

**ALASKA STATE LEGISLATURE**  
**HOUSE LABOR AND COMMERCE STANDING COMMITTEE**

April 30, 2003

3:18 p.m.

**MEMBERS PRESENT**

Representative Tom Anderson, Chair  
Representative Nancy Dahlstrom  
Representative Carl Gatto  
Representative Norman Rokeberg  
Representative Harry Crawford  
Representative David Guttenberg

**MEMBERS ABSENT**

Representative Bob Lynn, Vice Chair

**COMMITTEE CALENDAR**

HOUSE BILL NO. 259

"An Act relating to public school transportation, and to the minimum wages for school bus drivers; and providing for an effective date."

- MOVED CSHB 259(L&C) OUT OF COMMITTEE

HOUSE BILL NO. 269

"An Act establishing the Safety Code Task Force; and providing for an effective date."

- MOVED CSHB 269(L&C) OUT OF COMMITTEE

HOUSE BILL NO. 272

"An Act relating to motor vehicle dealers."

- SCHEDULED BUT NOT HEARD

HOUSE BILL NO. 47

"An Act prohibiting discrimination by credit rating or credit scoring in certain insurance rates; and providing for an effective date."

- REMOVED FROM AGENDA

**PREVIOUS ACTION**

BILL: HB 259

SHORT TITLE:PUPIL TRANSPORTATION FUNDING/DRIVER WAGES

SPONSOR(S): REPRESENTATIVE(S)GATTO

Jrn-Date	Jrn-Page		Action
04/11/03	0934	(H)	READ THE FIRST TIME - REFERRALS
04/11/03	0934	(H)	EDU, L&C, FIN
04/16/03		(H)	EDU AT 7:00 AM CAPITOL 124
04/16/03		(H)	Heard & Held MINUTE(EDU)
04/16/03		(H)	L&C AT 3:15 PM CAPITOL 17
04/16/03		(H)	<Bill Hearing Postponed>
04/22/03		(H)	EDU AT 11:00 AM CAPITOL 124
04/22/03		(H)	Moved CSHB 259(EDU) Out of Committee
04/22/03		(H)	MINUTE(EDU)
04/23/03	1069	(H)	EDU RPT CS(EDU) NT 1DP 3AM
04/23/03	1069	(H)	DP: GATTO; AM: WILSON, OGG, SEATON
04/23/03	1070	(H)	FN1: (EED)
04/30/03		(H)	L&C AT 3:15 PM CAPITOL 17

BILL: HB 269

SHORT TITLE:SAFETY CODE TASK FORCE

SPONSOR(S): REPRESENTATIVE(S)DAHLSTROM

Jrn-Date	Jrn-Page		Action
04/15/03	0985	(H)	READ THE FIRST TIME - REFERRALS
04/15/03	0985	(H)	L&C, FIN
04/28/03		(H)	L&C AT 3:15 PM CAPITOL 17
04/28/03		(H)	Heard & Held
04/28/03		(H)	MINUTE(L&C)
04/30/03		(H)	L&C AT 3:15 PM CAPITOL 17

**WITNESS REGISTER**

EDDY JEANS, Manager

School Finance and Facilities Section

Education Support Services

Department of Education and Early Development (EED)

Juneau, Alaska

POSITION STATEMENT: Provided comments and responded to  
questions during discussion of HB 259.

MELODY DOUGLAS, Chief Financial Officer

Kenai Peninsula Borough School District  
Soldotna, Alaska

POSITION STATEMENT: Provided comments, suggested an amendment,  
and responded to questions during discussion of HB 259.

MIKE FISHER, Chief Financial Officer  
Fairbanks North Star Borough School District  
Fairbanks, Alaska

POSITION STATEMENT: Provided comments during discussion of HB  
259.

STEVEN KALMES, Director  
Transportation  
Anchorage School District (ASD)  
Anchorage, Alaska

POSITION STATEMENT: Provided comments and responded to  
questions during discussion of HB 259.

LARRY WIGET, Executive Director  
Public Affairs  
Anchorage School District (ASD)  
Anchorage, Alaska

POSITION STATEMENT: Provided comments and responded to  
questions during discussion of HB 259.

BRUCE JOHNSON, Director  
Quality Schools/Quality Student Services (QS2)  
Association of Alaska School Boards (AASB)  
Juneau, Alaska

POSITION STATEMENT: Provided comments during discussion of HB  
259.

ZACK WARWICK, Staff  
to Senator Gene Therriault  
Alaska State Legislature  
Juneau, Alaska

POSITION STATEMENT: As staff to the sponsor of SB 180,  
companion bill to HB 269, commented on proposed changes to  
proposed Amendment 1 to HB 269.

**ACTION NARRATIVE**  
**TAPE 03-44, SIDE A**

[Not on tape, but reconstructed from the committee secretary's  
log notes, was:

**CHAIR TOM ANDERSON** called the House Labor and Commerce Standing Committee meeting to order at 3:18 p.m. Representatives Anderson, Gatto, Crawford, and Guttenberg were present at the call to order. Representatives Dahlstrom and Rokeberg arrived as the meeting was in progress.

HB 259 - PUPIL TRANSPORTATION FUNDING/DRIVER WAGES

CHAIR ANDERSON announced that the first order of business would be HOUSE BILL NO. 259, "An Act relating to public school transportation, and to the minimum wages for school bus drivers; and providing for an effective date." [Before the committee was CSHB 259(EDU).]

Number 0021

REPRESENTATIVE GATTO, speaking as the sponsor, said that HB 259 deals with student transportation, and that the governor intends to cut the transportation budget by 20 percent. He opined that 20 percent is too big a cut for school districts to accept, and that the alternative plan offered by HB 259 has the governor's support. Under HB 259, he explained:

We take the [fiscal year 2003] FY 03 money that was spent on student transportation and we essentially give it to the districts to spend it any way they want. If indeed they find efficiencies, they get to keep the money and use the money in the classroom or in any way they like. If they struggle and they have to spend it all, well, then, they spend it all. But because there is a dilemma, and that is simply a choice between two undesirables, either you take the FY 03 money and keep it or you go with the governor's proposal, which is a 20 percent cut. Since the governor supports this bill, I feel fairly certain that he would not do anything to change it. Now, each district gets a certain amount of money per student, and as you increase enrollment, you get more money ... for student transportation, much like you do in the [foundation] formula.

Well, we've gone along with the [foundation] formula for some time and agree that that is the mechanism that we use: we like to, essentially, give money per student. That's what happens in this bill.... Basically, it says, "Whatever you got in [FY] 03, you'll keep." What will happen, as years go by, is

much the same thing that happens to the [foundation] formula, and that is: as time goes by, ... someone can certainly bring this legislation up and ask to amend it and/or increase the funding per student to take into account increased fuel costs, increased insurance, the cost of new buses, wage increases, et cetera, which gives us an opportunity - in the same way we deal with the [foundation] formula - to simply add money, per student, to this formula.

