Federal Funding Overview
House Transit Commission

Atlanta, Georgia
October 10, 2017
• Funding

- Highway Trust Fund (HTF) relies on 18.4 cent gasoline tax of which 2.86 cents are deposited into the Mass Transit Account (MTA)

- Starting in 2008, Congress has transferred monies from General Fund (GF) to the HTF to sustain spending levels

- Highway programs funded entirely from HTF

- Mass Transit funded by a combination of funds from MTA and the GF
  - Formula programs funded from MTA
  - Capital Investment Grants, Federal Transit Administration (FTA) administration and research programs funded from GF
FAST Act Overview

- Fixing America’s Surface Transportation (FAST) Act authorizes funding for highways, transit and the safety programs
  - Five year bill that expires September 30, 2020
  - Relies on transfer of $55 billion of General Funds (GF) to the Highway Trust Fund (HTF)
- Funding gap in Fiscal Year 2021 is $100 billion to sustain current spending
  - Options: increase in the gasoline tax, adoption of vehicle miles travelled fee or other revenue sources
Appropriations

- Congress must approve annual spending bills
- Since passage of FAST Act, Congress has funded the formula programs at the authorized levels
- The General Fund programs are vulnerable to cuts as a result of overall efforts to reduce federal domestic spending
- Once spending is passed by Congress, monies are apportioned to the different programs by Federal Highway Administration and the Federal Transit Administration
• **Key Transit Terms**

  • **Designated Grant Recipient**
    
    • Entity designated, in accordance with the planning process, by Governor, local officials and transit operators to receive and apportion federal transit monies, or
    
    • State or regional authority

  • **Direct Recipient/Eligible Recipient**
    
    • Entity that operates fixed route bus service and authorized by designated grant recipient to receive formula funds, or any entity that receives funds under section 5309
• **Key Transit Terms**

  • **Subrecipient**
    
    • Receives monies through pass-through agreement with direct recipient or designated grant recipient whereby original recipient remains responsible for compliance

  • **Grantee – Circular 5010.1D**
    
    • Entity to which a grant is awarded directly by FTA to support a specific project in which FTA does not take an active role or retain substantial control

  • **Project Sponsor**
    
    • Entity responsible for providing legal, technical and financial capacity to manage a New Starts, Small Starts or Core Capacity project
**Urbanized Area Formula**

- Designated recipients with legal authority to receive and dispense federal funds
  - Governors, local officials and public transit operators
  - Areas between 50,000-200,000 - Governor or Governor’s designee is the recipient
    - Georgia has three cities above 50,000 with more intense transit service than their peers - Athens and Macon
      - They receive additional apportionment through the Small Transit Intensive Cities program - Athens ($955,190) and Macon ($383,076)
  - Areas above 200,000, funds dispensed to locally selected recipients
- Provides funding for State Safety Oversight
- Operating assistance for areas below 200,000
- Limited operating assistance for areas above 200,000 which operate up to 100 buses in fixed route service during peak hour
## FY 17 Funding Apportionments

<table>
<thead>
<tr>
<th>Areas Above One Million</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlanta, Georgia</td>
<td>$70,676,948</td>
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<table>
<thead>
<tr>
<th>Areas from 200,000-One Million</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Georgia Statewide</td>
<td>$771,641</td>
</tr>
<tr>
<td>Augusta, GA-Richmond County, SC (Georgia Share)</td>
<td>$2,159,541</td>
</tr>
<tr>
<td>Chattanooga, TN-Georgia (Georgia Share)</td>
<td>$771,641</td>
</tr>
<tr>
<td>Savannah, GA</td>
<td>$3,465,023</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Apportionments to Governor for Areas between 50,000-199,000</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albany, GA</td>
<td>$1,300,618</td>
</tr>
<tr>
<td>Athens-Clarke County, GA</td>
<td>$2,676,781</td>
</tr>
<tr>
<td>Brunswick, GA</td>
<td>$657,347</td>
</tr>
<tr>
<td>Cartersville, GA</td>
<td>$630,459</td>
</tr>
<tr>
<td>Dalton, GA</td>
<td>$1,062,618</td>
</tr>
<tr>
<td>Gainesville, GA</td>
<td>$1,599,708</td>
</tr>
<tr>
<td>Hinesville, GA</td>
<td>$730,933</td>
</tr>
<tr>
<td>Macon, GA</td>
<td>$2,264,017</td>
</tr>
<tr>
<td>Rome, GA</td>
<td>$1,561,346</td>
</tr>
<tr>
<td>Valdosta, GA</td>
<td>$1,051,559</td>
</tr>
<tr>
<td>Warner Robbins, GA</td>
<td>$1,721,410</td>
</tr>
</tbody>
</table>
• State of Good Repair

