



BUDGET PRESENTATION

2025-2027

MISSION

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**Aviation is
critical to
Oregon.**

The Oregon Department of Aviation’s mission is to provide infrastructure, financial resources & expertise to ensure a safe and efficient air transportation system.



AVIATION

Why we are important.

We advance and enable aviation by developing Oregon's Aviation System Plan, managing grants for 96 public-use airports, operating 28 state-owned airports, promoting the importance of aviation statewide, and serving as a recognized subject matter expert in advanced aviation both statewide and nationwide.





AVIATION HISTORY

Putting us in perspective

1903: Wright Brothers first flight at Kittyhawk, NC.

1910: First commercial plane flight. Dayton to Columbus, OH.

1921: Oregon Bureau of Aeronautics established.

1939: World's first jet plane.

1952: First commercial jet airliner enters service.

1955: Last increase in Aviation's Operations rate.

1958: Federal Aviation Administration established.

2012: FAA establishes the UAS Integration Office.

OUR AGENCY

The Oregon Department of Aviation is comprised of 3 program areas that service Oregonians.

Statewide Services



Planning & Programs

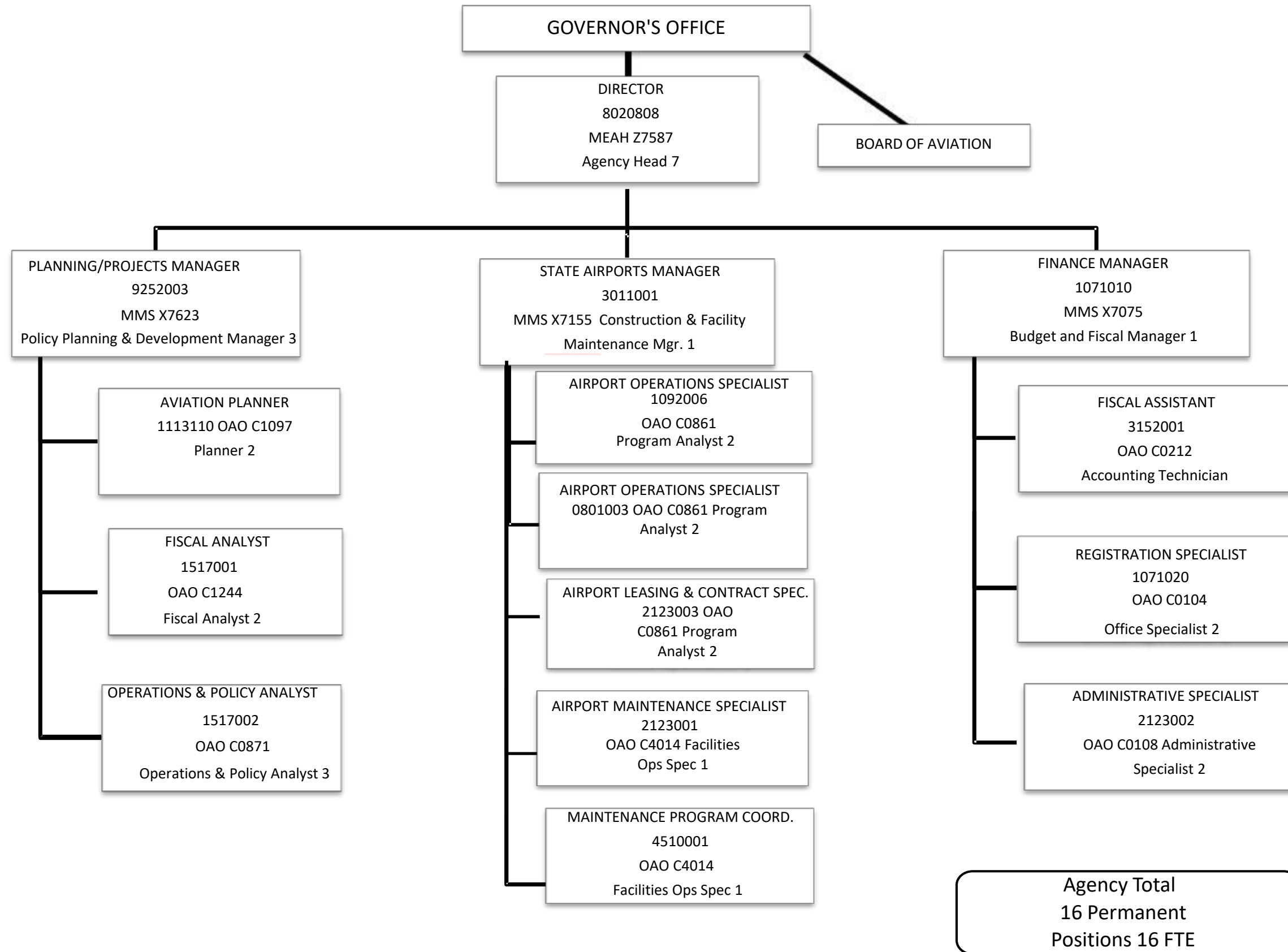


Operations



AGENCY SUMMARY

Organization Chart 2025-27



STATEWIDE SERVICES

3 FTE: Director, Financial, Administrative

Fosters strong internal and external relationships, manages agency budget as well as communications.

1 FTE: Aircraft Registration

Registers over 3,600 aircraft and 943 public use UAS. Funds are used for 10% match for FAA grants and helps fund maintenance at state owned airports.



STATE AIRPORT SERVICES

4 FTE: Manager, Airports

Operate 28 state public use airports (12 federally funded). Manage 300 leases/access agreements. License & inspect 96 public use airports. Register 360+ private airports. Advise airport owners/managers.

