



**South Carolina
Aeronautics Commission**

Budget Request FY2017-2018

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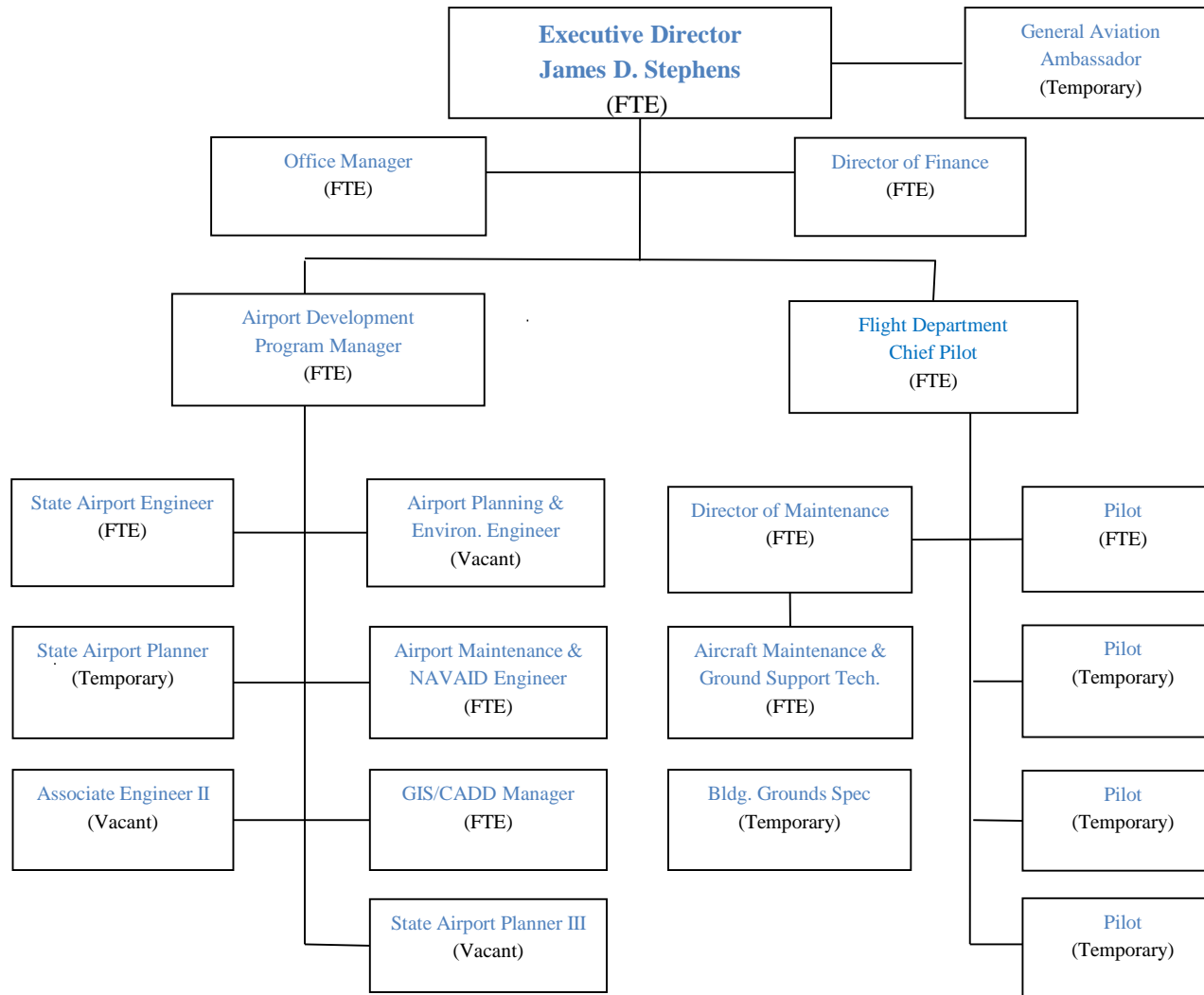
Our Mission

