

State of Alaska FY2024 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 financial services and information to the Alaska International Airports System (AIAS) which is comprised of Ted Stevens Anchorage and Fairbanks International Airports, and its stakeholders.

Core Services

- Process timely AIAS accounts payables and accounts receivables, working with internal and external stakeholders to resolve issues.
- Manage and ensure accurate reporting of AIAS revenue streams.
- Coordinate with the Departments of Revenue and Finance on AIAS revenue bond transactions. Ensure timely fulfillment of ongoing disclosure requirements and provide timely review of bond transaction postings.
- Evaluate and prepare biannual rates and charges for airport users, including air carriers, concessionaires, and others to ensure financial goals are achieved.
- Provide timely and informative financial reporting for State of Alaska, Federal Aviation Administration, airport management, air carriers, rating agencies, bondholders, and other stakeholders.
- Establish and monitor effective and appropriate accounting and financial internal controls, policies, and procedures for the AIAS.
- 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.
- Lead the annual, external financial audit of the proprietary enterprise's International Airport Revenue Fund.
- Lead the financial implementation of the AIAS passenger Terminal Lease and Operating Agreement.
- Ensure appropriate funding for AIAS capital improvement program. Provide input relative to market conditions and senior level review prior to requesting Signatory Airlines' approval via vote.

Major Component Accomplishments in 2022

- Maintained level rates and fees structure while meeting unprecedented shifts in passenger and cargo airline traffic volume, with a dramatic decline in concession activity/revenues at both Ted Stevens Anchorage International Airport (ANC) and Fairbanks International Airport.
- Applied for and received substantive fiscal relief from adverse pandemic impact on passenger volumes through participation in Federal Aviation Administration Coronavirus Aid, Relief, and Economic Security Act (CARES) and Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) grant funding available to airports.

Key Component Challenges

- Implementing the new Governmental Accounting Standards Board (GASB) 87 rule with a new accounting team and new ANC Leasing Team.
- Producing numerous, and highly customized, activity and financial reports using legacy reporting software.
- As airports nationwide return to pre-pandemic levels: projecting activity levels to develop accurate revenue budgets and managing expenses to produce stable and reliable rate and fee levels to maintain customer confidence.
- Recruiting and retaining qualified administrative staff.

Significant Changes in Results to be Delivered in FY2024

- Implementation of reliable reporting software to ease the workload of consultants and AIAS employees.

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>FY2023</u> <u>Management</u> <u>Plan</u>	<u>FY2024</u> <u>Governor</u>		
Full-time	9	9	Annual Salaries	587,824
Part-time	0	0	COLA	15,920
Nonpermanent	0	0	Premium Pay	22,272
			Annual Benefits	428,526
			<i>Less 3.00% Vacancy Factor</i>	(31,636)
			Lump Sum Premium Pay	0
Totals	9	9	Total Personal Services	1,022,906

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant 3	1	0	0	0	1
Accountant 4	1	0	0	0	1
Accounting Technician 1	3	0	0	0	3
Accounting Technician 2	1	0	0	0	1
Accounting Technician 3	1	0	0	0	1
AIAp Sys Plnr	1	0	0	0	1
Intl Ap Ctrlr	0	1	0	0	1
Totals	8	1	0	0	9

