

State of Alaska FY2005 Governor's Operating Budget

Department of Natural Resources DNR Facilities Rent and Chargeback Component Budget Summary

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Component: DNR Facilities Rent and Chargeback

Contribution to Department's Mission

To account for funding of DNR facilities rent and chargebacks.

Core Services

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.

Payment of the Fairbanks Office Building Chargeback costs to Dept. of Transportation for maintenance of the facility. (\$103.6 GF transferred in FY05 from the Fairbanks Office Building Chargeback component.)

FY2005 Resources Allocated to Achieve Results		
FY2005 Component Budget: \$1,746,800	Personnel:	
	Full time	0
	Part time	0
	Total	0

Key Component Challenges

The key challenge for DNR in the Facilities Rent and Chargeback budget is the fact that each year the cost increases and there is no corresponding budget increase.

DNR's square footage cost in FY03 was \$1.1117/mo/sq.ft.
 In FY04 the square footage was budgeted at \$1.1609/mo/sq.ft., an increase of 4.4%.
 In FY05 the square footage will cost us \$1.2374/mo/sq.ft., an increase of 6.6% over FY04.

This is an 11% increase in the square footage cost between FY03 and FY05, with no budget increase to cover it.

Fairbanks Office Building Chargeback (\$103.6 GF):
 This funding is an RSA to DOT/PF to provide basic maintenance, utilities and janitorial services for the Fairbanks Office Building. Funding to provide these services has been decreased from \$144.9 in 1989 when DNR was transferred these funds, to it current level of \$103.6 (This has stayed at the same level since 1995). The fixed costs for the building, including utilities, is approximately \$80.0 annually. Since this amount continues to increase, the cost increases have been funded by reducing the maintenance staff position from full-time to 2.5 hours per day. This leaves no funds available for purchase of supplies and minor repairs and maintenance. As a result, much of the regular maintenance of the building has been scaled back to absolute minimum levels to keep the building operational. In addition, the last several years the Department of Transportation has covered necessary expenditures above the amount appropriated. The likelihood for this to continue will only decrease each year as the discretionary funds for building maintenance

decreases. As the building continues to age, the importance of keeping all systems functional and operating efficiently must be the primary goal of this appropriation.

Significant Changes in Results to be Delivered in FY2005

No changes in final results delivered.

Major Component Accomplishments in 2003

Not applicable.

Statutory and Regulatory Authority

Not applicable.

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**DNR Facilities Rent and Chargeback
Component Financial Summary**

All dollars shown in thousands

	FY2003 Actuals	FY2004 Authorized	FY2005 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	1,407.6	1,407.5	1,746.8
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	1,407.6	1,407.5	1,746.8
Funding Sources:			
1004 General Fund Receipts	1,260.9	1,268.6	1,401.2
1007 Inter-Agency Receipts	146.7	138.9	345.6
Funding Totals	1,407.6	1,407.5	1,746.8

Estimated Revenue Collections

Description	Master Revenue Account	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Interagency Receipts	51015	146.7	138.9	345.6
Restricted Total		146.7	138.9	345.6
Total Estimated Revenues		146.7	138.9	345.6

**Summary of Component Budget Changes
From FY2004 Authorized to FY2005 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2004 Authorized	1,268.6	0.0	138.9	1,407.5
Adjustments which will continue current level of service:				
-Transfer in funding from Fairbanks Office Building Chargeback component	103.6	0.0	0.0	103.6
-Transfer of AK Coastal Management Program's Lease Costs from Governor's Office	29.0	0.0	0.0	29.0
Proposed budget increases:				
-IA from DNR Divisions to make up Leasing Shortfall	0.0	0.0	206.7	206.7
FY2005 Governor	1,401.2	0.0	345.6	1,746.8