

ANNUAL PERFORMANCE PROGRESS REPORT - EXECUTIVE SUMMARY

TIME PERIOD: FISCAL YEAR 2003 – 2004

Please read the instructions before completing. Instructions can be found in Appendix C of the 2005-07 Budget Instructions and online at www.oregon.gov/DAS/OPB

| Performance Target Achievement | |
|--|----------|
| Total number of Key Performance Measures (KPMs) | 4 |
| Number of KPMs at target for most current reporting period | 3 |
| Number of KPMs not at target for most current reporting period | 1 |

INTRODUCTION TO THE ANNUAL PERFORMANCE REPORT

THE OREGON DEPARTMENT OF AVIATION USED FOUR KEY PERFORMANCE MEASURES TO TRACK PROGRESS TOWARD AGENCY GOALS AND TO PROVIDE A TOOL FOR AGENCY ACCOUNTABILITY. OUR PERFORMANCE MEASURES WERE DEVELOPED BY THE STATE AVIATION BOARD AND APPROVED BY THE OREGON LEGISLATURE. PERFORMANCE MEASUREMENT IS USED BY MANAGEMENT TO ENSURE THAT PROGRAMS ARE WORKING TOWARD THE DESIRED OUTCOME AND THAT AGENCY RESOURCES ARE ADEQUATELY FOCUSED ON OUR GOALS.

PERFORMANCE ACCOMPLISHMENTS

| <u>KEY PERFORMANCE MEASURE</u> | <u>2000 VALUE</u> | <u>2004 VALUE</u> |
|--|-------------------|-------------------|
| PERCENT OF RUNWAYS IN GOOD OR BETTER CONDITION. | 72.5% | 88% |
| PERCENT OF RUNWAYS MEETING LENGTH AND WIDTH STANDARDS. | 59% | 64% |
| PERCENT OF AIRPORTS MEETING LIGHTING AND NAVIGATIONAL AID STANDARDS. | | 62% |
| NUMBER OF PEOPLE CONTACTED THROUGH PUBLIC MEETINGS, PUBLIC PRESENTATIONS AND WEBSITE VISITS. | | 104,675 |

HIGH LEVEL OUTCOMES

THE DEPARTMENT OF AVIATION HAS SELECTED TWO HIGH-LEVEL OUTCOMES TO FOCUS ON FOR OUR PERFORMANCE MEASUREMENT. THE FIRST IS THE NUMBER OF AIRCRAFT ACCIDENTS IN OREGON REPORTED TO THE FEDERAL AVIATION ADMINISTRATION ANNUALLY. THIS IS A GOOD OUTCOME BECAUSE IT IS A HARD NUMBER WHICH IS TRACKED. IT ALSO IS AN INDICATOR OF AIRPORT SAFETY, WHICH IS A PRIMARY GOAL OF THE DEPARTMENT. THE AGENCY IS ABLE TO INFLUENCE THIS OUTCOME THROUGH OUR GRANT PROGRAMS WHICH PROVIDE FUNDING TO AIRPORTS TO CARRY OUT SAFETY AND DEVELOPMENT PROJECTS AND THROUGH THE PROPER MAINTENANCE, DEVELOPMENT AND ADMINISTRATION OF THE STATE-OWNED AIRPORTS.

OUR SECOND HIGH-LEVEL OUTCOME IS THE AGENCY'S MISSION STATEMENT: "ENHANCE THE WELL-BEING OF THE PEOPLE OF OREGON BY ADVANCING AVIATION IN THE STATE." THIS OUTCOME IS REFLECTED IN OUR GOAL RELATING TO PEOPLE CONTACTED. THROUGH OUR CONTACTS WITH THE PUBLIC WE ARE ABLE TO SHARE INFORMATION ABOUT AGENCY SERVICES AND PROGRAMS AND TO RECEIVE FEEDBACK ABOUT THE PUBLIC PERCEPTION OF OUR WORK. OREGON'S AVIATION SYSTEM IS BROAD AND IS INFLUENCED BY MANY FACTORS INCLUDING THE ECONOMY, FEDERAL REGULATION, PRIVATE BUSINESS, LOCAL GOVERNMENT, AND EFFORTS OF THE DEPARTMENT OF AVIATION. SO WHILE THIS AGENCY IS FAR FROM THE ONLY INFLUENCING FACTOR FOR OUR MISSION, WE STRIVE TO BE AN IMPORTANT FACTOR. INCREASING THE CONTACT THAT WE HAVE WITH THE PUBLIC IS ONE WAY TO INCREASE THE AMOUNT OF INFLUENCE WE HAVE OVER THE WELL-BEING THAT CITIZENS DERIVE FROM AVIATION PROGRAMS.

