

### Program Biennium Comparison

The following table compares the 2021 biennium appropriated budget and the 2023 biennium budget request by type of expenditure and source of funding.

| Program Biennium Comparison    |                           |                        |                    |                   |
|--------------------------------|---------------------------|------------------------|--------------------|-------------------|
| Budget Item                    | Appropriated Budget 20-21 | Requested Budget 22-23 | Biennium Change    | Biennium % Change |
| Personal Services              | 1,641,488                 | 1,734,942              | 93,454             | 5.69 %            |
| Operating Expenses             | 3,358,701                 | 10,003,893             | 6,645,192          | 197.85 %          |
| Equipment & Intangible Assets  | 110,000                   | 603,000                | 493,000            | 448.18 %          |
| Grants                         | 8,378                     | 8,000                  | (378)              | (4.51)%           |
| Transfers                      | 16,500                    | 14,000                 | (2,500)            | (15.15)%          |
| <b>Total Expenditures</b>      | <b>\$5,135,067</b>        | <b>\$12,363,835</b>    | <b>\$7,228,768</b> | <b>140.77 %</b>   |
| State/Other Special Rev. Funds | 4,000,292                 | 3,950,652              | (49,640)           | (1.24)%           |
| Federal Spec. Rev. Funds       | 1,134,775                 | 8,413,183              | 7,278,408          | 641.40 %          |
| <b>Total Funds</b>             | <b>\$5,135,067</b>        | <b>\$12,363,835</b>    | <b>\$7,228,768</b> | <b>140.77 %</b>   |
| <b>Total Ongoing</b>           | <b>\$4,230,067</b>        | <b>\$12,363,835</b>    | <b>\$8,133,768</b> | <b>192.28 %</b>   |
| <b>Total OTO</b>               | <b>\$905,000</b>          | <b>\$0</b>             | <b>(\$905,000)</b> | <b>(100.00)%</b>  |

### Program Description

The aeronautics program: 1) facilitates the operation and infrastructure of airports and airways, both public and private, throughout Montana; 2) provides mechanisms for funding airport and aviation related projects throughout the state; 3) registers aircraft and pilots in accordance with Montana laws and regulations; 4) fosters, promotes, and supervises aviation and aviation safety through educational efforts and programs; and 5) coordinates and supervises aerial search and rescue operations. The program administers a loan and grant program to airport sponsors to fund airport improvement projects. The Aeronautics board approves loan and grant requests.

The program serves as a liaison between the State of Montana and various other entities including the U.S. Department of Transportation, the Federal Aviation Administration (FAA), US Forest Service, other federal and state entities, and commercial airlines in order to assure the retention and continuation of airline service to Montana's rural communities. The program is also responsible for operation of the commercial service airport just north of West Yellowstone, MT and for 15 other state-owned or operated airports.

| <b>Aeronautics Program<br/>Major Budget Highlights</b>   |
|--|
| <ul style="list-style-type: none"> <li>• The aeronautics program budget request is \$7.2 million or 140.8% higher than the 2021 biennium                             <ul style="list-style-type: none"> <li>◦ The change consists of a decrease of \$49,640 of state special revenues and an increase of \$7.3 million in federal special revenues</li> </ul> </li> <li>• The passage of HB 661 during the 2019 session made significant changes in the way the program collects revenue and expends funds</li> <li>• Personal services cost would increase \$93,454                             <ul style="list-style-type: none"> <li>◦ Increases in the personal services budget, resulting primarily from the annualization of the 2021 biennium pay plan</li> </ul> </li> <li>• Operating expenses increases of \$6.6 million are entirely federally funded and detailed in the new proposals below</li> <li>• Equipment expenses increased by \$493,000 in the 2023 biennium. This increase contributes to the purchase of equipment for the Yellowstone and Lincoln airports and is federally funded</li> <li>• The budget request for the aeronautics program includes decision packages that include:                             <ul style="list-style-type: none"> <li>◦ Design and construction to rehabilitate the Yellowstone airport runway, this request is for \$5.5 million of federal authority in the first year of the biennium only</li> <li>◦ A request for \$321,580 of federal authority in the second year of the biennium for apron and taxiway maintenance at the Yellowstone airport</li> <li>◦ \$23,000 aeronautic state special revenue and \$207,000 in federal funds in FY 2022 for the pavement condition index (PCI) program asphalt study as required by FAA</li> <li>◦ \$918,800 of federal funds in FY 2022 for snow removal equipment at the Yellowstone airport</li> <li>◦ \$625,500 in FY 2022, of federal funds for projects at the Lincoln airport</li> <li>◦ A request for \$436,430 of federal authority in FY 2022 for the Yellowstone airport master study</li> </ul> </li> </ul> |
| <b>LFD Issues</b>  |
| <ul style="list-style-type: none"> <li>• Planned grants to local entities were offset by CARES act funding and revenues from HB 661 were lower than anticipated due to the impact of the pandemic on passenger air travel and aviation fuel revenue</li> </ul>   |

