



United States
Department of Transportation

American Recovery and Reinvestment Act

Federal Transit Administration

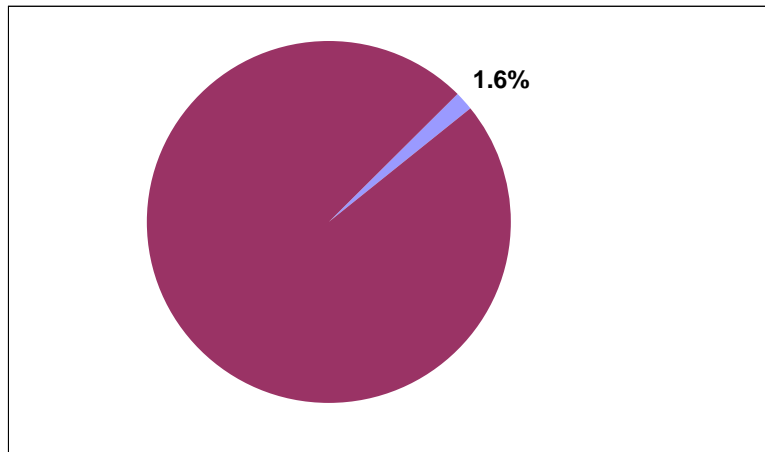
Capital Investment Grants

Program Performance Plan



Funding

Funding: \$750,000,000
Percentage of DOT total Recovery Act funding:



Type: Discretionary funding
Period of Availability: Two years (through 2010)
Timeline for announcing:

Date	Announcement
May 2009	FTA announced the project selections in the Federal Register
May 2010	FTA's grants information will be accepted in the reporting system and the funds must be drawn down (outlayed) by recipients

Amount allotted for administrative cost: \$7,500,000
Amount allotted for distribution: \$742,500,000

Program Description

Program objectives:

The purpose of the Capital Investment Grant program is to provide funding for either new fixed-guideway transit systems or for extensions of existing fixed guideway systems including heavy rail, light rail, commuter rail, bus rapid transit, streetcars, ferries, and certain corridor-based bus systems.

Public benefits:

Investment in transit fixed guideway and bus infrastructure translates into transportation alternatives that contribute to the livability of our cities and communities by reducing air pollution, reducing congestion during peak commuting periods, and promoting urban land use patterns that reduce energy use). These transportation services also provide basic mobility to individuals who do not have vehicles, persons with disabilities, people with low income, and senior citizens for access to employment, basic services, and leisure locations.

Project level activities:

Construction of fixed-guideway public transportation systems.

Funding determination:

There is no formula used in distributing funds

Project selection criteria:

Projects selected were determined based on the Recovery Act criteria that projects must be in construction or able to award funds within 150 days of enactment. Projects were chosen from among those with an existing Full Funding Grant Agreement (FFGA) with FTA. The process for securing an FFGA with FTA is described in detail at http://www.fta.dot.gov/planning/newstarts/planning_environment_2608.html. The Recovery Act stipulates that priority is to be given to projects under construction or able to obligate funds within 150 days.

Funding decisions made by:

US DOT, Region/MPO/District and Local Gov.

Contracting vehicle(s):

Contracting in this Program is done exclusively by the grant recipients. The grant recipients may use a wide variety of contracting vehicles, consistent with Federal, state and local regulations, depending on the nature of the activity being contracted and other local decision-making factors.

Primary recipients:

Local Government, Quasi-Public Nonprofit Institutions

Beneficiaries:

General Public

Significant program challenges and mitigation strategies:

Challenge 1: Providing sufficient program oversight of the Recovery Act program within existing program resources. Providing sufficient program oversight of the Recovery Act program within existing program resources.

Challenge 2: Grant recipients are required under Section 1201 and Section 1512 of the Recovery Act to make various reports relating to transit projects. It is a challenge to define a Recovery Act "Project", however, in terms of funding for a major construction program that was already underway and will in most cases be ongoing for many years.

Challenge 3: Implementation, including grantee compliance with the enhanced federal reporting requirements associated with the Recovery Act.