FUTURE CHALLENGES

STAFFING – THE DEPARTMENT OF AVIATION IS RUN BY A VERY SMALL STAFF AND MOST PROGRAMS ARE MANAGED BY ONLY ONE PERSON. RECENT CHANGES TO STATE RETIREMENT AND COMPENSATION POLICIES HAVE RESULTED IN HIGHER RATES OF TURNOVER IN THE TWO YEARS. AS EXPERIENCED AGENCY PERSONNEL ARE REPLACED WITH NEW EMPLOYEES WHO MUST BE TRAINED, WE EXPECT PRODUCTIVITY TO DIP. WE ARE MEETING THIS CHALLENGE BY TAKING THE TRAINING OPPORTUNITIES TO FOCUS NEW EMPLOYEES ON AGENCY GOALS AND PERFORMANCE EXPECTATIONS AND ENSURING THAT LIMITED RESOURCES ARE FOCUSED ON THE MOST IMPORTANT OUTCOMES.

BUDGET REDUCTIONS – AVIATION HAS BEEN IMPACTED BY REDUCTIONS IN AVIATION FUEL TAX REVENUES AND BY STATEWIDE EXPENDITURE CUTS. DUE TO OUR PROGRAM BEING SMALL, ACROSS-THE-BOARD CUTS OFTEN RESULT IN PROGRAM CUTS. ONE CONTINUED EXAMPLE IS THAT SOME OUTREACH EFFORTS HAVE BEEN REDUCED DUE TO RESTRICTIONS ON TRAVEL BUDGETS. THIS PROGRAM REDUCTION IS EXPECTED TO SLOW OUR PROGRESS TOWARD OUR PUBLIC CONTACT PERFORMANCE MEASURE. THOUGH THIS IS A CHALLENGE, IT IS ALSO A DEMONSTRATION OF THE NEED FOR PERFORMANCE MEASURES. IT IS APPROPRIATE THAT OUR STAFFING LEVELS AND BUDGET BE TIED TO OUR PERFORMANCE. IT WOULD BE EXPECTED THAT PROGRESS TOWARD PERFORMANCE MEASURES BE REFLECTED IN STAFFING AND BUDGET LEVELS.

ANNUAL PERFORMANCE PROGRESS REPORT - PART I, MANAGING FOR RESULTS
TIME PERIOD: FISCAL YEAR 2003 – 2004

| | | |
|--|------------------------------------|----------------|
| Agency: Oregon Department of Aviation | Date Submitted: September 30, 2004 | Version No.: 1 |
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| | |
|--------------|-------------|
| Agency Name: | Agency No.: |
|--------------|-------------|

The following questions shed light on how well performance measures and performance data are leveraged within your agency for process improvement and results-based management.

| | |
|---|---|
| 1 How were staff and stakeholders involved in the development of the agency's performance measures? | Performance measure drafts were put together by key staff and presented to the State Aviation Board at a public meeting. The Board recommended additions and changes. Next the same key staff worked with the Progress Board staff to finalize the measures. The State Aviation Board was key to the development process. |
| 2 How are performance measures used for management of the agency? | Our performance measures are reported to the Legislature bi-annually and reported in the agency Annual Report. Each year as the metrics are updated, the agency management team reviews the measured results and discusses program changes which might be needed. |
| 3 What training has staff had in the use performance measurement? | Agency management team and fiscal analyst have been briefed by Progress Board staff on the use and development of performance measurement. The Director will also attend the required bi-annual training. |
| 4 How does the agency communicate performance results and for what purpose? | Performance results are included in our Annual Report which goes to the State Aviation Board, Legislators, other agencies and interested citizens and are also included on our web page (www.aviation.state.or.us). This is done to ensure that we are accountable to the public for accomplishing the goals that we have set for the agency. |
| 5 What important performance management changes have occurred in the past year? | In 2003 two of our four performance measures were new, so we had no history in those areas. Due to this short timeframe, we will continue to monitor the effectiveness of these measures. |

ANNUAL PERFORMANCE REPORT- PART II, KEY MEASURE ANALYSIS
 TIME PERIOD: FISCAL YEAR 2003 – 2004

| Agency Name: Oregon Department of Aviation | | Agency No.: 109 | | | | | | | | |
|---|--------|-----------------|------|------|------|------|------|------|------|------|
| Key Performance Measure (KPM) | | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
| # - 109-01 Percent of runways in good or better condition | Target | | | | | 90% | 90% | 90% | 90% | 90% |
| | Data | | 72.5 | | 87.1 | 86.8 | 88% | | | |

Data Source: Annual Pavement Condition Survey conducted by ODA

Key Performance Measure Analysis

To what goal(s) is this performance measure linked? Goal #1

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)?
 What is the impact of your agency? The higher level outcome is to reduce the number of accidents in Oregon. This performance measure attempts to address the need for keeping runways in good or better condition and diminishing the number of accidents due to poor runway maintenance.

