



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #142

Replacement of Existing Aircraft (DOA -- Agency Services)

[LFB 2001-03 Budget Summary: Page 67, #4 (part)]

CURRENT LAW

Under s. 16.04 of the statutes, the Department of Administration (DOA) is assigned significant responsibility for managing and coordinating the state's vehicle and aircraft fleets. The Department's Wisconsin Air Services unit within the Division of State Agency Services provides air transportation for state agency employees and provides assigned work aircraft to the Department of Natural Resources (DNR) and the Department of Transportation (DOT). The state's air fleet currently consists of six general transportation aircraft and 24 work aircraft. Of the 24 work aircraft, eight are assigned to DOT and 14 are assigned to DNR. Base level funding under the agency's transportation services appropriation, which supports both motor fleet and aircraft operations, is \$16,153,900 PR annually.

GOVERNOR

Provide \$2,659,200 PR in 2001-02 and \$485,300 PR in 2002-03 for the following aircraft replacements: (a) four Cessna 337 replacement planes for DNR in 2001-02 (\$2,433,200 PR); (b) one smaller Cessna replacement plane for DNR in 2001-02 (\$210,000 PR); (c) one smaller Cessna replacement plane each in 2002-03 for DNR and DOT (\$450,300 PR); and (d) on-going supplies and services relating to these aircraft purchases (\$16,000 PR in 2001-02 and \$35,000 PR in 2002-03).

DISCUSSION POINTS

1. During the current biennium, DOA has convened a multi-agency aviation advisory committee consisting of members from DOA, DNR and DOT. The advisory committee has developed a long-term aircraft replacement/refurbishing plan for the state's air fleet.

2. As part of the development of this plan, each existing aircraft in the state's air fleet was ranked in terms of general condition, age and total flight time. Using these components, the advisory committee was able to rank-order all the aircraft in the state's fleet to determine when each plane would need to be replaced or refurbished.

3. With these rankings in hand, the advisory committee was then able to develop a 10-year plan for the orderly replacement of the state's air fleet. The 10-year plan also allows DOA to anticipate its funding needs for replacement aircraft during each biennial budget cycle.

4. Under the plan, DNR was slated to receive four Cessna 337 aircraft and one Cessna 172 aircraft during the 2001-02 fiscal year. These aircraft are used on a continuing basis by the agency for such purposes as deer herd and other wildlife surveys, forest fire watch activities and air pollution monitoring. Three of the Cessna 337's and the Cessna 172 would replace existing equipment. The remaining Cessna 337 would restore to DNR an aircraft that had previously been assigned to the agency but crashed in 1991 and has never been replaced.

5. In the time that has elapsed since the budget was submitted to the Legislature, DNR has now advised DOA that its actual aircraft replacement needs are for three, rather than four, Cessna 337's and the one Cessna 172 during the 2001-02 fiscal year. Consequently, additional expenditure authority in the amount of \$608,300 PR in 2001-02 could now be deleted to reflect this revised need.

6. However, DOA has also requested that the amounts budgeted for each of the remaining three Cessna 337 aircraft slated for purchase in 2001-02 now be increased by \$78,800 PR per unit (for a total of \$236,400 PR) for the installation of the following additional safety equipment deemed necessary given the intended uses of these aircraft: de-icing equipment, a stormscope, an air traffic collision avoidance system, a multi-band emergency services radio and a clear plastic nose. These additional costs would be recovered over the life of the aircraft lease to DNR from charges assessed to that agency.

7. If the Committee believes that \$236,400 PR 2001-02 for the additional equipment options should be provided for the three DNR planes, it could net these additional costs from savings arising from not purchasing the fourth Cessna 337 aircraft and delete a total of \$371,900 PR in 2001-02.

ALTERNATIVES TO BILL

1. Approve the Governor's recommendation.

2. Modify the Governor's recommendation by deleting \$608,300 PR and in 2001-02 to reflect the need to purchase three rather than four Cessna 337 aircraft for DNR in 2001-02.

Alternative 2	PR
2001-03 FUNDING (Change to Bill)	- \$608,300

3. Modify the Governor's recommendation by: (a) deleting \$608,300 PR and in 2001-02 to reflect the need to purchase three rather than four Cessna 337 aircraft for DNR in 2001-02; and (b) providing \$236,400 PR in 2001-02 for additional safety equipment for the three Cessna 337's.

Alternative 3	PR
2001-03 FUNDING (Change to Bill)	- \$371,900

4. Maintain current law.

Alternative 4	PR
2001-03 FUNDING (Change to Bill)	- \$3,144,500

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