

## ANALYSIS

### Item 68: Oregon Department of Aviation IIJA Federal Funds

**Analyst:** Ben Ruef

**Request:** Increase Federal Funds expenditure limitation by \$2,047,000 and Other Funds expenditure limitation by \$227,444 for infrastructure projects at 10 state-owned airports.

**Analysis:** The federal Infrastructure Investment and Jobs Act (IIJA) authorizes \$1.2 trillion for transportation and infrastructure spending with \$550 billion going toward new investments and programs. The Act provides \$15 billion from this amount for airport-related projects as defined under the existing Airport Improvement Grant and Passenger Facility Charge criteria. The money can be invested in runways, taxiways, safety and sustainability projects, as well as terminal, airport-transit connections and roadway projects.

Out of the \$15 billion, Oregon’s airports are eligible to receive \$211 million over the next five years based on a nationwide distribution formula. The federal government will distribute most of these funds (\$201 million) directly to non-state-owned airports. The Oregon Department of Aviation (ODAV) will receive the remaining \$10.2 million from the Federal Aviation Administration (FAA) over the next five years for infrastructure projects at 10 of the 28 state-owned airports. The FAA will fund 90 percent of the project and ODAV will provide the required 10 percent match from the General Aviation Entitlement appropriation funded by aircraft registrations. The requested Other Funds expenditure limitation will support the state match.

ODAV has identified the following ten projects approved by the FAA with some ready to begin as early as June 2022:

AIRPORT	Year-One Federal Funds (90%)	Year-One Other Funds Match (10%)	Year-One Total Funds	Total Five-Year Projected Available Federal Funding
Aurora Sate Airport	\$763,000	\$ 84,778	\$847,778	\$3,815,000
Bandon State Airport	\$159,000	\$ 17,667	\$176,667	\$795,000
Chiloquin State Airport	\$110,000	\$ 12,222	\$122,222	\$550,000
Condon State Airport	\$110,000	\$ 12,222	\$122,222	\$550,000
Cottage Grove State Airport	\$159,000	\$ 17,667	\$176,667	\$795,000
Siletz Bay State Airport	\$110,000	\$ 12,222	\$122,222	\$550,000
Independence State Airport	\$159,000	\$ 17,667	\$176,667	\$759,000
Joseph State Airport	\$159,000	\$ 17,667	\$176,667	\$795,000
Lebanon State Airport	\$159,000	\$ 17,667	\$176,667	\$795,000
Mulino State Airport	\$159,000	\$ 17,667	\$176,667	\$795,000
<b>TOTAL</b>	<b>\$2,047,000</b>	<b>\$227,444</b>	<b>\$2,274,444</b>	<b>\$10,199,000</b>

ODAV can redirect Federal Funds and reprioritize projects on an as needed basis over the five-year period. All changes require FAA approval.

**Recommendation:** The Legislative Fiscal Office recommends that the Emergency Board increase Federal Funds expenditure limitation by \$2,047,000 and Other Funds expenditure limitation by \$227,444 for the Oregon Department of Aviation for infrastructure projects at 10 state-owned airports.

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**Request:** Increase Federal Funds expenditure limitation by \$2,047,000 and Other Funds expenditure limitation by \$227,444 for capital projects at 10 state-owned airports.

**Recommendation:** Approve the request.

**Discussion:** The Oregon Department of Aviation (ODAV) received notice from the Federal Aviation Administration (FAA) of \$211 million in Infrastructure Investment Job Act (IIJA) funding being directly awarded to ODAV over the next five years. Most of the funding will go directly to local governments owning the airports. ODAV will receive \$10.2 million over the next five years for the 28 state-owned airports. These funds must be used for capital projects. The FAA will fund 90 percent of the project and ODAV would provide the 10 percent match from the General Aviation Entitlement appropriation.

Oregon's first year of project funding is for \$2,274,444, which includes \$2,047,000 Federal Funds and \$227,444 Other Funds.

