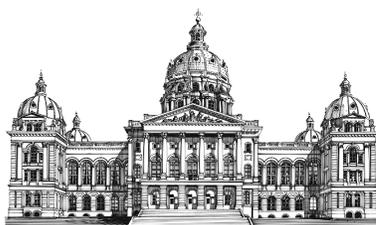


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State Capitol
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State Funded Aviation Programs

ISSUE

This *Issue Review* examines State funded programs for Iowa's Commercial Air Service and General Aviation airports.

BACKGROUND

Iowa has 113 publicly owned airports located throughout the State, and approximately 2,300 Iowa-based aircraft. Of the total airports, eight provide commercial passenger service, while the remaining 105 provide varying levels of service to businesses and to the general public.

There are also 74 privately owned airports in Iowa. Seven provide service to the general public. These airports include: Ackley, Amana, Des Moines Morningstar, Elkader, Marion, Montezuma, and Postville. The seven private airports do not receive any State funds. Prior to September 11, 2001, the Department of Transportation (DOT) did not monitor these airports, except for conducting annual inspections on those that provided service to the public. After September 11, 2001, the Federal Aviation Administration (FAA) began to require the DOT to provide specific information regarding the locations of privately owned airports and their owners.

The DOT uses a classification system for publicly owned airports to determine which airports are the most important in terms of service and economic benefit, and to prioritize investment of State funds. The airports are listed individually by classification in **Attachment A**. Factors used in determining this classification system include service demand, population density, existing infrastructure, geographic location, and intermodal connections. The classifications and the number of qualifying airports are listed in the table below.

<u>Level</u>	<u>Airport Type</u>	<u>No. of Airports</u>
I	Commercial Service Airports	8
II	Primary General Aviation	36
III	Other General Aviation	69
Total		<u>113</u>

Prior to 1991, funding for Iowa's airports was provided by the State Aviation Fund. The Fund included receipts from aircraft registrations, an eight-cent-per-gallon user fee on aviation gasoline, and a three-cent-per-gallon user fee on jet fuel. In 1991, the General Assembly

transferred these receipts to the State General Fund. The General Assembly now appropriates funds each year for aviation projects. For FY 2003, no General Fund money was appropriated for aviation projects.

AVIATION FUNDING PROGRAMS

The DOT uses State General Fund appropriations and non-General Fund sources to fund aviation programs, including appropriations from the Rebuild Iowa Infrastructure Fund (RIIF) and the Restricted Capital Fund. The total appropriations for FY 1999 through FY 2003 are listed in the table below.

Department of Transportation					
Aviation Appropriations					
	<u>Actual</u> <u>FY 1999</u>	<u>Actual</u> <u>FY 2000</u>	<u>Actual</u> <u>FY 2001</u>	<u>Estimated</u> <u>FY 2002</u>	<u>Estimated</u> <u>FY 2003</u>
General Fund	\$ 2,484,000	\$ 2,475,000	\$ 2,435,000	\$ 2,130,561	\$ 0
Non-General Fund					
Rebuild Iowa Infra. Fund (RIIF)	1,000,000	1,500,000	1,500,000	0	0
Restricted Capital Fund	NA	NA	NA	1,500,000	1,681,400
Total	<u>\$ 3,484,000</u>	<u>\$ 3,975,000</u>	<u>\$ 3,935,000</u>	<u>\$ 3,630,561</u>	<u>\$ 1,681,400</u>

General Fund Appropriations and Allocations

From FY 1999 to FY 2002, the DOT received an annual appropriation of approximately \$2.5 million from the General Fund, which was used for various aviation-related projects.

The majority of programs funded from the General Fund are used to enhance safety and preserve existing infrastructure, and to provide expansion when positive economic impact can be demonstrated. Although the General Fund appropriation is used primarily for Iowa's General Aviation airports, Commercial Service airports receive allocations for marketing purposes. The table below illustrates all General Fund allocations from FY 1999 through FY 2003.

Department of Transportation					
General Fund Allocations					
	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
Airport Improvement Prog. (AIP)	\$2,001,589	\$1,994,731	\$2,158,637	\$1,694,533	\$ 0
Commercial Air Service Mktg.	300,000	300,000	300,000	300,000	0
Aviation Weather Sys. (AWOS)	100,000	105,000	110,000	110,000	0
Runway Marking Program	100,000	100,000	100,000	100,000	0
Facilities & Equipment Prog.	50,000	50,000	50,000	50,000	0
Aviation Education/Promotion	58,500	25,000	60,000	185,000	0
Windsock Program	12,000	12,000	12,000	12,000	0
Total	<u>\$2,622,089</u>	<u>\$2,586,731</u>	<u>\$2,790,637</u>	<u>\$2,451,533</u>	<u>\$ 0</u>

- Airport Improvement Program – Provides State General Funds to General Aviation airports and Commercial Service airports with less than 10,000 passengers who board an airplane. Projects are selected based on criteria established in the Iowa Aviation System Plan.

Prior to 1999, all projects were funded using 70.0% State funds and 30.0% local matching funds. Since 1999, State Funds are designated to five categories. The table below outlines match ratios for each category.

**Airport Improvement Program Funding Match Ratios
FY 1999 - FY 2002**

<u>Project Type</u>	<u>State Match</u>	<u>Local Match</u>
Safety	90.0%	10.0%
Preservation	80.0%	20.0%
Planning	70.0%	30.0%
Standards	60.0%	40.0%
Expansion	50.0%	50.0%

Eligible projects include runway and taxiway improvements, removal of obstructions, safety enhancements, visual and navigational aids, communications equipment, and planning studies. Individual allocations for AIP projects from FY 1999 to FY 2003 are listed in **Attachment B**.

- Commercial Air Service Marketing Program – Provides State General Funds to assist Commercial Service Airports in marketing and advertising promotions to encourage travelers to fly locally. Also, provides funding for service improvement activities, including route analyses and service studies targeted at increasing air service.

Funding ratios are as follows:

- 50.0% State funded with 50.0% local match for airports with more than 50,000 passengers per year.
- 75.0% State funded with 25.0% local match for airports with less than 50,000 passengers per year.

Individual allocations for Commercial Air Service Marketing projects for FY 1999 to FY 2003 are listed in **Attachment C**.

- Automated Weather Observation System (100.0% State funded) – The network was installed in 1992 with assistance from a federal grant. The General Fund amount provides operational maintenance and transfer of data into the national system, a requirement of the federal grant. Although a separate appropriation was not provided in FY 2003, the DOT used money from the operating budget to cover the costs, required maintenance, and data transfer. This allowed the DOT to remain in compliance with the federal funding requirement. The annual cost to maintain the 35-unit system is approximately \$142,000.
- Runway Marking Program (100.0% State funded) – Assists General Aviation airports in painting runway markings. Each airport runway is painted every five years, with 15 to 20 runways painted each year.
- Facilities and Equipment Program (70.0% State/30.0% local) – Provides emergency funding for facilities and equipment that may have malfunctioned during the year. The maximum amount of funding available is \$50,000, and is distributed on a first-come, first-serve basis.

- Aviation Education and Promotion Program (100.0% State funded) – Funds are directed to the DOT to be used for aviation education and support, including promotion of aviation through radio, print, and billboard. Additionally, the DOT publishes an Airport Directory and Aeronautical Chart for pilots on a biannual basis at a cost of approximately \$35,000.
- Windsock Program (100.0% State funded) – Provides windsocks to General Aviation airports at no charge on an as-needed basis.

Non-General Fund Appropriations and Allocations

In FY 2002 and FY 2003, funding for infrastructure projects at Iowa’s 113 publicly owned airports was appropriated from the tax-exempt bond proceeds of the Restricted Capital Fund. Prior to FY 2002, the funds were appropriated from the Rebuild Iowa Infrastructure Fund (RIIF). Appropriations from these funds were used for three programs, including the Commercial Air Service Infrastructure Program, the General Aviation Infrastructure Assistance Program, and the General Aviation Hangar Revolving Loan Program. The annual appropriation for infrastructure projects is approximately \$1.5 million.

Department of Transportation

Non-General Fund Allocations

	Rebuild Iowa Infrastructure Fund (RIIF)			Restricted Capital Fund	
	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Commercial Air Vertical Infra.	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,100,000
General Aviation Vertical Infra.	NA	496,227	0	500,000	581,400
General Aviation Hangar Loan	NA	NA	500,000	0	0
Total	\$ 1,000,000	\$ 1,496,227	\$ 1,500,000	\$ 1,500,000	\$ 1,681,400

- Commercial Air Service Infrastructure Program – Appropriated funds are divided among Iowa’s eight Commercial Air Service airports based on the following formula:
 - 50.0% allocated equally between each airport.
 - 40.0% allocated based on the percentage of passengers at each airport versus the total number of passengers in the State.
 - 10.0% allocated on the percentage of air cargo tonnage at each airport versus the total tonnage in the State.

