

**SB**

**181**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

DATE: 4/13/93

FURTHER: \_\_\_\_\_

DATE TURNED INTO OFFICE: \_\_\_\_\_

The Finance Committee considered SENATE BILL NO. 181

"An Act relating to grants for school construction; and providing for an effective date."

# Died in SFC 1994

and recommends:

replace with \_\_\_\_\_ CS \_\_\_\_\_ (FINANCE)

or  adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)

attaches amendment(s)

same title  
 new title  
 technical title change (HB only)

adopts \_\_\_\_\_ Letter of Intent

further referral to the \_\_\_\_\_

do pass

do not pass

no recommendation

individual recommendations

### NEW FISCAL NOTES

Department	Date	Zero	Fiscal

### PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

**DO PASS.**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**OTHER RECOMMENDATIONS:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

1. \_\_\_\_\_  
Co-Chair: Signature/Recommendation

2. \_\_\_\_\_  
Co-Chair: Signature/Recommendation

**SENATE COMMITTEE REPORT**  
FIRST COMMITTEE OF REFERRAL

DATE: 3/31/93

FURTHER: ( FINANCE )

Date of 5-Day Notice: 4/1/93  
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 4/13/93

HES Committee considered SB 181

"An Act relating to grants for school construction; and providing for an effective date."

and recommends it  
be replaced with

and recommends:

replace with \_\_\_\_\_ CS SB 181 (HES)

attaches amendment(s)

*+ maj repl it sh w/no rec*

- same title
- new title
- technical title change (HB only)

adopts \_\_\_\_\_ Letter of Intent

further referral to the \_\_\_\_\_

do pass

do not pass

no recommendation

individual recommendations

*270's*

**FISCAL NOTE INFORMATION**

Department	Date	Zero	Fiscal
<i>SB/CS</i> DCT+PF	<i>4/5/93</i>		<i>32759.1</i>
DCE	<i>4/5/93</i>		<i>50.0</i>

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

Governor's Bill with Previous Fiscal Notes (enter information above)

**DO PASS:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**OTHER RECOMMENDATIONS:**

*Mike Miller No Rec*  
*Duncan No Rec*  
*Drs. Salaf No Rec*  
*Drew A. Roman NR*  
*Bob Kemp No Rec*

*Steve Rice No Rec*  
Chair: Signature and Recommendation

HISTORY IN THE SENATE

1993

Read first time and referred to:

3/31

HES, FIN

4/13

HES RPT(1) CS DP 6 NR DNP AM  
 New Title Same Title Previous FN  
 2 FN OFN To *Amuse*

RPT( ) CS DP NR DNP AM  
 New Title Same Title Previous FN  
 FN OFN To

RPT( ) CS DP NR DNP AM  
 New Title Same Title Previous FN  
 FN OFN To

Rules Calendar( ) CS AM Other  
 New Title Same Title Previous FN  
 FN OFN

Read second time

CS Adopted ( ) New Title  
 Amended Advanced

Read third time

Letter of Intent adopted  
 Return to second for specific amendment

PASSED	EFD Same ___ or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Reconsideration

Reconsideration not taken up

PASSED	EFD Same ___ or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Reported correctly engrossed  
 Signed by President, to House

Secretary of the Senate

HISTORY IN THE HOUSE

19

Read first time and referred to:

RPT CS( ) New Title  
 DP DNP NR AM  
 FN OFN Previous FN

RPT CS( ) New Title  
 DP DNP NR AM  
 FN OFN Previous FN

RPT CS( ) New Title  
 DP DNP NR AM  
 FN OFN Previous FN

Read second time

CS( ) Adopted

Amended

Advanced

Read third time

Return to second for specific amendment

PASSED	EFD Same ___ or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Intent adopted

Reconsideration

Reconsideration not taken up

PASSED ON RECON.	EFD Same ___ or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Intent adopted

Reported correctly engrossed, signed by the Speaker  
 and returned to the Senate

Chief Clerk of the House

**SENATE-HOUSE HISTORY Continued**

<b>19</b>	<p>Received from the House Version: _____</p> <p>Concur in House amendment Y ___ N ___ E ___ A ___ _____ Efd same or Y ___ N ___ E ___ A ___</p> <p>Failed to concur in House amendment, ask House recede Y ___ N ___ E ___ A ___</p> <p>House failed to / receded from amendment Y ___ N ___ E ___ A ___</p> <p>CC appointed by Senate _____ Chair _____</p> <p>CC appointed by House _____ Chair _____</p> <p>(S) Granted Limited Powers of Free Conference</p> <p>(H) Granted Limited Powers of Free Conference</p>
-----------	--

