

Senate Transportation Oversight Subcommittee

Summary Report on the

South Carolina Aeronautics Commission

April 2018



The SC Aeronautics Commission (SCAC) oversees the safety and development of the state's public use airports, supplies air transportation for state government and business prospects, and provides aviation education opportunities. To assist the state's public use airports, SCAC has developed a South Carolina Airports System Plan and supplies a funding match to FAA grants and other state grants to assist with capital improvement and maintenance projects. Using its two aircraft, the commission provides air transportation and aircraft maintenance for state agencies and state officials for official business. State agencies are billed for the cost of their flights while members of the General Assembly and most constitutional officers are not charged.

Agency at a Glance

The commission states its mission as: Fostering air and economic development by overseeing the safety and development of the state's public use airports, by providing safe and reliable air transportation for state government and business prospects; and by providing aviation education opportunities. For FY 14-15 and FY 15-16, the commission assisted public use airports through the State Aviation Fund by providing or matching about 450 grants for capital improvement and maintenance projects totaling \$4.5 million. During that same time, the commission used its two aircraft to fly over 700 legs for passengers from almost twenty agencies and the General Assembly and billed agencies a total of about \$400,000 for 60% of those flights. For FY 15-16, the commission had revenues of over \$5 million from a variety of sources including aviation fuel sales tax and federal funds, employed a staff of 11 including pilots and mechanics, and had two airplanes.

Issues

COMMISSION VACANCIES

Members of the commission are appointed by the legislative delegation for each Congressional district and the chair is an at-large member appointed by the Governor and confirmed by the Senate. Commission staff stated that they rely on commission members whose terms are expiring to work with their delegations and potential qualified candidates to obtain replacement members. The commission also does not verify that new members meet the qualifications to be a member. In order to ensure that vacancies are filled in a timely manner with qualified members, the commission should notify the appropriate legislative delegation of upcoming or existing vacancies.

- **Agency Recommendation:** The SC Aeronautics Commission should notify the legislative delegations of vacancies on the commission in order to assist in getting vacancies filled in a timely manner with qualified members.

DEDICATED FUNDING SOURCE FOR STATE GRANTS

Section 55-5-280 of the South Carolina Code of Laws governs the State Aviation Fund, including its sources of funding and allowable uses. The primary source of funds in recent years has been from aviation fuel sales tax

which is 6% charged on aviation fuel. According to an SCAC official, major airlines and cargo companies are exempt from this fuel tax which significantly lowers the proceeds. Aviation fuel sales tax revenue received by SCAC have decreased about 25% over the last five years. In addition to aviation fuel sales tax revenue, in FY 16-17, funds totaling \$1.9 million were directed to the State Aviation Fund from aircraft property tax due to a change in state law. S.C. Code §55-5-280(B) mandates that aircraft property tax exceeding \$2.5 million be directed to the State Aviation Fund and any revenue in excess of \$5 million must be credited in equal amounts to the general fund and the State Aviation Fund. Prior to this change, only revenues exceeding \$5 million were credited to the State Aviation Fund, and the commission did not receive funding from this source, according to an agency official. According to state law, the State Aviation Fund can be used solely for maintenance and repairs of the commission's aircraft and maintenance and capital improvements to public use airports including matching funds for FAA grants. The fund must not be used for operating expenses of the commission.

According to an agency official, monies received by the State Aviation Fund are not available at the beginning of the state fiscal year, but are distributed throughout the fiscal year as received by the state. However, federal grants are typically awarded during the months of July, August, and September to the local airports. Since State Aviation Funds are used by the local airports as matching funds for these federal grants, having state funds available at the beginning of the state fiscal year would assist SCAC in maximizing grant funds available through the Federal Aviation Administration. Members of the oversight subcommittee expressed the need for providing a dedicated source of funding for state grants which would be available at the beginning of the state's fiscal year.

- **Agency Recommendation: The SC Aeronautics Commission should request that the General Assembly provide a dedicated source of funding for state grants which would be available at the beginning of the state's fiscal year in order to maximize grant funds available to the state through the Federal Aviation Administration.**

AVIATION GRANTS PROVISIO

Since FY 00-01, a proviso in the appropriations act has addressed aviation grants and the State Aviation Fund, including the purposes for which grant funds may be used. The commission currently uses the South Carolina Airports System Plan and its policies in deciding the award of these grants. Although the proviso requires the commission to promulgate regulations to establish the grants program, the subcommittee feels that the provisions should be in the SC Code of Laws to ensure that the commission has appropriate and established guidance for the fund.

