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2024 ADOT 5307/ 5339 Procedures : Effective
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- ADOT is the **Designated Recipient** for all 5307 and 5339 grant funds.
- Governor assigns **Direct Recipient** status for the 5307 program as outlined in the table below:

Eligible Direct Recipient's	UZA
Northern Arizona Intergovernmental Public Transportation Authority (Mountain Line)	Flagstaff
Yuma County Intergovernmental Public Transportation Authority (YCIPTA)	Yuma
City of Phoenix	Avondale-Goodyear
City of Sierra Vista	Sierra Vista
Lake Havasu City	Lake Havasu
City of Casa Grande	Casa Grande
Central Yavapai Metropolitan Planning Organization (CYMPO)	Prescott/Prescott Valley
City of Bullhead City	Bullhead City/Laughlin
City of Maricopa	Maricopa

- Direct Recipients must attach the ADOT Split Letter to their Recipient information in FTA's award management system.
- Direct Recipients, for the 5307 program, apply for grants directly through FTA. The competitive funding pool process will begin as soon as apportionments are published each year, enabling Direct Recipients to obligate both competitive funds as well as their basic apportionment in the same application. However, if a Direct Recipient wants to make an application for their basic apportionment separate from the competitive process, they may do so.
- For the 5339 program, if a Direct Recipient is awarded competitive funding,

applicants will also apply for grants directly through FTA and will not become subrecipients of ADOT.

BASIC FUNDING ALLOCATION

- Do not compete for basic funding (that apportioned for specific UZA through Federal Register).
- The Federal Register disbursement remains in place for that recipient for two years (apportionment year plus one year).
- Within 30 days of apportionments being announced, ADOT will ask all 5307 small urban agencies to confirm their intent to obligate funds and how much. Any funds without plans to be obligated within two years will be included in the next competitive pool and combined with any funds not obligated within two years per basic funding allocation above.
- Direct Recipients apply to FTA directly.
- ADOT provides FTA with a split letter denoting basic funding allocation, along with any competitive funding 5307 and 5339 awarded under the following section, for each applicant.
- Award and reimbursement occur between Direct Recipient and FTA.
- All Direct Recipients will report to ADOT by November of each year the amount of any unobligated funds from previous year and the reason they are unobligated.
- Following 2nd year, funds that have not been obligated will be reallocated for distribution by ADOT through a competitive process**

**If the funds are not obligated, after apportionment year plus one year, the money will be reallocated into a competitive pool. A competitive process will be used to distribute the funding from this pool. If the Short Range, Five-Year Transit Plan or Capital Improvement Plan identifies the expenditure, the reason funds are not obligated along with an Action Plan including corrective action to obligate the funds within 6 months and is provided to and agreed upon by ADOT – the funds will not be moved to the competitive pool. Corrective action must assure funds will be obligated or moved to the competitive pool in a timeframe that will provide an opportunity for competitive application and obligation by the awarded agency.

COMPETITIVE PROCESS FOR 5307 UNOBLIGATED & 5339 FUNDS

- ADOT will notify all eligible entities of the amount available in the competitive pool with a call for applications typically within 90 days after apportionments are announced.
- All Direct Recipients will submit to ADOT, at least every five years, a Short Range Transit Plan demonstrating entities' plan for using FTA funding in order to be eligible for funds.
- 5307 and 5339 funds awarded in this competitive process are one-time capital or operating project funds, priority will be given to capital projects that show they have demonstrated readiness to procure or construct and have obtained NEPA approval from FTA. Capital projects will be prioritized over operating funds since the award of funds is a one time commitment.

- Direct Recipients will apply for this funding pool (limit 3 projects) via the submittal of an application to ADOT demonstrating the following evaluation criterion:
 - State of Good Repair (20%)
 - Need related to maintaining the systems state of good repair, including rehabilitation and replacement of vehicles that are past useful life in accordance with FTA guidelines.
 - Description of components that contribute to improving safety and security of the system.
 - Project Readiness (20%)
 - TIP Project Number or documented project need based on local planning efforts
 - Commitment to submit application within 180 days of award
 - % Design Completion
 - NEPA Process Completion Status
 - Financial Readiness: (20%)
 - Documented commitment to provide local match: letter from CFO stating amount and source of local match funds committed to the proposed project
 - Benefit/ Cost or economic analysis demonstrating how the proposed project would help your agency achieve its stated performance goals or maintain the agency's State of Good Repair?
 - Agency performance measures (20%)
 - Average cost per passenger boarding
 - Average cost per revenue mile
 - Average passenger boarding per revenue mile
 - Demonstrated good standing with FTA (10%)
 - Stakeholder support/ involvement (10%)
 - Letters of support: elected officials, human services, education, environmental or land use partners
- Following ADOT determination of allocation, notice of award will be sent to the Direct Recipient and the applicable FTA split letter will be updated and sent to Direct Recipient and to FTA.
- Direct Recipient applies for any competitive funds awarded by ADOT (5307 or 5339) through FTA.

ADOT Reporting

With each award of competitive funds, ADOT will report the following to agencies statewide:

- Total funds requested and awarded by agency.
- Amount of remaining, unawarded funding by year of apportionment for each type of funds: unobligated 5307, 5339 statewide, and 5339 small urban.
- Amount of funding not obligated by deadline and returned to FTA by year of apportionment and funding source.