



**U.S. Department
of Transportation**

BUDGET ESTIMATES

FISCAL YEAR 2024

FEDERAL TRANSIT ADMINISTRATION

**SUBMITTED FOR THE USE OF
THE COMMITTEES ON APPROPRIATIONS**

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Section 1 – Overview

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FEDERAL TRANSIT ADMINISTRATION

FY 2024 BUDGET SUBMISSION

Administrator's Overview

The Federal Transit Administration's (FTA) Fiscal Year (FY) 2024 Budget requests **\$17 billion to improve America's communities through public transportation**. The Budget builds on the historic investments authorized in the Bipartisan Infrastructure Law, which provided \$4.3 billion in advance appropriations, bringing the total for transit investments to **\$21.3 billion** in FY 2024. The request supports FTA's ability to fund transit infrastructure enhancements, ensure continued safety and compliance oversight, and provide technical assistance to nearly 4,000 local transit systems that operate buses, subways, light rail, commuter rail, ferries and on-demand service for seniors and individuals with disabilities.

The FY 2024 President's Budget will support safer, faster, more reliable public transportation nationwide. This request will enable transit agencies to carry out major projects to enhance service while reducing greenhouse gas emissions and ensuring equitable access for all.

Today, more than 20 percent of transit revenue vehicles are beyond their useful life benchmarks, and more than 11 percent of transit facilities and buildings need to be replaced or rehabilitated. The FY 2024 request will fund critical repairs and upgrades of stations, vehicles, track, signals, and other infrastructure. These efforts combined with the replacement of diesel transit vehicles with low and zero emission vehicles will help the Nation meeting 2050 emission goals. In addition, the request will provide for technical assistance to improve operations and fund innovative research, demonstration, and deployment of technologies that transform the Nation's public transportation network. By offering more choices for people to connect to jobs, go to school, access healthcare, and see friends and family, transit will make a positive impact on people's lives, improve equity in communities, and address the climate crisis.

The FY 2024 Budget includes:

- **Transit Formula Grants:** The FY 2024 Budget requests **\$14 billion** for Transit Formula Grants as authorized in the Bipartisan Infrastructure Law. The request will support existing core transit programs for capital and planning, operating support, research, technical assistance, and transit data collection. The funding provides critical support to public transportation systems in communities across the United States, the transit industry, and decision makers. It also provides resources to administer and oversee these programs.
- **Capital Investment Grants (CIG):** The FY 2024 Budget requests **\$2.9 billion** for CIG. The request will supplement State, local, and private investment in the construction of major capital projects that provide new and expanded transit service. These project investments support economic growth, affordable transportation choices, and job creation and retention in local communities.
- **Washington Metropolitan Area Transit Authority (WMATA):** Consistent with the Bipartisan Infrastructure Law, **\$150 million** will fund capital projects to help return the existing system to a state of good repair and to improve the safety and reliability of service. WMATA will continue to receive additional funding under FTA's core formula programs.
- **Transit Research:** The Budget requests **\$30 million** to support research, demonstration and deployment projects aimed at transforming transportation networks with safe, low- or no-emission, accessible, and equitable transit options.

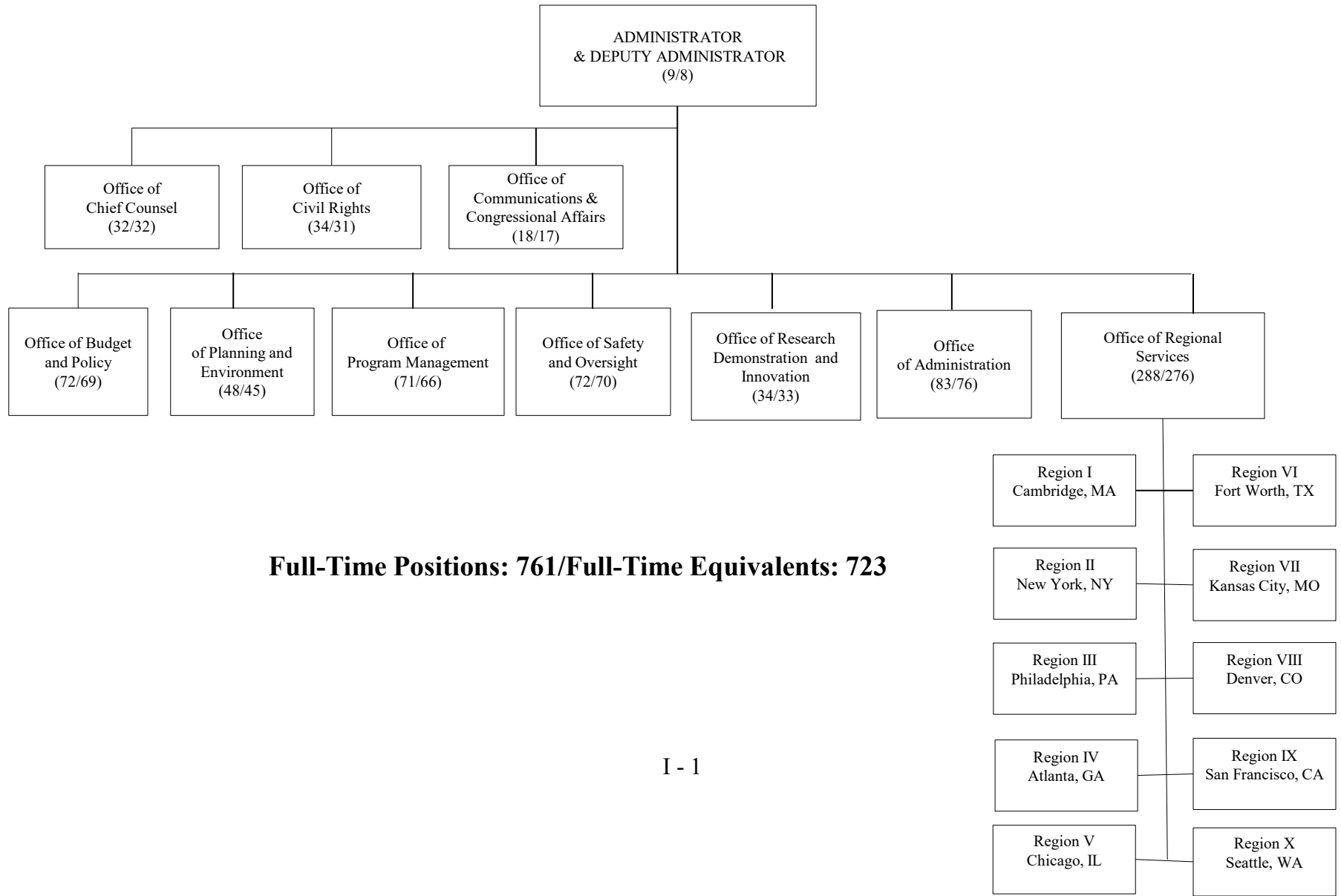
- **Technical Assistance and Training:** The Budget requests **\$8 million** to increase the capacity and capabilities of States and transit agencies to: train, retain, and recruit the workforce to operate and maintain emerging technologies; effectively implement transit programs and meet Federal requirements; and transform transit to meet the mobility, equity, climate, and safety challenges facing communities and the Nation.
- In addition to the FY 2024 Budget request, the Bipartisan Infrastructure Law provides **\$4.3 billion** in Advance Appropriations for FY 2024, including:
 - **\$1.6 billion** to support the Capital Investment Grants (CIG) Program.
 - **\$2.1 billion** to support the following programs: State of Good Repair grants (\$950 million); Low or No Emission grants (\$1.1 billion), and Formula Grants for the Enhanced Mobility of Seniors and Individuals with Disabilities (\$50 million).
 - **\$350 million** to support competitive All Station Accessibility Program grants to State or local government authorities to upgrade the accessibility of legacy rail fixed guideway systems for persons with disabilities, including those who use wheelchairs.
 - **\$50 million** to support grants for the purchase of electric or low-emitting ferries and the electrification of -- or other reduction of emissions from -- existing ferries.
 - **\$200 million** to support competitive grants to States to provide basic essential ferry service in rural communities.

The FY 2024 budget also includes proposals to address specific challenges faced by transit agencies:

- **Providing short-term relief for transit operating shortfalls:** Many of the nation's largest transit providers are facing a major financial crisis in the months ahead. As emergency supplemental funding is depleted and ridership has remained below pre-pandemic levels, the largest urban transit providers -- many of which have historically relied substantially on fare revenue to support operations -- require additional support to address the shortfall. FTA is proposing language that would allow Urbanized Area Formula and Federal Highway Administration program funding that is available to be transferred to be administered by FTA for public transportation projects FTA (Flex Funds) to be used for operating expenses. This will provide transit agencies with additional flexibility to address operating shortfalls.
- **Supporting rural and small operators:** The Enhanced Mobility of Seniors & Individuals with Disabilities and Formula Grants for Rural Areas programs fund critical service for older adults, people with disabilities, and rural populations. Many rural and non-profit transit providers have difficulty meeting local match requirements for these programs. The FY 2024 Budget includes a policy proposal to increase the maximum allowable Federal share to 100 percent for these programs.
- **Enabling acquisition of real property interests:** Purchasing property for operations and maintenance facilities has proven a major challenge for some transit projects as current rules only allow agencies to purchase property in advance of project approval that is within an existing transit corridor. The FY 2024 request includes a proposal that will enable project sponsors to purchase needed properties outside of existing transit corridors, consistent with Federal Highway Administration (FHWA) authorities.

Public transportation in the U.S. faces unprecedented opportunities along with significant challenges. The FY 2024 President's Budget supports transit agencies across the nation with funding and additional flexibilities needed to serve their communities.

FEDERAL TRANSIT ADMINISTRATION
FY 2023 Organizational Chart with
Full-Time Positions (FTP) and Projected Full-Time Equivalents (FTE)



FEDERAL TRANSIT ADMINISTRATION
FY 2024 Organizational Chart with
Full-Time Positions (FTP) and Projected Full-Time Equivalents (FTE)

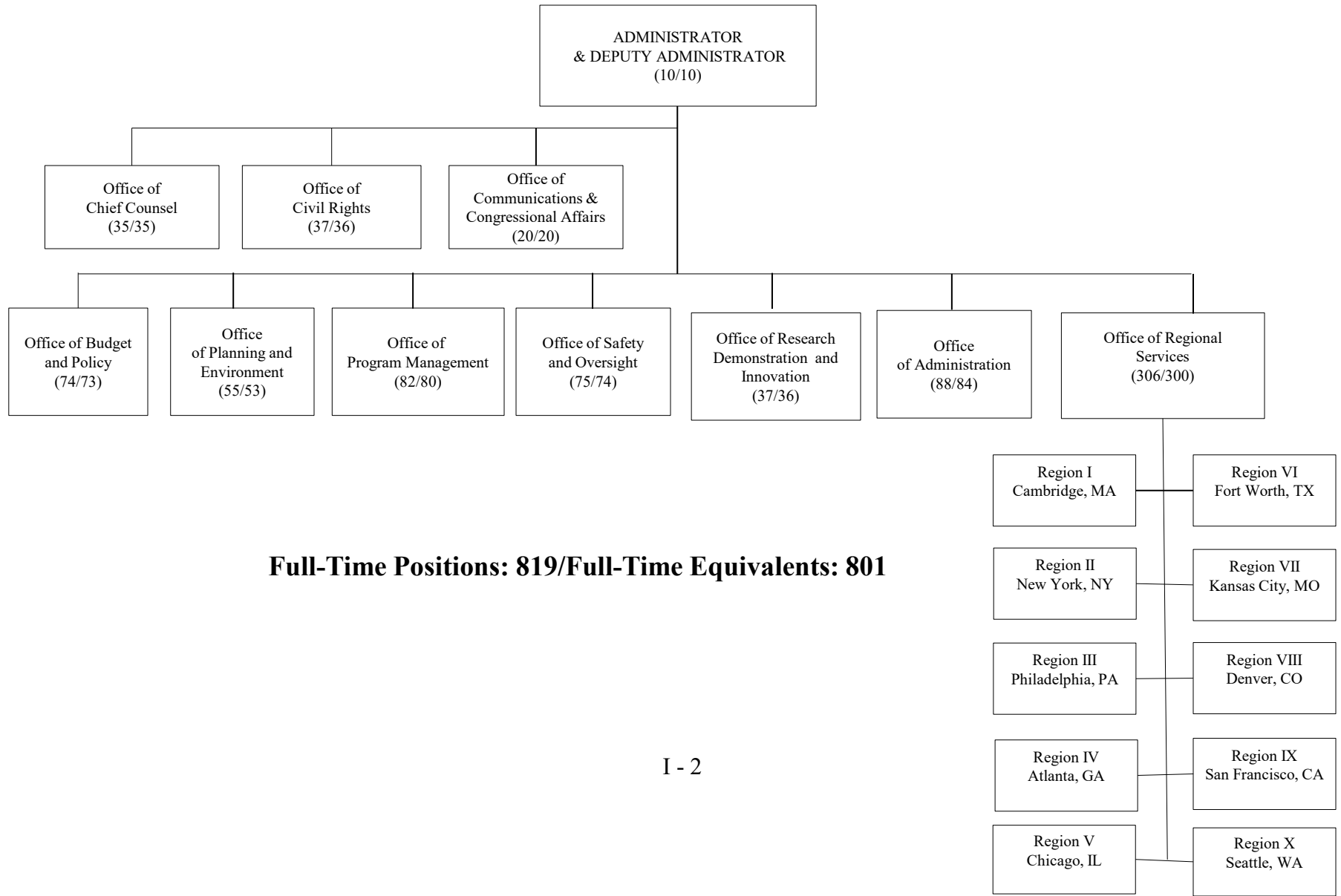


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EXHIBIT II-1
FY 2024 BUDGET AUTHORITY
FEDERAL TRANSIT ADMINISTRATION
(\$000)

ACCOUNT NAME	U.S.C. 49 Chapter 53 Section	M / D	FY 2022 ACTUAL	FY 2023 ENACTED	FY 2024 PRES. BUDGET
Transit Formula Grants (Contract Authority)		M	\$13,355,000	\$13,634,000	\$13,990,000
Transit Oriented Development	2005(b)		\$13,157	\$13,432	\$13,783
Planning Programs	5305		\$184,647	\$188,505	\$193,427
Urbanized Area Formula Grants	5307		\$6,408,288	\$6,542,164	\$6,712,988
Enhanced Mobility of Seniors and Individuals with Disabilities	5310		\$371,247	\$379,003	\$388,899
Pilot Program for Enhanced Mobility	3006 (b)		\$4,605	\$4,701	\$4,824
Formula Grants for Rural Areas	5311		\$875,290	\$893,575	\$916,907
Public Transportation Innovation	5312		\$36,840	\$37,610	\$38,592
Technical Assistance and Workforce Development	5314		\$11,841	\$12,089	\$12,405
Bus Testing Facilities	5318		\$5,000	\$5,104	\$5,237
National Transit Database	5322(d)		\$5,263	\$5,373	\$5,513
State of Good Repair Grants	5337		\$3,515,528	\$3,587,778	\$3,680,934
Buses and Bus Facilities Grants	5339		\$1,051,250	\$1,073,212	\$1,101,235
Growing States and High Density States	5340		\$741,043	\$756,524	\$776,278
Administrative Expenses	5334		\$131,000	\$134,930	\$138,978
Capital Investment Grants (GF) I/		D	\$2,248,000	\$2,210,000	\$2,850,000
New Start	5309(d)		\$1,459,020	\$1,772,900	\$2,711,220
Core Capacity	5309(e)		\$345,000	\$100,000	-
Small Start	5309(h)		\$321,500	\$215,000	\$101,730
Expedited Project delivery pilot program	3005(b)		\$100,000	\$100,000	\$8,550
Oversight			\$22,480	\$22,100	\$28,500
CIG Additional Funding for Existing FFGAs	5309(d)/ 5309(e)	D	-	\$425,000	-
Washington Metropolitan Area Transit Authority (GF)	601, Division B, P.L. 110- 432	D	\$150,000	\$150,000	\$150,000
Technical Assistance and Training (GF)	5314	D	\$7,500	\$7,500	\$8,000
Transit Infrastructure Grants		D	\$504,263	\$541,959	\$0
Ferry Boat	5307(h)		\$6,500	\$15,000	-
Research, Development, Demonstration and Deployment Projects	5312		\$12,000	\$7,000	-
Bus Testing Facility	5318		\$2,000	\$2,000	-
Bus and Bus Facilities Grants	5339(b)		\$175,000	\$90,000	-
Low or No Emission Grants	5339(c)		\$75,000	\$50,000	-
Competitive Grants to Eligible Entities to Assist Areas of Persistent Poverty	6702(a)(1)		\$20,000	-	-
Community Project Funding/Congressionally Directed Spending (Earmarks)			\$200,798	\$360,459	-
Ferry Service for Rural Communities	71103 of Division G		\$12,965	\$17,500	-
Transit Research		D	-	-	\$30,000
Public Transportation Emergency Relief Program		D	\$0	\$213,905	\$0
Gross Budgetary Resources			\$16,264,763	\$17,182,364	\$17,028,000
Rescissions			(\$6,734)	-	-
Transfers: Transit Formula Grants FHWA Flex Funding Offsets			\$1,093,080	\$1,300,000	\$1,300,000
NET NEW BUDGET AUTHORITY REQUESTED:			\$17,351,109	\$18,482,364	\$18,328,000
[Mandatory BA]			\$13,355,000	\$13,634,000	\$13,990,000
[Discretionary BA]			\$2,909,763	\$3,548,364	\$3,038,000
IJA Supplemental (Division J)			\$4,250,000	\$4,250,000	\$4,250,000
Capital Investment Grants I/		D	\$1,600,000	\$1,600,000	\$1,600,000
Transit Infrastructure Grants		D	\$2,050,000	\$2,050,000	\$2,050,000
All Stations Accessibility Program		D	\$350,000	\$350,000	\$350,000
Electric or Low-Emitting Ferry Program		D	\$50,000	\$50,000	\$50,000
Ferry Service for Rural Communities		D	\$200,000	\$200,000	\$200,000
Grand Total, All Appropriations			\$21,601,109	\$22,732,364	\$22,578,000

EXHIBIT II-2
FY 2024 BUDGETARY RESOURCES BY APPROPRIATION ACCOUNT
FEDERAL TRANSIT ADMINISTRATION
Appropriation, Obligation Limitation, and Exempt Obligations
(\$000)

ACCOUNT NAME	U.S.C. 49 Chapter 53 Section	M / D	FY 2022 ACTUAL	FY 2023 ENACTED	FY 2024 PRES. BUDGET
Transit Formula Grants (Contract Authority)		M	\$13,355,000	\$13,634,000	\$13,990,000
Transit Oriented Development	2005(b)		\$13,157	\$13,432	\$13,783
Planning Programs	5305		\$184,647	\$188,505	\$193,427
Urbanized Area Formula Grants	5307		\$6,408,288	\$6,542,164	\$6,712,988
Enhanced Mobility of Seniors and Individuals with Disabilities	5310		\$371,247	\$379,003	\$388,899
Pilot Program for Enhanced Mobility	3006 (b)		\$4,605	\$4,701	\$4,824
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Public Transportation Innovation	5312		\$36,840	\$37,610	\$38,592
Technical Assistance and Workforce Development	5314		\$11,841	\$12,089	\$12,405
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National Transit Database	5322(d)		\$5,263	\$5,373	\$5,513
State of Good Repair Grants	5337		\$3,515,528	\$3,587,778	\$3,680,934
Buses and Bus Facilities Grants	5339		\$1,051,250	\$1,073,212	\$1,101,235
Growing States and High Density States	5340		\$741,043	\$756,524	\$776,278
Administrative Expenses	5334		\$131,000	\$134,930	\$138,978
Capital Investment Grants (GF) 1/		D	\$2,248,000	\$2,210,000	\$2,850,000
New Start	5309(d)		\$1,459,020	\$1,772,900	\$2,711,220
Core Capacity	5309(e)		\$345,000	\$100,000	-
Small Start	5309(h)		\$321,500	\$215,000	\$101,730
Expedited Project delivery pilot program	3005(b)		\$100,000	\$100,000	\$8,550
Oversight			\$22,480	\$22,100	\$28,500
CIG Additional Funding for Existing FFGAs	5309/ 3005(b)	D	-	\$425,000	-
Washington Metropolitan Area Transit Authority (GF)	601, Division B, P.L. 110- 432	D	\$150,000	\$150,000	\$150,000
Technical Assistance and Training (GF)	5314	D	\$7,500	\$7,500	\$8,000
Transit Infrastructure Grants		D	\$504,263	\$541,959	\$0
Ferry Boat	5307(h)		\$6,500	\$15,000	-
Research, Development, Demonstration and Deployment Projects	5312		\$12,000	\$7,000	-
Bus Testing Facility	5318		\$2,000	\$2,000	-
Bus and Bus Facilities Grants	5339(b)		\$175,000	\$90,000	-
Low or No Emission Grants	5339(c)		\$75,000	\$50,000	-
Competitive Grants to Eligible Entities to Assist Areas of Persistent Poverty	6702(a)(1)		\$20,000	-	-
Community Project Funding/Congressionally Directed Spending (Earmarks)			\$200,798	\$360,459	-
Ferry Service for Rural Communities	71103 of division G		\$12,965	\$17,500	-
Transit Research	5312	D	-	-	\$30,000
Public Transportation Emergency Relief Program		D	-	\$213,905	-
TOTAL BASE APPROPRIATION					
Gross Budgetary Resources			\$16,264,763	\$17,182,364	\$17,028,000
Rescissions			(\$6,734)	-	-
Transfers			\$1,093,080	\$1,300,000	\$1,300,000
Offsets					
TOTAL BUDGETARY RESOURCES:			\$17,351,109	\$18,482,364	\$18,328,000
Mandatory			\$13,355,000	\$13,634,000	\$13,990,000
Discretionary			\$3,996,109	\$4,848,364	\$4,338,000
[Obligation Limitation]			[\$14,448,080]	[\$14,934,000]	[\$15,290,000]
Supplemental Funding					
IIJA Supplemental (Division J)		D	\$4,250,000	\$4,250,000	\$4,250,000
Capital Investment Grants 1/			\$1,600,000	\$1,600,000	\$1,600,000
Transit Infrastructure Grants			\$2,050,000	\$2,050,000	\$2,050,000
All Stations Accessibility Program			\$350,000	\$350,000	\$350,000
Electric or Low-Emitting Ferry Program			\$50,000	\$50,000	\$50,000
Ferry Service for Rural Communities			\$200,000	\$200,000	\$200,000
Grand Total, All Appropriations			\$21,601,109	\$22,732,364	\$22,578,000

EXHIBIT II-3
FY 2024 BUDGET REQUEST BY DOT STRATEGIC AND ORGANIZATIONAL GOALS
Appropriations, Obligation Limitation, and Exempt Obligations
FEDERAL TRANSIT ADMINISTRATION
(\$000)

	Safety	Economic Strength	Equity	Climate & Sustainability	Transformation	Organizational Excellence	Total
ACCOUNT/ PROGRAM							
Formula Grants	1,542,892	6,195,295	2,858,904	1,609,400	1,539,770	243,739	13,990,000
Transit Oriented Development	-	-	13,783	-	-	-	13,783
Planning Programs	38,492	38,492	38,492	38,492	38,492	967	193,427
Urbanized Area Formula	1,332,528	1,332,528	1,332,528	1,332,528	1,332,528	50,347	6,712,987
Enhance Mobility of Seniors and Individuals with Disabilities	-	-	386,955	-	-	1,944	388,899
Pilot Program for Enhanced Mobility	-	-	4,824	-	-	-	4,824
Formula Grants for Rural Areas	-	-	912,323	-	-	4,585	916,908
Public Transportation Innovation	11,378	2,225	2,878	6,616	13,494	2,000	38,592
Technical Assistance and Workforce Development	-	6,203	6,203	-	-	-	12,405
Bus Testing Facility	5,238	-	-	-	-	-	5,238
Administrative Expenses	-	-	150	-	-	138,828	138,978
National Transit Database	-	-	5,513	-	-	-	5,513
State of Good Repair Grants	-	3,644,125	-	-	-	36,809	3,680,934
Growing States and High Density States	155,256	155,256	155,256	155,256	155,256	-	776,278
Bus and Bus Facilities Formula Grants	-	1,016,467	-	76,508	-	8,259	1,101,234
Capital Investment Grants	-	940,500	940,500	-	940,500	28,500	2,850,000
WMATA	148,500	-	-	-	-	1,500	150,000
Technical Assistance and Training	-	4,000	4,000	-	-	-	8,000
Transit Research	-	960	7,000	14,116	7,924	-	30,000
IIJA Advance Appropriations	186,200	714,200	1,302,200	1,264,200	714,200	69,000	4,250,000
Capital Investment Grants	-	528,000	528,000	-	528,000	16,000	1,600,000
Transit Infrastructure Grants (State of Good Repair Grants)	186,200	186,200	186,200	186,200	186,200	19,000	950,000
Transit Infrastructure Grants (Low-No Competitive Grants)	-	-	-	1,029,000	-	21,000	1,050,000
Transit Infrastructure Grants (Enhanced Mobility)	-	-	49,000	-	-	1,000	50,000
All Stations Accessibility Program	-	-	343,000	-	-	7,000	350,000
Electric or Low-Emitting Ferry Program	-	-	-	49,000	-	1,000	50,000
Ferry Service for Rural Communities	-	-	196,000	-	-	4,000	200,000
Total	1,877,592	7,854,955	5,112,604	2,887,716	3,202,394	342,739	21,278,000

Excludes Flex funding.

