

## **REPORT DIGEST**

### **MANAGEMENT AUDIT**

#### **ILLINOIS DEPARTMENT OF TRANSPORTATION'S**

#### **AERONAUTICS OPERATIONS**

Released: January 2007



State of Illinois  
Office of the Auditor General

**WILLIAM G. HOLLAND**  
AUDITOR GENERAL

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### **SYNOPSIS**

Legislative Audit Commission Resolution Number 135 directed the Auditor General to conduct a management audit of the Illinois Department of Transportation's (IDOT's) aeronautics operations. Our audit concluded that:

- The amounts billed by IDOT to users of the State's aircraft were not sufficient to cover the cost of operating the State's aircraft for fiscal years 2003 – 2006. On average the amounts billed covered only 14.3 percent of the cost of operating the State's aircraft over the four-year period.
- The business rate charged to users of the State's aircraft has not been increased since 1981. If IDOT's goal was to recover its cost, IDOT would need to raise the rate charged for the executive aircraft from \$0.41 per seat-mile to \$1.85 per seat-mile. For the executive helicopters, IDOT would need to increase the amount charged from \$84.00 per seat-hour to \$1,861.50 per seat-hour.
- IDOT currently charges \$59.86 for a one-way shuttle flight between Springfield and Chicago Midway. Based on the average cost per passenger seat-mile for the four-year period, IDOT would need to charge \$270.10 for a one-way shuttle flight to cover the cost of operating the State's aircraft.
- IDOT did not include all costs of operating the State's aircraft in its cost reports.
- IDOT has not fully analyzed the cost effectiveness of its air operations and has also not analyzed the optimum fleet size needed.
- Flight requests from State agencies are not made in writing as required by statute. Passengers also are not attesting to the purpose of the flight when signing the flight manifest as required in IDOT's Air Transportation Guidelines.
- IDOT does not charge business users for any positioning legs associated with a requested flight.
- Rates charged by commercial airlines are higher than the rates charged by IDOT but lower than the actual cost incurred by IDOT to provide the service.
- The shuttle flights represented 73 percent of all executive aircraft flights during fiscal years 2003 – 2006 and averaged 5.6 passengers per flight. Special flight requests represented 25 percent of executive aircraft flights and averaged 4.0 passengers per flight.

MANAGEMENT AUDIT OF IDOT'S AERONAUTICS OPERATIONS

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## REPORT CONCLUSIONS

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The Illinois Department of Transportation's (IDOT's) Division of Aeronautics is responsible for operating the State's air transportation services program. IDOT operates a Springfield-Chicago and Chicago-Springfield shuttle service and also provides additional flight services upon request.

### COST OF OPERATING THE STATE'S AIRCRAFT

The amounts billed by IDOT to users of the State's aircraft were not sufficient to cover the cost of operating the State's aircraft for fiscal years 2003 – 2006. On average the amounts billed covered only 14.3 percent of the cost of operating the State's aircraft over the four-year period. Over the four-year period, costs totaled \$19.97 million while amounts billed to users totaled \$2.85 million. Since amounts billed do not cover costs, money from other sources such as the Road Fund and the General Revenue Fund are being used to subsidize the cost of air transportation services.

The business rate charged to users of the State's aircraft has not been increased since 1981. The rate for personal and political users was last increased in 1995. IDOT lacks a system or methodology to set the rates that are charged to users. IDOT also lacks a written policy that would require a periodic examination of the rate structure to determine if rates need to be adjusted.

IDOT did not include all costs of operating the State's aircraft in its cost reports. IDOT included direct costs such as fuel, parts, outside repairs, maintenance costs, and pilot costs. IDOT did not include other direct costs such as training for pilots and mechanics, travel costs, insurance, airport fees, and depreciation. IDOT also did not include administrative costs such as management salaries, utilities, and other building costs.

IDOT officials have stated that their goal is not to recover the cost of operating the State's aircraft. However, if the goal was to recover the cost, IDOT would need to raise the rate charged for the executive aircraft from \$0.41 per seat-mile to \$1.85 per seat-mile. For the executive helicopters, IDOT would need to increase the amount charged from \$84.00 per seat-hour to \$1,861.50 per seat-hour.

