

Arizona Rural Transportation Summit

Federal Transit Administration Update

October 18, 2023



Ray Tellis

**Regional Administrator, Region 9
Federal Transit Administration**

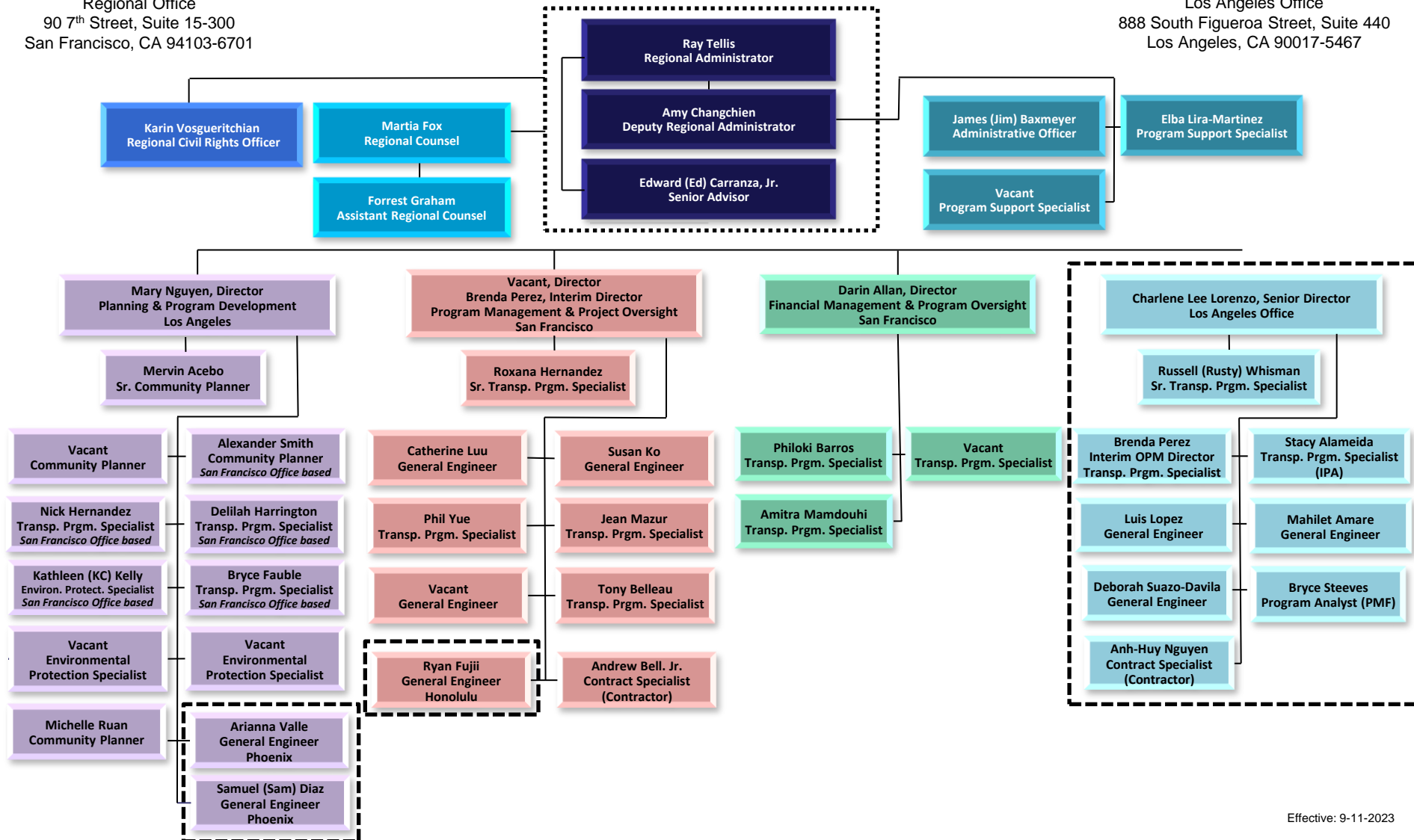


U.S. Department of Transportation
Federal Transit Administration

Federal Transit Administration, Region 9

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Effective: 9-11-2023

Public Transportation Challenges & Opportunities

The FTA anticipates substantial challenges and opportunities facing the Nation's transit operators and riders in Fiscal Year 2024:

