

AGENCY NAME:	Aeronautics Commission		
AGENCY CODE:	U300	SECTION:	87



Fiscal Year 2020-21 Agency Budget Plan

FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS (FORM B1)	For FY 2020-21, my agency is (mark "X"): <input checked="" type="checkbox"/> Requesting General Fund Appropriations. <input type="checkbox"/> Requesting Federal/Other Authorization. <input type="checkbox"/> Not requesting any changes.
NON-RECURRING REQUESTS (FORM B2)	For FY 2020-21, my agency is (mark "X"): <input type="checkbox"/> Requesting Non-Recurring Appropriations. <input type="checkbox"/> Requesting Non-Recurring Federal/Other Authorization. <input checked="" type="checkbox"/> Not requesting any changes.
CAPITAL REQUESTS (FORM C)	For FY 2020-21, my agency is (mark "X"): <input checked="" type="checkbox"/> Requesting funding for Capital Projects. <input type="checkbox"/> Not requesting any changes.
PROVISOS (FORM D)	For FY 2020-21, my agency is (mark "X"): <input type="checkbox"/> Requesting a new proviso and/or substantive changes to existing provisos. <input type="checkbox"/> Only requesting technical proviso changes (such as date references). <input checked="" type="checkbox"/> Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
PRIMARY CONTACT:	James D, Stephens	803-896-6272	jstephens@aeronautics.sc.gov
SECONDARY CONTACT:	Melody Mikell	803-896-6279	memikell@aeronautics,sc.gov

I have reviewed and approved the enclosed FY 2020-21 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	<u>Agency Director</u>	<u>Board or Commission Chair</u>
SIGN/DATE:		
TYPE/PRINT NAME:	James D. Stephens	Delphin A. Gantt, Jr.

This form must be signed by the agency head – not a delegate.

Fiscal Year 2020-21 Budget Request Executive Summary

Agency Code: U300
 Agency Name: Division Of Aeronautics
 Section: 87

BUDGET REQUESTS			FUNDING					FTES				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	C - Capital	Window Replacement (Phase 2)	350,000				350,000					0.00
2	B1 - Recurring	Airport Improvements	2,500,000				2,500,000					0.00
3	C - Capital	Exterior Roofing and Coating	400,000				400,000					0.00
4	B1 - Recurring	Aircraft Maintenance and Acquisitions	250,000				250,000					0.00
5							0					0.00
6							0					0.00
7							0					0.00
8							0					0.00
9							0					0.00
10							0					0.00
11							0					0.00
12							0					0.00
13							0					0.00
14							0					0.00
15							0					0.00
16							0					0.00
17							0					0.00
18							0					0.00
19							0					0.00
20							0					0.00
21							0					0.00
22							0					0.00
23							0					0.00
24							0					0.00
25							0					0.00
26							0					0.00
27							0					0.00
28							0					0.00
29							0					0.00
30							0					0.00
TOTAL BUDGET REQUESTS			3,500,000	0	0	0	3,500,000	0.00	0.00	0.00	0.00	0.00

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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	2
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Airport Improvements
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$2,500,000 Federal: Other: Total: \$2,500,000
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What is the net change in requested appropriations for FY 2020-21? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:	
	<input type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input checked="" type="checkbox"/>	Non-mandated program change in service levels or areas
	<input checked="" type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input checked="" type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority # _____	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input checked="" type="checkbox"/>	Public Infrastructure and Economic Development
	<input type="checkbox"/>	Government and Citizens

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ACCOUNTABILITY OF FUNDS	<p>This request supports Goal 3 (Public Infrastructure and Economic Development) of the Division of Aeronautics' Strategic Planning and Performance Measurement as submitted in the FY 2019-20 Accountability Report.</p>
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What specific strategy, as outlined in the FY 2019-20 Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS	<p>The recipient of funds includes any Publicly Owned Public Use Airport that qualifies for the funds based upon program guidelines.</p>
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST	<p>This request comes as an addition to the revenue sources that the Division currently receives and mirrors the \$2,500,000 that originates from airline operations within South Carolina whose taxes currently go into the General Fund. The Division has been asking for these funds for the last 4 years but has been making that request through legislative action. However, the bills that have been introduced have had no movement, but the needs of the airport system within SC have only continued to grow.</p> <p>Currently, there is a group of commercial service airports who receive no state funding assistance while the tax origination comes directly from their aircraft operations. Also, there is another group of airports that need greater assistance to rebuild or maintain their public infrastructure while having limited local resources and no federal assistance. Together this group of airports represents nearly one quarter of our airport system but goes without improvements or with limited or no state assistance. The Division has studied the state's system of airports and has defined roles for all 58 publicly owned public use airports, and at this time the airport system needs additional assistance.</p> <p>Current state law (55-5-280(B)) could be changed as shown below to direct all airline property taxes to the State Aviation Fund. (B) In any fiscal year in which the tax levied by the State pursuant to Section 12-37-2410, et seq., exceeds two and one-half million dollars, the revenues in excess of two and one-half million dollars must be directed to the State Aviation Fund; however, any revenue in excess of five million dollars must be credited in equal amounts to the general fund and the State Aviation Fund.</p>
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Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	4
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Aircraft Maintenance and Acquisitions
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$250,000 Federal: Other: Total: \$250,000
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What is the net change in requested appropriations for FY 2020-21? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:	
	<input checked="" type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark “X” for primary applicable Statewide Enterprise Strategic Objective:	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input checked="" type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
<input type="checkbox"/>	Government and Citizens	

