

Frequently Asked Questions

This document is intended to help answer questions regarding the 2024-2026 Mid-Cycle Discretionary Grant Solicitation and the 2025-2027 Federal Funding Solicitations (5310, 5311, 5311(f)). The FAQ applies to federal transit funding administered by the Public Transportation Division. If you have questions or concerns, please reach out to your Regional Transit Coordinator (RTC).

I. FEDERAL GRANT FUNDING AND REIMBURSEMENT OF SUBRECIPIENTS

The Public Transportation Division (PTD) will authorize payment for eligible subrecipient expenses after the federal grant has been fully executed by PTD and the Federal Transit Administration (FTA) and those funds are available for drawdown. This is consistent with PTD policy, but it's a change from previous solicitations.

PTD awards federal transit funding to public transportation providers in Oregon through both discretionary and formula grant programs. The Division makes payments to subrecipients on a reimbursement basis, where subrecipients incur eligible expenses and PTD reimburses agencies for these expenses. PTD relies upon having funding on hand to provide reimbursement.

PTD's **policy** is to pay subrecipients once FTA grants are executed and federal funding is available, except as approved by the Division Administrator. However, over a number of years it was PTD's **practice** to reimburse agencies for eligible expenses before FTA grants were executed. Because of the delay in processing FTA grants, the amount of federal awards has outgrown PTD's funding on hand to cover reimbursement. To ensure that the reimbursement process is sustainable, PTD will make moneys from federal grants available for reimbursement once the FTA has executed the grants, except as approved by the Division Administrator.

II. 2024-2026 MID-CYCLE SOLICITATION FAQ'S

When will funding be available for reimbursement?

PTD expects that 90% of the funding for Mid-Cycle grant awards will be available for reimbursement between September 2025-March 2026 when federal funds become available. The timing will depend on how quickly the FTA approves PTD's grant application. Approximately 10% of the funding will be available earlier due to limited funds PTD has available at this moment. The timing of when funding will be available for reimbursement depends on the individual project and the availability of funding.

Can an agency start making purchases for a project and get reimbursed once federal grants are executed?

Yes, if an agency has finalized its subgrant agreement with ODOT. Reimbursement for most funding will begin when the federal grants are executed. However, subrecipients can begin incurring eligible expenses after November 1, 2024, if ODOT and the subrecipient have signed the grant agreement. If the grant agreement is signed after November 1, then agencies can incur eligible expenses once it is signed. **The subrecipient will need to cover these expenses until federal funds are available for reimbursement.**

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PTD estimates that funding will be available for most grants sometime between September 2025 and March 2026. In limited circumstances, PTD will permit agencies to seek reimbursement prior to FTA grants being executed. If this is the case, PTD will inform the agency.

Additionally, if the project requires NEPA review, an agency must first complete the NEPA process before it is eligible for repayment on most expenses. All other restrictions and eligibilities still apply.

Why is this change happening now?

PTD's **policy** is to provide funding once FTA grants are executed and federal funding is available, except as approved by the PTD Division Administrator. However, over a number of years it was PTD's **practice** to reimburse agencies for eligible expenses before FTA grants were executed. PTD relies upon having funding on hand to provide reimbursement. Because of the delay in processing FTA grants, the amount of federal awards has outgrown PTD's funding on hand to cover reimbursement. PTD is making these changes to ensure that the reimbursement process is sustainable.

What steps is the Public Transportation Division taking to address the situation? How will it affect future funding?

- 1) PTD has dedicated additional staff resources to accelerate the submission of FTA grant applications.
- 2) PTD staff are working directly with FTA to get funding executed for applications that have already been submitted.
- 3) PTD will limit future reimbursements before FTA grants are executed to ensure the reimbursement process is sustainable and provides funding necessary to sustain service.

How did PTD come up with the priority list for providing payments to subrecipients for some Mid-Cycle awards prior to FTA grant execution?

The goal was to provide funds for essential services and address critical community needs with available sources of funding. PTD staff considered the following: 1) if it would disrupt service; 2) if it would restrict the agency from accessing additional funding; and 3) if it would delay NEPA-related activities.

If my agency will be reimbursed for expenses after FTA grants are executed, will we receive the full award amount?

Yes. Grant awards will be distributed once the FTA grant has been executed or contract is signed, whichever is later. The FTA grant is expected to be executed between September 2025 and March 2026.

What is the process to make federal funding available for reimbursement?

Providing federal grant funding to agencies is a two-step process:

- Step 1: PTD runs a solicitation to determine which agencies receive funding, how much, and for what projects and approves those projects.
- Step 2: PTD submits an application to FTA to execute the grant agreement for Oregon's apportioned funds. Each year Congress apportions funds to each State. That funding is released to each State to spend after a list of eligible projects is submitted and other

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requirements are met. It's only after FTA executes the grant agreement that PTD has funds available to reimburse grant awards. Typically, step 2 takes 2-3 months. However, because of a backlog in applications to FTA, it is currently taking 5-8 months.

What are the steps subrecipients need to do to get reimbursement? And what will be the timeline for processing?

The process for reimbursement is outlined in grant agreements. To receive reimbursement, the agency must complete their quarterly reports and reimbursement form. Reimbursement requests are generally processed within 30 days.

How has PTD/ODOT been paying subrecipients prior to executing FTA grants?

Previously, PTD provided interim funding with ODOT funds while we waited for federal funds to come in. The availability of those funding sources has decreased, and the longer grant processing timeline has made it unsustainable. This requires that PTD reimburses eligible expenses after FTA grants are executed and federal funding is available.

Why was the solicitation conducted if most funding would be available in fall 2025 or spring 2026?

Work on the solicitation began in spring 2023 before PTD had a full understanding of the impacts of delays in processing FTA grants.

Should agencies apply for STIF Discretionary/Statewide Transit Network? Will they be able to change their STIF-D/STN application to take into account the outcome of the Mid-Cycle solicitation?

STIF-D/STN funding will in many cases be available to grantees before the Mid-Cycle Solicitation funding. If grantees have an eligible project and need the funding sooner than fall 2025-spring 2026, they may want to consider applying for STIF-D/STN (deadline September 5).

The Mid-Cycle awards will be announced prior to the deadline for STIF-D/STN. Applicants should therefore be able to make changes to their STIF-D/STN application before the deadline of September 5.

Are you going to provide updates on when funding will be available for reimbursement? How will that be communicated?

The expected timeline for available funding has been sent to individual agencies. If there is a change in the timeline, this information will be communicated via email to the awardee.

III. 2025-2027 FEDERAL FUNDING SOLICITATIONS (5310, 5311, 5311(f))

When will upcoming Federal Formula funding be available for reimbursement?

PTD's policy is to provide funding when FTA grants are executed, except as approved by the Division Administrator. The process of FTA grants to be executed can take between 2-8 months. For the Federal Formula programs 5310 and 5311 as well as the Federal Discretionary program 5311(f), funding will generally be available for reimbursement after the FTA grants are executed. PTD

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expects the 5310 and 5311 grants to be executed between Q4 2025 and Q2 2026. Depending on availability of funds and at PTD's discretion, some funding may be made available earlier to maintain essential services.

When will agencies be able to begin incurring eligible expenses for upcoming Federal Formula awards?

Reimbursement for most funding will begin when the Federal grants are executed. However, subrecipients can begin incurring eligible expenses July 1, 2025 if ODOT and the subrecipient have signed the grant agreement. If the grant agreement is signed after July 1, then agencies can incur eligible expenses once it is signed.

All other eligibilities still apply (NEPA, for example).