subrecipients must be in compliance with FTA's EEO objectives, in accordance with FTA requirements. If any subrecipient meets the threshold specified in that circular (receipt of \$1,000,000 or more in the previous Federal fiscal year, and 50 or more mass transit related employees) it must submit an EEO program. NJ TRANSIT may require any documentation it deems necessary from subrecipients to ensure that they do not discriminate in employment on the basis of race, color, creed, national origin, sex, age, or disability. Subrecipients that are required to submit an EEO program should submit the program to NJ TRANSIT. NJ TRANSIT will review subrecipient programs during a site/desk audit or other compliance review.

In this area subrecipient responsibilities are:

1. Post EEO information in a place readily accessible by employees.
2. Prepare an EEO plan if thresholds are met.

## **DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM REQUIREMENTS**

NJ TRANSIT has an approved DBE plan on file with the FTA. This plan includes FTA subrecipient's DBE responsibilities and activities. All FTA subrecipients receiving operating and capital funding are required to complete and submit the Subrecipient DBE Reporting Form on a bi-annual basis to NJ TRANSIT if any of the funds are used for contracting opportunities.

## **SECTION 504 AND ADA REPORTING.**

Section 504 of the Rehabilitation Act of 1973 preceded the Americans with Disabilities Act (ADA). Section 504 prohibits discrimination on the basis of handicap by recipients of Federal financial Assistance. In addition, the Americans with Disabilities Act of 1990, as amended (ADA), specify Federal civil rights of individuals with disabilities. In New Jersey FTA funded subrecipients must comply with 49 C.F.R. Parts 27, 37, and 38, and regulations implementing ADA and Section 504 rule. Among other requirements, the regulations: prohibit discrimination against individuals with disabilities; require that vehicles acquired be accessible to and usable by individuals with disabilities, including individuals using wheelchairs (with limited exceptions for demand responsive systems providing equivalent service to individuals with disabilities or a demonstration of inability to obtain an accessible used vehicle despite good faith efforts to do so); and require that public entities operating fixed route transit plan for and

provide complementary paratransit for individuals with disabilities who cannot use accessible fixed route transit. Route deviation services do not have to provide complementary paratransit service.

All vehicles purchased by NJ TRANSIT with Section 5311 funds are equipped, maintained, and operated in accordance with the regulations. In addition, subrecipients of any FTA funds or equipment should be aware that they also have responsibilities under other provisions of ADA in the areas of employment, public accommodations, and telecommunications.

In this area subrecipient responsibilities are;

1. Sign annually certifications and assurances pertaining to ADA requirements; including a separate subrecipient affidavit, pertaining to ADA requirements.
2. Establish service policies and procedures in accordance with the ADA;
3. Establish a complementary paratransit program for publicly operated fixed route systems; and
4. Notify NJ TRANSIT of any ADA complaints related to transportation services.

## **STATE PROGRAM MANAGEMENT**

### **EQUIPMENT MANAGEMENT**

FTA defines equipment as all tangible, non-expendable personal property that has a service life of more than one year and an acquisition that exceeds \$5,000 per unit. Subrecipients must use, manage, and dispose of equipment acquired under a Section 5311 grant in accordance with state laws and procedures. Subrecipients shall have at the establishment where operations, dispatching, scheduling, administration, and project equipment is stored and/or utilized, the current contractual agreement and/or equipment lease. Additionally all vehicle maintenance, insurance and accident reports must be at the establishment. Reproductions of all materials shall constitute compliance with this requirement so long as the location of original materials is posted and attached to reproductions.

- A. A subrecipient can be involved in a variety of relationships with other parties where FTA funds or equipment are used in providing public transit. In circumstances where other entities play a role, a subrecipient is responsible for ensuring compliance with FTA requirements. These entities can include other governmental agencies, consultants, contractors, subcontractors, and lessees working under approved third party contracts or interagency agreements. A subrecipient must fulfill oversight responsibilities. There must be staff with knowledge of FTA requirements and a mechanism in place for monitoring. The mechanisms can be as simple as a letter of agreement, contract or lease supplemented by periodic meetings, inspections, or required reports. All appropriate federal certifications and assurances need to be passed through to contractors and monitored for compliance by the subrecipient.
- B. A subrecipient must ensure that any federally funded contractor-operated equipment is controlled. The requirements for a biennial physical inventory and control measures also apply to equipment that is leased or provided to service contractor.

Subrecipients must have equipment records that provide the following required information:

Description, ID number, acquisition date, cost, federal percentage, grant number, location, use and condition (disposition action), vested title.

Subrecipients must conduct a physical inventory of equipment and reconcile results with the equipment records every two years. Subrecipients must have a control system to prevent loss, damage, or theft of property. Subrecipients must place an ID tag all FTA funded equipment with either a property control number, service number or vehicle identification number.

Subrecipients must have a written maintenance plan for every capital item with a cost of \$5,000 per unit.

NJ TRANSIT is responsible to ensure that all non-vehicle equipment with federal interest continues to be in program use as approved under the FTA grant the non-vehicle equipment was initially purchased from. Each year subrecipients with active non-vehicle equipment will be required to sign a non-vehicle certification of use verifying this

### **TITLE TO VEHICLES**

NJ TRANSIT assigns title of the equipment to the subrecipient with NJ TRANSIT as the first lienholder. Upon completion of the project and the useful life of the vehicle being met the lien will be released, a termination of lease agreement is signed and the equipment is turned over to the subrecipient with no further obligations. NJ TRANSIT reserves the right to hold title of equipment purchased. NJ TRANSIT retains the original title at NJ TRANSIT until the useful life of the equipment has been met and the vehicle is ready to be retired from the program.

### **TRANSFER OF PROPERTY**

NJ TRANSIT can transfer facilities and equipment acquired with assistance under Section 5311 to any subrecipient eligible to receive assistance under 49 U.S. C. Chapter 53, if the facility or equipment will continue to be used in accordance with the requirements of Section 5311. The entity receiving equipment or facilities under this provision to provide Section 5311 service must comply with all the State and Federal requirements for Section 5311 subrecipients, including acceptance in writing of the special Section 5333(b) warranty for Section 5311. The names of the entities involved in the transfer of equipment or real property, along with a description of the equipment or real property transferred would be included in a new or revised program of projects sent to the FTA Regional office.

In addition, Section 5334(g) allows facilities and equipment and other assets (including land) which are no longer needed for the purposes for which they were acquired to be transferred to any public body to be used for any public purpose with no further obligation to the Federal government, if authorized by the Secretary.