Mitigation strategies:

To mitigate oversight resource challenges, additional resources will be dedicated to the current New Starts oversight program.

FTA is meeting internally to make guidance recommendations to OST and OMB for reporting required under ARRA for transit grant recipients.

To mitigate implementation issues, FTA also intends to announce information regarding reporting requirements in a Federal Register notice and to continue participating in grantee outreach.

Program Activities

Summary of implementation process:

	Milestone	Date	Anticipated Accomplishment
1	Allocation of funds	May 2009	Determination of project selection criteria and publication of solicitation of applications
2	1 st 1201 ARRA reporting	May 2009	Accomplish on time
3	2 nd 1201 ARRA reporting	May 2009	Accomplish on time
4	3 rd 1201 ARRA reporting	August 2009	Accomplish on time

5	Disburse all allocated funds (outlayed)	February 2010	Accomplish on time
6	Un-obligated Capital Investment Act funds returned to Treasury	October 2010	Accomplish on time
7	3 rd 1201 ARRA reporting	February 2011	Accomplish on time

Anticipated Results

Expected Outcome:

Without ARRA funding: Federal funding for New Starts projects will be provided in accordance with existing grant agreements.

With ARRA funding: Federal funding for New Starts projects will be supplemented by Recovery Act funds and, for certain projects, funds will more closely match construction period cash outflows. This supplemental funding will provide temporary cash flow relief to financially stressed transit authorities.

Measure:

Percent of transportation infrastructure projects under Full Funding Grant Agreements that have current total cost estimates that exceed baseline cost by more than 5%.

Explanation of measure:

This measure is focused on cost containment to ensure that projects are completed on time and on budget.

	2009	2010	2011	2012
Target set prior to ARRA	<5%	<5%	<5%	<5%
New target set with ARRA	<5%	<5%	<5%	<5%
Measure Frequency: Quarterly		Reported by Fiscal Year		
Lower is better				

Risk Management & Evaluation

Risk:

The Department of Transportation created a common risk management protocol for each of its Recovery Act programs to follow. It includes (1) completing a risk assessment to identify risks, (2) completing a risk profile to assess risks, (3)

developing a risk mitigation strategy to address identified risks, and (4) participating in a validation and testing process to ensure that risks are being addressed. Recovery Act funded programs will be fully absorbed in FTA's established risk-management process and may even enhance that process with additional program-specific risk management actions.

General Risk	FTA has a long-standing oversight program, and funds are being distributed to projects under the existing New Starts program guidelines.
Reporting Risk	FTA currently requires quarterly grant reporting and plans to utilize existing financial management systems to the extent possible. Furthermore, FTA will work with OST on developing new systems as needed. Agency reporting efforts have not been finalized and no decision has been made on the reporting system for Section 1201 data.
Human Resources Risk	FTA has identified a team of highly qualified staff from across the agency with many years of experience in transit who are now working on Recovery Act efforts. Additional staff, including retired former staff that are being hired for key positions to support Recovery Act.
Grants Risk	Funds will be allocated to New Starts or Small Starts grantees with projects under construction or able to obligate the funds for construction within 150 days of recovery Act enactment. These grantees are familiar with FTA's grant program and the Federal requirements associated with receiving FTA resources. In addition, FTA will closely monitor quarterly financial status reports and milestone reports for ARRA grants. FTA is also providing real time guidance and training to Recovery Act grant recipients through participation in conferences, webinars and outreach sessions. FTA also has an agency recovery site www.fta.dot.gov/economic , which includes Recovery Act program guidance for grantees.
Procurement Risk	FTA has not issued any requests for proposals in support of Recovery Act activities to date. FTA will issue new task orders under existing contracts that will include the necessary Recovery Act requirements in support of program management activities.
Budget/Financial Risk	New Treasury accounts have been established so Recovery Act funds are not co-mingled with non-Recovery Act funds. FTA has established unique accounting codes to separate and track Recovery Act funds in financial management systems, and grantees cannot mix Recovery Act program funds with non-

	Recovery Act funds in a single grant.
Systems Risk	FTA has incorporated Recovery Act-specific codes in its grants management system and identified a better method to use the accounting system to manage and control funds.
Audit/Investigations Risk	FTA has developed standard operating procedures for grant making, grant management and oversight; and, will continue to follow A-133 guidance to address internal control weaknesses that may be identified.
Performance Risk	FTA will continue its grant management activities such as monitoring quarterly milestone progress reports and financial status reports.

