



OKLAHOMA
Aerospace &
Aeronautics

Oklahoma Department of Aerospace and Aeronautics

FY 2025 Budget Hearing Presentation

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Grayson Ardies

Executive Director



The **Oklahoma Department of Aerospace and Aeronautics** serves as the lead government agency to support, promote, and advocate for the state's second largest industry, aviation and aerospace. This includes providing funding, planning, programming and engineering expertise for Oklahoma's airports and aviation infrastructure as well as ensuring the viability of the aerospace industry. The agency is responsible for the administration and/or coordination of a statewide system of airports, cooperating with and assisting local, state, and federal authorities in the development of aviation infrastructure and facilities, acting as the central resource point in state government for the up-and-coming Unmanned and Advanced Air Mobility sector, and fostering the success of the state's overall aerospace industry. The Department administers a robust aerospace and aviation education grant program to help the aviation and aerospace industry with their workforce challenges by introducing Oklahoman students to the available STEM careers that the industry has to offer. The Department also partners with Oklahoma's Department of Commerce in the delivery of the ACES program which seeks to grow and develop the aviation and aerospace industry.

Founded originally in 1946, this agency encompasses the following divisions: **Administration/Operations, Airport Development, Aerospace & Aviation Education, UAS/AAM.**

Agency Vision, Mission and Core Values

Vision: To be an efficient, innovative, customer-driven organization working collaboratively to provide safe, modernized, integrated and sustainable transportation options throughout Oklahoma.

Mission: The mission of the ODAA is to promote aviation and aerospace, which includes ensuring that the needs of commerce and communities across the state are met by the state's 108 public airports that comprise the Oklahoma Airport System, to foster the growth of the aerospace industry, and to help ensure the workforce needs of the aerospace industry are addressed by educating and making Oklahomans aware of the job opportunities that are available.

Core Values: We value our people for individual and team contributions, empowering them to make decisions through productive partnerships. We are accountable for meeting the transportation needs of citizens, business and industry in the safest, most proficient manner possible.



Accomplishments

Top accomplishments for FY 2023 – FY 2024

- 1) Advocated for and successfully passed legislation creating the AeroSPACE program within the agency to foster the agency's education initiatives and started a wholistic rebranding of the agency beginning with changing our name to the Oklahoma Department of Aerospace and Aeronautics.
- 2) Retained the state's #1 ranking in the country as far as the number of high schools (87) teaching the AOPA aviation curriculum.
- 3) Awarded \$502,885 of aerospace and aviation education grants to 71 different entities to encourage, foster and grow a healthy workforce for the aerospace industry. This was the largest number of recipients and largest amount of grants awarded in the history of the program.
- 4) Completed several notable construction projects including:
 - a) Terminal buildings at Bristow and Weatherford
 - b) New hangars completed at Ardmore, Clinton, Pauls Valley, Stroud, and Thomas.
 - c) Major runway renovations completed at Enid (crosswind), Grove, and Idabel.



Challenges

Top Challenges (current & upcoming years)

- 1) Maintaining and growing Oklahoma's workforce to support the aerospace industry – finding new and innovative ways to educate Oklahoman's youth on opportunities within the industry from skilled laborers to very technical positions and everything in between. Additional workforce focus area is the shortage of mechanics and skilled workers, engineers, and pilots and the flight instructors so that all facets of the industry in Oklahoma can grow and succeed.
- 2) Developing a strategic plan for UAS/AAM integration and investment across the state and getting our state's top assets to harmoniously move along a similar flight path for the benefit of all Oklahomans.
- 3) Increase aerospace industry awareness among Oklahomans.
- 4) Ensuring that Oklahoma's airspace for both military and civilian operations can remain protected and that an appropriate balance between commercial/private development and aircraft operations can be achieved.
- 5) Keeping up with rising inflation costs for infrastructure projects as well as finding capable contractors for the airport segment of work (typically projects are too small for the large highway contractors).



