



# RAISE Grants Are Critical for Public Transportation Projects

## Key Takeaways

1. In Fiscal Year (FY) 2022, the U.S. Department of Transportation (US DOT) increased funding for public transit and passenger rail projects under the RAISE Grant Program.
2. However, the percentage of RAISE grant funds awarded for these projects in FY 2021 and FY 2022 remains significantly less than the historical average.
3. **Although DOT has partially reoriented the RAISE Grant Program to multimodal priorities in the last two years, APTA strongly urges the Secretary of Transportation to direct a significantly greater percentage of RAISE grant funds to vital public transit and passenger rail projects.**

**The Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grant Program**, previously known as the Better Utilizing Investments to Leverage Development (BUILD) program and Transportation Investment Generating Economic Recovery (TIGER) program, provides critical funding for public transportation infrastructure investments.<sup>1</sup> Since 2009, the RAISE Grant Program has provided **\$12.1 billion** for critical surface transportation projects, including public transit and passenger rail investments. It has funded new public transit stations, streetcar lines, bus rapid transit projects, vehicle purchases, station renovations, transit signal priority systems, grade separations, and automated vehicle pilot projects. These projects not only help enhance mobility but also result in positive safety, environmental, equity, and economic benefits.

Historically, the total amount requested by RAISE grant applicants greatly exceeds the amount of funding available, exemplifying the competitive and successful nature of the grant program. US DOT typically is only able to fund five to 10 percent of requested funds. In 2022, Congress recognized both the demonstrated need and success of the program and provided a total of **\$2.275 billion** for RAISE grants in FY 2022 pursuant to the Infrastructure Investment and Jobs Act (IIJA) and the Transportation Housing and Urban Development, and Related Agencies Appropriations Act (THUD Appropriations Act), 2022.<sup>2</sup>

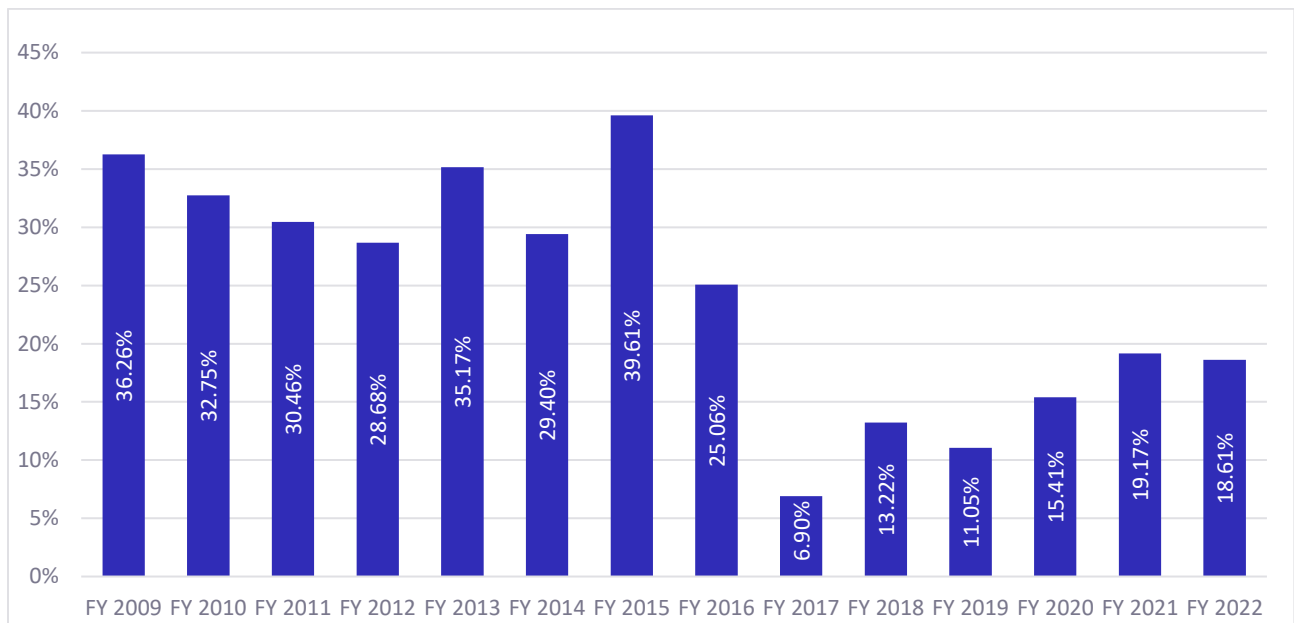
<sup>1</sup> Throughout this Brief, the program is generally referred to as the RAISE Grant program. From 2009-2017, the RAISE Grant program was named the TIGER Grant program. From 2018-2021, the program was named the BUILD Grant program.

