



U.S. Department
of Transportation

**Federal Transit
Administration**

OVERVIEW:

PROPOSED NEW STARTS/SMALL STARTS CAPITAL INVESTMENT GRANT PROGRAM FISCAL YEAR 2014

The Administration is Committed to Funding Major Capital Transit Projects in FY 2014

- The Administration's Fiscal Year 2014 budget request includes a bold, innovative blueprint to grow our economy, create jobs, and strengthen the middle class by investing \$10.9 billion to enhance, protect, restore, and modernize our nation's public transportation infrastructure in communities nationwide with an additional immediate investment of \$9 billion through the President's "Fix it First" initiative.
- This budget allocates more than \$2.1 billion for capital investment grants through FTA's New Starts/Small Starts program, including \$151 million in funding available from prior years. The total includes funding for a new category under MAP-21, Core Capacity Grants, which focuses on enhancing existing rail systems primarily that are at or near capacity, to better accommodate rising ridership.
- The President's request acknowledges both the value of providing consistent support for major capital investments in transit infrastructure and the fact that demand for New Starts funding exceeds supply year after year.
- This year's recommended allocation for capital projects is \$177 million above the amount appropriated for Fiscal Year 2012. It also helps to address budget shortfalls to New Starts funding resulting from the final Fiscal Year 2013 appropriation and the across the board spending cut due to sequestration.
- The President's FY 2014 request for the capital investment grant program shores up our capacity to continue what this Administration started in 2009—building and modernizing our public transit infrastructure for the 21st century.

FY 2014 Budget Highlights for FTA's Capital Investment Grant Program

(See attached [table](#) for details)

The final FY 2013 appropriation was \$380 million below the President's request for the New Starts/Small Starts program. Reductions in FY 2013 funding are partially attributed to the automatic spending reductions under sequestration. As a result, FTA reduced the FY 2013 payout level of all existing construction grant agreements for capital projects. Additionally, FTA was unable to make new funding commitments for new capital rail or bus rapid transit (BRT) projects for the first time in roughly 20 years.

The FY 2014 budget strives to keep vital projects moving forward through methods consistent with past practices, and it includes funds for projects ready to receive their final year of funding.

The FY 2014 budget:

- Fully funds planned commitments for 11 of 17 ongoing New Starts/Small Starts projects under construction in 10 states, which are not ready for a final payment in FY 2013 or FY 2014.
- Provides funding for a total of 8 new New Starts and Small Starts projects that were proposed for funding in prior years, but which did not receive funds under the reduced FY 2013 appropriation.
- Completes funding commitments for 5 projects in 5 states that did not receive the total amount expected in FY 2013.
- Fully funds the planned FY 2014 amounts—and restores FY 2013 shortfalls—to 3 projects in 2 states, to help keep these projects moving forward.
- Reserves funding for the new Core Capacity program under MAP-21, which expands capacity by at least 10 percent in existing transit corridors (mainly rail) that are already at or above capacity today, or are expected to be at or above capacity within five years.

The President's proposed budget for major capital transit investments in FY 2014 is a much needed step forward that will create jobs, reduce our dependence on oil, and help our nation compete at home and abroad in the 21st century.