Safety: Make our transportation system safer for all people. Advance a future without transportation-related serious injuries and fatalities.

Economic Strength and Global Competitiveness: Grow an inclusive and sustainable economy. Invest in our transportation system to provide American workers and businesses reliable and efficient access to good-paying jobs, resources, and markets.

Equity: Reduce inequities. Support and engage people and communities to promote safe, affordable, accessible, and multimodal access to opportunities and services while reducing transportation-related disparities, adverse community impacts, and health effects.

Climate & Sustainability: Tackle the climate crisis by ensuring that transportation plays a central role in the solution. Substantially reduce greenhouse gas emissions and transportation-related pollution and build more resilient and sustainable transportation systems to benefit and protect communities.

Transformation: Design for the future. Invest in purpose-driven research and innovation to meet the challenges of the present and modernize a transportation system of the future that serves everyone today and in the decades to come.

Organizational Excellence: Strengthen our world-class organization. Advance the Department's mission by establishing policies, processes, and an inclusive and innovative culture to effectively serve communities and responsibly steward the public's resources.

EXHIBIT II-4
FEDERAL TRANSIT ADMINISTRATION
FY 2024 OUTLAYS
(in millions)

	FY 2022 ACTUAL	FY 2023 ENACTED	FY 2024 PRES. BUDGET
021-36-1120 Administrative Expenses	\$15	\$5	-
021-36-1128 Washington Metropolitan Area Transit Authority	\$157	\$135	\$133
021-36-1129 Formula Grants	\$2	\$3	\$3
021-36-1134 Capital Investment Grants	\$1,695	\$1,794	\$2,142
Infrastructure Investment and Jobs Act	\$0	\$240	\$368
Total	\$1,695	\$2,034	\$2,510
021-36-1137 Transit Research	\$2	\$2	\$9
021-36-1140 Public Transportation Emergency Relief Program	\$533	\$792	\$728
021-36-1142 Technical Assistance and Training	\$5	\$7	\$7
021-36-1144 Electric or Low-Emitting Ferry Program	\$0	\$6	\$15
021-36-1145 Ferry Service for Rural Communities	\$0	\$40	\$100
021-36-1146 All Stations Accessibility Program	\$0	\$42	\$137
021-36-2812 Transit Infrastructure Grants			
Non-Supplemental	\$345	\$287	\$512
Coronavirus Aid, Relief, and Economic Security (CARES) Act, 2020	\$2,253	\$891	\$624
Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, 2021	\$6,629	\$1,440	\$1,008
American Rescue Plan Act, 2021	\$15,235	\$5,769	\$4,038
Infrastructure Investment and Jobs Act	\$237	\$621	\$1,076
Total	\$24,699	\$9,008	\$7,258
021-36-8350 Transit Formula Grants			
Discretionary, Highway	\$893	\$1,374	\$1,402
Discretionary, Mass Transit	\$6,313	\$7,496	\$8,395
Total	\$7,206	\$8,870	\$9,797
TOTAL:	\$34,314	\$20,944	\$20,697

EXHIBIT II-5
SUMMARY OF REQUESTED FUNDING CHANGES FROM FY 2023 to FY 2024
Federal Transit Administration
Transit Formula Grants
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

Baseline Changes												
Account Name: Transit Formula Grants	FY 2022 Enacted	FY 2023 Enacted	Annualization of Prior Pay Raises	Annualization of new 2023 FTE	FY 2024 Pay Raises	Adjustment for Compensable Days (261 days) 2/	GSA Rent	WCF Increase/ Decrease 3/	Inflation and other adjustments to base	FY 2024 Baseline Estimate	Program Increases/ Decreases	FY 2024 Pres. Budget
			4.6%		5.2%							
PERSONNEL RESOURCES (FTE)	1	35	35							35		35
FINANCIAL RESOURCES												
Salaries and Benefits	\$5,727	\$5,941	\$68		\$234	\$24			\$52	\$6,320		\$6,320
FECA (Worker's Compensation)												
Travel												
Training												
Transportation												
GSA Rent												
Communications, & Utilities												
Printing												
Working Capital Fund												
Other Base services												
Transit Subsidy												
Information Technology												
Contracts	\$92,531	\$94,358								\$94,358	\$2,234	\$96,592
Supplies												
Equipment												
Grants	\$13,125,742	\$13,398,771								\$13,398,771	\$349,339	\$13,748,110
Settlements												
Administrative Expenses 1/	\$131,000	\$134,930	\$1,055	\$0	\$3,620	\$373	\$347	-\$50	-\$1,796	\$138,478	\$500	\$138,978
Transit Formula Grants Total	\$13,355,000	\$13,634,000	\$1,124	\$0	\$3,854	\$397	\$347	-\$50	-\$1,745	\$13,637,927	\$352,073	\$13,990,000

1/ Beginning in FY 2022, Administrative Expenses is funded under the Transit Formula Grants account as enacted under the Bipartisan Infrastructure Law. FTEs, Salaries and Expenses, and Contracts included in this exhibit are for oversight only.

2/There are 261 compensable days in FY 2024 vs 260 in FY 2023.

EXHIBIT II-5
SUMMARY OF REQUESTED FUNDING CHANGES FROM FY 2023 to FY 2024
Federal Transit Administration
Administrative Expenses - Transit Formula Grants
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

Account Name: Administrative Expenses	FY 2022 Enacted	FY 2023 Enacted	Baseline Changes							FY 2024 Baseline Estimate	Program Increases/Decreases	FY 2024 Pres. Budget
			Annualization of Prior Pay Raises	Annualization of new 2023 FTE	FY 2024 Pay Raises	Adjustment for Compensable Days (261 days) 2/	GSA Rent	WCF Increase/Decrease 3/	Inflation and other adjustments to base			
			4.6%		5.2%							
PERSONNEL RESOURCES (FTE)												
Direct FTE	516	516								516		516
<u>FINANCIAL RESOURCES</u>												
ADMINISTRATIVE EXPENSES												
Salaries and Benefits	\$88,380	\$91,696	\$1,055		\$3,620	\$373			\$798	\$97,541		\$97,541
FECA (Worker's Compensation)	\$66	\$69							\$3	\$72		\$72
Travel	\$500	\$1,500								\$1,500	\$500	\$2,000
Training	\$2,783	\$2,783							-\$1,569	\$1,214		\$1,214
Transportation	\$141	\$141								\$141		\$141
GSA Rent	\$8,727	\$8,194					\$347			\$8,541		\$8,541
Communications, & Utilities	\$1,061	\$1,061								\$1,061		\$1,061
Printing	\$100	\$100								\$100		\$100
Working Capital Fund	\$0	\$0								\$0		\$0
Other Base services	\$6,677	\$6,602						-\$21		\$6,581		\$6,581
Transit Subsidy	\$628	\$282						\$14		\$296		\$296
Information Technology	\$6,931	\$8,505						-\$28		\$8,477		\$8,477
Contracts	\$14,558	\$12,604							-\$1,043	\$11,561		\$11,561
Supplies	\$149	\$149								\$149		\$149
Equipment	\$199	\$1,144								\$1,144		\$1,144
Grants	\$0	\$0								\$0		\$0
Settlements	\$100	\$100								\$100		\$100
Admin Total	\$131,000	\$134,930	\$1,055	\$0	\$3,620	\$373	\$347	-\$35	-\$1,811	\$138,478	\$500	\$138,978

1/ Beginning in FY 2022, Administrative Expenses is funded under the Transit Formula Grants account as enacted under the Bipartisan Infrastructure Law.

2/There are 261 compensable days in FY 2024 vs 260 in FY 2023.

3/Working Capital Fund costs are estimates. A portion of the Working Capital Fund will be funded by Transit Infrastructure Grants account under Division J.

EXHIBIT II-5
SUMMARY OF REQUESTED FUNDING CHANGES FROM FY 2023 to FY 2024
Federal Transit Administration
Transit Infrastructure Grants
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

Account Name: Transit Infrastructure Grants	FY 2022 Enacted	FY 2023 Enacted	Annualization of Prior Pay Raises	Annualization of new 2023 FTE	FY 2024 Pay Raises	Baseline Changes		WCF Increase/Decrease 2/	Inflation and other adjustments to base	FY 2024 Baseline Estimate	Program Increases/Decreases	FY 2024 Pres. Budget	FY 2024 IIJA Mandatory Supplemental
						Adjustment for Compensable Days (261 days) 1/	GSA Rent						
			4.6%		5.2%								
PERSONNEL RESOURCES (FTE)													
Chapter 53 Admin/Oversight Direct FTE	12	86								86	79		165
FINANCIAL RESOURCES													
Salaries and Benefits	\$4,799	\$16,061	\$185		\$634	\$65			\$0	\$16,945	\$15,505		\$32,450
FECA (Worker's Compensation)	\$86	\$289							\$13	\$302			\$302
Travel		\$464								\$464			\$464
Training		\$1,508							-\$1,258	\$250			\$250
Transportation		\$76							-\$76				
GSA Rent													
Communications, & Utilities		\$575							-\$575				
Printing		\$54							-\$54				
Working Capital Fund													
Other Base services		\$3,498							-\$3,498				
Transit Subsidy													
Information Technology		\$1,998							-\$1,998				
Contracts	\$35,818	\$16,287							-\$8,943	\$7,344			\$7,344
Supplies	\$127	\$81								\$81			\$81
Equipment	\$169	\$109								\$109			\$109
Grants	\$2,009,000	\$2,009,000								\$2,009,000			\$2,009,000
Settlements													
Transit Infrastructure Grants Total	\$2,050,000	\$2,050,000	\$185		\$634	\$65			-\$16,389	\$2,034,495	\$15,505		\$2,050,000

1/There are 260 compensable days in FY 2023 vs 261 in FY 2022.

2/Working Capital Fund costs are estimates.

EXHIBIT II-5
SUMMARY OF REQUESTED FUNDING CHANGES FROM FY 2023 to FY 2024
Federal Transit Administration
Capital Investment Grants
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

Account Name: Capital Investment Grants	FY 2022 Enacted	FY 2023 Enacted	Annualization of Prior Pay Raises	Annualization of new 2023 FTE	FY 2024 Pay Raises	Baseline Changes		WCF Increase/ Decrease	Inflation and other adjustments to base	FY 2024 Baseline Estimate	Program Increases/ Decreases	FY 2024 Pres. Budget
						Adjustment for Compensable Days (261 days)	GSA Rent					
PERSONNEL RESOURCES												
(FTE)												
Direct FTE	-											-
FINANCIAL RESOURCES												
Salaries and Benefits												
FECA (Worker's Compensation)												
Travel												
Training												
Transportation												
GSA Rent												
Communications, & Utilities												
Printing												
Working Capital Fund												
Other Base services												
Transit Subsidy												
Information Technology												
Contracts	\$22,480	\$22,100								\$22,100	6,400	\$28,500
Supplies												
Equipment												
Grants	\$2,225,520	\$2,612,900								\$2,612,900	\$208,600	\$2,821,500
Settlements												
Capital Investment Grants Total	\$2,248,000	\$2,635,000								\$2,635,000	\$215,000	\$2,850,000

EXHIBIT II-5
SUMMARY OF REQUESTED FUNDING CHANGES FROM FY 2023 to FY 2024
Federal Transit Administration
Washington Metropolitan Area Transit Authority
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

Account Name: Washington Metropolitan Area Transit Authority	Baseline Changes											
	FY 2022 Enacted	FY 2023 Enacted	Annualization of Prior Pay Raises	Annualization of new FY 2023 FTE	FY 2024 Pay Raises	Adjustment for Compensable Days (260 days)	GSA Rent	WCF Increase/ Decrease	Inflation and other adjustments to base	FY 2024 Baseline Estimate	Program Increases/ Decreases	FY 2024 Pres. Budget
PERSONNEL RESOURCES (FTE)												
Direct FTE	-											-
<u>FINANCIAL RESOURCES</u>												
Salaries and Benefits												
FECA (Worker's Compensation)												
Travel	\$4	\$4								\$4		\$4
Training												
Transportation												
GSA Rent												
Communications, & Utilities												
Printing												
Working Capital Fund												
Other Base services												
Transit Subsidy												
Information Technology												
Contracts	\$1,496	\$1,496								\$1,496		\$1,496
Supplies												
Equipment												
Grants	\$148,500	\$148,500								\$148,500		\$148,500
Settlements												
WMATA Total	\$150,000	\$150,000								\$150,000		\$150,000

EXHIBIT II-5
SUMMARY OF REQUESTED FUNDING CHANGES FROM FY 2023 to FY 2024
Federal Transit Administration
Ferry Service for Rural Communities - IIJA
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

Account Name: Ferry Service for Rural Communities - ILJA	FY 2022 Enacted	FY 2023 Enacted	Baseline Changes					WCF Increase/Decrease	Inflation and other adjustments to base	FY 2024 Baseline Estimate	Program Increases/Decreases	FY 2024 Pres. Budget	FY 2024 ILJA Mandatory Supplemental
			Annualization of Prior Pay Raises	Annualization of new 2023 FTE	FY 2024 Pay Raises	Adjustment for Compensable Days (260 days)	GSA Rent						
PERSONNEL RESOURCES (FTE)													
Direct FTE	-												-
FINANCIAL RESOURCES													
Salaries and Benefits													
FECA (Worker's Compensation)													
Travel	\$10	\$10								\$10			\$10
Training													
Transportation													
GSA Rent													
Communications, & Utilities													
Printing													
Working Capital Fund													
Other Base services													
Transit Subsidy													
Information Technology										\$1,443	\$1,443		\$1,443
Contracts 1/Supplies	\$3,990	\$3,990								-\$1,443	\$2,547		\$2,547
Equipment													
Grants	\$196,000	\$196,000									\$196,000		\$196,000
Settlements													
Ferry Service for Rural Communities - ILJA Total	\$200,000	\$200,000								\$200,000			\$200,000

1/ Contracts include a \$20 thousand dollar transfer to the Department of Transportation Inspector General from the administration/oversight takedown.

EXHIBIT II-5
SUMMARY OF REQUESTED FUNDING CHANGES FROM FY 2023 to FY 2024
Federal Transit Administration
Capital Investment Grants - IIJA
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

Account Name: Capital Investment Grants - ILJA	FY 2022 Enacted	FY 2023 Enacted	Baseline Changes						Inflation and other adjustments to base	FY 2023 Baseline Estimate	Program Increases/ Decreases	FY 2024 Pres. Budget	FY 2024 ILJA Mandatory Supplemental
			Annualization of Prior Pay Raises	Annualization of new 2023 FTE	FY 2024 Pay Raises	Adjustment for Compensable Days (261 days)	GSA Rent	WCF Increase/ Decrease					
PERSONNEL RESOURCES (FTE)													
Direct FTE	-												-
FINANCIAL RESOURCES													
Salaries and Benefits													
FECA (Worker's Compensation)													
Travel													
Training													
Transportation													
GSA Rent													
Communications, & Utilities													
Printing													
Working Capital Fund													
Other Base services													
Transit Subsidy													
Information Technology													
Contracts	\$16,000	\$16,000								\$16,000			\$16,000
Supplies													
Equipment													
Grants	\$1,584,000	\$1,584,000								\$1,584,000			\$1,584,000
Settlements													
Capital Investment Grants - ILJA													
Total	\$1,600,000	\$1,600,000								\$1,600,000			\$1,600,000

EXHIBIT II-5
SUMMARY OF REQUESTED FUNDING CHANGES FROM FY 2023 to FY 2024
Federal Transit Administration
Electric or Low Emitting Ferry Program- ILJA
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

Account Name: Electric or Low Emitting Ferry Program - IIJA	FY 2022 Enacted	FY 2023 Enacted	Baseline Changes						Inflation and other adjustments to base	FY 2024 Baseline Estimate	Program Increases/ Decreases	FY 2024 Pres. Budget	FY 2024 IIJA Mandatory Supplemental
			Annualizatio n of Prior Pay Raises	Annualizatio n of new 2023 FTE	FY 2024 Pay Raises	Adjustment for Compensable Days (261 days)	GSA Rent	WCF Increase/ Decrease					
PERSONNEL RESOURCES (FTE)													
Direct FTE	-												-
FINANCIAL RESOURCES													
Salaries and Benefits													
FECA (Worker's Compensation)													
Travel	\$10	\$10								\$10			\$10
Training													
Transportation													
GSA Rent													
Communications, & Utilities													
Printing													
Working Capital Fund													
Other Base services													
Transit Subsidy													
Information Technology													
Contracts	\$990	\$990								\$990			\$990
Supplies													
Equipment													
Grants	\$49,000	\$49,000								\$49,000			\$49,000
Settlements													
Electric or Low Emitting Ferry Program - IIJA Total	\$50,000	\$50,000								\$50,000			\$50,000

1/ Contracts include a \$5 thousand dollar transfer to the Department of Transportation Inspector General from the administration/oversight takedown.

EXHIBIT II-5
SUMMARY OF REQUESTED FUNDING CHANGES FROM FY 2023 to FY 2024
Federal Transit Administration
All Stations Accessibility Program - IIJA
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

Account Name: All Stations Accessibility Program - IIJA	FY 2022 Enacted	FY 2023 Enacted	Baseline Changes					WCF Increase/ Decrease	Inflation and other adjustments to base	FY 2024 Baseline Estimate	Program Increases/ Decreases	FY 2024 Pres. Budget	FY 2024 IIJA Mandatory Supplemental
			Annualization of Prior Pay Raises	Annualization of new 2023 FTE	FY 2024 Pay Raises	Adjustment for Compensable Days (260 days)	GSA Rent						
PERSONNEL RESOURCES (FTE)													
Direct FTE	-												-
FINANCIAL RESOURCES													
Salaries and Benefits													
FECA (Worker's Compensation)													
Travel	\$10	\$10								\$10			\$10
Training													
Transportation													
GSA Rent													
Communications, & Utilities													
Printing													
Working Capital Fund													
Other Base services										\$3,699	\$3,699		\$3,699
Transit Subsidy										\$0	\$0		\$0
Information Technology										\$3,285	\$3,285		\$3,285
Contracts 1/ Supplies	\$6,990	\$6,990								-\$6,974	\$16		\$16
Equipment													
Grants	\$343,000	\$343,000									\$343,000		\$343,000
Settlements													
All Stations Accessibility Program - IIJA Total													
	\$350,000	\$350,000								\$10	\$350,010		\$350,010

1/ Contracts include a \$35 thousand dollar transfer to the Department of Transportation Inspector General from the administration/oversight takedown.

