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## CARES Act Overview for the Public Transportation Industry

April 2020

### Webinar Transcript

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>> Bruce Robinson: Good afternoon. This is Bruce Robinson. I'm the Federal Transit Administration Administrator for Program Management. Thank you, everyone, for joining this webinar.

Before we begin, I would like to make it clear this webinar is for public transportation industry stakeholders and not for the media. This is considered off the record. I'd like to introduce FTA's acting administrator, K. Jane Williams. As the acting administrator since 2007 she has focused on the secretary's priorities and worked closely with many of you. Her background will be instrumental in providing relief for the transit industry. And I'd like to turn the webinar over to Acting Administrator Williams.

>> K. Jane Williams: Thank you, Bruce. Good afternoon, everyone. I hope you and your loved ones are safe and well. Last week, as you know, I joined Secretary Chao on a phone call to announce FTA's progress in implementing the \$25 billion in transit funding under the Coronavirus Aid, Relief, and Economic Security Act, otherwise known as CARES. More than 1640 stakeholders joined the call, demonstrating the tremendous interest from the industry in how we will administer the CARES Act emergency funding. Similarly, I know that the 1,000 available seats in yesterday's webinar filled very quickly. So we added additional webinars today and later this week for your colleagues who were unable to join us yesterday. We also posted yesterday's identical webinar presentation to the FTA website at [transit.dot.gov/CARES- Act](https://www.transit.dot.gov/CARES-Act). Last week FTA posted the CARES allocation table and guidance on applying for these funds on FTA's website right before Secretary Chao announced the funding. Now you can apply for critical resources we know you desperately need to fill the gap. A total of \$22.7 billion has been allocated to large and small urban areas, and \$2.2 billion to rural areas. Funding will be provided at a 100% federal share with no local match required. And it will be available to support operating expenses including administrative leave to pay frontline workers and capital expenses eligible under those programs to prevent, prepare for, and respond to COVID-19. And that is the reason for today's webinar. My staff will provide information and answer your questions about what is eligible and how to access funding. COVID-19 is certainly having an impact on transit systems and the transit workforce across the country. The transit industry is facing economic challenges with shortfalls in fare box and other revenues while keeping staff employed and paid. Believe me, we know and

greatly appreciate the support you provide to transit passengers, like healthcare workers, grocery workers, and many others performing essential roles. To date, FTA is aware that more than 1343 transit employees have tested positive for COVID, or 360 more than what we reported just yesterday. Like all of us, I'm concerned by this significant jump in positive test results. As I said last week, the partnership between FTA and the transit industry has never been more important than it is right now. And that while we are facing one of the biggest challenges we are likely to see in our lifetime, we will get through it together. Finally, I'd like to give a shout out to my FTA staff for their incredible work, what they've already accomplished to get this funding into the hands of the states and urbanized areas that really need it. Congress gave us seven days to implement the CARES Act funding and although many thought that was impossible, I was confident we could do it. In fact, we did meet that half-day challenge and posted our portion of the Apportionment Tables a full day before the deadline that Congress gave us. This was a lot of work completed in extremely short time frame. I continue to be very proud of my staff who have worked around the clock to set up this funding to help you get through this health crisis. And we want to get this funding to you as expeditiously as possible. Now let me turn the call back over to Bruce to get started. Please be sure to take care of yourself and your loved ones, and thank you again for all you are doing to keep America moving. Bruce.

>> Bruce Robinson: Thank you, Jane. Before we move on to the details, I'd like to remind everyone and those who will just joined that the Ben and a half this webinar is for transit industry stakeholders and not for the media. All comments made on the webinar are considered off the record. Now I'd like to turn it over to John Bodnar, FTA's acting director of transit programs.

