

# AR DEPARTMENT OF AERONAUTICS

## Enabling Laws

Act 65 of 2014  
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.

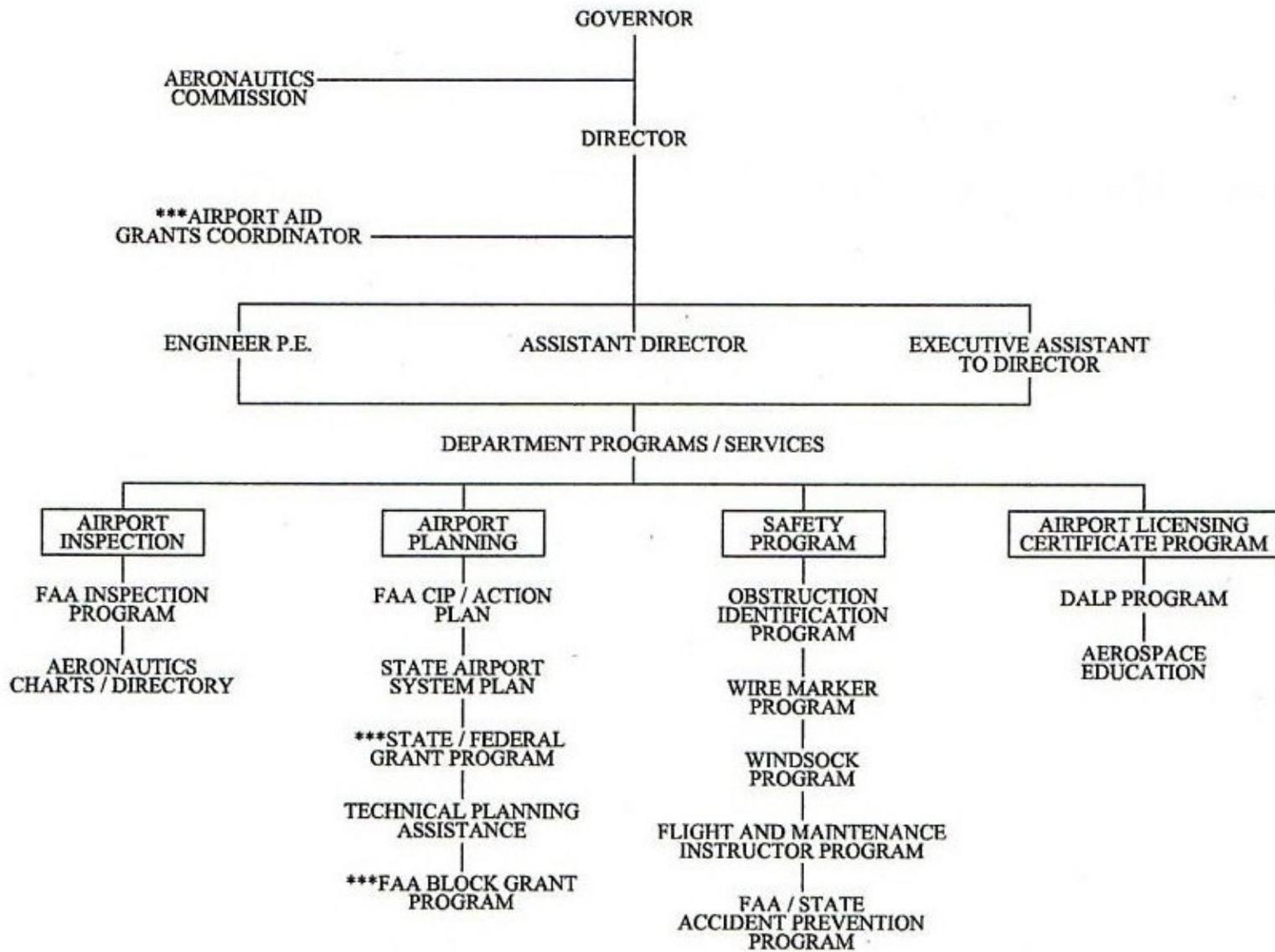
In 1967, Act 499 provided that all revenue derived from the Gross Receipts Tax on aviation fuel shall be deposited in the State Treasury to the credit of the Arkansas Department of Aeronautics Fund to be used solely for constructing airports, civil airways, and other navigational facilities in the State.

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. Base Level for the State Operations Program is \$15,626,613 for FY 2015-2016 and \$15,626,734 for FY 2016-2017 and is the Agency Request.

