
MEMORANDUM

Legislative Fiscal Office
900 Court St. NE, Room H-178
Salem, Oregon 97301
Phone 503-986-1828
FAX 503-373-7807

To: Transportation and Economic Development Subcommittee

From: Julie Neburka, Legislative Fiscal Office
(503) 986-1839

Date: April 16, 2015

Subject: Oregon Department of Aviation
HB 5004 Work Session Recommendations

Department of Aviation

	2011-13 Actuals	2013-15 Legislatively Approved*	2015-17 Current Service Level	2015-17 LFO Recommended
Other Funds	5,461,765	6,562,654	5,985,256	6,178,432
Federal Funds	1,849,401	7,163,379	1,785,714	3,484,014
Total Funds	7,311,166	13,726,033	7,770,970	9,662,446
Positions	13	13	13	13
FTE	12.33	12.50	12.25	12.25

*includes Emergency Board and administrative actions through December 2014

Attached are the recommendations from the Legislative Fiscal Office for the Department of Aviation. Recommendations include:

- Funding to maintain current service levels for the agency's Operations and Pavement Maintenance divisions.
- Match dollars and federal grant funding for seven projects in the General Aviation Entitlement program.
- Fee increases to provide matching funds for federally-funded maintenance and capital projects at Oregon's public airports and to support maintaining operations at current service levels in the Search & Rescue and Aircraft Registration divisions.

Adjustments to Current Service Level:

See attached "Work Session Presentation Report" dated 4/16/15.

Accept LFO Recommendation

Move the LFO recommendation to HB 5004.

OR

Change LFO recommendation

Move the LFO recommendation to HB 5004, with modifications.

Performance Measures

See attached “Legislatively Proposed 2015-17 Key Performance Measures” form.

Accept LFO Recommendation

Move the LFO recommendation on Key Performance Measures

OR

Change LFO recommendation

Move the LFO recommendation on Key Performance Measures, with modifications.

Recommended Changes to Appropriation Bill:

The Legislative Fiscal Office recommends a budget of \$6,178,432 Other Funds, \$3,484,014 Federal Funds, and 13 positions (12.25 FTE) and that House Bill 5004 be amended accordingly.

Following is the content of the -1 amendment:

Section 1

Line 10 – Delete [\$3,697,210] and insert \$3,700,467.

Move to adopt the -1 amendment to HB 5004.

HB 5004 Final Subcommittee Action:

Final Motion:

Move HB 5004, as amended, to the full committee with a “do pass” recommendation.

Carriers:

