



2021-2023 Budget Presentation

Joint Committee on Ways & Means

Subcommittee on Transportation & Economic Development

Presented by: Betty Stansbury, Director
Oregon Department of Aviation
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Oregon Department of Aviation

Who We Are & What We Do

ODA provides:

- Airport management and operations of 28 state airports.
- Leadership that connects communities and the state.
- Advocacy for airports, pilots, and aviation related businesses.
- Facilitation of state and federal aviation funding programs.
- Registration of aircraft & public use UAS in the state.
- A Pavement Maintenance Program for airports in Oregon.
- Tall structure evaluation for safety at airports.
- Aviation system planning & Statewide Capital Improvement Program
- **Staff of 13 FTE & Total 21-23 Budget of \$27M**



Summary of Programs

Operations Division

Statewide Service | Planning | Airport Operations | Airport Maintenance

Majority of funding is aviation fuel tax, other sources include leases, access agreements, and other fees.

Operations positions cut by nearly 20% in 21-23 due to revenue decline related to pandemic

Statewide Services 3 FTE

- Director, Financial & Administrative Staff
 - Manage agency budget and finances
- Provide public information and outreach services.
- Foster strong internal and external relationships

Planning 3.5 FTE

- Aviation System Planning | 90% FAA funded
 - Coordinate with counties regarding airport land use | OAR 660 LCDC
 - Tall structure evaluation for safety of airports | FAA, cities, counties, private owners
- Statewide Capital Improvement Program (SCIP) for 56 federally funded airports (NPIAS) statewide (state, city, county and port owned.)

Summary of Programs

Operations Division

State Airport Services 3 FTE

- Operate 28 public use airports (12 federally funded)
 - Manage 300 leases/access agreements
 - License and inspect 97 public use airports
 - Register 360 + private airports
- Provide technical expertise to airport owners/managers



State Airport Maintenance 1.59 FTE

- Maintain 28 state owned airports to applicable federal & state safety standards
- Routine & preventative maintenance
- Mowing, obstruction removal, pavement preservation, & lighting maintenance



Summary of Programs

Aviation System Action Program (ASAP)

Funded With 2 Cent Fuel Tax Increase | Est. 2015 | **Set to Sunset in 2022** | **HB 2034 & HB 3055 Proposes to Remove Sunset**

Serves public use airports & communities across the state

Awarded 143 grants to date and over \$14.3M

Critical Oregon Airport Relief (COAR) grant program | 50% of the funding.

- FAA grant match for Airport Improvement Program (AIP) Grants
- Emergency preparedness and infrastructure projects
- Services critical & essential to aviation, aviation related business development, & airport development for local economic benefit.
- **To date-111 Grants for close to \$7.5M**



Rural Oregon Aviation Relief (ROAR) program | 25% of the funding.

- To assist commercial air service to rural Oregon
- **To date-3 Grants for \$613K**
- **Requesting Legislative Approval to Shut Down Program**

State Owned Airports Reserve (SOAR) | 25% of funding.

- Safety improvements and infrastructure projects at state-owned public use airports.
- **To date-29 Projects \$6.2M**



Summary of Programs

Pavement Maintenance Program (PMP) .5 FTE

\$2.2M in 17-19 and \$1.5M in 21-23 | Funded with jet fuel tax & avgas tax

Cut over 30% in 21-23 due to Pandemic

67 paved public use airports served throughout the state

Owned by cities, counties, ports & private ownership

General Aviation Entitlement

Non-capital <\$1M projects | At 12 state owned federal funded airports (NPIAS)