REPRESENTATIVE GATTO continued:

Some people will gain more than others, I'm sorry that that happens, but it does happen. And there didn't seem to be a good way to make [transportation funding] happen short of the basic way that we've done here. And I believe firmly that it works pretty well. I have support from [Matanuska-Susitna] Mat-Su [and] ... Fairbanks. I talked to Carol Comeau for the Anchorage district, and she said, as of yesterday, [that] she had not taken a position on it because she wasn't familiar with it yet - she would have to read it, and maybe after that point take a position of whether she liked it or not. But I haven't found any school district that's said, "I've read it, I've talked to you, and I don't like it." I haven't found that. I bet it exists, but I haven't found it.

So I'd like you to approve [CSHB 259(EDU)], and hopefully we want to move it on so that it meets with a bill that will be coming from the Senate side, and we have plans for attaching it the funding formula and moving it through so that before the session ends we have transportation funded through this bill [and] we have the funding formula with the increases ....

Number 0378

EDDY JEANS, Manager, School Finance and Facilities Section, Education Support Services, Department of Education and Early Development (EED), said that the EED and the administration have been working closely with Representative Gatto on HB 259, and remarked that Representative Gatto gave a good explanation of what the bill does. He pointed out that the current system is a reimbursement system in which the EED outlines, through the regulatory process, what a reimbursable expense is. For example: "We set the minimum mileage that students are

transported for reimbursable purposes at one and a half miles; you have to have eight students down a road to extend a route; those sorts of things." He explained that currently, when school districts need route extensions or want to add new routes, they simply submit a request to the EED; if the EED determines that the change is really needed, the EED approves it and it becomes an expense to the state.

MR. JEANS remarked that under the current program, there is no incentive for school districts to save money because they are not able to retain money if they do find any efficiencies. In addition, when school districts are prorated - as the governor's budget recommends - when new routes are added, that cost is spread across the state and "everybody pays for it." For example, he added:

A district may be expecting 75 percent or 80 percent reimbursement right now, but when we get into next year, if we add 10-15 routes, that reimbursement level is going to drop because we don't have any additional funds. So the district's rate of reimbursement will be reduced based on an increased need statewide.

MR. JEANS referred to what became known as Amendment 1, labeled 23-LS0767\W.1, Ford, 4/23/03, which read:

Page 2, lines 16 - 19:  
Delete all material.

ReNUMBER the following bill section accordingly.

Number 0623

MR. JEANS additionally mentioned a proposed amendment that would change the effective date of the bill from July 1, 2004, to July 1, 2003. He relayed that the administration supports both amendments.

REPRESENTATIVE GUTTENBERG asked how many school districts don't contract pupil transportation.

MR. JEANS said he would have to research that issue. He added that a number of districts operate one route; that some districts that have split programs - for example, Anchorage and Kenai; and that some districts are 100 percent contracted - for example, Mat-Su, Fairbanks, Kodiak, and Juneau.

REPRESENTATIVE GUTTENBERG asked whether a few years ago, "didn't we realign the contracts for bidding purposes so that we would get some more competitive bids, and was there any efficiencies built into ... that when that happened?"

MR. JEANS replied: "We did do that with the Railbelt area." He said that he would argue that some efficiencies were achieved in that instance because an outside contractor, First Student, Inc., came into the state and bid. He noted that prior to that, there was only one major provider in the state - [Laidlaw Education Services ("Laidlaw")]. He predicted that additional efficiencies may be achieved via future bids by First Student, Inc., because the initial costs of getting into the state are quite high. Because that company's bus fleet is only going to be five years old when the contract expires in three years, he said, he is hoping that the daily rates could be lowered a little bit.

REPRESENTATIVE GUTTENBERG asked whether school districts submit requests to the EED to remove or shorten routes.

MR. JEANS said yes, adding that when school districts submit requests for changes to routes, they are asked to go back and evaluate existing routes.

REPRESENTATIVE GUTTENBERG expressed concern that even though existing contracts are already in place, HB 259 will result in pupil transportation being funded in another fashion than what was anticipated when the contracts were signed. He indicated that this might affect whether the money needed to fulfill any existing contracts will come out of the classroom or whether any exiting relationships with contractors will be altered.

Number 0871

MR. JEANS replied:

You're correct that districts do have those contracts in place. As I understand it, every one of the contracts has an escape clause based on the level of state funding. In other words, if the state doesn't fully fund the transportation request, districts have an opportunity to open up those contracts and try and get a better rate. This would happen even if the program was prorated. Districts would still have that ability; they are not limited to simply taking the money out of the classroom. In those cases where we

have municipal school districts, they could back to the municipality. Districts could also charge user fees to cover that loss in state aid. So, there [are] avenues available to [districts], but as long as the state is providing 100 percent reimbursement, there's no real incentive or reason for [districts] to look for these other cost savings.

REPRESENTATIVE GUTTENBERG asked: "Do you consider it, then, [that] it would be an efficiency or [a] way to have gained more control, by negating the contracts and having the school boards do it themselves, to show those efficiencies? Do you think that's a route that's appropriate here."

MR. JEANS replied:

Right now, the way the current system is set up, the state says what the state's willing to pay for, through our regulations. With this proposal ..., districts would get a grant based on the current amount that they're spending per student for transportation services. Now, if this bill passes, the [EED] would repeal all of its regulations, and then it would be up to the local school board to try [to] identify the efficiencies. Right now, we provide reimbursement if a child lives beyond a mile and a half. Is a mile and a half, or ... two miles, [or] two and a half miles too far for a high school student to walk? In some communities, yes, [and] in others, no. But right now, the state reimburses that regardless of your grade level. Those are choices that are better left ... at the local level, not at the state level.

Number 0994

REPRESENTATIVE GUTTENBERG noted that HB 259 refers to \$1,200 per student. He relayed that he has students in the Fairbanks school district that walk to school, as well as students that live quite a distance - at the extreme measures of that borough. He added that he has students in the entire "Denali borough" from Cantwell to Anderson, and opined that very few of those students get a chance to walk to school. Therefore, he remarked, he is concerned about the per student dollar figure and how it will be affected by the discrepancies between a student living downtown and a student living in a rural part of the road district.

MR. JEANS replied:

The per student dollar amounts are arrived at by taking what the districts are going to be reimbursed in the current year, [and] dividing that by their total student population excluding their correspondence students. So it's reflective of what they're currently spending on a per student basis this year. The one piece that this bill would not address, that is currently built into our current system, is inflation. And every one of the contracts have inflation built into them, so that's another cost that is simply passed on to the state.

REPRESENTATIVE GATTO surmised that Representative Guttenberg's concern centers around taking care of students that are handicapped or live far away. He offered that the FY 03 appropriation that school districts received included all the money needed to transport all students to school in the way the district wanted to. House Bill 259 doesn't change that, he assured the committee, adding that the \$1,200 amount listed in the bill is simply a cap - no district shall receive more than \$1,200 per student - because some districts "charged" more than \$1,200 per student. In FY 04, School districts will get all the money they spent previously in FY 03, he reiterated.

