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DEPARTMENT OF TRANSPORTATION

Federal Transit Administration

FTA Fiscal Year 2020 Coronavirus Aid, Relief, and Economic Security (CARES) Act Supplemental Apportionments, Allocations, Program Information and Guidance

AGENCY: Federal Transit Administration (FTA), DOT.

ACTION: Notice.

SUMMARY: This notice provides program information and guidance for implementation of the supplemental fiscal year (FY) 2020 apportionments and allocations appropriated in the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

FOR FURTHER INFORMATION CONTACT: For general information about this notice, contact Kimberly Sledge, Deputy Associate Administrator, Office of Program Management, at (202) 366-2053. Please contact the appropriate FTA Regional Office for any specific requests for information or technical assistance. FTA Regional Office contact information is available on FTA's website: www.transit.dot.gov. An FTA headquarters contact for each program area is included in this notice. FTA recommends stakeholders subscribe on FTA's website: www.transit.dot.gov to receive email notifications when new information is available.

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I. Overview

This document provides notice to stakeholders that FTA is apportioning supplemental Fiscal Year (FY) 2020 Transit Infrastructure Grants (TIG) funding made available by the CARES Act, 2020 (Pub. L. 116-136). In addition, this document contains important information about statutory requirements and policy priorities for the Transit Infrastructure Grants program. FTA previously posted frequently asked questions and apportionment tables identifying funding amounts to States, urbanized areas and tribes on FTA's website.

For the Transit Infrastructure Grants program, this notice provides information on the FY 2020 supplemental appropriations funding levels, funding availability, and the period of availability of funds. A separate section provides information on pre-award authority as well as other requirements applicable to the Transit Infrastructure Grants program and grant administration. Finally, the notice includes a reference to the apportionment tables on FTA's website that show the amount of funding made available until the funds are expended.

Information in this document includes references to existing FTA program guidance and circulars. Some information in FTA's guidance documents and circulars that were issued prior to passage of the Fixing America's Surface Transportation (FAST) Act (Pub. L. 114-94) may have been superseded by the FAST Act, but these guidance documents and circulars remain a resource for program management in most areas.

II. FY 2020 Funding for FTA Programs

A. Funding Available Under the CARES Act

The CARES Act, 2020 (Pub. L. 116-136) makes \$25 billion in supplemental funding available for FTA grantees to prevent, prepare for, and respond to the coronavirus disease 2019 (COVID-19). The CARES Act provides \$25 billion in funding from the General Fund, including

\$22,696,291,664 for Section 5307 Urbanized Area Formula Grants (Urbanized Area Program) and \$2,228,708,336 for Section 5311 Formula Grants for Rural Areas (Rural Area Program). Current funding availability for each program is identified in Section IV of this notice and in Table 1 located on FTA's FY 2020 Apportionment webpage:

www.transit.dot.gov/funding/apportionments.

B. Oversight Takedown

The CARES Act provides that not more than three-quarters of 1 percent, but not to exceed \$75 million, of the funds shall be available until expended for administrative expenses and ongoing program management oversight and to generally provide technical assistance and correct deficiencies identified in compliance reviews and audits as authorized under sections 5334 and 5338(f)(2) of title 49, United States Code.

C. CARES Act Apportionments: Data and Methodology

1. Apportionment Tables

FTA has posted tables displaying the funds available to eligible states, tribes, and urbanized areas to www.transit.dot.gov/funding/apportionments. This website contains a page with the apportionment tables for the CARES Act, links to prior year formula apportionment notices and tables, and the National Transit Database (NTD) and Census data used to calculate the apportionments.

2. Funding Assignment to Urbanized Area and Rural Area Formula Grant Programs

The CARES Act provides for the apportionment of funds via the Urbanized Area formula, the Rural Area formula, the State of Good Repair formula, and the Growing States and High Density States formula factors. The CARES Act also stipulates that the funding apportioned via the formulas be made available under the existing Urbanized Area and Rural

Area Formula programs and procedures. Details on the apportionment for both programs are found in the program specific sections below.