90% FAA funded | 10% other funds

Capital Construction

>\$1M projects | At 28 state owned airports

NPIAS airports | 90% FAA funded | 10% other funds

Non-NPIAS airports 100% other funds

All Capital Construction Projects Cut in 21-23 due to Pandemic

Aircraft Registration 1 FTE

3,534 aircraft | 370 public use UAS

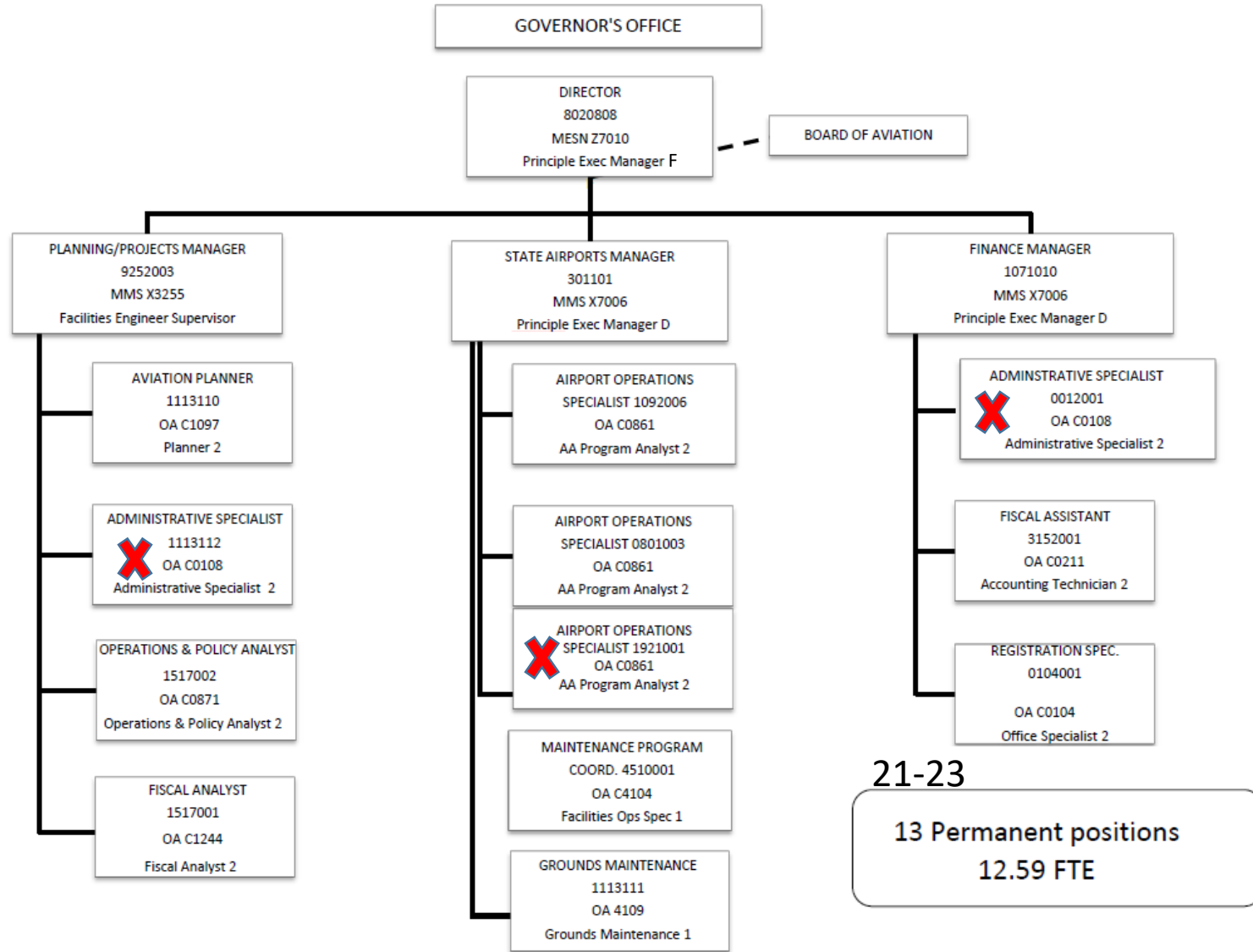
Funds 10% FAA grant match for Capital Construction Projects & GA Entitlement Projects

