



**U.S. Department
of Transportation**

BUDGET ESTIMATES

FISCAL YEAR 2018

**FEDERAL TRANSIT
ADMINISTRATION**

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

SECTION 1: OVERVIEW TAB

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Section 1 – Overview

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FEDERAL TRANSIT ADMINISTRATION

FY 2018 BUDGET SUBMISSION

Overview

The Federal Transit Administration's (FTA) FY 2018 Budget requests \$11.2 billion. While this is a net reduction of \$521 million below the FY 2017 annualized continuing resolution, this budget makes strategic investments in public transportation infrastructure through both formula-driven and competitive funding opportunities to help address the capital needs of both urban and rural transit systems. The Budget requests \$1.2 billion for new transit projects that have existing grant agreements under the Capital Investment Grant Program. Future investments in new transit projects should be funded by the localities that use and benefit from these localized projects.

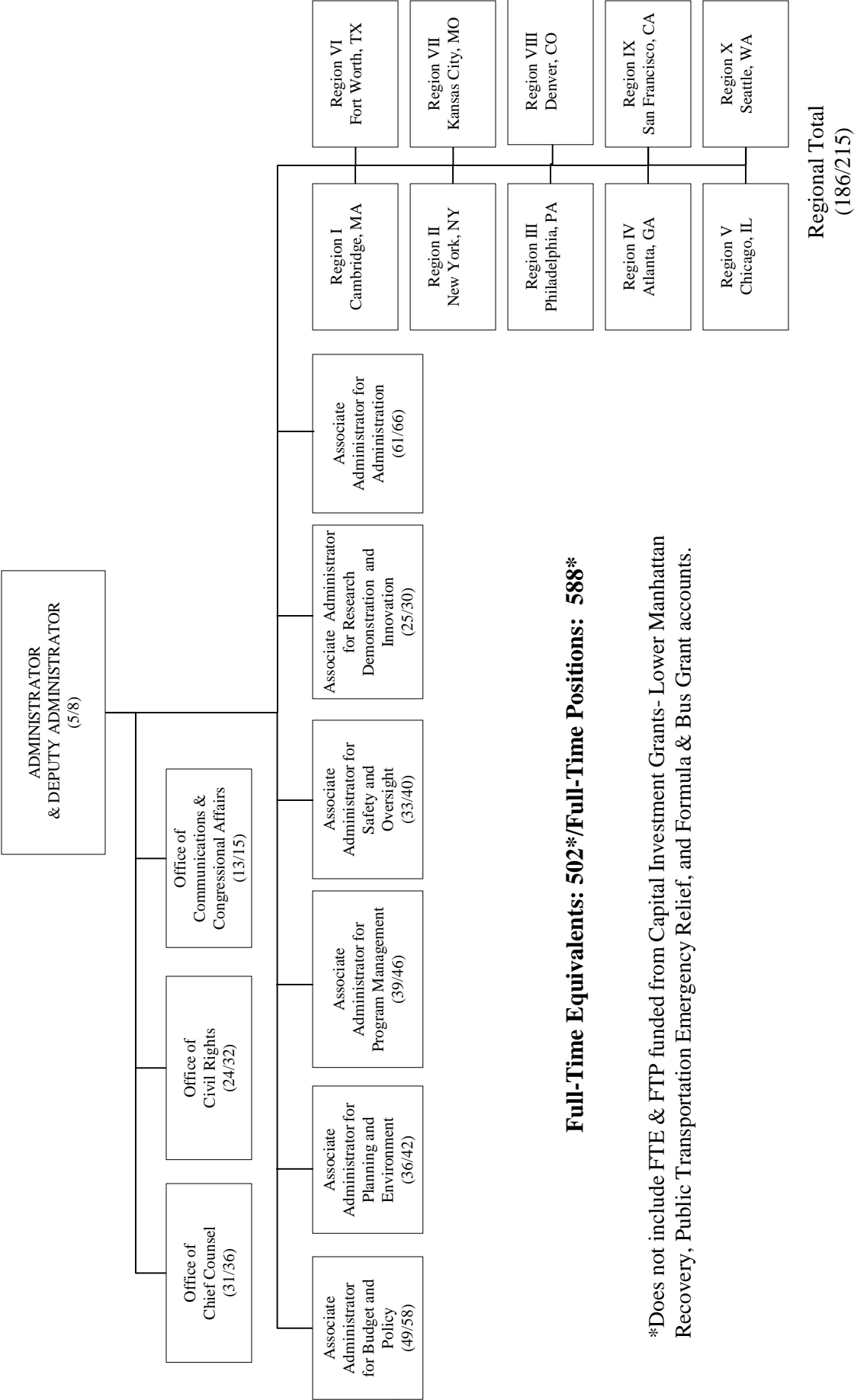
The FY 2018 budget also identifies critical safety resources that are needed to implement new transit safety requirements. The Administrative Expenses account includes an additional \$3 million for up to 20 safety positions in the Office of Transit Safety & Oversight which has been under-resourced since it was established in FY 2013 after passage of substantial new transit safety authority in MAP-21.

The following reflects an overview of the FY 2018 Budget:

- The Budget requests \$173 million to improve safety and reduce transportation-related fatalities and injuries. This request includes \$23.6 million to provide operational support for State Safety Oversight of rail systems and \$149.7 million to address the capital and critical safety needs of the Washington Metropolitan Area Transit Authority.
- \$2.9 billion is requested to help rebuild our public transportation infrastructure that has an estimated \$90 billion backlog that continues to grow and bring the nation's bus and rail systems into a state of good repair. This includes \$2.6 billion for State of Good Repair Formula Grants and \$345 million for Bus and Bus Facilities Formula Grants.
- \$5.6 billion is requested to ensure the nation remains competitive through common sense investments in public transportation in both urban and rural areas of the country. This includes \$4.7 billion for formula grants to urbanized areas and \$645 million for rural areas to support planning, capital needs, and in some instances operations. The Budget also requests \$273 million to provide public transportation options for seniors and individuals with disabilities who depend on these services to get to medical appointments and the grocery store.
- The Budget requests \$146 million for multimodal transportation planning in metropolitan areas and States that result in long-range plans and short-range programs of investment priorities. Also included are planning grants that help promote economic development and private sector investment on or near transit stations or hubs.
- \$110.8 million supports a customer-focused, committed, and innovative workforce that will enable the Department to advance a transportation system that helps the Nation remain economically competitive through strategic and common sense investments in public transportation systems that serve over 10 billion trips a year.

FEDERAL TRANSIT ADMINISTRATION

FY 2017 Administrative Organizational Chart with Projected FTE and Full-Time Positions

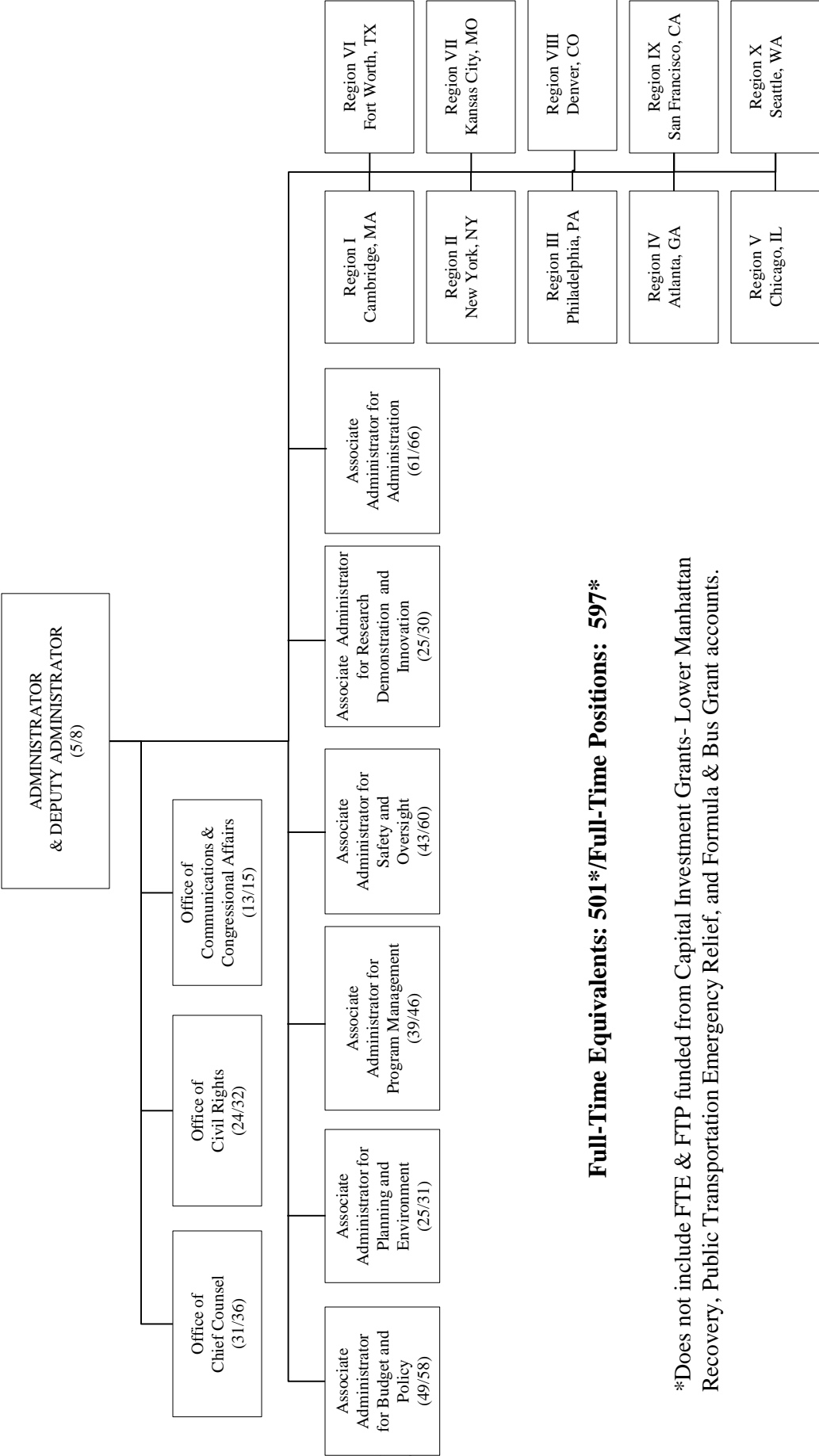


Full-Time Equivalents: 502*/Full-Time Positions: 588*

*Does not include FTE & FTP funded from Capital Investment Grants- Lower Manhattan Recovery, Public Transportation Emergency Relief, and Formula & Bus Grant accounts.

FEDERAL TRANSIT ADMINISTRATION

FY 2018 Administrative Organizational Chart with Projected FTE and Full-Time Positions



Regional Total
(186/215)

Full-Time Equivalents: 501*/Full-Time Positions: 597*

*Does not include FTE & FTP funded from Capital Investment Grants- Lower Manhattan Recovery, Public Transportation Emergency Relief, and Formula & Bus Grant accounts.

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EXHIBIT II-1

FEDERAL TRANSIT ADMINISTRATION FY 2018 COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY (\$000)

ACCOUNTS	FY 2016 ACTUAL	FY 2017 ENACTED	FY 2017 ANNUALIZED CR 3/	FY 2018 REQUEST
1. Transit Formula Grants (TF)	9,347,605	9,733,706	9,329,835	9,733,353
FHWA Flex Funding -- Net	1,273,000	1,300,000	1,300,000	1,300,000
Total, Transit Formula Grants (Obligation Limitation)	10,620,605	11,033,706	10,629,835	11,033,353
<i>(Liquidation of Contract Authority)</i>	<i>10,400,000</i>	<i>10,800,000</i>	<i>10,400,000</i>	<i>10,800,000</i>
2. Capital Investment Grants (GF) 1/2/	2,177,000	2,412,631	2,159,514	1,232,000
3. Washington Metropolitan Area Transit Authority (GF)	150,000	150,000	149,715	149,715
4. Administrative Expenses (GF)	108,000	113,165	107,795	110,795
5. Technical Assistance and Training (GF)	-	5,000	-	-
SUBTOTAL (Without FHWA Flex Funding)	11,782,605	12,414,502	11,746,859	11,225,863
GRAND TOTAL (With FHWA Flex Funding)	13,055,605	13,714,502	13,046,859	12,525,863

1/In the FY 2016 Enacted Budget, \$25.4 million of prior year unobligated balances were rescinded of which \$24.2 million was rescinded from the Capital Investment Grant account and \$1.2 million from the previously authorized Job Access and Reverse Commute (JARC) account. The FY 2017 Annualized CR includes \$13.3 million of prior year unobligated balances is rescinded.

2/The FY 2017 enacted level excludes \$117.8 million in prior year recovered balances.

3/Includes .1901% across-the-board rescission.

EXHIBIT II-2

FEDERAL TRANSIT ADMINISTRATION
FY 2018 TOTAL BUDGETARY RESOURCES BY APPROPRIATION ACCOUNT
Appropriations, Obligation Limitations, and Exempt Organizations
(\$000)

ACCOUNTS	FY 2016 ACTUAL	FY 2017 ENACTED	FY 2017 ANNUALIZED CR 3/	FY 2018 REQUEST
1. Transit Formula Grants (TF) (Obligation Limitation)	10,620,605	11,033,706	10,629,835	11,033,353
FTA Transit Formula Grants	9,347,605	9,733,706	9,329,835	9,733,353
FHWA Flex Funding -- Net	1,273,000	1,300,000	1,300,000	1,300,000
2. Capital Investment Grants (GF) 1/2/	2,177,000	2,412,631	2,159,514	1,232,000
3. Washington Metropolitan Area Transit Authority (GF)	150,000	150,000	149,715	149,715
4. Administrative Expenses (GF)	108,000	113,165	107,795	110,795
5. Technical Assistance and Training (GF)	-	5,000	-	-
TOTAL	13,055,605	13,714,502	13,046,859	12,525,863

1/In the FY 2016 Enacted Budget, \$25.4 million of prior year unobligated balances were rescinded of which \$24.2 million was rescinded from the Capital Investment Grant account and \$1.2 million from the previously authorized Job Access and Reverse Commute (JARC) account. The FY 2017 Annualized CR includes \$13.3 million of prior year unobligated balances is rescinded.

2/The FY 2017 enacted level excludes \$117.8 million in prior year recovered balances.

3/Includes .1901% across-the-board rescission.

EXHIBIT II-4

FEDERAL TRANSIT ADMINISTRATION FY 2018 Budget Authority (\$000)

Name	U.S.C. 49 Chapter 53 Section	M/D	FY 2016 ACTUAL	FY 2017 ENACTED	FY 2017 ANNUALIZED CR 4/	FY 2018 REQUEST
Transit Formula Grants (Contract Authority)		M	10,620,605	11,033,706	10,828,835	11,033,353
Transit Oriented Development (discretionary pilot)	2005(b)		10,000	10,000	9,981	10,000
Planning Programs	5305		130,732	133,399	130,483	136,200
Urbanized Area Formula Grants	5307		4,538,906	4,629,684	4,530,277	4,726,907
Enhanced Mobility of Seniors and Individuals with Disabilities	5310		262,949	268,208	262,450	273,841
Pilot Program for Enhanced Mobility	3006 (b)		2,000	3,000	1,996	3,250
Formula Grants for Rural Areas	5311		619,956	632,355	618,777	645,635
Public Transportation Innovation	5312		28,000	28,000	27,947	28,000
Technical Assistance and Workforce Development 1/	5314		9,000	9,000	8,983	9,000
Bus Testing Facilities	5318		3,000	3,000	2,994	3,000
National Transit Database	5335		4,000	4,000	3,992	4,000
State of Good Repair Grants	5337		2,507,000	2,549,670	2,502,234	2,593,704
Bus and Bus Facilities Grants	5339		695,800	719,956	694,477	747,033
Growing States and High Density States	5340		536,262	544,434	535,242	552,784
Positive Train Control			-	199,000	199,000	-
FHWA Flex Funding -- Net			1,273,000	1,300,000	1,300,000	1,300,000
Capital Investment Grants (GF) 2/3/	5309	D	2,177,000	2,412,631	2,159,514	1,232,000
Washington Metropolitan Area Transit Authority (GF)	601, Division B, P.L. 110- 432	D	150,000	150,000	149,715	149,715
Administrative Expenses (GF)	5334, 5329, 5326	D	108,000	113,165	107,795	110,795
Technical Assistance and Training (GF)	5314	D	-	5,000	-	-
Job Access and Reverse Commute (Unobligated Balance Rescission)			(1,227)	-	-	-
Capital Investment Grants (Unobligated Balance Rescission)			(24,171)	-	(13,373)	-
			(25,398)		(13,373)	-
TOTAL			13,030,207	13,714,502	13,232,486	12,525,863
[Mandatory]			10,620,605	11,033,706	10,828,835	11,033,353
[Discretionary]			2,409,602	2,680,796	2,403,651	1,492,510

1/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.

2/ In the FY 2016 Enacted Budget, \$25.4 million of prior year unobligated balances were rescinded of which \$24.2 million was rescinded from the Capital Investment Grant account and \$1.2 million from the previously authorized Job Access and Reverse Commute (JARC) account. In FY 2017, \$13.3 million of prior year unobligated balances is rescinded.

3/The FY 2017 enacted level excludes \$117.8 million in prior year recovered balances.

4/Includes a .1901% across-the-board rescission.

EXHIBIT II-5**FEDERAL TRANSIT ADMINISTRATION
FY 2018 OUTLAYS
(\$000)**

APPROPRIATIONS TITLE	FY 2016 ACTUAL	FY 2017 ANNUALIZED CR	FY 2018 REQUEST
Transit Formula Grants (TF)	9,466,025	9,589,000	9,694,000
Capital Investment Grants (GF)	1,968,027	1,996,000	2,100,000
Transit Research (GF)	40,000	44,000	36,000
Technical Assistance and Standards Development (GF)	3,000	2,000	2,000
Administrative Expenses (GF)	107,000	109,000	116,000
Public Transportation Emergency Relief Program (GF)	516,000	500,000	542,000
Washington Metropolitan Area Transit Authority (GF)	265,000	165,000	205,000
Grants for Energy Efficiency and Greenhouse Gas Reduction (GF)	17,000	30,000	-
Transit Capital Assistance, Recovery Act (GF)	-	3,000	-
Formula Grants (GF)	33,000	33,000	33,000
Discretionary Grants (TF)	6,151	-	-
SUBTOTAL OUTLAYS	12,421,203	12,471,000	12,728,000

EXHIBIT II-6

SUMMARY OF REQUESTED FUNDING CHANGES FROM FY 2017 to FY 2018
Federal Transit Administration
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

Account Name	FY 2016 ACTUAL	FY 2017 ANNUALIZED CR 1/	Annualization		Compensable Days (260 days) 2/	Baseline Changes				
			of 2017 Pay Raises	2018 Pay Raises		WCF Increase/ Decrease	GSA Rent	Inflation/ Deflation	Program Changes	FY 2018 REQUEST
PERSONNEL RESOURCES (FTE)										
Direct FTE	511	502			2.1%	1.9%			-1	501
FINANCIAL RESOURCES										
ADMINISTRATIVE EXPENSES										
Salaries and Benefits	74,497	74,286		390		1,059			1,582	77,316
FECA (Worker's Compensation)	113	104								104
Travel	1,647	1,468								1,468
Training	1,115	884								884
Transportation	227	160								160
GSA Rent	7,532	8,078								8,078
Communications, & Utilities	783	784								784
Printing	151	151								151
WCF	8,910	8,682								8,682
WCF-Transit Subsidy	645	675								675
Contracts	10,833	11,794							-31	11,763
Supplies	132	132								132
Equipment	598	598								598
Admin Total	107,183	107,795	390	1,059	-	-	-	-	1,551	110,794

1/Includes .1901% across-the-board rescission.

