

Subject: Airport Funding Rates
State Fiscal Year (FY) **2020** – effective July 1, 2019, through June 30, 2020

May 31, 2019

Dear Airport Sponsor:

The legislature has provided an appropriation with a budget increase for airports and aviation earlier this week. This action has allowed us to increase our grant participation by raising the cap on the state share matching Federal Aviation Administration Airport Improvement Program (FAA AIP) project grants, and on state only grants. Rates for the State Airport Fund (SAF) are required to be set before June 1st of the previous fiscal year.

Our goals;

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**

- Use of FAA funds available to the state has increased with a 5% SAF match, the 5% continues with a higher limit for very large projects. *
- 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, with the 5% share at the new limit.*

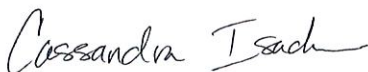
- Maintenance and Operations (M&O) grants sustain the system, ensuring access to airports in all weather conditions. A modest increase to M&O amounts is included in the FY 2020 grants, with the state share continuing at 75% as well. As a reminder, only expenses incurred after ALL signatures are on the grant will be reimbursed.
- Navigation Systems projects are no longer 100% state participation. Include NavSys projects as stand-alone or with related projects on the CIP.

* Contact a regional development team member to determine funding plans for projects with complicated cost participation or items related to the Federal project including those that may phased into multi-year projects.

Demand for airport projects in FY 2020 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 development team members 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 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 by all parties including the final State signatures.

Sincerely,



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

Enclosure

Airport Funding Rates FY 2020

May 31, 2019

STATE GRANT, STATE SHARE PERCENTAGE

PROJECT TYPE	NPIAS				NON-NPIAS			
	Under 5000		Over 5000		Under 5000		Over 5000	
	Existing FYs 18/19	New FY 2020	Existing FYs 18/19	New FY 2020	Existing FYs 18/19	New FY 2020	Existing FYs 18/19	New FY 2020
Construction, Planning, Zoning, Environmental, Land, Navigational Systems, AWOS*	75	75	70	70	95	95	95	95
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	70	70	70	70	70	70	70	70
Equipment (requires justification)	75	75	70	70	90	90	85	85

* Beginning in FY 2020 Navigational System projects, including AWOS installations and relocations need to be entered in the CIP for consideration as grant offers. This will allow correlation of equipment installations and approach procedure design with construction project staging rather than planned independently.

FEDERAL GRANT, STATE SHARE PERCENTAGE

PROJECT TYPE	NPIAS			
	Under 5000		Over 5000	
	Existing FYs 18/19	New FY 2020	Existing FYs 18/19	New FY 2020
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 \$8M. Exceptions may be made for Supplemental Appropriation AIP projects.
- When SAF are requested for any FAA ineligible or unfunded items in the same State FY as the related FAA project, the State will participate in those items at the state rate with funding approval. The State 5% will then be reduced by an amount equal to the FAA ineligible / unfunded items, if the amount exceeds \$400,000, the 5% will reduce to zero.

Sponsor population UNDER 5000*

Ada/Norman Co

Appleton

Backus

Bagley

Baudette

Benson

Big Falls

Bigfork

Blue Earth

Brooten

Canby

Clariissa

Cook

Dodge Center

East Gull Lake

Elbow Lake

Ely

Fertile

Fosston

Glenwood

Grand Marais

Granite Falls

Grygla

Hallock

Hawley

Hector

Henning

Herman

Hill City

Jackson

Karlstad

Le Sueur

Littlefork

Long Prairie

Longville

Luverne

Madison

Mahnomen

Maple Lake

Milaca

Mora

Northome

Olivia

Orr

Ortonville

Park Rapids

Paynesville

Pelican Rapids

Perham

Pine River

Pipestone

Princeton

Red Lake Falls

Remer

Roseau

Rush City

Rushford

Sauk Centre

Slayton

Sleepy Eye

Springfield

St. James

Staples

Starbuck

Stephen

Tower

Tracy

Two Harbors

Tyler

Wadena

Walker

Warren

Warroad

Waskish

Wells

Wheaton

Windom

Winsted

Sponsor population OVER 5000*

Airlake

Aitkin

Albert Lea

Alexandria

Anoka Co/ Blaine

Austin

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 Rapids

Hibbing-Chisholm

Hutchinson

International Falls

Longville

Lake Elmo-St. Paul

Litchfield

Little Falls

Mankato

Marshall

McGregor

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

Waseca

Willmar

Winona

Worthington

* Population category may be subject to change based on census updates or other changes in status of the airport sponsor.