- **Legislative Recommendation: With input from the SC Aeronautics Commission, the SC General Assembly should establish the requirements for awarding aviation grants from the State Aviation Fund in the SC Code of Laws.**

FLIGHT DEPARTMENT

The commission provides air transportation and aircraft maintenance for state agencies and state officials. A proviso in the appropriations act requires that “[a]ny and all aircraft owned or operated by agencies of the State Government shall be used only for official business. The Division of Aeronautics and other agencies owning and operating aircraft may furnish transportation to the Governor, Constitutional Officers, members of the General Assembly, members of state boards, commissions, and agencies and their invitees for official business only...” In FY 14-15, the commission flew 476 legs of flights and 252 legs of flights in FY 15-16. Over those two fiscal years, the Governor's Office flew on the most legs of flights with Clemson University and the Department of Commerce flying the next most of state agencies.

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Report on the SC Aeronautics Commission

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Members of Subcommittee:

Senator J. Thomas McElveen, III, Chair
Senator Daniel B. "Danny" Verdin, III
Senator Sean M. Bennett
Senator Greg Hembree
Senator Kevin L. Johnson
Senator Ronnie A. Sabb
Senator Margie Bright Matthews
Senator Wes Climer

The SC Aeronautics Commission (SCAC) oversees the safety and development of the state's public use airports, supplies air transportation for state government and business prospects, and provides aviation education opportunities. To assist the state's public use airports, SCAC has developed a South Carolina Airports System Plan and supplies a funding match to FAA grants and other state grants to assist with capital improvement and maintenance projects. Using its two aircraft, the commission provides air transportation and aircraft maintenance for state agencies and state officials for official business. State agencies are billed for the cost of their flights while members of the General Assembly and most constitutional officers are not charged.

I. Agency at a Glance

Mission

The SC Aeronautics Commission does not have a mission defined in state law. The commission has developed its own mission statement: Fostering air and economic development by overseeing the safety and development of the state's public use airports, by providing safe and reliable air transportation for state government and business prospects; and by providing aviation education opportunities.

History

The South Carolina Aeronautics Commission was created as a stand-alone agency in 1935. Beginning in 1993, Aeronautics was a division of the Department of Commerce. In 2009, the commission moved from the Department of Commerce to the Budget and Control Board (B&CB). In 2012, it moved from the B&CB to the State Fiscal Accountability Authority (SFAA). According to S.C. Code §13-1-1010, "The State Fiscal Accountability Authority shall provide administrative support functions to the division. The commission shall oversee the operation of the division as the division's governing body." According to commission staff, SFAA is unable to provide administrative services for the commission and most of the functions are handled by commission staff. The Department of Administration does continue to provide some administrative services.

Governing Authority

The Aeronautics Commission is established by S.C. Code §13-1-1000 *et seq* within the State Fiscal Accountability Authority and oversees the operations of the division. Members of the commission are appointed by the legislative delegation for each Congressional district and the chair is an at-large member appointed by the Governor and confirmed by the Senate.

S.C. Code §13-1-1090 sets forth the minimum qualifications for commissioners:

(1) the commission chairman must have experience in the fields of business, general aviation, and airport management;

(2) all other members of the commission must have a proven record of public and community service, and experience in the fields of business and aviation. Additionally, each member must meet at least two of the following criteria:

- (a) general aviation experience;
- (b) airport or fixed based operator (FBO) management experience;
- (c) aviation service provider experience;
- (d) previous service as a state or regional airport commissioner;
- (e) legal experience; or
- (f) active involvement in a recognized aviation association.

The commission currently has eight members.

