

**State of Alaska
FY2006 Governor's Operating Budget**

**Department of Transportation/Public Facilities
Aviation
Results Delivery Unit Budget Summary**

Aviation Results Delivery Unit

Contribution to Department's Mission

Provide airport infrastructure for the movement of people and goods; and provide relevant and reliable financial information to the international airport system.

Core Services

- Airport Improvement Program (AIP) Six Year Funding Plan development, coordination, guidance and monitoring aviation leasing activities.
- Rural airport planning, design, construction and operation coordination.
- Conduct FAA Airport Inspections (5010 database maintenance).
- Ensure appropriate accounting and financial policies and procedures at the international airports.
- Provide uniform fee structures for use of the airports' facilities and services.

End Results	Strategies to Achieve Results
<p>A: Increased private investment on airports.</p> <p><u>Target #1:</u> Increase new private investment at rural airports statewide by 5% over prior year.</p> <p><u>Measure #1:</u> Percent change in new private investment at rural airports compared to prior year</p>	<p>A1: Implement aviation and non-aviation land leasing business plan.</p> <p><u>Target #1:</u> Net increase of 10 aviation and 10 non-aviation leases over prior year.</p> <p><u>Measure #1:</u> Number increase in aviation and non-aviation leases compared to prior year.</p>

FY2006 Resources Allocated to Achieve Results							
<p>FY2006 Results Delivery Unit Budget: \$2,514,300</p>	<p>Personnel:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Full time</td> <td style="text-align: right;">23</td> </tr> <tr> <td style="padding-left: 20px;">Part time</td> <td style="text-align: right;">0</td> </tr> <tr> <td style="padding-left: 20px;">Total</td> <td style="text-align: right; border-top: 1px solid black;">23</td> </tr> </table>	Full time	23	Part time	0	Total	23
Full time	23						
Part time	0						
Total	23						

Performance Measure Detail

A: Result - Increased private investment on airports.

Target #1: Increase new private investment at rural airports statewide by 5% over prior year.

Measure #1: Percent change in new private investment at rural airports compared to prior year

New Private Investment at Rural Airports

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
2003	not available				

Analysis of results and challenges: Economic development is a priority of the administration. Towards that goal the Statewide Aviation Division will direct resources to market airport property. Available state airport land will be identified and investors will be sought to build on those lands.

A1: Strategy - Implement aviation and non-aviation land leasing business plan.

Target #1: Net increase of 10 aviation and 10 non-aviation leases over prior year.

Measure #1: Number increase in aviation and non-aviation leases compared to prior year.

Number of Leases at Rural Airports

Year	YTD
2003	1,281
2004	1,816

Analysis of results and challenges: Economic development is a priority of the administration. Towards that goal the Statewide Aviation Division will direct resources to market airport property. Available state airport land will be identified and potential lessors will be sought. Other areas needing focus to increase state revenues are sub-leases and concession fees.

Key RDU Challenges

- Maximize the amount of federal Airport Improvement Program (AIP) funding available for the state and ensure this funding is applied to strategies to deliver the aviation outcomes of saved lives, improved mobility and increased private investment.
- GPS navigation continues to impact the way in which rural airports are being designed, built and operated. The more that we can facilitate these navigational improvements the more likely we are to improve mobility and save lives.
- Identify cost reductions at the international airports that do not jeopardize the traveling public safety.
- Identify new revenue sources and enhance existing ones at the international airports.

Significant Changes in Results to be Delivered in FY2006

The recent consolidation of rural airport leasing into the SWA structure will allow for a more consistent leasing policy application, and an improved delivery of private-investment results.

Airport Improvement Program (AIP) funding objectives of special emphasis:

- Expect to execute federal AIP funding grants to improve the following airports which currently experience seasonal closures: Atka, Manakotak and Nightmute.
- Expect to execute AIP funding grants to improve the following airports to 24 hour medical evacuation capability with improved runways and permanent runway lighting: Atka, Goodnews Bay, Nightmute, Ouzinkie, Platinum, Stony River, and Takotna.

Implement a web-based lease application system using the Right of Way ROWDy system.

Begin a new three-year contract with the FAA to inspect all airports in Alaska for the 5010 data base.

Provide financial modeling and audit information for a credit rating upgrade and potential debt offering for AIAS capital construction.

Major RDU Accomplishments in 2004

- Worked with the FAA to execute \$205.7 million in federal Airport Improvement Program (AIP) funding for DOT&PF airports, which is a 20% increase over FFY03 AIP funding.
- Executed AIP funding grants to reduce seasonal closures at Tanana and Ekwok airports.

- Executed AIP funding grants to improve the following airports to 24 hour medical evacuation capability with improved runways and permanent runway lighting: Chenega Bay, Clarks Point and Ekwok.
- Deployed fifty-three emergency lighting systems. One life already saved in Angoon.
- Implemented statewide leasing structure for consistency.
- Established aircraft tiedown program for based and transient aircraft at 16 airports statewide to eliminate traffic conflicts and overcrowding.
- The Alaska International Airport System successfully sold \$97.4 million in par value revenue bonds.

Contact Information
<p>Contact: Kip Knudson and Tom Briggs, Deputy Commissioners Phone: (907) 269-0724 Fax: (907) 269-0489 E-mail: kip_knudson@dot.state.ak.us</p>

**Aviation
RDU Financial Summary by Component**

All dollars shown in thousands

	FY2004 Actuals				FY2005 Management Plan				FY2006 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
Formula Expenditures												
None.												
Non-Formula Expenditures												
Statewide Aviation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,908.2	1,908.2
International Airport Systems	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	606.1	606.1
Totals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2,514.3	2,514.3

Aviation
Summary of RDU Budget Changes by Component
From FY2005 Management Plan to FY2006 Governor

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2005 Management Plan	0.0	0.0	0.0	0.0
Adjustments which will continue current level of service:				
-Statewide Aviation	0.0	0.0	53.3	53.3
-International Airport Systems	0.0	0.0	9.3	9.3
FY2006 Governor	0.0	0.0	2,514.3	2,514.3