

South Dakota Department of Transportation Federal Funding Summary

Overview

The South Dakota Department of Transportation (Department) will not directly receive any CARES Act funds but instead is responsible for the dissemination of these federal funds. Therefore, the Department is not considered a direct recipient but instead considered as a sub-recipient or a pass-through agency. The two modes of transportation that the Department is responsible for providing oversight for disbursement of these federal funds are airports (apportioned thru the Federal Aviation Administration (FAA)) and public transit (apportioned thru the Federal Transit Administration (FTA)).

Airport Funding

The CARES Act includes \$10 billion in funds to be awarded as economic relief to eligible U.S. airports affected by the prevention of, preparation for, and response to the COVID-19 pandemic. The \$10 billion in funding is divided into two primary groups of apportionment – Airport Improvement Program (AIP) grants and Operating grants. Because the CARES Act allocates all funds by formula or increases the Federal share for grants funded under FY2020 appropriations, none of these funds are discretionary. CARES Act grant funds must be used within a four-year period. The program is based on a reimbursement of eligible expenses incurred by the airport sponsor. These details for these two apportionment groups is listed below.

- 1) **Airport Improvement Program (AIP) grants.** The CARES Act funds for this apportionment are providing additional funds to the FY2020 AIP and supplemental discretionary grants that were already planned for FY2020. Under the normal AIP grant program, projects must receive a non-federal match percentage of 10% to the project costs. For a typical year, this 10% match was equally paid by the State and the local sponsor at 5% each. With the CARES Act, the CARES funds will supplement the AIP program and provide the required 10% match eliminating the non-federal (local) share requirement. The program is administered according to the normal AIP rules and requirements. The anticipated amount of funding that the South Dakota airports will receive for this apportionment is approximately \$1.97 million. On the federal level, any remaining funds leftover after apportionment for the AIP program will be distributed as described in the Operating grants listed below.
- 2) **Operating grants.** This CARES Act apportionment is providing additional funding to all public airports – see Attachment A for a map of all public airports in South Dakota. The fund allocation for each airport was calculated based on the formulas as defined in the bill. The three airport categories defined include:
 - a. **Commercial Service Airports.** For South Dakota, there are no airports that fall under this category. The formula used to allocate funding for this group is based on the following:
 - i. 50% of the total allocation is based on the number of enplanements the airport had during calendar year 2018 as a percentage of total 2018 enplanements for

- all commercial service airports.
- ii. 25% of the total allocation is based on the sponsor's fiscal year 2018 debt service as a percentage of the combined debt service for all commercial service airports; and
 - iii. 25% of the total allocation is based on the sponsor's fiscal year 2018 ratio of unrestricted reserves to its respective debt service.
- b. Primary Airports: For South Dakota, the airports in this category include Aberdeen, Pierre, Rapid City, Sioux Falls and Watertown. The funds were allocated using current statutory AIP primary entitlement formulas (formula used to distribute normal AIP funds).
 - c. General Aviation Airports: All remaining public airports in South Dakota fall under this category. The funds for this category were allocated based on the categories published in the most current National Plan of Integrated Airport Systems (NPIAS), reflecting the percentage of the aggregate published eligible development costs for each such category, and then dividing the allocated funds evenly among the eligible airports in each category, rounded up to the nearest thousand dollars.

The amount set aside for each airport under this apportionment may be used for any purpose for which current airport revenues may be lawfully used. The eligible use is according to "FAA's Policy and Procedures Concerning the Use of Airport Revenues ("Revenue Use Policy"), 64 Federal Register 7696 (64 FR 7696), as amended by 79 Federal Register 66282 (79 FR 66282)". The Revenue Use Policy document defines permitted and prohibited uses of airport revenue. In addition to the detailed guidance in the Revenue Use Policy, the CARES Act makes clear that the funds may not be used for any purpose not related to the airport. Examples of eligible uses of these funds include reimbursement of operational and maintenance expenses such as payroll, utility bills, payment of debt service, airport development, and land acquisition projects.

