

# **State of Alaska FY2025 Governor's Operating Budget**

## **Department of Transportation and Public Facilities Leases Component Budget Summary**

## Component: Leases

### Contribution to Department's Mission

This component holds funding and interagency receipt authorization to pay state lease costs as well as the leasing program. The leasing program provides cost effective office space for state agencies in a timely manner.

### Core Services

- This component holds the funding to pay state lease costs.
- Procure, manage, and administer office and other types of space leases from the private sector and state property owners on behalf of the Executive Branch.
- Negotiate lease terms and consolidate state-owned and/or leased space when savings can be realized.

### Major Component Accomplishments in 2023

- Continued reduction of agency lease costs through space reconfiguration for increased efficiency and relocation of agencies to more efficient spaces.
- Identified opportunities and accomplished several relocations, moving state agencies from private leases into state-owned facilities.
- Collaborated with state agencies to address security concerns in a cost-effective and timely manner.
- Maintained collaborative efforts with state agencies to ensure efficient space utilization, aligning with the state's goal of reducing the need for leased spaces.
- Utilized a more assertive negotiation approach, successfully securing lease cost reductions for multiple agencies.
- Remained proactive in lowering the average leased space cost across the state compared to market rates, by leveraging lease extension requirements through AS 36.30.083.

### Key Component Challenges

- **Increase Service Level** – Proactively engage with stakeholders well in advance to initiate the renewal or relocation process for expiring leases. Provide ongoing education to stakeholders regarding lease compliance and procurement protocols.
- **Space Efficiency** – Anticipate and respond to the fluctuating agency occupancy needs. This may involve expanding certain leases, reconfiguring existing spaces, reducing agency footprints when feasible, or transitioning agencies from private leases to state-owned facilities. Maintain active communication with agencies to address evolving teleworking-related changes in their space requirements.
- **Space/Cost Reduction** – Continued effort to explore space reduction options for agencies in the evolving telework landscape. Apply cost reduction strategies to reduce lease expenditures for state agencies.
- **Aggressive Negotiation and Solicitation** – Apply cost reduction strategies to decrease lease expenses for state agencies. These strategies include leveraging AS 36.30.083 to extend expiring leases below market rates, entering into long-term lease contracts to reduce the number of leases currently in holdover pending agreement of terms, and deploying the Request for Proposal process to harness market competition while safeguarding the state's best interests.
- **Contract Management** – Diligently manage lease compliance through the enforcement of clauses related to renovations, insurance, and other pertinent matters. When necessary, our staff will meet with state occupants to address any concerns or issues related to their specific lease. Maintain adherence to all compliance standards to ensure proper enforcement of lease terms and effective record management. Prioritize timely engagement with stakeholders to address tenant concerns and ensure that private lessors uphold their responsibilities concerning lease-related issues.

- **Security Concerns** – Security concerns are increasing throughout the state, particularly in the Anchorage area. The division is currently working with agencies and lessors to address these concerns where possible.

### Significant Changes in Results to be Delivered in FY2025

- **Computerized Maintenance Management System (CMMS) Implementation** – The CMMS ReADY Request will be online with a property-management component specifically catered to leasing database requirements. Leasing program will need to evaluate the CMMS system and learn how to best utilize the tools provided to improve cost efficiencies and lease tracking.
- **Lease Rate Assessment** – Complete lease rate assessment on all current and future property leases to maximize market value pricing.
- **Consolidate Facilities and Lease Management** – Collaborative facilities and lease management is anticipated to improve space utilization and responsiveness for client agencies.
- **GASB 87** – Lease reporting will need to incorporate the updates to GASB 87 to ensure that Annual Financial Report reporting is accurate.

### Statutory and Regulatory Authority

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

Contact Information
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Leases Personal Services Information				
Authorized Positions			Personal Services Costs	
	<u>FY2024</u> <u>Management</u> <u>Plan</u>	<u>FY2025</u> <u>Governor</u>		
Full-time	5	5	Annual Salaries	396,617
Part-time	0	0	COLA	21,766
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	256,848
			<i>Less 1.80% Vacancy Factor</i>	(12,131)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>5</b>	<b>5</b>	<b>Total Personal Services</b>	<b>663,100</b>

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Contracting Officer 3	4	0	0	0	4
Contracting Officer 4	1	0	0	0	1
<b>Totals</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>

