



North Dakota Legislative Council

Prepared for the Government Finance Committee
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STATE-OWNED AIRCRAFT MODERNIZATION STUDY - BACKGROUND MEMORANDUM

Pursuant to a letter ([appendix](#)), the Chairman of the Legislative Management directed the Government Finance Committee to study state-owned aircraft. The study may include consideration of the need to modernize the current fleet of aircraft, the adequacy of the aircraft to provide official government travel, and the feasibility and desirability of establishing an aircraft pool similar to the state motor pool. The study may exclude specialized aircraft used by the Game and Fish Department, Highway Patrol, Department of Transportation, Aeronautics Commission, and University of North Dakota School of Aviation.

PREVIOUS STUDIES

1981-82 Study - State-Owned Aircraft Utilization

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 recommended a resolution encouraging the establishment of a state aircraft pool. However, the resolution was not approved by the 1983 Legislative Assembly.

2011-12 Study - Use of State-Owned Aircraft

The 2011-12 Government Services Committee studied the use of state-owned aircraft pursuant to Section 13 of House Bill No. 1012 (2011). The committee received information regarding the inventory of state-owned aircraft and recommended House Bill No. 1033 (2013) to create a central aircraft management system for state-owned or state-leased aircraft operated by executive branch agencies, excluding the Adjutant General and the North Dakota University System.

The bill was amended during the 2013 legislative session. As approved by the Legislative Assembly, House Bill No. 1033 created two new sections to North Dakota Century Code requiring legislative approval for state agencies to purchase or lease aircraft and requiring the Department of Transportation to provide air transportation services to other state agencies upon request. The bill also required the Department of Transportation to dispose of two of its aircraft, provided legislative intent for North Dakota State University to discontinue leasing an aircraft, and established an advisory committee to guide the Department of Transportation's purchase of a new aircraft.

STATE-OWNED AIRCRAFT INFORMATION

Current Aircraft Inventory

The schedule below provides information on the current inventory of state-owned aircraft by agency, including the purpose of the aircraft, seating capacity, and hourly operating cost for fiscal year 2023. Flight hours and hourly operating costs may vary significantly from year to year due to agency needs and major maintenance projects and may vary significantly based on the aircraft due to the type and age of the equipment. The cost per hour includes variable costs and fixed costs but does not include pilot salaries.

Agency/Aircraft Type (Year)	Purpose	Pilot(s)	Passenger(s)	Flight Hours	Cost Per Hour
Department of Transportation					
Beechcraft King Air B200 (1998) - Fixed wing, twin engine	Passenger transport	2	7	89	\$3,427
Beechcraft King Air B200 (1998) - Fixed wing, twin engine	Passenger transport	2	8	132	\$3,427
Cessna 208 (2010) - Fixed wing, single engine	Engineering photography	1	1	59	\$3,524

Agency/Aircraft Type (Year)	Purpose	Pilot(s)	Passenger(s)	Flight Hours	Cost Per Hour
Game and Fish Department					
American Champion Scout (2019) - Fixed wing, single engine	Wildlife surveys	1	1	302	\$187 ¹
Cessna 182 (2006) - Fixed wing, single engine	Enforcement	1	3	193	\$287 ¹
Attorney General					
Beechcraft Baron (1965) - Fixed wing, twin engine	Enforcement and passenger transport	1	3	17	\$1,541
Aeronautics Commission					
Cessna 206 (2008) - Fixed wing, single engine	Airport inspections	1	3 ²	33	\$790 ³
Highway Patrol					
Cessa 206 (2007) - Fixed wing, single engine	Law enforcement and search and rescue	1	2	201	\$704 ⁴

¹The amounts shown do not include depreciation. One-time costs for a propeller overhaul and engine install on the Cessna 182 were also excluded.

²The aircraft is configured for one pilot, three passengers, and additional cargo and equipment, but can be configured for one pilot and five passengers.

³Pursuant to a federal contract, the commission receives federal revenue reimbursements for conducting airport inspections reducing the state's operating cost by \$430 per hour, from \$790 to \$360 per hour.

⁴The cost per hour includes \$303 of depreciation expense related to a forward-looking infrared system which is used for search and rescue operations.

In addition, the University of North Dakota owns 71 aircraft for flight training purposes, as follows:

- 8 Piper Seminoles, which are fixed wing, twin engine propeller aircraft;
- 58 Piper Archers, which are fixed wing, single engine propeller aircraft; and
- 5 Robinson R44s, which are two blade, single engine rotor helicopters.

Air Transportation Services

The Department of Transportation is required to provide air transportation services to other state agencies upon request. The department may charge other state agencies a fee for the services, and state employees from other agencies may operate the aircraft if the employees are properly licensed and qualified to operate the aircraft. The department must prioritize air transportation services for the Attorney General's office when the request for services is related to law enforcement purposes. The statutory provisions for these air transportation services are codified in Section 24-02-48, as follows:

24-02-48. Use of department of transportation airplanes.

Upon request, the department of transportation shall provide air transportation services to other state agencies. Unless waived by the department, each agency using air transportation services from the department shall pay a user charge determined by the department of transportation. The department shall give priority to requests for air transportation services from the attorney general's office when the request is for law enforcement purposes. The director of the department of transportation shall allow employees of other state agencies to operate the department's airplanes for official purposes if the employee is properly licensed and has the proper rating and type endorsement to operate the requested airplane.

The schedule below provides information on air transportation services provided by the Department of Transportation during fiscal year 2023.

Aircraft	Fees Charged for Services		Services Provided	
	Rate Per Hour	Total Collections	Flight Hours	Passengers
Beechcraft King Air B200 (1998) - Includes both planes operated by the department	\$1,800 plus pilot rate and pilot per diem	\$79,892	33 ¹	70

¹Of the 221 total flight hours on both aircraft during fiscal year 2023, 33 hours were for air transportation services charged to other state agencies, and the remaining 188 hours were for Department of Transportation needs, pilot training, and air transportation services provided to the Governor's office without charge. The 33 flight hours shown includes 13 hours by the Department of Commerce, 10 hours by the Department of Agriculture, 4 hours by the Public Service Commission, 3 hours by the Attorney General's office, 2 hours by the Bank of North Dakota, and 1 hour by the Game and Fish Department.

SUGGESTED STUDY PLAN

The following is a proposed study plan for the committee's consideration:

1. Receive information from state agencies regarding the current inventory of state-owned aircraft, including the purpose of the aircraft and hourly operating costs.
2. Receive comments from selected agencies regarding the need to modernize the current fleet of aircraft, the adequacy of the aircraft to provide official government travel, and the feasibility and desirability of establishing an aircraft pool similar to the state motor pool.
3. Receive comments from interested persons regarding the study.
4. Develop recommendations and any bill drafts necessary to implement the recommendations.
5. Prepare a final report for submission to the Legislative Management.

ATTACH:1