

DFA - BUILDING AUTHORITY

Enabling Laws

Act 240 of 2016
A.C.A. §22-2-101 - 121 et seq.

History and Organization

Division of Building Authority's (DBA) mission is to act as the State's agent in all state agency lease negotiations, provide direction and assistance to agencies in all aspects of capital improvement projects and property transfers needs, and actively maintain and operate ABA owned or managed buildings in an efficient and economical manner pursuant to laws and regulations.

HISTORY and MAJOR OBJECTIVES

DBA (formerly known as Arkansas Building Authority and State Building Services) was created July 1, 1975, by Arkansas Code Annotated § 22-2-101 through 121. During a Special Session in May, 2015, the agency was reorganized under the Department of Finance & Administration and become a division of DFA known as the Division of Building Authority (DBA). Prior to May, 2015, DBA was governed by an eleven (11) member council which set policies, guidelines, standards and procedures by which the agency operated. These same policies, guidelines Minimum Standards & Criteria and procedures are still in effect and followed by DBA under the supervision of the State's Chief Fiscal Officer and Director of DFA. DBA has a primary client base comprised of other state agencies in regards to the leasing, sale and purchase of properties; management and operations of owned or leased facilities; review and approval of building plans from the initial design review; bidding, awarding and processing of final payment for capital improvement projects. Public School Districts are an additional client base for which DBA provides Americans with Disabilities Act (ADA) accessibility reviews of construction projects. DBA, through bonds issued by Arkansas Development Finance Authority, are authorized to acquire, construct, repair, remodel, renovate lands, buildings, improvements and facilities for the benefit of state agencies. DBA is comprised of the following four (4) sections:

(1) Real Estate Services Section develops and enforces minimum leasing, sale and purchase of property standards and criteria; designs standard lease forms for use by state agencies; assists state agencies in determining and evaluating rental space needs and the allocation of space for state agencies; conducts surveys to determine available rental space; assists state agencies to ensure that rental space acquired and utilized by state agencies is essential to the efficient performance of its duties and responsibilities; administers duties and responsibilities involving the purchase or sale of property by state agencies which are under the jurisdiction of DBA to ensure that the property is sold or

purchased in a manner consistent with Arkansas laws and regulations.

(2) Construction Section supervises the bidding and awarding of construction contracts for capital improvements for or by state agencies; establishes and maintains complete construction files on all jobs, including observation reports, plans and specifications for all capital improvements; approves all proposed contracts, change orders, and final payments requests; ensures that on-site observation of all construction projects, alterations, and repairs is accomplished on a regular basis and maintain records of those observations; meets with the design professional to determine the responsibility and performance required by the contract documents; approves final payment; ensures contractors are licensed; ensures that the construction of all projects complies with the contract documents; and manages the bidders list.