Savings & Efficiencies (Current or Planned)

Savings or Efficiency Name	Brief description of how savings were achieved	Savings in Unit of Measurement*	FY 2023 (Actual \$ Savings)	FY 2024 (Projected \$ Savings)	FY 2025 (Projected \$ Savings)
In-house project design	Engineering staff are undertaking design projects (crack seal and seal coat) and Preliminary Engineering Reports for small communities.	Reduced engineering fees and reduced local matches for communities	\$130,000	\$90,000	\$90,000
In-house UAS surveying activities	UAS Program Manager will fly drone-grade surveys for runway safety areas and approaches thereby identifying the need for which airports need an engineering survey.	Having a UAS grade survey will dictate which airport's need engineering level surveys thereby reducing overall survey costs	NA	\$25,000	\$50,000



Agency Goals and Key Performance Metrics

Goal		Metric	FY 22 Actuals	FY 23 Actuals	FY 24 Target	FY 29 Target
1	Development of a statewide airport system.	During each fiscal year, grant at least 85% of the programmed funds for airport construction identified in the current state and federal fiscal years.	97%	76%	85%	85%
2	Increase the overall workforce for the aviation and aerospace industry.	Become a top 5 state insofar as aviation curriculum being taught in classrooms across Oklahoma. Increase the number of participants applying for the Aerospace & Aviation Education Grant Program.	3/57	1/62	1/71	1/80
3	Ensure each airport is operating in a safe, efficient, and business friendly manner while meeting FAA and Commission standards.	Conduct airport safety and standards inspection on a three-year cycle on the State's 135 public-use airports.	30	60	45	45
4	Sustain existing airport pavement infrastructure while strategically investing in new pavement and increasing the overall pavement condition on a systemwide basis.	Conduct airport pavement inspections on a three-year cycle for the 95 airports in the pavement inspection program and ensure a pavement condition index of at least 75 for primary runways.	36/80	31/82	32/74	32/74
5	Identify and invest in new airport infrastructure to support additional aviation business potential and based aircraft activity within the state's airport system.	Number of hangars and other vertical infrastructure projects granted through the Commission's 5-year Airport Construction Program	4	10	20	25



Projects for FY 2024 - 2025

Projects

- 1) PREP Program: Continue to work with the 4 major aviation infrastructure projects identified (Ardmore, Tulsa, Will Rogers, Woodward) on various phases of construction as well as complete hangar projects across the state.
- 2) Continue working with the Secretary of Transportation to complete the Advanced Air Mobility (AAM) strategic plan and implement UAS infrastructure funding statewide.
- 3) Develop a new aerospace economic impact study.
- 4) Major airport construction projects anticipated for grant award and/or construction project completion during FY 2024-2025 include:
 - 1) Runway rehabilitations/reconstructions at Ada, Blackwell/Tonkawa, Wiley Post.
 - 2) Taxiway rehabilitations/reconstructions at Alva, Ardmore, Fairview, Guthrie/Edmond, Seminole, Tulsa Riverside,
 - 3) Terminal buildings at El Reno, Elk City, McAlester, Miami, Mid-America (Pryor), Stillwater
 - 4) Hangars at Bartlesville, Boise City, Carnegie, Chickasha, Claremore, El Reno, Elk City, Enid, Frederick, David Jay Perry (Goldsby), Guymon, Prague, Purcell, South Grand Lake, Weatherford Stafford, Will Rogers (Oklahoma City)
 - 5) Air Traffic Control Tower at Max Westheimer (Norman) and Tulsa International
 - 6) Fuel systems at Alva, Boise City, Broken Bow, Clarence E. Page (OKC/Yukon), Hooker

