

STATE AIRCRAFT POOLING BOARD

November 1990

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SUMMARY

Summary

The State Aircraft Pooling Board is subject to the Sunset Act and will be automatically abolished unless statutorily continued by the 72nd Legislature in 1991. The review of the board included an assessment of: the need for the functions of the board; benefits that could be gained by performing the functions through another organizational structure; and changes needed if the agency were continued using its current organizational structure. The results are summarized below.

Assessment of Need for Agency Functions

The review concluded that the functions of the State Aircraft Pooling Board should be continued. The primary function of the board, to provide air transportation to state officers and employees traveling on official state business, needs to be continued. Commercial airlines do not provide air transportation to many locations in the state where state business is conducted. In addition, air transportation provided by the board is often a more convenient and economical means of traveling to those locations. Finally, operation of a centralized pool is preferable to independent control of planes by individual agencies because of lower operating costs and more efficient scheduling of flights.

Assessment of Organizational Alternatives

If the decision is made to continue the functions of the agency, the review concluded that the State Aircraft Pooling Board should be continued to perform the functions. Providing air transportation through the board offers several advantages over contracting with a private company. These advantages include lower cost and greater flexibility regarding when and where a flight can be made.

Recommendations if Agency is Continued

- The administration of the agency should be modified by authorizing the SAPB to contract with the federal government and other governmental entities for the purchase of aircraft fuel and maintenance services.
- The policy of centralized control of the state's aircraft should be completed by removing a provision from the pooling act which exempts the planes owned by Texas A&M University from the jurisdiction of the SAPB.

Fiscal Impact

Preliminary estimates indicate that the recommendations will produce a cost savings. Contracting with other governmental entities will generate revenue to help offset the board's costs of operations although an estimate could not be determined. In addition, placing the planes owned by Texas A&M under the control of the board will result in savings of an estimated \$20,000 per year in reduced maintenance costs.

BACKGROUND

Creation and Powers

The State Aircraft Pooling Board (SAPB) was created in 1979 by the 66th Legislature to establish and operate a pool for the custody, control, operation and maintenance of aircraft owned or leased by the state. The enabling act transferred all aircraft owned or leased by the state to the SAPB. The only planes exempt from the act were those owned by Texas A&M University. The board was also authorized to purchase aircraft, to acquire appropriate facilities to house all state aircraft, and to provide air transportation, on request, to state officers and employees traveling on state business. Since that time, the board's responsibilities have been steadily increased by the legislature.

Although the board was created in 1979, no operating funds were appropriated for the 1980-81 biennium. With assistance from staff of the State Purchasing and General Services Commission, the board acted as a scheduling service for various agency flights. During this time the board began to monitor agency's decisions to lease or purchase aircraft. The board began full scale operations in 1981 with funding by the legislature for staff, the purchase of aircraft, the purchase of land and for the construction of facilities adjoining Austin's Robert Mueller Airport. The board was also directed to begin coordinating with other agencies to establish rates for interagency aircraft services.

In 1983, the SAPB was appropriated funds to acquire additional space to construct facilities at Robert Mueller Airport for plane storage, maintenance, a lounge area and office space. Due to legal problems, the facilities were not actually completed and in use until March 1989. The board was also given additional responsibilities through provisions in the state's Appropriations Act. The SAPB was to begin reviewing all agency leases or rentals and allow them only if a state plane was not available or the proposed lease or rental were cheaper than using a state plane. Also, the board was instructed to purchase liability insurance for all state-owned aircraft to be paid on a pro-rata basis by those agencies operating the aircraft.

In 1985, the board's responsibilities were again increased through the Appropriations Act. The SAPB was directed to ensure, to the extent possible, that rates for interagency aircraft service were sufficient to recover the direct costs of the services provided. The 71st Legislature, in 1989, made further changes in the duties of the SAPB. The board, in conjunction with the Legislative Budget Board and the State Auditor's Office, was directed to develop standard forms and procedures for travel logs, aircraft use reports and billings and to develop an operations manual governing aircraft operated by state agencies. In addition, the pooling act was amended to require that all persons operating state planes must be pilots approved by the board or exempted from the requirement by the board. This change acted to essentially finish the transfer of all the state's aircraft to the SAPB. Before this change several agencies had continued to hire pilots and operate their own planes outside the pool. This change required all pilot decisions to go through the SAPB. Detail on the number of state planes and who operates them is discussed later in this section of the report.

