

FISCAL RESEARCH DIVISION

A Staff Agency of the North Carolina General Assembly

Division of Aviation Budget and Programs

Joint House and Senate Appropriations on Transportation

March 2, 2023

Overview

- Statute
- Overview of Division Activities
- Budget Overview
- State Grants Programs
- Federal Programs
- Grants Management and Challenges



Statute

G.S. 63, Article 7

“The Department of Transportation is hereby authorized, subject to the limitations and conditions of this Article, to provide State aid in form of loans and grants to cities, counties, and public airport authorities of North Carolina for the purpose of planning, acquiring, constructing or improving municipal, county, and other publicly owned or controlled airport facilities, and to authorize related programs of aviation safety, education, promotions, and long-range planning.” (G.S. 63-65.(a))

Other Authorities under G.S. 63

- Develop and update the North Carolina Airport System Plan
- Evaluate applications for State assistance from airports
- Promote aviation safety through educational programs
- Represent the State to federal agencies
- Accept federal grants for public airport development
- Issue permits for Unmanned Aircraft Systems commercial operators



Overview

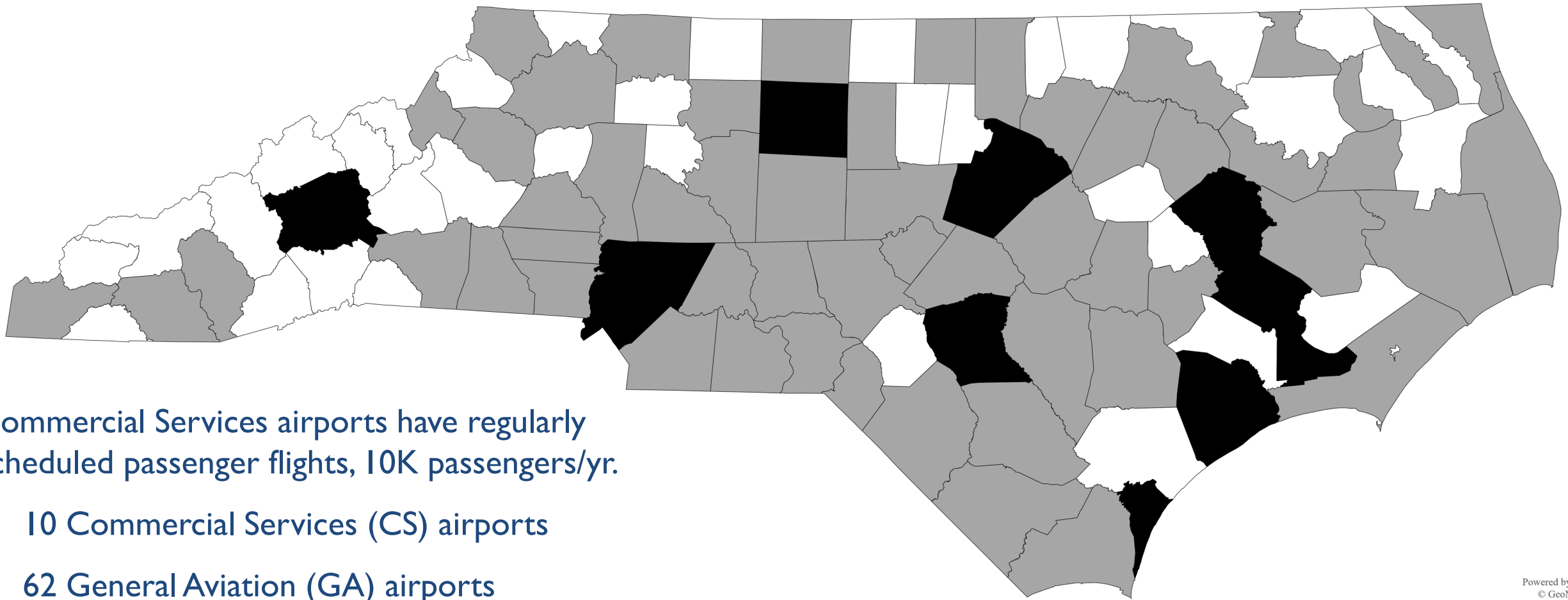


Manages:

- **State-funded grant programs** for all 72 North Carolina airports
- **Federal grant programs** for 62 North Carolina general aviation airports
- Manned flight operations
- Unmanned aircraft systems (drones)
- Aviation safety and education

Airport Types and Locations

□ No Airport ■ General Aviation ■ Commercial Services



Commercial Services airports have regularly scheduled passenger flights, 10K passengers/yr.

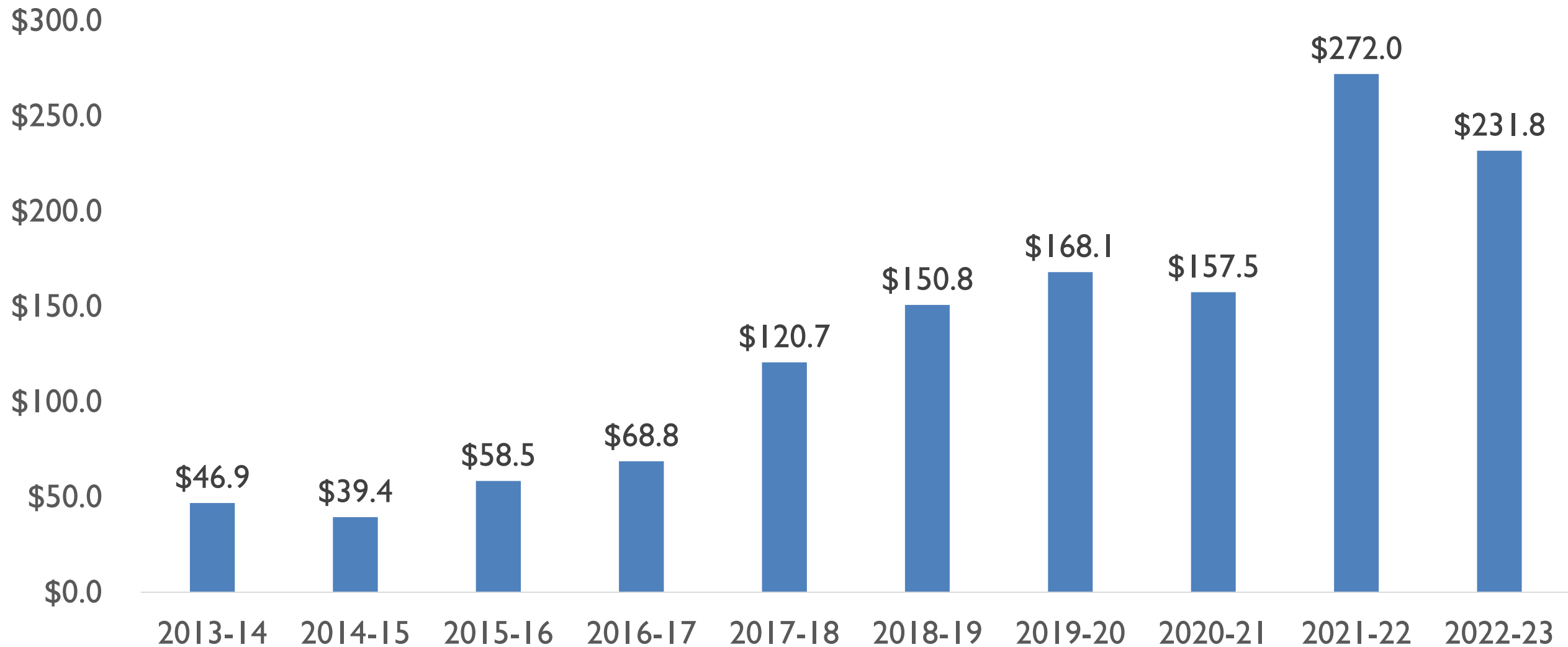
- 10 Commercial Services (CS) airports
- 62 General Aviation (GA) airports

