

How is Transit Affected by the Bi-Partisan Infrastructure Framework (BIF) and the Fiscal Year 2022 Appropriations

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What's in the BIF?

- **Includes \$39.2 billion for transit:**

- Funds nation's transit system repair backlog that U.S. Department of Transportation includes more than 24,000 buses.
- Expands transit systems
- Supports clean transit options
- Increases accessibility for persons with disabilities and seniors
- Adds eligibility for a capital project for the construction of bus rapid transit corridor or dedicated bus lanes, including the construction or installation of traffic signaling and prioritization systems, redesigned intersections that are necessary for the establishment of a bus rapid transit corridor, on-street stations, fare collection systems, information and wayfinding systems and depots.

BIF Toplines

- **\$39.2 billion in total**
 - **\$19.5 billion** for Increased Contract Authority – 43 percent increase
 - **\$4.75 billion** for State of Good Repair
 - **\$8 billion** for Capital Investment Grants (CIG) program
 - **\$2 billion** for transit accessibility for seniors and persons with disabilities
 - **\$5.25 billion** for Low-No Program
- Increases STIC set-aside in the 5307 program from 2 to 3 percent.

Budget Reconciliation (Build Back Better)

- An additional **\$10 billion** for transit.
 - on the chopping block because folks have argued that transit already received funds in previous COVID packages and \$39+ billion in the BIF.
 - Transit advocates argue that the original deal in the BIF included \$48.5 billion for transit and this additional \$10 billion would fulfill that obligation.
 - The new \$10 billion for transit in budget reconciliation is aimed at linking transit to affordable housing through a unique, new grant program.

FY 2022 Transit Appropriations

- FY 2022 started on October 1st; the federal government is currently working on a Continuing Resolution (or CR) until December 3rd.
- In the recently introduced Senate THUD Appropriations bill, **bus funding is plus-ed up by \$432 million.**
 - The Senate bill splits the bus money between the 5339a formula program (\$200 million), 5339b competitive (\$100 million) and 5339c Low/No competitive (\$132 million). These funds would be over and above the FAST Act authorized funding levels.
- The House THUD bill contains a similar **\$443 million plus-up** and passed the House this summer.
 - The House allocated the additional plus-up funds to the competitive pots. The Senate typically prefers to put some money into the formula.