2/There are 260 compensable days in FY 2018, the same as in FY 2017.

EXHIBIT II-7

**WORKING CAPITAL FUND
FEDERAL TRANSIT ADMINISTRATION
(\$000)**

	FY 2016 ACTUAL	FY 2017 ANNUALIZED CR 3/	FY 2018 REQUEST	CHANGE
DIRECT:				
Administrative Expenses	\$ 9,555	\$ 9,357	\$ 9,357	\$ -
TOTAL	<u>\$ 9,555</u>	<u>\$ 9,357</u>	<u>\$ 9,357</u>	<u>\$ -</u>

EXHIBIT II-8

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

	FY 2016 ACTUAL	FY 2017 ANNUALIZED CR	FY 2018 REQUEST
<u>DIRECT FUNDED BY APPROPRIATION</u>			
Administrative Expenses	511	502	501
Capital Investment Grants -			
Lower Manhattan Recovery Office	4	2	2
Public Transportation Emergency Relief	32	40	40
Transit Formula Grants	11	20	20
TOTAL FTEs	558	564	563

EXHIBIT II-9

**FEDERAL TRANSIT ADMINISTRATION
RESOURCE SUMMARY – STAFFING
FULL-TIME PERMANENT POSITIONS**

	FY 2016 ACTUAL	FY 2017 ANNUALIZED CR	FY 2018 REQUEST
<u>DIRECT FUNDED BY APPROPRIATION</u>			
Administrative Expenses	588	588	597
Capital Investment Grants - Lower Manhattan Recovery Office	2	2	2
Public Transportation Emergency Relief	32	40	40
Transit Formula Grants	11	21	21
TOTAL POSITIONS	<u>633</u>	<u>651</u>	<u>660</u>

SECTION 3:
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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), 5335, 5337, 5339, and 5340, as amended by the Fixing America's Surface Transportation Act, and section 20005(b) of Public Law 112–141, and sections 3006(b) and 3028 of the Fixing America's Surface Transportation Act, [\$10,400,000,000]\$10,300,000,000, 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), 5335, 5337, 5339, and 5340, as amended by the Fixing America's Surface Transportation Act, and section 20005(b) of Public Law 112–141, and sections 3006(b) and 3028 of the Fixing America's Surface Transportation Act, shall not exceed total obligations of [\$9,347,604,639]\$9,733,353,407 in fiscal year [2016]2018[.]: Provided further, That the Federal share of the cost of activities carried out under section 5312 shall not exceed 80 percent, except that if the Secretary determines that there is substantial public interest or benefit, the Secretary may approve a greater Federal share.

Note.—A full-year 2017 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Further Continuing Appropriations Act, 2017 (P.L. 114-254). The amounts included for 2017 reflect the annualized level provided by the continuing resolution.

TRANSIT FORMULA GRANTS

PROGRAM AND PERFORMANCE

FTA's 2018 budget request builds upon the successes of the previous authorization, MAP-21, which provided two years of stable funding for transit programs. The account structure is generally comparable to FTA's funding under MAP-21. The Transit Formula Grants account is funded from the Mass Transit Account of the Highway Trust Fund.

Transit Formula Grants funds can be used for transit capital purposes including bus and rail car purchases, facility repair and construction, as well as maintenance, and where eligible, planning and operating expenses. These funds help existing transit systems provide safe and reliable transportation options, and promote economically vibrant communities. The 2018 Budget request includes \$9.733 billion for Transit Formula Grants. The 2018 formula grant program structure includes:

Urbanized Area Formula.—\$4.727 billion. For formula grants to urbanized areas with populations of 50,000 or more. 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 in urban areas with populations over 200,000. Additionally, Urbanized Area grants may be used to support Job Access and Reverse Commute activities.

State of Good Repair Grants.—\$2.594 billion. For a formula-based capital maintenance program to restore and replace aging transportation infrastructure through reinvestment in existing fixed guideway systems and buses on high occupancy vehicle (HOV) lanes.

Rural Area Formula.—\$646 million. For formula grants to provide funds for capital, planning and operating assistance grants for transit service implemented by States in rural areas with populations of less than 50,000. Funding may also be used to support intercity bus service. Additionally, Rural Area grants may be used to support Job Access and Reverse Commute activities. Within this amount, \$30 million in formula funds and \$5 million in discretionary grant funds will support the Public Transportation on Indian Reservations program and \$20 million will support the Appalachian Development Public Transportation Assistance Formula Program.

Growing States and High Density States.—\$553 million. For funds that are divided between the Urban and Rural Area programs based on the legislative funding formula for this program.

Enhanced Mobility of Seniors and Individuals with Disabilities.—\$274 million. Supports local governments and public and private transportation providers that serve special needs of these specific transit-dependent populations beyond traditional public transportation services, including complementary paratransit service.

Bus and Bus Facilities Grants.—\$747 million. For formula funding and discretionary funding to replace, rehabilitate, and purchase buses and related equipment, and to construct bus-related

facilities States may use these funds to supplement Urbanized Area and Rural Area formula grant programs. Funding also supports low and zero emission bus and bus facilities.

Bus Testing Facility.—\$3 million. Funding supports a facility where all new bus models purchased using FTA capital assistance will be tested for compliance with performance standards for safety, structural integrity, reliability, performance (including braking performance) maintainability, emissions, noise and fuel economy. FTA must develop a Pass/Fail rating system for buses. FTA grantees will not be able use Federal funds to purchase buses that do not receive a "pass" rating.

Planning Programs.—\$136 million. 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.

Transit Oriented Development Pilot.—\$10 million. This pilot program funds planning for projects that support transit-oriented development associated with new fixed-guideway and core capacity improvement projects.

National Transit Data Base (NTD).—\$4 million. For operation and maintenance of the NTD, a database of nationwide statistics on the transit industry, which FTA is legally required to maintain under 49 U.S.C. 5335(a)(1)(2). NTD data serves as the basis for FTA formula grant apportionments and is used to track the condition and performance of our Nation's transit infrastructure.

Public Transportation Innovation.—\$28 million. This program provides assistance for projects and activities to advance innovative public transportation research, demonstration, deployment and development and testing, evaluating and analyzing low or no emission vehicle components intended for use in low or no emission vehicles.

Technical Assistance and Workforce Development.—\$9 million. This program enables FTA to provide technical assistance to the public transportation industry and to develop standards for transit service provision, with an emphasis on improving access for all individuals and transportation equity. Through this program, FTA is able to assist grantees to more effectively and efficiently provide public transportation and administer federal funding in compliance with the law.

National Transit Institute.—\$5 million. To fund projects that enable FTA to partner with higher education to develop and provide training and educational programs to transit employees and others engaged in providing public transit services.

Pilot Program for Enhanced Mobility.—\$3 million. This pilot program assists in financing innovative projects for the transportation disadvantaged that improve the coordination of transportation services and non-emergency medical transportation services.

DETAILED JUSTIFICATION

TRANSIT FORMULA GRANTS PROGRAMS

The FY 2018 Budget request includes \$9.7 billion for core FTA grant programs. The Budget builds upon the successes of the previous authorization, MAP-21, which provided two years of stable funding for transit. The Budget funds the Transit Formula Grants account from the Mass Transit Account of the Highway Trust Fund. Furthermore, the Budget includes an additional \$1.3 billion under this account in estimated flex funding transferred from the Federal Highway Administration (FHWA), bringing the total available to \$11 billion in FY 2018.

These funds support the following programs: Urbanized Area Formula, State Safety Oversight Program, State of Good Repair Grants, Rural Area Formula, Growing States and High Density States, Enhanced Mobility of Seniors and Individuals with Disabilities, Bus and Bus Facilities Grants, Bus Testing Facility, Planning Programs, Transit Oriented Development Pilot, National Transit Institute, National Transit Data Base (NTD), Public Transportation Innovation, Technical Assistance and Workforce Development, and the Pilot Program for Enhanced Mobility.

The Urbanized Area Formula program provides 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 urbanized areas, which depend on public transportation to improve mobility and reduce congestion.

The Formula Grants for Rural Areas program provides funding for public transportation capital, planning, job access and reverse commute projects and operating assistance, but this funding is apportioned to States to support public transportation in rural areas with populations less than 50,000. This program includes \$35 million in set-asides for a discretionary and formula grant tribal transit program. There is also a \$20 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 .

Additionally, the FTA request includes two programs focused on addressing the nation's aging transit infrastructure as highlighted in the FAST Act: State of Good Repair Formula Grants and formula and competitive Bus and Bus Facilities programs. Specifically, these programs help address an estimated and growing need of more than \$90 billion to repair, rehabilitate, or replace aging public transportation assets.

This request also supports FTA's State Safety Oversight (SSO) grant program. The request 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.

FTA's core formula programs support key national and departmental goals and initiatives including safety, state of good repair, economic competitiveness, quality of life in communities, and environmental sustainability. Furthermore, the eligibilities under these programs allow grantees to use funds to support important departmental initiatives.

EXHIBIT III-1

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

APPROPRIATIONS TITLE	FY 2016 ACTUAL	FY 2017 ANNUALIZED CR 3/	FY 2018 REQUEST	CHANGE FY 2017-2018
Transit Oriented Development	10,000	9,981	10,000	19
Planning Programs	130,732	130,483	136,200	5,717
Urbanized Area Formula Grants	4,538,906	4,530,277	4,726,907	196,630
Enhanced Mobility of Seniors and Individuals with Disabilities	262,949	262,450	273,841	11,391
Pilot Program for Enhanced Mobility	2,000	1,996	3,250	1,254
Formula Grants for Rural Areas	619,956	618,777	645,635	26,857
Pilot Transportation Innovation 1/	28,000	27,947	28,000	53
Technical Assistance and Workforce Development 2/	9,000	8,983	9,000	17
Bus Testing Facilities	3,000	2,994	3,000	6
National Transit Database	4,000	3,992	4,000	8
State of Good Repair Grants	2,507,000	2,502,234	2,593,704	91,469
Bus and Bus Facilities Grants	695,800	694,477	747,033	52,556
Growing States and High Density States	536,262	535,242	552,784	17,541
FHWA Flex Funding -- Net	1,273,000	1,300,000	1,300,000	-
TOTAL	10,620,605	10,629,835	11,033,353	403,519

1/ Beginning in FY 2016, Public Transportation Innovation (also known as Transit Research Section 5312) is derived from the Transportation Trust fund under the Transit Formula Grants account.

2/ Beginning 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.

3/Includes .1901% across-the-board rescission.

EXHIBIT III-1A

TRANSIT FORMULA GRANTS
SUMMARY ANALYSIS OF CHANGE FROM FY 2017 TO FY 2018
Appropriations, Obligation Limitations, and Exempt Organizations
(\$000)

	Change From FY 2017 to FY 2018 (\$000)	Change From FY 2017 to FY 2018 FTE
FY 2017 ANNUALIZED CR 1/	10,629,835	20
NEW OR EXPANDED PROGRAMS		
Transit Oriented Development	19	-
Planning Programs	5,717	-
Urbanized Area Formula Grants	196,630	-
Enhanced Mobility of Seniors and Individuals with Disabilities	11,391	-
Pilot Program for Enhanced Mobility	1,254	-
Formula Grants for Rural Areas	26,857	-
Pilot Transportation Innovation 2/	53	-
Technical Assistance and Workforce Development 3/	17	-
Bus Testing Facilities	6	-
National Transit Database	8	-
State of Good Repair Grants	91,469	-
Bus and Bus Facilities Grants	52,556	-
Growing States and High Density States	17,541	-
FHWA Flex Funding -- Net	-	-
SUBTOTAL, NEW OR EXPANDED PROGRAMS	403,519	-
FY 2018 REQUEST	11,033,353	20

1/Includes .1901% across-the-board rescission.

2/ Beginning in FY 2016, Public Transportation Innovation (also known as Transit Research Section 5312) is derived from the Transportation Trust fund under the Transit Formula Grants account.

3/ Beginning 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.

Detailed Justification for Transit Formula Grants

What Is The Request And What Funds Are Currently Spent on the Program?

FY 2018 – FORMULA GRANTS

(\$000)

PROGRAM ACTIVITY	FY 2016 ACTUAL	FY 2017 ANNUALIZED CR 3/	FY 2018 REQUEST	DIFFERENCE FY2017 - FY2018
Transit Oriented Development	10,000	9,981	10,000	19
Planning Programs	130,732	130,483	136,200	5,717
Urbanized Area Formula Grants	4,538,906	4,530,277	4,726,907	196,630
Enhanced Mobility of Seniors and Individuals with Disabilities	262,949	262,450	273,841	11,391
Pilot Program for Enhanced Mobility	2,000	1,996	3,250	1,254
Formula Grants for Rural Areas	619,956	618,777	645,635	26,857
Pilot Transportation Innovation 1/	28,000	27,947	28,000	53
Technical Assistance and Workforce Development 2/	9,000	8,983	9,000	17
Bus Testing Facilities	3,000	2,994	3,000	6
National Transit Database	4,000	3,992	4,000	8
State of Good Repair Grants	2,507,000	2,502,234	2,593,704	91,469
Bus and Bus Facilities Grants	695,800	694,477	747,033	52,556
Growing States and High Density States	536,262	535,242	552,784	17,541
Positive Train Control	-	-	-	-
FHWA Flex Funding -- Net	1,273,000	1,300,000	1,300,000	-
TOTAL	10,620,605	10,629,835	11,033,353	403,519

1/Includes .1901% across-the-board rescission.

2/ Beginning in FY 2016, Public Transportation Innovation (also known as Transit Research Section 5312) is derived from the Transportation Trust fund under the Transit Formula Grants account.

3/ Beginning 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.

FTA requests \$9.7 billion in new contract authority for the Transit Formula Grants programs, \$404 million more than the FY 2017 annualized continuing resolution. The majority of the

increase supports programs focused on one of the Administration's highest priorities – improving the condition, performance, and safety of the nation's aging transportation infrastructure.

In FY 2018, FTA will focus on continuing to implement new and modified programs created under MAP-21 and continued under the FAST Act that provide grants to support capital and for some transit systems operating assistance. This Budget, when combined with State and local funding, will help to address the backlog of transit assets that are not in a state of good repair, improve the safety of public transportation, ensure sound transportation planning for investments, and provide better access to transit systems in general, as well as transportation options for senior citizens and individuals with disabilities .

FTA is required 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 a percentage takedown from many FTA's 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 project-management oversight on large (over \$1 billion) or complex transit construction projects to ensure the projects stay within scope and on budget. Refer to the oversight section of this chapter for more information.

What Is This Program and Why is it Necessary?

Through its core formula programs, FTA provides grant assistance, primarily for capital projects, to more than 900 grantees across the country. Grants are used to invest in the basic needs of maintaining and sustaining the nation's \$848 billion in transit capital assets that serve a projected 11 billion transit trips each year. To a limited extent, these funds also support operating assistance for some transit systems.

FTA's partners for the formula programs include local, State, public, and private entities that provide transit services across the nation. Grantees are responsible for maintaining 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.

Grantees are also responsible for reporting finance, asset, and ridership data into FTA's National Transit Database (NTD), which is used to apportion formula funds and measure the condition and performance of transit assets. Additionally, FTA partners with higher education institutions to develop and conduct training and educational programs for Federal, state, and local transportation employees and others engaged in public transportation work through a National Transit Institute.

FY 2016 Base Accomplishments

The actual FY 2016 funding level provided \$10.647 billion, including an estimated \$1.3 billion in FHWA flex funding, for the Formula Grants programs.

- **Improve mobility:** Transit ridership reached 10.2 billion trips – with the majority of growth coming from transit serving urban areas. The commitment to expand transit supports increasing this rate of growth, and providing more transportation options to America’s communities.
- **Provide service and access to essential services:** \$1.3 billion in Federal operating assistance supported more than 9 million hours of transit service and, on average, about 648 million passenger trips. About \$2.1 billion in Federal formula funding for preventive maintenance will support 48 million hours of transit service, supplying 3.5 billion passenger trips. These investments sustained existing transit service levels that continue to connect people to jobs, medical appointments, education opportunities, and other destinations.
- **Support transit state of good repair:** \$6 billion of formula funding went towards projects to replace aging assets and help bring our transit infrastructure in a state of good repair. DOT’s most recent Conditions and Performance Report identified that the national transit state of good repair backlog is almost \$90 billion, and at current funding levels from all levels of government, continues to grow at around \$1.5 billion per year. These investments helped slow the growth in the backlog, and also began the process of reversing the backlog.
- **Public Transportation Innovation:** FTA continued activities for the Transit Cooperative Research Program (TCRP) and the creation of a Low or No Vehicle Component Assessment Program. Additionally, FTA ensured mobility and accessibility for all citizens through Mobility on Demand (MOD) initiatives and funding support for the Accessible Transportation Technologies Research (ATTRI) program. Also, FTA continued its efforts in researching and promoting asset innovation and asset management practices to include continued research into the performance and reliability of zero emission bus technologies.
- **Technical Assistance and Workforce Development:** FTA created new national technical assistance centers that help the riding public, transit agencies, and transit stakeholders and industry partners comply with human service transportation, meet the transportation needs of the elderly, increase transit ridership through transit oriented development, address transportation equity issues, and comply with the ADA. There were continued efforts that implemented the human resources and training program as well as standards program that address required safety standards.

FY 2017 Anticipated Accomplishments

The FY 2017 annualized continuing resolution level provides \$10.630 billion, including an estimated \$1.3 billion in FHWA flex funding, for the Formula Grants programs.

- **Improve mobility:** Transit ridership would be expected to reach 11.1 billion – with the majority of growth coming from transit serving urban areas. The commitment to expand transit supports increasing this rate of growth, and providing more transportation options to America’s communities.
- **Provide service and access to essential services:** \$1.3 billion in Federal operating assistance supported more than 9 million hours of transit service and, on average, about 648 million passenger trips. About \$2.1 billion in Federal formula funding for preventive maintenance will support 48 million hours of transit service, supplying 3.5 billion passenger trips. These investments sustained existing transit service levels that continue to connect people to jobs, medical appointments, education opportunities, and other destinations.
- **Support transit state of good repair:** \$6 billion of formula funding went towards projects to replace aging assets and help bring our transit infrastructure in a state of good repair. DOT’s most recent Conditions and Performance Report identified that the national transit state of good repair backlog is almost \$90 billion, and at current funding levels from all levels of government, continues to grow at around \$1.5 billion per year. These investments helped slow the growth in the backlog, and also began the process of reversing the backlog.
- **Public Transportation Innovation:** FTA established two new testing facilities to administer the Low or No Vehicle Component Assessment Program, which was competitively selected in FY 2017. These two facilities will conduct testing, evaluation and analysis of low or no emission components intended for use in transit buses used to provide public transportation. Through a cooperative agreement with FTA, the National Academy of Science, the Transportation Research Board administered the Transit Cooperative Research program (TCRP), providing the industry with applied research that provides near term solutions for pressing challenges such as infrastructure management, safety, procurement, health and transportation, and public / private partnerships in mobility.

Key impacts of these activities include:

- Enabled transit agencies, vendors, and other industry stakeholders to make informed decisions regarding the costs and capabilities of new technology transit buses.
- Incentivize transit agencies to invest in low and no emission technology; ultimately lowering the lifecycle costs associated with advanced bus technology and continuing to promote electric-drive vehicles as a viable vehicle choice for public transportation.
- Promoted small business innovation to meet the needs of the industry.