3. NTD and Census Data Used in the CARES Act Apportionments

Consistent with past practices, the apportionments calculations for Sections 5307, 5311, and 5337 rely on the most-recent transit service data reported to the NTD, which for FY 2020 is the 2018 report year. In some cases, where an apportionment is based on the age of the system, the age is calculated as of September 30, 2019, the last day before FY 2020 began. Recipients or beneficiaries of either Section 5307 or 5311 funds are required to report to the NTD.

Additionally, several transit operators report to the FTA's NTD on a voluntary basis. For the 2018 report year, the NTD includes data from 941 reporters in urbanized areas, 925 of which reported operating transit service. The NTD also includes data from 1,475 providers of rural transit service, which includes 134 Indian Tribes providing transit service.

The 2010 Census data is used to determine population and population density for Section 5307 as well as rural population and rural land area for the Section 5311 program. The formulas for Sections 5307, 5311, and 5311(c)(1) include tiers where funding is allocated based on the number of persons living in poverty. The Census Bureau no longer publishes decennial census data on persons living in poverty. As a result, since FY 2013, FTA has used the data for this population available via the Census' American Community Survey (ACS). The NTD and Census data that FTA used to calculate the apportionments associated with this notice can be found on FTA's website: www.transit.dot.gov/funding/apportionments.

The FY 2020 CARES Act apportionments use data on low-income persons, persons with disabilities, and older adults from the 2013-2017 ACS five-year data set, which was published in December 2018. This data represents the most recent five-year ACS estimates that are available

as of October 1 for the year being apportioned. As was the case in prior years, data on low-income persons comes from ACS Table B17024, “Age by Ratio of Income to Poverty in the Last Twelve Months.”

III. FY 2020 Program Highlights

A. Emergency Relief Docket

Pursuant to 49 C.F.R. 601.42, on January 15, 2020 FTA announced the establishment of an Emergency Relief Docket for calendar year 2020. See <https://federalregister.gov/d/2020-00539> for more information. After an emergency or major disaster, if FTA requirements impede a grantee or subgrantee’s ability to respond to the emergency or major disaster, a grantee or subgrantee may submit a request for temporary relief from FTA administrative and statutory requirements. A grantee or subgrantee seeking relief must submit a petition for waiver of FTA requirements at <https://www.regulations.gov> for posting in the docket (FTA–2020–0001). FTA encourages grantees, prior to submitting a request to the docket, to review existing requests and responses already posted, as well as FTA’s COVID-19 Frequently Asked Questions webpage, at <https://www.transit.dot.gov/cares-act>. In addition to the docket, FTA has established an email address by which grantees may ask questions about FTA requirements: FTAResponse@dot.gov.

For additional information on the Emergency Relief Docket, please contact the appropriate FTA Regional Office.

B. New Eligibilities and Increased Federal Share

Activities eligible under the CARES Act include all activities typically eligible under the Urbanized Area and Rural Area Formula Programs undertaken beginning on January 20, 2020. Funds appropriated through the CARES Act are also available for all funding recipients in large urban, small urban, and rural areas for operating expenses (net fare revenues) in response to the

COVID-19 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, purchase of personal protective equipment, and paying for administrative leave of operations personnel due to reductions in service and quarantining after potential exposure to COVID-19.

The Federal share for Transportation Infrastructure Grants is, at the option of the recipient, up to 100 percent for all eligible expenses.

IV. FY 2020 Program Specific Information Under CARES Act

A. Urbanized Area Formula Program (49 U.S.C. 5307)

Funds made available under this notice for the Transit Infrastructure Grants program, apportioned through the Urbanized Area Formula Program, provide financial assistance to designated recipients in urbanized areas (UZAs) for all projects normally eligible under the Urbanized Area Formula program such as capital investments in public transportation systems, planning, job access and reverse commute projects, and operating under limited circumstances. Under the CARES Act, funds are available for operating assistance in both large and small urbanized areas. There is no limit on the amount of CARES funds that may be spent on operating activities.

