

**SB 5504 BUDGET REPORT and MEASURE SUMMARY**

**Joint Committee On Ways and Means**

**Prepared By:** Angela Parada, Department of Administrative Services

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

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**Department of Aviation  
2025-27**

PRELIMINARY

## **Budget Summary\***

	2023-25 Legislatively Approved Budget <sup>(1)</sup>	2025-27 Current Service Level	2025-27 Committee Recommendation	Committee Change from 2023-25 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 2,448,406	\$ -	\$ -	\$ (2,448,406)	(100.0%)
Other Funds Limited	\$ 25,698,091	\$ 25,516,705	\$ 26,385,532	\$ 687,441	2.7%
Federal Funds Limited	\$ 20,733,526	\$ 5,392,769	\$ 12,578,068	\$ (8,155,458)	(39.3%)
<b>Total</b>	<b>\$ 48,880,023</b>	<b>\$ 30,909,474</b>	<b>\$ 38,963,600</b>	<b>\$ (9,916,423)</b>	<b>(20.3%)</b>

## **Position Summary**

Authorized Positions	16	15	15	(1)
Full-time Equivalent (FTE) positions	15.33	15.00	15.00	(0.33)

<sup>(1)</sup> Includes adjustments through January 2025

\* Excludes Capital Construction expenditures

## **Summary of Revenue Changes**

The Department of Aviation's (ODAV) primary source of funding is Other Funds. Aviation and Jet fuel tax revenues are used 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 28.7% 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. In addition, ODAV registers all pilots and nonmilitary aircraft based in Oregon. The Subcommittee recommended a budget of \$38,963,600 total funds and 15 positions (15.00 FTE). This is a 20.3% decrease from the 2023-25 Legislative Approved Budget and a 26.1% increase from the current service level budget.

## **Operations**

The Operations Division manages 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 \$10,425,717 total funds, which includes \$7,301,469 Other Funds, and \$3,124,248 Federal Funds, and 14 positions (13.50 FTE) for the program. The Subcommittee also recommended the following package:

Package 102, Software-Aircraft Registration & Airport Leasing. This package adds expenditure limitation for a software system that would allow ODAV to track and monitor all their airport leasing operations. This will be new software for the program area and will support revenue collection efforts. The current Aircraft Registration database is over 20 years old and has limited capabilities. This package is split between the Operations Division and the Aircraft Registration Program, half of the new software costs will be funded by Other Funds revenue derived from Aircraft Registration fees and the other half will be funded by various Airport Operations fees. In total, this package includes one-time funding of \$26,460 and ongoing funding of \$44,000 split across the two programs.

## **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 \$10,461,786 total funds, which includes \$1,007,966 Other Funds and \$9,453,820 Federal Funds. The Subcommittee also recommended the following package:

Package 100, General Aviation Entitlement Projects. This package increases Other Funds expenditure limitation by \$798,367 and Federal Funds expenditure limitation by \$7,185,299. It includes projects addressing safety, operations, and development. 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 are FAA funded, and 10% comes from ODAV Other Funds. Other Funds revenue is based on aviation fuel tax revenue.

The expenditure increases support 11 projects in Federal Fiscal Year (FFY) 2025 and 12 projects in FFY 2026 at the following state airports:

- Aurora Airport - Airfield Backup Generator Phase 1 Design (\$85,000)
- Bandon Airport - Pavement Surface Rehabilitation (\$746,111)
- Chiloquin Airport - Pavement Surface Rehabilitation (\$624,444)
- Condon Airport - Pavement Surface Rehabilitation (\$650,000)
- Cottage Grove Airport - Pavement Surface Rehabilitation (\$750,000)

- Independence Airport - Pavement Surface Rehabilitation, Environmental Assessment, and Precision Approach Path Indicator Replacement Design (\$932,000)
- Joseph Airport - Pavement Surface Rehabilitation, Obstruction Removal, and Automated Weather Observing System Replacement (\$1.5 million)
- Lebanon Airport - Pavement Surface Rehabilitation (\$846,111)
- McDermitt Airport - Wildlife Hazard Assessment and Pavement Surface Rehabilitation (\$610,000)
- Mulino Airport - Pavement Surface Rehabilitation and Taxiway and Apron Expansion Environmental Assessment (\$975,000)
- Siletz Bay Airport - Master Plan Update (\$305,000)

### **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 \$2,420,565 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, the system is slated to be updated with limitation provided in Package 102. 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 \$245,804 Other Funds expenditure limitation and one position (1.00 FTE) for the program.

