



U.S. Department of Transportation
Federal Aviation Administration

Coronavirus Aid, Relief, and Economic Security Act (CARES Act)

Public Law 116-136

Airport Grants

April 2020



Coronavirus Aid, Relief, and Economic Security (CARES) Act

Airport Grants Overview

- What are CARES Act provisions?
- Which airports are eligible?
- What expenditures are eligible?
- What are the CARES Act grant amount formulas?
- How to apply and execute a grant?
- How to request and process grant payments?
- What are the documentation and audit requirements?



CARES Act Airport Grants

What are CARES Act provisions?

- **March 27, 2020**
- **Nearly \$10 billion** to eligible U.S. airports to prevent, prepare for, and respond to coronavirus impacts, including support for continuing airport operations
- **Funds available to:**
 - **Keep** airports in reliable, safe operation to serve the aviation industry, the travelling public, and support the economy
 - **Keep** airport and aviation workers employed
 - **Keep** airport credit ratings stable



CARES Act Airport Grants

What are CARES Act provisions?

- **Not** Airport Improvement Program (AIP) grants
- **Appropriated from General Fund** and not from the Airport and Airway Trust Fund
- **FAA will award funds** on expedited basis
- **FAA encourages sponsors** to spend funds expeditiously
- **Workforce retention requirements** for large, medium, and small hub airports



CARES Act Airport Grants

Which airports are eligible?

- **Eligible airports** in the National Plan of Integrated Airport Systems (NPIAS), including commercial service airports, reliever airports and some public-owned general aviation airports
- **Over 3,000 airports**, ranging from large airports such as Dallas Fort Worth International Airport to small general aviation airports such as Salem, Indiana



CARES Act Airport Grants

What expenditures are eligible?

- **Available for** any purpose for which airport revenues may lawfully be used
- **Generally available** for expenditures allowed by the FAA's Policy and Procedures Concerning the Use of Airport Revenue (Revenue-Use Policy)
- **Additional requirements** for new contracts for airport development, (construction or real property acquisition), such as safety and security, Davis-Bacon Act, Buy American, National Environmental Policy Act (NEPA) and other specific requirements for new airport development under CARES Act



CARES Act Airport Grants

How are funds allocated?

The CARES Act divides the \$10 billion into four groups:

- **Group 1:** Increasing the Federal Share to 100% for FY 2020 AIP and FY 2020 Supplemental Discretionary grants – **At least \$500 million**
- **Group 2:** Commercial Service Airports – **At least \$7.4 billion**
- **Group 3:** Primary Commercial Airports – **Up to \$2 billion**
- **Group 4:** General Aviation Airports – **At least \$100 million**



CARES Act Airport Grants

Funding Groups and Formula Development – GROUP 1

- **100% Federal share** for FY 2020 grants, including AIP grants already announced
- **No change to** grants funded under FY 2018 or FY 2019 appropriation



CARES Act Airport Grants

Funding Groups and Formula Development – GROUP 2

Grantee formula for commercial service airports:

- **50% based** on each airport's percentage of enplanements for all commercial service airport enplanements during calendar year 2018
- **25% based** on each sponsor's percentage of debt service* for the combined debt service for all commercial service airports for fiscal year 2018
- **25% based** on the sponsor's fiscal year 2018 ratio of unrestricted reserves* to its respective debt service

*As defined in AC 150/5100-19, Airport Financial Reporting Advisory Circular



CARES Act Airport Grants

Funding Groups and Formula Development – GROUP 2

50% based on each airport's percentage of enplanements for all commercial service airport enplanements during calendar year 2018

	Enplanements	As % of Total	Resulting Allocated Funds
Airport A	2,501	0.038064%	\$190,320
Airport B	8,000	0.121756%	\$608,782
Airport C	10,000	0.152195%	\$760,977
Airport D	50,000	0.760977%	\$3,804,885
Airport E	500,000	7.609770%	\$38,048,849
Airport F	1,000,000	15.219540%	\$76,097,698
Airport G	5,000,000	76.097698%	\$380,488,489
Totals	6,570,501	100%	\$500,000,000

← Purely Illustrative Figure



CARES Act Airport Grants

Funding Groups and Formula Development – GROUP 2

25% based on each sponsor's percentage of debt service for the combined debt service for all commercial service airports for fiscal year 2018

	Line 15.1 Debt Service, Excluding Coverage	As % of Total	Resulting Allocated Funds
Airport A	\$0	0%	\$0
Airport B	\$25,000	0.060790%	\$151,976
Airport C	\$100,000	0.243161%	\$607,903
Airport D	\$1,000,000	2.431611%	\$6,079,027
Airport E	\$5,000,000	12.158055%	\$30,395,137
Airport F	\$10,000,000	24.316109%	\$60,790,274
Airport G	\$25,000,000	60.790274%	\$151,975,684
Totals	\$41,125,000	100%	\$250,000,000