The program is primarily being administered by FAA and the Department's oversight is to ensure invoices are received for expenses incurred by the airport sponsors. Department staff reviews these invoices to ensure they are properly itemized and then submits payment requests to FAA. FAA reviews and if acceptable, submits payment to the DOT. The Department then processes those transactions and will reimburse the Sponsor. For South Dakota, 57 airports will receive \$36,248,983 in CARES Act funding. See Attachment B for a listing of the airports and the apportionment for each airport.

A site to access FAQ's regarding the CARES Act funding for Airports can be located at:
https://www.faa.gov/airports/cares_act/media/cares-act-airport-rgrants-faqs-redline.pdf

Transit Funding

The CARES Act provides \$25 billion (additional funds) to the existing FTA programs. The funds are apportioned at the same ratio as funds provided in the FY 2020 Appropriations. Administration of the CARES Act funds will be in line with existing subprograms already established by FTA. The primary two categories consist of rural providers and urban providers. The Department oversees the rural provider program as a sub-recipient (see Attachment C). The urbanized providers (Rapid City, Sioux City and Sioux Falls) are direct recipients with FTA – therefore, the Department has minimal oversight responsibilities with the urban program. Similar to the AIP program, the CARES Act provides funding at 100 percent federal share for FY2020, with no local match required. Eligible reimbursements include operating, capital and other expenses generally eligible under those programs. Additional eligible reimbursements include operating expenses to prevent, prepare for, and respond to coronavirus public health emergency, including reimbursement for operating costs (starting in Jan 2020), lost revenue, the purchase of personal protective equipment, and administrative leave of operations personnel due to reductions in service.

Apportionment for the CARES Act funds according to these two primary categories is as follows:

- FTA Nonurbanized Formula (Rural): \$22,495,400
- FTA Urbanized Formula: \$11,628,327

Breakdown of the CARES Act apportionment for the Urbanized:

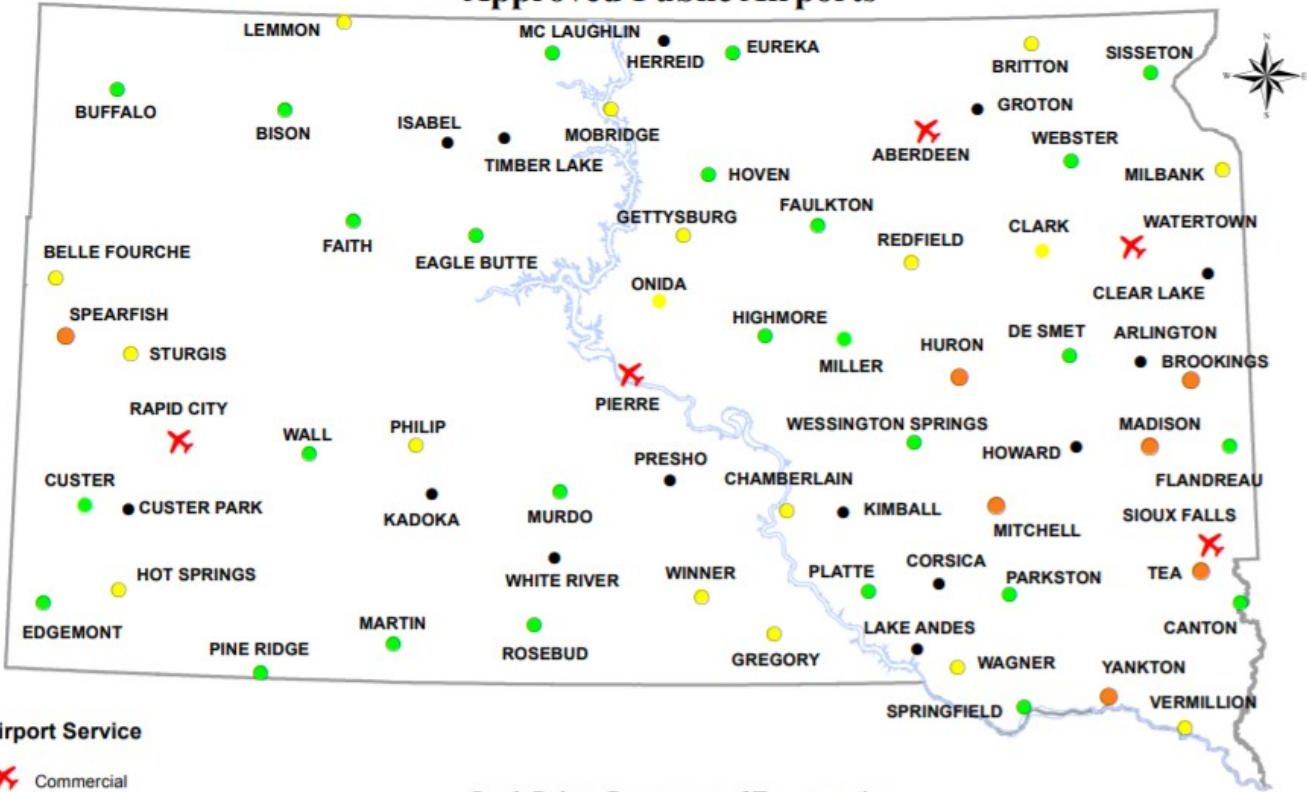
Urbanized Area	FTA Apportionment
Rapid City	\$3,638,543
Sioux City	\$251,535
Sioux Falls	\$7,738,249
Total	\$11,628,327