**Component Detail All Funds**  
**Department of Transportation and Public Facilities**

**Component:** Leases (3294)  
**RDU:** Division of Facilities Services (714)

Non-Formula Component

	FY2023 Actuals	FY2024 Enrolled	FY2024 Authorized	FY2024 Management Plan	FY2025 Governor Adjusted Base	FY2025 Governor	FY2024 Management Plan vs FY2025 Governor	
1000 Personal Services	541.2	633.2	633.2	633.2	663.1	663.1	29.9	4.7%
2000 Travel	0.0	1.8	1.8	1.8	1.8	1.8	0.0	0.0%
3000 Services	44,538.5	44,883.2	44,883.2	44,883.2	44,883.2	44,883.2	0.0	0.0%
4000 Commodities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
5000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
7000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
8000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
<b>Totals</b>	<b>45,079.7</b>	<b>45,518.2</b>	<b>45,518.2</b>	<b>45,518.2</b>	<b>45,548.1</b>	<b>45,548.1</b>	<b>29.9</b>	<b>0.1%</b>
<b>Fund Sources:</b>								
1007 I/A Rcpts (Other)	45,079.7	45,516.5	45,516.5	45,516.5	45,546.4	45,546.4	29.9	0.1%
1061 CIP Rcpts (Other)	0.0	1.7	1.7	1.7	1.7	1.7	0.0	0.0%
<b>Unrestricted General (UGF)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Designated General (DGF)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Other Funds</b>	<b>45,079.7</b>	<b>45,518.2</b>	<b>45,518.2</b>	<b>45,518.2</b>	<b>45,548.1</b>	<b>45,548.1</b>	<b>29.9</b>	<b>0.1%</b>
<b>Federal Funds</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Positions:</b>								
Permanent Full Time	5	5	5	5	5	5	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0	0.0%

**Change Record Detail - Multiple Scenarios with Descriptions**  
**Department of Transportation and Public Facilities**

**Component:** Leases (3294)  
**RDU:** Division of Facilities Services (714)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2024 Enrolled To FY2024 Authorized *****												
<b>FY2024 Enrolled</b>	Enrolled	45,518.2	633.2	1.8	44,883.2	0.0	0.0	0.0	0.0	5	0	0
1007 I/A Rcpts		45,516.5										
1061 CIP Rcpts		1.7										
<b>Subtotal</b>		<b>45,518.2</b>	<b>633.2</b>	<b>1.8</b>	<b>44,883.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>5</b>	<b>0</b>	<b>0</b>
***** Changes From FY2024 Management Plan To FY2025 Governor Adjusted Base *****												
<b>FY2025 Salary, Health Insurance, and PERS Rate Adjustments</b>	SalAdj	29.9	29.9	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1007 I/A Rcpts		29.9										
FY2025 Salary, Health Insurance, and PERS Rate Adjustments: \$29.9												
FY2025 AlaskaCare insurance from \$1,793 to \$1,908 per member per month: \$1.0												
FY2025 GGU health insurance from \$1,573.50 to \$1,579.50 per member per month: \$0.3												
FY2025 GGU 5% Cost of Living Adjustment: \$21.7												
FY2025 PERS Rate Adjustment from 25.10% to 26.76%: \$6.9												
<b>Subtotal</b>		<b>45,548.1</b>	<b>663.1</b>	<b>1.8</b>	<b>44,883.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>5</b>	<b>0</b>	<b>0</b>
***** Changes From FY2025 Governor Adjusted Base To FY2025 Governor *****												
<b>Totals</b>		<b>45,548.1</b>	<b>663.1</b>	<b>1.8</b>	<b>44,883.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>5</b>	<b>0</b>	<b>0</b>

**Line Item Detail (1676)**  
**Department of Transportation and Public Facilities**  
**Travel**

**Component:** Leases (3294)

Line Number	Line Name		FY2023 Actuals	FY2024 Management Plan	FY2025 Governor
2000	Travel		0.0	1.8	1.8
Object Class	Servicing Agency	Explanation	FY2023 Actuals	FY2024 Management Plan	FY2025 Governor
<b>2000 Travel Detail Totals</b>			<b>0.0</b>	<b>1.8</b>	<b>1.8</b>
2000	In-State Employee Travel	In-state employee travel.	0.0	1.8	1.8

