



Federal Aviation Administration

CARES Act Airport Grants – Frequently Asked Questions

This document answers frequently asked questions (FAQs) stakeholders may have related to the approximately \$10 billion in grants for airports under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

The FAA has additional information unrelated to CARES Act grants for airport sponsors considering COVID-19 restrictions or accommodations. That information can be accessed at www.faa.gov/airports.

The guidance here is not legally binding in its own right and will not be relied upon by the Federal Aviation Administration (FAA) as a separate basis for affirmative enforcement action or other administrative penalty. Conformity with this guidance, as distinct from existing statutes, regulations, and grant assurances, is voluntary only, and nonconformity will not affect existing rights and obligations.

These FAQs will be updated periodically.

Q1: How does the Coronavirus Aid, Relief, and Economic Security (CARES) Act benefit airports?

A: Title XII of Division B of the CARES Act provides approximately \$10 billion to support U.S. airports experiencing severe economic disruption caused by the COVID-19 public health emergency. This funding will be distributed to airports to prevent, prepare for, and respond to the impacts of the COVID-19 public health emergency.

Q2: Who is eligible to receive funding?

A: These funds are available only to sponsors as defined in section 47102 of title 49, United States Code (U.S.C.); that is, airport sponsors meeting statutory and policy requirements under this section and identified in the FAA's current National Plan of Integrated Airports System (NPIAS).

Q3: Where is this funding coming from?

A: The funds are coming directly from the U.S. Treasury's General Fund to prevent, prepare for, and respond to the impacts of the COVID-19 public health emergency. The FAA's Office of Airports will administer these grant funds to airport sponsors.

Q4: What is the period of availability to obligate or spend CARES Act funding?

A: Funds are available until expended. There is no deadline to obligate funds available under the CARES Act. Nevertheless, the FAA intends to award grants and obligate

these funds on an expedited basis. The FAA encourages airport sponsors to spend funds expeditiously to reduce the adverse impacts of the current public health emergency.

Q5: Is there a deadline by which funds for operating expenses must be used?

A: No. However, grants for operating expenses may not include activities prior to January 20, 2020.

Q6: How will this funding be allocated to airport sponsors?

A: The \$10 billion in funding is divided into four groups. The CARES Act establishes formulas for each group to allocate the funds to specific airports. None of these funds are available for discretionary grants. These four groups are:

- (1) 100% Federal share for 2020 Airport Improvement Program (AIP) Grants. At least \$500 million is available to increase the Federal share to 100% for grants awarded under the fiscal year (FY) 2020 appropriations cycle for FY 2020 AIP and FY 2020 Supplemental Discretionary grants. The Federal share for FY 2018 and 2019 Supplemental Discretionary grants will not increase.
- (2) Commercial Service Airports. At least \$7.4 billion is available to Commercial Service Airports for any purpose for which airport revenues may lawfully be used. The total allocation to an airport is determined by the following formula:
 - a. 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.
 - b. 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
 - c. 25% of the total allocation is based on the sponsor's fiscal year 2018 ratio of unrestricted reserves to its respective debt service.
- (3) Primary Airports. Up to \$2 billion is available to large, medium, and small hub airports and non-hub primary airports for any purpose for which airport revenues may be lawfully used. These funds are allocated based upon statutory AIP primary entitlement formulas. However, the \$26 million limit under 49 U.S.C. 47114(c)(1)(C)(iii) and reduction for imposing passenger facility charges under 49 U.S.C. 47114(f) do not apply to these allocations.
- (4) General Aviation Airports. At least \$100 million is available to general aviation airports for any purpose for which airport revenues may be lawfully used. These funds are allocated based on the categories published in the most current 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.

Q7: How is the 100% Federal share determined?

A: When a grant is awarded, the Federal share is determined by the category of airport and the airport development goal. This Federal share is specific to each grant. To implement the CARES Act requirement and award AIP and Supplemental Discretionary grants appropriated for FY 2020 at a 100% Federal share, the FAA will calculate the increased Federal share for each AIP grant. The FAA will amend FY 2020 grants that already have been executed to adjust to the 100% Federal share. The FAA will award and execute the remaining FY 2020 grants with a 100% Federal share.

Q8: Do CARES grants have a local match?

A: No. Funds under the CARES Act are available at a 100% Federal share.

Q9: How can an airport sponsor use CARES grant funds?

A: An airport owner/sponsor may use these funds for any purpose for which airport revenues may be lawfully used. CARES grant recipients should follow the FAA's Policy and Procedures Concerning the Use of Airport Revenues ("Revenue Use Policy"), 64 Federal Register 7696 (64 FR 7696), as amended by 78 Federal Register 55330 (78 FR 55330). 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.

Q10: Can I use CARES grant funds for new airport development on the airport?

A: Yes. However, additional requirements apply. To make these critical CARES funds available as quickly as possible, the FAA is issuing non-construction grants that permit expenditure for airport operating expenses (such as payroll) and to pay airport debt service. A recipient of a CARES grant that wishes to use the funds for new airport development or construction (i.e., to award a contract after March 27, 2020, for airport development) should contact its local Airports District Office or Airports Regional Office to make arrangements to do so. That office will ensure that such development is consistent with all of the recipient's prior Federal obligations, meets safety and security standards, meets National Environmental Policy Act (NEPA) requirements, meets prevailing wage and Buy American requirements, and meets other specific requirements for new airport development under the CARES Act.

Q11: Are there any other specific requirements for accepting CARES grant funds?

A: Yes. The airport sponsor must continue to employ, through December 31, 2020, at least 90% of the number of individuals employed (after making adjustments for retirements or voluntary employee separations) as of March 27, 2020. The Secretary of Transportation may waive this workforce retention requirement if the Secretary determines that the sponsor is experiencing economic hardship as a direct result of the requirement, or that the requirement reduces aviation safety or security. The workforce retention requirement does not apply to non-hub or non-primary airports.