

NMDOT GOAL: To keep you ready and able to come back at full service when the public emergency is lifted, and assist with local revenue loss by providing you with federal funds with no local match for a period of time. Expend these funds to the best of your ability, and reserve local funds for match from your cost saving from FYs 20 and 21, if possible, once local match requirements go back into effect.

How will it work?

- Beginning with your March 2020 invoice, you will be reimbursed for all eligible administrative and net operating expenses at 100% Federal share. No local match is required. This will continue until the end of the current program year 2020. The 80/20 match requirement still applies to capital purchases.
- Starting in program year 2021, your baseline operating and administrative awards will be the same as your program year 2020 operating and administrative awards, and eligible net operating costs and administrative costs will be reimbursed at 100% Federal share. Operating and administrative funds in addition to your baseline award will not be funded with CARES Act funds. Those net operating costs will be reimbursed at the usual 50% Federal share, and those administrative funds will be reimbursed at the usual 80/20 match ratio. This arrangement will continue as long as CARES Act funds are available. We believe we can continue reimbursing baseline operating and administrative costs at 100% through all of program year 2021, but this may change.
- CARES Act funds cannot be used as match to regular 5311 or 5339 funds.

How do we apply?

- No application is necessary. In the coming days, we will send you an amendment to your existing 2020 MOA with language that allows us to match eligible operating and administration expenses from March 1, 2020 to September 30, 2020 at 100% Federal share.

What are eligible expenses?

- Any expenses that are eligible for Section 5311 administrative or operating funds are also eligible for CARES Act funds. Enhanced cleaning and sanitizing of vehicles and facilities, the purchase of Personal Protective Equipment, and retrofitting vehicles to provide a Plexiglass (or other) barrier for drivers are all allowable expenses. The CARES Act also specifically allows reimbursement of paid administrative leave for any staff who experience a reduction in work hours due to reduced service or the need to self-quarantine or be hospitalized for exposure to COVID-19.
- It is OK to operate fare-free if you choose to do so. If you are continuing to collect fares, those fares must be deducted from your operating expenses as usual.
- Delivery of meals, groceries, prescriptions and other essential items is an eligible operating expense, as long as you have the capacity to do so without reducing your current (public emergency) level of service. This includes transporting schoolchildren to lunch programs and helping distribute supplies to area food banks.

How does this work in Blackcat?

- The only difference in how you prepare and submit your invoices in Blackcat will be the contract you choose in the dropdown list when adding your March invoice. You will select the 2020 – Section 5311 CARES Act as your contract. You may need to request a budget adjustment to add funds to new line items or move funds between existing line items. You will continue to report your service data.

What about lost revenue?

- FTA has clarified that CARES Act funds cannot be used to fill projected revenue gaps. Operators cannot receive a lump sum payment for estimated lost revenue in the future. Like 5311 funds, CARES Act funds also operate on the principle of cost reimbursement.
- Reimbursing at 100% Federal share is intended to pay for the expenses that your lost revenue would have covered under traditional match ratios.

FTA has a [Frequently Asked Questions page](#) (Ctrl and click to follow the Link) that is updated regularly. Please bookmark it in your browser.