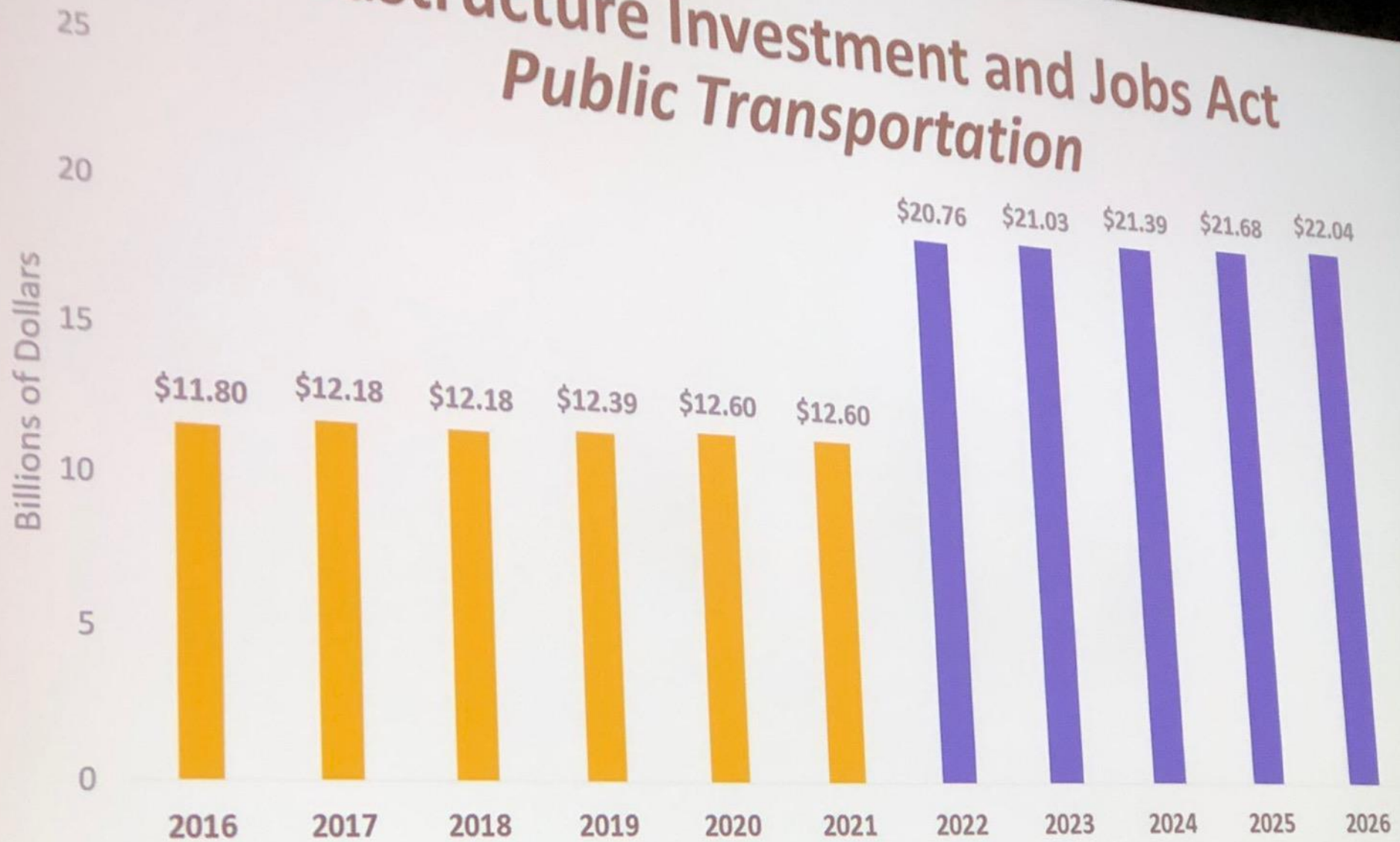
DC State of Play

- House vs. Senate
 - Thin majorities –
 - The House has a three-vote majority out of 435 members
 - The Senate is 50-50 with Vice President Harris casting the deciding vote in case of ties.
- Progressives vs. Moderates
- What's Left to Do in 2021?
 - National Defense Authorization Act (NDAA)
 - FY 2022 Appropriations
 - Debt Ceiling Increase/Suspension
- 2022 Off-year elections