• High Intensity Fixed Guideway Program – 97.15%
  • Must be “fixed guideway” to receive funding
  • Fixed Guideway = rail or Bus Rapid Transit with more than 50 percent of right of way (ROW) dedicated to transit use during peak hour

• High Intensity Motorbus Program – 2.85%
  • Bus Rapid Transit systems not operating in dedicated ROW
  • May share lane with other High Occupancy Vehicles (HOVs)
  • May share a “HOT lane” if “owner” allows transit use and other HOVs ride for free
  • Monies may not be used to maintain or rehabilitate HOV lanes
State of Good Repair (cont.)

- Transit Asset Management
  - FTA has defined “state of good repair”
  - Regulation sets standards for measuring condition of capital assets
  - Establishes performance standards for state of good repair with each transit agency required to set targets
  - Transit agencies will be required to report condition of assets to the National Transit Database (NTD)
    - Condition of their system and any change in the condition
    - Targets are set and progress towards meeting those targets measured
## FY 17 Apportionments

<table>
<thead>
<tr>
<th>Location</th>
<th>High Intensity Fixed Guideway</th>
<th>High Intensity Motorbus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlanta, GA</td>
<td>$48,969,526</td>
<td>$4,110,776</td>
</tr>
<tr>
<td>Savannah, GA</td>
<td></td>
<td>$135,243</td>
</tr>
</tbody>
</table>
Enhanced Mobility for Seniors/Persons with Disabilities

- Eligible Activities
  - 55% for capital projects to meet needs of seniors
  - 45% for transit projects to provide access to service or exceed ADA

- Funding
  - 60% to designated recipients in urbanized areas (above 200,000)
  - 20% each to states for small urbanized area and for rural areas

- Eligibility
  - Operating assistance – 50% federal share
  - Capital projects match – 80% federal share
# FY 17 Apportionments

<table>
<thead>
<tr>
<th>Areas above 200,000 in Population</th>
<th></th>
</tr>
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<tbody>
<tr>
<td>Atlanta, GA</td>
<td>$3,006,156</td>
</tr>
<tr>
<td>Chattanooga, TN-GA</td>
<td>$402,526</td>
</tr>
<tr>
<td>Columbus, GA-AL</td>
<td>$251,922</td>
</tr>
<tr>
<td>Savannah, GA</td>
<td>$212,827</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Amounts to Governor for Areas 50,000-199,000</th>
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<tbody>
<tr>
<td>Georgia</td>
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<table>
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<tr>
<th>Amounts to Governor for Areas less than $50,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Georgia</td>
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</tbody>
</table>
• Rural Formula

• Rural Area Formula

  • States, local governments, and providers of rural transit services

  • Rural area = less than 50,000 people

  • Incorporates rural transit, tribal discretionary grant programs, Rural Transit Assistance Program and Appalachian Development Public Transportation Assistance

  • Federal share is 80% for capital and 50% for operating assistance

  • Includes planning, capital, operating, job access and reverse commute and acquisition of public transportation services
**FY 17 Apportionments**

<table>
<thead>
<tr>
<th>Program</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Rural Transit/High Intensity &amp; Growing States Program</td>
<td>$21,857,873</td>
</tr>
<tr>
<td>Technical Assistance and Training for Rural Areas</td>
<td>$343,297</td>
</tr>
<tr>
<td>Appalachian Development Public Transit Assistance</td>
<td>$592,000</td>
</tr>
</tbody>
</table>
• Bus and Bus Facilities

• Formula Program
  - First $65.5 million allocated with each state receiving $1.75 M with remaining $356.6 M allocated based on population, vehicle revenue miles and passenger miles

