

GSA RENT

Desired Outcome

Improve management of and provide for rising GSA rent costs without redirecting resources from core, mission-critical activities. This activity includes charges for all of FDA's GSA space, both Government-owned and GSA-leased.

Program Objective

The requested increase will assist in meeting the Improving FDA's Business Practices strategic goal, and will minimize the need to redirect resources from core programs to cover rental cost increases.

The Agency occupies over 4.6 million square feet of space including parking. Nearly half of the GSA rent charges are for government-owned or GSA-leased space in the Washington, DC area with the largest individual charges for the Parklawn complex, Module II in Beltsville, and CFSAN's new College Park location. In addition, there is the Regional office and laboratory in Jamaica, NY. The balance of the charges would affect the Regional Offices, District Office/Laboratory complexes, and over 130 leased offices, which serve as resident posts for strategically placed field investigators.

GSA Rent and Other Rent and Rent-Related - FY 2006 (Dollars in \$000)

Item	
GSA Rent - BA	\$113,479
Other Rent and Rent-Related - BA	\$35,758
<i>FY 2006 Increase - BA</i>	<i>\$4,100</i>
Subtotal - BA	\$153,337
GSA Rent - UF	\$15,421
Other Rent and Rent-Related - UF	\$686
<i>FY 2006 Increase - UF</i>	<i>\$1,950</i>
Subtotal - UF	\$18,057
TOTAL GSA Rent and Other Rent	\$171,394

Why is FDA's Contribution So Important?

The FY 2002 supplemental provided many FDA programs with substantial staffing increases in response to bioterrorism and emergency preparedness needs. To house these staff, additional space has been acquired. Also, FDA anticipates a fairly significant increase in GSA rental costs plus a final rent estimate for the White Oak facility is still pending.

Plan to Change GSA Rent and Other Rent-Related Activities Display

FDA proposes changing the way the GSA Rent and Other Rent and Rent-Related Activities budget lines are displayed. While these are currently tracked at the agency-level, FDA proposes eliminating these budget lines and incorporating rent into program-level requests.

Under the current budget structure, if rent needs unexpectedly change, a reprogramming request to Congress is

required. Displaying rent at the program-level would eliminate the need for many such requests, would place accountability for these costs with the programs, and would more accurately portray the full cost of operating each program.

Including rent in the program-level totals would provide FDA with increased flexibility to respond to unpredicted needs such as new regulatory initiatives that require additional staff and office space, safety initiatives, natural disasters, or other emergencies. Currently, a reprogramming would most likely be needed to respond to any increased rent needs resulting from these types of scenarios.

In addition, this budget structure change would strengthen our ability to respond to unexpected rent increases. Rent appropriations for a given year are estimated 16 to 28 months before the rent bills are due. Rent bills are often higher than the amount appropriated for rent. Including rent in the program-level totals would enable the transfer of funds within a center to meet an unexpected increase in rent.

This change would also better align the “full cost” of each program with strategic goals and performance measures. In addition, this change will improve accountability for the Center on how they manager their rent space.