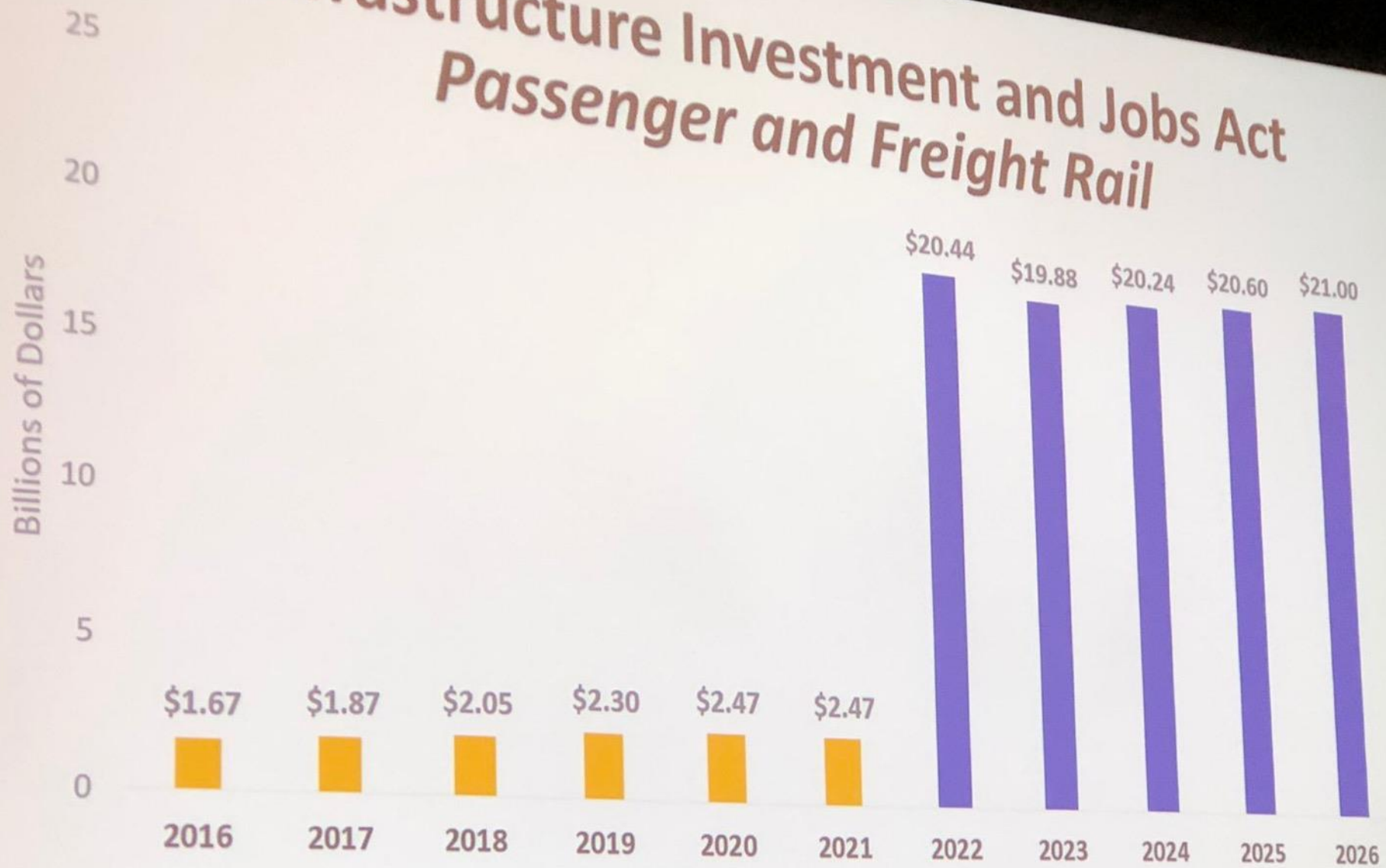
Arizona Political Dynamics

- Senator Kyrsten Sinema
- Senator Mark Kelly
 - Up for re-election in 2022
- Redistricting
 - Independent Redistricting Commission (IRC)
- What congressional districts might be affected?
 - Most likely to change
 - Keep an eye on CD-1 (currently held by Congressman Tom O'Halleran), but....
 - Current CD-2 seat because incumbent Congresswoman Ann Kirkpatrick is retiring and Republicans are looking to target that seat.
 - Juan Ciscomanti (R) vs. Kristen Engel (D)

Infrastructure Investment and Jobs Act Public Transportation



Infrastructure Investment and Jobs Act Passenger and Freight Rail



BIF: Federal Formula Programs

ARIZONA

\$8+ billion total in IJA funds

\$884 million to transit over 5
years

5307 (Urban): \$33.5 billion

5311 (Rural): \$4.4 billion

5310 (Specialized): \$2.2 billion

5311 Tribal Program: \$229 million

What's Great In The Bill?

- 40% increase in formula programs
- New annual growth in the tribal program
- Putting the “Low” Back in the Low/No Program
- Flexibility on vehicle sales over \$5,000
- STIC set-aside increase

What's Not Great In The Bill?

Few policy & regulatory changes (no permanent rural safety deferment)

What Do We Still Want?

AFFORDABLE TOD IN
BBB BILL

CHANGE IN RURAL
TRANSIT OPERATING
MATCH RATIO

CHARTER BUS
REGULATIONS
REFORM

Refreshed Vision for
NTD (account for
efficient service)

Address Driver
Shortages & Vehicles
Delays

Codify NEMT Benefit

SMALL VEHICLE DELIVERY DELAYS

**12-24 month
avg. delay in
delivery**

Primarily due to production challenges involving computer chip components, deliveries of cutaway and minivan vehicles most often used for rural demand-response & urban paratransit services are currently delayed between one & two years from procurement date. Additionally, these vehicles compete with personal and commercial vehicle markets while fixed-route buses generally are an exclusive market for transit. Also, manufacturers assign lower priority to transit orders than other fleet vehicles such as ambulance and highway.

OPERATOR SHORTAGES

**Openings =
missed trips &
↓ reliability**

As COVID has reset labor availability and pay trends, transit is experiencing operator shortages at systems of all sizes. While many agencies have increased pay and benefits and offered other incentives, unfilled driver & operator positions are leading to service impacts such as late or cancelled trips and existing workforce are working longer shifts or more overtime. Competition from private sector employers make offering attractive wages difficult for transit providers with limited budget flexibility.

LIMITED LOCAL MATCH

**"We can buy
buses but can't
afford to run
them"**

Especially in rural communities and smaller urban areas, attracting local investment that's required to match federal funding has always been a challenge. That reality was enhanced by emergency COVID funding from federal programs. While needed & welcome to respond to the initial & unexpected emergence of COVID, many localities have redirected funding previously assigned to transit systems to cover other budgetary needs. Additional federal funds requiring match compound the difficulty in lining-up new matching funds.

OLDER VEHICLES MEAN MORE UPKEEP COSTS

**More
maintenance
hamstrings
budgets**

Although maintenance professionals at transit agencies do expert work in keeping their vehicle fleets on the road far longer than expected, the cost of materials and labor time to maintain older vehicles grows with every day and every mile in service. The longer these systems wait for delivery of already-ordered vehicles or cannot advance new procurement due to absent local match means trip reliability goes down and operating budgets become strained, potentially leading to service cuts down the road.

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