



COLORADO

Department of Transportation

Colorado Implementation of the CARES Act, Phase 2



CARES Act - Colorado Approach

%	ACTIVITY	PHASE 1	PHASE 2	TOTAL
10%	Administration <ul style="list-style-type: none"> • Program Oversight • Statewide Technical Assistance incl. CASTA Conference • Statewide Pandemic Preparedness Planning for Transit 	\$2.3 M	\$1.6 M	\$3.9 M
15%	Intercity Bus Network (7 Agencies) <ul style="list-style-type: none"> • Bustang & Outrider • Rural Regional Routes • National Intercity Carriers 	\$3.6 M	\$2.4 M	\$6 M
75%	Rural Colorado Transit Agencies (41 Agencies)	\$17.9 M	\$11.9	\$29.8
				\$39.7 M



CARES Act - Phase 1 Results to Date

Agency Size Categories (Measured by Annual Budget)	# Agencies	Phase 1 Award Totals	% by Size Category	Amount* Reimbursed	% Reimbursed*
Very Large (>\$4 M budget)	6	\$12,072,428	68%	\$ 8,431,311	70%
Large (\$2 M - \$3.99 M budget)	5	\$ 2,680,534	15%	\$ 2,160,480	81%
Medium (\$0.5 M - \$1.99 M budget)	10	\$ 1,948,567	11%	\$ 1,246,733	64%
Small (\$0.2 M - \$0.49 M budget)	16	\$ 1,038,995	6%	\$ 168,641	16%
Very Small (<\$0.2 M budget)	4	\$ 124,143	1%	\$ 60,635	49%
Totals	41	\$17,864,667	100%	\$12,067,800	68%
*As of June 30, 2020					



Level of Service Concern

Distribution Request	Pro	Con	Recommendation or Action
<p>Consider Agencies' Level of Service during the Stay-at-Home Order</p>	<ul style="list-style-type: none"> Smaller agencies have upwards of 50% of their budget covered by “regular” 5311 funds, so are less affected by COVIDs impacts on their budget. Larger, resort agencies larger agencies typically only receive 3-21% of their budget from 5311 funds and their budgets are more affected by COVID impacts on sales tax revenues. Agencies which maintained a higher level of operation were responsible, not only for payroll, but higher fuel, maintenance, PPE, and cleaning expenses, many of these expenses directly related to the legislative intent of the CARES Act. 	<ul style="list-style-type: none"> Other than full-service, reduced-service, or suspended service, a “level of service” is hard to measure. Agencies who chose, or were forced by other regulatory agency rules into suspended service should not be penalized in their eligibility for funds. Very small & small agencies were disproportionately put into “suspended” service by other agencies’ rules. Agency size is already considered, and therefore level of operations is less salient. The smallest 20 agencies received a combined \$1.25 Million or 7% of all CARES Act funds. It is difficult to use “suspended” conditions to improve the outcomes of the 20 largest agencies with so little funding for the smallest. 	<ul style="list-style-type: none"> From the survey, the average rural agency is seeing a 12% increase in costs for COVID-related expenses and a 23.5% loss in revenue, for an average combined 35% budget impact. Generally the responses indicate that large and very large agencies may be less impacted (have more funding sources) than medium, small, or very small agencies.



Rate of Spending Concern

Distribution Request	Pro	Con	Recommendation or Action
<p>Phase 2 distribution should not be awarded if Phase 1 funds have not been expended</p>	<ul style="list-style-type: none"> Quickly spending the funds can be a relevant indicator of how urgent the need is. Unspent funds could be an indicator that needs have been reasonably met for 2020, so remaining funds should go to other agencies. 	<ul style="list-style-type: none"> One of the agencies that expressed being under-funded by Phase 1 was among the last agencies to sign a CARES Act contract, the delay is <u>not</u> indicative of lesser need, but of the agency’s own contract workload. Not spending the CARES Act funds quickly could be that some agencies are holding the funds for later-in-the-year “rainy days” despite advice not to, or that 2021 is a bigger concern. Other feedback given to CDOT suggests that even waiting until July for Phase 2 distribution is “too late” or makes Colorado appear like \$12 Million aren’t being used. 	<ul style="list-style-type: none"> CDOT can prioritize contracts for those who have spent a high percentage of, or have completely exhausted Phase 1 funds. CDOT check in with and/or monitor a few agencies who have a lower percentage of Phase 1 funds spent.



