



TxDOT-PTN

Public Transportation Division

Semi-annual Operators Business Meeting Agenda and Handouts

January 27, 2016



MEETING AGENDA

Transit Operators Semi-Annual Business Meeting

Wednesday, January 27 | 8:30 A.M. – 4:00 P.M.

200 E. Riverside Drive - Auditorium

Austin, TX

8:30 – 8:40 A.M.	Settling In
8:40 – 8:50 A.M.	1. Welcome / Safety Briefing
8:50 – 9:15 A.M.	2. Director's Report / Opening Remarks
9:15 – 9:30 A.M.	3. Advisory Committee and Association Updates <ul style="list-style-type: none">• PTAC• TTA• ACT
9:30 – 9:45 A.M.	4. FTA Region VI – Updates / Topics of Interest
9:45 – 10:00 A.M.	5. FAST Act
10:00 – 10:15 A.M.	Break
10:15 – 10:45 A.M.	6. Rural Transit Asset Replacement Project (R-TARP) / TIGER
10:45 – 11:30 A.M.	7. Best Practice Cost Allocation Methodology
11:30 A.M. – 12:50 P.M.	Lunch (on your own)
12:50 – 1:00 P.M.	Settling In
1:00 – 1:30 P.M.	8. 5310 Best Practices Panel Discussion
1:30 – 3:00 P.M.	9. Compliance Program (5339, DBE, Risk Assessment, Drug & Alcohol Outsourcing, Audits)
3:00 – 3:15 P.M.	Break
3:15 – 3:30 P.M.	10. E-Grants
3:30 – 4:00 P.M.	11. Q & A / Closing

Agenda Item 2

Addendum to Division Director's Report



PUBLIC TRANSPORTATION DIVISION

GRANT PROGRAM CHANGES

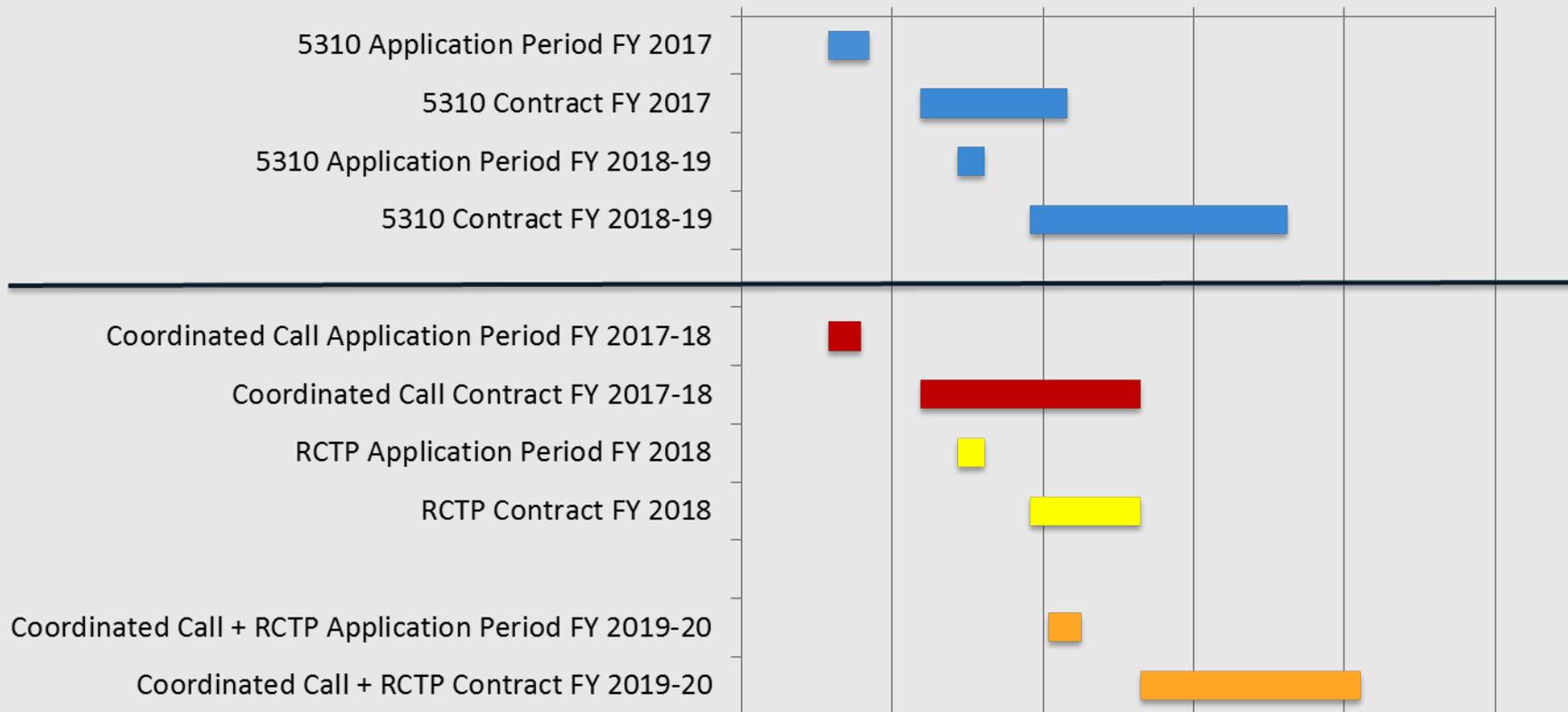
Introducing Two Year Application
Cycles

Grant Application Schedule



Application Period and Contract Duration

1/16/2015 5/30/2016 10/12/2017 2/24/2019 7/8/2020 11/20/2021



Agenda Item 5

FAST Act



THE FIXING AMERICA'S SURFACE TRANSPORTATION (FAST) ACT

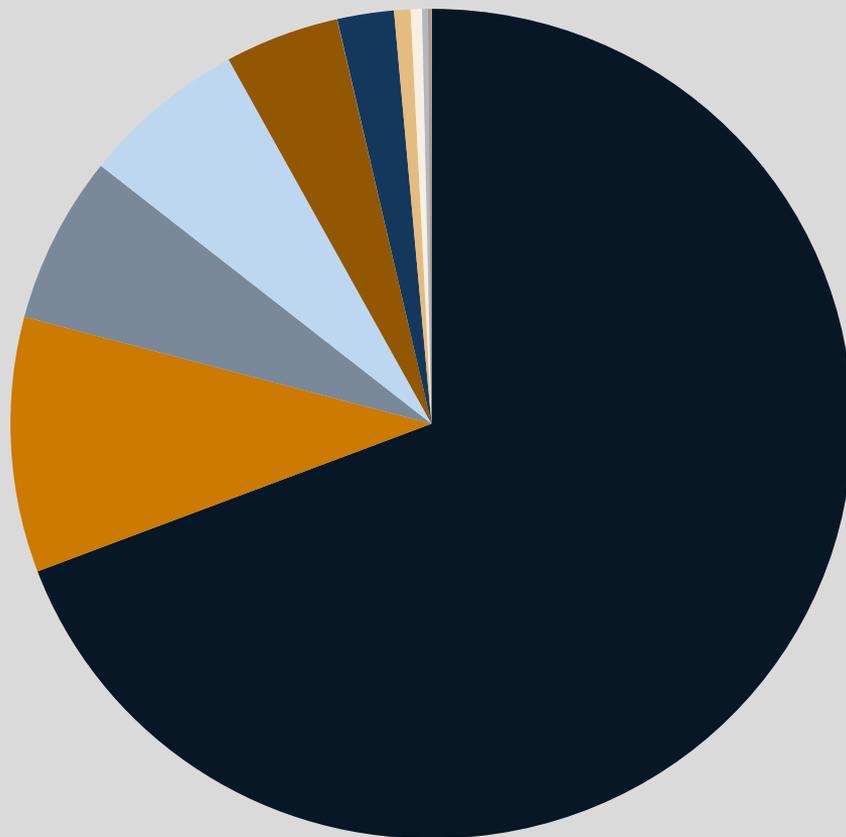
Overview for Transit Operators Meeting

Transit Highlights

- Over five years, transit funding increases nearly 18 percent over FY2015 MAP-21 funding levels (versus 15 percent for highways)
- Creates an expedited project delivery pilot program in the Capital Investment Grant program for public-private partnership projects with less than 25 percent federal funding
- Phases in increased Buy America requirements, up to 70 percent by FY 2020
- Directs USDOT to review public transportation safety standards and protocols
- Makes \$199 million available to assist in funding the installation of positive train control (PTC) safety technology
- Like SAFETEA-LU, the FAST Act re-introduces a new competitive grant program for §5339 Bus and Bus Facilities

