

State of Alaska
FY2004 Governor's Operating Budget

Department of Natural Resources
DNR State Facilities Rent
Component Budget Summary

Component: DNR State Facilities Rent

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Component Mission

To fund necessary maintenance, and help prevent future deferred maintenance problems in the eight buildings in the new state facilities rent pool.

Component Services Provided

Payment of the State Facilities Rent to the Department of Administration for our offices in the Atwood Building in Anchorage. DNR occupied this facility in FY00.

Component Goals and Strategies

Improve the condition of state buildings and help prevent future deferred maintenance problems by implementing of a state facilities rent structure.

Key Component Issues for FY2003 – 2004

During years of budget constraints, state buildings have not been adequately maintained, resulting in a serious and expensive deferred maintenance backlog. By implementing a rent structure, the state will be able to recover an estimated \$1.5 million (statewide) in federal and other non-general funds for space occupied in state buildings. General funds now spent on building maintenance and operations by the Department of Transportation and Public Facilities (DOT/PF) for seven state buildings and by the Department of Administration (DOA) for the Atwood Building in Anchorage were transferred from DOT/PF and DOA to the agencies occupying the buildings in the facilities rent pool. The agencies started to pay rent in FY00, using these transferred general funds to pay for space occupied by general fund programs and collecting rent from non-general fund sources as appropriate.

In the spirit of the original intent the Recorder's Office started to pay for its use of the space from its Receipts Supported Services in FY03.

The key issue for DNR in the Facility Rent budget is the fact that each year the cost increases and there is no corresponding budget increase. In FY03 we were able to handle the increase with the additional funding from the Recorder's Office. An example of the impact is:

DNR occupies 101,049 sq.ft. in FY03 which will cost us \$1,117/sq.ft. or a total of \$1,347,931. In FY04 the same square footage will cost us \$1,1609/sq.ft or \$1,407,469, a \$59,538 increase!

Major Component Accomplishments in 2002

Not applicable.

Statutory and Regulatory Authority

Not applicable.

DNR State Facilities Rent
Component Financial Summary

All dollars in thousands

	FY2002 Actuals	FY2003 Authorized	FY2004 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Contractual	1,312.1	1,373.4	1,407.5
74000 Supplies	0.0	0.0	0.0
75000 Equipment	0.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,312.1	1,373.4	1,407.5
Funding Sources:			
1004 General Fund Receipts	1,268.6	1,268.6	1,268.6
1007 Inter-Agency Receipts	43.5	104.8	138.9
Funding Totals	1,312.1	1,373.4	1,407.5

**DNR State Facilities Rent
Proposed Changes in Levels of Service for FY2004**

There are no changes in level of service for this component.

**Summary of Component Budget Changes
From FY2003 Authorized to FY2004 Governor**

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2003 Authorized	1,268.6	0.0	104.8	1,373.4
Proposed budget increases:				
-Atwood Facility Cost Increases	0.0	0.0	34.1	34.1
FY2004 Governor	1,268.6	0.0	138.9	1,407.5