Policy-making Body

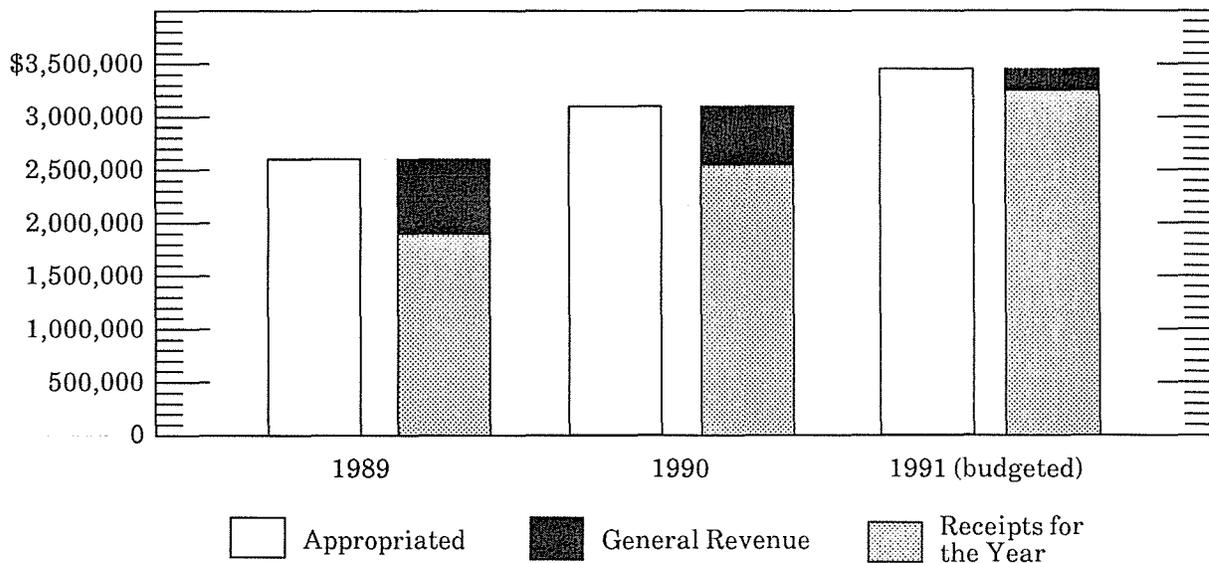
The SAPB is composed of three regular and two ex-officio members. The governor, the lieutenant governor and the speaker of the house each appoint a member. These appointed members serve staggered six-year terms. The appointed members select a board chair from amongst themselves. Representatives from the State Auditor's Office and the State Purchasing and General Services Commission serve as non-voting advisory members.

Board members serve part time without compensation and currently are not reimbursed for travel expenses associated with conducting board business. Board meetings are generally held in Austin approximately four times per year. Board duties include selection of an agency director, approval of an agency budget, oversight of agency activities and issuance of orders as necessary to guide the agency's operations.

Funding and Organization

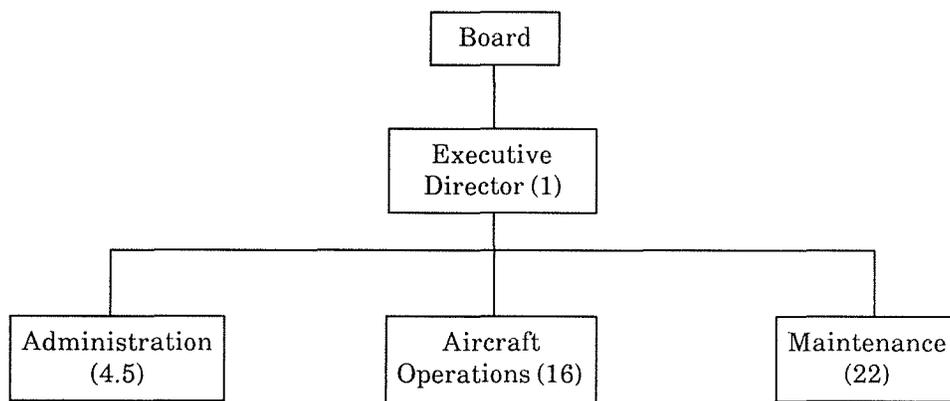
The budget for the SAPB in 1991 is approximately \$3.45 million with funding of \$180,000 from general revenue and \$3.26 million from estimated reappropriated receipts and unexpended balances. Reappropriated receipts are primarily payments from other agencies for air flights. Exhibit A shows the board's appropriations and a comparison of funding by general revenue versus reappropriated receipts for the last two fiscal years and budgeted figures for 1991.

