



Navigating a Changing CIG Program

The possible policy shifts ahead and how owners can prepare for them now

The Federal Transit Administration has indicated changes could be in store for its popular Capital Investment Grant Program. Anticipated funding increases and implementation of the Biden administration's Justice40 initiative could alter FTA's approach to CIG decision-making.

Transit providers planning to seek CIG funding need to anticipate these possible policy changes. However, tracking FTA's policy-making process, understanding any new or updated evaluation measures and determining if and how they apply to a specific transit project can be complex and time-consuming.

For those who don't live and breathe the CIG program, a qualified program management consultant can help navigate what comes next, whatever "next" is. The right consultant with pre- and post-CIG application experience, compliance knowledge and strong relationships at the federal level can eliminate much of the uncertainty surrounding FTA's grant process.

HNTB has been tracking this developing story. Although FTA's policy-making process is still ongoing, below are some of the changes that **may** be in store for the CIG program, based on the firm's understanding of emerging federal policy objectives and the industry's response to them:

1. Incorporating Justice40 guidelines

Justice40 aspires for states and local transit grantees to make good on President Biden's promise to deliver at least 40% of the overall benefits from relevant federal investments to historically disadvantaged and underserved communities. A qualified program manager will have an array of solutions to help transit projects adequately reflect this initiative. For example, a new transit line could incorporate Justice40 by working with local housing authorities to promote affordable housing near a proposed rail station. Or, as part of its project, a grant applicant could create a local workforce development program that introduces people to careers in transit.

2. Redirecting the focus of who benefits from careers in transit

One way to promote Justice40 might be for FTA to shift its traditional focus from funding projects that promise to attract "choice" transit riders to projects that improve transit service for existing, transportation-disadvantaged riders. Many current customers depend on transit to access employment, education, health care and food. Future grant applications may be evaluated on how projects better meet the needs of those who use transit as a lifeline. For example, projects that improve bus speed and reliability in transit-dependent corridors may rate higher under an evaluation process promoting Justice40.

3. Increasing the percentage of funding per project

FTA's CIG evaluation process encourages project sponsors to request a less than 50% CIG share of funding. This has made it challenging for many regions that lack a robust local revenue stream to compete for CIG funding. It will be interesting to see if FTA considers equity in this broader geographic sense and permits projects to be funded at the statutory 60%-80% CIG limit to benefit such areas. If this happens, FTA might need to reduce the total number of CIG recipients to compensate for larger individual awards. Or, to make federal funds go further, FTA may choose to fund less expensive projects.

The right program manager could help a transit project owner assess its financial capacity, identify other funding partners and evaluate the trade-off of various CIG funding requests.

4. Favoring BRT projects

To the point above, it's possible FTA could continue the trend of funding more bus rapid transit projects than rail lines. BRT alignments are flexible. They require less infrastructure, are easier to build and less expensive to deliver. Awarding Capital



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Most recently, Sean has been serving as a strategic adviser for several HNTB program management consultant teams. He has helped provide project development guidance and secure funding for rail projects, such as major transit capital investments.

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Investment Grants to projects with smaller price tags would allow FTA funding to benefit more communities.

Rail project owners can increase the competitiveness of their applications by reducing the number of project risks. A skilled risk management team that can identify and mitigate the universe of potential threats and increase the certainty of delivery within budget and schedule can help win FTA's confidence.

5. Emphasizing equity and inclusiveness in planning

The Biden administration is encouraging agencies to implement planning that incorporates climate action plans and equity analysis beyond NEPA requirements. For example, under the March 2021 Notice of Funding Opportunity for the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grant Program, the U.S. Department of Transportation stated it would prioritize projects supported by an equity- and climate-focused planning process. Might this emphasis also become a requirement to enter CIG project development?

To achieve the level of community-driven planning and decision-making the Biden administration envisions, project owners most likely will need to involve a more diverse, broader universe of constituents and stakeholders throughout the planning and project development process.

For transit projects that may be too far down the road to adequately address this step, one solution is to make sure the CIG application effectively communicates the community's support for the transit project. Another way a proposed project can demonstrate inclusivity is to collaborate with stakeholders to identify creative, innovative ways to mitigate construction impacts, which can be significant. An experienced program management consultant will have a list of creative best practices to help favorably position projects no matter where they are in the delivery life cycle.

Preparing now

Recent developments are strong indications FTA's CIG Program may be different in the future. An owner who plans to seek funding should consider preparing for any changes now. By partnering with an experienced program management consultant, the owner can anticipate and navigate policy changes and submit an application that tells the project's story in a way that best meets FTA's requirements and expectations. ■