

**2011 Call for Projects**  
**Job Access and Reverse Commute (JARC) and New Freedom Grant Programs**  
**Questions & Responses**  
*February 23, 2011*

**1. How can I obtain an application package? What is the closing date for applications?**

The application package, budget worksheets, and related documents can be downloaded from the H-GAC or METRO websites at [www.h-gac.com/purchasing](http://www.h-gac.com/purchasing) or [www.ridemetro.org/Opportunities/GrantPrograms.aspx/](http://www.ridemetro.org/Opportunities/GrantPrograms.aspx/).

The closing date for this Call for Projects is on or before **March 9 at 3:00 p.m.** For more information regarding the application process, submit questions to H-GAC by email to [proposals@h-gac.com/](mailto:proposals@h-gac.com/).

**2. What are these grants for and what do they fund? What are the eligible activities for JARC and New Freedom programs?**

**JARC Program** funds are available for capital, planning, and operating expenses that support the development and maintenance of transportation services designed to (1) transport low-income individuals to and from jobs and activities related to their employment, and (2) support reverse commute projects.

*Ref: U.S. Department of Transportation Federal Transit Administration Circular (FTA C 9050.1) page II-1-2 (May 2007)*

**New Freedom Program** funds are available for capital and operating expenses that support (1) new public transportation **services beyond** those required by the Americans with Disabilities Act of 1990 (ADA), and (2) new public transportation **alternatives beyond** those required by the ADA designed to assist individuals with disabilities in accessing transportation services, including transportation to and from jobs and employment support services.

Both new public transportation services and new public transportation alternatives are required to go beyond the requirements of the ADA and must (1) be targeted toward individuals with disabilities; and (2) meet the intent of the program by removing barriers to transportation and assisting persons with disabilities with transportation, including transportation to and from jobs and employment support services.

*Ref: U.S. Department of Transportation Federal Transit Administration Circular (FTA C 9045.1) page II-1-2 (May 2007)*

Eligible activities for JARC funding are listed in detail in the Addendum included with the application package, pages 3-5. Eligible activities for New Freedom funding are also listed in the Addendum, pages 6-10.

**3. What are the local match requirements for these grants?**

It is important to note that a 50% local match is required for service projects and a 20% local match is required for all capital projects.

**4. Can state funds or Federal funds that are non-FTA dollars be used as local match?**

Yes, other sources of funds, state or Federal, so long as they are non-Department of Transportation (DOT) funds, can be used as local match funds.

**5. Is this METRO funding?**

No. The JARC and New Freedom grant funds are from Federal Transit Administration. Visit [www.fta.dot.gov/funding/grants\\_financing\\_263.html/](http://www.fta.dot.gov/funding/grants_financing_263.html/) for grant program details.

**6. Can JARC funds be used to purchase METRO bus fares?**

No, not directly. JARC funds can be used to support the administration and expenses related to transportation voucher programs. This activity is intended to 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 to providers of alternative transportation services. The JARC program can provide vouchers to low-income individuals to purchase rides, including (1) mileage reimbursement as part of a volunteer driver program, (2) a taxi trip, or (3) trips provided by a human service agency.

Providers of transportation can then submit the voucher to the JARC project-administering agency for payment based on pre-determined rates or contractual arrangements. Transit passes for use on fixed route or Americans with Disabilities Act of 1990 (ADA) complementary paratransit service are **not** eligible. Vouchers are an operational expense that requires a 50/50 (Federal/local) match.

*Ref: Circular FTA C 9050.1, Page III-9*

**7. What is the specific area the project needs to cover?**

The specific service area is the Houston Urbanized Area (UZA), as shown on the map included in the handouts and in the slide presentation. If you are proposing a project that will transport people from one place to another, the home end or origin end must be in the Houston Urbanized Area that includes most of Harris County, as well as portions of Brazoria, Fort Bend, Montgomery and West Chambers counties.

**8. Does the Houston Urbanized Area (UZA) map correlate with the Houston Extra Territorial Jurisdiction (ETJ) area?**

No, the Houston UZA is determined by the U. S. Census Bureau and refined for planning purposes by the Metropolitan Planning Organization (MPO). Boundaries are based on various census tracts within the greater Houston area from the 2000 Census. It is not a 1:1 correlation with the City of Houston or Houston ETJ boundaries.

**9. How can the JARC funds be used for transportation services outside of the METRO Service Area? What about the outer counties?**

JARC funds can be used for transportation services outside the METRO service area IF the trip is **within the Houston urbanized area**, including trips that are in other counties within the Houston urbanized area. The Texas Department of Transportation (TxDOT) coordinates projects in areas outside of the Houston UZA, small urban and rural.