How does the performance measure demonstrate agency progress toward the goal?
 Federal money has been provided through grants for airport runway upkeep and improvement.

Compare actual performance to target and explain any variance. The actual performance is just under the target for this performance measure. Oregon is on track with meeting its target percentage.

Summarize how actual performance compares to any relevant public or private industry standards.
 Runway upkeep and improvement is performed and meets federal guidelines and requirements.

What is an example of a department activity related to the measure?
 Pavement Maintenance Program at various airports throughout Oregon.

What needs to be done as a result of this analysis?
 Continuation of federal, state and local programs to provide money for upkeep and improvement of airport runways.

| Agency Name: Oregon Department of Aviation | | Agency No.: 109 | | | | | | | | |
|--|--------|-----------------|------|------|------|------|------|------|------|------|
| Key Performance Measure (KPM) | | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
| # - 109-02 Percent of runways meeting length and width standards | Target | | | | | 59% | 59% | 59% | 59% | 59% |
| | Data | | 59% | | 59% | 59% | 64% | | | |

Data Source: Annual Airport Operator Survey conducted by ODA

Key Performance Measure Analysis

To what goal(s) is this performance measure linked? Goal #1

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)?

What is the impact of your agency? The higher level outcome is to reduce the number of accidents in Oregon. This performance measure attempts to address the need for keeping runways within approved standards and diminishing the number of accidents due to poor runway standards.

How does the performance measure demonstrate agency progress toward the goal?

Federal money has been provided through grants for airport runway improvements.

Compare actual performance to target and explain any variance. The actual performance percentage is in sync with targeted percentages.

Summarize how actual performance compares to any relevant public or private industry standards.

Runway improvements are performed and meet federal guidelines and requirements.

What is an example of a department activity related to the measure?

Pavement Maintenance Program and Airport Improvement Program at various airports throughout Oregon.

What needs to be done as a result of this analysis?

Continuation of federal, state and local programs to provide money for airport runway improvements.

| Agency Name: Oregon Department of Aviation | | Agency No.: 109 | | | | | | | | |
|--|--------|-----------------|------|------|------|------|------|------|------|------|
| Key Performance Measure (KPM) | | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
| # - 109-03 Percent of airports meeting lighting and navigational aid standards | Target | | | | | 50% | 50% | 50% | 50% | 50% |
| | Data | | | | 50% | 57% | 58% | | | |

Data Source: Annual Airport Operator Survey conducted by ODA

Key Performance Measure Analysis

To what goal(s) is this performance measure linked? Goal #1

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)?

What is the impact of your agency? The higher level outcome is to reduce the number of accidents in Oregon. This performance measure attempts to address the need for lighting and navigational aid standards being met and therefore, diminishing the number of accidents due to improper adherence.

How does the performance measure demonstrate agency progress toward the goal?

Federal money has been provided through grants for airport improvements.

Compare actual performance to target and explain any variance.

The actual performance percentage exceeds the target percentage for this performance measure.

Summarize how actual performance compares to any relevant public or private industry standards.

Runway upkeep and improvements are performed and meet federal guidelines and requirements.

What is an example of a department activity related to the measure?

Airport Improvement Program at various airports throughout Oregon.

What needs to be done as a result of this analysis?

Continuation of federal, state and local programs to provide money for upkeep and improvement of airport runways.

| Agency Name: Oregon Department of Aviation | | Agency No.: 109 | | | | | | | | |
|---|--------|-----------------|------|------|------|---------------|---------------|---------------|---------------|----------------|
| Key Performance Measure (KPM) | | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
| #04 109-04 Number of people contacted through public meetings, public presentations, and website visits | Target | | | | | 36,306 | 50,318 | 50,218 | 75,000 | 100,000 |
| | Data | | | | | 103,072 | 104,675 | | | |

Data Source: ODA Records

Key Performance Measure Analysis

To what goal(s) is this performance measure linked? Mission Statement of ODA.

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)?

What is the impact of your agency? The agency’s mission is to “enhance the well-being of the people of Oregon by advancing aviation in the state.” This outcome is reflected in our goal relating to people contacted.

How does the performance measure demonstrate agency progress toward the goal?

Through agency contacts with the public we are able to share information about agency services and programs and to receive feedback about the public perception of our work.

Compare actual performance to target and explain any variance.

The actual performance percentage exceeds the target percentage for this performance measure.

Summarize how actual performance compares to any relevant public or private industry standards.

Oregon’s aviation system is broad and is influenced by many factors including the economy, federal regulation, private business, local government and efforts of ODA.

What is an example of a department activity related to the measure?

Surveys, public presentations, public meetings and ODA website.

What needs to be done as a result of this analysis?

Continuation of solicitation of public input and increasing the overall contact that ODA has with the public.