



North Dakota Aeronautics Commission Budget Hearing

SB 2006

Senate Appropriations January 12th, 2021

Kyle Wanner, Executive Director

Aeronautics Commission – Statutory Authority

North Dakota Century Code Chapters 2-05, 2-08, 57-40.5, 57-43.3

Major Statutory Responsibilities:

- Encourage the establishment & maintenance of public airport and navigational facilities.
- Cooperates with federal and local government in the promotion & development of aeronautical activities
- Represents the state and industry in all matters relating to aeronautical activities.
- Regulatory functions – aircraft registrations, aircraft excise & fuel tax, aerial application, aircraft dealers

Audit for Biennium Ended June 30th, 2019:

- The audit did not identify any exceptions or defaults.



Additional Core Agency Duties

- Airport Infrastructure Grant Funding
- Airport Planning Support
 - Airport Layout Plan Development
 - Airport Inspections
 - Airspace Analysis
 - Airport Management Support and Resources
- Update Statewide Aviation Publications and Planning Documents
- Aviation Education Promotion and Grant Funding
- Own and Manage Two Public Airports: International Peace Garden Airport and Garrison Dam Recreational Airpark

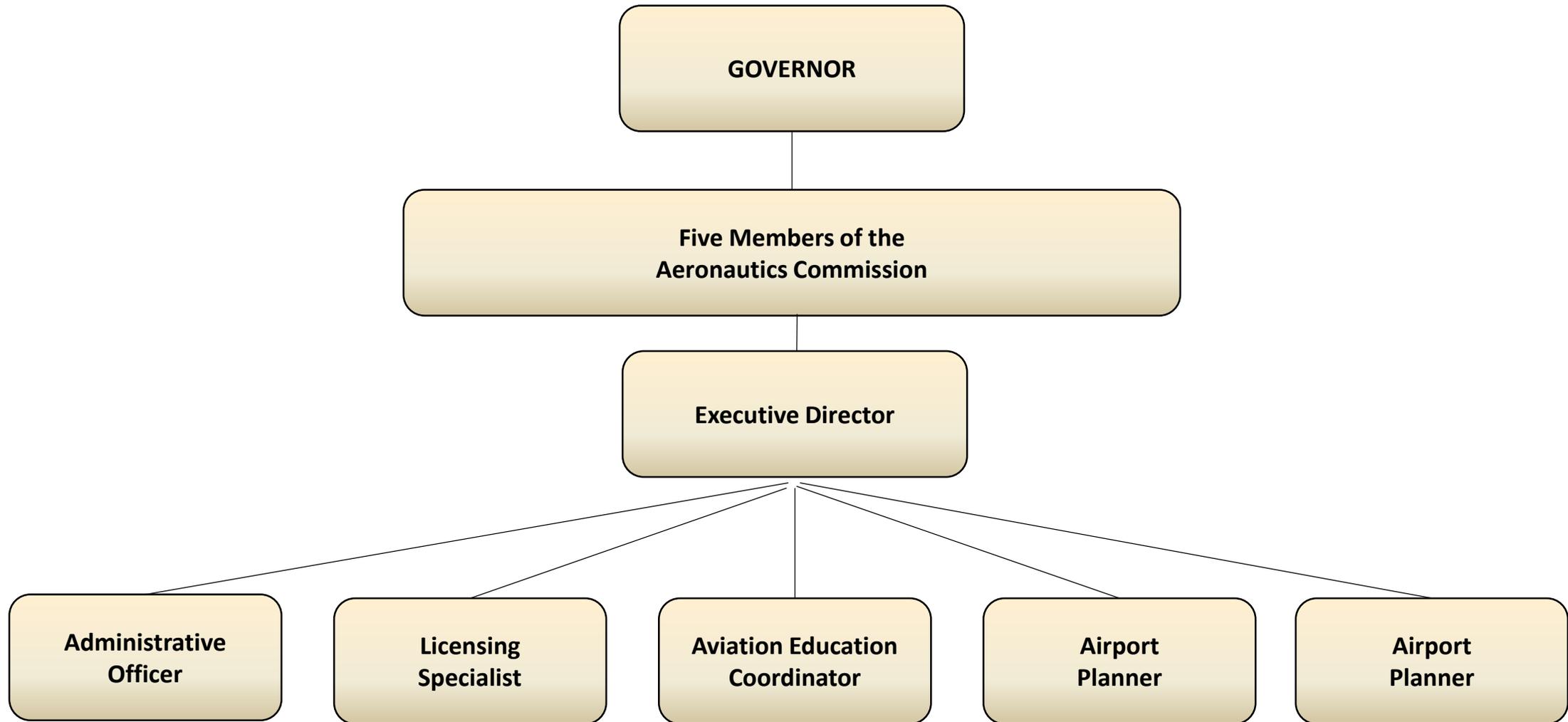


Agency Programs

- Passport Program
- Aviation Museum Support
- Flight Training Assistance Program (FTAP)
- Airport Internship Program
- Aviation Education Grants
- Aviation Career Day Involvement
- Youth Aviation Art Contest
- High School Curriculum Assistance
- Windsock Program
- Airport Supply Surplus
- Aerial Applicator Alert Map
- Statewide Automated Weather Observation System (AWOS) Maintenance Program

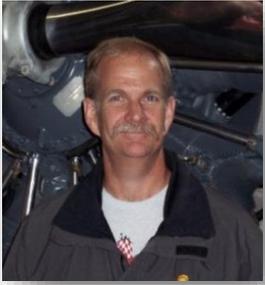


Current Organizational Chart



Organization/Leadership – Aeronautics Commission

5 Member Commission Appointed by the Governor



Warren Pietsch, Minot



Jay B. Lindquist, Hettinger



Kyle Humann, Mandan



Dr. Kim Kenville, Grand Forks



Cindy Schreiber-Beck, Wahpeton

North Dakota's Airport System

- 89 Public-Use Airports in North Dakota
 - 71 airports are paved
 - 18 airports maintain turf only runways
- 54 are eligible to receive federal funding
- 35 are maintained utilizing state and local funding only
- Over 200 private airstrips also exist throughout the state

According to the 2015 Economic Impact of Aviation Study



Employment

Jobs related to airport management, airport tenants, capital investment at airports, and visitor spending