Exhibit A
 Comparison of Funding Sources
 Fiscal Years 1989 - 1991



The board is budgeted 66 full-time employees for fiscal year 1991 and currently employs a total of 43.5 employees. The two exhibits that follow depict the agency's organization and describe its workforce. Exhibit B shows the organizational pattern for the 43.5 employees. The second exhibit, Exhibit C depicts how the agency's work force has changed over a five-year period in categories of employment. Since the state Appropriations Act establishes minority employment goals for these categories, the agency's minority employment is also depicted by category over this time period.

**Exhibit B
Organizational Chart**



**Exhibit A
Percentage of Minorities in Agency's Workforce**

Job Category	1986 Total Workforce 22		1990 Total Workforce		1990-1991 Appropriations Act Statewide Goal for Minority Workforce Representation
	Total Positions	% Minority	Total Positions	% Minority	
Administrators	1	0%	4	0%	14%
Professionals	10	10%	20.5	7%	18%
Technicians	3	33.3%	0	--	23%
Para-Professionals	1	0%	0	--	25%
Administrative Support	1	0%	1	100%	22%
Service/Maintenance	6	0%	10	20%	52%
Skilled Craft	0	--	8	0%	29%

Programs and Functions

Administration

This program provides support to the other programs operated by the agency. Support consists of executive administration, planning and budgeting, accounting, personnel, payroll, data processing and records management. In addition to support activities, administrative staff are responsible for maintaining reports on aircraft use and operating costs and maintaining files of all aircraft logs. Also, the rates charged to agencies for air transportation are developed by this program. Leasing of state aircraft to other state agencies for their use and expenditures by agencies for lease or rental of aircraft are also processed and monitored by this program. Finally, administrative staff are responsible for purchasing liability insurance for all state-owned aircraft.

Aircraft Operations

This program encompasses the main function of the SAPB: providing cost effective air transportation to state officers and employees. Currently, the SAPB has 15 planes which are in the centralized pool for general air transportation. The state owns additional aircraft which are leased by the SAPB to agencies to use as "special purpose" aircraft to assist them in carrying out their responsibilities. For example, the Department of Public Safety uses helicopters for law enforcement surveillance and the Department of Highways and Public Transportation uses three planes for aerial photography associated with highway planning and construction. In addition, Texas A&M University owns three planes which are exempt from the Aircraft Pooling Act. Exhibit D provides information on the number of planes, the agencies using them and the current average wholesale value of the planes.

In providing air transportation, the SAPB attempts to schedule flights to meet the needs of each user agency while maximizing the use of each of the state's aircraft. In addition to scheduling, other duties include providing cost estimates for flights to requesting agencies, coordinating rideshares between agencies, and maintaining computer records for statistical reports and billing purposes. Exhibit E provides current rates for flights available through the SAPB by type of aircraft. The number and types of flights provided during fiscal year 1990 are provided in Exhibit F.

Pilots employed by the SAPB are licensed by the Federal Aeronautics Administration (FAA) for the type of aircraft flown, with commercial, multi-engine and instrument ratings. Pilots are provided with flight safety training on a scheduled, recurring basis. Pilot coverage is available twenty-four hours a day, seven days a week. Currently, the board employs 12 full-time and five part-time pilots and the executive director can serve as a pilot when needed.

**Exhibit D
State Aircraft**

Purpose	Agency	Number of Planes	Value
Passenger Travel	Aircraft Pooling Board	15	\$9,129,200
Special Purpose	Texas Department of Criminal Justice	1	2,061,000
	Department of Highways and Public Transportation	3	358,200
	Parks and Wildlife Department	4	289,700
	Department of Public Safety	12	4,712,490
	Texas Forest Service	1*	--
	Texas State Technological Institute	17	437,000
	University of Texas System	1	1,200,000
Other	Texas A&M University	3**	3,364,000
Total		57	21,551,590

* On loan from the federal government

** Exempt from the Aircraft Pooling Act

**Exhibit E
Rates for Aircraft Use***

Type of Aircraft	Capacity	Rate per Hour
King Air 200	7 to 10	\$525
King Air 90	5 to 8	\$475
Cessna 425	5 to 7	\$415
Cessna 402	4 to 5	\$265
Barron 58	3 to 4	\$260
Cessna 310	3 to 4	\$250