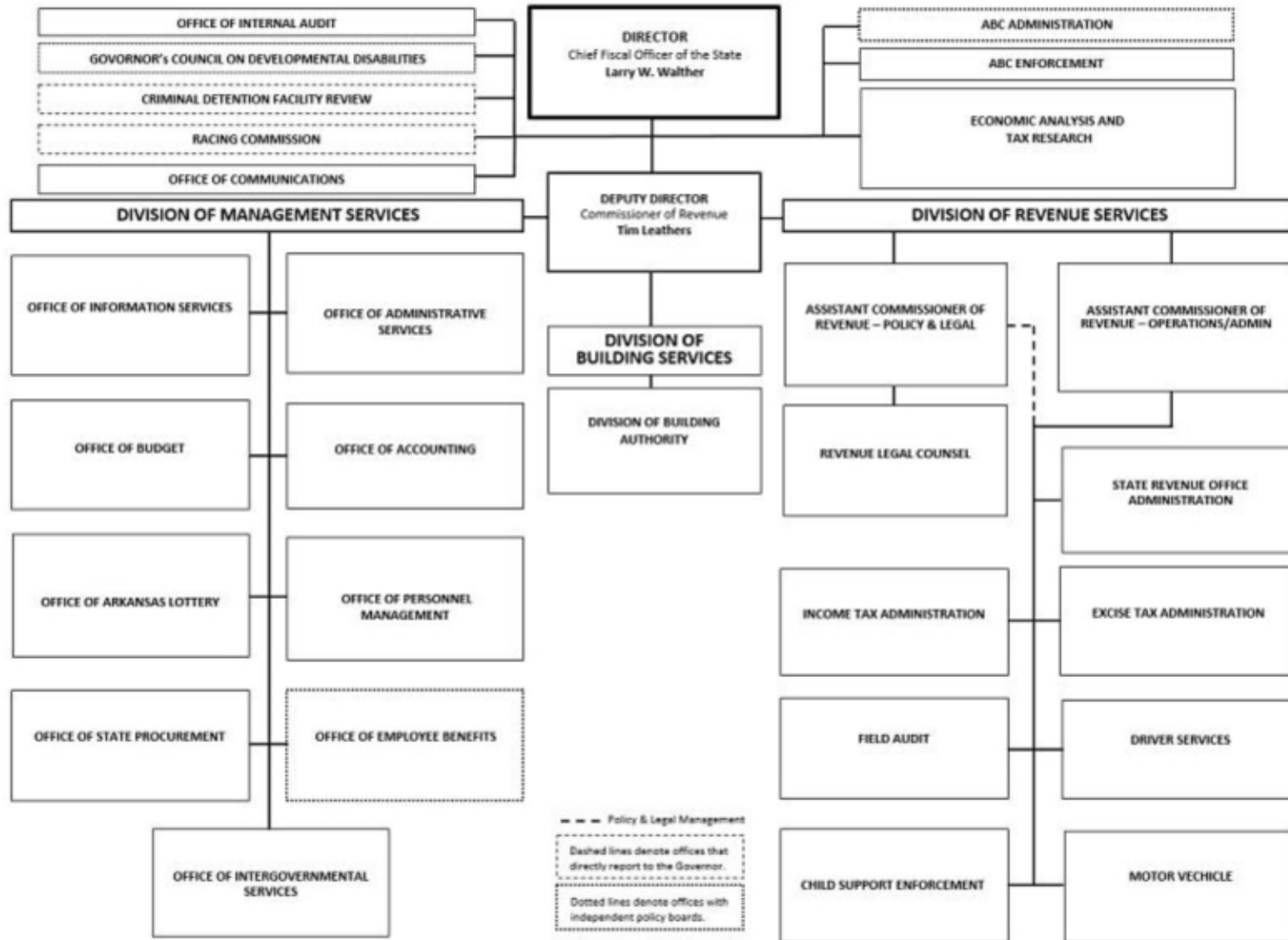
(3) Design Review Section establishes and enforces minimum design standards and criteria for all capital improvement (public works) contracts undertaken by any state agency including but not limited to flood plain management, accessibility (ADA), and building codes. This Section reviews agency capital budget requests prior to submittal to the Legislature; reviews and approves agency requests to advertise for architectural and engineering related consultants; assist agency in drafting advertisements; reviews architectural and engineering consultant qualifications; reviews and approves construction plans and specifications for bidding; reviews, approves and issues Floodplain Development Permit Applications; reviews new property purchase requests for Floodplain Management Issues; provides technical services to agencies upon request for new capital projects or renovations, space planning, ADA accessibility surveys, roof maintenance inspections and reports, mechanical and electrical system investigations, and facility condition assessment reviews. The Section also reviews and approves public school district capital improvements for compliance with the accessibility guidelines (ADA).

(4) Building Operations Section provides for the management, maintenance, and operation of DBA property as well as other public buildings. The Building Operations Section is responsible for maintenance and operation of buildings and grounds which are owned, leased, or managed by DBA. Additionally, this Section is responsible for enforcement of regulations designed to standardize the level of maintenance on all DBA facilities. The primary function of the Operations staff is to ensure the safety and comfort of state tenants through maintenance of life-safety devices, environmental comfort systems and other building related maintenance, and provide tenantable working conditions through internal maintenance staff and outside contractors.

Furthermore, the Section has been committed to creating efficiencies within its operations to reduce utility consumption for all buildings owned and operated by DBA. In this effort and since the FY08 baseline in costs was established, DBA has reduced utility consumption by 38% portfolio wide. This direct reduction in operating cost has allowed DBA to fund numerous critical & deferred maintenance capital projects for its building portfolio through its rent revenue funds referred to below as DBA Maintenance Fund - T77.

In addition, the core of DBA is supported by internal services that fulfill additional programmatic functions: The Director's staff includes Legal, Financial Management and administrative supportive services. The Financial Management office is responsible for the Agency's budgeting and contracting functions and supports DFA-OAS in the agency's accounting and purchasing functions. In 2010, the agency added the administration of the Sustainable Building Revolving Loan Fund which manages approximately \$10 million in energy projects under contract by the State. This program remains fiscally healthy and continues to fund several million dollars in projects each year.

ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION



Agency Commentary

During fiscal year 2016, the Division of Building Authority made changes agency-wide to conform to the restructuring of an independent agency into a division of the Department of Finance & Administration. During this period of transition, positions and job duties were re-evaluated and duplicate positions were eliminated and current staff members were transferred to existing vacant positions in DFA-Office of Administrative Services. The agency reduced office space and eliminated duplicative office equipment and furnishings. Furthermore, all IT duties and costs were absorbed by to DFA-Office of Information Systems. By the end of the fiscal year, the end result was the elimination of 19 total positions and a reduction in annual costs of approximately \$520,000. The division continues to provide all services outlined herein and operates utilizing the following appropriations (fund centers):

Justice Building Construction Cash Fund (1320201/D31) - for debt service obligations associated with construction and renovation of the Justice Building. Funding is provided by court cost receipts transferred from the State Administration of Justice Fund to the Justice Building Construction Fund. This funding is to be used exclusively for the financing of additions, extensions, and improvements to the Justice Building. This includes the repayment of debt service obligations which were incurred in order to make improvements to the Justice Building (A.C.A. §19-5-1087).

