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Sherman Carter  
Executive Vice President

UNIVERSITY OF ALASKA

FAIRBANKS ALASKA 99701

March 18, 1983

OFFICE OF  
MANAGEMENT & BUDGET  
BUDGET REVIEW

Ms. Dorothy Pede  
Office of Representative Lindauer  
Pouch V  
Juneau. AK 99811

Dear Ms. Pede:

This submission is to respond to the request you made to me for a fiscal note from the University of Alaska for House Bills 95 and 96.

If other information is desired or if I can be of help in any way, please let me know.

Sincerely,

  
Sherman Carter

SFC/man

Enclosures

cc: Legislative Finance  
Office of Management & Budget  
President Jay Barton  
Chancellor Ed Biggerstaff  
Chancellor David Outcalt

March 18, 1983

STATEMENT OF FISCAL IMPACT  
HB 95

ASSUMPTIONS

1. Rental Space in Anchorage is approximately \$2.50/square foot per month including all utilities, electricity and janitorial services.
2. Lease escalation costs will increase ten percent annually.
3. Moving expenses for ACC will be approximately \$40,000.
4. Continuancy costs for the move period will be approximately \$10,000.
5. Cost to remove existing, condemned buildings which this rental space would replace, cap utilities and restore area on ACC campus - \$100,000.
6. No costs are included for additional equipment required. (Some administrative functions must remain on campus to be available to students.)

PROGRAM SUMMARY

The following costs would be associated with the move to additional lease space for ACC administrative headquarters and faculty office space.

|                                   | <u>Estimated<br/>FY84 Cost</u> |
|-----------------------------------|--------------------------------|
| Lease Space of 32,000 square feet | \$ 960,000                     |
| Moving Costs                      | 40,000                         |
| Continuancy Costs                 | 10,000                         |
| Removal of existing buildings     | 100,000                        |
|                                   | <u>\$ 1,110,000</u>            |

Note - All expenditures are considered contractual in nature.

March 18, 1983

STATEMENT OF FISCAL IMPACT  
HB95

AGENCY COMMENTS

The FY84 capital budget request for the University of Alaska submitted by the Board of Regents includes \$10.6 million for a classroom/administration building for Anchorage Community College as priority #12 of 19 priorities submitted. This appropriation is favored to meet ACC's classroom/administration building need rather than moving ACC administrative staff and faculty offices to off-campus leased space for the following reasons:

1. As part of the educational process, students need substantial interaction with faculty. Moving faculty offices off-campus would isolate the faculty from students during non-class hours and inhibit the educational process.
2. Moving faculty offices off-campus would require commuting time to and from campus for faculty. Depending on the lease location, travel time to and from classes could be extreme and would reduce faculty efficiency.
3. Students require access to several of the functions provided by the administrative staff and these functions must remain on the campus. Moving the administrative headquarters off-campus would increase the administrative costs by requiring coordination, supervision and commuting between staff located on campus and off-campus.
4. Lease expenses for administrative and faculty office space for seven years equate to the cost of a new facility of approximately the same number of square feet. In addition, a facility constructed on-campus would be expected to last 50 years.
5. Having ACC provide one square foot of space to UAA for each two square feet of newly leased space is unnecessary as UAA will have a 52,000 square foot classroom and administration building completed this summer. UAA also has another \$25.3 million building included in the FY84 capital request.
6. In the face of declining oil revenues, continuing funding to cover ACC's need for an "administrative headquarters and faculty office building" through the operating budget in subsequent fiscal years, even if provided in FY84, is not assured, and most probably, if provided, would tend to cause comparable reductions in needed operating funds for ACC. Given the state's revenue picture, the university feels it would be unwise to make a commitment of this nature.

