

Transportation Grants 101, State Match Advantage for Rural Transportation (AZ SMART) Fund Program and Legislative Appropriations and Federal Earmarks

Government Finance Officers of Arizona
2023 Annual Conference

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Infrastructure Investment and Jobs Act (IIJA)

Federal Discretionary Grants for Transportation

- Numerous types of eligible applicants
- Numerous types of eligible projects
- Certain types projects may be eligible under more than one grant
- Highly competitive - strong applications are critical
- Building a Better America Policy Framework - required reading for

Typical Grant Types

- Road or Bridge
- Transit
- Railroad
- Aeronautics

Quick Tip! To determine which grant(s) a project might qualify for, see the grant statutes and the Building a Better America Policy Framework (<https://azdot.gov/planning/grant-coordination/az-smart-fund/federal-discretionary-grant-programs>).

Transportation Grants 101

What is a Grant?

- Discretionary funding mostly federal
 - Fulfill rigorous criteria set by the Grantor
 - Compete against several other proposals
- Outside of already programmed federal funds
- Most are not FREE – often requires local match
- Mandatory grant reporting (quarterly/annual)

Why are we after Grants?

- Available budget is limited to fund needed projects
 - Difficult to change State's allocation
 - Need for improvements are disproportionately high
- USDOT encourages projects to be competitive
- Agencies can develop more projects
- Serves more of the public in Arizona

When do we work on Grants?

- Before official announcement (NOFO)
 - Media, word of mouth (initial thoughts)
- During application period
 - Collect and analyze data, develop package, obtain support (fast pace task)
 - Average application period varies across grants
- After award is made
 - Agreement, compile and submit reports

ADOT Support Criteria

- ADOT Project vs. Partnering Entity request?
- Project already programmed?
- Any partnering agency directly involved?
- Matching fund required and available?
- Project schedule complies with grant requirement?
- Generally fulfilling merit criteria?
- Who administers the project?
- Project administration cost (case-by-case)?

Preparing a Grant Application

- Typically 4-6 weeks to prepare the package
- Consultant selection and contracting
 - Unless grant writing is done by in-house staff
- Data and information gathering
- Engineering and economic analyses
- Justifying merits of the proposal
- Narratives (front end) with details in appendix

Working together

- When you see any grant opportunity (NOFO/NOFA), contact ADOT Grant Coordination Group
- Visit ADOT website (azdot.gov/grant) for guidance
- Use the Grant Support Request form available at the above website
- Discuss project ideas with ADOT Grant Coordination Group early on to meet deadlines
- Minimum 30-day advance notice recommended when requesting any grant support

Grant Support Request

Multimodal Planning
42-0103.R1122 azdot.gov

ADOT GRANT COORDINATION SUPPORT REQUEST FORM

IMPORTANT: ADOT recommends 30 days processing time for this request.

Grant Title:

Grantor Agency:

Applicant Agency:

Grant Announcement:

Grant Application Submission Deadline:

Deadline for Your Request:

Project Summary (include location, scope, schedule):

Does this project use, cross or touch or otherwise involve any ADOT right-of-way? Yes No

Programming Status:

Is the Project in an approved Regional TIP?	Yes <input type="checkbox"/> No <input type="checkbox"/>
COG/MPO	<input type="text"/>
TIP Number	<input type="text"/>
Year Programmed	<input type="text"/>

Budget Breakdown	Amount	Funding Sources
Grant Request		
Other Federal Funding		
Non-federal Funds		
Cash		
In-Kind		
Total Amount*	\$ 0.00	

**NOTE: Except for direct recipient grant awards, all grants must be administered by ADOT, and ADOT project development administration (PDA) costs should be reflected in the project budget submitted with the grant application. PDA amounts are determined on a project by project basis. If ADOT PDA costs are not included, the local sponsor will be solely financially responsible for such costs. Intergovernmental agreements are required for all grant awards that are not direct recipient awards.*

Does NOFO allow your agency to be a direct recipient of grant? Yes No

If yes, will your agency administer the grant-funded project? Yes No

Are you requesting an ADOT letter of support only? Yes No

If yes, please attach a draft letter of support in Word for ADOT consideration.
If no, please indicate below any additional support that you are requesting along with a draft letter of support.

