

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

Community Transportation Association of
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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

Eligible Programs to be flexed to FTA	
Congestion Mitigation and Air Quality Improvement (CMAQ)	✓
Surface Transportation Block Grant (STBG)	✓
Highway Safety Improvement Program (HSIP)	✓
National Highway Performance Program (NHPP)	✓
Transportation Alternatives (TA)	✓
Ferry Boat Program	✓
State Planning and Research (SPR)	✓
Carbon Reduction Program <i>[New under BIL]</i>	✓
Metropolitan Planning Funds (PL)	✓



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

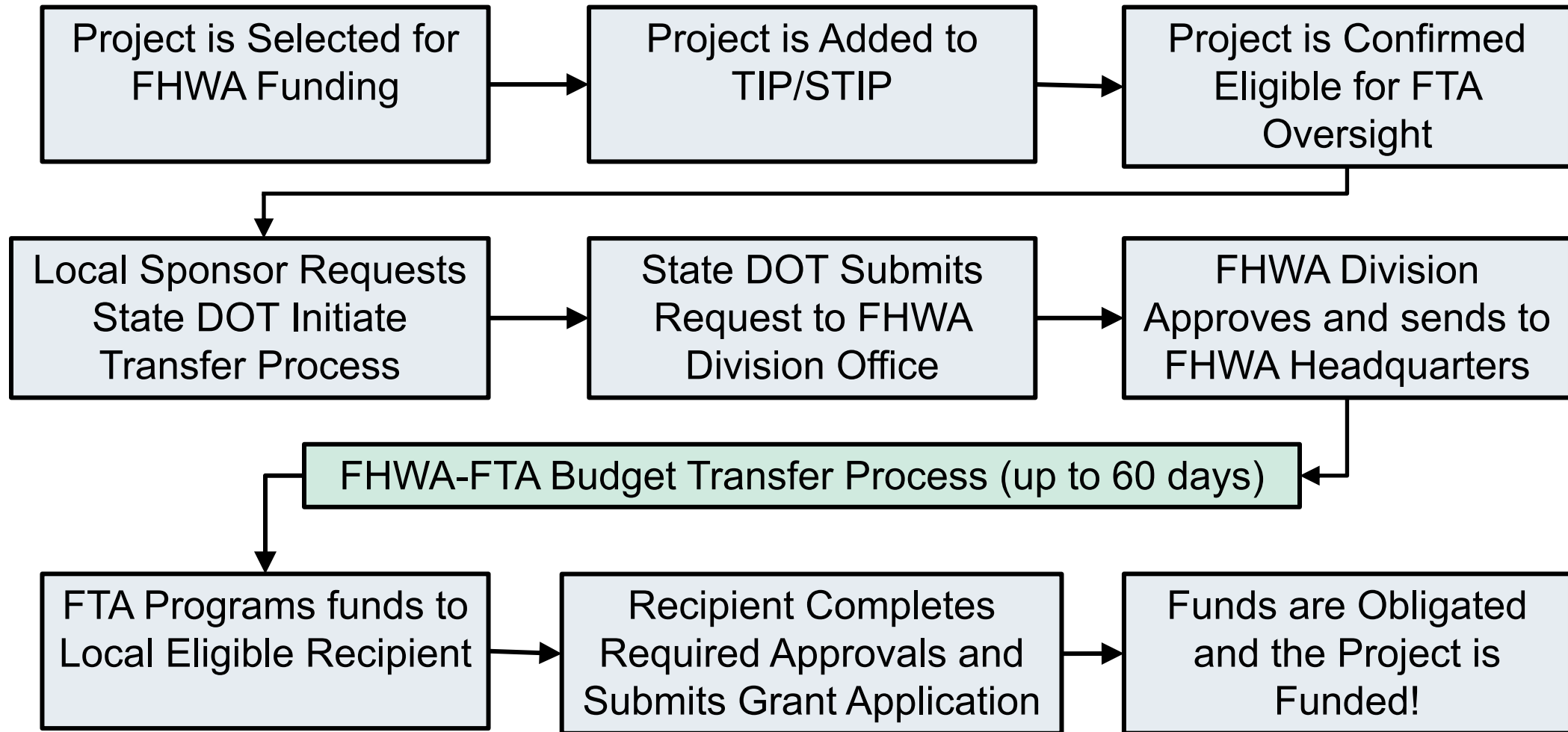


Rendering of Rock Region METRO solar-powered bus shelter, which includes lighting, a bench, and a small bike rack. Source: Rock Region METRO.

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?



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

- FTA Flex Funding Resource Page: <https://www.transit.dot.gov/funding/grants/grant-programs/flexible-funding-transit-and-highway-improvements>
- Flexible Funding for Transit: Who Uses It? (Brookings Institution 2000) <https://www.brookings.edu/wp-content/uploads/2016/06/flexfunding.pdf>
- Flexible Funding Continues to Play a Role in Supporting State and Local Transportation Priorities (GAO, 2012) <https://www.gao.gov/products/gao-13-19r>
- Sample flex funding flow chart (Michigan DOT, 2019) https://www.michigan.gov/documents/urbanizedareafundingapp_61064_7.pdf