<sup>2</sup> See IIJA, Division B, § 21202; (P.L. 117-58); THUD Appropriations Act, 2022, Division L (P.L. 117-103).

In August 2022, US DOT announced more than \$2.2 billion in RAISE capital grant awards to 166 projects in all 50 states, Puerto Rico, the Northern Mariana Islands, and the U.S. Virgin Islands.<sup>3</sup> Of these funds, APTA estimates that US DOT provided **\$418 million to 31 public transportation-related capital projects**, equal to **18.6 percent** of available funding.<sup>4</sup> The public transportation investment is, by percentage, slightly less than FY 2021 and greater than FY 2020.

**However, this percentage of investment is significantly less than the historical average.** From FY 2009 to FY 2016, the percentage of RAISE grants awarded to public transportation-related projects was **approximately 33 percent**. Following a sharp decrease in FY 2017, public transportation awards have seen steady growth, yet remain significantly below historical averages.

## Percentage of RAISE Grants for Public Transportation-Related Projects



### Program Background

Congress created the RAISE Grant Program as part of the American Recovery and Reinvestment Act of 2009 (ARRA) (P.L. 111-5). Under the program, US DOT awards competitive grants to public entities, including public transit agencies, local governments, Metropolitan Planning Organizations, state departments of transportation, and Indian Tribes. The following table outlines annual RAISE Grant appropriations and awards since 2009.

<sup>3</sup> DOT, [Biden-Harris Administration Announces Funding for 166 Projects to Modernize Transportation Across the Country and Make it More Affordable, Increase Safety and Strengthen Supply Chains](#) (August 11, 2022).

<sup>4</sup> Please note that many RAISE projects are multimodal. In calculating the percentage of public transportation-related projects, this analysis includes certain elements of projects that are not related to public transit. Figures expressed should be viewed as an upper bound of public transportation investment.

# RAISE Grant Appropriations and Public Transportation-Related Projects

(Dollar amounts in millions)

Fiscal Year	RAISE Grant Appropriations	Total Project Grant Requests <sup>5</sup>	Public Transportation Project Grant Requests	RAISE Grant Awards	Public Transportation Grant Awards
2009	\$1,500	\$56,907	\$10,255	\$1,498	\$543
2010	\$600	\$20,007	\$2,590	\$547	\$179
2011	\$527	\$14,087	\$2,786	\$511	\$156
2012	\$500	\$10,280	\$2,330	\$485	\$139
2013	\$474	\$9,052	\$1,686	\$458	\$161
2014	\$600	\$8,199	\$1,822	\$552	\$162
2015	\$500	\$10,075	\$2,109	\$485	\$192
2016	\$500	\$9,313	\$1,645	\$484	\$121
2017	\$500	\$6,147	\$968	\$487	\$18
2018	\$1,500	\$10,924	\$1,341	\$1,475	\$195
2019	\$900	\$9,624	\$1,028	\$883	\$118
2020	\$975	\$9,183	\$832	\$980	\$151
2021	\$1,000	\$10,300	\$1,588	\$953	\$183
2022	\$2,275	\$13,365	\$2,002	\$2,245	\$418

## The RAISE Program—Recalibrating Priorities

Each administration emphasizes different priorities under the grant program. In April 2021, US DOT reconstituted the RAISE program and highlighted its priorities for grant awards:

*Projects for RAISE funding will be evaluated based on merit criteria that include safety, environmental sustainability, quality of life, economic competitiveness, state of good repair, innovation, and partnership. Within these criteria, the Department will prioritize projects that can demonstrate improvements to racial equity, reduce impacts of climate change and create good-paying jobs.<sup>6</sup>*

APTA believes that the reconstituted RAISE program and the Biden-Harris Administration’s stated priorities provide an opportunity to restore the program to its intended purpose of awarding funding to critical multi-modal capital investments.

