

2019 Issue Brief: Ohio's General Aviation Airport Infrastructure Investment

Issue: Year after year, Ohio's general aviation airports have significant unmet funding needs and the use of the funds have significant restrictions.

Background:

✈ Airports provide a service. Airports provide the venue to move people and goods, attract businesses to our State, are key to multi-modal transportation, support law enforcement, provide access for critical emergency medical services, support agriculture growth, provide aeronautical access to researchers, manufacturers, assemblers, and repair stations that support airlines and operators of all sizes in global aerospace marketplace, and are key to the future of unmanned aerial aircraft.

Airports in Ohio:

- 97 General Aviation and 7 Commercial Airports
- 123,000 Jobs
- \$4.2 B in Payroll
- \$13.3 B in Economic Output

✈ According to data compiled in 2012 during the State Economic Impact Study, it was estimated that general aviation, alone, contributes **\$29.6 million in revenue** to the State's General Revenue Fund annually. Due to age of the data, increased sales tax in the state, and increased activity, it is estimated to be significantly higher today.

✈ Over the last **10 years**, the State of Ohio appropriated **only** approximately 1 years' worth of the general aviation tax revenue back into the general aviation airport infrastructure. Below is a summary of the last three years of requests versus actual funding through the Direct Grants Program:

FY 17-FY19 Direct Grant Totals (Source: ODOT Aviation)	
Total number of requested projects	196
Total Funding Requested	\$61.1 million
Total number of funded projects	41
Total Funded	\$11.7 million

Implications for Ohio:

- ✈ The airport system of Ohio will continue to be challenged to maintain a safe and efficient system that serves the valuable businesses and communities potentially leading to a loss of businesses from the State.
- ✈ General aviation activities also take place on commercial service airports; however, commercial service airports are not eligible for any State funding. This forces the commercial service airports, and their air carriers, to bear the burden of general aviation activities.



FAQ's

- 1. How are General Aviation airports funded?** All general aviation airports that are a part of the National Plan of Integrated Airports System (NPIAS), receive an annual non-primary entitlement grant of \$150,000 from the Federal Aviation Administration (an amount set in 2001). Currently, general aviation airport grants require a 10% local share. Ohio has stepped up to assist since 2016 by paying ½ of the local cost, or 5% of the total grant. Ohio also has a direct grant program that funds a handful of airport projects around the state each year. These funds are highly restricted regarding allowed uses. Neither the FAA or ODOT take into consideration any economic development ability in its priority ranking and as such does little to address priorities that enhance Ohio's economic vibrancy.
- 2. OAA is seeking \$16 Million for General Aviation, isn't that a lot?** The latest Ohio Airports Focus Study, completed by ODOT in 2014, indicates that an annual investment of over **\$19 million is required** (in 2014 dollars) simply to keep the existing General Aviation system *maintained*. Simply maintaining the pavement systems is imperative and there isn't enough to meet that need. Airports also have pressing needs outside of pavements that don't receive consideration due to funding use restrictions and lack of funding. Hangars, instrument approach equipment, and public terminal needs are examples of need at several general aviation airports.
- 3. Aren't airports part of the Motor Vehicle Tax funding in Ohio? No.** The Ohio Motor Vehicle Fund was established to primarily address the state highway and roadway system. While some modifications have been made to this fund and its uses, it generally is limited to the roadway system establishment and maintenance. Any airport funding in Ohio currently comes from airport fuel sales which are subject to the Ohio sales and use tax and these proceeds are included in the General Revenue Fund. This requires prioritization and budgeting each bi-annual cycle as part of the state's budget process.
- 4. Where do you propose the funding come from?** We propose that the sales tax from aviation fuels and related services simply be returned to the airports. We seek the airport-user generated monies to be reinvested into the airport system with less restrictive uses to meet its many needs.
- 5. What do the citizens of Ohio get for this investment?** The State's airports move people and goods each and every day. The economic impact of this activity exceeds \$13 Billion annually. Airports that can accommodate business-type aircraft are consistently listed as a top consideration in corporate site selections. General Aviation airports serve businesses and corporations in nearly every city and county as an effective competitive tool. Additionally, commercial service airports also service business general aviation and having the use restriction removed aids in upkeep of those facilities.

