



NC Capital Area Metropolitan Planning Organization

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Legislation Text

File #: ACT 17-115, **Version:** 2

Memorandum of Understanding for the Sub-Allocation of Federal Transit Administration Formula Grants to the Raleigh Urbanized Area

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Each year, the Federal Transit Administration (FTA) apportions formula grant funding for use within the Raleigh Urbanized Area (UZA) to a locally selected and federally recognized designated recipient. These funds include the Section 5307, 5339 and 5340 programs. The City of Raleigh is and expects to continue to function as the designated recipient of these formula grants for the Raleigh UZA. The designated recipient is responsible for coordinating with the other providers of public transportation services in the Raleigh UZA and the MPO to develop a sub-allocation method for distributing annual formula funds received from the FTA. The MPO is also required to concur in the designated recipient's annual sub-allocation of formula grants to eligible providers.

In April 2016, the City of Raleigh, Town of Cary and GoTriangle entered into a five (5)-year memorandum of understanding (MOU) that detailed an agreed upon method and process for the sub-allocation of federal formula transit grants provided to the Raleigh UZA. Historically, this MOU was updated every five (5) years with an assigned period of performance term of five (5) years to provide a level of consistency and financial planning certainty to the providers receiving the funds. Although the MOU was last updated in 2016, the need to update the MOU in 2017 has arisen for the following reasons:

- 1) Wake County should be added to the MOU, as it began reporting service metrics to the National Transit Database in fiscal year (FY) 2015, which are now reflected in the federal fiscal year (FFY) 2017 apportionment to the Raleigh UZA;
- 2) CAMPO should be added as a party to further institutionalize its role in administering the annual sub-allocation calculations and concurring with the designated recipient on the split of funds among the parties;
- 3) Include the Section 5339 and 5340 programs in the sub-allocation method and process, as prior MOUs have been completely mute on these funding sources;
- 4) Include the low-income component of the Section 5307 funding formula, as the previously executed MOU was completely mute on that component of the formula;
- 5) Include the Section 5307 fixed guideway tier to set the Raleigh UZA up to deal with fixed guideway formula funds if and when it gets to the point of receiving them; and
- 6) The need to clean up other technical language to be more clear, specific and precise about how the formula inputs and variables are being applied to each eligible recipient.

In February and March 2017, CAMPO staff produced an updated/amended MOU to account for these changes and circulated the MOU for review and comment by the City of Raleigh, Town of Cary, GoTriangle and Wake County. Minor comments on the MOU were received and incorporated into the attached draft (Attachment A). This updated/amended MOU is intended to serve as the MPO- and designated recipient-endorsed sub-allocation policy of federal formula transit grants apportioned to the Raleigh UZA over the next five (5) years and will first apply to the FFY 2017 Raleigh UZA apportionment.

Requested Action: Consider approval of the MOU for the Sub-Allocation of Federal Transit Administration Formula Grants to the Raleigh Urbanized Area