

CARES Act Stimulus Funds for Airports

Dear Airport Sponsor and Consultant Community,

The Michigan Department of Transportation (MDOT) is transitioning to a more formalized method of communicating with our airport sponsors via MDOT's GovDelivery e-mail system. With this system, each airport sponsor will be able to control their own subscription preferences. To update your preferences and to ensure you receive future specific airport sponsor items of interest, please visit the following link and select "Aeronautics – Airport News" as your preferred e-mail list: <https://public.govdelivery.com/accounts/MIDOT/subscriber/new>.

In preparation for the upcoming Coronavirus Aid, Relief, and Economic Security (CARES) Act Airport Grant (Coronavirus Stimulus) Program, the MDOT Office of Aeronautics wanted to share the most up to date information we have in order to quickly and efficiently distribute the funds that have been allocated. For general information on the program, please visit https://www.faa.gov/airports/cares_act/. Within this email, there are two specific requests required of all NPIAS sponsors.

Regarding the airport grant portion of the CARES Act, several distinct programs have been established to assist airports with both operational needs and capital improvement programs. It is important to note that, while these programs may mirror the traditional Airport Improvement Program (AIP) from a financial processing standpoint, the eligible airports, eligible expenses, and processes will vary. These two grant processes, referred to generally as the "Operational Grants" and "Capital Improvement 100 Percent Federal Funds" grants, are outlined below:

1. General Aviation Operational Grants

The first collection of funds is intended to stabilize airport operational needs. Funds have been allocated by Federal Aviation Administration (FAA) headquarters based on ASSET Study airport classification and ranges from \$1,000 to \$157,000 per general aviation airport. Primary airports are receiving funds based on a separate formula to be administered by FAA.

These funds are available to cover any cost for which airport funds can traditionally be used per the FAA Revenue Use Policy. This is not the same thing as an eligible cost under AIP, which is much narrower than the FAA Revenue Use Policy. For more information on the FAA Revenue Use Policy, go to govinfo.gov/content/pkg/FR-1999-02-16/pdf/99-3529.pdf.

These funds can be used for operational needs like salaries, utilities, debt, and other similar items or on capital development needs. This will likely cover any operational costs incurred since January 20, 2020, extending until the grant amount is fully utilized.

MDOT strongly encourages each sponsor to use these funds for solely operational needs to expedite the distribution of funds; however, capital

development also is eligible under the program. Please be aware that all traditional AIP project items (NEPA clearance, construction safety phasing, Buy American, etc.) will remain and need to be addressed prior to subgrant award should you choose to use your Operational Grant for development purposes.

Procedurally, these funds will be administered by the MDOT Office of Aeronautics in a manner similar to the existing block grant program. However, we are exploring methods to further streamline the grant administration process.

2. General Aviation Capital Improvement 100 Percent Federal Funds Grants

The second collection of funds will be utilized to transition Fiscal Year (FY) 2020 Entitlement and Discretionary Grants to 100 percent federal match, eliminating the need for state and/or local match on only FY 2020 grants. If a FY2020 subgrant will include carryover funding, this subgrant will be at the normal federal participation rate previously established. Additionally, previous year grants, including any that include carryover funds, will remain at previous matching requirement levels. Additional information on these grants will be forthcoming.

3. Primary Airport Grants

MDOT's role with the primary airports' CARES Act grants is currently being discussed at this time. Due to state channeling act requirements, MDOT may need to pass primary airport grants through to individual sponsors. Additional information on these grants will be forthcoming.

To expedite distributing your operational grants, every airport sponsor that remains part of the National Plan of Integrated Airport Systems (NPIAS) needs to contact their MDOT Aeronautics project manager prior to April 24, 2020 (project manager list and Fund Allocation Table attached).

In your e-mail to your project manager, please use this format and enter your information in the highlighted locations:

1. (Airport Sponsor) has been allocated \$X,000 under the CARES Act. We (INTEND or DO NOT INTEND) to request this funding.
2. If yes, do you plan to use these funds for (Select One):
 - 1) Operational needs only (salary, utilities, debt, etc.)
 - 2) Operational needs and capital development opportunities
 - 3) Capital development opportunities only
3. If any capital development is planned, please indicate you acknowledge that traditional airport development requirements (environmental clearance, construction safety phasing, air spacing, etc.) are still required and include a description of the project and current status : _____

It remains MDOT's intent to distribute these funds as quickly as possible. A response from every National Plan of Integrated Airport Systems (NPIAS) airport to MDOT Office of Aeronautics staff remains critical for finalization of an overall grant application from MDOT to the FAA for the operational funds. Once MDOT receives the Operational Grant Funds from FAA, the follow steps will need to occur:

1. A sponsor contract will likely need to be executed between MDOT and the sponsor. We are in discussions with our contracting staff and FAA to minimize any delay associated with contract execution, including a truncated contract, e-signatures, and several other items.
2. Invoices, payroll summaries, or other financial documents supporting the grant request will be required for any Operational Grant. Those invoices will be submitted to your MDOT project manager for processing and payment. If capital development is planned to utilize an operational grant, additional information is needed and may delay the processing of your CARES Act funding.
3. Maintain all documentation that supports your utilization of the grant. An audit of these funds is all but guaranteed.
4. The process for grant closeout has not yet been finalized. As that information is collected, it will be shared.

E-Signatures will be utilized by MDOT to streamline the administration process for all CARES Act grants and will likely continue into future AIP projects. **To establish your airport in the MDOT E-Signature program, please complete the attached form and submit to the email address on the form while carbon copying your MDOT Aeronautics Program Manager and MDOT Contract Administrator, Anu Taneja.** Please keep in mind that the FAA is establishing a similar E-Signature program for documents originating with FAA – while this process is similar in functionality, unfortunately, the E-signature program is not interchangeable between FAA and MDOT.