- Base Level request

Miscellaneous Agencies Fund (HUA2601/T76) - for the administration of DBA's functions and activities pertaining to real estate services, capital improvement oversight, design review services, administrative support services, personnel and financial management. The revenues to support this fund are dispersed from State General Revenues.

- Base Level request

DBA Maintenance Fund (MWJ0101/T77) - for the property management and operation function of DBA-owned and operated buildings. The revenues for this fund are generated through rent revenues collected from DBA tenant leases (self-funded).

- Change level is reflective of Capital Outlay for the purchase of equipment, \$84,100, to replace existing equipment beyond its useful life if needed that exceeds \$5000. Also, the inclusion of a \$125,000 operating contingency in the event DBA adds another building to its management portfolio during the biennial period.

DBA Acquisition and Maintenance (MRE0401/T78) - for the acquisition and operation of additional buildings for state occupancy. Funding payable from the Real Estate Fund allows DBA to acquire buildings for general government use as opportunities arise as well as provide construction and renovation as needed. Expenditures are offset by income from the operation of properties acquired.

- \$17,200,000 each year in additional appropriation

Justice Building Operations Fund (MWJ0201/T79) - for the maintenance and operation of the Justice Building. The revenue to support this fund is dispersed from the State Central Services Fund.

- Base Level request

Justice Building Maintenance Fund (MJB0101/T80) - for critical and major maintenance projects for the Justice Building. The revenue to support this fund is generated through fees collected by the Administrative Office of the Courts.

- Reduction in appropriation is due to a capital improvement project that is currently underway at the Justice Building to expand their server room and relocate their training room. Project was bid and awarded in 2016 and will be completed in 2017.

DBA Critical Maintenance Fund (MWJ0301/T81) - for the purpose of funding urgent and critical maintenance projects for the DBA-owned and operated buildings. The revenues for this fund are transferred from the DBA Maintenance Fund (noted directly above) creating a "reserve account" from operations savings (self-funded).

- Base Level request

Sustainable Building Revolving Loan Fund (MBD0001/T82) - the loan fund is being administered by DBA for energy related capital improvement projects that exceed \$250,000 for state-owned properties.

- Base Level request

DBA Building Improvement Cash Fund (NBA0301/T86) - was created in FY15 as a result of funds received by several agencies of the State for a bankruptcy claim (Delaware) filed in 2002 through the Arkansas Attorney General's office against an asbestos company, W.R. Grace. This appropriation will be used for Building Improvements such as Asbestos.

- DBA has continued to complete asbestos abatement in the 501 Building as renovation and improvements are made. Due to requirement of the State Fire Marshal, abatement is being completed as old fire proofing in the building is removed and a new fire sprinkler system is installed. The \$50,000 reduction reflects funds spent on abatement during the prior period.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DFA - BUILDING AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Recommendations

Audit findings are reported under DFA - Administrative Services

Cash Fund Balance Description as of June 30, 2016

Fund Account	Balance	Type	Location
1320201	\$613,985	Checking	Regions

Statutory/Other Restrictions on use:

Financing of additions, extensions, improvements, and renovations of, and equipping of such additions extensions, and improvements of State Justice Building, Also the repayment of obligations issued by the Arkansas Development Finance Authority pursuant to the State Agencies Facilities Acquisition Act of 1991, as amended.

Statutory Provisions for Fees, Fines, Penalties:

N/A

Revenue Receipts Cycle:

Monthly

Fund Balance Utilization:

DBA pays the Semi-annual Interest, Principal, and Fees for the Justice Bonds Payments.

ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM
STATE CONTRACTS OVER \$50,000 AWARDED TO MINORITY OWNED BUSINESSES
Fiscal Year 2016
Required by A.C.A. 25-36-104

AGENCY: 0615 DFA - BUILDING AUTHORITY

Minority Business	Total Contract Awarded	Minority Type per A.C.A. 15-4-303 (2)					
		African American	Hispanic American	American Indian	Asian American	Pacific Islander American	Disabled Veteran
LMT Contractors	\$110,291	X					
Sharp Janitorial	\$230,898	X					
Sherman Waterproofing	\$108,200	X					
Southern Maid Janitorial	\$89,126	X					

TOTAL NUMBER OF MINORITY CONTRACTS AWARDED	<u>4</u>
TOTAL EXPENDITURES FOR CONTRACTS AWARDED	<u>\$2,528,800</u>
% OF MINORITY CONTRACTS AWARDED	<u>25.70 %</u>