Component Detail All Funds
Department of Transportation/Public Facilities

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

Non-Formula Component

	FY2022 Actuals	FY2023 Conference Committee	FY2023 Authorized	FY2023 Management Plan	FY2024 Governor	FY2023 Management Plan vs FY2024 Governor	
71000 Personal Services	809.0	939.7	948.9	948.9	1,022.9	74.0	7.8%
72000 Travel	10.3	13.4	13.4	45.7	45.7	0.0	0.0%
73000 Services	1,223.6	1,292.6	1,299.7	1,263.1	1,209.1	-54.0	-4.3%
74000 Commodities	11.2	6.6	6.6	10.9	10.9	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%
Totals	2,054.1	2,252.3	2,268.6	2,268.6	2,288.6	20.0	0.9%
Fund Sources:							
1002 Fed Rcpts (Fed)	0.0	0.0	0.3	0.3	0.0	-0.3	-100.0%
1027 Int Airprt (Other)	2,054.1	2,252.3	2,268.3	2,268.3	2,288.6	20.3	0.9%
Unrestricted General (UGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	2,054.1	2,252.3	2,268.3	2,268.3	2,288.6	20.3	0.9%
Federal Funds	0.0	0.0	0.3	0.3	0.0	-0.3	-100.0%
Positions:							
Permanent Full Time	8	8	8	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 FY2023 Conference Committee To FY2023 Authorized *****												
FY2023 Conference Committee												
	ConfCom	2,252.3	939.7	13.4	1,292.6	6.6	0.0	0.0	0.0	8	0	0
1027 Int Airprt		2,252.3										
Align Authority for Unallocated Rates Adjustments												
	Unalloc	7.1	0.0	0.0	7.1	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts		0.3										
1027 Int Airprt		6.8										

Reallocate unallocated rate adjustments across department's components.

Unallocated Rate Adjustments:

- FY2023 Administrative Systems Rate Adjusted Base Change \$101.4
- FY2023 Administrative Systems Upgrade Ongoing Cost Increases \$594.1
- FY2023 Human Resources Rate Adjusted Base Change \$619.2
- FY2023 Human Resources Rate AspireAlaska \$112.0
- FY2023 Office of Information Technology Core Services Rate Adjusted Base Change \$80.8
- FY2023 Office of Information Technology Core Services Rate Infrastructure Upkeep Increase \$229.9
- FY2023 Office of Information Technology Core Services Rate Software Increases \$509.9
- FY2023 Office of Information Technology Mainframe Increases -\$4.3
- FY2023 Office of Information Technology Other Non-Core Adjusted Base \$2.4
- FY2023 Travel and Accounts Payable Rate Adjusted Base Change -\$34.7

Department Components:

- Facilities Services \$99.9
- Leases \$4.0
- Commissioner's Office \$10.3
- Contracting and Appeals \$1.7
- Equal Employment and Civil Rights \$7.8
- Internal Review \$3.0
- Statewide Administrative Services \$47.6
- Information Systems and Services \$22.4
- Statewide Procurement \$18.3
- Central Region Support Services \$7.1
- Northern Region Support Services \$4.7
- Southcoast Region Support Services \$22.1
- Statewide Aviation \$26.3
- Program Development and Statewide Planning \$53.7
- Measurement Standards & Commercial Vehicle Compliance \$46.6
- Statewide Design and Engineering Services \$62.7
- Northern Region Design, Engineering, and Construction \$203.6

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	
Central Design and Engineering Services		\$145.4										
Southcoast Design and Engineering Services		\$59.1										
Central Region Construction and CIP Support		\$125.5										
Southcoast Region Construction		\$37.6										
State Equipment Fleet		\$96.8										
Central Region Highways and Aviation		\$115.4										
Northern Region Highways and Aviation		\$201.0										
Southcoast Region Highways and Aviation		\$55.1										
Whittier Access and Tunnel		\$0.8										
International Airport Systems Office		\$7.1										
Anchorage Airport Administration		\$24.3										
Anchorage Airport Facilities		\$84.9										
Anchorage Airport Field and Equipment Maintenance		\$65.3										
Anchorage Airport Operations		\$19.7										
Anchorage Airport Safety		\$64.2										
Fairbanks Airport Administration		\$11.1										
Fairbanks Airport Facilities		\$13.3										
Fairbanks Airport Field and Equipment Maintenance		\$16.3										
Fairbanks Airport Operations		\$6.4										
Fairbanks Airport Safety		\$26.2										
Marine Vessel Operations		\$294.8										
Marine Vessel Fuel		-\$0.1										
Marine Engineering		\$13.2										
Overhaul		-\$0.4										
Reservations and Marketing		\$10.3										
Marine Shore Operations		\$48.7										
Vessel Operations Management		\$26.9										
FY2023 Exempt 5% COLA												
SalAdj		9.2	9.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1027 Int Airprt		9.2										
FY2023 Exempt 5% COLA:		\$9.2										
Subtotal		2,268.6	948.9	13.4	1,299.7	6.6	0.0	0.0	0.0	8	0	0
***** Changes From FY2023 Authorized To FY2023 Management Plan *****												
Align Authority with Anticipated Expenditures												
LIT		0.0	0.0	32.3	-36.6	4.3	0.0	0.0	0.0	0	0	0