* As of 10-15-90

Exhibit F
Flight Activity - 1990

Type of Flight	Number
SAPB Flights	3,299
Rideshares	20
Filled by Other Agencies	121
Leases/Charters Authorized	122
Training, Maintenance and Other	67
Total	3,629

Maintenance

The maintenance program provides all the services necessary to maintain the state's aircraft in good working order. Activities performed include scheduled maintenance and repairs, avionics and line service. Maintenance and repairs are performed by licensed FAA mechanics according to manufacturer's specifications and service bulletins and FAA mandated directives. The board maintains an inventory of the most commonly used parts and supplies and purchases major parts on an as needed basis. The board also employs an avionics specialist and has the equipment necessary to maintain the aircrafts' electronics systems such as communications, navigation, transponder, radar and auto-pilot. Finally, this program is responsible for the line service aspects of aircraft operations. Line service personnel are responsible for towing, fueling, and cleaning the aircraft. They maintain the plane hangars, vehicles and equipment and also assist passengers with luggage and boarding. The line service schedule provides employees to make aircraft available for flights twenty-four hours a day, seven days a week.

RESULTS OF REVIEW

Overall Approach to the Review

Overall Approach to the Review

In accordance with the Sunset Act, the review included an assessment of the need to continue the functions performed by the board; whether benefits could be gained by performing the functions through another organizational structure; and finally, if the function is continued, whether changes are needed to improve the efficiency and effectiveness of the board.

The need for the functions of the board focused on whether the board should continue to provide air transportation for state officers and employees. The review then examined whether benefits, such as cost savings, would result from contracting with private vendors for aircraft service. The remainder of the report covers changes needed if the board's current structure is maintained.

To make a determination in each of the review areas, the staff performed a number of activities. These included:

- review of documents developed by the board, legislative reports, and private studies concerning the board's functions and activities;
- interviews with board staff in Austin;
- visits to the board's facilities located in Austin;
- attendance at a board meeting; and
- interviews with other state agency personnel that interact with the board.

The principal findings and conclusions resulting from the review are set out in three sections of the report: 1) Assessment of Need for Agency Functions; 2) Assessment of Organizational Alternatives; and 3) Recommendations if the Agency is Continued.

Assessment of Need for Agency Functions

ISSUE 1: The state should continue the functions performed by the State Aircraft Pooling Board.

BACKGROUND

The State Aircraft Pooling Board (SAPB) was established in 1979 to centralize operation, maintenance and use of state aircraft owned or leased by the state. The board is involved in two major functions. First, the SAPB is responsible for bringing aircraft owned and operated by state agencies under the control of the board. Pooling of the aircraft reduces the costs associated with operating these aircraft when compared to operation of the planes by individual agencies. Also, use of the planes is more efficient because of centralized scheduling.

The board's other major function is to operate in a manner similar to a charter service providing air transportation on request to state officers and employees traveling on official business. The SAPB performs several other activities to support these functions. These include purchasing and leasing aircraft for state operation, acquiring appropriate facilities for storing aircraft, purchasing liability insurance for all state-owned aircraft and performing all scheduled maintenance and other repairs as needed. Rates for aircraft services are set to recover the direct costs of the services provided.

The review examined the need to continue the functions currently performed by the State Aircraft Pooling Board. As with any state function a current and continuing need is necessary to justify the continuation of pooling the state's aircraft and the provision of air transportation for state officers and employees. The review indicated the following:

- ▶ **State officials and employees need to travel to locations not served by commercial airlines.**
 - Currently, the board provides air transportation to 271 locations within the state.
 - Commercial airlines are able to provide transportation to only 25 of these locations. Areas not served by the commercial airlines include locations such as Alpine, Beeville, Columbus, Eagle Pass and Livingston. State officials and employees travel to these areas regularly while conducting state business.
- ▶ **The board is able to provide flights that offer greater flexibility and convenience to state officials and employees than commercial flights.**
 - State officials and employees can schedule SAPB flights for the precise times they need to arrive and depart from a particular destination.

Commercial airlines cannot provide this type of scheduling and offer a limited number of flights and departure times.