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
D31 Justice Building Construction - Cash	754,556	0	1,290,000	0	1,290,000	0	1,290,000	0	1,290,000	0	1,290,000	0	1,290,000	0	1,290,000	0	1,290,000	0
T76 DFA-Building Authority-State Operations	2,139,942	29	2,114,442	29	2,077,932	29	2,122,283	29	2,122,283	29	2,122,283	29	2,123,838	29	2,123,838	29	2,123,838	29
T77 Building Maintenance	9,267,878	38	12,968,105	40	13,125,666	40	12,893,366	40	13,102,466	40	13,102,466	40	12,893,817	40	13,102,917	40	13,102,917	40
T78 Acquisition and Maintenance	0	0	2,800,000	0	2,800,000	0	2,800,000	0	20,000,000	0	20,000,000	0	2,800,000	0	20,000,000	0	20,000,000	0
T79 Justice Building Operations	606,231	2	721,769	3	732,032	3	722,292	3	722,292	3	722,292	3	722,417	3	722,417	3	722,417	3
T80 Justice Building Maintenance	113,248	0	504,659	0	504,659	0	504,659	0	404,293	0	404,293	0	504,659	0	404,293	0	404,293	0
T81 Critical Maintenance	1,039,515	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0
T82 Sustainable Bldg Design Revolv Loan Prog	0	0	10,739,371	0	10,739,371	0	10,739,371	0	10,739,371	0	10,739,371	0	10,739,371	0	10,739,371	0	10,739,371	0
T86 Cash in State Treasury	209,694	0	3,083,907	0	3,291,000	0	3,083,907	0	3,033,907	0	3,033,907	0	3,083,907	0	3,033,907	0	3,033,907	0
Total	14,131,064	69	39,222,253	72	39,560,660	72	39,155,878	72	56,414,612	72	56,414,612	72	39,158,009	72	56,416,743	72	56,416,743	72

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	20,687,028	58.4	21,312,998	34.7			22,127,253	45.2	22,127,253	45.0	22,127,253	45.0	14,365,981	34.9	43,852	0.2	43,852	0.2
General Revenue	4000010	2,139,942	6.0	2,114,442	3.4			2,122,283	4.3	2,122,283	4.3	2,122,283	4.3	2,123,838	5.2	2,123,838	7.8	2,123,838	7.8
Non-Revenue Receipts	4000040	1,500	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
ADFA Loan	4000063	(1,203,152)	(3.4)	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Interest	4000300	50,485	0.1	8,564	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Loan Repayment	4000330	(87,529)	(0.2)	4,252,557	6.9			10,739,371	21.9	10,739,371	21.8	10,739,371	21.8	10,739,371	26.1	10,739,371	39.6	10,739,371	39.6
M & R Sales	4000340	1,539	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Other	4000370	427,668	1.2	400,000	0.7			190,900	0.4	400,000	0.8	400,000	0.8	190,900	0.5	400,000	1.5	400,000	1.5
Rental Income	4000430	11,781,940	33.2	11,800,000	19.2			12,000,000	24.5	12,000,000	24.4	12,000,000	24.4	12,000,000	29.1	12,000,000	44.3	12,000,000	44.3
Rental Income/Fund Transfers	4000435	2,363,000	6.7	2,000,000	3.3			2,000,000	4.1	2,000,000	4.1	2,000,000	4.1	2,000,000	4.9	2,000,000	7.4	2,000,000	7.4
State Administration of Justice	4000470	1,044,293	2.9	1,044,293	1.7			1,073,528	2.2	1,073,528	2.2	1,073,528	2.2	1,073,528	2.6	1,073,528	4.0	1,073,528	4.0
Transfer from Insurance Dept	4000543	0	0.0	19,700,000	32.1			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer from St Central Svcs	4000575	592,000	1.7	716,652	1.2			722,292	1.5	722,292	1.5	722,292	1.5	722,417	1.8	722,417	2.7	722,417	2.7
Transfers / Adjustments	4000683	(2,354,652)	(6.6)	(2,000,000)	(3.3)			(2,000,000)	(4.1)	(2,000,000)	(4.1)	(2,000,000)	(4.1)	(2,000,000)	(4.9)	(2,000,000)	(7.4)	(2,000,000)	(7.4)
Total Funds		35,444,062	100.0	61,349,506	100.0			48,975,627	100.0	49,184,727	100.0	49,184,727	100.0	41,216,035	100.0	27,103,006	100.0	27,103,006	100.0
Excess Appropriation/(Funding)		(21,312,998)		(22,127,253)				(9,819,749)		7,229,885		7,229,885		(2,058,026)		29,313,737		29,313,737	
Grand Total		14,131,064		39,222,253				39,155,878		56,414,612		56,414,612		39,158,009		56,416,743		56,416,743	

FY16 Actual and FY17 Budget exceeds Authorized in DFA-Building Authority-State Operations due to matching rate adjustments during the 2015-2017 Biennium. Variance in Fund Balance is due to unfunded appropriation in Acquisition and Maintenance (FC T78), Justice Building Maintenance (FC T80), Critical Maintenance (FC T81), and Cash in State Treasury (FC T86).

