

# 2014-16 Executive Progress Report

Commonwealth of Virginia  
Secretary of Transportation

Department of Aviation

## At A Glance

The Department of Aviation's mission is to: • cultivate an advanced aviation system that is safe, secure and provides for economic development; • promote aviation awareness and education; and • provide the safest and most efficient flight services for the Commonwealth leadership and state agencies.

Staffing 34 Salaried Employees, 0 Contracted Employees, 34 Authorized, and 6 Wage Employees.

Financials Budget FY 2015, \$35.34 million, 0.09% from the General Fund.

Trends ↓ Avn workforce availability  
↓ Federal funding availability  
↑ Number of Air travelers

Key Perf Areas → Aviation economic activity  
↑ Air carrier enplanements  
→ Exposure to Virginia aviation

Legend ↑ Increase, ↓ Decrease, → Steady

Productivity Legend  
↑ Improving, ↓ Worsening, → Maintaining

For more information on administrative key, and productivity measures, go to [www.vaperforms.virginia.gov](http://www.vaperforms.virginia.gov)

## Background and History

### Agency Background Statement

The Department of Aviation's (DOAV) mission is to cultivate an advanced aviation system that is safe, secure and provides for economic development; promote aviation awareness and education; and provide the safest and most efficient flight services for the Commonwealth leadership and state agencies.

Section 5.1-1.5 and 5.1-1.6 of the Code of Virginia specify the powers of the Department of Aviation. The Department is responsible for administering the provisions of Chapters 1, 3, 5, and 8.1 of Title 5.1 of the Code; planning for the development of a state aviation system; promoting aviation in the Commonwealth in the interest of the public; licensing aircraft, airports and landing areas; and providing assistance to cities, towns, counties and other governmental subdivisions for the planning, development, construction and operation of airports, landing fields and other aviation facilities.

### Major Products and Services

DOAV plans and develops the Commonwealth's air transportation system through partnerships with the local airport boards and commissions and with the Federal Aviation Administration (FAA). During FY 2014, the agency allocated approximately \$26.7 million in state funds (matching \$66.9 million in federal funds) for airport related construction, maintenance, security, planning, promotion, and navigational aids and weather reporting equipment.

DOAV also promotes aviation in the Commonwealth, educates the public regarding the benefits of aviation to the community, works with the Department of Education to coordinate aviation and aerospace education needs and supports the development and enhancement of commercial air service to Virginia's air carrier airports. In addition, the agency licenses aircraft and public and private-use airports, and provides executive flight services to the Commonwealth leadership and state agencies.

### Customers

#### Customer Summary

The number of travelers utilizing Virginia's air carrier airports remained relatively steady over the last fiscal year but is expected to grow along with the national demand. According to the FAA 2014 forecast the number of commercial airline passengers is expected to increase at an annual average rate of 2.2 percent per year over the next 20 years. This reflects the growth of the U.S. economy in the post recession period, and indeed beats many projections of economic growth due to pent up demand for travel services. General Aviation hours flown during the same forecast period is forecast to grow at an average annual rate of 1.4 percent, with a majority of that growth occurring in the business aviation sector. We will have to be prepared to increase the capacity and throughput at all of our airports. We will focus on increasing throughput at our air carrier airports, expanding the role of our reliever airports, and promoting a viable air taxi and charter service that provides efficient and cost-effective point to point air transportation for our rural communities.

#### Customer Table

Predefined Group	User Defined Group	Number Served Annually	Potential Number of Annual Customers	Projected Customer Trend
Local or Regional Government Authorities	Educational Institutions	2,365	2,365	Increase
Local or Regional Government Authorities	Public-Use Airport Sponsors	66	69	Increase
Motorist	Aircraft Pilots	14,620	14,620	Stable
Public transportation user	Commercial Air Travelers	48,437,798	48,437,798	Stable
State Agency(s),	Commonwealth of Virginia Agencies	30	193	Increase
Transportation	Aircraft Maintenance Inspectors	164	216	Increase
Transportation	Private-Use Airport Sponsors	206	206	Stable
Vehicle Owner	Aircraft Owners	2,822	3,200	Increase

### Finance and Performance Management

#### Finance

##### Financial Summary

The Department of Aviation's funding comes almost entirely from nongeneral fund sources. The largest (68%) source of funds comes from a 2.4% modal allocation of the Commonwealth's Transportation Trust Fund to support the capital improvement needs of Virginia's airports. The Aviation Special Fund (30%), which supports all other agency services, derives its resources from aircraft sales and use tax, aviation fuels tax, charges for client use of agency executive aircraft, and miscellaneous sources such as aircraft and airport license fees. The Aviation Education Facilities Fund, the General Fund and grant funds from the Federal Aviation Administration make up the balance (2%) of the agency's funding.

