

LEGISLATIVE REPORT ON FEDERAL PANDEMIC RELIEF FUNDS

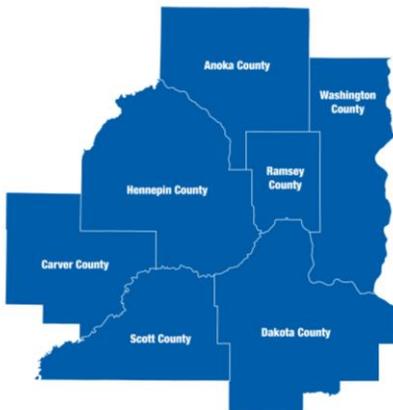


March 2023

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, 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. 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.

The Metropolitan Council's 2020, 2021, 2022, and 2023 budgets have been balanced by extensive programming of federal pandemic relief funding.

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 Replacement Service Program providers as defined in Minnesota Statute 473.388. 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 Replacement Service Program Providers.

Expenses

Summary

100% of total regional federal CARES Act funds have been spent through 12/31/2022. CARES Act funds spent to date:

- Salaries and benefits of transit staff (80.6%)
- Transit provider expenditures for contracted transit services including Metro Mobility, Transit Link and contracted fixed routes (9.5%)
- Pass-thru grants to Replacement Service Program providers: Maple Grove, Minnesota Valley Transit Authority, Plymouth, and SouthWest Transit (5.4%)
- Fuel (3.8%)
- Materials and cleaning supplies (.7%)

Details

	Replacement Service Program Providers	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	37,442,440	2,611,448	226,499,058
Uses:								
Salaries & Benefits		3,276,593	1,004,917	457,481	141,165,631	37,003,653	2,601,681	185,509,956
Fuel		2,253,173			6,562,297			8,815,470
Materials and Supplies					1,218,532	438,787	9,767	1,667,086
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 12/31/2022	12,131,270	12,898,947	8,623,110	3,845,383	-	148,946,460	37,442,440	2,611,448
Balance available	-	-	-	-	-	-	-	-

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, 2022, the \$9.9 million had been provided to the Replacement Service Program providers 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, 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 the Replacement Service Program providers. The Council made these grants for their share of the ARP funds in 2022.

Expenses Summary

44.6% of total regional federal ARP funds have been spent through 12/31/2022. ARP funds spent to date:

- Salaries and benefits of transit staff (51.4%)
- Transit provider expenditures for contracted transit services including Metro Mobility, Transit Link and contracted fixed routes (27.6%)
- Pass-thru grants to Replacement Service Program providers: Maple Grove, Minnesota Valley Transit Authority, Plymouth, and SouthWest Transit (11.6%)
- Fuel (9.4%)

Details

	Replacement Service Program Providers	Met Mo	Fixed route	Transit Link	MT Bus	MT LRT	Northstar	Total	
Grant award	16,786,562	31,000,000	9,000,000	3,400,000	63,595,699	16,002,860	-	313,416,510	
Uses:									
Salaries & Benefits		2,424,275	775,403	440,323	54,980,272	15,977,777		74,598,050	
Fuel		4,936,712			8,615,427	25,083		13,577,222	
Materials and Supplies								-	
Transit provider exp		27,910,989	8,717,405	3,359,352				39,987,746	
Pass through grants	16,786,562							16,786,562	
Less: Fare Revenue		(4,271,976)	(492,808)	(399,675)					
Total draws thru 12/31/2022	16,786,562	31,000,000	9,000,000	3,400,000	-	63,595,699	16,002,860	-	139,785,121
Balance available	-	-	-	-	-	-	-	-	173,631,389

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 though 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 though contracts with private organizations. Expenses include, but are not limited to, operator salaries and benefits and fuel.



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