
AGENCY OVERVIEW

412 AERONAUTICS COMMISSION

Date: 12/13/2006

Time: 11:02:41

STATUTORY AUTHORITY

North Dakota Century Code Chapters 2-05, 2-06, 54-40.5, 57-43.3.

AGENCY DESCRIPTION

The Aeronautics Commission encourages the establishment and maintenance of airports and navigational facilities; cooperates with federal and local governments in the development and coordination of all aeronautical activities; and represents the state and industry in all matters relating to aeronautical activities.

AGENCY MISSION

To provide, at the highest priority, economic and technical assistance to insure an orderly and cost effective support system that enhances the advancement of the state's aviation system and encourages an unencumbered business climate to foster a positive evolution of the industry within the state.

AGENCY PERFORMANCE MEASURES

Performance measures and results reporting are not currently used by the agency.

MAJOR ACCOMPLISHMENTS

- Provided technical and financial assistance to the 90 public owned airports across the state.
- Coordinated financial assistance to 54 airports in the National Plan of Integrated Systems (NPIAS).
- Provided for funding of eighty-nine (89) grants for FY2005 and FY2006 totaling \$39,457,174.00 from the Airport Improvement Program (AIP) provided by the Federal Aviation Administration's Airport and Airway Trust Fund.
- Provided a total of sixteen (16) grants to eight (8) communities with \$1,228,248.00 from the Air Carrier Grant program and one-hundred (100) grants equaling \$991,218.00 from the General Aviation Grant programs.
- Provided not only runway/taxiway and pavement improvements, the grants gave the community airport the opportunity to purchase the much needed snow removal equipment and buildings to shelter not only the snow removal equipment but the airports other grounds repair and grooming equipment.
- Developed and implemented the "North Dakota General Aviation Airport Crisis Communications Plan" that received the "Most Innovative State Program Award" for 2005.
- Completed the state wide "Pavement Condition Index Study".
- Finalized the "ND Aviation Economic Impact Study".
- Developed the Flight Instructor Assistance Program (FTAP) to offer to rural public use airports not served by an active flight instructor to help defray the cost of flight instructors' travel to and from their airports to the extent of the cost of such transportation either by aircraft or motor vehicle in the amount authorized by state law.
- Created and initiated an Air Carrier Intern Program for the eight communities that have airline service. This program provided \$3,000.00 of cost share to each airport that wanted to create an internship for airport management.
- Created an "Imagine Being A Pilot" brochure that is focused on the sixth (6th) grade age group.

- Provided in partnership with the air carrier airport management, information on many air service expansion programs in all eight airline serviced communities.
- Created the National Essential Air Service (EAS) Domestic Market Report which was disseminated to the states and was used to prepare national policy related to air service to isolated rural areas across the United States.

FUTURE CRITICAL ISSUES

On going costs to support Connect ND activities - \$ 3,280

REQUEST SUMMARY

412 AERONAUTICS COMMISSION

Biennium: 2007-2009

Bill#: HB 1006

Date: 12/13/2006

Time: 11:02:41

| Description | Expenditures 2003-2005 Biennium | Present Budget 2005-2007 | Budget Request Change | Requested Budget 2007-2009 Biennium | Optional Budget Request |
|-------------------------------------|---------------------------------------|--------------------------------|-----------------------------|---|-------------------------------|
| BY MAJOR PROGRAM | | | | | |
| REGULATORY AND ADMINISTRATION | 727,187 | 1,072,697 | 123,792 | 1,196,489 | 0 |
| AIRPORT DEVELOPMENT AND MAINTENANCE | 3,038,290 | 5,317,608 | 504,597 | 5,822,205 | 0 |
| TOTAL MAJOR PROGRAMS | 3,765,477 | 6,390,305 | 628,389 | 7,018,694 | 0 |
| BY LINE ITEM | | | | | |
| SALARIES AND WAGES | 570,223 | 716,099 | 33,291 | 749,390 | 0 |
| OPERATING EXPENSES | 801,416 | 1,892,706 | 67,598 | 1,960,304 | 0 |
| CAPITAL ASSETS | 3,229 | 734,000 | 0 | 734,000 | 0 |
| GRANTS | 2,390,609 | 3,047,500 | 527,500 | 3,575,000 | 0 |
| TOTAL LINE ITEMS | 3,765,477 | 6,390,305 | 628,389 | 7,018,694 | 0 |
| BY FUNDING SOURCE | | | | | |
| GENERAL FUND | 522,500 | 550,187 | 0 | 550,187 | 0 |
| FEDERAL FUNDS | 321,068 | 1,906,305 | 0 | 1,906,305 | 0 |
| SPECIAL FUNDS | 2,921,909 | 3,933,813 | 628,389 | 4,562,202 | 0 |
| TOTAL FUNDING SOURCE | 3,765,477 | 6,390,305 | 628,389 | 7,018,694 | 0 |
| TOTAL FTE | 6.00 | 6.00 | .00 | 6.00 | .00 |