>> John Bodnar: Thank you, Bruce. Today we are going to talk about the CARES Act as well as the urbanized area, rural area programs and the emergency relief program. All three of those programs are managed in the Office of Transit Programs and all three are impacted by the CARES Act. Before we dive in, I want to point out that there is a Q&A pod in Adobe Connect if you have questions at any point during the presentation, please type your question in to the Q&A pod and we will be monitoring that at the end of the presentation there will be time for questions. In addition, I'll be trying to say the slide number every time we change slides for those of you that need that information. So with that, let's move on to Slide 2. We're all aware at this point that since December, the novel coronavirus has been spreading around the world and well over 1 million people have now tested positive for COVID-19. The social distancing practices that have been put in to place to flatten the curve for COVID-19 have resulted in a drastic decrease in ridership and revenue for transit systems. All at the same time while they're incurring unplanned costs for health and safety to protect both their employees and the public. On Friday, March 27th, the President signed the CARES Act into law, which provided more than \$2 trillion for industries that have been impacted by COVID-19, including the transit industry. Moving on to Slide 3. The CARES Act did provide \$25 billion to support the transit industry response to COVID-19. The \$25 billion is divided up into a couple of different grant programs that FTA currently manages. That includes \$22.7 billion to be administered under the urbanized area formula program, which is often referred to as

the 5307 program. \$2.2 billion will be administered under the formula grants for rural areas, which is often referred to as the 5311 program. And that 2.2 billion does include \$30 million for Tribal Transit formula funds. An additional \$75 million has been set aside for FTA administration and oversight expenses. Although the CARES Act does reference the state of good repair program, the formula is only included so as to determine how much funding will be apportioned to all of the recipients. The state of good repair formula funding that is calculated there is going to be administered under the urbanized area formula program. There is no separate state of good repair pot of funds. Any activities that would have been eligible under the state of good repair program are also eligible under the Urbanized Area Formula Program, so those activities can continue through the urbanized area formula program. Moving on to slide 4, we'll talk about what type of activities are eligible for CARES Act funds. Beginning on January 20th, 2020, all activities that are normally eligible under the urbanized area and rural area formula programs are eligible for CARES Act funding. And I'm going to say that a second time. Just to make sure everyone hears it. All activities normally eligible under the Urbanized Area and Rural Area formula programs are eligible for CARES Act funding. While the primary goal of the CARES Act is to supplement the operating costs of transit systems right now, CARES Act's funds are also eligible for capital projects, planning, all of the types of activities that you could normally fund under the urbanized and rural area programs. Moving on to slide 5 we'll talk a little bit more about operating expenses. The CARES Act does make operating expenses eligible for all FTA recipients, not just rural and small urban recipients, but also those transit systems that are operating in large urbanized areas. Operating assistance is eligible for all FTA -- beginning on January 20th, 2020. When I talk about operating expenses, what do I mean? Well, for one, the CARES Act does specifically make administrative leave an eligible expense. If your transit system had to put operation staff on administrative leave either because you reduced service or you had staff that you needed to quarantine, those expenses are eligible for reimbursement with CARES Act funds. Other types of expenses that would be included under operating are activities like driver salaries, supplies, personal protective equipment, fuel, and any of the other expenses related to keeping your system operating and maintained on a day-to-day basis. There is no limit on the amount of CARES Act funds that can be used for operating expenses. So you are able to use up to 100% of CARES Act's funds for operating expenses. Conversely, there is no limit on the amount of CARES Act's funds that you could use for other types of activities such as capital. There is no limit on the amount of funds that you can use for Paratransit service. Some programs there are limitations on that. There is no limitation for CARES Act funds on the amount of funds that can be used for Paratransit service. Charter service, which is normally not eligible under FTA's programs, is eligible if service is implemented in direct response to the COVID-19 emergency. You can operate those types of services for up to 45 days without requesting or receiving a waiver from FTA. So at this point, I need to point out and provide some additional context to the phrase "lost revenue" as it appears in the CARES Act. The CARES Act does specify that lost revenue is eligible for reimbursement with CARES Act's funds. FTA is implementing this provision of the CARES Act by reimbursing any eligible expense that occurred on or after January 20th, 2020. That includes eligible expenses that would have otherwise been paid for by lost revenue. So one example of that is if

