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Joint Committee on Finance

Paper #556

Counter-Drug Airplane (Military Affairs and Administration -- General Agency Provisions)

[LFB 2023-25 Budget Summary: Page 23, #7 and Page 418, #13]

CURRENT LAW

Since 1992, the Wisconsin National Guard (WING) counter-drug program under the Department of Military Affairs (DMA) has worked with numerous law enforcement agencies, schools, and community organizations to reduce the supply and demand for illegal drugs. Through the program, analysts and air crews have assisted law enforcement with numerous drug-related crimes, helping disrupt the production, transportation, distribution, and financing of illegal drugs. Through these partnerships with local, state, and federal agencies, the counter-drug program has provided specialized personnel and resources at no cost to the entities receiving assistance.

DISCUSSION POINTS

1. As part of the counter-drug program, WING formerly had access to a federal plane before it was decommissioned at the end of 2022. According to the counter-drug program annual report from 2018 (the most recently-published report available at the time of writing), the RC-26 counter-drug aircraft and crew provided communication capabilities, full motion video, and day and night reconnaissance support. In 2018, the aircrew flew over 483 flight hours and supported 25 law enforcement agencies. Aviation support enabled law enforcement agencies to seize over \$1.4 million in assets, currency, and drugs in 2018. Additionally, the RC-26 plane reduced risk to law enforcement by eliminating the need for high-speed pursuit, one of the leading causes of death among law enforcement. For example, in 2022, the RC-26 was supporting a task force mission and the suspected narcotics dealer began to flee law enforcement on Madison's beltline at speeds exceeding 100 miles per hour. When a plane is used in lieu of a high-speed chase, the suspect typically slows down, and once the individual reaches their destination, that location can be relayed to law enforcement. In

addition to providing support in Wisconsin, the aircrew also served as a regional and national asset by providing support in 10 states, including hurricane support in Puerto Rico. In these efforts, the plane and crew provided assistance during search and rescue missions, wildfires, and flooding incidents.

2. Prior to being decommissioned, the plane was funded by the federal National Guard Bureau (NGB). According to the Department of Administration (DOA), the NGB had plans to decommission the plane for WING's use for several years because it was not being used directly for U.S. Air Force purposes. However, a federal legislative provision required the plane to be maintained for WING. At the end of 2022, that provision was removed and the decommissioning of the plane went into effect.

3. Under Assembly Bill 43/Senate Bill 70, two agencies, DOA and DMA, would be provided funding associated with the counter-drug plane. The bill would provide \$2,577,300 PR in 2023-24, \$2,599,100 PR in 2024-25, and 1.0 PR position annually to DOA's transportation and records appropriation to purchase and maintain a new aircraft for DMA. Revenue for the transportation and records appropriation is generated by charging agencies for use of fleet vehicles and planes. The intention of the recommendation is to replace the RC-26 plane that had been decommissioned. Funding would be provided for: (a) purchase of the aircraft, \$2,170,900 PR annually; (b) salary, fringe benefits, and supplies and services for the position, \$76,400 PR in 2023-24 and \$98,200 PR in 2024-25; and (c) ongoing supplies and services costs, \$330,000 PR annually (including interest from master leasing; subscriptions, dues, and memberships; and insurance). According to DOA, the total estimated cost of the airplane would be \$9.5 million, which would be financed under the master lease program over five years. The position would be a mechanic to provide maintenance for the aircraft at Wisconsin Air Services (WAS) within DOA. The aircraft would be purchased by DOA's Division of Facilities and Transportation Services. The Administration would then charge DMA for the maintenance, supplies, and operations costs of the plane. According to DOA, the procurement process for the counter-drug airplane has not been initiated. Table 1 identifies the DOA counter-drug airplane funding components.

TABLE 1

Components of DOA Funding for Counter-Drug Airplane

<u>Costs</u>	<u>2023-24</u>	<u>2024-25</u>
Airplane Acquisition	\$2,170,900	\$2,170,900
Salary	47,000	62,700
Fringe	18,400	24,500
Personnel Supplies and Services	11,000	11,000
Other Supplies and Services	<u>330,000</u>	<u>330,000</u>
Total	\$2,577,300	\$2,599,100