<sup>5</sup> The amounts do not include planning projects for FY 2010, FY 2014, FY 2020, and FY 2021.

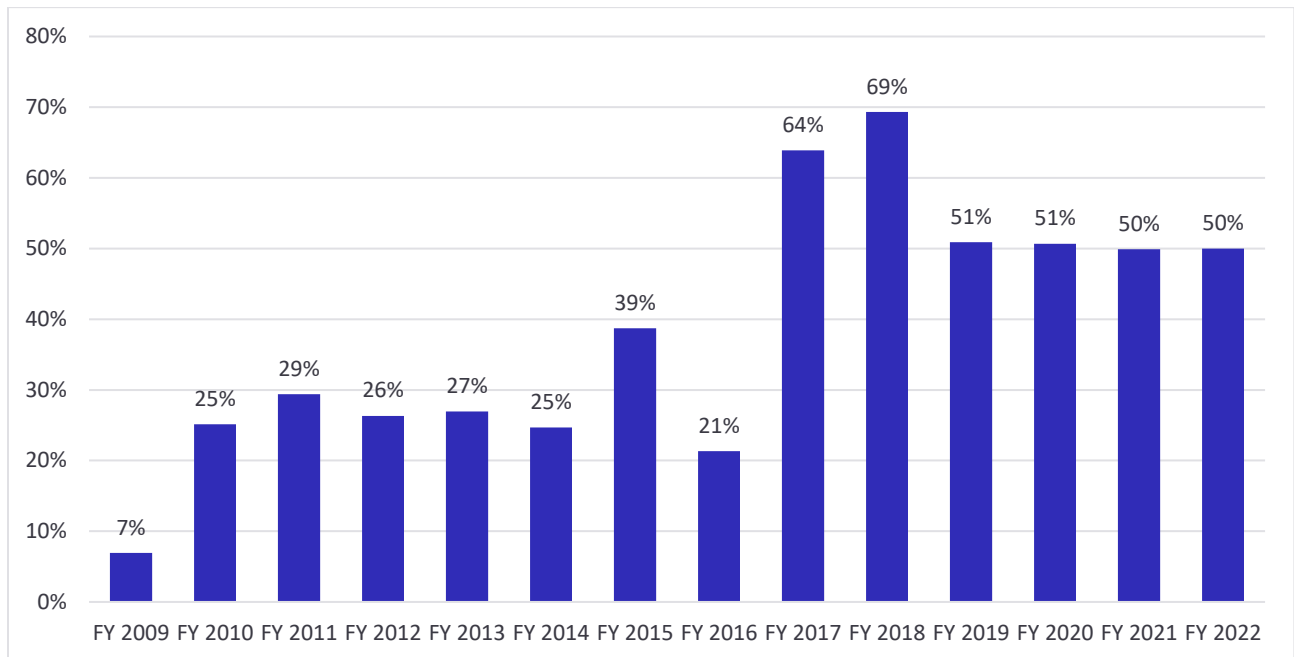
<sup>6</sup> DOT, [U.S. Secretary of Transportation Pete Buttigieg Announces Availability of \\$1 Billion to Modernize and Create New American Infrastructure](#) (April 13, 2021).

In announcing the FY 2022 awards, US DOT noted:

*Projects were evaluated on several criteria, including safety, environmental sustainability, quality of life, economic competitiveness and opportunity, partnership and collaboration, innovation, state of good repair, and mobility and community connectivity. With these areas, the Department considered how projects will improve accessibility for all travelers, bolster supply chain efficiency, and support racial equity and economic growth – especially in historically disadvantaged communities and areas of persistent poverty.<sup>7</sup>*

US DOT has prioritized investments in equity and accessibility. For instance, according to US DOT, in FY 2022, two-thirds of all projects were awarded to regions of persistent poverty or historically disadvantaged communities.<sup>8</sup> Pursuant to statutory requirements, the agency has also restored a more balanced urban-rural allocation of funds compared to the prior administrations.

