

State of Alaska
FY2020 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 and Fairbanks International Airport 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 2018

- Implemented Results Based Alignment metrics to measure service delivery and identify opportunities for increased efficiency and effectiveness.
- 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.
- Partnered with airlines and ground service companies to submit individual storm water permit applications and jointly negotiated new permit to minimize aircraft deicing costs while diminishing pollutant discharge to meet regulatory requirements.
- Participated in the implementation phase of designing and procuring a Statewide Identity Management System (IDMS) to consolidate, expedite and reduce the cost of badging employees at Alaska airports.
- Continued water rescue team training. No longer solely reliant on commercial contract to fulfill Federal Aviation Administration (FAA) response requirements in surrounding bodies of water.
- Successfully submitted an application for a \$750,000 Small Community Air Service Development Grant from the U.S. Department of Transportation.

Key RDU Challenges

- Balancing cost centers by incrementally moving towards fair market rates on non-aeronautical land rent.
- Identifying and engaging prospective Asian passenger airlines on direct service opportunities between Alaska and Asia.
- Maintaining the flexibility to operate as a business, and implement necessary personnel, procurement and budget decisions in a nimble manner.
- Continue debt management plan designed to provide significant long-term reduction in AIAS rates and fees in order to retain and grow trans-Pacific cargo freighter airline market share.
- Working with airlines and ground service companies doing aircraft deicing to prepare for additional restrictions on aircraft deicing fluids.
- Recruitment and retention of skilled trades (heating, ventilation and air conditioning climate system technicians, electronic technicians, electricians, and plumbers).
- Continued development and deployment of a statewide badge system. This will require significant effort and

resources from local security coordinators and information technology staff.

- Staffing and officer recruitment and retention to maintain FAA and Transportation Security Administration federally mandated aircraft rescue and firefighting, law enforcement and security standards. Department continues to work at minimum staffing levels.

Significant Changes in Results to be Delivered in FY2020

- Results Based Alignment will be the primary tool used to quantify outcomes (not activities), drive decision-making, and determine program and service priorities within Department of Transportation and Public Facilities.
- Enhanced multi-agency narcotics interdiction.
- Implementation of new procedures for processing invoices for payment and finalizing travel authorizations through the Shared Services of Alaska system.
- Continued integration and adoption of IDMS to streamline badging processes, reduce data entry burden and ensure regulatory compliance.

Contact Information
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**International Airports
RDU Financial Summary by Component**

All dollars shown in thousands

	FY2018 Actuals				FY2019 Management Plan				FY2020 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	1,937.3	0.0	1,937.3	0.0	2,236.3	0.0	2,236.3	0.0	2,262.3	0.0	2,262.3
Airport Systems												
AIA Administration	0.0	7,583.2	0.0	7,583.2	0.0	7,267.2	0.0	7,267.2	0.0	7,231.7	0.0	7,231.7
AIA Facilities	0.0	24,173.8	0.0	24,173.8	0.0	24,002.2	0.0	24,002.2	0.0	24,232.4	0.0	24,232.4
AIA Field & Equipment Maint	0.0	15,889.4	0.0	15,889.4	0.0	19,731.2	0.0	19,731.2	0.0	19,819.9	0.0	19,819.9
AIA Operations	0.0	6,266.7	0.0	6,266.7	0.0	6,457.0	0.0	6,457.0	0.0	6,888.7	0.0	6,888.7
AIA Safety	0.0	10,508.5	65.2	10,573.7	0.0	10,885.1	598.3	11,483.4	0.0	10,938.6	598.3	11,536.9
FIA Administration	0.0	2,095.7	0.0	2,095.7	0.0	2,123.6	0.0	2,123.6	0.0	2,145.5	0.0	2,145.5
FIA Facilities	0.0	4,292.9	0.0	4,292.9	0.0	4,530.6	0.0	4,530.6	0.0	4,569.9	0.0	4,569.9
FIA Field & Equipment Maint	0.0	4,369.1	0.0	4,369.1	0.0	4,500.9	0.0	4,500.9	0.0	4,555.4	0.0	4,555.4
FIA Operations	0.0	1,158.8	0.0	1,158.8	0.0	1,198.0	0.0	1,198.0	0.0	1,232.0	0.0	1,232.0
FIA Safety	0.0	4,843.5	264.5	5,108.0	0.0	4,880.1	213.3	5,093.4	0.0	5,053.0	213.3	5,266.3
Totals	0.0	83,118.9	329.7	83,448.6	0.0	87,812.2	811.6	88,623.8	0.0	88,929.4	811.6	89,741.0

International Airports
Summary of RDU Budget Changes by Component
From FY2019 Management Plan to FY2020 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>
FY2019 Management Plan	0.0	0.0	87,812.2	811.6	88,623.8
Adjustments which continue current level of service:					
-International Airport Systems	0.0	0.0	26.0	0.0	26.0
-AIA Administration	0.0	0.0	-35.5	0.0	-35.5
-AIA Facilities	0.0	0.0	230.2	0.0	230.2
-AIA Field & Equipment Maint	0.0	0.0	88.7	0.0	88.7
-AIA Operations	0.0	0.0	53.1	0.0	53.1
-AIA Safety	0.0	0.0	53.5	0.0	53.5
-FIA Administration	0.0	0.0	21.9	0.0	21.9
-FIA Facilities	0.0	0.0	39.3	0.0	39.3
-FIA Field & Equipment Maint	0.0	0.0	54.5	0.0	54.5
-FIA Operations	0.0	0.0	34.0	0.0	34.0
-FIA Safety	0.0	0.0	50.3	0.0	50.3
Proposed budget increases:					
-AIA Operations	0.0	0.0	378.6	0.0	378.6
-FIA Safety	0.0	0.0	122.6	0.0	122.6
FY2020 Governor	0.0	0.0	88,929.4	811.6	89,741.0