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April 6, 1979

Representative Thelma Buchholdt
Pouch V
Juneau, Alaska 99811

Dear Representative Buchholdt:

Enclosed is a copy of my testimony on House Bill 391 which was presented at the hearing this morning. House Bill 391 relates to the topic of AEIDC's competition I wrote to you about earlier. Thank you for your interest in this matter.

Sincerely,

CONSTRUCTION SYSTEMS MANAGEMENT, INC.

Donald E. Slone, PE

bmn
Enclosure

CONSTRUCTION SYSTEMS MANAGEMENT, INC.

902 WEST INTERNATIONAL AIRPORT ROAD ANCHORAGE, ALASKA 99502

(907) 276-3033

April 6, 1979

TESTIMONY ON HOUSE BILL 391

"An Act relating to competition by the University
of Alaska with private businesses."

TO: House Committee on Health Educational and Social Services and
Judiciary

Mrs. Thelma Buchholdt, Chairperson

BY: Donald E. Slone
902 West International Airport Road
Anchorage, Alaska 99502 (276-3033)

Thank you for this opportunity to testify before your committee on House Bill 391. My name is Don Slone. I'm a professional engineer and a partner in an architectural/engineering firm in Anchorage.

My comments relate primarily to the Arctic Environmental Information and Data Center (AEIDC) and, secondarily, to other governmental agencies. This is not because I'm out to undermine AEIDC but because it is a University agency I'm familiar with. In fact, I feel AEIDC provides an important function, but for reasons they may either control or not control, they find it necessary to do work in areas that compete directly with my business.

The problem is that their ability (or need) to compete with private business is not well defined. Because of this and the legislative authority given to the University of Alaska to be "contract and be contracted with" the State's Ombudsman does not investigate complaints of competition with private businesses.

There is something morally wrong, though, when a public agency is allowed to acquire work on a competitive or even speculative basis. It is even worse when they maintain this is necessary to obtain the funding to support their staff level.

Any time a governmental agency attempts to procure work on a competitive basis, it tells me that my tax dollars are being used improperly. It is especially frustrating when such agencies are directly competing with my livelihood. I am, in those instances, quite literally supporting the competition.

And why? Because they are less costly or more efficient? I don't believe so. I expect other testimony here today will comment directly on the fallacy of governmental efficiency and subsidized rates; so I won't.

Instead, I'd like to state that the proposed House Bill 391, while being a step in the right direction, is inadequate because it attacks the symptom instead of the problem. The 20% cost differential tries to address the symptoms. The problem is that they are allowed to, or even have to, compete in order to function as a viable entity.

In AEIDC's case I feel they are placed in a competitive position by two factors:

First, they are apparently underfunded for the mission they feel they must fulfill.

Secondly, they are frequently asked by other governmental agencies to perform services they were not established to provide.

This creates pressure from both ends. Too much work and not enough dollars. They must then attempt to acquire other funds to keep up the staff level necessary for the inflated work load.

The solutions then seem apparent: remove both the ability and the need to compete.

I encourage you to expand this Bill to be something more than a monetary scale for measuring what is fair and not fair. What is "20% higher"? Is it based on a lump sum price? And if so, out of whose pocket does a cost overrun come? From the employees of the state or the state taxpayers? We know what happens in private industry.

Instead expand it to include:


1. clear legislative definition of agency purpose; and
2. restrictions against any competition with private businesses.

Care must be taken in writing a bill that tries to be a cure-all. There is the possibility of a backlash in trying to be too protective as was the case with the lien law. Perhaps have a statement of total non-competition intent is sufficient. Such action would provide the basis for the State's Ombudsman to investigate complaints.

The executive branch should be asked to establish administrative policy to use private enterprise whenever possible. Regulations must be implemented which delineate when governmental agencies can ask others to provide services and when those agencies should solicit proposals from private businesses. This will go a long way in limiting the "empire building" the State is often accused of.

As I said when I began, these comments relate to all governmental agencies. To AEIDC's credit, they seem to be a cost-conscious organization and try to avoid competition. It does not always happen. Usually pressure must be executed first. What we should do with this Bill is address the problem and not the symptoms. There are better uses for our tax dollars than funding our own demise.

