OREGON DEPARTMENT OF AVIATION
Annual Performance Progress Report (APPR)
for Fiscal Year 2009-2010

2009-2011 Budget Form 107BF04c

Due: September 30, 2010
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Agency Mission:

To Preserve and Enhance Aviation in Supporting Oregon's Communities

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ABOUT THIS REPORT

Purpose of Report

The purpose of this report is to summarize the agency's performance for the reporting period, how performance data are used and to analyze agency performance for each key performance measure legislatively approved for the 2009-2011 biennium. The intended audience includes agency managers, legislators, fiscal and budget analysts and interested citizens.

1. PART I: EXECUTIVE SUMMARY defines the scope of work addressed by this report and summarizes agency progress, challenges and resources used.
2. PART II: USING PERFORMANCE DATA identifies who was included in the agency's performance measure development process and how the agency is managing for results, training staff and communicating performance data.
3. PART III: KEY MEASURE ANALYSIS analyzes agency progress in achieving each performance measure target and any corrective action that will be taken. This section, the bulk of the report, shows performance data in table and chart form.

KPM = Key Performance Measure

The acronym "KPM" is used throughout to indicate **K**ey **P**erformance **M**easures. Key performance measures are those highest-level, most outcome-oriented performance measures that are used to report externally to the legislature and interested citizens. Key performance measures communicate in quantitative terms how well the agency is achieving its mission and goals. Agencies may have additional, more detailed measures for internal management.

Consistency of Measures and Methods

Unless noted otherwise, performance measures and their method of measurement are consistent for all time periods reported.

Department of Aviation

Agency Mission: To Preserve and Enhance Aviation in Supporting Oregon's Communities

TABLE OF MEASURES

2009-11 KPM#	2007-09 Key Performance Measures (KPMs)	Page #
1	Runway Pavements in Good or Better Condition (%)	
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3	State airports with current inspections (#)	
4	Federal Funds obligation rate (%)	
5	Customer Service – "Good" and/or "Better" ratings (%)	
6	Aircraft Registered (% against FAA database)	
7	Pilots Registered (% against FAA database)	
8	Best Practices Used by State Aviation Board (%)	

II. USING PERFORMANCE DATA

Contact: Doug Hedlund, Interim Director	Phone: 503.378.2340
Alternate: Jenny Wilfong, Financial Manager	Phone: 503.378.4881

1. SCOPE OF REPORT

- These KPM are intended to measure the Department of Aviation's : (a) effectiveness and the efficiency in maintaining safe public-use airports within Oregon funded by aviation fuel tax receipts, (b) performance as viewed by its customers, (c) accountable and satisfactory performance of fiduciary responsibilities for management of federal and state funds received in grants and fees, (d) effectiveness in registering pilots and aircraft used to fund Oregon's Search and Rescue Program, and (e) effective and close coordination with the State Aviation Board in implementing policies for aviation in Oregon.
- Due to standards imposed by federal or other state governmental agencies, the inability to target performance in some programs or activities, the lack of need for performance measurement for decision-making in some programs or activities, a lack of effect on safety, funding, or state-wide implications, the following programs and activities are not included within the Department of Aviation's Key Performance Measures: (a) completion of construction/capital improvement projects, (b) incidental fee-programs (aircraft dealers, private airport registrations, etc), (c) promulgation of legislation, (d) ability to compete for appropriation of federal funds for Oregon, (e) self-sufficiency of state-owned airports, and (e) the department's progress on its Five-Year Strategic Initiatives.

2. THE OREGON CONTEXT

Air transportation is an important part of Oregon's transportation system and airports are critical components of Oregon's transportation infrastructure. They support the state's economic and social well being and livability by enabling the quick, efficient, and safe movement of people and goods. As of 2010 there are 97 public use and over 350 private use airports in Oregon which provide a variety of different services to Oregonians, businesses and tourists.

Oregon's size, geography, and population distribution make air transportation more important for access, mobility, and connectivity than many other states. Air transportation plays a key role in connecting Oregon's rural populations with services and commerce in larger cities, and to the national and international air transportation system. This is particularly true in many areas outside of the Willamette Valley where access to the major commercial service airports is hours away. Oregon's urban and rural communities depend heavily on their airports.

