

# CARES Act Airport Grants Frequently Asked Questions



## TxDOT Aviation

The Coronavirus Aid, Relief and Economic Security Act is a grant program administered by the Federal Aviation Administration. The FAA developed the process, parameters and funding amounts for the program. As a Block Grant State, TxDOT will receive funding from the FAA and airports will then receive grants via TxDOT.

In addition to FAA guidelines that are to be followed, TxDOT also follows Texas Administrative Code requirements in order to administer grants to the individual airports in Texas. To better provide additional guidance for the Texas general aviation airports, this document provides TxDOT-specific grant processes in addition to providing the applicable FAA guidance.

TxDOT has additional information related to CARES Act grants for airport sponsors and stakeholders on our website that can be found at <https://www.txdot.gov/inside-txdot/division/aviation/guidance-covid-19.html>

## General Questions

### **GQ1. How does the CARES Act benefit airports?**

**FAA:** Title XII of Division B of the CARES Act provides approximately \$10 billion to support U.S. airports experiencing severe economic disruption caused by the COVID-19 public health emergency. This funding will be distributed to airports to prevent, prepare for and respond to the impacts of the COVID-19 public health emergency.

**TxDOT:** No additional guidance is required from TxDOT on this topic.

### **GQ2. Who is eligible to receive funding?**

**FAA:** These funds are available only to sponsors as defined in section 47102 of Title 49, United States Code ; that is, airport sponsors meeting statutory and policy requirements under this section and identified in the FAA's

current National Plan of Integrated Airport Systems.

**TxDOT:** No additional guidance required from TxDOT on this topic.

### **GQ3. What is the period of availability to obligate or spend CARES Act funding?**

**FAA:** Funds are available until expended. There is no deadline for the FAA to obligate funds available under the CARES Act. Nevertheless, the FAA intends to award grants and obligate these funds on an expedited basis. The FAA encourages airport sponsors to spend funds expeditiously to reduce the adverse impacts of the current public health emergency.

**TxDOT:** TxDOT will also encourage airports to spend funds as expeditiously as possible.

### **GQ4. Is there a deadline by which funds for operating expenses must be used?**

**FAA:** Yes, the period of performance for the CARES Act grants is four years. Pursuant to 2 C.F.R. section 200.309, a sponsor may only charge to the grant allowable costs incurred during the period of performance.

Funds not expended within the four year period of performance are subject to recovery by the FAA. In addition, grants for operating expenses may not include activities prior to Jan. 20, 2020.

**TxDOT:** The Period of Performance begins when TxDOT and FAA execute the State Block Grant for CARES Funding, not the date TxDOT issues the sub-awards to our sponsors.

## **GQ5. How will this funding be allocated to airport sponsors?**

**FAA:** The overall CARES Act program provides \$10 billion in funding that is divided into four groups. The CARES Act establishes formulas for each group to allocate the funds to specific airports. Because the CARES Act allocates all funds by formula or to increase the federal share for grants funded under fiscal year 2020 appropriations, none of these funds are discretionary.

**TxDOT:** The FAA administers funding to U.S. commercial service and general aviation airports. The FAA established the funding formulas and funding amounts to be allocated to each airport. As a participant in the State Block Grant Program, TxDOT is the agent for our sponsors and receives federal funding from the FAA on your behalf. TxDOT will then issue grants for this funding to each general aviation airport in the National Plan of Integrated Airports System, NPIAS. If your airport receives federal funding, your airport is in the NPIAS.

## **GQ6. What CARES Act funding groups are applicable to general aviation airports?**

### **FAA:**

Group 1 – 100% Federal share for 2020 Airport Improvement Program Grants. At least \$500 million is available to increase the federal share to 100% for grants awarded under the FY 2020 appropriations cycle for FY 2020 AIP and FY 2020 Supplemental Discretionary grants. The federal share for FY 2018 and 2019 Supplemental Discretionary grants will not increase.

Group 4 – General Aviation Airports. At least \$100 million

is available to general aviation airports for any purpose for which airport revenues may be lawfully used. These funds are allocated based on the categories published in the most current NPIAS, reflecting the percentage of the aggregate published eligible development costs for each such category and then dividing the allocated funds evenly among the eligible airports in each category, rounded up to the nearest thousand dollars.