**Line Item Detail (1676)**  
**Department of Transportation and Public Facilities**  
**Services**

**Component:** Leases (3294)

Line Number	Line Name		FY2023 Actuals	FY2024 Management Plan	FY2025 Governor
3000	Services		44,538.5	44,883.2	44,883.2
Object Class	Servicing Agency	Explanation	FY2023 Actuals	FY2024 Management Plan	FY2025 Governor
<b>3000 Services Detail Totals</b>			<b>44,538.5</b>	<b>44,883.2</b>	<b>44,883.2</b>
3002	Legal and Judicial Services	Legal and judicial services.	0.7	0.0	0.0
3007	Advertising and Promotions	Advertising and local media.	0.3	0.0	0.0
3009	Structure/Infrastructure/Land	Structure, infrastructure and land repairs, maintenance, rental, and leases.	43,507.9	44,883.2	44,883.2
3012	Inter-Agency Federal Indirect Rate Allocation	Interagency federal indirect rate allocation.	1,009.2	0.0	0.0
3024	Inter-Agency Legal	Law - Department-wide Legal services provided by the Department of Law.	20.4	0.0	0.0



**Revenue Detail (1681)**  
**Department of Transportation and Public Facilities**

**Component:** Leases (3294)

Revenue Type (OMB Fund Code) Revenue Source	Component	Comment	FY2023 Actuals	FY2024 Management Plan	FY2025 Governor
<b>5007 I/A Rcpts (1007 I/A Rcpts)</b>			<b>45,079.7</b>	<b>45,516.5</b>	<b>45,546.4</b>
5301 Inter-Agency Receipts		Revenue carryforward	240.9	0.0	0.0
5301 Inter-Agency Receipts	Admin - Department-wide	Statewide lease costs for agency.	4,400.5	4,154.5	4,154.5
5301 Inter-Agency Receipts	Commerce - Department-wide	Statewide lease costs for agency.	1,390.6	1,337.1	1,337.1
5301 Inter-Agency Receipts	Correct - Department-wide	Statewide lease costs for agency.	1,557.4	1,650.0	1,650.0
5301 Inter-Agency Receipts	E&ED - Department-wide	Statewide lease costs for agency.	707.1	1,400.0	1,400.0
5301 Inter-Agency Receipts	EnvCon - Department-wide	Statewide lease costs for agency.	2,821.7	2,890.0	2,890.0
5301 Inter-Agency Receipts	FCS - Department-wide	Statewide lease costs for agency.	4,475.4	4,724.5	4,724.5
5301 Inter-Agency Receipts	FishGm - Department-wide	Statewide lease costs for agency.	5,035.4	4,925.0	4,925.0
5301 Inter-Agency Receipts	Gov - Department-wide	Statewide lease costs for agency.	704.5	655.0	655.0
5301 Inter-Agency Receipts	Health - Department-wide	Statewide lease costs for agency.	8,900.1	9,395.6	9,395.6
5301 Inter-Agency Receipts	Labor - Department-wide	Statewide lease costs for agency.	4,604.2	4,825.2	4,825.2
5301 Inter-Agency Receipts	Law - Department-wide	Statewide lease costs for agency.	4,395.8	3,980.0	3,980.0
5301 Inter-Agency Receipts	Legis - Department-wide	Statewide lease costs for agency.	14.7	70.0	70.0
5301 Inter-Agency Receipts	M&VA - Department-wide	Statewide lease costs for agency.	332.1	163.2	163.2
5301 Inter-Agency Receipts	NatRes - Department-wide	Statewide lease costs for agency.	1,024.4	955.6	955.6
5301 Inter-Agency Receipts	PubSaf - Department-wide	Statewide lease costs for agency.	1,550.6	1,415.1	1,415.1
5301 Inter-Agency Receipts	Rev - Department-wide	Statewide lease costs for agency.	60.9	60.5	60.5
5301 Inter-Agency Receipts	Trans - Facilities Services (3195)	Statewide lease costs for agency.	247.9	252.4	252.4
5301 Inter-Agency Receipts	Trans - Leased Facilities (2892)	Statewide lease costs for agency.	2,615.5	2,662.8	2,692.7
<b>5061 CIP Rcpts (1061 CIP Rcpts)</b>			<b>0.0</b>	<b>1.7</b>	<b>1.7</b>
5351 Capital Improvement Project Inter-Agency		Capital improvement project receipts for work in direct support of capital projects.	0.0	1.7	1.7