- The average amount of time for a round trip using SAPB aircraft is usually less than commercial flights. Many of the flights offered by commercial airlines are connecting flights that are usually routed through major airports in Dallas or Houston. As a result, commercial flights are typically longer than those provided by the SAPB.
- ▶ **Using pooling board aircraft can result in cost savings when compared to the total costs associated with taking a commercial flight or taking the trip by automobile.**
 - The State Purchasing and General Services Commission has developed cost comparison criteria for use by agencies when determining the cost efficiency of alternate forms of travel. The total cost of a trip is determined by adding the cost of an employee's time (\$35 per hour) to the direct costs for each form of travel. The travel mode with the lowest total cost is considered the most cost efficient.
 - Using the cost comparison criteria above, an agency can justify using the SAPB for flights rather than having an employee(s) take a commercial flight with layovers or driving to a location on business, staying overnight and driving back the next day.

Based on these factors, the review concluded the state has a continuing need to provide air transportation for state officials and employees.

RECOMMENDATION

- **The state should continue the functions performed by the State Aircraft Pooling Board.**

Commercial airlines do not fly or fly infrequently to many areas where state business is performed. Commercial airlines offer only a limited number of flights at specific times in areas where routine service is provided. In addition, using automobiles rather than SAPB aircraft to travel to some areas is not always cost effective when mileage, lodging, and employee time are considered. In many circumstances, the state's "charter service" function can be the most economical and convenient means of traveling to a location and should therefore be continued.

FISCAL IMPACT

If the current functions of the board are continued, using the current agency structure, its annual appropriation of approximately \$ 3.2 million would need to continue.

Assessment of Organizational Alternatives

ISSUE 2: The State Aircraft Pooling Board should be continued as a separate agency.

BACKGROUND

During each review, the potential benefits of transferring all or part of an agency's functions to another state agency are examined. In the case of the SAPB, the possibility of contracting with private vendors for aircraft service was also examined. Combining functions of state agencies or contracting with the private sector can have several benefits such as eliminating duplication of activities, reducing state expenditures and increasing the quality of services provided.

The SAPB was created in 1979 to operate a pool for the custody, control, operation, and maintenance of aircraft owned or leased by the state. The SAPB acts as a charter service providing air transportation on request to state officers and employees traveling on official business. To provide this service the board performs all the usual functions of a charter service: scheduling flights, providing pilots, performing maintenance and billing agencies for flights. In addition, the board is responsible for maintaining travel logs, aircraft use reports and approving all leasing of aircraft for use by state agencies.

The assessment of the organizational structure of the state's aircraft service focused on a comparison with private companies which provide the same service and whether a private company could provide a comparable service at a reduced cost. Combining the board's functions with those of another state agency was also examined. The review concluded that the centralized service provided by the SAPB is preferable to contracting with private companies for the service. In addition, the current agency structure was determined as preferable to combination with another agency.

The comparison of the state's services with those provided by private charter services and the benefits of contracting for aircraft service indicated the following:

- ▶ **Contracting with a private company to provide flights would not result in cost savings to the state.**
 - The SAPB had a cost study done in 1984 which concluded that the board was providing air transportation at a considerable savings when compared to using private companies.
 - A comparison of current rates charged by the SAPB and those of private charter services for comparable flights indicated that the state's rates are approximately 54 percent less than private charter rates.
 - Rates charged to state agencies by the SAPB are required to be structured on a cost recovery basis which does not include a profit margin. Fuel, for example, is purchased at wholesale bulk rates and

