

FTA

FEDERAL TRANSIT ADMINISTRATION

An Overview of the American Rescue Plan (ARP) Act and an Update on FTA's Furlough Guidance



U.S. Department of Transportation
Federal Transit Administration

This webinar does not have the force and effect of law and is not meant to bind the public in any way. The webinar is intended only to provide clarity to the public regarding existing requirements under the law or agency policies. Grantees and subgrantees should refer to FTA's statutes and regulations for applicable requirements.

A Brief Summary of the CARES Act and CRRSAA

CARES Act Funding Summary

- The Coronavirus Aid, Relief, and Economic Security (CARES) Act, provided \$25 billion in funding to support the transit industry response to COVID-19:
 - Urbanized Area Formula Program (49 USC 5307):
\$22.7 billion
 - Formula Grants for Rural Areas (49 USC 5311):
\$2.2 billion
 - Included \$30 million for Tribal Transit formula program
 - \$75 million for administration and oversight

CARES Act Funding To Date

As of March 26, 2021, FTA has awarded 808 CARES Act grants, obligated \$24.2 billion, (97% of total CARES Act funding) and disbursed \$17.2 billion (69% of total CARES Act funding).

CARES ACT OBLIGATIONS AND DISBURSEMENTS				Current as of 3/26/2021	
TYPE OF GRANT	TOTAL FUNDS APPORTIONED	OBLIGATED AMOUNT	PERCENT OBLIGATED	AMOUNT DISBURSED	PERCENT DISBURSED
5307 Urbanized Area Formula	\$22.7 billion	\$22.1 billion	97%	\$16.4 billion	72%
5311 Rural Area Formula (Appalachian Development included)	\$2.2 billion	\$2.1 billion	94%	\$721 million	33%
5311 Tribal Formula	\$30 million	\$24 million	80%	\$7.3 million	24%
TOTAL	\$24.925 billion	\$24.2 billion	97%	\$17.2 billion	69%

Coronavirus Response and Relief Supplemental Appropriations Act, 2021

- The Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA) provided \$14 billion to support the transit industry response to COVID-19:
 - Urbanized Area Formula Program (49 USC 5307):
\$13.26 billion
 - Formula Grants for Rural Areas (49 USC 5311):
\$678 million (includes \$30 million for Tribal formula)
 - Enhanced Mobility of Seniors and Individuals with Disabilities (49 USC 5310): \$50 million
 - \$10 million for administration and oversight

CRRSAA Funding To Date

As of March 26, 2021, FTA has awarded 36 CRRSAA grants, obligated \$656 million, (5% of total CRRSAA funding) and disbursed \$27 million (0.2% of total CRRSAA funding).

CRRSAA OBLIGATIONS AND DISBURSEMENTS				Current as of 3/26/2021	
TYPE OF GRANT	TOTAL FUNDS APPORTIONED	OBLIGATED AMOUNT	PERCENT OBLIGATED	AMOUNT DISBURSED	PERCENT DISBURSED
5307 Urbanized Area Formula	\$13.26 billion	\$614 million	5%	\$25 million	0%
5311 Rural Area Formula	\$648 million	\$37 million	6%	\$1.2 million	0%
5311 Tribal Formula	\$30 million	\$2.6 million	9%	\$0	0%
5310 Seniors/Disabled	\$50 million	\$2.5 million	5%	\$0.3 million	1%
TOTAL	\$13.99 billion	\$656 million	5%	\$27 million	0%

The American Rescue Plan Act of 2021

American Rescue Plan Act of 2021

- The American Rescue Plan (ARP) Act of 2021 provides \$30.46 billion to support the transit industry in response to COVID-19:
 - Urbanized Area Formula Program: \$26.1 billion
 - Formula Grants for Rural Areas: \$276 million
 - Public Transportation on Indian Reservations Formula: \$30 million
 - Public Transportation on Indian Reservations Competitive: \$5 million
 - Rural Transit Assistance Program: \$6.3 million
 - Intercity Bus Operators: \$100 million
 - Enhanced Mobility of Seniors & Individuals w/ Disabilities: \$50 million
 - Urban and Rural Additional Assistance: \$2.2 billion
 - Capital Investments: \$1.675 billion
 - Competitive Planning Grants: \$25 million

