

Principles for Funding Recommendations

The funding recommendations in this report are the result of an extensive project development and evaluation process, which is described in detail in Appendix B to this report. To be eligible for an FTA funding recommendation, proposed New Starts projects must complete the appropriate steps in the planning and project development process and, per SAFETEA-LU, receive an overall project rating of *Medium* or higher.

SAFETEA-LU replaced the three-level project rating scale of “Highly Recommended,” “Recommended,” and “Not Recommended” established by TEA-21 with a five-level scale of “*High*,” “*Medium-High*,” “*Medium*,” “*Medium-Low*,” and “*Low*.” SAFETEA-LU further requires that only those projects rated *Medium* or higher may be recommended for funding. However, it must be noted that project ratings are intended only to reflect the “worthiness” of each project, not the “readiness” of a project for an FFGA or other funding recommendation. Proposed projects that are rated *Medium* or higher will be eligible for multi-year funding recommendations in the President’s budget if funding is available and the candidate project’s proposed scope, cost estimate, and budget are considered final. In addition, notwithstanding their overall project rating, FTA will not generally recommend for funding any project which does not achieve a rating of at least *Medium* for cost effectiveness, unless the project has been exempted from this policy.

When recommending annual funding allocations among proposed New Starts projects, FTA applies the following general principles:

- Any project recommended for new funding commitments should meet the project justification, finance, and process criteria established by Sections 5309(e) and 5309(d) and be consistent with Executive Order 12893, *Principles for Federal Infrastructure Investments*, issued January 26, 1994.
- Existing FFGA commitments should be honored before any additional funding recommendations are made, to the extent that funds can be obligated for these projects in the coming fiscal year.
- The FFGA defines the terms of the Federal commitment to a specific project, including funding. Upon completion of an FFGA, the Federal funding commitment has been fulfilled. Additional project funding will not be recommended. Any additional costs beyond the scope of the Federal commitment are the responsibility of the grantee, although FTA works closely with grantees to identify and implement strategies for containing capital costs at the level included in the FFGA at the time it was executed.
- Funding for initial planning efforts such as alternatives analysis is no longer eligible for Section 5309 funding under SAFETEA-LU, but may be provided through grants under the Section 5303 Metropolitan Planning or Section 5307 Urbanized Area Formula programs or from the newly created Section 5339 Alternatives Analysis program.

- Firm funding commitments, embodied in FFGAs, will not be made until projects demonstrate that they are ready for an FFGA, i.e. the final design process has progressed to the point where the project scope, costs, benefits, and impacts are considered firm and final.
- Funding should be provided to the most worthy investments to allow them to proceed through the process on a reasonable schedule, to the extent that funds can be obligated to such projects in the upcoming fiscal year. Funding decisions will be based on the results of the project evaluation process and resulting finance, justification, and overall ratings.

FTA emphasizes that project evaluation and rating is an on-going process. As proposed New Starts projects proceed through the project development process, information concerning costs, benefits, and impacts is refined and the ratings may be reassessed to reflect new information.