your fare revenue is down by \$100,000 and that \$100,000 in fares would have gone to pay for operations expenses, FTA can provide that \$100,000 for operations to make up for the lost revenue. One other note on operating expenses is that the amount of fares that are collected for the period that you are operating must be subtracted from the total operating expenses claimed. And that is for fare revenue only, not other types of revenues. Moving on to slide 6, we'll talk about a few other aspects of the CARES Act bill. CARES Act does provide for 100% federal share for all projects that are funded by CARES Act funds. So FTA will be able to fund the entirety of any eligible project, whether it is operating or capital or planning, etc. Pre-award authority for all projects has been set at January 20th, 2020. That means that as of that date, transit systems and recipients can incur costs and be reimbursed with CARES Act funds. We received a few questions on whether or not a grant needs to be updated in order to incur eligible costs and be reimbursed with CARES Act funds. The answer is, no. Those costs can be incurred now prior to updating grants in the TrAMS system. CARES Act funds have also been made available until expended. That means there is no lapse date to these funds. We do encourage that FTA recipients use these funds as expeditiously as possible because while Congress has made the funds available until expended, if they are not used at some point down the road, Congress could always rescind these funds. So we do encourage FTA recipients to use these funds now while the need is greatest. Moving on to slide 7. Talk about the requirements of CARES Act funds. The CARES Act does stipulate that all federal transit program requirements apply to CARES Act funding. So that means that all the usual requirements of the urbanized area and rural areas formula programs do apply. The CARES Act does specifically call out the Department of Labor certification as a requirement that must remain in place. FTA leadership has reached out to the Department of Labor, as well as some major unions to discuss ways in which to expedite the DOL certification process to try to minimize the amount of time that it takes to obligate grants using CARES Act funds. If your transit system is in an urbanized area or state that normally uses split letters to determine where FTA funding will be routed, then a new split letter will be required for CARES Act funds. Existing split letters cannot be used to distribute CARES Act funds to other recipients. The intercity bus requirement for rural area funds does apply. So the governor of a state either needs to provide the appropriate documentation, noting that all intercity bus funding needs have been met, or the appropriate amount of funds need to be put towards intercity bus projects. While most the normal requirements do apply, on slide 8 I will talk about some of the requirements that do not apply. The CARES Act does waive the need for certain projects to be included in the TIP/STIP and long-range transportation plan. This includes any operating expenses that are funded with CARES Act funds, as well as any capital expenses that do not involve a substantial change to the location, function, or capacity of an asset. So what this means is that projects involving preventive maintenance or bus replacement, things like that do not need to be in the TIP/STIP. However, if you want to use CARES Act funds for fleet or facility expansion, something like that, that would change the location or the capacity of a certain asset, those types of things do need to be in the TIP/STIP and long-range transportation plan. And so now, moving on to slide 9, I'm going to turn the presentation over to my colleague, Tom Wilson, to talk to you about ways in which these requirements might be waived. Tom.