STATE OF ALASKA  
FISCAL NOTE

Revision Date \_\_\_\_\_, 198

I. REQUEST

Bill/Resolution No.: HB95  
 Title: ACC Office Space  
 Sponsor: Rep. Lindauer  
 Requestor: Rep. Lindauer

II. FISCAL DETAIL

Agency Affected: University of Alaska  
 Program Category Affected: Education  
 SRU, Program or Subprogram(s) Affected:  
 Anchorage Community College and  
 University of Alaska, Anchorage

EXPENDITURES/REVENUES: (Thousands of Dollars)

|                         | FY 83 | FY 84   | FY 85   | FY 86   | FY 87   | FY 88 |
|-------------------------|-------|---------|---------|---------|---------|-------|
| OPERATING               |       |         |         |         |         |       |
| 100 PERSONAL SERVICES   |       |         |         |         |         |       |
| 200 TRAVEL              |       |         |         |         |         |       |
| 300 CONTRACTUAL         |       | 1,110.0 | 1,056.0 | 1,161.6 | 1,227.8 | 1,405 |
| 400 COMMODITIES         |       |         |         |         |         |       |
| 500 EQUIPMENT           |       |         |         |         |         |       |
| 600 LAND & STRUCTURES   |       |         |         |         |         |       |
| 700 GRANTS, CLAIMS, ETC |       |         |         |         |         |       |
| TOTAL OPERATING         | 0     | 1,110.0 | 1,056.0 | 1,161.6 | 1,227.8 | 1,405 |
| CAPITAL                 |       |         |         |         |         |       |
| REVENUE                 |       | 1,110.0 | 1,056.0 | 1,161.6 | 1,227.8 | 1,405 |

FUNDING: (Thousands of Dollars)

|                        |   |         |         |         |         |       |
|------------------------|---|---------|---------|---------|---------|-------|
| GENERAL FUND           | 0 | 1,110.0 | 1,056.0 | 1,161.6 | 1,227.8 | 1,405 |
| FEDERAL FUNDS          |   |         |         |         |         |       |
| OTHER (Specify Source) |   |         |         |         |         |       |

POSITIONS:

|           |   |  |  |  |  |  |
|-----------|---|--|--|--|--|--|
| FULL-TIME | 0 |  |  |  |  |  |
| PART-TIME | 0 |  |  |  |  |  |
| TEMPORARY | 0 |  |  |  |  |  |

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Frank Spargo Phone: 474-7593  
 Division: Statewide Budget Office Date: March 18, 1988  
 Approved by: Executive Vice President Sherman Carter Date: March 18, 1988  
 Department: University of Alaska

Distribution:

- Original to Legislative Finance
- Copy to Office of Management and Budget (for Legislature introduced bills)
- Copy to Department (for Governor introduced bills)
- Copy to Sponsor
- Copy to Requestor (if different from Sponsor)

STATE OF ALASKA  
FISCAL NOTE

Revision Date \_\_\_\_\_, 1983

I. REQUEST

Bill/Resolution No.: HB96  
 Title: ACC Office Space  
 Sponsor: Rep. Lindauer  
 Requestor: Rep. Lindauer

II. FISCAL DETAIL

Agency Affected: University of Alaska  
 Program Category Affected: Education  
 BRU, Program of Subprogram(s) Affected: Anchorage Community College and University of Alaska, Anchorage

EXPENDITURES/REVENUES: (Thousands of Dollars)

|                         | FY 83 | FY 84   | FY 85   | FY 86   | FY 87   | FY 88   |
|-------------------------|-------|---------|---------|---------|---------|---------|
| <b>OPERATING</b>        |       |         |         |         |         |         |
| 100 PERSONAL SERVICES   |       |         |         |         |         |         |
| 200 TRAVEL              |       |         |         |         |         |         |
| 300 CONTRACTUAL         |       | 1,110.0 | 1,056.0 | 1,161.6 | 1,227.8 | 1,405.5 |
| 400 COMMODITIES         |       |         |         |         |         |         |
| 500 EQUIPMENT           |       |         |         |         |         |         |
| 600 LAND & STRUCTURES   |       |         |         |         |         |         |
| 700 GRANTS, CLAIMS, ETC |       |         |         |         |         |         |
| <b>TOTAL OPERATING</b>  | 0     | 1,110.0 | 1,056.0 | 1,161.6 | 1,227.8 | 1,405.5 |
| <b>CAPITAL</b>          |       |         |         |         |         |         |
| <b>REVENUE</b>          |       | 1,110.0 | 1,056.0 | 1,161.6 | 1,227.8 | 1,405.5 |

