

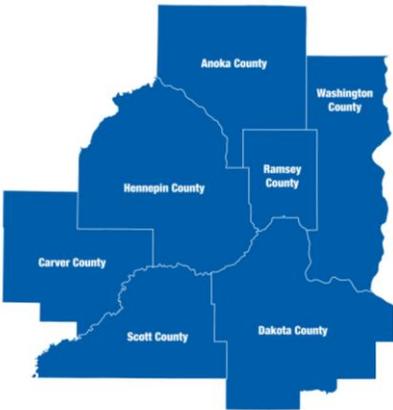
LEGISLATIVE REPORT ON THE CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT (CARES)



The Council's mission is to foster efficient and economic growth for a prosperous metropolitan region

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The Metropolitan Council is the regional planning organization for the seven-county Twin Cities area. The Council operates the regional bus and rail system, collects and treats wastewater, coordinates regional water resources, plans and helps fund regional parks, and administers federal funds that provide housing opportunities for low- and moderate-income individuals and families. The 17-member Council board is appointed by and serves at the pleasure of the governor.

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Purpose

This is a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy, by February 15, 2021 on the expenditures made under the Coronavirus Aid, Relief, and Economic Security Act (CARES), as required by the Laws of Minnesota 2020, Chapter 74, Article 1, Section 10.

Introduction

With the impacts of COVID 19, we are in unprecedented times and our budgets reflect the risk of these times. With the pandemic continuing, we face significant challenges and many unanswered questions about transit services in the near and long term and have faced the sudden loss of 60-70% of our ridership while initiating an extensive maintenance cleaning program for all vehicles, customer facilities, and support facilities. Transit Operations in 2020 and into 2021 have included many significant operational changes and include:

- Daily cleaning and disinfecting of buses and rail cars and facilities.
- Limiting rider capacity on bus.
- Moving larger buses to our busiest routes and adding unscheduled trips to keep capacity down.
- Requiring face coverings for riders.
- Installing barriers to separate riders and operators as we return to front-door boarding.
- Temperature screening for employees.
- Providing protective equipment to our operators and handing out masks to our riders.

The Metropolitan Council's 2020 and 2021 budgets have been balanced by programming federal CARES Act funding and use of reserves. Absent federal CARES Act funding, we would be telling a very different story.

Coronavirus Aid, Relief, and Economic Security (CARES) Act

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, Public Law 116-136 was signed into federal law on March 27, 2020. The total CARES Act was more than \$2 trillion and provided widespread assistance to individuals, corporations, and state and local governments. Within the CARES Act was an amount for transit infrastructure grants of \$25 million to remain available until expended to prevent, prepare for, and respond to the coronavirus. The funds provided under the transit infrastructure grants are available to support transit agency respond to the coronavirus public health emergency.

Under the CARES Act, the State of Minnesota was allocated over \$308 million in transit infrastructure grants with \$226,499,058 being allocated to the Metropolitan Council for regular route bus, light rail, commuter rail, Metro Mobility, contracted services and suburban transit providers. The transit infrastructure grants are administered under the rules of the Federal Transit Administration (FTA). All federal grantees must follow FTA federal grant rules and guidelines for qualified expenses including subrecipient monitoring of the opt out providers. The CARES Act funds are for expenses incurred beginning on or after January 20, 2020 with no local match requirement. The Metropolitan Council submitted its grant application on April 30, 2020 with a final FTA approved grant on May 29, 2020.

The CARES Act allocation methodology was based upon inputs from the National Transit Database (NTD) and FTA federal formulas. This allocation methodology resulted in a \$214,367,788 allocation to the Metropolitan Council and a \$12,131,270 allocation to opt out providers.

Expenses

Summary

86% of total regional federal CARES Act funds were spent in 2020. All remaining funds will be spent in 2021. CARES Act spent to date:

- Salaries and benefits of transit staff (83%)
- Transit provider expenditures for contracted transit services including Metro Mobility, Transit Link and contracted fixed routes (9%)
- Pass-thru grants to opt out providers: Maple Grove, Minnesota Valley Transit Authority, Plymouth and SouthWest Transit (6%)
- Fuel (1%)
- Materials and cleaning supplies (1%)

Details¹

	Opt Out Providers	Metro Mobility	Contracted Fixed Route	Transit Link	Metro Transit Bus	Metro Transit LRT	Metro Transit Commuter Rail	Total
Grant Award	12,131,270	12,898,947	8,623,110	3,845,383	148,946,460	36,689,518	3,364,370	226,499,058
Activity								
Salaries & Benefits		3,276,593	1,004,917	457,481	147,727,928	10,530,659	153,092	163,150,670
Fuel		2,253,173						2,253,173
Materials and Supplies					1,218,532	159,551	8,080	1,386,163
Transit Provider Expenditures		5,658,381	7,618,193	3,387,902				16,664,476
Pass-Thru Grants	12,131,270							12,131,270
Total Draw Amount	12,131,270	11,188,147	8,623,110	3,845,383	148,946,460	10,690,210	161,172	195,585,752
Grant Balance	-	1,710,800	-	-	-	25,999,308	3,203,198	30,913,306

Expense Activity Descriptions

Salaries & Benefits	salaries and benefits of transit staff
Fuel	bus fuel for transit services
Materials & Supplies	cleaning materials and supplies (e.g., PPE)
Transit Provider Expenditures	Transit services provided through contracts with private and governmental organizations for Metro Mobility, Contracted Fixed Route, and Transit Link service. Expenses include, but are not limited to, operator salaries and benefits and fuel.
Pass-Thru Grants	Transit services provided by Maple Grove, Minnesota Valley Transit Authority, Plymouth and SouthWest Transit through contracts with private organizations. Expenses include, but are not limited to, operator salaries and benefits and fuel.

¹ Expense details as of 12/31/2020. Prepared 2/9/2021 – final year end numbers are unaudited and still under review. Opt out providers include Maple Grove, Minnesota Valley Transit Authority, Plymouth and SouthWest Transit.



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