



AVIATION PROGRAM FUNDING SOURCES

TASK ONE: Survey of Federal, state and local aviation program funding sources and mechanisms in fourteen states (AZ, CA, DE, FL, IL, IA, MI, MT, NY, ND, PA, SD, TX & WI) and compare to Minnesota.

ANALYSIS

Over the past several weeks I have researched each of the above states regarding the level of funding each of their respective aviation programs receive from various state sources. In addition, I have contacted several directors to obtain clarification of some of the information contained in the 2007 NASAO State Aviation Funding & Organizational Data Report. Attached is a spreadsheet giving a run down on some of their funding mechanisms.

What I have found is that the states are not necessarily knowledgeable of all of the taxes imposed on aviation and therefore really do not know how much revenue is generated by aviation within their state. Delaware and Illinois did not provide information to the NASAO Report and are reluctant to do so. More information on how the states tax aviation will come in Task 2. For now, this report shows what funding the above mentioned states are currently receiving and in some cases from where.

What I found to be of the most interest are:

- Arizona, Michigan, Minnesota & Pennsylvania as they all have one (1) large hub in their State.
- None of the states, except Minnesota and Arizona, get significant dollars from the Aircraft Registration Fee
- Arizona, Michigan, Minnesota, New York, Pennsylvania, Texas & Wisconsin all receive state funding between \$12,612,300 & \$32,500,000. Minnesota falls right in the middle.
- Michigan, Pennsylvania, Texas & Wisconsin are all Block Grant States.
- Iowa, Montana, New York & South Dakota have less than 12 employees, while all the other states have greater than 25 employees
- 8 out of the 13 states have a dedicated Aviation Fund
- Total Funding (State and Federal)
 - Less than \$50,000,000
 - IA, MT, ND, SD & WI
 - \$50,000,000 - \$100,000,000
 - AZ, CA, MN
 - \$100,000,000 - \$200,000,000
 - MI, NY & PA
 - Greater than \$200,000,000
 - FL & TX

Based on the above information I would say that the states that are the most like Minnesota in funding are Arizona and California. Note that California has 3 large hub airports compared to Arizona and Minnesota who only have 1 large hub airport.