12,217 jobs



Payroll

Annual payroll associated with these jobs

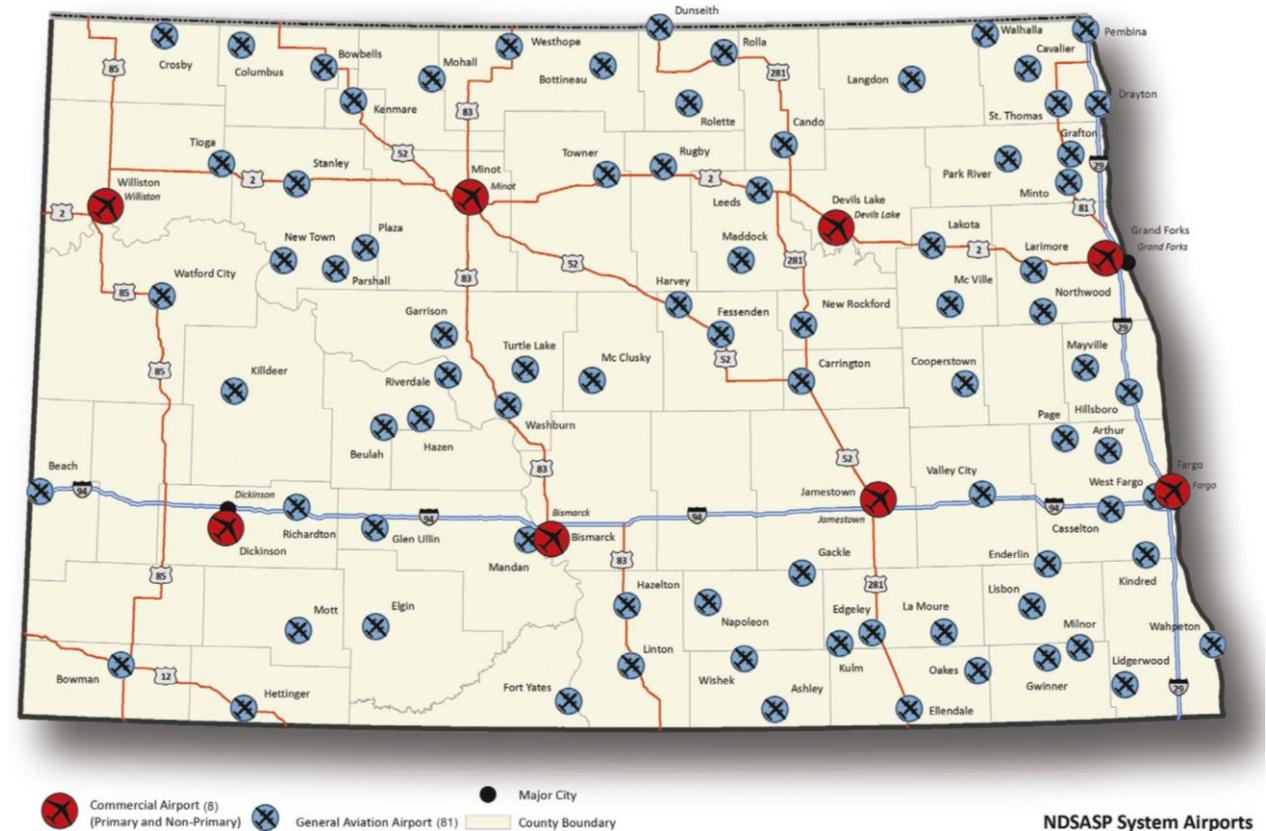
\$505.2 million



Output

Annual economic output for five activity centers

\$1.56 billion



PUBLIC AIRPORTS IN NORTH DAKOTA

Major Biennial Accomplishments

- **Completed Updates to the Aviation Information Management System (AIMS) to enable efficient processing for:**

- Aircraft registrations
- Aircraft excise tax payments
- Aircraft Dealer licensing
- Aerial Applicator licensing
- Efficient outreach to aviation community

- **Adapting to COVID-19 environment**

- Communication with airports/governor's office
- In Fiscal Year 2020: North Dakota airports received \$69 million in reimbursable federal CARES grants to utilize on staff salaries and operational costs during the pandemic. An additional \$88 million was also received for airport development projects.
- Successfully reacted to changes in environment to maximize federal funding and utilized state funding to provide additional assistance to airports
- Redeveloped and re-prioritized the statewide Capital Improvement plan for airport development projects taking into account projects that are impacted by COVID-19 and updated revenue forecasts for "Operation Prairie Dog" funds.

- **Airport Grant Funding**

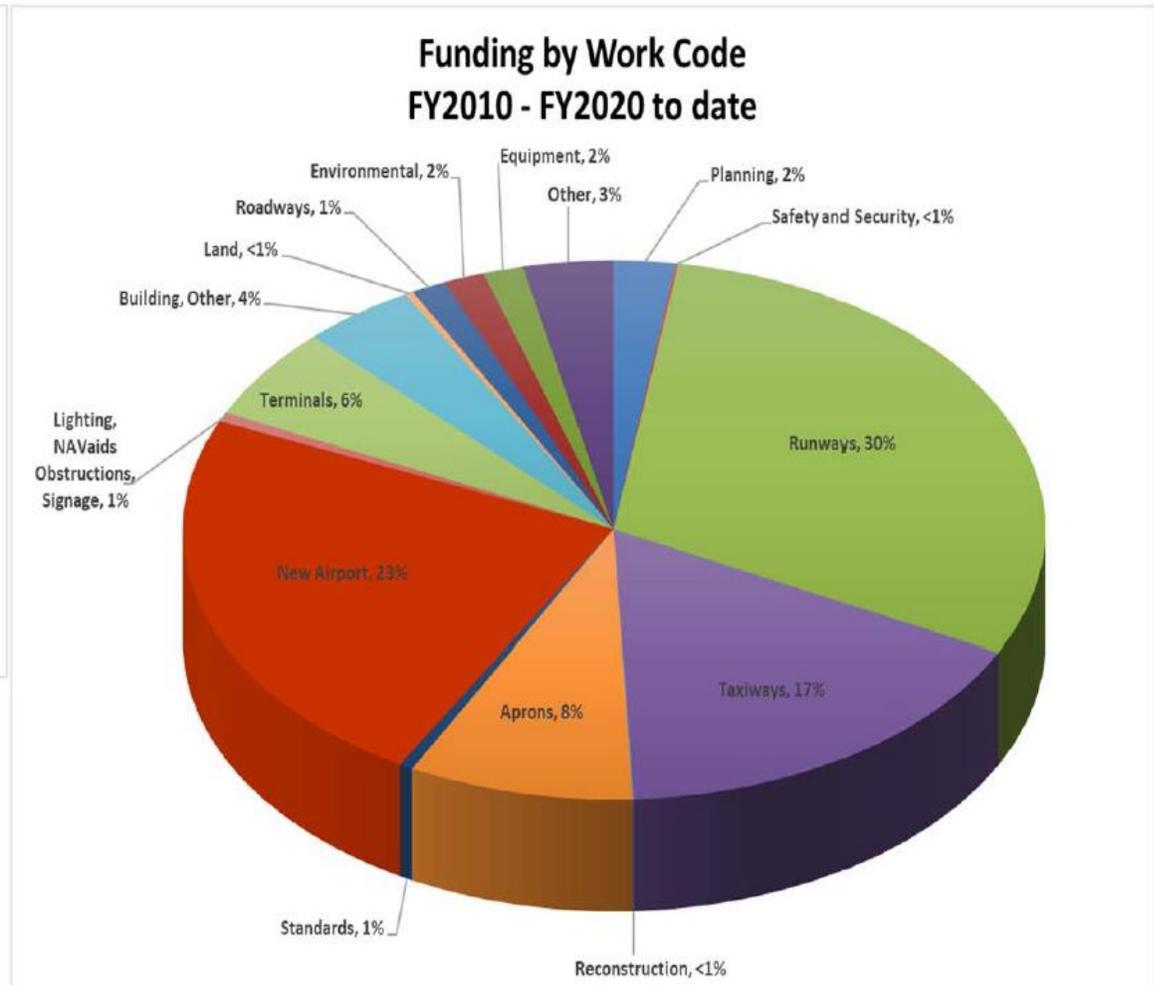
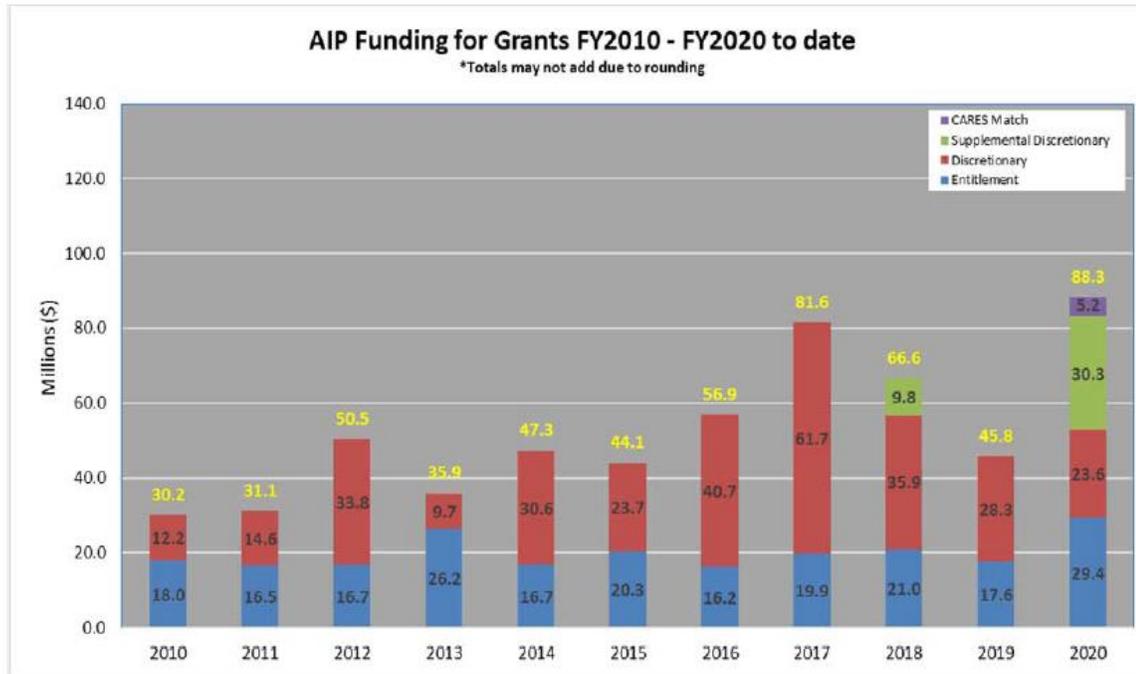
- Provided \$7 million in Airport infrastructure grants to 313 airport projects
- Provided \$7 million in Airport grants from one-time SIIF funding for Dickinson and Watford City airport projects.
 - \$13 million in one-time SIIF allocation remains for planned allocation to Dickinson in the Summer of 2021 to complete their Runway Reconstruction project.



