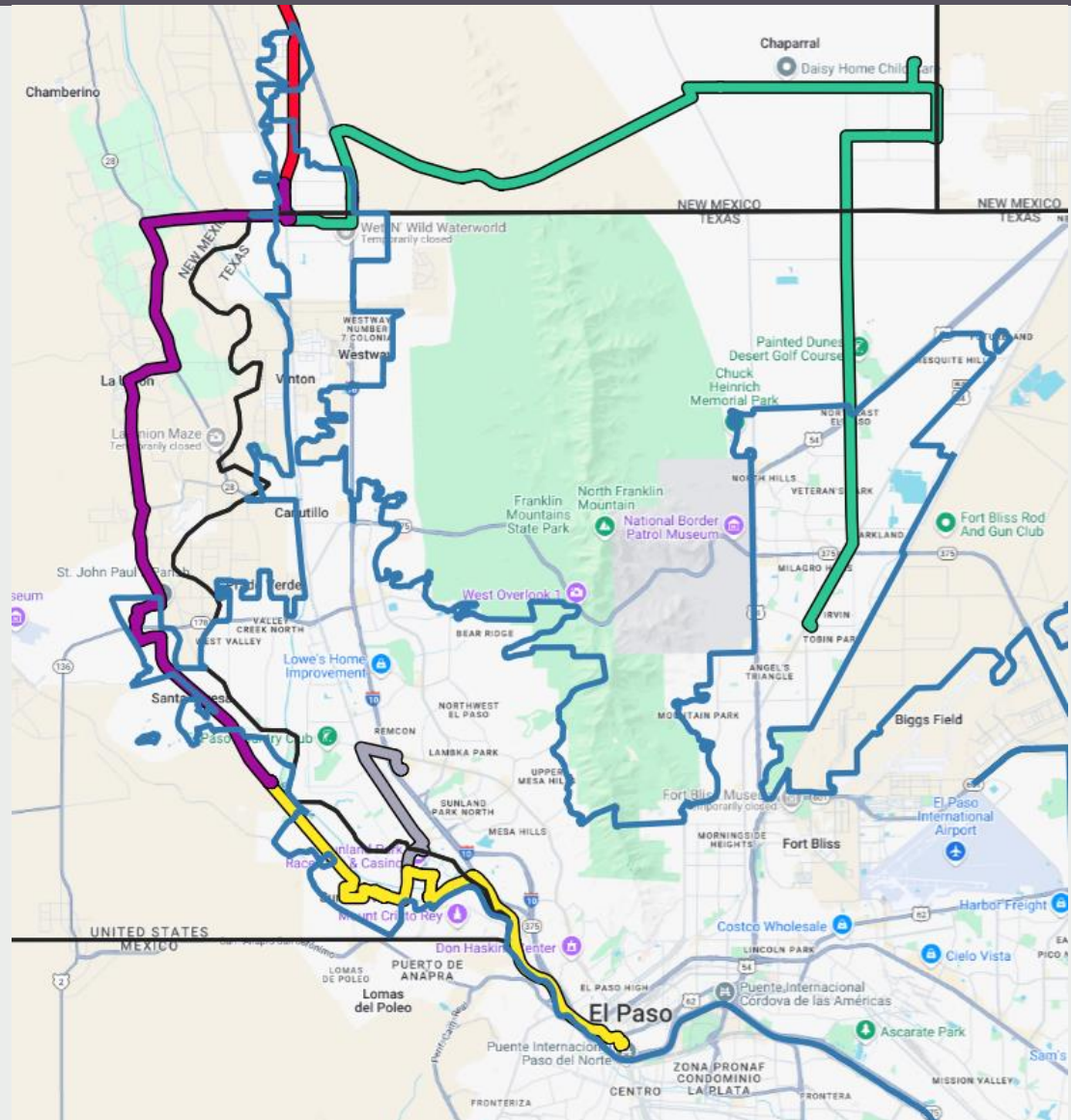


**ITEM 14**  
**SUNMETRO SERVICE**  
**EXPANSION PROGRAM**

# FTA 5307 Funds

The FTA 5307 program is a formula-based grant that funds urban areas throughout the country. The FTA announces the funds annually and distributes them to the designated recipient in each urbanized area (UZA). In the El Paso UZA, the designated recipient is SunMetro, despite there being a clear split in Texas and New Mexico funds within the UZA. The agreement that we have worked out amongst providers in the El Paso UZA is that SCRTD gets the New Mexico portion, and the Texas portion is divided amongst providers in the Texas portion of the UZA. (SunMetro, El Paso County, etc.)



# SunMetro Service Expansion Policy (SEP)

Because SunMetro is the designated recipient for FTA 5307 funds, the FTA requires that they issue a “split letter” to the FTA before our funds can be released to us. With that in mind, SunMetro has adopted their Service Expansion Policy (SEP), which requires subrecipients to meet certain criteria before they can receive their portion of the funds. These conditions include:

- Submission of a Transit Development Plan (TDP)
- Annual reporting of data to SunMetro
- Continued funding for service in the UZA
- Resolutions of support for new and existing service

# Transit Development Plan

As is required by the SEP, SCRTD submitted a draft Transit Development Plan (TDP) in May of 2022 that would cover 2022-2025. Review of the plan by SunMetro and the MPO was completed in October of 2024 and a letter giving conditional approval was issued. It is unclear if the plan edits are intended to extend the life of the plan for 3 years from acceptance, or if we will have to write a new plan in 2025 for 2026-2029. It is also worth noting that the conditional approval came with further edits that will be required at our annual review, which per the conditional acceptance letter, could cause delays with FY 2026 funds.

# Funding Delays

With the added layer of bureaucracy through SunMetro, our funds have been delayed by months. The current funding for FY 2024 (\$630,149) was released on April 1<sup>st</sup>, 2024. As of today, the split letter is still pending approval of the agreement by this body (the next item on this agenda) and approval of the same agreement by the MPO in their February meeting cycle. Once those steps are done, the split letter will be issued to the FTA and they can begin their work on distributing funds. There is a very real possibility that the funds will be issued more than a year after they were announced.

# Designated Recipient Status

In order to speed up the process, SCRTD staff has begun discussions with legal counsel and with elected officials to determine the next steps to designate SCRTD as the designated recipient for funds allocated to the New Mexico portion of the El Paso UZA. This designation would remove SunMetro from the process altogether, saving both agencies time and energy on bureaucratic red tape. This could reduce the time for receipt from a year (or more) to a matter of days or weeks.

**QUESTIONS?**

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