

# ALASKA STATE LEGISLATURE

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Session: January - April  
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### Sectional Analysis SB 87 Version J

**Section 1 (pg. 2 Lines 3-11):** Amends AS 14.11.011(b) by increasing the information needed in a school district's grant application. The district shall submit:

1. Information demonstrating that the project incorporates standardized options for building and equipment components and is in compliance with the recommendations made under Section 9 of the bill.
2. Documentation of the building commissioning process the district uses for both new construction and major maintenance projects.

**Section 2 (pg. 3 Lines 11-12 and 22-25):** Amends AS 14.11.013 by

- a. Adding to the duties of the Capital Improvement Project grant schedule, the requirement for DEED to verify that the project follows the recommendations made in Section 9 and
- b. Requiring that a capital improvement project grant request must achieve savings measured by a life-cycle cost analysis through the use of: standardized options, energy efficiency upgrades, and fuel cost reductions

**Section 3 (pg. 4 Line 10):** Amends AS 14.11.013(d) which allows DEED to reduce a project budget by the cost of those portions of a project design that they determine does not meet the criteria set out by the Section 9 of the bill.

**Section 4 (pg. 4 lines 13-17):**

- a. When a school district is applying for a grant, DEED shall consult with Alaska Energy Authority to make sure that the projects are in compliance with the criteria from Section 9.
- b. Defines "life-cycle cost" as the meaning given in AS 46.11.900
  - "life-cycle cost" means the total cost of owning, operating, and maintaining a building over its useful life, including its energy and fuel costs, determined on a basis of a systematic evaluation and comparison of alternative building systems, except that in the case of leased buildings the life-cycle cost shall be calculated over the effective remaining term of the lease;

**Section 5 (pg. 4 Line 29 and pg. 5 Lines 4-5):** Amends AS 14.11.014(b) Requiring the Bond Reimbursement and Grant Review Committee to, along with their other duties:

1. Analyze designs acquired by the Department, and
2. Set standards based on the standards adopted under Section 9.

**Section 6 (pg. 5 Lines 13-14, 16-17, 30- line 6 on pg. 6):** Amends AS 14.11.017(a)

1. Requires that a school district must include criteria developed in Section 9 when they are seeking a grant for school construction.
2. Requires that the school district not exceed the maximum cost standards established by Section 9.
3. Disallows any school districts, contractors, architects, or designers involved with the design and building of a school facility from applying for an architectural or design award, if the grant is an amount equal to or greater than 50% of the project. This does not exclude energy efficiency grants or innovative design grants.

**Section 7 (pg. 6 Lines 7-11):** Amends AS 14.11.017 to state that if a cost of a project exceeds the maximum cost standards established by Section 9, then the municipality or REAA must pay for the excess cost of the building outside of state funds.

**Section 8 (pg. 6 Lines 12-31):** Amends AS 14.11.100 by adding three sections to. The commissioner of Education may not approve an application for bond reimbursement, unless the municipality, as a condition of reimbursement:

1. Agrees to construction of an appropriate size school facility that meets criteria developed by the Department and section 9 of this bill. In assessing this criteria, the Commissioner of DEED shall consult with AEA.
2. Provides reasonable assurance that the project costs will not exceed the maximum cost standard established by the Department under Section 9. If a school district does exceed the maximum cost standard, the municipality or REAA will pay for the excess with funds from outside of state government.
3. If a project receives bond reimbursement of 50% or more of the cost of the project, the municipality, architects, engineers and designers are prohibited from submitting for an architectural design award.

**Section 9 (pg. 7 line 1 – pg. 8 line 25):** Creates a new section in state law: AS 14.11.104. School Facility Design and Maintenance Standards. It requires DEED to:

1. Establish, by regulation, energy efficiency standards that include standardized options for building and equipment components, appropriate to each climate zone in the state for the construction and major maintenance of school facilities. The regulations must include:
  - a. Energy efficiency standards that are consistent and relevant to building, plumbing and electrical codes that will reduce long-term operating costs.
  - b. Provide standardized options for energy efficient building and equipment components from which a school district may choose when designing a school facility or renovating an existing facility.
  - c. Establish best practices for improving energy efficiency for existing and newly constructed school facilities.