Position	Position Title	Current Members	Appointed By	Appointed Date	Expiration Date
1st Congressional District	Member	Francis, Devon A. "Al"	First Congressional District Legislative Delegation	5/3/2018	2/15/2022
2nd Congressional District	Member	Coward, Ira E. (Bud) II	Second Congressional District Legislative Delegation	1/6/2015	2/15/2019
3rd Congressional District	Member	Cooper, Skeets	Third Congressional District Legislative Delegation	4/5/2017	2/15/2021
4th Congressional District	Member	Simpson, Darwin H.	Fourth Congressional District Legislative Delegation	1/17/2018	2/15/2020
5th Congressional District	Member	Barnes, Charles Douglas	Fifth Congressional District Legislative Delegation	3/1/2017	2/15/2021
6th Congressional District	Member	Cavazzoni, Marco	Sixth Congressional District Legislative Delegation	5/3/2018	2/15/2021
7th Congressional District	Member	Bethea, Christopher L.	Seventh Congressional Legislative Delegation	7/19/2017	2/15/2020
At Large	Chair	Gantt, Delphin A. Jr.	Governor Nikki R. Haley	5/19/2011	

Members of the commission serve a four-year term and may only serve for another six months after the expiration of their term. The commission is responsible for nominating one qualified candidate to the Governor for consideration to be appointed as executive director of the division. The executive director must meet the same qualifications as the commission members and serves at the pleasure of the commission.

Commission staff stated that they rely on commission members whose terms are expiring to work with their delegations and potential qualified candidates to obtain replacement members. The commission also does not verify that new members meet the qualifications to be a member. In order to ensure that vacancies are filled in a timely manner with qualified members, the commission should notify the appropriate legislative delegation of upcoming or existing vacancies.

- **Agency Recommendation:** The SC Aeronautics Commission should notify the legislative delegations of vacancies on the commission in order to assist in getting vacancies filled in a timely manner with qualified members.

Operations/Programs

The Commission’s operations are divided into three departments.

Airport Development Grants & Assistance

This department provides the state’s airport system, consisting of 66 public use airports, with financial and technical assistance, funding for projects, engineering design and construction inspection services, safety compliance inspections, GIS mapping, and airfield maintenance.

Flight Department

This department owns two aircraft, a King Air 350 and C90, to provide air transportation for state government. Along with transportation, the commission also maintains the commission’s aircraft along with the SC Department of Natural Resources’ aircraft.

Administration and Educational Programs

Aviation and aerospace educational programs are supported by the commission by offering partnerships and grants for the advancement and promotion of the industry. In addition, the commission partners with the SC Department of Commerce and the SC Council on Competitiveness to promote the aerospace industry and provide airport specific information when needed for industry development.

Finances

The Commission has revenues of over \$5 million from a variety of sources, including general funds, funds allocated to the State Aviation Fund, and federal funds. Expenditures exceeded revenues slightly in FY 14-15, but were slightly under revenues in FY 15-16.

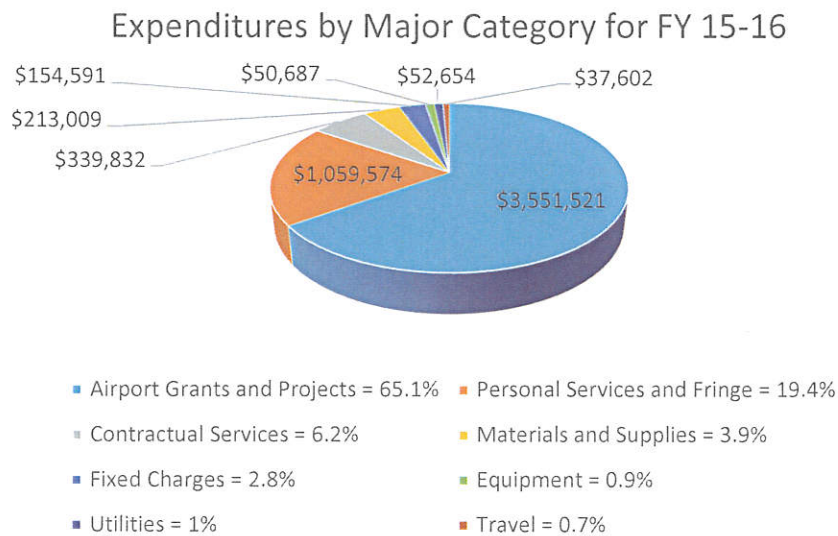
Fund	FY 14-15		FY 15-16	
	Revenues	Expenditures	Revenues	Expenditures
General Fund	\$1,856,196	\$1,968,138	\$2,030,135	\$2,033,001
State Aviation Fund	2,051,669	2,440,149	1,902,692	1,620,165
Federal Funds	1,433,605	1,269,629	1,334,852	1,431,296
Operating Revenue	377,246	348,212	317,579	323,593
Grants from State Agencies/Sale of Assets	9,750	12,200	3,464	51,416
Total	\$5,728,466	\$6,038,328	\$5,588,722	\$5,459,471

