

House Begins Drafting Next Round of COVID Transit Relief Funding

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As a new session of Congress and a new presidential administration in the White House begin settling into their respective roles and relationships, legislative attention has turned to a new round of COVID-19 relief and recovery spending.

In early February, the House Transportation and Infrastructure Committee (“T&I”) began drafting its version of COVID-19 relief spending for transit, as part of what will become a “budget reconciliation” measure. The details are interesting, but are far from certain. After all, the committee’s initial draft is subject to amendment within the committee, then may be further amended as the full House debates and passes its overall budget reconciliation bill, and are subject to yet further amendment when the House and Senate negotiate any differences between the reconciliation bills that are passed in their respective chambers.

In other words, nothing below is set in legislative stone, but let’s take a look at where the House T&I Committee is starting down this path.

- Overall, this round of COVID-19 relief would deliver another \$30.0 billion to transit agencies, in addition to what was provided through the “CRRSAA” and “CARES” relief packages enacted in December 2020 and March 2020, respectively.
- This round of transit funds would carry a three-year time limit of availability, which is very different from the lack of time limits under CARES and CRRSAA.
- In general, these newest funds would be expected to be spent on transit payrolls, pandemic-related administrative leave benefits, sustained transit operations, and other operating expenses associated with pandemic prevention, preparation and response (such as personal protective equipment, cleaning and disinfecting, health- and safety-related improvements to vehicles and facilities, etc.); that’s a lot more specific than what was allowed under CARES or CRRSAA.
- Like CARES and CRRSAA, these funds could be used to cover up to 100 percent of eligible project expenses.
- Urban transit systems would receive \$26.1 billion, allocated under a unique formula that looks at 2018 operating expenses, CARES allocations, CRRSAA allocations and the funding made available under this reconciliation measure. On one hand, the formula would assure that every urbanized area gets something under this plan;

however, most areas wouldn't get very much money. Instead, that formula would help direct 75 percent of the funds to 15 or 16 of the largest urbanized areas in the country, and that a majority of all these particular pandemic relief funds (54%) would be allocated to five specific urbanized areas: New York – Newark, Los Angeles – Long Beach – Anaheim, Chicago, Washington, and San Francisco – Oakland.

- States and possessions with rural transit systems would receive \$280.9 million, allocated in a manner that looks at percentages of operating expenses as compared to CARES and CRRSAA allocations. Every state would receive something under this plan, in contrast with CRRSAA, but these allocations are likely not to have any correlation whatsoever with the standard statutory apportionments under Section 5311. States would be expected to spend 15 percent of their apportionments for rural intercity bus services, in accordance with Section 5311(f), and \$30.0 million of those rural transit funds would be allocated to tribal transit programs in accordance with the standard Section 5311(c) formula.
- The Section 5310 program would receive an additional \$50.0 million, which would be allocated to states (for rural and small-urban areas) and large-urban areas in direct proportion to the administrative funding formula FTA uses for “regular” Section 5310 apportionments. In other words, Section 5310 recipients would be slated to receive the same amounts of supplemental pandemic relief funding under this measure as they recently received under CRRSAA.
- The draft House plan would direct \$1.25 billion toward Section 5309 Capital Investment Grant projects, and would give FTA a \$2.2 billion program of discretionary pandemic relief grants.
- In addition to the above amounts, the House plan would provide another \$100.0 million to rural intercity bus services, supplementing what they would receive through the states' set-asides of the above-mentioned rural transit relief. There also would be a supplemental boost of \$25.0 million to help urban areas' transit systems with pandemic-related service planning.

Remember, NONE OF THE ABOVE IS A DONE DEAL. Everything mentioned here is subject to considerable re-working and negotiation, as the relief-related budget reconciliation bill moves forward through the House and Senate.

