



## Transit Funding Update—March 2025

The new 119th Congress approved the full year FY 2025 budget, halfway through FY 2025. This year the vehicle employed to pass the budget was a full year Continuing Resolution (CR) passed by Congress and signed by the President March 14. Text of the CR is here [H.R. 1968, the “Full-Year Continuing Appropriations and Extensions Act, 2025”](#)

The 2025 appropriations cycle takes us through year 4 of 5 of the Infrastructure Investment and Jobs Act (IIJA). Good news is the CR essentially continues funding levels adopted for the FY 2024 budget last year. This is positive for public transit and passenger rail funding, which was approved by a Republican House and Democratic controlled Senate last year resulting in robust funding under the IIJA.

This edition will highlight appropriations and policy provisions for public transit and passenger rail. We will also touch on the potential impacts of the broad sweeping Presidential Executive Orders and USDOT Secretary Orders and Memoranda.

### Public Transit Appropriations

FY 2025 appropriation for public transit is \$20.9 billion which is essentially constant with the FY 2024 enacted level. This total funding provides 95% of the amount authorized in the IIJA. This total includes IIJA Advanced Appropriations. This is an increase of \$7.9 billion (61%) from the pre-IIJA level in FY 2021. The Continuing Appropriations and Extensions Act eliminates all \$207 million funding designated for Community Project Funding, aka, earmarks, in the FY 2024 THUD Appropriations Act. This is more than offset by an increase of \$289 million in Federal Transit Administration (FTA) contracting authority for formula and competitive grant funding. There was no decrease to the \$1.1 billion for the Low and No Emissions Bus Competitive Grants for FY 2025. More on this later.

### Capital Investment Grant Program

The FY 2025 appropriation for the Capital Investment Grant (CIG) Program is \$2.205 billion. Including the \$1.6 billion IIJA Advanced Appropriation brings the total CIG Program FY 2025 total to \$3.8 billion, consistent with FY 2024. This is a significant funding level; although nearly \$800 million below the IIJA authorized level, it does not keep pace with the ever-increasing demand for CIG funding. As of the CIG Dashboard dated March 6, 2025, there are 49 projects in the CIG pipeline seeking CIG construction grants in addition to the seven active multi-year Full Funding Grant Agreements (FFGAs). The CIG Dashboard is forecasting 19 construction grants yet to be executed this calendar year and next totaling \$7.2 billion of CIG funding, nearly two times the 2025 CIG funding level.



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March 20, 2025





Congress again did not abide by its Advanced Appropriation sub-allocations established in the IIJA to the CIG sub-programs this year as you can see with the \$0 sub-program values. FTA has the latitude to adjust funding by sub-program based on current demand shown in the right column. Fifty-seven percent of the FY 2025 funding is already committed in existing multi-year New Start FFGAs.

CIG Sub-Program	2025 IIJA Advanced Appropriations	2025 Continuing Appropriations	2025 Total CIG Request by Sub-Program
<b>New Starts</b>		\$0M	\$1,024M
<b>Core Capacity</b>		\$0M	\$60M
<b>Small Starts</b>		\$0M	\$451M
<b>Expedited Project Delivery</b>		\$0M	\$60M
<b>Existing New Start FFGAs</b>		\$0M	\$2,190M
<b>PMO, Project Management Oversight</b>		\$0M	\$20M
<b>Total</b>	<b>\$1,600M</b>	<b>\$2,205M</b>	<b>\$3,805M</b>

The 2025 Continuing Appropriations Act did include policy direction on two important topics:

- No funds made available under the appropriations act shall be used to hinder a project’s advancement who is seeking more than 40% federal share. This is a conscious effort to override any lingering FTA practice from any prior FTA Administration who implicitly threatened project sponsors that ability to secure a construction grant would be delayed if they sought federal participation greater than 40%. This is critical as 70% of project sponsors who have currently identified a federal CIG share include a federal share request greater than 40%.
- Appropriations bill language blocks application of the “Rostenkowski Test” thus preventing a potential across-the-board cut of FY 2025 transit formula funds.

