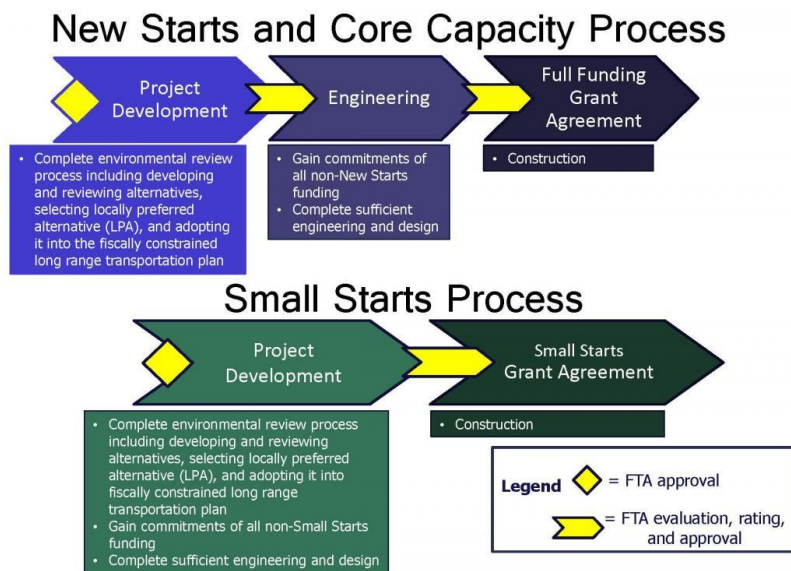




Capital Investment Grants Program New Starts, Small Starts and Core Capacity Improvements



What's New

- On December 17, 2024, FTA [published in the Federal Register](#) its [2024 Policy Guidance](#) (FR 2024-29616) for the Capital Investment Grants program. The guidance replaces the prior version published in January 2023 and will become effective January 16, 2025. FTA published responses to comments received during the public comment period that ran from April to June 2024 on the [regulations.gov docket](#).
 - FTA will host two webinars on January 14 and 15 from 1:00 to 3:00 p.m. ET to review the new guidance. The webinars will be recorded.
 - [Register for January 14 webinar](#)
 - [Register for the January 15 webinar](#)
- The [CIG dashboard](#) reports data and the status of milestones for New Starts, Small Starts, and Core Capacity projects seeking funding. Information is updated monthly based on progress reported by project sponsors to FTA's Office of Planning and Environment.

Overview

This FTA discretionary grant program funds transit capital investments, including heavy rail, commuter rail, light rail, streetcars, and bus rapid transit. Federal transit law requires transit agencies seeking CIG funding to complete a series of steps over several years.

- For New Starts and Core Capacity projects, the law requires completion of two phases in advance of receipt of a construction grant agreement: Project Development and Engineering.
- For Small Starts projects, the law requires completion of one phase in advance of receipt of a construction grant agreement: Project Development.

The law also requires projects to be rated by FTA at various points in the process according to statutory criteria evaluating project justification and local financial commitment. For a complete discussion of the CIG process and the evaluation criteria, please see FTA's [Policy Guidance](#). Sponsors of CIG projects should also become familiar with the transportation planning and environmental review process requirements that apply to projects funded by FTA. Find information on the [transportation planning process](#) and the [environmental review process](#).

Contact Us

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About the Program

Overview

Discretionary & Competitive Federal Grant Program

- Authorized up to \$4.6 billion per year, subject to Congressional appropriations
- Funds light rail, heavy rail, commuter rail, streetcar, and bus rapid transit projects

IIJA outlines: Multi-year, multi-step process projects must follow to receive funds

- Points during process when FTA must evaluate and rate projects

- Evaluation criteria that must be used
- 5 point scale from low to high for ratings
- Annual Report to Congress that must include ratings for each project and the Administration's funding recommendations

IIJA Eligible Projects

New Starts

- Total project cost is equal to or greater than \$400 million or total New Starts funding sought equals or exceeds \$150 million
- New fixed guideway system (light rail, commuter rail, etc.)
- Extension to existing system
- Fixed guideway BRT system

Small Starts

- Total project cost is less than \$400 million and total Small Starts funding sought is less than \$150 million
- New fixed guideway systems (light rail, commuter rail, etc.)
- Extension to existing system
- Fixed guideway BRT system
- Corridor-based BRT system

Core Capacity

- Substantial corridor-based investment in existing fixed guideway system
- Project must:
 - Be located in a corridor that is at or over capacity or will be in ten years
 - Increase capacity by 10%
 - "not include project elements designated to maintain a state of good repair"

Bundling

IIJA establishes a process for bundling of projects to allow sponsors to move multiple projects through the CIG pipeline simultaneously.