**TxDOT:** No additional guidance is required from TxDOT on this topic.

## **GQ7. How is the 100% federal share determined for Group 1 funding?**

**FAA:** To implement the CARES Act requirement and award AIP and Supplemental Discretionary grants appropriated for FY 2020 at a 100% federal share, the FAA will calculate the increased federal share for each AIP grant. The FAA will amend FY 2020 grants that already have been executed to adjust to the 100% federal share. The FAA will award and execute the remaining FY 2020 grants with a 100% Federal share.

**TxDOT:** For State Block Grant Program recipients, the 100% share is allocated based on FY 2020 federal formula funding. For Texas, the FY 2020 Non-Primary Entitlement and State Apportionment total is \$45,468,033.00; therefore, the ten percent CARES amount allocated to TxDOT to sub-award is \$4,546,803. Unfortunately, this amount is not sufficient to guarantee 100% funding for the total cost of each FY 2020 capital improvement program project. Therefore, TxDOT will be contacting airport sponsors with eligible capital improvement projects to

work through the scope items and amounts to be federally funded at 100%, as well as the granting processes and timelines for these projects. Project costs in excess of the amounts paid at 100%, will require a 10% local match. Group 4 CARES Act funds can be used to offset sponsors' 10% for expenses in excess of the 100% grant amount. Additionally, any scope element that is funded with a cost share less than 90/10 is only eligible to receive an additional 10% for that scope item; therefore, an access road originally programmed for 50% federal/50% local funding, will be funded at 60% federal/40% local.

TxDOT will amend FY 2020 grants, that were previously executed, to adjust the cost share and reflect the federal CARES Act share. Our TxDOT Grants team will contact airport sponsors who have submitted local funds regarding reimbursements that can be issued.

All sponsors with projects programmed in the FY 2020 Capital Improvement Program need to have an up-to-date airport map to avoid delays in grant issuance, which can jeopardize funding availability. These projects will be managed like all Capital Improvement Program projects are managed so no further action from the airport will be required at this time.

## **GQ8. Do CARES grants have a local match?**

**FAA:** No. Funds under the CARES Act are available at a 100% Federal share.

**TxDOT:** See above answer. TxDOT Planners will be contacting airport sponsors to coordinate funding amounts to be funded at 100% Federal share. Once 10% matching funds are exhausted from the

additional CARES funds provided by the FAA, FY 2020 grants will revert to the normal sponsor share. Per the FAA, grants issued in FY 2019 or earlier are not eligible for a 100% federal share because they were issued under different appropriations laws.

### **GQ9. How can an airport sponsor use CARES grant funds?**

**FAA:** An airport owner/sponsor may use these funds for any purpose for which airport revenues may be lawfully used. CARES grant recipients should follow the FAA's Policy and Procedures Concerning the Use of Airport Revenues ("Revenue Use Policy"), 64 Federal Register 7696 (64 FR 7696), as amended by 78 Federal Register 55330 (78 FR 55330). The Revenue Use Policy document defines permitted and prohibited uses of airport revenue. In addition to the detailed guidance in the Revenue Use Policy, the CARES Act makes clear that the funds may not be used for any purpose not related to the airport.

**TxDOT:** In addition to viewing the FAA's Revenue Use Policy, TxDOT recommends Chapter 15 of the FAA's Compliance Handbook for more information. According to the FAA, lawful purposes of airport revenue include operating expenses and capital improvements at the airport. Please see the FAA Compliance Manual 5190.6B, Chapter 15, for a complete listing of Permitted and Prohibited Uses of Airport Revenue at [https://www.faa.gov/airports/resources/publications/orders/compliance\\_5190\\_6/media/5190\\_6b\\_chap15.pdf](https://www.faa.gov/airports/resources/publications/orders/compliance_5190_6/media/5190_6b_chap15.pdf)

Additionally, a list of sample eligible operating expenses will

soon be provided on the COVID-19 resources page of our website that can be viewed at <https://www.txdot.gov/inside-txdot/division/aviation/guidance-covid-19.html>.