- Fostering air and economic development by overseeing the safety and development of the state's public use airports, by providing safe and reliable air transportation for state government and business prospects, and by providing aviation education opportunities.
 - Fostering air and economic development by working with the SC Department of Commerce, the SC Council on Competitiveness, the University of South Carolina, the McNair Center, the SC Aviation Association, and many other state and local agencies to promote the use of local airports.
 - Provide oversight of safety and development of the state's public use airports.
 - Provide safe and reliable air transportation for state government and state business prospects, and have done so now for more than 80 years.
 - Provided aviation educational opportunities to over 4,000 students in SC.

SOUTH CAROLINA AERONAUTICS COMMISSION

ORGANIZATIONAL CHART

2553 Airport Boulevard, West Columbia, SC 29170

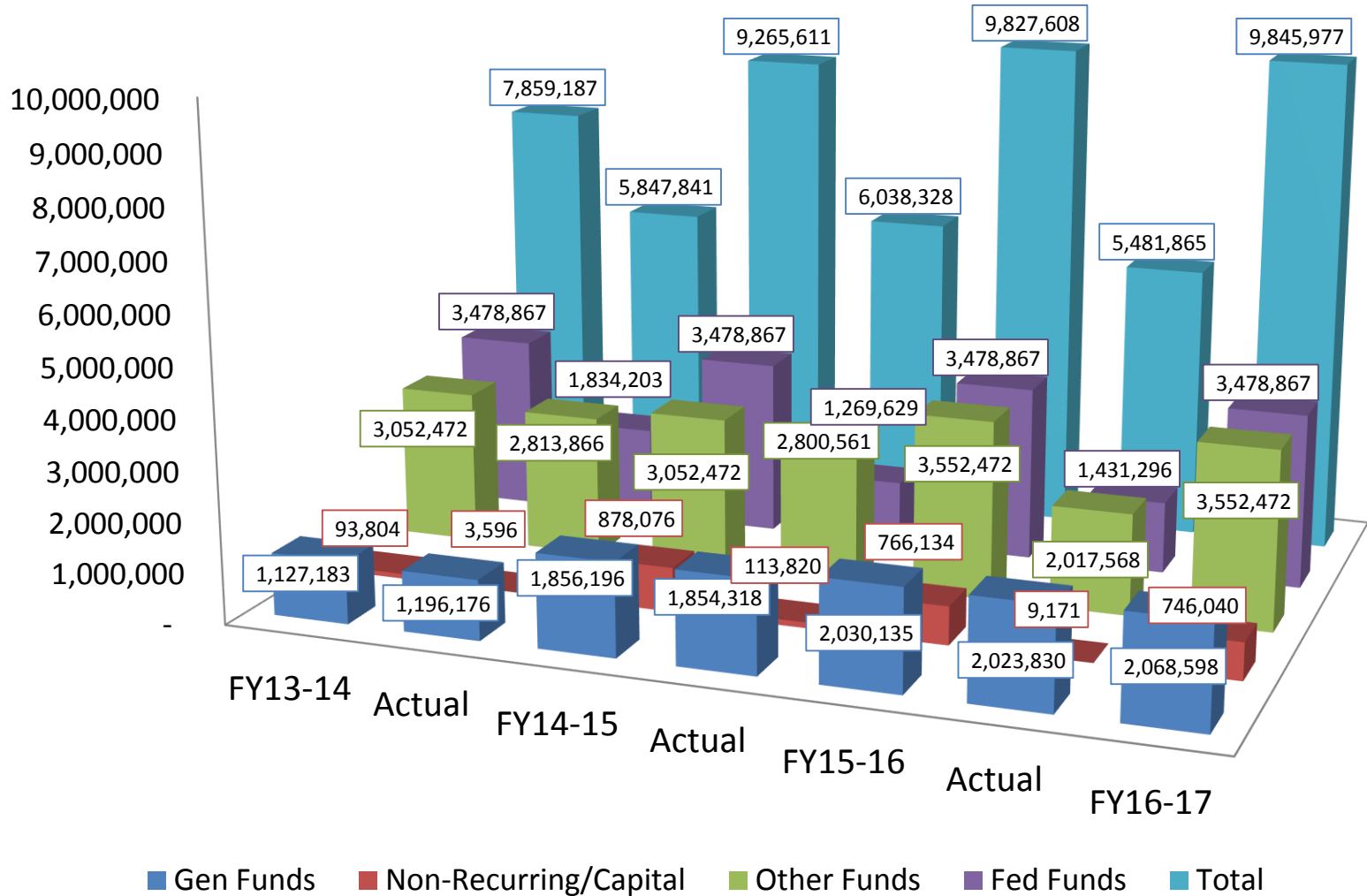


14 FTE's Currently Authorized, 11 FTE's, 3 Vacant, 6 Temporary

Annual Accountability Report Summary

- Aeronautics has approved and financially participated in twenty-four new state funded grants totaling \$2,044,919.
- Aeronautics was the recipient of a new federal grant from the FAA for the Rehabilitation Design of the Marion County Airport runway, a reimbursement for the Williamsburg Regional Airport Runway Rejuvenation, Rejuvenation and Crack Sealing at the Pageland Airport, Rejuvenation of one of the runways at the Low Country Regional Airport, and Rejuvenation of the runway at the St. George Airport.
- Aeronautics published and distributed the 2016 Aeronautical Chart and Airport Directory.
- Aeronautics continues to inspect the fifty-eight publicly owned public use airports to ensure they maintain state and federal standards.
- Aeronautics continues to provide cost effective, safe air transportation.
- Aeronautics continues to serve on the SC- EMD Air Operations Branch, and assisted with post hurricane emergency response activities.
- Aeronautics continues to support aviation education by promoting and financially participating in education grants for STEM based science aviation education training and flight simulation training. This educational outreach has provided opportunities to thousands of students in SC, and makes students aware of the career paths that are available to them in aviation/aerospace here in SC.