### **VEHICLE USEFUL LIFE AND REPLACEMENT STANDARDS**

NJ TRANSIT is responsible for establishing and implementing rolling stock requirements for all categories of vehicles acquired under the Section 5310 and 5311 programs. Specifically, NJ TRANSIT is responsible for establishing minimum useful life standards for vehicles; establishing procedures for determining fair market value; and developing policies and procedures for maintenance and replacement

of vehicles. Maintenance requirement and insurance coverage must be adequate to protect the Federal interest in the vehicle within the useful life determined by NJ TRANSIT. The useful life criteria described below is effective for all vehicles purchased after July 1, 2007. Useful life is defined as:

1. Light Transit (Type) Buses - Medium Duty Buses, manufactured under Federal Motor Vehicle Safety Standards applicable to light transit buses, which may be equipped with either gasoline or diesel engines, are classified as having a minimum useful life of seven (7) years, or 200,000 miles. These may be classified by some manufacturers as transit (30') type buses.
2. Minibus/Extended Minibus, Dual rear wheel cutaway minibus with lift and a gas and/or diesel engine. There is enough headroom to allow an individual to stand, enclosed stepwell, automatic transmission, air-conditioning and rear heater. These vehicles are built on either a 158" or 176" wheelbase and can seat between twelve (12) to eighteen (18) ambulatory and either one or two forward-facing mobility device. If no mobility device is being transported, a flip seat will increase the ambulatory seating in some circumstances. Alternative seating plans must be requested in application in order to be considered. Useful Life is 5 years or 150,000 miles.
3. Van/Extended Van - Dual rear wheel cutaway van w/lift with and a gas and/or diesel engine, enclosed stepwell, automatic transmission, air-conditioning, and rear auxiliary heater. This vehicle can transport between six (6) to eight (8) ambulatory passengers and one (1) forward facing mobility device. When space permits and if no mobility device is being transported, a flipseat can be included that will be increasing seating. Useful Life is 4 years or 100,000.
4. Mini-Vans - manufactured as classified by original equipment manufacturer of body and chassis, with capacities of up to six (6) passengers, with wheelbase of less than 128". These units shall be modified to incorporate raised roof or lowered floors. Installation and use of manual ramps for accessibility is permissible, subject to design and specifications, compliance with state and federal requirements. They shall be classified as having minimum useful life of four (4) years or 100,000 miles.
5. Sedans/Stations Wagons - manufactured as classified by original equipment manufacturer of body and chassis, with capacities of up to nine (9) passengers. These units shall not be structurally modified by after market manufacturers. These units shall be classified as having a minimum useful life of four (4) years or 100,000 miles. Presently, sedans/station wagons are not offered by NJ TRANSIT to applicants but may be considered in special situations.

If a subrecipient wishes to withdraw the vehicle from service before it has met the useful life standards, NJ TRANSIT will make a determination of the vehicle's usefulness and its disposition by appraising its current condition, its repair history, etc. The subrecipient should be prepared to supply the information required by NJ TRANSIT to make such a determination.

If NJ TRANSIT determines that the vehicle is not eligible for early disposition the subrecipient may, with NJ TRANSIT's concurrence; keep the vehicle in service; or if no longer needed return to NJ TRANSIT which will transfer it to another selected subrecipient; or with NJ TRANSIT'S approval the subrecipient may keep the vehicle but reimburse NJ TRANSIT the fair market value of the vehicle.

## **DISPOSITION**

In accordance with C5010.1D Chapter IV 3 (a) NJ TRANSIT will initiate disposition if the useful life of a vehicle has been met. After a vehicle has reached its useful life NJ TRANSIT will initiate actions to

release the lien on equipment not titled to or owned by NJ TRANSIT and, thereby, end the subrecipient's contractual obligations to NJ TRANSIT under the FTA Section 5310 and 5311 programs.

If a subrecipient wants to retire a vehicle before the useful life has been met they may notify NJ TRANSIT in writing to request an inspection of the vehicle(s) or equipment they wish to dispose of. In such cases, the inspection will determine if the disposition of the vehicle(s) or equipment is warranted for reasons other than age or mileage. Depending on the situation NJ TRANSIT may require the subrecipient to reimburse the fair market value of the value.

NJ TRANSIT is not required to return the FTA proceeds from the disposition of equipment, regardless of the fair market value at the time the equipment is sold, so long as the proceeds remain in use for general public transit purposes. This applies to all equipment currently in use, which was purchased with Section 5310 and Section 5311 funds.

### **VEHICLE INSURANCE**

NJ TRANSIT requires subrecipients to submit verification of insurance. Subrecipients are required to maintain insurance coverage in the amount of one million dollars per vehicle. The subrecipient must also safeguard against loss, damage or theft of equipment and list NJ TRANSIT as an additional insured. NJ TRANSIT will periodically review this requirement and adjust the amount of coverage accordingly.

### **VEHICLE DESTROYED OR DAMAGED.**

All vehicles purchased with Section 5311 funds must be covered by insurance. If a vehicle damaged in a fire, accident, etc. is repairable, the subrecipient should negotiate a settlement with the insurer, get the vehicle repaired and place it back in service. . If the vehicle is not repairable, it is eligible for replacement under the following circumstances: 1) If the subrecipient wishes to replace the vehicle, 100% of the insurance claims payments plus any proportionate interest earned on it must be applied to the cost of the replacement vehicle: 2) If the subrecipient doesn't wish to replace the vehicle, the insurance claims payment is considered the fair market value. The entire settlement minus the local share match will be returned to NJ TRANSIT who will put the funds back into the Section 5311 program or the subrecipient may place the insurance settlement back into the project to offset operating costs.

### **MAINTENANCE**

During inspections and site visits NJ TRANSIT staff will inspect all equipment purchased with FTA funds. During these inspections NJ TRANSIT may randomly select for review maintenance records for a vehicle. Subrecipients are encouraged to have their own written preventive maintenance procedures. However, at a minimum subrecipient are expected to follow the maintenance practices contained in the manufacturer's guide and/or NJ TRANSIT'S Vehicle Preventive Maintenance Guidelines (current NJ TRANSIT's guidance located at <http://www.njcttp.org/resources/>). Failure to follow these practices could lead to a subrecipient being cited for noncompliance.

## **PROCUREMENT AND THIRD PARTYING CONTRACTING**

NJ TRANSIT does not usually purchase capital equipment or federally funded facilities directly under Section 5311 other than vehicles. Subrecipients are allowed to apply for funding for capital. Any capital purchase greater than one thousand dollars (\$1,000) needs the prior approval of NJ TRANSIT. Subrecipients must submit all specifications, RFP's, IFB's and any other procurement documentation to NJ TRANSIT for review and approval prior to advertising or going out to bid. Subrecipients must also comply with the administrative procedures and requirements. NJ TRANSIT Local Programs and Minibus Support staff can assist the subrecipient through the review of procurement specifications.

Subrecipients must ensure that all required federal clauses are attached to all state contract procurements including purchase orders as supporting documentation. Subrecipients that are local governments must comply with the same Federal requirements governing state procurements. Subrecipients must comply with the Third Party Contracting Requirements of FTA Circular 4220.1F in the solicitation, award and administration of its third party contracts. Subrecipients must ensure that all third party contracts contain the required contract clauses. Subrecipients must also ensure that they complete all required certifications, reports, forms and other required items. Procurements must comply with DBE program requirements. See section of agreement "Disadvantaged Business Enterprise Program Requirements".

Subrecipients who fail to comply with any of the above procedures could forfeit the right to be reimbursed using FTA Section 5311 funds.