Oregon's system of airports plays an important role in economic development. The economic significance of Oregon's airport system is demonstrated by the following facts:

- More than three million visitors arrive each year at Oregon's commercial service and general aviation airports
- Spending by visitors and associated spin-offs account for a total annual benefit of approximately six billion to Oregon's economy
- Visitor spending supports over 135,000 jobs in Oregon with an annual payroll estimated at $ 2.4 billion
- Approximately 12,000 jobs are created by aviation-related tenants at Oregon's airports, and an additional 13,000 secondary jobs support tenant-related jobs
- Annual output or spending related to all tenants at Oregon's system of commercial and general aviation airports is estimated at 5.9 billion

Oregon's public-use airports play a key role in ensuring economic growth and maintaining high standards of livability throughout the state. Airline passengers, overnight mail, air cargo, air ambulance, forest fire suppression, crop spraying, military use, and aviation-related businesses all depend on an adequate network of airports.

3. PERFORMANCE SUMMARY

The Legislatively-Approved Budget (LAB) included all approved Department of Aviation KPMs. Only KPM # 1 (Runway Pavements in Good or Better Condition) remains unchanged from previous KPM. KPM # 2 (Runway meeting or Exceeding Approach Surface Standards) and KPM # 5 (Customer Service Ratings) were amended to comport with the Oregon Aviation/Systems Plan metrics and are making progress to both and new measurement criterion. Remaining five KPM are relatively new and reflect "Progress Unclear."

KPM Progress Summary	Key Performance Measures (KPMs) with Page References	# of KPMs
KPMs MAKING PROGRESS at or trending toward target achievement	Runway Pavements in Good or Better Condition (%), State airports with current inspections (#),Federal Funds obligation rate (%), Aircraft Registered (% against FAA database), ,Pilots Registered (% against FAA database),	5
KPMs NOT MAKING PROGRESS not at or trending toward target achievement	Runways Meeting or Exceeding Approach Surface Standards (#)	1
KPMs - PROGRESS UNCLEAR target not yet set	Customer Service – "Good" and/or "Better" ratings (%), Best Practices Used by State Aviation Board (%)	2
	Total Number of Key Performance Measures (KPMs)	8

4. CHALLENGES.

For those KPM addressing the condition of state-owned airports the following represent the challenges: Legislative approval of requested budget, declining fuel tax revenues, increasing prices for asphalt, changes in bidding practices used by counties and commercial purchasers of asphalt, the increasing lengths of runways, weather patterns, and the changing character (weight, wingspan, type) of aircraft using Oregon's public-use airports.

5. RESOURCES USED AND EFFICIENCY

Department of Aviation (Aviation) – Agency Totals

	2003-05 Actual	2005-07 Legislatively Approved	2007-09 Governor's Recommended	2007-09 Legislatively Adopted
Other Funds	15,769,226	6,604,588	7,024,120	4,621,625
Federal Funds	0	10,510,000	9,635,252	8,962,132
Total Funds	**$15,769,226**	**$17,114,588**	**$16,659,372**	**$13,583,757**
Positions	16	16	20	17
FTE	16.00	16.00	19.34	8.92

☐ Budget #3

II. USING PERFORMANCE DATA

Agency Mission: To Preserve and Enhance Aviation in Supporting Oregon's Communities

Contact: Doug Hedlund, Interim Director	Phone: 503.378.2340
Alternate: Jenny Wilfong, Financial Manager	Phone: 503.378.4881