Revenues

Revenues to the State Aviation Fund comprised the largest source of funds for FY 14-15 followed closely by general funds. Operating revenues are received from state agencies in payment for flights, aircraft maintenance, and rental of office and hangar space.

Expenses

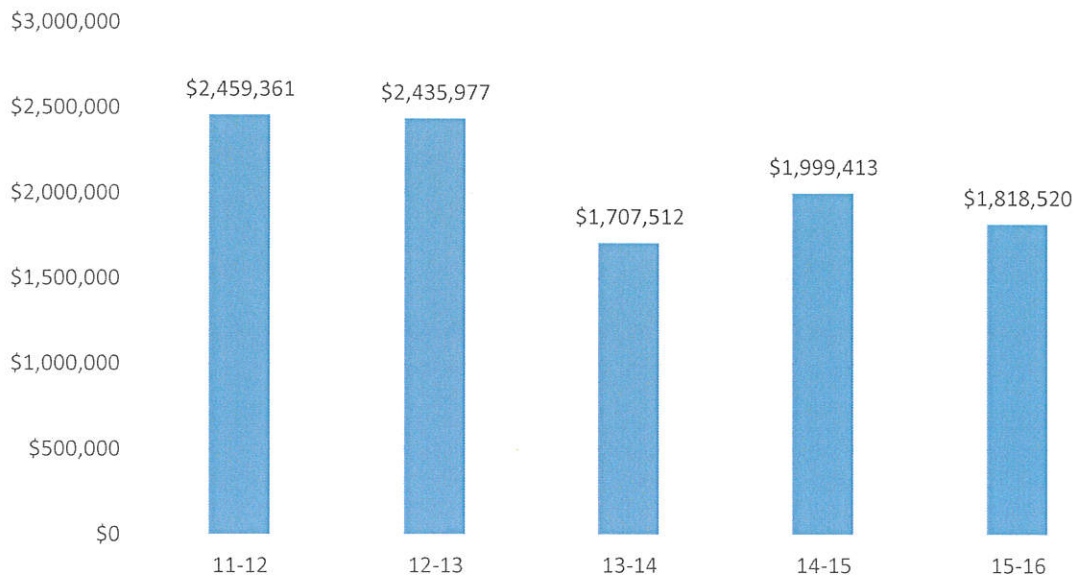
For FY 15-16, the largest category of expenditures was for airport grants and projects which are awarded to airports around the state, followed by personal services and fringe. Contractual services include expenses relating to the renovation of the building SCAC currently occupies.



State Aviation Fund

Section 55-5-280 of the South Carolina Code of Laws governs the State Aviation Fund, including its sources of funding and allowable uses. The primary source of funds in recent years has been from aviation fuel sales tax which is 6% charged on aviation fuel. According to an SCAC official, major airlines and cargo companies are exempt from this fuel tax which significantly lowers the proceeds. Aviation fuel sales tax revenue received by SCAC have decreased about 25% over the last five years.

Aviation Fuel Sales Tax Revenue Received by Fiscal Year



In addition to aviation fuel sales tax revenue, in FY 16-17, funds totaling \$1.9 million were directed to the State Aviation Fund from aircraft property tax due to a change in state law. S.C. Code §55-5-280(B) mandates that aircraft property tax exceeding \$2.5 million be directed to the State Aviation Fund and any revenue in excess of \$5 million must be credited in equal amounts to the general fund and the State Aviation Fund. Prior to this change, only revenues exceeding \$5 million were credited to the State Aviation Fund, and the commission did not receive funding from this source, according to an agency official.

According to state law, the State Aviation Fund can be used solely for maintenance and repairs of the commission's aircraft and maintenance and capital improvements to public use airports including matching funds for FAA grants. The fund must not be used for operating expenses of the commission.