### **GQ10. Can I use CARES Group 4 funds for new airport development on the airport?**

**FAA:** Yes but additional requirements apply. To make these critical CARES funds available as quickly as possible, the FAA is issuing non-construction grants that permit expenditure for airport operating expenses (such as payroll, debt service, utility expenses, service contracts and supplies). A recipient of a CARES grant that wishes to use the funds for new airport development or construction (i.e., to award a contract after March 27, 2020, for airport development) should contact its local Airports District Office or Airports Regional Office to make arrangements to do so. That office will ensure that such development is consistent with all of the recipient's prior Federal obligations, meets safety and security standards, meets National Environmental Policy Act, prevailing wage, Buy American, Veterans' Preference and Disadvantaged Business Enterprise Program requirements and meets other specific requirements for new airport development under the CARES Act.

**TxDOT:** TxDOT will serve as the point of contact for any airport requesting Group 4 funding for new development. Any coordination requirements from the FAA will be done via TxDOT. If you have any questions, please contact your TxDOT Planner.

### **GQ11. Can I use CARES Group 4 funds to reimburse my local match to TxDOT's Routine Airport Maintenance Program?**

**FAA:** This is a question specific to TxDOT and the Texas general aviation airports. No FAA guidance is required for this topic.

**TxDOT:** Yes. In addition to RAMP reimbursement of up to 50% from TxDOT, airports have the option of using CARES Act Group 4 funding to request reimbursement for the local match of RAMP expenditures. As a reminder, expenditures after Jan. 20, 2020, are eligible for CARES Act funding. RAMP reimbursement and CARES Act reimbursement requests will be done in separate funding requests, although the backup documentation submitted will be the same.

Airports will be asked to provide additional information on the backup documentation to show that the CARES Act reimbursement will reimburse the local match only. Additionally, please note that the CARES Act funding program allows for more flexibility of eligible expenditures than the RAMP eligible items.

If an airport is considering using the Group 4 funds to request reimbursement towards the local match required for RAMP, as a suggestion, CARES Act funding can be requested first and the airport can receive 100% reimbursement of local funds. If any funds are required above the CARES Act funding amount, an airport can then request RAMP for 50% reimbursement of the remaining balance of local expenses. Funds that are submitted and reimbursed through CARES should not be submitted for reimbursement through RAMP.

If you have any questions or would like further guidance, please contact your TxDOT Planner.

### **GQ12. If an airport sponsor owns or operates multiple airports, may CARES Act Airport Grant funds be pooled?**

**FAA:** Yes. An airport sponsor may use funds at any airport under its control.

**TxDOT:** For cities with multiple airports within one airport system, there are two options: Each airport can receive the designated Group 4 funding using individual grants or;

The Airport Sponsor/Airport owner of the airport system can request one combined grant for the multiple airports to use as needed. For combined grant requests, include a short message in the email submission of the Request for Funding form, indicating your preference for a combined award.

### **GQ13. Can an airport sponsor use CARES Act Airport Grants and funding from other Federal programs to pay for expenses related to the COVID-19 public health emergency?**

**FAA:** A sponsor may use CARES Act Airport Grants for airport operating expenses that arise due to the COVID-19 public health emergency. The FAA recognizes that several sources of COVID-19 relief funds may be available to airport sponsors. Airport sponsors may use other sources of funding consistent with the terms of those programs. However, an airport sponsor may not invoice under its CARES Act Airport Grant for expenses that have been reimbursed under another program.

**TxDOT:** In addition to the guidance provided by the FAA, TxDOT encourages airports to be creative and collaborative in seeking and requesting financial relief for the public health emergency impact on the airport. Please contact your local government officials for more information on additional federal, state and local relief funding opportunities for transportation or airports.

## **Questions on Grant Application, Agreement and Invoicing**

### **GA1. Is a grant application required to receive CARES Act Airport Grants?**

**FAA:** Yes, with one exception. After the Secretary of Transportation announces awards under the CARES Act, each airport sponsor must submit a grant application.

However, airport sponsors do not need to apply for the increased Federal share of FY 2020 AIP or FY 2020 Supplemental Discretionary grants.

**TxDOT:** TxDOT has submitted a grant application to the FAA on your behalf, as a participant in the Block Grant State Program. Each airport will be required to submit an official funding request to TxDOT for the amount of Group 4 funding allocated to your airport. A funding request form will be available on the Aviation Division's COVID-19 webpage.