## **SATISFACTORY CONTINUING CONTROL**

NJ TRANSIT will make periodic reviews of projects utilizing site visits and desk audits to assess the efficiency and effectiveness of each project. When capital equipment is acquired or approved for use by any entity in providing transportation services designed to meet the needs of residents of non-urban/rural areas, provisions must be made to assure satisfactory continuing control of that capital equipment.

NJ TRANSIT retains the authority to make periodic reviews of projects and conduct site visits to assess the efficiency and effectiveness of each project. NJ TRANSIT designated employees are authorized to enter without delay and at reasonable times the premises of a subrecipient without the necessity of the subrecipient's permission, to inspect project equipment and records. As a standard practice, NJ TRANSIT will contact a subrecipient ahead of time to set up a time and place for a vehicle inspection. Inspections shall not commence without first identifying to the subrecipient the purpose of the visit, which is to complete a formal inspection of project equipment and records. Representatives from NJ TRANSIT are authorized to inspect subrecipient vehicles at any location and time as deemed appropriate by inspectors.

When conducting an inspection, the NJ TRANSIT representative shall present their credentials to the subrecipient, or vehicle operator, explain the nature and purpose of the inspection; and indicate, generally, the scope of the inspection. The scope of the inspection may be broadened if circumstances warrant. NJ TRANSIT inspectors shall have authority to photocopy records, interview staff, and take photographs related to the purpose of the inspection. The conduct of inspections shall be such as to minimize disruption of the operations of the subrecipient. At the conclusion of an inspection, the NJ TRANSIT representative shall confer with a representative of the subrecipient and advise him/her of any equipment defects discovered during the inspection.

Each vehicle will be inspected, at minimum, once every two years to determine the accuracy of required reports and to evaluate the overall condition of the vehicle. In addition, randomly selected maintenance records as well as an inspection of subrecipients maintenance facilities, if applicable, will be conducted during the scheduled site visit. If a follow-up inspection discloses that a subrecipient has failed to correct

a defect, the subrecipient will be considered in noncompliance and NJ TRANSIT may consider, depending upon the severity of the infraction, termination of the lease agreement with the subrecipient. (see Exhibit A)

In addition, at least once every three years NJ TRANSIT will conduct an on-site program management review. The purpose of the review is to insure that the subrecipient is complying with all relevant program requirements.

## **FINANCIAL MANAGEMENT**

### **FINANCIAL RECORDS**

Financial records, supporting documentation, and all other records pertinent to a grant must be retained by NJ TRANSIT and must be made readily available to authorized representative of the U.S. Department of Transportation and the Comptroller General of the United States for a period of three years. The retention period starts on the date of forwarding the final Financial Status Report (SF-269A) If any litigation, claim or audit is started before the expiration of the three-year period, the records must be retained beyond three years, until all litigation, claims, or audit findings involving the records have been resolved. A subrecipient should retain all records and supporting documentation until such time that NJ TRANSIT has notified them that the retention period has been reached.

### **ALLOWABLE COST**

OMB Circular A-87 provides the Federal guidelines for allowable cost for subrecipients which are local governments. OMB Circular A-122 provides comparable guidance for nonprofit organizations. Expenses such as indirect cost or payments to a self-insurance fund must be documented appropriately.

### **BUDGET REVISIONS**

NJ TRANSIT will require an application for funds yearly in accordance with an application deadline established to ensure that whenever possible, requests for funding coincide with the state fiscal year. With regard to grants management, if a subrecipient makes a request to revise line items within the approved project budget or extend the terms of the project within the approved project funds, NJ TRANSIT will review and act on the request. Any request to transfer funds between project categories; operating, or non-operating, will be submitted to FTA as an information item in quarterly reports or the annual update of Program of Projects.

Any request by a subrecipient to increase the amount of funds for an approved project for which there are available funds will be reviewed by NJ TRANSIT after receipt of revised project description and a justification for additional funds. If the request is justified, NJ TRANSIT will grant approval by submission of a revised budget to FTA, and an amendment to the contract between NJ TRANSIT and the subrecipient will be executed. NJ TRANSIT's Section 5311 Agreements require that grantees request NJ TRANSIT approval for all subcontracts for operations of transit service, procurement of vehicles and/or procurement of professional services

## **AUDITS**

Subrecipients are to perform audits pursuant to the requirement of OMB Circular A-128, "Audits of State and Local Governments" or OMB Circular A-133, revised Audits of Institutions of Higher Education and Other Non-Profit Institutions" (including any future amendments thereto). Subrecipients are responsible for bringing problems noted in an audit to NJ TRANSIT's attention.

Subrecipients of funds under Section 5311 grant program will provide NJ TRANSIT with yearly audit reports. The audit reports should be provided within 180 days following the close of the grant recipient's fiscal year.

An examination of all accounts and financial records of the grant subrecipients and/or subgrant subrecipients is to be performed for each yearly period during which grant funds were earned. The examination shall be conducted in accordance with the Standards for Audits of Governmental Organizations, Programs, Activities and Functions and the Guidelines for Financial and Compliance Audits of Federally Assisted program issued by the United States General Accounting Office and generally accepted auditing standards established by the American Institute of Certified Public Accountants. The examination shall include such tests of the accounting records and such other auditing procedures considered necessary in the circumstances. The examination shall be for the purpose of expressing opinion on:

- a) The subrecipients complete financial statements prepared in conformance with generally accepted accounting principles.
- b) A project statement presenting revenues and expenses attributable to the project in accordance with the grant agreement.
- c) The individual grant recipient's compliance with the applicable legal and regulatory requirements, particularly the Financial and Accounting Conditions and Criteria for the Bus Operating Assistance Program (N.J.A.C. 16:53A1.1 et. Seq.)

Each subrecipient shall submit the following reports each year:

- a) A report on the complete financial statements prepared in conformity with generally accepted accounting principles.
- b) A report on the subrecipient's project statement and compliance with the terms of the grant contract and applicable laws and regulations.

The accountant's report on the financial statements shall:

- a) Identify the statements examined and the period covered.
- b) State that the audit was performed in accordance with the Standards for Audit of Governmental Organizations, Program, Activities and Functions and the Guidelines for Financial and Compliance Audits of Federally Assisted Programs issued by the United State's General Accounting Office and generally accepted auditing standards established by the American Institute of Certified Public Accountants.

- c) Express an opinion as to whether the financial statements are fairly presented in accordance with generally accepted accounting principles. If an unqualified opinion cannot be expressed, the nature of the qualification should be clearly stated.

