

Excerpt from Circular C9070.1G:**14. ELIGIBLE CAPITAL EXPENSES THAT MEET THE 55 PERCENT REQUIREMENT.**

Funds for the Section 5310 program are available for capital expenses as defined in Section 5302(3) to support public transportation capital projects planned, designed, and carried out to meet the special needs of seniors and individuals with disabilities when public transportation is insufficient, unavailable, or inappropriate. Examples of capital expenses that meet the 55 percent requirement, which must be carried out by an eligible recipient or subrecipient as described in section 5 of this chapter above, include, but are not limited to:

- a. Rolling stock and related activities for Section 5310-funded vehicles
 - (1) Acquisition of expansion or replacement buses or vans, and related procurement, testing, inspection, and acceptance costs;
 - (2) Vehicle rehabilitation or overhaul;
 - (3) Preventive maintenance;
 - (4) Radios and communication equipment; and
 - (5) Vehicle wheelchair lifts, ramps, and securement devices.
- b. Passenger facilities related to Section 5310-funded vehicles
 - (1) Purchase and installation of benches, shelters, and other passenger amenities.
- c. Support facilities and equipment for Section 5310-funded vehicles
 - (1) Extended warranties that do not exceed the industry standard;
 - (2) Computer hardware and software;
 - (3) Transit-related intelligent transportation systems (ITS);
 - (4) Dispatch systems; and
 - (5) Fare collection systems.

- d. Lease of equipment when lease is more cost effective than purchase. Note that when lease of equipment or facilities is treated as a capital expense, the recipient must establish criteria for determining cost effectiveness in accordance with FTA regulations, “Capital Leases,” 49 CFR part 639 and OMB Circular A–94, which provides the necessary discount factors and formulas for applying the same;
- e. Acquisition of transportation services under a contract, lease, or other arrangement. This may include acquisition of ADA-complementary paratransit services when provided by an eligible recipient or subrecipient as defined in section 5 of this chapter, above. Both capital and operating costs associated with contracted service are eligible capital expenses. User-side subsidies are considered one form of eligible arrangement. Funds may be requested for contracted services covering a time period of more than one year. The capital eligibility of acquisition of services as authorized in 49 U.S.C. 5310(b)(4) is limited to the Section 5310 program;
- f. Support for mobility management and coordination programs among public transportation providers and other human service agencies providing transportation. Mobility management is an eligible capital cost. Mobility management techniques may enhance transportation access for populations beyond those served by one agency or organization within a community. For example, a nonprofit agency could receive Section 5310 funding to support the administrative costs of sharing services it provides to its own clientele with other seniors and/or individuals with disabilities and coordinate usage of vehicles with other nonprofits, but not the operating costs of service. Mobility management is intended to build coordination among existing public transportation providers and other transportation service providers with the result of expanding the availability of service. **Mobility management activities may include:**
 - (1) The promotion, enhancement, and facilitation of access to transportation services, including the integration and coordination of services for individuals with disabilities, seniors, and low-income individuals;
 - (2) Support for short-term management activities to plan and implement coordinated services;
 - (3) The support of state and local coordination policy bodies and councils;
 - (4) The operation of transportation brokerages to coordinate providers, funding agencies, and passengers;
 - (5) The provision of coordination services, including employer-oriented transportation management organizations’ and human service organizations’ customer-oriented travel navigator systems and neighborhood travel coordination activities such as coordinating individualized travel training and trip planning activities for customers;

- (6) The development and operation of one-stop transportation traveler call centers to coordinate transportation information on all travel modes and to manage eligibility requirements and arrangements for customers among supporting programs; and
 - (7) Operational planning for the acquisition of intelligent transportation technologies to help plan and operate coordinated systems inclusive of geographic information systems (GIS) mapping, global positioning system technology, coordinated vehicle scheduling, dispatching and monitoring technologies, as well as technologies to track costs and billing in a coordinated system, and single smart customer payment systems. (Acquisition of technology is also eligible as a standalone capital expense).
- g. Capital activities (e.g., acquisition of rolling stock and related activities, acquisition of services, etc.) to support ADA-complementary paratransit service may qualify toward the 55 percent requirement, so long as the service is provided by an eligible recipient/subrecipient as defined in section 5, above, and is included in the coordinated plan.

15. OTHER ELIGIBLE CAPITAL AND OPERATING EXPENSES.

- a. General. Up to 45 percent of a rural, small urbanized area, or large urbanized area's annual apportionment may be utilized for:
- (1) Public transportation projects (capital only) planned, designed, and carried out to meet the special needs of seniors and individuals with disabilities when public transportation is insufficient, inappropriate, or unavailable;
 - (2) Public transportation projects (capital and operating) that exceed the requirements of ADA;
 - (3) Public transportation projects (capital and operating) that improve access to fixed-route service and decrease reliance by individuals with disabilities on ADA-complementary paratransit service; or
 - (4) Alternatives to public transportation (capital and operating) that assist seniors and individuals with disabilities with transportation.

Since the 55 percent requirement is a floor, and not a ceiling, the activities listed in section 14, above, are eligible expenses for all funds available to a recipient under Section 5310. For example, mobility management and ITS projects may be eligible under both categories; the difference to note, in order for the project to qualify toward the 55 percent requirement, is that the project must meet the definition of a capital project, be specifically geared toward the target population, and carried out by an eligible subrecipient, which is limited for this category of projects. The list of eligible activities is intended to be illustrative, not exhaustive. FTA encourages recipients to develop

innovative solutions to meet the needs of seniors and individuals with disabilities in their communities and discuss proposed projects with FTA regional staff to confirm eligibility.