<b>19</b>	<p>(S) Adopted CC Rpt _____ Y ___ N ___ E ___ A ___ _____ Efd same or Y ___ N ___ E ___ A ___</p> <p>(H) Adopted CC Rpt _____ Y ___ N ___ E ___ A ___ _____ Efd same or Y ___ N ___ E ___ A ___</p> <p>To enrolling Received from enrolling Sent to Governor</p> <p>_____ By Governor</p> <p>Chapter Number _____</p> <p>Filed with Lieutenant Governor</p>
-----------	---

# FISCAL NOTE

No. 2

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

Bill Version: SB 181

(S) Publish Date: 4-13-93

Revision Date: \_\_\_\_\_

Department Affected: Education

Title: An Act relating to grants for school construction and providing for an effective date.

BRU: Executive Administration

Sponsor: Senate Finance Committee

Component: CIP Overhead and Associated Costs

Requestor: Senate Finance Committee

COMPONENT SERIAL NO. 156

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	50.0	50.0	50.0	50.0	50.0	50.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>

<b>CAPITAL</b>						
----------------	--	--	--	--	--	--

<b>REVENUE FUND SOURCE:</b>						
-----------------------------	--	--	--	--	--	--

**FUNDING:**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	50.0	50.0	50.0	50.0	50.0	50.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>

**POSITIONS:**

FULL-TIME			
PART-TIME			
TEMPORARY			

Estimate of current year (FY93) impact: \$ \_\_\_\_\_

Changes in CS SB 181 (1993)  
reflect NO FISCAL CHANGE from the original  
fiscal note. This fiscal note is appropriate.

4/13/93 kh  
date Comte Aide (initial)

ANALYSIS: (Attach a separate page if necessary.)

(See Attached)

Prepared by: Gary M. Bader *Gary M. Bader*  
Division: Administrative Services

Phone: 465-2875  
Date: 4/8/93

Approved by Commissioner: \_\_\_\_\_ *Jerry Covey*  
Agency: Education

Date: 4-8-93

**PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE**

For further distribution information call the Governor's Legislative Office

FISCAL NOTE SB181

"An Act relating to grants for school construction: and providing for an effective date."

This bill would establish a grant review committee for school construction grants. This committee shall consist of the commissioner or appointed designee and five other people selected by the commissioner who have the following qualifications:

1. one person licensed under AS 08.48 as an engineer;
2. one person with a teaching certificate issued by the Department of Education
3. one person licensed as a construction contractor under AS 08.18
4. one person licensed under AS 48.48 as an architect
5. one person with five years of experience in facilities management

Members of the committee are to serve without compensation with the exception of the reimbursement of all related per diem and travel expenses.

The duty of this committee is to review grant applications. The applicants will be evaluated by such factors as emergency requirements; priorities assigned by the districts; new local elementary and secondary programs; existing regional, community and school facilities and their present condition; and alternate education program options.

It is assumed that DOT/PF will provide a standard regional design specification for the construction of schools for the arctic, interior, western and southeastern region of the state. For each school construction project for which a grant is requested under AS 14.11.011., the department shall determine which standard regional school design is applicable.

**Contractual:**

Contract with a school facilities expert to develop educational specifications and assist the department in conferring with DOT/PF in the development of prototypical school designs.

Total: \$50.0

**FISCAL NOTE**

Bill Version: SB181

(S) Publish Date: 4-13-93

Revision Date:  
Title: School Construction Grants

Department Affected: DOT&PF  
BRU: E&OS

Sponsor: Senate Finance Committee  
Requestor:

Component: Design. & Const. Stds.  
Component Serial Number: 547

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	25.0	25.9	26.8	27.7	28.7	29.7
CONTRACTUAL	59.1	61.1	63.2	65.3	67.6	69.9
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING:</b>	<b>84.1</b>	<b>87.0</b>	<b>90.0</b>	<b>93.0</b>	<b>96.3</b>	<b>99.6</b>