Although the State Aviation Fund totaled \$6.9 million at March 31, 2017, the majority of those funds were either spent during the fiscal year or committed to on-going projects, leaving an available balance of \$820,819.

State Aviation Fund	Amount
Beginning Balance at 7/1/2016	\$3,788,624
Revenue Year-to-Date at 3/31/17 (Aviation Fuel Tax & Aircraft Property Tax)	\$3,195,047
Total Available Funds	\$6,983,671
Less: Committed and Expended	(\$4,560,262)
Total Aviation Funds Available for Grants	\$ 820,819

Dedicated Funding Source for State Grants

According to an agency official, monies received by the State Aviation Fund are not available at the beginning of the state fiscal year, but are distributed throughout the fiscal year as received by the state. However, federal grants are typically awarded during the months of July, August, and September to the local airports. Since State Aviation Funds are used by the local airports as matching funds for these federal grants, having state funds available at the beginning of the state fiscal year would assist SCAC in maximizing grant funds available through the Federal Aviation Administration. Members of the oversight subcommittee expressed the need for

providing a dedicated source of funding for state grants which would be available at the beginning of the state's fiscal year.

- **Agency Recommendation:** The SC Aeronautics Commission should request that the General Assembly provide a dedicated source of funding for state grants which would be available at the beginning of the state's fiscal year in order to maximize grant funds available to the state through the Federal Aviation Administration.

Staffing

The agency has 14 authorized FTE positions with 9 to 11 of those positions filled for the last three fiscal years. The Division of State Human Resources has reported for the commission 12 temporary employees for FYs 14-15 and 15-16 and 11 for FY 16-17 which the commission states are mostly pilots or mechanics with some summer workers.

II. Issues

Airport Development

The mission of the State Aeronautics Commission (SCAC) includes advancing air commerce by overseeing the safety and development of the state's public use airports. To assist in this mission, SCAC has developed a South Carolina Airports System Plan which provides guidelines for future system development demands in a cost-effective manner, and is updated every 10 years. The current plan was put together in 2008 and is currently being updated for release in 2018. This plan contains an inventory of existing public use airports in the state and is used to identify system deficiencies and support economic development. South Carolina has 66 public use airports, of which 58 are publicly owned. Of those publicly-owned airports, 47 "have a current development plan that meets the planning requirements of the National Plan of Integrated Airports Systems" as required by the appropriations act to receive grant funds.

No publicly-owned airport can make changes to an airport unless a master plan, a construction plan, and project specifications have been reviewed and approved by the commission. The focus of SCAC's assistance is on smaller, regional airports rather than commercial service airports which provide scheduled service by airlines and commuter services. However, SCAC is permitted to provide assistance to commercial airports, which could help the state remain competitive in that area.

Section 55-5-280 of the South Carolina Code of Laws and proviso 87.5 of the appropriations act authorize SCAC to utilize the State Aviation Fund to maximize grant funds available through the Federal Aviation Administration (FAA) for capital improvement projects and for maintenance projects of general aviation airports. To accomplish these mandates, the division operates various programs which provide support to local airports:

- The *State Grants Program* provides a 5% match to local funds for FAA grants obtained by cities, towns, counties, or other governmental subdivisions on behalf of the local airports. FAA grants must have a 10% local match, and this program provides one-half of the match. In addition to funds from the State Aviation Fund, SCAC uses recurring general funds which are appropriated for these grants.
- *Various Location and Statewide Grants* are FAA grants where SCAC is the sponsor. These grants typically provide funding for multiple local airports for a single purpose, such as fencing or runway rejuvenation or provide a statewide benefit for land use and GIS studies and updates to the state's Airports System Plan. The

commission provides the 10% match needed for statewide grants and a 5% match for grants involving a specific airport.

- The *Airport Maintenance Program* provides funding for maintenance projects which includes pavement maintenance and rejuvenation, electrical projects, and herbicide and vegetation control. Funding for these projects is announced each year, and local airports apply to SCAC for funding. SCAC provides 75% of the funding while the local entity supplies 25% of the cost.
- *Aviation Support Services and Administration Projects* use monies from the State Aviation Fund to support automated weather observation systems located at airports around the state and provide surveying and other services, airport directories, and to promote aviation education.

