

Summary
Coronavirus Response and Relief Supplemental Appropriations Act
(aka CRRSAA, H.R. 133, COVID Relief)

Enacted by Congress in December 2020, the Federal Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) provides \$900 billion in funding relief for individuals, families, businesses, and specified government agencies. For transit and road projects, the Act includes:

- \$14 billion for distribution by the Federal Transit Administration (FTA). **METRO is expected to receive about \$13.5 million** in CRRSAA funding. Earlier in 2020, \$20 million in funds were awarded to METRO through the CARES Act.
- \$10 billion for distribution by the Federal Highway Administration (FHWA), which includes **\$911 million to California**. In addition to traditional Surface Transportation Block Grant Program (STBG) eligibilities, the federal Act and FHWA guidelines allow funds to be used for preventive maintenance, routine maintenance, operations, personnel, including salaries of employee (including those employees who have been placed on administrative leave) or contractors, debt service payments, availability payments, and coverage for other revenue losses. Funds may also be transferred to public tolling and ferry agencies.

Currently Many Unknowns

The California Transportation Commission (CTC) will consider options for distributing funds at its March 24, 2021 meeting. CTC staff has proposed, and there seems to be general consensus, that 60% of the \$911 million in highway funds go to state programs (e.g. State Highway Operation and Protection Program (SHOPP) and Interregional Transportation Improvement Program (ITIP)) and 40% of funds flow to projects selected by Regional Transportation Planning Agencies (SCCRTC). **There are many unknowns and staff will present recommendations at future meetings based on CTC actions.**

How will funds be distributed? The scenarios currently under consideration include:

- Programming 100% of the "regional" funds through the State Transportation Improvement Program (STIP) = 75% population/25% centerline mile based formula
- 100% of the funds flow to regions on a population-basis, similar to the Surface Transportation Block Grant Program (STBG) program

- A hybrid option where about 50% of the funds flow through the STIP and 50% through the Surface Transportation Block Grant/Regional Surface Transportation Program Exchange (STBG/RSTPX) programs
- \$182 million off the top to large urban areas, with balance split among remaining agencies in the state.

How Much? Under the first three scenarios, funding available for SCCRTC-selected projects would be about **\$2.5 million**.

Eligible Uses? While federal regulations allow more flexible use of CRRSSA, due to state regulatory constraints, if funds flow through the STIP only 5% of the region's share could be used for non-capital projects, such as routine maintenance, salaries, debt service, and revenue losses. If the federal funds are used for these non-traditional uses, they are still subject to federal rules (e.g. Buy American, contracting, etc).

Federal or State Funds?

Caltrans and CTC staff are looking into whether these new FHWA COVID funds (either through the STIP or STBG) could be focused on larger projects/regions and free up state funds for smaller regions. While there may be some projects in the region that could be federalized and use these funds quickly, most agencies have expressed preference for the state to exchange funds among projects and free up non-federal funds for locally-selected projects in smaller regions.

Programming Process?

Regions in the state, including RTC staff, are considering a variety of options for programming the funds, depending on whether they are state or federal cash, flow through the STIP or STBG or RSTPX programs and guidelines that will be established by the CTC and/or Caltrans. Ideas some regions are considering include focusing the COVID funds on projects that are already or can be easily federalized, funding cost increases on existing projects, freeing up (supplanting) more flexible funds, formula distribution based on COVID-related revenue losses documented by transportation providers, competitive grant programs, programming funds in combination with other state and federal funds (including 2022 STIP, STBG) later this year.