Thank you.



Donald E. Slone, PE

CSL 14.40.040
(3)



ARCHITECTS, ENGINEERS & PLANNERS

February 9, 1979

Representative Thelma Buchholdt
Pouch V
Juneau, AK 99811

Dear Representative Buchholdt:

I have attached a copy of a letter to Commissioner McAnerney explaining my concern about Arctic Environmental Information and Data Center's (AEIDC) ability to use tax dollars to compete with private enterprise on a project for which the Department of Community and Regional Affairs recently solicited letters of interest.

I objected on the basis that AEIDC uses taxpayer's money to compete for work that can be done by private Alaskan businesses. The State's Ombudsman's Office has informed me that it has no jurisdiction over the situation, and suggested recourse through the legislature.

Apparently when the University created AEIDC it was not their intent for AEIDC to compete with private enterprise. Nor was that the legislature's intent when it funded AEIDC in 1972 for arctic data collection and library services.

Statutory authority allows the University of Alaska to "contract and to be contracted with." It is through this loop hole that AEIDC, as a subpart of the University, has been providing services in areas that Alaskan businesses can and should be fulfilling. In the absence of clear legislative intent and executive authority, AEIDC has been operating under informal University administrative policy. I would like your assistance in clarifying this situation through the legislature.

The State's Ombudsman has a file and list of numerous complaints on this matter that may provide you a greater understanding of the concern by the State's taxpayers and businesses. If I can provide additional information, please contact me. Thank you for your assistance.

Sincerely yours,

CONSTRUCTION SYSTEMS MANAGEMENT, INC.



Donald E. Stone, P.E.

DES/bmn
Enclosure

CONSTRUCTION SYSTEMS MANAGEMENT, INC.

902 WEST INTERNATIONAL AIRPORT ROAD ANCHORAGE, ALASKA 99502

(907) 276-3033



April 6, 1979

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April 6, 1979

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TO: House Committee on Health Educational and Social Services and
Judiciary

Mrs. Thelma Buchheidt, Chairperson

BY: Donald E. Slone
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Anchorage, Alaska 99502 (276-3033)

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Instead, I'd like to state that the proposed House Bill 391, while being a step in the right direction, is inadequate because it attacks the symptom instead of the problem. The 20% cost differential tries to address the symptoms. The problem is that they are allowed to, or even have to, compete in order to function as a viable entity.

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The solutions then seem apparent: remove both the ability and the need to compete.

I encourage you to expand this Bill to be something more than a monetary scale for measuring what is fair and not fair. What is "20% higher"? Is it based on a lump sum price? And if so, out of whose pocket does a cost overrun come? From the employees of the state or the state taxpayers? We know what happens in private industry.

Instead expand it to include:

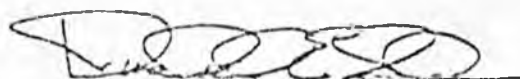
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Thank you.



Donald E. Stone, PE

DARBYSHIRE & ASSOCIATES
community planning and management services

January 14, 1980

The Honorable Thelma Buchholdt
House of Representatives
State of Alaska
Pouch V
Juneau, Alaska 99811

Dear Representative Buchholdt:

Thank you for inviting us to express our views on the most desirable relationship between state research projects, the University of Alaska, and the private consulting community. While we acknowledge a need for university-level research, the role of the university should be clearly spelled out if the state and its citizenry, and the university and its students, are to benefit. This letter outlines some of the considerations that we feel should be taken into account in defining the most effective role for the university's research agencies.

As a starting point, I would like to examine what has transpired to date. Historically, the state has wisely authorized and funded a variety of university research agencies (e.g. ISER, AEIDC, etc.). These actions were founded on good intentions and a need to fill a specific research requirement. Unfortunately, such research organizations don't seem to be able to exist for the sole purpose of accomplishing their initial charge. Once in existence, they become dynamic organizations that must develop credibility. Thus, they move to take on more responsibilities, consulting projects, staff, office space, etc. In the process, the administrators gain recognition, climb up the professional/professorial ladder, justify salary increases, and gain professional mobility.