The following questions indicate how performance measures and data are used for management and accountability purposes.	
1 INCLUSIVITY Describe the involvement of the following groups in the development of the agency's performance measures.	• Staff: Management and represented staff. • Elected Officials: Governor's Office • Stakeholders: Oregon Airport Manager's Association, Oregon Pilot's Association, Aircraft Owners and Pilots Association – NW Chapter • Citizens: Airport Advisory Committees – State-Owned Airports, local OPA and EAA chapters
2 MANAGING FOR RESULTS How are performance measures used for management of the agency? What changes have been made in the past year?	In conjunction with the annual updates to the Oregon Aviation/System Plan 2007, the KPM are calculated and used to make adjustments to annual budget priorities, outreach, and capital improvement program projects. In 2007, there has been substantial revision and addition of new KPM, which were approved by the Governor and Legislative Assembly. Only KPM # 1 (Runway Pavements in Good or Better Condition) remains unchanged from previous KPM. KPM # 2 (Runway meeting or Exceeding Approach Surface Standards) and KPM # 5 (Customer Service Ratings) were amended to comport with the Oregon Aviation/Systems Plan metrics and are making progress to both and new measurement criterion.
3 STAFF TRAINING What training has staff had in the past year on the practical value and use of performance measures?	In 2010, there was significant staff reorganization based on a multiagency management review team. The team included many recommendations to improve processes, staff performance and metrics.
4 COMMUNICATING RESULTS How does the agency communicate performance results to each of the following audiences and for what purpose?	• Staff: Annual meeting to review KPM, Strategic Initiatives, and Oregon Aviation/Master Plan – 2007. • Elected Officials: Review with Chair, Senate and House Subcommittee on Transportation, Governor's Office • Stakeholders: Post results to agency website; brief at stakeholder conferences/meetings; publish in ODA newsletter • Citizens: Post results to agency website; brief at stakeholder conferences/meetings; publish in ODA newsletter

III. KEY MEASURE ANALYSIS

Agency Mission: To Preserve and Enhance Aviation in Supporting Oregon's Communities

KPM # 1	Runway Pavements in Good or Better Condition	Measured since: 2005
Goal	All Oregon's public-use airports shall have runway pavements in good or better condition.	
Oregon Context	Not Applicable.	
Data source	Pavement Evaluation Program measures all public-use airports in Oregon once every three (3) calendar years. Use of Micropaver software provides fact-based data indicating order of priority, budget, and specific work requirements annually.	
Owner	Department of Aviation, contact person is State Planning Manager, 503.378.4880.	

1. **OUR STRATEGY**

   Maximize state and federal funds so that all public-use airports' runways are in good or better condition. Consulting/architecture firms bid for five-year contract to manage software and data collection for ODA.

2. **ABOUT THE TARGETS**
   Target is percentage of paved airport runways rated good or better within the total inventory of 66 paved public use airports in Oregon.

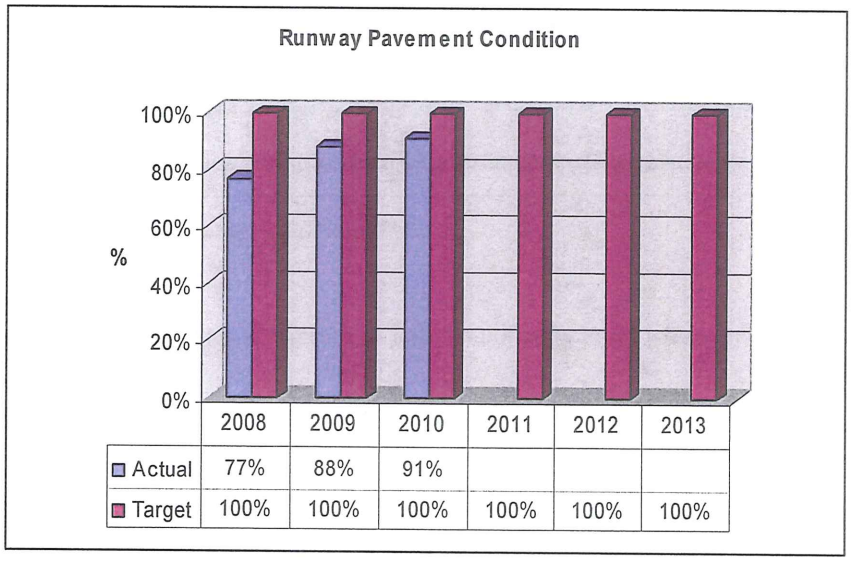
3. **HOW WE ARE DOING**
   Transfer of revenue to Operations from PMP program as authorized by ORS 836.072 reduced scope of pavement maintenance in 2010. Pavement Maintenance will continue as scheduled in 2011.