**Program Actuals and Budget Comparison**

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium budget request by type of expenditure and source of funding.

| Program Actuals and Budget Comparison |                        |                        |                        |                        |                        |
|---------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Budget Item                           | Actuals<br>Fiscal 2020 | Approp.<br>Fiscal 2020 | Approp.<br>Fiscal 2021 | Request<br>Fiscal 2022 | Request<br>Fiscal 2023 |
| FTE                                   | 0.00                   | 9.00                   | 9.00                   | 9.00                   | 9.00                   |
| Personal Services                     | 720,853                | 815,160                | 826,328                | 866,500                | 868,442                |
| Operating Expenses                    | 44,369                 | 1,630,708              | 1,727,993              | 8,402,476              | 1,601,417              |
| Equipment & Intangible Assets         | 0                      | 110,000                | 0                      | 603,000                | 0                      |
| Grants                                | 2,378                  | 4,378                  | 4,000                  | 4,000                  | 4,000                  |
| Transfers                             | 9,260                  | 9,500                  | 7,000                  | 7,000                  | 7,000                  |
| <b>Total Expenditures</b>             | <b>\$776,860</b>       | <b>\$2,569,746</b>     | <b>\$2,565,321</b>     | <b>\$9,882,976</b>     | <b>\$2,480,859</b>     |
| State/Other Special Rev. Funds        | 1,015,161              | 2,040,096              | 1,960,196              | 1,986,919              | 1,963,733              |
| Federal Spec. Rev. Funds              | (238,301)              | 529,650                | 605,125                | 7,896,057              | 517,126                |
| <b>Total Funds</b>                    | <b>\$776,860</b>       | <b>\$2,569,746</b>     | <b>\$2,565,321</b>     | <b>\$9,882,976</b>     | <b>\$2,480,859</b>     |
| <b>Total Ongoing</b>                  | <b>\$644,021</b>       | <b>\$2,109,746</b>     | <b>\$2,120,321</b>     | <b>\$9,882,976</b>     | <b>\$2,480,859</b>     |
| <b>Total OTO</b>                      | <b>\$132,839</b>       | <b>\$460,000</b>       | <b>\$445,000</b>       | <b>\$0</b>             | <b>\$0</b>             |

**Program Discussion -**

*FY 2020 Appropriations Compared to FY 2020 Actual Expenditures*

The aeronautics program expended a total of 30.2% of its \$2.6 million in FY 2020 appropriation authority. Operating expenses comprised 63% of total budget authority, however only 2.7% of operating expenses HB 2 authority was used. Historically the program has expended the bulk of its biennial appropriation in the second year of the biennium. Additionally, the passage of HB 661 in the 2019 legislature created a statutory appropriation to support grants to local entities as well as operating costs. The program also received CARES act funding which supported operating and maintenance costs at the Yellowstone airport in West Yellowstone. The program expects to expend its remaining HB 2 authority in FY 2021.

*FY 2020 Appropriations compared to FY 2021 Appropriations*

The ongoing FY 2021 appropriation of \$2.1 million was nearly identical to the FY 2020 appropriation. The personal services budget has a level of growth consistent with other programs. The reduction in the grants budget is related to various accounting changes in the program.

