

ADOT 5311 Coronavirus Aid, Relief, and Economic Security Act, (CARES) Act of 2020 Implementation

Presented by
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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 Provide \$25 B 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

Rural Area Formula Program Activities

- Beginning January 20, 2020, all activities normally eligible under Rural Area (49 USC 5311) formula programs are eligible for CARES Act funding, including:
 - Planning
 - Capital (preventive maintenance, rolling stock, equipment, etc.)
 - Operating and Preventive Maintenance

Operating Expenses

- Operating expenses for all recipients are eligible beginning January 20, 2020
 - For ease of billing ADOT will go back to **February 1, 2020**.
 - Includes **paying administrative leave of operations personnel** due to reductions in service or quarantine
 - **Charter service** in response to the COVID-19 emergency may be provided for **up to 45 days without a waiver**
 - 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

Funding Features

- 100 % federal share for all projects funded by CARES Act
- Pre-award authority for all projects starting on January 20, 2020, ADOT will use February 1, 2020 for ease in billing.
 - 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 (if applicable)
 - The intercity bus (49 USC 5311(f)) requirement
 - A new consultation process is required

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 (i.e. replacement of vehicles)

ADOT 5311 CARES Act Funding

Activity	Funding
State Administration	\$4,173,020
Intercity	\$6,259,530
Planning	\$2,696,118
Operating (including Admin and Preventive Maintenance)	\$25,266,353
Mobility Management	\$1,258,688
Capital	\$2,076,492
Total	\$41,730,201

ADOT Application to FTA for funding

- CARES Act application to be submitted 4/15/2020.
- ADOT received a waiver of grant award process from ADOA.
- Award to sub recipients follows current 5311 funding awards.

Funding for Transit Agencies

- CARES Act funding will be added to your current award.
- Bill this first.
- Unspent Admin, Operating, PM funds will roll-over to the next award.

Operating Expenses

- Include the following for CARES Act funding:
 - Administration
 - Operating
 - Preventive Maintenance

Operating Expenses

- Operating expenses for all recipients are eligible beginning January 20, 2020
 - For ease of billing ADOT will go back to **February 1, 2020**.
 - Includes **paying administrative leave of operations personnel** due to reductions in service or quarantine
 - **Charter service** in response to the COVID-19 emergency may be provided for **up to 45 days without a waiver**

Request for Reimbursements

- All 5311 requests for reimbursement on hold.
- GAE modifications will be needed to add CARES act funding to your existing award.
- Agencies who have billed through February 2020 will have to adjust that billing so eligible expenses can be paid at 100%.

We appreciate you!

- Thank you for all you are doing to assist your riders and keep you employees safe!
- Thank you for keeping us updated on changes to your system.
- ADOT will continue to update you as we are provided information from FTA and when FTA awards the funding to us!

Questions

- We will open up the line for questions or feel free to add a question in the chat box!

Thank You!

ADOT MPD Transit Team