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Budget History – Total Requirements

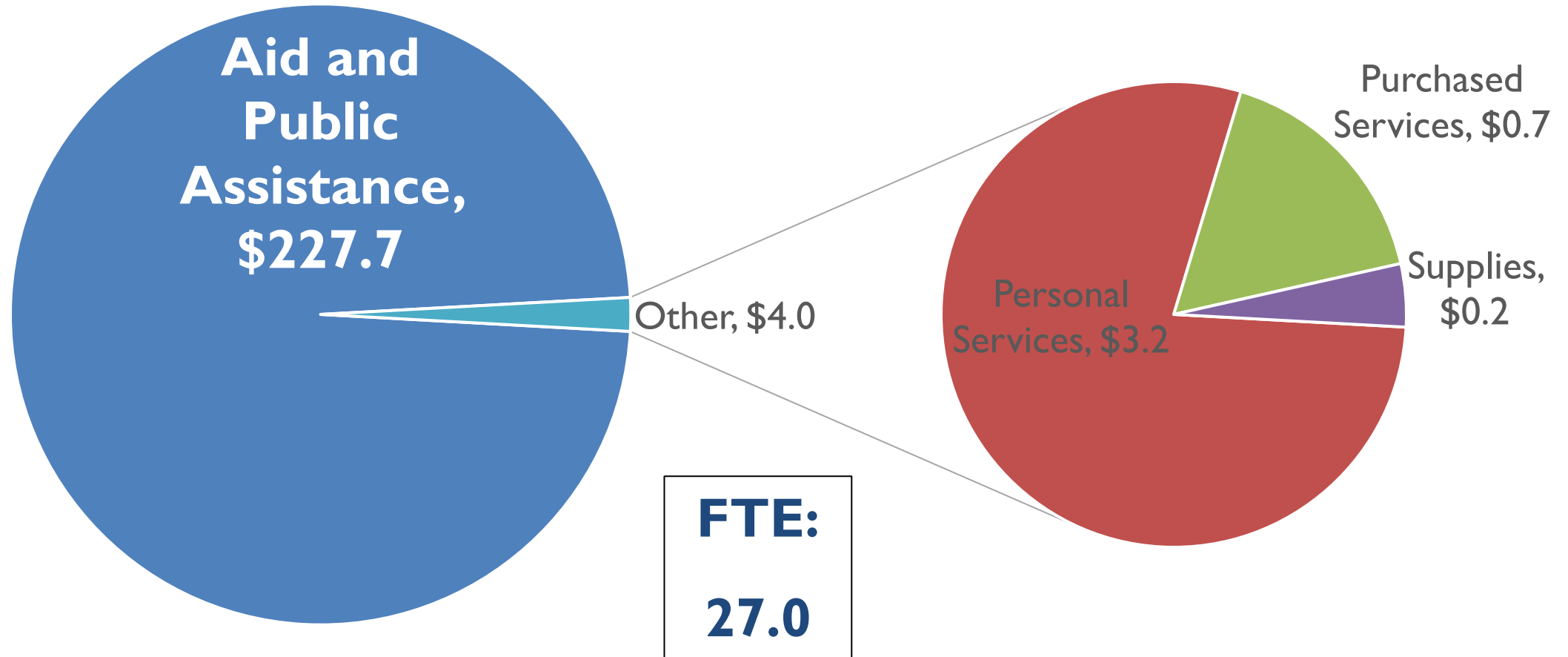
(Certified Budget - \$ in millions)