*FY 2021 Legislative Budget compared to FY 2021 base*

The FY 2021 base budget of \$2.1 million is not materially different from the FY 2021 Legislative budget appropriation. Although the totals are similar, nearly \$350,000 in pavement preservation authority was moved from the aeronautics grant account to operating expenses per HB 661. Other changes are discussed in the agency discussion.

| FY 2021 Legislative Appropriations - Department of Transportation - Aeronautics |                    |  |                  |                                     |
|---|--------------------|--|------------------|-------------------------------------|
|   | Legislative Action | Executive Modifications<br>per Statutory Authority | Executive Base   | % Change from<br>Legislative Action |
| <b>40 AERONAUTICS PROGRAM</b>   |                    |  |                  |                                     |
| 61000 Personal Services   | 826,328            | -  | 826,328          | 0.0%                                |
| 62000 Operating Expenses  | 874,071            | 408,922  | 1,282,993        | 46.8%                               |
| 66000 Grants  | 424,000            | (420,000)  | 4,000            | -99.1%                              |
| 68000 Transfers-out   | 6,901              | 99   | 7,000            | 1.4%                                |
| <b>40 AERONAUTICS PROGRAM Total</b>   | <b>2,131,300</b>   | <b>(10,979)</b>                                    | <b>2,120,321</b> | <b>-0.5%</b>                        |

*Executive Request*

The aeronautics program proposed budget for the 2023 biennium increased \$7.2 from the 2021 biennium.

|                    |   |
|--------------------|---|
| <b>LFD COMMENT</b> | <p><b>Impacts of HB 661 - Revise Aviation Fuel Taxation</b></p> <p>House bill 661 passed by the 2019 legislature 1) increased aviation fuel tax from \$0.04 per gallon to \$0.05 per gallon and directed the revenue to the MDT aeronautics operation account and the airport grant account. 2) repealed the \$0.02 per gallon refunded to scheduled passenger air carriers and made those funds available for state assistance to local airports. 3) HB 661 also increased aircraft registration fees by 50.0%. Formerly 90.0% of the aircraft registration fees had been transferred to the general fund. However, HB 661 reallocated 100.0% of aircraft registration fees to the MDT Aeronautics Operations Account. 4) The bill sunset the old pavement preservation program and replaced the grants provided with the proceeds of the fuel tax that would have formerly been refunded to the airlines. The effective date for HB 661 made it difficult for timing of grant applications for FY 2020. During FY 2020 the pavement preservation funds were spent down and grant applications were accepted for FY 2021. In FY 2021 when many of the airports would have received grants from the new fund CARES act funding with no federal match requirement became available to several airports and had to be used before expiration. Additionally commercial airline traffic was negatively impacted by the pandemic, so revenue for the grants was less than expected. Due to these circumstances the balance in the aeronautics grant fund was not awarded as expected and will hopefully develop more normal distribution patterns in coming years.</p> |
|--------------------|---|

**Program Personal Services**

The aeronautics program personal services budget is \$866,500 in FY 2022 and \$868,442 in FY 2023. This is a biennial increase of \$93,454 or \$5.7%. The increase is a result of the annualization of the pay plan, longevity and career ladder increases. The aeronautics program personal services budget includes a total of 11.50 FTE including 3 positions to staff the Yellowstone airport, these 2.50 FTE are funded entirely by proprietary revenue.

**Funding**

The following table shows proposed program funding by source of authority.

