

State of Alaska FY2010 Governor's Operating Budget

Department of Transportation/Public Facilities Statewide Aviation Component Budget Summary

Component: Statewide Aviation

Contribution to Department's Mission

Provide airport infrastructure for the safe movement of people and goods.

Core Services

- Airport Improvement Program (AIP) Funding Plan development, coordination, guidance and monitoring.
- Alaska Aviation System Planning.
- Aviation Leasing - Property management services for the use of lands and buildings at state rural airports.
- Airport planning, design, construction and operation coordination.
- Federal Aviation Administration (FAA) liaison regarding aviation regulatory and policy issues affecting Alaska.
- Coordinate departmental compliance with FAA grant assurances.
- Primary contact with airlines, aviation user groups, and aviation organizations.
- Conduct oversight of FAA Master Record Airport Inspections (5010 database maintenance contract).
- Primary response to aviation related public concerns.
- Aviation Safety Project - Provide mapping, aircraft operation simulation, and Global Positioning System (GPS) support for safer operations in Alaska.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$2,720,100	Personnel:	
	Full time	25
	Part time	0
	Total	25

Key Component Challenges

Challenges to Statewide Aviation (SWA) in improving the rural airport transportation system and increasing revenues:

- SWA will continue to update the airport regulations as necessary. The redrafted regulations were adopted effective March 22, 2008. However, due to extremely high fuel prices and failing airlines throughout the country, emergency regulations placed a moratorium on the rental rates until 12/31/08. Based on an Alaska Air Carriers Association petition, rate increases and other items of interest are being reconsidered and public hearings are being held throughout October 2008. Revisions to the rates (likely to be no more than 10% above rates established in 2002) will be a portion of the public hearing discussion during the comment period.
- Increased costs for airline operator, fluctuating fuel costs, and out migration from rural Alaska are expected to result in decreasing flights and schedules to communities. Fewer operators and flights along with the need for more efficient service are expected to put additional pressure on SWA to provide better airport services.
- Pending retirements, along with increasing difficulties in recruiting and retaining professional aviation employees due to workload and poor compensation is creating a serious slow down and backlog in processing airport use applications and division responsiveness. Recruitment and filling of senior level vacancies now lasts over six months in some cases.
- The State and the FAA are continuing to work on land use compliance issues, including the issue of non-aviation use contracts on federally funded airports. The FAA has agreed that with the approval of an Airport Layout Plan showing non-aviation revenue generation areas, they will allow non-aviation revenue functions on federally obligated airports.

- SWA will continue to digitize all land occupancy plats for inclusion on the state web page that will show land available for lease at state airports. Other avenues are being explored to provide information to the general public such as speaking engagements at Chambers of Commerce and other local organizations.
- The State's E-Leasing program is on-line and is being used by the general public. Once the general public becomes familiar with this on-line application system, we anticipate the processing time for applications will decrease. SWA will continue to improve the on-line E-Leasing system to make it easier and quicker for an applicant to apply for a lease on state airport lands.

Challenges regarding improving mobility, saving lives and reducing suffering:

- This office serves as the primary contact point between the FAA and the State of Alaska. Our challenge is to maximize the amount of federal Airport Improvement Program (AIP) funding available for the state and ensure this funding is applied to the highest priority airport capital improvement needs. We manage the evaluation of capital improvement needs at 258 state-owned and maintained rural airports and develop a multi-year spending plan to fund the highest priority needs. We work closely with the FAA to obtain the federal funding for these high priority needs, which is 95% (Anchorage International Airport qualifies for 93.75%) of the eligible project cost. This involves working through numerous policy and programming issues with FAA to ensure our projects are eligible for AIP funding. We execute and accept the grants to allow the state to obtain the AIP funding for these projects. In FFY08, the state obtained approximately \$210 million in AIP funding to improve state-owned airports.
- Global Positioning System (GPS) navigation continues to impact the way in which airports are being designed, built, and operated. The more we can facilitate these improvements, the more likely we are to improve mobility and save lives. Specifically, GPS navigation will soon make non-precision and precision approaches possible to most of the 258 state-operated airports, yet our facilities may not be prepared for that dramatically improved navigation ability. Current staffing levels require that acquisition of expert assistance with this issue be acquired through capital projects.

Significant Changes in Results to be Delivered in FY2010

Transfer the Aviation Safety Project (ASP) (federal funding, positions and capital work) from the Department of Military and Veterans' Affairs to Statewide Aviation where the aviation focused program better fits the mission. The ASP provides mapping, aircraft operations simulation, and GPS support for safer operations in Alaska.

No other significant changes are anticipated.