### **GA2. When will CARES Act Airport Grant applications be available and how long after filing a complete application should an airport sponsor expect to receive a grant?**

**FAA:** The FAA will provide this application to airport sponsors through the local Airports District Office or Airports Regional Office shortly after the Secretary announces CARES Act Airport Grants awards. The FAA anticipates providing a grant agreement for execution within days of receiving a complete application.

**TxDOT:** TxDOT is required to present all Group 4, financial relief funding, amounts to the Texas Transportation Commission for approval as is done with our Capital Improvement Program grant awards. The Commission date for CARES Act funding approval is May 28, 2020 and we expect the online Request for Funding form to be available to complete and submit on May 26 2020. We anticipate CARES Act grants to be issued to TxDOT before the Commission date. TxDOT Aviation is committed to awarding grants expeditiously after receiving Texas Transportation Commission approval and upon TxDOT's receipt of the airport's funding request. A request form will be available on the Aviation Division's COVID-19 webpage.

### **GA3. Will the FAA use a standard AIP grant agreement or one specifically designed for this program?**

**FAA:** The FAA will provide a simplified Grant Agreement shortly after it receives an application. This simplified agreement includes the requirements under the CARES Act and makes funds immediately

available for expenses, other than airport development, including payroll, debt service, utility expenses, service contracts and supplies.

**TxDOT:** TxDOT will also use a streamlined and simplified funding request and grant agreement specific for CARES Act funding for the Texas general aviation airports.

#### **GA4. Does a CARES Act Airport Grant require an airport sponsor to obligate itself to the standard set of FAA Airport Sponsor Grant Assurances?**

**FAA:** Generally, no. If an airport sponsor uses its CARES Act Airport Grant for operational expenses, the standard FAA Airport Sponsor Grant Assurances do not apply.

The CARES Act Airport Grants for operational expenses remain subject to audit, reporting, records retention and other requirements under 2 CFR part 200 like other Federal grant funding. Some laws outside of 49 U.S.C. chapter 471 also apply, such as 49 U.S.C.

40103(e), which prohibits the grant of an exclusive right to conduct any type of aeronautical activity at an airport and Title VI of the Civil Rights Act, which prohibits discrimination on the basis of race, color or national origin. If an airport sponsor uses its CARES Act Airport Grant for new airport development, additional requirements apply (see Q10). Additionally, CARES Act Airport Grant funds may be used only for the capital and operating expense of the airport. Examples of expenditures that FAA has found to be allowable are provided in the FAA Revenue Use Policy. The CARES Act does not, however, void assurances made in prior grant agreements; therefore, a sponsor's pre-existing grant assurances

and Federal obligations continue to apply.

**TxDOT:** No additional guidance is required from TxDOT on this topic.

#### **GA5. How will an airport sponsor submit payment requests for CARES Act Airport Grants?**

**FAA:** The FAA will use the existing U.S. Department of Transportation Delphi eInvoicing system for payment requests. Airport sponsors will continue the current practice of submitting underlying payment request documentation. Examples of documentation include payroll receipts, janitorial contract invoices and debt service payments. The FAA will review invoices manually to ensure adequate oversight, but it will process payments quickly.

**TxDOT:** In lieu of using the FAA's eInvoicing system for payment requests, Texas general aviation airports will use the current practice of submitting payment requests and associated support documentation in the TxDOT eGrants system. TxDOT will provide payment request forms to upload with supporting documentation. We will also use the FAA's examples of documentation to be accompanied with pay requests as shown above. TxDOT will review invoices manually to ensure payment eligibility and is committed to processing payments as quickly as possible.

## **Questions on Use of Funds**

### **F1. Can CARES Act Airport Grants funds be used for a surface access project (roads or rail/transit)?**

**FAA:** Yes. This use is airport development and, therefore, additional requirements apply.

**TxDOT:** TxDOT will discuss and further coordinate any surface access projects that may be requested by airports. We do, however, encourage airports to identify critical operating expenses and/or additional eligible development that can provide immediate relief assistance for the airport.

### **F2. Can CARES Act Airport Grants funds be deposited in the airport sponsor's reserve account (or invest them for future use)?**

**FAA:** No. The FAA would not be able to ensure a potential future use is consistent with the CARES Act requirements. Airports should submit invoices and underlying documentation for airport expenditures.

