



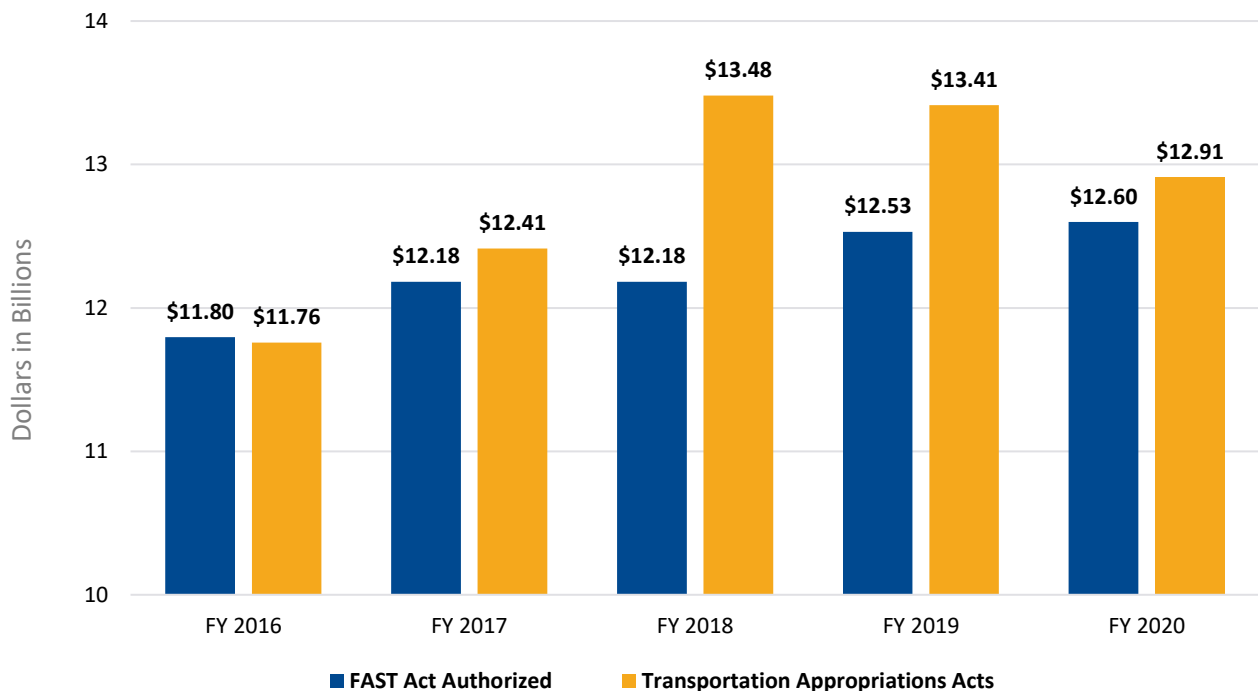
Public Transportation Funding: Increase Critical Investments

Key Points

- APTA strongly urges Congress to significantly increase public transportation funding in the Fiscal Year 2021 Transportation Appropriations bill.
- In the Appropriations bill, APTA urges Congress to restore Capital Investment Grant (CIG) funding to \$2.6 billion to meet the mobility demands of growing communities. Last year, Congress reduced CIG funding by \$575 million.
- In the surface transportation authorization bill, APTA calls on Congress to provide \$145 billion for public transportation over six years to bring public transit systems to a state of good repair and address the mobility demands of growing communities.

Congress passes appropriations acts each year to fund federal public transit programs authorized by the Fixing America’s Surface Transportation Act (FAST Act). In the appropriations acts, Congress sets an annual obligation limitation for authorized spending from the Highway Trust Fund and appropriates general funds for specific grant programs (e.g., Capital Investment Grants).

Public Transportation Funding Levels



Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2020

In December 2019, Congress enacted the *Transportation, Housing and Urban Development, and Related Agencies (THUD) Appropriations Act, 2020*. The legislation provides **\$12.9 billion** for public transportation in Fiscal Year (FY) 2020. This funding level is a reduction of 3.7 percent (-\$503 million) below the FY 2019 enacted funding level. Importantly, the Act blocks the Rostenkowski Test, which required a \$1.2 billion (12 percent) across-the-board cut to all transit formula funds in FY 2020.

Capital Investment Grants

The legislation provides \$1.98 billion for Capital Investment Grants (CIG) and requires the Federal Transit Administration (FTA) to obligate 85 percent of these funds by December 31, 2021. **The THUD Appropriations Act reduced CIG funding by \$575 million compared to FY 2019 funding levels.**

Of the \$1.98 billion, the Act provides \$1.5 billion for New Starts, \$300 million for Core Capacity projects, \$100 million for Small Starts, and \$100 million for the Expedited Project Delivery for CIG Pilot Program.

Importantly, the legislation prohibits FTA from impeding or hindering a CIG project from advancement or approval if the project is seeking a federal contribution of greater than 40 percent. The legislation also specifically requires FTA to administer the CIG program in accordance with the procedural and substantive requirements of current law (49 U.S.C. § 5309).

In addition, the Act prohibits FTA from implementing or furthering new policies detailed in FTA's June 29, 2018 "Dear Colleague" letter to CIG project sponsors. The Administration's Dear Colleague letter established geographic diversity as a factor in FTA funding allocation decisions; considered U.S. Department of Transportation (DOT) loans "in the context of" all federal funding sources requested by the project sponsor, and not separate from the federal funding sources; and included other Administration policy objectives. APTA communicated its serious concerns with the CIG policies (as outlined in FTA's letter) to both Congress and the Administration.

BUILD Grants

The Better Utilizing Investments to Leverage Development (BUILD) program (formerly TIGER) provides competitive grants for surface transportation projects, including public transportation and multimodal projects. The THUD Appropriations Act provides \$1 billion for BUILD grants. The Act requires that DOT ensure equitable geographic distribution of the funds and investment in a variety of transportation modes. **One-half (\$500 million) of this funding must be awarded for grants in large urbanized areas (population of 200,000 or more).** Moreover, DOT is specifically directed to "not use the Federal share or an applicant's ability to generate non-Federal revenue as a selection criteria in awarding projects."

APTA strongly supports these BUILD program requirements to restore balance to the program and ensure that public transportation projects receive a fair percentage of annual grants.