Expiration Date Concern

Distribution Request	Pro	Con	Recommendation or Action
<p>CDOT should extend the contract period for CARES Act funds beyond December 31, 2020, to respond to concerns about 2021 budgets.</p>	<ul style="list-style-type: none"> • CARES Act funds are available until expended and do not have the typical 3-year “clock” on them. • More schedule flexibility would allow agencies to manage their finances • Although there are proposals for a transportation bill and/or additional “stimulus” bills in Congress, this is an election year and such bills are not certain. CARES Act funds are in-the-bank and may be the only helpful funds through early 2021. 	<ul style="list-style-type: none"> • CARES Act legislative intent is to help transit agencies during the 2020 COVID crisis. • CDOT has December 31 contract expirations to prevent the roll-over of funds because most federal funds have a “clock” on them and not using funds in a timely way is perceived something between lack of need and outright mismanagement. 	<ul style="list-style-type: none"> • CDOT will continue to monitor the draw-down of CARES Act Phase 1 funds and consider extending those contracts later in 2020. • CDOT can issue Phase 2 contracts with an expiration of December 31, 2021.



Urban Area Concern

Distribution Request	Pro	Con	Recommendation or Action
<p>Consider CARES Act 5307 funding shares to other transit providers in the Denver-Boulder UZA</p>	<ul style="list-style-type: none"> This is a good comment. The CARES Act funds, overall, are distributed by formulas looking at urban (5307), rural (5311/5311f), and tribal programs (5311c), and un-intentionally did not address 5310 agency needs. 	<ul style="list-style-type: none"> CDOT managed CARES Act funds are generally not eligible for use in the urbanized areas. Whatever CDOT does in the DRCOG region, will need to be consistently applied in the NFRMPO, PPACG, PACOG, and GVMPO regions. CDOT did receive money (\$1 Million) and direction from the state legislature to assist “vulnerable” and senior transportation services, which is proposed to go to 5310 urban and rural recipients. 	<ul style="list-style-type: none"> These 35 5310 agencies will receive the “vulnerable” fund money separate from the CARES Act Phase 2 discussion. CDOT encourages other communities and providers in urban areas to dialogue with 5307 recipients of CARES Act funding.



Proposed Phase 2 Approach

1. Adjust the Phase 2 distribution slightly away from large and very large agencies, and toward medium to very small agencies. This would look like CARES Act funding replacing close to 25-28% of all funding (Phase 1 + 2) for large and very large agencies, and close to 33-34% (Phase 1 + 2) for all medium to very small agencies.
2. Write Phase 2 contracts to have an expiration date of December 31, 2021. Monitor Phase 1 contracts for close-out at the end of 2020, or extension, as appropriate.
3. Write Phase 2 contracts to be eligible for capital purposes. Small and Very Small agencies reported more difficulty being able to pay for local match on vehicles.
4. 5310 agencies who are not eligible for the CARES act funding may benefit from at least \$1 Million in funds provided by the state legislature.



CARES Act - Colorado Approach, Proposed Phase 2

AGENCY SIZE CATEGORY	ANNUAL OPERATING BUDGET	5311 GRANT AS % OF OPERATING BUDGET	CARES ACT GRANT AS % OF OPERATING BUDGET (Phase 1 +2)	COMBINED FEDERAL SHARE FOR 2020
Very Large	≥ \$4,000,000	3-4%	25%	28-29%
Large	\$2,000,000 - \$3,999,999	14%	25%	39%
Medium	\$500,000 - \$1,999,999	21%	33%	54%
Small	\$200,000 - \$499,999	45%	33%	78%
Very Small	<\$200,000	50%	33%	83%