FAST Act Transit Apportionments

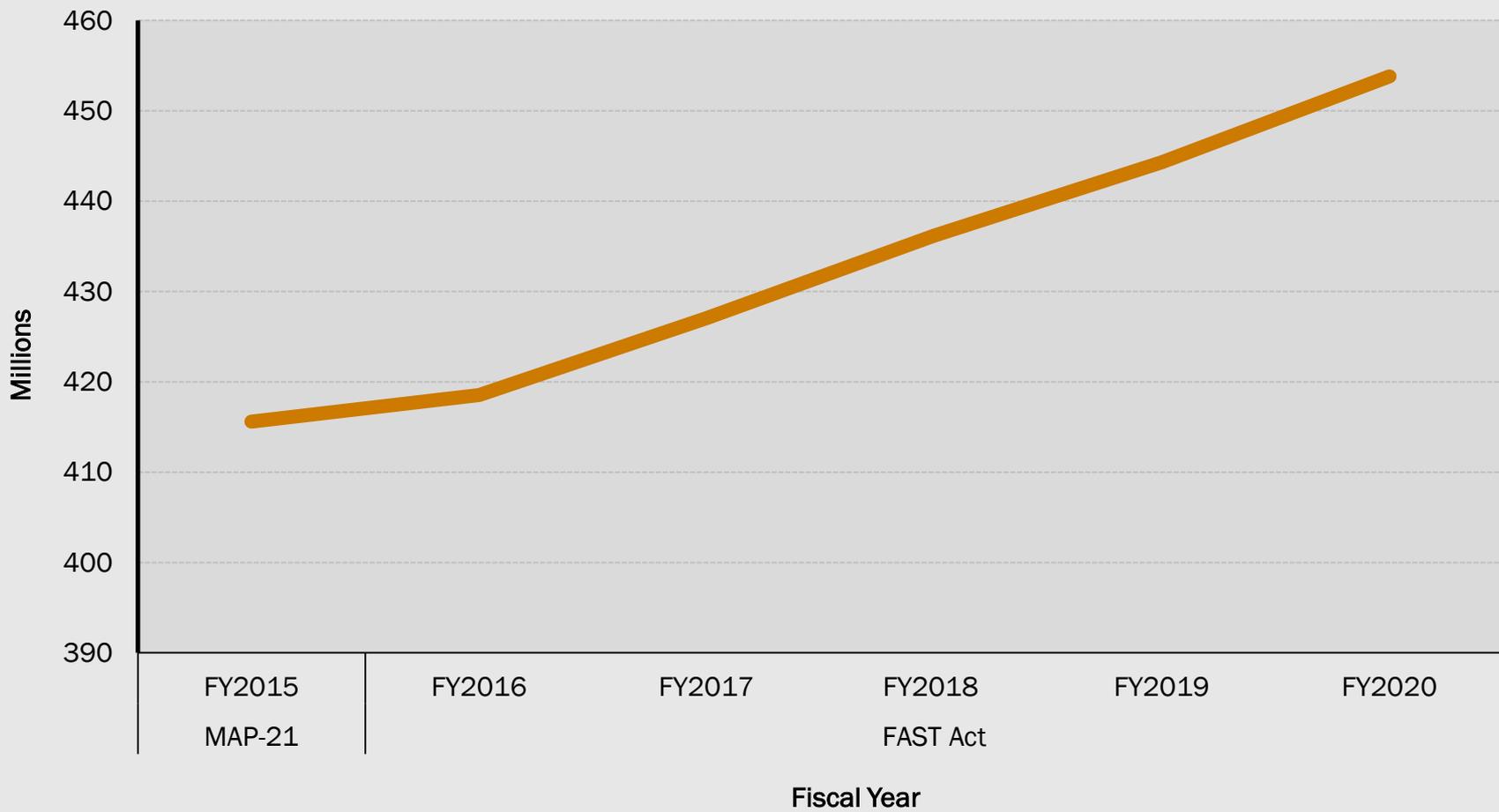
Texas, FY2016



- Urbanized Area Formula: 69.22%
- Nonurbanized Area Formula: 9.92%
- Bus and Bus Facilities Total (formula plus \$1.75M statewide): 6.51%
- High Intensity Fixed Guideway: 6.37%
- Enhanced Mobility: 4.38%
- Metro Planning: 2.18%
- High Intensity Motorbus: 0.63%
- Statewide Planning: 0.44%
- State Safety Oversight Program: 0.22%
- Rural Transit Assistance Program: 0.13%

FAST Act: Estimated FTA Apportionments Per Year

Texas, FY2015-FY2020



Highlights of Grant Program Changes

New

- Bus and Bus Facilities Discretionary Grants [§5339(b)]
- Expedited Project Delivery for CIG Pilot Program [Subsection §3005(b) of FAST Act]
- Pilot Program for Innovative Coordinated Access and Mobility [Subsection §3006(b) of FAST Act]

Repealed

- Bicycle Facilities [§5319]
- Pilot Program for Expedited Project Delivery [Subsection §20008(b) of MAP-21]

Consolidated

- Public Transportation Innovation (Research and TCRP) [§5312]
- Technical Assistance and Workforce Development [§5314]

Modified

- Planning [§5303/§5304]
- Urbanized Area Formula [§5307]
- Fixed Guideway Capital Investment Grants [§5309]
- Elderly and Disabled [§5310]
- Formula Grants for Rural Areas [§5311]
- Public Transportation safety Program [§5329]
- State of Good Repair [§5337]
- Bus and Bus Facilities [§5339(a)]

§3005(b) Expedited Project Delivery for CIG

- This pilot program [Subsection 3005(b) of FAST Act] replaces Expedited Project Delivery [Subsection 20008(b) of MAP-21] and allows up to eight projects to be selected for grant awards over the course of the authorization
- Selected projects must at least in part be supported through a public-private partnership (P3) and operated and maintained by employees of an existing provider of public transportation
- Eligible recipients: State and local government agencies, including transit agencies
- Eligible activities: Design and construction of New Starts, Small Starts, or Core Capacity projects that are P3-supported and operated and maintained by employees of an existing public transportation provider
- Maximum federal share of 25 percent, with funding provided by the annual appropriations process

§3019 Procurement

- Section 3019 of the FAST Act changed purchasing procedures to offer more purchasing options for public transportation systems of varying sizes
- Multiple states and providers may purchase capital assets through cooperative interstate procurements
- Created a pilot program to allow nonprofit organizations to enter into cooperative procurement contracts
- Transit agencies can lease equipment or facilities such as low- or no-emission components
- Established a Joint Procurement Clearinghouse to allow grantees to co-purchase rolling stock within a system that helps them identify procurement partners

