



**STATE OF TENNESSEE**  
**DEPARTMENT OF TRANSPORTATION**  
**DIVISION OF MULTIMODAL TRANSPORTATION RESOURCES**  
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**BUTCH ELEY**  
DEPUTY GOVERNOR &  
COMMISSIONER OF TRANSPORTATION

**BILL LEE**  
GOVERNOR

**March 8, 2023**

**RE: FTA Section 5339 FFY2023 Program Allocation**

Dear Direct Recipients:

TDOT has established a formula to allocate the Federal Fiscal Year (FFY) 2023 5339 Small Urban apportionment. TDOT is issuing this allocation letter to enable Tennessee's small urban agencies to apply directly to the FTA for these 5339 funds.

TDOT Multimodal is pleased to announce the allocation of FTA Section 5339 program funds for FFY2023. Allocations are determined by formula. Formula factors include the UZA Population, Population Density, and Low Income Population, reported by the 2010 US Census and 2021 Five-year American Community Survey, as well as verified 2021 National Transit Database (NTD) data for Revenue Miles, Unlinked Passenger Trips, Ridership by Ridership per Revenue Miles and Local Investment.

The table below shows the funds allocated to each Direct Recipient:

**FTA Section 5339 FFY2023 Allocation**

<b>Direct Recipient</b>	<b>FFY23 Allocation</b>
Bristol Tennessee Transit	\$47,794
Clarksville Transit System	\$267,127
Cleveland Urban Area Transit System	\$65,858
Jackson Transit Authority	\$176,441
Johnson City Transit	\$174,129
Kingsport Area Transit Service	\$112,448
Morristown - ETHRA	\$45,972
Murfreesboro Rover Transit System	\$139,113
First Tennessee HRA	\$30,988
<b>TOTAL</b>	<b>\$1,059,870</b>

Direct Recipients may not suballocate 5339 funds to other agencies. TDOT offers state match on 5339 capital funds. Contracts will have a two year term period at time of request, unless circumstances exist that require a period beyond two years, which will be reviewed on a case-by-case basis. Funds allocated are subject to redistribution if not obligated by the deadline.

TDOT will make the FFY2023 5339 funds available for obligation through September 30, 2026. Funds allocated are subject to redistribution if not obligated by the deadline.

Tennessee 5339 funds are in high demand across the state and TDOT wants to ensure every \$1 is utilized for public transit service and that discarding any funds back to the FTA is minimized. Direct Recipients must receive approval from TDOT prior to deobligating funds in their active 5339 grants. In the event that funds are deobligated by a direct recipient without TDOT written approval, funds may be deducted from the agency's future 5339 allocations.

The table below indicates the period of availability for all 5339 funds:

<b>Federal Fiscal Year</b>	<b>Deadline for Obligating Funds in FTA Grants</b>
FFY21	September 30, 2024
FFY22	September 30, 2025
FFY23	September 30, 2026

As identified in this Split Letter, the Designated Recipient authorizes the assignment/allocation of Section 5339 to the Direct Recipient(s) named herein. The undersigned agree to the Split Letter and the amounts allocated/assigned to each Direct Recipient. Each Direct Recipient is responsible for its application to the Federal Transit Administration to receive Section 5339 funds and assumes the responsibilities associated with any award for these funds.

If you have any questions, please contact Kaitlyn McClanahan, Transit Programs Manager, at [kaitlyn.mcclanahan@tn.gov](mailto:kaitlyn.mcclanahan@tn.gov) or by phone at (615) 532-5835.

Best regards,

*Daniel E. Pallme*

Dan Pallme  
Interim Multimodal Director

cc: Preston Elliott, Deputy Commissioner  
Larry Sanborn, Multimodal Assistant Director  
Dr. Yvette Taylor, FTA Region IV Administrator  
Robert Buckley, FTA Region IV Director of Finance & Program Oversight  
Kaitlyn McClanahan, Transit Manager  
Jason Spain, TPTA Executive Director  
Chris Campbell, TPTA President