

# MCOA Board Update

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- Little information available with which to work or make decisions at this time
- If this program similar to CRRSAA, update to that program could be informative to how MnDOT will handle ARPA

- FAA is issuing grants to airport sponsors now
- MnDOT is finalizing the statutorily required companion grant which will not require that CRRSAA funds be “tied” to any existing MnDOT programs
  - Contract template seeks to minimize MnDOT’s role to that which is minimally required by law
- MnDOT does not yet have authority to act as fiscal agent as required by statute
  - Authority request is pending with the [Legislative Advisory Commission](#)

- Once LAC authority is received and contract language is approved then MnDOT will begin routing the required contracts
  - Possibly as early as next week – but there will be a queue
- A note on eligibility determinations
  - FAA will make all eligibility determinations for use of these funds
  - FAA will determine what need to be submitted and in what format and with what documentation
- MnDOT's role will be to accept reimbursement (largely as is) and will submit them into Delphi system and once approved, issue the payments

- Who should you contact at MnDOT with questions?
  - Ryan Gaug – for “front end” general questions, but I will direct eligibility and most programmatic questions to FAA for reply  
[ryan.gaug@state.mn.us](mailto:ryan.gaug@state.mn.us) 612-422-8601
  - Crystal Nickles – for “back end” processing and reimbursement submittals  
[Crystal.Nickles@state.mn.us](mailto:Crystal.Nickles@state.mn.us) 612-297-0248

- Proposing a two phased approach to provide flexibility
  - Phase 1
    - Amendments to CARES and SFY21 M&O funding
  - Phase 2
    - Adjustments to eligibility of SFY 22 State M&O funding

# Phase 1: CARES 1.0/SFY 21 State M&O

- For those airports that need/want more time and flexibility:
  - MnDOT will issue amendments to the current contracts, which are set to expire on June 30, 2021. The amendments will:
    - Match the expiration date of the CARES funds to the FAA's period of performance – 1460 days (4 years from issuance)
    - Provide an additional 6 months of eligibility (to December 31, 2021) for currently allocated but not-utilized SFY21 M&O funds
    - Allow some time to submit final SFY21 Reimbursement Request – on or about Feb 15<sup>th</sup>, 2022
  - After Feb 15<sup>th</sup>, MnDOT should be in a position to identify true state funding savings that resulted from the CARES program
  - MnDOT will seek MCOA input to help determine where to invest those identified funds

# Phase 2: SFY22 State M&O “Flex Fund”

- Funds will be allocated as is typical using current methods
- MnDOT is proposing that airports be allowed to “flex” these funds and apply them to items never before allowed
- This would mean airports could potentially chose to use their allocation in one or more of the following areas:
  - Traditional M&O
  - Cover local share of state or federal development grant (up to statutory limits)
  - Equipment purchase
  - Navigational System project
  - Project listed on the state’s CIP that did not get greenlined, and possible has not for several years due to low scoring

# Phase 2: SFY22 State M&O “Flex Fund”

- “Flex” concept is at conceptual stage and many details must still be worked out to move to implementation
- To the extent possible, MnDOT will rely on existing processes, forms, rules and contracts so as to not “reinvent the wheel” where possible
- Annual rates letter, which is due by June 1, 2021, must contemplate these changes but there is work to be done
- If an airport knows they want their full allocation to go toward traditional M&O, this should be indicated so we can help ensure no discontinuity of funding availability and reimbursement eligibility
- SFY 22 Greenline list likely determined in similar timeframe to last year (June/July)

# Scenario 1

- Airport A has to date not requested reimbursement of any CARES funding and therefor has also not been able to get reimbursed with SFY21 M&O funding (due to contract provisions)
- Airport requests amendment for extension as laid out in Phase 1
  - Airport now has an additional 6 months to request CARES reimbursement AND unlock SFY21 M&O funds
  - If full allocation of CARES funds are not request by Dec 31, thus unlocking SFY21 M&O, then CARES funds remain available for full 1460 days but SFY21 M&O would be identified as “savings” and combined with other identified savings for reinvestment
- Airport can make any choice it desires in Phase 2, but would not likely choose the traditional M&O path because the need does not appear to be in that area

# Scenario 2

- Airport B has exhausted all CARES and SFY21 M&O funding by June 2021
- Airport does not need to request an amendment under Phase 1 because there are no remaining funds. Contract will be or already is closed out
- Airport has a Phase 2 “Flex” allocation of \$50k and can make any choice it desires of the available options
  - Airport chooses to request just \$25k of the \$50k allocation for traditional M&O expenses because their CRRSAA grant is eligible for very similar items and this lessens the need.
  - After several months of contemplation and consideration, airport chooses to use remaining \$25k of allocation to offset some of the local share of a state only grant that was “greenlined” for SFY22
- Airport B’s choices result in no identified savings. Federal and state funds have been fully utilized and maximized