

NONURBANIZED AREA FORMULA PROGRAM (49 U.S.C. § 5311)

The Section 5311 program provides funding for public transportation in nonurbanized areas. From fiscal year 1979, when the program was authorized, until fiscal year 1991, Congress appropriated \$65-85- million annually for the program. The annual appropriations increased under ISTEA with Section 5311 receiving 5.5% of the total appropriation for urbanized and nonurbanized areas, and again under TEA-21, with Section 5311 receiving 6.37% of the funds appropriated for formula programs for both urbanized and nonurbanized areas and for elderly and persons with disabilities. In fiscal year 2007, \$394 million was appropriated, which was supplemented by and combined with \$63.2 million in Section 5340 funds. In addition, since 1984 Section 5311 has been supplemented by funds transferred annually to Section 5311 from the Governor's apportionment of urbanized area formula funds for cities under 200,000. Flexible funds may also be transferred to Section 5311, and in FY 2007, \$27.4 million was so transferred.

FTA apportions funds for nonurbanized areas to the states according to a statutory formula based on each state's population in rural and small urban areas (under 50,000 population). The funds are available to the state for obligation for the year of apportionment plus two additional years. The states administer the program in accordance with State Management Plans. Eligible recipients include public bodies and private non-profit organizations. Participation by private for-profit enterprises under contract to an eligible recipient is encouraged. In FY 2007, \$8.1 million of the funds appropriated to Section 5311 were set-aside for the new Tribal Transit program. However, the selection of projects for this competitive program was not made until FY 2008.

The FTA financial assistance may be used for capital and administrative expenses, with a Federal share of eighty percent, and for operating expenses, with a Federal share of fifty percent. The state may use up to fifteen percent of its apportionment for program administration, planning and technical assistance, with no local match required. Coordination with other federally assisted transportation services is encouraged, and income received through purchase of service contracts with human service agencies may be used as local match. Each state must spend fifteen percent of its apportionment for the support of intercity bus transportation, unless the governor certifies that the intercity bus transportation needs of the state are adequately met.

In FY 2007, \$493.7 million was obligated to 82 grantees under the Section 5311 program on behalf of numerous subrecipients.

RURAL TRANSIT ASSISTANCE PROGRAM

From fiscal year 1987 to 2005, Congress appropriated \$4.25 to \$5.25 million a year for the state Rural Transit Assistance Program (RTAP) to provide training, technical assistance, research, and related support services, for providers of rural public transportation. SAFETEA-LU directs a 2 percent takedown of funds appropriated for Section 5311 for RTAP. FTA allocates funds to the states using the nonurbanized population based formula along with a floor of \$65,000 to each state (increased from \$50,000 in FY 1999), and \$10,000 to each insular area. There is no local

share requirement. Additional RTAP funds are used to support a national program, which produces training materials and operates a national resource center. FTA obligated \$7.6million to the states in FY 2007. National RTAP obligations were \$223,270.