2 FTE: Maintenance

Maintain 28 state owned airports to state and federal standards.



PLANNING & PROGRAMS

Aviation System Planning 90% FAA Funded. Land use coordination. OAR 660 LCDC. Tall structure evaluation. Statewide Capital Improvement Program at 49 federally funded airports.

PMP program \$2 million in 25-27. Funded by aviation fuel taxes. Available to all 66 paved public use airports in Oregon.



Planning & Programs

3.5 FTE

Pavement Maintenance Program (PMP)

.5 FTE



ASAP

The Aviation System Action Program (ASAP) was established in 2015 and was funded by a 2-cent fuel tax increase. ASAP serves public use airports and communities across the state including over \$600,000 for commercial air service to rural Oregon.

The Critical Oregon Airport Relief (COAR) program receives 75% of the ASAP funding.

The State Owned Airports Reserve (SOAR) program receives 25% of the funding.



Grant funds to date

\$26 million with \$9.8 million used as matches for FAA grants at a match rate of 1:9.

Resilience

Over \$2.2 million for emergency preparedness in accordance with the Oregon Aviation Plan.

Critical Services

Almost \$6.7 million awarded for services critical or essential to aviation in Oregon.

State Owned Airports

Almost \$7.5 million awarded for state-owned airport improvement projects.

PROJECTS

General Aviation Entitlement funds are available for non-capital projects that are <\$1 million at the 12 state owned airports that are FAA funds eligible as part of the National Plan of Integrated Airport Systems (NPIAS). 90%/10%

Capital Construction is for capital projects >\$1 million at state owned airports. For NPIAS airports the cost share is typically 10%. For non-NPIAS airports, the cost is 100% other funds.

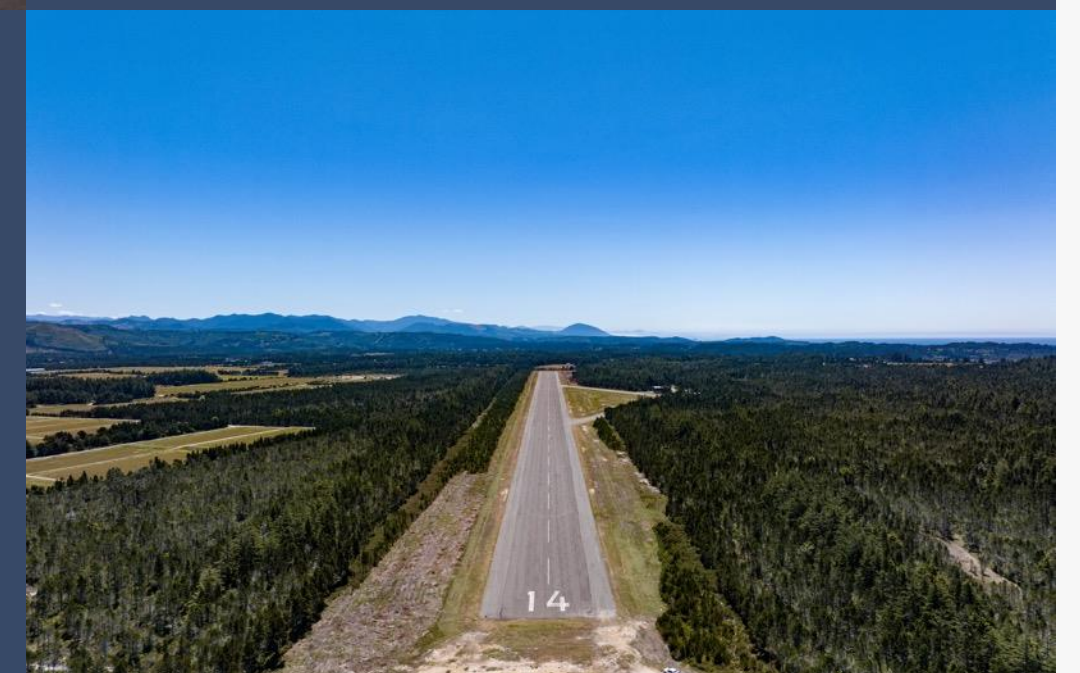


Capital Construction

>\$1 million at all 28 state owned airports.
NPIAS- 90%/10%
Non-NPIAS- 0%/100%

General Aviation Entitlement

<\$1 million non-capital at 12 state owned federally funded airports. 90%/10% cost share.



KPMS

Key Performance Measures



Actual 91% Target 100%



Actual 61% Target 94%



Actual 135 Target 144

Runways in good or better condition

Measures effectiveness of Pavement Management Program at 66 public use airports. FAA requires that runway pavement stays good for 20 years.

Approach Surface Standards

FAA requires a 20:1 glide slope on approach to runways. Does not meet standards if there are obstructions. Includes runways that state does not own and includes immovable objects like mountains. Propose change.

Current Inspections

ODAV conducts 97 FAA sponsored inspections over 3 years and conducts quarterly inspection at state airports. All 32 FAA inspections completed this year. 103 of the 112 state inspections completed.

KPMS

Key Performance Measures



Actual 100% Target 100%



Actual 71% Target 91%



Actual 89% Target 90%

Federal funds obligated or spent

ODAV utilizes all available Non-Primary Entitlement (Airport Improvement Program and Bipartisan Infrastructure Law funds for state airports.

Customer satisfaction

Measures customers giving a good or excellent rating for agency's overall customer service timeliness, accuracy, helpfulness, expertise, and availability of information. Major overhaul in process.

Aircraft registrations

Measures effectiveness of aircraft registration system and accounts receivable. Revenue is used for 10% match for state airport projects and for maintenance.

KPMS

Key Performance Measures



Actual 97% Target 100%

Best practices met by Aviation Board

Survey completed by board that address the director and board best practices. ODAV and the board have focused on strategic planning and process improvement over the last four years.



IMPORTANT CHANGES

Changes over the past 6 years

2019-2021

- SB 53 Central Service Selection Choice of central service providers to increase agency efficiency
- SB 54 Civil Penalty Authority for VPDs to increase airport safety & maintain FAA funding
- SB 55 Fuel Tax Housekeeping made changes to improve ASAP (Aviation System Action Program)
- Federally Funded Disparity Program Study-Evaluates if disadvantage business enterprises have equal access to contracting opportunities at statewide level

2021-2023

- Budget Cuts due to pandemic: \$4.2M and 3FTE cut.
- HB 2434 Removed the sunset for the Aviation System Action Program (ASAP Program)
- The program was set to sunset in 2021 but now continues to provide grants for aviation throughout Oregon.
- SB 38 Allows agency to charge fee for required Tall Structure Evaluations
- Budget Cut Restorations
- In Feb 2022 Session Agency was able to restore 3 cut positions and increase limitations in Operations and PMP due to increases in aviation fuel tax forecasts.



IMPORTANT CHANGES

Changes over the past 6 years

2023-2025

- 2 Position Reclassifications to better serve needs of agency
 - The Construction Project Manager 3 in Planning & Programs was reclassified upward to a Policy Planning & Development Manager 3. This was done to allow the agency to expand the duties of the manager position to include serving as a key policy advisor and working with the agency Director to develop strategic short- and long-term planning efforts.
 - An Operations and Policy Analyst 2 (OPA2) was reclassified to a OPA3 in 2024. This change allowed the position to take on more responsibilities within the Pavement Evaluation Program, Pavement Maintenance Program, and Aviation System Action Program.
- The agency conducted a study on airport resiliency that outlined Oregon's airport's role in surviving the aftermath of the Cascadia Subduction Zone Megathrust earthquake.
- HB 4106 was passed in the 2024 session which allows ASAP funds to be used for matching shares of any FAA grants available and not limited to Airport Improvement Program (AIP) funds.