AEIDC is a prime example of this phenomena. Authorized by the legislature in 1971, AEIDC was initially charged with the responsibility to serve as a repository for arctic environmental information and data. Further, the legislature appropriated \$100,000 for the first year's operation of the organization.

Page 2

January 14, 1980

Representative Buchholdt

Since 1971, AEIDC has grown substantially. To quote Mr. Foster F. Diebold in his correspondence of March 22, 1979 (he was then President of the university) to the Honorable Glenn Hackney: "In 1977-78 their appropriation was \$520,400. \$176,388 was paid for rent. The balance of their budget came from contractual funds received through grants and contracts. Thus, in effect, state monies covered 27% of their budget." In other words, 73 percent of AEIDC's budget (\$1,405,000) came from consulting work over and above that which they received directly from the legislature. This made AEIDC one of the largest consulting firms in the state in 1977-78.

Such growth and personal aggrandizement would not be all that bad if the state were to equally gain something. But, does the state save money because the university can do the research cheaper, do it better, or do it faster? No, the university doesn't do its research work for the state or federal government for less than private consulting firms. They do it for the same price or more! This, when their basic existence and core administrative, accounting, bookkeeping, personnel, recruiting, and office space are being completely paid for by the state! In essence, then, the state ends up paying more to use the university research organizations than if they were to use private consulting firms.

As to the question of getting better work from the university, I don't think you will find this to be the case either. Rather than comment on this personally, however, I suggest you contact any of the state agencies who have used the university as consultants in the past for their evaluation of the products they received.

It has been suggested that there is a proposal to set up a system whereby the university would have the first right of refusal on all state contracting/consulting work. If the university decided that they didn't want to, or couldn't do the work, then, and only then, would the request for consulting services be available to the private sector. If this is true, I would strongly caution against the adoption of such a proposal. Oh - the problem of competition between the university and the private sector would certainly be defused. But the negative ramifications would be devastating for the state.

January 14, 1980

Representative Buchholdt

First, with the volume of consulting work that is to be done in the state over the foreseeable future, we would see the growth of a university research bureaucracy like you wouldn't believe! Secondly, the state would end up paying far more for its research consulting needs than necessary. For instance, our firm is now completing a community profiles project for the Department of Community and Regional Affairs. Our budget for this project totals \$208,000. According to information we have received, AEIDC said they would do the job for \$260,000. If the proposed system would have been in existence, we would not have had a chance to bid on the project and the state would have unnecessarily spent \$52,000.

Finally, there is one heck of a lot of technical and intellectual capability outside of the university. If the proposed system were activated, it would severely limit the use of this capability.

Frankly, I'm not sure how this problem will ever be resolved. It is our opinion, however, that the following policies should be examined in determining the ultimate role for the university's research organizations:

- o Historically, universities have been centers for higher learning; places for the gathering and dissemination of knowledge in advanced fields of study; and have provided facilities for teaching and research.
- o The university should involve itself in the research of issues that have statewide interest and concern.
- o The university should seek to develop required research capabilities that do not now exist in the state or private sector.
- o The university's research capabilities should be directly funded by the state through adequate legislative appropriations. This would give the university the freedom from investigative restriction that exists when research is conducted under contract.

Page 4
January 14, 1980
Representative Buchholdt

- o The university should do research as part of its education system to assist students rather than getting students to fit into a mold that their contractual obligations require.

Maybe a solution to the problem would be for state agencies to publish a notice of intent to request proposals in house and allow private firms an opportunity to demonstrate their ability to provide such services. The state would then reserve it's option to go public if the contracting agency felt that the in-house request for proposal had not resulted in a satisfactory response.

My own suggestion would be to adopt HB 391 by amending Sec. 14.40.045 by deleting the last words of the paragraph that state "at a price no more than 20 per cent higher than that submitted by the university." This should, however, be followed up with an appropriation of funds to permit the university to carry out its necessary and desired research programs.

