Coronavirus Aid, Relief, and Economic Security Act (CARES) Act of 2020 Implementation

Monday, April 6, 2020
CARES Act of 2020

• Since initial reports of the novel coronavirus in December, more than 1 million people have tested positive for COVID-19

• Transit providers have seen a drastic decrease in ridership and revenue as a result of social distancing, while incurring unplanned costs for health and safety

• On March 27th, the CARES Act was signed into law providing $2 trillion in support for a variety of industries affected by COVID-19, including the transit industry
CARES PROVIDES $25B for TRANSIT

• The CARES Act provides an unprecedented $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
    • Includes $30 million for Tribal Transit formula program
  – $75 million for administration and oversight
Urbanized Area and Rural Area Formula Program Activities are Eligible

• Beginning January 20, 2020, all activities normally eligible under the Urbanized Area (49 USC 5307) and Rural Area (49 USC 5311) formula programs are eligible for CARES Act funding, including:
  – Planning
  – Capital (preventive maintenance, rolling stock, equipment, etc.)
  – Operating
Operating Expenses Also Eligible

- Operating expenses for all recipients, including large urbanized areas, are eligible beginning January 20, 2020
  - Includes paying administrative leave of operations personnel due to reductions in service or quarantine
  - There is no limit on the amount of funds that may be used for operating expenses
  - There is no limit on the amount of funds that may be used for paratransit service
  - Charter service in response to the COVID-19 emergency may be provided for up to 45 days without a waiver
Funding Features

• 100 percent federal share for all projects funded by CARES Act

• Pre-award authority for all projects starting on January 20, 2020
  – Expenses may be incurred prior to grant award

• Funds are available until expended
  – No lapse date
  – Recipients are encouraged to use funds expeditiously
Normal Program Requirements Apply

• All Federal transit program (49 USC Ch. 53) requirements apply to CARES Act funding
  – DOL certification
  – A new split letter is required
  – The intercity bus (49 USC 5311(f)) requirement
Exceptions to Normal Requirements

• Some expenses do not need to be in a TIP/STIP or long-range transportation plan
  – Operating expenses
  – Capital expenses that do not involve a substantial change to the location, function, or capacity of an asset
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

• Docket FTA-2020-0001 at www.regulations.gov

• For all other questions, please email FTAresponse@dot.gov
Urbanized Area and Rural Area Formula Programs Emergency Relief Funds

- On March 13th, FTA announced expanded eligibility and increased federal shares for the Urbanized Area (5307) and Rural Area (5311) formula programs
- Under FTA’s Emergency Relief (ER) Program, Urbanized Area and Rural Area formula funds may be used for expenses related to a declared emergency
  - Federal public transportation law does not provide similar authorities for other grant programs
- This action gave all recipients the flexibility to use Urbanized Area and Rural Area formula funds previously apportioned for capital and operating expenses directly related to COVID-19 response with an increased federal share of up to 80%
- This option remains available for COVID-19 response, in addition to the availability of CARES Act funds
CARES Act Coding in TrAMS

**New Application in TrAMS**
- Section code is consistent with 5307 – 90 and 5311 – 18
- Appropriation Code is 29
- Limitation (LIM) Code is either CV, AV, TV

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Separate TrAMS Grants

- CARES Act funds must be awarded as separate grants (from non-CARES funding)
  - Needed as funding has different period of availability and match requirement
  - ECHO drawdowns
CARES Act Cash 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
Emergency Relief (COVID-19) Coding in TrAMS

**New Application in TrAMS**
- Section code is consistent with 5307 – 90 and 5311 – 18
- Appropriation Code is 25
- Limitation (LIM) Code is **ER**
- Authority Type is 2

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Emergency Relief (COVID-19) Coding in TrAMS

Amendment (Transfer) Steps of Existing Award to ER in TrAMS
1. Include Financial Purpose Code amounts, if applicable
2. Change Limitation (LIM) Code from 91 or 81 to ER in TrAMS

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For More Information

• Webinars – 4/6, 4/7, 4/9, and 4/10 (attend one)
• FTA’s website – please visit transit.dot.gov
  – FAQs are posted with more on the way
  – CARES Act apportionment tables for Urbanized Area, Rural Area, and Tribal Transit are available now
  – A recorded webinar will be posted
• CARES Act Apportionment Notice to be published in the Federal Register
• Email support:
  – Questions on federal requirements and funding eligibility: FTAResponse@dot.gov
  – ECHO-Web technical support and inquiries: FTA.ECHOWeb@dot.gov