FY 2022-23 Certified Budget Summary

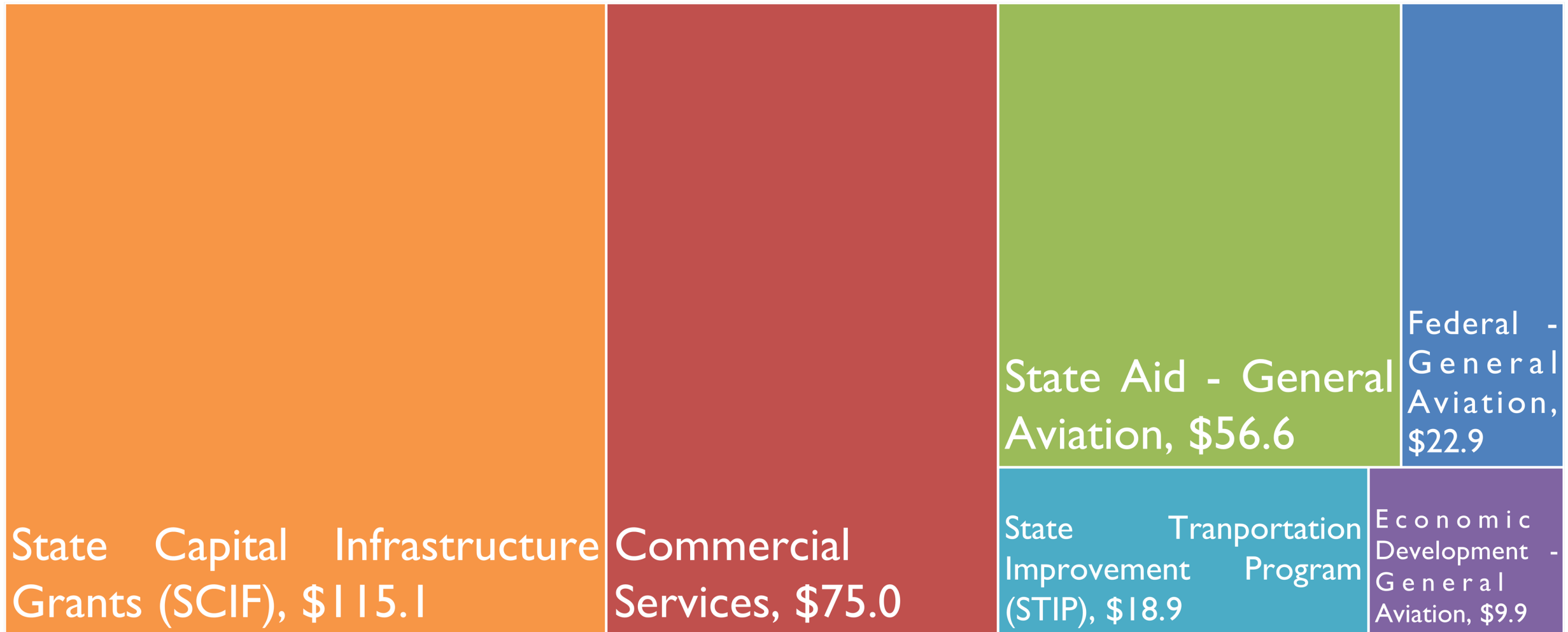
(\$ in millions)