FUNDING: (Thousands of Dollars)

|                        |   |         |         |         |         |         |
|------------------------|---|---------|---------|---------|---------|---------|
| GENERAL FUND           | 0 | 1,110.0 | 1,056.0 | 1,161.6 | 1,227.8 | 1,405.5 |
| FEDERAL FUNDS          |   |         |         |         |         |         |
| OTHER (Specify Source) |   |         |         |         |         |         |

POSITIONS:

|           |   |  |  |  |  |  |
|-----------|---|--|--|--|--|--|
| FULL-TIME | 0 |  |  |  |  |  |
| PART-TIME | 0 |  |  |  |  |  |
| TEMPORARY | 0 |  |  |  |  |  |

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

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March 18, 1983

STATEMENT OF FISCAL IMPACT  
HB 96

ASSUMPTIONS

1. Rental Space in Anchorage is approximately \$2.50/square foot per month including all utilities, electricity and janitorial services.
2. Lease escalation costs will increase ten percent annually.
3. Moving expenses for ACC will be approximately \$40,000.
4. Continuancy costs for the move period will be approximately \$10,000.
5. Cost to remove existing, condemned buildings which this rental space would replace, cap utilities and restore area on ACC campus - \$100,000.
6. No costs are included for additional equipment required. (Some administrative functions must remain on campus to be available to students.)

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| Continuancy Costs                 | 10,000                         |
| Removal of existing buildings     | 100,000                        |
|                                   | <u>\$ 1,110,000</u>            |

Note - All expenditures are considered contractual in nature.

March 18, 1983

STATEMENT OF FISCAL IMPACT  
HB 96

AGENCY COMMENTS

The FY84 capital budget request for the University of Alaska submitted by the Board of Regents includes \$10.6 million for a classroom/administration building for Anchorage Community College as priority #12 of 19 priorities submitted. This appropriation is favored to meet ACC's classroom/administration building need rather than moving ACC administrative staff and faculty offices to off-campus leased space for the following reasons:

1. As part of the educational process, students need substantial interaction with faculty. Moving faculty offices off-campus would isolate the faculty from students during non-class hours and inhibit the educational process.
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5. In the face of declining oil revenues, continuing funding to cover ACC's need for an "administrative headquarters and faculty office building" through the operating budget in subsequent fiscal years, even if provided in FY84, is not assured, and most probably, if provided, would tend to cause comparable reductions in needed operating funds for ACC. Given the state's revenue picture, the university feels it would be unwise to make a commitment of this nature.

# Alaska State Legislature

Representative John Lindauer  
District 10-A  
3933 Geneva Place  
Anchorage, AK 99508



While in Juneau  
Pouch V  
Juneau, AK 99811  
465-3709

## House of Representatives

February 22, 1983

TO: House Health, Education & Social Services Committee  
FROM: Representative John Lindauer *JHL.*  
RE: House Bill #95: "An Act relating to office space for the Anchorage Community College; and providing for an effective date."

The intent of HB 95 is to provide a separate distinct administrative headquarters and faculty office building for Anchorage Community College.

Anchorage Community College is a growing school. They currently occupy several "temporary" (trailer type) office buildings.

The appropriation of \$1,000,000 would provide an additional 41,666.66 square feet of space (computed at \$2.00 per square foot per month for prime office space). With a long term lease or lease/purchase agreement, further capital funding for ACC administrative headquarters and faculty office space will be unnecessary.

Section 2 also provides for ACC to release space back for UAA thus easing UAA's space demands. It specifies that ACC will give up one foot of office space to UAA for each two feet it is able to lease.