


TRANSIT

TO: Debbie Collins
Director, Public Transportation Division

FROM: Randall Hume 
Transit Director, City of Fayetteville

DATE: March 30, 2017

SUBJECT: Section 5307 Formula Fund Allocation Plan

As requested by NCDOT, The City of Fayetteville as Designated Recipient, FAMPO and the Fayetteville area's transit operators have collaborated to develop a needs based allocation formula for FTA's Section 5307 funds to address the financial needs of our growing urbanized area. This allocation plan has been presented and approved by FAMPO's Transportation Coordinating Committee (TCC) and the Transportation Policy Board (TPB) in January 2017. An amendment to the STIP that will detail this allocation to each entity is being prepared for approval at the April 2017 TPB meeting.

The proposed formula provides funding to transit operators in Cumberland, Harnett and Hoke Counties. Overall the greatest need identified by the transit operators was for operating budget assistance. It was determined that operating assistance would be limited to 80% of the expected urban area apportionment with 20% reserved for capital. The formula first attempts to offset the loss of Section 5311 funding by the area operators. This was determined based on the five-year forecasts provided by NCDOT to each operator. The City of Fayetteville's FY 2017 budget for Preventative Maintenance, Planning and Operating Assistance established Fayetteville's threshold and does not include the current Section 5307 pass-through to Hoke County. In addition, the threshold for Cumberland County was increased by \$40,000 in an effort to compensate for the fact that Cumberland County has not historically received a full allocation for Section 5311 funding.

Any remaining operating funding available following the above offset would then be allocated based on the following formula:

Urban Area Population	33.34%
Urban Area Ridership	33.33%
Urban Area Revenue Vehicle Miles	33.33%

This formula emphasizes spending monies available after offsetting federal funding losses on supporting more service and more passengers. A transit system may request that a portion of

455 Grove Street
Fayetteville, NC 28301-0998
(910) 433-1747 | (910) 433-1064 Fax
www.ridefast.net | www.cityoffayetteville.org

its operating assistance allocation in any year be used for capital if that best meets their system's need.

Capital funding will be allocated based on the capital needs identified by each system and that system's ability to match the federal funding. The available federal capital funding is a minimum of 20% of the expected annual Section 5307 apportionment plus the expected Section 5339 formula apportionment. When the capital needs exceed the available capital funding then funding will be prorated based on the projected need of each system. Under the current projections there is sufficient funding to cover all capital needs through FY 2020. Due to Fayetteville's need to replace buses and Hoke County's proposed operating facility, FY 2021 and 2022 will be reduced by this proration if Section 5339(b) discretionary or competitive funding is not secured for these projects.

It should also be noted that Section 5307 urbanized area apportionments will fund the Fayetteville urban portion of an asset. For instance, if 57% of Hoke Area Transit Service is urban, then Fayetteville area Section 5307 funding would pay the federal share of 57% of Hoke County's proposed operating facility.

The tables below illustrate the FTA Section 5307 and Section 5339 formula distribution provided no Section 5339 (B) funding is gained through FTA's competitive process.

		2018	2019	2020	2021	2022
FTA Operating Distribution						
	Cumberland	\$ 77,881	\$ 90,020	\$ 78,141	\$ 90,381	\$ 103,132
	Hoke	72,780	93,098	91,843	100,517	109,624
	Harnett	51,845	57,892	47,259	50,674	54,175
	Spring Lake	40,000	40,000	40,000	40,000	40,000
	FAST	2,155,779	2,213,207	2,336,742	2,416,173	2,498,724
		\$ 2,398,286	\$ 2,494,217	\$ 2,593,986	\$ 2,697,745	\$ 2,805,655
Available for Capital		\$ 599,571	\$ 623,554	\$ 648,496	\$ 674,436	\$ 701,414

		2018	2019	2020	2021	2022
Total Allocation, Including Capital						
	Cumberland	\$ 77,881	\$ 90,020	\$ 78,141	\$ 90,381	\$ 103,132
	Hoke	296,220	257,258	484,002	199,275	321,731
	Harnett	56,793	57,892	47,259	50,674	54,175
	Spring Lake	59,200	59,200	59,200	48,316	50,373
	FAST	2,593,379	2,576,407	3,430,342	3,339,650	3,322,052
	Total	\$ 3,083,474	\$ 3,040,777	\$ 4,098,945	\$ 3,728,297	\$ 3,851,462
Projected Sec 5307		\$ 2,997,857	\$ 3,117,771	\$ 3,242,482	\$ 3,372,181	\$ 3,507,069
Projected Sec 5339		283,333	297,500	312,375	327,993	344,393
Total Allocation		3,281,190	3,415,271	3,554,857	3,700,175	3,851,462
	Over (Short)	197,716	374,494	(544,088)	(28,122)	-
	Cummulative	197,716	572,210	28,122	-	-

Please let me know if you have any questions or other actions you need for us to do.

cc: Joel Strickland, FAMPO