



## Transportation Improvement Program (TIP) Guidance for Transit Projects

The following materials related to transit programming in the TIP are available for download and/or discussed in greater detail below:

- ◆ [Transit Project Description Template and instructions](#)
- ◆ [Financial Summary Template and instructions](#)
- ◆ [FTA's optional guidance on grouping projects](#)
- ◆ [Transit programming notes](#)
- ◆ [Amendments](#)
- ◆ [PTN-TPP Relationship for Transit Programming.](#)

(Rev 5/2010)

### Transit Project Descriptions

The [project description template](#) is created in Excel. The second worksheet contains instructions. If an MPO intends to send its project description pages to TxDOT in an Adobe *.pdf* file, the MPO may choose alternate software to create the project descriptions. However, the appearance must be the same as the Excel format.

If TxDOT receives an Excel version of the project descriptions, then the workbook should also include the financial summary discussed in the next paragraph.

Delete the instructions worksheet from any Excel workbooks sent to TxDOT.

### Financial Summary Template

The [financial summary template](#) is also an Excel file. The second worksheet contains instructions. Separate tables are prepared for each MPO and district. The district table reflects only what is occurring in the nonurbanized area; it does not include any MPO information. A financial summary table must accompany any amendment to the project descriptions, even if that amendment does not have a monetary impact, i.e., a change in project sponsor.

Although an MPO may chose an alternate format for local purposes, TxDOT's Public Transportation Division (PTN) must receive a financial summary in this format in Excel. Individual submissions from districts and MPOs are placed into a master spreadsheet to create statewide summary tables so uniformity is critical. Non-compliant financial summaries are returned for proper formatting.

Delete the instructions worksheet before sending the Excel workbook to PTN.



## FTA's Optional Guidance on Grouping Projects

FTA Regional Notice 191 dated November 7, 1996 provides guidance on grouping transit projects in the TIP. The intent is to offer flexibility in developing the TIP and minimize the need for amendments. The guidance suggests a lump sum approach to project descriptions that are augmented by greater detail in an attachment. The benefit of the approach is that as long as the lump sum amount does not change, the component pieces can without triggering a TIP amendment. Click on the following link to read the [regional notice](#) (Rev 5/2010)

As the heading indicates, the guidance is optional.

## Transit Programming Notes

Topics under this subheading include:

- ◆ Section 5303 and Section 5304 Planning Grants
- ◆ Section 5307 Urbanized Grants
- ◆ Section 5309 Grants and Earmarks
- ◆ Section 5310 Elderly Individuals/Individuals with Disabilities Grants
- ◆ Section 5311 Nonurbanized Grants
- ◆ Section 5316 JARC and Section 5317 New Freedom Grants
- ◆ Regionally Significant Projects
- ◆ Transportation Development Credits
- ◆ Estimating Project Costs
- ◆ Total Project Cost

**Section 5303 and Section 5304 Planning Grants:** These funds *are not* included in the TIP.

**Section 5307 Urbanized Grants:** Urbanized grants must include programming for capital and operating expenses. Capital project descriptions must include what is being purchased. *Note:* Section 5307 funds used for planning activities must appear in the MPO's Unified Planning Work Program.

**Section 5309 Capital Investment (Discretionary) Grants and Earmarks:** At the time Section 5309 awards are published in the *Federal Register*, FTA assigns a project identification number. This number *must* be included in the TIP to aid FTA in connecting the TIP listing with the grant application.

MPOs program Section 5309 grants for urbanized transit agencies, and districts do the same for awards to nonurbanized transit agencies. TxDOT-PTN programs statewide awards, which are typically for vehicle replacement in both the urbanized and nonurbanized fleets.

[23 CFR 450.324\(k\)](#) makes specific reference to Section 5309 programming for unfunded requests. Thus:

- ◆ The TIP listing must clearly indicate that a request is pending.



Updated 5/2010 where noted.

- ◆ The earmark ID must be added when known. (*TxDOT Note*: This can be done by [Administrative Amendment](#)) If the project is not funded, it should be amended out of the TIP. (Rev 5/2010)

**Section 5310 Elderly Individuals /Individuals with Disabilities Grants:** Districts are to use the Section 5310 allocation published in the Unified Transportation Program (UTP) as the source for TIP programming.

Until the commission awards the fiscal year funds, the UTP numbers remain in the TIP. The actual awards often exceed the UTP estimates since they normally reflect deobligated funds from previous years. But, this does not trigger a change in the succeeding years' TIP numbers.

Project selection for Section 5310 grants results from a local planning process overseen by the Public Transportation Coordinator. A district may initially program Section 5310 funds as a lump sum. However, once the sponsor is known, the TIP must be amended to show the recipient and the purpose for which the funds will be used. (Rev 5/2010)

Where the district allocates Section 5310 funds to an urbanized area, the MPO will program the project. Districts must ensure that the total amount programmed by the MPO and/or the district is equal to the UTP allocation. An MPO may initially program Section 5310 funds as a lump sum. However, once the sponsor is known, the TIP must be amended to show the recipient and the purpose for which the funds will be used. (Rev 5/2010)

**Section 5311 Nonurbanized Grants:** PTN programs *all* rural transit projects at the state level. A district or MPO that chooses to include rural projects in its project descriptions must clearly state that it is for informational purposes only. It does *not* include the cost in its financial summary.