Transfer authority from contractual services to travel and commodities to cover anticipated travel and commodities costs. The remaining contractual services authority is sufficient to cover anticipated expenditures.

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	
Add Accounting Technician I (25-3876) for Accounting Support												
	PosAdj	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0
Add permanent full-time Accounting Technician I (25-3876), range 12, located in Anchorage International Airport, to provide adequate service to the Alaska International Airport Systems Office in support of timely and accurate accounts payable and accounts receivable transaction processing and related activities.												
Steady growth in airline activity and airport concession activity levels over the last decade has resulted in increased airport-provided service/rent billings and related customer account maintenance and collection activities. Additional factors include loss of institutional knowledge from increased staff turnover as well as increased use of overtime to try to meet increasing demands on section resources.												
Subtotal		2,268.6	948.9	45.7	1,263.1	10.9	0.0	0.0	0.0	9	0	0
***** Changes From FY2023 Management Plan To FY2024 Governor *****												
Replace Unallocated Rates Adjustments Unrealizable Fund Source for FY2024												
	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts		-0.3										
1027 Int Airprt		0.3										
Replace unrealizable fund source resulting from unallocated rate adjustments.												
Transfer Authority for Anticipated Personal Services Costs												
	LIT	0.0	54.0	0.0	-54.0	0.0	0.0	0.0	0.0	0	0	0
Transfer authority from services to personal services for anticipated expenditures. The remaining services authority is sufficient to cover anticipated expenditures.												
FY2024 AlaskaCare Health Insurance Increase - Exempt and Partially Exempt												
	SalAdj	1.3	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1027 Int Airprt		1.3										
FY2024 AlaskaCare health insurance increase for exempt and partially exempt employees from \$1,685 to \$1,793 per member per month.: \$1.3												
FY2024 PERS Rate Adjustment												
	SalAdj	1.8	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1027 Int Airprt		1.8										
FY2024 PERS rate adjustment to 25.10%: \$1.8												
FY2024 Salary and Health Insurance Increases												
	SalAdj	16.9	16.9	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1027 Int Airprt		16.9										

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		
										PFT	PPT	NP
FY2024 Salary and Health Insurance Increases: \$16.9FY2024 GGU cost of living increase 2.5%: \$14.2												
FY2024 SU cost of living increase 1%: \$0.9												
FY2024 AlaskaCare insurance from \$1,685 to \$1,793 per member per month.: \$1.3												
FY2024 GGU health insurance increase from \$1,567.50 to \$1,573.50 per member per month.: \$0.5												
Totals		2,288.6	1,022.9	45.7	1,209.1	10.9	0.0	0.0	0.0	9	0	0

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

Component: International Airport Systems Office (1649)

Line Number	Line Name		FY2022 Actuals	FY2023 Management Plan	FY2024 Governor
2000	Travel		10.3	45.7	45.7
Object Class	Servicing Agency	Explanation	FY2022 Actuals	FY2023 Management Plan	FY2024 Governor
2000 Travel Detail Totals			10.3	45.7	45.7
2000	In-State Employee Travel	In-state employee travel (per diem, airfare, mileage, and parking).	8.8	34.3	34.3
2002	Out of State Employee Travel	Out of state employee travel for airline meetings (per diem, airfare, mileage, parking).	1.5	11.4	11.4