What has come to pass is a system where the Alaska consulting community finds itself in a situation where they are competing for their livelihood with the state through its university system. Needless to say, competing for one's livelihood against state organizations who are set up, funded and operated with our own tax dollars doesn't make us too happy. Especially when it is remembered that if we don't get the work, we don't make an income and will eventually be forced out of business. However if the university doesn't get the work, they still have a job, get paid, accrue vacation time, and have another shot at securing additional work.

We appreciate this opportunity to be heard on the matter, and we stand ready to provide additional information as required.

Respectfully submitted,

Ralph R. Darbyshire
President

THOMAS DOWELL, JR. PH. D.
138th JARVI DRIVE
SRA BOX 846
ANCHORAGE, ALASKA 99502

April 9, 1979

907 344-6936

Chairman and Members of the House Committee on Health, Education and Social Services
Pouch V
Juneau, Alaska 99811

Dear Madam Chairman and Committee Members;

I wish to thank the members of the Committee for the opportunity to talk to them on the telecommunication network on April 6, 1979 in reference to H. B. 391.

During the hearing Representative Chatterton commented that the question of constitutionality of the bill being considered may be raised in the Judiciary Committee with, I presume, particular emphasis probably being placed on the propriety of the legislature interfering with the policy-making authority of the Board of Regents and University administrators.

Not being a lawyer, I become uncomfortable when I am told, as I have been in this case, that what the law says and what it means are not necessarily the same. However, I still wonder, as I look at Alaska Statutes, Chapter 40, Section 14.40.040. General powers of the university. This section apparently indicates that the legislature " . . . created and established a corporation to be called the University of Alaska. It may in that name

- (1) sue and be sued;
- (2) receive and hold real property;
- (3) contract and be contracted with;
- (4) adopt, use and alter a corporate seal;
- (5) do and have done all matters necessary for the purpose of any function set forth in this chapter.

If that says to you what it says to me, the Alaska legislature created the University corporation and authorized it to have certain powers. It seems to me that if the legislature created the corporation and authorized it to have certain powers, the legislature can modify that charter and those powers.

This bill would not impinge upon academic freedom, nor would it direct the University in the conduct of its primary goal. The University was created to pursue the governmental tasks of providing education in accordance with an express mandate of the constitution, Article VII Section 2. State University. The University of Alaska is hereby established as the state university and constituted a body corporate. It shall have title to all real and personal property now or hereafter set aside for or conveyed to it. Its property shall be administered and disposed of according to law.

None of the powers authorized under Section 14.40.040, address education. Curriculum is addressed in Section 14.40.060.

I believe the powers of the corporation can be modified by changing Section 14.40.040, paragraph (3) to read

(3) contract and be contracted with, provided that such contracts may not permit the University to compete with private business;

Such a change would not prevent the University from contracting with suppliers, faculty, construction contractors working on University property or lands, or other similar contractors. I believe this was the type of contract the legislators had in mind in writing such a clause into Section 14.40.040., and the change I suggest would not limit that authority. It would eliminate the activities this bill addresses while not conflicting with the University's role in education.

In my testimony I said that if research institutes depend upon competition with private business for their survival, then they are not research institutes and should not survive. Mr. Darbyshire indicated the problem these institutes have. They have grown in size as a result of their activities in the private sector and have lost sight of research in order to maintain staff. The solution to this problem is to reduce staff and maintain only their research activities.

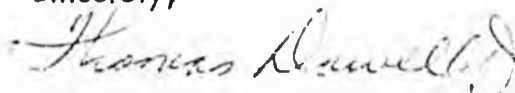
This is a problem many universities have faced with declining enrollment. I know first-hand because I worked in pure and applied research in the Center for Advanced Computation, Department of Computer Science, University of Illinois. When our research funds were reduced staff was reduced. We did not market nor compete in the private sector. Although dire threats of extinction were made, the Center still exists and is engaged in education and pure research.

Under the powers now held by the University it can enter into any field it chooses to. If it wanted to it could build an airline for its Aviation Tech program, open a bakery for its Food Technology program or maintain a staff of highly competent graphics specialists to prepare presentation material for industry and academia. Of these three options, so far only the last is on the market.

