



HB 110 Interested Party Testimony
Before the
House Finance Committee
March 10, 2021
by Stacey Heaton, Executive Director

Chair Oelslager, Vice Chair Plummer, Ranking Member Crawley, and members of the House Finance Committee, thank you for the opportunity to provide interested party testimony on the State’s Operating Budget, HB 110.

The Ohio Aviation Association (OAA) serves as the voice for Ohio’s airports and support businesses that rely upon the safe and efficient operations of the airports. Airports, both Commercial and General Aviation, are community assets that can drive their economy and attract businesses.

Ohio’s airports receive the bulk of their airport improvement funds for airside development (runway pavement, taxiway pavement, lighting, aprons, obstruction removal, drainage, pavement markings, fencing, etc.) from the Federal Aviation Administration’s Airport Improvement Program (FAA AIP), a user funded system. The amount of federal funding for airports is dependent upon the statutory definition of the category of airport (Commercial Primary, Commercial Nonprimary, Cargo, Military, Reliever, and General Aviation) and level of activity, and whether the airport is collecting a Passenger Facility Charge. Yes, it is complicated. But in a nutshell, the demand for FAA AIP funds consistently exceeds the availability. This is where the State of Ohio steps in.

The most recent economic impact study of Ohio’s airports completed by the Department of Transportation showed that airport users contribute nearly \$30 million to the State’s General Revenue Fund (GRF) annually. While the State made strides in the more recent years, you can see the history has been less than reliable in returning even a fraction of the funding to the airports serving your communities. Table 1 below shows a brief history of what has been spent on Ohio’s airports.

Table 1: Ohio Expenditure History for Line Item 777471 – Airport Improvements

FY	Actual Expenditure
2005	\$ 1,810,733
2006	\$ 2,577,086
2007	\$ 1,430,147
2008	\$ 1,288,514
2009	\$ 1,701,947
2010	\$ 1,359,571
2011	\$ 1,028,875
2012	\$ 625,455

2013	\$	709,506
2014	\$	884,947
2015	\$	570,145
2016	\$	914,878
2017	\$	4,447,407
2018	\$	6,229,820

Source: LSC Budget Docs

As you are likely aware, in May of 2020, the Administration made deep cuts to the remaining FY2020 State budget to close a nearly \$777 million shortfall because of plummeting revenues. The OAA wants to ensure you know – as part of those cuts – our airports were disproportionately impacted. More than \$3.1 million out of \$6.1 million in airport improvement grants were slashed. By comparison, suggested cuts for public transit and rail were 4.5 and 18.9 percent, respectively. Additionally, for FY2021, available funding for airports was reduced by 20%.

Many of the FY2020 direct grant projects were stalled and pushed into FY2021, taking up valuable funding for the next projects awaiting funding and thereby creating a snowball effect. After pushing FY2020 projects into FY2021 and reducing the available funding, it left approximately \$1 million to go to airports for FY2021. ODOT Aviation received grant applications totaling more than **\$23 million in needed projects for FY2021**...yet only \$1 million was left to award. Given the tax revenue the State receives from our airport users, that predicament was most definitely painful to endure.

The OAA is grateful to the previous General Assembly that recognized the importance of our airport system. The OAA is also appreciative to the Administration for the As Introduced budget for Airport Improvements (Line Item 777471) funding. However, I stand before you today asking to make our airport funding whole from the recent cuts. Further, we are asking to increase the reinvestment of Ohio's aviation generated- revenues into our airport system.

The OAA asks this committee to consider increasing the Airport Improvements line item to a minimum of \$10 million, annually. This investment will allow Ohio airport funding to be restored from the disproportional cuts that recently occurred.

Beyond making the airports whole from the recent cuts, for all the right reasons (proven needs, construction jobs, helping local communities, improving safety of pilots and surrounding neighbors, and fueling the economy recovery), we are asking for more of our users' tax revenues to be reinvested in the airport system. To give you an idea of the funding needs, the ODOT report mentioned earlier indicated the system needs approximately \$20-22 million *to keep status-quo*.¹

Your Ohio airports are vital to the State's economy. They are vital to businesses and families. They are vital to our universities and the tourism industry. They are vital to agriculture, medical, and public safety flights. Thank you for your time today. I'd be happy to take any questions you may have.

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<https://www.dot.state.oh.us/Divisions/Operations/Aviation/OhioAirportsFocusStudy/TechnicalReport/Ohio%20Airports%20Focus%20Study%20%E2%80%93%20Executive%20Summary.pdf>