Aeronautics Appropriations History (3 Years) + Current



Aeronautics Budget Priorities Summary

FY2017-2018

FY 17-18 Budget Priorities Summary												
Division of Aeronautics												
Budget Priorities				Funding					FTEs			
Priority No.	Type (non-recurring/ recurring /other)	Title	Description	Recurring	Non-Recurring	Other	Federal	Total	State	Other	Federal	Total
1	Non-recurring	State Aviation Fund Appropriation	One-time appropriation with authorization to meet the planned needs of the State Aviation Fund in the 2017/2018 FY.		\$7,000,000			\$7,000,000				
2	Recurring	Other Funds Authorization	SC Airports continue to be successful in their efforts to secure additional federal funding. As a result, the need for State matching money has increased, causing the need for additional authorization to spend other funds (State Aviation Fund). The Division has recently experienced cash and authorization limitations that have delayed airport improvements across the State.	1,447,528				1,447,528				
2	Non-recurring	Security System Upgrades	One-time appropriation to take care of the needed upgrades to the physical security system at the Aeronautics Commission facilities.		\$100,000			\$100,000				

Title 55 – State Aviation Fund

SECTION 55-5-280. State Aviation Fund

(A)(1) All monies received from licensing of airports, landing fields, or funds appropriated for aviation grants, the tax on aviation fuel, and fees for other licenses issued under this chapter must be paid into the State Treasury and credited to the fund known as the "State Aviation Fund".

(2) The fund also may receive gifts, grants, and federal funds and shall include earnings from investments of monies from the fund.

(3) A fund balance at the close of the fiscal year shall not lapse but must be carried forward to the next fiscal year.

(4) The revenue credited to the State Aviation Fund pursuant to this subsection must be used solely as provided in subsection (C).

(B) In any fiscal year in which the tax levied by the State pursuant to Section 12-37-2410, et seq., exceeds five million dollars, the revenues in excess of five million dollars must be directed to the State Aviation Fund; however, any revenue in excess of ten million dollars must be credited in equal amounts to the general fund and the State Aviation Fund.