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
93	71	22	93	0	23.66 %	91	61	30	91	0	32.97 %	72	58	14	72	0	19.44 %

Analysis of Budget Request

Appropriation: D31 - Justice Building Construction - Cash

Funding Sources: 132 - Justice Building Construction Cash Fund

The Justice Building Construction cash appropriation provides for debt service obligations associated with construction and renovation of the Justice Building. Funding is provided by court cost receipts transferred from the State Administration of Justice Fund to the Justice Building Construction Fund. This funding is to be used exclusively for the financing of additions, extensions, and improvements to the Justice Building. This includes the repayment of debt service obligations which were incurred in order to make improvements to the Justice Building (A.C.A. §19-5-1087).

The Agency is requesting Base Level of \$1,290,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: D31 - Justice Building Construction - Cash

Funding Sources: 132 - Justice Building Construction Cash Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	17,481	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Debt Service	5120019	737,075	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Total		754,556	1,290,000	1,290,000	1,290,000	1,290,000	1,290,000	1,290,000	1,290,000	1,290,000
Funding Sources										
Fund Balance	4000005	1,581,249	613,985		313,985	313,985	313,985	13,985	13,985	13,985
ADFA Loan	4000063	(1,203,152)	0		0	0	0	0	0	0
Interest	4000300	444	0		0	0	0	0	0	0
State Administration of Justice	4000470	990,000	990,000		990,000	990,000	990,000	990,000	990,000	990,000
Total Funding		1,368,541	1,603,985		1,303,985	1,303,985	1,303,985	1,003,985	1,003,985	1,003,985
Excess Appropriation/(Funding)		(613,985)	(313,985)		(13,985)	(13,985)	(13,985)	286,015	286,015	286,015
Grand Total		754,556	1,290,000		1,290,000	1,290,000	1,290,000	1,290,000	1,290,000	1,290,000

Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: T76 - DFA-Building Authority-State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

This appropriation provides for the operations of DFA Building Authority (DBA). Functions include administration, leasing, architectural, construction, finance, engineering, and building maintenance. This appropriation is funded entirely from general revenue.

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015.

The Agency requests Base Level of \$2,122,283 in FY18 and \$2,123,838 in FY19 with twenty-nine (29) budgeted base level positions.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: T76 - DFA-Building Authority-State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,572,814	1,544,547	1,534,528	1,543,928	1,543,928	1,543,928	1,544,828	1,544,828	1,544,828
#Positions		29	29	29	29	29	29	29	29	29
Personal Services Matching	5010003	528,308	517,740	491,249	526,200	526,200	526,200	526,855	526,855	526,855
Operating Expenses	5020002	37,243	45,955	45,955	45,955	45,955	45,955	45,955	45,955	45,955
Conference & Travel Expenses	5050009	1,577	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		2,139,942	2,114,442	2,077,932	2,122,283	2,122,283	2,122,283	2,123,838	2,123,838	2,123,838
Funding Sources										
General Revenue	4000010	2,139,942	2,114,442		2,122,283	2,122,283	2,122,283	2,123,838	2,123,838	2,123,838
Total Funding		2,139,942	2,114,442		2,122,283	2,122,283	2,122,283	2,123,838	2,123,838	2,123,838
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		2,139,942	2,114,442		2,122,283	2,122,283	2,122,283	2,123,838	2,123,838	2,123,838

Actual and Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: T77 - Building Maintenance

Funding Sources: MWJ - Building Authority Division Maintenance Fund

The Building Maintenance appropriation is funded from rental income and reimbursements from DFA Building Authority (DBA) operated buildings. It supports the property management function of state-owned and DBA-operated office buildings.

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

Base Level is \$12,893,366 in FY18 and \$12,893,817 in FY19 with forty (40) budgeted base level positions each year of the biennium.

The Agency's Change Level request is \$209,100 each year of the biennium and consists of the following:

- Capital Outlay increase of \$84,100 each year of the biennium for major equipment replacements and necessary repairs; unfunded appropriation to restore previously authorized levels.
- Facilities Management Contingency line item increase of \$125,000 each year of the biennium; unfunded appropriation to restore previously authorized levels.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: T77 - Building Maintenance
Funding Sources: MWJ - Building Authority Division Maintenance Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,363,525	1,429,469	1,474,802	1,430,669	1,430,669	1,430,669	1,431,020	1,431,020	1,431,020
#Positions		38	40	40	40	40	40	40	40	40
Extra Help	5010001	10,776	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
#Extra Help		2	9	9	9	9	9	9	9	9
Personal Services Matching	5010003	557,840	557,335	544,463	565,496	565,496	565,496	565,596	565,596	565,596
Overtime	5010006	210	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Operating Expenses	5020002	5,803,071	8,359,015	8,359,115	8,359,015	8,359,015	8,359,015	8,359,015	8,359,015	8,359,015
Conference & Travel Expenses	5050009	400	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Professional Fees	5060010	24,288	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	84,100	84,100	0	84,100	84,100	0	84,100	84,100
Debt Service	5120019	1,507,768	2,307,186	2,307,186	2,307,186	2,307,186	2,307,186	2,307,186	2,307,186	2,307,186
Facilities Management Contingen	5130018	0	0	125,000	0	125,000	125,000	0	125,000	125,000
Rent of Space	5900022	0	121,000	121,000	121,000	121,000	121,000	121,000	121,000	121,000
Total		9,267,878	12,968,105	13,125,666	12,893,366	13,102,466	13,102,466	12,893,817	13,102,917	13,102,917

Funding Sources										
Fund Balance	4000005	4,896,786	5,500,438		2,732,333	2,732,333	2,732,333	29,867	29,867	29,867
M & R Sales	4000340	1,539	0		0	0	0	0	0	0
Other	4000370	427,668	400,000		190,900	400,000	400,000	190,900	400,000	400,000
Rental Income	4000430	11,781,940	11,800,000		12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Transfers / Adjustments	4000683	(2,339,617)	(2,000,000)		(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
Total Funding		14,768,316	15,700,438		12,923,233	13,132,333	13,132,333	10,220,767	10,429,867	10,429,867
Excess Appropriation/(Funding)		(5,500,438)	(2,732,333)		(29,867)	(29,867)	(29,867)	2,673,050	2,673,050	2,673,050
Grand Total		9,267,878	12,968,105		12,893,366	13,102,466	13,102,466	12,893,817	13,102,917	13,102,917

Actual and Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2015-2017 Biennium.

Expenditure of appropriation is contingent upon available funding.

Transfer to Critical Maintenance appropriation (T81).

Change Level by Appropriation

Appropriation: T77 - Building Maintenance
Funding Sources: MWJ - Building Authority Division Maintenance Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	12,893,366	40	12,893,366	100.0	12,893,817	40	12,893,817	100.0
C01	Existing Program	209,100	0	13,102,466	101.6	209,100	0	13,102,917	101.6

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	12,893,366	40	12,893,366	100.0	12,893,817	40	12,893,817	100.0
C01	Existing Program	209,100	0	13,102,466	101.6	209,100	0	13,102,917	101.6

Justification

C01	Change level is reflective of Capital Outlay for the purchase of equipment, \$84,100, to replace existing equipment beyond its useful life if needed that exceeds \$5000. Also, the inclusion of a \$125,000 operating contingency in the event DBA adds another building to its management portfolio during the biennial period.								
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Analysis of Budget Request

Appropriation: T78 - Acquisition and Maintenance

Funding Sources: MRE - Building Authority Division Real Estate Fund

The purpose of this appropriation is the acquisition and operation of additional buildings for state occupancy. Funding payable from the Real Estate Fund allows the DFA Building Authority (DBA) to acquire buildings for general government use as opportunities arise as well as provide construction and renovation as needed. Expenditures would be offset by income from the operation of properties acquired.

The Base Level Request is \$2,800,000 each year of the 2017-2019 Biennium.

The Agency's Change Level request of \$17,200,000 each year in appropriation for the acquisition and operation of additional buildings for state occupancy. Funding payable from the Real Estate Fund allows DBA to acquire buildings for general government use as opportunities arise as well as provide construction and renovation as needed. Expenditures are offset by income from the operation of properties acquired.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: T78 - Acquisition and Maintenance
Funding Sources: MRE - Building Authority Division Real Estate Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Construction	5090005	0	2,500,000	2,500,000	2,500,000	19,700,000	19,700,000	2,500,000	19,700,000	19,700,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		0	2,800,000	2,800,000	2,800,000	20,000,000	20,000,000	2,800,000	20,000,000	20,000,000
Funding Sources										
Fund Balance	4000005	220,629	222,129		17,122,129	17,122,129	17,122,129	14,322,129	0	0
Non-Revenue Receipts	4000040	1,500	0		0	0	0	0	0	0
Transfer from Insurance Dept	4000543	0	19,700,000		0	0	0	0	0	0
Total Funding		222,129	19,922,129		17,122,129	17,122,129	17,122,129	14,322,129	0	0
Excess Appropriation/(Funding)		(222,129)	(17,122,129)		(14,322,129)	2,877,871	2,877,871	(11,522,129)	20,000,000	20,000,000
Grand Total		0	2,800,000		2,800,000	20,000,000	20,000,000	2,800,000	20,000,000	20,000,000

Expenditure of appropriation is contingent upon available funding.

