

**HB 5004 BUDGET REPORT and MEASURE SUMMARY**

**Joint Committee On Ways and Means**

**Prepared By:** Michelle Lisper, Department of Administrative Services

**Reviewed By:** Ben Ruef, Legislative Fiscal Office

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**Department of Aviation  
2023-25**

PRELIMINARY

**Budget Summary\***

	2021-23 Legislatively Approved Budget <sup>(1)</sup>	2023-25 Current Service Level	2023-25 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 3,888,794	\$ -	\$ 2,448,406	\$ (1,440,388)	(37.0%)
Other Funds Limited	\$ 22,679,626	\$ 23,585,073	\$ 24,172,728	\$ 1,493,102	6.6%
Federal Funds Limited	\$ 9,112,278	\$ 4,164,895	\$ 9,453,795	\$ 341,517	3.7%
Total	\$ 35,680,698	\$ 27,749,968	\$ 36,074,929	\$ 394,231	1.1%

**Position Summary**

Authorized Positions	16	16	16	0
Full-time Equivalent (FTE) positions	14.60	15.59	15.59	0.99

<sup>(1)</sup> Includes adjustments through January 2023

\* Excludes Capital Construction expenditures

**Summary of Revenue Changes**

The Department of Aviation’s (ODAV) Aviation fuel and Jet fuel tax revenues are the primary source of funding for the department’s operations and 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. ODAV receives Federal Funds from the Federal Aviation Administration (FAA) for aviation system planning and construction projects. Federal Funds account for about 40 percent of the department’s total revenues.

**Summary of Transportation and Economic Development Subcommittee Action**

ODAV manages and coordinates the state’s general aviation system, including recreational, business, and emergency response flying. The department advocates for economic growth, infrastructure improvement, and safe operation of aviation in Oregon. The department manages and maintains 28 state-owned airports, manages a large-scale pavement preservation program for the state’s 66 paved public use 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, ODAV registers all pilots and nonmilitary aircraft based in Oregon. The subcommittee recommended a budget of \$36,074,929 total funds and 16 positions (15.59 FTE). This is a 1.1 percent increase from the 2021-23 Legislative Approved Budget and a 30 percent increase from the current service level budget.

## **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 \$9,162,932 total funds; which includes \$6,278,127 Other Funds, and \$2,884,805 Federal Funds and 15 positions (14.09 FTE) for the program.

## **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 percent of project costs with the remaining 10 percent paid by the airport owner. The subcommittee recommended a budget of \$7,259,683 total funds; which includes \$690,693 Other Funds and \$6,568,990 Federal Funds. The subcommittee also recommended the following package:

Package 102, General Aviation Entitlement Projects. This package increases Other Funds expenditure limitation by \$587,655 and Federal Funds expenditure limitation by \$5,288,900. It includes projects addressing safety operations and development at airports in Oregon. These are five-year capital improvement plans, which are annually approved by the Oregon Aviation Board (OAB) and the FAA. Ninety percent of the approved project costs is FAA funded, and 10 percent comes from ODAV Other Funds. Other Funds revenue is based on aviation fuel tax revenue.

For federal fiscal years (FFY) 2023, 2024, and 2025, the following state airports have projects approved by the OAB: Bandon, Chiloquin, Condon, Cottage Grove, Independence, Joseph, Lebanon, and Mulino. Some of the airport projects may span across three federal fiscal years. The projects include construction and rehabilitation work on runways, taxiways, and aprons, airport obstruction removal, master plan development, geographical information system work, weather reporting equipment, and airport fence work.

## **Pavement Maintenance**

There are 66 paved public use airports in the state. The Pavement Maintenance Program evaluates the condition of the pavement at these airports and assists 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 and the aviation fuel tax revenue funds the program. The subcommittee recommended a budget of \$2,260,123 Other Funds expenditure limitation and 0.50 FTE for the program.

## **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 percent match on federal airport improvement grants from the FAA. The subcommittee recommended a budget of \$193,703 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. This program tracks the expenditures from the \$0.02 per gallon from the Aviation Gas and Jet fuel tax utilized to fund following two programs:

- *Critical Oregon Airport Relief program* assists airports in Oregon with match for FAA Airport Improvement Program grants, emergency preparedness and infrastructure project in accordance with the Oregon Resilience Plan, services critical and essential aviation, aviation related business development, and airport development for local economic benefits.
- *State Owned Aviation Relief program* distributes funds toward state-owned airports for the purposes of safety improvements and infrastructure projects at public use airports.