### Percentage of RAISE Grant Funds for Rural Projects



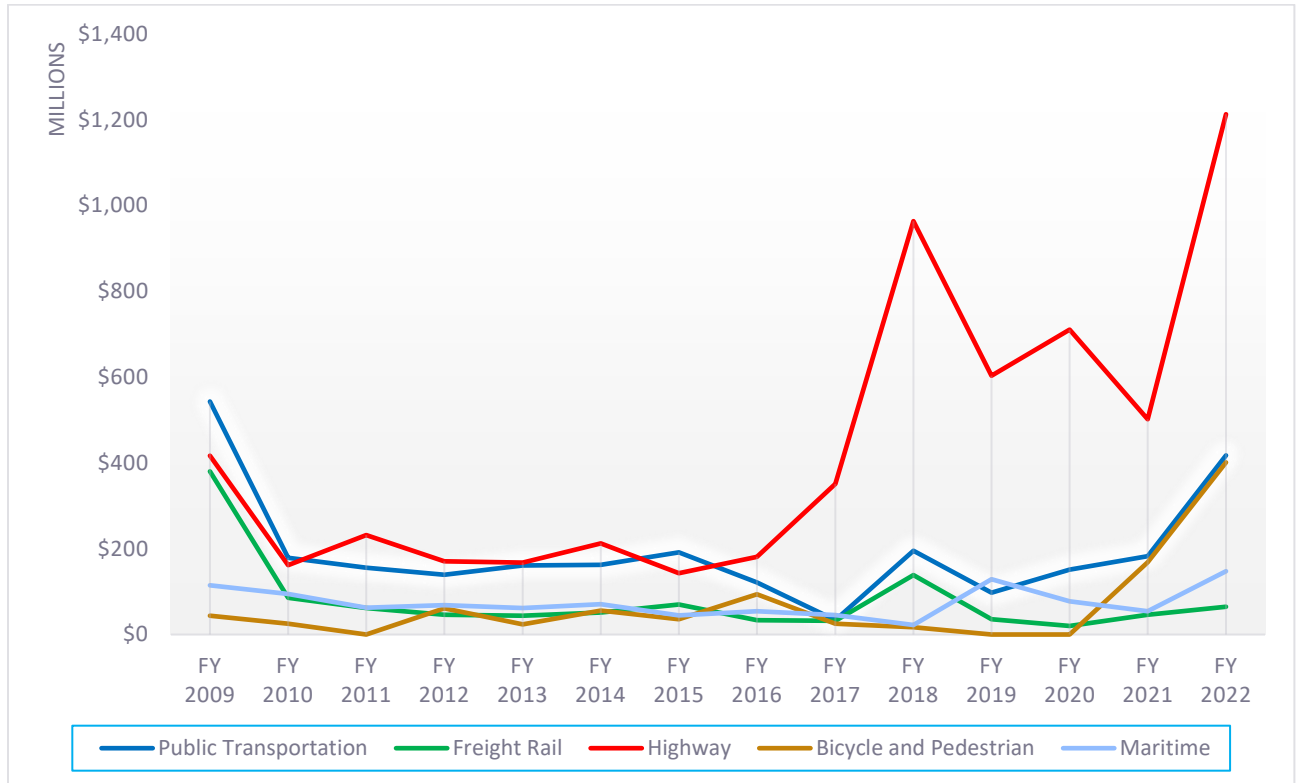
Awards for rural public transportation projects have significantly increased in recent years. For instance, in FY 2022, approximately one-third of total public transportation funds were awarded to rural public transportation projects. The FY 2022 RAISE grant awards included a historic investment in rural transit with 11 rural transit projects totaling almost \$130 million.

<sup>7</sup> DOT, [Biden-Harris Administration Announces Funding for 166 Projects to Modernize Transportation Across the Country and Make it More Affordable, Increase Safety and Strengthen Supply Chains \(August 11, 2022\)](#).

