

# LEGISLATIVE REPORT ON FEDERAL PANDEMIC RELIEF FUNDS



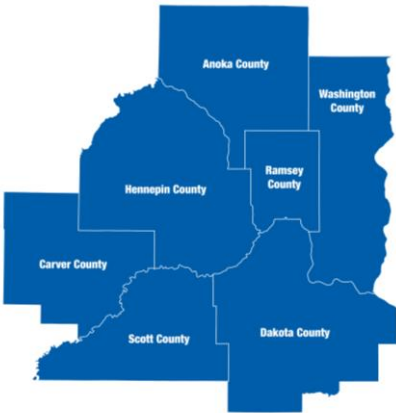
March 2022

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

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## Metropolitan Council Members

Charlie Zelle	Chair	Raymond Zeran	District 9
Judy Johnson	District 1	Peter Lindstrom	District 10
Reva Chamblis	District 2	Susan Vento	District 11
Vacant	District 3	Francisco J. Gonzalez	District 12
Deb Barber	District 4	Chai Lee	District 13
Molly Cummings	District 5	Kris Fredson	District 14
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Robert Lilligen	District 7	Wendy Wulff	District 16
Abdirahman Muse	District 8		



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, on the expenditures made under federal law, rule, grant, or loan relating to the infectious disease known as COVID-19, as required by the Laws of Minnesota 2020, Chapter 100, Article 1, Section 25(d).

## Introduction

With the impacts of COVID 19, we remain 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 pandemic relief funding and use of reserves.

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

The Coronavirus Aid, Relief, and Economic Security Act (CARES) was signed into federal law on March 27, 2020.

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

91% of total regional federal CARES Act funds were spent in 2020 and 2021. CARES Act funds spent to date:

- Salaries and benefits of transit staff (83.3%)
- Transit provider expenditures for contracted transit services including Metro Mobility, Transit Link and contracted fixed routes (8.9%)
- Pass-thru grants to opt out providers: Maple Grove, Minnesota Valley Transit Authority, Plymouth, and SouthWest Transit (5.8%)

- Fuel (1.0%)
- Materials and cleaning supplies (.7%)

### Details<sup>1</sup>

	Opt outs	Met Mo	Fixed route	Transit Link	MT Bus	MT LRT	Northstar	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		
Uses:										
Salaries & Benefits		3,276,593	1,004,917	457,481	147,727,928	19,567,723	154,745	172,189,387		
Fuel		2,253,173						2,253,173		
Materials and Supplies					1,218,532	378,606	10,672	1,607,810		
Transit provider exp		10,393,176	7,873,112	3,662,728				21,929,016		
Pass through grants	12,131,270							12,131,270		
Less: Fare Revenue		(3,023,995)	(254,919)	(274,826)				(3,553,740)		
Total draws thru 12/31/2021	12,131,270	12,898,947	8,623,110	3,845,383	-	148,946,460	19,946,329	165,417	-	206,556,916
Balance available	-	-	-	-	-	-	16,743,189	3,198,953	-	19,942,142

## Coronavirus Response and Relief Supplemental Appropriations (CRRSAA) Act

The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) was signed into federal law on March 27, 2020.

Under the CRRSAA Act, \$13.262 billion was allocated nationally for transit infrastructure grants with \$185,891,087 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 CRRSAA 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 March 15, 2021, with a final FTA approved grant on May 3, 2021.

The CRRSAA allocation methodology was based upon inputs from the National Transit Database (NTD) and FTA federal formulas. This allocation methodology resulted in a \$175,934,776 allocation to the Metropolitan Council and a \$9,956,311 allocation to opt out providers. Through December 31, 2021, the \$9.9 million had been provided to the opt outs in a grant award, and none of the funds allocated to the Council had been spent.

## American Rescue Plan (ARP) Act

The American Rescue Plan (ARP) was signed into federal law on March 11, 2021.

Under the ARP, over \$26.5 billion was allocated nationally in transit infrastructure grants with \$313,416,510 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 ARP funds are for expenses incurred beginning on or after January 20, 2020,

<sup>1</sup> Expense details as of 12/31/2021. Prepared March 2, 2022, and final year end numbers are unaudited and still under review.

with no local match requirement with funds available through September 30, 2024. The Metropolitan Council submitted its grant application on May 5, 2021, with a final FTA approved grant on May 29, 2021.

The ARP Act allocation methodology was based upon inputs from the National Transit Database (NTD) and FTA federal formulas. This allocation methodology would result in a \$296,629,948 allocation to the Metropolitan Council and a \$16,786,562 allocation to opt out providers. The Council anticipates making grants to the opt outs for their share of the ARP funds in 2022 through a budget amendment going to the Council in April 2022. As of December 31, 2021, none of the ARP funds had been expended.

### *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.



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