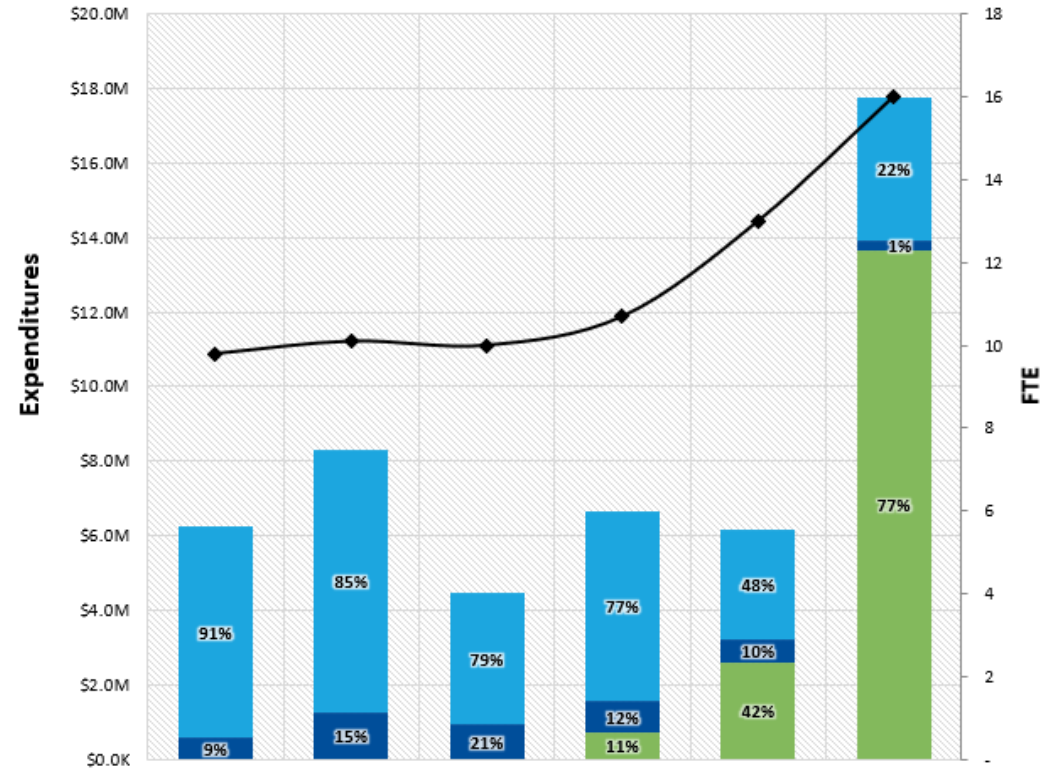


Historic Actual Expenditures (FY 2019-23) and Current Year Budget (FY 2024)

Explanation of Significant Changes and Trends

Airport construction projects awarded in FY 2022-2023 are still ongoing and total expenditures for those fiscal years will increase as projects are completed. Projects have experienced considerable delays due to supply chain issues the past two years which has caused a cascading effect of projects being open and under construction, but funding not being completely spent.

Historic Actual Expenditures and Current Year Budget



	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024 Budget
Appropriated				\$748.4K	\$2.6M	\$13.7M
Revolving	\$5.7M	\$7.0M	\$3.5M	\$5.1M	\$3.0M	\$3.8M
Federal	\$579.1K	\$1.3M	\$951.3K	\$810.2K	\$630.6K	\$237.7K
Agency Special Accounts						
Total	\$6.3M	\$8.3M	\$4.5M	\$6.7M	\$6.2M	\$17.7M
FTE	10	10	10	11	13	16