CAPITAL	32,675.0	0	0	0	0	0
---------	----------	---	---	---	---	---

REVENUE FUND SOURCE	0	0	0	0	0	0
---------------------	---	---	---	---	---	---

**FUNDING: (Thousands of Dollars)**

1002 FEDERAL RECEIPTS	0	0	0	0	0	0
1003 GF MATCH	0	0	0	0	0	0
1004 GF	32,759.1	87.0	90.0	93.0	96.3	99.6
1005 GF/PROGRAM RECEIPTS	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<b>TOTAL FUNDING:</b>	<b>32,759.1</b>	<b>87.0</b>	<b>90.0</b>	<b>93.0</b>	<b>96.3</b>	<b>99.6</b>

**POSITIONS**

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	**	0	0	0	0	0

Estimate of current year (FY93) impact: None

Changes in CS SB181 (HES) reflect NO FISCAL CHANGE from the original fiscal note. This fiscal note is appropriate.  
4/13/93 Wch

date 4/13/93 Comte Aide (initial) Wch

**ANALYSIS: (Attach a separate page if necessary)**

\*\* See page two (Fiscal Note Summary) for comments pertaining to staffing requirements. Monetary amounts shown for FY 95 and beyond have been inflated by 3.5% annually.

See attached summary and three page analysis for details and assumptions.

Prepared by: Roger W. Allington, Director

Phone: 465-2951

Division: Engineering and Operations Standards

Date: April 8, 1993

Approved by Commissioner: B.A. Campbell  
Bruce A. Campbell

Phone: 465-3900

Agency: Department of Transportation and Public Facilities

Date: April 8, 1993

ANALYSIS (cont. from page 1):

**Fiscal Note Analysis for SB 181**

**Fiscal Note Summary:**

The proposed legislation is anticipated to have the following impacts.

**Section 4 Impacts - FY 94 and 95 (Capital funds for design criteria, specs and prototypes)**

Expenditures: Personal services, contractual and travel costs total \$32.7MM.

Personnel: Depending on the required number of prototypes required and the magnitude of funding provided, additional CIP positions may be required.

**Section 5 Impacts - FY 94 and beyond (Operating funds for grant review committee activities inflated annually by 3.5%.)**

Expenditures: Personal services, contractual and travel costs of \$84,125.

Personnel: No additional personnel are anticipated for these projects.

**Program Description:**

The proposed bill would require the Department of Transportation and Public Facilities (DOT&PF) to consult with the Department of Education (DOE) in the development of standard regional school designs and specifications (per Sec. 4 of the proposed legislation). Additionally, it is anticipated that the department would be extensively involved in the grant review process (per Sec. 5 of the proposed legislation).

**Background Information Relating to the Proposed Legislation:**

Definition of the fundamental school construction (program) needs, appropriate design standards and concerns (criteria), and the minimum acceptable construction specifications together with the development of a series of *prototypical* school designs have long been a desire of many different entities within the State of Alaska. It is believed that -- when created -- these documents could be used to formulate a basis on which school construction grants would be funded.

**Program Implementation and Resulting Fiscal Impacts:**

Despite the fact that the bill contains an effective date, the program would likely "come on line" in somewhat of a staged process. Because sections 3 and 4 are fundamental to the other sections, the requirements of these sections will have to met before the full effect of the legislation will be apparent. Section 4 especially will require an extensive amount of time and effort (by both DOT&PF and the Department of Education) to complete the mandate design criteria, construction specifications and *prototype* designs. As all three elements are intertwined, it should be expected that they will be developed as a package as opposed to piecemeal elements. At a minimum eighteen months to two years should be allocated in the preparation of this component of the legislation. The costs of the developmental aspects associated with this "staged process" appear in the earlier portion (FY 94 and 95) of the fiscal note. Additionally, the anticipated monetary and manpower impacts of section 5, dealing with the "grant

review committee", are included in the FY94 and 95 and are carried into FY 96 and beyond.

### **Analysis and Assumptions:**

The following detailed analysis, covering the five sections of the bill and focusing on the department's specific areas of program involvement, was developed around the following assumptions.