4. **HOW WE COMPARE**
   Comparator state information is not available.

5. **FACTORS AFFECTING RESULTS.** Legislative approval of requested budget, declining fuel tax revenues and deficit in operational budget has resulted in 2010 reduction in pavement maintenance. Continued decline in fuel tax revenue during 2011 and the future will impact ability conduct full PMP program

6. **WHAT NEEDS TO BE DONE**
   Modify type of pavement work, alter bidding practices, identify additional revenue source, and seek increased expenditure limitation approval from legislature.

7. **ABOUT THE DATA**
   The data is available and collated annually

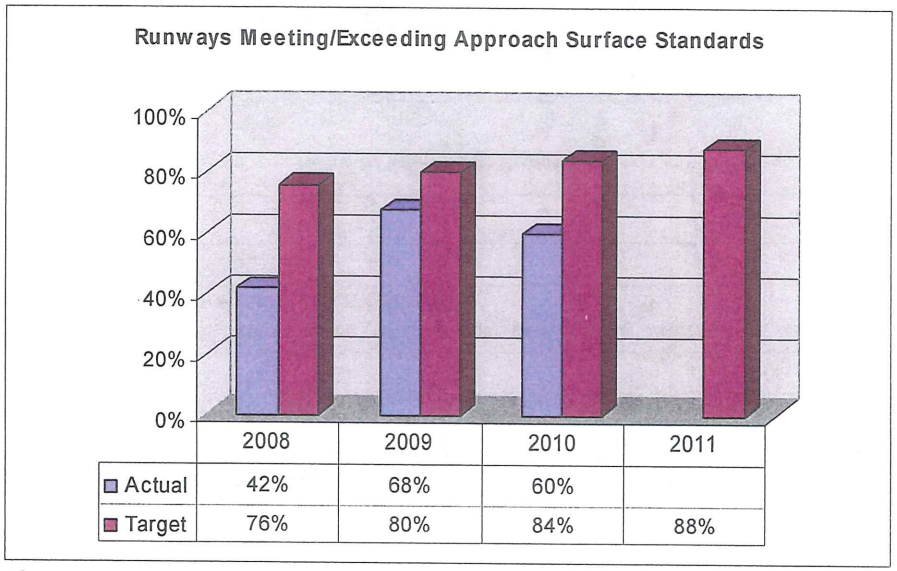


III. KEY MEASURE ANALYSIS

KPM # 2	Runways Meeting or Exceeding Approach Surface Standards	Measured since: 2007
Goal	All Oregon's public-use airports shall have runways meeting or exceeding approach surface standards.	
Oregon Context	Not Applicable.	
Data source	FAA part 77.25 standards require a 20:1 glide slope for visual meteorologic conditions (VMC) for public use airports. Federal dollars are available for NPIAS (National Plan of Integrated Airports System) for obstruction removal. Funding for nonNPIAS airports lags due to declining operations funding for obstruction removal.	
Owner	Department of Aviation, contact person is State Airports Manager, 503.378.4880.	

1. **OUR STRATEGY**
   100% compliance with FAA standards. Identify state and federal funds ensure maximum number of airports with proper approach surface standards.
2. **ABOUT THE TARGETS**
   Data shows a decrease in number of airports that meet or exceed approach surface standards. This is affected by airports not eligible for federal funding, primarily 16 state owned airports.
3. **HOW WE ARE DOING**
   Three airports in the state system are scheduled for obstruction removal (trees) Aurora, Bandon and Cottage grove.
4. **HOW WE COMPARE**
   Comparator state information is not available.
5. **FACTORS AFFECTING RESULTS.**
   Funding for obstruction removal at 16 non-federally funded state owned airports is not available.
6. **WHAT NEEDS TO BE DONE**
   Must identify funding resources to reduce backlog of obstructions at nonNPIAS airports to improve percentage of airports with 20:1 glideslopes to improve safety for approaching aircraft. Cost of removal of obstructions could approach $750,000.
7. **ABOUT THE DATA**