>> Tom: Thanks, John. Good day to each of you joining us on the line today. I'm FTA's emergency relief program manager and if you're familiar with emergency relief program, that's probably because of the role it's played in helping transit systems to rebuild after Hurricane Sandy in 2012 and Hurricanes Harvey, Irma, and Maria, and soon we'll be announcing allocations for 2018 disasters. But beyond the funding this program periodically receives, the ER program has other tools at its disposal and a couple of those have been really invaluable in this current pandemic. As you can see here on slide 9, one of those is the emergency relief docket through which grant recipients can request a waiver from FTA requirements. Now, some requirements have already been waived, including the charter rule, and procurement rules that require competitive bidding, because you can imagine we want to empower you to act as quickly as possible in an emergency situation. And John also mentioned that some of the requirements will not apply to CARES Act funding specifically, so that gives you a little more flexibility. For the current pandemic, the emergency relief docket is most appropriate for those who need to ask for additional regulatory or statutory relief, above and beyond what's already provided based on their specific circumstances. So it is a case by case evaluation of your need and the case that you make to have a particular requirement waived. Docket itself is a web-based tool. It's hosted at [regulations.gov](https://www.regulations.gov) and anyone who wants to view or submit to the docket is going to need the identifying information that we have here on the slide, which is FTA-2020-0001. This is public, so you can go and take a look at other waiver requests and how they've been commented on by FTA. Or others that are in process. Besides going to [regulations.gov](https://www.regulations.gov) and using that number, you can also get to the docket from FTA's emergency relief program page and we also have that link from our coronavirus page, it's probably a couple other places as well. I would suggest that you use the link going through our web page because it takes you to immediately to a place where you can put your comments in. Otherwise you have to kind of look around a little bit and don't want you to get waylaid with that. We do ask if the grant recipient intends to submit a waiver request that you run it by your regional office first. There's a couple reasons we do that. One, we want to help determine that you actually need a waiver. So there's no need to go through the process if it's something that's already been waived or it's just something you can do on to the program naturally. The second reason is, you know, there's things we just simply cannot waive as FTA that's not within our authority to do so, maybe sort of an overarching federal requirement. And so it's good to consult with your regional office on those. But that docket remains open and we are taking requests and handling those as they come in. Now, the docket is not meant to be a forum to just to ask questions. So it's not for asking when does pre-award authority start or something along those lines. Your first line to get some of those questions answered is we've been putting sort of frequently asked questions and other Q&A types of material on our website. So you can see the questions that we've been getting already from other transit providers and how we've answered those, and so that's a great place to start and your best way to get there again is through the special COVID-19 coronavirus web page that FTA has set up. And there's also a web page for the CARES Act specifically if you have some questions about that. So I would encourage you to start there. But then we also have a tool for you to use which is an e-mail address. And it is [FTAresponse@dot.gov](mailto:FTAresponse@dot.gov). It's there on the slide as you see. And there's a staff of people who are taking those e-mails as they

come in and they are working to answer your questions if they need to send those to a subject matter expert -- matter expert or otherwise get some research for that, they will find an answer to those questions and get those back to you. So it's -- we have a lot of questions coming in obviously through that method, so it might not be turned around right that same day, but as we have more and more of these questions that we have already answered for other people we can share those with you as well. So let me move on to slide 10 now. On slide 10, so the other tool we have in our statute for the emergency relief program is to allow recipients of urbanized area formula grants and grants for rural areas, or section 5307 and 5311 to use those funds for expenses related to a declared emergency. So this is an ability we have at any time for any emergency, and this has particularly been useful here with the COVID-19 pandemic. When I say declared emergency, what we mean is one that's been established by either a major disaster declaration for the President or in the absence of that a state of emergency has been declared by the governor of a state or territory or the mayor of D.C. for them, and with which the Secretary of Transportation concurs. I have been talking about this now for several weeks and it's a little outdated only in the sense that the White House has been moving very -- expeditiously to declare a major disaster for most states. So the majority of the states now have one of those. And that's great because it pegs the incident start date as January 20th, 2020, which is the same date that we have in the CARES Act. So I think less and less this applies for most of you, but if you are in a state that has not received a major disaster declaration and does not, we can use the state of emergency that has been declared by the governor or other official there at the state level. So to use this flexibility that we -- that we already had in play, on March 13th this year, acting administrator Jane Williams put these tools to work and announced expanded eligibility and increased federal share for urbanized area and rural area funding programs. -- formula programs and at the same time announced we were going to concur with those state of emergency declarations so we could start using those right away and at this point in time, all U.S. states, territories at least have a state of emergency in place. So I did mention the law creating the ER program. And that program is section 5324 if you like to keep up with that kind of thing. It gives FTA the authority to grant flexibility to recipients of sections 5307 and 5311. And you see that in the CARES Act as well. So what about others beyond those? In respect to the emergency relief program, federal public transportation law does not provide similar authority for other grant programs. So we are focused on the ones we have the authority to grant those flexibilities to, and allow them to begin to use that funding for the emergency purposes even before we knew what Congress was going to do in response to this pandemic. So by taking action, acting administrator Williams gave all the recipients of Section 5311 and 5307 formula programs the flexibility to use the funds previously apportioned for both capital and operating expenses directly related to COVID-19 response with an increased federal share of up to 80%.

