Agency Name:	Division Of Aeronautics		
Agency Code:	U300	Section:	87

Fiscal Year FY 2026-2027
Agency Budget Plan

FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS *(FORM B1)*	**For FY 2026-2027, my agency is (mark "X"):**	
	X	Requesting General Fund Appropriations.
		Requesting Federal/Other Authorization.
		Not requesting any changes.

NON-RECURRING REQUESTS *(FORM B2)*	**For FY 2026-2027, my agency is (mark "X"):**	
		Requesting Non-Recurring Appropriations.
		Requesting Non-Recurring Federal/Other Authorization.
	X	Not requesting any changes.

CAPITAL REQUESTS *(FORM C)*	**For FY 2026-2027, my agency is (mark "X"):**	
	X	Requesting funding for Capital Projects.
		Not requesting any changes.

PROVISOS *(FORM D)*	**For FY 2026-2027, my agency is (mark "X"):**	
		Requesting a new proviso and/or substantive changes to existing provisos.
		Only requesting technical proviso changes (such as date references).
	X	Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	Name	***Phone***	***Email***
PRIMARY CONTACT:	Gary Siegfried	(803) 896-6898	gsiegfried@aeronautics.sc.gov
SECONDARY CONTACT:	Dale Estrada	(803) 896-6284	destrada@aeronautics.sc.gov

I have reviewed and approved the enclosed FY 2026-2027 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	Agency Director	***Board or Commission Chair***
SIGN/DATE:		
TYPE/PRINT NAME:	Gary W, Siegfried	Delphin A. Gantt, Jr.

This form must be signed by the agency head – not a delegate.

Agency Name:	Division Of Aeronautics
Agency Code:	U300
Section:	87

BUDGET REQUESTS			FUNDING					FTES				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	Recurring funding for Airport Development Program	94,650,000	0	0	0	94,650,000	0.00	0.00	0.00	0.00	0.00
2	C - Capital	Exterior Painting and Window Replacement, Exterior Roof for SCAC Main Hangar and Guard Bldg	1,600,000	0	0	0	1,600,000	0.00	0.00	0.00	0.00	0.00
TOTALS			96,250,000	0	0	0	96,250,000	0.00	0.00	0.00	0.00	0.00

Agency Name:	Division Of Aeronautics		
Agency Code:	U300	Section:	87

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	**1**

Provide the Agency Priority Ranking from the Executive Summary.

TITLE	**Recurring funding for Airport Development Program**

Provide a brief, descriptive title for this request.

AMOUNT	**General: $94,650,000** **Federal: $0** **Other: $0** **Total: $94,650,000**

What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	**0.00**

Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST

	Mark "X" for all that apply:
X	Change in cost of providing current services to existing program audience
X	Change in case load/enrollment under existing program guidelines
X	Non-mandated change in eligibility/enrollment for existing program
X	Non-mandated program change in service levels or areas
X	Proposed establishment of a new program or initiative
	Loss of federal or other external financial support for existing program
X	Exhaustion of fund balances previously used to support program
	IT Technology/Security related
	HR/Personnel Related
	Consulted DTO during development
	Related to a Non-Recurring request – If so, Priority #

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES

	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:
	Education, Training, and Human Development
	Healthy and Safe Families
	Maintaining Safety, Integrity, and Security
X	Public Infrastructure and Economic Development
	Government and Citizens

ACCOUNTABILITY OF FUNDS

Additional Operating Appropriated General Funds will support the following strategies:

Strategy 1 – Maintaining Safety, Integrity and Security 1.1 Funding airport infrastructure enhances safety by supporting the maintenance and modernization of critical airport systems, such as runways, taxiways, terminals, and security systems. Most importantly, these funds would be used to stand up a much needed commercial airport grant program. These investments support the ongoing mission of connecting people to nations airways.

Strategy 2 – Public Infrastructure and Economic Development 2.1 Funding for airport infrastructure promotes economic development by increasing airport capacity, improving efficiency and fostering tourism, trade and job creation throughout the state.

The use of these funds would be administered through the Agency's Airport Development Grant Program which has proven itself to be an efficient and transparent method of accounting for the funding.