- *Due to a lack of detail and the overall uncertainty of what is expected, the assumptions and resulting cost calculations are assumed to represent a "worse case" scenario.*
- *It is assumed that due to program differences (five in total), school size differences between communities in a given region (large districts VS. small) and the climatic conditions present in each of the four defined regions, that up to 36 prototype schools may have to be designed.*
- *Schools of less than 100 students are considered "small" schools for the purpose of this analysis.*
- *No departmental costs have been developed for the procurement or administration of the consultant contracts. The analysis recognizes that some costs will occur, but it also assumes that there will be some duplication of design effort amongst the 36 school types resulting in some design costs that can then be used to offset administrative costs.*
- *Costs shown in this report reflect a facility based prototype design cost approach. While not done at this time, some consideration towards a component/matrix design approach or perhaps a review of existing (or proposed) designs should be considered. This would allow for communities to build to a higher level of quality provided that the life cycle costs supported a higher initial capital cost.*

#### **Proposed Legislation Section 1 (page 1)**

No departmental comment as a result of this section.

#### **Proposed Legislation Section 2 (page 1)**

No departmental comment as a result of this section.

#### **Proposed Legislation Section 3 (page 2)**

No departmental comment as a result of this section.

#### **Proposed Legislation Section 4 (page 2)**

As a result of a lengthy discussion with the project manager <sup>1</sup> for the new middle school being constructed in Juneau, several new elements of information were presented. This information has been utilized to formulate a number of the preceding assumptions and in brief consists of the following.

- Bare bones cost for new middle school is \$15.1 MM, or \$166.30 / square foot or \$21,570 / student.
- Programmed (desired) square footage / student at a middle school is 150, actually being provide is 128.

---

<sup>1</sup> Comments were provided By Ms. Cathy Fritz, CBJ Architect and project manager for the \$15.1 million middle school (currently under construction) and a future \$40 million high school facility.

- Ratio of design costs to actual construction costs express as a percentage 7.3%
- Junior high and high school construction costs are \$44,444 / student or approximately 2.06 times the cost of elementary and middle school costs.
- Significant program differences exist between special ed., elementary, middle, jr. high and high school programs that it would necessitate the design of prototypes in each of these areas.

Combining this input together with the assumptions presented earlier would yield design costs for the 36 *prototype* schools as follows:

**FOR EACH REGION**

Elementary Schools (1): 600 students = 90,000 sq. ft. yields construction costs of	\$15.0MM
Elementary Schools (1): 100 students = 15,000 sq. ft. yields construction costs of	\$ 3.0MM
Middle Schools (1): 600 students = 90,000 sq. ft. yields construction costs of	\$15.0MM
Middle Schools (1): 100 students = 15,000 sq. ft. yields construction costs of	\$ 3.0MM
Jr. High Schools (1): 600 students = 2.06 times middle school const. costs, or	\$30.9MM
Jr. High Schools (1): 100 students = 2.06 times middle school const. costs, or	\$ 6.2MM
High Schools (1): 600 students = 2.06 times middle school const. costs, or	\$30.9MM
High Schools (1): 100 students = 2.06 times middle school const. costs, or	\$ 6.2MM
Special Ed Schools (1): 50 students = 10,000 sq. ft. yields construction costs of	<u>\$ 1.7MM</u>
Total anticipated <i>prototype</i> construction cost per region yields	\$111.9MM

When this is applied to the four regions described within Section 4 of the bill a total construction costs can be computed \$111.9 (4) yields \$447.6MM

And applying the Design/Construction Cost ratio of 7.3% to this total construction cost number yields the anticipate consultant costs \$32.67MM

**Proposed Legislation Section 5 (page 2)**

Regardless of whether or not DOT&PF personnel are used there will be a cost associated with the grant review process. The review process will require approximately two man months at three quarter time (approximately 275 man hours) of effort in each of the following professional areas:

**Personal Services/Contractual where:**

- "one person licensed under AS 08.48 as an engineer",
- "one person licensed under AS 08.48 as an architect",
- "one person shall have five years of experience in facilities management",

Costs associated with this phase include:

An Engineer at \$80/hour times 275 hours yields	\$22,000
An Engineer at \$75/hour times 275 hours yields	\$20,625
A Facility manager at \$60/hour times 275 hours yields	<u>\$16,500</u>
Total anticipated personal service costs are <sup>2</sup>	\$59,125

<sup>2</sup> Caliber of individuals depicted under this section of the analysis are commensurate with a range 22 position for the registered Architect and Engineer and a range 20 position for the Facility Manager.