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

Component: International Airport Systems Office (1649)

Line Number	Line Name		FY2022 Actuals	FY2023 Management Plan	FY2024 Governor
3000	Services		1,223.6	1,263.1	1,209.1
Object Class	Servicing Agency	Explanation	FY2022 Actuals	FY2023 Management Plan	FY2024 Governor
3000 Services Detail Totals			1,223.6	1,263.1	1,209.1
3000	Education Services	Conference registration, memberships and employee tuition (excluding information technology).	78.6	83.2	83.2
3001	Financial Services	Contract for financial audit for international airports.	83.3	101.0	101.0
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/Seasonal Technical Support and Propworks/Airport Operational Database (AODB)/Flight Information Display System (FIDS) Annual Support.	514.0	422.0	365.9
3006	Delivery Services	Delivery services.	0.2	0.3	0.3
3007	Advertising and Promotions	Advertising (rates and fees public notices).	0.0	0.2	0.2
3011	Other Services	Alaska International Airport System Airport Technical Representative (ATR) contract and other services including PASSUR contract (radar based aircraft activities recording system).	282.8	352.2	352.2
3017	Inter-Agency Information Technology	Computer services provided by	20.0	0.0	0.0

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

Component: International Airport Systems Office (1649)

Object Class	Servicing Agency	Explanation	FY2022 Actuals	FY2023 Management Plan	FY2024 Governor
3000 Services Detail Totals			1,223.6	1,263.1	1,209.1
Non-Telecommunications		Department of Administration such as central server, data storage, printing, network services, open connect, and task order system.			
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide Computer services provided by the Department of Administration such as central server, data storage, printing, network services, open connect, and task order system.	0.0	23.4	23.4
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. Telecommunications services provided by the Department of Administration such as basic telephone services, equipment and features, dedicated voice/data line service, statewide paging, two-way radio, and video conferencing.	0.0	0.0	0.0
3021	Inter-Agency Mail	Admin - Department-wide Chargeback fees for central mail services such as mailing vendor payments and payroll warrants.	0.0	0.1	0.1
3022	Inter-Agency Human Resources	Admin - Department-wide Interagency Human Resource chargeback fees.	4.5	0.0	2.5
3024	Inter-Agency Legal	Law - Department-wide Legal services provided by the Department of Law.	240.0	277.0	277.0
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.	0.1	3.1	3.1

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

Component: International Airport Systems Office (1649)

Object Class	Servicing Agency	Explanation	FY2022 Actuals	FY2023 Management Plan	FY2024 Governor	
3000 Services Detail Totals			1,223.6	1,263.1	1,209.1	
3028	Inter-Agency Americans with Disabilities Act Compliance	Admin - Department-wide	Chargeback fees for the statewide coordinator for the Americans with Disabilities Act (ADA).	0.1	0.2	0.2
3029	Inter-Agency Education/Training	Admin - Department-wide	Department of Administration, Division of Finance training classes.	0.0	0.4	0.0

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

Component: International Airport Systems Office (1649)

Line Number	Line Name		FY2022 Actuals	FY2023 Management Plan	FY2024 Governor
4000	Commodities		11.2	10.9	10.9
Object Class	Servicing Agency	Explanation	FY2022 Actuals	FY2023 Management Plan	FY2024 Governor
4000 Commodities Detail Totals			11.2	10.9	10.9
4000	Business	Books, office supplies, subscriptions.	11.2	10.9	10.9

Revenue Detail (1681)
Department of Transportation/Public Facilities

Component: International Airport Systems Office (1649)

Revenue Type (OMB Fund Code) Revenue Source	Component	Comment	FY2022 Actuals	FY2023 Management Plan	FY2024 Governor
6027 Int Airprt (1027 Int Airprt)			247.5	0.0	0.0
6382 International Airport Revenue Fund - Chrgs for Srvcs Misc		Revenue received from the FAA CARES Act.	247.5	0.0	0.0