**10. Are continuing projects receiving JARC/New Freedom funds eligible to submit grant applications in the current Call for Projects?**

Yes. Eligible projects funded with New Freedom funds may continue to be eligible for New Freedom funding indefinitely, as long as the project(s) continue to be part of the Regional Coordination Transit Plan.

**11. Is there continued funding for a JARC project beyond the initial three years described?**

FTA indicates that there is flexibility for continuation of JARC projects after the initial three-year period. Generally, the scope of a continuing JARC project should be new (for example, by expanded hours or increased geographic coverage).

**12. How can we obtain the information presented at the Pre-Application Workshop?**

Questions and responses from the workshop are included in this set of Q&A. A video recording from the workshop will be available on the H-GAC and METRO websites.

**13. How can we find out about changes in terms of the application process?**

Changes to the application process will be sent to potential applicants by email notice and posted on the H-GAC website under "Updates." Questions and responses received by February 18 will be posted on the H-GAC and METRO websites.

**14. What if we have more questions after the February 18 deadline for questions, especially questions about the budget worksheets? Can we submit questions throughout the application process?**

If you have questions after that date, submit them by email to [proposals@h-gac.com](mailto:proposals@h-gac.com).

**15. Where is the Addendum posted? What about the Regional Transit Coordination Plan?**

The Addendum is posted on the H-GAC and METRO websites. The Regional Transit Coordination Plan is posted on the H-GAC website and at [www.RidetheGulfCoast.com/](http://www.RidetheGulfCoast.com/).

**16. Regarding the schedule and program milestones: When will the awards be announced?**

The current schedule is to complete evaluations and make recommendations to the Houston-Galveston Area Council (H-GAC) Transportation Policy Council (TPC) and METRO Board of Directors for approval at their April meetings. We hope to enter into interagency agreements in late summer-early fall, possibly August-September.

**17. How will grant monies be distributed to projects? Is the award made based on the best application submitted or on how the application is presented?**

Evaluation criteria used to score each application is described in the application and the *Project Management Plan*, which are posted on the H-GAC and METRO websites. A multi-agency evaluation team of individuals who serve on the Project Evaluation Team will score the proposals. Projects that score the highest will be recommended to move to the next phase of the selection process. Selection is based on what the evaluation team judges to be the best of the applications.

**18. Is the availability of the grant money based on the Federal schedule, starting in October or in January? Are funds available on the Federal fiscal year ending on September 30?**

The Federal fiscal year, starting October 1, is the basis for the funds available. There is a FTA timeframe when funds are made available to the region and a time limit for funds to be obligated.

**Note:** Your budget should be written for Year 1, Year 2, and Year 3 of your project. METRO will assign the oldest available grant monies first to your project or to another.

**19. Are these reimbursement grants; and if so, what is the reimbursement period?**

Yes, these are reimbursement grants and use accrual-based accounting. The inter-agency agreement outlines that generally speaking, agencies can submit invoices once a month. METRO has 10 days to process the invoice and notify you if there are deficiencies. METRO pays reimbursements 10 days after an accepted invoice is received and approved with all required documentation and support material.

**Please note:** You will need sufficient cash flow to fund your project for somewhere around two or three months at the beginning of your contract while METRO is getting the start-up processed.

**20. Regarding audited financial statements: since most private companies do not audit themselves, can unaudited statements be submitted?**

We recognize that some private agencies do not annually have audits performed. If you do not have audited financial statements, provide a copy of your most recent IRS Tax documents. We need to look at each situation on a case-by-case basis.

If two years of audited financials are not available, you may submit IRS Form 990 with your application. We will review applications on a case-by-case basis to see if additional documentation might be needed.

**Note:** IRS Form 990, “Return of Organization Exempt from Income Tax,” is an annual reporting return that certain federally tax-exempt organizations must file with the IRS. It provides information on the filing organization's mission, programs, and finances. Most federally tax-exempt organizations, with the exception of churches and state institutions and all 501(c)(3) private foundations, regardless of income, are required to file Form 990 ([www.irs.gov](http://www.irs.gov)).

**21. We are a new organization and we do not have audited financial statements. How can we show financial ability?**

H-GAC and METRO ask for two-year audited financials to help identify established organizations that are financially sound. If these are not available, submit complete unaudited financial statements.

**A suggestion:** If your agency is new to this grant writing process, consider working with an experienced agency that has been through the grant process for a number of years.

**22. Is there technical assistance available to see if a project is eligible before a decision is made to write an application?**

Yes, you can submit your questions by email to [proposals@h-gac.com](mailto:proposals@h-gac.com). The Addendum includes a detailed list of eligible projects based on the FTA circulars. A wide variety of projects is eligible. The key is to identify an eligible project in the area that you are trying to address and to make sure that the need is included in the Regional Transit Coordination Plan. The linkage between your proposed project and the needs identified in the Regional Coordination Plan is very important.