What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS

Primarily South Carolina's 6 commercial service airports, although some minor amount may be used to fund very large projects at the 52 general aviation if Federal funding is not available.

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

With the recent passage of S.675, all airline property tax revenue was allocated to the State Aviation Fund (SAF), establishing a reliable source of revenue that is primarily directed to general aviation airports. While a small portion of the airline property tax has been allocated to commercial airports, their needs remain significantly greater than those of general aviation, making funding for commercial airport development projects a persistent challenge.

When comparing FY 25–26 airport funding to eight southeastern states, South Carolina ranks fourth, as shown below:

* Florida: $265M ($2M/airport)

*Tennessee: $176M ($2.3M/airport)

*North Carolina: $152M ($2.5M/airport)

*South Carolina: $103M (includes $80M allocated through Commerce) ($1.78M/airport)

*Georgia: $30M ($285K/airport)

*Kentucky: $23M ($397K/airport)

*Alabama: $17.5M ($224K/airport)

*Mississippi: $11.5M ($143K/airport)

Supporting airport infrastructure and economic development initiatives is essential to maintain competitiveness with adjacent states. As demonstrated above, neighboring states are investing heavily in their airports, which in turn fosters job creation and boosts local economies. Without similar investments, South Carolina's airports risk falling behind in terms of safety, capacity, and efficiency—deterring business investment and tourism. By allocating general fund dollars to these initiatives, the state can enhance airport infrastructure, improve transportation networks, and stimulate economic growth, ensuring that airports remain competitive and capable of attracting commerce and tourism in an increasingly global economy.

JUSTIFICATION OF

REQUEST	In past budget requests, Aeronautics has sought non-recurring funding, using each commercial airport's capital improvement programs and associated project costs as justification. Historically, these needs have totaled in the hundreds of millions of dollars, and FY 26–27 is no different. One critical factor in this year's request is the recent effort to modify the way airline property tax is calculated. Bills H.5310 (2024) and S.436 (2025) would exempt 36.84% of the fair market value of airline aircraft from property tax and change how "time on the ground" is calculated—both measures that reduce taxable value. The state's fiscal analysis for H.5310 estimated these changes would reduce annual revenue to the SAF by about $5.44 million beginning in FY 2024–25—a reduction of approximately 78% of current airline property tax contributions. To put that in context: airlines enplaned about 7.2 million South Carolina passengers in 2024, which means the existing tax equates to about $1 per enplanement—a very modest cost to help support the statewide system of airports. Because S.675 redirected this tax into the SAF to stabilize airport funding, these new exemptions would substantially unwind that stability, narrowing Aeronautics' capacity to co-fund FAA projects and sustain statewide grant and maintenance programs. In practical terms, fewer SAF dollars would mean fewer state matches available, longer project timelines, and greater risk that inflation erodes project scopes—ultimately weakening South Carolina's competitiveness for air service growth and aerospace investment. It is also important to remember that commercial airlines in South Carolina are already exempt from paying the state aviation fuel tax—the mechanism by which general aviation pilots contribute to the airport system. In this context, it is both reasonable and appropriate for airlines to contribute to the SAF through property tax revenues. Without that contribution, South Carolina's ability to compete regionally will be significantly weakened. Recurring state funding would offset this volatility. Even if future legislation reduces airline property tax contributions, a recurring general fund appropriation would ensure that South Carolina maintains a stable base of support for airport infrastructure, protecting competitiveness and economic growth regardless of changes in tax policy. Failure to provide adequate, consistent funding could have significant consequences. Without a reliable source of recurring funding, airports will struggle to plan and execute long-term projects, leading to outdated facilities, reduced capacity, and missed opportunities for growth. As competing states continue to invest, South Carolina risks losing business to other regions and diminishing its ability to support future economic development. To avoid these setbacks, it is crucial that the state commits to sustained, recurring funding for airport infrastructure—ensuring South Carolina's airports remain safe, competitive, and capable of fueling long-term prosperity.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

Agency Name:	Division Of Aeronautics		
Agency Code:	U300	Section:	87

FORM C – CAPITAL REQUEST

AGENCY PRIORITY	2

Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Exterior Painting and Window Replacement, Exterior Roof for SCAC Main Hangar and Guard Bldg

Provide a brief, descriptive title for this request.