REPRESENTATIVE GUTTENBERG clarified that his concern centers around the flexibility of HB 259. Using a comparison between a child that moves into the district across the street from a school and a child that moves into the district 45 miles from a school, he asked what happens then with regard to how the funding provisions of HB 259 work.

Number 1147

MR. JEANS replied:

The assumption there is that you already have a route going to [the area 45 miles from the school], and that child will just be picked up on that route. I don't believe a school district is going to put in a route for one child. Right now we don't even reimburse for that; you have to have a minimum of eight [children]. And as Representative Gatto just stated, this reflects the systems that are currently in place that are dealing with the transportation needs of every

district in this state. It simply takes it from this reimbursable system and puts it into a grant system ... on a per student basis. The grant amount will go up or down based on the student population change. So if you have more students, you're going to get a larger allocation in the subsequent year. If you have ... fewer students, your grant amount is going to go down.

REPRESENTATIVE GATTO said that according to his understanding of HB 259, for every student that is added, the district will get an additional amount of money regardless of whether the student lives across the street or 100 miles away, and the school district can do what it wants with that money - the decision will be made at the local school district level. Currently, a school district that has eight students living 100 miles away from the school simply submits the transportation bill to the state. He opined that the current system is unreasonable in this regard. He added that what he really wants to do is put more of the responsibility and accountability on the school district itself, and have the state not be a part of deciding what's fair, or how far is too far, or how old is too old, et cetera, because those really are local decisions. What HB 259 does is allow the state to say to school districts, "Here's the money, spend it however you think is appropriate."

Number 1264

REPRESENTATIVE GUTTENBERG offered his belief that this isn't the first time that the state, possibly in conjunction with school districts, has tried to build a more efficient system. He asked what else has been done besides "trying to align the contracts."

MR. JEANS relayed that there has been past discussion proposing to put the money into the foundation formula program and increasing the base student allocation such that the \$53 million currently being spent on student transportation would simply go into the foundation formula program. The problem with that proposal is that the distribution of the funds for pupil transportation based on the profile of each school district is so different that that doesn't work. He remarked that that has led to the creation of the proposal encompassed in HB 259.

REPRESENTATIVE CRAWFORD noted that for "special needs kids," the school district doesn't have a choice regarding whether to transport them. Those children must be transported, he added.

MR. JEANS said that currently, school districts are providing transportation to those with special needs; thus those costs are included in this year's reimbursement. He relayed that the EED has asked the Anchorage school district to consider alternatives in order to alleviate the concerns regarding the "special needs population."

REPRESENTATIVE GATTO noted that adding a "special ed" student who lives far away brings with it an extra expense. He suggested, however, that if the school district is already getting money for such a student and that student no longer needs the transportation, the school district gets to save that money. He opined that although nothing can be predicted with regard to where people will be located, on average, within a district, transportation costs and funds will balance over the long run.

REPRESENTATIVE CRAWFORD suggested, however, that it is that very same inability to predict how many students will be living in which areas that prompted the creation of the reimbursable system rather than a grant system.

Number 1467

MELODY DOUGLAS, Chief Financial Officer, Kenai Peninsula Borough School District, remarked that HB 259 does provide for more funding for "K-12" transportation than is outlined in the governor's budget, and for that she is appreciative. She went on to say:

I also appreciate that one intent of this bill is to allow districts to spend any savings realized through this method in the classroom. (Indisc.) in our case, with a continued declining enrollment, I think that situation is highly unlikely. I appreciate the concept that this is a snapshot in time for calculating funding for ... transportation. I'm very concerned about how we'll go forward after this year. I think that with contracts ... currently in place, certainly, we could ask to have those contracts opened and see what we could do about negotiating, perhaps, some savings. I feel that the contractors have (indisc.) fuel costs and increased labor costs that they would try to (indisc.), so I don't know that that process would be particularly successful.

[A] comment was made earlier about districts negotiating contracts to line up so that we might have some leverage in the negotiation process; I think we're in the fifth year of a seven year contract, so it would be about two years out that ... the districts around the state could align for that purpose. My particular comment - or concern - is in relationship to the special services - special needs children - and how those costs or future routes would be addressed. I also am concerned ... [that] the system's costs that we incur are the same whether we have one child on a bus or we have a full bus.

So we unfortunately are in the position of still trying to analyze our data, not expecting to be looking at numbers from this perspective; we're having to reach into some interesting spreadsheets, trying to pull numbers together, so that we can have some viable information for the legislature to consider. At this point, I would respectfully ask that an amendment be made to create a task force to study this matter, so that we can deal with future changes.

And I understand that with the method in place [in the bill], that we're based on the current year, which takes into account all of the aspects of funding, and just prorating it on a per pupil basis. And on the face, that's a valid way to look at it but, again, I'm concerned about the future. If we were able to establish a task force whereby we put together a plan to deal with these issues by December of this year, then the next legislative session, perhaps, could address that. Again, I want to thank you for the opportunity to comment on HB 259 ....

Number 1600

REPRESENTATIVE ROKEBERG surmised that declining enrollment such as is being experienced in the Kenai school district makes transportation costs less flexible, with regard to perhaps changing existing contracts, because the routes are the same but there are less children on those routes.

MS. DOUGLAS agreed, adding that there are certain things that can be done, though, such as route evaluation. She said that her school district is doing everything it can to deal with the declining enrollment. She opined that HB 259 "would be an

extremely quick turnaround to implement a change of this nature to have in place for schools to start in August; so, again, I'm asking for consideration to find a way to address these unique needs that are different amongst districts in the state."

REPRESENTATIVE ROKEBERG asked Ms. Douglas whether the current contract in her school district has compensation increases built into it.

MS. DOUGLAS said there is a clause that addresses an inflation factor of 1.9 percent, but other than that she is not that familiar with the contract.

Number 1710

MIKE FISHER, Chief Financial Officer, Fairbanks North Star Borough School District, thanked the committee for the opportunity to comment. He said that his school district reluctantly supports HB 259 because it is afraid of the alternative. He went on to say:

We've been beat up over pupil transportation contracts and costs the last few years, and this bill appears to be an easy way to simplify how the state deals with the issue. But it may be too easy. ... While something can be said for the correlation of ADM [average daily membership] to busing costs, it still leaves a lot of complex issues for districts to deal with such as ... the inflationary adjustments that are typically included in a long-term contract. We could get rid of the CPI [Consumer Price Index] adjustments in future contracts, but we would just be paying a higher static rate from year one of the contract.

