Beyond FTA Funding: The Potential for Flexible Funding to Support Transit

Community Transportation Association of America (CTAA) EXPO 2023
2023 Mobility Management Forum

May 22, 2023
Federal Transit Administration
Flex Funding

• Recipients may transfer funds from certain FHWA transportation programs to FTA for public transportation projects
  • Projects must be eligible under both FHWA program and FTA program

• Authority first provided by Congress under 1991 Intermodal Surface Transportation Efficiency Act (ISTEA)

• Facilitates multimodal approach to meeting transportation needs
  • Gives local area option of choosing which Federal surface transportation funds should be used for which project/activity based on local planning priorities
# FHWA Programs Eligible to Flex to FTA

<table>
<thead>
<tr>
<th>Eligible Programs to be flexed to FTA</th>
<th>✔️</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion Mitigation and Air Quality Improvement (CMAQ)</td>
<td>✔️</td>
</tr>
<tr>
<td>Surface Transportation Block Grant (STBG)</td>
<td>✔️</td>
</tr>
<tr>
<td>Highway Safety Improvement Program (HSIP)</td>
<td>✔️</td>
</tr>
<tr>
<td>National Highway Performance Program (NHPP)</td>
<td>✔️</td>
</tr>
<tr>
<td>Transportation Alternatives (TA)</td>
<td>✔️</td>
</tr>
<tr>
<td>Ferry Boat Program</td>
<td>✔️</td>
</tr>
<tr>
<td>State Planning and Research (SPR)</td>
<td>✔️</td>
</tr>
<tr>
<td>Carbon Reduction Program [New under BIL]</td>
<td>✔️</td>
</tr>
<tr>
<td>Metropolitan Planning Funds (PL)</td>
<td>✔️</td>
</tr>
</tbody>
</table>
Types of Projects Eligible to Flex Funds

- FHWA funds authorized for transit projects may be transferred to FTA and used for eligible public transportation purposes
  - planning activities
  - capital projects and activities
  - operating expenses

Eligible “associated transit improvements”:
- Pedestrian improvements located within half a mile of a transit stop or station.
- Bicycle improvements located within three miles of a transit stop or station.
- Pedestrian/bicycle improvements located outside of this “catchment” area if project sponsor can demonstrate the improvement is within the distance that people will travel by foot or bicycle to a transit stop or station.
Federal Requirements for Flexed Funds

- Eligibility and Federal match requirements based on original FHWA program
- Eligibility must also match FTA program into which funds are flexed
- Once transferred from FHWA to FTA, projects:
  - Under FTA oversight
  - Coordinated through FTA Regional Office
  - Follow FTA project delivery reviews and processes
- Flexible funds for eligible public transportation and public transportation-related projects may be administered by FHWA

Rendering of Rock Region METRO solar-powered bus shelter, which includes lighting, a bench, and a small bike rack. Source: Rock Region METRO.
Key Players in Flexing Funds

- **Project sponsors**: Develop project, support flex request, may implement the project
- **MPOs**: Allocate funding within regions, stakeholder in the flex process
- **State DOTs**: Principal grantee for FHWA funds, must submit request to flex to FHWA Division Office
- **Transit agencies**: May be FTA direct recipient, may directly implement projects or establish agreement with subrecipient
- **FTA**: Approves flex request, oversees flexed projects
- **FHWA**: Approves flex request, transfers obligation authority to FTA
What is the Process to Flex Funds?

Project is Selected for FHWA Funding → Project is Added to TIP/STIP → Project is Confirmed Eligible for FTA Oversight

Local Sponsor Requests State DOT Initiate Transfer Process → State DOT Submits Request to FHWA Division Office → FHWA Division Approves and sends to FHWA Headquarters

FHWA-FTA Budget Transfer Process (up to 60 days)

FTA Programs funds to Local Eligible Recipient → Recipient Completes Required Approvals and Submits Grant Application → Funds are Obligated and the Project is Funded!
Why Flex Funds?

- **Facilitate (and increase) investment** of Federal-Aid Highway Program funding of pedestrian, bicycle, and transit projects and associated safety improvements
- **Reduce costs** associated with project delivery, including pre-construction design costs
- **Accelerate project** delivery
- **Encourage “complete trip”** network design and project planning
- **Increase local design control** and improve context-sensitive design
- **Improve** the safety and accessibility of the transit network
- **Provide access for** people of all ages and abilities, including those from marginalized communities facing historic disinvestment

Downtown Fort Lauderdale Mobility Hub Streetscape improvements, including a two-way cycle track, pedestrian lighting, and ADA improvements. Source: Broward MPO.
Example: Houston METRO Universal Accessibility Initiative

- Project began in 2017
- Total CMAQ Funding to Date - $30 million
- As of October 2022, almost 3,500 of 9,000 bus stops are universally accessible.
Flex Funding Resources