**Note:** Since this presentation, the federal share under the Emergency Relief Program has increased to 100%. For other changes, please visit <https://www.transit.dot.gov/cares-act> and follow the link for Frequently Asked Questions [4/29/2020]

I think it's important to note as we mentioned there that the emergency relief flexibility is focused on those activities that are directly related to COVID-19 response, which is in contrast to the CARES Act, as John was discussing earlier, in which we're considering anything that is eligible under those programs to be an eligible expense. So that's something you may want to know, primarily because, you know, with the CARES Act and the transit

agencies are naturally going to want to take advantage of the increased federal share and broader rules that are available. But it is possible that some may exhaust those funding and will need to also employ the flexibility that's afforded under the emergency relief program and so we're going to keep that in place as a tool for you and evaluate that as we go so that we'll continue to have all the tools that you need at your disposal. So that's a brief bit on what emergency relief is doing in complement to the CARES Act. I'd like to turn it over to Josh Kamp, one of our colleagues in the office of program management to talk about how you're going to use TrAMS to access this funding.

>> Josh: Good afternoon. My name is Josh Kamp. And I support the system division with the primary focus on TrAMS. Regarding the CARES Act, there are no structural or operational changes in TrAMS. The work flow remains the same as any 5307 or 5311 program. However, the specific coding of CARES Act funds is new and needs to be entered correctly for funds to be received in a timely manner. First, let me clearly advise because there have already been a couple questions on this item, the entry for CARES Act funding in TrAMS must be sent in as a new application. The request for funds cannot be aligned with an existing award. As indicated by the new appropriation code of 29, the CARES Act appropriation is distinct. Second, the limitation codes for CARES Act funding in TrAMS are new and unique to the CARES Act. The correct limitation code or LIM code must be entered properly for the timely disbursement of funds. Through the process of preparing guidance and drafting slides for this webinar, several planning discussions were held that involved budget leadership, policy, systems, and input from leaders in the regions. Each agreed upon this which is why I reiterate it now, CARES Act funds must be separate from existing funds awarded. The distinct appropriation code and limitation code was established before this purpose. Further, an accurate account classification code will provide for a timely award in TrAMS and subsequent drawdown in ECHO. Speaking of ECHO, there are a few reminders I wanted to mention about the Electronic Clearing House Operation web application. As time is crucial, it will be helpful to be aware of timing associated with the requests in ECHO-Web. First, payments are only processed twice a day on established business days. Second, a drawdown request made by 2 p.m. Eastern Standard Time will usually be fulfilled by the morning of the next business day. Third, if a single request exceeds \$50 million, a notice must be provided to Treasury via the FTA office of Budget and Policy three full calendar days before funds can be issued. Additionally, drawdowns need to be made for immediate disbursement. ECHO is programmed to monitor the life of time available funds sit in the ECHO application. As mentioned and reiterated, CARES Act funds are accounted for on their own. In support of COVID-19 response, FTA established some additional avenue of support through the emergency relief funds. Emergency relief funding needs to have a digital identifier as well. The LIM code as indicated in the table is set as "ER". Please refer to the emergency relief guidance that Tom mentioned to gain additional information. Unlike the CARES Act funds, the emergency relief avenue can be an amendment to an existing award. The transfer from an existing ACC to the emergency relief ACC is presented in the table. Which is also consistent with the emergency relief guidance. Thank you. And let me send it back over to John.