COVID-19 has led to significant impacts to passenger demand

Historical Federal Funding for North Dakota Airports

North Dakota Grant Funding FY2010 – FY2020; Supplemental Appropriations and CARES Act



Supplemental Discretionary

Intent to Award

-6 Grants Totaling \$39,010,091

Fiscal Year	Grants	Total
2018	4	\$31,760,091
2019	1	\$2,400,000
2020	1	\$4,850,000

*FY2020 Supplemental will receive CARES Funds for 100% match as long as funding is available

CARES Act

-53 Grants Totaling \$69,489,703

Airport Type	Grants	Total
Small Hub	1	\$21,637,515
Non-Hub	6	\$45,408,388
Commercial Service	1	\$1,352,800
General Aviation	45	\$1,091,000

North Dakota's Return on Investment

From 2011-2020 (last 10 years):

- North Dakota has received \$548 million from Federal Government for Airport projects (not including CARES funds)
- The State of North Dakota has invested a total of \$151 million in airport projects.
 - Over the last 10 years - for every \$1 dollar that the state invested in airports, we have been able to leverage/receive approximately \$3.63 from the Federal Aviation Administration.



Biennium Project Highlights – Commercial Service

- **Fargo**
 - Cargo Apron Expansion
 - Snow Removal Equipment Building Expansion
- **Grand Forks**
 - Environmental work for future crosswind and primary runway upgrades
- **Devils Lake**
 - Snow Removal Equipment Upgrades
- **Jamestown**
 - Terminal Apron Reconstruction



Fargo – Cargo Apron Expansion (2020)

Biennium Project Highlights – Commercial Service

- **Minot**
 - General Aviation Apron Rehabilitation
- **Bismarck**
 - Primary Runway Rehabilitation – Final phase completed
- **Dickinson**
 - Parallel taxiway construction completed
- **Williston**
 - New airport successfully opened Fall of 2019
 - Crosswind Runway construction completed Fall of 2020



Williston Airport Crosswind Runway (2020)

Biennium Project Highlights – General Aviation

Runway Rehabilitations

- Cando
- Mohall (runway extension)
- Watford City (ongoing)