- rates charged for flights include a fuel charge based on cost recovery. Private companies, by their nature, are in business to make a profit. While they may be able to purchase fuel at a discount, their rates include a fuel charge that has a profit margin included.
- Rates charged by private charter companies often include a "short leg" fee for short flights and a charge for a pilot's waiting time on trips with long waits between legs of the flight. Rates charged by the SAPB do not include these extra costs.
 - ▶ **State operation provides a greater degree of flexibility to state agencies than is available through private companies.**
 - State agencies can schedule flights with very little notice and cancel, postpone or change flights up to the last minute. Approximately one-third of the flights provided by the SAPB are "pop-up" trips scheduled with one or two days notice. Some are requested with no notice such as those related to emergencies like an oil spill on the Texas coast that must be quickly assessed.
 - Private companies usually require a week or more notice because of the small number of planes in their inventories. Also, these companies usually charge a fee for last minute changes and cancelations.
 - ▶ **The SAPB operates its planes under a different set of federal aviation regulations than private charter companies. As a result, the SAPB can offer flights at times and to places that private companies would not be able to offer.**
 - Private companies operate under flight regulations which restrict them, under inclement weather conditions, from making an instrument landing at an airport without a weather reporting station. Of the 279 airports in Texas, only 55 have an approved reporting station. Thus, 224 airports are not available to private charter flights during inclement weather.
 - The SAPB operates under regulations which allow it to make instrument approaches at all airports in the state that have a published instrument approach, even under inclement weather conditions. Lack of accessibility to most airports during any type of weather would severely restrict the availability of flights for state business.
 - Pilots of private companies are limited by flight regulations to a 14 hour duty day with a maximum of 8 hours of flight time. If a second pilot is used the maximum flight time is 10 hours. An overnight stay is required if a flight exceeds the time limits.
 - Pilots of the SAPB are not under such time constraints. Their duty days often run longer than 14 hours. Standard practice is to rent a hotel room to rest during the waiting period and then make the return flight and/or assign a second pilot to share the flying duties. This allows the SAPB to better accommodate the state's travel needs.

RECOMMENDATION

- **The State Aircraft Pooling Board should be continued as a separate agency.**
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The review concluded that the functions assigned to the SAPB are appropriately placed with the agency as it is currently structured. Providing air transportation through a state agency offers several advantages over contracting with a private company for services. These include lower cost and greater flexibility concerning when and where a flight can be made.

FISCAL IMPACT

If the SAPB is continued in its current form, its annual appropriation of approximately \$3.2 million would need to continue.

Recommendations if Agency is Continued

ISSUE 3: The statute should be changed to authorize the SAPB to contract with the federal government and other governmental entities for the purchase of aircraft fuel and maintenance services.

BACKGROUND

The SAPB has been funded by the legislature to operate and maintain aircraft owned or leased by the state. Currently, the board has facilities in Austin to provide fuel and scheduled maintenance and repairs for all state aircraft. These services are performed by licensed Federal Aeronautics Administration (FAA) mechanics according to manufacturers' specifications and service bulletins and FAA mandated directives. Currently, the sale of fuel and the provision of maintenance service are limited to state aircraft. However, periodically other governmental agencies have made requests to purchase aircraft fuel and some maintenance service from the SAPB.

The review examined the feasibility of the board providing fuel and maintenance services to other governmental entities. The review indicated the following:

- ▶ **The pooling act does not provide the board clear authority to sell fuel and or provide maintenance services to other governmental entities.**
- ▶ **Federal agencies and other governmental entities have expressed an interest in purchasing fuel and maintenance services from the SAPB.**
 - The U.S Customs Service and The U.S. Fish and Wildlife Service have inquired about purchasing fuel and maintenance services.
 - During the U.S./Mexico Border Governor's Conference in 1989, state officials from the United States and Mexico wanted to purchase fuel and hangar services from the board.
- ▶ **The board has the facilities and the personnel to provide a number of services to other governmental agencies.**
 - The board could sell fuel, oil and repair parts to other governmental entities. Light maintenance such as mechanical or avionics repair, and oil and filter changes could also be provided.
 - Services would only be provided to other governmental agencies if they did not interfere with the board's responsibilities to control, operate and maintain the state's aircraft.
- ▶ **Enough revenue would be generated from contracting with other governmental entities to cover the costs of providing the services**

and help offset the board's fixed operating costs related to maintenance.

- The SAPB is required by statute to recover all direct costs related to all its operations, including the sale of fuel and maintenance.
- The rates charged for services provided to governmental entities would also have to recover the board's costs.
- Maintenance services represent a substantial fixed cost to the board. Any additional sales to other governmental agencies would contribute to lowering the board's fixed costs per plane by spreading the costs among more aircraft. This would reduce the costs charged to state agencies currently using state aircraft.

PROBLEM

The State Aircraft Pooling Board lacks the statutory authority to contract with with the federal government and other political subdivisions to sell aircraft fuel and provide maintenance services. This unnecessarily restricts the board's ability to generate additional revenue which could reduce overall costs to the state.

RECOMMENDATION

- **The statute should be changed to authorize the board to contract with political subdivisions for aircraft fuel and maintenance services.**

This change would give the board clear authority to provide fuel and maintenance services for the aircraft of other political subdivisions. Providing these services would help the board offset its operating costs and would provide needed assistance to other governmental entities.

