

State of Alaska FY2018 Governor's Operating Budget

Department of Transportation/Public Facilities International Airports Results Delivery Unit Budget Summary

International Airports Results Delivery Unit

Contribution to Department's Mission

The mission of the International Airports RDU is to “Keep Alaska Flying and Thriving” by the safe, effective and efficient operation and maintenance of Ted Stevens Anchorage International Airport (ANC) and Fairbanks International Airport (FAI) in a manner consistent with good business practices, federal regulatory requirements, high customer service standards, sensitivity to user needs, and awareness of community goals.

Core Services

- Plan, design, and construct airport infrastructure.
- Plan, organize, direct and control airport functions.
- Develop and implement strategic management plans and airport operating and capital budgets.
- Implement effective and appropriate internal controls and policies
- Promote and support all levels of airport training and education.
- Maintain compliance with federal and state regulations.
- Negotiate and administer airline operating agreements, leases and other agreements.
- Manage airport lands, facilities, and buildings.
- Provide uniform rate and fee structures for airport facilities and services as required under federal grant assurances.
- Promote Alaska International Airports System (AIAS) in domestic and international markets.
- Facilitate advancements in aviation safety.

Major RDU Accomplishments in 2016

- Implemented PROPworks, a new property management and aviation accounting system benefitting both the international and rural aviation systems.
- Identified metrics to measure improvements to operational effectiveness in the areas of cost, revenue, operations, communications, and employee development.
- AIAS business development; continuing to assess and coordinate property development options for prospective industries capable of adding value to the air cargo transiting AIAS.
- 24-hour availability of both airports with no interruption to service.
- Improved airport access for largest category of aircraft (design group VI).
- Rehabilitated taxiway Romeo and Tango.
- Significant collaboration with Statewide Aviation on safety and security items resulting in Identification Management System (IDMS) one-badge contract.
- Successfully transitioned to the state’s new finance and procurement system, Integrated Resource Information System (IRIS).

Key RDU Challenges

- While air cargo traffic appears to have stabilized, airline fleet upgrades to larger and more efficient aircraft continue to put pressure on fuel-flow and landing revenue.
- Converting to a new IRIS capital cash management process by which AIAS fronts capital expenditures until reimbursement by federal agencies.
- Balancing cost centers by incrementally moving towards fair market rates on non-aeronautical land rent.
- Improving communication on information technology components of non-airport owned projects for smoother transition from development to production.
- Upgrading network infrastructure to keep pace with advances in aircraft wireless, tenant and airline business needs while maintaining continuity between businesses and AIAS.
- Continued improvements and upgrades to airport infrastructure to accommodate increased number of large aircraft, such as B747-8.
- Supporting continually expanding training requirements levied by federal agencies, especially the Transportation Security Administration and Federal Aviation Administration under Part 139.

- Increasing employee proficiency and their ability to function efficiently while fully leveraging the new statewide accounting and procurement system, IRIS.

Significant Changes in Results to be Delivered in FY2018

- Results Based Alignment will be used to fine tune performance measures that quantify outcomes (not activities), drive decision making, and determine program and service priorities.
- Participate in department-wide organizational review and implement organizational changes.

Contact Information
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**International Airports
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												
International	0.0	2,123.9	0.0	2,123.9	0.0	2,218.0	0.0	2,218.0	0.0	2,226.3	0.0	2,226.3
Airport Systems												
AIA Administration	0.0	7,060.8	0.0	7,060.8	0.0	7,227.4	0.0	7,227.4	0.0	7,569.5	0.0	7,569.5
AIA Facilities	0.0	22,446.3	0.0	22,446.3	0.0	22,767.5	0.0	22,767.5	0.0	23,425.4	0.0	23,425.4
AIA Field & Equipment Maint	0.0	15,963.1	0.0	15,963.1	0.0	18,283.1	0.0	18,283.1	0.0	19,276.7	0.0	19,276.7
AIA Operations	0.0	5,748.3	0.0	5,748.3	0.0	5,906.9	0.0	5,906.9	0.0	6,422.1	0.0	6,422.1
AIA Safety	0.0	9,067.3	67.8	9,135.1	0.0	10,204.9	578.3	10,783.2	0.0	10,452.4	584.0	11,036.4
FIA Administration	0.0	1,824.2	0.0	1,824.2	0.0	1,990.5	0.0	1,990.5	0.0	2,086.8	0.0	2,086.8
FIA Facilities	0.0	3,724.4	0.0	3,724.4	0.0	4,187.0	0.0	4,187.0	0.0	4,202.5	0.0	4,202.5
FIA Field & Equipment Maint	0.0	4,086.6	0.0	4,086.6	0.0	4,418.1	0.0	4,418.1	0.0	4,440.2	0.0	4,440.2
FIA Operations	0.0	1,031.3	0.0	1,031.3	0.0	1,131.6	0.0	1,131.6	0.0	1,137.7	0.0	1,137.7
FIA Safety	0.0	4,131.1	116.1	4,247.2	0.0	4,324.2	203.7	4,527.9	0.0	4,429.5	206.7	4,636.2
Totals	0.0	77,207.3	183.9	77,391.2	0.0	82,659.2	782.0	83,441.2	0.0	85,669.1	790.7	86,459.8

International Airports
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	82,659.2	782.0	83,441.2
Adjustments which continue current level of service:					
-International Airport Systems	0.0	0.0	8.3	0.0	8.3
-AIA Administration	0.0	0.0	32.5	0.0	32.5
-AIA Facilities	0.0	0.0	107.9	0.0	107.9
-AIA Field & Equipment Maint	0.0	0.0	82.5	0.0	82.5
-AIA Operations	0.0	0.0	15.2	0.0	15.2
-AIA Safety	0.0	0.0	147.5	5.7	153.2
-FIA Administration	0.0	0.0	96.3	0.0	96.3
-FIA Facilities	0.0	0.0	15.5	0.0	15.5
-FIA Field & Equipment Maint	0.0	0.0	22.1	0.0	22.1
-FIA Operations	0.0	0.0	6.1	0.0	6.1
-FIA Safety	0.0	0.0	64.5	3.0	67.5
Proposed budget increases:					
-AIA Administration	0.0	0.0	400.0	0.0	400.0
-AIA Facilities	0.0	0.0	550.0	0.0	550.0
-AIA Field & Equipment Maint	0.0	0.0	1,000.0	0.0	1,000.0
-AIA Operations	0.0	0.0	500.0	0.0	500.0
-AIA Safety	0.0	0.0	100.0	0.0	100.0
-FIA Safety	0.0	0.0	40.8	0.0	40.8
Proposed budget decreases:					
-AIA Administration	0.0	0.0	-90.4	0.0	-90.4
-AIA Field & Equipment Maint	0.0	0.0	-88.9	0.0	-88.9
FY2018 Governor	0.0	0.0	85,669.1	790.7	86,459.8