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MEMORANDUM

To: Robert Stivers, President of the Senate
David Osborne, Speaker of the House
Members of the Legislative Research Commission

From: Senator Brandon Storm, Co-Chair
Representative Stephanie Dietz, Co-Chair

Date: December 2, 2025

The Legislative Research Commission (LRC) established the Air Mobility & Aviation Economic Development Task Force to study and make recommendations during the 2025 interim regarding:

1. Innovations in aviation, particularly in the advanced air mobility sector, which may impact the short-term and long-term air travel needs of Kentucky residents and businesses to promote flexibility and accessibility in interstate and intrastate mobility;
2. Actions other states are taking to support the development of the advanced air mobility industry and the companies providing these services;
3. Kentucky's strengths, challenges, and opportunities, as well as industry trends, for attracting additional aviation and aerospace-related economic development; and
4. Actions and policies the state should consider in order to support aviation growth and aviation-related economic development in Kentucky.

The nine-member task force began meeting in July 2025 and convened six times during the 2025 Interim. Over the course of the six meetings, the task force heard from various stakeholder groups from throughout the Commonwealth. These stakeholder groups were the Kentucky Department of Aviation; Lexington Bluegrass Airport (LEX); Louisville Regional Airport Authority (SDF), Cincinnati/Northern Kentucky International Airport (CVG); the Aviation Museum of Kentucky; Eastern Kentucky University School of Aviation; the Kentucky Community and Technical College System (KCTCS); FEAM Aero; the Kentucky Aviation Association; the Kentucky Air National Guard and the Kentucky Army National Guard; United Parcel Service (UPS); DHL Group; Amazon Air; William Sale Partnership (WSP); Kentuckians for Better Transportation (KBT); the National Advanced Air Mobility Center of Excellence;

Howard, Needles, Tammen & Bergendoff (HNTB); the Kentucky Council on Postsecondary Education (CPE).

In accordance with the memorandum, the task force submits the following findings and recommendations to LRC for consideration and referral to the appropriate committee or committees. These recommendations are based on the testimony provided to the task force during the 2025 Interim. The findings do not include independent research by LRC staff. This memorandum serves as the final work product of the task force.

Findings

1. **Aviation is a major industry in Kentucky due to the Commonwealth's strategic location and is critically important for the economy of the Commonwealth as well as the nation as a whole.**

Kentucky is located within 500 miles of 80% of the U.S. population, and within a two-day drive of two-thirds of the country, providing a strategic infrastructure location for shipping companies such as UPS, DHL, and Amazon. Aviation contributes over \$1.6 billion to Kentucky's economy, supports more than 9,400 jobs, provides over \$400 million in labor income, and generates vital tax revenue.

2. **Aviation education programs continue to lift up students to well paying, stable careers as pilots, aircraft mechanic technicians, and administrators.**

Enrollment in aviation education programs across the Commonwealth is soaring. Eastern Kentucky University reports an enrollment increase of over 150% since 2018. KCTCS also has seen increased enrollment up over 25% for their new aviation initiatives. Aviation education programs are expensive and technical programs to run, but graduates have an extremely high job placement rate in a high paying industry.

3. **Airports and air carriers have a growing necessity for a large skilled workforce, with shortages in aircraft mechanics, pilots, air traffic controllers, and other critical positions.**

As the aviation industry grows, the need for skilled aircraft mechanics and other skilled workers is exponentially increasing. Aviation maintenance technician (AMT) courses are available in the Commonwealth, but high upfront costs for equipment can be a burden to potential students. Many AMTs are older and are starting to retire in large numbers and are not being adequately replaced with younger workers.

4. **Kentucky needs investment in critical infrastructure to support increased needs of airports for electricity, data storage, and fuel production.**

New aviation technologies, such as advanced air mobility, are creating heightened demand for electricity and data storage at commercial and general aviation airports. Many companies such as DHL and Amazon have set corporate goals to increase usage of alternative aviation fuels and have an increased need for access to this fuel.

5. **Advanced Air Mobility (AAM) is the future of the aerospace industry bringing innovation to emergency medical transportation, cargo logistics efficiency, and passenger transportation.**

AAM is a burgeoning industry across the nation and states are scrambling to put in place laws and regulations to help support its growth. As the reach of AAM grows, it will bring critical innovation to emergency medical transportation, especially in

remote hard to reach areas. Many AAM vehicles and technologies will receive final authorizations and testing in 2026, which will begin an AAM boom in the aviation industry in the coming years.

6. **Kentucky's strategic plan for the arrival of AAM technology in law, infrastructure, and regulation lags behind other states.**

Many states, such as Utah and Ohio, are putting in place legislative and regulatory frameworks for AAM vehicles and technology in expectation of increased usage over the next decade. Other states are performing extensive studies on infrastructure needs and expanding community outreach and education efforts for AAM purposes.

Kentucky does not have a strategic plan in transportation or economic development for the arrival of more AAM technology.

Recommendations

1. The General Assembly should continue monetary support for aviation in commercial and general aviation airports, and seek to reduce audit requirement redundancies for general aviation airports that are required to perform audits for the FAA.
2. The General Assembly should support education initiatives by expansion of post-secondary aviation programs, K-12 education and outreach, and developing more AMT programs throughout the Commonwealth.
3. The General Assembly should continue to support and fund the Kentucky Aerospace, Aviation, and Defense Investment Fund, known as the AERO Act with a capital investment of \$15 million, and encourage aviation programs and aviation industry partners to apply for grants under the AERO Act.
4. The General Assembly should help fund and support ECU in their work with the Federal Aviation Administration (FAA) to establish an Air Traffic Collegiate Training Initiative (AT-CTI) program within the School of Aviation with a one-time capital investment of \$5 million and an annual investment of \$1.5 million thereafter.
5. The General Assembly should support the KCTCS in their ongoing efforts to expand aviation education programs and help fund the purchase of new aviation equipment.
6. The Kentucky Transportation Cabinet, in conjunction with the Kentucky Cabinet for Economic Development, should, with an investment of \$500,000, study the infrastructure needs for the aviation industry and identify gaps in electricity, fuel, data use and storage, charging ports, land availability, and other necessary utilities as the industry progresses.
7. The General Assembly should support and invest in alternative aviation fuel production, refining, and transportation.
8. The General Assembly should develop a strategic plan and pass legislation for the implementation, regulation, and use of AAM vehicles.
9. The Kentucky Cabinet for Economic Development and the Kentucky Transportation Cabinet should coordinate together to promote Kentucky's aviation industry, bring AAM businesses to the Commonwealth, and develop a cohesive aviation plan around AAM vehicles.
10. The General Assembly should consider extending the work of the Air Mobility & Aviation Economic Development Task Force into the 2026 interim to continue to study and invest in this critical industry.