

**Legislative  
Fiscal Office**

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**Joint Committee on  
Ways and Means**

Sen. Richard Devlin, Senate Co-Chair  
Rep. Nancy Nathanson, House Co-Chair

Sen. Betsy Johnson, Senate Co-Vice Chair  
Sen. Jackie Winters, Senate Co-Vice Chair  
Rep. Dan Rayfield, House Co-Vice Chair  
Rep. Greg Smith, House Co-Vice Chair

**To:** Transportation and Economic Development Subcommittee  
**From:** Gregory Jolivette, Legislative Fiscal Office  
**Date:** April 6, 2017  
**Subject:** SB 5504 – Oregon Department of Aviation  
Work Session Recommendations

**Department of Aviation - Agency Totals**

	2013-15 Actual	2015-17 Legislatively Approved*	2017-19 Current Service Level	2017-19 LFO Recommended
Other Funds	6,079,744	12,426,644	11,822,955	12,230,778
Federal Funds	4,938,736	8,988,918	1,266,499	4,516,499
<b>Total Funds</b>	<b>11,018,480</b>	<b>21,415,562</b>	<b>13,089,454</b>	<b>16,747,277</b>
Positions	13	15	15	15
FTE	12.25	13.75	14.25	14.25

\* Includes Emergency Board and administrative action through December 2016

- Approve funds for a Phase II update to the Oregon Aviation Plan (\$450,000 FF, and \$50,000 OF). The plan serves as a critical tool for managing the state’s distinct system of airports.
- Approve a one-time adjustment of \$60,000 OF to enable the agency to complete pavement design services earlier in the year to maximize productivity during the construction season.
- Abolish the state pilot registration requirement, the pilot registration fee, and the Search and Rescue Fund. Support search and rescue activities using aircraft registration fees via a transfer (\$75,000 OF) to the Office of Emergency Management. This is contingent on the passage of SB 27.
- Approve match dollars and federal funding for General Aviation Entitlement Projects (\$311,111 OF, \$2,800,000 FF). The projects, which address airport safety and operational needs, are part of a five-year capital improvement plan approved annually by Aviation and the Federal Aviation Administration.

## **Adjustments to Current Service Level**

See attached "Work Session Presentation Report."

Note: Statewide adjustments are not included in these recommendations. Any needed adjustments will be made in an omnibus bill at the end of session.

***Accept*** LFO Recommendation:

**MOTION:** I move the LFO recommendation to SB 5504.

**OR**

***Change*** LFO Recommendation:

**MOTION:** I move the LFO recommendation to SB 5504, with modifications.

## **Performance Measures**

See attached "Legislatively Proposed 2017-19 Key Performance Measures."

***Accept*** LFO Recommendation:

**MOTION:** I move the LFO recommendation on Key Performance Measures.

**OR**

***Change*** LFO Recommendation:

**MOTION:** I move the LFO recommendation on Key Performance Measures, with modifications.

## **Recommended Changes**

LFO recommends a budget of \$12,230,778 Other Funds, \$4,516,499 Federal Funds, and 15 positions (14.25 FTE), which is reflected in the -2 amendment.

**MOTION:** I move adoption of the -2 amendment to SB 5504.

## **Final Subcommittee Action**

LFO recommends that SB 5504, as amended by the -2 amendment, to be moved to the Ways and Means Full Committee.

MOTION: I move SB 5504, as amended, to the Full Committee with a do pass recommendation.