REQUEST DETAIL

Date: 12/13/2006

412 AERONAUTICS COMMISSION

Bill#: HB 1006

Time: 11:02:41

Biennium: 2007-2009

| Description | Expenditures 2003-2005 Biennium | Present Budget 2005-2007 | Budget Request Change | Requested Budget 2007-2009 Biennium | Optional Budget Request |
|--------------------------------|---------------------------------------|--------------------------------|-----------------------------|---|-------------------------------|
| SALARIES AND WAGES | | | | | |
| SALARIES - PERMANENT | 436,784 | 532,586 | 26,552 | 559,138 | 0 |
| SALARIES - OTHER | 299 | 0 | 0 | 0 | 0 |
| TEMPORARY SALARIES | 0 | 15,000 | 0 | 15,000 | 0 |
| FRINGE BENEFITS | 133,140 | 168,513 | 6,739 | 175,252 | 0 |
| SALARY INCREASE | 0 | 0 | 0 | 0 | 0 |
| BENEFIT INCREASE | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 570,223 | 716,099 | 33,291 | 749,390 | 0 |
| SALARIES AND WAGES | | | | | |
| GENERAL FUND | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS | 2,588 | 0 | 0 | 0 | 0 |
| SPECIAL FUNDS | 567,635 | 716,099 | 33,291 | 749,390 | 0 |
| TOTAL | 570,223 | 716,099 | 33,291 | 749,390 | 0 |
| OPERATING EXPENSES | | | | | |
| TRAVEL | 32,689 | 33,000 | 5,000 | 38,000 | 0 |
| SUPPLIES - IT SOFTWARE | 2,731 | 6,550 | 0 | 6,550 | 0 |
| SUPPLY/MATERIAL-PROFESSIONAL | 8,591 | 8,611 | 0 | 8,611 | 0 |
| BLDG, GROUND, MAINTENANCE | 47,560 | 89,025 | 0 | 89,025 | 0 |
| MISCELLANEOUS SUPPLIES | 884 | 1,000 | 0 | 1,000 | 0 |
| OFFICE SUPPLIES | 6,013 | 11,914 | 0 | 11,914 | 0 |
| POSTAGE | 6,806 | 12,000 | 0 | 12,000 | 0 |
| PRINTING | 26,193 | 21,126 | 0 | 21,126 | 0 |
| IT EQUIP UNDER \$5,000 | 23,645 | 47,000 | 0 | 47,000 | 0 |
| OFFICE EQUIP & FURN SUPPLIES | 4,022 | 12,794 | 5,206 | 18,000 | 0 |
| INSURANCE | 16,910 | 14,468 | 7,532 | 22,000 | 0 |
| RENTALS/LEASES-EQUIP & OTHER | 1,411 | 2,628 | 0 | 2,628 | 0 |
| RENTALS/LEASES - BLDG/LAND | 53,484 | 60,862 | 25,000 | 85,862 | 0 |
| REPAIRS | 47,172 | 80,660 | 0 | 80,660 | 0 |
| IT - DATA PROCESSING | 15,794 | 27,354 | 12,000 | 39,354 | 0 |
| IT-COMMUNICATIONS | 7,755 | 13,672 | 0 | 13,672 | 0 |
| IT CONTRACTUAL SERVICES AND RE | 21,593 | 66,000 | 0 | 66,000 | 0 |
| PROFESSIONAL DEVELOPMENT | 23,630 | 22,140 | 2,860 | 25,000 | 0 |
| OPERATING FEES AND SERVICES | 8,539 | 7,340 | 10,000 | 17,340 | 0 |
| FEES - PROFESSIONAL SERVICES | 445,994 | 1,354,562 | 0 | 1,354,562 | 0 |
| TOTAL | 801,416 | 1,892,706 | 67,598 | 1,960,304 | 0 |