§5303, §5304, §5305 Metropolitan and Statewide Planning

- Requires that Metropolitan Planning Organizations (MPOs) give reasonable opportunity to intercity bus operators and commuter vanpool providers to comment on the area's transportation plan
- Clarifies the selection and role of the representative of public transportation providers on an MPO board
- Provides MPOs that serve transportation management areas with the option to develop a Congestion Management Plan with input from private and public transit providers
- Emphasizes intercity transportation, including intercity buses and intermodal facilities

§5309 Fixed-Guideway Capital Investment

- A big winner: §5309 funds increase 20.7 percent increase in the first year, with no increase after
- Increases threshold for Small Start projects to a total cost of \$300 million
- Provides increased flexibility in funding corridor-based bus rapid transit projects by striking the requirement for short headways on weekend days
- Reduces the maximum federal share of New Starts full funding grant agreements from 80 percent to 60 percent (Core Capacity and Small Starts stay at 80 percent)
- Pilot program streamlines regulatory steps for up to eight grants for new Fixed Guideway Capital, Core Capacity, or Small Start projects seeking a federal funding level of 25 percent or less

§5310 Enhanced Mobility

- Modest growth for the Enhanced Mobility of Seniors and Individuals with Disabilities Program, growing by 10.56 percent over five years, similar to the Urban Formula program
- A state or local governmental entity that operates a public transportation service and that is eligible to receive direct grants under 5311 or 5307 is now an eligible direct recipient for §5310 funds
- Allows states or localities that provide transit service to be direct recipients under this section
- Requires FTA to develop a best practices guide for 5310 service providers
- Introduces a new pilot program for Innovative Coordinated Access and Mobility, providing 20 percent local match grants for innovative projects that improve the coordination of transportation services and non-emergency medical transportation services for the transportation-disadvantaged.

§5311 Rural Area Formula

- Funded at \$620 million in FY 2016, growing by 10.78 percent over current levels by the fifth year of the bill to \$673.3 million
- The Rural Transit Assistance Program (RTAP) is continued
- Allows advertisement and concessions revenue as local match
- In determining the amount of the unsubsidized portion of privately provided intercity bus service that connects feeder service that is eligible as in-kind local match, all operating and capital costs can now be included without revenue offset

§5312 Public Transportation Innovation

- Funds demonstration, deployment and evaluation research projects and maintains a match requirement for projects
- Introduces a Low/No Vehicle component testing program (funded at \$3 million a year)

§5323(j) Buy America

- Phases in an increased domestic content percentage requirement for rolling stock, as follows:
 - FY2016-17: more than 60 percent domestic content
 - FY2018-19: more than 65 percent domestic content
 - FY2020 and beyond: more than 70 percent domestic content
- For rolling stock purchases for which the average cost of the vehicle is more than \$300,000, the cost of steel or iron produced in the U.S. and used in the rolling stock frames or car shells can be included in the domestic content calculation, regardless of whether the frame or car shell is *produced* in the U.S.
- Alters the Buy America waiver process to require USDOT/FTA certifications
- For purposes of qualifying for the General Public Interest Waiver for Small Purchases a Small Purchase is defined as \$150,000 or less

§5337 State of Good Repair

- A big winner: §5337 funds increase 15.75 percent increase in the first year, 23.91 percent over five years
- Modifies the eligibility in the high intensity motorbus tier to cover only vehicle State of Good Repair costs
- Codifies the federal/local match share at 80/20, and specifies eligible local match funding

§5339 Buses and Bus Facilities

- A big winner: §5339 funds (combined) increase 62.65 percent increase in the first year, 89 percent over five years
- Statewide allocation rises from \$1.25 million to \$1.75 million
- Similar to SAFETEA-LU, the FAST Act once again authorizes new competitive grant programs for bus and bus facilities, which includes a 10 percent rural set-aside and a limitation that not more than 10 percent of all grant amounts be awarded to a single grantee
- States may also submit a statewide application for bus needs to allow the state, rather than the federal government to distribute competitively awarded grant funds
- Discretionary grants for low- or no-emission vehicles, equipment, and facilities, including retrofitting facilities for charging stations
- Allows recipients in a state to pool formula funds to accommodate larger scale procurements

Sources

- American Association of Highway and Transportation Officials (AASHTO), *2015 AASHTO Bottom Line Report: Executive Version*, at <http://bottomline.transportation.org/Documents/Bottom%20Line%202015%20Executive%20Version%20FINAL.pdf>.
- AASHTO, “Member Briefing: Fixing America’s Surface Transportation Act,” Jan. 7, 2016, <http://fast.transportation.org/Documents/2016-01-07%20AASHTO%20Briefing%20on%20FAST%20Act%20FINAL.pdf>.
- American Public Transportation Association (APTA), “Surface Transportation Conference Committee Reports Out Five Year Bill,” Dec. 2, 2015, at <http://www.apta.com/gap/legupdatealert/2015/Pages/Surface-Transportation-Conference-Committee-Reports-Out-Five-Year-Bill.aspx>.
- APTA, “FAST Act Conference Report Funding Levels Table,” at http://www.apta.com/gap/legissues/authorization/Documents/H.R.%2022,%20FAST%20ACT/FAST_Act_ConferenceReportFundingLevelsTable_FINAL.pdf.
- APTA, “FAST Act FTA-Estimated State-by-State Apportionments Table,” at <http://www.apta.com/gap/legissues/authorization/Documents/H.R.%2022,%20FAST%20ACT/FAST%20Act%20FTA%20Estimated%20State-by-State%20Apportionment%20Tables.pdf>.
- APTA, “FAST Act Program Table,” at <http://www.apta.com/gap/legissues/authorization/Documents/H.R.%2022,%20FAST%20ACT/FASTAct%20FTA%20Program%20Table.pdf>.
- Federal Transit Administration, “FAST Act,” at <http://www.fta.dot.gov/FAST.html>.
- U.S. Department of Transportation, “Grow America Highlights,” at <https://www.transportation.gov/grow-america>.

See Also

- FAST Act enrolled bill, at <https://www.congress.gov/114/bills/hr22/BILLS-114hr22enr.pdf>.
- FAST Act conference report, at <https://www.congress.gov/114/crpt/hrpt357/CRPT-114hrpt357.pdf>.
- FAST Act Joint Explanatory Statement, House Committee on Transportation and Infrastructure, at http://transportation.house.gov/uploadedfiles/joint_explanatory_statement.pdf.

