



U30

Nikki R. Haley
Governor

SOUTH CAROLINA
Aeronautics Commission

Paul G. Werts
Executive Director

AERONAUTICS
COMMISSION

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September 30, 2011

The Honorable Nikki R. Haley
Governor of South Carolina
State House, 1st Floor
Post Office Box 1773
Columbia, South Carolina 29201

RECEIVED

SEP 30 2011

Dear Governor Haley:

Attached for review is the FY2012/2013 budget plan for the South Carolina Aeronautics Commission/Division of Aeronautics (Aeronautics). We request additional appropriations in two areas:

- **Airport Development and Administration.** Reason - To maintain a minimum staff level to carry out the required statutory aviation requirements and enable the South Carolina Aeronautics Commission to secure eligible federal airport grants. South Carolina's airport system-wide network is comprised of six commercial service airports and fifty-four general aviation airports, which are dependent upon Aeronautics planners, engineers, financial administrators, and technical staffers to provide reliable technological resources to support airport capital investments enabling South Carolina to continue its global outreach for all aviation sectors. Also, the additional budget request will be used to support the administrative services provided by the State Budget and Control Board (B&CB) staff, since outsourcing this service to B&CB allows effective cost center controls for Aeronautics.
- **Flight Department.** Reason - To adequately support air transportation services to state leaders, government shareholders, and for economic development in the state. As you know, on demand air transportation services provide time saving travel benefits, and increases productivity. Operating and providing this service is administered within Aeronautics through our appropriations budget. Significant budget reductions since 2009 have had a significant impact on Aeronautics ability to provide this service beyond the 2012 budget. Basically, Aeronautics has \$10,000 of available FY2012 appropriated funds to operate two twin-engine aircraft. To meet air travel needs of the Governor's office and for members of the Legislature, this amounts equates to less than ten hours of flight time for the entire year.

Governor Haley
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Over the past five years, Aeronautics has experienced nearly a 70 percent budget reduction in state appropriated funds. These cuts have adversely impacted Aeronautics' ability to provide adequate administrative services to local communities for airport planning, engineering and code enforcement. The Aeronautics Commission core mission is to provide and enhance aviation infrastructure and to provide safe reliable air transportation for State Government. Although the state's financial condition remains uncertain, inadequate funding to South Carolina's air transportation system, which can reach national and international markets and that helps promote job creation as well as quality of life, should not be compromised.

Thank you for this opportunity to submit the Aeronautics budget plan.

Sincerely,



Paul G. Werts
Executive Director

PGW/rmr
Attachments

cc: Delphin A. Gantt, Jr., Commission Chairman

Agency Certification and Transmittal Sheet

Code:

U30

Name:

Aeronautics Division

Fostering air commerce by overseeing the safety and development of the state's public use airports and providing safe, reliable air transportation for state government leaders and business prospects. The Aeronautics Commission respectfully request an appropriation increase of \$782,539 to meet current operational expenses. We are not requesting any captial budget or additional FTE or any incese to current operations expenses. The increase is due to Division of Aeronautics exhausted all reserves and revenue sources which made up for budget shortfalls from previous years due to significate budget cuts.

To the Office of State Budget

This, and accompanying statements, schedules, and explanatory sheets consisting of 24 pages constitute the operating budget estimates of this agency for all proposed expenditures for the 2012-2013 fiscal year.

All statements and explanations contained in the estimates submitted herewith are true and correct to the best of my knowledge.

Signed:



(Agency Head)

Date:

9/29/2011

FISCAL YEAR 2012-2013 BUDGET PLAN

I. EXECUTIVE SUMMARY

A. **Agency Section/Code/Name:**

U30 -68D South Carolina Aeronautics Commission

B. **Summary Description of Strategic or Long-Term Goals:**

- 1) Fostering air commerce by overseeing the safety and development of the state's public use airports
- 2) Provide technical assistance and financial resources to commercial service and publicly owned general aviation airports
- 3) Partner with the Federal Aviation Administration (FAA), South Carolina Aviation Association, and other entities to provide aviation educational workshops to pilots, airport operators, and school children.
- 4) Provide information and reporting systems allowing airport sponsors and owners to manage their airports in accordance with law
- 5) Provide professional, convenient, safe, and cost effective air transportation for constitutional officers and state entities
- 6) Provide high quality, cost effective aircraft maintenance for Aeronautics and other state aircraft