**23. If we complete our application in advance of the March 9 deadline, will H-GAC staff review it for completeness and sufficiency?**

Yes, staff will look at it for sufficiency before the application deadline. Please email your completed application (electronic format) to the Houston-Galveston Area Council (H-GAC) at [proposals@h-gac.com](mailto:proposals@h-gac.com), to the attention of Kari Hackett, Manager of Special Studies.

**24. Does the FTA consider fare revenue part of the required local match or part of program income?**

Fare revenue is part of program income. Your budget should be prepared with NET operating expenses. Fares are separated out and cannot be considered as part of the local match for the project. Fares must be subtracted from the total cost of the project and your net costs go forward.

The FTA provides information about using fare revenue or other program income as local match on its website, [www.fta.dot.gov/](http://www.fta.dot.gov/).

**Program Income** ([www.fta.dot.gov/documents/C\\_5010\\_1D\\_Finalpub.pdf](http://www.fta.dot.gov/documents/C_5010_1D_Finalpub.pdf))

- a. General. FTA's program income policy for State, local governments, and Indian tribes are in the Common Rule at 49 CFR 18.25. Although similar, the program income requirements for non-profit organizations are in 49 CFR 19.24. Grantees are encouraged to earn income to defray program costs.

Program income means gross income received by the grantee or subgrantee (1) directly generated by a grant-supported activity, or (2) earned only as a result of the Grant Agreement during the grant period (the time between the effective date of the grant and the ending date of the grant reflected in the final financial report).

- b. Program income includes income (1) from fees for services performed, (2) from the use or rental of real or personal property acquired with grant funds, (3) from the sale of commodities or items fabricated under a Grant Agreement, and (4) from payments of principal and interest on loans made with grant funds.

Except as otherwise provided in regulations of the Federal agency, program income does **not** include interest on grant funds, rebates, credits, discounts, refunds, etc., and interest earned on any of them.

- c. Cost of generating program income. If authorized by Federal regulations or the Grant Agreement, costs incident to the generation of program income may be deducted from gross income to determine program income.
- d. Governmental revenues. Taxes, special assessments, levies, fines, and other such revenues raised by a grantee or subgrantee are not program income unless the revenues are specifically identified in the Grant Agreement or Federal agency regulations as program income.
- e. Property. Proceeds from the sale of real property or equipment will be handled in accordance with the requirements of Sections 18.31 and 18.32.
- f. Use of program income. FTA allows its grantee to keep program income and use it for capital and operating expenses. Program income may not be used to reduce the local share of the grant from which it was earned, but may be used in future grants. If grantees choose not to use program income for public transportation purposes, then it shall be deducted from total allowable costs to determine the net allowable costs.

g. Income after the grant period. There are no Federal requirements governing the disposition of program income earned after the end of the grant period (i.e., after the ending date of the final financial report), unless the terms of the agreement or the Federal agency regulations provide otherwise.

*Ref: Page VI-10 FTA C 5010.1D, 11/01/2008*

## **25. How does the FTA's Letter of No Prejudice work?**

A Letter of No Prejudice is a permissive document provided by the FTA that addresses the eligibility of project expenses incurred **before** a grant is awarded. It is important to contact H-GAC or METRO staff if you propose to seek reimbursement of project expenses incurred before the grant is awarded. The Federal Register describes the Letter of No Prejudice Policy as follows:

LONP authority allows an applicant to incur costs on a project utilizing non-Federal resources, with the understanding that the costs incurred subsequent to the issuance of the LONP may be reimbursable as eligible expenses or eligible for credit toward the local match should FTA approve the project at a later date. LONPs are applicable to projects and project activities not covered by automatic pre-award authority. For more details regarding conditions and Federal requirements visit [www.fta.gov/](http://www.fta.gov/).

Before incurring costs for a project, the project sponsor must first submit a written request for an LONP, accompanied by adequate information and justification, to the regional FTA office and obtain written approval, which FTA determines on a case-by-case basis. The applicant must provide sufficient information to allow FTA to consider the following items:

- a. Description of the activities to be covered by the LONP.
- b. Justification for advancing the identified activities, including an accurate assessment of the consequences to the project scope, schedule, and budget should the LONP not be approved.
- c. Allocated level of risk and contingency for the activity requested.
- d. Status of procurement progress, including submittal of bids for the activities covered by the LONP.
- e. Strength of the capital and operating financial plan for the project and the future transit system.
- f. Adequacy of the Project Management Plan.
- g. Resolution of any readiness issues that would affect the project, such as land acquisition and technical capacity to carry out the project.

Following completion of the NEPA requirements, FTA will expedite the issuance of LONPs for New and Small Starts projects, when appropriate, by performing a limited review in those cases that are more routine in nature, especially those involving an experienced sponsor.

*Ref: 6974 Federal Register / Vol. 76, No. 26 / Tuesday, February 8, 2011 / Notices*