Submitted By: _____ ** Please save form to desktop, open with Adobe Acrobat, complete, save and attach form to email

Your Name: _____ and send to: grant@azdot.gov **

Phone: _____

Email: _____ *Additional documents may be attached to email*

Resources for Grants

- IJJA Information
<https://azdot.gov/planning/infrastructure-investment-and-jobs-act>
- DOT Navigator
<https://www.transportation.gov/dot-navigator>
- GRANTS.GOV
<https://www.grants.gov/>

Questions? Comments?

For additional Information

Visit: azdot.gov/grant

Email: grant@azdot.gov

Grant Coordination

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AZ SMART

AZ SMART Fund Context

- IJIA created numerous new federal discretionary grant programs
- Federal grants are highly competitive at the national level:
 - Over 3,000 counties
 - Over 35,000 incorporated cities and towns
 - Roughly 11% win rate historically
- AZ SMART Program effective 9/24/22
- Provides grants to assist cities/towns and counties to more effectively compete for federal discretionary grants
- State Transportation Board prioritizes and approves AZ SMART projects

AZ SMART Category Funding

<i>Eligible Applicant</i>	<i>Category Funding</i>
ADOT	\$10 mil
Counties with a population of 100,000 or more	\$10 mil
Counties with a population of less than 100,000	\$10 mil
Municipalities with a population of 10,000 or more	\$10 mil
Municipalities with a population of less than 10,000	\$10 mil

Eligible Applicants for the AZ SMART Fund Program

All Arizona cities/towns and counties are eligible *except* for those highlighted below. Unincorporated areas are represented in county applications. Eligibility may change upon release of new urbanized areas based on the 2020 decennial Census by the US Census Bureau.

JULY 1, 2021 POPULATION ESTIMATES

FOR ARIZONA'S COUNTIES, INCORPORATED PLACES AND UNINCORPORATED BALANCE OF COUNTIES

	ESTIMATE		ESTIMATE		ESTIMATE
APACHE COUNTY	66,411	MARICOPA COUNTY	4,507,419	PIMA COUNTY	1,058,318
Eagar	4,474	Apache Junction *	399	Marana *	55,174
Saint Johns	3,434	Avondale	90,755	Oro Valley	48,222
Springerville	1,724	Buckeye	101,987	Sahuarita	35,588
Unincorporated	56,779	Carefree	3,708	South Tucson	4,603
		Cave Creek	5,021	Tucson	546,061
COCHISE COUNTY	126,463	Chandler	280,189	Unincorporated	368,670
Benson	5,365	El Mirage	36,101		
Bisbee	4,968	Fountain Hills	23,906	PINAL COUNTY	439,128
Douglas	16,302	Gila Bend	1,893	Apache Junction *	38,610
Huachuca City	1,626	Gilbert	273,796	Casa Grande	56,242
Sierra Vista	45,851	Glendale	250,585	Coolidge	14,291
Tombstone	1,313	Goodyear	101,662	Eloy	16,485
Willcox	3,229	Guadalupe	5,329	Florence	25,250
Unincorporated	47,809	Litchfield Park	6,957	Hayden *	0
		Mesa	510,792	Kearny	1,741
COCONINO COUNTY	147,434	Paradise Valley	12,707	Mammoth	1,079
Flagstaff	76,960	Peoria *	195,585	Marana *	0
Fredonia	1,374	Phoenix	1,630,195	Maricopa	61,109
Page	7,618	Queen Creek *	56,321	Queen Creek *	9,954
Sedona *	2,606	Scottsdale	243,528	Superior	2,415
Tusayan	614	Surprise	149,710	Winkelman *	0
Williams	3,384	Tempe	181,548	Unincorporated	211,952
Unincorporated	54,878	Tolleson	7,309		
		Wickenburg *	6,687	SANTA CRUZ COUNTY	48,468
GILA COUNTY	53,525	Youngtown	7,060	Nogales	19,921
Globe	7,161	Unincorporated	323,689	Patagonia	807
Hayden *	512			Unincorporated	27,740

Applicant Eligibility

- Eligible: 85 cities/towns and 13 counties based on 2010 Census urbanized areas
- Ineligible: 2 counties and 6 cities/towns
 - Maricopa and Pima Counties
 - Guadalupe, Paradise Valley, Tempe, Tolleson, Youngtown, South Tucson
 - Unincorporated areas are covered in county applications
- Eligibility is subject to change with release of 2020 urbanized areas expected in Dec 2022