C. **2011-2012 Agency Recurring Base Appropriation:**

State	\$541,461
Federal	2,400,000
Other	\$4,072,008

D. **Number of Budget Categories:**

1

E. **Agency-wide Vacant FTEs**

Vacant FTEs as of July 31, 2011: 5

% Vacant 36 percent

F. **Efficiency Measures:**

Improved transparency by way of internet communication. Displaying flight logs and flight manifests usage of the Aeronautics aircraft. Creating a GIS inventory of airfield electrical system enabling airfield technicians, engineers, and airport owners the ability to reconcile and trouble-shoot electrical circuits. Created a State sponsored FAA grant- in-aid program allowing Aeronautics to provide administrative, planning and engineering support services to airport owners for airfield related maintenance and capital improvement projects and providing educational materials and safety related workshops to aircraft mechanics and pilots. Provided a web communication center that enables airport owners and vendors the ability to offer used airport related materials and reference sources for sale.

G. **Number of Provisos:**

Delete One Proviso.

IIA. OPERATING BUDGET PROGRAMS

Agency Section/Code/Name: U30/68D/South Carolina Aeronautics Commission

SUMMARY OF OPERATING BUDGET PROGRAMS FOR FY 2012-13

OPERATING BUDGET PROGRAMS			FUNDING					FTEs			
Title	Activity Name	Activity No.	Non-Recurring State	Recurring State	Federal	Other	Total	State	Federal	Other	Total
Airport Development and Administration	Airport Development	1306		815,146	2,146,927	2,534,600	5,496,673	11.00			11.00
Flight Department	Flight Operation	1305		509,185	0	115,400	624,585	3.00			3.00
							0				0.00
							0				0.00
							0				0.00
							0				0.00
For additional rows, place cursor in this gray box and press "Ctrl" + "b". (You need to start in this gray box for each row needed or the formulas will not copy properly.)											
TOTAL OF ALL OPERATING BUDGET PROGRAMS			0	1,324,331	2,146,927	2,650,000	6,121,258	14.00	0.00	0.00	14.00

IIB. CAPITAL BUDGET/NON-RECURRING REQUESTS FOR FY 2012-13

Agency Section/Code/Name: U30 - Aeronautics Division

SUMMARY OF CAPITAL BUDGET/NON-RECURRING REQUESTS FOR FY 2012-13

CAPITAL BUDGET/NON-RECURRING REQUESTS				Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Project No.*	Project Name	Activity Name	Activity No.				
NO REQUEST							0
							0
							0
							0
							0
For additional rows, place cursor in this gray box and press "Ctrl" + "c". (You need to start in this gray box for each row needed or the formulas will not copy properly.)							
TOTAL OF ALL CAPITAL BUDGET/NON-RECURRING REQUESTS				0	0	0	0

*if applicable

A. Summary description of programs and how they relate to the mission of the agency:

Airport Development - Providing financial and technical airport development services to fifty-four general aviation and six commercial service airports. Administer Title 55 and Aeronautics regulations related to airport planning and engineering design, construction management, grant compliance and administration, airfield safety inspections, airfield maintenance support services based on aviation advisory circulars, building codes, system plan priorities, and other federal regulations mandated by FAA. Promote aviation transportation infrastructure administration services for airport planning, and financing to enable economic prosperity, growth as well as providing for adequate air emergency operations facilities for medical and relief efforts.

Aircraft Flight Services - Providing air transportation for Governor’s office, Constitutional Officers, members of the General Assembly, members of state boards and institutions, state commissions, state agencies and their invited guests supported with an in-house aircraft maintenance support services department.

B. Budget Program Number and Name: U30 -68D South Carolina Aeronautics Commission

C. Agency Activity Number and Name:

Note: If more than one activity maps to this program; provide all activity numbers, names, and approximate funding amounts.

Activity Number	Activity Name	State Non-Recurring	State Recurring	Federal	Other	Total
1305	Flight Department		\$509,185		\$115,400	\$624,585
1306	Airport Development		\$815,146	\$2,146,927	\$2,534,600	\$5,496,673

D. Performance Measures:

Air Transportation system is based on a State Aviation System Plan which categorizes, prioritizes, and defines performance measures based on current airport activities such as growth and airfield capacity. Another major performance area is the ability to match FAA grant programs. Airport Development manages this activity.

The Flight Department received a 75 year flight safety award from the National Business Aircraft Association. Aeronautics is only the second recipient to receive this award in the United States. This prestigious award exemplifies the department’s mission and dedication to flight safety, whereby Aeronautics maintains the States aircraft to the highest FAR Part 91 operational standards exceeding Part 91 performance measures. Aeronautics is chartered to provide air transportation services to state government officials whereby all aircraft operational expenses are absorbed in the operations budget where no funding currently exists.