Funds Air Search & Rescue by Military Office of Emergency Management



Organizational Information

Organization Chart from 19-21 to 21-23



Major Issues Related to COVID-19

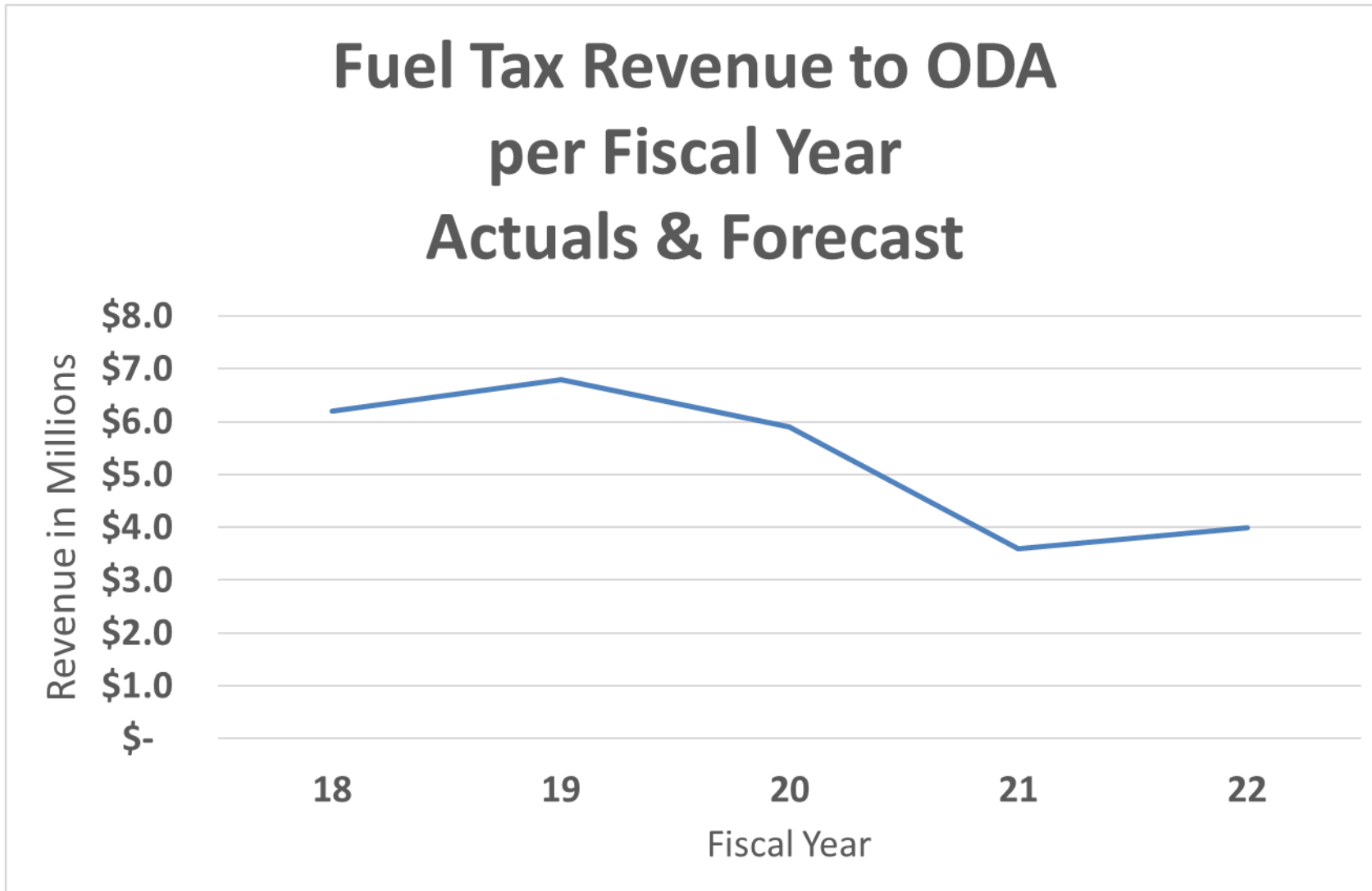
COVID-19 Leads to Uncertain Funding Available for Aviation In Oregon

- Jet fuel tax and avgas tax make up over half of the revenue for ODA
- Majority of aviation fuel in Oregon is consumed by airlines
- Passenger demand reduced by as much as 95%
- Airlines have reduced number of flights by as much as 70%
- This caused a significant drop in fuel tax revenues
- Duration of the reduced flight schedule and recovery period is uncertain
- Agency made cuts to reduce expenditures to revenue levels
 - Pavement Maintenance Program cut by 30%
 - All Capital Construction Projects have been cut

Total Reduction from 19-21 LAB is \$4.2M or 13% and 3 Positions



Major Issues Related to COVID-19





Summary of Agency Proposed Legislation

SB 5504 Agency Budget Bill | \$27 M

HB 2034 &/or HB 3055 Fuel Tax Sunset Removal

\$4.3M

- 2 cent jet fuel & avgas tax is scheduled to sunset January 2, 2022
 - 2 cent aviation fuel tax funds ASAP grants for airports

SB 38 Fee for Tall Structure Evaluation

Revenue Only \$184K

- ODA evaluates structures that have the potential to penetrate safety of flight and airspace around airports
 - Proposed fee of \$100 per evaluation



