

**HB**

**313**

# HOUSE COMMITTEE REPORT

(7)  
Date Referred to Committee: January 12, 1998

FURTHER REFERRALS:

Finance

Date of Committee Action: 2/21/98

The STATE AFFAIRS 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 CSHB 313 (STA)  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) DOE  fiscal note(s) \_\_\_\_\_

zero fiscal note(s) DOE  zero fiscal note(s) \_\_\_\_\_

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>Janette James</i>	✓			
<i>[Signature]</i>			✓	
<i>[Signature]</i>			✓	
<i>[Signature]</i>			✓	
<i>[Signature]</i>			✓	
<i>[Signature]</i>			✓	

CHAIR'S SIGNATURE *Janette James*

# Summary of Deferred Maintenance Bills in House State Affairs Committee

February 20, 1998

## **HCR 24:** (MOVED from State Affairs 2/5/98)

Requests the Department of Education to develop prototype schools and incentives for districts to use them to save time and money, and requests a report to the legislature by March 1, 1998, of any statutory changes that may be needed to accomplish this goal.

## **HB 312:** (MOVED from State Affairs 2/17/98)

Establishes the Public Facilities Financing Corporation (PFFC) in the Department of Revenue, as a public corporation to fund deferred maintenance of public facilities through the sale of bonds for projects authorized by the legislature.

Provides for an advisory vote on moving funds from the Constitutional Budget Reserve to the Build Alaska Fund in an amount recommended by the Finance Committee in HB 314.

## **HB 313:** (Hearing in State Affairs 2/21/98)

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

## **HB 315:** (Hearing in State Affairs 2/21/98)

Amends the executive budget act to require that each proposed budget include a separate appropriation request for maintenance, repair, renewal, and replacement of public buildings and facilities.

# STATE OF ALASKA

TONY KNOWLES, GOVERNOR

## DEPARTMENT OF EDUCATION

### EDUCATION SUPPORT SERVICES / FACILITIES

GOLDBELT PLACE  
801 WEST 10TH STREET, SUITE 200  
JUNEAU, ALASKA 99801-1894

(907) 465-1858  
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TO: House State Affairs

FROM: Michael Morgan, PMP  
Facilities Manager

DATE: February 4, 1998

SUBJECT: Amendments to HB 313, Preventive Maintenance Programs

\*\*\*\*\*

The following amendments are suggested for HB 313:

Section 1

- 1) Add: (4)(A)(i) ...program, cardex system, or other formal systematic means of tracking the timing and costs associated with planned and completed maintenance activities, including scheduled preventive maintenance

This change allows districts an option other than computers to manage their maintenance/preventive maintenance and, renewal and replacement programs.

\*\*\*\*\*

- 2) Delete: (4)(A)(ii) ...for [all] buildings ...
- 3) Delete: (4)(A)(iii) ...for [all] buildings ...

These changes remove this consideration from the position of "absolutely everything or nothing" when determining project eligibility for funding.

\*\*\*\*\*

- 4) Change: (4)(A)(iv) ... facility mangers and maintenance employees [with maintenance duties]; ...

This change focuses on those with primary responsibility for maintenance, as opposed to those who may just have incidental maintenance duties, e.g. custodians.

\*\*\*\*\*

5) Delete: (4)(A)(v) ...and other components of [all] facilities  
Section 2 and 3

This change removes this requirement from the position of "absolutely everything or nothing" when determining project eligibility for funding.

\*\*\*\*\*

If the intent of this is to require this on all school projects, then this change would be appropriate:

Change AS 37.06.010, AS 37.06.020, AS 37.05.315, 316, and 317 to match.

\*\*\*\*\*

Section 4 Change the effective date to July 1, 1999.

The department's preference for this bill would be to move this entire section, with proposed changes, from AS 14.11.011 to a new sub-section of AS 14.11.013, (b)(7). This would move it from the eligibility consideration to the ranking arena. Practically, this would mean that if a district missed one of the criteria on a technicality or due to poor paperwork, their entire group of projects would not be rejected and omitted from the list, but they would just rank lower than they might have otherwise. This would also mitigate the fiscal impact currently forecast.

# 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

## 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,
- 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 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, 1998.

# ALASKA STATE LEGISLATURE

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## 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*.

**CS FOR HOUSE BILL NO. 313( )**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTIETH LEGISLATURE - SECOND SESSION**

**BY**

**Offered:  
Referred:**

**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.

# FISCAL NOTE

STATE OF ALASKA  
1998 LEGISLATIVE SESSION

BILL NO. HB 313

Revision Date (Note if correction) \_\_\_\_\_ Dept. Affected Education, Admin.  
 Title An Act relating to preventive maintenance BRU \_\_\_\_\_  
programs required for certain state grants. Component \_\_\_\_\_  
 Sponsor Rules Committee \_\_\_\_\_  
 Requester House State Affairs Committee 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>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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

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

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 *Ann McConnell* Phone 465-4660  
 Division Office of Management and Budget Date 1/30/98  
 Approved by Commissioner Jim Ayers, Chief of Staff *J. Ayers* Date \_\_\_\_\_  
 Agency Office of the Governor

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# FISCAL NOTE

STATE OF ALASKA  
1998 LEGISLATIVE SESSION

BILL NO. HB 313

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						
<b>TOTAL OPERATING</b>	<b>88.3</b>	<b>39.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	88.3	39.7				
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>88.3</b>	<b>39.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY98) cost:

**POSITIONS**

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 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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