(C) The State Aviation Fund must be used solely for:

(1) maintenance and repairs of the division's aircraft; or

(2) maintenance, rehabilitation, and capital improvements to public use airports, which may include use as matching funds for FAA Airport Improvement Grants, provided that those airports receiving grants meet the requirements set forth by the division.

(3) The State Aviation Fund must not be used for operating expenses of the division.

(D) The division may promulgate regulations governing the eligibility requirements and procedures for disbursements from the State Aviation Fund.

HISTORY: 1962 Code Section 2-75; 1952 Code Section 2-75; 1942 Code Section 7112-20; 1935 (39) 447; 1937 (40) 595; 1938 (40) 1835; 1993 Act No. 181, Section 1289, eff July 1, 1993; 2005 Act No. 11, Section 1.F, eff upon approval (became law without the Governor's signature on January 13, 2005); 2012 Act No. 270, Section 3, eff June 18, 2012.

\$7,000,000 Non-recurring appropriation FY2017-2018

- Aeronautics is requesting a \$7,000,000 non-recurring appropriation and authorization for “Aviation Grants” per proviso 87.5. These funds would be credited to the State Aviation Fund for uses normally associated with the fund per Title 55-5-280.
 - Necessary due to the success of the State Airport System in regards to the securing of new Federal Aviation Administration (FAA) Airport Improvement Program (AIP) funding.
 - Necessary due to the projected need for matching grants for four airport terminal development projects at Anderson, Walterboro, Newberry, and Hartsville.
 - Next year, the projected need for matching new Federal Grants and State Grants for SC airports is estimated to be \$3M to \$3.5M.
 - Next year, the projected need for continuing to provide airport maintenance programs and educational opportunities is estimated to be \$1.6M.
 - In order to continue current programs and to take full advantage of available federal funding, we respectfully ask for this appropriation and authorization for FY 2017-2018.

OTHER FUNDS BUDGET PROJECTIONS

(State Aviation Fund & Operating Revenue Fund)