The accountant's report on the project statement shall:

- a) Identify the financial statements that were examined and the period covered.
- b) State that the audit was performed in accordance with the Standards for Audit of Governmental Organizations, Program, Activities, and Functions and the Guidelines for Financial and Compliance Audits of Federally assisted Programs issued by the United States General Accounting Office and generally accepted auditing standards established by the American Institute of Certified Public Accountants.
- c) Identify the grant agreement under which the subrecipient received funds from NJ TRANSIT.
- d) Express an opinion as to whether the project statement is fairly presented in accordance with the terms of the grant agreement with NJ Transit. If an unqualified opinion cannot be expressed, the nature of the qualification should be clearly stated.
- e) Contain an expression of negative assurance with respect to the subrecipient's compliance with the accounting, administrative and operational procedures of the grant agreement and applicable laws and regulations, particularly, the Financial and Accounting Conditions and Criteria for the Bus Operating Assistance Program (N.J.A.C. 16:53A-1.1 et seq.)
- f) Identify the nature and impact of any noted instances of noncompliance with the terms of the grant agreement and those provisions of law or regulations that could have a material effect on the project statement.

Recipients of funds under NJ TRANSIT'S NON-URBANIZED AREA FORMULA PROGRAM (§5311) will provide NJ TRANSIT with one audit report (hard copy or in a electronic formats either on disk or via email) on a annual basis. The audit report should be provided within 180 days following the closing of the CONTRACTOR'S fiscal year. If the CONTRACTOR is unable to meet this schedule, the CONTRACTOR must provide NJ TRANSIT with a letter of intent to comply within this time frame.

### **CLOSE-OUT**

NJ TRANSIT shall initiate project closeout with subrecipients within 90 days after all funds are expended and all work activities for the project are completed.

FTA expects grants awarded for a specific program of projects to be completed within a reasonable, specified time frame and no longer than two additional years after the original appropriation. If small amounts of funds remain in an inactive grant, the state will request that the funds be deobligated and the project closed out. If the deobligated funds are still within their period of availability, FTA can reobligate the funds in a new grant to the state along with other currently available funds. Otherwise the deobligated funds lapse to the state and are reapportioned by FTA among all the states in a subsequent year.

## **REPORTING REQUIREMENTS**

### **ANNUAL PROGRAM OF PROJECTS STATUS REPORTS**

NJ TRANSIT is required to submit to FTA an annual program status report for every active grant, covering the 12-month period ending September 30. The reports are due at the Regional Office within 30 days after the end of the reporting period. Reports consist of an updated program of projects and revised budget for each approved program of projects which contains active projects. The updated version should reflect revised project descriptions, changes in projects from one category to another, and adjustments within budget categories. In addition, the state must include a narrative report indicating progress against milestones for vehicle procurements and/or construction projects, and estimating the revised completions date for the grants. Significant civil rights compliance issues occurring during the year (such as Title VI, EEO, or DBE complaints against the state or subrecipients) should be addressed in the annual status report. In addition, the state may report notable accomplishment or problems involving Section 5310 subrecipients. NJ TRANSIT has worked closely with the FTA Region II office and instead of the required annual reports, NJ TRANSIT submits reports on a quarterly basis as part of the quarterly reporting process.

### **FINANCIAL STATUS REPORTS**

The state must submit a Financial Status report for each active grant annually, for the period ended September 30. For the purpose of this report, funds are considered encumbered when agreements are signed with subrecipients.

### **FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA)**

FFATA requires that as federal grants are awarded certain details of sub-awards greater than \$25,000 be reported on [www.rsfs.gov](http://www.rsfs.gov). Within ten (10) business days of the FTA approval of a grant awarding funds under this program in TEAM, Capital Programs and Administration will provide Local Programs/Community Mobility with a copy of the grant. Local Programs/Community Mobility department staff will enter the required data for any subrecipient receiving greater than \$25,000.

### **CHARTER SERVICE REPORTS**

All FTA subrecipients providing charter services must report quarterly to NJ TRANSIT.

### **DBE REPORTS**

All FTA subrecipients receiving operating funding are required to complete and submit the Subrecipient DBE Reporting Form on a bi-annual basis to NJ TRANSIT.

### **SUBRECIPIENT QUARTERLY REPORTS**

All subrecipients are required to submit a quarterly report to NJ TRANSIT. These reports shall be used for review and analysis of performance and compliance requirements. This report includes ridership,

usage, mileage, repair and maintenance cost information. Subrecipients must submit quarterly reports electronically to NJ TRANSIT. (Exhibit B)

## **NTD REPORTS**

The National Transit Database (NTD) is the system through which the Federal Transit Administration (FTA) collects uniform data needed by the Secretary of Transportation to administer department programs. The data consists of selected financial and operating data that describe mass transportation characteristics. The legislative requirement for the NTD is found in Title 49 U.S.C. 5335(a):

Section 5335(a) National Transit Database (1) To help meet the needs of individual mass transportation systems, the United States Government, state and local governments, and the public for information on which to base mass transportation service planning, the Secretary of Transportation shall maintain a reporting system, using uniform categories, to accumulate mass transportation financial and operating information and using a uniform system of accounts. The reporting and uniform systems shall contain appropriate information to help any level of government make a public sector investment decision. The Secretary may request and receive appropriate information from any source.

(a)(2) The Secretary may make a grant under Section 5307 of this title only if the applicant and any person that will receive benefits directly from the grant are subject to the reporting and uniform systems.

The NTD reporting system evolved from the transit industry initiated Project FARE (Uniform Financial Accounting and Reporting Elements). Both the private and public sectors have recognized the importance of timely and accurate data in assessing the continued progress of the nation's mass transportation systems.

FTA conducted a comprehensive evaluation of the NTD in 2000 involving extensive outreach to the transit industry, assessment of the usefulness of NTD data to various constituencies, and balancing the usefulness of the data with the reporting burden to transit agencies. FTA redesigned the NTD for fiscal year 2002 to better meet the needs of data reporters and users.

One of the major recommendations of the evaluation was to include rural transit data within the NTD to provide a more complete picture of our nation's public transit system. FTA is implementing this recommendation through initiation of a voluntary program for states to report key financial and operating data for rural transit providers of public transportation.

Recognizing the unique characteristics of rural transit, FTA sought assistance from the states in developing a pilot NTD Rural Data Reporting System that would be beneficial and feasible. The American Association of State Highway and Transportation Officials' (AASHTO's) Standing Committee on Public Transportation (SCOPT) formed a working group to assist FTA with the development of the data items and definitions for inclusion in the NTD Rural Data Reporting System. The NTD Rural Data Reporting System was piloted in the 2002 report year. In New Jersey, Section 5311 subrecipients were first asked to submit reports in 2006. NJ TRANSIT as the administrator of the Formula Program for Non-Urbanized Areas (Section 5311) will be responsible for the data collection and compilation from each rural provider in the state serving the general public.

The NTD Rural Data Reporting Manual consists of three forms that provide state agency identification information, financial and non-financial operating statistics for individual rural general public transit providers, and a statewide summary. The three forms include:

1. State Agency Identification form (RU-10)
2. Rural General Public Transit Service form (RU-20)

3. Urban Recipient Form (RU-23)
4. Statewide Summary — Rural General Public Transit Service form (RU-30)

NJ TRANSIT will complete the State Agency Identification form and complete a Rural General Public Transit Service form for each provider of general public transportation service in the non-urbanized areas of the state. The Statewide Summary data is automatically generated from the data reported for individual providers. In order for NJ TRANSIT to complete and submit information, NJ TRANSIT's Local Program and Minibus Support Unit will ask each subrecipient to complete a RU-20 as early as September of each year in order that NJ TRANSIT can submit the required report by the deadline of October 28<sup>th</sup> of each year.