### Capital Investment Grants Policy Guidance

- The Biden Administration published the CIG Final Policy Guidance in the Federal Register in December 2024. Subsequently, the Biden Administration published its FY 2027 CIG Annual Report Guidance prior to leaving office in January for project updates due August 22, 2025. The links to these documents are no longer provided on the FTA website. FTA staff has been tasked by the new administration with writing new guidance. There is no indication when drafts may be published for industry comment.



## Passenger and Freight Rail

The 2025 Continuing Appropriations Act provides \$16.2 billion for passenger and freight rail programs including IIJA Advanced Appropriations. This is a decrease of \$99 million from FY 2024. This represents an increase of \$13.4 billion from 2021 pre-IIJA funding levels. The 2025 funding level is \$4.4 billion below the IIJA authorized level.

The Federal-State Partnership for Intercity Passenger Rail 2025 appropriations include \$75 million which supplements the IIJA Advanced Appropriation of \$7.2 billion, which is consistent with the 2024 funding level.

Amtrak 2025 funding levels are broken down between the Northeast Corridor (NEC) and the National Network. For the NEC, 2025 Continuing Appropriations include \$1.1 billion in addition to the Advanced Appropriations of \$1.2 billion totaling \$2.3 billion. For the Amtrak National Network, Continuing Appropriations include \$1.3 billion when coupled with Advanced Appropriations of \$3.2 billion total \$4.5 billion. Both the NEC and National Network funding levels remained constant with FY 2024.

The 2025 Continuing Appropriations include \$100 million for the Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program. IIJA Advanced Appropriations of \$1 billion creates total CRISI funding for 2025 of \$1.1 billion which is a reduction of \$99 million from 2024 funding levels. Appropriations language states CRISI grants may be used for commuter rail projects that implement or sustain positive train control systems and for planning as well.



## Public Transit and Passenger Rail Discretionary Grant Opportunities

With new funding now approved, the administration has the resources to proceed with discretionary grant opportunities authorized in the IIJA. The USDOT website currently forecasts upcoming Notices of Funding Opportunity (NOFOs) for the following programs this year. HDR staff will continue to monitor when NOFOs are officially posted.

Spring 2025:

- Bus and Bus Facilities; Low or No Emissions Bus
- All Stations Accessibility Program
- FTA Ferry Programs
- CRISI
- Federal-State Partnership for Northeast Corridor

Summer 2025:

- Pilot Program for Transit Oriented Development

Fall 2025:

- Corridor ID and Development Solicitation
- Federal-State Partnership for National Network



## USDOT Policy Priorities

The new administration has been rolling out their policy priorities since Inauguration Day in the form of Presidential Executive Orders and DOT Secretarial Orders and Memoranda. These started as broad sweeping orders with more recent information filling in some detail. DOT Secretary Duffy's office circulated a memo to his Operating Administrations ([see the DOT Guidance](#)), providing guidance on competitive grant award selections made after January 20, 2021 that do not have fully obligated grant agreements or cooperative agreements in place. This will provide insight into competitive DOT grant NOFOs and awards over the next four years. More specific grant guidance will be forthcoming.

DOT will conduct a three-step review of all award selections without fully obligated grant agreements. The memo spells out its focus on grant elements that allocate funding to advance equity, diversity, equity and inclusion; climate change; environmental justice; gender-specific activities; bicycle infrastructure; electric vehicles; and EV charging infrastructure. USDOT forewarns project sponsors if they are not willing to remove these project elements and replace with acceptable alternative scope in alignment with current administration Executive Orders, then DOT will eliminate the non-compliant scope and reduce the grant award amount commensurate with the scope.

## FY 2026 President's Budget Request

President Trump's Administration is currently assembling its FY 2026 budget request. With the FY 2025 budget cycle now complete, it is expected the White House and Office of Management and Budget will publish the President's FY 2026 budget request in the April/May timeframe.

**HDR's Advisory Services professionals stand ready to assist transit agencies seeking to navigate their federal funding options.**

**If you need any assistance or have questions, please contact:**

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