Comparison of Funding Features

	ARP	CARES Act & CRRSAA
Federal Share	100%	
Pre-Award Authority	All expenses must be incurred on or after January 20, 2020	
Eligible Expenses	Funds to be directed to payroll and operations of public transit (including payroll and expenses of private providers of public transportation), unless the recipient certifies to the Administrator of the Federal Transit Administration that the recipient has not furloughed any employees	To the maximum extent possible, funds to be directed to payroll and operations of public transit (including payroll and expenses of private providers of public transportation), unless the recipient certifies to the Administrator of the Federal Transit Administration that the recipient has not furloughed any employees
Period of Availability	Available until September 30, 2024	Available until expended. No lapse date
TIP/STIP	Projects are not required to be in the TIP or STIP if they do not involve substantial changes to the function, location, or capacity of the asset(s) involved	
DOL Certification	Relevant 5307/5311 DOL requirements apply	

Eligible Expenses

- Operating expenses for all recipients, including large urbanized areas, are still eligible beginning January 20, 2020 Examples include:
 - Operations – including public transportation services to vaccination sites
 - Payroll – including administrative leave
 - Preventive maintenance
 - Cleaning and PPE
- FTA funding may be used to pay for the operational costs of providing essential services through the incidental use of transit assets.
 - Essential services are services that help provide the community with safety and security or access to food, water, shelter, social services/ medical care, and communications infrastructure.
 - CARES Act, CRRSAA, and ARP funds may be used for operating expenses, including the operational costs of providing essential services, at 100% Federal share.

Two Incidental Use Examples

- Columbus, Ohio: The Central Ohio Transit Authority (COTA) partnered with Columbus City Schools and the Central Ohio YMCA to provide Wi-Fi hotspots to school children. COTA parked transit vehicles at the YMCA, allowing children access to the Wi-Fi.
- Orange County, California: Orange County Transportation Authority (OCTA) is using their buses to transport health care workers to COVID-19 vaccination clinics and to senior centers to help administer the vaccine.



COVID-19
response

ARP - Urbanized Area Formula (5307)

- **\$26,086,580,227 apportioned by formula to urbanized areas (UZAs)**
 - (i) *CARES + CRRSAA + ARP = 132% of UZA's 2018 operating costs*
 - (ii) *If CARES + CRRSAA > 132% of UZA's 2018 operating expenses, then the UZA receives an additional 25% of 2018 operating expenses through ARP.*
- Recipients should visit FTA's published Apportionment tables for specific amounts in your area
- No set asides for Passenger Ferry Competitive Program or State Safety Oversight Formula

ARP - Rural Area Formula (5311)

- **\$317,214,013 apportioned by formula to States and Territories**
 - (i) *If CARES + CRRSAA > 150% of combined 2018 rural operating costs, then ARP apportionment equals 5% of combined 2018 rural operating costs;*
 - (ii) *If CARES + CRRSAA > 140% of combined 2018 rural operating costs, then ARP apportionment equals 10% of combined 2018 rural operating costs;*
 - (iii) *All other states receive an amount equal to 20 percent of combined 2018 rural operating costs.*
- Includes set asides for Tribal Formula (\$30m), Tribal Competitive (\$5m), and Rural Transit Assistance Program (\$6.3m)
- **Additional \$100m apportioned by formula to States and Territories for Intercity Bus Operators**
 - (i) *Apportioned in the same ratio as FY20 5311 funds*

ARP - Enhanced Mobility of Seniors & Individuals with Disabilities Formula (5310)

- ARP allocates \$50M for 5310 public transportation providers nationwide
- Funds apportioned using usual 49 USC 5310 formula in same ratio as allocated for FY 2020
- Eligible for operating at 100% federal share
- Requirement to use 55% of funds for traditional capital projects does not apply to ARP funds
- The Coordinated Human Services Transportation Plan requirement for Section 5310 applies to ARP funding

