AVIATION FUND

Department Description and Mission

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

VISION: To establish the Houston Airport System as a premier 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

FY2026

- Complete the ITRP Program to allow for more international passenger growth and relieve roadway traffic issues.
- Successfully host visitors from across the globe for the 2026 FIFA World Cup.
- Complete the domestic expansion of Terminal B at IAH and the West Concourse at HOU.
- 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

- Provide the infrastructure necessary to allow IAH to advance from large hub to mega-hub status
- 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 (5star).
- Complete a Domestic Terminal Program at IAH to provide additional passenger, concessions and airline capacity.
- 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.

Business Area Budget Summary

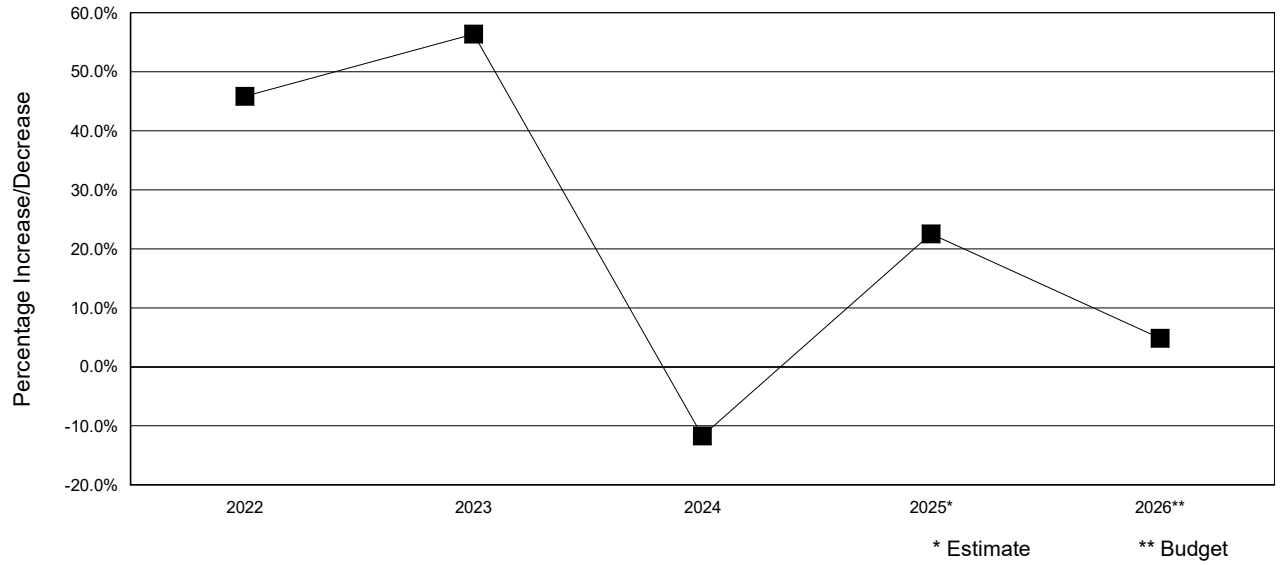
Fund Name : HAS-Revenue Fund
Business Area : Houston Airport System
Fund No. /Bus. Area No. : 8001 / 2800

		FY2024 Actual	FY2025 Current Budget	FY2025 Estimate	FY2026 Budget
Expenditures	Personnel Services	142,571,245	152,800,076	152,800,076	**149,788,871**
	Supplies	9,278,624	10,001,223	10,001,223	**9,964,964**
	Other Services and Charges	203,440,888	222,975,429	222,975,429	**312,427,216**
	Non-Capital Equipment	2,033,165	3,070,527	3,070,527	**3,497,561**
	Total M & O Expenditures	357,323,922	388,847,255	388,847,255	**475,678,612**
	Debt Service & Other Uses	217,796,527	315,811,291	315,811,291	**263,024,674**
	Total Expenditure	575,120,449	704,658,546	704,658,546	**738,703,286**
Revenues		634,640,627	704,658,546	704,658,546	**738,703,286**
Staffing	Full-Time Equivalents - Civilian	1,244.6	1,414.2	1,414.2	**1,361.3**
	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	1,244.6	1,414.2	1,414.2	**1,361.3**
	Full-Time Equivalents - Overtime	74.9	62.6	62.6	**38.1**

Significant Budget Changes and Highlights

- The FY2026 Budget provides funding for health benefits, pension contributions, and municipal employees contractual pay increases.
- The FY2026 Budget reflects elimination of Voluntary Municipal Employee Retirement Payout Option (VMERPO) accepted non-critical positions.
- The FY2026 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.
- The FY2026 Budget includes funding for the debt service of $185 million. The debt service expense is also anticipated to be funded from Passenger Facility Charges (PFCs).
- Funding for Parking Service and SkyWay contracts will be funded in Fund (8001) instead of Airport Improvement Fund (8011).