- Gathered data to enhance safety, resiliency, and emergency response designed to reduce the number of collisions, fatalities, and mitigate the severity of transit-related injuries.
 - Assisted FTA to make appropriate decisions that ensure public transit is safer through the development and application of safety standards.
 - Demonstrated how access to transportation can improve health outcomes for individuals who are unable to provide their own transportation as a result of a disability, an age-related condition, or an income constraint.
 - Enabled transportation systems to be more efficient and accessible, particularly for people who lack access to a car.
 - Promoted agile, responsive, accessible, and seamless multimodal transportation services inclusive of transit through enabling technologies and innovative partnerships.
 - Identified promising practices in shared services that not only increase access but also address operational efficiencies and effectiveness.
 - Enhanced independent mobility for people with disabilities (including veterans with disabilities) and older adults by leveraging technological advancements.
- **Technical Assistance and Workforce Development:** FTA created new national technical assistance centers that help the riding public, transit agencies, and transit stakeholders and industry partners comply with human service transportation, meet the transportation needs of the elderly, increase transit ridership through transit oriented development, address transportation equity issues, and comply with the ADA. There were continued efforts that implemented the human resources and training program as well as standards program that address required safety standards.

In FY 2017, FTA continues to invest in technical assistance, standards development, and human resources and training activities. These investments included activities to help the riding public, transit agencies, and transit stakeholders and industry partners, comply with human service transportation and coordination requirements, meet the transportation needs of the elderly, increase transit ridership through transit oriented development, address transportation equity issues, facilitate best practices to promote bus driver safety, comply with the ADA, and other technical assistance needs as determined by the Administration. There will be continued efforts in implementing the human resources and training program as well as standards program to address required safety standards. Workforce Development grants developed sustainable and replicable projects to enhance and recruit the public transportation workforce; provide incumbent worker training; outreach to engage youth in public transportation careers, especially to increase employment for historically disadvantaged groups; expand internships/apprenticeships; develop curricula – especially for bus operators and maintenance workers to address frontline workforce shortages and challenges.

The FY 2018 Budget request includes \$11 billion, including an estimated \$1.3 billion in FHWA flex funds for FTA's core Transit Formula Grants programs. The 2018 program structure includes:

Urbanized Area Formula.—\$4.727 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 in urban areas with populations over 200,000. Additionally, Urbanized Area grants may be used to support Job Access and Reverse Commute activities.

Data from FTA's FY 2013 Grants Statistical Summaries reported that Urbanized Area formula funds were used to purchase 3,888 buses and vans, 796 rail vehicles, and 3 ferry boats. This demonstrates the continuous improvement efforts to expand public transportation services. FTA's Grant Statistical Summaries provide information about the major FTA financial aid programs during a given Federal fiscal year. The data used in the Grant Statistical Summaries are compiled from the capital, operating, and planning assistance grants to transit authorities, states, planning agencies, and other units of local government and eligible recipients.

Rural Area Formula—\$646 million. 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, \$30 million in formula funds and \$5 million in competitive grants support the Public Transportation on Indian Reservations program, and \$20 million supports the Appalachian Development Public Transportation Assistance Program.

State Safety Oversight Program—\$23.6 million is requested for this program and is based on a 0.5 percent set-aside within the Urbanized Area Formula program. States with rail systems not regulated by the Federal Railroad Administration (FRA) must meet requirements for a State Safety Oversight (SSO) program. To aid States in meeting 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 designing, constructing and operating the safest rail transit facilities and equipment to reduce the risk of accidents, injuries and incidents on rail transit systems by developing new technologies, procedures, and public education campaigns.

Growing States and High Density States.—\$553 million is requested, which is allocated between the Urban and Rural Area programs based on the legislative funding formula for this program.

Enhanced Mobility of Seniors and Individuals with Disabilities—\$274 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 FY 2013 Grants Statistical Summaries reported that grant funding provided through this program supported the purchase of 967 buses and 790 vans.

State of Good Repair Grants—\$2.594 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.

Bus and Bus Facilities Grants—\$747 million is requested for formula funding (\$446 million) and competitive funding (\$247 million) to replace, rehabilitate, and purchase buses and related equipment, and to construct bus-related facilities. Specifically, eligible capital projects include the purchase 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, bus preventive maintenance, 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. The FY 2013 Grants Statistical Summaries reported that 171 buses were purchased for either fleet and/or service expansion and that 22 percent of the funds obligated supported various other bus and bus facility projects. An additional \$55 million in funding also supports competitive grants for low and zero emission bus and bus facilities.

Bus Testing Facility—\$3 million is requested for an FTA-funded bus testing facility which has tested 413 buses since its inception revealing almost 8,900 failures, 41 of which were critical safety hazards. The FAST Act continues to require all new 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.

Planning Programs—\$136 million. 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.

Transit Oriented Development Pilot—\$10 million. This pilot program funds planning for projects that support transit-oriented development associated with new fixed-guideway and core capacity improvement projects.

State Safety Oversight Programs

Since 1964, FTA has been prohibited by law from issuing basic safety standards to protect rail transit passengers and rail workers. The result is a patchwork of State laws that do not provide adequate or consistent safety coverage. FTA's authorities, beginning under MAP-21 in FY 2013, are helping to remedy these long-standing shortcomings.

As part of FTA's authority to establish and enforce a comprehensive framework to oversee the safety of public transportation throughout the United States, FTA is updating the State Safety Oversight (SSO) program to ensure that rail transit systems not regulated by the Federal Railroad Administration meet stringent safety requirements. States have the flexibility to use portions of FTA formula funds to implement State Safety Oversight programs.

In turn, FTA must certify that a State's Safety Oversight program includes: assuming responsibility for oversight of rail fixed-guideway public transportation safety; enforcing federal laws for rail fixed-guideway public transportation safety; and establishing a State Safety Oversight agency. SSO programs, which FTA must approve, encompass a SSO agency's capacity, organizational structure, financing, and activities. Of the *Urbanized Area* formula funds, \$23.6 million is provided for this activity (or 0.5 percent), to be distributed by a formula based on three types of mileage calculations.

Additionally, all FTA funding recipients develop agency safety plans and certify they meet FTA requirements. At a minimum these plans must include: strategies for identifying risks and minimizing exposure to hazards; an adequately trained safety officer to report directly to the general manager or equivalent; safety performance targets; and a staff training program. Urbanized and Rural Area recipients may use up to 0.5 percent of formula funds to pay for up to 80 percent of SSO agency employee safety certification training programs.

Furthermore, FTA will develop minimum safety performance standards for vehicles not regulated by other DOT modes or federal agencies. FTA also has the authority to inspect and audit all public transportation systems, issue safety reports and directives, investigate accidents and incidents, issue regulations, and inspect equipment.

MAP-21 requires FTA to establish a safety certification training program for certain public transportation industry employees and in FY 2018 expenses associated with this program and related safety training will be made available with funds authorized under Section 5338(f) of the FAST Act..

Supporting Bus and Rail State of Good Repair

State of Good Repair initiatives are aimed at one of the Department's top strategic goals - improving the condition of the nation's transit capital assets that studies show are suffering from years of under-investment and suboptimal asset management practices. Deteriorated capital assets erode system performance, cause delays because of break-downs and slower operating speeds, waste fuel, increase passenger crowding, and in some instances, compromise safety.

MAP-21's formula-based State of Good Repair (SGR) program was FTA's first stand-alone initiative written into law that was dedicated to repairing and upgrading the nation's rail transit systems and high-intensity motor bus systems, including bus rapid transit (BRT). Two types of formula grants are funded: High Intensity Fixed Guideway and High Intensity Motorbus. The Federal share for grants is limited to 80 percent.

In FY 2018, consistent with the FAST Act, FTA will continue to focus the Bus and Bus Facilities program on improving the condition of the nation's bus assets, where FTA found that 40 percent were in poor or marginal condition in 2010. Funding will be divided between a state of good repair formula program (\$446 million) and a competitive discretionary grant program (\$302 million) that will support investment in larger facility and one-time equipment investments that are not feasible under an annual formula apportionment.

National Transit Database (NTD) — \$4 million will support FTA's NTD, which is the primary national database 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. Furthermore, transit agencies will be required to report asset condition data to the NTD consistent with the asset management requirements in MAP-21.

Public Transportation Innovation—\$28 million. This program provides assistance for projects and activities to advance innovative public transportation research, demonstration, deployment, development and testing, evaluating and analyzing low or no emission vehicle components intended for use in low or no emission vehicles. \$5 million in funding is also provided to the National Academy of Science to administer a public transportation cooperative research program.

Technical Assistance and Workforce Development—\$9 million. This program enables FTA to provide technical assistance to the public transportation industry and to develop standards and best practices. Funds are also used to address public transportation workforce needs through a National Transit Institute (\$5 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.

Pilot Program for Enhanced Mobility—\$3 million. This pilot program assists in financing innovative projects for the transportation disadvantaged that improve the coordination of transportation services and non-emergency medical transportation services.

OVERSIGHT PROGRAM

Comparative Summary of Activity (\$000)

	<u>FY 2016</u> <u>ACTUAL</u>	<u>FY 2017</u> <u>ANNUALIZED</u> <u>CR</u>	<u>FY 2018</u> <u>REQUEST</u>
Program Level- Oversight	\$92,668	\$92,359	\$86,087

Program Description:

FY 2018 budget requests \$86.087 million for the Oversight Program authorized under 49 U.S.C. 5327 and 49 U.S.C. 5338(f).

FTA's FY 2018 oversight funds will address the ongoing oversight responsibilities necessary to support a \$11.2 billion annual transit program, as well as attend to the increasingly complex oversight activities required to ensure compliance with FTA's new safety authority. In FY 2018, FTA will support the Transit Safety Advisory Committee with funds authorized under Section 5338(f) and provide contract services to continue assisting the Office of Civil Rights complaint processing, technical assistance and program review.

Consistent with MAP-21, the FAST Act requires FTA to establish a safety certification training program for certain public transportation industry employees and in FY 2018 expenses associated with this program and related safety training will be made available with funds authorized under Section 5338(f). The FAST Act authorizes oversight funds to carry out Section 5329 safety responsibilities. In FY 2018 certain expenses associated with FTA's safety program, such as salaries and benefits, travel, training, and contracts will be made available with funds authorized under Section 5338(f).

The FY 2018 oversight budget will allow FTA to continue to meet its fundamental stewardship responsibility for managing multi-billion dollar grant programs involving more than 900 active grantees.

FTA's Oversight Program, authorized under 49 U.S.C. 5327 and 49 U.S.C. 5338(f), 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 FTA Oversight 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.

Oversight funds derived from authorized percentage oversight takedowns from FTA’s key grant programs include:

- 1.0 percent from the Capital Investment Grants program
- 1.0 percent from the Washington Metropolitan Area Transit Authority (WMATA) Grant authorized under PRIIA
- FTA grant programs:
 - 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
- 0.5 percent from these FTA grant programs:
 - Planning Programs
 - Enhanced Mobility of Seniors and Individuals with Disabilities
 - Formula Grants for Rural Areas

With these funds, FTA administers a number of major oversight activities. In general, FTA’s Oversight Program consists of activities undertaken in the following areas:

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

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.

The focus of FTA’s oversight activities is to prevent and identify recipients’ non-compliance with Federal regulations. FTA has conducted a top-to-bottom review of its overall oversight approach to improve its activities and enforcement tools. As a result, FTA’s Oversight Program has been streamlined and strengthened to address and reduce risk associated with its grants programs.

FY 2018 Oversight Program Request:

FY 2018 budget requests \$86.087 million for the core Oversight Program.

FTA's FY 2018 oversight funds will address the ongoing oversight responsibilities necessary to support a \$11.2 billion annual transit program, as well as attend to the increasingly complex oversight activities required to ensure compliance with FTA's new safety authority.

Consistent with MAP-21, the FAST Act requires FTA to establish a safety certification training program for certain public transportation industry employees and in FY 2018 expenses associated with this program and related safety training will be made available with funds authorized under Section 5338(f).

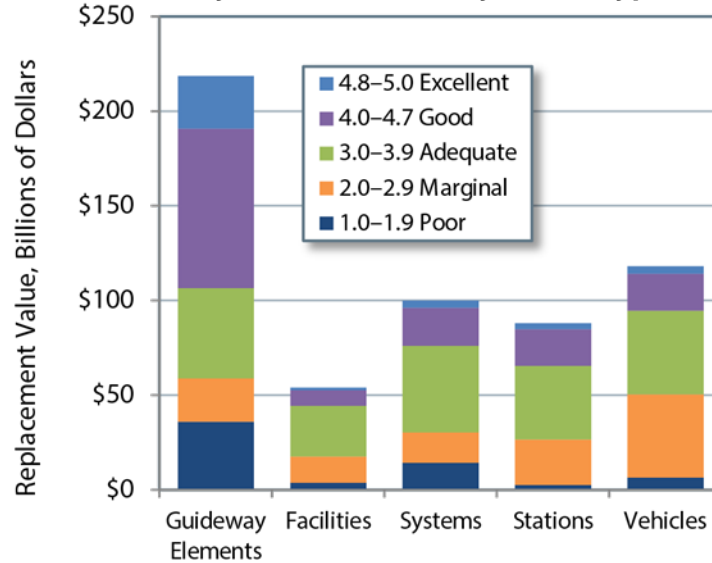
Why Is This Particular Program Necessary?

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. Therefore, the reliability and predictability of FTA formula funds, which comprise nearly 87 percent of FTA's requested FY 2018 budget, is particularly important to the success of transit systems nationwide. For example, DOT's latest Conditions and Performance Report indicates that in 2012 Federal funds accounted for 19 percent of transit agencies' revenue, including 45 percent of total capital expenditures.²

These capital investments help to improve the condition of the nation's transit assets. Studies have shown that the nation's transit assets are suffering from years of under-investment and suboptimal asset management practices. In 2015, DOT's latest Conditions and Performance Report found that an almost \$90 billion national backlog exists of transit assets needing repair and replacement. More specifically, between 10 to 12 percent of all buses are estimated to be in need of replacement, three percent of all heavy rail and light rail vehicles are estimated to be in need of replacement, and more than one third of all track and guideway elements are estimated to need replacement. The backlog of track and guideway elements alone includes \$140 billion worth of assets estimated to be in poor condition – the lowest rating on FTA's five point asset condition scale described below.

² Federal Highway Administration and Federal Transit Administration, 2015 Status of the Nation's Highways, Bridges, and Transit: Conditions & Performance Report to Congress, 2015
<http://www.fhwa.dot.gov/policy/2010cpr/execsum.htm#c6t>

Distribution of Asset Physical Condition by Asset Type for All Modes



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.

FTA has also found that while some large transit agencies regularly assess the condition of their assets, none had a comprehensive asset management program that was used to set long-term priorities for capital reinvestment. FTA's budget request addresses this shortcoming by continuing to provide resources and requirements for asset management plans, which will be reinforced through new planning requirements that include performance targets based on national performance measurements. Asset management systems can both empower transit agencies to make informed decisions and enable FTA to track and better account for the condition of transit assets nationwide.

In addition to support for capital assets found in the major urban and rural formula programs, the State of Good Repair and Bus and Bus Facilities programs will allow FTA to apportion formula funding on a needs-based approach to rail, fixed guideway, and bus systems. These programs will allow transit agencies to address the deteriorated capital assets that erode system performance, cause delays due to break-downs and slower operating speeds, waste fuel, increase passenger crowding, and in some instances, compromise safety. The Bus and Bus Facilities program will provide limited discretionary funding for one-time large bus purchases and facilities and equipment. This would include some intermodal facilities that currently lack a dedicated Federal funding source. Funding would also allow FTA to further contribute to improving safety through the State Safety Oversight program.

The condition of transit assets does play into the reliability of transit services. In 2011, Bay Area Rapid Transit (BART), the nation's 8th largest transit system, was shut down one Monday evening in August as a communications system failure left the control center without information on the location of its trains. The system had to be shut down for two hours during late rush hour and passengers were told to find alternative transportation. BART officials have shared that the system needs \$15 billion in upgrades over the next 25 years but the agency has identified only about half of the required funds to make that happen. While its assets are challenged by deteriorating conditions, ridership continues to grow on this system. In 2012, BART carried more than 114 million riders, surpassing all records.

Furthermore, the operating assistance provided through the Urbanized Area Formula Grants and Formula Grants for Rural Areas programs will help relieve some budget pressures for transit agencies, particularly those with bus services, in certain circumstances. These funds can also help to ensure current service in communities is maintained in the face of tight operating budgets. Operating assistance will also be available to help FTA's recipients train for and meet upcoming FTA safety requirements.

Effective investment planning is critical for ensuring the sustainability of our nation's transit systems. Funds for Planning formula grants, as well as Transit-Oriented Development pilot projects, will encourage Metropolitan Planning Organizations (MPO) and State efforts toward taking a holistic approach to planning. This should include key stakeholders and increasing accountability and transparency in decision-making processes. In addition to implementing key funding and procedural requirements, FTA will continue to track and report on transit condition and performance trends to support effective strategic planning. This work leverages data housed within FTA's National Transit Database.

What does this funding level support?

Transit Formula Grant funds reflect a commitment to ensuring that public transit operates safely, efficiently, reliably, and sustainably so that communities can offer balanced transportation choices that help to improve mobility, reduce congestion, and encourage economic development. The Formula Grants 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 safe and efficient operation and development of public transportation systems. Such systems will serve the mobility needs of citizens while also reducing fuel consumption.

Data indicate that the nation needs to invest approximately \$90 billion simply to eliminate the backlog of transit capital assets currently in poor or marginal condition. To prevent the backlog from growing, and also to support growth in ridership, FTA estimates suggest that the necessary annual investment over 20 years (from Federal, state, and local governments) is \$17 billion per year. FTA's formula programs help address this need by providing a critical financial foundation through regular and predictable Federal support to large and small transit agencies.³

³ Federal Highway Administration and Federal Transit Administration, 2013 Status of the Nation's Highways, Bridges, and Transit: Conditions & Performance Report to Congress, 2013
<http://www.fhwa.dot.gov/policy/2010cpr/>

The FAST Act included a large, focused program to address this backlog in rail and fixed guideway systems. The reauthorization proposal also supports a dedicated and predictable source of funding to reduce the large backlog of bus state of good repair investments.

The FY 2018 budget request will not reduce the need for State and local governments to continue investments in transit capital and operating assets. Increased Federal investment has, historically gone hand-in-hand with increased State and local investment. These funds will help make a down payment on reducing the state of good repair backlog and ensure the traveling public, including targeted populations like senior citizens and individuals with disabilities, have access to public transportation. Funding for planning programs will help ensure that MPO and State approaches to transportation planning are more holistic, accountable, and transparent, thereby encouraging sound investments to help ensure that the nation's state of good repair and capacity needs are met.

What Benefits Will Be Provided To The American Public Through This Request?

- Demand for public transportation is on the rise as evidenced by increased ridership and by the number of communities expanding existing systems or opening new transit systems. More transit riders help to improve mobility, but also put a strain on the capacity of existing and aging systems. Moreover, communities across the nation are looking to establish or grow existing transit services as urban populations grow and the need for specialized transportation services for elderly and disabled riders increases. The result is a need for increased investment by all levels of Government to meet repair and capacity needs.
- MAP-21 continued some formula programs but also created new programs and consolidated some programs authorized under the previous authorization. Major formula programs include grants to Urban and Rural areas, State of Good Repair, and Bus and Bus Facilities Grants. In the FAST Act, FTA essentially maintains the MAP-21 program structure with slight adjustments, but significantly increases funding for State of Good Repair and Bus and Bus Facilities Grants to help address a growing transit asset backlog.
- Additionally, MAP-21 created new requirements for grantees in the areas of safety, performance-based planning, and state of good repair/asset management and continues to be required in the FAST Act.
- The U.S. is seriously under-investing in both the maintenance and recapitalization of the transit systems that it has built over the last century. Data show that the nation's rail and bus systems face roughly an \$90 billion maintenance backlog that continues to grow. MAP-21 created a State of Good Repair Formula Grants program that funds replacement and rehabilitation of capital assets for fixed-guideway and bus systems operating on High Occupancy Vehicle (HOV) lanes, including bus rapid transit (BRT). Consistent with the FAST Act, FTA's budget includes a significant increase in funding that will enable it to better address the Administration's goals of bringing these assets into a state of good repair.

