

BILL ANALYSIS

H.B. 82
By: Hamric
Government Reform
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The State Aircraft Pooling Board (SAPB) provides charter service for Texas state government officials and employees for less than its full cost of operation, using an aging fleet of aircraft with high maintenance costs. SAPB is based in a state facility adjacent to Austin-Bergstrom International Airport, and provides maintenance service for about 37 state aircraft, including the 11 operated by SAPB. Agencies other than SAPB that own aircraft include: Texas A&M University (two); Texas Department of Criminal Justice (two); Texas Forest Service (one); Texas Parks and Wildlife Department (four); Texas Department of Public Safety (15); The University of Texas System (one); and, Texas State Technical College (19).

State law requires SAPB to operate on a cost-recovery basis, recovering direct costs through charges on its users. These charges, however, do not include several important business costs, including capital expenditures for new aircraft, building expenses, custodial services, and other general support. The agency charges hourly rates based on the aircraft and the requesting entity involved. SAPB pilots are underused and fly only about half the hours of comparable charter service pilots. Moreover, about half of SAPB's flights go to destinations already served by commercial airlines. Passengers associated with state universities account for almost 58 percent of the total SAPB passengers, the majority of them from university athletic departments.

House Bill 82 abolishes the State Aircraft Pooling Board (SAPB) and transfers the maintenance functions of the agency to the Texas Department of Public Safety (DPS). In addition, the bill:

- (1) liquidates all SAPB equipment, except equipment to be transferred to DPS for maintenance operations;
- (2) liquidates all SAPB assets, except for the two newest King Air 200 aircraft; and,
- (3) sells all SAPB real estate, except the maintenance and hanger facilities at Austin-Bergstrom International Airport which may be leased or sold.

Charter services formerly performed by the SAPB would be coordinated by DPS.

RULEMAKING AUTHORITY

SECTION 11 [Section 2205.043(b), Government Code] requires DPS to adopt rules consistent with Subtitle A, Title 11, Government Code.

ANALYSIS

SECTION 1. Amends heading to Chapter 2205, Government Code, as follows:
CHAPTER 2205. STATE-OPERATED AIRCRAFT

SECTION 2. Amends Subchapter B, Chapter 2205, Government Code, by adding Section 2205.0315 as follows:

Section 2205.0315: defines references within the chapter to "department" as DPS.

SECTION 3. Amends Section 2205.032, Government Code, as follows:

Sec. 2205.032. TRANSPORTATION AND MAINTENANCE

Section 2205.32(a): requires DPS to maintain all state aircraft.

Section 2205.32(b): authorizes DPS to provide passenger transportation under Section 2205.036, Transportation Code.

SECTION 4. Amends Section 2205.034, Government Code, as follows:

Section 2205.34(a): makes conforming changes authorizing DPS, rather than SAPB, to acquire facilities.

Section 2205.34(b): makes conforming changes prohibiting, except in cases of emergency, an agency that operates aircraft from using a facility in Austin other than a facility operated by DPS, rather than SAPB.

SECTION 5. Amends Section 2205.036, Government Code, as follows:

Section 2205.036: makes conforming changes requiring DPS, rather than SAPB, to coordinate charter aircraft transportation for various passengers and requires DPS to monitor and ensure compliance with this section.

SECTION 6. Amends Subchapter B, Chapter 2205, Government Code, by adding Section 2205.0365 as follows:

Sec. 2205.0365. CONTRACTS

Section 2205.0365(a): authorizes DPS to negotiate contracts with private charter aircraft providers to obtain the most cost-effective rates possible for transportation of state officers and employees traveling on official business.

Section 2205.0365(b): authorizes DPS to contract with a flight safety consultant in developing safety guidelines for charter aircraft providers.

Section 2205.0365(c): authorizes a contract described in Subsection (a) to provide that:

- (1) a state agency using charter services shall pay the charter aircraft provider directly for charter services; or
- (2) DPS shall pay the charter aircraft provider for services and be reimbursed by the state agency using the charter service.

SECTION 7. Amends Section 2205.038, Government Code, as follows:

Section 2205.038(a): makes conforming changes requiring DPS, rather than SAPB, to undertake the following:

- (1) preparation of a manual that establishes minimum operating standards for state agencies and charter aircraft providers serving the state; and
- (2) adoption of procedures for the distribution of such manual.

Section 2205.038(b): makes conforming changes for the provisions of the manual.

Section 2205.038(c): makes conforming changes requiring DPS, rather than

SAPB, to confer with and solicit the written advice of state agencies that operate state-owned aircraft and state agencies DPS determines are principal users of aircraft operated by SAPB and, to the extent practicable, incorporate that advice into the manual.

