

HOUSTON AIRPORT SYSTEM

Department Description and Mission

MISSION: We exist to connect the people, businesses, cultures and economies of the world to Houston.

VISION: Establish Houston Airport System as a 5-star global air service gateway, a source of pride for Houstonians and the actively preferred choice for connecting passengers.

STRATEGIC PRIORITIES:

- Make our passengers happy.
- Act responsibly to achieve social, environmental and economic stability.
- Build platforms for future success.
- Invest in our partnerships and our employees.

CORE VALUES (R.I.S.E.): Relationships, Innovation, Service and Excellence

Short Term Goals

FY2027

- Complete the Terminal B Transformation program at IAH.
- Complete the seven-gate expansion and baggage hall improvement project at HOU.
- Complete a number of passenger experience enhancements at both airports (e.g. restroom remodeling, new concessions buildouts, gate furniture replacement).
- Commence strategic airfield projects that will ensure the safety and efficiency of the three airfields we manage.
- Ensure the safety and well-being of our co-workers, passengers, partners and contractors, while we expand and renew our terminals and facilities.
- Take appropriate measures to manage costs, while developing aeronautical and non-aeronautical revenues to maintain fiscal health for the Houston Airport System.
- Poise the Houston Airport System to continue providing world-class facilities and customer service as passenger traffic levels grow with the Houston economy.
- Utilize grant opportunities provided to the Houston Airport System to manage debt, reduce capital outlay and maximize progress toward achievement of HAS Strategic and Capital Improvement Plan goals.

Long Term Goals

- Improve facilities and expand services to enhance the passenger experience with the end goal of achieving and maintaining Skytrax ratings of 5 stars at both IAH (4 star) and HOU (5 star).
- Commence a Domestic Terminal Program at IAH to provide additional passenger, concessions and airline capacity to meet the forecast growth in the Houston Region.
- Commence an expansion program for the air cargo facilities at IAH.
- Continue developing the Houston Spaceport to capture the tremendous growth projected for the space industry.
- Maintain debt service coverage ratio of at least 1.5x while implementing significant capital improvements to our Domestic and International facilities at IAH and HOU.
- Maintain airline cost per enplaned passenger (CPE) within levels that will keep IAH and HOU competitive with our peer airports.
- Invest approximately 2% of the gross book value of HAS capital assets annually into capital renewal.

