



U.S. Department
of Transportation
**Federal Transit
Administration**

REGION IV
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Kentucky, Mississippi,
North Carolina, Puerto
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Ms. Christy A. Hall, P.E.
Secretary of Transportation
South Carolina Department of Transportation
955 Park Street
Columbia, SC 29201

SEP 08 2016

Re: Federal Transit Administration (FTA) Fiscal Year 2016 State Management Review – Final Report

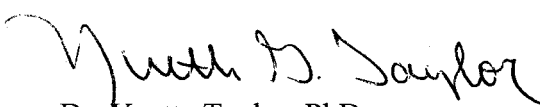
Dear Ms. Hall:

The enclosed final report documents the FTA's State Management Review of the South Carolina Department of Transportation (SCDOT). Although not an audit, the State Management Review is FTA's assessment of SCDOT's compliance with Federal requirements in accordance with Chapter 53, of Title 49, United States Code. This is determined by examining a sample of program management and implementation practices. As such, the State Management Review is not intended, nor does it constitute, a comprehensive and final review of compliance with grant requirements.

The State Management Review focused on SCDOT's compliance in 13 areas. No deficiencies were found with the FTA requirements in the 13 areas reviewed.

Thank you for your cooperation and assistance during this State Management Review. If you need any technical assistance or have any questions, please do not hesitate to contact Ms. Holly Peterson at (404) 865-5637 or Holly.Peterson@dot.gov.

Sincerely,


Dr. Yvette Taylor, PhD
Regional Administrator

cc: Johnny Mmanu-ike, SCDOT
Holly Peterson, FTA

Enclosure

FINAL REPORT

FY 2016 STATE MANAGEMENT REVIEW

of the

**South Carolina Department of Transportation
(SCDOT)
Columbia, SC
Recipient ID: 1006**

Performed for:

**U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
REGION IV**

Prepared by:

Milligan & Company, LLC

**Desk Review: February 4, 2016
Site Visit Dates: July 18 – 21, 2016
Final Report Date: September 8, 2016**

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1. Executive Summary

This report documents the Federal Transit Administration's (FTA) State Management Review of the South Carolina Department of Transportation (SCDOT). The review was performed by Milligan and Company, LLC. During the site visit, administrative and statutory requirements were discussed and documents were reviewed. Subrecipients were visited to provide an overview of activities related to FTA-funded projects.

The State Management Review focused on SCDOT's compliance in 13 areas. No deficiencies were found.

II. Review Background and Process

1. Background

The FTA of the United States Department of Transportation (USDOT) performs a State Management Review to assess state management practices and program implementation to ensure that the FTA programs are administered in accordance with FTA requirements and are meeting program objectives as discussed in FTA Circulars 9040.1G, 9045.1, 9050.1, and 9070.1G. The reviews are performed every three years or as circumstances warrant.

The State Management Review includes a review of the grantee's compliance in 13 areas. The basic requirements of these areas are summarized in Section IV.

This report presents the findings from the State Management Review of SCDOT. The review concentrated on procedures and practices employed during the past three years; however, coverage was extended to earlier periods as needed to assess the policies in place and the management of grants. The specific documents reviewed are available at FTA's regional office or at the grantee's office.

2. Process

The State Management Review process includes a pre-review assessment, a desk review meeting with the FTA regional office, and an on-site visit to the grantee's location. The desk review meeting was conducted with the Region IV Office on February 4, 2016. Necessary files retained by the regional office were sent to the reviewer electronically. A grantee information request and review package was sent to SCDOT advising it of the site visit and indicating information that would be needed and issues that would be discussed. The site visit to SCDOT occurred on July 18–21, 2016.