The funds require no local match. Eligible projects include construction or renovation of terminals and hangars, associated design costs, land acquisition, grading, foundation work, floor slabs, and utilities. Individual allocations for Commercial Air Service Infrastructure projects from FY 1999 through FY 2003 are listed in the table below.

Department of Transportation
Commercial Air Service Vertical Infrastructure Program
Non-General Fund Allocations

	Rebuild Iowa Infrastructure Fund (RIIF)			Restricted Capital Fund	
	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Des Moines	\$ 317,340	\$ 320,083	\$ 345,312	\$ 352,954	\$ 391,532
Cedar Rapids	170,751	200,000	189,016	196,521	228,682
Dubuque	57,838	64,525	64,177	65,000	85,099
Waterloo	68,451	69,606	65,024	72,183	83,981
Burlington	53,873	56,555	54,798	59,700	73,358
Harlan*	55,000	0	0	0	0
Sioux City	77,990	79,280	73,104	75,000	92,853
Mason City	52,247	55,111	53,441	61,049	72,468
Fort Dodge	49,313	52,777	53,197	60,302	72,027
Spencer**	49,358	51,739	51,595	NA	NA
Ottumwa***	47,839	50,324	50,336	57,291	NA
Total	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,100,000

* Although a General Aviation airport, the Harlan airport received a one-time RIIF appropriation in FY 1999 for a new Automated Weather Observation System unit.

** Commercial Air Service discontinued in May 2001; now classified as a Primary General Aviation airport.

*** Commercial Air Service discontinued in October 2001; now classified as a Primary General Aviation airport.

- General Aviation Infrastructure Assistance Program (70.0% State funded/30.0% local) – This Program, established in FY 2000, was appropriated \$500,000. The appropriation was distributed to General Aviation airports based on an application and criteria process. Each airport is limited to a maximum of \$50,000. The Program was not funded in FY 2001 due to the creation of the General Aviation Revolving Hangar Loan Fund. The Infrastructure Program was funded again in FY 2002 and FY 2003.

Eligible projects are consistent with those for the Commercial Air Service Infrastructure Program. Individual allocations for General Aviation Infrastructure projects from FY 2000 through FY 2003 are listed in **Attachment D**.

- General Aviation Hangar Revolving Loan Fund – This Program, created in FY 2001, provides a loan to any eligible General Aviation airport for the purpose of increasing or improving its available hangar space. Eligible projects include renovation, construction, associated design, and foundation work for hangars.

In FY 2001, \$500,000 was appropriated to the Revolving Fund. In FY 2002, \$360,000 was deappropriated, leaving a balance of \$140,000 to be repaid over a 10-year period. Of this amount, \$40,000 will be used to renovate an existing T-hangar in Lamoni, and \$100,000 will be used for construction of eight T-hangars in Grinnell.

The DOT is proposing to eliminate the Hangar Revolving Loan Fund beginning in FY 2004. The DOT is requesting that the annual loan repayments be deposited into the General Aviation Vertical Infrastructure Program Fund.

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State Funded Aviation Programs

<http://staffweb.legis.state.ia.us/lfb/IREVIEW/ireview.htm>

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Classification of Iowa's Publicly Owned Airports

Level 1 - Commercial Service

- | | | |
|-----------------|---------------|---------------|
| 1. Burlington | 4. Dubuque | 7. Sioux City |
| 2. Cedar Rapids | 5. Fort Dodge | 8. Waterloo |
| 3. Des Moines | 6. Mason City | |

Level 2 - Primary General Aviation

- | | | | |
|-----------------|--------------------|------------------|------------------|
| 1. Algona | 10. Clinton | 19. Iowa City | 28. Ottumwa |
| 2. Ames | 11. Council Bluffs | 20. Keokuk | 29. Pella |
| 3. Ankeny | 12. Creston | 21. LeMars | 30. Perry |
| 4. Atlantic | 13. Davenport | 22. Marshalltown | 31. Red Oak |
| 5. Boone | 14. Decorah | 23. Monticello | 32. Sheldon |
| 6. Carroll | 15. Denison | 24. Mt. Pleasant | 33. Spencer |
| 7. Charles City | 16. Fairfield | 25. Muscatine | 34. Storm Lake |
| 8. Cherokee | 17. Harlan | 26. Newton | 35. Vinton |
| 9. Clarinda | 18. Independence | 27. Oskaloosa | 36. Webster City |