- 1. COVID-19 Recovery:** FTA will continue to oversee billions of dollars of COVID-19 Emergency Supplemental Funding, which have been a critical source of operating funds to maintain transit operations. Many of the nation's largest transit systems are projected to have nearly completely expended their COVID-19 supplemental funding by the end of FY 2023
- 2. Transit Renewal:** As authorized, FTA will make substantial investments to reduce the Nation's backlog of deferred capital investments in transit assets, expand access to transit with a particular focus on disadvantaged communities, and provide for future transit infrastructure needs
- 3. Climate / Electrification:** Historic investments in capital funding, technical assistance, and planning will enable transit agencies across the country to make significant progress toward the electrification of their vehicles and adoption of other emissions-reduction technologies

2020 Census: Resources and Information

- The Federal Transit Administration (FTA) bases annual apportionments for transit formula funding using U.S. Census data, which the U.S. Census Bureau publishes every 10 years.
- FY2024 Apportionments will use 2020 data

[2020 Census: Resources and Information | FTA \(dot.gov\)](#)

[Schedule - Census Urbanized Areas and MPO/TMA Designation - Census Issues - Planning - FHWA \(dot.gov\)](#)

FTA today under the Bipartisan Infrastructure Law

- Over the past year, with the **\$108 billion** authorized over five years under President Biden's Bipartisan Infrastructure Law, FTA is focused on supporting transit agencies and communities as they **modernize and expand** to attract new people and create more opportunities, while working to ensure the safety of riders and transit
- Modernizing and expanding means we must continue to serve those who are transit dependent; that is the meaning of **equity** and the legislation makes it possible for us to support **safer, faster and more reliable service to everyone** and ensure equitable access for all
- FTA is applying the **unprecedented level of support** to transit agencies through formula grants, competitive grants and technical assistance
- In the year since President Biden signed the legislation, FTA has awarded **\$63 billion** in formula and competitive grants and supported **8,876 transit projects** nationwide, including the territories



FTA today under the Bipartisan Infrastructure Law

- The Bipartisan Infrastructure Law provides us with a historic level of funding to address the **transit repair backlog**
- This year it provided **\$21 billion** for more funding to help agencies and states not only build but **fix track, signal systems, bridges, tunnels, vehicles and stations** all over the country, making trips safer, faster and more reliable for riders
- Hand in hand with our work on safety is our commitment to supporting transit in ways that **lessen our environmental impact**
- FTA's Low-No program and Bus & Bus Facilities program provided a historic level of support to modernize the nation's bus fleets with **\$1.6 billion** to transit agencies nationwide, making it possible for them to buy **1,800 new buses**; fully **1,100 of those will be clean and green zero-emission buses**
- In the last year, FTA hired **133** employees and made structural changes to improve our ability to attract and retain a highly qualified diverse workforce



Overview of President's FY2024 Budget Request

\$17 billion is requested for FY 2024. When added to the **\$4.3 billion** in advanced appropriations provided under the Bipartisan Infrastructure Law (BIL), this budget request totals **\$21.3 billion**

- **\$60 million** more than the FY 2023 Enacted
- This request is .35% **greater than** the FY 2023 Enacted

FTA's request includes:

- **\$14 billion** for **Transit Formula Grant** from the Mass Transit Account, consistent with BIL authorized levels
- **\$3 billion** in General Fund appropriations authorized by BIL
- **\$38 million** in discretionary funding to address research and technical assistance programmatic gaps that address DOT's strategic goals for the transit industry and workforce