Full: _____

House: _____

Senate: _____

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2013-15 Agy. Leg. Adopted	-	-	6,202,750	4,769,741	-	-	10,972,491	13	12.50
2013-15 Ebds, SS & Admin Act	-	-	359,904	2,393,638	-	-	2,753,542	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2013-15 Leg Approved Budget	-	-	6,562,654	7,163,379	-	-	13,726,033	13	12.50
2013-15 Leg Approved Budget (Base)	-	-	6,297,654	4,778,379	-	-	11,076,033	13	12.50
Summary of Base Adjustments	-	-	(107,013)	(391,578)	-	-	(498,591)	-	(0.25)
2015-17 Base Budget	-	-	6,190,641	4,386,801	-	-	10,577,442	13	12.25
010: Non-PICS Pers Svc/Vacancy Factor	-	-	25,486	661	-	-	26,147	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(237,067)	(2,705,433)	-	-	(2,942,500)	-	-
030: Inflation & Price List Adjustments	-	-	6,196	103,685	-	-	109,881	-	-
2015-17 Current Service Level	-	-	5,985,256	1,785,714	-	-	7,770,970	13	12.25
Adjusted 2015-17 Current Service Level	-	-	5,985,256	1,785,714	-	-	7,770,970	13	12.25
Total LFO Recommended Packages	-	-	193,176	1,698,300	-	-	1,891,476	-	-
2015-17 Legislative Actions	-	-	6,178,432	3,484,014	-	-	9,662,446	13	12.25
Net change from 2013-15 Leg Approved Budget	-	-	(384,222)	(3,679,365)	-	-	(4,063,587)	-	(0.25)
Percent change from 2013-15 Leg Approved Budget	0.0%	0.0%	(5.9%)	(51.4%)	0.0%	0.0%	(29.6%)	0.0%	(2.0%)
Net change from 2015-17 Current Service Level	-	-	193,176	1,698,300	-	-	1,891,476	-	-
Percent change from 2015-17 Current Service Level	0.0%	0.0%	3.2%	95.1%	0.0%	0.0%	24.3%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2013-15 Agy. Leg. Adopted	-	-	3,704,341	509,741	-	-	4,214,082	12	11.09
2013-15 Ebds, SS & Admin Act	-	-	83,011	8,638	-	-	91,649	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2013-15 Leg Approved Budget	-	-	3,787,352	518,379	-	-	4,305,731	12	11.09
2013-15 Leg Approved Budget (Base)	-	-	3,787,352	518,379	-	-	4,305,731	12	11.09
Summary of Base Adjustments	-	-	33,796	8,422	-	-	42,218	1	0.66
2015-17 Base Budget	-	-	3,821,148	526,801	-	-	4,347,949	13	11.75
010: Non-PICS Pers Svc/Vacancy Factor	-	-	28,683	661	-	-	29,344	-	-
030: Inflation & Price List Adjustments	-	-	(64,010)	11,780	-	-	(52,230)	-	-
060: Technical Adjustments	-	-	(89,830)	-	-	-	(89,830)	(1)	(0.80)
2015-17 Current Service Level	-	-	3,695,991	539,242	-	-	4,235,233	12	10.95
Adjusted 2015-17 Current Service Level	-	-	3,695,991	539,242	-	-	4,235,233	12	10.95
Total LFO Recommended Packages	-	-	4,476	-	-	-	4,476	-	-
2015-17 Legislative Actions	-	-	3,700,467	539,242	-	-	4,239,709	12	10.95
Net change from 2013-15 Leg Approved Budget	-	-	(86,885)	20,863	-	-	(66,022)	-	(0.14)
Percent change from 2013-15 Leg Approved Budget	0.0%	0.0%	(2.3%)	4.0%	0.0%	0.0%	(1.5%)	0.0%	(1.3%)
Net change from 2015-17 Current Service Level	-	-	4,476	-	-	-	4,476	-	-
Percent change from 2015-17 Current Service Level	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
--	--------------	---------------	-------------	---------------	------------------------	--------------------------	-------------	-----------	----------------------------

Package 100 Aviation Registration Fee Increases

Package Description This revenue-only package increases fees for aircraft registration, pilot registration, and public airport registration. The fee increases are projected to raise an agency-wide total of \$219,285 in the 2015-17 biennium, which will be used to maintain operations at the current service level and to provide matching funds for federally-funded projects.

The revenue added to the Operations Division will provide funding to cover salary increases in 2015-17 and will provide an adequate ending fund balance.

LFO Recommendation Approve.

LFO Recommended	-	-	-	-	-	-	-	-	-
-----------------	---	---	---	---	---	---	---	---	---

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
--	--------------	---------------	-------------	---------------	------------------------	--------------------------	-------------	-----------	----------------------------

Package 801 LFO Analyst Adjustments

Package Description This technical adjustment changes the account code used for the Department of Aviation's payment to ODOT for business services. These services include Human Resources, Procurement, Finance, Payroll, Internal Auditing, and Information Technology. The account code correction enables an audit function in the budget system to ensure that dollar amounts match in both the sending and the receiving agency.

LFO Recommendation Approve.

