



PROGRAM EVALUATION DIVISION

NORTH CAROLINA GENERAL ASSEMBLY

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Selling 25 Underutilized Aircraft May Yield Up to \$8.1 Million and Save \$1.5 Million Annually

Summary

Evaluation Purpose. The North Carolina General Assembly directed the Program Evaluation Division to study the number, use, and effectiveness of state aircraft; consider ways to achieve efficiency; and determine if it is desirable or feasible to sell or transfer aircraft.

In Fiscal Year 2008-09, eight state programs employed 89 full-time staff to operate 72 aircraft located at 23 locations across the state at a cost of \$10.8 million.

Of the 72 aircraft operated by state programs, 79% flew fewer than 200 hours per year. Fifty-seven aircraft failed to meet the minimum transportation industry threshold of 200 flight hours per year. Agencies flew 36 aircraft (or 50% of the fleet) less than 100 hours. This number includes eight that did not or could not fly at all during Fiscal Year 2008-09. Based on utilization data, the Program Evaluation Division estimates that at least 25 of 72 aircraft and 5 hangar facilities could be eliminated. In addition, decentralized operations among eight independent programs contribute to mismanagement and inefficiency.

The General Assembly should eliminate 25 aircraft and five facilities. Elimination of these aircraft may result in up to \$8.1 million in non-recurring proceeds from the sale of aircraft plus \$1.5 million in recurring savings. The elimination of five facilities could result in an additional \$26,060 in recurring savings.

In addition, the General Assembly should establish the Aviation Management Authority in the Department of Transportation. The authority would oversee management of all aircraft owned or operated by the state. Over a period of two years, the authority would initiate the following tasks:

- consolidate all aircraft used for passenger transport and photogrammetry missions;
- oversee the implementation of recommendations regarding safety issues at the Division of Forest Resources;
- oversee the elimination of 25 aircraft and five facilities;
- develop policies and procedures to guide management oversight of all state aviation resources;
- oversee management of all state aviation resources; and
- oversee maintenance operations and information management for all aircraft owned and operated by the state.