

FISCAL NOTE

STATE OF ALASKA
2014 LEGISLATIVE SESSION

Bill Version SCS CSHB 278
 Fiscal Note Number _____
 () Publish Date _____

Identifier (file name) HB278SCSCS-EED-SFF-4-17-14-DRAFT Dept. Affected Education & Early Development
 Title Education: Funding/Tax Credits/Programs Appropriation Education Support Services
 Allocation School Finance & Facilities
 Sponsor Rules by Request of the Governor
 Requester Senate Finance Committee OMB Component Number 2737

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY15 Appropriation Requested	Included in Governor's FY15 Request	Out-Year Cost Estimates				
			FY16	FY17	FY18	FY19	FY20
OPERATING EXPENDITURES	FY15	FY15	FY16	FY17	FY18	FY19	FY20
Personal Services	108.3		54.2				
Travel	2.3		2.3				
Services	509.5		9.5				
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	620.1	0.0	66.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

	FY15	FY15	FY16	FY17	FY18	FY19	FY20
1002 Federal Receipts							
1003 GF Match							
1004 GF	620.1		66.0				
1005 GF/Prgm (DGF)							
1007 I/A Rcpts (Other)							
1030 School Fnd (DGF)							
	620.1	0.0	66.0	0.0	0.0	0.0	0.0

POSITIONS

	FY15	FY15	FY16	FY17	FY18	FY19	FY20
Full-time							
Part-time							
Temporary	1		1				

CHANGE IN REVENUES

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Estimated SUPPLEMENTAL (FY14) operating costs 0.0 (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY15) costs 0.0 (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
 If yes, by what date are the regulations to be adopted, amended, or repealed? _____ Discuss details in analysis section.

Why this fiscal note differs from previous version (if initial version, please note as such)

Initial version.

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 Division School Finance and Facilities
 Approved by Mike Hanley
 Division Commissioner

Phone (907) 465-8679
 Date/Time 4/17/14 7:00 PM
 Date 4/17/2014

FISCAL NOTE ANALYSIS

STATE OF ALASKA
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Analysis

Section 20: At Alaska Statute (AS) 14.11.014(b)(8) the Bond Reimbursement and Grant Review (BRGR) committee is charged with setting standards for energy efficiency for school construction and major maintenance. This legislation stipulates criteria for the standard set by the BRGR. This language requires that the energy standard set by BRGR meet at least a five star energy rating, as determined by the United States Environmental Protection Agency, for schools and other facilities in which students are housed or receive instruction.

The Department of Education & Early Development researched and provided information and recommendations to the BRGR committee for existing statutorily required energy standards. The current standards are in addition to the preventative maintenance requirements that include an energy management system in statute. The BRGR, which includes licensed professionals, evaluated multiple energy efficiency standards and adopted the American Association of Heating, Refrigeration, and Air Conditioning Engineers (ASHRAE) Standard 90.1, in December 2012. The ASHRAE 90.1 standards were adopted into regulation in March 2013 and are currently the energy efficiency standards for all school construction and major maintenance projects.

Requiring a change from the adopted standard will necessitate further review of the five star EPA rating. When the current energy setting work was undertaken, the department and BRGR found that a five star methodology did not provide an initial standard for design and approval. The five star rating reports the outcomes and successes of the energy design and criteria.

Residential housing facilities are excluded from the construction and major maintenance grant programs in AS 14.11.013(d) and the debt reimbursement program in AS 14.11.100(h). Under this legislation, the BRGR committee would be tasked with setting construction standards for these facilities that do not receive capital funding through AS 14.11.

In order to understand the volume of facilities statewide it is noted that the insured value of school district owned buildings is approximately \$7.2 billion. An estimate to implement and meet the five star system required in Section 20 is indeterminate.

Section 54: of this legislation requires the Department of Education & Early Development to prepare and submit a report to the legislature on the benefits and disadvantages of using prototypical designs for school construction in both the Railbelt and rural areas of the state.

The fiscal note includes costs associated with one full-time nonpermanent position at salary range 20 step F, travel, and \$9.5 for department chargebacks to serve as project manager for the report. This position will be responsible for project management and identifying buildings and components that may need to be provided in a prototypical format for all 53 school districts. Also included is the cost of utilizing a contractor to assist in identification of buildings and components that may be provided in a prototypical format and provide necessary review and analysis of design benefits and disadvantages throughout Alaska. The fiscal impact of Section 54 is shown above on page 1.

The effective date for Sections 20 and 54 in this legislation is July 1, 2014.