

State of Alaska FY2006 Governor's Operating Budget

**Dept. of Commerce, Community, and Economic Dev.
Alaska Aerospace Development Corporation
Results Delivery Unit Budget Summary**

Alaska Aerospace Development Corporation Results Delivery Unit

Contribution to Department's Mission

Establish and operate a commercial launch facility promoting aerospace-related economic growth and developing corresponding technologies and support services and strengthen Alaska technological infrastructure.

Core Services

Rocket launch services.

| End Results | Strategies to Achieve Results |
|---|---|
| <p>A: Strengthen Alaska's technological infrastructure.</p> <p><u>Target #1:</u> 10% increase by FYE 05. <u>Measure #1:</u> % change in hi-tech jobs in AADC.</p> | <p>A1: Develop state of the art Range Safety and Telemetry System.</p> <p><u>Target #1:</u> DoD certification. <u>Measure #1:</u> DoD certification approval.</p> |

| Major Activities to Advance Strategies |
|---|
| <ul style="list-style-type: none"> Train workforce. Lead coordination efforts w/DoD entities. Develop infrastructure to enhance capabilities |

| FY2006 Resources Allocated to Achieve Results | | | | | | | |
|---|--|-----------|----|-----------|---|--------------|-----------|
| <p>FY2006 Results Delivery Unit Budget: \$22,874,900</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;">38</td> </tr> <tr> <td style="padding-left: 20px;">Part time</td> <td style="text-align: right;">1</td> </tr> <tr style="border-top: 1px solid black;"> <td style="padding-left: 20px;">Total</td> <td style="text-align: right;">39</td> </tr> </table> | Full time | 38 | Part time | 1 | Total | 39 |
| Full time | 38 | | | | | | |
| Part time | 1 | | | | | | |
| Total | 39 | | | | | | |

Performance Measure Detail

A: Result - Strengthen Alaska's technological infrastructure.

Target #1: 10% increase by FYE 05.
Measure #1: % change in hi-tech jobs in AADC.

Analysis of results and challenges: This is a new measure and will be calculated starting in FY04.

A1: Strategy - Develop state of the art Range Safety and Telemetry System.

Target #1: DoD certification.
Measure #1: DoD certification approval.

Analysis of results and challenges: This is a new measure and will be calculated starting in FY04.

Key RDU Challenges

AADC's biggest challenge in the coming year is to build in systems and personnel flexibility to be able to respond to our anchor tenant's changing requirements and continuing to recruit and train our work force. AADC's anchor tenant, the United State's Department of Defense Missile Defense Agency, has evolving requirements for both launch services and business management data.

Approximately 20 miles of road leading to the Kodiak Launch Complex is unpaved. When the current Alaska State Department of Transportation and Public Facilities plans and contracts are completed, 9 miles of road will still be unpaved. These 9 miles through Pasagshak Pass, represent the most serious safety hazard to personnel transportation and equipment logistics.

Significant Changes in Results to be Delivered in FY2006

AADC is currently performing the second year of a five-year support services agreement with the United State's Department of Defense Missile Defense Agency (MDA). MDA continues to request additional launch services support and continues to increase its requirements for management data. Five additional staff are requested to support these requirements. Travel increases are requested to support MDA's increased requirements to support both launches and attendance at planning meetings by both AADC personnel and AADC contractors. Increments for five positions and customer support expenditures are requested for FY06.

Major RDU Accomplishments in 2004

AADC successfully executed the first year of providing services for its' anchor tenant, MDA, under a five year contract. To support the requirements, AADC's staff approximately doubled in size. A significant re-alignment of business processes required to properly execute the contract was accomplished.

AADC accepted delivery of the new Range Safety and Telemetry System on 1 July 2004. This is a culmination of three years efforts in defining requirements, developing technical specifications, overseeing construction and begin the training of a Kodiak resident workforce to support the systems.

Construction began on Phase 2 of the 19,000 square foot Maintenance and Storage Facility project. This facility will centralize the maintenance support functions, provide all weather storage and maintenance of the mobile Range Safety and Telemetry Systems and provide a limited amount of space for customer storage. The Kodiak based construction contractor expects to complete the \$4.5 million project in the spring of 2005.

Contact Information

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**Alaska Aerospace Development Corporation
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 | | | | | | | | | | | | |
| AK Aerospace Development Corp | 0.0 | 0.0 | 1,579.9 | 1,579.9 | 0.0 | 0.0 | 2,039.7 | 2,039.7 | 0.0 | 0.0 | 2,309.6 | 2,309.6 |
| AADC Facilities Maintenance | 0.0 | 0.0 | 8,313.4 | 8,313.4 | 0.0 | 0.0 | 20,150.9 | 20,150.9 | 0.0 | 0.0 | 20,565.3 | 20,565.3 |
| Totals | 0.0 | 0.0 | 9,893.3 | 9,893.3 | 0.0 | 0.0 | 22,190.6 | 22,190.6 | 0.0 | 0.0 | 22,874.9 | 22,874.9 |

**Alaska Aerospace Development Corporation
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 | 22,190.6 | 22,190.6 |
| Adjustments which will continue current level of service: | | | | |
| -AK Aerospace Development Corp | 0.0 | 0.0 | 24.8 | 24.8 |
| -AADC Facilities Maintenance | 0.0 | 0.0 | 38.1 | 38.1 |
| Proposed budget increases: | | | | |
| -AK Aerospace Development Corp | 0.0 | 0.0 | 245.1 | 245.1 |
| -AADC Facilities Maintenance | 0.0 | 0.0 | 376.3 | 376.3 |
| FY2006 Governor | 0.0 | 0.0 | 22,874.9 | 22,874.9 |