**TxDOT:** No additional TxDOT guidance is required for the FAA's answer regarding reserve accounts. As a follow up question, however, can the grant funds be deposited into the local government's General Trust Fund account? Yes and per the FAA, CARES funding is required to be spent at the airport and for the airport. TxDOT encourages local governments to account for airport CARES grant funds accordingly. Additional audits may be required if the airport

does not have a dedicated budget or line-item fund within the local government's budget and accounting process. A good accounting practice may include providing the airport's budget or accounting code on invoices when submitting backup documentation with a payment request. Please contact your Planner if you have any questions or would like additional guidance.

## Questions on Environmental Review

### **E1. Are there any environmental requirements associated with increases to 100% Federal share for FY 2020 AIP grants?**

**FAA:** All projects funded for AIP and Supplemental Discretionary grants under FY 2020 appropriations continue to be subject to environmental requirements. However, no additional environmental analysis is required for the federal share increase.

**TxDOT:** Environmental review will continue to be done through TxDOT as done with our normal project process.

### **E2. Are there any environmental review requirements associated with non-construction grants for airport operating expenses and debt service?**

**FAA:** No. These types of grants have no potential to impact the environment and therefore are not major federal actions subject to NEPA review.

**TxDOT:** No additional guidance is required from TxDOT on this topic.

## Questions on Administration under the State Block Grant Program

### **SBGP1. What is the State Block Grant Program?**

**FAA:** In 1987, Congress authorized the FAA to use State block grants to provide AIP funds to airport sponsors. Through the SBGP, the FAA provides funds directly to States that participate in the program. In turn, SBGP participants fund and oversee AIP projects to non-primary commercial service, reliever and general aviation airports.

**The program currently includes the following 10 States:** Georgia, Illinois, Michigan, Missouri, New Hampshire, North Carolina, Pennsylvania, Tennessee, Texas and Wisconsin.

**TxDOT:** No additional guidance is required from TxDOT on this topic.

### **SBGP2. How will the FAA Administer CARES Act funding for States participating in the SBGP?**

**FAA:** The FAA Airport Improvement Program Branch (APP-520) will utilize its existing relationships with the states participating in the SBGP for administration of CARES Act Airport Grants. These

participants have relationships with airport sponsors within their States and currently provide grant management and internal controls. Leveraging this infrastructure will facilitate efficient and expedient distribution of funds.

**TxDOT:** As a participant in the SBGP, the FAA will administer funds to TxDOT. TxDOT will then administer grants individually for Texas general aviation airports.

### **SBGP3. Will FAA Regional and Airport District Offices remain the points-of-contact for CARES Act Airport Grants?**

**FAA:** Yes. States participating in the SBGP should continue to work with their local Airports District Office or Airports Regional Office throughout CARES Act Airport Grants implementation and administration.

**TxDOT:** TxDOT will serve as the point-of-contact for any questions from Texas general aviation airports. The FAA will be the point-of-contact for Block Grant State Agencies. TxDOT will continue to work with the FAA Southwest Region and Texas ADO. Please continue to contact TxDOT if you have any questions.

### **SBGP4. Do CARES Act Airport Grants funding allocations work differently for the SBGP?**

**FAA:** No. The FAA will calculate each airport sponsor's allocation based on formulas in the CARES Act. The Secretary of Transportation will announce these award amounts along with all awards under the CARES Act Airport Grants program.

**TxDOT:** In addition to the FAA calculating and providing TxDOT with

the amount of funding for Texas general aviation airports, TxDOT is to administer individual grants to Texas general aviation airports.

### **SBGP5. How much CARES Act funding may States participating in the SBGP distribute?**

**FAA:** The CARES Act provides for specific allocations to each airport sponsor. The FAA will aggregate the amounts announced for each airport sponsor into one State award.

**TxDOT:** The FAA will determine the funding amount that each Texas general aviation airport is to receive and will provide that funding amount allocation for each airport to TxDOT. The FAA will require TxDOT to distribute CARES Act funding to airports in accordance to the FAA's calculated funding amount allocated to each airport.

