

DATE: December 7, 2012

TO: STAC

FROM: Tom Mauser, DTR

SUBJ: Materials for discussion at December 2012 STAC meeting

DTR is seeking input on proposed changes to the FASTER Transit program.

- (1) Process for reprogramming current unspent FASTER funds:** Over the past four fiscal years DTR has seen the withdrawal of a number of projects but has not had an effective process in place to redistribute those funds to ensure they're put to good use promptly. This issue has come to the forefront in a Region that has significant unspent funds.

Requests for funding from Region 2 have consistently totaled less than the Region's allocation, and a number of projects have been withdrawn, creating a significant pool of uncommitted funds (\$1.3 million) in Region 2. DTR believes these funds should be distributed to the other Regions, where the need is greater. They'd be redistributed using the existing allocation formula. Ideally the transfer would occur immediately, but not all Regions have ranked their projects, and given that we're so close to making decisions for FY 14, the funds will be placed in the FY 14 pool. Projects will be selected using the current review process for FY 14/15 FASTER applications. The funds could be spent as soon as needed, once they've been re-budgeted.

The redistribution to other Regions would be as follows:

Region 1	\$ 161,212.23
Region 2	\$ -
Region 3	\$ 176,887.06
Region 4	\$ 241,389.40
Region 5	\$ 75,742.27
Region 6	\$ 576,217.04
	<b>\$1,231,448</b>

- (2) Process for reprogramming future unspent FASTER funds:** Starting in FY 2014, it is proposed that if a project has not shown significant progress towards scope development by October 31 of that fiscal year, as demonstrated by the lack of match or a clear path towards project completion, DTR or a Region may determine that the project should be withdrawn and funded instead from a future year's allocation, or withdrawn indefinitely. In such cases, whether it is a statewide or local pool project, there will be communication about the impending withdrawal between DTR and the Region prior to taking any final action. The funds from a withdrawn project could then be transferred to

another project on the FASTER list that was not funded (or not fully funded) by that Region, provided that the project received a passing score, has the match and can successfully implement the project.

To make this process work, it would be necessary for the Regions to develop not only a list of projects that are recommended for FASTER funding but also a list, preferably ranked, of other projects that would be eligible for funding if it becomes available. This would be a list of projects that received a passing score and would be ready to implement. The Region could transfer the funds from a withdrawn project to a project on this list, provided the chosen local agency could proceed with its project with that amount of funding, not merely “bank” the funds for a future date. Regions should also indicate any projects that are considered ineligible as a result of not receiving a “passing” score.

DTR’s intent is to use all available FASTER funds within the current fiscal year. There could be circumstances where it’s difficult for a Region to transfer withdrawn funds to another project on its list. For example, if a \$50,000 project is withdrawn but the two unfunded, eligible projects on the Region’s list both requested \$400,000 and cannot proceed with only \$50,000, then it would be necessary to find another recipient for the funds. In such a situation, DTR would determine if there are any unfunded capital project requests in that Region in the FTA Section 5310, 5311 or 5339 programs. If so, DTR would seek to fund those capital requests with the withdrawn FASTER funds. If there are no such unfunded capital projects in that Region, DTR could then make that Region’s FASTER funds available for transfer to another Region(s), with DTR making the selection of the most appropriate recipient, in collaboration with the affected Regions. If no such transfer can be made, then the funds would be available to that Region for the following fiscal year.

**(3) Improved eligibility screening:** DTR has been increasing and improving its use of metrics to rank vehicle replacement requests, measuring them against the FTA’s minimum useful life criteria. However, in order to be effective, the metrics should be used across the board and enforced. In 2013 one Region awarded funding for some buses that were far below the FTA minimum useful life standards, overruling a recommendation of DTR that they not be funded. DTR is now negotiating a scope of work for that project but questioning the need to replace the buses at the current time.

DTR believes that some vehicle replacement requests might need to be screened out rather than simply scored lower. DTR is proposing to use the metrics (vehicle miles, hours of service, condition) as a threshold eligibility criteria. A vehicle request that doesn’t meet the criteria could be considered for funding for a later year.