**Carriers**

Full Committee: \_\_\_\_\_

House Floor: \_\_\_\_\_

Senate Floor: \_\_\_\_\_

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
<b>2015-17 Agy. Leg. Adopted</b>	-	-	11,979,625	8,504,014	-	-	20,483,639	15	13.75
2015-17 Ebds, SS & Admin Act	-	-	447,019	484,904	-	-	931,923	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2015-17 Leg Approved Budget</b>	-	-	12,426,644	8,988,918	-	-	21,415,562	15	13.75
<b>2015-17 Leg Approved Budget (Base)</b>	-	-	12,370,913	8,514,798	-	-	20,885,711	15	13.75
Summary of Base Adjustments	-	-	(325,559)	(5,001,831)	-	-	(5,327,390)	-	0.50
<b>2017-19 Base Budget</b>	-	-	12,045,354	3,512,967	-	-	15,558,321	15	14.25
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(3,479)	1,340	-	-	(2,139)	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(646,419)	(2,289,773)	-	-	(2,936,192)	-	-
030: Inflation & Price List Adjustments	-	-	427,499	41,965	-	-	469,464	-	-
<b>2017-19 Current Service Level</b>	-	-	11,822,955	1,266,499	-	-	13,089,454	15	14.25
<b>Adjusted 2017-19 Current Service Level</b>	-	-	11,822,955	1,266,499	-	-	13,089,454	15	14.25
<b>Total LFO Recommended Packages</b>	-	-	407,823	3,250,000	-	-	3,657,823	-	-
<b>2017-19 Legislative Actions</b>	-	-	12,230,778	4,516,499	-	-	16,747,277	15	14.25
Net change from 2015-17 Leg Approved Budget	-	-	(195,866)	(4,472,419)	-	-	(4,668,285)	-	0.50
Percent change from 2015-17 Leg Approved Budget	0.0%	0.0%	(1.6%)	(49.8%)	0.0%	0.0%	(21.8%)	0.0%	3.6%
Net change from 2017-19 Current Service Level	-	-	407,823	3,250,000	-	-	3,657,823	-	-
Percent change from 2017-19 Current Service Level	0.0%	0.0%	3.5%	256.6%	0.0%	0.0%	27.9%	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)
<b>2015-17 Agy. Leg. Adopted</b>	-	-	<b>3,902,440</b>	<b>539,242</b>	-	-	<b>4,441,682</b>	<b>14</b>	<b>12.25</b>
2015-17 Ebds, SS & Admin Act	-	-	426,190	484,904	-	-	911,094	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2015-17 Leg Approved Budget</b>	-	-	<b>4,328,630</b>	<b>1,024,146</b>	-	-	<b>5,352,776</b>	<b>14</b>	<b>12.25</b>
<b>2015-17 Leg Approved Budget (Base)</b>	-	-	<b>4,272,899</b>	<b>550,026</b>	-	-	<b>4,822,925</b>	<b>14</b>	<b>12.25</b>
Summary of Base Adjustments	-	-	135,662	18,169	-	-	153,831	-	-
<b>2017-19 Base Budget</b>	-	-	<b>4,408,561</b>	<b>568,195</b>	-	-	<b>4,976,756</b>	<b>14</b>	<b>12.25</b>
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(7,618)	1,340	-	-	(6,278)	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(392,000)	-	-	-	(392,000)	-	-
030: Inflation & Price List Adjustments	-	-	158,022	15,110	-	-	173,132	-	-
<b>2017-19 Current Service Level</b>	-	-	<b>4,166,965</b>	<b>584,645</b>	-	-	<b>4,751,610</b>	<b>14</b>	<b>12.25</b>
<b>Adjusted 2017-19 Current Service Level</b>	-	-	<b>4,166,965</b>	<b>584,645</b>	-	-	<b>4,751,610</b>	<b>14</b>	<b>12.25</b>
<b>Total LFO Recommended Packages</b>	-	-	<b>50,000</b>	<b>450,000</b>	-	-	<b>500,000</b>	-	-
<b>2017-19 Legislative Actions</b>	-	-	<b>4,216,965</b>	<b>1,034,645</b>	-	-	<b>5,251,610</b>	<b>14</b>	<b>12.25</b>
Net change from 2015-17 Leg Approved Budget	-	-	(111,665)	10,499	-	-	(101,166)	-	-
Percent change from 2015-17 Leg Approved Budget	0.0%	0.0%	(2.6%)	1.0%	0.0%	0.0%	(1.9%)	0.0%	0.0%
Net change from 2017-19 Current Service Level	-	-	50,000	450,000	-	-	500,000	-	-
Percent change from 2017-19 Current Service Level	0.0%	0.0%	1.2%	77.0%	0.0%	0.0%	10.5%	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)
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**Package 102 Oregon Aviation Plan Update II**