- Our nation's bus systems suffer from deteriorating and aging assets. FTA found that approximately 50 percent of bus assets need significant investments to bring them into a state of good repair. The current program structure and funding does not address this issue. In particular there is no source of funds to help with large reinvestment needs, such as replacement of maintenance facilities. The FY 2018 Budget will help address the bus backlog and provide a source of funding for one-time large bus and facility investments through a combination of formula and discretionary grant funds.
- Formula funds also are provided to continue support for FTA's State Safety Oversight program, a key element of FTA's safety authority established under MAP-21 and the FAST Act.

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
TRANSIT FORMULA GRANTS**

Program and Financing (in millions of dollars)

Identification code: 69-8530-0-1-401		2016 Actual	Annualized CR	2018 Request
Obligations by program activity:				
0001	Urbanized area programs	5,359	5,359	5,359
0002	Fixed guideway modernization	1	0	0
0003	Bus and bus facility grants	68	281	281
0004	Over-the-road bus	0	0	0
0005	Clean Fuels Program	0	0	0
0006	Planning Programs	150	150	150
0007	Job Access & Reverse Commute	0	0	0
0008	Alternatives analysis program	0	0	0
0009	Alternative transportation in parks and public Lands	0	0	0
0011	Seniors and persons with disabilities	319	270	270
0012	Non-urbanized area programs	729	729	729
0013	New Freedom	0	0	0
0014	National Transit Database	0	4	4
0015	Oversight	74	74	74
0016	Transit Oriented Development	19	10	10
0017	Bus and Bus Facilities Formula Grants	461	461	461
0018	Bus Testing Facility	0	3	3
0019	National Transit Institute	5	...	...
0020	State of Good Repair Grants	1,820	1,820	1,912
0021	Public Transportation Innovation	0	14	14
0022	Technical Assistance and Workforce Development	8	5	5
Total new obligations		9,013	9,180	9,272
Budgetary resources:				
Unobligated balance:				
1000	Unobligated balance brought forward, Oct 1	8,777	10,381	11,831
Unobligated balance of contract authority transferred to or				
1013	from other accounts [069-8083]	-34	...	...
1021	Recoveries of prior year unpaid obligations	75	...	...
1050	Unobligated balance (total)	8,818	10,381	11,831
Budget authority:				
Appropriations, discretionary:				
1101	Appropriation (special or trust fund)	10,400	10,400	10,300
1120	Appropriations transferred to other accts [069-8083]	-78	...	...
1121	Appropriations transferred from other accts [069-8083]	1,170	1,300	1,300
1137	Portion applied to liquidate contract authority used	-11,492	-11,700	-11,600
1160	Appropriation, discretionary (total)	...	...	...

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
TRANSIT FORMULA GRANTS**

Program and Financing (in millions of dollars)

Identification code: 69-8530-0-1-401		2016 Actual	Annualized CR	2018 Request
Contract authority, mandatory:				
1600	Contract authority	9,348	9,348	9,733
1610	Transferred to other accounts [069-8083]	-45	...	...
1611	Transferred from other accounts [069-8083]	1,273	1,300	1,300
1640	Contract authority, mandatory (total)	10,576	10,630	11,033
1900	Budget authority (total)	10,576	10,630	11,033
1930	Total budgetary resources available	19,394	21,011	22,864
Memorandum (non-add) entries:				
1941	Unexpired unobligated balance, end of year	10,381	11,831	13,592
Change in obligated balance:				
Unpaid obligations:				
3000	Unpaid obligations, brought forward, Oct 1	16,589	16,061	15,652
3010	Obligations incurred, unexpired accounts	9,013	9,180	9,272
3020	Outlays (gross)	-9,466	-9,589	-9,694
3040	Recoveries of prior year unpaid obligations, unexpired	-75	...	...
3050	Unpaid obligations, end of year	16,061	15,652	15,230
Memorandum (non-add) entries:				
3100	Obligated balance, start of year	16,589	16,061	15,652
3200	Obligated balance, end of year	16,061	15,652	15,230
Budget authority and outlays, net:				
Discretionary:				
Outlays, gross:				
4010	Outlays from new discretionary authority	1,353	1,781	1,850
4011	Outlays from discretionary balances	8,113	7,808	7,844
4020	Outlays, gross (total)	9,466	9,589	9,694
4080	Outlays, net (discretionary)	9,466	9,589	9,694
Mandatory:				
4090	Budget authority, gross	10,576	10,630	11,033
4160	Budget authority, net (mandatory)	10,576	10,630	11,033
4180	Budget authority, net (total)	10,576	10,630	11,033
4190	Outlays, net (total)	9,466	9,589	9,694
Memorandum (non-add) entries:				
5052	Obligated balance, SOY: Contract authority	2,649	1,699	629
5053	Obligated balance, EOY: Contract authority	1,699	629	62

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
TRANSIT FORMULA GRANTS**

Program and Financing (in millions of dollars)

		2016	Annualized	2018
Identification code: 69-8530-0-1-401		Actual	CR	Request
5061	Limitation on obligations (Transportation Trust Funds)	10,576	10,630	11,033

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
TRANSIT FORMULA GRANTS**

Object Classification (in millions of dollars)

Identification code: 69-8530-4-7-401		2016	2017	2018
Direct Obligations:				
	Personnel compensation:			
11.1	Full-time permanent	1	2	2
11.3	Other than full-time permanent	...	1	1
11.9	Total personnel compensation	1	3	3
12.1	Civilian personnel benefits	...	...	...
21.0	Travel and transportation of persons	...	...	...
23.1	Rental payments to GSA	...	...	...
23.3	Communications, utilities, and miscellaneous charge	...	...	...
25.2	Other services from non-Federal sources	74	74	74
25.3	Other goods and services from Federal sources	...	...	...
25.7	Operation and maintenance of equipment	...	...	...
41.0	Grants, subsidies, and contributions	8,938	9,103	9,195
99.9	Total new obligations	9,013	9,180	9,272

ADMINISTRATIVE EXPENSES TAB

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ADMINISTRATIVE EXPENSES

For necessary administrative expenses of the Federal Transit Administration's programs authorized by chapter 53 of title 49, United States Code, \$110,794,692.

Note.—A full-year 2017 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Further Continuing Appropriations Act, 2017 (P.L. 114–254). The amounts included for 2017 reflect the annualized level provided by the continuing resolution.

ADMINISTRATIVE EXPENSES

PROGRAM AND PERFORMANCE

The Federal Transit Administration's (FTA) Administrative Expenses appropriation provides resources for salaries, benefits, and administrative expenses for 501 full-time equivalents employees (FTEs) to carry out the Agency's stewardship of over \$11.2 billion in Federal funds. Priorities for the 2018 Administrative Expenses appropriation include enhancement of the Office of Safety and Oversight's safety workforce to strengthen and expand the framework of the robust State Safety Oversight Program and safety for all modes of transit, including Accident Investigation Oversight; the implementation of the FAST Act to include required rulemakings, policy updates, and strategic planning; the provision of technical assistance to grantees during project development and program implementation; Capital Project Management Oversight and grantee compliance; and support for Transit Asset Management activities, which includes developing objective standards to measure capital asset conditions and collecting data on the asset condition of the FTA grantees.

EXHIBIT III-1

ADMINISTRATIVE EXPENSES

Summary by Program Activity

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

	FY 2016	FY 2017	FY 2018	CHANGE
	ACTUAL	ANNUALIZED CR	REQUEST	FY 2017-2018
Administrative Expenses	108,000	107,795	110,795	3,000

Program and Performance Statement

This account provides the necessary resources to support FTA's administrative infrastructure and operations. These funds will help to build and maintain safe and structured transit systems to grow our nation's economy by creating good-paying jobs, connecting with business opportunities that support transit, and by providing transportation options within communities throughout the United States.

EXHIBIT III-1A

**ADMINISTRATIVE EXPENSES
SUMMARY ANALYSIS OF CHANGE FROM FY 2017 TO FY 2018
Appropriations, Obligation Limitations, and Exempt Organizations
(\$000)**

	Change From FY 2017 to FY 2018 (\$000)	Change From FY 2017 to FY 2018 FTE
FY 2017 ANNUALIZED CR	107,795	502
FY 2017 Adjustments to Base:		
Annualization of 2017 Pay Raise 2.1%	390	
FY 2018 Pay Raise 1.9%	1,059	
Contracts	(31)	
SUBTOTAL, ADJUSTMENTS TO BASE	1,418	-
FY 2017 Program Changes:	1,582	(1)
SUBTOTAL, Program Change	1,582	(1)
FY 2018 REQUEST	110,795	501

Detailed Justification for the Administrative Expenses

What Is The Request And What Funds Are Currently Spent On The Program?

FY 2018 – ADMINISTRATIVE EXPENSES

(\$000)

PROGRAM ACTIVITY	FY 2016 ACTUAL	FY 2017 ANNUALIZED CR	FY 2018 REQUEST	DIFFERENCE FY 2017-2018
Administrative Expenses	108,000	107,795	110,795	3,000

The budget requests \$110.8 million for FY 2018, a \$3 million increase over the FY 2017 annualized continuing resolution (CR). The increase of \$3 million would support filling up to 20 positions in FTA's Office of Transit Safety & Oversight which has been under-resourced since it was created in FY 2013 with passage of substantial new transit safety authority in MAP-21. The 20 positions include the following lines of safety work:

- 4 safety specialists (subject matter experts) to work on human factors, track, signals, and bus safety risks.
- 4 state safety oversight program managers to certify over 30 state safety oversight agencies with rail transit systems. By law, these agencies must be certified by April 2019 or risk having all FTA funds withheld from every transit system in the state.
- 2 safety/risk hazard analysts to work with transit agencies on implementing safety management systems.
- 10 regional safety officers assigned among FTA's ten regional offices to perform a variety of complex program activities that include: on-site accident and incident investigations working with the National Transportation Safety Board (NTSB), monitoring state safety oversight agencies, and inspection and coordination activities.

Administrative Expenses -- FTE Summary

PROGRAM ACTIVITY	FY 2016 ACTUAL	FY 2017 ANNUALIZED CR	FY 2018 REQUEST	DIFFERENCE FY 2017-2018
Administrative Expenses	511	502	501	-1

What Is This Program and Why is it Necessary?

The FTA is comprised of 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. Furthermore, 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 \$75 billion in active transit grants annually and achieve its strategic mission.

FTA program funding supports transit systems through annual grant programs that provide substantial public benefits such as: decreasing transportation-related fatalities and injuries, including to passengers and transit workers; reducing the need for more roadway capacity; reducing congestion and pollution levels in many communities; 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. As the nation continues to grow, it is economically practical to invest in the country's aging transit infrastructure.

At the end of FY 2016, FTA managed approximately \$75 billion in total obligations of active grants. A significant share of the costs for administering these grants are funded from the Administrative Expenses account and represent less than one percent of the FTA's annual budget.

FTA also manages several oversight programs covering transit safety, its many grant programs, almost 1,000 grantees, and thousands of projects, including major capital projects as well as mid-size and smaller projects. The FTA's substantial oversight responsibilities and review of several lines of business include the following, with positions primarily funded from this account, such as:

- 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, and the
- Transportation Infrastructure Finance and Innovation Act (TIFIA) Program transit loan portfolio/project 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 2016 Base Accomplishments

- Published interim provisions to implement the Safety Management System (SMS) safety training program.
- Published the Final Rule establishing a National Transit Asset Management (TAM) System and conducted outreach and technical assistance to implement the rule.
- Completed multiple safety rulemakings, including the State Safety Oversight Rule and National Safety Plan, Agency Safety Plan, and Training Requirements.
- Published the Bus Testing Rule required by MAP-21, to establish a pass/fail system.
- Developed a baseline metric for Joint Development project outcomes using FTA funding.
- Completed standard operating procedures to address Disadvantaged Business Enterprise (DBE) shortfall reviews of the FTA's top 50 transit agencies.
- Issued multiple Notice of Funding Opportunities (NOFO's) totaling \$318 million for authorized discretionary competitions for certain FY 2016 funding.
- Implemented other FAST Act priorities, programs and reports, including guidance for increased domestic content requirements for rolling stock under the Buy America Act.
- Sustained improvements in Employee Training and Development programs to enhance employee capabilities, skill-sets, and job satisfaction.

FY 2017 Anticipated Accomplishments

- Finalize rulemakings for the Public Transportation Agency Safety Plan and the National Public Transportation Safety Certification Training Program as required by MAP-21.
- Finalize a proposed rule for Protecting Transit Employees from the Risk of Assaults as required by the FAST Act.
- Finalize the Private Sector Participation proposed rule required by MAP-21 and update the guidance to incorporate the innovative procurement provisions of the FAST Act.
- Certify State Safety Oversight (SSO) Programs that are compliant with the new requirements under the SSO rule that was finalized in FY 2016.
- Implement other FAST Act priorities, programs and reports including statutorily required Reports to Congress and other public reports.

- Issue multiple NOFO's for authorized discretionary competitions for FY 2017 funding.
- Issue an updated Buy America Act Handbook.

The FTA's FY 2018 budget supports 501 Full Time Equivalents (FTE). FTA's authorized responsibilities have grown under previous surface transportation authorizations enacted by Congress along with the increase in program funding, active and new transit projects, and the number of grants awarded each year.

Both MAP-21 and the FAST Act 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, a review and report of the safety standards and protocols used in public transportation systems to examine the effectiveness of existing standards and protocols, and the authority for FTA to temporarily assume safety oversight responsibilities of an inadequate or incapable State Safety Oversight (SSO) agency. Furthermore, the FAST Act provides increased program funding levels and modifications of requirements for the State of Good Repair and Bus Programs to help rebuild the nation's transit infrastructure.

The FY 2018 budget request is based on continuing these activities while aggressively addressing the new transit safety requirements in the FAST Act, the nation's estimated \$90 billion State of Good Repair backlog, and the need to improve the performance and reliability of transit systems to meet increasing ridership demand.

As FTA continues to mitigate the impact of administrative funding challenges which has progressively limited agency-wide productivity and effectiveness, without the increases requested in staffing for safety, FTA may be at risk of systemic mission failure. In particular, an increase in operating resources is required to address the substantial growth in FTA's transit safety requirements under MAP-21 and the FAST Act..

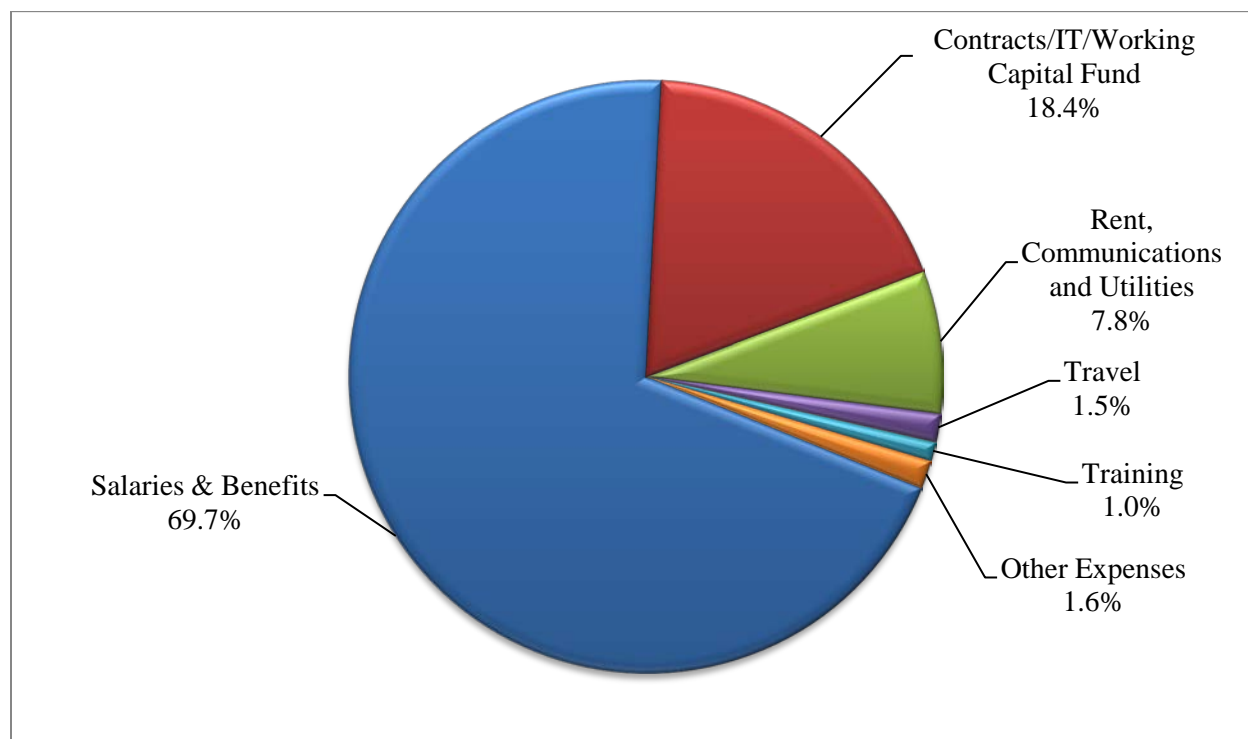
Why Do We Want/Need To Fund The Program At The Requested Level?

In FY 2018, approximately 70 percent of the \$110.8 million request supports the Personnel Compensation and Benefits (PC&B) costs of 501 FTE's within the Administrative Expenses budget. 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 items such as salaries and benefits, the Working Capital Fund, rent, information technology (IT), printing, contractual services, certain travel expenses for the execution of numerous and extensive program and project oversight reviews, and training to maintain proficiencies and prepare leadership identified roles for existing and new employees agency-wide. The combination of these new and expanded responsibilities has

forced FTA to institute significant cost savings measures, including a hiring slow-down, reductions to IT services, and cuts to other Headquarters and Regional travel operations, including limiting or scaling-back many critical program oversight and review activities. These reductions are progressively reducing the effectiveness of FTA's program execution and oversight of \$75 billion in active grants.

Percentage of FY 2016 Actual Obligations by Object Class - Chapter 53 Administrative Expenses



FTA's Office of Transit Safety & Oversight has been under-resourced since it was created in FY 2013 with passage of substantial new transit safety authority in MAP-21. In FY 2018, FTA requests funding to hire up to 20 positions for the Office of Safety and Oversight for various lines of safety work.