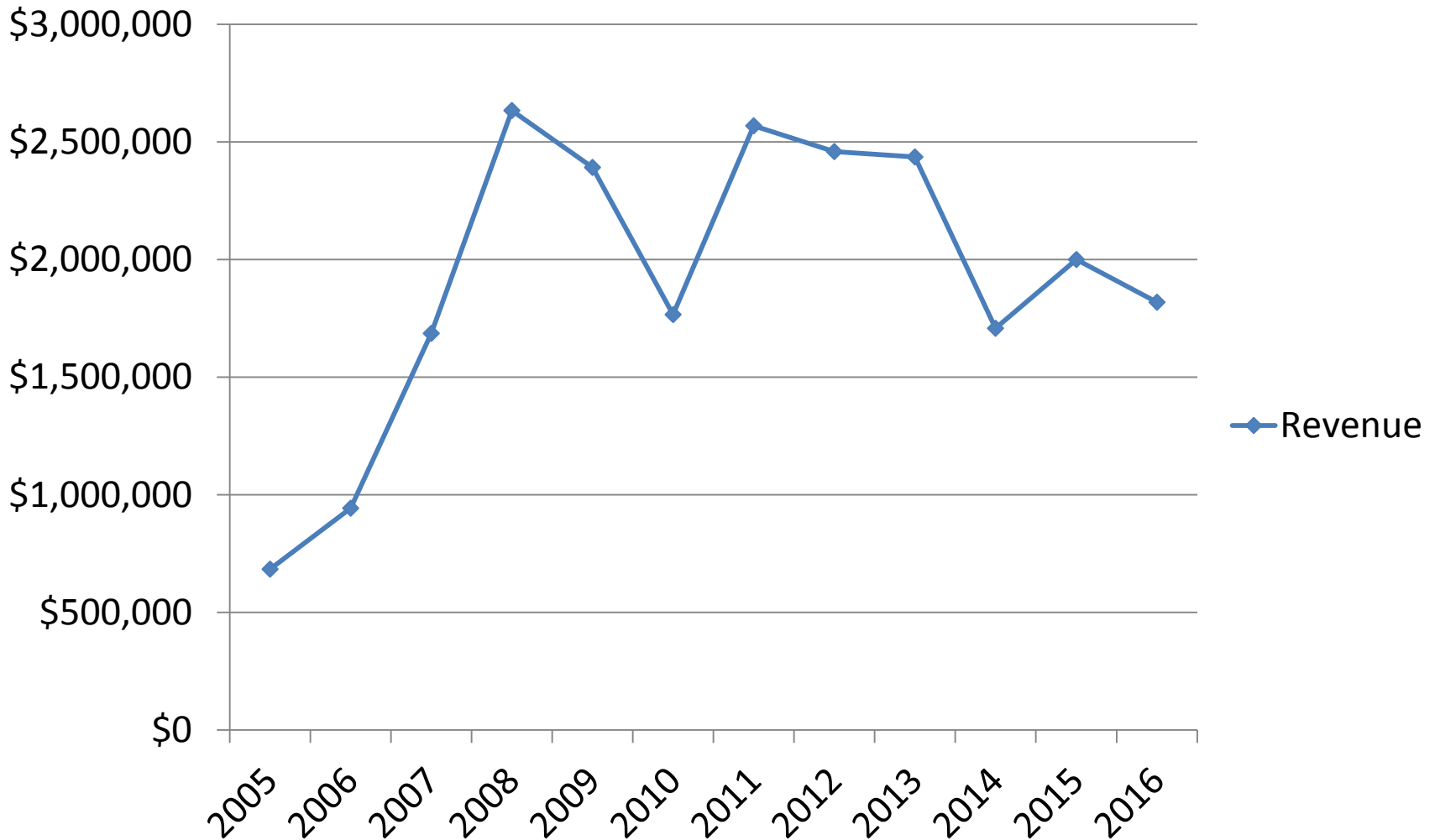
December 31, 2016

	<u>Expected Commitments for FY2017-2018</u>
Expected New Federal Commitments	3,500,000 *
Expected New Terminal Funding Requests	2,000,000
State Sponsored Federal Match	350,000
State Aviation Maintenance Projects	1,000,000
State Aviation Administration Projects	440,000
State Aviation Support Services	400,000
TOTAL PROJECTED COMMITMENTS	7,690,000

* New Commitments includes the anticipated FFY2017 airport CIP's.

* Have multi-year life-cycles that can span up to four years. These funds are used as matching funds for Federal Aviation Administration grants, and Capital Improvements that may not be federally eligible.

Aircraft Fuel Sales Tax Revenue



\$1, 447,528 Recurring Authorization FY2017-2018

- Aeronautics is requesting an increase of \$1,447,528 in recurring authorization of Other Funds. This will increase the authorization to \$5M.
 - South Carolina’s airports continue to be successful in their efforts to secure additional Federal funding. As a result, the need for State matching money has increased, causing the need for additional authorization to spend from the State Aviation Fund. All of the funding available in the State Aviation Fund is utilized for the State’s airport system, and are managed per SC Code Section 55-5-280(C), and as approved by the South Carolina Aeronautics Commission.
 - The Division has recently experienced cash and authorization limitations that have delayed airport improvements across the State. In an effort to better serve our customers, maintain the safety of our airports, improve the functionality, maintain the economic benefits, and take advantage of as many Federal grant dollars as possible, the Division is requesting this authorization increase.

\$100,000 Non-recurring appropriation FY2017-2018

- Aeronautics is requesting a \$100,000 one-time appropriation needed for Security System enhancements at the Aeronautics Commission facilities located at the Columbia Metropolitan Airport.
 - Current security system was installed post 9/11, and utilizes parts and equipment that have been costly and difficult to acquire.
 - Current system is only serviced by one company within the region, and maintenance contracts are costly.
 - Current system does not meet the needs of operating a business per Transportation Security Administration suggestions in an airport environment.