The onsite portion of the review began with an entrance conference, at which the purpose of the State Management Review and the review process were discussed. The remaining time was spent discussing administrative and statutory requirements and reviewing documents. Reviewers also visited two of SCDOT's subrecipients, York County Council on Aging (Section 5311) and York County Board of Disabilities and Special Needs (Section 5310), for an overview of activities related to FTA-funded projects. During the visits, the reviewers examined policies and maintenance records and visually inspected buses. Upon completion of the review, FTA and the reviewers provided a summary of preliminary findings to SCDOT at an exit conference. Section VI of this report lists the individuals participating in the review.

3. Metrics

The metrics used to evaluate whether a grantee is meeting the requirements for each of the areas reviewed are:

- *Not Deficient*: An area is considered not deficient if, during the review, no findings were noted with the grantee's implementation of the requirements.
- *Deficient*: An area is considered deficient if any of the requirements within the area reviewed were not met.
- *Not applicable*: An area can be deemed not applicable if, after an initial assessment, the grantee does not conduct activities for which the requirements of the respective area would be applicable.

III. Grantee Description

1. Organization

The Governor designated SCDOT as the agency responsible for administering FTA transit programs. The Office of Public Transit within Intermodal and Freight Programs administers the FTA programs and the State Mass Transit Fund and State general funds for transit. The staff of 13 includes a director, six program managers, two asset managers, a program coordinator, two fiscal staff, and one grants manager.

Other offices that support the administration of the FTA programs include: SCDOT Office of Planning, SCDOT Business Development and Special Program, SCDOT Division of Finance and Administration, SCDOT Office of Legal Services, SCDOT Occupational Safety and Health, and the South Carolina Department of Administration State Materials and Management Office.

SCDOT participates in the Consolidated Planning Grant Program, transferring all Section 5303 and a portion of 5304 funds to the Federal Highway Administration to administer. SCDOT uses the retained Section 5304 funds for staff salaries and planning studies. At the time of the site visit, SCDOT had no Section 5304 subrecipients.

SCDOT is the designated recipient for small urban Section 5307 funds. It enters into annual supplemental agreements to enable the recipients to apply to FTA directly for the funds.

SCDOT has 21 Section 5311 subrecipients, ten of which either receive Section 5307 funds, act as the service contractor to Section 5307 recipients, or contract with a Section 5307 recipient. The remaining Section 5311 subrecipients operate demand-response service, including one that operates route-deviation service.

SCDOT administers the Section 5310 program for the rural and small urbanized areas of the state. It has 70 Section 5310 subrecipients operating approximately 150 vehicles with remaining useful life. It awards grants for between 40 and 50 vehicles a year.

SCDOT continues to expend Section 5316 and 5317 funds, overseeing 34 Section 5316 and 28 Section 5317 subrecipients, all of which receive other FTA funds from the State.

SCDOT administers the statewide and small urban allocations of Section 5339 funds. Current plans are to continue to apply directly for all the funds.

2. Grant and Project Activity

Below is a list of SCDOT's open grants at the time of the review.

Grant Number	Grant Amount	Year Executed	Description
SC-16-X011	\$1,678,385	2014	Fiscal year (FY) 2014 Rural Enhanced Mobility Program
SC-16-X012	\$739,959	2014	FY 2014 Small Urban Enhanced Mobility
SC-16-X014	\$1,291,488	2015	FY 2015 Rural Enhanced Mobility Program
SC-16-X015	\$764,558	2015	FY 2015 Small Urban Enhanced Mobility
SC-18-X035	\$12,605,333	2013	FFY 2013 Rural Grant
SC-18-X038	\$13,186,469	2014	FFY 2014 Rural Grant
SC-18-X039	\$10,853,007	2015	FFY 2015 Rural Grant
SC-34-0001	\$4,237,869	2015	Bus Program – FY 2013 & 2014
SC-37-X016	\$854,752	2011	Job Access Reverse Commute (JARC) FY 2009 Remaining Small Urban
SC-37-X022	\$2,268,971	2013	JARC FY 2011-2012 Remaining Rural
SC-37-X023	\$420,283	2013	JARC FY 2011-2012 Small Urban
SC-37-X025	\$320,000	2014	JARC FY 2012 Small Urban
SC-57-X014	\$1,187,681	2011	New Freedom FY2010-2011 Small Urban
SC-57-X019	\$663,565	2013	New Freedom FY 2011-2012 Rural
SC-57-X020	\$620,168	2013	New Freedom FY 2011-2012 Small Urban
SC-80-0001	\$713,311	2006	MPO & Statewide Planning
SC-80-0002	\$1,054,459	2008	Statewide Planning
SC-80-0003	\$245,292	2014	Statewide Planning
SC-80-0004	\$253,259	2014	Statewide Planning – Moving Ahead for Progress in the 21 st Century (MAP-21)