Travel Expense for the three evaluators where:

• three trips are required for each evaluator to attend meetings directly associated with the ranking process	\$4,500
• a travel allowance to review and assess specific school facilities and to compare them against the individual school district/REAA grant request. Lump Sum	\$7,000
Associated per diem allowance (45 days/person @ \$100/day)	<u>\$13,500</u>
Total anticipated travel costs are	\$25,000

---

Total anticipated costs as associated with section 5 requirements \$82,125

---

Comparable costs to utilize DOT&PF personnel in lieu of outside consultants would total approximately \$42,000; however, availability of personnel is uncertain.

**FISCAL NOTE**

Revision Date: 4/13/93  
 Title: An Act Relating to grants for school construction, and providing for an effective date  
 Sponsor: Senate Finance Committee  
 Requestor:

Department Affected: DOT&PF  
 BRU: Eng. & Op. Stds.  
 Component: Design & Const. Stds.  
 Component Serial Number: 547

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES		0	0	0	0	0
TRAVEL	25.0	25.9	26.8	27.7	28.7	29.7
CONTRACTUAL	59.1	61.1	63.2	65.3	67.6	69.9
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING:</b>	<b>84.1</b>	<b>87.0</b>	<b>90.0</b>	<b>93.0</b>	<b>96.3</b>	<b>99.6</b>

CAPITAL	1,641.0	0	0	0	0	0
---------	---------	---	---	---	---	---

REVENUE FUND SOURCE	0	0	0	0	0	0
---------------------	---	---	---	---	---	---

**FUNDING: (Thousands of Dollars)**

1002 FEDERAL RECEIPTS	0	0	0	0	0	0
1003 GF MATCH	0	0	0	0	0	0
1004 GF	1,725.1	87.0	90.0	93.0	96.3	99.6
1005 GF/PROGRAM RECEIPTS	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<b>TOTAL FUNDING:</b>	<b>1,725.1</b>	<b>87.0</b>	<b>90.0</b>	<b>93.0</b>	<b>96.3</b>	<b>99.6</b>

**POSITIONS**

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	**	0	0	0	0	0

Estimate of current year (FY93) impact: None

**ANALYSIS: (Attach a separate page if necessary)**

\*\* See page two (Fiscal Note Summary) for comments pertaining to staffing requirements. Monetary amounts shown for FY 95 and beyond have been inflated by 3.5% annually.

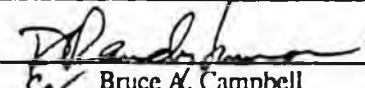
See attached summary and three page analysis for details and assumptions.

Prepared by: Roger W. Allington, Director

Phone: 465-2951

Division: Engineering and Operations Standards

Date: April 15, 1993

Approved by Commissioner: 

Phone: 465-3900

Agency: Department of Transportation and Public Facilities

Date: April 15, 1993

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE  
 For further distribution information call the Governor's Legislative Office

ANALYSIS (cont. from page 1):

**Fiscal Note Analysis for SB 181 CS**

**Fiscal Note Summary:**

The proposed legislation is anticipated to have the following impacts.

**Section 4 Impacts - FY 94 and 95 (Capital funds for design criteria, specs and prototypes)**

Expenditures: Personal services, contractual and travel costs total \$32.7MM.

Personnel: Depending on the extent of specifications required and the magnitude of funding provided, additional CJP positions may be needed.

**Section 5 Impacts - FY 94 and beyond (Operating funds for grant review committee activities inflated annually by 3.5%.)**

Expenditures: Personal services, contractual and travel costs of \$84,125.

Personnel: No additional personnel are anticipated for these projects.

**Program Description:**

The proposed bill would require the Department of Transportation and Public Facilities (DOT&PF) to consult with the Department of Education (DOE) in the development of standard regional school "specifications" (per Sec. 4 of the proposed legislation). Additionally, it is anticipated that the department would be extensively involved in the grant review process (per Sec. 5 of the proposed legislation).

**Background Information Relating to the Proposed Legislation:**

Definition of the fundamental school construction (program) needs, appropriate design standards and concerns (criteria), and the minimum acceptable construction specifications have long been a desire of many different entities within the State of Alaska. It is believed that -- when created -- these documents could be used to formulate a basis on which school construction grants would be funded.