Highlights of the Request

- **\$30 million for Transit Research**, which will support research, demonstration, and deployment projects that enable a robust and safe public transportation network that connects communities and protects the environment
- **\$8 million for Technical Assistance and Training**, which will support technical assistance and training activities to increase the capacity and capabilities of States and transit agencies
- **Three policy proposals**
 - Allow **100% federal share** for grant programs benefiting seniors, individuals with disabilities, and **rural** areas
 - Broaden permissible At-Risk Land Acquisitions for transit “real-property interests”
 - Address transit fiscal shortfalls through **operating expense flexibility**

Bipartisan Infrastructure Law – Formula Programs

Key formula funding levels increased by 30% and programmatic changes for public transportation over a five-year period (Fiscal Years 2022 to 2026) to include:

- \$4.6 billion for Rural Area Formula Grants to support transit investments in rural areas communities
 - **\$82 million for Arizona**
- \$229 million for Tribal Transit Program
 - **\$22 million for Arizona**
- \$2.2 billion for the Enhanced Mobility of Seniors and Individuals with Disabilities program
 - **\$54 million for Arizona**

Bipartisan Infrastructure Law – Discretionary Programs

- \$5.6 billion in Low or No Emission Vehicle Competitive Grants to support the transition of transit vehicles to low or zero emission technologies*
- \$5.1 billion in Buses and Bus Facilities formula and competitive grants*
- \$966.4 million to support Metropolitan and Statewide Planning programs
- \$193 million for transit research activities
- \$62 million for technical assistance and workforce development activities

* Eligible applicants for these programs include designated recipients, States (including territories and Washington, DC), local governmental authorities, and Indian Tribes. Proposals for funding projects in rural areas must be submitted as part of a **consolidated State proposal**.

Fiscal Year 2023 Tribal Transit Project Selections

- In September, FTA [announced \\$9.9 million in grants](#) to 22 American Indian Tribes and Alaska Native communities to improve their public transit systems
- The competitive grants under FTA's [Tribal Transit Program](#) allow Tribes to buy transit vehicles, upgrade bus facilities, and expand transit options
- The President's Bipartisan Infrastructure Law includes nearly \$46 million in competitive funding over five years for the Tribal Transit Program, an increase of nearly 83%
- Kaibab Band of Paiute Indians will receive \$116,800 funding to purchase two new vehicles to replace aging vehicles, improving system safety and reliability. The vehicles will provide improved service to medical appointments, tribal functions, and other key destinations



Thriving Communities NOFO

- USDOT is accepting applications for the **FY2023 Thriving Communities Program**, which provides planning and capacity building to support under-resourced communities across the the country to develop transformative transportation projects
- The program is one of several tools being provided by DOT to ensure every community has an equal opportunity to access federal transportation funding and financing for infrastructure projects that can empower and change communities.
- Apply for technical assistance by **November 15th**



FY2024 Bus & Low-No NOFO

- FTA is encouraging transit agencies, as they look at our discretionary grant programs, to consider ways they can improve the bus procurement process, including **using state contracts, eliminating excess customization and making procurement documents more streamlined**
- The Bus and Bus Facilities and Low/No Emission bus grants are a major grant package that agencies are interested in every year
- FTA is required to publish the Notice of Funding Opportunity (NOFO) for these programs within 30 days of a full-year appropriation. We don't know what will happen with our appropriation for FY2024, but FTA will be ready whenever it is decided
- Once the NOFO application period concludes, we have 75 days to award the grants



Transit Fiscal Cliff

- We are aware of the fiscal challenges affecting agencies due to ridership changes and reduced passenger revenue
- At the same time, operating expenses have increased due to inflation, workforce shortages, and supply chain disruptions
 - As of June 2023, transit ridership is **71%** of where it was pre-COVID, and transit service is about **16%** below pre-COVID levels
- Alongside APTA, FTA encourages transit leaders and community stakeholders to talk with state and local governments about the importance of transit:
 - to your communities overall;
 - to empowering regional economies in large cities; and
 - that supporting transit now is going to be far cheaper than trying to adjust later to the impacts of fiscal cliff



