

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

Rural Transportation Summit

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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

Legislative History

- 2022, HB 2872, Sec 3 - established program
- 2022, HB 2858, Sec 11 - appropriated \$50 mil in FY 2023 budget
- 2023, SB 1735, Sec 1:
 - Amended eligible applicants by excluding those “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 October 30, 2023
- 2023, SB 1722, Sec 15:
 - Appropriated \$12.5 mil in FY 2024 budget; added \$2.5 mil to each of the five applicant categories
 - Effective 7/1/23

Applicant Eligibility

Until October 30, 2023:

- All cities, towns and counties except for the following:
 - Maricopa and Pima Counties
 - Guadalupe, Paradise Valley, Tempe, Tolleson, Youngtown, South Tucson

Effective October 30, 2023:

- Only cities, towns and counties in Greater Arizona
- Except for Gila Bend, Maricopa and Pima County and all cities and towns in these counties will no longer be eligible
- Tribes may apply by partnering with an eligible applicant
- Projects in unincorporated areas will be submitted by an eligible county



AZ SMART Category Funding

As of 9/28/2023	Cumulative AZ SMART Fund Report				
	ADOT	Muni < 10K	Muni 10K+	County < 100K	County 100K+
Total Revenue					
Legislative Appropriations /1	\$ 12,500,000	\$ 12,500,000	\$ 12,500,000	\$ 12,500,000	\$ 12,500,000
Interest Earnings to Date	\$ 322,694	\$ 324,744	\$ 324,744	\$ 324,744	\$ 324,744
Total Revenues	\$ 12,822,694	\$ 12,824,744	\$ 12,824,744	\$ 12,824,744	\$ 12,824,744
Set Aside					
Grant Development		\$ -		\$ -	
Match Awards	\$ 1,250,000	\$ -	\$ 9,714,415	\$ -	\$ 3,797,342
Design & Engineering	\$ 3,750,000	\$ 1,819,264	\$ 6,311,707	\$ -	\$ 1,210,000
1% Program Administration	\$ -				
Match Released	\$ -		\$ (3,277,008)	\$ -	\$ -
Design Recovered	\$ -	\$ (807,500)	\$ -	\$ -	\$ -
Total Approved (Set Aside, Underway and Expended)					
Grant Development		\$ -		\$ -	
Match Awards	\$ 1,250,000		\$ 6,437,407	\$ -	\$ 3,797,342
Design & Engineering	\$ 3,750,000	\$ 1,011,764	\$ 6,311,707	\$ -	\$ 1,210,000
Miscellaneous/Overhead	\$ 100,000				
Total	\$ 5,100,000	\$ 1,011,764	\$ 12,749,114	\$ -	\$ 5,007,342
Available for Awards	\$ 7,722,694	\$ 11,812,980	\$ 75,630	\$ 12,824,744	\$ 7,817,402
Pending Requests					
Grant Development		\$ -		\$ -	
Match Awards	\$ -	\$ -	\$ -	\$ -	\$ 250,000
Design & Engineering	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -	\$ 250,000
After Approval of Pending Requests	7,722,694	11,812,980	75,630	12,824,744	7,567,402

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

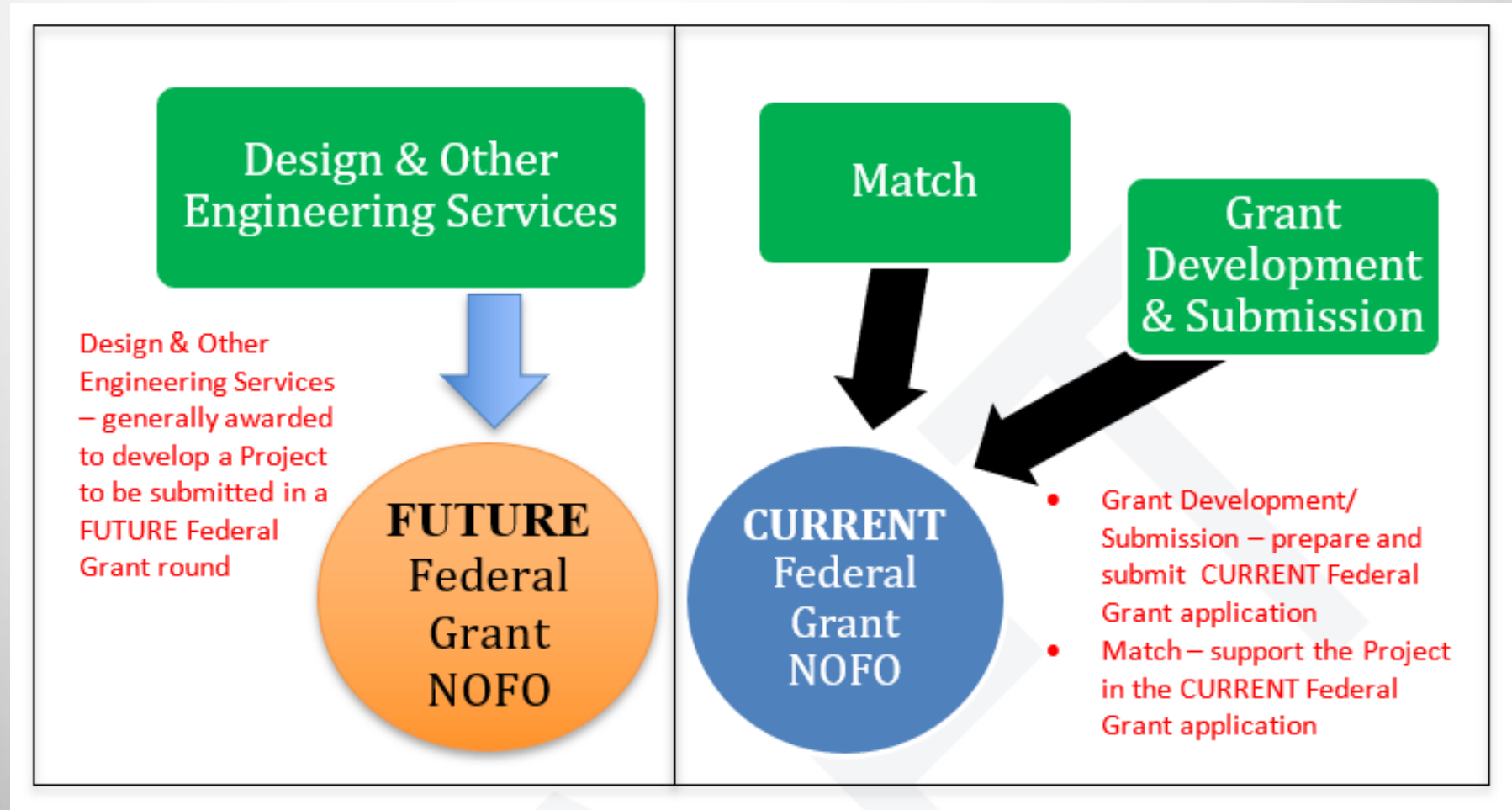
*Includes preliminary engineering through final design related to a road, bridge, rail or transit infrastructure construction project that the Applicant intends to submit for a federal grant in a future year.

