



# STAFF REPORT

---

**DATE:** May 11, 2020

**TO:** Sacramento Regional Transit Board of Directors

**FROM:** Brent Bernegger, VP, Finance/CFO

**SUBJ:** AUTHORIZING THE GENERAL MANAGER/CEO TO SUBMIT AND EXECUTE FEDERAL TRANSIT ADMINISTRATION GRANTS FOR CARES ACT FUNDS

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Approval of this action will allow the General Manager/CEO to submit and execute Federal Transit Administration (FTA) grants for Coronavirus Aid, Relief, and Economic Security (CARES) ACT funds for Fiscal Year (FY) 20, FY21, and later years' costs.

FISCAL IMPACT

Allows the General Manager/CEO to apply for CARES Act funding for FY20, FY21, and later years without requiring additional SacRT Board approvals. This approval will provide SacRT with approximately \$95 million in CARES Act funding to reimburse expenses incurred that are related to COVID 19 needs.

DISCUSSION

On March 27, 2020, the CARES Act was signed into law. Among other provisions, the Act provides emergency appropriations to fund public transportation. The FTA is allocating \$25 billion formula funds nationwide to transportation agencies to fund operating, capital, and other expenses eligible under the formula programs to prevent, prepare for, and respond to COVID-19. SacRT's share of the CARES Act funding is \$95 million. In addition, SacRT will be applying for CARES Act funding to provide funding for Paratransit Inc.(\$4.0 million) and El Dorado County Transit Authority (\$950,866).

The statewide shelter in place mandate and related measures in response the COVID-19 pandemic have severely impacted SacRT's fare revenues and local and state funding sources since March 2020. While SacRT has reduced service and costs in response to demand, the decline in revenues has been significantly greater. At this time, the duration of the financial impact is unknown and depends on a number of factors including the timing and extent of relaxing of the imposed restrictions.

CARES Act funding will be needed to offset declines in the revenue sources identified above. CARES Act funding is retroactive to January 20, 2020 and is available until expended. SacRT intends to apply CARES funding to FY20 and FY21 costs, and, if available, to costs in subsequent fiscal years. Most of the funding will be used to offset lost fares and local and state operating revenues.

SacRT cannot request CARES Act funding for FY21 and subsequent years without Board approval. The Board will consider approval of the FY21 SacRT budget in early June 2020. Authorizing the General Manager/CEO to submit and execute the CARES Act now allows quicker access to CARES Act funds, and avoids the additional effort of splitting funding requests between fiscal years and the resultant delay in receiving CARES Act funding.

Staff recommends authorizing the General Manager/CEO to submit/execute FTA grants for CARES Act funds in order to expedite the receipt of these funds.

RESOLUTION NO. 20-05-0031

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

May 11, 2020

**AUTHORIZING THE GENERAL MANAGER/CEO TO SUBMIT AND EXECUTE  
FEDERAL TRANSIT ADMINISTRATION GRANTS FOR CARES ACT FUNDS**

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the General Manager/CEO is hereby authorized to submit and execute Federal Transit Administration (“FTA”) grants for Corona Virus Aid, Relief, and Economic Security (CARES) Act funds.

---

STEVE HANSEN, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary