

# **State of Alaska FY2020 Governor's Operating Budget**

## **Department of Transportation/Public Facilities International Airport Systems Office Component Budget Summary**

**Component: International Airport Systems Office**

**Contribution to Department's Mission**

Provide relevant and reliable financial information to the Alaska International Airports System (AIAS) and its stakeholders.

**Core Services**

- Establish uniform rates and charges for air carriers, concessionaires, and others using the AIAS, which consists of the Ted Stevens Anchorage International Airport and Fairbanks International Airport. Perform ongoing evaluation of those rates and charges to ensure financial goals are achieved.
- Provide for timely and informative financial reporting for use by state, Federal Aviation Administration, airport management, air carriers, rating agencies, bondholders, and other stakeholders.
- Ensure effective and appropriate accounting and financial internal controls, policies and procedures are in place.
- Evaluate the fiscal impact of airport development and administration plans such as terminal and field expansion, parking garages, land lease rates and aircraft tie-down fees. Develop fiscal constraints to be followed by management.
- Identify auditing needs and arrange for, and oversee the annual enterprise fund external financial audit.
- Assist in the ongoing implementation of the AIAS Passenger Terminal Lease and Operating Agreement.
- Monitor AIAS capital project funding needs, ensuring that appropriate financing methodologies are employed and alternatives are reviewed and considered as market conditions and funding requirements warrant.
- Coordinate with the Department of Revenue on AIAS revenue bond issues and assure timely fulfillment of ongoing disclosure requirements.

**Major Component Accomplishments in 2018**

- Executed and funded \$24.3 million optional bond redemption transactions in FY2018 and provided for final \$16.5 million bond redemption in FY2019, which will complete long-term debt plan project to bring annual debt service down to \$30.0 million annually.
- Maintained generally level rates and fees, which help promote fiscal stability for international airlines operating at AIAS.

**Key Component Challenges**

- 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.
- Maintaining customer confidence in AIAS through stability of rates and use terms and dissemination of useful and timely financial information.
- Projecting activity levels to develop accurate revenue budgets and managing expenses well helps produce stable and reliable rate and fee levels, which in turn helps provide airline customers, especially international cargo carriers, with confidence needed to support current and planned operations.
- Increasing employee proficiency and their ability to function efficiently while fully leveraging the new statewide accounting and new revenue management system.

**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.

**Statutory and Regulatory Authority**

FAR Part 108, 612  
AS 18 Health and Safety

AS 37.15.430

Contact Information
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International Airport Systems Office Personal Services Information				
Authorized Positions			Personal Services Costs	
	<u>FY2019</u> <u>Management</u> <u>Plan</u>	<u>FY2020</u> <u>Governor</u>		
Full-time	9	9	Annual Salaries	611,337
Part-time	0	0	COLA	16,879
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	391,982
			<i>Less 2.70% Vacancy Factor</i>	<i>(27,498)</i>
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>9</b>	<b>9</b>	<b>Total Personal Services</b>	<b>992,700</b>

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant II	1	0	0	0	1
Accountant IV	1	0	0	0	1
Accounting Tech I	2	0	0	0	2
Accounting Tech II	1	1	0	0	2
Accounting Tech III	1	0	0	0	1
Intl Airpts Controller	1	0	0	0	1
Trans Planner I	1	0	0	0	1
<b>Totals</b>	<b>8</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>9</b>

**Component Detail All Funds**  
**Department of Transportation/Public Facilities**

**Component:** International Airport Systems Office (1649)  
**RDU:** International Airports (189)

Non-Formula Component

	FY2018 Actuals	FY2019 Conference Committee	FY2019 Authorized	FY2019 Management Plan	FY2020 Governor	FY2019 Management Plan vs FY2020 Governor	
71000 Personal Services	865.1	966.7	966.7	966.7	992.7	26.0	2.7%
72000 Travel	5.0	15.9	15.9	15.9	15.9	0.0	0.0%
73000 Services	1,060.7	1,247.1	1,247.1	1,247.1	1,247.1	0.0	0.0%
74000 Commodities	6.5	6.6	6.6	6.6	6.6	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
<b>Totals</b>	<b>1,937.3</b>	<b>2,236.3</b>	<b>2,236.3</b>	<b>2,236.3</b>	<b>2,262.3</b>	<b>26.0</b>	<b>1.2%</b>
<b>Fund Sources:</b>							
1027 Int Airprt (Other)	1,937.3	2,236.3	2,236.3	2,236.3	2,262.3	26.0	1.2%
<b>Unrestricted General (UGF)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Designated General (DGF)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Other Funds</b>	<b>1,937.3</b>	<b>2,236.3</b>	<b>2,236.3</b>	<b>2,236.3</b>	<b>2,262.3</b>	<b>26.0</b>	<b>1.2%</b>
<b>Federal Funds</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Positions:</b>							
Permanent Full Time	9	9	9	9	9	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

**Change Record Detail - Multiple Scenarios with Descriptions**  
**Department of Transportation/Public Facilities**

**Component:** International Airport Systems Office (1649)

**RDU:** International Airports (189)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2019 Conference Committee To FY2019 Authorized *****												
<b>FY2019 Conference Committee</b>	ConfCom	2,236.3	966.7	15.9	1,247.1	6.6	0.0	0.0	0.0	9	0	0
1027 Int Airprt		2,236.3										
<b>Subtotal</b>		<b>2,236.3</b>	<b>966.7</b>	<b>15.9</b>	<b>1,247.1</b>	<b>6.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>9</b>	<b>0</b>	<b>0</b>
***** Changes From FY2019 Management Plan To FY2020 Governor *****												
<b>Reverse Supervisory Unit Furlough Contract Terms</b>	SalAdj	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1027 Int Airprt		0.2										
Alaska Public Employees Association, supervisory unit, 15 hours of furlough required for each permanent full-time employee in each year from July 1, 2016 to June 30, 2018.												
<b>FY2020 Salary Adjustments - GGU, CEA, TEAME</b>	SalAdj	24.7	24.7	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1027 Int Airprt		24.7										
FY2020 Salary Adjustments - GGU, CEA, TEAME: \$24.7												
FY2020 GGU HI from \$1432 to \$1530: \$8.1												
FY2020 GGU 3% COLA: \$16.6												
<b>Reverse Alaska State Employees Association (GGU) 15 Hour Furlough</b>	SalAdj	1.1	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1027 Int Airprt		1.1										
The Alaska State Employees Association (representing the general government unit) contractually required 15 hours of furlough for each permanent full-time employee in each year from July 1, 2016, to June 30, 2019. The furlough requirement was removed from the contract in FY2020.												
<b>Totals</b>		<b>2,262.3</b>	<b>992.7</b>	<b>15.9</b>	<b>1,247.1</b>	<b>6.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>9</b>	<b>0</b>	<b>0</b>

**Personal Services Expenditure Detail**  
**Department of Transportation/Public Facilities**

**Scenario:** FY2020 Governor (15610)  
**Component:** International Airport Systems Office (1649)  
**RDU:** International Airports (189)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range / Step	Comp Months	Split / Count	Annual Salaries	COLA	Premium Pay	Annual Benefits	Total Costs	UGF Amount
25-0280	Accounting Tech III	FT	A	SS	Anchorage Intl Airport	200	16O	12.0		77,915	0	0	47,511	125,426	0
25-0862	Accounting Tech I	FT	A	GP	Anchorage Intl Airport	200	12D / E	12.0		43,086	1,768	0	34,350	79,204	0
25-2556	Intl Airpts Controller	FT	A	XE	Anchorage Intl Airport	N00	24M	12.0		122,157	0	0	63,652	185,809	0
25-2956	Accounting Tech II	FT	A	GP	Anchorage Intl Airport	200	14A / B	12.0		44,439	1,824	0	34,848	81,111	0
25-2975	Accountant II	FT	A	GP	Anchorage Intl Airport	200	16B / C	12.0		52,533	2,156	0	37,828	92,517	0
25-2986	Accounting Tech I	FT	A	GP	Anchorage Intl Airport	200	12D / E	12.0		42,594	1,748	0	34,169	78,511	0
25-3075	Accounting Tech II	FT	A	GP	Fairbanks	203	14D / E	12.0		50,376	2,068	0	37,034	89,478	0
25-3458	Accountant IV	FT	A	GP	Anchorage Intl Airport	200	20M	12.0		92,401	3,792	0	52,503	148,696	0
25-3737	Trans Planner I	FT	A	GP	Anchorage Intl Airport	200	21G	12.0		85,836	3,523	0	50,087	139,446	0
													<b>Total Salary Costs:</b>	611,337	
													<b>Total COLA:</b>	16,879	
													<b>Total Premium Pay::</b>	0	
													<b>Total Benefits:</b>	391,982	
													<b>Total Pre-Vacancy:</b>	1,020,198	
													<b>Minus Vacancy Adjustment of 2.70%:</b>	(27,498)	
													<b>Total Post-Vacancy:</b>	992,700	
													<b>Plus Lump Sum Premium Pay:</b>	0	
													<b>Personal Services Line 100:</b>	992,700	
		<b>Total Positions</b>	<b>New</b>	<b>Deleted</b>											
<b>Full Time Positions:</b>		9	0	0											
<b>Part Time Positions:</b>		0	0	0											
<b>Non Permanent Positions:</b>		0	0	0											
<b>Positions in Component:</b>		9	0	0											
<b>Total Component Months:</b>		108.0													

<b>PCN Funding Sources:</b>	<b>Pre-Vacancy</b>	<b>Post-Vacancy</b>	<b>Percent</b>
1027 International Airport Revenue Fund	1,020,198	992,700	100.00%
<b>Total PCN Funding:</b>	<b>1,020,198</b>	<b>992,700</b>	<b>100.00%</b>

Note: If a position is split, an asterisk (\*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (\*\*) will appear in this column. [No valid job title] appearing in the Job Class Title indicates that the PCN has an invalid class code or invalid range for the class code effective date of this scenario.

**Line Item Detail (1676)**  
**Department of Transportation/Public Facilities**  
**Travel**

**Component:** International Airport Systems Office (1649)

Line Number	Line Name		FY2018 Actuals	FY2019 Management Plan
2000	Travel		5.0	15.9
Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
<b>2000 Travel Detail Totals</b>			<b>5.0</b>	<b>15.9</b>
2000	In-State Employee Travel	In-state employee travel (per diem, airfare, mileage, and parking).	1.6	8.4
2002	Out of State Employee Travel	Out of state employee travel for airline meetings (per diem, airfare, mileage, parking).	3.4	7.5

**Line Item Detail (1676)**  
**Department of Transportation/Public Facilities**  
**Services**

**Component:** International Airport Systems Office (1649)

Line Number	Line Name		FY2018 Actuals	FY2019 Management Plan
3000	Services		1,060.7	1,247.1
Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
<b>3000 Services Detail Totals</b>			<b>1,060.7</b>	<b>1,247.1</b>
3000	Education Services	Conference registration, memberships and employee tuition (excluding information technology).	57.1	65.0
3001	Financial Services	Contract for financial audit for international airports.	70.2	80.0
3003	Information Technology	All information technology (IT) contractual cost such as software licensing, software maintenance, IT training, IT consulting, and IT equipment leases. Includes Shared Use Passenger System (EASE)/Local Departure Control System (LDCS)/Onsite Warranty and Annual and Seasonal Technical Support and Propworks/Airport Operational Database (AODB)/Flight Information Display System (FIDS) Annual Support.	452.1	613.0
3006	Delivery Services	Postage, courier or freight charges.	0.1	0.5
3007	Advertising and Promotions	Advertising (rates and fees public notices).	0.0	0.3
3009	Structure/Infrastructure/Land	Repairs/Maintenance.	0.0	0.6
3010	Equipment/Machinery	Repairs/Maintenance.	0.0	0.3
3011	Other Services	Alaska International Airport System business and economic development projects, Airport Technical Representative (ATR) contract and other services including PASSUR	253.4	250.0

**Line Item Detail (1676)**  
**Department of Transportation/Public Facilities**  
**Services**

**Component:** International Airport Systems Office (1649)

Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
<b>3000 Services Detail Totals</b>			<b>1,060.7</b>	<b>1,247.1</b>
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide  contract (radar based aircraft activities recording system).  Computer services provided by the Department of Administration, Enterprise Technology Services, such as central server, data storage, printing, network services, open connect, and task order system.	4.5	5.6
3018	Inter-Agency Information Technology Telecommunications	Admin - Department-wide  FY2016 transfer of \$3.7 to Statewide Admin Services for consolidation of EPR lump sum funding.	0.1	0.0
3021	Inter-Agency Mail	Admin - Department-wide  Chargeback fees for central mail services such as mailing vendor payments and payroll warrants.	0.1	0.1
3024	Inter-Agency Legal	Law - Department-wide  Legal services provided by the Department of Law.	220.0	230.0
3027	Inter-Agency Financial	Admin - Department-wide  This item funds legal services across both international airports providing efficiencies and better information flow to decision makers.  Chargeback fees for financial services provided by Department of Administration, Division of Finance.	3.1	1.0
3028	Inter-Agency Americans with Disabilities Act Compliance	Admin - Department-wide  Chargeback fees for the statewide coordinator for the Americans with Disabilities Act (ADA).	0.0	0.5
3029	Inter-Agency Education/Training	Admin - Department-wide  Department of Administration, Division of Finance training classes.	0.0	0.2

**Line Item Detail (1676)**  
**Department of Transportation/Public Facilities**  
**Commodities**

**Component:** International Airport Systems Office (1649)

Line Number	Line Name		FY2018 Actuals	FY2019 Management Plan
4000	Commodities		6.5	6.6
Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
<b>4000 Commodities Detail Totals</b>			<b>6.5</b>	<b>6.6</b>
4000	Business	Books, office supplies, subscriptions.	6.5	6.6

**Revenue Detail (1681)**  
**Department of Transportation/Public Facilities**

**Component:** International Airport Systems Office (1649)

Revenue Type (OMB Fund Code)			FY2018 Actuals	FY2019 Management Plan
Revenue Source	Component	Comment		
<b>6027 Int Airprt (1027 Int Airprt)</b>			<b>-0.2</b>	<b>0.0</b>
6382 International Airport Revenue Fund -			-0.2	0.0
Chrgs for Srvcs Misc				

**Inter-Agency Services (1682)**  
**Department of Transportation/Public Facilities**

**Component:** International Airport Systems Office (1649)

				FY2018 Actuals	FY2019 Management Plan
<b>Component Totals</b>				<b>227.8</b>	<b>237.4</b>
With Department of Administration				7.8	7.4
With Department of Law				220.0	230.0
Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan	
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide  Computer services provided by the Department of Administration, Enterprise Technology Services, such as central server, data storage, printing, network services, open connect, and task order system.  FY2016 transfer of \$3.7 to Statewide Admin Services for consolidation of EPR lump sum funding.	4.5	5.6	
3018	Inter-Agency Information Technology Telecommunications	Admin - Department-wide	0.1	0.0	
3021	Inter-Agency Mail	Admin - Department-wide  Chargeback fees for central mail services such as mailing vendor payments and payroll warrants.	0.1	0.1	
3024	Inter-Agency Legal	Law - Department-wide  Legal services provided by the Department of Law.  This item funds legal services across both international airports providing efficiencies and better information flow to decision makers.	220.0	230.0	
3027	Inter-Agency Financial	Admin - Department-wide  Chargeback fees for financial services provided by Department of Administration, Division of Finance.	3.1	1.0	
3028	Inter-Agency Americans with Disabilities Act Compliance	Admin - Department-wide  Chargeback fees for the statewide coordinator for the Americans with Disabilities Act (ADA).	0.0	0.5	
3029	Inter-Agency Education/Training	Admin - Department-wide  Department of Administration,	0.0	0.2	

**Inter-Agency Services (1682)**  
**Department of Transportation/Public Facilities**

**Component:** International Airport Systems Office (1649)

Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
		Division of Finance training classes.		