### **SBGP6. How may States participating in the SBGP allocate CARES Act Airport Grants?**

**FAA:** States participating in the SBGP must make sub-awards to each airport sponsor based on that sponsor's allocation under the CARES Act. The FAA expects States to make these sub-awards on an expedited basis, for airport sponsors to spend funds quickly, to reduce the adverse impacts of the current public health emergency.

States must follow 2 CFR part 200 requirements for CARES Act Airport Grants and sub-awards. Funds not expended within the four-year period of performance are subject to recovery by the FAA.

**TxDOT:** TxDOT will comply with FAA requirements and is committed to providing grants to Texas general

aviation airports on an expedited basis to reduce adverse impacts to airports during the current public health emergency.

### **SBGP7. What application and grant agreement will be used for sub-grants?**

**FAA:** States participating in the SBGP will use a streamlined application and grant agreement process similar to what the FAA is using for all CARES Act Airports Grants. The FAA will provide states with template documents after these grants are announced.

**TxDOT:** TxDOT will use a streamlined and simplified funding request and grant agreement specific for CARES Act funding for the Texas general aviation airports. A funding request form will be available on the TxDOT Aviation Division COVID-19 web page.

### **SBGP8. Can states participating in the SBGP mix FY 2020 AIP funds and additional funds to increase the Federal share under the CARES Act?**

**FAA:** No. The Group 1 FY 2020 AIP and Supplemental Discretionary funds are separate from the Group 4 CARES Act funds for relief funding. States must separately account for the two different funding sources as they are drawn down to ensure each appropriation is spent as intended.

**TxDOT:** TxDOT will comply with FAA requirements and will keep CARES Act funding separate when distributing funds to Texas general aviation airports. TxDOT has received FAA concurrence that Group 4 funds can be used in addition to Group 1 funds for federal funding up to 100% of actual project costs.

### **SBGP9. What if my state legislature needs to approve the acceptance of CARES Act funding?**

**FAA:** The FAA recommends that states participating in the SBGP use their usual state processes to approve, accept and administer Federal funds.

**TxDOT:** In addition to applying FAA guidelines to the grant process, TxDOT is required to follow applicable Texas Administrative Code rules to approve, accept and administer funding to Texas general aviation airports. No state legislative action is required.

### **SBGP10. What are the reporting requirements for CARES Act Airport Grants?**

**FAA:** States participating in the SBGP will continue the current practice of providing sub-award reporting information on CARES Act Airport Grants to the FAA upon request.

**TxDOT:** TxDOT requests airports and local governments to retain records and documentation submitted for CARES Act funding to assist TxDOT during expected future audits.

### **SBGP11. Will CARES Act Airport Grants require end-of-fiscal-year reporting like other AIP funding?**

**FAA:** Yes. CARES Act Airport Grants funds will be included in the Annual Report of Federal Funding at the end of FY 2020.

**TxDOT:** TxDOT will supply fiscal reporting information to the FAA on behalf of the Texas general airports for Group 1 funding. TxDOT requests airports and local

governments to retain records and documentation submitted for CARES Act funding to assist TxDOT if additional information is required. Group 4 funding is subject to your entity's Single Audit reporting requirements.

### **SBGP12. How will payment requests be submitted for CARES Act Airport Grants?**

**FAA:** The FAA will use the existing U.S. Department of Transportation Delphi eInvoicing system for payment requests. States participating in the SBGP will continue the current practice of retaining all underlying payment request documentation and complete records.

**TxDOT:** TxDOT will receive CARES Act funding on behalf of the airports via the Delphi eInvoicing system. Texas general aviation airports will use the current practice of submitting payment requests and associated support documentation in the TxDOT eGrants system. TxDOT will provide payment request forms to upload with

supporting documentation. We will also use the FAA's examples of documentation to be accompanied with pay requests as shown above. TxDOT will review invoices manually to ensure payment eligibility and is committed to processing payments as quickly as possible.

### **SBGP13. Will the FAA audit CARES Act Airport Grants administered by States participating in the SBGP?**

**FAA:** Yes. The FAA will include audits of CARES Act Airport Grants in its annual audit process.

**TxDOT:** TxDOT will be subject to the expected FAA audits on behalf of the Texas general aviation airports. TxDOT requests airports and local governments to retain records and documentation submitted for CARES Act funding to assist TxDOT if additional information is required.