## **OTHER PROVISIONS**

### **CHARTER SERVICE**

As a subrecipient of Federal Transit Administration (FTA) funding (Section 5307, 5310, 5311, 5316, and/or 5317) you are required to comply with the charter service rules, 49 CFR Part 604. New rules for charter service were issued by the FTA in 2008.

**Charter service is now defined as transportation provided at the request of a third party for exclusive use of a vehicle for a negotiated price or transportation provided to the public for events or functions that occur on an irregular basis or of a limited duration and a fare is charged (above regular fare) or a third party pays for part of or the whole service.**

The general goal of these regulations is to protect the private charter provider from unfair competition from FTA subrecipients; there are exceptions where the FTA subrecipient can provide charter service. Below are some of the exceptions but not all:

- **Exception one:** FTA subrecipients are allowed to provide charter services to human services organizations that receive funding, either directly or indirectly from the list of the 64 federal programs that are listed in "Appendix A" of this rule.
- **Exception two:** FTA subrecipients are allowed to provide charter services to Qualified Human Services Organizations (QHSO), but these QHSO must be registered on-line with the FTA (under charter service registration). In addition the transportation is limited only to senior citizens, people with disabilities or low income individuals.
- **Exception three:** FTA subrecipients can provide charter service whenever private charter service operators (who must also register on-line with the FTA under charter service registration) decline the opportunity to respond to a request for charter service. This exception only applies if the requestor of the charter service and the FTA subrecipient follow the charter service required notifications and registration procedures.
- **Exception four:** FTA subrecipients can provide charter service if they have filed a petition with the FTA Administrator and this petition has been approved. For example there could be a petition granted for an economic hardship imposed on the charter service requestor's customers if the FTA subrecipient couldn't provide the service.

There is a FTA on-line registration requirement for both private charter operators and certain QHSOs. Private operators must register on-line, there is a detailed list of information they must provide including their geographic service area and whether they provide reduced rates to QHSOs. The revised charter service rules includes a Private Operator's Bill of Rights, but only for those private operators who register on-line. A QHSO is also required to register on-line if they do not receive one of the identified federal funds listed on Appendix A of the law.

If you are receiving FTA funds from 5310, 5311, 5316 and 5317, and using these funds for program purposes you are exempt from charter service rules. That is to say, you can only provide charter service that supports “program purposes” that are funded under these programs. However, you are still required to track all charter service requests from other parties and ensure that they follow the required charter rule registration and request process. **As a FTA subrecipient of these funds you are not required to register on-line.**

As a FTA subrecipient you must maintain records of charter requests, notices and charter services operating under the various exceptions in the charter service rules. This must be submitted to NJ TRANSIT on a quarterly basis.

## **PRIVATE SECTOR PARTICIPATION**

Under the requirements of 49 U.S.C. 5323(a)(1) States or local governmental authorities may use FTA funds to operate public transportation service in competition with or in addition to transportation service provided by an existing public transportation company only if the grantee "to the maximum extent feasible" provides for the participation of private companies. All projects are listed in the STIP and the MPO planning process provides adequate opportunity to address private sector concerns.

NJ TRANSIT recognizes that important opportunities to provide service exist particularly in the areas of human service transportation. Human service transportation generally refers to programs designed for individuals with lower incomes, people with disabilities, elderly persons, and sometimes children and youth. Private providers may be uniquely qualified to serve these specialized travel markets.

The New Jersey Council on Access and Mobility (NJCAM) is leading an interdepartmental effort in the State known as United We Ride to promote coordinated human service transportation delivery systems and improve access to transportation-disadvantaged populations. This initiative emphasizes the need to develop coordinated transportation plans at the State and local level. Private operators have the opportunity to be active participants in the development of these plans. The United We Ride initiative encourages communities to develop a family of services that range from fixed route bus, to shared ride, to demand response, to volunteer systems that offer a wide range of mobility options for consumers.

## **LABOR**

For almost all Federal transit programs involving transit operations, including Section 5311 program, 49 U.S.C. §5333(b) requires that fair and equitable arrangements must be made to protect the interests of employees affected by such assistance. The Department of Labor (DOL) is responsible under Federal law for the administration of Section 5333(b). DOL and DOT agreed upon a special Section 5333(b) Warranty for Section 5311 projects (Special Warranty), which was certified by the Secretary of Labor on May 31, 1979. The Special Warranty contains standard terms and conditions. While the state must still meet certain administrative requirements, acceptance of the Special Warranty by the subrecipients substitutes for the certification by DOL of individually negotiated agreements for each project within the state's program of projects for Section 5311. If DOL has certified comparable arrangement to be substituted for certain parts of the Special Warranty for use in a particular situation, acceptance of the warranty as modified is treated the same as acceptance of the Special Warranty.

Before undertaking a project, the subrecipient of Section 5311 funding (or legally responsible entity designated by the state) must agree in writing to the Special Warranty. The state must certify to DOL that each subrecipient included in the program of projects for a particular grant has agreed in writing to the Special Warranty before permitting the subrecipient to draw down Section 5311 funds for a project. Once

a subrecipient has signed the Special Warranty it is not necessary for the subrecipient to sign it again for subsequent projects, but the state is responsible for assuring that each subrecipient has a currently valid signed Special Warranty and for certifying this to DOL for each grant. The Special Warranty also includes a requirement that the state "provide to DOL and maintain at all times an accurate, up-to-date listing of all existing transportation providers which are eligible recipients of transportation assistance funded by the project, in the transportation service area of the project, and any labor organization representing the employees of such providers." The state and each subrecipient must also post the Special warranty where affected employees may see it.

Part of the Special Warranty consists of certain specified terms and conditions derived from the National (Model) Agreement for Section 5333(b) dated July 23, 1975. Alternative arrangements comparable to those National (Model) Agreement terms and conditions incorporated in the Special comparable to those National (Model) Agreement terms and conditions incorporated in the Special Warranty may be substituted if approved and certified by the Secretary of Labor. Under certain rare circumstances, when there are no existing transportation related employees in the service area, the Secretary of Labor may, upon request, grant a waiver of the required labor protections. Requests for waivers or approval of alternative arrangement should be transmitted to DOL through NJ TRANSIT.

NJ TRANSIT will not draw down funds for a project unless the subrecipient has agreed in writing to the Special Warranty, and the state has certified this agreement to DOL, and provided DOL with the required list of eligible subrecipients and labor unions in the service areas of the project. If any noncompliance problems develop, DOL will inform FTA and work with the state and subrecipients to reach a satisfactory solution to permit the release of funds for the project in question.

### **SCHOOL TRANSPORTATION**

Section 5323(f) prohibits the use of FTA funds for exclusive school bus transportation for school students and school personnel. The implementing regulations (49 C.F.R. Part 605) do permit regular service to be modified to accommodate school students along with the general public. For the purpose of FTA's school bus regulation, Headstart is a social service, not a school program. FTA subrecipients may operate vehicles, which meet the safety requirement for school transportation, but may not provide exclusive school service. In the State of New Jersey, in most cases, special license plates and equipment must be on school buses. Vehicles purchased under this program do not meet state laws regarding school buses and cannot be used to transport children to and/or from school or school related activities.