Level 3 - Other General Aviation

- | | | | |
|-----------------|--------------------|-----------------|-------------------|
| 1. Akron | 19. Forest City | 36. Manchester | 53. Rockwell City |
| 2. Albia | 20. Fort Madison | 37. Mapleton | 54. Sac City |
| 3. Allison | 21. Greenfield | 38. Maquoketa | 55. Shenandoah |
| 4. Anita | 22. Grinnell | 39. Milford | 56. Sibley |
| 5. Audubon | 23. Grundy Center | 40. Monona | 57. Sioux Center |
| 6. Bedford | 24. Guthrie Center | 41. Mount Ayr | 58. Spirit Lake |
| 7. Belle Plaine | 25. Hampton | 42. New Hampton | 59. Sully |
| 8. Belmond | 26. Hartley | 43. Northwood | 60. Tipton |
| 9. Bloomfield | 27. Hawarden | 44. Oelwein | 61. Toledo |
| 10. Centerville | 28. Humboldt | 45. Onawa | 62. Traer |
| 11. Chariton | 29. Ida Grove | 46. Orange City | 63. Wall Lake |
| 12. Clarion | 30. Iowa Falls | 47. Osage | 64. Washington |
| 13. Corning | 31. Jefferson | 48. Osceola | 65. Waukon |
| 14. Cresco | 32. Keosauqua | 49. Paullina | 66. Waverly |
| 15. Eagle Grove | 33. Knoxville | 50. Pocahontas | 67. West Union |
| 16. Eldora | 34. Lake Mills | 51. Primghar | 68. Winterset |
| 17. Emmetsburg | 35. Lamoni | 52. Rock Rapids | 69. Woodbine |
| 18. Estherville | | | |

Level 1 - Must have regularly scheduled passenger Commercial Air Service.

Level 2 - No Commercial Air Service, must have an existing runway of at least 4,000 feet, a fixed-based operation, sponsor population of 5,000 or greater, a minimum of 15 based aircraft, and be within five miles of the National Highway System.

Level 3 - All other publicly owned airports.

Department of Transportation
 Airport Improvement Program
 (General Fund Allocations)

	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
Algona	\$ 0	\$ 18,000	\$ 0	\$ 87,200	\$ 0
Ames	0	31,860	0	0	0
Ankeny	49,524	0	0	0	0
Atlantic	151,228	52,314	35,132	0	0
Belle Plaine	0	163,800	0	0	0
Bloomfield	0	0	0	0	0
Boone	164,000	72,000	108,000	0	0
Carroll	0	0	30,400	36,000	0
Centerville	26,600	0	0	0	0
Charles City	61,600	0	0	0	0
Cherokee	0	21,897	0	0	0
Corning	0	0	14,000	0	0
Council Bluffs	0	0	0	330,283	0
Cresco	0	0	0	0	0
Creston	21,000	0	25,200	35,460	0
Davenport	0	0	0	10,500	0
Decorah	274,200	0	0	0	0
Emmetsburg	10,400	0	0	0	0
Estherville	0	0	63,290	0	0
Fairfield	0	0	0	387,360	0
Forest City	0	8,000	0	26,000	0
Fort Dodge	12,200	0	0	0	0
Greenfield	0	0	344,000	0	0
Grinnell	0	0	0	81,600	0
Hampton	0	0	0	0	0
Harlan	0	19,600	391,200	0	0
Humboldt	0	156,000	108,000	0	0
Independence	13,874	198,560	0	0	0
Iowa City	16,538	43,600	0	241,560	0
Iowa Falls	0	510,400	0	0	0
Jefferson	830,500	0	0	0	0
Keokuk	0	0	24,840	25,200	0
LeMars	0	0	0	0	0
Maquoketa	19,000	0	2,700	0	0
Mapleton	0	0	0	0	0
Marshalltown	0	0	0	22,500	0
Mt. Pleasant	0	545,600	0	0	0
Muscatine	0	0	6,635	0	0
New Hampton	0	0	64,800	0	0
Oelwein	0	0	0	0	0
Onawa	0	0	0	0	0
Orange City	0	23,800	54,000	0	0
Osage	0	0	0	57,360	0
Osceola	0	0	58,000	37,800	0
Ottumwa	38,400	0	0	0	0
Pella	0	0	51,300	81,000	0
Perry	0	0	40,000	0	0