ARP – Urban and Rural Additional Assistance

- ARP allocates \$2.2 billion for Urbanized Area and Rural Area Formula recipients
- A Notice of Funding Opportunity (NOFO) will be published within 180 days of enactment.
- Project selections will be announced within 120 days after application deadline.
- Amounts available will be for operating expenses only:
 - Includes operations, personnel, cleaning, and sanitization combating the spread of pathogens on transit systems, and debt service payments incurred to maintain operations and avoid layoffs and furloughs

ARP - Transit Planning under 49 USC 5307

- ARP allocates \$25,000,000 for planning of public transportation associated with the restoration of services as the public health emergency concludes.
- Available for route planning designed to:
 - Increase ridership and reduce travel times, while maintaining or expanding the total level of vehicle revenue miles of service provided in the planning period
 - Make service adjustments to increase the quality or frequency of service provided to low-income riders and disadvantaged neighborhoods or communities
- **Ineligible Activities**
 - Route planning related to transitioning public transportation service provided as of the date of receipt of funds to a transportation network company or other third-party contract provider, unless the existing provider of public transportation service is a third-party contract provider
- A Notice of Funding Opportunity (NOFO) will be published within 180 days of enactment
- Project selections will be announced within 120 days after application deadline

ARP - Capital Investments

- ARP allocates \$1,675,000,000 for CIG projects
 - **\$1,425,000,000** for **New Starts** (49 USC 5309(d)) and **Core Capacity** (49 USC 5309(e))
 - \$1.25 billion to projects with existing FFGAs that received allocations of FY19 or FY20 funds
 - Recipients with projects open for revenue service are not eligible
 - \$175 million to projects with existing FFGAs, not yet open for service, that received an allocation only prior to fiscal year 2019
 - Allocations capped at 40%, or \$70m
 - **\$250,000,000** for **Small Starts** (49 USC 5309(h))
 - Eligible recipients are any recipient with an allocation under 49 USC 5309(h) or with a project in the Small Starts project development phase
- Federal funds provided notwithstanding any calculated limits of federal assistance
- Details on requirements and how to develop grant applications coming soon

Emergency Relief Docket

- Appropriate for grantees who need to ask for additional regulatory or statutory relief above and beyond what is already provided, based on their specific circumstances.
- Grantees should first contact their FTA Regional Office to determine if relief has already been provided.
- Docket FTA-2021-0001 at www.regulations.gov

ARP Coding in TrAMS

American Rescue Plan (ARP) Appropriation Code is **32**
5307 (Urbanized Area) Section Code is **90**

Short Code	Program	Account Class Code	Fiscal Year	Approp. Code	Section Code	LIM Code
5307-9	Urbanized Area Formula Grants (ARPA)	2021. 32.90.PV.1	2021	32	90	PV

ARP Coding in TrAMS

American Rescue Plan (ARP) Appropriation Code is **32**

5310 (Mobility of Seniors and Individuals with Disabilities) Section Code is **16**

Short Code	Program	Account Class Code	Fiscal Year	Approp. Code	Section Code	LIM Code
5310-5	Mobility of Sr. & Indv. w/ Disabilities Formula (ARPA) ≥ 200K population	2021. 32.16.PL.1	2021	32	16	PL
	Mobility of Sr. & Indv. w/ Disabilities Formula (ARPA) 50K - 200K population	2021. 32.16.PM.1	2021	32	16	PM
	Mobility of Sr. & Indv. w/ Disabilities Formula (ARPA) States	2021. 32.16.PS.1	2021	32	16	PS

ARP Coding in TrAMS

American Rescue Plan (ARP) Appropriation Code is **32**

5311 (Rural Area) Section Code is **18**

Short Code	Program	Account Class Code	Fiscal Year	Approp. Code	Section Code	LIM Code
5311-10	Rural Area Formula Grants (ARPA)	2021. 32 .18. PR .1	2021	32	18	PR
5311-10A	Rural Transit Assistance Program (ARPA) Formula	2021. 32 .18. P6 .1	2021	32	18	P6
5311-10D	5311(f) – Intercity Bus (ARPA) Formula	2021. 32 .18. PI .1	2021	32	18	PI