Below lists the federal funding limits approved by the FAA for year one:

State Airport	FAA Approved Funding for Year One
Aurora	\$763,000
Bandon	\$159,000
Chiloquin	\$110,000
Condon	\$110,000
Cottage Grove	\$159,000
Siletz Bay	\$110,000
Independence	\$159,000
Joseph	\$159,000
Lebanon	\$159,000
Mulino	\$159,000
<b>Total</b>	<b>\$2,047,000</b>

ODAV has worked out a list of FAA approved capital projects for the 10 airports listed above. The projects include runway rehabilitation and maintenance projects, weather reporting and snow removal equipment, equipment storage facilities and airport obstruction removal projects. Funding is expected to become available in June 2022, which would allow for project start-up in the summer of 2022.

**Legal Reference:** Increase the Other Funds expenditure limitation established by chapter 602, section 1(4), Oregon Laws 2021, for the Oregon Department of Aviation, General aviation entitlement grant program by \$227,444 for the 2021-23 biennium.

Increase the Federal Funds expenditure limitation established by chapter 602, section 2(2), Oregon Laws 2021, for the Oregon Department of Aviation, General aviation entitlement grant program by \$2,047,000 for the 2021-23 biennium.



# Oregon

Kate Brown, Governor



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**May 2, 2022**

Senator Peter Courtney, Co-Chair  
Representative Dan Rayfield, Co-Chair  
Joint Emergency Board  
900 Court Street NE  
H-178 State Capitol  
Salem, OR 97301

Dear Co-Chairs:

### **Nature of the [Emergency/Request]**

The Oregon Department of Aviation (ODAV) is receiving Federal Infrastructure grants from the Federal Aviation Administration (FAA) over the next five years and is requesting approval for an expenditure limitation totaling \$2,274,444 for projects at ten state owned airports for the first year. These projects will be funded ninety percent by the FAA and will require a ten percent match from the agency. ODAV requests a \$2,047,000 federal funds increase for grant funds and a \$227,444 other funds increase for matching funds to the General Aviation Entitlement expenditure limitation.

### **Agency Action**

The \$1.2 Trillion Bipartisan Infrastructure bill (BIL, also known as IIJA) was signed into law on November 15, 2021. This program will provide \$15 billion for airport projects over the next five years. Oregon's airports will receive a total of \$211 million over the next five years, based on formulas for airport categories, (such as national, regional, local, and basic). The majority of those funds will go to Oregon airports that are not owned or managed by ODAV. ODAV will be receiving over \$2 million per year for the next five years for ten state-owned airports. The agency has worked with the FAA to plan Airport Infrastructure projects that meet federal standards for each of these ten airports. These projects include runway rehabilitations, the purchase of weather reporting and snow removal equipment, a snow removal building, apron expansion, obstruction removals as well as pavement maintenance projects. ODAV plans to start projects as early as the summer of 2022.

The agency will be requesting the limitation for the first year from the June Emergency Board to allow for the immediate start of the projects. Due to the timing of the Infrastructure Bill the agency was not able to add the limitation to the 2021-23 Agency Request Budget. Future year projects will be requested through the Agency Request Budget. The agency has sufficient matching

funds from Aircraft Registration revenue for these projects. Please see below the amount of federal funds available to ODAV per year over a five year period for each airport.

<b>State Airport</b>	<b>Federal Funds Available Per Year</b>
Aurora State Airport	\$ 763,000
Bandon State Airport	\$ 159,000
Chiloquin State Airport	\$ 110,000
Condon State Airport	\$ 110,000
Cottage Grove State Airport	\$ 159,000
Siletz Bay State Airport	\$ 110,000
Independence State Airport	\$ 159,000
Joseph State Airport	\$ 159,000
Lebanon State Airport	\$ 159,000
Mulino State Airport	\$ 159,000
<b>Total</b>	<b>\$ 2,047,000</b>

### **Action Requested**

The Oregon Department of Aviation requests a \$2,047,000 federal funds increase and a \$227,444 other funds increase to the General Aviation Entitlement expenditure limitation for federal infrastructure projects at ten state owned airports.

### **Legislation Affected**

Increase to the General Aviation Entitlement Federal Funds expenditure limitation established by Chapter 602, (2021 Laws), Section 2, by \$2,047,000 and an increase to the General Aviation Entitlement Other Funds expenditures limitation established by Chapter 602, (2021 Laws), Section 1, by \$227,444.

If you have any questions feel free to call me at 503-378-2340.

Thank you,



Betty Stansbury  
Director  
Oregon Department of Aviation

CC: Ben Ruef, Legislative Fiscal Office  
Michelle Lisper, Chief Financial Office