FISCAL IMPACT

The additional contracting authority in the recommendation would provide the board with some additional revenue although an estimate was not developed because determining the demand for such services was not possible. However, any increase in revenue would help the board to offset its costs of operation.

ISSUE 4: The statute should be changed to place the planes owned by Texas A&M University under the jurisdiction of SAPB.

BACKGROUND

The Aircraft Pooling Act created the SAPB with the responsibility to establish and operate a pool for the custody, control, operation and maintenance of all aircraft owned or leased by the state. The act transferred all state aircraft to the SAPB. The act's purpose was to increase the efficiency of the use of planes owned by the state and improve the cost effectiveness of related state expenditures. Creation of the SAPB has centralized the scheduling of flights, the actual flying of the aircraft, the scheduled maintenance and repairs on the planes, the hiring and training of pilots and the tracking and reporting of aircraft use.

The pooling act also contains the following definition of agencies under the board's authority:

"Agency" means an office, department, board, commission, institution, or other agency to which legislative appropriations are made. The term does not include any institution, component, or agency which owns and operates an airport approved by the Federal Aeronautics Administration.

This definition of coverage exempts Texas A&M University from the act because the university owns and operates its own airport.

The review examined the structure of the state's aircraft pool and compared the situation of Texas A&M University to all other state agencies and entities to determine whether the exemption of the university's planes from the pooling act was justified. The review indicated the following:

- ▶ **Texas A&M University is the only state entity which owns and operates its own airport and, therefore, can use the definition discussed above to claim exemption from the Aircraft Pooling Act. Consequently, the three planes owned by Texas A&M are the only planes owned by the state which are outside the jurisdiction of the SAPB.**
- ▶ **The exemption of Texas A&M University from the pooling act is not based on any real operational need.**
 - No reason for the statutory definition was identified other than to allow qualifying entities, such as Texas A&M University, to maintain control of planes outside the jurisdiction of the SAPB.
 - Operation of an airport has no bearing, that could be determined, on whether the planes owned by a state entity should be subject to the oversight of the state agency created for the purpose of pooling the state's aircraft.

- ▶ **Texas A&M University voluntarily complies with other provisions of the pooling act.**
 - The legislature amended the pooling act last session to add several provisions to strengthen the board's ability to carry out its responsibilities. The changes required the board to develop an aircraft operations manual, standard travel log forms and aircraft use reports to be used by all agencies operating state aircraft. In addition, a provision was added which required all pilots operating state aircraft to be employees of the SAPB or exempted from the requirement by the board.
 - Subsequent to passage of legislation changing the pooling act, Texas A&M voluntarily complied with the requirements added by the legislation. In addition, the university began using the board's facilities when flying to Austin.
- ▶ **The SAPB controls all other state planes including those maintained outside Austin.**
 - The SAPB controls a number of state planes maintained outside Austin which are leased to state agencies for their use. For example, the SAPB, through a leasing arrangement, allows the Department of Criminal Justice (TDCJ) to maintain a plane in Huntsville for its use. The TDCJ operates the plane and controls its daily use but maintenance is performed by the SAPB and ultimate decisions concerning the plane, such as whether to sell or replace it, are made by the SAPB.
 - The University of Texas operates the only Austin-based passenger plane not under the daily control of the SAPB. Because of the source of the funds used to purchase the aircraft (proceeds from the Permanent University Fund) and the travel needs of UT, the SAPB leases the plane to the university for its use. However, the plane is housed in the board's hangar and the SAPB performs all required maintenance. Also, the SAPB schedules the planes for other flights when UT is not using the plane.
- ▶ **Transfer of the planes owned by Texas A&M University to the SAPB would result in cost savings in the area of maintenance. The SAPB has the capability to perform all scheduled maintenance and most repairs on all types of aircraft operated by the state. Texas A&M currently contracts with private companies for maintenance and repairs. Assumption of the maintenance by the SAPB would provide savings on both parts and labor of an estimated \$20,000 per year.**

PROBLEM

The planes owned by Texas A&M University are the only state planes not included in the state's aircraft pool. This exclusion goes against the general state policy created by the Aircraft Pooling Act. No reason for this exemption could be determined.

RECOMMENDATION

- The statute should be changed to remove the provision which exempts the planes owned by Texas A&M University from the jurisdiction of the SAPB.

