

FTA Program Oversight – State Management Reviews

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U.S. Department of Transportation
Federal Transit Administration

Agenda

- How to Prepare for a State Management Review
- What are the top recipient findings
- Tips for Compliance
- Q&A



Review Preparation



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Preparing for your State Management Review

Readiness Tips

-  **Use the Recipient Information Request and the CORTAP Manual as preparation tools**
-  **Download the new CORTAP Manual every year and note changes**
-  **Review the questions, applicability and indicators of compliance**
-  **If you have questions about applicable requirements, contact your Regional Office**

Best Practices

-  **Think of the State Management Review as an open book test**
-  **Participate in peer-to-peer reviews and exchanges**
-  **Examine single audit or internal audit findings**
-  **Attend FTA workshops and webinars**

Review Area Format

1. LEGAL

PURPOSE OF THIS REVIEW AREA

The recipient must promptly notify the FTA of legal matters and additionally notify the U.S. Department of Transportation (US DOT) Office of Inspector General (OIG) of any instances relating to false claims under the False Claims Act or fraud. Recipients must comply with restrictions on lobbying requirements.

QUESTIONS TO BE EXAMINED

1. Since the last Comprehensive Review, did the recipient promptly notify the FTA of any legal matters that may affect the FTA?
2. Since the last Comprehensive Review, did the recipient promptly notify the FTA and US DOT OIG of any instances relating to false claims under the False Claims Act or fraud, waste or abuse?
3. Since the last Comprehensive Review, did the recipient and any subrecipients use only non-appropriated funds for any lobbying activities and did each file the required disclosure form?

INFORMATION NEEDED FROM RECIPIENT

Recipient Information Request

- List of litigations, breaches, defaults, disputes or instances where the Federal government was named as a party to litigation or a legal disagreement since the last review
- List of false claims received or criminal violation committed related to Federal assistance since the last review
- List of law enforcement investigations concerning the recipient's federally-funded projects, to the extent known to the recipient
- List of lobbying activities conducted since the last review

Recipient Follow-up

- Office of Management and Budget (OMB) Standard Form LLL
- Documentation of lobbying activities conducted by subrecipients, contractors, and subcontractors

How to Utilize the CORTAP Manual for Maximum Results

- Each overarching question has six basic parts
 1. **Basic Requirement:** high-level, clear statement of what a recipient is required to do
 2. **Applicability:** Recipients to whom the requirement applies
 3. **Explanation:** Detailed description of the basic requirement
 4. **Indicators of Compliance:** How reviewers will assess compliance with the basic requirement
 5. **Instruction to Reviewer for Determination:** Based on result of indicators
 6. **Potential Deficiency Determination:** Finding based on basic requirements not being met.
 7. **Governing Directives:** Citation from law, regulation, agreement, or other guidance forming the basis of a potential finding

Recommendations for Preparing for your State Management Review

Pre-Review

- Use the regional office and your peer network as technical resources
- Train your state DOT staff in requirements
- Monitor requirement changes and adjust your processes accordingly

Recipient Findings & Compliance



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FY24 SMR/Combined: Top Findings

Review Area	Finding	FY21	FY22	FY23	FY24
Technical Capacity – Award Management	TC-AM5-1 - Inactive award/untimely closeouts	●		●	●
Procurement	P21-1 - Insufficient oversight of subrecipient procurements	●	●	●	●
Technical Capacity – Award Management	TC-AM2-1 - Incorrect FFR reporting				●
Technical Capacity – Program Management and Subrecipient Oversight	TC-PgM7-1 - Inadequate oversight of subrecipients			●	●
Americans with Disabilities Act – General	ADA-GEN14-1 - Insufficient oversight of subrecipients for ADA requirements			●	●
Technical Capacity – Program Management and Subrecipient Oversight	TC-PgM3-2 - Written agreements missing required elements			●	●
Disadvantaged Business Enterprise	DBE5-1 - DBE uniform reports contain inaccuracies and/or are missing required information	●	●	●	●
Title VI	TVI2-1 - Language Assistance Plan implementation deficiencies				●
Americans with Disabilities Act – Complementary Paratransit	ADA-CPT8-1 - Insufficient oversight of subrecipients for ADA complementary paratransit			●	●
Procurement	P10-1 - Lacking independent cost estimate	●	●		●
Procurement	P11-1 - Missing FTA clauses	●	●	●	●

What Happens When There is a Finding?

A Finding of Non-Compliance should not come as a surprise

- During the review, the reviewer will ensure the recipient understands:
 - The non-compliance issue
 - The action needed to correct the non-compliance issue
 - The due date for the corrective action submission to FTA

Overall Tips for Compliance

Review previous State Management Review Reports



- Document corrective action implementation
- Avoid repeat deficiencies

Conduct a self-assessment in non-review years



- FTA updates the Contractors Manual annually

FTA's email subscription



- Sign up for GovDelivery

Recommendations for Resolving SMR Findings

Post-Review

- Implement corrective actions
- Submit documentation to FTA regional office **BY THE DUE DATE OR EARLIER**
- Work with Regional Program Manager to resolve open findings.
- Open findings or late corrective actions can lead to program-specific review(s) and/or ERF(s) in the next State Management Review

FY25 CORTAP Manual

FTA uses the CORTAP Manual to assess compliance of recipients across a broad spectrum of topic areas, including financial management and capacity, technical capacity, asset management, procurement, civil rights, and program-specific requirements.



Scan QR Code for
Contractor's Manual



Questions?



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Thank you!

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