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ACCOUNTABILITY OF FUNDS	<p>This request supports Goal 1 (Maintaining Safety, Integrity and Security) of the Division of Aeronautics' Strategic Planning and Performance Measurement as submitted in the FY 2019-20 Accountability Report.</p> <p>This request would continue to allow the Division to maintain the integrity of aircraft operations while providing for timely funding to support higher maintenance expenses that are coming soon. This would also allow for a fund creation that would enable the Division to plan for aircraft replacement when it becomes necessary to act.</p>
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What specific strategy, as outlined in the FY 2019-20 Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS	<p>The recipient of funds includes any Publicly Owned Public Use Airport that qualifies for the funds based upon program guidelines.</p>
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST	<p>This request comes as a supplement to the current revenue sources that the Division utilizes to maintain the aircraft fleet. The Division has been using flight customer reimbursements towards maintenance expenses, but in the next few years, aircraft engine overhauls are coming due and having a fund source that can assist with the timely repairs is necessary.</p> <p>Also, the Division feels that the current aircraft fleet is at an age where replacement planning needs to take place and this fund would possibly provide for some cash to assist with those replacement costs as they are approved by following legislative requirements.</p>
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Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

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FORM C – CAPITAL REQUEST

AGENCY PRIORITY	1
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Window Replacement (Phase 2)
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Provide a brief, descriptive title for this request.

AMOUNT	\$350,000
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How much is requested for this project in FY 2020-21? This amount should correspond to the total for all funding sources on the Executive Summary.

CPIP PRIORITY	CPIP Plan year 2020, priority 1 of 2
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Identify the project's CPIP plan year and priority number, along with the first year in which the project was included in the agency's CPIP. If not included in the agency's CPIP, please provide an explanation. If the project involves a request for appropriated state funding, briefly describe the agency's contingency plan in the event that state funding is not made available in the amount requested.

OTHER APPROVALS	None
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What approvals have already been obtained? Are there additional approvals that must be secured in order for the project to succeed? (Institutional board, JBRC, SFAA, etc.)

LONG-TERM PLANNING AND SUSTAINABILITY	<p>General funds have been used to maintain facilities throughout the years. The cost of this project exceeds Aeronautics current available funds. No other separate funds will be requested until such time that the facility needs windows again, at such time, general funds for capital improvements will be requested. If left unresolved, additional maintenance costs will continue to occur and expand over time.</p> <p>This project should extend the life of the facilities and shouldn't be needed for another 30 years.</p>
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What other funds have already been invested in this project (source/type, amount, timeframe)? Will other capital and/or operating funds for this project be requested in the future? If so, how much, and in which fiscal years? Has a source for those funds been identified/secured? What is the agency's expectation with regard to additional annual costs or savings associated with this capital improvement? What source of funds will be impacted by those costs or savings? What is the expected useful life of the capital improvement?

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SUMMARY	<p>The Division was appropriated some funding for the Main Hangar windows at an amount suggested by a local window company but after consultation, further evaluation of current leakage and discussions with the professional services firm, the project went from replacing just the glass to replacing widow framing and additional associated work. The project requires removal of old window glass and frames, repair of the building framing, weatherproofing, installation, sealing and interior trim work.</p> <p>Capital project dollars are needed due to higher than originally expected replacement costs.</p>
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Provide a summary of the project and explain why it is necessary. Please refer to the budget guidelines for appropriate questions and thoroughly answer all related items.

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FORM C – CAPITAL REQUEST

AGENCY PRIORITY	3
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Exterior Roofing & Coating
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Provide a brief, descriptive title for this request.

AMOUNT	\$400,000
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How much is requested for this project in FY 2020-21? This amount should correspond to the total for all funding sources on the Executive Summary.