DRIVERS, RISKS, CHALLENGES

ODAV continues to face challenges in budget as the agency sees continued increases in labor, construction, and maintenance costs without concurrent increases in funding. The tax rate for operations has not increased since 1955. With uncertainties in the change of administration we are looking at additional federal funding pullbacks. The aviation industry continues to struggle with employment as the coming wave of retirements is straining the system. All the while, new technologies such as drones and electric vertical take-off vehicles are either arrived or coming soon with infrastructure challenges.



Inflation

Budget continues to get stretched as inflation from pandemic and recovery continue.

Operations

The tax rate for operations has not increased since 1955.

Aviation professional shortage

Pilots, mechanics, and air traffic controllers face continued shortages with retirements.

Advanced Air Mobility

New technologies are coming at an increasing pace and Oregon is unprepared.



DESPITE THIS

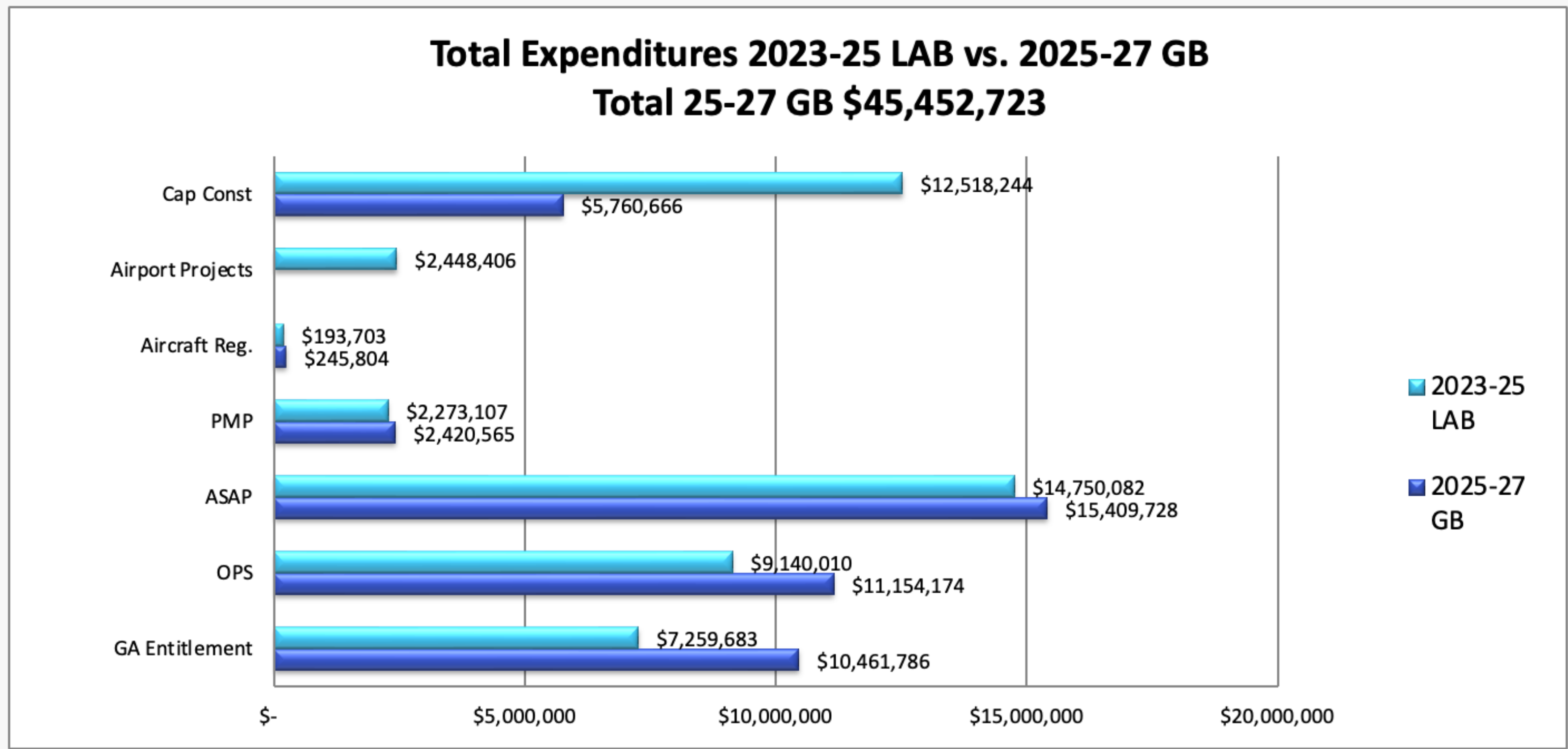
Bringing out our inner nerd.