Eligible Uses and Federal Grant Submission

ADOT

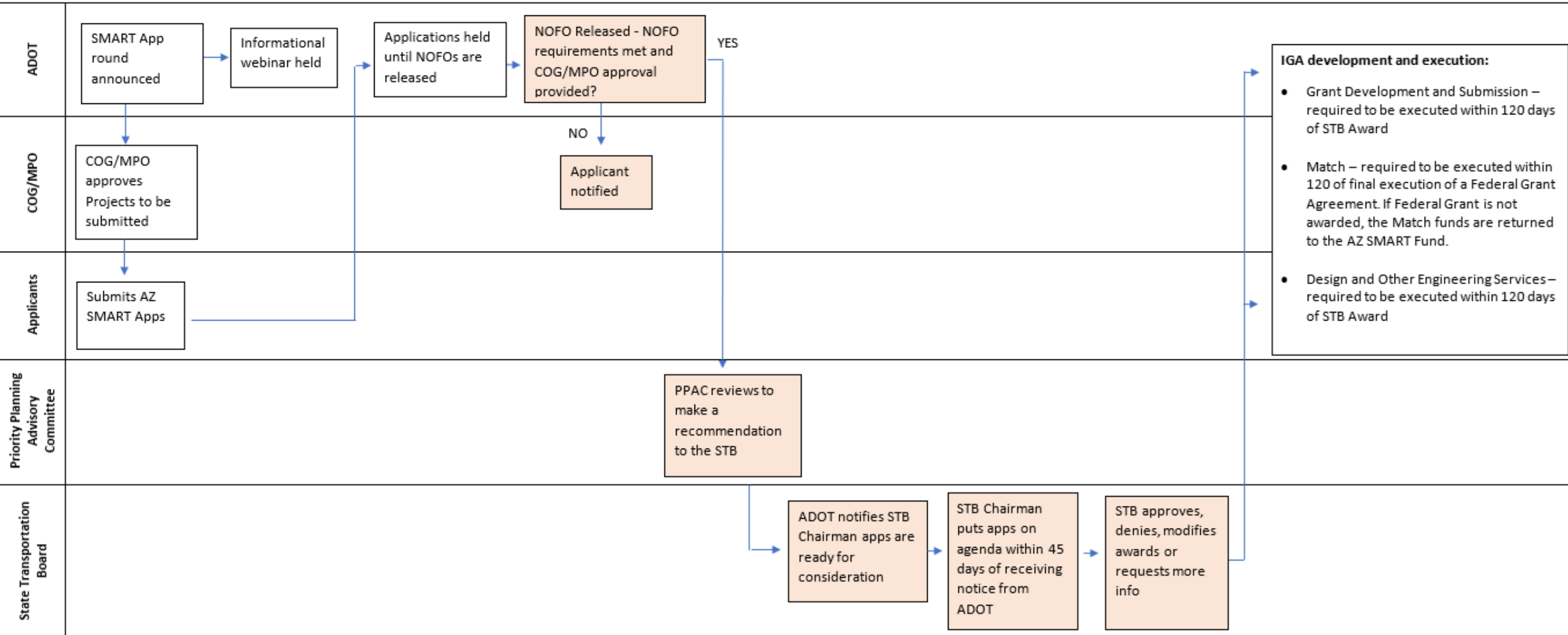
AZ SMART TIP:

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 know 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.

- Google Form - online submission of responses and document uploads - no applications accepted by mail or email
- Document Checklist
- Complete in single sitting
- Applications accepted continuously until further notice

Questions?

For Additional Information

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