

State of Alaska FY2018 Governor's Operating Budget

Department of Military and Veterans Affairs Alaska Aerospace Corporation Results Delivery Unit Budget Summary

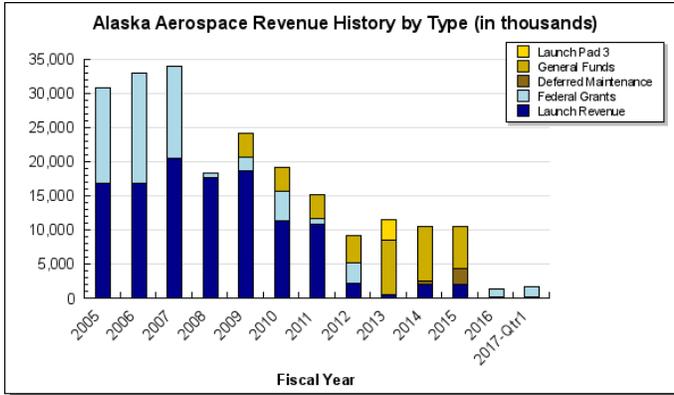
Alaska Aerospace Corporation Results Delivery Unit

Contribution to Department's Mission

Promote aerospace-related economic growth and development and strengthen Alaska's technological infrastructure.

Results

(Additional performance information is available on the web at <https://omb.alaska.gov/results>.)



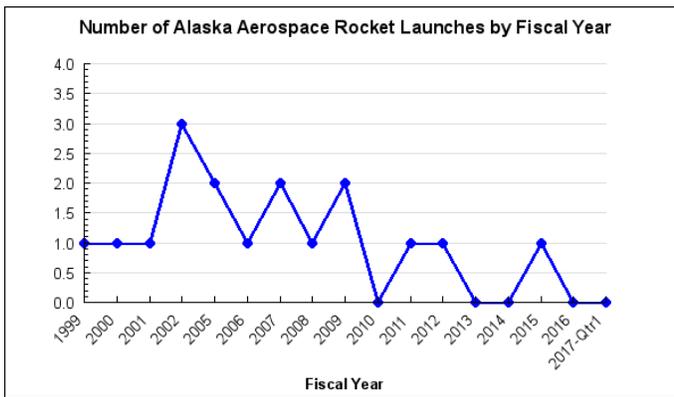
Core Services

- Provide launch facilities and aerospace services in Alaska.

Measures by Core Service

(Additional performance information is available on the web at <https://omb.alaska.gov/results>.)

1. Provide launch facilities and aerospace services in Alaska.



Major RDU Accomplishments in 2016

In FY2016, AAC successfully operated and strengthened its operations without receiving any State of Alaska General Funding. AAC is on-contract with Rocket Lab USA to provide launch services for their Electron rocket, including contracts that continue through at least next year. We have entered into a multi-year IDIQ contract with the Missile Defense Agency for \$80.4 million to provide launch support for a series of test launches. Work has already started, with all the site improvement work being accomplished by Alaska firms. In addition, AAC completed a \$2.5 million contract with the US government to improve onsite infrastructure, including upgrades to our unique Range Safety and Telemetry Systems, high-speed launch cameras, and improved site and cyber security. In August, AAC completed

repairs and rebuilds of all essential facilities and systems after the 2014 customer mishap, and is ready to support all launch customers. The majority of the re-construction funds went to Alaska firms and personnel (over \$20 million). Throughout the year, the bulk of all of AAC's spending was with Alaskan firms, providing stimulus and economic activity, and advanced the aerospace industry in Alaska.

Key RDU Challenges

AAC's primary challenges are two-fold. First is finding adequate personnel and staffing in Alaska to support an increasing business base. The second challenge is continuing to capture additional US and international launch support business by securing contracts with launch firms (already in negotiation).

Significant Changes in Results to be Delivered in FY2018

AAC completed all repairs and rebuilds of essential facilities and systems of the Pacific Spaceport Complex Alaska, from its launch failure in 2014, and is currently ready to support all launch customers.

Contact Information
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**Alaska Aerospace Corporation
RDU Financial Summary by Component**

All dollars shown in thousands

	FY2016 Actuals				FY2017 Management Plan				FY2018 Governor			
	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds
Formula Expenditures None.												
Non-Formula Expenditures												
AK Aerospace Corp	0.0	4,427.9	0.0	4,427.9	0.0	3,002.7	1,103.5	4,106.2	0.0	1,348.3	2,772.9	4,121.2
AAC Facilities Maintenance	0.0	2,132.5	1,149.8	3,282.3	0.0	5,071.8	1,833.8	6,905.6	0.0	1,996.5	4,928.9	6,925.4
Totals	0.0	6,560.4	1,149.8	7,710.2	0.0	8,074.5	2,937.3	11,011.8	0.0	3,344.8	7,701.8	11,046.6

Alaska Aerospace Corporation
Summary of RDU Budget Changes by Component
From FY2017 Management Plan to FY2018 Governor

All dollars shown in thousands

	<u>Unrestricted</u> <u>Gen (UGF)</u>	<u>Designated</u> <u>Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal</u> <u>Funds</u>	<u>Total Funds</u>
FY2017 Management Plan	0.0	0.0	8,074.5	2,937.3	11,011.8
Adjustments which continue current level of service:					
-AK Aerospace Corp	0.0	0.0	-1,654.4	1,669.4	15.0
-AAC Facilities Maintenance	0.0	0.0	-3,075.3	3,095.1	19.8
FY2018 Governor	0.0	0.0	3,344.8	7,701.8	11,046.6