Total:
\$231.8



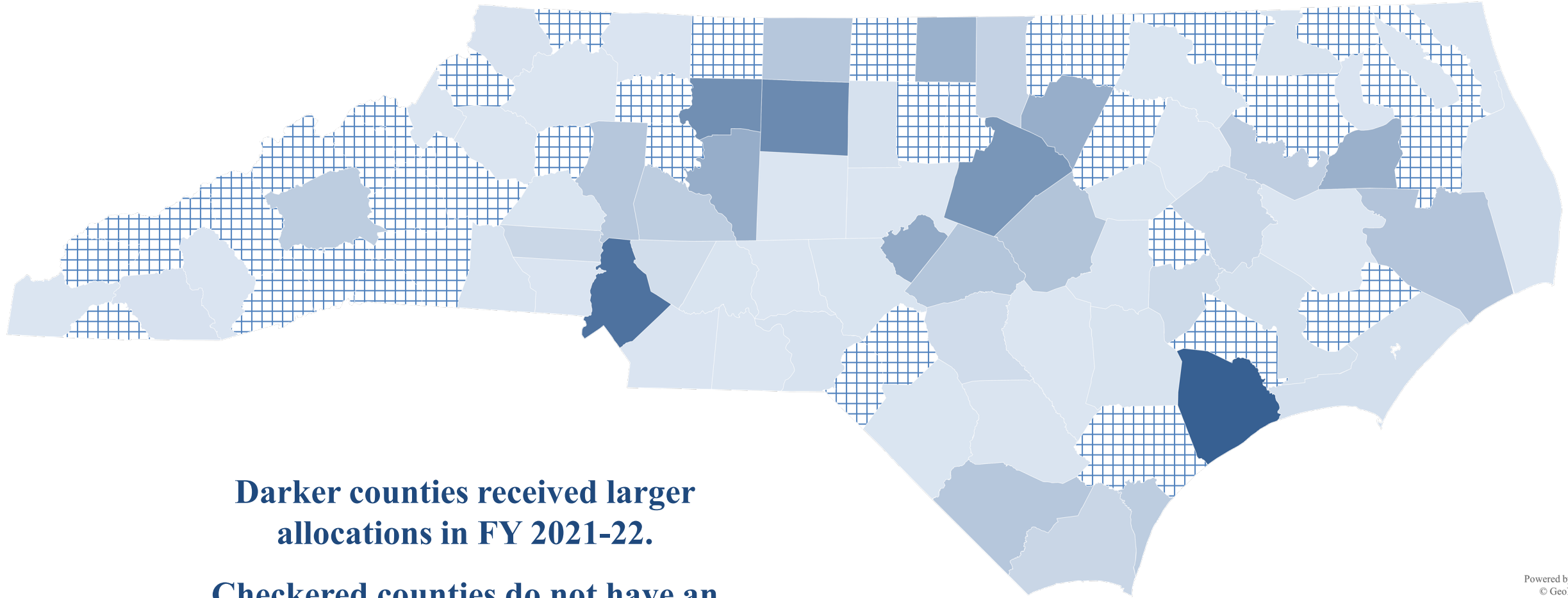
Allocations – Aid and Public Assistance (FY 2021-22) (\$ in millions)

Total:
\$298.4



Allocations by Location – FY 2021-22

**Total:
\$298.4**



**Darker counties received larger
allocations in FY 2021-22.**

**Checkered counties do not have an
airport or received no funds.**

\$- \$30,942,708

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State Grant Programs – Commercial Services

Certified Budget FY 2022-23 - **\$100.0M**

- 10 airports with regularly scheduled passenger service
- G.S. 63-74 provides the formula for allocations
 - Economic impact through State of Aviation report, passenger traffic
 - Allocations change every 2 years
- Airports apply annually
 - 45 days for Division response
 - Funds are disbursed on a quarterly basis
- Can be used for capital improvement projects, debt service



State Grant Programs – State Aid to Airports

- **Certified Budget FY 2022-23 – \$41.0M**
 - General Aviation airport program
 - Allocated based on Airport System Plan by Division of Aviation, airport applications
 - Reimbursement basis, multi-year
 - Capital improvements, prioritized based on the system plan with a focus on core infrastructure needs such as runways
- Federal block grant also managed with this program (**\$21.0M**)
 - 10 States get a block grant for general aviation programs



State Grant Programs

State Capital Infrastructure Fund (SCIF)

General Fund dollars directed to airports in the 2021-23 biennium, allocated in the 2021 and 2022 Appropriations Acts

- **\$166.1M** aviation grants over the biennium, representing **9%** of total SCIF allocations (\$1.85 billion) which Division of Aviation manages
- Fund projects at 25 airports
- Flexible project use; airport submit claims to Division of Aviation
- Division of Aviation provided guidance and training on receiving and complying with State requirements, coordinating funds transfer from Office of State Budget and Management, executing grant agreements and receiving airport claims for the funds



