

Transit Update



A newsletter produced by
HDR on the Federal
Transit Program

About HDR

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An Update on the American Recovery & Reinvestment Act

On Jan. 28, 2009, the U.S. House of Representatives passed the economic stimulus bill known as the American Recovery and Reinvestment Act of 2009. The bill totals \$825 billion, including \$550 billion in spending and \$275 billion in tax cuts. Direct transit funding totals \$12 billion.

The Senate is scheduled to pass their bill on February 10 without changes to the transit provisions. The House and Senate would then need to conference to finalize a compromise bill addressing the different provisions and funding amounts in each version. The overall goal remains to present a final bill to President Obama for signature in February.

Following is a summary of the transit provisions passed by the House and the current transit provisions within the Senate Bill (as of Feb. 8). The Senate provisions may change before the bill is finalized.

Comparison of House and Senate Stimulus Packages

	<u>House (H.R.1)</u>	<u>Senate (S.1)</u>
Transit Capital Assistance	<p>\$7.5 billion for Transit Capital Assistance for bus, rail and related capital investment up to 100% federal share</p> <ul style="list-style-type: none"> • Funds will be apportioned through existing urban and rural formulas (Urbanized and Non-Urbanized Area Formula Programs) <ul style="list-style-type: none"> - \$6.75 billion for transit agencies in urban communities - \$750 million for rural communities • Grantees must enter into obligations to make use of 50% or more of the funds by 90 days after apportionment; uncommitted funds redistributed to other recipients 	<p>\$8.4 billion for capital investments in public transportation systems up to 100% federal share</p> <ul style="list-style-type: none"> • Funds will be apportioned through the existing formulas <ul style="list-style-type: none"> - 71% of funds to be apportioned using Urbanized Area formula - 19% using Growing and High-Density State formula - 10% using Non-Urbanized formula • All funds will be apportioned as soon as possible <ul style="list-style-type: none"> - The first 50% must be obligated within 180 days or else redistributed to other recipients - The second 50% for “more meaningful” investments and must be obligated within 1 year or else redistributed to discretionary program below <p>\$200 million is set aside for grants to transit agencies for capital investments that will reduce energy consumption or greenhouse gas emissions</p>

Comparison of House and Senate Stimulus Packages

	House (H.R.1)	Senate (S.1)
Transit Fixed Guideway Infrastructure Investment	\$2 billion for Fixed Guideway Infrastructure Investment apportioned through the existing fixed guideway formula up to 100% federal share	
Transit Capital Investment Grants	<p>\$2.5 billion in competitive grants for New Starts and Small Starts with priority to projects currently in construction or advanced design</p> <ul style="list-style-type: none"> Grantees must enter into obligations to make use of at least 50% of funds by 90 days after apportionment; remainder within 2 years; uncommitted funds will be redistributed to other recipients 	
Supplemental Discretionary Grants for A National Surface Transportation		<p>\$5.5 billion for competitive grants to State and local governments for highway, transit, rail, and port projects that will have a significant impact on the Nation, a metropolitan area, or a region up to 100% federal share</p> <ul style="list-style-type: none"> Grant awards must be between \$20 to \$500 million TIFIA set-aside: \$200 million for paying subsidy costs of projects eligible for TIFIA assistance Funds will remain available until Sept. 30, 2011
Federal Railroad Administration	<p>\$300 million for Intercity Passenger Rail Service</p> <p>\$800 million for Amtrak</p>	<p>\$250 million for Intercity Passenger Rail Service</p> <p>\$850 million for Amtrak</p> <p>\$2 billion for discretionary grants for the High Speed Rail Corridor Program</p>

The Federal Transit Administration (FTA) has begun releasing procedural guidance on delivery of stimulus funds to grantees and projects. See FTA's Economic Recovery: Questions and Answers for FTA Grantees and Stakeholders, last updated on Feb. 6, 2009, at http://www.fta.dot.gov/index_9118.html. You can also register for automatic email updates at this site. The FTA guidance identifies the following issues as requiring immediate attention:

1. State and local officials and transit agencies may substitute new recovery funds for FTA program funds currently associated with projects already listed in metropolitan and state transportation improvement programs (TIP/STIP).
2. Projects eligible for recovery funds that are not already in TIPs and Federally-approved STIPs should work with local metropolitan planning organization (MPO) or state transportation department to amend the TIP/STIP. For programming purposes, assume a doubling of FTA's annual program funding, but without the requirement for local match for most projects.
3. To avoid delays in grant processing, FTA encourages project sponsors to begin preparing potential grant applications for capital assistance, and provides instructions

The FTA Guidance also recommends actions related to treatment of stimulus projects in the TIP, STIP, and Long Range Transportation Plan; Conformity issues for Attainment and Non-Attainment Areas; DBE Contracting Issues; and Procurement.

FHWA provides information and guidance at: <http://www.fhwa.dot.gov/economicrecovery/index.htm>.