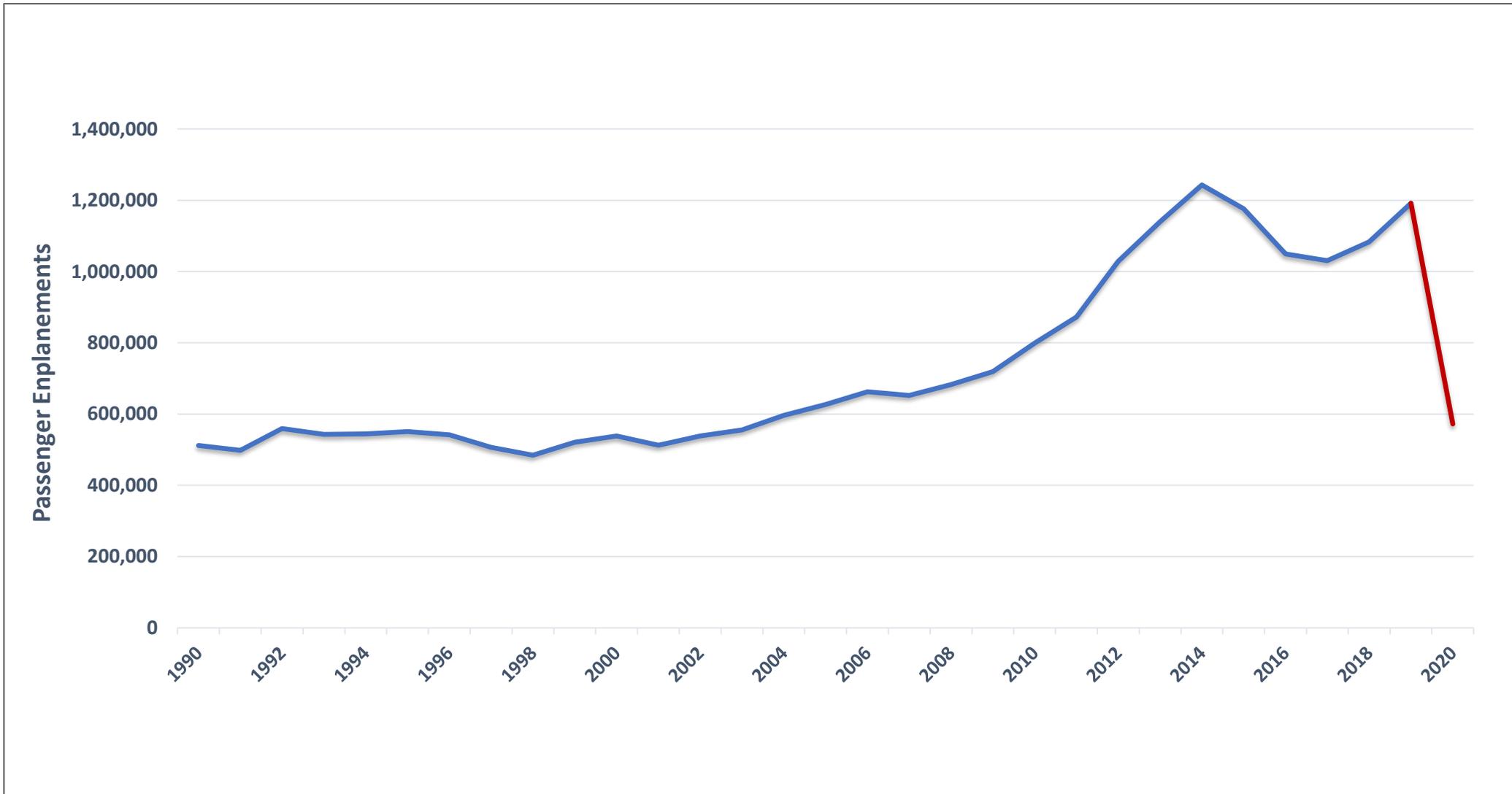
Taxiway/Apron Rehabilitations

- Hillsboro
- Tioga
- Washburn
- Garrison
- Hettinger
- Mandan
- Wahpeton

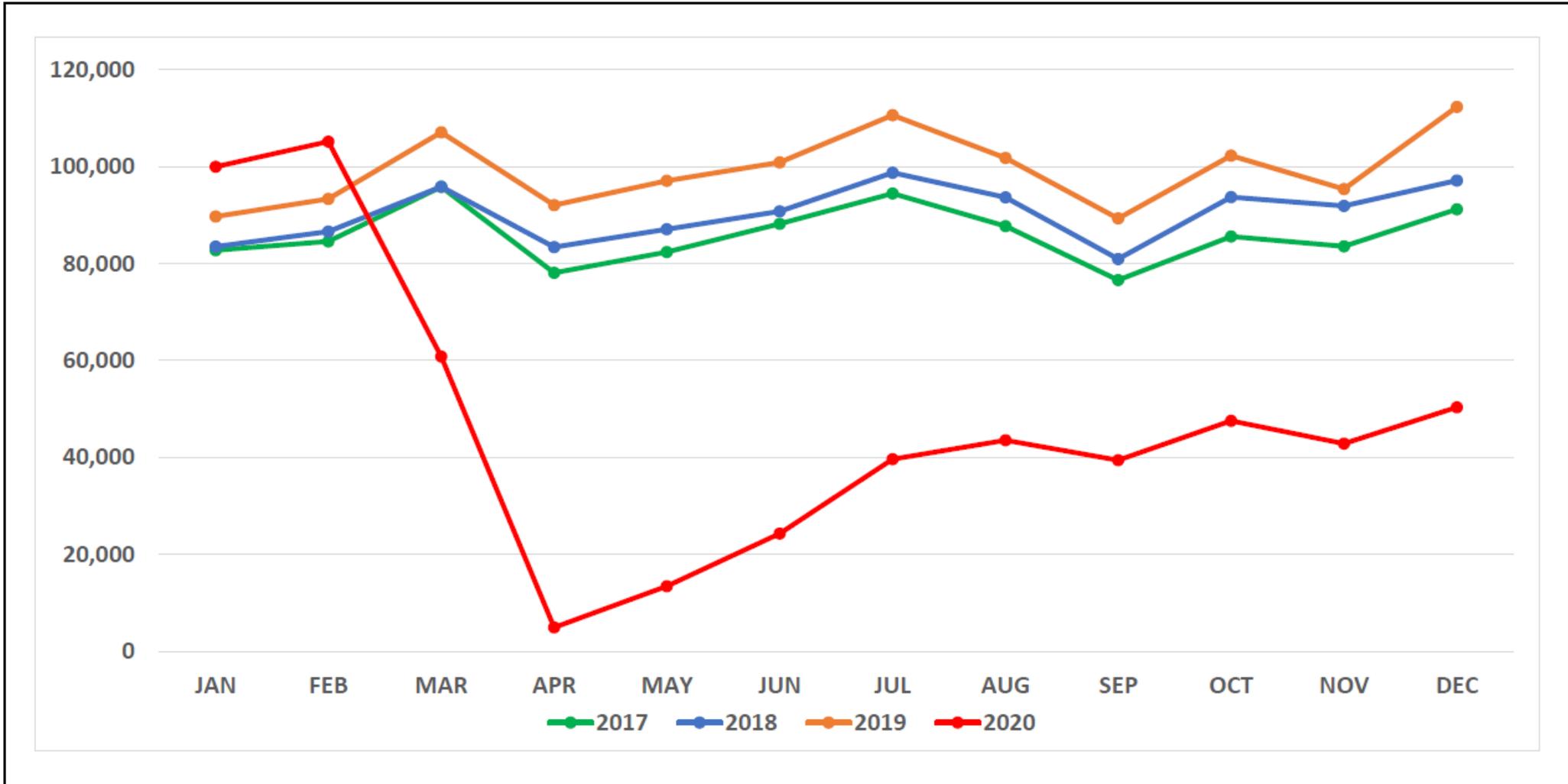


Hillsboro taxiway construction (2020)

North Dakota – Historical Airline Boarding Numbers



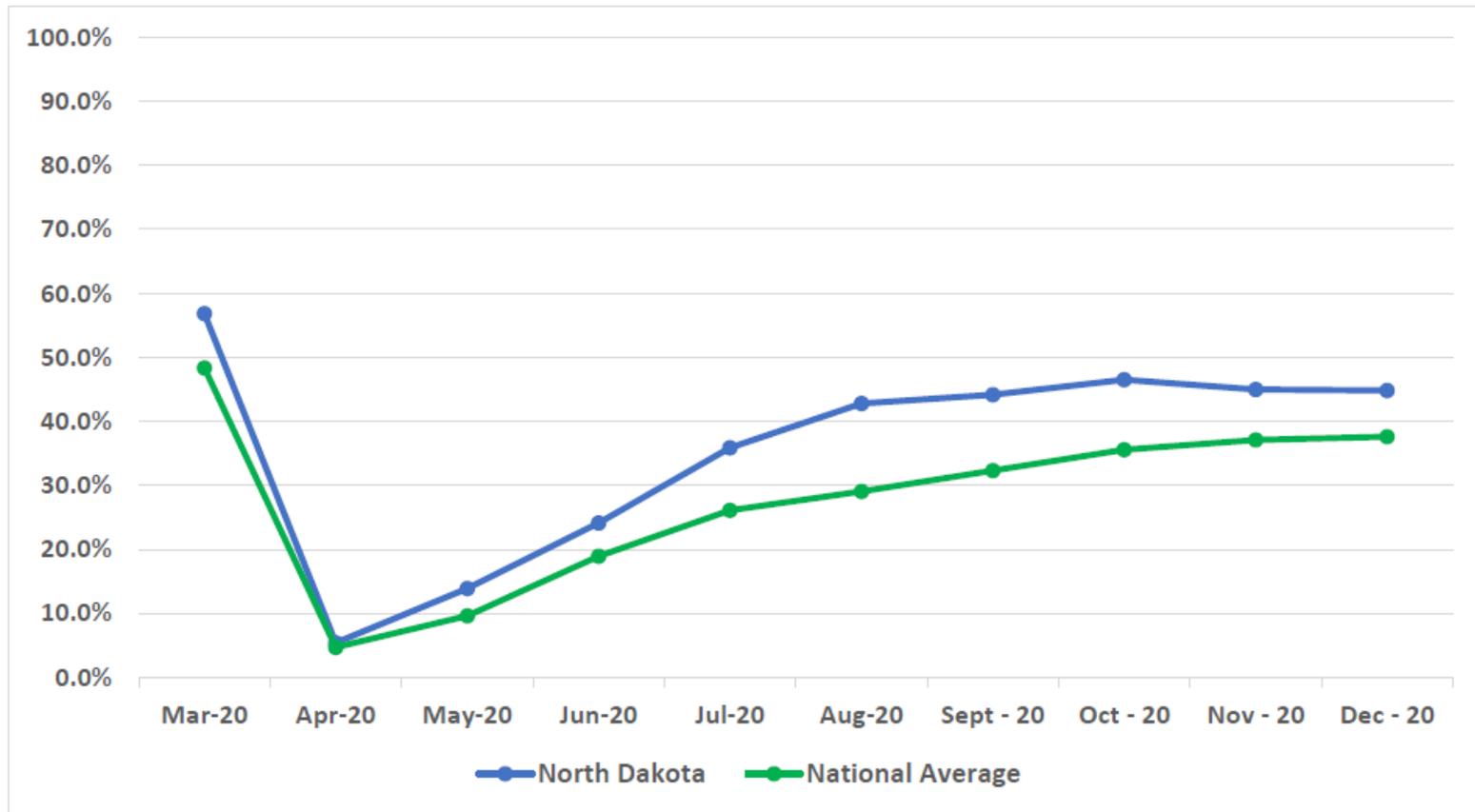
North Dakota Airline Passenger Boarding Trends



