



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #111

### **Positions for UW Organ and Tissue Donation Program Aircraft (Administration -- General Agency Provisions)**

[LFB 2023-25 Budget Summary: Page 24, #8]

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#### **CURRENT LAW**

The University of Wisconsin Organ and Tissue Donation Program (UW OTD) is one of 57 federally-designated, not-for-profit organ procurement organizations in the nation. The organization is supported by UW Health (UW Hospitals and Clinics Authority). In the past, Wisconsin Air Services (WAS) under the Department of Administration (DOA) used a single-engine plane for the UW's organ and tissue transportation services based on availability within the transportation aircraft fleet. However, in 2020, a report developed by the American Society of Transplant Surgeons, the Association of Organ Procurement Organizations, and the United Network for Organ Sharing provided national transportation standard recommendations, which recommend dual-engine aircraft for organ transport. Currently, WAS does not have a dual-engine plane available within its transportation fleet. The standards proposed in the report also recommend two pilots for organ transport planes.

The Department's appropriation for transportation and records is an annual PR appropriation for providing state vehicle and aircraft fleet, mail transportation, and records services primarily to state agencies, as well as to provide for the general program operations of the Public Records Board. The appropriation is funded from charges for use of state vehicles and aircraft, mail transportation services, and records services primarily to state agencies. Base funding for the appropriation is \$19,520,400 PR and 32.0 PR positions annually.

#### **DISCUSSION POINTS**

1. To comply with industry standards and meet preferred risk management practices, UW OTD has stopped using a single-engine plane from the DOA aircraft fleet (described above) and has

instead contracted private planes for its organ and tissue transportation services. In 2021-22, the total cost of contracting private planes was \$4,496,700, with an average cost of \$15,000 per flight. Given the high cost of contracting private planes for this purpose, the Administration indicates that DOA plans to purchase a dual-engine aircraft using base funding. The plane would primarily be used for UW organ and tissue transportation services. In isolated instances, if the plane were not being used for organ and tissue transportation services, it could be used for alternative purposes, including chartered transportation flights for the UW or the Wisconsin School for the Deaf, a state residential school for deaf and hard of hearing students.

2. The Administration's WAS fleet currently consists of four work planes leased to DOT, 11 work planes leased to DNR, and four transportation planes utilized by multiple agencies as needed. The four planes not leased to DOT or DNR each carry up to nine passengers and are used by DOA to provide transportation services to customers who are then charged for use of the planes.

3. Under Assembly Bill 43/Senate Bill 70, \$312,500 PR in 2023-24, \$395,200 PR in 2024-25, and 3.0 PR positions annually would be provided to support two pilots and a mechanic associated with a newly-purchased dual-engine aircraft for UW organ and tissue donation program transport. The two pilots would provide dedicated service to the aircraft, and the mechanic would monitor and maintain the aircraft. According to the Administration, if the recommended positions were provided, it would purchase a dual-engine plane in the 2023-25 biennium, potentially in 2023-24, depending on market conditions. The estimated cost of purchasing a dual-engine plane is between \$8 million and \$10 million. The Administration indicates that, without funding and position authority for the requested positions, maintenance and flight activity could not commence for the new aircraft. The table below shows the cost components of the provision under AB 43/SB 70. The Department has not yet begun the procurement process for the aircraft.

**Cost Components of Positions for UW Organ and Tissue  
Donation Program Aircraft under AB 43/SB 70**

<u>Item</u>	<u>2023-24</u>	<u>2024-25</u>
Salaries and Fringe Benefits	\$223,700	\$298,200
Supplies and Services		
Estimated Hangar Costs	\$50,000	\$50,000
Annual Certifications of Staff	14,000	14,000
Other	<u>24,800</u>	<u>33,000</u>
Supplies and Services Subtotal	\$88,800	\$97,000
Total	\$312,500	\$395,200

4. At a Joint Finance Committee agency briefing on the 2023-25 biennial budget on March 30, 2023, DOA stated that one of the three Pilatus PC-12 single-engine aircraft in the WAS fleet would be sold in exchange for a dual-engine aircraft, and that the replacement aircraft would be purchased using the master lease program.

5. Given that the purchase of a dual-engine plane could provide a more cost-effective option for the UW OTD program and the Administration indicates that DOA could purchase an aircraft for this purpose using base resources during the 2023-25 biennium, the Committee could provide \$312,500 PR in 2023-24, \$395,200 PR in 2024-25, and 3.0 PR positions annually for the plane. [Alternative 1]

6. The Administration argues that, operationally, funding and position authority would need to be provided prior to acquiring an aircraft because maintenance and flight activity could not immediately commence for the new aircraft. Nevertheless, the Committee could consider several alternatives to funding and position authority provided in the bill.

7. Since the Department indicates timing of the purchase would be dependent on market conditions and DOA may not purchase the dual-engine plane in 2023-24, the Committee could choose to provide funding and position authority beginning in the second year of the biennium (\$395,200 PR and 3.0 PR positions). [Alternative 2] If the plane is purchased in 2023-24 or the procurement process has been initiated and the Administration requires funding and position authority to operate and maintain the plane in that year because the purchase is imminent, the Administration could request additional funding and position authority through the passive review process under s. 16.515/505 of the statutes.

8. The Committee could instead choose to provide \$312,500 PR in 2023-24 and \$395,200 PR in 2024-25 to its supplemental PR appropriation. If the Administration purchases a dual-engine plane or the procurement process has been initiated and the purchase is imminent, it could seek release of the funds and authority for three positions under s. 13.10 of the statutes. [Alternative 3]

9. Although a state plane was made available for utilization by the UW OTD program prior to 2020, DOA's transportation and records appropriation purpose is to provide state vehicles and aircraft primarily for state agencies. It could be argued that the plane would be used primarily by an entity that is not a state agency. (Under Chapter 20, state agency is defined as any office, department, or independent agency in the executive branch of Wisconsin state government, the Legislature, or the Courts.) In addition, 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.

10. If the Committee takes no action, the Department could request funding and position authority, through the passive review process under s. 16.515/505 of the statutes, to operate and maintain the dual-engine aircraft subsequent to the procurement, or immediately prior to the imminent purchase, of the plane. If the Department does not procure a plane for this purpose, the UW OTD program would continue to rely on contracted private planes for organ and tissue transportation services. [Alternative 4]

## **ALTERNATIVES**

1. Provide \$312,500 PR in 2023-24, \$395,200 PR in 2024-25, and 3.0 positions annually

to DOA's transportation and records appropriation to operate and maintain a dual-engine aircraft for UW organ and tissue donation transportation services.

<b>ALT 1</b>	<b>Change to Base</b>	
	<b>Funding</b>	<b>Positions</b>
PR	\$707,700	3.00

2. Provide \$395,200 PR and 3.0 PR positions in 2024-25 to DOA's transportation and records appropriation to operate and maintain a dual-engine aircraft for UW organ and tissue donation transportation services.

<b>ALT 2</b>	<b>Change to Base</b>	
	<b>Funding</b>	<b>Positions</b>
PR	\$395,200	3.00

3. Provide \$312,500 PR in 2023-24 and \$395,200 PR in 2024-25 to the Joint Finance Committee's supplemental PR appropriation for potential release to the Administration upon purchase of a dual-engine aircraft for UW organ and tissue donation transportation services.

<b>ALT 3</b>	<b>Change to Base</b>
PR	\$707,700

4. Take no action.

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