It is important that the Committee recognize the distinction between interference in the educational and/or policy process and modifying corporate authority. Only the latter need be addressed. I believe it is only a clarification of previous legislative intent. I can't imagine the free-spirited members of the legislature in 1949 creating a corporate entity that would compete with them in business.

If the modifications to the corporate powers are considered in this context, the need for threats of budgetary control or other distasteful situations which serve neither the public nor the University well can be avoided.

Sincerely,



Thomas Dowell, Jr., Ph. D.

were underway this year, there are many aspects of rural Arctic education that may not be fully covered. For this reason, the interim committee worked with the Alaska Native Foundation in the fall to put together a plan consisting in part of the following:

- a). Review of programs of teacher training and cultural institutes of other circumpolar nations, and how they have dealt with
 - (1). materials development;
 - (2). teacher and administrator training;
 - (3). scheduling and alternative "tracking" for students;
 - (4). curriculum and program design, including provision for diverse student interests and career plans; and
 - (5). delivery systems
- b). How all of the above could be used in Alaska as models to upgrade our teacher training and administrator program for Native and non-Native Alaskans.

The work project with the Alaska Native Foundation is much more complicated and has to be continued during the first few months of this legislative session. The interim funds for this project had been set aside, and should be reflected in the budget lapsing into the General Fund.

- 3). An assessment of what may be unfair competition by the University of Alaska research with private enterprise (HB 391) received an informal commitment from the President of the University that right serve as partial solution to this apparent problem of the private sector; the solution might be that those projects which could not be done by the U. of A. research on its own and are put out to bid by the State of Alaska should be left to be done by private businesses with the lowest bid. Further expression

TELECONFERENCE HEARINGS



TOPIC: HB 391 - Competition by U of A with private business
HB 412 - Minimum standards for hospital care

COMMITTEE: House HESS (Buchholdt)

DATE: Friday, April 6, 1979

(DATE SCHEDULED: 4/3/79 ;)

TIME: 11 a.m. to 1 p.m. A.S.T.

SITES PARTICIPATING: Anchorage only

CONFERENCE MODE: audio LOCATION: LIO

MODERATOR: Shapiro

NOTES:

- Contacted
- ✓ Don Sloane 276-3033
- ✓ Mike Brunet, Municipal Human Res. 264-4261
- ✓ Valley Hospital, Palmer
- ✓ Chris Beardsley, Providence
- ✓ Chamber of Commerce 272-2401
- ✓ Women's Club FREE Committee
- ✓ Harry Gray 277-4522

Expect to spend 1 hour on each bill

PUBLICITY:

- INVITATIONAL
- Committee making contacts
- ✓ PSAs 4/3 27
(date) (quantity)
- News release (date) (quantity)
- Summary to be provided
- Text to be provided
- Quotes to be provided
- Direct mail (date) (quantity)
- ✓ Phone 4/3 7
(date) (quantity)
- xx Posted at Information Office

TELECONFERENCE STARTED 11:12 am
TELECONFERENCE ENDED 1 pm

	391	412	
WITNESSES	6	2	8
OBSERVERS	1	2	3
TOTAL	7	4	11
			ATTENDANCE

today in anchorage

Public comment on HB 391, competition by the University of Alaska with private business, and HB 412, minimum standards for hospital care, is invited by the House Health, Education and Social Services Committee in an audio

teleconference starting at 11 a.m. The teleconference will be held in the legislative information office, 1024 W. Sixth Ave. Area residents wishing to testify should register in advance by calling 278-3668.