E. Program Interaction:

Staff is assigned specific tasks and related duties associated with federal and state regulations. Aeronautics has numerous memorandums of agreement with other federal and state governmental entities. One efficient improvement to State air travel would be to create Aeronautics as the flight dispatch center consolidating State controlled flight departments into one centralized area. This would enable travelling needs to match aircraft utility and allow group travel, cost sharing, better utility, and better use of resources.

F. Change Management:

Aeronautics was under the Department of Commerce until July 2009 and served more in an economic development role. Today, the Aeronautics Commission operates more as an independent organization even though tethered within the State Budget and Control Board. Funding is directed to the Aeronautics Commission to manage two distinct activities: a) airport development; and b) flight operations. The Aeronautics Commission has made significant cuts by reducing the pilot staff to one chief operating pilot and supplementing pilot services with contract pilots.

G. Detailed Funding Information:

FY 2012-13 Cost Estimates:	State Non-Recurring	State Recurring	Federal	Other	Total
Number of FTEs*		14	0.00	0	14
Personal Service	\$0	\$747,934	\$0	\$0	\$747,934

III. Budget Category Justification Sheet

Agency Code
U30

Agency Name: Aeronautics Commission

Employer Contributions	\$0	\$209,421	\$0	\$0	\$209,421
Program/Case Services	\$0	\$0	\$0	\$0	\$ 0
Pass-Through Funds	\$0	\$0	\$2,146,927	\$1,000,000	\$ 3,146,927
Other Operating Expenses	\$0	\$366,976	\$0	\$1,650,000	\$2,016,976
Total	\$ 0	\$1,324,331	\$2,146,927	\$2,650,000	\$6,121,258
* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.					

Is this budget category or program associated with a Capital Budget Priority? NO
If yes, state Capital Budget Priority Number and Project Name:

Please List proviso numbers that relate to this budget category or programs funded by this category. 68D1, 68D2, 68D7

H. Changes to the Appropriation:

Please explain any changes, to include re-alignments and funding or FTE increases requested in this year's appropriation, as detailed below:

Funding:

Year	State Non-Recurring	State Recurring	Federal	Other (Earmarked or Restricted)
2011-2012 Act	\$600,000	\$541,461	\$2,400,000	\$4,072,000
2012-2013 Act	0	\$1,324,331	\$2,146,927	\$2,650,000
Difference	0	\$782,870	\$253,073	\$1,422,000
% Difference	0%	144% Increase	(10.5%) decrease	(35%) decrease

Explanation of Changes: Increase is due to inadequate appropriated funds for maintaining an adequate staff and for maintaining the Aeronautics hangar/office complex. The hangar facility serves as the aviation emergency operation center and a point of entry for the President, Vice-President, and Governor and serves as a high security area for air operations. Flight Department operating budget has been supplemented from the sale of aircraft and sale of services. Those funds will be exhausted by June 30, 2012; therefore, the state aircraft could be grounded if the Flight Department has no operating funds

I. Revenue Estimates:

Please detail Sources of revenue for this program, identified by SAP fund number if a live SCEIS agency or the STARS number if a STARS agency. If several sources remit to a single subfund that cannot be split by source and appropriation or program, provide an estimate of the revenue dedicated to this program.

SAP Fund Number	Source Name	General Fund	Other State	Earmarked	Restricted	Federal
3035	Flight Department			\$150,000		
3526	Airport Inspection			\$15,000		
3166	Aviation Fuel Sales Tax			2,500,000		
5055	FAA Grant					2,146,927
1001	General Fund	\$541,461				

If expenditures for this program are greater than known or estimated revenues and the intent is to bridge part of this shortfall by drawing down balances in agency accounts or reserves, indicate the accounts and amount of the current reserve or balance that will likely be used below.

The South Carolina Air National Guard leases an office and hangar area at \$65,412. We project a loss of \$65,412 in revenue in FY 13 due to a possible departure to McEntire Air Base, lost revenue must be offset with appropriations. Currently the sub-lease revenue is used to meet a lease agreement with Richland-Lexington Airport Commission.

Please detail the long-term sustainability of this program if cash reserves are needed to operate.

Aeronautics has no operational reserves.

If there is federal fund or other fund spending authority requested above the revenue streams detailed above, please indicate the amount and explanation for each.

Appropriated fuel tax funds used for statewide airport maintenance and capital infrastructure will be applied toward operations to maintain airport development sustainability.

