

Department 412 - Aeronautics Commission
Senate Bill Nos. 2006 and 2066

Executive Budget Comparison to Prior Biennium Appropriations

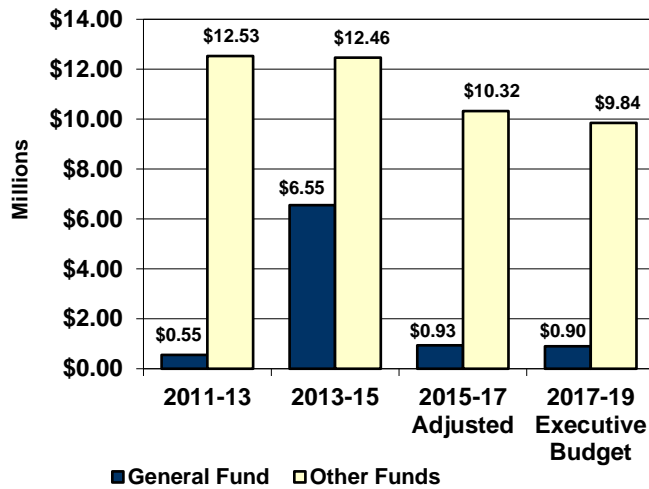
	FTE Positions	General Fund	Other Funds	Total
2017-19 Executive Budget	7.00	\$900,000	\$9,842,642	\$10,742,642
2015-17 Adjusted Legislative Appropriations ¹	7.00	934,500	10,322,827	11,257,327
Increase (Decrease)	0.00	(\$34,500)	(\$480,185)	(\$514,685)

¹The 2015-17 biennium agency appropriation amounts reflect general fund budget reductions made in August 2016.

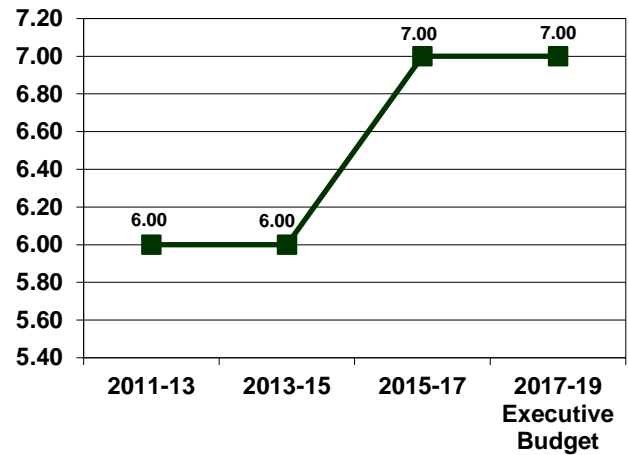
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2017-19 Executive Budget	\$900,000	\$0	\$900,000
2015-17 Adjusted Legislative Appropriations	934,500	0	934,500
Increase (Decrease)	(\$34,500)	\$0	(\$34,500)

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2017-19 Executive Budget	\$900,000	\$9,842,642	\$10,742,642
2017-19 Base Level	934,500	10,308,017	11,242,517
Increase (Decrease)	(\$34,500)	(\$465,375)	(\$499,875)

Attached as an appendix is a detailed comparison of the executive budget to the agency's base level appropriations.

Executive Budget Highlights

	General Fund	Other Funds	Total
1. Adds funding for state employee salary and benefit increases, of which \$5,778 is for salary increases and \$20,035 is for health insurance increases	\$0	\$25,813	\$25,813
2. Increases funding for operating expenses to provide a total of \$2,204,190	\$0	\$143,810	\$143,810
3. Reduces ongoing general fund support for airport grants to provide a total of \$900,000	(\$34,500)		(\$34,500)
4. Increases funding from other funds for airport grants to provide a total of \$5,800,000 in airport infrastructure grants		\$800,000	\$800,000
5. Reduces funding for capital assets to provide a total of \$100,000	\$0	(\$200,000)	(\$200,000)

6. Reduces funding for education grants to provide a total of \$300,000	(\$100,000)	(\$100,000)
7. Removes funding for planning grants	(\$1,100,000)	(\$1,100,000)

Continuing Appropriations

No continuing appropriations for this agency.

Significant Audit Findings

The operational audit of the Aeronautics Commission conducted by the State Auditor's office for the biennium ended June 30, 2015, included significant audit findings related to the following:

- The commission has not properly segregated duties and has not adequately reviewed the potential risk of fraud surrounding the handling of revenue collections.
- The commission does not have adequate controls surrounding disposal of fixed assets.

Major Related Legislation

House Bill No. 2049 - Amends North Dakota Century Code Section 2-05-22 relating to interest received by the Aeronautics Commission special fund to identify how the fund is to be used. Amends Chapters 57-40.5 and 57-43.3 relating to aircraft excise tax and aviation fuel tax. Repeals Sections 57-43.3-04 and 57-43.3-06 relating to the aviation fuel tax.