>> John Bodnar: Thanks, Josh. I'm advancing the slides to number 16 to wrap up the

presentation before our Q&A session. I just want to at this point leave you with some additional resources that you can use to learn more about CARES Act funds and FTA's COVID-19 response. As Tom mentioned earlier, we do have a lot of information on FTA's website, at [transit.dot.gov](https://transit.dot.gov). CARES Act information is front and center right now. We are actively posting FAQs as we can develop them and get them approved and online, some additional FAQs are on the web today. So as we receive questions, we are developing answers, making sure they're right and posting them online. So continue to check the website for additional FAQs as we develop them and put them out. We have also posted on the website the CARES Act apportionment tables for the urbanized area, rural area and Tribal Transit formula programs. So you can find those apportionment tables on FTA's website right now. And additionally, the webinar that we had yesterday has been posted on the web, so you can review that webinar or send the link to your colleagues who may not have had a chance to register for one of the webinars this week. We are working on an apportionment notice that will be published in the Federal Register, so keep an eye out for that. It will have additional details on the CARES Act and funding associated with the CARES Act. And finally, we have been receiving an awful lot of questions, as you might expect, on CARES Act funding. The most efficient way for us to manage those questions and get responses back out to the transit community is to use these two e-mail addresses that we have here on the slide, the first is for questions on requirements and funding eligibility. If you could send those questions to [FTAresponse@dot.gov](mailto:FTAresponse@dot.gov). Again, as mentioned, we have -- there are people monitoring that in box and sending questions to the appropriate FTA office to develop responses and get those answers back out to you. If you have questions on ECHO, you can e-mail [FTA.ECHOWeb@dot.gov](mailto:FTA.ECHOWeb@dot.gov) and the help desk for ECHO will assist you with your issues or questions. That concludes the presentation. I will now turn the floor back over to Bruce Robinson to begin the question and answer session.

>> Bruce Robinson: Thank you, John. As you might expect, we have many questions that have been submitted. Although we won't be able to answer all the submitted questions during the webinar, we will capture the questions and work to address them. Some of the questions may require further FTA review and research before we can answer them as well. And then we will continue to post new answers to frequently asked questions on our website as they become available. So we'll start with the first question, John. Is the CARES funding in addition to normal 5307 formula allocations?

>> Yes. The CARES Acts funding supplements previously apportioned funds under the urbanized area and rural area programs. So funding that was previously apportioned can be used under the increased federal share and expanded eligibilities that Tom discussed that were announced back on March 13th, that's for all previously apportioned funds, the CARES Acts funds are additional funding on top of those previously apportioned funds.

>> Previously you described the requirement for a split letter. Can you explain what a split letter is.

>> John Bodnar: Sure. So there are -- urbanized areas and states that want to have



FTA route funding directly to multiple entities within either urbanized area or the state can use a split letter to tell FTA how to divide up the funds that have been apportioned for that urbanized area or state. In order to receive those funds, the recipients must be a direct recipient and in our TrAMS system. Not all FTA recipients will need a split letter because they are the only recipient in an urbanized area or the state may manage all of its grant -- so split letters are designed to split up the funds that are apportioned to a certain area.

>> Bruce Robinson: The next question is about loss of fare revenues. The question is besides loss fare box revenues, can CARES funds replace state and local funds that have been cut or other -- sources of revenue such as lost sales tax revenues?

>> John Bodnar: Yes. CARES Act funds are not limited to only replacing fare revenue. It can replace any reduced or lost revenue that transit agency may be experiencing right now due to the pandemic. Any activity eligible under either the urban or rural area programs can be paid for with CARES Act funds at a 100% federal share. So any revenue that would have gone towards paying for those operating expenses or capital expenses can be essentially back-filled by CARES Act funding.

>> Bruce Robinson: We have a question about the priority of these grants within FTA. Essentially the question is will CARES Act grants be given priority over all of your other various grant and applications normally submitted. I can answer that that, yes, we intend to prioritize the CARES Act grants. However, if you have another grant that is related to the emergency or that is urgent for you, please discuss that with your region so that they're aware of that and that it can move forward on that grant as well. Question about whether CARES Act grants, those funds can be provided or added to an existing grant or does it need to be a separate grant?

>> Good afternoon, again. This is Josh. They will need to be separate grants. They will need in TrAMS that will have to be a new application with use of the designated appropriation code and LIM code.

>> Bruce Robinson: Thank you. We have two questions about services to respond to the Americans with Disabilities Act or Paratransit services. And the question is, does the 20% limit for ADA Paratransit still apply? Also, is there any limit on the amount of Paratransit services that can be provided through contractors?