Cool things we are doing.

- Communications overhaul
 - Website redesign.
 - Social media
 - Becoming the SME on aviation
- Concepting digital sensor network enabling:
 - Drones as a First Responder (DFR)
 - Wildfire drones
 - Medical deliveries
 - Figuring out whether they are drones or aliens
- Designing routes and strategy for Advanced Air Mobility
 - AAM Wildfire Research Complex
 - DFR Enablement Areas.
- Engaging with other agencies
 - On potential consolidation of drone operations
 - How to deal with suspicious drones
- Engaging with other states
 - Regional mobility
 - Multi-state collaborative
- Increasing efficiency

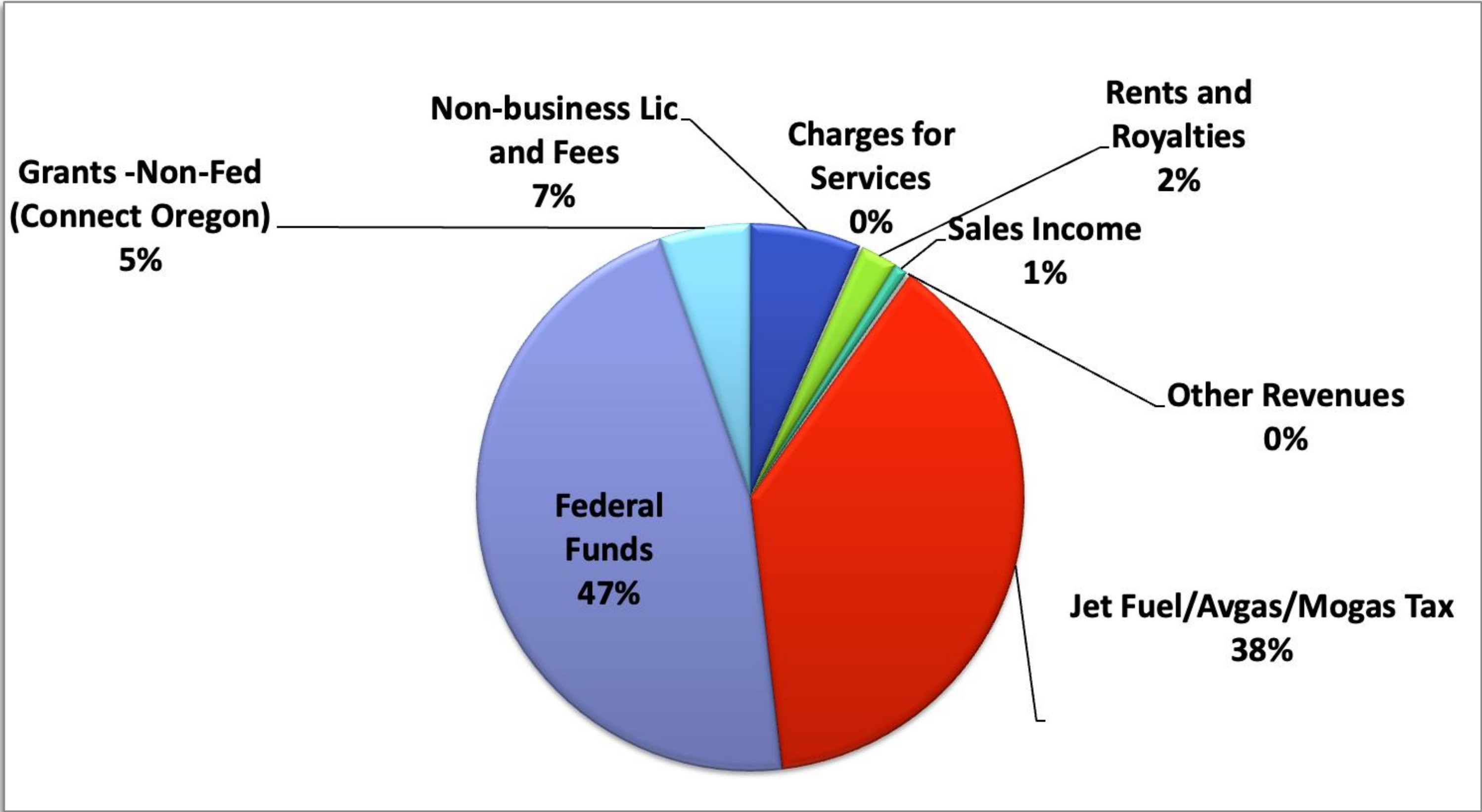
SUMMARY OF GOVERNOR'S BUDGET

Summary of 2025-2027 Budget Expenditures



SUMMARY OF GOVERNOR'S BUDGET

Summary of 2025-2027 Budget Revenues



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SUMMARY OF GOVERNOR'S BUDGET