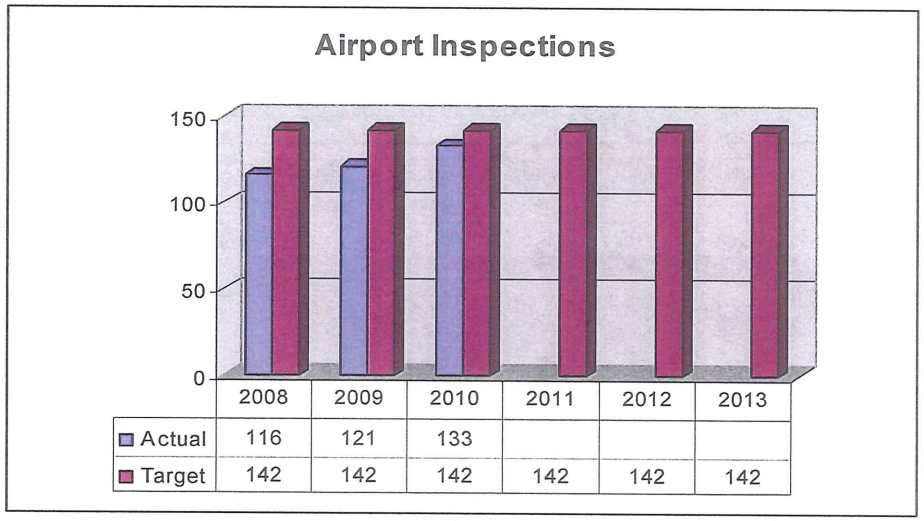
   The data is available annually.



III. KEY MEASURE ANALYSIS

Agency Mission: To Preserve and Enhance Aviation in Supporting Oregon's Communities

KPM # 3	State airports with current inspections	Measured since: 2007
Goal	All Oregon's public-use airports shall have current FAA 5010 and state airports should have quarterly self inspections on file.	
Oregon Context	Not Applicable.	
Data source	FAA	
Owner	Department of Aviation, contact person is Mitch Swecker, 503.378.4880.	



1. **OUR STRATEGY**
   Target is percentage of airport runways rated good or better within the total inventory of public use airports in Oregon

2. **ABOUT THE TARGETS**
   ODA conducts 97 FAA sponsored inspections over a three year period. One third of the inspections are conducted annually. (32 in 2010). ODA conducts quarterly self inspections at 28 state owned airports. Total possible number of inspections is 144.

3. **HOW WE ARE DOING**
   ODA completed 133 of 142 inspections 92% (Inspections were not conducted at Owyhee Reservoir due to remote location inaccessible by auto and eight inspections in eastern Oregon were not completed due to reduced travel related to funding shortfalls.

4. **HOW WE COMPARE**
   Comparator state information is not available.

5. **FACTORS AFFECTING RESULTS.**
   Declining fuel tax revenues resulted in operations funding shortfalls. Airport maintenance has been reduced to minimal repairs and inspections for safety.

6. **WHAT NEEDS TO BE DONE**
   Identify additional revenue sources and cost reduction to offset jet fuel tax shortfall.

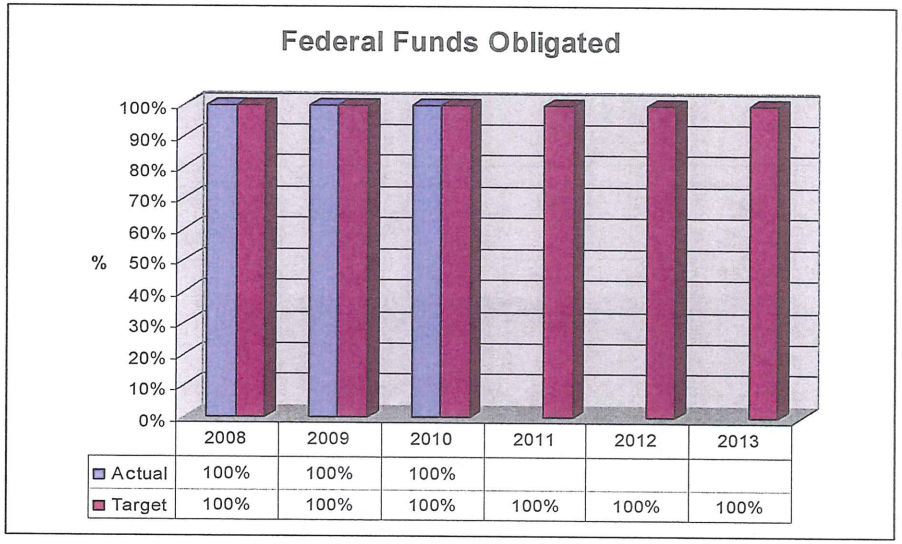
7. **ABOUT THE DATA**
   The data is available and updated weekly as a management tool. Summary is compiled annually.

