

State of Alaska FY2018 Governor's Operating Budget

Department of Administration Leases Component Budget Summary

Component: Leases

Contribution to Department's Mission

This component holds funding and interagency receipt authorization to pay State lease costs. Please refer to the Lease Administration component for a complete description of this program.

Core Services

- This component holds the funding to pay State lease costs. Please refer to the Lease Administration component for a complete description of this program.

Major Component Accomplishments in 2016

- The DGS Leasing & Facilities Section continues to relocate agencies into more efficient space and successfully negotiated .083 lease extensions at below market rates.
- Real Estate Management & Finance Software System – Continued the implementation process for this critical project.
- Lease Cost Savings – Worked cooperatively with lessors to reduce service contract costs in leased buildings.

Key Component Challenges

Space Efficiency - Continuing to work with all parties to identify a process acceptable by the Administration and Bargaining Unions that provides a best practice for utilizing state owned and leased space efficiently.

Lease Cost Savings – Provide options to Agencies for reduction of service contracts (i.e., janitorial) and negotiate reduced lease rates with Lessors. Identification of potential State agencies for relocation from private leases into state owned facilities that are more cost effective to further reduce lease costs for the state.

Continue the ongoing task of designing, planning, constructing and relocating agencies from private leases to the current and pending vacancies in state owned buildings.

Real Estate Management & Finance Software System – Division of General Services (DGS) staff continue to take the necessary steps to populate data in the new Yardi system and work with the Division of Finance to develop an interface with IRIS. The system replaces the existing outdated and unreliable Lease Management System/Lease Projection System and will allow DGS to provide more accurate and timely information to our agency customers.

Contract Management – Lease compliance to ensure renovation, insurance and all other pertinent clauses are enforced. As needed, staff will also meet with State occupants to ensure they are informed of all cure issues and concerns related to their specific lease.

Significant Changes in Results to be Delivered in FY2018

Private Leased Space - In order to achieve lease cost savings language is being developed in cooperation with the Department of Law to allow the state to "test" the market place before executing an .083 lease extension to ensure the new lease rate is the least expensive. Work with departments and their lessors to negotiate a reduction in square footage if agencies no longer require all the space currently under contract and/or identify other agencies that can backfill the available space.

Real Estate Management System – Effective July 1, 2017 implement the Yardi Real Estate Management System. The new system will provide a comprehensive set of management and accounting tools for the almost 6,000,000 square feet of owned and leased properties throughout Alaska under the care and custody of DGS. This system is also expandable to other agencies.

Statutory and Regulatory Authority

AS 36.30.080 State Procurement Code
AS 44.21.020 (1), (5) Duties of Department

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Component Detail All Funds
Department of Administration

Component: Leases (81)
RDU: Shared Services of Alaska (17)

Non-Formula Component

	FY2016 Actuals	FY2017 Conference Committee	FY2017 Authorized	FY2017 Management Plan	FY2018 Governor	FY2017 Management Plan vs FY2018 Governor	
71000 Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
72000 Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
73000 Services	48,774.9	48,738.2	48,738.2	48,738.2	45,844.2	-2,894.0	-5.9%
74000 Commodities	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	48,774.9	48,738.2	48,738.2	48,738.2	45,844.2	-2,894.0	-5.9%
Fund Sources:							
10071/A Rcpts (Other)	48,774.9	48,738.2	48,738.2	48,738.2	45,844.2	-2,894.0	-5.9%
Unrestricted General (UGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	48,774.9	48,738.2	48,738.2	48,738.2	45,844.2	-2,894.0	-5.9%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Positions:							
Permanent Full Time	0	0	0	0	0	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

Change Record Detail - Multiple Scenarios with Descriptions
Department of Administration

Component: Leases (81)
RDU: Shared Services of Alaska (17)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2017 Conference Committee To FY2017 Authorized *****												
FY2017 Conference Committee												
ConfCom		48,738.2	0.0	0.0	48,738.2	0.0	0.0	0.0	0.0	0	0	0
1007 I/A Rcpts		48,738.2										
Subtotal		48,738.2	0.0	0.0	48,738.2	0.0	0.0	0.0	0.0	0	0	0
***** Changes From FY2017 Management Plan To FY2018 Governor *****												
Reduce Interagency Receipt Authority as a Result of Reduced Lease Space												
Dec		-2,894.0	0.0	0.0	-2,894.0	0.0	0.0	0.0	0.0	0	0	0
1007 I/A Rcpts		-2,894.0										
Totals		45,844.2	0.0	0.0	45,844.2	0.0	0.0	0.0	0.0	0	0	0

Reduce interagency receipt authority as a result of the actions taken by the Division of General Services and all state agencies to reduce leased space and increase efficient utilization of space in leased buildings. Since FY2016, state agencies have reduced overall square footage by 184,206. Also, most janitorial services provided under lease agreements have been reduced from five days of service to three days of service per week.

