



STATE OF TENNESSEE
DEPARTMENT OF TRANSPORTATION
DIVISION OF PASSENGER TRANSPORTATION, RAIL & FREIGHT
SUITE 1200, JAMES K. POLK BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1402
(615) 741-2781

BUTCH ELEY
DEPUTY GOVERNOR &
COMMISSIONER OF TRANSPORTATION

BILL LEE
GOVERNOR

September 3, 2025

Dear Transit Agencies:

TDOT is pleased to announce the allocation of Urban Operating Assistance Program (UROP) funds for State Fiscal Year 2026 (July 1, 2025 – June 30, 2026). Allocations are based on UZA population reported in the 2020 Census. Gatlinburg and Pigeon Forge are taken off the top before the distribution by population, due to the high impact of tourism in those communities. The UROP program provides capital and operating assistance to support fixed route and complementary paratransit service in urban core areas of Tennessee. UROP funds are to supplement other available funds in support of urban transit agencies. The table below shows the allocated funds to each urban fixed route transit agency.

Agency	SFY26 Allocation
City of Bristol	\$239,600
Chattanooga Area Regional Transportation Authority (CARTA)	\$2,076,900
City of Clarksville (Clarksville Transit System)	\$1,173,500
Southeast Tennessee Human Resource Agency (CUATS)	\$479,100
Jackson Transit Authority (JTA)	\$471,900
City of Johnson City (Johnson City Transit System -JCTS)	\$833,100
City of Kingsport (Kingsport Area Transit System - KATS)	\$635,500
City of Knoxville (Knoxville Area Transit)	\$3,871,400
Memphis Area Transit Authority (MATA)	\$5,653,200
East Tennessee Human Resource Agency (Morristown)	\$431,300
City of Murfreesboro	\$1,149,300
City of Gatlinburg (Gatlinburg Mass Transit System - GMTS)	\$420,900
City of Pigeon Forge (Pigeon Forge Mass Transit + Sevierville)	\$721,500
Nashville-Metropolitan Transit Authority (MTA)	\$6,372,000
Regional Transportation Authority (RTA)	\$791,500
Franklin Transit Authority (FTA)	\$346,800
Total	\$25,667,500

Grantees may budget up to \$1 million in UROP funds for capital expenses. TDOT will reimburse at 80% the first \$1,000,000 in total expenses (80% state, 20% local). Above \$1,000,000 in total expenses, TDOT will reimburse expenses at a 50% match (50% state, 50% local).

Federal funds obligated under the 5307 program for capital and/or operating expenses must be drawn down before invoicing TDOT for UROP funds within the same reimbursement period. **Invoices must be submitted at least quarterly, but monthly is preferred.** TDOT has provided a Grantee Invoice

Reimbursement Checklist to assist agencies in compiling the necessary documentation for invoice submissions.

To receive a UROP contract, grantees must submit the following documents to TDOT, via email to TDOT.MultiModalAdmin@tn.gov:

- A PDF of the full final report from the agency's most recent FTA Triennial Review, if applicable
- Documentation of the status of corrective actions associated with any findings from the most recent Triennial Review
- An indirect cost allocation plan, current indirect rate calculation, and a letter from the cognizant agency approving the plan. (Applies only if indirect costs are charged to UROP)
- A brief narrative and budget is only required if the agency requests to use UROP funds in a capital line item. The narrative should include details about the procurement method(s) and a timeline for delivery/implementation.

TDOT staff will initiate contracts upon receipt of the required documentation. The SFY2026 contracts will be dated from July 1, 2025 – June 30, 2026. All contracts will be written for the entire allocated amount and there will be no contract extensions. Unspent funds will be reallocated based on TDOT discretion. If a grantee is unable to accept their SFY2025 UROP allocation, please notify TDOT as soon as possible.

If you have any questions, please contact Dequantez Sandifer via email at Dequantez.Sandifer@tn.gov, or by phone at 615-770-1921.

Best regards,

Daniel Pallme

Dan Pallme
Assistant Bureau Chief

cc: Preston Elliott, TDOT Deputy Commissioner/Chief
Kaitlyn McClanahan, TDOT Public Transportation Manager
Jason Spain, TPTA Executive Director