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Agenda Item 6

Rural Transit Asset Replacement Project (R-TARP) / TIGER



TEXAS RURAL TRANSIT ASSET REPLACEMENT PROJECT – TIGER VII AWARD

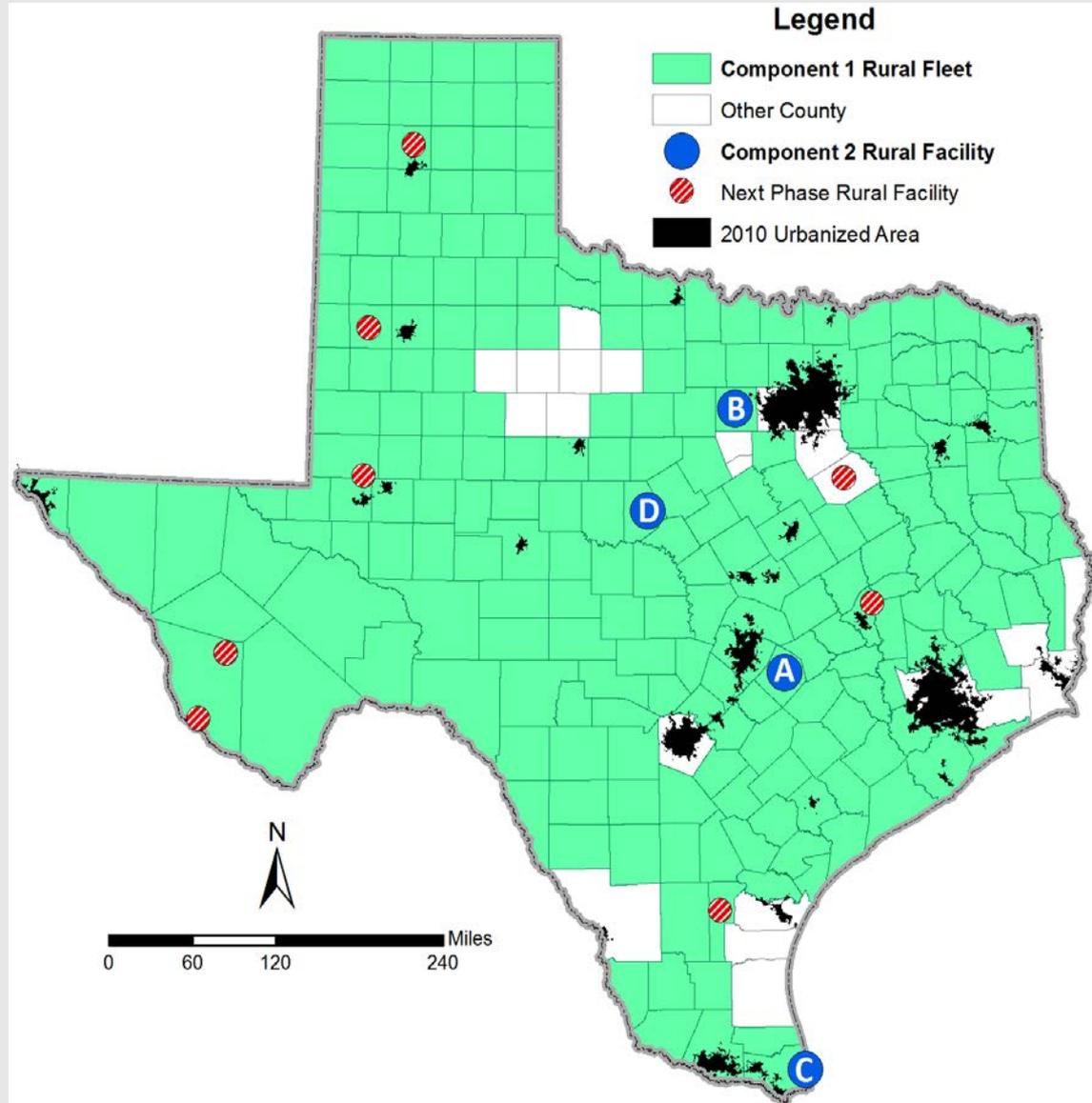
Semiannual Transit Operators Meeting

January 27, 2016

Texas Project's Geographic Scope

In 31 of 37 Rural Transit Districts, 325 transit vehicles are still in service after 133% of their estimated useful life. Costs to keep these outdated vehicles running are very high.

Four rural transit passenger facilities have been partially completed with commission awards, but still need significant funds for build-out.



Two Elements

Transit Vehicles

Rural transit passenger vehicle replacement

- 72% of rural transit passenger vehicles will exceed their useful life standards by 2017.
- Only \$1.75 million is dedicated to capital acquisition annually (FAST Act); estimated depreciation exceeds \$5 million per year.

Passenger Facilities

Complete four passenger facilities

- These facilities were begun with significant investment from TxDOT.
- Limited annual formula funds mean it would take 5-6 years to build-out these facilities.
- Statewide, construction of other needed facilities is proceeding slowly due to lack of capital funds.

Transportation Investment Generating Economic Recovery (TIGER VII)

- \$20.8 Million; funding facilities and fleet replacement.

FTA Rural Program Funds (§ 5311) *

- \$10.1 Million Surface Transportation Program flex
- Matched using Transportation Development Credits (TDC)

State Funds *

- \$5.2 Million

** Key to Success of Proposal: Texas Commits State-Programmed Funds to Indicate Local Support*

Next Steps: Schedule

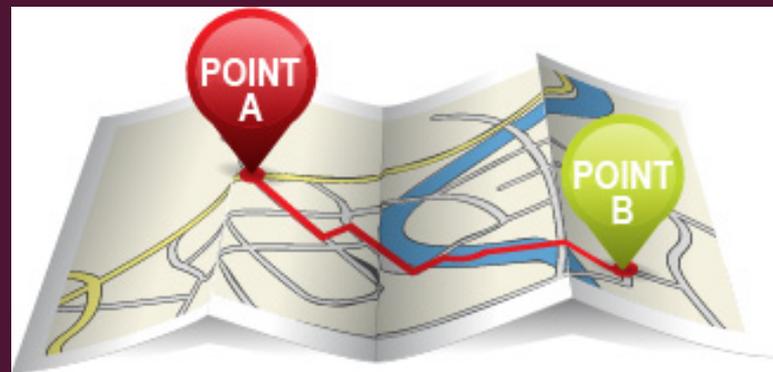
Add Project to Statewide Transportation Improvement Plan (STIP)	Included with November Revision
Coordinate STP Flex	Begins with STIP approval, typically takes two weeks
Minute Order to Commission	February 25, 2016 Meeting
Execute Agreement with US DOT	March/April 2016
TxDOT Executes Agreements with Subrecipients	April – June 2016
RTDs Conduct Procurement Process (RFPs etc.) to Acquire Vehicles / Contract for Construction	May – November 2016
Vehicles Acquired / Facility Construction	No Later than Dec 2017

Agenda Item 7

Best Practice Cost Allocation
Methodology

ACCOUNTING METHODOLOGY

KNOW AND MANAGE OPERATING COST



I'M NOT AN ACCOUNTANT— WHY IT MATTERS TO ME

As a Manager You Can Answer the Questions:

How much does Route 6 cost per passenger, per mile, per hour and why?

Why are my fixed-route costs per passenger different than demand response?

What is the ranking of routes by cost effectiveness?

Will my funds cover my expenses over the next few years?

What is driving my costs?

What is my performance across services?

FOR THE ACCOUNTANT— WHY IT MATTERS

Accounting Methodology Provides:

- A **consistent and equitable operating cost distribution** across routes, programs, modes, jurisdictions
- Transparent documentation for **federal grant reimbursement**
- **NTD and PTN-128** reporting
- Basis for accounting system to **automate financial reporting**
- Basis for **budgeting** operating expenses and funding need

MEETS FTA , NTD AND OMB CIRCULAR FEDERAL REQUIREMENTS AND GUIDANCE

If you would like to read more:

- National Transit Database Policy Manual 2015
- 2 CFR 200 Final Rule 2013
- FTA Circular 9030.IE Urbanized Area Formula Program 2014
- FTA Circular 9040.IG Formula Grants for Rural Areas 2014
- FTA Circular 9070.IG Enhanced Mobility of Seniors and Individuals with Disabilities 2014
- FTA Circular 5010.ID Grants Management Requirements 2008

DO YOU STRUGGLE WITH NTD REPORTING COMPLEXITY?

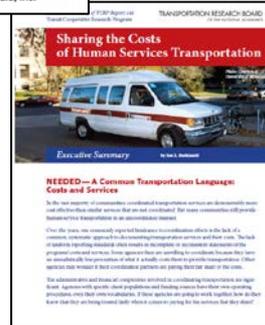
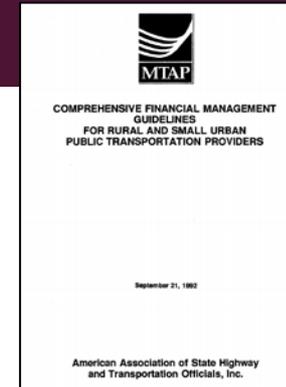
NTD reporting requires that transit agencies report by:

- By line-item (object class)—salaries, fringe, fuel, parts...
- By expense function—operations, maint., admin, planning, PT
- By mode—fixed-route bus, commuter bus, demand response...
- By service type—directly operated or purchased
- By sponsored service—eg. Medicaid, university
- By jurisdiction—urbanized, non-urbanized

BASIS OF THIS ACCOUNTING METHODOLOGY

Based on methodologies described in:

- AASHTO MTAP Comprehensive Financial Management Guidelines for Rural and Small Urban Public Transportation Providers
- TCRP Report 144 Sharing the Costs of Human Services Transportation
- TCRP Report 101 Toolkit for Rural Community Coordinated Transportation Services.