A link for FAQ's related to Transit funding can be found at the following link:






<https://www.transit.dot.gov/frequently-asked-questions-fta-grantees-regarding-coronavirus-disease-2019-covid-19#CARES>

Attachment A

South Dakota
Approved Public Airports



Airport Service

-  Commercial
-  Large general aviation
-  Medium general aviation
-  Small general aviation
-  Basic/turf

South Dakota Department of Transportation
Office of Air, Rail and Transit
July 21, 2020

FAA CARES FUNDING for SD AIRPORTS

Airport	Maximum Apportionment
Aberdeen	\$ 1,116,870
Belle Fourche	\$ 30,000
Bison	\$ 20,000
Britton	\$ 20,000
Brookings	\$ 30,000
Buffalo	\$ 20,000
Canton	\$ 20,000
Chamberlain	\$ 30,000
Clark	\$ 30,000
Custer	\$ 20,000
De Smet	\$ 20,000
Eagle Butte	\$ 20,000
Edgemont	\$ 1,000
Eureka	\$ 20,000
Faith	\$ 20,000
Faulkton	\$ 30,000
Flandreau	\$ 20,000
Gettysburg	\$ 20,000
Gregory	\$ 20,000
Highmore	\$ 20,000
Hot Springs	\$ 30,000
Howard	\$ 1,000
Huron	\$ 30,000
Kadoka	\$ 1,000
Lemmon	\$ 20,000
Lowry	\$ 20,000
Madison	\$ 30,000
Martin	\$ 20,000
McLaughlin	\$ 20,000
Milbank	\$ 20,000
Miller	\$ 20,000
Mitchell	\$ 69,000
Mobridge	\$ 30,000

Murdo	\$ 20,000
Onida	\$ 30,000
Parkston	\$ 20,000
Philip	\$ 20,000
Pierre	\$ 1,123,947
Pine Ridge	\$ 20,000
Platte	\$ 30,000
Presho	\$ 20,000
Rapid City	\$ 9,282,023
Redfield	\$ 30,000
Rosebud	\$ 20,000
Sioux Falls	\$ 22,454,505
Sisseton	\$ 20,000
Spearfish	\$ 30,000
Springfield	\$ 20,000
Tea	\$ 30,000
Vermillion	\$ 30,000
Wagner	\$ 20,000
Wall	\$ 20,000
Watertown	\$ 1,049,638
Webster	\$ 20,000
Wessington Springs	\$ 20,000
Winner	\$ 20,000
Yankton	\$ 30,000
Total	\$ 36,218,983

South Dakota Communities Served By Rural Transit Providers