Change Level by Appropriation

Appropriation: T78 - Acquisition and Maintenance
Funding Sources: MRE - Building Authority Division Real Estate Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	2,800,000	0	2,800,000	100.0	2,800,000	0	2,800,000	100.0
C01	Existing Program	17,200,000	0	20,000,000	714.3	17,200,000	0	20,000,000	714.3

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	2,800,000	0	2,800,000	100.0	2,800,000	0	2,800,000	100.0
C01	Existing Program	17,200,000	0	20,000,000	714.3	17,200,000	0	20,000,000	714.3

Justification

C01	The budget reflects new funding from the Arkansas Insurance Trust fund for the construction of a new state-owned building at 1610 West Third Street to house agencies of the State. New construction will begin following design in FY18 and will continue into FY19. The DBA purchased the existing Capitol Place Building in FY17. The plan is to raze the existing building and construct a new energy-efficient, sustainable building for operation by the DBA.
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Analysis of Budget Request

Appropriation: T79 - Justice Building Operations

Funding Sources: MWJ - Building Authority Division Maintenance Fund

This appropriation provides for the operations of the Justice Building. Funding is provided under special language provisions for a transfer from the State Central Services Fund to the DFA Building Authority (DBA) Maintenance Fund for actual expenditures up to the authorized appropriation level.

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency requests Base Level of \$722,292 for FY18 and \$722,417 for FY19 and includes three (3) budgeted base level positions.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: T79 - Justice Building Operations
Funding Sources: MWJ - Building Authority Division Maintenance Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	72,305	98,458	108,104	98,458	98,458	98,458	98,558	98,558	98,558
#Positions	2	3	3	3	3	3	3	3	3
Personal Services Matching 5010003	31,339	38,858	39,475	39,381	39,381	39,381	39,406	39,406	39,406
Operating Expenses 5020002	502,587	584,453	584,453	584,453	584,453	584,453	584,453	584,453	584,453
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	606,231	721,769	732,032	722,292	722,292	722,292	722,417	722,417	722,417
Funding Sources									
Fund Balance 4000005	34,383	5,117		0	0	0	0	0	0
Transfer from St Central Srvs 4000575	592,000	716,652		722,292	722,292	722,292	722,417	722,417	722,417
Transfers / Adjustments 4000683	(15,035)	0		0	0	0	0	0	0
Total Funding	611,348	721,769		722,292	722,292	722,292	722,417	722,417	722,417
Excess Appropriation/(Funding)	(5,117)	0		0	0	0	0	0	0
Grand Total	606,231	721,769		722,292	722,292	722,292	722,417	722,417	722,417

Analysis of Budget Request

Appropriation: T80 - Justice Building Maintenance

Funding Sources: MJB - Justice Building Fund

The Justice Building Maintenance appropriation provides for maintenance of the Justice Building. Funding is provided by court cost receipts transferred from the State Administration of Justice Fund to be used exclusively for maintenance of the Justice Building (A.C.A. §19-5-1052).

Base Level is \$504,659 each year of the 2017-2019 Biennium.

The Agency requests to reduce Base Level by (\$100,366) each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: T80 - Justice Building Maintenance

Funding Sources: MJB - Justice Building Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Building Maintenance 5120032	113,248	504,659	504,659	504,659	404,293	404,293	504,659	404,293	404,293
Total	113,248	504,659	504,659	504,659	404,293	404,293	504,659	404,293	404,293
Funding Sources									
Fund Balance 4000005	593,624	534,669		84,303	84,303	84,303	0	0	0
State Administration of Justice 4000470	54,293	54,293		83,528	83,528	83,528	83,528	83,528	83,528
Total Funding	647,917	588,962		167,831	167,831	167,831	83,528	83,528	83,528
Excess Appropriation/(Funding)	(534,669)	(84,303)		336,828	236,462	236,462	421,131	320,765	320,765
Grand Total	113,248	504,659		504,659	404,293	404,293	504,659	404,293	404,293

Change Level by Appropriation

Appropriation: T80 - Justice Building Maintenance
Funding Sources: MJB - Justice Building Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	504,659	0	504,659	100.0	504,659	0	504,659	100.0
C03	Discontinue Program	(100,366)	0	404,293	80.1	(100,366)	0	404,293	80.1

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	504,659	0	504,659	100.0	504,659	0	504,659	100.0
C03	Discontinue Program	(100,366)	0	404,293	80.1	(100,366)	0	404,293	80.1

Justification

C03	Reduction in appropriation is due to a capital improvement project that is currently underway at the Justice Building to expand their server room and relocate their training room. Project was bid and awarded in 2016 and will be completed in 2017.
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Analysis of Budget Request

Appropriation: T81 - Critical Maintenance

Funding Sources: MWJ - Building Authority Division Maintenance Fund

This appropriation is used for Critical Maintenance of DFA Building Authority (DBA) owned or operated buildings. Funding is derived from rental income paid by state agencies housed in DBA operated buildings.

