



**2013-2015
Budget Presentation
Subcommittee on Transportation and Economic Development**



Oregon Department of Aviation

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Director
February 21, 2013**

Mission

- Serves Oregon through a three-fold focus of advocating for the economic growth, infrastructure improvement and safe operation of aviation in Oregon.



Chiloquin State Airport “before and after”

- Strong System of Oregon Airports that enable:
 - Statewide Transportation via Commercial, Charter, Business Aviation
 - Expeditious Movement of Air Cargo, (FEDEX, UPS, USPS)
 - Commerce: Businesses locate where there are airports
 - Support to Local Community (Restaurants, Shops, Motels)
 - Hub for Emergency services (Medevac, Firefighting, Disaster relief)
 - Thriving Aviation Industry
 - Thriving Pilot Community



Historical Perspective

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- Oregon Dept.. of Aeronautics - Oldest Aviation agency in US (1921)
 - First powered flight in 1903
 - Air Mail Act of 1925 facilitated airline industry
 - Bureau of Air Commerce 1934
 - Civil Aeronautics Authority 1938
- FAA began in 1958



Programs

100% Other Funds and Federal Funds

Operations : funded with 55% Fuel tax and leases/access agreements/other fees

Statewide Services Direction and functioning of agency (director, financial and administrative)

Airports Division

Operate 28 public use airports (12 federally funded) w/ 300 leases/access agreements

License and Inspect 97 Public Use Airports (total) (55 federally funded including 12 state owned)

Register 360 + private airports

Inspects sites for new airports

Planning Division

Aviation System Planning (90% FAA funded)

Coordinate with counties on airport land use (OAR 660 LCDC)

Tall structure evaluation for safety of airports

Airport projects and capital improvements for 12 state owned FAA funded airports

Statewide Capital Improvement Program (SCIP) for 55 federally funded airports (NPIAS)

Pavement Maintenance Program (PMP): - funded with fuel tax (45%) 66 paved public use airports in Oregon

General Aviation Entitlement: 90% FAA funded/10% Other Funds from aircraft registration)

Capital Projects: – 90% FAA funded/10% Other funds from aircraft registration

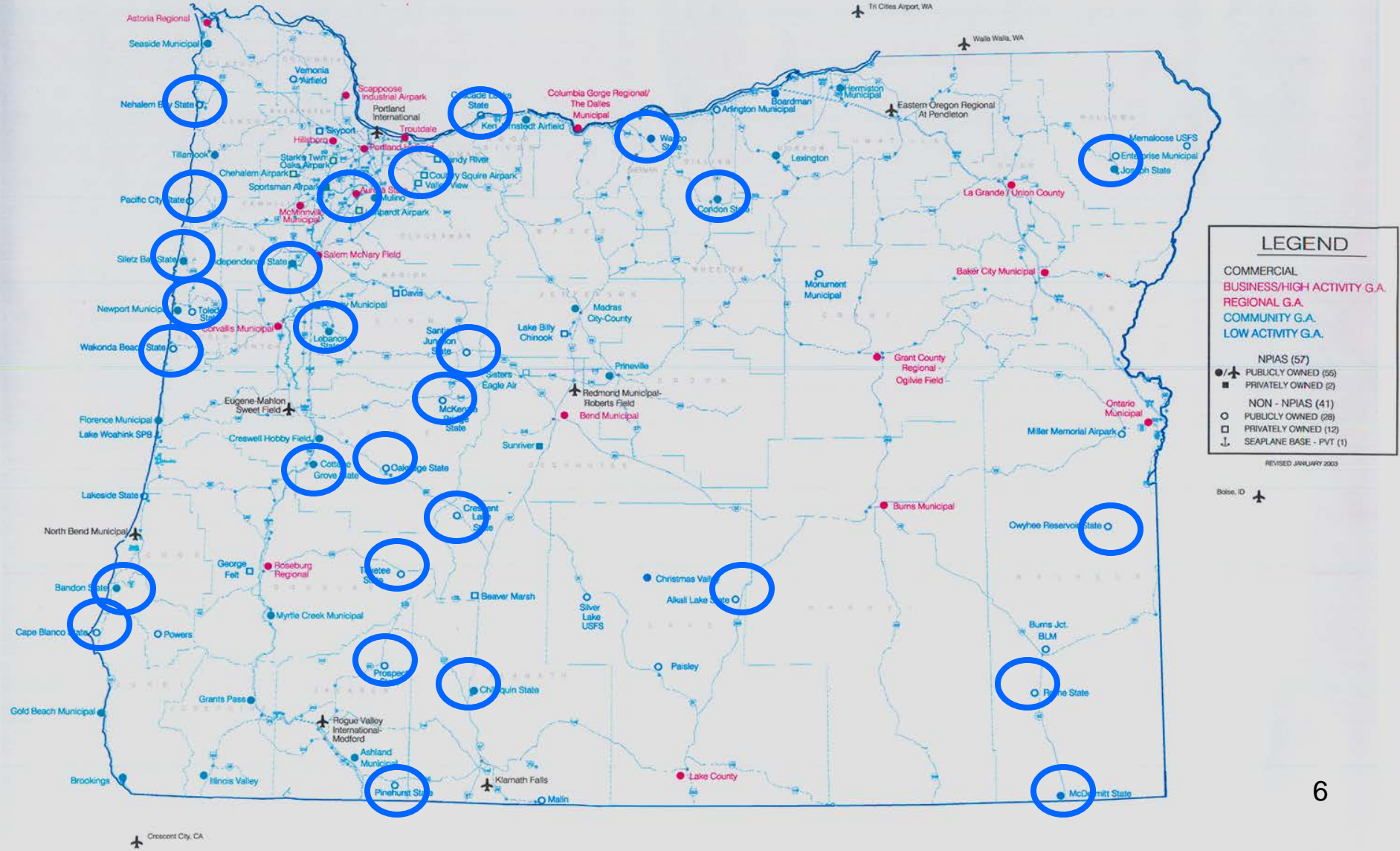
Aircraft Registration: – 4000+ aircraft - (funds capital and entitlement projects plus partial staff position)