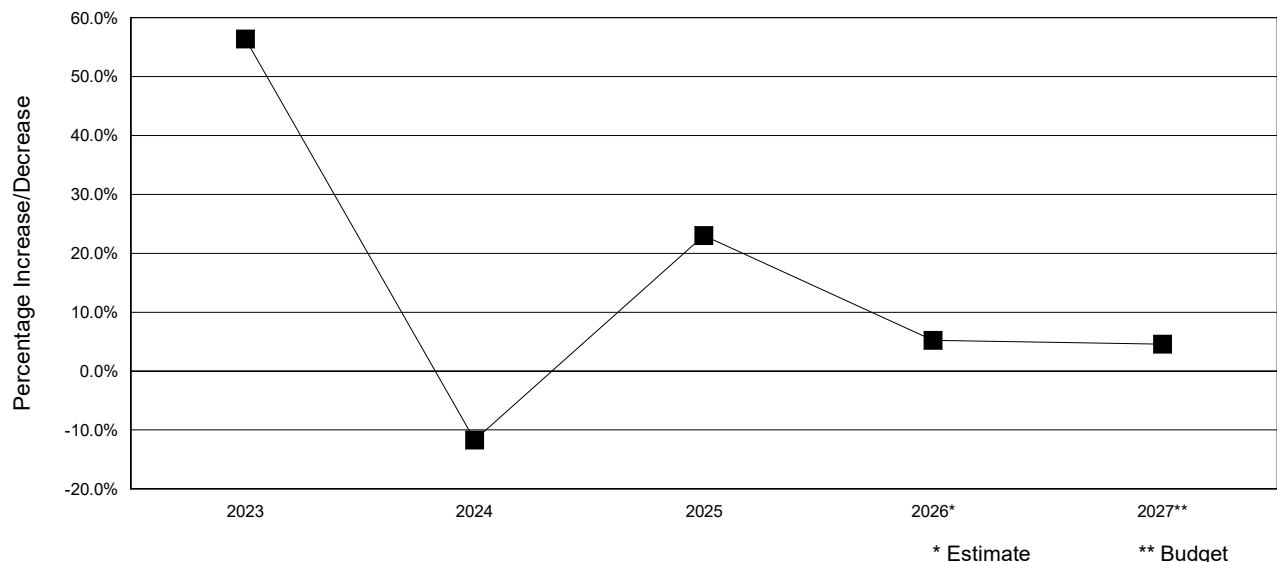
FISCAL YEAR 2027 BUDGET

Business Area Budget Summary

Fund Name : HAS-Revenue Fund
Business Area : Houston Airport System
Fund No. /Bus. Area No. : 8001 / 2800

		FY2025 Actual	FY2026 Current Budget	FY2026 Estimate	FY2027 Budget
Expenditures	Personnel Services	150,913,856	150,187,493	151,244,824	168,176,932
	Supplies	10,821,018	10,329,498	9,878,509	10,305,300
	Other Services and Charges	220,191,527	321,961,704	309,967,425	328,820,415
	Non-Capital Equipment	1,935,946	3,720,261	2,484,470	3,123,901
	Total M & O Expenditures	383,862,347	486,198,956	473,575,228	510,426,548
	Debt Service & Other Uses	323,625,421	258,241,764	270,865,492	267,971,320
	Total Expenditure	707,487,768	744,440,720	744,440,720	778,397,868
Revenues		680,959,707	744,440,720	744,440,720	778,397,868
Staffing	Full-Time Equivalents - Civilian	1,319.2	1,369.4	1,371.7	1,383.2
	Full-Time Equivalents - Classified	0.0	0.0	0.0	0.0
	Full-Time Equivalents - Cadets	0.0	0.0	0.0	0.0
	Total	1,319.2	1,369.4	1,371.7	1,383.2
	Full-Time Equivalents - Overtime	68.6	38.1	43.8	43.2
Significant Budget Changes and Highlights	o The FY2027 Budget provides funding for health benefits, pension contributions, and municipal employees contractual pay increases. o The FY2027 Budget provides funding to secure our airport system, to provide world class customer service, grow our non-airline revenues, and plan for the modernization and expansion of our facilities. o The FY2027 Budget includes funding for the debt service of \$166 million. The debt service expense is also anticipated to be funded from Passenger Facility Charges (PFCs). o Funding for Planning studies will be funded in Fund (8001) since they are O&M in nature.				