We also {have} changes in ridership that do not correspond to ADM changes; for instance, ... changes in ridership due to special education busing, boundary changes, school openings, [and No Child Left Behind Act of 1996 (NCLB)] and other mandates. ... The current cost of special education routes may be imbedded in the base, but increased special ed ridership, absent any overall increase in ADM, will be tough to absorb. But you have all heard ... these arguments before, and they do not individually preclude any change in how the pupil transportation is funded. They just make it a more difficult process. And we certainly don't have all the answers either.

... I understand that the vision is that the districts will be able to become more efficient and use those savings in the classroom, and the reality is our district will first look at (indisc.) efficiencies, then we'll start cutting services, and then we will take [money] out of the classrooms to subsidize transportation services. ... Since I do not anticipate a willingness of future legislatures to increase the per ADM rate, I believe this bill will impact the classroom instruction beginning next year. Current competitive contracts were let two years ago, and the closeness of the bids confirmed that we are paying a fair rate for the services. We may not like the price, but it's the market rate.

Number 1796

MR. FISHER continued:

And that's not unique to the busing; ... I shudder every time I go to a full priced movie, talk to [an] attorney, or fly to Juneau. But if you ... are getting a fair price, then the only other option to look at is what services you're asking your contractor to provide. And so really, the only way to save money or absorb cost increases will be to combine and cut routes. And so in an effort to fill seat capacity, which is largely dependent on drive time, we'll probably stop busing students living past some sort of arbitrary line or distance from their ... school. ... We may be able to cut routes if buses do not have to drive to an outlying residential area, but this is cutting services, this is not efficiency.

But the cutting of services leads me to one of my main concerns with the bill, and that is, what is the intent of the language change in [proposed AS 14.09.020]. ... Because private schools have been willing to change their school bell time, it currently costs almost nothing to provide private school transportation services in Fairbanks, and we were able to use the excess capacity during certain times or route sections to provide some busing services but, as mentioned, that'll probably change. ... If we cut services and combine routes, excess capacity will disappear, and we will most likely not be able to

continue to bus private school children without incurring additional costs.

And it would probably not be out of the realm of possibility for a lawsuit to be filed. ... Does this language change mean that the state wants no part in interpreting the state constitution with [regard] to transportation of school children to nonpublic schools at public expense. ... Public perception is that the Fairbanks school district was involved in a lawsuit with private schools over busing back in 1993, and actually it was the state and the Fairbanks private schools that had the legal issues, not our district. We were directed by the commissioner of [the Department of] Education to continue busing private school children.

MR. FISHER concluded:

So we'll gladly continue to bus private school children as long as it does not impact public school services, but that service may be reduced or eliminated in the future if necessary to cut transportation costs. So I just hope the state will defend this position. Thank you for your time.

Number 1903

STEVEN KALMES, Director, Transportation, Anchorage School District (ASD), thanked the committee for the opportunity to testify, and said that he needed to start out his testimony by reminding members that school buses are the safest form of transportation in the United States today. He stated that 98 percent of the children that are injured or killed on the way to and from school are either "walkers, kids riding bikes, riding with parents, or riding with teenage drivers." He went on to say:

Earlier, it was mentioned that many districts support House Bill 259. I think you find that because of the either/or situation here: it's easier to say that we're willing to talk about [HB 259] rather than losing 25 percent of our budget next year. The other big premise ... of [HB 259] is that all school district transportation operations are inefficient. The governor, in his message, said that we could cut

25 percent and not eliminate any rides. I think that's an extremely inaccurate statement.

As far as incentive to save money, in Anchorage I've worked for five superintendents, and my direction from every one of those superintendents has been to run an efficient transportation operation so that we can put as many dollars as possible into the classroom. Some issues that need to come to the table: In Anchorage, 37 percent of our buses are used to transport handicapped students, and that's 5 percent of the population of students that are provided transportation. That transportation is required by state and federal law; ... if transportation is required in the child's individual educational plan, we've got to provided it - there's no two ways about it.

Number 1983

MR. KALMES continued:

So that leaves ... 95 percent of our kids, who ride 63 percent of our buses, for the reductions. We don't have -- the FY 03 level will reduce our budget about \$650,000. We're not going to find \$650,000 in efficiencies, so we will reduce rides or we'll impact the classroom next year. Some of the things that are also concerns in the future: our contracts are [in] place until 2006. We did line up with Fairbanks and Mat-Su and wrote common language, and did have more bidders and, as Mr. Fisher indicated, the prices were close. I think that is the price of transportation, what we're currently paying [on] the Railbelt.

We're going to see increased costs for labor, for fuel, and for equipment; that goes on every year - when we buy buses, we see increases every single year. And right now, we have horrendous turnover with bus drivers, and I think that has increased across the state; we have about 40 percent turnover just during the summer months. Some years are worse than others. In my years in the Anchorage School District, we've had turnover as high as 100 percent over the course of one school year. That's not a good way to run an operation. We need to pay our drivers a reasonable wage so that they'll continue to work for us.

The big sales pitch on this bill is that we can keep the money we save. Well, ... I submit that we're not going to be able to keep any money in Anchorage - we're going to be reducing routes. So the budget shortfalls will translate to reductions in service or will impact the classroom in the out years. My concern about this is, this is a very complex issue and we're trying to solve it in simple terms; ADM is probably not the way to do it, but it is easy.

MR. KALMES concluded:

We're committed to [working] with the [EED] to find a more equitable way to implement a way to take care of this, but the way it's set up now, the 95 percent of our kids that ride 63 percent of our buses will take all of the cuts. And we're concerned any time we have to reduce transportation, reduce service, and have kids walk to school - they're much less safe.

REPRESENTATIVE GUTTENBERG noted that Laidlaw is continuously advertising open positions in the Fairbanks area. He asked whether the situation is similar in Anchorage.

Number 2081

MR. KALMES said that it has been, adding that in the last five years, there has been an increase in the turnover and more difficulty attracting and retaining drivers - the wages for drivers have not increased significantly over the years and the economy has not gotten any better. There are other jobs in the community that are simply more attractive.

REPRESENTATIVE ROKEBERG asked Mr. Kalmes whether he feels that the FY 03 allocation has been sufficiently equitable to provide a base for years to come, which is what HB 259 would do.

MR. KALMES replied:

The way we're currently reimbursed, it's based on ... regulations and the cost of student transportation. Years ago, we used to be funded out of supplemental appropriations - there wasn't a separate appropriation for transportation - and so every year, districts never knew what the transportation reimbursement would be until September, when we got the check. So the

separate appropriation was established so that we wouldn't have an impact on the classroom every year.

We're going back ..., based on the discussions we're having, to the way it used to be, so that shortfalls in transportation will come out of the classroom. It's a better system than what we had. I understand the department's need to gain efficiencies across the state; I think we've done some good things in the last several years, and I think we ought to do them statewide and we've offered our assistance to do that.