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

Component: International Airport Systems Office (1649)

				FY2022 Actuals	FY2023 Management Plan	FY2024 Governor
Component Totals				244.7	304.2	306.3
With Department of Administration				4.7	27.2	29.3
With Department of Law				240.0	277.0	277.0
Object Class	Servicing Agency	Explanation		FY2022 Actuals	FY2023 Management Plan	FY2024 Governor
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide Computer services provided by the Department of Administration such as central server, data storage, printing, network services, open connect, and task order system.		0.0	23.4	23.4
3021	Inter-Agency Mail	Admin - Department-wide FY2016 transfer of \$3.7 to Statewide Admin Services for consolidation of EPR lump sum funding. Chargeback fees for central mail services such as mailing vendor payments and payroll warrants.		0.0	0.1	0.1
3022	Inter-Agency Human Resources	Admin - Department-wide Interagency Human Resource chargeback fees.		4.5	0.0	2.5
3024	Inter-Agency Legal	Law - Department-wide Legal services provided by the Department of Law.		240.0	277.0	277.0
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.		0.1	3.1	3.1
3028	Inter-Agency Americans with Disabilities Act Compliance	Admin - Department-wide Chargeback fees for the statewide coordinator for the Americans with Disabilities Act (ADA).		0.1	0.2	0.2
3029	Inter-Agency Education/Training	Admin - Department-wide Department of Administration, Division of Finance training classes.		0.0	0.4	0.0

Personal Services Expenditure Detail
Department of Transportation/Public Facilities

Scenario: FY2024 Governor (19867)
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 Technician 3	FT	A	SS	Anchorage Intl Airport	600	16F	12.0		68,058	1,271	21,840	58,854	150,023	0
25-0862	Accounting Technician 1	FT	A	GP	Anchorage Intl Airport	200	12C / D	12.0		44,581	1,575	0	37,437	83,593	0
25-2556	Intl Ap Ctrlr	FT	A	XE	Fairbanks	N03	24C / D	12.0		105,248	0	432	65,238	170,918	0
25-2956	Accounting Technician 2	FT	A	GP	Anchorage Intl Airport	200	14C / D	12.0		50,166	1,773	0	39,747	91,686	0
25-2975	Accountant 3	FT	A	GP	Anchorage Intl Airport	200	18B / C	12.0		64,895	2,293	0	45,839	113,027	0
25-2986	Accounting Technician 1	FT	A	GP	Anchorage Intl Airport	200	12G	12.0		50,135	1,772	0	39,734	91,641	0
25-3458	Accountant 4	FT	A	GP	Anchorage Intl Airport	200	20D / E	12.0		79,280	2,802	0	51,789	133,871	0
25-3737	AIAp Sys Plnr	FT	A	GP	Anchorage Intl Airport	200	21C / D	12.0		83,407	2,948	0	53,496	139,851	0
25-3876	Accounting Technician 1	FT	A	GP	Anchorage Intl Airport	200	12A / B	12.0		42,054	1,486	0	36,392	79,932	0

	Total Positions	New	Deleted	Total Salary Costs:	587,824
Full Time Positions:	9	0	0	Total COLA:	15,920
Part Time Positions:	0	0	0	Total Premium Pay:	22,272
Non Permanent Positions:	0	0	0	Total Benefits:	428,526
Positions in Component:	9	0	0	Total Pre-Vacancy:	1,054,542
				Minus Vacancy Adjustment of 3.00%:	(31,636)
				Total Post-Vacancy:	1,022,906
				Plus Lump Sum Premium Pay:	0
				Personal Services Line 100:	1,022,906

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1027 International Airport Revenue Fund	1,054,542	1,022,906	100.00%
Total PCN Funding:	1,054,542	1,022,906	100.00%

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.

Department of Transportation & Public Facilities

International Airport Systems Office (1649)

RDU: International Airports (189)

FY2024 Governor's Budget

Position Totals: 9 PFT