**Program Implementation and Resulting Fiscal Impacts:**

Despite the fact that the bill contains an effective date, the program would likely "come on line" in somewhat of a staged process. Because sections 3 and 4 are fundamental to the other sections, the requirements of these sections will have to be met before the full effect of the legislation will be apparent. Section 4 especially, will require an extensive amount of time and effort (by both DOT&PF and the Department of Education) to complete the mandated design criteria and construction specifications. As both elements are intertwined, it should be expected that they will be developed as a package as opposed to piecemeal elements. At a minimum one year to eighteen months should be allocated in the preparation of this component of the legislation. The costs of the developmental aspects associated with this "staged process" appear in the earlier portion (FY 94) of the fiscal note. Additionally, the anticipated monetary and manpower impacts of section 5, dealing with the "grant review committee", are included in the FY94 and are carried into FY 95 and beyond.

## Analysis and Assumptions:

The following detailed analysis, covering the five sections of the bill and focusing on the department's specific areas of program involvement, was developed around the following assumptions.

- *Due to a lack of detail and the overall uncertainty of what is expected, the assumptions and resulting cost calculations are assumed to represent a "worse case" scenario.*
- *Given the language within line 12 on page 1 of the proposed legislation, it is assumed that the terminology "specification" which appears on page 2 lines 12, 13, and 17 is actually meant to include design criteria, construction specifications and cost estimates.*
- *It is assumed that due to program differences (five in total), differences in school size - between communities in a given region (large districts VS. small) and the climatic conditions present in each of the four defined regions, that up to 36 prototype schools may have to be specified.*
- *Schools of less than 100 students are considered "small" schools for the purpose of this analysis.*
- *Costs shown in this report reflect a facility based prototype design cost approach. While not done at this time, some consideration towards a component/matrix design approach or perhaps a review of existing (or proposed) designs should be considered. This would allow for communities to build to a higher level of quality provided that the life cycle costs supported a higher initial capital cost.*

### Proposed Legislation Section 1 (page 1)

No departmental comment as a result of this section.

### Proposed Legislation Section 2 (page 1)

No departmental comment as a result of this section.

### Proposed Legislation Section 3 (page 2)

No departmental comment as a result of this section.

### Proposed Legislation Section 4 (page 2)

It is anticipated that "basic" design criteria, construction specifications and associated cost estimates would be developed for each of the following scenarios. This set of basic parameters would then be expanded to include factors for climate, structural loading issues, seismic constraints and foundation considerations.

#### Types of facilities under consideration:

Elementary Schools (I): 600 students = 90,000 sq. ft. yields construction costs of \$15.0MM

Elementary Schools (I): 100 students = 15,000 sq. ft. yields construction costs of \$ 3.0MM

Middle Schools (I): 600 students = 90,000 sq. ft. yields construction costs of \$15.0MM

Middle Schools (I): 100 students = 15,000 sq. ft. yields construction costs of \$ 3.0MM

Jr. High Schools (I): 600 students = 2.06 times middle school const. costs, or \$30.9MM

Jr. High Schools (I): 100 students = 2.06 times middle school const. costs, or \$ 6.2MM

High Schools (I): 600 students = 2.06 times middle school const. costs, or \$30.9MM

High Schools (1): 100 students = 2.06 times middle school const. costs, or \$ 6.2MM  
 Special Ed Schools (1): 50 students = 10,000 sq. ft. yields construction costs of \$ 1.7MM

At a minimum an architect, a structural engineer, a mechanical engineer and an electrical engineer would be heavily involved in the process. From time to time a cost estimator would be called in for assistance. It is anticipated that the process would also involve a good deal of effort on the parts of a DOT&PF project manager and a DOE programming person. It is estimated tak approximately 1.5 years to complete the task.

