

# Department of Transportation’s “Family Friendly” Policy and Public Transit Project Funding

October 15, 2026

On October 1, 2026, the Federal Transit Administration (FTA) published for comment [revised policy guidance](#) for the [Capital Investment Grants Program](#) (CIG). In the [Federal Register](#) notice, FTA stated “the proposed revisions are intended to streamline the CIG process, improve accountability of CIG project sponsors, and improve overall readability of the policy guidance.” Among other things, FTA proposes a new formal methodology for calculating the federal share of a proposed project’s cost from a CIG grant. This proposed methodology includes greater CIG funding shares for projects in places with higher than average birth rates and marriage rates, in line with the Department of Transportation’s (DOT’s) “family friendly” policy.

CIG provides funding to support the construction of fixed-guideway transit systems (e.g., light rail), including new systems and additions to existing systems. A CIG project is categorized as a “New Starts” project, unless as a “Small Starts” project it costs less than \$400 million and CIG program funding is less than \$150 million. “Core Capacity” projects are investments in existing fixed-guideway systems that increase capacity of a corridor by 10% that is at or will be at capacity in 10 years (49 U.S.C. §5309(a)).

To evaluate proposed CIG projects, FTA computes ratings of statutory project justification and local financial commitment criteria on a 5-point scale (high, medium-high, medium, medium-low, low). The project justification criteria are mobility improvements, environmental benefits, congestion relief, economic development effects, land use (or capacity needs of the corridor for Core Capacity projects), and cost effectiveness. Cost effectiveness, for example, is measured by estimated capital and operating and maintenance costs per trip.

Federal law limits the maximum federal share of a project’s cost from the CIG program funds to 60% for New Starts projects and 80% for Small Starts and Core Capacity projects (49 U.S.C. §5309(l)). Many projects have received a commitment from FTA for a [CIG share](#) below the maximum.

FTA’s October 2026 proposal is for a “formal methodology [that] would provide a uniform and consistent approach for FTA to consider project merits, such as cost-effectiveness and transit ridership, when determining the CIG percentage share and corresponding CIG funding amount for a New Starts or Core

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Capacity project.” Accordingly, projects with an overall medium or higher rating would start with a 40% CIG share of project costs. This share would then be adjusted on the basis of the ratings of the project justification criteria up to the maximum allowed by law (**Table 1**). FTA states that it “believes these adjustment factors are appropriate because they clearly put the emphasis on cost-effectiveness and ridership, which will allow FTA to provide a higher CIG percentage share to projects that are cost-effective and projected to have high transit ridership, and will ensure Federal taxpayer funds are supporting worthy investments.”

**Table 1. Percentage Point Adjustment of CIG Funding Share**  
Project Justification Criteria

| Rating      | Cost Effectiveness | Mobility Improvements | Congestion Relief | Land Use* | Capacity Needs** | Economic Dev. | Enviro. Benefits |
|-------------|--------------------|-----------------------|-------------------|-----------|------------------|---------------|------------------|
| High        | +10                | +5                    | +5                | +3        | +3               | +3            | +2               |
| Medium-High | +5                 | +4                    | +4                | +2        | +2               | +2            | 0                |
| Medium      | 0                  | 0                     | 0                 | 0         | 0                | 0             | 0                |
| Medium-Low  | -10                | -8                    | -8                | -4        | -4               | -4            | 0                |
| Low         | -25                | -10                   | -10               | -6        | -6               | -6            | 0                |

**Source:** Federal Transit Administration, “Notice of Availability of Proposed Policy Guidance for the Capital Investment Grants Program,” 91 *Federal Register* 62586-62595, October 1, 2026.

**Note:** \*New Starts only; \*\*Core Capacity only.

FTA’s proposed CIG policy would also increase the CIG funding share for relatively high birth rates and marriage rates within the project corridor, defined as a one-mile buffer around the project corridor using census tract data from the Census Bureau. The increase would be an additional five percentage points each if the average birth or marriage rate in the project corridor is more than 1% above the national average, three points if the birth or marriage rate is equal to the national average or up to 1% percent higher than the national average, and one point if the average birth or marriage rate is within 1% below the national average.

According to FTA, these proposed adjustments are consistent with [DOT Order 2100.7](#), “Ensuring Reliance Upon Sound Economic Analysis in Department of Transportation Policies, Programs, and Activities,” issued on March 10, 2025, by the Secretary of Transportation. The order states DOT should “give preference to communities with marriage and birth rates higher than the national average (including in administering the Federal Transit Administration’s Capital Investment Grant program).”

[Some question](#) whether this proposed addition to the funding share calculation, as FTA states in the [Federal Register notice](#), would “ensure Federal taxpayer funds are supporting worthy investments.” The birth rate and marriage rate adjustments may offset poorer scores on other metrics, possibly leading to less effective projects. For example, together high birth rate and marriage rate adjustments can be worth as much as a medium-low cost effectiveness score.

In terms of [ridership](#), fixed-guideway transit modes are most effective in high density urban corridors. Critics of the FTA proposal point to [research](#) on the geography of birth rates and marriage rates indicating that places with relatively high rates tend to be located farther away from urban centers than places with relatively low rates. Households in high birth and high marriage rate areas tend to be higher income, more likely to own a car and drive alone to work, and less likely to walk, bike, or take public transit to work.

Residents of places with high marriage and high birth rates are more likely to be White and less likely to be Black or Hispanic.

Adjusting the federal CIG funding share on the basis of marriage and birth rates may incentivize more commuter rail projects, which are designed to provide longer distance trips to outlying places with lower density uses. In a study of commuter rail agencies, the [Government Accountability Office](#) found that commuter rail can provide economic and mobility benefits for less urbanized communities but that there are “considerable infrastructure and operational costs making commuter rail more expensive to provide compared to some other transit modes.”

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