(14) Lobbying expenses;
(15) Revenue items that directly offset public transportation expenses (referred to as contra-items), such as the following:
(16) Interest income earned on working capital;
(17) Proceeds from the sale of equipment in excess of the depreciated value (private operators only);
(18) Cash discounts and refunds that directly offset accrued expenses;
(19) Insurance claims and reimbursements that directly offset accrued liabilities; and
(20) State fuel tax rebates to public operators.

5. **JOB ACCESS AND REVERSE COMMUTE PROJECTS.** MAP-21 created a new eligible project category for “job access and reverse commute projects” under Section 5307. This category includes all types of projects that were formerly eligible under the Section 5316 Job Access and Reverse Commute Program. Examples of eligible projects are listed in paragraph (e) below. There is no requirement or limit to the amount of Section 5307 funds that can be used for these projects.

Although private nonprofit organizations are not eligible sub-recipients for other Section 5307 funds, private nonprofit organizations may receive funding for job access and reverse commute projects as a sub-recipient of an FTA designated recipient or direct recipient.

A job access and reverse commute project is defined in 49 U.S.C. 5302(9) as:

“a transportation project to finance the planning, capital and operating costs that support the development and maintenance of transportation services designed to transport welfare recipients and eligible low income individuals to and from jobs and activities related to their employment, including transportation projects that facilitate the provision of public transportation services from urbanized areas and rural areas to suburban employment locations.”

Consistent with this definition, job access and reverse commute projects may include operating assistance in a large UZA, where operating assistance is otherwise not an eligible expense. Operating assistance for eligible job access and reverse commute projects is not limited by the “100 bus” special rule for operating assistance established by MAP-21 under 5307(a)(2).

In order for a job access and reverse commute project to receive funding under Section 5307, it must meet the following requirements:

a. **New and Existing Services.** Eligible job access and reverse commute projects must provide for the development or maintenance of eligible job access and reverse commute services. Recipients may not reclassify existing public transportation services that have
not received funding under the former Section 5316 program as job access and reverse commute services in order to qualify for operating assistance. In order to be eligible as a job access and reverse commute project, a proposed project must qualify as either a “development project” or “maintenance project” as follows:

(1) Development Projects. “Development of transportation services” means new projects that meet the statutory definition and were not in service as of the date MAP-21 became effective October 1, 2012. This includes projects that expand the service area or hours of operation for an existing service. Projects for the development of new qualifying job access and reverse commute projects must be identified as such in the recipient’s program of projects (POP).

(2) Maintenance Projects. “Maintenance of transportation services” means projects that continue and maintain job access and reverse commute projects and services that received funding under the former Section 5316 program.

b. Reverse Commute Projects. Reverse commute projects are a category of job access and reverse commute projects that provide transportation services from urbanized and rural areas to suburban employment locations. Generally, these services increase the capacity of public transportation services operating in the reverse direction of existing peak services. Reverse commute projects may only qualify as job access and reverse commute projects under Section 5307 if they meet all other requirements, including having been designed to transport welfare recipients and eligible low-income individuals to and from jobs and employment related activities.

c. Welfare Recipients and Eligible Low-Income Individuals. Projects funded as “job access and reverse commute projects” must be designed to provide transportation for welfare recipients and eligible low-income individuals. The term “low-income individual” is defined as an individual whose family income is at or below 150 percent of the poverty line, as that term is defined in Section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), including any revision required by that Section, for a family of the size involved. Projects that serve the general public without specific route or design characteristics intended to respond to the needs of these populations may not be eligible as job access and reverse commute project. However, job access and reverse commute projects do not need to be designed exclusively for these populations.

d. Planning and Program Development. In order for an entity to receive Section 5307 funding for a job access and reverse commute project, the project must be identified by the recipient as a job access and reverse commute project in the recipient’s POP, which must be made available for public review and comment.