AMOUNT	$1,600,000

How much is requested for this project in FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.

CPIP PRIORITY	Priority 1. Project first included in CPIP in 2020. This request for additional funding is due to completion of Phase 1 and partial Phase 2 studies/design and the cost estimates that were generated as a result. If state funding is not available, the Agency will not be able to complete the project, and the facility condition will deteriorate.

Identify the project's CPIP plan year and priority number, along with the first year in which the project was included in the agency's CPIP. If not included in the agency's CPIP, please provide an explanation. If the project involves a request for appropriated state funding, briefly describe the agency's contingency plan in the event that state funding is not made available in the amount requested.

OTHER APPROVALS	Phase 1 Approval for Exterior Painting and Window Replacement. Phase 1 Approval for Exterior Roof for SCAC Main Hangar and Guard Bldg. Phase 2 Approval for Exterior Painting and Window Replacement

What approvals have already been obtained? Are there additional approvals that must be secured in order for the project to succeed? (Institutional board, JBRC, SFAA, etc.)

LONG-TERM PLANNING AND SUSTAINABILITY	**Funded Program: 9902.950100.000 /** Fund: 36008000 Description : Exterior Painting & Window Replacement for SCAC Total: $350,000 **Funded Program: 9902.950100.000 /** Fund: 36038000 (In use) Description : Exterior Painting & Window Replacement for SCAC Total: $239,884.55 **Funded Program: 9822.050000X000 /** Fund: 10010000 Description : Ext Roof & Coating for SCAC Main Hangar, Guard Bldg Total: $394,000.00

What other funds have already been invested in this project (source/type, amount, timeframe)? Will other capital and/or operating funds for this project be requested in the future? If so, how much, and in which fiscal years? Has a source for those funds been identified/secured? What is the agency's expectation with regard to additional annual costs or savings associated with this capital improvement? What source of funds will be impacted by those costs or savings? What is the expected useful life of the capital improvement?

SUMMARY

Exterior Painting and Window Replacement - $900,000

Exterior Roof for SCAC Main Hangar and Guard Bldg - $700,000

The Exterior Windows and Painting project and the Exterior Roofing for SCAC Hangar and Guard Building project were initiated just prior to the pandemic and have unfortunately languished.

The Agency renewed the design effort and reengaged the design consultant. Efforts completed to date include Phase 1 for both projects and approximately 60% completion of plans and specifications for the Exterior Painting and Window project.

The Agency is now ready to move forward with completion of Phase 2 for both projects and proceed to construction. Unfortunately, completion of the Phase 1 studies shows that additional funding is needed for construction.

These projects are critical to maintaining the integrity of aging infrastructure at the Aeronautics facilities. The hangar, guard building, and surrounding structures serve as the operational base for the State's aircraft and are vital to supporting safe, efficient, and reliable aviation services. Regular maintenance and timely rehabilitation of these facilities help prevent costlier repairs in the future and ensure continued functionality for decades to come.

In addition to their operational importance, the appearance and condition of these facilities reflect directly on the State of South Carolina. The Aeronautics facilities frequently serve high-level state officials, including the Governor, members of the Commerce Department, the Law Enforcement Division, the Department of Natural Resources, the Agriculture Department, and other state leaders who rely on the aircraft for official travel. Maintaining an attractive, professional, and well-kept facility reinforces the State's commitment to excellence, safety, and stewardship of public assets.

Completion of these projects will preserve critical infrastructure, uphold the professional image of the State's aviation operations, and ensure the facilities continue to support South Carolina's leadership and economic development missions.

Provide a summary of the project and explain why it is necessary. Please refer to the budget guidelines for appropriate questions and thoroughly answer all related items.

