



Public Transit Programs and Funding

Introduction

On November 15, 2021, President Biden signed the Infrastructure Investment and Jobs Act (IIJA) (P.L. 117-58) into law. The IIJA, commonly referred to as the Bipartisan Infrastructure Law (BIL), provides **\$108.2 billion** for programs administered by the Federal Transit Administration (FTA) over five years (FY 2022 through FY 2026), an increase of **\$42.4 billion (64 percent)** from previous authorized levels in the Fixing America’s Surface Transportation Act (FAST Act) (P.L. 114-94). These historic increases in public transit investments include \$91.2 billion of guaranteed funding (i.e., contract authority and advance appropriations) and \$17.0 billion of General Fund authorizations for Capital Investment Grants (CIG) and other grants, as shown below.

Public Transit Funding

(FY 2022 – FY 2026)
(Millions of Dollars)

Major Transit Programs IIJA Authorization Levels	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	5-Year Total
§ 5307 Urbanized Area Formula	\$6,408	\$6,542	\$6,713	\$6,852	\$7,026	\$33,541
§ 5311 Rural Area Formula	\$875	\$894	\$917	\$936	\$960	\$4,581
§ 5310 Seniors and Individuals with Disabilities Formula	\$421	\$429	\$439	\$447	\$457	\$2,193
§ 5337 State of Good Repair Formula/Comp.	\$4,466	\$4,538	\$4,631	\$4,706	\$4,800	\$23,140
§ 5339 Buses and Bus Facil. Formula/Comp.	\$2,101	\$2,123	\$2,151	\$2,174	\$2,203	\$10,752
§ 5340 Growing and High Density Formula	\$741	\$757	\$776	\$792	\$812	\$3,879
§ 5309 Capital Investment Grants	\$4,600	\$4,600	\$4,600	\$4,600	\$4,600	\$23,000
Other Programs	\$1,392	\$1,402	\$1,413	\$1,423	\$1,434	\$7,063
Total	\$21,005	\$21,284	\$21,640	\$21,929	\$22,292	\$108,150

The legislation also provides \$102.1 billion for passenger and freight rail over five years, an increase of \$86.7 billion (561 percent) from previous FAST Act levels. These historic passenger rail investments include \$66 billion of guaranteed funding (advance appropriations) and \$36.1 billion of General Fund authorizations for Amtrak and other competitive grant programs.

In addition, the IIJA includes significant funding for multimodal investments (e.g., Rebuilding American Infrastructure with Sustainability and Equity (RAISE) and Mega grants), which include public transit and passenger rail eligibility.

APTA is actively working with the U.S. Department of Transportation (DOT) toward successful implementation of the IIJA. Furthermore, DOT, FTA, the Federal Railroad Administration, and other agencies have issued Notices of Proposed Rulemaking, Guidance, Dear Colleague letters, and Requests for Information regarding IIJA implementation.

To assist APTA members in tracking IIJA funding apportionments, competitive grant opportunities, and policy actions, APTA has developed a [Smart Guide to the Bipartisan Infrastructure Law and Inflation Reduction Act](#). The APTA Smart Guide includes APTA funding and apportionment tables, section-by-section analyses, and presentations, and DOT guidance, regulations, and Notices of Funding Opportunities. The Smart Guide also includes advocacy and media toolkits to help APTA members tell their Bipartisan Infrastructure Law success stories.

In addition, APTA has developed a [Regulatory Matrix](#) to track all regulatory and other administrative actions.

A summary of FTA's formula and competitive grant programs under 49 U.S.C. Chapter 53 is set forth below, along with links to FTA Fact Sheets for more information.

[**FTA Formula and Competitive Grant Programs**](#)

Urbanized Area Formula Grants (49 U.S.C. § 5307)

Section 5307 provides formula funding to urbanized areas and to governors for transit capital and operating assistance in urbanized areas and for transportation-related planning. An urbanized area is an incorporated area with a population of 50,000 or more as designated by the Bureau of the Census of the U.S. Department of Commerce.

For urbanized areas with populations that are 200,000 or more, funds are apportioned and provided directly to a designated recipient selected locally to apply for and receive federal funds. For urbanized areas under 200,000 in population, the funds are apportioned to the governor of each state for distribution.

Eligible projects include capital projects, planning, job access and reverse commute projects. Operating expenses are only eligible for urbanized areas under 200,000 in population or recipients with 100 or fewer buses. Funds are also provided to states for state safety oversight activities.

The IIJA authorizes **\$33.5 billion** over five years for § 5307 Urbanized Area Formula Grants.

Please view an [FTA Fact Sheet on the § 5307 Program](#).