Transit Worker Safety

- The President, the Secretary, and FTA find it unacceptable for transit workers to fear for their safety while they are at work; transit agencies must do everything possible to find exposures and risks faced by their employees and mitigate them
- In the nearly two years since the signing of the Bipartisan Infrastructure Law, FTA has implemented changes to strengthen the safety of our transit workforce such as:
 - improved reporting,
 - enforcing the creation of safety committees,
 - issuing special directives to transit agencies that reported the most assaults, and
 - funding research to advance potential safety enhancements.
- FTA will continue conversations with Congress, transit agencies, and the leadership of transit worker unions as we prepare actions to strengthen transit worker safety
- Starting in April 2023, the NTD began collecting additional data on transit worker assaults to meet new definitions and requirements of the Bipartisan Infrastructure Law
- Now, transit agencies report all assaults on transit workers to the NTD, including non-physical assaults



FTA FY23 Competitive Program Schedule

- **Low or No Emission Grants and Grants for Buses & Bus Facilities - \$1.7 billion**
- **Tribal Transit Grants - \$9.9 million**
- **Passenger Ferry Grants (Urban) and Ferry Service for Rural Communities - \$307 million**
- **TOD Planning Grants - \$13 million**
- **Innovative Coordinated Access & Mobility - \$9.5 million**

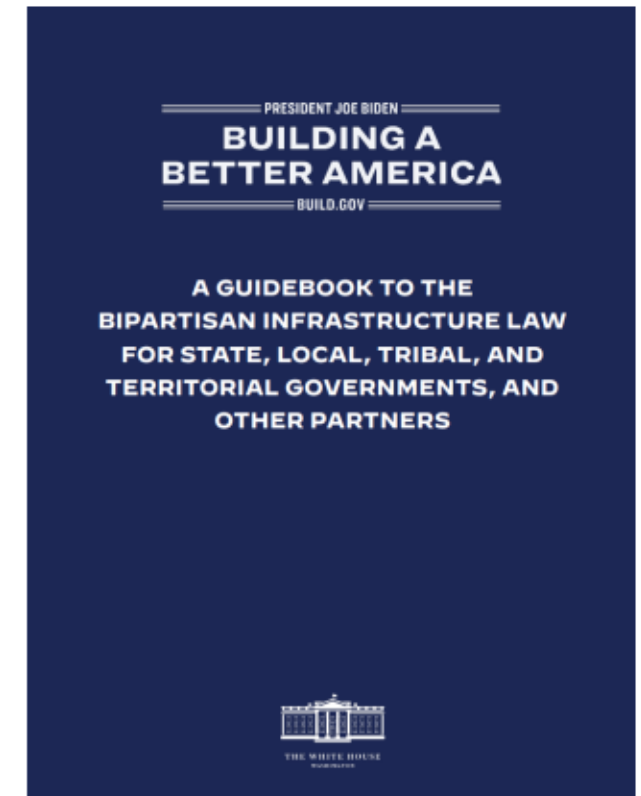
FTA Technical Assistance & Resources

- **Region 9 Office Staff**
- **FTA's federally funded Technical Assistance Centers**
 - National Rural Transit Assistance Program ([NRTAP](#))
 - National Aging and Disability Transportation Center ([NADTC](#))
 - National Center for Applied Transit Technology ([N-CATT](#))
 - National Center for Mobility Management ([NCMM](#))
 - Administration for Community Living ([ACL](#)) / Accessible Transportation Resource Center (ATRC)
 - Transit Workforce Center ([TWC](#))
- **Subscribe to FTA Email Updates!**
<https://public.govdelivery.com/accounts/USDOTFTA/subscriber/new>