Agency Name:	Division Of Aeronautics		
Agency Code:	U300	Section:	87

FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION CONTINGENCY PLAN

TITLE	Agency Cost Savings and General Fund Reduction Contingency Plan
AMOUNT	$247,204 *What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.*
ASSOCIATED FTE REDUCTIONS	We don't anticipate that reducing FTE's would be necessary. *How many FTEs would be reduced in association with this General Fund reduction?*
PROGRAM / ACTIVITY IMPACT	Any impacts resulting from cost reductions would be internal, possibly resulting in lost efficiency. No external programs will be hindered by reductions listed. Each of the areas where reductions can take place are in place to support the overall objectives of the agency, and those objectives will not be changing. How the objectives are completed may change slightly, but no changes will be noticed outside of the agency. The associated program objectives are part of each of the agency departments or overall agency operations. *What programs or activities are supported by the General Funds identified?*
SUMMARY	Associated with the facilities, the agency has and will continue to do facility maintenance upgrades in house to reduce costs. If necessary to reduce costs, the agency may also delay some maintenance upgrades until following year. The agency could possibly reduce travel expenses by going to fewer conferences and staff educational programs, and/or by participating in these programs and meetings via teleconference. Also, each year, the agency participates in the promotion of the aerospace/aviation education industry. These promotional efforts could possibly be managed such that costs are reduced, but agency participation remains. Finally, the agency could take over human resource duties currently being done by the Department of Administration. This effort would require training and may need to be implemented with a phased approach.

Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.

AGENCY COST SAVINGS PLANS	. Cost savings for electricity from replacement of windows to more energy efficient ones = $10,000 . Perform facilities maintenance in house or delay upgrades = $24,500 . Reduced employee travel = $18,000 . Do HR administration in house = $20,000 . Reduction of promotional expenses = $4,600 If implemented savings would be repurposed for facility capital improvements.

What measures does the agency plan to implement to reduce its costs and operating expenses by more than $50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?

Agency Name:	Division Of Aeronautics		
Agency Code:	U300	Section:	87

FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE	State Aviation Fund Supplemental Support

Provide a brief, descriptive title for this request.

EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	Continued offering of services that support local airports and their users and reduce the local funds necessary to operate publicly owned, public use airports

What is the expected savings to South Carolina's businesses and citizens that is generated by this proposal? The savings could be related to time or money.

FACTORS ASSOCIATED WITH THE REQUEST		**Mark "X" for all that apply:**
		Repeal or revision of regulations.
		Reduction of agency fees or fines to businesses or citizens.
	X	Greater efficiency in agency services or reduction in compliance burden.
		Other

METHOD OF CALCULATION	Costs offset for local airports are 1:1, meaning that for every additional dollar spent by the state, a dollar is saved by the local government that owns/operates the local airport. The supplemental support dollars would come from the economic activity that is already being generated by the states airports and aviation industry which was found to be in excess of $22B in a 2024 study. This economic activity generated general fund tax revenue of approximately $740M.

Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.

REDUCTION OF FEES OR FINES	No reductions of fees or fines will happen at the state level, but reductions could be noticed at local levels.

Which fees or fines does the agency intend to reduce? What was the fine or fee revenue for the previous fiscal year? What was the associated program expenditure for the previous fiscal year? What is the enabling authority for the issuance of the fee or fine?

REDUCTION OF REGULATION	N/A

Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?

SUMMARY	Each year, the Aeronautics Commission supports publicly owned, public use airports with Capital Improvements and Airfield Maintenance services. These services are currently supported financially through the State Aviation Fund (SAF). The SAF is capable of supporting the majority of needs for the smaller, general aviation airports in SC, as well as minor support (up to $500,000 per airport per year) for commercial service airports in SC. Unfortunately, according to the most recent South Carolina Aviation System Plan Report, capital improvement needs far exceed the amount of money available. Also, the latest Infrastructure Report Card, prepared by the American Society of Civil Engineers in 2021, rated South Carolina's aviation infrastructure a D+, noting a significant shortfall (as much as $154 million) in annual investment. The Division of Aeronautics is requesting additional funding to supplement the State Aviation Fund in the form of Recurring Operating Request. If granted, this request would help support rehabilitation of critical runway infrastructure at general aviation airports and ongoing capital improvements at commercial service airports which are necessary to maintain and expand existing infrastructure to serve South Carolina's travelling public and promote ongoing tourism and economic development.

Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?