10% Reduction Options

Detail of Reductions to 2021-23 Current Service Level Budget																			
1	2	3	4	5		6	7	8	9	10	11	12		13	14	15	16		
Priority (ranked most to least preferred)	Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	Used in Gov. Budget Yes / No	Impact of Reduction on Services and Outcomes					
Dept	Prgm/ Div																		
																	The PMP Reduction of \$935,390 is 5% of Agency Request CSL.		
Planning	PMP	ODA	10900-004	Pavement Maintenance Program (PMP) is made up of two distinct areas, pavement evaluation and pavement maintenance. PMP is a state-funded aid program to assist airports in undertaking pavement preventative maintenance, the most cost-effective means to help preserve the system's airport pavement and pavement infrastructure as addressed in the Oregon Aviation Plan. During the pavement evaluation phase the program evaluates 1/3 of the state per year. The year following the evaluation the airports with the highest need get scheduled. About 14 airports are scheduled each year.				935,390					\$ 935,390	0	0.00	Y	The pavement maintenance program has already received a 30% reduction in 21-23 due to reduced revenue from the pandemic. This would reduce the program by an additional 40% in the 21-23 biennium resulting in deferred maintenance at several airports throughout the state. For airports that are federally funded the FAA requires the airport to maintain and upgrade infrastructure to a level of standard set forth by the FAA design guidelines and standards and further set into agreement by federal grant assurances. Failing to maintain pavements may result in loss of federal funds, increased future costs and a reduction in safety at airports throughout the state.		
													\$ -				The second 5% reduction is the elimination of PMP and the reduction of GA Entitlement OF.		
Planning	PMP	ODA	10900-004	Pavement Maintenance Program (PMP) Please see description above				642,127					\$ 642,127				This would completely eliminate the pavement maintenance program for the 21-23 biennium. This would result in deferred maintenance at approximately 28 airports. Please see above the explanation of the result of the reduction of this program.		
Planning	GA ENT	ODA	10900-003	The General Aviation Entitlement Program administers projects at the twelve state owned airports that are part of the National Plan of Integrated Airport System (NPIAS). This program is used to address safety, operations, infrastructure development at NPIAS airports. Projects are determined based upon a combination of factors including but not limited to pavement condition studies, safety, FAA compliance inspections, FAA design standards, short and long range planning goals for each of Aviation's 12 federally funded airports. A five year capital improvement plan (CIP) is approved by both the Oregon Aviation Board and the FAA. OF are the 10% matching portion to FAA funds.				230,288					\$ 230,288				This reduction would result in 9 times less federal funds provided by the FAA and less projects completed for federally funded state owned airports in 2021-23. This would result in a reduction of safety as well as increased deferred maintenance costs. It also may cause these federally funded airports to not meet required federal grant assurances. Failure to meet these requirements would result in loss of future funding for these airports.		
						-	-	1,807,805	-	-	-		\$ 1,807,805	0	0.00				



Impact of Reductions Included In GB

Staffing Reductions

3 FTE Positions were cut | From 15.49 in 19-21 to 12.59 in 21-23 | Almost 20% Reduction from 19-21
ODA plans to restore positions when revenue increases

Capital Construction Projects

Aviation Proposed 2 Capital Construction Projects in 21-23 ARB as POPS, They were eliminated in GB

Aurora State Airport

Obstruction Removal & Easement Acquisition
\$1.3M FF & \$152K OF

Siletz Bay State Airport

Runway & Electrical Rehab
\$2.9M FF & \$332K OF

Pavement Maintenance

Budget Cut by over 30% due to COVID-19 Revenue Loss
Will Result in a Reduction of Airports Served in 21-23



Additional Actions Taken To Reduce COVID-19 Impact on Agency

Applied for Federal Pandemic Coronavirus Relief Funds

FAA Provided \$10B to support US Airports experiencing economic disruption caused by the COVID-19 Pandemic

- ODA received \$398K May 2020
 - ODA will be applying for \$205K CRSSA Grant March 2021
- Use of Funds- Operating Expenditures of Agency including:
- staffing costs & maintenance costs to operate & maintain 28 state owned airports

- **American Rescue Plan**

Potentially \$428K Federal Funds for ODA & \$250K Grant Match

- **August 2020 Special Session**

Received permission to use additional 5% of ASAP Revenue For Operations

- **Agency Reduced Expenses as Much as Possible in 19-21**

- **In Governor's Budget**

Transferred Ending Balance from ROAR to limit reductions in Operations



Questions?

