

**State of Alaska
FY2004 Governor's Operating Budget**

**Department of Revenue
Anchorage State Office Building
BRU/Component Budget Summary**

BRU/Component: Anchorage State Office Building

(There is only one component in this BRU. To reduce duplicate information, we did not print a separate BRU section.)

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Component Mission

The mission of the Alaska Housing Finance Corporation is to provide funds to manage and operate the Anchorage State Office Building.

Component Services Provided

This component is established under AHFC to utilize a portion of the income and revenues from the building towards the annual operational costs of the Anchorage State Office Building. Funds approved will be transferred (RSA'd) to the Department of Administration as part of their budget request for Division of General Services.

Component Goals and Strategies

CSSB 178 (FIN) am H (Ch51, SLA 1997) authorized the Alaska Housing Finance Corporation (AHFC) to purchase the Bank of America building in Anchorage for lease by state agencies. The purchase was made by AHFC on July 15, 1997, and a lease with the Division of General Services (DGS), Department of Administration was signed at the same time. Per the lease agreement, AHFC as the owner of the building is entitled to private tenant rents collected from existing leases in the building at the time of purchase. The DGS is to administer the building and oversee its day to day operations and maintenance.

Key Component Issues for FY2003 – 2004

During the years with non-state tenants, income from non-state tenants will be used to fund the cost of building operations. In later years all building operating costs will be borne by state tenants.

Major Component Accomplishments in 2002

Administered by the Department of Administration (DGS).

Statutory and Regulatory Authority

AS 18.55.100(d)
Ch.51,SLA1997

Anchorage State Office Building
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	1,506.1	1,228.1	990.4
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	1,506.1	1,228.1	990.4
Funding Sources:			
1103 Alaska Housing Finance Corporation Receipts	1,506.1	1,228.1	990.4
Funding Totals	1,506.1	1,228.1	990.4

Anchorage State Office Building

Proposed Changes in Levels of Service for FY2004

The Alaska Housing Finance Corporation (AHFC) is requesting a decrement in the FY04 budget. This request reduces the contractual corporate funding authority for the Anchorage State Office Building - Atwood Building.

The Department of Administration (DOA), as agreed in its lease with AHFC, allocates the operating expenses for the Anchorage State Office Building - Atwood Building. AHFC reimburses DOA for the portion of maintenance costs related to the private sector leases. As the private tenants' leases expire, state agencies take possession of the space. As more state agencies move into the building, more operating costs are allocated by DOA to the agencies, and less expenses are billed to AHFC for the reduced private lease space.

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	0.0	0.0	1,228.1	1,228.1
Proposed budget decreases:				
-Declining lease costs for private space in Atwood Building	0.0	0.0	-237.7	-237.7
FY2004 Governor	0.0	0.0	990.4	990.4