Alaska State Legislature

TELECONFERENCE HEARINGS



April 3, 1979
Contact: Judy Hopkins
278-3668

PUBLIC SERVICE ANNOUNCEMENT

(run through 4/5/79)

PUBLIC COMMENT ON HB 391, COMPETITION BY THE UNIVERSITY OF ALASKA WITH PRIVATE BUSINESS, AND HB 412, MINIMUM STANDARDS FOR HOSPITAL CARE, IS INVITED BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE IN AN AUDIO TELECONFERENCE STARTING AT 11:00 a.m. FRIDAY, APRIL 6, AT THE LEGISLATIVE INFORMATION OFFICE, 1024 WEST SIXTH AVENUE. AREA RESIDENTS WISHING TO TESTIFY SHOULD REGISTER IN ADVANCE BY CALLING 278-3668. OBSERVERS ARE WELCOME.

###

Name Janet A. Boylan

Here to TESTIFY _____

Representing self

Mailing Address 409 E. 23 Zip 99503

Here to OBSERVE X

Phone 276-4495

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Janet A. Boylan
(signature)

Have you participated in other legislative teleconferences? - How many? 1

Would you have participated in this hearing if the network were available? no

How did you learn about this hearing?

Thelma Bucchotley

If yes, did you use network:
 instead of travel
 instead of phone conversations
 instead of mailed testimony

Date: 4/6/79

Subject: HB 391, HB 412 - House HESS

Location: Anchorage

Name Thomas Dowell Ph.D.

(T)

Here to TESTIFY YES

Representing SELF

Mailing Address SRA Box 846, ANCH zip 99502

Here to OBSERVE _____

Phone 344-6936

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Thomas Dowell
(signature)

Have you participated in other legislative teleconferences? NO How many? _____

Would you have participated in this hearing if the network were not available? NO

How did you learn about this hearing?

From another consultant

If yes, did you use the network:

- _____ instead of travel
- _____ instead of phone conversations
- _____ instead of mailed testimony

Date: 4/6/79

Subject: HB 391, HB 412 - House HESS

Location: Anchorage

Name C.A. "Bud" Herschbach
Representing International Technology Limited
Mailing Address 723 West 6th Ave Zip 99501
Phone (907) 278-1571

Here to TESTIFY

Here to OBSERVE

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

C. A. Herschbach

(signature)

Have you participated in other legislative teleconferences? No How many? _____

How did you learn about this hearing?

Through other interested parties

Would you have participated in this hearing if the network were not available? No

If yes, did you use the network:

_____ instead of travel
_____ instead of phone conversations
_____ instead of mailed testimony

Date: 4/6/79

Subject: HB 391, HB 412 - House HESS

Location: Anchorage

7

Name LUREN LEMAN

Here to TESTIFY

Representing CH2M HILL

Mailing Address 310 K ST Anchorage zip 99501

Here to OBSERVE

Phone 278-2551

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Luren Lemman
(signature)

Have you participated in other legislative teleconferences? no How many?

Would you have participated in this hearing if the network were not available? no

How did you learn about this hearing?
word of mouth

If yes, did you use the network:
 instead of travel
 instead of phone conversations
 instead of mailed testimony

Date: 4/6/79

Subject: HB 391, HB 412 - House HESS

Location: Anchorage

Name

DONALD B. SLONE

Here to TESTIFY

(T)

Representing

CSM ARCHITECTS ENGINEERS & PLANNERS

Mailing Address

902 W. INTERNATIONAL RD 99502

Here to OBSERVE

Phone

276 3033

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

[Signature]
(signature)

Have you participated in other legislative teleconferences? 116 How many? _____

Would you have participated in this hearing if the network were not available? 116

How did you learn about this hearing?

If yes, did you use the network:

- instead of travel
- instead of phone conversations
- instead of mailed testimony

Date: 4/6/79

Subject: (HB 397), HB 412 - House HESS

Location: Anchorage

①

Name

Chris Beardsley

Here to TESTIFY

Representing

PROVIDENCE HOSPITAL

Mailing Address

3550 Providence Dr. Zip 99504

Here to OBSERVE

Phone

276-4511

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Chris Beardsley
(Signature)

Have you participated in other legislative teleconferences? How many?

Would you have participated in this hearing if the network were not available? Yes

How did you learn about this hearing?

