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