LFO Recommended	-	-	4,476	-	-	-	4,476	-	-
-----------------	---	---	-------	---	---	---	-------	---	---

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2013-15 Agy. Leg. Adopted	-	-	54,265	-	-	-	54,265	-	0.41
2013-15 Ebds, SS & Admin Act	-	-	2,302	-	-	-	2,302	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2013-15 Leg Approved Budget	-	-	56,567	-	-	-	56,567	-	0.41
2013-15 Leg Approved Budget (Base)	-	-	56,567	-	-	-	56,567	-	0.41
Summary of Base Adjustments	-	-	(48,487)	-	-	-	(48,487)	-	(0.41)
2015-17 Base Budget	-	-	8,080	-	-	-	8,080	-	-
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(1,815)	-	-	-	(1,815)	-	-
030: Inflation & Price List Adjustments	-	-	184	-	-	-	184	-	-
060: Technical Adjustments	-	-	33,686	-	-	-	33,686	1	0.30
2015-17 Current Service Level	-	-	40,135	-	-	-	40,135	1	0.30
Adjusted 2015-17 Current Service Level	-	-	40,135	-	-	-	40,135	1	0.30
2015-17 Legislative Actions	-	-	40,135	-	-	-	40,135	1	0.30
Net change from 2013-15 Leg Approved Budget	-	-	(16,432)	-	-	-	(16,432)	1	(0.11)
Percent change from 2013-15 Leg Approved Budget	0.0%	0.0%	(29.1%)	0.0%	0.0%	0.0%	(29.1%)	100.0%	(26.8%)
Net change from 2015-17 Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2015-17 Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
--	--------------	---------------	-------------	---------------	------------------------	--------------------------	-------------	-----------	----------------------------

Package 100 Aviation Registration Fee Increases

Package Description This revenue-only package increases fees for aircraft registration, pilot registration, and public airport registration. The fee increases are projected to raise an agency-wide total of \$219,285 in the 2015-17 biennium, which will be used to maintain operations at the current service level and to provide matching funds for federally-funded projects.

The revenue added in the Search and Rescue Division will allow the program to maintain current service levels and will provide for an adequate ending balance.

LFO Recommendation Approve.

LFO Recommended	-	-	-	-	-	-	-	-	-
-----------------	---	---	---	---	---	---	---	---	---

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2013-15 Agy. Leg. Adopted	-	-	367,000	3,860,000	-	-	4,227,000	-	-
2013-15 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2013-15 Leg Approved Budget	-	-	367,000	3,860,000	-	-	4,227,000	-	-
2013-15 Leg Approved Budget (Base)	-	-	367,000	3,860,000	-	-	4,227,000	-	-
Summary of Base Adjustments	-	-	-	-	-	-	-	-	-
2015-17 Base Budget	-	-	367,000	3,860,000	-	-	4,227,000	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(237,067)	(2,705,433)	-	-	(2,942,500)	-	-
030: Inflation & Price List Adjustments	-	-	8,564	91,905	-	-	100,469	-	-
2015-17 Current Service Level	-	-	138,497	1,246,472	-	-	1,384,969	-	-
Adjusted 2015-17 Current Service Level	-	-	138,497	1,246,472	-	-	1,384,969	-	-
Total LFO Recommended Packages	-	-	188,700	1,698,300	-	-	1,887,000	-	-
2015-17 Legislative Actions	-	-	327,197	2,944,772	-	-	3,271,969	-	-
Net change from 2013-15 Leg Approved Budget	-	-	(39,803)	(915,228)	-	-	(955,031)	-	-
Percent change from 2013-15 Leg Approved Budget	0.0%	0.0%	(10.9%)	(23.7%)	0.0%	0.0%	(22.6%)	0.0%	0.0%
Net change from 2015-17 Current Service Level	-	-	188,700	1,698,300	-	-	1,887,000	-	-
Percent change from 2015-17 Current Service Level	0.0%	0.0%	136.3%	136.3%	0.0%	0.0%	136.3%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
--	--------------	---------------	-------------	---------------	------------------------	--------------------------	-------------	-----------	----------------------------

Package 101 General Aviation Entitlement

Package Description This package funds projects at seven state-owned airports. These projects have been identified through the five-year capital improvement plan that is reviewed and approved annually by the Oregon Aviation Board. The package includes the Federal Aviation Administration grant funds and the required Other Funds (aircraft registration fees) for the 10% match.

