

Aviation

	2015-17 Actual	2017-19 Legislatively Adopted	2017-19 Legislatively Approved *	2019-21 Current Service Level	2019-21 Governor's Budget
Other Funds	12,484,576	12,723,305	13,745,866	12,921,194	27,284,299
Federal Funds	9,510,298	9,307,461	9,318,243	3,933,182	11,313,182
Total Funds	21,994,874	22,030,766	23,064,109	16,854,376	38,597,481
Positions	15	15	15	15	16
FTE	13.75	14.25	14.25	14.49	15.49

* Includes Emergency Board and administrative actions through December 2018.

Program Description

The Department of Aviation 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 a large-scale pavement preservation program for the state's 66 paved public use airports. In addition to statewide aviation transportation plan management and land use coordination, the Department owns, manages, and operates 28 public use airports. The seven-member State Aviation Board, appointed by the Governor, represents aviation interests from the public and private sectors. The Board provides policy direction to the Department.

Key responsibilities include:

- Develop and implement the Oregon Aviation Plan and related policies
- Provide technical assistance on airport planning and development
- Administer the federal General Aviation Entitlement Grant and Pavement Maintenance Program
- Register aircraft
- Conduct safety inspections on state-owned and other Oregon public airports
- Operate 28 state-owned airports

CSL Summary and Issues

The Department of Aviation is supported entirely by Other and Federal Funds. Aviation and jet fuel taxes are the primary source of funding for agency operations. Other sources of revenue include aircraft registration fees, aircraft dealer license fees, hangar and site leases at state-owned airports, and other charges for services. The agency also receives Federal Funds from the Federal Aviation Administration (FAA) for aviation system planning and construction projects. The FAA grants cover 90% of project costs and require a 10% state match.

The current service level budget for the Department of Aviation represents a 27% decrease compared to the 2017-19 legislatively adopted budget. This reflects the phase out of one-time funds provided for capital improvement projects, and Unmanned Aircraft System testing at

three ranges in Oregon. The budget includes standard inflation adjustments, as well as increases for Attorney General and state government service charges. There are no differences between DAS and LFO on the current service level for the agency.

Policy Issues

HB 2075 - Aircraft Fuel Taxes. In 2015, the Legislature passed HB 2075 to increase aircraft fuel taxes by two cents per gallon for aviation gasoline, jet fuel, and motor fuel used for aviation. The measure allowed the Department of Aviation to retain 5% of the revenue for administration and established various dedications and allowable uses for the remainder of the revenue, namely grants to airports throughout the state for safety and infrastructure projects, FAA match, and commercial air service to rural Oregon. The HB 2075 tax increase sunsets on January 1, 2022. Aviation proposes to eliminate the sunset (HB 2402).

Other Significant Issues and Background

State Airport Projects. The agency request budget includes \$1.4 million for capital improvement projects, known as General Aviation Entitlement projects; and, \$7.9 million for capital construction projects.

2019-21 Proposed Capital Improvement Projects					
Pkg #	Airport	Project Description	Other Funds	Federal Funds	Project Cost
103	Bandon	EA for obstruction removal	\$34,000	\$306,000	\$340,000
103	Chiloquin	Obstruction removal - phase 2	17,000	153,000	\$170,000
103	Independence	Replace PAPI Design and Construct	28,000	252,000	\$280,000
103	Joseph	Master plan and AGIS	34,000	306,000	\$340,000
103	Lebanon	Environmental survey	28,000	252,000	\$280,000
Totals			\$141,000	\$1,269,000	\$1,410,000

2019-21 Proposed Capital Construction Projects					
Pkg #	Airport	Project Description	Other Funds	Federal Funds	Project Cost
106	Prospect	Rehabilitate runway	\$2,160,000	\$0	\$2,160,000
107	Aurora	Ramp construction for runway 17	205,000	1,845,000	2,050,000
108	Condon	Runway repairs	260,000	2,340,000	2,600,000
109	Siletz Bay	Rehabilitate taxiway	114,000	1,026,000	1,140,000
Totals			\$2,739,000	\$5,211,000	\$7,950,000