Package 102, Software-Aircraft Registration & Airport Leasing. This package adds expenditure limitation for a software system that would allow ODAV to track and monitor all airport leasing operations. This will be new software for the program area and will support revenue collection efforts. The current Aircraft Registration database is over 20 years old and has limited capabilities. This package is split between the Operations Division and the Aircraft Registration Program, half of the new software costs will be funded by Other Funds revenue derived from Aircraft Registration fees and the other half will be funded by various Airport Operations fees. In total, this package includes one-time funding of \$26,460 and ongoing funding of \$44,000 split across the two programs.

### **Aviation System Action Program**

As a result of House Bill 2075 (2015), the Aviation System Action Program was created. This Program tracks the expenditures of the \$0.02 per gallon from Aviation Gas and Jet fuel tax utilized to fund the following two programs:

- *The 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.
- *The State-Owned Aviation Relief program* distributes funds toward state-owned airports for the purpose of safety improvements and infrastructure projects at public use airports.

The Subcommittee recommended a budget of \$15,409,728 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 requested General Fund carryforward to complete the project in the 2023-25 biennium. The project is phased out for the 2025-27 biennium.

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

See attached Legislatively Adopted 2025-27 Key Performance Measures form.

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

Department of Aviation  
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DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2023-25 Legislatively Approved Budget at Jan 2025 *	\$ 2,448,406	\$ -	\$ 25,698,091	\$ -	\$ 20,733,526	\$ -	48,880,023	16	15.33
2025-27 Current Service Level (CSL)*	\$ -	\$ -	\$ 25,516,705	\$ -	\$ 5,392,769	\$ -	30,909,474	15	15.00
<b>SUBCOMMITTEE ADJUSTMENTS (from CSL)</b>									
<b>SCR 001 - Operations</b>									
Package 102: Software-Aircraft Registration & Airport Leasing									
Services and Supplies	\$ -	\$ -	\$ 35,230	\$ -	\$ -	\$ -	35,230		
<b>SCR 003 - General Aviation Entitlement Program</b>									
Package 100: General Aviation Entitlement Projects									
Capital Outlay	\$ -	\$ -	\$ 798,367	\$ -	\$ 7,185,299	\$ -	7,983,666		
<b>SCR 005 - Aircraft Registration</b>									
Package 102: Software-Aircraft Registration & Airport Leasing									
Services and Supplies	\$ -	\$ -	\$ 35,230	\$ -	\$ -	\$ -	35,230		
<b>TOTAL ADJUSTMENTS</b>	\$ -	\$ -	\$ 868,827	\$ -	\$ 7,185,299	\$ -	8,054,126	0	0.00
<b>SUBCOMMITTEE RECOMMENDATION *</b>	\$ -	\$ -	\$ 26,385,532	\$ -	\$ 12,578,068	\$ -	38,963,600	15	15.00
% Change from 2023-25 Leg Approved Budget	(100.0%)	0.0%	2.7%	0.0%	(39.3%)	0.0%	(20.3%)	(6.3%)	(2.2%)
% Change from 2025-27 Current Service Level	0.0%	0.0%	3.4%	0.0%	133.2%	0.0%	26.1%	0.0%	0.0%

\*Excludes Capital Construction Expenditures

# Legislatively Approved 2025 - 2027 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 2026	Target 2027
1. Percent of runways in good or better condition.		Approved	91%	100%	100%
3. Number of public use airport inspections conducted.		Approved	135	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	71%	91%	91%
	Availability of Information		74%	91%	91%
	Accuracy		74%	91%	91%
	Overall		71%	91%	91%
	Timeliness		71%	91%	91%
	Expertise		71%	91%	91%
6. Percent of aircraft registered		Approved	89%	90%	90%
7. Percent of total best practices met by the board.		Approved	97%	100%	100%
2. State-Owned Airports Visual Approach Surface Standards - 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).		Proposed New	39%	100%	100%
		Proposed Delete	61%		

**LFO Recommendation:**

The Legislative Fiscal Office recommends revising KPM #2 as proposed to focus exclusively on runway obstructions at state-owned airports, as the agency lacks jurisdiction over non-state-owned facilities and therefore has no ability to influence outcomes at those locations.

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.