Capital Investment Grants (49 U.S.C. § 5309; IIJA Division J)

Section 5309 provides competitive grant funding for large, fixed-guideway investments, including new and expanded subway, commuter rail, light rail, streetcars, bus rapid transit, and ferries, as well as corridor-based bus rapid transit investments.

Eligible recipients include public transit agencies and state and local government agencies.

Eligible activities include:

- *New Starts*: Design and construction of new fixed guideways or extensions to fixed guideways (i.e., projects that operate on a separate right-of-way exclusively for public transportation, or that include a rail or a catenary system). Projects eligible for New Starts have either total project costs of more than \$400 million, or a CIG funding request of more than \$150 million.
- *Small Starts*: Design and construction of new fixed guideways or extensions to fixed guideways and, under certain circumstances, corridor-based bus rapid transit projects operating in mixed traffic that represent a substantial investment in the corridor and emulate the features of rail. Projects eligible for Small Starts have total project costs up to \$400 million and CIG funding requests up to \$150 million.
- *Core Capacity*: Design and construction of a corridor-based investment in an existing fixed guideway system that improves capacity not less than 10 percent in a corridor that is at capacity today or will be in 10 years. The project may not include elements designed to maintain a state of good repair.
- *Joint intercity rail/public transportation project*: Design and construction elements attributable to the public transportation portion of the total project cost based on projected use of the new segment or expanded capacity of the project corridor, not including elements designed to achieve a state of good repair.

The IIJA authorizes **\$23 billion** over five years for § 5309 CIG Grants.

Please view an [FTA Fact Sheet on the § 5309 Program](#) and [FTA's 2023 Capital Investment Grants Program Policy Guidance](#).

Please also view [APTA's CIG Project Pipeline Dashboard](#).

Enhanced Mobility of Seniors & Individuals with Disabilities Formula Grants (49 U.S.C. § 5310)

Section 5310 provides formula funding to states to meet the special needs of seniors and individuals with disabilities when the transportation service provided is unavailable, insufficient, or inappropriate to meeting these needs.

Eligible recipients include a designated recipient of a state that received grants directly (i.e., direct recipient), or a state or local government entity that operates a public transportation service.

Subrecipients include state and local governments, private non-profit organizations, or public transportation operators that receive grants indirectly through a recipient.

Formula funds are allocated to direct recipients; for rural and small urban areas, the recipient is the state DOT. For large urban areas, a designated recipient is chosen by the governor. Direct recipients have flexibility in how they select subrecipient projects for funding, but their decision process must be clearly noted in a state/program management plan.

Eligible projects include both traditional capital investment to meet the special needs of seniors and individuals with disabilities and nontraditional investment beyond the Americans with Disabilities Act (ADA) complementary paratransit services. Examples of eligible projects include procuring buses, vans, equipment for assisting individuals with mobility challenges, technology systems related to transportation, and programs focused on managing mobility.

The IIJA authorizes **\$2.19 billion** over five years for § 5310 Enhanced Mobility of Seniors & Individuals with Disabilities Formula Grants.

Please view an [FTA Fact Sheet on the § 5310 Program](#).

Rural Area Formula Grants (49 U.S.C. § 5311)

Section 5311 provides capital, planning, and operating assistance to states and federally recognized Indian tribes to support public transportation in rural areas with populations less than 50,000. It also provides funding for state and national training and technical assistance through the Rural Transportation Assistance Program.

Eligible recipients include states and federally recognized Indian tribes. In addition, subrecipients may include state or local government authorities, non-profit organizations, or operators of public transportation or intercity bus service that receive funds indirectly through a recipient.

Eligible projects include planning, public transportation capital projects, operating costs of equipment and facilities for use in public transportation, job access and reverse commute projects, and acquisition of public transportation services, including service agreements with private providers of public transportation.

The IIJA authorizes **\$4.58 billion** over five years for § 5311 Rural Area Formula Grants.

Please view an [FTA Fact Sheet on the § 5311 Program](#).

Public Transportation Innovation Competitive Grants (49 U.S.C. § 5312)

Section 5312 provides competitive grants for the advancement of innovative public transportation research and development.

Eligible recipients include federal departments and agencies, state and local governmental entities, providers of public transportation, private or non-profit organizations, institutions of higher education, and technical and community colleges.

Eligible projects include activities that support research, innovation and development, demonstration and deployment, and evaluation. The program also supports low or no emission vehicle component assessment and the Transit Cooperative Research Program (TCRP).

The IIJA authorizes **\$192 million** over five years for § 5312 Public Transportation Innovation.

Please view an [FTA Fact Sheet on the § 5312 Program](#).

