

Alaska DHSS Deferred Maintenance, Renovation, Repair and Equipment

FY2009 Request: \$7,191,600
Reference No: AMD 45641

AP/AL: Appropriation with Allocations
Category: Health/Human Services
Location: Statewide
House District: Statewide (HD 1-40)
Estimated Project Dates: 07/01/2008 - 06/30/2011

Project Type: Deferred Maintenance
Contact: Arnold Liebelt
Contact Phone: (907)465-1870

Brief Summary and Statement of Need:

This request is for deferred maintenance projects for 39 facilities maintained by the Department including health centers, youth facilities, behavioral health facilities, and pioneer homes statewide with a combined replacement value of \$650.3 million. Funds would be used for immediate and critical renewal, repair, replacement and equipment needs in state-owned facilities. This request does not include the deferred maintenance needs for recently constructed facilities including the Alaska Psychiatric Institute. This amendment changes the ASLC Bonds fund source to the Alaska Capital Income Fund since credit market concerns preclude the ASLC from returning capital to the state in FY09.

Funding:	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	Total
AK Cap Inc	\$7,110,000						\$7,110,000
Fed Rcpts	\$81,600	\$150,547	\$266,164	\$274,155	\$282,373	\$290,844	\$1,345,683
G/F Match		\$333,520	\$343,528	\$353,842	\$364,449	\$375,382	\$1,770,721
Gen Fund		\$4,883,271	\$5,029,808	\$5,180,803	\$5,336,178	\$5,496,263	\$25,926,323
Total:	\$7,191,600	\$5,367,338	\$5,639,500	\$5,808,800	\$5,983,000	\$6,162,489	\$36,152,727

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Additional Information / Prior Funding History:

SLA06 \$1,000.0 GF/\$100.0 Fed SLA05 \$750.0 GF/\$200.0 Fed SLA03 \$600.0 GF SLA02 \$600.0 GF/\$800.0 Fed SLA02 \$647.0 GF SLA01 \$363.0 GF/\$352.0 Fed SLA00 \$342.8 AHFC Div/\$58.7 Fed SLA99 \$276.7 GF/\$100.0 AHFC Corp. Bonds/\$118.0 Fed SLA98 \$750.0 AHFC Corp. Bonds/\$192.3 Fed1 SLA97 \$750.0 GF/\$243.6 Fed SLA96 \$898.3 GF SLA95 \$1,240.0 GF/\$250.0 Fed 4 SLA94 \$700.0GF/\$77.8 Fed SLA93 \$750.0 GF/\$250.0 Fed SLA92 \$1,200.0 GF SLA91 \$1,200.0 GF SLA90 \$800.0 GF117 SLA89 \$400.0 GF

Project Description/Justification:

This project funds deferred maintenance at Department of Health and Social Services (DHSS) facilities statewide, including immediate and critical renewal, repair, replacement and equipment needs. Facilities include public health centers, youth facilities, behavioral health facilities, and pioneer homes. The project requests funds for 39 State-owned facilities (30 of which are 24-hour facilities) with an estimated replacement value of \$650.3 million. This request does not include the deferred maintenance needs for recently constructed facilities including the Alaska Psychiatric Institute.

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The Department's facilities have ongoing as well as deferred maintenance and equipment needs resulting from heavy usage by staff and client groups. This request for funds will address these needs and maintain the State's investment in the department's facilities.

Background

During the summer of 2006, the Department updated comprehensive building condition audits for all of its State-owned facilities. This process serves as the basis of this request. Based on the results of the building condition audit, \$15,329,464 in deferred maintenance and renewal and replacement projects remain and need to be addressed. The Department has used the updated information to prioritize the list of deferred maintenance needs for all the projects. Each building deficiency for each facility is rated in terms of urgency, fire life safety, security, building integrity, and mission efficiency. Together, these criteria are used to prioritize each project. Priorities given are generally followed, but may be changed due to higher emerging needs that may arise throughout the year. Some of the projects, such as the public health centers, earn federal funds.

When deferred maintenance needs are met, additional annual investment will be required to keep up with normal repair and maintenance needs, or the deferred maintenance backlog will continue to grow. The estimated future funds needed for normal repair and maintenance are listed in the out years. The funding level to keep up with repair, renewal and replacement needs (above and beyond ordinary day-to-day maintenance) was estimated by using standard formulas that are based on the cost of replacing a building. One formula assumes a constant proportion of annual maintenance costs over the life cycle and is derived as a percentage (1.5%) of building replacement costs; the other, widely-used, Sherman-Dergis method ($\text{Replacement Cost} \times 0.75 \times (\text{Age of Building}/1275)$), attributes greater costs to older buildings. The average of these two methods was used in calculating future deferred maintenance needs.

Department's Mission: *To promote and protect the health and well being of Alaskans.* This project will increase the useful life of the Department's facilities. These facilities are used to provide health care services, juvenile detention services, behavioral health services, and children's services. Maintaining the Department's facilities is critical to carrying out the Department's mission.

The end results to which this project contributes are "Improve and enhance the quality of life for Alaskans with serious behavioral health problems", "Children are, first and foremost, protected from abuse or neglect.", "Improve juvenile offenders' success in the community following completion of services resulting in higher levels of accountability and public safety.", and "Healthy people in healthy communities."