AZ SMART Legislative Changes

Two bills passed to date:

- SB 1735, Sec 1:
 - Amended eligible applicants by excluding those which are “partially or entirely located in an urbanized area of a county with a population of more than one million persons”
 - Made a technical correction to Census Bureau reference
 - Effective 90 days after the Arizona Legislature adjourns *sine die* (currently unknown)
- SB 1722, Sec 15:
 - Appropriates \$12.5 mil to SMART Fund in FY 2024 budget; will add \$2.5 mil to each of the five applicant categories
 - Effective 7/1/23

Eligible Uses

Excerpt from State Transportation Board Policy:

It is the policy of the Board to award AZ SMART Funds during the term of the federal Infrastructure Investment and Jobs Act (IIJA) to **well-developed applications that maximize the State's competitiveness** for each federal discretionary grant.

- Reimburse up to 50% of grant development and submission (GDS) costs of a federal grant application. Limited to:
 - Counties with pop of less than 100,000 and
 - Cities/towns with pop of less than 10,000
- Match for a federal grant
- Reimbursement of design and other engineering services (DOES)* expenditures that meet federal standards for projects eligible for a federal grant

Must be used to pursue a federal DISCRETIONARY grant administered by ANY FEDERAL AGENCY for SURFACE TRANSPORTATION purposes:

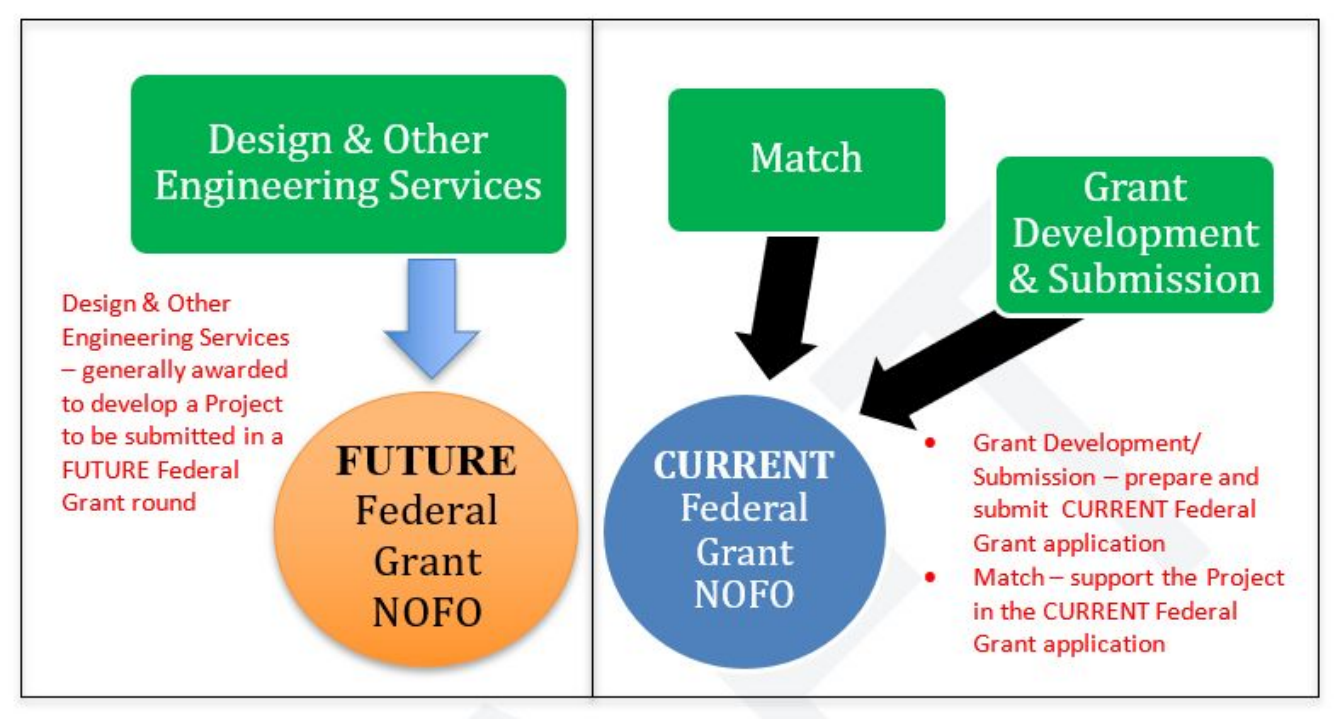
- Formula programs (HSIP, Off-system Bridge, etc.) not eligible
- More than just USDOT/FHWA
- Road/bridge, transit, rail are eligible

