



## Legislative Fiscal Bureau

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June 5, 2001

Joint Committee on Finance

Paper #630

### **Aircraft Replacement (DNR – Departmentwide)**

[LFB 2001-03 Budget Summary: Page 465, #9 (part)]

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#### **CURRENT LAW**

The Department of Natural Resources leases aircraft from the Department of Administration for fire control detection and suppression, fishing and hunting law enforcement, ozone monitoring, wildlife surveys, aerial photography, search and rescue missions, and to support statewide operations such as gypsy moth spraying and Department of Justice investigations.

#### **GOVERNOR**

Provide \$50,000 SEG annually split-funded from all accounts of the conservation fund (except endangered resources and Natural Resources Magazine) to cover anticipated cost increases in the lease costs for the replacement of four Cessna 337/Skymaster aircraft.

#### **DISCUSSION POINTS**

1. The Department of Administration's Wisconsin Air Services (WAS) unit currently operates a state aircraft fleet consisting of 30 planes that are operated by DOA for general transportation purposes or are assigned to specific state agencies for special purposes.

2. Of the 30 aircraft managed by the WAS unit, six are operated as a central air fleet pool for the transportation of state agency employees. The remaining 24 planes are permanently assigned to two agencies. Currently, 16 aircraft are assigned to DNR and eight are assigned to DOT. These aircraft are used on a continuing basis as part of each agency's program operations.

3. During budget deliberations regarding DOA on May 23, 2001, the Joint Committee

on Finance voted 13-3 to adopt Motion #806 related to LFB budget paper #142, requiring DOA to sell all Wisconsin Air Services agency assigned work aircraft (other than for three planes each assigned to DOT and to DNR). The six aircraft currently used for general aviation purposes would also remain.

4. In 1999-00, 26 DNR bureaus or subprograms used DOA aircraft for a variety of functions. Use is shown on the table below. The fees shown include the DOA hourly lease fee, gasoline, and the monthly DOA lease charge.

**Fiscal Year 2000 Expenditures**

<u>Bureau or Subprogram</u>	
Administration	\$10,500
Administrative and Field Services	19,600
Air and Waste Program Management	200
Air Management	6,200
Community Financial Assistance	0
CAER Program Management	2,300
Cooperative Environmental Assistance	0
Customer Service and Licensing	0
Drinking Water and Groundwater	0
Endangered Resources	55,200
Fisheries Management and Habitat Protection	6,700
Forestry	96,800
Law Enforcement	48,500
Facilities and Lands	1,300
Lands Program Management	1,900
Mississippi/Lower St. Croix	2,200
Aeronautics	7,800
Parks and Recreation	900
Remediation and Redevelopment	800
Southern Forests	100
Enforcement and Science Program Management	400
Integrated Science Services	5,900
Waste Management	600
Water Program Management	900
Wildlife Management	10,700
Watershed Management	<u>900</u>
Total	\$280,400

5. With the decrease in its aircraft fleet size (from 16 available aircraft to three), DNR would no longer require additional funding to cover anticipated cost increases in the lease costs for replacement of four aircraft. Therefore, it may be argued that the additional funding could be

deleted.

6. Alternatively, DNR may need to look elsewhere to contract for aircraft time in order to meet certain Department duties, including gypsy moth spraying, forest fire suppression, aerial photography, and hunting and fishing enforcement and monitoring. The additional funding may be necessary to contract with the private sector for aircraft-related services. At this time, DNR is considering leasing up to 10 airplanes either direct from the Cessna factory or through private services. DNR is anticipating that, if required to rent new planes on an annual basis, costs associated with aerial operations could increase significantly. However, if used planes were leased, and the leases included flexibility to allow the Department to enter into leases for less than one year at a time, DNR indicates that costs would be lower. It is difficult to predict the actual costs at this time. DNR argues that the additional funds provided in the bill may be needed for costs associated with securing leased aircraft from the private sector. On the other hand, if fewer aircraft and more flexible lease terms are available in the private sector costs could decline. Therefore, the additional funds could be deleted and DNR could maintain its current expenditure base. The Department could seek additional funding through future legislation or from the Joint Committee on Finance under s.13.10 if necessary to meet actual needs.

## ALTERNATIVES TO BASE

1. Approve the Governor's recommendation to provide \$50,000 SEG annually split-funded from eight accounts of the conservation fund to cover anticipated cost increases associated with airplane lease costs.

<b>Alternative 1</b>	<b>SEG</b>
<b>2001-03 FUNDING</b> (Change to Base) [Change to Bill]	\$100,000 \$0]

2. Maintain current law.

<b>Alternative ~</b>	<b>SEG</b>
<b>2001-03 FUNDING</b> (Change to Base) [Change to Bill]	\$0 - \$100,000]

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