- b. Public Transportation Projects that Exceed the Requirements of the ADA. The following activities are examples of eligible projects meeting the definition of public transportation service that is beyond the ADA.
 - (1) Enhancing paratransit beyond minimum requirements of the ADA. ADA-complementary paratransit services can be eligible under the Section 5310 program in several ways:
 - (a) Expansion of paratransit service parameters beyond the three-fourths mile required by the ADA;
 - (b) Expansion of current hours of operation for ADA paratransit services that are beyond those provided on the fixed-route services;
 - (c) The incremental cost of providing same day service;
 - (d) The incremental cost (if any) of making door-to-door service available to all eligible ADA paratransit riders, but not on a case-by-case basis for individual riders in an otherwise curb-to-curb system;
 - (e) Enhancement of the level of service by providing escorts or assisting riders through the door of their destination;
 - (f) Acquisition of vehicles and equipment designed to accommodate mobility aids that exceed the dimensions and weight ratings established for wheelchairs under the ADA regulations, 49 CFR part 38 (i.e., larger than 30" × 48" and/or weighing more than 600 pounds), and labor costs of aides to help drivers assist passengers with oversized wheelchairs. This would permit the acquisition of lifts with a larger capacity, as well as modifications to lifts with a 600-pound design load, and the acquisition of heavier duty vehicles for paratransit and/or demand-response service in order to accommodate lifts with a heavier design load; and
 - (g) Installation of additional securement locations in public buses beyond what is required by the ADA.
 - (2) Feeder services. Accessible "feeder" service (transit service that provides access) to commuter rail, commuter bus, intercity rail, and intercity bus stations, for which complementary paratransit service is not required under the ADA.
- c. Public Transportation Projects that Improve Accessibility. The following activities are examples of eligible projects that improve accessibility to the fixed-route system.

- (1) Making accessibility improvements to transit and intermodal stations not designated as key stations. Improvements for accessibility at existing transportation facilities that are not designated as key stations established under 49 CFR 37.47, 37.51, or 37.53, and that are not required under 49 CFR 37.43 as part of an alteration or renovation to an existing station, so long as the projects are clearly intended to remove barriers that would otherwise have remained. Section 5310 funds are eligible to be used for accessibility enhancements that remove barriers to individuals with disabilities so they may access greater portions of public transportation systems, such as fixed-route bus service, commuter rail, light rail, and rapid rail. This may include:
 - (a) Building an accessible path to a bus stop that is currently inaccessible, including curbcuts, sidewalks, accessible pedestrian signals, or other accessible features;
 - (b) Adding an elevator or ramps, detectable warnings, or other accessibility improvements to a non-key station that are not otherwise required under the ADA;
 - (c) Improving signage or wayfinding technology; or
 - (d) Implementation of other technology improvements that enhance accessibility for people with disabilities including ITS.
 - (2) Travel training. Training programs for individual users on awareness, knowledge, and skills of public and alternative transportation options available in their communities. This includes travel instruction and travel training services.
- d. Public Transportation Alternatives that Assist Seniors and Individuals with Disabilities with Transportation. The following activities are examples of projects that are eligible public transportation alternatives.
- (1) Purchasing vehicles to support accessible taxi, ride-sharing, and/or vanpooling programs. Section 5310 funds can be used to purchase and operate accessible vehicles for use in taxi, ride-sharing, and/or vanpool programs provided that the vehicle meets the same requirements for lifts, ramps, and securement systems specified in 49 CFR part 38, subpart B, at a minimum, and permits a passenger whose wheelchair can be accommodated pursuant to part 38 to remain in his/her personal mobility device inside the vehicle.
 - (2) Supporting the administration and expenses related to voucher programs for transportation services offered by human service providers. This activity is intended to support and supplement existing transportation services by expanding the number of providers available or the number of passengers receiving transportation services. Vouchers can be used as an administrative mechanism for payment of alternative transportation services to supplement available public transportation. The Section 5310 program can provide vouchers to seniors and individuals with disabilities to purchase rides, including: (a) mileage reimbursement as part of a volunteer driver program; (b) a

taxi trip; or (c) trips provided by a human service agency. Providers of transportation can then submit the voucher for reimbursement to the recipient for payment based on predetermined rates or contractual arrangements. Transit passes or vouchers for use on existing fixed-route or ADA complementary paratransit service are not eligible. Vouchers are an operational expense which requires a 50/50 (federal/local) match.

- (3) Supporting volunteer driver and aide programs. Volunteer driver programs are eligible and include support for costs associated with the administration, management of driver recruitment, safety, background checks, scheduling, coordination with passengers, other related support functions, mileage reimbursement, and insurance associated with volunteer driver programs. The costs of enhancements to increase capacity of volunteer driver programs are also eligible. FTA encourages communities to offer consideration for utilizing all available funding resources as an integrated part of the design and delivery of any volunteer driver/aide program.
- e. Limits on operating assistance. Given the 55 percent requirement for traditional Section 5310 capital projects, a recipient may allocate up to 45 percent of its apportionment for operating assistance. However, this funding is limited to eligible projects as described in 49 U.S.C. 5310(b)(1)(B-D) and described in this section (b, c, and d), above. Operating assistance for required ADA complementary paratransit service is not an eligible expense.