

8. TRANSIT, FEDERAL TRANSIT ADMINISTRATION (FTA) FUNDING, AND OUR REGION

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**BACKGROUND**

Federal participation in transit funding occurs through Federal Transit Administration (FTA) grants to transit providers. These funds are intended for transit use; they generally represent a significant share of transit provider revenue and are critical to the provision of transit services. FTA formula funds are appropriated based on factors such as population and passenger miles traveled and come in a variety of categories. These formula funds are different than discretionary grants, which are competitive in nature.

Formula funds are distributed geographically, on the basis of Urbanized Areas (UZAs). UZAs are designated by the Census Bureau and US Department of Transportation and do not necessarily align with municipal, county or transit provider service boundaries. Formula funds are distributed to UZAs through designated recipients; for example, METRO is designated recipient for Houston UZA, while Conroe and The Woodlands are Dual-Designated Recipients for The Woodlands-Conroe UZA. The Texas Department of Transportation is the designated recipient for smaller UZAs and rural areas.

Designated recipients can, in turn, pass these funds on to subrecipients, for example, METRO's subrecipients include Harris County Transit and Fort Bend Transit. For every Fiscal Year (FY) appropriation, each designated recipient will develop their Program of Projects (POP) for itself as well as any subrecipients and submit to MPO for inclusion in the Transportation Improvement Program (TIP) and Regional Transportation Plan (RTP).

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**CURRENT SITUATION**

There are nine separate transit providers in the eight-county MPO, all of which depend on federal formula funds for at least some of their capital, operations, and planning activities. Furthermore, the MPO itself receives formula funds to conduct multimodal transportation planning activities.

These funding appropriations are "off-cycle" with respect to the TIP and RTP cycle; therefore, TIP amendments are required as FTA releases annual appropriations. The federal government, furthermore, can rescind these funds if they are not obligated (let) within a specified time period.

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**ACTION REQUESTED**

Information Only.