EXHIBIT II-5
SUMMARY OF REQUESTED FUNDING CHANGES FROM FY 2023 to FY 2024
Federal Transit Administration
Technical Assistance
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

<div>Baseline Changes</div>												
Account Name: Technical Assistance	FY 2022 Enacted	FY 2023 Enacted	Annualization of Prior Pay Raises	Annualization of new 2023 FTE	FY 2024 Pay Raises	Adjustment for Compensable Days (260 days)	GSA Rent	WCF Increase/Decrease	Inflation and other adjustments to base	FY 2024 Baseline Estimate	Program Increases/Decreases	FY 2024 Pres. Budget
PERSONNEL RESOURCES												
(FTE)												
Direct FTE												
FINANCIAL RESOURCES												
Salaries and Benefits												
FECA (Worker's Compensation)												
Travel												
Training												
Transportation												
GSA Rent												
Communications, & Utilities												
Printing												
Working Capital Fund												
Other Base services												
Transit Subsidy												
Information Technology												
Contracts												
Supplies												
Equipment												
Grants												
Settlements												
Technical Assistance Total												

EXHIBIT II-5
SUMMARY OF REQUESTED FUNDING CHANGES FROM FY 2023 to FY 2024
Federal Transit Administration
Transit Research
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

Account Name: Transit Research	FY 2022 Enacted	FY 2023 Enacted	Annualization of Prior Pay Raises	Annualization of new 2023 FTE	FY 2024 Pay Raises	Baseline Changes			WCF Increase/ Decrease	Inflation and other adjustments to base	FY 2024 Baseline Estimate	Program Increases/ Decreases	FY 2024 Pres. Budget	
						Adjustment for Compensable Days (260 days)	GSA Rent							
PERSONNEL RESOURCES														
(FTE)														
Direct FTE														
FINANCIAL RESOURCES														
Salaries and Benefits														
FECA (Worker's Compensation)														
Travel														
Training														
Transportation														
GSA Rent														
Communications, & Utilities														
Printing														
Working Capital Fund														
Other Base services														
Transit Subsidy														
Information Technology														
Contracts														
Supplies														
Equipment														
Grants														
Settlements														
Transit Infrastructure Grants														
Total														
												\$30,000		\$30,000

EXHIBIT II-6
WORKING CAPITAL FUND
FEDERAL TRANSIT ADMINISTRATION
(\$000)

	FY 2022	FY 2023	FY 2024
	ENACTED	ENACTED	PRES.
	BUDGET		
DIRECT:			
Administrative Expenses	\$14,236	\$15,389	\$15,354
SUBTOTAL	\$14,236	\$15,389	\$15,354
SUPPLEMENTAL FUNDING:			
IIJA Supplemental (Division J)	-	-	-
All Stations Accessibility Program - IIJA	-	-	\$6,984
Ferry Service for Rural Communities - IIJA	-	-	\$1,443
Transit Infrastructure Grants - IIJA	-	\$5,496	-
Total, All Sources	\$14,236	\$20,885	\$23,781

EXHIBIT II-7

**FEDERAL TRANSIT ADMINISTRATION
PERSONNEL RESOURCE -- SUMMARY
TOTAL FULL-TIME EQUIVALENTS**

DIRECT FUNDED BY APPROPRIATION	FY 2022 ACTUAL	FY 2023 ENACTED	FY 2024 PRES. BUDGET
Administrative Expenses	1		
Transit Formula Grants			
<i>Chapter 53 Administrative Budget (TF)</i>	481	516	516
<i>Chapter 53 Oversight Funding (TF)</i>	32	35	35
SUBTOTAL, DIRECT FUNDED	513	551	551
<u>SUPPLEMENTAL FUNDED FTE's</u>			
Public Transportation Emergency Relief	27	26	25
COVID-19 Supplemental funding			
<i>CARES Act, FY 2020</i>	29	50	50
<i>CRRSA Act, 2021</i>	8	10	10
IIJA Supplemental Funding			
<i>Transit Infrastructure Grants - IIJA</i>	12	86	165
SUBTOTAL, SUPPLEMENTAL FUNDED	49	146	225
TOTAL FTEs	590	723	801

EXHIBIT II-8**FEDERAL TRANSIT ADMINISTRATION
PERSONNEL RESOURCE -- SUMMARY
FULL-TIME PERMANENT POSITIONS**

DIRECT FUNDED BY APPROPRIATION	FY 2022 ACTUAL	FY 2023 ENACTED	FY 2024 PRES. BUDGET
Transit Formula Grants			
<i>Chapter 53 Administrative Budget (TF)</i>	461	516	516
<i>Chapter 53 Oversight Funding (TF)</i>	32	35	35
SUBTOTAL, DIRECT FUNDED	493	551	551
<u>SUPPLEMENTAL FUNDED FTE's</u>			
Public Transportation Emergency Relief	28	27	25
<i>COVID-19 Supplemental funding</i>			
CARES Act, FY 2020	41	50	50
CRRSA Act, 2021	9	10	10
<i>IIJA Supplemental Funding</i>			
Transit Infrastructure Grants - IIJA	43	123	183
SUBTOTAL, SUPPLEMENTAL FUNDED	121	210	268
TOTAL FTPs	614	761	819

EXHIBIT IV-1
FY 2024 BUDGET
FEDERAL TRANSIT ADMINISTRATION
RESEARCH, DEVELOPMENT & TECHNOLOGY BUDGET NARRATIVE
(Budget Authority in Thousands)

Program	FY 2022 ENACTED	FY 2023 ENACTED	FY 2024 PRES. BUDGET	Applied	Tech Transfer	Facilities	Experimental Development	Major Equipment, R&D Equipment
PUBLIC TRANSPORTATION INNOVATION								
<i>Mobility Innovation</i>	\$3,672		\$7,116	\$7,116				
<i>Strategic Transit Automation</i>		\$7,000	\$5,000				\$5,000	
<i>Transit Cybersecurity</i>		\$2,000						
<i>Advanced Digital Construction Management</i>								
	\$2,093	\$3,000	\$1,500	\$1,500				
<i>Low No Component Testing 5312(h))</i>	\$5,000	\$5,105	\$5,238				\$5,238	
<i>Small Business Innovation Research Program</i>	\$808	\$825	\$847				\$847	
<i>Infrastructure</i>	\$6,480							
<i>Bus Testing Learning Lab</i>		\$2,000						
<i>Transit Cooperative Research Program (TCRP) 5312(i)</i>	\$6,579	\$6,716	\$6,891	\$6,891				
<i>Safety</i>	\$10,208	\$8,964	\$10,000	\$10,000				
<i>Research to Practice and Dissemination Program (Tech Transfer)</i>	\$2,000	\$2,000	\$2,000		\$2,000			
Subtotal, Transit Formula Grants	\$36,840	\$37,610	\$38,592	\$25,507	\$2,000	\$-	\$11,085	\$-
TRANSIT INFRASTRUCTURE GRANTS								
<i>Small Business Innovative Research</i>	\$384	\$224						
<i>Research - Innovative Mobility Solution</i>	\$968	\$968						
<i>Research - Accelerate Innovative Mobility Initiatives</i>	\$968	\$968						
<i>Research - Accelerate Adoption of Zero Emission Buses</i>	\$9,680	\$4,840						
Subtotal, Transit Infrastructure Grants	\$12,000	\$7,000	\$-	\$-	\$-	\$-	\$-	\$-
TRANSIT RESEARCH								
<i>Research Program</i>								
<i>Mobility NeXt</i>			\$7,924	\$7,924				
<i>Environmental Sustainability and Resiliency</i>			\$5,000	\$5,000				
<i>Transit Defined Systems</i>			\$9,116	\$9,116				
<i>Transit Enhanced Living</i>			\$7,000	\$7,000				
<i>Small Business Innovation Research Program</i>			\$960				\$960	
Subtotal, Transit Research	\$-	\$-	\$30,000	\$29,040	\$-	\$-	\$960	\$-
TOTAL FEDERAL TRANSIT ADMINISTRATION	\$48,840	\$44,610	\$68,592	\$54,547	\$2,000	\$-	\$12,045	\$-

1/ Amounts shown are for planning purposes and may shift based on priorities and needs.

EXH. - IV-1

Exhibit IV-2 FY 2024 Budget Request – RD&T Program Funding by DOT Strategic Goal

**Department of Transportation - FY 2024 Budget
Federal Transit Administration
Research, Development, & Technology Budget
(Budget Authority in Thousands)**

ACCOUNT/PROGRAM	FY 2024 PRES. BUDGET	DOT STRATEGIC GOALS					ORGANIZATIONAL EXCELLENCE
		SAFETY	ECONOMIC STRENGTH	EQUITY	CLIMATE & SUSTAINABILITY	TRANSFORMATION	
Transit Formula Grants (TF)							
<i>Mobility Innovation</i>	\$7,116					\$7,116	
<i>Strategic Transit Automation</i>	\$5,000					\$5,000	
<i>Advanced Digital Construction Management</i>	\$1,500			\$1,500			
<i>Low No Component Testing 5312(h))</i>	\$5,238				\$5,238		
<i>Small Business Innovation Research Program</i>	\$847		\$847				
<i>Transit Cooperative Research Program</i>	\$6,891	\$1,378	\$1,378	\$1,378	\$1,378	\$1,378	
<i>Safety</i>	\$10,000	\$10,000					
<i>Research to Practice and Dissemination Program (Tech Transfer)</i>	\$2,000						\$2,000
Transit Research (GF)							
<i>Mobility NeXt</i>	\$7,924					\$7,924	
<i>Environmental Sustainability and Resiliency</i>	\$5,000				\$5,000		
<i>Transit Defined Systems</i>	\$9,116				\$9,116		
<i>Transit Enhanced Living</i>	\$7,000			\$7,000			
<i>Small Business Innovation Research Program</i>	\$960		\$960				
TOTAL	\$68,592	\$11,378	\$3,185	\$9,878	\$20,732	\$21,418	\$2,000

1/ Amounts shown are for planning purposes and may shift based on priorities and needs.

FY 2024 Budget
Information Technology
Department of Transportation
Federal Transit Administration
Budget Authority
(\$000)

Budget Account	FY 2022 ACTUAL	FY 2023 ENACTED	FY 2024 PRES. BUDGET
<i>Administrative Expenses Funding 1/</i>			
Commodity IT, SS, WCF	\$7,937	\$12,527	\$13,205
Programmatic FTA IT	\$6,551	\$9,648	\$9,923
IT- Other FTA Office Contributions	\$1,380	\$2,490	\$2,332
<i>Oversight Funding</i>			
Programmatic FTA IT	\$18,084	\$21,629	\$19,116
IT- Other FTA Office Contributions	\$207	\$209	\$211
Total	\$34,159	\$46,503	\$44,787

1/ Beginning in FY 2022, Administrative Expenses is funded under the Transit Formula Grants account as enacted under the Bipartisan Infrastructure Law.

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Transit Formula Grants (TFG) Detailed Justification

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Detailed Justification by Program Activity	TFG – 5

**TRANSIT FORMULA GRANTS
(LIQUIDATION OF CONTRACT AUTHORIZATION)**

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

For payment of obligations incurred in the Federal Public Transportation Assistance Program in this account, and for payment of obligations incurred in carrying out the provisions of 49 U.S.C. 5305, 5307, 5310, 5311, 5312, 5314, 5318, 5329(e)(6), 5334, 5335, 5337, 5339, and 5340, [as amended by the Infrastructure Investment and Jobs Act,] section 20005(b) of Public Law 112–141, and section 3006(b) of [the Fixing America's Surface Transportation Act, \$13,634,000,000] **Public Law 114-94, \$13,990,000,000**, to be derived from the Mass Transit Account of the Highway Trust Fund and to remain available until expended: *Provided*, That funds available for the implementation or execution of programs authorized under 49 U.S.C. 5305, 5307, 5310, 5311, 5312, 5314, 5318, 5329(e)(6), 5334, 5335, 5337, 5339, and 5340, [as amended by the Infrastructure Investment and Jobs Act,] section 20005(b) of Public Law 112–141, and section 3006(b) of [the Fixing America's Surface Transportation Act] **Public Law 114-94**, shall not exceed total obligations of [\$13,634,000,000] **\$13,990,000,000** in fiscal year [2023] **2024**. (*Department of Transportation Appropriations Act, 2023.*)

TRANSIT FORMULA GRANTS

PROGRAM AND PERFORMANCE

The 2024 Budget request includes \$14 billion for existing core transit programs, including State and Metropolitan Planning Formula Grants, Urbanized Area Formula Grants, Railcar Replacement Grants, Rural Area Formula Grants, State of Good Repair Formula Grants, Grants for Buses and Bus Facilities, Enhanced Mobility of Seniors and Individuals with Disabilities, State Safety Oversight, Public Transportation Innovation, Technical Assistance and Workforce Development, Bus Testing, the National Transit Database, and Administrative Expenses under the Mass Transit Account of the Highway Trust Fund. These programs support formula and competitive grants, contracts, and cooperative agreements with transit agencies, State departments of transportation, academia, and the private sector. This account also includes support for grant management, project development, technical assistance, program and safety oversight, and core operations.

EXHIBIT III-1
TRANSIT FORMULA GRANTS
Summary by Program Activity
Appropriations, Obligation Limitations, and Exempt Organizations
(\$000)

APPROPRIATIONS TITLE	FY 2022 ENACTED	FY 2023 ENACTED	FY 2024 PRES. BUDGET
Transit Formula Grants (Contract Authority)			
Transit Oriented Development	\$13,157	\$13,432	\$13,783
Planning Programs	\$184,647	\$188,505	\$193,427
Urbanized Area Formula Grants	\$6,408,288	\$6,542,164	\$6,712,988
Enhanced Mobility of Seniors and Individuals with Disabilities Pilot Program for Enhanced Mobility	\$371,247	\$379,003	\$388,899
Formula Grants for Rural Areas	\$4,605	\$4,701	\$4,824
Public Transportation Innovation	\$875,290	\$893,575	\$916,907
Technical Assistance and Workforce Development	\$36,840	\$37,610	\$38,592
Bus Testing Facilities	\$11,841	\$12,089	\$12,405
National Transit Database	\$5,000	\$5,104	\$5,237
State of Good Repair Grants	\$5,263	\$5,373	\$5,513
Buses and Bus Facilities Grants	\$3,515,528	\$3,587,778	\$3,680,934
Growing States and High Density States	\$1,051,250	\$1,073,212	\$1,101,235
Administrative Expenses	\$741,043	\$756,524	\$776,278
Gross Budgetary Resources	\$131,000	\$134,930	\$138,978
Transfers: FHWA Flex Funding	\$13,355,000	\$13,634,000	\$13,990,000
TOTAL, Base appropriations	\$14,448,080	\$14,934,000	\$15,290,000
FTEs			
Administrative Budget (TF)	481	516	516
Oversight Funding (TF)	32	35	35
Subtotal, Direct Funded	513	551	551
IIJA Supplemental (Division J)	N/A	N/A	N/A
TOTAL	\$14,448,080	\$14,934,000	\$15,290,000

DETAILED JUSTIFICATION

TRANSIT FORMULA GRANTS PROGRAMS

The FY 2024 Budget request includes \$14 billion in new contract authority for core FTA grant programs. FTA's core programs support the Secretary's strategic goals of Safety, Economic Strength & Global Competitiveness, Equity, Climate & Sustainability, and Transformation. With the addition of Administrative Expenses to the Transit Formula Account under the Bipartisan Infrastructure Law, this account also supports Organizational Excellence goals.

The Budget request includes an additional \$1.3 billion under this account in estimated "flex funding" transferred from the Federal Highway Administration (FHWA) and to be used for transit projects, bringing the total available in this account to \$15.3 billion in FY 2024.

The FY 2024 budget also includes proposals to address specific challenges faced by transit agencies:

- Many of the nation's largest transit providers are facing a major financial crisis in the months ahead. As emergency supplemental funding is depleted and ridership has remained below pre-pandemic levels, the largest urban transit providers -- many of which have historically relied substantially on fare revenue to support operations -- require additional support to address the shortfall. FTA is proposing language that would allow Urbanized Area Formula and Federal Highway Administration program funding that is available to be transferred to be administered by FTA for public transportation projects FTA (Flex Funds) to be used for operating expenses. This will provide transit agencies with additional flexibility to address operating shortfalls.
- The Enhanced Mobility of Seniors & Individuals with Disabilities and Formula Grants for Rural Areas programs fund critical service for older adults, people with disabilities, and rural populations. Many rural and non-profit transit providers have difficulty meeting local match requirements for these programs. The FY 2024 Budget includes a policy proposal to increase the maximum allowable Federal share to 100 percent for these programs.

Transit Formula Grant funds help ensure that public transportation operates safely, efficiently, and reliably, so that communities can offer balanced transportation choices that help to improve mobility, reduce congestion, and encourage economic development. The formula grant programs provide a comprehensive approach to public transportation investments. Funding for this account will allow FTA to provide planning, capital, and operating assistance that promote the safe and efficient operation and development of public transportation systems. Such systems will serve the mobility needs of citizens, particularly seniors and individuals with disabilities that rely on transit to get to work, medical appointments, and the grocery store.

FTA's core programs support the Secretary's highest priorities --making our public transportation systems safer; growing an inclusive and sustainable economy; reducing inequities across our transportation systems and the communities they affect; tackling the climate crisis with sustainable transportation solutions; and transforming the system with purpose-driven research

and innovation. Through its core formula programs, FTA provides grant assistance, primarily for capital projects, to more than 1,000 direct grantees and 3,000 sub recipients across the country. Grants are used to invest in the basic needs of maintaining and sustaining the nation's \$850 billion in transit capital assets. These funds also support operating assistance for rural and small urban transit systems that rely on FTA funding to provide service and for some small transit systems in large urban areas.

This Budget request, when combined with State and local funding, will help address the nearly \$105 billion backlog of transit assets that are not in a state of good repair.¹ Funding will also improve the safety and reliability of public transportation, ensure sound transportation planning for investments, and provide better access to transit systems for the public, as well as provide better transportation options for senior citizens and individuals with disabilities.

FTA's stakeholders and recipients of the formula grant programs include local, State, public, and private entities that provide transit services across the Nation. Grantees are responsible for maintaining and operating the transit systems for which FTA's formula grants provide capital, and in some instances, operating assistance. To ensure Federal funds are used on sound investments, FTA requires that grantees assume a significant level of responsibility for undertaking comprehensive planning, ensuring safety, and managing their assets consistent with the national transit asset management system.

Public transportation law authorizes grants to urbanized areas (UZAs) for public transportation capital, planning, and job access and reverse commute projects, as well as operating expenses in certain circumstances. These funds constitute a core investment in the enhancement and revitalization of public transportation systems in the nation's approximately 400 Census-designated urbanized areas, which depend on public transportation to improve mobility and reduce congestion. This program also includes \$30 million set-aside in law for a competitive Passenger Ferry Boat program.

In addition, public transportation law continues to support State and transit agencies that serve rural areas and small urbanized areas with populations less than 50,000. The Formula Grants for Rural Areas program provides funding for public transportation capital, planning, job access and reverse commute projects and operating assistance. This funding is apportioned to States to support public transportation in rural areas with populations less than 50,000. The Formula Grants for Rural Areas program includes \$45.8 million set-aside by law for a competitive (\$9.1 million) and formula (\$36.7 million) tribal transit grants program. Also included is \$27.5 million set-aside for the Appalachian Development Public Transportation Assistance Program (ADTAP), which allocates funds by a statutory formula to States in the Appalachian region of the country.

Grantees are also responsible for reporting finance, asset, and ridership data to FTA's National Transit Database, which is used to apportion almost \$10 billion in formula funds, and to evaluate and report to Congress on the condition and performance of the nation's transit system.

¹U.S. Department of Transportation, Federal Highway Administration and Federal Transit Administration, Status of the Nation's Highways, Bridges, and Transit: Conditions & Performance Report to Congress, 24th Edition (Washington, DC: 2021) <https://doi.org/10.21949/1521794>

Additionally, FTA partners with institutions of higher education to develop and conduct industry workforce training and other educational programs for Federal, State, and local transportation employees, and others engaged in public transportation work, through a National Transit Institute.

Within the \$14 billion request is \$38.6 million to support public transportation innovation through research, demonstrations, and deployment of new technologies and best practices on mobility. This includes \$6.9 million to support transportation research conducted by the National Academy of Sciences.

Additionally, the FTA budget request includes two programs focused on addressing the Nation's aging and deteriorating transit infrastructure as authorized in public transportation law: State of Good Repair Formula Grants and formula and competitive Buses and Bus Facilities grants. Specifically, these programs help address an estimated and growing need to repair, rehabilitate, or replace aging public transportation assets. Projects will address the most critical funding needs using a "fix it first" mentality for major FTA competitive awards. Approximately 88 percent of rail assets make up the nearly \$105 billion state of good repair backlog. These assets are in marginal or poor condition requiring either repair or replacement. The FTA will continue to conduct an evaluation of the State of Good Repair (SGR) Formula Grant Program.

This request also supports FTA's State Safety Oversight (SSO) grant program of rail systems. The request for \$50.3 million will allow FTA to continue providing formula funds for SSO programs based on fixed-guideway revenue miles, route miles, and passenger miles. Additionally, Urbanized Area and Rural Area grant recipients may use up to 0.5 percent of their formula funds to pay for up to 80 percent of the cost to participate in the public transportation safety certification training program for SSO agency employees.

The following justification provides more detailed information on FTA's core programs within the Transit Formula Grants account, followed by more detailed information about the oversight and administrative resources necessary to ensure efficient and effective use of program funds.

What is this program and what does this funding level support?

The FY 2024 Budget requests \$14 billion in new contract authority for the Transit Formula Grants programs. Funding will continue to implement programs authorized under public transportation law that provide grants to support capital improvements to our nation's transit infrastructure and, for some rural and small urban transit systems, operating assistance. The FY 2024 program structure includes as authorized under the Bipartisan Infrastructure Law:

Transit Oriented Development. —\$13.8 million. This pilot program funds planning for projects that support transit-oriented development associated with new fixed-guideway and core capacity improvement projects. In FY 2024, the FTA will conduct an evaluation of the pilot program to determine whether the program is meeting its objectives, inform future program decisions, and gather feedback from grantees.

Planning Programs. —\$193.4 million. This funding supports cooperative, continuous, and comprehensive transportation infrastructure investment planning. The program requires that all Metropolitan Planning Organizations (MPOs) and States develop performance-driven, outcome-based transportation plans.

Urbanized Area Formula Grants. —\$6.7 billion. For formula grants to urbanized areas with populations of 50,000 or more. Generally, funds may be used for any transit capital purpose. Operating costs continue to be eligible expenses for all urban areas under 200,000 in population; and, in certain circumstances, operating costs may be eligible expenses to smaller systems in urban areas with populations over 200,000. Urbanized Area grants may also be used to support Job Access and Reverse Commute activities. Additionally, the FTA FY 2024 budget request includes a policy proposal that would allow Urbanized Area Formula funds and flexed Federal-Aid Highway funds to be used for operating expenses to give large transit agencies short-term relief for operating shortfalls, while requiring a maintenance of effort for state and local funding.

According to the most recently published Grant Statistical Summaries, Urbanized Area formula funds were used to purchase 3,807 buses and vans, 1,252 rail vehicles, and one ferry boat, which demonstrates continuous progress towards improving and expanding public transportation services and improving transit infrastructure in America's communities.

State Safety Oversight Program (SSO)—\$50.3 million is requested for this program and is based on a 0.75 percent set-aside authorized within the Urbanized Area Formula program. States with rail systems not regulated by the Federal Railroad Administration (FRA) were required to meet requirements for a SSO program and to be certified by FTA by April 15, 2019. To aid States in maintaining these requirements, funding is provided by a formula developed by FTA based on fixed guideway revenue miles, route miles, and passenger miles. The maximum Federal share for these grants is 80 percent. Funding for this program supports grantees in oversight of the design, construction and operations of the rail transit facilities and equipment to help reduce the risk of accidents, injuries and incidents on rail transit systems through new technologies, procedures, and public education campaigns.

Enhanced Mobility of Seniors and Individuals with Disabilities—\$389 million is requested to enhance the mobility of seniors and persons with disabilities by providing capital and operating funds for programs to serve the special needs of transit-dependent populations beyond traditional

public transportation services, including complementary paratransit services. FTA's most recently published Grant Statistical Summaries reported that grant funding provided through this program supported the purchase of 3,728 buses and 79 vans.

Pilot Program for Enhanced Mobility—\$4.8 million. This pilot program assists in financing innovative projects for the transportation disadvantaged that help improve the coordination of transportation services and non-emergency medical transportation services.

Rural Area Formula Grants—\$916.9 million. This program provides formula grants for 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. Funding may also be used to support intercity bus service and job access and reverse commute projects. Within this amount, \$36.7 million in formula funds and \$9.2 million in competitive grants support the Public Transportation on Indian Reservations program, and \$27.5 million supports the Appalachian Development Public Transportation Assistance Program.