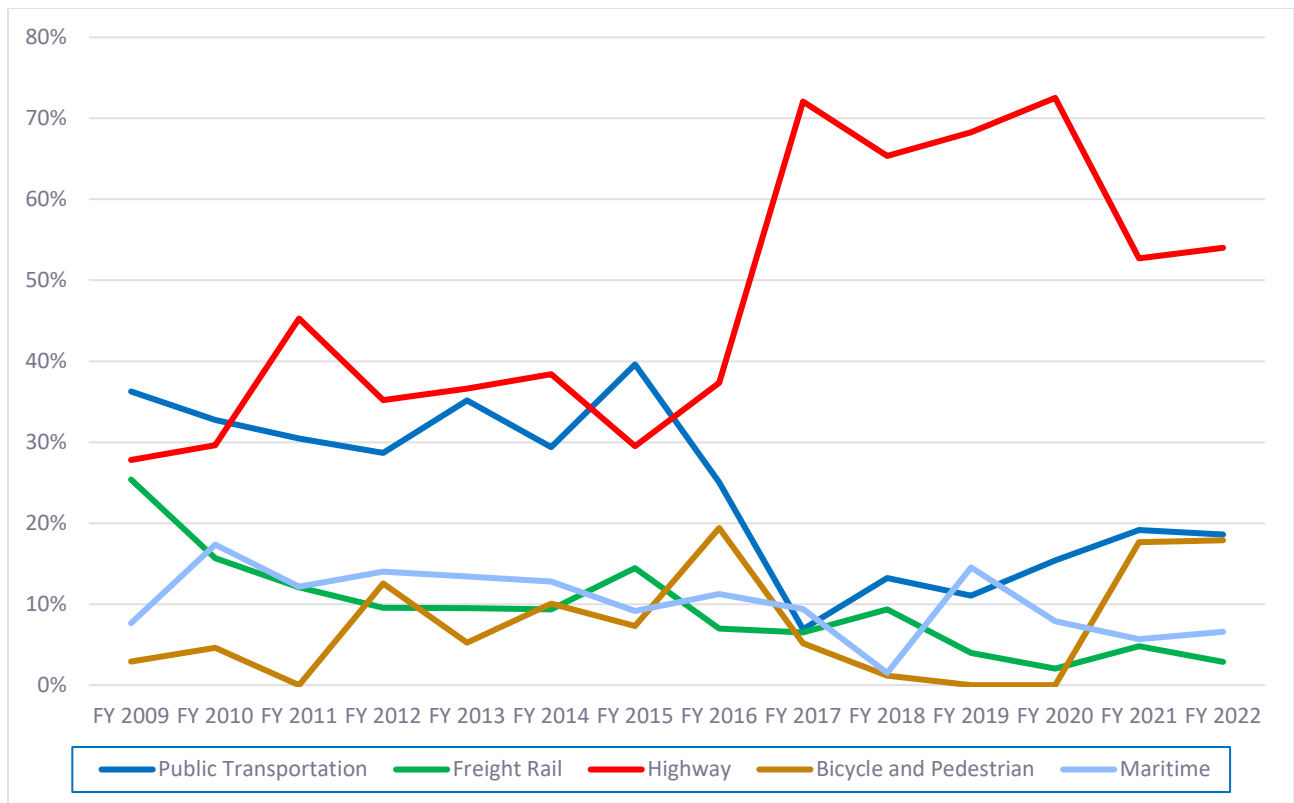
<sup>8</sup> *Id.*

The following two graphs illustrate the increased dollar amount awarded to public transportation projects and the decreased percentage awarded to public transportation compared with highway projects.

### Total RAISE Grants Awarded by Mode of Transportation



## Percentage of RAISE Grants Awarded by Mode of Transportation



### FY 2023 RAISE Grant Program

The IIJA authorizes and appropriates \$1.5 billion for RAISE grants in FY 2023.<sup>9</sup> The THUD Appropriations Act, 2023 provides an additional \$800 million for the FY 2023 RAISE Grant Program.<sup>10</sup> **In total, \$2.275 billion is currently available for RAISE grants in FY 2023.**

US DOT issued a Notice for Funding Opportunity (NOFO) for FY 2023 RAISE grants in December 2022 and revised its NOFO in February 2023.<sup>11</sup> Eligible capital projects include public transit, passenger rail, transit-oriented development (TOD) projects, and mobility on-demand projects that expand access to transportation and reduce transportation cost burden.<sup>12</sup> In addition, US DOT may use up to 20 percent of available funds (\$460 million) to pay the subsidy and administrative costs of a project receiving credit assistance under the Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) or Railroad Rehabilitation and Improvement Financing (RRIF) programs, particularly public transit and TOD projects.<sup>13</sup>

Under the IIJA, the minimum RAISE grant is \$5 million for projects in urban areas and \$1 million for projects in rural areas.<sup>14</sup> The maximum RAISE grant award is \$25 million or \$45 million depending on the source of

<sup>9</sup> IIJA, Division B, § 21202; 49 U.S.C. § 6702.

