

SB 5504 BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

Prepared By: Linnea Wittekind, Department of Administrative Services

Reviewed By: Ben Ruef, Legislative Fiscal Office

**Department of Aviation
2021-23**

PRELIMINARY

Budget Summary*

	2019-21 Legislatively Approved Budget ⁽¹⁾	2021 - 23 Current Service Level	2021-23 Committee Recommendation	Committee Change from 2019-21 Leg. Approved	
				\$ Change	% Change
Other Funds Limited	\$ 17,482,517	\$ 18,078,054	\$ 16,635,073	\$ (847,444)	-4.8%
Federal Funds Limited	\$ 6,110,139	\$ 6,419,132	\$ 6,419,132	\$ 308,993	5.1%
Total	\$ 23,592,656	\$ 24,497,186	\$ 23,054,205	\$ (538,451)	-2.3%

Position Summary

Authorized Positions	16	15	13	-3
Full-time Equivalent (FTE) positions	15.49	14.59	12.59	-2.90

⁽¹⁾ Includes adjustments through January 2021

* Excludes Capital Construction expenditures

Summary of Revenue Changes

Aviation and jet fuel tax revenues are the primary source of funding for the Department of Aviation’s operations. These fuel taxes make up approximately half of the Department’s Other Funds revenues. Additional sources of Other Funds revenue include aircraft registration fees, hangar and site leases, and other charges for service. The Department receives Federal Funds from the Federal Aviation Administration (FAA) for aviation system planning and construction projects. Federal Funds account for about 40% of the Department’s total revenues.

Summary of Transportation and Economic Development Subcommittee Action

The Department of Aviation manages and maintains 28 state-owned airports, conducts mandatory compliance inspections of the state’s 97 public use airports, and plans for the safe operation, growth, and improvement of aviation in Oregon. In addition, the Department registers all pilots and nonmilitary aircraft based in Oregon. The Subcommittee recommended a budget of \$23,054,205 total funds, 13 positions (12.59 FTE).

Operations

The Operations Division oversees the administration, operations, and maintenance of 28 state-owned, public use airports. The Division also provides the core government services of the Department: planning, land use, evaluation of tall structures, inspections of airports, and site surveys of proposed new airports. The Subcommittee recommended a budget of \$6,678,572 total funds (\$4,596,296 Other Funds and \$2,082,276 Federal Funds), 12 positions (11.09 FTE) for the program.

The Subcommittee recommended the following packages:

Package 090, Analyst Adjustments. This package eliminates two Administrative Specialist positions (2.00 FTE) and the Capital Outlay budget for this program. It also reduces office expenses, telecommunications, data processing, publicity and publications, fuels and utilities, and agency program related services and supplies. The package eliminates expenditures for all travel, professional services, employee recruitment, dues and subscriptions, other services and supplies, and expendable property.

Package 099, Microsoft 365 Consolidation. Microsoft 365 is being consolidated within the Office of the State Information Officer at the E5 level of service. This cost is built into the State Government Service Charge for every agency as a cost increase for the 2021-23 biennium. This package makes a corresponding reduction to the agency base budget in an amount equivalent to what agencies should be paying in the current 2019-21 biennium for Microsoft 365 at the E3 level of service.

General Aviation Entitlement Program

The General Aviation Entitlement Program administers FAA funded capital improvement projects to address safety, operations, and development needs at airports in Oregon. The FAA grants generally cover 90% of project costs with the remaining 10% paid by the airport owner. The Subcommittee recommended a budget of \$4,783,640 total funds (\$446,784 Other Funds and \$4,336,856 Federal Funds).

The Subcommittee recommended the following package:

Package 070, Revenue Shortfalls. This package reduces professional services due to Covid-19 impacts to fuel revenue.

Pavement Maintenance

There are 66 paved public use airports in the state. The Pavement Maintenance Program evaluates the condition of pavement at these airports and assists the airports in undertaking preventative maintenance, which is the most cost-effective means to preserve pavement infrastructure. Preventive maintenance includes patching, crack sealing, and global fog seal treatments. The Program funds projects not eligible for FAA funding. The Subcommittee recommended a budget of \$1,705,828 Other Funds expenditure limitation (0.50 FTE) for the program.

The Subcommittee recommended the following package:

Package 070, Revenue Shortfalls. This package reduces professional services due to Covid-19 impacts to fuel revenue.