The table below shows expenditures in each of the programs and the amounts spent from the State Aviation Fund and the general fund for the past two fiscal years:

Program & FYs	State Aviation Fund Expenditures	General Fund Expenditures	# of Projects	Total Expenditures
<i>State Grants Program</i>				
2014-15	\$519,834	\$515,004	82	\$1,034,838
2015-16	\$535,623	\$500,061	72	\$1,035,684
<i>Various Location and Statewide Grants</i>				
2014-15	\$153,048	\$0	11	\$153,048
2015-16	\$170,578	\$0	12	\$170,578
<i>Airport Maintenance Program</i>				
2014-15	\$1,504,340	\$0	147	\$1,504,340
2015-16	\$602,347	\$0	129	\$602,347
<i>Aviation Support Services and Administration Projects</i>				
2014-15	\$653,790	\$0	N/A	\$653,790
2015-16	\$524,437	\$0	N/A	\$524,437
Totals			453	\$5,679,062

Process and Criteria for Awarding Funds

The State Grants Program for capital improvements is the most administratively complex program and requires approval by the aeronautics commission for each project. Typically, the airport sponsor, or the entity receiving the FAA grant, hires a planning or engineering firm to assist with the detailed plans and specifications required by SCAC. All construction plans are reviewed for compliance with appropriate FAA design criteria.

For classifying the projects, a two-dimensional system is used which first assigns the airport a state classification level from 1 to 4 based on minimum design standards of the FAA. Classification level 1 includes commercial service airports, with more than 10,000 annual passenger enplanements whereas level 4 includes recreational airports with low activity which may have safety and development constraints. Following classification, the project is rated and assigned points based on categories for safety, economic development, capacity enhancements, annual enplanements, airport security, and other relevant factors in order to determine

the project's score. These scores are used to rank the projects for funding purposes. As SCAC receives funds into the State Aviation Fund during each fiscal year, projects are funded according to the ranking.

The grant programs operate on a reimbursement basis only. SCAC personnel require copies of paid invoices as well as copies of cancelled checks or bank statements reflecting the payment of expenses associated with the project before funds are issued to the local airports. For the Airport Maintenance Program, SCAC pays the vendor providing the maintenance and then invoices the local airports for their portion of the project which is 25% of the total amount.

Geographic Distribution of Awards

SCAC generally does not have control over the geographical distribution of projects undertaken in the programs. The airports receiving funding must prove a need for the funds as well as initiate the process for funding.

The table below shows the geographic distribution of the number of awards by county for the following three programs: the State Grants Program, the Various Location and Statewide Grants and the Airport Maintenance Program. Five counties had zero awards and assistance for the two fiscal years presented. According to an official with the aeronautics commission, three counties including Abbeville, Calhoun and Cherokee have no eligible airport facilities and for the other two counties, Edgefield and McCormick, administrators have not requested funding or taken advantage of programs made available to them.

Number of Awards/Projects and Dollar Amount of Assistance for FYs 14-15 and 15-16 by County

County	FY 14-15		FY 15-16	
	# of Awards/Projects	\$ of Assistance	# of Awards/Projects	\$ of Assistance
Abbeville	0	\$0	0	\$0
Aiken	5	\$33,393	4	\$5,527
Allendale	2	\$3,913	0	\$0
Anderson	6	\$11,114	6	\$67,308
Bamberg	2	\$334	2	\$10,815
Barnwell	10	\$179,928	4	\$45,545
Beaufort	17	\$196,021	14	\$93,737
Berkeley	3	\$2,508	5	\$2,754
Calhoun	0	\$0	0	\$0
Charleston	3	\$50,620	2	\$14,400
Cherokee	0	\$0	0	\$0
Chester	2	\$4,921	5	\$21,683
Chesterfield	4	\$88,099	7	\$22,119
Clarendon	2	\$248	1	\$0
Colleton	4	\$49,467	3	\$30,512
Darlington	8	\$88,625	8	\$9,073
Dillon	7	\$203,072	0	\$0
Dorchester	4	\$141,700	2	\$16,015
Edgefield	0	\$0	0	\$0
Fairfield	4	\$17,412	3	\$69,620
Florence	9	\$102,797	5	\$44,637
Georgetown	6	\$107,869	7	\$41,376