Public Transportation Innovation—\$38.6 million. Of this amount, \$26.5 million provides assistance for projects and activities to advance innovative public transportation research, demonstration, deployment, development and testing, and \$5.2 million is used to evaluate and analyze low or no emission vehicle components intended for use in low or no emission buses. An additional \$6.9 million in funding is provided to the National Academy of Sciences to administer a public transportation cooperative research program.

Technical Assistance and Workforce Development—\$12.4 million. This program enables FTA to provide technical assistance to the public transportation industry and to develop standards and best practices. For example, through the National Center for Mobility Management (NCMM), FTA funding supports enhancing transportation options through e-learning courses, blogs, promotion of management practices, and planning and pilot grants for innovative, community-based transportation solutions. In FY 2022, NCMM had more than 10,000 participants in e-learning classes. Funds are also used to address public transportation workforce needs through the National Transit Institute (\$6.7 million) and for a frontline workforce program to support employment training, outreach to under-represented populations, and training and assistance for veteran and minority business opportunities.

Bus Testing Facility—\$5.2 million is requested for an FTA-funded bus testing facility which has tested 413 buses since its inception and identified almost 8,900 test failures, 41 of which were critical safety hazards. Public transportation law requires all new bus models purchased using FTA funds to be tested on a pass/fail system for compliance with performance standards for safety, structural integrity, reliability, performance (including braking performance), maintainability, emissions, noise, and fuel economy.

National Transit Database (NTD) — \$5.5 million will support FTA's NTD, which is the national database authorized in law for statistics on the transit industry. Approximately 820 transit authorities and 1,340 sub-recipients, primarily in rural areas, file annual reports through this Internet-based reporting system. Each year, performance data reported to the NTD is used to apportion billions of dollars in FTA formula funds to transit agencies.

State of Good Repair Grants—\$3.7 billion is requested for a formula-based capital maintenance program to restore and replace aging transportation infrastructure through reinvestment in existing rail fixed guideway systems and high-intensity motorbus systems. Within this amount, \$300 million is requested for the railcar replacement competitive grant program.

Buses and Bus Facilities Grants—\$1.1 billion is requested for formula funding (\$628 million of the total) and competitive funding (\$465 million of the total), including low or no emission competitive grants (\$75 million) to replace, rehabilitate, purchase, and lease buses and related equipment, and to construct bus-related facilities. Specifically, eligible capital projects include the purchase or lease of buses for fleet and service expansion, bus maintenance and administrative facilities, transfer facilities, bus malls, transportation centers, intermodal terminals, park-and-ride stations, acquisition of replacement vehicles, bus rebuilds, passenger amenities such as passenger shelters and bus stop signs, accessory and miscellaneous equipment such as mobile radio units, supervisory vehicles, fare boxes, computers and shop and garage equipment.

Growing States and High-Density States. —\$776.3 million is allocated between the Urban and Rural Area programs based on the legislative funding formula for this program.

Administrative Expenses – \$139 million will support FTA’s grant management, project development, technical assistance, program and safety oversight, and core operations. These funds will support a highly capable and innovative workforce of 516 full-time equivalents. These employees manage a portfolio of active grants totaling more than \$100 billion. This request will continue to support FTA’s efforts to carry out complex safety and grant management roles, manage project development and delivery, and the support the processing and management of FTA’s annual competitive grant programs.

FY 2023 Anticipated Accomplishments:

FTA expects to accomplish the following activities during FY 2023:

Safety: Surface transportation related fatalities will be reduced by improving safety operations. FTA will continue to work with transit systems through rulemakings, guidance, and by providing technical assistance and training to help them minimize transit-related fatalities and injuries by implementing performance-based safety management systems, promoting the use of public transportation agency safety plans, and certifying State authorities that oversee rail transit systems. Activities include:

- Implement FTA’s safety risk management process to identify safety concerns that contribute to fatalities and injuries, including concerns identified by NTSB recommendations, and implement evidence-based safety risk assessment and mitigation strategies.
- Coordinate and implement the emergency management response for the National Response Program, the Department’s domestic emergency preparedness, response, and recovery program for disasters and crises to communicate transit agency ridership, economic and worker impacts to the Department’s Office of Intelligence, Security and Emergency Response.

- Through the bus compartment redesign program, identify new technologies to increase traveler safety and designs to improve the bus compartments so the program can move to phase II- manufacturer and test the most promising designs.
- Build upon the identified areas of Human Factors research in the Transit COVID-19 Pandemic Response.
- Provide technical assistance to transit agencies to support their recovery from the COVID-19 public health emergency.
- Operate the Public Transportation Agency Safety Plan (PTASP) Technical Assistance Center (TAC) to provide technical assistance and support to transit agencies, ensure compliance with PTASP regulations and the Bipartisan Infrastructure Law through one-on-one support, publish technical assistance materials to FTA's online resource library, conduct agency safety plan voluntary reviews, and host webinars and workshops.
- Deliver safety training, with an increased focus on developing and delivering virtual training solutions.
- Publish Notices of Proposed Rulemaking for the Public Transportation Safety Certification Training Program (49 CFR Part 672), the Public Transportation Agency Safety Plan program (49 CFR Part 673), and the State Safety Oversight program (49 CFR Part 674). FTA will also publish a Notice of Proposed Rulemaking for a new Rail Transit Roadway Worker Protection program and an Advance Notice of Proposed Rulemaking for a new Transit Worker Fitness for Duty program. FTA will also publish the National Public Transportation Safety Plan guidance for notice and comment, followed by the final guidance later in the fiscal year.
- Audit State Safety Oversight Agencies (SSOAs) for compliance with 49 CFR Part 674 and their safety oversight of rail transit agencies.
- Provide technical assistance to support rail transit agency and SSOA compliance with the Public Transportation Safety Certification Training Program.
- Deliver safety training, with an increased focus on developing and delivering virtual training solutions.
- Provide outreach to transit agencies and communities regarding critical safety topics within the transit industry, such as transit worker assault, cybersecurity, human trafficking, and suicide prevention.

Additionally, FTA anticipates publishing multiple final safety rulemakings in FY 2024, including the Public Transportation Safety Certification Training Program (49 CFR Part 672), the Public Transportation Agency Safety Plan program (49 CFR Part 673), the State Safety Oversight program (49 CFR Part 674), and the Rail Transit Roadway Worker Protection program. FTA will also pursue a Notice of Proposed Rulemaking for the new Transit Worker Fitness for Duty program.

Economic Strength and Global Competitiveness: Funding for FTA programs continue to provide for critical improvements to our Nation's transit infrastructure. These programs fund new projects to deliver equitable economic strength and improve core assets through a transformational investment in reducing the \$105 billion transit infrastructure backlog while positioning the nation's transit systems for the future. FTA's oversight and technical assistance programs ensure that projects are planned, executed, and evaluated in a manner which reduces

inefficiency, maximizes resource management, and promotes high-quality development. Planned activities include the following:

- Document program policies and standard operating procedures for FTA's oversight and compliance programs.
- Launch a new performance analysis program to track and measure the effectiveness of oversight review programs.
- Develop a formal technical assistance program for Program Oversight to help build recipient capacity and promote compliance with applicable statutory, regulatory, and administrative requirements.
- Improve major capital project oversight.
- Conduct Quality Assurance reviews as a part of a Performance Analysis program to measure the effectiveness of Program Oversight reviews.
- Create a new roadmap for bus testing that takes into consideration new advanced technologies such as automation that require testing modalities that are not yet in place today.
- Continue to develop new online tools, an enhanced website and registration system, hybrid course delivery, and increased staffing to help expand the number of courses offered and people trained through the National Transit Institute.
- Design an evaluation of the State of Good Repair (SGR) Formula Grant Program, which provides 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.

Climate and Sustainability: FTA's Budget addresses the climate crisis by encouraging transportation options that reduce emissions, enabling more people to choose lower-emissions lifestyle choices, and by making a landmark investment in the energy efficiency of transit systems themselves. In addition, FTA's Budget requests funding for programs that demonstrate and deploy innovative technologies and practices to reduce emissions and improve the resilience of the nation's public transportation systems to climate-related hazards.

- Continue to encourage transitioning from conventional (i.e., diesel and gasoline fueled) vehicles to zero-emission vehicles, such as battery electric and fuel cell electric buses, resulting in an increase in the number of zero-emission bus vehicles in the national transit fleet. The FY 2022 Low or No Emission (Low-No) Grant Program competitive awards will support 1,100 zero-emission buses entering the fleet in future years. In FY 2023, FTA will compete another \$1.2 billion for the program.
- Evaluate unmanned aerial systems (UAS) and robotics to improve transit operations, building upon other modes' experiences and fielding a new innovative research initiative in UAS.
- Invest in improving the efficiency and effectiveness of transit through a new partnership with the Department of Energy (DOE) National Energy Technology Laboratory (NETL), in support of the DOE's Office of Energy Efficiency and Renewable Energy (EERE) Vehicle Technologies Office (VTO).

- Continue promoting the Sustainable Transit for a Healthy Planet Challenge, which encourages transit agencies develop action plans, strategies, and measurable goals to achieve greenhouse gas emission targets. Through FY 2024, FTA’s goal is to increase voluntary participation in the challenge by 25 percent to 250 organizations.

Equity considerations in program administration continue to ensure, “consistent and systematic fair, just, and impartial treatment of all individuals, including individuals who belong to underserved communities, such as Black, Latino, and Indigenous and Native American persons, Asian Americans and Pacific Islanders, and other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons; persons with disabilities; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality,” (Executive Order No. 13895, 2021).

- Formula Grants for Rural Areas provide funding to all 50 States to support public transportation service in rural communities. Funding is available for planning, capital improvements, and operating costs. The program funds are managed by each State, who determine how best to use the funds in their State. Funds are allocated by formula and through competition.
- Tribal Transit Program provides funding for planning, capital, and operating assistance to Federally recognized Tribes in rural areas. There are currently 124 Tribes participating in this program.
- An additional \$16 million is requested for Rural Transportation Assistance, which provides technical assistance to rural transit agencies.

OVERSIGHT PROGRAM
Comparative Summary of Activity
(\$000)

	FY 2022 ENACTED	FY 2023 ENACTED	FY 2024 PRES.BUDGET
Program Level- Oversight	\$124,113	\$124,949	\$134,412
IIJA Supplemental (Division J)	\$16,000	\$16,000	\$16,000
Total	\$140,113	\$140,949	\$150,412
FTEs	33	35	35

The FY 2024 budget requests \$134.4 million for program oversight and administration. FTA is required by law to administer an oversight program to ensure that Federal funds are used cost-effectively and in accordance with applicable laws and regulations. Oversight funding, based on various percentage takedowns (between one-half and one percent) from many FTA programs, pays for contractor support of program-level reviews related to procurement, financial management, safety, civil rights compliance, and grants management practices. In addition, FTA’s oversight program provides key program and project-management oversight on large and complex transit construction projects costing over \$500 million, to ensure the projects stay within scope and on budget. Funding also supports the salaries and benefits of FTA employees performing oversight functions, certain information technology systems, and the delivery of other program administration and mission support activities.

FTA’s FY 2024 oversight funds will address the ongoing oversight responsibilities necessary to support a \$17 billion annual transit program, as well as address the increasingly complex oversight activities required to ensure compliance with FTA’s new safety authority.

The Bipartisan Infrastructure Law maintains the requirement of a safety certification training program for certain public transportation industry employees and in FY 2024 expenses associated with this program and related safety training will be made available with funds authorized under Section 5338(e). Public transportation law authorizes oversight funds to carry out Section 5329 safety responsibilities.

FTA’s Oversight Program, authorized under 49 U.S.C. 5327 and 49 U.S.C. 5338(e), is an integral, critical element of FTA’s efforts to ensure that Federal funds are spent efficiently and effectively, and in accordance with applicable laws and regulations. The Program was initially authorized in FY 1987 to provide FTA with the ability to ensure the effective management and implementation of major capital projects. In recognition that Federal oversight of the transit program was needed for areas beyond major capital projects, the program was expanded in FY 1990 to include "*safety, procurement, management and financial compliance reviews, and audits of any recipient of funds*" under the Federal transit assistance programs.

The Transportation Equity Act for the 21st Century (TEA-21), Sec. 3024, confirmed the importance of the oversight program, extending it to include the authority "*to provide technical assistance to correct deficiencies identified in compliance reviews and audits carried out under this section.*" The Moving Ahead for Progress in the 21st Century Act (MAP-21) continued these authorities and expanded FTA’s oversight authority to include technical assistance to prevent

deficiencies. The Bipartisan Infrastructure Law authorizes oversight funds to carry out Section 5329 safety responsibilities.

Oversight funds are derived from several different authorized percentage takedowns (between one-half and one percent) from the total request of FTA's key grant programs:

- 1 percent from the Capital Investment Grants program total budget request (included in the Capital Investment Grants appropriation account) and
 - 1 percent from the Grants to the Washington Metropolitan Area Transit Authority (WMATA) total budget request (included in the Grants to WMATA appropriation account).
 - 1 percent from the Transit Infrastructure Grants total budget request (included in the Transit Infrastructure Grants appropriation account).
 - Other FTA grant programs with oversight takedowns from the Transit Formula Grants account (taken off the top of the total amount of funding for each program) include:
-

- Urbanized Area Formula Grants - .75 percent
- State of Good Repair Formula Grants – 1.0 percent
- Bus and Bus Facilities Formula Grants - .75 percent
- Bus and Bus Facilities Discretionary Grants - .75 percent
- Planning Programs – .5 percent
- Enhanced Mobility of Seniors and Individuals with Disabilities – .5 percent
- Formula Grants for Rural Areas – .5 percent

With these funds, FTA administers several mission-critical oversight, program administration and mission support activities. In general, FTA's Oversight portfolio of activities include the following areas:

- Project Management Oversight (PMO)
- Management Oversight
- Safety Oversight
- Financial Management Oversight (FMO)
- Procurement Oversight
- Triennial Review (program compliance)

FTA's Project Management Oversight (PMO) program provides project-level oversight of major capital projects. FTA's Management, Safety, Financial Management, Triennial Review and Procurement Oversight activities focus on program-level oversight. Oversight funds are also used to pay the salaries and benefits of the FTA staff that perform oversight activities and for information technology systems used in overseeing FTA grant programs.

FTA is responsible for supporting Transit Safety through fully implementing Safety Management Systems (SMS), Rail Safety Program Planning, State Safety Oversight Program, Drug and Alcohol Compliance/Oversight Program and Compliance Reviews. To support these efforts, FTA developed safety regulations, policy, and guidance, research safety standards, manages a safety certification training program, collects and analyzes safety performance data, implements pilot programs; evaluates safety hazards and risks, and identifies mitigations to decrease the impact from identified safety risks on a transit system's safety performance.

Oversight funds also support contract close out actions and the compliance review program under the Americans with Disabilities Act (ADA). The on-site reviews assess FTA grantees compliance with the ADA regulatory requirements and culminate in a final report with findings and corrective actions. Other on-site reviews support the Title VI of the Civil Rights Act of 1964, the Equal Employment Opportunity program, and the Disadvantaged Business Enterprise program, collectively known as "TED."

Finally, FTA is developing a Safety Risk Management Framework (SRMF) to support its oversight of the Safety Program. The SRMF establishes an on-going program to effectively oversee transit safety risks through a six-step process managed by a FTA Safety Assessment Team, with leadership and oversight provided by an FTA Executive Safety Risk Board (ESRB). The goal of the ESRB is to identify and prioritize safety risks and recommend mitigations or intervention activities from FTA.

FY 2024 Oversight Program Request:

The FY 2024 budget requests \$134.4 million for the portfolio of core oversight activities.

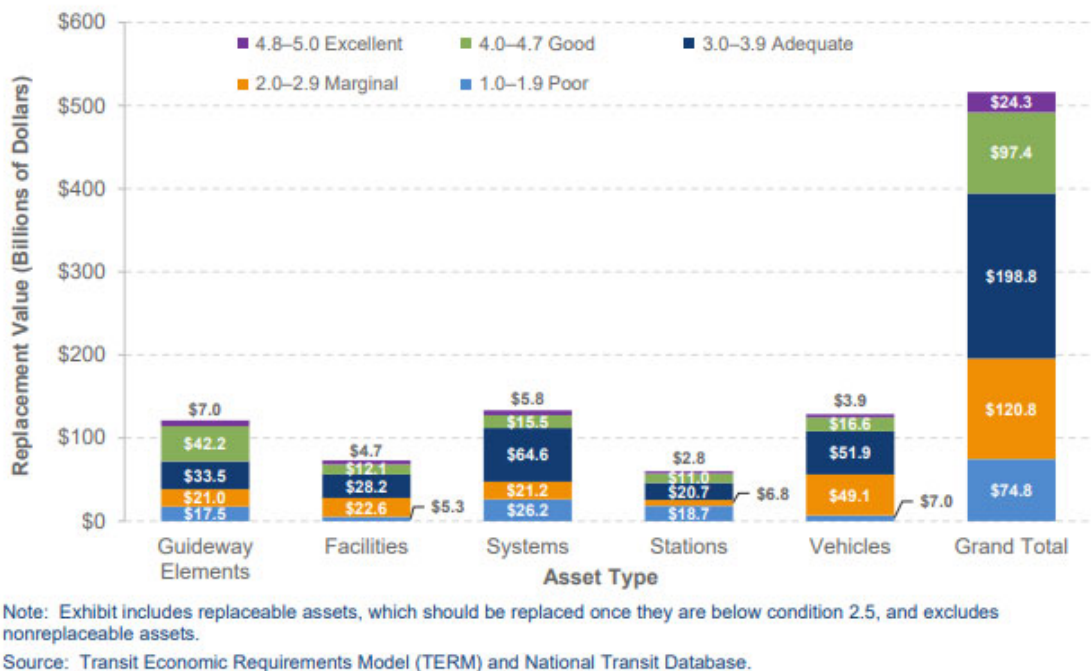
The focus of FTA's oversight activities is to prevent and identify recipients' non-compliance with Federal regulations and guidance and to support the implementation of Federal public transportation programs. FTA has conducted a top-to-bottom review of its overall oversight approach to improve its activities and enforcement tools. This has led to a streamlined oversight program to help address and reduce risks associated with grant programs.

Why is this program necessary and what does this funding level support?

The Transit Formula Grants program is needed to provide continued Federal support for transit agencies to maintain their capital base and provide high-quality, safe, and efficient service to the tens of millions of riders that use transit every day. Virtually all local transit agencies depend on FTA funds as a revenue source for their budgets and many small transit agencies in rural

communities are dependent on FTA operating assistance to provide service. Therefore, the reliability and predictability of FTA formula and bus funds, which comprise nearly 84 percent of FTA’s requested FY 2024 budget, is particularly important to the success of transit systems nationwide.

Distribution of Asset Physical Conditions by Asset Type for All Modes, 2016



Capital assets in marginal and poor condition can lead to poor and unreliable transit service. Bus break downs, elevator and escalator outages, train derailments, and trains operating at slower speeds because of equipment problems are just some of the problems that occur when capital stock is not properly maintained or replaced. The end effect is that riders are inconvenienced, frustrated, and become less willing to choose public transportation because they find it slow, unreliable, or, in the worst conditions, unsafe. As a result of FTA’s Transit Asset Management requirements and technical assistance efforts, transit agencies are able to make informed decisions and FTA is able to track and better account for the condition of transit assets nationwide. FTA’s budget request includes funding to continue to provide resources and technical assistance to transit agencies as they update their asset management plans.

What benefits will be provided to the American public through this request and why is this program necessary?

The Transit Formula Grants program is needed to provide continued Federal support for transit agencies to maintain and improve their capital assets and provide high-quality, safe, and efficient service to the tens of millions of riders that use transit every day. Public transit is one of the

safest modes of transportation, and FTA is committed to making it even safer. Through training, technical assistance, oversight responsibilities, research and other methods, the Transit Formula Grants program will contribute to the Department's high-priority goal of reducing total transit-related fatalities per 100 million vehicle revenue miles.

Public transportation also provides tens of millions of Americans with daily access to jobs, schools, health care, and other essential services, especially in rural areas. The Transit Formula Grants program will continue to use increased funding under the Bipartisan Infrastructure Law to increase the total Federal transit grant dollars announced or allocated for rural or tribal areas (DOT Key Performance Indicator, BIL Key Result). The Transit Formula Grants program will also help transit agencies in more populous, urbanized areas recover from the COVID-19 pandemic and contribute to increasing the frequency of bus service in those areas by 10 percent by 2026 (DOT Key Performance Indicator, BIL Key Result).

Buses provide nearly half of all transit trips in the United States and operate service in nearly every community in the nation. According to the most recent Transit Asset Management (TAM) Snapshot Report, 20.2 percent of transit revenue vehicles are not within their Useful Life Benchmarks and should be replaced or rehabilitated and 11.1 percent of transit facilities and buildings are in less than adequate condition and should be replaced or rehabilitated. The Transit Formula Grants program supports reducing the state of good repairs for both revenue vehicles and transit buildings and facilities (DOT Key Performance Indicators, BIL Key Results). The funding authorized under the Bipartisan Infrastructure Law will help the nation's transit agencies bring their systems into a state of good repair.

FY 2024 – ADMINISTRATIVE EXPENSES
(\$000)

PROGRAM ACTIVITY	FY 2022 ENACTED	FY 2023 ENACTED 1/	FY 2024 REQUEST
Salaries and Expenses	\$88,380	\$91,696	\$97,613
Program Costs	\$42,620	\$43,234	\$41,365
Total	\$131,000	\$134,930	\$138,978
FTEs	481	516	516

1/ Beginning in FY 2022, Administrative Expenses has been funded under the Transit Formula Grants account as enacted under the Bipartisan Infrastructure Law.

The FY 2024 Budget requests \$139 million and 516 full-time equivalents (FTEs), an increase of \$4 million above the FY 2023 enacted level. The changes in the FY 2024 Budget request include:

- An increase of \$1.1 million for annualization of prior year pay raises.
- An increase of \$4 million for FY 2024 includes pay raise and adjustments to compensable days previously funded under other sources. The budget also supports FTA’s safety and grant management roles, program evaluation for the Evidence Act, manage project development and delivery, and the processing and management of FTA’s annual competitive grant programs through Notices of Funding Opportunities (NOFOs).
- A net decrease of \$1 million to Working Capital Fund, GSA rent and other costs. A portion of the Working Capital Fund will be funded by Transit Infrastructure Grants account under Division J.

What is this program and what does this funding level support?

The FTA comprises a national headquarters in Washington, D.C., and 10 regional offices located throughout the United States. The purpose of the Administrative Expenses budget is to provide resources to carry out FTA’s mission to support safe and high-quality public transportation systems that ensure access and mobility to the nation and its citizens. These resources support salaries, benefits, travel, rent, communications, printing, contracts, supplies, equipment and all other administrative and operational costs that allow FTA to manage and oversee approximately \$100 billion in active transit grants annually and achieve its strategic mission. A significant share of the costs for administering these grants are funded from the Administrative Expenses account and represent less than one percent of FTA’s annual budget of over \$17 billion.