IDOT has not fully analyzed the cost effectiveness of its air operations and has not examined whether alternative means exist to fulfill the travel needs of State employees. IDOT has also not analyzed the optimum fleet size needed. Periodically examining its cost effectiveness

and optimal fleet size is critical in identifying opportunities to reduce aircraft costs and in identifying inefficiencies.

## **USERS OF THE STATE'S AIRCRAFT**

Flight requests from State agencies are not made in writing as required by statute. State statute specifies that “*All requests for air transportation shall be made in writing and shall be signed by the executive officer or employee of the office, department, or agency.*” (20 ILCS 2705/2705-225) Contrary to State statute, all flight requests are made by calling IDOT.

Passengers are not attesting to the purpose of the flight when signing the flight manifest as required in IDOT’s Air Transportation Guidelines. The Guidelines require that, when signing the flight manifests, all passengers attest to the purpose of the flight. The Guidelines go on to define three categories of utilization: official State business, personal business, and political business. Passengers did not attest to the purpose of the flight in 95 percent (113 of 119) of the flights tested. In addition, not all of the passengers listed on the flight manifest signed the manifest in eight percent (9 of 119) of the flights tested.

IDOT does not charge business users for any positioning legs associated with a requested flight. These positioning legs are also referred to as “dead-head” legs, meaning that there are no passengers on board. Positioning legs add costs that are not recovered through billing the users of the State’s aircraft.

The shuttle flights represented 73 percent of all executive aircraft flights during fiscal years 2003 – 2006 and averaged 5.6 passengers per flight. Special flight requests represented 25 percent of executive aircraft flights and averaged 4.0 passengers per flight. The remaining flights were air operations flights such as for maintenance and training. The top user of the State’s aircraft was the Governor’s Office. The top 25 users of the State’s aircraft accounted for 86 percent of all amounts billed for the four-year period.

## **COMPARISON TO COMMERCIAL FLIGHTS**

Rates charged by commercial airlines are higher than the rates charged by IDOT but lower than the actual cost incurred by IDOT to provide the service. There are currently two commercial airlines that fly between Springfield and Chicago. United Airlines flies between Springfield and Chicago O’Hare with a State rate of \$140 for a one-way capacity controlled fare and a \$204 one-way rate that is always available if seats are available. Big Sky Airlines flies between Springfield and

Chicago Midway with an introductory one-way rate of \$79 which eventually will rise to \$109.

IDOT currently charges \$59.86 for a one-way shuttle flight between Springfield and Chicago Midway. However, IDOT has not increased business rates since 1981 and the cost to provide the service is substantially higher. Based on the average cost per passenger seat-mile for the four-year period, IDOT would need to charge \$270.10 for a one-way shuttle flight to cover the cost of operating the State's aircraft.

The vast majority of flights (87%) for the executive aircraft are between Chicago and Springfield. Shuttle flights represented 73 percent (5,900 of 8,106) of all flights during fiscal years 2003 – 2006. Other special flights between Chicago and Springfield accounted for an additional 14 percent (1,157 of 8,106) of flights over the same time period. Flights to other cities that offer commercial flights accounted for only 1 percent (87 of 8,106) of all flights over the four-year period.

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## INTRODUCTION

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On August 10, 2005, the Legislative Audit Commission adopted Legislative Audit Commission Resolution Number 135 which directs the Auditor General to conduct a management audit of the Illinois Department of Transportation's (IDOT's) aeronautics operations. The resolution specified that the audit be completed by January 2007. The resolution directs that the audit include but not be limited to the following determinations for fiscal years 2003 through 2006:

- All direct and indirect costs associated with operating the State planes;
- A categorization of the users of the State planes by flight destination, time of day and agency;
- The total reimbursements paid by State agencies for flights taken by their respective employees and a determination of whether those reimbursements were sufficient to cover costs associated with operating the State's fleet;
- A comparison of the cost paid by State employees for flights on the State plane to amounts charged by commercial airlines operating out of the same cities;
- To the extent that information is available, a determination of whether any flights were for a personal or non-official purpose; and
- Whether IDOT has analyzed the cost-effectiveness of its air operation and examined whether alternative means exist to fulfill the travel needs of State employees. (page 3)

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## BACKGROUND

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The Illinois Department of Transportation's Division of Aeronautics is responsible for operating an air transportation services program. IDOT operates a Springfield-Chicago and Chicago-Springfield shuttle service and also provides additional flight services upon request. The shuttle operates on weekdays and offers three round trips daily. The shuttle flies between the Abraham Lincoln Capital Airport in Springfield and Midway Airport in Chicago. In addition to the shuttle service and specially requested flights, IDOT provides aerial assistance to law enforcement and disaster response agencies, aerial photography, and engineering services.