**HAS-Revenue Fund
Houston Airport System
Year over Year Expenditure Change**



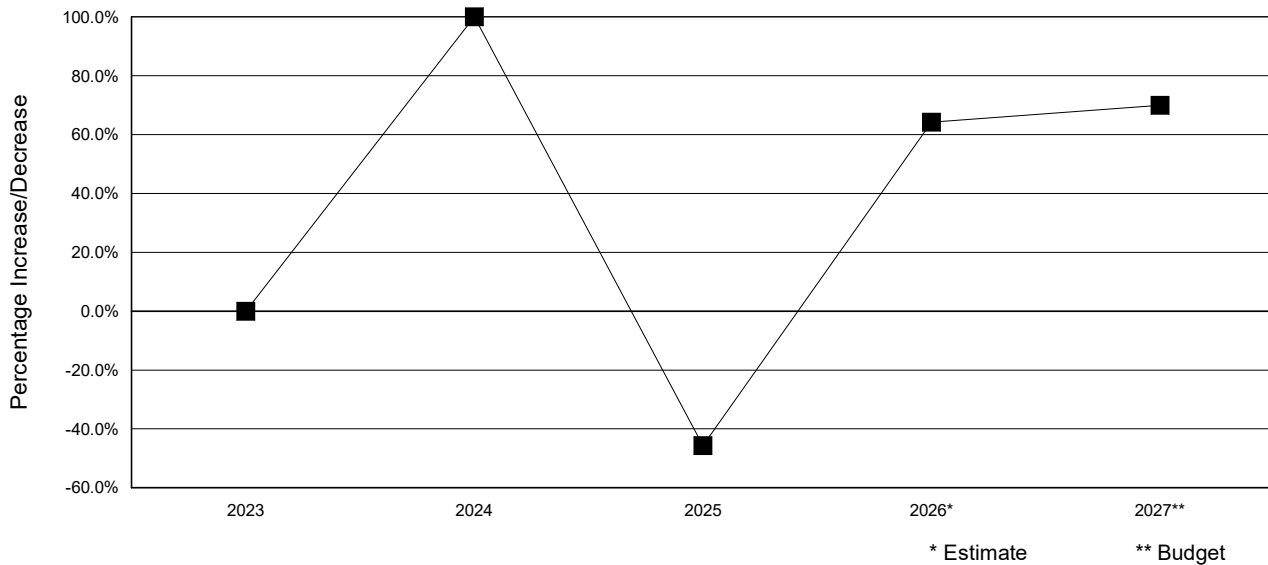
FISCAL YEAR 2027 BUDGET

Business Area Budget Summary

Fund Name : HAS-AIF Capital Outlay
Business Area : Houston Airport System
Fund No. /Bus. Area No. : 8012 / 2800

		FY2025 Actual	FY2026 Current Budget	FY2026 Estimate	FY2027 Budget
Expenditures	Equipment	8,111,792	20,282,100	13,320,905	22,638,423
	Total M & O Expenditures	8,111,792	20,282,100	13,320,905	22,638,423
	Debt Service & Other Uses	0	0	0	0
	Total Expenditure	8,111,792	20,282,100	13,320,905	22,638,423
Revenues		70,984	20,282,100	13,320,905	22,638,423
Staffing	Full-Time Equivalents - Civilian	0.0	0.0	0.0	0.0
	Full-Time Equivalents - Classified	0.0	0.0	0.0	0.0
	Full-Time Equivalents - Cadets	0.0	0.0	0.0	0.0
	Total	0.0	0.0	0.0	0.0
	Full-Time Equivalents - Overtime	0.0	0.0	0.0	0.0
Significant Budget Changes and Highlights	- o The FY2027 Budget for Fund 8012 includes \$22.6 million for rolling stock, Aircraft Rescue and Fire Fighting (ARFF) training equipment, and technology. - o The FY2027 Budget includes a \$17.3 million funding for new and carryover rolling stock requests, including \$9.2 million for Houston Airport System, and \$8.1 million funding for AFRR vehicles and training equipment. - o The FY2027 Budget includes \$4.5 million funding for end-of-life items for technology which includes switches, routers, and servers and technology for new initiatives, and \$0.2 million for capital custodial equipment.				

**HAS-AIF Capital Outlay
Houston Airport System
Year over Year Expenditure Change**



FISCAL YEAR 2027 BUDGET

Business Area Revenues Summary

Business Area : Houston Airport System**Business Area No. : 2800**

Category	FY2025 Actual	FY2026 Current Budget	FY2026 Estimate	FY2027 Budget
Charges for Services	633,802,960	685,072,097	685,301,892	745,830,688
Direct Interfund Services	543,454	0	10,329	0
Interest	41,827,643	36,223,692	36,223,692	30,000,000
Licenses and Permits	3,460,933	1,500,000	1,651,188	1,500,000
Miscellaneous/Other	1,022,246	1,471,581	1,080,221	1,067,180
Other Fines and Forfeits	0	0	48	0
Other Resources	373,455	40,455,450	33,494,255	22,638,423
Grand Total	681,030,691	764,722,820	757,761,625	801,036,291

FISCAL YEAR 2027 BUDGET

Business Area Program Summary

Business Area: Houston Airport System

Bus. Area No : 2800

Budget By Program (\$ in thousands):

Program	FY2025 Actual		FY2026 Estimate		FY2027 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
Administrative Services	47,144	78,309	72,170	88,490	54,822	102,409
Commercial Development	142,377	13,438	144,380	56,954	152,568	63,135
Finance	0	0	0	3,271	0	3,490
Infrastructure	192	111,810	227	126,534	150	138,969
Maintenance	26	4	0	0	0	0
Marketing, Air Service Development & Communications	0	3,898	0	4,341	0	5,294
Operations Management	5	116,302	2	139,454	0	145,741
Terminal Management	491,288	69,723	540,982	69,065	593,497	75,348
Debt Service and Interfund Transfers	0	322,117	0	269,653	0	266,651
Total	681,032	715,601	757,761	757,762	801,037	801,037

FTEs by Program:

Program	FY2025 Actual		FY2026 Estimate		FY2027 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
Administrative Services	206.0	1.1	196.6	0.7	203.3	0.7
Commercial Development	32.3	0.1	35.6	0.1	36.1	0.1
Finance	0.0	0.0	22.0	0.0	22.9	0.0
Infrastructure	344.2	14.4	351.2	11.5	354.0	9.8
Maintenance	0.0	0.0	0.0	0.0	0.0	0.0
Marketing, Air Service Development & Communications	20.3	0.0	22.0	0.0	22.0	0.0
Operations Management	316.8	23.1	354.3	16.9	361.1	18.7
Terminal Management	399.6	29.9	390.0	14.6	383.8	13.9
Debt Service and Interfund Transfers	0.0	0.0	0.0	0.0	0.0	0.0
Total:	1,319.2	68.6	1,371.7	43.8	1,383.2	43.2

Total may reflect slight variances due to rounding.

FISCAL YEAR 2027 BUDGET

Business Area Program Detail

Business Area : Houston Airport System

Bus Area No. : 2800

Administrative Services

Description:

Administrative Services consists of the Director's Office, External Affairs, Finance, HCM, and Technology. These divisions support the entire Houston Airport System.

Goal:

Assist the divisions with meeting their goals and initiatives.

Mayor's Priority: Government that Works

(\$ in thousands)

Fund	FY2025 Actual		FY2026 Estimate		FY2027 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
HAS-AIF Capital Outlay	4	1,273	13,321	1,954	22,638	4,920
HAS-Revenue Fund	47,140	77,036	58,849	86,536	32,184	97,489
Total	47,144	78,309	72,170	88,490	54,822	102,409

Staffing:

Fund	FY2025 Actual		FY2026 Estimate		FY2027 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
HAS-AIF Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0
HAS-Revenue Fund	206.0	1.1	196.6	0.7	203.3	0.7
Total	206.0	1.1	196.6	0.7	203.3	0.7

Performance Measure:

Performance	FY2025 Actual	FY2026 Target	FY2026 Estimate	FY2027 Target
Days of cash on hand	> 450 Days	> 450 Days	> 450 Days	> 450 Days
Employee trainings focused on passengers	13	N/A	N/A	N/A
Revenue per passenger	N/A	>20	10.16	>=10.21
Expenditures Adopted Budget vs Actual Utilization	100%	98%	100%	98%
Revenues Adopted Budget vs Actual Utilization	95%	100%	100%	100%

FISCAL YEAR 2027 BUDGET

Business Area Program Detail

Business Area : Houston Airport System

Bus Area No. : 2800

Commercial Development

Description:

Commercial Development Group's primary function is to find ways for HAS to improve/grow non-airline revenue. Non-airline revenue consists of parking, terminal concessions, auto rental concessions, and facility rentals. The largest non-airline revenue for HAS is parking. HAS has 2 ecopark lots at IAH and one at HOU. There are currently four-garages at IAH and one at HOU.

Goal:

Grow non-airline revenues.

Mayor's Priority: Government that Works

(\$ in thousands)

Fund	FY2025 Actual		FY2026 Estimate		FY2027 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
HAS-Revenue Fund	142,377	13,438	144,380	56,954	152,568	63,135

Staffing:

Fund	FY2025 Actual		FY2026 Estimate		FY2027 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
HAS-Revenue Fund	32.3	0.1	35.6	0.1	36.1	0.1

Performance Measure:

Performance	FY2025 Actual	FY2026 Target	FY2026 Estimate	FY2027 Target
HOU receipts per ecopark parking transaction	\$40.84	N/A	N/A	N/A
HOU receipts per garage parking transaction	\$45.07	N/A	N/A	N/A
IAH receipts per ecopark parking transaction	\$32.27	N/A	N/A	N/A
IAH receipts per garage parking transaction	\$43.13	N/A	N/A	N/A

FISCAL YEAR 2027 BUDGET

Business Area Program Detail

Business Area : Houston Airport System

Bus Area No. : 2800

Finance

Description:

The finance section works to maintain financial health, support strategic planning, and ensure long-term sustainability of airport operations.

Goal:

A key goal of the finance department in an airport is to ensure financial sustainability by effectively managing revenues, controlling costs, and optimizing investments.