FTA program funding supports transit systems through annual grant programs that provide substantial public benefits such as decreasing transit-related fatalities and injuries among passengers and transit workers, reducing the need for more roadway capacity; reducing congestion; and improving mobility and accessibility in rural and urban areas – particularly for low-income populations, the elderly, and individuals with disabilities who rely on public transportation to get to work, school, and medical appointments.

FTA also manages several oversight programs covering transit safety, its many grant programs, more than 1,000 grantees, and thousands of projects, including major capital projects over \$1 billion, as well as mid-size and smaller projects. The FTA's substantial oversight responsibilities and review of several lines of business include the following:

- State Safety Oversight
- Project Management Oversight
- Procurement Oversight
- Financial Oversight
- Triennial Reviews (compliance reviews)
- State Management Reviews
- Procurement System Reviews
- Civil Rights Reviews
- Emergency Relief Program Oversight
- Transit Asset Management
- Transportation Infrastructure Finance and Innovation Act (TIFIA) Program transit loan project review and oversight

To ensure grantees comply with Congressional statutes and Federal regulations, Administrative Expenses resources are crucial to successfully execute the effort each oversight activity requires.

FY 2023 Anticipated Accomplishments

- Continue to administer new grant programs identified under Transit Infrastructure Grants and administer almost \$70 billion in supplemental appropriations provided in response to COVID-19.
- Continue to implement FTA's safety risk management process to identify risk factors that contribute to fatalities and serious injuries and implement evidence-based risk elimination and mitigation strategies.
- Deliver a modernized OTrak system that captures the program oversight process from A-to-Z including direct grantee interface for document collection and findings management.
- Conduct Quality Assurance reviews as a part of a Performance Analysis program to measure the effectiveness of Program Oversight reviews.
- Improve major capital project oversight.
- Reduce the number of inactive grants in FTA's grant portfolio.
- Undertake Before-and-After Studies to document the outcomes of Major Capital Investment Grant projects.
- Publish the second round of state of good repair targets, as well as the actual results for the first round of state of good repair targets.

- Begin identifying data reported to FTA’s National Transit Database related to autonomous vehicles and service related to partnerships with transportation network companies (TNCs) for the first time.

What is this program and what does this funding level support?

The FY 2024 Budget request supports 516 full-time Equivalents (FTE) from the Transit Formula Grants account. FTA’s authorized responsibilities have grown under previous surface transportation authorizations enacted by Congress, along with the increase in appropriated program funding, active and new transit projects, and the number of grants awarded each year. Approximately 70 percent of the \$139 million request supports Personnel Compensation and Benefits (PC&B) costs. PC&B includes regular salaries and benefits paid to full-time, part-time, temporary, and intermittent employees and other costs including: terminal leave; overtime, holiday pay, night pay differential, post differentials, and hazardous duty pay; relocation and other expenses related to a permanent change of station; transit benefits; worker’s compensation payments; and benefits for former officers and employees or their survivors, such as unemployment compensation.

The remaining 30 percent of the administrative budget supports non-personnel costs such as rent, utilities, travel, training, contracts, equipment, supplies, and related expenses. Compulsory costs typically increase annually and include the Working Capital Fund, rent, information technology, printing, contractual services, certain travel expenses for the execution of numerous and extensive program and project oversight reviews, and training to maintain professional certifications and to prepare employees for leadership roles through agency-wide succession planning.

Both the FAST Act and the Bipartisan Infrastructure Law provided new and significantly expanded program authorities that strengthen public transportation safety requirements at the Federal level. These authorities include the issuance of nationwide transit safety directives, restrictions, or prohibitions on operations at unsafe transit agencies and a review and report of the safety standards and protocols used in public transportation systems to examine the effectiveness of existing standards and protocols. The Bipartisan Infrastructure Law continues the focus on urban and rural transit systems nationwide and provides equity in transit investments in the nation’s rural and small urban communities. The FY 2024 budget request is based on continuing these activities while continuing to aggressively address the nation’s nearly \$105 billion State of Good Repair backlog, and the need to improve the performance and reliability of transit systems.

FTA Administrative Expenses (AE) Summary - FY 2022 - FY 2024
(\$000)

Program	FY 2022 ENACTED	FY 2023 ENACTED 1/	FY 2024 PRES. BUDGET
Administrative Expenses (AE)			
Salaries and Benefits	\$88,446	\$91,765	\$97,613
Travel	\$500	\$1,500	\$2,000
Training	\$2,783	\$2,783	\$1,214
Transportation	\$141	\$145	\$141
Rent	\$8,727	\$8,194	\$8,541
Communications & Utilities	\$1,061	\$1,061	\$1,061
Printing	\$100	\$100	\$100
Working Capital Fund	\$14,236	\$15,389	\$15,339
Contracts	\$14,558	\$12,604	\$11,561
Supplies	\$149	\$149	\$149
Equipment	\$199	\$1,144	\$1,144
Settlements	\$100	\$100	\$100
Total	\$131,000	\$134,930	\$138,978
<i>PC&B as a % of total AE</i>	<i>66%</i>	<i>68%</i>	<i>70%</i>
<i>All other costs as a % of total AE</i>	<i>34%</i>	<i>32%</i>	<i>30%</i>

1/ Beginning in FY 2022, Administrative Expenses has been funded under the Transit Formula Grants account as enacted under the Bipartisan Infrastructure Law.

Federal Transit Administration Administrative Expenses

Personnel Compensation and Benefits: \$97,613,000

FTA's relatively small workforce continues to be productive and efficient to keep pace with the increase in responsibilities and requirements of prior Congressional authorizations, the Bipartisan Infrastructure Law, record-high Congressional appropriations, complex requirements for competitive programs, including Capital Investment Grants, and almost \$70 billion in supplemental appropriations in response to COVID-19. FTA's responsibilities have outpaced growth in administrative resources.

For example, with the enactment of the Bipartisan Infrastructure Law, FTA's transit safety oversight responsibilities increased considerably. The number of grant competitions, environmental reviews, capital project applications, and other grant activity and oversight reviews have increased the workload in both headquarters and regional FTA offices. The FY 2024 Budget requests \$96.8 million for salaries and benefits and related expenses for 516 FTEs.

Travel: \$2,000,000

The budget request includes funding to meet the mission-critical travel requirements of successfully overseeing an over \$100 billion portfolio of active grants and FTA-funded major capital projects. Projected mission-critical travel needs have returned to pre-pandemic levels. The FTA staff at headquarters and 10 regional offices make site visits to transit agencies and properties to conduct quarterly reviews, technical assistance, program delivery and oversight activities, such as:

- Capital Investment Grant project development
- TIFIA and RRIF loans
- National Infrastructure Investments (RAISE) grants project development
- State Safety Oversight
- Project Management Oversight
- Procurement Oversight
- Financial Oversight
- Triennial Reviews
- State Management Reviews
- Procurement system Reviews
- Civil Rights Reviews

Travel activities also consist of technical assistance in the planning and management of existing and proposed transit projects, engagement in legal actions, and attendance at quarterly meetings to discuss FTA guidance, policies, and procedures. Many site visits are in rural areas of the country, where transportation options are limited and can be costly.

The FTA is actively taking advantage of information technology to reduce the cost of travel. For example, although video conferencing has been used for meetings between headquarters and regions and regions and transit agencies during the past two years, this technology can only go so

far to meet the needs of the agency and better serve the public. FTA anticipates returning to in-person visits in FY 2024 to carry out quarterly reviews with grantees, planning certifications, triennial reviews, and project and financial management oversight; to participate in technical workshops; and to provide grantmaking assistance to over 1,000 direct grantees and 3,000 sub-recipients nationwide.

Transportation: \$141,000

Funding will provide for the transportation costs of government employees and other persons' possessions while in an authorized travel status, that are to be paid by the government either directly or by reimbursing the persons. This includes both time spent away from official stations, subject to regulations governing civilian and military travel, and local travel and transportation of things in or around the official station of an employee. Transportation of things includes the transportation of government property and employee possessions (e.g., Permanent Change of Station).

Training: \$1,214,000

Funding will be used to support mission-critical employee training and technical workshops where new agency guidance, policies, and procedures are discussed with employees.

GSA Rent: \$8,541,000

Rent costs include payments to the General Services Administration (GSA) and other non-GSA facility managers for the rental of space and rent-related services, as well as physical security improvements required by the Department of Homeland Security. Monthly rent payments for the headquarters building, nine of the ten FTA regional offices, and all associated metropolitan offices are made to GSA. The Boston Regional Office space is rented through the Volpe National Transportation Systems Center.

In addition to Boston, FTA also has regional offices located in New York, Philadelphia, Atlanta, Chicago, Fort Worth, Kansas City, Denver, San Francisco, and Seattle, as well as metropolitan offices in Los Angeles and Washington, D.C.

Communications and Utilities: \$1,061,000

Funding for communications and utilities will provide for postage, contractual mail and messenger services, and rental of postage meter machines. The FTA will review all postal costs to validate the source of the cost and to identify opportunities for future cost avoidance or improvements in service.

Contractual Services: \$11,561,000

The budget request includes contracts that provide acquisition, administrative support, learning and knowledge management, transit asset management, internal control reviews, and various interagency agreements (e.g., Background Investigations with the Office of Personnel Management, Federal Personnel Payroll System with Department of the Interior, and Delphi accounting system support with the Federal Aviation Administration (FAA)).

Printing: \$100,000

The FTA is legally required to publish many of its rulemakings, policy guidance, and decisions in the Federal Register to allow for transparency and public comment. This includes grant announcements, grant apportionments, new rules and regulations, and various other announcements. Since FY 2012, FTA has made a conscious effort to reduce the number of pages printed and directs readers of the Federal Register to the FTA website for many of the supporting documents associated with the publication.

Working Capital Fund: \$15,354,000

Funding will be used to support FTA's contribution to the DOT full range of administrative services and other services that are centrally performed in the interest of economy and efficiency. The Office of the Chief Information Officer (OCIO) will continue to provide FTA Commodity IT shared services.

Supplies and Materials: \$149,000

Supplies and materials covers office supplies, such as pencils, paper, calendar pads, and notebooks for headquarters and regional office staff. Supply funding also covers publications, including periodicals, pamphlets, books, and newspapers.

Equipment: \$1,144,000

Equipment funding will provide for miscellaneous office furniture and fixtures for the FTA headquarters and regional staff.

Administrative Cost Savings Efforts

FTA has operated on a very lean administrative budget for over 10 years. Consequently, the FTA has actively looked for ways to reduce its administrative costs to fund mission-critical activities more efficiently. Below are examples of other cost savings activities undertaken in recent years.

Mission-Critical Travel

While travel is essential for the FTA to carry out core business functions, the FTA has made a concerted effort to limit unnecessary, non-mission-critical travel. FTA has encouraged its program offices to decrease the number of employees attending site visits to the minimum number needed for an effective visit. This has saved the FTA tens of thousands of dollars in travel related to mission-critical activities. Employees are also not allowed to travel to attend optional training, or training that does not contribute directly to the ability to perform important job requirements. For FTA, mission-critical travel includes:

- Site visits to transit properties related to various program oversight reviews and to oversee multi-billion or multi-million dollar projects, which is FTA's top travel priority;

- Participating in important meetings with grantees and project stakeholders to address immediate problems or issues;
- Attending selected workshops where the FTA can discuss guidance, policies, and procedures with a critical mass of stakeholders in a region (such as State transit conferences);
- Attending mission-critical training that enables the FTA employees to perform their core functions and maintain important job-related certifications;
- Travel by the Administrator, Deputy Administrator, and other agency leadership to represent the FTA at important meetings and other official events; and
- Travel necessary for the FTA staff to carry out the agency's core business.

Mission-Critical Training

The FTA places a high priority on training to improve employee productivity and performance. Managers have targeted limited training resources to ensure that staff are receiving only mission-critical training. Employees are not allowed to travel to attend training that does not contribute directly to the enhancement of duties.

Conference and Large Events

The FTA has adopted an internal conference approval policy to ensure effective and efficient spending by closely reviewing all meetings, workshops, and conferences sponsored by the agency or attended by staff. This policy is consistent with OMB and DOT conference guidance and includes using a system that focuses travel resources on high-priority business such as safety, capital project management, and program oversight, with senior officials reviewing and approving all FTA-sponsored conferences/workshops that cost over \$20,000.

Printing

The FTA will continue to control its printing costs by reducing the number of pages published in the Federal Register through posting supporting documents online that are not otherwise required to be published in the Federal Register. For example, the FTA published a 1-2-page notice in the Federal Register and posted additional materials on its website, which saved tens of thousands of dollars in printing costs. The FTA will continue to exercise similar options for its Notices of Funding Opportunity (NOFO), grant announcements, and other required communications. FTA anticipates printing funding apportionments and programmatic guidance updates in FY 2023 and FY 2024. The FTA will use its website to publish tables and related documents to a Federal Register Notice to the fullest extent possible while still complying with its legal requirements for printing various items.

In FY 2024, the FTA plans to continue various desktop printing cost reduction efforts, such as:

- Maintaining the recently implemented switch to password controlled multi-functional printers (MFP) at headquarters, which have been shown to reduce print volumes. For example, unprocessed print jobs are automatically deleted rather than printed.
- Maintaining print management settings default from color to black and white.
- Maintaining print management settings defaults to double-sided.

- Implementing a print management system that eliminates the need for cover sheets.
- Ensuring use of improved sleep-mode for all MFP devices to conserve energy.

Vehicle Fleet

Within its 10-regional office structure, the FTA only maintains three vehicles in high-need regions where it is less expensive to use a vehicle than take air or rail transportation. This represents less than one percent of DOT's total fleet. These are fuel-efficient vehicles, and FTA's FY 2024 goal is to continue to increase the use of alternative fuels in these vehicles.

What benefits will be provided to the American public through this request and why is this program necessary?

FTA program funding supports transit systems through annual grant programs that provide substantial public benefits such as decreasing transit-related fatalities and injuries among passengers and transit workers, reducing the need for more roadway capacity; reducing congestion; and improving mobility and accessibility in rural and urban areas – particularly for low-income populations, the elderly, and disabled individuals who rely on public transportation to get to work, school, and medical appointments. Tens of millions of riders rely on public transportation every day. These resources are critical to FTA's mission to improve public transportation for America's communities.

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Capital Investment Grants (CIG) Detailed Justification

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CAPITAL INVESTMENT GRANTS

For necessary expenses to carry out fixed guideway capital investment grants under section 5309 of title 49, United States Code, and section 3005(b) of the Fixing America's Surface Transportation Act (Public Law 114–94), [\$2,210,000,000] **\$2,850,000,000**, to remain available until expended [; *Provided*, That of the sums appropriated under this heading in this Act—]](1) \$1,772,900,000 shall be available for projects authorized under section 5309(d) of title 49, United States Code; (2) \$100,000,000 shall be available for projects authorized under section 5309(e) of title 49, United States Code; (3) \$215,000,000 shall be available for projects authorized under section 5309(h) of title 49, United States Code; and (4) \$100,000,000 shall be available for projects authorized under section 3005(b) of the Fixing America's Surface Transportation Act: *Provided further*, That the Secretary shall continue to administer the capital investment grants program in accordance with the procedural and substantive requirements of section 5309 of title 49, United States Code, and of section 3005(b) of the Fixing America's Surface Transportation Act: *Provided further*, That projects that receive a grant agreement under the Expedited Project Delivery for Capital Investment Grants Pilot Program under section 3005(b) of the Fixing America's Surface Transportation Act shall be deemed eligible for funding provided for projects under section 5309 of title 49, United States Code, without further evaluation or rating under such section: *Provided further*, That such funding shall not exceed the Federal share under section 3005(b): *Provided further*, That upon submission to the Congress of the fiscal year 2024 President's budget, the Secretary of Transportation shall transmit to Congress the annual report on capital investment grants, including proposed allocations for fiscal year 2024]. (*Department of Transportation Appropriations Act, 2023.*)

EXHIBIT III-1
CAPITAL INVESTMENT GRANTS
Summary by Program Activity
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

	FY 2022 ACTUAL	FY 2023 ENACTED	FY 2024 PRES. BUDGET
Capital Investment Grants	\$2,014,000	\$2,248,000	\$2,850,000
Capital Investment Grants – Existing FFGAs	N/A	\$425,000	N/A
IIJA Supp. Approp.	\$1,600,000	\$1,600,000	\$1,600,000
TOTAL	\$3,614,000	\$4,435,000	\$4,450,000

*This account funds both the Capital Investment Grant and Expedited Project Delivery Pilot Program.

Program and Performance Statement

The Capital Investment Grants (CIG) program supports the construction of new fixed guideway systems or extensions to fixed guideways including, corridor-based bus rapid transit systems and core capacity improvement projects. These projects include heavy rail, light rail, commuter rail, bus rapid transit, and streetcar systems. The Infrastructure Investment Jobs Act provided \$1.6 billion annually for 2022 through 2026 to this account, bringing the total available for this account to \$4.5 billion in 2024.

EXHIBIT III-1a

**CAPITAL INVESTMENT GRANTS
SUMMARY ANALYSIS OF CHANGE FROM FY 2023 TO FY 2024
Appropriations, Obligations, Limitations, and Exempt Obligations
(\$000)**

	Changes from FY 2023 to FY 2024 (FTE)	Changes from FY 2023 to FY 2024 (\$000)
FY 2023 ENACTED	N/A	\$2,210,000
FY 2023 CIG Existing FFGAs	N/A	\$425,000
PROGRAM INCREASES		\$215,000
FY 2024 REQUEST	N/A	\$2,850,000
FY 2024 IJA Supplemental Appropriation		\$1,600,000
TOTAL	N/A	\$4,450,000

*This account funds both the Capital Investment Grant and Expedited Project Delivery Pilot Program.

Detailed Justification for the Capital Investment Grants

FY 2024 – CAPITAL INVESTMENT GRANTS (\$000s)

PROGRAM ACTIVITY	FY 2022 ACTUAL	FY 2023 ENACTED	FY 2024 PRES. BUDGET
Capital Investment Grants	\$2,014,000	\$2,210,000	\$2,850,000
Capital Investment Grants – Existing FFGAs	N/A	\$425,000	N/A
IIJA Supp. Appropriation	\$1,600,000	\$1,600,000	\$1,600,000
TOTALS	\$3,614,000	\$4,235,000	\$4,450,000

*This account funds both the Capital Investment Grant and Expedited Project Delivery Pilot Program.

The FY 2024 Budget requests \$2.85 billion for the CIG and Expedited Project Delivery (EPD) Pilot Programs that when combined with the advanced appropriation of \$1.6 billion from the Infrastructure Investment and Jobs Act, brings the total available in this account to \$4.5 billion in FY 2024 to support the following:

- \$1.19 billion for four existing New Starts Full Funding Grant Agreements;
- \$2.3 billion for six New Starts projects not yet under construction grants;
- \$100 million for other New Starts projects that may become ready for construction funding during FY2024 and/or for planning and design grants for projects in Project Development as allowed by 5309(b)(1);
- \$316.8 million for one Core Capacity project not yet under a construction grant;
- \$339.3 million for six Small Starts projects not yet under construction grants;
- \$167 million for one EPD Pilot Program project not yet under a construction grant in; and
- \$44.5 million for FTA management and oversight (1.0% of the FY 2024 funding level).

What are these programs and what does this funding level support?

The CIG and EPD Pilot Program are competitive discretionary grant programs that fund major transit capital projects including heavy rail, light rail, commuter rail, bus rapid transit, and streetcars.

There are three categories of eligible projects under the CIG program, 49 U.S.C. 5309:

- New Starts -- projects that receive \$150 million or more in CIG funding or have an estimated capital cost equal to or exceeding \$400 million;
- Small Starts -- projects that receive less than \$150 million in CIG funding and have a total estimated capital cost of less than \$400 million; and
- Core Capacity Improvements -- projects that enhance capacity by at least 10 percent in existing fixed-guideway corridors that are at capacity today or will be in 10 years.

The EPD Pilot Program in Section 3005 (b) of the Fixing America's Surface Transportation Act funds projects that utilize public-private partnerships, are seeking up to 25 percent in Federal funds, and are operated and maintained by employees of an existing public transportation provider.

FTA will continue to exercise diligence in administering the CIG and EPD Pilot Program to help ensure that Federal funds go to projects that will use the assistance effectively.

The CIG and EPD Pilot Program funding level proposed in FY 2024 continues to invest in expanding the Nation's infrastructure. These investments meet the goals of:

- Improving access to opportunities for disadvantaged populations through incentives built into the CIG evaluation process that credit projects serving larger transit dependent populations, that are located in corridors with high levels of affordable housing, and that have local plans and policies to encourage additional affordable housing;
- Reducing emissions and improving air quality to address climate change through incentives built into in the CIG evaluation process that promote purchase of green vehicles and construction of green facilities;
- Supporting economic recovery and future growth by investing in construction of expanded and improved transit service; and
- Spurring domestic manufacturing and assembly of the vehicles and component parts under Buy America requirements.

CIG and EPD Pilot Program applicants include State and local governments and transit agencies. FTA performs project oversight to ensure that planning projections are based on realistic assumptions and that design and construction follow acceptable industry practices. The law requires FTA to evaluate and rate proposed CIG projects at specific points during the process against a statutorily defined set of rigorous criteria examining project justification and local financial commitment. The law specifies that CIG projects are not eligible to advance through the steps in the process and receive a construction grant unless they receive a medium or better rating. The law does allow for CIG grants to be awarded for planning and design work, regardless of rating.

FTA does not sign a CIG construction grant agreement for a project until it is satisfied that the project sponsor has the ability to complete the project within the cost estimate and schedule it developed, and that the project sponsor has demonstrated the necessary local financial commitment to construct, operate, and maintain the project in accordance with the terms of the grant agreement.

In evaluating the readiness of a project for a CIG construction grant award, FTA considers the degree of uncertainty underlying the capital cost estimates; any remaining risks inherent in those estimates; the availability of contingency funding to cover any unanticipated cost increases; and any remaining uncertainties regarding the non-CIG sources of funding.

Funding for projects through the CIG and EPD Pilot programs is locked in at a set amount by the construction grant agreement. Any remaining risks inherent in the cost and schedule estimates are borne by the project sponsor. FTA has no liability or obligation to pay for costs exceeding the cost estimate reflected in the signed construction grant agreement.

FY 2023 Anticipated Accomplishments

The FY 2023 appropriation provided \$2.635 billion for the CIG and EPD Pilot Programs. Combined with the \$1.6 billion in FY 2023 supplemental appropriations from the IIJA, this funding supports the following:

- \$2.6 billion for New Starts, which allows FTA to:
 - Fund seven existing New Starts Full Funding Grant Agreements (FFGAs), completing the CIG payments on four of them;
 - Fund three New Starts projects not yet under construction grants including one commuter rail project, one heavy rail project, and one bus rapid transit project that will use low/no emission vehicles buses that reduce emissions; and
 - Fund other New Starts projects that may become ready for a construction grant and/or for planning and design grants for projects in Project Development as allowed by 5309(b)(1).
- \$416.8 million for Core Capacity, providing sufficient funding to complete the CIG payments on the one existing Core Capacity FFGA and fund other Core Capacity projects that may become ready for a construction grant;
- \$425 million for existing New Starts and Core Capacity FFGA's above and beyond the existing CIG amount outlined in the FFGAs;
- \$452.6 million for Small Starts, providing sufficient funding to fund the nine projects proposed, as well as funding for other projects that may become ready for Section 5309 CIG construction funding and/or for planning and design grants for projects in Project Development as allowed by 5309(b)(1);
- \$258.4 million for the EPD Pilot Program; and

- \$38.1 million for oversight (1.0% of the FY 2023 funding level.)