As FTA continues to mitigate the impact of administrative funding challenges which has progressively limited agency-wide productivity and effectiveness, without the increases requested in safety staffing FTA may be at risk of not meeting all mission goals. In particular, an increase in operating resources is required to address the substantial growth in FTA's transit safety requirements under MAP-21 and the FAST Act and to address the significant increase in capital project oversight

FTA Administrative Expenses (AE) Summary - FY 2016 – FY 2018
(\$000)

Appropriation	FY 2016 Actual	FY 2017 ANNUALIZED CR	FY 2018 Request
Administrative Expenses (AE)	\$108.0	\$107.8	\$110.8

Obligations			
PC&B	\$74.5	\$74.3	\$77.3
FECA (Worker's Compensation)	\$0.1	\$0.1	\$0.1
Travel	\$1.6	\$1.5	\$1.5
Training	\$1.1	\$0.9	\$0.9
Transportation	\$0.2	\$0.2	\$0.2
Rent	\$7.5	\$8.1	\$8.1
Communications & Utilities	\$0.8	\$0.8	\$0.8
Printing	\$0.2	\$0.2	\$0.2
WCF	\$8.9	\$8.7	\$8.7
WCF - Transit Subsidy	\$0.6	\$0.7	\$0.7
Contracts	\$11.0	\$11.8	\$11.8
Supplies	\$0.1	\$0.1	\$0.1
Equipment	\$0.6	\$0.6	\$0.6
Total Obligated	\$107.3	\$107.8	\$110.8
PC&B as a % of total AE	70%	69%	70%
All other costs as a % of total AE	30%	31%	30%

Personnel Compensation and Benefits: \$77,316,207

Over the past decade, FTA responsibilities from previous surface transportation authorizations enacted by Congress have grown significantly faster than its administrative resources. The enactment of the FAST Act has considerably increased FTA's transit safety oversight responsibilities, which translates to the need to increase its safety workforce. The FTA requests \$77.3 million in FY 2018 for salaries and benefits and related expenses for 501 FTEs.

Below is an itemized breakdown by office of the major components of the request for the FTA's Administrative Expenses budget.

Full-time Equivalent and Full-time Positions by Office

FTA Office Symbol	FTA Office	FY 2016 Actual		FY 2017 Annualized CR		Difference from FY 2016 Actual & FY 2017 Annualized CR		FY 2018 Request		Difference from FY 2017 Annualized CR & FY 2018 Request	
		FTE	FTP	FTE	FTP	FTE	FTP	FTE	FTP	FTE	FTP
TOA	Office of the Administrator	7	8	5	8	-2		5	8	-	-
TAD	Office of Administration	60	66	61	66	1		61	66	-	-
TCC	Office of Chief Counsel	32	36	31	36	-1		31	36	-	-
TCA	Office of Communications and Congressional Affairs	14	15	13	15	-1		13	15	-	-
TPM	Office of Program Management	42	46	39	46	-3		39	46	-	-
TBP	Office of Budget and Policy	50	58	49	58	-1		49	58	-	-
TRI	Office of Research Demonstration and Innovation	24	30	25	30	1		25	30	-	-
TCR	Office of Civil Rights	25	32	24	32	-1		24	32	-	-
TPE	Office of Planning and Environment	38	42	36	42	-2		25	31	-11	-11
TSO	Office of Transit Safety and Oversight	32	40	33	40	1		43	60	10	20
R1-10	Regional Offices	187	215	186	215	-1		186	215	-	-
Total		511	588	502	588	-9	0	501	597	-1	9

Federal Transit Administration Expenses and FTE by Office

Total Personnel Compensation and Benefits:

	FY 2016 Actual		FY 2017 Annualized CR		FY 2018 Request	
Personnel Compensation and Benefits	\$	FTE	\$	FTE	\$	FTE
Total	74,496,970	511	74,285,615	502	77,316,207	501

The requested FTE level for FY 2018 is 501.

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 and the recently enacted FAST Act. However, the FTA may be at risk of systemic mission failure if it is not able to increase its workforce in key offices to meet growing transit safety and project oversight demands.

Note: Since FY 2007, the FTA has centrally budgeted and managed its Personnel Compensation and Benefits. This provides overall efficiencies to handle attrition and hiring. Amounts budgeted within each office include travel, training, supplies, equipment, and individual office contracts.

Office of the Administrator (TOA):

	FY 2016 Actual		FY 2017 Annualized CR		FY 2018 Request	
Office of the Administrator	\$	FTE	\$	FTE	\$	FTE
Total	67,115	7	65,979	5	65,979	5

The Office of the Administrator provides executive direction for the FTA headquarters and field organizations and is directly accountable to the Secretary and Deputy Secretary for successful mission and program accomplishments.

The FTA's FY 2018 funding request includes \$65,979 for the TOA and no increase in FTEs.

Office of Administration (TAD):

	FY 2016 Actual		FY 2017 Annualized CR		FY 2018 Request	
Office of the Administrator	\$	FTE	\$	FTE	\$	FTE
Total	140,911	60	126,825	61	126,825	61

The Office of Administration provides a comprehensive program of management services and activities to FTA employees, including administrative and logistical support services, developing and maintaining FTA's automated enterprise and information systems (IT), promoting information technologies, and procuring and providing maintenance and support for all automated information systems. The procurement division administers a comprehensive program to plan, monitor and control the acquisition of material, equipment and services of direct procurement and third party contracting for the FTA. The Human Resources division

develops and conducts programs related to staffing, employee management, benefits, and discipline and personnel actions.

The FTA's FY 2018 funding request includes **\$126,825** for the TAD and no increase in FTEs.

Office of Chief Counsel (TCC):

	FY 2016 Actual		FY 2017 Annualized CR		FY 2018 Request	
Office of Chief Counsel	\$	FTE	\$	FTE	\$	FTE
Total	240,681	32	254,958	31	174,958	31

The Office of the Chief Counsel is responsible for all aspects of the FTA's legal activities, including regulatory and legislative functions. Safety and other regulatory functions have expanded significantly during the past three years. This office reviews internal agency actions and actions taken by grant applicants and recipients to ensure that various legal requirements governing the FTA programs and activities have been met. The Office of Chief Counsel provides legal representation to the FTA and the Department in litigation arising in connection with Federal transit programs, in coordination with the Office of General Counsel and the Department of Justice.

The FTA's FY 2018 funding request includes \$174,958 for the TCC and no increase in FTEs. The cost of printing the Federal Register is included in the Office of Budget and Policy beginning in FY 2018 and accounts for the decrease in funding in this office from FY 2017.

Office of Communications and Congressional Affairs:

	FY 2016 Actual		FY 2017 Annualized CR		FY 2018 Request	
Office of Communications and Congressional Affairs	\$	FTE	\$	FTE	\$	FTE
Total	54,222	14	52,957	13	52,957	13

The Office of Communications and Congressional Affairs is the agency's lead office for media relations, public affairs, and Congressional relations, providing quick response support to the Office of the Secretary, the agency, the public, and Members of Congress on a daily basis. The office disseminates information about FTA programs and policies to the public, the transit industry, and other interested parties through a variety of traditional and new social media. This office also coordinates the Administrator's public appearances and is responsible for managing correspondence and other information directed to and issued by the Administrator and Deputy Administrator.

The FTA's FY 2018 funding request includes **\$52,957** for the TCA and no increase in FTEs .

Office of Program Management:

	FY 2016 Actual		FY 2017 Annualized CR		FY 2018 Request	
Office of Program Management	\$	FTE	\$	FTE	\$	FTE
Total	156,768	42	164,858	39	164,858	39

The Office of Program Management (TPM) administers FTA's discretionary and formula based public transportation capital and operating assistance funding programs. The office provides procedures and program guidance to assist the field staff and grant recipients in grant program administration and grant management requirements, and administers FTA's grant making systems and grant data. In addition, TPM manages FTA's oversight of \$60 billion in active major capital projects and an additional \$15 billion for 6,800 active grants.

The FTA's FY 2018 funding request includes \$164,858 for the TPM and no increase in FTEs.

Office of Budget and Policy (TBP):

	FY 2016 Actual		FY 2017 Annualized CR		FY 2018 Request	
Office of Budget and Policy	\$	FTE	\$	FTE	\$	FTE
Total	4,848,062	50	5,123,850	49	5,256,033	49

The Office of Budget and Policy implements and manages overall policy, strategic management and fiscal control for the FTA. Policy functions include: policy development or review of regulations, procedures and directives to implement policy initiatives and legislative requirements affecting the FTA; preparing and coordinating statutory reports to Congress; and conducting and monitoring policy research in support of the agency's mission. Budgeting functions include: developing the FTA budgets linked to performance; working with OMB and the Department of Treasury to receive apportionments; providing budgetary controls and ensuring that funds are expended in accordance with Administration and congressional intent. Strategic planning activities include: development and coordination of the FTA strategic plan; conducting program evaluations; and carrying out the requirements of the Government Performance and Results Act. Financial systems and accounting functions ensure the maintenance of the FTA's key financial and payment systems, maintain official financial records and control accounts on the FTA grants, and contract and control disbursements for the agency. The financial management activities include contract support.

The FTA's FY 2018 funding request includes \$5,256,033 for the TBP and no increase in FTEs. The cost of printing the Federal Register (\$80,000) is included in TBP beginning in FY 2018.

Office of Research, Demonstration, and Innovation (TRI):

	FY 2016 Actual		FY 2017 Annualized CR		FY 2018 Request	
Office of Research, Demonstration, and Innovation	\$	FTE	\$	FTE	\$	FTE
Total	77,595	24	86,917	25	86,917	25

The Office of Research, Demonstration, and Innovation identifies the technology needs of the transit industry, and conducts a program of research, development, demonstration and deployment to meet those needs. The research is aimed at developing improved transit vehicles, systems, components and facilities by developing, testing and evaluating innovative technologies. This office provides technical assistance to U.S. transit supply and service industries to enhance the U.S. competitive position in global markets. Functions also include the management of the bus testing program, an important element of FTA's safety program.

The FTA's FY 2018 funding request includes \$86,917 for the TRI and no increase in FTEs.

Office of Civil Rights (TCR):

	FY 2016 Actual		FY 2017 Annualized CR		FY 2018 Request	
Office Civil Rights	\$	FTE	\$	FTE	\$	FTE
Total	90,307	25	99,923	24	99,923	24

The Office of Civil Rights ensures implementation of all civil rights programs and equal opportunity requirements and ensures compliance by recipients of Federal assistance and entities that are subject to the FTA regulations. This office provides technical advice and assistance on all civil rights matters including: nondiscrimination in the provision of federally assisted transit services, Environmental Justice (EJ), compliance and enforcement of the Americans with Disabilities Act of 1990, as amended, and equal opportunity of grants recipients.

The FTA's FY 2018 funding request includes \$99,923 for the TCR and no increase in FTEs.

Office of Planning and Environment (TPE):

	FY 2016 Actual		FY 2017 Annualized CR		FY 2018 Request	
Office of Planning and Environment	\$	FTE	\$	FTE	\$	FTE
Total	116,188	38	110,889	36	97,943	25

The Office of Planning and Environment administers a national program of metropolitan and statewide planning assistance, providing technical assistance to agencies and directing program implementation. This office also manages the pipelines of projects in the Capital Investment Program, including Small Starts, New Starts, and Core Capacity, as well as the Expedited Project

Delivery Pilot. In addition, the office manages the requirements under the National Environmental Policy Act (NEPA) law, and oversees project delivery and coordination.

The FTA's FY 2018 funding request includes \$97,943 for the TPE and reduction of 11 FTEs consistent with the reduction in funding in the Capital Investment Grant account.

Office of Safety and Oversight (TSO):

	FY 2016 Actual		FY 2017 Annualized CR		FY 2018 Request	
Office of Safety and Oversight	\$	FTE	\$	FTE	\$	FTE
Total	380,874	32	358,897	33	369,863	43

The mission of the Office of Safety and Oversight is to establish guidelines for and oversee the safety of all modes of transit through policy development, hazard investigation & mitigation, data collection, risk analysis, effective oversight programs and information sharing.

MAP-21 granted FTA the authority to establish and enforce a new comprehensive framework to oversee the safety of public transportation throughout the United States as it pertains to heavy rail, light rail, buses, and streetcars. The FAST Act continues to focus emphasis on making transit safer for all riders and transit employees. An increase to the safety workforce will allow the FTA to ascertain, implement, and deploy new safety initiatives throughout the nation. These new opportunities and challenges translate to additional resources which are necessary to accomplish present and future responsibilities.

The FTA's FY 2018 funding request includes \$369,863 for the TSO and an increase of 10 FTEs. The increase in salaries and benefits for the 10 FTEs is included in the Total Compensation and Benefits line item.

Additional staff resources are required in the TSO office (and support offices) to finalize the remaining rulemakings, to stand up the transit safety regulatory framework, to continue the work of standing up 30 State Safety Oversight agencies (SSOA), to continue to develop FTA's accident investigation capabilities, to launch a safety data collection and analytics effort, and to address the additional safety studies and federal Minimum Safety Standards required in the FAST Act.

Safety:

Congress authorized federal oversight of rail transit safety in 2012 with the passage of MAP-21. FTA has been actively working to implement the new safety oversight framework, both nationally and at individual properties.

MAP-21 required several rulemakings to establish the program framework, and we expect to finalize the remainder of these rulemakings during 2016. In addition, MAP-21 increased the requirements and standards for State Safety Oversight agencies, and FTA is working closely with 30 SSOA's to augment their existing programs to be compliant with the new transit safety

requirements. State Safety Oversight agencies must meet these requirements to be well-functioning, capable safety oversight entities which provide timely and necessary safety reviews and oversight.

The FAST Act continued the safety progress from MAP-21 by explicitly providing for direct federal oversight when necessary, tasking FTA with the completion of several safety studies, and calling for the establishment of federal Minimum Safety Standards. In addition to the rulemakings that will result from this mandate for federal safety standards, the FAST Act also requires the FTA to pursue a rulemaking for the protection of transit vehicle operators from assault.

In order to continue to implement the requirements of MAP-21 and to continue the work of the FAST Act, FTA's Office of Transit Safety and Oversight requires additional staff resources. The office is actively working to carry out the activities required in statute to establish baseline regulatory functions mandated in statute. However, real-world safety events occur regularly across the transit industry and require the FTA to divert resources from baseline work to address time-sensitive safety concerns. Examples of these events include several high-profile accidents in Chicago and Washington, D.C. that required FTA safety personnel to conduct in-depth and long-term examinations and inspections.

In October of 2015, FTA's safety office assumed direct safety oversight of the Washington Metropolitan Area Transit Authority (WMATA). While possessing the technical expertise to exercise direct oversight of WMATA, FTA added up to 20 employees on temporary detail from other government agencies to meet the increased workload.

For the FTA to be successful in establishing an industrywide safety program, implement industrywide safety and performance standards, monitor the industry to those standards, respond to accidents and incidents, and to provide direct safety oversight of transit properties around the country on short notice, the FTA will need more staff. New staff resources in the Office of Safety and Oversight would be directed to core functions critical to ensuring the safety of the transit industry; safety data collection and analytics, accident investigation, rulemaking & other safety efforts.

Regional Offices:

	FY 2016 Actual		FY 2017 Annualized CR		FY 2018 Request	
Regional Offices	\$	FTE	\$	FTE	\$	FTE
Total	971,919	187	1,065,266	186	1,065,266	186

The 10 Regional Offices provide certification of adherence to planning and environmental requirements; assistance with grant development & award; procurement approvals; approval of triennial, state management, procurement system, financial management oversight, and civil rights reviews; manage oversight certifications, reviews and findings; and technical assistance on project development. Regional offices also work closely with headquarters on the Capital Investment Grant projects in their regions.

The FTA's FY 2018 funding request includes \$1,065,266 for the Regional Offices and no additional FTEs.

Central Account:

	FY 2016 Actual *		FY 2017 Annualized CR		FY 2018 Request	
Central Account	\$	FTE	\$	FTE	\$	FTE
Total	25,577,655	N/A	25,999,738	N/A	25,916,963	N/A

* Specialized training for the FTA employees is funded from the Central Account.

The Central Account provides for agency-wide operations such as rent payments for space, information technology investments, contract support services, health services, human resources services, equipment, equipment repair and maintenance, permanent change of station relocation costs, and FTA's share of the Departments Working Capital Fund costs.

The FTA's FY 2018 funding request includes \$25,916,963 for the Central Account.

Travel: \$1,468,190

The budget request includes funding to meet the mission-critical travel requirements of successfully overseeing more than \$75 billion in active grants and FTA-funded major capital projects. 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 TIGER 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 systems and infrastructure, engagement in legal actions, and attendance at quarterly meetings to discuss the FTA guidance, policies, and procedures. Many site visits are in rural areas of the country where transportation options are limited and travel costs are not competitive, and in some cases prohibitive, when compared to more heavily travelled urban areas. With the FTA's growing and hands-on responsibilities at small and rural transit agencies, it needs greater capacity to conduct mission-critical business with its partners and the public.

The FTA is actively taking advantage of information technology in order to reduce the cost of travel. For example, the use of video conferencing equipment is promoted in order to have virtual “face-to-face” meetings between headquarters and regions, and regions and transit agencies when practicable. However, this technology can only go so far to meet the needs of the agency and better serve the public. The FTA is also required to be on-site to carry out planning certifications, triennial reviews, and project and financial management oversight; to participate in conferences; and to provide grant-making assistance to over 900 grantees and 6,000 subrecipients nationwide.

Transportation: \$160,000

Funding will provide for the travel and transportation costs of government employees and other persons, while in an authorized travel status, that are to be paid by the government either directly or by reimbursing the traveler. This includes both travel away from official stations, subject to regulations governing civilian and military travel, and local travel and transportation of persons 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: \$884,139

Funding will be used to support the mission-critical training, conferences and large events.

GSA Rent: \$8,078,000

Rent costs include payments to the General Services Administration (GSA) and other non-GSA facility managers for 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 ten of the 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, the FTA also has regional offices located in New York, Philadelphia, Atlanta, Chicago, Fort Worth, Kansas City, Denver, San Francisco, and Seattle.

Communications and Utilities: \$784,846

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: \$11,763,427

The budget request includes contracts that provide information technology (IT) support for existing technology infrastructure (e.g. help desk, web application support), IT development (e.g. web-based applications), and various interagency agreements (e.g. Federal Personnel Payroll System with Department of the Interior, Delphi accounting system support with the Federal Aviation Administration (FAA)).

Printing: \$150,866

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 involves grant announcements, grant apportionments, new rules and regulations, and various other announcements. As a result, the agency must use the Government Printing Office's (GPO) Federal Register. Since FY 2012, the agency has made a conscious effort to reduce the number of pages printed and directed readers of the Federal Register to the FTA website for many of the supporting documents and documentation associated with the particular publication.

Working Capital Fund: \$9,357,002

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.

Supplies and Materials: \$131,514

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: \$597,500

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

Information Technology Investments:

The Federal government must effectively manage its portfolio of capital assets to ensure scarce public resources are wisely invested. Capital programming integrates the planning, acquisition, and management of capital assets into the budget decision-making process. It is intended to assist agencies in improving asset management and in complying with the results-oriented requirements of:

- The Government Performance and Results Act of 1993, established the foundation for budget decision-making to achieve strategic goals in order to meet agency mission objectives;
- The Federal Managers Financial Integrity Act of 1982, the Chief Financial Officers Act of 1990, and the Federal Financial Management Improvement Act of 1996, requires

accountability of financial and program managers for financial results of actions taken, control over the Federal government's resources, and protection of Federal assets;

- The Paperwork Reduction Act of 1995, requires agencies to perform their information resources management activities in an efficient, effective, and economical manner;
-
- The Clinger-Cohen Act of 1996, requires agencies to use a disciplined capital planning and investment control process to acquire, use, maintain, and dispose of information technology;
- The Federal Information Security Management Act, requires agencies to integrate IT security into their capital planning and enterprise architecture processes, conduct annual IT security reviews of all programs and systems, and report the results of those reviews to OMB;
- The Electronic Government Act of 2002, requires agencies to support government-wide electronic government (E-gov) initiatives and to leverage cross-agency opportunities to further E-gov. The Act also requires agencies to establish a process for determining which government information the agency intends to make available and accessible to the public on the Internet and by other means. In addition, the Act requires agencies to conduct and submit to OMB privacy impact assessments for all new IT investments administering information in identifiable form collected from or about members of the public; and
- The Federal Records Act, requires agencies to establish standards and procedures to assure efficient and effective records management. The National Archives and Records Administration (NARA) issues policies and guidance for agencies to meet their records management goals and requirements. NARA also provides policies and guidance for planning and evaluating investments in electronic records management.
- The Digital Accountability and Transparency (DATA) Act implementation calls for the establishment and implementation of Government-wide data standards for financial data to provide consistent, reliable, and searchable spending data for easy public consumption and is intended to increase the quality of the information captured in USASpending.gov. The FTA is required to fund this implementation over the next several years. As specific implementation requirements are provided to the FTA, it will promptly provide the Office of Management and Budget a cost estimate for modifications to its financial systems.