### **BUY AMERICA**

Section 5323(j) provides that, with exceptions, Federal funds may not be obligated for mass transportation projects unless steel and manufactured products used in such projects are produced in the United States. The ISTEA of 1991 adds iron to the commodities covered. Section 5311 recipients must conform with the FTA regulations, 49 C.F.R. Part 661, and any amendments thereto. Buy America requirements apply to all purchases, including materials or supplies funded as operating costs, if the purchase exceeds the threshold for small purchases.

There are four exceptions to the basic requirement which may be the basis for a waiver. First, the requirement will not apply if its application is not in the public interest. Second, the requirement will not apply if materials and products being procured are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality. Third, the requirement will not apply in a case involving the procurement of buses and other rolling stock (including train control, communication, and traction power equipment) if the cost of components and subcomponents which are produced in the United States is more than 60 percent of the cost of all components and subcomponents of the vehicles

or equipment, and if final assembly takes place in the United States. Fourth, the requirement will not apply if the inclusion of domestic material will increase the overall project contract by more than 25 percent. Request for Buy America waivers under the non-availability, price differential, and public interest exception must be submitted to FTA; a waiver is not required for rolling stock meeting the domestic content and final assembly requirements. FTA has issued a general waiver for selected items, including all purchases under the Federal small purchases threshold, currently \$100,000.

### **PRE-AWARD AND POST-DELIVERY REVIEW**

Procurements for vehicles, other than sedans or unmodified vans, must be audited in accordance with FTA regulation, "Pre-Award and Post-Delivery Audits of Rolling Stock Purchases," 49 C.F.R. Part 663. The regulation requires any subrecipient that purchases rolling stock for use in revenue service with funds obligated after October 21, 1991, conduct a pre-award and post-delivery review to assure compliance with its bid specifications, Buy America requirements, and Federal Motor Vehicle Safety requirements, and to complete specific certifications. Purchase of more than ten vehicles, other than unmodified vans or sedans, requires in-plant inspection. In the case of consolidated state procurements on behalf of multiple recipients, the in-plant inspection requirement is triggered only if any single recipient will receive more than ten of the vehicles.

### **NEW MODEL BUS TESTING**

Any new bus models must be tested at the FTA sponsored test facility in Altoona, PA. before FTA funds can be expended to purchase them (49 C.F.R. Part 665). This requirement applies to all buses and modified vans, but not to unmodified vans, including vans with raised roofs or lifts installed in strict conformance with the original equipment manufacturer modification guidelines. A new model is defined as one that has not been used in mass transportation service in the United States before October 1, 1988, or that has been used in such service but which, after September 30, 1988, is being produced with a major change in configuration or components. A major change in "configuration" is defined as a change, which may have a significant impact on vehicle handling and stability or structural integrity. A major change in "components" is defined as a change in one or more of the vehicle's major components such as the engine, transmission, suspension, axle, or steering. Purchasers of new model buses should ensure that the manufacturer has complied with the testing requirements by requesting a copy of the bus testing report, which must be provided to the purchaser before any FTA funds can be expended for those vehicles. Reports on vehicles, which have been tested, can be obtained from the Altoona Bus Testing Center, 6<sup>th</sup> Avenue and 45<sup>th</sup> Street, Altoona, Pennsylvania, 16602. The telephone number is (814) 949-7944. While the subrecipient must certify that it has obtained the report prior to expending Federal funds for a vehicle, information in the reports may be useful to operators much earlier in the vehicle procurement process, for example when writing specifications.

### **SAFETY**

FTA'S authority in the area of transit safety is set forth in Section 5329. FTA may withhold further financial assistance from any grantee that fails to correct any condition which FTA believes "creates a

serious hazard of death or injury." FTA'S authority to investigate and make findings in certain safety-related areas is permissive, not mandatory.

### **DRUG-FREE WORKPLACE**

The Drug-Free Workplace Act is part of the federal government's effort to eliminate illegal drugs from the workplace. The Drug-Free Workplace Policy is a "first-tier" requirement applying to NJ TRANSIT and does not apply to subrecipients of Section 5310, Section 5311, Section 5316 and Section 5317.

### **DRUG AND ALCOHOL ABUSE**

Section 5311 subrecipients are required to comply with regulations issued by the FTA on drug and alcohol testing, 49 C.F.R. Parts 653 and 654. Among other requirements, subrecipients must require that all safety sensitive employees be tested for drug and alcohol use pre-employment (drug only), randomly, and post accident, that certifications be made, and reports submitted. There are limited exceptions to the testing requirements for contract maintenance workers under Section 5311 and for volunteers.

NJ TRANSIT requires subrecipients to submit all required drug and alcohol test reports to the Local Programs Support Unit, no later than February 15<sup>th</sup> of each year. Those reports are then forwarded to NJ TRANSIT's Office of Capital Funding for submission to the FTA and/or their designee. All subrecipients must prepare and submit to NJ TRANSIT a written and approved Drug and Alcohol Testing Plan.

### **COMMERCIAL DRIVERS LICENSE**

Under federal law all drivers of vehicles designed to transport more than 15 persons (including the driver) must have a commercial driver's license (CDL). Mechanics that drive the vehicles must also have a CDL. The State of New Jersey has additional CDL requirements. If a subrecipient is not clear on whether or not the vehicle they have received under this program requires a CDL they should contact the NJ TRANSIT Local Programs and Minibus Support Unit immediately.

### **RESTRICTION ON LOBBYING**

Federal financial assistance may not be used to influence any member of Congress or an officer or employee of any agency in connection with the making of any Federal contract, grant, or cooperative agreement. NJ TRANSIT, subrecipients, and third party contractors at any tier awarded FTA assistance exceeding \$100,000 must sign a certification so stating and also must disclose the expenditure of non-Federal funds for such purposes (49 C.F.R. Part 20). Other Federal laws also govern lobbying activities. For example, Federal funds may not be used for lobbying Congressional Representatives or Senators indirectly, such as by contributing to a lobbying organization or funding a grass-roots campaign to influence legislation (32 U.S.C. § 1352). General advocacy for transit and providing information to legislators about the services a recipient provides in the community are not prohibited, nor is using non-Federal funds for lobbying, so long as the required disclosures are made.

### **PROTECTION OF THE ENVIRONMENT**

FTA has categorized typical projects according to the degree of environmental impact. Class 1 projects have a significant effect on the environment and therefore, require the preparation of an Environmental Impact Statement (EIS). Class 2 contains a list of types of projects, which normally do not have significant environmental effects. For certain FTA assisted projects, the significance of impacts cannot be

readily determined. These class 3 projects require the preparation of a brief Environmental Assessment to establish the need for an EIS or provide the documentation for a Finding of No Significant Impact.

