

April 13, 2022

Representative Kelly Merrick, Co-Chair
Representative Neal Foster, Co-Chair
Members of House Finance Committee

Sent by email

RE: HB414 – Appropriations; Supplemental and Capital (IIJA)

Representative Merrick, Foster and HFIN Committee members:

ACEC Alaska is a non-profit organization comprised of thirty-five (35) engineering companies located throughout the state of Alaska. The Alaska chapter is an affiliate of the American Council of Engineering Companies (ACEC National).

ACEC Alaska member companies have offices throughout the state and employ thousands of professional engineers, surveyors, geologists and other staff professionals. ACEC Alaska member companies are diligent supporters of STEM programs throughout Alaska schools and draw heavily from the emerging talent studying and graduating from our esteemed School of Engineering and Sciences within the University of Alaska (*all campuses*).

ACEC has long advocated for infrastructure improvements, within Alaska and nationally, and was active in the development *and* passage of the Infrastructure Investment & Jobs Act (IIJA) [Public Law 117-58]. Alaska will do very well under the Act and we all owe a debt of gratitude to our Alaska Congressional delegation.

A developing challenge for yourselves as policy makers and for the professional design community, and frankly the Alaska workforce, will be the roll out phase of project development, design & permitting, project management and ultimately project construction.

ACEC AK is poised to embrace this challenge. We have active and experienced professionals with a wide knowledge of Alaskan conditions. We have active recruiting programs to ensure talent is secured and available to absorb the anticipated surge resulting from IIJA and other capital projects (federal, state, municipal & tribal).

With that as background, it has come to our attention that HB414 – an Appropriations measure authorizing receipt and expenditure of IIJA funding within the state budgeting system, also requests legislative authority for new state employees for agencies to design, permit and manage projects.

ACEC AK is of the opinion that the legislature should not approve authority for state government employee hire as requested within HB414. The private sector is *capable, able and willing*.

Experience has taught us all that growth of government, innocuous initially and often nudged along in time of increased revenue spending, becomes extremely challenging and problematic for state policymakers, such as yourselves, when budgets constrict. The duration of the IJA is limited to roughly 5-years, perhaps 6 or 7-years *but the funds will diminish*, and higher state employee counts will bedevil those in the Capitol Building at that time.

A simpler, more cost-effective and likely much more efficient process would be to follow established state procurement protocols and contract these services with the private sector. Qualifications-Based Selection (QBS) remains the most effective, fair and productive way to procure professional design services. ACEC Alaska continues to advocate for QBS procurement at all levels of state, local and municipal work.

A 2016 NYU Polytechnic [Report](#) documents a 15%+ savings when private engineering firms are utilized. Our focus is on nimbly and responsively delivering infrastructure improvements demands and building a strong partnership between public and private design professionals.

Thank you for your consideration, if you have any questions, we can be available to testify or prepare additional back-up material or statements.

These are indeed exciting times, and we look forward to the infrastructure projects becoming reality for the benefit of all Alaskans and our visitors.

Sincerely,

D. Mike Rabe, PE
ACEC Alaska, President

Len Story, PLS
ACEC Alaska, Vice President

cc: Governor Mike Dunleavy
Neil Steininger, OMB
Commissioner Ryan Anderson, DOT&PF
Commissioner Jason Brune, DEC
Commissioner Paula Vrana, DOA
Miles Baker, IJA Infrastructure Investment Coordinator, SOA