

Arizona Department of Administration
Facilities Management

A.R.S. § 41-791

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	FY 2000 Actual	FY 2001 Estimate	FY 2002 Approved	FY 2003 Approved
PROGRAM BUDGET				
Full Time Equivalent Positions	252.5	252.5	255.5	255.5
Facilities Management				
<u>Subprograms</u>				
Construction Services	540,900	574,600	607,100	627,000
Building, Planning and Tenant Services	9,701,200	10,595,300	11,494,000	12,067,900
Utilities SLI	5,890,300	6,000,000	6,100,000	6,100,000
Relocation SLI	7,100	60,000	60,000 ^{1/}	60,000 ^{1/}
<u>Subprogram Subtotal</u>	<u>15,598,600</u>	<u>16,655,300</u>	<u>17,654,000</u>	<u>18,227,900</u>
SUBTOTAL	16,139,500	17,229,900	18,261,100	18,854,900
Additional Appropriations -				
Appropriations; Government Building				
Defibrillators, Ch. 308	<u>0</u>	<u>0</u>	<u>50,000^{2/}</u>	<u>50,000^{2/}</u>
TOTAL APPROPRIATIONS	16,139,500	17,229,900	18,311,100^{3/}	18,904,900^{3/}
FUND SOURCES				
General Fund	6,217,900	7,015,000	7,466,000	7,670,400
<u>Other Appropriated Funds</u>				
Corrections Fund	411,700	461,800	491,500 ^{4/}	505,600 ^{4/}
Capital Outlay Stabilization Fund	8,241,200	8,409,400	8,939,900	10,678,900
Emergency Medical Services Operating Fund	0	0	50,000	50,000
Lease Purchase Building Operating and				
Maintenance Fund	<u>1,268,700</u>	<u>1,343,700</u>	<u>1,363,700</u>	<u>0</u>
<u>Subtotal - Other Appropriated Funds</u>	<u>9,921,600</u>	<u>10,214,900</u>	<u>10,845,100</u>	<u>11,234,500</u>
TOTAL APPROPRIATIONS	16,139,500	17,229,900	18,311,100	18,904,900

COST CENTER DESCRIPTION — *Facilities Management is comprised of Construction Services and Building, Planning and Tenant Services. Building and Planning Services and Construction Services plan and manage the design and construction of state prisons and office buildings, review all state construction projects, inspect the condition of non-university buildings at least once every 4 years, and develop a biennial Capital Improvement Plan. Tenant Services manages Arizona Department of Administration-owned buildings in the Capitol Mall and provides maintenance and janitorial services.*

^{1/} This appropriation is a continuing appropriation and is exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations. (General Appropriation Act footnote)
^{2/} Pursuant to Laws 2001, Chapter 308, this appropriation is exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations.
^{3/} General Appropriation Act funds are appropriated as a Lump Sum by Fund with Relocation and Utilities Special Line Items.
^{4/} It is the intent of the Legislature that the amount appropriated from the Corrections Fund be expended solely for the oversight of construction projects benefiting the State Department of Corrections or the Department of Juvenile Corrections. (General Appropriation Act footnote)

PERFORMANCE MEASURES	FY 1999	FY 2000	FY 2001	FY 2002-03
	Est./Actual	Est./Actual	Estimate	Estimate
• Customer satisfaction with agency relocation process (Scale 1-8)	6.0/5.4	6.0/5.0	6.0	6.0
• Customer satisfaction with tenant improvement process (Scale 1-8)	6.0/5.4	6.0/5.0	6.0	6.0
• Customer satisfaction rating for building maintenance (Scale 1-8)	5.4/5.8	5.7	6.0	6.0
• Ratio of preventative maintenance work orders to total maintenance requests	NA/195:11,574	NA/310:15,285	485:15,285	485:15,285/ 550:15,285

Facilities Management Program — This program provides support to Arizona Department of Administration (ADOA) managed properties including planning, design, development, construction, operations, and maintenance.