CARES Act - Colorado Approach, Phase 2

Phase 2			
Agency	CARES Act	CARES Act	Total Percent
Very Large	Apportionment	Total	Annual Budget
Roaring Fork Transportation Authority (RFTA)	\$ 3,064,876	\$ 8,299,377	27%
Eagle County	\$ 1,272,674	\$ 3,446,273	27%
Summit County (Summit Stage)	\$ 1,057,976	\$ 2,864,894	27%
Aspen	\$ 720,562	\$ 1,951,210	27%
Vail	\$ 536,385	\$ 1,452,477	27%
Mountain Village, Town of	\$ 376,695	\$ 1,020,052	27%
	\$ 7,029,168	\$ 19,034,283	
Large			
Breckenridge, Town of	\$ 472,134	\$ 1,206,087	28%
Steamboat Springs, City of	\$ 395,173	\$ 1,009,489	28%
Snowmass Village, Town of	\$ 377,282	\$ 963,784	28%
Winter Park, Town of	\$ 243,226	\$ 621,332	28%
Durango, City of	\$ 236,505	\$ 604,164	28%
	\$ 1,724,321	\$ 4,404,855	
Medium			
NECALG	\$ 286,268	\$ 574,221	34%
Crested Butte (Mountain Express)	\$ 266,456	\$ 534,479	34%
All Points	\$ 243,126	\$ 487,682	34%
Gunnison Valley Rural Transportation Authority	\$ 234,847	\$ 471,075	34%
Avon	\$ 226,944	\$ 455,223	34%
Glenwood Springs, City of	\$ 216,120	\$ 433,511	34%
San Miguel Authority for Regional Transportation	\$ 181,492	\$ 364,052	34%
Senior Resource Development Agency, Pueblo, Inc. (Pueblo SRDA)*	\$ 28,900	\$ 57,970	34%
Town of Telluride	\$ 145,301	\$ 291,456	34%
Black Hawk-Central City	\$ 107,719	\$ 216,072	34%
	\$ 1,937,173	\$ 3,885,740	

Phase 2			
Agency	CARES Act	CARES Act	Total Percent
Small			
UAACOG	\$ 74,259	\$ 148,956	34%
Prowers County	\$ 70,261	\$ 140,936	34%
Cripple Creek	\$ 61,710	\$ 123,783	34%
Estes Park	\$ 94,420	\$ 189,395	34%
Clear Creek County	\$ 60,843	\$ 122,044	34%
Lake County	\$ 51,619	\$ 103,541	34%
Neighbor to Neighbor Volunteers	\$ 48,124	\$ 96,532	34%
Bent County	\$ 44,188	\$ 88,635	34%
East Central Council of Governments	\$ 38,292	\$ 76,810	34%
Teller Senior Coalition	\$ 37,707	\$ 75,636	34%
Park County	\$ 15,300	\$ 30,690	34%
Via Mobility Services*	\$ 149,585	\$ 300,049	34%
Disability Services, Inc. (Envida, Amblicab)*	\$ 12,900	\$ 25,875	34%
Western Jefferson County (Via Mobility)*	\$ 97,750	\$ 196,075	34%
SoCoCAA	\$ 153,383	\$ 307,668	34%
Huerfano/Las Animas Area Council of Governments (SCCOG)	\$ 114,026	\$ 228,722	34%
	\$ 1,124,367	\$ 2,255,348	
Very Small			
Archuleta County	\$ 34,774	\$ 69,649	34%
Dolores County	\$ 33,427	\$ 66,951	34%
Montezuma County	\$ 29,055	\$ 58,196	34%
City of La Junta	\$ 26,523	\$ 53,123	34%
	\$ 123,778	\$ 247,920	
*Rural services only of these largely urban-serving agencies.			
	\$ 11,938,806	\$ 29,828,147	



CARES Act - Next Steps

- TRAC Advice on July 10th
- TC Workshop Advice on July 15th
- Adjustments based on the advice
- Release CARES Act Phase 2 recommendations by July 24th
- Initiate contracting by July 31st