| Department of Transportation, 40-Aeronautics Program<br>Funding by Source of Authority |                     |            |                          |                         |                     |                   |  |
|--|---------------------|------------|--------------------------|-------------------------|---------------------|-------------------|--|
| Funds  | HB2 Ongoing         | HB2 OTO    | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources   | % Total All Funds |  |
| General Fund   | 0                   | 0          | 0                        | 0                       | 0                   | 0.00 %            |  |
| 02286 Aeronautical Loan Account  | 700,000             | 0          | 0                        | 0                       | 700,000             | 10.29 %           |  |
| 02287 Aeronautical Grant Account   | 0                   | 0          | 0                        | 2,852,802               | 2,852,802           | 41.93 %           |  |
| 02827 Aeronautics Division   | 3,250,652           | 0          | 0                        | 0                       | 3,250,652           | 47.78 %           |  |
| 02962 Airport Pvmnt. Preservation  | 0                   | 0          | 0                        | 0                       | 0                   | 0.00 %            |  |
| <b>State Special Total</b>   | <b>\$3,950,652</b>  | <b>\$0</b> | <b>\$0</b>               | <b>\$2,852,802</b>      | <b>\$6,803,454</b>  | <b>42.56 %</b>    |  |
| 03060 Aeronautics Division   | 8,413,183           | 0          | 0                        | 0                       | 8,413,183           | 100.00 %          |  |
| 03714 FAA COVID O&M  | 0                   | 0          | 0                        | 0                       | 0                   | 0.00 %            |  |
| <b>Federal Special Total</b>   | <b>\$8,413,183</b>  | <b>\$0</b> | <b>\$0</b>               | <b>\$0</b>              | <b>\$8,413,183</b>  | <b>52.63 %</b>    |  |
| 06007 Yellowstone Airport  | 0                   | 0          | 770,361                  | 0                       | 770,361             | 100.00 %          |  |
| <b>Proprietary Total</b>   | <b>\$0</b>          | <b>\$0</b> | <b>\$770,361</b>         | <b>\$0</b>              | <b>\$770,361</b>    | <b>4.82 %</b>     |  |
| <b>Total All Funds</b>   | <b>\$12,363,835</b> | <b>\$0</b> | <b>\$770,361</b>         | <b>\$2,852,802</b>      | <b>\$15,986,998</b> |                   |  |

The aeronautics program is funded with state and federal special revenues. State special revenue funds are derived primarily from state aviation fuel taxes and aviation license fees. Federal special revenue comes from Federal Aviation Administration grants. In FY 2021 the airport was awarded CARES act grants for the Yellowstone and Lincoln airports in the amount of \$3.3 million. The Yellowstone airport enterprise program, is otherwise supported by proprietary funding and is a non-HB 2 budget.

**Program Budget Summary by Category**

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the [glossary](#).

| Budget Item         | -----General Fund----- |                    |                       |                   | -----Total Funds----- |                    |                       |                   |
|---------------------|------------------------|--------------------|-----------------------|-------------------|-----------------------|--------------------|-----------------------|-------------------|
|                     | Budget Fiscal 2022     | Budget Fiscal 2023 | Biennium Fiscal 22-23 | Percent of Budget | Budget Fiscal 2022    | Budget Fiscal 2023 | Biennium Fiscal 22-23 | Percent of Budget |
| 2021 Base Budget    | 0                      | 0                  | 0                     | 0.00 %            | 2,120,321             | 2,120,321          | 4,240,642             | 34.30 %           |
| SWPL Adjustments    | 0                      | 0                  | 0                     | 0.00 %            | 39,125                | 38,958             | 78,083                | 0.63 %            |
| PL Adjustments      | 0                      | 0                  | 0                     | 0.00 %            | 7,723,530             | 321,580            | 8,045,110             | 65.07 %           |
| New Proposals       | 0                      | 0                  | 0                     | 0.00 %            | 0                     | 0                  | 0                     | 0.00 %            |
| <b>Total Budget</b> | <b>\$0</b>             | <b>\$0</b>         | <b>\$0</b>            |                   | <b>\$9,882,976</b>    | <b>\$2,480,859</b> | <b>\$12,363,835</b>   |                   |