- d. Establish the maximum acceptable costs for each square foot for construction or major maintenance of an energy efficient school facility. The department shall:
  - i. Base the maximum costs on designs that prioritize classroom infrastructure and functional design.
  - ii. The maximum acceptable cost must be adjustable for different regions within each climate zone.
2. Create a maintenance manual for schools and maintenance crews that provides information about maintaining and repairing standardized options identified in the energy efficiency standards.
3. Consider establishing a statewide maintenance team to help schools in maintaining and repairing their standardized components. The department may enter into a contract with a regional or local organization, AEA, DOT, or another state agency to create this statewide maintenance team.
4. Requirements for a school district and a maintenance team, if established, to submit reports to the Department of Education and Early Development:
  - a. The date that maintenance was performed and what maintenance was performed
  - b. The condition of school facilities
  - c. Monitoring data: occupancy, electricity usage, fuel usage, temperature, etc.
5. Acquire ownership of the design for any school facility for which a grant or bond reimbursement is approved in an amount of 50% or more of the cost of construction.
6. DEED must assess, in consultation with the Department of Administration and the Department of Transportation, all state lease payments, state owned facilities and the use of school facilities in rural areas to determine whether other state or local services can be located in the same facility in order to reduce state funding needs. Any state or local service that may be co-located with a public school must have all their employees meet background check requirements equivalent to the requirements for teachers.
  - a. Rural is defined
  - b. State or local service is defined with the words or “similar entity”

**Section 10 (pg. 8 Line 26 – pg. 11 line 2):** Establishes the Public School Energy Efficiency and Standardized Components Working Group. Established in the Department of Education and Early Development for the purpose of recommending energy efficiency standards and standardized options for energy efficient building and equipment components for public school facilities construction and major maintenance projects who receive a grant or reimbursement in an amount equal to 50% or more of the project costs.

- a. The working group consists of nine members appointed by the Commissioner.
- b. The working group shall select a chair and vice-chair. Majority establishes quorum. Decision are made on majority vote.
- c. Develop recommendations appropriate to each climate zone in the state:
  1. Establish energy efficiency standards consistent with relevant building, plumbing, and electrical codes.
  2. Standardized options for energy efficient building and equipment components from which school districts may choose from.

3. Best practices for improving energy efficiency for existing and newly constructed school facilities in order to maximize the energy efficiency of buildings and equipment components.
  4. The maximum cost standard for each square foot of construction of an energy efficient school facility that uses components identified in (2) of this subsection. The maximum cost must be appropriate for designs that prioritize classroom infrastructure and functional design. The costs must be adjusted for different regions within each climate zone.
- d. The standardized component options must:
    1. Result in designs for buildings with a 30 year life for new construction and 20 years for renovations or energy efficiency upgrades
    2. Achieve economic savings, as measured by a life cycle cost analysis through the use of standardized options and fuel cost reductions from energy efficiency upgrades.
    3. Focus the state's investment in education facilities by prioritizing functional design and classroom infrastructure.
  - e. The working group shall complete a report summarizing their recommendations, and submit the report electronically.
  - f. The working group may meet by telephone or videoconference. They will not receive reimbursement, compensation or per diem.
  - g. The working group terminates on the date 18 months after the effective date of this section.

**Section 11 (pg. 11 lines 3 – 9):** Applicability

**Section 12 (pg. 11 Lines 10 – 19):**

- a. DEED shall adopt regulations necessary to implement the changes made by this act.
- b. The regulations required under section 9 must implement the recommendations of the public school energy efficiency and standardized components working group established in section 10.
- c. The regulations take effect after 18 months of enactment of this legislation

**Section 13 (pg. 11 Lines 20-21):** Sections 1-9 and 11 take effect 24 months after the effective date of section 10

**Section 14 (pg. 11 Line 22):** Section 10 takes effect immediately.

**Section 15 (pg. 11 Lines 23-24):** Section 12 takes effect 18 months after the effective date of section 10 of this act.