Department of Transportation
 Airport Improvement Program Con't.
 (General Fund Allocations)

	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
Pocahontas	38,550	0	0	0	0
Red Oak	40,000	7,700	0	30,000	0
Rock Rapids	0	51,200	19,600	0	0
Sheldon	0	20,000	0	0	0
Shenandoah	0	23,000	41,600	54,100	0
Sibley	0	0	81,600	0	0
Sioux Center	136,200	0	100,200	0	0
Spencer	0	0	0	67,200	0
Storm Lake	0	0	0	7,000	0
Vinton	57,200	9,900	153,840	20,610	0
Washington	0	0	2,700	55,800	0
Waverly	0	17,500	240,000	0	0
West Union	40,575	0	97,600	0	0
Winterset	0	0	0	0	0
Total	<u>\$ 2,001,589</u>	<u>\$ 1,994,731</u>	<u>\$ 2,158,637</u>	<u>\$ 1,694,533</u>	<u>\$ 0</u>

Source: Iowa Department of Transportation: Office of Aviation

Department of Transportation
 Commercial Service Air Marketing Program
 (General Fund Allocations)

	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
Des Moines	\$ 74,040	\$ 77,939	\$ 51,600	\$ 59,088	\$ 0
Cedar Rapids	50,138	54,749	41,996	45,895	0
Dubuque	31,726	32,208	31,162	31,902	0
Waterloo	30,000	30,000	30,000	30,000	0
Burlington	31,084	31,107	30,524	30,645	0
Sioux City	35,012	29,997	27,496	33,066	0
Mason City	15,000	15,000	30,000	30,000	0
Fort Dodge	24,000	20,000	30,222	30,404	0
Spencer*	6,000	6,000	18,000	NA	NA
Ottumwa**	3,000	3,000	9,000	9,000	NA
Total	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 0</u>

* Commercial Air Service discontinued in May 2001; now classified as a Primary General Aviation airport.

** Commercial Air Service discontinued in October 2001; now classified as a Primary General Aviation airport.

Source: Iowa Department of Transportation: Office of Aviation

Department of Transportation
 General Aviation Vertical Infrastructure Program
 (Non-General Fund Allocations)

	Rebuild Iowa Infrastructure Fund		Restricted Capital Fund	
	(RIIF)			
	FY 2000	FY 2001*	FY 2002	FY 2003
Algona	\$ 17,290	\$ 0	\$ 0	\$ 0
Ames	0	0	0	15,960
Ankeny	45,500	0	50,000	0
Atlantic	0	0	50,000	0
Audobon	0	0	0	50,000
Bloomfield	11,900	0	0	0
Boone	5,600	0	0	0
Carroll	0	0	50,000	0
Centerville	0	0	34,313	0
Chariton	17,500	0	0	0
Charles City	0	0	30,800	0
Council Bluffs	37,368	0	0	50,000
Clinton	0	0	0	39,740
Davenport	50,000	0	0	17,500
Denison	7,350	0	22,505	0
Greenfield	0	0	40,600	0
Fairfield	46,900	0	0	0
Independence	0	0	0	50,000
Iowa City	50,000	0	0	50,000
Jefferson	49,585	0	0	0
Keokuk	0	0	27,370	0
LeMars	6,930	0	0	0
Manchester	0	0	44,412	0
Maquoketa	26,950	0	0	0
Mt. Pleasant	0	0	50,000	0
Muscatine	33,794	0	0	0
Newton	0	0	0	50,000
Osceola	0	0	0	50,000
Pella	0	0	0	18,900
Pocahontas	14,560	0	0	0
Red Oak	0	0	50,000	0
Rock Rapids	0	0	0	50,000
Shenandoah	0	0	0	42,000
Storm Lake	50,000	0	0	17,500
Vinton	0	0	0	37,800
Washington	0	0	50,000	0
Waverly	25,000	0	0	42,000
Total	\$ 496,227	\$ 0	\$ 500,000	\$ 581,400

* Grant program not funded in FY 2001.

Source: Iowa Department of Transportation: Office of Aviation