J. FTE Positions:

Please detail the number of FTE's filled (F) by the program as of June 30 of each fiscal year, and the number authorized (A) by the Appropriations Act.

Fiscal Year	State	Other-Earmarked or Restricted	Federal	Total	Temporary, Temporary Grant, Time -limited
2012-2013 (A)	14				
2011-2012 (A)	14				1
2010-2011 (F)	9				1
2010-2011 (A)	14				
2009-2010 (F)	12				
2009-2010 (A)	14				
2008-2009 (F)	12				
2008-2009 (A)	14				
2007-2008 (F)	12				
2007-2008 (A)	12				

K. Detailed Justification for FTEs:

(2) **Position Details:**

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

A. Proviso Number: 68D.1**B. Appropriation**

Related budget category, program, or non-recurring request (*Leave blank if not associated with funding priority*):
Program 1 for administration and program 2 for employee benefits.

C. Agency Interest:

Agency Specific. Proviso 68D.1 specifically impacts Aeronautics operations and essential revenue for operating a flight department for government officials and fulfilling economic development travel needs.

D. Action: Keep**E. Title**

Descriptive Proviso Title: Reimbursement for Services: **Reimbursement for Services Carry Forward**

F. Summary

Summary of Existing or New Proviso:

Allows Aeronautics to retain and expend reimbursements derived from charges to other government agencies for operating purposes. Also allows Aeronautics to carry forward a reserve to replace aircraft parts which are mandated by federal regulations to be replaced or reconditioned due to cycles or time limited operations.

G. Explanation of Amendment to/or Deletion of Existing Proviso

N/A

H. Explanation of how this proviso directs the expenditure or appropriation of funds, and why this direction is necessary

Aeronautics does not charge the Governor's office, Legislature, or Constitutional Officers for aircraft use. On the other hand, State agencies, and economic development organizations reimburse Aeronautics for aircraft use. Revenue supplement flight operation budget.

I. Justification

Refer to the instructions for the correct question to answer in this space, based on the action you selected

Proviso conforms to budget appropriations.

J. Fiscal Impact (Include impact on each source of funds – state, federal, and other) None**K. Text of New Proviso with Underline or Entire Existing Proviso Text with Strikeover and Underline: No Change**

68D.1. (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.

- A. Proviso Number: 68D.2**
- B. Appropriation**
Related budget category, program, or non-recurring request (*Leave blank if not associated with funding priority*):
Revenue used to support Aeronautics Complex - buildings and associated operational cost
- C. Agency Interest: Agency specific**
Enables Aeronautics to rent hangar and office space to other State flight departments
- D. Action: Keep**
- E. Title**
Descriptive Proviso Title: **Office Space Rental**
- F. Summary**
Summary of Existing or New Proviso:
Allows Aeronautics to retain and expend revenue received from rental of office space to cover the cost of its building operations.
- G. Explanation of Amendment to/or Deletion of Existing Proviso**
N/A
- H. Explanation of how this proviso directs the expenditure or appropriation of funds, and why this direction is necessary**
No change
- I. Justification**
Refer to the instructions for the correct question to answer in this space, based on the action you selected
Keep - Conforms to organization structure of budget until Title 55 has been revised
- J. Fiscal Impact (Include impact on each source of funds – state, federal, and other) None**
- K. Text of New Proviso with Underline or Entire Existing Proviso Text with Strikeover and Underline No Change**
68D.2. (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.

A. Proviso Number: 68D.3

B. Appropriation

Related budget category, program, or non-recurring request (*Leave blank if not associated with funding priority*):

C. Agency Interest

Agency specific

D. Action: Keep

E. Title

Descriptive Proviso Title: **Funding sequence**

F. Summary

Summary of Existing or New Proviso:

Gives priority to fund general aviation airports prior to the larger four commercial service airports. Policy does allow state matching funds to be used for critical safety and capacity projects.

G. Explanation of Amendment to/or Deletion of Existing Proviso

N/A

H. Explanation of how this proviso directs the expenditure or appropriation of funds, and why this direction is necessary

Air Transportation Companies are tax exempt; therefore, fuel sales taxes are not collected from commercial service operators operating at FAA Part 139 commercial service airports.

I. Justification

Refer to the instructions for the correct question to answer in this space, based on the action you selected

Four of the six commercial service airports enplane and deplane over 500,000 passengers per year generating revenue to cover infrastructure expenses. Proviso aligns with budget and organization policy.

J. Fiscal Impact (Include impact on each source of funds – state, federal, and other) None

K. Text of New Proviso with Underline or Entire Existing Proviso Text with Strikeover and Underline: No Change

68D.3. (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.

