

AR DEPARTMENT OF AERONAUTICS

Enabling Laws

Act 33 of 2016
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.

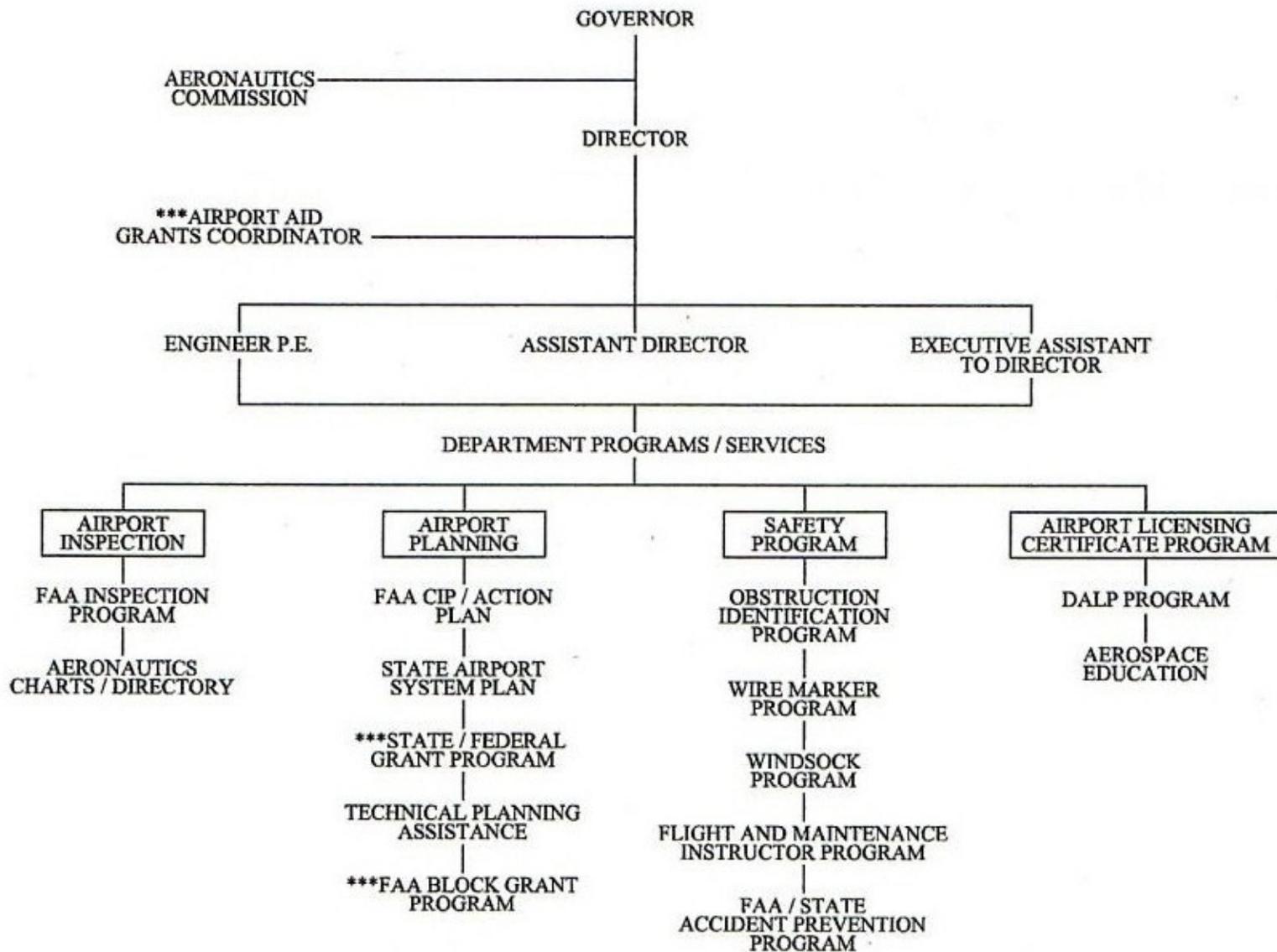
In 1967, Act 499 provided that all revenue derived from the Gross Receipts Tax on aviation fuel shall be deposited in the State Treasury to the credit of the Arkansas Department of Aeronautics Fund to be used solely for constructing airports, civil airways, and other navigational facilities in the State.

