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NYS Joint Budget Hearing
2025-2026 Executive Budget -- Transportation
Mark Heefner, C.M., NYAMA President

Good afternoon Chair Krueger, Chair Pretlow, and members of the Committees. I am Mark Heefner, President of the New York Aviation Management Association (NYAMA) and Commissioner of Aviation for the Greater Binghamton Airport. I'd like to express my appreciation for this opportunity to provide comments on the 2025-2026 Executive Budget as it relates to airports and the aviation industry in New York.

New York Aviation Management Association

NYAMA represents over 13,000 members and affiliate members, comprising 464 commercial service and general aviation airports, fixed based operators, consultants, engineers and various aviation industries and professionals who believe that economic development efforts at the state and regional levels necessitate strong public investments in our aviation assets and facilities.

Economic Impact of New York Airports

New York airports and their municipal sponsors continue to feel some of the economic pressures that crimped the industry during the COVID pandemic. The good news is that airports here have nearly recovered passenger volumes to pre-COVID numbers and are in a much better position now to maintain and in most cases restore commercial service that was lost during that period. This recovery is in no small part due to your support of the aviation industry through public investments. However, our airports must constantly compete with other airports in the nation to preserve and maintain scheduled air service, especially to Upstate New York cities and counties.

Airports are major economic engines, and the benefits of New York State airports are indeed impressive. Investing in them provides a tremendous return for New York. According to the New York State Department of Transportation report, "Economic Impacts of New York State Airports and Aviation", the aviation industry contributes over \$80 billion in annual economic activity in New York State, growing by \$30 billion over the last 10 years. More than 454,000 NY based jobs are in aviation or aviation related industries, generating \$25.8 billion in payroll and over \$6.1 billion in state and local tax revenue each year. Over 111 million passengers use New York airports annually. Hub services and nonstop routes rely on both business and leisure flyers.

Consequently, NYAMA commends Governor Kathy Hochul for recognizing the unique capital needs of airports. State supported investments this year helped New York's airports and aviation industries

drive new economic development and facilities modernization, creating high-quality and sustainable jobs, as well as attracting greater private sector investment.

Airport Economic Development and Revitalization Initiative

The SFY 2022 and 2023 Transportation Capital Budgets included state funding for a combined \$250 million Upstate Airport Economic Development and Revitalization Program that is transforming and modernizing airports in Upstate New York and fostering regional economic development. As a result of your support for this program, the awards have been made and we are well into the construction phases for many of these critical projects. Since its inception in 2016, fourteen airports have received awards under the program. These investments are helping New York State reestablish itself as the place for national and international aviation businesses to locate and grow.

While these transformative, signature projects are primarily taking place at the larger commercial service airports throughout the state, smaller and medium-sized airports that provide vital access points for business and tourism opportunities for communities from Long Island to Western New York are also in need of state funding to carry out their important missions as part of a national air service system.

It is imperative, given the nearly 30% increase in construction inflation over the last three years, and the need for state investment in airport infrastructure, that the next state budget includes a level of investment for a new round of funding for the Upstate Airport program. **NYAMA urges that this investment level be commensurate with previous levels--\$200M and \$250M for Round I and Round II, respectively.** The new round should contemplate expanding the list of eligible airports that also play an important role in state and national airport systems, like those on Long Island. It's important to note that this program leverages tens of millions of federal and local investment dollars that multiplies the value of projects and enhances the economic benefits to the state.

We appreciate the support for this important aviation capital funding program by the Co-Chairs of the New York Legislative Aviation Caucus, Assemblymember Donna Lupardo, and Senator Monica Martinez, and many of the other nearly 100 legislator members of the Caucus.