4. Additionally, AB 43/SB 70 would provide \$4,963,900 GPR in 2023-24, \$3,337,100 GPR in 2024-25, and 3.0 GPR positions annually to DMA's National Guard general program operations appropriation for a new aircraft for counter-drug activities, search and rescue efforts, and disasters. The bill would create statutory language specifying that DMA may provide aerial assistance for incident awareness and assessment, drug interdiction and counter-drug activities, search and rescue efforts, or disasters, and may also seek reimbursement for the cost of any assistance. The Department indicates that, if such language is adopted, it could seek reimbursement from the federal government (for example, the Drug Enforcement Administration and the Federal Emergency Management Agency) or other states for providing drug interdiction or disaster assistance services. Funding would be provided as follows: (a) \$283,400 in 2023-24 and \$308,600 in 2024-25 for staff positions (2.0 aircraft pilots and 1.0 program and policy analyst); (b) \$1,672,000 in 2023-24 in one-time costs for aircraft equipment (for example, specialized communications and operating systems and cameras); (c) \$787,600 in 2023-24 and \$807,600 in 2024-25 for ongoing aircraft supplies and services (fuel, parts, hangar space, maintenance of specialized equipment, and fleet services charges); (d) \$1,950,000 annually associated with the aircraft's decline in value; and (e) \$270,900 annually for master lease interest costs. According to the Department, the decline in value would be billed to DMA by DOA as an expense associated with the cost of the aircraft over a two-year period. Table 2 identifies the DMA counter-drug airplane funding components.

TABLE 2

Components of DMA Funding for Counter-Drug Airplane

<u>Costs</u>	<u>2023-24</u>	<u>2024-25</u>
Salary	\$135,600	\$180,800
Fringe	59,800	79,800
Supplies and Services		
Personnel One-Time	40,000	0
Personnel Ongoing	48,000	48,000
Aircraft One-Time	1,672,000	0
Aircraft Ongoing*	2,737,600	2,757,600
Master Lease Interest	<u>270,900</u>	<u>270,900</u>
Total	\$4,963,900	\$3,337,100

* Includes a decline in value charge of \$1,950,000 annually, which would be charged to DMA by DOA for a two-year period.

5. According to DMA, the program and policy analyst would handle scheduling requests for use of the plane, and two pilots are required per the WAS's policy for passenger flights. The Administration indicates that counter-drug missions typically carry passengers, such as law enforcement officers and DMA staff members. Since the plane would no longer be provided under auspices of the NGB, pilots operating the plane would be civilian, rather than military, pilots. Further, the plane would be hangered in Madison, but most likely on a civilian, rather than military, airfield.

6. According to the Administration, a new counter-drug airplane would do the following: (a) counter-drug operations, including assisting law enforcement through infrared tracking of drugs or drug buyers, and assisting law enforcement in high speed chases by tracking the vehicle from above and reporting the location to law enforcement; (b) incident awareness operations, including reviewing and taking pictures/video of flood damage and fires to assist with disaster assessments; and (c) rescue operations, including search and rescue missions in which infrared cameras search for heat signatures of a missing person or vehicle.

7. Given that providing a new plane to DMA for the Wisconsin National Guard's counter-drug program, disasters, and search and rescue operations would replace a plane that was available to the state since 1996, and the plane could continue to assist with public safety in Wisconsin, the Committee could choose to provide: (a) \$2,577,300 PR in 2023-24, \$2,599,100 PR in 2024-25, and 1.0 PR position annually to DOA's transportation and records appropriation to purchase and maintain a new aircraft for DMA; and (b) \$4,963,900 GPR in 2023-24, \$3,337,100 GPR in 2024-25, and 3.0 GPR positions annually to DMA's National Guard general program operations appropriation for a new aircraft for counter-drug activities, search and rescue efforts, or disasters. The Committee could, further, create statutory language specifying that DMA may provide aerial assistance for incident awareness and assessment, drug interdiction and counter-drug activities, search and rescue efforts, or disasters, and may also seek reimbursement for the cost of any assistance. [Alternative 1] Because DOA would charge DMA \$1,950,000 GPR over a two-year period associated with a decline in value, this amount could be modified as one-time funding in each year of the 2023-25 biennium so it is not built into the base budget.

8. Alternatively, because the procurement process for purchasing a counter-drug airplane has not been initiated, the Committee could provide \$2,577,300 PR and \$4,963,900 GPR in 2023-24 and \$2,599,100 PR and \$3,337,100 GPR in 2024-25 to the Joint Finance Committee's supplemental PR and GPR appropriations [s. 20.865(4)(g) and 20.865(4)(a), respectively]. The Committee could create statutory language specifying that DMA may provide aerial assistance for incident awareness and assessment, drug interdiction and counter-drug activities, search and rescue efforts, or disasters, and may also seek reimbursement for the cost of any assistance. [Alternative 2] Once DOA is prepared to purchase the airplane, DOA and DMA could seek release of funds from the Joint Finance Committee and the creation of any necessary positions, under the provisions of s. 13.10 of the statutes.

