

Memo

Date: March 18, 2020

The Honorable Frank Hornstein, Chair
House Transportation Finance & Policy Committee
243 State Office Building
St. Paul, Minnesota 55155

The Honorable Scott Newman, Chair
Senate Transportation Finance & Policy Committee
3105 Minnesota Senate Building
St. Paul, Minnesota 55155

The Honorable Paul Torkelson, GOP Lead
House Transportation Finance Committee
381 State Office Building
St. Paul, Minnesota 55155

The Honorable Scott Dibble, Ranking Minority Member
Senate Transportation Finance & Policy Committee
2213 Minnesota Senate Building
St. Paul, Minnesota 55155

From: Margaret Anderson Kelliher, Commissioner, Minnesota Department of Transportation 

Subject: State Airports Fund Contingent Appropriations, State Fiscal Year 2021

This Memo is notification that MnDOT will use existing contingency language in the Laws of 2019, 1st Spec. Sess., Chapter 3, Article 1, Section 2, Subdivision 2(a)(1):

If the commissioner of transportation determines that a balance remains in the state airports fund following the appropriations made in this article and that the appropriations made are insufficient for advancing airport development and assistance projects, an amount necessary to advance the projects, not to exceed the balance in the state airports fund, is appropriated in each year to the commissioner and must be spent according to Minnesota Statutes, section 360.305, subdivision 4. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning the funds appropriated. Funds appropriated under this contingent appropriation do not adjust the base for fiscal years 2022 and 2023.

MnDOT has determined that the State Airports Fund balance is forecast to be approximately \$3.5 million above the fund balance reserves established in the State Airports Fund Balance policy. This is largely due to a projected increase in aircraft sales tax revenue.

This will increase the appropriation for Airport Development and Assistance in Fiscal Year 2021 to \$22,098,000, and as referenced in the contingency language, this will not impact the base funding of \$18,598,000, in Fiscal Years 2022 and 2023.

Planned Uses of Additional Funding

Funds from the contingent appropriation will be used for the following:

- Approximately \$1 million to further advance MnDOT's navigational aids replacement and modernization efforts.
- Approximately \$2.5 million to cover the state share for delivering the Federal Airport Improvement Program, which is on an advanced timeline. MnDOT assumes additional federal projects will be awarded this year, which will result in unanticipated and increased pressure on the State Airports Fund.

As the state works to respond to COVID-19, MnDOT will take any necessary precautions and continue to track the balance of the State Airport Fund to ensure the additional spending is sustainable within existing resources, and if needed, react accordingly.

Please feel free to contact me if you have any questions.

cc: Myron Frans, MMB Commissioner
Britta Reitan, MMB State Budget Director
Shawn Kremer, MMB Executive Budget Officer
Liz Connor, MMB Executive Budget Team Lead
Cassandra Isackson, MnDOT Aeronautics Operations Manager
Kristi Schroedl, MnDOT Chief Financial Officer