Aeronautics Commission - Budget No. 412
Senate Bill Nos. 2006 and 2066
Base Level Funding Changes

Executive Budget Recommendation

	FTE Position	General Fund	Other Funds	Total
2017-19 Biennium Base Level	7.00	\$934,500	\$10,308,017	\$11,242,517
2017-19 Ongoing Funding Changes				
Base payroll changes			(\$34,998)	(\$34,998)
Salary increase			5,778	5,778
Health insurance increase			20,035	20,035
Increases funding for operating expenses			143,810	143,810
Reduces airport grants - general fund		(34,500)		(34,500)
Reduces capital asset funding			(200,000)	(200,000)
Reduces education grants			(100,000)	(100,000)
Removes planning grants			(1,100,000)	(1,100,000)
Increases airport grants			800,000	800,000
Total ongoing funding changes	0.00	(\$34,500)	(\$465,375)	(\$499,875)
One-time funding items				
No one-time funding items				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	(\$34,500)	(\$465,375)	(\$499,875)
2017-19 Total Funding	7.00	\$900,000	\$9,842,642	\$10,742,642

Other Sections in Aeronautics Commission - Budget No. 412

Executive Budget Recommendation

No other sections included in the executive budget recommendation.

Department 412 - Aeronautics Commission**Reductions to 2015-17 Biennium General Fund Appropriations
(As a result of the August 2016 General Fund Budget Reductions)**

	Ongoing	One-Time	Total
2015-17 original general fund appropriations	\$1,000,000	\$0	\$1,000,000
General fund reductions	(65,500)		(65,500)
Adjusted 2015-17 appropriations	\$934,500	\$0	\$934,500
Executive Budget changes	(34,500)	0	(34,500)
2017-19 Executive Budget	\$900,000	\$0	\$900,000

Summary of August 2016 General Fund Budget Reductions

	Ongoing	One-Time	Total
Reduced funding for airport grants	(\$65,500)	\$0	(\$65,500)
Total reductions	(\$65,500)	\$0	(\$65,500)
Percentage reduction to ongoing and one-time general fund appropriations	6.55%	0.00%	6.55%

2017-19 Executive Budget Changes to the Original and Adjusted Base Budgets

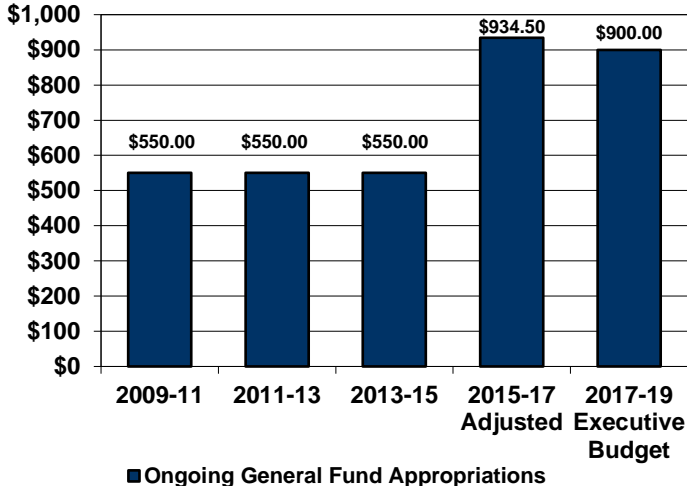
	Changes to Original Budget	Budget Reduction Adjustments	Changes to Adjusted Budget
Reduces funding for airport grants	(\$100,000)	\$65,500	(\$34,500)
Total	(\$100,000)	\$65,500	(\$34,500)

Department 412 - Aeronautics Commission

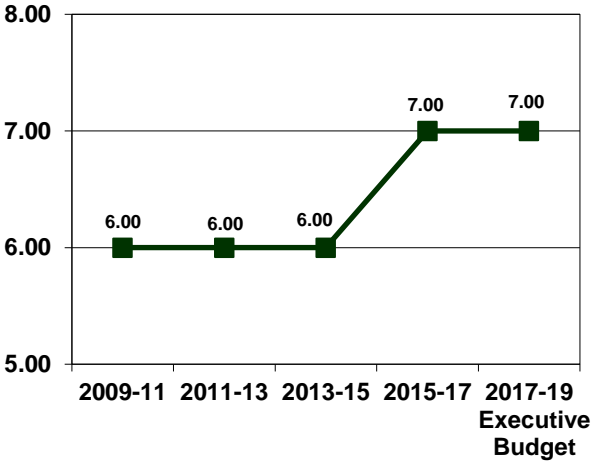
Historical Appropriations Information

Total Other Funds Appropriations Since 2009-11

Agency Funding (in Thousands)



FTE Positions



Ongoing General Fund Appropriations					
	2009-11	2011-13	2013-15	2015-17 Adjusted	2017-19 Executive Budget
Ongoing general fund appropriations	\$550,000	\$550,000	\$550,000	\$934,500	\$900,000
Increase (decrease) from previous biennium	N/A	\$0	\$0	\$384,500	(\$34,500)
Percentage increase (decrease) from previous biennium	N/A	0%	0%	69.9%	(3.7%)
Cumulative percentage increase (decrease) from 2009-11 biennium	N/A	0%	0%	69.9%	63.6%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2011-13 Biennium

- 1. No major increases or decreases

2013-15 Biennium

- 1. No major increases or decreases

2015-17 Biennium

- 1. Increased funding for airport grants to provide \$1,000,000 \$384,500

2017-19 Biennium

- 1. Reduces funding for airport grants to provide \$900,000 (\$34,500)