STUDY OF THE USE OF STATE AIRPLANES BACKGROUND MEMORANDUM

STUDY OVERVIEW

Section 13 of 2011 House Bill No. 1012 (attached as <u>Appendix A</u>) provides for a Legislative Management study of the use of state-owned airplanes. The study is to include a review of:

- · Airplanes owned by state agencies.
- The justification for owning each airplane.
- The frequency of use of each airplane.
- The feasibility and desirability of requiring stateowned airplanes to be managed by State Fleet Services.

The responsibility for this study was assigned to the Government Services Committee. The Legislative Management amended this study to exclude the use of state-owned airplanes by the University of North Dakota (UND) School of Aviation as part of the study.

BACKGROUND INFORMATION State-Owned Airplanes

Excluding the North Dakota University System, five state agencies own a total of eight airplanes. The table below details the ownership of airplanes by state agencies, including the purpose of ownership:

Agency	Aircraft	Purpose
Department of Transportation	1998 Beechcraft- Raytheon King Air	Passenger transportation
Department of Transportation	1977 Piper Cheyenne	Passenger transportation
Department of Transportation	1978 Cessna Skymaster	Engineering photography
Aeronautics Commission	1980 Cessna Skymaster	Airport inspections and construction
Game and Fish Department	2006 American Champion Scout	Wildlife surveys
Game and Fish Department	2006 Cessna 182	Enforcement
Highway Patrol	2007 Cessna 206	Enforcement
Attorney General	1965 Beechcraft Baron	Enforcement

The University of North Dakota owns 72 aircraft and the UND Aerospace Foundation owns an additional 56 aircraft which are used primarily for flight training purposes and occasionally for passenger transportation. Detail regarding aircraft owned by UND and UND Aerospace Foundation is attached as Appendix B. North Dakota State University does not own any aircraft but leases a King Air B200 airplane from the North Dakota State University Development Foundation for passenger transportation purposes.

State Fleet Services

North Dakota Century Code Section 24-02-03.3 requires the Department of Transportation to operate a central vehicle management system (State Fleet Services) to regulate the operation, maintenance, and management of all motor vehicles owned or leased by the state. Each state agency that utilizes a vehicle from State Fleet Services pays a fee to State Fleet Services for the cost of the vehicle, including operating costs. The fee is based on the estimated costs of acquiring and maintaining the vehicle. State Fleet Services currently manages approximately 3,200 vehicles.

PREVIOUS STUDIES

1981-82 State Aircraft Utilization Study

The 1981-82 Legislative Audit and Fiscal Review Committee studied the utilization of aircraft by state agencies and the feasibility of establishing a state aircraft pool. The committee adopted a resolution that recommended the establishment of a state aircraft pool. However, the resolution was not approved by the 1983 Legislative Assembly.

STUDY PLAN

The following is a proposed study outline for the committee's consideration in its study of the use of state-owned airplanes:

- Receive and review information regarding which state agencies own or lease airplanes, the reasons why the agencies own or lease airplanes, and the frequency of use of the airplanes.
- 2. Receive information regarding the number of staff employed by state agencies for the purpose of operating airplanes.
- 3. Receive and review information regarding State Fleet Services, including the feasibility and desirability of placing state-owned aircraft under the control of State Fleet Services.
- Receive testimony from other interested persons regarding the committee's study of the use of state-owned airplanes.
- Develop recommendations and any bill drafts necessary to implement the recommendations.
- 6. Prepare a final report for submission to the Legislative Management.

ATTACH:2