What benefits will be provided to the American public through this request and why are these programs necessary?

During the pandemic, public transit helped essential workers get to and from work and provided a way to deliver vital services and supplies to those in need. The CIG and EPD programs support the nation's economic recovery by providing funding for transit infrastructure, investment, and expansion.

Combined, the CIG and EPD Pilot programs represent one of the largest competitive Federal grant programs. It funds new and extended heavy rail, light rail, commuter rail, bus rapid transit, and streetcar projects and provides for reinvestment in highly successful fixed-guideway transit corridors experiencing capacity constraints.

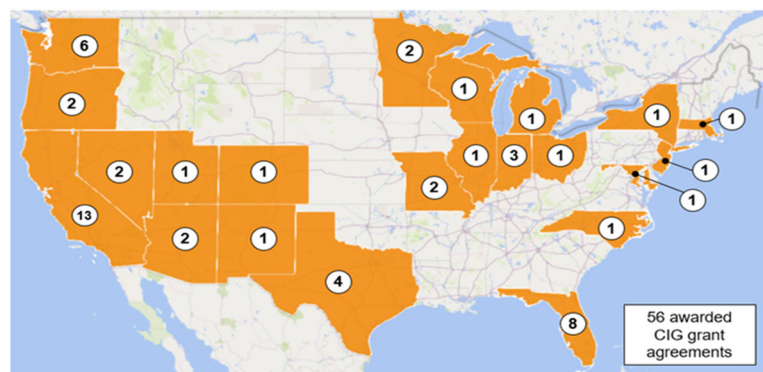
Local project sponsors choose a transit mode and alignment they wish to implement. The sponsors then propose multi-million or -billion-dollar transit projects to FTA for consideration for CIG funding. The project sponsors are required by law to complete a rigorous multi-year, multi-step process to be eligible for a CIG construction grant award. While some projects request a smaller CIG funding level that can be accommodated with a single fiscal year appropriation, others require multiple fiscal year CIG appropriations because of the large amount of CIG funding being requested.

Cities across the nation are benefitting from improved transit service that meets their local preferences whether that is light rail, heavy rail, commuter rail, streetcars, or bus rapid transit.

There are currently more than 60 projects in the CIG program seeking funding, including four under existing construction grant agreements. The number of projects seeking CIG funding has grown significantly, with 34 projects entering the program since the start of calendar year 2021. This is a clear indication of the demand from communities

across the United States for new and expanded transit services.

Awarded CIG Grants 2013 - 2021



PROPOSED FY 2024 FUNDING FOR THE CAPITAL INVESTMENT GRANTS AND EXPEDITED PROJECT DELIVERY PILOT PROGRAM Funding in Millions*		
Existing New Starts FFGAs		
Westside Subway Section 2	Los Angeles, CA	165.0
Westside Subway Section 3	Los Angeles, CA	478.0
Southwest LRT	Minneapolis, MN	291.9
Lynnwood Link Extension	Seattle, WA	250.7
Total for Existing New Starts FFGAs		1,185.6
Proposed New Starts Projects		
Charleston, Lowcountry Rapid Transit	Charleston, SC	100.0
Chicago, Red Line Extension	Chicago, IL	350.0
New York, Second Avenue Subway Phase 2	New York, NY	496.8
Secaucus, Hudson Tunnels	New Jersey – New York	700.0
Houston, University Corridor Bus Rapid Transit Project	Houston, TX	150.0
BART Silicon Valley Phase II Project	Santa Clara, CA	500.0
Funding for Other New Starts Projects That May Become Ready and for Project Development and Engineering Grants		100.0
Total for Proposed New Starts Projects		2,396.8
Proposed Core Capacity Projects		
Salt Lake City, FrontRunner Strategic Double Track Project	Salt Lake City, UT	316.8
Total for Proposed Core Capacity Projects		316.8
Proposed Small Starts Projects		
Denver, East Colfax Avenue BRT	Denver, CO	118.8
Minneapolis, METRO F Line Bus Rapid Transit	Minneapolis, MN	45.3
Monterey SURF! BRT	Monterey, CA	14.0
Raleigh, Wake Bus Rapid Transit: Southern Corridor Project	Raleigh, NC	77.8
Rochester, Rapid Transit	Rochester, MN	28.8
Salt Lake County, Midvalley Connector	Salt Lake County, UT	54.7
Total for Proposed Small Starts Projects		339.3
Proposed Expedited Project Delivery Pilot Program		
Los Angeles East San Fernando Valley Transit Corridor Phase 1	Los Angeles, CA	167.0
Total for EPD Pilot Program		167.0
FTA Oversight (1%)		44.5
GRAND TOTAL		4,450.0

*Totals may not add due to rounding.

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Washington Metropolitan Area Transit Authority (WMATA) Detailed Justification

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GRANTS TO THE WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

For grants to the Washington Metropolitan Area Transit Authority as authorized under section 601 of division B of the Passenger Rail Investment and Improvement Act of 2008 (Public Law 110–432), \$150,000,000, to remain available until expended: *Provided*, That the Secretary of Transportation shall approve grants for capital and preventive maintenance expenditures for the Washington Metropolitan Area Transit Authority only after receiving and reviewing a request for each specific project: *Provided further*, That the Secretary shall determine that the Washington Metropolitan Area Transit Authority has placed the highest priority on those investments that will improve the safety of the system before approving such grants. (*Department of Transportation Appropriations Act, 2023.*)

EXHIBIT III-1
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY
Summary by Program Activity
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

	FY 2022 ENACTED	FY 2023 ENACTED	FY 2024 PRES. BUDGET
Washington Metropolitan Area Transit Authority	\$150,000	\$150,000	\$150,000
TOTAL, Base appropriations	\$150,000	\$150,000	\$150,000
FTEs			
Direct Funded	N/A	N/A	N/A
Washington Metropolitan Area Transit Authority	\$150,000	\$150,000	\$150,000

Program and Performance Statement

This program provides grants to the Washington Metropolitan Area Transit Authority (WMATA) for capital investment and asset rehabilitation activities. The 2024 budget requests \$150 million for capital projects to help return the existing system to a state of good repair and to improve the safety and reliability of service throughout the WMATA system. This funding will support WMATA in addressing ongoing safety deficiencies and improve the reliability of service throughout the Metrorail system.

EXHIBIT III-1a

**WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY
SUMMARY ANALYSIS OF CHANGE FROM FY 2023 TO FY 2024
Appropriations, Obligations, Limitations, and Exempt Obligations
(\$000)**

	<u>(\$000)</u>	<u>FTE</u>
FY 2023 ENACTED	\$150,000	N/A
FY 2024 REQUEST	\$150,000	
TOTAL	\$150,000	

Detailed Justification for the Washington Metropolitan Area Transit Authority

FY 2024 – WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY (\$000)

PROGRAM ACTIVITY	FY 2022 ENACTED	FY 2023 ENACTED	FY 2024 PRES. BUDGET
Washington Metropolitan Area Transit Authority	\$150,000	\$150,000	\$150,000
Advance Appropriation - IIJA	N/A	N/A	N/A
Total	\$150,000	\$150,000	\$150,000

The budget requests \$150 million for WMATA to address capital and preventive maintenance projects. This funding leverages and ensures matching capital funding from WMATA's local compact members – the District of Columbia, the State of Maryland, and the Commonwealth of Virginia. In addition, WMATA will continue to receive additional funding annually under FTA's core formula programs for capital and preventive maintenance to address the state of good repair needs.

The Passenger Rail Investment and Improvement Act of 2008 was amended to authorize \$5.0 million in funding for WMATA's Office of Inspector General, to be transferred each fiscal year as per section 601(f).

What is this program and what does this funding level support?

The Federal Rail Safety Improvements Act, 2008 (P.L. 110-432, Title VI, Sec. 601), provided a 10-year authorization for appropriations along with the Further Consolidated Appropriations Acts of 2020 (P.L. 116-94) and 2021 (P.L. 116-68), for capital and preventive maintenance projects for WMATA. The Federal Rail Safety Improvements Act was reauthorized under the Infrastructure Investment and Jobs Act of 2021, and in recent years has provided \$150 million in funding to WMATA.

Continuing this funding in FY 2024 will help WMATA address its reinvestment and maintenance backlog to improve the safety and reliability of service, ensure WMATA utilizes capital planning procedures aligning strategic goals with transit asset management, and provide funding for a strong and independent Office of Inspector General of WMATA. Funding will provide WMATA with additional Federal funds to be matched by WMATA's local compact members, the District of Columbia, the State of Maryland, and the Commonwealth of Virginia, to make investments that address critical capital and preventive maintenance grants.

The beneficiaries of the program are the system riders – both commuters and visitors to the Nation’s Capital and surrounding areas, who depend on reliable and safe transit service. Many Federal employees receive transit benefits funded by their agency to use the WMATA system. WMATA received \$53 million in fares in FY 2022 from the Federal transit benefit program operated in the National Capital Region.

Since FY 2010, Congress has directed that FTA prioritize this direct funding to first address the immediate safety shortfalls identified by the National Transportation Safety Board (NTSB), which were issued in response to WMATA’s July 2009 deadly rail crash, and place the highest priority on those investments that will improve the safety of the system before approving such grants.

The \$150 million request leverages \$148.5 million (after the statutory reduction of 1%, or \$1.5 million, for Federal oversight) in matching funds by the District of Columbia, the State of Maryland, and the Commonwealth of Virginia. The three jurisdictions have signed on to the terms of the Federal Rail Safety Enhancement Act of 2008, as continued in the Further Consolidated Appropriations Act of 2020, the Consolidated Appropriations Act, 2021, and the Infrastructure Investment and Jobs Act of 2021, which requires that each Federal grant cover no more than 50 percent of net project costs, and that the remaining 50 percent be provided in cash from sources other than Federal funds or revenues from the operation of public mass transportation systems. Without capital reinvestment, transit assets will deteriorate and ultimately affect system safety, reliability, and performance.

FY 2023 anticipated accomplishments

WMATA will continue to work with FTA to develop grant agreements that support ongoing investments to improve the system. FY 2023 funding supports ongoing investments in radio and cellular infrastructure improvement; continuing replacement of Automatic Train Control infrastructure; tunnel water leak mitigation, critical rehabilitation of outdoor platforms; the overhaul and replacement of elevators and escalators; continuing to track component replacement; and railcar renovations focused on safe operations.

What does the FY 2024 funding level support?

As in previous years, FTA will develop a grant agreement with WMATA detailing how the \$150 million in new preventive maintenance and capital funds will be used. FTA will review projects to ensure the investments will improve the safety and reliability of the Metrorail system. Projects expected in FY 2024 could include elevator and escalator rehabilitation, station platform improvement and modernization, tunnel and leak mitigation, emergency ventilation in tunnels and stations, radio infrastructure installation, replacement of Automatic Train Control infrastructure, and other high priority state of good repair initiatives.

What benefits will be provided to the American public through this request and why is this program necessary?

WMATA’s transit services are a critical component of the National Capital Region’s transportation network and a key factor for businesses starting and relocating to the region. Its

capital improvement program is designed to improve rail, bus, and paratransit service to customers.

This funding helps address critical safety and state of good repair needs documented by FTA, NTSB, and the State Safety Oversight Agency (SSOA), including the improved safety of railcars, track infrastructure safety improvements, emergency ventilation in tunnels and stations, radio infrastructure installation, and maintenance and repair of elevated structures. Ongoing platform rehabilitation supports ADA and equity goals by providing level-boarding at station platforms that have severely deteriorated. These projects will improve the effectiveness and efficiency of WMATA railcar service by addressing critical safety and a backlog of repair needs. By continuing to support this program, measurable gains towards safety, equity, and economic recovery will be achieved.

A continued commitment to ensure a sustainable, safe, equitable and reliable transit infrastructure allows WMATA to stand behind its commitment to social equity in transit access across all areas of business.

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Transit Research (TR) Detailed Justification

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TRANSIT RESEARCH

For necessary expenses to carry out section 5312 of title 49, United States Code, \$30,000,000, to remain available until expended: *Provided*, That such amounts are in addition to other amounts made available for such purposes and shall not be subject to any limitation on obligations for transit programs set forth in this or any other Act.

EXHIBIT III-1
TECHNICAL ASSISTANCE AND TRAINING
Summary by Program Activity
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

APPROPRIATIONS TITLE	FY 2022 ENACTED	FY 2023 ENACTED	FY 2024 PRES. BUDGET
Transit Research Program	\$0	\$0	\$30,000
TOTAL, Base appropriations	\$0	\$0	\$30,000
FTEs			
Direct Funded	N/A	N/A	N/A
TOTAL	\$-	\$-	\$30,000

Program and Performance Statement:

Transit Research provides funding to support research, demonstration and deployment projects that will leverage new mobility trends in a post-COVID world, accelerate the adoption of zero-emission buses in public transportation, and advance transit safety innovation research. The 2024 Budget requests \$30 million.

EXHIBIT III-1a

TRANSIT RESEARCH

SUMMARY ANALYSIS OF CHANGE FROM FY 2023 TO FY 2024

**Appropriations, Obligation Limitations, and Exempt Organizations
(\$000)**

	<u>(\$000)</u>	<u>FTE</u>
FY 2023 ENACTED	\$0	N/A
FY 2024 REQUEST	\$30,000	

Detailed Justification for the Transit Research Program

FY 2024 – TRANSIT RESEARCH – BUDGET REQUEST (\$000)

PROGRAM ACTIVITY	FY 2022 ACTUAL	FY 2023 ENACTED	FY 2024 PRES.BUDGET
Transit Research	\$0	\$30,000	\$30,000
Advance Appropriation - IJJA	N/A	N/A	N/A
TOTAL	\$0	\$30,000	\$30,000

What is this program and what does this funding level support?

The FY 2024 Budget requests \$30 million in General Funds to support Public Transportation Innovation in the following key areas:

- \$9.1 million for Transit Defined Systems, which will support the development of smart systems that enhance transit rider experience and accessibility through innovations and emerging technologies research in support of sustainability and transformation.
- \$7.9 million for the Mobility NeXt program, which builds on today's innovations to advance carefree mobility for all. The next generation of cross-modal, cross-industry, and cross-disciplinary mobility solutions encompasses smart operations, tools, travelers, and partnerships to advance new models of transportation and achieve equitable, accessible, and climate-smart mobility outcomes.
- \$7 million for Transit Enhanced Living, which supports research, human-centered design, and experimentation that strengthen the central role mobility plays in health, income, opportunity, and quality of life.
- \$5 million for Environmental Sustainability and Resilience, a zero-emission and asset management research program that addresses DOT's climate change, transformation, and economic growth strategic goals by improving the management of core assets, accelerating the adoption of zero-emission buses and associated electrification infrastructure, increasing system resiliency, and decreasing emissions from the transport sector.

These innovative research programs address the most pressing needs in transit systems today and support DOT's strategic priorities:

- **Climate & Sustainability:** Protecting the Earth, and our children, from pollution, keeping our air and our water cleaner by replacing buses and ferries with cleaner, greener vehicles.
- **Transformation:** Fostering breakthrough discoveries, identifying innovations, and working with diverse stakeholders to share practices and accelerate adoptions of innovations in the transit industry.

- **Equity:** Investing millions to upgrade transit stations to ensure that everyone can ride. We will also bring better transit to communities that have long had more limited access.

FTA’s research program improves America’s communities through public transportation by accelerating innovation that improves people’s mobility, enhances public transportation operations, fosters clean energy, and ensures everyone’s safety. Through research, FTA supports foundational research, prototyping, and proof-of-concept demonstrations for wide-scale deployment. The program works to improve public transportation to be the mode of choice for a significant share of trips in urban areas and for providing connectivity that is both efficient and empowering for members of rural and tribal communities.

FTA accomplishes its research program objectives collaboratively. Internally, FTA partners with the Office of the Assistant Secretary for Research and Technology, other DOT modes, the Joint Program Office, the Volpe Center, and the Bureau of Transportation Statistics. External research partners include transit agencies, nonprofits, universities, transportation industry associations, private sector organizations, and other local/state/Federal government entities. FTA’s research program has provided over 200 reports on its public website, resulted in updated guidance for grantees, and supported transit innovation.

Examples of FY 2022 projects include enhancing the use of flex funding, addressing mobility insecurity, safety applications of Automated Driver Assistance Systems for transit buses, exploring the use of Unmanned Aircraft Systems in transit, and cybersecurity research for transit agencies. The FY 2023 program builds on FY 2022 by supporting activities that work to:

- Make transit systems safer by assessing challenges and gaps, enhancing automation, understanding human factors, and identifying cybersecurity solutions and risks,
- Contribute to 2050 zero-emission goals by developing and demonstrating prototypes and operational solutions that enable transit operators to accelerate adoption of zero-emission buses and electrification infrastructure to reduce emissions,
- Enhance equity and accessibility of transit by developing a mobility strategic plan and innovation community of practice; supporting data analytics and technological solutions; and funding demonstrations that explore and test smart operations, traveler tools, and advanced mobility strategies.

What are these Programs and what does this funding level support?

The \$30 million General Fund investment will support the following key areas:

Transit Defined Systems (\$9.1 million)

In FY 2024, FTA will create a new program to purpose-build and purpose-design systems and vehicles that enhance transit rider experience and transit accessibility across different user populations and communities. With a focus on innovation and emerging technology to create smart

systems designed for transit use, funds will support work on new vehicle form factors, systems, and diagnostics; battery chemistry and recycling; hydrogen infrastructure and distribution; and smart systems.

Major Program Objectives:

- To conduct purpose-driven research and innovation to modernize transit systems.
- To foster sustainable and resilient systems for transit vehicles and assets that are carbon neutral by 2050.

Anticipated Program Activities:

Learning Laboratory: Continue work to establish a learning laboratory focused on researching and developing energy technology systems.

Transit Battery and Drive System Research: Develop next generation batteries with improved lifespan, safety, and affordability for transit vehicles that support vehicles with higher power density and have more recycling options.

Transit Chassis Equity: Support the design, prototype, and demonstration of transit chassis with a lower floor platform that supports varying battery and vehicle types, travelers, and communities.

Mobility NeXt (\$7.9 million)

In FY 2024, FTA's Mobility NeXt program will continue to focus on uncovering the NeXt iteration of the most promising technologies, practices, and strategies to accelerate public transportation transformation – preparing for the future. The program will continue to seek opportunities to mobilize Federal and private sector investments in mobility research to advance new mobility concepts, technologies, and solutions. This program supports the DOT strategic goals of transformation and equity.

Program Objectives:

- Enhance mobility for the traveling public by researching and demonstrating technology that connects modes of transportation, responds to changing travel demand and conditions to meet traveler expectations, and transforms data exchange tools for transit providers.
- Improve personal, optimized, environmentally sensitive mobility choices through technology and policy tools by improving our understanding of traveler behaviors.

Anticipated Program Activities:

Mobility NeXt Enabling Research: Continue exploratory research on transformational mobility data analytics and technological solutions that enable smart transit operations through integrated mobility, and smart travelers through personalized mobility.

Mobility NeXt Demonstration: Prepare for demonstrations of public transportation transformation, while achieving climate and equitable mobility outcomes.

Community of Practice: Foster collaboration and knowledge-sharing of innovations that improve transit equity, efficiency, and effectiveness among public and private stakeholders.

These activities will help FTA implement Executive Order 13985, *Advancing Racial Equity and Support for Underserved Communities Through the Federal Government* and support the Administration's goals of rebalancing investments to meet racial equity, economic inclusion, transformation, and "future proofing."

Transit Enhanced Living (\$7 million)

In FY 2024, FTA plans to launch the Transit Enhanced Living (TEL) research program that will focus on the connections between mobility and life outcomes including health, income, and opportunity. The program will help inform policy decisions so that mobility enables improved quality of life for everyone. Through TEL, FTA will support foundational research, human-centered designs, and experimentations to support innovative collaborations among local and regional stakeholders, such as local public transit providers, community development organizations, small businesses, regional health and human service and economic development agencies. The program will ensure inclusive mobility is an integral part of local community-designed strategies, such as Small Area Plans (SAPs).

Major Program Objectives:

- To establish a framework to study and inform policy discussions to use mobility as an enabler to improve quality of life for everyone.
- To promote awareness and understanding of the interdependency between mobility (DOT) and other relevant government functions (non-DOT) such as housing, food, health and human services, education, labor, etc.
- To design and conduct experiments and assess technical, institutional, and regulatory feasibilities and impacts of various enabling technologies and innovative policy tools and practices on mobility and life outcomes.
- To facilitate widespread deployment of proven solutions.

Anticipated Program Activities:

Anticipated program activities during the inaugural year (FY 2024) include developing a comprehensive research program plan with extensive stakeholder involvement, convening and/or leveraging existing Federal interagency working group, producing a context diagram that aids visualization and communication of interconnections between mobility and various life functions, and the initial development of modeling capability to allow rapid impacts estimation of innovative mobility solutions and policy interventions.

Environmental Sustainability and Resiliency (\$5 million)

In FY 2024, this program will modernize infrastructure and field climate solutions through innovative research investments that support the transition to carbon-neutral transit fleets. The program will build from lessons learned in FY 2023. The Environmental Sustainability and Resiliency program supports the Department's climate solutions and economic growth strategic goals.

Program Objectives:

- Develop and review zero-emissions transition needs for transit agencies and research solutions to enhance operations such as new route-planning, optimizing charging costs and utility partnerships, and define next steps to transition to zero-emissions fleets by 2050.
- Attract new riders and further reduce emissions from transit.

Anticipated Program Activities:

Transit Electrification: Develop and refine user scenarios into concepts of operation, prototype development, testing and demonstration on novel ways to charge and optimize charging costs and operations. Identify recommendations, next steps and actions from the policy and institutional barriers study for transit fleet transition to battery electric and hydrogen fuel cell no emission buses including common vehicle specification and procurement for large, small, and rural transit agencies.

These priorities will help further Executive Order 14008, *Tackling the Climate Crisis at Home and Abroad*. The research activities will support the Department's goals of climate and resilience as well as equitable economic strength and improving core assets.

Small Business Innovation Research (SBIR) (3.2% of the total request)

A portion of the request will be dedicated to support U.S. small businesses as they explore technological projects with the potential for commercialization. The purpose of the SBIR program is to support scientific excellence and technological innovation through the investment of Federal research funds in critical American priorities to build a strong national economy. The program was established to stimulate technological innovation; meet Federal research and development needs; foster and encourage participation in innovation and entrepreneurship by women and socially or economically disadvantaged persons; and increase private-sector commercialization of innovations derived from federal research and development funding. FTA selects topics for SBIR projects related to the Administration's goal to grow U.S. based businesses in key markets associated with achieving zero-emissions in public transportation and address economic equity by supporting small businesses in historically disadvantaged communities.