Hence the following costs:

<b>Manpower costs (for 1.5 years of professional service efforts):</b>	
Architect = 3000 hours @ \$85/ hour yields	\$255,000
Structural Engineer = 3000 hours @ \$100/ hour yields	\$300,000
Mechanical Engineer = 3000 hours @ \$90/ hour yields	\$270,000
Electrical Engineer = 3000 hours @ \$90/ hour yields	\$270,000
Cost Estimator = 300 hours @ 100/ hour yields	\$ 30,000
<b>Allowance for support staff: (for architects and engineers):</b>	
Secretary and technical support staff 6000 hours @ \$35/ hour yields	\$210,000
<b>Allowance for professional staff travel: (for architects and engineers):</b>	
A lump Sum allowance of	<u>\$ 30,000</u>
<b>Subtotal of costs associated with professional services activities</b>	<b>\$1,365,000</b>
<b>Manpower costs (for 1.5 years of DOT&amp;PF Design Manager efforts):</b>	
Range 22 C position = 3000 @ \$42/ loaded hourly rate yields	\$126,000
<b>Allowance for travel, procurement expenses and support services</b>	
Allowance is based upon 5% of project costs, yields	<u>\$150,000</u>
<b>GRAND TOTAL OF COSTS (EXCLUDING DOE MANPOWER COSTS)</b>	<b>\$1,641,000</b>

### Proposed Legislation Section 5 (page 2)

Regardless of whether or not DOT&PF personnel are used there will be a cost associated with the grant review process. The review process will require approximately two man months at three quarter time (approximately 275 man hours) of effort in each of the following professional areas:

**Personal Services/Contractual where:**

- "one person licensed under AS 08.48 as an engineer",
- "one person licensed under AS 08.48 as an architect",
- "one person shall have five years of experience in facilities management",

**Costs associated with this phase include:**

An Engineer at \$80/hour times 275 hours yields	\$22,000
An Engineer at \$75/hour times 275 hours yields	\$20,625
A Facility manager at \$60/hour times 275 hours yields	<u>\$16,500</u>
<b>Total anticipated personal service costs are <sup>1</sup></b>	<b>\$59,125</b>

<sup>1</sup> Caliber of individuals depicted under this section of the analysis are commensurate with a range 22 position for the registered Architect and Engineer and a range 20 position for the Facility Manager. Comparable costs to utilize DOT&PF personnel in lieu of outside consultants would total approximately \$42,000; however, availability of personnel is uncertain.

**Travel Expense for the three evaluators where:**

- three trips are required for each evaluator to attend meetings directly associated with the ranking process \$4,500
  - a travel allowance to review and assess specific school facilities and to compare them against the individual school district/REAA grant request. Lump Sum \$7,000
- Associated per diem allowance (45 days/person @ \$100/day) \$13,500
- Total anticipated travel costs are \$25,000

---

**Total anticipated costs as associated with section 5 requirements \$82,125**

# FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. CSSB 181 (HES)

Revision Date: \_\_\_\_\_ Dept. Affected: EDUCATION  
 Title: An Act relating to grants for school construction: BRU: Executive Administration  
and providing for an effective date. Component: CIP Overhead and Associated Costs

Sponsor: Senate Finance Committee  
 Requestor: Senate Finance Committee COMPONENT SERIAL NO. 156

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES						
TRAVEL	6.0	6.0	6.0	6.0	6.0	6.0
CONTRACTUAL	50.0	50.0	50.0	50.0	50.0	50.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>56.0</b>	<b>56.0</b>	<b>56.0</b>	<b>56.0</b>	<b>56.0</b>	<b>56.0</b>

<b>CAPITAL</b>						
----------------	--	--	--	--	--	--

<b>REVENUE FUND SOURCE:</b>						
-----------------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	56.0	56.0	56.0	56.0	56.0	56.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other: 1061 CIP Receipts						
<b>TOTAL</b>	<b>56.0</b>	<b>56.0</b>	<b>56.0</b>	<b>56.0</b>	<b>56.0</b>	<b>56.0</b>

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary)

(SEE ATTACHED)

Prepared by: Gary M. Bader Phone: 465-2875  
 Division: Administrative Services Date: 4-15-93

Approved by Commissioner: Shula Pitterson for Mike Walker Date: 4/16/93  
 Agency: Department of Education

**PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE**

For further distribution information call the Governor's Legislative Office

## FISCAL NOTE CSSB 181 (HES)

"An Act relating to grants for school construction: and providing for an effective date."

This bill would establish a grant review committee for school construction grants. This committee shall consist of the commissioner or appointed designee and five other people selected by the commissioner who have the following qualifications:

1. one person licensed under AS 08.48 as an engineer
2. one person with a teaching certificate issued by the Department of Education
3. one person licensed as a construction contractor under AS 08.18
4. one person licensed under AS 48.48 as an architect
5. one person with five years of experience in facilities management

Members of the committee are to serve without compensation with the exception of the reimbursement of all related per diem and travel expenses.