2007 Aviation Program Funding Sources

| FUNDING SOURCE | Arizona | California | Delaware | Florida | Illinois | Iowa | Michigan | Minnesota | Montana | New York | North Dakota | Pennsylvania | South Dakota | Texas | Wisconsin |
|---|---------------------|---------------------|------------|----------------------|------------|---------------------|----------------------|---------------------|---------------------|----------------------|---------------------|----------------------|---------------------|----------------------|---------------------|
| State Funding Sources | | | | | | | | | | | | | | | |
| Aviation | | | | | | | | | | | | | | | |
| Aviation Fuel Taxes | \$460,470 | \$7,286,834 | | \$55,700,000 | | | | \$3,851,492 | \$1,433,893 | | \$725,000 | \$9,000,000 | \$411,000 | | \$1,522,034 |
| Aircraft Sales & Use Taxes | | | | | | | | | | | | | | | |
| Aircraft Registration Fees | \$7,748,524 | | | | | | | \$5,000,000 | \$270,994 | | \$425,000 | | \$700,000 | | \$591,963 |
| Property Tax/Ad valorem | | | | | | | | | | | | | | | |
| Flight Property Tax | \$19,566,963 | | | | | | | | | | | | | | \$6,708,949 |
| Reimbursement for AIP Project Mgmt | \$1,967,842 | | | | | | | | | | | | | | |
| Other | | | | | | \$2,814,000 | \$5,839,510 | \$8,441,336 | | \$9,500,000 | \$2,111,019 | | | \$16,090,490 | |
| Total | \$29,743,799 | \$7,286,834 | \$0 | \$55,700,000 | \$0 | \$2,814,000 | \$5,839,510 | \$17,292,828 | \$1,704,887 | \$9,500,000 | \$3,261,019 | \$9,000,000 | \$1,111,000 | \$16,090,490 | \$8,822,946 |
| Non-Aviation | | | | | | | | | | | | | | | |
| Highway Taxes | | | | \$57,569,558 | | | | \$837,000 | | \$8,000,000 | | | | | \$3,789,354 |
| General Funds | | | | \$19,132,000 | | | | \$5,000,000 | | | \$274,000 | \$5,000,000 | | | |
| Bonds | | | | | | | | \$12,000,000 | | \$15,000,000 | | | | | |
| Total | \$0 | \$0 | \$0 | \$76,701,558 | \$0 | \$0 | \$17,000,000 | \$837,000 | \$0 | \$23,000,000 | \$274,000 | \$5,000,000 | \$0 | \$0 | \$3,789,354 |
| TOTAL | \$29,743,799 | \$7,286,834 | \$0 | \$132,401,558 | \$0 | \$2,814,000 | \$22,839,510 | \$18,129,828 | \$1,704,887 | \$32,500,000 | \$3,535,019 | \$14,000,000 | \$1,111,000 | \$16,090,490 | \$12,612,300 |
| Federal AIP Grant Funds | | | | | | | | | | | | | | | |
| Primary Airports | \$26,117,435 | \$57,516,519 | | \$91,590,541 | | \$16,016,946 | \$89,039,715 | \$33,074,292 | \$23,478,512 | \$92,190,650 | \$11,936,894 | \$71,786,766 | \$13,494,075 | \$175,186,219 | \$20,095,329 |
| Non-Primary Commercial Service Airports | \$992,496 | \$450,000 | | | | \$819,081 | | \$478,916 | \$709,424 | \$5,504,593 | \$3,741,306 | \$14,060,000 | \$1,009,090 | | |
| General Aviation Airports | \$9,485,627 | \$16,995,671 | | \$13,551,906 | | \$24,339,640 | | \$16,648,814 | \$14,093,685 | \$19,911,903 | \$7,187,523 | \$2,112,533 | \$10,874,561 | | |
| Reliever Airports | \$12,175,463 | \$4,984,126 | | \$42,942,329 | | \$0 | | \$7,433,947 | | \$15,235,452 | | \$1,609,000 | | | |
| System Plan | | \$350,000 | | | | \$359,931 | | | \$133,000 | \$300,000 | \$1,396,641 | \$513,353 | | \$662,000 | |
| Block Grant | | | | | | | \$29,241,359 | | | | | \$15,210,185 | | \$56,310,707 | \$10,193,986 |
| TOTAL | \$48,771,021 | \$80,296,316 | \$0 | \$156,000,000 | \$0 | \$41,535,598 | \$118,281,074 | \$57,635,969 | \$38,414,621 | \$133,142,598 | \$24,262,364 | \$105,291,837 | \$25,377,726 | \$232,158,926 | \$30,289,315 |
| GRAND TOTAL | \$78,514,820 | \$87,583,150 | \$0 | \$288,401,558 | \$0 | \$44,349,598 | \$141,120,584 | \$75,765,797 | \$40,119,508 | \$165,642,598 | \$27,797,383 | \$119,291,837 | \$26,488,726 | \$248,249,416 | \$42,901,615 |
| OTHER INFORMATION | | | | | | | | | | | | | | | |
| Block Grant | No | No | | No | Yes | No | Yes | No | No | No | No | Yes | No | Yes | Yes |
| Channeling Act | No | No | | No | Yes | Yes | Yes | Yes | No | No | No | Yes | Yes | Yes | Yes |
| # of Airports | 312 | 692 | | 760 | | 350 | 499 | 371 | 569 | 490 | 304 | 816 | 73 | 1653 | 706 |
| # of Airports Funded (AIP/State) | 60/52 | 186/216 | | 104/106 | | 77/111 | 95/113 | 95/136 | 86/119 | 96/96 | 54/90 | 64/135 | 57/72 | 217/286 | 87/98 |
| Largest HUB Airport Size | 1 large hub | 3 large hub | | 4 large hub | | 2 small hub | 1 large hub | 1 large hub | 7 non-hub | 2 large hub | 4 non-hub | 1 large hub | 1 small hub | 2 large hub | 1 medium hub |
| # of Primary Airports | 8 | 27 | | 18 | | 6 | 13 | 8 | 7 | 12 | 4 | 10 | 4 | 27 | 8 |
| Trust Fund | Yes | No | | No | | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes | No | No |
| # of Employees in Dept | 33 | 27 | | 25 | | 6 | 46 | 37 | 10.29 | 11 | 6 | 38 | 8 | 67 | 37 |

NOTE: Information obtained from *NASAO State Aviation Funding & Organization Data Annual Report FY 2007*.