**Present Law Adjustments**

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

|  | -----Fiscal 2022----- |              |                 |                    |                    | -----Fiscal 2023----- |              |                 |                  |                  |
|--|-----------------------|--------------|-----------------|--------------------|--------------------|-----------------------|--------------|-----------------|------------------|------------------|
|  | FTE                   | General Fund | State Special   | Federal Special    | Total Funds        | FTE                   | General Fund | State Special   | Federal Special  | Total Funds      |
| DP 1 - Personal Services                               | 0.00                  | 0            | 39,770          | 402                | 40,172             | 0.00                  | 0            | 41,693          | 421              | 42,114           |
| DP 2 - Fixed Costs                                     | 0.00                  | 0            | (993)           | 0                  | (993)              | 0.00                  | 0            | (3,122)         | 0                | (3,122)          |
| DP 3 - Inflation Deflation                             | 0.00                  | 0            | (54)            | 0                  | (54)               | 0.00                  | 0            | (34)            | 0                | (34)             |
| DP 4001 - Taxiway & Apron Pavement Maintenance         | 0.00                  | 0            | 0               | 0                  | 0                  | 0.00                  | 0            | 0               | 321,580          | 321,580          |
| DP 4002 - WYS Runway Reconstruction                    | 0.00                  | 0            | 0               | 5,512,800          | 5,512,800          | 0.00                  | 0            | 0               | 0                | 0                |
| DP 4003 - Pavement Condition Index                     | 0.00                  | 0            | 23,000          | 207,000            | 230,000            | 0.00                  | 0            | 0               | 0                | 0                |
| DP 4005 - Snow Removal Equipment - Yellowstone Airport | 0.00                  | 0            | 0               | 918,800            | 918,800            | 0.00                  | 0            | 0               | 0                | 0                |
| DP 4006 - Federal Aid Projects at Lincoln Airport      | 0.00                  | 0            | 0               | 625,500            | 625,500            | 0.00                  | 0            | 0               | 0                | 0                |
| DP 4008 - Yellowstone Airport Master Plan Study        | 0.00                  | 0            | 0               | 436,430            | 436,430            | 0.00                  | 0            | 0               | 0                | 0                |
| <b>Grand Total All Present Law Adjustments</b>         | <b>0.00</b>           | <b>\$0</b>   | <b>\$61,723</b> | <b>\$7,700,932</b> | <b>\$7,762,655</b> | <b>0.00</b>           | <b>\$0</b>   | <b>\$38,537</b> | <b>\$322,001</b> | <b>\$360,538</b> |

\*\*\*Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The budget includes funding to annualize various personal services costs including FY 2021 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings. Additional factors contributing to the budget request include per diem.

DP 2 - Fixed Costs -

The request includes a reduction of funding to provide the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, SITSD charges, and others. The rates charged for these

services are approved in a separate portion of the budget.

DP 3 - Inflation Deflation -

This change package includes a reduction of \$54 in FY 2022 and \$34 in FY 2023 to reflect budgetary changes generated from the application of inflation to specific expenditure accounts. Affected accounts include those associated with the statewide motor pool operated by the Department of Transportation.

DP 4001 - Taxiway & Apron Pavement Maintenance -

The request is \$321,580 for federal funds in FY 2023 for pavement maintenance of the apron and taxiway at the Yellowstone Airport. The airport has one taxiway to serve as the only means to transition aircraft between the runway and the terminal environment (apron). These improvements will assist the airport in maintaining compliance with FAA mandated requirements and assure the viability of future aviation operations at the airport. The project will consist of the pavement maintenance to include filling of cracked asphalt (as necessary), sealing the asphalt surfaces, repainting the asphalt surfaces, and incidentals associated with this work.

DP 4002 - WYS Runway Reconstruction -

The request is \$5,512,800 federal funds in FY 2022 to provide for the design and construction associated with runway rehabilitation and associated improvements at the Yellowstone Airport. The airport has one runway pavement surface to serve the flying public. These improvements will assist the airport in maintaining compliance with FAA mandated requirements and assure the viability of future aviation operations at the airport.

DP 4003 - Pavement Condition Index -

The request is for \$230,000 (\$23,000 in aeronautic state special revenue and \$207,000 federal funds) in FY 2022 for the PCI program which is an asphalt study done every three years at federally funded airports to get a snapshot of the current asphalt conditions. This snapshot is used by the airport sponsor for long-term capital improvement planning.

DP 4005 - Snow Removal Equipment - Yellowstone Airport -

The request is \$918,800 of federal funds in FY 2022 to provide design/acquisition of Snow Removal Equipment (SRE) for the Yellowstone Airport. 14 CFR Part 139 requires commercial service airports to comply with snow removal operations. Currently the airport has one multi-use SRE. The acquisition of additional SRE will ensure FAA compliance and federal mandates to keep the airport open and operational. Snow removal operational efficiency will be enhanced.

