



FISCAL ISSUE BRIEF
Federal COVID-19 Funding
Transportation

Senate Counsel, Research, and Fiscal Analysis

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The federal government responded to the COVID-19 pandemic by enacting a series of laws that provide funding to states for a variety of purposes. As of June 30, 2020, four federal laws were enacted, one of which affected agencies in the Transportation budget jurisdiction: P.L. 116-136 Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

Table 1 lists the enacted provisions and the amounts allocated to recipients in Minnesota. For amounts received by the state, Table 1 indicates whether, as of June 30, 2020, the Legislative Advisory Commission approved the funding and the date of approval. A summary of the enacted provisions follows Table 1, including the recipients, the purposes of the funding and any restrictions, and the length of time the funding is available.

Table 1. Federal COVID-19 Funding for Transportation

(Dollars in Thousands)

| Law | Federal Awards with State Allocation Estimates | Amount | LAC Approved |
|------------|---|---------------|---------------------|
| 116-136 | FTA Transit Systems Funding – Rural Formula | 54,432 | 4/26/20 |
| 116-136 | FTA Transit Systems Funding – Urbanized Formula | 253,769 | n/a |
| 116-136 | FAA – Airport Improvement Program Grants | 158,379 | 4/26/20 |

Summary of Federal COVID-19 Funding for Transportation

Federal Transit Administration Grants. Additional funding is provided by the Federal Transit Administration (FTA) to metro and greater Minnesota transit providers to prevent, prepare for, and respond to COVID-19. The funding was allocated to recipients of rural area and urbanized area federal formula funds, with no state or local match required, to support capital, operating, and other expenses to respond to COVID-19. This includes expenses of administrative leave for transit personnel due to reduced operations. Rural area formula funds from the FTA were deposited in the Federal Fund and distributed to providers by the Minnesota Department of Transportation after approval through the Legislative Advisory Commission (LAC) federal funds review process. Urbanized area formula funds were distributed directly from the FTA to the transit providers (including the Metropolitan Council) and were not subject to state legislative approval.

Federal Aviation Administration Grants. Funding is provided by the Federal Aviation Administration (FAA) to Minnesota airports that are experiencing severe economic disruption caused by the COVID-19 pandemic. FAA funds are intended to support continuing airport operations, for expenses incurred beginning January 20, 2020, and are available until expended. No state or local match is required, but the FAA funds include workforce retention requirements for hub and primary airports. The funds are deposited in the Federal Fund and distributed to airports by MNDOT according to federally determined allocations, after approval through the LAC federal funds review process.

This Fiscal Issue Brief reflects public information for federal COVID-19 funding that was available in early June 2020. Federal agencies continue to provide information and allocation amounts for enacted funding programs. For the most current information for any of the provisions discussed in this Fiscal Issue Brief, please contact Krista Boyd (krista.boyd@senate.mn, 651-296-7681).