9. Under Alternatives 1 and 2, DOA would charge DMA \$1,950,000 GPR annually over a two-year period associated with a decline in value of the plane (41% of the purchase price). However, according to the International Air Transport Association, aircraft assets generally decline in value over a 15- to 25-year period. Thus, in combination with funding provided under Alternatives 1 or 2, the Committee could choose to fund the aircraft's decline in value (100% of the purchase price) over a 20-year period instead of a portion of the value over a two-year period, as assumed under the bill. Rather than providing one-time funding of \$1,950,000 GPR annually for two years, the Committee could provide \$475,000 GPR annually of ongoing funding to support charges to DMA that would occur over 20 years. [Alternative 3] This alternative would reduce funding provided to DMA for the plane under Alternatives 1 or 2 by \$1,475,000 GPR annually in the 2023-25 biennium.

It should be noted that in the 2021-22 unsupported overdraft plan (s. 16.513) submitted to

the Committee on December 28, 2022, DOA indicated that the transportation and records appropriation overdraft was \$28,391,600 at the end of the 2021-22 fiscal year, supported by assets of \$26,430,700, leaving an unsupported overdraft of \$1,960,900. Under Alternatives 3a and 3b, the unsupported overdraft of this appropriation in 2023-24 and 2024-25 would likely be greater than under Alternatives 1 or 2, since DOA would incur the same expenses, but would receive less in revenue over the 2023-25 biennium, and instead recover costs over a longer period of time (20 years).

10. The Committee could choose to take no action [Alternative 4]. Under this alternative, the decommissioned RC-26 aircraft would not be replaced.

ALTERNATIVES

1. Provide \$2,577,300 PR in 2023-24, \$2,599,100 PR in 2024-25, and 1.0 PR position annually to DOA's transportation and records appropriation to purchase and maintain a new aircraft for DMA. Provide \$4,963,900 GPR in 2023-24, \$3,337,100 GPR in 2024-25, and 3.0 GPR positions annually to DMA's National Guard general program operations appropriation for a new aircraft for counter-drug activities, search and rescue efforts, or disasters. Create statutory language specifying that DMA may provide aerial assistance for incident awareness and assessment, drug interdiction and counter-drug activities, search and rescue efforts, or disasters, and may also seek reimbursement for the cost of any assistance. Because DOA would charge DMA \$1,950,000 GPR over a two-year period for a decline in value, place funding on the one-time financing line in each year of the 2023-25 biennium.

ALT 1	Change to Base	
	Funding	Positions
GPR	\$8,301,000	3.00
PR	<u>5,176,400</u>	<u>1.00</u>
Total	\$13,477,400	4.00

2. Create statutory language specifying that DMA may provide aerial assistance for incident awareness and assessment, drug interdiction and counter-drug activities, search and rescue efforts, or disasters, and may also seek reimbursement for the cost of any assistance. Place \$2,577,300 PR in 2023-24 and \$2,599,100 PR in 2024-25 for DOA, and \$4,963,900 GPR in 2023-24 and \$3,337,100 GPR in 2024-25 for DMA, in the Joint Finance Committee's PR and GPR supplemental appropriations [s. 20.865(4)(g) and s. 20.865(4)(a), respectively] for possible release to the agencies subsequent to DOA being prepared to purchase the airplane.

ALT 2	Change to Base
GPR	\$8,301,000
PR	<u>5,176,400</u>
Total	\$13,477,400

3. Modify Alternative 1 or 2 to reduce funding associated with the decline in the airplane's value.

a. Modify Alternative 1 to provide ongoing funding of \$475,000 GPR annually to DMA in the 2023-25 biennium for charges associated with the counter-drug airplane's decline in value, rather than one-time funding of \$1,950,000 GPR annually.

ALT 3a	Change to Base	
	Funding	Positions
GPR	\$5,351,000	3.00
PR	<u>5,176,400</u>	<u>1.00</u>
Total	\$10,527,400	4.00

b. Modify the amounts provided to the Committee's supplemental appropriations under Alternative 2 to provide funding of \$475,000 GPR annually for ongoing charges to DMA associated with the counter-drug airplane's decline in value over 20 years, rather than for one-time funding of \$1,950,000 GPR annually.

ALT 3b	Change to Base
GPR	\$5,351,000
PR	<u>5,176,400</u>
Total	\$10,527,400

4. Take no action.

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