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, 2012

Findings

Recommendations

None

None

## **State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014**

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. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Aeronautics Newsletter	N/A	N	N	1	To inform airports, general public, General Assembly of current and updated affairs with the Department of Aeronautics and the state of aviation in Arkansas. (Available online)	0	0.00
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)	0	0.00
State Airport Directory	N/A	N	N	5,000	Provides information to the flying public concerning individual Arkansas airports. (Published biennially)	0	0.00

# Department Appropriation Summary

## Historical Data

## Agency Request and Executive Recommendation

Appropriation	2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
665 Aeronautics-State Operations	6,914,651	4	15,622,518	5	15,623,559	5	15,626,613	5	15,626,613	5	15,626,613	5	15,626,734	5	15,626,734	5	15,626,734	5
666 Aeronautics-Federal Grants	152,323	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	7,066,974	4	27,622,518	5	27,623,559	5	27,626,613	5	27,626,613	5	27,626,613	5	27,626,734	5	27,626,734	5	27,626,734	5

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	11,374,658	44.9	18,276,047	43.6	14,333,357	37.7	14,333,357	37.7	14,333,357	37.7	10,386,572	30.5	10,386,572	30.5	10,386,572	30.5	
Federal Revenue	4000020	152,323	0.6	12,000,000	28.6	12,000,000	31.6	12,000,000	31.6	12,000,000	31.6	12,000,000	35.2	12,000,000	35.2	12,000,000	35.2	
Special Revenue	4000030	13,816,040	54.5	11,679,828	27.8	11,679,828	30.7	11,679,828	30.7	11,679,828	30.7	11,679,828	34.3	11,679,828	34.3	11,679,828	34.3	
Total Funds		25,343,021	100.0	41,955,875	100.0	38,013,185	100.0	38,013,185	100.0	38,013,185	100.0	34,066,400	100.0	34,066,400	100.0	34,066,400	100.0	
Excess Appropriation/(Funding)		(18,276,047)		(14,333,357)		(10,386,572)		(10,386,572)		(10,386,572)		(6,439,666)		(6,439,666)		(6,439,666)		
Grand Total		7,066,974		27,622,518		27,626,613		27,626,613		27,626,613		27,626,734		27,626,734		27,626,734		

## Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
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	
5	4	1	5	0	20.00 %	5	4	1	5	0	20.00 %	5	4	1	5	0	20.00 %

## **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 Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY2015 line item maximum plus the previously authorized 2015 1% Cost of Living Adjustment.

Agency's Base Level and total request is \$15,626,613 in FY2016 and \$15,626,734 in FY2017.

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		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	273,320	306,665	308,675	309,368	309,368	309,368	309,468	309,468	309,468
<b>#Positions</b>		<b>4</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
Personal Services Matching	5010003	86,319	93,324	92,355	94,716	94,716	94,716	94,737	94,737	94,737
Operating Expenses	5020002	102,348	200,029	200,029	200,029	200,029	200,029	200,029	200,029	200,029
Conference & Travel Expenses	5050009	2,235	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Professional Fees	5060010	10,795	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	6,439,634	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>6,914,651</b>	<b>15,622,518</b>	<b>15,623,559</b>	<b>15,626,613</b>	<b>15,626,613</b>	<b>15,626,613</b>	<b>15,626,734</b>	<b>15,626,734</b>	<b>15,626,734</b>
<b>Funding Sources</b>										
Fund Balance	4000005	11,374,658	18,276,047		14,333,357	14,333,357	14,333,357	10,386,572	10,386,572	10,386,572
Special Revenue	4000030	13,816,040	11,679,828		11,679,828	11,679,828	11,679,828	11,679,828	11,679,828	11,679,828
<b>Total Funding</b>		<b>25,190,698</b>	<b>29,955,875</b>		<b>26,013,185</b>	<b>26,013,185</b>	<b>26,013,185</b>	<b>22,066,400</b>	<b>22,066,400</b>	<b>22,066,400</b>
Excess Appropriation/(Funding)		(18,276,047)	(14,333,357)		(10,386,572)	(10,386,572)	(10,386,572)	(6,439,666)	(6,439,666)	(6,439,666)
<b>Grand Total</b>		<b>6,914,651</b>	<b>15,622,518</b>		<b>15,626,613</b>	<b>15,626,613</b>	<b>15,626,613</b>	<b>15,626,734</b>	<b>15,626,734</b>	<b>15,626,734</b>

FY15 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2013-2015 Biennium.

## **Analysis of Budget Request**

**Appropriation:** 666 - Aeronautics-Federal Grants

**Funding Sources:** FAA - Aeronautics Department - Federal

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.

Agency's Base Level and total request is \$12,000,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

# Appropriation Summary

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

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	152,323	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
<b>Total</b>	<b>152,323</b>	<b>12,000,000</b>	<b>12,000,000</b>	<b>12,000,000</b>	<b>12,000,000</b>	<b>12,000,000</b>	<b>12,000,000</b>	<b>12,000,000</b>	<b>12,000,000</b>
Funding Sources									
Federal Revenue 4000020	152,323	12,000,000		12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
<b>Total Funding</b>	<b>152,323</b>	<b>12,000,000</b>		<b>12,000,000</b>	<b>12,000,000</b>	<b>12,000,000</b>	<b>12,000,000</b>	<b>12,000,000</b>	<b>12,000,000</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>152,323</b>	<b>12,000,000</b>		<b>12,000,000</b>	<b>12,000,000</b>	<b>12,000,000</b>	<b>12,000,000</b>	<b>12,000,000</b>	<b>12,000,000</b>