A. **Proviso Number: 68D.4**

B. **Appropriation**

Related budget category, program, or non-recurring request (*Leave blank if not associated with funding priority*):

C. **Agency Interest**
Agency Specific.

D. **Action: Keep**

E. **Title**

Descriptive Proviso Title: **Hangar Parking Facilities**

F. **Summary**

Summary of Existing or New Proviso: **Requires the Aeronautics Division to provide hangar/parking facilities for government owned aircraft on a first come basis. Allows the Division to retain fees for hangar and apron pavement maintenance. Authorizes the Division to set hangar rates but prohibits the Division from exceeding average market rates in the local area.**

G. **Explanation of Amendment to/or Deletion of Existing Proviso**

N/A

H. **Explanation of how this proviso directs the expenditure or appropriation of funds, and why this direction is necessary**
Appropriated funds do not cover the cost of maintaining the Division of Aeronautics hangar complex

I. **Justification**

Refer to the instructions for the correct question to answer in this space, based on the action you selected

Keep – Recurring proviso until Title 55 of the Aeronautics code has been updated and associated revenues been amended.

J. **Fiscal Impact (Include impact on each source of funds – state, federal, and other) None**

K. **Text of New Proviso with Underline or Entire Existing Proviso Text with Strikeover and Underline**

68D.4. (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.

A. **Proviso Number: 68D.5**

B. Appropriation

Related budget category, program, or non-recurring request (*Leave blank if not associated with funding priority*):
Associated with administering airport appropriated funds; as allocated to the Division of Aeronautics

C. Agency Interest

Agency specific - associated with airport system plan needs and priority programs.

D. **Action: Keep**

E. Title

Descriptive Proviso Title: **Airport Development**

F. Summary

Summary of Existing or New Proviso: **Provides for disbursement of line item appropriations for airports as approved by the Division of Aeronautics.**

G. Explanation of Amendment to/or Deletion of Existing Proviso

(If request to delete proviso is due to codification, note the section of the Code of Laws where the language has been codified):

H. Explanation of how this proviso directs the expenditure or appropriation of funds, and why this direction is necessary

No substantive change

I. Justification

Refer to the instructions for the correct question to answer in this space, based on the action you selected
Conforms location of proviso to budget and organizational structure - in addition, conforms proviso to current permanent law and practice regarding approval of disbursements by the Aeronautics Commission and Division staff.

J. Fiscal Impact (Include impact on each source of funds – state, federal, and other)

None

K. Text of New Proviso with Underline or Entire Existing Proviso Text with Strikeover and Underline

68D.5. (AERO: Airport Development) Any line item appropriation for airports shall be disbursed for eligible airport development items as approved by the Aeronautics Commission.

A. Proviso Number: 68D.6**B. Appropriation**

Related budget category, program, or non-recurring request (*Leave blank if not associated with funding priority*):

Program – Airport capital improvement and airfield maintenance program

C. Agency Interest

General proviso affecting the Aeronautics Division procedure for project reimbursement - the Division does not cash advances any appropriation funds for construction/maintenance projects.

D. Action: Keep**E. Title**

Descriptive Proviso Title: **Grant Funds Carry Forward**

F. Summary

Summary of Existing or New Proviso: **Allows funds for matching national grant funds to be carried forward to match committed and unanticipated grant funds**

G. Explanation of Amendment to/or Deletion of Existing Proviso

N/A

H. Explanation of how this proviso directs the expenditure or appropriation of funds, and why this direction is necessary

Without a carry forward provision, airport owner/operators would not be able to meet realistic time schedules and project deadlines and the Division of Aeronautics would not be able to fulfilled financial capital improvement obligations.

I. Justification

Refer to the instructions for the correct question to answer in this space, based on the action you selected

Keep – Standard operating procedure until Title 55 revisions have been approved.

J. Fiscal Impact (Include impact on each source of funds – state, federal, and other) None**K. Text of New Proviso with Underline or Entire Existing Proviso Text with Strikeover and Underline**

68D.6. (AERO: Grant Funds Carry Forward) Any unexpended balance on June thirtieth, of the prior fiscal year, for Matching National Grant Funds, may be carried forward to the current fiscal year and used for matching committed and/or unanticipated grant funds.

