



July Budget Amendment and
Coronavirus Aid Relief and Economic Security Act (CARES)

CARES Act: Overview

- Signed into law March 27, 2020
- Total Federal CARES Act more than \$2 Trillion
 - \$25B allocated to Transit Infrastructure Grants
- Minnesota allocated \$308M in Transit Infrastructure Grants
 - Metropolitan Council allocated \$226,499,058
- FTA required grant application to access CARES Act funds
 - Council submitted grant application 04/30/2020
 - FTA approved grant 05/29/2020

CARES Act: Rule Summary

- Grantees must follow federal grant rules and guidelines
 - FTA directly audits the Council
 - Council is responsible for monitoring subrecipients (regional providers)
- No local match required – grants are 100% federal
- Expenses occurring after January 20, 2020 are eligible
- Funds available until expended

CARES Act: Allocation Methodology

- Nationally
 - allocations to designated recipients
 - allocations based upon federal formula
 - formula used inputs from National Transit Database reporting to distribute FFY2020 federal formula 5307 funds
- Regionally
 - mirrored federal allocation guidelines
 - allocations to regional providers based upon federal formula
 - formula used inputs from National Transit Database reporting to distribute FFY2020 federal formula 5307 funds

CARES Act: Regional Allocations

Regional Provider	Regional Allocation
Maple Grove	\$1,213,690
Metropolitan Council	\$214,367,788
Minnesota Valley Transit Authority	\$6,118,007
Plymouth Metrolink	\$1,188,885
Southwest Transit	\$2,525,156
University of Minnesota	\$1,085,532
Regional Total	\$226,499,058

Funds passed through to regional providers via grant agreements. Grant agreements reflect established subrecipient procedures for federal 5307 funds.

CARES Act: Council Allocations

Council Service Allocations	Recommended Distribution
Metro Transit Bus	\$158.9M
Light Rail	\$32.4M
Contracted Fixed Route Bus	\$8.8M
Metro Mobility	\$7.0M
Commuter Rail	\$3.3M
Transit Link	\$3.1M
Planning	\$0.9M
Council Total	\$214.4M

Recommended distribution based upon estimated COVID-induced lost revenues (passenger fares and Motor Vehicle Sales Tax)

CARES Act: Council Summary

Allocation Strategy

- Consistent with CARES Act goals of supporting COVID-induced financial challenges
- Clear and transparent distribution amongst Council modes
- Easy to explain
- Balance CY20 and CY21 budgets in each mode

*will be discussed in more detail as preliminary CY21 budgets are discussed in July Committee and Council meetings

Preliminary Forecasting

- CY20 and *CY21
 - Balanced budgets
 - Program \$140M CARES Act in CY20 and \$74M in CY21
 - Target reserve balances maintained
 - High use of one-time funds in CY 21 (over \$125M)
 - Cost containment and reductions
- CY22
 - Fiscal cliff remains