Summary of 2025-2027 Budget Policy Packages

POP Number	POP Description	Funds		
		FF	OF	TF
POP 100	General Aviation Entitlement Projects	\$ 7,185,299	\$ 798,367	\$ 7,983,666
POP 101	Commercial UAS Insurance		\$ 772,775	\$ 772,775
POP 102	Software-Aircraft Registration & Airport Leasing		\$ 70,460	\$ 70,460
PCK 090	Oakridge Airport Runway Rehab		\$ 2,630,000	\$ 2,630,000
PCK 090	Mulino Waterline & Hangar Project	\$ 2,974,132	\$ 156,534	\$ 3,130,666

LEGISLATION

Needed to Enable Governor's Budget

SB 791: Insurance requirement for all commercial drone operations that take off or land in the state of Oregon.

SB 792: Authorizes ODAV to establish fees related to airports and aircraft by rule.

SB 5504: ODAV budget bill.

SB 5506: Capital construction bill.





FEE CHANGES

Proposed fee changes in GRB

Commercial UAS Insurance

ORS Chapter 837 affecting Commercial Drone (UAS) operators that take off or land within the state of Oregon.

Requires all commercial drone operations that take off or land to be covered by a liability policy that covers aviation.

Establishes a new fee of 5% of the premium for the liability policy that covers aviation.

Requesting effective date of change on January 1, 2026.

19,274 transactions are projected from 2026-2027 with an average of \$37.50 projecting an impact on revenue of \$722,775.



IT PROJECTS

IT affecting 2025-2027 budget

Software: Aircraft Registration & Airport Leasing POP#102

Request: \$35,230 Aircraft Registration OF, \$35,230 Operations OF, \$70,460 Total Funds

PURPOSE: With no software for leasing and with aircraft registration software that is over 20 years old, the agency is challenged to produce results that are timely, accurate, and actionable which results in poor customer service

HOW ACHIEVED: By coordinating with ODOT and DAS we will be able to procure a software system that meets the needs of the department while requiring no additional staff.

QUANTIFYING RESULTS: Quantifying a successful software deployment will be measured by the outcome of the software system against the needs and criteria of the intent of the new software as well as our customer service KPM.

REVENUE SOURCE: Half of the new software costs will be funded by other fund revenue derived from Aircraft Registration fees and the other half will be funded by various Airport Operations fees.



SUMMARY 10%

10% reduction options to other funds.

First 5% Reduction to Other Funds

Pavement Maintenance Program (PMP)

- Reduction of \$1,275,835 Other Funds
- Reduce program over half to serving only 7 of the 14 airports per year, and resulting in deferred maintenance at airports throughout Oregon

Second 5% Reduction to Other Funds

Pavement Maintenance Program (PMP)

- Reduction of additional \$1,144,739 Other Funds resulting in elimination of the PMP program impacting all 14 airports per year. Result in deferred maintenance at airports throughout Oregon

General Aviation Entitlement Program

- Reduction of \$131,105 Other Funds.
- These funds provide FAA grant match 9:1.
- Will reduce federal funds to Oregon by over \$1M.
- Reductions in safety and infrastructure projects at state owned airports.
- Cause Federally Funded airports to not meet required federal grant insurances.
- Loss of future funding for these airports.



KPMS

Requested changes to Key Performance Measures

Request Change to KPM 2 Currently:

Percent of Runways meeting or exceeding approach surface standards. (currently measures all public use airport in Oregon and includes permanent obstructions)

Proposed change: State-Owned Airport Visual Approach Surface Standard.

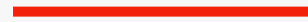
Percent of state-owned airport approaches meeting or in the process of meeting visual approach surface standards excluding those with permanent terrain obstructions (such as hills or mountains).

Reasons for Change:

- Was measuring airports not in control of ODAV
- Was measuring obstructions that could not be changed.

Change was approved by the Oregon Aviation Board as well as CFO and LFO.

THANK YOU



FOR COMING