

# Federal Formula Grant Program for Urbanized Areas

## Section 5307

Statutory References: 49 U.S.C. 53; 85.20, Wis. Stats. Administrative Code: TRANS 8

- Federally funded grant program, allocated by a formula based on population, population density, and revenue miles of service.
- Eligible applicants are transit systems in urbanized areas (populations of 50,000 or more).
- Organized into three funding tiers: A1, A2, and B.
  - A tier A1 system has a budget over \$80 million (currently, only the Milwaukee County Transit System).
  - A tier A2 system has a budget between \$20 million and \$80 million (currently, only Madison Metro).
  - A tier B system serves an area with a population between 50,000 and 200,000. There were 20 tier B systems in 2008.
- Funds for tiers A1 and A2 may be used for capital purchases only, including capitalized maintenance, not for operating assistance. They come directly from the Federal Transit Administration.
- Funds for tier B may be used for both capital and operating assistance. The federal government allocates funds to the Governor, who has delegated their distribution to the Wisconsin Department of Transportation.
  - Capital assistance is provided for 80% of project costs, except for ADA or Clean Air Act projects, which are funded at 90%. WisDOT receives a grant from FTA and subcontracts with transit systems.
  - Operating assistance is provided for up to 50% of the net operating deficit. WisDOT determines the amounts distributed to each transit system, but systems contract directly with FTA.
- Recent funding levels:
  - 2008: \$46.0 million
  - 2007: \$42.6 million
  - 2006: \$41.1 million
- Annual application cycle: Applications for operating assistance are due on November 15. Transit systems provide a list of approved capital projects with matching local funding in January. Systems receive operating assistance funds directly from FTA after WisDOT completes distribution of capital assistance funds.

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