>> For the 20% limit that's referenced, that -- normally apportioned to 5307 funds urbanized area formula funds that is, with the CARES Act funding, that limit does not -- does not exist. You can use CARES Act funds to pay for any amount of Paratransit service that you might have. I believe the second question was about contracted operations. Am I correct?

>> Bruce Robinson: Correct.

>> Yes. So contracted operations are an eligible expense for a recipient. It would

depend on the contract terms whether or not the funding recipient is required to reimburse the contractor for certain expenses. But if the contract is -- requires the FTA funding recipient to reimburse the contractor for things like administrative leave and those types of things, then, yes, that is eligible for CARES Act funding.

>> Bruce Robinson: Another question about what about mobility management projects which are considered capital, is that -- capital, is that eligible?

>> This is Marianne Stock --

>> Yes.

>> Go ahead, Marianne.

>> Marianne: Okay. Yes, they are eligible.

>> Bruce Robinson: Sure. Marianne, maybe you can answer this question as well. We discussed that charter services that are performed within the first 45 days are eligible. Question is, does that include incidental use such as meal delivery with transit vehicles?

>> Marianne: Yes. Incidental use is allowed. Consistent with the current definitions of the incidental use that are in the FTA program circulars.

>> Bruce Robinson: John, there are several questions related to whether CARES Act funds can be used to match other FTA or DOT programs.

>> John Bodnar: No, they cannot. CARES Act funds cannot be used to match other DOT programs.

>> Bruce Robinson: Thank you. You partially answered this in response to the question on Paratransit, but the question here was can funds be requested for administrative leave, driver salaries including contracted services. And as John was stating previously, yes. Contracted, we can pay for administrative leave for operational personnel under contracted services, that's an eligible expense, but the actual payment of that depends on the actual contract language between the recipient and the third party contractor. John, we have another question about the split letters. Are they required by a particular date?

>> John Bodnar: They are not required by a particular date. But they are required in order to distribute funds to the various direct recipients of an urbanized area or a state. So if you want -- if you need to use the split letter, that needs to happen before the CARES Act funds can be distributed and grants obligated.

>> Bruce Robinson: And the question is about whether the CARES Act funds are applied for under Section 5324 or section 5307.

>> So 5324 is the emergency relief program. The CARES Act funds were not made available under the emergency relief program. They were made available under the urbanized area and rural formula program so that's section 5307 and 5311. So you would apply for funds under 5307 and 5311.

>> Bruce Robinson: Question about requirements related to Buy America. Has Buy America been waived for this program?

>> No. Buy America requirements are still in place for CARES Act funds.

>> Bruce Robinson: We have a couple questions related to the apportionment tables. First one is, can you clarify, does the CARES Act apportionment table include any funding already authorized under the fast act or the funds on those tables only additional funds? The answer is it's only additional funds. There's a question related to whether we will provide data unit values as we normally do for our traditional apportionments. The answer is, yes, we're working to post. And there's a third question about whether the CARES apportionments for 5307 included the small transit intensive cities formula and yes it did. So the tables on FTA's website for the 5307 program included amounts attributable to the STIC program. John, a question if you can clarify on the amount apportioned for 5337. Are the funds that were provided to 5307 limited to fixed guideway transit operators?

>> No. Once the funds that were calculated using the state of good repair formula are transferred over to the urbanized area formula and administered under the Urbanized Area Formula Program, any of the activities eligible under the 5307 Urbanized Area Formula Program are eligible. CARES Act funds can be used for any of those types of activities.

>> Is there a distinct catalog of federal domestic assistance numbers assigned for CARES Act funding?

>> CFDA? I think they're also trying to use the term assistance listing now, federal assistance listings. No, there is no separate CFDA number or assistance listing number for CARES Act funds. There they will be administered under the urbanized area and rural area formula programs, so the CFDA numbers for those programs would apply.

>> Bruce Robinson: An eligibility question related to fuel. Is fuel an eligible expense now?

>> Yes. Fuel is eligible as an operating expense and so is any fuel that's used since January 20th, 2020, can be paid for by FTA at a 100% federal share.

