

State of Alaska
FY2021 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 2019

- 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 stormwater 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 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 \$750.0 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.
- Continuing to keep airline rates/fees competitive on the global market to ensure long-term passenger and air cargo stability in Alaska.
- Identifying and engaging prospective Asian passenger airlines on direct service opportunities between Alaska and Asia.
- Managing passenger ground transportation changes due to Transportation Network Companies (Uber/Lyft) that impact taxi, rental car, and parking revenue streams.
- Maintaining the flexibility to operate as a business, and implement necessary personnel, procurement, and budget decisions in a nimble manner.
- Continuing 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.

- Recruitment and retention of skilled trades (heating, ventilation and air conditioning climate system technicians, electronic technicians, electricians, and plumbers).
- 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 FY2021

- Enhanced multi-agency narcotics interdiction.
- 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

	FY2019 Actuals				FY2020 Management Plan				FY2021 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	2,085.0	0.0	2,085.0	0.0	2,259.8	0.0	2,259.8	0.0	2,269.5	0.0	2,269.5
Airport Systems												
AIA Administration	0.0	7,524.2	0.0	7,524.2	0.0	7,185.2	0.0	7,185.2	0.0	8,309.3	0.0	8,309.3
AIA Facilities	0.0	23,310.1	0.0	23,310.1	0.0	24,807.7	0.0	24,807.7	0.0	25,072.2	0.0	25,072.2
AIA Field & Equipment Maint	0.0	16,587.6	0.0	16,587.6	0.0	18,195.4	0.0	18,195.4	0.0	18,273.0	0.0	18,273.0
AIA Operations	0.0	6,724.3	0.0	6,724.3	0.0	6,885.0	0.0	6,885.0	0.0	7,007.5	0.0	7,007.5
AIA Safety	0.0	11,049.9	190.8	11,240.7	0.0	11,940.8	594.6	12,535.4	0.0	11,961.9	594.6	12,556.5
FIA Administration	0.0	1,905.6	0.0	1,905.6	0.0	2,247.1	0.0	2,247.1	0.0	2,256.8	0.0	2,256.8
FIA Facilities	0.0	4,560.7	0.0	4,560.7	0.0	4,564.7	0.0	4,564.7	0.0	4,743.5	0.0	4,743.5
FIA Field & Equipment Maint	0.0	4,419.3	0.0	4,419.3	0.0	4,552.6	0.0	4,552.6	0.0	4,599.3	0.0	4,599.3
FIA Operations	0.0	1,087.1	0.0	1,087.1	0.0	1,137.0	0.0	1,137.0	0.0	1,149.2	0.0	1,149.2
FIA Safety	0.0	4,492.5	204.2	4,696.7	0.0	5,009.1	213.3	5,222.4	0.0	5,020.8	213.3	5,234.1
Totals	0.0	83,746.3	395.0	84,141.3	0.0	88,784.4	807.9	89,592.3	0.0	90,663.0	807.9	91,470.9

International Airports
Summary of RDU Budget Changes by Component
From FY2020 Management Plan to FY2021 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>
FY2020 Management Plan	0.0	0.0	88,784.4	807.9	89,592.3
Adjustments which continue current level of service:					
-International Airport Systems	0.0	0.0	9.7	0.0	9.7
-AIA Administration	0.0	0.0	1,132.7	0.0	1,132.7
-AIA Facilities	0.0	0.0	264.5	0.0	264.5
-AIA Field & Equipment Maint	0.0	0.0	77.6	0.0	77.6
-AIA Operations	0.0	0.0	23.4	0.0	23.4
-AIA Safety	0.0	0.0	21.1	0.0	21.1
-FIA Administration	0.0	0.0	9.7	0.0	9.7
-FIA Facilities	0.0	0.0	180.6	0.0	180.6
-FIA Field & Equipment Maint	0.0	0.0	46.7	0.0	46.7
-FIA Operations	0.0	0.0	12.2	0.0	12.2
-FIA Safety	0.0	0.0	11.7	0.0	11.7
Proposed budget increases:					
-AIA Operations	0.0	0.0	99.1	0.0	99.1
Proposed budget decreases:					
-AIA Administration	0.0	0.0	-8.6	0.0	-8.6
-FIA Facilities	0.0	0.0	-1.8	0.0	-1.8
FY2021 Governor	0.0	0.0	90,663.0	807.9	91,470.9