REPRESENTATIVE ROKEBERG, in follow up, remarked:

Well currently, the allocation is, like, \$339 per student now in Anchorage versus [\$767] in Mat-Su. And I don't want you to debate the merit of that, necessarily, but I think the thrust of the legislation is that that ... would be the basis for ... the future unless there was significant change. ... I'm a little bit troubled by that; that just makes this huge assumption that the way it's done now is the correct way to do it. And I guess I'm ... just kind of concerned if you think ... that's true. Is the equity in the system, currently, so we can rely on that?

Number 2181

MR. KALMES responded:

Well, I think what I said earlier is that saying that districts will be able to keep what they save, in Anchorage, I submit that we're not going to be able to make reductions and save money that we can put ... into the classroom. It's going to be the other way around - we will be taking money from the classroom to fund the shortfall. ... Can efficiencies be gained in other districts? Well, the department says so. And ... has everybody done some of the things that we've done on the Railbelt? I don't know; I'm not aware of that. But I think by aligning contracts, by consolidating some of the contracts, there may be some savings in Bush areas ....

MR. KALMES, in response to whether the ASD supports HB 259, said that the ASD thinks that HB 259 is a much better option than the governor's proposal. He added:

We will work with the department to try to fix the problem, but our problem is [with] tying [funds] to ADM. We need to have some mechanism to fund increased costs, especially for special education students. It's 10 to 15 times more expensive to transport a special education student. ... We transport up to several hundred students on a regular bus per day. Those numbers are drastically under that for special education [students] simply because of their special needs and [the] greater distances we have to drive; \$339 in anchorage won't cover the cost of intensive needs student.

REPRESENTATIVE ROKEBERG asked about the state statute that ties drivers' wages to minimum wages.

MR. KALMES said, "It's two times the Alaska minimum wage."

Number 2272

REPRESENTATIVE ROKEBERG asked, "[Does] that have any impact on what you pay in Anchorage?"

MR. KALMES replied, "Not yet; it will come into play next year for the Anchorage School District and [in 2006] for our contract operations."

REPRESENTATIVE ROKEBERG asked: "What are you paying now? Is it above ...?"

MR. KALMES responded, "In Anchorage, we're paying below." He added that the ASD starts at about \$12 an hour for both district and contract operations; when [the tie to] minimum wage goes into effect, it will be a little over \$14 an hour.

REPRESENTATIVE GATTO commended Mr. Kalmes. He acknowledged that there is a dilemma, which is that there is a choice between two undesirables. It is not a matter of finding a solution that disqualifies both of the undesirables, because the governor has the goal of cost containment. He said that he does wish there was more money. However, there isn't. He stated, "We only have the cut or this system, and I think most people, when they've spent as much time as you have looking into what happened to the system, [they realize] that this gives you more money than [the governor's proposal]." There's really no guarantee that [the governor's proposal] won't be cut again the following year, he

added, offering that at least with HB 259, with it being tied to ADM, it is very similar to the [foundation] formula and is therefore the better choice.

REPRESENTATIVE CRAWFORD likened the choice they are faced with to, "Do you want to be shot today or hung in a couple of weeks." He said he did not like the options he's been given. He posited that there are a lot more questions to be asked, and mentioned the transportation services for the "school for the deaf from Wasilla to Anchorage." He opined that the state is mandated to provide student transportation and, therefore, there should not be a choice between a 20-25 percent cut, as the governor proposes, and a cut that's coming down the road. He asked Mr. Kalmes to suggest possible ways in which HB 259 could be amended.

**TAPE 03-44, SIDE B**

Number 2347

MR. KALMES replied that the ASD's big concern is the special ed piece because those costs are much greater than transporting regular students. He added that tying funds to ADM is not really a measure that affects pupil transportation. However, if funding is tied to the actual number of students transported, it might result in a more accurate number than just looking at the total district enrollment. Not every district provides transportation to the same percentage of students, so there's some fluctuation when funding is tied to ADM.

REPRESENTATIVE GUTTENBERG noted that in Fairbanks, the district supplies transportation to nonpublic schools. He asked whether Anchorage faces a similar situation.

MR. KALMES said that over the years, the ASD has provided some transportation, along regularly scheduled routes, to nonpublic schools, adding that there is really only one nonpublic school that has been accommodated by that practice. He explained that kids ride to or parents take them to one of the schools, and then as the bus is returning to the lot, it drops them off at the nonpublic school. He mentioned that there have probably never been more than 10 or 15 kids, out of the 18,000 transported, that are transported to nonpublic schools.

REPRESENTATIVE GUTTENBERG mentioned that it is not as though these problems have dropped out of the air today; these problems have been worked on for a long time. He asked whether other alternative plans have been on the table before.

MR. KALMES replied:

We have evaluated the regulations; several years ago, ... a task force was formed to look at the regulations and see if there were ways that we could streamline the regulations and ... get consistency across the state. We had some discussion about allowable costs: ... what's allowable, what isn't, ... what's allowed in different parts of the state, what's reasonable. And then we've also, recently - our last run of contracts - ... got together [and] we actually changed the length of a couple of our contracts in Anchorage so that they would coincide with Fairbanks and Mat-Su. And we believe that that was positive; it brought other bidders to the state and we have another large company that's here now. So, ... those are some things that we've done regionally. I think some of those things could be done across the state as well.

Number 2225

LARRY WIGET, Executive Director, Public Affairs, Anchorage School District (ASD), opined that Mr. Kalmes is able to explain the needs of pupil transportation better than anyone else in the state. He offered the following as a quote from what he called the "Senate Finance Committee Annual Education Report":

To educate Alaska's children, they must first get safely to school. Consistent, safe, and efficient transportation is vital to the education process. Pupil transportation is not cheap, but it is essential. Money for transporting students frees up funds for the classroom. If the state did not fully fund these costs, districts would be forced to use classroom dollars to pay for getting students safely to school.

MR. WIGET then added:

When we're talking about funding at the 03 level, we're not talking about fully funding pupil transportation, we're talking about taking a hit next year and even a greater hit for the year after that and a greater hit down the road. In essence, these will come out of classroom dollars. I know [Representatives Rokeberg and Gatto] this morning were

in the [House Special Committee on Ways and Means], and you heard testimony provided by Guy Bell [Director, Division of Retirement & Benefits, who] just talked about the 05 increases to the PERS [Public Employees' Retirement System] and TRS [Teachers' Retirement System], and while we don't have the numbers that will impact us to this point in time for TRS, he stated that the Anchorage School District alone will have a hit of \$3.5 million in 05. Take a look at other bills and proposals from the governor that are under consideration at this time - \$150,000 for pupil transportation, \$775,000 for tuition payments for students - all these will ultimately have a direct impact on the education of our students.

REPRESENTATIVE ROKEBERG remarked that in a recent e-mail he received from Mr. Bell, the aforementioned numbers [regarding PERS and TRS] might be closer to \$7 million.

Number 2131

MR. WIGET said, then, "I rest my case; we need full funding for pupil transportation."

REPRESENTATIVE ROKEBERG asked what Anchorage's percentage of special needs children is compared to the rest of the state.