If yes, did you use the network:

~ indirectly ~

House HESS Chairman

- instead of travel
- instead of phone conversations
- instead of mailed testimony

Date: 4/6/79

Subject: HB 391, HB 412 - House HESS

Location: Anchorage

Name

George W. SEUTHERT MD

Here to TESTIFY ✓

Representing

self

Mailing Address

SRA BOX 616 - Anch Zip 99507

Here to OBSERVE _____

Phone

349-5630

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

George W. Seuthert
(signature)

Have you participated in other legislative teleconferences? NO How many? _____

Would you have participated in this hearing if the network were not available? NO

How did you learn about this hearing?

over bill 412

If yes, did you use the network:

- instead of travel
- instead of phone conversations
- instead of mailed testimony

Date: 4/6/79

Subject: HB 391, HB 412 - House HESS

Location: Anchorage

Name Ingrid Seuffert

Here to TESTIFY _____

Representing Dr. Seuffert

Mailing Address SRA BING-G Zip 99507

Here to OBSERVE X

Phone 349-5330

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

(signature)

Have you participated in other legislative teleconferences? No How many? _____

Would you have participated in this hearing if the network were not available? _____

How did you learn about this hearing?
Rouelma Hospital

If yes, did you use the network:
____ instead of travel
____ instead of phone conversations
____ instead of mailed testimony

Date: 4/6/79

Subject: HB 391, HB 412 - House HESS

Location: Anchorage

PLEASE PRINT

Name ROM HAMMERT

Here to TESTIFY _____

Representing SCHPD

Mailing Address 1135 W 4TH S. 1 Zip 99501

Here to OBSERVE X

Phone 278-3631

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Ron Hammett
(signature)

Have you participated in other legislative teleconferences? YES How many? 1

Would you have participated in this hearing if the network were not available? NO

How did you learn about this hearing?
LEGIS. INFO OFFICER

If yes, did you use the network:
____ instead of travel
____ instead of phone conversations
____ instead of mailed testimony

Date: 4/6/79

Subject: HB 391, HB 412 House HESS

Location: Anchorage

(T)

Name MICHAEL E. PLUNKETT

Here to TESTIFY K

Representing LANE KNORR PLUNKETT ARCHITECTS

Mailing Address 800 CORDOVA ANCH zip 99501

Here to OBSERVE _____

Phone 276-4939

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Michael E. Plunkett
(signature)

Have you participated in other legislative teleconferences? NO How many? _____

Would you have participated in this hearing if the network were not available? NO

How did you learn about this hearing?
OTHER PROFESSIONAL

If yes, did you use the network:
____ instead of travel
____ instead of phone conversations
____ instead of mailed testimony

Date: 4/6/79

Subject: (HB 391), HB 412 - House HESS

Location: Anchorage

Name

Ralph R. Darbyshire

Here to TESTIFY

(T)

Representing

Darbyshire

Mailing Address

629 "O" St. #201

Zip 99501

Here to OBSERVE

Phone

279-0703

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Ralph R. Darbyshire

(signature)

Have you participated in other legislative teleconferences? No How many? _____

Would you have participated in this hearing if the network were not available? _____

How did you learn about this hearing?

If yes, did you use the network:

_____ instead of travel

_____ instead of phone conversations

_____ instead of mailed testimony

Date: 4/6/79

Subject: HB 391, HB 412 - House HESS

Location: Anchorage

Name

Address and Phone

Organization/Self

For/Against or
Observing

Name	Address and Phone	Organization/Self	For/Against or Observing
1/ Spaziani, Richard L.	RT4 Bx4257-35 JUNEAU	STATE DEPT. EDUCATION	AGAINST
2/ Dennis Demmett	Office of the President University of Alaska Fairbanks, Alaska 99701	University of Alaska	AGAINST
3/			
4/			
5/			
6/			
7/			
8/			
9/			
10/			
11/			
12/			
13/			

Name	Address and Phone	Organization/Self	For/Against or Observing
1/ Spaziani, Richard L.	RT 4 Bx 4257-35 JUNEAU	State Dept. Education	AGAINST
2/ Dennis Demmert	Office of the President University of Alaska Fairbanks, Alaska 99701	University of Alaska	AGAINST
3/			
4/			
5/			
6/			
7/			
8/			
9/			
10/			
11/			
12/			
13/			