Construction Services Subprogram — This subprogram contracts and oversees the design and construction of large capital improvement and building renewal projects. The approved amount is funded from the Corrections Fund and includes an increase of \$17,000 in FY 2002 above FY 2001 and \$13,000 in FY 2003 above FY 2001 for replacement computers. The FY 2003 amount is lower due to the elimination of one-time equipment.

Building, Planning and Tenant Services Subprogram — This subprogram provides facilities planning, construction review, building inspections, custodial services, and grounds and maintenance services. This subprogram is funded from the General Fund, the Capital Outlay Stabilization Fund (COSF) and the Lease Purchase Building Operations and Maintenance Fund. The approved amount includes an increase of \$344,700 and 3 FTE Positions in FY 2002 and FY 2003 above FY 2001 from COSF for maintenance of the Capitol Mall electronic security system. Monies were appropriated from the General Fund to the Capitol Police Program beginning in FY 1996 to purchase and install the system. The installation will be completed in FY 2001, and in FY 2002 the responsibility for maintaining the system will be transferred to the Building, Planning and Tenant Services Subprogram and funded out of COSF.

The approved amount also includes a General Fund increase of \$5,000 in both FY 2002 and FY 2003 above FY 2001 for replacement maintenance equipment.

The approved amount also includes a COSF increase of \$1,400 in FY 2002 above FY 2001 and \$260,300 in FY 2003 above FY 2001 for the lease-purchase payment on vacant state lease-purchase space. The increase is greater in FY 2003 because space in the Capital Center Building will be vacant for 6 months in FY 2003 while it undergoes renovation. (*See Privatized Lease to Own in ADOA Summary.*)

The approved amount also includes a FY 2003 Lease Purchase Building Operations and Maintenance Fund decrease of \$(1,352,100) and (15) FTE Positions, and a COSF increase of \$1,352,100 and 15 FTE Positions for operations and maintenance for the lease-purchase properties. There are 7 properties located around the state that the state acquired as part of a lease-purchase plan in 1992. At the end of FY 2002, the lease-purchase for these properties will be paid off and the monies and 15 FTE Positions used to maintain these properties will be transferred to COSF. Starting in FY 2003, space within these buildings will be assessed the normal state rental rate of \$15.50 per sq. ft. and payments made by agencies will be deposited into COSF.

Utilities Special Line Item — This Special Line Item funds utility charges (including electric, water, gas, and garbage disposal) in buildings located on the Capitol Mall and Tucson Office Complex. The approved appropriation is funded from COSF and includes an increase of \$100,000 in both FY 2002 and FY 2003 above FY 2001 for increased utilities charges.

Relocation Special Line Item — This Special Line Item funds unanticipated agency relocations. The approved appropriation is funded from COSF.

Additional Appropriations: Appropriations: Government Building Defibrillators (Chapter 308) — This bill appropriates \$50,000 from the Emergency Medical Services Operating Fund in FY 2002 and FY 2003 to the ADOA Facilities Management Program to install automated external defibrillators in state and local government buildings. Before expenditure of the appropriated funds, ADOA is required to submit a report to the Governor, the President of the Senate, and the Speaker of the House of Representatives that details their recommendations for the installation of the defibrillators. The appropriation in each year is non-lapsing.

Other Issues: Tenant Services Staff — The approved amount includes a total of 218.5 FTE Positions in both FY 2002 and FY 2003 to operate the Tenant Services section of the Building, Planning and Tenant Services Subprogram. In FY 2002, 194.5 FTE Positions are funded from the General Fund, 15 FTE Positions are funded from

Table 1**Building and Planning Services and Construction Services FTE Positions**