Fact Sheet: Capital Investment Grants Program

BIPARTISAN INFRASTRUCTURE LAW FACT SHEET **CAPITAL INVESTMENT GRANTS PROGRAM**

Note: The Bipartisan Infrastructure Law authorizes \$3 billion per year in annual appropriations for the CIG Program, including funding that may be awarded under the

Expedited Project Delivery Pilot Program. In addition, the law directly provides \$1.6 billion per year in advance appropriations as a supplement to annual appropriations for this program.

Fiscal Year	2022 (in millions)	2023 (in millions)	2024 (in millions)	2025 (in millions)	2026 (in millions)
Fixed Guideway Capital Investment Grant Program (Authorized Subject to Appropriation)	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Fixed Guideway Capital Investment Grant Program (Advanced Appropriations)	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600

Program Purpose:

The Bipartisan Infrastructure Law, enacted as the Infrastructure Investment and Jobs Act, continues the discretionary Fixed Guideway Capital Investment Grants (CIG) program, which funds fixed guideway investments including new and expanded rapid rail, commuter rail, light rail, streetcars, bus rapid transit, and ferries, as well as corridor-based bus rapid transit investments that emulate the features of rail. There are three categories of eligible projects under the CIG program: New Starts, Small Starts, and Core Capacity.

Each type of CIG project has a unique set of requirements in the law, although many similarities exist among them. To be eligible to receive a CIG construction grant, all proposed projects must go through a multi-year, multi-step development process outlined in the law. FTA is required to evaluate and rate CIG projects on statutorily defined project justification and local financial commitment criteria that differ by project type, and a project must receive at least a “Medium” overall rating to advance through the steps in the process and receive a construction grant award.

Statutory References:

49 U.S.C. §5309; IIJA §30005

Eligible Recipients:

State and local government agencies, including transit agencies.

Eligible Activities:

- *New Starts and Small Starts:* Design and construction of new fixed-guideways or extensions to fixed guideways (projects that operate on a separate right-of-way exclusively for public transportation, or that include a rail or a catenary system).

- *Small Starts*: Design and construction of corridor-based bus rapid transit projects operating in mixed traffic that represent a substantial investment in the corridor and emulate the features of rail.
- *Core Capacity*: Design and construction of a corridor-based investment in an existing fixed guideway system that improves capacity not less than 10 percent in a corridor that is at capacity today or will be in 10 years. The project may not include elements designed to maintain a state of good repair.
- *Joint intercity rail/public transportation project*: Design and construction elements attributable to the public transportation portion of the total project cost based on projected use of the new segment or expanded capacity of the project corridor, not including elements designed to achieve a state of good repair.

What's Changed?

- Revises the Small Starts and New Starts eligibility thresholds. Small Starts are now projects with a total estimated project cost of less than \$400,000,000 and that are seeking CIG funding of less than \$150,000,000. New Starts are projects with a total estimated project cost of \$400,000,000 or more or that are seeking CIG funding of \$150,000,000 or more.
- Revises Core Capacity project eligibility to corridors that are at capacity today or will be in 10 years, rather than in the 5-year timeframe under the FAST Act.
- Establishes a process for immediate and future bundling of projects to allow sponsors to move multiple projects through the CIG pipeline simultaneously. The new bundling eligibilities replace the prior "Program of Interrelated Projects" eligibility.
- Adds a requirement for the Secretary to determine that a project sponsor has made progress toward meeting the transit asset management performance targets required by 49 U.S.C. 5326(c)(2).
- Amends the "warrants" provisions for New Starts and Core Capacity projects to remove the requirement that the total estimated capital cost of the project must be under \$100,000,000.
- Requires the Secretary to provide full and fair consideration to projects that seek an updated rating after a period of inactivity following an earlier rating and evaluation.
- Adds a requirement that FTA publish no less frequently than monthly a dashboard on its public website with information on each project seeking CIG funding.
- Before and After Study requirements (an analysis of predicted versus actual cost and ridership outcomes after a CIG project opens for service) were revised. The requirement that FTA report on those studies to Congress annually was also eliminated. Instead, the GAO, as part of its biennial review of the CIG program, will report to Congress on the differences between the predicted and actual outcomes for CIG projects.
- Revises the congressional notification timeframe required before a CIG construction grant can be awarded from 30 days to 15 days for New Starts and Core Capacity projects.

Federal Share:

The maximum CIG (Sec 5309) share varies by project type, with New Starts: 60 percent, Small Starts: 80 percent, and Core Capacity: 80 percent. Total federal funds for any project type may not exceed 80 percent.