The State aircraft fleet currently consists of 16 aircraft: 4 Beechcraft King Air airplanes, 2 Sikorsky helicopters, 9 Cessna airplanes, and 1 Bell helicopter. All aircraft are based in Springfield. The Beechcraft King Air airplanes and the Sikorsky helicopters are primarily used to transport State officials. The Cessna airplanes and Bell helicopter are utility aircraft used for such functions as aerial surveys and airport inspections and also to support the Department of Natural Resources and Illinois Homeland Security. (pages 3-10)

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## COST OF OPERATING THE STATE'S AIRCRAFT PROGRAM

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**IDOT did not include all costs of operating the State's aircraft fleet in its cost reports.**

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IDOT did not include all costs of operating the State's aircraft in its cost reports. IDOT included direct costs such as fuel, parts, outside repairs, maintenance costs, and pilot costs. IDOT did not include other direct costs such as training for pilots and mechanics, travel costs, insurance, airport fees, and depreciation. IDOT also did not include administrative costs such as management salaries, utilities, and other building costs.

Federal Office of Management and Budget (OMB) Circular No. A-126 defines cost elements that should be included when accounting for the cost of aircraft. IDOT did not include all of these costs in its Cost Analysis Summary reports. Although the Circular's requirements apply specifically to federal executive agencies, the cost methodology is relevant to IDOT's aeronautics operations.

Digest Exhibit 1 shows the costs of operating the State's aircraft program. The first part of the exhibit shows the costs that IDOT included in its Cost Analysis Summary reports. The second part of the exhibit shows additional costs of the program that, according to federal OMB Circular No. A-126, should be included, and also the cost of charter

flights. IDOT has started to look at incorporating these additional costs into its cost analysis.

Digest Exhibit 1 <b>COSTS OF OPERATING THE STATE'S AIRCRAFT PROGRAM</b> Fiscal Years 2003 – 2006 (in Thousands)				
<b>IDOT's Costs in Cost Analysis Summary Reports</b>				
<b><u>Cost Description</u></b>	<b><u>FY03</u></b>	<b><u>FY04</u></b>	<b><u>FY05</u></b>	<b><u>FY06</u></b>
Outside Repairs	\$263.6	\$610.3	\$548.3	\$517.2
In-House Aircraft Parts	571.9	426.9	404.2	447.0
Fuel	413.8	536.1	665.7	789.0
Allocated Maintenance Costs	808.6	915.7	980.5	877.0
Allocated Pilot Costs	<u>1,272.7</u>	<u>1,101.6</u>	<u>1,111.2</u>	<u>961.6</u>
Total	<u>\$3,330.7</u>	<u>\$3,590.5</u>	<u>\$3,709.8</u>	<u>\$3,591.8</u>
<b>Additional Costs Not Included by IDOT</b>				
<b><u>Cost Description</u></b>	<b><u>FY03</u></b>	<b><u>FY04</u></b>	<b><u>FY05</u></b>	<b><u>FY06</u></b>
Training: Pilots and Mechanics	\$ 179.1	\$ 232.4	\$ 218.9	\$ 324.9
Travel	38.4	37.2	33.3	40.6
Liability Insurance	159.2	167.2	167.2	103.1
Airport Fees	134.2	91.6	81.1	21.7
First Class Flight Physicals	2.5	2.8	2.2	3.2
Management Salaries	444.2	375.7	445.4	449.8
Support Salaries	7.1	7.2	7.5	6.3
Building Costs	69.8	66.0	54.5	110.0
Office Supplies	3.2	3.2	2.1	2.3
Charter Flights	130.6	57.2	2.5	0.0
Depreciation	<u>365.2</u>	<u>365.2</u>	<u>365.2</u>	<u>365.2</u>
Total Additional Costs	<u>\$ 1,533.5</u>	<u>\$ 1,405.6</u>	<u>\$ 1,379.8</u>	<u>\$ 1,427.1</u>
<b>Total Cost of Operating the State's Aircraft</b>	<b><u>\$ 4,864.2</u></b>	<b><u>\$ 4,996.1</u></b>	<b><u>\$ 5,089.6</u></b>	<b><u>\$ 5,018.9</u></b>

Source: OAG analysis of IDOT Cost Analysis Summary reports and cost data.