State Grant Programs - Other

- Economic Development - **\$10.0M** in Certified Budget
 - Funds from the Jet Fuels Tax
 - Identify short term projects promoting commerce at General Aviation airports
 - Project types include land acquisition, facilities, pavement projects, lighting
- Special Projects
 - Safety and Maintenance, wildlife management, weather and navigation aids
- STIP
 - Highway Trust Fund dollars managed by Division of Aviation
 - Annual caps for airports (\$500,000 for CS, \$100-300,000 for GA)

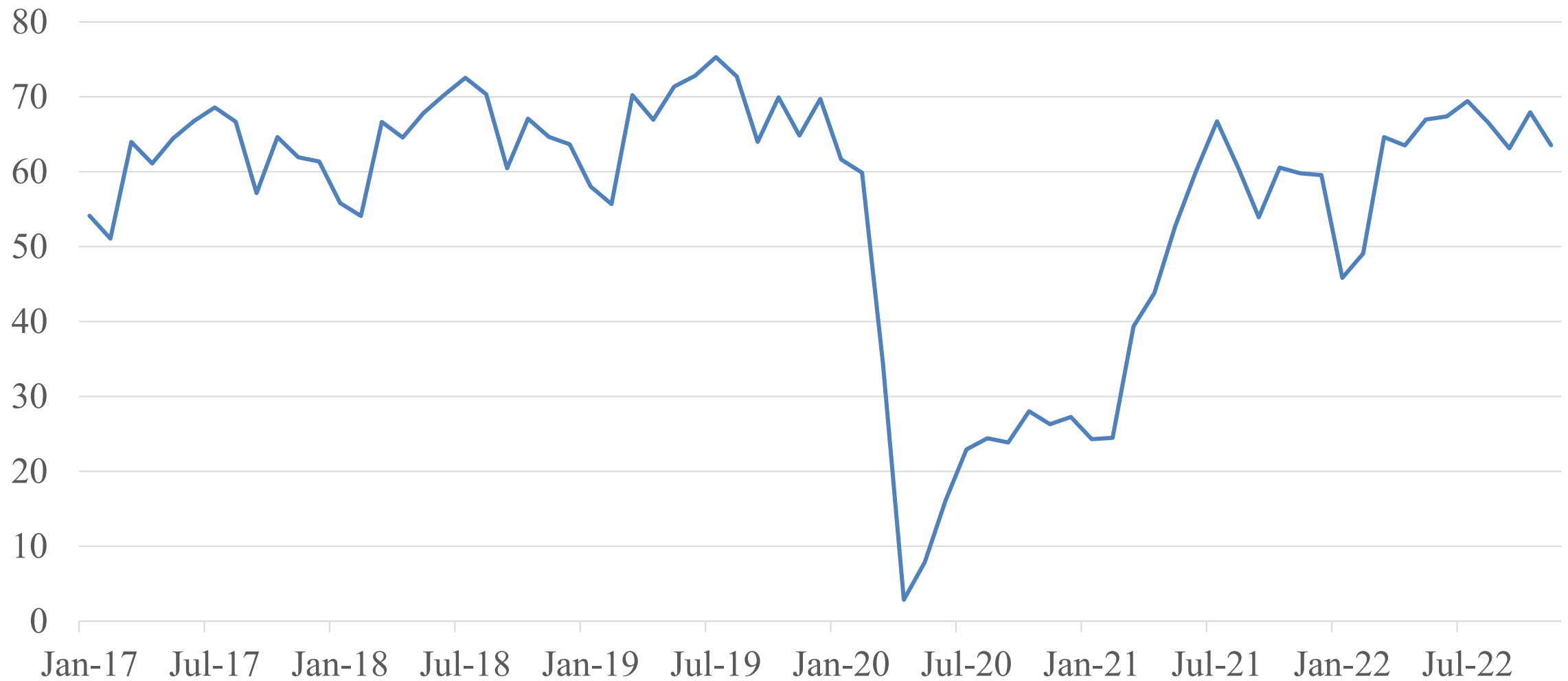


Other State-funded programs

- Manned flight operations
 - State-owned passenger plane and photogrammetry plane
 - 145 trips and 325 flight hours for these planes in FY 2021-22
- Unmanned aircraft systems (drones)
 - Manages 68 NCDOT drones and provides technical assistance across State
 - Collaborates with 16 private partners, Federal Aviation Administration (FAA) on pilot programs for commercial drone operations
- Aviation safety and education
 - 50 events involving over 6,000 participants in FY 2021-22



