FTA Authorization Fact Sheet
Capital Investment Grants "New Starts"

Year	2005	2006	2007	2008	2009	Total
Trust Fund	$2,898 M	-	-	-	-	$2,898 M
General Fund	$414 M	$1,503 M	$1,566 M	$1,700 M	$1,809 M	$6,992 M
New Starts	$1,438 M	$1,503 M	$1,366 M	$1,500 M	$1,609 M	$7,416 M
Small Starts	-	-	$200 M	$200 M	$200 M	$600 M
Other	$10 M	$20 M	$20 M	$20 M	$20 M	$ 90 M

Purpose

The Section 5309 program is amended to provide funding primarily for Major Fixed Guideway Capital Investment projects (New Starts) and Capital Investment Grants of $75 million or less (Small Starts). Additional activities include grants to Alaska and Hawaii, as well as the Denali Commission.

Statutory References

49 U.S.C. Section 5309 (d) and (e), Section 5309 (m).

Features

The following features of the New Starts program were not changed:

- Basic Criteria: Alternatives Analysis, Justification, Local Financial Commitment.
- Statutory Share (80/20); FTA cannot withhold approval of Preliminary Engineering or Final Design based on proposed federal share.
- Rating of projects (though there were changes in rating levels and criteria).
- Multiyear Full Funding Grant Agreements.
- Annual New Starts Report (Supplemental Report eliminated).

The following features were added to the New Starts program:

- Ridership and cost estimate incentives – higher federal match for those projects whose cost and ridership estimates are within a 10% range of original forecasts.
- Cost control incentive – grantees may keep portion of savings when under runs occur.
- Criteria – new criteria on reliability of ridership and cost forecasts.

The following summarize the requirements of the Small Starts program:

- Grants are for capital costs associated with new fixed guideway systems, extensions, and bus corridor improvements. Requests must be for under

$75 million in New Starts Funds and total project costs must be under $250 million.

- Small Starts will have a separate funding category beginning in FY 07, starting at $200 million per year.
- Streamlined criteria and approval process.
- Non-fixed guideway corridor improvements (e.g., Bus Rapid Transit) are allowed under Small Starts.
- Exemption for projects under $25 million eliminated once Small Starts regulation is final. All projects receiving funding will be analyzed and rated.