ARP Coding in TrAMS

American Rescue Plan (ARP) Appropriation Code is **32**

5311(c)(1) (Tribal Transit) Section Code is **18**

Short Code	Program	Account Class Code	Fiscal Year	Approp. Code	Section Code	LIM Code
5311-10C	Tribal Transit Program Formula (ARPA)	2021. 32 .18. PF .1	2021	32	18	PF

Separate TrAMS Grants

- ARP grants entered in to TrAMS should not be combined with any other funding sources, including CARES Act or CRRSAA funding
- Similarly, CARES Act or CRRSAA funding entered in to TrAMS should not be combined with any other funding source (i.e. a supergrant)

ARP Disbursements

Drawdowns in ECHO-Web

- Electronic Clearing House Operation (ECHO)-Web is a web application that allows FTA grant recipients to request payments from their grant awards
- Payments are processed twice a day, Monday - Friday
- Funds requested by 2pm eastern time on business days are usually deposited to the requester's bank account the next business day
- Initiate a payment request only for immediate disbursement needs
 - Excess funds held longer than three days must be returned to FTA along with any interest earned
- Notify your FTA Regional Office if payment request will exceed \$50 million
 - FTA must provide Treasury with 72 hours prior notice for requests exceeding \$50 million

Certification and Furlough

Certification and Furlough

- To the maximum extent possible, [CRRSAA funds] & [unobligated CARES funds after December 27, 2020] **shall** be directed to payroll and operations of public transit, **unless** the recipient certifies ... that the recipient has not furloughed any employees ...
- **Certification 1.5.** Coronavirus Response and Relief Supplemental Appropriations Act, 2021, and CARES Act Funding
 - <https://www.transit.dot.gov/sites/fta.dot.gov/files/2021-01/FY21-certifications.pdf>

Certification and Furlough cont.

- **CRRSAA GRANT-MAKING TOOLKIT**
- If the application contains other than operating/payroll expenses, the toolkit contains standard language to be included in the executive summary in order to reflect the requirement articulated in Section 1.5 of the FY21 C&As
- The next slide contains this standard language as a reference only

Certification and Furlough cont.

- **CRRSAA GRANT-MAKING TOOLKIT LANGUAGE:**

- *The Recipient certifies that it, and its subrecipients and contractors that are providers of public transportation, have not furloughed any employees since March 27, 2020 (the enactment date of the CARES Act); or*
- *The Recipient certifies that it and any subrecipient or contractor that is a provider of public transportation: (a) are currently not furloughing any employees; (b) have, to the maximum extent possible, brought back any employees previously furloughed as a direct result of financial challenges caused by the COVID-19 public health emergency; and (c) have rehired, or posted to rehire, any positions of employees who were laid off as a result of financial challenges caused by the COVID-19 public health emergency; or*
- *The Recipient certifies that it and any subrecipient or contractor that is a provider of public transportation: (a) intend, to the maximum extent possible, to use CARES Act or CRRSAA funds to bring back any employees previously furloughed as a direct result of financial difficulties caused by the COVID-19 public health emergency; (b) intend to use CARES Act or CRRSAA funds to rehire any positions of employees who were laid off as a direct result of financial challenges caused by the COVID-19 public health emergency; and (c) will explain how they have spent CARES Act or CRRSAA funds on payroll, operations, or payroll and expenses of private providers of public transportation “to the maximum extent possible.”*

Additional Resources

- FTA's website – please visit transit.dot.gov
 - FAQs
 - CARES Act, CRRSAA, ARP Apportionment tables
 - Webinar recordings
 - Publication of additional FAQs, apportionment notice, and NOFOs forthcoming
- Contact your FTA regional office



Federal Transit
Administration
www.transit.dot.gov

FTA

FEDERAL TRANSIT ADMINISTRATION