Package Description Package 102 provides one-time limitation of \$450,000 Federal Funds and \$50,000 Other Funds to complete Phase II of the Oregon Aviation Plan update. Phase II will begin fall 2017, and is expected to be completed by the fall of 2018. The plan was last updated in 2007.

LFO Recommendation Approve the package.

LFO Recommended	-	-	50,000	450,000	-	-	500,000	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
<b>2015-17 Agy. Leg. Adopted</b>	-	-	62,672	-	-	-	62,672	1	0.50
2015-17 Ebds, SS & Admin Act	-	-	1,341	-	-	-	1,341	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2015-17 Leg Approved Budget</b>	-	-	64,013	-	-	-	64,013	1	0.50
<b>2015-17 Leg Approved Budget (Base)</b>	-	-	64,013	-	-	-	64,013	1	0.50
Summary of Base Adjustments	-	-	24,135	-	-	-	24,135	-	-
<b>2017-19 Base Budget</b>	-	-	88,148	-	-	-	88,148	1	0.50
010: Non-PICS Pers Svc/Vacancy Factor	-	-	2,837	-	-	-	2,837	-	-
030: Inflation & Price List Adjustments	-	-	234	-	-	-	234	-	-
<b>2017-19 Current Service Level</b>	-	-	91,219	-	-	-	91,219	1	0.50
<b>Adjusted 2017-19 Current Service Level</b>	-	-	91,219	-	-	-	91,219	1	0.50
<b>Total LFO Recommended Packages</b>	-	-	(91,219)	-	-	-	(91,219)	(1)	(0.50)
<b>2017-19 Legislative Actions</b>	-	-	-	-	-	-	-	-	-
Net change from 2015-17 Leg Approved Budget	-	-	(64,013)	-	-	-	(64,013)	(1)	(0.50)
Percent change from 2015-17 Leg Approved Budget	0.0%	0.0%	(100.0%)	0.0%	0.0%	0.0%	(100.0%)	(100.0%)	(100.0%)
Net change from 2017-19 Current Service Level	-	-	(91,219)	-	-	-	(91,219)	(1)	(0.50)
Percent change from 2017-19 Current Service Level	0.0%	0.0%	(100.0%)	0.0%	0.0%	0.0%	(100.0%)	(100.0%)	(100.0%)

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 100 Abolish Pilot Registration**

Package Description Package 100 is contingent on passage of SB 27 (2017). It abolishes pilot registration because it provides no additional safety beyond federal requirements, and is costly to administer. Search and Resuce program expenses, which have been paid using pilot registration revenues, will now be paid from aircraft registration revenues.

LFO Recommendation Approve the package.