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 in order to fund mission-critical activities. We have taken advantage of most piggy-backing or co-location opportunities and do not purchase unnecessary goods or services. Below are examples of cost savings activities undertaken in recent years.

Mission-Critical Travel

In FY 2012, OMB issued Memorandum 12-12 which transformed government-wide travel policy created restrictions on a currently constrained travel budget. Program Offices are to travel at a 20 percent overall decreased budget in FY 2018. 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. The 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 oversee multi-million or multi-billion 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 conferences 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 priority on training to improve employee productivity and performance. Managers have target limited training resources to ensure that staff are receiving only mission-critical training, such as job related training to enhance skillset and increase Federal aptitude. Employees are not allowed to travel to attend training that does not contribute directly to the ability to the enhancement or duties of the occupation requirements.

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 and related travel plans.

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 on-line 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 material/tables 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 Availability, grant announcements, and other required communications. FTA anticipates producing several programmatic regulations and guidance in FY 2017 and FY 2018. The FTA will use its web page 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 2018, the FTA plans to continue various desktop print cost reduction efforts from FY 2017, such as:

- Maintaining the recently implemented switch to password controlled multi-functional printer (MFP) devices at headquarters, which have been shown to reduce print volumes. (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; and
- Ensuring use of improved sleep-mode for all MFP devices (using less power/energy).

Electronic Devices

Since FY 2012, the FTA has dramatically reduced the costs of portable devices and service fees. The Department was successful in negotiating a reduction of almost 50 percent in the monthly recurring costs for Blackberry, Broad Band Access Device, iDevice and cell phone service costs incurred by the FTA. The FTA has also continued its practice of exercising tight control over wireless devices, which must be justified by Associate or Regional Administrators or their Deputies and approved by the Associate Administrator for Administration or his/her Deputy

IT Devices – Laptop computers

The FTA is transitioning users from using full laptops and desktops to the use of a Virtual Desktop environment (VDI) based on the VMWare set of tools. Part of this idea is to move users to a “thin” or “zero” client, which serves as a low-cost gateway to a virtual desktop. As these clients are about 1/3 the cost of a tradition laptop, this results in a large cost savings to the FTA when it is time to replace out of warranty machines. As the VDI infrastructure is in place by the Department of Transportation’s Common Operating Environment (COE), there is no initial cost to the FTA to move users over (although the FTA and other DOT modes do pay in yearly to support the COE and initiatives such as these). The cost savings are directly realized as

there are fewer funds spent during refresh. Additionally, these clients are easier to maintain, replace, and do not need to be refreshed according to traditional schedules (every 3-4 years); when they fail they can be replaced with a like model and employees experiences less disruption.

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 transportation. This represents less than one percent of DOT's total fleet. These are fuel-efficient vehicles and the FTA's FY 2017 goal is to continue to increase the use of alternative fuels in these vehicles.

Data Centers

The FTA currently does not own or operate any dedicated data centers. The FTA is co-located with DOT's primary data centers. These DOT data centers are located at the Integrated Communications Solutions facility (ICS) in Frederick, MD and at the DOT Headquarters in the Southeast Federal Center. The FTA has only one server in each regional office (this footprint was reduced from three servers to one by virtualization over the last three years).

What Benefits Will Be Provided To The American Public Through This Request?

The FY 2018 budget includes funding for core administrative activities that support the FTA operations in both headquarters and in 10 regional offices located throughout the country. With the full amount requested for the Administrative Expenses account of the FY 2018 budget, FTA will have the resources to support approximately 501 FTEs and oversee a budget of about \$11.2 billion. The majority of FTA funding is awarded through grants to over 900 transit agencies and 6,000 subrecipients located throughout the country. FTA also supports transit safety, capital improvements and maintenance, and operations of smaller transit systems.

The FTA functions include safety oversight, financial management, budget, grants management, research, training, legal and environmental reviews, contract management, human resource management, information technology, communications and legislative affairs, policy and regulatory development, civil rights, and project oversight. These functions are necessary to support a world-class public transportation system that keeps America moving.

FTA provides technical assistance and guidance to its grantees, evaluates funding applications and awards grants, and oversees grant-funded projects of which many are mega-projects with over \$1 billion in FTA funds, develops program and policy guidance for industry stakeholders, conducts research, and carries out essential financial management and organizational services. It is crucial that FTA strengthen its safety workforce to maintain the level of excellence in providing transit passengers a safe trip through better oversight of our nations transit system.

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
ADMINISTRATIVE EXPENSES**

Program and Financing (in millions of dollars)

		2016	2017	2018
		Actual	Annualized CR	Request
Identification code: 69-1120-0-4-401				
Obligations by program activity:				
0001	Administrative expenses	100	101	104
	Transit Safety Oversight	6	6	6
	Transit Asset Management	1	1	1
0900	Total new obligations	107	108	111
Budgetary resources:				
Budget authority:				
Appropriations, discretionary:				
1101	Appropriation (special or trust fund)	108	108	111
1137	Appropriations applied to liquidate contract authority	...	...	-
1900	Budget authority (total)	108	108	111
1930	Total budgetary resources available	108	108	111
Change in obligated balance:				
Unpaid obligations:				
3000	Unpaid obligations, brought forward, Oct 1	13	12	11
3010	Obligations incurred, unexpired accounts	107	108	111
3011	Obligations (upward adjustments) expired amount	1		
3020	Outlays (gross)	(107)	(109)	(116)
3041	Recoveries of prior year unpaid obligations, expired	(2)		
3050	Unpaid obligations, end of year	12	11	6
Memorandum (non-add) entries:				
3100	Obligated balance, start of year	13	12	11
3200	Obligated balance, end of year	12	11	6
Budget authority and outlays, net:				
Discretionary:				
4000	Budget authority, gross	108	108	111
Outlays, gross:				
4010	Outlays from new discretionary authority	97	103	105
4011	Outlays from discretionary balances	10	6	11
4020	Outlays, gross (total)	107	109	116
4070	Budget authority, net (discretionary)	108	108	111
4080	Outlays, net (discretionary)	107	109	116
4180	Budget authority, net (total)	108	108	111
4190	Outlays, net (total)	107	109	116

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
ADMINISTRATIVE EXPENSES**

Object Classification (in millions of dollars)

		2016 Actual	2017 Annualized CR	2018 Request
Identification code: 69-1120-0-4-401				
Direct Obligations:				
Personnel compensation:				
11.1	Full-time permanent	55	54	56
11.3	Other than full-time permanent	1	1	1
11.5	Other personnel compensation	1	1	1
11.9	Total personnel compensation	57	56	58
12.1	Civilian personnel benefits	18	19	19
21.0	Travel and transportation of persons	2	2	2
23.1	Rental payments to GSA	7	8	8
23.3	Communications, utilities, and miscellaneous charges	1	1	1
25.2	Other services from non-Federal sources	1	1	1
25.3	Other goods and services from Federal sources	15	15	16
25.4	Operation and maintenance of facilities	-	-	-
25.7	Operation and maintenance of equipment	5	5	5
26.0	Supplies and materials	-	-	-
31.0	Equipment	1	1	1
Total new obligations		107	108	111

**CAPITAL
INVESTMENT
GRANTS
TAB**

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CAPITAL INVESTMENT GRANTS

For necessary expenses to carry out 49 U.S.C. 5309, \$1,232,000,000, to remain available until expended.

Note.—A full-year 2017 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Further Continuing Appropriations Act, 2017 (P.L. 114-254). The amounts included for 2017 reflect the annualized level provided by the continuing resolution.

CAPITAL INVESTMENT GRANTS

PROGRAM AND PERFORMANCE

The FY 2018 Budget request includes \$1.2 billion for the Capital Investment Grants account to increase the capacity of local transit networks and to meet ridership demands in communities across the nation. These objectives of this program are accomplished by supporting the construction of new fixed guideway systems or extensions to fixed guideways, corridor-based bus rapid transit systems, and core capacity improvement projects. These projects include heavy rail, light rail, commuter rail, bus rapid transit, ferries, and streetcar systems. FTA allocates resources to grantees through a multi-year, multi-step competitive process. Prior to funding, each project is required to obtain an acceptable rating under a set of statutorily defined criteria that examine project merit and local financial commitment.

EXHIBIT III-1

FEDERAL TRANSIT ADMINISTRATION

CAPITAL INVESTMENT GRANTS

Summary by Program Activity

Appropriations, Obligation Limitations, and Exempt Obligations

(\$000)

	FY 2016		FY 2017		FY 2018	CHANGE
	ACTUAL	1/	ANNUALIZED	2/	REQUEST	FY 2017 -
			CR			2018
Capital Investment Grants	2,177,000		2,159,514		1,232,000	(927,514)

1/ In the FY 2016 Appropriations Act, \$25.4 million of prior year unobligated balances were rescinded of which \$24.2 million was derived from the CIG account and \$1.2 million from the previously repealed Job Access and Reverse Commute (JARC) account.

2/ Includes 0.1901% across the board reduction and reflects the rescissions from the FY 2016 Appropriations Act, which apply only to the unobligated balances remaining (\$13.4 million) in these accounts.

Program and Performance Statement

The Capital Investment Grants program funds projects that offer alternatives to automobile travel and reduces the impact of auto emissions on the environment. Capital Investment Grants support these efforts by providing funding to expand existing transit systems and add new transit corridors across the nation. FTA funds the construction of new fixed guideway systems or extensions to fixed guideway systems, corridor-based bus rapid transit systems, and core capacity improvement projects. These include heavy rail, light rail, commuter rail, bus rapid transit, and streetcars in communities across the country.

EXHIBIT III-1a

**CAPITAL INVESTMENT GRANTS
SUMMARY ANALYSIS OF CHANGE FROM FY 2017 TO FY 2018
Appropriations, Obligations, Limitations, and Exempt Obligations
(\$000)**

	Change from FY 2017 to FY 2018 <u>\$000</u>	Change from FY 2017 to FY 2018 <u>FTE</u>
FY 2017 ANNUALIZED CR	2,159,514	N/A
Adjustments to Base:	-	
SUBTOTAL, ADJUSTMENTS TO BASE	-	
NEW OR EXPANDED PROGRAMS:		
Capital Investment Grants	(927,514)	
SUBTOTAL, NEW OR EXPANDED PROGRAMS	(927,514)	
FY 2018 REQUEST	1,232,000	

CAPITAL INVESTMENT GRANTS

Detailed Justification for the Capital Investment Grants Program

What Is the Request and What Funds Are Currently Spent on The Program?

FY 2018 – CAPITAL INVESTMENT GRANTS (\$000)

Program Activity	FY 2016 Actual 1/	FY 2017 Annualized CR 2/	FY 2018 Request	Difference from FY 2017
Capital Investment Grants	2,177,000	2,159,514	1,232,000	(927,514)

1/ In the FY2016 Appropriations Act , \$25.4 million of prior year unobligated balances were rescinded of which \$24.2 million was derived from the CIG account and \$1.2 million from the previously repealed the Job Access and Reverse Commute (JARC) account.

2/ Includes 0.1901% across the board reduction and reflects the rescissions from the FY 2016 Appropriations Act , which apply only to the unobligated balances remaining (\$13.4 million) in these accounts.

The FY 2018 Budget requests \$1.2 billion for Capital Investment Grants (CIG) to fund existing full funding grant agreements. These include two types of projects:

- Section 5309 New Starts Projects
 - Projects that receive more than \$100 million in Section 5309 discretionary funding or have an estimated total capital cost equal to or exceeding \$300 million.
- Section 5309 Core Capacity Improvement Projects
 - Corridor-based improvement projects that enhance capacity by at least 10 percent in existing fixed-guideway corridors at capacity today or that will be at capacity in five years or less.

Of the \$1.232 billion request for the Capital Investment Grants program in FY 2018:

- \$1.008 billion for existing New Starts funding grant agreement commitments already in place; and
- \$100 million for Core Capacity full funding grant agreement commitments already in place.
- \$112 million for other projects
- Per the provisions of 49 U.S.C. 5338(f), one percent is requested for FTA oversight, totaling \$12.32 million in the request

REPLACEMENT PAGE

No funding is requested to support the Expedited Delivery Pilot Program authorized in Section 3005(b) of the FAST Act.

The following is a list of existing full funding grant agreements for Capital Investment Grants projects:

Proposed FY 2018 Funding for FTA Capital Investment Grant Program		
Funding in Millions		
Existing New Starts Full Funding Grant Agreements		
Regional Connector	Los Angeles, CA	\$ 100.0
Westside Subway Section 1	Los Angeles, CA	\$ 100.0
Westside Subway Section 2	Los Angeles, CA	\$ 100.0
Mid-Coast Corridor Transit Project	San Diego, CA	\$ 100.0
Third Street Light Rail Phase 2 - Central Subway	San Francisco, CA	\$ 23.0
Silicon Valley Berryessa Extension Project	San Jose, CA	\$ 97.4
Eagle Commuter Rail	Denver, CO	\$ 63.3
Green Line Extension	Boston, MA	\$ 150.0
LYNX Blue Line Extension - Northeast Corridor	Charlotte, NC	\$ 74.2
Portland-Milwaukie Light Rail Project	Portland, OR	\$ 100.0
TEX Rail	Fort Worth, TX	\$ 100.0
Total Existing New Starts Full Funding Grant Agreements		\$ 1,007.9
Existing Core Capacity Full Funding Grant Agreement		
Red and Purple Line Modernization Project Phase One	Chicago, IL	\$ 100.0
Total Existing Core Capacity Full Funding Grant Agreements		\$ 100.0
Other Projects That May Become Ready for Funding *		\$ 111.8
Oversight Activities		\$ 12.3
Grand Total		\$ 1,232.0

*The FFGA for the Caltrain Peninsula Corridor Electrification Project is planned to be signed shortly and the Maryland National Capital Purple Line FFGA remains under review due to pending litigation.

What Is This Program and Why Is It Necessary?

The Capital Investment Grant program is a competitive discretionary grant program that funds major transit capital projects including heavy rail, light rail, commuter rail, bus rapid transit projects, and streetcars. There are three categories of eligible projects under 49 U.S.C. 5309:

- New Starts -- projects that receive \$100 million or more in Capital Investment Grant funding or have an estimated capital cost equal to or exceeding \$300 million;
- Small Starts -- projects that receive less than \$100 million in Capital Investment Grant funding and have a total estimated capital cost of less than \$300 million; and
- Core Capacity Improvement -- projects that enhance capacity by at least 10 percent in existing fixed-guideway corridors that are at capacity today or will be in five years.

Program applicants include State and local governments and transit agencies. FTA provides capital funding and 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 Capital Investment Grant 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 projects are not eligible for funding unless they receive a medium or better rating.

FTA does not sign a full funding grant agreement (FFGA) 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 FFGA. In evaluating the readiness of a project for an FFGA, 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; any remaining uncertainties regarding the non-Federal sources of funding; and any need for acquisition of real estate or railroad right-of-way. The Federal Section 5309 funding is locked in at a set amount in the FFGA, and annual Federal participation is delineated in the FFGA payout schedule. 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 FFGA.

The projects with existing FFGAs recommended for funding in FY 2018 met the rigorous requirements of the program. The FFGA outlines an annual payment schedule of CIG funding subject to annual Congressional appropriations. The funding requested in FY 2018 honors the commitments made by FTA in these existing FFGAs.

FY 2016 Base Accomplishments

FTA signed one full funding grant agreement (FFGA) during FY 2016 and four Small Starts construction grant agreements.

New Starts projects:

- San Diego, CA, Mid-Coast Corridor, expected to serve 24,600 daily trips. This FFGA was signed in September 2016.

Small Starts projects:

- Denver, CO, Southeast Rail Extension Project, expected to serve 4,400 daily trips. This construction grant was signed in April 2016.
- Jacksonville, FL, BRT Southeast Corridor, expected to serve 4,750 daily trips. This construction grant was signed in December 2015.
- Charlotte, NC, City LYNX Gold Line Phase 2, expected to serve 4,100 daily trips. This construction grant was signed in May 2016.
- Columbus, OH, Cleveland Avenue Bus Rapid Transit Project, expected to serve 5,700 daily trips. This construction grant was signed in May 2016.

FY 2017 Anticipated Accomplishments

FTA has signed three full funding grant agreements (FFGAs) and three Small Starts construction grant agreements during the first six months of FY 2017.

New Starts projects:

- Los Angeles, CA, Westside Purple Line Extension Section 2, expected to serve 21,600 daily trips. This FFGA was signed in December 2016.
- Fort Worth, TX, TEX Rail Project, expected to serve 8,300 daily trips. This FFGA was signed in December 2016.

Core Capacity projects:

- Chicago, IL, Red and Purple Modernization Phase One Project, expected to increase capacity in the corridor by 15 percent. This FFGA was signed in January 2017.

Small Starts projects:

- San Francisco, CA, Van Ness Bus Rapid Transit Project, expected to serve 52,400 daily trips. This construction grant was signed in December 2016.
- Reno, NV, 4th Street/Prater Way Bus Rapid Transit Project, expected to serve 6,200 daily trips. This construction grant was signed in December 2016.
- Utah County, UT, Provo-Orem Bus Rapid Transit Project, expected to serve 11,300 daily trips. This construction grant was signed in December 2016.

What does this funding level support?

The \$1.232 billion budget request limits funding for the Federal Transit Administration's Capital Investment Program to fourteen projects with existing full funding grant agreements (FFGA). The FY 2018 FFGA payout amount for these projects totals \$1.1 billion and includes prior year shortfalls for four projects. The remaining \$112 million of grant funding is requested for unspecified projects to be determined at a later date. An additional \$12.3 million (or 1%) is the takedown for oversight. Future investments in new transit projects would be funded by the localities that use and benefit from these localized projects.

What Benefits Will Be Provided To The American Public Through This Request?

- Recent nationwide ridership numbers have reached 10.2 billion trips per year. Census and other demographic trends indicate that we can expect strong transit ridership growth in the future.
- The United States will face a population increase of an estimated 100 million new residents by 2050 nationwide, and much of that growth will be concentrated in cities with existing but inadequate transit services that are unable to handle the increased demand for transit. As the population ages, an increasing number of elderly adults depend on public transit to access medical care and other vital services. At the same time, the percentage of 14 to 34 year-olds without a driver's license continues to grow. Taken together, these trends produce unprecedented stress and pressure on the ability of our nation's public transportation systems to respond and provide sufficient service.
- The Capital Investment Grant program is 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. It also allows for consideration of Programs of Interrelated Projects with multiple projects advancing to construction concurrently or within reasonable timeframes of one another in order to incentivize the completion of comprehensive transit networks.
- There are currently 66 projects in the program seeking funding, more than at any time in the program's 30-year history—a clear indication of the intense demand from communities around the United States for new and expanded transit services.
- FTA has extensive experience successfully administering the Capital Investment Grant program. These competitive grants are awarded only after projects are evaluated and rated according to statutorily-defined criteria and the projects have progressed satisfactorily through a multi-step process defined in law.