MR. WIGET said he did not have the exact numbers, but surmised that there are a greater number of such children. Referring to the military bases around Anchorage, he noted that Anchorage is also a "primary overseas assignment for people who have ... special education students." He mentioned that the EED has directed the ASD to provide transportation from Mat-Su to students so they could attend the "Alaska State School for the Deaf and Hard of Hearing" program in Anchorage," and thus are currently transporting four students

REPRESENTATIVE ROKEBERG surmised, "Under the current plan, you're ASD is reimbursed for those type of costs, and under this plan, they wouldn't be."

MR. WIGET concurred.

REPRESENTATIVE GATTO noted that Guy Bell had told the [House Special Committee on Ways and Means] that when one does an actuarial value, the future is determined by looking at the past and then making projections. Representative Gatto said:

Likewise, ... every district in the state, is going to look backwards and say: "What percentage of our students were special ed? How much money did we spend? What [do] our routes look like?" And the assumption has to be - since I cannot predict the future and you can't and the director can't - which students will be coming in the district to change that. We don't know. You might wind up being the luckiest district in the state.

MR. WIGET pointed out, however, that it is a known fact that costs are going up.

Number 2033

REPRESENTATIVE GATTO countered:

Yes they are, and we understand that. ... They're going up in your district, my district, everyone's district. We cannot simply separate out, and say, "Certain districts are better than other districts; certain districts might have higher costs." The point of using ADM was it was a number that you recognize what that number is. You receive a certain number of dollars based on a specific number. It's quite simple to do it that way. In the old way, you would just say, "We have these additional costs," and submit it to the state.

The state, ... the governor especially, is objecting to that method. The governor's solution to his objection is, as you know, a simple, straightforward ... 20 percent reduction. Now, we don't ... want that alternative. No matter how much we argue about, "I want plan three," we only have plans one and two, and we want to make the best deal for one and two. And maybe in the future, next year, we'll revisit this, but we need to essentially have this in place before we can revisit it. And that's why it's here.

MR. WIGET remarked that it will then be the legislature's policy call on how to best fund education. In response to a question, he replied:

I think, definitely, when Jim Clark [Chief of Staff, Office of the Governor], makes a statement that the

governor supports this piece of legislation, a number of people take that to heart. We're hoping, as we indicated earlier, in working with the department as this bill moves through the process, that there is some flexibility to make some adjustments too.

REPRESENTATIVE CRAWFORD said he did not think they were limited to just two choices.

REPRESENTATIVE GATTO remarked, "The Senate did account for this in their budget." He said he hopes that there is time for HB 259 to be sent to the governor for his quick approval, and then the legislature can be done with this phase and move on to energize some other aspect of funding education. "As you know, we do have a very major change in the formula that we're moving forward, and we need to emphasize and concentrate an awful lot of our efforts in that area, and even that has some amendments and changes," he added.

Number 1866

BRUCE JOHNSON, Director, Quality Schools/Quality Student Services (QS2), Association of Alaska School Boards (AASB), thanked Representative Gatto for attending the AASB's recent "fly in." He went on to say:

We have some concerns. We believe this is a policy call. We're moving from one system of funding to a grant program; that's clearly a policy call. How that is formulated is of concern to us, and we would like to see it impacted in some ways, particularly [as it relates] to special education. We believe that there is a trend in our state for ... those students that are required to be transported to school by federal law ... to reside in the hub areas or seek to move to the hub areas - [Ketchikan, Juneau, Anchorage, Fairbanks] - because ... the massive number of services that some of these kids require, even beyond transportation, just aren't available, readily, in some of the rural communities.

We also recognize that the ADM piece is a difficult one, particularly in [a] declining student enrollment situation - fewer dollars coming in. If you take "Alaska Gateway": we all know the highway system there probably fairly well - it goes out so far and turns around, and whether you pick up 10 students or

you pick up 20 students - and with "Alaska Gateway" and declining enrollment, it's going to have a major impact, plus we're starting from the perspective that they've been capped and lose \$100,000 kind of right off the bat. It's very different in an urban area such as Fairbanks - I understand they have about 140-plus routes - if they lose 100 students they may actually be able to make some tweaks and adjustments to create efficiencies.

We recognize there may be a door "A" and a door "B." What we're hoping is that maybe "B" can get a little bit better before the end of this session, and that we [can] work towards amending that in positive ways that would mitigate some of the challenges that districts are going to face, because I think it is clear that these costs are going to go up, [and] they will impact the classroom probably sooner rather than later. ...

CHAIR ANDERSON closed public testimony on HB 259.

Number 1747

REPRESENTATIVE GATTO made a motion to adopt Amendment 1 [text provided previously].

Number 1727

REPRESENTATIVE ROKEBERG objected for the purpose of discussion. He referred to a memorandum by the drafter as a good argument in favor of Amendment 1. He surmised that via Section 3, which would be deleted by Amendment 1, Representative Gatto was making the assumption that at a later date there would be an adjustment to the formula.

REPRESENTATIVE GATTO said that Amendment 1 is an attempt to prevent "turf warfare," and suggested that Section 3 would negate the value of HB 259.

REPRESENTATIVE ROKEBERG surmised, then, that if Amendment 1 is adopted, it would take an affirmative action on the part of the legislature to make any future adjustments to the formula set out in HB 259.

REPRESENTATIVE GATTO said yes.

REPRESENTATIVE ROKEBERG removed his objection.

Number 1638

REPRESENTATIVE CRAWFORD said he objected to Amendment 1.

REPRESENTATIVE GATTO remarked that the effective date in Section 4, page 2, line 20, should be changed to July 1, 2003.

Number 1620

CHAIR ANDERSON asked whether Representative Gatto intends for the change in the bill's effective date to be added to Amendment 1 as a friendly amendment.

REPRESENTATIVE GATTO indicated he did.

REPRESENTATIVE CRAWFORD, after noting that he did not object to changing the effective date, said that he objects to the removal of Section 3 because then there would be nothing in the bill authorizing an adjustment to the formula for rising costs.

Number 1578

REPRESENTATIVE ROKEBERG said he objects to changing the effective date.

CHAIR ANDERSON announced, then, that the change to the effective date would be considered Conceptual Amendment 2, rather than just a friendly amendment to Amendment 1.

Number 1567

CHAIR ANDERSON noted that Amendment 1, without any changes, is before the committee.

The committee took an at-ease from 4:25 p.m. to 4:26 p.m.

Number 1563

A roll call vote was taken. Representatives Dahlstrom, Gatto, Rokeberg, and Anderson voted in favor of Amendment 1. Representatives Guttenberg and Crawford voted against it. Therefore, Amendment 1 was adopted by a vote of 4-2.

Number 1514

REPRESENTATIVE GATTO made a motion to adopt Conceptual Amendment 2, to change the effective date from July 1, 2004, to July 1, 2003.

