



Minnesota Department of Transportation

Office of Aeronautics
MS410
222 East Plato Blvd.
Saint Paul, MN 55107

Subject: Airport Funding Rates
State Fiscal Years 2018 & 2019 – effective July 1, 2017 through June 30, 2019

September 7, 2016

Dear Airport Sponsor:

Although rates for State Fiscal Years (SFYs) 2018 and 2019 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. We are currently preparing the MnDOT Aeronautics biennial budget request for those years, planning the utilization of funds available in the State Airports Fund (SAF). 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.

We have several 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**

5. Maintenance and Operations (M&O) grants sustain the system, ensuring access to airports in all weather conditions. The M&O formula was revised to provide additional funds at most airports in 2016, and is planned to continue at the revised level during SFYs 2018 and 2019. The rate is planned to continue at 75% as well.

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 level of eligibility closer to FAA participation rates at airports eligible only for state funds.

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

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 may be limited.*

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

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

Demand for airport projects under the SFYs 2018 and 2019 rates is likely to remain 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

An Equal Opportunity Employer



Airport Funding Rates FYs 2018 - 2019

September 7, 2016

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
Air Service Marketing	70	70	70	70	70	70	70	70
M & O	75	75	75	75	75	75	75	75
Fuel Systems and Fuel Trucks	60	70	60	70	60	70	60	70
Equipment	80	75	80	70	80	90	80	85
Construction	80	75	80	70	90	95*	90	95*
Navigation Systems	100	75	100	70	100	90	100	90
AWOS	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
90% FAA Participation	5	5	5	5**
95% Federal Participation	2.5	2.5	2.5	2.5**
Equipment	5	5	5	5**

** Match will be limited based on total project funding

- When all items are FAA eligible, the State 5% may 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% may be limited depending on the amount of SAF requested for FAA ineligible items.

UNDER 5000

Appleton
 Backus
 Bagley
 Benson
 Big Falls
 Bigfork
 Blue Earth
 Brooten
 Canby
 Clarissa
 Cook
 Dodge Center
 East Gull Lake
 Elbow Lake
 Ely
 Fertile
 Fosston
 Glenwood
 Granite Falls
 Grygla
 Hallock
 Hawley
 Hector
 Henning
 Herman
 Hill City
 Jackson
 Karlstad
 Le Sueur
 Littlefork
 Long Prairie
 Longville

Luverne
 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
 Stephen
 Tower

Tracy
 Two Harbors
 Tyler
 Walker
 Warren
 Warroad
 Waskish
 Wells
 Wheaton
 Windom
 Winsted

OVER 5000

Ada/Norman Co
 Airlake
 Aitkin
 Albert Lea
 Alexandria
 Anoka Co/ Blaine
 Austin
 Baudette
 Bemidji
 Bowstring
 Brainerd
 Buffalo
 Caledonia
 Cambridge
 Cloquet
 Crookston
 Crystal
 Detroit Lakes
 Duluth International
 Duluth Sky Harbor
 Eveleth
 Fairmont
 Faribault
 Fergus Falls
 Flying Cloud
 Forest Lake
 Glencoe
 Grand Marais
 Grand Rapids
 Hibbing-Chis
 Hutchinson
 International Falls

Lake Elmo-St. Paul
 Litchfield
 Little Falls
 Madison
 Mahanomen
 Mankato
 Marshall
 Minneapolis/St Paul
 Montevideo
 Moorhead
 Moose Lake
 Morris
 New Ulm
 Owatonna
 Pinecreek
 Preston-Fillmore Co
 Red Wing
 Redwood Falls
 Rochester
 South St. Paul
 St. Cloud
 St. Paul
 Thief River Falls
 Wadena
 Waseca
 Willmar
 Winona
 Worthington