DP 4006 - Federal Aid Projects at Lincoln Airport -

The request is \$625,500 of federal funds in FY 2022 for the installation of an Instrument Approach Procedure (IAP) to enhance the safety of some night operations and enable equipped aircraft to land in reduced visibility conditions. Installation of an Automated Weather Observation Station (AWOS) is required to increase the safety of airport operations and improve the efficiency of the Instrument Approach Procedure (IAP) by broadcasting the current airport weather. Acquisition of a purpose-built snowplow will enable airport personnel to efficiently maintain the airport during winter weather conditions.

DP 4008 - Yellowstone Airport Master Plan Study -

The request is \$436,430 of federal funds in FY 2022 to provide an airport master plan at Yellowstone Airport. The 2020 Corona-virus Aid, Relief, and Economic Security (CARES) Act has allocated funds to the Yellowstone Airport and it is opportune to advance the Airport Master Plan already identified in the airport's capital improvement plan (CIP).

This project will consist of an overall evaluation of the current state of the airport as well as identifying future forecasted needs. This document will aid in the overall planning for 10 plus years. The FAA requires a master plan in order to receive future federal funding.

#### Other Issues -

Yellowstone Airport - 06007

#### Program Description

The Yellowstone Airport located two miles north of the Town of West Yellowstone, Montana provides the closest private and commercial air service to Yellowstone National Park, as well as service for a multitude of other recreational opportunities in the surrounding greater Yellowstone area. The airport operates seasonally at this time, but is exploring both a longer season and year-round operations with the FAA. The airport is closed during the winter months, conducting limited snow removal in fringe seasons. The airport is typically open for six months each year with seasonal commercial air service provided by SkyWest Air Lines dba Delta Connection from early-May to mid-October. The airport accomplishes these missions with extensive facilities to accommodate all sized aircraft and operations ranging from large four engine commercial service jets to small single engine aircraft.

Airside facilities at the airport include an 8,400' runway and taxiway, as well as large parking apron and hangar areas for all types of aircraft operations. The runway is equipped with a precision approach instrument landing system (ILS) and a GPS approach accommodating air traffic even during the most inclement weather conditions. The airport also supports and maintains an Automated Weather Observing System (AWOS) which reports directly to the National Weather Service (NWS) and broadcasts locally to air traffic over a VHF transmission. Other airport facilities include a commercial terminal building with tenants that include a restaurant, rental car agencies, Transportation Security Administration (TSA) offices, airline offices, and airport administration and operations. Also located on the field are several outbuildings and other facilities housing bulk fuel storage, a fixed based operator (FBO), an air ambulance base, and Airport Rescue Fire Fighting (ARFF) services. The US Forest Service operates an inter-agency fire control center with direct through the fence access to the airfield. A wildlife fence surrounds the entire airport property.

#### Revenues and Expenses

Fees for leases and other business services are both market and recovery based. Additional operating expenses are planned in the 2023 biennium to keep the airport in compliance with FAA mandates and advisory circulars.

The Yellowstone Airport is an enterprise proprietary fund. There is one airport manager who works full time, year round. The airport also has two other employees, an airport operation chief and an airport fire fighter/maintenance specialist who are employed seasonally.

#### Rates and Rate Explanation

There are planned fee increases for the 2023 biennium. Rate increases include but are not limited to: Landing fees for air carriers will go from \$1.45 to \$1.55 per 1,000 pounds, building leases will increase from \$0.14 to \$0.16 (improved) and \$0.07 to \$0.08 per sq. foot, Non-Aero rentals City will increase in 2022 to \$41,209 per year and in 2023 to \$41,827 per year up from \$40,000 per year and the Chamber Snow Shoot has a mixed increase and decrease.

