

AIRCRAFT OPERATED BY THE UNIVERSITY OF NORTH DAKOTA AND NORTH DAKOTA STATE UNIVERSITY

This memorandum provides information regarding aircraft owned by the University of North Dakota (UND) and North Dakota State University (NDSU) and related institution foundations. No other North Dakota University System institution or institution foundation currently owns an aircraft. Both UND and NDSU pay for aircraft costs through local funding sources which may include funding from auxiliary sales and services, contracts, gifts, fees, and other income.

UNIVERSITY OF NORTH DAKOTA

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 the UND Aerospace Foundation is attached as [Appendix A](#). The president's office is charged an hourly fee by either the UND School of Aerospace Sciences or the UND Aerospace Foundation for aircraft usage which varies based on the type of aircraft used. The hourly fee for each aircraft is calculated by determining total aircraft costs divided by estimated usage. An additional fuel surcharge may be added to an aircraft fee based upon the cost of fuel. Information regarding the hourly rate charged for the use of each aircraft type as of August 2010 is attached as [Appendix B](#).

The table below details 2009-11 biennium aircraft usage hours charged to the UND president's office and total aircraft fees paid.

Aircraft Usage by UND President's Office		
	Total Aircraft Hours	Total Aircraft Use Fees Paid
Fiscal year 2010	19.00	\$31,576
Fiscal year 2011	63.25	72,901
Total	82.25	\$104,477

NORTH DAKOTA STATE UNIVERSITY

North Dakota State University leases a KingAir B200 airplane from the NDSU Development Foundation for passenger transportation purposes.

The NDSU Development Foundation purchased the aircraft and then leased it to NDSU beginning July 1, 2007. The lease continues through July 2017 and allows NDSU to purchase the aircraft for \$1 at the end of the lease period. As part of the lease agreement, NDSU makes lease payments directly to GE Government Finance that total \$322,919 annually. A copy of the lease agreement between NDSU and the NDSU Development Foundation is attached as [Appendix C](#).

The table below details the number of hours the NDSU aircraft was used by the university during each year of the 2009-11 biennium.

Aircraft Usage by NDSU	
	Total Aircraft Hours
Fiscal year 2010	68.70
Fiscal Year 2011	69.00
Total	137.70

The table below details the operating costs of the aircraft for the 2009-11 biennium.

NDSU Aircraft Operating and Lease Costs			
	Fiscal Year 2010	Fiscal Year 2011	Total
Fuel and oil	\$32,801	\$39,533	\$72,334
Insurance	40,698 ¹	0 ¹	40,698
Hangar rent	18,745	12,290	31,035
Maintenance	5,081	43,479	48,560
Aircraft management fees ²	90,186	95,505	185,691
Pilot fees	13,279	15,266	28,545
Lease payments	322,919	322,919	645,838
Total	\$523,709	\$528,992	\$1,052,701

¹Insurance premiums paid in fiscal year 2010 included insurance coverage for fiscal year 2011.

²Aircraft management services relate to scheduling flight crews, arranging for aircraft maintenance, and other flight scheduling responsibilities.

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