

# **State of Alaska FY2009 Governor's Operating Budget**

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

**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 Public Building Fund (State Facilities) lease costs to the Department of Administration for our offices in the Atwood Building in Anchorage. DNR occupied this facility in FY00, and received base funding of \$1,268.6 GF in SLA00/CH19(HB112 Public Bldg Fund). In FY05 we received a \$29.0 GF transfer from the Governor's Office to support lease costs for the ACMP which was transferred to DNR under EO#106. Additional GF increments or transfers from DOA have brought our GF allocation to \$1,713.7 in FY09. Divisions pay the remaining costs directly from their budgets.
- Payment to the Department of Administration for all other DNR building leases. General fund in the amount of \$747.2 was transferred to DNR in FY05 to pay a portion of this cost. General fund increases or transfers have brought our GF allocation to \$837.7 in FY09; divisions pay the remaining costs directly from their budgets.
- Payment of the Fairbanks Office Building Chargeback costs to Dept. of Transportation for basic maintenance of the facility. \$103.6 GF was transferred in FY05 from the Fairbanks Office Building Chargeback component. An FY07 increment of \$46.4 and a reallocation of existing authorization brings the base amount \$175.0 for FY09 which marginally covers the basic costs.
- Payment of DNR's allocated share of the Department of Administration, Division of General Services Lease Administration costs (amount changes annually).

[Note: General fund in the amount of \$33.7 was transferred to DNR in FY05 to pay a portion of the DOA Division of Personnel lease cost. This general fund is transferred to the Human Resources Chargeback component in FY07 to reflect where the RSA is actually paid.]

<b>FY2009 Resources Allocated to Achieve Results</b>		
<b>FY2009 Component Budget: \$2,799,200</b>	<b>Personnel:</b>	
	Full time	0
	Part time	0
	<b>Total</b>	<b>0</b>

**Key Component Challenges**

DNR's significant challenge in this component is a shortfall of general fund available for lease costs for the Public Building Fund and other building leases.

The key challenge for the lease costs related to the Public Building Fund (Atwood Building) is the fact that each year the square foot cost increases and there have not been equal corresponding budget increases. From FY03 to FY09 there has been a 35.7% increase in the cost, with a 29.2% increase in general fund increase to support it. All additional square footage charges must be assessed to the divisions.

DNR's square footage cost history for the Atwood Building:

FY03 \$1.1117/mo/sq.ft.

FY04 \$1.1609/mo/sq.ft., an increase of 4.4% over FY03.

FY05 \$1.2374/mo/sq.ft., an increase of 6.6% over FY04.

FY06 \$1.3016/mo/sq.ft., an increase of 5.2% over FY05.

FY07 \$1.3090/mo/sq.ft., an increase of 0.5% over FY06,

FY08 \$1.4572/mo/sq.ft., an increase of 10.1% over FY07,

FY09 est. \$1.5082/mo/sq.ft., an increase of 3.5% over FY08, and a net increase of 35.7% since FY03.

The key challenge for the lease costs related to other building leases (non-Atwood Bldg.) is the annual increased cost of our leases and budget increases not equal to the cost increases. The base general fund transferred from DOA to DNR in FY05 to cover the other leases was \$747.2. The FY09 general fund allocation is scheduled to be \$806.4, while DOA estimates our FY09 total non-Atwood building leases to be \$1,763.6, requiring divisions to pay \$957.2 of the leases from their budgets.

### **Significant Changes in Results to be Delivered in FY2009**

No changes in final results delivered.

### **Major Component Accomplishments in 2007**

All rents and chargebacks were paid in a timely manner.

### **Statutory and Regulatory Authority**

Not applicable.

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

*All dollars shown in thousands*

	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Services	2,341.3	2,693.8	2,799.2
74000 Commodities	0.0	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>2,341.3</b>	<b>2,693.8</b>	<b>2,799.2</b>
<b>Funding Sources:</b>			
1004 General Fund Receipts	2,341.3	2,693.8	2,792.5
1156 Receipt Supported Services	0.0	0.0	6.7
<b>Funding Totals</b>	<b>2,341.3</b>	<b>2,693.8</b>	<b>2,799.2</b>

**Estimated Revenue Collections**

Description	Master Revenue Account	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
<b>Unrestricted Revenues</b>				
None.		0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>				
Receipt Supported Services	51073	0.0	0.0	6.7
<b>Restricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>6.7</b>
<b>Total Estimated Revenues</b>		<b>0.0</b>	<b>0.0</b>	<b>6.7</b>

**Summary of Component Budget Changes  
From FY2008 Management Plan to FY2009 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2008 Management Plan</b>	<b>2,693.8</b>	<b>0.0</b>	<b>0.0</b>	<b>2,693.8</b>
<b>Proposed budget increases:</b>				
-Increased Atwood Building and Other Facility Lease Costs	98.7	0.0	6.7	105.4
<b>FY2009 Governor</b>	<b>2,792.5</b>	<b>0.0</b>	<b>6.7</b>	<b>2,799.2</b>