| Yellowstone Airport Rates             |  |  |  |  |
|---------------------------------------|--|--|--|--|
| Fee/Rate Information                  |  |  |  |  |
| Fee & Revenue Group                   | Actuals FY 2020                              | Budgeted FY 2021                             | Budgeted FY 2022                               | Budgeted FY 2023                             |
| Landing Fees - Air Carrier            | \$1.45 / 1,000lbs                            | \$1.45 / 1,000lbs                            | \$1.55 / 1,000lbs                              | \$1.55 / 1,000lbs                            |
| Landing Fees - Other Users            | 9,001-16,500lbs = \$30.00                    | 9,001-16,500lbs = \$30.00                    | \$2.00 / 1000lbs. - \$25 min. (piston powered) | \$2.25 / 1000lbs. - \$25 min. (piston)       |
| Fuel Flowage Fee - Air Carrier        |  |  | \$0.07/Gallon                                  | \$0.07/Gallon                                |
| Fuel Flowage Fee                      | \$0.09/Gallon                                | \$0.09/Gallon                                | \$0.10/Gallon                                  | \$0.10/Gallon                                |
| Building Leases - Car rental, Airline | \$2.75-\$3.00/sq.ft.                         | \$2.75-\$3.00/sq.ft.                         | \$3.00/sq.ft.                                  | \$3.25/sq.ft.                                |
| Building Leases -FBO, Hangar Ground   | \$0.14/sq.ft. (improved) \$0.07 (unimproved) | \$0.14/sq.ft. (improved) \$0.07 (unimproved) | \$0.14/sq.ft. (improved) \$0.07 (unimproved)   | \$0.16/sq.ft. (improved) \$0.08 (unimproved) |
| Adboards                              | \$225 ad board - \$400 special               | \$225 ad board - \$400 special               | \$225 ad board - \$400 special                 | \$225 ad board - \$400 special               |
| Tax Transfers                         | \$9,260                                      | \$7,000                                      | \$7,000  | \$7,000                                      |
| Sales Receipts - Café                 | 10% of Gross Sales                           | 10% of Gross Sales                           | 12% of Gross Sales                             | 12% of Gross Sales                           |
| Sales Receipts - Other Users          | 10% of Gross Sales                           | 10% of Gross Sales                           | 10% of Gross Sales                             | 10% of Gross Sales                           |
| <b>Non-Aero Rentals</b>               |  |  |  |  |
| Nevada Testing                        | 6.00 psfpa + utilities + usage               | 6.00 psfpa + utilities + usage               | \$27,100 + utilities + usage fee               | \$28,050 + utilities + usage fee             |
| City                                  | \$40,000/Year                                | \$40,600/Year                                | \$41,209/Year                                  | \$41,827/Year                                |
| Energy West                           | \$13,500/Year                                | \$13,500/Year                                | \$19,831.83/Year                               | \$20,129.30/Year                             |
| Yamaha                                | \$0.00 (Lease not renewed)                   | \$0.00 (Lease not renewed)                   | \$0.00 (Lease not renewed)                     | \$0.00 (Lease not renewed)                   |
| Chamber - Snow Shoot                  | \$2,000 + \$190.00 per day occupancy         | \$2,250 + \$205.00 per day occupancy         | \$2,500 + \$220.00 per day occupancy           | \$2,750 + \$235.00 per day occupancy         |

Projected Fund Balance, Including Cash Fluctuations

The enterprise revenue sources when combined with existing working capital balances are projected to recover sufficient cash to fund projected expenditures at the airport. The cash needed for 60-days of personal services and operating expenses average, three-year period (FY2020 – FY 2023), are approximately \$67,251.

Annual budgeted expenses at the Yellowstone Airport for a three-year period (FY 2021 – FY 2023) average \$387,955/year that also includes match needed for federal projects occurring at the airport. The Yellowstone Airport currently supports 2.50 FTE. The FTE are needed to maintain federal airport certification requirements.

The Yellowstone Airport proprietary fund balance is forecast to increase with a decrease in expenses for FY 2021 through FY 2023. This is due to a CARES (COVID-19) grant that will help with certain expenditures. Management objectives are to use part of the available fund balance as needed to satisfy recent necessary federal airport certification requirements. There is no anticipated fluctuation of cash into the program and conservation of fund equity is to remain a high priority to offset additional Federal Airport Certification and Security requirements.



