

AR DEPARTMENT OF AERONAUTICS

Enabling Laws

Act 572 of 2007
A.C.A. §27-115-101 et seq.

History and Organization

The mission of the Arkansas Department of Aeronautics is to create a safer, more desirable atmosphere for the pilot, and at the same time, create and improve airports to better serve Arkansas communities, industries, and the general public.

The Department was created by Act 457 of 1941, as amended by Act 373 of 1965, and is currently charged with the following duties:

- Provide for the examination and licensing of airports in the State;
- adopt rules and regulations for the issuance, expiration, suspension, or revocation of licenses of airports;
- establish air space reservations within the State;
- designate, establish, and chart civil airways, and publish a map of such;
- investigate accidents in air navigation;
- encourage the establishment of airports, civil airways, and other navigation facilities;
- supervise and regulate the safety of airports;
- adopt rules and regulations for flight instruction;
- adopt rules and regulations for aerial markings;
- adopt rules and regulations for aerial beacon lights;
- exchange with other government agencies information pertaining to civil air navigation;
- enforce the regulations and air traffic rules through local authorities; and
- establish minimum safe altitudes for flight in the State.

In 1967, Act 499 provided that all revenue derived from the Gross Receipts Tax on aviation fuel shall be deposited in the State Treasury to the credit of the Arkansas Department of Aeronautics Fund to be used solely for constructing airports, civil airways, and other navigational facilities in the State.

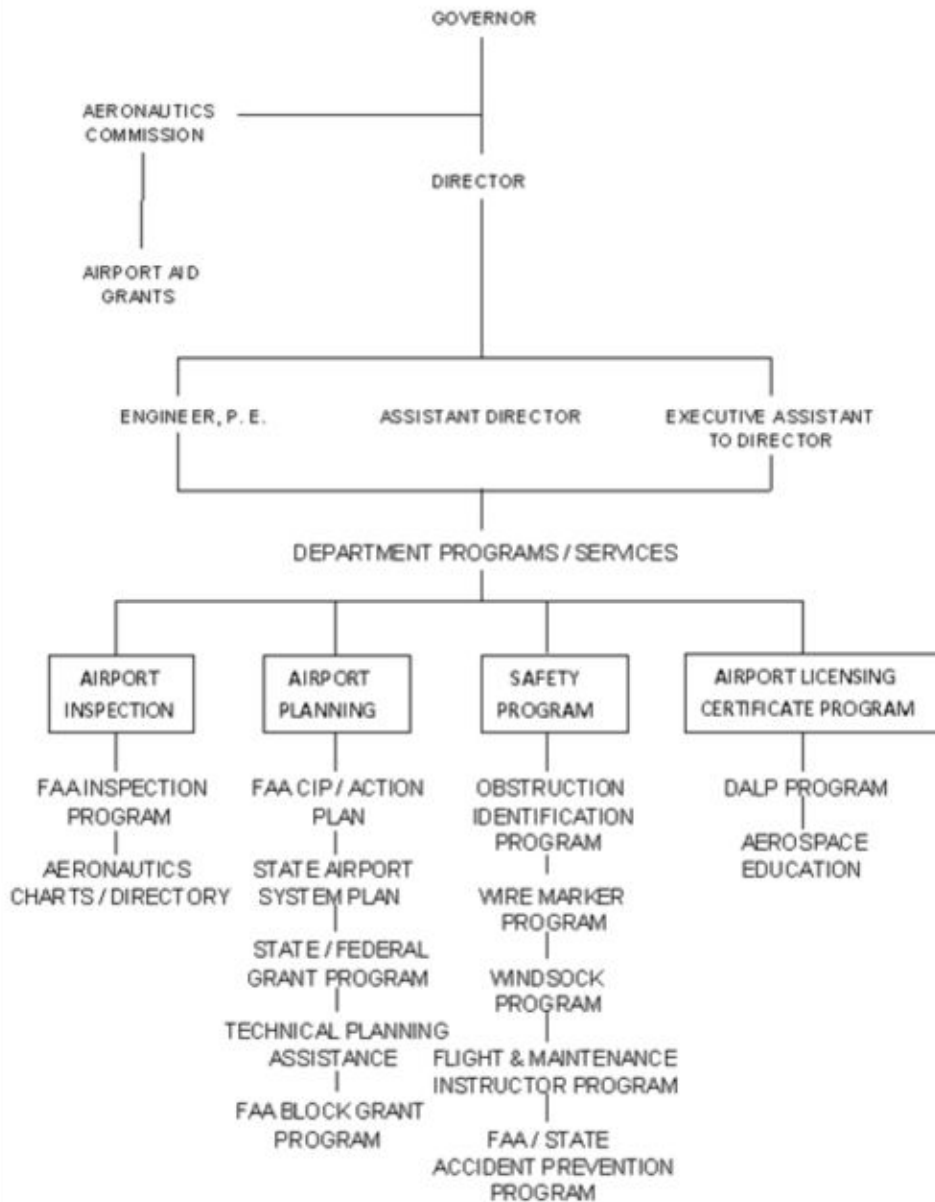
Act 38 of 1971 transferred the Arkansas Department of Aeronautics by a Type 2 transfer to the Department of Planning as the Division of Aeronautics. Act 64 of 1973 increased the Aeronautics Commission from five members to seven.