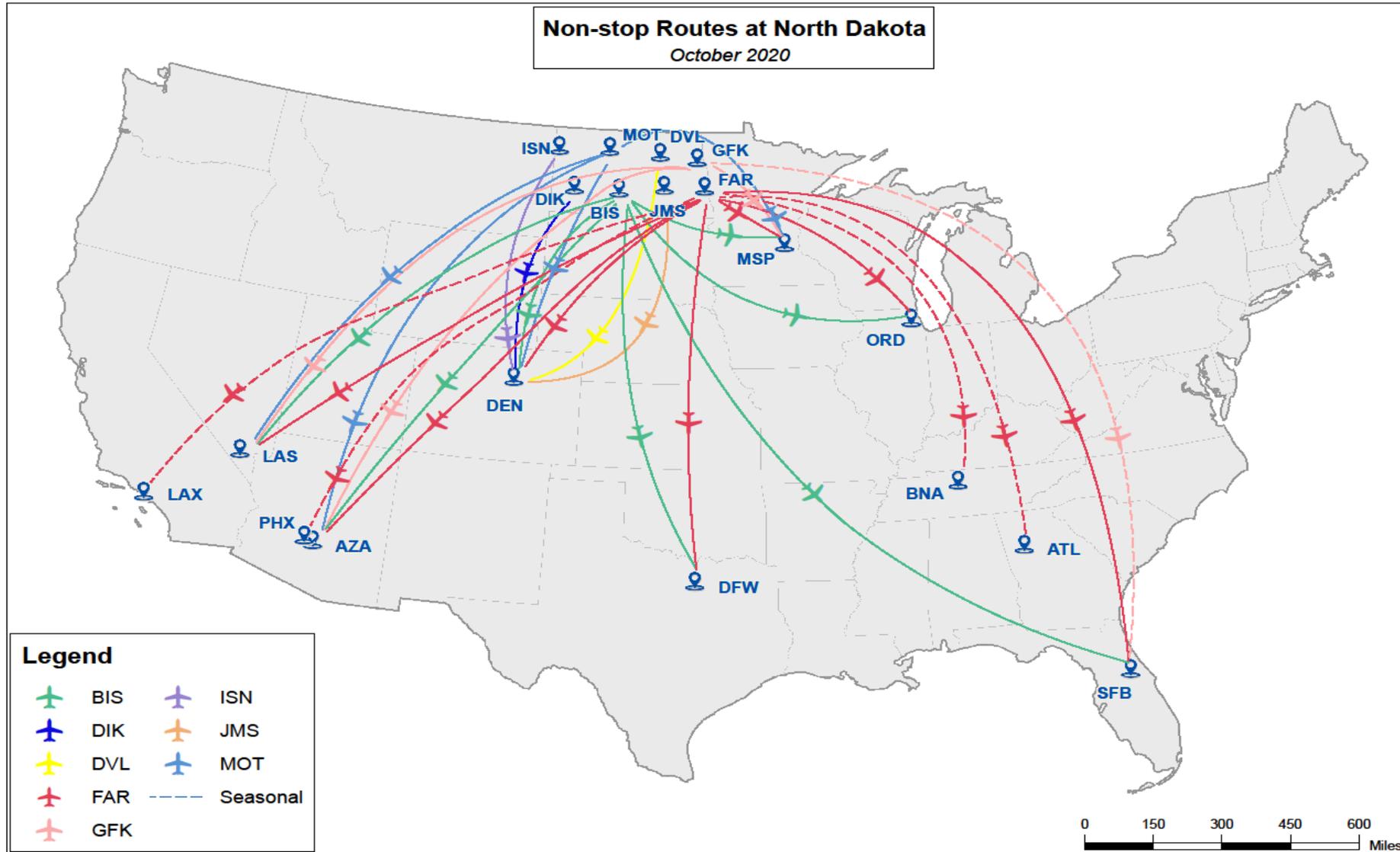
North Dakota versus National Average

ND vs. TSA Enplanement Retention

Month	ND	TSA
Mar-20	56.8%	48.3%
Apr-20	5.4%	4.7%
May-20	13.9%	9.6%
Jun-20	24.1%	18.9%
Jul-20	35.9%	26.1%
Aug-20	42.8%	29.0%
Sept - 20	44.2%	32.3%
Oct - 20	46.5%	35.6%
Nov - 20	45.0%	37.1%
Dec - 20	44.8%	37.6%