Aircraft Registration

The Aircraft Registration Program registers over 3,700 aircraft per year. The Program manages and administers the AERO II software system, which houses aircraft and pilot registration information. Aircraft registration fees are the primary source of funding for the required 10% match

on federal airport improvement grants from the FAA. The Subcommittee recommended a budget of \$166,706 Other Funds expenditure limitation and one position (1.00 FTE) for the Program.

Aviation System Action Program

As a result of House Bill 2075 (2015), the Aviation System Action Program was created. House Bill 2075 directs the increase in fuel tax revenue (after 5% is deducted for the Department’s administration costs) into three separate grant programs to benefit Oregon airports and aviation. The grant programs are Critical Oregon Airport Relief, Rural Oregon Airport Relief, and State-Owned Airports Reserve. The Subcommittee recommended a budget of \$9,719,459 Other Funds expenditure limitation.

Summary of Performance Measure Action

See attached Legislatively Adopted 2021-23 Key Performance Measures form.

PRELIMINARY

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Department of Aviation
Linnea Wittekind 971-900-9992

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2019-21 Legislatively Approved Budget at Jan 2021*	\$ -	\$ -	\$ 17,482,517	\$ -	\$ 6,110,139	\$ -	\$ 23,592,656	16	15.49
2021-23 Current Services Level (CSL)*	\$ -	\$ -	\$ 18,078,054	\$ -	\$ 6,419,132	\$ -	\$ 24,497,186	15	14.59
SUBCOMMITTEE ADJUSTMENTS									
SCR 001-00 - Operations									
Package 090 Analyst Adjustments									
Personal Services	\$ -	\$ -	\$ (341,076)	\$ -	\$ -	\$ -	\$ (341,076)	-2	-2.00
Services and Supplies	\$ -	\$ -	\$ (186,978)	\$ -	\$ -	\$ -	\$ (186,978)		
Capital Outlay	\$ -	\$ -	\$ (150,487)	\$ -	\$ -	\$ -	\$ (150,487)		
Package 099 Microsoft 365 Consolidation									
Services and Supplies	\$ -	\$ -	\$ (11,286)	\$ -	\$ -	\$ -	\$ (11,286)		
SCR 003-00 - General Aviation Entitlement Program									
Package 070 Revenue Shortfall									
Services and Supplies	\$ -	\$ -	\$ (31,940)	\$ -	\$ -	\$ -	\$ (31,940)		
SCR 004-00 - Pavement Maintenance									
Package 070 Revenue Shortfall									
Services and Supplies	\$ -	\$ -	\$ (721,214)	\$ -	\$ -	\$ -	\$ (721,214)		
TOTAL SUBCOMMITTEE ADJUSTMENTS	\$ -	\$ -	\$ (1,442,981)	\$ -	\$ -	\$ -	\$ (1,442,981)	-2	-2.00
SUBCOMMITTEE RECOMMENDATION *	\$ -	\$ -	\$ 16,635,073	\$ -	\$ 6,419,132	\$ -	\$ 23,054,205	13	12.59
% Change from 2017-19 Leg Approved Budget	0.0%	0.0%	-4.8%	0.0%	5.1%	0.0%	-2.3%	-18.8%	-18.7%
% Change from 2019-21 Current Service Level	0.0%	0.0%	-8.0%	0.0%	0.0%	0.0%	-5.9%	-13.3%	-13.7%

*Excludes Capital Construction Expenditures

Legislatively Approved 2021 - 2023 Key Performance Measures

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Agency: Aviation, Department of

Mission Statement:

To provide infrastructure, financial resources, and expertise to ensure a safe and efficient air transportation system.

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2022	Target 2023
1. Percent of runways in good or better condition.		Approved	94%	100%	100%
2. Percent of runways meeting or exceeding approach surface standards.		Approved	62%	94%	94%
3. Number of public use airport inspections conducted.		Approved	124	140	140
4. Percentage of total Federal Funds obligated or spent.		Approved	100%	100%	100%
5. Customer Service - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent" overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Helpfulness	Approved	87%	91%	91%
	Availability of Information		79%	91%	91%
	Accuracy		77%	91%	91%
	Overall		73%	91%	91%
	Timeliness		72%	91%	91%
	Expertise		85%	91%	91%
6. Percent of aircraft registered		Approved	91%	90%	90%
7. Percent of total best practices met by the board.		Approved	90%	100%	100%

LFO Recommendation:

The Legislative Fiscal Office recommends approval of key performance measures and targets as presented.

SubCommittee Action:

Approved the recommendation.

PRELIMINARY