

2016-18 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 2017, \$35.62 million, 0.08% from the General Fund.

Trends Legend ↑ Increase, ↓ Decrease, → Steady

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

Productivity Legend ↑ Improving, ↓ Worsening, → Maintaining

For more information on administrative key, and productivity measures, go to 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 2016, the agency allocated approximately \$25.6 million in state funds (matching \$81.6 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 2017 forecast the number of commercial airline passengers is expected to increase at an annual average rate of 1.9 percent per year over the next 20 years. Over the medium and long term, demand for aviation is driven by economic activity, and a growing U.S. and world economy provides the basis for aviation to grow over the long run. General Aviation hours flown during the same forecast period is forecast to grow at an average annual rate of .9 percent, as growth in turbine, rotorcraft, and experimental hours more than offset a decline in fixed wing piston hours. 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	2,738	2,738	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	51,440,704	51,440,704	Increase
State Agency(s),	Commonwealth of Virginia Agencies	30	193	Increase
Transportation	Aircraft Maintenance Inspectors	164	216	Increase
Transportation	Private-Use Airport Sponsors	213	213	Stable
Vehicle Owner	Aircraft Owners	3,045	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 2017	FY 2018
01000	General Fund	\$30,253	\$30,253
04610	Aviation Fees And Taxes	\$10,942,920	\$10,942,920
04660	Aviation Educ Facilities Fund	\$70,000	\$70,000
04750	Commonwealth Airport Fund	\$24,076,475	\$24,076,475
10000	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 six 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 25.7 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 99.4% 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	Improving
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 2015, 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: 24% of the Department's employees are retirement eligible today, and 36% will be retirement eligible within five years. The average age of the agency workforce is 50 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	213
Aircraft	3,045
Virginia Weather Reporting Systems	62
Virginia Navigational Aid Systems	55
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	25,720,352
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.

As a result of action by the 2017 General Assembly, the Department is beginning the process of making modifications and improvements to its Airport Capital Improvement Program. Partnering with the Virginia Aviation Board (VAB) and the Virginia Airport Operator's Council (VAOC), the modifications are intended to increase transparency, improve VAB control of the program's funding, and increase coordination between airport development plans and airline service at Virginia's commercial airports.

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:

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.

Redesigned Agency Web Site: DOAV's website is being redesigned to support the communications and service offerings required by agency customers. The redesigned site will provide more prompt, more effective and more complete information to the citizens and our customers. DOAV is currently identifying business requirements for the new website.

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.

Workforce Development

The Department must deal with the effects of an aging work force: 24% of the Department's employees are retirement eligible today, and 36% will be retirement eligible within five years. The average age of the agency workforce is 50 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. Future initiatives include inspection and refurbishment of the administration building's roof (now 23 years old), routine exterior facility repairs, and modernizations to the two buildings to improve functionality and the customer experience.