##### Fund Sources

Fund Code	Fund Name	FY 2015	FY 2016
0100	General Fund	\$30,252	\$30,253
0461	Aviation Fees And Taxes	\$10,660,469	\$10,670,466
0466	Aviation Education Facilities Fund	\$70,000	\$70,000
0475	Commonwealth Airport Fund	\$24,076,475	\$24,076,475
1000	Federal Trust	\$500,000	\$500,000

##### Revenue Summary

Nearly all of DOAV's revenues are collected by other state agencies, such as the Departments of Taxation and Motor Vehicles, and transferred to DOAV to support its investment in Virginia's aviation system.

#### Performance

##### Performance Highlights

The Department of Aviation has several measures which highlight its performance, the first of which is the amount of economic activity that is generated annually to Virginia by its aviation system. That amount has held steady at \$28.8 billion per year for the last four years, despite challenging economic conditions. An additional measure of importance is the number of enplanements that occur annually at Virginia's air carrier airports. That number has also held steady over the last five years, with over 24.2 million passengers per year boarding aircraft at our airports.

The Department also participates in local, statewide and national air transportation events designed to increase the awareness and value of aviation to the Commonwealth. We continue to reach three quarters of a million attendees each year, with some years exceeding one million. In addition, we install and maintain electronic navigational aids at Virginia airports in order to improve the safety, accessibility and usability of the airports, particularly during inclement weather, and these devices operate at a 99.2% availability rate.

Currently the Department of Aviation is delivering excellent service to our customers. Our feedback from customers has been that 100% are very satisfied or satisfied with our flight services. We have achieved IS-BAO certification (International Standard - Business Aircraft Operations), which is the highest international standard for Safety, Standardization, Maintenance and Training for our flight department. We have also achieved ISO-9000 certification for our entire agency, which ensures that our processes are streamlined and efficient to provide the most cost effective services to our airports and aviation community. We are the first state to achieve IS-BAO certification for its flight department, and the first state to achieve ISO-9000 certification for the aviation agency.

**Selected Measures**

Measure ID	Measure	Alternative Name	Estimated Trend
84165502.001.003	Amount of economic activity generated by Virginia's aviation system (\$ billions)	Aviation economic activity	Maintaining
84165502.001.002	Number of enplanements at the air carrier airports (having scheduled service)	Air carrier enplanements	Improving
84165502.001.001	Number of people exposed to Virginia Aviation by Department of Aviation (DOAV) activities	Exposure to Virginia aviation	Maintaining
84165504.001.002	Percentage of time that the Department-owned electronic navigational equipment are available for service	Navigational aid availability	Improving

**Key Risk Factors**

Several factors will have a significant impact on the agency over the next four years. DOAV's focus is on managing and improving performance in order to mitigate these risk factors.

**Federal and Local Funding:** Development and maintenance of the state's airport system is dependent on the availability of matching federal and local funds. DOAV works closely with its partners, the FAA and local airport sponsors, to ensure that funds are available to support the highest priority airport improvements. Aviation contributed \$28.8 billion to Virginia's economy in 2013, and it is therefore important that we stress to local leaders the value that airports bring to their community.

**Transportation Security Requirements:** Federally-mandated transportation security requirements affect the airports, aircraft operators, general aviation businesses, and commercial air travelers. DOAV works closely with the FAA, the TSA, and with our stakeholders to ensure the effective implementation of security strategies.

**Aging Work Force:** The Department must deal with the effects of an aging work force: 19% of the Department's employees are retirement eligible today, and 44% will be retirement eligible within five years. The average age of the agency workforce is 49 and the average number of years of service is 16.

**Agency Statistics**

**Statistics Summary**

Virginia airports are economic engines, technology magnets and tourism gateways. They provide our Virginia citizens access to the National Air Transportation System as well as economic opportunities for the communities they serve. Virginia's system provides 99% of Virginia's population access to a commercial airport within a 45 minute drive and access to a general aviation airport within a 30 minute drive. The DOAV works closely with the communities and the Virginia Aviation Board to ensure the airports meet the community needs. DOAV along with the FAA and Transportation Security Administration (TSA) inspect the Virginia airports to ensure they maintain the highest level of safety and security. This partnership with the community, DOAV, FAA and TSA ensure Virginia's aviation system is one of the best in the nation.

## Statistics Table

Description	Value
Total Public Use Airports	66
Air Carrier Airports	9
General Aviation Airports	57
Private Use Airports	209
Aircraft	2,822
Virginia Weather Reporting Systems (buying additional 20 to get weather at every airport)	45
Virginia Navigational Aid Systems	51
Virginia airport approaches for bad weather operations	259
Number of Pilots	14,620
Economic Impact of Virginia's Airports in Billions	29
Jobs created and sustained by airports	259,000
Passengers boarding at Virginia Commercial Airports	24,218,899
Daily visitors arriving by Virginia Airports	23,000

## Management Discussion

### General Information About Ongoing Status of Agency

DOAV will continue to provide unsurpassed service and push the envelope in providing the best aviation network in numerous areas including: more web based services providing 24 hour support for our customers, continued emphasis on safety and safety training, a vigilant watch over security matters for our airports and customers, and serving the Commonwealth citizens by providing economic opportunities and continually improving access to the national air transportation system.