Pilot Registration/Search and Rescue: – 4400+ pilots (funds partial staff position for program administration)

59% of registration fees go to Oregon Emergency Management for Air Search and Rescue

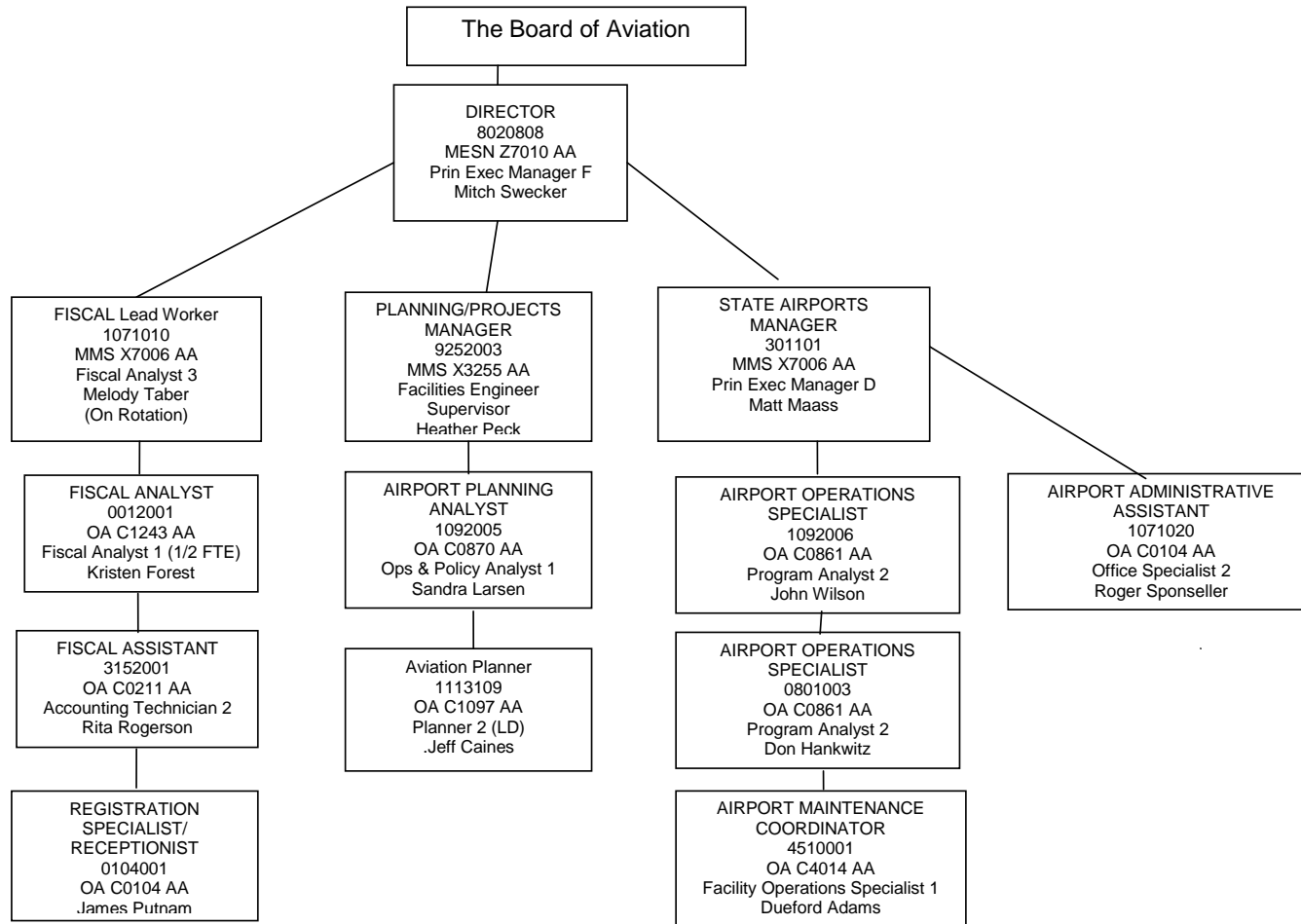
Map of 28 State-owned Airports

OREGON AVIATION SYSTEM AIRPORTS





Organization





Key Performance Measures

KPM Progress Summary	Key Performance Measures (KPMs) with Page References	# of KPMs
KPMs MAKING PROGRESS at or trending toward target achievement	(2) Runways meeting or exceeding approach surface standards (3) Public Use and state airports with current inspections (#), (4) Federal Funds obligation rate (%), (5) Customer Satisfaction survey results. (6) Aircraft Registered in Oregon, (8) Aviation Board Best Practices	6
KPMs NOT MAKING PROGRESS not at or trending toward target achievement	(1) Runway Pavements in Good or Better Condition. (7) Percent of pilots registered in Oregon	2
KPMs - PROGRESS UNCLEAR target not yet set		
Total Number of Key Performance Measures (KPMs)		8

KPM#	2011-2013 Key Performance Measures (KPMs)
1	Runway Pavements in Good or Better Condition (%)
2	Runways Meeting or Exceeding Approach Surface Standards (%)
3	State airports with current inspections (#)
4	Federal Funds obligation rate (%)
5	Customer Service – “Good” and/or “Better” ratings (%)