We recommended that IDOT include all direct and indirect costs when assessing the cost of the State's aircraft program and should use the costs defined in Federal OMB Circular No. A-126 as a starting point in determining all of the costs of operating the State's aircraft program.  
(pages 14-19)

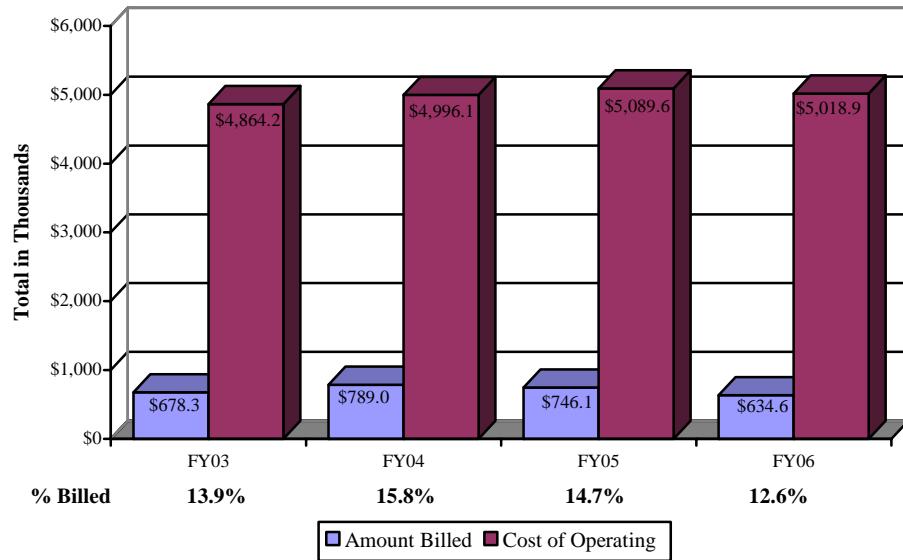
## COMPARISON OF COSTS TO AMOUNT BILLED

**Amounts billed to users of the State's aircraft covered only 14.3 percent of the cost.**

The amounts billed by IDOT to users of the State's aircraft were not sufficient to cover the cost of operating the State's aircraft for fiscal years 2003 – 2006. On average the amounts billed covered only 14.3 percent of the cost of operating the State's aircraft over the four-year period. Since amounts billed to users do not cover costs, money from other sources such as the Road Fund and the General Revenue Fund are being used to subsidize the cost of air transportation services.

Digest Exhibit 2 shows the amounts billed to users were not sufficient to cover the cost of operating the State's aircraft. Although the costs of operating the State's aircraft totaled \$19.97 million, users were only billed a total of \$2.85 million over the four-year period. (pages 19-20)

**Digest Exhibit 2  
COMPARISON OF COSTS OF OPERATING THE STATE'S AIRCRAFT  
PROGRAM TO AMOUNTS BILLED TO USERS  
Fiscal Years 2003 – 2006 (in Thousands)**



Source: OAG analysis of IDOT billing and cost data.

## CURRENT RATE STRUCTURE

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The business rate charged to users of the State's aircraft has not been increased since 1981. The rate for personal and political users was last increased in 1995. IDOT lacks a system or methodology to set the rates that are charged to users. IDOT also lacks a written policy that would require a periodic examination of the rate structure to determine if rates need to be adjusted.

The rates charged to users are listed in IDOT's Air Transportation Guidelines. The first version of the Air Transportation Guidelines established the initial rate of \$0.25 per seat-mile for both business users and personal/political users. In 1981, the rates were increased to \$0.35 per seat-mile for both business users and personal/political users. In 1991, IDOT implemented a new computer system that utilized nautical miles as opposed to statute miles. A nautical mile is approximately 1.15 statute miles. Rates were converted from \$0.35 per statute seat-mile to \$0.41 per nautical seat-mile. The rate for personal/political users was last increased in 1995 to its current rate of \$0.75 per seat-mile.

We recommended that IDOT should develop a written policy that requires a periodic review of its rates charged to users of the State's aircraft. IDOT should also develop a methodology to set the rates charged to users and determine the costs that should be recovered. If IDOT develops a rate that does not recover the full cost of operating the State's aircraft, the full cost information should be made available so that it will make transparent the amount of subsidy involved in providing aircraft services.