- A. **Proviso Number: 68D.7**
- B. **Appropriation**
Related budget category, program, or non-recurring request (*Leave blank if not associated with funding priority*):
- C. **Agency Interest**
Agency specific
- D. **Action: Keep**
- E. **Title**
Descriptive Proviso Title: **Carry Forward Sale of Aircraft Proceeds**
- F. **Summary**
Summary of Existing or New Proviso: **Allows the Aeronautics Division to carry forward proceeds from the sale of aircraft to be used for Division purposes**
- G. **Explanation of Amendment to/or Deletion of Existing Proviso**
N/A
- H. **Explanation of how this proviso directs the expenditure or appropriation of funds, and why this direction is necessary**
Allows Aeronautics Division to use proceeds from sale of aircraft for purpose of maintaining aircraft to FAA airworthiness standards
- I. **Justification**
Refer to the instructions for the correct question to answer in this space, based on the action you selected
Proviso conforms to budget and organizational structure and in light of budget reductions, allows the use from the sale of assets proceeds to be used for operating two twin engine aircraft per federal airworthiness regulations
- J. **Fiscal Impact (Include impact on each source of funds – state, federal, and other) None**
- K. **Text of New Proviso with Underline or Entire Existing Proviso Text with Strikeover and Underline**
68D.7. (AERO: Carry Forward Sale of Aircraft Proceeds) The Division of Aeronautics may carry forward proceeds from the sale of aircraft to be used for replacement aircraft, required Federal Aviation Administration upgrades to existing aircraft, and other Division purposes.

A. Proviso Number: 68D.8**B. Appropriation**

Related budget category, program, or non-recurring request (*Leave blank if not associated with funding priority*):

C. Agency Interest

Agency specific

D. Action : Keep**E. Title**

Descriptive Proviso Title: **Aviaiton Grants**

F. Summary

Summary of Existing or New Proviso: **Requires appropriations for Aviation Grants to be deposited to the State Aviation Fund and prescribes the purposes for which State Aviation Fund may be used. Promulgates regulations to govern aviation grant programs and specifies minimum criteria for Aeronautics Regulation. Allows Aeronautics the discretion to establish a program to make grants from the State Aviation Fund at a rate of 80% or less with the remainder provided by airport sponsors - requires a report of expenditures from the fund to House Ways and Means and Senate Finance Committees - maximize federal grant to airport sponsors. Allows funds to be carried forward for the Division**

G. Explanation of Amendment to/or Deletion of Existing Proviso

N/A

H. Explanation of how this proviso directs the expenditure or appropriation of funds, and why this direction is necessary

No substantive change until Title 55 changes have been implemented. Title 55 modifications address changes to the State Aviation Fund and the implementation of grant procedures.

I. Justification

Refer to the instructions for the correct question to answer in this space, based on the action you selected: **Conforms proviso location to budgets and organizational structure and accurately reflects authority responsibility for promulgation of regulations and guidance governing grants and disbursements from the State Aviation Fund.**

J. Fiscal Impact (Include impact on each source of funds – state, federal, and other) None**K. Text of New Proviso with Underline or Entire Existing Proviso Text with Strikeover and Underline**

68D.8. (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:

(1) to allow the maximization of grant funds available through the Federal Aviation Administration for capital improvement projects;

(2) for maintenance projects of general aviation airports; and or

(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.

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.

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.

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.

A report on the expenditure of these funds shall be submitted to the Senate Finance Committee and the House Ways and Means Committee.

Unspent funds from the prior fiscal year may be carried forward to the current fiscal year and spent for like purposes.

L. **Proviso Number: 68D.9**

M. Appropriation

Related budget category, program, or non-recurring request (*Leave blank if not associated with funding priority*):

N. Agency Interest

Agency specific

O. Action: Keep

P. Title

Descriptive Proviso Title: **Grant Matching Funds**

Q. Summary

Summary of Existing or New Proviso: **Allow funds appropriated for FAA matching grants for use to match state and local airport projects whether or not they have received FAA funding. Sponsor must request approval from Aeronautics Commission before any funds are awarded and before construction commences.**

R. Explanation of Amendment to/or Deletion of Existing Proviso

N/A

S. Explanation of how this proviso directs the expenditure or appropriation of funds, and why this direction is necessary
Conforms to organization structure and reinforces allocation of appropriations.

T. Justification

Refer to the instructions for the correct question to answer in this space, based on the action you selected

Financial assistance to airport owner/operators - FAA appropriated funds are mandated to receive airport sponsor or Aeronautics financial participation. FAA provides grant assistance at 95% of eligible project cost with the remaining 5% match with local or state funds

U. Fiscal Impact (Include impact on each source of funds – state, federal, and other) None

V. Text of New Proviso with Underline or Entire Existing Proviso Text with Strikeover and Underline

68D.9. (AERO: Grant Match Funds) The funds appropriated to the Division of Aeronautics for FAA grant matching, may be used to match state and local aviation airports projects whether or not they have received FAA funding. Any funds must be approved by the Aeronautics Commission prior to being awarded.