**Section 5316 Job Access and Reverse Commute (JARC) and Section 5317 New Freedom Grants:**

*Projects located in urbanized areas under 200,000 population and nonurbanized areas* - PTN initially programs the annual apportionments in the STIP as a lump sum amount to facilitate obtaining FTA grant approval. However, once the commission selection process is complete, PTN deletes the statewide entry, and the selected projects are amended into the appropriate local TIP. PTN will provide the necessary information to the affected districts and MPOs.

*Projects located in areas over 200,000 population* - JARC and New Freedom are programmed by the MPO following the procedures it establishes for these programs.

**Regionally Significant:** TIPs must include projects of regional significance, regardless of the funding source. A light rail line constructed with only local funds is an example.

**Transportation Development Credits (TDC):** Transportation development (toll) credits are eligible as match for any FTA program. (See 43 TAC, Chapter 5, [Subchapter F](#) for more information about TDCs.) TDCs must be programmed in the TIP as part of the project they support. The amount, month and year the commission awards the credits must be listed. TIPs that indicate a request is pending must be amended when the commission acts.

TDCs are calculated against the federal share. This is a different procedure than calculating a non-federal share that is cash or in-kind. The formula is

$$\text{TDCs} = (0.20 \times \text{FA}) \text{ where FA} = \text{the federal amount} \quad (\text{Rev 5/2010})$$



Because they are not spendable dollars, when TDCs are used, they are not included in the total project cost. If transportation development credits are the only source of match, the federal share also becomes the total project cost. When using TDCs for match, transit providers must understand how they affect the amount of cash available for the project. (Rev 5/2010)

**Estimating Project Costs:** The TIP must reflect the estimated year of expenditure (YOE) cost for the transit projects it lists. Thus inflation must be factored into future costs. Within the four-year period of the TIP, estimated FTA apportionments are the amount of money to consider available. This number is not inflated.

If TxDOT establishes a specific time period for which it calculates highway inflation rates, transit agencies should use this same period to examine how operating costs have escalated and use that analysis to estimate future yearly increases. Next, agencies should use their experience with cost increases in specific types of procurements (vehicles, shelters, etc.) to estimate future capital costs. After calculating these two types of expenses independently of each other and factoring in the FTA apportionment, transit agencies may have to increase local funds, or reconsider service levels or planned capital purchases to produce a "balanced" TIP that meets the fiscal constraint requirement.

**Total Project Cost:** TIP projects must show the total project cost. For operations, *routine* replacement of vehicles and other capital items normally associated with operations (shelters, signage, communications equipment, etc.), the fiscal year cost and total project cost will be the same.

Just because a project takes more than one year to complete does not automatically make it a phased project. The routine replacement of several vehicles could take more than 12 months to acquire, but this is not a phased project. Similarly, TxDOT's award of a JARC project with a three-year lifespan is not a phased project.

Non-routine capital expenses are programmed in phases and the fiscal year and total project cost are usually different. Generally speaking, phased projects are for construction, leases with a finite end date, or a major fleet expansion.

For construction projects, costs are programmed according to established phases which conform to FTA's activity line item (ALI) codes. The phases are as follows:

- ◆ Engineering and design
- ◆ Acquisition
- ◆ Construction
- ◆ Rehab or renovation

PTN recommends leases with a term of five years or less be considered phased projects and thus the total project cost is greater than the annual fiscal year amount. Leases longer than five years can be considered an annual cost and programmed accordingly.

FTA also considers a major fleet expansion to be a phased project since individual TIPs normally show the procurement of only a portion of the total number of vehicles that will be purchased.



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There is an important distinction to be made about transit total “project” cost. FTA defines a “project” as “public transportation improvement activities funded under an executed grant” (Circular 5010.1D, page 1-7). Instead, for TIP purposes, it means the estimated cost of all the activities necessary (the sum of the ALIs from above) to produce a final product, such as a maintenance facility, terminal or rail line. (Rev 5/2010)

## Amendments

Generally speaking transit project amendments are needed when:

- ◆ The value of the project increases or decreases by 25 percent or more
- ◆ Transportation development credits are awarded by the commission
- ◆ A Section 5309 identification number is assigned
- ◆ The project sponsor changes.
- ◆ Federal regulations or local policy determine if these changes can be accomplished by [administrative action](#) or require a formal amendment with the attendant public involvement process.

*Reminder:* A financial summary table must accompany any amendment to the project descriptions, even if that amendment does not have a monetary impact, i.e., a change in project sponsor.

## PTN-TPP Relationship for Transit Programming

The Transportation Planning and Programming Division (TPP) has the responsibility for creating the Statewide Transportation Improvement Program (STIP) from MPO and district TIPs. TPP takes the lead in reviewing highway projects, and defers to PTN for all transit activity. Additionally, PTN is solely responsible for compiling the statewide financial summary tables for transit.

Districts and MPOs should submit draft electronic copies of transit project descriptions to PTN for comment while there is still time to incorporate any division comments into the final document. PTN must have the final Excel version of the transit financial summary so it can build the statewide tables.

TPP, as publisher of the STIP and its updates, also receives final project descriptions and the financial summary from districts and MPOs.