### Cost Per Passenger Mile of Operating the Executive Aircraft Fleet

IDOT officials have stated that their goal is not to recover the cost of operating the State's aircraft. However, if the goal was to recover the cost, IDOT would need to raise the rate charged for the executive aircraft from \$0.41 per seat-mile to \$1.85 per seat-mile. Based on the costs and passenger miles flown over the previous four fiscal years, IDOT's average cost for the four Beechcraft King Air aircraft is \$9.81 per mile. The Beechcraft King Air's seating capacity is nine passengers. Based on nine passengers, the average cost per seat-mile is \$1.09. However, since the average number of passengers carried per flight is 5.3, to recoup the total cost, an average cost per seat-mile of \$1.85 would need to be charged.

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**The business rate charged to users of the State's aircraft has not been increased since 1981.**

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**To recover costs, the rate charged would need to be increased from \$0.41 per seat-mile to \$1.85 per seat-mile.**

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### **Cost Per Passenger Hour of Operating the Executive Helicopter Fleet**

To recover the cost of operating the executive helicopter fleet, IDOT would need to increase the amount charged from \$84.00 per seat-hour to \$1,861.50 per seat-hour. Based on the costs and passenger hours flown over the previous four fiscal years, IDOT's average cost for the two Sikorsky helicopters is \$6,701.42 per hour. The Sikorsky's seating capacity is six passengers. Based on six passengers, the average cost per seat-hour is \$1,116.90. However, since the average number of passengers carried per flight is 3.6, to recoup the total cost, an average cost per seat-hour of \$1,861.50 would need to be charged. (pages 20-24)

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### **COST EFFECTIVENESS OF IDOT'S AIR OPERATIONS**

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**IDOT has not fully analyzed the cost effectiveness of its air operations.**

IDOT has not fully analyzed the cost effectiveness of its air operations and has not examined whether alternative means exist to fulfill the travel needs of State employees. In addition, IDOT has not analyzed the optimum fleet size needed. Periodically examining its cost effectiveness and optimal fleet size is critical in identifying opportunities to reduce aircraft costs and in identifying inefficiencies.

Digest Exhibit 3 shows aircraft utilization for the Beechcraft airplanes and the Sikorsky helicopters. The exhibit shows the number of days that no aircraft were used continuing up to the number of days where all aircraft were utilized.

As illustrated in Digest Exhibit 3, in fiscal year 2006, for the four Beechcraft airplanes, there were 82 days where none were used, 90 days when one aircraft was used, 108 days when two of the aircraft were used, 74 days when three of the aircraft were used, and 11 days when all four aircraft were used. For the two Sikorsky helicopters, in fiscal year 2006, there were 288 days when neither helicopter was used, 74 days when one helicopter was used, and 3 days when both helicopters were used.

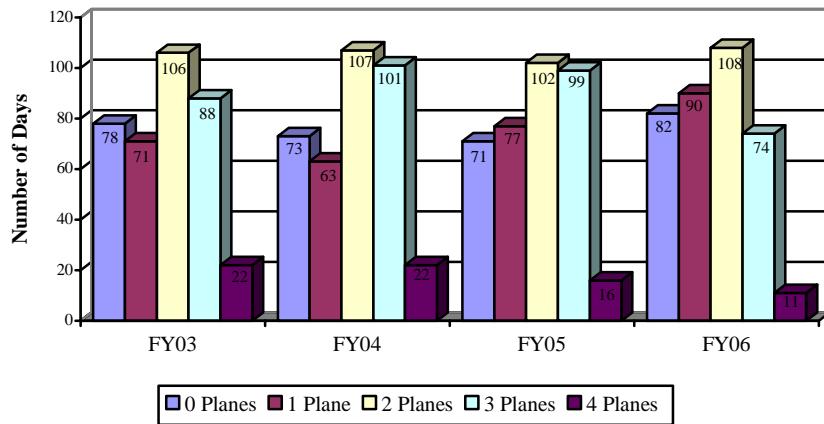
Since the shuttle flies on weekdays, the number of days where no Beechcraft aircraft were utilized represents weekends and holidays where there were no special flight requests. Also, aircraft need to be taken out of service for periods of down time throughout the year for maintenance reasons. Because of this, not all aircraft would have been available every day throughout the year.