Jay Barton
President

UNIVERSITY OF ALASKA

FAIRBANKS ALASKA 99701

February 29, 1980

TO: Representative Thelma Buchholdt

FROM: Jay Barton
President

RE: HB 391: "An Act relating to competition by the University of Alaska with private businesses" - Fiscal Note

At your request, we have made an initial analysis of the potential impact HB 391, "An Act relating to competition by the University of Alaska with private businesses", would have on the University of Alaska. Time constraints mandated that this initial assessment focus on the University of Alaska - Fairbanks, and the Organized Research units in reviewing the magnitude of current State contracts. In analyzing current budgeted Federal receipts (grants and contracts), your requirement for immediate information has mandated that we focus on the University of Alaska - Fairbanks; Organized Research units; and Rural Education. (Please note: Additional Federal Receipts, in the amount of \$7,302.4, are budgeted to be received by UAA, UAJ, Community Colleges and the Cooperative Extension Service.) We assume that the figures presented below primarily reflect grants and contracts awarded on a competitive basis; some proportion of funds received through grants and contracts undoubtedly have also been awarded on a sole-source basis. An assessment of which grant and contract funds received by the University were bid upon by private firms, at a price no more than 20% higher than our proposals, would require analysis by the entities awarding such grants and contracts.

STATE-FUNDED CONTRACTS

State contracts awarded UAF and Organized Research in the period of July 1, 1979, through December 31, 1979.

AEIDC	\$104.8
ISER	125.0
Institute of Water Resources	60.6
Cooperative Wildlife Research Unit	30.0
Department of Engineering	37.2
Library	2.0
Museum	33.6
Safety	2.0
School of Business & Management	6.0
Agricultural Experiment Station	10.0
Department of Geology	6.5
Sea Grant Program	12.1
Cross Cultural Education	3.0

UNIVERSITY OF ALASKA

To: Representative Thelma Buchholdt
 From: Jay Barton
 Re: HB 391
 Date: February 29, 1980
 Page 2

State-Funded Contracts (7/1/79 - 12/31/79) - continued

Cooperative Fisheries Research Unit	\$ 19.0
Conferences & Institutes	15.3
College of Arts & Sciences	26.7
Institute of Marine Science	<u>1.0</u>
TOTAL	\$494.8
Annualized: \$494.8 X 2 =	<u>\$989.6</u>

Time constraints have precluded development of a similar breakout of funds for the Division of Community Colleges, Rural Education and Extension; the University of Alaska, Juneau; and the University of Alaska, Anchorage. It is important to note, however, that the Alaska Department of Education currently contracts with many of the Community Colleges to provide Adult Basic Education instruction.

FEDERALLY-FUNDED GRANTS AND CONTRACTS

From FY80 Authorized Budget (FCC).

	<u>Federal Receipts</u>	<u>GFM</u>	<u>Total</u>
Organized Research	\$37,134.3	\$1,502.1	\$38,636.4
REA-Research & Professional Centers	518.9	---	518.9
UAF-Research & Professional Centers	<u>165.0</u>	---	<u>165.0</u>
TOTAL	\$37,818.2	\$1,502.1	\$39,320.3

In summary, two points should be made concerning HB 391 fiscal impact on the University:

1. Normal conduct of business is to award grants and contracts to the lowest responsible and responsive bid. In normal practice, bids are called for to be unconditional. HB 391 in practical effect requires any bid by the University of Alaska to be unresponsive to bid requests by requiring a self-imposed condition on all our bids. The University would effectively be prohibited from bidding on grants and contracts at all, because most parties (i.e. all parties except State of Alaska agencies) seeking bids would not tolerate such a condition.
2. It is accurate to state that virtually all grants-and-contracts' activity of the University of Alaska could be jeopardized by HB 391. Furthermore, the Bill speaks strictly to dollar amounts of competing bids, and does not speak to the scope or qualitative ability of competing bids, an issue of absolutely critical importance to funding sources.