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
CAPITAL INVESTMENT GRANTS**

Program and Financing (in millions of dollars)

		2017		
		2016	Annualized	2018
Identification code: 69-1134-0-1-401		Actual	CR	Request
Obligations by program activity:				
0001	Capital investment grants	1,877	2,143	1,232
0003	Lower Manhattan recovery FTA Direct P.L. 107-201	4	1	1
0801	FEMA Reimbursable	3	...	...
0900	Total new obligations	1,884	2,144	1,233
Budgetary resources:				
Unobligated balance:				
1000	Unobligated balance brought forward, Oct 1	1,564	1,846	1,862
1021	Recoveries of prior year unpaid obligations	13	...	...
1050	Unobligated balance (total)	1,577	1,846	1,862
Budget authority:				
Appropriations, discretionary:				
1100	Appropriation	2,177	2,177	1,232
1130	Appropriations permanently reduced	...	-4	...
	Unobligated balance of appropriations			
1131	permanently reduced	-24	-13	...
1160	Appropriation, discretionary (total)	2,153	2,160	1,232
Spending authority from offsetting collections, discretionary:				
1700	Collected	...	...	...
1750	Spending auth from offsetting collections, disc (to	...	...	...
1900	Budget authority (total)	3,730	4,006	3,094
1930	Total budgetary resources available	3,730	4,006	3,094
Memorandum (non-add) entries:				
1941	Unexpired unobligated balance, end of year	1,846	1,862	1,861
Change in obligated balance:				
Unpaid obligations:				
3000	Unpaid obligations, brought forward, Oct 1	3,013	2,916	3,064

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
CAPITAL INVESTMENT GRANTS**

Program and Financing (in millions of dollars)

		2017		
		2016	Annualized	2018
Identification code: 69-1134-0-1-401		Actual	CR	Request
3010	Obligations incurred, unexpired accounts	1,884	2,144	1,233
3020	Outlays (gross)	-1,968	-1,996	-2,100
	Recoveries of prior year unpaid obligations,			
3040	unexpired	-13	...	...
3050	Unpaid obligations, end of year	2,916	3,064	2,197
	Memorandum (non-add) entries:			
3100	Obligated balance, start of year	3,013	2,916	3,064
3200	Obligated balance, end of year	2,916	3,064	2,197
Budget authority and outlays, net:				
Discretionary:				
4000	Budget authority, gross	2,153	2,160	1,232
	Outlays, gross:			
4010	Outlays from new discretionary authority	401	626	357
4011	Outlays from discretionary balances	1,567	1,370	1,743
4020	Outlays, gross (total)	1,968	1,996	2,100
Offsets against gross budget authority and outlays:				
Offsetting collections (collected) from:				
4033	Non-Federal sources	...	...	...
4070	Budget authority, net (discretionary)	2,153	2,160	1,232
4080	Outlays, net (discretionary)	1,968	1,996	2,100
4180	Budget authority, net (total)	2,153	2,160	1,232
4190	Outlays, net (total)	1,968	1,996	2,100

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
CAPITAL INVESTMENT GRANTS**

Object Classification (in millions of dollars)

		2016	2017	2018
Identification code: 69-1134-0-1-401		Actual	Annualized CR	Request
Direct obligations:				
1252	Other services from non-Federal sources	32	32	32
1410	Grants, subsidies, and contributions	1,849	2,112	1,201
	Subtotal	1,881		
2252	Reimbursble obligation:	3	-	-
	Total new obligations	1,884	2,144	1,233

**WASHINGTON
METROPOLITAN
AREA TRANSIT
AUTHORITY
TAB**

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Washington Metropolitan Area Transit Authority (WMATA) Detailed Justification

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Analysis of Change Table (Exhibit III-1a)	WMATA – 4
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Object Classification Schedule	WMATA – 10

GRANTS TO WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

For grants to the Washington Metropolitan Area Transit Authority as authorized under section 601 of division B of Public Law 110–432 (122 Stat. 4847), \$149,714,850, 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 prior to approving such grants, the Secretary shall certify that the Washington Metropolitan Area Transit Authority is making progress to improve its safety management system in response to the Federal Transit Administration's 2015 safety management inspection: Provided further, That prior to approving such grants, the Secretary shall certify that the Washington Metropolitan Area Transit Authority is making progress toward full implementation of the corrective actions identified in the 2014 Financial Management Oversight Review Report: 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: Provided further, That the Secretary, in order to ensure safety throughout the rail system, may waive the requirements of section 601(e)(1) of division B of Public Law 110–432.

Note.—A full-year 2017 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Further Continuing Appropriations Act, 2017 (P.L. 114-254). The amounts included for 2017 reflect the annualized level provided by the continuing resolution.

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

PROGRAM AND PERFORMANCE

The Federal Rail Safety Improvements Act, 2008, (P.L. 110–432, Title VI, Sec. 601), provided authorization for capital and preventive maintenance projects for the Washington Metropolitan Area Transit Authority (WMATA). Funding will help WMATA address its reinvestment and maintenance backlog to improve the safety and reliability of service and to expand existing system capacity to meet growing demand. The Secretary of Transportation shall approve grants for Capital and preventive maintenance expenditures for WMATA only after receiving and reviewing a request for each specific project. The Secretary shall determine that WMATA has placed the highest priority on those investments that will improve the safety of the system before approving such grants. The Secretary in order to ensure safety throughout the rail system, may waive the requirements of section 601(e) (1) of title VI of Public Law 110–432 (112 Stat. 4968).

EXHIBIT III-1

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

Summary by Program Activity

Appropriations, Obligation Limitations, and Exempt Organizations

(\$000)

	<u>FY 2016</u> <u>ACTUAL</u>	<u>FY 2017</u> <u>ANNUALIZED CR</u>	<u>FY 2018</u> <u>REQUEST</u>	<u>CHANGE</u> <u>FY 2017-2018</u>
WMATA	\$150,000	\$149,715	\$149,715	-

Program and Performance Statement

This program provides grants to the Washington Metropolitan Area Transit Authority (WMATA) for capital investment and rehabilitation activities. The budget requests \$149.7 million in FY 2018 to help return the existing system to a state of good repair, and improve the safety and reliability of service. The Secretary will use her authority to approve grants under this program to ensure that available funds first address WMATA's most critical safety needs.

EXHIBIT III-1A

**WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY
SUMMARY ANALYSIS OF CHANGE FROM FY 2017 TO FY 2018
Appropriations, Obligation Limitations, and Exempt Organizations
(\$000)**

	Change From FY 2017 to FY 2018 (\$000)	Change From FY 2017 to FY 2018 FTE
FY 2017 ANNUALIZED CR	149,715	N/A
FY 2017 Adjustments to Base:	-	
SUBTOTAL, ADJUSTMENTS TO BASE	-	
NEW OR EXPANDED PROGRAMS:	-	
Washington Metropolitan Area Transit Authority	-	
FY 2018 REQUEST	149,715	

Detailed Justification for Grants to the Washington Metropolitan Area Transit Authority

What Is The Request And What Funds Are Currently Spent On The Program?

FY 2018 – WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

(\$000)

PROGRAM ACTIVITY	FY 2016 ACTUAL	FY 2017 ANNUALIZED CR	FY 2018 REQUEST	DIFFERENCE FY 2017-2018
Washington Metropolitan Area Transit Authority	\$150,000	\$149,715	\$149,715	-

The budget requests \$149.7 million for FY 2018 for capital grant funding. This Federal contribution helps WMATA to address required safety actions directed by FTA and outstanding recommendations from the National Transportation Safety Board (NTSB). Additionally, this funding leverages and ensures matching capital funding from WMATA's local compact members (VA, MD, DC).

What Is This Program?

This is a Federally-administered capital grant program specifically established in the Passenger Rail Investment and Improvement Act (PRIIA) of 2008 to help support WMATA's capital needs. Its purpose is to help provide WMATA with the funding to make adequate investments that address critical safety needs.

The beneficiaries of the program are the system riders, commuters and visitors to the Nation's capital who depend on reliable and safe transit service. WMATA is important to the mobility of the Washington area, with recent data showing that 47 percent of all peak period riders are Federal employees commuting to and from work.¹

As in previous years, in FY 2018, FTA will develop a grant agreement with WMATA detailing how and where these capital funds will be used. Since FY 2010, Congress has directed that FTA prioritize 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.² Safety will continue to be the top priority of FTA as it develops its grant agreement with respect to FTA Safety Directives to WMATA.

WMATA is now a mature transit system with an aging capital base of assets. Unlike other major rail systems, WMATA lacks a dedicated local funding source. This Federal appropriation leverages \$149.7 million in matching funds provided by the District of Columbia, the State of Maryland, and the Commonwealth of Virginia that WMATA uses to support proper levels of

¹ Metro Washington Council of Governments, Compelling Case for WMATA, no date, <http://www.mwcog.org/uploads/committee-documents/v11YWV420041108095736.pdf>

² National Transportation Safety Board, Collision of Two Washington Metropolitan Area Transit Authority Metrorail Trains Near Fort Totten Station, Washington, DC, June 22, 2009, July, 2010, <http://www.nts.gov/doclib/reports/2010/RAR1002.pdf>

capital reinvestment. Without increased reinvestment and proper asset management practices, transit assets can deteriorate and ultimately affect system safety, reliability, and performance.

FY 2016 Base Accomplishments

Between FY 2010 and FY 2016 Congress appropriated \$1.350 billion in funding to address WMATA's capital needs. The District of Columbia, the State of Maryland, and the Commonwealth of Virginia matched these funds dollar-for-dollar. Of the \$1.022 billion in Federal funds obligated to-date, approximately 84 percent (\$861 million) has been outlaid (spent).

The Consolidated Appropriations Act, 2010 (Public Law 111-117), placed certain conditions on the use of these funds requiring that WMATA place the highest priority on "investments that will improve the safety of the system, including but not limited to fixing the track signal system, replacing the 1000 series rail cars, installing guarded turnouts, buying equipment for wayside worker protection, and installing rollback protection on cars that are not equipped with this safety feature." Specifically, among other investments, funds will be used to replace WMATA's "1000-Series" rail cars, which were cited by the NTSB as a contributing factor to the severity of passenger injuries and the number of fatalities in the June 2009 Red Line crash near the Fort Totten Station.

FTA partners with WMATA, which is responsible for implementing projects to improve the safety and condition of its system. Grants have supported closing over 500 corrective actions since FY 2010. These were corrective actions identified by the NTSB, FTA, the former Tri-State Oversight Committee, APTA, and WMATA. Grants supported numerous projects that improve the safety and reliability of the National Capital Region's transportation system.

The following activities have been accomplished as of December 31, 2016 with these grants :

- \$758M has been invested in Railcar Acquisition and Facilities projects. This work includes replacement of two hundred 1000 Series railcars with new 7000 Series vehicles, construction of a test track and commissioning facility for new railcars, scheduled mid-life rehabilitation of in-service railcars, and the ongoing rehabilitation of facilities at the Alexandria, Brentwood, and New Carrollton rail yards.
- \$197M has been invested in Rail Systems projects. This work includes investments to replace the existing radio infrastructure with a modern and compliant 700Mz system, replacement of the Generation two track circuits which satisfies an NTSB recommendation, rehabilitation and replacement of power substations, high current bond installation, switch machines, and cable replacement.
- \$421M has been invested in Track and Structures Rehabilitation projects. This includes annual rehabilitation and replacement of components and structures throughout the Metrorail system, major track system rehabilitation through SafeTrack initiatives, and the purchase of new track maintenance equipment required to execute the track rehabilitation program.

- \$385M has been invested in Stations and Passenger Facilities projects. This work includes ongoing rehabilitation efforts across the Orange and Blue lines which includes but is not limited to duct work, fan controls, ceiling tiles, kiosks, platforms, emergency trip stations, traction power substations, and AC power rooms. This category also includes investments in the rehabilitation and replacement of elevators and escalators. Metro has rehabilitated more than 70 elevators and 150 escalators, and replaced more than 55 escalators.
- \$49M has been invested in Bus and Paratransit projects. This includes investments to rehabilitate three aging and deteriorated bus facilities, to install automatic vehicle location technology on the bus fleet, and to support bus mid-life rehabilitation.
- \$14M has been invested in Business Support projects. This work includes the development of safety and emergency measurement systems, the purchase of police equipment, and construction of a police special operations control facility.

FTA also is undertaking another equally important action—exercising its authority to direct the use of federal funding to improve safety. FTA reviews and approves WMATA’s proposed use of Federal dollars to ensure the WMATA board of directors prepares a budget that aligns federal dollars with fixing specific safety problems.

While more work lies ahead, FTA’s temporary and direct safety oversight is beginning to see some positive results. FTA is exercising its authority and using enforcement tools that Congress has provided to aid WMATA in addressing systemic safety deficiencies and building a strong safety culture. FTA has conducted inspections resulting in remedial actions, issued investigation reports with findings, and issued safety directives with required corrective actions.

Every action taken by FTA is focused on helping WMATA comply with its own safety program and implement corrective actions to fix systemic safety issues. The Department also has appointed safety experts to the federal positions on the WMATA board of directors to bring safety leadership to the highest level of the organization.

FY 2017 Anticipated Accomplishments

WMATA will continue to work with the FTA to develop grant agreements that support ongoing investments to improve the safety of the system. The FY 2017 PRIIA funding will support the completion of outstanding and required safety actions from FTA and the NTSB, continued investment in the Radio Infrastructure Replacement project, continued replacement of Automatic Train Control infrastructure, additional overhauls and replacement of elevators and escalators, continued track component replacement, and railcar overhauls focused on safe operation.

FTA’s WMATA Safety Oversight Team will continue to conduct regular inspections of the Metrorail system encompassing numerous safety disciplines. FTA safety inspectors will continue to assess both the condition of critical infrastructure and how well WMATA follows its own procedures, rules and safety standards. When a safety defect is identified, FTA safety inspectors require WMATA to perform remedial actions to correct it. FTA will continue to monitor WMATA’s progress on, and verify completion of, all remedial actions.

What does this funding level support?

The \$149.7 million request represents the Federal government's funding authorized under PRIIA that leverages \$149.7 million in local funds from the District of Columbia, the State of Maryland, and the Commonwealth of Virginia. The three jurisdictions have signed onto the terms of the *Federal Rail Safety Enhancement Act of 2008*, 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. Each jurisdiction has committed to providing an equal amount of additional funding to match the annual funds.

The program will be evaluated by whether over the next decade WMATA maintains its assets in a state of good repair. FTA is currently working with WMATA to determine appropriate benchmarks for assessing adequate maintenance of assets through WMATA's response to the new Federal Transit Asset Management Plan requirements. Additionally, the FTA integrates performance results into its budget request to demonstrate alignment with the Department of Transportation's Strategic Plan.

What Benefits Will Be Provided To The American Public Through This Request?

Funding for FY 2018 will enable WMATA to continue to improve the condition of its transit system, which transports hundreds of millions of commuters and visitors in the Nation's capital each year. This funding addresses critical safety and state of good repair needs documented by FTA and the National Transportation Safety Board including improved safety on railcars, track infrastructure safety improvements, new radio and cell phone infrastructure installation and, funding corrective action plans developed to respond to FTA Safety Directives.

Please note that the total invested by WMATA in these projects is higher than what has been appropriated by Congress through the PRIIA funding to date. WMATA has used other funding sources to support these project investments as appropriate.

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY**

Program and Financing (in millions of dollars)

		2016	2017	2018
		Actual	Annualized CR	Request
Identification code: 69-1128-0-1-401				
Obligations by program activity:				
0001	Washington Metropolitan Area Transit Authority	152	150	150
0900	Total new obligations (object class 41.0)	152	150	150
Budgetary resources:				
Unobligated balance:				
1000	Unobligated balance brought forward, Oct 1	18	16	16
Budget authority:				
Appropriations, discretionary:				
1100	Appropriation	150	150	150
1131	Unobligated balance of appropriations permanently reduced	...	...	...
1160	Appropriation, discretionary (total)	150	150	150
1930	Total budgetary resources available	168	166	166
Memorandum (non-add) entries:				
1941	Unexpired unobligated balance, end of year	16	16	16
Change in obligated balance:				
Unpaid obligations:				
3000	Unpaid obligations, brought forward, Oct 1	353	240	225
3010	Obligations incurred, unexpired accounts	152	150	150
3020	Outlays (gross)	-265	-165	-205
3050	Unpaid obligations, end of year	240	225	170
Memorandum (non-add) entries:				
3100	Obligated balance, start of year	353	240	225
3200	Obligated balance, end of year	240	225	170
Budget authority and outlays, net:				
Discretionary:				
4000	Budget authority, gross	150	150	150
Outlays, gross:				
4010	Outlays from new discretionary authority	21	38	38
4011	Outlays from discretionary balances	244	127	167
4020	Outlays, gross (total)	265	165	205
4070	Budget authority, net (discretionary)	150	150	150
4080	Outlays, net (discretionary)	265	165	205
4180	Budget authority, net (total)	150	150	150
4190	Outlays, net (total)	265	165	205

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY**

Program and Financing (in millions of dollars)

		2016	2017	2018
		Actual	Annualized CR	Request
Identification code: 69-1128-0-1-401				
Direct obligations:				
1252	Other services from non-Federal sources	3		
1410	Grants, subsidies, and contributions	149	150	150
Total new obligations, unexpired accounts		152	150	150

**SECTION 4:
RESEARCH,
DEVELOPMENT
AND TECHNOLOGY
TAB**

EXHIBIT IV-1
PUBLIC TRANSPORTATION INNOVATION
DEPARTMENT OF TRANSPORTATION
BUDGET AUTHORITY
(In thousands of dollars)

	<u>FY 2016</u> <u>Actuals</u>	<u>FY 2017</u> <u>Annualized CR</u>	<u>FY 2018</u> <u>Request</u>	<u>FY 2018</u> <u>Applied</u>	<u>FY 2018</u> <u>Development</u>
A. Public Transportation Innovation (TF)					
<i>Research, Development, Demonstration and Deployment</i>	20,000	20,000	20,000	2,500	17,500
<i>(TCRP)</i>	5,000	5,000	5,000	5,000	-
<i>Low to No Emissions Vehicle Component Assessment</i>	3,000	3,000	3,000	-	3,000
Public Transportation Innovation Subtotal	28,000	28,000	28,000	7,500	20,500
B. Subtotal, Research and Development Evaluation	7,500	7,500	7,500	7,500	20,500
	20,500	20,500	20,500	-	-
Total FTA	28,000	28,000	28,000	7,500	20,500

This Exhibit IV-1, “Research, Development and Technology”, and any related summary, fulfills the requirements of 23 USC 508 (b) – Annual Report, in effect on December 3, 2015. The Department of Transportation recognizes the changes to this requirement effected by the passage of the Fixing America's Surface Transportation (FAST) Act (P.L. 114-94; Dec. 4, 2015; 129 Stat. 1312), creating Chapter 65 – Research Planning in Subtitle III of title 49, United States Code. The Department will implement the new requirements with the FY 2018 Budget Estimates.

MAX SCHEDULES TAB

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MAX Schedules

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FORMULA GRANTS

This schedule shows the obligation and outlay of formula grant program funding made available in fiscal years prior to 2006. In 2018, funds requested for transit formula grant programs are included in the Transit Formula Grants account and funded exclusively by the Mass Transit Account of the Transportation Trust Fund.

