

**Thomas Walters & Associates, Inc.**  
*Washington, DC, Update*

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From: Don Gilchrest

Earlier today, the House voted by voice vote to pass H.R. 748, the *Coronavirus Aid, Relief, and Economic Security (CARES) Act*, and the President quickly signed the legislation into law.

Among its numerous provisions, the legislation provides \$36.1 billion in discretionary appropriations for the U.S. Department of Transportation. Of this, \$25 billion is for grants to mass transit agencies. FTA is directed to apportion the funds within 7 days of the bill being signed into law.

The FTA funds will be apportioned as follows:

- §5307 Urbanized Area Formula - \$13.8 billion
- §5311 Rural Area Formula - \$12 billion
- §5337 State of Good Repair Formula - \$7.5 billion
- §5340 Fast-Growth & High-Density State Formula - \$1.7 billion

These grants amount to almost three times what FTA apportions through these formulas in a typical year. The funding will be a 100 percent federal cost-share and will be “available for the operating expenses of transit agencies related to the response to a coronavirus public health emergency...beginning on January 20, 2020, reimbursement for operating costs to maintain service and lost revenue due to the coronavirus public health emergency, including the purchase of personal protective equipment, and paying the administrative leave of operations personnel due to reductions in service...”

It may be possible for an FTA grantee to use the funds for capital programs, but it is clear that the intent is to help transit agencies maintain their operations during the pandemic.

In addition, the legislation provides \$1.018 billion from the general fund for grants to Amtrak. Of this, \$492 million will go for Northeast Corridor grants and \$526 million for National Network grants. Amtrak will have board discretion how to use the funds to respond to the pandemic.

H.R. 748 has several significant programs that are intended to help stabilize the economy and provide assistance to individuals who are experiencing financial distress. Although these programs will not provide direct assistance to SBCAG, they may be of interest because of their importance for protecting the local economy and the tax base upon which your agency depends. Among the most significant of these provisions are the following:

- \$454 billion for the U.S. Treasury Credit to provide lending support to businesses. This program might also allow the Treasury to support lending to state and municipalities.
- \$350 billion for Small Business Administration forgivable loans, which are to help businesses meet payroll and pay for rent and utilities, etc.
- Significantly expanded unemployment benefits that will provide an additional \$600 per week payment to each recipient and provide an additional 13 weeks of unemployment benefits through December 31, 2020.
- Direct cash payments to most individuals. These 2020 recovery rebates of \$1,200 (\$2,400 married), with an additional \$500 per child, will be paid to all US residents with adjusted gross income up to \$75,000 (\$150,000 married), who are not a dependent of another taxpayer and have a work eligible social security number.
- A Job Retention Tax Credit will provide a refundable payroll tax credit for 50 percent of wages paid by employers to employees during the COVID-19 crisis.

We expect significant follow-up legislation to be proposed in April and May to provide additional economic and public health assistance. This could include substantial investment in transportation programs, with an expedited and expanded surface transportation reauthorization being one of the options that has been suggested. We'll continue to coordinate with you and your staff to advocate for the federal program adopted by your Board and opportunities to provide funding assistance to SBCAG.

Please let me know if I can provide additional information about any of these issues.