LFO Recommended	-	-	(91,219)	-	-	-	(91,219)	(1)	(0.50)
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
<b>2015-17 Agy. Leg. Adopted</b>	-	-	5,346,102	2,944,772	-	-	8,290,874	-	-
2015-17 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2015-17 Leg Approved Budget</b>	-	-	5,346,102	2,944,772	-	-	8,290,874	-	-
<b>2015-17 Leg Approved Budget (Base)</b>	-	-	5,346,102	2,944,772	-	-	8,290,874	-	-
Summary of Base Adjustments	-	-	-	-	-	-	-	-	-
<b>2017-19 Base Budget</b>	-	-	5,346,102	2,944,772	-	-	8,290,874	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(254,419)	(2,289,773)	-	-	(2,544,192)	-	-
030: Inflation & Price List Adjustments	-	-	190,372	26,855	-	-	217,227	-	-
<b>2017-19 Current Service Level</b>	-	-	5,282,055	681,854	-	-	5,963,909	-	-
<b>Adjusted 2017-19 Current Service Level</b>	-	-	5,282,055	681,854	-	-	5,963,909	-	-
<b>Total LFO Recommended Packages</b>	-	-	311,111	2,800,000	-	-	3,111,111	-	-
<b>2017-19 Legislative Actions</b>	-	-	5,593,166	3,481,854	-	-	9,075,020	-	-
Net change from 2015-17 Leg Approved Budget	-	-	247,064	537,082	-	-	784,146	-	-
Percent change from 2015-17 Leg Approved Budget	0.0%	0.0%	4.6%	18.2%	0.0%	0.0%	9.5%	0.0%	0.0%
Net change from 2017-19 Current Service Level	-	-	311,111	2,800,000	-	-	3,111,111	-	-
Percent change from 2017-19 Current Service Level	0.0%	0.0%	5.9%	410.7%	0.0%	0.0%	52.2%	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)
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**Package 103 General Aviation Entitlement Projects**

Package Description Package 103 provides limitation of \$3.1 million total funds (\$2.8 million FF, and 0.3 million OF) for projects that address safety and operational needs at five state-owned airports. The projects are part of the five year capital improvement plan that is annually reviewed and approved by the Oregon Aviation Board.

LFO Recommendation Approve the package.

LFO Recommended	-	-	311,111	2,800,000	-	-	3,111,111	-	-
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Pavement Maintenance

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
<b>2015-17 Agy. Leg. Adopted</b>	-	-	2,046,479	-	-	-	2,046,479	-	0.50
2015-17 Ebds, SS & Admin Act	-	-	15,933	-	-	-	15,933	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2015-17 Leg Approved Budget</b>	-	-	2,062,412	-	-	-	2,062,412	-	0.50
<b>2015-17 Leg Approved Budget (Base)</b>	-	-	2,062,412	-	-	-	2,062,412	-	0.50
Summary of Base Adjustments	-	-	64,943	-	-	-	64,943	-	0.50
<b>2017-19 Base Budget</b>	-	-	2,127,355	-	-	-	2,127,355	-	1.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	684	-	-	-	684	-	-
030: Inflation & Price List Adjustments	-	-	78,573	-	-	-	78,573	-	-
<b>2017-19 Current Service Level</b>	-	-	2,206,612	-	-	-	2,206,612	-	1.00
<b>Adjusted 2017-19 Current Service Level</b>	-	-	2,206,612	-	-	-	2,206,612	-	1.00
<b>Total LFO Recommended Packages</b>	-	-	60,000	-	-	-	60,000	-	-
<b>2017-19 Legislative Actions</b>	-	-	2,266,612	-	-	-	2,266,612	-	1.00
Net change from 2015-17 Leg Approved Budget	-	-	204,200	-	-	-	204,200	-	0.50
Percent change from 2015-17 Leg Approved Budget	0.0%	0.0%	9.9%	0.0%	0.0%	0.0%	9.9%	0.0%	100.0%
Net change from 2017-19 Current Service Level	-	-	60,000	-	-	-	60,000	-	-
Percent change from 2017-19 Current Service Level	0.0%	0.0%	2.7%	0.0%	0.0%	0.0%	2.7%	0.0%	0.0%

Pavement Maintenance

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 101 Pavement Maintenance Program Design**

Package Description Package 101 provides \$60,000 in Other Funds limitation on a one-time basis to allow Aviation to complete design services for the Pavement Management Program earlier in the year, providing more time during the summer months for actual construction.

LFO Recommendation Approve the package.