Placing the planes owned by Texas A&M University under the jurisdiction of the SAPB would complete the centralization of the state's aircraft under the board. The SAPB could lease the planes back to Texas A&M for their use as it has with other agencies such as the University of Texas and the Department of Criminal Justice. Scheduled maintenance would be the responsibility of the SAPB. Because Texas A&M purchased its planes using interest on local funds maintained outside the treasury, the university would be involved in decisions about selling or replacing the planes currently under its control. In addition, as with all other state planes used for passenger travel, the SAPB could schedule the planes for use by other agencies when Texas A&M is not using them.

FISCAL IMPACT

Cost savings could result from reduced cost for both parts and labor associated with aircraft maintenance. Preliminary estimates indicate \$20,000 in potential savings.

Across-the-Board Recommendations

From its inception, the Sunset Commission identified common agency problems. These problems have been addressed through standard statutory provisions incorporated into the legislation developed for agencies undergoing sunset review. Since these provisions are routinely applied to all agencies under review, the specific language is not repeated throughout the reports. The application to particular agencies is denoted in abbreviated chart form.

State Aircraft Pooling Board			
Applied	Modified	Not Applied	Across-the-Board Recommendations
			A. GENERAL
x			1. Require public membership on boards and commissions.
x			2. Require specific provisions relating to conflicts of interest.
x			3. Provide that a person registered as a lobbyist under Article 6252-9c, V.A.C.S., may not act as general counsel to the board or serve as a member of the board.
x			4. Require that appointment to the board shall be made without regard to race, color, handicap, sex, religion, age, or national origin of the appointee.
x			5. Specify grounds for removal of a board member.
x			6. Require the board to make annual written reports to the governor and the legislature accounting for all receipts and disbursements made under its statute.
x			7. Require the board to establish skill-oriented career ladders.
x			8. Require a system of merit pay based on documented employee performance.
		x	9. Provide for notification and information to the public concerning board activities.
*			10. Place agency funds in the treasury to ensure legislative review of agency expenditures through the appropriation process.
		x	11. Require files to be maintained on complaints.
		x	12. Require that all parties to formal complaints be periodically informed in writing as to the status of the complaint.
x			13. Require development of an E.E.O. policy.
x			14. Require the agency to provide information on standards of conduct to board members and employees.
x			15. Provide for public testimony at agency meetings.
x			16. Require that the policy body of an agency develop and implement policies which clearly separate board and staff functions.
x			17. Require development of accessibility plan.

* Already in law -- no statutory change needed.

** Already in law -- requires updating to reflect standard ATB language.

State Aircraft Pooling Board (cont.)			
Applied	Modified	Not Applied	Across-the-Board Recommendations
			B. LICENSING
		x	1. Require standard time frames for licensees who are delinquent in renewal of licenses.
		x	2. Provide for notice to a person taking an examination of the results of the exam within a reasonable time of the testing date.
		x	3. Provide an analysis, on request, to individuals failing the examination.
		x	4. Require licensing disqualifications to be: 1) easily determined, and 2) related to currently existing conditions.
		x	5. (a) Provide for licensing by endorsement rather than reciprocity. (b) Provide for licensing by reciprocity rather than endorsement.
		x	6. Authorize the staggered renewal of licenses.
		x	7. Authorize agencies to use a full range of penalties.
		x	8. Specify board hearing requirements.
		x	9. Revise restrictive rules or statutes to allow advertising and competitive bidding practices which are not deceptive or misleading.
		x	10. Authorize the board to adopt a system of voluntary continuing education.

* Already in law -- no statutory change needed.

** Already in law -- requires updating to reflect standard ATB language.

Minor Statutory Modifications

Discussions with agency personnel concerning the agency and its statute indicated a need to make minor statutory changes. The changes are non-substantive in nature and are made to comply with federal requirements or to remove out-dated references. The following material provides a description of the needed changes and the reason for each.

**Minor Modifications to the
State Aircraft Pooling Board
(Article 4413(34b), V.T.C.S.)**

Change	Reason	Location in Statute
<p>Amend the statute to allow the pooling board to provide air transportation to "persons in the care or custody of state officers or employees" and "persons whose transportation furthers official state business."</p>	<p>Change language in the statute to track language in the appropriations act that outlines criteria governing the use of aircraft operated by the State Aircraft Pooling Board.</p>	<p>Section 9(d)</p>

State Aircraft Pooling Board

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