

# FTA

FEDERAL TRANSIT ADMINISTRATION

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

**Monday, April 6, 2020**



U.S. Department of Transportation  
Federal Transit Administration

# 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 27<sup>th</sup>, 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](http://www.regulations.gov)
- For all other questions, please email [FTAresponse@dot.gov](mailto:FTAresponse@dot.gov)

# Urbanized Area and Rural Area Formula Programs Emergency Relief Funds

- On March 13<sup>th</sup>, 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**

Short Code	Program	Account Class Code	Fiscal Year	Approp. Code	Section Code	LIM Code	Auth. Type
5307-6	Urbanized Area (CARES)	2020. <b>29.90.CV.1</b>	2020	<b>29</b>	90	<b>CV</b>	I
5311-5	Rural Area (CARES)	2020. <b>29.18.CV.1</b>	2020	<b>29</b>	18	<b>CV</b>	I
5311-6	Appalachian Dev (CARES)	2020. <b>29.18.AV.1</b>	2020	<b>29</b>	18	<b>AV</b>	I
5311-7	Tribal (CARES)	2020. <b>29.18.TV.1</b>	2020	<b>29</b>	18	<b>TV</b>	I

# 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

Program	Account Class Code	Fiscal Year	Approp. Code	Section Code	LIM Code	Auth. Type
5307 – Urbanized Area Formula	2020.25.90. <b>ER.2</b>	2020	25	90	<b>ER</b>	2
5311 - Rural Area Formula	2020.25.18. <b>ER.2</b>	2020	25	18	<b>ER</b>	2

# Emergency Relief (COVID-19) Coding in TrAMS

## Amendment (Transfer) Steps of Existing Award to ER in TrAMS

1. Send email to TBP-20 with request to transfer funds to Emergency Relief
2. Include Financial Purpose Code amounts, if applicable
3. Change Limitation (LIM) Code from 9I or 8I to **ER** in TrAMS

Program	Account Class Code From	Account Class Code To
5307 – Urbanized Area Formula	2020.25.90.9I.2	2020.25.90.ER.2
5311 - Rural Area Formula	2020.25.18.8I.2	2020.25.18.ER.2

## For More Information

- Webinars – 4/6, 4/7, 4/9, and 4/10 (attend one)
- FTA’s website – please visit [transit.dot.gov](https://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](mailto:FTAResponse@dot.gov)
  - ECHO-Web technical support and inquiries: [FTA.ECHOWeb@dot.gov](mailto:FTA.ECHOWeb@dot.gov)





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