ACCOUNTING METHODOLOGY— TWO VARIABLE

Two Variables Cost Allocation:

- Vehicle Hours
- Vehicle Miles

ACCOUNTING METHODOLOGY— FOUR-STEP PROCESS



*Update Annually or with
Major Service Change*



Need Three Pieces of Information— **Hours, Miles, Passengers**

Route	Funding Source	Mode	Total Vehicle Hours	Total Vehicle Miles	Total Passenger Trips
FIXED ROUTE					
Route 1	Section 5307 Small Urban	MB	3,591	57,276	29,488
Route 6	Sectin 5311 Rural	MB	1,258	22,575	1,257
Route 14	Section 5307 Large Urban	MB	2,473	53,965	8,163
Yellow	Section 5307 Small Urban	CB	3,010	62,565	6,076
Purple	Section 5307 Small Urban	CB	2,580	50,740	6,076
DEMAND RESPONSE					
General Public	Section 5311 Rural	DR	2,300	22,200	3,021
<i>Sponsored Services:</i>					
Veterans	Section 5311 Rural	DR	675	12,180	501
Adult Day Care	Section 5311 Rural	DR	1,989	41,280	5,237



Assembly of
Operating Expenses

Need Year-End Total Operating Expenses by Line-Item *(Chart-of-Account Format)*

Account Description	Annual Total Operating Expense
Total Operating Costs	\$3,799,051
Salaries	\$1,329,261
Drivers	\$837,984
Dispatch	\$90,565
Maintenance	\$179,144
Office Staff	\$221,567
Fringe	\$699,920
Drivers	\$441,239
Dispatch	\$47,687
Maintenance	\$94,328
Office Staff	\$116,666
Utilities	\$23,515
Fuel/ Oil	\$456,130
Tires	\$39,518
Training	\$1,123



Assignment of
Operating Expenses
to Functions

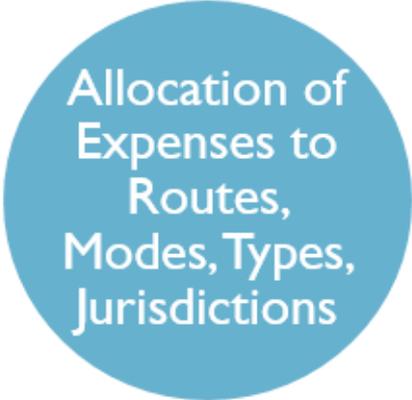


Assign Line-Item Expense to Functions

Why?

- 1) Allocation by Variable & Fixed Cost
- 2) NTD & PTN-128 Reporting

Account Description	Annual Total Operating Expense	Variable Cost			Fixed Cost		
		Operations	Operations-Fuel	Vehicle Maintenance	Facility Maintenance	Administration	Planning
Total Operating	\$3,799,051	\$1,730,086	\$456,130	\$570,679	\$18,662	\$1,013,494	\$10,000
Salaries	\$1,329,261	\$928,549		\$179,144		\$221,567	
Drivers	\$837,984	\$837,984					
Dispatch	\$90,565	\$90,565					
Maintenance	\$179,144			\$179,144			
Office Staff	\$221,567					\$221,567	
Fringe	\$699,920	\$488,926		\$94,328		\$116,666	
Drivers	\$441,239	\$441,239					
Dispatch	\$47,687	\$47,687					
Maintenance	\$94,328			\$94,328			
Office Staff	\$116,666					\$116,666	
Utilities	\$23,515	\$16,461		\$3,057		\$3,998	
Fuel/ Oil	\$456,130		\$456,130				



Allocation of
Expenses to
Routes,
Modes, Types,
Jurisdictions

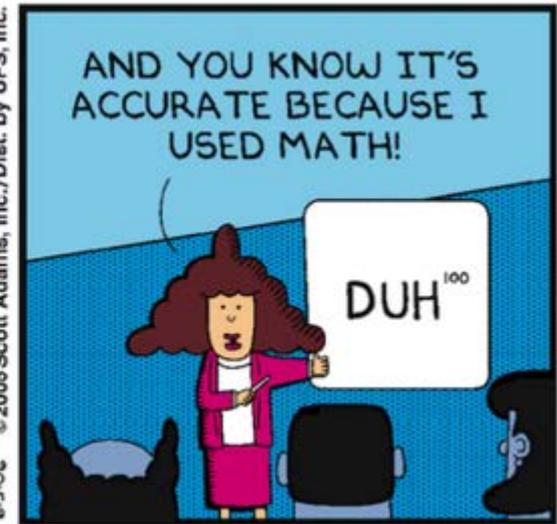
Allocate Costs:

Variable Costs

- Operations (excluding fuel) by % hours
- Operations-Fuel and Vehicle Maintenance by % miles

Fixed Costs

- Facility Maintenance, Administration by proportion of variable cost
- Planning directly to route/program planned



METHODOLOGY OUTCOMES HOW CAN YOU USE?

Know Cost and Make Decisions



Route	Funding Source	Mode	Total Cost	Passenger Trips per Vehicle Hour	Cost per Passenger Trip
FIXED ROUTE					
Route 1	Section 5307 Small Urban	MB	\$177,954	8.21	\$6.03
Route 6	Sectin 5311 Rural	MB	\$61,039	1.00	\$48.55
Route 7	Section 5307 Small Urban	MB	\$178,375	4.07	\$12.19
Route 14	Section 5307 Large Urban	MB	\$128,410	3.30	\$15.73
Yellow	Section 5307 Small Urban	CB	\$153,575	2.02	\$25.28
Purple	Section 5307 Small Urban	CB	\$129,101	2.36	\$21.25
DEMAND RESPONSE					
General Public	Section 5311 Rural	DR	\$94,865	1.31	\$31.40
<i>Sponsored Services:</i>					
Veterans	Section 5311 Rural	DR	\$32,815	0.74	\$65.50
Adult Day Care	Section 5311 Rural	DR	\$101,419	2.63	\$19.37



Measure Performance

Route	Passenger Trips per Vehicle Hour	Cost per Total Vehicle Hour	Cost per Total Vehicle Mile	Cost per Passenger Trip
FIXED ROUTE	5.68	\$52.81	\$2.33	\$9.31
DEMAND RESPONSE	1.76	\$46.15	\$3.03	\$26.16
GRAND TOTAL	5.41	\$52.36	\$2.36	\$9.68
Summary by Funding Source				
Section 5307 Small Urban	5.63	\$54.79	\$2.21	\$9.74
Section 5307 Large Urban	5.63	\$48.00	\$2.77	\$8.52
Section 5311 Rural	4.55	\$50.43	\$2.51	\$11.07
Summary by Mode				
MB	6.14	\$50.15	\$2.56	\$8.17
CB	4.64	\$58.80	\$1.98	\$12.68
DR	1.76	\$46.15	\$3.03	\$26.16