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
FORMULA GRANTS**

Program and Financing (in millions of dollars)

		2016	2017	2018
		Actual	Annualized CR	Request
Identification code: 69-1129-0-1-401				
Obligations by program activity:				
0004	Other Programs	...	...	...
0900	Total new obligations (object class 41.0)	...	...	...
Budgetary resources:				
Unobligated balance:				
1000	Unobligated balance brought forward, Oct 1	44	45	45
1021	Recoveries of prior year unpaid obligations	1	...	...
1050	Unobligated balance (total)	45	45	45
Budget authority:				
Appropriations, discretionary:				
1160	Appropriation, discretionary (total)	...	...	...
Policy Outlays:				
1160-62	Balances (excl of EOY PY Bal)	33	...	...
1160-63	End of PY Balances		33	33
1160-64	Subtotal, outlays	33	33	33
Spending authority from offsetting collections, discretionary:				
1700	Collected	...	...	...
Change in uncollected payments, Federal				
1701	sources	...	...	...
Spending auth from offsetting collections,				
1750	disc (total)	...	...	...
1900	Budget authority (total)	...	...	...
1930	Total budgetary resources available	45	45	45
Memorandum (non-add) entries:				
1941	Unexpired unobligated balance, end of year	45	45	45

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
FORMULA GRANTS**

Program and Financing (in millions of dollars)

		2016	2017	2018
		Actual	Annualized CR	Request
Identification code: 69-1129-0-1-401				
Change in obligated balance:				
Unpaid obligations:				
3000	Unpaid obligations, brought forward, Oct 1	127	93	60
3010	Obligations incurred, unexpired accounts	...	...	...
3020	Outlays (gross)	-33	-33	-33
3040	Recoveries of prior year unpaid obligations, unexpired	-1	...	...
3050	Unpaid obligations, end of year	93	60	27
Uncollected payments:				
3060	Uncollected pymts, Fed sources, brought forward, Oct 1	-2	-2	-2
3090	Uncollected pymts, Fed sources, end of year	-2	-2	-2
Memorandum (non-add) entries:				
3100	Obligated balance, start of year	125	91	58
3200	Obligated balance, end of year	91	58	25
Budget authority and outlays, net:				
Discretionary:				
Outlays, gross:				
4011	Outlays from discretionary balances	33	33	33
Offsets against gross budget authority and outlays:				
Offsetting collections (collected) from:				
4030	Federal sources	...	...	...
Additional offsets against gross budget authority only:				
Change in uncollected pymts, Fed sources, unexpired				
4050	Change in uncollected pymts, Fed sources, unexpired	...	...	...
4070	Budget authority, net (discretionary)	...	...	...
4080	Outlays, net (discretionary)	33	33	33
4180	Budget authority, net (total)	...	...	...
4190	Outlays, net (total)	33	33	33

DISCRETIONARY GRANTS

In 2018, no additional liquidating cash is requested to pay previously incurred obligations in the Discretionary Grants account.

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
DISCRETIONARY GRANTS**

Program and Financing (in millions of dollars)

		2016	2017	2018
		Actual	Annualized CR	Request
Identification code: 69-8191-0-1-401				
Obligations by program activity:				
0001	Discretionary grants	2	...	...
0900	Total new obligations (object class 4100)	2	...	...
Budgetary resources:				
Unobligated balance:				
1000	Unobligated balance brought forward, Oct 1	1	...	...
1021	Recoveries of prior year unpaid obligations	1	...	...
1050	Unobligated balance (total)	2	...	...
1930	Total budgetary resources available	2	...	...
Policy Outlays:				
1966-62	Balances (excl of EOY PY Bal)	6		
1966-64	Subtotal, outlays	6		
Change in obligated balance:				
Unpaid obligations:				
3000	Unpaid obligations, brought forward, Oct 1	6	1	1
3010	Obligations incurred, unexpired accounts	2	...	...
3020	Outlays (gross)	-6	...	...
3040	Recoveries of prior year unpaid obligations, unexpired	-1	...	...
3050	Unpaid obligations, end of year	1	1	1
Memorandum (non-add) entries:				
3100	Obligated balance, start of year	6	1	1
3200	Obligated balance, end of year	1	1	1
Budget authority and outlays, net:				
Discretionary:				
Outlays, gross:				
4011	Outlays from discretionary balances	6	...	...
4080	Outlays, net (discretionary)	6	...	...

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
DISCRETIONARY GRANTS**

Program and Financing (in millions of dollars)

		2017		
		2016	Annualized	2018
Identification code: 69-8191-0-1-401		Actual	CR	Request
Memorandum (non-add) entries:				
	Fund balance in excess of liquidating			
5054	requirements, SOY: Contract authority	38	38	38
	Fund balance in excess of liquidating			
5055	requirements, EOY: Contract authority	38	38	38
	Limitation on obligations (Transportation			
5061	Trust Funds)	...	...	...

GRANTS FOR ENERGY EFFICIENCY AND GREENHOUSE GAS REDUCTIONS

Initiated within the American Recovery & Reinvestment Act (ARRA) of 2009, this program provided grants to public transit agencies for capital investments to reduce the energy consumption or greenhouse gas emissions of their public transportation operations. Activities have not been funded in this account since 2011. This schedule shows the obligations and outlays of funding made available for this program in fiscal years prior to 2012. In 2018, projects to increase energy efficiency and decrease greenhouse gas emissions can be funded with Urbanized Area Formula grants and Rural Area Formula grants.

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
GRANTS FOR ENERGY EFFICIENCY AND GREENHOUSE GAS
REDUCTIONS**

Program and Financing (in millions of dollars)

		2017		
		2016	Annualized	2018
Identification code: 69-1131-0-1-401		Actual	CR	Request
Budgetary resources:				
Budget authority:				
Appropriations, discretionary:				
1160	Appropriation, discretionary (total)	...	...	...
Policy Outlays:				
1160-62	Balances (excl of EOY PY Bal)	17	...	...
1160-63	End of PY Balances	...	30	...
1160-64	Subtotal, outlays	17	30	...
Change in obligated balance:				
Unpaid obligations:				
3000	Unpaid obligations, brought forward, Oct 1	48	30	...
3020	Outlays (gross)	-17	-30	...
3041	Unpaid obligations, end of year	-1	...	...
3050	Unpaid obligations, end of year	30	...	...
Memorandum (non-add) entries:				
3100	Obligated balance, start of year	48	30	...
3200	Obligated balance, end of year	30	...	...
Budget authority and outlays, net:				
Discretionary:				
Outlays, gross:				
4011	Outlays from discretionary balances	17	30	...
4080	Outlays, net (discretionary)	17	30	...
4180	Budget authority, net (total)	...	...	...
4190	Outlays, net (total)	17	30	...

JOB ACCESS AND REVERSE COMMUTE GRANTS

Activities have not been funded in the Job Access and Reverse Commute Grants account since 2005. In FY 2014, the unobligated balance remaining in this account was permanently rescinded. Urbanized Area formula grants may be used to support job access and reverse commute projects in fiscal year 2018.

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
JOB ACCESS AND REVERSE COMMUTE**

Program and Financing (in millions of dollars)

		2016	2017	2018
		Actual	Annualized CR	Request
Identification code: 69-1125-0-1-401				
Obligations by program activity:				
0689	Direct program activity	...	...	...
0900	Total new obligations (object class 41.0)	...	...	...
Budgetary resources:				
Unobligated balance:				
1000	Unobligated balance brought forward, Oct 1	1	...	...
1021	Recoveries of prior year unpaid obligations	...	...	...
1050	Unobligated balance (total)	1	...	...
Budget authority:				
Appropriations, discretionary:				
Unobligated balance of appropriations				
1131	permanently reduced	-1	...	...
1160	Appropriation, discretionary (total)	-1	...	...
Spending authority from offsetting collections, discretionary:				
Spending auth from offsetting collections,				
1750	disc (total)	...	...	...
1900	Budget authority (total)	...	...	...
1930	Total budgetary resources available	...	...	...
Memorandum (non-add) entries:				
1941	Unexpired unobligated balance, end of year	...	...	...
Change in obligated balance:				
Unpaid obligations:				
3000	Unpaid obligations, brought forward, Oct 1	2	2	2
3010	Obligations incurred, unexpired accounts	...	...	...
3020	Outlays (gross)	...	...	...

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
JOB ACCESS AND REVERSE COMMUTE**

Program and Financing (in millions of dollars)

		2016	2017	2018
		Actual	Annualized CR	Request
Identification code: 69-1125-0-1-401				
3040	Recoveries of prior year unpaid obligations, unexpired	...	...	...
3050	Unpaid obligations, end of year	2	2	2
Memorandum (non-add) entries:				
3100	Obligated balance, start of year	2	2	2
3200	Obligated balance, end of year	2	2	2
Budget authority and outlays, net:				
Discretionary:				
4000	Budget authority, gross	-1	...	...
Outlays, gross:				
4011	Outlays from discretionary balances	...	...	...
4070	Budget authority, net (discretionary)	-1	...	...
4080	Outlays, net (discretionary)	...	...	...
4180	Budget authority, net (total)	-1	...	...
4190	Outlays, net (total)			...

PUBLIC TRANSPORTATION EMERGENCY RELIEF PROGRAM

PROGRAM AND PERFORMANCE

The Public Transportation Emergency Relief Program helps transit agencies restore needed transportation services immediately following disaster events. Both capital and operating costs are eligible for funding following an emergency; however, this program does not replace the Federal Emergency Management Agency's capital assistance program. FTA administers the \$10.9 billion supplemental appropriation (adjusted to \$10.2 billion after sequestration and the transfer of funds to the Office of the Inspector General and the Federal Railroad Administration) provided by the Disaster Relief Appropriations Act, 2013 (Public Law 113–2) following Hurricane Sandy through this account. The Hurricane Sandy funds are only available for emergency relief, recovery and resiliency projects in the areas impacted by Hurricane Sandy. No funds are requested in this account for 2018.

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
PUBLIC TRANSPORTATION EMERGENCY RELIEF**

Program and Financing (in millions of dollars)

		2016	2017	2018
		Actual	Annualized CR	Request
Identification code: 69-1140-0-1-401				
Obligations by program activity:				
0001	2013 Hurricane Sandy Emergency	487	3,211	1,487
	2017 Hurricane Matthew Emergency			
0801	Supplemental	...	1	0
0900	Total new obligations	487	3,211	1,487
Budgetary resources:				
Unobligated balance:				
1000	Unobligated balance brought forward, Oct 1	5,559	5,032	1,820
1010	Unobligated balance transfer to other accts	-40	...	...
1021	Recoveries of prior year unpaid obligations	0	...	...
1050	Unobligated balance (total)	5,519	5,032	1,820
Budget authority:				
Appropriations, discretionary:				
1160	Appropriation, discretionary (total)	...	...	...
1930	Total budgetary resources available	5,519	5,032	1,820
Memorandum (non-add) entries:				
1941	Unexpired unobligated balance, end of year	5,032	1,820	333
Change in obligated balance:				
Unpaid obligations:				
3000	Unpaid obligations, brought forward, Oct 1	3,488	3,459	6,171
3010	Obligations incurred, unexpired accounts	487	3,212	1,487
3020	Outlays (gross)	-516	-500	-542
3040	Recoveries of prior year unpaid obligations,	0	...	...
3050	Unpaid obligations, end of year	3,459	6,171	7,116
Memorandum (non-add) entries:				
3100	Obligated balance, start of year	3,488	3,459	6,171
3200	Obligated balance, end of year	3,459	6,171	7,116

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
PUBLIC TRANSPORTATION EMERGENCY RELIEF**

Program and Financing (in millions of dollars)

		2017		
		2016	Annualized	2018
Identification code: 69-1140-0-1-401		Actual	CR	Request
Budget authority and outlays, net:				
Discretionary:				
Outlays, gross:				
4011	Outlays from discretionary balances	516	500	542
4080	Outlays, net (discretionary)	516	500	542
4180	Budget authority, net (total)	...	...	...
4190	Outlays, net (total)	516	500	542

TRANSIT RESEARCH

Beginning in Fiscal Year 2016 activities of this account are carried out under the Transit Formula Grants account of the Transportation Trust Fund. The Federal Transit Administration Research programs include discretionary grant support for the National Research Program, the Transit Cooperative Research Program, and Low to No Vehicle's Component Assessment activities.

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
TRANSIT RESEARCH**

Program and Financing (in millions of dollars)

			2017	
		2016	Annualized	2018
Identification code: 69-1137-0-1-401		Actual	CR	Request
Obligations by program activity:				
0001	Research and University Research Centers	36	30	10
0801	Research and University Research Centers (Reimbursable)	...	2	...
0900	Total new obligations	36	32	10
Budgetary resources:				
Unobligated balance:				
1000	Unobligated balance brought forward, Oct 1	74	42	10
1021	Recoveries of prior year unpaid obligations	4	...	...
1050	Unobligated balance (total)	78	42	10
Budget authority:				
Appropriations, discretionary:				
1100	Appropriation	...	...	...
1131	Unobligated balance of appropriations permanently reduce	...	...	...
1160	Appropriation, discretionary (total)	...	...	...
Policy Outlays:				
	Balances (excl of EOY PY Bal)	40	...	...
	End of PY Balances	...	44	36
	Subtotal, outlays	40	44	36
Spending authority from offsetting collections, discretionary:				
1700	Collected	...	...	...
1701	Change in uncollected payments, Federal sources	...	...	...
1750	Spending auth from offsetting collections, disc (total)	...	...	...
1900	Budget authority (total)	...	...	...
1930	Total budgetary resources available	78	42	10
Memorandum (non-add) entries:				
1941	Unexpired unobligated balance, end of year	42	10	...
Change in obligated balance:				
Unpaid obligations:				
3000	Unpaid obligations, brought forward, Oct 1	109	101	88
3010	Obligations incurred, unexpired accounts	36	32	10
3020	Outlays (gross)	-40	-44	-36
3040	Recoveries of prior year unpaid obligations, unexpired	-4	...	...

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
TRANSIT RESEARCH**

Program and Financing (in millions of dollars)

		2016	2017	2018
		Actual	Annualized CR	Request
Identification code: 69-1137-0-1-401				
3050	Unpaid obligations, end of year	101	88	63
	Uncollected payments:			
3060	Uncollected pymts, Fed sources, brought forward, Oct 1	-6	-6	-6
3070	Change in uncollected pymts, Fed sources, unexpired	37	...	...
3090	Uncollected pymts, Fed sources, end of year	-6	-6	-6
	Memorandum (non-add) entries:			
3100	Obligated balance, start of year	103	95	82
3200	Obligated balance, end of year	95	82	57
Budget authority and outlays, net:				
Discretionary:				
	Outlays, gross:			
4011	Outlays from discretionary balances	40	44	36
Offsets against gross budget authority and outlays:				
Offsetting collections (collected) from:				
4030	Federal sources	...	...	...
4040	Offsets against gross budget authority and outlays	...	...	...
4050	Change in uncollected payments, Fed Sources, unexpired	...	...	...
4070	Budget authority, net (discretionary)	...	...	...
4080	Outlays, net (discretionary)	40	44	36
4180	Budget authority, net (total)	...	...	...
4190	Outlays, net (total)	40	44	36

TECHNICAL ASSISTANCE AND TRAINING

Beginning in Fiscal Year 2016 activities under this account are carried out under the Transit Formula Grants account of the Transportation Trust Fund. The Technical Assistance and Standard Development program enables FTA to provide technical assistance to the public transportation industry and to develop standards for transit service provision, with an emphasis on improving access for all individuals and transportation equity. Through this program, FTA is able to assist grantees to more effectively and efficiently provide public transportation and administer Federal funding in compliance with the law.

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
TECHNICAL ASSISTANCE AND STANDARDS DEVELOPMENT**

Program and Financing (in millions of dollars)

		2016	2017	2018
Identification code: 69-1142-0-1-401		Actual	Annualized CR	Request
Obligations by program activity:				
0001	Technical Assistance and Standards Development	1	1	...
0900	Total new obligations (object class 25.5)	1	1	...
Budgetary resources:				
Unobligated balance:				
1000	Unobligated balance brought forward, Oct 1	2	1	...
1050	Unobligated balance (total)	2	1	...
Policy Outlays:				
1160-62	Balances (excl of EOY PY Bal)	3	...	...
1160-63	End of PY Balances	...	2	2
	Subtotal, outlays	3	2	2
Budget authority:				
Appropriations, discretionary:				
1100	Appropriation	...	...	...
1160	Appropriation, discretionary (total)	...	...	...
1930	Total budgetary resources available	2	1	...
Memorandum (non-add) entries:				
1941	Unexpired unobligated balance, end of year	1	...	...
Change in obligated balance:				
Unpaid obligations:				
3000	Unpaid obligations, brought forward, Oct 1	5	3	2
3010	Obligations incurred, unexpired accounts	1	1	...
3020	Outlays (gross)	-3	-2	-2
3050	Unpaid obligations, end of year	3	2	...
Memorandum (non-add) entries:				
3100	Obligated balance, start of year	5	3	2
3200	Obligated balance, end of year	3	2	...
Budget authority and outlays, net:				
Discretionary:				
4000	Budget authority, gross	...	...	...
	Outlays, gross:			
4011	Outlays from discretionary balances	3	2	2
4080	Outlays, net (discretionary)	3	2	2

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
TECHNICAL ASSISTANCE AND STANDARDS DEVELOPMENT**

Program and Financing (in millions of dollars)

		2016	2017	2018
		Actual	Annualized CR	Request
Identification code: 69-1142-0-1-401				
4180	Budget authority, net (total)	...	...	...
4190	Outlays, net (total)	3	2	2

TRANSIT CAPITAL ASSISTANCE, RECOVERY ACT

The American Recovery and Reinvestment Act of 2009 provided \$6.9 billion to fund transit capital assistance to create jobs to bolster the American economy. Transit capital assistance was provided through urbanized area formula grants, non-urbanized area formula grants, and discretionary Tribal Transit grants. Funds were used for eligible capital projects, preventive maintenance, and to purchase buses and rail rolling stock. Funds were also used for a new discretionary grant program, Transportation Investments in Greenhouse Gas and Energy Reduction, to increase the use of environmentally sustainable operations in the public transportation sector. This schedule shows the obligation and outlay of remaining amounts made available for administration and oversight of these formula apportionments and discretionary grant awards and the associated capital and preventive maintenance projects and vehicle procurements.

**DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
TRANSIT CAPITAL ASSISTANCE, RECOVERY ACT**

Program and Financing (in millions of dollars)

		2016	2017	2018
		Actual	Annualized CR	Request
Identification code: 69-1101-0-1-401				
Change in obligated balance:				
Unpaid obligations:				
3000	Unpaid obligations, brought forward, Oct 1	3	3	...
3011	Obligations incurred, expired accounts	...	...	...
3020	Outlays (gross)	...	-3	...
Recoveries of prior year unpaid obligations,				
3041	expired	...	...	...
3050	Unpaid obligations, end of year	3	...	...
Memorandum (non-add) entries:				
3100	Obligated balance, start of year	3	3	...
3200	Obligated balance, end of year	3	...	...
Budget authority and outlays, net:				
Discretionary:				
Outlays, gross:				
4011	Outlays from discretionary balances	...	3	...
Offsets against gross budget authority and outlays:				
Offsetting collections (collected) from:				
4080	Outlays, net (discretionary)	...	3	...
4180	Budget authority, net (total)	...	...	...
4190	Outlays, net (total)	...	3	...

**ADMINISTRATIVE
PROVISIONS
TAB**

ADMINISTRATIVE PROVISIONS

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 "Fixed Guideway Capital Investment" of the Federal Transit Administration for projects specified in this Act or identified in reports accompanying this Act not obligated by September 30, 2021, 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, 2017, 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.