



Information Update - Section 5307 Transition Update

To: IPTC Board of Directors
Through: President/CEO Jennifer Pyrz
From: Manager of Special Projects and Regional Mobility Integration Ryan Wilhite
Memo Date: June 13, 2024

SECTION 5307 / 5339 UPDATE

BACKGROUND:

IPTC is the designated recipient for Section 5307/5340 funds for the Indianapolis urbanized area. The urbanized area contains all of Marion County and portions of: Boone, Hamilton, Hancock, Hendricks, Madison, Morgan, and Shelby counties. Section 5307/5340 funds are allocated to the region by the Federal Transit Administration (FTA) by formula. The amount of funding awarded to each region through the formula is primarily influenced by: population number, population density, and vehicle revenue miles. There are set-asides and other factors, but those three are key factors.

The IMPO Transportation Policy Committee (TPC) recommended in February 2021 that IPTC serve as the direct recipient for the four counties that transitioned from rural funding (Section 5311) to urban funding (Section 5307). The subrecipients are Hancock County, Hamilton County, Hendricks County, and Johnson County. The counties decided to procure the service directly, completing competitive procurements in 2021. The existing not for profits providing service under Section 5311 service also won the contract for Section 5307 funds.

UPDATE:

In 2022, INDOT allowed the existing 5311 subrecipients to continue using 5311 funds; this delayed the start of 5307 reimbursement. When those funds were exhausted, the counties began to use Section 5307 funds. However, IPTC provided American Rescue Plan (ARP) Act funds from the region's allocation to cover operating costs for the first full year of the program, due to the significant effects of COVID-19 across all operational aspects for the providers.

IPTC hired a Grant Coordinator in 2021 to assist existing IPTC staff in subrecipient compliance and claims. That individual left in 2022 and was not replaced until 2024, when Abby Hetler was hired. Claims are handled by Cassie Burmeister in Finance. RLS and Associates, a national firm with significant experience in compliance for small urban and rural programs, was contracted to assist in the transition. Their contract was extended to the end of 2024, with a specific focus on technical support for IPTC staff and the drug and alcohol program, overseen by Brian Clem.

The first capital call for projects occurred in late 2023. The Section 5339 formula funding program is intended to support eligible public transportation projects. Three of the four subrecipients applied and were awarded funding. The board should continue to expect requests for vehicle purchase approvals every year as IPTC administers the program.

The first round of compliance meetings were completed in 2023 and staff are working to finish the compliance review reports. The CRRs document the meetings, any potential challenges, and if there are outstanding issues for our subrecipients.

RECOMMENDATION:

Receive the update.

Ryan Wilhite
Manager of Special Projects and Regional Mobility Integration
Department of Strategic Planning