



## SUMMARY

# A LIMITED REVIEW OF THE S.C. AERONAUTICS COMMISSION



MARCH 2025

## AGENCY STRUCTURE

Members of the S.C. General Assembly requested that we conduct an audit of the S.C. Aeronautics Commission.

### OBJECTIVES

- Review the structure of the S.C. Aeronautics Commission and determine if alternative structures could achieve efficiencies.
- Review the S.C. Aeronautics Commission's administration of grants and contracts for outside services.
- Review meetings of the S.C. Aeronautics Commission to determine compliance with law and best practices.

### **MOST STATE AERONAUTICS AGENCIES ARE PLACED IN A DEPARTMENT OF TRANSPORTATION.**

South Carolina and Virginia are the only two state aeronautics agencies in the Southeast not placed in their departments of transportation. A senior SCDOT official stated that SCDOT could handle the workload of SCAC. However, SCDOT estimates that moving SCAC into SCDOT would not result in significant savings or additional costs.

### **LIMITED OVERSIGHT OF SCAC CHAIRMAN BY S.C. GENERAL ASSEMBLY FOLLOWING INITIAL APPOINTMENT.**

S.C. Code §13-1-1020 allows for the Governor to appoint the chairman of SCAC, upon the advice and consent of the Senate. After the initial appointment, the chairman serves at the pleasure of the Governor, and the current chairman has served since being appointed by the previous Governor in 2011. Amending state law to provide for a term certain for the chairman, requiring a new Governor to appointment the chairman with the advice and consent of the Senate, and allowing commissioners other than the at-large commissioner to serve as chairman could allow for greater accountability.

## MANAGEMENT OF GRANTS

### **COMPLIANCE HAS BEEN ENSURED WITH MOST GRANT REQUIREMENTS.**

Of the ten airport development policy requirements selected for review, SCAC has not ensured compliance with three requirements. The areas of non-compliance that we found do not appear to be widespread. Nonetheless, we found that SCAC should ensure that grant recipients submit all required documentation before the agency releases grant funds, and SCAC should clarify in its policies what expenses incurred by a grant recipient are ineligible for reimbursement. SCAC should also formalize its education grant policies.

### **SOME EXPENDITURES TO THE STATE AVIATION FUND DO NOT APPEAR ALLOWABLE PER STATE LAW.**

S.C. Code §55-5-280(C) and Proviso 87.5 in the FY 24-25 state budget restrict the use of the State Aviation Fund and explicitly disallow the fund to be used for operating expenses of SCAC. The agency charged attorney fees, IT contractors, and other questionable expenditures to the State Aviation Fund. The agency has taken a broad interpretation of allowable uses and clarification is needed to ensure compliance with state law.

## OTHER ISSUES

### SCAC INCURRED \$169,870 IN LEGAL FEES BY OUTSIDE COUNSEL, FROM FY 19-20–FY 23-24.

SCAC complied with state law by obtaining approval from the Attorney General for the services of outside counsel and approval for attorney's fee.

In FY 22-23 and FY 23-24, categories of work performed by outside counsel included \$57,289 on regulation development, \$9,567 on litigation and land use issues, \$6,786 on policy and legislative matters, and \$6,601 on preparation for and attendance at meetings.

### ISSUES RELATED TO THE HIRING OF AN EXECUTIVE DIRECTOR RESULTED IN SIGNIFICANT LEGAL EXPENSES.

A 2023 letter to the Governor signed by SCAC's commissioners criticized a member of the S.C. General Assembly and an individual the member recommended to be the executive director of SCAC. We estimate that issues relating to that letter resulted in at least \$4,483 in payments to outside counsel.

Also, agency resources were used to write a white paper that focused primarily on political rather than policy matters.

### EXECUTIVE DIRECTOR APPOINTMENT LAW COULD BE REVISED.

S.C. Code §13-1-1080(A)(1) requires the commission to nominate no more than one qualified candidate for the Governor to consider for appointment as executive director.

Amending state law to allow for the General Assembly to have a greater say in the nomination process, such as allowing for the advice and consent of the S.C. Senate and/or allowing for greater flexibility in nominating candidates for executive director could allow for greater accountability.

### NO EVIDENCE OF DISCUSSIONS OF ELECTORAL CHALLENGES TO MEMBERS OF THE GENERAL ASSEMBLY.

We observed 24 hours' worth of videos of SCAC meetings, attended two SCAC meetings in 2024, and asked all eight and three current commissioners whether electoral challenges to members of the General Assembly were discussed in meetings. We did not find evidence that such challenges were discussed.

### POSSIBLE NON-COMPLIANCE WITH THE FREEDOM OF INFORMATION ACT.

We found that SCAC may not have fully complied with Freedom of Information Act (FOIA). S.C. Code §30-4-70(b) requires public bodies to announce a specific purpose for entering executive session. SCAC used vague, "catch all" reasons for entering into executive session, while FOIA requires announcements for executive session to include greater specificity.

**SOUTH CAROLINA GENERAL ASSEMBLY**

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