

State of Alaska FY2007 Governor's Operating Budget

Department of Transportation/Public Facilities Aviation Results Delivery Unit Budget Summary

Aviation Results Delivery Unit

Contribution to Department's Mission

Provide airport infrastructure for the movement of people and goods; and provide relevant and reliable financial information to the international airport system.

Core Services

- Airport Improvement Program (AIP) Five-Year Funding Plan development and coordination.
- Rural airport planning, design, construction and operation coordination, as well as technical assistance
- Conduct Federal Aviation Administration (FAA) Airport Inspections (5010 database maintenance)
- Ensure appropriate accounting and financial policies and procedures at the international airports
- Provide uniform fee structures for use of the airports' facilities and services
- Provide leasing services for use of land and buildings at rural airports
- Development and management of the State Aviation System Plan

End Results	Strategies to Achieve Results
<p>A: Increase investment at statewide rural airports.</p> <p><u>Target #1:</u> Increase investments at rural airports statewide over the prior year by 5%.</p> <p><u>Measure #1:</u> Increase in the number of building permits issued, agreements (leases, permits) formalized, and in the anticipated amount of investments to be made in the airports compared to the prior year.</p>	<p>A1: Process rural airport land-use applications more expeditiously.</p> <p><u>Target #1:</u> Reduce number of days to process land use applications.</p> <p><u>Measure #1:</u> Number of days processing time compared to prior year.</p>

FY2007 Resources Allocated to Achieve Results

<p>FY2007 Results Delivery Unit Budget: \$3,012,000</p>	<p>Personnel:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Full time</td> <td style="text-align: right;">23</td> </tr> <tr> <td style="padding-left: 20px;">Part time</td> <td style="text-align: right;">0</td> </tr> <tr> <td style="padding-left: 20px;">Total</td> <td style="text-align: right; border-top: 1px solid black;">23</td> </tr> </table>	Full time	23	Part time	0	Total	23
Full time	23						
Part time	0						
Total	23						

Performance Measure Detail

A: Result - Increase investment at statewide rural airports.

Target #1: Increase investments at rural airports statewide over the prior year by 5%.

Measure #1: Increase in the number of building permits issued, agreements (leases, permits) formalized, and in the anticipated amount of investments to be made in the airports compared to the prior year.

New Private Investment at Rural Airports

Year	Building Permits	% Change	Use Agreements	% Change	Estimated Investments	% Change
2004	37*		1,816		\$11,950,311	
2005	58	57%	1,763	-3%	\$9,290,374	-22%

	0%	-2.92%		
--	----	--------	--	--

*FY2004 represents only 2 quarters of data

Analysis of results and challenges: Economic development is a priority of the administration. Toward that goal, the Statewide Aviation Division has been directed to market vacant airport properties and create web-based application processes. Leasing staff is directed toward these efforts. Market surveys will be conducted to increase rural airport land lease rental rates to fair market in order to help offset maintenance costs of the rural airports.

The department received \$2 million in the FY06 capital budget that will be used to develop potential lease lots at rural airports. These activities will include clearing, excavation, gravel fill, land acquisition, road access, utilities, moving of roads or parking lots. Potential airports where this development could occur include Birchwood, Bethel, Haines, Hoonah Klawock, Willow, Seward, Sitka, and Yakutat. As development occurs, staff will be marketing those lots for leasing opportunities.

Building permits are issued for new construction or development on airport properties and are the indicators for construction levels at the airports. Issuance of rural airport land-use agreements indicates the level of interest in developing or using airport property. It is also an indicator of production achievement by current staffing levels. The amount of anticipated investments is obtained from building permit applications and provides an indicator of the development dollars that may be spent at these airport locations, which, in turn, enhances the local communities.

A1: Strategy - Process rural airport land-use applications more expeditiously.

Target #1: Reduce number of days to process land use applications.

Measure #1: Number of days processing time compared to prior year.