Greenville	19	\$248,754	18	\$104,538
Greenwood	13	\$162,043	7	\$190,628
Hampton	1	\$4,345	0	\$0
Horry	5	\$140,373	3	\$67,940
Jasper	5	\$94,243	8	\$181,978
Kershaw	9	\$111,209	7	\$143,373
Lancaster	4	\$7,589	3	\$6,634
Laurens	4	\$15,361	7	\$35,262
Lee	0	\$0	5	\$55,474
Lexington	3	\$25,152	5	\$22,200
McCormick	0	\$0	0	\$0
Marion	4	\$38,448	8	\$49,414
Marlboro	1	\$4,255	0	\$0
Newberry	5	\$20,549	4	\$56,502
Oconee	8	\$59,347	11	\$55,654
Orangeburg	3	\$39,726	4	\$19,492
Pickens	6	\$15,159	2	\$947
Richland	11	\$56,109	5	\$12,219
Saluda	7	\$35,194	7	\$78,750
Spartanburg	7	\$22,709	5	\$5,047
Sumter	4	\$80,494	9	\$87,508
Union	6	\$31,241	7	\$6,103
Williamsburg	7	\$155,378	5	\$18,199
York	5	\$2,651	2	\$94,353
Statewide	<u>5</u>	<u>\$39,854</u>	<u>3</u>	<u>\$21,271</u>
Total	240	\$2,692,224	213	\$1,808,607

Aviation Grants Proviso

Since FY 00-01, a proviso in the appropriations act has addressed aviation grants and the State Aviation Fund, including the purposes for which grant funds may be used. Proviso 87.5 in the FY 17-18 appropriations act requires the Aeronautics Commission to promulgate regulations establishing the grants program and addressing the selection process and criteria for the distribution of grant funds. The commission currently uses the South Carolina Airports System Plan and its policies in deciding the award of these grants. Although the proviso requires the commission to promulgate regulations to establish the grants program, the subcommittee feels that the provisions should be in the SC Code of Laws to ensure that the commission has appropriate and established guidance for the fund.

- **Legislative Recommendation:** With input from the SC Aeronautics Commission, the SC General Assembly should establish the requirements for awarding aviation grants from the State Aviation Fund in the SC Code of Laws.

Flight Department

State law allows the use of state-owned aircraft by state agencies and other government entities for activities in the normal course of business. The commission owns two aircraft: a Hawker Beechcraft King Air 350 (Palmetto 1) which can seat 9 passengers and a Hawker Beechcraft King Air C90 (Palmetto 2) which can seat up to 7. The King Air 350 was manufactured in 1990 and the King Air C90 was built in 1983.



Hawker Beechcraft King Air 350 - "Palmetto 1"



Hawker Beechcraft King Air C90 - "Palmetto 2"

According to commission staff, the fleet of aircraft managed by aeronautics should include a utility class aircraft. This aircraft could be used by Airport Development staff to survey airports, and to transport staff to and from the state's public use airports. This aircraft could also be used to transport other state agency staff members whose transportation needs may not justify the use of the larger state planes.

In order for the commission to acquire additional or replacement planes, the Joint Bond Review Committee (JBRC) is required by state law to "review, prior to approval by the Aeronautics Commission, purchases or sales of any aeronautics assets, the value of which exceeds fifty thousand dollars." After approval by the JBRC, the transaction must be approved by the commission.

The commission provides air transportation and aircraft maintenance for state agencies and state officials. A proviso in the appropriations act requires that "[a]ny and all aircraft owned or operated by agencies of the State Government shall be used only for official business. The Division of Aeronautics and other agencies owning and operating aircraft may furnish transportation to the Governor, Constitutional Officers, members of the General Assembly, members of state boards, commissions, and agencies and their invitees for official business only...." In FY 14-15, the commission flew 476 legs of flights and 252 legs of flights in FY 15-16. Over those two fiscal years, the Governor's Office flew on the most legs of flights with Clemson University and the Department of Commerce flying the next most of state agencies.

