

**HB**

**315**

**HFIN**

**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 315

HOUSE BILL NO. 315

OPERATING APPROPRIATIONS FOR MAINTENANCE

"An Act relating to operating appropriations for annual maintenance and repair and periodic renewal and replacement of public buildings and facilities; and providing for an effective date."

recommends it be replaced with the following committee substitute CSHB 315 (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) \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_  zero fiscal note(s) DOE, GOV. 2/25/98

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>Gene Therriault</i> Therriault	X			
<i>Mark Hanley</i> Hanley	X			
<i>John Grossendort</i> Grossendort	X			
<i>Allen Mulder</i> Mulder	X			
<i>Terry Martin</i> Martin	X			
<i>John J. Davies</i> J. DAVIES	X			
<i>G. Davis</i> G. DAVIS	X			
<i>R. Foster</i> FOSTER	X			

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

# FISCAL NOTE

No: 2

STATE OF ALASKA  
1998 LEGISLATIVE SESSION

Bill Version: CSHB 315 (STA)

(H) Publish Date: 2/25/98

Revision Date (Note if correction) _____	Dept. Affected <u>All state agencies</u>
Title <u>An Act relating to operating appropriations for annual maintenance and repair...of public buildings.</u>	BRU _____
Sponsor <u>Rules Committee</u>	Component _____
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						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ( )						
------------------------	--	--	--	--	--	--

**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						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	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 <u>Annalee McConnell, Director</u>	Phone <u>465-4660</u>
Division <u>Office of Management and Budget</u>	Date <u>1/30/98</u>
Approved by Commissioner <u>Jim Ayers, Chief of Staff</u>	Date _____
Agency <u>Office of the Governor</u>	

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

For further distribution information, call the Governor's Legislative Office

**COMMITTEE COPY**

# FISCAL NOTE

No: 1

STATE OF ALASKA  
1998 LEGISLATIVE SESSION

Bill Version: CSHB 315 (STA)  
(H) Publish Date: 2/25/98

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

**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						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0

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

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**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						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	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)*

As currently written, the bill does not require the department to fully fund maintenance and renovation and renewal. The current requirements of the bill would have little or no fiscal impact to the department. However, if required to fully fund both the maintenance and facility renovation and renewal requirements of all department facilities, there would be a significant increase over the current budget.

Prepared by <u>Michael Morgan, PMP</u>	Phone <u>465-1858</u>
Division <u>Education Support Services, Educational 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>	

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

# 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 Lemman  
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 315** *Proposed Committee Substitute*

## **Separate Appropriation for Maintenance**

The Deferred Maintenance Task Force repeatedly heard from facility managers that they felt the legislature had not adequately funded the maintenance component of the budget. It also heard from Finance Committee members and staff that agencies were moving funds intended for maintenance to increase program operations in defiance of legislative intent. As long as both facility maintenance and program operations are funded in the same line item appropriation, this debate will continue. This debate has resulted in poor maintenance of public assets.

This bill requires a separate appropriation for maintenance. That will limit the use of those funds to maintenance. Agencies will need to determine the need for maintenance funding. The budget subcommittees will need to consider and decide the amount of funding that will be allocated to maintenance.

This bill will require debate at the appropriation stage of funding. It will eliminate the current finger pointing exercise when assets are not cared for.

Section 1 amends the executive budget act to require the proposed budget will present, separately, the annual appropriation for maintenance, repair, renewal and replacement of public buildings and facilities.

Section 2 adds definitions of "maintenance and repair" and "renewal and replacement".

Section 3 provides an effective date of July 1, 1998.

Am i  
Conceptual to  
add where  
needed

**CS FOR HOUSE BILL NO. 315(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 operating appropriations for facility operations, maintenance  
2 and repair, and renewal and replacement of public buildings and facilities; and  
3 providing for an effective date."

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

5 \* Section 1. AS 37.07.020 is amended by adding a new subsection to read:

6 (e) The budget prepared under (a) of this section must present the proposed  
7 operating expenditures for each agency for annual facility operations, annual  
8 maintenance and repair, and periodic renewal and replacement of public buildings and  
9 facilities separately from the other proposed operating expenditures by the agency.  
10 Proposed annual appropriations for an agency's facility operations, maintenance and  
11 repair, and renewal and replacement ~~for~~ components of public buildings and facilities contained in an  
12 appropriation bill prepared under (a) of this section must be presented separately from  
13 appropriations for other proposed operating expenditures by the agency.

14 \* Sec. 2. AS 37.07.120 is amended by adding new paragraphs to read:

1                   (8) "facility operations" means activities and expenses relating to the  
2 day-to-day operations of a building or facility, including utilities, janitorial service,  
3 security service, snow removal, and direct supervision of related maintenance activities;

4                   (9) "maintenance and repair" means the day-to-day scheduled and  
5 preventive maintenance effort, including minor repair work, required to keep a building  
6 or facility operational and in a continuous state of readiness;

7                   (10) "renewal and replacement" means the scheduled replacement of  
8 worn-out major building components and the replacement or retrofitting of obsolete  
9 or inefficient building systems in order to maintain or extend the life of a building or  
10 facility.

11 \* Sec. 3. This Act takes effect July 1, 1998.