CPIP PRIORITY	CPIP Plan year 2020, priority 2 of 2
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Identify the project's CPIP plan year and priority number, along with the first year in which the project was included in the agency's CPIP. If not included in the agency's CPIP, please provide an explanation. If the project involves a request for appropriated state funding, briefly describe the agency's contingency plan in the event that state funding is not made available in the amount requested.

OTHER APPROVALS	None
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What approvals have already been obtained? Are there additional approvals that must be secured in order for the project to succeed? (Institutional board, JBRC, SFAA, etc.)

LONG-TERM PLANNING AND SUSTAINABILITY	General funds have been used to maintain facilities throughout the years. The cost of this project exceeds Aeronautics current available funds. No other separate funds will be requested until such time that the facility will need a new roof, at such time, general funds for capital improvements will be requested again. The Main Hangar, Guard Building, and Quonset Hangars have roof leaks that have been patched over time. Due to the age, deterioration, and added damages that continue to develop, it is time to replace the roof coverings on all three buildings. The Main Hangar and Guard Building have roof coatings can have similar roof replacement products while the Quonset Hangar will need a specialty foam/coating product. Also, the Quonset Hangar will require some sheet metal and paint work on each of its ends. If left unresolved, additional maintenance costs will continue to occur and expand over time. The project requires cleaning and prep work to remove the old roof systems and/or foam coatings.
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What other funds have already been invested in this project (source/type, amount, timeframe)? Will other capital and/or operating funds for this project be requested in the future? If so, how much, and in which fiscal years? Has a source for those funds been identified/secured? What is the agency's expectation with regard to additional annual costs or savings associated with this capital improvement? What source of funds will be impacted by those costs or savings? What is the expected useful life of the capital improvement?

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SUMMARY

The Main Hangar, Guard Building, and Quonset Hangars have roof leaks that have been patched over time. Due to the age, deterioration, and added damages that continue to develop, it is time to replace the roof coverings on all three buildings. The Main Hangar and Guard Building have roof coatings that can have similar roof replacement products while the Quonset Hangar will need a specialty foam/coating product. Also, the Quonset Hangar will require some sheet metal and paint work on each of its ends. If left unresolved, additional maintenance costs will continue to occur and expand over time. The project requires cleaning and prep work to remove the old roof systems and/or foam coatings. The estimated costs are \$300,000.

Capital project dollars are needed due to replacement costs. The Aeronautics Commission is located at the Columbia Metropolitan Airport and is home to one of the oldest hangars on the airfield. This hangar (Quonset Hangar), the Main Hangar/Offices of Aeronautics, and the Guard Building need roof replacements or a protective coating to extend the life of the metal structures.

The roofing/coatings project should extend the life of the facilities and shouldn't be needed for another 15-20 years.

Provide a summary of the project and explain why it is necessary. Please refer to the budget guidelines for appropriate questions and thoroughly answer all related items.

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FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE	State Aviation Fund Supplemental Support
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Provide a brief, descriptive title for this request.

EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	Continued offering of services that support local airports and limit the local funds necessary to operate publicly owned, public use airports.
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What is the expected savings to South Carolina’s businesses and citizens that is generated by this proposal? The savings could be related to time or money.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply: <input type="checkbox"/> Repeal or revision of regulations. <input type="checkbox"/> Reduction of agency fees or fines to businesses or citizens. <input checked="" type="checkbox"/> Greater efficiency in agency services or reduction in compliance burden. <input type="checkbox"/> Other
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METHOD OF CALCULATION	Costs offset for local airports are 1:1, meaning that for every additional dollar spent by the state, a dollar is saved by the local government that owns/operates the local airport. The supplemental support dollars would come from fees already assessed to airlines that operate within SC.
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Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.

REDUCTION OF FEES OR FINES	No reductions of fees or fines will happen at the state level, but reductions could be noticed at local levels.
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Which fees or fines does the agency intend to reduce? What was the fine or fee revenue for the previous fiscal year? What was the associated program expenditure for the previous fiscal year? What is the enabling authority for the issuance of the fee or fine?

REDUCTION OF REGULATION	N/A
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Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?

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SUMMARY

Each year, the Aeronautics Commission supports publicly owned, public use airports with Capital Improvements and Airfield Maintenance services. These services are currently supported financially through the State Aviation Fund (SAF). The SAF is capable of supporting the smaller, general aviation airports in SC, but as a state, we do not currently support our larger commercial service airports. A re-direct of the current tax payments by airlines operating within SC to the SAF would enable Aeronautics to support all publicly owned, publicly operated airports, and would continue to support this critical part of the state transportation infrastructure.

Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?