Number 1506

REPRESENTATIVE ROKEBERG objected. He surmised that there had been testimony which suggested that changing the effective date would bring with it the possibility of matching the bill up with the Senate version of the budget. He asked Representative Gatto to confirm this.

[Representative Gatto's answer was inaudible.]

REPRESENTATIVE ROKEBERG said he is worried about implementing "this" in the face of future contract costs and other variable costs. He added, "This bill is being passed with a gun to the school districts' heads ... - that really troubles me." He indicated that he's supported fully funding pupil transportation this year. He remarked that he is not sure why HB 259 came before the House Labor and Commerce Standing Committee, and added that he does have some reservations about the bill.

Number 1436

REPRESENTATIVE ROKEBERG withdrew his objection to Conceptual Amendment 2.

Number 1429

CHAIR ANDERSON asked whether there were any further objections to Conceptual Amendment 2. There being none, Conceptual Amendment 2 was adopted.

Number 1405

REPRESENTATIVE DAHLSTROM moved to report CSHB 259(EDU), as amended, out of committee with individual recommendations and the accompanying fiscal note.

Number 1391

REPRESENTATIVE GUTTENBERG objected. He stated:

[There are] a few things involved here. One of them is the efficiencies and where they're going. Another one is, we are policy makers, ... the governor can do

what he wants, but we set policy, we do the ... operating budget, and I think that's our responsibility. And if we ... believe that student transportation should be funded, we should do that. And the governor can do what he may. It's my belief that we should fund pupil transportation for a whole slew of reasons. ... People have come to me, and I've heard from two of my school boards and others that they don't like this and they feel that there is a gun to their head, and I don't like that either. And when my time comes to vote, I'm voting to fund pupil transportation, and that's my option - not to give it away ... or negotiate it away - that's my privilege and that's what I have here and that's what I'm exercising.

REPRESENTATIVE CRAWFORD said:

I think that even if this doesn't make the full 20 percent cut right off the bat, I don't think that was a good option - I would have voted against that. I think that eventually this will affect [the] safety of our kids. And I think it's the wrong way to go; I'm going to [be] against it.

REPRESENTATIVE ROKEBERG said that he has serious reservations about HB 259, and reiterated that he supports funding pupil transportation. He remarked that the issues raised by HB 259 are extremely difficult and need to be exposed to public debate. He added:

We have to resolve some of these particular issues from a budgetary standpoint ... plus the needs ... of the children of the state. There's certainly inequities in this state; for example, I might be tempted to add an amendment on [the] floor to provide public transportation to all the private schools in Anchorage, which would probably take up half the budget of the whole Fairbanks school district, ... but then we'd of course have to pay the bill - and there's a lot of strange things going on in this state .... I'm going to vote to pass this bill out, but I probably have serious reservations about supporting it ....

CHAIR ANDERSON indicated that he agrees with the testifiers from the school districts, but feels that the bill should be passed on to the next committee of referral and debated more.

Number 1212

A roll call vote was taken. Representatives Dahlstrom, Gatto, Rokeberg, and Anderson voted in favor of reporting CSHB 259(EDU), as amended, out of committee. Representatives Guttenberg and Crawford voted against it. Therefore, CSHB 259(L&C) was reported out of the House Labor and Commerce Standing Committee by a vote of 4-2.

HB 269-SAFETY CODE TASK FORCE

Number 1196

CHAIR ANDERSON announced that the final order of business would be HOUSE BILL NO. 269, "An Act establishing the Safety Code Task Force; and providing for an effective date."

CHAIR ANDERSON, noting that no one wished to testify, closed public testimony on HB 269

Number 1179

REPRESENTATIVE DAHLSTROM, sponsor of HB 269, turned attention to Amendment 1, labeled 23-LS0974\A.1, Bannister, 4/30/03, which read:

Page 1, line 8:  
Delete "member"  
Insert "state senator"

Page 1, line 9:  
Delete "member"  
Insert "state representative"

Page 1, line 10, following "member":  
Insert "of the administration"

Page 2, line 6:  
Delete "one family"  
Insert "a consistent set"

Page 2, line 6:  
Delete "and"

Page 2, line 8, following "codes":

Insert "; and

(3) discuss and make recommendations on the methods and authority for local governments to amend and administer safety codes"

Page 2, line 12:

Delete "act as"

Insert "participate on"

Page 2, line 12, following "task force.":

Insert "The president of the senate and the speaker of the house of representatives may jointly appoint the following additional members to the advisory panel:

- (1) a municipal building official;
  - (2) a municipal fire prevention official;
  - (3) a journeyman mechanical installer;
  - (4) a journeyman plumber;
  - (5) a journeyman electrician;
  - (6) a building developer;
  - (7) a representative of the Alaska Oil and Gas Association;
  - (8) a representative of a pipeline operator;
  - (9) a representative from the Alaska Housing Finance Corporation;
  - (10) a representative of the Alaska Homebuilders Association; and
  - (11) a representative from a regional housing authority.
- (d) If additional organizations, or industries, trades, or professions show an interest in participating, the president of the senate and the speaker of the house of representatives may jointly appoint additional members to the advisory panel.
- (e)"

Reletter the following subsections accordingly.

Number 1164

REPRESENTATIVE DAHLSTROM indicated that the first four changes made by Amendment 1 are clarifying changes; that the next 2 changes add a new proposed paragraph (3) - regarding recommendations on methods and authority - to proposed subsection (b); that the next change is another clarifying change; and that the last two changes clarify who may

additionally be appointed jointly to the advisory panel, add a new proposed subsection - regarding the possible addition of other interested parties to the advisory panel - while splitting current proposed subsection (c) into two separate subsections, and reletter the remaining subsections accordingly.

CHAIR ANDERSON surmised that some of the aforementioned changes proposed by Amendment 1 are in response to questions and concerns raised at the bill's previous hearing.

REPRESENTATIVE DAHLSTROM agreed.

Number 0910

REPRESENTATIVE DAHLSTROM made a motion to adopt Amendment 1.

Number 0902

REPRESENTATIVE ROKEBERG objected. He indicated that a constituent of his had sent him an e-mail listing numerous concerns about the bill. He suggested that Amendment 1 would create two different groups, and is stacked in favor of one set of codes over another. He opined that there is a huge unfairness in the makeup of the initial membership, adding that he is very concerned about that. He mentioned that he is also concerned that Amendment 1 could create a very ungainly thing in that the advisory panel could be bigger than the task force. He said that he is not sure that all of the potential representatives listed in Amendment 1 actually need to be included, because he is not sure that their respective areas of expertise will add anything in terms of developing and adopting building codes. Turning attention to the portion of Amendment 1 that changes page 2, line 12, he asked Representative Dahlstrom what replacing "act as" with "participate on" is intended to accomplish.