Price Services



Route	Cost per Total Vehicle Hour	Cost per Total Vehicle Mile	Cost per Passenger Trip
FIXED ROUTE	\$52.81	\$2.33	\$9.31
DEMAND RESPONSE	\$46.15	\$3.03	\$26.16
General Public	\$41.25	\$4.27	\$31.40
<i>Sponsored Services:</i>			
Veterans	\$48.61	\$2.69	\$65.50
Adult Day Care	\$51.00	\$2.46	\$19.37
GRAND TOTAL	\$52.36	\$2.36	\$9.68
Summary by Funding Source			
Section 5307 Small Urban	\$54.79	\$2.21	\$9.74
Section 5307 Large Urban	\$48.00	\$2.77	\$8.52
Section 5311 Rural	\$50.43	\$2.51	\$11.07
Summary by Mode			
MB	\$50.15	\$2.56	\$8.17
CB	\$58.80	\$1.98	\$12.68
DR	\$46.15	\$3.03	\$26.16

Understand Costs by Funding Source



Funding Source	Operations	Fuel	Maint.	Facility Maint.	Admin.	Planning	Total Cost
Section 5307 Small Urban	\$982,644	\$290,117	\$362,975	\$10,914	\$592,749	\$10,000	\$2,249,400
Section 5307 Large Urban	\$391,995	\$80,947	\$101,275	\$4,001	\$217,287	\$0	\$795,505
Section 5311 Rural	\$355,447	\$85,066	\$106,429	\$3,746	\$203,458	\$0	\$754,146
GRAND TOTAL	\$1,730,086	\$456,130	\$570,679	\$18,662	\$1,013,494	\$10,000	\$3,799,051

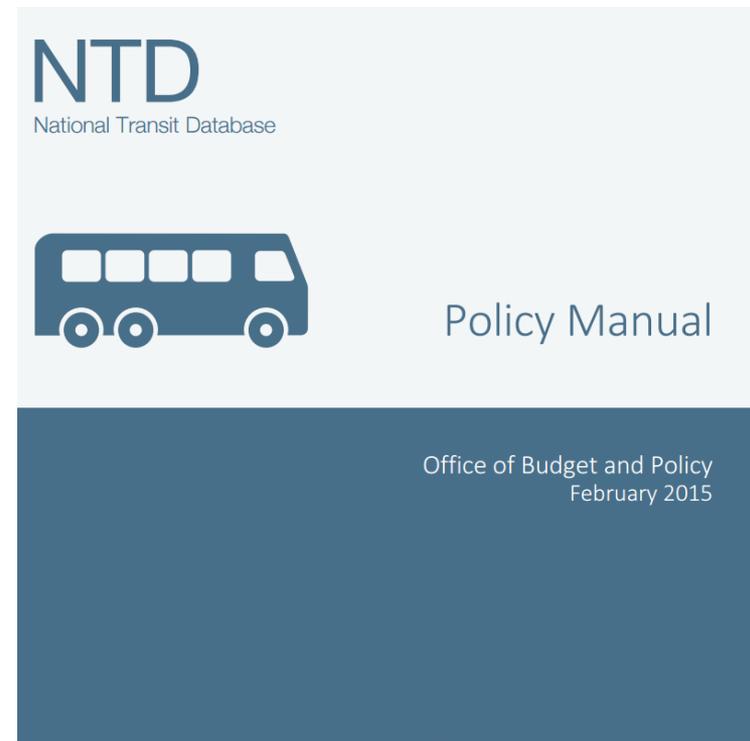
*Could also include contracts such as
Medicaid non-emergency medical transportation*

Backup for Monthly Request for Reimbursements (Expenses Incurred)

		Section 5307 Small Urban (Month Expense Incurred * Line-Item %)						
Account Description	Month Expense	Operations	Fuel	Vehicle Maintenance	Facility Maintenance	Administration	Planning	Total
Total Operating	\$316,588	\$81,774	\$24,176	\$30,248	\$923	\$50,230	\$833	\$188,183
Salaries	\$110,772	\$43,949	\$0	\$9,495	\$0	\$10,955	\$0	\$64,400
Fringe	\$58,327	\$23,141	\$0	\$5,000	\$0	\$5,768	\$0	\$33,910
Utilities	\$1,960	\$779	\$0	\$162	\$0	\$198	\$0	\$1,139
Fuel/ Oil	\$38,011	\$0	\$24,176	\$0	\$0	\$0	\$0	\$24,176
Tires	\$3,293	\$0	\$0	\$2,095	\$0	\$0	\$0	\$2,095
Training	\$94	\$0	\$0	\$60	\$0	\$0	\$0	\$60

NTD Reporting

- By Mode
- By Section 5307 and Section 5311
- By Chart-of-Account Line Item (Object Class)
- By Function
- By Service Type (Directly Operated/Purchased)



TxDOT PTN-128 Report

- By Mode
- By Section 5307 and Section 5311
- By Function



Welcome to PTN-128

Please log in to your account.

User Name

Password

Login [Forgot your Password](#)

PTN-128
Public Transportation Division

13 SUNRISE MALL
235

Word!

-
- For a copy of the presentation,
 - To provide more comments, or
 - To ask questions



Please contact:

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Agenda Item 9

Compliance Program

(Audits, DBE, Risk Assessment, Drug & Alcohol Outsourcing)



TEXAS DEPARTMENT OF TRANSPORTATION

AUDIT OF PUBLIC TRANSPORTATION SUBRECIPIENTS

TxDOT Compliance Office

January 27, 2016

Audit Objective

To determine if costs submitted to the Texas Department of Transportation (TxDOT) on requests for reimbursement (RFRs) are supported by sufficient documentation and allowable per the master and project grant agreements.

Audit Scope

RFRs submitted to TxDOT from September 2014 through August 2015.

Background

An August 2014 audit report by TxDOT's Office of Internal Audit included a finding that public transportation subrecipients were being reimbursed without a sufficient review of supporting documentation.

Our objective was to see if selected subrecipients, particularly those reporting expenses through the streamlined reporting process, retained sufficient documentation for reimbursement.

Selection Process

Auditors performed a risk assessment to select 5 subrecipients out of the 96 who received federal pass-through grant funds through reimbursements in the audit scope period.

Risk factors considered included:

- Whether the subrecipient provided full or streamline documentation for RFRs
- Number of quarters on streamlined reporting
- Number of reimbursement transactions
- Total dollar amount reimbursed
- Number of Improvement Action Plans received during the scope period

Auditors selected 5 subrecipients to audit:

- Ark-Tex Council of Governments
- Colorado Valley Transit District
- East Texas Council of Governments
- Hill Country Transit District
- South East Texas Regional Planning Commission

Work Performed

Criteria

- 2 Code of Federal Regulation (CFR) 200
- Federal Transit Administration Circulars (for each grant program)
- Texas Administrative Code (TAC) Title 43, Chapter 31 Subchapter D
- Master and Project Grant Agreements (MGAs and PGAs)

Attributes Tested

- Supporting general ledger total was tied to the RFR total
- Allowable Cost
 - Is the cost allowable or specifically unallowable per the identified criteria
- Allocable Cost
 - Allocation calculation is documented
 - Meets the criteria of 2 CFR §200.405 for allocable costs
- Invoice was included on an RFR within 45 days of the invoice date, per MGA
- Invoice was paid prior to inclusion on an RFR

Work Performed (cont'd)

We reviewed the supporting documentation depending on the type of transaction:

- Vendor or subcontractor payment – detailed invoices
- Employee salaries – timesheets, payroll registers, pay rates
- Summary journal entries – allocation worksheets

In addition, canceled checks/electronic transactions and bank statements were reviewed for all transactions, if applicable.

To determine compliance with attributes tested, we looked for the following elements on supporting documentation:

- How much was paid?
 - Cost detailed on the invoice or payroll documentation
 - Cost is reasonable / necessary

Work Performed (cont'd)

- Where is it allocated and accounted for?
 - Documented in the accounting system
 - Documented in notes on the invoices
 - Grant and account codes

- When did you pay for it?
 - Paid within the grant period
 - Paid on time (avoiding late fees)
 - Paid prior to inclusion on the RFR

- When did you request reimbursement?
 - Compliance with the 45 day requirement

If it isn't documented, it didn't happen.