<u>FTE Positions</u>	<u>FY 2002</u>				<u>FY 2003</u>			
	<u>Core Staff</u>	<u>Limited Staff</u>	<u>Project-Specific</u>	<u>Total</u>	<u>Core Staff</u>	<u>Limited Staff</u>	<u>Project-Specific</u>	<u>Total</u>
Certificate of Participation Fund (COP)	0.00	0.00	3.00	3.00	0.00	0.00	8.00	8.00
Capital Outlay Stabilization Fund (COSF)	23.25	6.50	0.00	29.75	23.25	6.50	0.00	29.75
Corrections Fund	<u>5.75</u>	<u>1.50</u>	<u>3.00</u>	<u>10.25</u>	<u>5.75</u>	<u>1.50</u>	<u>3.00</u>	<u>10.25</u>
TOTAL	29.00	8.00	6.00 ^{1/}	43.00	29.00	8.00	11.00 ^{1/}	48.00

^{1/} Does not include 5 conditionally appropriated FTE Positions for Building Renewal in FY 2002 and FY 2003.

the Lease Purchase Operating and Maintenance Fund, and 9 FTE Positions are funded from COSF. In FY 2003, 194.5 FTE Positions are funded from the General Fund and 24 FTE Positions are funded from COSF. In both FY 2002 and FY 2003 the COSF appropriation includes 7 FTE Positions for preventative maintenance.

Building and Planning Services/Construction Services Staff — *Table 1* lists the 3 kinds of staffing for services related to planning and construction services. The “Core Staff” is intended to serve as the base construction management staff for ADOA building projects. The “Limited Staff” is a work-driven addition to the Core Staff, based on a determination of the requirements for the coming year. The positions listed in the table are intended to include all Building and Planning Services and Construction Services FTE Positions, with the exception of positions to oversee inmate labor conducted through the Inmate Construction Program. The “Project-Specific” positions listed are authorized in other legislation, such as the Capital Outlay Bill, for the duration of a construction

project and are not included in the 255.5 appropriated FTE Positions for the Facilities Management Program. (*Refer to the Capital Outlay section in the ADOA Summary for a description of the Project-Specific positions.*)

Capital Outlay Stabilization Fund — COSF consists of monies collected by ADOA from state agencies for payment of rent for state-owned space in the Capitol Mall and Tucson Office Complex. The General Appropriation Act increased the square foot rental rates to \$15.00 for office space and \$5.50 for storage space in FY 2002 and \$15.50 for office space and \$6.00 for storage space in FY 2003. The General Appropriation Act included a General Fund increase of \$912,800 and an Other Fund increase of \$260,800 for FY 2002, and a General Fund increase of \$1,224,400 and an Other Fund increase of \$349,800 in FY 2003 to allow agencies to pay ADOA the higher rent charges. See *Table 2* for revenue and expenditure detail.

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Table 2**Capital Outlay Stabilization Fund**

	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
Cash Balance Beginning of Fiscal Year	\$ 4,999,200	\$ 1,607,200	\$ 1,319,400
Revenue:			
Rent Collections	<u>11,079,900</u>	<u>12,291,400</u>	<u>15,917,300</u>
Total Funds Available	\$16,079,100	\$13,898,600	\$17,236,500
Expenditures:			
Utilities	\$ 6,000,000	\$ 6,100,000	\$ 6,100,000
Building Renewal/Capital	3,500,000	3,304,000	3,749,100
Privatized Lease to Own	0	213,700	2,753,000
ADOA Operating Budget	2,016,800	2,456,600	4,200,300
Preventative Maintenance	504,900	504,900	504,900
Non-Lapsing Prior Year Appropriations	<u>2,450,200</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$14,471,900</u>	<u>\$12,579,200</u>	<u>\$17,307,300</u>
Cash Balance End of Fiscal Year	<u>\$ 1,607,200</u>	<u>\$ 1,319,400</u>	<u>\$ (70,600)</u> ^{1/}

^{1/} The fund balance in FY 2003 is projected to be negative if all funds are expended as appropriated. Seven lease-purchase buildings that will convert to state-owned space in FY 2003 did not receive the rental increase from \$13.50 to \$15.50 per sq. ft. An estimated \$480,000 would be generated in COSF, however, if the rental rate were increased from \$13.50 to \$15.50 per sq. ft. on these buildings.