Planned program assessment / evaluation:

A summary report is produced at the end of each project. Grantees are evaluated once every three years under FTA's triennial review program which assesses compliance with all regulations and procedures. There are ongoing reviews by the Office of Civil Rights of compliance with Departmental requirements, including ADA, DBE, Title VI, and EEO.

Estimated Start Date	Estimated Completion Date
May 2009	April 2011

Results of recent program assessment / evaluation:

GAO has issued several recent reports on FTA's capitals investment grants program, most recently in 2006, 2007 (twice), and 2008. The findings of these studies primarily centered on the project evaluation process, including the need for streamlining the application process, particularly for the Small Starts Program, the need to incorporate additional criteria into project evaluations, and the likely increase in future applications for participation in this program. FTA is taking steps to revise and improve its capital investments project evaluations to respond to these concerns. In terms of the Recovery Act, however, funding was necessarily only provided to projects that had already completed the evaluation process and were in the implementation phase.

Estimated Start Date	Estimated Completion Date
2006	2008

Accountability & Transparency

Scheduling reviews:

Project plans are reviewed at the alternatives analysis stage, preliminary engineering stage, final design stage, and before a Full Funding Grant Agreement is signed. During construction projects submit monthly reports which are fully reviewed.

Communicating with recipients:

In monthly conference calls, FTA reviews plans and progress, recipient reports, and application documents and provides feedback to grantees. Management and headquarters staff is notified of any issues that need to be resolved.

Communicating with public and stakeholders:

Recipients communicate directly with the public. FTA maintains a web site that has sections dedicated to project management, as well as several other topics of interest to the public. FTA also maintains a complaint hotline where the public can submit comments on misuse of government funds. These complaints are fully investigated and receive full responses.

Collecting and validating project-level data:

Program staff will review data submissions that come into the agency from the grant recipients through the grant processing system as well as the Recovery Act reporting system.

Data will be validated by FTA staff.

Ensuring best use of federal funds:

For jobs creation and retention	“shovel-ready” projects result in tangible outputs quickly, and provide public benefit more quickly than funding brand new projects that have to start the design/build process from scratch. A significant aspect of this is that they have already undergone the environmental review and alternatives analysis process, which can take years to complete for new projects. It also preserves local resources by providing Federal funds earlier than scheduled, which reduces finance costs.
For program or project outputs	Grantees submit monthly reports and are subject to quarterly project reviews that insure projects are completed on time and within budget by dealing with issues as soon as they are identified.
For other public benefits	Well-designed transit systems have a multitude of social benefits that enhance the livability of our communities. They also provide safe, energy-efficient transportation alternatives to automobile travel and promote local economic development.

Holding program managers and recipients accountable:

Program Managers	Staff negotiates annual goals with management on which personal performance evaluations are based. Recovery Act performance goals may be incorporated into these agreements.
Primary and Secondary Recipients	Quarterly reporting requirements, project review meetings, milestone progress reporting, and financial status reporting.

Compliance & Results

Reducing environmental impacts:

Projects funded by these grants all support transit system expansion to serve existing and new transit users. These transit riders might otherwise be driving,

using non-renewable energy, and contributing more greenhouse gas emissions and pollution to the atmosphere.

Complying with National Environmental Policy:

All grants and projects within grants have National Environmental Policy Act (NEPA) compliance entries in the grants information and reporting system which are routinely monitored in the context of Recovery Act reporting.

Complying with National Historic Preservation Standards:

No project is cleared for funding if there is an unresolved National Historic Preservation Act issue.

Holding recipients accountable for energy efficiency and/or green building standards:

FTA does not fund projects in grants without documented compliance with the National Environmental Policy Act. In addition, FTA is reporting the environmental status and all environmental actions taken on Recovery Act funded projects.