What we found:

- Invoices were not included on RFRs within 45 days of the invoice date, as required by Article 2 section C of the MGA which states:
The Transit Provider may submit requests for reimbursement to the State [TxDOT] no more frequently than monthly and no later than forty-five (45) days after the date of the invoices submitted for reimbursement.
- Vendor discounts may not be used as matching funds – this could be considered “double-dipping”

Best practices subrecipients should consider implementing:

- Documented procedures regarding the processing of RFRs
- Employee training and cross-training on grant management/billing/RFR processes
- Organization of files and documentation
 - Binder/file for each grant containing RFRs, general ledgers, invoices, timesheets, cancelled checks, and any other documentation pertaining to that grant
- Record retention – all documentation related to each grant readily accessible for up to 4 years after the completion of the grant – per the MGA

Best Practices (cont'd)

- Clearly documented changes and/or corrections to RFRs, billing, general ledger transactions, etc.
 - Includes calculations for allocation, journal entry transactions
- Allocation methodology and procedures are clearly documented, and easily accessible
 - Spreadsheet or Accounting System
- Account codes set up in the accounting system so that expenses can be easily identified by grant

Questions?



DISADVANTAGED BUSINESS ENTERPRISE

Semi-Annual Meeting – January 2016
Public Transportation Division (PTN)

Introduction:

This presentation will cover three topics:

1. FY15 Shortfall
2. Race-Conscious Methods
3. Training

2015 DBE Overall Results

The DBE participation numbers for FY15 are:

3.33% FY15 Overall DBE Goal

2.78% FY 15 DBE Usage

PTN missed the DBE goal by .55% or about \$131,000

Despite missing the goal, use of DBEs has increased:

FY13: 1.75%

FY14: 2.44%

FY15: 2.78%

Moving Forward in FY 16

EVERYONE COMMIT TO USING A DBE THIS FISCAL YEAR!

On Average:

- 40% of funds are spent with businesses.

Yet:

- 4 out of 5 transit providers did not use DBEs.

Supplies, Materials, and Services:

- Commit to spending \$3,000, or at least 1% of funding received on DBEs for parts, equipment, supplies, or services.

Construction Services:

- Commit to spending at least 5% of funding received on DBEs. Ensure prime contractors utilize DBE sub-contractors.

FY15 Shortfall Report

Due to the DBE shortfall in FY15, PTN was required to draft a DBE shortfall report and commit to corrective actions:

Corrective actions PTN will implement in FY16 include:

1. Strengthen current procurement monitoring and approval process, particularly for facility rehab/construction projects.
 - PTN *may* begin assigning grant-specific DBE goals this year if DBE usage doesn't increase.
 - If grant-specific goals are implemented, we *may* consider prior use of DBEs as a factor.
2. Monitoring during quarterly reviews.
3. Additional training will be offered in FY16.

Other:

May require DBE utilization plans for recipients who receive a certain dollar amount of federal funds. (threshold TBD)

TxDOT will offer additional training to assist grantees in areas such as:

- Finding DBEs using the Texas DBE directory (TUCP)
- DBE reporting
- Race-conscious requirements



Training schedule to be determined.

As a reminder, PTCs are always available to provide assistance.

DBEs Used in FY15

DBE Opportunities:

Supplies	Services	Construction
gas diesel lubricants vehicle parts tires tools equipment radios shop supplies office supplies	insurance equip rental legal engineering environmental consultant audit accounting vehicle repair maintenance custodial security advertising translation drug/alcohol	Build, repair, or rehab: offices terminals facilities bus stops parking

DBEs Used in FY15

2M Business Products
 A&W Office Supply
 ABD Billing
 Allied Comp
 Caprice Projections
 CW Office Supplies
 EP Venture Group
 G2 Contractors
 Instaturf
 JCM and Associates
 KFH Group
 Lamesa Tire
 Lantel System
 Montemayor
 Office Authority
 Saxon Fleet
 Simply Klean
 Texas Body Shop
 White Blue Print

Questions?

Questions?



TEXAS DEPARTMENT OF TRANSPORTATION



TXDOT-PTN

Risk/Performance Assessment
Operators Meeting – January 2016

Risk Assessment Tool

In 2015 PTN created a Risk Assessment Tool and revised the annual compliance review schedule. This allows PTN to:

- Move away from “*one size fits all*” monitoring
- Provide enhanced quarterly “line of sight” on risk and performance
- Report overall results to TxDOT Upper Management



Overview of Risk Assessment Methodology

Risk, Programmatic, and Financial Performance

Risk Factors

- Funding received
- Single purpose or multi-purpose organizations
- Organizational/operational changes

Performance Factors

Programmatic

- Compliance monitoring in 8 programmatic areas (quarterly, annual, and triennial)
- Timely resolution of deficiencies/IAPs

Financial

- Annual audit results
- Contract monitoring and compliance monitoring (quarterly, annual, and triennial)
- Timely resolution of deficiencies/IAPs



How Data is Used

➤ Programmatic

In FY 2016, PTN moved to biennial programmatic monitoring.

Email and memo distributed Dec 14th, 2015

- All grantees will receive a full compliance review every 2 years, (next full compliance review will be in 2017).
- Programmatic areas with deficiencies found during full compliance reviews will be re-assessed in subsequent years.
- Triennials will still substitute for TxDOT reviews.

8 Programmatic areas: ADA, Asset Mgt, D&A, Financial policies, Procurement/DBE, Program Mgt, and Title VI

How Data is Used

➤ Financial

Monitoring is ongoing

- Contractual basis - each RFR and quarterly line item review
- System basis - A133 audit and during programmatic review

➤ Deficiencies found during monitoring/audits may result in full-documentation with future reimbursements.

➤ Grantees that need to submit full documentation with reimbursement requests will be notified when required.

- Typical requirement: 3 to 6 months of timely, accurate billings
- Other conditions may extend the timeframe

Risk / Performance Triggers

The following issues could impact the programmatic or financial monitoring received by your organization

Programmatic Re-Assessment Triggers	Financial Triggers
<p>Monitoring:</p> <ul style="list-style-type: none">- Late or Missing Reports- Deficiencies found during full compliance reviews (TxDOT reviews or Triennials) <p>Violations of Federal/State requirements such as CFRs, FTA Circulars, TAC, MGA.</p> <p>Changes:</p> <ul style="list-style-type: none">- Change in organizational structure or service delivery model	<p>Audits:</p> <ul style="list-style-type: none">- Missing/Late Annual Audits- Audit Findings- High Risk Designation <p>Monitoring:</p> <ul style="list-style-type: none">- Questioned/Disallowed Costs- Incomplete/inaccurate billings <p>Changes:</p> <ul style="list-style-type: none">- Changes in key personnel, accounting practices, or service delivery model.

Programmatic Compliance Reviews

- 30 grantees had programmatic deficiencies identified during the FY 15 full compliance reviews, and will receive a programmatic re-assessment in 2016.
 - Notifications will be sent next month. PTCs will arrange a mutually convenient time to conduct the re-assessment.
 - Average number of areas to re-assess: 3
 - Civil Rights, Asset Management, and Financial Management are the most common deficiency areas.

- New grantees will receive full compliance reviews. PTN may elect to conduct full reviews for other conditions.

Financial Compliance Reviews

- Financial compliance is reviewed during quarterly monitoring, annual compliance reviews, and A-133 audit reviews.