Travel Patterns – Monthly Plane Boardings, USA



Source: Bureau of Transportation Statistics



Federal Funding – 3 Coronavirus Relief Bills

(\$ in millions)

Coronavirus Relief Bills Allocations				
Airport	Bill #1	Bill #2	Bill #3	Total
Charlotte	\$135.6	\$40.9	\$168.2	\$344.7
Raleigh/Durham	\$49.6	\$14.0	\$50.7	\$114.2
Greensboro	\$16.4	\$5.0	\$11.5	\$32.9
Wilmington	\$19.8	\$3.7	\$6.6	\$30.1
Asheville	\$14.4	\$4.2	\$8.5	\$27.1
New Bern	\$14.7	-	-	\$14.7
Greenville	\$8.3	-	-	\$8.3
Fayetteville	\$3.0	\$2.0	\$3.2	\$8.2
Jacksonville	\$3.3	\$1.7	\$2.6	\$7.6
Concord	\$2.1	\$1.8	\$2.8	\$6.7
General Aviation (NCDOT)	\$2.8	\$1.1	\$2.5	\$6.3
Total	\$270.0	\$74.5	\$256.4	\$600.9



Federal Funding - Infrastructure Investment and Jobs Act (IIJA)

Airport Improvement Grant Funds

- **\$12.3 million** in recurring federal funding managed by NCDOT
- Allocations are determined by FAA
- Airports submit documentation to NCDOT on a quarterly basis; NCDOT then applies for funds to FAA on behalf of airport
- Federal funds cannot be used to administer the program
- Program in place for 5 years, and airports can submit claims for 4 years

Overall, this program presents an increase in workload to NCDOT staff, estimated by the Division at \$600,000 a year.



Grants Management - Responsibilities

The Division of Aviation receives over **1,000 project submissions** for grant assistance each year, manages grant-funded projects, and provide both technical assistance and professional development to airports.

In total, the Division of Aviation notes **12 separate grant programs** (6 state, 6 federal) under their management. Within these, there are 479 airport projects in progress, totaling \$336 million in allocations.

Manages **reporting requirements**, including annual reports to FAA and NCGA, SCIF finance and audit review, NCDOT spend plan and cash flow, and coming federal requirements related to Airport Improvement Grants.



Grants Management - Challenges

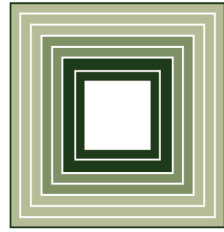
Staff/Funding Ratio has increased from one/\$5.7M to one/\$27.3M in past 10 years

State	# of NPAIS Nonprimary (General Aviation) Airports	FY 2022 Combined Federal and State Funding	No. of Staff Managing Funds	Staff / Funding
New Hampshire	9	4.46M	5	1/\$0.89M
Wisconsin	96	22.52M	24	1/\$0.94M
Michigan	95	28.17M	21	1/\$1.3M
Texas	183	81.12M	34	1/\$2.4M
Georgia	89	36.77M	15	1/\$2.5M
Pennsylvania	40	31.79M	10	1/\$3.2M
Missouri	67	26.43M	6	1/\$4.4M
Tennessee	63	104.77M	16	1/\$6.5M
Illinois	65	212.55M	29	1/\$7.3M
North Carolina	62	273.21M	10	1/\$27.3M*

The above states are the 10 participants in the FAA State Block Grant Program.

Source: NCDOT (see “Division of Aviation - Grants Management” slides in today’s meeting folder.)





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Questions?

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