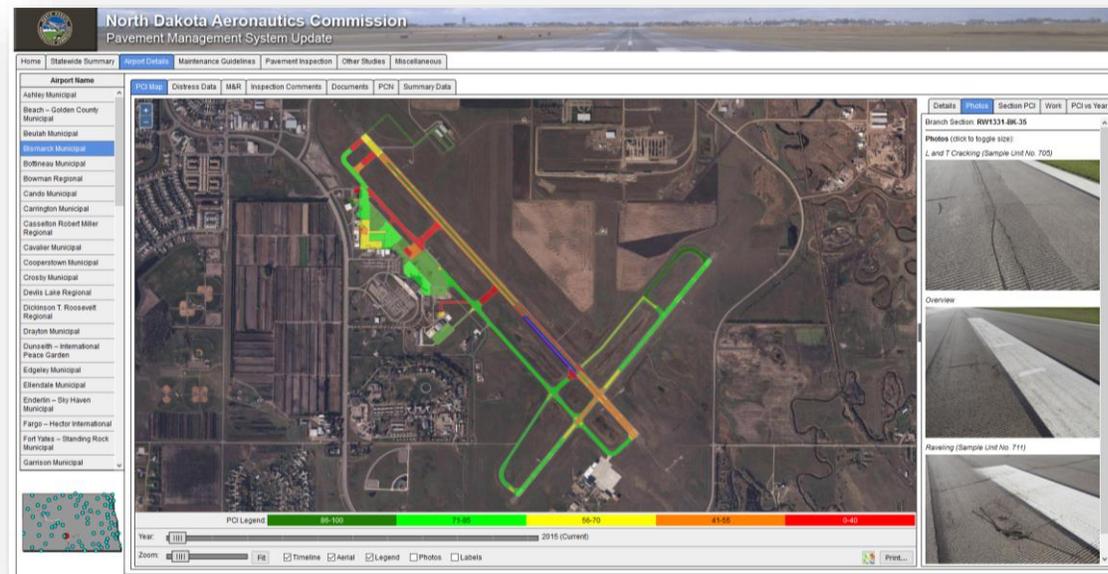


North Dakota Air Service Route Map

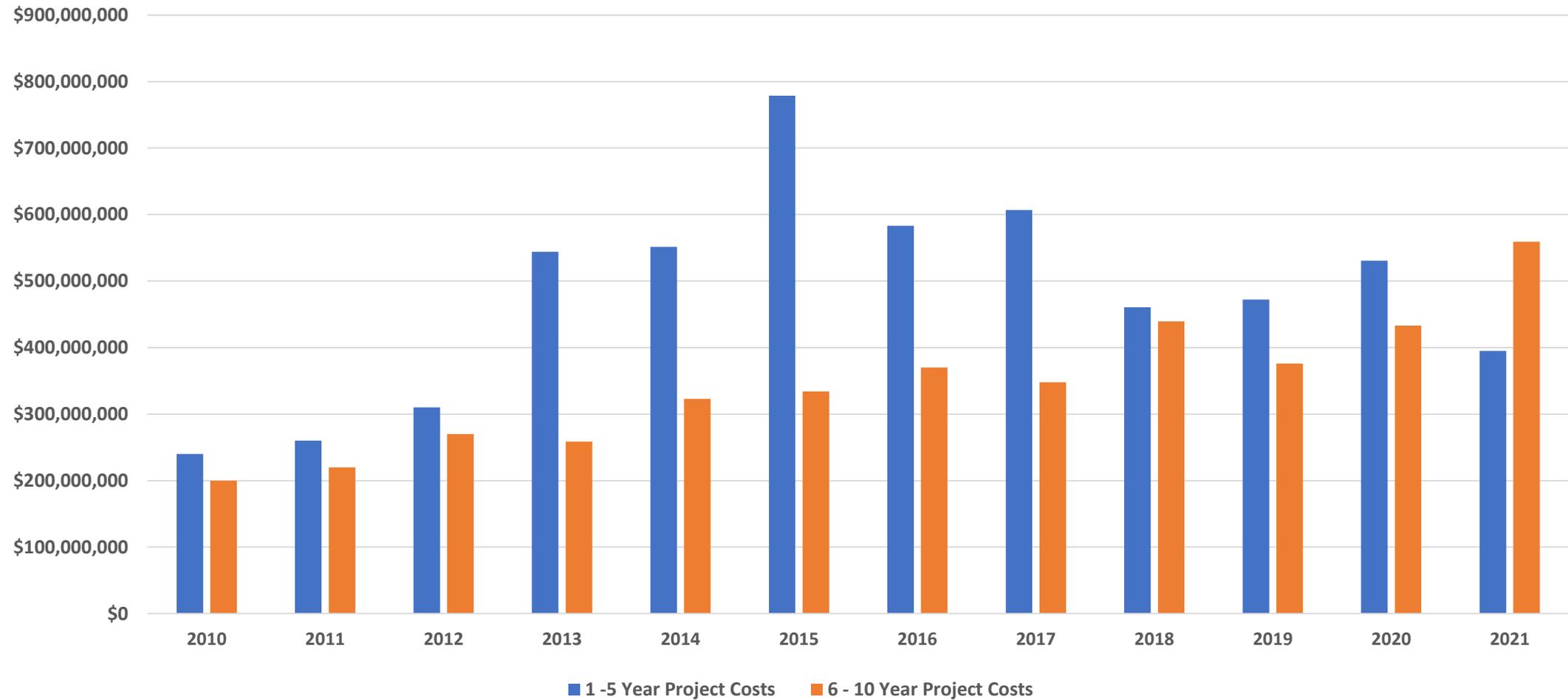


Next Biennium Goals/Plans

- Continue to support the aviation industry's recovery from COVID-19 pandemic
 - Fully understand Federal Airport Infrastructure program and funding availability as Congress finalizes relief and funding packages
 - Leverage federal funds where possible and utilize state grant funds on high priority projects
- Statewide Pavement Condition Index Study
 - Approximately 60 million square feet of pavement exists on our airports
 - Study conducted every 3 years to update online interactive database
 - Helps to prioritize federal and state funding and identifies best practices and recommendations for cost beneficial pavement management techniques



North Dakota Airport Infrastructure Needs Analysis



Major Airport Projects on Horizon

Commercial Aviation Major Projects

- **Dickinson:** final phase of Runway Reconstruction/Extension
- **Fargo:** Terminal Apron Reconstruction
- **Bismarck:** Major Airfield Drainage Improvements
- **Minot:** Cargo Apron Reconstruction
- **Jamestown:** Parallel Taxiway Rehabilitation
- **Grand Forks:** Crosswind Runway Reconstruction/Extension & Primary Runway Reconstruction
 - \$115 million total estimated cost (project years: 2021 – 2027)

General Aviation Runway Rehabilitations

- Beach
- Carrington
- Crosby
- Glen Ullin
- Hazen
- New Rockford
- Watford City (in progress)



Fargo – Passenger Terminal (summer 2020)

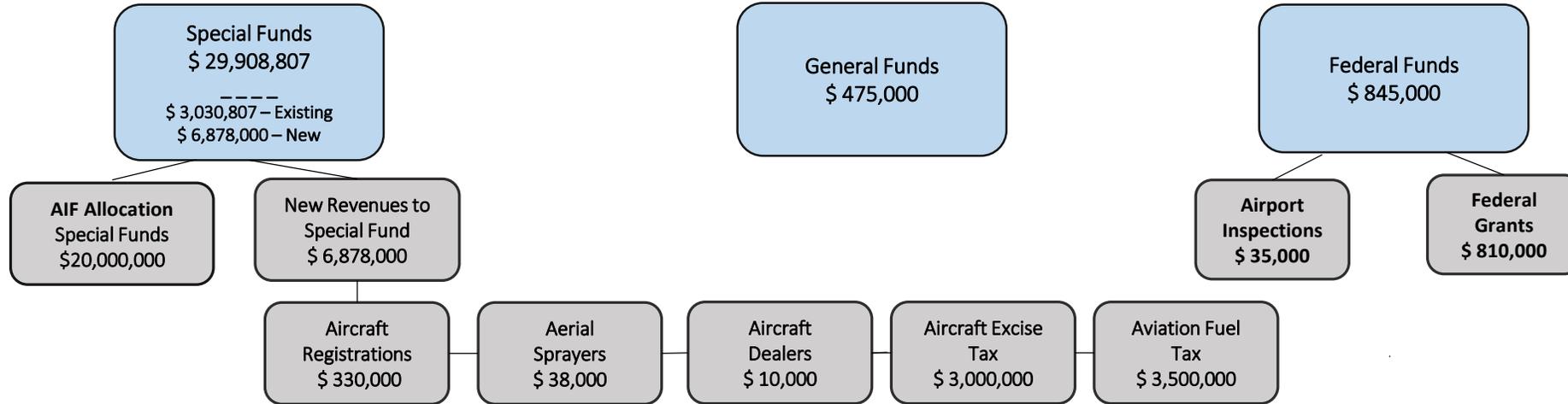


North Dakota Aeronautics Commission

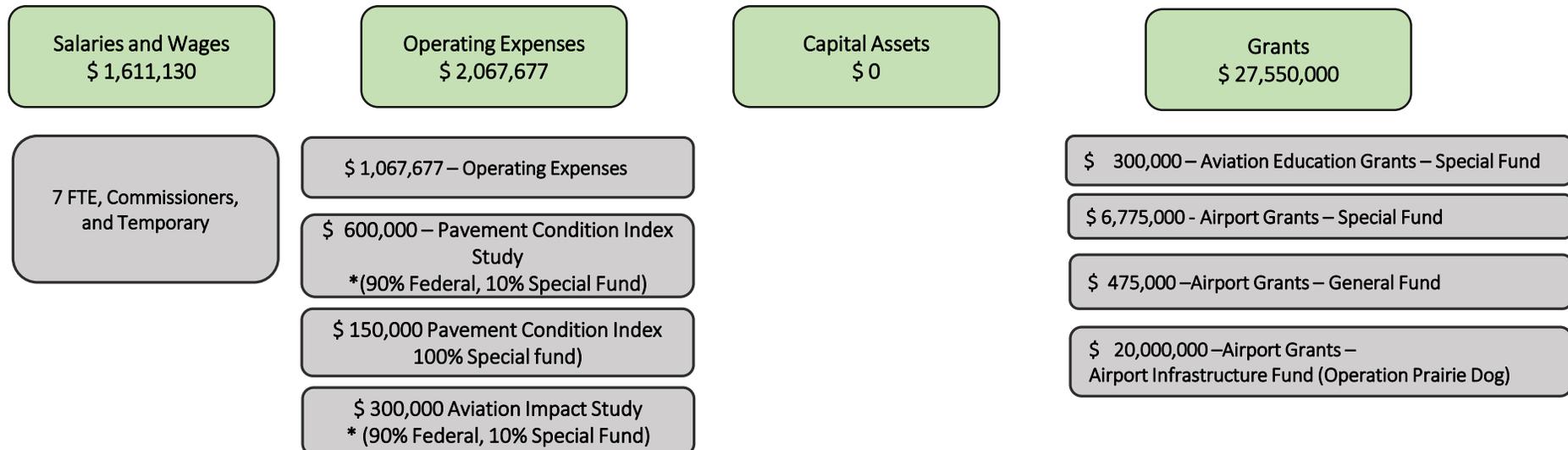
2019 – 2021 Proposed Executive Budget Recommendation