A. **Proviso Number: 68D.10**

B. **Appropriation**

Related budget category, program, or non-recurring request (*Leave blank if not associated with funding priority*):

C. **Agency Interest**

Agency specific

D. **Action :Delete**

E. **Title**

Descriptive Proviso Title: **Transfer of MUSC Aircraft**

F. **Summary**

Summary of Existing or New Proviso: **Directs the transfer of title and ownership of the Medical University of South Carolina's Beechcraft King Air to the Aeronautics Commission for official use by the state - requires that the Aeronautics Commission provide funding to the Medical University to cover the value of the aircraft as soon as funding is available.**

G. **Explanation of Amendment to/or Deletion of Existing Proviso**

The transfer of title and ownership of the Beechcraft King Air 90C model aircraft from MUSC to Aeronautics Commission; and the funding to MUSC for the aircraft will be completed FY12. This proviso will no longer be required.

H. **Explanation of how this proviso directs the expenditure or appropriation of funds, and why this direction is necessary**

I. **Justification**

Refer to the instructions for the correct question to answer in this space, based on the action you selected. **The title and ownership transfer of the MUSC aircraft will be complete.**

J. **Fiscal Impact (Include impact on each source of funds – state, federal, and other). None**

K. **Text of New Proviso with Underline or Entire Existing Proviso Text with Strikeover and Underline**

~~**68D.10.** (AERO: Transfer of MUSC Aircraft) Title and ownership of the Medical University of South Carolina's Beechcraft King Air 90C model is transferred to the Aeronautics Commission for official use by the state in the manner prescribed by law. It is the intent of the General Assembly that the Aeronautics Commission shall provide funding to the Medical University to cover the value of the aircraft as soon as funding is available.~~

A. Proviso Number: 89.24

B. Appropriation

Related budget category, program, or non-recurring request (*Leave blank if not associated with funding priority*):

C. Agency Interest
General Proviso

D. Action: Keep

E. Title

Descriptive Proviso Title: **State Owned Aircraft**

F. Summary

Provides flight log and aircraft usage guidelines for agencies that have one or more aircraft.

G. Explanation of Amendment to/or Deletion of Existing Proviso

N/A

H. Explanation of how this proviso directs the expenditure or appropriation of funds, and why this direction is necessary
The proviso does not direct funding.

I. Justification

This proviso provides critical guidelines for the use of state aircraft. The proviso has been amended in recent years and should not be codified.

J. Fiscal Impact (Include impact on each source of funds – state, federal, and other) None

K. Text of New Proviso with Underline or Entire Existing Proviso Text with Strikeover and Underline

89.25. (GP: State Owned Aircraft - Maintenance 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 aircraft of the Division of Aeronautics unless the member or official files within forty-eight hours after the time of departure of the flight with the Division of Aeronautics 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 other than the Division of Aeronautics unless such agency prepares and maintains in its files a sworn statement from the highest ranking official of the agency 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.

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.

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 aircraft of the Division of Aeronautics 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.

Federal Aid Justification

3-45-4500-014-2010

Summary

Award Title	Perimeter Fencing		
CFDA Number/Title	(20.106) Airport Improvement Program	→ If "Other", identify:	
Award Number (Federal)	3-45-4500-014-2010	Start Date	07/01/10
		Federal Agency	Department of Transportation (69)
Award Number (State)	U3001A001214	End Date	01/01/13
		Federal Subagency	Federal Aviation Administration (6920)
Award Period	One-Time	→ If "Other", explain:	

Financial

Total Award Amount	\$ 1,300,000	Amount Available in FY 2012-13	\$ 1,300,000
State Match Required?	Yes	If "Yes", describe, and provide SAP Fund Number(s) of funding sources	Matched using state aviation fuel taxes collections - Fund #3166
Local Match Required?	Yes	If "Yes", describe	Local general fund or revenue funds or capital bonds
Assistance Type	Direct Payment (Subsidy or Direct Aid)	If "Other", explain	
Is administrative and/or indirect cost recovery permitted? If so, explain:	Associated administration and engineering services are recovered indirect expenses.		
Will funds be passed-through to other entities? If so, what types of entities, and how will funds be distributed?	85% of the funds are pass-thru for contractual services, remaining 15% used as a direct services		

Federal Aid Justification

3-45-4500-014-2010

Questions

How is the use of these funds essential to your agency's mission?