Section 5311 projects are usually classified as Class 2 and are therefore "categorically excluded." Projects considered as categorical exclusions include operating assistance, purchase of transit vehicles, new construction or rehabilitation of bus storage and maintenance facilities, or purchase of office equipment. If the applicant believes their project may not be classified as an exclusion the applicant should contact NJ TRANSIT early in the application process to determine if the applicant should include detailed project information to aid the FTA Regional Office in making a determination.

### **CLEAN AIR ACT**

The Clean Air Act, as amended, establishes many substantive requirements in order to bring air quality regions, which violate the national ambient air quality standards into attainment by prescribed dates. Most "nonattainment" areas are heavily urbanized, but in the case of areas that are nonattainment for ozone or small particulate matter (PM-10), substantial rural areas may be included within the nonattainment area boundaries.

Section 5311 subrecipients must be aware of the transportation/air quality conformity review process. In general, transportation plans, programs, and projects must be found to "conform" with approved state (air quality) implementation plans before they can be funded by FTA. Most of the projects typically funded under Section 5311 have been exempted by regulation from the conformity review process, e.g., operating assistance, purchase and rehabilitation of transit vehicles, operating equipment, construction of most storage and maintenance facilities, etc.

Other types of projects may require detailed air quality analysis in order to determine whether the project would create a violation of a standard or make an existing violation worse. While this is not an issue for most Section 5311 projects, it could be for certain large facilities, e.g., transit terminals and park-and-ride facilities.

Subrecipients should consult with NJ TRANSIT as early as possible to establish which project, if any, will require further analysis to support FTA's conformity determination. Consultation with the EPA and state and local air quality agencies is also required for all projects subject to the conformity review process;

Other Clean Air Act requirement may apply to the Section 5311 subrecipient, e.g., phase-in of more stringent bus emission standards. NJ TRANSIT, when necessary, will contact the FTA Regional Office and request additional up-to-date information on various provisions of the Clean Air Act related to mobile sources.

**EXHIBIT A**  
Vehicle Inspection Form

VEHICLE INSPECTION

DATE: \_\_\_\_\_ COUNTY: \_\_\_\_\_ # \_\_\_\_\_

TRANSPORTATION PROVIDER NAME: \_\_\_\_\_

Vehicle Year	Inspection Sticker	Plate Number	Vin Number		Securements Lift ___ w/c ___ amb. ___
Make	Model	Body	Registration	Insurance Card	Odometer

All items must be inspected. If an item is not applicable to this vehicle, place "N/A" in the item box. If an item is defective or requires maintenance place a "✓" in the "D" box. Also, place a "✓" in the appropriate operable "O" box as needed.

Exterior	D O		Safety Equipment	D O		Interior	D O	
Owned by decal (2)		5	Triangles (3)		1	Mirrors		2
NJT colors		5	First Aid Kit		2	Lights		3
NJT #'s (2)		5	Bloodborne Pathogen Kit		3	Horn		2
Body damage		-	Seat belt cutter (suggested)		-	Seats		2
Windows		2	Extra electrical fuses		5	<b>Seat Belts</b>		<b>0</b>
<b>2 Outside Mirrors</b>		<b>0</b>	Fire Extinguisher		2	AC/Heat/Defroster		2
Reflectors		2	Rear door buzzer		3	<b>Wipers/washer</b>		<b>0</b>
<b>Turn Signals</b>		<b>0</b>	Exit windows/buzzers		3	Gauges and Indicators		2
<b>Flashers</b>		<b>0</b>	Roof Hatch		3	<b>Brakes (Foot/Parking)</b>		<b>0</b>
<b>Tires</b>		<b>0</b>				Floor		2
<b>Headlights</b>		<b>0</b>				Steps		2
<b>Parking lights</b>		<b>0</b>				Body Damage		5
<b>Brake lights</b>		<b>0</b>				Passenger Door		1
<b>Tail Lights</b>		<b>0</b>				Driver Door		1
<b>Backup lights</b>		<b>0</b>				Cleanliness		2
<b>Clearance/Marker</b>		<b>0</b>						
<b>Reverse Alarm</b>		<b>0</b>						
Destination Sign		2						
Cleanliness		2						

Signage/Decals	D O		Lift	D O		Securements	D O	
No Smoke/Eat/Drink		5	<b>Interlocks/Belt</b>		<b>0</b>	<b>Belt (4 floor)</b>		<b>0</b>
Seat Belts Required		5	<b>Level Platform</b>		1	<b>Lap Belt</b>		<b>0</b>
Emergency Exits		3	Lift Lights		3	<b>Shoulder belt</b>		<b>0</b>
Securement Instructions		5	<b>Electric Wires (cut, frayed)</b>		<b>0</b>	<b>Floor Track</b>		<b>1</b>
Lift Operating Instructions		5	<b>Hand Pump</b>		<b>0</b>			
Vehicle Height		5	Hand Rails on Lift (2)		1			

Comments and Observations of Inspector:


All defects must be repaired within the number of days indicated. Vehicles may be placed out-of-service for Inoperable or Defective items listed in bold and shaded print. The vehicle may not be returned to service until defect is repaired and the Manager Minibus Support in the Office of Policy Technology & Customer Service is notified of the repairs.

**General Vehicle Condition:**      <sup>50</sup>      Excellent \_\_\_ Good \_\_\_ Fair \_\_\_ Poor \_\_\_ Rec. Retirement \_\_\_

Transportation Provider:

NJ TRANSIT Inspector:

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

# EXHIBIT B

Vehicle Quarterly Reports

**NJ TRANSIT Community Mobility, Local Programs and Minibus Support  
Quarterly Vehicle Ridership Report – Definitions/Instructions**

The Federal Transit Administration requires certification that funded vehicles are being used responsibly. Therefore, Quarterly Vehicle Ridership Reports (QVRR) are distributed to each grant recipient agency, for each vehicle operated, to collect operating information and to attest to appropriate vehicle use and management procedures.

NJ TRANSIT Local Programs and Minibus Support must receive a QVRR for each vehicle operated by your agency and, funded through the Federal Section ARRA, 5307, 5310, 5311, 5316 and 5317 programs every calendar quarter throughout the useful life of the vehicle.

The QVRR **submitted to NJ TRANSIT electronically via S-RIDES** onto <http://s-rides.njtransit.com/> on or before the 30th day of the month following the close of each calendar quarter. Chronic failure to complete a QVRR accurately and promptly may result in termination of a contract/lease, repossession of project equipment and/or a rating penalty assessed to subsequent grant applications.

<u>Quarter</u>	<u>Report Due No Later Than</u>
January - March 30	April 30
April - June 30	July 31
July - September 30	October 31
October - December 31	January 31

**Trip by Trip Purpose and Customer Characteristics Headings –**

There are two headings Trip by Trip Purpose and Trip by Customer Characteristics. For each vehicle provide the number of one way trips in each of the columns below these headings.