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

It has always been a point of pride and commendation for the Department of Aeronautics to run effectively and efficiently as a state agency. With only 5 budgeted positions, there are no two positions that are titled the same; however, each member of our team takes on many roles so that the mission of the agency can be carried out with as little bureaucracy as possible. We are mindful of the agency's budget and always ask ourselves when procuring if it is necessary and the best possible use of funds. Of the total budget, our agency operates on 5% or less while the total remaining appropriated amount goes solely to our grant program, which directly gives back to airport communities in Arkansas.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF AERONAUTICS
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Recommendations

None

None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2016

None

Employment Summary

	Male	Female	Total	%
White Employees	2	3	5	100 %
Black Employees	0	0	0	0 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			0	0 %
Total Employees			5	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				
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	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
665 Aeronautics-State Operations	15,503,830	5	15,599,708	5	15,626,734	5	15,602,489	5	15,602,489	5	15,602,489	5	15,603,348	5	15,603,348	5	15,603,348	5
666 Aeronautics-Federal Grants	102,458	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	15,606,288	5	27,599,708	5	27,626,734	5	27,602,489	5	27,602,489	5	27,602,489	5	27,603,348	5	27,603,348	5	27,603,348	5

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance 4000005	19,681,376	72.6	11,520,826	32.7		7,601,118	24.3	7,601,118	24.3	7,601,118	24.3	3,678,629	13.3	3,678,629	13.3	3,678,629	13.3
Federal Revenue 4000020	102,458	0.4	12,000,000	34.1		12,000,000	38.4	12,000,000	38.4	12,000,000	38.4	12,000,000	43.5	12,000,000	43.5	12,000,000	43.5
Special Revenue 4000030	7,343,280	27.1	11,680,000	33.2		11,680,000	37.3	11,680,000	37.3	11,680,000	37.3	11,924,719	43.2	11,924,719	43.2	11,924,719	43.2
Total Funds	27,127,114	100.0	35,200,826	100.0		31,281,118	100.0	31,281,118	100.0	31,281,118	100.0	27,603,348	100.0	27,603,348	100.0	27,603,348	100.0
Excess Appropriation/(Funding)	(11,520,826)		(7,601,118)			(3,678,629)		(3,678,629)		(3,678,629)		0		0		0	
Grand Total	15,606,288		27,599,708			27,602,489		27,602,489		27,602,489		27,603,348		27,603,348		27,603,348	

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
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	5	0	5	0	0.00 %	5	5	0	5	0	0.00 %	5	0	5	5	0	100.00 %

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 the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes 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 a Cost of Living Adjustment or Merit Pay Increases.

Agency's Base Level request is \$15,602,489 in FY2018 and \$15,603,348 in FY2019.

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	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	298,742	288,153	309,468	289,104	289,104	289,104	289,804	289,804	289,804
#Positions	5	5	5	5	5	5	5	5	5
Personal Services Matching 5010003	89,471	89,026	94,737	90,856	90,856	90,856	91,015	91,015	91,015
Operating Expenses 5020002	107,357	200,029	200,029	200,029	200,029	200,029	200,029	200,029	200,029
Conference & Travel Expenses 5050009	5,622	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Professional Fees 5060010	10,995	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	14,991,643	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
Total	15,503,830	15,599,708	15,626,734	15,602,489	15,602,489	15,602,489	15,603,348	15,603,348	15,603,348
Funding Sources									
Fund Balance 4000005	19,681,376	11,520,826		7,601,118	7,601,118	7,601,118	3,678,629	3,678,629	3,678,629
Special Revenue 4000030	7,343,280	11,680,000		11,680,000	11,680,000	11,680,000	11,924,719	11,924,719	11,924,719
Total Funding	27,024,656	23,200,826		19,281,118	19,281,118	19,281,118	15,603,348	15,603,348	15,603,348
Excess Appropriation/(Funding)	(11,520,826)	(7,601,118)		(3,678,629)	(3,678,629)	(3,678,629)	0	0	0
Grand Total	15,503,830	15,599,708		15,602,489	15,602,489	15,602,489	15,603,348	15,603,348	15,603,348

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 request is \$12,000,000 for 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	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	102,458	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	102,458	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	102,458	12,000,000		12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Total Funding	102,458	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	102,458	12,000,000		12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000