*Includes preliminary engineering through final design related to a road, bridge, rail or transit infrastructure construction project that the Applicant intends to submit for a federal grant in a future year.

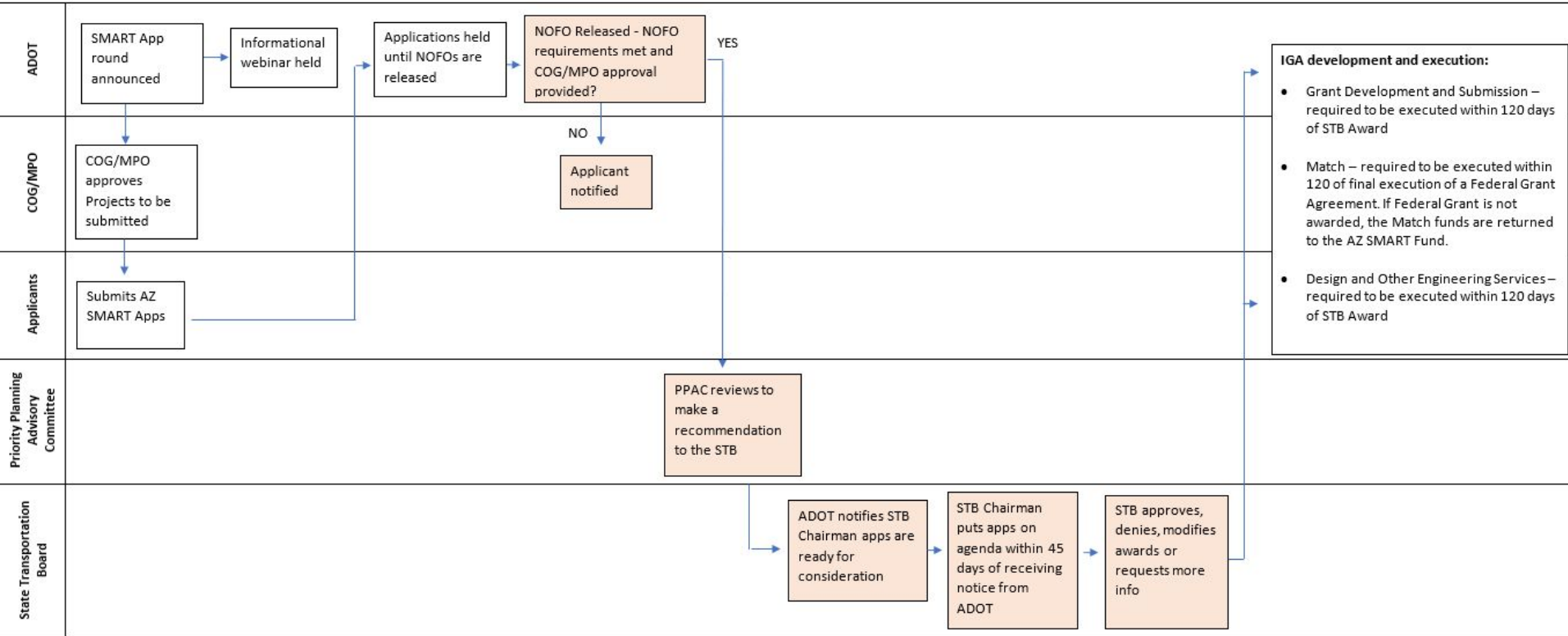
Eligible Uses and Federal Grant Submission

AZ SMART TIP:

If design is not yet complete, consider applying for DOES first. Applicant is responsible for all costs exceeding the amount awarded by AZ SMART Fund and a federal agency.