6	Aircraft Registered (% against FAA database)
7	Pilots Registered (% against FAA database)
8	Best Practices Used by State Aviation Board (%)

Actual report is in appendix. Slides with each [chart of historical trends](#) are in backup slide.

Short term:

- **Safety:**
 - Inspections (FAA/Quarterly/new airport sites)
 - Coordinate with agencies for disaster relief logistics
 - Fires, Medevac, Tsunami, Earthquake
 - Financial support to Aviation Search and Rescue at OEM
 - Expand volunteer network
 - Safe maintenance and operations of State Airports

- **Jobs and Economy:**
 - Support Aviation Industry Cluster (over 400 companies)
 - Manage FAA Statewide Capital Improvement Program (SCIP)
 - \$289 mil to Oregon from FAA since 2009
 - Continue preservation of public use airport runways (PMP)
 - Update and Execute 2007 Oregon Aviation Plan part of OTP
 - Economic Impact chapter 8
 - Airport infrastructure requirements, chapters 2 and 5
 - Support "Through the Fence" Public-Private ventures
 - *ConnectOregon* Modal committee – Aviation Board

- **Coordination and Advisory role:**
 - Aviation Board – Effective Policy and agency oversight role
 - Agency assistance for airport owners-managers/counties/cities
 - Tall structures evaluation (statutory)
 - Airport land use planning (statutory)
 - Coordination with other state agencies