Project a one time expense to control wildlife and obtain airfield security which is mission critical to aviation safety.

What budgetary, compliance, and programmatic obligations will the state incur (now or in the future) through the receipt of these funds?

None - Federal and State grant assurance stipulate encroachment controls

What outcome and/or performance measures will you track and/or report on in association with this award?

Budget cost, project schedules, specification enforcement and contractual obligations are used as performance measures. Decrease or increase pilot/aircraft incidents establishes a performance benchmark.

What is the name and title of the individual in your agency who is responsible for the success of this program?

Paul Werts - Executive Director

Summary

Award Title	System Plan - Land Use Restrictions and Height Ordinance		
CFDA Number/Title	(20.106) Airport Improvement Program	→	If "Other", identify:
Award Number (Federal)	3-45-0000-011-2011	Start Date	10/01/10
		Federal Agency	Department of Transportation (69)
Award Number (State)	U3001A002011	End Date	12/13/13
		Federal Subagency	Federal Aviation Administration (6920)
Award Period	One-Time	→	If "Other", explain:

Financial

Total Award Amount	\$ 346,927	Amount Available in FY 2012-13	\$ 346,927
State Match Required?	Yes	If "Yes", describe, and provide SAP Fund Number(s) of funding sources	Funded from 3166 - State Aviation Fuel Tax
Local Match Required?	No	If "Yes", describe	
Assistance Type	Project Grant	If "Other", explain	
Is administrative and/or indirect cost recovery permitted? If so, explain:	Yes - Direct labor and fringe rendered by staff services will be recovered from federal grant		
Will funds be passed-through to other entities? If so, what types of entities, and how will funds be distributed?	Contractual special services will be a passed-through - amount unknown. No pass thru to local or state governmental entities.		

FY 2012-13 Agency Budget Request	Agency Code	Agency Name
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Federal Aid Justification	3-45-0000-011-2011
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Questions

How is the use of these funds essential to your agency's mission?

Title 55 mandates land use controls around airports thereby Aeronautics staff is assisting airport owners in establishing land use controls and creating enforcement action to deter unsafe airspace obstacles.

What budgetary, compliance, and programmatic obligations will the state incur (now or in the future) through the receipt of these funds?

Fulfilling grant compliance obligations and administering the aviation code of laws will have administration expenses.

What outcome and/or performance measures will you track and/or report on in association with this award?

Reduced or increase aircraft incidents and accident rates will be used as one measure. Neighboring comments will be another measurement in determining land use controls.

What is the name and title of the individual in your agency who is responsible for the success of this program?

Paul Werts - Executive Director

Federal Aid Justification

N/A

Summary

Award Title	System Plan - Phase II Pavement Inventory		
CFDA Number/Title	(20.106) Airport Improvement Program	→ If "Other", identify:	
Award Number (Federal)	N/A	Start Date	01/01/13
		Federal Agency	Department of Transportation (69)
Award Number (State)		End Date	06/30/13
		Federal Subagency	
Award Period	Periodic Renewal	→ If "Other", explain:	

Financial

Total Award Amount	\$ 500,000	Amount Available in FY 2012-13	\$ 500,000
State Match Required?	yes	If "Yes", describe, and provide SAP Fund Number(s) of funding sources	Match using state aviation fuel tax; Fund #3166
Local Match Required?	no	If "Yes", describe	
Assistance Type	Project Grant	If "Other", explain	
Is administrative and/or indirect cost recovery permitted? If so, explain:	Direct administration service associated with inspecting airfield pavements used for cost recovery.		
Will funds be passed-through to other entities? If so, what types of entities, and how will funds be distributed?	85% of the funds distributed for contractual services. 15% retained for Aeronautics administration.		

Federal Aid Justification

N/A

Questions

How is the use of these funds essential to your agency's mission?

Airfield pavements require inspection for FOD (Foreign Object Debris). This task is mission critical for flight safety in preventing debris from becoming ingested into jet engines, therefore a study of pavement conditions and structural

What budgetary, compliance, and programmatic obligations will the state incur (now or in the future) through the receipt of these funds?

Airport owner obligations will require Aeronautics to conduct site visits and enforcement inspections.

What outcome and/or performance measures will you track and/or report on in association with this award?

Theoretical pavement design and construction principals are just a few of the performance measures evaluated in the study.

What is the name and title of the individual in your agency who is responsible for the success of this program?

Paul Werts - Executive Director