

Subject: Airport Funding Rates  
State Fiscal Year **2019** – effective July 1, 2018, through June 30, 2019

September 8, 2017

Dear Airport Sponsor:

Rates proposed for State Fiscal Year (FY) 2019 are substantially the same as rates used in FY 2018. Although rates for each FY are not required to be set until June 1st of the previous year, that narrow time frame does not allow airport sponsors to properly budget and prepare for upcoming projects. To help airport sponsors budget for the local share of projects proposed to begin construction in the summer of 2019, we propose to use rates established in this letter to support Minnesota's airport system. We reserve the option of adjusting rates each June 1st, depending on revenue and appropriation levels.

**Our goals for the biennium;**

- 1. Maximize use of FAA dollars**
- 2. Support FAA ineligible airside needs**
- 3. Fund non-NPIAS projects**
- 4. Fund equipment purchase**
- 5. Continue to sustain the system**

1. Use of FAA funds available to the state has increased with a 5% SAF match, the 5% should continue, but will be limited for very large projects. \*

2. Projects where there is a large portion of work proposed that is not eligible for FAA participation, but is eligible for State funding will continue to be funded at the SAF rate, but the 5% share will be limited.\*

\* Contact a regional team member to determine funding plans for projects with complicated cost participation.

3. The rate for construction projects at non-NPIAS airports was also adjusted to provide a level of funding similar to the rates at NPIAS airports.

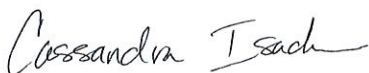
4. Snow removal equipment and fire-rescue vehicles are eligible for FAA grants at NPIAS airports. The equipment funding rate was raised at non-NPIAS airports to provide a funding level closer to the FAA participation rate at airports eligible only for state funds.

5. Maintenance and Operations (M&O) grants sustain the system, ensuring access to airports in all weather conditions. New M&O amounts were updated in 2017 for grants covering FYs 2018 and 2019. M&O continues at the higher level with the state share planned to continue at 75% as well.

Demand for airport projects in SFY 2019 remains high. A consequence of higher rates is airports may hear "no" more often when a "pop-up" project is requested. We will continue to seek a balance between well planned high priority projects delivered with these rates and an available balance in the construction fund for all airports across the state. Regional Engineers will be the best point of contact regarding the status of fund availability. Minnesota airports listed in the National Plan of Integrated Airport Systems (NPIAS) are eligible for FAA Airport Improvement Program (AIP) funds as well as state funds. Approximately 70% of Minnesota's airports are in the NPIAS.

Always remember, no State Airport Funds are committed until a grant contract is fully executed.

Sincerely,



Cassandra Isackson, P.E.  
Director, Office of Aeronautics

Enclosure

# Airport Funding Rates FY 2019

September 8, 2017

## STATE GRANT, STATE SHARE PERCENTAGE

PROJECT TYPE	NPIAS						NON-NPIAS					
	Under 5000			Over 5000			Under 5000			Over 5000		
	Existing FYs 16/17	New FYs 18/19	Existing FYs 16/17	New FYs 18/19	Existing FYs 16/17	New FYs 18/19	Existing FYs 16/17	New FYs 18/19	Existing FYs 16/17	New FYs 18/19	Existing FYs 16/17	New FYs 18/19
Air Service Marketing	70	70	70	70	70	70	70	70	70	70	70	70
M & O	75	75	75	75	75	75	75	75	75	75	75	75
Fuel Systems and Fuel Trucks	60	70	60	70	60	70	60	70	60	60	70	70
Equipment	80	75	80	70	80	70	80	90	80	80	85	85
Construction, Planning, Zoning, Environmental, Land	80	75	80	70	80	70	90	95*	90	90	95*	95*
Navigational Systems	100	75	100	100	100	70	100	90	100	100	90	90
AWOS	100	100	100	100	100	100	100	100	100	100	100	100

\* 95% will be limited to the first \$150,000 in each year or \$600,000 in four years to imitate the FAA AIP program, thereafter the rate will revert to 90%.

## FEDERAL GRANT, STATE SHARE PERCENTAGE

PROJECT TYPE	NPIAS					
	Under 5000			Over 5000		
	Existing FYs 16/17	New FYs 18/19	Existing FYs 16/17	New FYs 18/19	Existing FYs 16/17	New FYs 18/19
90% FAA Participation	5	5	5	5**		
95% Federal Participation	2.5	2.5	2.5	2.5**		

\*\* Match will be limited based on total project funding

- When all items are FAA eligible, the State 5% will be capped for projects over \$4M.
- When FAA ineligible items exist, but are eligible for SAF, the State will participate in those items at the state rate. The State 5% will then be limited. If the FAA ineligible exceeds \$200,000, the 5% will reduce to zero.



## Sponsor population UNDER 5000

Ada/Norman Co	Stephen	Airiake	Lake Elmo-St. Paul
Appleton	Tower	Aitkin	Litchfield
Backus	Tracy	Albert Lea	Little Falls
Bagley	Two Harbors	Alexandria	Mankato
Baudette	Tyler	Anoka Co/ Blaine	Marshall
Benson	Wadena	Austin	Minneapolis/St Paul
Big Falls	Walker	Bemidji	Montevideo
Bigfork	Warren	Bowstring	Moorhead
Blue Earth	Warroad	Brainerd	Moose Lake
Brooten	Waskish	Buffalo	Morris
Canby	Wells	Caledonia	New Ulm
Clarissa	Wheaton	Cambridge	Owatonna
Cook	Windom	Cloquet	Pinecreek
Dodge Center	Winsted	Crookston	Preston-Fillmore Co
East Gull Lake		Crystal	Red Wing
Elbow Lake		Detroit Lakes	Redwood Falls
Ely		Duluth International	Rochester
Fertile		Duluth Sky Harbor	South St. Paul
Fosston		Eveleth	St. Cloud
Glenwood		Fairmont	St. Paul
Grand Marais		Faribault	Thief River Falls
Granite Falls		Fergus Falls	Waseca
Grygla		Flying Cloud	Willmar
Hallock		Forest Lake	Winona
Hawley		Glencoe	Worthington
Hector		Grand Rapids	
Henning		Hibbing-Chis	
Herman		Hutchinson	
Hill City		International Falls	
Jackson			
Karlstad			
Le Sueur			
Littlefork			
Long Prairie			
Longville			
Luverne			
Madison			
Mahnomen			
Maple Lake			
McGregor			
Milaca			
Mora			
Murdock			
Northome			
Olivia			
Orr			
Ortonville			
Park Rapids			
Paynesville			
Pelican Rapids			
Perham			
Pine River			
Pipestone			
Princeton			
Red Lake Falls			
Remer			
Roseau			
Rush City			
Rushford			
Sauk Centre			
Silver Bay			
Slayton			
Sleepy Eye			
Springfield			
St. James			
Staples			
Starbuck			

## Sponsor population OVER 5000