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Technical Assistance, Workforce and Training (TA) Detailed Justification

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TECHNICAL ASSISTANCE AND TRAINING

For necessary expenses to carry out section 5314 of title 49, United States Code, [\$7,500,000] **\$8,000,000**, to remain available until September 30, [2024]**2025**: *Provided*, That the assistance provided under this heading does not duplicate the activities of section 5311(b) or section 5312 of title 49, United States Code: *Provided further*, That amounts made available under this heading are in addition to any other amounts made available for such purposes: *Provided further*, That amounts made available under this heading shall not be subject to any limitation on obligations set forth in this or any other Act. (*Department of Transportation Appropriations Act, 2023.*)

EXHIBIT III-1
TECHNICAL ASSISTANCE AND TRAINING
Summary by Program Activity
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

APPROPRIATIONS TITLE	FY 2022 ENACTED	FY 2023 ENACTED	FY 2024 PRES. BUDGET
Technical Assistance and Training	\$7,500	\$7,500	\$8,000
TOTAL, Base appropriations	\$7,500	\$7,500	\$8,000
FTEs			
Direct Funded	N/A	N/A	N/A
TOTAL	\$7,500	\$7,500	\$8,000

Program and Performance Statement:

The Budget requests \$8 million for technical assistance and training activities. These funds will increase the capacity and capabilities of States and transit agencies to attract and retain the next generation of the transit workforce, effectively implement transit programs and meet Federal requirements, and transform transit to meet the mobility, equity, climate, and safety challenges facing communities and the Nation.

EXHIBIT III-1a

**TECHNICAL ASSISTANCE AND TRAINING
SUMMARY ANALYSIS OF CHANGE FROM FY 2023 TO FY 2024
Appropriations, Obligations, Limitations, and Exempt Obligations
(\$000)**

	<u>(\$000)</u>	<u>(FTE)</u>
FY 2023 ENACTED	\$7,500	N/A
PROGRAM INCREASE	<u>\$500</u>	
FY 2024 REQUEST	\$8,000	
TOTAL	\$8,000	

Detailed Justification for the Technical Assistance Program

What is the Request and What Funds are Currently Spent on the Program?

FY 2024 – TECHNICAL ASSISTANCE AND TRAINING – BUDGET REQUEST (\$000)

PROGRAM ACTIVITY	FY 2022 ENACTED	FY 2023 ENACTED	FY 2024 PRES. BUDGET
Technical Assistance and Training	\$7,500	\$7,500	\$8,000
Advance Appropriation - IIJA	N/A	N/A	N/A
TOTAL	\$7,500	\$7,500	\$8,000

For FY 2024, FTA is requesting \$8 million for technical assistance and workforce programs and projects working closely with public transportation agencies and nonprofit cooperative agreement partners.

What is this program and what does this funding level support?

Through partnerships with national nonprofit organizations, FTA provides technical assistance, develops voluntary and consensus-based standards, and compiles best practices to share with transit agencies. Work focuses on topics such as transportation for people with disabilities and older adults, workforce development, safety, accessibility, environmental planning and assessment, and mobility management. Through Technical Assistance and Training funding, FTA has supported a new Transit Workforce Center, Rural and Small Urban Transit Applied Technology Technical Assistance Center, the National Center for Applied Transit Technology, the National Aging and Disability Transportation Center, and the National Center for Mobility Management. FTA has also supported the development and dissemination of standards for priority areas such as safety and operational mobility and technology.

The FY 2024 General Fund request for Technical Assistance will enable FTA to continue support for existing and new technical assistance activities that provide essential support to transit agencies in key areas such as accessibility, equitable services, mobility services, safety, environmental resilience, and workforce development. Funding supports:

- The Transit Workforce Center (TWC) was launched in FY 2022. The center supports public transit workforce development and has a mission to assist the transit industry as it recruits, hires, trains, and retains the workforce needed today and in the future. In FY 2022, the Center resolved over 100 technical assistance requests from transit entities, unions, original equipment manufacturers, state transit associations, and others. In FY 2023, the Center plans to assist with another 150 targeted technical assistance requests; host webinars; host a conference for urban, suburban, rural, and tribal transit and industry stakeholders. In FY 2024, TWC will continue efforts to assist the industry's efforts to retain, recruit, reskill, and upskill transit staff on the use

of advanced technologies, such as operating and maintaining climate-friendly, low- and zero-emission vehicles as well as traditional transit roles. This becomes more critical as public transportation agencies face significant retirements.

- Technical assistance to small-urban, rural, and tribal public transportation providers with the goal of helping these providers use technology to make transit systems more efficient. The National Center for Applied Transit Technology (N-CATT) is developing resources for emerging and available technologies; identifying and promoting promising practices; encouraging peer-to-peer learning and providing direct technical assistance at the state and local level. In FY 2024, N-CATT plans to provide follow-up technical assistance and training for past and new recipients.
- To promote the availability and accessibility of transportation options for older adults, people with disabilities, and caregivers, through the National Aging and Disability Transportation Center (NADTC), FTA provides resources, information, training, and technical assistance to federal, state, and local stakeholders. FTA will continue to provide resources, tools, education, outreach, and technical assistance that increase the effectiveness of coordinated transportation services that help ensure older adults, people with disabilities, and their caregivers have access to transportation options for employment, healthcare, education, housing, socialization, and recreation.

These activities will help agencies achieve the DOT strategic goals to foster safety in the U.S. transportation system; enhance economic development; advance equity; develop climate-friendly solutions; and transform public transportation by building back better for a new and exciting future.

What benefits will be provided to the American public through this request and why is this program necessary?

The benefits to the American public for these investments include:

- Translating emerging transportation technologies for states and localities across the country to develop learning and planning resources for rural, small-urban, and tribal transportation providers and communities.
- Aiding the transit industry's efforts to reskill and upskill transit agency staff to operate and maintain low and zero emission vehicles, working towards developing a fully zero-emission transit fleet over the next few decades.
- Establishing and promoting promising practices to further equitable, accessible mobility in public transportation systems.
- Helping transit agencies plan and field programs that enhance environmental sustainability.

- Developing useful resources to help transit agencies move from fossil fuel to zero-emissions fleets, including information on how to choose the right zero-emission bus; how to plan, deploy, and maintain charging infrastructure; and how to develop agreements with utility companies.
- Helping transit agencies and States improve safety through the develop of voluntary safety standards.
- Helping organizations that can provide transportation funded by departments across the federal government to coordinate and make more efficient use of transportation resources.
- Supporting the availability and accessibility of transportation options that serve the needs of people with disabilities and older adults.

Technical assistance centers provide critical information, assistance, outreach, and subject matter expertise that augment transit agency capabilities and often provide support to help agencies tailor programs to their specific needs in the critical areas noted above. Additionally, as FTA sees results from FY 2022 and FY 2023 investments in technical assistance, workforce development, and standards, FTA will build upon those outcomes as these projects evolve to meet the needs of transit agencies to serve the American public with the best services possible for today and tomorrow. As they demonstrated throughout the COVID-19 public health emergency, public transportation agencies are a key resource that helps essential workers get to their jobs and can be mobilized to support activities such as helping people get vaccinations. FTA expects that public transportation agencies will transform significantly in FY 2024 based upon what they learned in FY 2022 and will learn in FY 2023. FTA will continue to find ways to support their transformation through targeted investments from the Technical Assistance and Workforce Development Program.

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EXHIBIT IV-1
FY 2024 BUDGET
FEDERAL TRANSIT ADMINISTRATION
RESEARCH, DEVELOPMENT & TECHNOLOGY BUDGET NARRATIVE
(Budget Authority in Thousands)

Program	FY 2022 ENACTED	FY 2023 ENACTED	FY 2024 PRES. BUDGET	Applied	Tech Transfer	Facilities	Experimental Development	Major Equipment, R&D Equipment
PUBLIC TRANSPORTATION INNOVATION								
<i>Mobility Innovation</i>	\$3,672		\$7,116	\$7,116				
<i>Strategic Transit Automation</i>		\$7,000	\$5,000				\$5,000	
<i>Transit Cybersecurity</i>		\$2,000						
<i>Advanced Digital Construction Management</i>								
	\$2,093	\$3,000	\$1,500	\$1,500				
<i>Low No Component Testing 5312(h))</i>	\$5,000	\$5,105	\$5,238				\$5,238	
<i>Small Business Innovation Research Program</i>	\$808	\$825	\$847				\$847	
<i>Infrastructure</i>	\$6,480							
<i>Bus Testing Learning Lab</i>		\$2,000						
<i>Transit Cooperative Research Program (TCRP) 5312(i)</i>	\$6,579	\$6,716	\$6,891	\$6,891				
<i>Safety</i>	\$10,208	\$8,964	\$10,000	\$10,000				
<i>Research to Practice and Dissemination Program (Tech Transfer)</i>	\$2,000	\$2,000	\$2,000		\$2,000			
Subtotal, Transit Formula Grants	\$36,840	\$37,610	\$38,592	\$25,507	\$2,000	\$-	\$11,085	\$-
TRANSIT INFRASTRUCTURE GRANTS								
<i>Small Business Innovative Research</i>	\$384	\$224						
<i>Research - Innovative Mobility Solution</i>	\$968	\$968						
<i>Research - Accelerate Innovative Mobility Initiatives</i>	\$968	\$968						
<i>Research - Accelerate Adoption of Zero Emission Buses</i>	\$9,680	\$4,840						
Subtotal, Transit Infrastructure Grants	\$12,000	\$7,000	\$-	\$-	\$-	\$-	\$-	\$-
TRANSIT RESEARCH								
<i>Research Program</i>								
<i>Mobility NeXt</i>			\$7,924	\$7,924				
<i>Environmental Sustainability and Resiliency</i>			\$5,000	\$5,000				
<i>Transit Defined Systems</i>			\$9,116	\$9,116				
<i>Transit Enhanced Living</i>			\$7,000	\$7,000				
<i>Small Business Innovation Research Program</i>			\$960				\$960	
Subtotal, Transit Research	\$-	\$-	\$30,000	\$29,040	\$-	\$-	\$960	\$-
TOTAL FEDERAL TRANSIT ADMINISTRATION	\$48,840	\$44,610	\$68,592	\$54,547	\$2,000	\$-	\$12,045	\$-

1/ Amounts shown are for planning purposes and may shift based on priorities and needs.

Exhibit IV-2 FY 2024 Budget Request – RD&T Program Funding by DOT Strategic Goal

**Department of Transportation - FY 2024 Budget
Federal Transit Administration
Research, Development, & Technology Budget
(Budget Authority in Thousands)**

ACCOUNT/PROGRAM	FY 2024 PRES. BUDGET	DOT STRATEGIC GOALS					ORGANIZATIONAL EXCELLENCE
		SAFETY	ECONOMIC STRENGTH	EQUITY	CLIMATE & SUSTAINABILITY	TRANSFORMATION	
Transit Formula Grants (TF)							
<i>Mobility Innovation</i>	\$7,116					\$7,116	
<i>Strategic Transit Automation</i>	\$5,000					\$5,000	
<i>Advanced Digital Construction Management</i>	\$1,500			\$1,500			
<i>Low No Component Testing 5312(h))</i>	\$5,238				\$5,238		
<i>Small Business Innovation Research Program</i>	\$847		\$847				
<i>Transit Cooperative Research Program</i>	\$6,891	\$1,378	\$1,378	\$1,378	\$1,378	\$1,378	
<i>Safety</i>	\$10,000	\$10,000					
<i>Research to Practice and Dissemination Program (Tech Transfer)</i>	\$2,000						\$2,000
Transit Research (GF)							
<i>Mobility NeXt</i>	\$7,924					\$7,924	
<i>Environmental Sustainability and Resiliency</i>	\$5,000				\$5,000		
<i>Transit Defined Systems</i>	\$9,116				\$9,116		
<i>Transit Enhanced Living</i>	\$7,000			\$7,000			
<i>Small Business Innovation Research Program</i>	\$960		\$960				
TOTAL	\$68,592	\$11,378	\$3,185	\$9,878	\$20,732	\$21,418	\$2,000

1/ Amounts shown are for planning purposes and may shift based on priorities and needs.

FY 2024 Exhibit and Narrative Justification
Public Transportation Innovation Title 49 U.S.C. §5312

Public transportation uses research and innovation to adapt to new work and travel patterns, address historic inequities, reduce greenhouse gas emissions, and accelerate equitable economic growth. Research informs transit agencies' decisions about operations, infrastructure, and mobility. FTA's research mission is to improve America's communities through public transportation by accelerating innovation that improves people's mobility, enhances public transportation operations, fosters clean energy, and ensures everyone's safety.

To achieve its research mission, FTA develops, demonstrates, evaluates, and deploys transformative technologies and processes that increase public connectivity and access essential to economic mobility while reducing climate impacts. FTA carries out this work in partnership with other DOT modes, Federal agencies, State and local entities, academia, nonprofits, businesses, and other industry stakeholders. In support of the Department's strategic goals, FTA's research supports advances in public transportation transformation; equitable and accessible mobility; deployment of environmentally sustainable systems; and a safe and secure public transportation system.

Figure 1. FTA research focuses on areas of impact that will improve public transportation for America's communities.

The FY 2024 Budget requests \$68.6 million to build on the research investments made in mobility innovation, safety environmental sustainability, infrastructure, and safety. FTA's



investments support exploration in myriad areas, including: cashless payment systems, worker safety, reinventing transit post COVID-19, traveler information, real-time monitoring of transit assets, safe transit automation, best practices in transitioning to zero-emission transit vehicle fleets to reduce the carbon footprint of public transportation, and enhanced cybersecurity.

Summary of Research Programs

FY 2022

The FY 2022 projects worked to increase safety, improve core assets, address racial equity, and promote economic inclusion. The projects also supported transitions to zero-emissions by 2050, as well as helped agencies field transformative operational models that modernize infrastructure to build back better, resulting in a safe, equitable, and sustainable transportation system.

Major research activities for FY 2022 included New Mobility demonstration – termed Mobility NeXt -- research to meet racial equity, economic inclusion, transformation, and “future proofing” goals. Building on results of previous low or no emissions research, including the \$76 million national fuel cell bus program and \$110 million in the low or no bus research, FTA undertook projects that

accelerated the adoption of zero-emission buses and associated electrification infrastructure in support of the Department's climate, resilience, and economic strength goals. FTA continued support of research to increase the safety of riders and reduce operator assaults in addition to work on cybersecurity and exploring safety applications of Automated Driver Assistance Systems for buses and the use of Unmanned Aircraft Systems in transit.

FTA's innovation and research efforts funded in FY 2022 are in progress and when completed will help to deliver the following outcomes:

- Improve efficiency, effectiveness, and quality of public transportation services through utilizing new, more equitable mobility technologies that help agencies transform and adapt to post-COVID-19 ridership, while addressing economic inclusion, transformation, and "future proofing" public transportation systems. The overarching expected impact will provide ways to enhance equity and significantly improve ridership.
- Enhance cybersecurity through the launch of a new cybersecurity self-assessment tool available for free online for transit agency use.
- Enhance mobility by continuing to field new innovations in integrated cashless payment systems, multi-modal mobility models that combine transit and micro-mobility to address first and last mile access, and the use of innovations in software applications that increase information and access to seamless transportation choices for all.
- Accelerate the transition from conventional (i.e., diesel and gasoline fueled) vehicles to zero-emission vehicles, such as battery electric and fuel cell electric buses, as evidenced by greater numbers of zero-emission vehicles in the public transportation industry; effective transitions to electrification maintenance and operational jobs that ensure equitable economic strength and building public transportation's core assets back better.
- Reduce risk of transit safety incidents, injuries and fatalities for transit workers, riders, pedestrians, and bicyclists.
- Address equity through a new mobility, access, and transportation insecurity program to demonstrate the importance of transportation access for underserved populations especially in terms of access to healthy foods, healthcare, work, education, and social connection. This program seeks to quantify the benefits of public transit access in terms of all aspects of living a vital life.

FY 2023

FY 2023 funding supports the Department's strategic priorities of safety, economic strength and global competitiveness, climate and sustainability, transformation, and equity by:

- Continuing to learn from significant investments that improve transit worker and traveler safety through projects that apply lessons learned through COVID-19 demonstrations.
- Promoting safety and facilitating connected communities through advanced driver assistance systems and maintenance yard transit automation demonstrations.
- Applying safety risk management and new national roadway safety principles and systems.
- Building and testing applications to monitor cybersecurity threats to public transportation.
- Expanding transformation and building economic competitiveness through advanced vehicle research and design through a new network of labs including a Bus Test Learning Laboratory.
- Partnering with the Low or No Component Testing Centers on research and testing, especially in areas such as low or no emission battery safety.

- Building resiliency and sustainability by addressing ways to help transit agencies cope with climate change and unexpected weather events.
- Supporting zero-emissions transition needs for transit agencies and researching solutions to address operational areas such as new route-planning, optimizing charging costs and utility partnerships, as well as building on research to recommend next steps to transition transit fleets for the future to meet the carbon-reduction goals of a zero-emissions transit fleet by 2050 through the Transit Vehicle Innovation Centers.
- Researching best practices that improve the safety of rail crossings, reduce bus collisions, and mitigate suicide risks.
- Accelerating the adoption of Advanced Digital Construction Management Systems to improve information-sharing and construction management to improve infrastructure project management and transparency.
- Continuing assessment of enhanced, integrated mobility systems and payment practices.
- Improving equity by exploring ways to mitigate transportation insecurity.
- Advancing exploratory research on transformational mobility that improves accessibility, supports smart travelers through personalized mobility, and provides information to enhance low-carbon transportation choices.

FY 2024

Building on prior years, the FY 2024 request supports DOT's strategic goals:

- In support of transformation and sustainability, Transit Defined Systems will focus on projects that explore smart systems' technologies to enhance rider experience and accessibility. For example, FTA will continue establishing a learning lab that creates clean energy solutions for transit, developing next generation batteries, and developing and demonstrating chassis with low platforms and cleaner technologies that can support various uses, communities, and travelers.
- In support of connected communities, FTA will continue the Mobility NeXT work to transform the system through exploratory research on the use of data analytics, technology, and traveler behavior to enhance mobility and public transportation choices; fund demonstration that explore smart operations and tools and/or advanced mobility strategies; and maintain a community of practice to share innovations and foster collaborations among public and private stakeholders.
- Improving equity by exploring ways to mitigate transportation insecurity.
- In support of equity and transformation goals, Transit Enhanced Living recognizes the interconnectedness of mobility with all areas of life. To address immobility or (or under-mobility), funding would support FTA's work to develop a comprehensive research plan, establish a federal interagency working group, enable visualization and communication of mobility's interconnection to life functions, and generate modeling capabilities to rapidly estimate impacts of solutions and policies.
- Building upon research findings in FY2023, the Environmental Sustainability and Resiliency initiative will support research and develop promising practices that will help meet the goal of public transit agencies transitioning to carbon-neutral fleets by 2050.
- Employ a transformative Safe System Approach in research to reduce fatalities and injuries and promote a safety culture for riders and operators through projects that explore a transit supportive infrastructure that ensures a safe "last mile" for transit riders who walk or bike to transit services; continue research on bus operator human factors safety, automated track

detection and flight automation using unmanned aerial systems, and transportation cybersecurity vulnerabilities, threats and risks.

- Continue improving safety, operational efficiency, and rider experience through Strategic Transit Automation Research with projects that develop policy, standards, and guidance and demonstrate vehicle transit automation technologies under targeted transit use cases.
- Contribute to equity, climate and sustainability, and transformation through research to identify current transit Advanced Construction Management Systems, tools/models, best practices, and gaps; establishing partnerships within DOT and other federal and non-federal entities to leverage investments and accelerate research activities.
- Work towards 2050 emissions goals through the Low-No Component Testing program's work to develop and demonstrate next generation batteries; increase density of electric drive systems; research emerging component technologies, transit chassis, and infrastructure; and explore advancement of U.S. manufacturing and supply chain.
- Support the Small Business Innovation Research program to improve economic competitiveness, with a particular focus on projects that address modeling/simulation, machine learning, standards-based electric charging systems, use of unmanned aerial vehicles in maintenance, and data integration that helps FTA ensure equity/accessibility in planning and implementing transit services.
- Continue support of Transit Cooperative Research Program (TCRP) to identify common transit challenges, select research, and disseminate research.
- Share lessons learned through production, dissemination, and marketing of final reports and publications in accessible, 508-compliant format and amplify transit's value by creating national campaigns, social media, infographics, dashboards, interactive tools, data analytics, and dissemination support for FTA-funded research projects and programs.

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Section 5 – Information Technology

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**FY 2024 Budget
Information Technology
Department of Transportation
Federal Transit Administration
Budget Authority
(\$000)**

Budget Account	FY 2022 ENACTED	FY 2023 PRES.BUD.	FY 2024 REQUEST
Transit Formula Grants			
<i>Administrative Expenses Funding 1/</i>			
Commodity IT, SS, WCF	\$7,937	\$11,170	\$14,298
Programmatic FTA IT	\$6,551	\$4,302	\$9,531
IT- Other FTA Office Contributions	\$1,380	\$1,659	\$1,239
<i>Oversight Funding</i>			
Programmatic FTA IT	\$18,084	\$16,489	\$17,961
IT- Other FTA Office Contributions	\$207	\$209	\$211
Total	\$34,159	\$33,829	\$43,240

1/ Beginning in FY 2022, Administrative Expenses is funded under the Transit Formula Grants account as enacted under the Bipartisan Infrastructure Law.

The Federal Transit Administration (FTA) is requesting **\$43.240 million** in FY 2024 for information technologies that support the full spectrum of FTA mission programs as well as the Department's initiative to transform and consolidate the management of certain IT solutions in shared service solutions. Please note that the table above shows the entire budget request for FTA and includes items for which the office of Information Technology is not requesting funds.

The DOT Office of the Chief Information Officer (OCIO) will continue to provide all modes with Commodity IT Shared Services in FY 2024 to achieve economies of scale and increase consistency of cybersecurity protections across the Department. Commodity IT Shared Services include IT functions and activities dedicated to basic support services, including network operations, end-user computing, telecommunications services, and server operations.

FTA Programmatic IT requests include support services, licenses, software, and hardware costs associated with systems and services unique to FTA or otherwise not supported by OCIO shared services. These include the FTA mission systems and associated support contracts, support for products provisioned but not resourced by DOT OCIO (e.g., website support, SharePoint support), and small purchases approved by DOT but not provisioned within the common operating environment.

Commodity IT Shared Services (ITSS) Through the Working Capital Fund (WCF) and FAA Franchise Fund

FTA requests **\$14.298 million** from the Administrative Expenses account for Commodity IT Shared Services. FTA's share was based on actual commodity IT consumption in prior years as well as planned future consumption. OCIO, in collaboration with FTA, assumed a one-to-one cost estimate to transition all commodity IT to OCIO. FTA will only be charged for services rendered.