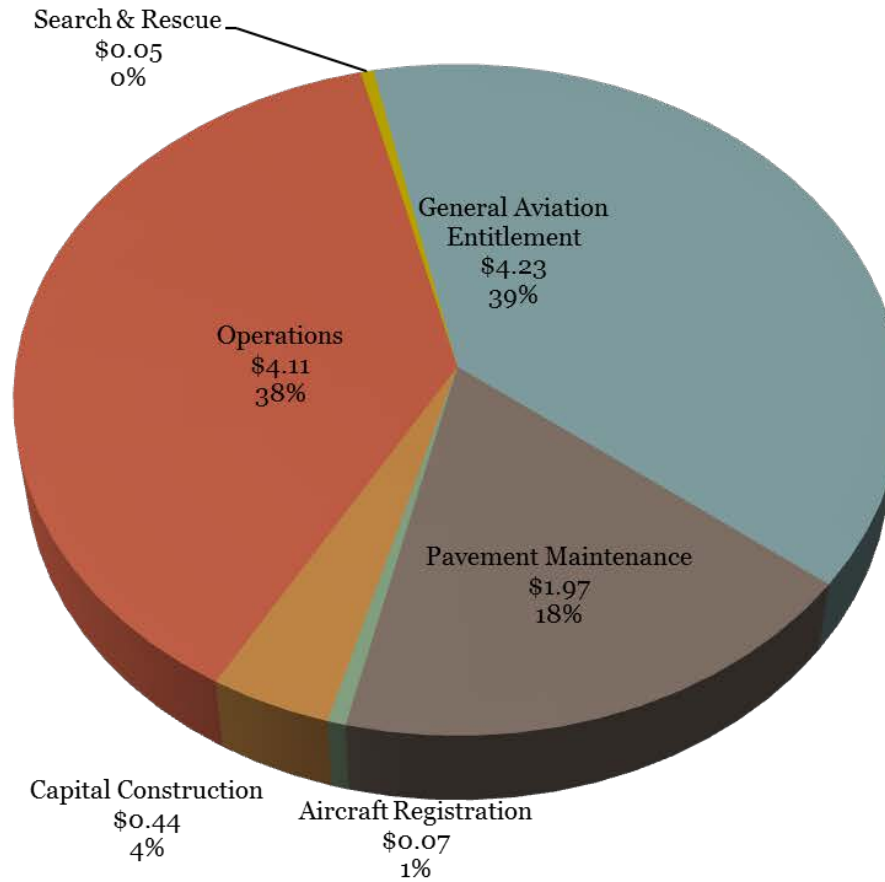
Long Term:

- **Agency:**
 - Sustainable economic revenue base
 - State owned airports economically viable
 - Revenue pays for programs
 - Safety of all Oregon Airports
 - Education and assistance to constituents and aviation stakeholders

- **Jobs and Economy:**
 - Thriving aviation industry in state
 - High tech manufacturing
 - Living wage jobs statewide
 - Sustained Aviation Cluster Chaired by Private industry
 - Optimized Federal FAA Statewide Capital Improvement Program (SCIP)
 - Maximize condition of public use airport runways (PMP)
 - Assist with Infrastructure development at Oregon Airports
 - *ConnectOregon*
 - FAA discretionary/Appportionment
 - “Through the Fence”
 - *CONNECTOREGON* Modal Committee

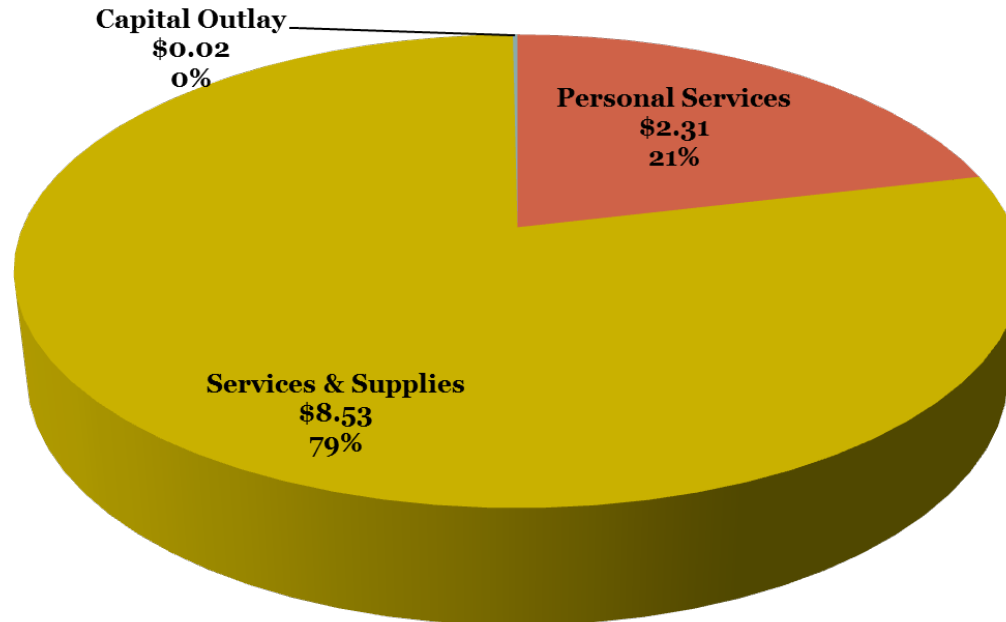
- **Coordination and Advisory role:**
 - Reliable expertise and advise for airport sponsors/managers
 - Reliable partnerships with counties/cities on airport land use.
 - Protected airports statewide
 - Effective coordination with other agencies
 - Aviation Board – effective Policy and oversight