For more information about the Urbanized Area Formula Program, contact John Bodnar at (202) 366-9091 or john.bodnar@dot.gov.

1. Funding Availability

The CARES Act provides a total of \$22,696,291,664 of supplemental FY 2020 funding for the Urbanized Area Formula program. Of that amount, \$13,748,722,241 is apportioned according to the Urbanized Area Formula (49 U.S.C. 5336), \$7,485,374,559 is apportioned

according to the State of Good Repair formula (49 U.S.C. 5337), \$862,846,477 is apportioned according to the High Density States formula, and \$599,348,387 according to the Growing States formula. FTA apportioned funds do not include a take-down for the competitive Passenger Ferry Grant Program or the State Safety Oversight Program.

Urbanized Area Formula Program	
5307 Urbanized Area Formula	\$13,748,722,241
5337 State of Good Repair	\$7,485,374,559
5340 High Density States	\$862,846,477
5340 Growing States	\$599,348,387
Total Apportioned	\$22,696,291,664

2. Period of Availability

Funds made available under the Urbanized Area Formula Program are available until expended, though FTA encourages recipients to obligate and expend CARES Act funds expeditiously in response to the coronavirus public health emergency.

3. Operating Expenses Under the CARES Act

All FTA recipients, including those in urbanized areas of 200,000 or more in population, may utilize funds made available under the CARES Act for operating expenses incurred to maintain service on or after January 20, 2020. Such expenses include any operating expenses (net fare revenues) incurred in response to the COVID-19 public health emergency, as well as paying for administrative leave for operations personnel due to reductions in service.

Additionally, such funds may be used to pay for leave for employees who are placed on administrative leave due to quarantine or for employees placed on sick leave due to COVID-19 infection. See Chapter IV of the [Urbanized Area Formula Program Guidance](#) (FTA Circular 9030.1E) for details on eligible operating assistance activities.

Note that service that might otherwise be characterized as charter service, such as exclusive, closed door transportation of children to meal sites, or of homeless individuals to shelters, paid for by a third party, is eligible for reimbursement (net payment by a third party) if the service is in direct response to COVID-19. For charter operations lasting more than 90 days after the date a Governor declared a state of emergency, the recipient should submit a waiver request to the Emergency Relief docket.

Recipients are not required to incur operating expenses (or preventive maintenance expenses, which are operating expenses that may be capitalized for the purposes of FTA grants) prior to grant award. A recipient, at its discretion, may use operating expenses submitted, accepted, and published by the NTD for the 2018 report year as justification for its request for operating assistance, along with a description of operations included in the grant. Draw down of funds must reflect actual expenses. There is no limit on the amount of funds made available under the CARES Act that may be used for operating assistance.

B. Formula Grants for Rural Areas Program (49 U.S.C. 5311)

The Formula Grants for Rural Areas Program provides formula funding to States and Indian tribes for supporting public transportation in areas with a population of less than 50,000. Funding under this notice may be used for all activities typically eligible under the Rural Areas Program, including reimbursement for operating costs to maintain service during the COVID-19 public health emergency, the purchase of personal protective equipment, and paying the administrative leave of operations personnel due to reduction in service. Eligible subrecipients include State and local governmental authorities, Indian Tribes, private non-profit organizations, and private intercity bus companies. Indian Tribes also are eligible direct recipients under the

Formula Grants for Rural Areas Program, both for funds apportioned to the States and for projects apportioned with funds set aside for the Tribal Transit Program.

For more information about the Formula Grants for Rural Areas program, contact Élan Flippin at (202) 366-3800 or elan.flippin@dot.gov.

