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FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: February 25, 1998

FURTHER REFERRALS:

Date of Committee Action: 4/24/98

The FINANCE Committee considered:

HB 313

HOUSE BILL NO. 313

PREVENTATIVE MAINTENANCE REQUIREMENT

"An Act relating to preventive maintenance programs required for certain state grants; and providing for an effective date."

recommends it be replaced with the following committee substitute CS HB 313 (FIN) the same title a new title

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____ APPROVES PREVIOUS: (Dept/Date) _____
 fiscal note(s) _____ fiscal note(s) DOE 2/25/98
 zero fiscal note(s) _____ zero fiscal note(s) GOR - 2/25/98

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
	Therriault	X			
	Martin	X			
	Davis	X			
	Gussendorf	X			
	G. Davis	X			
	Foster	X			
	Mulder	X			
	Hanley	X			

CHAIR'S SIGNATURE Gene Therriault Mark Hanley
 CO-Chairs Therriault Hanley

FISCAL NOTE

No: 2

STATE OF ALASKA
1998 LEGISLATIVE SESSION

Bill Version: CSHB 313 (STA)
(H) Publish Date: 2/25/98

Revision Date _____	Dept. Affected <u>Education</u>
Title <u>Preventive Maintenance Programs</u>	BRU <u>School Finance</u>
	Component <u>Educational Facilities</u>
Sponsor <u>House Rules-Deferred Maintenance Task Force</u>	<u>Support</u>
Requester <u>House State Affairs</u>	Component Serial No. <u>1957</u>

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services	75.7	37.9				
Travel	3.6	1.8				
Contractual	4.0					
Supplies	1.0					
Equipment	4.0					
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	88.3	39.7	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
1002 Federal Receipts						
1003 GF Match						
1004 GF	88.3	39.7				
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	88.3	39.7	0.0	0.0	0.0	0.0

Estimate of any current year (FY98) cost:

POSITIONS

POSITIONS	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Full-time	1	1				
Part-time						
Temporary	1	1				

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

This legislation mandates additional preventive maintenance program requirements be required elements in determining project eligibility for funding. This fiscal note provides a new architect assistant position to provide for: evaluation of existing district programs, feedback, district training, and support in adapting to the the new requirements set forth by this bill. The position would also work through the necessary regulatory revisions needed to implement the statutes. The requirement for this results from the major shift in eligibility this bill mandates. Given the stringent nature of the requirements and the effect they would have on all projects being submitted by each district, transition assistance is needed.

Prepared by <u>Michael Morgan, PMP</u>	Phone <u>465-1858</u>
Division <u>Education Support Services, Education, Facilities Support</u>	Date <u>2/4/98</u>
Approved by <u>Shirley J. Holloway, Ph.D., Commissioner</u>	Date <u>2/4/98</u>
Agency <u>Department of Education</u>	

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COMMITTEE COPY

FISCAL NOTE

No: 1

STATE OF ALASKA
1998 LEGISLATIVE SESSION

Bill Version: CSHB 313 (STA)

(H) Publish Date: 2/25/98

Revision Date (Note if correction) _____	Dept. Affected	Education, Admin.
Title <u>An Act relating to preventive maintenance</u>	BRU	_____
<u>programs required for certain state grants.</u>	Component	_____
Sponsor <u>Rules Committee</u>	_____	_____
Requester <u>House State Affairs Committee</u>	Component Serial No.	_____

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY98) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would not have a significant fiscal impact on any state agency.

Prepared by	Annalee McConnell, Director <i>Annalee McConnell</i>	Phone	465-4660
Division	Office of Management and Budget	Date	1/30/98
Approved by	Commissioner Jim Ayers, Chief of Staff <i>Jim Ayers</i>	Date	_____
Agency	Office of the Governor		

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Amended
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CS FOR HOUSE BILL NO. 313(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered: 2/25/98
Referred: Finance

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE DEFERRED MAINTENANCE TASK FORCE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to preventive maintenance programs required for certain state
2 grants; and providing for an effective date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * Section 1. AS 14.11.011(b) is amended to read:

5 (b) For a municipality that is a school district or a regional educational
6 attendance area to be eligible for a grant under this chapter, the district shall submit

7 (1) a six-year capital improvement plan that includes a description of
8 the district's fixed asset inventory system and preventive maintenance program no later
9 than September 1 of the fiscal year before the fiscal year for which the request is
10 made; the six-year plan must contain for each proposed project a detailed scope of
11 work, a project budget, and documentation of conditions justifying the project;

12 (2) evidence that the district has secured and will maintain adequate
13 property loss insurance for the replacement cost of all facilities for which state funds
14 are available under AS 14.11.005 or 14.11.007 or has a program of insurance

1 acceptable to the department; [AND]

