



COMMUNITY TRANSPORTATION
ASSOCIATION OF AMERICA

2026 FEDERAL POLICY & LEGISLATIVE PRIORITIES

CTAA rural, small urban, tribal, NEMT, and specialized transportation members are dedicated to ensuring all Americans have access to safe, affordable, and reliable transportation.



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CONTINUED FEDERAL INVESTMENT IN PUBLIC TRANSPORTATION THROUGH THE MASS TRANSIT ACCOUNT

CTAA strongly advocates that the upcoming surface transportation authorization continue to fund public transit through the Highway Trust Fund's Mass Transit Account. This support is vital for passengers and public transit systems across the entire United States, from urban centers to rural communities. We urge increased funding levels for both formula-based and discretionary core public transit grant programs to keep pace with inflation.



REGULATORY REFORM FOR SMALL TRANSIT SYSTEMS

Smaller transit systems, whether they are in an urban or rural area, are burdened by regulations that are often unnecessary, outdated, and unsuitable for their operations.

CTAA is advocating for the following changes to simplify and modernize these rules:

- State-managed transit programs should comply with *either* state or federal regulations, not both.
- Streamline NTD reporting for smaller agencies and limit the scope of data review inquiries.
- All proceeds from the sale of transit vehicles where there is no federal financial interest should return to the transit agency for future capital program use
- FTA should pre-certify Buy America compliance of commonly purchased vehicles
- Simplify all forms of procurement for smaller transit agencies through templates, checklists, and threshold changes
- FTA grantees should only need to certify NEPA compliance after having purchased land
- FTA triennial and oversight reviews should be desk reviews for smaller transit agencies unless otherwise warranted due to major capital projects and/or other concerns



80% FEDERAL SHARE FOR FINANCING PUBLIC TRANSIT PROJECTS

The federal share for all projects financed with FTA formula-based public transit funds should be consistent at 80 percent, regardless of whether a specific project is for “operating” or “capital” purposes. This change **will not affect the federal transit spending bottom line**, and allow decisions to be made by states and urban transit agencies in recognition of state and local laws, needs and circumstances.



INCREASE PERFORMANCE-BASED FUNDING FOR SMALL URBAN TRANSIT INTENSIVE CITIES (STIC)

In urban areas of 200,000+ population, 7.6 percent of their FTA formula-based public transit funds are allocated on the basis of performance. Currently **only 3 percent** of formula-based transit funds are allocated to urban areas with populations less than 200,000 on the basis of performance. This share, under the “Small Transit Intensive Cities” formula should be **increased to 5 percent**.



MAINTAIN THE CURRENT RATIO OF DISCRETIONARY DEDICATED BUS AND BUS FACILITIES FUNDING

The current ratio of discretionary funding in the Section 5339 (b) and (c) ensures that the nation’s mid-size, small-urban, tribal and rural transit systems have **ample opportunity to compete** for vital bus replacement and facility investment. Efforts to shift these funds to a formula (i.e. the Section 5307 formula) would dramatically reduce the amounts of Section 5339 (b) and (c) for the nation’s smaller transit providers.



SHIFT ALL SECTION 5339 FUNDING INTO THE BUS AND BUS FACILITIES PROGRAM

CTAA supports local control and decision making. **We recommend consolidating Section 5339 (c) and shifting its funding into Section 5339 (a) and (b)**. Allow low- or no-emission buses or related facilities to be eligible, respecting what states and urban areas choose to do with their Sec 5339 (a) formula allocations, and the choices and priorities of applicants to the Sec 5339 (b) discretionary program.



INCREASE FORMULA FUNDS FOR RURAL AND STATEWIDE TRANSIT BUSES AND FACILITIES

Under current law, each state receives \$4 million per year in formula-based Section 5339 (a) funds for bus and bus facility projects that can be used in rural or in urban areas at the discretion of the state. Even if every state were successful at receiving Sec. 5339 (b) competitive grants from FTA for their statewide bus procurements, the 15 percent of that program’s funds reserved for rural projects is inadequate to the total need for timely replacement of existing buses, renovation and construction of bus facilities, and needed expansion of many rural transit fleets. **The amount provided to states through the “national distribution” of Section 5339 (a) funds should be increased to \$8 million per state and \$2 million per territory at minimum.**



ENSURE THAT PUBLIC TRANSIT AGENCIES HAVE A VOTING SEAT(S) ON THEIR MPO BOARD

CTAA’s small-urban transit agency members seek to ensure they have an active, and voting, voice on the Board of their local Metropolitan Planning Organization (MPO) and a federal dispute resolution process when there is a dispute over the interpretation or application of federal regulations, funding and guidelines. Having a vote allows the transit agencies, for whom formula and other transit funding is designated, to have an active role in local planning activities that directly impact the transit agency.