Bipartisan Infrastructure Law - Resources

- [White House Guidebook to the Bipartisan Infrastructure Law for State, Local, Tribal, and Territorial Governments and Other Partners](#)
- [USDOT funding and financing opportunities](#)
- [List of Upcoming USDOT NOFOs](#)
- [FHWA Bipartisan Infrastructure Law Technical Assistance / Local Support](#)



Resources and Contact

- Bipartisan Infrastructure Law Website - <https://www.transit.dot.gov/BIL>
- Program Fact Sheets - <https://www.transit.dot.gov/funding/grants/fta-program-fact-sheets-under-bipartisan-infrastructure-law>
- Contact FTA-IIIJA@dot.gov
- Contact us for assistance
- Additional webinars will be held by Regional Offices



FTA's Electrification under the Bipartisan Infrastructure Law

- \$5.6 billion in [Low- or No- Emission Bus Grants](#) to transition to low- or zero-emission buses and purchase fueling and maintenance infrastructure
- A pilot program to support the **transition of passenger ferries to low- or zero-emission** technologies, providing at least **\$250 million** to electric, low-emission ferries
- Historic investments in capital funding, technical assistance, and planning will enable transit agencies across the country to make **significant progress toward the electrification of their vehicles and adoption of other emissions-reduction technologies**
- FTA's work on the '**Fleet of the Future**' will assess how transit fleets will be supported with Federal funding that addresses spare ratios, replacement ratios, Buy America requirements, life-cycle and battery replacements costs, etc.

FTA's Transit Bus Electrification User Guide

- The Transit Bus Electrification Tool is a Microsoft Excel-based spreadsheet tool that allows users to estimate the partial lifecycle greenhouse gas emission savings associated with replacing standard bus fleets with low-emission or zero-emission transit buses
- Refer to the accompanying [Transit Bus Electrification v1.0: User Guide](#) for detailed instructions on how to use the tool. The User Guide also provides information on the GHG emission factors, data sources, and assumptions used in the tool
- In addition, see the brief [video tutorial](#) for a step-by-step demonstration on how to use the Transit Bus Electrification Tool to estimate the greenhouse gas emissions savings from zero-emission fleet conversion scenarios
- [Transit Bus Electrification v1.0: User Guide - April 2022 \(dot.gov\)](#)
- [FTA Transit Bus Electrification Tool Video Tutorial - YouTube](#)

Joint Office of Energy & Transportation

- The Joint Office of Energy and Transportation was created through the Bipartisan Infrastructure Law (BIL) to facilitate collaboration between the USDOE and USDOT
- The Joint Office will align resources and expertise across the two departments toward leveraged outcomes
- The office will be a critical component in the implementation of the BIL, providing support and expertise to a multitude of programs that seek to deploy a network of electric vehicle chargers, zero-emission fueling infrastructure, and zero-emission transit and school buses
- <https://driveelectric.gov>



Transit Workforce Center

- The [Transit Workforce Center](#) (TWC) is the first FTA-funded center to directly support public transit workforce development to help transit agencies **recruit, hire, train, and retain** a diverse workforce needed now and, in the future
- Responding to the historic shortage of transit workers around the country, TWC has created a **campaign toolkit** to support the public transportation industry with innovative, site-specific approaches to meet the critical challenge of recruiting workers, especially bus operators and maintenance workers to **support the electrification of transit fleets**
- [ConnectingMyCommunity: The National Transit Frontline Worker Campaign Toolkit](#) provides a wealth of resources for transit agencies and communities to tailor for their needs
- The toolkit features **tips and strategies** developed by TWC in consultation with public transit stakeholders, transit agencies, labor unions, frontline workers, industry associations, and community-based and workforce development organizations
- Materials include **advertising templates with graphics and messages** designed to be customizable by agencies, especially those with limited resources
- To further support the development and execution of effective **recruitment campaigns**, the toolkit includes a **library of videos and other advertising** used by agencies across the country, **case studies** on successful recruitment strategies, and **recruitment-related research and reports**