AZ SMART Fund Application Process



AZ SMART Fund Webpage

AZ Smart Fund

AZ State Match Advantage for Rural Transportation (SMART) Fund

About the Program

The following information is a summary only - see the Application Materials, FAQs and Resources and Federal Discretionary Grant Program pages for further details.

Numerous new federal discretionary grant programs were created with the passage of the Infrastructure Investment and Jobs Act (IIJA, also known as the Bipartisan Infrastructure Act or BIL). The AZ SMART Fund was established by the Arizona Legislature in 2022 to assist eligible cities, towns, counties and the Arizona Department of Transportation (ADOT) in competing for federal discretionary surface transportation grants. The Fund is administered by ADOT, and all awards must be approved by the State Transportation Board (STB).

AZ SMART Fund Application Materials >

AZ Smart Fund FAQ >

AZ SMART Fund Resources >

Federal Discretionary Grant Programs >

- <https://azdot.gov/planning/grant-coordination/az-smart-fund>
- Application, Program Guidelines, Application Instructions and webinar
- Federal grant statutes and USDOT Policy memo on implementing BIL
- FAQs
- Resources

AZ SMART Fund Application

Arizona State Match Advantage for Rural Transportation (AZ SMART) Fund Application

Each application may address only one Project and one Federal Grant. Additional Projects and/or Federal Grants require a separate application. See the Application Guidelines for important information and detailed instructions for completing this Application. To ensure the Application is Administratively Complete and will be presented to the State Transportation Board, please respond to all questions and submit all requested documents.

Document Checklist: the following documents required to be uploaded to complete this application (PDFs required for all uploaded documents):

1. Documentation evidencing the COG/MPO approval to apply to the AZ SMART Fund
2. Map showing Project location (for infrastructure projects and studies).
3. Documentation showing the Project cost estimates (scoping document, cost estimation form, etc.). **NOTE:** Careful attention should be given to developing the cost estimate as the Applicant is responsible for all costs exceeding the amount awarded from the AZ SMART Fund and/or a Federal Grant.

- Applications accepted continuously until further notice
- Google Form - online submission of responses and document uploads

Legislative Appropriations and Federal Earmarks

Legislative Appropriations

- Requested through member of Arizona Legislature
- May or may not lapse
- Generally for the next **state fiscal year** beginning July 1
- All Legislative Appropriations to non-ADOT entities require IGAs
- Transportation projects for non-ADOT entities are typically appropriated through ADOT and may follow one of two paths:
 - Pass throughs:
 - Funds are sent to entity upon IGA execution
 - Project is administered by the entity itself

Legislative Appropriations, cont.

- ADOT-administered:
 - Projects will be scoped by ADOT before any work can begin (if scoping is not yet done)
 - Scoping will be paid for, and deducted from, the appropriation amount
 - Non-ADOT entities are responsible for all costs exceeding the amount of the appropriation
 - Funds are retained by ADOT and drawn on as invoices are received

Federal Transportation Earmarks (Congressionally Directed Spending)

- Requested through member of Congress
- Funds available upon ADOT's receipt of notice from FHWA*
- Must be obligated and expended by dates identified in notice
- Unless otherwise specified, all federal earmarks **require a match**
- Two delivery methods:
 - Pass throughs - applies to CA** agencies only:
 - IGA may be required
 - Earmark \$ authorized by ADOT before work begins
 - Reimbursement basis; entity expends and is reimbursed through ADOT
 - Project is generally administered by the entity

*FHWA is the Federal Highway Administration

**CA means Certification Acceptance

Federal Transportation Earmarks, cont.

- ADOT-administered - applies to all non-CA agencies:
 - IGA is required
 - Project will be administered by ADOT; admin fees will apply
 - If not yet done, projects will be scoped by ADOT before any work can begin
 - Scoping will be paid for, and deducted from, the earmark amount
 - Entity will be responsible for all costs exceeding amount of the earmark
 - Earmark \$ authorized and paid out by ADOT as invoices are received

Appropriation & Earmark Takeaways

- Request sufficient funds:
 - Scoping costs
 - ADOT administration costs
 - Inflation (estimate project cost in YOE \$)
 - Contingencies, etc.
- Identify budget sources for match and overruns
- Share request to legislative/congressional member with ADOT
- Ensure project does not go inactive

Questions?

For additional Information:

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