



### **Highlights of FTA CARES Act Funding for Transit (as of 4/3/20)**

On April 2, FTA released the apportionments for the \$25 billion in CARES Act funding for public transportation. Below are the CARES Act apportionments to New York State compared to the FFY 2020 apportionments made several months ago. Note that a sub allocation agreement of the NY Metro urbanized area funding is still needed.

Also below are highlights of the transit section of the CARES Act and some current frequently asked questions on the FTA website. More information will be provided as it becomes available.

### **Summary of CARES Act: FTA TRANSIT INFRASTRUCTURE GRANTS**

For “Transit Infrastructure Grants”, \$25,000,000,000, to remain available until expended, to prevent, prepare for, and respond to coronavirus.

The Secretary shall allocate the amounts provided under sections 5307, 5311, 5337, and 5340 of title 49, United States Code, among such sections in the same ratio as funds were provided in the fiscal year 2020 appropriations

Funds to be apportioned not later than 7 days after the date of enactment of this Act. Funds shall be apportioned using the fiscal year 2020 apportionment formulas.

### **Eligibility:**

Funds are available for the operating expenses of transit agencies related to the response to a coronavirus public health emergency as described in section 319 of the Public Health Service Act, including, beginning on January 20, 2020:

- reimbursement for operating costs to maintain service
- lost revenue due to the coronavirus public health emergency
- the purchase of personal protective equipment
- paying the administrative leave of operations personnel due to reductions in service

Such operating expenses are not required to be included in a transportation improvement program, long-range transportation, statewide transportation plan, or a statewide transportation improvement program.

The Federal share of the costs for which any grant is made under this heading in this Act shall be, at the option of the recipient, up to 100 percent.



The amount made available under this heading in this Act shall be derived from the general fund and shall not be subject to any limitation on obligations for transit programs set forth in any Act.

Prevailing wage and section 13(c) labor protections cannot be waived.

### **FTA FAQs (as of 4/3/20)**

**Q: Are all expenses normally eligible under the Urbanized Area Formula Program (49 USC 5307) and the Formula Grants for Rural Area Program (49 USC 5311) eligible under the CARES Act?**

A: Yes, the CARES Act provides funds to prevent, prepare for, and respond to COVID-19. Although the priority for the funding is operational expenses, FTA will generally consider all expenses normally eligible under the Section 5307 and 5311 programs that are incurred on or after January 20, 2020 to be in response to economic or other conditions caused by COVID-19 and thus eligible under the CARES Act.

In addition, CARES Act funds are available for operating expenses for all FTA Section 5307 and 5311 recipients, including those in large urban areas, and including administrative leave for transit workers.

**Q: What is eligible as an operating expense?**

A: Funds available under the CARES Act are available for all operating activities (net fare revenues) that occur on or after January 20, 2020 are eligible.

In general, operating expenses are those costs necessary to operate, maintain, and manage a public transportation system. Operating expenses usually include such costs as driver salaries, fuel, and items having a useful life of less than one year, including personal protective equipment and cleaning supplies. See Chapter IV of the Urbanized Area Formula Program circular or Chapter III of the Formula Grants for Rural Areas circular for more information on eligible operating expenses.

The CARES Act funding can be used for administrative leave, such as leave for employees due to reductions in service or leave required for a quarantined worker.

**Q: Is there a limit for how much funding can be used for operating expenses?**

A: No. All funds made available under the CARES Act may be used for operating expenses.

**Q: What is meant by administrative leave?**

A: Administrative leave is an administratively authorized absence from duty without loss of pay or reduction in an employee's available leave. In the context of the COVID-19 public health emergency, administrative leave could include, but is not limited to, leave for an employee who



is not required to work due to a reduction in service or leave for a worker who is quarantined after potential exposure to an individual infected with COVID-19.

**Q: Does the limit on using up to 10 or 20 percent of a recipient's apportionment of 5307 and 5311 funds for paratransit service in accordance with the Americans with Disabilities Act apply?**

A: No. Funds provided under the CARES Act are available at a 100 percent Federal share to maintain operations. As such, there is no limit on the amount of funds made available under the CARES Act that may be used to pay for paratransit service provided on or after January 20, 2020, which is typically an operating expense.

**Q: Do the normal Urbanized Area Formula Program (49 USC 5307) and the Formula Grants for Rural Area Program (49 USC 5311) requirements apply to these funds?**

A: Yes, all the normal Section 5307 and 5311 requirements apply to funds made available under the CARES Act, with the following exception:

Transportation Improvement Program (TIP) or the Statewide Transportation Improvement Program (STIP): CARES Act funds used to pay for operating expenses do not need to be included in the TIP/STIP. CARES Act funds used to pay for capital expenses for emergency relief do not need to be included in the TIP/STIP unless the projects are for substantial functional, locational, or capacity changes. 23 CFR §§ 450.326(e)(5), 450.218(g)(5).

Note: The Emergency Relief docket remains open and available for requests for relief from FTA statutory and administrative requirements of Section 5307 and 5311 funding in states that have declared an emergency or the President has declared a major disaster under Section 401 of the Stafford Act.

**Q: What is the Federal share of a CARES Act grant?**

A: The Federal share for all grants awarded under the CARES Act is up to 100 percent, at the discretion of the recipient.

**Q: What is the period of availability to obligate or spend CARES Act funding?**

A: Funds are available until expended. There is no lapse date to obligate funds available under the CARES Act. Transit systems are encouraged to spend funds expeditiously to respond to local needs.

**Q: Is there a deadline by which funds must be used?**

A: No, however grants for operating expenses may not be used for operating expenses incurred prior to January 20, 2020.



<b>Transit Funding Under CARES Act Compared to FFY 2020 Apportionments</b>			
<b>Section 5307/5340/5337</b>	<b>FFY 2020</b>	<b>CARES Act</b>	
<b>New York Metro</b>	\$1,342,114,025	\$3,790,512,656	
MTA			
NYCDOT			
Westchester	Awaiting	Awaiting	
Rockland	Suballocation	Suballocation	
Putnam			
Nassau			
Long Beach			
Suffolk			
Huntington			
<b>Subtotal</b>	<b>\$1,342,114,025</b>	<b>\$3,790,512,656</b>	
<b>Upstate</b>			
Buffalo	\$21,720,300	\$61,307,469	
Rochester	\$12,868,782	\$36,310,380	
Albany	\$13,995,503	\$39,549,269	
Syracuse	\$7,563,180	\$21,343,263	
Poughkeepsie-Newburgh	\$28,806,739	\$81,508,564	
<b>Small UZAs</b>			
Binghamton	\$3,808,225	\$10,740,911	
Utica	\$2,375,787	\$6,703,973	
Kingston	\$1,039,654	\$2,932,326	
Elmira	\$1,345,333	\$3,796,301	
Middletown	\$1,163,576	\$3,283,813	
Glens Falls	\$1,225,677	\$3,458,374	
Saratoga Springs	\$1,145,945	\$3,233,328	
Ithaca	\$2,514,713	\$7,076,312	
Watertown	\$1,075,595	\$3,033,515	
Danbury (NYS Portion)	\$185,466	\$522,254	
<b>Subtotal</b>	<b>\$15,879,971</b>	<b>\$44,781,107</b>	
<b>Total 5307</b>	<b>\$1,442,948,500</b>	<b>\$4,075,312,708</b>	
<b>Section 5311</b>			
NYS	\$23,874,088	\$71,444,684	
<b>NYS Grand Total</b>	<b>\$1,466,822,588</b>	<b>\$4,146,757,392</b>	