How Agency Uses Budget? Revenue



How Agency Uses Budget? Expenditures

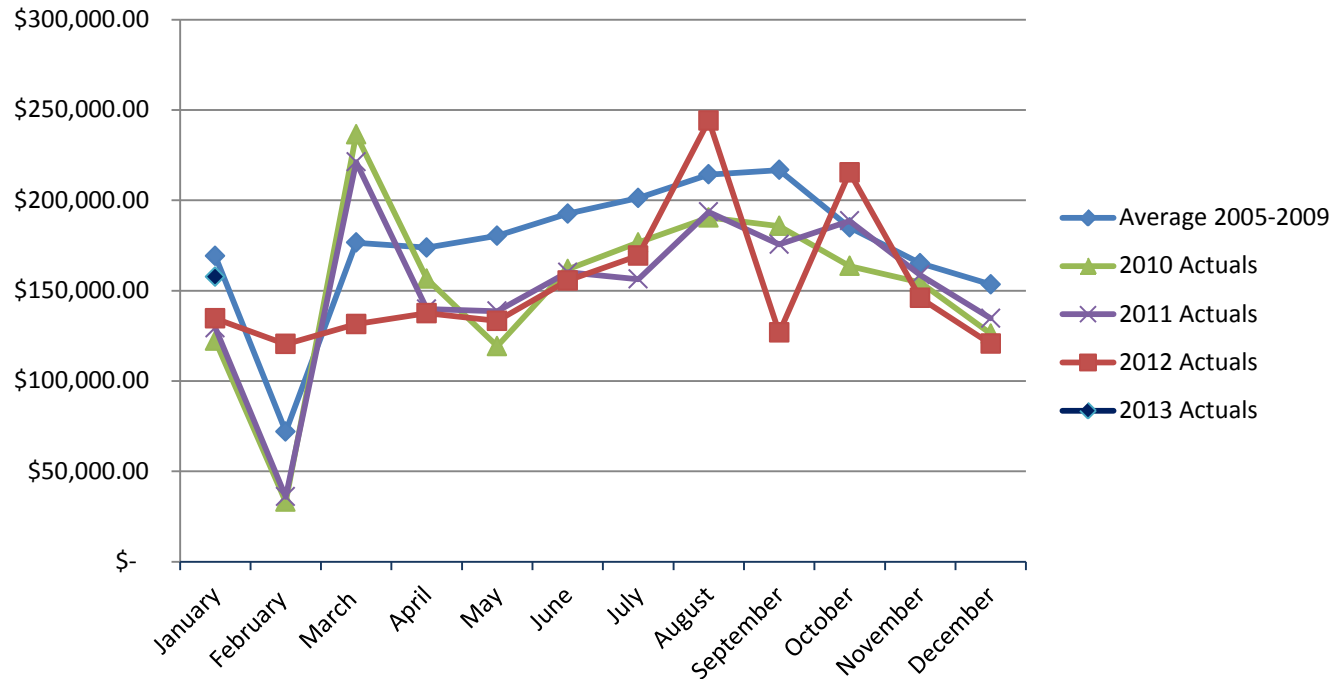
**Agency Budget by Expenditure Category
in millions**