Mayor's Priority: Public Safety

(\$ in thousands)

Fund	FY2025 Actual		FY2026 Estimate		FY2027 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
HAS-Revenue Fund	0	0	0	3,271	0	3,490

Staffing:

Fund	FY2025 Actual		FY2026 Estimate		FY2027 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
HAS-Revenue Fund	0.0	0.0	22.0	0.0	22.9	0.0

Performance Measure:

Performance	FY2025 Actual	FY2026 Target	FY2026 Estimate	FY2027 Target
Accounts Payable CIP Avg Days to Process	N/A	<=20	15.8	<=20
Accounts Payable O&M Avg Days to Process	N/A	<=20	14.1	<=20

FISCAL YEAR 2027 BUDGET

Business Area Program Detail

Business Area : Houston Airport System

Bus Area No. : 2800

Infrastructure

Description:

Plans, designs, constructs and maintains capital assets.

Goal:

Achieve opening day fresh for our facilities by achieving maintenance and construction goals in addition to building a platform for future success.

Mayor's Priority: Infrastructure

(\$ in thousands)

Fund	FY2025 Actual		FY2026 Estimate		FY2027 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
HAS-AIF Capital Outlay	39	5,516	0	4,447	0	6,233
HAS-Revenue Fund	153	106,294	227	122,087	150	132,736
Total	192	111,810	227	126,534	150	138,969

Staffing:

Fund	FY2025 Actual		FY2026 Estimate		FY2027 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
HAS-AIF Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0
HAS-Revenue Fund	344.2	14.4	351.2	11.5	354.0	9.8
Total	344.2	14.4	351.2	11.5	354.0	9.8

Performance Measure:

Performance	FY2025 Actual	FY2026 Target	FY2026 Estimate	FY2027 Target
CIP budget vs actual utilization	100%	N/A	N/A	N/A
CIP projects completed	100%	N/A	N/A	N/A

FISCAL YEAR 2027 BUDGET

Business Area Program Detail

Business Area : Houston Airport System

Bus Area No. : 2800

Maintenance

Description:

Ensuring that the airport's physical infrastructure and facilities are in optimal working condition. Additionally, they aim to endure efficient, and continuous operation of airport infrastructure by performing preventive maintenance, complying with safety regulations, minimizing downtime, and optimizing resources.

Goal:

Extend asset lifespans, enhance the passenger experience, and support sustainable practices while quickly addressing any emergencies or system failures.

Mayor's Priority: Public Safety

(\$ in thousands)

Fund	FY2025 Actual		FY2026 Estimate		FY2027 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
HAS-AIF Capital Outlay	26	0	0	0	0	0
HAS-Revenue Fund	0	4	0	0	0	0
Total	26	4	0	0	0	0

Staffing:

Fund	FY2025 Actual		FY2026 Estimate		FY2027 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
HAS-AIF Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0
HAS-Revenue Fund	0.0	0.0	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.0	0.0	0.0

Performance Measure:

Performance	FY2025 Actual	FY2026 Target	FY2026 Estimate	FY2027 Target
% of Corrective maintenance complete on schedule	N/A	>=95%	87%	>=90%
% of Scheduled maintenance complete on time	N/A	>=95%	82%	>=90%
Skyway Uptime	N/A	>=99.5%	99.6%	>=99.5%
Subway Uptime	N/A	>=99.5%	99.7%	>=99.5%

FISCAL YEAR 2027 BUDGET

Business Area Program Detail

Business Area : Houston Airport System

Bus Area No. : 2800

Marketing, Air Service Development & Communications

Description:

Targeting and understanding the passenger's needs.

Goal:

Expand air service to Houston while seeking to gain a better understanding of our passengers and their needs/wants.

Mayor's Priority: Infrastructure

(\$ in thousands)

Fund	FY2025 Actual		FY2026 Estimate		FY2027 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
HAS-Revenue Fund	0	3,898	0	4,341	0	5,294

Staffing:

Fund	FY2025 Actual		FY2026 Estimate		FY2027 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
HAS-Revenue Fund	20.3	0.0	22.0	0.0	22.0	0.0

Performance Measure:

Performance	FY2025 Actual	FY2026 Target	FY2026 Estimate	FY2027 Target
ASQ Score-Overall-HOU (Quarterly Report)	N/A	4.35	4.2	4.2
ASQ Score-Overall-IAH (Quarterly Report)	N/A	4.35	3.9	4
Number of air carriers	28	N/A	N/A	N/A
Number of destinations	189	190	209	195
Number of domestic enplanements	24.8M	31.2M	26M	25.1M
Number of International enplanements	7.4M	6.4M	6.9M	7.3M

FISCAL YEAR 2027 BUDGET

Business Area Program Detail

Business Area : Houston Airport System

Bus Area No. : 2800

Operations Management

Description:

Comprised of airside, landside, and security groups at IAH, HOU and EFD. Operations ensures that the airfield, taxiways, and traffic is safe for passengers and the public.

