

State of Alaska FY2011 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 system vision, planning, and infrastructure for the safe movement of people and goods; and provide relevant and reliable financial information to the international airport system.

Core Services

- Airport Improvement Program (AIP) Five-Year Funding Plan development and coordination.
- Airport planning, design, construction, and operation coordination, as well as technical assistance.
- Development and management of the State Aviation System Plan and related continuous planning processes.
- Conduct Federal Aviation Administration (FAA) Airport Inspections (5010 database maintenance).
- Ensure appropriate operating and capital accounting and financial policies and procedures are used at the international airports.
- Provide uniform fee structures for use of the airport facilities and services as required under federal grant assurances.
- Property management services for the use of lands, facilities, and buildings at state rural airports.
- Promote, facilitate and implement aviation safety improvements through the adoption of technology and mapping datasets for aviation simulators, in coordination with the Medallion Foundation, FAA and the National Aeronautics and Space Administration (NASA).

Results at a Glance

(Additional performance information is available on the web at <http://omb.alaska.gov/results>.)

END RESULT A: Increase revenue generation at statewide rural airports.

- Rural airport revenues collected in FY2009 exceeded the target of 5% and increased by 6.3% over the prior year.

Status of Strategies to Achieve End Result

- The average number of days to process land use applications remained at 102 days between 2008 and 2009.

Major Activities to Advance Strategies

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| <ul style="list-style-type: none"> • Analyze inventory data on airports that are below minimum FAA standards. • Assess projects through Airport Project Evaluation Board (APEB) scoring process to prioritize projects and equipment for limited federal funds. • Coordinate regularly with FAA Airports Division to identify issues, regulatory priorities, and funding. • Develop and update an aviation web site to provide user-friendly access to airport information. • Initiate aviation technical training to retain and promote airport career path to improve efficiency. | <ul style="list-style-type: none"> • Inventory airport lease lots and needs to meet aviation demands and FAA requirements. • Coordinate department airport safety, security, compliance, land use, fees, education, and mapping policy. • Lead the Alaska Aviation System continuing planning process and related public efforts to identify user issues and priorities. • Support the Governor's Aviation Advisory Board in their advocacy for a state airport network. |
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Key RDU Challenges

Maximize the amount of federal Airport Improvement Program (AIP) funding available for the state and ensure this funding is applied to the highest priority airport capital improvement needs. AIP funding objectives of special emphasis:

- Execute federal AIP funding grants to improve airports which currently experience seasonal closures.
- Execute AIP funding grants to improve airports to 24-hour medical evacuation capability with improved runways and permanent runway lighting.
- Initiate efforts to maintain compliance with federal grant assurances and other FAA airport and security regulations to continue receiving federal funding. Accommodating work load demands and funding of these efforts.

The increasing costs for airline operators, fluctuating fuel costs, and increasing regulations are decreasing flights to communities. Fewer operations have had an impact on revenues generated at the International airports. It will be critical for management to concentrate on:

- Identifying cost reductions that will keep rates and fees stable and not jeopardize the traveling public's safety.
- Identifying new and enhancing existing revenue sources which meet airline demands, and customer needs.

Pending retirements, along with increasing difficulties in recruiting and retaining professional aviation employees is creating a slow down and backlog in work. Turnover in leasing staff has resulted in additional cross-training of existing staff and expedited training of new staff to get them functioning completely.

Statewide Aviation supports Global Positioning System (GPS) navigation technology because it improves aircraft operations and saves lives. These systems impact rural airport design, construction and operations. Emphasis on this technology will help facilitate navigational improvements and structures important to aviation safety at our airports.

Significant Changes in Results to be Delivered in FY2011

Increase revenue generated at rural airports through the effective use of the additional management resources requested in the FY2011 Governor's budget.

E-Leasing Program (\$100.0 RSS), Appraisal work (\$50.0 RSS), Inspections, Property Management and Training (\$20.0 RSS), and Bethel Airport Building Lease to DMVA (\$88.0 I/A).

Major RDU Accomplishments in 2009

- Worked with the FAA to execute approximately \$180 million in federal Airport Improvement Program (AIP) funding for Department of Transportation and Public Facilities (DOT&PF) airports.
- Worked with FAA to secure an additional \$73.37 million in FAA funding under the American Recovery and Reinvestment Act of 2009.
- Executed AIP funding grants and completed surface work to reduce seasonal closures at two rural airports.
- Rural Airport Lighting Program (RALP): executed \$81 million in AIP funding grants to improve six airports to 24-hour medical evacuation capability with improved runways and permanent runway lighting: Runway lighting systems were completed at two airports using RALP funding.
- Addressed, responded and met with FAA regarding outstanding Land Use Compliance issues. Corrected and closed out 3 airports non-compliance issues. Continued efforts to establish and develop methods and solutions for assuring non-compliance issues on a statewide basis. Ensures violations are avoided and/or resolved as quickly as possible.
- Resolved customer concerns regarding rate increases by rescinding rent change notices, rolling back rural airport land-use rates, and then adopting rural airport regulations to slowly raise the rates over time.
- Transferred the Alaska Aviation Safety Project from the Department of Military and Veterans Affairs to the Department of Transportation & Public Facilities. Coordinated with other agencies and participated in medallion flight simulator openings to improve aviation safety.
- Performed 174 airport safety inspections and prepared associated form 5010 airport master record reports.
- Completed 126 Airline Operators Insurance Certifications.
- Coordinated language change to AS 02.40.020 Certification of Compliance of Air Carriers to streamline certificate processing and achieved adoption of SB111.
- Began planning efforts under the recently contracted Alaska Aviation System Plan update. The plan is required by FAA and has not been completed in over 10 years. The plan prioritizes Alaskan aviation needs and improves the chances of FAA grants for those identified needs in the future.

Contact Information

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**Aviation
RDU Financial Summary by Component**

All dollars shown in thousands

	FY2009 Actuals				FY2010 Management Plan				FY2011 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	0.0	0.0	2,207.3	2,207.3	0.0	0.0	2,720.1	2,720.1	0.0	0.0	3,030.2	3,030.2
Aviation												
International	0.0	0.0	511.2	511.2	0.0	0.0	887.1	887.1	0.0	0.0	843.3	843.3
Airport												
Systems												
Totals	0.0	0.0	2,718.5	2,718.5	0.0	0.0	3,607.2	3,607.2	0.0	0.0	3,873.5	3,873.5

Aviation
Summary of RDU Budget Changes by Component
From FY2010 Management Plan to FY2011 Governor

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2010 Management Plan	0.0	0.0	3,607.2	3,607.2
Adjustments which will continue current level of service:				
-Statewide Aviation	0.0	0.0	2.1	2.1
-International Airport Systems	0.0	0.0	4.2	4.2
Proposed budget decreases:				
-International Airport Systems	0.0	0.0	-48.0	-48.0
Proposed budget increases:				
-Statewide Aviation	0.0	0.0	308.0	308.0
FY2011 Governor	0.0	0.0	3,873.5	3,873.5