We recommended that IDOT should periodically examine the cost effectiveness of its air operations. The analysis should also determine the optimum fleet size and whether all current aircraft are needed. (pages 24-27)

**IDOT has not analyzed the optimum fleet size needed.**

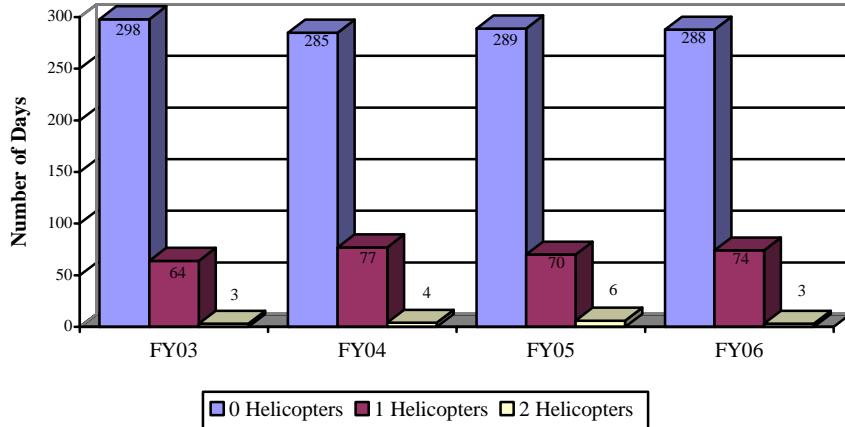
Digest Exhibit 3  
**EXECUTIVE AIRCRAFT UTILIZATION**  
Fiscal Years 2003 – 2006

**NUMBER OF DAYS AIRCRAFT IN USE**  
(Beechcraft Airplanes)



Note: The number of days where no Beechcraft aircraft were utilized represents weekends and holidays where there were no special flight requests.

**NUMBER OF DAYS AIRCRAFT IN USE**  
(Sikorsky Helicopters)



Source: OAG analysis of IDOT flight data.

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**Both Sikorsky  
helicopters were used on  
the same day only 16  
times during fiscal years  
2003 – 2006.**

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## PROCEDURES AT IDOT

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**Flight requests are not made in writing as required by statute.**

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Flight requests from State agencies are not made in writing as required by statute. Also, passengers are not attesting to the purpose of the flight when signing the flight manifest as required in IDOT's Air Transportation Guidelines.

### Flight Scheduling Procedures

IDOT's Air Transportation Guidelines delineate the procedures used to schedule a flight. Each agency that uses the State's aircraft is to designate a permanent scheduler that will be the agency's primary contact for scheduling flights. An alternate scheduler is also selected to fill in when the permanent scheduler is not available. All flight requests are made by calling IDOT.

Contrary to State statute, all flight requests are made by calling IDOT. State statute specifies that "*All requests for air transportation shall be made in writing and shall be signed by the executive officer or employee of the office, department, or agency.*" (20 ILCS 2705/2705-225) A written request form would document proper authorization of all flights. A written request could also incorporate a statement of the purpose of the flight.

We recommended that IDOT should ensure that all flight requests are made in writing as required by statute or seek legislative change to alter the requirement.

### Signed the Flight Manifest

A flight manifest listing all of the passengers is prepared prior to each flight. IDOT's Air Transportation Guidelines require each passenger to sign the flight manifest. Not all of the passengers listed on a manifest signed the flight manifest in eight percent (9 of 119) of the flights tested. This included manifests where there was no signature, manifests where the signature was initialed indicating someone else had signed for the passenger, and manifests where another passenger signed their own name next to another passenger.

### Indicating the Purpose of the Flight

Passengers are not attesting to the purpose of the flight when signing the flight manifest as required in IDOT's Air Transportation Guidelines. IDOT's Air Transportation Guidelines require that, when signing the flight manifests, all passengers attest to the purpose of the flight. The Guidelines go on to define three categories of utilization: official State business, personal business, and political business.

Although the Guidelines require all passengers to identify and attest to the purpose of the flight, we determined that for 95 percent (113 of 119) of flights tested, the passengers did not designate whether the flight was for business, personal, or political purposes. These manifests did not include a section on the form for designating the purpose of the flight. By having passengers attest to the purpose of the flight when signing the manifest, the proper use of the State's aircraft is reaffirmed. Not having passengers attest to the purpose of the flight could result in improper use of the State plane or in users being charged the incorrect rate.