Upstate Airport Program Helps Fund Environmental Initiatives

Though aviation represents less than 3% of the world's carbon emissions, the aviation industry is accelerating its use of alternative fuels. Every major airline is conducting sustainable aviation fuel in demonstrations and many regular flights while startups are experimenting with all-electric flight. Many environmental and climate change initiatives are being undertaken by airports through their own funds and those of state and federal capital assistance programs for airports. New York airports are at the forefront of efforts to reduce GHG emissions, from installing EV charging stations at Wi-Fi and text parking lots and rooftop solar energy generation and energy efficient lighting, to converting operations that generate emissions to electric or other alternative clean fuels where possible. Enhanced state funding promotes these climate initiatives and assists airports in financing other vital environmental projects like those needed to accommodate the transitioning by airlines to sustainable aviation fuels and support the infrastructure needed for companies to develop and deploy electric aircraft.

Additional funding is needed to assist airports in pursuing projects that will promote New York's carbon reduction goals by electrifying airport operations and facilities and developing the infrastructure to support these innovations. Simply put, Airports are lacking in electrical infrastructure and are in need of assistance.

NYAMA is urging the Senate and Assembly one-house budgets include funding for a new Round III of funding for the Upstate Airport Economic Development and Revitalization program and an expansion of the program to extend eligibility to additional airports.

AIP and the Aviation Capital Grant Program

Other airport capital funding is provided mainly through two program categories: the Airport Improvement Program (AIP), which delivers a portion of the local share required to match federal AIP grants, funded in the Executive Budget at \$14 million; and, the Aviation Capital Grant Program that, unlike federal AIP money, can be used to finance revenue producing projects at airports such as parking lots, fuel farms, hangar construction and concession development.

Unfortunately, the Aviation Capital Grant Program is woefully underfunded at \$12.5 million per year. This level of funding is so minor that the NYSDOT accumulates multi-year appropriations before they go out with a grant solicitation. Thus, airports have no annual funding program.

NYAMA continues to advocate for a minimum state financial commitment of \$40 million per year for the Aviation Capital Grant program. The \$12.5 million appropriation does not reflect the importance of airports and the return on investment they provide to New York State. That funding is needed to support a robust state airport investment program for critical resiliency, environmental improvement, energy efficiency and transitional clean fuel projects as state policymakers endeavor to address climate change. If funded at \$40 million or more per year, you will witness a tremendous impact in local New York State communities and a return on investment that is quickly realized.

Based on the State Airport System Plan and other planning data, NYAMA calculates that the capital needs of airports that are eligible for state assistance require an annual commitment of \$40 million to the Aviation Capital Grant Program.

Aviation Capital Grant Program Award Cap Increase

If the funding is increased to the \$40 million level, the current award cap under the Aviation Capital Grant Program of \$2.5 million should be raised to a more realistic range of up to \$5 million. This would allow for the development of projects such as hangars that generate rents and other revenues, especially important to General Aviation (GA) airports.

NYAMA is requesting that the legislature support adding this grant cap increase initiative in the One-House Budgets as negotiations on the Capital Budget continue.

NYAMA Stands Ready to Assist NYS with the Future of Aviation

As the aviation industry continues to evolve, NYAMA and our members stand at the ready to assist New York State in ensuring our State is at the forefront of advancement. Our State stands on the

precipice of Advanced Air Mobility, Air Service and Airport Development, and Environmental Opportunities. NYAMA extends our membership expertise to all areas of New York State Government to assist in the development of programs and policy making that propel our State forward and protect our residents at the same time. We propose working together to create funding sources for Air Service and Airport Development programs to assist in increasing the impact of our Airports, creating opportunities for growth and implementation of Advanced Air Mobility, and working to standardize and fund environmental initiatives on and around Airports.

Conclusion

Well-funded aviation capital programs for the Empire State's airports is essential to protect jobs and ensure economic health for the state and its residents. To be competitive with surrounding states, nationally and in the global economy, New York must continue to support public investment levels that sustain the development of world-class aviation facilities for travelers from across the country and internationally.

NYAMA looks forward to continuing to work with you and your legislative colleagues on developing strategies to maximize the economic benefits from state investments in airports and the aviation industry.

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