The Agency requests Base Level of \$5,000,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: T81 - Critical Maintenance

Funding Sources: MWJ - Building Authority Division Maintenance Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Building Maintenance	5120032	1,039,515	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total		1,039,515	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Funding Sources										
Fund Balance	4000005	3,551,018	4,874,503		1,874,503	1,874,503	1,874,503	0	0	0
Rental Income/Fund Transfers	4000435	2,363,000	2,000,000		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Total Funding		5,914,018	6,874,503		3,874,503	3,874,503	3,874,503	2,000,000	2,000,000	2,000,000
Excess Appropriation/(Funding)		(4,874,503)	(1,874,503)		1,125,497	1,125,497	1,125,497	3,000,000	3,000,000	3,000,000
Grand Total		1,039,515	5,000,000		5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000

Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: T82 - Sustainable Bldg Design Revolv Loan Prog

Funding Sources: MBD - Sustainable Building Design Revolving Loan Fund

The purpose of this appropriation is to provide loans to State Agencies for the Sustainable Building Design Program A.C.A. 22-3-1901. A loan made from this program must be for a renovation of a state-owned property for an amount that exceeds two hundred fifty thousand dollars (\$250,000) with the term for repayment not to exceed ten (10) years.

Funding for this appropriation consists of funds transferred from the General Improvement Fund, federal grants, and loan repayments from state agencies.

The Agency requests Base Level of \$10,739,371 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: T82 - Sustainable Bldg Design Revolv Loan Prog

Funding Sources: MBD - Sustainable Building Design Revolving Loan Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Loans	5120029	0	10,739,371	10,739,371	10,739,371	10,739,371	10,739,371	10,739,371	10,739,371	10,739,371
Total		0	10,739,371	10,739,371	10,739,371	10,739,371	10,739,371	10,739,371	10,739,371	10,739,371
Funding Sources										
Fund Balance	4000005	6,574,343	6,486,814		0	0	0	0	0	0
Loan Repayment	4000330	(87,529)	4,252,557		10,739,371	10,739,371	10,739,371	10,739,371	10,739,371	10,739,371
Total Funding		6,486,814	10,739,371		10,739,371	10,739,371	10,739,371	10,739,371	10,739,371	10,739,371
Excess Appropriation/(Funding)		(6,486,814)	0		0	0	0	0	0	0
Grand Total		0	10,739,371		10,739,371	10,739,371	10,739,371	10,739,371	10,739,371	10,739,371

Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: T86 - Cash in State Treasury

Funding Sources: NBA - Building Authority Division Cash Fund

The Building Improvement Fund was created in FY15 as a result of funds received by several agencies of the State for a bankruptcy claim (Delaware) filed in 2002 through the Arkansas Attorney General's office against an asbestos company, W.R. Grace. This appropriation is used for Building Improvements such as Asbestos Abatement. Funding comes from a settlement transfer from the Attorney General's office.

Base Level is \$3,083,907 each year of the 2017-2019 Biennium.

The Agency requests to reduce Base Level by (\$50,000) each year.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: T86 - Cash in State Treasury

Funding Sources: NBA - Building Authority Division Cash Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Building Improvements 5900046	209,694	3,083,907	3,291,000	3,083,907	3,033,907	3,033,907	3,083,907	3,033,907	3,033,907
Total	209,694	3,083,907	3,291,000	3,083,907	3,033,907	3,033,907	3,083,907	3,033,907	3,033,907
Funding Sources									
Fund Balance 4000005	3,234,996	3,075,343		0	0	0	0	0	0
Interest 4000300	50,041	8,564		0	0	0	0	0	0
Total Funding	3,285,037	3,083,907		0	0	0	0	0	0
Excess Appropriation/(Funding)	(3,075,343)	0		3,083,907	3,033,907	3,033,907	3,083,907	3,033,907	3,033,907
Grand Total	209,694	3,083,907		3,083,907	3,033,907	3,033,907	3,083,907	3,033,907	3,033,907

Expenditure of appropriation is contingent upon available funding.

Change Level by Appropriation

Appropriation: T86 - Cash in State Treasury
Funding Sources: NBA - Building Authority Division Cash Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	3,083,907	0	3,083,907	100.0	3,083,907	0	3,083,907	100.0
C03	Discontinue Program	(50,000)	0	3,033,907	98.4	(50,000)	0	3,033,907	98.4

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	3,083,907	0	3,083,907	100.0	3,083,907	0	3,083,907	100.0
C03	Discontinue Program	(50,000)	0	3,033,907	98.4	(50,000)	0	3,033,907	98.4

Justification

C03	DBA has continued to complete asbestos abatement in the 501 Building as renovations and improvements are made. Due to requirement of the State Fire Marshal, abatement is being completed as old fire proofing in the building is removed and a new fire sprinkler system is installed. The reduction reflects funds spent on abatement during the prior period.
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