- FTA requests this budget for its share of Department investments in Cybersecurity and commodity information technology including voice, cable, and networks, desktop services, server operations, directory and messaging services, enterprise licensing and enterprise dashboards which are provided through the Working Capital Fund. Additionally, this money is used to pay FTA's contributions to the Federal Aviation Administration (FAA) Franchise Fund, which provisions PRISM, DELPHI, and CASTLE common services.

FTA IT

FTA Mission-Critical IT

FTA will support the following major mission-critical IT systems in FY 2024. These systems are only a subset of all IT systems that support FTA and are reported in the Office of Management and Budget (OMB) CIMS tool and the FTA Spend Plan.

- **National Transit Database (NTD):** FTA requests **\$2.590 million** in the Transit Formula Grants Oversight account for the development, modernization, and enhancement (DME), and operations and maintenance (O&M) of this mission-critical system.
 - NTD is FTA's statistical data collection and reporting system for the U.S. transit industry, required by 49 U.S.C. § 5335 which specifically states that FTA must maintain a National Transit Database. NTD collects data and compliance information from all recipients of FTA grant funding, as required by law. Grants data collected by NTD is primarily used in statutory formula apportionment decisions to determine which agencies received funding (and how much funding they receive) in future fiscal years, in addition to data collection efforts which produce data products used by Congress and the transit industry.
- **Transit Award Management System (TrAMS):** FTA requests **\$3.863 million** in the Transit Formula Grants Oversight account for the development, modernization, and enhancement (DME), and operations and maintenance (O&M) of this mission-critical system.
 - TrAMS is FTA's flagship grant-making system, and supports FTA's grant-making mission by providing efficient automation, tracking, and visibility functionality in grant-making activities. TrAMS processed more than \$14 billion in grants to state and local agencies on average before the COVID-19 pandemic, and has processed significantly more as part of FTA's COVID response. In FY21, TrAMS obligated nearly \$28 billion in grant funding – a significant increase, and one that is continuing in FY22. TrAMS is also a key component of FTA's

implementation of the Infrastructure Investment and Jobs Act, also known as the Bipartisan Infrastructure Law (BIL).

- **FTA Information Management Platform (Appian):** FTA requests **\$2.974 million** in the Transit Formula Grants Oversight account for the development, modernization, and enhancement (DME), and operations and maintenance (O&M) of this mission-critical system.
 - The FTA Information Management Platform consists of FTA's licensing investments in the Appian software, the Appian Cloud Platform as a Service (PaaS) resources, premier support subscriptions (including high availability services), the Login.gov multifactor authentication service, and several associated support, maintenance, and development contracts. The Appian platform supports several other FTA systems in the same way that a foundation supports a house, providing the operating software and hardware services that enable the operation of numerous other FTA systems. For example, FTA's NTD and TrAMS systems both require the Appian platform in order to operate.
- **FTA Appian Applications Support:** FTA requests **\$2.251 million** in the Transit Formula Grants Oversight account and **\$1.008 million** in the Administrative Funding account for the development, modernization, and enhancement (DME), and operations and maintenance (O&M) of this mission-critical project.
 - The Appian Apps contract supports the entire FTA Transit Integrated Appian Development (TrIAD) platform with technical integration support (release management) on the shared platform, performance and standards monitoring, technical liaison audit and monitoring support, and development and maintenance of shared services and micro applications/ tools development in Appian on the shared platform. This includes FTA's smaller, but not less critical, Appian applications such as the Discretionary Grants System (DGS), which provides automation and reporting support for discretionary grants; the State Safety Oversight Reporting system (SSOR), which processes reports of transit safety incidents; and the FTA Access Control Entry System (FACES), which handles security authentication and standards on the Appian platform for all other systems on that platform.
- **FTA Oversight Tracking System (OTrak):** FTA requests **\$1.964 million** in the Transit Formula Grants Oversight account for the development, modernization, and enhancement (DME), and operations and maintenance (O&M) of this mission-critical system.
 - The OTrak system supports FTA's grants oversight mission by enabling automation and online entry of oversight activities undertaken by FTA regional teams and contractors at grantee locations and project sites. These oversight activities feed into FTA future grantmaking decisions and support considerations, and are primarily consumed by FTA's Office of Program Management (TPM).
- **FTA Business Intelligence Systems (BIS) Support:** FTA requests **\$2.731 million** in the Transit Formula Grants Oversight account for the development, modernization, and enhancement (DME), and operations and maintenance (O&M) of this mission-critical project.
 - BIS supports the FTA data warehouse, as well as data transformation and business intelligence (MicroStrategy) visual analytic tools. This toolkit enables the quick creation of data visualizations and dashboards for FTA program office and management consumption, as well as rapid data analytic capabilities which

FTA routinely uses to efficiently respond to Congressional, OMB, and OCIO data calls.

- **FTA Applications Helpdesk, Software Development Lifecycle (SDLC) Governance, and Technical Assessment Support:** FTA requests **\$1.045 million** in the Transit Formula Grants Oversight account for consolidated help desk support for FTA-specific custom applications, systems development lifecycle governance oversight, and technical options assessments for new business support requests mission-critical project.
 - This contract provides end-user support for FTA’s custom applications, and coordinates and tracks service level agreements across all tiers and teams of support. This contract also provides training and documentation support of FTA’s mission systems; provides support to review, refine, and audit FTA SDLC governance standards; and provides technical documentation and assessment expertise for new information technology solution requests (i.e., new tools or investments).
- **FTA General Support Systems (GSS):** FTA requests **\$5.530 million** in the Administrative Funding account for the development, modernization, and enhancement (DME), and operations and maintenance (O&M) of this mission-critical project.
 - GSS supports several FTA business support applications, including the FTA website and FTA local support for Microsoft Teams and Microsoft SharePoint activities, in addition to numerous smaller FTA-specific applications and tools used for mission support in FTA HQ and regional offices.

FTA – Other IT Support

The following critical IT services will be maintained by FTA in FY 2024 to support other programs, projects, FTA regional offices, and transition activities to Departmental enterprise shared service commodity IT solutions. FTA requests an additional **\$2.993** million in the Administrative Funding account and **\$543** thousand in the Transit Formula Grants Oversight account for these activities:

- Machine learning research and development contract support
- Cybersecurity contract services
- Software licensing support
- Telecommunications maintenance and updates through ITSS
- Laptop replacement and refresh purchases through ITSS
- Miscellaneous IT supply purchases
- FTA contributions to Departmental systems
- Records management services

FTA – Other Office IT Contributions

The following projects or contributions are listed on the FTA IT table, but are not directly requested by the FTA Office of Information Technology totaling approximately **\$1.239** million in Administrative Funding and **\$211** thousand in Transit Formula Grants Oversight Funding:

- FTA Financial Intermediary Systems - \$1.239 million in administrative funding

- Drug and Alcohol MIS Reporting (DAMIS) - \$143 thousand in Oversight funding
- Simplified Trips on Project Software (STOPS) - \$68 thousand in Oversight funding

**FEDERAL TRANSIT ADMINISTRATION
10 YEAR FUNDING HISTORY TABLE
(\$000)**

ACCOUNT NAME	FY 2015 ACTUAL	FY 2016 ACTUAL	FY 2017 ACTUAL	FY 2018 ACTUAL	FY 2019 ACTUAL	FY 2020 ACTUAL 5/	FY 2021 ACTUAL 6/	FY 2022 ACTUAL	FY 2023 ENACTED	FY 2024 PRES. BUDGET
Transit Formula Grants (Contract Authority)	\$8,595,000	\$9,347,605	\$9,733,706	\$9,733,353	\$9,939,380	\$10,150,348	\$10,150,348	\$13,355,000	\$13,634,000	\$13,990,000
FHWA Flex Funding -- Net	\$1,429,885	\$1,273,000	\$1,435,956	\$1,633,698	\$1,074,394	\$1,222,000	\$848,830	\$1,300,000	\$1,300,000	\$1,300,000
Total, Transit Formula Grants (Obligation Limitation)	\$10,024,885	\$10,620,605	\$11,169,662	\$11,367,051	\$11,013,774	\$11,372,348	\$10,999,178	\$14,655,000	\$14,934,000	\$15,290,000
<i>(Liquidation of Contract Authority)</i>	<i>\$9,500,000</i>	<i>\$10,400,000</i>	<i>\$10,800,000</i>	<i>\$10,300,000</i>	<i>\$9,900,000</i>	<i>\$10,800,000</i>	<i>\$10,800,000</i>	<i>\$13,355,000</i>	<i>\$13,634,000</i>	<i>\$13,990,000</i>
Capital Investment Grants (GF) 1/	\$2,120,000	\$2,177,000	\$2,412,631	\$2,650,010	\$2,552,687	\$1,978,000	\$2,014,000	\$2,248,000	\$2,635,000	\$2,850,000
Washington Metropolitan Area Transit Authority (GF)	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
Administrative Expenses (GF) 2/	\$105,933	\$108,000	\$113,165	\$113,165	\$113,165	\$117,000	\$121,052			
Transit Infrastructure Grants (GF)				\$834,000	\$700,000	\$510,000	\$516,220	\$504,263	\$541,959	
Transit Research and Training (GF) 3/	37,500									\$30,000
Technical Assistance and Training (GF) 4/			\$5,000	\$5,000	\$5,000	\$5,000	\$7,500	\$7,500	\$8,000	\$8,000
Public Transportation Emergency Relief Program				330,000	\$10,452				\$213,905	
IIJA Supplemental (Division J)										
Capital Investment Grants								\$1,600,000	\$1,600,000	\$1,600,000
Transit Infrastructure Grants								\$2,050,000	\$2,050,000	\$2,050,000
All Stations Accessibility Program								\$350,000	\$350,000	\$350,000
Electric or Low-Emitting Ferry Program								\$50,000	\$50,000	\$50,000
Ferry Service for Rural Communities								\$200,000	\$200,000	\$200,000
Rescissions										
<i>Research Training & Human Resources (Unobligated Balance Rescission) [non-add]</i>									[-\$32]	
<i>Formula Grants (Unobligated Balance Rescission) [non-add]</i>					[-\$46,560]		[-\$1,607]	[-\$6,734]		
<i>Job Access and Reverse Commute (Unobligated Balance Rescission) [non-add]</i>			[-\$1,227]						[-\$321]	
<i>Capital Investment Grants (Unobligated Balance Rescission) [non-add] 4/</i>	[-\$121,546]	[-\$24,171]								
TOTAL:	\$12,438,318	13,055,605	\$13,850,458	\$15,449,226	\$14,545,078	# \$14,132,348	\$13,807,950	\$21,814,763	\$22,732,864	\$22,578,000

1/In FY 2023, Capital Investment Grants (CIG) includes additional funding for the Fully Funded Grant Agreements for 5339/Sec.165

2/ Beginning in FY2022, Administrative Expenses is funded under the Transit Formula Grants account as enacted under the Bipartisan Infrastructure Law.

3/ The FY 2015 Enacted level includes \$37.5 million for two accounts (\$30 million for Section 5312 and \$3 million for Section 5313) and Technical Assistance and Training (\$ 0.5 million for Section 5322 and \$4 million for Section 5314).

4/In FY 2016, Technical Assistance and Workforce Development (also known as Technical Assistance and Standards Development Section 5314) is derived from the Mass Transit Account under the Transit Formula Grants account.

5/ Sec. 422 of Division L, Title IV, of the Consolidated Appropriations Act, FY 2022 (P.L. 117-103) rescinds any unobligated balances made available for Capital Investment Grants through Division G of the Consolidated Appropriations Act, 201- (P.L. 116-6) and adds additional budget authority through September FY 203 for the same purpose. This is not reflected in these totals.

6/ FY 2020 totals do not include \$25 Million funding enacted through the CARES Act.

7/ FY 2021 funding does not include \$14 Million in emergency supplemental funding provided by CRRSA or \$30.5 Million of emergence supplemental funding provided through the American Rescue Plan.

ADMINISTRATIVE PROVISIONS—FEDERAL TRANSIT ADMINISTRATION

SEC. 160. The limitations on obligations for the programs of the Federal Transit Administration shall not apply to any authority under 49 U.S.C. 5338, previously made available for obligation, or to any other authority previously made available for obligation.

SEC. 161. Notwithstanding any other provision of law, funds appropriated or limited by this Act under the heading "Capital Investment Grants" of the Federal Transit Administration for projects specified in this Act not obligated by September 30, [2026]**2027**, and other recoveries, shall be directed to projects eligible to use the funds for the purposes for which they were originally provided.

SEC. 162. Notwithstanding any other provision of law, any funds appropriated before October 1, [2022]**2023**, under any section of chapter 53 of title 49, United States Code, that remain available for expenditure, may be transferred to and administered under the most recent appropriation heading for any such section.

SEC. 163. None of the funds made available by this Act or any other Act shall be used to adjust apportionments or withhold funds from apportionments pursuant to section 9503(e)(4) of the Internal Revenue Code of 1986 (26 U.S.C. 9503(e)(4)).

[SEC. 164. None of the funds made available by this Act or any other Act shall be used to impede or hinder project advancement or approval for any project seeking a Federal contribution from the capital investment grants program of greater than 40 percent of project costs as authorized under section 5309 of title 49, United States Code.]

[SEC. 165. For an additional amount for “Department of Transportation—Federal Transit Administration—Capital Investment Grants”, \$425,000,000, to remain available until expended, for allocation to recipients with existing full funding grant agreements under sections 5309(d) and 5309(e) of title 49, United States Code: Provided, That allocations shall be made only to recipients— (1) that have received allocations for fiscal year 2022 or that have expended 100 percent of the funds allocated under section 3401(b)(4) of the American Rescue Plan Act of 2021 (Public Law 117–2); and (2) that have a non-capital investment grant share of at least \$800,000,000 and either a capital investment grant share of 40 percent or less or signed a full funding grant agreement between January 20, 2017 and January 20, 2021; and (3) that have expended at least 75 percent of the allocations received under paragraph (4) of section 3401(b) of the American Rescue Plan Act of 2021 (Public Law 117–2) or expended at least 50 percent of the Federal operating assistance allocations received under section 5307 of title 49, United States Code, in the Coronavirus Aid, Relief, and Economic Security Act (Public Law 116–136), the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (division M of Public Law 116–260), or the American Rescue Plan Act of 2021 (Public Law 117–2): Provided further, That recipients with projects open for revenue service shall not be eligible to receive an allocation of funding under this section: Provided further, That amounts shall be provided to recipients proportionally based on the non-capital investment grant share of the project: Provided further, That no project may receive an allocation of more than 15 percent of the total amount in this section: Provided further, That the Secretary shall proportionally distribute funds in excess of such 15 percent to

recipients for which the percent of funds does not exceed 15 percent: Provided further, That amounts allocated pursuant to this section shall be provided to eligible recipients notwithstanding the limitation of any calculation of the maximum amount of Federal financial assistance for the project under section 5309(k)(2)(C)(ii) of title 49, United States Code: Provided further, That the Federal Transit Administration shall allocate amounts under this section no later than 30 days after the date of enactment of this Act.]

[SEC. 166.

- (a) The remaining unobligated balances, as of September 30, 2023, from amounts made available to the Department of Transportation in section 422 under title IV of division L of the Consolidated Appropriations Act, 2022 (Public Law 117-103) are hereby rescinded, and an amount of additional new budget authority equivalent to the amount rescinded is hereby appropriated on September 30, 2023, for an additional amount for fiscal year 2023, to remain available until September 30, 2025, and shall be available for the same purposes and under the same authorities for which such amounts were originally provided in the Consolidated Appropriations Act, 2019 (Public Law 116-6).
- (b) The remaining unobligated balances, as of September 30, 2023, from amounts made available to the Department of Transportation under the heading "Federal Transit Administration--Capital Investment Grants" in division H of the Further Consolidated Appropriations Act, 2020 (Public Law 116-94) are hereby rescinded, and an amount of additional new budget authority equivalent to the amount rescinded is hereby appropriated on September 30, 2023, for an additional amount for fiscal year 2023, to remain available until September 30, 2025, and shall be available for the same purposes and under the same authorities for which such amounts were originally provided in Public Law 116-94.]

[SEC. 167. Any unexpended balances from amounts previously appropriated for low or no emission vehicle component assessment under 49 U.S.C. 5312(h) under the headings "Transit Formula Grants" and "Transit Infrastructure Grants" in fiscal years 2021 and 2022 may be used by the facilities selected for such vehicle component assessment for capital projects in order to build new infrastructure and enhance existing facilities in order to expand component testing capability, in accordance with the industry stakeholder testing objectives and capabilities as outlined through the work of the Federal Transit Administration Transit Vehicle Innovation and Deployment Centers program and included in the Center for Transportation and the Environment report submitted to the Federal Transit Administration for review.]

SEC. 164. Funds obligated in fiscal year 2024 for grants under sections 5310 and 5311 of title 49, United States Code, may be used for up to 100 percent of the eligible net costs of a project, notwithstanding subsection (d) of section 5310 and subsection (g) of section 5311 of such title.

Explanation:

FTA proposes to increase the federal share to 100% for the Section 5310 (Enhanced Mobility of Seniors and Individuals with Disabilities) and Section 5311 (Formula Grants for Rural Areas). The rural program makes up just 4% of FTA's authorized funding for FY 2024. Rural transit services predominantly serve transit-dependent populations who for reasons of age, disability or low income are unable to rely upon automobiles to meet their mobility needs. Due to the small size of these communities, they often struggle to generate political support for providing local

match funds. The Enhanced Mobility of Seniors and Individuals with Disabilities program is less than half of the size of the rural program. Most grant dollars in this program fund vehicles operated and maintained by non-profit organizations that provide transportation services designed to meet the special needs of seniors and individuals with disabilities when public transit is insufficient, inappropriate, or unavailable. The remaining funds may be used for public transportation projects that exceed the requirements of the Americans with Disabilities Act of 1990; public transportation projects that improve access to fixed route service and decrease reliance by individuals with disabilities on complementary paratransit; and alternatives to public transportation that assist older adults and people with disabilities with transportation. This policy change will advance equity and result in a significant positive impact on rural and non-profit operators serving older adults and people with disabilities at a small dollar cost.

SEC. 165. Section 5323 of title 49, United States Code, is amended in subsection (q)-- (2) in paragraph (1)-- (A) by striking "right-of-way" each time it appears and inserting "real property interests"; and (B) by inserting "acquired" after "may use the"; and (3) in paragraph (2), by striking "Right-of-way" and inserting "Real property interests."

(1) in the matter preceding paragraph (1), by striking "CORRIDOR PRESERVATION" and inserting "REAL PROPERTY INTERESTS";

(2) in paragraph (1)--

(A) by striking "right-of-way" each time it appears and inserting "real property interests"; and

(B) by inserting "acquired" after "may use the"; and

(3) in paragraph (2), by striking "Right-of-way" and inserting "Real property interests".

Explanation:

FTA proposes to expand the situations in which land acquisition is permitted prior to NEPA completion by amending 49 U.S.C. §5323(q) to cover acquisition of "real property interests," not just for "corridor preservation." This change would bring FTA's programs into parity with Federal Highway Administration's (FHWA) programs. Under existing statute, FTA project sponsors may purchase property prior to NEPA completion at their own risk when the property is within a planned transit corridor. This covers many transit properties, but not all. For example, if a transit agency/project sponsor is considering a property for an operations or maintenance building but it is not within an existing "corridor," the project sponsor may not be able to acquire the property and preserve it for future use. This has been increasingly problematic for transit agencies located in areas with competitive real estate markets. The difference in exceptions between FHWA and FTA is a source of confusion for FTA project sponsors that also work with FHWA and has led to several scenarios where FTA could not participate in a project due to a transit agency's confusion about its authority to buy land prior to completing NEPA. Creating a more universal standard would streamline the process for many project sponsors. The requirement to complete environmental reviews prior to any development on the property would remain. FTA's existing reimbursement policies would also remain in effect.

SEC. 166. Funds obligated in fiscal year 2024 for grants under section 5307 of title 49, United States Code, may be used for eligible operating expenses in an urbanized area with a population of greater than 199,999 individuals, notwithstanding subsection (a) of such section: Provided, That such operating expenses are not required to be included in a transportation improvement program, metropolitan transportation plan, statewide transportation improvement program, or a statewide transportation plan, notwithstanding subsection (b) of such section: Provided further, That the recipient shall certify to the Secretary that the recipient will ensure a maintenance of effort for the fiscal years for which the recipient proposes to use such operating assistance that is comparable to the recipient's maintenance of effort for the most recent fiscal year for projects funded under such section 5307.

SEC. 167. Amounts transferred and obligated during fiscal year 2024 under the authority of section 5334(i) of title 49, United States Code, or section 104(f)(1) of title 23, United States Code, including unobligated prior year balances, shall be available for operating assistance: Provided, That notwithstanding section 149(m) of title 23, United States Code, no time limitation shall be imposed on such operating assistance.

Explanation:

Through a combination of the language in Section 166 and 167, FTA proposes the use of Section 5307 Urbanized Area Formula Program and flexed Federal Highway Administration program funding to enable several of the Nation's largest transit agencies the flexibilities needed to face an imminent "fiscal cliff" as these transit operators exhaust the supplemental funding made available to them during the COVID-19 pandemic (the Coronavirus Aid, Relief, and Economic Security (CARES) Act from March 2020, the Coronavirus Response and Relief Support Act (CRRSAA) of December 2020, and the American Rescue Plan Act from March 2021.) Prior to the pandemic, these systems relied upon on fare revenues to cover, depending on the system, anywhere from 33% to 75% of their operating expenses. In many cases, their route networks and schedules were optimized to provide high quality service to white collar office workers commuting from the suburbs into a central business district in the downtown. The legacy of the COVID-19 pandemic, however, is that many of these trips have been replaced by remote working options. This has left a hole in several of the largest transit agency's operating budgets where that lost fare revenue used to be.

To assist these transit agencies in transitioning to a new financial model for the future, FTA proposes in Section 166 to allow all transit systems to use Section 5307 Urbanized Area Formula Program grant dollars for operating expenses. Federal law already permits all transit systems in smaller urbanized areas to do so, as well as small transit system in larger urbanized areas. This proposal will give large transit systems in larger urbanized areas much needed flexibility to apply their Federal formula dollars where they are most needed for sustaining essential services. Under the proposal, recipients would have to certify that the level of non-federal support would continue to be as much as the most recent fiscal year during which the recipient received Section 5307 funding in order to qualify to use Urbanized Area Formula Program funds for operating expenses. Section 166 extends the same provision to Section 167 for the Federal Highway Administration program funding (Flex Funds) transferred to the FTA's Section 5307 program.

The proposal will address an urgent need for action to support some of the Nation's largest transit systems. The Nation's largest transit systems even during the pandemic still served 8 million trips per day, employed more than 100,000 workers, and provided mobility in cities that account for about 25% of the Nation's GDP. The proposal will help bridge the beginning of the transition to a new funding model for these essential services.