



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #601

### **Airport Sound Mitigation Grant Program (Transportation -- Local Assistance)**

[LFB 2021-23 Budget Summary: Page 576, #9]

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#### **CURRENT LAW**

The Department of Transportation's Bureau of Aeronautics provides funding from various state and federal sources for airport projects at commercial and general aviation airports in the state. The state share for projects is paid from the Department's aeronautics assistance appropriation, funded from the transportation fund at \$14,333,800 SEG in base level funding. In addition, base level funding for the federal aeronautics assistance program is funded at base level funding of \$56,177,300 FED.

#### **DISCUSSION POINTS**

1. Studies indicate that the effects of noise pollution surrounding airports can disrupt the environments of humans and animals. Research has shown that disruptive airport noise levels can harm human health and development. While no solution exists to entirely mitigate the noise levels surrounding airports, some actions that are taken are restrictive and include fines for excessive noise, and curfews or other limitations on airport operations within certain timeframes, including certain runways. Others have included technological improvements to the aircraft, or the installation sound barriers near airports and sound insulation on affected buildings. More broadly, community and land use planning actions can have a broader impact on limiting the number of citizens impacted by disruptive noise levels.

2. The Federal Aviation Administration (FAA) administers the Airport Improvement Program (AIP), which includes an Airport Noise Program. Under this program, airports may collaboratively address noise near airports by using a voluntary program called airport noise compatibility planning or Part 150 (known as Part 150 because the Aviation Safety and Noise Abatement Act of 1979 created the program under 14 CFR Part 150). FAA indicates that of the 275

airports in the AIP program 256 have entered into this voluntary program since its beginning and received grants for part 150 studies. According to FAA, the Part 150 program has two parts. The first step involves the development of noise exposure maps that identify the compatible and non-compatible land uses around the airport. FAA indicates that the maps help communities understand the areas affected by different levels of noise in a consistent and scientific way. This enables better land-use planning and noise mitigation efforts in the second step of this process, the Noise Compatibility Program (NCP), which identifies specific measures to reduce incompatible land uses. FAA indicates 245 airports across the country have approved NCPs, including three Wisconsin airports (Austin Straubel in Green Bay, Dane County in Madison, and General Mitchell in Milwaukee) When the program identifies compatible land uses such as industrial or commercial areas, large highways or water, FAA can develop air traffic arrival or departure procedures that help reduce noise by routing flights over those less-populated, less noise-sensitive areas.

3. FAA notes that noise exposure maps can also identify neighborhoods buildings that because of noise levels may be eligible for mitigation through sound insulation measures. Buildings also must have a specific interior noise level to meet the eligibility requirements for sound insulation and must be the type of construction that can successfully be sound-insulated. Not all homes or schools near an airport are eligible for sound insulation. The FAA can provide Airport Improvement Program (AIP) grant funding for an airport operator's Part 150 sound insulation program. The grant program requires a local match from the airport or other grant recipient, and has a number of other federal requirements. Airports also can seek FAA approval to use passenger facility charge revenues for noise mitigation, including funding for the local share of AIP grants. Airports may also use airport revenue for noise mitigation in noise-impacted areas.

4. The Department indicates that the last FAA noise mitigation grant administered by the Department was for a Milwaukee Mitchell Airport project in October, 2014. The grant equaled 80% of the total project cost, with the remaining share being split equally at 10% between the state and the airport. This funding split is typical with most federally-funded AIP projects.

5. According to most recent version of DOT's Wisconsin Airport Land Use Guidebook (2011), aircraft sound is an important concern regarding land use compatibility around airports. The Guidebook notes that often land acquisition may be the most viable option since it addresses the heart of the problem, which is typically incompatible land uses (residences, schools, office buildings) in proximity to the airport. Additional techniques include sound barriers and soundproofing. However, the Guidebook notes that sound barriers can have limited applications, and are typically used on airport property to shield noise-sensitive areas from the most intense levels of airport noise such as the high decibel noise level at the end of the runway just prior to takeoff. According to the Guidebook, sound barriers take on many different forms. Coniferous trees and shrubs can provide limited sound reduction, but also act as visual barriers and are thus perceived as sound barriers. Man-made barriers such as fences and masonry walls are the most costly sound barrier option.

6. In addition, the Guidebook indicates that soundproofing or sound insulation is a mitigation measure aimed at addressing a noise issue within an indoor environment. If a structure such as a home is determined to be within an area experiencing a high level of aircraft noise, the building can be improved to reduce the levels of noise within the structure. The installation of

windows and doors with denser materials, air conditioning units or a central air system (which reduces the need to open windows), and additional insulation can deaden the outside noise. However, while sound barriers and soundproofing are typical methods of addressing sound-related land use issues, both may have limited applications depending upon the nature of complaints around each airport.