Price adjustments allowed for existing Federally-funded contracts where permissible

- Several transit stakeholders have asked FTA to clarify authority to amend the prices of existing contracts or to structure their contracts using advance or progress payments
- FTA has published guidance, in the form of [FAQs](#) to respond to these questions.
- In certain circumstances, the OMB Uniform Guidance permits the parties to an existing federally-funded contract to modify the contract for several reasons, including price adjustments
- When permitted to modify a contract, FTA recipients are responsible, in accordance with good administrative practice and sound business judgment
- Whether a particular modification is permissible—and what Federal requirements apply—will depend on a variety of factors, including the terms and conditions of that contract (e.g., change clauses, Producer Price Index adjustment clauses, and Consumer Price Index adjustment clauses); applicable state, local, or tribal procurement law; the terms of a price adjustment; and the scope of the contract modification

Build America Buy America Act (BABA)

- On **April 18, 2022**, OMB issued initial [guidance](#) on implementation of the Build America, Buy America Act (BABA)
- DOT issued a transitional waiver with an effective date of **May 14, 2022**, which expired on **November 10, 2022**, 180 days from the effective date
- The new regulation specifically covers construction materials, other than to the extent that such materials would already be considered iron, steel, or manufactured products
- The OMB Initial Implementation Guidance contains a preliminary list of construction materials that includes:
- [A]n article, material, or supply—other than an item of primarily iron or steel; a manufactured product; cement and cementitious materials; aggregates such as stone, sand, or gravel; or aggregate binding agents or additives
- To further assist the transition, DOT's new waiver effective January 30, 2023, exempts certain construction materials used in federally funded infrastructure projects based on the date of grant obligation, the date of contract execution for the materials, and other factors

Waiver of Buy America Requirements for De Minimis Costs and Small Grants

- Based on available information, DOT finds that it is in the public interest to issue a waiver of BABA's domestic preferences for iron and steel, manufactured products, and construction materials under a single financial assistance award for which:
 - **The total value of the non-compliant products is no more than the lesser of \$1,000,000 or 5% of total applicable costs for the project; or**
 - **The total amount of Federal financial assistance applied to the project, through awards or subawards, is below \$500,000**
- In applying the waiver, the “total value of the non-compliant products” does not include the value of those products subject to a separate Buy America waiver
- “Total applicable project costs” are defined as the cost of materials (including the cost of any manufactured products) used in the project that are subject to a domestic preference requirement, including materials that are within the scope of an existing waiver
- The waiver is applicable to awards that are obligated on or after **August 16, 2023**



BABA Master Agreement & Grant Language

Master Agreement Section 15 (excerpted)

- Build America, Buy America Act. **Construction materials used in the Project are subject to the domestic preference requirement** of the Build America, Buy America Act, Pub. L. 117-58, div. G, tit. IX, § § 70911 – 70927 (2021), as implemented by the U.S. Office of Management and Budget, the U.S. Department of Transportation, and FTA. The Recipient acknowledges that this agreement is neither a waiver of § 70914(a) nor a finding under § 70914(b)

Grant Language Executive Summary

- In addition to FTA's Buy America Act, which requires that the steel, iron, and manufactured goods used in an FTA-funded project are produced in the United States (49 U.S.C. § 5323(j)(1)), the Build America, Buy America Act (BABA) (Public Law 117-58, div. G § 70914(a)) **now requires that construction materials used in infrastructure projects are also produced in the United States.** Refer to terms and conditions in FTA's Master Agreement Section 15. The BABA requirement applies to this grant, in addition to the Buy America Act, **except to the extent a waiver of either requirements may apply.**



FTA Grantees in Arizona

- **26 FTA Direct Recipients (Grantees) in Arizona**
 - 14 Tribal Grantees
 - 12 Non-Tribal Grantees
 - 1 State DOT
 - 2 Large Urbanized Areas (Phoenix and Tucson)
 - 9 Small Urbanized Areas
- **Arizona DOT is responsible to administer multiple FTA funding programs (a funded mandate)**
 - Responsibilities include the management of subrecipients
 - FY 2023 State Management Review yielded no deficiencies

