

NOTICE OF PROPOSED GUIDANCE DOCUMENT

CARES Act Implementation

Pursuant to Wis. Stat. s. 227.112, the Wisconsin Department of Transportation is hereby seeking comment on a proposed guidance document related to federal Coronavirus Aid, Relief, and Economic Security (CARES) Act implementation and Wis. Statute 85.20.

PUBLIC COMMENTS AND DEADLINE FOR SUBMISSION

Comments may be submitted to the Wisconsin Department of Transportation for 21 days by:

1. Department's website:

https://trust.dot.state.wi.us/act369/?id=DTIM183&uri=file:CARESACT_85_20LocalMatch&division=DTIM&tags=85.2

2. Mailing written comments to:

Division of Transportation Investment Management
Wisconsin Department of Transportation
4822 Madison Yards Way, Sixth Floor South
PO Box 7913
Madison, WI 53707- 7913

WEBSITE LOCATION OF FINAL GUIDANCE DOCUMENT

The final version of this guidance document will be posted at wisconsindot.gov to allow for ongoing comment.

AGENCY CONTACT DOT

DOTDTIMGuidanceDocs@dot.wi.gov



July 1, 2020

Guidance Regarding the Use of CARES Act Funds as 85.20 Local Match

In the spring of 2020, the Federal Transit Administration (FTA) apportioned over \$200 million in federal Coronavirus Aid, Relief, and Economic Security (CARES) Act public transit funding in response to the COVID-19 public health emergency. These funds are available to support capital, operating, and other related expenses to prevent, prepare for, and respond to COVID-19.

Transit systems have experienced significant reductions in ridership and fare revenue due to COVID-19. The Wisconsin Department of Transportation (WisDOT) has received multiple inquiries about whether CARES Act funds can be used to match state transit operating assistance grants defined in Wisconsin Statute 85.20. WisDOT has the authority to administer the Urban Mass Transit Assistance Program as outlined in 85.20(3).

Allowing 85.20 aid to be matched with CARES Act funding would enable communities to preserve local dollars and take full advantage of state funds appropriated by the legislature to support public transit.

Wisconsin Statute 85.20(4m) requires that systems provide 20 percent local match to these grants that is typically committed from tax levy sources. Transit systems that operate shared ride taxi service are excepted from this requirement.

Wisconsin Administrative Code Trans 4.06(3) further states, "No in-kind services, federal or state categorical financial aids or passenger revenues are allowed as part of the local contribution."

However, WisDOT recognizes CARES Act funding, because of its emergency nature and broad scope, to be sufficiently different from annual allocations of federal aid that Trans 4 prohibits from use as local match.

FTA allows states flexibility with CARES Act funding as to how to specifically sub-award eligible expenses in accordance with their existing programs, and what conditions are applied to subrecipients. Moreover, CARES Act funds are supplemental to, not a replacement of, annual federal formula funds received by WisDOT and urban transit systems via the Fixing America's Surface Transportation Act transportation reauthorization bill.

Therefore, WisDOT deems CARES Act funds eligible to match 85.20 program grants.