In addition, FTA encourages recipients to ensure that projects meet the employment-related transportation needs of welfare recipients and low income individuals, either by deriving such projects from a locally coordinated public transportation/human services planning process that involves low-income communities and their stakeholders, or by an alternative process that engages low income community stakeholders in the identification and development of the project.
e. **Eligible Projects.** Projects that comply with the requirements above may include, but are not limited to:

1. Late-night and weekend service;
2. Guaranteed ride home service;
3. Shuttle service;
4. Expanding fixed route public transit routes, including hours of service or coverage;
5. Demand-responsive van service;
6. Ridesharing and carpooling activities;
7. Transit-related aspects of bicycling (e.g., adding bicycle racks to vehicles to support individuals that bicycle a portion of their commute, providing secure bicycle parking at transit stations, or infrastructure and operating expenses for bicycle sharing programs in the vicinity of transit stations, not including the acquisition of bicycles);
8. Promotion, through marketing efforts, of the: (i) use of transit by low-income individuals and welfare recipients with nontraditional work schedules; (ii) use of transit voucher program by appropriate agencies for welfare recipients and other low-income individuals; (iii) development of employer-provided transportation such as shuttles, ridesharing, carpooling; or (iv) use of transit pass programs and benefits under Section 132 of the Internal Revenue Code of 1986;
9. Supporting the administration and expenses related to voucher programs. This activity is intended to supplement existing transportation services by expanding the number of providers available or the number of passengers receiving transportation services. Vouchers can be used as an administrative mechanism for payment to providers of alternative transportation services. Job access and reverse commute projects can provide vouchers to low-income individuals to purchase rides, including (i) mileage reimbursement as part of a volunteer driver program, (ii) a taxi trip, or (iii) trips provided by a human service agency. Providers of transportation can then submit the voucher to the FTA recipient or sub-recipient administering the project for payment based on predetermined rates or contractual arrangements. Transit passes for use on fixed route or Americans with Disabilities Act of 1990 (ADA) complementary paratransit service are not eligible. Vouchers are an operational expense which requires a 50 percent local match;
10. Supporting local car loan programs that assist individuals in purchasing and maintaining vehicles for shared rides, including the provision of capital loan guarantees for such car loan programs, provided the Federal interest in the loan guarantee fund is maintained and the funds continue to be used for subsequent loan guarantees or are returned to the government upon the release of funds from each guarantee;
(11) Implementing intelligent transportation systems (ITS), including customer trip information technology, vehicle position monitoring systems, or geographic information systems (GIS) software;

(12) Integrating automated regional public transit and human service transportation information, scheduling, and dispatch functions;

(13) Subsidizing the costs associated with adding reverse commute bus, train, carpool van routes or service from urbanized and nonurbanized areas to suburban workplaces;

(14) Subsidizing the purchase or lease by a private nonprofit organization or public agency of a van or bus dedicated to shuttling employees from their residences to a suburban workplace;

(15) Otherwise facilitating the provision of public transportation service to suburban employment opportunities; and

(16) Supporting mobility management and coordination programs among public transportation providers and other human service agencies providing transportation. Mobility management techniques may enhance transportation access for populations beyond those serviced by one agency or organization within a community. For example, under mobility management, a private nonprofit agency could receive job access and reverse commute funding to support the administrative costs of sharing services it provides to its own clientele with other low-income individuals and coordinate usage of vehicles with other private nonprofits, but not the operating costs of the service. As described under “Capital Projects,” mobility management is intended to build coordination among existing public transportation providers and other transportation service providers with the result of expanding the availability of service.

6. **INTEREST AND DEBT FINANCING AS AN ELIGIBLE COST.** There are several areas in which interest is an eligible project cost for FTA’s Section 5307 program assistance, with certain limitations.

a. **Bond Interest in Advance Project Authority.** This applies to a situation in which a recipient has obligated all of its Urbanized Area Formula Program funds for capital or planning projects and would like to carry out any part of a project with local funds which FTA may later reimburse under advance project authority. This authority, which is set forth in 5307(e), permits FTA to participate in the project costs, including any interest payable by the recipient and earned by the bondholder on bonds issued by the recipient to the extent the recipient has actually expended the proceeds of the bonds in carrying out the portion of the project. The recipient must certify that it has shown reasonable diligence in seeking the most favorable financing terms available in order for interest to be an eligible reimbursable cost.

b. **Buildings and Equipment.** Office of Management and Budget (OMB) regulations at 2 CFR part 225, formerly OMB Circular A-87, “Cost Principles for State, Local, and