III. KEY MEASURE ANALYSIS

Agency Mission: To Preserve and Enhance Aviation in Supporting Oregon's Communities

KPM # 4	Percentage of total federal funds obligated or spent	Measured since: 2007
Goal	Obligate 100% of available federal funding. Adopt best business practices to administer an efficient and effective grant program.	
Oregon Context	Not Applicable.	
Data source	Departmental electronic data base and individual airport sponsor project/grant files.	
Owner	Department of Aviation, contact person is Chris Cummings, 503.378.4880.	

1. **OUR STRATEGY**
Oregon currently owns and operates 28 public use airports. Of these, 12 are eligible for federal funding through the FAA Airport Improvement Program. Each of these 12 airports receives $150,000 annually in entitlement funds (Non-Primary Entitlement Program, or NPEP), for a total of $1.8M. The state has up to four years to expend these funds on airport improvement projects. If funds are not spent within the four year time period, they are de-obligated to ODA and returned to the FAA for use at other airports.



2. **ABOUT THE TARGETS**
Because many airport projects typically cost more than $150,000, ODA pools the available funding and accumulates a balance over time in order to accomplish larger capital construction projects. In 2009, unobligated funds from 8 airports were pooled to complete runway, drainage, and lighting improvements at Lebanon State Airport. Improvement projects are continually being developed and NPEP funds are allocated in chronological order, i.e., the oldest entitlement dollars are programmed first, so that ODA never "loses" money due to lack of adequate planning and monitoring. The FAA requires that ODA maintain a five-year Capital Improvement Program (CIP) list that plans and budgets projects five years into the future. This is continually revised and updated as new information comes in and priorities change.

3. **HOW WE ARE DOING**
ODA has made improvements in planning and monitoring federally funded projects. The Department currently utilizes all available federal entitlement funds with no funds be returned to the FAA. When necessary, ODA works with FAA to transfer funds or amend grant descriptions to ensure that no federal dollars are lost. Through careful marshalling of NPEP dollars, ODA predicts 0 loss of funds due to aging, unobligated entitlements.

4. **HOW WE COMPARE**
Comparator state information is not available.

5. **FACTORS AFFECTING RESULTS.**
Congressional authorization of funding program, changes in FAA policy, Legislative budget approval.

6. **WHAT NEEDS TO BE DONE**

7. **ABOUT THE DATA**
   The data is updated on a continual basis and is available on demand.

KPM # 5	Percent of customers rating their satisfaction with agency's customer service as "good" or "excellent"; overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information	Measured since: 2007
Goal	Excellent Customer Satisfaction	
Oregon Context	Not Applicable.	
Data source	Customer Satisfaction Survey	
Owner	Department of Aviation fiscal manager, 503.378.4881.	

1. **OUR STRATEGY**
   Evaluate comments by customers and constituents on customer service and response time.
2. **ABOUT THE TARGETS**
3. **HOW WE ARE DOING**
   Last survey was conducted in 2008.
4. **HOW WE COMPARE**
   Comparator state information is not available.
5. **FACTORS AFFECTING RESULTS.**
6. **WHAT NEEDS TO BE DONE**
   Install customer service survey on ODA website to allow continuous access by customers and constituents.
7. **ABOUT THE DATA**

KPM # 6	Percent of Aircraft Registered	Measured since: 2007
Goal	Enroll all eligible Oregon based aircraft into ODA database	
Oregon Context		
Data source	ODA Electronic Database	
Owner	Department of Aviation State Airports Manager, 503.378.4880.	