• Discretionary program - $226 million in FY 17
  - Condition of assets and age of fleet
  - Awarded annually on a competitive basis
  - FTA issued Notice of Funding Opportunity - July 12, 2017

• Low and No Emission Buses - $55 million annually
  - Federal match is 80 percent
## FY 17 Apportionments

### Areas Above 200,000 in Population

<table>
<thead>
<tr>
<th>Area</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlanta</td>
<td>$5,184,400</td>
</tr>
<tr>
<td>Chattanooga, TN-GA</td>
<td>$350,796</td>
</tr>
<tr>
<td>Savannah</td>
<td>$339,346</td>
</tr>
</tbody>
</table>

### Amounts to Governors for Areas between 50,000 and 199,000

- $1,223,234

### Amount to States

- $1,750,000
Pilot Program for Bus Acquisition

- Allows States or nonprofit entity to pool monies to enter into an agreement with a vendor(s) to purchase rolling stock
  - Intended for areas between 200,000-999,000 in population
  - Allow nonprofit entities to perform this activity for two years and up to three one year option years
  - Expected to issue a solicitation within sixty days of being selected
  - FTA seeking expressions of interest by nonprofits by October 23, 2017
• Capital Investment Grants

• Large discretionary competitive grant program managed by FTA

• New Starts - Fixed Guideway Projects exceeding $300 million in total cost
  • Federal share usually 50 percent
  • Projects in excess of $2 billion receive less than 50 percent

• Small Starts - Projects less than $300 million in total cost
  • Federal share is capped at $100 million

• Core Capacity
  • System at or near capacity within five years
  • Project must increase capacity by ten percent
• Congestion Mitigation and Air Quality

• Flexible formula program with set aside for Transportation Alternatives

• Must contribute to attainment or maintenance of air quality standard or effectiveness in reducing air pollution

• Eligible Projects:
  • Traffic monitoring or control facilities
  • Transit capital projects
  • Bicycle/Pedestrian projects
  • Projects that shift demand to off-peak hour
  • Facilities serving electric or natural gas-fueled vehicles

• Monies are frequently flexed to transit
• **Surface Transportation Program**

• Block Grant program

• Share of local monies starts at 51 percent and grows to 55 percent by 2020

• Types of Eligible Activities
  • Transit capital projects
  • Carpool projects, fringe and corridor parking facilities
  • Transportation Alternatives is a set aside in the program

• Surface transportation planning

• Can be flexed from highway program to transit
Transportation Investment Finance and Innovation Act (TIFIA)

- Provides credit assistance to eligible surface transportation projects, including highways and transit
  - Secured Loans – direct loans with flexible repayment terms and providing combined construction and permanent financing – up to 49% of project cost
  - Loan Guarantees – full-faith and credit loan guarantees by Federal government to institutional investors – up to 49% of project cost
  - Lines of Credit – contingent sources of funding in form of loans that may be drawn down during first ten years of construction – up to 33% of project cost
  - Master Credit Agreements – contingent commitment of future TIFIA assistance for a program of projects secured by a common revenue pledge
- Must be repaid through dedicated funding sources that secure the obligation, such as tolls, user fees or payments
- Eligibility threshold lowered to $10 million for station area transit projects
Repayment of a loan may begin five years after substantial completion or project, and must be fully repaid within 35 years.

Application Process –

- Submit letter of interest (LOI) using the form available on TIFIA's website
  - Describe project location, purpose and cost
  - Outline of project financial plan, including requested assistance and proposed obligor
  - Provide status of environmental review
  - Provide information regarding satisfaction of TIFIA eligibility requirements
- DOT will review LOIs and request further information as necessary
- Upon completion of the review and a determination of eligibility, DOT will invite an application for credit assistance
• Railroad Rehabilitation and Improvement Financing (RRIF)

• $35 billion is available for loans and loan guarantees over life of FAST Act

• Eligible Activities
  - Acquire, improve or rehabilitate intermodal rail equipment or facilities
  - Refinancing outstanding debt
  - Develop or establish new intermodal or railroad facilities

• Can fund up to 100 percent of a railroad projects

• Repayment period up to 35 years and interest rates at Federal interest rate

• Railroads, State and local governments, government-sponsored authorities and corporations, joint ventures involving one railroad