The duty of this committee is to review grant applications. The applicants will be evaluated by such factors as emergency requirements; priorities assigned by the districts; new local elementary and secondary programs; existing regional, community and school facilities and their present condition; and alternate education program options.

It is assumed that DOT/PF will provide a standard regional design specification for the construction of schools for the arctic, interior, western, and southeastern region of the state. For each school construction project for which a grant is requested under AS 14.11.011, the department shall determine which standard regional school design specification is applicable.

### Travel:

Teacher member of evaluation committee:

3 trips x \$500.00	\$1.5
45 days of per diem at \$100 per day	<u>\$4.5</u>
Total Travel	\$6.0

### Contractual:

Contract with a school facilities expert to develop educational specifications and assist the department in conferring with DOT/PF in the development of standard regional design specifications.

Total	\$50.0
-------	--------

**SPONSOR STATEMENT  
FOR  
SENATE BILL NO. 181**

The continued development and maintenance of Alaska's educational infrastructure has become an increasingly important issue in Alaska. Several approaches have been suggested to resolve our current problems in constructing and maintaining Alaska's schools, but all of these approaches sacrifice a long term solution in favor of short term spending plans. Senate Bill 181 is part of a three-bill package which proposes a long term solution to constructing and maintaining Alaska's educational infrastructure.

As serious consideration was being given this year to the list of school construction, maintenance, and repair projects assembled by the Department of Education (DOE), several problems with the way this list is assembled became apparent. Priorities were established in the DOE regulations which were not intended in the enabling legislation (HB37). Review of projects were completed by individuals with little or no background in school construction and maintenance. Also there was a great deal of variance in both scope and cost between projects which were intended to solve the same educational infrastructure problem for a similar number of students. This bill attempts to solve several of these observed problems.

Senate Bill 181 requires the Department of Education, in cooperation with the Department of Transportation, to establish standard school designs for the four climatic regions of Alaska. These school designs would be structured so that they could be expanded incrementally to accommodate additional students. A grant review committee is established which will be responsible for selecting the school construction and maintenance projects. This committee will include the Commissioner of DOE, an engineer, a construction contractor, an architect, a facility manager, and a certified educator. Past criteria used to prioritize schools on the DOE list are replaced so that urban and rural school priorities are placed on an even plane.

There are two companion bills to SB 181. Senate Joint Resolution No. 30 proposes the establishment of a constitutional school construction and maintenance fund. Senate Bill No. 180 reestablishes reimbursement of school construction debt for a limited period of time with specific borrowing caps established for Alaskan communities.



Department of Transportation  
and Public Facilities

# POSITION PAPER

BILL NO: SB 181

APPROVED: B.A. Campbell  
oe

TITLE: School Construction Grants

DATE: 04/08/93

This bill could develop into a reasonable and appropriate response to the need for adequately funding and controlling the costs of school construction within the State of Alaska. Costs associated with school construction -- under the proposed legislation -- are significant, and it is impossible for DOT&PF to take a "Pro" or "Con" position without further direction and information from the sponsoring legislators and the Department of Education. As such the department's associated Fiscal Note is based almost exclusively upon assumptions, some of which may be incorrect. For these reasons, and recognizing the significant impact associated to the department, I would like to reserve the opportunity to provide additional input on this bill as its development progresses.

2. **SB181. Relating to Grants for School**

**Construction** This legislation amends the "current" school construction program as follows:

**Section 1:** A "Review Committee" will establish priorities for school construction; DOE will recommend grants based on Committee's priorities.

**Section 2:** Adds language to restrict grants to only those that meet specific design criteria applicable to the project.

**Section 3:** Adds legal reference to review committee duties in Sec. 5.

**Section 4:** Adds new subsection

- DOE to consult with DOT/PF to develop 4 standard regional design specs; arctic, interior, western, and southeastern.
- DOE to determine which design is applicable to projects.

**Section 5:** Adds new subsection establishing a "Grant Review Committee" with the following duties:

- Consists of the Commissioner of DOE and 5 other members; engineer, certified teacher, construction contractor, architect, and facilities manager with at least five years experience.
- Committee to review priorities with consideration of factors.

**Section 6:** July 1, 1993 effective date clause.