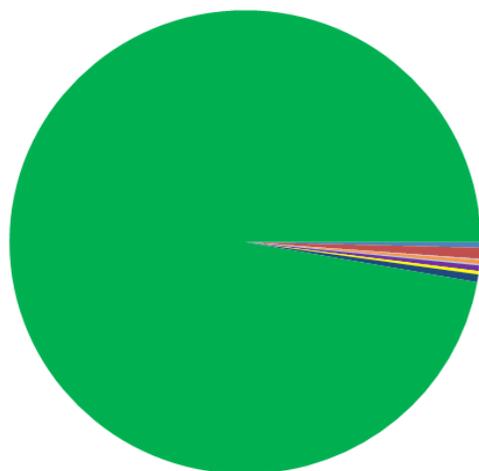
- A-133 audit results:
 - 8 A-133 audits submitted late
 - 3 transit providers with transit related findings
 - 13 transit providers designated as high risk by auditor

- Most common issues found during quarterly monitoring:
 - Billing errors/billing documentation issues
 - Significant changes in personnel or service model

- In FY15 10 grantees were moved to full documentation.

Fiscal Year 2015 Results

Grant Recipient - Deficiencies by FTA Program Area - FY 15 YTD



- ADA = 5
- Asset Mgmt. = 10
- Drug & Alcohol = 1
- EEO = 4
- Financial Mgmt. = 1
- Procurement & DBE = 5
- Project Mgmt. = 3
- Title VI = 7
- Compliant = 1264

Monitoring revealed 36 deficiencies

FY15 Average Annual Risk: 117



Lowest Possible Score: 55

Highest Score: 500

Within the Risk Assessment Tool, the lowest possible score is 55 and the highest score is 500. The average PTN sub-recipient score is 117.

Q & A



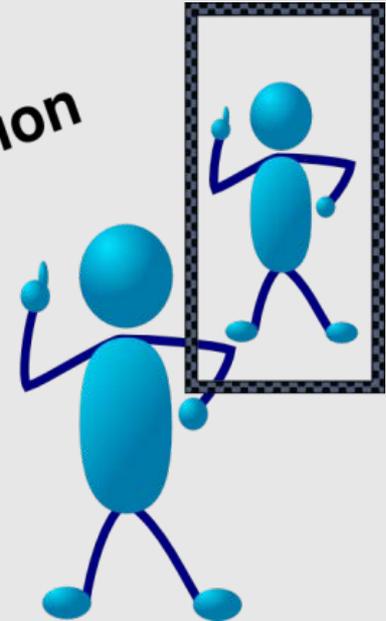
TXDOT-PTN

Drug & Alcohol Outsource Timeline
2016 January Semi - Annual

Drug & Alcohol Monitoring

- State Management Plan, Master Grant Agreement & Texas Administrative Code
- No onsite Drug & Alcohol monitoring using the PTN 102 – Drug & Alcohol monitoring form will be conducted by your PTC for FY16.
- Self review using the PTN 102 – Drug and Alcohol
- Verify testing records thoroughly

Self-Evaluation



Timeline

Preliminary Outreach:

MTPA Alert to other States

Sep–Dec 2015

Phase 1 – Research & Development of Structure **Jan–Mar 2016**

Phase 2 – Initiate Procurement **Apr–May 2016**

Phase 3 – Receive/Review bids **June–July 2016**

Phase 4 – Award/execute contract **August 2016**

Phase 5 – Onsite monitoring begins **FY 16**

Agenda Item 10

eGrants



TXDOT-PTN

eGrants

Operators Business Meeting – January 27, 2016

Table of Contents

1	Project Overview	3
2	What's in it for me?	4-6
3	Training	7
4	Q&A	8

Project Overview

Background

Why eGrants

- What is eGrants?
- Efficiency
- Timeliness
- Transparency
- Accountability

Experts & Involvement

Time & Effort

- Subject Matter Experts (SMEs)
- Requirements gathering
- Weekly work session meetings
- Fact gathering efforts
- Testing sessions

Highlights

Features & Timelines

- eSignature
- Status pushes
- Email notifications
- Retention and Audits
- Implementation timeline

With eGrants you can create and submit grant proposals, manage grant projects, and submit performance reports and requests for reimbursement.

What's in it for me?

- Central location for all documents
- Know the current status of everything
- Know when a task is to be completed
- Scoring applications will be easier
- System administration help from PTN staff

TEXAS DEPARTMENT OF TRANSPORTATION

eGrants Home

Welcome to eGrants

Welcome to the Texas Department of Transportation's Grants Management System. With eGrants you can create and submit grant proposals, manage grant projects, and submit performance reports and requests for reimbursement.

Leveraging the award winning Traffic Safety program, TxDOT is now deploying the eGrants solution to the enterprise – starting with Public Transportation (PTN), Research and Technology Implementation Office (RTI) and Aviation (AVN). The project is currently in the design phase for PTN and in the requirements gathering phases for the other two divisions. eGrants full enterprise implementation is scheduled for the summer of 2016.

For questions regarding eGrants, e-mail egrantshelp@txdot.gov.

Jump to:

- [Aviation \(AVN\)](#)
- [Public Transportation Division \(PTN\)](#)
- [Research and Technology Implementation Office \(RTI\)](#)
- [Traffic Operations Division \(TRF\)](#)

Public Transportation Division (PTN)

- TxDOT's Public Transportation Division (PTN) focuses on collaborative work toward providing a network of mobility options for people who use alternatives to driving alone. We distribute grant funds, ensure compliance with program requirements, and promote safety, coordination, partnerships and best practices. PTN works with individuals and agencies around the state to facilitate mobility through the administration of state and federal grant programs, technical assistance, and support for regional public transportation coordination efforts.
- PTN administers federal and state grant programs, including Federal Transit Administration (FTA) grants. Grants are for specific purposes and have separate eligibility and funding requirements. The Public Transportation Division requests applications for specific grant funding sources through calls for projects.



View Available Opportunities

You have **7** Opportunities available.
Select the **View Opportunities** button below to see what is available to your organization.

[VIEW OPPORTUNITIES](#)

My Inbox

You have **1** new messages.
Select the **Open Inbox** button below to open your system message inbox.

[OPEN INBOX](#)

My Tasks

You have **14** new tasks.
You have **3** tasks that are critical.
Select the **Open Tasks** button below to view your active tasks.

[OPEN TASKS](#)



SHOW HELP

Opportunities

To apply for an item listed below, select the **Apply Now** button below each description.

Provider:

Document Instance:

Due Date (From - To): -

Other opportunities available:

5310 Application for PTN Test Org 1

Offered By:
TxDOT - Public Transportation

Application/PGA Availability Dates:

10/01/2015-01/01/2018

Application/PGA Period:

10/01/2015-12/31/2015

Application/PGA Due Date:

01/01/2018

Description:

Section 5311 - Rural Area Federal Formula Program for PTN Test Org 1

Offered By:
TxDOT - Public Transportation

Section 5339 - Urban Bus and Bus Facilities Program for PTN Test Org 1

Offered By:
TxDOT - Public Transportation

Section 5339 - Rural Bus and Bus Facilities Program for PTN Test Org 1

Offered By:
TxDOT - Public Transportation

Urban State Program for PTN Test Org 1

Offered By:
TxDOT - Public Transportation

Rural State Program for PTN Test Org 1

Offered By:
TxDOT - Public Transportation

Intercity Bus Application for PTN Test Org 1

Offered By:
TxDOT - Public Transportation

- The vendor is providing training.
- Testing has identified additional training needs.
- Training manuals/user guides will be provided.
- Training dates still to be finalized.



Texas Department of Transportation

eGrants
Subgrantee User Guide

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This user guide gives a general overview of eGrants system navigation. eGrants <https://www.txdot.gov/apps/egrants> is used by subgrantees to create/submit grant proposals, manage grant projects, and submit performance reports and requests for reimbursement.

For inquiries, e-mail egrantshelp@txdot.gov.