Agency	Number of Legs Flown		Total
	FY 14-15	FY 15-16	
Governor's Office	136	72	208
Clemson University	152	52	204
Department of Commerce	64	45	109
Aeronautics Commission	41	16	57
Legislative	20	23	43
State Ports Authority	40	0	40
State Department of Education	0	13	13
Adjutant General	0	10	10
Parks, Recreation and Tourism	2	6	8
DHEC	6	0	6
Agriculture	0	6	6
SLED	2	2	4
Lieutenant Governor's Office	4	0	4
MUSC	4	0	4
Attorney General's Office	3	0	3
Unknown	0	3	3
Revenue	2	0	2
Treasurer's Office	0	2	2
Department of Corrections	0	2	2
Total	476	252	728

In order to meet the needs of its passengers, the commission will fly a plane with no passengers to pick the passengers up at an airport not in Columbia where the planes are based. Excluding maintenance and training flights conducted by the commission, about 25% of the legs flown were empty with no passengers. About 60% of those were for Clemson University where the planes were flown from Columbia to pick up passengers in Clemson, take them to their destination, return them to Clemson, and then were flown back to Columbia with no passengers. Agencies are charged for the empty legs, about \$100,000 over the two fiscal years, unless there is a maintenance or other issue requiring the empty legs.

To comply with a proviso in the appropriations act, the commission requires that a passenger manifest be signed by each of the passengers on the flight and includes a statement certifying that the trip was for official business of the state with a description of the nature of the trip that is signed by the authorizer of the trip. Almost all of the passenger manifests posted on the commission's website for FY 14-15 and FY 15-16 were signed by the authorizing official with a description of the purpose of the trip. Some agencies had more detailed descriptions than others. Most of the descriptions by Clemson University stated "Official Clemson University business" with no further description and a typed signature. According to commission staff, they do not review the purpose of the trip to ensure that it complies with the law because that is the responsibility of the agency requesting the flight.

For example, another proviso in the appropriations act states that "[i]nstitutions of higher learning may use the state aircraft operated by the Division of Aeronautics for the purpose of athletic recruiting, provided that they reimburse the Division of Aeronautics for all flight hours on an at cost basis, using non-general funds." Clemson University was the only higher education institution with athletic teams to use the aircraft during FY 14-15 and FY 15-16 and from the description of the flights, it would not be possible to determine if the purpose of the trip was for recruiting. However, Clemson reimburses the commission for the cost of all of its flights.

The commission determines the hourly cost to be charged to agencies using the plane which includes the overhead cost. Currently the cost is \$950 per hour for the King Air C90 and \$1,400 per hour for the King Air 350. The charges shown on the flight logs include the hourly charge for the plane as well as other charges such as landing fees. Aeronautics paid for any overnight stays, if necessary, for the pilots. The commission bills state agencies for the cost of the flights. Members of the General Assembly, the Governor and Lieutenant Governor, and most constitutional officers are not billed for their flights. The commission uses funds appropriated to it to cover the costs of those flights. About 60% of the charges for all the flights are billed to the agencies.

Agency	FY 14-15		FY 15-16	
	Charges	Billed	Charges	Billed
Governor's Office	\$87,700		\$42,337	
Clemson University	130,435	\$130,435	48,396	\$63,496
Department of Commerce	72,606	66,077	41,112	51,926
Aeronautics Commission	31,955		15,762	
Legislative	32,800		24,967	
State Ports Authority	30,105	30,195		
State Department of Education			4,750	6,080
Adjutant General			22,133	
Parks, Recreation and Tourism	1,650	1,650	12,340	12,340
DHEC	6,515	6,515		
Agriculture			10,545	10,545
SLED	3,933	3,933	6,860	6,860
Lieutenant Governor's Office	12,880			
MUSC	2,520	2,520		
Attorney General's Office	1,530			
Unknown			3,725	
Revenue	3,780	3,780		
Treasurer's Office			6,020	
Department of Corrections			5,703	5,703
Total	\$418,409	\$245,105	\$244,650	\$156,950

The charges shown on the flight logs and the amount billed to the agency may vary due to timing differences for flights taken near the end of the fiscal year and being billed in the next fiscal year. According to commission staff, there was also an issue with charges not updating correctly in the flight management software for several months during a period of transition for new flight department staff.

State law requires that use of the aircraft by government entities that are not part of state government require a written statement from a legislative sponsor or state agency stating the need for the flight. All of the flights for FY 14-15 and FY 15-16 which were for entities that are not part of state government had a written statement signed by an appropriate sponsor.