Aeronautics Proviso Request Summary

FY2017-2018

FY16-17 Proviso #	Renumbered FY17-18 Proviso #	Proviso Title	Short Summary	Recommended Action	Proviso Language
87.1	87.1	AERO: Reimbursement for Services Carry Forward	Retention and Expenditure of reimbursements derived from charges to other state agencies. Not to exceed \$300,000.	KEEP	(AERO: Reimbursement for Services Carry Forward) The Division of Aeronautics may retain and expend reimbursements derived from charges to other government agencies for service and supplies for operating purposes and that a reserve not to exceed \$300,000 may be carried forward to the current fiscal year for the replacement of time limit aircraft components.
87.2	87.2	AERO: Office Space Rental	Revenue from rental of Aeronautics office space may be retained and expended to cover costs of building operations.	KEEP	(AERO: Office Space Rental) Revenue received from rental of Division of Aeronautics office space may be retained and expended to cover the cost of building operations.
87.3	87.3	AERO: Funding Sequence	All General Aviation airports will receive funding prior to the four air carrier airports (Columbia, Charleston, Greenville-Spartanburg, Myrtle Beach).	KEEP	(AERO: Funding Sequence) All General Aviation Airports will receive funding prior to the four air carrier airports (i.e. Columbia, Charleston, Greenville-Spartanburg, Myrtle Beach Jetport) as these qualify for special funding under the DOT/FAA appropriations based on enplanements in South Carolina. This policy may be waived to provide matching state funds for critical FAA safety or capacity projects at air carrier airports.
87.4	87.4	AERO: Hangar/Parking Facilities	Aeronautics will provide hangar/parking facilities for government owned and/or operated aircraft on a first come basis, and revenue shall be retained for the purpose of facility maintenance.	KEEP	(AERO: Hangar/Parking Facilities) The Division of Aeronautics will provide hangar/parking facilities for government owned and/or operated aircraft on a first come basis. Funds shall be retained by the division for the purpose of hangar and parking facility maintenance. The Hangar Fee Schedule shall be determined by the division and shall not exceed local average market rates. Personnel from the agencies owning and/or operating aircraft will be responsible for ground movement of their aircraft.
117.105	117.102	GP: Prohibit Use of State Aircraft for Athletic Recruiting	Institutions of higher learning may use the state aircraft operated by Aeronautics for athletic recruiting, provided they reimburse for flight hours used, and the Department of Commerce shall have first right of refusal in the event of scheduling conflicts.	KEEP	(GP: Prohibit Use of State Aircraft for Athletic Recruitment) Institutions of higher learning may use the state aircraft operated by the Division of Aeronautics for the purpose of athletic recruiting, provided that they reimburse the Division of Aeronautics for all flight hours on an at cost basis, using non-general funds. To ensure availability of the aircraft for purposes of economic development, the Department of Commerce shall have first right of refusal in the event of scheduling conflicts with athletic recruiting flights.