DOAV, and its partners in VSATS, is undertaking specific projects that aim to lead advancements in the implementation of NextGen technologies regarding increased efficiency, safety and throughput at high volume General Aviation airports, while also pursuing technologies which provide access to General Aviation airports which will essentially be on par with larger commercial service airports. These technologies will be focused on improving airspace management, airport capacity, and aircraft capabilities. They will enable us to expand our aviation and aerospace business base and provide more economic opportunities to our communities. We have presented a business case to the FAA to make Virginia the next state to have an Early Implementation Plan (EIP) with federal, state and industry participation. That will bring new technologies to the Commonwealth, enabling us to increase our safety and air transportation system capacity, as well as providing better access to rural airports and communities.

### Information Technology

Major IT Investments underway include:

Replacement Agency Accounting System (AAS): DOAV's accounting tool is dated, and is hosted on a platform (Windows XP) that is no longer supported. In addition, the early 2016 implementation of the enterprise-wide Cardinal project at DOAV will necessitate the development of a replacement Agency Accounting System that will interface with Cardinal and provide the agency with business-critical encumbrance accounting functionality. The objective of the current effort is to develop and deploy both 1) an updated AAS system hosted on a supported platform utilizing Commonwealth Accounting and Reporting System (CARS) data by early 2015 and 2) an interface with Cardinal to support AAS functionality by early 2016.

Telephone System replacement: DOAV's POTS-based telephone system is dated and unreliable. The Agency is experiencing outages that impact customer service, and repairs to the current system are increasingly difficult and expensive. The Agency has opened a work request to implement a voice-over-internet-protocol (VOIP) solution that will improve reliability and offer greater flexibility for customer service by DOAV.

Airport IQ System Manager (ASM): DOAV is currently working with the vendor to develop an appropriate statement of work for improvements to the Airport IQ modules in use. The Department utilizes this vendor-based web tool to manage airport facility inspections, grant and project management, aeronautical statistics and aircraft licensing as well as perform activity analysis and forecasting. DOAV has identified significant enhancements to these tools that will improve customer service with respect to license issuance and payment, grant submission, reimbursement processing and documentation and continued improvements to web tools allowing easier and more efficient interaction with agency customers and the Virginia aviation community.

Guest Wireless Internet Service: DOAV's flight customers are often in need of internet connectivity while at the agency's terminal for departure or arrival of scheduled travel. The implementation of a guest wireless network will serve this communications need for agency guests as well as provide backup internet access for the agency in the event of failure in the wired network. DOAV is currently working with VITA/NG to implement a wireless network throughout the agency campus.

Redesigned Agency Web Site: DOAV's website does not support the communications and service offerings required by agency customers. The website's technology is outdated and needs to be re-designed to provide more prompt, more effective and more complete information to the citizens and our customers. DOAV is currently identifying requirements for the new website and working with our hosting vendor on the redesign project.

Longer-term Information Technology Plans/Needs:

Enterprise Data Management: The Department is transitioning most of its communications from paper to electronic format. There is a need to manage all agency data consistently to support ease of use, compliance with data retention and destruction policies, and prompt response to Freedom of Information Act (FOIA) requests for information. This will include hardware and software configuration, setup, training, operational support and policy development.

Portable Communications Device Upgrades: The Department is currently dependent upon Blackberry devices for portable user communications. These devices are at end of life, and the Department needs to develop an implementation and support plan that suits the broad variety of user needs and addresses the increasing complexity of communication requirements for interoperability, interface with other systems, security and bring-your-own-device (BYOD) offerings.

**Workforce Development**

The Department must deal with the effects of an aging work force: 19% of the Department's employees are retirement eligible today, and 44% will be retirement eligible within five years. The average age of the agency workforce is 49 and the average number of years of service is 16.

DOAV has performed an information technology training needs assessment, and intends to broaden it to include non-IT needs, as a basis for development of a training program. Currently, the agency is providing information technology training in support of infrastructure improvements, and is training staff on quality management standards and internal audit techniques as part of its ISO 9000 certification.

**Physical Plant**

DOAV maintains a single plant at Richmond International Airport, consisting of an administrative office building and an aircraft hangar. The hangar roof has recently been replaced and its floor refurbished. In addition, improvements to the aircraft apron pavement and underground drainage system have been completed, along with energy improvements (electrical and plumbing) and physical security upgrades at both facilities. Future initiatives include inspection and refurbishment of the administration building's roof (now 20 years old), and improvements to the aircraft hangar.

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