General Aviation Entitlement projects address safety, operations, and development at airports in Oregon. Projects are selected based on a number of different factors, including pavement conditions, safety compliance, design standards, and short and long-term planning goals. The projects planned for this funding are:

- Lebanon Airport: Master Planning
- Mulino Airport: Obstruction Removal
- Aurora Airport: Phase 1 & 2 Obstruction Removal, environmental survey
- Bandon Airport: Land Acquisition
- Chiloquin Airport: Fencing Design and Construction, Taxiway and Apron Rehab
- Cottage Grove Airport: Master Planning
- Independence Airport: Environmental Surveying for Fencing

LFO Recommendation Approve.

LFO Recommended	-	-	188,700	1,698,300	-	-	1,887,000	-	-
-----------------	---	---	---------	-----------	---	---	-----------	---	---

Pavement Maintenance

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2013-15 Agy. Leg. Adopted	-	-	1,970,802	-	-	-	1,970,802	-	0.50
2013-15 Ebds, SS & Admin Act	-	-	6,786	-	-	-	6,786	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2013-15 Leg Approved Budget	-	-	1,977,588	-	-	-	1,977,588	-	0.50
2013-15 Leg Approved Budget (Base)	-	-	1,977,588	-	-	-	1,977,588	-	0.50
Summary of Base Adjustments	-	-	6,832	-	-	-	6,832	-	-
2015-17 Base Budget	-	-	1,984,420	-	-	-	1,984,420	-	0.50
010: Non-PICS Pers Svc/Vacancy Factor	-	-	837	-	-	-	837	-	-
030: Inflation & Price List Adjustments	-	-	61,222	-	-	-	61,222	-	-
2015-17 Current Service Level	-	-	2,046,479	-	-	-	2,046,479	-	0.50
Adjusted 2015-17 Current Service Level	-	-	2,046,479	-	-	-	2,046,479	-	0.50
2015-17 Legislative Actions	-	-	2,046,479	-	-	-	2,046,479	-	0.50
Net change from 2013-15 Leg Approved Budget	-	-	68,891	-	-	-	68,891	-	-
Percent change from 2013-15 Leg Approved Budget	0.0%	0.0%	3.5%	0.0%	0.0%	0.0%	3.5%	0.0%	0.0%
Net change from 2015-17 Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2015-17 Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2013-15 Agy. Leg. Adopted	-	-	66,342	-	-	-	66,342	1	0.50
2013-15 Ebds, SS & Admin Act	-	-	2,805	-	-	-	2,805	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2013-15 Leg Approved Budget	-	-	69,147	-	-	-	69,147	1	0.50
2013-15 Leg Approved Budget (Base)	-	-	69,147	-	-	-	69,147	1	0.50
Summary of Base Adjustments	-	-	(59,154)	-	-	-	(59,154)	(1)	(0.50)
2015-17 Base Budget	-	-	9,993	-	-	-	9,993	-	-
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(2,219)	-	-	-	(2,219)	-	-
030: Inflation & Price List Adjustments	-	-	236	-	-	-	236	-	-
060: Technical Adjustments	-	-	56,144	-	-	-	56,144	-	0.50
2015-17 Current Service Level	-	-	64,154	-	-	-	64,154	-	0.50
Adjusted 2015-17 Current Service Level	-	-	64,154	-	-	-	64,154	-	0.50
2015-17 Legislative Actions	-	-	64,154	-	-	-	64,154	-	0.50
Net change from 2013-15 Leg Approved Budget	-	-	(4,993)	-	-	-	(4,993)	(1)	-
Percent change from 2013-15 Leg Approved Budget	0.0%	0.0%	(7.2%)	0.0%	0.0%	0.0%	(7.2%)	(100.0%)	0.0%
Net change from 2015-17 Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2015-17 Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
--	--------------	---------------	-------------	---------------	------------------------	--------------------------	-------------	-----------	----------------------------

Package 100 Aviation Registration Fee Increases

Package Description This revenue-only package increases fees for aircraft registration, pilot registration, and public airport registration. The fee increases are projected to raise an agency-wide total of \$219,285 in the 2015-17 biennium, which will be used to maintain operations at the current service level and to provide matching funds for federally-funded projects.