2 (3) evidence acceptable to the department that the proposed project
3 should be a capital improvement project and not part of a preventive maintenance
4 program or regular custodial care program; and

5 (4) evidence acceptable to the department that the district

6 (A) has a preventive maintenance plan that

7 (i) includes a computerized maintenance management
8 program, cardex system, or other formal systematic means of
9 tracking the timing and costs associated with planned and
10 completed maintenance activities, including scheduled preventive
11 maintenance;

12 (ii) addresses energy management for buildings
13 owned or operated by the district;

14 (iii) includes a regular custodial care program for
15 buildings owned or operated by the district;

16 (iv) includes preventive maintenance training for
17 facility managers and maintenance employees;

18 (v) includes renewal and replacement schedules for
19 electrical, mechanical, structural, and other components of facilities
20 owned or operated by the district; and

21 (B) is adequately adhering to the preventive maintenance

22 plan.

23 * Sec. 2. AS 37.06.010 is amended by adding a new subsection to read:

24 (j) Before the department may pay a draw under this section to a municipality,
25 the department shall have evidence acceptable to the department that the municipality

26 (1) has a preventive maintenance plan that

27 (A) includes a computerized maintenance management program,
28 cardex system, or other formal systematic means of tracking the timing and
29 costs associated with planned and completed maintenance activities, including
30 scheduled preventive maintenance;

31 (B) addresses energy management for buildings owned or

1 operated by the municipality;

2 (C) includes a regular custodial care program for buildings
3 owned or operated by the municipality;

4 (D) includes preventive maintenance training for facility
5 managers and maintenance employees;

6 (E) includes renewal and replacement schedules for electrical,
7 mechanical, structural, and other components of facilities owned or operated by
8 the municipality; and

9 (2) is adequately adhering to the preventive maintenance plan.

10 * Sec. 3. AS 37.06.020 is amended by adding a new subsection to read:

11 (I) Before the department may pay a draw under this section to an entity, the
12 department shall have evidence acceptable to the department that the entity

13 (1) has a preventive maintenance plan that

14 (A) includes a computerized maintenance management program,
15 cardex system, or other formal systematic means of tracking the timing and
16 costs associated with planned and completed maintenance activities, including
17 scheduled preventative maintenance;

18 (B) addresses energy management for public buildings owned
19 or operated by the entity;

20 (C) includes a regular custodial care program for public
21 buildings owned or operated by the entity;

22 (D) includes preventive maintenance training for managers of
23 public facilities owned or operated by the entity and maintenance employees;

24 (E) includes renewal and replacement schedules for electrical,
25 mechanical, structural, and other components of public facilities owned or
26 operated by the entity; and

27 (2) is adequately adhering to the preventive maintenance plan.

28 * Sec. 4. This Act takes effect July 1, 1999.

ALASKA STATE LEGISLATURE

Rep. Eldon Mulder, Co-Chair
Rep. Kim Elton
Rep. Richard Foster
Rep. Jeannette James
Rep. Beverly Masek
Rep. Gail Phillips



Sen. Tim Kelly, Co-Chair
Sen. Loren Leman
Sen. Georgianna Lincoln
Sen. Robin Taylor
Sen. Gary Wilken
Sen. Mike Miller

DEFERRED MAINTENANCE TASK FORCE

Capitol Building, Room 501 • Juneau, Alaska 99801 • Phone (907) 465-2647 • FAX (907) 465-3518

Sponsor Statement

House Bill 313 *Proposed Committee Substitute*

Required Preventive Maintenance Programs

HB 313 requires that every agency and school district have in place a preventive maintenance program prior to it being able to receive any funding for deferred maintenance, renovation or replacement funds from the state.

The preventive maintenance plan would include:

- a computerized maintenance management program, *or other organized preventive maintenance program*
- energy management,
- custodial care,
- training of facility managers and employees, and
- renewal and replacement schedules.

The Deferred Maintenance Task Force determined that the best way to prevent a reoccurrence of deferred maintenance was be proactive in maintenance. It recommended that the carrot for accomplishing this goal was withholding funds identified as needed by the Task Force until the preventive maintenance programs are in place and working.

Section 1 requires school districts and regional education attendance areas must have preventive maintenance programs in place prior to receiving maintenance or construction funds. The district is required to provide evidence to the Department of Education that the plan is in place and operating

Section 2 requires that a municipality must have a preventive maintenance program in place before it draws any state funds. The

Sponsor Statement
House Bill 313

municipality is required to provide evidence of the preventive maintenance program to the Department of Administration.

Section 3 requires that an unincorporated community must have a preventive maintenance program in place before it can receive capital matching grant programs. The unincorporated community is required to provide evidence of the preventive maintenance program to the Department of Community and regional affairs.

Section 4 provides for an effective date of *July 1, 1999*.