>> Bruce Robinson: Okay. Question that seems to be related to the timing of eligibility. Our agency is continuing to provide bus service after the COVID-19 emergency declaration was made by our governor. Are all wages paid to our operators after the emergency declaration acceptable source documentation to substantiate the drawdown

of federal funds?

>> John Bodnar: It depends on which funds are being referenced right now. The state of emergency is applicable to the expanded eligibility and increased federal share that was announced back on March 13th for previously apportioned urban area and rural area funds. In those cases, only that were directly related to COVID-19 response would be eligible for those funds. If you are referencing CARES Act funds, which does not require a reference to the governor's declared state of emergency, it just goes back to the date in the CARES Act, which is January 20th, 2020. Logs of hours for drivers salary for any operations would be sufficient to show operating expenses for that particular activity during that time frame. It does not have to be, quote, unquote, directly related to COVID-19 because all expenses incurred after January 20th, 2020, are being considered to be in response to COVID-19. For CARES Act funds.

>> Bruce Robinson: The next question is if they apply for CARES Act funding for FY 20, is the City going to lose their normal urbanized and 5307 funding?

>> No. CARES Act funding is -- while it is administered under the urbanized area and rural area formula programs, it does not replace or remove or otherwise make unavailable any previously apportioned urbanized area or rural area funds. Those funds remain available for all of their original eligibilities, plus the expanded eligibilities announced on March 13th. CARES Act funds, while administered under those programs, are separate and in addition to all of the funds that have been apportioned previously.

>> Bruce Robinson: Question related to third party contracts. Can transit agencies pay the contractor for the contractual cost of services and not the actual cost of service using these funds?

>> No. The federal funds can only be used to pay for actual operating and maintenance expenses. So if -- if service levels are reduced and the contractor puts employees on administrative leave and it is in the contract that the FTA's recipient will pay for that administrative leave, then those administrative leave expenses become eligible for reimbursement. But there do have to be actual expenses incurred.

>> Bruce Robinson: Do states have to enter into an interstate agreement for CARES funds allocated to multi-state urbanized areas as they routinely do for 5307 funds?

>> Yes. If it's something you would need for your urbanized area funds, you would need to do that for CARES Act funds as well.

>> Bruce Robinson: Thank you. Trying to catch up on some of the questions here. The question here is can you apply for more than 12 months operating in a single application. Can I apply for 15 months?

>> Yes. You can do that. You would just need to provide a description of the services

provided and set the period of performance accordingly.

>> Bruce Robinson: Do we use CARES Act funds first or our regular 5307 funds first?

>> Well, all recipients are encouraged to use their CARES Act funding as expeditiously as possible. Especially in order to address the current crisis of reduced ridership, reduced revenues, and in some cases increased costs along with that. However, that will have to be balanced by considering the lapse date of previously apportioned funds. So really that's a local decision, but FTA does encourage recipients to use the CARES Act funding as soon as they can.

>> Bruce Robinson: A question for Josh. Are the count and limitation codes in the dropdown for the budget and ALI, are they available now in TrAMS?

>> Josh: Yes. We went through a testing process and those are clearly laid out. We tried to make them as clear and direct as possible so that the entry process would be very quick and the funds could be provided that much more timely.

>> Bruce Robinson: The question about the waiver process. Are waivers submitted under the emergency relief docket-specific or do those waivers apply across the board to other agencies with similar needs?

>> John Bodnar: This is John. FTA would respond to the waiver request. So if an agency is requesting a waiver based on their specific circumstances, FTA would respond to that waiver request. It is possible for FTA to waive requirements across the board, but the ER docket is for individual submissions.

>> Bruce Robinson: I think that is all the time we have to answer questions. That wraps up our webinar for today. I want to thank all of our presenters. I know that we weren't able to answer all of the questions, but we will continue to work to add answers to frequently asked questions on our website. Please also reach out to your regional office for grant-specific or grant-making questions as you proceed. I want to thank you all, and please, everyone, stay safe.