Goal:

Provide a safe, secure, and efficient environment at all three airports.

Mayor's Priority: Infrastructure

(\$ in thousands)

Fund	FY2025 Actual		FY2026 Estimate		FY2027 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
HAS-AIF Capital Outlay	0	1,039	0	6,439	0	9,820
HAS-Revenue Fund	5	115,263	2	133,015	0	135,921
Total	5	116,302	2	139,454	0	145,741

Staffing:

Fund	FY2025 Actual		FY2026 Estimate		FY2027 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
HAS-AIF Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0
HAS-Revenue Fund	316.8	23.1	354.3	16.9	361.1	18.7
Total	316.8	23.1	354.3	16.9	361.1	18.7

Performance Measure:

Performance	FY2025 Actual	FY2026 Target	FY2026 Estimate	FY2027 Target
HOU - Overall Monthly Roadway Travel Congestion	N/A	<=0.5%	0.3%	<=1.5%
IAH -Overall Monthly Roadway Travel Congestion	N/A	<=0.5%	0.7%	<=1.5%
Number of Federal Airport Regulation 139 discrepancies at HOU	0	N/A	N/A	N/A
Number of Federal Airport Regulation 139 discrepancies at EFD	0	N/A	N/A	N/A
Number of Federal Airport Regulation 139 discrepancies at IAH	0	N/A	N/A	N/A

FISCAL YEAR 2027 BUDGET

Business Area Program Detail

Business Area : Houston Airport System

Bus Area No. : 2800

Terminal Management

Description:

Oversight of the customer service and custodial aspects at both IAH and HOU.

Goal:

Ensure safety, efficiency, and a seamless passenger experience through effective coordination and resource optimization.

Mayor's Priority: Infrastructure

(\$ in thousands)

Fund	FY2025 Actual		FY2026 Estimate		FY2027 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
HAS-AIF Capital Outlay	3	285	0	481	0	1,666
HAS-Revenue Fund	491,285	69,438	540,982	68,584	593,497	73,682
Total	491,288	69,723	540,982	69,065	593,497	75,348

Staffing:

Fund	FY2025 Actual		FY2026 Estimate		FY2027 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
HAS-AIF Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0
HAS-Revenue Fund	399.6	29.9	390.0	14.6	383.8	13.9
Total	399.6	29.9	390.0	14.6	383.8	13.9

Performance Measure:

Performance	FY2025 Actual	FY2026 Target	FY2026 Estimate	FY2027 Target
Achieve IAH Skytrax Rating of 5 stars	5	>=4.35%	N/A	4.3
Maintain Skytrax rating of 5 stars at HOU	5	>=4.35%	N/A	5
Restroom Feedback Ratio-HOU	N/A	>=94%	95.6%	>=94%
Restroom Feedback Ratio-IAH	N/A	>=87%	93.2%	>=90%
Restroom Feedback Ratio-IAH FIS	N/A	>=82%	95.4%	>=93%
Restroom Feedback Ratio-IAH Terminal A	N/A	>=93%	87.0%	>=86%
Restroom Feedback Ratio-IAH Terminal D	N/A	>=93%	96.4%	>=93%

FISCAL YEAR 2027 BUDGET

Business Area Program Detail

Business Area : Houston Airport System**Bus Area No.** : 2800

Debt Service and Interfund Transfers**Description:**

Budget allocations included in this section reflect debt service payments and/or interfund transfers.

Goal:

To effectively manage debt service payments and interfund transfers.

Mayor's Priority: Government that Works

(\$ in thousands)

Fund	FY2025 Actual		FY2026 Estimate		FY2027 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
HAS-Revenue Fund	0	322,117	0	269,653	0	266,651