**Inter-Agency Services (1682)**  
**Department of Transportation and Public Facilities**

**Component:** Leases (3294)

				FY2023 Actuals	FY2024 Management Plan	FY2025 Governor
<b>Component Totals</b>				<b>20.4</b>	<b>0.0</b>	<b>0.0</b>
With Department of Law				20.4	0.0	0.0
Object Class	Servicing Agency	Explanation		FY2023 Actuals	FY2024 Management Plan	FY2025 Governor
3024 Inter-Agency Legal	Law - Department-wide	Legal services provided by the Department of Law.		20.4	0.0	0.0

**Personal Services Expenditure Detail**  
**Department of Transportation and Public Facilities**

**Scenario:** FY2025 Governor (20959)  
**Component:** Leases (3294)  
**RDU:** Division of Facilities Services (714)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range / Step	Comp Months	Split / Count	Annual Salaries	COLA	Premium Pay	Annual Benefits	Total Costs	UGF Amount
02-5010	Contracting Officer 3	FT	A	GP	Anchorage	200	19D	11.0	**	71,030	5,070	0	47,861	123,961	0
02-5127	Contracting Officer 3	FT	A	GP	Anchorage	200	19K / L	11.0	**	82,969	5,923	0	52,967	141,859	0
02-5154	Contracting Officer 3	FT	A	GP	Anchorage	200	19F	11.0	**	75,692	5,403	0	49,855	130,950	0
02-5156	Contracting Officer 3	FT	A	GP	Anchorage	200	19F	11.0	**	75,223	5,370	0	49,654	130,247	0
02-5165	Contracting Officer 4	FT	A	SS	Anchorage	200	22N	9.0	**	91,703	0	0	56,511	148,214	0
<b>Total</b>													<b>Total Salary Costs:</b>	396,617	
<b>Positions</b>													<b>Total COLA:</b>	21,766	
<b>Full Time Positions:</b>													<b>Total Premium Pay:</b>	0	
<b>Part Time Positions:</b>													<b>Total Benefits:</b>	256,848	
<b>Non Permanent Positions:</b>															
<b>Positions in Component:</b>													<b>Total Pre-Vacancy:</b>	675,231	
													<b>Minus Vacancy Adjustment of 1.80%:</b>	(12,131)	
													<b>Total Post-Vacancy:</b>	663,100	
													<b>Plus Lump Sum Premium Pay:</b>	0	
													<b>Personal Services Line 100:</b>	663,100	

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1007 Interagency Receipts	675,231	663,100	100.00%
<b>Total PCN Funding:</b>	<b>675,231</b>	<b>663,100</b>	<b>100.00%</b>

Note: If a position is split, an asterisk (\*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (\*\*) will appear in this column. [No valid job title] appearing in the Job Class Title indicates that the PCN has an invalid class code or invalid range for the class code effective date of this scenario.

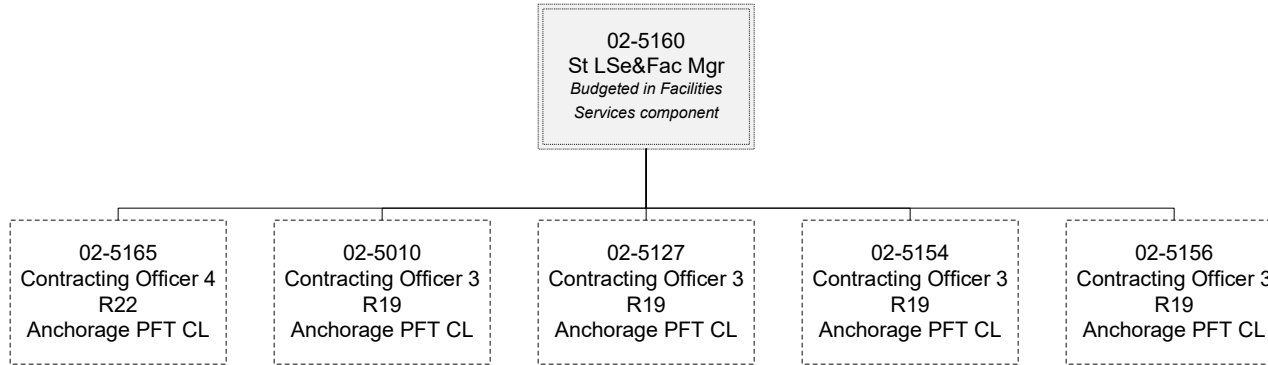
**Department of Transportation & Public Facilities**

Leases (3294)

RDU: Division of Facilities Services (714)

FY2025 Governor's Budget

Position Totals: 5 PFT



Positions split with Facilities  
Services component