We recommended that IDOT should ensure that all passengers sign the flight manifest and attest to the purpose of the flight when signing the flight manifest, as required in its Air Transportation Guidelines.

### **Positioning Legs**

IDOT does not charge business users for any positioning legs associated with a requested flight. For some flight requests, the aircraft must be flown to the requested location and then returned to its home base at the end of the flight. These positioning legs are also referred to as "dead-head" legs, meaning that there are no passengers on board.

Positioning legs add costs that are not recovered through billing the users of the State's aircraft. For instance, if a special flight is requested to fly passengers from Chicago to Springfield and the aircraft is located in Springfield, passengers are not billed for the mileage associated with flying the empty aircraft to Chicago to pick them up.

We recommended that IDOT should consider charging business users for positioning legs required to accommodate flight requests. (pages 30-35)

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**Positioning legs add costs that are not recovered through billing the users of the State's aircraft.**

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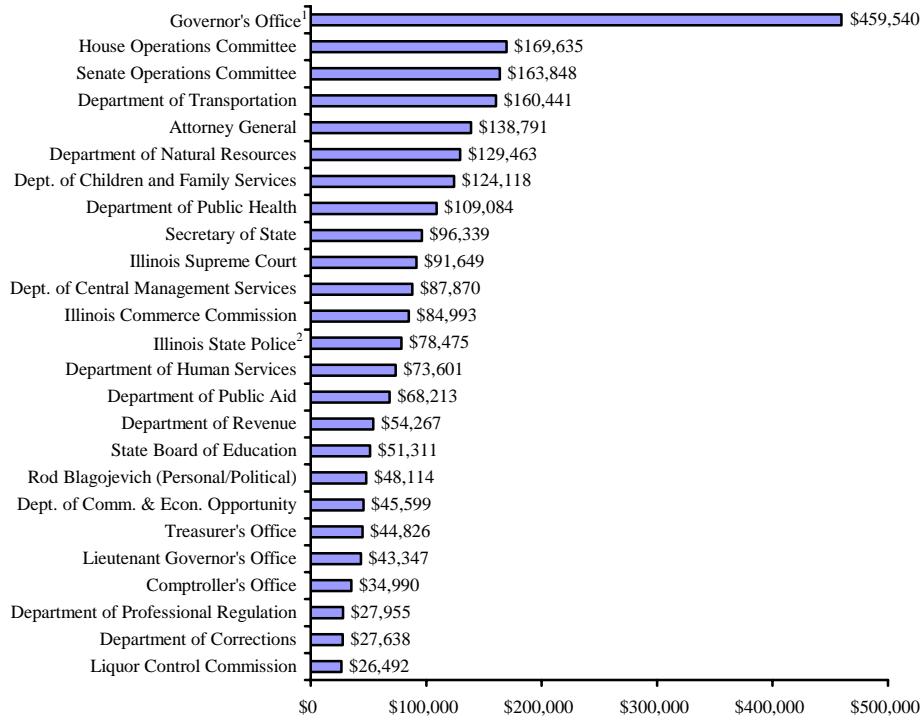
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## **USERS OF THE STATE'S AIRCRAFT**

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Digest Exhibit 4 lists the top 25 users of the State's aircraft based on billings for fiscal years 2003 – 2006. These 25 entities represented 86 percent of all amounts billed for the four-year period. The Governor's Office was the top user representing 16.1 percent of the total amount billed which was more than twice the amount of the second highest entity.

**Digest Exhibit 4**  
**TOP 25 USERS OF THE STATE'S AIRCRAFT**  
**BASED ON TOTAL BILLINGS**  
Fiscal Years 2003 – 2006



**Amount Billed**

Notes: <sup>1</sup>The Governor's Office includes the Governor's Office of Management and Budget (\$104,219).

<sup>2</sup>Illinois State Police includes the Executive Security Detail (\$76,173).

Source: OAG analysis of IDOT billings.

The flight data included a reason column that indicated the category of aircraft utilization for each user. IDOT's Air Transportation Guidelines define three categories of aircraft utilization: official State business, personal business, and political business. Digest Exhibit 5 shows a categorization of users of the State's aircraft for fiscal years 2003 – 2006. The 'Other' category consisted mainly of EMS helicopter flights which have since been discontinued. During the four-year period, 45,180 passengers used the State's aircraft. Of those 45,180 passengers, 44,771 (99%) were categorized as official State business.