State of Good Repair Formula and Competitive Grants (49 U.S.C. § 5337; IIJA Division J)

Section 5337 provides formula funding for capital assistance for maintenance, replacement, and rehabilitation projects of high-intensity fixed guideway and bus systems to help transit agencies maintain assets in a state of good repair and develop and implement transit asset management plans.

Eligible recipients for the formula funding include state or local government authorities in urbanized areas with fixed guideways and high intensity motorbus systems that have been in operation for at least seven years.

Eligible projects include capital projects that maintain, rehabilitate, and replace capital assets, including rail rolling stock, track, line equipment and structures, signal systems, power equipment and substations, passenger stations and terminals, security equipment, maintenance facilities and equipment, and projects that implement transit asset management plans.

In addition, the State of Good Repair Grant Program includes competitive grants for state and local authorities to replace rail rolling stock.

The IIJA authorizes **\$23.14 billion** over five years for § 5337 State of Good Repair Grants, including \$1.5 billion for competitive grants for rail rolling stock.

Please view an [FTA Fact Sheet on the § 5337 Program](#).

Buses and Bus Facilities and Low-No Emissions Formula and Competitive Grants (49 U.S.C. § 5339; IIJA Division J)

Section 5339 provides formula and competitive grants and formula funding for Buses and Bus Facilities (§ 5339(b)) and the Low or No Emission Vehicles (Low-No) (§ 5339(c)).

BUSES AND BUS FACILITIES FORMULA AND COMPETITIVE GRANTS

Section 5339(b) makes funding available to states, designated recipients, and local governments operating fixed route bus services to assist in the financing of buses and bus facilities capital projects, including replacing, rehabilitating, purchasing, or leasing buses or related equipment, and rehabilitating, purchasing, constructing, or leasing bus-related facilities. Funding is provided both through formula and competitive grants.

LOW-NO EMISSIONS COMPETITIVE GRANTS

Section 5339(c) is a competitive grant program to support the transition of the nation's public transit fleet to the lowest polluting and most energy efficient transit vehicles. Eligible recipients include designated recipients of FTA grants, including states, local government authorities, and Indian tribes. Eligible projects include the purchase or lease of zero-emission or low-emission transit buses, including acquisition, construction, and leasing of supporting facilities.

The IIJA authorizes **\$10.75 billion** over five years for § 5339 Buses and Bus Facilities and Low-No Grants, including \$3.2 billion in formula grants and \$7.6 billion in competitive grants.

Please view an [FTA Fact Sheet on the § 5339 Program](#).

Transit-Oriented Development Planning Pilot Program (MAP-21 § 2005(b)) (49 U.S.C. § 5303 note)

Section 2005(b) provides competitive grant funding to state or local governmental authorities to integrate land use and transportation planning associated with new fixed guideway or core capacity improvement projects through FTA's CIG program. The Transit-Oriented Development (TOD) Planning Program focuses on growth around transit stations to create compact, mixed-use communities with easy access to jobs and services.

State or local government recipients must be a project sponsor of an eligible CIG project or an entity with land use planning authority in the project corridor of an eligible CIG project. Eligible projects include any comprehensive or site-specific planning that promotes economic development, ridership, and other goals established during project development and engineering; facilitates multimodal connectivity and accessibility; increases pedestrian and bicycle traffic access to transit hubs; enhances mixed-use development; identifies infrastructure needs associated with the eligible project; and includes private-sector participation.

The IIJA authorizes **\$68.9 million** over five years for the Transit-Oriented Development Planning Pilot Program.

Please view an [FTA Fact Sheet on the MAP 21 § 2005\(b\) Program](#).

All Stations Accessibility Program Competitive Grants (IIJA Division J)

The All Stations Accessibility Program (ASAP) provides competitive grants to assist eligible entities in financing capital projects to upgrade the accessibility of legacy rail fixed-guideway public transportation systems for persons with disabilities, including individuals who use wheelchairs, by increasing the number of existing stations or facilities for passenger use that meet or exceed the new construction standards of title II of the ADA. Eligible entities include a state or local government authority.

Eligible projects include projects to repair, improve, modify, retrofit, or relocate infrastructure of stations or facilities for passenger use; or to develop or modify a plan for pursuing public transportation accessibility projects, assessments of accessibility, or assessments of planned modifications to stations or facilities for passenger use. Grants may not be awarded to upgrade a station or facility that currently meets ADA construction standards.

The IIJA authorizes **\$1.75 billion** over five years for the IIJA Division J All Stations Accessibility Program.

Please view an [FTA Fact Sheet on the ASAP Program](#).