Revenue added in the Aircraft Registration Division provides the 10% match for federally-funded airport projects.

LFO Recommendation Approve.

LFO Recommended	-	-	-	-	-	-	-	-	-
------------------------	---	---	---	---	---	---	---	---	---

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2013-15 Agy. Leg. Adopted	-	-	40,000	400,000	-	-	440,000	-	-
2013-15 Ebds, SS & Admin Act	-	-	265,000	2,385,000	-	-	2,650,000	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2013-15 Leg Approved Budget	-	-	305,000	2,785,000	-	-	3,090,000	-	-
2013-15 Leg Approved Budget (Base)	-	-	40,000	400,000	-	-	440,000	-	-
Summary of Base Adjustments	-	-	(40,000)	(400,000)	-	-	(440,000)	-	-
2015-17 Base Budget	-	-	-	-	-	-	-	-	-
2015-17 Current Service Level	-	-	-	-	-	-	-	-	-
Adjusted 2015-17 Current Service Level	-	-	-	-	-	-	-	-	-
Total LFO Recommended Packages	-	-	-	-	-	-	-	-	-
2015-17 Legislative Actions	-	-	-	-	-	-	-	-	-
Net change from 2013-15 Leg Approved Budget	-	-	(305,000)	(2,785,000)	-	-	(3,090,000)	-	-
Percent change from 2013-15 Leg Approved Budget	0.0%	0.0%	(100.0%)	(100.0%)	0.0%	0.0%	(100.0%)	0.0%	0.0%
Net change from 2015-17 Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2015-17 Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Legislatively Proposed 2015-2017 Key Performance Measures

Agency: AVIATION, OREGON DEPARTMENT of

Mission: To preserve and enhance Aviation in supporting Oregon's communities

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
1 - Percent of runways in good or better condition.		Approved KPM	82.00	100.00	100.00
2 - Percent of runways meeting or exceeding approach surface standards.		Approved KPM	63.00	94.00	94.00
3 - Number of State Airports with current Inspections.		Approved KPM	133.00	142.00	142.00
4 - Percentage of total Federal Funds obligated or spent.		Approved KPM	100.00	100.00	100.00
5 - 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.	Accuracy	Approved KPM	76.00	91.00	91.00
5 - 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.	Availability of Information	Approved KPM	76.00	91.00	91.00
5 - 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.	Expertise	Approved KPM	79.00	91.00	91.00
5 - 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 KPM	79.00	91.00	91.00
5 - 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.	Overall	Approved KPM	75.00	91.00	91.00

Agency: AVIATION, OREGON DEPARTMENT of

Mission: To preserve and enhance Aviation in supporting Oregon's communities

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
5 - 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.	Timeliness	Approved KPM	73.00	91.00	91.00
6 - Percent of aircraft registered		Approved KPM	87.00	90.00	90.00
7 - Percent of pilots registered		Approved KPM	77.00	90.00	90.00
8 - Percent of total best practices met by the board.		Approved KPM	97.00	100.00	100.00

LFO Recommendation:

LFO recommends approval of the agency's 2015-17 key performance measures and targets as proposed.

Sub-Committee Action:

HB 5004-1
(LC 9004)
4/10/15 (TR/ps)

**PROPOSED AMENDMENTS TO
HOUSE BILL 5004**

1 In line 10 of the printed bill, delete “\$3,697,210” and insert “\$3,700,467”.

2 _____