The subcommittee recommended a budget of \$14,750,082 Other Funds expenditure limitation.

### **Airport Construction Projects**

The Airport Construction Projects program is a newly established program with the intent of tracking General Fund projects appropriated to the department. ODAV received one-time General Fund in the 2021-23 biennium to address repairs at the Cape Blanco State Airport for a runway rehabilitation and has requested General Fund carryforward to complete the project in the 2023-25 biennium. The subcommittee recommended a budget of \$2,448,406 General Fund and recommended the following package:

Package 109, Cape Blanco Runway and Electric Rehab. This package includes \$2,448,406 General Fund to complete the Cape Blanco State Airport project initially funded with General Fund through House Bill 5202, in the 2022 Session. The project is to replace the runway, construct a new airfield electrical system and building, provide runway edge lighting, and pilot navigational aids. The engineering phase of the project was completed in February 2023. The first round for Requests for Proposals was unsuccessful and a second round is currently in process.

### **Summary of Performance Measure Action**

See attached Legislatively Adopted 2023-25 Key Performance Measures form.

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

Oregon Department of Aviation  
Michelle Lisper --971-286-6360

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2021-23 Legislatively Approved Budget at Jan 2023 *	\$ 3,888,794	\$ -	\$ 22,679,626	\$ -	\$ 9,112,278	\$ -	35,680,698	16	14.60
2023-25 Current Service Level (CSL)*	\$ -	\$ -	\$ 23,585,073	\$ -	\$ 4,164,895	\$ -	27,749,968	16	15.59
<b>SUBCOMMITTEE ADJUSTMENTS (from CSL)</b>									
<b>SCR 003 - General Aviation Entitlement Program</b>									
Package 102: General Aviation Entitlement Projects									
Services and Supplies	\$ -	\$ -	\$ 146,913	\$ -	\$ 1,322,225	\$ -	1,469,138		
Capital Outlay	\$ -	\$ -	\$ 440,742	\$ -	\$ 3,966,675	\$ -	4,407,417		
<b>SCR 007 - Airport Construction Projects</b>									
Package 109: Cape Blanco									
Services and Supplies	\$ 499,601	\$ -	\$ -	\$ -	\$ -	\$ -	499,601		
Capital Outlay	\$ 1,948,805	\$ -	\$ -	\$ -	\$ -	\$ -	1,948,805		
<b>TOTAL ADJUSTMENTS</b>	\$ 2,448,406	\$ -	\$ 587,655	\$ -	\$ 5,288,900	\$ -	8,324,961	0	0.00
<b>SUBCOMMITTEE RECOMMENDATION *</b>	\$ 2,448,406	\$ -	\$ 24,172,728	\$ -	\$ 9,453,795	\$ -	36,074,929	16	15.59
% Change from 2021-23 Leg Approved Budget	(37.0%)	0.0%	6.6%	0.0%	3.7%	0.0%	1.1%	0.0%	6.8%
% Change from 2023-25 Current Service Level	0.0%	0.0%	2.5%	0.0%	127.0%	0.0%	30.0%	0.0%	0.0%

\*Excludes Capital Construction Expenditures

PRELIMINARY

# Legislatively Approved 2023 - 2025 Key Performance Measures

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**Agency:** Department of Aviation

**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 2024	Target 2025
1. Percent of runways in good or better condition.		Approved	95%	100%	100%
2. Percent of runways meeting or exceeding approach surface standards.		Approved	61%	94%	94%
3. Number of public use airport inspections conducted.		Approved	131	144	144
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	74%	91%	91%
	Availability of Information		70%	91%	91%
	Accuracy		75%	91%	91%
	Overall		68%	91%	91%
	Timeliness		66%	91%	91%
	Expertise		78%	91%	91%
6. Percent of aircraft registered		Approved	89%	90%	90%
7. Percent of total best practices met by the board.		Approved	88%	100%	100%

**LFO Recommendation:**

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

**SubCommittee Action:**

The Transportation and Economic Development Subcommittee approved the key performance measures and targets.

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