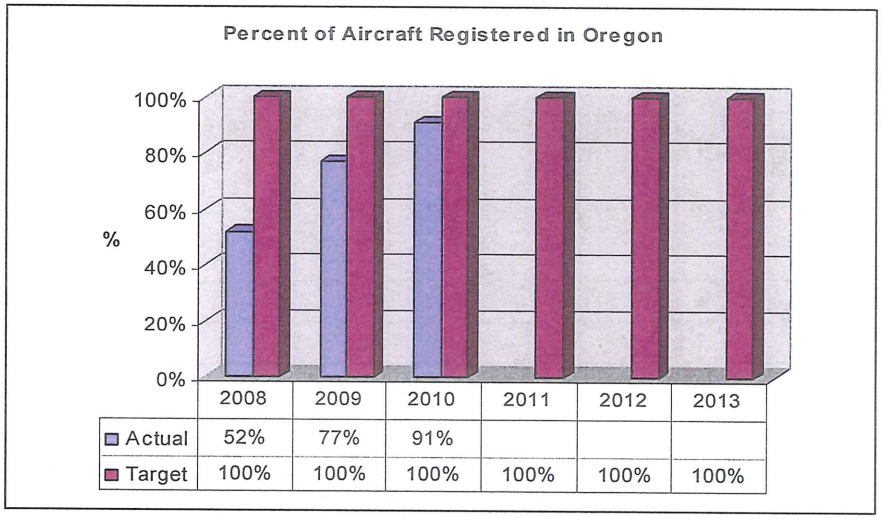
1. **OUR STRATEGY**
   ODA is in process of modernizing database and reconciling with both FAA and existing ODA database to ensure more accurate data and revenue collection.

2. **ABOUT THE TARGETS**
   ODA is required by ORS 837 to charge a fee for civil aircraft registration. Aircraft Registration fees support airport maintenance. Target is 80% accuracy. Modernizing database and increasing collection efforts are intended to increase this percentage and validate accuracy and collect all due revenue.

3. **HOW WE ARE DOING**

   4127 current active aircraft
   53 dealer aircraft
   399 no response/past due
   4579 - 399 = 4180
   4180/4579 = 91%

   1649 inactive
   2750 moved out of state
   571 not flyable
   144 destroyed
   5114 + 4579 = 9893 total in system



4. **HOW WE COMPARE**

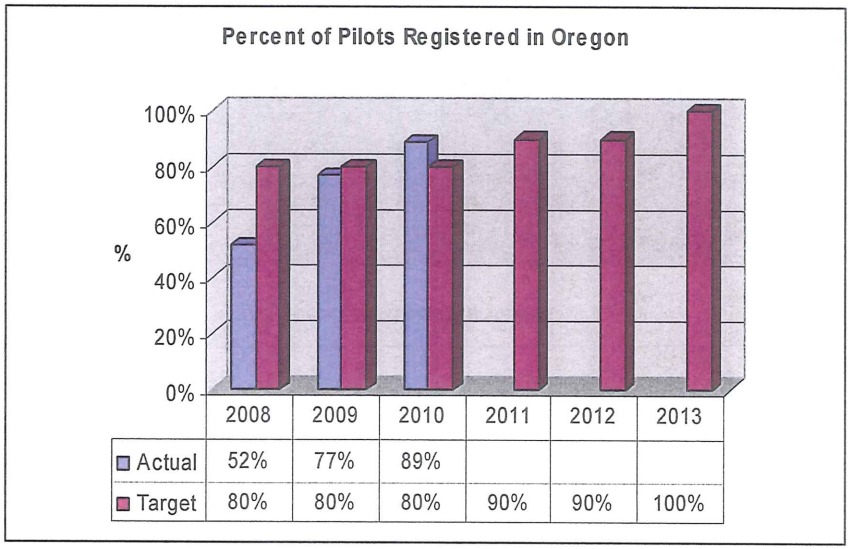
5. **FACTORS AFFECTING RESULTS.**
   Many more pilots are submitting aircraft registrations that indicate they are no longer flying due to cost or other reasons.

6. **WHAT NEEDS TO BE DONE**
   Continue development of aircraft and pilot registration database, aggressive reconciliation of erroneous data and pursuit of all revenue identified as due to ODA.