Major Component Accomplishments in 2008

- Worked with the FAA to execute approximately \$210 million in federal Airport Improvement Program (AIP) funding for Department of Transportation and Public Facilities (DOT&PF) airports.
- Executed AIP grants to reduce seasonal closures at Atka and Kongiganak Airports.
- Enhanced access to rural airport land-use leasing applications on the DOT&PF web site. Added credit card payment option online for application fees and outstanding land-use invoices.
- Adopted amendments to rural airport regulations to clarify and improve provisions and increase application and processing fees.
- Continued procedures to ensure all air carriers are in compliance with Chapter 40, Title 2 of the Alaska Statutes. Provided information to the air carrier industry to facilitate a clear, concise understanding of program compliance requirements.
- Executed AIP grants to improve the following airports to 24-hour medical evacuation capability with improved runways and permanent runway lighting: Goodnews Bay and Kongiganak.
- Advised FAA on the Capstone installation which continues to improve aviation safety in Alaska. Phase II is underway with SWA staff coordinating the impact to airports. Phase III planning continues.
- SWA is working on a series of Policies and Procedures (P&P) to reduce our tort exposure. Currently each region has considerable discretion in areas of design standards, maintenance standards, and infrastructure standards. The new P&P will reduce some of this discretion in favor of more uniform department standards.

Statutory and Regulatory Authority

AS 02 Aeronautics

AS 19 Highways
AS 44 State Government
ACC 17 DOT&PF
Federal Highway Program Manual
Executive Order 39
Title 14 CFR
Title 23 CFR
Title 25 CFR, BIA

Contact Information
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Statewide Aviation Component Financial Summary

All dollars shown in thousands

	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,686.6	1,964.2	2,271.6
72000 Travel	55.6	57.0	66.0
73000 Services	204.0	298.9	335.5
74000 Commodities	54.4	46.5	47.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	2,000.6	2,366.6	2,720.1
Funding Sources:			
1007 Inter-Agency Receipts	156.9	150.9	153.7
1027 International Airport Revenue Fund	20.3	20.9	21.5
1061 Capital Improvement Project Receipts	216.7	442.1	452.4
1156 Receipt Supported Services	1,606.7	1,752.7	2,092.5
Funding Totals	2,000.6	2,366.6	2,720.1

Estimated Revenue Collections

Description	Master Revenue Account	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Unrestricted Revenues				
Interagency Receipts	51015	20.0	0.0	0.0
Receipt Supported Services	51073	212.2	0.0	0.0
Unrestricted Fund	68515	4.6	0.0	0.0
Unrestricted Total		236.8	0.0	0.0
Restricted Revenues				
Interagency Receipts	51015	156.9	150.9	153.7
Receipt Supported Services	51073	1,606.7	1,752.7	2,092.5
Capital Improvement Project Receipts	51200	216.7	442.1	452.4
Restricted Total		1,980.3	2,345.7	2,698.6
Total Estimated Revenues		2,217.1	2,345.7	2,698.6

**Summary of Component Budget Changes
From FY2009 Management Plan to FY2010 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2009 Management Plan	0.0	0.0	2,366.6	2,366.6
Adjustments which will continue current level of service:				
-Transfer Alaska Aviation Safety Personal Services Funding to Statewide Aviation	0.0	0.0	107.5	107.5
-Transfer CIP Receipts Used to Fund the Digital Mapping Project Manager Transferred from DMVA	0.0	0.0	-106.0	-106.0
-FY2010 Wage and Health Insurance Increases for Bargaining Units with Existing Agreements	0.0	0.0	54.0	54.0
Proposed budget increases:				
-Airport Certification Training	0.0	0.0	40.0	40.0
-Funding Authority for Positions Transferred from Fairbanks International Airport	0.0	0.0	258.0	258.0
FY2010 Governor	0.0	0.0	2,720.1	2,720.1

**Statewide Aviation
Personal Services Information**

Authorized Positions			Personal Services Costs	
	<u>FY2009</u> <u>Management</u> <u>Plan</u>	<u>FY2010</u> <u>Governor</u>		
Full-time	22	25	Annual Salaries	1,463,368
Part-time	0	0	COLA	60,348
Nonpermanent	0	0	Premium Pay	8,775
			Annual Benefits	821,980
			Less 3.52% Vacancy Factor	(82,871)
			Lump Sum Premium Pay	0
Totals	22	25	Total Personal Services	2,271,600

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Tech II	1	0	0	0	1
Administrative Assistant II	1	0	0	0	1
Administrative Clerk III	1	1	0	0	2
Airport Leasing Program Mgr	1	0	0	0	1
Airport Leasing Specialist I	0	1	0	0	1
Airport Leasing Specialist II	3	2	1	0	6
Airport Leasing Specialist III	2	3	0	0	5
Airport Leasing Specialist IV	1	1	1	0	3
Digital Mapping Project Mgr	1	0	0	0	1
Trans Planner I	4	0	0	0	4
Totals	15	8	2	0	25