REQUEST DETAIL

412 AERONAUTICS COMMISSION

Biennium: 2007-2009

Bill#: HB 1006

Date: 12/13/2006

Time: 11:02:41

| Description | Expenditures 2003-2005 Biennium | Present Budget 2005-2007 | Budget Request Change | Requested Budget 2007-2009 Biennium | Optional Budget Request |
|------------------------------|---------------------------------------|--------------------------------|-----------------------------|---|-------------------------------|
| OPERATING EXPENSES | | | | | |
| GENERAL FUND | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS | 315,251 | 1,306,305 | 0 | 1,306,305 | 0 |
| SPECIAL FUNDS | 486,165 | 586,401 | 67,598 | 653,999 | 0 |
| TOTAL | 801,416 | 1,892,706 | 67,598 | 1,960,304 | 0 |
| CAPITAL ASSETS | | | | | |
| EXTRAORDINARY REPAIRS | 3,229 | 734,000 | 0 | 734,000 | 0 |
| TOTAL | 3,229 | 734,000 | 0 | 734,000 | 0 |
| CAPITAL ASSETS | | | | | |
| GENERAL FUND | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS | 3,229 | 600,000 | 0 | 600,000 | 0 |
| SPECIAL FUNDS | 0 | 134,000 | 0 | 134,000 | 0 |
| TOTAL | 3,229 | 734,000 | 0 | 734,000 | 0 |
| GRANTS | | | | | |
| GRANTS, BENEFITS & CLAIMS | 2,390,609 | 3,047,500 | 527,500 | 3,575,000 | 0 |
| TOTAL | 2,390,609 | 3,047,500 | 527,500 | 3,575,000 | 0 |
| GRANTS | | | | | |
| GENERAL FUND | 522,500 | 550,187 | 0 | 550,187 | 0 |
| FEDERAL FUNDS | 0 | 0 | 0 | 0 | 0 |
| SPECIAL FUNDS | 1,868,109 | 2,497,313 | 527,500 | 3,024,813 | 0 |
| TOTAL | 2,390,609 | 3,047,500 | 527,500 | 3,575,000 | 0 |
| FUNDING SOURCES | | | | | |
| GENERAL FUND | 522,500 | 550,187 | 0 | 550,187 | 0 |
| FEDERAL FUNDS | 321,068 | 1,906,305 | 0 | 1,906,305 | 0 |
| SPECIAL FUNDS | 2,921,909 | 3,933,813 | 628,389 | 4,562,202 | 0 |
| TOTAL FUNDING SOURCES | 3,765,477 | 6,390,305 | 628,389 | 7,018,694 | 0 |

CHANGE PACKAGE SUMMARY

412 AERONAUTICS COMMISSION

Biennium: 2007-2009

Bill#: HB 1006

Date: 12/13/2006

Time: 11:02:41

| Description | FTE | General Fund | Federal Funds | Special Funds | Total Funds |
|--|------------|--------------|---------------|----------------|----------------|
| AGENCY BUDGET CHANGES | | | | | |
| Cost To Continue | .00 | 0 | -600,000 | -100,709 | -700,709 |
| 1 Office Space | .00 | 0 | 0 | 35,206 | 35,206 |
| 3 Aviation Education | .00 | 0 | 0 | 25,000 | 25,000 |
| 4 Inflationary operating expenses | .00 | 0 | 0 | 20,392 | 20,392 |
| 6 Airport Grant Funding - General Aviation Airport | .00 | 0 | 0 | 502,500 | 502,500 |
| 7 Data Processing | .00 | 0 | 0 | 12,000 | 12,000 |
| 8 International Peace Garden Airport | .00 | 0 | 600,000 | 134,000 | 734,000 |
| Agency Total | .00 | 0 | 0 | 628,389 | 628,389 |

BUDGET CHANGES NARRATIVE

412 AERONAUTICS COMMISSION

Date: 12/13/2006

Time: 11:02:41

| | | | |
|------------------------|-----------------------|---------------------|--------------------|
| Change Group: A | Change Type: A | Change No: 1 | Priority: 4 |
|------------------------|-----------------------|---------------------|--------------------|

Office Space -

With the possibility of the office being relocated sometime in the future, increased rent and moving expenses are being budgeted for.

| | | | |
|------------------------|-----------------------|---------------------|--------------------|
| Change Group: A | Change Type: A | Change No: 3 | Priority: 5 |
|------------------------|-----------------------|---------------------|--------------------|

Aviation Education -

In an effort to promote aviation education in the state, an increase in grant funds is needed in the education area. New programs will be looked into.

| | | | |
|------------------------|-----------------------|---------------------|--------------------|
| Change Group: A | Change Type: A | Change No: 4 | Priority: 2 |
|------------------------|-----------------------|---------------------|--------------------|

Inflationary operating expenses -

These expense increases have resulted from more use and inflation and the demand for more services.

| | | | |
|------------------------|-----------------------|---------------------|--------------------|
| Change Group: A | Change Type: A | Change No: 6 | Priority: 3 |
|------------------------|-----------------------|---------------------|--------------------|

Airport Grant Funding - General Aviation Airports -

Due to the demand created out at the airport level, more state funds are needed to match the local level and the federal funds which are becoming available to the airports.

| | | | |
|------------------------|-----------------------|---------------------|--------------------|
| Change Group: A | Change Type: A | Change No: 7 | Priority: 6 |
|------------------------|-----------------------|---------------------|--------------------|

Data Processing -

With the possibility of the City Airport relocating to the airport terminal, we are budgeting for the other share of the T-1 line which runs into the building. There is a chance we would not be able to cost share with them if they move to the terminal.

| | | | |
|------------------------|-----------------------|---------------------|------------------|
| Change Group: A | Change Type: A | Change No: 8 | Priority: |
|------------------------|-----------------------|---------------------|------------------|

International Peace Garden Airport -

Improvements to the runway at the International Peace Garden are necessary for safety and recreational purposes.

| | | | |
|------------------------|-----------------------|-----------------------|------------------|
| Change Group: A | Change Type: A | Change No: 100 | Priority: |
|------------------------|-----------------------|-----------------------|------------------|

OMB Executive Recommendation -

Executive Recommendation pursuant to agency request to reduce general fund by \$187.00 for a total of \$550,000 available for grants.