7. In federal fiscal year 2020, the state received a total of \$68,670,820 in federal airport aid. Of this amount, \$58,809,275 was provided as part of the typical federal airport aid allocation processes. In addition, as part of the federal Coronavirus Aid, Relief and Economic Security (CARES) Act in response to the global coronavirus pandemic, DOT received a total of \$9,861,545 in order to prevent the spread of, prepare for, and respond to the pandemic. Of this amount, \$6,997,545 was to increase the federal share to 100% for federal grants already planned while the remaining \$2,864,000 was awarded to generally support operations and maintenance costs. In addition, under the CARES Act, the FAA provided \$83,183,655 directly to Wisconsin's primary airports to be used for maintenance and operation expenses. In addition, the American Rescue Plan Act of 2021 provided additional grants-in aids to airports to prevent, prepare for, and respond to the coronavirus pandemic, although the amount Wisconsin will receive is not yet known.

8. The Governor recommends providing \$250,000 GPR annually to a newly-created continuing appropriation that would be used to award grants to projects that mitigate the impact of airport sound on structures located near airports that include a military base or installation. Because the program would help the general population located adjacent to airports that would be most affected by airport noise, perhaps GPR funding is appropriate. Further, no direct user fee link to the transportation fund exists regarding whether those who would benefit from the program would in some way pay more into the transportation fund to cover the costs of the program. [Alternative 1]

9. Under the proposed program, DOT would be required to develop and administer an airport sound mitigation grant program to be funded from the newly-created GPR appropriation. The Department could prescribe the form, nature, and extent of information required to be contained in grant applications for this program. DOT would have to give highest priority in awarding grants under this program to projects involving schools and child care centers, and second priority to projects involving private residences. Projects would not be eligible if they are eligible for participation in a federal airport sound mitigation grant program.

10. Commercial airlines are exempt from local property taxes and, instead, are taxed under the state's ad valorem tax, the revenues from which are deposited to the transportation fund. In 2020, 23 airlines paid this tax, and the ad valorem tax on commercial airline property accounted for 80.0% of the revenue in the aeronautical taxes and fees deposited to the transportation fund. The remaining revenue in this category comes from two general aviation-related sources. First, aircraft that are not subject to the ad valorem tax (not including aircraft operated by an airline qualifying for the airline hub exemption) must pay an aircraft registration fee, which ranges from \$60 for two years for an aircraft that is 2,000 pounds or less to \$3,125 annually for an aircraft over 100,000 pounds. Second, general aviation fuel is subject to a fuel tax of six cents per gallon (air carrier companies are exempt). In total, aeronautical related taxes and fees totaled \$8.8 million in 2019-20.

11. Given that airlines provide annual revenues to the transportation fund, providing SEG funding rather than GPR funding for the proposed airport sound mitigation program could be an

option. The Committee could provide the \$250,000 SEG annually to fund the proposed program. Aeronautical taxes and fees account for \$8.8 million in revenue to the transportation fund in 2019-20, while DOT's aeronautical assistance program has base level SEG funding of \$14.3 million. Thus, some may contend that airlines and airports are already benefitting more from the fund than such aeronautical entities are paying directly in to the fund. However, airports also create vehicle traffic in, and around, the airport, as well as tourist and other economic activity, all of which that likely benefits the transportation fund. [Alternative 2]

12. The administration indicates that given that the program would be new, and no specific project or grant recipient is in the queue, it's difficult to predict the level of interest in the program. Further, they note that while the recommendations would establish prioritization process for potential recipients, until applications are submitted it is not known which projects, or the types of sound mitigation projects, would be funded. Given these unknowns, the proposed recommendation includes a provision that specifies that the program would be terminated if DOT does not receive an application for a grant under this program for two consecutive fiscal years.

13. As mentioned earlier, short of land acquisition, there are limits to the effectiveness, types, and number of practices and projects available to mitigate high decibel levels of sound associated with airports. In addition, the costs associated with such practices are not entirely known and likely vary considerably. Further, the administration itself notes that demand for the program is largely unknown, and the program would be terminated if no applications are submitted for two consecutive years especially considering federal funding is available for similar purposes. Until more is known on the extent of sound issues surrounding the state's airports, and on the effectiveness and cost of sound airport sound mitigation practices, it may not be the appropriated time to create and fund such a program at the state level. Given that such a proposed program has been raised as a possibility, it may be more appropriate that the Department study the need and demand for such sound mitigations practices associated with the state airports, as well as the effectiveness and cost of such practice, and, if needed, submit a proposal as part its 2023-25 biennial budget request. [Alternative 3]

## ALTERNATIVES

1. Provide \$250,000 GPR annually for a newly-created grant program to fund projects that mitigate the impact of airport sound on structures located near airports that include a military base or installation.

ALT 1	Change to Base
GPR	\$500,000

2. Provide \$250,000 SEG annually for a newly-created grant program to fund projects that mitigate the impact of airport sound on structures located near airports that include a military base or installation.

<b>ALT 2</b>	<b>Change to Base</b>
SEG	\$500,000

3. Take no action.

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