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



Business Area Budget Summary

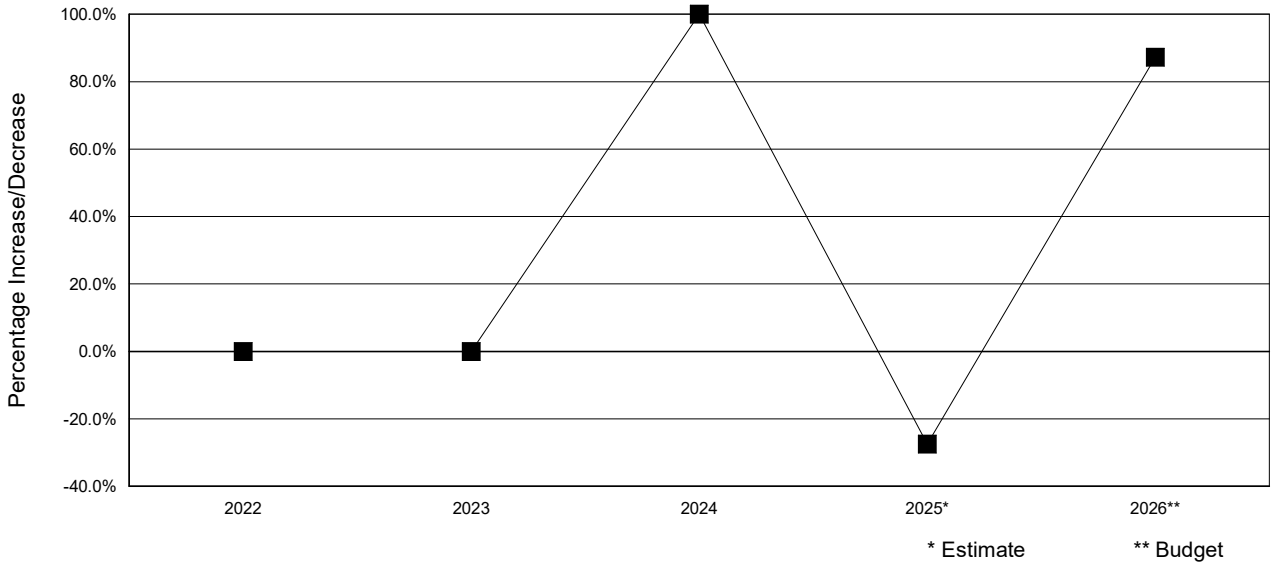
Fund Name : HAS-AIF Capital Outlay
Business Area : Houston Airport System
Fund No. /Bus. Area No. : 8012 / 2800

		FY2024 Actual	FY2025 Current Budget	FY2025 Estimate	FY2026 Budget
Expenditures	Other Services and Charges	3,072,174	0	0	**0**
	Equipment	11,870,598	20,955,786	10,831,795	**20,282,100**
	Total M & O Expenditures	14,942,772	20,955,786	10,831,795	**20,282,100**
	Debt Service & Other Uses	0	0	0	**0**
	Total Expenditure	14,942,772	20,955,786	10,831,795	**20,282,100**
Revenues		16,241,251	20,955,786	10,831,795	**20,282,100**
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 FY2026 Budget for Fund 8012 includes $20.3 million for rolling stock, Aircraft Rescue and Fire Fighting (ARFF) training equipment, and technology.
- o The FY2026 Budget includes a $17.0 million funding for new and carryover rolling stock requests, including $8.3 million for Houston Airport System, $7.9 million funding for AFRR vehicles and training equipment, and $0.9 million for vehicles for Houston Police Department.
- o The FY2026 Budget includes $2.9 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