| 2023 Biennium Report on Internal Service and Enterprise Funds |  |   |                                      |                   |                   |                   |                   |
|---|--|---|--------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Agency #<br>54010   | Agency Name:<br>Department of Transportation |   | Program Name:<br>Aeronautics Program |                   |                   |                   |                   |
|   | <b>Fund</b><br>06007                         | <b>Fund Name</b><br>Yellowstone Airport |                                      |                   |                   |                   |                   |
|   |  | Actual<br>FY18                          | Actual<br>FY19                       | Actual<br>FY20    | Budgeted<br>FY21  | Budgeted<br>FY22  | Budgeted<br>FY23  |
| <b>Operating Revenues:</b>                                    |  |   |                                      |                   |                   |                   |                   |
| Fee and Charges   |  |   |                                      |                   |                   |                   |                   |
| Fee Revenue A   |  | 87,324                                  | 84,381                               | 69,154            | 82,973            | 82,973            | 82,973            |
| Other Operating Revenue                                       |  | 415,698                                 | 400,876                              | 351,014           | 358,820           | 358,820           | 358,820           |
| <b>Total Operating Revenues</b>                               |  | <b>503,022</b>                          | <b>485,257</b>                       | <b>420,168</b>    | <b>441,793</b>    | <b>441,793</b>    | <b>441,793</b>    |
| <b>Expenses:</b>  |  |   |                                      |                   |                   |                   |                   |
| Personal Services   |  |   |                                      |                   |                   |                   |                   |
| Other Operating Expenses                                      |  | 363,033                                 | 145,809                              | 86,188            | 161,237           | 161,135           | 161,129           |
| <b>Total Operating Expenses</b>                               |  | <b>552,138</b>                          | <b>355,978</b>                       | <b>178,088</b>    | <b>403,507</b>    | <b>384,824</b>    | <b>385,537</b>    |
| <b>Operating Income (Loss)</b>                                |  | <b>(49,116)</b>                         | <b>129,279</b>                       | <b>242,080</b>    | <b>38,286</b>     | <b>56,969</b>     | <b>56,256</b>     |
| Nonoperating Revenues:  |  |   |                                      |                   |                   |                   |                   |
| Other Revenue A   |  | 2,593                                   | -                                    | 446,957           | -                 | -                 | -                 |
| Nonoperating Expenses:  |  |   |                                      |                   |                   |                   |                   |
| Other Expense A   |  | (65,328)                                | 235,830                              | 212,300           | -                 | -                 | -                 |
| <b>Total Nonoperating Revenues (Expenses)</b>                 |  | <b>(62,735)</b>                         | <b>235,830</b>                       | <b>659,257</b>    | <b>-</b>          | <b>-</b>          | <b>-</b>          |
| <b>Income (Loss) Before Contributions and Transfers</b>       |  | <b>(111,851)</b>                        | <b>365,109</b>                       | <b>901,337</b>    | <b>38,286</b>     | <b>56,969</b>     | <b>56,256</b>     |
| Capital Contributions   |  |   |                                      |                   |                   |                   |                   |
| Transfers In  |  | 317,969                                 | 25,055                               | 9,260             | 7,000             | 7,000             | 7,000             |
| <b>Change in Net Position</b>                                 |  | <b>3,022,109</b>                        | <b>527,333</b>                       | <b>1,136,703</b>  | <b>51,786</b>     | <b>63,969</b>     | <b>63,256</b>     |
| <b>Beginning Net Position - July 1</b>                        |  | <b>6,709,308</b>                        | <b>12,567,822</b>                    | <b>16,124,003</b> | <b>17,331,035</b> | <b>17,382,821</b> | <b>17,446,790</b> |
| Prior Period Adjustments                                      |  | 2,836,405                               | 3,028,848                            | 70,329            | -                 | -                 | -                 |
| Change in Net Position  |  | 3,022,109                               | 527,333                              | 1,136,703         | 51,786            | 63,969            | 63,256            |
| <b>Ending Net Position - June 30</b>                          |  | <b>12,567,822</b>                       | <b>16,124,003</b>                    | <b>17,331,035</b> | <b>17,382,821</b> | <b>17,446,790</b> | <b>17,510,046</b> |
| <b>Net Position (Fund Balance) Analysis</b>                   |  |   |                                      |                   |                   |                   |                   |

In past biennia, the Yellowstone airport has maintained an adequate cash balance to meet operational needs and provide the required match for federal airport improvement grants. The 2023 biennium brings a new challenge to sustaining both operating needs and providing the required match for anticipated federal funds. These projects are necessary to meet FAR 139 requirements and TSA security requirements to maintain the airport's commercial operating certificate to host scheduled air carrier service. Safety is of the highest priority at the Yellowstone airport.

*Proprietary Rates*