## Digest Exhibit 5

**FLIGHT CATEGORIES OF INDIVIDUAL USERS  
OF THE STATE'S AIRCRAFT**

Fiscal Years 2003 – 2006

<b>Category</b>	<b>FY03</b>	<b>FY04</b>	<b>FY05</b>	<b>FY06</b>	<b>Total</b>
Official State Business	10,846	12,131	11,599	10,195	44,771
Political Business	33	64	41	20	158
Personal Business	37	23	64	19	143
Other <sup>1</sup>	105	3	-	-	108
Total	11,021	12,221	11,704	10,234	45,180

Note: <sup>1</sup>Consisted mainly of EMS helicopter flights which have since been discontinued.

Source: OAG analysis of IDOT flight data.

IDOT operates a Springfield-Chicago and Chicago-Springfield shuttle service that operates on weekdays and offers three round trips daily. The shuttle flights represented 73 percent (5,900 of 8,106) of all executive aircraft flights over the four-year period and averaged 5.6 passengers per flight.

In addition to operating the shuttle flights, IDOT responds to various special flight requests. During fiscal years 2003 – 2006, State executive aircraft were used for 1,988 special flights which represent 25 percent of all executive aircraft flights. Special flights averaged 4.0 passengers per flight over the four-year period. The remaining flights were air operations flights such as for maintenance and training. (pages 35-43)

### **COMPARISON TO COMMERCIAL FLIGHTS**

The vast majority of flights (87%) for the executive aircraft are between Chicago and Springfield. Shuttle flights represented 73 percent (5,900 of 8,106) of all flights during fiscal years 2003 – 2006. Other special flights between Chicago and Springfield accounted for an additional 14 percent (1,157 of 8,106) of flights over the same time period. Flights to other cities that offer commercial flights were limited. Flights to other cities that offer commercial flights accounted for only 1 percent (87 of 8,106) of all flights during fiscal years 2003- 2006.

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**87 percent of all flights  
were between Chicago  
and Springfield.**

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**Rates charged by commercial airlines are higher than the rates charged by IDOT but lower than the actual cost incurred by IDOT.**

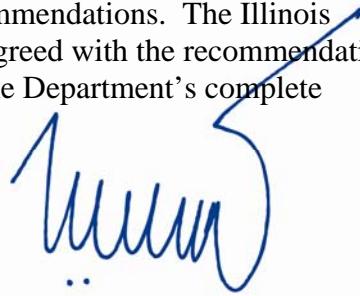
Rates charged by commercial airlines are higher than the rates charged by IDOT but lower than the actual cost incurred by IDOT to provide the service. Digest Exhibit 6 compares the rates charged and the cost to provide the service. There are currently two commercial airlines that fly between Springfield and Chicago. United Airlines flies between Springfield and Chicago O'Hare with a State rate of \$140 for a one-way capacity controlled fare and a \$204 one-way rate that is always available if seats are available. Big Sky Airlines flies between Springfield and Chicago Midway with an introductory one-way rate of \$79 which eventually will rise to \$109.

Digest Exhibit 6 <b>COMPARISON OF RATES</b> One-Way Flights	
United Airlines – Springfield to O'Hare	\$140 capacity controlled \$204 always available if seats are available
Big Sky Airlines – Springfield to Midway	\$79 introductory rate \$109 normal rate
IDOT rate – Springfield to Midway	\$59.86
IDOT rate needed to recover cost – Springfield to Midway	\$270.10
Source: CMS Travel Updates and OAG analysis of IDOT cost information and flight data.	

IDOT currently charges \$59.86 for a one-way shuttle flight between Springfield and Chicago Midway. Based on the average cost per passenger seat-mile for the four-year period, IDOT would need to charge \$270.10 for a one-way shuttle flight to cover the cost of operating the State's aircraft. (pages 45-49)

## AUDIT RECOMMENDATIONS

The audit report contains six recommendations. The Illinois Department of Transportation generally agreed with the recommendations. Appendix E of the audit report contains the Department's complete responses.



WILLIAM G. HOLLAND  
Auditor General

WGH\DJ<sup>B</sup>  
January 2007