REPRESENTATIVE DAHLSTROM first pointed out that both the task force and the advisory panel are already a part of HB 269, and so Amendment 1 is not creating another group that didn't already exist in the original legislation. On the issue of whether the bill favors one set of codes over another, she reiterated that "the officials and the people that were added," as listed in Amendment 1, came from suggestions resulting from the bill's last hearing. She added that the people she spoke to in creating the list in Amendment 1 were building officials, people from the "fire" industry, actual laborers, and union "folks."

She offered her belief that Amendment 1 is not weighted in favor of either set of building codes.

REPRESENTATIVE DAHLSTROM, in response to a question from Chair Anderson, said that the purpose of the task force is to come back to the legislature on the first day of the second regular session with recommendations. Returning to Representative Rokeberg's question regarding the change to page 2, line 12, she indicated that the words "participate on" better reflect that the advisory panel is composed of nonvoting members, whereas the task force is composed of voting members.

Number 0569

REPRESENTATIVE ROKEBERG, in response to a question, said that he maintains his objection to Amendment 1. He turned attention to page 1, line 11, which says: (4) the following members appointed jointly by the president of the senate and the speaker of the house of representatives:". He said that he is not sure he agrees with the requirement that the president and the speaker must get together to decide who the task force members outlined in subparagraphs (A)-(F) are; he called such a requirement an extra burden given the speaker and president's already large workload and the amount of time necessary to make such a selection in an impartial fashion.

REPRESENTATIVE DAHLSTROM said she is confident that the speaker and president's staff will be very efficient in helping those two gentlemen prioritize their workload so as to be able to fulfill the requirements of HB 269. She added, "I also have confidence in [the speaker and president's] ability to make fair, good choices; they, along with the rest of us, raised their hands and swore to do what was best for the state of Alaska, and I have confidence that they will do that."

REPRESENTATIVE CRAWFORD suggested volunteering the minority leaders to help in the selection process. He said that although he has concerns because he does not know who leadership will appoint to the task force, he assumes that the people appointed are going to do the best job that they can.

REPRESENTATIVE GUTTENBERG said he agrees with Representative Crawford. He added that when the task force comes before the legislature next January, "they are going to have to sell us on what they did," and therefore he thinks that during the upcoming task force meetings, everybody will be at the table, everybody

will have their say, and there will be a conscientious, deliberative process.

CHAIR ANDERSON mentioned that he hopes there will be neutrality on the task force.

Number 0238

REPRESENTATIVE ROKEBERG noted that "this issue" was before the committee on at least three occasions last year, and that there was a lot of hard work done in an attempt to fix "the whole thing." He opined that a legislative solution was prevented from going forward because of political inertia and a small group of people. He said that he views HB 269 as "an end run around that whole process" of adopting conforming legislation, and posited that there is no reason why a solution could not be figured out by the legislature, because, right now, there are three different statutes that conflict with each other and conforming legislation needs to go forward. He added:

I would like to see this process be fair, [and] go forward; I appreciate Representative Dahlstrom's work on this ..., but I think it needs to be balanced a little better than it is right now. So I'm concerned about that. I'd hate to have all this work put into it, and [then] this bill somehow not make it to the floor for some reason. ... I wouldn't want to see that happen. ... It just doesn't seem to be fair. Wouldn't you agree Mr. Chairman?

CHAIR ANDERSON said yes.

REPRESENTATIVE ROKEBERG went on to say, "I think ... we really need to make sure we get this balanced right." Turning attention back to the issue of Amendment 1, he said he has no objection to Amendment 1's first seven proposed changes, but does have "heartburn" with the proposed additions to the advisory panel. He suggested that because of the large number of task force members representing various aspects of the construction industry, the task force could wind up weighted with members that have a predisposition to a particular set of codes

**TAPE 03-45, SIDE A**

Number 0001

REPRESENTATIVE ROKEBERG said that after action is taken on Amendment 1, he would be offering another amendment that would add, to page 1 of HB 269, "a municipal building official" and "a fire prevention official" to the list detailing the makeup of the task force. He opined that adding these two members to the task force itself would balance it. And then, of course, there would be no need to have either "a municipal building official" or "a municipal fire prevention official" on the advisory panel; therefore, those two members could be deleted from Amendment 1.

REPRESENTATIVE DAHLSTROM said she would prefer to leave Amendment 1 as is.

Number 0143

REPRESENTATIVE ROKEBERG suggested, then, deleting from Amendment 1 the language pertaining to the additional advisory panel members.

REPRESENTATIVE DAHLSTROM pointed out that according to the language in Amendment 1, the appointment of any additional advisory panel members is optional rather than mandatory, and that according to the language in HB 269, the advisory panel merely gives advice to the task force.

The committee took an at-ease from 4:55 p.m. to 5:02 p.m.

Number 0277

ZACK WARWICK, Staff to Senator Gene Therriault, sponsor of SB 180, companion bill to HB 269, referring to the suggestion of adding "a municipal building official" and "a fire prevention official" to the task force, said:

First of all, the municipal building official does have a vested interest; these are the people who design the International [Building] Code, ... so there is a vested interest and a hard sway towards that side. We feel that the task force, as written now, is completely even: three, one side; three, the other side; and three, impartial. I know Representative Rokeberg commented that there are [several] ... construction-related trades there; ... it is my ... understanding that the general contractors do prefer the International [Building] Code - that is why they were ... listed, as the three ... that are leaning towards [the International Building Code.] If this

task force came back with a document that was leaning or swaying in any direction, and it came out during the task force that this task force was swayed, then it's going to come back with a document that's going to be completely worthless to the legislature, and basically waisted \$20,000. And we feel that adding those two to the task force would sway it in that direction.

Number 0411

REPRESENTATIVE ROKEBERG withdrew his prior suggestions and offered the following as an amendment to Amendment 1:

Remove "a municipal building official" and "a municipal fire prevention official" from the advisory panel; add to the task force "a municipal building official" and "a fire prevention official; and delete "nine" and insert "eleven" on page 1, line 6, of HB 269.

Number 0604

REPRESENTATIVE DAHLSTROM expressed her objection to the amendment to Amendment 1.

Number 0627

A roll call vote was taken. Representatives Rokeberg and Anderson voted in favor of the amendment to Amendment 1. Representatives Guttenberg, Crawford, Dahlstrom, and Gatto voted against it. Therefore, the amendment to Amendment 1 failed by a vote of 2-4.

CHAIR ANDERSON observed that the question now before the committee was whether to adopt Amendment 1.

REPRESENTATIVE ROKEBERG maintained his objection to Amendment 1.

Number 0651

A roll call vote was taken. Representatives Guttenberg, Crawford, Dahlstrom, Gatto, and Anderson voted in favor of Amendment 1. Representative Rokeberg voted against it. Therefore, Amendment 1 was adopted by a vote of 5-1.

Number 0707

REPRESENTATIVE DAHLSTROM moved to report HB 269, as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 269(L&C) was reported out of the House Labor and Commerce Standing Committee.

**ADJOURNMENT**

Number 0719

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 5:10 p.m.