In the past few years, SCDOT completed a comprehensive needs and utilization assessment for transit vehicles and facilities and administered a Transit Investments for Greenhouse Gas and Energy Reduction (TIGGER) grant for the City of Seneca for electric buses and charging stations.

Currently, SCDOT is conducting a State-funded study to start public transit in Union County, assessing information technology needs of transit providers, implementing an in-house grant management and asset management system, and sponsoring regional roadeos for training in defensive driving, pre-trip inspections, and wheelchair securement.

In the next three-to-five years, SCDOT plans to apply for funds to address the needs identified by the comprehensive needs and utilization assessment.

IV. Results of the Review

1. Program Management

Basic Requirement: The State must dedicate sufficient resources to managing the FTA-funded programs in accordance with the grant application, Master Agreement, and all applicable laws and regulations using sound management practices.

Finding: During this State Management Review of SCDOT, no deficiencies were found with the FTA requirements for Program Management.

2. Grant Administration

Basic Requirement: The State must track and report on the progress of projects, expend grant funds on time, and close out projects and grants when project activity is completed.

Finding: During this State Management Review of SCDOT, no deficiencies were found with the FTA requirements for Grant Administration.

3. Project Management

Basic Requirement: The State must be able to implement FTA-funded projects in accordance with the grant application, Master Agreement, and all applicable laws and regulations using sound management practices.

Finding: During this State Management review of SCDOT, no deficiencies were found with the FTA requirements for Project Management.

4. Financial Management and Capacity

Basic Requirement: The State must demonstrate the ability to match and manage FTA grants and expend FTA funds only on eligible activities.

Finding: During this State Management Review of SCDOT, no deficiencies were found with the FTA requirements for Financial Management and Capacity.

5. Procurement

Basic Requirement: States use their own procurement procedures that reflect applicable state regulations, provided that the process ensures competitive procurement and the procedures conform to applicable Federal law, including 49 CFR Part 18, (repealed effective December 26, 2014), 2 CFR Part 1201, incorporating 2 CFR Part 200 (specifically Sections 200.317-200.326), and FTA Circular 4220.1F, “Third Party Contracting Guidance.”

Finding: During this State Management Review of SCDOT, no deficiencies were found with the FTA requirements for Procurement.

6. Disadvantaged Business Enterprise

Basic Requirement: The State must comply with 49 CFR Part 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts. States must also create a level playing field on which disadvantaged business enterprises (DBEs) can compete fairly for DOT-assisted contracts.

Finding: During this State Management Review of SCDOT, no deficiencies were found with the US DOT requirements for DBE.

7. Asset Management

Basic Requirement: The State must maintain control over real property and other assets (rolling stock and equipment) and ensure that they are used in transit service. States must keep federally funded assets in good operating order.

A grant awarded under 49 U.S.C. section 5324 (Emergency Relief Program) or under Section 5307 or Section 5311 that is made to address an emergency defined under Section 5324(a)(2) is subject to the terms and conditions the Secretary determines are necessary and made only for expenses that are not reimbursed under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

Finding: During this State Management Review of SCDOT, no deficiencies were found with the FTA requirements for Asset Management.