← Purely Illustrative Figure



CARES Act Airport Grants

Funding Groups and Formula Development – GROUP 2

25% based on the sponsor's fiscal year 2018 ratio of unrestricted reserves to its respective debt service

	Line 13.0 Unrestricted Cash and Investments	Line 15.1 Debt Service, Excluding Coverage	Calculated Ratio	Initial Resulting Allocation %	Resulting Allocated Funds	Ratios Used in Allocation	Resulting Allocation %	Resulting Allocated Funds
Airport A	\$0	\$2,000,000	0.000000	0.000000%	\$0	0.000000	0.000000%	\$0
Airport B	\$400,000	\$1,600,000	0.250000	0.070484%	\$211,453	0.250000	0.227919%	\$683,757
Airport C	\$800,000	\$1,400,000	0.571429	0.161107%	\$483,322	0.571429	0.520958%	\$1,562,873
Airport D	\$1,600,000	\$1,200,000	1.333333	0.375917%	\$1,127,751	1.333333	1.215568%	\$3,646,704
Airport E	\$3,200,000	\$1,000,000	3.200000	0.902201%	\$2,706,603	3.200000	2.917363%	\$8,752,089
Airport F	\$6,400,000	\$800,000	8.000000	2.255503%	\$6,766,508	8.000000	7.293408%	\$21,880,223
Airport G	\$12,800,000	\$600,000	21.333333	6.014674%	\$18,044,023	21.333333	19.449087%	\$58,347,262
Airport H	\$25,600,000	\$400,000	64.000000	18.044023%	\$54,132,068	25.000000	22.791899%	\$68,375,697
Airport I	\$51,200,000	\$200,000	256.000000	72.176090%	\$216,528,271	25.000000	22.791899%	\$68,375,697
Airport J	\$10,000,000	\$0	Cannot be calculated mathematically			25.000000	22.791899%	\$68,375,697
Totals	\$112,000,000	\$9,200,000	354.688095	100.000000%	\$300,000,000	109.688095	100.000000%	\$300,000,000

Purely Illustrative Figure

Capping these ratios at no more than 25.0 prevents disproportionately high award levels.

Setting this otherwise incalculable ratio at the same level (25.0) supports statutory consistency.

Adding the ratios together creates an index for calculating the allocation %. Each individual ratio is compared against the total index to derive their percentage allocation from this portion of the available funds.

CARES Act Airport Grants

Funding Groups and Formula Development – GROUP 3

- **Allocation for** large, medium, small and non-hub **primary airports** and non-primary commercial service airports with 8,000 – 9,999 passenger boardings
- **Based on** statutory AIP primary apportionment formulas to include:
 - Doubling of apportioned fund for primary airports only
 - Exceptions include:
 - No \$26 million limit for primary airports
 - No reduction for imposing passenger facility charges



CARES Act Airport Grants

Funding Groups and Formula Development – GROUP 4

- **Available to GA airports** based on a percentage of the aggregate eligible development of each GA category published in the National Plan of Integrated Airport Systems (NPIAS) eligible development
- **Funds divided evenly among** eligible airports in each category, rounding up to the nearest thousand dollars



CARES Act Airport Grants

How does an airport sponsor apply?

- **No application** for Federal share increase – FAA will adjust grant amounts
- **Secretary announces** amounts allocated to each airport sponsor under Groups 2, 3, and 4
- **Simplified application** to claim these funds, OMB Form 424
- **Grant Agreements** will be issued in April 2020 and will not contain standard AIP grant assurances but contain CARES Act and standard Federal grant conditions



CARES Act Airport Grants

What requirements apply to a CARES grant?

- **CARES Act Airport Grant Agreements** require:
 - 2 CFR part 200
 - Exclusive Rights prohibitions
 - Title VI, Civil Rights
- **For airport development projects**, additional requirements such as:
 - Prevailing wage
 - Buy American
 - Veterans' Preference
 - Disadvantaged Business Enterprises
 - Environmental review
 - Other requirements to protect airport safety



CARES Act Airport Grants

How to request and process payments?

- **Reasonable and customary documentation** for payroll, operational, and debt service costs
- **Additional documentation** for new airport development:
 - construction, modifications, or real property acquisition
- **Additional documentation** for payments for:
 - Airfield installations, equipment, signage and markings
 - Payments to sponsor's non-airport accounts
- Grant payments requested under the CARES Act will be in accordance with 2 CFR part 200



CARES Act Airport Grants

Are there documentation and audit requirements?

- Sponsor and FAA accountability is imperative
- All payment requests require supporting documentation similar to the level of detail required for AIP grants
- Sponsors must retain complete records to support all grant payments
- Grants subject to audit to prevent improper payments



Thank you

Please visit
www.faa.gov/airports/cares_act/
for more information and continuous updates.

Send general questions to
CARESAirports@faa.gov