Business Area Revenues Summary

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

Category	FY2024 Actual	FY2025 Current Budget	FY2025 Estimate	FY2026 Budget
Charges for Services	593,322,982	668,873,085	668,873,085	**711,832,705**
Interest	38,789,164	32,467,490	32,467,490	**24,000,000**
Licenses and Permits	1,199,526	2,452,377	2,452,377	**1,500,000**
Miscellaneous/Other	1,465,239	865,594	865,594	**1,370,581**
Other Resources	16,104,967	20,955,786	10,831,795	**20,282,100**
Grand Total	**650,881,878**	**725,614,332**	**715,490,341**	**758,985,386**

Business Area Program Summary

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

Budget By Program ($ in thousands):

Program	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
Administrative Services	57,308	74,973	46,646	87,761	46,611	90,259
Commercial Development	129,185	10,979	137,825	12,467	144,821	59,353
Finance	0	0	0	0	0	3,351
Infrastructure	168	106,383	109	111,215	90	130,750
Marketing, Air Service Development & Communications	0	3,428	0	3,805	0	4,796
Operations Management	23	105,226	0	113,627	0	130,663
Terminal Management	464,198	71,277	530,910	70,804	567,463	76,788
Debt Service and Interfund Transfers	0	217,797	0	315,811	0	263,025
Total	**650,882**	**590,063**	**715,490**	**715,490**	**758,985**	**758,985**

FTEs by Program:

Program	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
Administrative Services	210.6	0.9	212.7	1.6	192.9	0.7
Commercial Development	29.8	0.1	37.0	0.2	34.4	0.1
Finance	0.0	0.0	0.0	0.0	22.1	0.0
Infrastructure	323.3	16.5	369.0	14.1	343.9	10.4
Marketing, Air Service Development & Communications	16.9	0.0	22.5	0.0	19.5	0.0
Operations Management	282.7	24.2	341.0	18.6	328.5	12.4
Terminal Management	381.3	33.2	432.0	28.1	420.0	14.5
Debt Service and Interfund Transfers	0.0	0.0	0.0	0.0	0.0	0.0
Total:	**1,244.6**	**74.9**	**1,414.2**	**62.6**	**1,361.3**	**38.1**

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	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	Revs	Exp	Revs	Exps	Revs	Exps
HAS-AIF Capital Outlay	16,105	1,413	10,832	2,721	20,282	3,210
HAS-Revenue Fund	41,203	73,560	35,814	85,040	26,329	87,049
Total	**57,308**	**74,973**	**46,646**	**87,761**	**46,611**	**90,259**

Staffing:

Fund	FY2024 Actual		FY2025 Estimate		FY2026 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	210.6	0.9	212.7	1.6	192.9	0.7
Total	**210.6**	**0.9**	**212.7**	**1.6**	**192.9**	**0.7**

Performance Measure:

Performance	FY2024 Actual	FY2025 Target	FY2025 Estimate	FY2026 Target
Days of cash on hand	>450 Days	> 450 Days	> 450 Days	> 450 Days
Employee trainings focused on passengers	13	13	13	N/A
Revenue per passenger	N/A	N/A	N/A	>20
Expenditures Adopted Budget vs Actual Utilization	94%	98%	100%	98%
Revenues Adopted Budget vs Actual Utilization	104%	100%	100%	100%

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	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	Revs	Exp	Revs	Exps	Revs	Exps
HAS-Revenue Fund	129,185	10,979	137,825	12,467	144,821	59,353

Staffing:

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
HAS-Revenue Fund	29.8	0.1	37.0	0.2	34.4	0.1

Performance Measure:

Performance	FY2024 Actual	FY2025 Target	FY2025 Estimate	FY2026 Target
HOU receipts per ecopark parking transaction	$40.84	$40.84	$40.84	N/A
HOU receipts per garage parking transaction	$45.07	$45.07	$45.07	N/A
IAH receipts per ecopark parking transaction	$32.27	$32.27	$32.27	N/A
IAH receipts per garage parking transaction	$43.13	$43.13	$43.13	N/A

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	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	Revs	Exp	Revs	Exps	Revs	Exps
HAS-Revenue Fund	0	0	0	0	0	3,351

Staffing:

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
HAS-Revenue Fund	0.0	0.0	0.0	0.0	22.1	0.0

Performance Measure:

Performance	FY2024 Actual	FY2025 Target	FY2025 Estimate	FY2026 Target
Accounts Payable CIP Avg Days to Process	N/A	N/A	N/A	<=20
Accounts Payable O&M Avg Days to Process	N/A	N/A	N/A	<=20

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	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	Revs	Exp	Revs	Exps	Revs	Exps
HAS-AIF Capital Outlay	113	4,284	0	5,801	0	6,883
HAS-Revenue Fund	55	102,099	109	105,414	90	123,867
Total	**168**	**106,383**	**109**	**111,215**	**90**	**130,750**

Staffing:

Fund	FY2024 Actual		FY2025 Estimate		FY2026 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	323.3	16.5	369.0	14.1	343.9	10.4
Total	**323.3**	**16.5**	**369.0**	**14.1**	**343.9**	**10.4**

Performance Measure:

Performance	FY2024 Actual	FY2025 Target	FY2025 Estimate	FY2026 Target
CIP budget vs actual utilization	100%	100%	100%	N/A
CIP projects completed	100%	100%	100%	N/A

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	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	Revs	Exp	Revs	Exps	Revs	Exps
HAS-Revenue Fund	0	3,428	0	3,805	0	4,796

Staffing:

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
HAS-Revenue Fund	16.9	0.0	22.5	0.0	19.5	0.0

Performance Measure:

Performance	FY2024 Actual	FY2025 Target	FY2025 Estimate	FY2026 Target
ASQ Score-Overall-HOU (Quarterly Report)	N/A	N/A	N/A	4.35
ASQ Score-Overall-IAH (Quarterly Report)	N/A	N/A	N/A	4.35
Number of air carriers	28	28	28	N/A
Number of destinations	189	189	189	190
Number of domestic enplanements	24.0M	23.8M	23.8M	31.2M
Number of International enplanements	5.8M	5.8M	5.8M	6.4M

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	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
HAS-AIF Capital Outlay	23	5,447	0	1,981	0	9,660
HAS-Revenue Fund	0	99,779	0	111,646	0	121,003
Total	**23**	**105,226**	**0**	**113,627**	**0**	**130,663**

Staffing:

Fund	FY2024 Actual		FY2025 Estimate		FY2026 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	282.7	24.2	341.0	18.6	328.5	12.4
Total	**282.7**	**24.2**	**341.0**	**18.6**	**328.5**	**12.4**

Performance Measure:

Performance	FY2024 Actual	FY2025 Target	FY2025 Estimate	FY2026 Target
HOU - Overall Monthly Roadway Travel Congestion	N/A	N/A	N/A	<=0.5%
IAH -Overall Monthly Roadway Travel Congestion	N/A	N/A	N/A	<=0.5%
Number of Federal Airport Regulation 139 discrepancies at HOU	0	0	0	N/A
Number of Federal Airport Regulation 139 discrepancies at EFD	0	0	0	N/A
Number of Federal Airport Regulation 139 discrepancies at IAH	0	0	0	N/A

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	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	Revs	Exp	Revs	Exps	Revs	Exps
HAS-AIF Capital Outlay	0	3,799	0	329	0	529
HAS-Revenue Fund	464,198	67,478	530,910	70,475	567,463	76,259
Total	**464,198**	**71,277**	**530,910**	**70,804**	**567,463**	**76,788**

Staffing:

Fund	FY2024 Actual		FY2025 Estimate		FY2026 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	381.3	33.2	432.0	28.1	420.0	14.5
Total	**381.3**	**33.2**	**432.0**	**28.1**	**420.0**	**14.5**

Performance Measure:

Performance	FY2024 Actual	FY2025 Target	FY2025 Estimate	FY2026 Target
Achieve IAH Skytrax Rating of 5 stars	4	5	5	>=4.35%
Maintain Skytrax rating of 5 stars at HOU	5	5	5	>=4.35%
Restroom Feedback Ratio-HOU	N/A	N/A	N/A	>=94%
Restroom Feedback Ratio-IAH	N/A	N/A	N/A	>=87%
Restroom Feedback Ratio-IAH FIS	N/A	N/A	N/A	>=82%
Restroom Feedback Ratio-IAH Terminal A	N/A	N/A	N/A	>=93%
Restroom Feedback Ratio-IAH Terminal D	N/A	N/A	N/A	>=93%

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	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	Revs	Exp	Revs	Exps	Revs	Exps
HAS-Revenue Fund	0	217,797	0	315,811	0	263,025