1. Funding Availability

The CARES Act provides a total of \$2,178,708,336 of supplemental FY 2020 funding for the Rural Area Formula Program. Of that amount \$1,989,462,090 is apportioned according to the Rural Area formula and \$239,246,246 is apportioned according to the Growing States formula. Of the amount appropriated, \$20 million is made available for the Appalachian Development Public Transportation Assistance Program and \$30 million is made available for the Public Transportation on Indian Reservations formula program. FTA-apportioned funds do not include a take-down for the Rural Transit Assistance Program or the Public Transportation on Indian

Grants for Rural Areas Formula Program	
5311 Rural Area Formula	\$1,989,462,090
5311(c)(2) Appalachian Development	(\$20,000,000)
5311(c)(1) Public Transportation on Indian Res.	(\$30,000,000)
5340 Growing States	\$239,246,246
Total Apportioned	\$2,178,708,336

Reservations competitive program.

2. Period of Availability

The Formula Grants for Rural Areas Program funds apportioned in this notice are available until expended, though FTA encourages recipients to obligate and expend CARES Act funds expeditiously in response to the coronavirus public health emergency.

3. Operating Expenses Under the CARES Act

All FTA recipients may utilize funds made available under the CARES Act for operating expenses incurred as of January 20, 2020, at a 100 percent Federal share. Such expenses include any expenses incurred in response to the COVID-19 public health emergency, as well as paying for administrative leave for operations personnel due to reductions in service. Additionally, such funds may be used to pay for leave for employees who are placed on administrative leave due to quarantine or for employees on sick leave due to COVID-19 infection. Additional information on eligible operating assistance projects can be found in Chapter III of [Formula Grants for Rural Areas: Program Guidance and Application Instructions](#).

Note that service that might otherwise be characterized as charter service, such as exclusive, closed door transportation of children to meal sites, or of homeless individuals to shelters, paid for by a third party, is eligible for reimbursement (net payment by a third party) if the operations are in direct response to COVID-19. For charter operations lasting more than 90 days after the date a Governor declared a state of emergency, the recipient should submit a waiver request to the Emergency Relief docket.

Recipients are not required to incur operating expenses (or preventive maintenance expenses, which are operating expenses that may be capitalized for the purposes of FTA grants) prior to grant award. A recipient, at its discretion, may use operating expenses submitted, accepted, and published by the NTD for the 2018 report year as justification for its request for operating assistance, along with a description of operations included in the grant. Draw down of

funds must reflect actual expenses. There is no limit on the amount of funds made available under the CARES Act that may be used for operating assistance.

States may use methods other than those identified in their State Management Plans to allocate CARES Act funds.

4. Appalachian Development Public Transportation Assistance Program (49 U.S.C. 5311(c)(2))

This program is a take-down under the Formula Grants for Rural Areas Program to provide additional funding to support public transportation in the Appalachian region. There are thirteen eligible States that receive an allocation under this provision. The State allocations are shown in the Formula Grants for Rural Areas Program table posted on FTA's website at www.transit.dot.gov/funding/apportionments. A total of \$20 million is available until expended through the CARES Act.

For more information about the Appalachian Development Public Transportation Assistance Program, contact Élan Flippin at (202) 366-3800 or elan.flippin@dot.gov.

4. Public Transportation on Indian Reservations Program (49 U.S.C. 5311(c)(1))

The Public Transportation on Indian Reservations Program, or Tribal Transit Program (TTP), is funded as a take-down from funds made available for the Formula Grants for Rural Areas program. Formula factors include vehicle revenue miles and the number of low-income individuals residing on tribal lands (defined as American Indian Areas and Alaska Native Areas). Eligible direct recipients are federally recognized Indian tribes and Alaskan Native Villages providing public transportation in rural areas. The TTP funds are allocated for grants to eligible recipients for any purpose eligible under Formula Grants for Rural Areas program or the CARES Act, which includes capital, operating, planning, and job access and reverse commute projects. Allocations are shown in the Public Transportation on Indian Reservations Formula Program

table posted on FTA's website at www.transit.dot.gov/funding/apportionments. A total of \$30 million is available until expended through the CARES Act.