26 FTA Grantees in Arizona

14 Tribal Grantees

- Ak-Chin Indian Community
- Cocopah Indian Tribe
- Colorado River Indian Tribe
- Havasupai Tribe
- Hopi Tribe
- Hualapai Tribal Council
- Kaibab Band of Paiute Indians
- Navajo Nation Tribal Government
- Pascua Yaqui Tribe
- Salt River Pima-Maricopa Indian Community
- San Carlos Apache Tribal Council
- Tohono O'Odham Nation
- White Mountain Apache Tribe
- Yavapai Apache Nation

12 Non-Tribal Grantees (9 in small UZAs)

- **Arizona Dept of Transportation**
- Bullhead City
- Casa Grande
- Lake Havasu
- Maricopa
- Northern Arizona Intergovernmental Public Transportation Authority
- **Phoenix**
- Prescott Valley
- Sierra Vista
- Southeastern Arizona Governments Organization Inc.
- **Tucson**
- Yuma County Intergovernmental Public Transportation Authority

Transit Funding for Rural Arizona

- **\$ 28.0 million in FY 2023 FTA Formula Funds for Arizona's Rural Areas**
 - **\$ 710,000** for Statewide Transportation Planning (Sec. 5304)
 - **\$ 1.5 million** for Enhanced Mobility for Seniors and Individuals with Disabilities (Sec 5310)
 - **\$ 17.7 million** for Rural Areas Formula Program (Sec. 5311)
 - **\$ 4.2 million** for Tribal Transit Formula Program (Sec. 5311(c))
 - **\$ 4.0 million** for Statewide (Rural) Bus & Bus Facilities (Sec. 5339(a))
- **\$49.9 million** in COVID-19 Emergency Relief Funding (CARES Act, CRRSAA, and ARP Act Appropriations)
 - **\$ 40.3 million** total funding for rural areas; managed by Arizona DOT
 - **\$ 9.7 million** total for Tribal Grantees
- **\$10.6 million** in RAISE grant (FY 2021) for Yuma Multi-modal Transportation

Rural & Tribal Entities are Eligible for FTA Formula Funds

Funding Program / Relationship with FTA	Direct Grant with FTA	Grant through State DOT
Section 5310 – Elderly and Persons with Disabilities	X	X
Section 5311 – Rural Area Transportation	X	X
Section 5311(j) – Tribal Transit Program – Formula	X	X
Section 5339(a) – Bus and Bus Facilities – Formula		X



Rural & Tribal Entities are Eligible for FTA Competitive Funds

Funding Program / Relationship with FTA	Direct Grant with FTA	Grant through State DOT
Section 5310 – Access and Mobility Partnership Grants	X	X
Section 5309 - Capital Investment Grant	X	X
Section 5310 – Access and Mobility Partnership Grants	X	X
Section 5311(j) – Tribal Transit Program	X	
Section 5312 – Integrated Mobility Innovation	X	X
Section 5339(b) – Bus and Bus Facilities	X	X
Section 5339(c) – Low or No Emission Vehicles	X	X



FTA Mission, Vision, Values

MISSION

Improve America's Communities through Public Transportation



VISION

A Better Quality of Life for All Built on Public Transportation Excellence



VALUES



SERVICE	Provide reliable, transparent, responsive, and anticipatory services to meet stakeholder needs
INTEGRITY	Commitment to the highest professional and ethical standards
INNOVATION	Foster new ideas, concepts, and solutions for improved outcomes
SUSTAINABILITY	Optimize decisions, resources, and systems to make long-term positive impacts on the environment, infrastructure, and safety
EQUITY	Remove barriers for systemically underserved communities to access all aspects of economic, social, and civic life