\$ 31,228,807

REVENUES



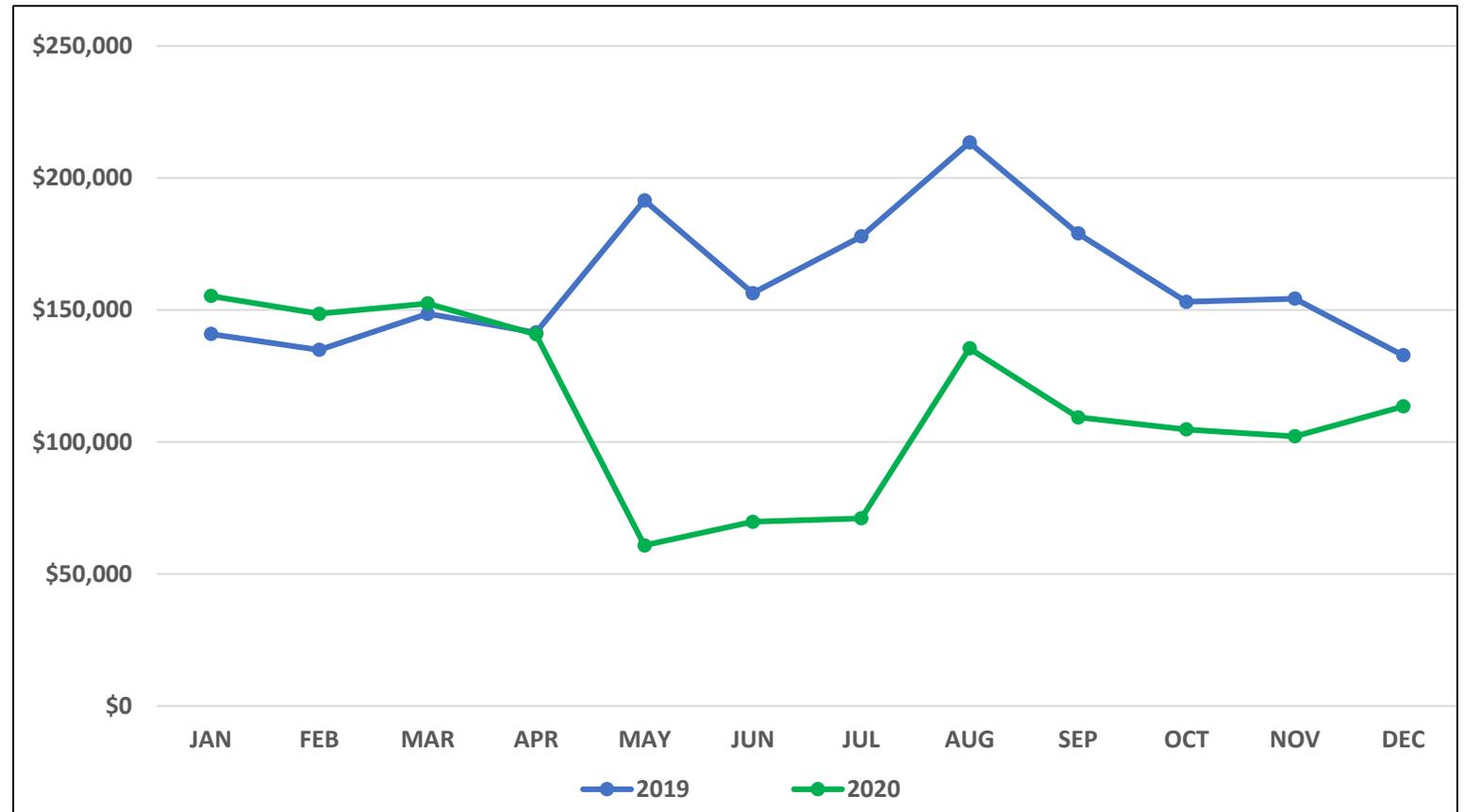
EXPENDITURES



*Fed – subject to receipt of federal funds

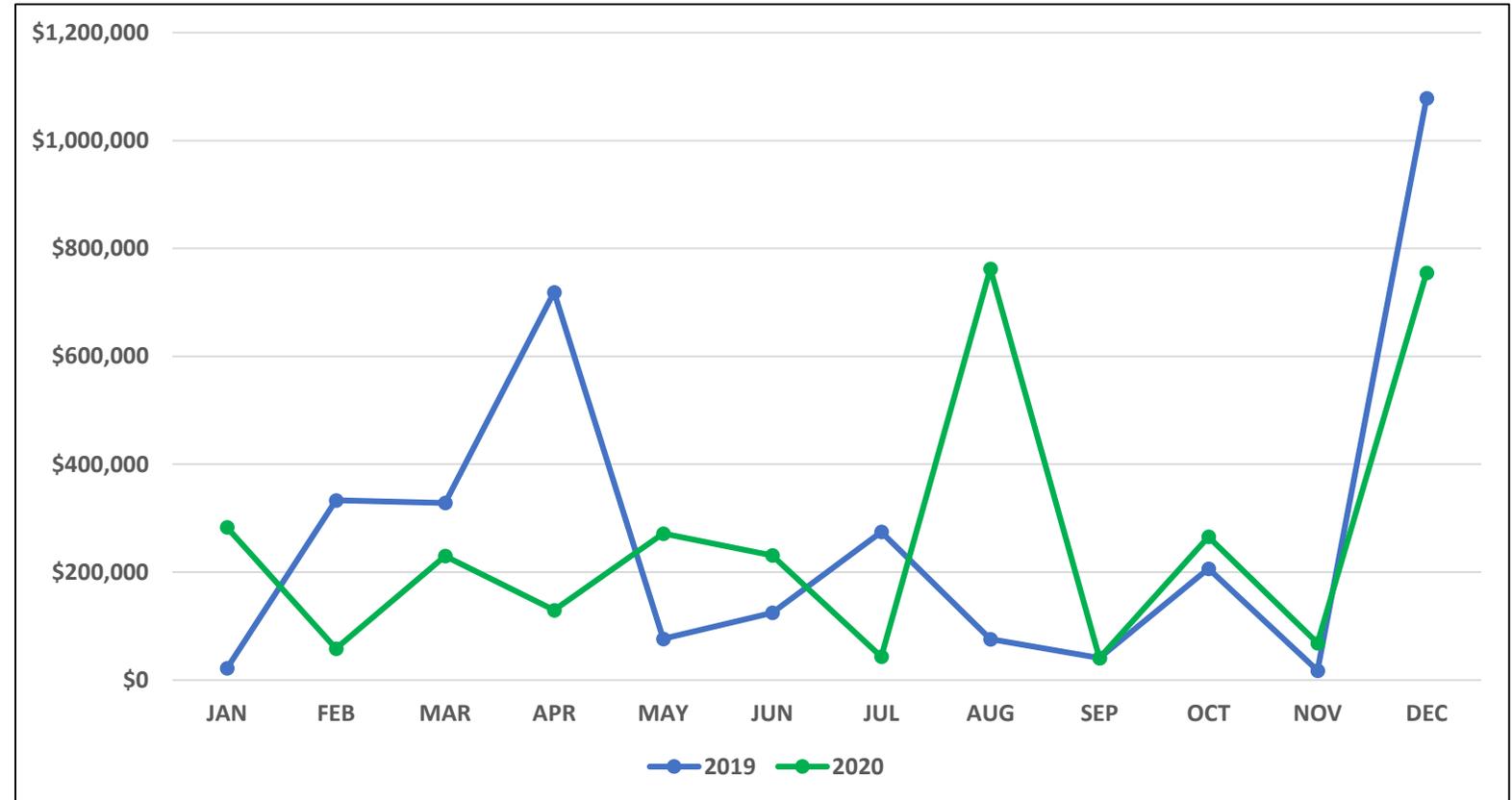
Revenue Impacts of COVID-19 – Aviation Fuel Tax