7. **ABOUT THE DATA**
   ODA is in process of validating all pilot and aircraft registrations via comparison to FAA database and letters to pilots and aircraft owners.

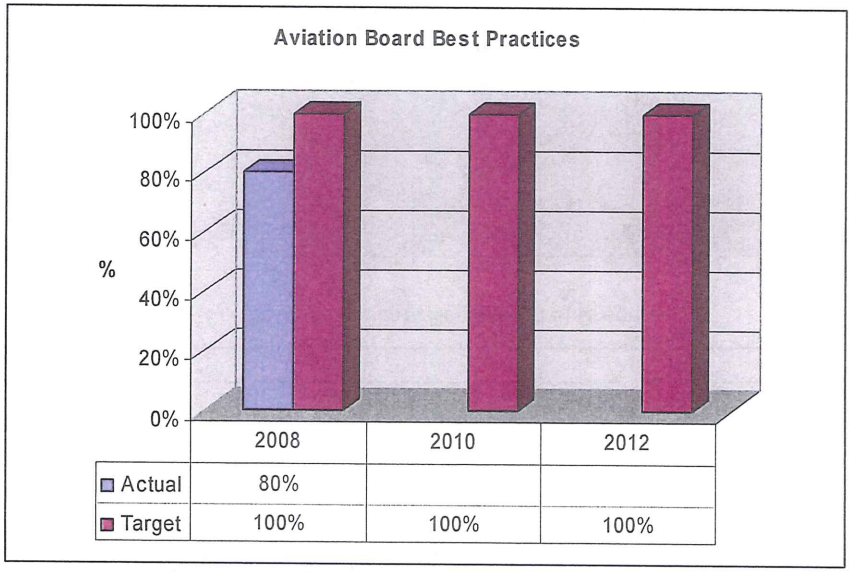
KPM # 7	Percent of Pilots Registered	Measured since: 2007
Goal	Reconcile with FAA data and register all pilots with Oregon addresses	
Oregon Context	Not Applicable. http:///	
Data source	ODA Electronic databases and FAA pilot database	
Owner	Department of State Airports Manager, 503.378.4880.	

1. **OUR STRATEGY**
   ODA is required by ORS 837 to charge a fee for Oregon pilot registration. $12 for initial pilot registration and $24 for two year renewal term.
2. **ABOUT THE TARGETS**
   Fees for pilot registration go to Search and Rescue organizations including OEM.
3. **HOW WE ARE DOING**
   Ongoing clean up of database and elimination of duplicate registrations and expired pilot registrations show 6032 current and past due pilot registrations. 5358 are currently registered and paid up to date. 674 are shown as past due. 89 % of pilots are currently registered in 2010.
4. **HOW WE COMPARE**
   In 2009, Idaho reported 2,714 pilots registered.
5. **FACTORS AFFECTING RESULTS.**
   Increase in fees, letters to pilots in the database as part of a stepped up registration campaign increased the number of pilots in the database. Process is ongoing.
6. **WHAT NEEDS TO BE DONE**
   Continue modernization of database and reconciliation of pilot registrations.
7. **ABOUT THE DATA**
   ODA is in process of validating all pilot and aircraft registrations via comparison to FAA database and letters to pilots and aircraft owners.



	2008	2009	2010	2011	2012	2013
Actual	52%	77%	89%			
Target	80%	80%	80%	90%	90%	100%

III. KEY MEASURE ANALYSIS

KPM # 8	Total of Best Practices by the Board of Aviation	Measured since: 2007
Goal	Excellent Customer Satisfaction	
Oregon Context	Not Applicable. http://	
Data source	Self Assessment of best practices	
Owner	Department of Aviation Director, 503.378.4880.	

1. **OUR STRATEGY**
   ODA Board to complete assessment score cards.
2. **ABOUT THE TARGETS**
3. **HOW WE ARE DOING**
   Survey in progress
4. **HOW WE COMPARE**
   Comparative state information is not available.
5. **FACTORS AFFECTING RESULTS.**
6. **WHAT NEEDS TO BE DONE**
   Board to complete self assessment survey.
7. **ABOUT THE DATA**