Section 2205.038(d): makes conforming changes requiring DPS, rather than SAPB, to give an statewide elected official priority in scheduling charters; and, makes conforming changes authorizing DPS, rather than SAPB, to require appropriate advance notice, rather than 12-hour notice, by the statewide elected official in order to obtain priority scheduling.

SECTION 8. Amends Section 2205.039, Government Code, as follows:

Section 2205.039: makes conforming changes requiring DPS, rather than SAPB, to work in cooperation with the Legislative Budget Board (LBB) regarding the development of and criteria for travel logs; requires DPS to monitor and ensure compliance with this section; and, requires DPS to annually report to the LBB on air travel information received under this section.

SECTION 9. Amends Section 2205.040, Government Code, as follows:

Section 2205.040 makes conforming changes requiring DPS, rather than SAPB, to adopt rates for interagency aircraft services sufficient to recover all direct and indirect costs; and, requires LBB, in cooperation with DPS and the state auditor, to prescribe a billing procedure for passenger travel.

SECTION 10. Amends Section 2205.041(a), Government Code, as follows:

Section 2205.041(a): makes conforming changes requiring DPS, rather than SAPB, to work in cooperation with LBB regarding the development and submission of an annual aircraft use form.

SECTION 11. Amends Section 2205.043(b), Government Code, as follows:

Section 2205.043(b): makes conforming changes requiring DPS, rather than SAPB, to adopt rules consistent with federal and state regulations governing the color, size, and location of marks of identification required by the section.

SECTION 12. Amends Section 2205.044, Government Code, as follows:

Section 2205.044: makes conforming changes authorizing DPS, rather than SAPB, to contract with a state or local government agency or political subdivision to provide aircraft fuel or maintenance.

SECTION 13. Amends Section 2205.045(a), Government Code, as follows:

Section 2205.045(a): makes conforming changes requiring DPS, rather than SAPB, to negotiate insurance loss and liability contracts to protect the state.

SECTION 14. Amends Section 2205.047, Government Code, as follows:

Section 2204.47: makes conforming changes requiring DPS, rather than

SAPB, to maintain and post information on a generally accessible internet site.

SECTION 15. Repeals the following laws:

- (1) Subchapter A, Chapter 2205, Government Code (Aircraft Pooling);
- (2) Section 2205.035, Government Code (Aircraft Leases);
- (3) Section 2205.042, Government Code (Pilots);
- (4) Section 2205.046, Government Code (Aircraft for Flight Training Programs).

SECTION 16.

- (a) Requires DPS and the Texas Public Finance Authority (TPFA), in consultation with Texas Building and Procurement Commission (TBPC) and the General Land Office (GLO), to establish a transition team to oversee the orderly transition of property and services from SAPB to DPS; and, requires the team to:
 - (1) inventory all equipment and other property to be transferred or sold;
 - (2) ensure elimination of all non-maintenance employee positions; and,
- (b) Abolishes SAPB; transfers all maintenance employees to DPS; and, transfers all SAPB contracts, records and property to DPS.

SECTION 17.

- (a) Requires TBPC, in consultation with DPS, to sell by September 1, 2004, all state aircraft and aircraft-related equipment, other than aircraft maintenance equipment formerly under the custody of SAPB and two King Air 200s, ID Nos. N808WD and N7265K; and, in the case of bonds issued in connection with SAPB activities, requires proceeds from sale of these assets to be used to pay off such bonds.
- (b) Requires GLO, in consultation with TPFA, to sell or lease by September 1, 2005, all SAPB facilities located at Austin-Bergstrom International Airport (IAB), other than facilities used for aircraft maintenance or housing of aircraft owned or operated by state agencies other than SAPB; in the case of bonds issued in connection with these facilities, requires proceeds from sale or lease of the facility to be used to pay off state bond obligations to the extent TPFA deems appropriate; authorizes GLO to offer the IAB facilities for sale by competitive bid; and, alternatively, GLO may negotiate direct sale of the IAB facilities to:
 - (1) a current lessee;
 - (2) a neighboring property owner; or
 - (3) a political subdivision of the state, including Travis County or the City of Austin.
- (c) Requires GLO to sell by September 1, 2005, the SAPB facility located at former Robert Mueller Municipal Airport (Mueller); in the case of bonds issued in connection with this facility, requires proceeds from sale of the facility to be used to pay off such bonds; authorizes GLO to offer the Mueller facilities for sale by competitive bid; and, alternatively, GLO may negotiate direct sale of the Mueller facilities to:
 - (1) a current lessee;
 - (2) a neighboring property owner; or
 - (3) a political subdivision of the state, including Travis County or the City of Austin.

SECTION 18. Effective Date: immediate effect upon two-thirds vote of all members of both the House and Senate; or, September 1, 2003.

EFFECTIVE DATE

Immediate effect upon two-thirds vote of all members of both the House and Senate; or, September 1,

2003.