<sup>10</sup> THUD Appropriations Act, 2023 (P.L. 117-328, Division L).

<sup>11</sup> DOT, Office of the Secretary of Transportation, [Notice of Funding Opportunity for the Department of Transportation's National Infrastructure Investments \(i.e., the Rebuilding American Infrastructure with Sustainability and Equity \(RAISE\) Grant Program\) under the Infrastructure Investment and Jobs Act \("Bipartisan Infrastructure Law, Amendment No. 2"\)](#) (February 3, 2023).

<sup>12</sup> *Id.* at 14-15.

<sup>13</sup> *Id.* at 8-9.

<sup>14</sup> There is no minimum award amount for IIJA planning grants or THUD Appropriations Act funds. *Id.* at 9.

fun... funds.<sup>15</sup> The federal share of RAISE Grants shall not exceed 80 percent unless the project is located in a rural area, a historically disadvantaged community, or an area of persistent poverty.<sup>16</sup> Importantly, US DOT does not consider an applicant's cost share when evaluating applications on merit.<sup>17</sup>

Pursuant to statutory requirements, 50 percent (or \$1.15 billion) of RAISE grant funding will be provided for urban projects and 50 percent (or \$1.15 billion) will be provided for rural projects.<sup>18</sup> Under RAISE Grant Program definitions, an urban project is a project located within an urbanized area that had a population greater than 200,000 in the 2010 Census and a rural project is a project located outside such area.<sup>19</sup>

The deadline for RAISE grant applications is February 28, 2023, and selections will be announced no later than June 28, 2023.<sup>20</sup>

## RAISE Grants Are Critical for Public Transportation Projects

The RAISE Grant Program is an extremely valuable resource for communities to carry out critical public transportation projects. In FY 2022, US DOT increased funding for public transit and passenger rail projects under the RAISE Grant Program, providing \$418 million for 31 public transportation projects. However, the percentage of RAISE grant funds awarded for public transportation-related projects remains significantly less than the historical average (approximately 33 percent).

The Biden-Harris Administration's reconstituted RAISE program and its stated priorities provide an opportunity to restore the program to its intended purpose of providing funding to critical multimodal capital investments. Public transportation projects directly address each of the Administration's key priorities, including improving racial equity, reducing the impacts of climate change, and creating good-paying jobs. Given the synergy of these priorities and public transportation, **APTA strongly urges the Secretary of Transportation to direct a significantly greater percentage of RAISE grant funds to vital public transit and passenger rail projects.**

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<sup>15</sup> *Id.* at 9.

<sup>16</sup> *Id.* at 12.

<sup>17</sup> *Id.* at 13.

<sup>18</sup> *Id.* at 9.

<sup>19</sup> *Id.* at 16-17.

<sup>20</sup> DOT, [Biden-Harris Administration Announces \\$1.5 Billion Available through the 2023 RAISE Grant Program](#) (December 15, 2022).

## Sources

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<https://www.transportation.gov/briefing-room/biden-harris-administration-announces-15-billion-available-through-2023-raise-grant>.

### The American Public Transportation Association (APTA)

The American Public Transportation Association is a nonprofit international association of 1,500 public- and private-sector organizations that represents a \$79 billion industry that directly employs 430,000 people and supports millions of private-sector jobs. APTA members are engaged in the areas of bus, paratransit, light rail, commuter rail, subways, waterborne services, and intercity and high-speed passenger rail. This includes transit systems; planning, design, construction, and finance firms; product and service providers; academic institutions; transit associations and state departments of transportation. APTA is the only association in North America that represents all modes of public transportation. APTA members serve the public interest by providing safe, efficient, and economical transit services and products.

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#### APTA Vision Statement

APTA leads public transportation in a new mobility era,  
advocating to connect and build thriving communities

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