Aeronautics Provisos *Continued*

FY16-17 Proviso #	Renumbered FY17-18 Proviso #	Proviso Title	Short Summary	Recommended Action	Proviso Language
87.5	87.5	AERO: Aviation Grants	Funds appropriated for Aviation Grants shall be credited to the State Aviation Fund for Federal Aviation Administration capital project matching, maintenance at general aviation airports, and aviation education programs.	KEEP	<p>(AERO: Aviation Grants) The funds appropriated for Aviation Grants, in this bill or any bill supplemental thereto, shall be credited to the State Aviation Fund within the Division of Aeronautics for the following purposes:</p> <p>(1) to allow the maximization of grant funds available through the Federal Aviation Administration for capital improvement projects;</p> <p>(2) for maintenance projects of general aviation airports; and or</p> <p>(3) for aviation education related programs including, but not limited to, educating young people about careers in the aviation industry and/or the promotion of aviation in general.</p> <p>Sponsors of publicly owned airports for public use are eligible to receive grants pursuant to this provision, but the airport must have a current development plan that meets the planning requirements of the National Plan of Integrated Airports Systems.</p> <p>The Aeronautics Commission shall promulgate regulations establishing the grants program that, at a minimum, address: (1) priorities among improvements qualifying for grants; (2) an airport selection process to ensure an equitable distribution of funds among eligible airports; and (3) the criteria for distribution of funds among eligible airports.</p> <p>Enabling airport sponsors to meet basic Federal Aviation Administration safety guidelines for obstruction clearance must be a major factor in the priority guidelines established by the Aeronautics Commission pursuant to this provision. The Commission also shall have discretion consistent with Section 55-5-170 of the 1976 Code to establish a program to grant Aviation Fund dollars for these purposes at the ratio of eighty percent from the fund to twenty percent from the local airport sponsor, or any ratio with a smaller relative contribution from the fund.</p> <p>A report on the expenditure of these funds shall be submitted to the Senate Finance Committee and the House Ways and Means Committee.</p> <p>Unspent funds from the prior fiscal year may be carried forward to the current fiscal year and spent for like purposes.</p>

Aeronautics Provisos *Continued*

FY16-17 Proviso #	Renumbered FY17-18 Proviso #	Proviso Title	Short Summary	Recommended Action	Proviso Language
117.22	117.22	GP: State Owned Aircraft - Flight Logs	Each agency having in its custody one or more aircraft shall maintain a continuing log on all flights, which in order to promote accountability and transparency shall be open for public inspections and shall also be posted online.	KEEP	<p>(GP: State-Owned Aircraft - Flight Logs) Each agency having in its custody one or more aircraft shall maintain a continuing log on all flights, which in order to promote accountability and transparency shall be open for public inspection and shall also be posted online. Any and all aircraft owned or operated by agencies of the State Government shall be used only for official business. The Division of Aeronautics and other agencies owning and operating aircraft may furnish transportation to the Governor, Constitutional Officers, members of the General Assembly, members of state boards, commissions, and agencies and their invitees for official business only; no member of the General Assembly, no member of a state board, commission, or committee, and no state official shall use any state-owned or operated aircraft unless the member or official files within twenty-four hours after the completion of the flight with the agency that provided the flight a sworn statement certifying and describing the official nature of his trip; and no member of the General Assembly, no member of a state board, commission or committee, and no state official shall be furnished air transportation by a state agency unless such agency prepares and maintains in its files a sworn statement from the highest ranking official of the agency or its designee certifying that the member's or state official's trip was in conjunction with the official business of the agency. Official business shall not include routine transportation to and from meetings of the General Assembly or committee meetings for which mileage is authorized. Official business also does not include attending a press conference, bill signing, or political function.</p> <p>All logs shall be signed by the parties using the flight and the signatures shall be maintained as part of the permanent record of any agency. All passengers shall be listed on the flight log by their legal name; passengers flying with an appropriate official of SLED or the Department of Commerce whose confidentiality must, in the opinion of SLED or the department, be protected shall be listed in writing on the flight log as "Confidential Passenger SLED or the Department of Commerce (strike one)" and the appropriate official of SLED or the department shall certify to the agency operating the aircraft the necessity for such confidentiality. The Division of Aeronautics shall post its flight logs on its website within one working day of completion of trips.</p> <p>Violation of the above provisions of this section is prima facie evidence of a violation of Section 8-13-700(A) of the 1976 Code and shall subject a violating member of the General Assembly to the ethics procedure of his appropriate house and shall subject a violating member of a state board, commission or committee, or a state official to the applicable ethics procedure relating to them as provided by law. The above provisions do not apply to state-owned or operated aircraft when used by the Medical University of South Carolina, nor to aircraft of the athletic department or the educational foundations of any state-supported institution of higher education, nor to law enforcement officers when flying on state-owned aircraft in pursuit of fugitives, missing persons, or felons or for investigation of gang, drug, or other violent crimes.</p> <p>Aircraft owned by agencies of state government shall not be leased to individuals for their personal use.</p>