Line Item Detail (1676)
Department of Administration
Services

Component: Leases (81)

Line Number	Line Name		FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
3000	Services		48,774.9	48,738.2	45,844.2
Object Class	Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
3000 Services Detail Totals			48,774.9	48,738.2	45,844.2
3009	Structure/Infrastructure/Land	Structure, infrastructure and land repairs, maintenance, rental, and leases	48,774.9	48,738.2	45,844.2

Revenue Detail (1681)
Department of Administration

Component: Leases (81)

Revenue Type (OMB Fund Code) Revenue Source	Component	Comment	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
5007 I/A Rcpts (1007 I/A Rcpts)			48,774.7	48,738.2	45,844.2
5301 Inter-Agency Receipts	Admin - AK Oil & Gas Conservation Comm (2010)	Statewide lease costs for agency	554.1	483.7	483.7
5301 Inter-Agency Receipts	Admin - Alaska Public Offices Comm (70)	Statewide lease costs for agency	16.5	14.4	14.4
5301 Inter-Agency Receipts	Admin - DOA Leases (2778)	Statewide lease costs for agency	880.6	768.8	768.8
5301 Inter-Agency Receipts	Admin - Enterprise Technology Services (2082)	Statewide lease costs for agency	318.1	277.7	277.7
5301 Inter-Agency Receipts	Admin - Facilities (2429)	Statewide lease costs for agency	334.7	292.2	292.2
5301 Inter-Agency Receipts	Admin - Finance (59)	Statewide lease costs for agency	224.6	196.1	196.1
5301 Inter-Agency Receipts	Admin - Lease Administration (2304)	Statewide lease costs for agency	-5.5	-3.9	0.0
5301 Inter-Agency Receipts	Admin - Motor Vehicles (2348)	Statewide lease costs for agency	737.7	644.0	644.0
5301 Inter-Agency Receipts	Admin - Office of Public Advocacy (43)	Statewide lease costs for agency	678.7	592.5	592.5
5301 Inter-Agency Receipts	Admin - Personnel (56)	Statewide lease costs for agency	415.8	363.0	363.0
5301 Inter-Agency Receipts	Admin - Public Defender Agency (1631)	Statewide lease costs for agency	651.4	568.7	568.7
5301 Inter-Agency Receipts	Admin - Retirement and Benefits (64)	Statewide lease costs for agency	202.1	176.4	176.4
5301 Inter-Agency Receipts	Admin - SATS (2958)	Statewide lease costs for agency	28.8	25.1	25.1
5301 Inter-Agency Receipts	Commerce - Department-wide	Statewide lease costs for agency	905.3	972.8	928.6
5301 Inter-Agency Receipts	Correct - Department-wide	Statewide lease costs for agency	1,372.8	1,379.3	1,462.3
5301 Inter-Agency Receipts	Courts - Department-wide	Statewide lease costs for agency	43.4	46.0	47.0
5301 Inter-Agency Receipts	E&ED - Department-wide	Statewide lease costs for agency	1,845.8	1,917.0	1,681.8
5301 Inter-Agency Receipts	EnvCon - Department-wide	Statewide lease costs for agency	3,497.4	2,715.3	2,344.5
5301 Inter-Agency Receipts	FishGm - Department-wide	Statewide lease costs for agency	4,404.9	4,551.3	4,556.9
5301 Inter-Agency Receipts	Gov - Department-wide	Statewide lease costs for agency	519.3	617.3	539.8
5301 Inter-Agency Receipts	H&SS - Department-wide	Statewide lease costs for agency	14,550.7	14,808.8	14,104.1
5301 Inter-Agency Receipts	Labor - Department-wide	Statewide lease costs for agency	6,469.8	6,695.8	5,446.9
5301 Inter-Agency Receipts	Law - Department-wide	Statewide lease costs for agency	4,332.2	4,522.0	4,417.7
5301 Inter-Agency Receipts	Legis - Department-wide	Statewide lease costs for agency	45.8	47.3	47.5
5301 Inter-Agency Receipts	M&VA - Department-wide	Statewide lease costs for agency	287.3	385.8	233.2
5301 Inter-Agency Receipts	NatRes - Department-wide	Statewide lease costs for agency	1,045.2	1,092.9	1,070.2
5301 Inter-Agency Receipts	PubSaf - Department-wide	Statewide lease costs for agency	1,631.0	1,715.6	1,585.0
5301 Inter-Agency Receipts	Rev - Department-wide	Statewide lease costs for agency	90.6	87.9	50.9

Revenue Detail (1681)
Department of Administration

Component: Leases (81)

Revenue Type (OMB Fund Code)	Component	Comment	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
Revenue Source					
5301 Inter-Agency Receipts	Trans - Department-wide	Statewide lease costs for agency	2,695.6	2,784.4	2,925.2