Month	2019	2020	% Change
JAN	\$140,925	\$155,293	9.3%
FEB	\$134,866	\$148,531	9.2%
MAR	\$148,532	\$152,471	2.6%
APR	\$141,487	\$140,795	-0.5%
MAY	\$191,540	\$60,798	-215.0%
JUN	\$156,404	\$69,763	-124.2%
JUL	\$177,867	\$71,028	-150.4%
AUG	\$213,482	\$135,437	-57.6%
SEP	\$179,013	\$109,333	-63.7%
OCT	\$153,094	\$104,712	-46.2%
NOV	\$154,281	\$102,115	-51.1%
DEC	\$132,871	\$113,487	-17.1%
TOTAL	\$1,924,362	\$1,363,763	-41.1%



Revenue Impacts of COVID-19 – Aircraft Excise Tax

Month	2019	2020	% Change
JAN	\$21,626	\$282,991	92.4%
FEB	\$333,193	\$58,108	-473.4%
MAR	\$328,226	\$229,783	-42.8%
APR	\$718,867	\$129,423	-455.4%
MAY	\$76,327	\$271,304	71.9%
JUN	\$124,559	\$230,983	46.1%
JUL	\$274,427	\$43,260	-534.4%
AUG	\$75,690	\$762,283	90.1%
SEP	\$40,900	\$40,571	-0.8%
OCT	\$206,500	\$265,590	22.2%
NOV	\$17,540	\$68,297	74.3%
DEC	\$1,078,632	\$755,103	-42.8%
TOTAL	\$3,296,487	\$3,137,696	-5.1%



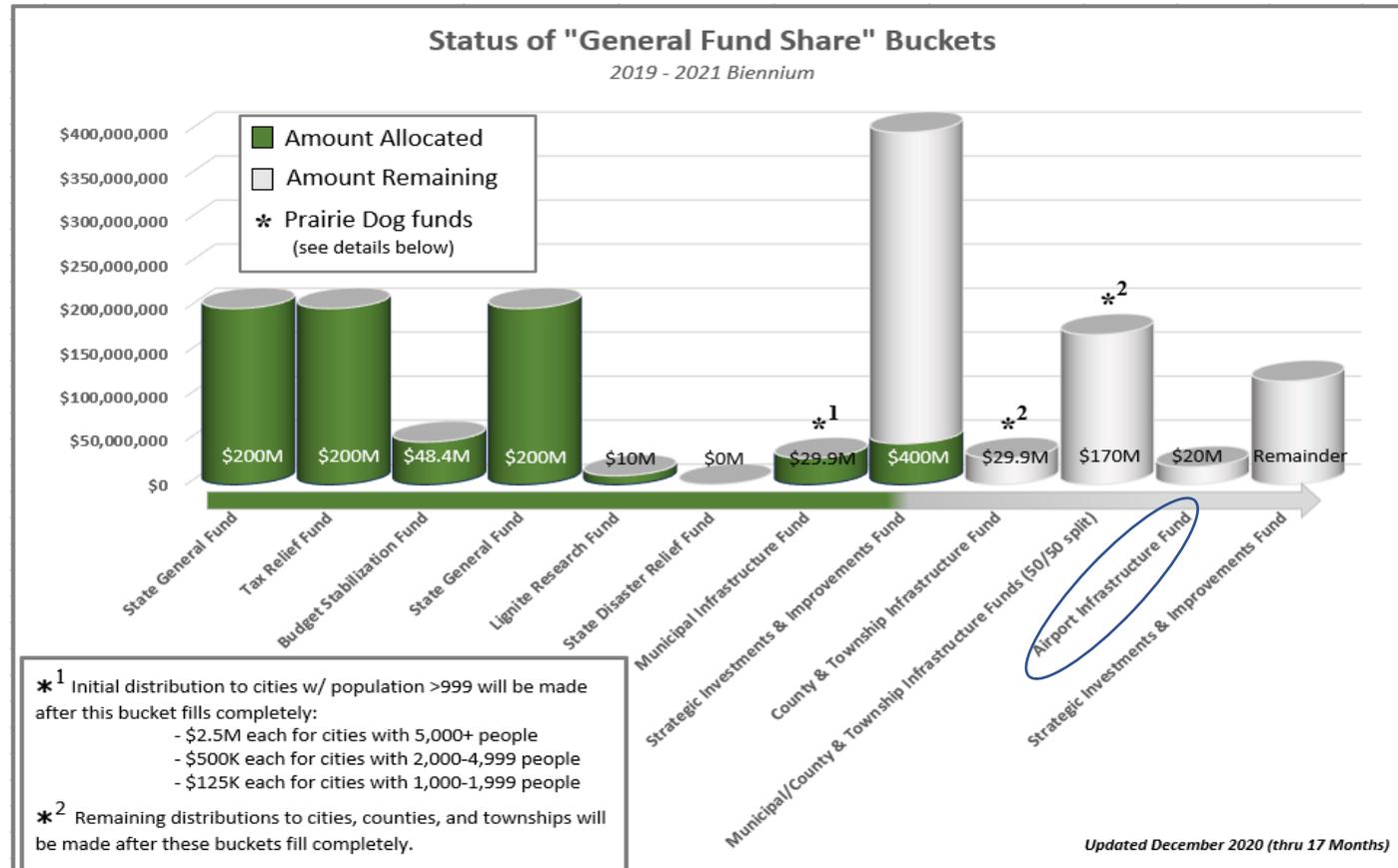
Requested Language Change

Update the language in Section 3 to allow continuing appropriation of Airport Infrastructure Funds that may be received next biennium from “Operation Prairie Dog”.

SECTION 3. ESTIMATED INCOME - AIRPORT INFRASTRUCTURE FUND – AIRPORT GRANTS. The estimated income line item in section 1 of this Act includes \$20,000,000 from the airport infrastructure fund for the aeronautics commission to provide grants to airports during the biennium beginning July 1, 2021, and ending June 30, 2023. **Section 54-44.1-11 does not apply to this funding, and any additional funds not spent by June 30th, 2023, must be continued into the biennium beginning July 1st, 2023 and ending June 30th, 2025, and may be expended only for providing grants to airports.**

Related Legislation

HB 1132 (Gap Bonding Proposal): would deposit \$20 million into the Airport Infrastructure Fund due to the fund not filling this biennium due to downturn in oil prices from COVID-19.



Questions