- Fuel Revenue

year	annual rev	monthly avg
2005-2009	\$ 2,100,119	\$ 175,010
2010	\$ 1,794,694	\$ 149,558
2011	\$ 1,822,212	\$ 151,851
2012	\$ 1,794,694	\$ 149,558

AV/Jet Fuel





Environmental Factors

- **Changes in revenue model for aviation fuel**
 - Fewer commercial flights, maximized passengers
 - NEXTGEN Flight Profiles reduce fuel consumption
 - Newer aircraft are more fuel efficient
 - **Deterioration of non federally funded airports**
 - Obstructions
 - Runway pavement
 - **Impact of FAA grant match increase from 5% to 10%**
 - Statewide impact
 - May have impact on future projects
 - **Change in pilot population**
 - Age
 - Cost of fuel
 - Time to train
 - Price of aircraft
-



Major Changes in Organization

Program Changes:

- Transition of Central Services to ODOT from DAS in 2011
- FAA Reauthorization increase in grant match to 10%
- PMP Pavement Study (results show 20 year increase in pavement life)
- Update to Oregon Aviation Plan –
 - Economic Benefits of Aviation (Chapter 8)
 - Updates to airport infrastructure requirements (chapters 2 and 5)

New Programs:

- Statewide Capital Improvement Program
 - Tri-state initiative with FAA, NPIAS airports in Oregon (55)
 - ODA as liaison between FAA and Airport sponsors (owners)
 - Ability to influence FAA funding for Oregon
 - Inter-airport transfer of entitlement
 - FAA State-wide Apportionment
 - Discretionary FAA funds
 - To date, over \$500k kept in state via SCIP transfers in less than 1 year

Budget Cuts/Cost containment: (all Other Fund and Federal Funds, No GF or LF)

- Layoffs in 2010 due to revenue shortfall 17 FTE to 11.5
- Reduced spending on airport maintenance/capital improvements
- Sale of agency aircraft in 2007
- Disposed of leased aircraft in 2008
- Reduction of Board of Aviation Travel/outreach
- Board study of airports managed by State



Improved Program Delivery

Alignment with other Agencies

- **Coordination with Business Oregon:**
 - Aviation Industry Cluster
 - Unmanned Aerial Vehicle Consortium
 - Economic impact study of Aviation in Oregon
- **Work with Regional Solutions Teams:**
 - Boardman Range/tall structures
 - Economic opportunity for Central Oregon Aviation businesses
- **SCIP Program with FAA/Counties/Cities**

Proposed Changes for efficiency/effectiveness

- SB 178 (civil penalty authority) proposed to enforce safety/revenue collection
 - Increased volunteer network for airports by 30+
 - Agreements with local governments on airports maintenance.
 - Use of temp employees for short term tasks
 - Interagency agreements to maximize revenue USFS/BLM/ODF
 - ODOT does Central Services for ODA
 - Need for program database for multiple grants/revenue collection/airport database
-



Major Budgetary Issues

Changes in Fees

- Agency is conducting study to update OAR 738 Div. 10 (Rates and Charges)

Construction Projects

- Planning and environmental for Cottage Grove Runway reconstruction
 - \$400k Federal/\$40k Other Funds



Proposed Legislation

- **SB 178** - Permits Director of Oregon Department of Aviation to impose civil penalties for violations of aviation laws, rules or orders.
- **SB 179** - Clarifies that State Aviation Board rules governing seaplane safety and operations shall be adopted in agreement with State Marine Board and State Parks and Recreation Department. Clarifies that boats that are seaplanes shall be regulated by Oregon Department of Aviation in agreement with State Marine Board.
- **SB 5505** - Limits biennial expenditures from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by Oregon Department of Aviation. Limits biennial expenditures by department from federal funds.



Policy Option Packages 2013-2015

• **SCIP Coordinator FTE (POP 102)**

- Currently filling LD position
- Tri-state initiative with Idaho, Washington, Oregon and FAA
- Coordinates FAA grants with 55 NPIAS airports
- Promotes jobs And airport economic development
- 90% funded by FAA

• **Capital Construction (POP 103)**

• **Cottage Grove Runway Renovation**

- \$400K federal for planning, design, environmental
- \$40K Other Funds (aircraft registration) for 10% grant match
- Return to Legislature for limitation/authorization for construction
- Estimated to be \$2 million +/-

• **General Aviation Entitlement (POP 104)**

- [Non capital projects](#) (listed in Appendix)

Questions?

