

**DEPARTMENT OF
TRANSPORTATION AVIATION
DIVISION STUDY**

REPORT 02-6

REPORT DIGEST

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STATE OF WASHINGTON

JOINT LEGISLATIVE AUDIT AND REVIEW
COMMITTEE

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Overview

This mandated study examines the advantages and disadvantages of removing the Aviation Division from the Washington State Department of Transportation (WSDOT), and creating a separate Department of Aviation. Our conclusion is that general aviation interests within the state can best be served by keeping the Aviation Division within WSDOT. We do, however, acknowledge the concerns raised by stakeholders, and include recommendations to address those concerns.

Background

Historically, the Aviation Division has primarily been responsible for *general* aviation, which basically includes all aviation *other* than military and commercial aviation. Its key responsibilities include: 1) administering a Local Airport Aid Grant Program; 2) aviation planning; 3) coordinating air search and rescue missions; 4) aircraft and pilot registration; and 5) maintaining 16 state-owned airports (used primarily for recreational and emergency landing purposes).

The Division's budget for the current biennium is \$5.5 million, and it is budgeted for 11 FTEs. It receives no state general funds, but instead is supported by its own dedicated funding sources, with the primary source being an aviation fuel tax.

The Division has been in a period of transition over the past few years. Internal WSDOT investigations have led to formal disciplinary actions against at least three former staff, and audits have identified problems related to the Division's purchasing practices and management of its Airport Aid Grant Program; problems which are now being addressed. A new Secretary of Transportation assumed office in April 2001, and a new Aviation Director came on board in February 2002.

Customer Perspectives on How Well the Division Is Doing

The Division appears to be viewed in a generally positive light by its customers – principally pilots and airport representatives – in terms of how it is fulfilling its key responsibilities. Based on surveys conducted, a strong majority feel it has been at least somewhat effective in meeting the *overall* needs of the state's general aviation pilots and airports. When it comes to specific programs, the Division receives even higher marks.

There is, however, an undercurrent of dissatisfaction in the general aviation community over certain recent decisions – such

as the relocation of the Division's offices from Seattle to Arlington – as well as concern over the Division's perceived ability to advocate effectively for aviation issues. A plurality of those responding to our surveys favored removing the Division from WSDOT.

Reasons for Keeping the Division within WSDOT

The various reasons listed below were identified primarily through interviews with WSDOT staff and correspondence received from WSDOT and the Office of Financial Management.

- Active WSDOT and executive branch support;
- More efficient statewide governance structure;
- Existing structure benefits multi-modal transportation planning;
- Reliance on WSDOT administrative services saves the Division money;
- Ability to take advantage of WSDOT professional services and regional structure; and
- Consistency with organizational structure in most other jurisdictions.

Reasons Advanced for Creating a Separate Department

The various reasons listed below were identified through interviews, focus groups and surveys.

- Visibility and influence diminished by placement in agency primarily devoted to other issues;
- WSDOT structure and requirements further limit effectiveness;
- Inefficiencies and higher costs from overly bureaucratic procedures;
- Significant concerns among some stakeholders that certain decisions do not reflect their views;
- No formal mechanism for providing customer input; and

- Oregon recently made its aviation program a separate department.

Financial Impact of Operating as a Separate Department

The Aviation Division receives a broad range of administrative and other services from WSDOT, many of which are provided at minimal or no cost. If it were to become an independent department, it would either have to carry out these functions in-house or contract with WSDOT or another state agency for these services. We estimate the biennial costs of these services to be approximately \$227,000. In addition, we assume since all other states with independent departments of aviation have an associated board or commission, Washington would do the same. We estimate the cost associated with that to be approximately \$56,000 per biennium. Because the funds necessary to cover these additional costs would have to come from the Division's dedicated funding sources, the Division's other programs would have to be reduced accordingly.

Conclusion

This report concludes that general aviation interests within the state can best be served by keeping the Aviation Division within WSDOT, with the cost factor cited above being the most compelling reason. We do, however, acknowledge concerns raised by stakeholders, and recognize that there is some degree of dissatisfaction within the aviation community.

Recommendations

1) The Aviation Division should remain within WSDOT. 2) WSDOT should review options for creating an Aviation Advisory Committee, and report their proposed actions to the appropriate legislative committees by December 1, 2002. 3) The Division should annually survey its customers to obtain input and assess their level of satisfaction.