LFO Recommended	-	-	60,000	-	-	-	60,000	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
<b>2015-17 Agy. Leg. Adopted</b>	-	-	<b>64,154</b>	-	-	-	<b>64,154</b>	-	<b>0.50</b>
2015-17 Ebds, SS & Admin Act	-	-	3,555	-	-	-	3,555	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2015-17 Leg Approved Budget</b>	-	-	<b>67,709</b>	-	-	-	<b>67,709</b>	-	<b>0.50</b>
<b>2015-17 Leg Approved Budget (Base)</b>	-	-	<b>67,709</b>	-	-	-	<b>67,709</b>	-	<b>0.50</b>
Summary of Base Adjustments	-	-	7,479	-	-	-	7,479	-	-
<b>2017-19 Base Budget</b>	-	-	<b>75,188</b>	-	-	-	<b>75,188</b>	-	<b>0.50</b>
010: Non-PICS Pers Svc/Vacancy Factor	-	-	618	-	-	-	618	-	-
030: Inflation & Price List Adjustments	-	-	298	-	-	-	298	-	-
<b>2017-19 Current Service Level</b>	-	-	<b>76,104</b>	-	-	-	<b>76,104</b>	-	<b>0.50</b>
<b>Adjusted 2017-19 Current Service Level</b>	-	-	<b>76,104</b>	-	-	-	<b>76,104</b>	-	<b>0.50</b>
<b>Total LFO Recommended Packages</b>	-	-	<b>77,931</b>	-	-	-	<b>77,931</b>	<b>1</b>	<b>0.50</b>
<b>2017-19 Legislative Actions</b>	-	-	<b>154,035</b>	-	-	-	<b>154,035</b>	<b>1</b>	<b>1.00</b>
Net change from 2015-17 Leg Approved Budget	-	-	86,326	-	-	-	86,326	1	0.50
Percent change from 2015-17 Leg Approved Budget	0.0%	0.0%	127.5%	0.0%	0.0%	0.0%	127.5%	100.0%	100.0%
Net change from 2017-19 Current Service Level	-	-	77,931	-	-	-	77,931	1	0.50
Percent change from 2017-19 Current Service Level	0.0%	0.0%	102.4%	0.0%	0.0%	0.0%	102.4%	100.0%	100.0%

Aircraft Registration

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 100 Abolish Pilot Registration**

Package Description Package 100 transfers projected year end revenues from the pilot registration fee, as well as staff (.50 FTE) and expenses for the Search and Rescue program to the Aircraft Registration program.

LFO Recommendation Approve the package.

LFO Recommended	-	-	77,931	-	-	-	77,931	1	0.50
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
<b>2015-17 Agy. Leg. Adopted</b>	-	-	557,778	5,020,000	-	-	5,577,778	-	-
2015-17 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2015-17 Leg Approved Budget</b>	-	-	557,778	5,020,000	-	-	5,577,778	-	-
<b>2015-17 Leg Approved Budget (Base)</b>	-	-	557,778	5,020,000	-	-	5,577,778	-	-
Summary of Base Adjustments	-	-	(557,778)	(5,020,000)	-	-	(5,577,778)	-	-
<b>2017-19 Base Budget</b>	-	-	-	-	-	-	-	-	-
<b>2017-19 Current Service Level</b>	-	-	-	-	-	-	-	-	-
<b>Adjusted 2017-19 Current Service Level</b>	-	-	-	-	-	-	-	-	-
<b>Total LFO Recommended Packages</b>	-	-	-	-	-	-	-	-	-
<b>2017-19 Legislative Actions</b>	-	-	-	-	-	-	-	-	-
Net change from 2015-17 Leg Approved Budget	-	-	(557,778)	(5,020,000)	-	-	(5,577,778)	-	-
Percent change from 2015-17 Leg Approved Budget	0.0%	0.0%	(100.0%)	(100.0%)	0.0%	0.0%	(100.0%)	0.0%	0.0%
Net change from 2017-19 Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2017-19 Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%