For more information about the Tribal Transit Program, contact Amy Fong at (202) 366-0876 or amy.fong@dot.gov.

C. Public Transportation Emergency Relief Program (49 U.S.C. 5324)

In addition to the funds appropriated under the CARES Act, on March 13, 2020, FTA announced that all recipients in large urban, small urban, and rural areas that operate in states that have declared a State of Emergency related to COVID-19 may use their existing Urbanized Area and Rural Area Formula funding for both capital and operating expenses related to COVID-19 response at an increased Federal share, as authorized by the Public Transportation Emergency Relief Program (49 U.S.C. 5324). For information on how to use funds previously apportioned under the Urbanized Area and Rural Area Formula programs for COVID-19 response, please visit transit.dot.gov/coronavirus.

For more information about the Emergency Relief Program, contact Thomas Wilson at (202) 366-5279 or thomas.wilson@dot.gov.

V. Transit Infrastructure Grants

A. Automatic Pre-Award Authority to Incur Project Costs

Recipients have pre-award authority to incur project costs as of January 20, 2020. Recipients should review the most recent version of FTA's Apportionments Notice for further guidance on pre-award authority.

B. Federal Requirements

Except as noted otherwise in this notice, all statutory and administrative requirements pertaining to Urbanized Area and Rural Area formula funds apply to grants utilizing funding

made available through the CARES Act, including the requirements for Department of Labor certification found in Federal public transportation law (49 U.S.C. 5333(b)).

CARES Act funds used to pay for operating expenses in response to COVID-19 do not need to be included in a Transportation Improvement Plan (TIP) and/or Statewide Transportation Improvement Plan (STIP). CARES Act funds used to pay for capital expenses for emergency relief in response to COVID-19 do not need to be included in the TIP and/or STIP unless the projects are for substantial functional, locational, or capacity changes per Federal planning and assistance standards regulations (23 CFR 450.326(e)(5), 23 CFR 450.218(g)(5)). Accordingly, capital projects to prevent, prepare for, and respond to COVID-19 that involve substantial functional, locational, or capacity changes must be included in the TIP and/or STIP.

C. Insurance and Other Federal Funds

FTA funds may not be used to reimburse expenses that have previously been reimbursed by insurance proceeds or other Federal funds. Recipients are required to pursue claims for any losses covered by insurance policies that are also eligible expenses under FTA's programs. The recipient must report to FTA any insurance proceeds or Federal funds received before or after FTA grant obligation that duplicate any funding received through an FTA grant and make subsequent adjustments to the grant prior to disbursement or return to FTA the amount of funding determined to be duplicative. This includes any proceeds from insurance policies that include applicable business interruption coverage and funding received from the Federal Emergency Management Agency. Any such funds returned to FTA will remain available to the recipient for obligation in another grant for eligible expenses.

D. Grant Application Procedures

All applications for FTA funds should be submitted to the appropriate FTA Office. All

applications must be filed electronically. FTA continues to award and manage grants and cooperative agreements using the Transit Award Management System (TrAMS). To access TrAMS, contact your FTA Office. Resources on using TrAMS can be found on FTA's website at <https://www.transit.dot.gov/TrAMS>.

FTA regional staff are responsible for working with grantees to review and process grant applications. For an application to be considered complete and ready for FTA to assign a Federal Award Identification Number (FAIN), enabling submission in TrAMS, and submission to the Department of Labor, when applicable, the following requirements must be met:

- a.* Recipient has registered in the System for Award Management (SAM) and its registration is current with an active status. To register an entity or check the status and renew registration, visit the SAM website at <https://www.sam.gov/SAM/>.
- b.* Recipient's contact information, including Dun and Bradstreet Data Universal Numbering System (DUNS), is correct. To request a DUNS number, call Dun & Bradstreet at 1-866-705-5711 or visit the website at <http://fedgov.dnb.com/webform>.
- c.* Recipient has properly submitted its annual certifications and assurances.
- d.* Recipient's Civil Rights submissions are current.
- e.* After October 1, 2018, the grantee has a Transit Asset Management plan in place that meets the requirements of the Transit Asset Management regulation (49 CFR Part 625), or is covered by a compliant Group Plan.
- f.* Documentation is on file to support recipient's status as either a designated recipient for the program and area or a direct recipient.
- g.* Funding is available, including any flexible funds included in the budget, and split letters or sub allocation letters on file, where applicable, to support the amount requested

in the grant application.

h. The activity is listed in a currently approved Transportation Improvement Program (TIP); Statewide Transportation Improvement Program (STIP), or Unified Planning Work Program (UPWP) if applicable.

i. All eligibility issues are resolved.

j. Required environmental findings are made.

k. The application contains a well-defined scope of work, including at least one project with accompanying project narratives, at least one budget scope code and one activity line item, Federal and non-Federal funding amounts, and milestones.

l. Milestone information is complete. FTA will also review status of other open award reports to confirm financial and milestone information is current on other open awards.

Other important issues that impact FTA grant processing activities in addition to the list above are discussed below.

a. Award Budgets—Scope Codes and Activity Line Items (ALI) Codes; Financial Purpose Codes

FTA uses Scope and ALI Codes in the award budgets to track disbursements, monitor program trends, report to Congress, and to respond to requests from the Inspector General and the Government Accountability Office, as well as to manage grants. The accuracy of the data is dependent on the careful and correct use of codes.

b. Designated and Direct Recipients Documentation

For its formula programs, FTA primarily apportions funds to the designated recipient in large UZAs (areas over 200,000), or for areas under 200,000 (small UZAs and rural areas), it apportions the funds to the Governor, or its designee (e.g., State DOT). Depending on the program, as described in the individual program sections found in Section IV of this notice,

further suballocation of funds may be permitted to eligible recipients who may then apply directly to FTA for the funding as direct recipients.

For the programs in which FTA may make grants to eligible direct recipients, other than the designated recipient(s), recipients are reminded that documentation must be on file to support: (1) the status of the recipient either as a designated recipient or direct recipient; and (2) the allocation of funds to the direct recipient.

Documentation to support existing designated recipients for the UZA must also be on file at the time of the first application in FY 2020. Split letters and/or suballocation letters (Governor's Apportionment letters), must also be on file to support grant applications for direct recipients. Split and/or suballocation letters must be updated to include funds apportioned via this notice. Once suballocation letters for FY 2020 funding are finalized, recipients should upload them as part of the application into TrAMS.

The Direct Recipient is required to upload to TrAMS a copy of the suballocation letter (Letter) indicating their allocation of funding, for the appropriate fund program, when the applicant transmits their application for initial review. The Letter must be signed by the Designated Recipient, or as applicable in accordance with planning requirements. If there are two Designated Recipients, both entities must sign the Letter. The Letter must: 1) indicate the allocations to the respective Direct Recipients listed in the letter; 2) incorporate language above the signatories to reflect this agreement; and 3) make clear that the Direct Recipient will assume any/all responsibility associated with the award for the funds. When drafting the Letter, Designated Recipients may use the template language below:

“As identified in this Letter, the Designated Recipient(s) authorize the reassignment/reallocation of [enter fund source; e.g. CARES Act funds] to the Direct

Recipient(s) named herein. The undersigned agree to the amounts allocated/reassigned to each Direct Recipient. Each Direct Recipient is responsible for its application to the Federal Transit Administration to receive such funds and assumes the responsibilities associated with any award for these funds.”

The contents of this document do not have the force and effect of law and are not meant to bind the public in any way. This document is intended only to provide clarity to the public regarding existing requirements under the law or agency policies.

Grantees should refer to applicable regulations and statutes referenced in this document.

K. Jane Williams,
Acting Administrator.

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