Average Days to Process Land-use Applications

Year	YTD Total
2004	80
2005	115 +43.75%

Analysis of results and challenges: Currently, all rural airport land use applications are received through the mail. We are in the process of automating the application process. Once the internet on-line system is launched, applications can be received and processed on-line. It is anticipated that eventually more applications will be received on-line than through the mail. This process is expected to reduce substantially the amount of time required to process applications.

Key RDU Challenges

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. Airport Improvement Program (AIP) funding objectives of special emphasis:

Execute federal AIP funding grants to improve the following airports which currently experience seasonal closures: Tuntutuliak, Atka, Manakotak and Nightmute.

Execute AIP funding grants to improve the following airports to 24 hour medical evacuation capability with improved runways and permanent runway lighting: Atka, Goodnews Bay, Nightmute, Nunapitchuck, Ouzinkie, Platinum, Stony River, and Takotna.

Global Positioning System (GPS) navigation continues to impact the way in which rural airports are being designed, built and operated. The more that we can facilitate these navigational improvements, the more likely we are to improve mobility and save lives.

Identify cost reductions at the international airports that do not jeopardize the traveling public safety.

Identify new revenue sources and enhance existing ones at the international airports.

Staff will be challenged to process the increasing amount of land use agreements and building permit applications that are received next year, do it faster with less staff and fulfill directives to market airport properties and create web-based application processes.

Significant Changes in Results to be Delivered in FY2007

No significant change anticipated.

Major RDU Accomplishments in 2005

Worked with the FAA to execute approximately \$184.2M in federal Airport Improvement Program (AIP) funding for Department of Transportation & Public Facilities (DOT&PF) airports.

Executed AIP funding grants to reduce seasonal closures at Tanana and Ekwok Airports.

Executed AIP funding grants to improve the following airports to 24-hour medical evacuation capability with improved runways and permanent runway lighting: King Cove, Kokhanok, Perryville and Stevens Village.

Deployed an emergency lighting system at Red Devil Airport.

Established aircraft tiedown program for based and transient aircraft at Willow Airport to eliminate traffic conflicts and overcrowding.

Secured \$288M State Bond Council Approval for the planned issue of FY06 debt. Funds will be used to remodel the Fairbanks and Anchorage International Airports' terminals, and as match on federal funds for other Alaska International Airport System (AIAS) infrastructure.

Secured signatory air carrier approval for FY06-FY09 CIP and extension of the AIAS - Airline operating agreement through June 30, 2007.

Contact Information

Contact: John Torgerson, Deputy Commissioner

Phone: (907) 269-0724

Fax: (907) 269-0489

E-mail: John_Torgerson@dot.state.ak.us

**Aviation
RDU Financial Summary by Component**

All dollars shown in thousands

	FY2005 Actuals				FY2006 Management Plan				FY2007 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
<u>Formula Expenditures</u>												
None.												
<u>Non-Formula Expenditures</u>												
Statewide Aviation	0.0	0.0	0.0	0.0	0.0	0.0	1,961.4	1,961.4	0.0	0.0	2,061.9	2,061.9
International Airport Systems	0.0	0.0	0.0	0.0	0.0	0.0	622.9	622.9	0.0	0.0	950.1	950.1
Totals	0.0	0.0	0.0	0.0	0.0	0.0	2,584.3	2,584.3	0.0	0.0	3,012.0	3,012.0

Aviation
Summary of RDU Budget Changes by Component
From FY2006 Management Plan to FY2007 Governor

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2006 Management Plan	0.0	0.0	2,584.3	2,584.3
Adjustments which will continue current level of service:				
-Statewide Aviation	0.0	0.0	85.7	85.7
-International Airport Systems	0.0	0.0	16.9	16.9
Proposed budget increases:				
-Statewide Aviation	0.0	0.0	14.8	14.8
-International Airport Systems	0.0	0.0	310.3	310.3
FY2007 Governor	0.0	0.0	3,012.0	3,012.0