**One Way Trip** - is defined as one passenger traveling in one direction from an origin to a destination; also referred to as an “unlinked passenger trip”. Two people traveling in one direction equal two one-way trips; two people making a round trip equal four one-way trips. Personal care attendants and companions of a passenger are counted; however, they should be included in the “Other” category. In addition those using ARRA, 5307, 5311, 5316 and 5317 funded vehicles in general public transportation can put ridership in the “Other” category.

**Please Note:** The "**Total**" of one way trips by "Trip Purpose" **must equal** the "**Total**" of one way trips by "Customer Characteristics". The S-RIDES system will auto-fill the totals after you enter the data and hit the save button.

**The following definitions correspond with Customer Trip Purposes Heading:**

**Days Operated** – The number of days the vehicle operated to meet the service provided for the reporting period.

**Medical** – trips taken for medical appointments such as dialysis, doctor's offices, physical therapy, chemotherapy etc.

**Non Competitive Employment** – trips to places of employment of a non-competitive nature (i.e. sheltered workshop or extended employment center).

**Competitive Employment** – trips to places of gainful employment.

**Recreation** – Number of trips to senior centers, sporting events, concerts, plays or community sponsored special events as well as planned social outings.

**Training & Education** – Number of trips to schools or vocational training centers, full-time or part-time, day or evening, credited or non-credited.

**Nutrition** – Number of trips exclusively to/from designated nutrition sites and centers with the primary purpose of obtaining a meal.

**Shopping** – Number of trips to any shopping area or store.

**Other** – Any trip that does not fit in any of the other categories including personal care attendants or for errands such as banking, hair salon or visiting friends or for a deviated route service (open door policy) where you do not collect this data.

**Total** - The total is auto-filled by the S-RIDES system upon saving your data. The system calculates Customer Trip Purpose data across the columns left to right.

**The following definitions correspond with Customer Characteristics Heading:**

**Senior Ambulatory** – A trip taken by a customer who is 60 years of age or older and who can walk with or without the use of a mobility device such as a cane or walker.

**Senior Non Ambulatory** - A trip taken by a customer who is 60 years of age or older, who cannot walk and uses a mobility device such as a wheelchair or scooter.

**Disabled Ambulatory** - A trip taken by an individual who is **less** than 60 years of age, who has a physical or mental impairment that substantially limits one or more major life activities and who can walk with or without the use of a mobility device such as a cane or walker.

**Disabled Non Ambulatory** - A trip taken by a customer who is **less** than 60 years of age, who cannot walk and uses a mobility device such as a wheelchair or scooter.

**Other** – Any customer trip that does not fit in any of the above Customer Characteristic categories such as personal care attendants, companions or for a deviated route service (open door policy) where you do not collect this data.

**Total** - The total is auto-filled by the S-RIDES system upon saving your data. The system calculates Customer Characteristics data across the columns left to right.

**Salary Expenses** – The combined total of salary related expenses associated with the operation of this vehicle such as driver and/or mechanic salaries for the reporting period.

**Insurance Expenses** – The cost of carrying this vehicle for the reporting period.

**Validation** – After hitting the “Submit” button, you must validate the data by checking the box, when prompted and by doing so you certify that:

1. The above information is true and verifiable.
2. The transportation service provided has been operated in accordance with the project application and contract.

**QUARTERLY RIDERSHIP must be submitted to NJ TRANSIT electronically via S-RIDES**  
**SAMPLE**



[Logout](#)  
**OCEAN COUNTY**  
**TRANSPORTATION**

---

Home
e-Forms
Import
Account History

### Quarterly Vehicle Ridership

Year:  Quarter:

Status: SUBMITTED

Filter Data:

[Export Data Into Excel](#)

**^ Trip Purpose**

Vehicle	Days Operated	Medical	Non Comp. Employment	Comp. Employment	Recreation	Training & Education	Nutrition	Shopping	Other	Total Trips
16-1124	11	12	6	0	0	0	0	0	0	18
16-1125	0	0	0	0	0	0	0	0	0	0
16-1127	0	0	0	0	0	0	0	0	0	0
16-1137	0	0	0	0	0	0	0	0	0	0
16-1319	0	0	0	0	0	0	0	0	0	0
16-939	0	0	0	0	0	0	0	0	0	0
Total	11	12	6	0	0	0	0	0	0	18

**^ Customer Characteristics**

Vehicle	Senior Ambulatory	Senior Non Ambulatory	Disabled Ambulatory	Disabled Non Ambulatory	Other	Total Trips

**NJ TRANSIT Community Mobility, Local Programs and Minibus Support  
Quarterly Vehicle Maintenance Report Definitions**

**Actual Miles Driven** – Enter the actual miles a vehicle traveled in the quarter; the sum of vehicle service and non-service miles.

**Odometer Reading** – Enter the odometer reading at end of quarter.

**Days Out of Service** - Enter the number of days the vehicle was out of service during the quarter due to preventive maintenance performed and/or other mechanical failures. This would be for service days (days of normally scheduled operation) that vehicle was not available for service.

**Total Cost** - Total of all expenses for maintenance and repairs performed during this quarter. Cumulative costs for all maintenance and repairs indicate on this report.

**PM Performed - Vehicle and Engine Preventative Maintenance Performed (VEPM)** – Check appropriate boxes to indicate the type of VEPM performed during this quarter: oil, filters, tune-up, tires, brake system, cooling/heating system and/or lift.

**Other Maintenance** – Check appropriate boxes for other maintenance items noted: transmission, drive train, electrical, exhaust or other.

**Mechanical Failures (Text box)** – Note any mechanical failures that occurred during this quarter. A failure of some mechanical element of the vehicle that prevents the vehicle from completing a scheduled revenue trip or from starting the next scheduled revenue trip because actual movement is limited or because of safety concerns. Examples include: breakdown, brake failure, doors, engine cooling system, steering and front, rear axle and suspension and torque converters.

**Damage/Accidents (Text box):** Describe any vehicle damage or accident that occurred during the quarter including the date of incident. You must notify Local Programs and Minibus Support, NJ TRANSIT within 24 hours of any accident as per your lease requirements.

**Other PM (Preventative Maintenance) (Text box)** – A failure of some other mechanical element of the revenue vehicle that because of local policy prevents the vehicle from completing a scheduled revenue trip or from starting the next scheduled revenue trip even though the vehicle is physically able to continue in revenue service. Examples of other bus failures include: breakdowns of fare box, wheelchair lifts, heating, ventilation and air conditioning (HVAC) and other problems not included as a mechanical failure.

Quarterly Vehicle Maintenance Reports must be *submitted to NJ TRANSIT electronically via S-RIDES*

SAMPLE

S-RIDES

[Logout](#)  
OCEAN COUNTY  
TRANSPORTATION

Homee-FormsImportAccount History

### Quarterly Maintenance Ridership

Year:  Quarter:

Status: Draft

---

Filter Data:

[Export Data Into Excel](#)

^ Maintenance Data

Vehicle	Actual Miles driven this quarter	Odometer	Days out of Service	Total Cost
16-1124	0	0	0	0
16-1125	0	0	0	0
16-1127	0	0	0	0
16-1137	0	0	0	0
16-1319	0	0	0	0
16-939	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

^ PM Performed