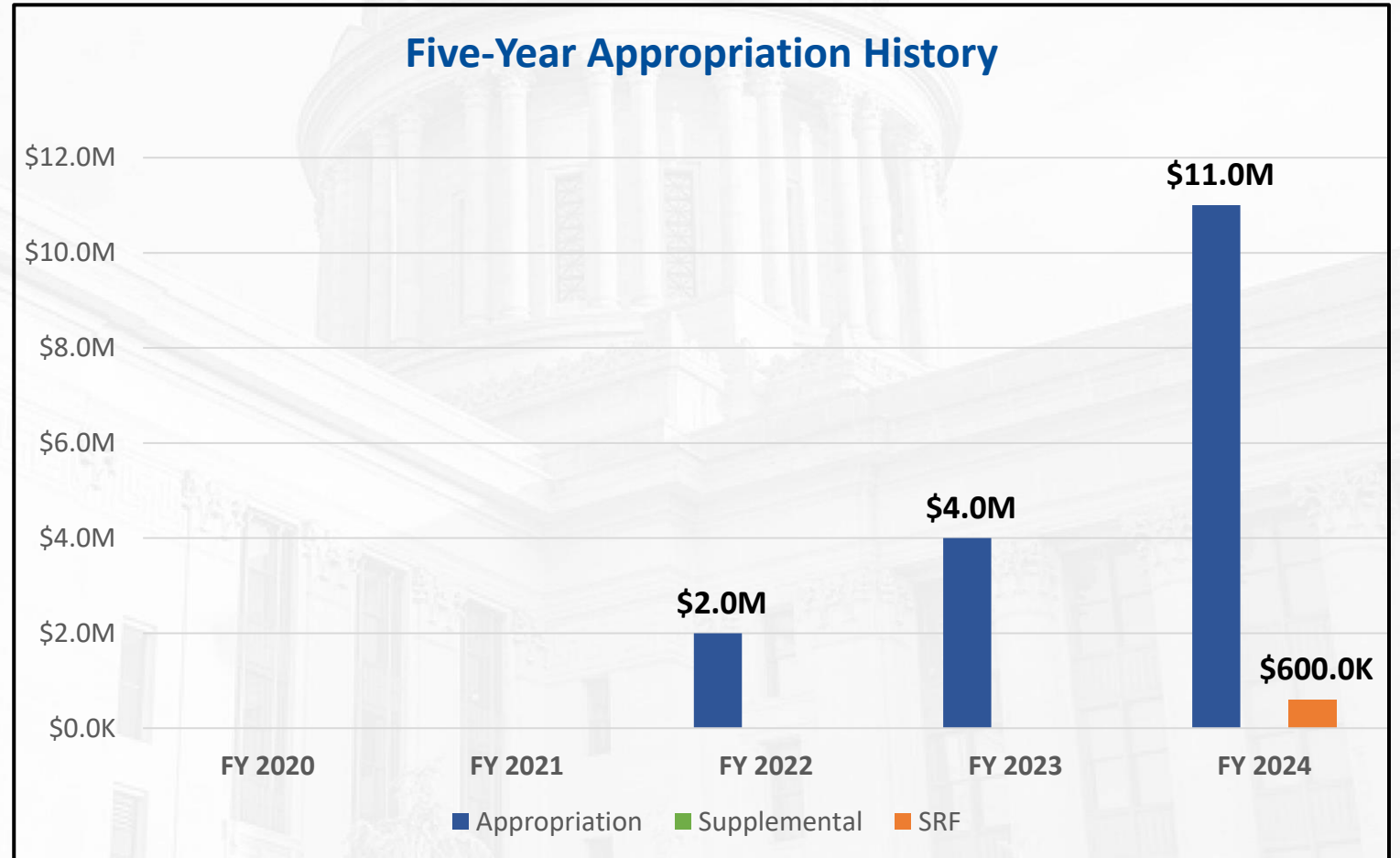


FY 2024 Budgeted Full Time Equivalents (FTE)

	FY 2024 Budgeted FTE
Total FTE	16
Supervisor FTE	3
Supervisors to Total FTE Ratio (%)	19%

Appropriation History

Fiscal Year	Legislated Appropriation (\$) (Includes supplementals and SRF/ARPA.)
FY 2020	\$0
FY 2021	\$
FY 2022	\$2,000,000
FY 2023	\$4,000,000
FY 2024	\$11,600,000



**Includes Supplemental and Statewide Recovery Fund (ARPA) appropriations.*



Financial Resource Analysis

Carryover	FY 2020	FY 2021	FY 2022	FY 2023
Total appropriated carryover amount expended (\$)	\$0	\$0	\$	\$1,038,709

Historical Cash Balances	FY 2020	FY 2021	FY 2022	FY 2023
Year End Revolving Fund Cash Balances <i>(All Revolving Funds)</i>	\$3,819,532	\$5,784,327	\$6,718,347	\$11,781,541

Class Fund # <i>(Unrestricted only)</i>	Class Fund Name <i>(Unrestricted only)</i>	Current cash balance (\$)
20000	ODAA Revolving Fund	\$13,143,230
	Total Current Unrestricted Fund Cash balance:	\$13,143,230

Fiscal Year	Agency's plan to deploy unrestricted cash (including amounts):
FY 2024	Any available cash that OAC has will be used to continue to support and improve the Oklahoma Airport System.
FY 2025	Any available cash that OAC has will be used to continue to support and improve the Oklahoma Airport System.
FY 2026	Any available cash that OAC has will be used to continue to support and improve the Oklahoma Airport System.



Unrestricted funds are those that are not limited by state or federal law, rule, regulation, other legally binding method, or donor restriction.

FY 2022 Incremental Appropriation Review

<i>Purpose of appropriation increase / decrease</i>	<i>Amount of increase or decrease (\$)</i>	<i>Included in FY24 appropriation? (Yes/No)</i>	<i>If yes, included in appropriation for same purpose? (Yes/No)</i>	<i>If not included for same purpose, please explain.</i>
FY 2022				
No adjustment	\$			
	\$			
	\$			
	\$			
	\$			
	\$			
	\$			
	\$			
Total adjustment	\$			



**Do not include SRF / ARPA appropriation increases.*

FY 2023 Incremental Appropriation Review

<i>Purpose of appropriation increase / decrease</i>	<i>Amount of increase or decrease (\$)</i>	<i>Included in FY24 appropriation? (Yes/No)</i>	<i>If yes, included in appropriation for same purpose? (Yes/No)</i>	<i>If not included for same purpose, please explain.</i>
FY 2023				
Operations	\$2,000,000	Yes	Yes	
	\$			
	\$			
	\$			
	\$			
	\$			
	\$			
	\$			
Total adjustment	\$2,000,000			