Act 278 of 1975 abolished the Department of Planning and placed the Division of Aeronautics in the Department of Local Services. Act 733 of 1977 provided that all revenues derived from the Arkansas Gross Receipts Tax on aircraft, aviation fuel, aircraft services, and aircraft parts and accessories shall go to the Arkansas Division of Aeronautics Special Fund.

Act 764 of 1981 transferred the Division of Aeronautics to the Arkansas Department of Commerce by a Type 2 transfer. This change placed the Division of Aeronautics under the Director of the Department of Commerce and the Governor, with the seven member Aeronautics Commission continuing in an advisory

capacity.

Act 691 of 1983 abolished the Department of Commerce and restored the Arkansas Department of Aeronautics to independent status to function in the same manner as it functioned prior to its transfer to the Department of Local Services and the Department of Commerce. Provided, however, that the administrative head of the Department shall be appointed by the Aeronautics Commission, with the approval of the Governor, and shall serve at the pleasure of the Governor.



Agency Commentary

The Arkansas Department of Aeronautics was established to foster and maintain a safer environment for flight and to create and improve airports to better serve communities, industries, and the general public.

To insure that the accumulated balance in the Department's treasury account can be efficiently employed for its designated purpose, a substantial increase is requested for each year in the line item for disbursement of state airport aid grants to match a larger amount of federal airport aid funds.

To support an enhanced grant program, additions are requested in Operating Expenses for public safety equipment, fuel, maintenance, rent, and printing costs. Also requested are increases in Professional Fees for the Certified Flight Instructor Course and first year Capital Outlay to replace office equipment and furnishings.

In the Department's Federal Grant appropriation, the request is for continuation of the current level of authorization for dispensing anticipated federal airport aid block grant funds.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 DEPARTMENT OF AERONAUTICS

FOR THE YEAR ENDED JUNE 30, 2006

Findings	Recommendations
None	None

Employment Summary

	Male	Female	Total	%
White Employees	3	1	4	100 %
Black Employees	0	0	0	0 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			0	0 %
Total Employees			4	100 %

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
State Aeronautical Chart	N/A	N	N	10,000	Provided as a service to general flying public for safety and informational purposes. Requested by individuals and businesses State and nationwide. (Published biennially)
State Airport Directory	N/A	N	N	5,000	Provides information to the flying public concerning individual Arkansas airports. (Published biennially)

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010						2010-2011					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
665 Aeronautics-State Operations	8,997,529	4	8,993,189	4	9,001,324	4	9,000,220	4	15,537,220	4	15,537,220	4	9,007,149	4	15,548,649	4	15,548,649	4
666 Aeronautics-Federal Grants	0	0	12,000,000	0	12,000,000	0	12,000,000	0	12,000,000	0	12,000,000	0	12,000,000	0	12,000,000	0	12,000,000	0
Total	8,997,529	4	20,993,189	4	21,001,324	4	21,000,220	4	27,537,220	4	27,537,220	4	21,007,149	4	27,548,649	4	27,548,649	4

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	17,839,517	63.6	19,060,045	48.2		18,566,856	47.5	18,566,856	47.5	18,566,856	47.5	18,066,636	46.8	11,529,636	36.0	11,529,636	36.0
Federal Revenue	4000020	0	0.0	12,000,000	30.3		12,000,000	30.7	12,000,000	30.7	12,000,000	30.7	12,000,000	31.1	12,000,000	37.5	12,000,000	37.5
Special Revenue	4000030	10,218,057	36.4	8,500,000	21.5		8,500,000	21.8	8,500,000	21.8	8,500,000	21.8	8,500,000	22.0	8,500,000	26.5	8,500,000	26.5
Total Funds		28,057,574	100.0	39,560,045	100.0		39,066,856	100.0	39,066,856	100.0	39,066,856	100.0	38,566,636	100.0	32,029,636	100.0	32,029,636	100.0
Excess Appropriation/(Funding)		(19,060,045)		(18,566,856)			(18,066,636)		(11,529,636)		(11,529,636)		(17,559,487)		(4,480,987)		(4,480,987)	
Grand Total		8,997,529		20,993,189			21,000,220		27,537,220		27,537,220		21,007,149		27,548,649		27,548,649	

Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
4	4	0	4	0	0.00 %	4	4	0	4	0	0.00 %	4	4	0	4	0	0.00 %

Analysis of Budget Request

Appropriation: 665 - Aeronautics-State Operations

Funding Sources: SDA - Department of Aeronautics Fund

The Department of Aeronautics' State Operations appropriation is funded entirely by Special Revenues derived from a tax on the sale of aviation fuels and aviation related products sold for use in aircraft weighing less than 12,500 lbs., as authorized in Arkansas Code § 27-115-110. Base Level for the Department is \$9,000,220 in FY10 and \$9,007,149 in FY11, with four authorized positions.

Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study and an unclassified position reflects similar adjustments in line item salaries. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

Additions to Base Level are requested as follows:

An increase of \$6,500,000 each year is requested in the Grants and Aid line item for disbursements of State airport aid grants to match a larger amount of federal airport aid funds to be provided directly by the Federal Aviation Administration to local projects. This is 76% more than the current authorization.

To support an enhanced airport aid program, the Department is requesting increases in Operating Expenses of \$30,000 for FY10 and \$40,000 for FY11 for additional costs for public safety equipment, fuel, aircraft maintenance, rent, and printing. The total of both years is 0.5% of the additional amount requested for airport aid grants.

Also requested are increases in Professional Fees of \$500 in the first year and \$1,500 in the second year for the Certified Flight Instructor Course and Capital Outlay of \$6,500 in FY10 for replacement of office equipment and furnishings.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 665 - Aeronautics-State Operations
Funding Sources: SDA - Department of Aeronautics Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	247,501	243,856	247,397	251,676	251,676	251,676	257,514	257,514	257,514
#Positions		4	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	65,345	62,304	66,898	67,515	67,515	67,515	68,606	68,606	68,606
Operating Expenses	5020002	139,375	160,029	160,029	160,029	190,029	190,029	160,029	200,029	200,029
Conference & Travel Expenses	5050009	4,678	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Professional Fees	5060010	10,895	12,000	12,000	12,000	12,500	12,500	12,000	13,500	13,500
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	8,500,000	8,500,000	8,500,000	8,500,000	15,000,000	15,000,000	8,500,000	15,000,000	15,000,000
Capital Outlay	5120011	29,735	6,000	6,000	0	6,500	6,500	0	0	0
Total		8,997,529	8,993,189	9,001,324	9,000,220	15,537,220	15,537,220	9,007,149	15,548,649	15,548,649
Funding Sources										
Fund Balance	4000005	17,839,517	19,060,045		18,566,856	18,566,856	18,566,856	18,066,636	11,529,636	11,529,636
Special Revenue	4000030	10,218,057	8,500,000		8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000
Total Funding		28,057,574	27,560,045		27,066,856	27,066,856	27,066,856	26,566,636	20,029,636	20,029,636
Excess Appropriation/(Funding)		(19,060,045)	(18,566,856)		(18,066,636)	(11,529,636)	(11,529,636)	(17,559,487)	(4,480,987)	(4,480,987)
Grand Total		8,997,529	8,993,189		9,000,220	15,537,220	15,537,220	9,007,149	15,548,649	15,548,649

Actual for Regular Salaries exceeds Authorized due to salary adjustments made during the 2007-2009 Biennium.
 Actual for Capital Outlay exceeds Authorized due to a higher authorized amount for 2007-2008.

Change Level by Appropriation

Appropriation: 665 - Aeronautics-State Operations
Funding Sources: SDA - Department of Aeronautics Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	9,000,220	4	9,000,220	100.0	9,007,149	4	9,007,149	100.0
C01	Existing Program	6,537,000	0	15,537,220	172.6	6,541,500	0	15,548,649	172.6

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	9,000,220	4	9,000,220	100.0	9,007,149	4	9,007,149	100.0
C01	Existing Program	6,537,000	0	15,537,220	172.6	6,541,500	0	15,548,649	172.6

Justification

C01	An increase of \$6,500,000 each year is requested in the line item for disbursement of airport aid grants to employ accumulated fund balances to match a larger amount of federal airport aid funds. To support an enhanced airport aid program, increases of \$30,000 in the first year and \$40,000 in the second year in Operating Expenses are requested for additional costs in public safety equipment, fuel, aircraft maintenance, rent, and printing. Also requested are increases of \$500 for FY10 and \$1,500 for FY11 in Professional Fees for the Certified Flight Instructor Course and Capital Outlay in the amount of \$6,500 in the first year for replacement of office equipment and furnishings.
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Analysis of Budget Request

Appropriation: 666 - Aeronautics-Federal Grants

Funding Sources: FAA - Aeronautics Department - Federal Funds

The Aeronautics-Federal Grants appropriation is authorized for disbursement of Federal Airport Aid Block Grant Funds when and if those funds are approved by the U.S. Congress for the State of Arkansas. The Agency requests continuation of this appropriation at Base Level to improve airport infrastructures and to upgrade safety features and equipment.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 666 - Aeronautics-Federal Grants
Funding Sources: FAA - Aeronautics Department - Federal Funds

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Total	0	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Funding Sources									
Federal Revenue 4000020	0	12,000,000		12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Total Funding	0	12,000,000		12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	12,000,000		12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000