8. Charter Bus

Basic Requirement: Grantees are prohibited from using federally funded equipment and facilities to provide charter service if a registered private charter operator expresses interest in providing the service. Grantees are allowed to operate community based charter services excepted under the regulations.

Finding: During this State Management Review of SCDOT, no deficiencies were found with the FTA requirements for Charter Bus.

9. School Bus

Basic Requirement: Grantees are prohibited from providing exclusive school bus service unless the service qualifies and is approved by the FTA Administrator under an allowable exemption. Federally funded equipment or facilities cannot be used to provide exclusive school bus service. School tripper service that operates and looks like all other regular service is allowed.

Finding: During this State Management Review of SCDOT, no deficiencies were found with the FTA requirements for School Bus.

10. Americans with Disabilities Act

Basic Requirement: Titles II and III of the Americans with Disabilities Act of 1990 (ADA) provide that no entity shall discriminate against an individual with a disability in connection with the provision of transportation service. The law sets forth specific requirements for vehicle and facility accessibility and the provision of service, including access to fixed-route bus and rail and complementary paratransit service.

Finding: During this State Management Review of SCDOT, no deficiencies were found with the US DOT requirements for ADA.

11. Title VI

Basic Requirement: The State must ensure that no person shall, on the grounds of race, color, or national origin, be excluded from participating in, or be denied the benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance. The State must ensure that all transit services and related benefits are distributed in an equitable manner.

Note: The fiscal year 2016 State Management Review covers a three-year period in which the FTA issued a revised circular for Title VI, which provided more information on how to comply and changed requirements for some States with populations over 200,000 persons. FTA C. 4702.1B became effective on October 1, 2012. Title VI programs submitted to FTA after this date must comply with the requirements of this circular. The State Management Review will look at compliance with the requirement of FTA C. 4702.1A for the period prior to October 1, 2012, and compliance with the revised circular for activities after this date.

Finding: During this State Management Review of SCDOT, no deficiencies were found with the FTA requirements for Title VI.

12. Equal Employment Opportunity

Basic Requirement: The State must ensure that no person in the United States shall on the grounds of race, color, religion, national origin, sex, age, or disability be excluded from participating in, or denied the benefits of, or be subject to discrimination in employment under any project, program, or activity receiving Federal financial assistance under the Federal transit laws. (Note: The Equal Employment Opportunity Commission's regulation only identifies/recognizes religion and not creed as one of the protected groups.)

Finding: During this State Management Review of SCDOT, no deficiencies were found with the FTA requirements for EEO.

13. Drug-Free Workplace Act and Drug and Alcohol Programs

Basic Requirement: States are required to maintain a drug-free workplace for all grant-related employees and to have an ongoing drug-free awareness program. Grantees receiving Sections 5307, 5309, 5311 or 5339 funds that have safety-sensitive employees must have a drug and alcohol testing program in place for such employees.

Finding: During this State Management Review of SCDOT, no deficiencies were found with the FTA requirements for Drug-Free Workplace Act and Drug and Alcohol Programs.

V. Summary of Findings

Review Area	Finding	Deficiency	Corrective Action	Response Date	Date Closed
1. Program Management	ND				
2. Grant Administration	ND				
3. Project Management	ND				
4. Financial Management and Capacity	ND				
5. Procurement	ND				
6. Disadvantaged Business Enterprise	ND				
7. Asset Management	ND				
8. Charter Bus	ND				
9. School Bus	ND				
10. Americans with Disabilities Act	ND				
11. Title VI	ND				
12. Equal Employment Opportunity	ND				
13. Drug-Free Workplace Act/ Drug and Alcohol Programs	ND				

VI. Attendees

Name	Title	Phone Number	E-mail Address
<i>SCDOT</i>			
Burgess, David	Regional Planning Manager, Office of Public Transit	(803) 737-0625	burgessda@scdot.org
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Name	Title	Phone Number	E-mail Address
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VII. Appendices

No appendices included in this report.