**Do not include SRF / ARPA appropriation increases.*

FY 2024 Incremental Appropriation Review

<i>Purpose of appropriation increase / decrease</i>	<i>Amount of increase or decrease (\$)</i>	<i>Does this need to be included in your FY 2025 appropriation? (Yes/No)</i>	<i>If yes, included in appropriation for same purpose? (Yes/No)</i>	<i>If not included for same purpose, please explain.</i>
FY 2024				
Airport Growth Infrastructure Investment	\$5,000,000	Yes	Yes	
UAS/Advanced Air Mobility Infrastructure	\$2,000,000	Yes	Yes	
	\$			
	\$			
	\$			
	\$			
	\$			
	\$			
Total adjustment	\$7,000,000			



**Do not include SRF / ARPA appropriation increases.*

Budget & Supplemental Request Summary

	Request Name	FY 2025 Appropriated Request Amount (\$) {or FY 2024 for Supplementals}	Type of Request: Operating, One-time, or Supplemental
1	Airport Growth Infrastructure Investment	\$14,000,000	Operating
2	Aerospace and Aviation Education Investment	\$1,000,000	Operating
3	Test Cell Development Program	\$20,000,000	One-time (1 year)
4	Airport Economic Development Projects	\$41,000,000	One-time (1 year)
5			



(1) Budget Request

Name of Request: Airport Growth Infrastructure Investment	
Type: Operating	\$ Amount Requested for FY 2025: \$14,000,000
Describe why these funds are needed: Appropriated funding is requested to continue investing in pro-growth infrastructure at Oklahoma's public airports to enhance their economic opportunities for the local communities they serve. Investing in hangars, terminal buildings, fuel systems and utility improvements will allow airports to attract new businesses and based aircraft to their communities. This will further strengthen our airports as hubs of economic activity and support the increased aviation business potential of the overall system. With this increase in funding, we are anticipating adding a new category to "pro-growth infrastructure" and that is pavement strengthening. While many airports have runways and taxiways long enough to handle larger business jets, they are under-strength. Strengthening these pavements will allow for greater long-term economic enhancement to those communities and the state.	



(2) Budget Request

Name of Request: Aerospace and Aviation Education Investment	
Type: Operating	\$ Amount Requested for FY 2025: \$1,000,000
Describe why these funds are needed: With the passage of the AeroSPACE or Aero Student Pathways for Aerospace Careers and Education legislation during the 2023 session, the agency is looking to enhance the overall program and offer more robust educational programs, grants, and curriculum to help with the aerospace and defense industry's workforce challenges. Currently the agency spends approximately \$500k (71 grants) in agency directed funding on the Aero Education Grant Program. Additional funds would allow additional grants, educational offerings, potential investment in aerospace STEM labs at schools, and more curriculum development in early educational years to build upon the current curriculum offerings at the high school level.	



(3) Budget Request

Name of Request: Test Cell Development Program	
Type: One-Time	\$ Amount Requested for FY 2025: \$20,000,000
Describe why these funds are needed: This is a one-time funding request to support engine test cell development to support the state's aerospace and defense industry. Aircraft engine testing is one the key pillars in the state's strategic plan for growing the aerospace and defense industry. This funding request is accompanied by a policy request to start an engine test cell grant program.	



(4) Budget Request

Name of Request: Airport Economic Development Projects	
Type: One-Time	\$ Amount Requested for FY 2025: \$41,000,000
Describe why these funds are needed: These projects are deemed to be "pro-growth" projects which can significantly impact these communities and the overall system of airports. The following recommended projects are included in this list: Shawnee Hangar and Aviation Business Development Area Construction (\$6.5M), Atoka New Airport Site Development and Prep Work (\$6M), Pawhuska Runway Relocation and Extension (\$4M), Watonga Terminal Building and West Side Development Area (\$3.5M), South Grand Lake Regional Terminal and Large Hangar Development (\$5.5M), Will Rogers World Airport Hangar For CareerTech MD-80 (\$4M), Okemah Hangar and Terminal Area Development (\$3.5M), Duncan Runway Strengthening (\$5M), Stroud Runway Extension (\$3M).	

